



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

Date: July 14, 2015

To: Council Member Lisa Goodman, Chair, Community Development & Regulatory Services Committee

Subject: Land Sale Public Hearing
Vacant and Boarded Recycling Program

Recommendation: Approve the sale of 5217 6th Street North to Reuben Moore for \$5,300, 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 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 March 30, 2012, City Council authorized staff to begin marketing and selling properties acquired under the Land Bank strategy of the City's Neighborhood Stabilization Program (NSP 1, 2 and 3) using the City's normal disposition policies and procedures for development parcels. The City acquired 5217 6th Street North on July 2, 2012.

Prepared by: Earl S. Pettiford, Senior Project Coordinator, Phone 612-673-5231
Approved by: D. Craig Taylor, Director CPED _____
Charles T. Lutz, Deputy Director CPED _____
Presenter(s) in Committee: Earl S. Pettiford, Senior Project Coordinator

Financial Impact

- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Net Sale (Write-off) (see attached table): \$37,363
- Proposed Re-Use Value Write-Down (see attached table): \$0

Community Impact

- Neighborhood Notification: Lind-Bohanan Neighborhood Association 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 May 11, 2015, the Planning Commission approved the sale of this parcel as being consistent with the Comprehensive Plan.
- Zoning Code: R1A
- Living Wage/Business Subsidy Agreement Yes_____ No x

- Job Linkage Yes_____ No x
- Other: On April 16, 2015, the Planning Staff completed a land sale review of this parcel and deemed it a buildable lot.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-574	5217 6th Street North	\$5,300

PURCHASER

Reuben Moore
 11104 Abbott Lane
 Minnetonka, MN 55343

PROPOSED DEVELOPMENT:

The developer proposes to develop a 1,600 square foot single family house with three bedrooms and two and one-half baths with a two-car attached garage. The builder, Mr. Tom Hall, will be buying this house for his occupancy upon completion.

The lot size is 66' x 124' = 8,184 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

The developer has a loan commitment from Quicken Loans to finance the development coupled with its working capital.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Public Advertisement. The sales price of this property does reflect the full re-use value.

COMMENTS:

On July 2, 2012, the city acquired a single family home from The Bank of New York Mellon for \$26,300 under the Neighborhood Stabilization Program (NSP), Land Banking activity. The City subsequently demolished the structure. The vacant land is in the City's property inventory for housing development. All land sale proceeds, equal to the fair market value, will be returned to the NSP Program to cover ongoing program costs. The developer will construct a three-bedroom single family home with a two-car attached garage and has an estimated value of \$180,000.

Authorizing sale of land Vacant and Boarded Recycling Program Disposition Parcel VH-574.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel VH-574, in the Lind-Bohanon neighborhood, from Reuben Moore, hereinafter known as the Redeveloper, the Parcel VH-574, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-574; 5217 6th Street North

Lots 12 and 13, Block 1, Bryant Avenue Addition

Whereas, the Redeveloper has offered to pay the sum of \$5,300 for Parcel VH-574 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 June 26, 2015, a public hearing on the proposed sale was duly held on July 14, 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 and Boarded Recycling Program plan, as amended, is hereby estimated to be the sum of \$5,300 for Parcel VH-574.

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.

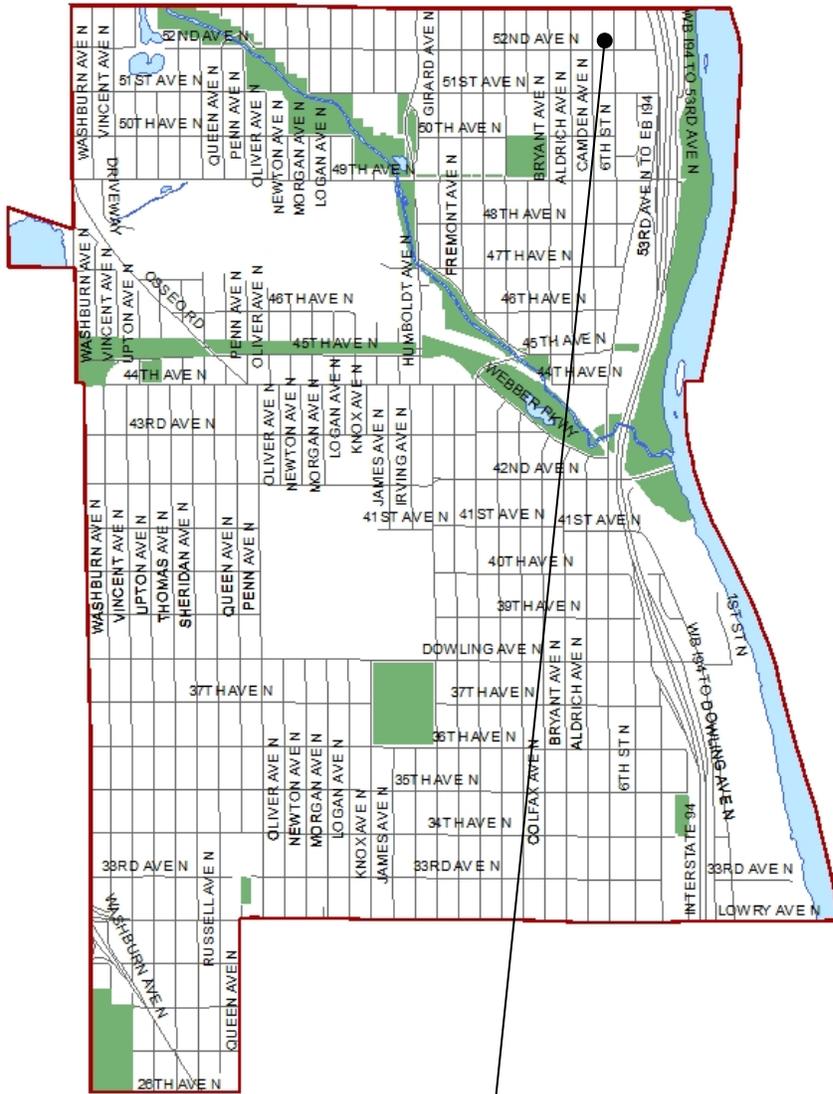
Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

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 City official of the City.

Ward 4



Address: 5217 6th Street North



Minneapolis
City of Lakes
Community Planning &
Economic Development



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

Date: June 14, 2015
 Subject: Land Sale – Public Hearing
 Vacant and Boarded Recycling Program
 Address: 5217 6th Street North
 Purchaser: Reuben Moore

	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)	(E-D)
5217 6th Street North	\$26,300	\$16,363	\$42,663	\$5,300	\$5,300	(\$37,363)	\$0
Total	\$26,300	\$16,363	\$42,663	\$5,300	\$5,300	(\$37,363)	\$0

Write-Down

Reason: Not applicable as the sales price is equal to the re-use value.

Developer History with CPED:

None.

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