Letter from Aaron Rubenskin @LH 7/18/17

689 Conway

Legislative Hearing 7.18.17 to waive vacant building registration fee

- I am asking the city to waive the vacant building fee of \$2,240 because Historic Saint Paul simply cannot afford to pay it and the city will reap a financial benefit from the work we are doing to save and rehabilitate this house.
- We are investing \$215,000 into this project rehabbing a 1888, Category 3 vacant house categorized as contributing to the character of the Dayton's Bluff Heritage Preservation District (which district is now 25 years old and which the HPC recognizes and celebrates, coincidentally, this evening at its annual awards ceremony).
- Wells Fargo offered to give this house to seven or eight other nonprofits. They all said no thank you.
- The money and work we are investing in this Category 3 vacant house will reap many tens of thousands of dollars in property tax revenue to the city in the future not to mention the other benefits to the block, neighborhood, and city of having a fully-rehabbed, four-bedroom house instead of a tax-forfeited vacant lot.
- The budget is extremely tight. We need to put all available funds into the rehab of the house itself. The contingency line item is very lean less than five percent.
- What are we doing with the funds we do have? We are completely rehabbing this 2,400 sf house to create a four-bedroom, two-bathroom, Green Communities certified house with all new mechanicals, kitchen and bathrooms. We are not only bringing it up to code but making it attractive, marketable, and a sound long-term asset to the community. We would very much have liked to restore the exterior and rebuild the missing front porch but the budget simply couldn't support it.
- Construction is underway. The permit was issued June 19 and demolition started that same day. The permit was applied for more than five weeks earlier. Our contract with the general contractor calls for the work to be completed within 150 days — or five months.
- The property's total estimated market value, by the county, is only \$17,500. We are investing \$215,000 into it and hope to sell it for \$199,000. Historic Saint Paul and Wells Fargo have each paid a \$5,000 performance deposit to the city. We have paid \$1,741 to the city for a building permit to rehab the house and \$1,382 in 2017 property taxes. The city has enough of our money to monitor and approve the rehab work and to assure that the work is completed. There is no money to pay a vacant building fee for a second year. The money we have is going into the rehab of the house; if we were to pay the fee we would have to make corresponding cuts to the scope of work.
- Please have a look at the photos of the work underway at the house.
- Thank you.

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