


COUNCIL COMMUNICATION

	Number:	24-257	Meeting:	June 17, 2024
	Agenda Item:	12	Roll Call:	24-0853
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Resolution authorizing release of special assessments for property at 1607 Clark Street.

SYNOPSIS:

The City has acquired the deed to 1607 Clark Street and has an agreement with Woods Bibbin Company to rehabilitate the adjacent blighted property. Releasing the special assessments against the property will clear the title and allow the City to move forward with a proposal to convey 1607 Clark to Woods Bibbins for use as a side yard. If successful, the parcels will be combined and two (2) blighted parcels will be addressed.

FISCAL IMPACT:

This request is to abate \$5,409.87 in special assessments.

ADDITIONAL INFORMATION:

- The special assessments were all incurred by the previous owner during a time when her taxes and special assessments were suspended through a state program. The suspension terminates upon sale of the property.
- The amount of suspended taxes and special assessments were greater than the fair market value for the property. The vacant lot has had a long history of mowing issues. In recent years, neighbors have repeatedly used the property for junk vehicle storage and the property was subject to a zoning case. The owner was cooperative in addressing the issues, however required assistance from City staff.
- In summer 2023, the City acquired the adjacent property at 1603 Clark Street by tax sale, administered a request for proposals, entered into a development agreement and sold the property to a rehab company named Woods Bibbin Company. In addition, the City has a current Blighted Property Rehabilitation Program agreement and allocation helping to offset the rehabilitation gap on 1603 Clark. Any additional expansion of the scope expands the rehabilitation gap on the project.
- Woods Bibbin Company identified issues in rehabilitating 1603 Clark Street as there was regular dumping on 1607 Clark Street from the adjacent alley. They also identified that the size of the lot and alley adjacency would make it very unlikely of any other redevelopment.

- Woods Bibbin Company attempted to acquire 1607 Clark Street themselves, however struggled to reach the owner and identified that the suspended taxes and special assessments were nearly twice as much as the value of the property and requested assistance from the City.
- In acquiring 1607 Clark Street, the City followed our standard procedures and offered Fair Market Value. The prior owner agreed to have all unpaid taxes come from her sale proceeds. The owner needed to receive at least some funds to agree to the terms of the sale.
- What remains against the property are unpaid City and County special assessments spanning multiple decades. The City has requested abatement from the County.
- Prior to the hearing to convey, Woods Bibbins is asking that the City release the City special assessments against the property.
- If the assessments are abated and the future Council action to set and hold hearing to convey are successful, Woods Bibbin Company agrees to conjoin the tax parcels at 1603 and 1607 Clark, complete landscaping to regrade the property, and build a small shed to buffer the alley dumping issues.
- City staff are in communication with Polk County to abate their special assessments on the property.

PREVIOUS COUNCIL ACTION(S):

Date: August 21, 2023

Roll Call Number: [23-1192](#)

Action: [On](#) conveyance of City-owned property at 1603 Clark Street and 1700 13th Street to Woods Bibbin Company LLC for rehabilitation of housing. [\(Council Communication No. 23-389\)](#) Moved by Boesen to adopt. Second by Voss. Motion Carried 6-1. Absent: Sheumaker.

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

The City will continue to work with Woods Bibbins on the redevelopment process, including setting the date of and holding public hearings on the sale of the property.

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