



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

Date: April 2, 2013

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

Subject: Land Sale Public Hearing
Vacant Housing Recycling Program

Recommendation: Approve the sale of 2803 Polk Street NE to Timothy Rysgaard and Carolyn Rysgaard for \$14,100, 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 2803 Polk Street NE on December 31, 2008.

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| 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 |

Reviews 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:
- Comprehensive Plan: On February 19, 2013, 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 January 22, 2013, 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-381 | 2803 Polk Street NE | \$14,100 |

PURCHASER

Timothy & Carolyn Rysgaard
1950 Walnut Street
Lauderdale, MN 55113

PROPOSED DEVELOPMENT:

The development proposal is for the construction of a three bedroom, two bathroom house with a full basement with 1,920 finished square feet of living space. They are building for their own occupancy and propose surface parking initially, with the intent to build a double car garage in the future.

The lot size is 47' x 100' = 4,700 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

Wintrust Mortgage

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

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

COMMENTS:

The purchasers performed as the developer/general contractor on their current home in Lauderdale, MN. They now desire to live in Minneapolis. They are proposing to again perform as the developer to fulfill that plan. This will be the second home they have constructed as their personal residence.

Authorizing sale of land Vacant Housing Recycling Program

Disposition Parcel VH-381.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel VH-381, in the Audubon Park neighborhood, from Timothy Rysgaard and Carolyn Rysgaard, hereinafter known as the Redeveloper, the Parcel VH-381, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-381; 2803 Polk Street NE

The West or Front 100 feet of Lot 14, Block 2, Menage's Supplement to East Side Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$14,100, for Parcel VH-381 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 March 22, 2013, a public hearing on the proposed sale was duly held on April 2, 2013, 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 Recycling Program plan, as amended, is hereby estimated to be the sum of \$14,100 for Parcel VH-381.

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.

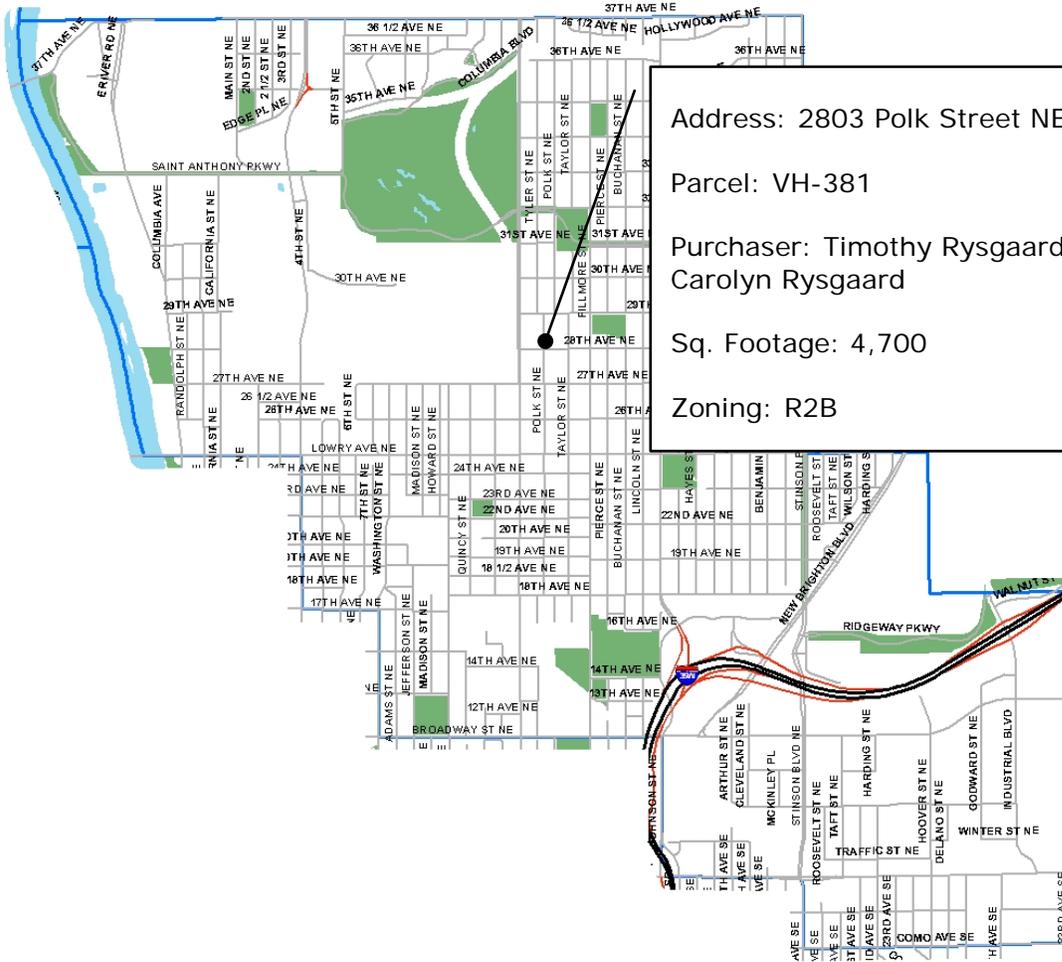
Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 90 days from the date this Resolution is approved by the City and 2) payment 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: 2803 Polk Street NE
Parcel: VH-381
Purchaser: Timothy Rysgaard and Carolyn Rysgaard
Sq. Footage: 4,700
Zoning: R2B



0 0.25 Miles

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

Date: April 2, 2013
 Subject: Land Sale – Public Hearing
 Vacant & Boarded
 Address: 2803 Polk Street NE
 Purchaser: Timothy & Carolyn Rysgaard

| Disposition Parcel No. Acq Date | Address | Total CPED Costs | Less Sales Price | Write Off |
|---------------------------------------|---------------------|---------------------|---------------------|--------------|
| VH-381 12/31/08 | 2803 Polk Street NE | \$56,948.76 | (-) \$14,100 | +\$42,848.76 |

| Re-Use Value Opinion | Less Sales Price | Write-Down |
|-------------------------|---------------------|------------|
| \$14,100 | \$14,100 | \$0.00 |

Write-Down
 Reason: Not Applicable

Developer History with CPED:
 This is their first proposal to purchase property from the City of Minneapolis for 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