

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

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**In the matter of the Appeal of  
Director's Order To  
Demolish the Property  
Located at 3001 James Ave. N.  
in Minneapolis, Minnesota.**

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

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This matter came on for hearing before the Nuisance Condition Process Review Panel at Rental Dwelling License Board of Appeals at 2:45 p.m. on May 10, 2007 in City Council Chambers located in Minneapolis City Hall. Board Chair Burt Osborne presided. Other board members present included Patrick Todd, Dave Dewall and Elfric Porte. Assistant City Attorney Lee C. Wolf was present as *ex officio* counsel to the board. Tom Deegan, Manager Minneapolis Problem Properties Unit and Wayne Murphy represented the Inspections Division. William Baker representing the owner of 3001 James Ave. N., American Bank of St. Paul was present for the appeal hearing scheduled for April 12, 2007. No appearances were made by the owners or representatives of the owners at the May 10, 2007 hearing. Based upon the Board's consideration of the entire record, the Board makes the following:

**FINDINGS OF FACT**

1. American Bank of St. Paul owns the property located at 2842 31<sup>st</sup> Ave. S, Minneapolis, Minnesota. The structure is a single family dwelling in the Jordan neighborhood. The two story house was built in 1900. The building is 1296 square feet and sits on a 5,108 square foot corner lot. The house has three bedrooms and one full bath. There is a partial basement and no garage on the property. The building was condemned on December 20, 2006 for being a boarded building.

2. The Inspections Division of the City of Minneapolis determined that the property at 3001 James Ave. N. meet 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; or*

*(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.*

3. 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 \$142,000 to \$155,500, based on the MEANS square footage estimate. The assessed value of the property is

\$115,500 (2005), \$112,000 (2006). The estimated value after rehab according to the appraisal obtained from Minneapolis Community Planning and Economic Development staff is \$129,600. The Assessor rates the condition of the building as fair. Since the building has been vacant for over one year it has lost its nonconforming rights. The property has no architectural or historic value/designation.

b. There is \$3,366 in pending special assessments on the property from 2007 and \$4,343 were assessed in 2006. The real estate taxes for 2006 are not paid and total \$1,111.42 plus penalties and interest.

c. The Jordan Area Community Council and the owners of properties within 350 feet of 3001 James Ave. N. were mailed a request for a community impact statement. The Inspections Division received two impact statements in return. The two impact statements recommended demolition and commented that the property has had a negative impact on the neighborhood.

d. The vacant housing rate in the Jordan neighborhood is around 8%. Of the approximately 397 houses on the city's Vacant Building Registration, 64 are in the Jordan neighborhood alone, a neighborhood of approximately 2,666 housing units.

4. Taking into account the criteria listed in § 249.40(1) a notice of the Director's Order to Demolish was mailed to Feyereisen Enterprises, Inc., American Bank of St. Paul, University National Bank, Integrity Financial Solutions, Inc., and Murnane Brandt Law Firm on February 1, 2007.

5. On February 22, 2007 The Law Firm of Murnane Brandt, on behalf of American Bank of St. Paul, filed an appeal of the Director's order to demolish pursuant to M.C.O. § 249.45(c) and a hearing was scheduled for March 8, 2007. On March 5, 2007 Murnane Brandt, on behalf of American Bank of St. Paul, requested a continuance of the March 8, 2007 hearing as they had just recently received the title to the property and wished to complete a Code Compliance Inspection prior to the appeals hearing. Pursuant to this request the appeals hearing was continued to April 12, 2007.

6. Feyereisen Enterprises bought 2001 James Ave N. on September 30, 2005 for \$101,115. Their mortgage was with American Bank of St. Paul. The mortgage was foreclosed and the property was sold to American Bank of St. Paul at sheriff's sale on December 1, 2006 on a bid of \$110,848.87. On February 21, 2007 Feyereisen Enterprises executed a Quit Claim Deed and an Agreement Regarding Waiver of Redemptive Rights thus giving American Bank of St. Paul title to the property.

7. On April 12, 2007 William Baker of American Bank of St. Paul appeared and stated that a Code Compliance Inspection had been completed on March 26, 2007 and that based upon that Inspection appellant requested time to enter into a restoration agreement with the Department of Inspections to rehabilitate the property.

8. The matter was continued to May 10, 2007 for a restoration agreement to be worked out between the Department of Inspections and appellant.

9. On May 10, 2007 no appearances were made on behalf of appellant. The Department of Inspections stated that they received a Facsimile Transmission from William Baker of American Bank of St. Paul at 4:35 on May 9, 2007 which included a letter to Mr. Baker from an Engineering Firm discussing the structure of the property at 3001 James Ave. N. Wayne

Murphy of the Department of Inspections stated that no restoration agreement had been entered into and that no detailed rehabilitation plan had been submitted to the Department.

## **CONCLUSIONS**

1. The building located at 3001 James Ave. 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 3001 James Ave. 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 3001 James Ave. N. meets the definition of 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. Pursuant to M.C.O. § 249.40 *Abatement of nuisance condition*, The Director of Inspection's order to demolish the building located at 3001 James Ave. 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 demolition of the building is appropriate. The building has been vacant and boarded for

over one year and has lost its nonconforming rights and has no historic value. In addition the community feels that the property has had a negative impact on the neighborhood.

**RECOMMENDATION**

That the Director of Inspections' Order to Raze the building located at 3001 James Ave. N., Minneapolis, Minnesota be upheld.

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Burt Osborne  
Chair,  
Nuisance Condition Process Review Panel