



Request for City Council Committee Action From the Department of Public Works

Date: August 22, 2006
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Subject: **Approve Revised Price for the Sale of Excess Land at 3802 Calhoun Parkway West**

Recommendation:

1. Approve the sale of this parcel for the revised price of \$20,000 to the adjacent owner, Biltmore Land Group, LLC, according to the terms of the Purchase Agreement. The land is legally described as part of Lots 1 and 2, Block 10, Cottage City.
2. Authorize the proper City Officers to execute a Quit Claim Deed to convey the property to the buyer. A conservation easement shall be reserved on the parcel to prevent future buildings. Further, authorize the proper City Officers to sign any other necessary documents to facilitate the sale of this property.
3. Direct that the sale proceeds be used to reimburse Public Works for associated expenses of selling the property, with the remaining balance deposited into the Property Disposition Fund 6200/923/9242 Land Sales.

Previous Directives:

February 10, 2006: Approved sale of this land to Biltmore Land Group for \$40,000 with the requirement that a conservation easement be placed on the parcel to preserve it as green space; directed the sale proceeds be used for selling expenses with the remainder going into the Property Disposition Fund.

Prepared by: Rebecca Law, Project Manager, CPED, 673-5064

Approved by:

Steven A. Kotke, P.E., Interim City Engineer, Director of Public Works

Presenters: Steven Kotke

Permanent Review Committee (PRC) Approval _____ Not applicable X

Policy review Group (PRG) Approval _____ Not applicable X

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
- Business Plan: Action is within the plan. Action requires a change to plan.
- Other financial impact (Explain): Revenue generated from sale of excess land

___ Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Community Impact

Neighborhood Notification: Not Applicable

City Goals: *Preserve and enhance our environmental, economic and social realms to promote a sustainable Minneapolis*

Comprehensive Plan: Conforms

Zoning Code: Conforms

Background/Supporting Information

On February 10, 2006, the City Council approved the sale of the vacant parcel at 3802 Calhoun Parkway West to the adjacent owner, Biltmore Land Group, LLC. The purchase price was \$40,000 and the property is shown on the attached map.

When this sale was approved, our title insurance company had already stated that the City of Minneapolis possessed fee title to the land. However several months later, the buyer's title company discovered a problem that our own title company missed. Essentially, the City owns only a one-half interest in the property. The other one-half interest resides with the unknown heirs of several private trusts. Since the \$40,000 price was negotiated on the assumption that the City was the only owner, both City staff and the buyer believe the price should be reduced to \$20,000 to reflect the City's one-half ownership. If the heirs who own the other one-half interest later claim rights to the land, solving that title problem will be the sole responsibility of the buyer, Biltmore Land Group, LLC.

All other terms of the original purchase agreement will remain in effect. These terms include placing a conservation easement over the entire parcel to preserve the area as green space. The proposed use of the property as green space conforms with the City's comprehensive plan and the neighborhood's preferences.

Att: aerial map