

MEMORANDUM

TO: Mayor Carrie Tergin and City Council
FROM: Ryan Moehlman, City Attorney
DATE: April 14, 2022
RE: Plan pursuant to Ordinance 16216 re E. Capitol Avenue

Pursuant to Section 2 of Ordinance 16216, the following outlines a proposed plan for (1) identification of persons or organizations who are prepared to commit to the rehabilitation of particular structures in the Capitol Avenue Neighborhood Conservation Overlay District and for (2) identification of dangerous buildings for which the delaying of demolition is unreasonable and not in the interest of the health, safety, and general welfare of the public and the public safety personnel of the City.

- 108 and 104 Jackson will be demolished using federal NSP funds.
 - Section 106 environmental review is already complete on 108 Jackson, including HPC finding that there was no impact on historic resources.
 - 104 Jackson is on same parcel, making it difficult to divorce the two properties.
- City will order a third-party structural assessment of remaining properties.
 - Report will provide property-specific assessment to help identify structural deficiencies and rehabilitation costs.
- City Council will determine whether properties should be demolished and cleared or are reasonable to be rehabilitated.
 - Properties which City Council determines should be demolished will be immediately contracted for demolition.
- City will open a “Call for Interested Parties” to the general public for properties that City Council determines should not be immediately demolished.
- Interested Parties will be required to: (1) Enter into Bid Guarantee Agreement, and (2) deposit greater of 1% of the estimated rehabilitation cost or \$5,000 in escrow with City for each property they are interested in acquiring.
 - If no Interest Parties execute a Bid Guarantee Agreement and deposit the escrow amount for a particular property, the City will proceed to demolish the building under its dangerous building declaration.

- The Bid Guarantee Agreement will state that if the City acquires a property, the Interested Party guarantees that it will submit a redevelopment proposal for the property that includes a purchase price and a preliminary plan for redevelopment.
- If the City acquires a property, the City will issue a Request for Proposals (RFP) seeking redevelopment proposals.
 - If an Interested Party fails to submit a redevelopment proposal, the escrow deposit will be forfeited to the City.
 - If an Interested Party submits a redevelopment proposal that is not accepted by the City, the escrow deposit will be returned to the Interested Party.
 - If an Interested Party submits a redevelopment proposal that is accepted by the City, the escrow deposit will be applied to the purchase price and the City will enter into a redevelopment agreement that details the redevelopment project and redevelopment timeframe.
- A redevelopment agreement will include appropriate commitments and clawbacks to ensure that the redevelopment project proceeds as agreed to in the redevelopment agreement.