



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

**Date:** October 14, 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 2126 Fremont Avenue North.

**Recommendation:** To adopt findings of the Nuisance Condition Process Review Panel to uphold the Director's Order and demolish the property located at 2126 Fremont Avenue North.

**Previous Directives:** None

### Department Information

Prepared by: Ahna Minge - (612) 673-3508

Approved by:

\_\_\_\_\_  
Rocco Forté, Director of Regulatory Services & Emergency Preparedness

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

\_\_\_\_\_  
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 August 12, 2010.

2126 Fremont Avenue North was sent an order to demolish on April 9, 2010. An appeal was filed by Brian Humphrey, who stated he wished to rehab the property. Since that time, the property has returned to the possession of Original Resources, Inc.

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**

2126 Fremont Ave N is a duplex in the Jordan neighborhood. The 2.5 story structure was built in 1900. The building is 2,316 square feet and sits on a 7,850 square foot lot.

This building was condemned for being boarded on September 2, 2008 and now requires a Certificate of Code Compliance.

The property has been determined to be substandard. There are currently forty (40) open housing orders on the property. A recent Code Compliance inspection resulted in numerous orders including Repair Interior Surfaces throughout, Repair/Replace Appliances, Repair/Replace Windows, Repair/Replace Roof, Repair/Replace Exterior Walls, , Repair Foundation, Replace Rotten Posts and Beams, Replace Both Furnaces and Heating Distribution Systems, and Install Missing Water Piping and Sinks to Code.

Twenty-three (23) housing orders to Remove Rubbish, Cut Grass/Weeds, and Refrigerator/Freezer have been issued since January 2009.

The estimated cost to rehabilitate the building is between \$114,954.00 and \$149,470.00, based on the MEANS square footage estimate.

CPED contracted appraiser has determined the after-rehab market value to be \$140,000.

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

The estimated cost to demolish the structure is between \$21,000 and \$24,000.

The Jordan Area Community Council and the owners of properties within 350 feet of 2126 Fremont Ave N were mailed requests for a community impact statement. The department has received one response. It states that the property has had a negative impact on the community for over 30 years and should be demolished as soon as possible.

City staff has contacted Original Resources on multiple occasions to discuss their plans for the property. Original Resources have expressed that they may wish to rehabilitate the property. They have not provided any plans for the rehab of the property.

Staff recommendation is demolition.



*City of Lakes*

**2126 Fremont Avenue North**  
**Nuisance Condition Process Review Panel Hearing**  
**Thursday, August 12, 2010**

Appeal received	April 15, 2010
Director's Order to Demolish Sent	April 9, 2010
Building condemned for being boarded	September 2, 2008

**Owner**

The property is owned by Original Resources, Inc. An appeal was filed by Brian Humphrey, who stated he wished to rehab the property. Since that time, the property has returned to the possession of Original Resources.

**Structure description**

2126 Fremont Ave N is a duplex in the Jordan neighborhood. The 2.5 story structure was built in 1900. The building is 2,316 square feet and sits on a 7,850 square foot lot.

**General condition**

This building was condemned for being boarded on September 2, 2008 and now requires a Certificate of Code Compliance.

The property has been determined to be substandard. There are currently forty (40) open housing orders on the property. A recent Code Compliance inspection resulted in numerous orders including Repair Interior Surfaces throughout, Repair/Replace Appliances, Repair/Replace Windows, Repair/Replace Roof, Repair/Replace Exterior Walls, , Repair Foundation, Replace Rotten Posts and Beams, Replace Both Furnaces and Heating Distribution Systems, and Install Missing Water Piping and Sinks to Code.

Twenty-three (23) housing orders to Remove Rubbish, Cut Grass/Weeds, and Refrigerator/Freezer have been issued since January, 2009.

## **Market analysis**

**Vacancy Rate:** In 2000 the vacant housing rate in the Jordan neighborhood is around 7%. Of the 726 approximately houses on the city's Vacant Building Registration, 113 are in the Jordan neighborhood, which has approximately 2666 housing units.

**Cost to Rehab:** The estimated cost to rehabilitate the building is between \$114,954.00 and \$149,470.00, based on the MEANS square footage estimate.

**After Rehab Market Value:** CPED contracted appraiser has determined the after-rehab market value to be \$140,000.

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

**Cost to Demolish:** The estimated cost to demolish the structure is between \$21,000 and \$24,000.

## **Community impact**

The Jordan Area Community Council and the owners of properties within 350 feet of 2126 Fremont Ave N were mailed requests for a community impact statement. The department has received one response. It states that the property has had a negative impact on the community for over 30 years and should be demolished as soon as possible.

## **Notification summary**

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

1. Pearl Grace, 16361 Holbrook Ave, Lakeville, MN 55044
2. Craig Murphy, Select Portfolio Servicing, 1922 - 1st Ave S #202, Anoka, MN 55303
3. SB Holdings LLC, 5103 S Sheridan Rd #710, Tulsa, OK 74145-7627
4. GRP Financial Services Corp, 445 Hamilton Ave, 8th Floor, White Plains, NY 10601
5. GRP Financial Services Corp, c/o Jim Rawls, 624 Central Ave, Osseo, MN 55369
6. MERS, 1818 Library St, Suite 300, Reston, VA 20190
7. Fremont Reorganizing Corp, f/k/a Fremont Investments & Loan, 175 N Riverview Dr, Anaheim Hills, CA 92808

## **Recommendation**

Demolition.