Legislation Details (With Text)

File #:	17-22	**Version:**	1	**Name:**	
Type:	Resolution			**Status:**	Passed
File created:	3/29/2017			**In control:**	City Council
On agenda:	4/13/2017			**Final action:**	4/13/2017
Enactment date:	4/20/2017			**Enactment #:**	17-22
Title:	SUPPLEMENTAL BUDGET RESOLUTION NO. 17-22 - APPROPRIATING FUNDING FOR REIMBURSEMENT TO THE CDBG FUND - PURCHASE OF 113 NORTH "C" STREET (FORMER BLOUNT SCHOOL PROPERTY)				
Sponsors:	Ashton J. Hayward, III				
Indexes:					
Code sections:					
Attachments:	1. Supplemental Budget Resolution No. 17-22, 2. Supplemental Budget Explanation No. 17-22				

Date	Ver.	Action By	Action	Result
4/13/2017	1	City Council	Adopted	Pass
4/10/2017	1	Agenda Conference	Placed on Regular Agenda	Pass

LEGISLATIVE ACTION ITEM

SPONSOR: Ashton J. Hayward, III, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 17-22 - APPROPRIATING FUNDING FOR REIMBURSEMENT TO THE CDBG FUND - PURCHASE OF 113 NORTH "C" STREET (FORMER BLOUNT SCHOOL PROPERTY)

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 17-22.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017; PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

In September 2011, City Council approved the purchase of the former Blount School property located at 113 North "C" Street using Community Development Block Grant (CDBG) funds with the intention of removing dilapidated structures from the property to provide for future development opportunities in the Westside Community Redevelopment Area. In Fiscal Year 2012, with the assistance of CDBG funds from Escambia County, the two dilapidated buildings were demolished removing slum and blight on the property.

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Since CDBG funds were used to purchase and improve the former Blount School property, the use of the property is dictated by CDBG program requirements as outlined in the U.S. Code of Federal Regulations Title 24, Housing and Urban Development. In order to remove the CDBG program requirements from any proposed future use of the former Blount School property, the CDBG Fund must be reimbursed in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds used for the acquisition of and improvements to the property. This CDBG program requirement applies to any expenditure of CDBG funds in excess of $25,000 used to acquire or improve property.

In January 2017, City Council declared as surplus the former Blount School property located at 113 North "C" Street and authorized the Mayor to dispose of the property through a request for proposals. The City recently received an appraisal report valuing the property at $305,000. During acquisition and improvement of the property, the City expended $9,063 of non-CDBG funds on the property. Therefore, in accordance with CDBG program requirements, the CDBG Fund must be reimbursed in the amount of the current fair market value of the property ($305,000), less any portion of the value attributable to expenditures of non-CDBG funds used or the acquisition of and improvements to the property ($9,063) for a total amount of $295,937 to be remitted to the CDBG program for use on other eligible projects.

PRIOR ACTION:

September 8, 2011 - City Council approved acquisition of the property located at 113 North "C" Street (former Blount School property).

March 22, 2012 - City Council approved the Interlocal Agreement with Escambia County providing for the CDBG assisted demolition/clearance of the former Blount School property.

June 14, 2012 - City Council approved the award of bid for the demolition/clearance of the former Blount School property.

January 12, 2017 - City Council approved declaring as surplus the property located at 113 North "C" Street (former Blount School property) and authorized the Mayor to dispose of the property through a Request for Proposals.

FUNDING:

Budget: $295,937

Actual: $295,937

FINANCIAL IMPACT:

Approval of the supplemental budget resolution will appropriate funding for the reimbursement to the CDBG Fund for the purchase of the former Blount School.

CITY ATTORNEY REVIEW: Yes

3/30/2017

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STAFF CONTACT:

Eric W. Olson, City Administrator
Keith Wilkins, Assistant City Administrator
Richard Baker, Jr., Chief Financial Officer
Marcie Whitaker, Housing Administrator

ATTACHMENTS:

1) Supplemental Budget Resolution No. 17-22
2) Supplemental Budget Explanation No. 17-22

PRESENTATION: No