



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

**Date:** November 7, 2007

**To:** Ways & Means/Budget Committee, The Honorable Paul Ostrow, Chairperson

**Subject:** Request for funding for demolition of property located at 1626 East Lake street. Estimates are between \$75,000.00 and \$100,000.00 relating to Minneapolis Code of Ordinances Title 12, Chapter 249 relating to Housing: Vacant Building or Dwelling, Nuisance Condition.

**Recommendation:**

That the Finance Department be directed to increase the appropriation for the Department of Regulatory Services (Fund 0100 – 835 – 8560-8032) by \$100,000 to allow for the demolition of property located at 1626 East Lake street

Prepared or Submitted by Thomas M. Deegan, Manager of the Problem Properties Unit, 673-3310 and Lee Larson, Manager of Operations Support

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

Rocco Forte, Assistant City Coordinator

\_\_\_\_\_  
Henry Reimer, Director of Inspections

**Permanent Review Committee (PRC)** Approval \_\_\_\_\_ Not Applicable **X**

**Policy Review Group (PRG)** Approval \_\_\_\_\_ Date of Approval \_\_\_\_\_ Not Applicable **X**

Presenters in Committee

Henry Reimer, Director of Inspections

Lee Wolf, City Attorney

Thomas 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.

Business Plan:  Action is within the plan.  Action requires a change to plan.

Other financial impact (Explain):

Request provided to department's finance contact when provided to the Committee Coordinator.

**Community Impact (use any categories that apply)**

Neighborhood Notification – No

City Goals - Consistent with the following City Goals:

- Maintain the physical infrastructure to ensure a healthy, vital and safe City
- Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth

Comprehensive Plan – No impact

Zoning Code – No impact

Other- Historical Preservation Committee

**Background/Supporting Information Attached**

The request for additional funding to demolish this structure is based on the cost being over \$50,000.00 and its impact on our budget to demolish this building within the city. This building originally burnt in January of 2004. Since that time it has been the subject of numerous Public Safety and Regulatory Services committee meetings. It was recommended for demolition by staff and approved by PS&RS subject to review by HPC. There was a mitigation plan completed by HPC staff and no historical declaration was made. However there are parts of the structure that should be maintained/saved as required under the mitigation plan. Those pieces that are to be stored after demolition and will remain property of the person in title at the time of the demolition. Those initial cost for storage are included in this request but may call for additional funding if stored longer than a year. The HPC mitigation plan is attached.

Most of the time, demolitions are assessed to property taxes. The revenue from this assessment would occur no earlier than 2009 because assessments must be into the property management database system by mid-September to be collected in the subsequent year's property taxes. Rarely, demolitions are paid by the property owner prior to assessment. There is no expectation of such a payment in this case.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by:

Increasing the appropriation for the Department of Regulatory Services (Fund 0100 – 835 – 8560 – 8032) by \$100,000