

MEMORANDUM

progress
through
partnership

MCDA

Document No. 2004-005M, as amended.

November 10, 2003
Revised January 16, 2004

REPORT TO THE COMMISSIONERS

Prepared by: Edith Johnson, Project Coordinator, Phone 612-673-5262

Approved by: Lee Sheehy, Executive Director
Chuck Lutz, Deputy Executive Director _____

SUBJECT: Land Sale - Public Hearing
Willard Homewood Urban Renewal Project
GMHC Century Homes Program

PARCEL
TF-532 (GC-245)

ADDRESS
1400 Morgan Avenue North

PURCHASER: Northside Residents Redevelopment Council (NRRC)
1313 Plymouth Avenue North
Minneapolis, MN 55411

OR

Willenbring Companies, Inc.
2441 Ventura Drive, #100
Woodbury, MN 55125

OR

The Grater Metropolitan Housing Corporation
of the Twin Cities (GMHC)
15 South 5th Street, #710
Minneapolis, MN 55402

SALES PRICE: \$17,000

Previous Directives:

The MCDA acquired 1400 Morgan Avenue North on February 25, 2000.

Ward: 5

Neighborhood Group Notification:

The Northside Residents Redevelopment Council (NRRC) on September 8, 2003, reviewed the proposals and recommended the sale of this property to Northside

Residents Redevelopment Council, (NRRC) with Willenbring Companies, Inc. and The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC) as 2nd and 3rd alternates, respectively.

Consistency With *Building a City That Works*:

The sale of this property is consistent with *Building a City That Works*, Goal 2: Ensure that an array of housing choices exists to meet the needs of our current residents and attract new residents to the city; Goal 3: Support strong and diverse neighborhoods where people choose to live.

Comprehensive Plan Compliance:

This Redevelopment/Rehabilitation is consistent with the Comprehensive Plan as shown on the Land Use Map and in conformance with the Willard Homewood Urban Renewal Project relating to this community.

Zoning Code: R1A

Buildable Lot Buildable with Variance Non Buildable Lot

Impact on MCDA Budget:

The sale of this property will eliminate future property management expenditures.

Living Wage/Business Subsidy: N/A

Job Linkage: N/A

Affirmative Action Compliance: Will comply.

Recommendation: Recommend the sale of this property to Northside Residents Redevelopment Council (NRRC), with the home to be sold at market rate. In the event the appraised value does not meet the construction costs but the home sells for the appraised value, neighborhood NRP funds will be utilized, with CPED board approval, to make up that difference, not to exceed \$10,000 per project.

Amendment: Adopt the Resolution selling the property to Northside Residents Redevelopment Council (NRRC), with the home to be sold at market rate. In the event the appraised value does not meet the construction costs but the home sells for the appraised value, the neighborhood NRP funds will be utilized, with CPED Board approval, to make up that difference, not to exceed \$10,000 per project.

PROPOSED DEVELOPMENT:

Northside Residents Redevelopment Council (NRRC)

Construction of a 2-story single-family home with 3 bedrooms, 2 1/2 baths, approximately 1,675 sq. ft. of finished living space and a detached 2-car garage. Total development costs are estimated at \$220,000, with developer's value after construction estimated at \$185,000.

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NRRC will use its NRP funds to cover the financing gap between the total development costs and value after construction, which NRRC expects, will be the selling price of the home.

NRRC will market and sell the home to an owner occupant.

Willenbring Companies, Inc

Construction of a 2-story single-family home with 3 bedrooms, 1 ½ baths, approximately 1,680 sq. ft. of finished living space and a detached 2 car garage. Total development costs are estimated at \$178,000, with appraised value after construction estimated at \$205, 000.

Willenbring Companies, Inc. will market and sell the home to an owner occupant.

The Greater Metropolitan Housing Corporation of the Twin Cities(GMHC)

Construction of a 2-story single-family home with 3 bedrooms, 2 ½ baths, approximately 1,651 sq. ft. of finished living space and a detached 2-car garage. Total development costs are estimated at \$191,000, with developer's estimated value after construction at \$210,000.

GMHC will market and sell the home to low to moderate-income owner occupants.

The lot size at 1400 Morgan Avenue is 50 x 125=6,250 total square feet.

LAND DISPOSITION POLICY:

This property is a buildable lot as defined by MCDA policy and is being sold for development.

FINANCING:

NRRC, Willenbring Companies, Inc. and GMHC have secured pre-approved private financing commitments, which are subject to final application and underwriting requirements. Wilenbring's subcontractors have agreed to carry a portion of their costs until after the sale of the home.

OFFERING PROCEDURE:

Public Advertisement. The sales price of this property does reflect the full re-use value.

COMMENTS:

In February 2000, MCDA purchased 1400 Morgan Avenue as tax forfeited vacant land.

Offers for this property were received by August 11, 2003, in response to a public advertisement.

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The Greater Metropolitan Housing Corporation and MCDA are partners in the Century Homes Program. Per the partnership agreement, GMHC and MCDA have agreed to split equally any profits realized from the sale of properties. According to the above development proposal, budget projections indicate an estimated profit as follows:

Total Dev Costs	\$191,000
Est. Sales Price	\$210,000
Profit	\$ 19,000

NRRC is proposing to build a single family home with approximately 2-story single-family home with approximately 1,675 sq.ft. and an estimated value of \$185,000. Willenbring Companies, Inc. is proposing to build a single-family home with approximately 1,680 sq. ft. and an estimated value of \$205,000. GMHC is proposing to build a single-family home with approximately 1,651 sq. ft. and an estimated value of \$210,000. Although Willenbring's and GMHC's values are higher, NRRC expects to build its home at a cost of \$220,000 and use its NRP funds to cover the additional costs. All three developers have established relationships with MCDA and have successful track records developing housing units in the City of Minneapolis. Staff and the neighborhood group want to encourage a variety of housing types and styles and provide housing development opportunities to various developers.

Staff is recommending the sale of this property to Northside Residents Redevelopment Council (NRRC).

No. 2004-2869M
RESOLUTION

of the

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By _____

Authorizing Sale of Land
Willard-Homewood Urban Renewal Project
Disposition Parcel No. TF-532

WHEREAS, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received an offer to purchase and develop Disposition Parcel TF-532, in the Near North neighborhood, from Northside Residents Redevelopment Council (NRRC), hereinafter known as the Redeveloper, the Parcel TF-532, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 9, Block 4, Rosedale Park.

Being registered land as is evidenced by Certificate of Title No. 1057143.

WHEREAS, the Redeveloper has offered to pay the sum of \$17,000, for Parcel TF-532 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 October 31, 2003, a public hearing on the proposed sale was duly held on November 10, 2003, 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 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 \$17,000 for Parcel TF-532, 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.

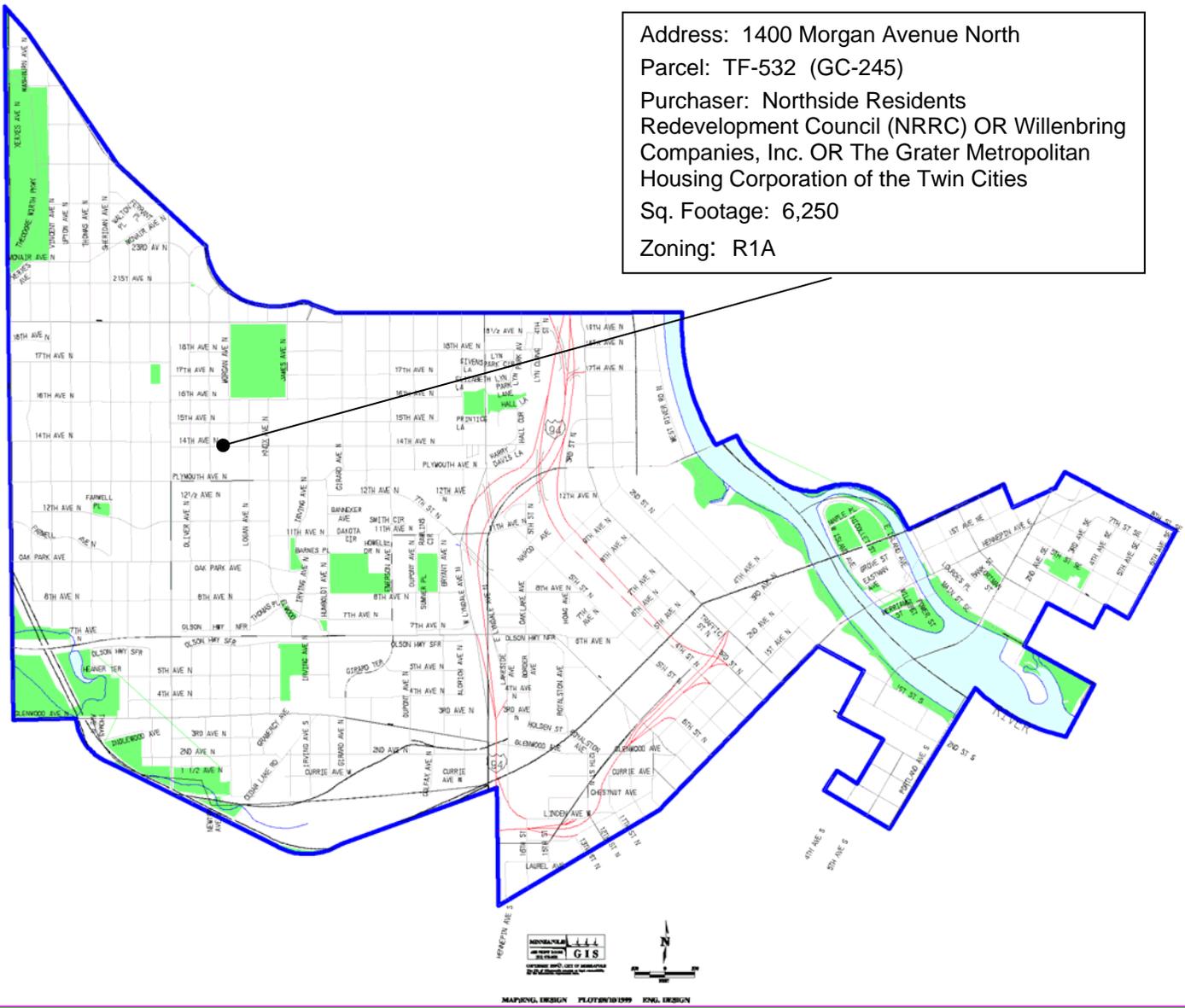
RECORD OF COMMISSIONER VOTE													
Commissioner	Aye	Nay	NV	Abs	Ovrd	Sust	Commissioner	Aye	Nay	NV	Abs	Ovrd	Sust
Benson							Ostrow						
Colvin Roy							Samuels						
Johnson							Schiff						
Johnson Lee							Zerby						
Lane							Zimmermann						
Lilligren							Goodman,						
Niziolek							chair						
Vote: NV - Not Voting			Abs - Absent			Ovrd - Vote to Override			Sust - Vote to Sustain				

ADOPTED _____: _____
Chairperson

APPROVED
NOT APPROVED _____: _____
VETOED _____: _____
Mayor

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Address: 1400 Morgan Avenue North
Parcel: TF-532 (GC-245)
Purchaser: Northside Residents
Redevelopment Council (NRR) OR Willenbring
Companies, Inc. OR The Grater Metropolitan
Housing Corporation of the Twin Cities
Sq. Footage: 6,250
Zoning: R1A



MINNEAPOLIS GIS
CITY OF MINNEAPOLIS
MAPPING, DESIGN PLOT#2010199 ENG. DESIGN