

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

Date: October 23, 2007

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

Subject: Land Sale Public Hearing
Vacant Housing Recycling Program

Recommendation: Approve the sale of 1011 28th Street East to Delores C. Holmes for \$3,000, subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date of approval, 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 one and two may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

Previous Directives: CPED acquired 1011 28th Street East on January 16, 2004.

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

Approved by: Charles T. 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 for this parcel.

Community Impact

- Neighborhood Notification: Midtown Phillips Neighborhood Association 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 reviewed and approved the sale of this parcel as sideyard as being consistent with the Comprehensive Plan.
- Zoning Code: R2B
- Other: On September 7, 2006, the Planning Staff completed a land sale review of this parcel and deemed it a buildable lot.

Supporting Information

PARCEL

VH-186

ADDRESS

1011 28th Street East

SALE PRICE

\$3,000

PURCHASER

Delores C. Holmes

1015 28th Street East

Minneapolis, MN 55407

PROPOSED DEVELOPMENT:

The proposed sale is to the adjacent owner of 1015 28th Street East for use as sideyard. Ms. Holmes plans to combine the two parcels and place a fence along the property boundaries. The fence should eliminate the loitering and other negative activities that have been occurring on this City-owned vacant lot.

The lot size is 30' x 101' = 3,030 square feet. The adjacent property owner's lot is 30' x 101' = 3030 square feet. When combined, the lot will be 60' x 101' = 6,060 total square feet.

LAND DISPOSITION POLICY:

This property is a buildable lot as defined by City policy and is being sold for side yard which is consistent with the policy when "the adjacent lots contain conflicting land uses that make the Buildable Lot unsuitable for residential construction[p3]."

OFFERING PROCEDURE:

Parcel offered to adjacent owner(s) only. The sales price of this property does reflect the full re-use value as side yard.

COMMENTS:

This property was purchased in January 2004 for a potential rehabilitation of the existing building. It was later determined that due to the condition of the building it was not financially feasible to rehabilitate and the building was demolished. The lot is located adjacent to an alley and on a one-way east/west street which is heavily traveled. Across the alley is a large multiple-unit building. The Abbott Hospital Campus is located to the west of this property between 10th and Chicago Avenues; Anderson School is approximately a block to the north with Lake Street approximately two blocks to the south. The area attracts significant vehicular and pedestrian traffic due to the close proximity of the commercial and institutional uses that surround it.

In accordance with the City Land Disposition Policy, staff believes that it is appropriate to sell this property due to the fact that "the adjacent lots contain conflicting land uses that make the Buildable Lot unsuitable for residential construction."

Ms. Delores Holmes, the adjacent owner at 1015 East 28th Street, wants to buy the City's land and place a fence around the combined property. Ms. Holmes and the Midtown Phillips neighborhood organization report that negative activities, such as loitering and car repair have been occurring on the City's vacant land. A sale to Ms. Holmes along with the installation of a fence should remedy this situation.

While this parcel is a buildable lot under the Zoning Code, its sub-standard size limits its appeal in the real estate market[p4]. The City's property maintenance costs are estimated at \$1,500 per year. The re-use purpose is sideyard, the value is \$3,000.

Staff recommends selling 1011 28th Street East to Ms. Holmes for \$3,000, the price set by the CPED staff appraiser based upon a sideyard re-use under the requirements of the City's Real Estate Policy. Support of the neighborhood organization is a significant part of the staff recommendation. In addition, selling this land would reduce property maintenance costs and fulfill the CPED goal of selling real estate if it is not associated with a City development plan.

**Authorizing sale of land Disposition Parcel No VH-186
Vacant Housing Recycling Program**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase the Disposition Parcel VH-186, in the Midtown Phillips neighborhood, from Delores C. Holmes, hereinafter known as the Purchaser, the Parcel VH-186, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

Legal Description

VH-186; 1011 28th Street East

The rear 30 feet of Lots 1, 2 and 3, Block 2, Avery's Chicago Avenue Addition to Minneapolis

Being registered property as is evidenced by Certificate of Title No. 1142855.

Whereas, the Purchaser has offered to pay the sum of \$3,000, for Parcel VH-186, to the City for the land; and

Whereas, the Purchaser has submitted to the City a statement of financial responsibility and qualifications; and

Whereas, on October 3, 2006, the Planning Commission reviewed the land sale for consistency with the City's Comprehensive Plan and approved the sale of this parcel for sideyard as being consistent with the Comprehensive Plan; and

Whereas, the City has determined the offer of \$3,000 to purchase the Parcel to be reasonable; 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 City's accepted methods in determining a re-use value for the Parcel; and

Whereas, the City's Real Estate Disposition Policy provided in Section 2.2.13 for the sale of land for sideyard; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on October 12, 2007, a public hearing on said proposal and proposed sale and the provisions thereof, was duly held on October 23, 2007, 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; and

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

That the re-use value for the VH-186 is hereby estimated to be the sum of \$3,000.

Be It Further Resolved that the acceptance of the offer and Purchaser's proposal is hereby determined to be in accordance with the City's approved disposition policy and it is further determined that the Purchaser possesses the qualifications and financial resources necessary to acquire and maintain the Parcel in accordance with the contract for the sale of land.

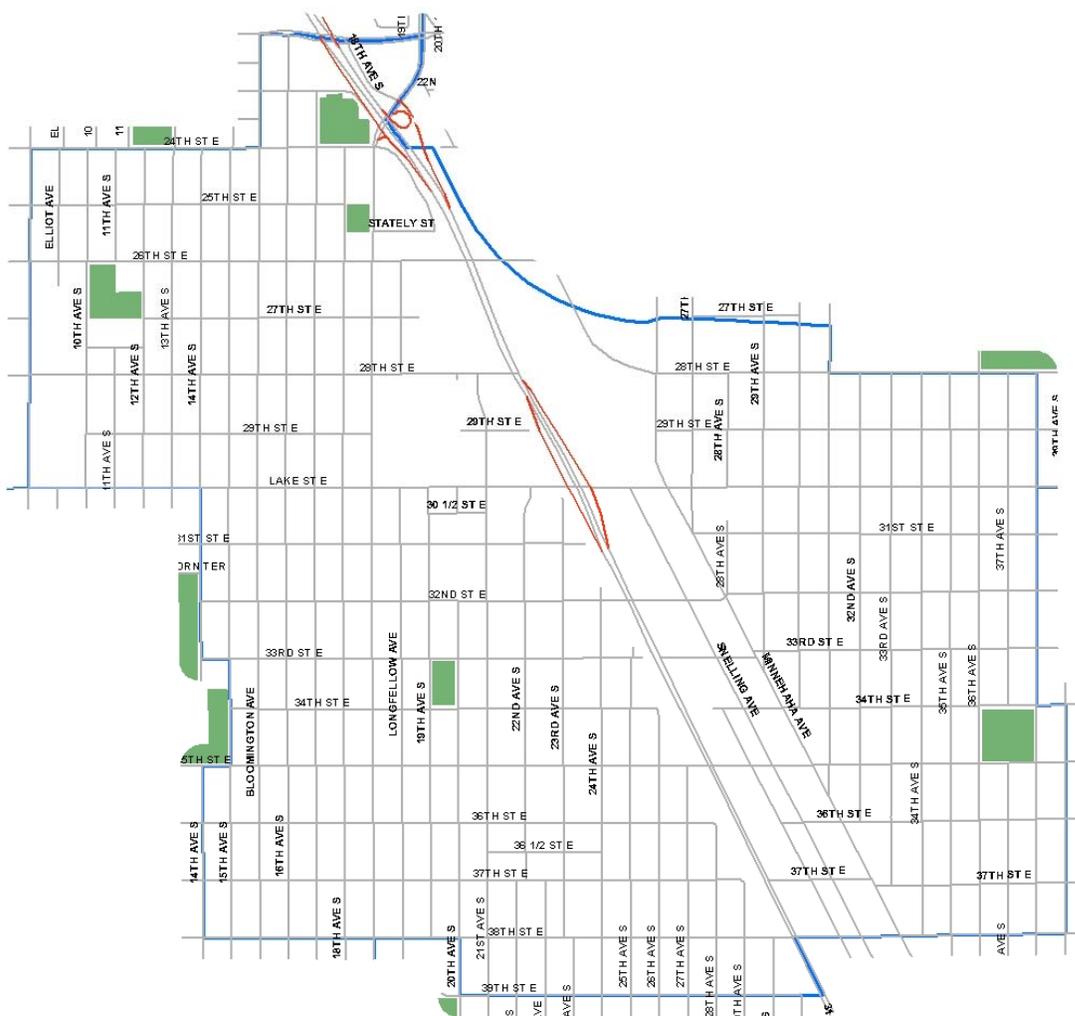
Be It Further Resolved that the offer is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date this Resolution is approved by the City, 2) payment of holding costs 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 is hereby authorized to execute and deliver the contract to the Purchaser; 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 Purchaser in accordance with the provisions of the executed contract and upon payment to the City of 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 official of the City.

WARD 9



0 0.25 0.5 Miles

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TOTAL ACQUISITION COSTS INCURRED BY CPED ATTRIBUTABLE TO THE FOLLOWING PROPERTIES:

Date: October 23, 2007
 Subject: Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 1011 28th Street East
 Purchaser: Delores C. Holmes

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
VH-186 01/16/04	1011 28th Street East	\$76,066	(-) \$3,000	(-) \$73,066

Re-Use Value Opinion	Less Sales Price	Write-Down
\$3,000	\$3,000	\$ 0

Write-Down
 Reason: N/A

Developer History With CPED:
 None

Developer Information:

- Single Individual(s)
- Family with ___ Dependents (one or more adults with dependents)
- General Partnership
- Limited Partnership
- Corporation of the State of _____
- Other