



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

Date: March 23, 2004

To: MCDA Board of Commissioners

Prepared by Edith Johnson, Phone 612-673-5262
Presenter in Committee: Edith Johnson, Project Coordinator

Approved by: Chuck Lutz, Deputy CPED Director _____
Lee Pao Xiong, Director, Housing _____

Subject: Land Sale-Public Hearing
Willard Homewood Urban Renewal Project

RECOMMENDATION: Approve the sale of 1340 Logan Avenue North and 1344 Logan Avenue North to Family Place Home Builders, LLC, for \$17,500 each parcel.

Previous Directives: MCDA acquired 1340 Logan Avenue North on May 26, 1995 and acquired 1344 Logan Avenue North on April 10, 1989.

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
- Other financial impact (Explain): Will eliminate future property management expenditures.
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact

Ward: 5
Neighborhood Notification: Northside Residents Redevelopment Council reviewed the proposal and recommended the properties be sold to Family Place Home Builders, LLC.
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: R1A
Living Wage/Job Linkage: N/A
Other:

BACKGROUND/SUPPORTING INFORMATION:

PARCEL

ADDRESS

SALE PRICE

TF-177	1340 Logan Avenue North	\$17,500
WH 81-1	1344 Logan Avenue North	\$17,500

PURCHASER: Family Place Home Builders, LLC
2150 Decatur Avenue North
Golden Valley, MN 55427

PROPOSED DEVELOPMENT:

1340 Logan Avenue North:

The developer is proposing to construct a two-story single-family home with 3 bedrooms, including a main floor master bedroom, 2 baths, living room, dining room, kitchen, unfinished basement and a detached two-car garage. There will be approximately 1,700 square feet of finished living space. Total development cost is estimated at \$185,000, with developer's estimated value after construction of \$200,000. The lot size is 39' x 125' = 4,875 square feet.

1344 Logan Avenue North:

The developer is proposing to construct a two-story single-family home with 3 bedrooms, 1 ½ baths, living room, family room, kitchen with eating area, mud room, unfinished basement and a detached two-car garage. There will be approximately 1,600 square feet of finished living space. Total development cost is estimated at \$178,000, with developer's estimated value after construction of \$200,000. The lot size is 39' x 125' = 4,875 square feet.

LAND DISPOSITION POLICY:

These properties are buildable lots as defined by MCDA policy and are being sold for development.

FINANCING:

Family Place Home Builders, LLC has secured a pre-approved private financing commitment, which is subject to final application and underwriting requirements.

OFFERING PROCEDURE:

Public Advertisement. The sales price of the properties does reflect the full reuse values.

COMMENTS:

Family Place Home Builders, LLC is trying to make homes affordable to persons who may want to purchase a home, but can't afford higher or market rate prices. Family Place Home Builders will market and sell both homes to owner occupants. Willenbring Companies, Incorporated, will be the general contractor/builder of the two single-family homes.

1340 Logan Avenue North

MCDA acquired 1340 Logan Avenue North on May 26, 1995 as tax forfeited vacant land.

1344 Logan Avenue North

MCDA acquired 1344 Logan Avenue North on April 10, 1989 as a dilapidated, vacant and boarded 1 ½ story single-family home that was later demolished due to unreasonably high rehabilitation cost.

RESOLUTION

of the

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By _____

Authorizing Sale of Land
Willard-Homewood Urban Renewal Project
Disposition Parcel No's TF-177 & WH 81-1

WHEREAS, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received offers to purchase and develop Disposition Parcels TF-177 & WH 81-1, in the Willard-Homewood neighborhood, from Family Place Home Builders, LLC, hereinafter known as the Redeveloper, the Parcels TF-177 & WH 81-1, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

1340 Logan Ave. N. (TF-177)

Lot 17, Block 3, Crepeau's Fourth Addition to Minneapolis.

Being registered property as is evidenced by Certificate of Title No. 827683.

1344 Logan Ave. N. (WH 81-1)

Lot 18, Block 3, Crepeau's Fourth Addition to Minneapolis.

WHEREAS, the Redeveloper has offered to pay the sum of \$17,500 (ea. parcel), for Parcels TF-177 & WH 81-1 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 values reviewed by an appraisal expert, stating that the re-use value opinions are consistent with the accepted methods in aiding the Agency in determining re-use values for the Parcels; and

WHEREAS, pursuant to due notice thereof published in *Finance and Commerce* on March 12, 2004, a public hearing on the proposed sale was duly held on March 23, 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 values for uses in accordance with the Willard-Homewood Urban Renewal Project plan, as amended, is hereby estimated to be the sum of \$17,500 (ea. parcel) for Parcels TF-177 & WH 81-1, and

BE IT FURTHER RESOLVED, that the acceptance of the offers and proposals are 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 proposals be and the same are 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 _____

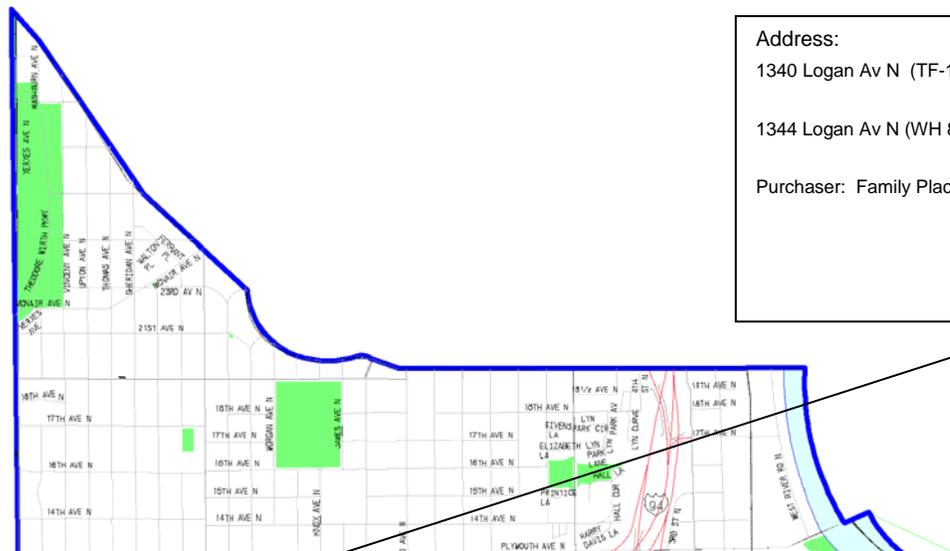
APPROVED _____
 NOT APPROVED _____
 VETOED _____

_____ Chairperson

_____ Mayor

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

WARD 5



Address:
 1340 Logan Av N (TF-177); 4,875 sf.; zoned: R1A
 1344 Logan Av N (WH 81-1); 4,875 sf.; zoned: R1A
 Purchaser: Family Place Home Builders, LLC