


COUNCIL COMMUNICATION

	Number:	25-269	Meeting:	July 14, 2025
	Agenda Item:	38	Roll Call:	25-0991
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Hold hearing for conveyance of City-owned property at 1168 22nd Street to Invest DSM for rehabilitation of housing.

SYNOPSIS:

The City has requested and been issued the tax sale deed for 1168 22nd Street and has an agreement with Invest DSM to rehabilitate the property. This action is to hold a hearing and consider sale of the property to Invest DSM.

FISCAL IMPACT:

Amount: The anticipated revenue is \$1.

Funding Source: NS046000 / 521035

ADDITIONAL INFORMATION:

- 1168 22nd Street was part of the tax sale and had open tax sale certificates with Polk County for more than a decade. No property owner paid the taxes and special assessments due, and the City was issued the tax sale deed for the property.
- 1168 22nd Street is a public nuisance, and the court has issued judgment against the property. City intervention to acquire the property, clear title, and secure a rehabilitation partner is an effort to abate the nuisance and preserve the property.
- Prior to City intervention, the property was encumbered with unpaid taxes \$87,260.01 within the tax sale certificate and \$66,099.65 in other unpaid special assessments and taxes (Total \$153,359.66). The property was also impacted by substantial Iowa Department of Revenue Notice of Tax Liens and Medicaid Liens.
- Redevelopment of this property remediates a long time vacant and abandoned property that has had weed, junk, and debris issues for many years. Until the home is rehabilitated, Invest DSM will be the owner of and provide maintenance and mowing of the property.

- Prior to the City requesting the tax sale certificates, Invest DSM entered into a development agreement with the City about collaboration in the rehabilitation of 1168 22nd Street, though identified that substantial unpaid taxes were a barrier to the nonprofit in acquiring the property.
- In preparation for the disposition process, an additional development agreement has been drafted and includes expectations of meeting the building materials as required in Article H of the Fourth Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area, as amended which includes expectations about exterior cladding.
- Invest DSM is committed to rehabilitating 1168 22nd Street. Because of the size and nuisance condition of the structure, a significant project gap has emerged, and the proposed sale price is \$1 in exchange for Invest DSM in completing the rehabilitation and nuisance abatement. Invest DSM is anticipating investing \$475,000 in the rehab.

PREVIOUS COUNCIL ACTION(S):

Date: June 30, 2025

Roll Call Number: [25-0911](#)

Action: [On](#) conveyance of City-owned property at 1168 22nd Street to Invest DSM for rehabilitation of housing, (7-14-25). Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

Date: April 15, 2024

Roll Call Number: [24-0584](#)

Action: [Request](#) to Polk County and approving development agreements of tax sale properties for development and/or rehabilitation of housing. ([Council Communication No. 24-160](#)) Moved by Coleman to adopt. Second by Gatto. Motion Carried 7-0.

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

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