



**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 1219 Humboldt Avenue North to Ayaovi A. and Carie A. Gbedjangni 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 sale of 1219 Humboldt Avenue North to Affordable Custom Builders, LLC, for \$22,000 if Ayaovi A. and Carie A. Gbedjangni fail to close. Sale to Affordable Custom Builders, LLC, 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 1219 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 Affordable Custom Builders, LLC's proposal be approved. Details regarding the RCTF meeting are noted in the Comments 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: The community planner supports development of a single family home on this property.

Background/Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
NN 97-37A	1219 Humboldt Avenue North	\$22,000

PURCHASER
Ayaovi A. and Carie A. Gbedjangni
2111 26th Avenue North
Minneapolis, MN 55411

ALTERNATE PURCHASER
Affordable Custom Builders, LLC
3900 94th Avenue North
Brooklyn Park, MN 55443

PROPOSED DEVELOPMENT:

Ayaovi A. and Carie A. Gbedjangni propose 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 after construction value of the home is \$215,000, and the Gbedjangnis will occupy the home. The Gbedjangnis noted Michlitsch Builders, Inc., of Plymouth, Minnesota, as their general contractor/builder.

Affordable Custom Builders, LLC, proposes construction of a single family 2-story home containing 3 bedrooms, 2 1/2 baths, full unfinished basement, approximately 1,600 square feet of finished living space and a detached two-car garage.

The estimated after construction value of the home is \$225,000. Affordable Custom Builders, LLC, will sell the home for owner occupancy. Affordable Custom Builders noted Tom's Home Repairs, Inc., of Brooklyn Park, Minnesota, as its general contractor/builder.

The lot size is 46' x 127' = 5,842 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

The Gbedjangnis and Affordable Custom Builders, LLC, 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, 1219 Humboldt Avenue North was purchased as vacant property.

Affordable Custom Builders, LLC, and Ayaovi A. and Carie A. Gbedjangnis submitted offers to purchase 1219 Humboldt Avenue North, and both were forwarded to Northside Residents Redevelopment Council (NRRC). At NRRC's Residential and Commercial Housing Task Force (RCTF) meeting in February 2005, the Task Force supported the proposal submitted by Affordable Custom Builders, LLC, and asked that the Gbedjangnis return to RCTF's March 2005 meeting with a different house plan. RCTF noted that its support for Affordable Custom Builders "is contingent on the following recommendations to which the builder has agreed:"

1. Add a parking pad to the garage large enough to park a car, and
2. Remove door side light and replace with small window adjacent to the door.

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 another CPED vacant property at 1223 Humboldt Avenue North, for which the Gbedjangnis had not submitted to CPED an offer to purchase.

CPED staff believes that although Northside Residents Redevelopment Council's Residential and Commercial Task Force's recommendation to sell 1219 Humboldt Avenue North to Affordable Custom Builders, LLC, was well intentioned, CPED staff does not support RCTF's recommendation. CPED's staff position is that the property at 1219 Humboldt Avenue North should be sold to Ayaovi A. and Carie A. Gbedjangni because they will reside in the home after construction whereas Affordable Custom Builders, LLC, will need to list the property for sale to an owner-occupant. Additionally, the Gbedjangnis' general contractor/builder has constructed many homes in the City of Minneapolis and has a good product and work history with MCDA/CPED.

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. 97-37A.

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

LEGAL DESCRIPTION

Lot 39, Block 1, Oak Park Addition to Minneapolis.

Whereas, the Redeveloper has offered to pay the sum of \$22,000, for Parcel 97-37A 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 97-37A.

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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 APPROVED VETOED
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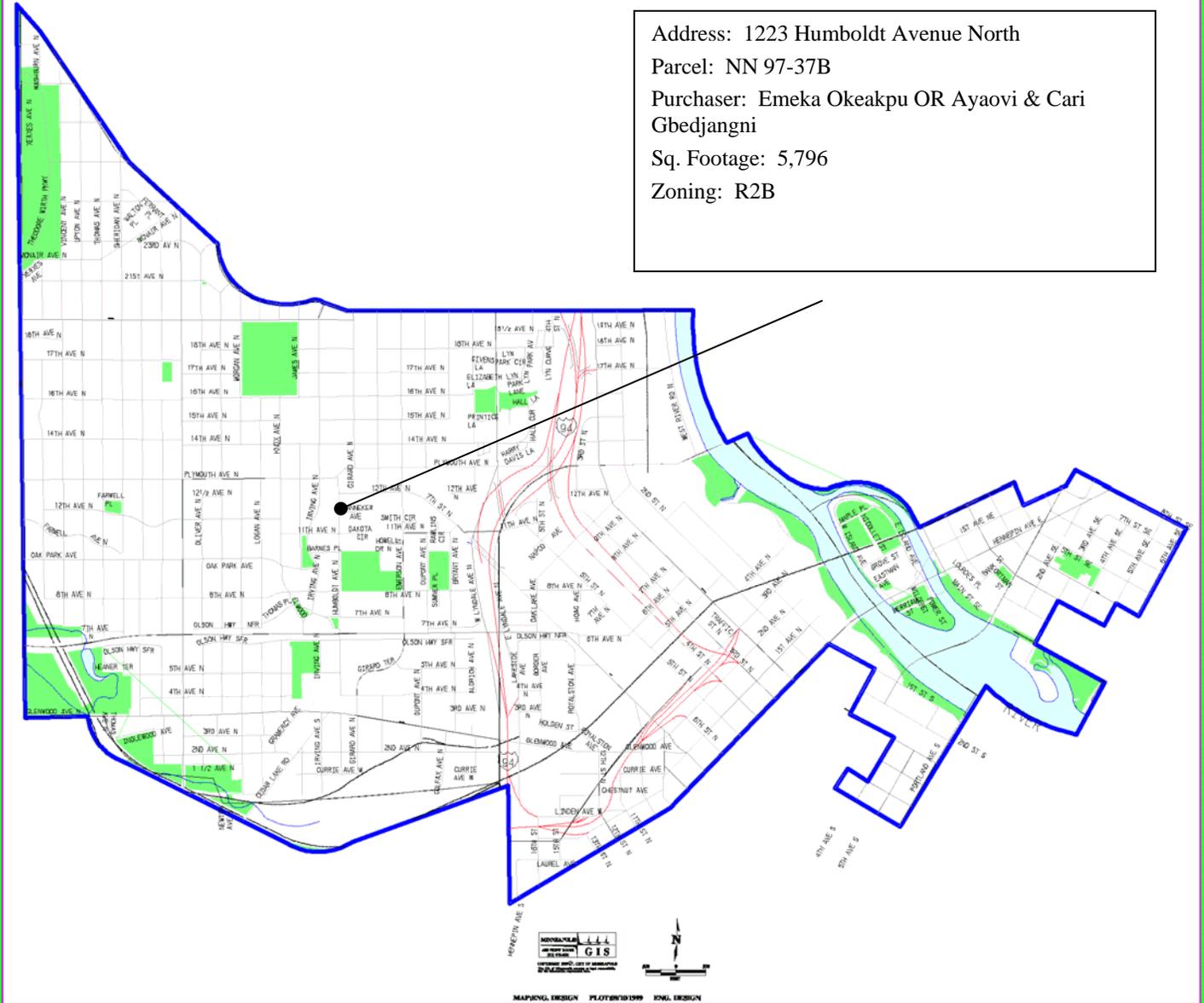
APPROVED NOT

ATTEST _____
 CITY CLERK

 MAYOR DATE

WARD 5

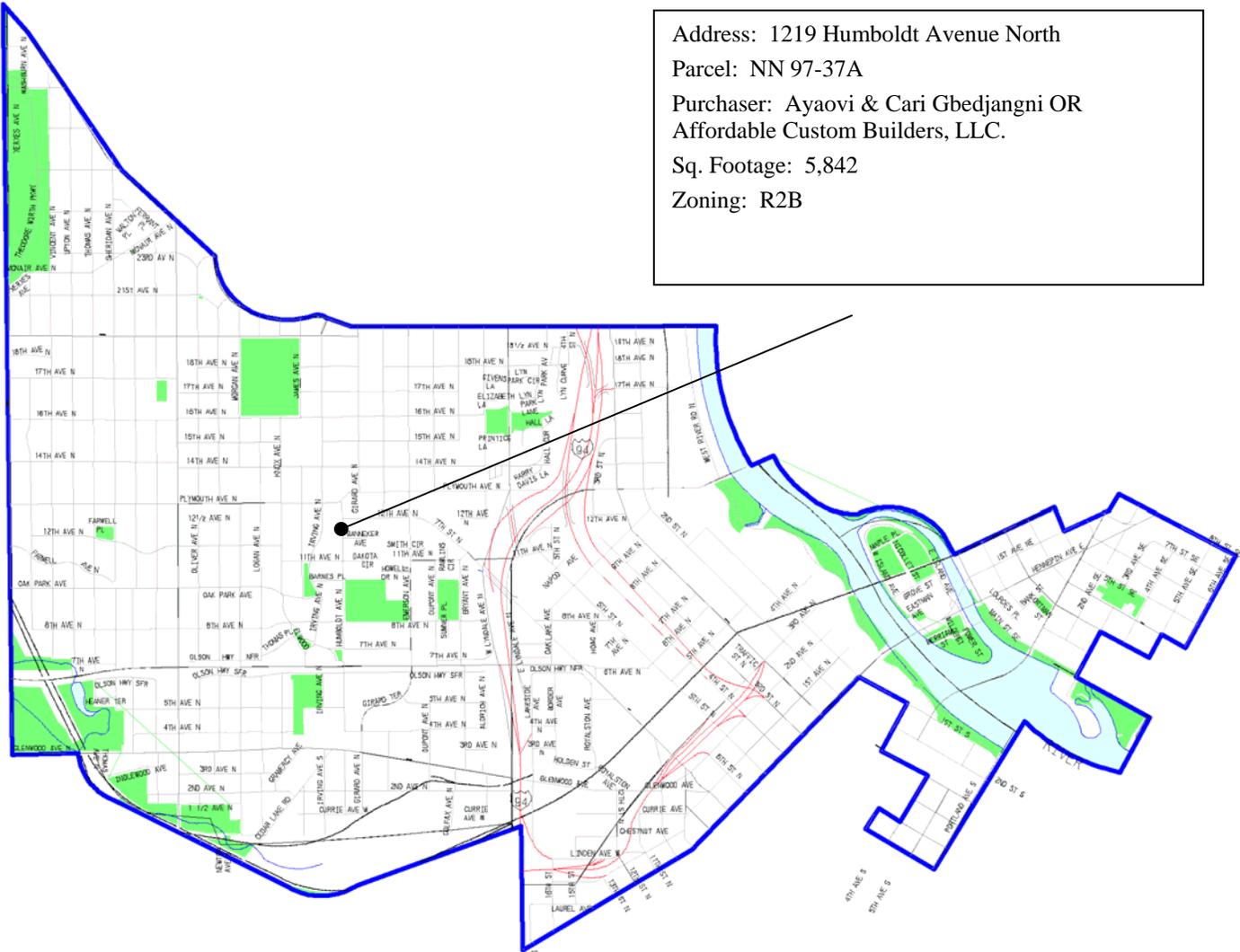
Address: 1223 Humboldt Avenue North
Parcel: NN 97-37B
Purchaser: Emeka Okeakpu OR Ayaovi & Cari Gbedjangni
Sq. Footage: 5,796
Zoning: R2B



MAPS/ENG. DESIGN PLOT/20/1999 ENG. DESIGN

WARD 5

Address: 1219 Humboldt Avenue North
Parcel: NN 97-37A
Purchaser: Ayaovi & Cari Gbedjangni OR
Affordable Custom Builders, LLC.
Sq. Footage: 5,842
Zoning: R2B



MAPPING, ENGINEERING, PLANNING