



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

Date: April 19, 2005

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Edith Johnson, Senior Project Coordinator, Phone 673-5262

Presenter in Committee: Edith Johnson, Senior Project Coordinator

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

Subject: Land Sale – Public Hearing
Near North

RECOMMENDATION: Approve the sale of 1223 Humboldt Avenue North to Emeka G. Okeakpu for \$22,000, 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 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. Approve the sale of 1223 Humboldt Avenue North to Ayaovi A. and Carie A. Gbedjangni for \$22,000 if Emeka G. Okeakpu fails to close. Sale to Ayaovi A. and Carie A. Gbedjangni is subject to the following conditions; 1) land sale closing must occur on or before 30 days from date of CPED notification, and 2) payment of holding costs of \$150.00 per month from the date of notification to the date of closing if land sale closing does not occur on or before 30 days from the date of CPED notification. The sale conditions may be waived or amended with the approval of the CPED Director.

Previous Directives: CPED acquired 1223 Humboldt Avenue North on April 14, 1969.

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): Eliminate property management costs.

___ Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: 5

Neighborhood Notification: Northside Residents Redevelopment Council's Residential and Commercial Task Force (RCTF) reviewed the proposals and recommended that Ayaovi and Carie Gbedjangni's proposal be approved. Details regarding RCTF's meeting are noted in the Comment section of this report.

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 Near North Urban Renewal Plan, and the sale is therefore consistent with the City's Comprehensive Plan.

Zoning Code: R2B

Living Wage/Job Linkage: N/A

Other: Community planner supports development of single family housing on this property.

Background/Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
NN 97-37B	1223 Humboldt Avenue North	\$22,000

PURCHASER
Emeka G. Okeakpu
2109 Irving Avenue North, #2
Minneapolis, MN 55411

OR

Ayaovi A. and Carie A. Gbedjangni
3900 94th Avenue North
Brooklyn Park, MN 55443

PROPOSED DEVELOPMENT:

Emeka G. Okeakpu proposes construction of a single family 2-story home containing 3 bedrooms, 2 1/2 baths, full unfinished basement, approximately 2,142 square feet of finished living space and a detached two-car garage.

The estimated after construction value of the home is \$240,000. Emeka will reside in the home after construction is complete. Emeka noted Gernco Construction of Brooklyn Center, Minnesota, as his general contractor/builder.

Ayaovi A. and Carie A. Gbedjangni proposes construction of a single family 2-story home containing 3 bedrooms, 2 ½ baths, full unfinished basement, approximately 1,680 square feet of finished living space and detached two-car garage.

The estimated value of the home is \$215,000, and the Gbedjangnis will reside in the home after construction is complete. The Gbedjangnis noted Michlitsch Builders, Inc., of Plymouth, Minnesota, as their general contractor/builder.

The lot size is 46' x 126' = 5,796 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

Emeka G. Okeakpu and Ayaovi A. and Carie A. Gbedjangni have demonstrated sufficient financing for the above proposed developments.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Public Advertisement. The sales price of this property does reflect the full re-use value.

COMMENTS:

In April 1969, 1223 Humboldt Avenue North was purchased as vacant property.

Originally, Emeka G. Okeakpu submitted to CPED an offer to purchase 1223 Humboldt, and there were no competing offers when his offer was forwarded to NRRC for its forty-five (45) day review process. With his offer to purchase, Emeka submitted to CPED a 1 ½ story design. At RCTF's February meeting, RCTF asked Emeka to return "with a well developed plan." At RCTF's March meeting, Emeka returned and presented a different design.

At RCTF's March meeting, the Gbedjangnis were invited to return with different house plans. The invitation was mainly due to the fact that the Gbedjangnis and Affordable Custom Builders, LLC, had competing proposals on 1219 Humboldt Avenue North.

The Gbedjangnis believed that by RCTF inviting them to return to its March meeting with a different house plan, RCTF was again going to consider them for the property at

1219 Humboldt. However, at the March 2005 meeting, the Gbedjangnis were not considered for 1219 Humboldt Avenue North, but were considered for 1223 Humboldt Avenue North, for which the Gbedjangnis had not submitted to CPED an offer to purchase. After the meeting, the Gbedjangnis revised their offer documents at CPED to reflect an offer to purchase 1223 Humboldt Avenue North.

At the March meeting, NRRC's Residential and Commercial Task Force supported the sale of 1223 Humboldt Avenue North to Ayavi A. and Carie A. Gbedjangni. Although the RCTF's recommendation to sell 1223 Humboldt Avenue North to the Gbedjangnis was well intentioned, CPED staff does not support RCTF's recommendation.

CPED staff's position is that since CPED did not have an offer from Ayaovi A. and Carie A. Gbedjangni to purchase 1223 Humboldt Avenue North before RCTF's March meeting, but had an offer from Emeka G. Okeapu, along with the fact that Emeka stated that he was going to reside in the home and really wanted the property, the property should be sold to Emeka G. Okeapu. Additionally, Emeka's home design has more square footage and a higher estimated after construction value.

REFERRED TO (NAME OF) COMMITTEE:
DATE:

RESOLUTION of the CITY OF MINNEAPOLIS

By _____

Authorizing sale of land Near North Urban Renewal Project Disposition Parcel No. 97-37B.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel 97-37B, in the Near North neighborhood, from Emeka G. Okeakpu, hereinafter known as the Redeveloper, the Parcel 97-37B, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 40, Block 1, Oak Park Addition to Minneapolis.

Whereas, the Redeveloper has offered to pay the sum of \$22,000, for Parcel 97-37B 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 April 8, 2005, a public hearing on the proposed sale was duly held on April 19, 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 Near North Urban Renewal Project plan, as amended, is hereby estimated to be the sum of \$22,000 for Parcel 97-37B.

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.

Certified as an official action of the City Council:

RECORD OF COUNCIL VOTE (X INDICATES VOTE)													
COUNCIL MEMBER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN	COUNCIL MEMBER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN
President Ostrow							Goodman						
							Lilligren						
Zerby							Schiff						
Samuels							Niziolek						
Johnson							Benson						
Johnson Lee							Colvin Roy						
Zimmermann							Lane						

PASSED _____
 APPROVED VETOED
 DATE

APPROVED NOT

ATTEST _____
 CITY CLERK

 MAYOR DATE

REFERRED TO (NAME OF) COMMITTEE:
DATE:

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PASSED _____
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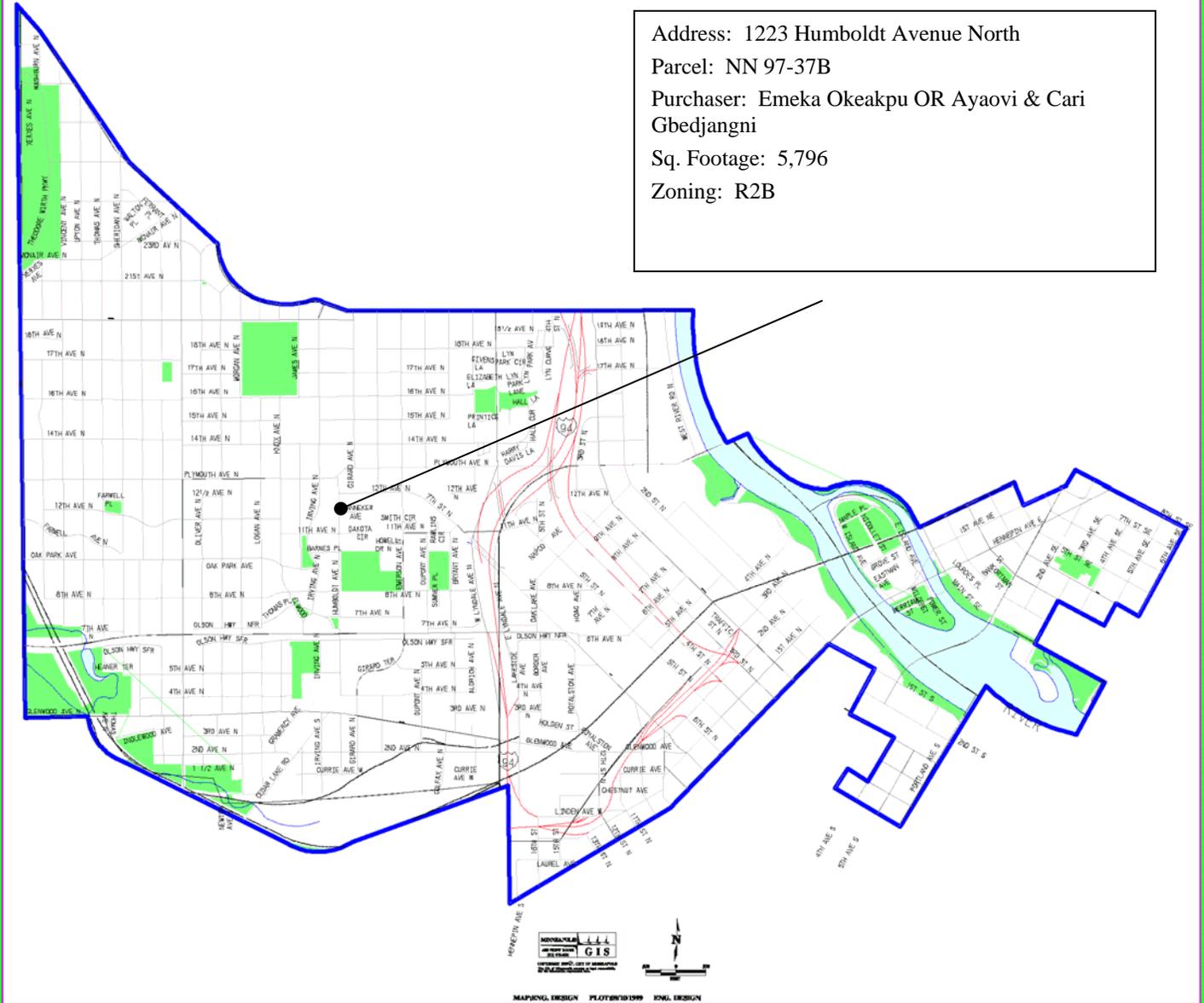
APPROVED NOT

ATTEST _____
 CITY CLERK

 MAYOR DATE

WARD 5

Address: 1223 Humboldt Avenue North
Parcel: NN 97-37B
Purchaser: Emeka Okeakpu OR Ayaovi & Cari Gbedjangni
Sq. Footage: 5,796
Zoning: R2B



MAPPING DESIGN PLOT 20/01/1999 ENCL. DESIGN