

In Witness before the Pennsylvania State Senate Urban Affairs & Housing Committee

Jerry E. Teter, Borough Manager, Borough of Mahanoy City

### Demolition Dumpster Program

Good Morning everyone and thank you for allowing me the opportunity to speak with your committee about issues that are problems in not only Mahanoy City but many other communities throughout the Commonwealth. Tight Budgets and Blight.

It is my first time testifying and I am honored to have the opportunity to speak on behalf of the citizens of Mahanoy City Borough. I don't need to tell you that Tight Budgets and Blight are issues that I dealt with on almost a daily basis. Just last week the Borough had to deal with an emergency situation where a blighted abandoned property was in danger of collapse. A portion of the property was literally ready to fall into the back yard of the neighboring property. Quick action by our Code Enforcement/Emergency Management Coordinator and Borough Council officials prevented this from happening. The property in question is now being demoed using CDBG funds. Cost to remove the property was \$11,875. The reason for the low cost is due to the fact there is a row home only on the one side and there is a retaining wall already in place. I could go on and on about why the cost of certain properties cost more but that would take an hour.

In early 2005, our Code Officer was dealing with a citizen where his property was in a similar situation ready to collapse onto the street. The Code Officer had cited the property owner and even took him before the Magistrate. Where the citizen was judged guilty and paid the fine. Well, that didn't solve the problem with the property. He stated that it was cheaper to just pay fines or spend time in jail rather than demolish the property. However, the property owner did make the statement that if he could get some financial help from the Borough he could demo the property himself.

The council considered using Community Develop Block Grant (CDBG) funds to help him but were told by the Department of Community Economic Development (DCED) that in order to use CDBG funds the Borough would have to own the property. Since there were large tax liens and other liability issues this would not be an option. At a Borough workshop it was decided to see if we could help him. The Borough Council proposed the establishment of a Demolition Dumpster Program which was approved at the following council meeting. The initial funding would come from the Borough's General Fund in the amount of \$1,500. The property owner was contacted and took advantage of the help from the Borough and the problem property was removed by the owner with the use of dumpsters which were paid for by the Borough. Total Cost to the Borough \$1,500.00.

With the completion of this first demolition, the Borough Council found out that a house when demolished will fit in approximately 3 large dumpsters at a cost of \$500.00 each. (A building lot for a Mahanoy City Row home is 12.5' X 62.5') Some of the items in homes are salvageable. For example the copper wiring, copper pipes, radiators from heating system and plumbing parts were all salvaged for scrap. In addition, a whole host of other citizens showed up at the demolition site for windows, doors, and some of the wood planks. So what went into the dumpster was for the most part old furniture, appliances, roofing, siding and some other building material.

In November of 2005 The Council decided to make this a permanent program to be funded with a total of \$4,500 from the General Fund which would allow for 3 demolitions per year at a cost of \$1,500 each. At that point, the Borough Council handed over the reins of the program to the Code Enforcement officer and me and told us to come up with some acceptable guidelines and an application for the program but to just keep it simple. I have copies of both with me if anyone wants to see them.

As an addition to funding from the General Fund, The Council considered using funds from the sale of lots where the Borough used CDBG funding to demo the property. A call to DCED was made and they were delighted to learn that funding from CDBG demoed properties was being recycled into a program that would help demolish other blighted structures. In addition to this funding, in 2006 Senator Rhoades contacted me after learning about the program and committed a grant in the amount of \$5,000 for this program which demolished 3 of the properties listed below and assisted in a fourth. At this time the fund has a balance of just over \$8,000 which was secured by the recent sale of Borough owned lots. This program continues and the Borough has not had to fund the program from the General Fund since its establishment in 2005.

Since the establishment of this program the following properties have been demolished by the owners:

620 West Railroad Street-Total cost to the program \$1,500 (First Structure removed)

334 West Pine Street- Total cost to the program \$1,500

1305 & 1307 E. Mahanoy Street – Total cost to remove 2 properties \$2,000.

(Additional funding is given at the discretion of Council when more than one property is involved up to \$2,000)

808 E. Market Street- Total Cost to the program \$1,404.20

57 N Beech Street- Total Cost to the program \$1,500.00

618 E. Railroad Street- Total Cost to the program \$1,330.20

Center and Linden Street-( Old business property purchased by the Citizens Fire company)-Total Cost to the program \$2,000 (Additional funding was granted since this was considered a double property.)

Recently approved-811 E. Pine Street-approved by council for \$1,500 (Property Owners Second demolition using this program)

At this time one additional inquiry was received involving 2 structures.

If my addition is correct, that's a total of cost of \$12,734.40 to remove 9 blighted structures. The average cost to demo a property according to our last CDBG bidding process on the average amounts to around \$25,000. So that saved taxpayers a total of \$212,266. It should be noted here that the most recent cost to demolish a property in Mahanoy City (in addition to bid advertising and legal costs) has risen to as high as \$30,166. Which was the cost to remove a row home at 338 W. Mahanoy Street in November 2008.

To Close: I have only worked in government for a little over 5 years and in private industry for 35 years before that. I don't need to tell you that budgets are always tight and programs are always being cut. This little simple blight program has been considered a success in Mahanoy City Borough and has been shared with other Boroughs and cities. (Most recently City of Shamokin) I guess you can say Mahanoy City is willing to try anything that will "stretch a buck". Most importantly I have to keep reminding taxpayers that the problems with blighted properties didn't happen over night and they are not going to be solved overnight. Just be patient!

Thank you for your time and consideration. I am available now or any time to answer questions.

Saved in my documents correspondence-witness narrative