

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

Date: August 24, 2010

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Land Sale Public Hearing
Vacant Housing Recycling Program

Recommendation: Approve the sale of 416 22nd Avenue North to Urban Homeworks, Inc. for \$1,500, subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date of approval, and 2) payment of holding costs of \$150.00 per month from the date of approval to the date of closing if land sale closing does not occur on or before 30 days from date of approval. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

Previous Directives: CPED acquired 416 22nd Avenue North on December 23, 2005.

Prepared by: Edith Johnson, Senior Project Coordinator, Phone 612-673-5262
Approved by: Charles T. Lutz, Deputy CPED Director _____
Thomas A. Streitz, Director Housing Policy & Development _____
Presenters in Committee: Edith Johnson, Senior Project Coordinator

Financial Impact

- Other financial impact: Eliminates property management costs.

Community Impact

- Neighborhood Notification: Hawthorne Neighborhood Council reviewed this proposal and recommended it be approved.
- City Goals: Livable Communities, Healthy Lives: Our built and natural environment adds character to our city, enhances our health and enriches our lives. Thoughtful neighborhood design with density done right.
- Sustainability Targets: A Vital Community: Affordable housing
- Comprehensive Plan: On April 26, 2010, the Planning Commission approved the sale of this parcel as being consistent with the Comprehensive Plan.
- Zoning Code: R2B
- Living Wage/Business Subsidy Agreement Yes_____ No x
- Job Linkage Yes_____ No x
- Other: On July 15, 2009, the Planning Staff completed a land sale review of this parcel and deemed it a buildable lot. As a result of the review, it was further noted that use of the property for re-establishment of standard parcels with alley access is consistent with the Comprehensive Plan and the proposed disposition strategy was supported.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-212	416 22nd Avenue North	\$1,500

PURCHASER

Urban Homeworks, Inc.
2015 Emerson Avenue North
Minneapolis, MN 55411

PROPOSED DEVELOPMENT:

Urban Homeworks, Inc. will combine and reconfigure 416 22nd Avenue North with its adjacent properties at 2206 6th Street North, 2200 6th Street North and 420 22nd Avenue North to form two standard city lots with alley access. The two standard city lots will each contain an existing structure owned by Urban Homeworks, Inc.

The lot size is 52' x 86' = 4,472 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

Urban Homeworks, Inc. demonstrated that sufficient funding is available for its proposal.
*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Public Advertisement. The sales price of this property does reflect the full re-use value.

COMMENTS:

The property was advertised on the City's website in CPED's Vacant Lot for Sale listing. On April 29, 2010, Urban Homeworks, Inc. submitted to CPED an offer to purchase the property. Appropriate offer materials were sent to Hawthorne Neighborhood Council, which reviewed and recommended approval of Urban Homeworks, Inc.'s proposal.

Staff recommends approval of the land sale to Urban Homeworks, Inc.

**Authorizing sale of land Vacant Housing Recycling Program Disposition
Parcel VH-212.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel VH-212 in the Hawthorne neighborhood from Urban Homeworks, Inc., hereinafter known as the Redeveloper, Parcel VH-212 being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-212; 416 22nd Avenue North

Lot 13 and the East 20 feet of Lot 14, Block 2, Nickels and Smith's Addition to Minneapolis.

Being registered land as evidenced by Certificate of Title No. 1175361

Whereas, the Redeveloper has offered to pay the sum of \$1,500 for Parcel VH-212 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 Parcel VH-212; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on August 13, 2010, a public hearing on the proposed sale was duly held on August 24, 2010, at the regularly scheduled Community Development 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 estimated to be the sum of \$1,500 for Parcel VH-212.

Be It Further Resolved that the acceptance of the offer and proposal is hereby determined to be 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.

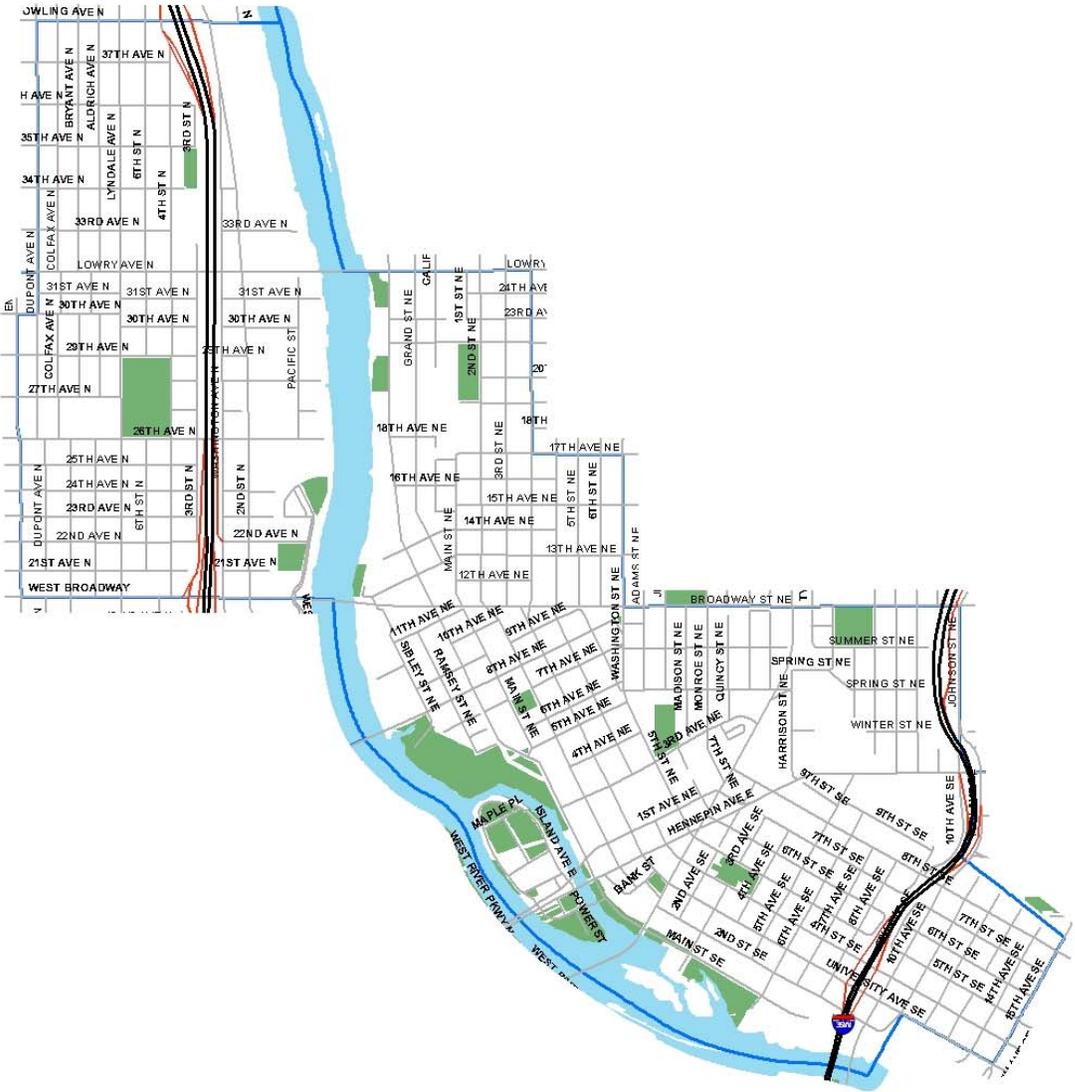
Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date this Resolution is approved by the City and 2) payment of holding costs of \$150.00 per month from the date of approval of this Resolution if the land sale closing does not occur on or before 30 days from the date of approval.

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 by the Finance Officer or other appropriate City official of the City.

WARD 3



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

Date: August 24, 2010
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 Vacant Housing Recycling Program
 Address: 416 22nd Avenue North
 Purchaser: Urban Homeworks, Inc.

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
VH-212 12/23/05	416 22nd Avenue North	\$10,500	(-)\$1,500	(+)\$9,000

Re-Use Value Opinion	Less Sales Price	Write-Down
\$1,500	\$1,500	\$0

Write-Down

Reason: Not Applicable.

Developer History with CPED:

Urban Homeworks, Inc. has a lengthy history with CPED and development of housing units in the City of Minneapolis.

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