



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

Date: March 3, 2015

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

Subject: Land Sale Public Hearing; Vacant Housing

Recommendation:

- 1) Approve the sale of a portion of 1508 25th St E for \$168.00 to Miguel M. Garcia and Francisca Guadarrama, as outlined in the report, 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, b) 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 and
 - c) approval of the lot division and combination by the City of Minneapolis planning division. The sale conditions may be waived or amended with approval of the Community Planning and Economic Development (CPED) Director.
- 2) Approve the sale of a portion of 1508 25th St E and 2445 15th Ave S for \$537.00 to Corey Byrd Sr., as outlined in the report, 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, b) 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 and
 - c) approval of the lot division and combination by the City of Minneapolis planning division. The sale conditions may be waived or amended with approval of the Community Planning and Economic Development (CPED) Director.
- 3) Approve the sale of a portion of 1508 25th St E and 2445 15th Ave S for \$370.00 to Petra Tapia Rivera, as outlined in the report, 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, b) 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 and
 - c) approval of the lot division and combination by the City of Minneapolis planning division. The sale conditions may be waived or amended with approval of the Community Planning and Economic Development (CPED) Director.

Previous Directives: On September 29, 1997, the City Council approved the lot split and sale of 2445 15th Ave S as side yard to the owners of 2443 and 2447 15th Ave S; however the sale did not go through and the ownership of the adjacent parcels has since changed.

Department Information

Prepared by: Roxanne Young Kimball, Senior Project Coordinator, Phone 612-673-2794
Approved by: D. Craig Taylor, CPED Director _____
Charles T. Lutz, Deputy CPED Director _____
Presenter in Committee: Roxanne Young Kimball, Senior Project Coordinator

Financial Impact

- Elimination of future property management costs estimates at \$7,200 per year
 - Proposed Write-off* (see attached table): \$9,564
 - Proposed Re-Use Value Write-Down (see attached table): \$0
- *These figures represent the total of all 3 sales

Community Impact

- Neighborhood Notification: The Midtown Phillips community council reviewed the sale of these lots as side yard on September 11, 2006 and approved sale as side yard at that time; however the adjacent borrowers were not interested in acquisition and the sale did not move forward. Notification for this RCA was submitted to the Midtown Phillips Community Council on December 11, 2014 and no comments were provided during the 45-day comment period.
- City Goals: Living Well - Minneapolis is safe and livable and has an active and connected way of life.
- Comprehensive Plan: On September 11, 2014, CPED planning and zoning staff approved the sale of these parcels as consistent with the Comprehensive Plan.
- Zoning Code: R2B

Supporting Information

<u>PARCELS</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-169A	1508 25 th St E (part)	\$168.00
VH-169B & MC 130-12A	1508 25 th St E (part) 2445 15 th Ave S (part)	\$537.00
VH-169C & MC 130-12B	1508 25 th St E (part) 2445 15 th Ave S (part)	\$370.00

PURCHASERS

The divided parcels will be sold to the following property owners, and subsequently combined with their lots:

VH-169A	Miguel M. Garcia and Francisca Guadarrama, 1504 25 th St E
VH-169B & MC 130-12A	Corey Byrd Sr., 2447 15 th Ave S
VH-169C & MC 130-12B	Petra Tapia Rivera, 2443 15 th Ave S

An illustration of the combined lots is depicted on the attached plat map.

PROPOSED USE

The proposed sales are to the adjacent owners for use as side yard. Each of the owners intends to combine the parcels and utilize the yard as an extension of greenspace for their current property.

LAND DISPOSITION POLICY

Neither of the parcels are buildable under current zoning requirements and they are being sold for sideyard.

OFFERING PROCEDURE

Parcels were offered to the adjacent owner(s) only. The sales price of the property portions reflect an appraised value of \$0.20/sq. ft. and vary depending on the square footage of land being sold to the homeowner. The square footage for each of the property sales was determined as follows and rounded to the nearest dollar:

VH-169A	838 sq. ft. x \$0.20 = \$168.00
VH-169B & MC 130-12A	2686 sq. ft. x \$0.20 = \$537.00
VH-169C & MC 130-12B	1848 sq. ft. x \$0.20 = \$370.00

COMMENTS

The City owned properties located at 1508 25th St E and 2445 15th Ave S were purchased in 2004 and 1992 respectively. CPED attempted to sell 2445 15th Ave S previously, but the sale fell through due to limited interest from the adjacent property owner. Dividing the properties and facilitating sale to the neighboring property owners will return the adjacent lots to a standard lot size, return the lots to the City of Minneapolis tax base, and eliminate CPED's maintenance and holding costs for the properties. Sale of the properties will be contingent upon the City of Minneapolis planning division approval of the lot division and combination as depicted on the attached plat map.

Authorizing sale of land Disposition Parcel VH-169A

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase the Disposition Parcel VH-169A, in the Midtown Phillips neighborhood, from Miguel M. Garcia and Francisca Guadarrama, hereinafter known as the Purchasers, the Parcel VH-169A, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-169A; 1508 25th St E. (part)

The East 29 feet of the South Half of Lot 6, Block 8, Gale's First Addition to Minneapolis.

Whereas, the Purchaser has offered to pay the sum of \$168.00 for Parcel VH-169A to the City for the land; and

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

Whereas, on March 11, 2005, City Council approved the waiving of the Planning Commission's review of certain real estate transactions (including dispositions of non-buildable parcels) that have no relationship to the City's Comprehensive Plan; and

Whereas, the City has determined the offer of \$168.00 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 February 20, 2015, a public hearing on said proposal and proposed sale and the provisions thereof, was duly held on March 3, 2015, 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 Parcel VH-169A is hereby estimated to be the sum of \$168.00.

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 and 3) approval of the lot division and combination by the City of Minneapolis planning division.

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 VH-169B & MC 130-12A

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase the Disposition Parcels VH-169B & MC 130-12A, in the Midtown Phillips neighborhood, from Corey Byrd, Sr., hereinafter known as the Purchaser, the Parcels VH-169B & MC 130-12A, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-169B & MC 130-12A; 1508 25th St E. (part) & 2445 15th Ave S.(part)

The East 29 feet of the North Half of Lot 6, Block 8, Gales First Addition to Minneapolis; and

The East 29 feet of the South Half of the South Half of Lot 7, Block 8, Gale's First Addition to Minneapolis; and

The West 98 ½ feet of the South Half of the South Half of Lot 7, Block 8, Gale's First Addition to Minneapolis

Whereas, the Purchaser has offered to pay the sum of \$537.00, for Parcels VH-169B & MC 130-12A, to the City for the land; and

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

Whereas, on March 11, 2005, City Council approved the waiving of the Planning Commission's review of certain real estate transactions (including dispositions of non-buildable parcels) that have no relationship to the City's Comprehensive Plan; and

Whereas, the City has determined the offer of \$537.00 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 February 20, 2015, a public hearing on said proposal and proposed sale and the provisions thereof, was duly held on March 3, 2015, 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 Parcels VH-169B & MC 130-12A is hereby estimated to be the sum of \$537.00.

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 and 3) approval of the lot division and combination by the City of Minneapolis planning division.

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Authorizing sale of land Disposition Parcel VH-169C & MC 130-12B

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase the Disposition Parcels VH-169C & MC 130-12B, in the Midtown Phillips neighborhood, from Petra Tapia Rivera, hereinafter known as the Purchaser, the Parcel VH-169C & MC 130-12B, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-169C & MC 130-12B; 1508 25th St E. (part) & 2445 15th Ave S. (part)

The East 29 feet of the North Half of the South Half of Lot 7, Block 8, Gale's First Addition to Minneapolis.

The West 98 ½ feet of the North Half of the South Half of Lot 7, Block 8, Gale's First Addition to Minneapolis.

Whereas, the Purchaser have offered to pay the sum of \$370.00, for Parcels VH-169C & MC 130-12B, to the City for the land; and

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

Whereas, on March 11, 2005, City Council approved the waiving of the Planning Commission's review of certain real estate transactions (including dispositions of non-buildable parcels) that have no relationship to the City's Comprehensive Plan; and

Whereas, the City has determined the offer of \$370.00 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 February 20, 2015, a public hearing on said proposal and proposed sale and the provisions thereof, was duly held on March 3, 2015, 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 Parcels VH-169C & MC 130-12B is hereby estimated to be the sum of \$370.00.

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 and 3) approval of the lot division and combination by the City of Minneapolis planning division.

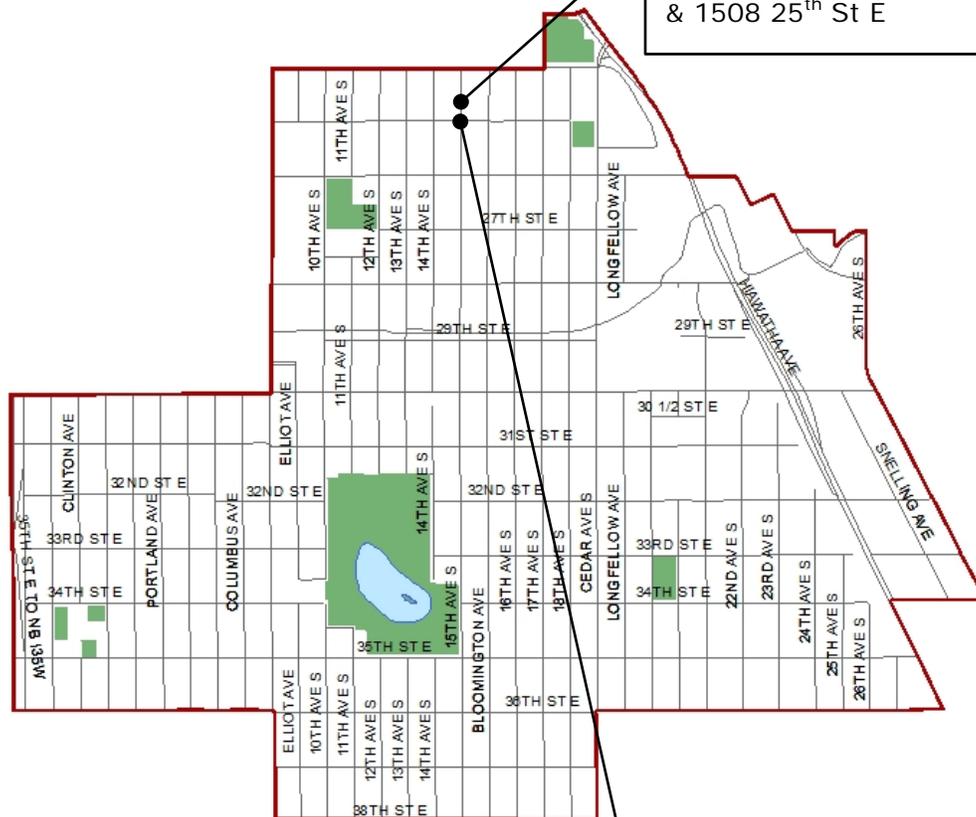
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Ward 9

Address: 2445 15th Ave South
& 1508 25th St E



Address: 1508 25th St E



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: March 3, 2015

Subject: Land Sale – Public Hearing
Vacant Housing

Address: 1508 25th St E and 2445 15th Ave South

Purchaser: 1.) Miguel M. Garcia and Francisca Guadarrama
2.) Corey Byrd Sr.
3.) Petra Tapia Rivera

	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 Per Parcel	CPED Cost Write-Off or Sale Proceeds (if > 0)	Re-Use Value Write Down (if < 0)
			(A+B)			(E-C)	(E-D)
1.) 1508 25th St E. (part)	\$1,200	\$80	\$1,280	\$168	\$168	(\$1,112)	\$0
2.) 1508 25th St E (part) & 2445 15th Ave S (part)	\$1,800	\$3,519	\$5,319	\$537	\$537	(\$4,782)	\$0
3.) 1508 25th St E (part) & 2445 15th Ave S (part)	\$600	\$3,440	\$4,040	\$370	\$370	(\$3,670)	\$0
Total	\$3,600	\$7,039	\$10,639	\$1,075	\$1,075	(\$9,564)	\$0

Write-Down

Reason:

Not applicable as the sales price is equal to the re-use value.

Developer History with CPED:

Not Applicable.

Developer Information:

- Single Individual(s) Corey Byrd Sr., Miguel M. Garcia, and Francisca Guadarrama
- Married Individual(s): Petra Tapia Rivera
- 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