

PAYNE PHALEN DISTRICT FIVE PLANNING COUNCIL

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Draft MINUTES

Community Planning & Economic Development Committee (CPED)

Tuesday, July 12th, 2011

722 Payne Ave., Eastern District Police Station 6:30 PM

Chair: David Syers

The Committee was called to order, guests and members were welcomed and IntraCall to Order, Welcome and Introductions, and Agenda Reviewed and amended by Chair David Syers and members present.

Members Present: Chair David Syers, Al Oertwig, Suzan Forsberg, Patrick Ruble, James Smith, Virginia Rybin, Ed Davis, Buzz Wilson, Regina Rippel.

Community Guests Douglas Simek, Simek Realty, Clinton Blaizer, HBG. (Halvorsen and Blaizer Group). Linda Jungwirth (Ramsey County Commissioner Janice Rettman's Office) Jimmy Gerding, Shirley Thompson (RR Island leader).

CPED approved the draft minutes for June 7, 2011. Patrick Ruble noted he was mistakenly marked as present. The correction was noted. Motion to approve by Ruble, Second, Oertwig. Motion passed by vote.

580 East Minnehaha – Applicant is responding to a Legislative Hearing Notice for Order to remove or repair scheduled for July 26, 2011. The Committee reviewed the process whereby the District Five Rail Road Island Task Force had studied vacant properties and properties of concern in the neighborhood, research viability of structures and made recommendations to the City for demolition, rehab or renewed marketing. The structure at 580 Minnehaha was long a known nuisance property and had been selected as a priority choice for demolition more than a year ago.

District Five had communicated its desire to see this structure demolished to past DSI Director Bob Kessler in writing.

Building owners and management were present. Douglas Simek, Simek Realty is the current owner and Clinton Blaizer, HBG. (Halvorsen and Blaizer Group) is the manager. Mr. Simek stated much of his property is in Saint Paul. He currently owns about 450 properties in Saint Paul. He has ownership of many properties across the broader East Side of Saint Paul. He stressed his good relationship with staff at DSI in Fire and Safety. The city has issues with past owner at 580 Minnehaha but not with him.

He is working with HBG which has an office on Payne Avenue they are working to purchase and transform Category 2 and 3 properties and manage them as rental. HBG has a history of taking troubled properties and turning them around. They are familiar with how to work with tenants and to encourage responsible tenancy.

They have put down the \$5000 performance bond for this Category 3 property in early or mid-June. The City listed the building as a Category 3 on March 20, 2011.

They expressed some surprise that the building went from a Category 2 to a Category 3. In 2010 Simek purchased the loan from the bank on the property. The owner then went into foreclosure and later declared bankruptcy. They purchased the deed from the bank and now own the property. In late May they had a letter describing the property as a Cat 3.

There are 7 units in the building. Five are 3 BR and 2 are first floor studio apartments.

During the long vacant period – the property changed ownership. The current owner of the building was invited in to report to CPED on his vision and plans for the property. District Five does not attend every legislative hearing – but in this case – ample community input has been heard regarding nuisance conditions at this site. Signs of rehab were occurring and District Five received the hearing notice and determined to invite the owner to share their views.

Comments:

Shirley Thompson: Lived in the neighborhood 48 years. The property has always been problematic. It has been quiet finally with the building boarded up. Drugs, shootings, domestic fights spilling onto the street, children in the roadway, blocking cars, teens swearing at people who walk by the building, excessive trash, chronic littering, gang activity, street fights, police know the building as a long term nuisance. This building is not an asset to the community and contributes to a host of community problems. The neighborhood is in strong feeling that the building should be demolished. 3 Bedroom rentals may work for some families but the building is just too small to allow families to live well at this location.

There is too much building on too small a space. There is no breathing room. Barely room for a single car to wind around the lot. With 3 BR units we might reasonably expect young children to be housed at this location. The site was deemed too cramped and difficult for families to comfortably abide on this site.

A petition and letter from some neighbors was shared. Shirley Tompkins spoke on behalf of nearby residents.

Where would children play? The history of the property is that they play in the busy street at Edgerton and Minnehaha.

The Code Compliance Report was available to CPED. Simek stated he would put in about \$150,000 in repairs that are required to bring the building up to code.

The owner purchased the loan on the property for \$100,000. The owner foreclosed and went into bankruptcy. The owner believes his home was purchased as a category 2 but it is now deemed a Category 3. The building has been boarded up and the neighbors state this has brought calm to the block and has been perceived as a good development.

The new owner stated that they would adhere to high standards of tenant screening and tenant management. They acknowledged poor management at the site in the past. They are willing to do more to keep tenants and the neighborhood happy.

The owner was asked if he would consider having an onsite care taker. The response is that they'd have a hard time finding someone who has all the requisite skills to live at this site and location. So they prefer to rotate several staff in and out to perform various tasks associated with the property.

Shirley Tompkins spoke of the terrible trouble that this property has created in the surrounding area. She would like to see the building demolished as soon as possible. She feels the building is not fit or healthy for families and young children. There are safety issues

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