

# **Payne Maryland Development Company, LLC**

*A Community Partnership of Merrick Community Services and Arlington Hills Lutheran Church*

August 28, 2012

Ms. Marcia Moermond, Legislative Hearing Officer  
City of Saint Paul  
310 City Hall  
15 West Kellogg Boulevard  
St. Paul, MN 55102-1615

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AUG 28 2012  
CITY CLERK

## **RE: REPORT REGARDING APPEAL FOR PROPERTY AT 684 ROSE STREET**

Dear Ms. Moermond:

I write to you today on behalf of the Payne Maryland Development Company, LLC . As you know, two of our board members appeared before you at your August 14, 2012 hearing to discuss the furnace problems at 684 Rose Street. Based on their testimony and the facts presented, you requested that Council Member Bostrom's aide Scott Renstrom meet immediately with the board members in attendance to begin a process for resolving the time-sensitive furnace problems at this property.

That is what we did. We were delighted that you recognized the City's involvement in this project, understood the complexities of the situation and requested participation of key City personnel to address the problem. After the sidebar meeting with Mr. Renstrom, our board members reported that Mr. Renstrom advised a request for a two week continuance during which he would work with appropriate parties at City Hall to coordinate a workable resolution of this matter. At that point, our board was greatly relieved and optimistic: with your direction and with Mr. Renstrom's understanding of the City's obligations and opportunities, it was beginning to appear that this issue---and the bigger issue of Rose Street property acquisition by the City---might finally be resolved.

Our optimism continued during the next 48 hours. I received a call from a Mr. Al Carlson who informed me that he was working this matter. Our board advisor Barbara Schmidt also received a call from Mr. Renstrom asking if we had heard from Mr. Carlson and indicating this was priority matter. Sadly, however, that's the last we've heard on the subject. We've made our own efforts to keep the process moving, including phone calls and e-mails (see the attached). No response.

As a result, and in light of today's deadline, we felt it important to fulfill our responsibility by reporting on this state of affairs. Although we believe that the City of Saint Paul has a moral responsibility to complete the acquisition of the Rose duplexes it began in 2008 and 2009, the City's lack of response during the past two weeks is a troubling indication that your August 28<sup>th</sup> deadline will not be met.

The Payne Maryland Development Company, however, takes our responsibility to you and to this project very seriously. This is a volunteer-led, non-profit enterprise that has invested a great deal of personal energy and the financial resources of our member organizations to manage the Rose duplex properties for the past five years. We were never in this to make money---only to protect these properties for future development. Our goals have been pure and sincere---as is our interest now in doing the right thing for our tenants. We agree that the furnace at 684 Rose is dangerous and we will not subject our tenants to any potential dangers. Therefore, if the City will not meet its obligations, we will meet ours.

This means that, in the absence of any City- proposed plan for either duplex acquisition or furnace replacement, the Payne Maryland Development Company will have no choice but to invoke its 30 Day Notice to our tenants by August 31, 2012. This will enable us to work with tenants to find suitable new housing prior to the beginning of the heating season on October 1, 2012.

This is not a step that we want to take. Removing tenants from the building(s) will move the Payne Maryland Development Company closer to insolvency---and the negative repercussions of that. But there are no further options available to us. Investing any more money into these properties is not good business. And risking the safety of our tenants is something we would never consider under any circumstance.

We are still hopeful that this situation can be worked out this week and before we have to notify tenants of the situation on August 31<sup>st</sup>. There should be a reasonable solution to all of this---these properties were originally acquired at the request and encouragement of the City to protect them for development at Payne and Maryland. That purpose is still legitimate and the vision is still a worthy one.

In the meantime, you should know that there is significant background information available that will give you a more complete picture of the history and rationale behind this project, the properties involved and the City's role throughout. We would be happy to meet with you to review all of this and would appreciate the opportunity to speak with you regarding next steps, etc.

Thank you for your help.

Sincerely,



**Roxanne Larsen**  
**President, Payne Maryland Development Company, LLC**  
Cell: 651-207-9742  
e-mail: [rwlarsen@comcast.net](mailto:rwlarsen@comcast.net)

C.c. Councilmember Dan Bostrom  
Scott Renstrom  
Al Carlson  
Dan Rodriguez  
Payne Maryland Development Company Board  
Patrick Seeb, Payne Maryland Partnership  
Mai Vang, Legislative Hearing Coordinator  
Leanna Schaaf, Fire Inspector Supervisor

*p.s. Just this morning we did receive a call from Scott Renstrom saying that this matter is still being pursued.*

Sample Correspondence

**From:** Barbara Schmidt <schmidtbls@aol.com>  
**To:** scott.renstrom <scott.renstrom@ci.stpaul.mn.us>  
**Cc:** rwlarsen <rwlarsen@comcast.net>; roxanne <roxanne@ahlc-stp.org>; drodriguez <drodriguez@merrickcs.org>  
**Bcc:** schmidtbls <schmidtbls@aol.com>  
**Subject:** Rose Avenue Duplex Resolution  
**Date:** Fri, Aug 17, 2012 12:00 pm

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Scott,

I was just thinking about our conversation yesterday. I was impressed that you took the time to follow up and let me know what's happening on your end. I can't tell you how helpful it is to know that you are overseeing the resolution of the Rose Avenue duplex situation. With timing so tight and the need for full resolution so clear, it is good to know that this is in the right hands.

I understand that Al Carlson is involved in working this resolution process, but he's somebody I don't yet know. I'm not sure of how familiar he is with the history of the duplex project or the City's involvement with it. I thought I should let you know that there are some significant pieces of background information that might be helpful to him. I'm thinking specifically of two letters sent to Sheri Pemberton in 2008 and 2009—both of which detailed the history of the project, the rationale behind it and the City's involvement in it.

These were important letters in which the LLC Board documented the details and purpose of this entire duplex initiative. If you think this information would be helpful to you or to Mr. Carlson, just let me know and I will make sure that you get copies.

Thanks again and I'll look forward to touching bases with you early next week.

Barb

Barbara Schmidt  
[schmidtbls@aol.com](mailto:schmidtbls@aol.com)  
651-501-2373



**CITY OF SAINT PAUL**  
OFFICE OF THE CITY COUNCIL  
310 CITY HALL  
15 WEST KELLOGG BOULEVARD  
SAINT PAUL, MN 55102-1615  
EMAIL: [legislativehearings@ci.stpaul.mn.us](mailto:legislativehearings@ci.stpaul.mn.us)  
PHONE: (651) 266-8560 FAX: (651) 266-8574

August 22, 2012

Roxanne Larsen  
Payne Maryland Development Co LLC  
1115 Greenbrier Street  
Saint Paul, MN 55106

VIA EMAIL: [rwlarsen@comcast.net](mailto:rwlarsen@comcast.net)

Re: Appeal for property at 684 Rose Street

Dear Mr. Larsen:

This is to confirm that on August 14, 2012 at the Legislative Hearing, Marcia Moermond, Legislative Hearing Officer recommended continuing to August 28, 2012 for her to give a staff report and based on that staff report, she will make a determination of when the building needs to be vacated. If the issue is resolved with HRA, then she would recommend until September 30, 2012 to replace the furnace and if you are not going to replace the furnace, then she will grant until October 15 to vacate the property.

The City Council Public Hearing is scheduled for Wednesday, September 19, 2012 at 5:30 p.m. in Room 300 Council Chambers if you wish to appeal further.

If you have any further questions, you may contact me at 651-266-8563.

Sincerely,

/s/

Mai Vang  
Legislative Hearing Coordinator

cc: Fire Supervisors (email)  
Benjamin Ellis (email)

**From:** Vang, Mai (CI-StPaul) [<mailto:mai.vang@ci.stpaul.mn.us>]

**Sent:** Wednesday, August 22, 2012 10:46 AM

**To:** [rwlarsen@comcast.net](mailto:rwlarsen@comcast.net)

**Cc:** Ellis, Benjamin (CI-StPaul); Neis, Adrian (CI-StPaul); Owens, Phil (CI-StPaul); Shaff, Leanna (CI-StPaul); Urmann, Mike (CI-StPaul)

**Subject:** 684 Rose St.Larsen Ltr 8-20-12.doc

Hello Ms. Larsen,  
See attached letter pertaining to the above-subjected matter.

Mai Vang  
Legislative Hearing Coordinator  
Council Research  
310 City Hall  
15 W. Kellogg Blvd., St. Paul, MN 55102  
PHONE: 651-266-8563  
FAX: 651-266-8574

**From:** Barbara Schmidt <schmidtbls@aol.com>  
**To:** scott.renstrom <scott.renstrom@ci.stpaul.mn.us>  
**Cc:** rwlarsen <rwlarsen@comcast.net>; drodriguez <drodriguez@merrickcs.org>; gashipp <gashipp@mmm.com>; melnabarawy <melnabarawy@earthlink.net>; AnitaRylander <AnitaRylander@msn.com>; seeb <seeb@riverfrontcorporation.com>  
**Subject:** Payne Maryland Development Company/Duplex Resolution: Fwd: 684 Rose St.Larsen Ltr 8-20-12.doc  
**Date:** Fri, Aug 24, 2012 8:23 am  
**Attachments:** 684\_Rose\_St.Larsen\_Ltr\_8-20-12.doc (115K)

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Scott,

I'm forwarding an e-mail that Roxanne Larsen, President of the Payne Maryland Development Company, LLC, received this week from the legislative hearing officer regarding resolution of the duplex issue on Rose Avenue. This letter recaps the decisions and schedule established at the hearing last week.

Since we hadn't heard anything from Al Carlson as yet, I wanted you to be aware of this communication from the City. I'd also be happy to forward this letter to Mr. Carlson if you think it would be of help to him and could provide his e-mail address.

In the meantime, and with the August 28th deadline next week, I'm thinking it would be helpful to everybody concerned if we could schedule a brief status update on the resolution of this matter. I could juggle things to see you this afternoon and also anytime Monday after 10:00 am. And I'm sure Dan Rodriguez from Merrick, Roxanne Larsen and Greg Shipp from the LLC board would also participate if at all possible. This is an urgent priority for everybody connected to this project so we'll make our schedules work around yours.

I'll give you a call this morning to see what we might be able to work out.

Thanks for all your help,

Barb  
Barbara Schmidt  
[schmidtbls@aol.com](mailto:schmidtbls@aol.com)  
651-501-2373

-----Original Message-----

**From:** Roxanne Larsen <rwlarsen@comcast.net>  
**To:** anitarylander <anitarylander@msn.com>; Greg <gregshipp@comcast.net>; Mo <melnabarawy@earthlink.net>; schmidtbls <schmidtbls@aol.com>; Daniel Rodriguez <drodriguez@merrickcs.org>  
**Sent:** Wed, Aug 22, 2012 10:01 pm  
**Subject:** 684 Rose St.Larsen Ltr 8-20-12.doc

Anita, Greg, Mo, Barb, and Dan,

Found this letter from Mai Vang, Legislative Hearing Officer when I checked my e-mail tonight.

Roxanne