



Date March 21, 2016

AUTHORIZING ACQUISITION OF PROPERTY THROUGH TAX SALE PROCESS, RELEASE OF SPECIAL ASSESSMENTS, AND REQUEST FOR RELEASE OF OTHER LIENS (1720 7TH STREET)

WHEREAS, Iowa Code Section 446.19A permits cities to acquire tax sale certificates for abandoned property assessed as residential property or as commercial multifamily property or vacant residential lots at a tax sale without paying the taxes then due, to obtain the assignment of outstanding tax sale certificates by payment to the certificate holder the amount then due to redeem the certificate, 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 lots; and

WHEREAS, the rental certificate for the multifamily house located at 1720 7th Street ("Property") expired on March 3, 2008 and the Property has been vacant since December 23, 2011, according to documentation in the City's Tide Mark System; and

WHEREAS, Polk County Public Works holds the tax sale certificate of purchase to the Property, which is assessed as multifamily residential and zoned residentially, and may assign the Certificate of Purchase to the City pursuant to Iowa Code Section 446.3; and

WHEREAS, the Property is encumbered by a federal tax lien, a judgment lien, special assessments and property taxes; and

WHEREAS, Polk County Public Works has expressed an interest in working with the City for redevelopment of the Property resulting in neighborhood revitalization and new tax base, and City staff has been approached by several entities experienced in single family rehabilitation that are interested in redevelopment of the Property if the above-listed encumbrances are released or waived; and

WHEREAS, to allow for redevelopment and establishment of new tax base on the Property, the City's Community Development Department staff is recommending that the City: (1) execute contracts with the Polk County Board of Supervisors in order for the City to take assignment of the tax sale certificates and ownership of the Property, (2) complete documentation on behalf of the City for the Internal Revenue Service to release fines, (3) work with the Attorney General's Office and Polk County Attorney's Office to investigate any relief to criminal liens, (4) release the City's special assessments, and (5) request the release of past due taxes and other assessments.

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

- 1. The Community Development Director is authorized and directed to execute and submit an affidavit to the Polk County Treasurer requesting that the tax sale certificates of purchase for the Property, as further described below, be assigned to the City of Des Moines in accordance with Iowa Code Section 446.31;

Address: 1720 7th Street Des Moines, Iowa, 50314
District/Parcel No.: 080/05263-000-000
Legal Description: Lot 4 and the N 1/2 of Lot 5 in Block 11 in the Official Plat of the SW 1/4 of the NE 1/4 of Section 34, Township 79 North, Range 24, West of the 5th P.M., now included in and forming a part of the City of Des Moines, Polk County,



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Iowa (a/k/a POLK COUNTY HOMESTEAD & TRUST COMPANY
ADDITION)

2. The Legal Department is authorized and directed to begin the acquisition of the Property in accordance with Iowa Code Section 446.19A, and the Finance Director is authorized and directed to issue checks to pay the recording costs and other costs certified by a City Department related to the acquisitions listed above.
3. The Community Development Director and his designee(s) are directed to work with the interested parties and neighborhood organizations on a developer-initiated redevelopment proposal, or to distribute a Request for Proposals to locate a developer to acquire and renovate the Property, based on an approved redevelopment plan, including evidence of financing, examples of similar work completed in Des Moines area, and a binding agreement in a form satisfactory to the Legal Department, for use of the Property as single family housing.
4. Upon the City or developer, as applicable, taking title to the Property:
 - (a) The special assessments levied by the City and pending against the Property shall be deemed released, and the City Engineer or the City Engineer's designee is hereby authorized and directed to notify the 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 Community Development Director is to request any and all property taxes including accrued interest be released by the Polk County Board of Supervisors.
 - (d) Any City judgment releases shall be limited only to the Property, and any such personal 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 for insubstantial judgments, and to request Council approval of substantial judgments prior to filing such releases.
 - (e) The Community Development Director is directed to work with the Internal Revenue Service to seek relieve from Federal Tax Lien(s) filed against the Property and with the Polk County Attorney's Office/Attorney General's Office to seek relief from judgment liens filed against the Property.
5. The Community Development Department Director is authorized and directed to enter into agreement required by Polk County for the assignment of the certificate of purchase (tax sale certificate) related to the above-referenced Property, following approval as to form thereof by the Legal Department.



Roll Call Number

Agenda Item Number

25

Date March 21, 2016

(City Council Communication No. 16-140)

MOVED BY _____ TO ADOPT.

FORM APPROVED:

Glenna K. Frank
Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GATTO, GRAY, HENSLEY, MOORE, WESTERGAARD, and TOTAL.

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.

MOTION CARRIED APPROVED
Mayor

City Clerk