



City of Saint Paul

15 West Kellogg Blvd.
Saint Paul, MN 55102

Meeting Minutes - Action Only

Legislative Hearings

Marcia Moermond, Legislative Hearing Officer
Mai Vang, Hearing Coordinator
Jean Birkholz, Hearing Secretary
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651-266-8585

Tuesday, May 8, 2018

9:00 AM

Room 330 City Hall & Court House

9:00 a.m. Hearings

Remove/Repair Orders

- 1 [RLH RR 17-47](#) Ordering the rehabilitation or razing and removal of the structures at 380 YORK AVENUE within fifteen (15) days after the January 3, 2018, City Council public hearing. (Public hearing continued from April 11)

Sponsors: Brendmoen

Remove the building within 15 days. If work plan, timeline and bids are provided and approved, recommendation will be revised.

Minutes pending

Erick Flyckt, Usset, Weingarden & Liebo PLLP, appeared o/b/o US Bank.

Mr. Flyckt: I didn't realize this property was on today's LH agenda for review; I don't have the file with me today; I did communicate with my client on the issue, however; they haven't asked me to appear today on that file; but I will certainly handle it

Ms. Moermond: on Apr 12, 2018, Ms. Vang sent a letter scheduling your hearing for Tue, May 15, 2018; then later on Apr 12, she sent you an email saying that the May 15 date was an error; the correct date should be May 8, 2018

Mr. Flyckt: is the City Council meeting still on the same date, May 16, 2018

Steve Magner, Code Enforcement Manager:

Referred to the City Council due back on 5/16/2018

- +2 [RLH RR 18-19](#) Ordering the rehabilitation or razing and removal of the structures at 664 CASE AVENUE within fifteen (15) days after the June 6, 2018, City Council Public Hearing.

Sponsors: Bostrom

Erick Flyckt, Usset, Weingarden & Liebo PLLP, appeared o/b/o US Bank, mortgage

holder.

Supervisor Steve Magner, Code Enforcement Manager:

- The building is a two-story, wood frame, duplex on a lot of 4,792 square feet. According to our files, it has been a vacant building since June 29, 2017.
- The current property owner is Sharri K. Mueller per AMANDA and Ramsey County Property records.-
- On February 28, 2018, an inspection of the building was conducted, a list of deficiencies which constitute a nuisance condition was developed and photographs were taken. An ORDER TO ABATE A NUISANCE BUILDING was posted on March 7, 2018 with a compliance date of April 6, 2018. As of this date, the property remains in a condition which comprises a nuisance as defined by the legislative code.
- Taxation has placed an estimated market value of \$6,300 on the land and \$43,700 on the building.
- Real estate taxes for 2017 are delinquent in the amount of \$553.12, which includes penalty and interest.
- The Vacant Building registration fees were paid by assessment on September 1, 2017.
- As of May 7, 2018, a Code Compliance Inspection has not been done.
- As of May 7, 2018, the \$5,000 performance deposit has not been posted.
- There have been twelve (12) SUMMARY ABATEMENT NOTICES since 2017.
- There have been seven (7) WORK ORDERS issued for:
 - Garbage/rubbish
 - Boarding/securing
 - Grass/weeds
 - Snow/ice
- Code Enforcement Officers estimate the cost to repair this structure is \$50,000 to \$70,000. The estimated cost to demolish is \$12,000 to \$15,000.

Ms. Moermond: what does US Bank want to do with this?

Mr. Flyckt: they have a mortgage interest in this property but they have not foreclosed that interest at this point; they haven't begun default processing; it's owned by the bank, itself; it's not being serviced o/b/o anyone else; when they became aware of the property, they were concerned about entering the property that had already been secured by the city; I tried to alleviate those concerns & I did communicate with the DSI to verify that they could access it; I've asked for updates but to my knowledge, as of yesterday, they haven't been able to communicate to me that they've had an agent entering the property; there needs to be some coordination with that to have their agent, the inspector & also someone present to re-secure the property

- I have a check to, at least, order a code compliance inspection
- according to DSI, there is a bunch of debris inside the property that needs to be cleaned out before an inspection can be done; I was informed that Mr. Seeger would like to look at pictures of all the rooms to make sure that it is cleaned out before he sends his inspectors into the property; that's still in process; I do have the filled out application & the check but I was waiting for final information from my client

Ms. Moermond: what's the department's position on this sort of thing when there hasn't been any foreclosure proceedings; it seems like Ms. Mueller is still the owner of record (?)

Mr. Magner: this is up to the mortgage company; generally, the contract indicates that the mortgage company has the right to step in if there's a concern for it's asset; so, I would advise Mr. Flyckt that he needs to

consult with his client & make a determination based on their language as to what they care to do; if an XYZ contractor came to us & said, "We're representing the bank & we cleaned out the house & we'd like you to perform an inspection," we're going to recognize that they have authority under their contract to do that

Ms. Moermond: so, you're fine with this?

Mr. Magner: for the most part; our bigger concern is that we repeatedly go to these properties that are not ready for us to do inspections; that's where Mr. Seeger's concern comes from; he needs to make sure that it's cleaned out entirely before he sends in the inspectors; & a lock box needs to be installed - the combination given to Mr. Seeger

Ms. Moermond: why hasn't this happened already - the clean out? the letter declaring this as a nuisance bldg went out on Mar 7, 2018; it's been 2 months that you've been on formal notice that you're facing possible demolition; what's going to happen?

Mr. Flyckt: the bank would like to get their agent out there to inspect the property - to determine a valuation & consider whether they want to demolish it or attempt to abate the problem; they are the mortgage holder; they have the right to enter the property & maintain it & secure it but they don't have a right to go in & do substantial abatement

Ms. Moermond: they haven't figured out how to get into the property yet

Mr. Flyckt: I believe that they're in process; I clarified their authority to do it on Thu or Fri & I don't know how long it takes them to get an agent in there; I asked for clarification but I haven't received their response

Ms. Moermond: I'm struggling with expectations; if you haven't initiated a foreclosure proceeding yet, the best we can hope for would be that if you do want to save it, it would be at least 4 months out

*Mr. Flyckt: even if we were to reduce the redemption period, I think it would be closer to 6 months
-the mortgage is in the \$20,000's, I believe*

Ms. Moermond: you'd have to sell it for at least \$100,000

Mr. Magner: by the time the mortgage holder does a foreclosure & pays back taxes & posts the \$5000 performance deposit & gets a code compliance inspection & hires contractors to go thru & provide estimates; they've already spent another \$20,000; is this mortgage holder going to keep throwing money at this property in hopes to recover \$20,000?

Mr. Flyckt: my point is that I don't believe the bank is nonchalant about these decisions; I think we're dealing with a pretty large bureaucracy; I've been dealing with at least 2 different depts just getting approval to come; getting approval & explaining it to their legal dept & their property preservation dept - they're in different cities; there is communication being done; their approval process does involve a bureaucratic aspect that takes time to get stuff done; we've had fairly decent response from US Bank on previous files & I think they are honest in trying to assess the value of the property; I've explained the value & I think they're leaning toward demolition but they really can't make that assessment until their agents go in there

Mr. Magner: where we don't have a code compliance inspection report, our estimated rehab numbers are based on what similar properties are going thru our sale review process; however, each property is distinct

Mr. Flyckt: the internal assessment is either in process or will be done within the next couple of days; a decision should be made within a week or so

Ms. Moermond: if the bank wants to save it, let's shorten the redemption period, let's get the house junked-out & let's get the code compliance inspection done, etc; otherwise, if their decision is to demo, then we don't need to burn any more time on it -you think you'll have a decision in 2 weeks?

Mr. Flyckt: yes

Ms. Moermond: OK; let's try that

-we will continue this to May 22, 2018 LH

Laid Over to the Legislative Hearings due back on 5/22/2018

- 3 RLH RR 18-20** Ordering the rehabilitation or razing and removal of the structures at 654 ORANGE AVENUE EAST within fifteen (15) days after the June 6, 2018, City Council Public Hearing.

Sponsors: Bostrom

Remove the building within 15 days with no option for repair. No one appeared.

Referred to the City Council due back on 6/6/2018

11:00 a.m. Hearings

Correction Orders

- 4 RLH CO 18-15** Appeal of Maria Denison to a Correction Notice at 1990 HOYT AVENUE EAST.

Sponsors: Bostrom

Grant an extension to July 1, 2018 to come into compliance with the tree house.

Referred to the City Council due back on 5/23/2018