



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

August 22, 2006

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

**Subject:** Land Sale Public Hearing  
Tax Forfeiture Program

**Recommendation:**

1. Approve the sale of 3641 5th Avenue South to The Greater Metropolitan Housing Corporation ("GMCH") for \$35,000, subject to the following conditions; a) land sale closing must occur on or before 30 days from date of approval, and b) 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.
2. If The Greater Metropolitan Housing Corporation fails to close, approve the sale of 3641 5th Avenue South to Daniel Chen Bowman, d/b/a Daniel Chen Bowman, d/b/a/ Flour City Inc., for \$35,000, subject to the following conditions; a) land sale must occur on or before 30 days from date of CPED notification, and b) payment of holding costs of \$150.00 per month from the date of notification to the date of closing if land sale closing does not occur on or before 30 days from the date of CPED notification.

The sale conditions may be waived or amended with approval of the CPED Director.

**Previous Directives:** CPED acquired 3641 5th Avenue South on 7/12/2005.

**Prepared or Submitted by:** Earl S. Pettiford, Senior Project Coordinator  
Phone 612-673-5231

**Approved by:** Chuck Lutz, Deputy CPED Director \_\_\_\_\_  
Elizabeth Ryan, Director, Housing Policy \_\_\_\_\_  
& Development

**Permanent Review Committee (PRC)** Approval \_\_\_\_\_ Not Applicable  X

**Policy Review Group (PRG)** Approval \_\_\_ Date of Approval \_\_\_ Not Applicable  X

**Presenters in Committee:** Earl S. Pettiford, Senior Project Coordinator

**Financial Impact (Check those that apply)**

- No financial impact (If checked, go directly to Background/Supporting Information).
- Action requires an appropriation increase to the \_\_\_\_ Capital Budget or \_\_\_\_ Operating Budget.
- Action provides increased revenue for appropriation increase.
- Action requires use of contingency or reserves.
- Business Plan: \_\_ Action is within the plan. \_\_ Action requires a change to plan.
- Other financial impact (Explain): Eliminate property management costs.
- Request provided to department's finance contact when provided to the Committee Coordinator.

**Community Impact (use any categories that apply)**

**Ward: 8**

**Neighborhood Notification:** Central Area Neighborhood Development Organization 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:** The land sale has been reviewed by the Planning Commission for consistency with the Comprehensive Plan on May 22, 2006.

**Zoning Code: R1A**

**Other:** In April, 2006, the Planning Staff completed a land sale review of this parcel and deemed it a buildable lot. This parcel is nonconforming as to lot area, but a single family home may be built per the lot of record exception in 531.100

**Background/Supporting Information Attached**

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-683	3641 5th Avenue South	\$35,000

**PURCHASER**

The Greater Metropolitan Housing Corporation ("GMHC")  
15 South 5th Street, Suite 710  
Minneapolis, MN 55402

**ALTERNATE PURCHASER**

Daniel Chen Bowman, d/b/a/ Flour City Inc.  
280 2nd Avenue North  
Minneapolis, MN 55401

**PROPOSED DEVELOPMENT:****The Greater Metropolitan Housing Corporation**

Proposes to build a four-square model house with a full front porch. This two story home will feature three bedrooms and three baths in 1700 square feet of finished space. The home will have a full basement and the development will have a two car detached garage. The home will be offered for sale to owner occupant buyers for approximately \$235,000.

**Daniel Chen Bowman, d/b/a/ Flour City Inc.**

Proposes to build a two story home with four bedrooms, three full baths. The plan offers 2000 square feet of finished living space with full basement and a two car detached garage. The home will be offered for sale to owner occupant buyers for approximately \$235,000.

**Greg Langford**

Proposes to build a 1744 square foot single family home for with 3 bedrooms two and one half baths and a two car detached garage. The home will be offered for sale to owner occupant buyers for approximately \$249,500.

**Powderhorn Community Council**

Proposes to build a two story home with three bedrooms and two bathrooms with 1,346 square feet of finished living space and a two car detached garage. The home will be offered for sale to owner occupant buyers for approximately \$246,300.

The lot size is 40X122= 4,880 total square feet.

**LAND DISPOSITION POLICY:**

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

**FINANCING\*:**

GMHC has private financing through US bank.

Daniel Chen Bowman, d/b/a/ Flour City Inc. has a commitment from University National 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:**

The neighborhood group reviewed the four proposals submitted and has recommended the proposal of GMHC. They have requested that the developer side the detached garage with a material allowing for easy graffiti removal such as Hardie Plank and the developer has committed to honoring the neighborhood's request. The neighborhood recommended Daniel Chen Bowman, d/b/a/ Flour City Inc., as an alternate purchaser.

**Authorizing sale of land Tax Forfeiture Program  
Disposition Parcel No TF-683.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop disposition Parcel TF-683, in the Central neighborhood, from The Greater Metropolitan Housing Corporation, hereinafter known as the Redeveloper and another offer to purchase and develop Parcel TF-683, from Daniel Chen Bowman, d/b/a/ Flour City Inc. hereinafter known as the Alternate Redeveloper, the Parcel TF-683, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-683; 3641 5th Ave S

Lot 13, Block 8, Vinton Park Addition to Minneapolis

As evidenced by Certificate of Possessory Title No. 1177982

Whereas, the Redeveloper has offered to pay the sum of \$35,000, for Parcel TF-683 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 Alternate Redeveloper has offered to pay the sum of \$35,000 for Parcel TF-683 to the City for the land, and the Alternate Redeveloper's proposal is in accordance with the applicable Redevelopment Plan and/or Program; and

Whereas, both the Redeveloper and the Alternate Redeveloper have submitted to the City statements 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 August 11, 2006, a public hearing on the proposed sale was duly held on August 22, 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 \$35,000 for Parcel TF-683.

Be It Further Resolved that the acceptance of the offers and proposals are both hereby determined to be in accordance with the City's approved disposition policy and it is further determined that both the Redeveloper and the Alternate Redeveloper possess the qualifications and financial resources necessary to acquire and develop the parcel in accordance with the Redevelopment Plan and/or Program, but that the City prefers the Redeveloper's proposal over the Alternate Redeveloper's proposal.

Be It Further Resolved that the Redeveloper's proposal 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 if and only if Redeveloper fails to close on the land sale pursuant to the conditions described above, the Alternate Redeveloper's proposal 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 City notification to the Alternate Redeveloper and 2) payment of holding costs of \$150.00 per month from the date of notification if the land sale closing does not occur on or before 30 days from the date of City notification to the Alternate Redeveloper.

Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director. Furthermore, that the Finance Officer or other appropriate official of the City is hereby authorized consistent with the terms herein to execute and deliver the contract to the Redeveloper or Alternate Redeveloper, as appropriate; 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 consistent with the terms herein to execute and deliver a conveyance of the land to the Redeveloper or the Alternate Redeveloper as appropriate 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.