

**Request for City Council Committee Action from the Department of Community
Planning & Economic Development - CPED**

Date: March 10, 2009

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Land Sale Public Hearing
Vacant Housing Recycling Program

Recommendation: Approve acquisition of the parcel at 523 Morgan Ave. N. from Hennepin County to facilitate a sale with a conservation easement to Anthony Real Estate Holdings, LLC for \$6,000, subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date of Notice of the City's acquisition of the property, and 2) payment of holding costs of \$150.00 per month from the date of said notice to the date of closing if land sale closing does not occur on or before 30 days from date of City acquisition. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

Previous Directives: On September 16, 2008, the City Council approved releasing this property for public auction.

Prepared by: Edie Oliveto-Oates, Senior Project Coordinator, Phone 612-673-5229

Approved by: Charles T. Lutz, Deputy CPED Director

Thomas A. Streitz, Director Housing Policy & Development

Presenters in Committee: Edie Oliveto-Oates, Senior Project Coordinator

Financial Impact

- Other financial impact: Eliminate property management costs.

Community Impact

- Neighborhood Notification: Harrison Neighborhood Association was notified of the potential acquisition and sale and no recommendation was received.
- City Goals: A SAFE PLACE TO CALL HOME In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.
- Comprehensive Plan: On February 5, 2009, the Planning Commission approved the sale of this parcel as side yard as being consistent with the Comprehensive Plan.
- Zoning Code: R2B
- Other: On October 24, 2008, the Planning Staff completed a land sale review of this parcel and deemed it a buildable lot.

Supporting Information

PARCEL

TF-733

ADDRESS

523 Morgan Ave. N.

SALE PRICE

\$6,000

PURCHASER

Anthony Real Estate Holdings, LLC
4829 Minnetonka Blvd. #203
St. Louis Park, MN 55416

PROPOSED DEVELOPMENT:

This property will be combined with the property located at 525 Morgan Ave. N. as side yard.

The lot size is 33' x 126' = 4,158 total square feet.

LAND DISPOSITION POLICY:

This property, although buildable by dimension as defined by City policy, is an unbuildable lot based on soil conditions in the area.

FINANCING*:

Private financing is available.

OFFERING PROCEDURE:

Negotiated. The sales price of this property does reflect the full re-use value.

COMMENTS:

This lot was historically joined with the lot at 525 Morgan Ave. N. (The garage sat on the other half of the lot). Due to a foreclosure, this lot became separated from 525 Morgan and subsequently forfeited to the State of Minnesota for unpaid taxes. Anthony Real Estate Holdings, LLC, unaware of the separation of the lots, marketed the property at 525 Morgan and has a purchase agreement from a prospective buyer who plans to own and occupy the home. The agreement is contingent upon the inclusion of the garage, located on 523 Morgan and the additional green space (map attached).

CPED engineering staff has researched the soil conditions in the area and has determined that, based on their experience with other lots on this block, the water table is very high and construction on this lot would require either soil replacement or pilings. This would add significant cost to the development of the lot.

The City of Minneapolis earlier reviewed a list of tax forfeited land for categorizing them as either conservation or non-conservation land and to make determination on the disposition. This subject parcel was one of the properties on the list. After the staff report was approved by the City Council releasing this parcel for public auction, Hennepin County approached CPED staff to facilitate a pass through purchase and combine these two lots.

Based on the historic combination of these lots and the soil conditions, staff recommends that the City of Minneapolis purchases 523 Morgan Ave. N. from Hennepin County and sells it to the current owner of 525 Morgan Ave. N. to be combined into one tax parcel. Staff further recommends that a conservation easement be a prerequisite to the sale.

Approving the purchase of certain forfeited land located in the City of Minneapolis, Hennepin County, Minnesota, and the conveyance thereof.

Whereas, the City Council of the City of Minneapolis, Hennepin County, Minnesota, has been advised by the County of Hennepin, Minnesota, that certain parcels of land in said City have become the property of the State of Minnesota under the provision of law declaring the forfeiture of lands to the State of for nonpayment of taxes;

Now, Therefore, Be It Resolved by the City Council of The City of Minneapolis;

That the following parcel be purchased by and conveyed to the City of Minneapolis pursuant to the provision of Minnesota Statutes 282-01; Subd. 1b.

TF-733; 523 Morgan Avenue North

Lot 9, Block 6, Maben, White & Le Brons Addition to Minneapolis

Authorizing sale of land Disposition Parcel No TF-733.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase the Disposition Parcel TF-733, in the Harrison Neighborhood Area, from Anthony Real Estate Holdings, LLC, hereinafter known as the Purchaser, the Parcel TF-733, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

Legal Description

TF-733; 523 Morgan Avenue North

Lot 9, Block 6, Maben, White & Le Brons Addition to Minneapolis

Whereas, the Purchaser has offered to pay the sum of \$6,000, for Parcel TF-733, to the City for the land; and

Whereas, the Purchaser has submitted to the City a statement of financial responsibility and qualifications; and

Whereas, the City has determined the offer of \$6,000 to purchase the Parcel to be reasonable; and

Whereas, the City has had the re-use value reviewed by an appraisal expert, stating that the re-use value opinion is consistent with the City's accepted methods in determining a re-use value for the Parcel; and

Whereas, the City's Real Estate Disposition Policy provided in Section 2.2.13 for the sale of land for sideyard; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on February 27, 2009, a public hearing on said proposal and proposed sale and the provisions thereof, was duly held on March 10, 2009, at the Minneapolis City Hall, 350

South 5th Street, Room 317, at 1:30 p.m., in the City of Minneapolis, County of Hennepin, State of Minnesota; and

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the re-use value for the TF-733 is hereby estimated to be the sum of \$6,000.

Be It Further Resolved that the acceptance of the offer and Purchaser's proposal is hereby determined to be in accordance with the City's approved disposition policy and it is further determined that the Purchaser possesses the qualifications and financial resources necessary to acquire and maintain the Parcel in accordance with the contract for the sale of land.

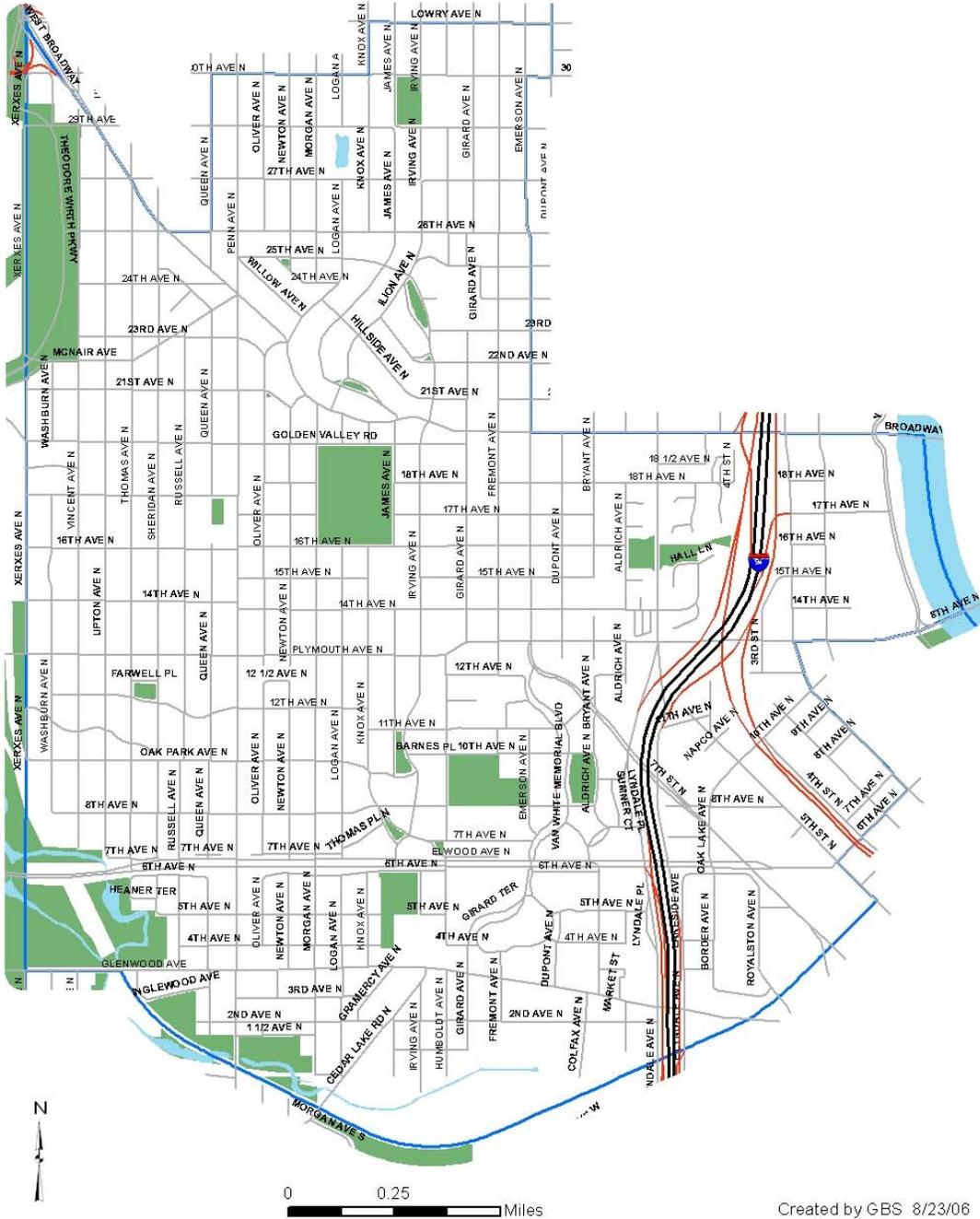
Be It Further Resolved that the offer is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date of Notice of the City's acquisition of the property and 2) payment of holding costs of \$150.00 per month from the date of said notice if the land sale closing does not occur on or before 30 days from the date of Notice of the City's acquisition of the property.

Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

Be It Further Resolved that upon publication of this Resolution, the Finance Officer or other appropriate official of the City is hereby authorized to execute and deliver the contract to the Purchaser; provided, however, that this Resolution does not constitute such a contract and no such contract shall be created until executed by the Finance Officer or other appropriate official of the City.

Be It Further Resolved that the Finance Officer or other appropriate official of the City is hereby authorized to execute and deliver a conveyance of the land to the Purchaser in accordance with the provisions of the executed contract and upon payment to the City of the purchase price thereof; provided, however, that this Resolution does not constitute such a conveyance and no such conveyance shall be created until executed by the Finance Officer or other appropriate official of the City.

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TOTAL ACQUISITION COSTS INCURRED BY CPED ATTRIBUTABLE TO THE FOLLOWING PROPERTY:

Date: March 10, 2009
 Subject: Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 523 Morgan Ave. N.
 Purchaser: Anthony Real Estate Holdings, LLC

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
TF-733	523 Morgan Ave. N.	\$5,243	(-) \$6,000	(+) \$757

Re-Use Value Opinion	Less Sales Price	Write-Down
\$6,000	\$6,000	\$0

Write-Down

Reason: Not Applicable

Developer History with CPED:

The City has no history with the purchaser.

Developer Information:

- Single Individual(s)
- Married Individual(s)
- Limited Liability Partnership of the State of Minnesota
- Limited Liability Company of the State of Minnesota
- Corporation of the State of Minnesota
- Nonprofit Corporation of the State of Minnesota
- Other