

City of Saint Paul

15 West Kellogg Blvd. Saint Paul, MN 55102

Minutes - Final

Legislative Hearings

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Tuesday, March 8, 2022

9:00 AM

Room 330 City Hall & Court House/Remote

9:00 a.m. Hearings

Remove/Repair Orders

1 RLH RR 21-68

Ordering the rehabilitation or razing and removal of the structures at 939 CHARLES AVENUE within fifteen (15) days after the December 22, 2021, City Council Public Hearing. (Public hearing continued to February 9, 2022)

Sponsors: Thao

Layover to LH April 12, 2022 at 9 am (CPH April 20, 2022). By COB April 8 PO must 1) submit a work plan including bids and schedule, 2) submit evidence of financing sufficient to complete rehab and those funds must be escrowed in a segregated account, 3) submit affidavit dedicating funds to the project and 4) property must continue to be maintained.

Lorie Miller, owner, appeared via phone

Voicemail left for David Frey at 9:25 am: this is Marcia Moermond calling from St. Paul City Council calling you about the R/R order pending for 939 Charles. We'll copy you on the follow up letter.

Staff update by Supervisor Joe Yannarelly: January 28 letter says no later than March 4 needs a work plan and schedule with signed bids, evidence of financing to do the rehab, an affidavit indicating finances are dedicated to the project, and the property must be maintained, which it has.

Moermond: so a Performance Deposit was posted on February 2, so we had the layover to today. We were looking for those items to be submitted and haven't received anything.

Miller: I apologize. I have been in contact with David Frey. He has a general contractor who had previously given him an estimate and I'm still waiting on that. I've been sending out subcontractors I'm using for Hudson to this property to receive bids. I just don't have everything as of yet. There are more funds from my closing that I plan to also dedicate to Charles.

Moermond: mhmm. What are you looking for?

Miller: I can definitely get everything to you in another month. I'm trying to focus on Hudson first as my priority, and then Charles. I do have some of the bids. I know David has a contractor he told me about. I will follow up with him. I just have not received that from him yet.

Moermond: and the money is ethereal right now. It is based on a sale?

Miller: no, the sale did finally happen. It was dragged out for a couple last things with title. It did finally happen Tuesday of last week. I do have the funds in my account.

Moermond: I need those escrowed in a similar fashion because of my same concern with financing. We haven't required a 3rd party here. I think you understand the expectations and that none of them have been met. You are putting me in a difficult position, as usual.

Miller: to be honest, I'm really truly trying to put my life back together. I'm not trying to make your life more difficult.

Moermond: I get that, but we've been showing a lot of grace in spite of that. I will lay this over to April 12 and send it to Council April 20. We'll review your materials you've submitted by April 8.

Laid Over to the Legislative Hearings due back on 4/12/2022

2 SR 22-30

Consideration of a potential stay of enforcement of demolition for Derek Thooft, Thooft Law LLC, on behalf of Lorie Miller, for property at 975 HUDSON ROAD.

Sponsors: Prince

CPH March 23, 2022. By COB March 18, 2022 PO to 1) submit detailed work plan including schedule and scope of work/sworn construction statement; 2) submit additional contractor bids, 3) submit evidence of financing escrowed in an account sufficient for rehabilitation, 4) submit updated affidavit dedicating funds to the project in the escrowed account and 4) property must be maintained.

Derek Thooft, attorney, appeared via phone Lorie Miller, owner, appeared via phone

Staff update by Supervisor Joe Yannarelly: a February 22 letter states Ms. Miller was to submit evidence of financing in an account escrowed to the project, post an additional \$5,000 Performance Deposit, submit a contract for review with a 3rd party, submit an affidavit dedicating funds to the project, submit work plan including signed bids and a schedule, and property must be maintained, which it has been.

Moermond: submit evidence of financing, I see nothing. My concern is particularly strong because of the financial and legal difficulties she's been having, along with her other properties she has.

Thooft: we're working with US Bank to get the escrow account set up. She's been in contact with them as has our law firm. The account is prepared, we just need to move the money. She was in the process of doing it yesterday, it should be completed today. The closing happened a bit later than expected. By the end of the day we can have that money transferred

Moermond: and it says specifically that it will be used for this property?

Thooft: absolutely, and we can send over that documentation and conversation with her.

Moermond: you seem to be dropping the expectation on your own that there be a third party involved, in spite of the repeated expectations since we have a general contractors license for Ms. Miller.

Thooft: we're trying to bring in a third party, but getting someone lined up to do the work in the budget and time frame we have is the issue. We talked to 5 or 6 general contractors since the debacle with Sam. We're having an issue locating a third party willing to do this with us.

Moermond: you have to know I've recently seen six cases where third parties have been secured to rehab other properties, so I don't think its lack of people willing to do it. I can only assume there is some other attribute to this property that makes it unique.

Thooft: we've explored all offers on the table. Between time and money aspect--

Moermond: and when you say money aspect you mean they aren't paying you enough?

Thooft: one offer was \$25,000. she would be out \$100,000. She wouldn't even cover her base expenses.

Moermond: so you're looking for grace on that point. I'm wondering what is going on, I'm concerned about the work plan and quality of it. Being a general contractor I'd look for a sworn construction statement with high level of details. I see no specifics. How will that be rectified?

Miller: I literally used one of the templates sent over to me by the City of St. Paul, which didn't include any numbers. I thought mine had more details.

Moermond:: I see an email coming from you on saying "Mr.Thooft, based on the samples this should be sufficient." It gives me 3 bullet points after each month. You can understand where I have a low level of faith especially since you are the General Contractor on this. I need something more professional and details. You hear me on that?

Miller: absolutely, I can put a lot more detail into the work plan.

Moermond: great. And I see a repair estimate of \$8,000. That's your general contractor statement?

Miller: yes.

Moermond: yeah, no. And nothing on HVAC just saying an estimate of \$800. I'll need a new affidavit with the funds in a particular location, not just that you have the money. We need higher specificity.

Thooft: we're moving \$50,000 to that US Bank escrow account.

Moermond: and I have no idea if that is sufficient because I don't have a good, detailed plan. There's such a variability in the market right now. What I'm seeing right now doesn't wash yet. It may, but not yet. We know we need evidence of financing. You are looking for grace to do the work yourself instead of involving a third party. If I grant that grace I need a lot more of you and a paragraph isn't going to do the trick. You are asking for something the Council has clearly said they want a third party for. You will be held to a high level of scrutiny if you are making that ask. Are these the bids? They aren't signed. Your plumbing bid looks solid. I don't see electrical.

Miller: there was one, maybe it got lost in the emails. There were a lot of emails back and forth between Derek and his team.

Moermond: so no electric, building, or HVAC.

Miller: the HVAC guy said everyone on the list was boilerplate. He said if the furnace passes the ORSAT he would pop out a vent in the bathroom. I said how much if the furnace needs to be replaced, he said \$4,500.

Moermond: some of the HVAC list includes plumbing items.

Miller: right.

Moermond: you do have some duct work that needs to be done but it looks achievable. It came in yesterday, not Friday, kind of typical. Nothing has been on time. And I have things and it isn't complete. I'm sending this to Council in 2 weeks and either you have things done and I'll recommend 180 days. If it isn't, I'll recommend it is demoed

Received and Filed

3 RLH RR 21-70

Ordering the rehabilitation or razing and removal of the structures at 1722 REANEY AVENUE within fifteen (15) days after the December 22, 2021, City Council Public Hearing. (To refer to April 26, 2022 Legislative Hearing)

Sponsors: Prince

Refer back to LH April 26, 2022 at 9 am. By COB April 22 PO/rep must 1) submit updated bid including electric and mechanical work, 2) affidavit from financial institution dedicating funds to the project, 3) schedule for completing the project, and 4) property must be maintained.

Joseph Rossman, attorney o/b/o Reverse Mortgage Funding, LLC, appeared via phone

Voicemail left for Hernandez at 9:41 am: calling about 1722 Reaney to see if you wanted to participate. We'll go ahead and conduct the hearing.

Rossman: I actually believe he is a third party realtor; I don't have a direct relationship with him so I don't know his plans regarding participating. I do have updates on behalf of the current owner.

Moermond: do they intend to rehab on their own?

Rossman: we are driving down two lanes now. they would still like to sell in a best case scenario since they aren't in the rehab business. It would be the first time they'd be

doing it internally, however if they can't get a buyer, I think all pending buyers have fallen though. If they can't they do intent to proceed down the second path and do the rehab to avoid the demolition. I did send your assistant an updated bid that was submitted to HUD for work this am. We are kind of still proceeding trying to get all necessary repairs done the City is requiring and I have put an exclamation point about the property being consistently and routinely maintained. I hope there is a report that is being accomplished, I know it has snowed since our last hearing.

Moermond: should we be calling Natasha Boone?

Rossman: I don't have any contact. It sounded like she didn't really know what was going on and the circumstances and I don't have any correspondence since the last hearing.

Moermond: we'll try calling her to be safe, and then we'll continue our discussion.

[Natasha Boone is dialed in. Went straight to Voicemail and a Voicemail was left at 9:46 am: this is Marcia Moermond from ST. Paul City Council regarding 1722 Reaney. We'll copy you on the follow up correspondence]

Moermond: it looks like there was an order February 24, a Summary Abatement Order. Mr. Yannarelly, can you update the record?

Staff update by Supervisor Joe Yannarelly: per the letter dated February 25, a third party purchaser was to post a \$5,000 Performance Deposit, submit a purchase agreement noting title can't transfer. Property must be maintained. A work order was sent February 1 for snow removal.

Moermond: I see a February 24 Summary Abatement Order for snow and ice.

Yannarelly: yes, but that was taken care of.

Moermond: done by owner. Hate to write the order, love to hear it is taken care of. So we're on 2 tracks, and as far as I see it is we're on one track because Council needs plans to rehab. They may need to hire a general to manage the whole thing, even though they are loathe to do it.

Rossman: that is fair, and I agree. I think the letter from the 25th is kind of a moot point and the best way to proceed is they will do the remediation until they find a borrower to sign a purchase agreement with that addendum. For now we'll plan on them doing the work and they will still be actively marketing it, but without an approved purchase agreement by the City there's no reason to proceed with that idea of a third party.

Moermond: I'm concerned about sending something through that would be on condition. If they give a grant of time it is going to be to get the nuisance abated but transferring in the middle is different. They aren't giving a grant of time to someone else; they're giving it to you based on what you submitted. If something gets half done, it would be a shame to knock it down. I kind of want you in or out.

Rossman: I can confirm with my client. I already indicated the City wants to get this moving and not wait around so we need to hightail the remediation efforts. Maybe we can just put a drop dead date on selling it, with no purchase agreement by then we won't entertain more. Has the City had that experience in the past with a purchase

agreement that says, "here's the contractor" and you'll continue to use them to complete the repairs by that date? So there is no extension of time. Once the clock starts ticking for my client, it still applies for any purchasers. Would something like that work?

Moermond: it may.

Rossman: it may give them more wiggle room. It's a hard condition and they're having a hard enough time as it is. I don't know any buyers want to assume a contractor and those conditions. But at least that gives my client a little more wiggle room to market if they want.

Moermond: how much is your client in for on this?

Rossman: I don't know that I have that in front of me. I'd have to look at the sheriff's sale.

Moermond: the bid you submitted is solid as far as it goes, for our purposes. There is a footnote saying the electrical and mechanical are pending. Does that mean they haven't inspected?

Rossman: I didn't participate in this bid work. It is currently pending HUD approval as well. I don't know if they're waiting for HUD approval as well, or what that means. There are a lot of extra procedural steps. I haven't compared it to the last bid. I assume it means previous work got approved by HUD and that this extra stuff does too. I know it just got sent into HUD, it takes a couple of weeks. Looking at the sheriff's sale there may be some equity in the property. It was originally mortgaged for \$373,000 and the amount due was \$196,000. It went to sale for around \$203,000. Presumably there may be some equity cushion, which is likely why they want to avoid a teardown. I don't have a current appraisal but there likely is equity even with \$100,000 in repairs. Zillow says something different.

Moermond: Ramsey County tax value is \$195,800.

Rossman: right, traditionally low. A completely rehabbed property, who knows what it will market for versus as is.

Moermond: I'm going to move forward under the assumption that your client will do the rehab using NorthSite Management. I would be looking for in this bid dated March 1, is missing electrical and mechanical. There also isn't a schedule. I assume they are your bidder so that is who you are using. And then an affidavit from the financial institution dedicating the funds to the project. A written statement saying yes we are going to pay for this. I'm fine giving some time to clean it up based on the strength of what you've submitted. Do you have a sense of how long it would take to accomplish that?

Rossman: I'm guessing we'll probably get approval, if we need new bids and have to get them approved it will push it out another 3 to 4 weeks. So that is April 8, and then a week to get a contractor to put a plan together. We're probably out to April 12.

Moermond: I'm thinking I'd like to send this Council on March 23 to check in with them and ask them to send it back to me to review your updated plans and completed information on April 26. That gives you six weeks to pull things together. I'm going to also say, if you have a third party that information needs to be done at the same time. So if you aren't doing the rehab I need to see their bids, contract, financing, schedule

and so on at the same time. That give you some wiggle room to do a transaction if one presents itself, but they will still be accountable on that deadline. Have the materials to my office April 22.

Rossman: that sounds good. I assume there will be a letter? Would we need to do anything on March 23?

Moermond: I'll be asking them to refer it back and I have no reason to believe they wouldn't do it.

Rossman: understood.

Moermond: any hiccup we would of course alert you, which I don't anticipate. I just need to touch base with them.

Referred to the City Council due back on 3/23/2022

4 RLH RR 21-60

Ordering the rehabilitation or razing and removal of the structures at 1941 UNIVERSITY AVENUE WEST (STORAGE/GARAGE) within fifteen (15) days after the September 22, 2021, City Council Public Hearing. (To be referred back to September 28, 2021 Legislative Hearing)

Sponsors: Jalali

Layover to LH March 29, 2022 at 9 am for update on plan for the project.

Voicemail for Solomon left at 10:08 am: good morning this is Marcia Moermond calling about the r/r for 1941 University. We'll try you back in 10 to 15 minutes.

Voicemail for Solomon left at 10:25 am: good morning this is Marcia Moermond calling you again on 1941 University. We're going to try and reach Essey Asbu and Ruth as

Voicemail for Asbu at 10:27 am: good morning this is Marcia Moermond calling you from St. Paul City Council calling you about 1941 University and checking in about your plans and where things are at. We were unable to get ahold of Mr. Solomon. We'll try Ruth next to see if she is available.

Tried calling Ogbaselassie at 10:28 & 10:29 am – unable to connect

Moermond: first we were unable to reach Mr. Solomon, president or Mr. Asbu, secretary, or Ms. Ogbaselassie, treasurer. We were to discuss the financing. The STAR monies should be available. Council has a resolution providing \$60,000 in Neighborhood STAR funds. We have figures the rehab will cost \$46,500 without a new floor and \$73,500 with a new floor. The concern is there has been further building failure and I don't know if the current bids are still relevant. The STAR money would cover the cost if they don't have a new floor. We need an update with that information and I will ask them to adopt the resolution for the grant and it may have to be revisited. We'll lay this over to March 29 for further discussion.

Laid Over to the Legislative Hearings due back on 3/29/2022

10:00 a.m. Hearings

Making Finding on Nuisance Abatements

5 RLH RR 21-74

Ordering the rehabilitation or razing and removal of the structures at 879 SIXTH STREET EAST within fifteen (15) days after the January 12, 2022, City Council Public Hearing. (Amend to remove within 15 days)

Sponsors: Prince

Remove within 15 days with no option to repair.

Joe Egan, potential purchaser, appeared via phone Roy Carlson, owner, appeared via phone

Staff update by Supervisor Joe Yannarelly: we've had to go out there and work order garbage and rubbish, and recently the snow at least once. Last week the front door was busted open and we had to send a work order to secure it. There have been some maintenance issues.

Moermond: and we were looking for financing, a purchase agreement, an affidavit, a work plan, and I understand we don't even have a Code Compliance Inspection yet?

Egan: it has not been done. Mr. Magner called me about it and I informed him there were still Title issues Mr. Carlson thought he was going to take care of.

Moermond: and it needed to be cleaned up and Mr. Bruhn found the building to be needing that cleanout. Maybe Mr. Carlson—

Egan: I've been waiting for four weeks to get those title issues cleared up. It is straightforward. But it hasn't been taken care of. I can't honor our agreement without clean title. I let Joanna know yesterday I don't think I can proceed with this.

Moermond: when we last spoke you indicated you had an attorney who was in the Keys on vacation and that's why we did the layover so you had the opportunity to work through that. What is going on?

Carlson: there are a couple of smaller liens that couldn't be taken care of because it has to have a court decision reversed, and then I just need to find checks that I paid to release the lien. The real big one is the problem because what we did is have a \$450,000 because of a piece of property. They got the property back and they could only take \$50,00 out of MN money and we thought they couldn't do any more. Because it's a realty lien they can. The attorney said it will be a long time to work with him because we have to show he got the property back and the money. It wont be much or anything at all so it will take time. I'm hanging up this other gentleman. Is there some kind of funding for repairs so I can fix up the house? Otherwise it will be demo and further costs. Joe is trying to do this but those are roadblocks we can't have happen.

Moermond: why haven't you cleaned out the house?

Carlson: that was going to be done by Joe if we could do the liens. I can get it done within the next week. Very simply, I have people to help me. That's one issue I can take care of. As far as anything else it is a process. I can't even give a timeline. It will take time to get him back into court and letters to the County recorder

Moermond: so no clear title and didn't bother to clean out the property.

Carlson: we didn't know about the title.

Moermond: we have talked about it.

Carlson: ok, well we thought they were resolved but that wasn't taken care of it. It won't be sellable to anyone at this point. I can get the cleanup done in the next week. It will just take one day.

Moermond: and you haven't paid the second half last year's taxes.

Carlson: yes, because I was trying to sell it and they'd pick the tab up. I've been paying since 1979. It isn't years old.

Moermond: I'm trying to picture a path forward on this. You don't have clear title. You don't have the money to rehab. You didn't bother to clean it out for inspection. I really am struggling how I can ask the Council to give time to work on this further. It doesn't seem like you have the capacity to do the rehab.

Carlson: I am not looking for excuses. With my job the Covid has drained me, I couldn't do what I do normally. As far as the clean out the gentleman on the phone with us was going to take care of it, but when we couldn't get clean title he wasn't going to do it. So it is back to me. And I will get it done. And I will make sure it is more secure than what it is.

Moermond: has your attorney filed any paperwork whatsoever?

Carlson: no, not at this point. He just got back. He asked if I wanted to proceed and I said let me talk to them. It is frustrating at this point. I've mad attempts to get ahold of this guy and he doesn't want to respond. I wanted to get it done without any further collateral damage but it seems like there is no choice because I can't do anything with it until I get rid of that.

Moermond: January 12 I asked them to continue it to today to get that Code Compliance inspection complete and work on the lien status so it could be sold. Neither has happened. This has been in the Vacant Building program for 14 years. No Code Compliance. No money. No clear title. No maintenance. I can't do anything but ask the Council to order it removed. March 23 you'll have the opportunity to make your case to the Council and what kind of things you can do to show you are going to get the work done. Right now my recommendation is against giving you further time. We'll confirm this via letter and how you can participate in the hearing. Perhaps your attorney will represent you. I do wish you well but it doesn't seem to be a starter on this property.

Carlson: I understand. I appreciate what you've done and hopefully I find a clear way to do this. are there any rehab programs? I hate to see it get ruined.

Moermond: I am in the enforcement side of this where I am saying it needs to be rehabbed. It would be unethical for me to suggest a venue for you to find dollars. I can't say where you need to get the dollars from, I just can say you need them.

Referred to the City Council due back on 3/23/2022

RLH RR 22-14 Making finding on the appealed substantial abatement ordered for 1253

CLEVELAND AVENUE NORTH in Council File RLH RR 21-37.

Sponsors: Jalali

Continue PD and grant additional 180 days (pending updated schedule).

Byron Anfinson, purchaser and developer, appeared via phone

Voicemail for Distad at 10:37 am: this is Marcia Moermond calling you & Mr. Anfinson about 1253 Cleveland and 2075 Scudder. Left a message for Mr. Anfinson saying we'll call back in a few minutes and we are going to do that now.

Moermond: we just left a message for Tom Distad, should we try him again or just continue with you?

Anfinson: we're in the same office. We can continue. I'll grab him If I see him.

Staff report by Supervisor Joe Yannarelly: Mr. Bruhn indicates this property is 75% complete and Scudder is 95% complete. Both have been perfectly maintained throughout.

Moermond: this tells me the \$5,000 Performance Deposit can be continued with no issues. Because we're past the 180 day deadline I ask for this update and an updated work plan. Where are things at?

Anfinson: the last 25% is installing kitchen cabinets. The new windows we ordered January 8 and they still haven't arrived

Moermond: all other trades are complete?

Anfinson: I'm not sure since they are putting the kitchen together. I think plumbing and writing things. Flooring, walls, mechanicals in basement are mostly complete, aside from anything connecting to the kitchen.

Moermond: can you put together in an email what remains to be done and we can attach to the record.? Do you have an estimate of when those windows will arrive and cabinets installed?

Anfinson: cabinets this month. I don't know about the windows. Hoping the end of the month and installed early April. That's my best guess. They are custom so that is likely why they are delayed.

Moermond: we have an open plumbing permit, but electrical has been inspected, warm air and mechanical are finaled. So plumbing, electrical and building still open. An email describing where you are at and what's left. I'll recommend Council give you 180 days when this goes to Council March 23. If we get that we'll recommend the Performance Deposit is continued and the additional grant of time on Cleveland.

Referred to the City Council due back on 3/23/2022

7 RLH RR 22-15

Making finding on the appealed substantial abatement ordered for 2075 SCUDDER STREET in Council File RLH RR 21-39.

Sponsors: Jalal

Continue PD and grant additional 180 days (pending updated schedule).

Byron Anfinson, purchaser and developer, appeared via phone

Moermond: 95 percent there. What is left there?

Anfinson: the last inspection a few more things came up. We have work to do on the valley tin on the roof line and raising an overhang on the front and back of the property. Otherwise that is really it. They're more construction things. Permits are all closed.

Moermond: if you could send an email on those things as well. Happy to give an extension on that as well, just need that documentation. I can see in the computer system that all permits are finaled except that building permit based on those corrections.

Anfinson: ok, perfect.

Moermond: send me an email I can consider that a work plan since they're petty minimal.

Anfinson: I'll take care of that, very good.

Referred to the City Council due back on 3/23/2022

8 RLH RR 22-3

Making finding on the appealed substantial abatement ordered for 657 SHERBURNE AVENUE in Council File RLH RR 21-45. (Legislative Hearing March 8, 2022)

Sponsors: Thao

The nuisance is abated and matter resolved.

Referred to the City Council due back on 3/9/2022

11:00 a.m. Hearings

Summary & Vehicle Abatement Orders

9 RLH SAO 22-9 Appeal of Ge Xiong to a Summary Abatement Order at 675 LAWSON AVENUE EAST.

<u>Sponsors:</u> Yang

Deny the appeal noting the nuisance is abated and matter resolved.

Ge Xiong, owner, appeared via phone

Moermond: I have Lisa Martin on the line, but I understand the items have been cleaned up but I wanted to reach out to you.

Staff report by Supervisor Lisa Martin: it looks like we issued a Summary Abatement Order February 25 to owner of 675 Lawson. We also had a Summary Abatement Order to neighbor at 681 Lawson. The garbage from 681 was moved to 675. In the meantime a fire inspector contacted the owner of that property, they went out this am. Inspector Williams went out to confirm the items at both property was removed by the owner of

681. Just a note that Public Works won't remove items dumped on a property, that's why we have the appeals process.

Moermond: I reached out to the Fire Certificate of Occupancy inspector for the East Side, she talked to the property manager for the neighbor and he got the message he needed to be on top of this cleanup. Do you have his contact information? He thought you did.

Xiong: I do, I contacted him after receiving the letter because I was upset. I noticed the building was up for sale, so I took down the number and talked to a guy named Tom and explained and he said he just heard about it this am. so someone called him or he got the letter too. He said he just found out and I asked him what he was going to do. He said he would get it cleaned up by Thursday. I said I have court and I need to let them know. He did make good on his word.

Moermond: good. I wanted to have that conversation to let you know the City talked to the property manager and emphasized it was not ok the tenants were doing this. It is now cleaned up. I'm sorry you had to go through this.

Xiong: for the future, they always put their bins on my lawn. I expressed many times they can't do that. They miss the cans and put it on the lawn. I was wondering, can I put a fence up?

Moermond: you can look at getting a fence permit. We can sent you a follow up letter with a link to how to do that.

Xiong: if you could, I'm sick of picking up their trash all the time.

Referred to the City Council due back on 3/23/2022

1:00 p.m. Hearings

Vacant Building Registrations

10 RLH VBR 22-15

Appeal of Trent Mayberry to a Vacant Building Registration Notice at 1425 MARYLAND AVENUE EAST.

Sponsors: Yang

Grant a 90 day waiver (to May 9, 2022).

Trent Mayberry, property representative, appeared via phone

[Moermond gives background of appeals process]

Staff report by Supervisor James Hoffman: this stemmed from Manager Magner who got complaints about the sidewalk not being maintained. He informed Supervisor Matt Dornfeld to go take a look, and he determined the building was vacant and the exterior wasn't being maintained. He was instructed to open up a Category 2 Vacant Building due to those circumstances.

Moermond: when I looked it looks like it was monitored by the Fire Certificate of Occupancy program but they hadn't turned it over even though it was vacant.

Hoffman: I did see that in Inspector Gavin's file.

Moermond: so vacant for a while but didn't get sent to the program for whatever reason. Has it been maintained? You said there was orders on the sidewalk? Hoffman: since the Vacant Building file was opened there was 2 snow walk complaints, one February 24 and one yesterday. You have to clear the sidewalk for this repeat or the City will come and do it automatically.

Needs to be done by end of day today, otherwise the City will come tomorrow.

Moermond: another order went out February 3? With a February 8 work order?

Hoffman: that is correct. February 3, prior to it being opened as a Vacant Building. That would be 3 this year, so based on what happens by end of day today. If it continues every time we have a snow complaint you'll get an Excessive Consumption fee too. That's our policy as far as repeats.

Moermond: what is going on at the property Mr. Mayberry?

Mayberry: we purchased it to develop it as Bank of America. We are a commercial real estate developer. The prior owner sold and maintained occupancy until end of 2021. We agreed to that. He was trying to get more time to stay in the building, so we didn't know when we could get in to demo. We found out he was out the last day of December. We ordered a hazardous materials survey to secure the building permit. That took time to order and conduct, and we had to finalize our arrangement with the general contractor. As soon as he moved out we began in earnest to get the property ready for demo. We are ready to start but we are still waiting for the demo permit. Then we will start construction. We are also waiting for final disconnect of electric from Xcel. Gas will be done this Friday or Monday. There's a 10 or 15 day waiting period from Xcel to do the disconnect. That's my next call to see if I can expedite that. It hasn't been vacant that long. It has been vacant 2 months which is what it has taken to do all of those things. The normal course of action for us. We've done over 8 million feet of development.

Moermond: I know it seems like nickel and dime stuff to you but the fact the City has had to maintain it over the last month is a big red flag. The question is whether it should get a fee waiver since it will be demoed soon. I can't tell you how disheartening it is to hear that a major developer hasn't taken care of this on such a busy pedestrian intersection.

Mayberry: I haven't seen any of these. Who were they sent to?

Moermond: it goes to the owner of record with Ramsey County.

Mayberry: I have yet to see them.

Moermond: a letter from February 3 went to Ridgecrest LLC in Edina. That's you. So you're getting them.

Mayberry: I think you can understand when I say I didn't see them doesn't mean you haven't sent them.

Moermond: and when you own a property you don't just automatically send people out after a major snowfall?

Mayberry: keep in mind it depends project to project. They're all owned by different ownership group. You can imagine in Edina and Minnetonka the City sidewalks are not as common as in St. Paul where the owner is required to maintain. It is an oversight; it isn't anything sinister.

Moermond: it is just careless and neglectful of the neighborhood. The BCA is there and McDonald's, you know? It is busy.

Mayberry: and we're getting rid of an old building and putting something new.

Moermond: I just think it would be better if you would proactively take care of it rather than people break their ankle. If you could take care of that it would be fantastic.

Mayberry: we'll take care of it. We aren't trying to shirk responsibility.

Moermond: ok, I'll do a 90 day waiver on this. If it is down in those 90 days there will be no fee. You have a snow and ice order due by the end of the day.

Mayberry: and is that a penalty? Or can the landlord just let the City do it and pay the fine?

Moermond: it is considered a nuisance condition. The City will charge you for the cost of that removal and salting and standing.

Mayberry: I don't know if I can get someone out there by the end of the day, but if we're fined no matter what, should we just let the City do it?

Moermond: it isn't a fine, a criminal matter, it's a nuisance matter.

Hoffman: you do have to consider that every time it snows you have 24 hours and you'll get a \$122 fine every time.

Moermond: and that's for Excessive Consumption of code enforcement services.

Hoffman: we have to send someone out every time it snows to send a work order to have the crew do it. It takes time away from more pressing matters than someone not shoveling. It is time out of our day to do these things that should be automatically done. Do you shovel your driveway after it snows? Because I do.

Moermond: it is neighborly. We've talked this through and I think he has the information he needs if it snows again. 90 day waiver takes you to May 9.

Mayberry: in light of the timing does it make sense to let the City take care of it?

Hoffman: if you can get it done today, then the next time would be the third. If the crew goes out that's when the Excessive Consumption fees start.

Moermond: it is up to you. If you don't do it the City will.

Mayberry: if I can get it done today do I need to let someone know?

Moermond: no, they will see that.

Referred to the City Council due back on 3/23/2022