

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

Date: August 24, 2010

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

**Subject:** Land Sale Public Hearing – Pass-Through Sale  
Broadway / I-35W Redevelopment Project

**Recommendation:** Approve the acquisition and disposition of excess right of way adjacent to 1300 New Brighton Blvd. from Hennepin County to USTP Services, LLC and FORT, LLC for \$12,000.

**Previous Directives:** None.

Prepared by: Rebecca Law, Project Manager, Phone 612-673-5064
Approved by: Charles T. Lutz, Deputy CPED Director _____
Catherine A. Polasky, Director Economic Policy & Development _____
Presenters in Committee: Rebecca Law, Project Manager

**Financial Impact**

Other financial impact: The City will be reimbursed for all transaction costs and will receive a fee equal to 10% of the sale price to recoup administrative costs.

**Community Impact**

Neighborhood Notification: Northeast Park Neighborhood Association reviewed this proposal and had no comment. No contact information was available for the Mid-City Industrial Area.

Comprehensive Plan: On August 2, 2010, the Planning Commission approved the pass-through sale of this parcel as being consistent with the comprehensive plan.

Zoning Code: I-1, Light Industrial

Living Wage/Business Subsidy Agreement Yes\_\_\_\_\_ No x

Job Linkage Yes\_\_\_\_\_ No x

Other: On July 8, 2010, the Planning Staff completed a land sale review of this parcel and approved the proposed development.

**Supporting Information**

<u>PARCEL</u>	<u>PROPOSED ADDRESS</u>	<u>SALE PRICE</u>
Broadway/I-35W 4-1 & 2A	1302 New Brighton Blvd.	\$12,000

**PURCHASER**

USTP Services, LLC and FORT, LLC  
1300 New Brighton Blvd.,  
Minneapolis, MN 55413

**PROPOSED DEVELOPMENT:**

The owners of the adjacent land at 1300 New Brighton Blvd. will incorporate the additional land into their parking lot, landscaping and holding pond design. After approval of this sale, the owners will submit a revised parking lot plan for City review and permits.

The lot size is irregular and contains 23,886 square feet. As part of the Pass-Through Sale, permanent easements will be reserved for drainage and utilities. Hennepin County will also retain all rights to restrict motor vehicle access to New Brighton Blvd. in the future.

**LAND DISPOSITION POLICY:**

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

**OFFERING PROCEDURE:**

Hennepin County negotiated the terms with the owner of 1300 New Brighton Blvd. and then asked the City of Minneapolis to be the conduit for this transaction. The purchase price does reflect the full re-use value.

**COMMENTS:**

The land being purchased from Hennepin County and sold to USTP Services and FORT is excess right-of-way from the Highway I-35W construction. The two closings (buy from the County and sell to USTP Services / FORT) will be simultaneous to minimize the City's holding period. Hennepin County appraised the parcel at \$12,000 and CPED's internal appraiser agreed with that value. USTP Services and FORT will pay all City transaction costs to acquire and sell the property. As required under our real estate policy, the City will receive an administrative fee of \$1,200 for serving as the conduit.

**Authorizing sale of land Broadway / I-35W Disposition Parcel  
Broadway/I-35W 4-1 & 2A.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel Broadway/I-35W 4-1 & 2A, in the Mid-City Industrial neighborhood, from UTSP Services, LLC and FORT, LLC, hereinafter known as the Redeveloper, the Parcel Broadway/I-35W 4-1 & 2A, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Broadway/I-35W 4-1 & 2A; 1302 New Brighton Blvd. (Proposed Address)

That part of the North  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  and of the North  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 13, Township 29, Range 24, described as beginning at the intersection of the South line of the said North  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  and the centerline of vacated Old New Brighton Boulevard; thence on an assumed bearing of North 36 degrees 29 minutes 49 seconds East along the centerline of vacated Old New Brighton Boulevard a distance of 261.94 feet; thence North 0 degrees 07 minutes 12 seconds East a distance of 98.77 feet to the Southerly right-of-way line of Interstate Highway No. 35W; thence South 78 degrees 34 minutes 12 seconds East a distance of 108.83 feet to the Easterly right-of-way line of Old New Brighton Boulevard; thence South 36 degrees 29 minutes 49 seconds West along said right-of-way line a distance of 35.86 feet to the southerly right-of-way line of Interstate Highway No. 35W; thence North 77 degrees 47 minutes 01 seconds East along said right-of-way line a distance of 54.34 feet; thence South 36 degrees 06 minutes West a distance of 11.38 feet; thence on a tangential curve concave to the Westerly having a radius of 1132.35 feet, a delta angle of 14 degrees 18 minutes 06 seconds, for a distance of 282.65 feet; thence South 50 degrees 24 minutes 06 seconds West tangent to last described curve a distance of 87.98 feet to the South line of said North  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$ ; thence North 89 degrees 38 minutes 02 seconds West along said south line 26.79 feet to the point of beginning.

Whereas, the Redeveloper has offered to pay the sum of \$12,000, for Parcel Broadway/I-35W 4-1 & 2A 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 August 13, 2010, a public hearing on the proposed sale was duly held on August 24, 2010, 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:

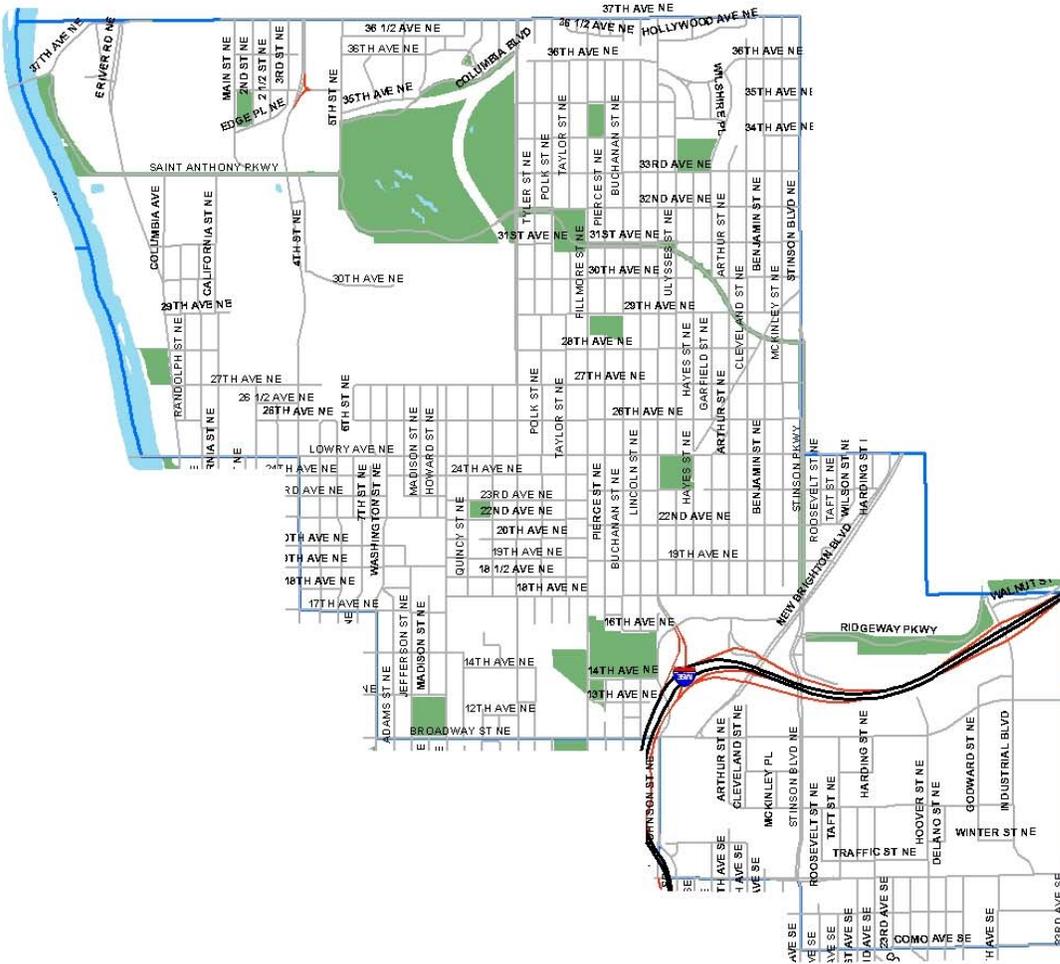
That the re-use value for uses in accordance with the Broadway/I-35W plan, as amended, is hereby estimated to be the sum of \$12,000 for Parcel Broadway/I-35W 4-1 & 2A.

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.

# WARD 1



0 0.25 Miles

Created by GBS 8/23/06

**TOTAL ACQUISITION COSTS INCURRED BY CPED ATTRIBUTABLE TO THE FOLLOWING PROPERTY:**

Date: August 24, 2010  
 Subject: Land Sale – Public Hearing  
 Broadway / I-35W Redevelopment Project

Address: 1302 New Brighton Blvd. (Proposed)  
 Purchaser: USTP Services, LLC and FORT, LLC

Disposition Parcel No. Acq Date	Proposed Address	Total CPED Costs	Less Sales Price	Write Off
Broadway/I-35W 4-1 & 2A TBD – Pass-Through Sale	1302 New Brighton Blvd.	\$ 12,000	(-) \$13,200	\$ 1,200 (Admin fee)

Re-Use Value Opinion	Less Sales Price	Write-Down
\$12,000	\$12,000	\$ 0

Write-Down  
 None

Developer History with CPED:

In 2009, the developer received a variance (BZZ-4491) for 1300 New Brighton Blvd. regarding the surfacing materials for their business off-street parking and loading areas. As part of the variance process, the developer also obtained approval of their site plan for changes to the parking area. That plan provides for improved landscaping and surface water management. The additional land of 1302 New Brighton Blvd. will be incorporated into the revised plan.

Developer Information:

XX Limited Liability Companies of the State of Minnesota