

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

June 6, 2006

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

Subject: Land Sale Public Hearing

Model Cities

Recommendation: Approve the sale of 3230 Bloomington Avenue South to SiteScape, Inc. for \$23,000.00, 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 3230 Bloomington Avenue South on December 28, 1989.

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

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: Earl S. Pettiford, Senior Project Coordinator

Financial Impact (Check those that apply)	
No financial impact (If checked, go directly to Background	ound/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.
x 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: Powderhorn Park Neighborhood Association 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: The land sale was reviewed by the Planning Commission for consistency with the Comprehensive Plan on April 10, 2006.

Zoning Code: R2B

Other: Elevations and site plan were submitted to planning and zoning staff for

review.

Background/Supporting Information Attached

PARCELADDRESSSALE PRICEMC 606-63230 Bloomington Avenue South\$23,000

PURCHASER

SiteScape, Inc. 1011 Valleyview Dr. Minot, ND 58703

PROPOSED DEVELOPMENT:

SiteScape, Inc. proposes to build a two story single family home with 1,690 square feet of finished living space, the home will have 3 bedrooms, 2½ baths, full basement and a two car detached garage. The proposed structure is 22' in width and the developer will need to request a variance to the side yard set back requirements. The developer anticipates the home will sell for \$320,000.

The lot size is $30' \times 123' = 3,690$ 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 developer has a financing commitment from Bremer Bank.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

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

COMMENTS:

This developer has proposed to build and sell for owner occupancy a high quality single family home at this location. Due to the narrowness of this lot (30') and a zoning requirement for the building width to be at least 22' for 80% of the gross building area, the developer must secure a variance to the side yard setback requirements—five feet from each interior lot line.

The neighborhood group has requested that the home be placed on the lot in a way that spaces it to give it greater spacing from the house to the south because the house to the south of this site is only about six inches from the common lot boundary. The house to the south, 3234 Bloomington, was built in 1900, although it appears to be in reasonable condition. Considering construction materials and practices of that time period, coupled with over a century of aging and the organic nature of soils in the area, the excavation for the new foundation with the close proximity of the adjacent structures will require extreme care so as not to damage one or both of the adjacent structures.

We anticipate that with the probable organic nature of the soil that to meet the Occupation Safety and Health Administration (OSHA) requirements for excavation, the excavation may have to be oversized or piling would be required.

Staff concurs with the neighborhood's position that if this site is sold for development that some adjustments are warranted.

Authorizing sale of land Model Cities Disposition Parcel No. MC 606-6

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel MC 606-6, in the Powderhorn neighborhood, from SiteScape, Inc., hereinafter known as the Redeveloper, the Parcel MC 606-6, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

MC 606-6; 3230 Bloomington Avenue S Lot 1, Block 12, William's Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$23,000, for Parcel MC 606-6 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 May 26, 2006, a public hearing on the proposed sale was duly held on June 6, 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 plan, as amended, is hereby estimated to be the sum of \$23,000 for Parcel MC 606-6.

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.