



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

**Date:** May 3, 2010

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

**Referral to:**

**Subject:** Nuisance Condition Process Review Panel Recommendation  
regarding appeal of Director's Order to Raze and Remove  
structure located at 401 Logan 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 401 Logan Avenue North.

**Previous Directives:** **NONE**

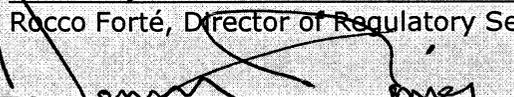
### Department Information

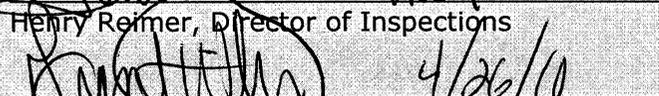
Prepared by: Ahna Minge

Approved by:



Rocco Forté, Director of Regulatory Services & Emergency Preparedness

  
Henry Reimer, Director of Inspections

 4/26/10  
Grant Wilson, Manager, Problem Properties Unit

Presenters in Committee: Grant Wilson

### Financial Impact

- Action is within the Business Plan

### Community Impact

- Neighborhood Notification of NCPRP
- Consistent with City Goals

## **Supporting Information**

This matter came before the Nuisance Condition Process Review Panel on March 11, 2010.

DBNR Investments, the property owner, submitted a written statement. They stated that they would like an extension to find an alternative to demolition due to the financial impact it would have.

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

## **Background**

An order to demolish this property was sent on Jun 5, 2009. An appeal of the order to demolish was filed by Mark Berhow, attorney for GMAC, on June 25, 2009. The appeal requested time to donate the property in lieu of demolition. Regulatory Services staff has confirmed that CPED made an unsuccessful attempt to acquire the property. The property was sold by GMAC to Stonecrest Income and Opportunity Fund 1 on August 18, 2009.

This building was condemned for lack of maintenance June 6, 2008 and condemned for being boarded September 8, 2008.

Property has been determined to be substandard. There are 18 open housing orders, including but not limited to orders to repair the support system as structural integrity of basement walls and foundation are compromised, address standing water in the basement, remove and clean basement of all construction debris, provide proper ground cover, repair/replace window screens, replace bathroom broken window glass, provide handrail for stairs to basement, and repair door to basement.

The estimated cost to rehabilitate the building is between \$109,796.00 and \$185,984.00, based on the MEANS square footage estimate.

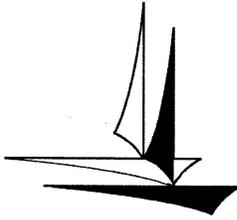
CPED contracted appraiser has determined the after-rehab market value to be \$150,000.

The 2009 assessed value of the property was \$60,000.

The Harrison Neighborhood Association and the owners of properties within 350 feet of 401 Logan Ave N were mailed requests for a community impact statement. The department has received two responses. Both state that the property has had a negative impact on the community. One states that it should be torn down; the other states it should be torn down or completely rehabbed.

Staff has been in contact with the new owner, located in California. He has expressed that he does not wish to rehab the property and rather would prefer to sell the property.

Staff recommendation is demolition.



**Minneapolis**

*City of Lakes*

**401 Logan Avenue North**  
**Nuisance Condition Process Review Panel Hearing**  
**Thursday, March 11, 2010**

GMAC sells property to Stonecrest Income and Opportunity Fund	August 18, 2009
Appeal received	June 25, 2009
Director's Order to Demolish Sent	June 5, 2009
Building condemned due to lack of maintenance	June 6, 2008

**Owner**

The property is owned by Stonecrest Income and Opportunity Fund 1. An appeal of the order to demolish was filed by Mark Berhow, attorney for GMAC, on June 25, 2009. The appeal requested time to donate the property in lieu of demolition. Staff has been in contact with CPED, who has confirmed an unsuccessful attempt to acquire the property. The property was sold by GMAC to the current owner on August 18, 2009.

**Structure description**

401 Logan Ave N is a duplex in the Harrison neighborhood. The two story structure was built in 1900. The building is 2,036 square feet and sits on a 5,292 square foot lot.

**General condition**

This building was condemned for lack of maintenance June 6, 2008 and condemned for being boarded September 8, 2008.

Property has been determined to be substandard. There are 18 open housing orders, including but not limited to orders to repair the support system as structural integrity of basement walls and foundation are compromised, address standing water in the basement, remove and clean basement of all construction debris, provide proper ground cover, repair/replace window screens, replace bathroom broken window glass, provide handrail for stairs to basement, and repair door to basement.

## **Market analysis**

**Vacancy Rate:** In 2000 the vacant housing rate in the Harrison neighborhood was around 8%. Of the approximately 824 houses on the city's Vacant Building Registration, 17 are in the Harrison neighborhood, which has approximately 1.330 housing units.

**Cost to Rehab:** The estimated cost to rehabilitate the building is between \$109,796.00 and \$185,984.00, based on the MEANS square footage estimate.

**After Rehab Market Value:** CPED contracted appraiser has determined the after-rehab market value to be \$150,000.

**Assessed Value:** The 2009 assessed value of the property was \$60,000. The 2008 assessed value was \$139,000.

**Cost to Demolish:** The estimated cost to demolish the structure is between \$19,000 and \$23,000.

## **Community impact**

The Harrison Neighborhood Association and the owners of properties within 350 feet of 401 Logan Ave N were mailed requests for a community impact statement. The department has received two responses. Both state that the property has had a negative impact on the community. One states that it should be torn down; the other states it should be torn down or completely rehabbed.

## **Notification summary**

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

1. GMAC Mortgage LLC, 500 Enterprise Rd #150, Horsham, PA 19044
2. Alean Burks, 619 Queen Ave N, Minneapolis, MN 55411
3. Wilford & Geske, 7650 Currell Blvd., Suite 300, Woodbury, MN 55125
4. MERS, P.O. Box 2026, Flint, MI 48501-2026

## **Recommendation**

Demolition.