



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

Date: June 22, 2004

To: MCDA Board of Commissioners

Prepared by Edith Johnson, Project Coordinator, 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 2001-21st Avenue North to Willenbring Companies, Inc. for \$43,000.

Previous Directives: The property was acquired on December 18, 2000.

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): Eliminate property management costs.
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact

Ward: 5

Neighborhood Notification: Northside Residents Redevelopment Council's Residential and Commercial Task Force (RCTF) on May 10, 2004, reviewed the proposal and recommended that the developer return in June 2004 with modifications to the plan or another plan that better fit the surrounding area. It was also recommended that the developer use the assistance of NRRC's housing staff to ensure the plans were in line with neighborhood expectations. The developer agreed to the recommendations. On

June 14, 2004, the RCTF voted to support Willenbring Companies, Inc., purchase of the subject property. Additionally, "as agreed upon with the developer, NRRC will continue to work with Willenbring Companies, Inc., to reach a suitable design that is in line with neighborhood standards."

City Goals: Goals 2, Ensure that an array of housing choices exists to meet the needs of our current residents and attract new residents to the city; 3, Support strong and diverse neighborhoods where people choose to live.

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: R2B

Living Wage/Job Linkage: N/A

Other: The city's Community Planning staff reviewed the proposed development for this property and had a concern regarding which street the project should be oriented toward. CPED's Single Family Housing Development and Community Planning staff will review and decide the project's orientation. The lot is considered irregularly shaped. Additionally, the proposed development was submitted to the city's Zoning Department for a preliminary variance review.

Background/Supporting Information:

<u>PARCEL:</u>	<u>ADDRESS</u>	<u>SALES PRICE</u>
TF-592	2001-21 st Avenue North	\$43,000
<u>PURCHASER::</u>	Willenbring Companies, Inc. 1890 Wooddale Drive, #500 Woodbury, MN 55125	

In December 2000, MCDA acquired this property as tax forfeited vacant land.

PROPOSED DEVELOPMENT:

Willenbring Companies, Inc., proposes construction of a two-story, up and down duplex with a detached triple car garage. Each unit will contain 3 bedrooms, 1 bathroom, living room, kitchen, eating area, laundry room, storage closet and full unfinished basement. Each unit will have approximately 1,306 sq. ft. of finished living space.

Willenbring Companies, Inc. estimates the sale price of the home upon completion at \$345,000. Willenbring Companies, Inc. expects to market and sell the duplex as an owner occupied property where the owner will reside in one unit and rent the other unit.

The lot size at 2001-21st Avenue North is 192' x 55' = 10,560 total sq. ft. The lot is considered irregular in shape.

FINANCING:

Willenbring Companies, Inc. has demonstrated sufficient financing for the proposed new construction project.

OFFER PROCEDURE:

Public Advertisement. The sale price reflects the appraised re-use value for this property.

COMMENTS:

MCDA/CPED received this proposal in response to its advertisements in Minneapolis Star Tribune and Finance and Commerce newspapers. Proposals were due on April 12, 2004. Willenbring Companies, Inc. submitted the only proposal for this property. CPED staff reviewed the proposal and forwarded it to Northside Residents Redevelopment Council (NRRC) for the 45 day review process.

Willenbring Companies, Inc., presented its modified duplex plan to the Northside Residents Redevelopment Council's Residential and Commercial Task Force (RCTF) on June 14, 2004. The attached plan shows the modified plan as submitted to the RCTF. Plan modifications are 1) eaves lengthen from 1' to 2', 2) vinyl rather than stucco siding, 3) larger front porch, 4) interior rather than exterior stairs in rear of house, 5) side entry with porch, 6) painted porch and 7) single hung windows free of decorative materials.

Information gathered from other CPED staff showed that Willenbring Companies, Inc. constructed a duplex in south Minneapolis that was well built and blended with the surrounding area. Additionally, Willenbring Companies, Inc. has worked well with MCDA/CPED staff on many single family new construction projects in the City of Minneapolis.

CPED staff recommends the sale of this property to Willenbring Companies, Inc.

RESOLUTION

of the

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By _____

Authorizing Sale of Land
Willard-Homewood Urban Renewal Project
Disposition Parcel No. TF-592

WHEREAS, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received an offer to purchase and develop Disposition Parcel TF-592, in the Willard-Homewood neighborhood, from Willenbring Companies, Inc., hereinafter known as the Redeveloper, the Parcel TF-592, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lots 1 and 2, Block 25, Forest Heights.

Being registered land as is evidenced by Certificate of Possessory
Title No. 1060164.

WHEREAS, the Redeveloper has offered to pay the sum of \$43,000, for Parcel TF-592 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 June 11, 2004, a public hearing on the proposed sale was duly held on June 22, 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 Willard-Homewood Urban Renewal Project plan, as amended, is hereby estimated to be the sum of \$43,000 for Parcel TF-592, 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 _____.

Mayor

