



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

September 12, 2006

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

Subject: Land Sale Public Hearing
Model Cities

Recommendation:

1. Approve the sale of 1109 E. 28th Street to AA Contracting Inc. for \$23,000, subject to the following conditions: a) land sale must occur on or before 30 days from date of City notification, and b) payment of holding costs of \$150.00 per month from the date of notification to the date of closing if land sale closing does not occur on or before 30 days from the date of City notification.
2. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

Previous Directives: City acquired 1109 E. 28th Street on August 5, 1996.

Prepared or Submitted by: Edie Oliveto-Oates, Senior Project Coordinator
Phone 612-673-5229

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

Permanent Review Committee (PRC) Approval _____ Not Applicable X

Policy Review Group (PRG) Approval ___ Date of Approval ___ Not Applicable X

Presenters in Committee: Edie Oliveto-Oates, Senior Project Coordinator

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): Eliminate property management costs.

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

Community Impact (use any categories that apply)

Ward: 9

Neighborhood Notification: Midtown Phillips reviewed this proposal and supported sale of this lot to AA Contracting.

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: This lot is located within the Model Cities Urban Renewal Plan which was adopted on October 23, 1970 and the sale is therefore consistent with City's Comprehensive Plan.

Zoning Code: R2B

Other: On May 22, 2006, Planning Commission found that the sale of this lot is consistent with the City's Comprehensive Plan.

Background/Supporting Information Attached

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

PURCHASER

AA Contracting Inc.
12425 - 53rd St. N.
Stillwater, MN 55082

ADDITIONAL OFFER RECEIVED FROM

Metro Capital Ventures
2230 W. County Rd. C
Roseville, MN 55113

PROPOSED DEVELOPMENT:

AA Contracting Inc. is proposing to develop a 5 bedroom, 2,368 square foot single family home with 3 bathrooms with an attached garage.

The lot size is 42' X 100' = 4,200 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

Both developers have private financing.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

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

COMMENTS:

AA Contracting Inc. is proposing to develop a single family home that will be sold to owner occupants. AA Contracting Inc. has a long standing working relationship with CPED both through rehabilitation of homes in the Home Ownership Works program and currently with new construction.

Metro Capital Ventures is proposing to develop a 4 bedroom, 2,000 square foot single family home with 3 bathrooms and a detached garage. Metro Capital Ventures is new to working with the City of Minneapolis although they have put in offers on other lots. A third offer was received from J.D. Roofing & Construction, Inc. which has been withdrawn due to interest in a different lot in Midtown Phillips.

The neighborhood and the City have enjoyed a positive working relationship with AA Contracting Inc. on the homes that have been constructed to date. Staff concurs with neighborhood's position and recommends sale of 1109 E. 28th Street to AA Contracting Inc.

Proposed Resolution

Authorizing sale of land Model Cities 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 Midtown Phillips neighborhood, from AA Contracting 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

MC 250-24; 1109 East 28th Street

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. 1142762.

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 statements 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 September 2, 2006, a public hearing on the proposed sale was duly held on September 12, 2006, 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 Cities 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 offers and proposals are both hereby determined to be in accordance with the City's approved disposition policy and it is further determined that the Redeveloper possess 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 Redeveloper's proposal is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date this Resolution is approved by the City and 2) payment of holding costs of \$150.00 per month from the date of approval of this Resolution if the land sale closing does not occur on or before 30 days from the date of approval.

Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director. Furthermore, that the Finance Officer or other appropriate official of the City is hereby authorized consistent with the terms herein to execute and deliver the contract to the Redeveloper or Alternate Redeveloper, as appropriate; 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 consistent with the terms herein to execute and deliver a conveyance of the land to the Redeveloper as appropriate 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.