



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

Date: August 11, 2015

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 2424 16th Avenue South to PRG, Inc. for \$10,100, 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: The City acquired 2424 16th Avenue South on May 26, 1995.

Prepared by: Earl S. Pettiford, Senior Project Coordinator, Phone 612-673-5231
Approved by: D. Craig Taylor, Director CPED _____
Charles T. Lutz, Deputy Director CPED _____
Andrea Brennan, Director Housing Policy and Development _____
Presenter(s) in Committee: Earl S. Pettiford, Senior Project Coordinator

Financial Impact

- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Net Sale Proceeds (see attached table): \$10,099
- Proposed Re-Use Value Write-Down (see attached table): \$0

Community Impact

- Neighborhood Notification: East Phillips Neighborhood, Inc. 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 15, 2015, the Planning Commission approved the sale of this parcel as being consistent with the Comprehensive Plan.
- Zoning Code: R2B
- Living Wage/Business Subsidy Agreement Yes_____ No x
- Job Linkage Yes_____ No x
- Other: On May 15, 2015, 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-204	2424 16th Avenue South	\$10,100

PURCHASER

PRG, Inc.
2017 East 38th Street
Minneapolis, MN 55407

PROPOSED DEVELOPMENT:

The Developer proposes to build a 1,750 square foot three-bedroom, two-bathroom single family home and a double car detached garage. The home will be sold for owner-occupancy.

The lot size is 44' x 123' = approximately 5,451 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 a financing commitment from the Twin City Community Land Bank.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

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

COMMENTS:

The developer is building this home under the Home Ownership Works program. The house will be sold to an owner-occupant with an income at or below 80% of the area medium income.

Authorizing sale of land Vacant Housing Recycling Program Disposition Parcel No TF-204.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-204, in the East Phillips neighborhood, from PRG, Inc., hereinafter known as the Redeveloper, the Parcel TF-204, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-204; 2424 16th Avenue South
Lot 4, Block 1, "Bowen's" Addition To Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$10,100, for Parcel TF-204 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 July 31, 2015, a public hearing on the proposed sale was duly held on August 11, 2015, 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 determined to be the sum of \$10,100 for Parcel TF-204.

Be It Further Resolved that the acceptance of the offer and proposal is hereby determined to be in the best interests of the City and its people and that the transaction furthers the City's general plan of economic development 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.

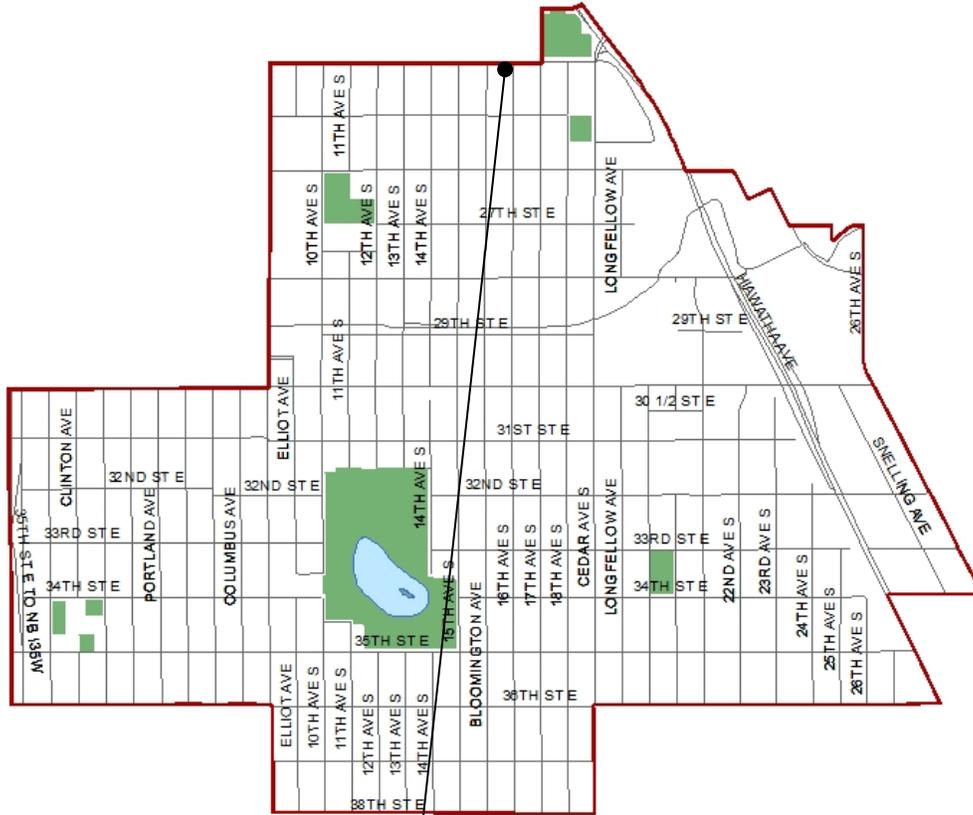
Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

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 9



Address: 2424 16th Avenue South



Community Planning & Economic Development

CPED Long Range Planning, 12/18/2013



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

Date: August 11, 2015
 Subject: Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 2424 16th Avenue South
 Purchaser: PRG, 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 (if < 0) (E-D)
2424 16th Avenue South	\$1	\$0	\$1	\$10,100	\$10,100	\$10,099	\$0
Total	\$1	\$0	\$1	\$10,100	\$10,100	\$10,099	\$0

Write-Down

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

Developer History with CPED:

PRG, Inc. has developed many single family homes on land acquired from the City of Minneapolis.

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