

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

Date: July 27, 2010

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

**Subject:** Land Sale Public Hearing  
Sideyard Sale

**Recommendation:** Approve the sale of 2516 Queen Ave N to Queen Anne Communities for \$1,600, subject to the following conditions; 1) land sale closing must occur on or before 30 days from the 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 Community Planning & Economic Development (CPED) Director.

**Previous Directives:** CPED acquired 2516 Queen Ave N on March 12, 2001.

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

**Financial Impact**

- Other financial impact: Eliminate property management costs.

**Community Impact**

- Neighborhood Notification: Jordan Area Community Council was given a 45 day review period and has not objected to this proposed sale.
- Comprehensive Plan: On March 29, 2010, the Planning Commission approved the sale of this parcel as being consistent with the Comprehensive Plan.
- Zoning Code: R5
- Living Wage/Business Subsidy Agreement Yes\_\_\_\_\_ No x
- Job Linkage Yes\_\_\_\_\_ No x
- Other: On Jan 12, 2010, the Planning Staff completed a land sale review of this parcel and deemed it a buildable lot.

**Supporting Information**

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-320	2516 Queen Ave N	\$1,600

**PURCHASER**

Queen Anne Communities, a MN non-profit corporation  
2627 Queen Ave N, Minneapolis, MN 55411

**PROPOSED DEVELOPMENT:**

Surface parking lot

The lot size is 40' x 128' = 5,120 total square feet.

**LAND DISPOSITION POLICY:**

This property is a buildable lot as defined by City policy but the parcel falls within one of the policy exceptions that allows it to be sold as sideyard.

**OFFERING PROCEDURE:**

Offered for sale to adjacent owner. The sales price of this property does reflect the full re-use value.

**COMMENTS:**

Queen Anne Communities (QAC), affiliated with the Church of St. Anne, currently owns most of the real estate in the immediate vicinity of the City's property at 2516 Queen Ave N. QAC's parcels and the City's parcel are vacant land. QAC plans to develop a surface parking lot as an amenity for the church's visitors and already has an approved site plan for that intended use.

This buildable parcel fits within one of the policy exceptions allowing a sideyard sale to the adjacent owner, specifically: *The adjacent lots contain conflicting land uses that make the Buildable Lot unsuitable for residential construction.*

Except for the City parcel and one privately-owned lot, QAC owns the entire west half of this block. The Church of St. Anne has a critical shortage of parking and needs to construct a new parking lot, even if QAC could not buy the City's property. If the City keeps 2516 Queen Ave N, it would divide the proposed parking lot into two disjointed pieces and greatly diminish the lot's utility. The City's parcel would also become unmarketable for residential purposes because any new house would sit in the middle of an asphalt parking lot.

**Authorizing sale of land Disposition Parcel VH-320.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase Disposition Parcel VH-320 in the Jordan Neighborhood from Queen Anne Communities, hereinafter known as the Purchaser, Parcel VH-320 being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

Legal Description

VH-320; 2516 Queen Avenue North  
Lot 20, Block 1, Wenz Addition to Minneapolis  
Being Registered land as evidenced by Certificate of Title No. 1142842

Whereas, the Purchaser has offered to pay the sum of \$1,600 for Parcel VH-320 to the City for the land; and

Whereas, the Purchaser has submitted to the City a statement of financial responsibility and qualifications; and

Whereas, on March 11, 2005 City Council approved the waiving of the Planning Commission's review of certain real estate transactions (including dispositions of non-buildable parcels) that have no relationship to the City's Comprehensive Plan; and

Whereas, the City has determined the offer of \$1,600 to purchase Parcel VH-320 to be reasonable; 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 City's accepted methods in determining a re-use value for Parcel VH-320; and

Whereas, the City's Real Estate Disposition Policy provided in Section 2.2.13 for the sale of land for sideyard; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on July 16, 2010, a public hearing on said proposal and proposed sale and the provisions thereof, was duly held on July 27, 2010, 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; and

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the re-use value for Parcel VH-320 is hereby estimated to be the sum of \$1,600.

Be It Further Resolved that the acceptance of the offer and Purchaser's proposal is hereby determined to be in accordance with the City's approved disposition policy and it is further determined that the Purchaser possesses the qualifications and financial resources necessary to acquire and maintain the Parcel in accordance with the contract for the sale of land.

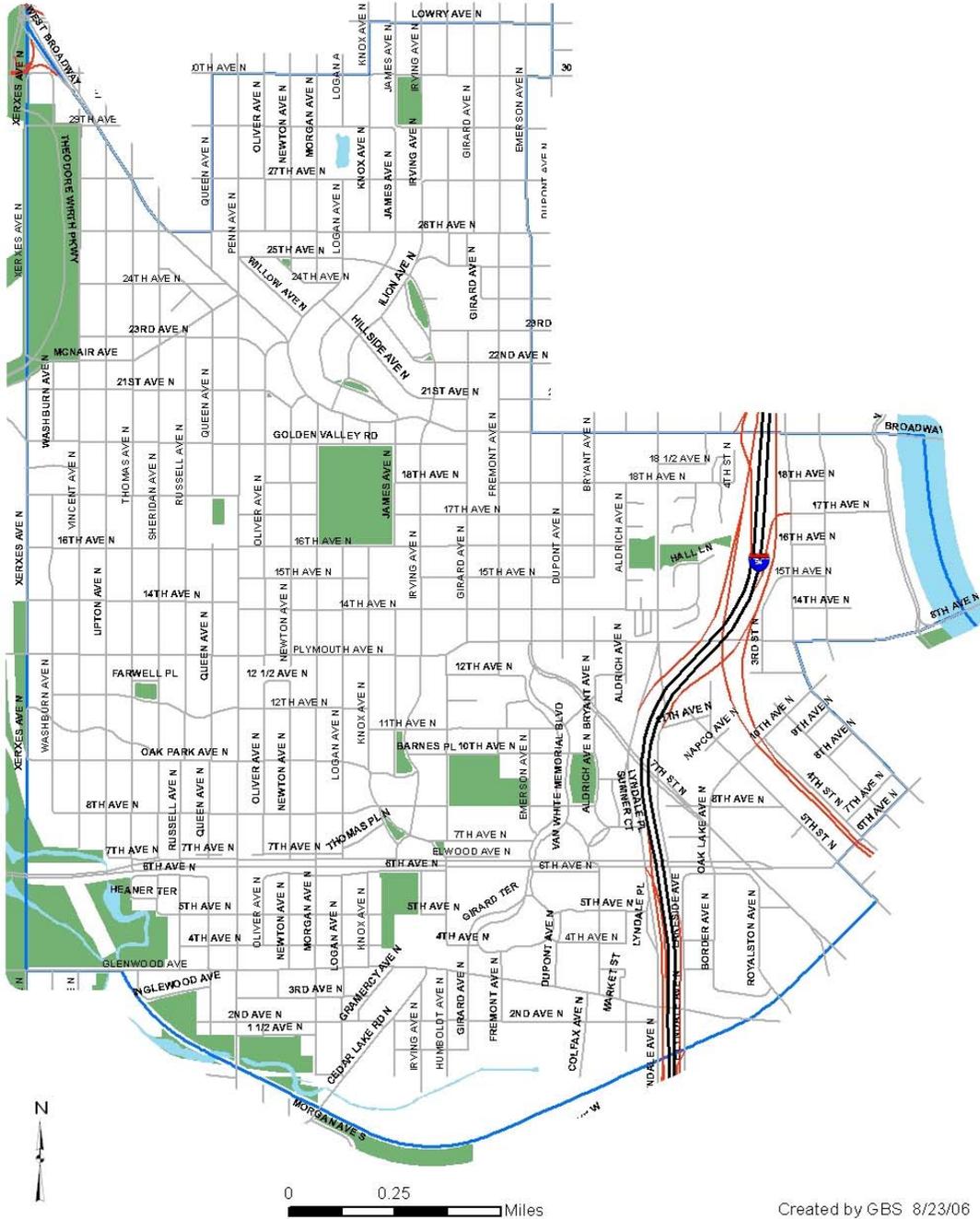
Be It Further Resolved that the offer is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date this Resolution is approved by the City and 2) payment of holding costs 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 is hereby authorized to execute and deliver the contract to the Purchaser; 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 Purchaser in accordance with the provisions of the executed contract and upon payment to the City of 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 official of the City.

# WARD 5



Created by GBS 8/23/06

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

Date: July 27, 2010  
 Subject: Land Sale – Public Hearing  
 Sideyard Sale  
 Address: 2516 Queen Ave N  
 Purchaser: Queen Anne Communities, a MN non-profit corporation

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
VH-320 03/12/01	2516 Queen Ave N	\$ 36,705	(-)\$1,600	\$ 35,105

Re-Use Value Opinion	Less Sales Price	Write-Down
\$1,600	\$1,600	\$ 0

Write-Down  
 Reason: N/A

Developer History with CPED:

This part of North Minneapolis has been hit hard by mortgage foreclosures and the economic downturn of the past few years. In response to the crisis, the Church of St. Anne created Queen Anne Communities, a non-profit corporation. QAC has purchased 10+ parcels in the immediate area and demolished the substandard houses, all at their own expense. These transactions have strongly complemented CPED's housing initiatives in the neighborhood.

Developer Information:

XXX Nonprofit Corporation of the State of Minnesota