



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

Date: October 21, 2009

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

Subject: Nuisance Condition Process Review Panel Recommendation regarding appeal of Director's Order to Raze and Remove structure located at 2536 Polk Street Northeast.

Recommendation: To adopt findings of the Nuisance Condition Process Review Panel to uphold the Director's Order and demolish the property located at 2536 Polk Street Northeast.

Previous Directives: None

Department Information

Prepared by: Kellie Rose Jones – 673-3506

Approved by:

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

Henry Reimer, Director of Inspections

Thomas Deegan, Manager Problem Properties Unit

Presenters in Committee: Thomas Deegan and Lee Wolf

Financial Impact

- Action is within the Business Plan

Community Impact

- Neighborhood Notification of NCPRP
- Consistent with City Goals

Supporting Information

This matter came before the Nuisance Condition Process Review Panel on September 10, 2009.

The property owner Eric Vogt of Vogt Homes was present.

The Nuisance Condition Process Appeal Panel voted to recommend that Council uphold the Director's Order to demolish the property, but encouraged staff to work with the property owner in the interim.

Staff has met with Mr. Vogt, who presented a plan for rehab which is consistent with the MEANS estimate. Additionally, the owners have agreed to provide the required parking under the zoning code.

Background

An order to demolish the property was sent on June 22, 2009. Eric Vogt of Vogt Homes, Inc. filed an appeal of the order to demolish. In the appeal, Mr. Vogt states that they made an offer to purchase the building in March of 2009, but delayed closing based on the requirement to obtain a code compliance inspection. After the code compliance orders were prepared, they proceeded with the closing which took place on June 23, 2009. The order to demolish was sent on June 22. Mr. Vogt outlines their intention to rehab the property and bring it into compliance.

2536 Polk Street NE is a duplex in the Audubon Park neighborhood. The two story structure was built in 1900. The building is 2,368 square feet and sits on a 4,692 square foot lot.

This building was condemned on October 28, 2008 and would now require a Code Compliance Inspection.

Property has been determined to be substandard. A recent code compliance inspection revealed that the foundation is failing, the porch wood is rotted, the stucco is cracked and falling, there is a mold infestation, there is asbestos, copper is missing, there is illegal wiring, and an illegal unit. There are 39 open housing orders, including orders to repair/replace roof, repair/replace exterior walls, repair/replace interior walls, repair/replace floors, repair/replace ceilings, and repair/replace broken or rotted windows.

The estimated cost to rehabilitate the building is \$53,900 to \$61,600.00, based on the MEANS square footage estimate.

CPED contracted appraiser has determined the after-rehab market value to be \$200,000.

The 2009 assessed value of the property is \$150,000. The 2008 assessed value was \$260,500.

The estimated cost to demolish the structure is between \$22,500 and \$27,000.

The Audubon Neighborhood Association and the owners of properties within 350 feet of 2536 Polk St NE were mailed requests for a community impact statement. The department received fourteen responses, all of which stated that the property has a negative impact on the neighborhood and should be demolished.

Preservation and Design staff has conducted an historic demolition review of the property. The review concluded that demolition of the property would not impact the City's Historic Resources and has signed the wrecking permit.



City of Lakes

2536 Polk Street Northeast
Nuisance Condition Process Review Panel Hearing
Thursday, September 10, 2009

Appeal received from Vogt Homes, Inc.	July 7, 2009
Director's Order to Demolish sent	June 22, 2009
Added to Vacant Building Registry	September 24, 2008
Condemned due to being boarded	October 28, 2008

Owner

Eric Vogt of Vogt Homes, Inc. filed an appeal of the order to demolish. In the appeal, Mr. Vogt states that they made an offer to purchase the building in March of 2009, but delayed closing based on the requirement to obtain a code compliance inspection. After the code compliance orders were prepared, they proceeded with the closing which took place on June 23, 2009. The order to demolish was sent on June 22. Mr. Vogt outlines their intention to rehab the property and bring it into compliance.

Structure description

2536 Polk Street NE is a duplex in the Audubon Park neighborhood. The two story structure was built in 1900. The building is 2,368 square feet and sits on a 4,692 square foot lot.

General condition

This building was condemned on October 28, 2008 and would now require a Code Compliance Inspection.

Property has been determined to be substandard. A recent code compliance inspection revealed that the foundation is failing, the porch wood is rotted, the stucco is cracked and falling, there is a mold infestation, there is asbestos, copper is missing, there is illegal wiring, and an illegal unit. There are 39 open housing orders, including orders to repair/replace roof, repair/replace exterior

walls, repair/replace interior walls, repair/replace floors, repair/replace ceilings, and repair/replace broken or rotted windows.

The City Assessor rates the overall building condition as fair.

Market analysis

Vacancy Rate: In 2000 the vacant housing rate in the Audubon Park neighborhood was around 3.2%. Of the approximately 822 houses on the city's Vacant Building Registration, 16 are in the Audubon Park neighborhood, a neighborhood of approximately 2,321 housing units.

Cost to Rehab: The estimated cost to rehabilitate the building is \$53,900 to \$61,600.00, based on the MEANS square footage estimate.

After Rehab Market Value: CPED contracted appraiser has determined the after-rehab market value to be \$200,000.

Assessed Value: The 2009 assessed value of the property is \$150,000. The 2008 assessed value was \$260,500.

Cost to Demolish: The estimated cost to demolish the structure is between \$22,500 and \$27,000.

Community impact

The Audubon Neighborhood Association and the owners of properties within 350 feet of 2536 Polk St NE were mailed requests for a community impact statement. The department received fourteen responses, all of which stated that the property has a negative impact on 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. The report states that the property would not impact the City's Historic Resources and has signed the wrecking permit.

Notification summary

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

1. Federal National Mortgage Association, One S Wacker Dr, Ste 3100, Chicago, IL 60606
2. RE/MAX Results, Attn: Pam Everett, 2605 Campus Drive, Plymouth, MN 55441
3. Pearl G. Grace, 16361 Holbrook Ave, Lakeville, MN 55044
4. MERS, P.O. Box 2026, Flint, MI 48501-2026
5. Wilford & Geske, 7650 Currell Blvd, Suite 300, Woodbury, MN 55125
6. Aurora Loan Services, 601 Fifth Ave, Scottsbluff, NE 69361

Recommendation

Demolition.