



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
Neighborhood Stabilization Program

Recommendation: Approve the sale of 4019 Girard Avenue North to PRG, Inc. for \$25,000, plus reimbursement of City acquisition and holding costs not to exceed \$12,474, 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 4019 Girard Avenue North on February 10, 2011.

Prepared by: Edith Johnson, Senior Project Coordinator, Phone 612-673-5262
Approved by: Charles T. Lutz, Deputy CPED Director _____
Thomas A. Streitz, 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: Webber-Camden Neighborhood Association was notified of the proposed project.
- City Goals: A SAFE PLACE TO CALL HOME People and businesses thrive in a safe an secure city.
- Comprehensive Plan: On May 7, 2012, the Planning Commission approved the sale of this parcel as being consistent with the Comprehensive Plan.
- Zoning Code: R1A
- Living Wage/Business Subsidy Agreement Yes _____ No x
- Job Linkage Yes _____ No x
- Other: On April 12, 2012, the Planning Staff completed a land sale review of this parcel and deemed continued use as a single-family home is in conformance with the policy guidance of the Urban Neighborhood category of the comprehensive plan.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
2R048	4019 Girard Avenue North	\$25,000

PURCHASER

PRG, Inc.
2017 E. 38th Street
Minneapolis, MN 55407

PROPOSED DEVELOPMENT:

PRG, Inc. (PRG) will acquire and rehabilitate the existing single family structure to consist of 4 bedrooms, 1¾ baths with approximately 1,435 square feet and a detached garage.

The lot size is 50' x 128' = 6,400 total square feet.

LAND DISPOSITION POLICY:

This property is being sold for development under the Neighborhood Stabilization Program and will be improved by rehabilitation as defined by City policy.

FINANCING*:

PRG has demonstrated 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:

PRG plans to rehabilitate the property under the Neighborhood Stabilization Program (NSP). Funds have been reserved for rehabilitation under the NSP Program awarded the City of Minneapolis by the U. S. Department of Housing and Urban Development. After rehabilitation, the property will be marketed and sold for owner occupancy to an eligible family under NSP Program guidelines.

The property is being sold in its as-is condition. At closing, PRG will reimburse the City for any additional acquisition and holding costs.

**Authorizing sale of land Neighborhood Stabilization Program Disposition Parcel
No 2R048.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel 2R048 in the Webber-Camden Neighborhood, from PRG, Inc., hereinafter known as the Redeveloper, the Parcel(s) 2R048, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

2R048; 4019 Girard Avenue North
Lot 9, Block 6, in Wyoming Park Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$25,000, for Parcel 2R048; the offer includes a development plan and commitment to improve by rehabilitating the existing structure. This offer is in accordance with the 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 accepted methods of 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 Friday, May 4, 2012, a public hearing on the proposed sale was duly held on May 15, 2012, 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 NSP 2 Redevelopment plan, as amended, is hereby estimated to be the sum of \$25,000, for Parcel 2R048.

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 official of the City.

WARD 4

Address: 4019 Girard Avenue North

Parcel: 2R048

Purchaser: PRG, Inc.

Sq. Footage: 6,400

Zoning: R1A



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

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 Purchaser: PRG, Inc.

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
2R048 02/10/11	4019 Girard Avenue North	\$23,526	(-) \$ 25,000 plus reimbursement of City's costs not to exceed \$12,474	-\$1,474

Re-Use Value Opinion	Less Sales Price	Write-Down
\$25,000	\$ 25,000	0

Write-Down
 Not applicable

Developer History with CPED:
 PRG 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