

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

**In the matter of the Appeal of
Director's Order To
Demolish the Property
Located at 2220 Marshall Street N.E.
Minneapolis, Minnesota.**

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

This matter came on for hearing before the Nuisance Condition Process Review Panel on June 11, 2009, and September 10, 2009. At the June 11, 2009, hearing Noah Schuchman, acting chair, presided and other board members present included Bryan Tyner and Pete Pelletier. At the September 10, 2009, hearing Burt Osborne, chair, presided and other board members present included Bryan Tyner, Gerri Meyer and Patrick Todd. Assistant City Attorney Lee C. Wolf was present as *ex officio* counsel to the board. Tom Deegan represented the Inspections Division at the hearings. Don Krause of Real Estate Network, LLC, was present representing the owner of the property, Edward McDaniel. Based upon the Board's consideration of the entire record, the Board makes the following:

FINDINGS OF FACT

1. 2220 Marshall Street N.E. is an apartment complex in the Bottineau Neighborhood. The 2 story structure was built in 1967. The building is 14,652 square feet and sits on a 16,000 square foot lot.
2. The property located at 2220 Marshall Street N.E. has been determined to be substandard. The building requires a new roof, new piping, a new heating system, new doors, and new windows. It was condemned in February 2008 due to lack of maintenance. There have

been numerous incidents of vandalism and theft of building components including faucets, sinks and pipes since the building was boarded.

3. The Assessor rates the overall building condition as fair but uninhabitable.

4. The Inspections Division of the City of Minneapolis determined that the property at 2220 Marshall Street N.E. 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.

(3) Evidence, including but not limited to neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building.

(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 located at 2220 Marshall Street N.E. 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 over \$1,000,000.00. The assessed value of the property for 2008 was \$993,500.00. The 2009 assessed value of the property is \$805,000.00.

b. The Bottineau Neighborhood Association and property owners within 350 feet of 2220 Marshall Street N.E. were mailed a request for a community impact statement. The Department of Inspections received three (3) in return. All three stated the property has had a negative impact on the neighborhood and should be demolished, specifically citing lack of maintenance.

c. In 2000 the vacant housing rate in the Bottineau Neighborhood was around 5%. Of the approximately 838 houses on the city's Vacant Building Registration, 6 are in the Bottineau Neighborhood, a neighborhood of approximately 550 housing units.

6. The building located at 2220 Marshall Street N.E. was added to the City's Vacant Building Registration on March 12, 2008, and condemned for being a boarded building on September 30, 2008, and was condemned due to lack of maintenance on February 12, 2009. The building has remained vacant since March 12, 2008, and has remained boarded since September 30, 2008.

7. Taking into account the criteria listed in § 249.40(1) a notice of the Director's Order to Raze and Remove was mailed on March 20, 2009, to Edward McDaniel and Commerce

Bank. On April 9, 2009, Edward McDaniel filed and appeal stating “meeting with neighborhood group to save property, create jobs. Note: Real Estate Network LLC is under contract to repair the structure.” The matter was then set for hearing on June 11, 2009.

8. At the June 11, 2009, hearing a continuance was requested so that more information could be gathered regarding a possible rehabilitation of the property and the matter was continued to September 10, 2009.

9. At the September 10, 2009, hearing Don Krause of Real Estate Network LLC., indicated that they did not dispute the condition of the building and agreed that it was currently not habitable. Mr. Krause indicated that they are ready to start rehabbing the building as they have received the funding after insurance settlement. Department staff indicated that a very preliminary rehab plan had been submitted but it was not detailed and did not have timelines set for when the work would be completed.

10. Chris Gams, president of the Bottineau Neighborhood Association, stated that the building has been a constant source of problems for the neighborhood and recommended that the building be demolished.

CONCLUSIONS

1. The building located at 2220 Marshall Street N.E. 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 2220 Marshall Street N.E. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(2) as the building is unfit for occupancy as it fails to

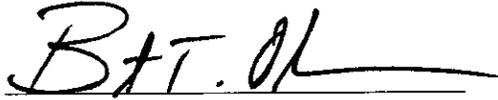
meet the minimum standards set out by city ordinances before a certificate of code compliance could be granted, or is unfit for human habitation because it fails to meet the minimum standards set out in the Minneapolis housing maintenance code, or the doors, windows and other openings into the building 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.

3. The building located at 2220 Marshall Street N.E. meets the definition of a nuisance condition as set forth in M.C.O. § 249.30(a)(4) as 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.

4. The building located at 2220 Marshall Street N.E. 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 the building needs to be razed. The building has been vacant for over a year and boarded for approximately one year. The building has been the source of numerous problems for the neighborhood and has been vandalized on several occasions with the copper piping having been removed from the building. The cost of rehabilitating the building will, in all likelihood, run over a million dollars and take several months to complete; meanwhile, the neighborhood will suffer the effects of having this nuisance property in the neighborhood.

RECOMMENDATION

That the Director of Inspections' Order to Raze the building located at 2220 Marshall Street N.E., Minneapolis, Minnesota, be upheld.

A handwritten signature in black ink, appearing to read "B.T. O.", with a horizontal line drawn underneath the signature.

Burt Osborne
Chair,
Nuisance Condition Process Review Panel