



Legislation Text

File #: 22-003, **Version:** 2

ACTION REQUESTED:

Communication from the City Manager and Community Development Director with a Request to APPROVE a CONTRACT with JIMAX, for Demolition of Residential Properties.

BACKGROUND: The City of Peoria has committed to an aggressive demolition program as a pillar of the land banking process removing blight from neighborhoods and eliminating major public safety hazards.

As the Community Development Department continues to demolish dangerous and unsafe structures, the need for demolitions continues to grow. The City of Peoria has three avenues to obtain a demolition order or proceed to demolish a structure.

The first avenue is to file a case through the Circuit Court system and present a case that shows the property is a demolition candidate. The private property owner can ask the court for a time extension to bring the property into code compliance. If they do not, the judge will issue a demolition order to the City of Peoria. The City does not own the property but has permission to pursue a demolition. Before the demolition occurs, the City has a salvage contractor go through the property and remove any items that could be salvaged. The City of Peoria then makes every attempt to collect the cost of the demolition from the private property owner. Due to COVID and previous lack of funding, the City has not been able to process many demolition cases over the last few years. The City hopes to start more aggressively obtaining demolition orders over the next two years.

The second avenue is to present a case to the Circuit Court to have a property declared abandoned. If the property meets the three abandoned property requirements, (property's condition impairs public health, safety, or welfare, property is vacant and abandoned, and the property has two years of unpaid property tax) the City asks the judge to declare the property as abandoned. The City of Peoria then becomes the deed holder of the property. Staff does a thorough inspection of the property to determine if the property could be sold and rehabbed by a private property investor. Historically, about approximately 98% of properties obtained through this process are too far deteriorated to be rehabbed. A change to the statute in 2022 has clarified that a property that is impairing health and safety can be deeded to the City, which may raise the success of returning a building to a private owner. If the property cannot be saved, the salvage company is brought in to salvage remaining items. The property is then demolished by the City of Peoria and added to the Public Works mowing rotation to be maintained until a future use is determined.

The third avenue is an emergency demolition. For an emergency demolition to occur, it must be determined by the Building Official that the property is in imminent danger of collapse and poses an immediate health risk to residents in the City of Peoria.

The City has currently budgeted \$1,000,000 in American Rescue Plan funds for demolitions of property in 2022 and 2023. This will allow the City to do about 90 demolitions each year. The Community Development Department currently has about 55 properties ready for demolition with approximately 150 properties working through the court system.

The City budgeted \$150,000 for emergency demolitions for 2022 in the general fund.

In addition to the funds identified above, the Community Development proactively looks for grant opportunities to expand the demolition program. Over the last few years, the Department has obtained about \$1.5 Million in

federal and state grants for additional demolitions. The Department will continue to look for these opportunities going forward.

The demolition contract provides for a contractor to provide the City with demolition services. This includes emergency demolitions when required.

The Purchasing Division issued a request for proposal (RFP) for the contract and proposals were opened on December 3, 2021.

The City received two (2) proposals for this contract. Proposals were graded based on the following scale by individuals from the Finance and Community Development Departments:

- Approach to Project (35 Points)
- Previous Experience (20 Points)
- Pricing (25 Points)
- MBE/WBE Participation (20 points)

Residential Demolition #21-21			
Vendor	MAX SCORE	Jimax	River City Demolition
Total	400	360	354

JIMAX has been the primary contractor for the City of Peoria Community Development Department for residential demolitions over the last several years. They have done a good job executing the contract and a valuable partner on other neighborhood projects throughout the City of Peoria. JIMAX has indicated their workforce will be made up of fifty percent (50%) minorities who primarily live in the neighborhood where the work is being executed. The Community Development will proactively monitor the staffing levels of Jimax to ensure this commitment is being fulfilled. In addition to obtaining the highest score in the RFP, Jimax was also the lowest bidder when it came specially to price.

Updated: The Council item was deferred due to some questions regarding how measurements are made to determine the demolition price of each property. City staff measures all normal demolitions to compare to measurements submitted by the contractor. Any dispute in the measurements is settled before the demolition work begins. Emergency demolitions are a little more difficult as these occur often in the middle of the night due to a fire. Staff does its best effort to compare measurements based on available information. In addition, the contractor submits photos of each demolition as well. Another question had to do with basement fill price and what was considered a crawl space versus what was not. That language was clarified in the contract. Attached to the Council Communication is a copy of the RFP which acts as the contract along with the proposal submitted by Jimax.

FINANCIAL IMPACT: \$1,000,000 is budgeted in the capital fund for demolitions for 2022. An additional \$150,000 is budgeted in the general fund for emergency demolitions.

NEIGHBORHOOD CONCERNS: Reducing dangerous building in the City of Peoria reduces blight and safety hazards in our neighborhoods.

IMPACT IF APPROVED: Demolitions will occur until funds are exhausted.

IMPACT IF DENIED: Demolition activity will not occur in 2022

ALTERNATIVES: n/a

EEO CERTIFICATION NUMBER: Jimax 03104-220331

WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2017 - 2032 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?

1. Beautiful Peoria
2. Safe Peoria
3. Grow Peoria

WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?

1. Reduce crime.
2. Reinvest in neighborhoods.
3. Grow employers and jobs.

DEPARTMENT: Community Development