



Request for City Council Committee Action From the Department of Public Works

Date: June 5, 2007
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: None
Subject: **Public Hearing for the sale of a portion of Huron Blvd SE to the University of Minnesota.**

Recommendation: Conduct a public hearing for the sale of public land, approve the method of sale and approve the amount of the sale.

Previous Directives: T&PW Report of May 15th, 2007

Prepared by: Dennis Morris, Right of Way Section Supervisor, 673-3607
Rhonda Rae, P. E., Director of Engineering Services, 673-3627

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Dennis Morris, Right of Way Supervisor

Permanent Review Committee (PRC) Approval Not applicable _____

Policy review Group (PRG) Approval _____ Not applicable

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
 Business Plan: Action is within the plan. Action requires a change to plan.
 Other financial impact (Explain):

 Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Community Impact

Neighborhood Notification:

City Goals:

Comprehensive Plan:

Zoning Code:

Background/Supporting Information.

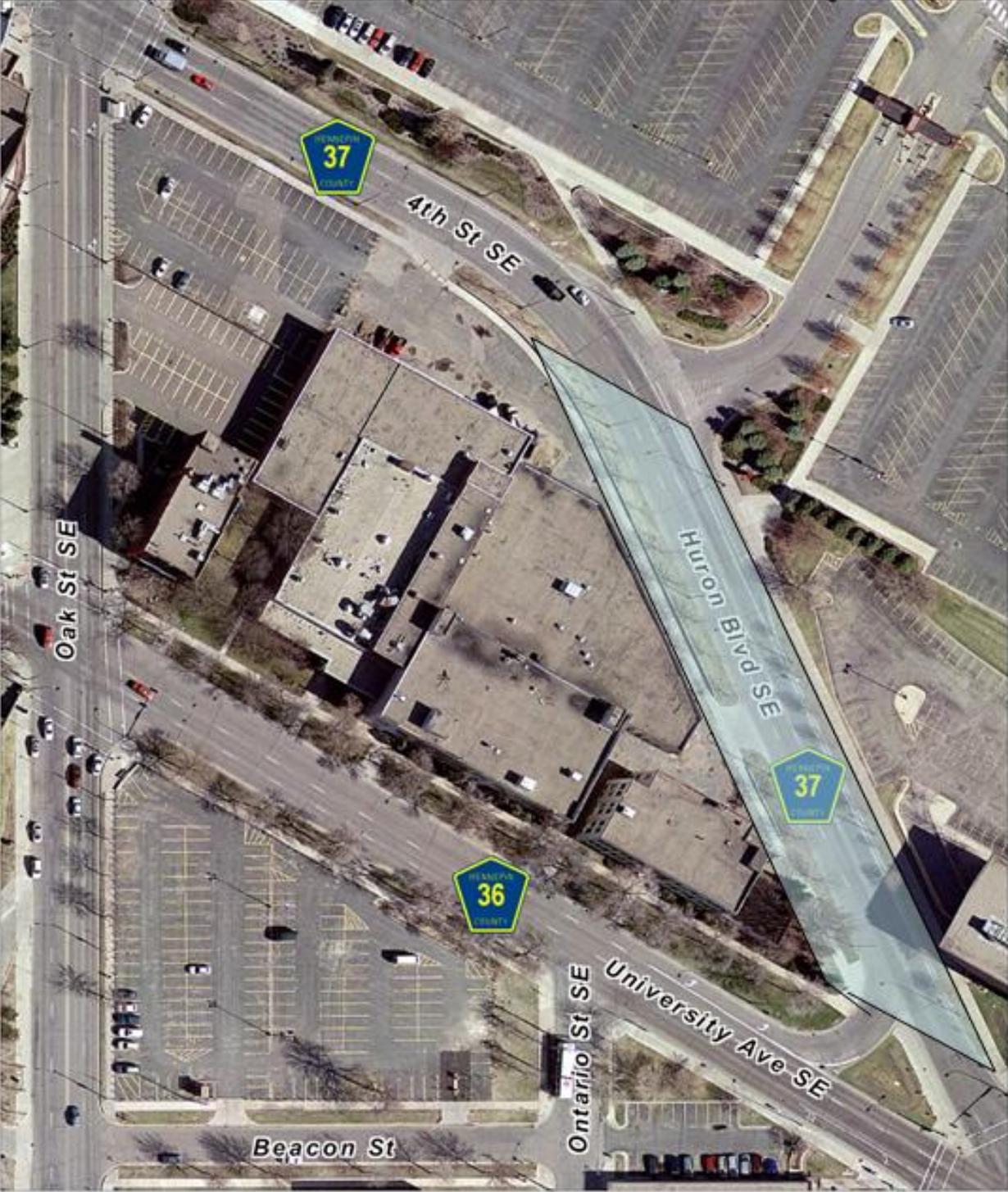
The University of Minnesota, as part of its TCF Stadium project, has petitioned the City to vacate various public rights of way surrounding the project site. Concurrently, the University will be dedicating new right of way to the City for street realignment. All of the vacated rights of way will revert to the underlying fee owners. The underlying fee owner of Huron Blvd SE, between 4th St SE and University Ave SE is the City of Minneapolis. We purchased this former railroad parcel as part of the Huron Blvd SE street construction project in 1994.

The sale of public land is regulated by Minneapolis Chapters 14.120 and 22.80 and the policy and procedures set forth in the Real Estate Transactions Policy adopted by the City Council. All these required procedures have been accomplished. Therefore your staff makes the following recommendations:

1. That the City of Minneapolis conduct a private land sale with the University of Minnesota, the only abutting property owner.
2. That the sale amount be set at \$838,224.00.
3. That in consideration of this sale amount, the University of Minnesota will release the City of all obligations contained in a letter from the Community Planning and Economic Development Department and the University of Minnesota dated June 27, 2006.
4. That the City Council authorizes the proper City Officers to execute the required documents to transfer title to the land.
5. That the proceeds from the sale shall be deposited into the Land Sale Revenue Fund 4100 Agency 923 Org 9242.

In order to facilitate the University of Minnesota construction schedule for the TCF Sport Stadium, your staff also requests that the City Council action be approved for early publication and signature.

Attachments: Map depicting area to be sold.
CPED price reduction commitment letter





Minneapolis
City of Lakes

**Community Planning &
Economic Development**

Lee Smalley
Director

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June 27, 2006

Mr. Richard Prüfer, reuter
Chief Financial Officer
University of Minnesota
Office of Budget and Finance
100 Church Street, S.E.
Morill Hall Rm. 334
Minneapolis, MN 55455

Dear Fitz,

On behalf of City, the Minneapolis CPED appreciates the University's agreement to accept the City's offer of \$10 per square foot to purchase the easement from the University for 25th Ave. SE and Granary Road right-of-way purposes. The City agrees to pay the University \$445,880 for the easement. In addition, CPED will use its best efforts to structure future real estate transactions with the University so as to allow the University to obtain reduced purchase prices for city-owned property such that the reductions approximate the difference between the \$18.03 per square foot easement consideration approved by the University's Board of Regents and the \$10.00 per square foot to be paid by the City, or \$358,026. Where City Council approval is required for such transactions, CPED agrees to recommend such approval.

The terms of this agreement recognize that both buyer and seller are public jurisdictions who have determined that this arrangement represents the most efficient use of public resources. It will serve as a precedent for neither party, except to demonstrate that when public money is being transferred the transactional costs should not destroy the public purpose. This is particularly true here, where the University and the City operate in partnership under an agreement executed between the Minneapolis City Council and the University's Board of Regents in January of 2004.

I appreciate your timely response to our request and I look forward to working with you. Do not hesitate to contact me if you have any questions about this letter.

Sincerely,

Mike Christianson
Director of Economic Policy and Development