



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

Date: June 4, 2013

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

Subject: Land Sale Public Hearing
Vacant Housing Recycling Program

Recommendation: Approve the sale of 2726 Stevens Avenue for \$1,654 and 2728 Stevens Avenue for \$2,296 to Whittier Alliance, 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. Whittier Alliance will reimburse the City for acquisition and holding costs, plus pay the City an administrative fee of 10%. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

Previous Directives: CPED delivered a check to Hennepin County Tax Forfeited Land to acquire 2726 Stevens Avenue on March 6, 2013. CPED acquired 2728 Stevens Avenue on November 30, 2012.

Prepared by: Edie Oliveto-Oates, Senior Project Coordinator, Phone 612-673-5229

Approved by: Charles T. Lutz, Deputy CPED Director _____

Thomas A. Streitz, Director Housing Policy & Development _____

Presenters in Committee: Edie Oliveto-Oates, Senior Project Coordinator

Financial Impact

- Other financial impact: Eliminate property management costs.

Community Impact

- Neighborhood Notification: Whittier Alliance 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 May 23, 2013, the Planning Commission Committee of the Whole approved the sale of these parcels as being consistent with the Comprehensive Plan.
- Zoning Code: R2B
- Other: On April 19, 2013, the Planning Staff completed a land sale review of these parcels and deemed them buildable lots.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-806	2726 Stevens Avenue	\$1,654
TF-772	2728 Stevens Avenue	\$2,296

PURCHASER

Whittier Alliance
10 E 25th Street
Minneapolis, MN 55404

PROPOSED DEVELOPMENT:

2726 Stevens Avenue

The single family home at 2541 Stevens Avenue will be moved to this site and rehabilitated. The completed project will be marketed and sold for owner-occupancy.

The lot size is 37' x 126' = approximately 4,677 total square feet.

2728 Stevens Avenue

The single family home at 2543 Stevens Avenue will be moved to this site and rehabilitated. The completed project will be marketed and sold for owner-occupancy.

The lot size is 41' x 126' = approximately 5,129 total square feet.

LAND DISPOSITION POLICY:

These properties are buildable lots as defined by City policy and are being sold for development.

FINANCING*:

Financing will be from the housing program income of Whittier Alliance's Neighborhood Revitalization Program.

OFFERING PROCEDURE:

Negotiated. The sales price of these properties does not reflect the full re-use value. The properties are being sold as a pass-thru in accordance with the City's Disposition Policy. Whittier Alliance is reimbursing the City of Minneapolis for the total cost incurred, plus 10% administrative fee. The City is conveying tax title.

COMMENTS:

Whittier Alliance has received the houses located at 2541 and 2543 as a donation, contingent upon their ability to move the homes to suitable sites. The Minneapolis College of Art and Design is selling the houses to Whittier for \$1 each and paying the cost to move the structures. Once the houses are moved, they will be renovated and marketed to owner-occupant buyers by Whittier Alliance. These two adjacent lots forfeited to the State of Minnesota for unpaid taxes and the City was able to purchase them with the intent of selling to Whittier Alliance to facilitate the house moves. The project will not only preserve existing housing in the neighborhood but also provide housing opportunities to prospective home buyers.

**Authorizing sale of land Vacant Housing Recycling Program
Disposition Parcels TF-806 and TF-772.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcels TF-806 and TF-772, in the Whittier neighborhood, from Whittier Alliance, hereinafter known as the Redeveloper, the Parcels TF-806 and TF-772, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-806: 2726 Stevens Avenue

Lot 4, Block 3, except the South 13 feet thereof, Crim's Addition to Minneapolis

TF-772: 2728 Stevens Avenue

Lot 5 and the South 13 feet of Lot 4, Block 3, Crim's Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the City the sum of \$1,654 for Parcel TF-806 and \$2,296 for Parcel TF-772 plus reimbursement to the City for its acquisition and holding costs, plus pay the City an administrative fee of 10%. 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 values 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 24, 2013, a public hearing on the proposed sale was duly held on June 4, 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 values for uses in accordance with the Vacant Housing Recycling Program plan, as amended, is hereby estimated to be the sum of \$23,310 for Parcel TF-806 and \$25,830 for Parcel TF-772, however in accordance with the City's Disposition Policy the properties are being sold as a pass-thru for the City's acquisition costs plus a 10% administrative fee.

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 6



Address: 2726 Stevens Avenue

Parcel: TF-806

Purchaser: Whittier Alliance

Sq. Footage: 4,677

Zoning: R2B

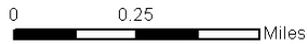
Address: 2728 Stevens Avenue

Parcel: TF-772

Purchaser: Whittier Alliance

Sq. Footage: 5,129

Zoning: R2B



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

Date: June 4, 2013
 Subject: Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 2726 Stevens Avenue
 2728 Stevens Avenue
 Purchaser: Whittier Alliance

Disposition Parcel No. Acq Date	Address	Sales Price	Total CPED Costs	Write Off
TF 806 Acq in process	2726 Stevens Avenue	\$1,654*	\$1,654	\$0
TF 772 11/30/12	2728 Stevens Avenue	\$2,296*	\$2,200	(+) \$96

Re-Use Value Opinion	Less Sales Price	Write-Down
\$23,810 2726 Stevens Avenue	\$1,654*	N/A
\$25,830 2728 Stevens Avenue	\$2,296*	N/A

*Plus an administrative fee (10% of acquisition related cost)

Write-Down

Reason: Not Applicable. The properties are being sold as a pass-thru in accordance with the City's Disposition Policy.

Developer History with CPED:

CPED has successfully worked with Whittier Alliance on their NRP housing initiative 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