



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

Date: May 13, 2014

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

Subject: Land Sale Public Hearing 2406 McNair Ave. N.
Vacant Housing

Recommendation:

1. Approve the sale of the 2406 McNair Ave. N. (part) and 2410 McNair Ave. N. (part) for \$4,647 to Brian G. Bogan II and Shemeka Bogan, subject to the following conditions; a) land sale closing must occur on or before 90 days from the date this Resolution is approved by the City, and b) 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.
2. Approve the sale of the 2410 McNair Ave. N. (part) for \$674 to Jeffrey Halverson & Tina L. Halverson, subject to the following conditions; a) land sale closing must occur on or before 90 days from the date this Resolution is approved by the City, and b) 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 2406 McNair Ave. N. on June 4, 2010 and 2410 McNair Ave. N. on June 18, 2010.

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

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

Catherine A. Polasky, Director Economic Policy & Development _____

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

Financial Impact

- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Total CPED Land Assembly Costs Net Sale Proceeds: \$4,551
- Proposed Sales Price Write-down from Re-Use Value Appraisal: \$0

Community Impact

- Neighborhood Notification: Northside Residents Redevelopment Council reviewed this proposal and recommended it be approved.
- City Goals: Living Well: Minneapolis is safe and livable and has an active and connected way of life. High-quality, affordable housing choices exist for all ages, incomes and circumstances.
- Comprehensive Plan: On July 29, 2013, the Planning Commission approved the proposed sale for residential sideyard as being consistent with the Comprehensive Plan.
- Zoning Code: It Complies
- Living Wage/Business Subsidy Agreement Yes_____ No x
- Job Linkage Yes_____ No x
- Other: On June 5, 2013, the Planning Staff completed a land sale review of these parcels and deemed that the sale as sideyard is in conformance with the Comprehensive Plan.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-756 & 757B	2406 McNair Ave. N. (part) and 2410 McNair Ave. N. (part)	\$4,647
TF-756 & 757A	2410 McNair Ave. N. (part)	\$674

PURCHASER

TF-756 & 757B
 Brian G. Bogan II and Shemeka Bogan
 2327 Walton Place, Minneapolis, MN 55411

TF-756 & 757A
 Jeffrey & Tina L. Halverson
 2414 23rd Ave. N., Minneapolis, MN 55411

PROPOSED DEVELOPMENT:

Brian G. Bogan II and Shemeka Bogan currently own the adjacent property at 2327 Walton Place North and are proposing to acquire 4,647 square feet of the northern portion of 2406 and 2410 McNair Avenue North for sideyard. They propose to fence the additional space for use as green space. The sale as sideyard and added fencing will also eliminate foot traffic between Walton Place and McNair Avenue. The total square footage of their irregularly-shaped lot will be increased to 9,036 square feet.

Jeffrey and Tina L. Halvorson currently own the adjacent property at 2414 23rd Avenue North and are proposing to acquire 674 square feet of the western portion of 2410 McNair Avenue North as sideyard. The sale of the sideyard will correct the existing encroachment on the City-owned property of the driveway and existing shed. The total square footage of their irregularly-shaped lot will be increased to 6,819 square feet.

LAND DISPOSITION POLICY:

These properties are non-buildable lots as defined by City policy and are being divided and sold as sideyards.

FINANCING*:

Cash

OFFERING PROCEDURE:

The sales price reflects the full re-use value of these parcels as sideyards.

COMMENTS:

On March 24, 2014, Planning Staff approved the lot line adjustments of 2327 Walton Place with 2406 and 2410 McNair Avenue and the lot line adjustment of 2414 23rd Avenue North with 2410 McNair Avenue. The lot line adjustment increases 2327 Walton Place by 4,647 square feet and 2414 23rd Avenue North by 674 square feet. The intent is to combine the remaining City-owned parcels at 2406 and 2410 McNair Avenue (15,457 square feet) for future development. Attached to this report is a depiction of the lot line adjustments.

Authorizing sale of land Disposition Parcel No TF-756 & 757B.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase the Disposition Parcel TF-756 & 757B, in the Willard - Hay Neighborhood, from Brian G. Bogan II and Shemeka Bogan, hereinafter known as the Purchaser, the Parcel TF-756 & 757B, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-756 & 757B; 2406 McNair Avenue (part) and 2410 McNair Avenue (part)

That part of Lot 1, Block 8, Ferrant's First Addition to Minneapolis, Hennepin County, Minnesota which lies northerly of the following described line: Beginning at a point on the West line of said Lot 1, distant 133.10 feet north of the Southwest corner of said Lot 1, also being the Northeast corner of Lot 2, Block 8, Ferrant's First Addition to Minneapolis; thence North 57 degrees 20 minutes 12 seconds East (bearing based on the Hennepin County Coordinate System, NAD83, 1996 adjustment), a distance of 92.02 feet to a point on the Northeast line of said Lot 1 and said line there terminating.

Whereas, the Purchaser has offered to pay the sum of \$4,647, for Parcel TF-756 & 757B, to the City for the land; and

Whereas, the Purchaser has submitted to the City a statement of financial responsibility and qualifications; and

Whereas, the City has determined the offer of \$4,647 to purchase the Parcel to be reasonable; 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 City's accepted methods in determining a re-use value for the Parcel; and

Whereas, the City's Real Estate Disposition Policy provided in Section 2.2.13 for the sale of land for sideyard; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on May 2, 2014, a public hearing on said proposal and proposed sale and the provisions thereof, was duly held on May 13, 2014, 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; and

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the re-use value for the TF-756 & 757B is hereby estimated to be the sum of \$4,647.

Be It Further Resolved that the acceptance of the offer and Purchaser's proposal is hereby determined to be in accordance with the City's approved disposition policy and it is further determined that the Purchaser possesses the qualifications and financial resources necessary to acquire and maintain the Parcel in accordance with the contract for the sale of land.

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 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.

Authorizing sale of land Disposition Parcel No TF-756 & 757A.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase the Disposition Parcel TF-756 & 757A, in the Willard - Hay Neighborhood, from Jeffrey Halverson and Tina L. Halvorson, hereinafter known as the Purchaser, the Parcel TF-756 & 757A, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-756 & 757A; 2410 McNair Avenue (part)

That part of Lot 1, Block 8, Ferrant's First Addition to Minneapolis, Hennepin County, Minnesota which lies westerly of the following described line: Commencing at the Southwest corner of said Lot 1; thence North 57 degrees 44 minutes 03 seconds East (bearing based on the Hennepin County Coordinate System, NAD83 1996 adjustment), along the Southeast line of said Lot 1, a distance of 12.00 feet to the point of beginning of the line to be described; thence North 04 degrees 27 minutes 00 seconds West a distance of 127.08 feet to a point on the West line of said Lot 1, distant 133.10 feet north of said Southwest corner Lot 1, also being the Northeast corner of Lot 2, Block 8, Ferrant's First Addition to Minneapolis, and said line there terminating.

Whereas, the Purchaser has offered to pay the sum of \$674, for Parcel TF-756 & 757A, to the City for the land; and

Whereas, the Purchaser has submitted to the City a statement of financial responsibility and qualifications; and

Whereas, the City has determined the offer of \$674 to purchase the Parcel to be reasonable; 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 City's accepted methods in determining a re-use value for the Parcel; and

Whereas, the City's Real Estate Disposition Policy provided in Section 2.2.13 for the sale of land for sideyard; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on May 2, 2014, a public hearing on said proposal and proposed sale and the provisions thereof, was duly held on May 13, 2014, 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; and

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the re-use value for the TF-756 & 757A is hereby estimated to be the sum of \$674.

Be It Further Resolved that the acceptance of the offer and Purchaser's proposal is hereby determined to be in accordance with the City's approved disposition policy and it is further determined that the Purchaser possesses the qualifications and financial resources necessary to acquire and maintain the Parcel in accordance with the contract for the sale of land.

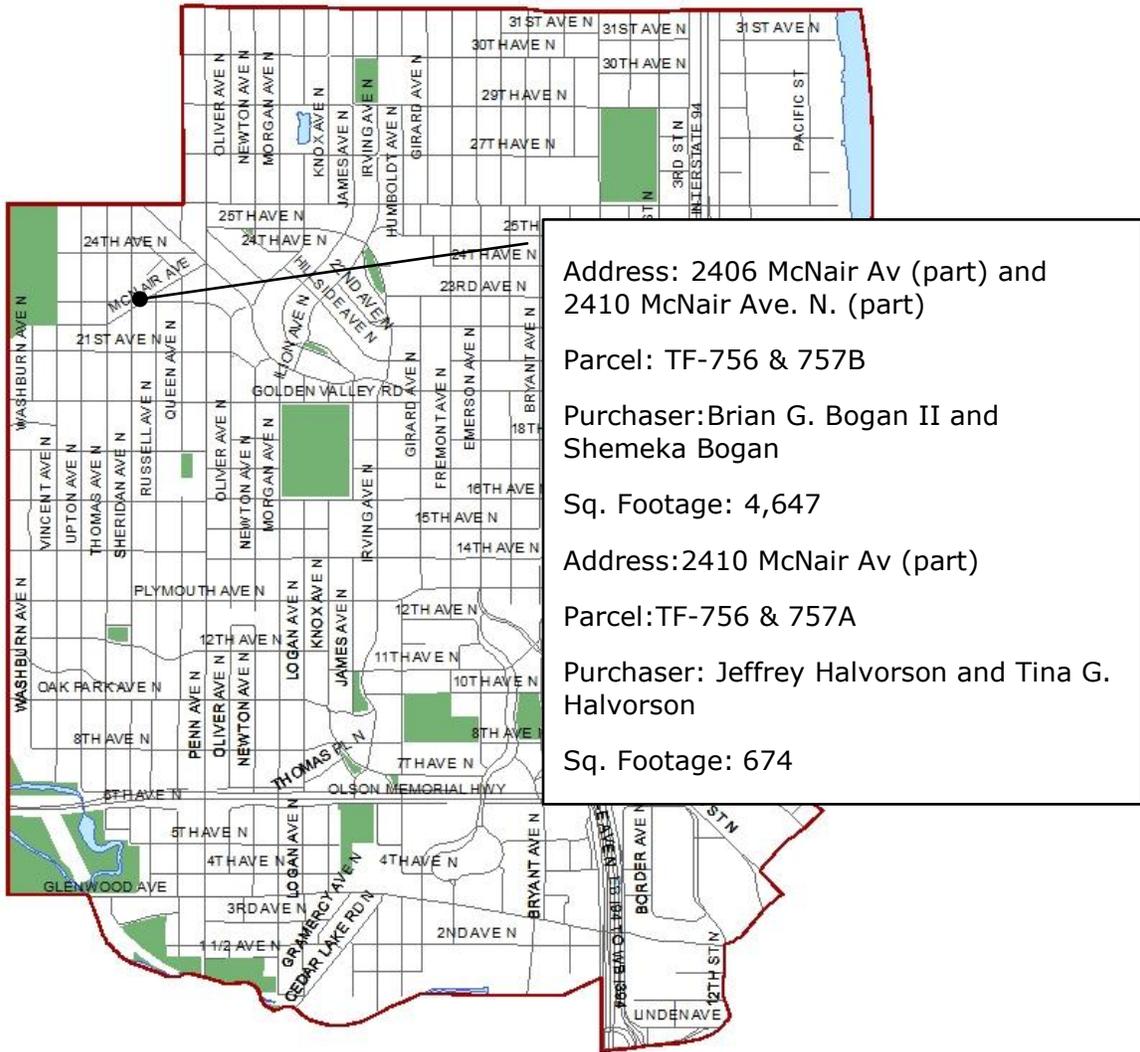
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Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

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 5



Address: 2406 McNair Av (part) and 2410 McNair Ave. N. (part)
 Parcel: TF-756 & 757B
 Purchaser: Brian G. Bogan II and Shemeka Bogan
 Sq. Footage: 4,647
 Address: 2410 McNair Av (part)
 Parcel: TF-756 & 757A
 Purchaser: Jeffrey Halvorson and Tina G. Halvorson
 Sq. Footage: 674



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

Date: May 13, 2014
 Subject: Land Sale Public Hearing
 Vacant Housing Parcel TF-756 & 757B
 Address: 2406 McNair Ave. (part) and 2410 McNair Ave. (part)
 Purchaser: Brian G. Bogan II and Shemeka Bogan

	A	B	C	D	E	F	G
Address	Purchase Price	Acquisition/ Demolition/ Other Costs	Total CPED Cost to Assemble	Re-Use Value Opinion	Sale Price	CPED Cost Write-Off or Sale Proceeds (if > 0)	Re-Use Value Write Down
			(A+B)			(E-C)	(E-D)
2406-10 McNair Av (part)	\$0	\$641	\$641	\$4,647	\$4,647	\$4,006	\$0
Total	\$0	\$641	\$641	\$4,647	\$4,647	\$4,006	\$0

Write-Down
 Reason: N/A

Developer History with CPED: None

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

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

Date: May 13, 2014
 Subject: Land Sale Public Hearing
 Vacant Housing Parcel TF-756 & 757A
 Address: 2410 McNair Avenue (part)
 Purchaser: Jeffrey & Tina L. Halverson

	A	B	C	D	E	F	G
Address	Purchase Price	Acquisition/ Demolition/ Other Costs	Total CPED Cost to Assemble	Re-Use Value Opinion	Sale Price	CPED Cost Write-Off or Sale Proceeds (if > 0)	Re-Use Value Write Down
			(A+B)			(E-C)	(E-D)
2410 McNair Av (part)	\$0	\$129	\$129	\$674	\$674	\$545	\$0
Total	\$0	\$129	\$129	\$674	\$674	\$545	\$0

Write-Down
 Reason: N/A

Developer History with CPED: None

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