



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

Date: January 28, 2014

To: Council Member Lisa Goodman, Chair, Community Development & Regulatory Services Committee

Subject: Land Sale Public Hearing
Vacant Housing Recycling Program

Recommendation: Approve the sale of 3216 30th Avenue South to Accent Homes, Inc. for \$31,000, subject to the following conditions; 1) land sale closing must occur no later than April 15, 2014, and 2) payment of holding costs of \$300.00 per month 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 3216 30th Avenue South on April 19, 2013 under the Vacant Housing Recycling program.

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 _____
Presenter(s) in Committee: Earl S. Pettiford, Senior Project Coordinator

Financial No financial impact

- Action is within the Business Plan
- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Total CPED Land Assembly Costs Net Sale Proceeds: \$21,628
- Proposed Sales Price Write-down from Re-Use Value Appraisal: \$0

Community Impact

- Neighborhood Notification: Longfellow Community Council 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 December 2, 2013, 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 October 24, 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>
TF-801	3216 30th Avenue South	\$31,000

PURCHASER

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

PROPOSED DEVELOPMENT:

The developer is proposing the construction of a new 1,900 square foot single family home with three bedrooms, two baths, full basement and a detached two-car garage. The home will be marketed for owner-occupancy for an estimated sales price of \$300,000.

The lot size is approximately 42' x 159' = 6,678 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 April 19, 2013, CPED acquired this vacant land parcel from Hennepin County under the Vacant Housing Recycling Program. This vacant lot is in the city's property inventory for housing development. All land sales proceeds will be returned to the CDBG program as program income. The developer will construct a single family home which will be sold for owner-occupancy.

The developer completed and sold a home on a site acquired from the City of Minneapolis located at 2723 Polk Street NE and is currently completing a home on a second site acquired from the City of Minneapolis located at 1235 Monroe Street NE which they have accepted an offer from an owner-occupant and will close upon completion.

**Authorizing sale of land Vacant Housing Recycling Program
Disposition Parcel No TF-801.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-801, in the Longfellow neighborhood, from Accent Homes, Inc., hereinafter known as the Redeveloper, the Parcel TF-801, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-801: 3216 30th Avenue South

Lot 5, Block 9, Rollins Second Addition to Minneapolis, Minnesota

Whereas, the Redeveloper has offered to pay the sum of \$31,000, for Parcel TF-801 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 January 17, 2014, a public hearing on the proposed sale was duly held on January 28, 2014, at the regularly scheduled Community Development & Regulatory Services 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 \$31,000 for Parcel TF-801.

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 no later than April 15, 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.

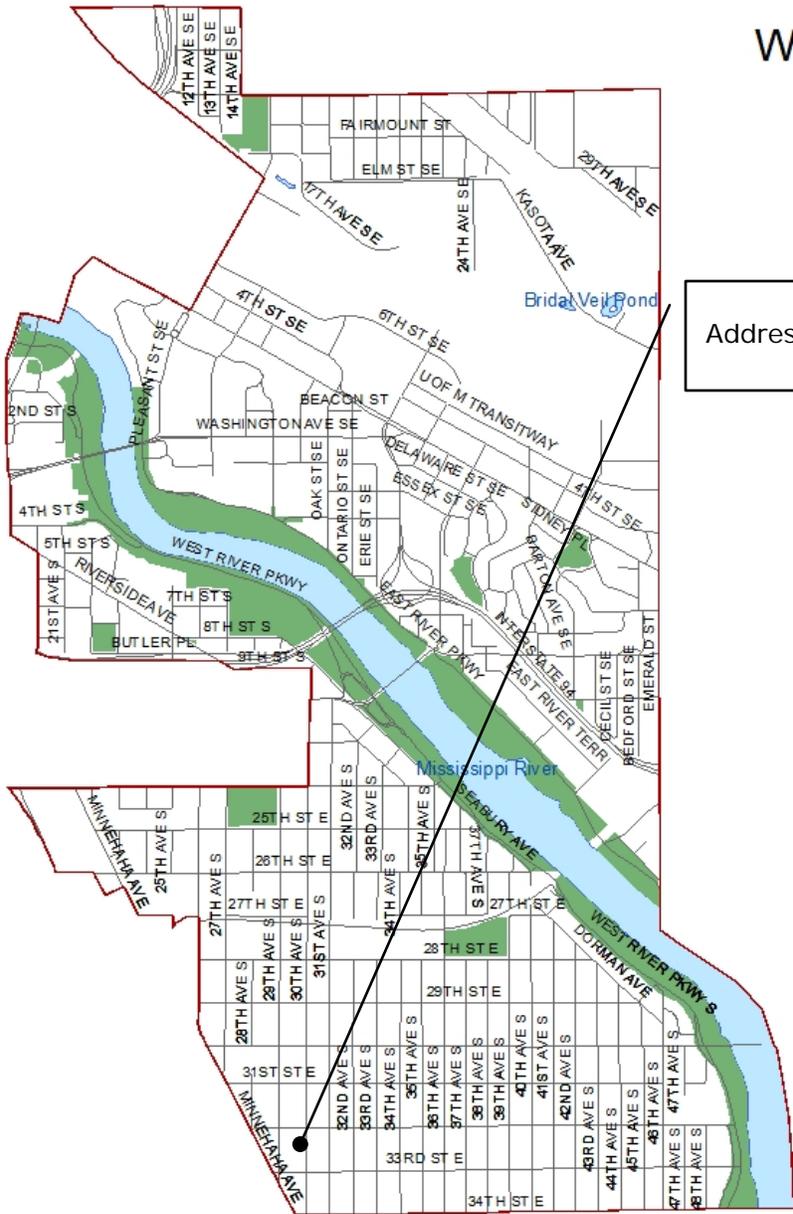
Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

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 2

Address: 3216 30th Avenue South



Minneapolis
City of Lakes
Community Planning &
Economic Development

CPED Long Range Planning, 12/18/2013



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

Date: January 28, 2014
 Subject: Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 3216 30th Avenue South
 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 or Sale Proceeds (if > 0) (E-C)	Re-Use Value Write Down (E-D)
3216 30th Av S	\$5,000	\$4,372	\$9,372	\$31,000	\$31,000	\$21,628	\$0
Total	\$5,000	\$4,372	\$9,372	\$31,000	\$31,000	\$21,628	\$0

Write-Down

Reason: Not applicable

Developer History with CPED:

The developer completed and sold a home on a site acquired from the City of Minneapolis located at 2723 Polk Street NE and is currently completing a home on a second site acquired from the City of Minneapolis located at 1235 Monroe Street NE which they have accepted an offer from an owner-occupant and will close upon completion.

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