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

Date: April 3, 2007
To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Land Sale Public Hearing
2034 West Broadway

Recommendation:
Approve the sale of 2034 West Broadway to EC Investments LLC for $23,500.

Previous Directives: CPED acquired 2034 West Broadway on November 23, 1998.

Prepared by: Erik Hansen, Phone 612-673-5022	
Approved by: Charles T. Lutz, Deputy CPED Director	_____
Mike Christenson, Director Economic Policy & Development	_____
Presenters in Committee: Erik Hansen	

Financial Impact
- Action provides increased revenue for appropriation increase
- Action is within the Business Plan
- Other financial impact: Eliminate property management costs.

Community Impact
- Neighborhood Notification: Jordan Area Community Council reviewed this proposal and recommended approval.
- City Goals: CONNECTED COMMUNITIES In five years, Minneapolis will be a connected collection of sustainable urban villages where residents will live within walking distance of what they need or of public transit; there will be a connected network of transportation options; streets will be destinations; a mix of unique small businesses will be thriving; and Minneapolis' neighborhoods will have unique identities and character.
- Sustainability Targets:
- Comprehensive Plan: On March 26, 2007, the Planning Commission will review the sale of this parcel as being consistent with the Comprehensive Plan.
- Zoning Code: C1 with PO
- Living Wage/Business Subsidy Agreement Yes____ No__X__
- Job Linkage Yes____ No__X__
- Other: On January 9, 2007, the Planning Staff completed a land sale review of this parcel and approved the proposed development.

Supporting Information

PARCEL	ADDRESS	SALE PRICE
TF-442	2034 West Broadway	$23,500

PURCHASER
EC Investments LLC
2038 West Broadway, Minneapolis, MN 55411

PROPOSED DEVELOPMENT:
The purchaser will combine the City owned lot with 2028 and 2038 West Broadway to construct a new 8,000 square foot commercial/office building and rehabilitate an existing structure. The buildings will have a surface parking lot connecting the two. The developer has site control of the adjacent sites. The purchaser will build the project before the end of the 2008 construction season.

The lot size is 5,188 total square feet.

LAND DISPOSITION POLICY:
This property is a buildable lot as defined by City policy and is being sold for development.

FINANCING*:
The developer will finance the purchase and the redevelopment project with conventional bank debt and equity. The developer is pre-approved for 80 percent of the total project costs and has shown proof of available equity to complete the development. The total development costs are estimated at $593,750.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:
This is a direct sale. The sales price of this property does reflect the full re-use value.

Authorizing sale of land Tax Forfeiture Program Disposition Parcel No TF-442.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-442, in the Jordan neighborhood, from EC Investments LLC, hereinafter known as the Redeveloper, the Parcel TF-442, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-442; 2034 West Broadway

Lot 38, Block 20, Forest Heights.

Being registered land as is evidenced by Certificate of Title No. 1142853.

Whereas, the Redeveloper has offered to pay the sum of $23,500.00, for Parcel TF-442 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 March 23, 2007, a public hearing on the proposed sale was duly held on April 3, 2007, 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 Tax Forfeiture Program plan, as amended, is hereby estimated to be the sum of $23,500.00 for Parcel TF-442.

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.

WARD 5

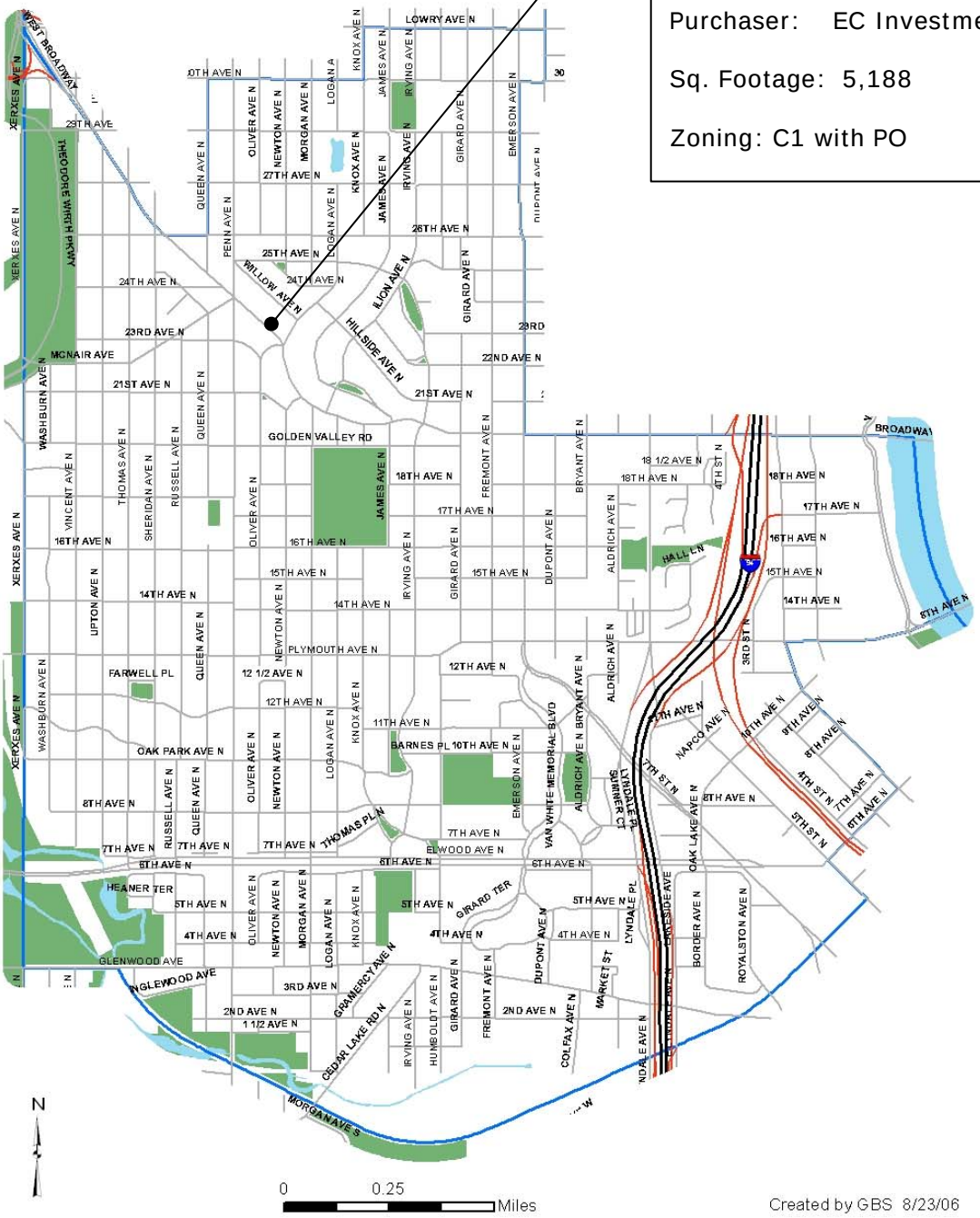
Address: 2034 West Broadway

Parcel: TF-442

Purchaser: EC Investments LLC

Sq. Footage: 5,188

Zoning: C1 with PO



Created by GBS 8/23/06

TOTAL ACQUISITION COSTS INCURRED BY CPED ATTRIBUTABLE TO THE FOLLOWING PROPERTY:

Date: April 3, 2007

Subject: Land Sale – Public Hearing

Address: 2034 West Broadway

Purchaser: EC Investments LLC

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
TF-442 11/23/1998	2034 West Broadway	$1.00	(-)$23,500	(+)$23,499

Re-Use Value Opinion	Less Sales Price	Write-Down
$23,500	$23,500	$0

Write-Down
Reason: N/A

Developer History with CPED:

No known history with Developer

Developer Information:

____ Single Individual(s)
____ Married Individual(s)
____ Limited Liability Partnership of the State of Minnesota
X___ Limited Liability Company of the State of Minnesota
____ Corporation of the State of Minnesota
____ Nonprofit Corporation of the State of Minnesota
____ Other

Jordan
Area
Community
Council

January 16, 2007

Erik Hanson
Senior Project Coordinator
Community Planning & Economic Development
Crown Roller Mill
105 5th Avenue South, Suite 200
Minneapolis, MN 55401

Dear Mr. Hanson,

The mission of the Jordan Area Community Council is organizing people, knowledge and capital for the collective empowerment of Jordan residents. As the designated neighborhood association for the Jordan neighborhood, the Jordan Area Community Council supports the motion proposed by the JACC Housing Committee to approve the land sale located at 2034 West Broadway proposed By EC Investments.

The proposed construction of a new two-story office/commercial building, rehab and construction of a parking lot between the two will be a great addition to the Jordan Neighborhood. The organization and its Board of Directors wholeheartedly support the city recommendation of the sale.

Housing Committee Vote:	November 28, 2006
Passed:	4-0-0
Board of Directors Vote:	January 10, 2007
Passed:	13-0-0

If there is any further information required, please contact me at 612.432.8848 jmoore0415@yahoo.com.

Sincerely,

Jerry L. Moore
Interim Executive Director

cc: Council Member Samuels

2507 Fremont Avenue N Minneapolis, MN 55411
612-529-9267 (Voice) 612-529-4743 (Fax)