Request for a Waiver and/or Reduction of Civil Penalties
Application

SUBMIT APPLICATION TO:
City of Las Vegas / Neighborhood Services Department
Attn: Stephen Harsin, Director
400 Stewart Avenue - 2nd Floor
Las Vegas, NV 89101-2986
Voice: 702-229-2317 -- Fax: 702-229-1033

Please type and/or print
Submit only one signed original

Date of Application: 4/6/10

Location and/or address of subject property:

Nearest major intersection: Martin Luther King Blvd & Owens Ave.

Street Address: 1640 L Street, Las Vegas, NV 89106

Parcel Number: 139-21-811-004

Applicant's Address/Contact Information:

Name: Michael R. Brooks
(please check the following the applies)
☐ Owner ☐ Purchaser ☒ Agent ☒ Other *(explain)* Attorney
Street Address/PO Box: 300 S. 4th Street
City: Las Vegas State: NV Zip Code: 89101
Phone No: 702-851-1191 E-mail: mbrooks@brooksbauer.com Fax No: 702-851-1198

Property Owner's Address/Contact Information: (if different from applicant):

Name: La Salle Bank National Association TRS
Street Address/PO Box: c/o Litton Loan Servicing, 4828 Loop Central Dr. # 600
City: Houston State: TX Zip Code: 77081-2212
Phone No: ____ E-mail: ____ Fax No: ____

Amount of City of Las Vegas Lien on the Property: $ 54,175.25

Amount requested to be considered for waiving and/or reduced? $ 52,000.00

Signature of Applicant: ____________________ Date: ________

Signature of Owner: ____________________ Date: ________

For Office Use Only:
Council Ward: ______; Case/File Number: 65688; Council Action date of Lien: 4-15-09

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Describe why the applicant is requesting a waiver/reduction:

LaSalle Bank would like to fix the property and market it for sale, but the cost of the fines make such an action infeasible for practical purposes. The fine on the property in this case is over $50,000.00. The property itself is currently worth approximately $12,000.00

There are several factors that justify the reconsideration of the fine in this matter.

First, the foreclosure sale in this matter took place on April 23, 2008. LaSalle Bank credit bid the outstanding balance on the loan of $116,100.00 (again, the property is worth about $12,000.00). LaSalle Bank immediately retained the services of a real estate broker to market the property. At some point, after the foreclosure, there was a fire on the property. As a result of the fire, the fire department was forced to remove the security bars from the windows to battle the blaze.

Secondly, our broker was advised of many of the problems regarding the property and recommended the extraordinary procedure of boarding up of the property to prevent access by transients and others. As I am sure you are aware, the boarding up of the Property frustrates attempts by LaSalle Bank and their brokers to sell assets from their portfolio. Not the least of their concerns is the impact that a boarded up house has on the neighborhood, surrounding property values, and the City of Las Vegas. As a result, all other alternatives are reviewed before choosing to board up a home. Nevertheless, LaSalle Bank agreed to the boarding up strategy and left it to their broker to do it properly.

Third, the boarding up was in fact completed in late-July 2008 -- approximately 3 months after the foreclosure sale. The City is aware that this is a quick turn around time for this type of action by the new owner of the property. Unlike some lenders who acquire real property, LaSalle Bank had diligently pursued its avenues in resolving the issues on this house which had existed. However, we have come to learn that the boarding up was not up to Code according to the inspectors (Lynn Nihipali). (The broker that ordered the boarding up has been replaced for other reasons.) As a result, on October 24, 2008, the City sent out its agents to board up the property to Code. Based on the above events it was determined that the City should impose the maximum daily fine of $500 from July 12, 2008 to October 24, 2008.

I would like to make the following points: First, unlike most post-foreclosure situations, LaSalle Bank did not let this property sit and deteriorate. Rather, La Salle Bank acquired a troubled asset that was intentionally damaged by someone else. Secondly, LaSalle Bank was pro-active in its attempts to remediate the problem by instructing its agent to proceed with the boarding up of the property even if poor judgment was used by its agent in the contractor it hired. This has been confirmed by Lynn Nihipali. The only really prejudicial delay in this matter was the failed handling of the fine notices by agents to LaSalle Bank.

In light of the foregoing, I am hopeful that we can set a time to appear before the City Council to resolve these issues.

Describe the existing condition/situation of the subject property:

The property is currently boarded up and secured according to Las Vegas Municipal Code for "Vacant or Abandoned Dangerous Building." The costs, fees, and daily civil penalties that are due the City of Las Vegas Neighborhood Services Department total $54,175.25. In addition to decreasing property value because of the general economic downturn affecting property values throughout the Las Vegas area, this property has suffered greater reduction in value due to fire damage, which was the cause of the property needing to be secured and boarded.

Describe the immediate plans for the property, including any planned improvements:

The immediate plans for the property are to make improvements to the property in order to list the property for sale. The fines currently being assessed by the City of Las Vegas Neighborhood Services Department make this property unmarketable.