



# City of Saint Paul

15 West Kellogg Blvd.  
Saint Paul, MN 55102

## Minutes - Final

### Legislative Hearings

*Marcia Moermond, Legislative Hearing Officer*  
*Mai Vang, Hearing Coordinator*  
*Jean Birkholz, Hearing Secretary*  
*legislativehearings@ci.stpaul.mn.us*  
*651-266-8585*

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Tuesday, February 27, 2018

9:00 AM

Room 330 City Hall & Court House

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#### 9:00 a.m. Hearings

##### Remove/Repair Orders

- 1 [RLH RR 18-11](#) Ordering the rehabilitation or razing and removal of the structures at 521-523 DESNOYER AVENUE within fifteen (15) days after the March 14, 2018 City Council public hearing. (To continue public hearing to March 28 with Legislative Hearing on March 27)

Sponsors: Stark

*Jeff Chermak, proposed buyer, appeared.*  
*Neighbors Joyce Perrin & Richard Howey also appeared.*

*Steve Magner, Code Enforcement Manager: Update --*  
*-a letter was sent to Jay Olson, owner (attached) on Feb 20, 2018, to confirm that on Feb 13, the hearing officer recommended that on Feb 27 the following conditions must be met: 1) apply for code compliance insp & lockbox combination needs to be provided; 2) \$5000 perf dep posted; 3) delinquent taxes paid; 4) detailed work plan/sworn construction statement including timelines & bids; 5) documentation of financing sufficient to execute the work plan; 6) affidavit, if needed; 7) agreement between owner & a purchaser who's rehabbing; & 8) maintain the property*

*Ms. Moermond: an application for code compl insp was made last Wed; there was some question about the zoning situation & whether or not it required the re-establishment of it's legal nonconforming status; and DSI & PED came to the conclusion that since the building was constructed as a duplex, even though it's been vacant for more than 10 years, since it's not had any substantial change to it, it would be allowed to be rehabilitated as a duplex, which was communicated to the owner & Mr. Chermak last week*

*-I notice that a lot of the conditions haven't been met; we only have the code compl insp applied for*

*-what's going on & why is Mr. Olson not here?*

*Mr. Chermak: I'm not sure why Mr. Olson is not here; it sounded like he had a previous engagement & could not make it but I am here to communicate that we have been working in good faith to try to work thru the steps outlined in the letter; it is a time consuming & labor intensive process; the zoning threw us off & set us back 4-5 days & we haven't received any inspection report back yet so we can't come up with a*

detailed work plan; the application was made on Fri, 3 days after the hearing; Reid Soley was not in that day & we were consulting with the people at the city desk; they advised us at that point not to post the \$5000 perf dep until after we had a chance to meet with Reid Soley; they also alerted us to the zoning issue so, we immediately went over to the PED office & spoke with Paul DuBruiel; I apologize but we are not trying to drag our feet

Ms. Moermond: an Order to Abate a Nuisance Building went out months earlier telling Mr. Olson that a code compl insp was necessary; are you ready to post the \$5000 perf dep? Is there anything going on at all?

Mr. Chermak: absolutely; working with attorneys, which takes time, I have a draft contract in front of me (not signed) that will allow us to do the work on Mr. Olson's property, to rehab it while he still owns it; it was a complicated process (entered for review); once that is in place, we can begin spending more money; I can't put the money in without having some kind of contractual security; this was the first step; once this is signed, we can post the perf dep; then we can get the construction plan & amend it per the insp report, etc

Mr. Magner: reviewing the contract along with Ms. Moermond  
-my initial thought is that I think it would suffice; my concern is that the lender, in this case, believes that they have some type of equity position that they can move forward with actually lending the funds; this is a large sum of money; & I want to assure that if the city moves forward with this, approves the agreement & issues a time period for the rehab, that this just isn't going to stall out & go away because the lender becomes concerned after we say, "Yea; it's OK to do it," & then they decide to walk away (we've had a number of situations similar to this where we go thru this whole process & then we find out 2-3 months into it that nothing's been done-no permits pulled; no work being done because someone is concerned that the agreement is failing)

Mr. Chermak: we're doing the leg work right now; the properties are in the Trust; we're working on getting the Trust straightened out & getting the contract put together, etc. there's a lot of hurdles we're trying to get thru so that once this contract is signed, it's legitimate & can progress forward

Ms. Moermond: let's hear from the neighbors

Joyce Perrin, 518 Otis, neighbor: I've lived at 518 Otis since 2000, it's right next to another vacant duplex, 522-524 Otis that's condemned; I finally built a fence to block out this property, 521-523 Desnoyer; it backs up to our property; we complained a lot about the garages, they were in tatters, so, he finally painted them; I've made numerous calls; I talked to his father when his father was living there & he was very defensive right away; the city eventually demolished the garage; Mr. Olson does just enough to get you off his back; the bottom line is Jay Olson's character; he is not here & he has not been available to manage his properties, actively; I'm speaking to his credibility - whether or not he's actually going to come thru with this deal with Mr. Chermak; I have no reason to believe that; his record isn't good

Richard Howey, 518 Otis, neighbor: Joyce & I are married; this house has been vacant all the time that I've lived at 518 Otis; I know what the house next to me is like - the roof is in absolutely terrible condition & has been; it had a blue tarp on part of it for years so, there's potential water damage, which is not actually discovered until you tear out walls; if the same thing is true about 521-523 Desnoyer, then there's a good likelihood that the house couldn't even be renovated; I would like to see the code

*compliance insp report once it's finished*

*Ms. Moermond: the contract that we just saw, there's an estimate of up to \$100,000 to repair the house*

*-we have a report that the land is worth \$145,900; the building \$153,500 (probably not current given the conditions)*

*-I'm pretty much where I was at before: show me the money; we want our attorneys to look at this (scanning); I wasn't clear in my first glance at which point the property would transfer from Mr. Olson to you, Mr. Chermak; I need you to post the \$5000 perf dep; property taxes need to be paid; I need to know where the \$100,000 is coming from - documentation*

*-I had asked the inspection staff yesterday to expedite this; I'd be willing to ask for a short Layover if these financial matters are taken care of as a sign of good faith; our attorneys will review this agreement over the next couple of days*

*Mr. Magner: I haven't had a chance to read the agreement; I have a question: what is your surety that Mr. Olson's going to pay this back - what is your equity position?*

*Mr. Chermak: his attorney's advice: we're basically lending \$100,000 & attaching it to Exhibit B, which will be another property, perhaps the property immediately adjacent as the mortgage on that property that's also owned free & clear; so, we're filing a lien against it - that's our surety*

*Mr. Magner: why aren't you just buying one of his other properties, give him the money, then contracting back with him just to do the rehabilitation for him (?)*

*Mr. Chermak: that's a good question; maybe we have the cart before the horse; we haven't thought about what you're proposing*

*Ms. Moermond: right now, there is no Exhibit B*

*Mr. Chermak: I apologize*

*Mr. Magner: if we get to the 180-day mark & this goes awry, the city will be knocking down this property*

*Ms. Moermond: get all the financials cleared up; we can meet in 2 weeks; the following day we'll be at City Council Public Hearing; all the financials need to be cleared up by then; work plan with deadlines; property taxes paid; forward the financials to my office*

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*Legislative Hearing on March 13 to meet the following conditions:*

- 1) post the \$5,000 performance deposit;*
- 2) pay the outstanding delinquent property taxes;*
- 3) documentation of financing sufficient to execute the work plan (line of credit, construction loan or personal bank account);*
- 4) an affidavit stating the necessary funds will be set aside for the project;*
- 5) a detailed work plan or sworn construction statement, including timelines and bids, for completing the work, in accordance with the code compliance inspection, including contractor bids; and*
- 6) a revised signed loan and construction agreement, including 1) the exhibits; 2) noting, the language correction necessary in the second Whereas; and 3) addressing*

concerns raised by the legislative hearing officer, which are listed below:

(list is forthcoming)

Public hearing is March 14.

**Referred to the City Council due back on 3/14/2018 (Legislative Hearing on 3/13)**

- 2      [RLH RR 18-12](#)      Ordering the rehabilitation or razing and removal of the structures at 96 MANITOBA AVENUE within fifteen (15) days after the March 14, 2018 City Council public hearing. (Amend to grant 90 days)

**Sponsors:**      Thao

*Arafat El Bakri, owner, appeared.*

*Ms. Moermond: in your case, I made a call to Steve Ubl, the city's building official, asking your inspection to be expedited*

*Steve Magner, Code Enforcement Manager: Update*

*-read letter sent to Mr. El Bakri on Feb 15, 2018 (attached) listing the following conditions be met by Feb 27, 2018: apply for & receive a new code compliance inspection; post \$5000 perf dep; submit detailed work plan or sworn construction statement with timelines, bids; financing documentation sufficient to execute the above work plan; affidavit, if necessary; maintain property  
-on Feb 21, 2018, a code compliance inspection fee & \$5000 perf dep were submitted*

*Ms. Moermond: at the last hearing, you talked a lot about your frustration that you have to go thru this process at all*

*Mr. El Bakri: what I see is the goal & process clashing; I don't see a consistency; we need to get this done as soon as possible & this is upsetting my schedule for all my work; it's not this property alone; I wanted to be finished by the end of Feb 2018; then, somebody said that I didn't call.... it's not making any sense for me & you have to excuse me for being confused about going backward to speed up the process of finishing it; even the first day I came here, I had a deadline by the end of Mar - this property would be passing all inspection & rented; yet,,,,,*

*Ms. Moermond: we talked about how the code compliance inspection itself was very dated; it was 3 years old & your permits were --- either not pulled or they were closed for inactivity for a number of years; and so...*

*Mr. El Bakri: but there was a reason....*

*Ms. Moermond: I'm not saying there wasn't a reason*

*Mr. El Bakri: I was not ignoring my responsibility; I thought there would be some understanding; I was in a hard position; you might look at this as..... regardless of my personal issues, which is non of the business of the city but also, having to wade thru all the process of investigation regarding the massive.... it's a huge number, \$45,000 damages in the property after I did all this work.... it's not a little bit of money; and then, having to wait for insurance to determine whether they would pay me or not..*

*and they don't... to put myself together, I came to finish at the end of Feb and Matt told me to call Joe Yannarely & he claims that I didn't call him, which is also not true; I called him & left him a message; he said that he would not be back until Jan 16, 2018 from his vacation; later on, he denied that I called him; I was waiting badly to show somebody the progress - the house is almost finished; I have invoices, bills, plumbing, electrician; I changed all the windows & after they were destroyed, I changed them again; I had roughing inspection on bldg; plumbing inspector came & found the bldg closed & called the contractor, who told him that the city had cancelled his permit; he said, "Nobody told me;" I just needed a couple of weeks to finish; then, I found out that I had to go back on all of it; & it really hurt me financially; I need to finish this badly; I have another bldg scheduled & .....*

*Ms. Moermond: I want to get you thru this process as quickly as possible; I don't think that missing the connection with Mr. Yannarely makes a difference for you sitting here today*

*Mr. El Bakri: I thought he was supposed to come & see before Mr.....*

*Ms. Moermond: he scheduled the appointment for an inspection to happen to make a determination about whether or not the bldg constitutes a nuisance & about how long it's been in the VB Program; connecting with him would not change the outcome of that*

*Mr. El Bakri: he sends me a letter about snow shoveling while I shovel the snow there for me & both my neighbors before I do my house; I have no idea why he would send me a letter for snow; later on, I called & told him that I had pictures of what I did; he says, "I'm sorry; it was a mistake;"*

*Ms. Moermond: these letters go out automatically*

*Mr. El Bakri: another code compliance inspection was required of me; I don't see the purpose of that*

*Mr. Magner: no one has been out there to inspect yet*

*Ms. Moermond: I will ask again for them to get out there quickly*

*Mr. El Bakri: can I show you?*

*Ms. Moermond: we can scan those but we need to have our inspectors look at it & make sure that what was done was done under permit*

*Mr. Magner: I would recommend to you, as a consumer, when you enter into a contract with a contractor, make sure that you specify in the contract that the contractor pulls the permit before he begins work & that you don't make final payment with that contractor until you see that the permit has been signed-off*

*Mr. El Bakri: I do that but I also know from my humble experience that every contractor, before they reach the city, they start the work with a couple of workers at 7 am or 8 am, they drop off materials & workers, they do the work, then they pull the permit & I've never seen an issue with that*

*Ms. Moermond: in this situation, we're seeing cases where a permit wasn't pulled or where an inspector wasn't called to inspect or final the permit*

*Mr. El Bakri: my bldg permit was cancelled; my electrician talked to the electric inspector himself*

*-I left the lock box combination with the code compliance application*

*-I have approximately \$70,000 in that account, excluding the money that was paid for the plumber, electrician, my costs for other work*

*Ms. Moermond: if we can get you the code compliance insp report quickly, can you get the work plan or sworn construction statement done in 2 weeks?*

*Mr. El Bakri: there's nothing left except painting & flooring after they close the walls*

*Ms. Moermond: we'll get to the other side; I'll see if I can get those inspectors out there really quickly*

*-I will look at all of this in 2 weeks; hopefully, everything will be together at that time & you'll have the plan in place for finishing*

*-City Council votes Mar 14, 2018; you can pull permits Mar 15*

*Owner needs to meet the conditions below:*

- 1. A detailed work plan or sworn construction statement, including timelines and bids, for completing the work required in the forthcoming code compliance inspection report will need to be provided, including subcontractor bids;*
- 2. an affidavit that states the necessary funds from TCF Bank account will be set aside for the project; and*
- 3. the property must be maintained.*

**Referred to the City Council due back on 3/14/2018**

**3**      [RLH RR 18-2](#)

Ordering the rehabilitation or razing and removal of the structures at 1536 VAN BUREN AVENUE within fifteen (15) days after the February 14, 2018, City Council public hearing. (Amend to remove within 15 days with no option for rehabilitation)

**Sponsors:**      Henningson

*Patricia Hanratty, HomeLiberty; Inna Tobak, Neighborhood Assistance for Homeowners; and Greta Bjerkness, Attorney, appeared.*

*Ms. Moermond: as of Feb 13, 2018, there was nothing in place to indicate that Mr. Henneman was going to do any kind of rehabilitation on the property; although he had paid for the code compliance inspection report, there was no lock box provided; there was testimony that a lock box was stolen, which is unusual; I don't know if one is there now; we also had testimony that the house still had material in it that would prevent or slow the inspection of the property; as a result, nothing was done preparatory to the Wed, Feb 14, City Council Public Hearing; 1 hour & 20 minutes before the public hearing, I received a phone call from Ms. Tobak, who indicated that her business, Neighborhood Assistance for Homeowners, had an investor(s), who were willing to do the rehabilitation on this property & wanted time to be able to explore that possibility -my recommendation to the City Council on Feb 14 was to refer the matter back into Legislative Hearing if Ms. Tobak & her investor posted the \$5000 Performance Deposit within one week*

*-Ms. Tobak had indicated on the phone that within 14 days the whole thing could be put together; I expressed my concern that it wouldn't be possible without having that code compl insp report in hand because that is the basis upon a work plan would be*

*put together*

*Steve Magner, Code Enforcement Manager: the last time code was out there was Sep 17, 2018*

*-the \$5000 Perf Dep was posted on Feb 21, 2018*

*-the existing mortgage is up-to-date*

*Ms. Hanratty: we do not have an inspection report yet; when I spoke with Mr. Seeger, he said to make sure that all of the materials in the house were moved into the middle of the rooms*

*-we have a timeline that we can discuss; we've already had a general contractor & project manager go into the house; we are on a fast track to begin construction in Apr, depending upon city timelines; we've already been working with attorneys to come up with contracts; the general contractor/project manager will be monitoring everything & has to approve before any money will go out; you will also have a preliminary commitment letter from HomeLiberty, we would be the lender*

*Ms. Moermond: what was strange about that letter was that it said that they would be buying the property & doing the fix & leasing it back to Mr. Henneman, which is something that was really common back in 2008-09 & was considered to be kind of an unscrupulous business practice because there would be balloon payments on these things & the properties would be taken; so, I look at that & I see: 1) you're buying the property against what city code would allow; and 2) I'm not Mr. Henneman's babysitter but. .... it does speak to... what you guys are up to*

*Ms. Hanratty: not at all*

*Ms. Moermond: why not at all?*

*Ms. Hanratty: because we have been doing this for a number of years.... we'd be happy to give you names of customers we've had, city officials in other places that we've worked with; when we had spoken, I was not aware of the city regulation about "no transfer of property" so without contemplating that, obviously, the transfer of property was not going to HomeLiberty; it was going to Neighborhood Assistance, which is a nonprofit*

*Ms. Moermond: I'm not clear why their status as a nonprofit is relevant (?)*

*Ms. Hanratty: because it's a foreclosure counseling agency approved by Neighbor Works & has been working with hundreds of St. Paul & Mpls....*

*Ms. Moermond: so, the money would go to them?*

*Ms. Tobak: we are kind of protecting the homeowners; it's only for homeowners who want to stay in the home*

*Ms. Hanratty: it's very strictly governed & up front; governed by a contract with the homeowner; they normally refinance within 3 years; this one is different so, we would be providing all the contract information & the contract, itself; & since we can't finance thru Neighborhood Assistance because of the restriction on the transfer of property, we are working on a construction mortgage that we would do with Mr. Henneman on the property in order to complete the work*

*Ms. Moermond: what was Mr. Seeger's response about piling the construction*

materials in the middle of the rooms? a lockbox?

Mr. Hanratty: that's what he asked us to do

Ms. Tobak: Jim Seeger said he was coming to check the property on the Jan 30, 2018; & when he left, Mr. Henneman came; the windows were broken from the porch & the lockbox was gone, so Mr. Seeger said that by Mon he should be over for the inspection; the snow has all been shoveled

Ms. Bjerkness: I don't have anything to add; as long as my client's mortgage remains in tack.....

Ms. Moermond: does the city have the lock box combination now?

Mr. Hanratty: we spoke with Mr. Seeger; he told us what needed to be done & we were in the process of doing (a week ago); & there's been on-going work to get the property in the condition in terms of bldg materials that Mr. Seeger wants  
-our proposal would be that anytime from Mon on would be the inspection; when we get the report, we'd go for bids; review the bids when they come in to develop a project plan & present it to you for approval; produce & sign construction contract so we can begin renovation on it by Apr 17  
-our attorneys are working on a draft agreement; we're meeting this afternoon to go over the details  
-estimate: in the high \$70s to do the repairs

Mr. Magner: let's walk thru this again on exactly how this would work, who are the entities & how will their roles play out

Ms. Tobak: Neighborhood Assistance for Homeowners is a nonprofit organization; I'm Executive Director & I would be their communication manager

Ms. Hanratty: I fund HomeLiberty & would actually have a contract with Mr. Henneman; those monies would be dedicated only to that project & could only be released after the work has been done & approved by a certified project manager; the major work is for the new systems: plumbing, electric, HVAC & others, we would hire a project manager because I want someone there inspecting & making sure that everything is getting done; it's work that a licensed 3rd party will be doing; those funds would be placed in escrow at the attorney's office & there would be a signature required from the inspector as well as from me before any funds could be released; the funds would be strictly controlled

Ms. Moermond: what is the legal situation between you guys?

Ms. Hanratty: none

Ms. Moermond: Why would the money be going between your two organizations if you don't have a contract between you; what's your operational set-up?

Ms. Hanratty: we're totally separate companies; I would not be funding Neighborhood Assistance because of the restriction on transfer of title

Ms. Moermond: if he's not paying, do you get money?

Mr. Magner: the property owner is not here; he actually has control of the property & he



has conditions that he has to meet because he's contractually obligated to pay his mortgage company; at some point, he reached out to Neighborhood Assistance and asked for help with this; I could see that a nonprofit might be stepping in to help him do that but our experience with nonprofit agencies doing those kinds of things is that they generally take over the role as project management but you're saying that they're just acting as a go-between between Mr. Henneman & HomeLiberty, who will be funding this & hiring their own separate project manager who will be doing the re-development; is that correct?

Ms. Hanratty: that is correct; the difference in this particular case.... our original plan was that we would fund Neighborhood Assistance because they would buy into the property to fund the construction & that is the normal way that I would do it

Mr. Magner: you are focusing on a previous model that you are used to using but in this specific case, you can't do that; so, let me narrow the scope a little bit  
1) at this point, HomeLiberty is going to enter into a contractual agreement with Mr. Henneman to give him money & to provide services for rehabilitation; at the end of that contract, when the property is rehabilitated & it's no longer a nuisance building, & it can be sold, what happens then? Does the title transfer to HomeLiberty?

Ms. Hanratty: at that point, Neighborhood Assistance would become a partial owner of the property & there would be a mortgage on the property that would be paid by Mr. Henneman

Mr. Magner: how is he going to pay back this mortgage & his first mortgage?

Ms. Hanratty: he will have the income to pay the amount that's required in order for him to get the property into a situation where he can lease out the 2nd unit

Mr. Magner: have you pre-qualified him for that?

Ms. Hanratty: yes, I have

Mr. Magner: what happens if this all falls through?

Ms. Hanratty: it's a fairly clean transaction; I'm going to provide a loan to Mr. Henneman; as a part of my loan covenant, I'm requiring that there be a licensed & bonded project manager in place, whether he's a 3rd party or a general contractor remains to be seen; at the beginning of that period, I have a 2nd mortgage & if during that period, performance is unable to be completed for whatever reason, I would be in a position where I would have to foreclose, which is not something that I want to do

Mr. Magner: in this particular "hybrid" of your normal situations, Neighborhood Assistance is simply just holding Mr. Henneman's hand & reminding him of his obligations; where does Neighborhood Assistance's money coming from?

Ms. Hanratty: they work with attorneys; they've got independent clients; they're a foreclosure \_\_\_ agency

Mr. Magner: in this scenario, Neighborhood Assistance isn't going to obtain any ownership of this property; you're just basically there as a 3rd party....

Ms. Hanratty: they would after the Certificate of Compliance was issued

*Mr. Magner: wait a minute; let's back-up; you're saying that after the project's completed, you are going to obtain ownership?*

*Ms. Tobak: a partial ownership; that's in the contract*

*Mr. Magner: how does Mr. Henneman sell a partial ownership interest when he has a mortgage? Generally, when you have a mortgage, you have a mortgage with a lender & it says, "You do this, you get this money; you get to buy a house; if you have a problem, we will come after you;" you, during that period of time, don't have the right, under that mortgage, to sell any interest in that property...*

*Ms. Hanratty: .. without the permission of the lender*

*Mr. Magner: Mr. Bjerkness, would your lender be open to selling a percentage of this property?*

*Ms. Bjerkness: I can't answer that for certain without knowing more details; once a Certificate of Occupancy is obtained, there's nothing prohibiting Mr. Henneman from deeding half of his interest to homeownership thru a nonprofit; there's nothing prohibiting that as long as the mortgage is paid & is satisfied upon the sale; whoever has a fee title interest is really irrelevant to my client at this time*

*Ms. Hanratty: and all of this is contingent upon the continued payment of the first mortgage; normally, I do not do 2nd mortgages; the reason that I'm doing this 2nd mortgage is because Mr. Henneman cannot get financing because of the current situation of the house; he also has financial issues that he needs financial counseling on, which is what Neighborhood Assistance does, which is totally separate from me*

*Ms. Bjerkness: what does Neighborhood Assistance having an ownership in Mr. Henneman's property mean going forward?*

*Ms. Hanratty: frankly, we have to work that one out; when Neighborhood Assistance couldn't buy in, which we just confirmed last week, that changed the plan; our attorneys came up with a construction contract idea; what we need to do right now, is to settle what the situation is going to be until we get code compliance & an occupancy permit*

*Mr. Tobak: our program is primarily here to protect the homeowner*

*Ms. Moermond: I asked Ms. Vang to check the computer system & there still is no lock box code in there*

*-I'm assuming that you're looking for 180 days*

*-I need to see a detailed Scope of Work with timelines*

*-we need evidence of HomeLiberty's ability to finance this*

*-need to see what that 2nd mortgage agreement would look like on this property*

*-like to see legal arrangement between HomeLiberty & Neighborhood Assistance for Homeowners*

*-we need contractor's stuff*

*-get the contracts in for our attorneys to review*

*-need evidence of financing \$100,000*

*-I would like to review this 2 weeks from now on Mar 13 at LH*

*Need the following conditions met:*

1. Evidence of financing to be used for the project (Estimate of repairs at \$100,000);
2. provide a draft agreement between Doug Henneman and financier as to conditions of mortgage and rehab of property. Note, this draft agreement needs to be received and approved by the City. Subsequently, a signed version must be submitted;
3. ensure premise is ready for code compliance inspection by Monday, March 5; and
4. the property must be maintained.

*If these conditions are met, will do a layover to provide a detailed work plan or sworn construction, including timelines and bids for the project.*

**Laid Over to the Legislative Hearings due back on 3/13/2018**

### 10:00 a.m. Hearings

- 4 [RLH RR 18-9](#) Making finding on the appealed nuisance abatement ordered for 106 KING STREET EAST in Council File RLH RR 17-21.

**Sponsors:** Noecker

*Nuisance has been abated.*

**Referred to the City Council due back on 3/7/2018**

### 11:00 a.m. Hearings

#### Summary Abatement Orders

- 5 [RLH SAO 18-13](#) Appeal of Sherita Mosley, MCO Holdings; and Jay Mitchell, Northern Holdings; to a Summary Abatement Order at 1839 SAINT ANTHONY AVENUE.

**Sponsors:** Stark

*Jay Mitchell, Northern Holdings LLC, MCO Holdings Ltd, appeared.*

*Supervisor Lisa Martin: we mailed a Summary Abatement Order Feb 1, 2018 to Northern Holdings LLC in Minnetonka & the Occupant; it was for repairing a defective sewer; compliance was Feb 7, 2018; the Sewer Utility Division had sent a Notice Oct 19, 2017 to have this sewer line taken care of; nothing was done & there was no response; Nov 20, 2017, they sent a 2nd Notice to have it done; still no response; so, we sent out a Notice on Feb 1, 2018 with a compliance date of Feb 7, 2018*

*-I spoke with Sherita at Northern Holdings about the situation; I also talked with Jay Mitchell a couple of times; on Feb 6, Mr. Mitchell said that he was looking at contractors; I explained to him that he needed to have a signed contract by Fri, Feb 9 or the city would send a contractor to take care of it; he said that he had that in play - the contract would be signed & sent over to us by Fri morning; after that, the appeal was signed*

*-I have no contract at this time*

*Ms. Moermond: asked Ms. Martin to describe the conditions that led to the Order*

*Ms. Martin: 4 violations were noted: 1) settlement of the surface of the street/blvd/sidewalk that can pose a hazard to traveling public; 2) the pathway for*

sewage to enter the ground; 3) the pathway for rain, ground water, or dirt to enter the public sewer system; & 4) rats  
-they had sent out copies of maps where exactly the rat holes were; where the break in the sewer line was, etc. to the owner of the property & I have discussed this with Jay; I'm just waiting on a contract  
-maps/drawings (entered & scanned)

Ms. Moermond: what are your plans?

Mr. Mitchell: as far as I know, we have a signed contract with Triple E Water & Sewer LLC; we sent that over; we weren't sure that we were going to get it done, so Sherita filed an appeal

Ms. Moermond: this has been going on for months

Mr. Mitchell: originally, the Notices were going straight to Northern, the mail wasn't being forwarded to MCO; I don't know how that happened

Ms. Moermond: I would correct that with Ramsey County Taxation  
-do you have the contract with Triple E with you?

Mr. Mitchell: No, but I can look it up on my email, if you don't mind

Ms. Martin: so, is the work done?  
-there's no permit on file to do any work at this time

Ms. Moermond: my background with this is that sewer repair work goes on regardless of time of year; regardless of frozen ground

Mr. Mitchell: I found it on my phone & is emailing it to LH office; I had sent it over to a Natalie

Ms. Martin: is calling Mr. Ekobena, Sewer Division, PW

Ms. Moermond: is reading the contract from Feb 9 to repair the sewer from house to the main; quote is \$9000; we have your signature on it on Feb 9; so, they didn't give you a day when they would begin or finish their work;

Mr. Mitchell: he said that once the frost was removed.....

Ms. Moermond: we're not going with that

Mr. Mitchell: I'm hearing you; I'm just telling you what I was told; he said that he had talked to someone over in Sewers & they had an understanding; this is just what I know

Ms. Moermond: I just read that the \$9000 is good right now & the only reason that would change is the arrival or departure of frost; sounds like your square whether there's frost or not

Mr. Mitchell: I thought that I had done all the right steps

Ms. Moermond: we just need to make sure that there's a permit filed now or in the very near future; then, we need to put a deadline on this for getting the repairs actually done

*Mr. Mitchell: I do know that this goes under our front stairs & he said that if he did do the work, he may/may not destroy/disturb the front stairs; hence, pouring concrete would be even harder in the winter*

*Ms. Moermond: you'd have to construct a stairway out of wood then, temporarily, so there'd be access for your tenants & others going in & out of that entrance*

*\*Pause taken for Inspector Martin to return*

*Ms. Martin: I spoke with Bruce Elder, Manager, Sewer Utilities Division, who got me in touch with Richard Ekobena, who verified that there is no permit or signed contract in their possession; as far as they're concerned, no action has been taken & this does need to be resolved*

*Ms. Moermond: you have a signed contract with Triple E & they need to get a permit & share that contract with the Sewer folks; you have had that bid since Feb 9; is Triple E ready to execute now?*

*Mr. Mitchell: I would assume so; it was my understanding that I get the contract in; they make further communications with whomever on the city side & they arrange this*

*Ms. Moermond: we have a sewer break & a rat problem; I don't know how this went on this long without showing up here as an issue with an Abatement Order  
-I will recommend that City Council grant until close of business next Fri, Mar 9, 2018 for the work to be completed; it should be plenty of time for them to undertake the work; if they're not done with it, the city will initiate the work & the cost will become an assessment onto the taxes; so, it's probably cheaper to have your folks do it now than have the city take it over*

*Mr. Mitchell: I can't control Triple E*

*Ms. Moermond: the city will take the low bidder on a project like this; if Triple E can't get it done; they you need to find somebody who can get it done or the city will  
-if permits aren't closed on Mar 9, Ms. Martin will begin to hire a contractor on Mon 12, 2018  
-I will put this on the City Council's agenda for Mar 7, 2018 & if you disagree with this, you can talk with the City Council about a different deadline at that time*

*Mr. Mitchell: if it's done in a month from now..... when there is no frost ... how does that adversely affect anything during that 30-day time?*

*Ms. Moermond: well, we have rats, sewer seepage causing the sidewalk to sink; we have contamination of soils - all of these things have been happening; I am stunned that it's been happening since Oct, 2017 & the fact that you guys didn't take action back in Oct, which would have preceded frost setting in, is on you; & realistically, frost won't leave the soil until at least mid-Apr;  
-in the interest of public health, this situation has to come to an end sooner rather than later; & if you don't do it, the city will*

—  
*Grant to close of business on March 9, 2018 to comply with the sewer line.*

**Referred to the City Council due back on 3/7/2018**

**11:30 a.m. Hearings****Orders To Vacate, Condemnations and Revocations**

- 6 [RLH VO 18-7](#) Appeal of Kelly Skie to a Fire Certificate of Occupancy Revocation and Order to Vacate at 919 LAWSON AVENUE EAST.

**Sponsors:** Bostrom

*Kelly Skie, (Wilke), owner, appeared.*

*Fire Inspector A.J. Neis: Revocation of the Fire Certificate of Occupancy / Order to Vacate issued by Inspector Jonathan Gaulke for long term noncompliance; Mr. Gaulke certified the building back in Apr 2017 & issued an Approval with Corrections with only 3 violations: 1) attend landlord class (class was cancelled); 2) dryer vent repaired under permit; permit was pulled; however, the mechanical inspector noted that the repairs still needed to be done; and 3) ceiling tile issues in the basement  
-we have received multiple complaints on this property in the last couple of years; we had to provide city trash containers; love seat in front yard; junk in the alley; leak in the upstairs bathroom toilet; overflowing trash; garage full of garbage; mattress, toilet, shingles; chair left out for 3 weeks; mice; sink, toilet issues; holes in porch ceiling; this property just isn't being managed  
-after the approval we pulled an early C of O after all of the complaints & was told by the occupant that the owner was just going to sell the property & be done with it; they haven't sold it & they put a new tenant in there*

*Ms. Moermond: after the approval with conditions, when did the inspector come back to check on the items that were left?*

*Mr. Neis: was approved in Apr 2017; inspector came back on May 30, 2017; the work was still not done, so he pushed the extension to Jun 29, 2017; a complaint came in so the inspector went back in Jul; another complaint in Oct 2017 about mice, sink leaks, toilet issues; in Nov 2017, the landlord signed up for Landlord 101 Class for Apr 2018; then, another complaint came in on Nov 22, 2017 that the heat was not working properly; so, based on those circumstances, we pulled an early C of O inspection  
-current tenant planned on moving out; owner planned on selling; months later another referral came in & at that time, there were new tenants  
-multiple code issues & long term noncompliance  
-it's a Class D now that it's been revoked*

*Ms. Moermond: provided Ms. Skie with a Fire C of O form to update her contact info*

*Ms. Skie: I had to evict my previous tenants because of the garbage issue & them not taking care of the property; I got new tenants in Jan 2017 & all of the violations were taken care of except for the dryer vent; the Landlord class was cancelled; I applied for the dryer permit & I had it repaired; I did not hear from the fire inspector from Apr 2017 to Oct 2017; he was not at my property; he did not do a re-inspection because there were no issues; in Oct, I had an issue with my tenants & I gave them a 30-day Notice to vacate because of city fines for garbage (\$488 in Jul); I told them that they needed to pay that, which is their responsibility per the lease & they got upset & called the fire inspector in retaliation; so he came & gave me 15 violations, which I took care of immediately; the tenant tried to escrow her rent; everything was repaired,*

so I wasn't worried about it; we went to court in Nov; I talked to the inspector about the dryer permit; he told me that the permit has not been closed out; I didn't even know what that was; I called down & said that I needed to close this out, could somebody come look at it & inspect it; they said, "Not a problem;" that was in Nov 2017; he said that there was 1 issue with it; he was going to notify the fire inspector & get back to me; I never heard from the fire inspector & he said that he couldn't tell me whatever the issue was so, I just waited to hear from the fire inspector

-there have been multiple notices of violations going to a bad address with the wrong name; I did supply a form to the Fire & Safety Inspections with my current name & address & I haven't gotten anything since Oct, 2017 so, I worked off the last report I had from Oct 2, 2017; everything was complete; we went to court with Judge Frisch on Nov 13; the tenant said that everything in that house was taken care of that was her responsibility, which is not showing on the current violations (washer, dryer, clock on the stove, mice) so the property manager went to the property Jan 4, 2018 to double check - it was not done; he gave her an additional week to complete it; she said that she had an appointment with HomeSmart to come look at the appliances; we went to the property Jan 20; she denied access to the house & changed the locks; we evicted her the next Mon & she is set to be out on Mar 30, 2018

-the property has sold; the new closing on the house is Apr 6, 2018

-I did include a lease as well as her eviction notice; you'll see that all the violations are the tenant's responsibility; there's nothing I can do but enforce the lease & get her out of there to get the repairs done

-I didn't think that Revocation was the necessary step considering that these are appliances, not life-threatening issues & they are still allowing her to stay on the property & when I was at DSI, they said that nobody could live there; so, if that's the case, we need to stick with that

Mr. Neis: I understand that these are the tenants' violations but ultimately the Revocation falls upon the owner because the owner is ultimately responsible for what happens inside of the bldg; the Revocation in this case was warranted by multiple complaints & multiple violations

-did you screen your 2nd set of tenants?

Ms. Skie: yes; and I'm not going to be a landlord any more because of my horrible tenants

-we're removing the dryer vent; capping it; taking the dryer out

Mr. Neis: in that case, you need to get the stuff done before you can sell

Ms. Moermond: right now, your re-check is scheduled for Apr 2, 2018 & I think that you're going to want to sell this property with the Fire C of O; so, you're going to want to have an inspection that week to make sure that everything's been taken care of

-the vacate date right now is Apr 2, according to the city; that's when they'll re-check to find out if somebody is still there; her vacate date is Mar 30 & your closing date is Apr 6

Mr. Neis: if the broken glass is fixed; the dryer vent is capped; get the fuel safety test done

Ms. Skie: the house will be owner-occupied

-if the tenants don't fix the appliances, we're getting rid of them

Mr. Neis: I'm confident, she should be able to get her C of O back

-TISH dated Feb 21, 2018

*Ms. Moermond: if you're sure that they're going to be owner-occupants, you won't need to get a C of O; you need it if you're going to have this be a rental property; either way, you can get your C of O if you have the inspection the first week of Apr or you can let the C of O go; it's not going to go into the Vacant Building Program if somebody moves right into it; if the new owners are actually going to rent it, they are going to need to establish a Certificate of Occupancy to do that*

*Mr. Neis: the only possible concern that I would have on the Appellant's behalf is if they don't have a C of O, if at the title closing, there were to do a screen & found that it has a Revocation, could that effect the closing? We don't want that to happen; we're in a quandry because it's a C of O bldg & tenants are in there right now but if the tenants move out, then, it's technically, a Vacant Building & if the closing happens, it would need a C of O in case the title company said, "It's a VB" or "It's Revoked" they may not allow the closing to happen*

*-so, we could get the C of O & once it closes, they can confirm with us & then we could close it out & make it not a C of O bldg*

*-once it's Revoked, the computer system will show it as Revoked unless the C of O is approved*

*Ms. Moermond: but, if it's under appeal, enforcement is stayed*

*Mr. Neis: we can't change the computer system designation based on the stay of enforcement*

*Ms. Moermond: I'm going to grant the appeal on the Revocation of the C of O, so the Certificate is not Revoked; we'll keep the current deadline of Apr 2, 2018 for a re-inspection; if things are taken care of by Apr 2, then, the Certificate will be issued; that doesn't mean that they couldn't take additional enforcement action at that time but it gets you through (you wouldn't have a Revocation on the record right now)*

*Mr. Neis: we can make that work*

*Ms. Moermond:*

*Grant the appeal on the revocation and order to vacate but items in the order remain in place and will be inspected on April 2, 2018 for sign-off.*

**Referred to the City Council due back on 3/14/2018**

## 1:30 p.m. Hearings

### Fire Certificates of Occupancy

- 7 RLH FCO** Appeal of Heidi Schwarze, Unilev Management Corp o/b/o Bureau of Alcohol, Tobacco and Firearms, to a Fire Inspection Correction Notice at 30 SEVENTH STREET EAST.

**18-26**

**Sponsors:** Noecker

*Heidi Schwarze, Unilev Management Corp, appeared o/b/o Bureau of Alcohol, Tobacco & Firearms, appeared.*

*Fire Supervisor Leanna Shaff: Fire Certificate of Occupancy inspection conducted on*



Jan 22, 2018 by Inspector Mitch Imbertson

-only #5 is being appealed: Remove unapproved locks from the exit doors. The door must be operable from the inside without the use of keys or special knowledge or effort.

Commercial Fire Inspection Supervisor Jim Perucca: the ATF's interview room has locking devices that aren't consistent with the occupancy type of the Wells Fargo Towers; Wells Fargo Place is a 37 story bldg

-the interview room is adjacent to a work room & both require at least 1 approved exit back up to the suite that does not require a key/card access; current arrangements require the key/card to get into the room & must be swiped again to get back out; this also does not appear to be tied into the fire alarm system or have any other kind of emergency override on the locking system

-MN State Fire Code, Chap 10 - Means of Egress, Section 1008.1.9.3 Locks & Latches - indicates that locks & latches shall be permitted to prevent operation of doors where any of the following 9 conditions exist; the condition that most closely resembles this condition is the 9th: "In rooms other than cells where occupants are being restrained for safety or security reasons, special detention arrangements that comply with the requirements of Section 1008.1.11 are permitted"

-special detention arrangements in 1008.1.11 - "special detention arrangements meet the requirements of this Section 1008.1.11 - 1008.1.11.4 are permitted for the rooms other than cells where the occupants are being restrained for safety or security reasons, the use of this section may be revoked by the Fire Chief or Fire Code Official for due cause;" but it goes on to say in the next section "Locking hardware and locking devices shall release upon any of the following conditions: 1) activation of the sprinkler system; 2) activation of the fire detection system; 3) activation of fire alarm system; 4) loss of power to the locking device or the fire alarm system; 5) activation of the \_\_\_\_ to the fire alarm system; and 6) operation of a manual switch located in an approved condition"

-in all of the locking devices they shall be designed to fail in the open position and also, to re-lock them, it has to be done by manual means; with that, there are 3 other conditions that we would ask that this suite would comply with: Section 1008.1.11.2 - Fire Extinguishing Systems - When special locking arrangements are used, a room or area being secured must be protected with quick response sprinklers; standard response sprinklers activate between 155-165 degrees F; quick response activate at a lower degree, around 140 degrees F; it might require replacement of 1 or 2 heads; I don't know how many are in that room; the 2nd is Fire Detection System - When special locking arrangements are used, the room or area between the room & areas on the outside exits shall be protected with automatic smoke detection connecting to the building's fire alarm system & if the walls of the room or area do not extend to the ceiling, automatic smoke detection can be provided in an adjacent room or area provided that there's no substantial obstruction to the delay activation; & finally, the door swing must be in direction of travel

-on Insp Imbertson's inspection, he did not have the info that the fire alarm system was tied to this locking device; at the time, either it was or he couldn't provide any documentation; if we could achieve that with documentation that it will release should the fire alarm system activate, the alarm system activates .....

Ms. Moermond: we have a secure room; this is an interview room; the ATF have people being interviewed in there, some of whom need to be restrained for public safety purposes; right now, access in & out of the room requires a key card; the room is sprinklered but it may not be equipped with highly sensitive sprinklers; with respect to tying the access egress to the fire alarm system - tell me more about that

*Mr. Perucca: the bottom line is that the lock should open should the fire alarm system go off or if the sprinklers go off in that area; they should automatically release; the lock should release should you lose power to that room; the other condition was there is a manual override at some designated location*

*Ms. Shaff: this is an I-Occupancy & the code is more stringent on how things happen because their access is highly controlled; in this particular instance since it's a B-Occupancy, 4 things need to happen: 1) doors unlocking upon alarm; 2) sprinkler activation - sprinkler's quick response; 3) smoke detection is tied to the alarm; and 4) the door swings in the direction of exit travel  
-this has been discussed with bldg management, according to Insp Imbertson*

*Ms. Schwarze: I was actually there with Mitch; there wasn't real discussion around alternative arrangements; we did know that it's not tied into the fire alarm system, which I am working with our vendor now to get it tied in;  
I can add to their scope the quick response sprinkler heads; the manual override - we're happy to comply with*

*Ms. Moermond:*

*Grant the appeal if the 3 conditions listed below pertaining to the interview room are in compliance by April 9:*

- 1) quick response sprinklers;*
- 2) automatic door lock release in the event of alarm condition;*
- 3) automatic smoke detectors within room tied to alarm system.*

**Referred to the City Council due back on 3/28/2018**

## 2:30 p.m. Hearings

### Vacant Building Registrations

- 8 RLH VBR 18-8** Appeal of Troy Olson to a Vacant Building Registration Fee Warning Letter at 164 STEVENS STREET WEST.

**Sponsors:** Noecker

*Troy Olson, Superior Development Inc, appeared.*

*Supervisor Matt Dornfeld, Vacant Buildings: I was called to this property after a referral received from the St. Paul Fire Dept on Jan 11, 2017; in their Fire Report, they documented severe damage to the interior/exterior of the home; the garage is a complete loss; there was also at least one severely damaged vehicle in the fire; I opened a Category 1 Vacant Building file; we held the VB fee for the first 90 days; then, permits had been pulled; rehab had started; & we gave an additional 180 days for the work to be completed in 2017; the property has not been a nuisance; it's been maintained; major rehab has been done  
-the 2017 VB fee went to assessment in Dec 2017  
-we're here today to discuss the 2018 VB fee that is past due & has also gone to assessment on Feb 1, 2018  
-went past there yesterday; the rehab is impressive from the exterior*

*Mr. Olson: 3-4 weeks until we finish*

*Ms. Moermond: today, we're discussing the 2018 VB fee; you didn't appeal it earlier; you're going to be done in a few weeks; fantastic! DSI has already referred it to assessment because it hadn't been paid; it is scheduled for the assessment roll on Apr 3 LH; Council on May 16*

*-I can deal with it as an assessment; your assessment Legislative Hearing is scheduled for Apr 3, 2018; we can look at your record on May 1 & if you're done, I'll recommend deletion; if not, we'll need to talk on May 1 LH & I can prorate it; you'll get a letter telling you about the Apr 3 hearing*

*Mr. Dornfeld: when you get those permits finalized, call me the day of; then, I'll get you closed out of the system*

*Ms. Moermond:*

*Deny the appeal, noting the vacant building fee has gone to assessment. (Scheduled for LH on 4/3 with public hearing on 5/16.)*

**Referred to the City Council due back on 3/28/2018**