



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

Date: January 17, 2005

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Bernadette Hornig, Phone 612-673-5236

Presenter in Committee: Bernadette Hornig

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

Subject: Land Sale – Public Hearing
St. Anne’s Senior Housing

RECOMMENDATION: Approve the sale of 2523 Queen Ave N to St. Anne’s Community Development Corporation (SACDC) for \$17,500.

Previous Directives: CPED acquired 2523 Queen Ave N on December 9, 2005.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)
- 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 (Summarize below)

Ward: 3

Neighborhood Notification: The Jordan Area Community Council (JACC) most recently reviewed the St. Anne’s project on September 14, 2005 and submitted a letter of support to CPED. JACC intends to review disposition at their January 3,

2006 Housing Committee meeting.

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: This lot is located within the St. Anne's Senior Housing Redevelopment Plan area, which was adopted on November 19, 2004. The sale is therefore consistent with the City's Comprehensive Plan.

Zoning Code: Zoned C-2. Proposed project complies with the current zoning.

Living Wage/Job Linkage: N/A

Other: Not applicable.

Background/Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
SA-1	2523 Queen Ave N	\$17,500

PURCHASER

St. Anne's Community Development Corporation
c/o St. Anne's LLP A
1300 Nicollet Mall, Suite 600
Minneapolis, MN 55403

PROPOSED DEVELOPMENT:

The lot size is 4,366 total square feet. This lot is the final parcel needed for the St. Anne's Senior Housing Development.

LAND DISPOSITION POLICY:

This property is a buildable lot as defined by City policy and is being sold for assembly as part of a larger redevelopment project.

FINANCING:

The acquisition of this property will be financed as part of the larger St. Anne's Senior Housing development. Please see attached Project Data Worksheet for a complete list of sources and uses.

OFFERING PROCEDURE:

Negotiated sale to adjacent property owner per CPED Disposition Policy. The sales price of this property reflects the full Fair Re-use Value.

COMMENTS:

The Developer intends to redevelopment the property as part of a mixed-use building consisting of 59 apartments and 1,800 square feet of commercial space. All 59 units will be affordable senior rental housing, including 4 units for chronically homeless seniors.

FOR COMMITTEE MEMBERS USE ONLY

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

Date: January 17, 2005
 Subject: Land Sale – Public Hearing
 St. Anne’s Senior Housing
 Address: 2523 Queen Ave N

Purchaser: St. Anne’s Community Development Corporation

Disposition Parcel No. Date Acq.	Address	Total CPED Cost	Less Sales Price	Write-off
SA-1 12/9/05	2523 Queen Ave N	\$102,964	(-) \$17,500	\$85,464

Reuse Value Opinion	Less Sales Price	Write-Down
\$17,500	(-) \$17,500	\$ 0

Write-Down

Reason: It is important to note that CPED pursued acquisition of this property jointly with St. Anne’s CDC as part of the Higher Density Corridor Acquisition fund, which was specifically established to complete difficult acquisitions in support of higher-density corridor housing development projects. Consistent with CPED’s Land Disposition Policy, land is sold for its Fair Reuse Value and the Higher Density Corridor Acquisition program provides the funds to cover the difference between the acquisition costs and disposition proceeds.

Original price from fee owner	\$144,900	
St. Anne’s CDC payment	(41,936)	
<u>Balance of purchase price</u>	<u>\$102,964</u>	(land and building consistent with appraisal and Fair Market Value determination)
St. Anne’s CDC purchase from CPED	(17,500)	(Fair Reuse Value for vacant land)
<u>Net land cost to CPED</u>	<u>85,464</u>	(plus demolition costs of approximately \$15,000)

Developer History With CPED:

St. Anne’s Community Development Corporation is a sole purpose non-profit established to develop and own this project. However, members of the development team, including St. Anne’s CDC Board President Jeff Laux and development consultant Lisa Kugler, have both worked successfully with CPED on past development projects.

Developer Information:

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

**Authorizing sale of land
St. Anne's Senior Housing Redevelopment Plan
Disposition Parcel No. SA-1**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel SA-1, in the Jordan neighborhood, from St. Anne's Community Development Corporation (SACDC), hereinafter known as the Redeveloper, the Parcel SA-1, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

2523 Queen Avenue North (Parcel SA-1)

Lot 3, Block 2, Wenz Addition to Minneapolis, together with that part of the Easterly one-half vacated alley lying between the Westerly extension of the North and South lines of said Lot 3, accruing thereto by reason of the vacation thereof.

Whereas, the Redeveloper has offered to pay the sum of \$17,500, for Parcel SA-1 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 6, 2006, a public hearing on the proposed sale was duly held on January 17, 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 St. Anne's Senior Housing Redevelopment plan, is hereby estimated to be the sum of \$17,500 for Parcel SA-1.

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: 2523 Queen Avenue North

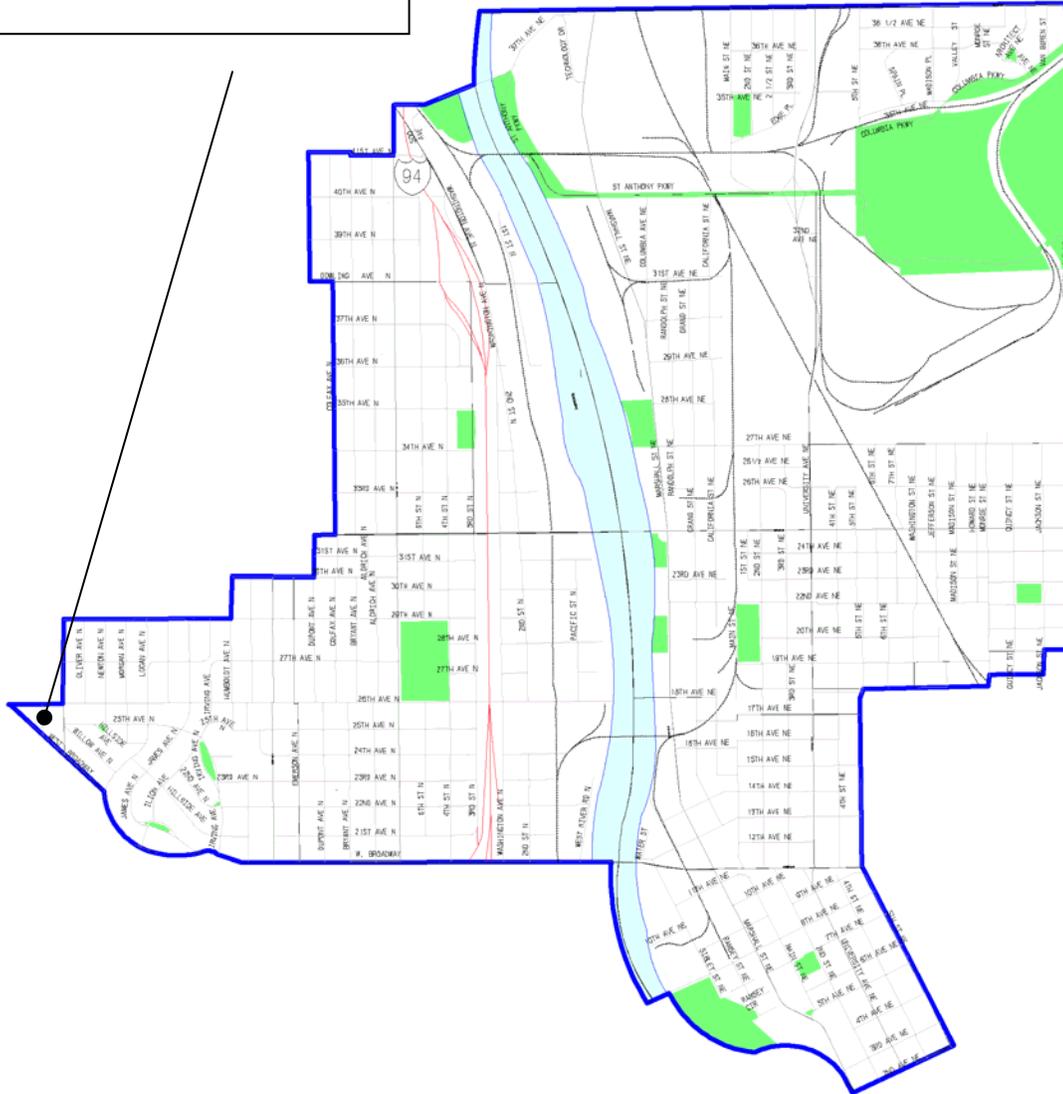
Parcel: SA-1

Purchaser: St. Anne's Community Development Corporation (SACDC)

Sq. Footage: 4,366

Zoning: C-2

WARD 3



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