

Request for MCDA Board of Commissioners Action From the Department of Community Planning & Economic Development

Date:	September 28, 2004							
Го:	Council Member Lisa Goodman, Community Development Committee							
Prepared by: Presenter in	Tiffany Glasper, Project Coordinator III, Phone 612-673-5221 Committee: Tiffany Glasper, Project Coordinator III							
Approved by	Chuck Lutz, Deputy CPED Director Elizabeth Ryan, Interim Director of Housing Policy & Development							
Subject:	Land Sale – Public Hearing McKinley – Vacant Housing Recycling							
RECOMMENDATION: Approve the sale of 3714 Bryant Avenue North to Natural Homes by John Pastuck for \$27,500. Previous Directives: MCDA acquired 3714 Bryant Avenue North on July 21, 1995.								
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 X Other financial impact (Explain): Sale of this parcel will eliminate future property management expenses. Request provided to the Budget Office when provided to the Committee Coordinator								
Community	Import							
Community Ward								

Neighborhood Notification: McKinley Community's Housing Issue Group reviewed the proposal presented by John Pastuck on August 12, 2004 and recommended it be approved. The competing developer, William Turner of Integrity Works, Inc. was not present at the August 12 meeting.

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

Comprehensive Plan: Chapter 4, Section 4.9 states "Minneapolis will grow by increasing its supply of housing" and Section 4.11 states "Minneapolis will improve the availability of housing options for its residents." Also this area is designated for low density housing in accordance with the Land Use Policy Map.

Zoning Code: Complies. 3714 Bryant Avenue North is zoned R1A.

Living Wage/Job Linkage: NA

Other: Elevations and site plans were submitted to CPED Planning staff for review and comment.

BACKGROUND/SUPPORTING INFORMATION:

PARCELADDRESSSALE PRICEMcKly 3 – 123714 Bryant Avenue North\$27,500

PURCHASER

John Pastuck d/b/a Natural Homes by John Pastuck 20345 Excelsior Boulevard Shorewood, MN 55331

Integrity Works, Inc. 5109 Humboldt Avenue North Minneapolis, MN 55430

MCDA acquired 3714 Bryant Avenue North from HUD on July 21, 1995. The parcel contained a vacant and blighted structure. The lot size is 40' X 126' = 5,040 sq. ft.

PROPOSED DEVELOPMENT:

John Pastuck is proposing construction of a split-level single family home with an attached, two-car garage. The home will contain two bedrooms, one bathroom and a total of approximately 1,200 sq. ft. of finished living space. The developer estimates the value upon completion at \$200,000 and it will be sold to an identified owner-occupant. The proposed owner-occupant intends to complete the lower level potentially making this a four bedroom, two bath single family home.

<u>William Turner d/b/a Integrity Works, Inc.</u> is proposing construction of a two-story, single family home with a detached, two-car garage. The home will contain three bedrooms, two and a half bathrooms and a total of approximately 1,100 sq. ft. of finished living

space. The developer estimates the value upon completion at \$205,000 and it will be sold to an owner-occupant.

LAND DISPOSITION POLICY:

This lot is buildable as defined by CPED's policy.

FINANCING:

The proposing developers have demonstrated sufficient financing for the proposed new construction projects.

OFFERING PROCEDURE:

Public advertisement. The sale price reflects the appraised reuse value for this parcel.

COMMENTS:

3714 Bryant Avenue North has been available to the public via our web site since approximately 1998.

CPED staff received competing development proposals from Natural Homes by John Pastuck and William Turner d/b/a Integrity Works, Inc. for the redevelopment of 3714 Bryant Avenue North. Proposals were received in response to a public advertisement appearing in the Star Tribune and Finance & Commerce.

John Pastuck has successfully completed new construction projects for us in the past, specifically in relation to the redevelopment along the Hiawatha Corridor. CPED staff has not done business with William Turner d/b/a Integrity Works, Inc. before.

John Pastuck and the proposed owner-occupant attended the August 12, 2004 meeting of McKinley Community's Housing Issue Group to present their proposal. William Turner did not attend the meeting. Members present recommended approval of the proposal submitted by John Pastuck.

Staff conducted a formal, professional review of the proposals and supports the neighborhood's recommendation. Staff also spoke with the proposed owner-occupant to discuss some minor changes to the facades, including additional windows on the north and east elevations. The proposed owner-occupant and Mr. Pastuck were receptive to these suggestions and have agreed to accommodate.

RESOLUTION

of the

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

Ву			
-	-		

Authorizing Sale of Land Vacant Housing Recycling Program-McKinley Disposition Parcel No. Mckly 3-12

WHEREAS, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received an offer to purchase and develop Disposition Parcel Mckly 3-12, in the McKinley neighborhood, from John Pastuck d/b/a Natural Homes by John Pastuck, hereinafter known as the Redeveloper, the Parcel Mckly 3-12, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 19, Block 2, Walton Park.

Being registered land as is evidenced by Certificate of Title No. 828042.

WHEREAS, the Redeveloper has offered to pay the sum of \$27,500, for Parcel Mckly 3-12 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 September 17, 2004, a public hearing on the proposed sale was duly held on September 28, 2004, 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 Vacant Housing Recycling Program-McKinley plan, as amended, is hereby estimated to be the sum of \$27,500 for Parcel Mckly 3-12, 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,						
Niziolek							chair						
Vote: NV - Not Voting Abs - Absent Ovrd - Vote to Override Sust - Vote to Sustain													

ADOPTED	
	Chairperson
APPROVED	·
NOT APPROVED	
VETOED	Mayor

Minneapolis Community Development Agency Crown Roller Mill, 105 Fifth Ave. S. Minneapolis, MN 55401

RESOLUTION

of the

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Vote:	Vote: NV - Not Voting Abs - Absent Ovrd - Vote to Override Sust - Vote to Sustain												

ADOPTED	
	Chairperson
APPROVED	·
NOT APPROVED	
VETOED	Mayor

Minneapolis Community Development Agency Crown Roller Mill, 105 Fifth Ave. S. Minneapolis, MN 55401