

**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  
**Presented by:** Cherie Shoquist  
**File type:** Resolution  
**Subcategory:** Land Sale

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**Subject:**

Land Sale: 1816 Queen Ave. N., to PRG, Inc.

**Description:**

Passage of a Resolution approving the sale of the property at 1816 Queen Ave. N., TF-910, to PRG, Inc. for \$48,000, subject to conditions.

**Previous Actions:**

On June 22, 2010, the City Council approved contracting Home Ownership Works Program funding to select developers through a Request for Qualifications.

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**Ward/Address:**

Ward 5  
1816 Queen Ave. N.

**Background/Analysis:**

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-910	1816 Queen Ave. N.	\$48,000

**PURCHASER**

PRG, Inc.  
2017 E. 38<sup>th</sup> St.  
Minneapolis, MN 55407

**PROPOSED DEVELOPMENT:**

The property was originally constructed by Dream Homes Builders in 2002 and is a 1,876 square foot slab on grade modular construction single-family home with six bedrooms, two baths and minimal storage and living space.

The lot size is 42' x 128' = approximately 5,376 total square feet.

Purchaser proposes to rehabilitate 1816 Queen Ave. N. as a four-bedroom, three-bath single family home and sell the property for owner-occupancy. It will be rehabilitated to meet the Home Ownership Works program rehabilitation standards, including addressing all code deficiencies.

**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 reserved for this project as part of the Home Ownership Works program to meet the commitment requirements of the program.

**COMMENTS:**

On May 19, 2016, the City delivered a check to purchase this single family home from the State of Minnesota as tax-forfeited land for \$50,000. The City has not yet received the deed. Upon receipt of the deed, the City will convey tax title to PRG, Inc. PRG, Inc. will be responsible for clearing title. Staff is recommending a \$2,000 write-off to compensate for the cost of clearing the title that the City would have otherwise incurred.

This property was advertised to qualified developers in the Home Ownership Works program. There was only one offer received for the acquisition and rehabilitation of the subject property.

Staff recommends PRG, Inc. as the Purchaser. PRG, Inc. intends to rehabilitate the property to meet the rehabilitation standards of the Home Ownership Works program and will sell the property to a homeowner at or below 80% of area median income.

Notification was provided to the Willard-Hay 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): \$4,586
- Proposed Re-Use Value Write-Down (see attached table): \$2,000

**Future budget impact anticipated.**

**Approved by the Permanent Review Committee.**

**Meets Small and Underutilized Business Program goals.**

**Attachments:**

1. 1816 Queen Ave. N. Land Sale\_Resolution
2. 1816 Queen Ave. N. Land Sale\_Ward Map
3. 1816 Queen Ave. N. Land Sale\_Cost Sheet
4. 1816 Queen Ave. N. Land Sale\_Example of a PRG, Inc. rehab project