



# City of Grand Island

Tuesday, February 28, 2017

Council Session

## Item I-2

**#2017-67 - Consideration of Authorizing Acquisition of Tax Certificates for Unpaid Real Estate Taxes, Part of Lot 5 and Part of Lot 6, Commercial Industrial Park Subdivision**

Staff Contact: Jerry Janulewicz

# Council Agenda Memo

**From:** Jerry Janulewicz, City Attorney  
**Meeting:** February 28, 2017  
**Subject:** Authorize Purchase of Tax Sale Certificate  
**Presenter(s):** Jerry Janulewicz, City Attorney

## Background

The City's Problem Resolution Team in conjunction with the Public Works Department endeavored to obtain a deed to a detention cell located south of and adjacent to Nelson Furniture, west of Industrial Lane. The detention cell, which provides storm water detention for properties in the surrounding area, was created as a result of litigation between the City and A.C. Nelsen Enterprises, Inc. Title to the property, generally described as part of lot 5 and part of lot 6, Commercial and Industrial Subdivision, was conveyed in 1977 to C. Clifton Nelsen and C. Clifton Nelsen, Trustee for the Judith Lynne Nelsen Trust, for the Karen Ellen Nelsen Trust, and for the Andrew Clifton Nelsen Trust. C. Clifton Nelsen died in 2002. An attempt was made in 2016 to obtain a deed to the property from Mr. Nelsen's son, but those efforts ceased when he was unable or unwilling to provide satisfactory documentation showing he had authority to convey good and clear title on behalf of the owners of record.

In recent history, this property was sold at public tax sales but the purchasers of the certificates did not foreclose on the property, most likely due to the detention cell located thereon. It will again come on for tax sale on March 6, 2017 for taxes assessed in 2015 in the following amounts: Pt. of Lot 5 - \$74.28; Pt. of Lot 6 – \$56.06. It is recommended that city staff attempt to purchase the tax certificate as a means to obtain title via a tax deed, although the lien cannot be foreclosed until three years after issuance of the certificate.

## Discussion

The detention cell has been a source of city concern for a number of years. At one time it was surrounded by a fence, which fell into disrepair. The property was essentially abandoned and was not maintained. On numerous occasions, mowing was completed through the city's code enforcement program resulting in special assessment liens upon the property. Acquisition of a tax certificate would place the city in a position to protect its interests in the mowing assessment liens and provide a mechanism to obtain title to the property.

## **Disclosure of Prior Representation**

In 2005 or 2006 while in private practice, I was contacted by Mr. Andrew Nelsen, who was seeking to convey the detention cell to the city. On his behalf, I met with the city's public works director to discuss the offer to give the property to the city. The offer was subsequently rejected by the city.

## **Alternatives**

The Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the resolution authorizing purchase of the tax sale certificates on part of lot 5 and part of lot 6, Commercial and Industrial Subdivision.
2. Disapprove or /Deny the resolution.
3. Modify the resolution to meet the needs of the City Council.
4. Table the issue.

## **Recommendation**

City Administration recommends that the Council approve the resolution.

## **Sample Motions**

Move to approve the resolution authorizing purchase of the tax sale certificates on part of lot 5 and part of lot 6, Commercial and Industrial Subdivision.

RESOLUTION 2017-67

WHEREAS, the City desires to acquire title to a private detention cell locate on part of lot 5 and part of lot 6, Commercial and Industrial Subdivision, Hall County, Nebraska; and

WHEREAS, City has been unable to obtain good and clear title from the owners of record; and

WHEREAS, the lien for 2015 general real estate taxes levied upon the property will be sold by the County Treasurer on March 6, 2017; and

WHEREAS, acquisition of the tax sale certificates on the property will provide a means to protect the city's special assessment liens and provide a means whereby the City may ultimately obtain title to the property.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that city staff should be and are hereby authorized to purchase in the name of the City the tax sale certificates representing tax liens on part of lot 5 and part of lot 6, Commercial and Industrial Subdivision, Hall County, Nebraska. The purchase price shall not exceed the sum of the delinquent taxes, interest, and Treasurer's fees.

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Adopted by the City Council of the City of Grand Island, Nebraska, February 28, 2017.

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Jeremy L. Jensen, Mayor

Attest:

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RaNae Edwards, City Clerk

Approved as to Form	☒ _____
March 10, 2017	☒ City Attorney