



Request for City Council Committee Action from the Department of Community Planning & Economic Development - CPED

Date: January 17, 2012
To: Council Member Lisa Goodman, Chair, Community Development Committee
Subject: Land Sale Public Hearing
Vacant Housing

Recommendation: Approve the sale of 3428 Cedar Avenue South to David May for \$5,000, subject to the following conditions; 1) land sale closing must occur no later than April 15, 2012, and 2) payment of holding costs of \$300.00 per month (or portion thereof) if the land sale closing does not occur on or before the closing deadline. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

Previous Directives: CPED acquired 3428 Cedar Avenue South on May 20, 2009.

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| Prepared by: Earl S. Pettiford, Phone 612-673-5231 |
| Approved by: Charles T. Lutz, Deputy CPED Director _____ |
| Thomas A. Streitz, Director Housing Policy & Development _____ |
| Presenters in Committee: Earl S. Pettiford |

Financial Impact

- Other financial impact: Eliminate property management costs.

Community Impact

- Neighborhood Notification: Powderhorn Park Neighborhood Association reviewed this proposal and recommended it be approved.
- City Goals: A SAFE PLACE TO CALL HOME People and businesses thrive in a safe and secure city.
- Comprehensive Plan: On January 9, 2012, the Planning Commission approved the sale of this parcel as being consistent with the Comprehensive Plan.
- Zoning Code: R2B
- Living Wage/Business Subsidy Agreement Yes _____ No x
- Job Linkage Yes _____ No x
- Other: On August 15, 2011, the Planning Staff completed a land sale review of this parcel and deemed it consistent with future land use plans.

Supporting Information

| <u>PARCEL</u> | <u>ADDRESS</u> | <u>SALE PRICE</u> |
|---------------|-------------------------|-------------------|
| VH-422 | 3428 Cedar Avenue South | \$5,000 |

PURCHASER

David May
8585 Holland Avenue
Apple Valley, MN 55124

PROPOSED DEVELOPMENT:

The developer proposes to build a 1,679 square foot three-bedroom, three-bath single family home with a detached two-car garage. The home will be sold for owner occupancy.

The lot size is 45' x 123' = approximately 5,606 total square feet.

LAND DISPOSITION POLICY:

This property is a buildable lot as defined by City policy and is being sold for development.

FINANCING*:

The developer is pre-selling this home and the buyer is securing construction/permanent financing.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Public Advertisement. The sales price of this property does reflect the full re-use value.

COMMENTS:

This builder has many years of experience and has built and sold approximately 150 homes in the last three years. The development plans were reviewed by the Powderhorn Park Neighborhood Association and it recommended approval. The developer has requested that the redevelopment contract provide for signage to advertise new homes for sale. This request is for securing buyers for other Minneapolis' sites.

Authorizing sale of land Vacant Housing
Disposition Parcel No VH-422.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel VH-422, in the Powderhorn Park neighborhood, from David May, hereinafter known as the Redeveloper, the Parcel VH-422, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-422; 3428 Cedar Avenue South

Lot 8, Block 1, Monroe Bros. Addition to Minneapolis, Hennepin County, Minnesota

Whereas, the Redeveloper has offered to pay the sum of \$5,000, for Parcel VH-422 to the City for the land, and the Redeveloper's proposal is in accordance with the applicable Redevelopment Plan and/or Program; and

Whereas, the Redeveloper has submitted to the City a statement of financial responsibility and qualifications; and

Whereas, the City has had the re-use value reviewed by an appraisal expert, stating that the re-use value opinion is consistent with the accepted methods in aiding the City in determining a re-use value for the Parcel; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on January 6, 2012, a public hearing on the proposed sale was duly held on January 17, 2012, at the regularly scheduled Community Development Committee meeting of the City Council, at the Minneapolis City Hall, 350 South 5th Street, Room 317, at 1:30 p.m., in the City of Minneapolis, County of Hennepin, State of Minnesota;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the re-use value for uses in accordance with the Vacant Housing plan, as amended, is hereby estimated to be the sum of \$5,000 for Parcel VH-422.

Be It Further Resolved that the acceptance of the offer and proposal is hereby determined to be in accordance with the City's approved disposition policy and it is further determined that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the parcel in accordance with the Redevelopment Plan and/or Program.

Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur no later than April 15, 2012 and 2) payment of holding costs of \$300.00 per month (or portion thereof) if the land sale closing does not occur on or before the closing deadline.

Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

Be It Further Resolved that upon publication of this Resolution, the Finance Officer or other appropriate official of the City be and the same is hereby authorized to execute and deliver the contract to the Redeveloper; provided, however, that this Resolution does not constitute such a contract and no such contract shall be created until executed by the Finance Officer or other appropriate official of the City.

Be It Further Resolved that the Finance Officer or other appropriate official of the City is hereby authorized to execute and deliver a conveyance of the land to the Redeveloper in accordance with the provisions of the executed contract and upon payment to the City for the purchase price thereof; provided, however, that this Resolution does not constitute such a conveyance and no such conveyance shall be created until executed and delivered by the Finance Officer or other appropriate City official of the City.

TOTAL ACQUISITION COSTS INCURRED BY CPED ATTRIBUTABLE TO THE FOLLOWING PROPERTY:

Date: January 17, 2012
 Subject: Land Sale – Public Hearing
 Vacant Housing
 Address: 3428 Cedar Avenue South
 Purchaser: David May

| Disposition Parcel No. Acq Date | Address | Total CPED Costs | Less Sales Price | Write Off |
|---------------------------------------|-------------------------|------------------|------------------|-------------|
| VH-422 05/20/09 | 3428 Cedar Avenue South | \$35,966.48 | (-) \$5,000 | \$30,966.48 |

| Re-Use Value Opinion | Less Sales Price | Write-Down |
|-------------------------|------------------|------------|
| \$5,000 | \$5,000 | \$0 |

Write-Down

Reason: This property is being sold for its full fair market value and there is not a writedown.

Developer History with CPED:

This project will be the developer's first endeavor with CPED in his thirty years as a developer.

Developer Information:

- Single Individual(s)
- Married Individual(s)
- Limited Liability Partnership of the State of Minnesota
- Limited Liability Company of the State of Minnesota
- Corporation of the State of Minnesota
- Nonprofit Corporation of the State of Minnesota
- Other