



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

Date: March 22, 2005
To: Council Member Lisa Goodman, Community Development Cmte
Prepared by: Darrell Washington, Sr. Project Coordinator, Phone 612-673-5174
Presenter: Darrell Washington, Sr. Project Coordinator
Approved by: Chuck Lutz, Deputy CPED Director _____
Subject: Scrap Metal Processor Building Lease

RECOMMENDATION: Authorize the CPED Director to execute a lease agreement with A. H. Bennett Company

Previous Directives: The City Council on March 24, 2000 approved the Near Northside and Bassett Creek Valley Master Plans. The City Council on July 28, 2000 approved the central corridor alignment for the North-South Boulevard. On May 18, 2001, the City Council approved the financing strategy for the North-South Boulevard, authorized officers to work with Trust for Public Land on an interim land acquisition strategy, and directed staff to plan/design the North-South Boulevard with planning costs likely to be funded by Hennepin County. On Feb 14, 2003, the City Council authorized the CPED Director to execute the purchase agreement of Scrap Metal Processors.

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)

Community Impact (Summarize below)

Ward: 5th
Neighborhood Notification: Not Applicable
City Goals: Consistent
Comprehensive Plan: Consistent
Zoning Code: Not Applicable
Living Wage/Job Linkage: Not Applicable

Background/Supporting Information

The City of Minneapolis purchased the Scrap Metal Processors property in 2004 for the construction of the southern leg of Van White Memorial Boulevard. After the scrap metal and moveable equipment were removed from the site in October 2004, the remaining structures included a large warehouse, an office/warehouse building and several small garages. The president of A. H. Bennett Company contacted City staff to inquire about leasing the warehouse located at 1221 2nd Ave. N. The future development plans for this property and the remaining properties associated with the former Scrap Metal business is undetermined at this time. However, it is certain that the remaining structures will be demolished in the near future (late 2005 or in 2006) in order to address security, illegal dumping and maintenance concerns.

Lease Arrangement

Prior to demolishing all the remaining structures, A. H. Bennett & Company would like to lease from the City a portion of the 1221 2nd Ave. N. property for storage of roofing materials. It is anticipated that the leasing arrangement would be short-term with the initial lease period lasting 6 months and thereafter the lease will be on a month-to-month basis. The lease payment that will be received by the City will amount to \$900 per month. The tenant will be responsible for all of the utilities. Additional terms will be negotiated and contained in the lease.