

Date September 22, 2014

**APPROVAL OF ACQUISITION OF 1161 22ND STREET THROUGH TAX DEED,
AUTHORIZATION TO REQUEST RELEASE OF PROPERTY TAXES AND SPECIAL
ASSESSMENTS, AND RELEASE OF ALL CITY LIENS AND SPECIAL ASSESSMENTS IN
ORDER TO ENCOURAGE HOUSING REDEVELOPMENT**

WHEREAS, on June 28, 2010, by Roll Call No. 10-1104, the City Council, acting as the Board of Health, acted to declare the property locally known as 1161 22nd Street ("Property") to be a public nuisance, and to direct the Legal Department to pursue a Court order for abatement of the fire-damaged structure assessed as a commercial multifamily housing thereon; and

WHEREAS, thereafter, the Property was included in the Polk County Tax Sale Certificate Auction various times, with no sales process being completed or resulting in transfer of the Property by tax deed, has accrued multiple special assessment liens totaling \$7,098.17 from the County, Des Moines Water Works, and the City of Des Moines, as listed on file in the office of the City Clerk, and the City obtained a judgment lien against the Property in the amount of \$375.00 plus court costs in Polk County District Court Case No. CICI 6684, City of Des Moines, Iowa vs. MAC Investment Group LLC; and

WHEREAS, Iowa Code Section 446.19A permits cities to acquire tax sale certificates for abandoned property assessed as residential property or as commercial multifamily housing or vacant lots at a tax sale without paying the taxes then due, and to give notice of expiration of the redemption period upon an expedited schedule, all for the purpose of encouraging the acquisition and rehabilitation of abandoned dwellings and vacant lots; and

WHEREAS, on June 13, 2011, by Roll Call 11-1000, the City Council authorized a request to the County Treasurer's Office as allowed by Iowa Code Section 446.19A to remove the 2011 tax sale certificate for the Property from the Tax Sale Certificate Auction and assign said Certificate to the City for future development of housing; and

WHEREAS, City staff completed a title search, notified the property owner and all interested parties and filed an affidavit with the Polk County Treasurer's Office that the City intended to take tax deed to the Property, and neither the property owner nor any interested party has redeemed the City's 2011 tax sale certificate; and

WHEREAS, the City is required to obtain the tax sale deed to the Property no later than October 10, 2014, in order to comply with the statutory tax sale process; and

WHEREAS, real property taxes and special assessments continued to accumulate while the City was waiting for earlier tax sale certificates to expire and \$14,052.00 in back taxes are now due, which the County Board of Supervisors will consider waiving upon City request if the Property becomes publicly owned; and

WHEREAS, the Property is subject to special assessments levied by the City, which assessments are specifically identified in lists on file in the office of the City Clerk, and which should be released upon the City taking ownership of the Property in order to encourage housing redevelopment:

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City of Des Moines Nuisance Abatement	\$1,843.21
City of Des Moines Storm Drainage	\$4,115.70.
<u>City of Des Moines Sewer Rental</u>	<u>\$ 391.39</u>
Total City Special Assessments	\$6,350.30

and

WHEREAS, the Property is subject to special assessments levied by the following entities, which assessments are specifically identified in lists on file in the office of the City Clerk, and which the City staff will request be released from the lienholders upon the City taking ownership of the Property in order to encourage housing redevelopment:

Polk County Weed	\$ 249.50
<u>Des Moines Water Works</u>	<u>\$ 498.37</u>
Total Other Special Assessments	\$ 747.87

and

WHEREAS, City staff has met with the Executive Director and two Board members of non-profit organization Home Opportunities Made Easy, Incorporated (HOME, Inc.), who have expressed an interest in acquisition of the Property through a developer-initiated proposal if the aforementioned outstanding property taxes and special assessments against the Property are first released and forgiven; and

WHEREAS, both HOME, Inc. and City staff will work with the Drake Neighborhood Association to determine the best development solution for the Property.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

1. That the Real Estate Division Manager is authorized and directed to complete the acquisition of the Property, more specifically identified as follows, by tax deed pursuant to the tax sale process, in accordance with standard real estate practices and State law requirements. The Finance Director is authorized and directed to issue checks to pay the recording costs and other costs certified by the Legal Department and the Engineering Department related to said acquisition:

Address: 1161 22nd Street, Des Moines
District/Parcel No.: 030/00937-024-0000
Legal Description: Lot 24 in Cottage Grove Replat, an Official Plat, now included in and forming a part of the City of Des Moines, Polk County, Iowa

2. Upon the City taking title to the Property:
 - a) The special assessments levied by the City and pending against the Property, as specifically identified in lists on file in the office of the City Clerk, are hereby released, and the City

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Engineer or the City Engineer's designee is hereby authorized and directed to notify Polk County of the release of such special assessments.

- b) The Community Development Director or the Director's designee is hereby authorized and directed to seek the release of all other special assessments levied by Polk County, Des Moines Water Works, or other governmental entities pending against the Property.
- c) The Property is hereby released from any judgment liens entered on behalf of the City and pending against the Property, including but not limited to the aforementioned lien in Polk County District Court Case No. CICI 6684, City of Des Moines, Iowa vs. MAC Investment Group LLC. However, such release shall be limited only to the Property, and any such judgment(s) shall remain in full force and effect against the judgment debtor(s) and against any other real estate and personal property owned by such judgment debtor(s). The Legal Department is hereby authorized and directed to file the necessary pleadings to implement the limited release of judgment(s) as provided herein.

(City Council Communication No. 14-469)

MOVED BY Coleman TO ADOPT.

FORM APPROVED:

Glenna Frank
Assistant City Attorney

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Table with columns: COUNCIL ACTION, YEAS, NAYS, PASS. Rows include COWNIE, COLEMAN, GATTO, GREY, HENSLEY, MAHAFFEY, MOORE, and TOTAL (7 yeas).

MOTION CARRIED

APPROVED

T.M. Franklin Council Mayor

Diane Rauh

City Clerk