



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

Date: January 9, 2008

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

Referral to: No referral

Subject: Demolition of 3445 Elliot Ave So, 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 3445 Elliot Ave So, 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

On December 13, 2007, the Nuisance Condition Process Review Panel heard testimony from the appellant and other interested persons regarding the appeal of the Director's Order to demolish the structure at 3445 Elliot Avenue South.

A Compliance Inspection was completed for this property on November 28, 2007. The property sustained a fire in May of 2006 and has been vacant since then. Due to the fact that the property has been vacant for more than a year and has lost its non-conforming use rights to be a duplex.

David McCalip of Wilford & Geske was present representing GMAC Mortgage LLC the current owner of the property. Also present for the owner was Claude Worrell of RMAX who would market the property on behalf of GMAC Mortgage LLC. Casey Rush, owner of the property at 3455 Elliot Ave. S., was also present.

The Nuisance Condition Process Review Panel concurred with the Director's Order to demolish the property (sent 2/21/07).

Prior Ownership

Mortgage Electronic Registration Systems and RBMG, Inc.

Scott Ledoux has owned the property since 1993. Scott LeDoux and Sayphonh Ledoux received a mortgage on November 12, 2003, from MERS and RBMG. A sheriff's foreclosure sale was held on May 25, 2007, with a redemption expiration date of November 25, 2007.

Structure description

3445 Elliot Ave S is a duplex in the Powderhorn Park neighborhood. The 2.2 stories house was built in 1892. The building is 2178 square feet and sits on a 4958 square foot lot. Each unit has two bedrooms and one bathroom. There is a two-stall detached garage in poor condition.

General condition

The property was condemned on September 6, 2006, for being boarded. The property is fire damaged. There are 21 outstanding housing violations including repair screens, repair garage, repair roof overhang, paint exterior trim, repair or replace foundation, repair interior surfaces, repair ceilings, repair cabinets and counters, repair or replace ventilation, repair plumbing, repair smoke detectors, and get rid of roaches.

Special assessments for 2006 total \$1533 and there is currently \$2304 pending for 2007. Real estate taxes for the years 2006 are paid. First-half taxes for 2007 are paid; second half-taxes in the amount of \$2985.25 are due October 15 and are not paid.

A water bill of \$121.85 is owing.

Market analysis

Vacancy Rate: There are 3350 housing units in Powderhorn Park neighborhood; of those, 162 are vacant, for a vacancy rate of approximately 4.5%. Of the approximately 516 houses on the city's Vacant Building Registration, 16 are in the Powderhorn Park neighborhood.

Cost to Rehab: The estimated cost to rehabilitate the building is \$185,000 to \$206,900, based on the MEANS square footage estimate.

After Rehab Market Value: CPED staff appraiser has estimated the market value after rehab to be \$163,400.

Assessed Value: Taxes payable 2006 are not paid. The taxable value of the property is \$95,000 (2007), \$170,000 (2006).

Cost to Demolish: The estimated cost to demolish the structure is \$20,700 to \$25,000.

Community impact

The Powderhorn Park Area Community Council and the owners of properties within 350 feet of 3445 Elliot Ave S were mailed a request for a community impact statement. The department received two in return. Both recommended demolition. Both commented that the property has had a negative impact on the neighborhood. One neighbor remarked, "It's very important to most of the residents on Elliot Ave. to fix up and maintain our property. The sight of this house leaves us feeling hopeless. The property should be demolished, the

sooner the better. It's an embarrassment to all of us, especially when family relatives come for a visit. A real downer."

Architectural and historic value/designation

None

Notification summary

The Director's Order to Raze and Remove the Building was sent by certified and regular mail to 6 recipients:

1. Scott Ledoux, 3447 Elliot Ave S, Minneapolis, MN 55407-Owner Record, RLIC Contact – KIVA
2. Scott Ledoux, 3445 Elliot Ave S, Minneapolis, MN 55407- Property Taxpayer
3. Mortgage Electronic Registration Systems Inc, P. O. Box 2026, Flint, MI 48501-2026
4. Northwest Mortgage Inc, P.O. Box 9209, Des Moines, IA 50306-9209
5. RBMG Inc, 9710 Two Notch Road, Attn: Shipping Dept/Doc. Control, Columbia, South Carolina 29223
6. RBMG Inc, P. O. Box 100155,Columbia, South Carolina 29202-3155

Certified mail return cards were returned by MERS and RBMG. The letters to Mr. Ledoux and Northwest Mortgage were returned as undeliverable.

Recommendation

Staff recommendation - Demolition.

Nuisance Condition Process Review Panel recommendation – Demolition. Findings of Fact under separate cover