

STAFF REPORT



SUBJECT: Dangerous Building Order and Accruing Civil Penalties for 1206 Cage
MEETING: Council Meeting – 06 Dec 2022
DEPARTMENT: Development Services
STAFF CONTACT: Steve Killen

RECOMMENDATION:

To authorize staff to enter into an agreement to reduce civil penalties and release the dangerous building order contingent upon the removal of a dilapidated structure within 45 days of conveyance.

BACKGROUND:

On November 8, 2018, the Board of Appeals imposed a Dangerous Building order on 1206 Cage. The property has been accruing civil penalties since that date. Civil penalties must generally be converted by civil suit to result in foreclosure.

The property owner has entered a contract to sale the property. However, the city cannot release the Dangerous Building Order until the building is either repaired or demolished, which has prevented closing.

On November 15, 2022, the Development Services Committee directed staff to present the item to the full City Council with a favorable recommendation.

PROPOSAL:

The owner and buyer are proposing:

1. Payment to the city in the amount of \$1,000
2. The seller will escrow funds in the amount of \$8,500, payable to the city, should be building not be removed within 45 days of closing and requiring city action. The escrow will be held by the Title Company.
3. The agreement will authorize the city to take action to demolish and remove the building, utilizing the escrowed funds, should the building not be removed by the seller or buyer within the prescribed period.
4. Should the removal costs exceed the escrowed funds, the property owner will be invoiced accordingly. Failure to pay will result in a demolition/abatement lien.

FISCAL IMPACT SUMMARY:

Removal of dilapidated structure resulting in an increase in the property value and a positive impact on ad valorem tax roll.

ALTERNATIVES:

The following alternatives are provided for consideration:

1. Approve staff to enter into the agreement resulting in removal of structure pursuant to agreement.
2. Deny. Removal of the structure would be contingent on owner action, or execution of the demolition provision of the order by the city. City action will lead to incurred expenses invoiced to the owner and a subsequent lien for non-payment.