

Request for Committee Action

To: Community Development & Regulatory Services
Date: 1/19/2016
From: Community Planning & Economic Development
Prepared by: Earl S. Pettiford, Senior Project Coordinator
Presented by: Earl S. Pettiford, Senior Project Coordinator
File type: Resolution
Subcategory: Land Sale

Subject:

Land Sale: 2527 14th Ave. S., to Construction Consultant Minneapolis Metro Inc.

Description:

Considering passage of a Resolution approving the sale of the property at 2527 14th Ave. S., VH-625, to Construction Consultant Minneapolis Metro Inc. for \$10,100, subject to conditions.

Previous Actions:

The City acquired 2527 14th Ave. S. on February 25, 2011.

Ward/Neighborhood/Address:

Ward 9
Midtown Phillips

Background/Analysis:

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-625	2527 14th Ave. S.	\$10,100

PURCHASER

Construction Consultant Minneapolis Metro Inc.
380 E. 38th St., Suite LL4
Minneapolis, MN 55409

PROPOSED DEVELOPMENT:

Construction Consultant Minneapolis Metro Inc. proposes to build a 2,048 square foot four-bedroom, three-bath, single family home with a two-car, detached garage.

The lot size is 41' x 127' = approximately 5,282 total square feet.

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*:

Construction financing is from the Twin Cities Community Land Bank.

*Subject to application and underwriting requirements.

COMMENTS:

The subject property was acquired from the Twin Cities Community Land Bank as part of its First Look program under the Neighborhood Stabilization Program (NSP), Land Banking activity. After the property was acquired, the blighted structure was demolished and the vacant land was subsequently marketed for development. All land sale proceeds, equal to the fair market value, will be returned to the NSP Program to cover ongoing program costs. This is the only completed offer received by CPED.

The developer's goal is to assist in the growing demand for home ownership opportunities for large families. The developer is working with Build Wealth Minnesota (BWM); a Minneapolis based non-profit organization that provides pre-purchase counseling services to underserved populations. In 2004, BWM, in a strategic alliance of other entities—public, private and non-profit, set up an initiative, *Own A Home Now*, to motivate and educate a diverse group of underserved populations. The goal is to assist these households apply for and attain homeownership in the immediate future. BWM has successfully assisted a number of households get into homeownership, including the use of City-funded housing programs.

Notification was provided to the Midtown Phillips neighborhood and the neighborhood has recommended their support of the proposal.

Financial Review:

No additional appropriation required, amount included in current budget.

- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Write-off (see attached table): \$ 45,989
- 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. 2527 14th Ave. S. Land Sale_Resolution
2. 2527 14th Ave. S. Land Sale_Ward Map
3. 2527 14th Ave. S. Land Sale_Cost Sheet
4. 2527 14th Ave. S. Land Sale_Schematics