



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

Date: April 19, 2005

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Dollie Crowther, Principal Coordinator, Phone 612-673-5263

**Presenter in
Committee:** Dollie Crowther

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

Subject: Land Sale – Public Hearing - Track 29 Uptown
(Formerly Urban Village Site)

RECOMMENDATION: Authorize the sale of 2813, 2817 Bryant Avenue South, 2808, and 2824 Aldrich Avenue South and 811 – 28th Street West 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, 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. 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 and 2840 Bryant Avenue South and 2825 Colfax Avenue South to Midtown Lofts, LLC. On September 26, 2003 the City Council approved demolition of the Sowles Crane site to the lowest bidder.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)
- 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

<input type="checkbox"/>	Action requires use of contingency or reserves
<input checked="" type="checkbox"/>	Other financial impact (Explain): Sale of this parcel will eliminate future property management expenses.
<input type="checkbox"/>	Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

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 Compliance: This proposed development is consistent with the Comprehensive Plan as shown on the Lane Use Map and in conformance with the Lane 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.

Living Wage/Job Linkage: NA

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

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

Background/Supporting Information

<u>Parcels</u>	<u>Sales Price</u>	<u>Address</u>
UV 5A & B, 7, 8A & 9	\$1,044,750 (Includes all addresses)	2813, 2817 Bryant Avenue South, 2808, 2824 Aldrich Avenue South 811 – 28 th Street West

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. A charrette held in 1998 recommended higher density housing that respects the scale and

architecture of existing neighborhood buildings. Track 29 Uptown is anticipated to be the second part of this large scale residential project. The first part of Urban Village is the Midtown Lofts Project representing 72 ownership loft units developed by the Lander Group and Sherman Associates. Construction of Midtown Lofts is nearly complete. The new developments will replace blighted underutilized light industrial properties with new homes.

PROPOSED DEVELOPMENT:

The developer has requested to purchase the land for a 2 phase development. The total amount of land being acquired for Phase I is 83,580 sq. ft. This will allow for the construction of the first phase of development to begin in July 2005. Phase II will be conveyed at a later date.

Bryant Lofts, LLC propose to construct 54 2-story townhouse units in 9 buildings 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. The project commonly referred to as Urban Village, will be named Track 29 Uptown. Phase I Track 29 Uptown will consist of the following:

<u>#Units</u>	<u>Size</u>	<u>Estimated Sales Price Per Unit</u>
18 1 bedrooms	1,208 sq. ft.	\$302,000
12 2 bedrooms	1,384	\$346,000
6 2 bedrooms	1,570	\$392,000
6 2 bedrooms	1,491	\$372,000
12 2 bedrooms	1,536	\$384,000

Also, the developer intends to construct a 3 bedroom single family home on the parcel at 811 – 28th Street West. The selling price is anticipated to be \$485,000 with approximately 1,850 sq. ft. (See attached data worksheet).

The Urban Village project has been in development for over five 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 costs of the project is estimated to be \$17,054,596. The general contractor is Rochon Corporation.

LAND DISPOSITION POLICY:

This assemblage consists of buildable lots 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 for Phase I 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:

Negotiated.

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.

REFERRED TO (NAME OF) COMMITTEE:
DATE:

**RESOLUTION
of the
CITY OF
MINNEAPOLIS**

By _____

**Authorizing sale of land
Track 29 Uptown
Disposition Parcel No. UV-5A & B, 7, 8A & 9**

Whereas, the City of Minneapolis, hereinafter known as the City, has received offers to purchase and develop Disposition Parcels UV-5A & B, 7, 8A & 9, in the Lyndale/Lake & Lowry Hill neighborhood, from Bryant Lofts, LLC, hereinafter known as the Redeveloper, the Parcels UV-5A & B, 7, 8A & 9, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

(See Exhibit A Attached Hereto)

Whereas, the Redeveloper has offered to pay the sum of \$1,044,750 (\$12.50 per sq. ft.), for Parcels UV-5A & B, 7, 8A & 9 to the City for the land, and the Redeveloper's proposals are 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 values reviewed by an appraisal expert, stating that the re-use value opinions are consistent with the accepted methods in aiding the City in determining a re-use value for the Parcels; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on April 8, 2005, a public hearing on the proposed sale was duly held on April 19, 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 values for uses in accordance with the Track 29 Uptown plan, as amended, is hereby estimated to be the sum of \$1,044,750 (\$12.50 per sq. ft.) for Parcels UV-5A & B, 7, 8A & 9.

Be It Further Resolved that the acceptance of the offers and proposals are 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 parcels in accordance with the Redevelopment Plan and/or Program.

Be It Further Resolved that the proposals be and the same are 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.

Certified as an official action of the City Council:

RECORD OF COUNCIL VOTE (X INDICATES VOTE)													
COUNCIL MEMBER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN	COUNCIL MEMBER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN
President Ostrow							Goodman						
							Lilligren						
Zerby							Schiff						
Samuels							Niziolek						
Johnson							Benson						
Johnson Lee							Colvin Roy						
Zimmermann							Lane						

PASSED _____
 VETOED _____

APPROVED NOT APPROVED

DATE

ATTEST _____

CITY CLERK

WARD 10

Address: 2813 Bryant Av S (UV-5A), 12,105 sf

811-28th St W (UV-5B), 4,380 sf

2817 Bryant Av S (UV-7), 28,353 sf

2824 Aldrich Av S (UV-8A), 34,045 sf

2808-10 Aldrich Av S (UV-9), 6,052 sf

Zoned: R5

