



**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 2207 – 16<sup>th</sup> Avenue South for \$42,000 and 3500 Clinton Avenue for \$8,000 to Wilson Molina, subject to the following conditions; 1) land sale closing must occur on or before 90 days from the date the City receives title, 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 December 10, 2013, the City Council approved the Tax Forfeit report in which 3500 Clinton Avenue and 2207 – 16<sup>th</sup> Avenue South were approved for acquisition once the due diligence process was complete. The City is in the process of acquiring these properties through Hennepin County Tax Forfeited Land.

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 per property.
- Proposed Net Sale Proceeds (see attached): \$10,393
- Proposed Re-Use Value Write Down (see attached): \$0

**Community Impact**

- Neighborhood Notification: Ventura Village 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 Planning Commission Committee of the Whole reviewed this proposal and recommended approval; 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: The rehabilitation of these two properties comply with current zoning
- Other: On January 23, 2015, the Planning Staff completed the land sale review process.

## **Supporting Information**

<b><u>PARCEL</u></b>	<b><u>ADDRESS</u></b>	<b><u>SALE PRICE</u></b>
TF-871	3500 Clinton Avenue	\$8,000
TF-872	2207 – 16 <sup>th</sup> Ave. S.	\$42,000

### **PURCHASER**

Wilson Molina  
2637 Portland Ave. S.  
Minneapolis, MN 55407

### **PROPOSED DEVELOPMENT:**

**3500 Clinton Ave.** - Rehabilitation of the existing structure, which contains 3 bedrooms, 1 bathroom and is approximately 1460 square feet.

The lot size is 42' x 86' = approximately 3,570 total square feet.

**2207 – 16<sup>th</sup> Ave. S.** – Rehabilitation of the existing structure, which contains 2 bedrooms, 1 bathroom and is approximately 1036 square feet.

The lot size is 58' x 123' = approximately 7,011 total square feet.

### **LAND DISPOSITION POLICY:**

These properties are being sold for development and will be improved by rehabilitation as defined by City policy.

### **FINANCING\*:**

The developer is using personal funds.

### **OFFERING PROCEDURE:**

Public Advertisement. The sales price of these properties is greater than the full re-use value of each. The City is selling these properties for its cost, plus an administrative fee.

### **COMMENTS:**

These tax forfeited structures were advertised in the Minneapolis Star and Tribune on three occasions. An informational meeting was held to inform all potential developers 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 developers to inspect the property, as part of their due diligence. Interested parties submitted the required initial statements of interest and all interested developers were vetted through the City's Department of Regulatory Services. Subsequently, the applicable Truth and Housing Reports or Code Compliance reports were completed and provided to the interested developers including the price of the properties. Developers informed staff of their continued interest in the properties and the neighborhoods were informed and provided 45 days to meet with the interested developers and provide feedback regarding their review.

Only one offer was received for each property. The developer is also a realtor and intends to rehabilitate the properties and sell to owner-occupants. The City is selling these properties in their as-is condition and is conveying tax title.

**Authorizing sale of land Vacant Housing Recycling Program Disposition Parcel TF-872.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-872 in the Ventura Village Neighborhood, from Wilson Molina, hereinafter known as the Redeveloper, the Parcel TF-872, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-872; 2207 16th Ave S  
Lot 2, Block 6, Foster's Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$42,000 for Parcel TF-872; 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, February 6, 2015, a public hearing on the proposed sale was duly held on February 17, 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 \$30,000 for Parcel TF-872.

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 the City receives title, 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.

**Authorizing sale of land Vacant Housing Recycling Program Disposition Parcel TF-871.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-871 in the Central neighborhood, from Wilson Molina, hereinafter known as the Redeveloper, the Parcel TF-871, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-871; 3500 Clinton Avenue S

Lot 1, Block 5, except the west 42.64 feet thereof, Clinton Avenue Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$8,000 for Parcel TF-871; 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, February 6, 2014, a public hearing on the proposed sale was duly held on February 17, 2014, 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 \$5,000 for Parcel TF-871.

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.

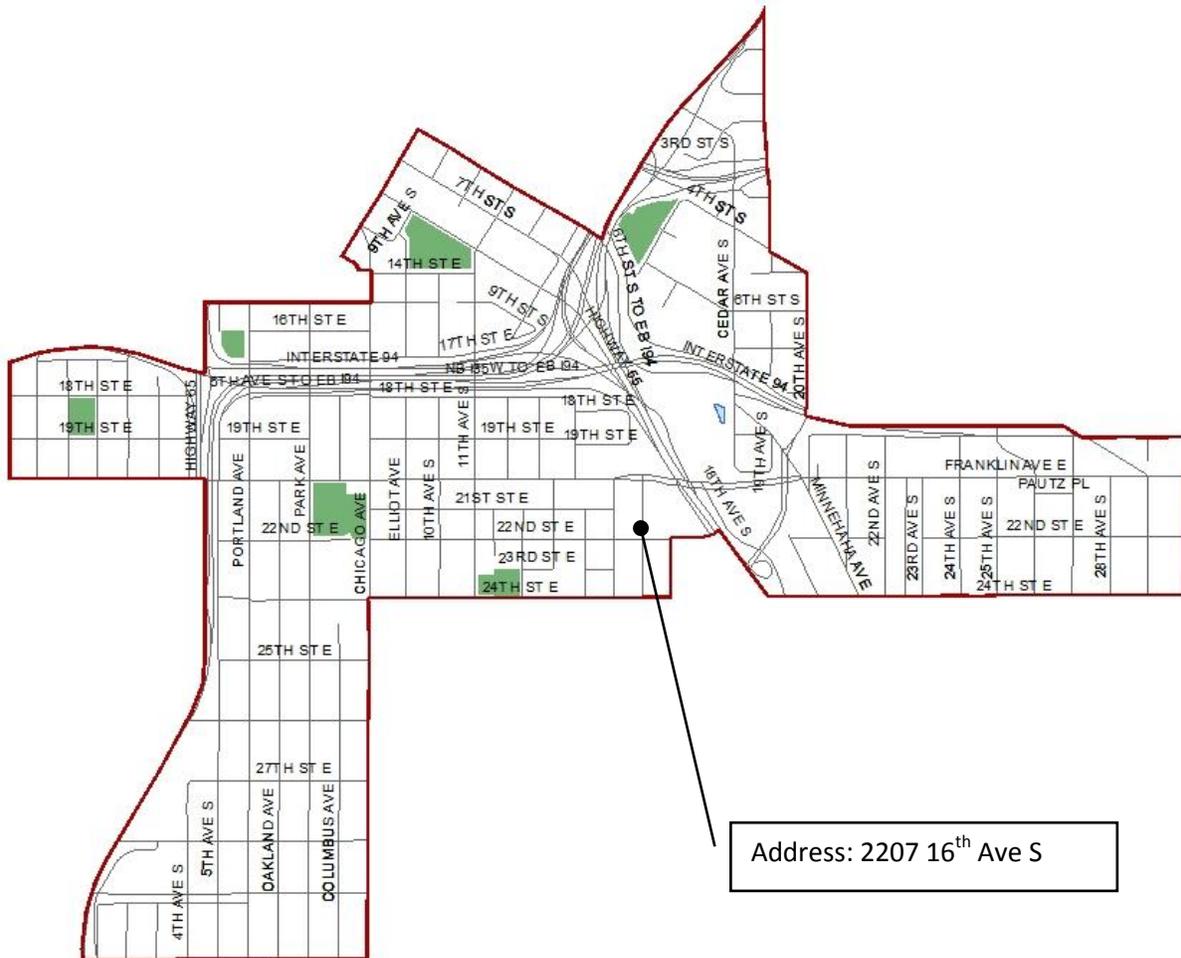
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Be It Further Resolved that the Finance Officer or other appropriate official of the City is hereby authorized to execute and deliver a conveyance of the land to the Redeveloper in accordance with the provisions of the executed contract and upon payment 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 6



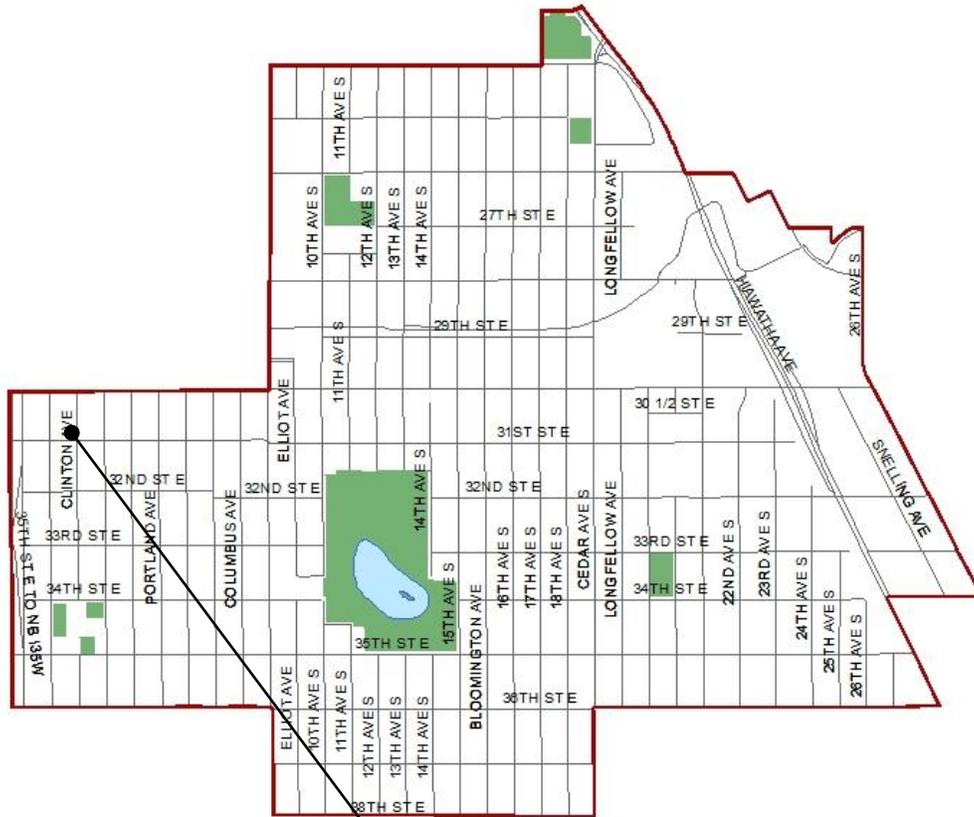
Address: 2207 16<sup>th</sup> Ave S



**Minneapolis**  
City of Lakes  
Community Planning &  
Economic Development



# Ward 9



**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: 3500 Clinton Avenue  
 2207 – 16<sup>th</sup> Ave. S.  
 Purchaser: Wilson Molina

	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)
2207 16th Avenue South	\$30,000	\$6,774	\$36,774	\$30,000	\$42,000	\$5,226	\$0
3500 Clinton Avenue South	\$1	\$2,832	\$2,833	\$5,000	\$8,000	\$5,167	\$0
<b>Total</b>	<b>\$30,001</b>	<b>\$9,606</b>	<b>\$39,607</b>	<b>\$35,000</b>	<b>\$50,000</b>	<b>\$10,393</b>	<b>\$0</b>

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:

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