

**CITY OF MINNEAPOLIS
NUISANCE CONDITION PROCESS REVIEW PANEL**

**In the matter of the Appeal of
Director's Order To
Demolish the Property
Located at 301 30th Avenue N.
Minneapolis, Minnesota.**

**FINDINGS OF FACT,
CONCLUSIONS, AND
RECOMMENDATION**

This matter came on for hearing before the Nuisance Condition Process Review Panel on September 25, 2008, in City Council Chambers located in Minneapolis City Hall. Burt Osborne, chair, presided and other board members present included Patrick Todd, Bryan Tyner and Elfric Porte. Assistant City Attorney Lee C. Wolf was present as *ex officio* counsel to the board. Brian Young and Wayne Murphy represented the Inspections Division. Troy Gray of Danna D. investors appeared for the owner Danna D. Investors L.L.C. Based upon the Board's consideration of the entire record, the Board makes the following:

FINDINGS OF FACT

1. 301 30th Avenue N., is a single family home in the Hawthorne neighborhood. The 1.2 story structure was built in 1922. The building is 906 square feet, with 756 being the first floor, 150 being the second floor and 756 being the basement. The building sits on a 4,872 square-foot lot.

2. The property located at 301 30th Avenue N. is in extreme disrepair. The building was condemned for being a boarded building on February 28, 2007, and a Code Compliance Inspection was completed in 2007, which included orders to repair or replace all deteriorated/damaged walls, ceilings, windows, floors and doors. In addition a proper parking

surface is necessary. The porch has rotted floor boards, garage needs painting, and the gas and water pipes need replacing.

3. The Assessor rates the overall building condition as poor.

4. The Inspections Division of the City of Minneapolis determined that the property at 301 30th Avenue N. met the definition of a Nuisance under Minneapolis Code of Ordinances (hereinafter "M.C.O.") § 249.30. The applicable sections of M.C.O. § 249.30. provide that *(a) A building within the city shall be deemed a nuisance condition if:*

(1) It is vacant and unoccupied for the purpose for which it was erected and for which purpose a certificate of occupancy may have been issued, and the building has remained substantially in such condition for a period of at least six (6) months.

(2) The building is unfit for occupancy as it fails to meet the minimum standards set out by city ordinances before a certificate of code compliance could be granted, or is unfit for human habitation because it fails to meet the minimum standards set out in the Minneapolis housing maintenance code, or the doors, windows and other openings into the building are boarded up or otherwise secured by a means other than the conventional methods used in the original construction and design of the building, and the building has remained substantially in such condition for a period of at least sixty (60) days.

(4) Evidence, including but not limited to rehab assessments completed by CPED, clearly demonstrates that the cost of rehabilitation is not justified when compared to the after rehabilitation resale value of the building.

5. Pursuant to M.C.O. § 249.40(1) the building was examined by the Department of Inspections to ascertain whether the nuisance condition should be ordered for rehabilitation or

demolition. Considering the criteria listed in M.C.O. § 249.40(1) the Inspections Department found:

a. The estimated cost to rehabilitate the building is \$78,166 to \$126,844 based on the MEANS square footage estimate. The assessed value of the property is \$45,500 (2008). In 2007 the assessed value was \$119,500.

b. The Preservation and Design Team staff conducted a historic review of the property finding that the property's historical integrity are impaired due to past work or current conditions, but the property still exhibits features and design that make the structure worth rehabilitation; however, demolition is okay and the demolition permits have been signed and returned.

d. The Hawthorne Area Community Council and property owners within 350 feet of 301 30th Avenue N. were mailed a request for a community impact statement. The Department of Inspections received none in return.

d. The vacant housing rate in the Hawthorne neighborhood is around 9%. Of the approximately 944 houses on the city's Vacant Building Registration, 142 are in the Hawthorne neighborhood, a neighborhood of approximately 1,853 housing units.

6. Scott Feyereisen owned the property located at 301 30th Avenue N and had obtained a rental license on the property. The Minneapolis City Council revoked the rental license for the property on January 30, 2008, making the property ineligible for a rental license without approval of City Council after application for reinstatement. On February 28, 2007, the property was condemned for being a boarded building. The property went into foreclosure in 2007 and Associated Bank purchased the property at sheriff's sale.

7. On January 31, 2008, Danna D Investors purchased the property.
8. Taking into account the criteria listed in § 249.40(1) a notice of the Director's Order to Raze and Remove was mailed on July 23, 2008, to Danna D. Investors L.L.C. and Highland Bank. Julia Rozhansky of Danna D Investors filed an appeal indicating that the "Property has been cleaned and in the process of being remodeled. We have a signed rental agreement and intend to have home renovated within 45 days."
9. On August 12, 2008, a Stop Work Order was issued as it was discovered that work was being completed at the property without permits; it was estimated that \$30,000 worth of work was being done. Department staff indicated that this is not the first time the owners have been caught doing work without the proper permits.
10. The owner has a rental agreement in place although the property is ineligible to be rented until the owners apply for reinstatement of the rental license and the reinstatement is approved by City Council.
11. The owner submitted an estimate for rehabilitation of the house at \$29,748 and indicated that they are willing to work with the City and to follow the Code Compliance Inspection orders to bring the property up to code.
12. The owner's estimate to rehabilitate the property is insufficient to bring the property in to code compliance; the photos of the house show a property in need of significantly more work than what is addressed by the owner's estimate and more along the line of the estimate submitted by City staff.

CONCLUSIONS

1. The building located at 301 30th Avenue N. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(1) as the building is vacant and unoccupied for the purpose for which it was erected and the building has remained in such a condition for a period of at least six months.

2. The building located at 301 30th Avenue N. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(2) as the doors, windows and other openings into the building are boarded up or otherwise secured by a means other than the conventional methods used in the original construction and design of the building, and the building has remained substantially in such condition for a period of at least sixty days.

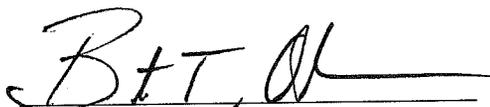
3. The building located at 301 30th Avenue N. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(4) as evidence clearly demonstrates that the cost of rehabilitation is not justified when compared to the after rehabilitation resale value of the building.

5. Pursuant to M.C.O. § 249.40 *Abatement of nuisance condition*, the Director of Inspection's recommendation to raze the building located at 301 30th Avenue N. is appropriate. The building meets the definition of a nuisance condition as defined by M.C.O. § 249.30 and a preponderance of the evidence, based upon the criteria listed in M.C.O. § 249.40, demonstrates that razing the building is appropriate. The building has been vacant and boarded for approximately one and a half years. The current owner's estimate to rehabilitate the property does not align with the current condition of the property and what would be needed to bring the building up to current standards. In addition the owners have been doing work without permits

and have an invalid lease in place, all of which shows an inability to work with the City in a proper manner.

RECOMMENDATION

That the Director of Inspections' Order to Raze the building located at 301 30th Avenue N. Minneapolis, Minnesota, be upheld.

A handwritten signature in black ink, appearing to read "B. Osborne", written over a horizontal line.

Burt Osborne
Chair,
Nuisance Condition Process Review Panel