

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

**In the matter of the Appeal of
Director's Order To
Demolish the Property
Located at 2720 17th Avenue S.
Minneapolis, Minnesota.**

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

This matter came on for hearing before the Nuisance Condition Process Review Panel on September 11, 2008, in City Council Chambers located in Minneapolis City Hall. Grant Wilson, acting chair, presided and other board members present included Denise Lingwall, Jim Dahl and Elfric Porte. Assistant City Attorney Lee C. Wolf was present as *ex officio* counsel to the board. Tom Deegan and Wayne Murphy represented the Inspections Division. The owner Sherry Jensen appeared for the hearing as did Robert McDonald, the former owner who sold the property on a contract for deed to Ms. Jensen. Based upon the Board's consideration of the entire record, the Board makes the following:

FINDINGS OF FACT

1. 2720 17th Ave. S. is a duplex in the East Phillips neighborhood. The two story duplex was built in 1900. The building is 1600 square feet, with 900 being the first floor and 700 being the second floor. The building sits on a 5,064 square-foot lot.

2. The property located at 2720 17th Ave. S. is in extreme disrepair. The building sustained a fire in August 2007 and was condemned for being a boarded building on February 4, 2008 and condemned for lack of maintenance on February 7, 2008. There are forty-four (44) open housing orders on the property, dating back to 2007 and a continuous history of housing orders dating back to 2000. There is serious deterioration of the foundation evident on the

inside and buckling and cracking visible on the exterior. All bathrooms, kitchen, plumbing, electrical will need to be completely replaced. The minor work completed at the home, including the installation of a new furnace, has been done without permits.

3. The Assessor rates the overall building condition as average-minus.

4. The Inspections Division of the City of Minneapolis determined that the property at 2720 17th Ave. 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; or

(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 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 \$125,150 to \$245,950 based on the MEANS square footage estimate. The assessed value of the property is \$158,000 (2008). In 2007 the assessed value was \$165,000.
- b. The after-rehab value of the property is \$124,000 based upon the CPED staff appraiser as of September 2008.
- c. The Preservation and Design Team staff conducted a historic review of the property finding that the property does not have 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.
- d. The East Phillips Improvement Coalition and property owners within 350 feet of 2720 17th Ave. S. were mailed a request for a community impact statement. The Department of Inspections received three in return. One statement does not provide an opinion because the submitter has not seen the inside of the house. The other two statements state that the house has a negative impact on the neighborhood, does not fit the housing needs of the neighborhood and should be demolished.

d. The vacant housing rate in the greater Phillips neighborhood is around 6%. Of the approximately 944 houses on the city's Vacant Building Registration, 28 are in the East Phillips neighborhood alone, a neighborhood of approximately 1,090 housing units.

e. Taxes for 2005 in the amount of \$1,225.80 plus penalty and interest are still owed. Taxes for 2006 in the amount of \$1,542.66 plus penalty and interest are still owed. Taxes for 2007 in the amount of \$1,812.00 plus penalty and interest are still owed. Taxes for 2008 in the amount of \$2,079.60 are not paid.

6. John T. Jensen and Sherry Jensen purchased the property located at 2720 17th Ave. S. from Robert J. McDonald and Eloise M. McDonald on a contract for deed on September 13, 2001, for a price of \$50,000.

7. The property located at 2720 17th Ave. S. was condemned for being a boarded building and for lack of maintenance in February 2008 and was placed on the City's Vacant Building Registration on March 9, 2008.

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 March 27, 2008, to Rose M. McDonald; Robert J. and Eloise M. McDonald; John T. Jensen and Sherry Jensen. John T. Jensen and Sherry Jensen filed a timely appeal of the Order to Raze and Remove but delivered it the Minneapolis Development Review where it was incorrectly routed and the Inspections Division began the process to demolish the house. The demolition was stopped when the owners informed the contractor that they had appealed the order. An appeal hearing was then set for August 14, 2008.

9. On August 14, 2008 the appeal hearing was postponed to provide City staff additional time to conduct further research into the condition of the property. City staff

suggested to the owners to have a Code Compliance Inspection completed prior to the continued hearing date of September 11, 2008 and Mr. Jensen declined to do so.

10. On September 11, 2008 Sherry Jensen stated that a code compliance inspection had not been completed but submitted a rehabilitation estimate from D. & S. Tile and Remodeling, LLC., with an estimate of \$61,200.00. The estimate was not itemized and indicated that the roof was in good shape without need of repairs. Ms. Jensen indicated that the owners' intent was to convert the property from a duplex to a single family dwelling and admitted that the foundation was in very bad condition and indicated that half of the estimated rehab costs would go toward fixing the foundation.

11. The photos presented at the hearing show a property in need of more than \$60,000 in repairs. Every room needs extensive work and the foundation work alone could cost \$60,000. The photos also show holes in the roof, which the owners' bid states as not being in need of repair.

CONCLUSIONS

1. The building located at 2720 17th Ave. 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 2720 17th Ave. S. 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, is unfit for human habitation because it fails to meet the minimum standards

set out in the Minneapolis housing maintenance code and because 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.

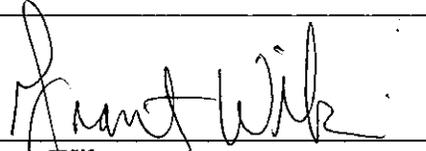
3. The building located at 2720 17th Ave. S. meets the definition of a nuisance condition as set forth in M.C.O. § 249.30(a)(3) as evidence, including but not limited to neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building;

4. The building located at 2720 17th Ave. S. 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.

5. Pursuant to M.C.O. § 249.40 *Abatement of nuisance condition*, the Director of Inspection's recommendation to raze the building located at 2720 17th Ave. S. 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 razing the building is appropriate. The building has been vacant and boarded for a period of eight months. The building's foundation, as well as the entire interior or the property, is in extreme disrepair and the cost of repairing the building will clearly exceed the after market value of the property. The property owner has not paid the taxes on the property for the last three years. 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 razed as attested to by the community impact statements submitted by neighbors requesting that the building be torn down.

RECOMMENDATION

That the Director of Inspections' Order to Raze the building located at 2720 17th Ave. S.
Minneapolis, Minnesota, be upheld.



Grant Wilson
Acting Chair,
Nuisance Condition Process Review Panel