



City of Saint Paul

City Hall and Court House
15 West Kellogg
Boulevard
Phone: 651-266-8560

Master

File Number: RLH RR 24-5

File ID: RLH RR 24-5

Type: Resolution LH Substantial
Abatement Order

Status: Agenda Ready

Version: 3

Contact 266-1920
Number:

In Control: City Council

Department: Department of Safety
& Inspections

Cost:

File Created: 01/08/2024

File Name: 802 Mound St Remove/Repair

Final Action:

Title: Ordering the rehabilitation or razing and removal of the structures at 802 MOUND STREET within fifteen (15) days after the April 17, 2024, City Council Public Hearing. (Amend to grant 180 days)

Notes: Yaro Sadek Tahirou
612-636-4190
tycoonflip@gmail.com

Code Sections:

Agenda Date: 05/08/2024

Indexes: Substantial Abatement Orders; Ward - 7

Agenda Number: 39

Sponsors: Johnson

Enactment Date:

Attachments: 802 Mound St.OTA 11-15-23, 802 Mound St.PH 12-22-23, 802 Mound St.Correction Notice 4-10-20, 802 Mound St.Expired Code Compliance Inspection Report 10-20-21.pdf, 802 Mound St.Photos 4-20-20, 802 Mound St.Photos 11-3-23, 802 Mound St.Photos 11-17-23, 802 Mound St.Photos 12-26-23, 802 Mound St.Revised PH 1-24-24.pdf, 802 Mound St.Code Compliance Report 3-1-24.pdf, 1262 Minnehaha Ave E.Summary.docx, 1262 Minnehaha Ave E.LS 1-16-24.pdf, 802 Mound St.Tahirou CCM R-R Ltr.3-15-24, 802 Mound St.Highland Bank Statement 3-29-24.pdf, 802 Mound St.Affidavit of Financing 4-22-24.pdf, 802 Mound St.High Caliber Construction Work Plan 4-23-24.pdf, 802 Mound St.CCM R-R Ltr.4-26-24

Financials Included?:

Contact Name: Joe Yannareilly

Hearing Date:

Entered by: vicki.sheffer@ci.stpaul.mn.us

Ord Effective Date:

Related Files: CO 23-61; RLH TA 22-417; RLH TA 22-445; RLH VBR 18-68; RLH VO 18-54; RLH VO 19-20

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	1/10/2024	Magner, Steve	Approve	1/10/2024
1	2	1/10/2024	Hoban, David	Approve	1/12/2024
1	3	1/10/2024	Wiese, Angie	Approve	1/12/2024
1	4	1/12/2024	Khan, Ayesha	Approve	1/13/2024
1	5	1/12/2024	Tincher, Jaime	Approve	1/16/2024
1	6	1/16/2024	Vang, Mai	Approve	1/17/2024
1	7	2/1/2024	Moermond, Marcia	Approve	1/25/2024
1	8	2/1/2024	Yannarely, Joe - FYI	Notified - FYI	
1	9	2/1/2024	Musolf, Joe - FYI	Notified - FYI	
1	10	2/1/2024	Beard, Tara - FYI	Notified - FYI	
1	11	2/1/2024	Gause, George - FYI	Notified - FYI	
2	1	3/26/2024	Moermond, Marcia	Approve	3/26/2024
2	2	3/26/2024	Ward 7 - FYI	Notified - FYI	
2	3	3/28/2024	Cheniqua Johnson	Approve	3/28/2024
3	1	4/29/2024	Moermond, Marcia	Approve	5/1/2024

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
2	Legislative Hearings	03/12/2024	Referred	City Council	04/17/2024		
	Action Text: Referred to the City Council due back on 4/17/2024 Notes: Refer back to LH April 23, 2024 at 9 am for further discussion after redemption period expires. Joe Yannarely, DSI Staff appeared Sadek Tahirou appeared via phone Steve Noland, CCM Finance/CCM F1, appeared Matt Forster, CCM Finance/CCM F1, appeared Moermond: Mr. Tahirou, I have you represent TyCoon Immobiliers, LLC. Tahirou: yes, that is me and my partner. Moermond: and you Mr. Noland, Mr. Forster? Forster: we are the lender; we own the sheriff's certificate. Moermond: so, you have foreclosed on the title Mr. Tahirou holds? Forster: yes, the redemption period ends April 14. It was a year foreclosure due to the amount. [Moermond gives background of appeals process] Yannarely: The building is a one and one-half story, wood frame, single-family dwelling on a lot of 5,880 square feet. The property was referred to Vacant Buildings by vacant building manager and deputy director due to illegal occupancy and ongoing neighborhood complaints. Files were opened on April 20, 2020. The current property owner is Tycoon Immobiliers LLC, per Amanda and Ramsey County Property records. On November 1, 2023, 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 November 15, 2023, with a compliance date of December 15, 2023.						

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 \$13,600 on the land and \$99,200 on the building.

Real estate taxes for 2022 and 2023 are delinquent in the amount of \$25,975.92, which includes penalty and interest. The property is scheduled for tax forfeiture July 31, 2024. The vacant building registration fees were paid by assessment on June 1, 2023. A Code Compliance Inspection was done on March 1, 2024. The \$5,000 performance deposit was posted on February 6, 2024.

There have been eighteen Summary Abatement Notices since 2020. There have been nineteen work orders issued for: Garbage/rubbish, Boarding/securing, Tall grass/weeds and Snow/ice. Code Enforcement Officers estimate the cost to repair this structure exceeds \$100,000. The estimated cost to demolish exceeds \$30,000.

Moermond: Mr. Tahirou, tell me about what your intentions are with the mortgage? There's one month before your redemption period ends. Are you going to let that expire and let go? Refinance and pay off the mortgage in its entirety?

Tahirou: that is the hope and that's what we've been working on and trying to do for a while now. We're slowly getting to the point to get the property back and rehab.

Moermond: what is the amount of the mortgage to be paid off?

Forster: We paid the Code Compliance Inspection application fee and the \$5,000 Performance Deposit so it is somewhere in the \$130,000 range. Sorry--- closer to 200k. Our bid amount is \$185,000.

Moermond: and the Department estimates the cost to rehab of over \$100,000. Mr. Tahirou, that means after paying off the mortgage, plus the cost of rehab, I guess I'm asking your ability to come up with \$300,000 for this property. Not only do you need to have clear title, plus the financing to do the rehab.

Yannarely: plus taxes, \$26,000. Forfeiture in 4 months.

Moermond: so closer to \$330,000. Not a small amount. What I'm looking at is people looking at decisions around loss-mitigation. This isn't a money-making endeavor at 802 Mound. Rehab would be a way to save as much as you can, I'm afraid. That's been my experience over the last couple of decades.

Forster: the spreadsheets don't lie.

Moermond: the Performance Deposit was posted by you as well?

Forster: yes.

Moermond: has anyone done a walkthrough and received bids?

Tahirou: yes.

Moermond: with the benefit of the Code Compliance Inspection Report?

Tahirou: yes.

Moermond: you have the March 1 Code Compliance Inspection Report in your hands? And shared with your contractor?

Tahirou: yes.

Moermond: do you have that in your hands now?

Tahirou: yes.

Moermond: what's the date on the document you have?

Tahirou: March 1, 2024.

Mai Vang: I just emailed it to him this morning because he said he didn't have it.

Tahirou: correct. But I had the Category 2 Code Compliance from when we took over the property.

Mai Vang: there's an expired one from 2021.

Moermond: what is your contractor estimating the cost will be based on the expired Code Compliance Inspection Report?

Tahirou: \$150,000.

Moermond: so now you're looking at around \$375,000.

Tahirou: yes.

Moermond: How long has Tycoon owned this property?

Tahirou: 2021 when we took over. October or November.

Moermond: how many of those orders were under their ownership?

Yannarely: 14 of them. Last time it was secured was in November. A back door was kicked in. Since then it had some furniture dumped on the boulevard that was taken care of.

Moermond: the things listed are basic property maintenance issues. Outside the added level of concern for break-ins. They may be starting fires to stay warm.

Yannarely: there was an issue there for quite a while with illegal occupancy. They don't do well with the interior.

Moermond: it was in rough shape when I saw it when it was condemned.

Forster: any issues since November?

Yannarely: no break-ins.

Moermond: the first two things are the Performance Deposit and getting that Code Compliance Inspection Report. You gentleman took care of those. Were Mr. Tahirou able to redeem the mortgage, you would ask for your Performance Deposit back, and he would post his own separately. That's one path. Second, I look for clear title. That is a concern in terms of both this redemption and staff is looking into why Ramsey County doesn't have a title recorded since 1991.

Forster: it looks like it was a sheriff's certificate from 2021. So, payment to Ramsey County.

Moermond: the tax forfeiture is looming within the 180 days the City would grant. It would be a concern that is addressed before the rehab. I hate to see someone invest \$175,000 and you lose the property back to the State/County and the nuisance isn't abated and the only tool left is ordering it demolished. That's not good for anyone. We need that taken care of. The property needs to be maintained. If there are problems with that, I consider the property now under a microscope. You can bet the neighborhood is carefully paying attention to what is going on here.

Forster: there is a strong correlation of us becoming aware mid-November and the lack of issues on the property since.

Moermond: I believe that. That is something we need to answer to the neighbors for. The next piece, Mr. Tahirou, has to do with the estimated cost and the work plan, scope of work, the timeline and plan of action for getting the property rehabilitated. I need people to have their ducks in a row, to have talked to contractors and have estimates and people lined up ready to do the work. I've seen bids both more and less than the estimated amount from the Department. I expect some variability. What I think the reasonable thing to do here is to let the time period expire so we know who owns the property and how we proceed from there. Let's talk April 23.

Tahirou: I'm not available that day. I am April 22.

Moermond: we don't do these types of hearings that day. If you have redeemed the mortgage at that point, I'm fine continuing it a couple weeks. If you haven't, we'll continue with further discussion with the owners. This has a Council Public Hearing April 17, so I'll ask them to send it back to hearing April 23.

I'll note that should Mr. Tahirou or CCM Financing not do the rehab, they cannot transfer title to another party until the rehab is complete.

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|---|---|------------|----------|----------------------|------------|
| 2 | City Council | 04/17/2024 | Referred | Legislative Hearings | 04/23/2024 |
| | Action Text: Referred to April 23, 2024 Legislative Hearing | | | | |
| 2 | Legislative Hearings | 04/23/2024 | Referred | City Council | 05/08/2024 |
| | Action Text: Referred to the City Council due back on 5/8/2024 | | | | |
| | Notes: Grant 180 days to rehabilitate the property. | | | | |

Steve Nolander, CCM Finance/CCM F1, appeared
Matt Forster, CCM Finance/CCM F1, appeared

Moermond: I take it the mortgage was not redeemed based on the fact the taxes were paid and you are here?

Nolander: yes.

Forster: Vacant Building receipt, receipt of taxes paid, I have a set of documents from proof of funds, the next is a screenshot of yesterday showing a balance of \$295,000.

Moermond: which would you like on the record? I will accept any of them.

Forster: the first one.

Moermond: so I need \$123,600. The Highland Bank statement?

Forster: yes.

Moermond: for your affidavit I would like you to write and initial from the Highland Bank account, that would be perfect. I won't enter into the record the paid taxes or Vacant Building fee, as that shows up in our system. We can see you've done it. Now, we have the money part done. Next is the sworn construction statement from High Caliber construction. They gave a bid of \$123,550. That's about what we thought.

Yannarely: it looks more than adequate.

Moermond: per Ms. Zimny's March 15 letter, it looks like everything was tackled. Staff and I agree that you get 180 days to do the rehab and because we're in agreement I expect Mr. Yannarely can put a note in the system and your contractor can do it as soon as tomorrow morning.

Yannarely: and no problems at the site.

Text of Legislative File RLH RR 24-5

Ordering the rehabilitation or razing and removal of the structures at 802 MOUND STREET within fifteen (15) days after the April 17, 2024, City Council Public Hearing. (Amend to grant 180 days)