



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

Date: September 26, 2006

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

Subject: Land Sale Public Hearing  
Tax Forfeiture Program

**Recommendation:** Approve the sale of 2542 17th Avenue South to Abah A. Mohamed for \$19,000, 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 2542 17th Avenue South on March 23, 2005.

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

Approved by: Chuck Lutz, Deputy CPED Director \_\_\_\_\_

Elizabeth Ryan, 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: East Phillips 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 September 21, 2006, the Planning Commission Committee of the Whole reviewed the sale of this parcel for consistency with the Comprehensive Plan.
- Zoning Code: R2B
- Other: On April 26, 2006, the Planning Staff completed a land sale review of this parcel and deemed it a buildable lot with an identified future development as a single family home.

## Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-692	2542 17th Avenue South	\$19,000

### PURCHASER

Abah A. Mohamed  
2609 Blaisdell Avenue, Apt. #106  
Minneapolis, MN 55408

### PROPOSED DEVELOPMENT:

The proposed development is the construction of a 4-bedroom, 2-bathroom, 2,640 square foot single family home which the purchaser plans to use as her family's primary residence.

The lot size is approximately 65' x 92' = 5,909 total square feet.

### LAND DISPOSITION POLICY:

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

### FINANCING\*:

Country Wide \$240,000

\*Subject to application and underwriting requirements.

### OFFERING PROCEDURE:

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

### COMMENTS:

This is a property that the City of Minneapolis acquired from Hennepin County in accordance with the Memorandum of Understanding in March 2005. The sale of this property satisfies our obligation to Hennepin County under the terms of that agreement regarding this property.

Ms. Mohamed has indicated in her proposal that D.J. Steele Construction Inc. will be the general contractor for the construction of the home. D.J. Steele Construction has successfully completed numerous rehabilitation projects for the City through the Home Ownership Works (HOW) program and has always produced a quality finished home.

**Authorizing sale of land Tax  
Forfeiture Program Disposition Parcel No TF-692.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-692, in the East Phillips neighborhood, from Abah A. Mohamed, hereinafter known as the Redeveloper, the Parcel TF-692, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-692; 2542 17th Avenue South

That part of Lot 12 lying East of the West 32 feet of said lot; and  
The South 12.15 feet of that part of Lot 13 lying East of the West 32 feet of said lot;  
All in Block 6, Gilpatrick's Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$19,000, for Parcel TF-692 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 September 15, 2006, a public hearing on the proposed sale was duly held on September 26, 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 1:30 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 Tax Forfeiture Program plan, as amended, is hereby estimated to be the sum of \$19,000 for Parcel TF-692.

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.

# WARD 9

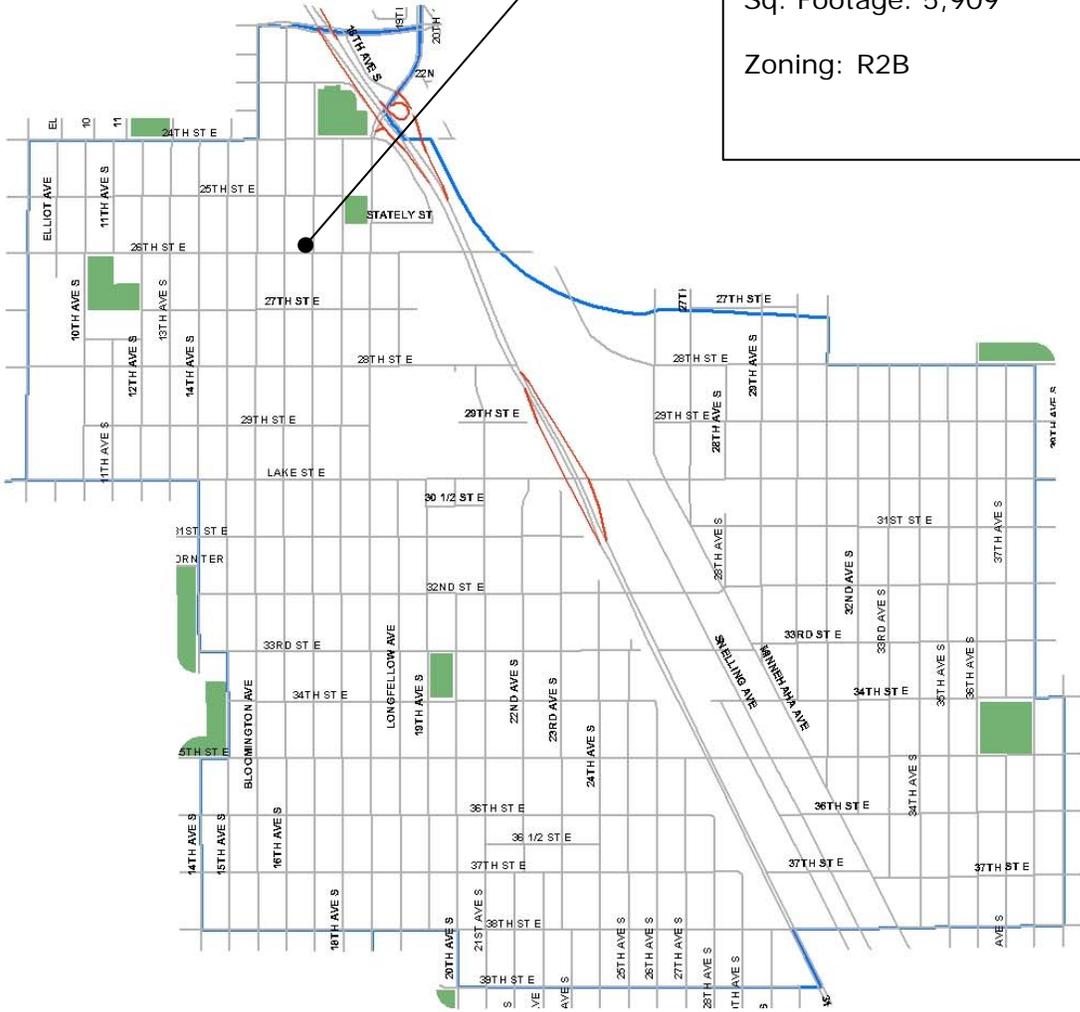
Address: 2542 17<sup>th</sup> Ave S

Parcel: TF-692

Purchaser: Abah A. Mohamed

Sq. Footage: 5,909

Zoning: R2B



**FOR COMMITTEE MEMBERS USE ONLY**

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

Date: September 26, 2006  
Subject: Land Sale – Public Hearing  
Tax Forfeiture Program  
Address: 2542 17th Avenue South  
Purchaser: Abah A. Mohamed

<b>Disposition Parcel No. Acq Date</b>	<b>Address</b>	<b>Total CPED Costs</b>	<b>Less Sales Price</b>	<b>Write Off</b>
TF-692 03/23/06	2542 17th Avenue South	\$5,491.00	(-) \$19,000	(+) \$13,509

<b>Re-Use Value Opinion</b>	<b>Less Sales Price</b>	<b>Write-Down</b>
\$19,000	\$19,000	\$0

Write-Down  
Reason: N/A

Developer History with CPED:

The proposed developer has no history with CPED; however, the proposal notes that D.J. Steele Construction Inc. will be the general contractor for the construction of the home. D.J. Steele Construction has successfully completed numerous rehabilitation projects for the City through the Home Ownership Works (HOW) program and has always produced a quality finished home.

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