



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

Date: January 18, 2005

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Earl S. Pettiford, Senior Housing Project Coordinator; Ext 5231

Presenter in Committee: Earl S. Pettiford

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

Subject: Land Sale – Public Hearing
Model City Urban Renewal Plan

RECOMMENDATION: Approve the sale of 1109 E 28th St. to Prima Land, Inc. for \$23,000, with the land sale closing to occur on or before 30 days from date of approval. The closing condition may be waived or amended with the approval of the CPED Director.

Previous Directives: MCDA acquired 1109 E 28th St. on August 5, 1996.

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: Eliminate property management costs.
Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: 6

Neighborhood Notification: Midtown Phillips Neighborhood Association was informed of the proposals in May, 2004. They have reviewed the proposals and have recommended Prima Land, Inc.

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.

Promote public, community and private partnerships to address disparities and to support strong, healthy families and communities.

Comprehensive Plan: This lot is located within the Model City Urban Renewal plan which was adopted on September 11, 1969 and is therefore consistent with the city's Comprehensive plan.

Zoning Code: R2B

Living Wage/Job Linkage: N/A

Other:

Background/Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
MC 250-24	1109 E 28 th St.	\$23,000

PURCHASER
Prima Land, Inc.
2800 Maplewood Circle W.
Wayzata, MN 55391

OR

The Greater Metropolitan Housing Corporation
of the Twin Cities.
15 South Fifth Street, Suite 710
Minneapolis, MN 55402

OR

Mohammed Thabet
12425-53rd Street N.
Stillwater, MN 55082

PROPOSED DEVELOPMENT:

Prima Land, Inc is proposing construction of a two story single family home with three bedrooms and two baths with 1630 sq. ft. of finished living space and a full unfinished basement. The plan is designed so that it is visitable (wheelchair accessible) and one of the entries will have a ramp to accommodate access to persons with wheelchair mobility. The development also features a two car detached garage. The developer will sell this home to an owner-occupant at an estimated price of \$235,000.

The Greater Metropolitan Housing Corporation (GMHC) is proposing construction of a two story single family home with three bedrooms and three baths with 1651 sq. ft. of finished space and a full unfinished basement. The plan is a visitable design and the developer would build a ramp if the buyer requests that feature. The development plan provides for a two car detached garage. The developer has estimated the sale price at \$215,000.

Mohammed Thabet is proposing construction of a two story single family home with four bedrooms and four baths with 2,352 sq. ft. of finished living space and a full unfinished basement. The development also features a two car detached garage. The developer will sell this home to an owner-occupant at an estimated price of \$225,000.

LAND DISPOSITION POLICY:

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

FINANCING*:

All of the developers have sufficient financing to undertake their proposed developments which they have supported with letters from their lenders.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

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

COMMENTS:

Three development proposals were received in May of 2004 and reviewed by the Midtown Phillips Neighborhood Association on June 9, 2004. On June 16, 2004, the neighborhood informed staff that they were recommending the Prima Land, Inc.'s proposal because it was a quality plan that fit well into the neighborhood and was designed as a visitable home that would be constructed with a ramp. CPED's staff review conclusions mirrored the neighborhood's. Prior to CPED's staff submitting a land sales report, Jim Buesing of Prima Land, Inc. asked staff and the neighborhood to consider a house move to the site instead of the new home development. CPED's staff was informed that Prima Land, Inc. had acquired an interest in the structures that formerly housed Project for Pride in Living along Chicago Ave S. and was evaluating the feasibility of moving one of the structures to this site. After a thorough and lengthy analysis, they (Prima Land, Inc.) concluded that due to the size and configuration of the buildings, it was not feasible to move any of those buildings move to this site. The

developer is now ready to move forward with the original development proposal. Staff recommends the sale of this parcel to Prima Land, Inc. for development of a visitable single family home.

Authorizing sale of land Model City Urban Renewal Plan
Disposition Parcel No. MC 250-24

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel MC 250-24, in the Phillips neighborhood, from Prima Land, Inc., hereinafter known as the Redeveloper, the Parcel MC 250-24, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

The East 42 feet of Lots 30, 31 and 32, Block 1, Avery's Chicago Avenue Addition to Minneapolis.

Being registered land as is evidenced by Certificate of Title No. 843568.

Whereas, the Redeveloper has offered to pay the sum of \$23,000, for Parcel MC 250-24 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 January 7, 2005, a public hearing on the proposed sale was duly held on January 18, 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 Model City Urban Renewal Plan, as amended, is hereby estimated to be the sum of \$23,000 for Parcel MC 250-24

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.

Authorizing sale of land Model City Urban Renewal Plan
Disposition Parcel No. MC 250-24

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel MC 250-24, in the Phillips neighborhood, from The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC), hereinafter known as the Redeveloper, the Parcel MC 250-24, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

The East 42 feet of Lots 30, 31 and 32, Block 1, Avery's Chicago Avenue Addition to Minneapolis.

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Authorizing sale of land Model City Urban Renewal Plan
Disposition Parcel No. MC 250-24

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel MC 250-24, in the Phillips neighborhood, from Mohammed Thabet, hereinafter known as the Redeveloper, the Parcel MC 250-24, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

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Address: 1109 E 28th Street

Parcel: MC 250-24

Purchaser: Prima Land, Inc. OR The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC) OR Mohammed Thabet

Sq. Footage: 4,237

Zoning: R2B

WARD 6

