

**Request for City Council Committee Action**  
**From the Department of Community Planning & Economic Development**

**Date:** July 27, 2004

**To:** Council Member Lisa Goodman, Community Development Cmte

**Prepared by:** Dollie Crowther, Senior Housing Project Coordinator, Phone 612-673-5263

**Presenter in Committee:** Dollie Crowther, Senior Housing Project Coordinator

**Approved by:** Chuck Lutz, Deputy CPED Director \_\_\_\_\_  
Lee Pao Xiong, Director, Housing \_\_\_\_\_

**Subject:** **Land Sale – Public Hearing**  
**Franklin Portland Phase III – The Wellstone**

**RECOMMENDATION:** Authorize the sale of 616 E. Franklin and 620 E. Franklin Avenue to Central Community Housing Trust of Minneapolis (CCHT) for the Development of Franklin Portland Gateway Phase III - The Wellstone Project

**Previous Directives:** 616 East Franklin was acquired on June 5, 1997 and 620 East Franklin was acquired on December 11, 1997. Each parcel is 48' x 153' = 7,344 sq. feet.

**Financial Impact** (Check those that apply)

- No financial impact - or - Action is within current department budget.  
(If checked, go directly to next box)
- 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): Sale of these parcels will eliminate future property management expenses.
- Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact** (Summarize below)

**Ward:** 6

**Neighborhood Notification:** Ventura Village approved this project for development on February 13, 2001.

**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:** 4.91. Minneapolis will grow by increasing its supply of housing. 4.15 Minneapolis will carefully identify project sites where housing redevelopment and/or housing revitalization are the appropriate responses to neighborhood conditions and market demands.

**Zoning Code:** Project will comply. 3CA

**Living Wage/Job Linkage:** Not applicable.

## **BACKGROUND/SUPPORTING INFORMATION**

<b><u>Parcels</u></b>	<b><u>Sales Price</u></b>	<b><u>Address</u></b>
<b>TF403</b>	<b>\$55,080</b>	<b>616 E. Franklin Avenue</b>
<b>TF404</b>	<b>\$55,080</b>	<b>620 E. Franklin Avenue</b>

The Franklin-Portland Gateway (Gateway) is a collaborative partnership between the Central Community Housing Trust of Minneapolis (CCHT) and Hope Community (Hope) to redevelop the intersection of Franklin Avenue and Portland Avenue, located in the Ventura Village neighborhood.

The Gateway project is a quality mixed-income, mixed use project designed to provide family-friendly, pedestrian friendly and green oriented places to live and work. The Gateway project in its entirety will include approximately 270 units of housing including rental and homeownership and commercial/retail space.

Phase I has closed and is occupied. Phase II, The Jourdain, is anticipated to close early Fall of 2004. Phase III, The Wellstone, located at the northeast corner of the Franklin-Portland intersection is the next phase of the Gateway development.

## **PROPOSED DEVELOPMENT**

Phase III, The Wellstone, is located at 1931 Portland to 634 East Franklin Avenue. (The Northeast corner of the Franklin/Portland intersection). This development will feature sixty-seven (67) units of housing, with fifty-four (54) units of mixed income rental and thirteen (13) homeownership units. Rental units will range from studios to 3 bedroom townhome style family units. Of the 54 rental units, 21 are priced with rents at 50% of area median income AMI with the remaining 33 units priced at market rate. The homeownership units range in size from one and two bedroom flats, to three bedroom, two-level townhome style units. Sales price will range from \$128,000-\$214,000, with some additional soft-second mortgage financing to enable 60%-80% AMI purchasers the ability to purchase. Resident parking will be provided via a below grade parking garage.

The Wellstone will also have approximately 10,000 square feet of retail/office space, clustered primarily at the SW corner of the building extending north along Portland Avenue. The Gateway partners are working with multiple prospective tenants for the commercial/retail space.

### **LAND DISPOSITION POLICY**

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

### **FINANCING**

Significant resources are presently committed to Phase III and CCHT and Hope are working to capitalize the remaining funding in order to close in early 2005. MHFA CRV Funds are committed for The Wellstone homeownership and a conditional commitment from Glaser Financial for first mortgage financing is anticipated, (supported by Entitlement Housing Revenue Bonds).

- See Project Data Worksheet

### **OFFERING PROCEDURE**

Negotiated. The sales price for these parcels reflect the re-use value.

### **COMMENTS**

Both parcels were acquired from Hennepin County through tax forfeiture and were purchased for \$1 each.



# RESOLUTION

of the

## MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By \_\_\_\_\_

Authorizing Sale of Land  
Franklin Portland Phase III-The Wellstone  
Disposition Parcel No's TF-403 & 404

**WHEREAS**, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received an offer to purchase and develop Disposition Parcels TF-403 & 404, in the Ventura Village neighborhood, from Central Community Housing Trust of Minneapolis (CCHT), hereinafter known as the Redeveloper, the Parcels TF-403 & 404, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

### LEGAL DESCRIPTION

616 E. Franklin Avenue (TF-403)  
Lot 5, Hamlin's Addition to Minneapolis.

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

620 E. Franklin Avenue (TF-404)  
Lot 6, Hamlin's Addition to Minneapolis.

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

**WHEREAS**, the Redeveloper has offered to pay the sum of \$55,080 (ea. parcel), for Parcels TF-403 & 404 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 July 16, 2004, a public hearing on the proposed sale was duly held on July 27, 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 Franklin Portland Phase III-The Wellstone plan, as amended, is hereby estimated to be the sum of \$55,080 (ea. parcel) for Parcels TF-403 & 404, 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 parcels 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,						
Niziolek							chair						
Vote: NV - Not Voting				Abs - Absent			Ovrd - Vote to Override			Sust - Vote to Sustain			

**ADOPTED** \_\_\_\_\_ . \_\_\_\_\_ .  
**APPROVED** \_\_\_\_\_ . \_\_\_\_\_ .  
**NOT APPROVED** \_\_\_\_\_ . \_\_\_\_\_ .  
**VETOED** \_\_\_\_\_ . \_\_\_\_\_ .

**Chairperson**  
**Mayor**

Address: 616 E Franklin (TF-403); 7,344 sf; zoned:  
620 E Franklin (TF-404); 7,334 sf; zoned:

Purchaser: Central Community Housing Trust of  
Minneapolis (CCHT)

# WARD 6

