



Request for City Council Committee Action from the Department of Regulatory Services

Date: December 17, 2008

To: Public Safety and Regulatory Services Committee, the
Honorable Don Samuels, Chairperson

Referral to: No referral

Subject: Demolition of 2222 4th Street North, as per recommendation
from the Nuisance Condition Process Review Panel (249
Appeals Panel).

Recommendation:

To adopt findings of the Nuisance Condition Process Review
Panel to uphold the Director's Order and demolish the property
located at 2222 4th Street North, Minneapolis, MN.

Previous Directives:

PSRS October 29, 2008 - Postponed; staff directed to meet with property owner to
discuss possible rehabilitation plan.

Prepared or Submitted by Tom Deegan, Manager of the Problem Properties Unit,
673-3310.

Approved by: _____

Rocco Forte, Assistant City Coordinator

Henry Reimer, Director of Inspections

Presenters in Committee

Lee Wolf, Attorney

Tom Deegan, Manager Problem Properties Unit

Financial Impact (Check those that apply)

No financial impact (If checked, go directly to Background/Supporting Information).

Action requires an appropriation increase to the ___ Capital Budget or ___ Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Action is within the Business Plan

Action requires a change to the Business Plan

Other financial impact

Request provided to the Finance Department when provided to the Committee Coordinator

Community Impact

Neighborhood- No impact.

City Goals – Maintain the physical infrastructure to ensure a safe, healthy and livable city.

Comprehensive Plan – No impact.

Zoning Code – No impact.

Other

Background and Supporting Information

The property located at 2222 4th Street North is in extreme disrepair. The building has been vacant and boarded for approximately one and a half years. This property has been neglected to the point that it has had a negative impact on the community and will continue to have a negative impact if it is not razed as attested to by the community impact statements submitted by neighbors requesting that the building be torn down.

The Nuisance Condition Process Review Panel heard the appeal of the director's order to demolish on September 25, 2008 and recommended that the order to demolish be upheld.

The property owner has met with Problem Properties Unit staff and is prepared to present a restoration plan at the Public Safety & Regulatory Services Committee.

Notification summary

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

1. AMC Mortgage Services, Inc., 505 City Parkway West, Ste. 100, Orange, CA 92868
2. Yong Yia Vue, 8140 Xenia Avenue N, Brooklyn Park, MN 55443
3. Yong Yia Vue, 2011 Hillside Avenue N, Minneapolis, MN 55411
4. Kyle White c/o RE/MAX, 13875 Highway 13 South #100, Savage, MN 55378
5. Vang Phay, 11936 Isanti St. NE, Blaine, MN 55449
6. Argent Mortgage Co., LLC, PO Box 5047, Rolling Meadows, IL 60008
7. Shapiro, Nordmeyer & Zielke, LLP, 7300 Metro Blvd., Ste 390, Edina, MN 55439

Recommendation

Staff recommendation: Demolition

Nuisance Condition Process Review Panel recommendation: Demolition

Findings of Fact under separate cover



2222 Fourth Street North

Appeals Panel Hearing
Thursday, September 25, 2008

Appeal Received from Mahmood Khan, Owner	August 19, 2008
Director's Order to Demolish Sent	July 23, 2008
Title Ordered. Change in Ownership Not Recorded	July 1, 2008
Mahmood Khan Purchased Property	June 25, 2008
Code Compliance Inspection, Paid by Realtor Kyle White	April 1, 2008
Condemned for boards	July 17, 2007
Added to VBR	July 17, 2007

Owner

Mahmood Khan, 2972 Old Highway 8, Roseville, MN 55113, 651-636-7080.

Mr. Khan has filed an appeal of the Director's Order to Demolish, saying ""Code compliance will be brought up to code by licensed contractors."

Structure description

2222 4th Street North is a two-family home in the Hawthorne neighborhood. The 1 ½- story structure was built in 1900. Each unit has four rooms, including one bathroom and one bedroom. The building is 1,623 square feet, with 903 being the first floor and 720 being the second floor and 677 being the basement. The building sits on a 6,280-square-foot lot.

The water service has been discontinued for nonpayment. The amount due is \$1508.33.

General condition

There are 27 open housing orders, most as a result of the code compliance inspection conducted in April 2008. The basement is moldy, there are holes in the walls, water damage shows on the ceilings throughout the house, kitchens and bathrooms have been trashed, the copper has been stripped, the roof is substandard.

Mr. Mahmood has submitted an estimate to rehab of \$100,000.

Market analysis

Vacancy Rate: 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 alone, a neighborhood of approximately 1,853 housing units.

Cost to Rehab: The estimated cost to rehabilitate the building is \$129,843 to \$234,372, 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 \$_____.

Assessed Value: The assessed value of the property is \$70,000 for 2008. In 2007, the value was \$147,500. The \$77,500 decrease in value in one year is a result of the dilapidated condition of the structure.

Cost to Demolish: The estimated cost to demolish the structure is \$15,400 to \$118,700.

Community impact

The Hawthorne Area Community Council and the owners of properties within 350 feet of 2222 4th Street North were mailed a request for a community impact statement. The department received three in return. All said the house has a negative impact on the neighborhood, does not fit the housing needs of the neighborhood and should be demolished.

Architectural and historic value/designation

The Preservation and Design Team staff has conducted an historic demolition review of the property. 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 of rehabilitation. Demolition is okay. The wrecking permits have been signed and returned to Minneapolis Development Review.

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Recommendation

Demolition.

ESTIMATE TO REHAB 2222 4th Street, North Mpls

SINGLE FAMILY, 2 BEDROOM, 2 BATH, 2 CAR GARAGE

1. House Finishes \$25,000

(includes sheet rock, mud, tape, texture of ceiling, paint interior and exterior, interior doors, wood trim around doors, windows and baseboard, hardware for doors and windows, bathroom cabinets and mirrors and exhaust fan, closets, window blinds and handrails, insulation etc.)

2. Garage, including doors \$1,500

(Repair and or replace the two car garage doors)

3. Roof \$12,000

(repair and replace shingles, roof rafter (or roof replacement), and chimney repairs)

4. Siding – Stucco \$8,000

(Paint and repairs only)

5. Plumbing

(bathroom, kitchen, and hot water heater
estimate by Presto Plumbing. \$8,000)

6. Doors and Windows \$6,400

(Replace and repair as needed)

7. Electric

(Complete electrical work by Southside Electric) \$7,500

8. Heating \$8,000

(one furnace plus duct work)

9. Cabinets and appliances \$2,000

(For Kitchen)

10. Flooring \$10,000

(Vinyl in bathrooms and kitchen and the rest of the house to have carpet)

11. Trash and debris removal \$2,000

12. Foundation repair \$10,000

(To secure foundation from water leaks and concrete repair as needed)

13. Miscellaneous \$4600

(Includes landscaping, walk ways and yard cleanup)

14. Additional code compliance work \$10,000

(Roof rafter (or roof replacement), and chimney repairs

Rear stairs

Rim joist area that is rotten

Replacement of the basement slab

Removal of the existing asbestos furnace)

Estimated cost of rehabilitation +/- 10% = \$115,000 to \$125,000

