



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

Date: July 9, 2013

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

Subject: Land Sale Public Hearing
Vacant Housing Recycling Program

Recommendation: Approve the sale of 1235 Monroe Street NE to Accent Homes, Inc. for \$15,024, 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: On March 30, 2012, City Council authorized staff to begin marketing and selling properties acquired under the Land Bank strategy of the City's Neighborhood Stabilization Program (NSP 1, 2 and 3) using the City's normal disposition policies and procedures for development parcels. CPED acquired 1235 Monroe Street NE on 2/24/11.

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

- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Total CPED Land Assembly Costs Write-Off: \$ 31,178.23
- Proposed Sales Price Write-down from Re-Use Value Appraisal: \$ 0.00

Community Impact

- Neighborhood Notification: Logan Park Neighborhood Association reviewed this proposal and did not adopt a position.
- 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 June 24, 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 May 23, 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-506	1235 Monroe Street NE	\$15,024

PURCHASER

Accent Homes, Inc.
13739 Lincoln Street NE
Ham Lake, MN 55304

PROPOSED DEVELOPMENT:

The developer is proposing the construction of a new 1,700 square foot single family home with three bedrooms, two baths, full basement and a two-car detached garage. The home will be marketed for owner-occupancy for an estimated sales price of \$275,000.

The lot size is 40' x 127' = 5,080 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 developer has secured financing from Village Bank for this development.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

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

COMMENTS:

On February 24, 2011, CPED acquired a vacant single family home from the Twin Cities Community Land Bank under the Neighborhood Stabilization Program (NSP), Land Banking activity. CPED subsequently demolished the structure and the vacant land is in the city's property inventory for housing development. All land sale proceeds, equal to the fair market value, will be returned to the NSP Program to cover ongoing program costs. The developer will construct a single family home for owner-occupancy.

Authorizing sale of land Vacant Housing Recycling Program

Disposition Parcel No VH-506.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel VH-506, in the Logan Park neighborhood, from Accent Homes, Inc., hereinafter known as the Redeveloper, the Parcel VH-506, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-506; 1235 Monroe Street NE

All that part of Lot 9, Auditor's Subdivision No. 29 described as follows: Commencing at a point in the East line of Monroe Street Northeast distant 726.2 feet South of a point formed by the intersection of East line of Monroe Street Northeast and South line of 15th Avenue Northeast as said avenue was opened and laid out by the City of Minneapolis. Thence East parallel with South line of said 15th Avenue 127 feet. Thence South parallel with the East line of Monroe Street Northeast 40 feet. Thence West parallel with South line of said Lot 9 127 feet to East line of said Monroe Street Northeast. Thence North along East line of said Monroe Street Northeast to place of beginning, Hennepin County, Minnesota.

Whereas, the Redeveloper has offered to pay the sum of \$15,024 for Parcel VH-506 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 June 28, 2013, a public hearing on the proposed sale was duly held on July 9, 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 \$15,024 for Parcel VH-506.

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.

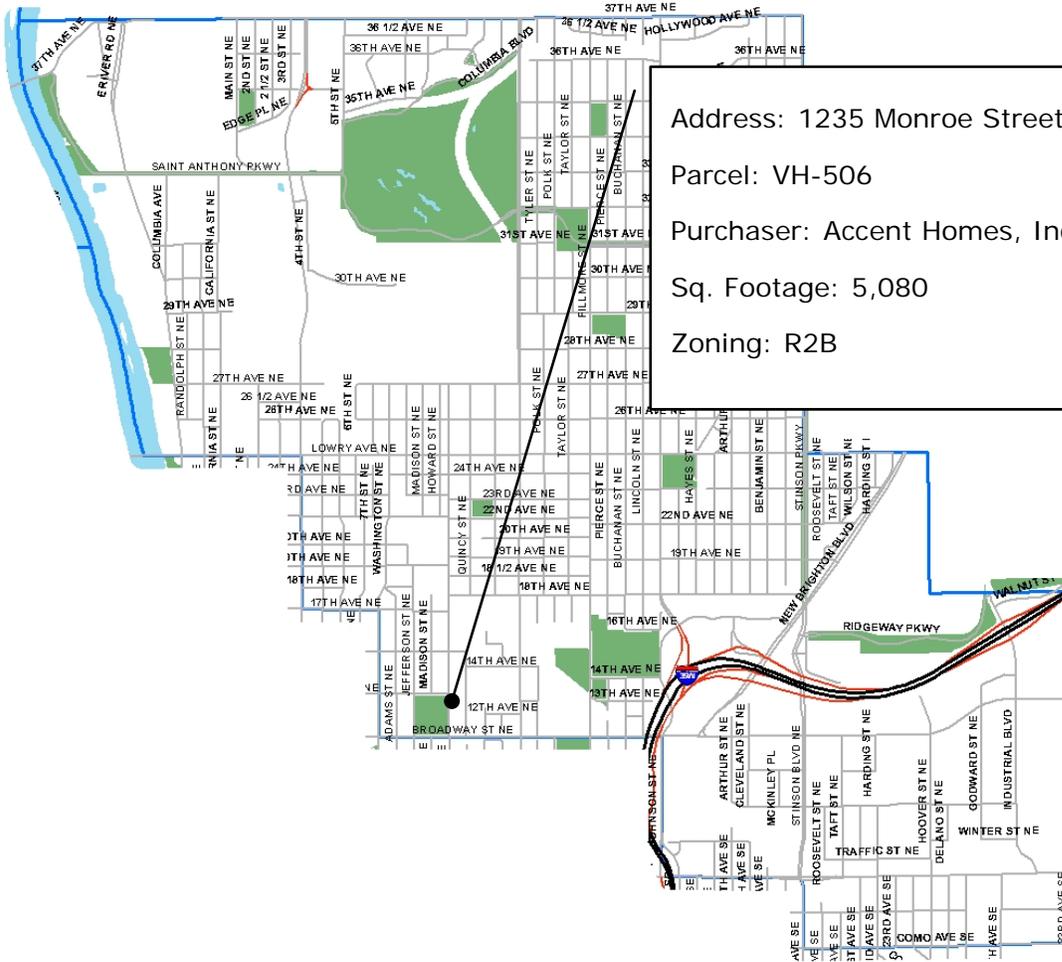
Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 90 days from the date this Resolution is approved by the City and 2) payment 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: 1235 Monroe Street NE
Parcel: VH-506
Purchaser: Accent Homes, Inc.
Sq. Footage: 5,080
Zoning: R2B



0 0.25 Miles

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

Date: July 9, 2013
 Subject: Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 1235 Monroe Street NE
 Purchaser: Accent Homes Inc.

	A	B	C	D	E	F	G
Address	Purchase Price	Acquisition/ Demolition/ Other Costs	Total CPED Cost to Assemble (A+B)	Re-Use Value Opinion	Sale Price	CPED Cost Write-Off (E-C)	Re-Use Value Write Down (E-D)
1235 Monroe St NE	\$24,651.00	\$21,551.23	\$46,202.23	\$15,024.00	\$15,024.00	(\$31,178.23)	\$0.00
Total	\$24,651.00	\$21,551.23	\$46,202.23	\$15,024.00	\$15,024.00	(\$31,178.23)	\$0.00

Write-Down
 Reason: Not applicable.

Developer History with CPED:
 The developer recently completed and sold a home on a site acquired from the City of Minneapolis located at 2723 Polk Street NE.

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