



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

Date: June 17, 2014

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

Subject: Land Sale Public Hearing
Vacant Housing

Recommendation: Approve the sale of 3735 22nd Ave S to Accent Homes, Inc. for \$25,000, 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: CPED acquired 3735 22nd Ave S on February 16, 2012.

Prepared by: Cherie Shoquist, Principal Project Coordinator, Phone 612-673-5078
Approved by: Charles T. Lutz, Interim CPED Director _____
Catherine A. Polasky, Director, Economic Development and Policy _____
Presenter(s) in Committee: Cherie Shoquist, Principal Project Coordinator

Financial Impact

- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Total CPED Land Assembly Costs Net Sale Proceeds: \$23,961
- Proposed Sales Price Write-down from Re-Use Value Appraisal: \$0

Community Impact

- Neighborhood Notification: Standish-Ericsson 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.
- Sustainability Targets: Vital Community-Affordable Housing
- Comprehensive Plan: On June 23, 2014 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 May 22, 2014 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-458	3735 22nd Ave S	\$25,000

PURCHASER

Accent Homes, Inc.
13739 Lincoln St NE
Ham Lake MN, 55304

PROPOSED DEVELOPMENT:

The developer proposes to build a 2 story home with 4 bedrooms and 2 bathrooms with a full basement featuring 1,909 square feet of finished living space with a two-car detached garage which they will market for owner-occupancy at an asking price of \$350,000.

The lot size is approximately 40' x 127' = 5,080 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 will finance the project and has a line of credit established with Village Homes for this project.

*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 February 16, 2012, CPED acquired the parcel for \$1 as a donation from Inter Savings Bank FSB. The demolition was performed by the Department of Regulatory Services on July 12, 2012 and the vacant land was marketed for housing development. The developer will construct a single family home for owner-occupancy.

Two proposals were received to build single family homes for home ownership on this lot. In addition to the proposal from Accent Homes Inc., a proposal was received from The Investor Group, LLC to build a 2-story home with two potential designs. CPED Staff completed a review of the quality of the proposed designs, the total development costs and the estimated after-construction value of each proposal. This analysis, coupled with the neighborhood's support, led to the recommendation of the proposal from Accent Homes Inc.

Authorizing sale of land Vacant Housing Disposition Parcel No VH-458.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel VH-458, in the Standish neighborhood, from Accent Homes, Inc., hereinafter known as the Redeveloper, the Parcel VH-458, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-458: 3735 22nd Avenue South
Lot 14, Block 1, Girard Investment Company's Fifth Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$25,000, for Parcel VH-458 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 6, 2014, a public hearing on the proposed sale was duly held on June 17, 2014, at the regularly scheduled Community Development and 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 plan, as amended, is hereby estimated to be the sum of \$25,000 for Parcel VH-458.

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.

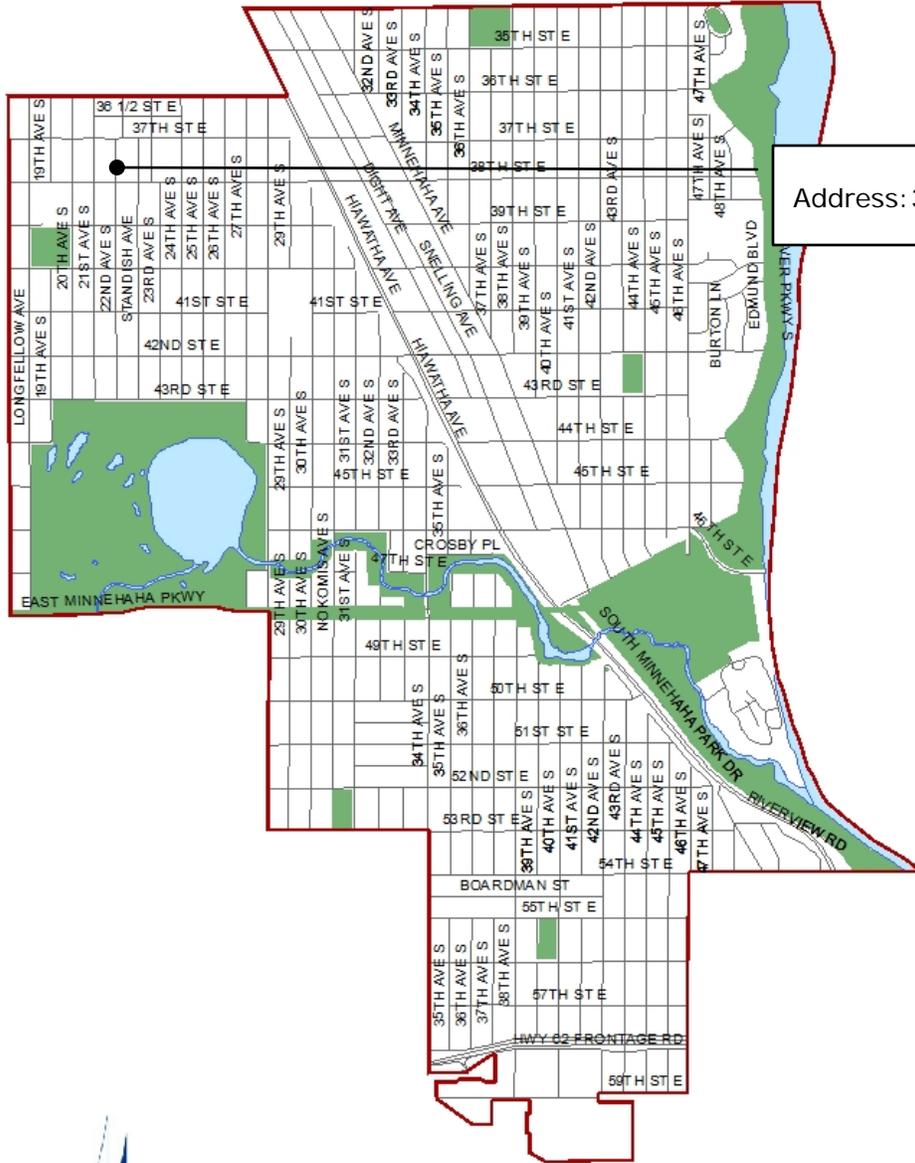
Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 90 days from the date this Resolution is approved by the City and 2) payment 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 12



Address: 3735 22nd Avenue South



Minneapolis
City of Lakes
Community Planning &
Economic Development

CPED Long Range Planning, 12/18/2013



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

Date: June 17, 2014
 Subject: Land Sale – Public Hearing
 Vacant Housing
 Address: 3735 22nd Ave S
 Purchaser: Accent Homes, Inc.

	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
			(A+B)			(E-C)	(E-D)
3735 22nd Avenue South	\$1	\$1,038	\$1,039	\$25,000	\$25,000	\$23,961	\$0
Total	\$1	\$1,038	\$1,039	\$25,000	\$25,000	\$23,961	\$0

Write-Down
 Reason: Not applicable.

Developer History with CPED:
 Accent Homes Inc. has 30 years of construction experience and has most recently purchased, developed and sold single family homes on two City of Minneapolis owned lots at 2723 Polk St NE and 1235 Monroe St NE.

- 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