



Request for City Council Committee Action from the Department of Community Planning and Economic Development

Date: June 19, 2012

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

Subject: Grant Exclusive Development Rights for Building Blocks for the Penn and Golden Valley Road Mixed Use Project

Recommendation:

Grant Exclusive Development Rights for 12 months, with a possible 6 month administrative extension if significant progress has been made developing this project on two (2) City-owned parcels located at 2201 Golden Valley Road and 1823 Penn Avenue North.

Previous Directives:

None

Department Information

Prepared by:	Tiffany Glasper, Sr. Project Coordinator, 673-5221	
Approved by:	Thomas Streitz, Director, Housing Policy & Development	_____
	Charles T. Lutz, CPED Deputy Director	_____
Presenters in Committee:	Tiffany Glasper, Senior Project Coordinator	

Financial Impact

- Other financial impact: The developer will pay for property management expenses during the holding period, thereby eliminating the City's cost.

Community Impact

- Neighborhood Notification: The Northside Residents' Redevelopment Council has been advised of this proposal by the proposing developer.
- City Goals: A Safe Place to Call Home; Jobs & Economic Vitality; Livable Communities, Healthy Lives
- Sustainability Targets: Affordable Housing
- Comprehensive Plan: Future redevelopment will comply with all applicable City approved plans
- Zoning Code: Will Comply

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>PIN</u>
34-24	2201 Golden Valley Road	17-029-24-41-0002
34-23	1823 Penn Avenue North	17-029-24-41-0001

The property at 2201 Golden Valley Road was purchased on July 1, 1980 for \$36,000. At the time of acquisition, the property contained a blighted commercial structure.

The property at 1823 Penn Avenue North was purchased on October 25, 1979 for \$25,000. At the time of acquisition, the property contained a blighted commercial structure.

Building Blocks, the interested developer owns the adjacent parcels at 2221, 2217 and 2213 Golden Valley Road. They are proposing to assemble their parcels with the City-owned parcels for a larger, mixed-use development that would include ground floor commercial and retail space with approximately 45 units of mixed-income rental housing above. City staff has been working with members of the development team over the last two years to help them refine their proposal.

This proposal represents the first by this organization, however the organization's members possess a great deal of experience in real estate development. The board features Bill Beard of Beard Group and Archie Givens of Legacy Management and Development, who has a successful history of developing affordable housing in the Twin Cities area. The lead operating officers Devean George and Craig Slaughter have worked together for three years rehabilitating homes and apartments and are currently involved with the Beard Group in the development of a new multi-family housing building in downtown Hopkins. Legacy Management and Development has agreed to manage this development upon its completion.

This project would take currently underutilized parcels and put them back onto the City tax rolls. The proposal is in line with the City's comprehensive plan and the planning vision for the area.

There has been significant population loss on the Northside over the last several years. Increased housing density and more quality housing options will be a positive draw which will also facilitate the future success of the business districts.

Building Blocks is requesting and we are recommending the granting of exclusive development rights for the properties at 2201 Golden Valley Road and 1823 Penn Avenue North for a period of 12 months with a possible 6 month administrative extension. Building Blocks will pay holding costs of \$2,000 per lot for the 12-month period.