

HRA Agenda Item



Originator Housing and Redevelopment Authority	Item Public Hearing - Approval of Contract for Private Development and Sale of 10005 1st Avenue South
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Date 6/28/2016

Description

As required by Minnesota Statute, the HRA must conduct a public hearing in order to enter into a Contract for Private Development. Staff is proposing to enter into a Contract for Private Development with Tollberg Homes LLC, for the HRA owned lot at 10005 1st Avenue South. The sales price is \$80,000. Tollberg Homes LLC is proposing to build a three bedroom single family home on the site with a value of \$329,900.00. The builder will market the home to a buyer who will occupy the home.

Tollberg Homes LLC will construct the new home. The builder will be in attendance to answer questions about the project. Staff has reviewed the attached floor plans and elevations and has determined that the home will meet or exceed program requirements. If approved, the buyer intends to close quickly and begin construction in August with the home completed by the end of 2016.

The HRA acquired the property in 2006 and removed the existing substandard structure:

Purchase Price	\$147,012
Demo Cost	4,350
Legal and Miscellaneous	850
Holding Costs, Assessments, 1 st Year Property Taxes, etc.	7,670
Total	\$159,882

Sales Price	\$80,000
Loss to HRA	\$ 79,882

2016 Lot Assessed Value	\$81,300
List Price:	\$89,000
Lot Size	15,955 (Sqft)

Requested Action

Approval of the Contract for Private Development for 10005 1st Avenue South with Tollberg Homes LLC in the Amount of \$80,000.

Attachments:

Contract for Private Development: 10005 1st Avenue South
Draft Plans: 10005 1st Avenue South