



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

Date: March 19, 2013

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

Subject: Land Sale Public Hearing
West Lowry Redevelopment Project

Recommendation: Approve the granting of a permanent driveway easement to PPL Homes LLC for \$1,155 to support adjacent housing developments. The terms of the easement agreement will be approved by the Community Planning & Economic Development (CPED) Director consistent with the terms of this Council Report.

Previous Directives: CPED acquired 3113 6th Street North on May 1, 2008. On September 3, 2010, the Minneapolis City Council awarded exclusive development rights to Project for Pride in Living, Inc. for this and other adjacent parcels.

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

Financial Impact

- Other financial impact: Eliminate property management costs for the 14 foot easement section.

Community Impact

- Neighborhood Notification: Planning staff will notify Hawthorne Neighborhood Council of the planning commission public hearing on March 25, 2013.
- City Goals: A SAFE PLACE TO CALL HOME People and businesses thrive in a safe and secure city.
- Comprehensive Plan: On March 25, 2013, the Planning Commission will review the planning staff’s recommendation on the minor subdivision.
- Zoning Code: R2B
- Living Wage/Business Subsidy Agreement Yes_____ No x
- Job Linkage Yes_____ No x
- Other: On March 25, 2013, the Planning Staff will review and make a recommendation on the minor subdivision at the planning commission public hearing.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
WL-1	3113 6th Street North	\$1,155

PURCHASER

PPL Homes LLC
1035 East Franklin Avenue, Minneapolis, MN 55404

PROPOSED EASEMENT AND DEVELOPMENT:

PPL Homes LLC (PPL) proposes to acquire an easement over the southern 14 feet of 3113 6th Street North for a permanent private driveway easement to support its housing development projects at 31st Avenue and 6th Street North and a future development to the north. The parcels on 31st Avenue and 6th Street do not have alley access and there is a need to access the properties. The remaining 44 feet of the northern part of 3113 6th Street North will be used for future housing development.

The City of Minneapolis and PPL will enter into an easement agreement as to the terms and conditions of the driveway easement.

The existing lot size is 58' x 165' = 9,570 total square feet. The lot size after the 14 foot easement will be 44' x 165' = 7,260 total square feet. The remaining lot size after the grant of the easement is a buildable lot as defined by City policy.

LAND DISPOSITION POLICY:

This property is a buildable lot and will remain a buildable lot as defined by City policy after the City grants a driveway easement over the south 14 feet of 3113 6th Street North.

FINANCING:

PPL Homes LLC has demonstrated that it has sufficient funds for the proposed easement.

OFFERING PROCEDURE:

Negotiated. The sales price of this property does reflect the full reuse value of the 14 foot driveway easement.

COMMENTS:

CPED acquired 3113 6th Street North on May 1, 2008. On October 19, 2012, the City Council authorized the sale of 3101 and 3107 6th St. N. to PPL Homes LLC for the construction of three single family homes. To facilitate this development, PPL is requesting the driveway easement over the adjacent City-owned lot at 3113 6th Street North. PPL has also expressed an interest in developing a potential future housing development on the remaining portion of 3113 6th Street and adjacent City-owned parcels to the immediate north of this site.

The driveway easement will support PPL's continual housing development efforts in the Hawthorne Eco-Village Cluster. PPL is the designated developer for this cluster.

**Authorizing Conveyance of a Permanent Driveway Easement over a portion
of West Lowry Redevelopment Project Disposition Parcel WL-1.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received a request for the conveyance of an interest in City-owned land in the form of a permanent private driveway easement to support housing development projects at 31st Avenue and 6th Street North over a part of Disposition Parcel WL-1, in the Hawthorne neighborhood, from PPL Homes LLC, hereinafter known as the Redeveloper, with Parcel WL-1, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

WL-1; 3113 6th Street North

Lot 4, Block 8, Morrison's Addition to North Minneapolis

Portion to be conveyed as a driveway easement

The South 14 feet of Lot 4, Block 8, Morrison's Addition to North Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$1,155, for Parcel WL-1 to the City for the conveyance of the permanent private driveway easement, 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 established pursuant to the findings of an appraisal expert, using 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 March 8, 2013, a public hearing on the proposed sale was duly held on March 19, 2013, 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 West Lowry Redevelopment Project plan, as amended, is hereby estimated to be the sum of \$1,155 for Parcel WL-1.

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.

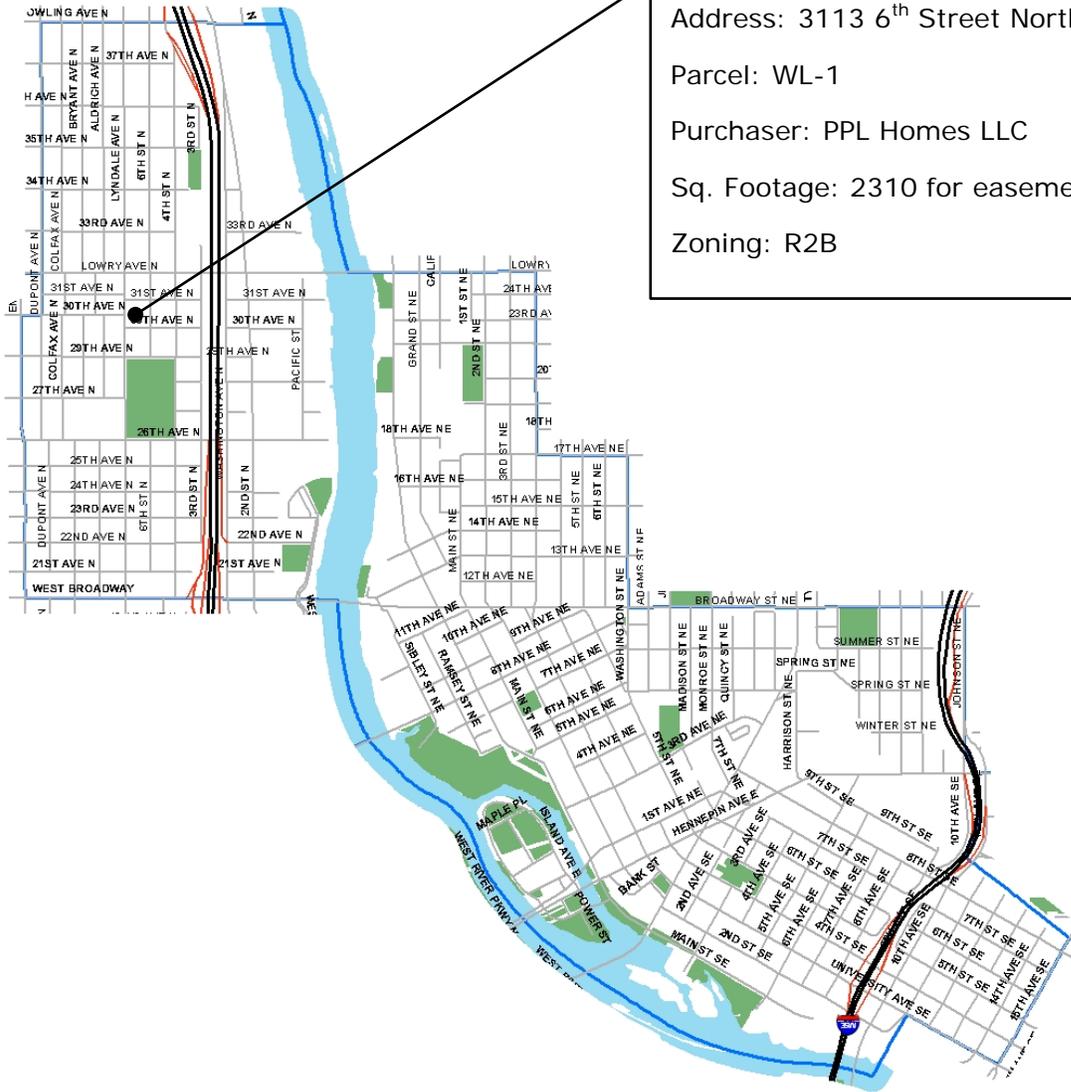
Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a conveyance agreement for a permanent private driveway easement.

Be It Further Resolved that the conveyance agreement conditions will be approved by the CPED Director consistent with the City Council Report approving and this Resolution authorizing the grant of the permanent driveway easement.

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 conveyance agreement to the Redeveloper; provided, however, that this Resolution does not constitute such an agreement and no such agreement 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 easement to the Redeveloper in accordance with the provisions of the executed conveyance agreement and upon payment to the City for the purchase price thereof; provided, however, that this Resolution does not constitute such a conveyance or conveyance agreement and no such conveyance or conveyance agreement shall be created until executed and delivered by the Finance Officer or other appropriate City official of the City.

WARD 3



Address: 3113 6th Street North
Parcel: WL-1
Purchaser: PPL Homes LLC
Sq. Footage: 2310 for easement
Zoning: R2B



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