

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY

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Bill Type and Number: Ordinance 2024-293

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: April 9, 2024

Committee(s) of Reference: NCSPHS, R, F

Date of Analysis: April 11, 2024

Type of Action: Authorization to execute settlement of demolition and nuisance liens; assignment of monitoring responsibilities; authorization to terminate lien agreement

Bill Summary: The bill authorizes execution of an agreement between the City and Terrawise Homes, Inc. to settle outstanding nuisance and demolition liens for property on East 1st Street in Springfield. The Finance and Administration Department, the Planning and Development Department and the Neighborhoods Department are designated as the City's monitors for the activities required by the settlement agreement and are authorized to terminate the lien settlement if certain conditions are not met.

Background Information: Terrawise Homes purchased a vacant lot at 439 East 1st Street in Springfield in 2022, with the intent to build a new home on the lot. The previous owner had accrued property safety code violations that were left uncorrected, causing the City to hire a contractor in 2016 to abate the conditions by demolishing the unsafe building, after which the City placed a demolition lien on the property which now totals \$105,881.62.

The City has a program to promote the redevelopment of dilapidated structures or vacant lots by reducing or eliminating liens to make reuse feasible and return the property to a positive contribution to ad valorem revenues. The liens may be abated or eliminated depending on the value of the new structure to be constructed, and different City officials may approve such abatements depending on the amount of the liens as authorized under Section 112.110, Ord. Code which provides that City Council must approve any settlement of nuisance or demolition liens totaling \$100,000 or more. The reduction or elimination of the liens takes place after the applicant completes the new structure and provides documentation of the amount invested in the project. The Finance and Administration Department, the Planning and Development Department and the Neighborhoods Department are designated to monitor the project for compliance with the terms of the settlement before the liens are removed.

Policy Impact Area: Springfield redevelopment

Fiscal Impact: The bill authorizes the waiver of liens totaling \$105,881.62 contingent on the developer building the new home at the estimated cost of \$316,696.85.

Analyst: Clements