



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

Date: June 7, 2010

To: Council Member Elizabeth Glidden, Chair – Regulatory, Energy, and Environment Committee

Referral to:

Subject: Nuisance Condition Process Review Panel Recommendation regarding appeal of Director's Order to Raze and Remove structure located at 636 Ontario Street Southeast.

Recommendation: To adopt findings of the Nuisance Condition Process Review Panel to uphold the Director's Order and demolish the property located at 636 Ontario Street Southeast.

Previous Directives: **NONE**

Department Information

Prepared by: Ahna Minge

Approved by:

Rocco Forté, Director of Regulatory Services & Emergency Preparedness

Henry Reimer, Director of Inspections

Grant Wilson, Manager, Problem Properties Unit

Presenters in Committee: Grant Wilson

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 April 22, 2010.

The property owner, Mark Zaragoza, was present and spoke on his behalf at the hearing. He expressed regret at the condition of the property and a desire to rehab the structure.

The Nuisance Condition Process Appeal Panel voted to recommend that Council uphold the Director's Order to demolish the property.

Background

636 Ontario Street Southeast is a single family dwelling in the Prospect Park – East River Road neighborhood. The 1.7 story structure was built in 1900. The building is 1052 square feet and sits on a 3,500 square foot lot.

An order to raze and remove was issued on February 12, 2010. The order was appealed by owner Mark Zaragoza who states that he is "in the process of selling or rehab."

The property has been determined to be substandard. The foundation is collapsing, and floors are sagging. It has an outdated electrical system, illegal wiring, insufficient/illegal heating system, and water damage throughout kitchen and bathroom. The structure requires a new roof, and new plumbing as the copper has been stolen. All windows and doors must be replaced.

There have been eleven housing orders issued to cut grass/weeds and remove rubbish since June 2008.

The estimated cost to rehabilitate the building is between \$82,523.04 and \$123,199.04, based on the MEANS square footage estimate.

An independent appraiser has determined the after-rehab market value to be \$185,000.

The 2010 assessed value of the property is \$88,500. The 2009 assessed value was \$152,000.

The Prospect Park East River Road Improvement Association and the owners of properties within 350 feet of 636 Ontario St SE were mailed requests for a community impact statement. The department has received four in response. All state that the property has had a negative impact on the community and should be demolished. They cite the long time that the property has been boarded, call it a fire hazard, and say that it has attracted nuisances and lowered property values.

Staff has met with Mr. Zaragoza and explained that a Code Compliance Inspection was necessary to rehab or sell the property. Staff also told the appellant that we would be willing to meet to go over plans for rehab and estimates after that Code Compliance was completed. To date, no code compliance has been scheduled.

Staff recommendation is demolition.



City of Lakes

636 Ontario Street Southeast
Nuisance Condition Process Review Panel Hearing
Thursday, April 22, 2010

Appeal received	March 5, 2010
Director's Order to Demolish Sent	February 12, 2010
Building condemned for being boarded and added to Vacant Building Registry	November 17, 2008

Owner

An appeal of the order to demolish was filed by Mark Zaragoza. Mr. Zaragoza states that he is “in the process of selling or rehab.”

Structure description

636 Ontario Street Southeast is a single family dwelling in the Prospect Park – East River Road neighborhood. The 1.7 story structure was built in 1900. The building is 1052 square feet and sits on a 3,500 square foot lot.

General condition

The property has been determined to be substandard. The foundation is collapsing, and floors are sagging. It has an outdated electrical system, illegal wiring, insufficient/illegal heating system, and water damage throughout kitchen and bathroom. The structure requires a new roof, and new plumbing as the copper has been stolen. All windows and doors must be replaced.

There have been eleven housing orders issued to cut grass/weeds and remove rubbish since June 2008.

Market analysis

Vacancy Rate: In 2000 the vacant housing rate in the Prospect Park – East River Road neighborhood was around 2.1%. Of the approximately 776 houses on the city's Vacant Building

Registration, 3 are in the Prospect Park – East River Road neighborhood, which has approximately 1,162 housing units.

Cost to Rehab: The estimated cost to rehabilitate the building is between \$82,523.04 and \$123,199.04, based on the MEANS square footage estimate.

After Rehab Market Value: An independent appraiser has determined the after-rehab market value to be \$185,000.

Assessed Value: The 2010 assessed value of the property is \$88,500. The 2009 assessed value was \$152,000.

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

Community impact

The Prospect Park East River Road Improvement Association and the owners of properties within 350 feet of 636 Ontario St SE were mailed requests for a community impact statement. The department has received four in response. All state that the property has had a negative impact on the community and should be demolished. They cite the long time that the property has been boarded, call it a fire hazard, and say that it has attracted nuisances and lowered property values.

Notification summary

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

1. Mark Zaragoza, 636 Ontario St SE, Minneapolis, MN 55414
2. City County Federal Credit Union, 302 - 6th St S, Minneapolis, MN 55415
3. Minneapolis Community Development Agency, 155 - 5th Ave S, Rm 600, Minneapolis, MN 55401

Recommendation

Demolition.