



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

Date: August 30, 2004

To: Council Member Barbara Johnson, Ways and Means/Budget Cmte

Prepared by: Darrell Washington, Sr. Project Coordinator, Phone 612-673-5174

Presenter: Darrell Washington

Approved by: Lee Sheehy, CPED Director _____
Chuck Lutz, Deputy CPED Director _____

Subject: Authorization to settle negotiated settlement amounts for portions of the following properties: Summit Academy OIC (901, 921, & 1101 Olson Memorial Hwy.) and City View Apartments (1146 Emerson Ave. N) for Right-of-Way activities relating to the Heritage Park project.

RECOMMENDATION: Approve settlement amounts for City View Apartments and Summit Academy.

Previous Directives: On July 30, 1999, the City Council approved the Near North Community Redevelopment Plan. The City Council on March 24, 2000 approved the Near Northside Master Plan. On June 22, 2001, the City Council and MCDA Board approved the Hollman Transition TIF Plan, Modification No. 13 to the Grant Urban Renewal Plan, and Modification No. 84 to the Common Development Tax Increment Finance Plan. On December 28, 2001, the City Council approved Modification No. 14 to the Grant Urban Renewal Plan and Modification No. 87 to the Common Plan to allow certain properties to be placed in acquisition status. On August 22, 2003, the City Council adopted Modification No. 15 to the Grant Urban Renewal Plan and Modification No. 95 to the Common Tax Increment Plan, designating three sites within the Grant Urban Renewal Area as properties that may be acquired. On December 15, 2003, the City Council authorized City officials to acquire portions of the following properties - City View Apartments, Summit Academy, and Cooperative Printing – for right of way activities associated with Heritage Park.

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):
- Request provided to the Budget Office when provided to Committee Coordinator

Community Impact (Summarize below)

Ward: 5

Neighborhood Group Notification: The Near Northside Master Plan was the subject of an extensive community process in where NRRC and Harrison Neighborhood was a participant.

City Goal: Goal 3; Support strong and diverse neighborhoods where people choose to live.

Comprehensive Plan: Complies.

Zoning Code: Complies.

Living Wage / Business Subsidy: Not applicable.

Recommendation: Approve settlement with City View Apartments and Summit Academy

Background/Supporting Information

In December 2003, staff received approval to initiate condemnation for portions of three properties - Summit Academy, City View Apartments, and Cooperative Printing - to complete street improvements relating to the Heritage Park development. Staff has successfully negotiated voluntary settlements with two of the three property owners – Summit Academy and City View Apartments. Staff is waiting for the condemnation commissioners to award a settlement amount for the Cooperative Printing land taking. In order to satisfy contractual obligations, Council authorization is required to finalize the two settlements.

Summit Academy OIC (901, 921, & 1101 Olson Memorial Hwy.)

Staff is seeking authorization to finalize the settlement with Summit Academy OIC to acquire two strips of land for street improvements. The easterly portion of land being acquired is approximately 1,518 square feet and is located at 901 Olson Memorial Highway. This parcel is needed to better align Bryant Avenue with its connection north of Olson Memorial Highway. The westerly portion of land is approximately 10,540 square feet and is being acquired to complete the Van White Memorial Boulevard connection south of Olson Memorial Highway. A settlement in the amount of \$120,000 has been reached with Summit Academy, which is in line with our appraisal value of \$117,300.

City View Apartments (1146 Emerson Ave. N)

Staff is also seeking authorization to finalize a settlement with City View Apartments to acquire street right-of-way in order to complete the most northerly section of Van White Memorial Boulevard (northbound lane of Van White). The land being acquired is approximately 12,523 square feet in size, is triangular shaped and runs along the southerly boundary of the City View's resident parking lot. The City's taking of land requires the apartment owner to reconfigure an existing parking lot and build an adjacent parking lot for his tenants to meet zoning code requirements.

Staff was able to negotiate a price of \$280,000 with the owner of City View Apartments (Michael Krey) on the first day of the condemnation hearings. The City's appraisal for the land being acquired is \$171,000. Mr. Krey's land appraisal and associated expenses resulting from the taking amounted to \$475,000. The midpoint of the parties' positions is \$323,000, comfortably above the settlement amount (the settlement is \$109,000 above the City's position and \$195,000 below their position). By reaching a settlement, the City avoided uncertainty over the condemnation outcome, additional appraisal fees, interest charges, and costs of attorneys and engineering consultants for the hearings, briefing, and possible appeals.