



Legislation Text

File #: 19-154, **Version:** 1

Report Prepared by: Denise Frazier, Chief Building/Construction Project Official

SUBJECT: Approval of a Supplemental Appropriation in Fund 074 - Economic Development Opportunity Fund in an Amount Not to Exceed \$120,400.00, to Abate the Substandard/Dangerous/Nuisance Conditions Located at 636 W. Main Street, Contingent upon the City Obtaining Court Approval of an Inspection and Abatement Warrant for the Subject Property or the Property Owner Providing Consent to Enter, Inspect, and Demolish the Subject Property, Whichever Occurs First

REPORT IN BRIEF

Considers approving a supplemental appropriation in Fund 074 - Economic Development Opportunity Fund in an amount not to exceed \$120,400.00 and authorizing the Finance Officer to make necessary budget adjustments. This request is contingent upon the City obtaining Court approval of an inspection and abatement warrant to abate the substandard/dangerous/nuisance conditions located at 636 W. Main Street or the property owner providing consent to enter, inspect and abate by demolition the substandard/dangerous/nuisance conditions, whichever occurs first.

RECOMMENDATION

City Council - Adopt a Motion approving a supplemental appropriation in Fund 074 - Economic Development Opportunity Fund not to exceed \$120,400 and authorizing the Finance Officer to make necessary budget adjustments.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve subject to other than recommended by staff (identify specific findings and or conditions amended to be addressed by City Council motion); or,
3. Deny; or,
4. Refer back to staff for reconsideration of specific items (specific items to be addresses in the motion); or
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

City of Merced City Council Resolution 2018-20 Economic Development Opportunity Fund Policy; Use of Fund. (1), Section F; and, Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

As provided in the FY2018-19 adopted budget.

DISCUSSION

On July 12, 2018, a Legal Notice and Order to Repair or Abate was issued to the property owner and anyone having an interest in the property located at 636 West Main Street. On August 3rd, 2018, an Appeal of Notice and Order to Repair or Abate was filed and received by the City. On October 24, 2018, the first of 3 appeal hearings took place before the City's Building and Housing Board of Appeals. At the October 24, 2018 hearing, a continuance was granted due to the property owner, nor any representation of property owner, being able to be present. On November 28, 2018, a second hearing was conducted in front the Building and Housing Board of Appeals. During that hearing, it was brought before the Board that the property was going into escrow and that a condition was placed for sale of the property to obtain a demolition permit before the close of escrow. The appellant was told to make sure property was secured. The appellant was granted a second continuance in order for escrow to progress to the point of sale and ultimately the demolition of the structure. On February 5th, 2019, the third hearing took place in front of the Board of Appeals. During this hearing, the appellant requested a third continuance estimating 180 days due to an amendment to the contract for the sale of the property. The Board denied the request to continue the hearing and heard the appeal. The appellant presented materials to the Board. The Board decided there was insufficient proof submitted showing that the building does not require repair or abatement, and on that basis, it denied the appeal to the Notice and Order.

Staff has received proposals and prepared an Agreement for Professional Services for the Structural Engineer analysis from Interwest Consulting in the amount not to exceed \$2,500. In addition a bid for demolition was secured, through Purchasing, for the demolition of the structure, including foundation from Unruh Bobcat services, in the amount not to exceed \$37,900. Staff is unable to confirm cost estimates for asbestos abatement until the Inspection and Abatement Warrant is obtained, which will allow staff to enter the property with an asbestos abatement contractor. Staff estimates that an additional \$80,000 will be needed to cover the cost of asbestos abatement. In the event that the cost for work comes in under the estimate, the unused funds will be returned to Fund 074 - Economic Development Opportunity Fund.

The City Attorney's Office has prepared and intends to file an Application for an Inspection and Abatement Warrant with the Merced Superior Court. If granted, the Warrant will provide permission for the City to enter, inspect and demolish the property. This requested funding will only be used if the Court grants the City's Inspection and Abatement Warrant or alternatively if the Owner of the subject property provides the City with consent to enter, inspect and demolish the property.

IMPACT ON CITY RESOURCES

Funding is available through Fund 074, the Economic Development Opportunity Fund. Staff will work to obtain reimbursement through a lien on the property. At the time funds are recovered, the Economic Development Opportunity Fund will be refunded. There is no impact on the General Fund.

ATTACHMENTS

1. Resolution 2018-20 Adopting Economic Development Opportunity Fund Policy
2. Interest Consulting to provide structural assessments Agreement
3. Proposal from Unruh Bobcat Service for the demolition