



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

Date: January 4, 2005

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Earl S. Pettiford, Senior Project Coordinator, Phone 612-673-5231

Presenter in Committee: Earl S. Pettiford, Senior Project Coordinator

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

Subject: Land Sale – Public Hearing
Model City Urban Renewal Project

RECOMMENDATION: Approve the sale of 2309-11 15th Ave So. to American Indian Community Development Corporation (AICDC) for \$24,500, with the land sale closing to occur on or before 30 days from date of approval. The closing condition may be waived or amended with the approval of the CPED Director.

Previous Directives: CPED acquired 2309 15th Avenue South on February 18, 1991 and acquired 2311 15th Avenue South on October 15, 1991.

In September 2003 the Board of Commissioners approved a one-year exclusive development rights to AICDC and on October 10, 2004 approved a one year extension on these and eleven additional parcels located in Ventura Village
On September 24, 2004 the Board of Commissioners rejected the sale of these parcels to AICDC until the developer obtained the necessary re-zoning.

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): Eliminate property management costs.

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

Community Impact (Summarize below)

Ward: 6

Neighborhood Notification: Ventura Village Neighborhood Organization reviewed this proposal in June 2003 and recommended it be approved.

City Goals: Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

Comprehensive Plan: These lots are located within the Model City Urban Renewal plan which was adopted on September 11, 1969 and is therefore consistent with the comprehensive plan.

Zoning Code: Complies, zoned R4.

Living Wage/Job Linkage: N/A

Background/Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
MC 82-3 & 4	2309-11 15 th Ave So.	\$24,500

PURCHASER

American Indian Community Development Corporation
2020 Bloomington Ave So.
Minneapolis, MN 55404

PROPOSED DEVELOPMENT:

The AICDC is proposing to develop a three bedroom, 1-3/4 bath, single-family home with a 2-car detached garage.

The lot size is 117 X 63 = 7,371 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

The Mille Lacs Band of Ojibwe (MLB) has entered into a contract with AICDC to provide financing for the project.

OFFERING PROCEDURE:

The Board of Commissioners approved exclusive development rights to the AICDC in September 2003 for this parcel. The sales price of this property does reflect the full re-use value as of September, 2003 pursuant to the terms of the exclusive development rights agreement.

COMMENTS:

At this time, AICDC has successfully applied for and received a down zoning of these properties from R5 to R4 which permits construction of a single family home. AICDC has worked closely with MLB to structure a home ownership program for urban Indians which mirrors what currently exists on the reservation. MLB has selected and pre-qualified a buyer for this property. Financing will be provided as follows:

\$120,000	Buyer Financing from the Mille Lacs Band @ 2% interest
30,000	MHFA (Urban Indian Program) gap Financing
5,000	Abbott-Northwestern Foundation (down payment assistance For Phillips home buyers)
5,000	Empowerment Zone "Smart Commute" down payment Assistance
<u>40,000</u>	<u>Mille Lacs Funded gap financing</u>
\$200,000	Total

Many areas of the City of Minneapolis contain unsuitable soil conditions. If unsuitable soil conditions are discovered after conveyance of this property, CPED engineering staff will evaluate the site and determine if the purchaser is eligible for a soil correction allowance. A CPED Director report will be prepared requesting a soil correction allowance in an amount not to exceed the lesser of the net proceeds of sale or \$100,000.00. If the purchase price has already been adjusted for known unsuitable soils, the purchaser will not be eligible for a soil correction allowance.

**Authorizing sale of land Model City Urban Renewal Project
Disposition Parcel No. 82-3 & 4.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel 82-3 & 4, in the Phillips neighborhood, from American Indian Community Development Corporation, hereinafter known as the Redeveloper, the Parcel 82-3 & 4, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 10 and the South 16.38 feet of the West 79 feet of Lot 11; also that part of the South 19.38 feet of Lot 11 lying East of the West 79 feet thereof, all in Subdivision of Block 16 of Elliot's Addition.

Whereas, the Redeveloper has offered to pay the sum of \$24,500, for Parcel 82-3 & 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 Parcel; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on December 17, 2004, a public hearing on the proposed sale was duly held on January 4, 2005, 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 City Urban Renewal Project plan, as amended, is hereby estimated to be the sum of \$24,500 for Parcel 82-3 & 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 parcel 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.

Address: 2309-11 15th Avenue South
Parcel: MC 82-3 & 4
Purchaser: American Indian Community
Development Corporation
Sq. Footage: 7,268
Zoning: R4

WARD 6

