

COMMUNITY DEVELOPMENT

Memo

Planning,
Zoning,
Building Safety,
Construction Inspection Services,
Public Health,
Housing Inspections,
Code Enforcement

July 18 , 2017

To: Dave Gobin, Community Development Director
Cc: Gregg Mandsager, City Administrator
From: Adam Thompson, Community Development Coordinator

Re: 500 Mulberry Building Rehabilitation

Introduction

The goal is to save the city money, reduce potential risk to the city, put a quality building back on tax rolls and rehabilitate an old building.

The building has two tax sale certificates issued to Dutrac and Abigail Land Holdings

Dr. Michael Maharry, chair of the Historic Preservation Commission, has been the organizer and mediator between the City and the potential rehabilitator.

City staff met with three potential rehabilitators. All are local parties who are interested and two are experienced with rehabilitating old buildings.

City staff has discussed giving an economic development grant and loan to the rehabilitator to assist in the rehabilitation of the building, if needed. The grant will be significantly less than the cost to demolish the building. The funds will be paid as phases of the rehabilitation project are documented as complete.

The parties interested in rehabilitating the building believe the building has great potential to rehabilitate. They have worked on and rehabilitated buildings in worse condition in the past.

The building has been posted, blocked off, and is being monitored.

A long-time mason believes the building "is still salvageable". The rear wall is non-load bearing wall. The load bearing walls are still in good shape with some minor issues.

The rehabilitator will take on all liability of the rehabilitation project and will release the City of any potential liability.

Process for Acquiring the Property

It is best to have everything lined up so that the property is in the City's hands for as short of time as possible. The City will request that the buyers who hold the tax certificates assign their certificates to the City of Muscatine. If they do not then the City will begin the 657A process to acquire the property. The 657A process is a 60 day process to acquire a clean title.

Once the property is ready to be disposed of a process for sale can be selected. There are different ways to sell the property. With the number of interested parties taking bids is the prevailing option by City staff. The sale of the property will include strict requirements and deadlines that must be met or the property will revert back to the City of Muscatine or condemned.

A notice to abate may need to be issued to fix and repair the back wall before the City is able to acquire and dispose of the property. The City may need to repair the rear wall to abate the issue before we are able to sell the property. The rear wall is estimated to be repaired and stabilized for a total cost of \$7,000-10,000.

Interested Parties

There are three interested parties in the property

Project Requirements and Deadlines

Four phase project

1. Rehabilitate the exterior façade and roof (12/2017)
2. Gut, clean and eliminate any mold, mildew and other contaminants that may be present (6/2018)
3. Rehabilitate the upper residential level (12/2018)
4. Rehabilitate the commercial level (12/2018)

Timeline

End of July: Confirm interest to rehabilitate, contact tax certificate companies.

Early August: Begin legal process to transfer the property

Early September: Acquire and dispose of the property, rehabilitator to begin project