



Request for City Council Committee Action From the Department of Public Works

Date: June 6, 2006
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Subject: **Sale of City-owned Property at 1306 Central Ave NE – Edison Hockey Arena
Conduct Public Hearing and Approve Sale**

Recommendations:

- a.) Conduct a public hearing and approve the sale of the city owned property at 1306 Central Ave NE to the Minneapolis Park & Recreation Board (MPRB) for \$710,000.
- b.) Direct the proper City officers to execute a purchase agreement, a Quit Claim Deed, and any other necessary documents to complete the sale transaction.

Previous Directives:

None

Prepared by: Rebecca Law, Project Manager, CPED, 673-5064

Approved by:

Steven Kotke, P.E., Acting City Engineer/Director of Public Works

Presenter: Steven Kotke, P.E., Acting City Engineer/Director of Public Works
Mike Abeln, Director of Capital and Debt Management

Permanent Review Committee (PRC)	Approval <u> X </u>	Not applicable <u> </u>
Policy review Group (PRG)	Approval <u> </u>	Not applicable <u> X </u>

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
- Business Plan: Action is within the plan. Action requires a change to plan.
- Other financial impact (Explain): Decrease real estate inventory and receive \$710,000 revenue which will be used to pay-off the remaining debt on the property.
- Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Community Impact

Neighborhood Notification: Not Applicable

City Goals: *Preserve and enhance our environmental, economic and social realms to promote a sustainable Minneapolis*

Comprehensive Plan: Conforms

Zoning Code: Conforms

Background/Supporting Information

The City of Minneapolis owns 1306 Central Ave NE which houses the Edison Hockey Arena. In 1996, the City entered into a lease with the Edison Youth Hockey Association (EYHA) to allow that group to operate the facility. EYHA was also required to make monthly payments to reimburse the City for certain capital expenditures. Those payments were used to pay down the City's debt from the facility construction. Unfortunately, EYHA recently defaulted on the payments.

The Minneapolis Park and Recreation Board (MPRB) has agreed to assume ownership of the facility in exchange for paying the City's remaining debt, estimated at \$710,000. The City Assessor's estimate of the property's market value is approximately \$ 2.8 million.

The City Engineer has determined that this property is not required for municipal government services. City Ordinance section 14.120 requires a public hearing before any City-owned real estate is sold. Upon conclusion of today's public hearing, we recommend that your committee approve the sale of 1306 Central Avenue NE to the MPRB and authorize the City Officers or appropriate staff to execute any necessary documents to complete the sale transaction.

cc: Council Member Paul Ostrow, Ward 1

**RESOLUTION
OF THE
CITY OF MINNEAPOLIS
By Colvin Roy and Ostrow**

Approving the sale of 1306 Central Ave NE to the Minneapolis Park and Recreation Board.

Resolved by the City Council of the City of Minneapolis:

That the City-owned property at 1306 Central Avenue NE (also known as the Edison Hockey Arena) be sold to the Minneapolis Park and Recreation Board (MPRB) for approximately \$710,000, according to the Purchase Agreement terms.

Be it Further Resolved that the proper City officers and staff be authorized to execute a purchase agreement, a Quit Claim Deed, and any other necessary documents to complete this transaction.