

8. Ordering the owner to remove or repair the building(s) at 1559-1563 University Avenue West within fifteen (15) days from adoption of resolution.

Emad Abed, RKL Landholdings, Inc, the property owner, appeared with his attorney Bryan Battina.

Ms. Moermond asked for a report from Mr. Magner. Mr. Magner stated the building was a two-story, wood frame, commercial building on a lot of 5,663 square feet and had been vacant since November 4, 2008. A team inspection had not been done, the vacant building registration fees in the amount of \$1,000 went to assessment on December 4, 2009, and the \$5,000 performance bond had not been posted. On February 16, 2010, an inspection of the building was done and a list of deficiencies which constitute a nuisance condition was developed. An order to abate a nuisance building was posted on February 23, 2010 with a compliance date of March 24, 2010. To date, the property remained in a condition which comprised a nuisance as defined by the Legislative Code. Ramsey County Taxation estimated the market value of the land to be approximately \$163,600 and the building to be \$464,900 which may have been the value of the property prior to the file. Real estate taxes for 2008-2009 were delinquent in the amount of \$29,393.50, plus penalty and interest. Code Enforcement estimates the cost to repair the building to exceed \$150,000. The cost for demolition was estimated to be approximately \$25,000 to \$30,000. There had also been 22 summary abatements issued to this property since 2008, seven of which went to work order: to secure the building and the City had to board the building to secure it from trespass, remove improperly stored refuse and debris, boarding/securing, and remove snow and ice. Code Enforcement recommends the building be repaired or removed within 15 days. Mr. Magner presented photographs of the property.

Ms. Moermond reviewed the photographs and asked Mr. Magner whether he had a copy of the fire report. Mr. Magner responded that he did not; however, the fire had occurred on July 8, 2009. Ms. Vang was directed to obtain a copy of the fire report.

Ms. Moermond asked for a report from Ms. Spong. Ms. Spong stated that this building was built in 1962 and originally was a two-storefront, brick veneer building. As part of the Central Corridor project, a cultural resource survey had been done for properties along the corridor. This particular property had not been surveyed and was not identified as needing to be surveyed. She did not believe demolition would have an adverse effect.

Mr. Abed stated that it was his intention to reconstruct the interior of the building and had gotten an estimate from the insurance company in the amount of \$680,000. To date, the insurance company had not done an appraisal of the building to determine the value of the building prior to the fire and whether the building can be reconstructed or whether it should be torn down. The insurance company had sent him a check for \$5,000 to pay the performance deposit which he planned to post after the hearing.

Ms. Moermond questioned that his intent was to reconstruct rather than rebuild. Mr. Abed responded that their intent was to reconstruct the interior of the building. Ms. Moermond asked how long they had been working with the insurance company.

Mr. Battina responded that they had initiated a court action to speed along the process with the insurance company and were hopeful that payment would be forthcoming in the very near future. He believed they were at the mercy of the insurance company as they did not have any timelines or

deadlines which they needed to abide by and could drag it out as long as they wanted.

Ms. Moermond stated that it appeared since the entire interior of the building had been gutted, a team inspection wouldn't be necessary as it would be all new construction. Mr. Magner responded that plans for the build out would need to be submitted to DSI for review in the permitting process.

Mr. Battina stated that they planned to work with a contractor once they received the proceeds from the insurance company. Ms. Moermond stated that this was a nuisance building which needed to be addressed in which she needed to see an "end game" on abating the nuisance. Mr. Battina responded that it was basically up to the insurance company as Mr. Abed did not have \$600,000 plus to put into the building. He said this was why they had initiated the court action; however, they did not have a scheduled court date yet. He did not foresee this case going to trial and that a settlement should be reached. Ms. Moermond responded that she had experienced cases such as this going on for years and she wanted to see this nuisance abated prior to the end of 2010.

Ms. Moermond pointed out that the taxes for 2008-2009 were delinquent and that the fire had not occurred until 2009. Mr. Abed responded that he had talked to the county and was negotiating a payment plan. He had petitioned the county on the market value of the property as the value had decreased as a result of the fire.

Ms. Moermond stated that the following conditions must be met in order to receive a grant of time: 1) post the \$5,000 performance deposit; 2) submit a written tax re-payment plan with Ramsey County to pay the delinquent property taxes for 2008-2009; 3) submit a plan to reconstruct the interior of the building; 4) submit the insurance statement to afford the reconstruction of the building; and 5) the property must be maintained. She said her inclination was to recommend demolition.