

MEMORANDUM

progress
through
partnership

MCDCA

Document No. 2004-003M

December 2, 2003

REPORT TO THE COMMISSIONERS

Prepared by: Edythe Oliveto Oates, Project Coordinator, Phone 612-673-5229

Approved by: Lee Sheehy, Executive Director
Chuck Lutz, Deputy Executive Director _____

SUBJECT: Land Sale - Public Hearing
Model Cities/Bryant-Regina Urban Renewal Project

<u>PARCEL</u>	<u>ADDRESS</u>
MC 271-10	2929 – 14 th Avenue S.

PURCHASER: The Greater Metropolitan Housing Corporation
of the Twin Cities (GMHC)
15 South 5th Street, Suite 710
Minneapolis, MN 55402

OR

Mohammad K. Thabet
12425 – 53rd St. N.
Stillwater, MN 55082

SALES PRICE: \$19,600

Previous Directives:

The MCDCA acquired this property on March 31, 1980.

Ward: 6

Neighborhood Group Notification:

The Midtown Phillips Neighborhood was sent notice of this development for review and comment. At their October Board meeting Midtown voted to support development of this lot by Mohammed K. Thabet.

Consistency With *Building a City That Works*:

The sale of this property is consistent with *Building a City That Works*, Goal 2: Ensure that an array of housing choices exists to meet the needs of our current residents and attract new residents to the city; Goal 3: Support strong and diverse neighborhoods where people choose to live.

Comprehensive Plan Compliance:

This Redevelopment is consistent with the Comprehensive Plan as shown on the Land Use Map and in conformance with the Model Cities relating to this community.

Zoning Code: R2B

Buildable Lot Buildable with Variance Non Buildable Lot

Impact on MCDA Budget:

The sale of this property will eliminate future property management maintenance expenditures.

Living Wage/Business Subsidy: N/A

Job Linkage: N/A

Affirmative Action Compliance: N/A

Recommendation:

The Deputy Executive Director recommends the sale of this property to The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC).

PROPOSED DEVELOPMENT:

The lot size is 34' X 128' = 4,372 total square feet.

Developer	Bedrooms	Bathrms	Garage	total Sq. Ft.	Price
Mohammad K. Thabet	3	2	2 car	1,407	\$205,000
GMHC	3	3	2 car	1,775	\$210,000

LAND DISPOSITION POLICY:

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

FINANCING*:

Private: Mohammad K. Thabet (Franklin Bank)
 GMHC (GMHC Century Homes Program)

*Subject to final application and underwriting requirements.

OFFERING PROCEDURE:

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

COMMENTS:

Midtown Phillips Housing Committee met on Tuesday October 28, 2003 and reviewed all of the proposals for this lot. Each of the developers made a presentation and answered questions regarding their development proposals. The neighborhood wanted to provide each developer with an opportunity to construct a home in the neighborhood therefore they supported Mohammad K. Thabet for development of this lot.

At this time the Agency has not had any experience working with this developer in the capacity of new construction although AA Contracting regularly participates in our HOW Program. Mr. Thabet indicated in his offer that he is currently constructing several homes for Project for Pride in Living (PPL). At this time staff has inquired with PPL as to their experience with Mr. Thabet. At this time 4 of the 5 homes he is constructing are in the beginning stages of construction. One of the homes, 2014 Elliot Ave. is complete and is satisfactory. Staff believes that, due to the lack of experience with Mr. Thabet in the area of new construction that it would be prudent to reject Mr. Thabet's offer of this lot. Staff believes that, once he has completed more of the work with PPL it would be appropriate to consider future proposals from Mr. Thabet. Due to the partnership that the Agency has with GMHC on the Century Homes program it is anticipated that the Agency would receive approximately \$6,580 in profits on this project. Staff is recommending the sale of this property to GMHC.

RECOMMENDATION:

The Deputy Executive Director recommends the sale of this property to The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC).

No. 2004-2867M
RESOLUTION

of the

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By _____

Authorizing Sale of Land
Model City/Bryant-Regina Urban Renewal Project
Disposition Parcel No. MC 271-10

WHEREAS, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received an offer to purchase and develop Disposition Parcel MC 271-10, in the Phillips neighborhood, from The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC), hereinafter known as the Redeveloper, the Parcel MC 271-10, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 15, Block 2, Wm. H. Eustis' Addition to Minneapolis.

WHEREAS, the Redeveloper has offered to pay the sum of \$19,600, for Parcel MC 271-10 to the Agency 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 Agency a statement of financial responsibility and qualifications; and

WHEREAS, the Agency 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 Agency in determining a re-use value for the Parcel; and

WHEREAS, pursuant to due notice thereof published in *Finance and Commerce* on November 21, 2003, a public hearing on the proposed sale was duly held on December 2, 2003, following 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, that the re-use value for uses in accordance with the Model City/Bryant-Regina Urban Renewal Project plan, as amended, is hereby estimated to be the sum of \$19,600 for Parcel MC 271-10, and

BE IT FURTHER RESOLVED, that the acceptance of the offer and proposal is hereby determined to be in accordance with the Agency's approved disposition program 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; and

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. Furthermore, that the Executive Director or other appropriate official of the Agency 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 Executive Director or other appropriate official of the Agency; and

BE IT ALSO FURTHER RESOLVED, that the Chairman and Secretary, or any other two Commissioners of the Agency, are 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 Agency 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 Chairman and Secretary, or any other two Commissioners of the Agency.

RECORD OF COMMISSIONER VOTE													
Commissioner	Aye	Nay	NV	Abs	Ovrd	Sust	Commissioner	Aye	Nay	NV	Abs	Ovrd	Sust
Benson							Ostrow						
Colvin Roy							Samuels						
Johnson							Schiff						
Johnson Lee							Zerby						
Lane							Zimmermann						
Lilligren							Goodman, chair						
Niziolek													
Vote: NV - Not Voting			Abs - Absent			Ovrd - Vote to Override			Sust - Vote to Sustain				

ADOPTED _____:

Chairperson

APPROVED
NOT APPROVED _____:

Mayor

Address: 2929-14th Avenue South

Parcel: MC 271-10

Purchaser: The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC) OR
Mohammad K. Thabet

Sq. Footage: 4,372

Zoning: R2B

WARD 6

