



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

Date: August 11, 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 5207 Girard Avenue North to MSP Enterprises, LLC. for \$5,000, 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: The City acquired 5207 Girard Avenue North on May 3, 2013.

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 _____
Andrea Brennan, Director Housing Policy and Development _____
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 Net Sale Write-off (see attached table): \$7,315
- Proposed Re-Use Value Write-Down (see attached table): \$0

Community Impact

- Neighborhood Notification: Lind-Bohanon 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.
- Comprehensive Plan: On July 14, 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>
TF-791	5207 Girard Avenue North.	\$5,000

PURCHASER

MSP Enterprises, LLC.
388 Cleveland Avenue SW
New Brighton MN 55112

PROPOSED DEVELOPMENT:

The developer has proposed to build a two-story single family house with three bedrooms, two bathrooms, a full basement with 1,248 sq. ft. of finished space and a double car detached garage. The estimated sales price is \$189,900 and they will sell for owner occupancy.

The lot size is 40' x 126' = approximately 5080 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 sufficient funds to complete the 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:

This developer has successfully developed many sites acquired from the City of Minneapolis. In previous dealings, the developer performed the work as Timbercraft or Timbercraft Enterprises, Inc.

Authorizing sale of land Vacant Housing Recycling Program Disposition Parcel TF-791.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-791, in the Lind-Bohanon neighborhood, from MSP Enterprises LLC, hereinafter known as the Redeveloper, the Parcel TF-791, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-791; 5207 Girard Avenue North
Lot 2, Block 4, "Le Baron's First Addition to Minneapolis"

Whereas, the Redeveloper has offered to pay the sum of \$5,000, for Parcel TF-791 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 31, 2015, a public hearing on the proposed sale was duly held on August 11, 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 determined to be the sum of \$5,000 for Parcel TF-791.

Be It Further Resolved that the acceptance of the offer and proposal is hereby determined to be in the best interests of the City and its people and that the transaction furthers the City's general plan of economic development 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.

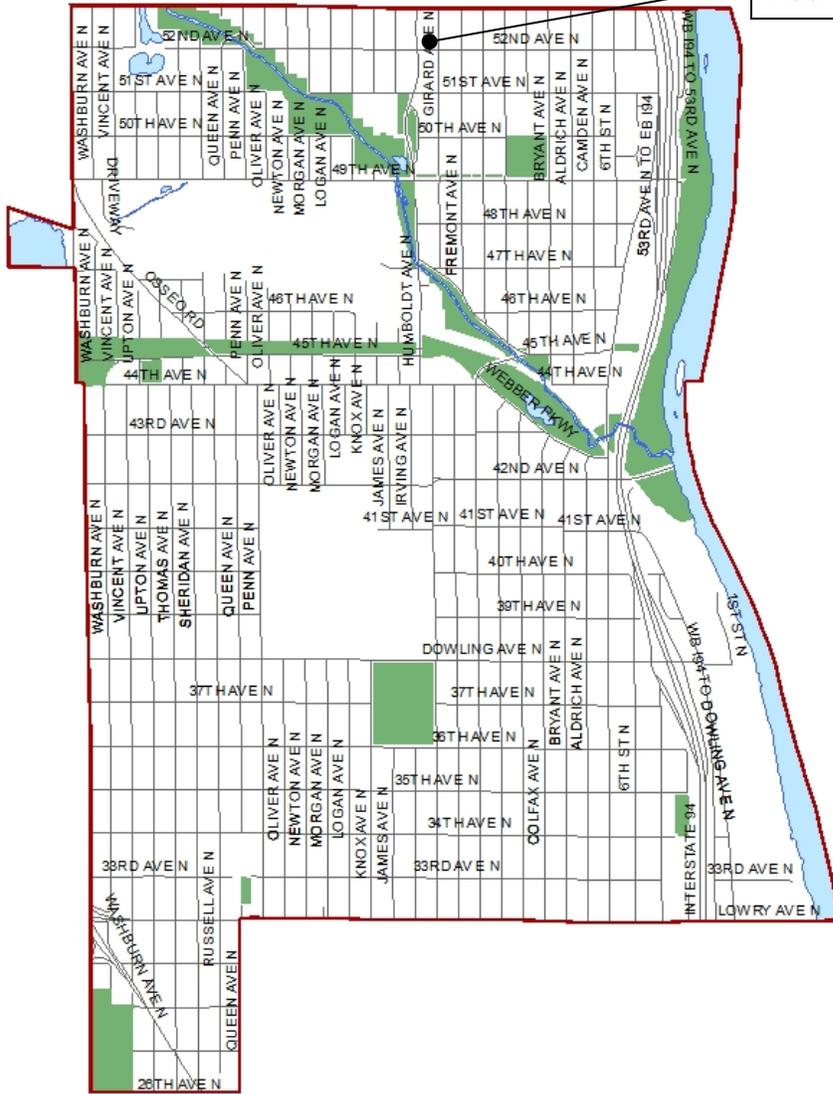
Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

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: 5207 Girard Avenue



Minneapolis
City of Lakes
Community Planning &
Economic Development



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

Date: August 11, 2015
 Subject: Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 5207 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	Re-Use Value Opinion	Sale Price	CPED Cost Write-Off or Sale Proceeds (if > 0)	Re-Use Value Write Down (if < 0)
			(A+B)			(E-C)	(E-D)
5207 Girard Avenue North	\$5,000	\$7,315	\$12,315	\$5,000	\$5,000	(\$7,315)	\$0
Total	\$5,000	\$7,315	\$12,315	\$5,000	\$5,000	(\$7,315)	\$0

Write-Down

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

Developer History with CPED:

They have developed many scattered-site single family units in Minneapolis. In addition, they developed 45 units of condominium at 35th And Hiawatha.

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