



City of Saint Paul

15 West Kellogg Blvd.
Saint Paul, MN 55102

Minutes - Final

Legislative Hearings

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Tuesday, March 11, 2025

10:00 AM

Room 330 City Hall & Court House/Remote

1 [SR 25-9](#)

Review of a potential stay of enforcement of demolition for Tom Radio, representing Allstate BK Real Estate Holdings, Ltd. at 455 ROBERT STREET SOUTH.

Sponsors: Noecker

Lift stay and proceed with demolition within 15 days.

Tom Radio, attorney o/b/o owner, appeared
Matt Kim, brother of potential buyer, appeared

Moermond: today we are about the business of doing a review of where things are at with a mind it is going to Council Public Hearing March 19. Reviewing plans to see where they are at before next Wednesday if needed.

Hoffman: no issues at the property. Shoveled after the snow this last week. No changes.

Moermond: tell me where things are at. We got some paperwork from your sister.

Kim: she told me to stop in and give her an update. I don't have anything more to report. She is in Korea and is coming back the 23rd of this month. She sent some paperwork you were requesting. I'm not sure what she sent in. Some you asked her to do stuff she couldn't do because she wasn't here. She was hoping maybe this meeting would be delayed. So, I'm here to listen and update her. She hasn't done anything but send in paperwork.

Moermond: the expectations are the same as last year and they aren't met. The same list, exactly the same. Beginning with the Code Compliance Inspection, or team inspection, which hasn't been ordered or conducted. Based on that a work plan would be provided. It appears the spec was done before the electrical was pulled from the building, and the nuisance abatement plan after that. I also got bank information that was from last year as well, it is very dated. I'm feeling uncomfortable because I got call from Planning and Economic Development asking me what was going on because there was a bank inquiring giving a loan for this week. Which means that is different than the financing information provided to me both last fall, and again this spring. The bank is being asked to help finance it. I know nothing about this. Also I heard from your sister that an application in to the City for this project and that also wasn't in this information. I'm not at all convinced there is sufficient money or any intention of using that money towards this purpose, nor that it is in any way connected to a realistic bid for the work.

Kim: prior to the issues we were facing, she wanted to purchase. That's the steps she was taking. She paid some out of pocket to finance through the bank, and the bank told her about potential grants with the City to help improve the building. That's the step she was taking but it was stopped because we told the bank it was ordered removed.

Moermond: I heard from Planning and Economic Development you were seeking funds after the building was ordered removed by Council.

Kim I think there's confusion. Nothing has happened between bank and my sister. I've been communicating every three months. She did that prior to this issue. She hasn't tried to get anything from the bank after that. I can have the bank verify that.

Moermond: I need funds to see the rehab through. And that is based on a Code Compliance Inspection.

Kim: we agreed on splitting the cost of the rehab. We signed the paperwork and I assume they sent it back to you.

Moermond: the expectation was not that you would tell me you were splitting it, I needed it done and it wasn't done. Not my business who pays for what. That's up to you all. The work wasn't done, that's my issue.

Kim: that's how I understood it last year, and the same issues are still going on.

Moermond: you're right. We can knock it down now because this is a second chance put together for an alternative buyer. She can't meet the basic requirements that have been laid out for no less than six months.

Kim: she is potential buyer only she can't do anything unless they give her power of attorney or something. She is willing to do it but she can't because she isn't even the owner.

Moermond: that's between you guys. This could be sold, there's nothing from the City prohibiting the sale.

Kim: but she doesn't want to take over all this responsibility.

Moermond: well, that would be what is required in order to do this.

Kim: correct, that's where we're starting from.

Moermond: how is that changing? That's a discussion between you and the seller about when the property is closed.

Kim: she is really interested in buying this building. But, she likes to have control, so once she does she is probably willing to do what the City is asking quicker than the seller, because she wants to get it ready and open it quickly for her own good. Yet, she has no control.

Moermond: so what does she want?

Kim: she needs assurance that once she buys the building, give her some...I don't know. She is willing to do almost anything to satisfy the City to continue the business.

Moermond: you are evidentially confused about the order of events. The City is not going to give you a guarantee that the building won't be demolished ABSENT the required documentation. She wants to wait to provide that documentation and share her commitments after the City says they'll give time. Why on earth would the City do that? It has asked for some basic things from her and I'm hearing those won't be done until she is in control of the building. I don't care who does what. I was looking for them to be done, they are not done.

Kim: oh, yeah, ok. As a City I understand. But technically, she's a potential buyer dragged into this. She wants to buy it, kind of stepped in with one foot. She paid a lot of money out of pocket even though she has no control. The environmental survey. Then the City issues came in that she's dragged into again. Another second issue.

Moermond: if she wants to buy the building she has to address this. The building she negotiated a purchase agreement on had a pending order of demolition on it.

Kim: uh—we didn't hear that right away. She kind of didn't, I mean, that's the thing.

Moermond: was she represented by a broker in this transaction?

Kim: yes.

Moermond: it seems like that's something they should have alerted you too, and that's a private matter. It was an existing order. Mr. Radio, where are things at from the seller's perspective?

Radio: there was a purchase agreement and a signed sixth amendment to it that said the nuisance abatement plan and those three items would all be completed, and then they would share that cost 50/50 with purchaser. We put that on hold because the City said to the seller we need financing and do a new Code Compliance Inspection Report and a few other things. Those haven't happened and I don't know why. The Code Compliance application, two years ago, the question became who can sign it? It says owner or Responsible Party. So that got stymied on this side. It was my understanding it was on their thing to do; under their list. We would have signed off on it if they asked. This has obviously been complicated transaction and dealing with a lot of moving parts and deadlines. I believe we as a seller have complied with what was expected of us. We kind of need to move forward on a parallel track so we're equally in the game. We didn't want to spend \$35,000 and have it torn down.

We needed their side to move forward with getting the Code Compliance, with was \$728. That should have been done last year, and we'd know the budget and they can get financing. We can only do so much on our side; I try to work with the broker and their attorney and the broker was less than helpful. The attorney said he was only retained to do the sixth amendment [to the purchase agreement] and nothing else. We can't do this for them. We need their investment of time and money. We are good to go, the sixth amendment, including the nuisance abatement plan as specified by the City, but we need them to catch up with information. This recent trip has slowed everything down. between now and the Council meeting I would suggest Ms. Shin engage her attorney. We're happy to provide our signature for the Code Compliance Inspection Report. How soon can that report be done?

Hoffman: we can obviously ask it to be expedited once it is received. But we need to receive it.

Kim: we have a legal advisor and he mentioned the application said it has to be signed by seller or seller's attorney. Why can't they do it? It doesn't make sense.

Moermond: and that's a YOU thing. The question for me is whether we should knock it down. I don't care who owns it; I don't. I care about whether these things are taken care of. I don't care who. It hasn't been done and that is going to affect whether the building is demolished or not. I'm not hearing that there's been forward movement in the transaction to move these things along. I'm hearing we don't want to put more money down until we have a guarantee it won't be demolished, and apparently you aren't clear, though there's been many letters, saying these things have to be taken care of before the City gives a grant of time.

Kim: the City doesn't care who does what, right? My sister is thinking why does she have to care? She's the buyer.

Moermond: if I was your sister, I'd say I've dumped thousands of dollars into this, am I going to say I no longer want to have this building, or am I going to negotiate and do the things necessary to have not flushed thousands down the toilet that have been spent. Does she have an incentive to do those things? If she wants the building she does.

Kim: that's why she's been showing up by herself. I will tell her that she has to do it if she wants the building and she can decide.

Moermond: the Council Public Hearing is next Wednesday. Right now, I don't have anything I'm looking for. My recommendation to the Council will be to lift the stay of the demolition and authorize the Department to proceed with demolition. Your interest would be convincing the Council to do something else. I don't care who does it, it is whether or not it is done. That's between you guys. I haven't received anything and what has been delivered is dated and incomplete.

Kim: she won't be back until the end of the month.

Moermond: well, she could have an attorney or someone else represent her in this. The date was explicitly discussed. The City Council has already granted grace in this by giving a second chance. What I heard was she is leaving the Country and can't work on this now. While I appreciate she has other things going on, I'm not holding up a City Council process on a demolition because she has other business. She needs to stand and deliver.

Kim: not she, both of us.

Moermond: I don't care. I haven't seen any of these things done and the City won't give the time without having those things.

Kim: the final decision next Wednesday?

Moermond: that's my recommendation, if someone convinces them to continue the conversation then they may. She should probably have someone represent her at the Council Public Hearing then. If she doesn't, I would say they're going to have no testimony to support what she is looking for. I don't want to see this demolished or rehabbed, I only want to see it not be a problem property. That is fix it, or knock it down.

Kim: she just needs the opportunity to get there. There are so many roadblocks in front of her.

Moermond: I have done so many of these cases and she has no more roadblocks

than any other case.

Kim: even her broker is saying this has never happened. I disagree.

Moermond: you actually don't know. You're trying to buy a building with a pending demolition. I imagine your broker hasn't handled that before—your broker should learn about this because it is about to cost your sister a lot of money.

Kim: it is unfortunate. I will let her know, otherwise it might be final decision next week.

Radio: we stand ready to sign the Code Compliance Inspection Report. We aren't going to apply for it. It can be done today. I can't represent them. You have to authorize your attorney to speak with me about this. It is a logical process. It can all be done in a week if you actually start doing things. We will help the best we can.

Moermond: and doing these things is the only way to get me to look at it another time.

Kim: she isn't here. What can be done without her here?

Moermond: I don't know, that's up to her.

Radio: she can do video calls, send documents electronically.

Kim: some meetings are set up months ahead of time.

Moermond: no.

Kim: a month in between these last meetings. Can your letters let her know when the meetings are?

Moermond: it was in the last one.

Kim: the last one we didn't know until we called and found out she has a meeting set up.

Moermond: it isn't hers. If we go back, there was an alternate purchaser looking at the building.

Kim: there was an alternate purchaser?

Moermond: yes, they can entertain anything they want to.

Radio: we never entered into an agreement, but someone was looking at the building.

Kim: huh.

Moermond: should that plan be looked at because I have no other plan? Yes, if the building is going to be saved. They didn't want to proceed and Council had already rejected the plans that were on the books from your sister. What came about was she wanted to be a part of the hearing since Council stayed demolition. I don't have any problem with anyone being part of a hearing, but if you want to fix the building and purchase it you have to go through this. That is the same for anyone. I've done many commercial buildings, including the BK on West Seventh. Complex financing. I don't know what the problem is in this transaction. Things aren't being addressed

over an extended period of time. We'll send yet another letter and will we need to schedule an interpreter for next week?

Kim: no, no one will be here.

Moermond: ok, I didn't know if she wanted to testify by phone. If she does, we need a couple of days' notice to schedule an interpreter.

Kim: ok. I will let her know. This is the first I'm hearing about another buyer. Interesting.

Moermond: it wasn't a requirement you be notified about that hearing.

Kim: I was too naive.

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