



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

Date: June 9, 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 2701 Oliver Ave. N. to Reliable Property Maint. & Home Srv. LLC for \$1.00 subject to the following conditions; 1) land sale closing must occur on or before 90 days from the date this Resolution is approved 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: The City acquired this property through Hennepin County Tax Forfeited land on December 12, 2014.

Prepared by: Roxanne Young Kimball, Senior Project Coordinator, Phone 612-673-2794
Approved by: D. Craig Taylor, Director CPED _____
Charles T. Lutz, Deputy Director CPED _____
Presenter(s) in Committee: Roxanne Young Kimball, Senior Project Coordinator

Financial Impact

- Action is within the Business Plan
- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed CPED Cost Write-Off (see attached table): \$11,910
- Proposed Re-Use Value Write-Down (see attached table): \$0

Community Impact

- Neighborhood Notification: The Jordan Action Community Council was notified of the sale and provided no comments.
- 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 Planning Commission reviewed the land sale and recommended approval as consistent with the Comprehensive Plan.
- Zoning Code: It complies.
- 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-849	2701 Oliver Ave. N.	\$1.00

PURCHASER

Reliable Property Maint. & Home Srv. LLC
3085 Cardinal Cove Drive
Minnetrista, MN 55364

PROPOSED DEVELOPMENT:

Reliable Property Maint. & Home Srv. LLC (Reliable Property) is purchasing the property for rehab into a single family home. The property was constructed in 1900 and is a 2,124 sq. ft. six bedroom, two bath duplex that will be rehabilitated to be a four bedroom, two bath single family home that meets the Vacant Housing Recycling Program's rehabilitation standards, including addressing all code deficiencies. It was registered as a vacant building in November 2013.

The lot size is 44' x 126' = approximately 5,486 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*:

A line of credit, documented with a financing commitment letter dated within 30 days of application.

OFFERING PROCEDURE:

Public Advertisement. The sales price of this property is based on a restricted appraisal performed by an independent fee appraiser.

COMMENTS:

This tax-forfeited property was publicly advertised on the City of Minneapolis website and through e-mail notification to a list serve of 200+ developers and homebuyers. Two informational meetings were held to inform potential developers and homebuyers about the city's disposition process and the information was posted on the city's web site. An open house was held to allow potential purchasers to inspect the property and a two-week application period was provided after the open house. This application was the only offer for this address. The City is selling this property in its as-is condition and is conveying clear title.

The property will be marketed for sale to an owner-occupant.

Authorizing sale of land Vacant Housing Recycling Program Disposition Parcel TF-849.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-849 in the Jordan neighborhood, from Reliable Property Maint. & Home Srv. LLC, hereinafter known as the Redeveloper, the Parcel TF-849 being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-849; 2701 Oliver Avenue North

Lot 7, Block 4, Supplement to Forest Heights, Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$ 1.00, for Parcel TF-849; the offer includes a development plan and commitment to improve by rehabilitating the existing structure. This offer is in accordance with the 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 accepted methods of 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 Friday, May 29, 2015, a public hearing on the proposed sale was duly held on June 9, 2015, 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 \$ 1.00, for Parcel TF-849.

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 this Resolution is approved 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.

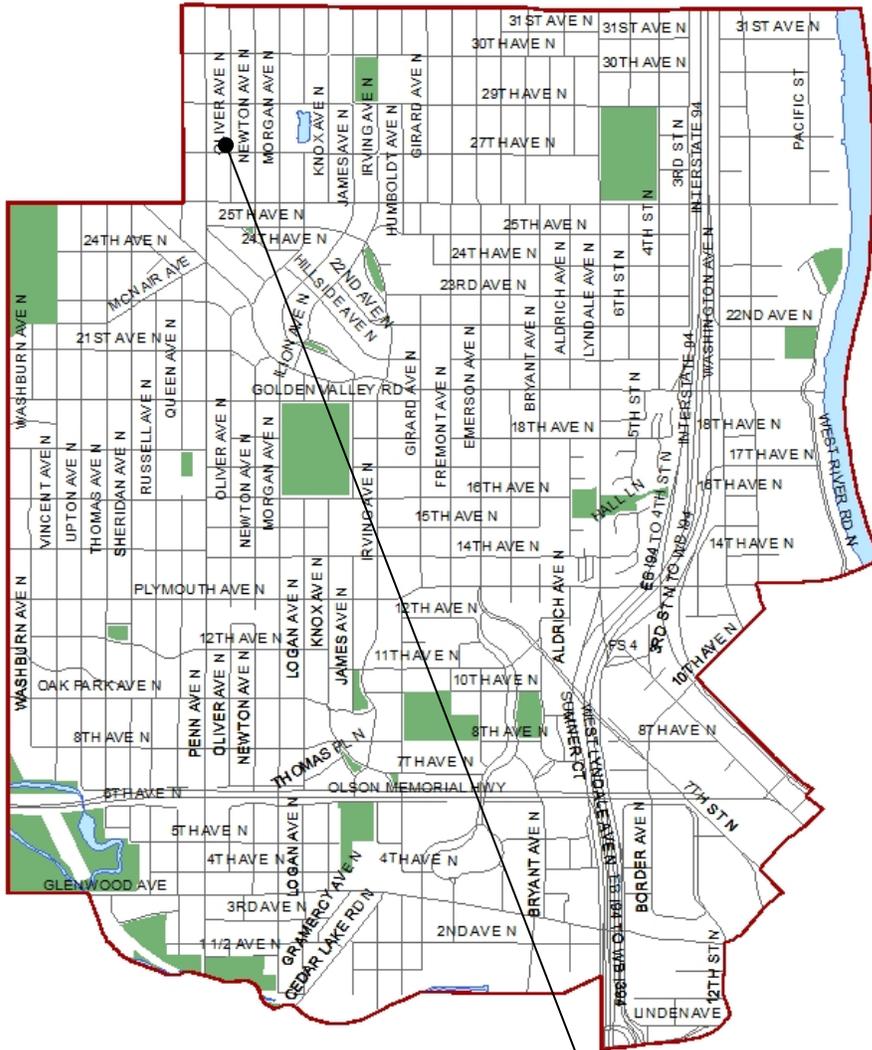
Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

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 official of the City.

Ward 5



Address: 2701 Oliver Ave N



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

Date: June 9, 2015
 Subject: Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 2701 Oliver Ave N
 Purchaser: Reliable Property Maint. & Home Srv. LLC

	A	B	C	D	E	F	G
Address	Purchase Price	Acquisition/ Demolition/ Other Costs	Total CPED Cost to Assemble (A+B)	Re-Use Value Opinion	Sale Price	CPED Cost Write-Off or Sale Proceeds (if > 0) (E-C)	Re-Use Value Write Down (if < 0) (E-D)
2701 Oliver Ave. N	\$10,000	\$1,911	\$11,911	\$1	\$1	(\$11,910)	\$0
Total	\$10,000	\$1,911	\$11,911	\$1	\$1	(\$11,910)	\$0

Developer History with CPED:

This is the developer’s first proposal to purchase property from the City for development.

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