

EM SUBMISSION NO.: EMEO402013

PRESENTED: 11-6-13

ADOPTED: 11-7-13

**RESOLUTION AUTHORIZING THE CITY OF FLINT TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE GENESEE COUNTY LAND BANK AUTHORITY FOR THE DEMOLITION OF STRUCTURES WHERE FIRE INSURANCE WITHHOLDING FUNDS ARE APPLICABLE**

BY THE EMERGENCY MANAGER:

In order to promote the health, safety and welfare of the residents of this community, it is in the community's best interest that structures significantly damaged by fire where fire insurance withholding funds are applicable be demolished as soon as possible. The City of Flint is a participating municipality in the Fire Insurance Withholding Program in the state of Michigan, escrowing 25% of a fire insurance settlement up to a specified limit adjusted annually according to the CPI by the Michigan Department of Insurance and Financial Services; and

Funding held in an escrow account by the City under the Fire Insurance Withholding Program is often insufficient to move a structure through the demolition process; and

The Genesee County Land Bank Authority (GCLBA) is willing and able to allocate grant funding to complete the demolition of the structures if the amount set aside in escrow is insufficient; and

The Department of Infrastructure & Development proposes that the City enter into a Memorandum of Understanding with the GCLBA for the demolition of various structures where fire insurance withholding funds are applicable but insufficient to complete demolition; and

Under the Memorandum of Understanding, the GCLBA and the City agree as follows:

1. The City will contract with the Authority to demolish selected properties not to exceed the amount of the escrow received by the City.
2. The Authority will demolish the Properties after first obtaining all necessary federal, state and local permits.
3. The Authority may leverage funds from grants received as available to complete the demolition of selected Properties if the cost of demolition exceeds the escrow amount.
4. During the period commencing October 1, 2013 and terminating September 30, 2014 the Authority may demolish properties identified by the City to be paid for by the City with fire withholding funds held in escrow combined with grant funds, as available and necessary.
5. The City will indemnify and hold the Authority harmless from any and all claims brought against the Authority by any one challenging the legality of the demolition.

**IT IS RESOLVED** that the Proper City Officials, upon the Emergency Manager's approval, are authorized to do all things necessary to enter into a Memorandum of Understanding with the Genesee County Land Bank Authority for the demolition of structures where fire withholding funds are applicable.

APPROVED AS TO FORM:

  
Peter M. Bader, City Attorney

APPROVED AS TO FINANCE:

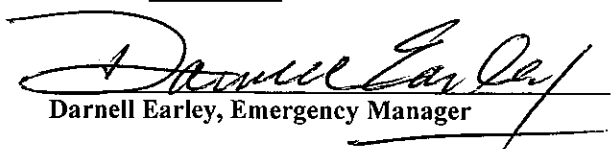
  
Gerald Ambrose, Finance Director

**EM DISPOSITION:**

ENACT 4

REFER TO COUNCIL \_\_\_\_\_

FAIL \_\_\_\_\_

  
Darnell Earley, Emergency Manager

DATED 11-7-13

## RESOLUTION STAFF REVIEW

Date: October 31, 2013

Agenda Item Title:

**RESOLUTION AUTHORIZING THE CITY OF FLINT TO ENTER INTO A  
MEMORANDUM OF UNDERSTANDING WITH THE GENESEE COUNTY LAND  
BANK AUTHORITY FOR THE DEMOLITION OF STRUCTURES WHERE FIRE  
INSURANCE WITHHOLDING FUNDS ARE APPLICABLE**

Prepared by:

Faith C. Finholm  
Demolition Grants Monitor  
Infrastructure & Development Division

Summary of Proposed Action:

The Department of Community & Economic Development proposes that the City enter into a Memorandum of Understanding with the Genesee County Land Bank Authority (GCLBA) for the demolition of various structures where fire insurance withholding funds are applicable.

Financial Implications:

The MOU allows the GCLBA to bill the City for demolition of structures, not to exceed the applicable funding held in the Fire Insurance Escrow account.

Pre-encumbered?: Yes\_\_\_ No X Requisition#

Account No. 542-371.710-801.000

Other implications (i.e. collective bargaining):

No other implications are known at this time.

Staff Recommendation: Recommend Approval

Approved by



Jesse W. Buchanan  
Director, B.S.I., Blight & Demolition



Howard Croft  
Director of Infrastructure & Development