



**Request for City Council Committee Action from the Department of Community Planning & Economic Development - CPED**

Date: June 17, 2014

To: Council Member Lisa Goodman, Chair, Community Development & Regulatory Services Committee

**Subject:** Land Sale Public Hearing  
North Washington Industrial Park  
DC Group Expansion Project

**Recommendation:**

1. Approve the sale of Excess Street Right of Way adjacent to 1977 West River Road North to West River Road Investments, LLC or an affiliate entity for \$4,400.
2. Authorize the appropriate City officials to execute a redevelopment contract, Loan Agreement and all other necessary documents related to the above recommended actions with West River Road Investments, LLC or an affiliate entity in accordance with the terms herein.

**Previous Directives:**

- The excess street right of way is available for public land sale for the DC Group Expansion Project. The right of way vacation is in process.
- On April 25, 2014, the City Council approved Resolutions approving the DC Group Expansion Tax Increment Financing (TIF) Plan and Modification No. 2 to the Consolidated Redevelopment TIF District TIF Plan; authorized the issuance of a Limited Revenue Pay-As-You-Go Tax Increment Financing Note to West River Road Investments, LLC in a principal amount not to exceed \$451,500; authorized a \$200,000 Grow North loan from the CDBG allocation budgeted for business development; and authorized the appropriate City officials to execute a redevelopment contract, loan agreement and all other necessary documents.
- On March 7, 2014, the City Council approved a resolution for the State Department of Employment and Economic Development (DEED) Job Creation Fund (JCF) supporting the application for the DC Group Expansion in the amount of \$514,000.
- On December 6, 2013, the City Council authorized staff to continue analysis of the DC Group Expansion to determine if tax increment financing (TIF) assistance is appropriate and justifiable.
- On June 28, 2013 the City Council approved conceptual guidelines for the Grow North program with specific terms to be approved on a case-by-case basis.

Prepared by: Carrie Flack, Senior Project Coordinator, Phone 612-673-5010

Approved by: Charles T. Lutz, Interim CPED Director \_\_\_\_\_

Catherine A. Polasky, Director Economic Policy & Development \_\_\_\_\_

Presenter(s) in Committee: Carrie Flack, Senior Project Coordinator

**Financial Impact**

- Proposed Total Net Sale Proceeds: \$4,400
- Proposed Sales Price Write-down from Re-Use Value Appraisal: \$0.00

**Community Impact**

- Neighborhood Notification: Northside Residents Redevelopment Council was notified on April 29, 2014.
- City Goals: A hub of economic activity and innovation: Businesses, big and small, start, move stay and grow here.
- Comprehensive Plan: On June 9, 2014, the Planning Commission found the sale of this parcel to be consistent with the Comprehensive Plan.
- Zoning Code: I-1 Light Industrial Zoning. The Planning Commission approved the project on January 13, 2014.
- Other: On May 8, 2014, CPED completed a land sale review of this parcel.

**Supporting Information**

<b><u>PARCEL</u></b>	<b><u>ADDRESS</u></b>	<b><u>SALE PRICE</u></b>
NWIP 33-ROW	Excess Street Right of Way Adjacent to 1977 West River Road North (15-029-24-42-0003)	\$4,400

**PURCHASER**

West River Road Investments, LLC  
1977 West River Road  
Minneapolis, MN 55401

**PROPOSED DEVELOPMENT:**

The DC Group has outgrown their current facilities but desire to remain at their current location in Minneapolis on West River Road. They currently have 62 employees at this location and plan to grow by approximately 33 employees for a total of 95 employees at this site. The proposed project consists of demolishing approximately 10,370 square feet of the existing facility, renovating approximately 15,500 square feet and constructing an additional 27,850 square feet with an 86-stall parking structure. The addition will provide additional office and warehouse space. This subject site is excess street right of way. A vacation is in process and this sale is contingent upon the vacation being completed. The lot size is 954 total square feet.

**LAND DISPOSITION POLICY:**

This property is an unbuildable lot as defined by City policy and is being sold to combine with adjacent property for redevelopment.

**OFFERING PROCEDURE:**

Direct sale to adjacent property. The sales price of this property reflects the full re-use value based upon the assessment of the property.

**COMMENTS:**

The site will be assembled with other adjacent railroad right of way and land owned by West River Investments, LLC at 1977 West River Road North and is needed to facilitate the renovation and expansion of the DC Group, Inc. headquarters. This parcel will be combined with adjacent property to allow for the expansion of an existing business.

**Authorizing sale of land North Washington Industrial Park Disposition Parcel No NWIP 33-ROW.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel NWIP 33-ROW in the Near North, from West River Road Investments, LLC or an affiliate entity, hereinafter known as the Redeveloper, the Parcel(s) NWIP 33-ROW, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

NWIP 33-ROW; Excess Street Right of Way adjacent to 1977 West River Road North  
That part of Lot 20, Block 37, Bassett, Moore and Case's Addition to Minneapolis, lying West of the east line of North First Street as described in Quit Claim Deed filed November 29, 1882, in Book 95 of Deeds, page 638, and as actually laid out.

Which lies easterly of a line drawn from a point on the south line of said Lot 20, distant 30.47 feet westerly of the southeast corner of said Lot 20 to a point on the northerly line of Lot 1, Block 4, North Minneapolis, distant 15.10 feet westerly of the northeast corner of the west half of said Lot 1.

Whereas, the Redeveloper has offered to pay the sum of \$4,400, for Parcel NWIP 33-ROW; the offer includes a development plan and commitment to improve by expanding and rehabilitating an existing structure on an adjacent property. This offer is in accordance with the Redevelopment Plan and/or Program; and

Whereas, the Redeveloper has submitted to the City a statement of financial responsibility and qualifications; and

Whereas, the City has had the re-use value reviewed by an appraisal expert, stating that the re-use value opinion is consistent with accepted methods of aiding the City in determining a re-use value for the Parcel; and

Whereas, pursuant to due notice thereof published in Finance and Commerce on Friday, June 6, 2014, a public hearing on the proposed sale was duly held on June 17, 2014, 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 by The City Council of The City of Minneapolis:

That the re-use value, for uses in accordance with the North Washington Industrial Park plan, as amended, is hereby estimated to be the sum of \$4,400, for Parcel NWIP 33-ROW.

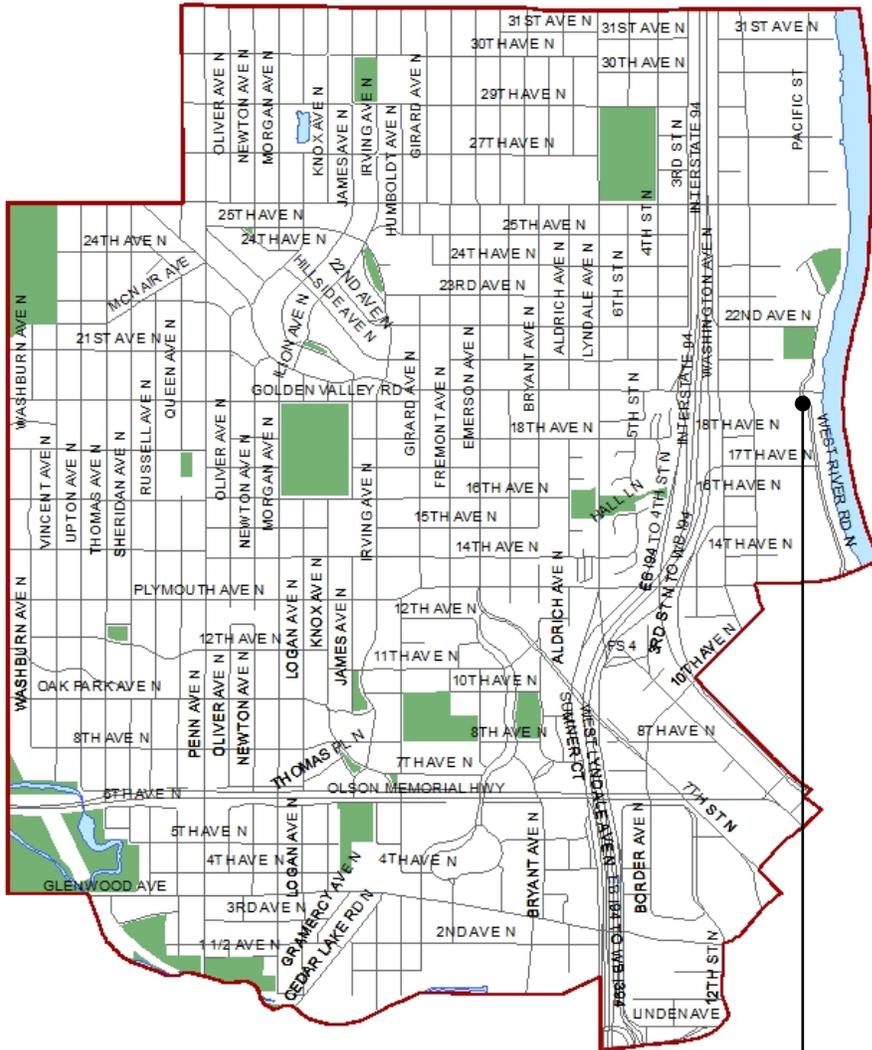
Be It Further Resolved that the acceptance of the offer and proposal is hereby determined to be in accordance with the City's approved disposition policy and it is further determined that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the Parcel in accordance with the Redevelopment Plan and/or Program.

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 and vacating the right of way. Furthermore, that upon publication of this Resolution, the Finance Officer or other appropriate official of the City 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 Finance Officer or other appropriate official of the City.

Be It Further Resolved that the Finance Officer or other appropriate official of the City is 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 City 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 and delivered by the Finance Officer or other appropriate official of the City.

# Ward 5



Address: Excess Street Right of Way  
Adjacent to 1977 West River Road North



**TOTAL ACQUISITION COSTS INCURRED BY CPED ATTRIBUTABLE TO THE FOLLOWING PROPERTY:**

Date: June 17, 2014  
 Subject: Land Sale – Public Hearing  
 North Washington Industrial Park  
 DC Group Expansion Project  
 Address: Excess Street Right of Way  
 Adjacent to 1977 West River Road North (15-029-24-42-0003)  
 Purchaser: West River Road Investments, LLC or an affiliate entity

	A	B	C	D	E	F	G
Address	Purchase Price	Acquisition/ Demolition/ Other Costs	Total CPED Cost to Assemble (A+B)	Re-Use Value Opinion	Sale Price	CPED Cost Write-Off or Sale Proceeds (if > 0) (E-C)	Re-Use Value Write Down (E-D)
Excess Street Right of Way	\$0	\$0	\$0	\$4,400	\$4,400	\$4,400	\$0
			\$0			\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,400</b>	<b>\$4,400</b>	<b>\$4,400</b>	<b>\$0</b>

Write-Down  
 Reason: N/A

Developer History with the City:  
 West River Road Investments, LLC is a new developer. The City has not done business with this entity before.

Developer Information:

- Single Individual(s)
- Married Individual(s)
- Limited Liability Partnership of the State of Minnesota
- Limited Liability Company of the State of Minnesota
- Corporation of the State of Minnesota
- Nonprofit Corporation of the State of Minnesota
- Other