



City of Saint Paul

15 West Kellogg Blvd.
Saint Paul, MN 55102

Minutes - Final

Legislative Hearings

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Tuesday, December 8, 2020

9:00 AM

Remote Hearing

This hearing is starting at 8:45 a.m.

8:45 a.m. Hearings

- 1 [RLH OA 20-9](#) Making recommendation to Ramsey County on the application of David Goodlow, Jr. for repurchase of tax forfeited property at 1008 CARROLL AVENUE.
- Sponsors:** Thao
- Recommend allowing for repurchase on the condition the property be transferred from owner to a third party.*
- Tried to call Nick Hanson 9:05 am (Ramsey County phones not working), tried again 12:29 PM*
- Moermond: 1008 is a repurchase application. It is an investment property. Mr. Magner, have you reviewed the application? It looks like the guy lost track of making payments and wants to repurchase to be able to sell and get some money back out again.*
- Manager Steve Magner: he says he had to focus on other financial responsibility. He indicates it would be transferred to a third party, Thomas Black.*
- Moermond: I actually had an appeal on a summary abatement assessment and that was a week before the Sheriff's sale on this forfeiture. He sent in the tenant to appeal and said she was responsible even though he didn't tell her there was a violation that needed to be corrected. That felt off. I found a middling code enforcement history. What as your assessment?*
- Magner: certainly calls for service from both police and code enforcement. Tall grass and weeds, garbage, a couple abatements from 2016 through 2020.*
- Moermond: I looked at the police information and I was struck by the severity of the problems. This didn't look like a nuisance property. There was a death and kidnapping, aggravated assault. Serious incidence over the last 5 years. Sexual assault in 2017. A lot of serious things. All of that being said, I think if the plan for him to repurchase and sell we won't stand in the way. In the repurchase contract the City would recommend it be resold on the condition of the owner transferring the property to another person.*
- Magner: I think that's fair. It seems like Mr. Goodlow doesn't manage the property well.*

That doesn't mean someone else couldn't manage it or owner occupy. If the County can be made whole on taxes and requires transfer as part of the condition, that seems reasonable.

Moermond: recommend allowing for repurchase on the condition the property be transferred from owner from another party.

Referred to the City Council due back on 12/16/2020

8:45 a.m. Hearings

9:00 a.m. Hearings

- 2 RLH RR 20-44** Ordering the rehabilitation or razing and removal of the structures at 854 EDMUND AVENUE within fifteen (15) days after the December 2, 2020, City Council Public Hearing. (To be referred back to Legislative Hearing on December 8, 2020)

Sponsors: Thao

Layover to LH January 12, 2021. PO to submit evidence of financing, affidavit dedicating funds to the project, and work plan/sworn construction statement and schedule for completing the project. Information to be submitted by close of business January 8, 2021.

Susie Thill, owner, appeared via phone

Staff report by Manager Steve Magner: November 13, 2020 Ms. Thill was sent the following letter, submit evidence of financing, affidavit indicating finances will be dedicated to the project and submit a work plan.

Moermond: we were looking forward to being able to discuss that. I don't have anything in front of me, what's going on?

Thill: I only have \$31,000 right now. I have a friend who was going to go in with me on this house but changed their mind due to Covid. Now I have to apply for a loan. I didn't know I was doing this meeting.

Moermond: this is the second time you've said that. You got a letter. This isn't giving me confidence but keep going.

Thill: I'm sorry, I've got a lot going on right now. I'm not trying to make excuses. I'm stressed out. I'm going to have to apply for a loan, if you allow me time. That's just where I'm at now.

Moermond: have you received bids on how much it will cost so you even know what size loan you need?

Thill: no.

Moermond: so you haven't done that step either?

Thill: I do have a contractor I've been in contact with, he just hasn't got back to me. It

is a friend of a friend.

Moermond: sounds like you need to look around a little bit in both cases.

Thill: yes ma'am.

Moermond: Mr. Magner, any thoughts?

Magner: we really can't move forward without that. I think it is clear the most important task is to have a contractor submit a bid so she can make an application. If you're going to use this asset for the loan, the bank will ask what you are doing with the house and why do you need an equity loan and what are the plans? They will have the same questions we're asking. If it is a mortgage on something else, having done this for a while, it is much tougher to get equity loans for projects like this than it used to be. Especially post 2008. She needs a definitive bid she can walk into a lender with.

Moermond: I am willing to give you time to work out the money if you can get at least one bid. I'd think for your own interest you should get 2 or 3 bids to be able to make informed decisions. I'm going to be clear here, I'm giving you a month to pull this together and get those bids in. Based on that amount you'll need to seek financing and I'd like those conversations started already. If you have solid work plan in front of me that will give me something to hang my hat on to move forward with asking Council for another delay. January 12 I'd like to see at least one bid in front of me. The one you want to go with is best. A construction statement with fair level of detail, individual subcontractor bids is also a way to meet the goal. This is described in the letter. Get that, and you know how much money you are talking about from a bank. We'll talk January 12 and I'd like to have a bid or bids and a work plan by January 8, so we have time to review. Please put January 12 at 9 am in your calendar.

Thill: ok, I'll get this done.

Referred to the City Council due back on 1/13/2021

3 [RLH RR 20-23](#)

Ordering the rehabilitation or razing and removal of the structures at 1915 IVY AVENUE EAST within fifteen (15) days after the July 8, 2020 City Council public hearing. (Amend to remove within 15 days)

Sponsors: Yang

Layover to LH December 22, 2020 for further discussion. Potential buyer to 1) post new \$5,000 PD with DSI, 2) pay pending vacant building fee of \$2,127 prior to CPH January 13, 2021, 3) submit evidence of financing sufficient to complete the rehabilitation, 4) submit an affidavit indicating the finances will be dedicated to completing the project, 5) submit work plan, sworn construction statement, or scope of work, and 6) property must continue to be maintained.

Michael Hulke appeared via phone
Monica Anderson appeared via phone
Michael Klemm, attorney, appeared via phone

Moermond: we are talking today because we received a communication from Becky Errigo just prior to the hearing a couple weeks ago, so per Neighborwork's request for time for assessment we asked the Council to continue the matter for two weeks. Since then, they have determined this is not a viable project for them and won't be attending

the hearing this am. Since this morning I now have some unsigned closing documents, it appears you are proposing to sell to another party and that party won't take title until the rehab is done. As you know, we have a variety of things we look for in this process. Obviously we need to see the purchase agreement and addendum signed. We don't have a work plan from Cash for Houses. I know that isn't from you but whether or not they are given time is contingent on having an approved work plan. If they don't get it, you don't get it. They need to show financing to do the rehab and provide an affidavit. You folks have posted the \$5,000 performance deposit that has put a pin in this to this point to explore these options. We would be looking for Cash for Houses to post a new one and you can ask for your money to be returned. That's where my mind is at. Because so much of what I'm saying is contingent on them coming to the table. Mr. Magner, any comments?

Manager Steve Magner: when I look at this there is a start with the purchase agreement and addendums. We clearly need signatures, so it doesn't mean anything yet and we need to have a full work plan and financing structure in place to show how this move forwards.

Klemm: over the past week I've been working with Mr. Hulke. He found this potential buyer. I've been working with a realtor to draft the forms and the attorney Chris Olson who has been very responsive. Based on what I see so far I'm optimistic we can move forward, but I agree with everything said this morning.

Moermond: his name is what?

Klemm: Chris Olson of GEO Law is representing Cash for Houses.

Moermond: I know that Cash for Houses is in the business of flipping. Since they have a code compliance inspection report to operate off of, they should be able to move pretty quickly to work on it. Has that been their intention by your conversations?

Klemm: the purchase agreement shows completion of the whole thing by next June or July. They intend to start promptly. They did confirm they have worked on a Category 3 house in St. Paul before and are familiar with the requirements.

Anderson: are you familiar with a Josh Michael Zinda?

Moermond: it doesn't ring a bell. What I'm thinking now is a deadline for these materials to be submitted and approved. We'll do a two-week layover on this to December 22nd to have them to provide all the items we discussed and get signatures on these. Do you want to set your team up for the separate performance deposit for from Cash for Houses?

Magner: we'll be getting a second deposit with the intention that the Estate is requesting theirs returned. Submit that request to Reid Soley.

Laid Over to the Legislative Hearings due back on 12/22/2020

4 [RLH RR 20-22](#)

Ordering the rehabilitation or razing and removal of the structures at 678 SNELLING AVENUE NORTH within fifteen (15) days after the May 27, 2020 City Council public hearing.

Sponsors: Jalali

Layover to LH December 22, 2020 at which time proposed timeline of the

decision-making of demolition vs. rehabilitation. PO to submit signed closing documents prior to Dec 22 hearing.

*Reena Malhotra, in house counsel SG National, LLC, appeared via phone
David Malanga, SG National, LLC appeared via phone
Gene Gelgelu, potential purchaser, appeared via phone 651-815-9367
Alex Tselos, attorney o/b/o Gelgelu, 612-696-5578
June Hockley, paralegal o/b/o Gelgelu, 612-696-2059*

Updated Staff report by Manager Steve Magner: letter sent confirming September 22, 2020 Marcia Moermond recommended continuing the matter to today. Please plan to provide proof of execution of sale of the property and potential demolition. Also included is chapter City Code Section 33.03(f)(6) as referenced in the hearing.

Moermond: so we have a hearing next week and we're trying to figure out where things are at. Ms. Malhotra should we start with you?

Malhotra: we have an executed contract for sale. Original closing date was December 4, but they have requested to December 15 because their lender or title company wanted some additional documentation from them. We agreed to that. We are ready, willing, and able to sell. They are almost ready to purchase. They are in a better position to explain.

Tselos: can I back up? I thought someone mentioned something about residential occupancy?

Moermond: there are different requirements for category 3 vacant buildings. There was some talk last time about it. Commercial and mixed-use buildings can transfer before the nuisance condition is met.

Tselos: so this is exempt?

Moermond: we're fine. There is no code section that prohibits the transfer of the property.

Tselos: are all these records online? How is this all documented?

Moermond: the Council has been considering it since May, every hearing is recorded. We do have notes from the hearings and all of the attachments and information we gather is posted, as well as the minutes that go before Council. We can send you a link to the record. The link is always good except when it is down to add information in, so we will also send a PDF of the entire thing for your records. It is very transparent.

Tselos: I may be a little behind, I've been out of the office so Ms. Hockley may interject with some updates on lender status. One of the hold ups early was the title company thought the City needed to sign off on this transaction, perhaps in the mistaken view it was like a residential property.

Moermond: that does sound familiar. It may be why we cited that section originally.

Tselos: at the end of last week the lender's loan officer was out of town and that also prevented the closing. I'm not sure if there is updated information?

Gelgelu: I had a discussion with Alyssa from BMO Harris and they are ready to close if

we have a Certificate of Occupancy. That's what is holding it up.

Moermond: they want a C of O? The whole thing the building doesn't have one. You're buying a building without one.

Gelgelu: they asked for that and we discussed that. We are either going to rehab or demo.

Moermond: so you haven't decided yet?

Tselos: it depends on the cost associated with each course of action. We haven't been able to do some of the more exhaustive inspection that would tell you whether it is feasible to rehab vs. demolish and rebuild. You might find something that requires removal of the foundation, so some things are impossible to definitively know.

Moermond: we have been doing this for many years, we are looking for that information now and you'd have contractors doing walk throughs. I'm sure the seller would provide access for that to happen. Last we spoke with your client the direction was likely demo. If it is rehab it is fine. However, there are different considerations moving forward. Work plans, financing, dedication of those funds and so on. I'm sure you'd be able to do that but that is a consideration. I guess the first item is the closing and what your client wants to do is prevent demolition if they want to see it rehabbed. We need to see those conditions met. I'm concerned that BMO Harris is looking for a C of O on a building that has a demolition hanging on it?

Tselos: I believe they have a copy and they were aware of the demo order. They got a copy of the purchase agreement and all the City's materials were part of that. Mr. Gelgelu? I wasn't aware of this meeting until 5 minutes ago, so that's an issue is. We haven't had a chance to prepare for this meeting and I apologize for that.

Moermond: we scheduled this hearing September 25. Sorry that communication didn't reach you.

Gelgelu: if it is feasible to rehab we will, but likely we will demo. I do not know where the C of O came from with the Bank, but we will discuss that in private.

Moermond: so your closing is the 14? Or the 15?

Malhotra: our extension says December 15. We could close on the 14, I don't have a preference. Whenever the purchaser is ready.

Moermond: With African Economic Development Solutions I'm assuring there's a board and that the decision-making is a bit slower because of that. Can you tell me how you're going to bring those plans forward to your board, your timing, when you'll have a written analysis on how you want to proceed once it is acquired?

Gelgelu: we have hired a consultant.

Moermond: when will that be done?

Gelgelu: he started already, and my report just got approved by the Met Council for predevelopment with the City yesterday. John Commers is doing the pro forma.

Tselos: what was the sellers plan? If the closing is delayed further they would simply

have the city demolished? What's the exact timing and how the closing relates to the City's decision to demo?

Malholtra: the end of May when we first starting hearings, Mr. Gelgelu came along looking to purchase and we showed him the letter saying it was vacant and declared a Category 3 nuisance so it has to be rehabbed or demolished. We said we have a purchaser who wants to do one of those things. We've kept the dialogue going. I believe the City's position is they are ok with the transaction but they would like to know what is happening with the building. Either rehab or demo the nuisance needs to get taken care of.

Moermond: that's a fair assessment. My job is to make sure the nuisance condition is abated. Generally, we like to see rehabs in a lot of cases, but it is really building specific. I'm ready to take the lead form AEDS, but in order to get time to do a rehab there are additional pieces that need to be put into place. If you're moving ahead with demo the questions is what kind of timeline are you on for that demo. Second is if that demo is that something you'll do on your own as part of redevelopment. How much extension can we give? A different set of questions are in play then. If you do want to rehab, that's the heavier lift documentation-wise for us.

Magner: the building has been declared a nuisance; we need it abated. My assumption was we were moving forward with a sale to a third party that was facilitating the demolition and then later would submit plans for new construction. But now it sounds like that's not clear, so we're back a couple hearings at this point in time.

Moermond: is the pro forma going to be the document to analyze which path you follow at AEDS? What's that timeline?

Gelgelu: yes. we don't have a time frame, but he's working on it. We should have it in less than a month.

Moermond: I would like to touch base on December 22 and see where we're at with the closing and see if that has been completed. We could even do that with documents and not a formal hearing. I don't want to give a longer continuance until we have something in place. Let's get that locked in and then we know that AEDS has decision-making authority. Has Commers been in the building and had a chance to do an inspection?

Gelgelu: we haven't hired a contractor yet, until we get site control.

Tselos: didn't you have contractors go through?

Gelgelu: one person put in a bid; we expect another to do so.

Moermond: of course. Let's talk in 2 weeks. If it has closed we will look for a timeline for the decision to be made about doing the rehab or demo and what the conditions are for rehab.

Malholtra: if we close prior to December 22 what do you need?

Moermond: email the closing documents if they're signed and that would take of that. Send it to Ms. Zimny.

Tselos: what time is the meeting?

Moermond: 9 am to 11 am

Laid Over to the Legislative Hearings due back on 12/22/2020

- 5 **RLH RR 20-51** Ordering the rehabilitation or razing and removal of the structures at 1629 HARTFORD AVENUE within fifteen (15) days after the January 13, 2021, City Council Public Hearing.

Sponsors: Tolbert

Refer back to LH January 26, 2021 at 9 am for further discussion. By February 9, 2021 PO must 1) submit evidence of financing sufficient to complete the rehabilitation, 2) submit an affidavit indicating the finances will be dedicated to completing the project, and 3) submit work plan, sworn construction statement, or scope of work. Property must continue to be maintained.

Michael Sauer, attorney Wilford, Geske & Cook o/b/o Lima One Capital, appeared via phone

Margaret Corneille, neighbor, appeared via phone

Rebecca Ramsden, neighbor, appeared via phone

Staff report by Manager Steve Magner: The building is a two-story, wood frame, single-family dwelling with a detached two-stall garage on a lot of 5,227 square feet. According to our files, it has been a vacant building since December 26, 2019. The current property owner is Lima One Capital LLC per AMANDA and Ramsey County Property records. On August 26, 2020, 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 August 31, 2020 with a compliance date of September 30, 2020. 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 \$123,600 on the land and \$303,300 on the building. Real estate taxes are current. The vacant building registration fees were paid by assessment on March 2, 2020. A Code Compliance Inspection was done on May 7, 2020. The \$5,000 performance deposit was paid on November 24, 2020. There have been two summary abatement orders since 2019. There was one work order issued for Boarding/securing. Code Enforcement Officers estimate the cost to repair this structure exceeds \$75,000. The estimated cost to demolish exceeds \$20,000.

Moermond: fair bit of history on this property. I know Lima One got the property back in a foreclosure. Mr. Sauer, I'm turning it over to you. We do have the performance deposit and code compliance inspection.

Sauer: those two items have been taken care of. I wasn't involved prior to this. A representative from Lima One was working with the City building staff to work through some zoning issues. I've been informed those requests have been granted and they have clearance to do the rebuild as they proposed. The code compliance report came back and it has been bid out and we have an itemized and detailed scope of work. The costs are about \$226,730.15. The goal at this point is to try to make a profit on the rehab and selling to recoup losses. It is a large corporation and they can pay it and get it done. We do have a November 12 updated bid, in anticipation of this hearing. The plan for Lima One is to proceed if they get the grant of time. Things have moved slower with Covid, contractors haven't been as prompt as usual but they are engaged and the large scope of work is done. This is all laid out, they know the problem that

was inherited but have shown good faith in order to start construction.

Moermond: the BZA record is in front of me as well. You'll be moving forward to that particular scope in front of me?

Sauer: that's what I've been told. It is such a large project there were limited contractors willing to do it. The goal is to try and recoup the losses, this property has the potential to hold value.

Moermond: loss mitigation is good motivation. We would need to get that scope of work into the record and have a schedule as well as evidence of financing and affidavit of dedication of funds. Just because they are a financial institution it doesn't mean they will spend it on this purpose. An official from that Corporation needs to do that. All of that being said, I'm turning it over to Ms. Corneille.

Corneille: would it be ok if I asked Ms. Ramsden first? She's the immediate neighbor. I live about six blocks away.

Ramsden: I live right next door. It has been vacant since it was sold in June of 2018, so 2.5 years now. I have real concerns about restoring the property. I watched it go into disrepair. I'm glad to hear Michael and the company are focused on restoring, my concern is what is the design of the new building? What is the plan? I haven't seen it. The previous owners had requested a variance to build into my setback.

Moermond: the design isn't going to have any bearing at all in this process. There was a BZA hearing which engaged setback issues. If there are additional issues from that this isn't the forum for that. I get you have a vested interest in that, but I don't have any ability to modify my recommendation based on the design as long as it is code complaint. There's staff review of the building permit compliance with codes. I don't know what their build out is going to be. I assume it is going to be within the decisions that have been made already.

Sauer: I wasn't engaged in that process. They have a construction project manager for the architecture and permit and zoning issues. Lima One is making sure it is built within ordinances and is code compliant and any historic requirements of the neighborhood are met.

Moermond: I wanted to make sure the expectation was in line with what we have authority to deal with at this point. You did say it has been vacant since 2018. Staff record say it went into the vacant building program December 2019. I would distinguish between being in the program vs. when it is empty of people. That's often a different date. It is obvious if there's a significant fire, but in other cases time passes.

Magner: my assumption in this case is the building was sold to an investor who came forward and submitted some plans and was given a permit and then started working. Some of the work done isn't in compliance with those original plans. That will need to be addressed by the new construction permit. The building wouldn't have gone directly to vacant buildings until the permits were cancelled and referred to the program because the project was abandoned.

Moermond: so they initiated rehab, and then asked forgiveness than permission?

Magner: the previous owner, 45 North, applied for a permit to add a second story. That required BZA approval and 2 variances, including a side-yard setback.

Moermond: so the setback was a denied appeal at the BZA?

Magner: there's been some inquiry since the code compliance was done. On November 23, 2020 Bruhn wrote that at the time of code compliance inspection the roof hadn't been changed. If that's the case either another application must be made to the BZA to grant height variance or the height must be reduced to 22 feet. At this point the plan being submitted by Lima One to meet the requirements of the May 2020 code compliance inspection must include removal or modification of the roof to bring it back into compliance with existing building code or go back to BZA. I don't know its success since they've ruled on it once.

Moermond: so we have a height violation right now. The expectation would be the building application would be to reduce the height. Any information on the setback?

Magner: Nathan hasn't commented on that specifically. But any further movement would require they meet that 4-foot side yard setback. The original application was for .38 feet. A matter of inches.

Ramsden: I'm already privy to that information. The setback I don't believe was 2 inches. I question that. The original request was not 3.8", it was 3 feet 8". Moving forward there is the question about the roof. It is not in compliance now. What's the new design going to look like? If the BZA isn't informing the neighbors, we don't know what's going on. That's a concern. We already went through this once.

Moermond: we can include in our material information from the BZA on their process. That's not the business we're in. The building permit wouldn't be processed or approved unless it included decreasing the height, unless it was complaint with codes.

Ramsden: so taking down the previous roof?

Moermond: it would be reducing the height, but it isn't my job to state how the contractor would do that. Yes, it has to be lower.

Ramsden: which doesn't give them enough room to have an upstairs. I appreciate the opportunity to discuss that so I know the setback won't be an issue again.

Moermond: your comments will be in our record, there will be information in the letter about how to submit additional information.

Corneille: I have some questions. Mr. Sauer said the construction cost was \$226,000 and I'm wondering whether the roof reduction was included in that estimate? Or is that based on an assumption the variance was given for roof height? My other question is what kind of time would the City be granting to do this work if they are allowed to? Based on what I've heard they're asking for more time, but it seems like an impossible task. I've seen the list of improvements that need to be made, I can't imagine \$226,000 is anywhere near a realistic bid. I'm just a homeowner with no expertise but I know the value of money and repairs on an ordinary house.

Moermond: the work plan that I review, which I do not have yet, it is going to need to address the items on the code compliance inspection report. That is how I measure whether it is an adequate work plan. I will be looking for that, I don't have it yet. In terms of the amount of money spent on rehab, I would say this is in alignment with what I would expect. It is different when you're approaching it as a complete rehab. Mr.

Magner, any comments?

Magner: we don't have a scope of work or bids, but \$226,000 is a large sum of money and quite frankly this project could be brought into compliance for less than that. Their scope of work likely has enhancements to make it more sellable vs. meeting minimum code compliance requirements.

Moermond: as far as length of time, were the Council to give a grant of time, the standard time is 180 days. Within that time period the project needs to reach at least the 50% mark in order to not forfeit their performance deposit. We also review all cases at that six-month mark to look at that and see if an extension merits being given. You can also submit testimony and comments at that time. Especially with Covid, sometimes things have been taken longer. Sometimes it takes less because it is a vacant building so it is appealing to work there. That is the standard length of time and the measure at the six-month mark. Mr. Sauer, you seen the scope of work, any timeline yet?

Sauer: I've seen it, but I don't think the timeline is filled in until it is signed. If they get the time to do it they'll sign it and get it to you.

Moermond: and I'll need a timeline before I ask the Council to grant the time to do it. That timeline needs an approach for the next six months. If a neighbor calls and asks what's going on, I can look at that and have a sense of what is being done. That's a standard ask we have. Most general contractors can provide that. I understand your personal contract it would be a deadline.

Sauer: understood.

Moermond: and that would be public for the neighbors to see. Ms. Corneille, does that answer your questions?

Corneille: I'm confused as to whether or not the current work plan includes the lowering of the roof.

Moermond: it has to unless they have BZA approved the variance. The statement earlier from Mr. Magner was the building inspector noted it was too high and it was incorporated into the orders. A building permit won't be approved unless that is in the application. Any other questions?

Corneille: procedurally does your recommendation to go Council for review?

Moermond: exactly.

Corneille: and they rule and then the six months start?

Moermond: yes, at the time of their vote. Right now it is normal for me to begin talking with the owner about timelines for producing what we're requiring. The first two items here have already been met, the performance deposit posted and code compliance inspection done. Mr. Sauer, what timeline does your client need to produce a scope of work and timeline and affidavit?

Sauer: six weeks, but maybe before. They are motivated, but they're depending on the contractor to give the timeline. I will get it to you as soon as I have it. That's a tall order to get a contractor to commit. We'll get it though.

Moermond: your currently scheduled to have a public hearing on January 13, on the strength of the first 2 conditions being met, I'll ask them to send it back to Legislative Hearing January 26, 2020. February 9 I want to see everything in place, but the sooner we have it, the better. If we have those things to review, then we have time to address things before the next Council Public Hearing.

Sauer: so essentially a status hearing.

Moermond: we'll send a follow up letter to everyone on the call.

Referred to the City Council due back on 1/13/2021

- 6 [RLH RR 20-52](#) Ordering the rehabilitation or razing and removal of the structures at 1013 JAMESON STREET within fifteen (15) days after the January 13, 2021, City Council Public Hearing.

Sponsors: Brendmoen

Layover to LH December 22, 2020 at 9 am for further discussion. By close of business Friday, December 18 PO to 1) submit evidence of financing sufficient to complete the rehabilitation, 2) submit an affidavit indicating the finances will be dedicated to completing the project, and 3) submit work plan, sworn construction statement, or scope of work. Property must continue to be maintained.

Ray Moore, owner, appeared via phone

Staff report by Manager Steve Manger: The building is a two-story, wood frame, duplex 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 November 2, 2016. The current property owner is Raymond A. Moore per AMANDA and Ramsey County Property records. On September 23, 2020, 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 September 24, 2020, 2020 with a compliance date of October 24, 2020, 2020. 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 \$29,100 on the land and \$195,000 on the building. Real estate taxes are current. The vacant building registration fees were paid by check on October 23, 2020. A Code Compliance Inspection was done on December 7, 2020. The \$5,000 performance deposit was posted on November 5, 2020. There have been six summary abatement notices since 2016. There was one work order issued for boarding/securing. Code Enforcement Officers estimates the cost to repair this structure exceeds \$75,000. The estimated cost to demolish exceeds \$20,000.

Moermond: What are your plans Mr. Moore?

Moore: repair the building per the code compliance report. I met with a contractor yesterday afternoon, he went through the list and the building with me. He will be able to put together a rehab plan and I should have that in the next few days as part of the work plan. I fully intent to repair per the code compliance inspection report.

Moermond: financing? Do you have that secured?

Moore: I have cash available and a line of credit. I can provide that with the affidavit of

funds.

Moermond: out of curiosity, the fire was 4 years ago, what has been the holdup?

Moore: the primary holdup was the woman who lived downstairs who was a hoarder. She got some things out of the building but over the last 3 years added more things. I wanted her out. I've been ill, but that's primarily the holdup. We got the upstairs finished where the fire was, but they gave me a list of things to do on the outside. I fell behind. She is gone now. We paid to have her things moved into storage, so there's no holdup anymore.

Moermond: when is your contractor going to have that bid?

Moore: early next week I would think.

Moermond: I'd like to have a hearing December 22 at which we can review your plans, schedule and financing and say this looks great. Then on January 13 I can recommend you get 180 days to rehab, but this gives us a buffer to work through any issues.

[Michael Kuchta from D10 was called and filled in on discussion with Mr. Moore]

Kuchta: there have been four burglaries in the last month. They are categorized as break-ins, I presume.

Moermond: Mr. Magner's team will follow up on that and have an update at the next hearing.

Laid Over to the Legislative Hearings due back on 12/22/2020

7 [RLH RR 20-53](#)

Ordering the rehabilitation or razing and removal of the structures at 1313 SEMINARY AVENUE within fifteen (15) days after the January 13, 2021, City Council Public Hearing.

Sponsors: Jalali

Layover to LH December 22, 2020 for further discussion. PO to have property cleaned out and personal items removed so code compliance inspection can be conducted (deadline to be established in Legislative Hearing).

Lisa Allred, voicemail 11:20 am: will try Mr. Wilson and calling you back; tried again 11:21 AM didn't leave message.

Scott Wilson appeared via phone

Moermond: are you available Mr. Wilson in 15 mins? and we'll try her again, if she doesn't answer, we'll conduct the hearing.

Wilson: yes, I can be.

Voicemail left 12/8 for Lisa Allred: tried to times to reach you unsuccessfully, we'll do the hearing with Mr. Wilson and send you a follow up letter on the results of the hearing.

Scott Wilson appeared via phone

Staff report by Manger Steve Magner: The building is a two-story, wood frame, single-family dwelling with a detached two-stall garage on a lot of 5,227 square feet. According to our files, it has been a vacant building since June 5, 2008. The current property owner is Lisa Allred per AMANDA and Ramsey County Property records. On September 30, 2020, 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 5, 2020 with a compliance date of November 5, 2020. 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 \$40,000 on the land and \$114,600 on the building. Real estate taxes are current. The vacant building registration fees were paid by assessment on July 1, 2020. A Code Compliance Inspection was done on July 17, 2017 but is now expired. As of December 7, 2020, the \$5,000 performance deposit has not been posted. There have been twelve summary abatement notices since 2008. There have been six work orders issued for boarding/securing, grass/weeds, snow/ice, and vehicles Code Enforcement Officers estimate the cost to repair this structure exceeds \$75,000. The estimated cost to demolish exceeds \$20,000.

Moermond: Mr. Wilson, have you had a chance to connect with Ms. Allred on this property? What's going on from your perspective?

Wilson: she has been difficult for me to deal with. She doesn't respond to emails or phone calls. I just want to recoup the money I have invested. I don't know if I will have to foreclose on her myself and rehab it, I want it to be a viable part of the community again. I don't want to lose my investment, but I don't want to see her lose her home if she can get a conventional mortgage and pay me off and do whatever she has to with the City, I would be fine with that too. If this can't be done, I've got to proceed with foreclosing. I already started those proceedings before I heard anything about demolishing the building.

Moermond: do you have those proceedings underway at this time?

Wilson: yes, I do.

Moermond: are there hearings scheduled?

Wilson: I hired a foreclosure lawyer; I'm not well versed in these procedures.

Moermond: sounds like we should get some specific information from that person.

Magner: I did speak with a gentleman who represented himself as representing Mr. Wilson. I did encourage him to call in today. Apparently he chose not to do that. I did ask about timing on this and I think he was going to prepare the lis pendens but hasn't yet. Because of that we would still—

Wilson: they did send me that, I had it notarized and I sent it back yesterday. I faxed him a copy also. I'd rather be proactive than reactive.

Magner: if the lis pendens is done, we still have to have the sheriff's sale scheduled. Are you aware of a date for that yet?

Wilson: I believe they said about six weeks. Again, I'm not well versed on this.

Magner: I was given the time frame of end of January and then from there we have 180-day redemption. I did explain to the attorney that our process doesn't get stayed by any of that action, regardless of a foreclosure proceeding. You can certainly ask for an extension if you have a plan. Historically, our process continues without that. I did ask about a 5-week redemption, he indicated that even though they are doing sheriff's sales, a 5-week redemption isn't an option because of the Governor's emergency order. That stays any Court action. So unless that changes, the shortest time period we're looking at is end of July or early August before Mr. Wilson has control of the building.

Moermond: I'm surprised to hear that because we have another property that is going through with a shortened redemption time period.

Magner: this was the opinion of that attorney. Again, that's why I encouraged him to be here today. Maybe this is a case where we lay this over 2 weeks and Mr. Wilson speaks to his attorney for clarification on the details so the record is clear.

Moermond: I will note we did receive a letter from Ms. Allred, to summarize she is contesting the need for a hearing. She doesn't think she's been given a chance to be compliant with the order and the procedures weren't followed in notifying her of the hearing. She found it on the front door and she says that's the only one she received. I would note that the requirement is she be noticed and also posted on the door, and the fact she's sending a letter indicates she is aware. That being said, she says that everything has been addressed and wants someone to come out to inspect so she can get her certificate of occupancy. Mr. Magner, you can correct me, but looking at the record I saw a lot of abandoned permits. I didn't see finalized permits indicating it was inspected or ready to go. She said she hit a snag with the electric. The permits all look expired or abandoned. She needs a new code compliance and new permits, which was covered in Mr. Magner's staff report. She indicates she was a "pre-Bostrom", which doesn't make sense. If she is saying that she had this as a vacant building before a Bostrom ordinance was put into place, all that means is she would be able to transfer the property without the City having to sign-off on that contract. Again, I'm not sure she even meets the June 5, 2008 deadline but in any regard it doesn't make sense here. Because of Covid she said she never called DSI. She doesn't think she was given time. She indicates she sent the lockbox combination but didn't mention it was accompanied by a code compliance, which is what is necessary. She says she purchased a code compliance inspection. Do we have that Mr. Magner? She said she doesn't need us to make sure the work gets done. Looks like a code compliance was received on November 19, 2020.

Magner: the code compliance inspection fee was paid November 2; the request was put in on November 19. At this point in time it appears Nathan Bruhn did his trial letter, and so has electrical, but neither mechanical nor plumbing inspectors have completed theirs. We could certainly send a note over asking what the issue is, but I believe that Mr. Bruhn was able to do it after calling the owner. I think there's still an issue maybe in the basement and that's why mechanical and plumbing isn't done. We'll have to have Reid sort that out and he's not in right now.

Moermond: let's talk in two weeks. This is scheduled for a public hearing January 13, 2021. I am willing to give some time to get things straightened out legally. I'd encourage your attorney to seek a shortened redemption period. This is an abandoned vacant property and I don't know that he has assessed that correctly.

Wilson: they said they tried to do it with another client and they couldn't with the

Governor's orders. The costs occurred, it would be substantial, and I'd rather put that money towards repairs. When I first helped Lisa save her property I was going to shovel every time it snowed, and I met with the neighbors and they're great people. I'd like to see her back in or sell it to a family that wants to be part of the community.

Moermond: did she ever even live here?

Wilson: She's always owned the property, but when her mother got put into the nursing home, her mother got evicted so she had to move her mother's belongings from her residence to this house.

Moermond: looking at how it got in the vacant building program, it looks like the police were executing a search warrant investigating some wrong-doing and found hoarding and gross-unsanitary conditions.

Wilson: I think that was her mother's things they assumed was trash. I helped her save it from full foreclosure some years ago and I helped clean out bags and it was bags full of clothes.

Moermond: there seemed to be some significant sanitation issues at the time it went into the vacant building program. We are here now and we'll need the code compliance inspection report and a \$5,000 performance deposit posted. With the benefit of those two things we can talk more long-term about a rehab plan.

Wilson: is that something I need to do? Or her?

Magner: historically the party who does the rehab posts it. Mr. Wilson's problem is he has little legal responsibility until he takes the property back. Whether the structure is there at that time is yet to be determined.

Moermond: I will tell you I need to see that and I won't give an extension without it. If at the end of the day the rehab doesn't move forward with you, you can ask for that performance deposit back again. I don't want to stand in front of Council January 13 asking them to continue if I don't have that deposit in hand. You'll have to figure that out with her. I'd like to talk with you two and schedule this again in January 12 or in 2 weeks. Do you have a preference?

Wilson: I doubt she will talk to me. I've sent numerous emails and texts with no response.

Moermond: let's talk in two weeks, and we can include your attorney if you'd like. That might help clarify a foreclosure schedule. We can talk more specifically about the performance deposit at that time, knowing the deadline is the City Council meeting.

Laid Over to the Legislative Hearings due back on 12/22/2020

10:00 a.m. Hearings

- 8 [SR 20-137](#) Referring to Legislative Hearing review of a potential stay of enforcement of demolition for Amazing Homes Ecclesia LLC, represented by Michael Aderinkomi, for property at 1179 SEVENTH STREET EAST.

Sponsors: Yang

Layover to LH December 22, 2020 at 10:00 am for further discussion. PO to submit feasibility study for review by close of business December 18, 2020.

Michael Aderinkomi, owner, appeared via phone

Lawrence Aderinkomi, son and realtor, appeared via phone

Moermond: there was a stay in the enforcement of the demolition of this property in order for Mr. Michael Aderinkomi to find another person to do the rehab. The stay is about to expire and I'm hoping we're talking about the sale.

Michael Aderinkomi: since last time we have been working on sale of property or find an investor to redevelopment. I sent you a letter because Lawrence has been working with the investor.

Moermond: what is your relationship?

Lawrence Aderinkomi: Michael is my father. I am a realtor. I was just informed about the property. My initial reaction was to reuse the property. I decided I would try to find a reuse while they also tried to sell. I have been in contact with a few consulting firms, one is New History and an architectural consulting firm. They have started researching whether it has historical significance. It did look from the minutes there was a municipal historic file. I can't remember what the State Historical Society said. They provided some kind of documentation of the findings. As far as New History they have found that the building doesn't have any historical documentation yet, so we're trying to find any other grant money.

Moermond: we've been a this for a long time.

Magner: it is blocks down from the Historic District.

Moermond: so not within the district and not designated. Could it be? Sure. Does it impact the City's ability to move forward with the demolition? No. Please understand that we've been at this for a long time. My file is 3 inches thick. There's a lot that has gone on. The HPC did look at this, at my request, and would love to see it rehabbed. The question is whether it is financially feasible. The historic piece makes it eligible for tax credit for rehab. A nonprofit couldn't seek that, a for-profit entity would have to do that. All of that being said, it sounds like Ms. Elliot could do something similar to what a previous consultant had done in her analysis. Do you have that?

Lawrence Aderinkomi: if it was given to my father he should have it. As far as feasibility, I did a preliminary with basic numbers but I just gave Ms. Elliot from New History the go ahead to do hers. They said it would be done in a few hours. I'm expecting that today. We just need another few days to get that answer and whether I recommend to my father to try and sell or move in different direction and find investors. I would like to ask, if we find the project does have potential to generate income, will the City have any funding? Or is that simply on us?

Moermond: this isn't the forum for funding. My office doesn't finance rehabs. We're dealing with the nuisance condition. It could be there are funding sources, but I don't know. I would very strongly encourage you to go into the record and look at the report by Lisa Kugler. She did this analysis. Whatever they develop, I'd be comparing to that. I'm sure you'd want to do the same.

Lawrence Aderinkomi: I wasn't aware of that, or I wouldn't have done another one.

Moermond: she landed on doing an SRO building. She was looking at 10 units and some community space. That was coming it at \$1,100,000. The question was finding someone to bankroll that. Can this be rehabbed is the bottom line, for what it will cost? Is a million-dollar job going to work out.

Lawrence Aderinkomi: yeah, that would be tough.

Moermond: I think that's why it sat for so long. It doesn't mean it isn't a possibility. Well send you the consultant report and a link to the old records on this.

Lawrence Aderinkomi: that's what I need, I have knowledge gaps.

Moermond: I was looking for you guys to have a purchase agreement by now.

Michael Aderinkomi: Lawrence has knowledge of commercial and residential. We manage a property, so I just called him back to come look at the property. In the past 4 months I've had contact from organization that have expressed interest. They are looking for a property to develop for low income housing, but they won't decide until spring. They told me to call back in January. I have that pending. My realtor has three potential buyers. The resident across the street and behind the alley. We are planning to have them come in. We sealed it up again two weeks ago, someone broke in again. This is a two-prong approach. Sell it or find someone that will redevelop it. We don't have any written agreement yet.

Moermond: what are you looking for from me? You had three months to figure out something. You've brought your son in who is doing what you should have been doing, an analysis, but I thought we'd be further along.

Michael Aderinkomi: it may look like minimum to you, but I've been working hard. I want to sell it and pay the bank off and get out of this trouble. The way it is going it isn't a matter of three months.

Moermond: let's be clear you were at a hearing years ago talking with a purchaser and you said you weren't going to involve yourself. It isn't news that this property is in such a dire straight. This has been going on a long time. I'm glad you're finally interacting with it, but understand it I've been doing this for a long time. You've been copied on communication from the beginning

Michael Aderinkomi: I understand. We had to cancel the contract for deed so I can take over completely. Now it is in my care since October. I've been trying to meet the conditions, but I can't find anyone to make an offer or redevelop.

Moermond: I'm going to schedule this to talk again December 22 at which point Lawrence Aderinkomi will have had more time to talk to your consultant. There is a standing order to remove the building, that has been stayed through the end of this year. I need something to hang my hat on. If we don't have a purchase agreement I need to see concrete steps being taken that I can rely on that this will be resolved in order to ask for more time to continue working on it. I'm not opposed to problem solving, but I can't do that on thin air.

Lawrence Aderinkomi: as far as what qualifies as "concrete steps", does that mean we have another feasibility report, or design plans? In two weeks we'll probably only have a plan. No financing by then. We want to make sure we have what we need without any

confusion.

Moermond: the resolution granting the time says specifically that the Council's grant of time was for the selling of the property per Mr. Aderinkomi's stated intention. Detailed scope of work and evidence of financing by purchase of developer. We don't have those things. I'm sorry you're late to the game, would a feasibility study be good? Sure. Absolutely. Who can do it and execute are the logical next questions. Let's get the feasibility study done. I don't know if your father getting his money back out is reasonable, but it is not the question I'm concerned about. That's a private investment decision he made. You'll be looking at loss mitigation. That's where my head is at. Share the consultant document with your potential purchasers.

Lawrence Aderinkomi: discussing this with farther, loss mitigation isn't the primary objective. We'd like to comply with the City's orders. One discrepancy I want to note is that although his involvement on paper looks like it happened a year ago, if he was there it was only as the financier for the building, with no legal responsibility to act. From the point where the Contract for Deed was cancelled should be considered the actual time, when we had legal authority to take action to comply with the City's orders.

Moermond: I hear what you're saying, I've been doing this for years. The question is what kind of agreement was signed where a building being subject to demolition wasn't a violation of that agreement? I heard him say they're making payments on the contract therefore they weren't in violation, but traditional contracts would take into account demolition orders. Please understand, I think that's more nuanced than has been described to you. Let's get that feasibility study done and into the hands of a potential purchaser. I'm not interested in someone who is saying "call me this spring if it is still available." That doesn't sound great. If you have people you've talked to get these documents into their hands and into this conversation. We'll send you a follow up letter and those materials.

Laid Over to the Legislative Hearings due back on 12/22/2020

Making Finding Orders

- 9 RLH RR 20-31** Ordering the rehabilitation or razing and removal of the structures at 1033 GALTIER STREET within fifteen (15) days after the September 23, 2020, City Council Public Hearing. (To be referred back to December 8, 2020 Legislative Hearing)

Sponsors: Brendmoen

Layover to LH January 12, 2021 at 9 am. (CPH January 13, 2021) PO must 1) make sure property is open and accessible for the code compliance inspection to be completed, 2) submit evidence of financing sufficient to complete the rehabilitation, 3) submit an affidavit indicating the finances will be dedicated to completing the project, and 4) submit work plan, sworn construction statement, or scope of work. Property must continue to be maintained.

Adam Soczynski, attorney for Usset, Weingarden and Liebo, appeared via phone

Moermond: it looks like the code compliance inspection team hasn't been able to get access to the property and haven't heard back from the person who did the code compliance inspection application.

Soczynski: I was just made aware today. Originally they said there was a lock box with a code so it was news to people here today. I still don't have the bottom line as to why or who, but they are now aware and in the process of remedying it to keep it moving

Magner: notes say that November 19 doors were screwed shut, no entry, left voicemail for the owner. We do have a lock box, but for some reason if the door is screwed shut, they aren't able to get in. We don't take the screws out. The vendor needs to make sure the lock box is there, combination works, and that it is easy to make entry.

Moermond: so Xome field services needs to make sure the door is unscrewed.

Mai Vang: there was an email chain December 3 from Nathan Bruhn that Mr. Soczynski was on.

Soczynski: I believe someone verified it after that email, but no one can give me an answer rot why the issue exists.

Moermond: have you got a contractor in to look at it yet?

Soczynski: I don't have that answer either.

Moermond: the sooner we get this addressed the better.

Soczynski: I'll add that into my summary notes for them after speaking with you so they can get some things moving along.

Moermond: here we are, the inspection report would be helpful. Lacking it, I would say why don't you go ahead and get that information squared away with Mr. Bruhn as soon as possible and get some contractors through. Then you can put together a scope of work on this. That will give us concrete information about what it will look like moving forward if you want to rehab.

Soczynski: yes, that is what they want to do.

Moermond: let's talk January 12 and get that code compliance done so you can have a contractor go through the first week of January. That should be enough time to get that done. We'll talk again January 12.

Referred to the City Council due back on 1/13/2021

- 10** [RLH SAO 20-46](#) Making finding on the appealed nuisance abatement ordered for 598 LAFOND AVENUE in Council File RLH SAO 20-41.

Sponsors: Thao

Nuisance is not abated.

No one appeared

Moermond: photos from December 3rd found the vehicle was still there. Looked like a back tire had been inflated but a front tire wasn't.

Magner: I was sent a photograph. It has a broken mirror and it doesn't look operable at this point. The nuisance has not been abated.

Moermond: I agree. The nuisance abatement order indicated it wasn't parked on a legal spot. At the time of the hearing we looked at the aerial map and don't believe it was ever a legal parking space. This will go to Council next week and then the department can take action to abate the nuisance.

Referred to the City Council due back on 12/16/2020

11:30 a.m. Hearings

Orders To Vacate, Condemnations and Revocations (NONE)

1:30 p.m. Hearings

Fire Certificates of Occupancy

- 11 **RLH FCO** Appeal of Brett Hesley to a Correction Notice Re-Inspection Complaint at
20-167 1550 BUSH AVENUE.

Sponsors: Prince

Grant to July 1, 2021 for compliance.

Brett Hesley, KBD Investments, appeared via phone

Staff report by Supervisor AJ Neis: this is a Fire C of O correction notice for a retaining wall by Inspector Ganzel back in November. He identified the wall was in disrepair and took some photographs. It was noted as something to have a plan of action for by May 1, 2021. The appellant is saying it is a shared wall, we don't know if that it is true. Inspector Ganzel's first glance was it was this property's wall which is why he wrote the orders to this property. Property owner would like to work with neighbor to get compliance.

Moermond: it looks like 1550 Bush is at the higher elevation than the neighbor at 1554. The wall would be functioning to retain the soil at 1550 Bush. That's where you come from in issuing the order?

Neis: correct.

Moermond: it only went to this property? No orders to the adjacent property?

Neis: correct.

Moermond: so KBD gets the order. Mr. Hesley, you're saying it is shared. Tell me about the communication with the neighbor.

Hesley: we received the correction notice in December 2019. January I did an initial knock at the neighbors. Spoke to them later in January. They are ESL, but I think they understood me. They were the tenant. Followed up in February and I did get a call and told them I was getting bids. We had property corners marked when we built the garage, and the wall is down the center. That means it is shared responsibility. We have to try and work it out ourselves civilly. They ignored me and then Covid hit, I have been talking to the Fire Inspector. Then I got someone different saying they were the

owner and they would take a look at my bids. I had two, one to replace the failing section, one for the entire wall. I gave them the bids, they ignored me. Finally a different person called, a relative who sold them the house. They tried to replace the wall and we didn't comply. That must have been when the bank or prior owners purchased. They didn't have the money and told me it was my responsibility and they would pay \$1,000. Again gave the bids, and they said they would find someone else. I told them I would still pay the half. They only found more expensive people, then said the wall wasn't on their property. I had it re-marked. I tried to contact them and haven't gotten anything back, so that's where I'm at.

Moermond: getting the corners marked isn't the same as a survey. Do you have one?

Hesley: I don't, but I have plat drawings.

Moermond: but that's not the legal boundary. That's an approximation, not the actual measures on the ground.

Hesley: and I spent the \$400 to get the corners marked and I don't feel it is necessary since the wall is down the center. They still won't pay their half, so that is a lot of money to spend when I don't believe they will pay.

Moermond: and you understand why the orders went to you not to them?

Hesley: the conversation with the Fire Inspector--

Neis: I am looking and I don't believe the neighboring property is owner occupied. There was a TISH done shortly before the complaint came in. It was closed as owner-occupied but they may no longer live there. There's something not right here.

Hesley: I'm willing to even pay more than half if they find a cheaper bid, but they can't. I'm being more than fair I feel.

Moermond: did the inspector look for the corner markers?

Neis: typically we don't since we don't carry a way to find them if they're buried. Typically we look at whose soil is it retaining. It is retaining the soils from 1550 Bush which is why it was written there. I don't know who called in, but that was the property they claimed it to be on.

Hesley: this was for a complaint? I thought it was part of a routine fire inspection

Neis: it was a complaint.

Moermond: the regular fire certificate is due April 2021. Because it was an investment property Fire C of O fielded the complaint. They made a finding that this is a retaining wall associated with the property at 1500. Mr. Hesley believes it is shared ownership of the wall. Looking at this, I will say that in 95% of the cases the responsibility lies with the owner with the higher elevation and that's your problem with this. You maybe need to settle this civilly. Is there a problem with this? Yes. Should the orders be issued to the property next door? I can't order the department to do that. Perhaps Mr. Neis should explore.

Neis: it may fall under our prevue. There's more background on this. The inspector in 2016 said the owner was moving back into the property, but it looks like it was never

changed with Ramsey county. We need to investigate.

Hesley: when someone calls into the City you are told retaining walls are shared. I don't know if there's miscommunication. I've paid for half of some very expensive walls. I've called multiple times.

Moermond: I don't know the specifics of those walls. It does happen when we get survey knowledge we find it isn't on the property we wrote the orders on. We don't know any of that now. The higher elevation piece is definitely in play. The wall is in a state of collapse, so it would be measured from the foot of the wall.

Neis: over time, this wall very well could have been on 1550 Bush and as ground settled it pushed on the neighboring property. It is still your wall but it has started to list onto the neighboring property.

Hesley: is that what City code is written as?

Moermond: that's a legal principle; it is case law. It sounds like this is a civil matter. My question is whether or not orders for the neighboring property are justified or whether it is something you need to pursue yourself, and what a reasonable timeline is. Who did you talk to that said it was 50/50?

Hesley: I agree. I'll find the information in my other files.

Moermond: I can tell you I would never say that and I hear appeals on those decisions. It is a case by case, property specific situation.

Hesley: they do say try to hand it civilly. I think the neighbor thinks I'm trying to scam them. If it is a rental property it would help.

Moermond: either way, it is subject to this inspection regardless. It's a matter of who is responsible. It will be looked into in any event.

Neis: I'd like to clarify I never said that.

Hesley: I'm not saying it is you. I'm saying that's what they say when you call DSI and zoning.

Neis: I'd like to know that information as well.

Moermond: it does appear legit that your property received orders. May 1 may not be a deadline that works given you have to have these conversations, but more importantly were just coming out of the soils thawing at that point as well. I will reach out to the department leadership on the neighboring property and to also let them know about the issue with advice being given about retaining walls being a shared responsibility. I'm looking at a reasonable deadline of July 1, 2021. That takes into account weather, additional bids. I know it is not cheap to do a survey, but I may be money well spent in terms of financial responsibility, but that's your decision. You may get a survey that takes you out from under responsibility. Right now it is definitely a legitimate order on your property. Initiate communication and you have until July 1 to work on it. You'll need access to the neighbor's property to even do the work and that will need hashing out.

Hesley: I don't know that they're unwilling to let me do it, they're unwilling to pay for

anything.

Moermond: ok. The City will look at whether they will issue orders for the neighboring property, that would have the same deadline if they are issued. If you like, we can let you know how that progresses.

Hesley: that would be great.

Moermond: so you have an extension to July 1, 2021 but the orders stand.

Referred to the City Council due back on 1/6/2021

12 [RLH FCO
20-168](#)

Appeal of Irine Katras to a Fire Inspection Correction Notice at 1676 WHITE BEAR AVENUE NORTH.

Sponsors: Yang

Layover to LH December 22, 2020 for further discussion. PO to submit contractor bid(s) on cost to comply with orders.

Irine Katras, owner of Best Steak House, appeared via phone

Staff report by Supervisor AJ Neis: this a Fire C of O correction notice for a strip mall complex. The only items being appealed are 11 through 14, which talk about the fire suppression system in addition to the hood and duct system for the cooking at Best Steak House. One of the items being appealed is the coverage for the char broiler doesn't meet fire suppression standards. Talking with Inspector Huseby this was red tagged by the vendor who services the system, hired by Best steak house. In addition, the hood and duct systems are inadequate. I don't believe anyone is disputing the orders, they are saying that due to Covid, economically they can't afford to fix them at this time.

Moermond: Ms. Katras, you are representing the building management, or the restaurant?

Katras: I own the Best Steak House. I am representing those items for our restaurant. We are a small steak house; we've been here in this location for 46 years. My husband and I bought my father out a few years back. We had the first shut down and we made it through, we got a PPE loan and now we're on the second shut down. As of right now we don't have anything coming in, we're just waiting to see if we can maybe get a grant. On the report it needed to be done December 27, we basically need more time. Certain bills need to get paid first.

Moermond: what kind of estimates have you got on it?

Katras: we haven't had a chance to get anyone in. I think the Fire Marshall spoke with Nardini. I'm wondering why we didn't get notice of the red tagging. The hood and duct system won't be cheap. I'm not even sure how much. It will go in with the broiler to get those two things done together. The gyro broiler is electric and is not under a hood and it needs to be.

Neis: especially because the meat has a high fat content.

Katras: so we have to extend our hood out to cover the gyro machine.

Moermond: and you're doing take out now?

Katras: yes, takeout only.

Moermond: I see the deadline is December 28. I'm definitely able to work with you on an extension. What I'd like to find out more is what your cost will be to come into compliance. Then, we will see if we can't get some referrals for you. But we need some bids first, so we know how much money we're talking about and you'll be able to make a more informed request for extensions.

Katras: oh yes, absolutely.

Moermond: today is December 8, can you have someone out there before December 22? Let's talk further then. My office will look into any potential business support for you before then. One step at a time. The first step is figuring out the cost.

Laid Over to the Legislative Hearings due back on 12/22/2020

2:30 p.m. Hearings

Vacant Building Registrations

- 13 **RLH VBR
20-76** Appeal of Aretta-Rie Johnson, D.I.V.I.N.E. Institute, to a Vacant Building Registration Renewal Notice at 842 RICE STREET.

Sponsors: Thao

Deny the appeal of the vacant building registration. Allow permits to be pulled.

Aretta-Rie Johnson, on behalf of D.I.V.I.N.E. Institute, appeared via phone

Staff report by Supervisor Matt Dornfeld: 842 Rice street was opened as a category 2 vacant building November 2010. It was referred to our department by a condemnation by AJ Neis. As the years have passed, ownership has changed numerous times. We have had several graffiti issues, some garbage, several snow and ice complaints. A team inspection was done in January 2014; however I don't see any permits were ever pulled. We're here today to discuss the vacant building registration fee that was due November 24, 2020.

Johnson: the bill was a complete surprise to me. It was my first time purchasing a vacant property. I wasn't aware of any fee with purchasing this building. I acquired it in June 2020 after putting an offer on it December 2019. Due to Covid our closing kept getting delayed from the original date in March. I purchased it anyways. I learned about taxes and had most of them abated, and the assessments. I've been working assiduously to raise the money to start the rehab. I have 75% raised. It is going to cost about 3 million dollars to rehab.

Moermond: how did your realtor not identify this as a registered vacant building? Or the placards on the door? It seems like something that should have come up with due diligence. I'm disappointed for you it wasn't noted.

Johnson: I am surprised. The first time I heard anything was the letter in the mail. It is a lot to try and get it together, especially in the midst of all the craziness right now.

Moermond: it sounds to me like you wouldn't be starting for a while, do you have more specifics about timing of the rehab?

Johnson: it is taking longer than I anticipated. The good news is I have retained two people find me the last 25% needed. They are specialists in development. I'm hopeful about that. The architect has almost completed their drawings. We're in phase 2 so we can get more concrete bids from the contractor. Money is what's holding me up now. I'm tapped out, we've done \$125,000 in predevelopment. We're hoping to start construction in late spring.

Moermond: I'm guessing it will take you 6 to 12 months to execute. Is that your thinking?

Johnson: we've been told once it commenced it will take 9 months to a year.

Moermond: I ask these timing questions related to when the fee applies. This fee goes November 2020 to November 2021. The vacant building fees are paid prospectively. I was trying to get a notion of whether the property would stay vacant through that time, and it sounds certain it will be. Here's where I'm at. What seems to be the hardship at this moment is this bill in your hands. I want to take some of the sting out. If we let this bill go for now, within 8 weeks the Department of Safety and Inspections will turn it over to be a special assessment on the property taxes. When that happens I have the ability to make it payable over 5 years. It also wouldn't be invoiced to you until late spring 2021. That is one approach we could use to help cut it down to size and push payments to the future when you have income from the property. It would accrue interest at about 4%. I'm thinking in your situation that would be the path. The only downside would be if this goes unpaid there's a six-week window when you couldn't pull a permit. You're 5 months from that anyways, that wouldn't affect you at all. Mr. Dorf, this doesn't look like a case where a 90-day waiver makes sense. Any other tools?

Dorf: I do not see any, no.

Moermond: Ms. Johnson, don't pay the bill. That is ok. Let it go through as an assessment and when it does, appeal it and we can cut it down to size. Then we can deal with it in a much better way.

Johnson: that sounds fine. Why is there an assessment for a vacant building?

Moermond: it is in the vacant building program and has been monitored for the past decade. City staff go by every couple weeks. There are problems with break ins, graffiti, dumping, those sorts of things. We try to keep people out. Vacant building fees cover about 75% of the cost for staff to check on that.

Johnson: I never knew there was such a job.

Dorf: all condemned homes and commercial properties in the city enter the vacant building program and are charged that astronomical fee. It is also used as a carrot to get the property owner to bring the building up to code and get out of the program. Vacant houses are one of the biggest blights to any city. The City wants it to be an asset again.

Johnson: I am paying for mortgage and insurance on it too, it is a lot. It is definitely a motivation. I didn't fathom running into so many obstacles, Covid being one of the major ones. It is what it is.

Dorf: very much understood.

Moermond: it will be a great asset to the City when this is up and running again. I was gratified to see you acquired it with plans to get it going. Do you have any contacts with Planning & Economic Development to see if there is any assistance they can give? Or do the people you're working with know?

Johnson: we're a small nonprofit that I started out of my home; our family knows Mayor Carter well so I've been meaning to connect with him but haven't done so yet. I should probably connect with PED.

Moermond: we'll give you a contact for Kristin Guild, she's the executive director over there. She may have some insights into resources. We hope you stay well and thank you for doing the good work you are doing.

Referred to the City Council due back on 1/6/2021