

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

April 4, 2006

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

Subject: Land Sale Public Hearing
Vacant Housing Recycling Program

Recommendation: Approve the sale of 3601 Lyndale Avenue North to Nyberg Builders, Inc. for \$22,000.00, subject to the following conditions; 1) land sale closing must occur on or before 30 days from 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 CPED Director.

Previous Directives: CPED acquired 3601 Lyndale Avenue North on April 21, 1995.

Prepared or Submitted by: William Koncak, Senior Project Coordinator
Phone 612-673-5233

Approved by: Chuck Lutz, Deputy CPED 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: William Koncak, Senior 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): Eliminate property management costs.

___ Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

Ward: 3

Neighborhood Notification: McKinley Community reviewed this proposal on January 10, 2006 and has not made any recommendations.

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

Comprehensive Plan: The land sale was reviewed by the Planning Commission for consistency with the Comprehensive Plan on March 27, 2006.

Zoning Code: R1A

Other: Planning staff has reviewed and agrees with proposed development.

Background/Supporting Information Attached

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
McK 10-16 & 17B	3601 Lyndale Avenue North	\$22,000.00

PURCHASER

Nyberg Builders, Inc.
6124 Fremont Avenue North
Brooklyn Center, Minnesota, 55430

PROPOSED DEVELOPMENT:

The developer proposes to build a two story, single family dwelling with three bedrooms and two and one half bathrooms for a total of 1,590 square feet of finished space. There will be a detached, two car garage.

The lot size is 60' x 124' for a total of 7,440 square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

Private financing.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Public Advertisement. The sales price of this property does reflect the full re-use value.

COMMENTS:

The developer attended the McKinley Community's meeting on January 10, 2006 to present his proposal. Since the developer was new to both the neighborhood group and CPED staff, he offered to have an open house to show a similar house he is now building at 2805 Humboldt Avenue North. One neighborhood representative viewed the property and the developer said their comments were positive. Staff has not received any comments from the neighborhood but has reviewed the property and had a positive opinion of the development to date. Staff recommends approval of this sale to Nyberg Builders, Inc.

Authorizing sale of land
Vacant Housing Recycling Program
Disposition Parcel No. McK 10-16 & 17B

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel McK 10-16 & 17B, in the McKinley neighborhood, from Nyberg Builders, Inc., hereinafter known as the Redeveloper, the Parcel McK 10-16 & 17B, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

McK 10-16 & 17B; 3601 Lyndale Avenue North

Lot 15 and that part of Lot 14, lying South of the North 20 feet thereof, Block 16, Walton Park.

Whereas, the Redeveloper has offered to pay the sum of \$22,000.00, for Parcel McK 10-16 & 17B 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 March 24, 2006, a public hearing on the proposed sale was duly held on April 4, 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 Vacant Housing Recycling Program plan, as amended, is hereby estimated to be the sum of \$22,000.00 for Parcel McK 10-16 & 17B.

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 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 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.