



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

Date: October 10, 2006

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

Subject: Lot Division - Land Sale Public Hearing

Recommendation:

1. Approve the lot division of 805 26th Avenue NE.
2. Approve the sale of the West 22 feet of 805 26th Ave NE for \$407 to Diane M. Krause.
3. Approve the sale of the East 17 feet of 805 26th Ave NE for \$315 to Rick B. Lein.

Previous Directives: CPED acquired 805 26th Ave NE on June 10, 1996.

Prepared by: Rebecca Law, Project Manager, Phone 612-673-5064

Approved by: Chuck Lutz, Deputy CPED Director

Elizabeth Ryan, Director Housing Policy & Development

Presenters in Committee: Rebecca Law, Project Manager

Financial Impact

- Other financial impact: Eliminate property management costs for this parcel.

Community Impact

- Neighborhood Notification: Holland Neighborhood Improvement Association reviewed this proposal and recommended it be approved.
- City Goals: A SAFE PLACE TO CALL HOME. In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.
- Comprehensive Plan: On September 18, 2006, the Planning Commission stated that the sale of this parcel for sideyard is inconsistent with the Comprehensive Plan.
- Zoning Code: R2B

- Other: On August 23, 2006, the Planning Staff completed a land sale review of this parcel and deemed it a buildable lot.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-24A	805 26th Ave NE (part)	\$407
VH-24B	805 26th Ave NE (part)	\$315

PURCHASER

(VH-24A)
 Diane M. Krause
 803 26th Ave NE
 Minneapolis, MN 55418

(VH-24B)
 Rick B. Lein
 809 26th Ave NE
 Minneapolis, MN 55418

PROPOSED DEVELOPMENT:

The property dimensions of this vacant lot are 39' x 93' or 3,627 sq ft. Ms. Krause's existing lot is 25' x 93' or 2,325 sq. ft. Mr. Lein's existing lot is 31' x 93' or 2,883 sq. ft. When combined, Ms. Krause's lot would be 47' x 93 or 4,371 sq. ft. and Mr. Lein's lot would be 48' x 93' or 4,464 sq. ft.

LAND DISPOSITION POLICY:

This property is a buildable lot as defined by City policy and is being divided and sold as sideyard. The parcel fits within an exception to the Real Estate Policy that allows it to be sold as sideyard. Specifically, it falls within the Section 2.2.13 C (vi) exception: the "buildable lot" is not served by an alley.

OFFERING PROCEDURE:

The sales price reflects the full re-use value of these parcels as sideyard.

COMMENTS:

This 805 26th Ave NE parcel lies between two residential dwellings. The properties have no access to a public alley so any off-street parking or garage must be accessed directly from the street. The narrow sizes of 803 26th Ave NE (25' wide) and 809 26th Ave NE (31' wide) make it impossible to accommodate a driveway and garage on their current land. Both adjacent properties are owner-occupied.

The historical records in the CPED files indicate that the 805 26th Ave NE parcel was slated to become sideyard when the land was purchased in 1996. In 2000, the adjacent owners were approached by (then MCDA) staff and asked if they were interested in buying the property. Both owners quickly filed written offers to buy their respective portions of the parcel. In the ensuing years, resolving title problems and changing policies on real estate sales, have kept this parcel in limbo. Both Ms. Krause and Mr. Lein have been persistent in their attempts to buy the land over the past 6 years. Unfortunately, their offers to purchase the parcel were never submitted to the elected officials for a decision until today.

If the proposed sale of 805 26th Ave NE is approved, Diane M. Krause proposes to build a fence and garage on her combined property. Similarly, Rick B. Lein proposes to build a

garage or an addition on his expanded parcel. Council Member Ostrow and the Holland Neighborhood Improvement Association strongly support the sale of the City's land as sideyard to these two adjacent owners. However, the City Planning Commission has stated that doing a sideyard sale on this buildable parcel would be inconsistent with the Comprehensive Plan.

There are recent cases where City officials chose to divide a buildable lot to allow sideyard sales to the adjacent owners. For example, on October 7, 2005, the City Council approved a lot division and sale of a buildable parcel at 2421 Taylor St NE to the abutting owners. Like the current situation, that block had no alley and the neighborhood organization supported the sideyard sales.

If the City had acquired this parcel recently and if there had been no history of written purchase offers solicited by City staff, then there could well be unanimous agreement to sell the lot for a new dwelling. But under the existing circumstances and in deference to the wishes of the Council Member and the neighborhood organization, CPED Housing Development staff agrees that a sideyard sale is appropriate. We request approval of this lot division and the proposed sideyard sales to the adjacent owners.

Approving the subdivision of a lot at 805 26th Avenue Northeast

Whereas, the City of Minneapolis, through its department of Community Planning & Economic Development ("CPED") has requested that a parcel of land located at 805 26th Avenue NE and legally described as:

The East 39 feet of the West 91 feet of Lots 14 and 15, Block 17, Menage's Supplement to East Side Addition to the City of Minneapolis.

be subdivided as follows:

VH-24A 805 26th Ave NE (part)

The West 22 feet of the East 39 feet of the West 91 feet of Lots 14 and 15, Block 17, Menage's Supplement to East Side Addition to Minneapolis

VH-24B 805 26th Ave NE (part)

The East 17 feet of the West 91 feet of Lots 14 and 15, Block 17, Menage's Supplement to East Side Addition to Minneapolis

Whereas, CPED intends to convey the subdivided parcels listed above to the owners of the adjacent properties with the following parcels:

803 26th Ave NE

The East 25 feet of the West 52 feet of Lots 14 and 15, Block 17, Menage's Supplement to East Side Addition to Minneapolis

809 26th Ave NE

The West 31 feet of the East 91 feet of Lots 14 and 15, Block 17, Menage's Supplement to East Side Addition to Minneapolis

Whereas, the proposed subdivision conforms with Minnesota Statutes Section 462.358 and Land Subdivision Regulations adopted by the Minneapolis City Council on July 14, 1995; and

Whereas, pursuant to due notice thereof published in Finance and Commerce on September 30, 2006, a public hearing on said subdivision and proposed sale was duly held in a meeting of the Community Development Committee of the City Council at 1:30 p.m., October 10, 2006 in Room 319, Minneapolis City Hall, 350 South 5th Street, 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 division of the above described property be approved and the requirement of a subdivision plat be waived.

Be It Further Resolved that a certified copy of this resolution shall be attached to the deeds conveying the subdivided parcels.

**Authorizing sale of land Disposition Parcel No VH-24A
Vacant Housing Recycling Program**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase the Disposition Parcel VH-24A in the Holland neighborhood, from Diane M. Krause, hereinafter known as the Purchaser, the Parcel VH-24A, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

Legal Description

VH-24A: 805 26th Ave NE (part)

The West 22 feet of the East 39 feet of the West 91 feet of Lots 14 and 15, Block 17, Menage's Supplement to East Side Addition to Minneapolis

Whereas, the Purchaser has offered to pay the sum of \$407 for Parcel VH-24A, to the City for the land; and

Whereas, the City has determined the offer of \$407 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, on October 3, 2006, the Planning Commission reviewed the land sale for consistency with the City's Comprehensive Plan and the results of that review were reported back to the City Council concurrent with this land sale authorization request; 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 30, 2006, a public hearing on said proposal and proposed sale and the provisions thereof, was duly held on October 10, 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 VH-24A is hereby estimated to be the sum of \$407.

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 a conveyance of the land to the Purchaser 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.

**Authorizing sale of land Disposition Parcel No VH 24B
Vacant Housing Recycling Program**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase the Disposition Parcel VH-24B in the Holland neighborhood, from Rick B. Lein, hereinafter known as the Purchaser, the Parcel VH-24B, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

Legal Description

VH 24B; 805 26th Ave NE (part)

The East 17 feet of the West 91 feet of Lots 14 and 15, Block 17, Menage's Supplement to East Side Addition to Minneapolis

Whereas, the Purchaser has offered to pay the sum of \$315, for Parcel VH-24B, to the City for the land; and

Whereas, the City has determined the offer of \$315 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, on October 3, 2006, the Planning Commission reviewed the land sale for consistency with the City's Comprehensive Plan and the results of that review were reported back to the City Council concurrent with this land sale authorization request; 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 30, 2006, a public hearing on said proposal and proposed sale and the provisions thereof, was duly held on October 10, 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 VH-24B is hereby estimated to be the sum of \$315.

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 a conveyance of the land to the Purchaser 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.

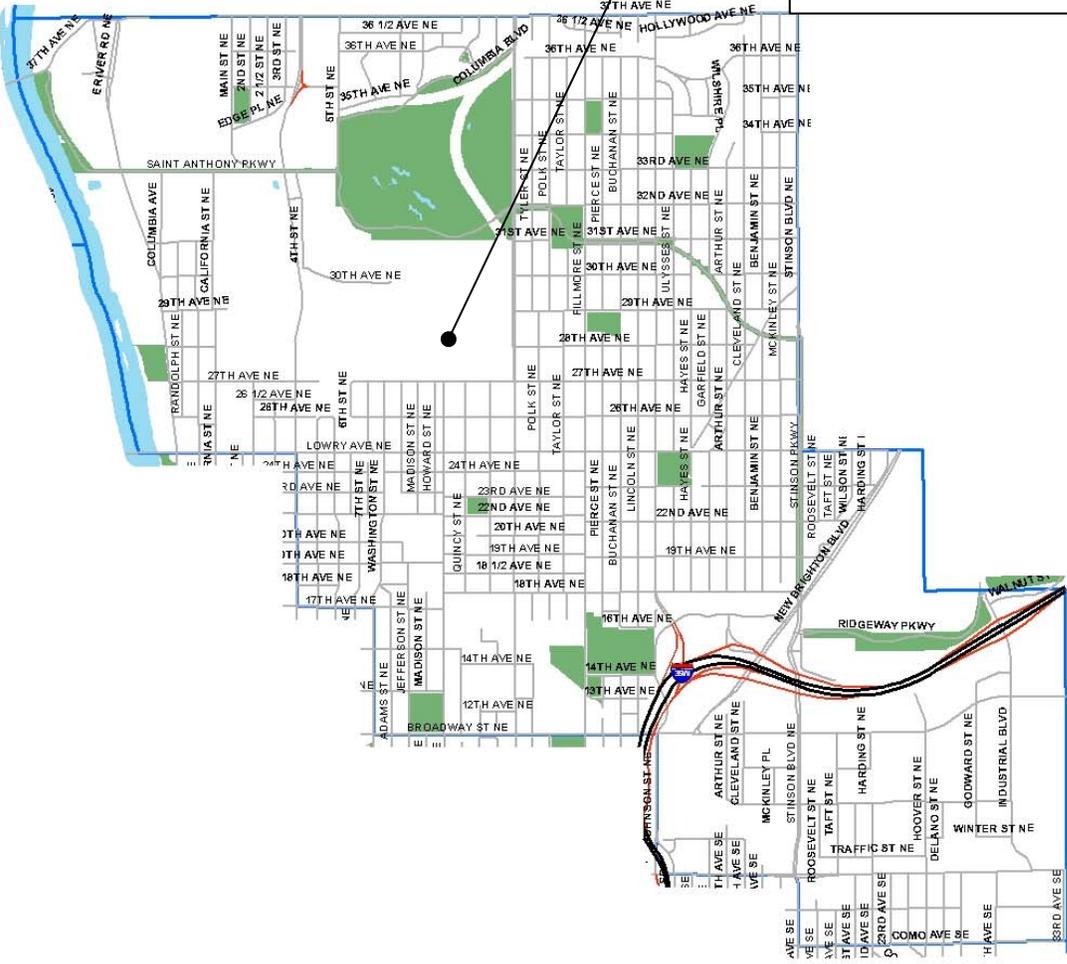
WARD 1

Address: 805 26th Avenue NE

Parcel & Purchaser:
VH-24A Diane M. Krause
VH-24B Rick B. Lein

Sq. Footage: 2,046 (VH-24A)
1,581 (VH 24B)

Zoning: R2B



0 0.25 Miles

Created by GBS 8/23/06

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

Date: October 10, 2006
 Subject: Lot Division - Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 805 26th Avenue NE (Part)
 Purchaser: Diane M. Krause

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
VH-24A 06/10/1996	805 26th Ave NE (part)	\$10,633	(-)\$407	(-)\$10,226

Re-Use Value Opinion	Less Sales Price	Write-Down
\$407	\$407	\$0

Write-Down
 Reason: N/A

Developer History With CPED:
 None

Developer Information:

- Single Individual(s)
- Family with ___ Dependents (one or more adults with dependents)
- General Partnership
- Limited Partnership
- Corporation of the State of _____
- Other _____

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

Date: October 10, 2006
 Subject: Lot Division - Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 805 26th Avenue NE (Part)
 Purchaser: Rick B. Lein

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
VH-24B 06/10/1996	805 26th Ave NE (part)	\$8,355	(-) \$315	(-) \$8,040

Re-Use Value Opinion	Less Sales Price	Write-Down
\$315	\$315	\$0

Write-Down
 Reason: N/A

Developer History With CPED:
 None

Developer Information:

- Single Individual(s)
- Family with ___ Dependents (one or more adults with dependents)
- General Partnership
- Limited Partnership
- Corporation of the State of _____
- Other _____