



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: September 3, 2019

Re: Approving an Ordinance for the Execution of a Contract for Purchase of Properties Located at 210 and 212 Hickman Ave.

Executive Summary

Council approval of this ordinance will authorize the City Manager to execute a contract for purchase of property located at 210 and 212 Hickman Ave. The property consists of two vacant and dilapidated structures on two lots consisting of approximately 6,500 square feet each. Rehabilitation of the structures was determined to be cost prohibitive. Upon approval of the ordinance and execution of the sales contract city staff plans to demolish the structure with CDBG funds and redevelop the site with HOME funding. Preliminary plans are to develop the lot with affordable and energy efficient single family residential structures to be included in the Community Land Trust.

Discussion

City staff was approached by the owner regarding interest in purchasing the site with Community Development Block Grant Funds (CDBG). City staff hired Moore and Shryock, LLC to do a restricted appraisal report of houses in the area. Square foot property values with removal of the house ranged from \$3.37 to \$3.98 per square foot. City staff felt the asking price of \$3.08 per square foot was near the market rate for land in the area. The attached contract includes an agreement purchase the lots for \$40,000.00 less any unpaid 2019 real estate property taxes to be taken from the balance at closing. Estimated costs can be seen below.

Contract Sales Price	\$40,000.00
2019 Real Estate Taxes	(\$489.28)
Owners title Policy	(\$175.00)
Settlement closing fee to title company	(\$150.00)
Balance due to Seller	\$39,185.72

The site presents additional challenges to be brought up to current development standards. The remaining structures sit below the street and the site does not properly drain. The drainage challenges likely have contributed to the deterioration of the structures. An initial plan and costs were assembled to bring the site up to grade and allow for more appropriate redevelopment of the site. Costs are as follows:



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210 Demolition	\$5,000
212 Demolition	\$5,000
Site Clearance and grading	\$15,000
Total	\$25,000

Upon Council approval of the ordinance, the City plans to demolish the structures with CDBG funding and prepare the site for redevelopment. An RFP will be issued at a later date for redevelopment of the site.

Fiscal Impact

Short-Term Impact: \$64,185.72 to acquire, demolish, and grade
Long-Term Impact: \$100,000 in HOME funds for redevelopment

Strategic & Comprehensive Plan Impacts

Strategic Plan Impacts:

Primary Impact: Social Equity, Secondary Impact: Infrastructure, Tertiary Impact: Economy

Comprehensive Plan Impacts:

Primary Impact: Livable & Sustainable Communities,

Legislative History

Date	
None.	

Suggested Council Action

Approve the attached ordinance authorizing the City Manager to execute a sales contract for purchase of 210 and 212 Hickman.