


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	23-376	Meeting:	August 7, 2023
	Agenda Item:	49	Roll Call:	23-1108
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Hold hearing for conveyance of City-owned property to Q Enterprises LLC for rehabilitation of housing.

SYNOPSIS:

The City has requested and been issued the tax sale deed of 29 Hartford Avenue and has an agreement with Q Enterprises LLC (Eric Quiner, Manager/CEO, 4840 NW Piekenbrock Drive, Des Moines, Iowa 50310) to take ownership and rehabilitate the property for housing. This action it to hold the hearing and consider sale of the property to Q Enterprises LLC.

FISCAL IMPACT:

Amount: \$30,000

Funding Source: NS046000/496025

ADDITIONAL INFORMATION:

- In the winter of 2023, Neighborhood Services sought a list of properties with open tax sale certificates held by Polk County and had structures on them. In reviewing the list, four (4) were identified as vacant and good candidates for City intervention because of their condition and large number of special assessments and taxes encumbering the properties.
- Prior to requesting the tax sale certificates, the City sent the short list of identified properties out to developers to see if there was interest in the properties. The conditions of the properties are near nuisance, and it was important to ensure that if the City secured deed that there was likely a rehabber to acquire the property. Multiple developers responded to the request for letters of interest.
- In February 2023, the City acquired the tax sale certificate for 29 Hartford Avenue and began the notice process to secure the tax sale deed.
- In the spring, Neighborhood Services ran a request for proposals process to seek qualified rehabbers to acquire the property. Two (2) proposals came in for 29 Hartford Avenue. Q Enterprises LLC made the highest offer price of \$30,000.

- Without City intervention, new ownership and rehabilitation were unlikely for this property. Including the tax sale certificate, the property had \$83,814.08 in unpaid taxes and special assessments.
- Within the redevelopment proposal, Q Enterprises LLC has provided the Neighborhood Services Department with a draft budget for the redevelopment of the property. Q Enterprises LLC anticipates investing an additional \$120,000 in the rehabilitation of the property prior to resale as a single-family home. They also anticipate a resale price of approximately \$180,000 based on the size of the home and local market.
- This property was part of the tax sale and had been vacant and tax delinquent for multiple years. Redevelopment of this property remediates a blighted property that has had weed, junk and debris issues for multiple years. In addition, rehabilitation of this property supports preserving the neighborhood's housing stock. Until the home is fully renovated, Q Enterprises LLC will be the owner of and provide maintenance and mowing of the property.

PREVIOUS COUNCIL ACTION(S):

Date: July 17, 2023

Roll Call Number: [23-0993](#)

Action: **On** conveyance of 29 Hartford Avenue to Q Enterprises LLC for rehabilitation of housing, \$30,000, (8-7-23). Moved by Gatto to adopt. Second by Boesen. Motion Carried 6-1. Absent: Sheumaker.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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