



APPLICATION FOR APPEAL

Saint Paul City Council – Legislative Hearings

310 City Hall, 15 W. Kellogg Blvd.
Saint Paul, Minnesota 55102
Telephone: (651) 266-8585

RECEIVED
JUN 06 2022
CITY CLERK

We need the following to process your appeal:

- \$25 filing fee (non-refundable) (payable to the City of Saint Paul) (if cash: receipt number CK # 1053)
 - Copy of the City-issued orders/letter being appealed
 - Attachments you may wish to include
 - This appeal form completed
 - Walk-In OR Mail-In CK Email in - Appeal
- for abatement orders only: Email OR Fax

HEARING DATE & TIME
(provided by Legislative Hearing Office)
Tuesday, June 28, 2022

Time: you will be called between
3pm & 4 pm

Location of Hearing:
Teleconference due to Covid-19 Pandemic

Address Being Appealed:

Number & Street: 1029 Raymond Ave City: St Paul State: MN Zip: 55114

Appellant/Applicant: Matt and Jim Lindquist Email MatthewELindquist@gmail.com

Phone Numbers: Business _____ Residence _____ Cell 507-779-5170

Signature: Matthew Lindquist Date: 5/31/2022

Name of Owner (if other than Appellant): _____

Mailing Address if Not Appellant's: 439 Jefferson Ave. - North Mankato MN 56003

Phone Numbers: Business _____ Residence _____ Cell 507-779-5170

What Is Being Appealed and Why? *Attachments Are Acceptable*

- Vacate Order/Condemnation/
- Revocation of Fire C of O _____
- Summary/Vehicle Abatement _____
- Fire C of O Deficiency List/Correction _____
- Code Enforcement Correction Notice _____
- Vacant Building Registration _____
- Other (Fence Variance, Code Compliance, etc.) Rent Control Exception
Rent Stabilization →

Initial Comment: I believe I am first on the list for the 6/7 meeting. I look forward to describing my situation!

Context

My father and I recently purchased 1029 Raymond Ave which historically was owned by an older couple who then left it to their son through a trust (inheritance). This building was owned by the family for decades and has not had a mortgage on it for quite some time. Due to this, the building was underinvested in as the son used the income for living expenses. Upon the building needing some investment, the son then sold the building to us as owner earnings dropped from \$81k in 2020 to \$36k in 2021.

Some background on us:

My father lived and worked in St Paul for years. He retired due to the Covid pandemic as a draftsman and now resides in North Mankato, MN. He is the resident expert in all things building-related due to his career and years of home ownership.

I, Matt Lindquist, grew up in Mankato, graduated from MSU-Mankato, and eventually purchased my first duplex in 2016. Since then, my father, wife, and I have purchased 23 units (including the 12-unit building at Raymond Ave). We enjoy the problem solving and people oriented nature of the business. I primarily spend my time outside of my 9-5 career talking real estate with my wife and dad.

My wife, dad, and I property manage all our buildings and aim to give our tenants a pleasant, safe, and clean place to call home. We believe we are doing a good job as many of our tenants have texted us a year after moving out or have moved from one of our units to one at a different property. We would be happy to put you in touch with any of our tenants (past and present) to confirm this.

We are not lottery winners, millionaires, or slum lords. We have no interest in squeezing every last dime out of our tenants, stealing their security deposits, or mistreating those who entrust us with providing them a place to live. We do however aim for our properties to provide an adequate return as we spend a lot of time, labor, and money doing right by our tenants.

Current Financials: A few call outs on the financials provided by the previous owner:

- Maintenance in 1 year is low (\$45/mo/unit, we underwrite \$200 based on our extended history)
- Capex and maintenance are combined
- Rent went down year over year
- There are no debt costs (previous owner inherited the building free & clear)
- After talking with the owner at 22 Raymond Pl W (two doors down), I was told his 1-bedroom units rented for \$975. The average rent for the 2-bedroom units at our building is \$989 or \$14 more per month.
- We plan on doing extensive renovations to the units including upgrading the washers and dryers (done already), a complete remodel of the trashed 1BR, adding dishwashers, and renovating the dilapidated garages currently infested with wasps.
- Owner ran losses both years.
- I and the previous owner pay all utilities minus unit submetered electric.

Income Statement Consolidated

1/1/2020 - 12/31/2020, By Year, Accrual basis

1029

Account	2020	Total
Income		
Convenience Fee	33.92	33.92
Other income	984.75	984.75
Parking Income	220.00	220.00
Rent Income	133,797.50	133,797.50
Total income	\$135,036.17	\$135,036.17
Expense		
Advertising	271.99	271.99
Cleaning and Maintenance	839.87	839.87
Dues & Subscriptions	49.81	49.81
Gas & Electric	4,579.08	4,579.08
Insurance	5,072.00	5,072.00
Interest - Security Deposits	42.24	42.24
Lawn Mowing & Clean Up	1,461.78	1,461.78
Management Fees	10,548.00	10,548.00
Real Estate Taxes	25,766.00	25,766.00
Repairs & Maintenance	6,529.19	6,529.19
Snow Removal	1,885.00	1,885.00
Trash	2,383.45	2,383.45
Water & Sewer	4,467.28	4,467.28
Winter Trust	80,776.00	80,776.00
Total Expense	\$144,671.69	\$144,671.69
Net Operating Income	(\$9,635.52)	(\$9,635.52)
Net Income	(\$9,635.52)	(\$9,635.52)

Income Statement (Date Range) *Preliminary*

Kasota Leasing Incorporated
Properties: 1029 Raymond Avenue - 1029 Raymond Avenue St Paul, MN 55114
Date Range: 01/01/2021 to 12/31/2021 (Last Year)
Accounting Basis: Accrual
Include Zero Balance GL Accounts: No

Account Name	Selected Period
Operating Income & Expense	
Income	
Rent Income	132,690.00
Garage	665.00
Parking Income	20.00
Late Fee Income	90.00
Total Operating Income	133,325.00
Expense	
Real Estate Taxes	27,204.00
Trash	2,663.00
Snow Removal	1,910.00
Water & Sewer	4,276.39
Insurance	5,871.00
Interest - Security Deposits	141.00
Winter Trust	36,000.00
Advertising	402.58
Cleaning and Maintenance	1,516.75
Lawn Mowing & Clean Up	1,216.31
Management Fees	10,548.00
Repairs & Maintenance	40,314.57
Gas & Electric	4,809.85
Total Operating Expense	137,074.45
NOI - Net Operating Income	-3,749.45
Total Income	133,325.00
Total Expense	137,074.45
Net Income	-3,749.45

Rentometer Report - This report shows how badly affordable, sustainable 2BR units are needed in this neighborhood (in this case I used a \$1200 2BR unit as a comparable)

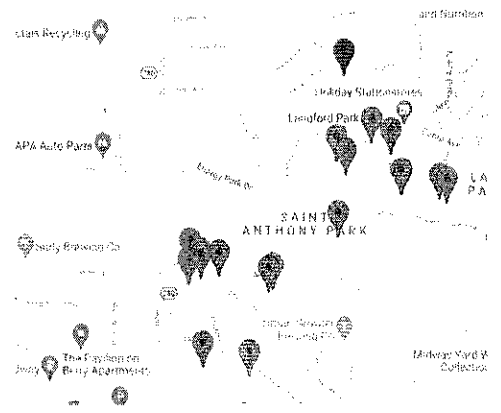
1029 Raymond Ave
 St Paul, MN

Your rent seems to be a good deal
 Unless your rental is in poor condition or has fewer amenities than most.



AVERAGE	\$1,682	MEDIAN	\$1,800
25th PERCENTILE	\$1,381	75th PERCENTILE	\$1,982

Results based on 77, 2-bedroom rentals seen within 12 months in a 1.00 mile radius.



This is a Zillow 2BR rental search in the neighborhood as of 5/31/22. I would note that all of these units are considerably smaller than the 2BR units at Raymond (900sqft+)

Average Rent: \$1,288 (\$989, 23% discount to occupied unit avg rents)

Average SQFT: 774 (about ~20-25% smaller)

Monthly Rent	Bedrooms	Square Feet	Property Name
\$1,400/mo	2 Beds	1,044 sqft	Apartment for rent
\$1,319/mo	2 Beds	1,045 sqft	Apartment for rent
\$1,145+/mo	2 Beds	1,100 sqft	Apartment for rent
\$1,310/mo	2 Beds	1,045 sqft	Apartment for rent
\$1,264+2 br	2 Beds	1,045 sqft	Apartment for rent

Thank you for your time and consideration!

Matt, Emily, and Jim Lindquist



May 31, 2022

Iron Range Holdings Llc
439 Jefferson Ave
Mankato, MN 56003

REQUEST FOR EXCEPTION TO 3% CAP - NOTICE OF APPLICATION DENIAL

RE: 1029 Raymond

Dear Property Representative:

You applied for an exception to the 3% cap on rent increases per Chapter 193A of Saint Paul's Legislative Code. The exception has been denied by the City based on the following conditions,

1. The increase in normal repair expenditures, compared to base year, lack detail for justification. *Line 12 of Section IX on MNOI Worksheet*
2. As stated in the application, previous detailed income and expenditure data is not available to the owner. This lack of data prevents a determination on a staff level.
3. Rent increase based on the number of tenants shall clearly indicate the conditions under which rent would be increased, by unit. *Item 18 on Increase in Tenants Worksheet*

You have the right to appeal this determination. Appeals must be in writing and delivered to the City Clerk no later than 21 calendar days from the date of this written notification. Applications for appeals may be obtained at the Office of the City Clerk, 310 City Hall, City/County Courthouse, 15 W Kellogg Blvd, Saint Paul MN 55102, Phone: 651-266-8585

If you have any questions, please reach out to the Rent Stabilization Workgroup using the email address below.

Sincerely,
Rent Stabilization Workgroup
Rent-Stabilization@ci.stpaul.mn.us
651-266-8553