



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

June 20, 2006

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

**Subject:** Land Sale Public Hearing  
Model Cities/Tax Forfeiture Program

**Recommendation:** Approve the sale of 2636 Bloomington Avenue South to Powderhorn Community Council (PCC) for \$30,000, subject to the following conditions: 1) land sale closing must occur on or before 30 days from date of approval, and 2) 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 approval of the CPED Director.

**Previous Directives:** CPED acquired 2636 Bloomington Ave. S. on June 8, 2000.

**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 recommended it be approved.

**City Goals:** Foster the development and preservation of a mix of quality housing types that is 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 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>
TF-565	2636 Bloomington Avenue South	\$30,000

**PURCHASER**

Powderhorn Community Council (PCC)  
3751 17th Avenue South  
Minneapolis, MN 55407

**PROPOSED DEVELOPMENT:**

Powderhorn Community Council (PCC) is proposing to construct a 4 bedroom, 1,392 square foot single family home with a detached garage that will be sold to an owner occupant.

The lot size is 42' X 122' = 5,124 total square feet.

**LAND DISPOSITION POLICY:**

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

**FINANCING\*:**

MHFA	\$200,000
Private	<u>\$ 35,800</u>
Total	\$235,800

\*Subject to application and underwriting requirements.

**OFFERING PROCEDURE:**

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

**COMMENTS:**

Powderhorn Community Council (PCC) has a long history of developing quality single family homes in Minneapolis. The neighborhood has reviewed this proposal and is supporting it with the stipulations that the plan be revised to allow the home to have “visitable” qualities. Some of the qualities of a visitable house include, but are not limited to wider interior doors, a bathroom on the first floor, lever style door knobs (in compliance with ADA standards), and at least one entrance to the home without stairs. The proposal as submitted is of excellent design and will blend well with the existing architecture in the neighborhood. The improvements to the design as requested by the neighborhood group will enhance the marketability of the home and will increase the quality and number of life cycle units in the neighborhood. With this in mind, staff supports the neighborhood’s position and recommends sale to Powderhorn Community Council (PCC) for the construction of a single family housing unit to be sold to an owner-occupant.

**Authorizing sale of land Model Cities/Tax Forfeiture Program  
Disposition Parcel No TF-565.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-565, in the Midtown Phillips neighborhood, from Powderhorn Community Council (PCC), hereinafter known as the Redeveloper, the Parcel TF-565, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-565 ; 2636 Bloomington Av S  
Lot 3, St. Dennis Addition to Minneapolis

Being registered land as is evidenced by Certificate of Title No. 1142788.

Whereas, the Redeveloper has offered to pay the sum of \$30,000, for Parcel TF-565 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 June 9, 2006, a public hearing on the proposed sale was duly held on June 20, 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 \$30,000 for Parcel TF-565 .

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 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.

Be It Further Resolved that upon publication of this Resolution, 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.