



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

Date: September 28, 2004

To: MCDA Board of Commissioners

Prepared by: Nancy Pray, Phone 612-673-5228

Presenter in Committee: Bill Koncak, Project Coordinator/Housing, Phone 612-673-5233

Approved by: Chuck Lutz, Deputy CPED Director _____
Elizabeth Ryan, Interim Director of Housing
Policy & Development _____

Subject: Land Sale – Public Hearing
Vacant Housing Recycling Program

RECOMMENDATION: Approve the sale of 4055 Penn Avenue North to Joan B. Korpela Krueger for \$260.00.

Previous Directives: The MCDA acquired 4055 Penn Avenue North (40'x 130') on January 27, 2000. On September 5, 2000, the lot was divided and 30' x 130' was combined for the development of a single family structure located at 4059 Penn Ave N.

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 (Summarize below)

Ward: 4

Neighborhood Notification: The Victory Neighborhood Association , on July 10, 2004, reviewed and recommended the sale of this property for use as sideyard to the adjacent property owner.

City Goals: Create strong, vital commercial corridors city-wide through mixed-use development. 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: Minneapolis will work closely with Neighborhood Revitalization Program (NRP) planning and implementation to ensure that plans are consistent with the city's Housing Policy. Support the City's sideyard policy on residential redevelopment to lot and neighborhood-specific issues such as lot size and condition, the proximity of adjacent structures, the nature of neighboring land uses, overall housing density in the neighborhood and the need for green (open) space.

Zoning Code: R1A

Living Wage/Job Linkage: Not Applicable

Background/Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-91A	4055 Penn Avenue North	\$260.00

PURCHASER

Joan B. Korpela Krueger
4051 Penn Avenue North
Minneapolis, MN 55412

PROPOSED DEVELOPMENT:

The property dimensions of this vacant lot are 10' x 130' = 1,300 sq. ft. The adjacent property owner's lot is 40' x 130' = 5,200 sq. ft. When combined, the revised lot will be 6,500 sq. ft.

LAND DISPOSITION POLICY:

This property is a non-buildable lot as defined by CPED's policy and is being sold for sideyard.

FINANCING*:

Cash

OFFERING PROCEDURE:

The sales price reflects the appraised value of this parcel.

COMMENTS:

In an effort to dispose of our unbuildable lots, staff has embarked on a process of evaluating, appraising and offering each lot to one or both of the adjoining property owners.

The MCDA in consultation with the neighborhood group, acquired 4055 Penn Avenue North on January 27, 2000 from the Department of Housing and Urban Development (HUD). This parcel was 40' x 130' in size and had a small, condemned structure on it, which was demolished. Adjacent to the north of this property was an irregular, small unbuildable, tax forfeited property, which the MCDA purchased from Hennepin County for \$1.00. On September 5, 2000, the lot at 4055 Penn was divided and the north 30' x 130' was combined with the tax forfeited parcel, to create a new parcel for the development of a single family structure. This new lot, 4059 Penn Avenue, was advertised for sale and sold to a private developer, who constructed a new home. As originally planned for, the owner occupant of the single family dwelling at 4051 Penn Ave N wishes to purchase this sideyard and has submitted an offer to purchase the remaining 10' x 130' strip of land.

Joan B. Korpela Krueger proposes to seed/sod and landscape the parcel for use as sideyard to her property. The property dimensions of this vacant lot are 10' x 130' or 1,300 sq. ft. The adjacent property owner's lot is 40' x 130' = 5,200 sq. ft. When combined, the revised lot will be 50' x 130' or 6,500 sq. ft.

RESOLUTION

of the

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By _____

Authorizing Sale of Land
Vacant Housing Recycling Program
Disposition Parcel No. VH-91A

WHEREAS, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received an offer to purchase and develop Disposition Parcel VH-91A, in the Victory, from Joan B. Korpela Krueger, hereinafter known as the Redeveloper, the Parcel VH-91A, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

Legal Description

The South 10 feet of Lot 2, Block 8, Thorpe Bros. William Penn Addition to Minneapolis together with that part of the West 7 feet of Penn Avenue vacated lying between the extensions of the South line of said Lot 2 and the extension of the North line of the South 10 feet of said Lot 2.

WHEREAS, the Redeveloper has offered to pay the sum of \$260, for Parcel VH-91A, 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, notwithstanding the lack of a re-use appraisal, the Agency has determined the offer of \$260 to purchase the Parcel to be reasonable; 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, the Agency Disposition Policy provided in Section III-I (3) for the sale of land for sideyard and other non-buildable development for a price of \$260, that unbuildable property may be sold for development such as the proposed landscaping at a price necessary to achieve the particular development; and

WHEREAS, pursuant to due notice thereof published in Finance and Commerce on September 17, 2004, a public hearing on said proposal and proposed sale and the provisions thereof, was duly held on September 28, 2004, 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; and

NOW, THEREFORE, BE IT RESOLVED, that the re-use value, for uses in accordance with the Vacant Housing Recycling Program, as amended, is hereby estimated to be the sum of \$260, for Parcel VH-91A; 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 proposals 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 _____: _____
APPROVED _____: _____
NOT APPROVED _____: _____
VETOED _____: _____
Chairperson
Mayor

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