

**City of Minneapolis**  
**Request for Committee Action**

**To:** Community Development & Regulatory Services  
**Date:** 7/12/2016  
**Referral:** N/A  
**From:** Community Planning & Economic Development  
**Lead Staff:** Cherie Shoquist, Principal Project Coordinator X-5078  
**Presented by:** Cherie Shoquist  
**File type:** Resolution  
**Subcategory:** Land Sale

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**Subject:**

Land Sale: 2101 Emerson Ave. N. to A.Vision LLC

**Description:**

Passage of a Resolution approving the sale of the property at 2101 Emerson Ave. N., TF-909, to A.Vision LLC for \$10,000, subject to conditions.

**Previous Actions:**

On December 11, 2015, the City Council approved the Vacant Housing Recycling Program (VHRP) that defines the program guidelines for disposition of vacant buildings and lots for housing development ([15-01481](#)).

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**Ward/Address:**

Ward 5  
2101 Emerson Ave. N.

**Background/Analysis:**

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-909	2101 Emerson Ave. N.	\$10,000

**PURCHASER**

A.Vision LLC  
4555 131½ St.  
Savage, MN 55378

**PROPOSED DEVELOPMENT:**

The property was constructed in 1905 and is a 3,704 total square foot, five-bedroom, one-bath single family home that will be rehabilitated to meet the Vacant Housing Recycling Program's (VHRP) rehabilitation standards. Purchaser proposes to rehabilitate 2101 Emerson Ave. N. as a five-bedroom, three-bath single family home and sell it for homeownership.

The lot size is 50' x 157' = approximately 7,850 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:**

Purchaser: Financing, documented with a pre-approval letter dated within 30 days of application.

**COMMENTS:**

On March 11, 2016, the City acquired this fire-damaged single family home from the State of Minnesota as tax-forfeited land for \$10,000. The City is in the process of clearing title and closing will occur after title is cleared.

This property was publicly advertised on the City's website and through e-mail notification to a list of over 750 developers and homebuyers. The City is selling this property in its as-is condition. An informational meeting was held in December 2015 to inform potential developers and homebuyers about the City's disposition process and VHRP program information is 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.

There were two offers received for the property from A.Vision LLC (A.Vision) and Reliable Property Maint. & Home SRV. LLC (Reliable Property). The offers were evaluated based on program criteria stated in the VHRP manual, including: financial capacity, experience, responsibility, scope of work, and occupancy intentions. To evaluate responsibility, we consulted with the Department of Regulatory Services staff to verify the status of vacant buildings, rental properties, or other properties owned by the applicants in the City of Minneapolis.

A.Vision intends to invest \$202,200 to rehabilitate the property. Reliable Property Maint. & Home SRV. LLC intends to invest \$80,000 to rehabilitate the property. The CPED Construction Management staff reviewed the scopes of work and construction estimate of both proposals. The CPED Construction Management staff believes A.Vision's scope is comprehensive enough to address the VHRP's rehabilitation standards; however, they are less comfortable with the budget Reliable Property proposes to address the rehabilitation of this fire-damaged property, while meeting the rehabilitation standards of the program.

Staff recommends A.Vision as the Purchaser. A.Vision is recommended as the Purchaser because their application demonstrated the more comprehensive approach to addressing the redevelopment of this fire-damaged property. Considering Reliable Property's scope and budget to rehabilitate the property, we are not recommending them as an alternate purchaser.

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): \$1,105
- 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. 2101 Emerson Ave. N. Land Sale\_Resolution
2. 2101 Emerson Ave. N. Land Sale\_Ward Map
3. 2101 Emerson Ave. N. Land Sale\_Cost Sheet
4. 2101 Emerson Ave. N. Land Sale\_A.Vision LLC