

**CITY OF MINNEAPOLIS  
NUISANCE CONDITION PROCESS REVIEW PANEL**

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**In the matter of the Appeal of  
Director's Order To  
Demolish the Property  
Located at 1406 Fremont Ave. N.  
Minneapolis, Minnesota.**

**FINDINGS OF FACT,  
CONCLUSIONS, AND  
RECOMMENDATION**

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This matter came on for hearing before the Nuisance Condition Process Review Panel on September 25, 2008, in City Council Chambers located in Minneapolis City Hall. Burt Osborne, chair, presided and other board members present included Patrick Todd, Bryan Tyner and Elfric Porte. Assistant City Attorney Lee C. Wolf was present as *ex officio* counsel to the board. Brian Young and Wayne Murphy represented the Inspections Division. Masoud Sahar of Oaktree Realty was present and represented the owner Aurora Loan Services. Based upon the Board's consideration of the entire record, the Board makes the following:

**FINDINGS OF FACT**

1. 1406 Fremont Avenue N. is a two-family home in the Near North neighborhood. The two-story structure was built in 1900. The building is 2,016 square feet, with 1,008 being the first floor and 1,008 being the second floor and 1,008 being the basement. The building sits on a 7,281 square-foot lot.

2. The property located at 1406 Fremont Avenue N. is in disrepair. There are 28 open housing orders on the property, including repair ceiling, repair walls, repair floors, repair roof overhang and repair/replace exterior walls.

3. The Assessor rates the overall building condition as fair but lists the building as uninhabitable.

4. The Inspections Division of the City of Minneapolis determined that the property at 1406 Fremont Avenue N. met the definition of a Nuisance under Minneapolis Code of Ordinances (hereinafter "M.C.O.") § 249.30. The applicable sections of M.C.O. § 249.30. provide that *(a) A building within the city shall be deemed a nuisance condition if:*

*(1) It is vacant and unoccupied for the purpose for which it was erected and for which purpose a certificate of occupancy may have been issued, and the building has remained substantially in such condition for a period of at least six (6) months.*

*(2) The building is unfit for occupancy as it fails to meet the minimum standards set out by city ordinances before a certificate of code compliance could be granted, or is unfit for human habitation because it fails to meet the minimum standards set out in the Minneapolis housing maintenance code, or the doors, windows and other openings into the building are boarded up or otherwise secured by a means other than the conventional methods used in the original construction and design of the building, and the building has remained substantially in such condition for a period of at least sixty (60) days.*

*(3) Evidence, including but not limited to neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building; or*

*(4) Evidence, including but not limited to rehab assessments completed by CPED, clearly demonstrates that the cost of rehabilitation is not justified when compared to the after rehabilitation resale value of the building.*

5. Pursuant to M.C.O. § 249.40(1) the building was examined by the Department of Inspections to ascertain whether the nuisance condition should be ordered for rehabilitation or

demolition. Considering the criteria listed in M.C.O. § 249.40(1) the Inspections Department found:

a. The estimated cost to rehabilitate the building is \$138,256 to \$189,424 based on the MEANS square footage estimate. The assessed value of the property in 2007 was \$196,000, but the 2008 assessed value is \$76,300, a drop of \$119,700.

b. The Preservation and Design Team staff conducted a historic review of the property finding that the property's historical integrity are impaired due to past work or current conditions, but the property still exhibits features and design that make the structure work rehabilitation; however, demolition is okay and the demolition permits have been signed and returned.

d. The Northside Residents Redevelopment Council and property owners within 350 feet of 1406 Fremont Avenue N. were mailed a request for a community impact statement. The Department of Inspections received ten in return. Four said the house has a negative impact on the neighborhood, does not fit the housing needs of the neighborhood and should be demolished. One resident said its "been trashed to death. This is the only house in truly bad shape in our neighborhood." Six impact statements said the house should be restored and not demolished. One respondent who argued to save the property said "There is a tremendous opportunity here to make this property, a grand old Victorian with great woodwork, location to downtown, and sheer size of the home, into a showcase of the City's commitment to restoring the housing stock. Homes of this kind are rare. I've been inside 1406 Fremont and while there are many challenges, it is a very salvageable house." Most of the residents who urged for rehabilitation stress

that the property should be converted back to a single-family owner-occupied home.

d. The vacant housing rate in the Near North neighborhood is around 3% according to the 2000 census. Of the approximately 944 houses on the city's Vacant Building Registration, 46 are in the Near North neighborhood, a neighborhood of approximately 2,325 housing units.

6. Aaron Swenson purchased the property located at 1406 Fremont Avenue N. on September 14, 2005; the property went into foreclosure; and a sheriff's sale was conducted on November 30, 2006, with MERS submitting the highest bid. The redemption period expired on May 30, 2007, and the property was put up for sale.

7. On December 15, 2006, the property was condemned for being a boarded building and added to the City's Vacant Building Registration. The property has remained vacant and boarded since that time.

8. On July 2, 2007, a Code Compliance Inspection was ordered and paid for by Kimm Pastrana of Century 21 a realtor attempting to sell the property. No permits were pulled and no work has been done at the property. The bank is still attempting to sell the property and has dropped the asking price from \$243,000 to \$29,000. The selling agent indicated that the bank is unwilling to rehabilitate the property due to concerns about the property being vacant and the house being vandalized.

9. Taking into account the criteria listed in § 249.40(1) a notice of the Director's Order to Raze and Remove was mailed on July 23, 2008, to MERS; Lehman Brothers Bank; Aurora Loan Services; Usset & Weingardern P.L.L.P.; Kimm Pastrana and Aaron Swenson. On August 8, 2008, Aurora Loan Services filed an appeal indicating, "We have ordered bids to

repair per your specifications, but not all have come in yet (due to extent). We have also ordered bids to demolish the property. Please grant us eight weeks to secure and review the remainder of the bids so that we can determine the best course of action to take. Our belief is that this property may alternatively be worth saving.”

10. Several neighbors testified to this property including two who indicated that they would be in favor of rehabilitation if there was a sale to an owner who had a detailed rehabilitation plan. At this point there is no purchaser who has come forward with the ability to rehabilitate the property.

### **CONCLUSIONS**

1. The building located at 1406 Fremont Avenue N. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(1) as the building is vacant and unoccupied for the purpose for which it was erected and the building has remained in such a condition for a period of at least six months.

2. The building located at 1406 Fremont Avenue N. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(2) as the doors, windows and other openings into the building are boarded up or otherwise secured by a means other than the conventional methods used in the original construction and design of the building, and the building has remained substantially in such condition for a period of at least sixty days.

3. The building located at 1406 Fremont Avenue N. meets the definition of a nuisance condition as set forth in M.C.O. § 249.30(a)(3) as evidence, including but not limited to

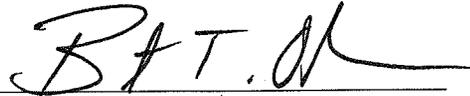
neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building;

4. The building located at 1406 Fremont Avenue N. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(4) as evidence clearly demonstrates that the cost of rehabilitation is not justified when compared to the after rehabilitation resale value of the building.

5. Pursuant to M.C.O. § 249.40 *Abatement of nuisance condition*, the Director of Inspection's recommendation to raze the building located at 1406 Fremont Avenue N. is appropriate. The building meets the definition of a nuisance condition as defined by M.C.O. § 249.30 and a preponderance of the evidence, based upon the criteria listed in M.C.O. § 249.40, demonstrates that razing the building is appropriate. The building has been vacant and boarded for almost two and a half years. The current owner has had title to this property for a year and one half and has not obtained any permits to fix the property and has only attempted to sell to property to an owner who may be willing to fix the property. This property has been neglected to the point that it has had a negative impact on the community and will continue to have a negative impact if it is not razed as attested to by the community impact statements submitted by neighbors requesting that the building be torn down.

**RECOMMENDATION**

That the Director of Inspections' Order to Raze the building located at 1406 Fremont Avenue N. Minneapolis, Minnesota, be upheld.

A handwritten signature in black ink, appearing to read "B.T. Osborne", written over a horizontal line.

Burt Osborne  
Chair,  
Nuisance Condition Process Review Panel