



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

Date: February 15, 2005
To: Council Member Lisa Goodman, Community Development Cmte
Prepared by: Darrell Washington, Sr. Project Coordinator, Phone 612-673-5174
Presenter: Darrell Washington, Sr. Project Coordinator
Approved by: Chuck Lutz, Deputy CPED Director _____
Subject: Lao Lutheran Church

RECOMMENDATION: That the City Council approves purchase terms, the budget, a general obligation note to Minneapolis Area Service Corporation in the amount of \$305,248.00, and authorize the CPED Director to execute the purchase agreement.

Previous Directives: The City Council on March 24, 2000 approved the Near Northside Master Plan. On June 22, 2001, the City Council approved the Hollman Transition TIF Plan, Modification No. 13 to the Grant Urban Renewal Plan, and Modification No. 84 to the Common Tax Increment Finance Plan. On March 21, 2003, the City Council adopted Modification No. 1 to the Heritage Park Redevelopment Plan designating that the property located at 430 Bryant Ave. N. may be acquired.

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): Eliminate property management costs.

Community Impact (Summarize below)

Ward: 5th

Neighborhood Notification: Extensive meetings have been held with Harrison and Near Northside neighborhoods regarding Heritage Park redevelopment.

City Goals: Consistent with City goals.

Comprehensive Plan: This parcel is located within the Heritage Park Redevelopment District that was adopted in 1999 and the sale is therefore consistent with the City's Comprehensive Plan.

Zoning Code: R1A

Living Wage/Job Linkage: N/A

Background/Supporting Information

During the extensive community meetings to create the Heritage Park Master Plan, Lao Lutheran Church (430 Bryant Ave N) was identified as a property that may be acquired and relocated within the boundaries of the Heritage Park development. As discussions between the Minneapolis Area Service Corporation (Church) and City have evolved, it became clear that the needs of Lao Lutheran Church and its pastor could be better suited at locations outside of Heritage Park.

Purchase Agreement

The City and the Church has come to some general agreements regarding the purchase of this property. During the course of negotiations in 2004, the parties came to a conclusion on the amount of the real estate value. After further discussions, the parties have also come to a general understanding of the terms of payment. Specifically, the City will pay approximately half of the total purchase price in 2005. For the remainder, the City will need to agree to provide the Church with a general obligation note that will not bear interest (0%) and be payable in full by December 31, 2007.

Budget

The funds to acquire the Church are to come from CPED funds allocated for Capital purchases and from the proceeds of the land sale in 2007 to a private housing developer. It is the opinion of the CPED appraiser that the expected proceeds from a future land sale would be able to meet a significant portion of the general obligation note.

<u>Source</u>	<u>Amount</u>	<u>Use</u>
1. Fund SPH01005	\$346,300	Acquisition & Relocation
2. Land Proceeds	<u>\$255,248</u>	Acquisition
<u>Total</u>	\$601,548	