

**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 2726 Stevens Avenue  
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 on July 8, 2010. Noah Schuchman, chair, presided and other board members present included Patrick Todd and Bryan Tyner. Assistant City Attorney Lee C. Wolf was present as *ex officio* counsel to the board. Grant Wilson represented the Inspections Division at the hearings. John Stainbrook, property manager representing Midwest First Financial Limited Partnership IV, appeared at the hearing. Based upon the Board's consideration of the entire record, the Board makes the following:

**FINDINGS OF FACT**

1. 2726 Stevens Avenue is a non-conforming 4-plex in the Whittier Neighborhood. The two story structure was built in 1900. The building is 3,948 square feet and sits on a 4,677 square foot lot.

2. The property located at 2726 Stevens Avenue has been determined to be substandard. A 2008 Code Compliance Inspection revealed foundation cracking, water intrusion, and possible settling. A structural engineer's evaluation is needed to determine the extent of the repairs required to bring the foundation up to code. Other issues at the property include, repair or replace the rotten or missing siding, replace damaged soffits, fascia and windows. There are thirty (30) open housing orders including orders to install smoke detectors,

fire extinguishers fire doors, security devices, repair of glass and screens and repair of walls and floors. Since the property has been vacant for over one (1) year it has lost its non-conforming use rights to be used as a four-plex.

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

4. The Inspections Division of the City of Minneapolis determined that the property at 2726 Stevens Avenue 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 2726 Stevens Avenue 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 \$155,504.00 and \$245,464.00 based on the MEANS square footage estimate. The assessed value of the property for 2009 was \$208,900 and for 2010 the assessed value is \$140,000. The after rehab market value is estimated at \$230,000 based on the assessment of an independent appraiser.

b. The Whittier Alliance and property owners within 350 feet of 2726 Stevens Avenue were mailed a request for community impact statements. The Department of Inspections received three (3) in response. All state that the property has had a negative impact on the community and two of the three say the property should be demolished. The one impact statement recommending rehabilitation states that they would like to see it renovated “but I have no idea what the structure is like inside”.

c. In 2000 the vacant housing rate in the Whittier Neighborhood was around 3%. Of the approximately 742 houses on the city’s Vacant Building Registration, 13 are in the Whittier Neighborhood, a neighborhood of approximately 7,265 housing units.

6. The building located at 2726 Stevens Avenue was condemned for being a boarded building on April 19, 2007, and was added to the City Vacant Building Registry on May 21, 2007. The building has remained vacant and boarded since the spring of 2007.

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 January 8, 2010, to Midwest First Financial Limited Partnership IV. On January 20, 2010, Midwest First Financial filed an appeal of the order to demolish stating that they acquired the property through foreclosure and that they intend to rehabilitate the property, convert it to a duplex and rent it. A hearing was set for July 8, 2010.

8. At the July 8, 2010, hearing John Stainbrook spoke on behalf of the owner, Midwest First Financial Limited Partnership IV. Mr. Stainbrook stated that the owner received the property out of foreclosure in 2007 or 2008, and he was hired to manage the property in April after the owner received the order to demolish. Mr. Stainbrook stated that he had contacted a person ,who claimed to be a contractor, to get bids on the renovation of the property. It turned out the person contacted was not a contractor and the owner had to start over by contacting architects to draw up plans and then receive bids on the work needed to be completed for a rehabilitation of the property. At the current time there are no bids or formal plan to rehabilitate the property.

### **CONCLUSIONS**

1. The building located at 2726 Stevens Avenue 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 2726 Stevens Avenue 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 2726 Stevens Avenue 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.

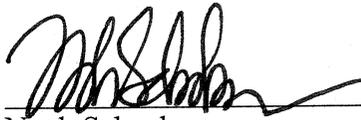
4. The building located at 2726 Stevens Avenue meets the definition of a nuisance condition as set forth in M.C.O. § 249.30(a)(4) as evidence, including but not limited to rehab assessments completed by CPED, clearly demonstrates that the cost of rehabilitation is not justified when compared to the after rehabilitation resale value of the building.

5. The building located at 2726 Stevens Avenue 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 or over three (3) years. There is no current plan in place by anyone, with an interest in the property, to rehabilitate the property. The owner did not hire a property manager to look after the property until after it received the Director's Order to Demolish. 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 2726 Stevens Avenue, Minneapolis, Minnesota, be upheld.



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Noah Schuchman  
Chair,  
Nuisance Condition Process Review Panel