

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF MINNEAPOLIS
AND
MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY
(Excess Right of Way Property Disposition)**

THIS MEMORANDUM OF UNDERSTANDING is made this _____ day of _____ 2002 by and between the CITY OF MINNEAPOLIS, a Minnesota municipal corporation, acting through its DEPARTMENT OF PUBLIC WORKS (“City”), and the MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY, a Minnesota public body corporate and politic (“MCDA”).

WHEREAS, from time to time the City identifies excess right of way property to be sold, including State of Minnesota Transportation Department highway turnback property (“Excess Property”); and

WHEREAS, the MCDA has certain expertise in marketing, selling, and developing real property; and

WHEREAS, the City has experienced an increased interest from potential purchasers of this Excess Property; and

WHEREAS, the City wishes to use the MCDA’s expertise in marketing and disposing of the Excess Property as further described in this Agreement; and

WHEREAS, the parties wish to establish a procedure in lieu of the normal procedures for disposing of the Excess Properties that would maximize each parcel’s potential benefit to the City of Minneapolis;

NOW, THEREFORE, it is understood by and between the parties hereto that:

**ARTICLE I
CREATION OF EXCESS PROPERTY LIST**

1. From time to time, the City’s Public Works Department’s Right of Way Section shall prepare and deliver a list of Excess Properties it has identified as appropriate for disposition (the “Excess Property List”). The following information shall be included in the Excess Property List:
 - (a) Street address;
 - (b) Property identification number;
 - (c) Legal description;
 - (d) Lot dimensions and lot square footage;
 - (e) Building square footage (if applicable);

- (f) GIS aerial map and property map or survey;
 - (g) Brief description of current property use and characteristics;
 - (h) Zoning designation;
 - (i) Pending or levied assessments; and
 - (j) Preliminary estimate of value obtained from either the City Assessor, the Hennepin County property tax records, professional appraisals, adjacent property values, or recent or prior sales data.
2. The Excess Property List shall be delivered to the City Engineer for a designation that the properties are no longer needed for their current or other public purpose as well as a recommendation as to whether the Excess Properties should be sold.
 3. The Excess Property List shall also be delivered to the City Planning Commission (and with respect to properties containing a structure, the Heritage Preservation Commission) for review and comment regarding the potential uses of the properties.
 4. Any property not in compliance with sections 2 and 3 of this article shall not be included on the Excess Property List.
 5. The City Engineer shall not be limited by this Agreement in the disposition of any property under his jurisdiction and may dispose of such properties as provided by City Ordinance.

**ARTICLE II
MCDA MARKETING RECOMMENDATIONS**

1. Upon City Planning Commission and City Engineer review and approval of the Excess Property List, the Excess Property List shall be forwarded to the MCDA.
2. MCDA shall review the Excess Property List and make written recommendations as to a marketing strategy for each property. Suggested marketing strategies may include, but are not limited to, the following:
 - (A) Conveyance to the MCDA for development purposes and disposition in accordance with the MCDA Real Property Disposition Policy;
 - (B) City sale using one or more of the following marketing strategies;
 - (i) Sale to highest bidder;
 - (ii) Negotiated sale with an adjacent property owner; or
 - (iii) Broker sale.

**ARTICLE III
PROPERTY APPROPRIATE FOR DEVELOPMENT USE**

If the recommendation for a specific Excess Property parcel is that the parcel is appropriate for development purposes, the MCDA shall propose the terms upon which the parcel would be conveyed to the MCDA for marketing as development property and subsequently disposed of in accordance with the MCDA Real Property Disposition Policy. The City's Department of Public Works Right of Way Section would then seek Permanent Review Committee and City Council/Mayor review of such proposal. If approval of the recommendation is granted, such conveyance would be exempt from the provisions of Chapter 14.120 and 22.180 of the Minneapolis Code of Ordinances (governing the sale of public land) because the land would be sold by the MCDA for redevelopment purposes in accordance with its Real Property Disposition Policy.

**ARTICLE IV
MCDA MARKETING ASSISTANCE**

1. If the recommendation for a specific Excess Property parcel is that either it should be sold to the highest bidder or through a negotiated sale to an adjacent property owner or through a broker, or some combination of strategies, the City's Department of Public Works Right of Way Section will obtain a property valuation that has been certified by the City Assessor and seek Permanent Review Committee and, subsequently, City Council/Mayor approval of the recommended marketing strategy. Upon City Council approval, the MCDA shall act as the marketing agent for the City. In such capacity, the MCDA will undertake the following activities, as appropriate, on behalf of the City:
 - (a) Provide staff to coordinate the marketing and disposition of the parcel.
 - (b) Provide staff to draft and review sale documents.
 - (c) Retain a title insurance company to prepare a title commitment binder for the property, if necessary.
 - (d) Retain a broker if the approved method of marketing is broker sale.
 - (e) Obtain an ALTA survey of the Site, if necessary.
 - (f) Obtain environmental testing of the site, if necessary.
 - (g) Obtain other third-party professional services as requested in writing by the City pursuant to existing budgetary authority.
 - (h) Circulate purchase offers through the MCDA designated neighborhood group for review and comment.
 - (i) Prepare reports and resolutions to Community Development Committee of the City Council for land sale authorization.
2. The City agrees to:
 - (a) Provide appropriate direction to the MCDA staff.

Minneapolis, MN 55415
Attention: Right of Way Section

It to the MCDA: Minneapolis Community Development Agency
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401
Attention: Real Estate Division

APPROVED AS OF THE DATE FIRST WRITTEN ABOVE:

CITY OF MINNEAPOLIS

By _____
Mayor

Countersigned _____
Assistant Finance Officer

Approved:

David J. Sonnenberg, City Engineer
Director of Public Works

Approved as to form for City:

Assistant City Attorney

**MINNEAPOLIS COMMUNITY
DEVELOPMENT AGENCY**

By _____
Paul T. Fuchs
Director of Administrative Services

Approved as to form for MCDA:

Assistant City Attorney