



Request for City Council Committee Action from the Department of Community Planning & Economic Development – Planning Division

Date: July 17, 2008

To: Council Member Gary Schiff, Chair, Zoning and Planning Committee
Members of the Committee

Referral to: Zoning and Planning Committee

Subject: Appeal of the Heritage Preservation Commission action denying an application for the Demolition of a Historic Resource at 822 26th Avenue Northeast.

Recommendation: The Heritage Preservation Commission adopted staff recommendation and a denied a Demolition of a Historic Resource application for a single family dwelling at 822 26th Avenue Northeast.

Previous Directives: N/A

Prepared or Submitted by: Brian Schaffer, Senior City Planner, 612-673-2670

Approved by: Jack Byers, Planning Supervisor, 612-673-2634

Presenters in Committee: Brian Schaffer, Senior City Planner

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)

Ward: 7

Neighborhood Notification: The Holland Neighborhood Improvement Association was notified of the appeal application on July 7, 2008.

City Goals: See staff report.

Comprehensive Plan: See staff report.

Zoning Code: See staff report.

Living Wage/Job Linkage: Not applicable.

End of 60/120-day Decision Period: Not applicable

Other: Not applicable.

Background/Supporting Information Attached: Thomas Deegan, on behalf of the Problem Properties Unit of the City of Minneapolis Regulatory Services Department, has filed an appeal of the decision of the Heritage Preservation Commission denying an application for the Demolition of a Historic Resource for a single family dwelling at 822 26th Avenue Northeast.

The Heritage Preservation Commission voted 5-3 to adopt staff recommendation and deny a Demolition of a Historic Resource application for a single family dwelling at 822 26th Avenue Northeast on June 10, 2008. The appellant filed an appeal on June 19, 2008. The appellant's statement is included in the attached supporting material.

Supporting Material

- A. Appellant statement of appeal
- B. June 10, 2008 HPC Meeting Minutes
- C. June 10, 2008 HPC Staff Report with attachments

Minneapolis Heritage Preservation Commission

June 10, 2008, Room 317

Staff: Brian Schaffer

Planning Supervisor: Jack Byers

Date of Appeal: July 17, 2008

Chair Larsen: Alright, we'll move on to our Public Hearing items. We have two items for the evening. Our first item is 822 26th Ave NE, a Potential Historic Resource, Ward 1, staff Brian Schaffer. That's for a demolition of an historic resource.

Staff Schaffer: Chair Larsen, Commissioners, as you mentioned what you have before you is the demolition of an historic resource located at 822 26th Avenue NE. 822 26th Avenue NE is a small single family home in Northeast Minneapolis. It's been found in disrepair the last few years and has been placed on the City's Vacant Building Registry. It was condemned by the City and has been under the management of the Problem Properties Unit of the Regulatory Services Department. They are now seeking permission to demolish the structure. The reason why we, as Preservationists, review demolition permits is actually stated in Section 599.460 of the City Ordinance. It authorizes us to review all demolition permits in the City to determine if it's an historic resource or not. If staff determines that it is an historic resource, the demolition shall not be issued without the review and approval of the Heritage Preservation Commission, so that's why we're here before you today. Staff has come out with some information which I'll present to you and which is presented in the staff report. To give you an idea of how we work with the Problem Properties Unit, we work with the Problem Properties Unit to evaluate properties that they are looking to seek demolition through something called the Director's Orders. We evaluate the properties based on their historical integrity and give them information ahead of time to help inform their decision process. The subject property was evaluated by the Preservation & Design staff in the summer of 2007 and at that time staff encouraged the Problem Property Unit to not pursue demolition as the property was located in a potential historic district and was a potential historic resource. To give you a little more information about the property, the property was constructed in approximately 1890. We say approximately because we don't have the exact building permit, the original building permit. There's a picture of the property as it is today. This 822 26th Avenue NE. As you can tell it is a vernacular style structure with a front facing gable and kind of wing layout. You can see in the cornice returns there is a Greek Revival influence, how that comes back in. It appears to be built originally with an open front porch. Now that front porch has been enclosed at some point in time. There is no building permit evidence to show when that was enclosed, it is just staff's understanding. In 1937 there is a building permit asbestos based siding that he placed on the structure, which wasn't too uncommon in the City. Except for that, the structure exhibits pretty high levels of good historical integrity. When staff considers an application such as this, there are a few items that we need to consider which are also outlined in our ordinance. The ordinance states that before approving a demolition determined to be an historic resource, the commission shall make findings that the demolition is

necessary to correct an unsafe or dangerous condition or that there is no reasonable alternatives to the demolition. Some of the items the Commission shall consider and which the staff report in this presentation will be organized include the significance of the property, the integrity of the property, and the economic value or usefulness of the property. I'm just going to include the current use, cost renovation, and feasible alternative uses. So starting out with the significance of the property, in 1998 a Context Study of the Northeast was done and this block was identified as part of a housing, between Quincy and Jackson, was identified as a possible concentration of worker housing. Following then in 2004, a Historic Resource Inventory of Northeast Minneapolis identified 803-828 26th Avenue Northeast as historical resources. I will read a quick quote out of that piece and move on to other elements. In that review that came forward, it stated:

“This group of single family dwellings appears to be a concentration of late-nineteenth century dwellings constructed in Northeast Minneapolis. Northeast Minneapolis has a rich social and ethnic history and concentrations of vernacular dwellings could represent a significant pattern of residential development. A comprehensive study of worker housing development in Northeast Minneapolis should be undertaken to identify significant property types and integrity requirements needed for individual properties and districts to qualify for local designation and/or National Register listing. This property needs to be evaluated within a broader context of worker housing development.”

That was what we kind of have the base for that's why we're here today. To speak just a little bit more about the site, here is a picture of 822 again looking kind of towards the east. If you go back to the first picture I showed this is 822 here. You can see an open lot here, which you do not see here on this plan. It's 820 26th Avenue NE. You also can see it here, that property was demolished and was also reviewed by staff prior to the demolition. That property had some fire damage and staff felt that it couldn't be returned back to its historical integrity so the demolition had been approved. Speaking further to the integrity of the district, you can see how the building wall has been created the series of structures that have been all platted along facing 26th Avenue NE, just the repetition how that's been set forward. You can see that it's on both sides of 26th Avenue North and South and then this subject structure here on that block face. As you look through the pictures you can tell where 820 has been demolished and you can see the impact of how that affects a potential historic district and how removal of a structure like that reinforces how the removal of one of these properties can really affect the rest of the properties, it alters the fabric of that neighborhood. Moving onto the individual significance of the property, after searching through the City's historic building permits, staff was unable to find original building permit records to determine who the original owner was, the architect, or the building. A review of the Minneapolis City Directories in the Dual City Blue Books found nothing that would help support that. Staff does recognize that as worker housing, this is likely a situation that with the Dual City Blue Books and the City Directories people paid to be included in those, if these were of low income individuals or worker housing, they might not have had the finances to pay to be included in the book. The 2004 survey form states the following about the significance of the structure: “the individual properties exhibit poor historic integrity. However, this group of dwellings displays a repetitive scale and massing typical of late-nineteenth century vernacular worker housing.” The Survey form does not state anything to the effect that the subject property is individually eligible for local designation. Moving on to the next step of the physical integrity

of the property after the historical integrity. In July 2007 a code compliance inspection was done on the property. A code compliance is a process, I'm sure a Problem Properties Unit representative is here that could speak to you, but it's a process of when a property has been condemned it has to go through an analysis to determine what needs to be done to bring it up the current housing code. So this process goes through and identifies what would normally bring it up to a useful, habitable dwelling under modern requirements. The highlights really include fire damage to the roof, and that was required to be repaired, and some cracks in the foundation. There is also that whole list included in the information in your packets. Moving to the economic value of the existing structure. An appraisal of the structure was done by an appraiser in CPED. If the subject structure had been rehabbed, they assess the value at about \$106,000. The applicant did not include what the value of the work that would need to be done to improve the property to bring it up to code compliance or bring it up to habitable standards today; however, the applicant does conclude that the current assessed value is \$73,000. Staff doesn't know what the last purchase price was or what the balance of the mortgage is or anything to that effect. Moving on to the usefulness of the structure. The Problem Properties Unit, who are the applicants, did not include an assessment of the usefulness of the structure or the estimated value required to bring the structure up to compliance with the various code conditions. However, the assessor information does state that the property has 3 bedrooms, 2 baths, and has 1,065 sq. ft. of space. Moving on to the Findings, staff is making the recommendation that the Heritage Preservation Commission adopt the following Findings and deny the demolition application:

1. 822 26th Avenue NE was identified as part of a concentration of worker housing between 803 and 828 26th Avenue NE in a 1998 context study of Northeast Minneapolis.
2. The property is eligible for local designation as part of an historic district. The property is not individually eligible for local designation.
3. To date, there has been no specific accounting of the numbers of properties or concentrations of worker housing that are extant in Northeast Minneapolis. A comprehensive study of worker housing development in Northeast Minneapolis has not occurred.
4. The applicant has provided an appraised value of the property once it is rehabbed, \$106,500, and the current assessed value of the property, \$73,000. The applicant has also provided the results of a code compliance inspection, but the applicant has not provided an estimated cost of renovation nor has the applicant provided an analysis of the usefulness of the structure.

So, again with that, staff is recommending that we deny the demolition permit. I'm sure there's going to be questions, I'll open that up now.

Chair Larsen: I do, we'll start off with some questions. If the staff findings are adopted and we choose to deny the demolition application, in the past it has launched a study of this particular property. In this case it appears as though the property itself may not be individually eligible. So, in that case, would that then trigger a designation study as a district?

Staff Schaffer: Chair Larsen, Commissioners, I'm actually going to defer that question to Jack Byers.

Staff Byers: Mr. Chair, Commissioners, we would need to look at this property in conjunction with the district because we do know that the property is not eligible in and of itself. Typically, if it's a market, a demolition that comes to us through the private market and in most cases because we don't have a budget waiting for every property owner that wants to demolish a residential structure or a commercial structure, typically we would put the onus of that designation study back on the property owner. In this case, because it is our colleagues in the Problem Properties Unit, we would need to work with them on the solution to a demolition study and if it was a responsibility of CPED we would need to put that off at least until the 2009 work plan because a designation study is not in our 2008 work plan.

Chair Larsen: Just a followup question on that.

Commissioner Lemmon: Jack, would it be a district designation or would we be looking at a specific type like worker housing throughout Minneapolis.

Staff Byers: Well, the survey in 2004 notes the importance of this potential district is that it is worker housing. So we would want to look or revisit the issue of worker housing based on previous studies and look at this district in relation to previous studies, but we would also want to look at this district in and of its own rights for its own merits.

Chair Larsen: Alright, Commissioner Morse Kahn.

Commissioner Morse Kahn: Jack, two questions. Along with the Northeast development, pardon me, Mr. Schaffer, a lot of the northeast development is tied to specific industries. Do you have any sense that this housing might have been built as a development group by any industry, the Brewery for instance? A lot of cement factory ...

Staff Schaffer: Chair Larsen, Commissioner Morse Kahn, some of the information we have discovered indicate it might be attached to some of the Soo Line shops that are farther north, this is a block or two blocks off of Central Avenue. And about the time this was developed, the street car line was servicing this area and also servicing up to basically the start of those shops. So this may have been more attached to some of the railroad industry although staff doesn't have information to really confirm that. More a suggestion based on the information that came forth from the 1998 study that stated it might be attached to the Soo Line properties.

Commissioner Morse Kahn: The other question I had was if, as Mr. Byers said, it is deferred to 2009 or beyond, who maintains this property – is it shuttered and closed? If they are wanting to demolish it and it is in frail condition, that's a year's passing.

Staff Schaffer: Chair Larsen, Commissioner Morse Kahn, I think staff would prefer that we see this inhabited and rehabilitated, it doesn't have to be to the levels of what would be required for historic integrity but to be lived in and maintained is what our key push is especially for vernacular structures such as this is that we keep them inhabited, that's the best way to keep them from being demolished. So our intent would be that we would be able to work with our

Problem Properties Unit, and work with the owners of the properties, to bring it forward. I have received numerous calls and concerns from neighbors that were under the impression that this property was going to be demolished. So I am aware that we are aware of that pressure as staff.

Staff Byers: But for clarification, the demolition would, if the commissioner chose to deny the demolition permit, then it could not be demolished for at least one year's time.

Commissioner Morse Kahn: Thank you.

Chair Larsen: Commissioner Mack.

Commissioner Mack: Thank you. Can we request more information about its status, its physical status? I don't really have a sense of whether it's trashed inside or whether if you drove by it does it look like it's on its last legs? I don't feel we've been given information. I mean I can read through the code findings and it sounds like it's not habitable at the present. Would you say that is true or is there someone who could provide us with that information?

Staff Schaffer: Chair Larsen, Commissioner Mack, we actually do have two representatives from the Problem Properties Unit who can speak to that, but there are photos included in your staff report that show the interior structure. The property is condemned at this point and it would have to go through the process of this code compliance to come into, to become habitable right now. They can speak more to that piece. Going back to the Commission's ability to ask for more information, that is absolutely something the Commissioner has a right to do, if they feel that is required. Staff is aware that, as we identified, there is a lot of information that was not included by the applicants, so asking for more information to make a sound decision I think would be reasonable.

Chair Larsen: Have we received any information from the owner of the property?

Staff Schaffer: Chair Larsen, I have had conversations with the owner but I don't have any more information. I have not actually met the owner, so hopefully he is in the audience today and can come forward to speak to it.

Chair Larsen: Ok.

Staff Byers: In these applications, the onus is on the applicant to make the case.

Chair Larsen: Oh, sure, I understand.

Staff Schaffer: In this situation, the applicant is the Problem Properties Unit.

Chair Larsen: Yes, absolutely. Commissioner Crippen has a question first.

Commissioner Crippen: This may be slightly out of our perview but I'm wondering a little more clarity on that legal status ... if the City is the applicant but the owner is a different party,

what is the impact on the owner depending on our actions. What happens if we allow demolition, what happens if we don't?

Staff Schaffer: Chair Larsen, Commissioner Crippen, under the City's ordinance, often called the 249 ordinance, I believe the City has the power to go through due process, to go and issue a demolition permit and that value is assessed to the property owner. We do have, again, two representatives from the Problem Properties Unit who can answer that question and tell you their process and tell you thoroughly how we've gotten to where we are today and what the next steps would be.

Chair Larsen: Commissioner Elliott, did you have a question?

Commissioner Elliott: Yes, since we're looking at this as part of a district, so to speak, which from your plan it looked like it incorporated two blocks both sides, and I notice you mention this one exhibits good historical integrity. I was hoping that you or someone else could speak to the historical integrity of the district as a whole or those two blocks as a whole.

Staff Schaffer: Chair Larsen, Commissioner Elliott, staff hasn't evaluated all the properties. We've looked at this property purely based on the information that you've seen today. Looking at photographs, pictorial evidence, is really how staff's done their determination. You can look at that, you can look at ... from what we have we don't see many modifications as to additions, as to something that might change the scale and massing. Obviously each property might have variable levels of historical materials that are still in use: siding, windows, doors, but their massing and scale and their relative form is still intact and that's a lot of what staff's been basing their comments on today.

Chair Larsen: Just a clarification question. On, if the Commission decides to deny the application to demolish, it's my understanding that that would commence a study if after the study is completed and the findings are brought before us, we may or may not at that time determine that the property could be demolished because there's not enough integrity for a district or that there is and therefore we would establish a district. So in some cases, we're not necessarily saving it for sure but we're saving it for a time that we can determine whether or not it really should be saved and to determine more information about the integrity of the district itself. Does that sound right?

Staff Schaffer: Chair Larsen, Commissioners, that's absolutely correct. It's purely another wave of research that would be a more indepth analysis.

Chair Larsen: Ok, great. Are there any other questions? Commissioner Kelley.

Commissioner Kelley: I'd like to zero in on Commissioner Mack's question with a little bit more specificity. We've heard two different values, the current value of the house about \$70,000 potential value brought up to code about \$100,000 and the cost of bringing it up to code unknown. But I, my reading of this and looking at this, I guess it would be safe to say that the cost of bringing it to code would far exceed the possible return?

Staff Schaffer: Chair Larsen, Commissioner Kelley, I, as staff, I don't have the background in structures and I couldn't make that estimate, so that would be your opinion and I may default to you for having more experience than I do. But from my experience I don't have enough information.

Staff Byers: When we get an application like this we don't immediately stop everything and go do exhaustive extensive research. We put that burden on the applicant and ask the applicant to make that case and we review it based on the information submitted and then ask you if the information is clear and convincing we ask you to make a decision on that. If it's not clear and convincing then we ask you to make a decision on that.

Chair Larsen: Alright, any other questions before we open it up to Public Hearing? Ok, seeing none we will open it up to Public Hearing. Is there anyone that wishes to speak for or against this application?

Kellie Jones: Hi, my name's Kelly Jones and I work for Regulatory Services in the Problem Properties Unit. This is my colleague Wayne Murphy. I guess I wanted to provide a little more context to show how far along this particular project has gone in the process just before we speak more specifically about the building. As Brian mentioned, it was, there was a building next to it that sustained a pretty significant fire, 820 26th Avenue NE, that building was demolished. We sent in May of 2007, then after waiting a period of time to see kind of what happened to the property next to it at 822 26th Avenue East. The Problem Properties Unit sent what we call a Director's Order to demolish, it's basically the City does an analysis, we make a determination that the property meets the Nuisance Standards under Chapter 249 and it authorizes staff to make a debatement decision. At this point we decided to send an order to demolish the property and we did that to the owner in June 2007. The property actually has been vacant since 2005 with no rental license and no indication on the part of the owner that there was a lot of interest in that property. The property was condemned in between there at the end of April. Anyway the owner did appeal our decision or our order to demolish the property and it went before the Nuisance Condition Process Review Panel which is an appeals panel with is set up specifically for the 249 ordinance and for these demolition conditions. That happened on July 12, 2007, again just to show you again kind of the competing purposes that we have before us today. We have a nuisance abatement purpose for the Regulatory Services Commission as well as a very important role with the Preservation Commission and managing our historic resources. So, we have been in communication with Brian and his staff about it. This is the first time that we've actually come to heads on this, and we're not really even at heads we're just kind of confused on what's the appropriate process here. Anyway, so it went to the Appeals Panel on July 12, our Appeals Panel, our Nuisance Condition Panel requested more information about the property and required them to do a co-compliance inspection so that we could have additional information upon which to base our decision. And, in fact, it then got heard again before the appeals Panel in August. And the Appeals Panel concurred with the owner at the time and the staff and manager of the Problem Properties Unit that a restoration agreement was a possibility as long as the owner could come forward and with a secure financing system in place, a really tight line item bid and then also so that we could ensure that the owner was going to follow through we also required them to

have an \$18,000 bond that was part of the restoration agreement. That whole package was then forwarded to the Public Safety and Regulatory Services Committee on September 27, 2007. The Public Safety Committee concurred with us that if the owner could enter into a restoration agreement, come up with a plan and really demonstrate their ability to abate this nuisance condition through restoration and not demolition that staff and the council were willing to go along with that. But they also, knowing the history of this property and the fact that the neighbors had lived a long time with this property, and we'd gotten a lot of public feedback from the community about the problem nature of the building and the fact that it was a significant and detrimental impact on their community, that we got a lot of feedback on demolition. So the council gave them until October 26, the owner, to please meet with us, come up with a plan, come up with your money, show us that you both and the will and the way to do the restoration. The owner then failed to meet the deadlines that were put forth and adopted by the City Council in the fall so then in November, we not receiving any more information and having not met the requirements of the City Council, we began to proceed with demolition, which is the normal course of action. We went ahead and bid the property to looking for a City contractor to do the work, and then in February once we hired our contractor that's when we hit some, the real conflicting purposes where the demolition wrecking application was denied or at least postponed by our colleagues in CPED until this conversation could happen. Again, being that what will happen if the property gets demolished is that the City will pay for it and that demolition will be assessed to the owner. The owner maintains full responsibility in managing the property, cutting the grass, making sure that it's secure and doing all that work. And actually to this date we've had some problems with it, we've got some pictures of things happening in the porch as recently as this fall, bottles, and so clearly there's something going on in the community that again the owner is not paying attention to this property. So again, in February after there had been a discussion between the two organization as to who actually should file the appeal or file the application, we did that internally. So the City, Regulatory Services ... but in our opinion we are still acting under the auspices of the Council action in September and we're kind of under the eight ball in terms of the order from the Council is to remove this property, this nuisance, through demolition. As far as I know the owner has not made any attempt to contact, I know he's not contacted me nor Wayne and I'm pretty sure that's true of the manager of the unit, Thomas Deacon, as well. I think, but he's probably also been waiting for us to tear it down. So there might not have been a reason. I think you had another question ... Wayne can talk about ... we do actually have a little bit more information on our estimate on rehab and both in a meeting with the owner last spring, he himself agreed that it would come in at over a \$100,000 to do the rehab to bring the property into compliance and I think Wayne need another analysis.

Wayne Murphy: My name is Wayne Murphy, I'm an inspector for the Problem Property Unit. I did an evaluation, square footage estimate on this property, to bring it up to minimum codes was roughly about \$106,000. There's damage to the roof that needs to be replaced. All the copper piping is missing out of it, the heating system is gone, the property just needs a lot of care.

Chair Larsen: Mr. Kelley.

Commissioner Kelley: Yes, I guess I, thanks for that, it's about what I thought. I had another question and maybe it's not one that you can answer, but if you can it would be appreciated.

Would you characterize this in the context of the neighborhood, would you characterize this property as more of an odd ball or perhaps a leading edge of a wave? I mean, are there more possible properties that could be in this situation coming our way soon?

Kellie Jones: You know what, you are all aware of the foreclosure crisis. We've seen an incredible rapid increase in the number of boarded and vacant buildings in the City. We're up hundreds of percents right now. From 2005 we're about 250 - on our boarded vacant building list we're approaching 950 right now. I think it's complicated by the fact that the market is kind of dipping at the same time, so even last spring when we did the valuation of what could you get back, CPED said if you fixed it up you could maybe get \$100,000 for it. Now I'm not sure that's the case anymore. Even six months later I think if we did another appraisal and analysis, not that that should be something we always base our decisions on, but it certainly is a factor we consider when resources are extremely limited and we have to be very careful where we invest our energy from our staff time as well as any public dollars that go into it. Like I said, at this point the owner has not been able to demonstrate that he has the money to do it. We've given him ample time to come up with that.

Chair Larsen. Thank you.

Kellie Jones: Can I just say one other thing? If it does sit for a year, based on our current history trends, the City's going to be doing a lot of work. We'll be out there boarding it, we'll be out there cutting the grass, we'll be out there doing the work of managing and maintaining that property along with the other 900 properties we have on our list.

Chair Larsen: We do have a question for you. Commissioner Morse Kahn

Commissioner Morse Kahn: Thank you for the very precise chronology. That was very helpful. If I understand what you said, the property has remained untenanted and essentially unmaintained for almost three years yet the property owner wishes to retain the property yet the property owner has not come forward with either plan or cash. So what is the advantage to the owner to wait you out? Is there an advantage to the owner to have you come in with the demolition order instead of the property owner bring it up to code?

Kellie Jones: I don't think so, they could do either. I don't know what the advantage is other than we demolish it and they lose it.

Commissioner Morse Kahn: They lose it? There's no compensation to them? Yet they do not improve it?

Kellie Jones: No, there's no compensation to them. If the City, if you, in any other situation where there isn't a historic issue involved and the City Council concurs with staff that it's a public nuisance, we will demolish it. The property, and then it becomes a vacant lot, which is, we've seen a lot more of those than we care to, than feels good for the City, but we are at a crisis point in terms of the number of properties that are out there vacant, boarded, and being untended

because there just is no property owner, or there's a bank, or the copper gets stripped. Wayne can tell you ...

Commissioner Morse Kahn: May I ask a followup question? If you demolish the house, the land on which the house stands becomes City property?

Kellie Jones: No, it does not. It stays with the owner. In fact, the owner then also pays the cost for us to demolish, that we pay to demolish plus 15%.

Commissioner Morse Kahn: And then he is free to redevelop the land?

Kellie Jones: Absolutely, if it meets the zoning requirements and they can come in with a plan.

Commissioner Morse Kahn: Thank you.

Kellie Jones: I don't know what the underlying zoning is for this property. And the demolition costs is assessed to their taxes and it stays with the land.

Chair Larsen: Ok, we do have another question for you. Commissioner Mack.

Commissioner Mack: Do we know what the demolition costs might be? Just curious, I don't need to know that.

Wayne Murphy: Currently the costs are running anywhere from \$15,000-\$20,000 depending on the square footage.

Commissioner Mack: Thanks.

Chair Larsen: Ok, thank you very much. Is there anyone else who wishes to speak either for or against this application? Please state your name for the record.

Amado Siasoco: Hello, my name is Amado Siasoco, I live at 819 26th Avenue NE, directly across the way from 822. And I know I'm not here to speak about social disrepair or to talk about the structure itself, but I can speak to the landlord and his intent. I have mixed feelings because I'm here and I'm happy that it's being looked at as a historic district, because there are some beautiful houses in Northeast Minneapolis, in particular our block. I live on the north side, this property is on the south side, the difference between the two, which I feel Mr. Schaffer misrepresented, was the fact that the south side is half the lot size than the lot size on the north side and they offer no ability for garage or back yard, it's all on-street parking, but that's neither here nor there. The renovations that's he's undertaken as landlord and property owner, me being the nosy person that I am, came over and shook his hand and wanted to know what his intent with this property is. The fact of the matter is he owned five properties at one time, this was the last one on his priority order, he decided to let it fall to disrepair, eventually the houses burnt and he now sits with a shell of a house. Granted he started repairs on this property at that time, but when I toured the place it was done with the cheapest materials in hopes of turning over the

property. So the renovations that have been done within the house are very cheap, they're what you're going to find at Home Depot. I'm going to be a little bit all over the place, but the 50 code violations, I know that Mr. Oliver ... I want to ask this, where is he right now and is he testifying and is it that important to him? He's not here, as far as I can see, and he continues on with this process but he's not physically here to speak to his property so how much does he really care about this property? I guess I have questions for you, the Commission. In our current housing situation, is it likely that this property will be sold and maintained and if it goes back to Mr. Olivers, will he actually bring the property up to the historic point. And I believe that's not the case, judging upon his, granted the time and linencies he's gotten in the past. He's failed to remedy this situation and his track records shows this. I left my house today looking across the way and he has not maintained even the grass and the weeds are just not in the right condition. There's a pile of construction materials that have been sitting there for a year or more and I urge you just, please, for our sake, to have the house demolished. I mean I'm shaking right now because it is something I didn't ever feel an architectural building could do to a neighborhood but it's gone on for way too long and I'm hoping that you can come to the rational decision that the building needs to be demolished. Thank you.

Chair Larsen: Thank you, is there anyone else who wishes to speak either for or against this application? Seeing none, I'll close the Public Hearing. Commissioners, what's your pleasure?
Commissioner Mack.

Commissioner Mack: Do we have any other information from neighborhohrs, can anybody speak to any sort of sense of the neighborhood, whether they agree with you or if there's a conflicted feeling in the neighborhood. I would find that important.

Staff Schaffer: Chair Larsen, Commissioner Mack, while I didn't receive much material in writing, I did receive numerous phone calls and I think it would be safe to characterize most of those phone calls saying why has this building not been demolished yet? So pretty much exactly the same testimony you've heard today. But that again is purely by phone.

Kellie Jones: We do also a public hearing 350 feet from the property and request, I'm trying to see if I still have them here. We did get in writing 4 or 5 neighborhood impact statements and they were all pretty much mirrored what the gentleman here said, which is that it's in bad shape and the owner hasn't paid any attention to it, there is tall grass and weeds and all of them pretty ... came through with a request to demolish and that the property did have a negative impact. But ours of course was not asking about the preservation or historic character, ours was asking about their opinions on whether or not the City of Minneapolis should pursue a demolition action.

Chair Larsen: Thank you ... Commissioner Crippen.

Commissioner Crippen: Sorry, one more question for City staff ... I'm wondering should demolition be denied, what recourse if any does the City have. Let's say we denied demolition tonight, a study is done, we all agree that this should be a historic district, and that happens and takes a couple years. Do you have any leverage on the owner to force improvements, what happens then next?

Kellie Jones: You know, it will stay probably in the Vacant Building Registration Program. I actually don't know, we'd have to kind of talk amongst ourselves as to kind of what the next steps are. I think the other thing is that there would be competing public purposes so there may be conversations that needs to happen with the attorneys when you have a direction by the Council to demolish and a preservation action that says you can't. But it is up to the owner and they will be completely responsible for the maintenance at this point. What we can do is we can charge them money if we board up their property we can issue citations to the property which basically just adds more money to the cost of repair because it gets applied as an assessment and then maybe if it did get a new owner it comes with additional baggage that way. In terms of forcing a rehab, we really don't have that leverage right now.

Commissioner Crippen: Just to follow up on that the City is known to acquire properties. Is that through default of payment of taxes?

Kellie Jones: There are two ways, it could go into tax forfeiture which is when yo don't pay your property taxes and that takes a fairly significant amount of time although I don't know what the property tax status of this one, it takes like 3-5 years before you can default on your taxes. And during that time the property can be not maintained. And then it goes to the county and there's the County actually takes the property back. The City can buy it but the City also has fairly limited resources to be purchasing property, so those are the two options for public resource intervention or default to when the City takes it back.

Chair Larsen: Ok, thank you. Are there any other questions? Commisisoner Morse Kahn.

Commissioner Morse Kahn: Chair Larsen, fellow Commissioners, two thoughts. That the current property owner is playing the game well. It costs far less to allow the property to be condemned than to spend the money to bring it into compliance. In this current market, he or she comes far ahead financially. The chance of selling the house once improved and recouping money are very slight. I also feel that though we have many neighborhoods that are truly significant when a community sense of wholeness and stability is imperiled we should not be asking them to wait long at all. And it seems clear to me that if demolition is denied they will wait at least a year just by process and as much as I enjoy designation of properties, that will not happen quickly for a district and that we are putting a community in a very bad position. They've expressed their feeling. It's a modest district, we have others of similar significance that are whole. This one is in trouble and I would be personally inclined to go ahead with demolition.

Chair Larsen: Commissioner Kelley.

Commissioner Kelley: I'm alarmed by the prospect that this foreclosure crises could lead to many many such losses and that's kind of in the back of my mind, but at the forefront of my mind is the thought that properties like this, you know by decaying without any kind of remedy, are like a virus on the properties around them. They bring down the property values, they make it harder for neighbors to sell their properties, they make it harder basically for the properties around to be able to thrive and be maintained. I am in agreement with Commissioner Morse

Kahn that if we are soft hearted about allowing this one to be demo'd we might be doing the entire neighborhood a disservice and actually before it is all said and done see worse happen to this neighborhood. So, I would be also inclined to allow the property to be removed.

Chair Larsen: One of the questions that raises for me is if ... you can look at it in two ways. One I think you've looked at it in terms of the neighborhood, in terms of the particular property, and the serious impact that it's having on the neighborhood. My concern however is as you say the foreclosure crisis or other aspects of downturns in the economy and who knows how long that will be, hopefully not long. But at the same time to, if we demolish the property, this unique aspect of our heritage, this worker housing in this particular location, it starts to lose grounds. And if our goal is to preserve properties such as this and encourage preservation of properties such as this within an historic district, my concern is that by removing ... we've already had one, next door, this would be number two. And who knows when number three will be, and if we always take that view that gee, he's not maintaining it so we might as well tear it down, what are we saying and how do we prevent that three years from now when the next one burns down, now that one's gone. Where does it stop and where do we start preserving? So that's my concern with saying this particular one ... sometimes it's just too easy to look at one individually, and I think that's where we need to look at the whole. Commissioner Mack.

Commissioner Mack: Well I think we are in a very unfortunate situation because our choices seem to be demolition by neglect or demolition by action of the City and it is very sad because it does look like this area could be a kind of Milwaukee Avenue Historic District of Northeast, but whether that hangs in the balance or not we don't really know, and there's a long time between here and knowing that. The testimony that we've heard today really would argue for approving the demolition permit. I would say that the staff report that we were given does not justify that, so I'm wondering if we need to, we need to have in writing some of what you've told us today as part of the record, if we're going to approve this demolition permit, because I think we would be irresponsible in doing that without having that material.

Chair Larsen: We do have all that information is provided in the list of code issues...

Commissioner Mack: Well we do have all those, but it seemed that what I didn't find was a qualitative, I mean obviously it is condemned and it meets the nuisance standards, but we don't have the information about how much it would cost to bring it up to code.

Chair Larsen: They just provided that information. They just testified to that.

Commissioner Mack: Ok, so what I'm saying is that the testimony heard today goes into the record so that we don't have to have it in written form?

Chair Larsen: Yes.

Commissioner Mack: Ok, but it does affect the findings because the findings are that there is no economic usefulness and that the physical integrity is in such a state that it does not meet

livability standards, so I don't think those findings have been made to, the findings justify the staff recommendations ...

Chair Larson: Yes, that's true.

Commissioner Mack: The findings do not justify where we might be moving or not as a commission, so I'm just troubled with that.

Chair Larsen: Let me just propose something quickly. The alternatives are that we can deny the demolition application and move that this property, and therefore the district, be surveyed and studied, and that, I think I mentioned before, has a couple of potential outcomes. One is that the district itself be identified and created, in which case there would be potential, we would end up with guidelines that would say these are the things that we'd like to see, these are the regulations and guidelines that apply to the neighborhood. At that same time, we're going to come back and look at this particular property again and we're going to see how that fits within this new district. At that time it may be determined by the Commission that it can be demolished or not. The concern I have is if we approve the demolition here and now, we do not have that opportunity to review the district itself. So, I mean I'm sensitive to the timeframe that we're looking at, an additional year, but we essentially lose that opportunity to review it as a district should be approve the demolition. Commissioner Lemmon.

Commissioner Lemmon: The other concern is we talk about this as one small house in a neighborhood. I think what we're seeing though, not even necessarily because of the foreclosures, but because there is an impression out there that if property owners neglect the buildings on even, shall we say, more economically viable land throughout the city, there's a perception that if they neglect it long enough the City will let them tear it down and allow them the opportunity to build whatever else. And I think in this particular case, you know maybe there isn't an agenda like that, but I think as a commission we have to be aware of that agenda and it is blantly happening even, the Warehouse district, you name it, all through the City, and whether it's already a historic district or not it's happening. And I think we just have to take care. Now some of that would, and I'm not necessarily talking about City policy, we necessarily can't change a lot of that, but it can become an epidemic if it isn't already. That there's that perception. If I leave it alone long enough, the City will almost force me to tear it down and I don't have to be responsible and I can do the next thing.

Chair Larsen: Commissioner Mack.

Commissioner Mack: I think that's very true and I'm not sure that we can stem that by this one action. I think it's going to take more than we are to turn that around.

Chair Larsen: Commissioner Morse Kahn.

Commissioner Morse Kahn: Yes, I'd like a question of staff, Mr. Schaffer or Mr. Byers. What is the realistic timeline, say we deny the permit, we request the review and the survey, that has to be supported by money, that brings us into the next round of budgets, then we have to bid it out,

then we have to find who will do it, they fulfill the survey, they file the report, that is reviewed, the nomination is written, if the money is found it is rejected or accepted and then we have a district. How much time has passed?

Staff Schaffer: Chair Larsen, Commissioner Morse Kahn, I think that's an accurate portrayal of what we have to deal with so I'm glad your expertise is well fit ... I defer to Jack Byers to that answer.

Staff Byers: Mr. Chair and Commissioner Morse Kahn, it's a balancing act. In the last year we've had similar requests from a potential district in Prospect Park. We are currently working through a similar request in a potential district in South Minneapolis. We do have problem properties that are listed with the Problem Properties Unit in our existing historic districts, they are already designated, they've been designated for many years but there are still problem properties that are neglected and we will likely see other demolitions come forward that have been surveyed in the past and are therefore are historic resources and merit public hearing. So it's hard to say at the moment that we could suspect all other work to study this district. What we would need to do as stuff is once we have direction and a decision from you, then we need to set about balancing the priorities and bringing that back to you. We have done that in the past, informationally in terms of the designation possibilities that are out there, and the promise and challenge of each and setting those priorities and then turning that into the workplan for the next year and of course getting budgetary approval for that. And the designation study could be handled in a number of different ways. It could be handled by the staff, it could be handled by CPED letting out a contract and the way we've chosen to do it with properties that have been neglected, other properties that have been neglected, is that we ask the property owner to take on the cost of that.

Commissioner Morse Kahn: Thank you Mr. Byers, Mr. Schaffer.

Chair Larsen: Commissioner Crippen.

Commissioner Crippen: I'm weighing all the various comments and testimony and I guess I'm leaning or compelled most recently by the comments of Chair Larsen and Commissioner Mack, and I'm thinking demolition by neglect versus demolition by action, and I think it's helpful for us to remember that neglect is a long period of time. We all know that buildings, buildings, that seem beyond repair can limp along for five more years and still be brought back. So it seems to me it's compelling to buy some time here, just because there's potential value and then I think it becomes incumbent on all of us in the City to stem the tide, stop the virus as Commissioner Kelley refers to it. At least for the interest of moving the discussion along and seeing where we are, I'd like to make a motion that we adopt staff findings and deny the demolition permit.

Commissioner Lemmon: I second that.

Chair Larsen: Ok, so we have a first and a second, is there further discussion on that item? Commissioner Morse Kahn? No? Commissioner Mack.

Commissioner Mack: I hope my comments were not mistaken because I feel that if there were any alternative to, if there was a way to get this out of the hands of the owner so that someone could restore it or renovate it, then I would be overjoyed to deny the demolition permit, but I don't think, it doesn't seem like there is a way and therefore it seems we are sort of condemning the neighborhood to a real social impact for the sake of a potential historic district that we may not be able to actually ever designate. So I do not support the motion.

Chair Larsen: Ok, Commissioner Crippen.

Commissioner Crippen: I guess one thing that I failed to mention that I'm thinking of is a vacant lot while today it feels better isn't necessarily that much better and it still doesn't solve the problem. We still have an owner who is ignoring this property and it seems to me worth a year or two wait, whatever it is, to get to that vacant lot stage. That's where we're all going to come down differently on this perhaps, but I'm not compelled that a vacant lot is that much better.

Chair Larsen: Commissioner Lackovic.

Commissioner Lackovic: Just to pick up on what Commissioner Crippen said, you know a year seems like a long time but relative to the length of time that that house has been standing, which is now close to a hundred and twenty years, again I think if we consider it a historic resource and you weigh the 120 years that it has been standing in various stages of its history, one year isn't a lot to ask. My heart goes out to the neighbors because I have lived in neighborhoods that have also have problem houses and I know what that feels like to have a consensus moving in one direction and one house not following along, but this could also be maybe an opportunity for the neighborhood to get together with the possibility of this being declared a historic neighborhood this may be a good time to come together. Maybe people volunteer to help maintain that property, maybe there's other pressures that can be put on this owner for sale or something along those lines.

Amado Siasoco: May I speak to that?

Commissioner Lackovic: Sure ... well, I don't know ... I don't think I can say sure.

Chair Larsen: We'll let you speak ...

Amado Siasoco: Once again it comes down to the south side and the north side. Most of the properties on the north side are owner occupied versus the south side which has been in disrepair and the troubled part of the neighborhood. Plus, if you have half lots, I just don't see where that's going to go. I mean, I live in this house and it's a beautiful house, it's a great house on our side, but on the other side it's just, it's rental property and I can't see it 10 years down the road owned by somebody that ... (break in the tape) ... just because of the lot size. And that's what I have to say.

Chair Larsen: Thank you, sir. Alright, is there any further discussion on the item? Seeing none, we'll call the questions and call the role.

Commissioner Kelley: Could we clarify what we're voting on, because it's a double negative what we're voting on and we should make sure everyone knows what they are voting for.

Chair Larsen: Sure, so an "Aye" vote would be to adopt staff findings and deny the demolition permit for the property at 822 26th Avenue NE, based on the findings identified by staff. Alright, we'll call the role.

Clerk: Commissioner Lackovic?

Commissioner Lackovic: Aye

Clerk: Crippen?

Commissioner Crippen: Aye

Clerk: Elliott?

Commissioner Elliott: Nay.

Clerk: Mack?

Commissioner Mack: Nay.

Clerk: Larsen?

Chair Larsen: Aye.

Clerk: Lemmon?

Commissioner Lemmon: Aye.

Clerk: Morse Kahn?

Commissioner Morse Kahn: Nay.

Clerk: Kelley?

Commissioner Kelley: Nay.

Chair Larsen: So what's the total?

Clerk: Four to four.

Chair Larsen: Alright.

Commissioner Mack: May I propose another motion?

Chair Larsen: Mr. Byers, in case of a tie?

Staff Byers: In case of a tie, you do need another motion.

Chair Larsen: Ok, so do we have another motion:

Commissioner Mack: I would propose that we revise the staff findings to include the information presented today that renovation costs to bring the structure up to code would total at least \$100,000 – that’s under number 4 – and number 5 would be that the impact of the vacant structure on the neighborhood has been negative for 3 years and there seems to be no way to, I don’t know if that’s really what we do in findings so you can direct me if I shouldn’t do it, so there seems to be no way to force the owner to improve the property and therefore the Commission adopts the findings and approves the demolition permit.

Chair Larsen: Ok, so we’ve modified findings #4 and added #5 and the motion is to adopt those findings as modified and approve the demolition permit for the property at 822 26th Avenue NE, that’s the motion, is there a second to the motion?

Commissioner Kelley: I’ll second it.

Chair Larsen: Alright, good, we can’t go anywhere without a second. So, we have a second, are there any other thoughts or discussion before we call the vote?

Commissioner Morse Kahn: Could you clarify one more time the double negative, what it is we are going to vote on?

Chair Larsen: We are voting to approve demolition. Commissioner Elliott?

Commissioner Elliott: I’m not sure how best to phrase this but I feel like we’re looking at this as part of a historic, potentially historic, district. And I’m a little questionable on the issue of the different lot sizes on both sides and the possible disadvantages to the south side and if there’s something in that. I mean, is this a viable historic district? Without that particular property which may be deterring from the properties on the north side. So, do we have potential for a historic district without this particular piece which has already been detracted from by the loss of its neighbor and if there’s something in that, meaning in the specifics of this particular lot being both on the south side as well as next to a vacant lot. I guess that’s one thing that’s hanging on my mind about this hanging our hats on this potential historic district without really looking at what it is for a historic district. Like I said, I’m not being very eloquent but there is a lot of issues bundled together here.

Commissioner Mack: May I propose a friendly amendment to my own motion?

Chair Larsen: You may ...

Commissioner Mack: Which would be that we also ask staff to put this area on the list of areas that will be considered for future designation studies.

Staff Byers: Mr. Chair and Commissioner Mack, if I could clarify. This potential district is on the list, which is why we brought it to you tonight. We do look at a couple hundred demolition requests per year and we bring a small subset of them to you based on the fact that they have appeared on a survey. So they're all on the list as far as we're concerned, it's a matter of there being too many designatable structures and not enough staff, resources, time, and City money to catch up. Something like that would be fine if you wanted to add it.

Commissioner Mack: I just wanted to clarify that approving the demolition permit does not mean that we'll never look at this as a historic district, correct?

Chair Larsen: I don't think that needs to be added. Commissioner Lemmon?

Commissioner Lemmon: I think we also have to recognize why we may designate something, and we may designate something because perhaps we find that that row of houses on half lots without garages is what truly was the worker housing. And even though the housing across the street may be nicer because they have larger lots and they do have garages, they may actually prove to not be part of the historic fabric of the workers housing if that is the path we are looking at for designation. So I think until we can fully prove we will lose that fabric, and even though we can do mitigation and we can document it, it is still lost. So I know this may seem very ridiculous to discuss over one small house, but I think it's all part of the education and understanding of our City's fabric and once we lose it it doesn't matter where we stick it in our archives somewhere, unless it's still on our streets it's gone.

Chair Larsen: Alright, any further discussion on the item? Commissioner Kelley?

Commissioner Kelly: One more time, I'm very sensitive to all the arguments but we have a house here, a single house, worth \$70,000 that needs \$100,000 worth of work to be worth \$100,000. It is not going to be a viable economic deal for a long time. Housing prices in the neighborhood would have to more than double to make this house worth saving. So is it going to be demo'd now or is it going to fall down? I see it as a real detriment to the neighborhood and to the surrounding houses which will now receive less investment if there's a problem property on the block. A vacant lot is not a pretty thing, but a vacant lot looks better than a house that is falling apart. I think that it would be great if this was a historic district, but as Mr. Byers said there are historic districts that also have this kind of problem, so there's no magic bullet here, saying this is a historic district now is not going to make the property owner rush back and sink tens of thousands of dollars into this house, he's clearly shown that he's not interested. Well, I mean arguments have been made, I just wanted to reinforce that one one more time.

Chair Larsen: Alright, seeing no further comments, we'll call the question and we'll call the roll.

Clerk: Commissioner Lackovic?

Commissioner Lackovic: Nay

Clerk: Crippen?

Commissioner Crippen: Nay

Clerk: Elliott?

Commissioner Elliott: I'm sorry could you repeat the motion that we're on in its entirety?

Chair Larsen: **This is, we are moving to approve the demolition application.**

Commissioner Elliott: Nay.

Clerk: Mack?

Commissioner Mack: Aye

Clerk: Larsen?

Chair Larsen: Aye.

Clerk: Lemmon?

Commissioner Lemmon: Nay.

Clerk: Morse Kahn?

Commissioner Morse Kahn: Aye.

Clerk: Kelley?

Commissioner Kelley: Aye.

Clerk: Four to four.

Chair Larsen: Ok.

Commissioner Morse Kahn: Did Commissioner Elliott understand what it was we were voting on?

Chair Larsen: She and I both changed our votes.

Commissioner Elliott: Yes, there were two changes, I intended to change my vote.

Chair Larsen: Ok, good. Alright, I'm going to make a motion to, I'm going to change my vote again because we need to do something. I'm going to make a motion to adopt staff findings and deny the demolition application of the property at 822 26th Ave. NE based on the staff findings. Is there a second to that motion?

Commissioner Lemmon: I'll second.

Chair Larsen: Ok, Commissioner Lemmon. Any further discussion? We'll call the roll.

Clerk: Commissioner Lackovic?

Chair Larsen: So this is going back to deny the demolition application.

Commissioner Lackovic: Nay

Chair Larsen: You're changing your vote?

Commissioner Lackovic: No, I'm not changing my vote, I'm denying the resolution.

Chair Larsen: That would be an "Aye."

Commissioner Lackovic: That's an Aye.

Clerk: Crippen?

Commissioner Crippen: Aye

Clerk: Elliott?

Commissioner Elliott: Aye.

Clerk: Mack?

Commissioner Mack: Nay

Clerk: Larsen?

Chair Larsen: Aye.

Clerk: Lemmon?

Commissioner Lemmon: Aye.

Clerk: Morse Kahn?

Commissioner Morse Kahn: Nay.

Clerk: Kelley?

Commissioner Kelley: Before I answer is this going to be tied again if I vote No?

Chair Larsen: No.

Commissioner Kelley: Nay.

Chair Larsen: Alright, so while I feel for the neighbors I certainly do, I think it's worthwhile to look at the neighborhood and see what the potential historic resource is and we can revisit at that time.

**CITY OF MINNEAPOLIS
CPED PLANNING DIVISION
HERITAGE PRESERVATION COMMISSION STAFF REPORT**

FILE NAME: 822 26th Avenue Northeast

CATEGORY/DISTRICT: Historic Resource

CLASSIFICATION: Demolition of an Historic Resource

APPLICANT: Minneapolis Problem Properties Unit, Tom Deegan (612)673-3310

DATE OF APPLICATION: April 21, 2008

PUBLICATION DATE: June 3, 2008

DATE OF HEARING: June 10, 2008

APPEAL PERIOD EXPIRATION: June 20, 2008

STAFF INVESTIGATION AND REPORT: Brian Schaffer (612) 673-2670

REQUEST: Demolition of an Historic Resource

A. BACKGROUND

822 26th Avenue Northeast is a small house in Northeast Minneapolis that has fallen into disrepair and has been placed on the city's Vacant Building Registry. It has been condemned and the Problem Properties Unit (PPU) of the Regulatory Services Department is seeking to demolish the structure.

Section 599.460 of the Minneapolis City Ordinance authorizes staff to review all demolition permits within the city. If staff determines that the property is an historic resource, the demolition permit shall not be issued without review and approval by the Heritage Preservation Commission. If the commission determines that the property is an historic resource, the commission shall deny the demolition permit and direct the planning director to commence a designation study of the property or shall approve the demolition permit.

Staff has been working closely with the Problem Properties Unit (PPU) to evaluate the historical integrity of condemned properties that PPU is considering for demolition. The subject property was evaluated by Preservation & Design staff in the summer of 2007 and encouraged the PPU to not pursue demolition since the property was located in a potential historic district.

B. DESCRIPTION:

The single family home located at 822 26th Avenue Northeast, was constructed in approximately 1890. The structure was built in a vernacular style with a front facing gable and wing layout and has a greek revival influence as seen in the cornice return. The subject structure appears to have been built with an open front porch, there is not available building permit evidence to show when the porch was enclosed. In 1937 asbestos siding was added to the structure. Except for the siding and enclosed front porch the structure exhibits good historical integrity.

C. CONSIDERATIONS FOR POTENTIAL HISTORIC SIGNIFICANCE

The Minneapolis Code of Ordinances, Title 23, Heritage Preservation, Chapter 599 Heritage Preservation Regulations states that before approving the demolition of a property determined to be an historic resource, the commission shall make findings that the demolition is necessary to correct an unsafe or dangerous condition on the property, or that there are no reasonable alternatives to the demolition. In determining whether reasonable alternatives exist, the commission shall consider, but not be limited to, the significance of the property, the integrity of the property and the economic value or usefulness of the existing structure, including its current use, costs of renovation and feasible alternative uses. The commission may delay a final decision for a reasonable period of time to allow parties interested in preserving the historic resource a reasonable opportunity to act to protect it.

Significance of the Property as part of a Potential Historic District

A 1998 Context Study of Northeast and Old Saint Anthony identified the block of housing along 26th Avenue Northeast between Quincy and Jackson Street Northeast as a possible concentration of worker housing. A 2004 Historic Resource Inventory of Northeast Minneapolis identified 803-828 26th Avenue Northeast as historical resources:

This group of single dwellings appears to be a concentration of late-nineteenth century dwellings constructed in Northeast Minneapolis. Northeast Minneapolis has a rich social and ethnic history and concentrations of vernacular dwellings could represent a significant pattern of residential development. A comprehensive study of worker housing development in Northeast Minneapolis should be undertaken to identify significant property types and integrity requirements needed for individual properties and districts to qualify for local designation and/or National Register listing. This property needs to be evaluated within a broader context of worker housing development.

The development of the area was heavily influenced by the expansion of the railroad operations to the north and easy access to the Central Avenue street car line. In the 1880s, the introduction of streetcar service up Central Avenue as far as 26th Street gave encouragement to settle what had been considered a very rural area¹. By 1893 the street car line expanded up to 40th Avenue NE and Central Avenue, as far north as 27th Avenue NE, became a principal arterial in Minneapolis.

Northeast Minneapolis builders continued to develop its generally single family character between 1890 and 1900, but with substantial duplexes constructed west of Central. Realtors such as Portius Deming sold a block or more of small lots to developers who erected inexpensive identical houses, while other lots were developed with commodious and stylish homes.² It is likely that the concentrations of worker housing such as the subject area were developed in a similar manner.

In January of 2007 Preservation & Design staff reviewed and approved a demolition permit for 820 26th Avenue NE, which is adjacent to the subject site at 822 26th Avenue NE. The property at 820 26th Avenue NE was severely damaged by a fire. The photographs of the block of 26th

¹ Northeast and Old St. Anthony Historic Context Study, 1998: Landscape Research p 7

² Northeast and Old St. Anthony Historic Context Study, 1998: Landscape Research p 12

Avenue NE illustrate how the consistent bulk and massing of the structures contribute to the historic fabric of this locality. The missing structure at 820 26th Avenue reinforces how the removal of one of these properties alters that fabric.

Individual Significance of Property

A Survey Inventory Form from the 2004 Historical Resources Inventory of Northeast Minneapolis indicates that the subject properties and the other properties identified in the concentration of worker housing meet local designation criteria number 1: “The property is associated with significant events or with periods that exemplify broad patterns of cultural, political, economic or social history.”

After searching through the city’s historic building permits staff was unable to find the original building permit record to determine who the original builder, architect or owner was. Review of the Minneapolis City Directories and the Dual City Blue Book resulted in no new information regarding the original inhabitants of the subject property or the surrounding properties.

The 2004 Survey form states the following in the notes about significance “the individual properties exhibit poor historic integrity. However, this group of dwellings displays a repetitive scale and massing typical of late-nineteenth century vernacular worker housing.” The Survey form does not state if the subject property is individually eligible for local designation.

The applicant, the Problem Properties Unit, has not provided any information regarding the history of the property.

Physical Integrity of Property

In July 2007 a code compliance inspection was completed for the structure. A code compliance inspection is required of any condemned property prior to any future permits being issued. The violations of the code compliance are listed in Attachment 2. The highlights include fire damage to the roof that required repair and cracks in the foundation. The Problem Properties Unit has also included interior and exterior photographs of the property.

Economic Value of the Existing Structure:

The Problem Properties Unit has provided an appraisal of the property that states the rehabbed market value of the structure would be \$106,500. The applicant does not include an estimated value of the work that would be required to bring the structure into compliance with the housing code. However, the applicant does state that the current assessed value of the property is \$73,000.

The Problem Properties Unit has not provided any information illustrating activity at the property or any of the owners’ attempts to rehabilitate the structure.

Usefulness of the Existing Structure:

The Problem Properties Unit did not include an assessment of the usefulness of the structure or the estimated value of the required work to bring the structure into compliance with the various

code violations. The City of Minneapolis Assessor information shows that the subject structure has 3 bedrooms, 2 bathrooms, and 1,065 square feet of finished space.

D. PROPOSED CHANGES:

The applicant is applying for approval to demolish 822 26th Avenue Northeast. The applicant is not proposing to construct a new home in its place.

E. APPLICABLE ORDINANCES:

Chapter 599. Heritage Preservation Regulation

ARTICLE V DESIGNATION

599.210. Designation criteria. The following criteria shall be considered in determining whether a property is worthy of designation as a landmark or historic district because of its historical, cultural, architectural, archaeological or engineering significance:

- (1) The property is associated with significant events or with periods that exemplify broad patterns of cultural, political, economic or social history.
- (2) The property is associated with the lives of significant persons or groups.
- (3) The property contains or is associated with distinctive elements of city identity.
- (4) The property embodies the distinctive characteristics of an architectural or engineering type or style, or method of construction.
- (5) The property exemplifies a landscape design or development pattern distinguished by innovation, rarity, uniqueness or quality of design or detail.
- (6) The property exemplifies works of master builders, engineers, designers, artists, craftsmen or architects.
- (7) The property has yielded, or may be likely to yield, information important in prehistory or history.

599.230. Commission decision on nomination. The commission shall review all complete nomination applications. If the commission determines that a nominated property appears to meet at least one of the criteria for designation contained in section 599.210, the commission may direct the planning director to commence a designation study of the property. (2001-Or-029, § 1, 3-2-01)

599.240. Interim protection. (a) Purpose. Interim protection is established to protect a nominated property from destruction or inappropriate alteration during the designation process.

(b) *Effective date.* Interim protection shall be in effect from the date of the commission's decision to commence a designation study of a nominated property until the city council makes a decision regarding the designation of the property, or for twelve (12) months, whichever comes first. Interim protection may be extended for such additional periods as the commission may deem appropriate and necessary to protect the designation process, not exceeding a total additional period of eighteen (18) months. The commission shall hold a public hearing on a proposed extension of interim protection as provided in section 599.170.

(c) *Scope of restrictions.* During the interim protection period, no alteration or minor alteration of a nominated property shall be allowed except where authorized by a certificate of appropriateness or a certificate of no change, as provided in this chapter. (2001-Or-029, § 1, 3-2-01)

A. ARTICLE VIII. HISTORIC RESOURCES

599.440. Purpose. This article is established to protect historic resources from destruction by providing the planning director with authority to identify historic resources and to review and approve or deny all proposed demolitions of property.

599.450. Identification of historic resources The planning director shall identify properties that are believed to meet at least one of the criteria for designation contained in section 599.210, but that have not been designated. In determining whether a property is an historic resource, the planning director may refer to building permits and other property information regularly maintained by the director of inspections, property inventories prepared by or directed to be prepared by the planning director, observations of the property by the planning director or any other source of information reasonably believed to be relevant to such determination.

599.460. Review of demolition permits. The planning director shall review all applications for a demolition permit to determine whether the affected property is an historic resource. If the planning director determines that the property is not an historic resource, the demolition permit shall be approved. If the planning director determines that the property is an historic resource, the demolition permit shall not be issued without review and approval by the commission following a public hearing as provided in section 599.170.

599.470. Application for demolition of historic resource. An application for demolition of an historic resource shall be filed on a form approved by the planning director and shall be accompanied by all required supporting information, as specified in section 599.160.

599.480. Commission decision. (a) *In general.* If the commission determines that the property is not an historic resource, the commission shall approve the demolition permit. If the commission determines that the property is an historic resource, the commission shall deny the demolition permit and direct the planning director to commence a designation study of the property, as provided in section 599.230, or shall approve the demolition permit as provided in this section.

(b) *Destruction of historic resource.* Before approving the demolition of a property determined to be an historic resource, the commission shall make findings that the demolition is necessary to correct an unsafe or dangerous condition on the property, or that there are no reasonable alternatives to the demolition. In determining whether reasonable alternatives exist, the commission shall consider, but not be limited to, the significance of the property, the integrity of the property and the economic value or usefulness of the existing structure, including its current use, costs of renovation and feasible alternative uses. The commission may delay a final decision for a reasonable period of time to allow parties interested in preserving the historic resource a reasonable opportunity to act to protect it.

(c) *Mitigation plan.* The commission may require a mitigation plan as a condition of any approval for demolition of an historic resource. Such plan may include the documentation of the property by measured drawings, photographic recording, historical research or other means appropriate to the significance of the property. Such plan also may include the salvage and preservation of specified building materials, architectural details, ornaments, fixtures and similar items for use in restoration elsewhere.

The Secretary of the Interior's Standards for Rehabilitation (1990)

Building Site

Recommended:

-Identifying, retaining, and preserving buildings and their features as well as features of the site that are important in defining its overall historic character. Site features can include driveways, walkways, lighting, fencing, signs, benches, fountains, wells, terraces, canal systems, plants and trees, berms, and drainage or irrigation ditches; and archeological features that are important in defining the history of the site.

-Retaining the historic relationship between buildings, landscape features, and open space.

-Providing continued protection of masonry, wood, and architectural metals which comprise building and site features through appropriate surface treatments such as cleaning, rust removal, limited paint removal, and re-application of protective coating systems; and continued protection and maintenance of landscape features, including plant material.

Not Recommended:

-Removing or radically changing buildings and their features or site features which are important in defining the overall historic character of the building site so that, as a result, the character is diminished.

-Removing or relocating historic buildings or landscape features, thus destroying the historic relationship between buildings, landscape features, and open space.

-Removing a historic building in a complex, a building feature, or a site feature which is important in defining the historic character of the site.

F. FINDINGS:

1. 822 26th Avenue NE was identified as part of a concentration of worker housing between 803 and 828 26th Avenue NE in a 1998 context study of Northeast Minneapolis.
2. The property is eligible for local designation as part of an historic district. The property is not individually eligible for local designation.
3. To date, there has been no specific accounting of the numbers of properties or concentrations of worker housing that are extant in Northeast Minneapolis. A comprehensive study of worker housing development in Northeast Minneapolis has not occurred.
4. The applicant has provided an appraised value of the property once it is rehabbed, \$106,500, and the current assessed value of the property, \$73,000. The applicant has also provided the results of a code compliance inspection, but the applicant has not provided an estimated cost of renovation nor has the applicant provided an analysis of the usefulness of the structure.

G. STAFF RECOMMENDATION:

Staff recommends that the Heritage Preservation Commission adopt staff findings and **deny** the demolition application of the property at 822 26th Avenue Northeast.

ATTACHMENTS

1. Application and Applicant Statement
2. Code Compliance Inspection
3. Photographs
4. 1912 Sanborn Map of Area
5. 2004 HPC Field Inventory Form