



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

July 25, 2006

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

**Subject:** Land Sale Public Hearing  
Track 29 Uptown (Phase II)  
UV-8B

**Recommendation:** Authorize the sale of 2813 Bryant Avenue South, to Bryant Lofts, LLC for the development of the Track 29 Uptown Housing Project (formerly Urban Village), and authorize appropriate staff to execute the necessary documents.

**Previous Directives:** The City Council approved the Urban Village concept on May 8, 1998 and authorized the Executive Director to direct staff to select developers, develop housing types on the site, and establish a Redevelopment Project and Tax Increment Finance Plan. Also, the City Council approved the Urban Village Redevelopment Plan on January 25, 1999. On December 15, 2000 the Board authorized the initiation of condemnation proceedings to acquire Parcel 6 from Sowles Properties Limited Partnership ("Sowles"). On June 22, 2001 the City Council approved the business terms with the developers and authorization to enter into a redevelopment contract. On July 11, 2001 the MCDA acquired Parcel 10 and on December 9, 2002 the MCDA acquired Parcel 6. On January 31, 2003 the City Council approved the sale of city-owned Parcel 2b to the MCDA. On August 29, 2003 the MCDA Board approved the sale of 2824, 2810, 2825 Colfax Avenue to Midtown Lofts, LLC. On September 26, 2003 the City Council approved demolition of the Sowles Crane site to the lowest bidder. On April 29, 2005, the City Council authorized the sale of several parcels to Bryant Lofts, LLC for the development of the Track 29 (Phase 1) Uptown Housing Project.

**Prepared or Submitted by:** Dollie Crowther, Principal Project Coordinator  
Phone 612-673-5263

**Approved by:** Chuck Lutz, Deputy Executive 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:** Dollie Crowther, Principal Project Coordinator

**Financial Impact (Check those that apply)**

- No financial impact (If checked, go directly to Background/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.
- Other financial impact (Explain): Sale of this parcel will eliminate future property management expenses.
- Request provided to department's finance contact when provided to the Committee Coordinator.

**Community Impact (use any categories that apply)**

**Ward:** 10

**Neighborhood Notification:** The proposed concept of developing mixed use housing for the area has been presented at various neighborhood meetings in the area and the concept has been incorporated in various plans, including Lyndale/Lake Master Plan, Task Force Plan, and Lowry Hill East

**City Goals:** Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

**Comprehensive Plan:** This proposed development is consistent with the Comprehensive Plan as shown on the Land Use Map and in conformance with the Land Use Plan for the Lowry Hill East Community. The land sale has been reviewed by the Planning Commission for consistency with the Comprehensive Plan on March-April 1, 2005.

**Zoning Code:** R5. Project will comply

**Other:** Project was approved in Zoning and Planning for Conditional Use Permit, Variance, Final Plat for PUD.

**Background/Supporting Information**

The Urban Village Housing Development Project has been part of a comprehensive plan for the north edge of the Midtown Greenway corridor since the late 1990's. Track 29 Uptown is the second part of a large scale residential project developed by RMF Entities, Inc / Bryant Lofts LLC.

**Parcel**  
UV-8B

**Sales Price**  
\$391,088

**Address**  
2813 Bryant Avenue South

**PURCHASER:**

Bryant Lofts, LLC  
1221 W. Lake Street, #209  
Minneapolis, MN 55408

**PROPOSED DEVELOPMENT:**

Track 29 Uptown is a 2 phase development. The total amount of land being sold for this Phase II is 31,287 sq. ft. Phase I of this development is presently under construction. This will allow for the construction of the final phase of development to begin in August 2006.

Bryant Lofts, LLC proposes to construct 71 loft style units in one building with enclosed parking, private driveway, and a pedestrian promenade overlooking the Midtown Greenway. Site elements such as lights, pergolas, benches, and fences help define the perimeter of the development. Phase II Track 29 Uptown will consist of the following:

<b><u>#Units</u></b>	<b><u>Size</u></b>	<b><u>Estimated Sales Price Per Unit</u></b>	
36	1 bedroom (1 bath each)	674-996 sq. ft.	\$156,711 – \$286,673
16	1 bedroom (1.5 baths each)	987-1133 sq. ft.	\$261,417 – \$296,793
19	2 bedrooms (2 baths each)	1116-1317 sq. ft.	\$327,960 – \$383,940

The Urban Village project has been in development for over six years. Per the approved business terms, CPED is to deliver a clean site to the developer upon closing. To assist with the acquisition and clean up, various sources of funds were secured. These include TEA-21 Grants, Livable Community Grants, a Pollution Grant, Hennepin County Grant, and Empowerment Zone Funds. Design of the public improvements is being partially paid for by the Department of Public Works. The total development cost of the project is estimated to be \$17,054,596. The general contractor is Rochon Corporation.

**LAND DISPOSITION POLICY:**

This parcel is a buildable lot as defined by CPED policy and is being sold for development.

**FINANCING:**

Bryant Lofts LLC is paying cash for the land and will obtain private construction financing. Up to \$5,000,000 in tax increment revenue notes was authorized for the projects included in Urban Village. Such financing will entail the issuance of both taxable and tax-exempt notes. These notes are to assist with site assembly, relocation, demolition, etc. This is an interim financing source and the primary repayment source for these notes will be net bond proceeds from the General Obligation TI Bonds and land sales proceeds.

**OFFERING PROCEDURE:**

Request for Proposals.

**COMMENTS:**

Because the terms of this project were negotiated before the Affordable Housing Policy was in effect, the developers do not have to adhere to the Policy. Per the approved business terms, it was agreed that the project would include 5% of the units affordable to persons or households at 60% of the Metropolitan median income and 10% of the units affordable to persons or households at 80% of the Metropolitan Median income. The business terms also included a land sale price of \$12.50 a square foot. This sales price does not include square footage devoted to the Greenway improvements and promenade.

**Authorizing sale of land Track 29 Uptown (Phase II) (formerly Urban Village)  
Disposition Parcel No. UV-8B.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel UV-8B, in the Lowry Hill East neighborhood, from Bryant Lofts, LLC, hereinafter known as the Redeveloper, the Parcel UV-8B, being the following described land situated in the City of Minneapolis, County of Hennepin, and State of Minnesota to wit:

LEGAL DESCRIPTION

UV-8B; 2813 Bryant Avenue South  
Lot 2, Block 2, Hennessy Addition  
PIN 33-029-24-44-0329

Whereas, the Redeveloper has offered to pay the sum of \$391,088, for Parcel UV-8B 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 July 14, 2006, a public hearing on the proposed sale was duly held on July 25, 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 Track 29 Uptown (Phase II) (formerly Urban Village) plan, as amended, is hereby estimated to be the sum of \$391,088 for Parcel UV-8B.

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.

