



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

Date: September 11, 2012

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

Subject: Land Sale Public Hearing
Vacant Housing Recycling Program

Recommendation: Approve the sale of 2723 Polk Street NE to Jim Dropps for \$6,700, 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 2723 Polk Street NE on June 30, 2008.

Prepared by: Earl S. Pettiford, Senior Project Coordinator, 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, Senior Project Coordinator

Financial Impact

- Other financial impact: Eliminate property management costs.

Community Impact

- Neighborhood Notification: Audubon 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.
- Sustainability Targets: Vital Community-Affordable housing
- Comprehensive Plan: On August 13, 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 July 15, 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-312	2723 Polk Street NE	\$6,700

PURCHASER

Jim Dropps
1118 Jefferson Street NE, #2
Minneapolis, MN 55413

PROPOSED DEVELOPMENT:

The developer is proposing the construction a new a 1,500 square foot single family home with three bedrooms, two baths, full basement and a two-car detached garage. After construction, the home will be owner occupied by this purchaser, Jim Dropps.

The lot size is $46 \times 182 = 8,372$ 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 builder is Accent Homes Inc., and it is financing the construction and sale of the home.

OFFERING PROCEDURE:

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

COMMENTS:

On June 30, 2008 CPED acquired a vacant and boarded single family home from HUD for \$1.00. CPED subsequently demolished the structure and the vacant land is in the city's property inventory for housing development. This parcel is on the city's lot list for sale on the city's web site.

The builder Accent Homes Inc. will construct a single family home for Jim Dropps, who will owner occupy said residence. The project will be privately funded by Accent Homes.

The Audubon neighborhood concurs with Accent Homes Inc.'s development proposal.

Authorizing sale of land Vacant Housing Disposition

Parcel No. VH-312.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel VH-312, in the Audubon Park neighborhood, from Jim Dropps, hereinafter known as the Redeveloper, the Parcel VH-312, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-312: 2723 Polk Street NE

Lot 19, Block 5, Menage's Supplement to East Side Addition to Minneapolis, Hennepin County, Minnesota.

Whereas, the Redeveloper has offered to pay the sum of \$6,700, for Parcel VH-312 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 August 31, 2012, a public hearing on the proposed sale was duly held on September 11, 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 \$6,700 for Parcel VH-312.

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.

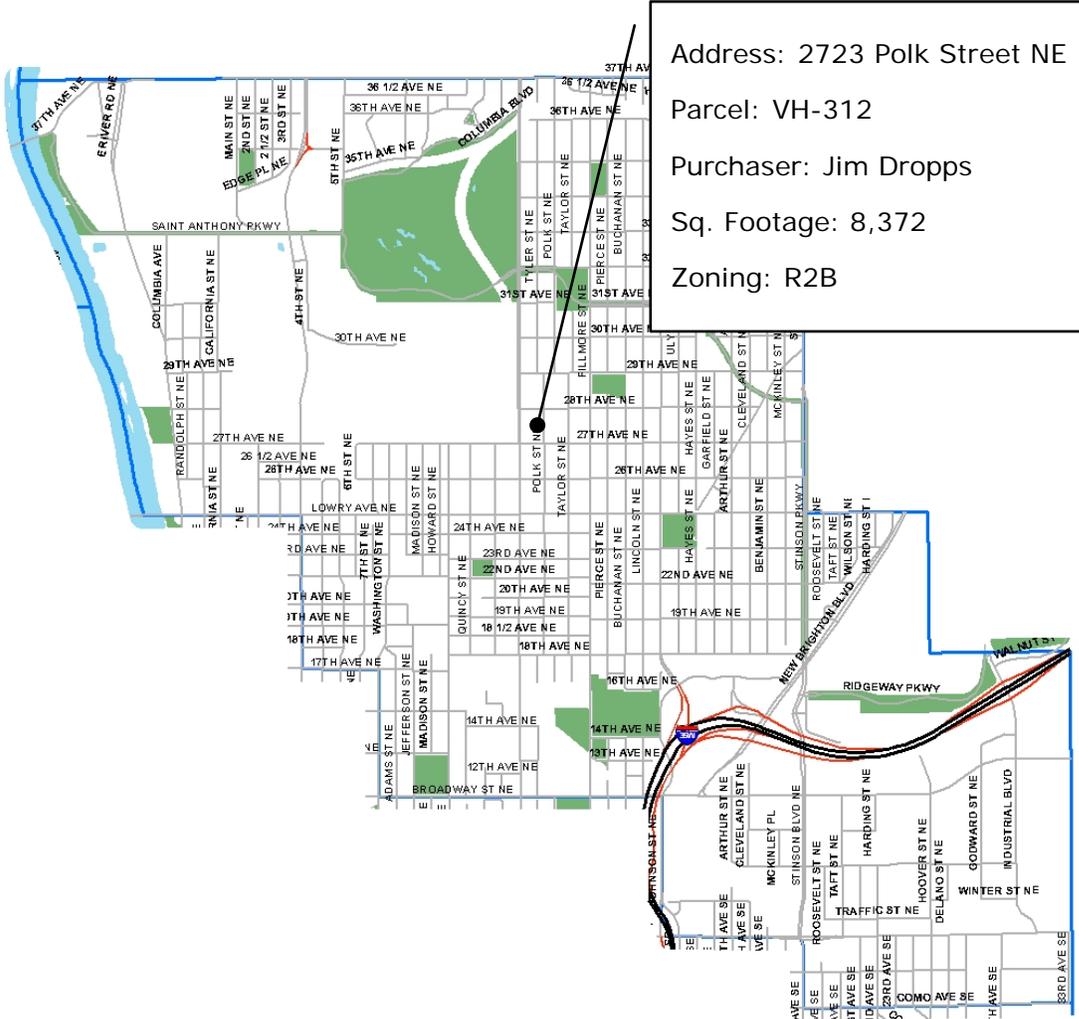
Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 90 days from the date this Resolution is approved by the City and 2) payment 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.

WARD 1



Address: 2723 Polk Street NE
Parcel: VH-312
Purchaser: Jim Dropps
Sq. Footage: 8,372
Zoning: R2B



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

Date: September 11, 2012
 Subject: Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 2723 Polk Street NE
 Purchaser: Jim Dropps

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
VH-312 06/30/08	2723 Polk Street NE	\$25,070	(-)\$6,700	\$18,370

Re-Use Value Opinion	Less Sales Price	Write-Down
\$6,700	\$6,700	\$0

Write-Down

Reason: Not applicable.

Developer History with CPED:

If the land sale is approved, it will be the first parcel the buyer/builder purchases from CPED for housing development.

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