

COUNCIL COMMUNICATION

	Number:	24-013	Meeting:	January 8, 2024
	Agenda Item:	25	Roll Call:	24-0050
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Resolution authorizing bidding at Sheriff’s sale (1401 E 12th Street)

SYNOPSIS:

Approval to bid above the value of the City lien, if necessary, at the January 9th Sheriff’s sale.

FISCAL IMPACT:

Amount: To be determined by closed session..

Funding Source: Neighborhood Services Department Budget Org Code: CDB06722, Object Code: 541010 (Expenses) and Neighborhood Services Department Budget Org Code: CDB06722, Object Code: 482450 (Income)

ADDITIONAL INFORMATION:

- The City of Des Moines filed a public nuisance lawsuit (Case No. EQCE077953) and obtained a judgment in 2016 against Olivet University. A lien of enforcement and court costs encumbers the real property located at 1401 E 12th Street in the Capital Park Neighborhood in Des Moines (“Property”);
- The original amount of the City judgement was: \$231,888.68 and the amount due with court costs and interest as of August 4, 2023, was \$241,019.58.
- The City has filed the necessary paperwork to execute on its judgement lien and initiate the associated Sheriff’s sale. The Sheriff sale has fees of \$369.37.
- The Sheriff’s sale is an auction style sale. The City will be able to enter a first bid that is the value of its lien. If other entities bid, the City will have the option to counter bid to acquire the property.
- Neighborhood Services in conjunction with the Planning and Urban Design and Office of Economic Development divisions of Development Services have been meeting regularly to

determine the best end use for the site, and together they recommend City action to acquire the property, engage the neighborhood, and redevelop the site.

- Property at the Sheriff's sale is sold caveat emptor, which means "buyer beware." Not all title defects will be addressed by the sale. To staff's knowledge, the City lien is the most substantial encumbrance to the property with a possibility of a small mechanic's lien also remaining.
- The 2022 assessed value was \$94,300.00 and the valuation estimated by City Real Estate was \$392,774 without site improvements and \$420,000 when including existing site improvements.
- It is anticipated that additional City investment will be necessary to redevelop the site.
- This roll call item would authorize the City to bid above the value of its demolition lien, if necessary to acquire the property, in an amount to be determined by closed session. This number is recommended to align with expenditures authorized under the City Manager's Authority and consider the 2022 assessed value, land valuation, and potential title defect.
- The Sheriff's sale requires payment within two hours of the sale for the total amount of the bid. An express check may be required if the City bids.
- If the City does not acquire the property and is outbid, the purchaser will pay the Sheriff, who will then send the funds to the Clerk of Court, the City's lien will be repaid, and the City's interest in the property will be closed.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S):

Board: Board of Health

Date: February 23, 2015

Resolution Number: [15-0344](#)

Action: Approving the Legal Department to proceed with court action seeking authority to abate the public nuisances at the following locations:

(A) [1401](#) E. 12th street, commercial building structure and accessory buildings; Titleholder: Olivet University. Moved by Gatto to adopt. Motion Carried 7-0

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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