



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

Date: October 24, 2006

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

Subject: Land Sale Public Hearing
Near North Side

Recommendation: Approve the sale of 1708 and 1710 8th Avenue North to Lloyd D. Flowers and Sheila R. Flowers, husband and wife, for \$22,000, subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date of approval, and 2) payment of holding costs of \$150.00 per month from the date of approval to the date of closing if land sale closing does not occur on or before 30 days from date of approval. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

Previous Directives: CPED acquired 1708 and 1710 8th Avenue North on April 27, 1973.

Prepared by: Edith Johnson, Senior Project Coordinator, Phone 612-673-5262

Approved by: Chuck Lutz, Deputy CPED Director

Elizabeth Ryan, Director Housing Policy & Development

Presenters in Committee: Edith Johnson, Senior Project Coordinator

Financial Impact

- Other financial impact: Eliminate property management costs.

Community Impact

- Neighborhood Notification: Northside Residents Redevelopment Council (NRRC) reviewed this proposal and recommended it be approved.
- 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 October 3, 2006, the Planning Commission approved the sale of the parcel as being consistent with the Comprehensive Plan.
- Zoning Code: R2B

- Other: On March 27, 2006, the Planning Staff completed a land sale review of the parcel and deemed the parcel a buildable lot. The developer has incorporated in the proposal some energy efficiency components.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
NN 124-15A & 124-15B	1708 and 1710 8th Avenue North	\$22,000

PURCHASER

Lloyd D. and Sheila R. Flowers
1931 Xerxes Avenue North
Minneapolis, MN 55411

PROPOSED DEVELOPMENT:

Construction of a 2-story single family home containing 3 bedrooms, 2 and one-half bathrooms, approximately 1,568 square feet of finished living space, unfinished full basement and two car detached garage.

The builder estimates the after construction value of the home at \$175,000, and the offer documents show that Lloyd and Sheila Flowers will own and occupy the home. The general contractor/builder will be American Home Partners, whose main office is in Cheshire, Connecticut. American Home Partners' consultant for the project will be John Busser of Minneapolis, Minnesota. The home will be stick built.

The lot size is approximately $33.75' \times 122' = 4,131$ total square feet.

LAND DISPOSITION POLICY:

The property is a buildable lot as defined by City policy and is being sold for development.

FINANCING*:

Lloyd and Sheila Flowers have demonstrated sufficient financing for the proposed project.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Public Advertisement. The sales price of the property does reflect the full re-use value.

COMMENTS:

1708 and 1710 8th Avenue North were purchased as vacant land. In May 2005, the parcels were advertised in the Minneapolis Star Tribune and Finance and Commerce newspapers, with a due date for proposals noted as no later than June 6, 2005. No offers were received by the due date and the parcels were placed on CPED's lot list, which is available on the city's website and in CPED's Housing Development offices. As part of Single Family housing's marketing efforts, information regarding the city's available vacant residential parcels is submitted to neighborhood groups for conspicuous posting in their offices, to local developers, to local radio stations for public service announcements (PSA's) and to other city departments for posting and/or placement in their offices.

On July 3, 2006, Lloyd and Sheila Flowers submitted to CPED an offer to purchase 1708 and 1710 8th Avenue North for construction of a single family home that they will own and occupy. There were no competing offers.

Staff reviewed the offer and submitted the appropriate materials to Northside Residents Redevelopment Council (NRRC) for the required 45-day review process. At its meeting on August 14, 2006, NRRC's Residential Commercial Task Force, and subsequently NRRC's board of directors, supported the Flowers' proposal contingent on the following design recommendations that are noted in NRRC's letter dated August 22, 2006:

- Left Elevation: Additional window at top of stairway 2nd floor; Same size as window shown at first floor landing.
- Right Elevation: Two additional 2' x 2' piano windows on each side of fireplace in living room. Windows will either be fixed or awning style. Additional double hung window or pair of piano windows in master bedroom, 2nd floor.
- Grids: Remove grids from all lower sashes of double hung windows.
- Trim and Shutters: Minimum 4" trim around windows at front of house and no shutters.

American Home Partners notes that energy efficiency components in this home consist of 6-inch interior walls to accommodate extra insulation to R-19 and roofing insulation with Energy Package is R-33. These increased R-factors will greatly add to the energy efficiency of the home and make heating and cooling more economical. Additionally, Low-E Windows in the home will be made with low emission heat coating to allow heat into the home in the winter, but not in the summer, thus increasing the energy efficiency of the home.

CPED staff concurs with the neighborhood's position and recommends the sale of 1708 8th Avenue North to Lloyd and Sheila Flowers for construction of a single family home for owner occupancy.

**Authorizing sale of land Near North
Disposition Parcel No NN 124-15A & NN 124-15B.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel NN 124-15A & NN 124-15B, in the Near North neighborhood, from Lloyd D. Flowers and Sheila R. Flowers, hereinafter known as the Redeveloper, the Parcel NN 124-15A & 124-15B, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

NN 124-15A & 124-15B; 1708 and 1710 8th Avenue North
Southwesterly 1/2, front and rear, of Lot 15, and the Easterly 11.25 feet, front and rear, of Lot 14, all in Block 10, Oak Park Addition to Minneapolis.

Being registered land as is evidenced by Certificate of Title No. 1142784.

Whereas, the Redeveloper has offered to pay the sum of \$22,000, for Parcel NN 124-15A & NN 124-15B to the City for the land, and the Redeveloper's proposal is in accordance with the applicable Redevelopment Plan and/or Program; and

Whereas, the Redeveloper has submitted to the City a statement of financial responsibility and qualifications; 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 accepted methods in aiding the City in determining a re-use value for the Parcel; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on October 13, 2006, a public hearing on the proposed sale was duly held on October 24, 2006, at the regularly scheduled Community Development Committee meeting of the City Council, at the Minneapolis City Hall, 350 South 5th Street, Room 317, at 3:30 p.m., in the City of Minneapolis, County of Hennepin, State of Minnesota;

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

That the re-use value for uses in accordance with the Near North plan, as amended, is hereby estimated to be the sum of \$22,000 for Parcel NN 124-15A & B.

Be It Further Resolved that the acceptance of the offer and proposal is hereby determined to be in accordance with the City's approved disposition policy and it is further determined that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the parcel in accordance with the Redevelopment Plan and/or Program.

Be It Further Resolved that the proposal be and the same 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 this Resolution is approved by the City and 2) payment of holding costs of \$150.00 per

month from the date of approval of this Resolution if the land sale closing does not occur on or before 30 days from the date of approval.

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 be and the same is hereby authorized to execute and deliver the contract to the Redeveloper; 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 Redeveloper in accordance with the provisions of the executed contract and upon payment to the City for 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 City official of the City.