



**Request for City Council Committee Action
From the Departments of Community Planning and Economic
Development and Procurement**

Date: August 4, 2009
To: Honorable Lisa Goodman, Chair Community Development Committee
Referral to: Honorable Paul Ostrow, Chair Ways & Means Committee

Subject: **Approval of Official Publication No. 7162 - Demolition Bids for Grain Belt Warehouses**

Recommendation:

Acceptance of the low bid from Veit & Company in the amount of \$86,319 for the demolition of the Grain Belt Warehouse Buildings (i.e. 1957 and 1964 additions) located at 39 13th Avenue NE.

Terms are net 30 days. F.O.B.: Destination.

Further recommend proper Officers be authorized and directed to execute a contract for this project all in accordance with specifications prepared by Steve Maki and Mike Williams of CPED.

Prepared by: Gary Warnberg Director, Procurement

Approved by: Charles T. Lutz Deputy Executive Director

Presenter: Jerry LePage Senior Project Coordinator

Previous Directives:

1) Over the past eight years, the City Council has taken numerous actions on the Grain Belt riverfront and Marshall Street sites with respect to the housing development proposal by the Sheridan Development Company (SDC), who ultimately defaulted on its Redevelopment Contract and lost its development rights to both sites; 2) On February 1, 2008, the Council approved the terms of the sale of a portion of the Grain Belt riverfront site to the Minneapolis Park and Recreation Board; and 3) On July 25, 2008, the Council approved final actions related to the land sale to the Park Board for a \$1 purchase price and \$400,000 in demolition/site clearance proceeds.

Reviews:

Civil Rights Approval Approval: _____ Date: _____

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): Action is within Budget

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

In July 2008, the City Council approved the terms of a land sale to the Park Board related to the City-owned Grain Belt riverfront site. Under these terms, the City would sell a portion of its riverfront site to the Park Board that would be combined with land the Park Board currently owns in order to develop the proposed Sheridan Memorial Park. In turn, the Park Board would provide \$400,000 to the City, which it will use to pay for the demolition of two City-owned warehouse buildings on the site.

In December 2008, the City conveyed this land to the Park Board, subject to a lease-back to the City until the buildings were vacated and demolished, and received the \$400,000 from the Park Board. This summer, the Park Board will proceed with the next phase of its Sheridan Memorial Park, including some improvements on the cleared land. The City will continue to own its remaining portion of the riverfront site (approximately 2 acres) which is reserved for future housing development when the market improves.

Tabulation of eight (8) bids received on Official Publication No. 7162 for the demolition of the two Grain Belt Warehouse Buildings is attached.

Attachment - Bid Tabulation Sheet