



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

**Date:** December 17, 2008

**To:** Public Safety and Regulatory Services Committee, the Honorable Don Samuels, Chairperson

**Referral to:** No referral

**Subject:** Demolition of 418 23<sup>rd</sup> 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 418 23<sup>rd</sup> Avenue North, Minneapolis, MN.

**Previous Directives:**

None.

Prepared or Submitted by Tom Deegan, Manager of the Problem Properties Unit, 673-3310.

Approved by: \_\_\_\_\_

Rocco Forte, Assistant City Coordinator

\_\_\_\_\_

Henry Reimer, Director of Inspections

**Presenters in Committee**

Lee Wolf, Attorney

Tom Deegan, Manager Problem Properties Unit

**Financial Impact (Check those that apply)**

No financial impact (If checked, go directly to Background/Supporting Information).

Action requires an appropriation increase to the \_\_\_ Capital Budget or \_\_\_ Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Action is within the Business Plan

Action requires a change to the Business Plan

Other financial impact

Request provided to the Finance Department when provided to the Committee Coordinator

**Community Impact**

Neighborhood- No impact.

City Goals – Maintain the physical infrastructure to ensure a safe, healthy and livable city.

Comprehensive Plan – No impact.

Zoning Code – No impact.

Other

**Background and Supporting Information**

The property located at 418 23rd Avenue North is in extreme disrepair. The building was condemned for being a boarded building on June 20, 2007. A Code Compliance Inspection conducted in April 2008 indicated that a structural engineer's evaluation is required to evaluate the building's structural integrity. The inspection resulted in twenty-seven (27) open housing orders on the property. In addition, the property has ongoing nuisance orders such as cut grass and remove rubbish.

The Nuisance Condition Process Review Panel first heard the appeal of the director's order to demolish on September 11, 2008. On that date the hearing was continued to October 9, 2008, and the owner did not appear. The NCPRP recommended that the order to demolish be upheld.

## **Notification summary**

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

1. Frederick J. Beckman, 2419 12th Ave. S., Minneapolis, MN 55404
2. Arbor Realty NPAP Holdings LLC, 333 Earle Ovington Blvd., Suite 900, Uniondale, NY 11553
3. Shapiro, Nordmeyer & Zielke, 12550 West Frontage Rd., Ste. 200, Burnsville MN 55337

Certified mail return cards were received from all recipients. Mr. Beckman later contacted staff to inform that he no longer had interest in the property.

## **Recommendation**

Staff recommendation: Demolition

Nuisance Condition Process Review Panel recommendation: Demolition

Findings of Fact under separate cover



## 418 23<sup>rd</sup> Ave North

Appeals Panel Hearing  
Thursday October 9, 2008

Postponed from September 11, 2005

Appeal Received from REO Properties, on behalf of owner Arbor Realty NPAP Holdings, LLC.	August 14, 2008
Director's Order to Demolish Sent	July 23, 2008
Added to VBR	June 21, 2007
Condemned for boards (ConB)	June 20, 2007

### Owner

Arbor Realty NPAP Holdings, LLC, 333 Earle Ovington Blvd., Suite 900, Uniondale, NY 11553  
Roger Skogman, Minnesota REO Properties, Inc., 8937 Aztec Drive, Eden Prairie, MN 55347  
(property manager)

Arbor Realty acquired the property through foreclosure of February 26, 2008. The redemption period expired August 26, 2008.

REO Properties appealed the Director's Order to Demolish stating that the owner intends to offer the property for sale "as is," while obtaining bids to rehabilitate the structure to code, and that they will maintain the property during the transition.

### Structure description

418 23rd Ave. N. is a single-family dwelling in the Hawthorne neighborhood. The 2 -story house was built in 1900. The building is 1272 square feet and sits on a 3724 square-foot lot. The house has 5 rooms, including 2 bedrooms.

**General condition**

The property was ordered boarded by the Minneapolis Police Department on April 12, 2007. It was condemned in June 2007. It has remained vacant and boarded. An interior analysis of the property indicates that extensive work will be required to bring the property up to code. Special assessments since 2007 total \$10,596.66, which includes vacant building fees, police boarding, four instances of grass cutting and the instances of rubbish removal.

## **Market analysis**

*Vacancy Rate:* The vacant housing rate in the Hawthorne neighborhood is around 9%. Of the approximately 932 houses on the city's Vacant Building Registration, 138 are in the Hawthorne neighborhood alone, a neighborhood of approximately 2015 housing units.

*Cost to Rehab:* The estimated cost to rehabilitate the building is \$101,852 - \$225,108 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 \$114,500.

*Assessed Value:* The assessed value of the property is \$49,300 (2008). In 2007, the value was \$141,000.

*Cost to Demolish:* The estimated cost to demolish the structure is between \$12,000 and \$14,600.

## **Community impact**

The Hawthorne Area Community Council and the owners of properties within 350 feet of 418 23<sup>rd</sup> Ave N were mailed a request for a community impact statement. The department received two in return. Both recommended demolition, commented that the property has had a negative impact on the neighborhood, and said that the building did not fit the housing needs of the community. One stated that if a specific plan for rehabilitation could be established, it would be preferred, but believes that demolishing the house will improve the neighborhood. One statement mentions squatters, overgrown grass, and rubbish on the property. Additionally, it mentions that from the outside the roof appears to be bowing.

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

The Preservation and Design Team staff has conducted an historic demolition review of the property. Demolition is okay.

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## **Recommendation**

Demolition.