



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

**Date:** July 12, 2005

**To:** Council Member Lisa Goodman, Community Development Cmte

**Prepared by:** Edie Oliveto-Oates, Phone 612-673-5229

**Presenter in Committee:** Edie Oliveto-Oates

**Approved by:** Chuck Lutz, Deputy CPED Director \_\_\_\_\_  
Elizabeth Ryan, Director, Housing Policy \_\_\_\_\_  
& Development

**Subject:** Land Sale – Public Hearing - Lot Division  
Model Cities

**RECOMMENDATION:** 1) Approve the sale of 1012 E. 25th Street, 1016 E 25th Street and the west 15 feet of 1018 E 25th Street to Prima Land Inc. for \$35,487, subject to the following conditions; a) land sale closing must occur on or before 30 days from date of approval, and b) payment of holding costs of \$150.00 per month from the date of approval to the date of closing if land sale closing does not occur on or before 30 days from date of approval. The sale conditions may be waived or amended with the approval of the CPED Director.

**Previous Directives:** 1012 E. 25<sup>th</sup> Street was acquired on January 8, 1998, 1016 E. 25<sup>th</sup> Street on October 23, 1997, and 1018 E. 25<sup>th</sup> Street on January 21, 1998.

**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:** Midtown Phillips reviewed this proposal 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:** 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 the City's Comprehensive Plan.

**Zoning Code:** The parcels are zoned R2B and the development complies.

**Living Wage/Job Linkage:** N/A

**Other:** This project is located within the Model Cities Urban Renewal area therefore, it is not required for the City Planner to review this.

## **Background/Supporting Information**

<b><u>PARCEL</u></b>	<b><u>ADDRESS</u></b>	<b><u>SALE PRICE</u></b>
MC 125-15	1012 E. 25th Street	\$35,487
MC 125-16	1016 E 25th Street	
MC 125-17A	1018 E 25th Street (part)	

### **PURCHASER**

Prima Land Inc.  
28 Maplewood Circle W.  
Wayzata, MN 55391

### **PROPOSED DEVELOPMENT:**

Prima Land Inc is proposing to move the duplex located at 2527 Columbus Avenue S. The duplex has two 2-bedroom units, 1 bath w/laundry, 988 square feet/unit with a 2+ car detached garage which will be rehabbed and sold to an owner-occupant.

Prima Land Inc has estimated the cost to purchase and rehab the duplex to be \$300,000 with an estimated sale price of \$300,000.

The lot size of the assembled parcels is 82' x 82'=6,724 total square feet.

### **LAND DISPOSITION POLICY:**

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

### **FINANCING\*:**

Prima Land will be using private funds.

**OFFERING PROCEDURE:**

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

**COMMENTS:**

Midtown Phillips has been working with Prima Land Inc. to develop several lots in their area of Phillips. They are very concerned about saving existing buildings when ever possible. In this case, the duplex located at 2527 Columbus Ave. S. will be demolished for a larger development if it is not moved. Prima Land Inc. has done an evaluation of the structure and believes that on the basis of its condition and the proximity of this lot to its current location it is feasible to move.

Staff purchased these three parcels with the intent of purchasing the parcel at 1020 E. 25<sup>th</sup> Street for assemblage. Although the property at 1020 E. 25<sup>th</sup> Street will be on the market within the next several weeks, due to the time sensitivity of this house move staff believes that it is appropriate to sell the two adjacent parcels at 1012 and 1016 E. 25<sup>th</sup> Street and the west 15 feet of 1018 E. 25<sup>th</sup> Street which is also contiguous to accommodate the house move. This will leave 15 feet of 1018 E. 25<sup>th</sup> Street in City ownership to accommodate the future development of the lot at 1020 E. 25<sup>th</sup> Street. The City is investigating the acquisition of 1020 E. 25<sup>th</sup> Street for rehabilitation. If the city does not purchase this structure we will offer the remaining ½ of the lot to the new owner upon the condition that the structure meets minimum city code.

At this time staff believes it is appropriate to proceed with the sale of 1012, 1016 and the west 15 feet of 1018 E. 25<sup>th</sup> Street to Prima Land Inc. for a house move.

**Authorizing sale of land  
Model Cities Urban Renewal Program  
Disposition Parcel No's. MC 125-15, 16 & 17A**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcels MC 125-15, 16 & 17A (pt), in the Phillips neighborhood, from Prima Land Inc., hereinafter known as the Redeveloper, the Parcels MC 125-15, 16 & 17A, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

That part of Lots 6 and 7, Block 7, Cole and Week's Re-arrangement of a Part of Brackett  
and Bovey's Addition to Minneapolis, lying West of the East 60.00 feet thereof  
and together  
with the West 15.00 feet of the West 30.00 feet of the East 60.00 feet of Lots 6  
and 7, Block 7,  
Cole and Week's Re-arrangement of a Part of Brackett and Bovey's Addition to  
Minneapolis.

Whereas, the Redeveloper has offered to pay the sum of \$35,487, for Parcels MC 125-15, 16 & 17A 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 July 1, 2005, a public hearing on the proposed sale was duly held on July 12, 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 Cities Urban Renewal Program plan, as amended, is hereby estimated to be the sum of \$35,487 for Parcels MC 125-15, 16 & 17A .

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: 1012-1018 E 25th Street  
Parcel: MC 125-15, 16 & 17  
Purchaser: Prima Land, Inc.  
Sq. Footage: 6,724  
Zoning: R2B

# WARD 6

