

City of Minneapolis
Request for Committee Action

To: Community Development & Regulatory Services
Date: 7/12/2016
Referral: N/A
From: Community Planning & Economic Development
Lead Staff: Cherie Shoquist
Presented by: Cherie Shoquist
File type: Resolution
Subcategory: Land Sale

Subject:

Land Sale: 2115 Bryant Ave. N. to Reliable Property Maint. & Home SRV. LLC

Description:

Passage of a Resolution approving the sale of the property at 2115 Bryant Ave. N., TF-869, to Reliable Property Maint. & Home SRV. LLC. for \$10,000, subject to conditions.

Previous Actions:

On December 11, 2015, the City Council approved the Vacant Housing Recycling Program that defines the program guidelines for disposition of vacant buildings and lots for housing development ([15-01481](#)).

Ward/Address:

Ward 5
2115 Bryant Ave. N.

Background/Analysis:

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-869	2115 Bryant Ave. N.	\$10,000

PURCHASER

Reliable Property Maint. & Home SRV. LLC
5418 70th Circle N
Brooklyn Center, MN 55429

PROPOSED DEVELOPMENT:

The property was constructed in 1900 and is a 3,192 total square foot duplex with two bedrooms, one bath in each unit that will be rehabilitated to meet the Vacant Housing Recycling Program's (VHRP) rehabilitation standards, including addressing all code deficiencies.

The lot size is 50' x 157' = approximately 7,850 total square feet.

Purchaser proposes to rehabilitate the duplex at 2115 Bryant Ave. N. by converting it to a single family home with four bedrooms and two baths and it will be sold to an owner occupant.

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:

Purchaser: Financing, documented with a pre-approval letter dated within 30 days of application.

COMMENTS:

On May 11, 2015, the City acquired this duplex from the State of Minnesota as tax-forfeited land for \$10,000.

This property was publicly advertised on the City's website and through e-mail notification to a list of over 600 developers and homebuyers. The City is selling this property in its as-is condition. An informational meeting was held in December 2015 to inform potential developers and homebuyers about the City's disposition process and VHRP program information is posted on the City's website. An open house was held to allow potential purchasers to inspect the property and a two-week application period was provided after the open house.

This is the only offer received for the acquisition and rehabilitation of the subject property. The offer was evaluated based on program criteria stated in the VHRP manual, including: financial capacity, experience, responsibility, scope of work, and occupancy intentions. To evaluate responsibility, we consulted with the Department of Regulatory Services staff to verify the status of vacant buildings, rental properties, or other properties owned by the applicant in the City of Minneapolis. Construction management staff has reviewed the scope of work and construction estimate and confirmed they are sufficient to meet the VHRP rehabilitation standards.

Staff recommends Reliable Property Maint. & Home SRV. LLC as the Purchaser. The developer intends to rehabilitate the property to meet the VHRP rehabilitation standards. The developer has done 13 rehab projects in the last two years, but none in Minneapolis.

Notification was provided to the Hawthorne neighborhood.

Financial Review:

No additional appropriation required, amount included in current budget.

- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Net Write Off (see attached table): \$1,795
- 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. 2115 Bryant Ave. N. Land Sale_Resolution
2. 2115 Bryant Ave. N. Land Sale_Ward Map
3. 2115 Bryant Ave. N. Land Sale_Cost Sheet
4. 2115 Bryant Ave. N. Land Sale_Reliable Property Maint & Home SRV. LLC