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R. O. No. 87 - 22 - 23. By DIRECTOR OF PLANNING AND DEVELOPMENT.
November 21, 2022.

Submitting a request from Chad Pelishek, Director of Planning and Development, regarding the purchase of 1214 S. 11th Street for moving of the residential home to another city-owned site and reconstruction of the failing city owned retaining wall.

The Department of Public Works has been developing a plan to repair the failing city-owned retaining wall along the alley adjacent to 1214 S. 11th Street. The City consulted with several retaining wall contractors but was not able to identify one willing to conduct the necessary repairs at a reasonable cost due to the very close proximity of the house located at 1214 S. 11th Street.

City staff has explored multiple options and has concluded that the preferred option is for the City to purchase the property for \$112,630, which is the amount of the real estate per an existing land contract; to pay half the costs of relocation expenses for the current tenant at a total \$55,000; to allow the tenant to reside at the property until April 30, 2023; and then to relocate the building structure to a city-owned site on Indiana Avenue whereupon the City will cause a basement/foundation to be constructed. City staff believes this course of action is the most cost-effective and supports the City's efforts to address the housing shortage by maintaining a home and redeveloping a currently vacant lot.

Once the structures are relocated, the Department of Public Works will remove the existing retaining wall, taper the soil, reseed, and stabilize the soil over the lot that the house was on and then consider selling the property to the adjacent property owner.

The City has budgeted funds to cover the purchase price, relocation expense, and moving costs. The new basement at the city-owned site would be covered with federal grant dollars. The tenant has been approved for a loan to purchase the house for \$112,630, however the lender requires a Letter of Intent from the City noting that once the loan closing occurs, the City will purchase the property. In order for city staff to issue the Letter of Intent, the Common Council needs to take action on this R. O. supporting the project. The executed offer to purchase with the new owner (tenant) will return to Council prior to the property closing in 2023.

I suggest that this R. O. be referred to the Finance and Personnel Committee and that Council authorize the appropriate City officials to draft a Letter of Intent to purchase the property located at 1214 S. 11th St., Sheboygan, WI.

FRP

Director of Planning & Development