



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

Date: June 19, 2007

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

Subject: Land Sale Public Hearing
Tax Forfeiture Program

Recommendation:

1. Approve the sale of 1317 Thomas Avenue North to T. Campbell Developments, LLC for \$23,300, subject to the following conditions; a) land sale closing must occur on or before 30 days from the date of approval, and b) 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.
2. If T. Campbell Developments, LLC fails to close, approve the sale of 1317 Thomas Avenue North to Urban Homeworks, Inc. for \$23,300, subject to the following conditions; a) land sale closing must occur on or before 30 days from date of City notification, and b) payment of holding costs of \$150.00 per month from the date of notification to the date of closing if the land sale closing does not occur on or before 30 days from the date of City notification. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

Previous Directives: CPED acquired 1317 Thomas Avenue North on March 23, 2005.

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

Financial Impact

- No financial impact
- Other financial impact: Eliminate property management costs.

Community Impact

- Neighborhood Notification: Northside Residents Redevelopment Council (NRRC) reviewed the proposals and supports the sale of the property to T. Campbell Developments, LLC.
- City Goals: A SAFE PLACE TO CALL HOME. In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.
- Sustainability Targets: N/A
- Comprehensive Plan: On June 11, 2007, the Planning Commission approved the sale of this parcel as being consistent with the Comprehensive Plan.
- Zoning Code: R1A
- Living Wage/Business Subsidy Agreement Yes____ No__x__
- Job Linkage Yes____ No__x__
- Other: On April 13, 2006, 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>
TF-688	1317 Thomas Avenue North	\$23,300

PURCHASER

T. Campbell Developments, LLC
2355 Upton Avenue North
Minneapolis, MN 55411

ALTERNATE PURCHASER

Urban Homeworks, Inc.
3530 East 38th Street
Minneapolis, MN 55406

PROPOSED DEVELOPMENT:

T. Campbell Developments, LLC

Construction of a 2-story single family home with 3 bedrooms, 2 ½ bathrooms, full basement, approximately 2,400 square feet of finished living space and two-car detached garage.

The offer to purchase notes that Alfie and Marshette Foster will purchase and reside in the home. The developer estimates the home's value and sales price after construction at \$250,000.

Urban Homeworks, Inc.

Construction of a 2-story single family home with 3 bedrooms, 1 ½ bathrooms, full basement, approximately 1,500 square feet of finished living space and two-car detached garage.

The offer to purchase notes the home will be sold to an owner-occupant. The developer estimates the home's value after construction at \$230,000 and sales price at \$170,000.

The lot size is 42' x 129' = 5,418 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

T. Campbell Developments, LLC and Urban Homeworks, Inc. have demonstrated sufficient financing for the proposed development projects.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

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

COMMENTS:

On March 23, 2005, 1317 Thomas Avenue North was purchased as tax-forfeited property with a value of \$1.00. Title clearance for the property is being handled by Jeffrey R. Brauchle, P.A. of Wayzata, Minnesota. In June 2006, the property was advertised in the Minneapolis Star Tribune and Finance and Commerce newspapers, with a due date of July 10, 2006. No offers were received by the due date.

On March 14, 2007, T. Campbell Developments, LLC, submitted to CPED an offer to purchase the property. On April 3, 2007, Urban Homeworks, Inc. submitted to CPED an offer to purchase. Staff reviewed the offer documents and submitted the appropriate materials to Northside Residents Redevelopment Council (NRRRC) for the required 45-day review process.

In its letter dated April 23, 2007, NRRRC supported the sale of 1317 Thomas Avenue North to T. Campbell Development, LLC. The letter noted that NRRRC's support is based on the developer having the home pre-sold and the committee's review and approval of the design.

Staff recommends the sale of 1317 Thomas Avenue North to T. Campbell Developments, LLC, because the developer has a family who is pre-qualified for mortgage financing and is willing to purchase and reside in the home.

**Authorizing sale of land Tax Forfeiture Program
Disposition Parcel No TF-688.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop disposition Parcel TF-688, in the Willard-Hay neighborhood, from T. Campbell Developments, LLC, hereinafter known as the Redeveloper and another offer to purchase and develop Parcel TF-688, from Urban Homeworks, Inc. hereinafter known as the Alternate Redeveloper, the Parcel TF-688, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-688: 1317 Thomas Avenue North

Lot 10, Block 3, W. H. Lauderdale's Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$23,300, for Parcel TF-688 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 Alternate Redeveloper has offered to pay the sum of \$23,300 for Parcel TF-688 to the City for the land, and the Alternate Redeveloper's proposal is in accordance with the applicable Redevelopment Plan and/or Program; and

Whereas, both the Redeveloper and the Alternate Redeveloper have submitted to the City statements 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 June 8, 2007, a public hearing on the proposed sale was duly held on June 19, 2007, 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 Tax Forfeiture Program plan, as amended, is hereby estimated to be the sum of \$23,300 for Parcel TF-688.

Be It Further Resolved that the acceptance of the offers and proposals are both hereby determined to be in accordance with the City's approved disposition policy and it is further determined that both the Redeveloper and the Alternate Redeveloper possess the qualifications and financial resources necessary to acquire and develop the parcel in accordance with the Redevelopment Plan and/or Program, but that the City prefers the Redeveloper's proposal over the Alternate Redeveloper's proposal.

Be It Further Resolved that the Redeveloper's proposal 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 if and only if Redeveloper fails to close on the land sale pursuant to the conditions described above, the Alternate Redeveloper's proposal 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 of City notification to the Alternate Redeveloper and 2) payment of holding costs of \$150.00 per month from the date of notification if the land sale closing does not occur on or before 30 days from the date of City notification to the Alternate Redeveloper.

Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director. Furthermore, that the Finance Officer or other appropriate official of the City is hereby authorized consistent with the terms herein to execute and deliver the contract to the Redeveloper or Alternate Redeveloper, as appropriate; 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 consistent with the terms herein to execute and deliver a conveyance of the land to the Redeveloper or the Alternate Redeveloper as appropriate 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.

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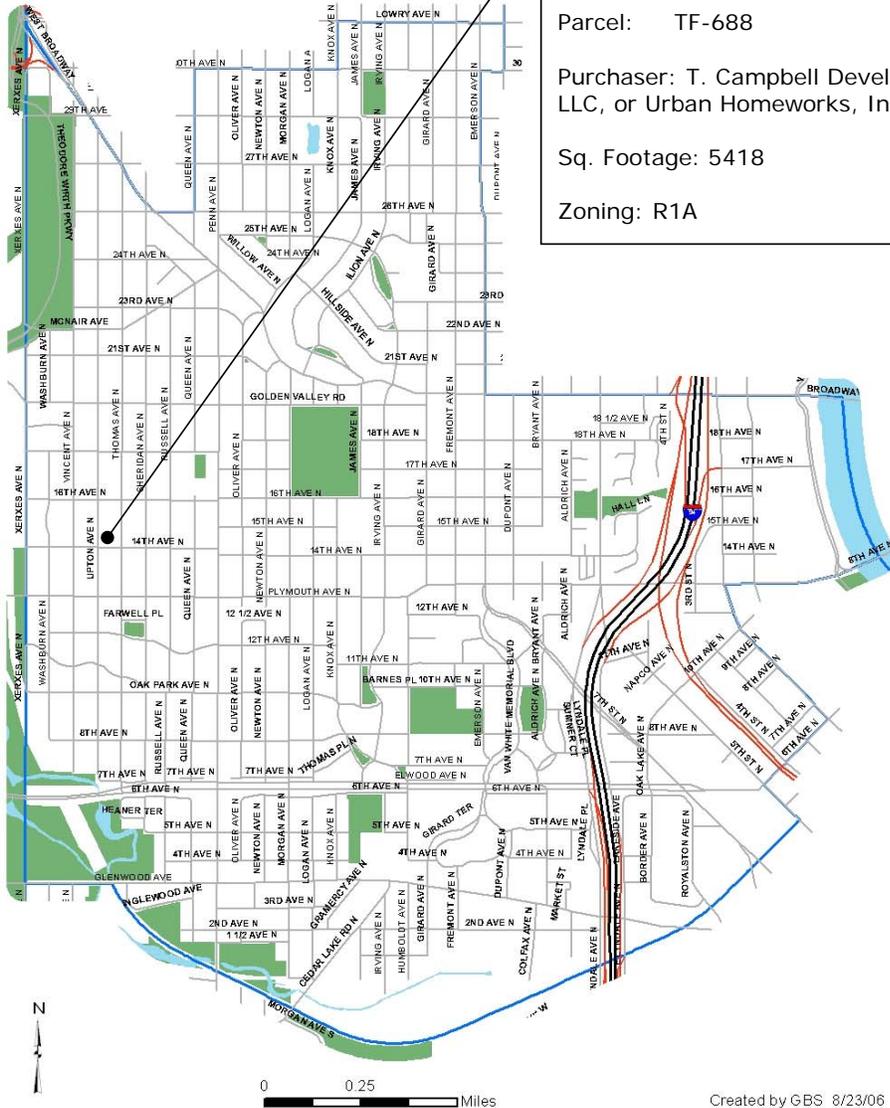
Address: 1317 Thomas Ave N

Parcel: TF-688

Purchaser: T. Campbell Developments, LLC, or Urban Homeworks, Inc.

Sq. Footage: 5418

Zoning: R1A



Created by GBS 8/23/06

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

Date: June 19, 2007
 Subject: Land Sale – Public Hearing
 Tax Forfeiture Program
 Address: 1317 Thomas Avenue North
 Purchaser: T. Campbell Developments, LLC

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
TF-688 03/23/05	1317 Thomas Avenue North	\$6,446.75	(-) \$23,300	(+) \$16,853.25

Deleted: (-)\$

Re-Use Value Opinion	Less Sales Price	Write-Down
\$23,300	\$23,300	\$0

Write-Down

Reason: Not Applicable.

Developer History with CPED:

T. Campbell Developments, LLC, does not have a housing development history with CPED. The offer documents show that the limited liability company was organized on October 16, 2006, under the laws of the State of Minnesota. The Secretary of State confirms this original filing and that T. Campbell Developments, LLC is in good standing. The offer also notes that Tim Campbell is Construction Team Leader for T. Campbell Developments, with Tim having nearly a decade of experience working on development projects, particularly with Ryan Companies.

According to the offer documents, at Ryan Companies Tim managed such projects as Midtown Exchange, Target Northern Campus and Eagle Community, TCF and M & I banks. The offer documents also note that Tim Campbell earned a degree in Construction Technology and later attended the University of Minnesota for Construction Management.

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

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Deleted: (-)\$

Re-Use Value Opinion	Less Sales Price	Write-Down
\$23,300	\$23,300	\$0

Write-Down
 Reason: Not Applicable.

Developer History with CPED:

Urban Homeworks, Inc. has housing development experience with CPED. The offer to purchase documents show the company was organized on July 3, 1995, under the laws of the State of Minnesota. The Secretary of State confirms this original filing and that Urban Homeworks, Inc. is in good standing.

Urban Homeworks, Inc. has purchased and developed CPED properties, i.e. 3030 Oakland and 3129 Columbus Avenue South. Additionally, the company has assisted individuals who purchased CPED vacant properties to build their homes in the city.

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