



2733 Penn Avenue North
Appeals Panel Hearing
Thursday, August 14, 2008

Appeal Received from David Bichanga, owner of record	July 7, 2008
Director's Order to Demolish Sent	June 17, 2008
Added to VBR	January 6, 2005
Condemned for boarding	April 26, 2005

Owner

David Bichanga, PO Box 2358, Maple Grove, MN 55311

David Bichanga, 12170 Business Park Blvd., Champlin, MN 55316

David Bichanga, 2605 Campus Drive, Plymouth, MN 55441

US Bank National Association, 10790 Rancho Bernardo Rd., San Diego, CA 92127

US Bank National Association received the property in foreclosure.

Mr. Bichanga has filed an appeal of the Director's Order to Demolish, saying "Bank is trying best to sell property. Property is in good interior condition and can be rehabbed."

Structure description

2733 Penn Ave. N. is a five-unit apartment building in the Jordan neighborhood. The two story structure was built in 1900. The building is 7,193 square feet, with 2,604 being the first floor, 2,437 being the second floor and 2,152 being the basement. The building sits on a 10,216 square-foot lot.

General condition

The building has been vacant and boarded since at least January of 2005. Inspections and/or the Minneapolis Police Department have had to board the dwelling or garage ten times since January of 2005, and the house has been a constant source of nuisance orders during that time.

Market analysis

Vacancy Rate: The vacant housing rate in the Jordan neighborhood is around 8%. Of the approximately 944 houses on the city's Vacant Building Registration, 116 are in the Jordan neighborhood alone, a neighborhood of approximately 2,449 housing units.

Cost to Rehab: The estimated cost to rehabilitate the building is \$259,600 to \$367,500 based on the MEANS square footage estimate.

After Rehab Market Value: CPED staff appraiser has determined that the after-rehab value of the home would be \$200,000.

Assessed Value: The assessed value of the property is \$150,000 (2008). In 2007, the value was \$200,000. The \$50,000 decrease in value is a result of the dilapidated condition of the structure.

Cost to Demolish: The estimated cost to demolish the structure is between \$68,000 to \$75,000.

Community impact

The Jordan Area Community Council and the owners of properties within 350 feet of 2733 Penn Ave. N. were mailed a request for a community impact statement. The department received eight in return. Six of the seven asked for the property to be demolished, citing its terrible condition, use by prostitutes, johns and drug users and being out of place in the neighborhood. One letter expressed frustration over the current owners incapability and unwillingness to demonstrate any sort of commitment to the neighborhood, asking that the City force the "sale/rehab/teardown" of the property. One letter said the building has a negative impact on the neighborhood and does not fit the housing needs, but that demolition or rehab should be up to the property owner.

Architectural and historic value/designation

The Preservation and Design Team staff has conducted an historic demolition review of the property. The property does not have historic integrity and the demolition will have little or no adverse impact on historical neighborhood context. The wrecking permits have been signed and returned to Minneapolis Development Review.

Notification summary

The Order to Raze and Remove the Building was sent by certified and regular mail to:

US Bank National Association, 10790 Rancho Bernardo Rd., San Diego, CA 92127 - accepted

Recommendation

Demolition.