



**Document No. 2004-010M**

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

Date: February 3, 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  
Parcel: WH 5-1; 2415 McNair Avenue North

Purchaser: Northside Residents Redevelopment Council  
1313 Plymouth Avenue North  
Minneapolis, MN 55411

Sales Price: \$30,000

**RECOMMENDATION:** It is recommended that the attached resolution be adopted and the appropriate official be authorized to enter into a contract on behalf of the Agency for the sale of this property to Northside Residents Redevelopment Council (NRRC).

**Previous Directives:** The property was acquired on August 17, 2001.

**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 future property management expenditures.

\_\_\_ Request provided to the Budget Office when provided to the Committee Coordinator

### **Community Impact**

**Ward:** 5

Neighborhood Notification: NRRC on November 10, 2003, reviewed the proposal and recommended the sale of the property to NRRC.

**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:** This redevelopment is consistent with the Comprehensive Plan as shown on the Land Use Map and in conformance with the Willard Homewood Urban Renewal Plan relating to this community.

**Zoning Code:** R1A

**Living Wage/Job Linkage:** N/A

### **Background/Supporting Information:**

This property is a fire damaged, vacant and boarded one-story single family rambler style house, which has been an eyesore in the neighborhood for several years. The house was built in 1980 with two bedrooms, one bathroom, living room, dining room, kitchen, basement and no garage. After the fire damage, staff estimated rehabilitation costs at over \$110,000. During the summer of 2003, MCDA and NRRC executed a Right of Entry to allow NRRC to conduct a rehabilitation scope of work and cost estimates for the property.

Northside Residents Redevelopment Council (NRRC) is proposing to purchase and extensively rehabilitate this house for sale at market rate to an owner occupant. The rehabilitation will consist of adding a second story to the existing one-story house and an attached two car garage. Additionally, the house will have 4 bedrooms, 3 ½ baths, approximately 2,000 finished square feet of living space and a deck off the dining room. Total development cost is estimated at \$266,000, with developer's estimated value after rehabilitation of \$210,000.

NRRC is the only prospective buyer for the property. This is a collaborative effort between NRRC and CPED, and CPED assigned its rehabilitation staff to provide technical assistance to NRRC on the project. CPED staff requested that NRRC convert this one level house to a two story house for better long term market value as well as conformity to surrounding properties. Additionally, residents of Willard-Hay worked long and hard with CPED staff to acquire this fire-damaged property so it would not fall into the wrong hands. Rehabilitating the property also provides a rare housing opportunity in the community because a large growing household will have access to a "move up" housing unit that offers more space than the traditional three bedroom, one bath home that is commonly found in the neighborhood.

Like other NRP rehabilitation projects completed in the neighborhood under Phase I, there will be no income restrictions. The property can be sold at market rate.

The lot size is 129' x 50' = 6,400 total sq. ft.

**FINANCING:**

NRRC has a pre-approved private financing commitment, which is subject to application and underwriting requirements. Additionally, NRRC has approval to use up to \$56,525 of NRP funding for rehabilitation of the property.

**OFFER PROCEDURE:**

Public Advertisement. The sale of this property does reflect the full re-use value for single family development.

**COMMENTS:**

In August 2001, MCDA purchased this property as a fire damaged, vacant structure.

No. 2004-2873M

## RESOLUTION

of the

# MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By \_\_\_\_\_

Authorizing Sale of Land  
Willard-Homewood Urban Renewal Project  
Disposition Parcel No. WH 5-1

**WHEREAS**, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received an offer to purchase and develop Disposition Parcel WH 5-1 in the Willard-Homewood Urban Renewal Project, from Northside Residents Redevelopment Council, hereinafter known as the Redeveloper, the Parcel WH 5-1, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

### LEGAL DESCRIPTION

Parcel One:

Lot 27, Block 5, Wyant and Kuchli's Addition to Minneapolis.

Parcel Two:

Lot 28, Block 5, Wyant & Kuchli's Addition to Minneapolis.

Being registered land as is evidenced by Certificate of Title No. 1074823.

**WHEREAS**, the Redeveloper has offered to pay the sum of \$30,000, for Parcel WH 5-1; the offer includes a development plan and commitment to improve by rehabilitating the existing structure. This offer is in accordance with the 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 Friday, January 9, 2004, a public hearing on the proposed sale was duly held on February 3, 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.

**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 \$30,000, for Parcel WH 5-1; 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 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**

