



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

March 21, 2006

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

Subject: Land Sale Public Hearing
Model Cities

Recommendation: Approve the sale of 2933 - 5th Avenue South for \$50,000 and 2937 - 5th Avenue South for \$50,000 to Willenbring Companies, Inc., 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 per parcel 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 2933 - 5th Avenue South on December 30, 1996 and acquired 2937 - 5th Avenue South on February 10, 2000.

Prepared or Submitted by: Edie Oliveto-Oates, Senior Project Coordinator
Phone 612-673-5229

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: Edie Oliveto-Oates, 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: 6

Neighborhood Notification: West Phillips reviewed these proposals and recommended they be approved.

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

Comprehensive Plan: These land sales will be reviewed by the Planning Commission for consistency with the Comprehensive Plan on March 6, 2006. Findings from that meeting will be presented at the Community Development Committee on March 21, 2006.

Zoning Code: Both parcels are zoned R5. It complies with the R5 zoning.

Other: Planning staff has reviewed these land sales and recommends that the Planning Commission approve the public land sale.

Background/Supporting Information Attached

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-365	2933 - 5th Avenue South	\$50,000
MC 282-10	2937 - 5th Avenue South	\$50,000

PURCHASER
 Willenbring Companies, Inc.
 1890 Wooddale Drive, Suite 500
 Woodbury, MN 55125

PROPOSED DEVELOPMENT:

2933 - 5th Avenue South
 The developer is proposing construction of a triplex. Each unit will have 3-bedrooms, 2 bathrooms, 1500 square feet of living space and detached garages.

The lot size is 43' X 119' = 5,117 total square feet.

2937 - 5th Avenue South

The developer is proposing construction of a triplex. Each unit will have 3-bedrooms, 2 bathrooms, 1500 square feet of living space and detached garages.

The lot size is 43' X 119' = 5,117 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

The developer has a financing commitment from Alpine Capitol, Inc.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

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

COMMENTS:

Willenbring Companies, Inc. is an experienced developer who is proposing to construct two triplexes on these adjacent lots. Each of the properties will be sold for owner occupancy. West Phillips reviewed these plans and is supportive of this development. The development of these triplexes on these lots is consistent with the existing structures in the area.

**Authorizing sale of land Model Cities
Disposition Parcels No TF-365 and MC 282-10.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcels TF-365 and MC 282-10, in the West Phillips neighborhood, from Willenbring Companies, Inc., hereinafter known as the Redeveloper, the Parcels TF-365 and MC 282-10, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-365; 2933 5th Avenue South (\$50,000)

Lot 18, Block 1, Hances Addition to Minneapolis.

Being registered property as is evidenced by Certificate of Title No. 1142782.

MC 282-10; 2937 5th Avenue South \$50,000)

Lot 17, Block 1, Hances Addition to Minneapolis.

Whereas, the Redeveloper has offered to pay the sum of \$50,000 each, for Parcels TF-365 and MC 282-10 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 Parcels; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on March 10, 2006, a public hearing on the proposed sale was duly held on March 21, 2006, 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 \$50,000 each for Parcels TF-365 and MC 282-10.

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 parcels 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 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 CPED director.

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 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.

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