



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

**Date:** April 29, 2009

**To:** Council Member Don Samuels, Chair – Public Safety & Regulatory Services Committee

**Subject:** Appeal of Directors Order to Demolish 2819 Bloomington Avenue South, as per recommendation from the Nuisance Condition Process Review Panel (249 Appeals Panel).

**Recommendation:** Forwarded for discussion without recommendation from the Nuisance Condition Process Review Panel.

**Previous Directives:** None

## Department Information

Prepared by: Kellie Jones

Approved by:

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Rocco Forte, Assistant City Coordinator for Emergency Preparedness & Regulatory Services

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Henry Reimer, Director of Inspections

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Thomas Deegan, Manager, Problem Properties Unit

Presenters in Committee: Wayne Murphy

## Reviews

- Permanent Review Committee (PRC): Approval \_\_\_ Date \_\_\_\_\_
- Civil Rights Approval Approval \_\_\_ Date \_\_\_\_\_
- Policy Review Group (PRG): Approval \_\_\_ Date \_\_\_\_\_

### **Financial Impact**

- Other financial impact – grant funded demolition

### **Community Impact**

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other

### **Supporting Information**

This matter came before the Nuisance Condition Process Review Panel on March 12 and April 9, 2009.

At the April 9 hearing, the owner and his attorney presented evidence that they were ready to enter into a Restoration Agreement and had compiled the information requested at the March 12, 2009 Nuisance Condition Process Review Panel. The owner supplied the Panel with a cost estimate, a bid from a licensed contractor and a potential financial resource.

The Nuisance Condition Process Appeal Panel voted to postpone the matter until its May 14 meeting in order for staff and the owner to finalize details on a Restoration Agreement. However, after the panel vote to postpone, it was learned that the owner has a significant timing concern and needs to start and complete the rehab by fall. In consideration of this fact, the Chair of the Nuisance Condition Process Review Panel authorized the recommendation to be sent directly to Council without recommendation from his committee.

### **Background**

The property is owned by Delfino Mendoza Salgado. Mr. Salgado purchased the property in November of 2008. Prior to that, the property was owned by Bank of New York. The property has been condemned since November 28, 2007 and boarded since September 2007.

2819 Bloomington Avenue is a duplex in the East Phillips neighborhood. The two story structure was built in 1900. The building is 1,992 square feet, with 1074 being the first floor and 918 being the second floor. The building sits on a 5,057 square-foot lot. Inspectors have been inside the property for purposes of determining the appropriateness of a Director's Order and on a code compliance inspection.

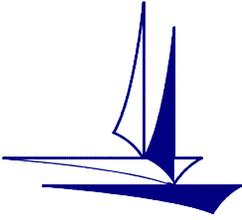
A recent Code Compliance inspection required the following items: repair/replace missing and damaged siding/stucco, repair cracks, tuckpointing, buckling, settlement to foundation, repair/replace basement floor, remedy basement mold issues, repair/replace stairs, replace furnaces because those existing cannot be reused, replace and check gas piping, replace venting system, remedy unapproved plumbing materials and methods, repair water piping and service to code, repair or replace missing or broken glass, repair/replace loose and deteriorating windows, repair and refinish deteriorated walls and ceilings, identify and fix source of moisture problem.

The owner filed an appeal of the Directors order to demolish stating that he had just bought the property in late November of 2008 and that he planned on repairing it so that his kids could live in it. He did not know it was a candidate for demolition at the time of purchase. The Directors Order to demolish was sent February 2, 2008. The appeal was received February 10, 2009.

The cost of rehab, according to our MEANS analysis is between \$100,372 and \$136,828. Mr. Mendoza's estimate for repair of the structure is \$70,500.

The after market rehab value of the property is \$205,000 – according to CPED contracted appraiser. The cost to demolish is between \$19,000 and \$23,000.

Preservation staff have reviewed the property and determined that removal of the structure will not have an adverse impact on historic resources and demolition is okay.



**Minneapolis**

**City of Lakes**

## **2819 Bloomington Avenue**

**Appeals Panel Hearing  
Thursday, March 12, 2009**

Appeal received from Delfino Mendoza Salgado	February 10, 2009
Director's Order to Demolish Sent	February 2, 2009
Condemned for boards and added to VBR	November 28, 2007

### **Owner**

Delfino Mendoza Salgado has filed an appeal of the Director's Order to Demolish, saying "Just bought the house Nov. 20, and I want to fix it up for my kids and their kids. Did not know it was going to be demolished."

### **Structure description**

2819 Bloomington Avenue is a duplex in the East Phillips neighborhood. The two story structure was built in 1900. The building is 1,992 square feet, with 1074 being the first floor and 918 being the second floor. The building sits on a 5,057 square-foot lot.

### **General condition**

The city assessor rates the overall building condition as "Fair." Since 2007, the Minneapolis Police Department has found the building open to trespass on two occasions and has authorized it to be boarded. The Inspections Division also found the dwelling and garage open to trespass on one occasion.

There are 43 open housing violations. A recent Code Compliance inspection resulted in orders including: repair/replace missing and damaged siding/stucco, repair cracks, tuckpointing, buckling, settlement to foundation, repair/replace basement floor, remedy basement mold issues, repair/replace stairs, replace furnaces because those existing cannot be reused, replace and check gas piping, replace venting system, remedy unapproved plumbing materials and methods, repair water piping and service to code, repair or replace missing or broken glass, repair/replace loose and deteriorating windows, repair and refinish deteriorated walls and ceilings, identify and fix source of moisture problem.

### **Market analysis**

**Vacancy Rate:** In 2000 the vacant housing rate in the East Phillips neighborhood was around 6%. Of the approximately 818 houses on the city's Vacant Building Registration, 17 are in the East Phillips neighborhood, a neighborhood of approximately 1162 housing units.

**Cost to Rehab:** The estimated cost to rehabilitate the building is \$100,372 to \$136,828, based on the MEANS square footage estimate.

**After Rehab Market Value:** CPED contracted appraiser determined the after-rehab market value to be \$205,000.

**Assessed Value:** The 2009 assessed value of the property is \$90,700. In 2008, it was \$112,600.

**Cost to Demolish:** The estimated cost to demolish the structure is between \$19,000 and \$23,000.

### **Community impact**

The East Phillips Improvement Coalition and the owners of properties within 350 feet of 1105 28<sup>th</sup> Street East were mailed requests for a community impact statement. The department received one in return. It states that the property has had a negative impact on the community and should be demolished.

### **Architectural and historic value/designation**

The Preservation and Design Team staff is in the process of reviewing the property. Demolition is okay.

### **Notification summary**

The Order to Raze and Remove the Building was sent by certified mail to:

1. Craig Murphy, Epic Realty, 1922 1<sup>st</sup> Ave S #202, Anoka, MN 55303
2. OwnIt Mortgage Solutions, Inc., 27349 Agoura Rd, Ste 100, Agoura Hills. CA 91301
3. MERS, Inc. PO Box 2026, Flint, MN 48501-2026
4. Usset, Weingarden, and Liebo, PLLP, 4500 Park Glen Road, #120, Minneapolis, MN 55416
5. Litton Loan Servicing LP, 4828 Loop Central Dr, Houston, TX 77081
6. Delfino Mendoza Salgado, 2819 Bloomington Ave, Minneapolis, MN 55407
7. Delfino Mendoza Salgado, 2516 15<sup>th</sup> Ave S, Minneapolis, MN 55404
8. Delfino Mendoza Salgado, 1829 S 14<sup>th</sup> Ave, Minneapolis, MN 55404

### **Recommendation**

Demolition.

O & V Construction  
 1818 Benson Ave.  
 St. Paul, MN 55116  
 license # 20329807  
 (612) 282-6366  
 Oscar Villafan



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PROPOSAL SUBMITTED TO:		DATE April 7, 2009	
NAME Delfino		JOB NAME Remodel Duplex	
STREET 2819 Bloomington Ave S.			
CITY Minneapolis		STATE MN	ZIP 55407
PHONE 612-876-8528			

We hereby submit specifications and estimate for:  
**Remodel Duplex:**  
**Remodel 1 floor:**  
 Remove flooring thru out whole house and install carpet and linoleum to kitchen and bathroom.  
 Repair walls as needed.  
 Repair plumbing for kitchen and bathroom.  
 Repair electrical where needed.  
 Replace furnace include new thermostat and misc. fittings.  
 Remove and replace doors were needed.  
 Replace screen where missing on windows.  
 Replace 2 windows.  
 Tuck-point foundation were needed.  
**Remodel 2 floor:**  
 Remove flooring thru out whole house and install carpet and linoleum to kitchen and bathroom.  
 Repair walls as needed.  
 Repair plumbing for kitchen and bathroom.  
 Repair electrical to second floor.  
 Service existing furnace install new supply air plenum, revent flue, line chimney and replace new thermostat.  
 Remove and replace doors were needed.  
 Replace screen where missing on windows  
 Replace windows 3.  
**Permit fee not included**  
 A \$250.00 change order will apply for each c/o plus time and material.

We hereby propose to furnish labor and materials complete in accordance with the above specifications, for the sum of \$70,500.00 Dollars down payment (\$42,300.00) with payments to be made as follows:  
 Then 60% down at start of the job, 30% of the remaining balance when job is 75% complete and balance up on completion.  
 \$1,500.00 non refundable for contract cancellation will be enforced.  
 All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accident or delays beyond our control. This proposal subject to acceptance within 14 days and it is void thereafter at the option of the undersigned.  
 Authorized Signature \_\_\_\_\_ Oscar Villafan \_\_\_\_\_

**ACCEPTANCE OF PROPOSAL**

The above prices, specifications and conditions are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

ACCEPTED: \_\_\_\_\_  
 Signature \_\_\_\_\_

DATE \_\_\_\_\_ Signature \_\_\_\_\_