



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

Date: June 17, 2014

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

Subject: Land Sale Public Hearing
Vacant Housing

Recommendation: Approve the sale of 655 Taylor Street NE to Accent Homes, Inc., for \$15,000, 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. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

Previous Directives: CPED acquired 655 Taylor Street NE on August 11, 2009.

Prepared by: Earl S. Pettiford, Senior Project Coordinator, Phone 612-673-5231
Approved by: Charles T. Lutz, Interim CPED Director _____
Catherine A. Polasky, Director, Economic Development & Policy _____
Presenter 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: \$ 4,401
- Proposed Sales Price Write-down from Re-Use Value Appraisal: \$ 0

Community Impact

- Neighborhood Notification: Beltrami Neighborhood 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.
- Comprehensive Plan: On June 11, 2012, 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 April 23, 2012, 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-434	655 Taylor Street NE	\$15,000

PURCHASER

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

PROPOSED DEVELOPMENT:

Accent Homes Inc. plans to build a 1,900 square foot single family home with three bedrooms, two full bathrooms, a full basement and a double car garage. The developer has an owner-occupant buyer.

The lot size is approximately 39' x 124' = 4,836 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 proposed developer has an established line of credit with Village Bank with an adequate fund balance to build this development.

OFFERING PROCEDURE:

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

COMMENTS:

On August 11, 2009, CPED acquired the parcel for \$1 from the U. S. Department of Housing and Urban Development (HUD). CPED demolished the single family home on December 20, 2010 and the vacant land was marketed for housing development. The developer will construct a single family home for owner-occupancy.

Three proposals were received to build single family homes on this lot.

Accent Homes, Inc. submitted an offer of \$15,000 for the lot and proposed to build a 1,900 square foot single family home with three bedrooms, two full bathrooms, a full basement and a detached two-car garage.

Tony Sorenson submitted an offer of \$14,500 for the lot and proposed to build a 2,304 square foot single family home for his own occupancy. The proposed house would have three bedrooms, three full bathrooms with a partial basement and a detached two-car garage. Mr. Sorenson is the recommended developer for 52 18th Avenue NE as the owner occupant proposer which was recommended for approval on June 3, 2014.

Powerline LLC submitted an offer of \$14,500 for the lot and proposed to build a three or four bedroom home which would have three or four bathrooms, a full basement and a two car garage. CPED staff review of the quality of the proposed designs, the total development costs and the estimated market value after construction of each proposal led to the recommendation of the Accent Homes Inc. proposal. The Beltrami Neighborhood organization reviewed the proposals and concurs with the recommendation of the proposal from Accent Homes, Inc.

Authorizing sale of land Vacant Housing Disposition Parcel No. VH-434

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel VH-434, in the Beltrami neighborhood, from Accent Homes, Inc., hereinafter known as the Redeveloper, the Parcel VH-434, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-434; 655 Taylor Street NE

Lot 3, Block 8, Ramsey, Lockwood and Others Addition to St. Anthony.

Whereas, the Redeveloper has offered to pay the sum of \$15,000, for Parcel VH-434 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 6, 2014, a public hearing on the proposed sale was duly held on June 17, 2014, at the regularly scheduled Community Development and 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 plan, as amended, is hereby estimated to be the sum of \$14,500 for Parcel VH-434.

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 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 3

Address: 655 Taylor Street NE



Community Planning &
Economic Development

CPED Long Range Planning, 12/18/2013



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

Date: June 17, 2014
 Subject: Land Sale – Public Hearing
 Vacant Housing
 Address: 655 Taylor 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 or Sale Proceeds (if > 0) (E-C)	Re-Use Value Gain (E-D)
655 Taylor Street NE	\$1	\$19,400	\$19,401	\$14,500	\$15,000	(\$4,401)	\$500
			\$0			\$0	\$0
Total	\$1	\$19,400	\$19,401	\$14,500	\$15,000	(\$4,401)	\$500

Write-Down

Reason: Not Applicable

Developer History with CPED:

Accent Homes, Inc. has 30 years of construction experience and has most recently purchased, developed and sold single family homes on two City of Minneapolis owned lots at 2723 Polk St. NE and 1235 Monroe St. 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