



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

Date: March 24, 2015
To: Council Member Lisa Goodman, Chair, Community Development & Regulatory Services Committee

Subject: Land Sale Public Hearing
Vacant Housing

Recommendation: Approve the sale of 2933 5th Avenue South and 2937 5th Avenue South to Cedar and Riverside Company for \$36,000 each, 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 2933 5th Avenue South on December 30, 1996 and 2937 5th Avenue South on February 10, 2000.

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 property per year.
- Proposed Net Sale Proceeds (see attached table): \$23,004
- Proposed Re-Use Value Write-Down(see attached table): \$0

Community Impact

- Neighborhood Notification: Phillips West Neighborhood Organization 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 26, 2015, the Committee of the Whole reviewed the project and supported it and referred it to the Planning Commission for approval at their meeting on March 16, 2015.
- Zoning Code: It complies
- Other: On February 5, 2015, the Planning Staff completed the land sale review process.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-365	2933 5 th Avenue South	\$36,000
MC 282-10	2937 5 th Avenue South	\$36,000

PURCHASER

Cedar and Riverside Company
3038 13th Avenue South Unit 10
Minneapolis, MN 55407

PROPOSED DEVELOPMENT:

The developer is proposing the construction of six townhouse units in two separate structures consisting of four 3-bedroom units and two 4-bedroom units.

The combined lot size is 86' x 119' = 10,234 total square feet.

LAND DISPOSITION POLICY:

These properties are buildable lots as defined by City policy and is being sold for development.

FINANCING*:

Private Bank Financing

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Public Advertisement. The sales price of these properties reflects the full re-use value.

COMMENTS:

Cedar and Riverside Company is proposing to construct six units of family housing divided between two structures on the existing lots. The units will be sold to owner occupants for an estimated \$150,000 per unit. Each unit will have one parking stall with two guest stalls. The developers will be working with agents catering to households with large numbers of members, with emphasis in the Cedar Riverside community.

Authorizing sale of land Model City Urban Renewal Area Disposition Parcels TF-365 and MC 282-10.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcels TF-365 and MC 282-10, in the Phillips West neighborhood, from Cedar and Riverside Company, hereinafter known as the Redeveloper, the Parcels TF-365 and MC 282-10, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-365; 2933 5th Avenue South

Lot 18, Block 1, Hances Addition to Minneapolis

MC 282-10; 2937 5th Avenue South

Lot 17, Block 1, Hance's Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$36,000 each, for Parcels TF-365 and MC 282-10 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 March 14, 2015, a public hearing on the proposed sale was duly held on March 24, 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 Model City Urban Renewal Area plan, as amended, is hereby estimated to be the sum of \$36,000 each for Parcels TF-365 and MC 282-10.

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.

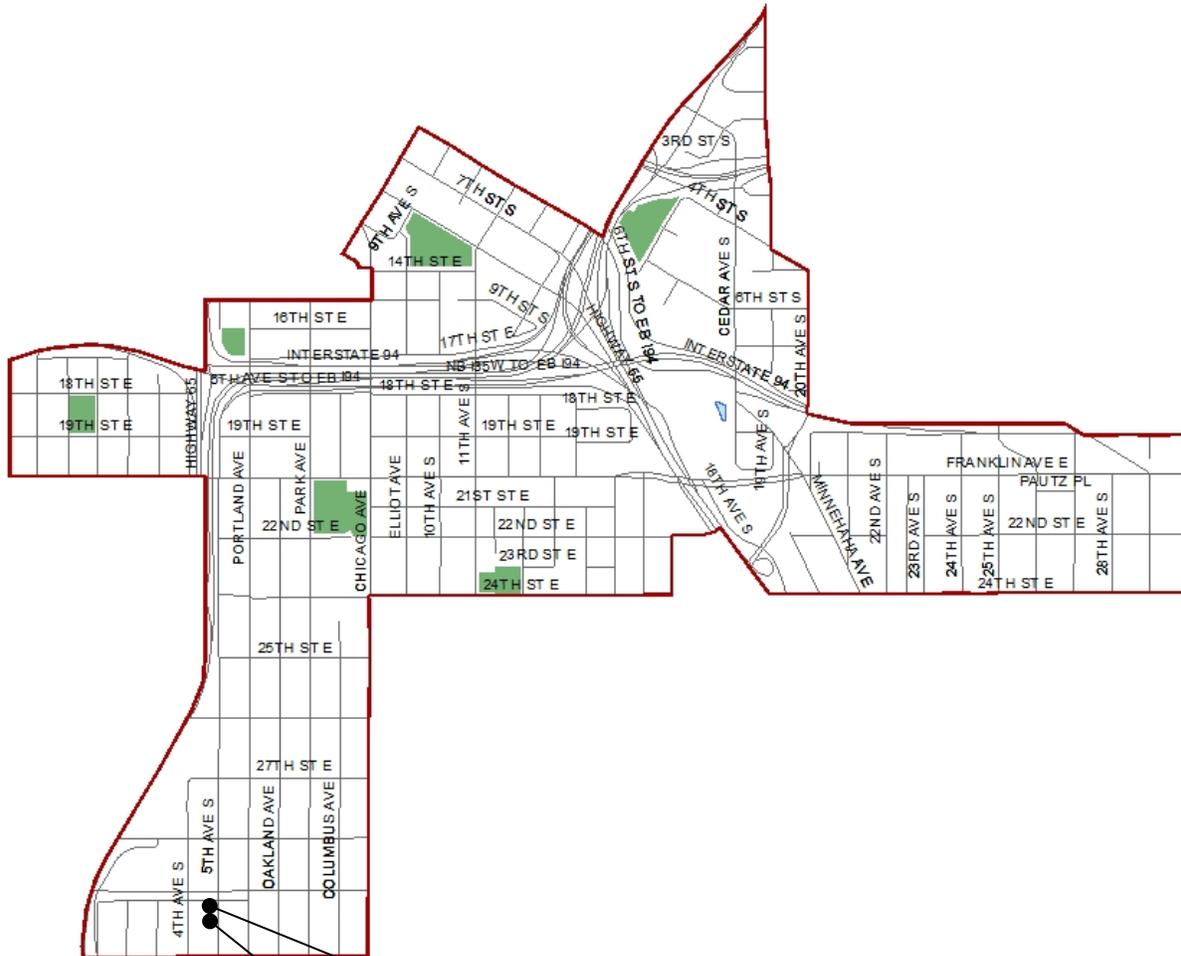
Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 90 days from the date this Resolution is approved by the City and 2) payment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

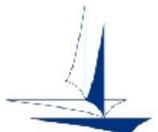
Be It Further Resolved that the Finance Officer or other appropriate official of the City is hereby authorized to execute and deliver a conveyance of the land to the Redeveloper in accordance with the provisions of the executed contract and upon payment to the City for the purchase price thereof; provided,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



Address: 2933 5th Avenue S

Address: 2937 5th Avenue S



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: March 24, 2015
 Subject: Land Sale – Public Hearing
 Vacant Housing
 Address: 2933 5th Avenue South
 2937 5th Avenue South
 Purchaser: Cedar and Riverside Company

	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)
2933 5th Avenue S	\$1	\$13,300	\$13,301	\$36,000	\$36,000	\$22,699	\$0
2937 5th Avenue S.	\$25,000	\$10,695	\$35,695	\$36,000	\$36,000	\$305	\$0
Total	\$25,001	\$23,995	\$48,996	\$72,000	\$72,000	\$23,004	\$0

Write-Down

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

Developer History with CPED:

This is the developer’s first proposal to purchase property from the City of Minneapolis 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