



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

Date: February 1, 2005

To: Council Member Lisa Goodman, Community Development Cmte.

Prepared by: Tiffany Glasper, Sr. Project Coordinator, Phone 612-673-5221

Presenter in
Committee: Tiffany Glasper, Sr. Project Coordinator

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

Subject: Land Sale – Public Hearing
Jordan – Vacant Housing Recycling Program

RECOMMENDATION: Deny the sale of 2027 James Avenue North to Ramdan Homes, Inc. for \$19,200, which would be subject to the following conditions; 1) land sale closing must occur on or before 30 days from the 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 the approval of the CPED Director.

Previous Directives: MCDA acquired 2027 James Avenue North on March 7, 1995.

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):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact

Ward: 3

Neighborhood Notification: Jordan Area Community Council's Housing Committee reviewed the proposal presented by Ramdan Homes, Inc. on January 4, 2005 and recommended it not be approved.

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: The land sale was reviewed by the Planning Commission for consistency with the Comprehensive Plan on January 10, 2005.

Zoning Code: Complies. 2027 James Avenue North is zoned R2B.

Living Wage/Job Linkage: NA

Other: Elevations and house plans were submitted to CPED's Planning and Zoning staff for their review and comment.

BACKGROUND/SUPPORTING INFORMATION:

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
JOR 89 – 6	2027 James Avenue North	\$19,200

PURCHASER

Ramdan Homes, Inc.
5700 Green Circle Drive
Minnetonka, MN 55343

PROPOSED DEVELOPMENT:

MCDA acquired 2027 James Avenue North from Norwest Bank Minnesota on March 7, 1995. The parcel contained a vacant and blighted single-family home. The lot size is 45' x 125' = 5,625 sq. ft.

Ramdan Homes, Inc. is proposing construction of a two-story, single family modular home with a detached, two-car garage. The home will contain five bedrooms, two bathrooms and a total of approximately 2,000 sq. ft. of finished living space. The developer has estimated the home's value upon completion at \$199,000 and it will be sold to an owner-occupant.

LAND DISPOSITION POLICY:

This lot is buildable as defined by City policy and is being sold for development.

FINANCING*:

Ramdan Homes, Inc. has demonstrated sufficient financing for the proposed new construction project.

*subject to application and underwriting requirements

OFFERING PROCEDURE:

Public advertisement. The sale price reflects the appraised reuse value for this parcel.

COMMENTS:

2027 James Avenue North has been available for sale to the public via MCDA/CPED's web site since December 1999.

CPED staff received a development proposal from Ramdan Homes, Inc. for the redevelopment of 2027 James Avenue North. The proposal was received on November 18, 2004. There were no competing proposals.

Ramdan Homes, Inc. has not done business with the City of Minneapolis before. However, this developer has experience erecting modular single family homes in suburban cities such as Brooklyn Park. Ramdan Homes, Inc. has completed 8 homes in Brooklyn Park and has 25 years of experience in building single family homes.

Ramdan Homes, Inc.'s proposal was reviewed at the January 4, 2005 meeting of the Jordan Area Community Council's (JACC) Housing Committee. Representatives from Ramdan Homes, Inc. were available to present their proposal and answer questions. Members of JACC's Housing Committee was not enthusiastic about the design and layout of the proposed development. The original intent was not to include a full basement, however the developer agreed to include a full basement, add additional windows on the left elevation of the home and to include a roof or awning over the back entry door. Notwithstanding the concessions made by the developer, members of the Housing Committee maintain concern about the future marketability of the home considering the odd interior layout and small bedroom sizes. The main floor has the living and dining rooms adjacent and open to one another, but the kitchen is removed from both. Access from the kitchen to the dining room can only be achieved via the living room. There is also a laundry/mechanical room on the main floor considering that the original intention was to include only a crawlspace and not a full basement. Additionally, although there are five bedrooms proposed, two of the bedrooms are less than 100 square feet, including the closet space. JACC's Housing Committee recommended Ramdan Homes, Inc.'s proposal not be approved.

CPED staff conducted a formal professional review of the proposal and also sought professional opinions from Planning and Zoning staff on the proposed new construction development. Planning staff maintain that the proposed new construction home is appropriate at this location.

CPED staff is not recommending approval of this proposal.

**Authorizing sale of land Jordan-Vacant Housing Recycling Program
Disposition Parcel No JOR 89-6.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel JOR 89-6, in the Jordan neighborhood, from Ramdan Homes, Inc., hereinafter known as the Redeveloper, the Parcel JOR 89-6, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 31, Block 19, Forest Heights

Whereas, the Redeveloper has offered to pay the sum of \$19,200, for Parcel JOR 89-6 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 January 21, 2005, a public hearing on the proposed sale was duly held on February 1, 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 Jordan-Vacant Housing Recycling Program plan, as amended, is hereby estimated to be the sum of \$19,200 for Parcel JOR 89-6.

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: 2027 James Avenue North
Parcel: JOR 89-6
Purchaser: Ramdan Homes, Inc.
Sq. Footage: 5,625
Zoning: R2B

WARD 3

