

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

Date:	May 18, 2004						
То:	MCDA Board of Commissioners						
	Tiffany Glasper, Project Coordinator III, Phone 612-673-5221 Committee: Tiffany Glasper, Project Coordinator III						
Approved by	Chuck Lutz, Deputy CPED Director Lee Pao Xiong, Director, Housing						
Subject:	Land Sale – Public Hearing Jordan – Vacant Housing Recycling Program						
RECOMMEN	IDATION: Approve sale of 2509 Irving Avenue North to Alyeldin El-Nagdy.						
Previous Dir	rectives: MCDA acquired 2509 Irving Avenue North on May 1, 1996.						
this parcel to	er 21, 2003, the MCDA Board of Commissioners approved the land sale of Renovation Systems, Inc. under Resolution #2003-2839M. The sale was the Developer.						
N A A A X O ft Re	pact (Check those that apply) of financial impact - or - Action is within current department budget. If checked, go directly to Background/Supporting Information) ction requires an appropriation increase to the Capital Budget ction requires an appropriation increase to the Operating Budget ction provides increased revenue for appropriation increase ction requires use of contingency or reserves other financial impact (Explain): Sale of this parcel will eliminate cuture property management expenses. Equest provided to the Budget Office when provided to the Committee coordinator						
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2004 and recommended delaying any decision on his 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. 2509 Irving Avenue North is zoned R2B.

Living Wage/Job Linkage: NA

Other: None

BACKGROUND/SUPPORTING INFORMATION:

PARCELADDRESSSALE PRICETF - 2992509 Irving Avenue North\$20,800

PURCHASER

Alyeldin El-Nagdy 4556 Winnetka Avenue North New Hope, MN 55428

MCDA acquired 2509 Irving Avenue North from Hennepin County on May 1, 1996. The parcel contained a vacant and blighted structure. The lot size is 47' x 128' = 6,016 sq. ft.

PROPOSED DEVELOPMENT:

Alyeldin El-Nagdy is proposing construction of a two-story single family home with a detached, two-car garage. The home will contain five bedrooms, two and a half bathrooms and a total of approximately 1,900 sq. ft. of finished living space. The developer is estimating the home's value upon completion at \$210,000 and it will be sold to an owner-occupant.

LAND DISPOSITION POLICY:

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

FINANCING:

Alyeldin El-Nagdy has demonstrated sufficient financing for the proposed new construction project. The developer has submitted evidence of a personal line of credit in the amount of \$100,000 and a written statement from the general contractor indicating the general contractor's willingness to defer payment of construction costs until the sale of the home.

OFFERING PROCEDURE:

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

COMMENTS:

CPED staff received a development proposal from Alyeldin El-Nagdy for the redevelopment of 2509 Irving Avenue North. There were no competing offers.

2509 Irving Avenue North has been available to the public via our web site since March 2003.

Alyeldin El-Nagdy is a non-corporate entity with whom CPED/MCDA has not previously done business. Mr. El-Nagdy has secured the services of AA Contracting to perform the construction work for this home. CPED/MCDA has worked with AA Contracting in the past on several of its HOW rehabilitation projects, but not in the capacity of new construction. Staff understands that AA Contracting has recently completed new construction of three single family homes with Project for Pride in Living at 2110, 2114 and 2118 Ilion Avenue North. Members of the Jordan Area Community Council and CPED staff are currently planning a tour of these new construction projects for sometime in May 2004. It should be noted that the floor plans of these new construction projects are different from the plans presented and the purpose of the tour is to assess quality of construction, not to assess aesthetics related to floor plans, room size or general layout.

Alyeldin El-Nagdy presented his 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 this proposal.

Staff conducted a formal, professional review of the proposal and are recommending approval of this proposal.

RESOLUTION

of the

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

Authorizing Sale of Land Vacant Housing Recycling Program-Jordan Disposition Parcel No. TF-299

WHEREAS, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received an offer to purchase and develop Disposition Parcel TF-299, in the Jordan neighborhood, from Alyeldin El-Nagby, hereinafter known as the Redeveloper, the Parcel TF-299, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 8, Block 2, Forest Heights.

Being registered property as is evidenced by Certificate of Title No. 865846.

WHEREAS, the Redeveloper has offered to pay the sum of \$20,800, for Parcel TF-299 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 9:30 a.m., in the City of Minneapolis, County of Hennepin, State of Minnesota.

WHEREAS, the Agency on November 10, 2003, by its Resolution No. 2003-2839M, authorized the sale of Parcel TF-299; and

WHEREAS, Renovation Systems, Inc. has withdrawn their offer to purchase; and

NOW, THEREFORE, BE IT RESOLVED, that the action taken by the Agency in its Resolution No. 2003-2839M, authorizing the sale of Parcel TF-299 to Renovation Systems, Inc. be rescinded; and

BE IT FURTHER 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 \$20,800 for Parcel TF-299, 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, chair						
Niziolek													
Vote: NV - Not Voting Abs - Absent Ovrd - Vote to Override Sust - Vote to Sustain													

ADOPTED		
		Chairperson
APPROVED		•
NOT APPROVED	<u>-</u>	
VETOED		Mayor

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

Address: 2509 Irving Avenue North Parcel: TF-299 Purchaser: Alyeldin El-Nagby Sq. Footage: 6,016 WARD 3 Zoning: R2B MAP:ENG. DESIGN PLOT:09/10/1999 ENG. DESIGN