

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

**Date:** January 4, 2011

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

**Subject:** Execute a Third Amendment to that certain Redevelopment Contract by and between the City of Minneapolis and CHDC Boxleitner LLC regarding the redevelopment of 165 Glenwood Avenue aka J. Jerome Boxleitner Place Project

**Recommendation:** CPED staff is authorized to execute a third amendment to that certain Redevelopment Contract by and between the City of Minneapolis and CHDC Boxleitner LLC regarding the redevelopment of the J. Jerome Boxleitner Place Project located at 165 Glenwood Avenue to extend the closing date to on or before June 30, 2011.

**Previous Directives:** On December 10, 2010 the City Council gave preliminary and final approval to issue up to \$7,000,000 in Tax-exempt 501©(3) Bank Qualified Bank Direct Minneapolis Community Development Agency Revenue Bonds, Series 2010 for Catholic Charities for development of the J. Jerome Boxleitner Project.

On July 2, 2010 the City Council authorized CPED staff to execute a second amendment to the redevelopment contract for the sale of 165 Glenwood Avenue North for the development of the J. Jerome Boxleitner Project through December 31, 2010.

On January 29, 2010 the City Council authorized CPED staff to execute an amendment of the redevelopment contract for the sale of 165 Glenwood Avenue North for the development of the J. Jerome Boxleitner Project through May 31, 2010.

On October 30, 2009 the City Council authorized CPED staff to execute a Memorandum of Understanding to Transfer an existing Emergency Shelter Facility at Secure Waiting Space located at 1000 Currie Avenue to the new J. Jerome Boxleitner Project at 165 Glenwood Avenue North;

On January 23, 2009, the City authorized the sale of 165 Glenwood Avenue to Community Housing Development Corporation or an affiliate for \$835,000 subject to the conditions outlined in that report.

## Department Information

Prepared by: Theresa Cunningham, Phone 612-673-5237

Approved by: Charles T. Lutz, Deputy CPED Director

Thomas A. Streitz, Director Housing Policy & Development

Presenters in Committee: Theresa Cunningham

### Financial Impact

- No financial impact

### Community Impact

- Neighborhood Notification: No notification is required for this action.
- 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.
- Comprehensive Plan: On January 5, 2009, the Planning Commission deemed the sale of 165 Glenwood Avenue for the proposed development of permanent supportive housing as consistent with the housing policies and not inconsistent with the land use policies in the Comprehensive Plan.
- Zoning Code: DP/I-2
- Other:

### Supporting Information

As proposed, the J. Jerome Boxleitner Project will be constructed on land purchased from the City at 165 Glenwood Avenue in North Minneapolis as an emergency shelter facility that will provide 200 shelter beds, 51 mats and 85 permanent supportive housing units. The development will be owned and operated by Catholic Charities. Attached is a rendering and site plan for the proposed development, which is being undertaken by the Community Housing Development Corporation (CHDC) as the CHDC Boxleitner LLC, a new entity created specifically to undertake the proposed development. A Redevelopment Contract was initially signed with the City of Minneapolis on March 25, 2009 and subsequently amended allowing the developer to close on the purchase of the site on or before December 31, 2010.

While it had been the developer's intent to close on the purchase of the land by the end of 2010, the developer has been forced to change general contractors from BorSon Construction Corporation to Frerich's Construction Company. BorSon was not financially able to obtain a 100% Payment and Performance Bond nor build the proposed development due to their financial condition.

While the developer continues to make steady progress on other aspects of the development, the selection of a new general contractor has delayed the start of their development by at least 60 - 90 days. CPED staff has taken into consideration the progress to date and urges the City Council to approve the developer's request to extend the date of closing to occur on or before June 30, 2011.