



City of Saint Paul

15 West Kellogg Blvd.
Saint Paul, MN 55102

Minutes - Final - Draft

Legislative Hearings

Marcia Moermond, Legislative Hearing Officer
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Tuesday, December 19, 2023

9:00 AM

Room 330 City Hall & Court House/Remote

7 [SR 23-247](#)

Review Request by Michelle Schumacher for Ratifying the Appealed Special Tax Assessment for property at 1689 JULIET AVENUE adopted by Council RLH AR 23-14 adopted on March 22, 2023 (File No. VB2305, Assessment No. 238804)

Sponsors: Tolbert

Attachments: [1689 Juliet Ave.VB Reg Notice 9-19-22.pdf](#)

[1689 Juliet Ave.Warning Notice 10-19-22.pdf](#)

*Approve the assessment. New resolution will go before Council on January 24, 2024.
(Owner paid assessment)*

Michelle Schumacher, owner, appeared by phone

[Moermond reviewed the hearing process]

Staff report by Supervisor Yannarely: This is for the Vacant Building Fee from October 19, 2022, to October 19, 2023. The vacant building folder was closed on July 10th when the property was razed, so it was in the vacant building program for 9 months of the 12-month period. The cost of the fee is \$2,459 plus a service charge of \$157, for a total proposed assessment of \$2616. This property entered the program on October 19, 2021.

Moermond: Ms. Schumacher, what are you looking for?

Schumacher: I purchased the property on Oct 14, 2022. I was actually under contract for a year prior to purchase the home, but he had to get some legal documentation from the government. He was going through a divorce and never received it. After a year of having \$10,0000 sitting there, we decided to cancel the contract. As soon as we did that, he re-listed it and never could find a buyer. We ended up going under contract again, but at a lower price. He signed off at closing that there were no fees or bills associated with the property. At closing on October 14, 2022, both my title company, Executive Title, as well as the seller's title company pulled all Saint Paul assessments prior. There were some that they were able to take out of his proceeds. There may have been an unpaid fee from the year prior. I know there was an assessment, #238804, dated 7/11/2022 to 9/19/22. He must have received bills for that, but again, never paid them and never made us aware. The city does not post any of those vacant building fees or any assessments until there's a gap of time before a pending assessment is posted and we happened to close during that gap. It was not

visible by anyone online. Both the seller's and my title company confirmed that. They investigated it and said nothing was posted, so they couldn't pull it out of his proceeds. I was not made aware of it for several months. I didn't even know it existed. When I received a bill, I immediately sent it to the title company and said this should have been caught at closing. They said, "No, it wasn't that. There's this gap in time." So, they sent it. I heard nothing more. I thought that they were able to get the seller to have it paid because it was his bill to pay. We had a custom-built home built there. We took that building down and built a home. I wasn't aware that the fee wasn't paid until 2 weeks ago when I sent everything over to our closer to close on this custom home. I called and spoke to Robert (Humphrey) and had a conversation regarding the fee. Everyone will say, "Yes, there's a gap." I talked to Tanya Panzer about that gap where no one can know the fee is there to take care of it or to make sure it's assessed to the prior owner. This should have been handled at closing when I purchased it, but it couldn't be because it wasn't posted. We took it down. I think I've spoken with you before. I've built probably 50 houses in Saint Paul. We want to make it a better place and feel that this is a penalty. That really isn't fair, for both the house being torn down and our ability to not collect from the previous owner.

Moermond: I'm not going to give you the answer you want. I'm looking at 3 critical pieces. 1. Assessments are for unpaid bills. The bill went to the previous owner on September 19, 2022. 1 month later there is a warning that they have 15 days to pay. That is not yet an assessment. That is a bill that they're given an opportunity to pay. If the bill goes unpaid within a couple weeks of that, it does get sent over as a pending assessment and will populate online. An unpaid bill doesn't go unpaid and un-assessed for more than 3 weeks. That is the gap of time we're looking at. 2. When looking at the September 8, 2022, Truth In Sale of Housing (TISH) disclosure statement, which should have been provided to you and you should have known to ask for, the vacant building status is disclosed there. That's really between you and the seller though. They're the ones who have to pay for that and disclose conditions of the property. 3. A list of vacant buildings does appear on the city's website and is always up to date. As someone in your business, if you're not using that website, you should be. This would have shown up then as a Category 2 Registered Vacant Building. It's not the City's responsibility to cover a vacant building fee for a 9-month period. I see the responsibility as really being a private matter between you and the seller, and not involving the City at all, but the Council could look at it differently. You paid this already, to take care of it for the upcoming closing, correct?

Schumacher: Yes, to avoid adding more fees. Since the building did come down, and the fee was through, October of this year, I thought I might be able to at least get credited back for the period when it wasn't vacant.

Moermond: The billable period for this fee was 9 months. I don't make recommendations to Council on pro-rating Vacant Building fees of more than 6 months. I will use that as a carrot to get people to take care of business. The council could see things differently. This has been levied already. January 24, 2024 will be when Council sees this. As I said though, I see this as a disclosure matter that was covered in the TISH. The pending assessment doesn't really play a role, in my view. On the City's website, the Department of Safety and Inspections (DSI) has Vacant Building lists which are always updated.

Schumacher: I think we just automatically pull assessments. That's what they do at closing.

Moermond: I get that. We rely on sellers to disclose those kinds of things.

Schumacher: That's how we got put in this situation. But it was months out before we were even notified of it.

Moermond: However, I can't argue that that's the taxpayer's responsibility.

Schumacher: How is vacancy determined? I'm just curious. What does the program do?

Yannarely: One thing I would like to interject that this the fee is covering basically the entire time you owned the property, not the previous owner. He had already been assessed for that for the time he owned it. Since you bought the property in October of 2022, this fee is for the entire time you owned it, not the previous owner.

Moermond: We also have a question about what the Vacant Building Program does.

Yannarely: It monitors the buildings to make sure that they are secure, and they are being maintained and not a nuisance to the city.

Moermond: The cost of the vacant building program is: You take all the vacant buildings that go through the program and the fee is roughly the cost of the program divided by the number of vacant buildings in the program. I think fees recoup about 70% of the costs of running the program.

Yannarely: Some fees have now been doubled.

Moermond: Like a fourth or a third of them have been doubled, yeah.

Schumacher: To your point, yes, I did own it during that time, but I would have gone in and I would have, you know, made a call and done whatever I needed to do to pull it off of that list, since it was coming down. I just didn't realize it existed.

Moermond: That's a liability question for the previous owner. We'll confirm by e-mail, so you have that as well.

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