



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

March 21, 2006

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

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

**Recommendation:** Approve the sale of 5146 Bryant Avenue North to Mohammad Thabet for \$27,000, 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 approval of the CPED Director.

**Previous Directives:** CPED acquired 5146 Bryant Avenue North on June 17, 2002.

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

**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:** William Koncak, 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: 4th**

**Neighborhood Notification:** Lind-Bohanon Neighborhood Association reviewed this proposal and recommended it be approved on January 5, 2006.

**City Goals:** Foster the development and preservation of a mix of quality housing types that is 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 the land use plan and in conformance with the Vacant Housing Recycling Program relating to this community. Planning Commission reviewed this proposal on February 21, 2006 and approved it.

**Zoning Code: R1A**

**Other:**

**Background/Supporting Information Attached**

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF 575	5146 Bryant Avenue North	\$27,000

**PURCHASER**  
 Mohammad Thabet  
 12425 53rd Street North  
 Stillwater, MN 55082

**PROPOSED DEVELOPMENT:**

The developer proposes to build a two story, single family dwelling with four bedrooms and 2 1/2 baths, with a total of 1640 square feet of finished space. A detached double garage will be built adjacent to the alley. The home will be marketed for sale to an owner-occupant.

The lot size is 33' X 125' = 4,147 total square feet.

**LAND DISPOSITION POLICY:**

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

**FINANCING\*:**

Developer has private financing.

\*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 proposed developer's offer had requested that soil tests be done before he acquires the property. Because of the lot's 33 foot width, any poor bearing soil problems found during construction, could cause major construction delays, increased costs and endanger the adjacent structures. Staff ordered the necessary tests be done and the test results appear to be within the normal range for light frame construction. A copy of the test results was given to Mr. Thabet and he wishes to proceed with the development.

**Authorizing sale of land Tax Forfeiture Program  
Disposition Parcel No TF-575**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-575, in the Lind-Bohanon neighborhood, from Mohammad Thabet, hereinafter known as the Redeveloper, the Parcel TF-575, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-575; 5146 Bryant Avenue North

Lot 34, Block 1, "Aldrich Avenue Addition to Minneapolis."

Being registered land as is evidenced by Certificate of Title No. 1142793.

Whereas, the Redeveloper has offered to pay the sum of \$27,000, for Parcel TF-575 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 March 10, 2006, a public hearing on the proposed sale was duly held on March 21, 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 \$27,000 for Parcel TF-575.

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.