

April 11, 2024

TO: Mayor Julie Moore Wolfe & Decatur City Council Members

FROM: Scot Wrighton, City Manager

RE: **Removal of Old School Buildings:** Resolution Authorizing the Execution of an Agreement with Ezell Excavating Inc. for Demolition of Vacant Buildings located at 1222 E. Grand and 1500 E. Condit

The former Durfee Elementary School at Jasper and East Grand, and the former Centennial/Coppenbarger School at East Condit and North Woodford, were both sold many years ago by Decatur Public Schools to private or religious owners who lacked the means, ability and vision to restore or re-purpose them. As a consequence, both buildings have fallen into serious disrepair and are now large public hazards and dangerous nuisances. Utilities have been disconnected at the former Centennial/Coppenbarger School since 2007, and at the former Durfee School since 2020. Both schools contain substantial quantities of asbestos. Both schools have been vandalized and are dangerous. Both structures are visual and actual drags on adjacent neighborhood property values, and serve as a barrier to neighborhood revitalization.

When the city encounters such neglect and poor building stewardship, it pursues all legal and reasonable remedies to compel owner(s) to repair or demolish structures at their cost, so taxpayers do not have to “foot-the-bill” to clear them away from the skyline. The city is legally entitled to insist that private property owners not shift the consequences of their neglect to the public. But too often the city is still left “holding the bag” for clearing away derelict buildings.

As was the case with the former Woodrow Wilson Junior High School, neither Durfee or Centennial/Coppenbarger schools have owners with the assets or other financial means to pay for the repair, rehabilitation or demolition of these buildings. They have been abandoned by their current or former owners. Going forward, a more aggressive program of periodic universal business licensing would put the city in a better position to proactively intervene with private building owners before large structures reach the condition of these schools (for example, the Walrus Manufacturing building, and others). For its part, Decatur Public Schools have recently adopted policies to either take down their own surplus school buildings or make sure they are transferred to parties with the means and ability to fully re-purpose the buildings, by posting bonds to tear them down, if necessary. Even with these measures in place or planned, however, the city needs to deal with the legacy of neglect characterizing these two remaining old Decatur school buildings.

This is a sore subject with a City Council that has already had to deal with other abandoned structures owned by parties without the means or desire to clean-up their messes. I believe the city has made progress in recent years in clearing away dangerous structures, but sadly, we have more to remove if the trajectory of the urban core is to be substantively changed.

To know for certain exactly what it would cost to completely demolish and clear the Durfee and Centennial/Coppenbarger sites, staff had to formally request sealed bids. The two buildings were bid together in hopes of obtaining a combined bid discount, or of at least obtaining more competitive bids based on the fact that mobilization costs will be less if they are demolished at the same time by the same contractor. The proposal from the low bidder is less than the staff's estimate for this project; and the cost per building is well below the amount the city and DPS paid to remove the former Woodrow Wilson Junior High School (\$1.02 million). The low bidder is an out-of-town contractor that the city has not used in the past, and I would like to add another bidder to the mix so that future demolition bid proposals enjoy the maximum degree of competition possible.

However, even the cost proposed by the low bidder substantially exceeds the amount of funds earmarked and available in the FY2024 budget for demolitions. While it is reasonable to think that the city will eventually obtain some portion of its costs to demolish and clear the sites back in the form of subsequent sales of the properties, this will likely take several years, and any real estate recovered for the city would likely be a small percentage of total demolition costs, which are more than \$800,000 per building.

Staff has given careful consideration to future options for funding demolitions in FY2025 and beyond. These options can be discussed at a later time; but to get Durfee and Centennial/Coppenbarger removed in FY2024 will, I believe, require that the City Council authorize the use of its "Special Projects Reserve." I have no other funding sources available at the present time for demolitions of this size and scope, and I think it is important that the council not divert too many resources from already-budgeted demolition funds, so as not to handicap our other demolitions.

It is recommended that the council authorize the demolition of both derelict schools. Removing smaller blighted homes and buildings near the schools without removing the huge and highly visible blight created by the old schools renders the smaller demolitions less effective.

Alternatively, the City Council could elect to take down only one of the derelict schools now, and defer the other; or it could defer action on both structures. But I believe the low bid delineated on the attached bid tab is a very competitive proposal, and we may not see a price this low again, as dump fees and environmental remediation costs have been increasing at rates in excess of already high inflation rates.

The cost to take down both derelict school buildings at the same time is less than the cost of removing only one structure at a time. The cost for awarding the two together, incorporating the combined bid deduct, is \$34,253.70 less than the cost of the bids for the schools if they are torn down separately.

The single school cost to demolish only Durfee is \$827,750.

The single school cost to demolish only Centennial/Coppenbarger is \$884,935.

The two together, demolished under the same contract, with deduct: \$1,678,431.