

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

May 16, 2006

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Land Sale Public Hearing
Harrison Renewal Plan

Recommendation: Approve the sale of 419 Logan Avenue North to Jay D. Nord for \$20,000, 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 approval of the CPED Director.

Previous Directives: CPED acquired 419 Logan Avenue North on September 9, 1988.

Prepared or Submitted by: Edith Johnson, Senior Project Coordinator
Phone 612-673-5262

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

Permanent Review Committee (PRC) Approval _____ **Not Applicable** X

Presenters in Committee: Edith Johnson, Senior Project Coordinator

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
- Action requires an appropriation increase to the _____ Capital Budget or _____ Operating Budget.
- Action provides increased revenue for appropriation increase.
- Action requires use of contingency or reserves.
- Business Plan: Action is within the plan. Action requires a change to plan.

Other financial impact (Explain): Eliminate property management costs.
 Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

Ward: 5

Neighborhood Notification: Harrison Neighborhood Association (HNA) reviewed this proposal and recommended it be approved.

City Goals: Foster the development and preservation of a mix of quality housing types that is affordable, meets current needs, and promotes future growth.

Comprehensive Plan: The land sale was reviewed by the Planning Commission for consistency with the Comprehensive Plan on May 8, 2006. The Commission's minutes show that the sale of the parcel for single family housing development is consistent with the plan.

Zoning Code: R1A

Other: Proposed elevations and site plans were submitted to planning and zoning staff for review and comments. Staff comments show that the parcel is buildable and is suitable for the proposed use.

Background/Supporting Information Attached

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
HAR 17-17	419 Logan Avenue North	\$20,000

PURCHASER

Jay D. Nord
6440 County Road 110 West
Minnetrista, MN 55364

PROPOSED DEVELOPMENT:

Construction of a 2-story single family home containing 3 bedrooms, 2 ½ bathrooms, approximately 1,640 square feet of finished living space, unfinished full basement and two-car detached garage.

The developer estimates the after construction value and sales price at \$209,900 and states in his offer documents that the home will be sold to an owner occupant.

The general contractor/builder will be Norse Homes of Ladysmith, Wisconsin.

The lot size is 33'x 126'= 4,158 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

Jay D. Nord has demonstrated sufficient financing for the proposed development project.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

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

COMMENTS:

419 Logan Avenue North was purchased as vacant land. Because of water table concerns in the Harrison neighborhood due to Bassett Creek's previous existence there, American Engineering Testing, Inc, prepared a geotechnical report regarding the soil conditions on the property. Jay D. Nord was informed of the geotechnical report. Generally speaking, the report shows that a single family home with full basement can be constructed on the property with specific soil preparations.

On March 17, 2006, Jay D. Nord submitted to CPED an offer to purchase 419 Logan Avenue North. Staff reviewed the offer and submitted the appropriate documents to Harrison Neighborhood Association (HNA). At HNA's April 2006 housing committee meeting Jay Nord's proposal was supported, with HNA's board support to follow at its May 2006 meeting.

CPED staff concurs with HNA's support of Jay Nord's proposal and recommends the sale of 419 Logan Avenue North to Jay D. Nord for construction of a single family home for sale to an owner occupant.

**Authorizing sale of land
Harrison Renewal Plan
Disposition Parcel No. HAR 17-17**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel HAR 17-17, in the Harrison neighborhood, from Jay D. Nord, hereinafter known as the Redeveloper, the Parcel HAR 17-17, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

HAR 17-17; 419 Logan Avenue North
Lot 4, Block 8, Maben, White and Le Bron's Addition to Minneapolis.

Whereas, the Redeveloper has offered to pay the sum of \$20,000, for Parcel HAR 17-17 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 May 5, 2006, a public hearing on the proposed sale was duly held on May 16, 2006, 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 Harrison Renewal plan, as amended, is hereby estimated to be the sum of \$20,000 for Parcel HAR 17-17.

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 and further subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date this Resolution is approved by the City and 2) payment of holding costs of \$150.00 per month from the date of approval of this Resolution if the land sale closing does not occur on or before 30 days from the date of approval.

Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

Be It Further Resolved that upon publication of this Resolution, 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.