

City of Minneapolis Request for Committee Action

To: Community Development & Regulatory Services
Date: 9/27/2016
Referral: N/A
From: Community Planning & Economic Development
Lead Staff: Earl S. Pettiford, Senior Project Coordinator X-5231
Presented by: Earl S. Pettiford, Senior Project Coordinator X-5231
File type: Resolution
Subcategory: Land Sale

Subject:

Land Sale: 4050 3rd Ave. S. to Natural Homes by John Pastuck

Description:

Passage of a Resolution approving the sale of the property at 4050 3rd Ave. S., VH-556, to Natural Homes by John Pastuck for \$35,200, 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 8
4050 3rd Ave. S.

Background/Analysis:

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-556	4050 3rd Ave. S.	\$35,200

PURCHASER

Natural Homes by John Pastuck
20345 Excelsior Blvd
Shorewood, MN 55331

PROPOSED DEVELOPMENT:

Natural Homes by John Pastuck proposes to build a 2,300 square foot, four-bedroom and two-bath, single family home with a two-car attached garage.

The lot size is 40' x 131' = approximately 5,228 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*:

The developer has sufficient cash reserves for this development.

*Subject to application and underwriting requirements.

COMMENTS:

On December 22, 2014, the City acquired this vacant parcel from the Minneapolis Public Housing Authority for \$20,000. The vacant parcel was subsequently publicly advertised on the City's website and through e-mail notification to a list of over 900 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 was only one offer received for this property. The offer was evaluated based on program criteria stated in the VHRP manual, including: financial capacity, experience, responsibility, scope of work and occupancy intentions.

The developer proposes to build a single family home featuring 2,300 square feet of finished space. The house will have four bedrooms, two baths and a full basement with a double car attached garage, at the rear. The home will be marketed for owner-occupancy at a sales price range of approximately \$250,000 to \$275,000.

Notification was provided to the Bryant Neighborhood Organization.

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): \$ 14,206
- 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. 4050 3rd Ave. S. Land Sale_Resolution
2. 4050 3rd Ave. S. Land Sale_Ward Map
3. 4050 3rd Ave. S. Land Sale_Cost Sheet
4. 4050 3rd Ave. S. Land Sale_Schematics