



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

**Date:** October 25, 2010

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

**Subject:** Nuisance Condition Process Review Panel Recommendation regarding appeal of Director's Order to Raze and Remove structure located at 1720 West Broadway.

**Recommendation:** To adopt findings of the Nuisance Condition Process Review Panel to uphold the Director's Order and demolish the property located at 1720 West Broadway.

**Previous Directives:** None

### Department Information

Prepared by: Ahna Minge

Approved by:

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Rocco Forté, Director of Regulatory Services & Emergency Preparedness

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Henry Reimer, Director of Inspections

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Thomas Deegan, Manager, Problem Properties Unit

Presenters in Committee: Thomas Deegan

### 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 9, 2010.

1720 West Broadway was sent an order to demolish on March 12, 2010. The property is owner by Silvia Padilla, but it is currently in foreclosure to Wells Fargo with the redemption period expiring September 17, 2010. Ms. Padilla filed an appeal of the Director's order to demolish stating that they have \$109,000 dollars in insurance money but that they were waiting on Wells Fargo to release the funds. The appeal states that once the funds are released the house will be repaired.

The property owner was not present at the hearing.

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

## **Background**

1720 West Broadway is a duplex in the Jordan neighborhood. It was sent an order to demolish on March 12, 2010. The property is owner by Silvia Padilla, but it is currently in foreclosure to Wells Fargo with the redemption period expiring September 17, 2010.

The two story structure was built in 1900. The building is 1592 square feet and sits on a 5,625 square foot lot.

Property has been determined to be substandard. The property experienced a severe structure fire on November 27, 2009. A recent Code Compliance inspection resulted in orders to install at least two new footings, to replace fire damaged beams, joists, and studs, to replace damaged siding, and to repair all fire/smoke damaged ceilings and walls. All bathroom fixtures must be replaced due to fire/smoke damage. All broken glass must be replaced.

The estimated cost to rehabilitate the building is \$95,396 to \$127,828, based on the MEANS square footage estimate.

CPED contracted appraiser has determined the after-rehab market value to be \$125,000.

The 2010 assessed value of the property is \$40,000. The 2009 assessed value was \$105,000.

The estimated cost to demolish the structure is between \$14,000 and \$17,500.

Preservation and Design staff has reviewed the property. They determined that the property does not constitute a historic resource. A wrecking permit has been signed and returned to Minneapolis Development Review.

The Jordan Area Community Council and the owners of properties within 350 feet of 1720 West Broadway were mailed requests for a community impact statement. The department received none in return.

Staff has had multiple conversations with a representative for the owner regarding their plans to rehab the property. However, due to the foreclosure status of the property, we have been unable to reach an agreement to rehabilitate the property.

Staff recommendation is demolition.



*City of Lakes*

**1720 West Broadway**  
**Nuisance Condition Process Review Panel Hearing**  
**Thursday, September 9, 2010**

Appeal received from Silvia Padilla	April 12, 2010
Director's Order to Demolish Sent	March 12, 2010
Building condemned for being boarded and added to Vacant Building Registry	February 2, 2010

**Owner**

The property is owner by Silvia Padilla, but it is currently in foreclosure to Wells Fargo with the redemption period expiring September 17, 2010. Ms. Padilla filed an appeal of the Director's order to demolish stating that they have \$109,000 dollars in insurance money but that they were waiting on Wells Fargo to release the funds. The appeal states that once the funds are released the house will be repaired.

**Structure description**

1720 West Broadway is a duplex in the Jordan neighborhood. The two story structure was built in 1900. The building is 1592 square feet and sits on a 5,625 square foot lot.

**General condition**

Property has been determined to be substandard. The property experienced a severe structure fire on November 27, 2009. A recent Code Compliance inspection resulted in orders to install at least two new footings, to replace fire damaged beams, joists, and studs, to replace damaged siding, and to repair all fire/smoke damaged ceilings and walls. All bathroom fixtures must be replaced due to fire/smoke damage. All broken glass must be replaced.

**Market analysis**

**Vacancy Rate:** In 2000 the vacant housing rate in the Jordan neighborhood was around 8%. Of the approximately 736 houses on the city's Vacant Building Registration, 111 are in the Jordan neighborhood, which has approximately 2,449 housing units.

**Cost to Rehab:** The estimated cost to rehabilitate the building is \$95,396 to \$127,828, based on the MEANS square footage estimate.

**After Rehab Market Value:** CPED contracted appraiser has determined the after-rehab market value to be \$125,000.

**Assessed Value:** The 2010 assessed value of the property is \$40,000. The 2009 assessed value was \$105,000.

**Cost to Demolish:** The estimated cost to demolish the structure is between \$14,000 and \$17,500.

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

Preservation and Design staff has reviewed the property. They determined that the property does not constitute a historic resource. A wrecking permit has been signed and returned to Minneapolis Development Review.

### **Community impact**

The Jordan Area Community Council and the owners of properties within 350 feet of 1720 West Broadway were mailed requests for a community impact statement. The department received none in return.

### **Notification summary**

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

1. Silvia Padilla, 1720 West Broadway, Minneapolis, MN 55411
2. Silvia Padilla, 6124 - 114th Pl N, Champlin, MN 55316
3. MERS, 1818 Library St, Suite 300, Reston, VA 20190
4. Bank of England Mortgage Co, dba England Lending, #5 Statehouse Plaza, Suite 500, Little Rock, AR 72201
5. Wells Fargo Bank NA, 3476 Stateview Blvd, Fort Mill, SC 29715
6. Wells Fargo Home Mortgage, 2701 Wells Fargo Way, X9998-012, Minneapolis, MN 55467-8000
7. Reiter & Schiller, The Academy Professional Bldg, 25 N Dale St, 2<sup>nd</sup> Floor, St Paul, MN 55102-0227

### **Recommendation**

Demolition.