



Meeting Minutes - Action Only

Legislative Hearings

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

Tuesday, February 12, 2019

9:00 AM

Room 330 City Hall & Court House

9:00 a.m. Hearings

Remove/Repair Orders

- 1 [RLH RR 19-2](#) Ordering the rehabilitation or razing and removal of the structures at 650 AURORA AVENUE within fifteen (15) days after the February 13, 2019, City Council Public Hearing. (Legislative Hearing on February 12)

Sponsors: Thao

Caridad Versalles, owner & Peter Murlowski, general contractor, TimberCraft Enterprises, Inc, who's done work on the property for the past 10 years, appeared.

Steve Magner, Code Enforcement Manager: read letter sent on Jan 17, 2019 (attached)

This is to confirm that on January 15, 2019 at the Legislative Hearing, Marcia Moermond, Legislative Hearing Officer stated that the \$5,000 performance deposit must be posted by February 6 in order for her to recommend that the City Council continue the matter to Legislative Hearing on Tuesday, February 12, 2019 at 9:00 a.m. in Room 330 City Hall. At the February 12th hearing, she is looking for the following conditions to be presented:

- 1. Vacant Building Fee. The Vacant Building fee must be paid at DSI, 375 Jackson Street #220, St Paul MN 55101;*
- 2. Work Plan. A workplan demonstrating how the rehabilitation will be completed must be submitted and approved prior to the Council granting time for the work to occur. This workplan should include some detail on how the code compliance inspection report items will be addressed, by whom, for how much and on what schedule. The Legislative Hearing Officer is anticipating Ms. Versalles will have talked to qualified contractors and subcontractors and gotten some initial bids. Based on these, there should be some sound preliminary estimates on the project cost to be discussed at the next Legislative Hearing;*
- 3. Contractor Bids. Provide subcontractor bids;*
- 4. Financing. Documentation of financing sufficient to execute the above work plan will need to be demonstrated (line of credit, construction loan, personal bank account). The City estimates the cost to repair to exceed \$75,000; documentation of financing must show funds commensurate with the bids and construction statements;*
- 5. Affidavit. If the funds being used are not tied to the project (such as a construction*

loan), an affidavit is required that states the necessary funds will be set aside from other business or personal accounts; and
6. Property Maintenance. The property must continue to be maintained.

Ms. Moermond: you did post the \$5000 performance deposit; the VB fee has been paid (documentation entered & scanned)
-let's talk about the construction statement, bids, etc.

Mr. Murlowski: entered copies of construction statement, bids, etc. (scanned); the construction statement ties into the work scope which addresses the issues in the code compliance inspection report; we've taken care of all the code items within the report; the last 3 pages are mechanical subcontractor bids (elect, heating & plumbing); all are licensed contractors pulling permits
-several items will be taken care of by the homeowner: basic clean-up, painting, landscaping, house numbers, etc. (these items not included in my price)

Ms. Moermond: I need to have what the owner plans to do in writing
-I need the schedule of when work will be starting & when completed on each item in writing - a timeline

Mr. Murlowski: I can easily put that together

Ms. Moermond: what about financing?

Ms. Versalles: entered financing documents (scanned)
-can we email the rest of the documents to Ms. Vang?

Ms. Moermond: yes;
-how are you paying the contractor?

Mr. Murlowski: I'm the general contractor; we work in installments; we'll sign a contract with Ms. Versalles & probably get 10% down; then, another three installments, based on what's completed; we haven't yet put the contract together; we'll get it to you

Ms. Moermond: this cost is significantly less than what the estimate was; so, I'm being very thorough

Mr. Magner: I have a couple questions: when we last heard this case, you had indicated that a substantial amount of work had been done since you originally purchased the property; can you tell us the total dollar amount & what has been done since then?

Mr. Murlowski: around \$150,000+ & we've been working on one project at a time; we started & finished the 3rd floor attic (up to code); photos; next was the 2nd floor where we did the master bedroom, master bath; then, moved to the laundry room & the other bath (all bedrooms on 2nd floor were completed); main level - finished hardwood floor & stairway; did living room & front entry (including heating & electric)

Ms. Magner: so, now all we're seeking is to bring the building into compliance; your estimate is around \$30,000 to do that, which coincides with our original number; even if you take 50% of that,..... when we put an estimate on there, it's looked at from day 1 because we don't know what's been done on these projects; so, I'm very comfortable with this

Ms. Moermond: now, we just need the signed contract between you two & a schedule for getting the project done; if you can get it to me before 3:30 pm tomorrow, I will ask Council to give you 180 days to do the work

Ms. Versalles: can I email those?

Ms. Moermond: yes

Recommendation is forthcoming. Ms. Moermond is looking for an executed contract agreement related to the financing and a revised work plan or sworn construction statement to include timelines for the project.

Remove or repair within 180 days.

Referred to the City Council due back on 2/13/2019

2 RLH RR 18-50

Ordering the rehabilitation or razing and removal of the structures at 2059 IDAHO AVENUE EAST within fifteen (15) days after the January 2, 2019, City Council Public Hearing. (To be referred to Legislative Hearing on January 29, 2019)

Sponsors: Bostrom

John Hanson, owner & his nephew, Chris Koss, general contractor, appeared.

Steve Magner, Code Enforcement Manager: read letter dated Jan 30, 2019 (attached)

*Ms. Moermond: there are some emails that went back & forth with Ms. Vang & Mr. Koss; as I understand it, you are a general contractor in the State of MN
-we have a code compliance inspection report from Feb 4, 2019
-what do you have in mind here?*

Mr. Koss: because of the timeline, I wrote a letter indicating that it's our intent within the next 15 days, we'll develop a schedule with bids & get the project done by May 31, 2019; I've looked at a couple of bids from the previous contractor, who was working with John & they seem somewhat reasonable & fall into the \$50,000 - \$60,000 budget; we want to take a little extra time to see what the market might bear to fix the house & sell it; we may go a little farther than the minimum of the code compliance report; I read through the report & I did go look at the property; it makes sense; with the rehabilitation of the property, we'll address all those factors; investigation still needs to be done; if the boiler is working, we'll probably leave it; if not, we'll install forced air/air conditioning system; we'll inspect the windows a little more; maybe we'll install new ones; new kitchen, flooring throughout etc.

-someone went in & did a substantial clean-up from my understanding; so, we'll make it right by him

-at this meeting, I want to find out what our options are in order to proceed

-we plan to take care of business

-John got something from US Bank stating he has the funds

-we want to get in immediately, re-secure the property & continue maintaining it; I stopped in today & removed the snow from the driveway; I'll make sure there's no outright hazards

-within next 15 days, we'll come up with a work plan, schedule, etc; I see no issues that would deter us from completing by May 31, 2019

Ms. Moermond: You have 6 months from when the City Council votes on Feb 27, 2019 -for the record, I have a nice letter of commitment; I see the account statement of about \$67,000 in the bank; what I don't know is if that amount will suffice for the bid you provide for the work & other issues; I'm looking for some accounting on that; also, an affidavit, stating that the funds will be used for the purpose of completing this project (we'll provide a sample); I'd like it notarized -for work plan, which could be in the form of a sworn construction statement with some level of detail (subs, timeline-schedule) & covers items in the code compliance insp report; you can email that info & I will review it; if there's a concern, we'll need another hearing -I will schedule a hearing on Tue Feb 26 but we may not need it

Mr. Magner: I think that if Mr. Koss can submit documentation to Mai Vang, the hearing officer & I will review it & unless there's questions, she can go to Council & get 180 days

Ms. Moermond: I will look for all of the paperwork to be submitted no later than Feb 26, 2019; we can provide you feedback along the way

Mr. Magner: if you get a greenlight from us on Feb 26; it goes to Council Feb 27 & they recommend 180 days, you can walk into DSI on Feb 28 & get your permits

Ms. Moermond: you won't be allowed to pull a permit until we come to a resolution here; this is all looking more positive than it has throughout; so, I'm glad you guys connected & are working this out

Owner/contractor to provide a sworn construction statement to include timelines, subcontractor bids, evidence of financing sufficient to execute the rehabilitation, an affidavit indicating the funds will be dedicated for the purpose. If plans and financing documents are reviewed and approved prior to February 26, the February 26 Legislative Hearing may not be necessary.

Referred to the City Council due back on 2/27/2019

- 3** **RLH RR 19-4** Ordering the rehabilitation or razing and removal of the structures at 888 MARYLAND AVENUE EAST within fifteen (15) days after the February 27, 2019, City Council Public Hearing.

Sponsors: Busuri

Rescheduled to February 26 Legislative Hearing with a Public Hearing on February 27, 2019.

Referred to the City Council due back on 2/27/2019

- 4** [RLH RR 18-44](#) Ordering the rehabilitation or razing and removal of the structures at 931-933 SHERBURNE AVENUE within fifteen (15) days after the October 24, 2018 City Council public hearing. (Public hearing continued from October 24)

Sponsors: Thao

Recommendation is forthcoming.

Bobby Gotch, son of property owners, Robert E. & Susan C. Gotch, appeared.

*Ms. Moermond: I suggested that we have a conversation today inspite of the fact that you don't have bids, etc, that maybe in the course of our conversation, we might have some information that may help you
-tell me a little bit about what your experience has been this past month or so*

Mr. Gotch: a lot of frustration; all of the contractors that I've dealt with have been very similar; I spoke with one yesterday, who came as a referral from another contractor because he deals with smaller properties; so, I was excited to hear from him yesterday; he is by far the most honest contractor I've dealt with so far; I told him that we were starting to get extremely desperate because no one has even wanted to come out to even look at it, let alone, finish a conversation with us; as soon as they hear that we have an inspection report, they don't even want to touch it; the contractor started the conversation with "If it's a rental property; an investment property, we won't touch it; we only work on homes that we know people are going to live in; we put our name on it;" the first thing they want to know is who's the previous contractor; he was very helpful; he suggested the Frogtown paper, a Como Gazette, I think it was called; he said that sometimes put an ad in those smaller papers; he said that most reputable contractors, at this time of the year, are already booked out for many, many months

Ms. Moermond: how are your folks doing on property issues? (who has the authority to make decisions about this property?) & I'm curious about how they would come to an agreement about what to do?

*Mr. Gotch: there's been a little bit of a discussion on that; she went into their initial hearing, at which we thought things would somewhat get resolved; & his defense wanted more time to get the evidence re: the incident itself
-my mom asked that her side look at more open communication about the properties & the properties only; the Judge put in place that there can be communication thru a third party, which is my sister, about the properties only; my dad is aware of all this that's going on; he claims that he is there to help with shoveling & going by the property to check on it; he still wants to do quite a bit of work over there just because that's what he's done with all of our properties but he knows that we were requested to get some bids, estimates, - he's waiting for that to happen before he takes some steps with that; I believe that they own 9 or 10 properties - one option is to do a bulk sale of properites, not this one;*

Mr. Magner: at the end of the day, we still have to find someone to work on this property; if you'd been here earlier, you could have talked with the 2 contractors who came in representing other properties; or you can contact one of these regional property management companies, maybe they can work on the property

Ms. Moermond: you also said that your family has a relationship with DeLisle

Mr. Gotch: Tom DeLisle, Jr will actually be our realtor for selling 4 of our other properties if the bulk sale doesn't come to fruition; he does have some contractors that he works with but he doesn't have 1 general contractor; he has a lot of maintenance people, who do a lot of the smaller things

Mr. Magner: why don't you just take the code compliance insp report & give it to these recommended contractors that they have (plumber, electrician, heating) & a general maintenance guy because you guys could pull the bldg permit; they would pull the trades permits & make you the defacto general; there's no reason that you can't do this because the state bldg code allows you to pull a bldg permit on something other than your own house every 2 years; your father - your mother can pull the permit in their name & they can hire XXX, you can go out & do all the bldg items; that's the way most of these bldgs in this condition get taken care of

Ms. Moermond: otherwise, if it's more frequently, you would need to get a general contractor license

*Mr. Magner: I think that if you don't do something soon, the Council will just Order us to remove the bldg & you'll have a vacant lot
-it's a rental property; you're going to have to find people who work on rental properties; you could Google property management companies in the Twin Cities*

Ms. Moermond: DeLisle will be familiar with folks in this business if they themselves aren't available

Laid Over to the Legislative Hearings due back on 2/26/2019

5 [RLH RR 19-5](#)

Ordering the rehabilitation or razing and removal of the structures at 718 ORANGE AVENUE EAST within fifteen (15) days after the March 13, 2019, City Council Public Hearing.

Sponsors: Busuri

Kris Kujala, Ramsey County, Tax Forfeited Properties, appeared.

Steve Magner, Code Enforcement Manager:

-The building is a one and one-half story wood frame single-family dwelling with a detached two-stall garage on a lot of 4,792 square feet. According to our files, it has been a vacant building since March 19, 2009.

-The current property owner is Jaime Ramiro Inamagua per AMANDA and Ramsey County Property records. The property was purchased on a Contract for Deed from Ramsey County Tax Forfeit Land on May 18, 2018.

-On September 12, 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 October 4, 2018 with a compliance date of November 3, 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 \$12,000 on the land and \$41,900 on the building.

-Real estate taxes are current.

-The Vacant Building registration fees in the amount of \$525 were paid by Ramsey County Tax Forfeit Land on March 21, 2018.

-A Code Compliance Inspection was done on November 8, 2017 and has since expired.

-As of February 11, 2019, the \$5,000 performance deposit has not been posted.

-There have been thirty-three (33) SUMMARY ABATEMENT NOTICES since 2009.

-There have been twenty-nine (29) WORK ORDERS issued for:

- Garbage/rubbish

- Boarding/Securing
- Grass/weeds
- Snow/ice

-Code Enforcement Officers estimate the cost to repair this structure exceeds \$50,000. The estimated cost to demolish exceeds \$15,000.

Ms. Kujala: this property originally forfeited on Aug 26, 2016; Steven Ocabari was the former owner; he applied to Repurchase it; the county board approved it with the condition that he'd sell the property to a third party by ___ & he had 90 days to close on that; the 90 days expired Dec 10, 2016; he didn't close in time but he was trying to sell it; two young ladies wanted to buy it from him but when the title company found out that they were trying to buy it in order to flip it, they backed out of the deal; so, he had asked for an extension - we didn't see any reason to grant one because there was nothing preventing him selling this property in a timely manner; so, we denied it; we put it up for auction in May 2018 & sold it on the condition that it be brought up to code within 1 year; then, in Oct 2018, we sent out the notices to Jaime Ramiro; he called us & said that the city was threatening to tear the house down; what can you do for me? we said, "Nothing; you have sole possession of the property; we have no possessory right to it; we can't touch it; you should have called the city back in May, when you purchased this property; you never contacted Reid Soley;" he didn't even know who Reid Soley was

Ms. Moermond: he didn't get a code compliance inspection report; one was done in Nov 2017 (Ms. Kujala: we would have done that one); it still would have been in place when the Order to Abate went out

Mr. Magner: Ramsey Co does a very thorough job communicating what people are buying (Ms. Kujala: we provide full disclosure)

Ms. Kujala: when he contacted us in Oct & we said that we couldn't help him, we started cancellation of his contract in Nov because he was in default; he was personally served, which started the formal 60-day clock & as of last Fri, Feb 8, that cancellation was formally recorded in the Recorder's Office; it is now back in our inventory; he lost the property for failure to pay his sales contract

Ms. Moermond: so, what do you guys want to do with it?

Ms. Kujala: currently, we don't have the capacity to fix it up; we have properties that we are already working on; we're committed for all of 2019; the only thing we can do is to offer this to the City of Saint Paul (HRA); or whatever project they might have for a nonprofit or a for profit; or offer it for auction again

Ms. Moermond: it's a relatively low value property compared to the ones that you would normally do in the 4R Program as rehabs

*Ms. Kujala: originally, it was valued at \$54,000; when we put it up for auction, we got it up to \$83,000; there were 2 people interested in it; there was a bid at \$82,000; Jaime got it for \$83,000; he would have put 10% down
-when Mr. Ocabari owned this property prior to forfeiture, he also, I believe, bought it on speculation to rehab but the concerning piece with him was that he bought it, then took out 2 Confessions of Judgment; that's never a good thing; & back taxes from 2010 were already rolled into the Confession; it forfeited in 2016 because of unpaid taxes from 2010 - 2016, then you applied for a Repurchase, none of that has a good history*

*-the property is in a rehabbed state because he was doing work on it when it was forfeited; it's not a compromised property, structurally
-I don't know that Jaime ever went to this property after he bought it*

Mr. Magner: the city is really the one who is losing all the money here (all those assessments, 29 Work Orders, are on the front end of that); it would be nice if something happened to it

Ms. Moermond: I don't know where HRA is at in terms of property acquisition

Ms. Kujala: they keep contacting me for properties that are my inventory; they keep calling me to get a list; so, there is the possibility that they would take it

Ms. Moermond: honestly, this looks like a demolition to me unless the HRA wants to step in & pick it up

-I can reach out; you can reach out; I can talk to the Ward Office to see if they want to step in & use some of their influence to get this rehabbed; I'm not averse to it; I don't feel like I have a viable rehab option right now & the property value is pretty low; by appearance in the photo, it's not an anchor in the neighborhood of any kind; it's mid-block & it's in pretty bad exterior condition, visually....

-let's continue this for a couple of weeks to see if something can happen (Tue Feb 26, 2019 LH)

-goes to City Council on Mar 13, 2019

Ms. Kujala: we'd have to do a direct sale to a governmental sub-division; that's the only way this would get done now; otherwise, if it's an auction, that won't be until Jun, 2019; not sooner

Ms. Moermond: so, I will make some calls

Recommendation is forthcoming.

Laid Over to the Legislative Hearings due back on 2/26/2019

11:00 a.m. Hearings

Summary Abatement Orders

- 6 RLH SAO 19-9** Appeal of Anthony McGibbon to a Vehicle Abatement Order at 1237 ASHLAND AVENUE.
Sponsors: Thao
Grant to April 1, 2019 to comply with the vehicle.
A new resolution will go before Legislative Hearing on April 2 to determine if the nuisance condition is abated.
Referred to the City Council due back on 2/27/2019
- 7 RLH SAO 19-10** Appeal of Steven Jansen to a Correction Notice and Vehicle Abatement Order at 1030 CASE AVENUE.

Sponsors: Busuri

Grant to April 15, 2019 to comply with the RV.

A new resolution will be scheduled for April 16 to determine if the nuisance condition is abated.

Referred to the City Council due back on 2/27/2019

11:30 a.m. Hearings

Orders To Vacate, Condemnations and Revocations

- 8 [RLH VO 19-3](#) Appeal of Cheryl Mikel to a Revocation of Fire Certificate of Occupancy and Order to Vacate at 985 RICE STREET.

Sponsors: Brendmoen

Rescheduled per owner's request to February 26.

Laid Over to the Legislative Hearings due back on 2/26/2019

1:30 p.m. Hearings

Fire Certificates of Occupancy

- 9 **RLH FCO 19-16** Appeal of Alan Roers (representing David Wetherill) to a Fire Inspection Correction Notice at 602 LAWSON AVENUE WEST.

Sponsors: Brendmoen

Grant deadlines for the following:

- Item 1 & 2 - grant to July 1, 2019*
- Item 3 - noted done but will follow up on July 1, 2019*
- Item 4 - grant to September 3, 2019 for Zoning approval or discontinue commercial use of this property*
- Item 5 - grant to April 1, 2019 to get permit finalized*
- Item 6 - noted done but will follow up on July 1, 2019*
- Item 7 - grant the appeal as information was unclear*

Referred to the City Council due back on 3/6/2019

2:30 p.m. Hearings

Vacant Building Registrations

- 10 **RLH VBR 19-12** Appeal of Olga Lazareva to a Vacant Building Registration Notice at 733 EARL STREET.

Sponsors: Prince

Waive the VB fee for 90 days pending Fire Certificate of Occupancy is reinstated.

Referred to the City Council due back on 3/6/2019

**11 RLH VBR
 19-13**

Appeal of Boon Lor to a Vacant Building Registration Notice at 543 NEVADA AVENUE EAST.

Sponsors: Brendmoen

Waive the VB fee for 90 days and owner is required to apply for a "building only" inspection.

Referred to the City Council due back on 3/6/2019

12 RLH VBR 19-11

Appeal of Peter Ratsamy to a Vacant Building Registration Renewal Notice at 585 UNIVERSITY AVENUE WEST.

Sponsors: Thao

DSI staff granted a 90-day VB fee waiver.

Withdrawn