



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

**Date:** December 12, 2007

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

**Referral to:** No referral

**Subject:** To adopt findings of the Nuisance Condition Process Review Panel to demolish the property located at 2012 - 29<sup>th</sup> Avenue, Minneapolis, MN.

**Recommendation:**

That the Director of Inspections' Order to Demolish the building located at 2012 29<sup>th</sup> Avenue South, Minneapolis, Minnesota be upheld and the recommendations of the Nuisance Condition Process Review Panel to demolish the property.

**Previous Directives:**

None.

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

Approved by: Rocco Forte

Rocco Forte, Assistant City Coordinator

HENRY REIMER (by Thomas Deegan)

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 Attached.**

**2012 29th Avenue South**

Appeals Panel Hearing

November 8, 2007

Director's Order to Demolish	September 27, 2007
Code Compliance Inspection	January 1, 2007
Condemned (ConB)	August 3, 2006
Vacant Building Registration	July 25, 2006
Letter of Intent to Condemn for boards (LintB)	June 1, 2006
Condemned for Lack of Maintenance (Con1)	May 22, 2006
Letter of Intent to Condemn for lack of utilities (Lint2)	January 27, 2006

**Owner**

Ownership of this property is disputed.

On March 8, 2005, Georgianne O'Neill conveyed title to Linda Shirley. Warranty deed document 85060468. Sale price \$165,000, according to assessors' card. Ms. Shirley entered into a mortgage for \$132,000 with Indy Mac Bank on that date. Ms. Shirley defaulted on that mortgage, and the sheriff's sale was scheduled for December 26, 2006.

On December 6, 2006, Ms. Shirley conveyed the property to Seward Redesign, the community development group for the Seward neighborhood. Before the sheriff's sale, Indy Mac Bank was contacted by attorneys for Ms. O'Neill, who threatened to sue to challenge the status of the title of the property. The sheriff's sale was canceled.

Ms. O'Neill believes she is the victim of consumer fraud. She claims she never intended to relinquish title to Ms Shirley and considers herself the owner of the property.

Indy Mac Bank, FSB, appealed the director's order to demolish. Indy Mac Bank is represented by Kristine Spiegelberg of Shapiro, Nordmeyer & Zielke, LLP, 7300 Metro Blvd, Suite 390, Edina, MN 55439

#### **Structure description**

2012 29th Avenue South is a one-story house of 594 square feet. The building, built in 1905, sits on a 40x158-foot lot. Zoning is R2B. The building has been on the Vacant Building Registration since July 25, 2006.

#### **General condition**

The assessor rates the property as substandard, poor, and uninhabitable. For 2008, the assessor values the house at \$100 and the land \$86,400. There are three rooms and one full bathroom in the house.

The water bill is \$22.73. The taxes are current. The county shows the owner as Seward Redesign.

#### **Market analysis**

*Neighborhood Housing Information:* In 2000, the Seward neighborhood had 3,805 housing units; That's 20 fewer than a decade earlier, but 135 more than in 1980. In 2000, there was a 1.26% rental vacancy rate and a 0.46% homeowner vacancy rate.

*Cost to Rehab:* The estimated cost to rehabilitate is \$53,400 - \$65,300, based on the MEANS square footage estimate.

*After-Rehab Market Value:* CPED Staff appraiser has estimated the market value after rehab to be \$70,000.

*Assessed Value:* Taxes are current. The estimated market value of the property for 2008 is \$86,500.

*Cost to Demolish:* The estimated cost to demolish the structure is between \$5,700 - \$6,600.

**Community impact**

The Seward Neighborhood Group and the owners of properties within 350 feet of 2012 29th Avenue South were mailed a request for a community impact statement. The department received 7 in return; 6 recommended demolition, 1 recommended repair/renovate. Six commented that the property has had a negative impact on the neighborhood; one commented that "could be a very nice property if renovated." One neighbor stated, "It is in such a state of disrepair that no one is going to invest what is needed to bring it up to code and make it a useful part of the neighborhood."

**Architectural and historic value/designation**

None

**Notification summary**

The Director's Order to Raze and Remove the Building was sent by certified and regular mail to these recipients:

1. Linda Shirley, 2319 Caminito Recodo, San Diego, CA 92107 , Owner Record – KIVA, Title
2. Linda Shirley, 2012 29<sup>th</sup> Ave S, Minneapolis, MN 55406
3. Seward Redesign Inc, 2323 East Franklin Ave, Minneapolis, MN 55406-Taxpayer
4. Shapiro Nordmeyer & Zielke, LLP, 7300 Metro Blvd, Ste 390, Edina, MN 55439-2306
5. Federal Savings Bank, 155 North Lake Ave, Pasadena, CA 91101

**Recommendation of Staff**

Demolition.