



To: Mayor and Council

From: Dylan Mulfinger

Subject: Oelwein Tear Down Plan

Date: 05/26/2020

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The City is moving forward with its most aggressive plan to revitalize local neighborhoods. This plan has changed several times as staff learns of new information and is approached by adjacent homeowners, local investors, and outside investors.

The plan now is for the city to tear down all 41 properties. This new plan occurred once the city reached out to the DNR and learned that asbestos must be removed properly anytime a licensed professional is involved. Asbestos must be remediated by a licensed professional with the only exception being allowed from a homeowner themselves doing the work. This has led staff to create the new plan where the city takes responsibility of the remediation and tear down. The city is bidding the project out as one large project to get the best price for the project.

The City has shown houses to neighbors, local contractors, and outside investors with interest being minimal. While the city would like to see some of these homes saved, at the end of the day the investment is too large for the project to come to fruition. The new plan proposed by staff will go as follows:

- May 26
  - City Council motions to accept bids for tear down and asbestos removal
  - With the city doing their own asbestos removal, they will not have to pay for the upcharge from a contractor in the overall project
- June
  - City staff will work with an outside firm to salvage any valuable materials form the homes
  - This should reduce the impact on the transfer station
- July 3
  - Bid opening for tear down and asbestos removal
- July 13
  - Council awards bids for tear down and asbestos removal
- July 15
  - Project is allowed to start with a construction meeting that morning
  - Construction meetings will occur twice a month
  - Community Development will lead the project
- March 1
  - Completion date

Once homes are torn down, the city will begin the process of selling parcels to adjacent neighbors, or investors willing to build a home. Each sale will go in front of council for final approval. The City will sell



lots at the cost of transfer of ownership. These costs are around \$1,000 once all fees and attorney expenses are considered.

### **Funding**

The City is faced with a large task of funding this project. I have detailed below what fund resources the city will use.

<b>Source</b>	<b>Amount</b>	<b>Annual</b>
Additional Bond Proceeds	\$280,000	No
Donaldson Sale	\$100,000	No
Sale of existing properties	\$60,000	No
Tear Down Funding (LOST)	\$35,000	Yes
	\$475,000	

The sale of existing properties is 134 and 140 North Frederick and 308 6<sup>th</sup> Ave SE. We anticipate bringing in \$60,000 from these properties.

Once this plan is completed the city will work continue to tear down homes at a rate of the per year as allowed by the local option sales tax. This plan can be changes by council at any time.