



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

Date: February 17, 2015  
To: Council Member Lisa Goodman, Chair, Community Development & Regulatory Services Committee

**Subject:** Land Sale Public Hearing  
Vacant Housing Recycling Program

**Recommendation:** Approve the sale of 422 - 30th Avenue North to PPL Homes LLC or an affiliated entity for \$7,000 subject to the following conditions; 1) land sale closing must occur on or before 90 days from the date that title is received by the City, and 2) payment of holding costs of \$300.00 per month if the land sale closing does not occur on or before the closing deadline. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

**Previous Directives:** On January 13, 2015, the City delivered a check to Hennepin County to acquire 422 - 30th Avenue North.

Prepared by: Edie Oliveto-Oates, Senior Project Coordinator, Phone 612-673-5229  
Approved by: D. Craig Taylor, Executive Director CPED \_\_\_\_\_  
Charles T. Lutz, Deputy Director CPED \_\_\_\_\_  
Presenter(s) in Committee: Edie Oliveto-Oates, Senior Project Coordinator

**Financial Impact**

- Action is within the Business Plan
- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Net Sale Proceeds (see attached table): \$5,172
- Proposed Re-Use Value Write Down (see attached table): \$0

**Community Impact**

- Neighborhood Notification: Hawthorne Area Community Council reviewed this proposal and recommended it be approved.
- City Goals: LIVING WELL - Minneapolis is safe and livable and has an active and connected way of life.
- Comprehensive Plan: On February 12, 2015, the Committee of the Whole of the Planning Commission approved the sale of the property as being consistent with the Comprehensive Plan; it is anticipated that the Planning Commission will approve the sale of this parcel as being consistent with the Comprehensive Plan on February 23, 2015.
- Zoning Code: Project complies with current zoning.
- Other: On January 23, 2015, the Planning Staff completed the land sale review process.

## Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-838	422 - 30th Avenue N	\$7,000

### PURCHASER

PPL Homes LLC  
1035 E. Franklin Avenue  
Minneapolis, MN 55404

### PROPOSED DEVELOPMENT:

The developer proposes the rehabilitation of the existing single family home which contains 3 bedrooms, 1 bath and approximately 1,235 square feet.

The lot size is 34' x 110' = 3,740 total square feet.

### LAND DISPOSITION POLICY:

This property is being sold for development and will be improved by rehabilitation as defined by City policy.

### FINANCING\*:

The developer is proposing a combination of sources including, bank financing, City of Minneapolis Neighborhood Stabilization Program (NSP) funding and the Hawthorne Neighborhood through its Neighborhood Revitalization Program.

\*Subject to application and underwriting requirements.

### OFFERING PROCEDURE:

Direct Sale. The subject property is in the Northside Home Fund cluster—the Hawthorne Eco-Village. Project for Pride in Living (PPL) is the approved-developer for the project. When the subject property was forfeited for taxes, the neighborhood and PPL advised the City of their interest in rehabbing the property. The City acquired the property as a pass-thru to the developer for the sole purpose of rehabilitation and sale to an owner-occupant. This rehabilitation is in keeping with the goal of revitalizing the Hawthorne Eco-Village through rehab and construction of new homes for owner-occupancy. The sale price is greater than the reuse value because the developer is reimbursing the City its acquisition cost, plus an administrative fee.

### COMMENTS:

The property is being sold in its as-is condition and the City is conveying tax title. PPL Homes intends to rehabilitate the property in accordance with the Neighborhood Stabilization Program rehabilitation standards and sell it for owner-occupancy to a household whose income is at or below 120% AMI.

## Resolution

### **Authorizing sale of land Vacant Housing Recycling Program Disposition Parcel TF-838.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-838, in the Hawthorne neighborhood, from PPL Homes LLC or an affiliated entity, hereinafter known as the Redeveloper, the Parcel TF-838, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

#### LEGAL DESCRIPTION

TF-838; 422 30th Avenue N.

E 34 FT OF W 82.5 FT OF LOTS 8 and 9 and 10 Morrison's Addition

Whereas, the Redeveloper has offered to pay the sum of \$7,000 for Parcel TF-838 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 February 6, 2015, a public hearing on the proposed sale was duly held on February 17, 2015, at the regularly scheduled Community Development & Regulatory Services 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 Vacant Housing Recycling Program plan, as amended, is hereby estimated to be the sum of \$3,000 for Parcel TF-838.

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 90 days from the date that title is received by the City and 2) payment of holding costs of \$300.00 per month if the land sale closing does not occur on or before the closing deadline.

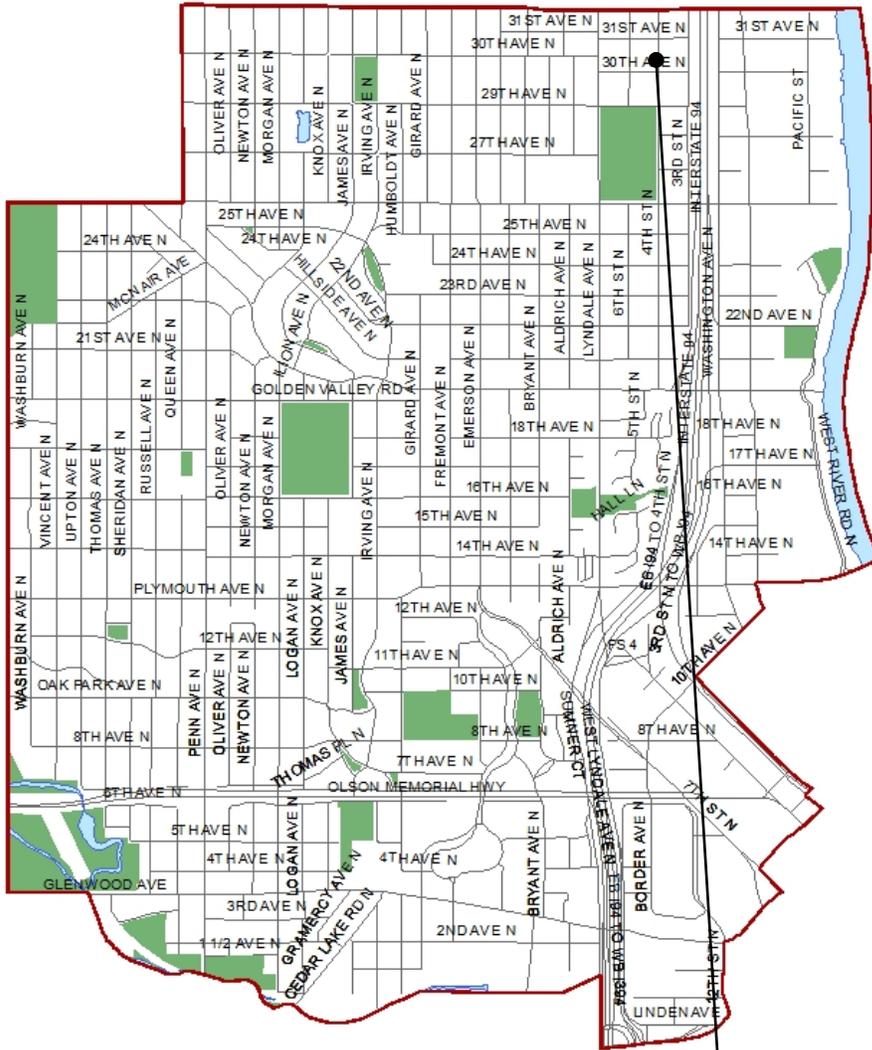
Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

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 and delivered by the Finance Officer or other appropriate City official of the City.

# Ward 5



Address: 422 30<sup>th</sup> Ave N



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

Date: February 17, 2015  
 Subject: Land Sale – Public Hearing  
 Vacant Housing Recycling Program  
 Address: 422 - 30th Avenue North  
 Purchaser: PPL Homes LLC

	A	B	C	D	E	F	G
Address	Purchase Price	Acquisition/ Demolition/ Other Costs	Total CPED Cost to Assemble	Re-Use Value Opinion	Sale Price	CPED Cost Write-Off or Sale Proceeds (if > 0)	Re-Use Value Write Down (if < 0)
			(A+B)			(E-C)	
422 30th Ave N	\$1	\$1,827	\$1,828	\$3,000	\$7,000	\$5,172	\$0
Total	\$1	\$1,827	\$1,828	\$3,000	\$7,000	\$5,172	\$0

Write-Down

Not applicable, as the sales price is greater than the re-use value because the sales price includes a payment of an administrative fee associated with the pass-thru.

Developer History with CPED:

PPL has been a development partner with the City of Minneapolis for over 20 years.

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