



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

Date: June 20, 2006

To: Council Member Lisa Goodman, Community Development Committee
Council Member Paul Ostrow, Ways & Means Budget/Committee

Subject: Fund Appropriation of \$65,000 for Grain Belt Fund CAZ C38100B

Recommendation: Amend the 2006 General Appropriation Resolution by increasing the Community Planning & Economic Development agency Fund CAZ-Common Project Uncertified (CAZ)-890-8933 by \$65,000, Project #C38800B Grain Belt Office Building

Previous Directives:N/A

Prepared by: Judy Cedar

Phone: 612- 673- 5025

Approved by:

Chuck Lutz, Deputy Director CPED _____

Mike Christenson, Director of Economic Development _____

Jack Kryst, Director of Development Finance _____

Permanent Review Committee (PRC) Approval Not Applicable

Presenter in Committee: Judy Cedar

Financial Impact (Check those that apply)

No financial impact (If checked, go directly to Background/Supporting Information).

Action requires an appropriation increase to the Capital Budget or Operating Budget.

Action provides increased revenue for appropriation increase.

Action requires use of contingency or reserves.

Business Plan: Action is within the plan. Action requires a change to plan.

Other financial impact (Explain):

- Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

Neighborhood Notification: Sheridan Neighborhood Organization supports the ongoing minimal maintenance of this building in preparation of its sale and eventual rehabilitation.

City Goals: Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.

Comprehensive Plan: Not applicable

Zoning Code: Not applicable

Other: Not applicable

Background/Supporting Information

The Community Planning and Economic Development Division of the City of Minneapolis is preparing to issue a Request for Proposals late summer for the Grain Belt Office Building in order to achieve the following:

- A sale of the property to a private entity in early 2007
- Productive reuse and return of property to the tax base
- A successful rehabilitation of a contributing structure within the Minneapolis Brewing Company Historic District included in the National Register of Historic Places

The Office Building is located within the Grain Belt Complex, at 1215 Marshall Street NE. It was intended for sale to Sheridan Development Company, LLC., as one element of the housing development that is to occur in phases on the Grain Belt campus. Earlier this year, however, it was decided to sever the Office Building sale from the housing development proposal and, instead, solicit proposals for the purchase and rehabilitation of the structure.

The increase in appropriation of \$65,000 for this parcel will cover holding costs as we prepare to transfer the property to private ownership. Holding costs include such items as ongoing utility costs, environmental survey and specs, fire inspection related code items, safety repairs to stairway and exterior doors, boiler operation, Public Works staff labor, and general clean up of the interior.