

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

**In the matter of the Appeal of
Director's Order To
Demolish the Property
Located at 3206 Pillsbury Avenue S.
Minneapolis, Minnesota.**

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

This matter came on for hearing before the Nuisance Condition Process Review Panel on May 14, 2009, in City Council Chambers located in Minneapolis City Hall. Patrick Todd, acting chair, presided and other board members present included Geri Meyer, Bryan Tyner and Noah Schuchman. Tom Deegan represented the Inspections Division at the hearing. Scott Carmody, a representative of the owner New Century Mortgage Corporation. Neighborhood resident Michael Paul was also present. Based upon the Board's consideration of the entire record, the Board makes the following:

FINDINGS OF FACT

1. 3206 Pillsbury Avenue S. is a two story duplex in the Lyndale neighborhood. The two story has 2,432 square feet, 1,216 on each floor. The building sits on a 6,848 square-foot lot.
2. The property located at 3206 Pillsbury Avenue S. is in disrepair. Code violations at the property include repair the chimney, replace/repair soffits, repair foundation, repair/replace basement floors and windows, repair/replace beams in basement, in addition there are numerous orders which came out of the Code Compliance Inspection. There are 32 open housing orders including orders to repair floors and walls, bathroom floors, gutters, roof, exterior walls and garage. The property has been boarded up by police twice since January 1, 2008. The garage has been found open to trespass and the inspections department has ordered the grass mowed or

garbage picked up on five occasions. There are \$1,650.66 in special assessments on the property as well as delinquent taxes.

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

4. The Inspections Division of the City of Minneapolis determined that the property at 3206 Pillsbury Avenue S. 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.

5. Pursuant to M.C.O. § 249.40(1) the building located at 3206 Pillsbury Avenue S. 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 \$148,792 to \$219,312, based on the MEANS square footage estimate. The assessed value of the property for 2009 is \$110,000 a decrease from the 2008 assessed value of \$282,500. The after rehab market value, as determined by the CPED contracted appraiser, is \$295,000.

b. The Preservation and Design Team staff conducted a historic review of the property finding that the property has no historic integrity and the demolition will have little or no adverse impact on historical neighborhood context. The Team has signed off on the wrecking permits.

c. There are \$1,650.66 in special assessments levied on the property for 2009.

d. The Lyndale Neighborhood Association property owners within 350 feet of 3206 Pillsbury Avenue S. were mailed a request for a community impact statement. The Department of Inspections received four in return. Three state that the house has a negative impact on the community. All state that the structure should be demolished. Two refer to the property being in poor condition for a very long period of time. Another references the negative effect the property has on neighboring property values. All four state that the property does not fit the housing needs of the community.

d. The vacant housing rate in the Lyndale Neighborhood is around 3%. Of the approximately 831 houses on the city's Vacant Building Registration, 8 are in the Lyndale Neighborhood, a neighborhood of approximately 3,550 housing units.

6. On January 14, 2005 Jonathan E. Roe purchased the property located at 3206 Pillsbury Avenue S.

7. Jonathan Roe defaulted on his mortgage and foreclosure proceedings were initiated with the sheriff's sale occurring on November 21, 2006. New Century Mortgage Corporation obtained the property after the six month redemption period expired in May of 2007.

8. On May 12, 2008, the property located at 3206 Pillsbury Avenue S. was found boarded. The property was condemned for being a boarded building on July 8, 2008 and added to the City's Vacant Building Registration. The property has remained vacant and boarded since that time.

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 February 20, 2009, to Duestche Bank Trust Company; New Century Mortgage Corporation; Shapiro, Nordmeyer & Zielke and Angela Larson, listing agent. On March 13, 2009, Angela Larson filed an appeal indicating: "that Carrington Bank plans to enter into a rehabilitation/restoration plan with the city, repair and sell the property".

9. The matter was then set for hearing on May 14, 2009.

10. At the May 14, 2009, hearing Scott Carmody appeared for the owner and stated that the owner has not been able to get offers on the property due to the demo order, and that the seller will pay the assessments and back taxes when a closing would occur. Mr. Carmody indicated that the owner would excavate the basement partially to check the condition of the support beams and check the moisture problems. The owner has reviewed the Code Compliance Orders and done some physical examination of the property to get a feel for the amount of rehabilitation required at the property but has not lined up any contractors or put together any formal proposal for rehabilitation outlining the exact work to be completed and a cost estimate.

11. Michael Paul, a neighbor of 3206 Pillsbury Avenue S. stated that the property has been nothing but problems for years and that it is the worst house on the block. Mr. Paul stated that if rehabilitation could be completed quickly that the neighborhood would prefer rehabilitation to a vacant lot but if the rehabilitation could not be completed quickly then the building needs to be demolished so the negative effect on the neighborhood ends.

CONCLUSIONS

1. The building located at 3206 Pillsbury Avenue S. 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 3206 Pillsbury Avenue S. 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.

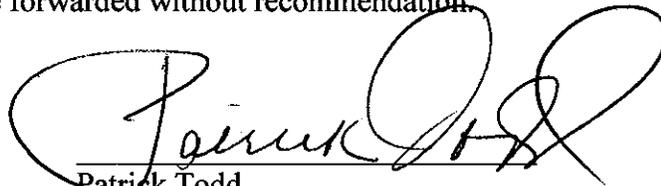
3. The building located at 3206 Pillsbury Avenue S. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(3) as evidence, including but not limited to neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building,

4. Pursuant to M.C.O. § 249.40 *Abatement of nuisance condition*, the Director of Inspection's recommendation is to raze the building located at 3206 Pillsbury Avenue S. 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 over one year. 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 removed. Additionally the owner is not in a position to begin rehabilitation of the property immediately, they have not put together a rehabilitation plan based upon the completed Code Compliance Inspection and have no estimate of the cost of rehabilitation. The owner has had control of the property for nearly two years and has not moved forward with fixing the problems that exist. The neighborhood will continue to suffer by from the effects of this dilapidated building while the owner attempts to sell to someone who may be willing to rehab the property. The building is not needed for neighborhood housing at this time.

RECOMMENDATION

That the Director of Inspections' Order to Raze the building located at 3206 Pillsbury Avenue S. Minneapolis, Minnesota, be forwarded without recommendation.

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

Patrick Todd
Acting Chair,
Nuisance Condition Process Review Panel