

Request for Committee Action

To: Community Development & Regulatory Services
Date: 10/13/2015
From: Community Planning & Economic Development
Prepared by: Roxanne Young Kimball
Presented by: Roxanne Young Kimball
File type: Resolution
Subcategory: Land Sale

Subject:

Land Sale: 3110 Newton Ave. N., to Wilson Molina

Description:

Considering passage of a Resolution approving the sale of the property at 3110 Newton Ave. N., VH-580 to Wilson Molina for \$1.00, subject to conditions.

Previous Actions:

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. The City acquired 3110 Newton Ave. N. on January 16, 2014.

Ward/Neighborhood/Address:

Ward 5
Jordan
3110 Newton Ave. N.

Background/Analysis:

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-580	3110 Newton Ave. N.	\$1.00

PURCHASER

Wilson Molina
1515 E Lake St, Suite 203
Minneapolis, MN 55407

PROPOSED DEVELOPMENT:

The property was constructed in 1912 and is a 2,364 square foot, three-bedroom, two-bath single family home that will be rehabilitated to meet the Vacant Housing Recycling Program's rehabilitation standards, including addressing all code deficiencies.

The lot size is 41' x 127' = approximately 5,242 total square feet.

Purchaser proposes to rehabilitate 3110 Newton Ave. N. as a three-bedroom, two-bath single family home and sell the property for owner-occupancy.

LAND DISPOSITION POLICY:

The sale of this property is in compliance with the City's Disposition Policy. The sales price of this property reflects the full re-use value.

FINANCING:

Purchaser: Cash, documented with bank statements dated within 30 days of application.

COMMENTS:

On December 14, 2014, the City acquired this single family home under the Neighborhood Stabilization Program - Land Banking activity. All land sale proceeds, equal to the fair market value, will be returned to the NSP Program to cover ongoing program cost.

The City is selling this property in its as-is condition. This property was publicly advertised on the City of Minneapolis website and through e-mail notification to a list of over 200 developers and homebuyers. Two informational meetings were held to inform potential developers and homebuyers about the City's disposition process and the information was posted on the City's website. An open house was held to allow potential purchasers to inspect the property and a two-week application period was provided after the open house. Wilson Molina was the only proposal received for this property.

Wilson Molina was reviewed for ownership history in the City of Minneapolis. He owns two registered vacant buildings in Minneapolis that were purchased through the Vacant Housing Recycling Program in May and June of 2015. The buildings are currently being rehabilitated, with projected completion dates of October and November 2015. Remaining properties owned by the applicant do not have excessive code violations.

Notification was provided to the Jordan neighborhood.

Financial Review:

No additional appropriation required, amount included in current budget.

- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Net Write-off (see attached table): \$8,194
- Proposed Re-Use Value Write-Down(see attached table): \$0

Future budget impact anticipated.

Approved by the Permanent Review Committee.

Meets Small and Underutilized Business Program goals.

Attachments:

1. 3110 Newton Ave. N. Land Sale_Resolution
2. 3110 Newton Ave. N. Land Sale_Ward Map
3. 3110 Newton Ave. N. Land Sale_Cost Sheet
4. 3110 Newton Ave. N. Land Sale_Photo
5. 3110 Newton Ave. N. Land Sale_Example Rehabilitation By Developer

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

Date: October 13, 2015
 Subject: Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 3110 Newton Ave. N.
 Purchaser: Wilson Molina

	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 (if < 0) (E-D)
3110 Newton Ave. N.	\$0	\$8,195	\$8,195	\$1	\$1	(\$8,194)	\$0
Total	\$0	\$8,195	\$8,195	\$1	\$1	(\$8,194)	\$0

Write-Down

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

Developer History with CPED:

Wilson Molina acquired two properties through the Vacant Housing Recycling Program in May and June of 2015: 2207 16th Ave. S. and 3500 Clinton Ave. S.

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