



TO: Mayor Shaun Sipma
Members of the City Council

FROM: John R. Zakian, DR Grant Program Manager & Chief Resilience Officer

DATE: January 28, 2019

SUBJECT: AUCTION OF FLOOD BUYOUT ACQUIRED STRUCTURE

I. RECOMMENDED ACTION

Authorize auction of commercial structure at 435 4th Avenue NE with execution of sale to the highest responsible bidder

II. DEPARTMENT CONTACT PERSONS

John R. Zakian, DR Program Manager & Chief Resilience Officer, 423-4528

III. DESCRIPTION

A. Background

As city acquires properties for the flood mitigation projects, it has periodically presented to the City Council approval requests to auction structures on such property deemed sound and able to be moved. A new aggressive set of policies and procedures has been implemented to make more effective and timely determinations on acquired properties with structures as to whether such structures should be demolished or auctioned. Program goals are to minimize city liability exposure as well as making properties visually presentable until needed for the flood control projects by removing structures and landscaping the properties.

B. Proposed Project

Commercial structure at 435 4th Avenue NE has been inspected and deemed in sound shape for auction and relocation. It will be included with other structures already approved in the next auction.

IV. IMPACT:

A. Strategic Impact:

Structures which can be moved reduce costs incurred through demolition from the CDBG-DR and CDBG-NDR funds.

B. Service/Delivery Impact:

Coordinated procedure to expedite determinations of auction versus demolition of structures including the involvement of appropriate city staff shrinks the liability exposure by the city once it has acquired property and structures, assures that efficient and effective determinations are made on a timely basis with the involvement of city staff, and creates potential for additional funds to be deployed for the disaster recovery activities.

C. Fiscal Impact:

Added funds for disaster recovery activities under CDBG and CDBG-NDR approved Action Plans through Program Income generated by the auction sales.

V. ALTERNATIVES

N/A

VI. TIME CONSTRAINTS

All CDBG-NDR projects must be done and funds spent by September 30, 2022.

VII. LIST OF ATTACHMENTS