



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

Date: May 15, 2012

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Land Sale Public Hearing
Vacant Housing Recycling Program

Recommendation: Approve the sale of 3016 6th Street North to Project for Pride in Living, Inc., for \$3,100, subject to the following conditions; 1) land sale closing must occur on or before 90 days from the date this Resolution is approved by the City, 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 3016 6th Street North on July 23, 2008.

Prepared by: Edith Johnson, Senior Project Coordinator, Phone 612-673-5262
Approved by: Charles T. Lutz, Deputy CPED Director _____
Thomas A. Streit, Director Housing Policy & Development _____
Presenters in Committee: Edith Johnson, Senior Project Coordinator

Financial Impact

- Other financial impact: Eliminate property management costs.

Community Impact

- Neighborhood Notification: Hawthorne Neighborhood Council was notified of the proposed project.
- City Goals: A SAFE PLACE TO CALL HOME People and businesses thrive in a safe and secure city.
- Sustainability Targets: Vital Community-Affordable housing.
- Comprehensive Plan: On May 10, 2012, the Planning Commission's Committee of the Whole approved the sale of this property for rehabilitation as a single family home 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 14, 2008, the Planning Staff completed a land sale review of this parcel and deemed it a buildable lot.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-298	3016 6th Street North	\$3,100

PURCHASER

Project for Pride in Living, Inc.
1035 East Franklin Avenue
Minneapolis, MN 55404

PROPOSED DEVELOPMENT:

Construction of a 2 story single family home with two bedrooms, two and one-half baths, approximately 1,728 square feet of living space and a two-car detached garage. The home will be marketed and sold for owner occupancy.

The lot size is approximately 37' x 165' = 6,105 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

Project for Pride in Living (PPL) has demonstrated that it has sufficient funds for the proposed project.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Negotiated Sale. The sales price of this property does reflect the full re-use value.

COMMENTS:

On July 23, 2008, 3016 6th Street North, a single family home, was acquired from a private party. The home was demolished and the resulting vacant land is in the City of Minneapolis' property inventory for housing development.

PPL is the selected development partner in the Hawthorne Eco-Village Cluster project. PPL has developed a strategy that includes rehabilitation and construction of single family and multifamily housing units to improve the quality of life and housing options for persons who wish to reside in the neighborhood. PPL will construct a single family home at 3016 6th Street North.

CPED, Northside Home Fund and other development partners are assisting PPL in its housing development strategy. The City of Minneapolis is supporting this development as part of the Neighborhood Stabilization Program. The Hawthorne neighborhood concurs with PPL's development proposal.

Authorizing sale of land Vacant Housing Disposition Parcel No VH-298.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel VH-298, in the Hawthorne neighborhood, from Project for Pride in Living, Inc., hereinafter known as the Redeveloper, the Parcel VH-298, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-298; 3016 6th Street North

The North 18 feet of Lot 10 and the South 19 feet of Lot 11, Block 10, Morrison's Addition to North Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$3,100, for Parcel VH-298 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 May 4, 2012, a public hearing on the proposed sale was duly held on May 15, 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 \$3,100 for Parcel VH-298.

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 on or before 90 days from the date this Resolution is approved by the City 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.

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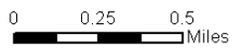
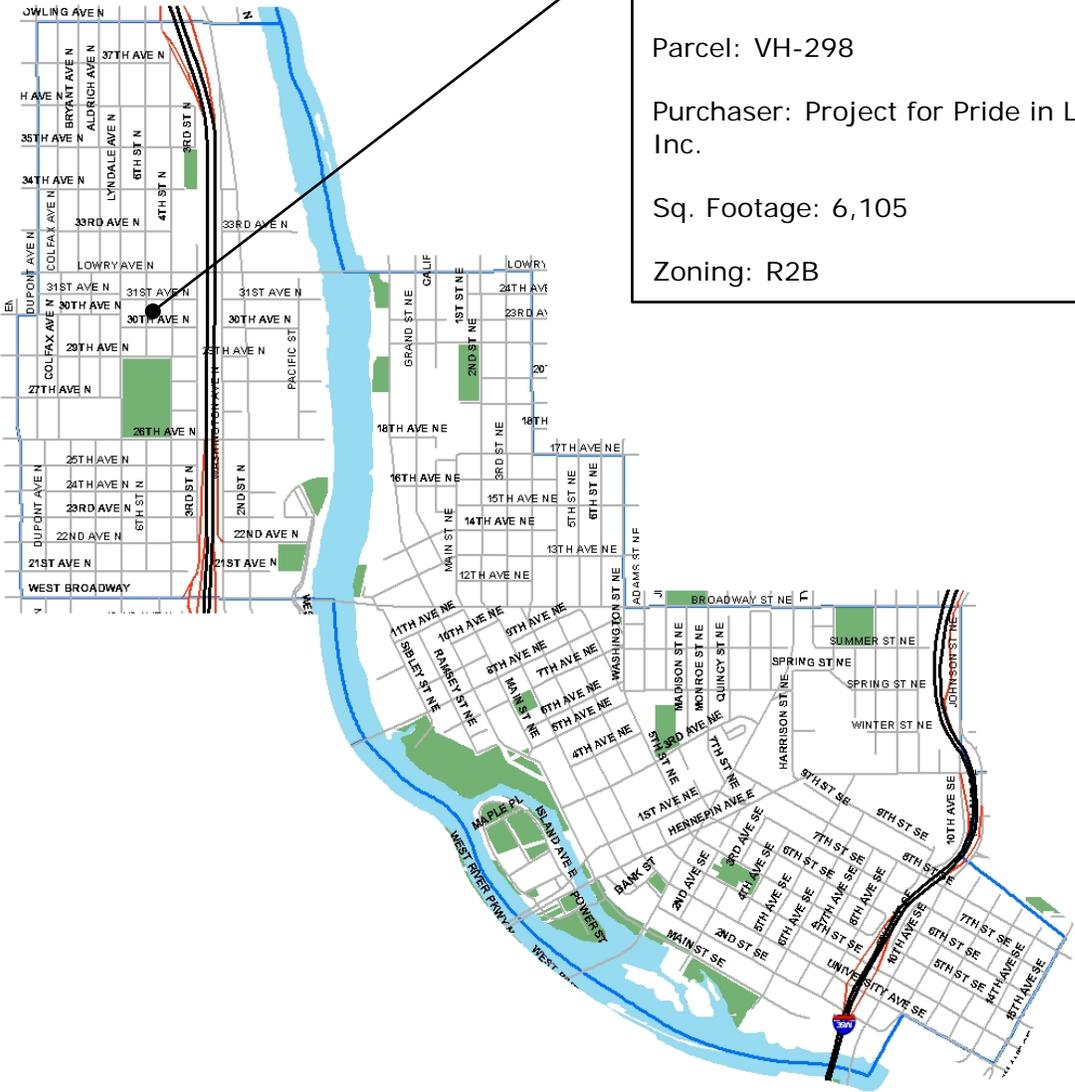
Address: 3016 6th Street North

Parcel: VH-298

Purchaser: Project for Pride in Living, Inc.

Sq. Footage: 6,105

Zoning: R2B



Created by GBS 8/23/06

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

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 Vacant Housing Recycling Program
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 Purchaser: Project for Pride in Living, Inc.

Disposition Parcel No. Acq Date	Address	Total CPED Acquisition/Demo Costs	Less Sales Price	Write Off
VH-298 7/23/08	3016 6th Street North	\$29,182	(-) \$3,100	(+) \$26,082

Re-Use Value Opinion	Less Sales Price	Write-Down
\$3,100	\$3,100	\$0

Write-Down

Reason: Not Applicable.

Developer History with CPED:

PPL has been developing projects in the City of Minneapolis for many years.

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