



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

Date: September 27, 2011

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

**Subject:** Land Sale Public Hearing  
Neighborhood Stabilization Program (NSP)

**Recommendation:** Approve the sale of 3412 Columbus Avenue South to Greater Metropolitan Housing Corporation (GMHC) for \$1.00 plus reimbursement of City acquisition and holding costs of \$7,280.75, 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 \$300.00 per month (or portion thereof) 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.

**Previous Directives:** CPED acquired 3412 Columbus Avenue South on June 30, 2011.

Prepared by: Earl S. Pettiford, Senior Project Coordinator, Phone 612-673-5231  
Approved by: Charles T. Lutz, Deputy CPED Director \_\_\_\_\_  
Thomas A. Streitz, Director Housing Policy & Development \_\_\_\_\_  
Presenters in Committee: Earl S. Pettiford, Senior Project Coordinator

**Financial Impact**

- Other financial impact: Eliminate property management costs.

**Community Impact**

- Neighborhood Notification: Central Area Neighborhood Development Organization reviewed this proposal and recommended it be approved.
- City Goals: A SAFE PLACE TO CALL HOME People and businesses thrive in a safe and secure city.
- Sustainability Targets: A Vital Community – Affordable Housing
- Comprehensive Plan: On September 22, 2011, the Committee of the Whole approved the sale and it is anticipated that on October 3, 2011 the Planning Commission will approve 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 August 4, 2011, 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>	<u>SALE PRICE</u>
2N 134	3412 Columbus Avenue South	\$1.00

### PURCHASER

Greater Metropolitan Housing Corporation  
15 South 6th Street, Suite 710  
Minneapolis, MN 55402

### PROPOSED DEVELOPMENT:

The developer proposes to demolish the existing structures and build a 1650 square foot 3 bedroom, 2 ½ bath single family home with a detached two-car garage. The home will be sold for owner occupancy.

The lot size is 49' x 118' = 5,782 total square feet.

### LAND DISPOSITION POLICY:

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

### FINANCING\*:

The City of Minneapolis is supporting the development of this project using Neighborhood Stabilization Program (NSP) funds. The NSP investment for this project will be \$67,000. The total development cost of this project is \$256,712. GMHC has an established 7.5 million dollar line of credit with US Bank for purposes of constructing new or acquiring and renovating existing single family homes.

\*Subject to application and underwriting requirements.

### OFFERING PROCEDURE:

Direct Sale. The sales price of this property does reflect the full re-use value.

### COMMENTS:

This property was donated to the City of Minneapolis by the foreclosing lender. Staff analyzed the property for rehabilitation and determined it to be infeasible. GMHC proposes to purchase this site, demolish the improvements and develop a new single family home on this site. GMHC will reimburse the city for acquisition and holding costs. The development plans were reviewed by the Central Area Neighborhood Development Organization and it recommended approval.

## **Authorizing sale of land Neighborhood Stabilization Program**

### **Disposition Parcel 2N 134**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel 2N 134, in the Central neighborhood, from Greater Metropolitan Housing Corporation, hereinafter known as the Redeveloper, the Parcel 2N 134, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

#### LEGAL DESCRIPTION

2N 134; 3412 Columbus Avenue South  
Lot 4, Block 2, Chicago Avenue Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$1 (plus reimbursement of \$7,280.75 in additional costs incurred by the City), for Parcel 2N 134 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 the Parcel; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on September 16, 2011, a public hearing on the proposed sale was duly held on September 27, 2011, 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 Neighborhood Stabilization Program plan, as amended, is hereby estimated to be the sum of \$1 for Parcel 2N 134.

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 \$300.00 per month (or portion thereof) if the land sale closing does not occur on or before the closing deadline.

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

# WARD 8

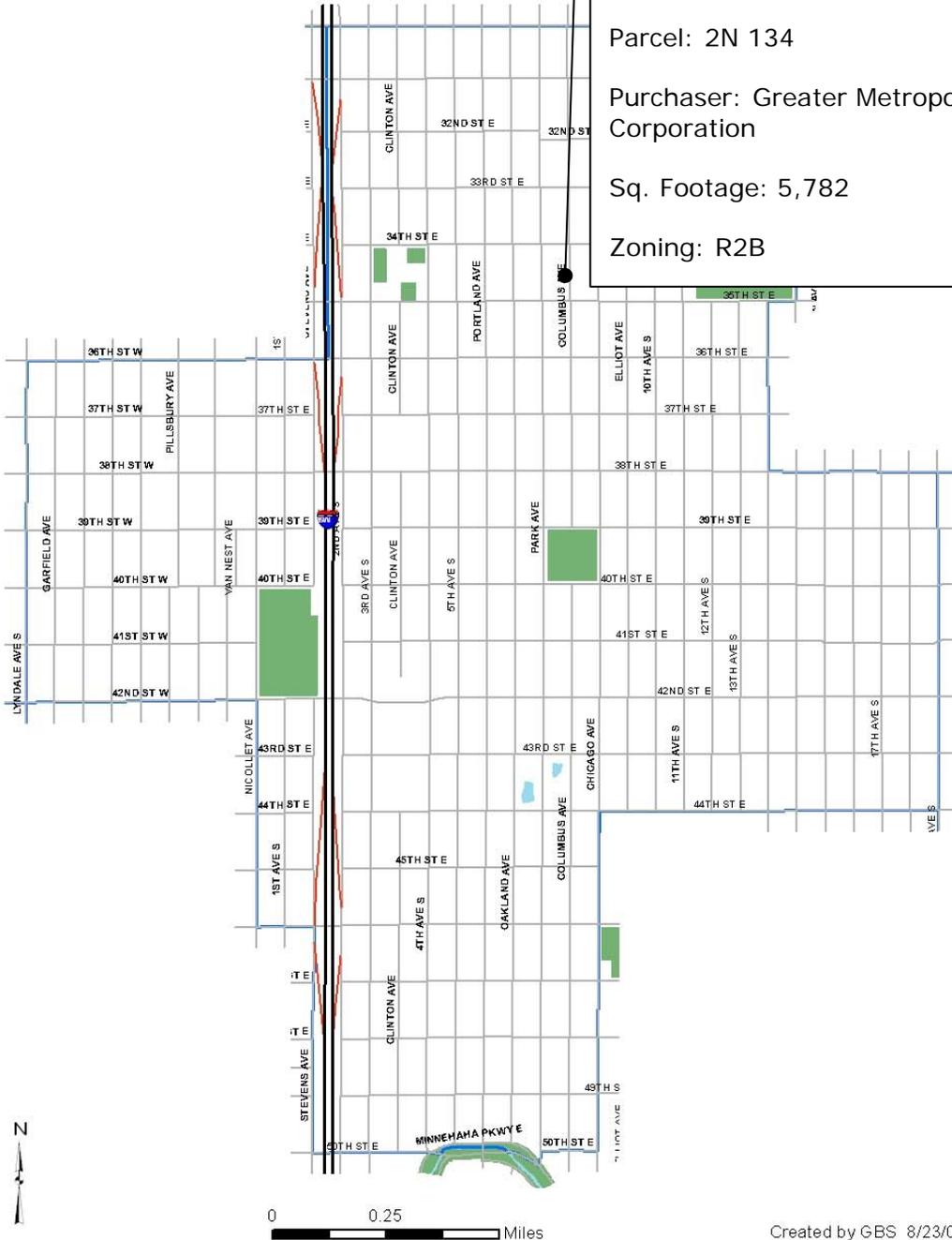
Address: 3412 Columbus Avenue South

Parcel: 2N 134

Purchaser: Greater Metropolitan Housing Corporation

Sq. Footage: 5,782

Zoning: R2B



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

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 Purchaser: Greater Metropolitan Housing Corporation (GMHC)

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
2N 134 6/30/2011	3412 Columbus Avenue South	\$7,280.75	(-)\$1.00 plus reimbursement of \$7,280.75	(+/-)\$0

Re-Use Value Opinion	Less Sales Price	Write-Down
\$1.00	\$1.00	\$0

Write-Down

Reason: No write-down

Developer History with CPED:

Since 1971 GMHC has built new or renovated more than 1,400 homes throughout the Twin Cities Area.

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