

Legislative Hearing Minutes  
September 28, 2010

Ordering the owner to remove or repair the building(s) at 555 Charles Avenue within fifteen (15) days from adoption of resolution.

Charlie Drake and Kris Kaywall, Remax Results appeared.

Steve Magner gave a staff report stating that this is a one-story, wood frame, single-family dwelling on a lot of 2,614 sq. ft. and has been vacant since July 1, 2008. The property owner is listed as Mortgage Electric Registrations Systems, Inc. c/o Uset Weingarden and Liebo, PLLP. The City has boarded the building and secured against trespassers. There have been seven summary abatement notices since 2008, and ten work orders issued for boarding/securing, improperly stored refuse, garbage and miscellaneous debris, removal of tall grass and weeds, and removal of snow and ice. A code compliance inspection was been done on June 29, 2010 and the vacant building registration fees in the amount of \$1,000 went to assessment on August 20, 2010. The \$5,000 performance bond had not been posted as of September 23, 2010. On June 29, 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 July 15, 2010 with a compliance date of August 16, 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 \$11,800 and the building to be \$9,000. Real estate taxes are current.

Code Enforcement estimates the cost to repair the building to be approximately \$75,000. The estimated cost for demolition is \$10,000 to \$13,000. Code Enforcement recommends the building be repaired or removed within 15 days. Mr. Magner presented photographs of the property.

Amy Spong stated this property was built in 1884. It is the style of a worker's cottage, a simple vernacular style. It is within the potential Frogtown Historic District that was identified in 1983 and it's also within the survey area where work will be started in October-November. Half of the block on the western side has good contacts and integrity. There is a commercial building on the corner with brick veneer but all of the nearby lots are narrow lots so there is some consistency and character in the area. Because of the survey that is coming up and that it was identified previously, she feels the building has potential as an historic resource but has not been identified as such.

Charlie Drake appeared and said he is interested in purchasing the property. Kris Kawohol, with ReMax Results, also appeared. She stated that the listing agent is also with ReMax Results. It would be a dual agency situation representing both parties. The bank is Draper & Kramer Mortgage Company located in Chicago. Ms. Kaywell represents Mr. Drake as a buyer and they tried to purchase the property about a year ago. The banks that are not local do not quite understand the St. Paul City codes and the listing agent at the time tried to convey what the codes were and what the steps were and what was going to happen if the property was not cared for. Ms. Kaywell sent a detailed report to the agent to forward to the bank. They had found someone another buyer who agreed to pay a higher price but fell through with the requirements. Mr. Drake has many times gone through the Category 2 code compliance requirements and has been successful with turning properties around and fixing them up beyond what is required by the

City. As a contractor, he put a package together. He has proof that he has the funds to do the work. He also has a vacant building form completed and all other necessary paper work to proceed with rehabbing the property.

Ms. Moermond noted that when a property goes from a Category 2 to a Category 3, those things fall by the wayside. The property can not transfer until it is rehabbed or demolished. There have not been waivers or exceptions to this. She said she certainly would like to see the property looking good again but it would have to be the owner, Draper & Kramer Mortgage Company, to do that. There have been circumstances where the owner would make arrangements with the purchaser for all of this to happen but the title can not transfer until it is fixed up or demolished. Once it's been declared a nuisance and found to be a nuisance, the city will not go back on that until it's all fixed and in order. It can not be occupied until that happens.

Ms. Kaywell said she was told to come to the meeting and present the package and there was a possibility Mr. Drake would be able to rehab the property. Ms. Moermond responded that whoever gave her that information misspoke.

Mr. Magner added that Mr. Drake could rehabilitate the property by contracting with the current owners and get it off the vacant building list but he could not be the owner while he does it. Under City ordinance, the title can not transfer until the work is done. If the matter is laid over, a representative of the bank would have to be present to outline their plan and come in with a contract showing that the bank is allowing Mr. Drake to pull permits and act as their contractor. The City wants to insure that the owner has taken responsibility. If the bank wants to liquidate this asset and not end up with a \$13,000 assessment on a vacant lot, they should entertain that.

Ms Moermond said she would lay this over in order for them to talk to the bank to see if they are interested in this type of agreement.

In response to questioning of Mr. Magner, Mr. Drake said he has presented the bank a purchase agreement. Mr. Magner suggested they go back to the bank and re-visit the purchase agreement. If Mr. Drake becomes the contractor, he would be responsible for maintaining the yard and keeping the property in proper order.

Ms. Moermond said she would lay the matter over to the October 12, 2010 Legislative Hearing and the October 20, 2010 City Council public hearing. She would request a layover from the City Council to allow for more time to make arrangements. She said she would request a demonstration of theirs or the banks seriousness in getting this done. This would include posting the \$5,000 performance deposit by October 12. If the City Council votes to remove the property, he will get his bond funds back. She talked about the citations and reiterated what Mr. Magner said that the property would have to be kept up. She further pointed out that this lot size is 2,614 square feet which is half the size of what would be required to build a single family home so it is not a buildable lot if it is torn down.