



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

Date: May 18, 2004

To: MCDA Board of Commissioners

Prepared by Tiffany Glasper, Project Coordinator III, Phone 612-673-5221  
Presenter in Committee: Tiffany Glasper, Project Coordinator III

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

**Subject:** Land Sale – Public Hearing  
Jordan – Vacant Housing Recycling Program

**RECOMMENDATION:** Approve sale of 2108 Fremont Avenue North to Global Construction & Investment Co., Inc. for \$16,900.

**Previous Directives:** MCDA acquired 2108 Fremont Avenue North on April 7, 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
- 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 Impact**

Ward: 3

Neighborhood Notification: Jordan Area Community Council's Housing Committee reviewed the proposal presented by Global Construction on April 6, 2004 and recommended delaying action on their proposal.

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. 2108 Fremont Avenue North is zoned R2B.

Living Wage/Job Linkage: NA

Other: None

### **BACKGROUND/SUPPORTING INFORMATION:**

<b><u>PARCEL</u></b>	<b><u>ADDRESS</u></b>	<b><u>SALE PRICE</u></b>
JOR 106 – 8	2108 Fremont Avenue North	\$16,900

#### **PURCHASER**

Global Construction & Investment Co., Inc.  
4521 Orchard Avenue North  
Robbinsdale, MN 55422

MCDA acquired 2108 Fremont Avenue North from HUD on April 7, 1995. The parcel contained a vacant and blighted structure. The lot size is 40' x 157' = 6,280 sq. ft.

### **PROPOSED DEVELOPMENT:**

**Global Construction & Investment Co., Inc.** 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 1,600 sq. ft. of finished living space. The home’s estimated value upon completion is \$195,000 and it will be sold to an owner-occupant.

### **LAND DISPOSITION POLICY:**

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

### **FINANCING:**

As of the writing of this report, Global Construction & Investment Co., Inc. has not demonstrated sufficient financing for the proposed new construction project. The developer has submitted a financing approval letter from Main Street Bank for the purchase of the lot, but no evidence of construction financing. Staff have communicated with the developer regarding what is required and a satisfactory financing commitment is forthcoming.

### **OFFERING PROCEDURE:**

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

**COMMENTS:**

CPED staff received a development proposal from Global Construction & Investment Co., Inc. for the redevelopment of 2108 Fremont Avenue North. There were no competing offers.

2108 Fremont Avenue North has been available to the public via our web site since December 1999.

Global Construction & Investment Co., Inc. is a corporate entity owned by Global Realty, a licensed real estate brokerage with whom CPED/MCDA has not previously done business. Global Construction & Investment Co., Inc. has experience in both rehabilitation and new construction associated with various projects in the City of Minneapolis. Staff and members of the Jordan Area Community Council are currently working to schedule a tour of some of Global Construction's projects. This will better position the neighborhood group and staff to assess the quality and aesthetics of Global Construction's work and product.

Representatives from Global Construction & Investment Co., Inc. presented their proposal at the April 6, 2004 meeting of the Jordan Area Community Council's Housing Committee. Members of JACC's Housing Committee recommended delaying action on Global Construction's proposal until a tour can be scheduled.

# RESOLUTION

of the

## MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By \_\_\_\_\_

Authorizing Sale of Land  
Vacant Housing Recycling Program-Jordan  
Disposition Parcel No. JOR 106-8

**WHEREAS**, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received an offer to purchase and develop Disposition Parcel JOR 106-8, in the Jordan neighborhood, from Global Construction & Investment Co., Inc., hereinafter known as the Redeveloper, the Parcel JOR 106-8, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

### LEGAL DESCRIPTION

Lot 5, Wyant's Rearrangement of Lots 11, 12, 13 and 14,  
Block 33 in Highland Park Addition to Minneapolis.

**WHEREAS**, the Redeveloper has offered to pay the sum of \$16,900, for Parcel JOR 106-8 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 May 7, 2004, a public hearing on the proposed sale was duly held on May 18, 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-Jordan plan, as amended, is hereby estimated to be the sum of \$16,900 for Parcel JOR 106-8, 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

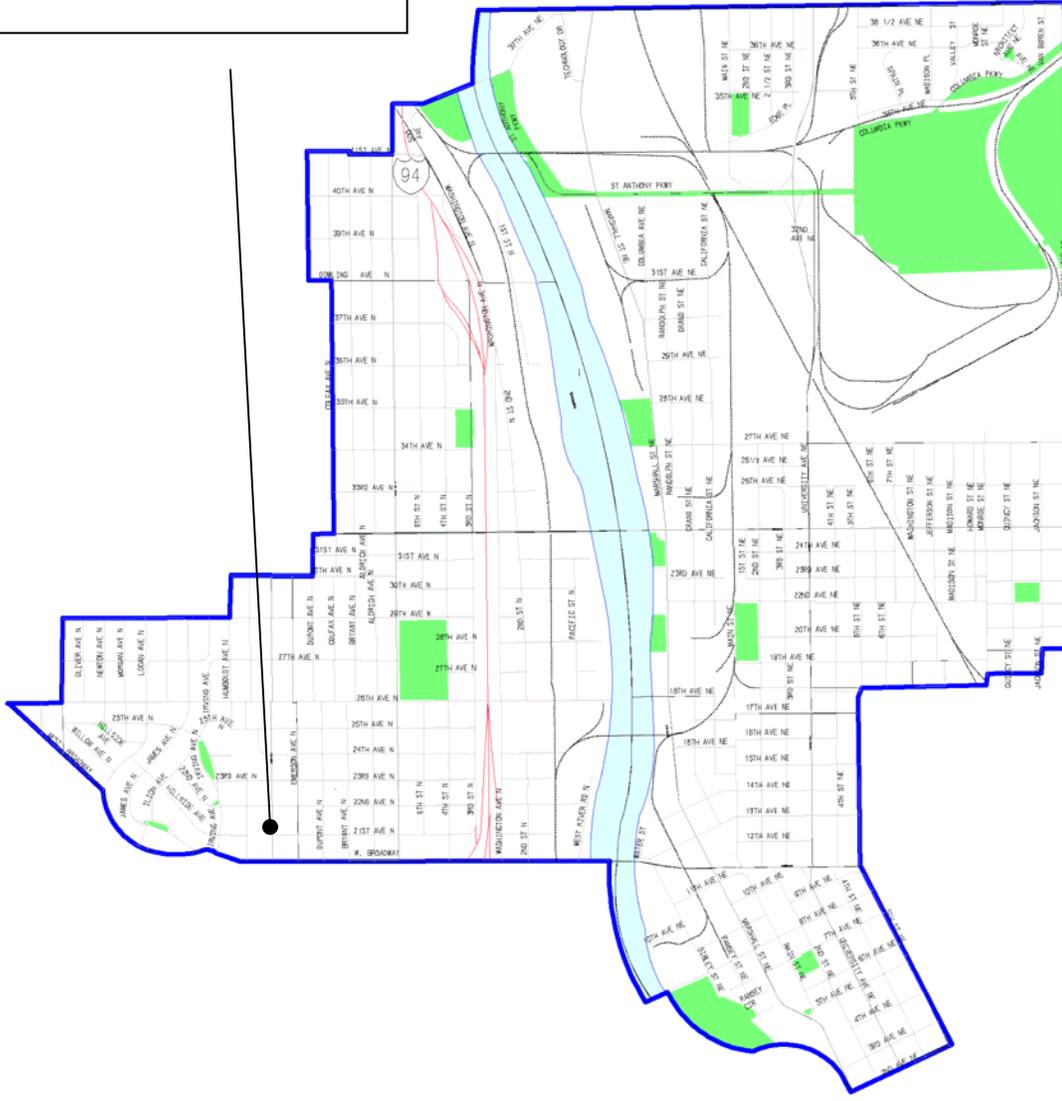
**APPROVED**  
**NOT APPROVED** \_\_\_\_\_.  
**VETOED**

\_\_\_\_\_  
Mayor



Address: 2108 Fremont Avenue North  
Parcel: JOR 106-8  
Purchaser: Global Construction & Investment Co.,  
Sq. Footage: 6,280  
Zoning: R2B

# WARD 3



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