

## Vang, Mai (CI-StPaul)

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**From:** Anthony Bassett <tony@stonemg.com>  
**Sent:** Friday, September 25, 2020 8:37 AM  
**To:** Vang, Mai (CI-StPaul)  
**Cc:** Sheffer, Vicki (CI-StPaul); Soley, Reid (CI-StPaul); Yannarely, Joe (CI-StPaul); Magner, Steve (CI-StPaul); Zimny, Joanna (CI-StPaul); Moermond, Marcia (CI-StPaul)  
**Subject:** 975 Marshall Ave - update on status

**Think Before You Click: This email originated outside our organization.**

To: Reid Soley, Department of Safety and Inspections  
Steve Magner, Manager of Code Enforcement  
Vicki Sheffer, Executive Assistant  
Joe Yanarely, Vacant Buildings Inspector  
Joana Zimny, Executive Assistant  
Marcia Moermond, Legislative Hearing Officer  
Mai Vang, Legislative Hearing Coordinator

Re: 975 Marshall Avenue  
File #: 17 054201 VB3

### Summary

We are writing to update you on the status of the property located at 975 Marshall Avenue.

Our company, Construction Funding LLC (“CFL”), holds a mortgage on this property. The owner has defaulted on the mortgage and CFL has initiated foreclosure proceedings. CFL has separately commenced an action seeking the appointment of a receiver, which would serve to expedite the timeline for CFL to take over the property, begin rehab work on this property, and cure all conditions in the Abatement Order as soon as possible. See below for details.

The owner of this vacant property has not made any substantial improvements to this property over the last 6 months. CFL is making arrangements to have a receiver appointed who will hire its own general contractor to rebuild the interior of this house as soon as the receiver is appointed.

CFL is aware of the upcoming legislative hearing on October 13, 2020 to determine whether to raze and demolish the house. CFL plans to appear at the legislative hearing and present its plan to complete the rehab of this house and cure all conditions as soon as practical.

### Detail

Minnesota Premier Properties, LLC (“MPP”) is the record owner of the property. MPP entered into a loan agreement with CFL and granted CFL a mortgage in 2018. The mortgage granted to CFL a mortgage interest in the property. One or more events of default have occurred under the terms of the mortgage. CFL has commenced foreclosure of its mortgage. The property is scheduled to be sold at sheriff’s sale on October 27, 2020.

The City of St. Paul has classified the Property as a Nuisance Building and a Vacant Building pursuant to the St. Paul City Code. The City of St. Paul has identified multiple housing code and building code violations constituting material endangerment, as identified in the City Code. On April 10, 2020, the City of St. Paul issued Substantial Abatement Order No. RLHRR2014 to correct all of the deficiencies listed in the Order to Abate Nuisance Building and Code Compliance

Report within 180 days or the City would raze and demolish the structures located on the Property. The corrective action required by the Abatement Order has not been completed by the owner. The City of St. Paul has scheduled a legislative hearing on October 13, 2020 to determine whether to raze and demolish the structures.

On September 24, 2020, CFL commenced an action in Ramsey County District seeking the appointment of a receiver of the property in order to preserve and protect the property. The appointment of a receiver should also help to expedite the process of curing all conditions in the Abatement Order, including applying for permits and commencing the rehab work. Depending on the Court's calendar, the appointment of a receiver may be completed prior to the legislative hearing scheduled for October 13. We believe that the appointment of a receiver would allow the receiver to start on the rehab work sooner rather than later.

CFL has the financial wherewithal to fund the receiver's expenses to 1) correct all the deficiencies in the order and 2) complete the reconstruction of the interior of the house. The project cost is estimated at \$195,000. The receiver will engage a general contractor who has experience renovating numerous similar buildings in the neighborhood.

As noted above, CFL plans to appear at the upcoming legislative hearing and present its plan to direct the receiver to complete the rehab of this house. Please let us know what additional materials we should provide to the city prior to the October 13 hearing.

Best regards,  
-Tony Bassett

*Please note our new street address and suite number as of January 1, 2020:*

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