

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 23, 2010
	Agenda Item No. 6B Roll Call No. <u>10-1356</u> Communication No. <u>10-532</u> Submitted by: Jeb E. Brewer, P.E. City Engineer

AGENDA HEADING:

Ordering construction of the following: Demolition at Southern Meadows Apartments, 2800 SE 8th Street - Receiving bids, (9-14-10), and Setting date of hearing, (9-27-10). (Construction Estimate - \$130,000).

SYNOPSIS:

Recommend the City Council proceed with construction of the improvement and set dates to receive bids and hold a public hearing, as required by Iowa Code, utilizing the method of financing referenced below. This project includes demolition of the 1953 addition to the Southern Meadows Apartments (approximately the west half of the building) at 2800 SE 8th Street, Des Moines, Iowa, and protection of the original historic structure which will remain in place and be available for rehabilitation (approximately the east half of the building).

FISCAL IMPACT:

Amount: \$130,000 City Engineer's Estimate

Funding Source: FY11 Operating Budget, Page 71, Neighborhood Stabilization Program (NSP) - Southern Meadows, CDBG2008901, Being: Community Development Block Grant (CDBG), Neighborhood Stabilization Program (NSP) funds contracted by the Iowa Department of Economic Development (IDED)

ADDITIONAL INFORMATION:

On June 8, 2009, by Roll Call No. 09-996, the City Council approved the contract with the Iowa Department of Economic Development to allocate \$3.9 million of Neighborhood Stabilization Program Funds (NSP). The plan calls for the City to work with a coalition of housing agencies to purchase and redevelop approximately 90 foreclosed and abandoned housing units over the next four years.

As part of the NSP plan, staff expressed an interest in finding larger-scale redevelopment projects that could benefit from this program which were unlikely to occur without a subsidy. One such site is the Southern Meadows Apartments at 2800 and 2810 S.E. 8th Street. It is a 34-unit apartment building owned by the Iowa Finance Authority (IFA). IFA took ownership of the property in December 2008, after receiving a deed-in-lieu-of foreclosure. Due to the condition of the building, IFA decided to close the building and relocate the tenants to suitable interim housing prior to the City's acquisition of the property, which was approved by the City Council on September 28, 2009, under Roll Call No. 09-1743,

which is now complete. The City provided relocation assistance to the tenants, in accordance with federal guidelines under the Uniform Relocation Assistance and Real Property Acquisition Policies Act. This demolition/asbestos removal is a part of a comprehensive plan to redevelop the site. In September 2010, it is anticipated that a consultant contract will be awarded to complete a conceptual redevelopment plan for the site. This plan will examine the neighborhood preferences, real estate market analysis, and an infrastructure analysis of the site and recommend redevelopment options. Once this is completed, the site will be rezoned and sold to a developer via a competitive RFP process and redevelopment will occur.

The Engineering Department has prepared plans, specifications, form of contract documents, and City Engineer's estimate for the construction of the Demolition at Southern Meadows Apartments, 2800 SE 8th Street, 25-2010-097. The improvement includes demolition of the 1953 addition to the Southern Meadows Apartments (approximately the west half of the building) at 2800 SE 8th Street, Des Moines, Iowa, protection of the original historic structure which will remain in place (approximately the east half of the building), site clearance, and disconnection of utilities to the addition; all in accordance with the contract documents.

The estimated construction cost is \$130,000. The proposed plans, specifications, and form of contract documents are available for public inspection in the City Engineer's Office.

PREVIOUS COUNCIL ACTION(S):

Date: September 28, 2009

Roll Call Number: [09-1743](#)

Action: [Establishing](#) Fair Market Value and authorizing acquisition of Southern Meadows Apartments at 2800 and 2810 SE 8th Street. ([Council Communication No. 09-691](#)) Moved by Coleman to adopt. Motion Carried 7-0.

Date: June 8, 2009

Roll Call Number: 09-996

Action: [Neighborhood](#) Stabilization Program Contract with the Iowa Department of Economic Development (IDED). Moved by Vlassis to adopt. Motion Carried 7-0.

Date: February 23, 2009

Roll Call Number: 09-341

Action: [On](#) the City's plan to spend CDBG Neighborhood Stabilization Program Funds. ([Council Communication No. 09-105](#)) Moved by Coleman to adopt. Motion carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Anticipated actions include public hearing, receive and file bids, designate lowest bidder, and approve contract and bond; also partial payments to the contractor and final acceptance of work.

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