



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date: October 11, 2005

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Edie Oliveto-Oates, Phone 612-673-5229

Presenter in Committee: Edie Oliveto-Oates

Approved by: Chuck Lutz, Deputy CPED Director _____
Elizabeth Ryan, Director, Housing Policy _____
& Development

Subject: Land Sale – Public Hearing
Model Cities

RECOMMENDATION: Approve the sale of 2305 - 2309 5th Ave. S. for \$72,000 to Hope Community, Inc. subject to the following conditions; 1) land sale closings must occur on or before 30 days from date of approval of all necessary variances necessary to proceed with this development, and 2) payment of holding costs of \$150.00 per month from the date of approval of all necessary variances to the date of closing if land sale closings do not occur on or before 30 days from date of approval. The sale conditions may be waived or amended with the approval of the CPED Director.

Previous Directives: CPED acquired 2305 - 5th Ave. S. on May 26, 1995 and acquired 2309 - 5th Ave. S. on December 18, 2000.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain): Eliminate property management costs.
Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: 6

Neighborhood Notification: West Phillips was notified in July 2003 and have subsequently been notified of this development on a regular basis by HOPE

City Goals: Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

Comprehensive Plan: These lots are located within the Model Cities Urban Renewal plan which was adopted on October 23, 1970 and the sales are therefore consistent with the City's Comprehensive Plan.

Zoning Code: R4

Living Wage/Job Linkage: N/A

Other: The lots are zoned R4 with the North Phillips overlay district (NP). The district allows for this type of development. Each dwelling unit would require one parking space. Each lot can have one carriage house, however if the project is done as one project, then they may only be able to construct one carriage house, because the two properties would be considered one zoning lot. Each parcel is 5952 sq ft. Each lot could have three dwelling units without variances or bonuses, if combined, they could have a total of seven units.

The carriage houses are conditional uses and require a public hearing. Additionally, the fact that the property will have more than four dwelling units, requires a conditional use permit. Moreover, a site plan review is required for 5+ units.

Background/Supporting Information

PARCEL

TF192 & 606

ADDRESS

2305 - 09 5th Ave. S.

SALE PRICE

\$72,000

PURCHASER

HOPE Community, Inc.
2101 Portland Ave. S.
Minneapolis, MN 55404

PROPOSED DEVELOPMENT:

2305 - 5th Ave. S.

The lot size is 48 X 124 = 5,952 total square feet.

2309 - 5th Ave. S.

The lot size is 48 X 124 = 5,952 total square feet.

HOPE is proposing to construct 5 – 1700 square foot, 4-bedroom, 2.5 bathroom town houses, 1 - 1700 square foot, 4-bedroom, 3 bathroom carriage house unit and 1 – 1450 square foot, 3-bedroom, 2 bathroom carriage house.

LAND DISPOSITION POLICY:

These properties are buildable lots as defined by City policy and are being sold for development.

FINANCING*:

All financing for this project will be from private lenders.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Negotiated. The sales price of these properties does reflect the full re-use value.

COMMENTS:

In conjunction with the Franklin Portland Gateway project, HOPE Community, Inc. will be developing 24 townhouses and carriage houses. On the CPED owned lots at 2305-09 5th Ave. S., they have proposed to construct five townhouses and 2 carriage houses. These units will be marketed to neighborhood residents.

**Authorizing sale of land Model Cities
Disposition Parcel No TF-192 & 606.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-192 & 606, in the Phillips neighborhood, from HOPE Community, Inc., hereinafter known as the Redeveloper, the Parcel TF-192 & 606, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 11, Block 1, Heaton & Combe's Addition.
Being registered land as is evidenced by Certificate of Title No. 1142779.

Lot 10, Block 1, Heaton & Combe's Addition.
Being registered land as is evidenced by Certificate of Title No. 1142780.

Whereas, the Redeveloper has offered to pay the sum of \$72,000, for Parcel TF-192 & 606 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 Redeveloper has submitted to the City a statement 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 September 30, 2005, a public hearing on the proposed sale was duly held on October 11, 2005, 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 Model Cities plan, as amended, is hereby estimated to be the sum of \$72,000 for Parcel TF-192 & 606.

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 contract for the sale of land. Furthermore, that the Finance Officer or other appropriate official of the City be and the same is hereby authorized to execute and deliver the contract to the Redeveloper; 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 to execute and deliver a conveyance of the land to the Redeveloper 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.

Address: 2305-09 5th Avenue South
Parcel: TF-192 & 606
Purchaser: HOPE Community, Inc.
Sq. Footage: 11,904
Zoning: R4

WARD 6

