



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

September 12, 2006

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

Subject: Land Sale Public Hearing
Heritage Park

Recommendation: Approve the sale of 1125 Fremont Avenue North (Outlot G) to Parkview Associates as sideyard for \$1.00, subject to the following conditions; 1) land sale closing must occur on or before 30 days from date of approval, and 2) payment of holding costs of \$150.00 per month from the date of approval to the date of closing if land sale closing does not occur on or before 30 days from date of approval. The sale conditions may be waived or amended with approval of the CPED Director.

Previous Directives: CPED acquired 1905 5th Avenue North on October 4, 2004.

Prepared or Submitted by: Edith Johnson, Senior Project Coordinator
Phone 612-673-5262

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

Permanent Review Committee (PRC) Approval _____ Not Applicable X

Policy Review Group (PRG) Approval ___ Date of Approval ___ Not Applicable X

Presenters in Committee: Edith Johnson, Senior Project Coordinator

Financial Impact (Check those that apply)

No financial impact (If checked, go directly to Background/Supporting Information).

Action requires an appropriation increase to the _____ Capital Budget or _____ Operating Budget.

Action provides increased revenue for appropriation increase.
 Action requires use of contingency or reserves.
 Business Plan: Action is within the plan. Action requires a change to plan.
 Other financial impact (Explain): Eliminate property management costs.
 Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

Ward: 5

Neighborhood Notification: Northside Residents Redevelopment Council (NRRC) reviewed this proposal and recommended it be approved.

City Goals: In five years, there will be plentiful green spaces, public gathering areas, celebrated historic architectural features and urban forests in Minneapolis; lakes, river and the soil and air will be clean; the city's parks and the Mississippi riverfront will be valued and utilized; opportunities to experience diverse cultures and the arts will abound; and usage of renewal energy will be increasing.

Comprehensive Plan: On March 11, 2005, City Council approved the waiving of the Planning Commission's review of certain real estate transactions (including sideyard dispositions) that have no relationship to the City's Comprehensive Plan.

Zoning Code: R-4

Other: N/A

Background/Supporting Information Attached

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
HP-12	1125 Fremont Avenue North (Outlot G)	\$1.00

PURCHASER

Parkview Associates
115 New Street
Glenside, PA 19038

PROPOSED DEVELOPMENT:

The property dimensions of this vacant lot are irregular or 1,661 square feet. The adjacent property owner's lot is 260,523 square feet. When combined, the revised lot will be 262,184 square feet.

LAND DISPOSITION POLICY:

This property is a non-buildable lot as defined by City policy and is being sold for sideyard.

FINANCING*:

Cash

OFFERING PROCEDURE:

The sales price of this property reflects the full re-use value.

COMMENTS:

In October 2004, 1125 Fremont Avenue North, Outlot G, was acquired from Heritage Housing LLC as excess vacant land that was not needed and therefore returned in connection with the redevelopment contract with Heritage Park, LLC. Parkview Associates submitted an offer to purchase the parcel, which is adjacent to its apartment building at 1201 12th Avenue North.

Parkview Associates states that the parcel will be used for landscaping and new, nicer fence that will compliment the Heritage Park housing development area, which is near Parkview Apartments.

Proposed Resolution

Authorizing sale of land Disposition Parcel No HP-12

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase the Disposition Parcel HP-12, in the Heritage Park neighborhood, from Parkview Associates, hereinafter known as the Purchaser, the Parcel HP-12, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

Legal Description

HP-12; 1125 Fremont Avenue North (Outlot G)
Outlot G, City of Minneapolis Heritage Park Plat 2.

Being registered property as is evidenced by Certificate of Title No. 1150240.

Whereas, the Purchaser has offered to pay the sum of \$1, for Parcel HP-12, to the City for the land; and

Whereas, the Purchaser has submitted to the City a statement of financial responsibility and qualifications; and

Whereas, on March 11, 2005, City Council approved the waiving of the Planning Commission's review of certain real estate transactions (including dispositions of non-buildable parcels) that have no relationship to the City's Comprehensive Plan; and

Whereas, the City has determined the offer of \$1 to purchase the Parcel to be reasonable; 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 City's accepted methods in determining a re-use value for the Parcel; and

Whereas, the City's Real Estate Disposition Policy provided in Section 2.2.13 for the sale of land for sideyard; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on September 1, 2006, a public hearing on said proposal and proposed sale and the provisions thereof, was duly held on September 12, 2006, 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; and

Now, Therefore, Be It Resolved by the City Council of the City of Minneapolis:

That the re-use value for the HP-12 is hereby estimated to be the sum of \$1.

Be It Further Resolved that the acceptance of the offer and Purchaser's proposal is hereby determined to be in accordance with the City's approved disposition policy and it is further determined that the Purchaser possesses the qualifications and financial resources necessary to acquire and maintain the Parcel in accordance with the contract for the sale of land.

Be It Further Resolved that the offer is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date this Resolution is approved by the City and 2) payment of holding costs of \$150.00 per month from the date of approval of this Resolution if the land sale closing does not occur on or before 30 days from the date of approval.

Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the Community Planning & Economic Development (CPED) Director.

Be It Further Resolved that upon publication of this Resolution, the Finance Officer or other appropriate official of the City is hereby authorized to execute and deliver the contract to the Purchaser; 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 Purchaser in accordance with the provisions of the executed contract and upon payment to the City of 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 official of the City.