



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: Demolition of 1714 Hillside Ave North, as per recommendation from the Nuisance Condition Process Review Panel (249 Appeals Panel).

Recommendation: To adopt findings of the Nuisance Condition Process Review Panel to uphold the Director’s Order and demolish the property located at 1714 Hillside Avenue North, Minneapolis, MN.

Previous Directives: None

Department Information

Prepared by: Kellie Jones, Operations Analyst – Problem Properties Unit x3506

Approved by:

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

Henry Reimer, Director of Inspections

Tom 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

- No financial impact
- Action is within the Business Plan
- Other financial impact – grant funded demolition

Community Impact

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

Supporting Information

This matter came on for hearing before the Nuisance Condition Process Review Panel on November 13, 2008 and February 12, 2009.

1714 Hillside Avenue N, owned by Jason and Amy Sklar is located in the 5th Ward in the Jordan neighborhood. This 1.5 story, single family structure was built in 1900. The building is 1,040 square feet, with 744 being the first floor and 266 being the second floor and 774 being the basement. The building sits on a 3,870-square-foot lot. According to the title, this property was purchased by Amy Sklar on November 24, 2003.

Code violations at the property include but are not limited to the following: cracking, buckling, tuckpointing and/or settling in the foundation; severe moisture problems in the basement; damaged/deteriorated ceilings, walls, doors and floors throughout; sagging floors, damage to load-bearing support beams. The detached garage experienced a fire.

On February 19, 2008, the property was condemned for being a boarded building and added to the City's Vacant Building Registration on February 20, 2008. The property has remained vacant and boarded since that time.

A directors order to demolish was sent to the property owner on July 25, 2008 and appealed on August 14, 2008. The matter was first heard by the Nuisance Condition Process Review Panel on November 13, 2008.

At the November 13, 2008 hearing Jason Sklar appeared and requested a continuance until a later date to allow his financial situation to improve and to allow for a Code Compliance Inspection to be conducted.

The matter was continued to February 12, 2009. At the February 12, 2009 hearing Mr. Sklar again appeared and indicated that a code compliance inspection had not been completed and that he was working with his bank for the bank to receive the property back through a "deed in lieu of foreclosure."

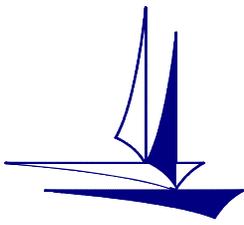
A representative from the bank appeared and indicated that the bank was working with Mr. Sklar to receive the property back but that at the current time the bank had no plans to rehabilitate the property.

The estimated cost to rehabilitate the building is \$46,760 to \$66,580, based on the MEANS square footage estimate. CPED staff appraiser has determined that the after-rehab value of the home would be \$65,000. The assessed value of the property for 2008 is \$50,400.

Preservation staff have reviewed and determined that removal of the property would have no impact on historic resources.

Staff has not had been contacted by the owners or had any contact with the owner since the February, 2009 Appeal Hearing, other than to notify them of today's hearing.

After hearing all the testimony, on February 12, 2009, the Nuisance Condition Process Review Panel voted to recommend to the City Council that the Director of Inspections' Order to Raze the building located at 1714 Hillside Avenue North, Minneapolis, Minnesota, be upheld.



Minneapolis

City of Lakes

1714 Hillside Avenue North

Appeals Panel Hearing

Thursday, November 13, 2008 & February 12, 2009

Appeal Received from Amy and Jason Sklar, HAC Capital LLC	August 14, 2008
Director's Order to Demolish Sent	July 25, 2008
Condemned for boards	February 19, 2008
Added to VBR	February 20, 2008

Owner

Amy and Jason Sklar, HAC Capital LLC, 5871 Cedar Lake Rd., St. Louis Park, MN 55416

They have filed an appeal of the Director's Order to Demolish, saying "1. Current plan in place to request Code Compliance Report and rehab the building. 2. Current plan to partner with the neighbor across the street to form a partnership for the betterment of the neighborhood. 3. Property is completely safe and secure and not hindering the surrounding community. 4. Reason for property being condemned was administrative versus due to overall lack of proper conditions."

Structure description

1714 Hillside Ave. N. is a single family home in the Jordan neighborhood. The 1.5-story structure was built in 1900. The building is 1,040 square feet, with 774 being the first floor and 266 being the second floor and 774 being the basement. The building sits on a 3,870-square-foot lot.

General condition

Code violations include, but are not limited to the following: cracking, buckling, tuckpointing and/or settling in the foundation; severe moisture problems in basement; damaged/deteriorated ceilings, walls, doors, and floors throughout; sagging floors, damage to load-bearing support beams. The detached garage experienced a fire.

Market analysis

Vacancy Rate: The vacant housing rate in the Jordan neighborhood is around 7%, according to the 2000 census. The foreclosure crisis has made that number quite obsolete. Of the

approximately 931 houses on the city's Vacant Building Registration, 115 are in the Jordan neighborhood, a neighborhood of approximately 2666 housing units.

Cost to Rehab: The estimated cost to rehabilitate the building is \$46,760 to \$66,580, based on the MEANS square footage estimate.

After Rehab Market Value: CPED staff appraiser has determined that the after-rehab value of the home would be \$65,000.

Assessed Value: The assessed value of the property is \$50,400 (2008). In 2007, the value was \$101,000. In 2006, the value was \$126,000, and in 2005, the value was \$129,000.

Cost to Demolish: The estimated cost to demolish the structure is between \$10,000 and \$12,000.

Community impact

The Jordan Area Community Council and the owners of properties within 350 feet of 1714 Hillside Avenue North were mailed a request for a community impact statement. The department received one in return. It said the house has a negative impact on the neighborhood, does not fit the housing needs of the neighborhood and should be demolished.

Architectural and historic value/designation

The Preservation and Design Team staff has conducted an historic demolition review of the property. Demolition is okay. The wrecking permits have been signed and returned to Minneapolis Development Review.

Notification summary

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

1. Amy Sklar, 17520 49th Avenue North, Plymouth, MN 55446
2. HAC Capital, LLC, Attn: Kevin Besikof, 7616 Kimberly Lane North, Osseo, MN 55311
3. HAC Capital, LLC, 5871 Cedar Lake Road, St. Louis Park, MN 55416
4. Excel Bank, 5050 France Avenue South, Edina, MN 55410
5. MERS, Inc. PO Box 2026, Flint, MI 48501
6. Virtual Bank c/o Lydian Private Bank, 3801 PGA Blvd., Palm Beach Gardens, FL 33410

Staff Recommendation

Demolition.