



# MEMORANDUM

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**TO:** Mayor and Members of the City Council

**FROM:** Ralph Clark, Interim City Manager

**DATE:** March 14, 2022

**REF:** Consideration - 514 East Ehringhaus Street-Old Verizon Building

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***BACKGROUND:***

In early November 2019, the City was approached by the College of the Albemarle (COA) to learn of the City's interest in the purchase of the property located at 514 East Ehringhaus Street. The Council took subsequent action during the November 25, 2019 Regular Meeting to complete the purchase and "land bank" the property for future waterfront development purposes.

The property measures .764 acres, consisting of a 1,271 square foot single story commercial building. The building footprint is relatively undivided, with a small office area, two restrooms, and a utility closet. The property is classified as Central Business (CB) zoning classification, with no other land regulating overlays assigned. Since acquiring the property, the land and building have remained unused and vacant, other than the temporary storage of the City's surplus of electric meters, which have since been removed. In August of 2020, the building was inspected by the Building Maintenance Supervisor, the Fire Marshal, and the Building Code Enforcement Official, the Assistant City Manager and the City Manager. Inspections at that time revealed that the structure was in relative poor condition and would require extensive renovation before being put in service. At that time, staff estimated \$80,000-\$90,000 in structural repairs, appurtenances, and fixtures for the building to serve in any type of useful purpose for the City, which staff stated at that time the projected cost of improvements exceeded the assessed value of the structure. These estimates didn't include required site and landscape improvements. In the latest tax assessment just completed this year, the building is still only valued at \$88,100.

***ANALYSIS:***

In the memo provided to Council in August of 2020, staff estimated the cost to demolish the building including the tipping fees to be approximately \$4,400.00. A request for bids in 2020 to demolish the building and clear the property generated four bids, the lowest being \$1,345.00, not including the projected tipping fees, which would be an additional \$2,000-\$3,000. An asbestos analysis was conducted in August 2020, which revealed a very small portion of asbestos in some of the bathroom tiles. The asbestos has not yet been removed, however, staff estimates the projected cost to be no more than \$1,500 to remove, including labor. During the August 7, 2020 Regular Meeting, the Council authorized the demolition of 514 East Ehringhaus Street. The property has yet to be demolished and has sat vacant since.

In the waterfront master plan presented in 2018, the intent is that over time, this intersection (Water and Ehringhaus) transitions into a more robust anchor for the southern portion of downtown, leveraging investment and interest to deal with localized flooding and bring about increased investment and value to surrounding parcels.

While staff will re-secure or confirm honor of previous bids, we currently have an outstanding PO for the above mention bid for demolition, and staff is requesting guidance on proceeding with the demolition.

***STAFF RECOMMENDATION:***

By motion, authorize the proceeding of the demolition of 514 East Ehringhaus, with the acknowledgement that staff will re-secure the bids mentioned above for approval.