


# COUNCIL COMMUNICATION

	Number:	<b>24-319</b>	Meeting:	<b>August 5, 2024</b>
	Agenda Item:	<b>39</b>	Roll Call:	<b>24-1101</b>
	Submitted by:	<b>Chris Johansen, Neighborhood Services Department Director</b>		

## AGENDA HEADING:

Hold hearing for conveyance of City-owned property at 1607 Clark Street to Woods Bibbin Company LLC for redevelopment.

## SYNOPSIS:

The City has acquired the deed to 1607 Clark Street and has an agreement with Woods Bibbin Company LLC to rehabilitate the adjacent blighted property at 1603 Clark Street. This action is to hold a hearing and consider sale of the property at 1607 Clark Street to Woods Bibbin Company LLC. If successful, the parcels will be combined and two (2) challenged parcels will be addressed.

## FISCAL IMPACT:

Amount: A maximum of \$6,500 in income through a forgivable mortgage.

Funding Source: NS046000/521035

## ADDITIONAL INFORMATION:

- 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 recently entered into a Blighted Property Rehabilitation Program agreement and allocation, helping to offset the rehabilitation gap on 1603 Clark Street. Work is set to begin in the next couple months and no later than November 2024. 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 above the value of the property and requested assistance from the City.

- The City was able to secure ownership of 1607 Clark Street and released unpaid special assessments with the County, City and Des Moines Water Works.
- Within this agreement, the City is conveying 1607 Clark Street for fair market value of \$6,500 in the form of a forgivable balloon mortgage for Woods Bibbin Company LLC that is due at the project completion. Woods Bibbin Company LLC is agreeing to combine 1607 and 1603 Clark Street, complete landscaping and grading, and build a shed on 1607 Clark Street in exchange for forgiveness of the mortgage. This is enabling improvements to the site and not furthering the gap financing necessary on the total Blighted Property Rehabilitation Project.
- Finally, Woods Bibbin Company LLC is using a historic preservation approach to the redevelopment of 1603 Clark Street and does not intend to use any vinyl siding.

**PREVIOUS COUNCIL ACTION(S):**

Date: July 15, 2024

Roll Call Number: [24-0957](#)

Action: [On](#) conveyance of 1607 Clark Street to the Woods Bibbin Company LLC for \$6,500, (8-5-24). Moved by Gatto to adopt. Second by Coleman. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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