



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

Date: May 5, 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 2523 Washington Street NE to Greater Metropolitan Housing Corporation (GMHC) for \$20,300, 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, 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 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 2523 Washington Street NE on June 7, 2011.

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

Reviews Financial Impact

- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Write-off (see attached table): \$15,390
- Proposed Re-Use Value Write-Down(see attached table): \$0

Community Impact

- Neighborhood Notification: Holland Neighborhood Improvement 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 January 13, 2014, the Planning Commission approved the sale of this parcel as being consistent with the Comprehensive Plan.
- Zoning Code: R1A and SH overlay.
- Living Wage/Business Subsidy Agreement Yes_____ No x
- Job Linkage Yes_____ No x
- Other: On December 19, 2013, 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-573	2523 Washington Street NE	\$20,300

PURCHASER

Greater Metropolitan Housing Corporation (GMHC)
15 S. 5th Street, Suite 710
Minneapolis, MN 55402

PROPOSED DEVELOPMENT:

The developer proposes to develop a 1,678 single family house with three bedrooms and two and one half baths with a two-car detached garage. GMHC proposes to sell the home for \$360,000 for owner-occupancy.

The lot size is 46' x 123' = approximately 5,658 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 secured a commitment for financing from US Bank.

*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 June 7, 2011, the city acquired a single family home from Ronald Touchette for \$1 under the Neighborhood Stabilization Program (NSP), Land Banking activity. The City subsequently demolished the structure and 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.

GMHC successfully developed the Crown Sidewalk site which they acquired from MCDA. This site is directly across Washington Street NE from this site. GMHC met with the neighborhood and they are recommending that the City of Minneapolis sell the site to this developer.

Authorizing sale of land Vacant Housing Recycling Program Disposition Parcel VH-573.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel VH-573, in the Holland neighborhood, from Greater Metropolitan Housing Corporation, hereinafter known as the Redeveloper, the Parcel VH-573, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-573; 2523 Washington Street NE

Lot 19, Block 4, Leavitt's Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$20,300 for Parcel VH-573 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 April 24, 2015, a public hearing on the proposed sale was duly held on May 5, 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 Housing plan, as amended, is hereby estimated to be the sum of \$20,300 for Parcel VH-573.

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.

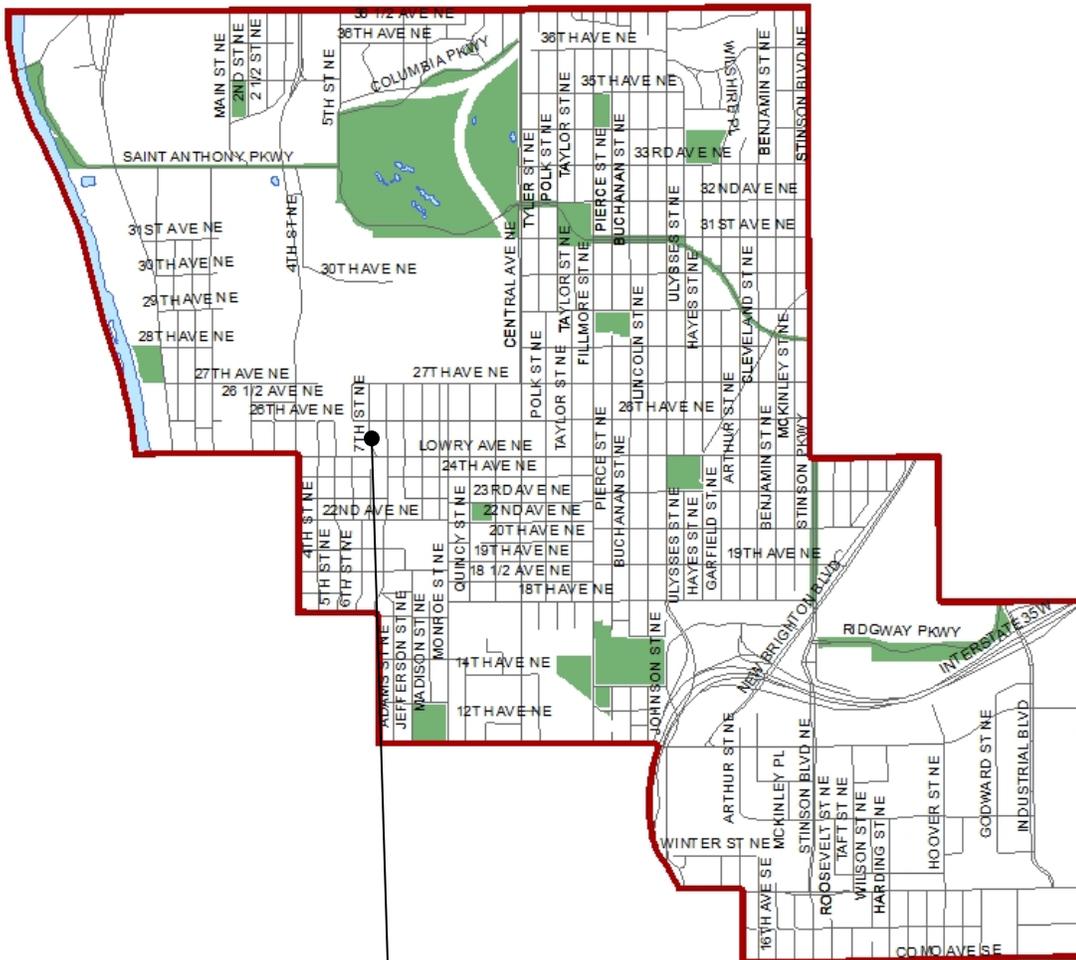
Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

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 1



Address: 2523 Washington Street NE



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

Date: May 5, 2015
 Subject: Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 2523 Washington Street NE
 Purchaser: Greater Metropolitan Housing Corporation (GMHC)

	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)
2523 Washington Street NE	\$1	\$35,689	\$35,690	\$20,300	\$20,300	(\$15,390)	\$0
Total	\$1	\$35,689	\$35,690	\$20,300	\$20,300	(\$15,390)	\$0

Write-Down

Reason: Not applicable

Developer History with CPED:

GMHC has built over 1,500 single family homes in its 45 years of existence, the majority of which have been in the City of Minneapolis.

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