

(f) That the total cost for demolition of the structure is estimated not to exceed \$196,000.

BE IT FUTHER RESOLVED, that pursuant to Section 10-3(b) of the Code, the building official is directed:

- (a) To proceed with the work ordered or to contract to have the work done; and
- (b) Should value of the sale of the salvage from the demolition of any of said buildings exceed the cost of the demolition of the demolished building, the balance in excess of the costs thereof shall be paid to the owner of said building or to such other persons as may by law be entitled thereto; and
- (c) Submit to the city council a statement of the cost of such work for its further determination of the manner by which such costs shall be recouped as provided by Section 10-3(b) of the Code.

BE IT FURTHER RESOLVED, that the proper city officials are authorized to contract with George Bougalis & Sons Company for the demolition and remediation project of 2101-5 West 3rd Street for a total amount not to exceed \$196,000; payable from funds 210-030-3132-5441, 110-132-1304-5453, 262-020-5434 CD18CD PFAC-PF03, and 262-020-5434 CD19CD PFAC-PF01.

STATEMENT OF PURPOSE: This resolution identifies 2101-5 West 3rd Street as a severely damaged or dilapidated building that has been condemned for demolition and authorizes the building official to take appropriate action for removal once the demolition order is final. The council finds that the structures are substandard and constitute spot slum and blight conditions on the community. Buildings damaged or deteriorated in excess of 60% of their market value are subject to an order to the owner to demolish the building within 30 days. Owners are notified via certified mail, posting of the notice on the premises, and posting in the Duluth News Tribune on two dates. Owners are informed of their right to appeal to the Building Appeal Board within 15 days of receipt of the order, pursuant to DLC 10-3. The appeal period has lapsed for the orders described herein. Demolition orders are final when the appeal period has lapsed without the filing of an appeal. If the owner has not appealed the order within 15 days or complied with the demolition order within 30 days of notice, the city council may direct the building official to proceed with the work ordered or to contract to have the work done. The estimated total cost for demolition of these structures is \$196,000. Demolition costs will be funded by a combination of Vacant Building Registration, General Demolition Fund, and 2018 & 2019 Blight Removal Community Development Block Grant Funds.

This resolution also authorizes a contract with George Bougalis & Sons Company for the demolition and remediation of the structure located at 2101-5 West 3rd Street. This structure had been condemned for Demolition after a roof collapse on the western half of the structure in 2017. Since 2017, this building has remained standing and has been a blighted, unsafe, and detriment to the community and neighboring properties. With this demolition, the community will become a safer and healthier place and the damage and disturbance to neighboring properties will no longer persist.

Purchasing issued and invitation to bid on September 3, 2021, and received 6 bids as listed below. Dore & Associates was the lowest bidder when bids were opened but pulled their bid after realized there were accounting errors in their submitted bid. George Bougalis & Sons Company is the submitted the next lowest responsive bid.

<u>Contractor</u>	<u>Bid</u>
Dore & Associates, Inc.	\$137,000
George Bougalis & Sons	\$196,000
Veit & Company	\$236,309
KTM Paving	\$257,500
G Urban Companies	\$300,000

Wren Works

\$469,887