



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

Date: July 28, 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 4822 Girard Avenue North to MSP Enterprises, LLC for \$5,100, 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 4822 Girard Avenue North on December 29, 2008.

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): \$5,504
- Proposed Re-Use Value Write-Down(see attached table): \$0

Community Impact

- Neighborhood Notification: Lind-Bohanon Neighborhood Group 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 July 9, 2015, the Committee of the Whole of 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 June 25, 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-371	4822 Girard Avenue North	\$5,000

PURCHASER

MSP Enterprises, LLC
388 Cleveland Avenue SW
New Brighton, Minneapolis 55112

PROPOSED DEVELOPMENT:

The developer proposes to build a two-story single family house with three bedrooms, two bathrooms, a full basement with 1,248 square foot of finished space with a double-car detached garage. The estimated sales price is \$189,900 and will be sold for owner-occupancy.

The lot size is 50' x 130' = 6,500 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

Developer's working capital is based on private financing.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

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

COMMENTS:

The City purchased 4822 Girard Avenue North from the Department of Housing & Urban Development (HUD) for \$1.00. The 765 square foot single family home was subsequently demolished and the lot was advertised for development.

This developer has successfully developed over 100 sites acquired from the City of Minneapolis.

**RESOLUTION
OF THE
CITY OF MINNEAPOLIS**

By Goodman

Authorizing sale of land Vacant Housing Recycling Program Disposition Parcel VH-371 at 4822 Girard Ave N, Minneapolis.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel VH-371, in the Lind-Bohanon neighborhood, from MSP Enterprises, LLC, hereinafter known as the Redeveloper, the Parcel VH-371, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-371; 4822 Girard Avenue North
Lot 18, Block 3, Girard Brookside Park

Whereas, the Redeveloper has offered to pay the sum of \$5,100, for Parcel VH-371 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 July 17, 2015, a public hearing on the proposed sale was duly held on July 28, 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 Recycling Program plan, as amended, is hereby estimated to be the sum of \$5,100 for Parcel VH-371.

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.

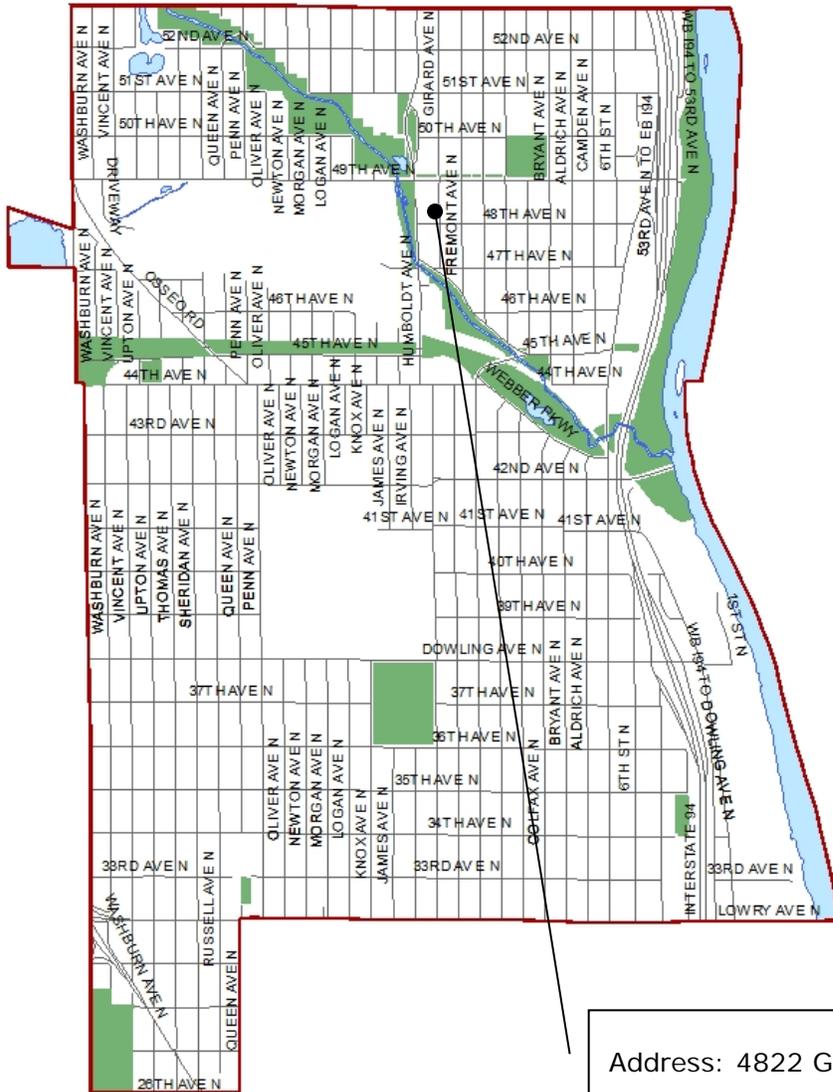
Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 90 days from the date this Resolution is approved by the City and 2) payment 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: 4822 Girard Avenue North



Minneapolis
City of Lakes
Community Planning &
Economic Development



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

Date: July 28, 2015
 Subject: Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 4822 Girard Avenue North
 Purchaser: MSP Enterprises, LLC

	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)
4822 Girard Avenue North	\$1	\$10,603	\$10,604	\$5,100	\$5,100	(\$5,504)	\$0
Total	\$1	\$10,603	\$10,604	\$5,100	\$5,100	(\$5,504)	\$0

Write-Down
 N/A

Developer History with CPED:

This developer has successfully developed over 100 sites acquired from 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