

Minneapolis Community Development Agency

Request for City Council Action

Date: December 2, 2003

To: Council Member Lisa Goodman, Community Development Committee

Refer to: MCDA Board of Commissioners

Prepared by Edythe Oliveto-Oates, Project Coordinator, Phone 612-673-5229

Approved by Lee Sheehy, CPED Director
Chuck Lutz, Deputy CPED Director _____

Subject: Tax Forfeit Land

Previous Directives: Review of the tax forfeited land list

Ward: City Wide

Neighborhood Group Notification: All neighborhood were notified.

Consistency with *Building a City That Works*: Goal 4 Preserve and enhance the historic structures urban institutions, environments and amenities that define Minneapolis. Objective A - Assure that downtown Minneapolis remains the retail, employment and entertainment center of the region, as well as home to a mix of residents who choose downtown as their neighborhood.

Comprehensive Plan Compliance: These activities are consistent with the Comprehensive Plan as shown on the Land Use Map and in conformance with all existing Redevelopment Plans for the affected areas.

Zoning Code Compliance: The properties to be acquired by the MCDA are properly zoned for their intended reuse.

Impact on MCDA Budget: (Check those that apply)

- No financial impact
- Action requires an appropriation increase to the MCDA Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves

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Other financial impact (Explain): These are normal activities consistent with the Agency's goals. There are sufficient funds available to pay the costs associated with the proposed action in FBG29VB.

Living Wage / Business Subsidy: Not Applicable

Job Linkage: Not Applicable

Affirmative Action Compliance: Not Applicable

RECOMMENDATION:

City Council Recommendation: The Interim Executive Director recommends that the City Council adopt the attached Resolution.

The Executive Director further recommends that this matter be referred to the Minneapolis Community Development Agency.

MCDA Board Recommendation: The Executive Director recommends that the Minneapolis Community Development Agency Board of Commissioners adopt the attached Resolution authorizing the submission of an application to the Commissioner of Revenue and Hennepin County for the conveyance of the properties listed in the Resolution.

The Minneapolis Community Development Agency (MCDA) has been notified by the County through the 1269 Conservation/Non-Conservation List of a group of properties, which the county has classified as non-conservation. The County is requesting action by the City on these properties. The MCDA has worked with Neighborhoods, developers and property owners to develop the recommendations included in the attached resolutions.

Changes to the State Statute

The statute governing the conveyance of tax forfeited property in targeted neighborhoods was amended in 2001 to provide that it is subject to recommendation of the County Board. Effectively, that now puts Hennepin County in the position to deny any application for conveyance the MCDA makes to the Commissioner of Revenue.

In the past, the conveyance of property in targeted neighborhoods was made without payment for the property. Although no other change was made to the statute, the County now takes the position the MCDA must pay fair market value for the property. Staff believes this interpretation is contrary to state law. To date there has been no resolution to this issue

As a result of the change in the state statute and the County's position, staff negotiated a Memorandum Of Understanding (MOU) dated December 1, 2002, between MCDA and Hennepin County Taxpayer Services. The MOU states that the Agency will pay Fair Market Value less our holding costs at the time the property is sold to a developer or after 3 years whichever is sooner. If at the end of 3 years the City determines that they have no reuse for the property they can deed the property back to the County at no cost.

Recommendation of Properties to be Acquired by the MCDA

Staff is recommending the purchase of six (6) properties on the 1269NC list for development. **Since all of the properties are located in targeted neighborhoods** the application will request that conveyance be made without the payment of fair market value in accordance with the MOU described above.

SPECIAL ASSESSMENTS

In accordance with Resolution 96R-089 the MCDA is not required to pay pre or post forfeit special assessments on tax forfeit properties located in target neighborhoods.

Recommendation of Properties to be released for Public and/or Private Sale

Staff is recommending that the properties listed in the attached resolution be released for public and/or private sale.

RECOMMENDATION: The Executive Director recommends that the City Council adopt the attached Resolution.

The Executive Director further recommends that this matter be referred to the Minneapolis Community Development Agency Board of Commissioners.

The Executive Director recommends that the Minneapolis Community Development Agency Board of Commissioners adopt the attached Resolution authorizing the submission of an application to the Commissioner of Revenue and Hennepin County for the conveyance of the properties listed in the Resolution.

Approving the classification of certain forfeited land located in the City of Minneapolis, Hennepin County, Minnesota, as non-conservation and the conveyance thereof.

WHEREAS, the City Council of the City of Minneapolis, Hennepin County, Minnesota, has been advised by the County of Hennepin, Minnesota, that certain parcels of land in said City have become the property of the State of Minnesota under the provision of law declaring the forfeiture of lands to the State for nonpayment of taxes;

NOW, THEREFORE, BE IT RESOLVED by the City Council of The City of Minneapolis, that the parcels listed below which have not already been designated as non-conservation land be designated as such, and that all the property listed below be withheld from public and private sale and conveyed to the Minneapolis Community Development Agency).

1269 Conservation/Non-Conservation List
(01) City of Minneapolis

PID Number	Address Lot Size	Target	Date Of Forfeit	Current Use	Zoning Legal Description
08002924410128	3009 Queen Ave. N. 40X126=5,040	Yes	7/17/03	Vacant Land	R2B LOT 013 BLOCK 001 "QUEEN AVENUE ADDITION TO MINNEAPOLIS"
1602924140105	2109 Aldrich Ave. N. 50x157=7,850	Yes	7/17/03	Vacant Land	R2B LOT 006 BLOCK 010 HIGHLAND PARK ADDITION TO THE CITY OF MINNEAPOLIS
0902924330227	2126 – 26 TH Ave. N. 63x86=5,418	Yes	8/7/03	Vac. SF House	R2B EAST 62.98 FEET OF LOTS 6 AND 7 BLOCK 012 "SUPPLEMENT TO FOREST HEIGHTS MINNEAPOLIS"
0802924140120	3358 Russell Ave. N. 32x128=4,096	No	8/7/03	Vac SF House	R1A LOT 30 AND THE NORTH 3 FEET OF LOT 29 BLOCK 002 "POTTER & THOMPSON'S ADDITON TO MINNEAPOLIS"
1702924130164	2018 Russell Ave. N. 40X128	Yes	8/7/03	Vacant Land	R1A LOT 028 BLOCK 004 "UPLAND ADDITION TO MINNEAPOLIS"

The following parcel was previously forfeited but is available for purchase for \$1 for demolition of the structure.

0102824320151	3504 Longellow Ave	Yes	5/18/01	Vac Single Fam	R2B
				Lot 2, Block 12 Wilbers 2 nd Addition	

BE IT RESOLVED by the City Council of the City of Minneapolis, that the parcels listed below which have not already been designated as non-conservation land be designated as such, and that all the property listed below be released for public auction.

<u>PID Number</u>	<u>Address</u> Lot Size	<u>Target</u>	<u>Date Of</u> Forfeit	<u>Current Use</u>	<u>Zoning</u> Legal Description
2302824430123	6133 ½ 14 th Ave. S.	No	7/17/03	Vacant Land	
					COMMENCING AT THE SE CORNER OF LOT 17 THENCE WEST 118 99/100 FEET THENCE NORTHEASTERLY 170 66/100 FEET ALONG A LINE WHICH PASSES THROUGH A POINT IN EAST LINE OF LOT 19 DISTANCE 31 68/100 FEET NORTH FROM SE CORNER THEREOF THENCE SOUERLY TO A POINT IN THE EAST LINE OF LOT 19 DISTANCE 13 74/100 FEET NORTH FROM THE SOUTHEAST CORNER THEREOF THENCE SOUTH TO BEGINNING BLOCK 016 "TINGDALE BROS.' PORTLAND WAY"
0102824240061	3223 – 22 nd Ave. S.	Yes	7/17/03	Occ Single Fam	
	REPURCHASED				SOUTH 40 FEET OF LOT 007, BLOCK 001 PERKINS' ADDITION TO MINNEAPOLIS MINNESOTA
1602924340101	1422 Logan Ave. N.	Yes	7/17/03	Vac Single Fam	
	REPURCHASED				LOT 014, BLOCK 002 CREPEAU'S FOURTH ADDITION TO MINNEAPOLIS
2702924120005	901 Hennepin Ave.	Yes	7/17/03	Commercial	
	REPURCHASED				COMMENCING AT MOST EASTERLY CORNER OF LOT 7 THENCE NORTHWESTERLY TO MOST NORTHERLY CORNER THENCE SOUTHWESTERLY ON NORTHWESTERLY LINE OF SAID LOT A DISTANCE OF 50 FEET THENCE SOUTHERLTERLY PARALLEL WITH NORTHESTERLY LINE OF SAID LOT 7 TO SOUTHEASTERLY LINE THEREOF THENCE NORTHEASTERLY TO BEGINNING EXCEPT PART TAKEN FOR ALLEY LOT 007 AUDITOR'S SUBDIVISION NO. 030 HENNEPIN COUNTY, MINN
2402924120123	1026 – 12 th Ave. S.E.	Yes	8/7/03	Occ Single Fam	
	REPURCHASED				LOT 022, BLOCK 009 ELWELL'S 2 ND ADDITION TO MINNEAPOLIS

Whereas, the Minneapolis Community Development Agency has determined that the conveyance of said tax forfeited property, listed in this resolution, to the Agency is necessary to provide for said property's redevelopment as productive taxable property pursuant to the provisions of Minn. Stat. Chap. 469.

Now, Therefore, Be It Resolved that the Minneapolis Community Development Agency make application to the Commissioner of Revenue of the State of Minnesota and Hennepin County for the conveyance of said tax forfeited property, listed in this resolution, located in target neighborhood pursuant to the provisions of Minn. Stat. Sec. 282.01, Subd. 1b.

