

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

Date: September 25, 2007

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Land Sale Public Hearing
Tax Forfeiture Program

Recommendation: Approve the sale of 2015 & 2019 Jackson Street NE to Jackson Square Properties NE LLC for \$15,000.

Previous Directives: CPED acquired 2015 Jackson Street NE on May 1, 1996 and 2019 Jackson Street NE on August 18, 1995.

Prepared by: William Koncak, Phone 612-673-5233
Approved by: Charles T. Lutz, Deputy CPED Director _____
Elizabeth Ryan, Director Housing Policy & Development _____
Presenters in Committee: William Koncak, Senior Project Coordinator

Financial Impact

- Other financial impact: Eliminate property management costs.

Community Impact

- Neighborhood Notification: Windom Park Neighborhood Association reviewed this proposal and recommended it be approved.
- City Goals: A SAFE PLACE TO CALL HOME. In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.
- Sustainability Targets: Developer will use environmentally sustainable construction and building will feature a green garden roof.
- Comprehensive Plan: On March 26, 2007, the Planning Commission approved the land use application for the Jackson Square Condominiums as being consistent with the Comprehensive Plan.
- Zoning Code: R5
- Living Wage/Business Subsidy Agreement Yes _____ No x
- Job Linkage Yes _____ No x
- Other: On April 13, 2006, the Planning Staff completed a land sale review of these parcels and deemed them suitable for the proposed use.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-297 & VH-4	2015 & 2019 Jackson Street NE	\$15,000

PURCHASER

Jackson Square Properties NE LLC
2440 North Charles Street
North St. Paul, MN 55109

PROPOSED DEVELOPMENT:

Developer is proposing to build the Jackson Square Condominium project on the corner of 22nd Avenue NE and Jackson Street NE (see attached site plan). The project will consist of 46 units, with 14 one bedroom units and 42 two bedroom units. There will be underground parking. Developer is planning to have "green development" design on this project. The Windom Park Neighborhood Association plans to add artistic and finish material enhancements to reflect the Jackson Square Park which is northeast of this site.

The combined lot size is approximately 59 feet x 185 feet = 10,685 total square feet.

ADDITIONAL PROPERTY ASSEMBLY:

Six additional parcels are required to build the project. The developer currently owns two of the parcels and assumes the responsibility to acquire the additional parcels. These parcels include 900, 902, 906, 910, & 912 22nd Avenue NE and 2013 Jackson Street NE. Evidence of ownership is required prior to sale of the city-owned property.

LAND DISPOSITION POLICY:

Combined, these two lots make up a buildable lot as defined by City policy and are being sold for assemblage and future development.

FINANCING*:

The developer will utilize a combination of private financing and \$493,000 Holland Neighborhood NRP funds.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Direct Sale. Windom Park Neighborhood Association had discussions with the developer about development on this block, regarding condemned and underutilized adjacent properties. The sales price of these properties does reflect the full re-use value.

COMMENTS:

The Jackson Street Condominium project units will be marketed for sale to seniors and first time homebuyers. The Holland Neighborhood Improvement Association supports this development to allow its senior residents an alternative housing option that will enable them to stay in the neighborhood and still allow their homes to be sold to new residents for the neighborhood.

The neighborhood group has a program designed to update existing housing in the neighborhood. The age of many of the homes in the neighborhood are over or approaching a century of use and may require substantial updating. With the less than one block to Central Avenue, with its variety of stores and public transportation, this should also be a popular first home choice for young adults. This development will also have green building qualities, including a green garden roof and the use of environmentally sustainable construction techniques. These green measures are being promoted by the northeast neighborhood groups, especially the Holland neighborhood.

**Authorizing sale of land Tax Forfeiture Program
Disposition Parcels No TF-297 & VH-4.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcels TF-297 & VH-4, in the Holland neighborhood, from Jackson Square Properties NE LLC, hereinafter known as the Redeveloper, the Parcels TF-297 & VH-4, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-297; 2015 Jackson Street NE

The North Half and the North 5 feet of the South Half of Lot 11, Block 21, Wilson's Rearrangement of Block 2, 3, 6, 7, 9, 10, 11, 14, 15, 19, 20, 21, 24, 26, 29, 31, 33, 35, 37, 39 and 41 of East Side Addition to Minneapolis.

Being registered property as is evidenced by Certificate of Title No. 1142815.

VH-4; 2019 Jackson Street NE

Lot 12, Block 21, Wilson's Rearrangement of Block 2, 3, 6, 7, 9, 10, 11, 14, 15, 19, 20, 21, 24, 26, 29, 31, 33, 35, 37, 39 and 41 of East Side Addition to Minneapolis.

Whereas, the Redeveloper has offered to pay the sum of \$15,000, for Parcels TF-297 & VH-4 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 Parcels; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on September 14, 2007, a public hearing on the proposed sale was duly held on September 25, 2007, 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:

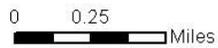
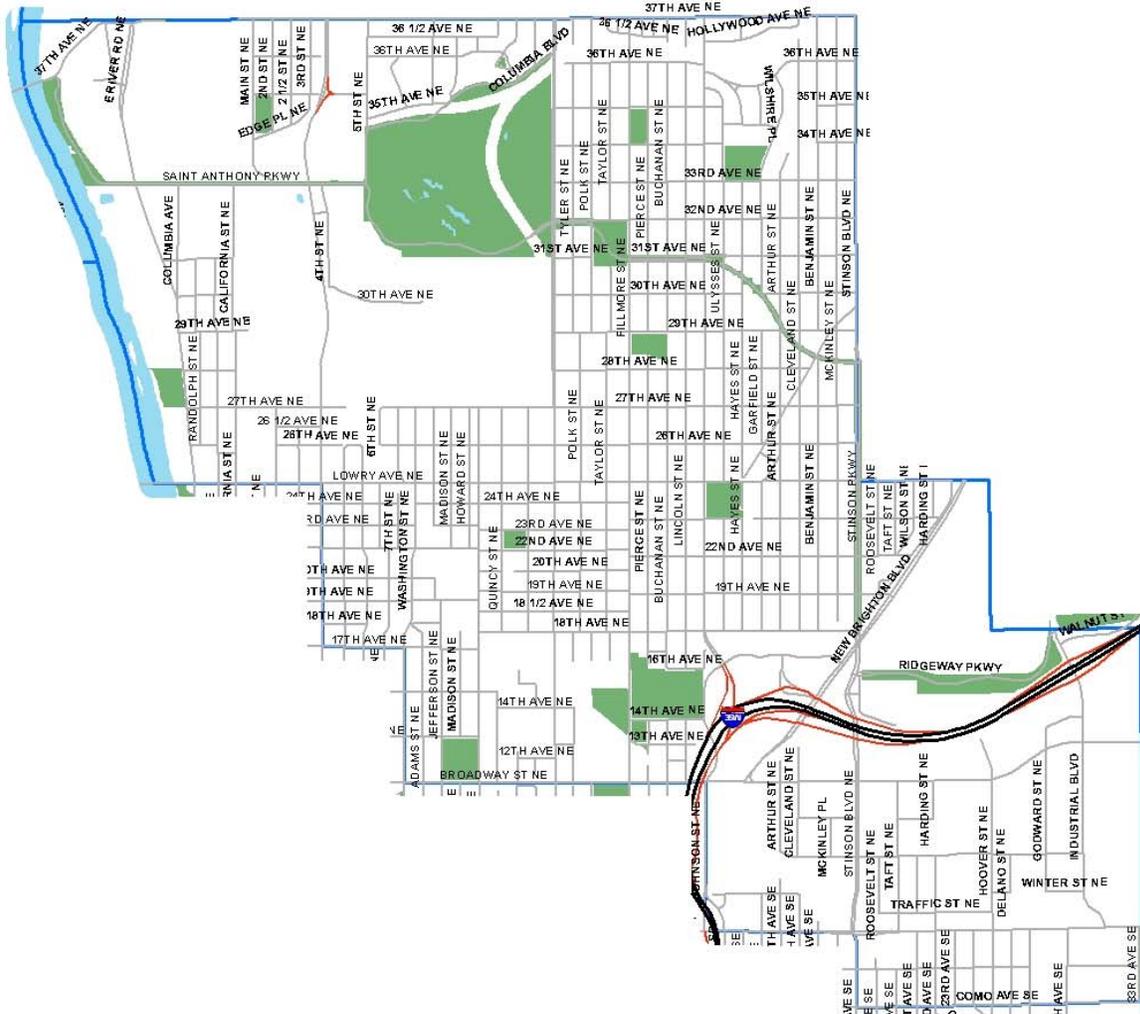
That the re-use value for uses in accordance with the Tax Forfeiture Program plan, as amended, is hereby estimated to be the sum of \$15,000 for Parcels TF-297 & VH-4 .

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 parcels 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.

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Created by GBS 8/23/06

TOTAL ACQUISITION COSTS INCURRED BY CPED ATTRIBUTABLE TO THE FOLLOWING PROPERTY:

Date: September 25, 2007
 Subject: Land Sale – Public Hearing
 Tax Forfeiture Program
 Address: 2015 & 2019 Jackson Street NE
 Purchaser: Jackson Square Properties NE LLC

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
TF-297; 5/1/96 VH-4; 8/18/95	2015 Jackson Street NE 2019 Jackson Street NE	\$1 \$9,000	(-) \$15,000	(+) \$5,999

Re-Use Value Opinion	Less Sales Price	Write-Down
\$15,000	\$15,000	\$0

Write-Down
 Reason: N/A

Developer History with CPED:
 Jackson Square Properties NE LLC has no development history with the City. The general contractor/builder, CSS Builders, Inc., has experience constructing condominium projects in the City.

Developer Information:

- Single Individual(s)
- Married Individual(s)
- Limited Liability Partnership of the State of Minnesota
- Limited Liability Company of the State of Minnesota
- Corporation of the State of Minnesota
- Nonprofit Corporation of the State of Minnesota
- Other