# CITY COUNCIL COMMUNICATION:

## ITEM

## OFFICE OF THE CITY MANAGER CITY OF DES MOINES, IOWA

00-494

**SYNOPSIS** -

**AGENDA:** 

OCTOBER 23, 2000

**SUBJECT:** 

APPROVING PURCHASE ORDER FOR HOUSE MOVING FROM 2291 STATE ST. TO 2600 DEAN

**TYPE:** 

RESOLUTION ORDINANCE RECEIVE/FILE

**SUBMITTED BY:** 

ERIC ANDERSON, CITY MANAGER Anderson Erickson (AE) Dairy would like to give a house at 2291 State Street to the City of Des Moines. It is proposed that this single-family house be moved to 2600 Dean, the recently purchased City property where the former El Paso Bar will be demolished this week. AE Dairy is planning to locate a new generator at 2291 State Street, and therefore, needs the house moved by December 15th, 2000. In order to accomplish this in such a limited timeframe, an RFP was sent out last week to those contractors licensed to move houses in the City of Des Moines, and a single bid was received today.

## **FISCAL IMPACT -**

The bid received today is for \$9,000. AE Dairy has agreed to give the City whatever amount it would have spent for the demolition of the house at 2291 State Street, which is estimated to be \$2,500.

Subject to Council approval, the proposed source of funding for the house move, as well as the site work and rehabilitation of the house, is the Single Family Affordable Housing Program (SFAHP), which was the source of funding for the purchase of 2600 Dean and the demolition of the structure at this location. The SFAHP's concept guidelines will have to be amended to include house moving and housing rehabilitation. Council will be asked to approve this amendment at its November 6th meeting.

**RECOMMENDATION -**

Approval.

**BACKGROUND** -

On August 21, 2000, by Roll Call No. 00-3461, the City Council approved the purchase of the El Paso Bar located at 2600 Dean. The structure at this location will be demolished this week and the site

leveled by Friday, October 27th. AE Dairy would like to donate a house at 2291 State Street to the City of Des Moines. AE Dairy plans to locate a new generator at this address and would like to have the house moved by December 15th. In order to accomplish this in a limited time period, an RFP was sent out last Wednesday and a single bid was received today. Upon approval of the house-moving contract, an RFP for the site preparation and house rehabilitation will be prepared.

#### Cost Estimates for Additional Work

An estimate for the site work and rehabilitation of the house has been determined and includes:

- · Foundation (a full basement)
- · Enclosed rear porch
- · New roof
- · Siding and trim
- · Plumbing
- · Mechanical
- · Electrical
- · Interior repairs
- · Site improvements

The total estimate for the site work and rehabilitation of the house is \$60,365. The contingency for this project is 15%, which equals \$9,055. It is important to note that some of items listed above could be reduced if completed by City departments, such as sidewalk removal and the pouring of concrete. The SFAHP will also fund the site work and rehabilitation of the house upon approval of the amendments to this program's concept guidelines.

### **Proposed Funding Source**

The SFAHP was created to reinvest the sales proceeds from the Capitolview South Affordable Housing Program as "gap financing" in other areas identified as City of Des Moines Designated Neighborhoods and those residential areas designated as eligible for ten-year, 100 percent tax abatement. The Fairgrounds Neighborhood, where the house is being moved to and rehabilitated, is a designated neighborhood. The remaining funds in the program will continue to be utilized as gap financing for the construction of affordable owner-occupied homes. After the house is rehabilitated and sold, the money from the sale of the house will be put back into SFAHP funds.

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