

COUNCIL ACTION FORM

SUBJECT: Assessing Costs of Asbestos Testing on and Demolition of Dangerous Building (Garage) Located at 1107 Grand Avenue

BACKGROUND:

The official Dangerous Building Declaration regarding the garage at 1107 Grand Avenue was filed on October 7, 2016. Much effort was made by the Inspections Division to work with the property owner towards demolition of the structure as rehabilitation was not a cost-effective option. The owner failed to comply, and the Building Board of Appeals gave its approval to proceed with demolition. The City then hired a contractor to conduct asbestos testing prior to creating a Request for Proposals for the demolition. Asbestos was found to be present and had to be removed before the garage could be demolished. After the asbestos was removed, contractors were hired by the City to demolish the structure. The name and address of the property owner and the costs associated with said work are shown below. The work was completed by the contractors, and a bill was mailed to the property owner.

- Katherine Fisher, 1126 Grand Avenue, Ames, IA, 50010 \$6,267.50
Asbestos testing and demolition of dangerous building
located at 1107 Grand Avenue

The property owner failed to pay the bill, and a decision was made to proceed to assess the charges as a nuisance assessment under *Iowa Code* Section 5.403(2)(g). The process for nuisance assessments is followed in most cases when the City incurs expenses for maintenance of private property.

The hearing was held on February 12, 2019. On that date, Council directed staff to assess the costs to the property owner, instruct the Finance Director to prepare the spread sheet on the assessment, and direct the City Clerk to file the assessment with the Story County Treasurer.

When asked to prepare the spread sheet on the assessment, the Finance Director advised that, due to the amount of this assessment, the costs are to be assessed in a similar manner as street or utility improvements and paid by the property owner over time. Therefore, before the assessment may be filed with the County Treasurer, a Resolution setting the interest rate and term allowed by *Iowa Code* needs to be adopted by the City Council.

ALTERNATIVES:

1. The City Council can adopt a Resolution setting the interest rate at 2% annually over a term of ten years, instruct the Finance Director to prepare the spread sheet on the assessment, and direct the City Clerk to file the assessment with the Story County Treasurer. (The proposed 2% interest rate reflects the rate at

which our City funds are currently invested.)

2. The City Council can adopt a Resolution setting the interest rate greater than 2%, up to 9% annually, (which is the maximum allowed by State law) over a term of ten years, instruct the Finance Director to prepare the spread sheet on the assessment, and direct the City Clerk to file the assessment with the Story County Treasurer.

2. The City Council could choose not to certify these costs to the County Treasurer, and instead, absorb the costs.

MANAGER'S RECOMMENDED ACTION:

The Inspections Division worked with the property owner, who was told prior to the demolition that she would receive a bill for the cost, and if it was not paid, it would be assessed to her. A hearing was held after the notice was sent to the property owner by certified mail and published in the local newspaper. The property owner accepted service of the notice, but did not attend the hearing.

It is the recommendation of the City Manager that the City Council accept Alternative #1 and adopt a resolution assessing the costs of asbestos testing on and the demolition of a building deemed to be dangerous (garage) at 1107 Grand Avenue to the property owner shown above. The Resolution adopted will also instruct the Finance Director to prepare a spreadsheet computing the costs, interest to be paid, and the term of the assessment and will direct the City Clerk to file a certified copy of the Resolution and spreadsheet with the County Treasurer.