



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

Date: November 7, 2005

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: William Koncak, Senior Project Coordinator, Phone 612-673-5233

Presenter in Committee: William Koncak, Senior Project Coordinator

Approved by: Chuck Lutz, Deputy CPED Director _____
Elizabeth Ryan, Director, Housing Policy _____
& Development _____

Subject: Land Sale – Public Hearing
Vacant Housing Recycling Program

RECOMMENDATION: Approve the sale of 2625 University Avenue NE to Hanza S. Farah or an affiliated entity for \$24,000.00, subject to the following conditions; 1) land sale closing must occur on or before 30 days from 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 the approval of the CPED Director.

Previous Directives: CPED acquired 2625 University Avenue NE on September 15, 1995.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain): Eliminate property management costs.
Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: 3

Neighborhood Notification: Holland Neighborhood Improvement Association reviewed this proposal and recommended it be approved.

City Goals: Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

Comprehensive Plan: The land sale has been reviewed by the Planning Commission for consistency with the Comprehensive Plan on August 29, 2005.

Zoning Code: R2B

Living Wage/Job Linkage: N/A

Other:

CPED Planning Division on July 6, 2005 found that that the development of this lot with a single family development would be consistent with The Minneapolis Plan.

Background/Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-7	2625 University Avenue NE	\$24,000.00

PURCHASER

Hanza S. Farah or an affiliated entity
1011 Valley View Drive
Minot, ND 58703

PROPOSED DEVELOPMENT:

Construction of a 2 story, 3 bedroom single family home with 2 1/2 baths and a total of 1,691 square feet of finished space. There will be a detached double garage. The property will be sold to an owner occupant.

The lot size is 33' x 92' = 3,036' square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

Private financing through Bremer Bank.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

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

COMMENTS:

Ms. Farah originally proposed a duplex development on this lot, which the Holland Neighborhood Improvement Association and the CPED Planning Division staff did not support. Ms. Farah subsequently submitted a plan for a single family development for this lot. The neighborhood association and staff do support the sale and development of this lot as now proposed.

**Authorizing sale of land
Vacant Housing Recycling Program
Disposition Parcel No. VH-7**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel VH-7, in the Holland neighborhood, from Hanza S. Farah or an affiliated entity, hereinafter known as the Redeveloper, the Parcel VH-7, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 2, B.M. Morse's Rearrangement of Block 8 in B.S. Wright's Addition to Minneapolis.

Whereas, the Redeveloper has offered to pay the sum of \$24,000, for Parcel VH-7 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 28, 2005, a public hearing on the proposed sale was duly held on November 7th, 2005, at the regularly scheduled Community Development Committee meeting of the City Council, at the Minneapolis City Hall, 350 South 5th Street, Room 317, at 9:30 a.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 Vacant Housing Recycling Program plan, as amended, is hereby estimated to be the sum of \$24,000 for Parcel VH-7.

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. Furthermore, that 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.

Address: 2625 University Avenue Northeast

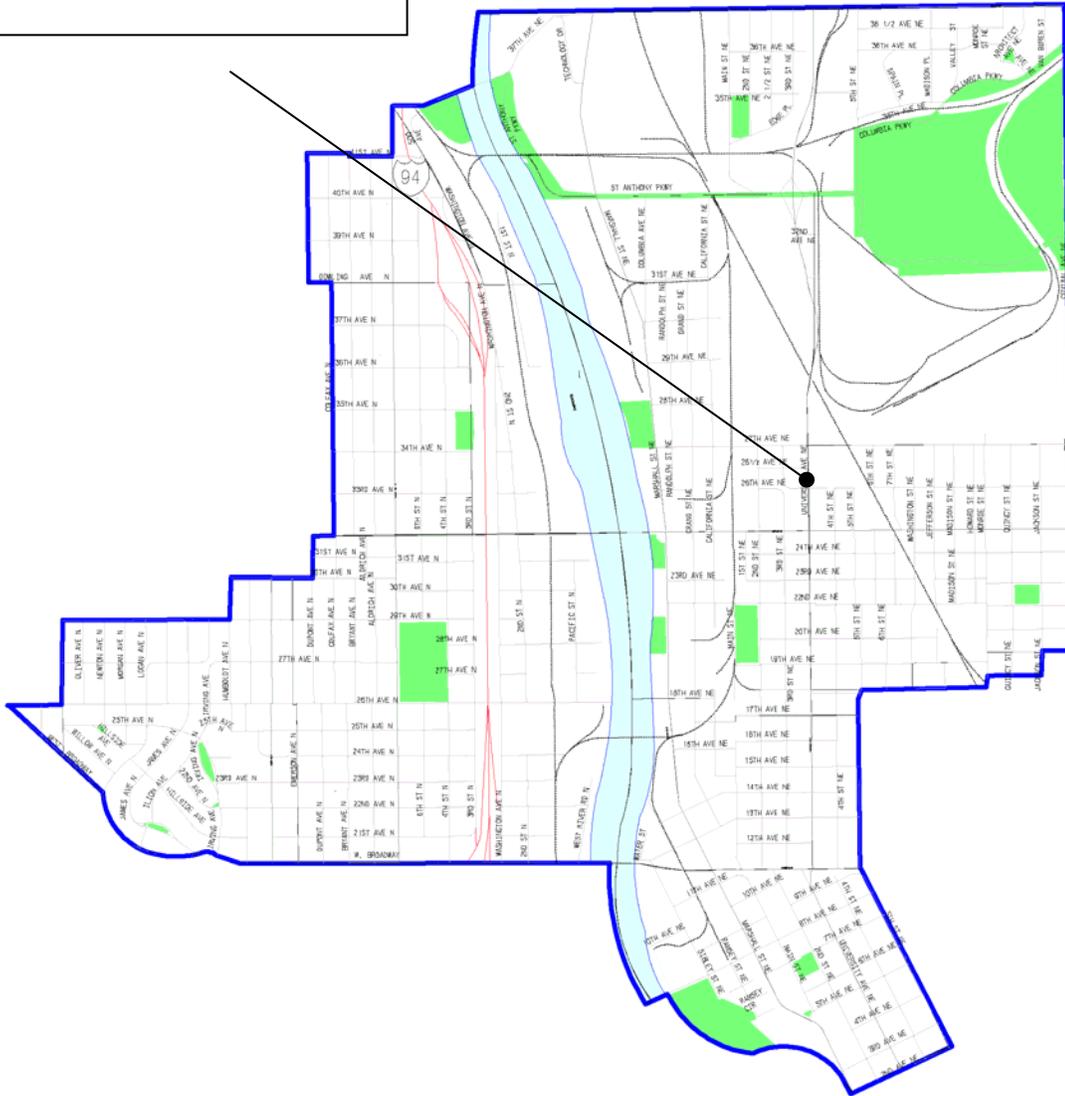
Parcel: VH-7

Purchaser: Hanza S. Farah or an affiliated entity

Sq. Footage: 3,036 sf

Zoning: R2B

WARD 3



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