



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:

1. Approve the sale of 3708 28th Avenue South to Reuben Moore for \$22,900, subject to the following conditions; a) land sale closing must occur on or before 90 days from the date this Resolution is approved by the City and b) 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.
2. If Reuben Moore fails to close, approve the sale of 3708 28th Avenue South to Accent Homes, Inc. for \$22,900, subject to the following conditions; a) land sale closing must occur on or before 30 days from date of City notification, and b) payment of holding costs of \$300.00 per month from the date of notification to the date of closing if the land sale closing does not occur on or before 30 days from the date of City notification. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

Previous Directives: The City acquired 3708 28th Avenue South on December 17, 2001.

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|--|-------|
| 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 | _____ |
| Presenters in Committee: Earl S. Pettiford, Senior Project Coordinator | |

Financial

- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Net Sale Write-off (see attached table): \$3,733
- Proposed Re-Use Value Write-Down (see attached table): \$0

Community Impact

- Neighborhood Notification: Standish-Ericsson 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 April 27, 2015, 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 March 31, 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> |
| VH-116 | 3708 28th Avenue South |

| | |
|---|--------------------------|
| <u>PURCHASER</u> | <u>SALE PRICE</u> |
| Reuben Moore 11104 Abbott Lane Minnetonka, MN 55343 | \$22,900 |

| | |
|---|--------------------------|
| <u>ALTERNATE PURCHASER</u> | <u>SALE PRICE</u> |
| Accent Homes, Inc. 13739 Lincoln Street NE Ham Lake MN, 55307 | \$22,900 |

PROPOSED DEVELOPMENT:

Reuben Moore proposes to build a 3,800 square foot four-bedroom, four-bathroom single family home with a double car attached garage, at the rear of the home. He will owner-occupy this home.

Accent Homes, Inc. proposes to build a 1,831 square foot single family home with three bedrooms and two bathrooms and a double car detached garage.

The lot size is 46' x 126' = approximately 4,572 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

Reuben Moore
Private Financing

Accent Homes, Inc.
Private financing.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Public Advertisement. The Purchaser's price does reflect the full re-use value. The Alternate Purchaser's offer price also reflects the full re-use value.

COMMENTS:

Four proposals were submitted for this parcel—Reuben Moore, Accent Homes, Inc. Herbert and Mary Heidkamp and Obsiyu Beyan. The Heidkamps withdrew their proposal as they purchased a privately-owned parcel where they could start development of their future homestead sooner. The proposal submitted by Obsiyu Beyan did not meet the neighborhood

criteria. The neighborhood recommended both the Reuben Moore and Accent Homes, Inc. proposal. Staff is recommending the Reuben Moore's proposal because he plans to owner-occupy the home.

Authorizing sale of land Vacant Housing Recycling Program Disposition Parcel VH-116.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop disposition Parcel VH-116, in the Standish neighborhood, from Reuben Moore, hereinafter known as the Redeveloper and another offer to purchase and develop Parcel VH-116, from Accent Homes, Inc. hereinafter known as the Alternate Redeveloper, the Parcel VH-116, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-116: 3708 28th Avenue South

Lot 3, Block 8, Hull's Addition to Minneapolis, except the North 6 feet thereof, and the North 3 feet of Lot 4, Block 8, Hulls' Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$22,900, for Parcel VH-116 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 Alternate Redeveloper has offered to pay the sum of \$22,900 for Parcel VH-116 to the City for the land, and the Alternate Redeveloper's proposal is in accordance with the applicable Redevelopment Plan and/or Program; and

Whereas, both the Redeveloper and the Alternate Redeveloper have submitted to the City statements 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 \$22,900 for Parcel VH-116.

Be It Further Resolved that the acceptance of the offers and proposals are both 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 both the Redeveloper and the Alternate Redeveloper possess the qualifications and financial resources necessary to acquire and develop the parcel in accordance with the Redevelopment Plan and/or Program, but that the City prefers the Redeveloper's proposal over the Alternate Redeveloper's proposal.

Be It Further Resolved that the Redeveloper's proposal 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 if and only if Redeveloper fails to close on the land sale pursuant to the conditions described above, the Alternate Redeveloper's proposal 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 30 days from the date of City notification to the Alternate Redeveloper and 2) payment of holding costs of \$300.00 per month from the date of notification if the land sale closing does not occur on or before 30 days from the date of City notification to the Alternate Redeveloper.

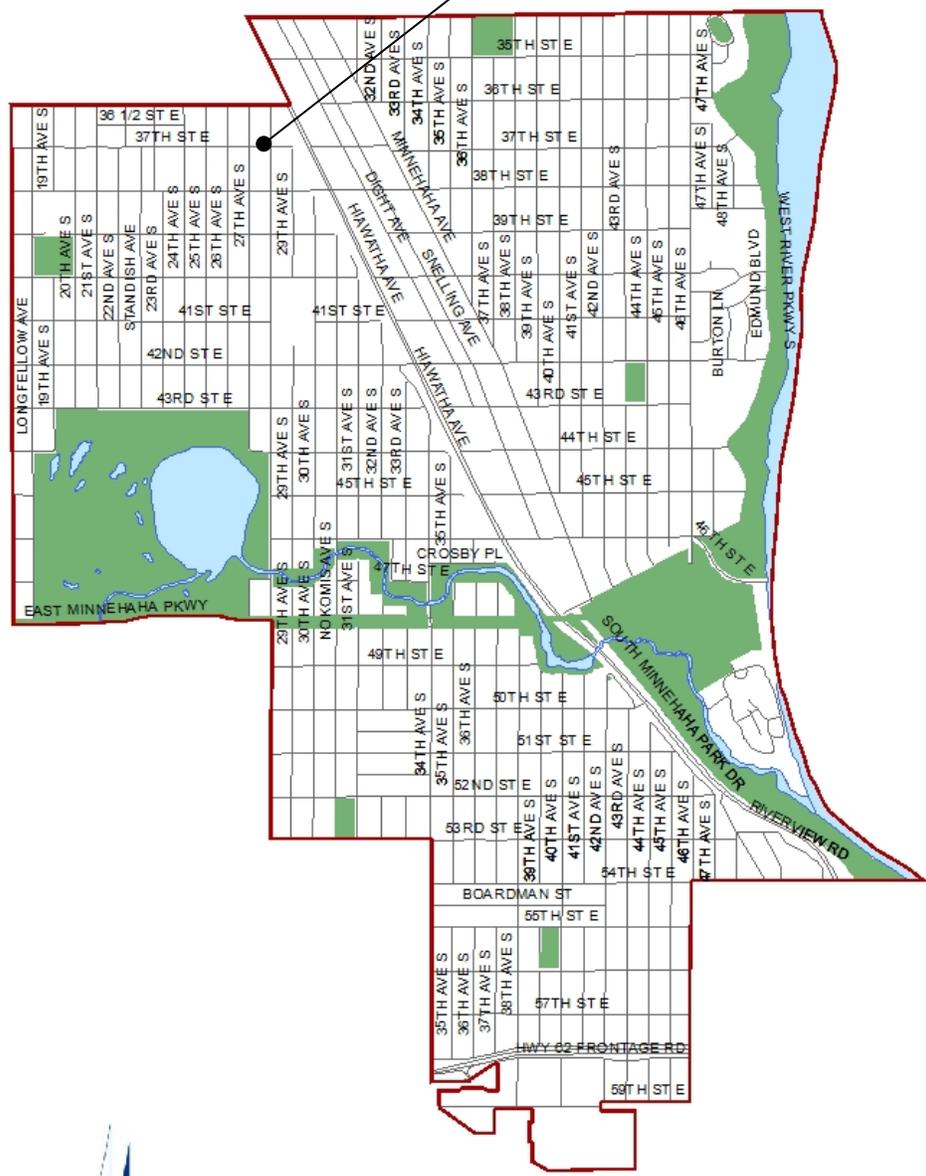
Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

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 or Alternate Redeveloper, as appropriate; 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 to execute and deliver a conveyance of the land to the Redeveloper or the Alternate Redeveloper, as appropriate; 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 12

Address: 3708 28th Avenue South



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: 3708 28th Avenue South
 Purchaser: Reuben Moore

| | 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) |
| 3708 28th Ave South | \$15,000 | \$11,633 | \$26,633 | \$22,900 | \$22,900 | (\$3,733) | \$0 |
| Total | \$15,000 | \$11,633 | \$26,633 | \$22,900 | \$22,900 | (\$3,733) | \$0 |

Write-Down

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

Developer History with CPED:

This will be the developer’s second venture to develop a CPED acquired parcel.

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

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Developer History with CPED:

This Developer has built and sold six homes developed on sites acquired from the City of Minneapolis.

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- Limited Liability Company of the State of Minnesota
- Corporation of the State of Minnesota
- Nonprofit Corporation of the State of Minnesota
- Other