

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.
- c.) Adopt a resolution, by at least a two-thirds vote that waives the Planning Commission review because this sale has no relationship to the comprehensive municipal plan. This is because after the sale, the property will continue to be publicly-owned and the land use will not change.

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 Re Policy review	eview Committee (PRC) Group (PRG)		Not applicable Not applicableX
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. X 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.

Minnesota Statutes Section 462.356 states that proposed sales of city-owned land be reviewed by the Planning Commission to determine compliance with the comprehensive plan, unless the City Council waives this requirement by at least a two-thirds vote. Staff requests a waiver in this situation since the property will continue to be publicly-owned and the property use will not change after the sale. Waiving the Planning Commission review also allows the sale to close by the end of June and this timing will save significant money for the City.

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.

Be it Further Resolved that the Planning Commission review of this transaction be waived because the City Council finds that this sale has no relationship to the comprehensive plan.