

**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, Principal Project Coordinator X-5078  
**Presented by:** Cherie Shoquist  
**File type:** Resolution  
**Subcategory:** Land Sale

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**Subject:**

Land Sale: 3515 Girard Ave. N. to SP Homes LLC

**Description:**

Passage of a Resolution approving the sale of the property at 3515 Girard Ave. N., TF-882, to SP Homes LLC for \$20,000, 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](#)).

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**Ward/Address:**

Ward 4  
3515 Girard Ave. N.

**Background/Analysis:**

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-882	3515 Girard Ave. N.	\$20,000

**PURCHASER**

SP Homes LLC  
9367 Revere Lane N.  
Maple Grove, MN 55369

**PROPOSED DEVELOPMENT:**

The property was constructed in 1911 and is a 2,054 total square foot, two-bedroom, two-bath single family home that will be rehabilitated to meet the Vacant Housing Recycling Program's (VHRP) rehabilitation standards, including addressing all code deficiencies.

The lot size is 40' x 125' = approximately 5,018 total square feet.

Purchaser proposes to rehabilitate 3515 Girard Ave. N. as a three-bedroom, two-bath single family home and will sell to an owner-occupied purchaser.

**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 October 23, 2015, the City acquired this single family home from the State of Minnesota as tax-forfeited land for \$5,000.

This property was publicly advertised on the City's website and through e-mail notification to a list of over 750 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.

Staff recommends SP Homes LLC as the Purchaser. The developer intends to rehabilitate the property to meet the VHRP rehabilitation standards. The managing partner, Gan Ram, has experience rehabbing homes in this state through his serving as a general contractor to multiple non-profit developers as part of the City-funded HOW and NSP rehab projects.

Notification was provided to the Folwell 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 Sale Proceeds (see attached table): \$13,475
- 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. 3515 Girard Ave. N. Land Sale\_Resolution
2. 3515 Girard Ave. N. Land Sale\_Ward Map
3. 3515 Girard Ave. N. Land Sale\_Cost Sheet
4. 3515 Girard Ave. N. Land Sale\_SP Homes LLC