

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

13-0355R

RESOLUTION AUTHORIZING THE BUILDING OFFICIAL TO ABATE CERTAIN NUISANCES BY REMOVAL OF STRUCTURALLY UNSOUND BUILDINGS IN THE CITY OF DULUTH IN AN AMOUNT NOT TO EXCEED \$200,000.

CITY PROPOSAL:

RESOLVED, that the council finds as follows:

(a) That the building official of the city of Duluth duly issued condemnation orders for structures located upon the parcels of land described below within the city of Duluth after determining that criteria of Section 10-3 of the city of Duluth Legislative Code was met in each case:

Parcel 1: 1114 East 10th Street, legally described as wly 28 feet Lot 7, Block 9, Chester Park Division of Duluth. Notification of order for condemnation for demolition to owner, Gregg Schmaedeke, delivered by registered mail on February 2, 2012; and

Parcel 2: 117 West Central Entrance, legally described as Lot 16, Block 31, Duluth Heights Sixth Division. Notification of order for condemnation for demolition to owner, DJN Properties, delivered by registered mail on March 3, 2012; and

Parcel 3: 3221 Chestnut Street, legally described as Ely 40 feet, Lot 9, Block 5, Bryant Addition to Duluth First Division. Notification of order for condemnation for demolition to owner, Steven R. Hutchinson, publication in Duluth News Tribune February 10, 2012 and February 17, 2012; and

Parcel 4: 822 and 824 East Second Street, legally described as Lots 9 thru 12, Block 42, Portland Division of Duluth. Notification of order for condemnation for demolition to owner, Duncan Hazlitt, publication in Duluth News Tribune April 28, 2011 and May 2, 2011; and

Parcel 5: 121 East Seventh Street, legally described as Ex Ely 29 feet of Nly 70 feet and Ely 21 feet of Sly 70 feet, Lot 27, Block 87, Duluth Proper Third Division. Notification of order for condemnation for demolition to owner, Dianne C. Stone, delivered by registered mail on May 25, 2012; and

Parcel 6: 43 Piedmont Avenue, legally described as Ely ½ Lot 278, Block 56, Duluth Proper Second Division. Notification of order for condemnation for demolition to owner, RWR, LLC., delivered by registered mail on May 23, 2013; and

Parcel 7: 2732 Woodland Avenue, legally described as All Block 10 Ex Nly 345 feet of East 75 feet, Woodland Park Sixth Division Duluth. Notification of order for condemnation for demolition to owners, Joel and Kristine Zamzow. No record in file of method or confirmation of delivery. Written letter responding to demo order from Joel and Kristine Zamzow is dated April 26, 2008; and

Parcel 8: 2006 Hutchinson Road, legally described as Lot 16, Hutchinson Division Duluth. Notification of order for condemnation for demolition to owner, Brenton Netz, hand delivered on March 31, 2011; and

Parcel 9: 3406 West First Street, legally described as Lots 4, 5 and 6, Block 4, Wheelers Addition to Duluth First Division. Notification of order for condemnation for demolition to owners, John V. Jablonski and Vincent Jablonski, delivered by registered mail on October 2, 2012; and

Parcel 10: 4109 Grand Avenue, legally described as Lot 21, Block 3, Chandler Park Addition to Duluth. Notification of order for condemnation for demolition to owner, Margaret Campbell, publication in Duluth News Tribune October 14, 2012 and October 15, 2012.

(b) All such orders are now final; and

(c) The cost for demolition of the structures has been estimated to not exceed \$200,000, and there is a current unobligated balance in fund 110-132-1504-5453 in the amount of \$49,235.80; and

(d) Fire escrow monies are being held for the removal of structures on Parcel 1 in the amount of \$29,250 and Parcel 7 in the amount of \$40,000.

BE IT RESOLVED, that pursuant to Section 10-3(b) of the city of Duluth Legislative Code the building official is authorized to:

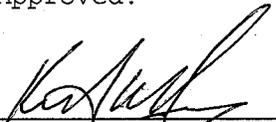
(a) Proceed with the work ordered or to contract to have the work done, payable from Fund 110-132-1504-1543; and

(b) Should the sale of the salvage from such work exceed the cost of the

demolition, the balance in excess of the cost shall be paid to the owner of said building or to such other persons as may by law be entitled thereto; and

(c) Submit to the city council a statement of the cost of such work for its further determination of the manner by which such costs shall be recouped as provided by Section 10-3(b) of the city of Duluth Legislative Code.

Approved:



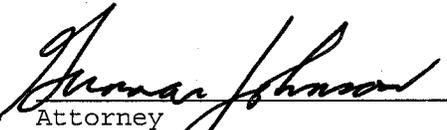
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

CONST SERV DWN:cs 6/20/2013

STATEMENT OF PURPOSE: This resolution identifies buildings that are subject to final demolition orders and authorizes the building official to take appropriate action for their removal. The council finds that these structures are substandard and constitute spot slum and blight conditions on the community. Buildings damaged or deteriorated in excess of 60% of their market value are subject to order to the owner for demolition within 30 days. Owners are notified via registered mail, or, if confirmed delivery is unsuccessful, through publication in the Duluth News Tribune on two dates. Owners are informed of their right to appeal to the Building Appeal Board within 15 days of receipts of the order. If appealed, the Board can grant up to 18 months additional time for rehabilitation if the appellant shows dedication of sufficient funds and has entered into a valid contract to complete the work within the prescribed time. Demolition orders are final when the appeal period has lapsed without the filing of an appeal or when an appeal has been granted but the given time has elapsed without completion of repair and rehabilitation. Once a demolition order is final, the city council may direct the building official to proceed with the work ordered or to contract to have the work done. Estimated cost for this work is an average of \$20,000 per building to include abatement of hazardous materials for a total of \$200,000. With a demolition account balance of \$49,235 and considering the available fire escrow funds, \$110,765 will need to be funded through other sources like community development block grants. The city's costs for demolition are typically assessed against the

property. In cases where the damage is due to fire and there is an insurance settlement the city can hold 25% of the insurance settlement in escrow, which is used to cover demolition costs for the subject property, with any remaining funds returned to the owner.

Currently, about 215 buildings in the city are condemned for habitation and about 35 of those are condemned for demolition.

BUDGET INFORMATION: 110-150-1504-5453

CURRENT UNOBLIGATED AMOUNT: \$49,235

FIRE ESCROW ACCOUNT BALANCE: \$184,396, with \$29,250 available for demolition on Parcel 1 and \$40,000 available for demolition on Parcel 7.

ESTIMATED COST OF DEMOLITION: \$200,000