



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

Date: February 15, 2005

To: Council Member Lisa Goodman, Community Development Cmte

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

**Presenter in
Committee:** Edie Oliveto-Oates, Project Coordinator

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

Subject: Tax Forfeit Land Acquisition

RECOMMENDATION: The CPED director recommends that CPED proceeds with the acquisition of 3641 5th Ave S from Hennepin County for \$1.00 in accordance with Amendment #1 to the Memorandum of Understanding between the City of Minneapolis and Hennepin County.

Previous Directives: All parcels listed in this report were previously authorized for sale per resolutions 2002-2671M and 2001-2527M.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)
- 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):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: City Wide

Neighborhood Notification: All neighborhoods were previously notified

City Goals: Increase the City's population and tax base by developing and supporting housing choices city-wide through preservation of existing housing and new construction

Comprehensive Plan: Acquisition of these parcels complies with all city goals.

Zoning Code: It complies

Living Wage/Job Linkage: N/A

Background/Supporting Information

In an attempt to consolidate existing state legislation regarding the treatment of tax forfeit land and make a uniform process, the statute governing the conveyance of tax forfeited property in targeted neighborhoods was amended in 2001. This change provides that requests for conveyance of property are subject to a determination of public purpose and the recommendation of the County's Board. 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 has taken the position that City redevelopment activities do not meet the definition of public purpose and therefore the City must pay fair market value for the property.

Since that time, staff has had ongoing negotiations with Hennepin County regarding this issue. At this time, there is a Memorandum of Understanding in place between CPED and Hennepin County which has been amended and provides that CPED will identify 15 parcels to be conveyed for redevelopment purposes at a cost of \$1.00. At the December 14, 2004 Community Development Committee meeting, fourteen (14) of the fifteen (15) parcels were approved for acquisition by CPED. It has been determined that the final parcel will be:

Address	Pin Number	Legal Description
3641 - 5th Ave. S.	03-028-24-44-0109	LOT 13, BLOCK 8 VINTON PARK ADDITION TO MINNEAPOLS

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.

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