

Request for Committee Action

To: Community Development & Regulatory Services
Date: 1/19/2016
From: Community Planning & Economic Development
Prepared by: Earl S. Pettiford, Senior Project Coordinator
Presented by: Earl S. Pettiford, Senior Project Coordinator
File type: Resolution
Subcategory: Land Sale

Subject:

Land Sale: 2523 14th Ave. S., to PRG, Inc.

Description:

Considering passage of a Resolution approving the sale of the property at 2523 14th Ave. S., VH-626, to PRG, Inc. for \$10,000, subject to conditions.

Previous Actions:

The City acquired 2523 14th Ave. S. on March 14, 2012.

Ward/Neighborhood/Address:

Ward 9
Midtown Phillips

Background/Analysis:

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-626	2523 14th Ave. S.	\$10,000

PURCHASER

PRG, Inc.
2017 E. 38th St.
Minneapolis, MN 55407

PROPOSED DEVELOPMENT:

PRG, Inc. proposes to build a 1,750 square foot, three-bedroom, two-bath, single family home with a two-car detached garage.

The lot size is 40' x 128' = approximately 5,100 total square feet.

LAND DISPOSITION POLICY:

The sale of this property is in compliance with the City's Disposition Policy. The sales price of this property reflects the full re-use value.

FINANCING*:

The developer has a financing commitment from the Twin Cities Community Land Bank. The neighborhood has committed development gap financing for this project.

*Subject to application and underwriting requirements.

COMMENTS:

The subject property was acquired from Hennepin County as part of the Memorandum of Understanding that allows the City of Minneapolis to acquire up to 30% of tax-forfeited properties in targeted communities for \$1.00 under the Neighborhood Stabilization Program (NSP), Land Banking activity. After the property was acquired, the blighted structure was demolished and the vacant land was subsequently marketed for development. All land sale proceeds, equal to the fair market value, will be returned to the NSP Program to cover ongoing program cost. This is the only completed offer received by CPED.

Notification was provided to the Midtown Phillips neighborhood and the neighborhood supports the development and has committed some development gap assistance, using the neighborhood NRP program as a source.

Financial Review:

No additional appropriation required, amount included in current budget.

- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Write-off (see attached table): \$ 11,042
- Proposed Re-Use Value Write-Down(see attached table): \$ 0

Future budget impact anticipated.

Approved by the Permanent Review Committee.

Meets Small and Underutilized Business Program goals.

Attachments:

1. 2523 14th Ave. S. Land Sale_Resolution
2. 2523 14th Ave. S. Land Sale_Ward Map
3. 2523 14th Ave. S. Land Sale_Cost Sheet
4. 2523 14th Ave. S. Land Sale_Schematics