

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

**In the matter of the Appeal of
Director's Order To
Demolish the Property
Located at 636 Ontario Street S.E.
Minneapolis, Minnesota.**

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

This matter came on for hearing before the Nuisance Condition Process Review Panel on April 22, 2010. Patrick Todd, acting chair, presided and other board members present included Patrick Hilden, and Ben Foster. Assistant City Attorney Lee C. Wolf was present as *ex officio* counsel to the board. Grant Wilson represented the Inspections Division at the hearings. Mark Zaragoza, the owner of the property was present at the hearing. Based upon the Board's consideration of the entire record, the Board makes the following:

FINDINGS OF FACT

1. 636 Ontario Street S.E. is a single family dwelling in the Prospect Park- East River Road neighborhood. The 1.7 story structure was built in 1900. The building is 1052 square feet and sits on a 3,500 square foot lot.

2. The property located at 636 Ontario Street S.E. has been determined to be substandard. The foundation is collapsing and the floors are sagging. It has an outdated electrical system, illegal wiring, insufficient/illegal heating system, and water damage throughout the kitchen and bathroom. The structure requires a new roof, and new plumbing as the copper has been stolen. All windows and doors must be replaced. There have been eleven (11) housing orders issued to cut the grass/weeds and remove rubbish at the property since June of 2008.

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 636 Ontario Street S.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 636 Ontario Street S.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 \$82,523.04 and \$123,199.04 based on the MEANS square footage estimate. The assessed value of the property for 2009 was \$152,000 and for 2010 the assessed value is \$88,500. The after rehab market value is estimated at \$185,000, based on the assessment of an independent appraiser.

b. The Prospect Park – East River Road Neighborhood Association and property owners within 350 feet of 636 Ontario Street S.E. were mailed a request for community impact statements. The Department of Inspections received four (4) in response. All state that the property has had a negative impact on the community and should be demolished. They cite the long time that the property has been boarded, call it a fire hazard and say that it has attracted nuisances and lowered property values.

c. In 2000 the vacant housing rate in the Prospect Park – East River Road Neighborhood was around 2.1%. Of the approximately 776 houses on the city's Vacant Building Registration, 3 are in the Prospect Park – East River Road Neighborhood, a neighborhood of approximately 1,162 housing units.

6. The building located at 636 Ontario Street S.E. was condemned for being a boarded building and added to the City's Vacant Building Registry on November 17, 2008. The building has remained vacant and boarded since the fall of 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 February 12, 2010, to Mark Zaragoza; City County

Federal Credit Union and the Minneapolis Community Development Agency. On March 5, 2010, Mark Zaragoza filed an appeal on stating that he “is in the process of selling or rehab.” A hearing was set for April 22, 2010.

8. Mr. Zaragoza stated that he has not done anything with the property in nearly four (4) years and that it has been unoccupied for that period of time and also admitted that there is approximately \$20,000 in back taxes owed on the property. Mr. Zaragoza requested for more time to attempt to sell or rehabilitate the property but had no rehabilitation plan set for the property.

CONCLUSIONS

1. The building located at 636 Ontario Street S.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 636 Ontario Street S.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, and 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 636 Ontario Street S.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 636 Ontario Street S.E. 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.

5. The building located at 636 Ontario Street S.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 and boarded for over two years. The owner does not have a plan in place to rehabilitate the property and has no estimate as to the cost of rehabilitation. With no plan in place to rehabilitate the property and no timeline to complete any rehabilitation the building will continue to be a nuisance in the neighborhood and affect the values of the surrounding properties.

RECOMMENDATION

That the Director of Inspections' Order to Raze the building located at 636 Ontario Street S.E., Minneapolis, Minnesota, be upheld.

Patrick Todd
Acting Chair,
Nuisance Condition Process Review Panel