



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

Date: July 12, 2005

To: Council Member Lisa Goodman, Community Development Cmte

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

Presenter in Committee: William Koncak, Senior Project Coordinator

Approved by: Chuck Lutz, Deputy CPED Director _____
Elizabeth Ryan, Director, Housing Policy _____
& Development

Subject: Land Sale – Public Hearing
Vacant Housing Recycling Program

RECOMMENDATION: Approve the sale of 3658 N 6th Street to Charles LaBrie for \$22,000, 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 the approval of the CPED Director.

Previous Directives: CPED acquired 3658 N 6th Street on May 26, 1995.

On April 2, 2004 the MCDA Commissioners denied the sale of 3658 N 6th Street to AA Contracting.

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.
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: 3

Neighborhood Notification: McKinley Community reviewed this proposal on June 14, 2005 and recommended it be approved.

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: Chapter 4, Section 4.9 states "Minneapolis will grow increasing its supply of housing" and Section 4.11 states "Minneapolis will improve the availability of housing options for its residents" Also this area is designated for low density housing in accordance with the Land Use Policy Map.

Zoning Code: R2B

Living Wage/Job Linkage: N/A

Other: None

Background/Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
McKly 8-1	3658 N 6th Street	\$22,000

PURCHASER
Charles LaBrie
2610 Fremont Avenue South, #208
Minneapolis, MN 55408

PROPOSED DEVELOPMENT:
Charles LaBrie proposes construction of a two-story single family home with a tuck under, two-car garage. The home will contain three bedrooms, two bathrooms and a total of approximately 1,676 square feet of finished living space. The home's estimated value upon completion is \$205,000 and will be sold to an owner-occupant.

The lot size is 35' x 157' = 5,495 total square feet.

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

FINANCING*:
\$135,000 Central Bank

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

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

COMMENTS:

Mr. LaBrie is a contractor who grew up and has his office in this neighborhood. He wishes to construct the proposed development and sell it to an owner-occupied buyer. His proposed development has a two car tuck under garage which will use up half of the basement with the remaining space used for utility area. This vehicle storage location is ideal considering the elevation changes 6 to 9 feet between the lot and the alley to the rear and 37th Avenue to the immediate north of the lot. The McKinley Neighborhood group and staff have reviewed the proposed development and support this sale and development.

**Authorizing sale of land
Vacant Housing Recycling Program
Disposition Parcel No. McKly 8-1**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel McKly 8-1, in the McKinley neighborhood, from Charles LaBrie, hereinafter known as the Redeveloper, the Parcel McKly 8-1, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 30, Block 5, Nichols-Frissell Co.'s Lyndale Park Addition to
Minneapolis.

Whereas, the Redeveloper has offered to pay the sum of \$22,000, for Parcel McKly 8-1 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 1, 2005, a public hearing on the proposed sale was duly held on July 12, 2005, 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 for Parcel McKly 8-1.

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.

Address: 3658 N 6th Street
Parcel: McKly 8-1
Purchaser: Charles LaBrie
Sq. Footage: 5,495
Zoning: R2B

WARD 3

