

City of Minneapolis
Request for Committee Action

To: Community Development & Regulatory Services
Date: 8/23/2016
Referral: N/A
From: Community Planning & Economic Development
Lead Staff: Earl S. Pettiford, Senior Project Coordinator, 5231
Presented by: Earl S. Pettiford, Senior Project Coordinator, 5231
File type: Resolution
Subcategory: Land Sale

Subject:

Land Sale: 2632 Polk Street NE to Daniel Steven Grannes and Michelle Elizabeth Spivey

Description:

Passage of a Resolution approving the sale of the property at 2632 Polk Street NE (TF-857) to Daniel Steven Grannes and Michelle Elizabeth Spivey for \$37,200, subject to conditions. If Daniel Steven Grannes and Michelle Elizabeth Spivey fail to close, approve the sale of 2632 Polk Street NE to Twin Cities Builders & Maintenance LLC for \$37,200, subject to conditions

Previous Actions:

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

Ward/Address:

Ward 1
2632 Polk St. NE

Background/Analysis:

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-857	2632 Polk St. NE	\$37,200

PURCHASER

Daniel Steven Grannes and Michelle Elizabeth Spivey
4522 36½ St. W.
St. Louis Park, MN 55416

ALTERNATE PURCHASER

Twin Cities Builders & Maintenance LLC
3270 West Lake St. Apt. 8
Minneapolis, MN 55416

PROPOSED DEVELOPMENT:

Daniel Steven Grannes and Michelle Elizabeth Spivey propose to build a 1,664 square foot, three-bedroom, three-bath, single family home with a two car, detached garage.

Twin Cities Builders & Maintenance LLC proposes to build a 1,984 square foot, three-bedroom, three-bath, single family home with a two car, detached garage.

The lot size is 46' x 177' = approximately 8,142 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*:

Daniel Steven Grannes and Michelle Elizabeth Spivey have a financing commitment from Community Resource Bank. Twin Cities Builders & Maintenance LLC has a financing commitment from Premier Bank.

*Subject to application and underwriting requirements.

COMMENTS:

On December 19, 2014, the City acquired this vacant parcel from Hennepin County for \$1.00 the vacant parcel was subsequently publicly advertised on the City's website and through e-mail notification to a list of over 750 developers and homebuyers. An informational meeting was held in December 2015 to inform potential developers and homebuyers about the City's disposition process and the VHRP information is posted on the City's website.

There were three offers received for this 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.

The three proposals are quality designs and fit well into the neighborhood. Daniel Steven Grannes and Michelle Elizabeth Spivey propose to build a three-bedroom, three-bath single family home with a two-car detached garage which they plan to owner-occupy. Twin Cities Builders & Maintenance LLC proposes to build a three-bedroom, three-bath single family home with a two-car detached garage and offer for sale to an owner-occupied buyer. Accent Homes Inc. proposes to build a three-bedroom, two-bath single family home with a two-car detached garage and offer for sale to an owner-occupied buyer.

Notification was provided to the Audubon Park neighborhood. The neighborhood reviewed the proposals and recommended the proposal of Daniel Steven Grannes and Michelle Elizabeth Spivey as they are proposing to own and occupy the completed development. Staff concurs with the neighborhood's position and further recommends that if Daniel Steven Grannes and Michelle Elizabeth Spivey fail to close that Council approve the sale to Twin Cities Builders & Maintenance LLC for \$37,200.

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 Sale Proceeds (see attached table): \$34,552
- 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. 2632 Polk Street NE Land Sale_Resolution
2. 2632 Polk Street NE Land Sale_Ward Map
3. 2632 Polk Street NE Land Sale_Cost Sheets
4. 2632 Polk Street NE Land Sale_Schematic