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

Date: September 27, 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
GMHC Century Homes Program

RECOMMENDATION: Approve the sale of 3331 Girard Avenue North for $31,000.00 and 3501 Morgan Avenue North for $30,000.00 to The Greater Metropolitan Housing Corporation of the Twin Cities subject to the following conditions; 1) land sale closings 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 closings do 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: The CPED acquired 3331 Girard Avenue North on December 7, 2001 and acquired 3501 Morgan Avenue North on March 5, 2004.

Financial Impact (Check those that apply)

___ No financial impact
___ 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
_x_ 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: 4th

Neighborhood Notification: Folwell Neighborhood Association has reviewed and approved the proposed plans.

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: These land sales will be reviewed by the Planning Commission for consistency with the Comprehensive Plan on September 19, 2005 and the decision will be included in the presentation to the Community Development Committee on September 27, 2005.

Zoning Code: R1A

Living Wage/Job Linkage: N/A

Other: Planning staff has reviewed and recommends these land sales be approved by the Planning Commission.

Background/Supporting Information

PARCEL	ADDRESS	SALE PRICE
GC-276	3331 Girard Avenue North	$31,000.00
GC-277	3501 Morgan Avenue North	$30,000.00

PURCHASER
The Greater Metropolitan Housing
Corporation of the Twin Cities
15 South Fifth Street, Suite 710
Minneapolis, Minnesota 55402

PROPOSED DEVELOPMENT:

3331 Girard Avenue North
Construction of a 3 bedroom single family home with 3 bathrooms and a total of 1,702 square feet of finished space. There will be a detached double garage. Planned sales price of $210,000.00.

The lot size is 45' x 127' = 5740 total square feet.

3501 Morgan Avenue North
Construction of a 3 bedroom single family home with 3 bathrooms and a total of 1,651 square feet of finished space. There will be a detached double garage. Planned sales price is $215,000.00.

The lot is 40' x 128' = 5,140 total square feet.

LAND DISPOSITION POLICY:
These properties are buildable lots as defined by City policy and are being sold for development.

FINANCING*:
GMHC has private financing through US Bank Corporation.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:
Public Advertisement. The sales price of these properties does reflect the full re-use value.

COMMENTS:
3331 Girard Avenue North property was originally purchased for renovation under the Home Ownership Works (HOW) program. But because of structural problems, it was determined that the cost of renovation would vastly exceed HOW guidelines and the structure was demolished.

GMHC and CPED are partners in the Century Homes Program. Per this partnership agreement, GMHC and CPED have agreed to split equally any profits or losses realized from the sale of properties. Per the above development proposals, budget projections indicate an estimated net profit as follows:

	3331 Girard Av N	3501 Morgan Av N
Development Costs	$199,565.00	$207,240.00
Est. Sales Price	$210,000.00	$215,000.00
Total Loss/Profit	+$10,435.00	+$7,760.00
CPED Loss/Profit	+$5,217.50	+$3,880.00

CPED staff conducted a formal professional review of the proposals and also sought professional opinions from Planning and Zoning staff on the proposed new construction development. Planning staff concurred that the proposed new construction home is appropriate at these locations.

Authorizing sale of land GMHC Century Homes Program Disposition Parcel No GC-276.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel GC-276, in the Folwell neighborhood, from The Greater Metropolitan Housing Corporation of the Twin Cities, hereinafter known as the Redeveloper, the Parcel GC-276, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 6, Block 4, Silver Lake Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of $31,000, for Parcel GC-276 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 September 16, 2005, a public hearing on the proposed sale was duly held on September 27, 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 GMHC Century Homes Program plan, as amended, is hereby estimated to be the sum of $31,000 for Parcel GC-276.

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.

Authorizing sale of land GMHC Century Homes Program Disposition Parcel No GC-277.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel GC-277, in the Folwell neighborhood, from The Greater Metropolitan Housing Corporation of the Twin Cities, hereinafter known as the Redeveloper, the Parcel GC-277, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 15, Block 2, Egbert's 2nd Addition to Minneapolis.

Whereas, the Redeveloper has offered to pay the sum of $30,000, for Parcel GC-277 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 September 16, 2005, a public hearing on the proposed sale was duly held on September 27, 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:

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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

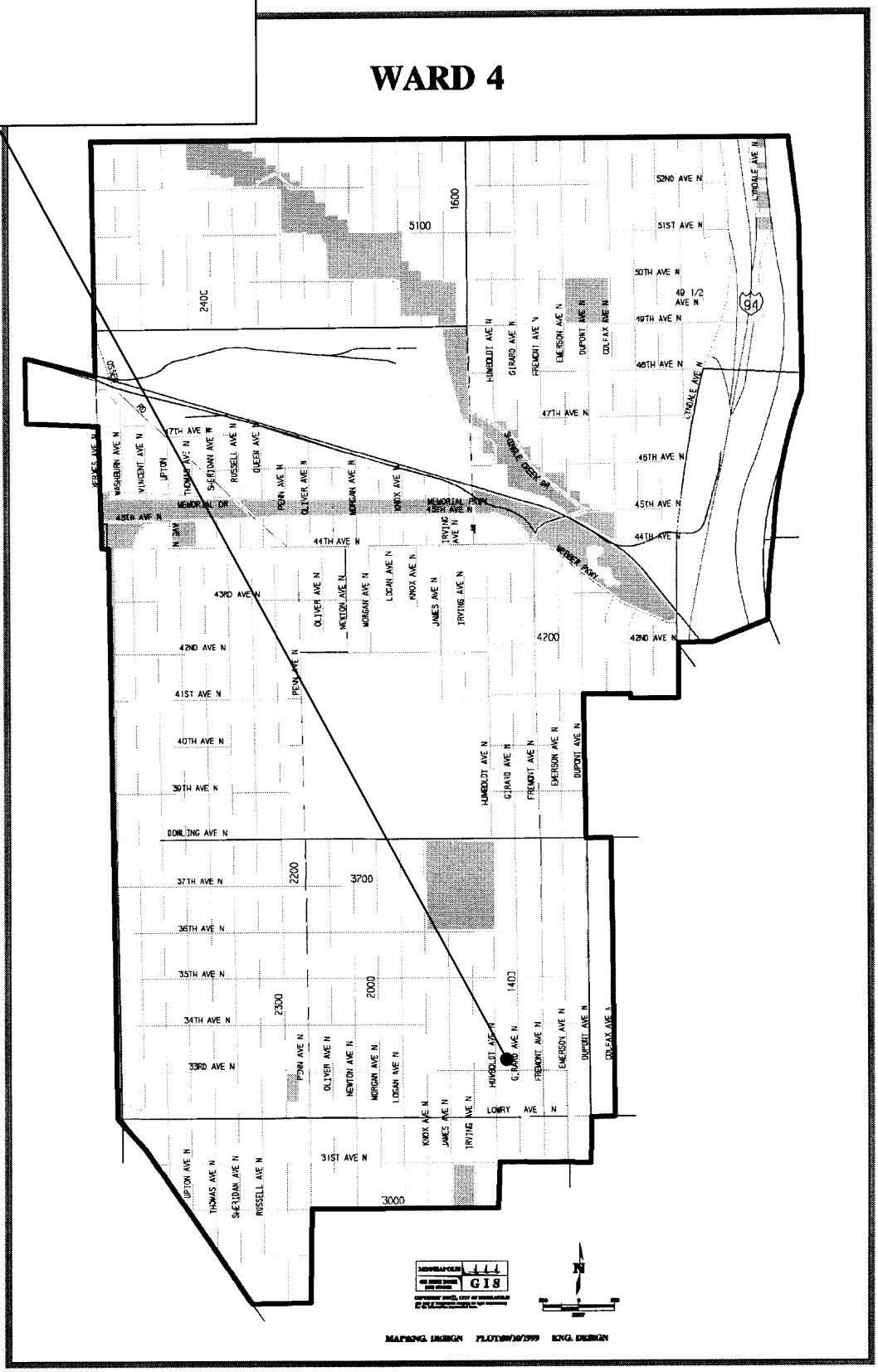
further determined that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the parcel in accordance with the Redevelopment Plan and/or Program.

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.

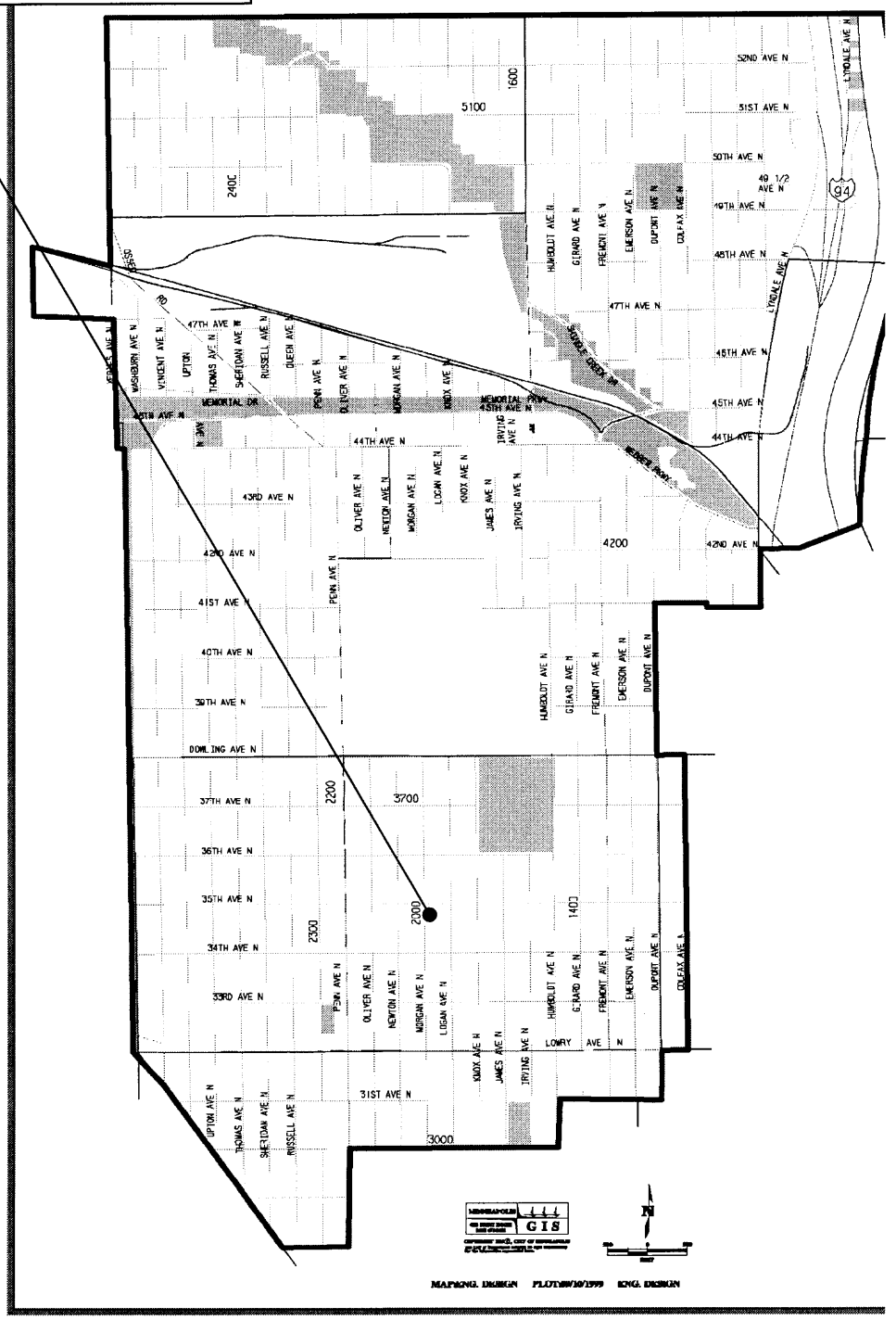
Address:	3331 Girard Av N
Parcel:	GC-276
Purchaser:	The Greater Metropolitan Housing Corporation of the Twin Cities
Sq. Footage:	5,740
Zoning:	R1A

WARD 4



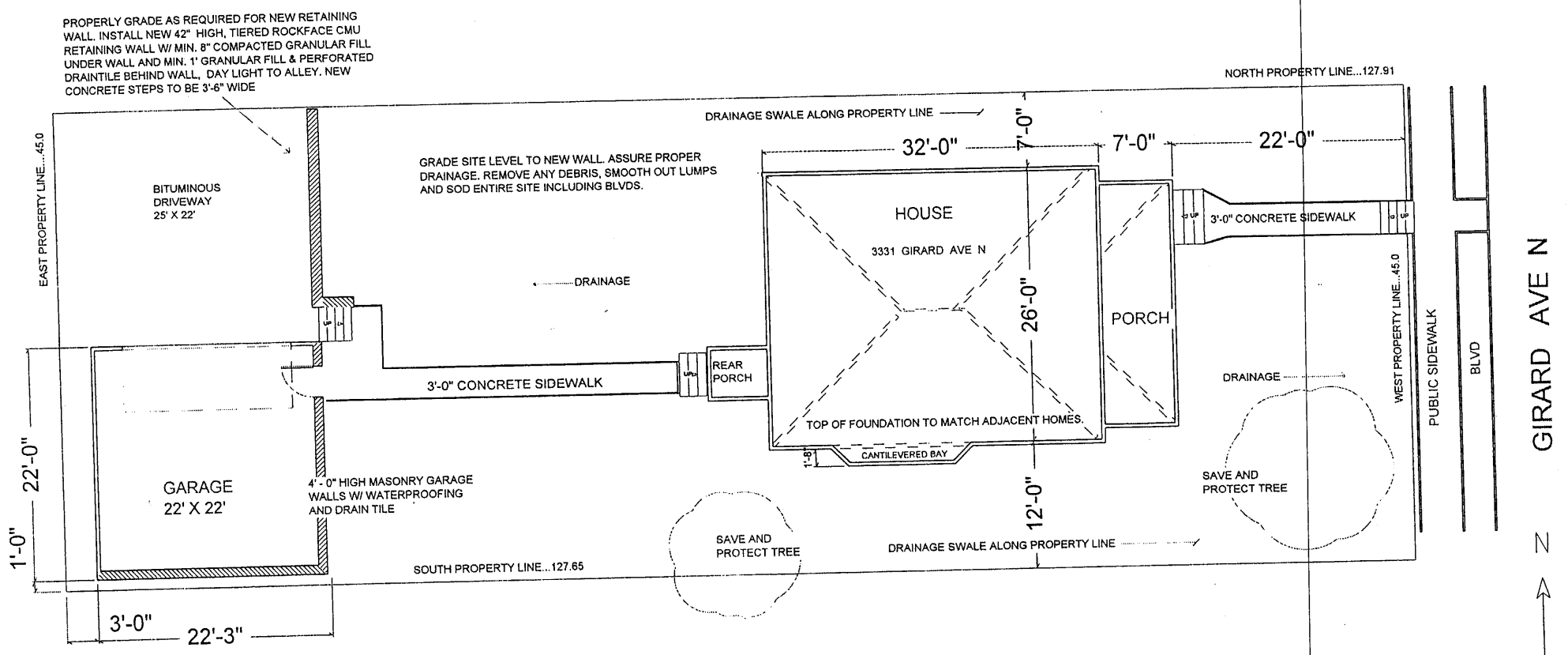
Address:	3501 Morgan Av N
Parcel:	GC-277
Purchaser:	The Greater Metropolitan Housing Corporation of the Twin Cities
Sq. Footage:	5,140
Zoning:	R1A

WARD 4



GREATER METROPOLITAN HOUSING CORPORATION

GMHC

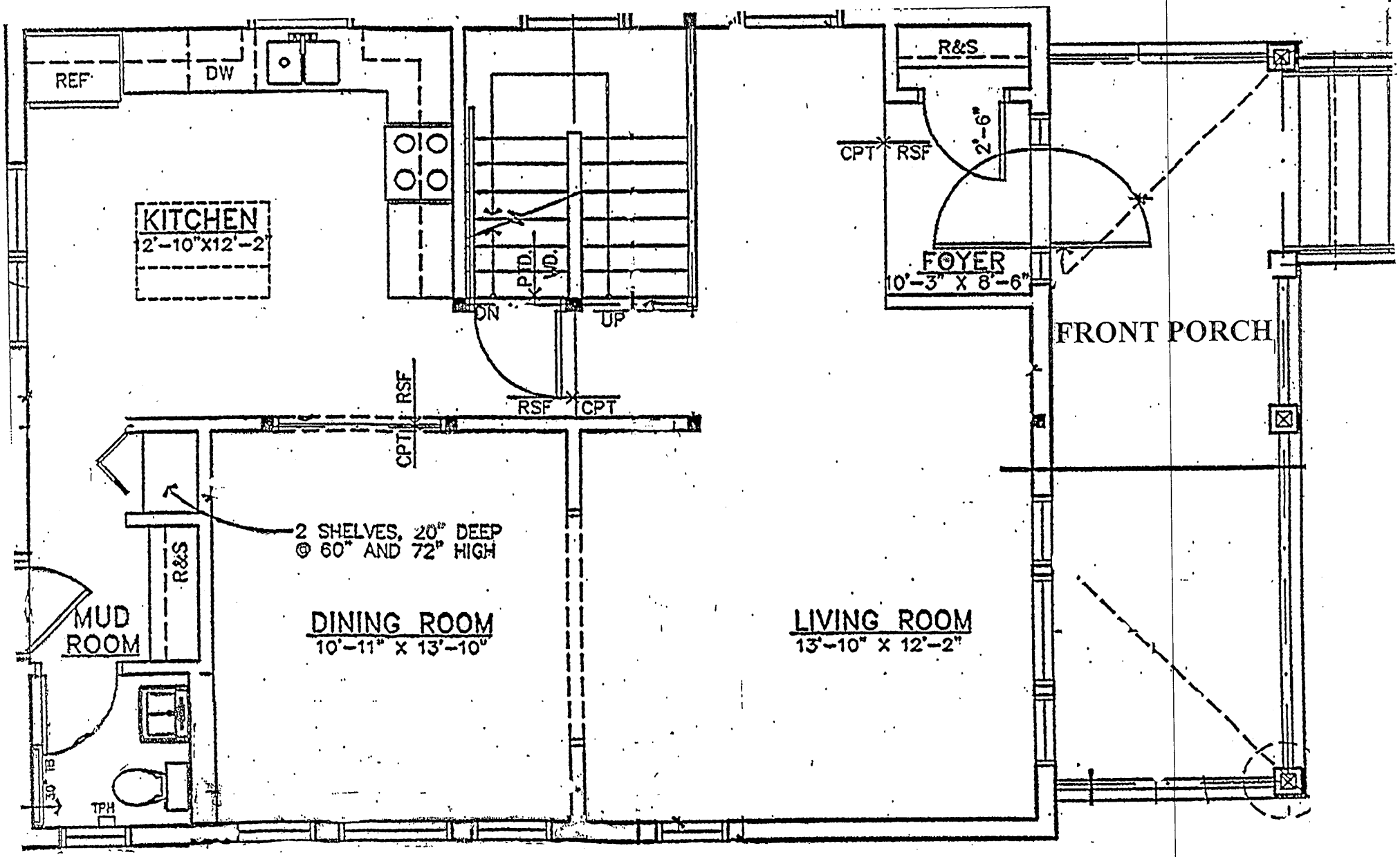


SCALE: 1/8" = 1'-0"

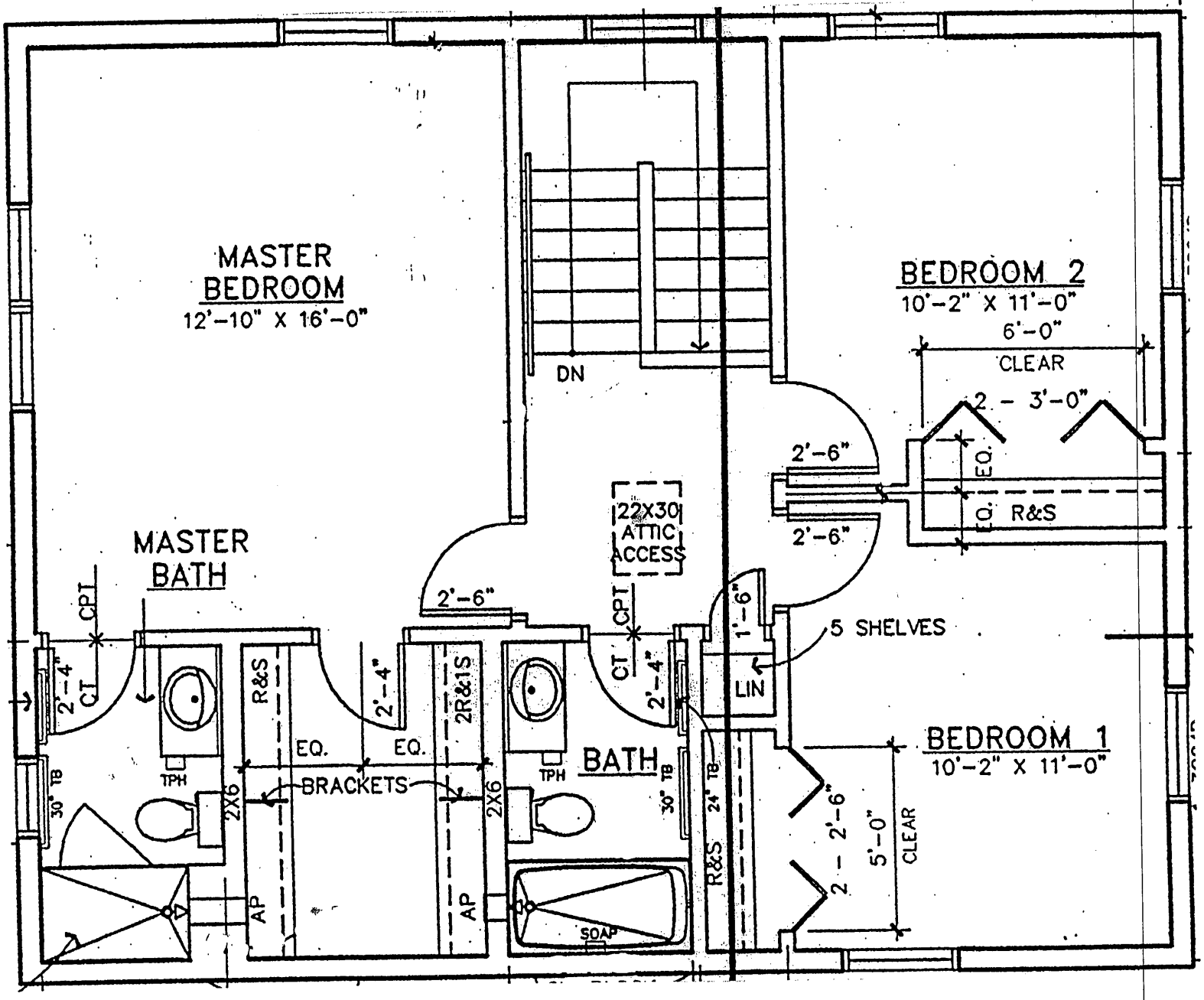
SITE PLAN 3331 GIRARD AVE N MPLS MN

FOUR-SQUARE BASE MODEL W/ HIP ROOF

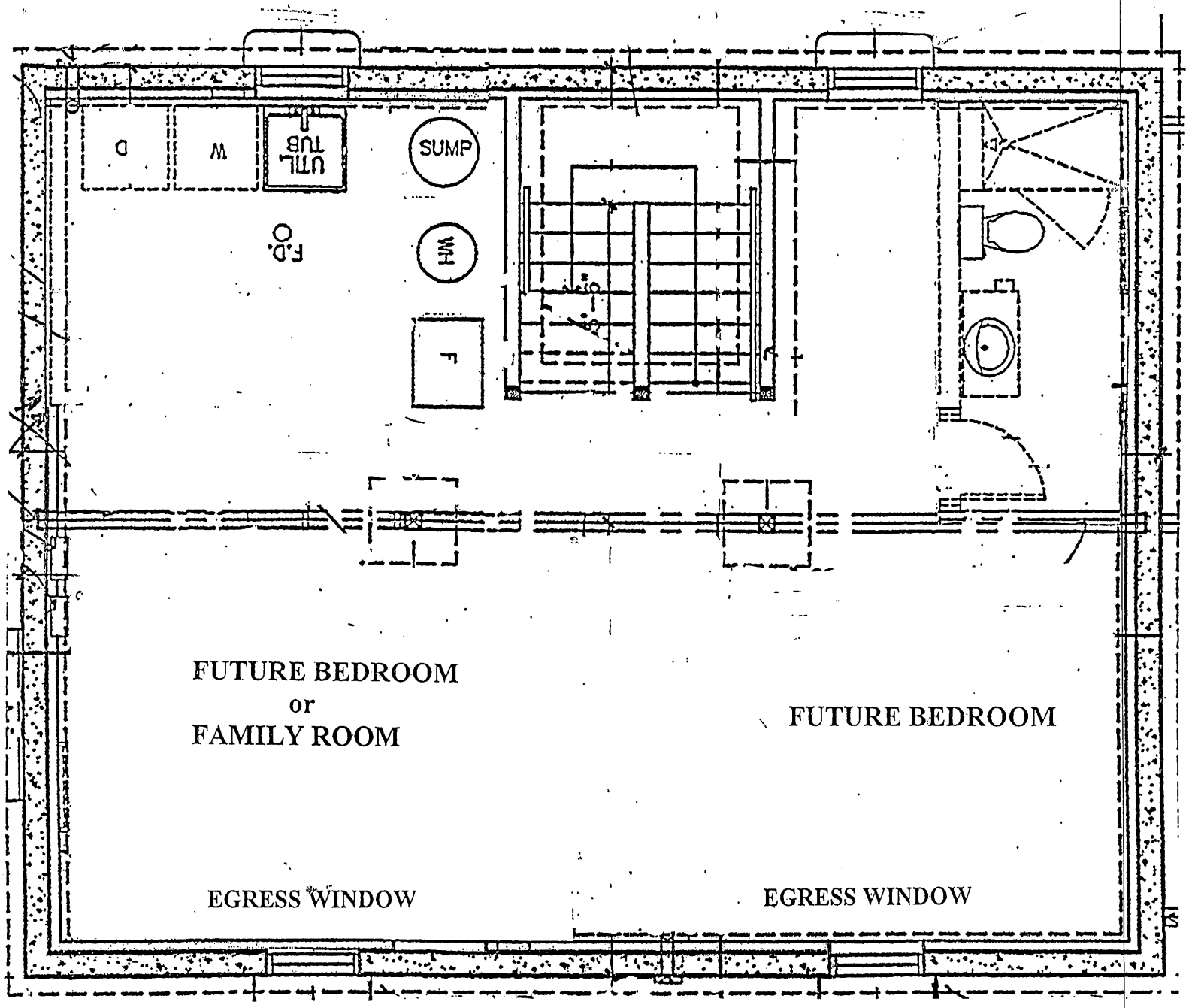
GREATER METROPOLITAN HOUSING CORPORATION – Twin Cities
15 South Fifth Street, Suite 710 • Minneapolis, MN 55402
Telephone: 612- 339-0601, EXT. 16 • fax: 612-339-0608
e-mail: bbuelow@gmmhc.org • website: www.gmhctc.org



GMHC 4-SQUARE MODEL 1ST FLOOR PLAN

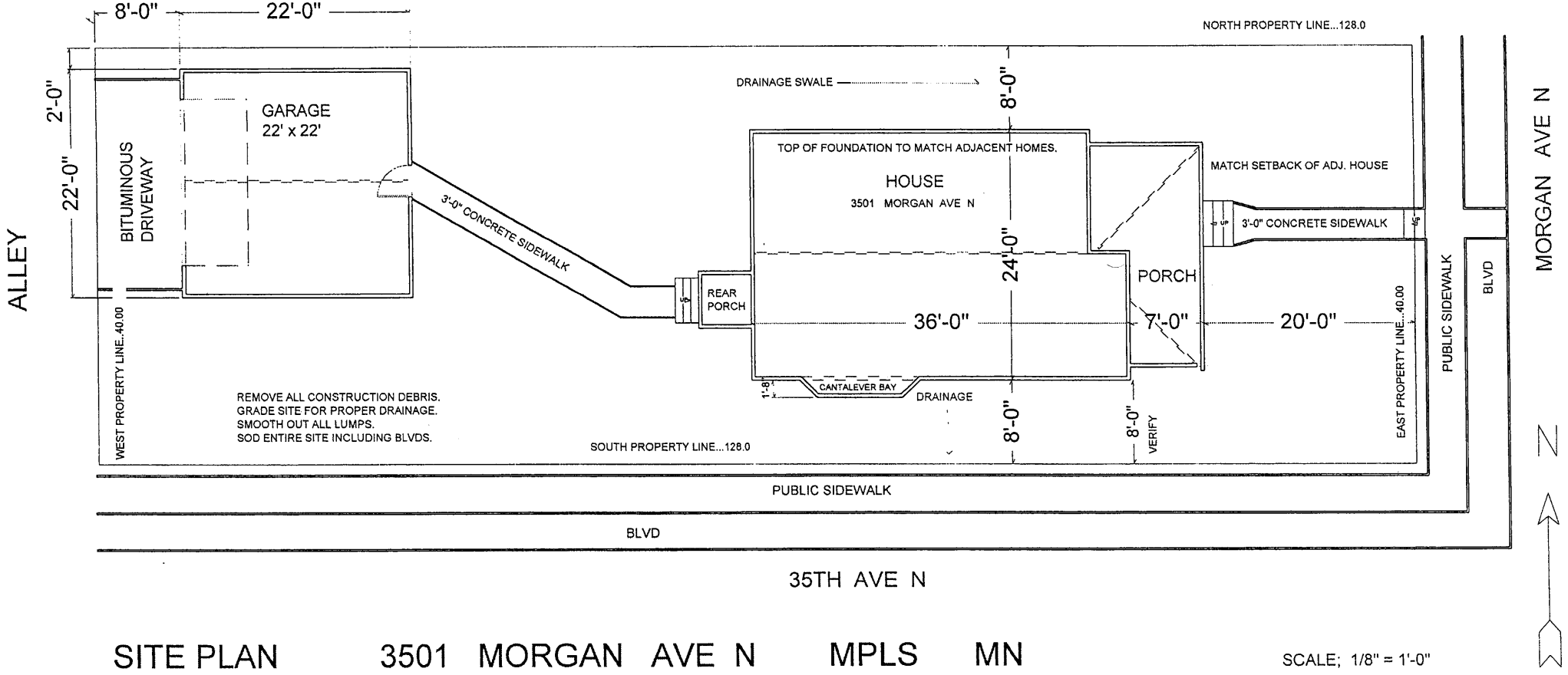


GMHC 4-SQUARE MODEL 2ND FLOOR PLAN



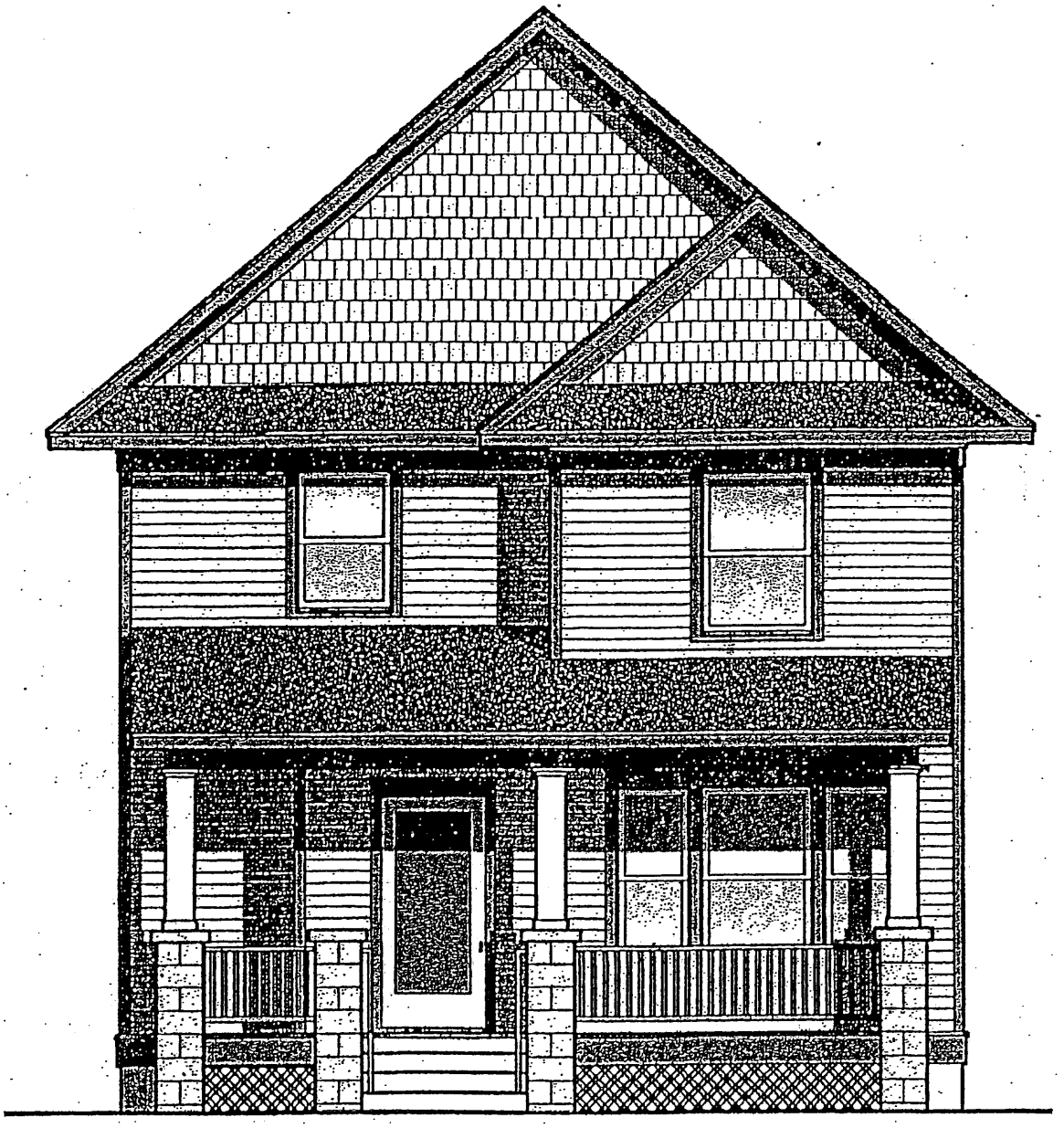
GMHC 4-SQUARE MODEL BASEMENT PLAN

GMHC.....GREATER METROPOLITAN HOUSING CORP.



SITE PLAN 3501 MORGAN AVE N MPLS MN

SCALE; 1/8" = 1'-0"



GMHC

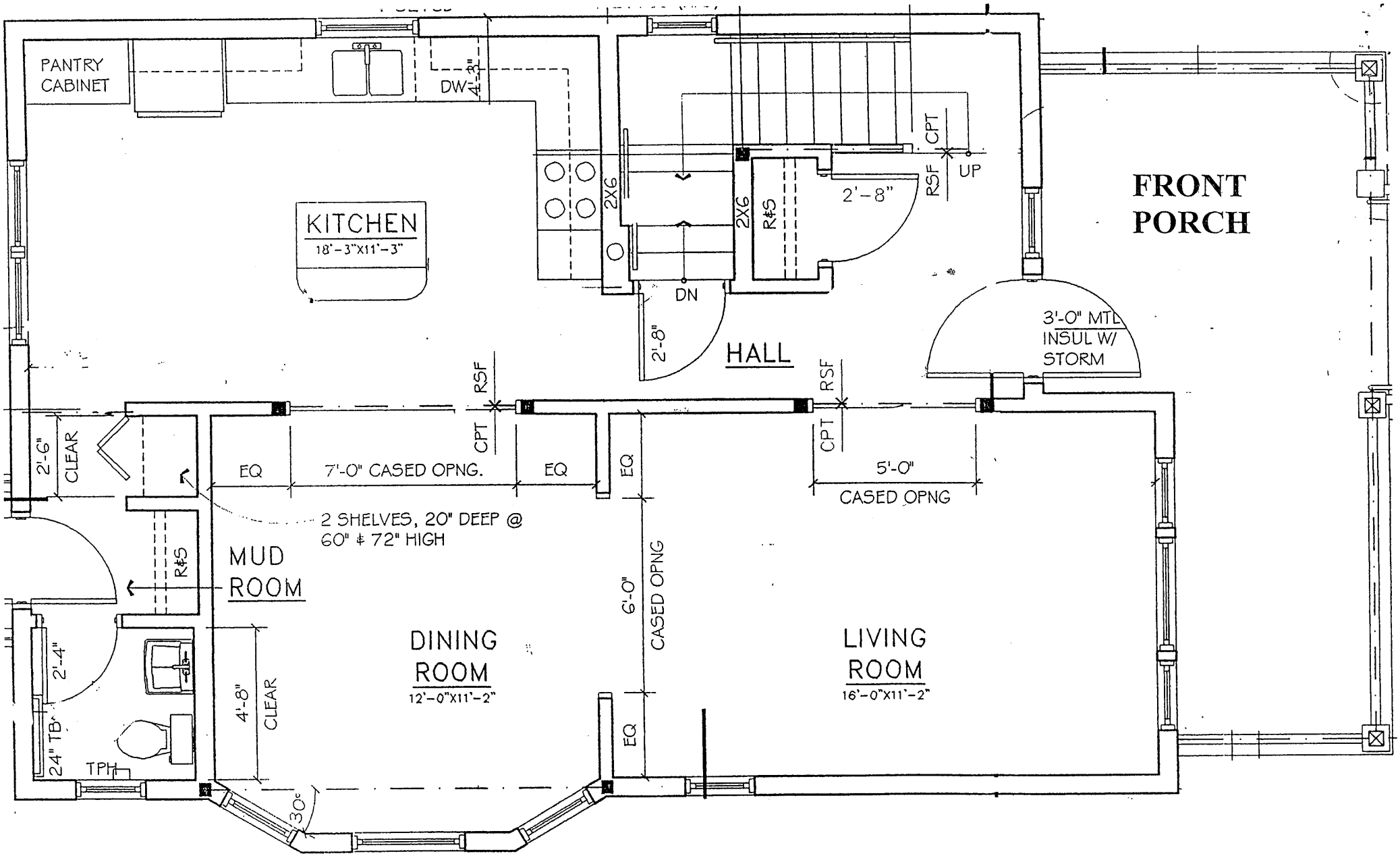
2-STORY BASE MODEL

3 BEDROOMS

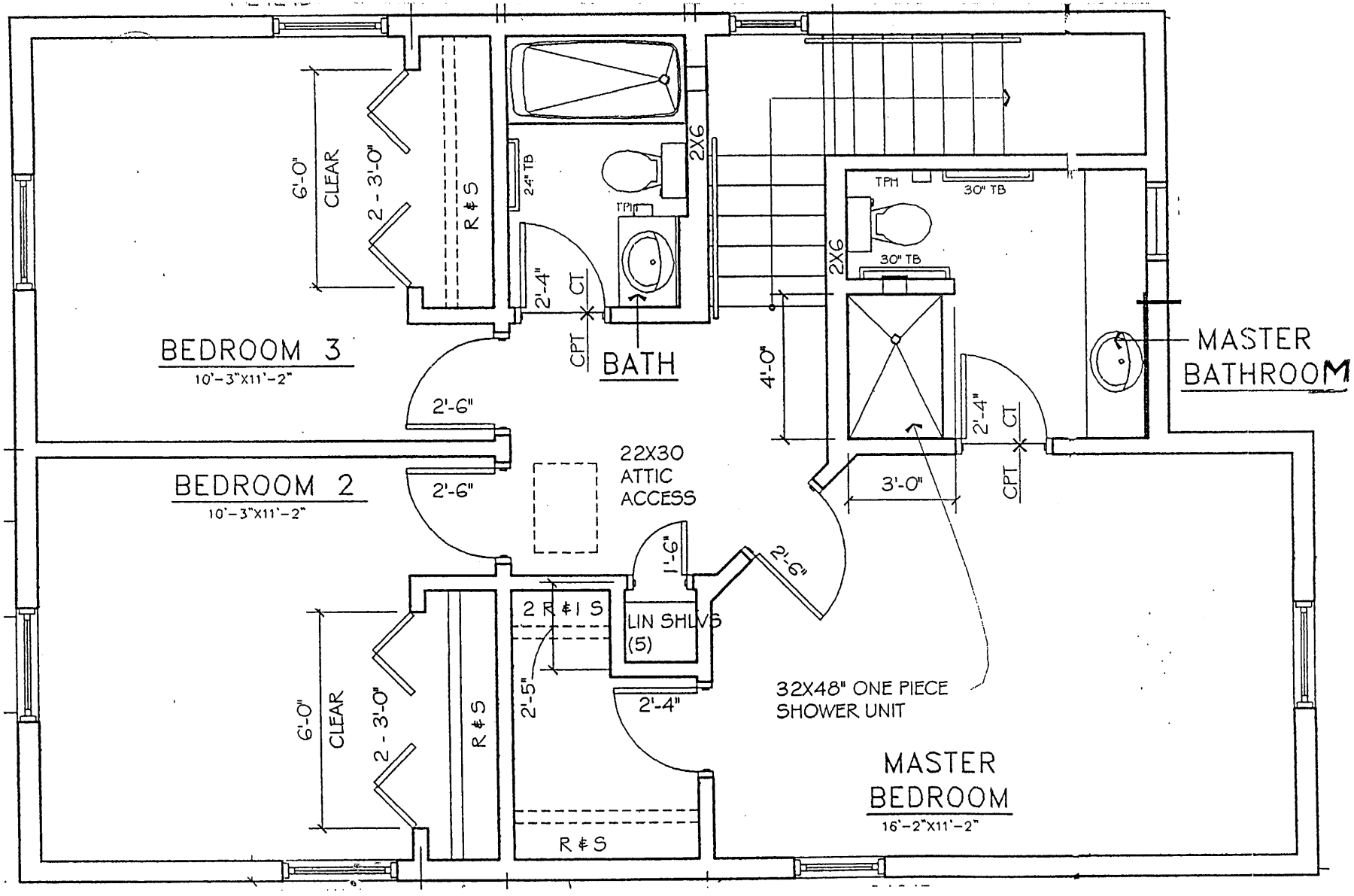
2 & ½ BATHROOMS

1651 FINISHED S.F.

CERMAK
RHOADES
ARCHITECTS
214 E. Fourth St. Suite 180 St. Paul, MN 55101



GMHC TWO-STORY MODEL 1ST FLOOR PLAN



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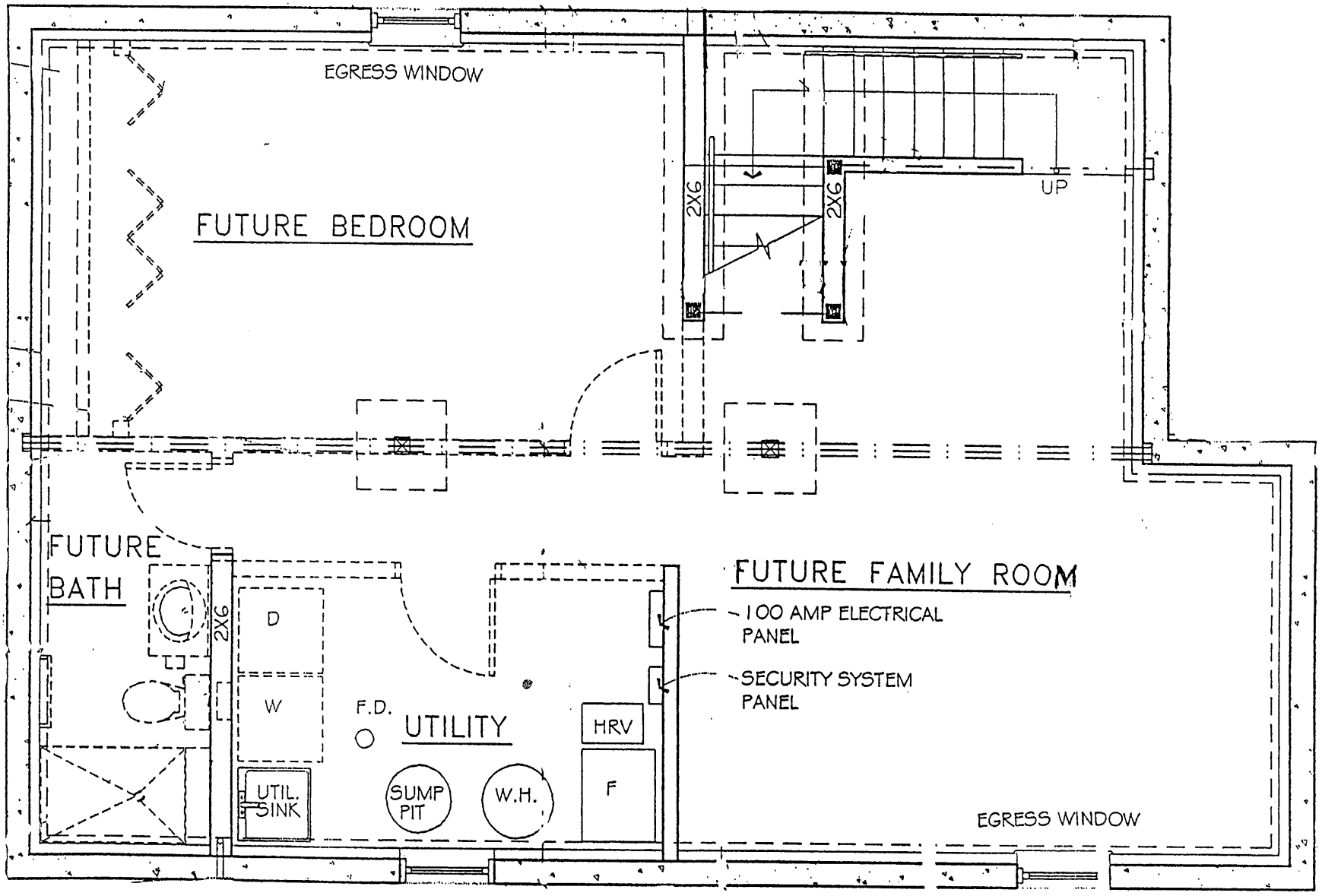

GMHC TWO-STORY MODEL BASEMENT PLAN