



Legislation Text

File #: HRA M2024-016, **Version:** 1

HRA Meeting Date: June 6, 2024

To: Members of the Housing and Redevelopment Authority

From: Melissa Hanson, Housing Coordinator

City of Northfield Housing and Redevelopment Authority (HRA) to Consider Additional Property Purchase at 706 and 716 2nd Street West, Northfield.

Action Requested:

The HRA to consider purchasing property at 706 and 716 2nd Street West, Northfield.

Summary Report:

The HRA's mission is to be a partner in providing a sufficient supply of affordable, adequate, safe and sanitary dwellings in Northfield. Our goal is to create a community with housing opportunities available along the entire housing spectrum: from renters to homeownership, first-time homeowners to senior living, workforce housing, and empty-nesters.

Northfield Hospitals and Clinics own property at 706/716 2nd Street West, adjacent to Way Park. The properties include a vacant parcel and a parcel with a single-family home that is currently unoccupied and being used by the Hospital for storage. The hospital is intending to place the property for sale. Under City laws for the hospital, the City Council retains authority over the sale of property. Prior to putting the property to market, there is an interest to see if there is any public purpose interest by the City prior to requesting authorization for the sale to the City Council.

As the Hospital Board considers the future of the property, hospital staff, City Administrator Martig requested a review of potential interest from the HRA and the Parks and Recreation Advisory Board to consider potential outcomes for the property as advisory to the City Council prior to any action. Given the identified need for additional homes in Northfield, and the potential this opportunity could offer to add homes to Northfield's supply, the HRA is being approached to consider this opportunity to purchase.

Pursuant to Minn. Stat. Section 469.001 to 469.047, the HRA of the City of Northfield is legally permitted to acquire real property for the following purposes:

- To provide a sufficient supply of adequate, safe and sanitary dwellings in order to protect the health, safety, morals, and welfare of the citizens of the City of Northfield;
- To clear and redevelop blighted areas;
- To perform those duties according to the comprehensive plan of the City of Northfield;

- To remedy the shortage of housing for low- and moderate-income residents, and to redevelop blighted areas, in situations in which private enterprise would not act without government participation or subsidies.

The combined lots total approximately one-half acre. The home and attached garage is situated on the middle of both lots and was constructed in 1912. There is also a second two-car detached garage. The property is zoned PI -S Public and Institutional. The property to the west is Way Park and zoned PB-S Public Benefit District. The land to the north, east, and south are zoned R1-B Low Density Residential. The property will need to be rezoned to allow a residential use.



The 2024 Estimated Market Value (EMV) for 706 2nd Street West (Att. 1 - 22.36.4.53.014) is \$290,600 and the 2024 EMV for 716 2nd Street West (Att. 2 - 22.36.4.53.013) is \$38,400 for a combined EMV of \$329,000. Hospital staff has indicated they were provided a market review and are being advised to have a value of \$325,000.

Staff would like to gauge the interest of the HRA Board members in acquiring additional land for future redevelopment.

The Parks and Recreation Board is scheduled to meet on Monday, June 3rd to discuss any interest. HRA staff will provide an update on the parks board action after its conclusion.

Alternative Options:

The City and HRA could choose not to acquire the lots from the hospital. The hospital has shared that they

would then list the property for sale on the open market this summer. The City Council would need to authorize the sale per the retained powers of the City as a municipal hospital.

Financial Impacts:

The HRA reserve balance is estimated at \$1,027,013. After the anticipated closing on the purchase of 308 Cherry Street on July 31, the reserve balance will then be \$677,013.

Tentative Timelines:

Mid-June	Closed Meeting to discuss terms
June/July	Special meeting to act on purchase agreement

Rice County, MN

Summary

Parcel ID 22.36.4.53.014
Property Address 706 2ND ST W
NORTHFIELD, MN 55057

Sec/Twp/Rng
Brief Tax Description Lot 6 Block 19 of FOXS SUB LOTS 18 & 19
E74FT LOTS 6 & 7 & E74FT S2 L8 B19 FOXS SUB LOTS 18 & 19
(Note: Not to be used on legal documents)

Area N/A
Use Code 5E-Exempt Properties
Tax Authority Group NFLD CITY-SD659-HRA-EDA



Owners

Primary Owner
[Northfield City](#)
801 Washington St
Northfield MN 55057

Alternate Taxpayer
Northfield Hospital
801 1st St W
Northfield MN 55057

Fee Owner

Land

Lot Dimensions Regular Lot: 74.00 x 165.00
Lot Area 0.28 Acres;12,210 SF

Residential Dwellings

Residential Dwelling
Style 2 Story Frame
Architectural Style N/A
Year Built 1912
Exterior Material Stucco
Total Gross Living Area 1,804 SF
Attic Type Floor & Stairs;
Number of Rooms 7 above; 0 below
Number of Bedrooms 3 above; 0 below
Basement Area Type Full
Basement Area 1,100
Basement Finished Area 280 - Minimal Finish
Plumbing 1 Standard Bath - 3 Fixt; 1 Toilet Room (1/2 Bath);
Central Air Yes
Heat Yes
Fireplaces
Porches 1S Frame Enclosed (70 SF);
Decks
Additions 1 Story Frame (480 SF) (480 Bsmt SF);
1 Story Frame (84 SF);
Garages 576 SF (24F W x 24F L) - Det Frame (Built 1980);
1,024 SF - Att Frame (Built 1912);

Yard Extras

#1 - (1) Driveway Asphalt-Single, Long Normal, Built 1912
#2 - (1) Driveway Asphalt-Double, Standard Good, Built 1997

Sales

Date	Seller	Buyer	Recording	eCRV	Sale Condition - NUTC	Type	Multi Parcel	Amount
10/1/1993			B376 P497		GOVERNMENT OR EXEMPT PARTY SALE	Deed		\$105,000.00

Permits

Permit #	Date	Description	Amount
06.4462	11/14/2006	Roof	8,900
91.0228	06/12/1991	Yard Item	1,080

Valuation

	Payable 2025 Values	Payable 2024 Values	Payable 2023 Values	Payable 2022 Values	Payable 2021 Values
EMV Improvement	\$265,200	\$229,000	\$248,300	\$197,100	\$190,700
EMV Land	\$61,600	\$61,600	\$61,600	\$42,300	\$42,300
EMV Machine	\$0	\$0	\$0	\$0	\$0
EMV (Estimated Market Value) Total	\$326,800	\$290,600	\$309,900	\$239,400	\$233,000
Green Acres Value	\$0	\$0	\$0	\$0	\$0
Homestead Exclusion	\$0	\$0	\$0	\$0	\$0

Taxation

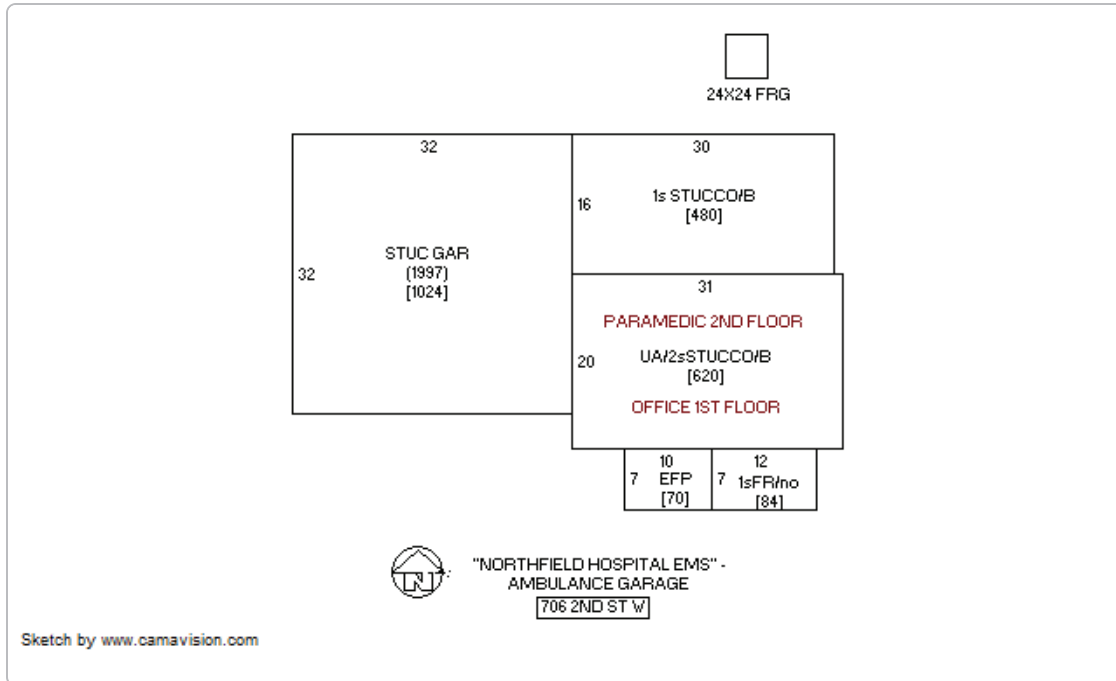
	2024 Payable	2023 Payable	2022 Payable	2021 Payable
Estimated Market Value	\$290,600	\$309,900	\$239,400	\$233,000
Taxable Market Value	\$0	\$0	\$0	\$0
Net Tax Amount	\$0.00	\$0.00	\$0.00	\$0.00
+ Special Assessments	\$0.00	\$0.00	\$0.00	\$0.00
= Total Taxes Due	\$0.00	\$0.00	\$0.00	\$0.00
+ Penalty	\$0.00	\$0.00	\$0.00	\$0.00
+ Interest	\$0.00	\$0.00	\$0.00	\$0.00
+ Fees	\$0.00	\$0.00	\$0.00	\$0.00
- Amount Paid	\$0.00	\$0.00	\$0.00	\$0.00
= Outstanding Balance	\$0.00	\$0.00	\$0.00	\$0.00

Photos





Sketches



TriMin LandShark



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Plats

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Rice County, MN

Summary

Parcel ID 22.36.4.53.013
Property Address 716 2ND ST W
 NORTHFIELD, MN 55057
Sec/Twp/Rng
Brief Tax Description Lot 6 Block 19 of FOXS SUB LOTS 18 & 19
 W66FT LOTS 6 & 7 & S33FT W66FT L8 B19 FOXS SUB LOTS 18 & 19
 (Note: Not to be used on legal documents)
Area N/A
Use Code 5E-Exempt Properties
Tax Authority Group NFLD CITY-SD659-HRA-EDA



Owners

Primary Owner Northfield City 801 Washington St Northfield MN 55057	Alternate Taxpayer Northfield City Hospital 801 1st St W Northfield MN 55057	Fee Owner
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Land

Lot Dimensions Regular Lot: 66.00 x 165.00
Lot Area 0.25 Acres;10,890 SF

Valuation

	Payable 2025 Values	Payable 2024 Values	Payable 2023 Values	Payable 2022 Values	Payable 2021 Values
EMV Improvement	\$0	\$0	\$0	\$0	\$0
EMV Land	\$38,400	\$38,400	\$38,400	\$26,400	\$26,400
EMV Machine	\$0	\$0	\$0	\$0	\$0
EMV (Estimated Market Value) Total	\$38,400	\$38,400	\$38,400	\$26,400	\$26,400
Green Acres Value	\$0	\$0	\$0	\$0	\$0
Homestead Exclusion	\$0	\$0	\$0	\$0	\$0

Taxation

	2024 Payable	2023 Payable	2022 Payable	2021 Payable
Estimated Market Value	\$38,400	\$38,400	\$26,400	\$26,400
Taxable Market Value	\$0	\$0	\$0	\$0
Net Tax Amount	\$0.00	\$0.00	\$0.00	\$0.00
+ Special Assessments	\$0.00	\$0.00	\$0.00	\$0.00
= Total Taxes Due	\$0.00	\$0.00	\$0.00	\$0.00
+ Penalty	\$0.00	\$0.00	\$0.00	\$0.00
+ Interest	\$0.00	\$0.00	\$0.00	\$0.00
+ Fees	\$0.00	\$0.00	\$0.00	\$0.00
- Amount Paid	\$0.00	\$0.00	\$0.00	\$0.00
= Outstanding Balance	\$0.00	\$0.00	\$0.00	\$0.00

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