



Request for City Council Committee Action From the Department of Finance and Property Services

Date: July 20, 2015
To: Honorable John Quincy, Chair Ways & Means Committee
Subject: **Proposed Sale of Land in the Vicinity of 40th St W and France Ave S to the City of Edina**

Recommendation:

- A. Conduct a public hearing on the land sale.
- B. Adopt a Resolution approving the sale of approximately 10 acres to the City of Edina for \$1,072,000 under a three year Contract for Deed and delegating to the Finance Officer the ability to set other terms and conditions for the sale.
- C. Authorize the proper City Officers to execute a Contract for Deed, a Quit Claim Deed and any other necessary documents to facilitate the sale.
- D. Make a finding that the land sale has no relationship to the Minneapolis Comprehensive Plan because the property lies outside of Minneapolis city limits.

Previous Directives:

12/5/2014: Designation of the property as "excess land".

Prepared by: Rebecca Law, Project Manager, Property Services, 673-5064

Approved by:

Kevin Carpenter, Chief Financial Officer, Finance and Property Services Dept.

Spencer Cronk, City Coordinator

Presenters: Rebecca Law, Project Manager
Greg Goeke, Director of Property Services

Reviews

Permanent Review Committee (PRC):	Approval _NA
Civil Rights Approval	Approval _NA
Policy Review Group (PRG):	Approval _NA

Financial Impact

Revenue of \$1,072,000

Community Impact

City Goals: A City that works: City government runs well and connects to the community it serves

Background/Supporting Information

The City of Minneapolis owns approximately 15 acres of undeveloped land within the city limits of Edina and St. Louis Park at the intersection of 40th St W and France Ave South. Approximately 10 acres are in Edina with the remaining 5 acres in St. Louis Park.

Minneapolis purchased the property in 1933 for the construction of a future water reservoir and associated infrastructure. Over time, alternate investments were made to the overall Water Works storage and distribution systems and the reservoir was never constructed. The land has remained undeveloped to date.

City management has determined that this land is no longer needed for municipal operations. In December 2014, the property was designated as “excess land” and became eligible for sale. The Facility, Space & Asset Management (FSAM) Committee concurred that the land should be sold and not retained for other municipal needs.

For many years, the City of Edina has indicated interest in buying the land and negotiations between the two cities ensued. Minneapolis staff obtained independent appraisals that established a market value range based on the property being developed into residential housing (underlying zoning is residential). If purchased, Edina intends to keep the land as undeveloped parkland and has requested that the price be lowered to reflect the intended use. Minneapolis residents in the adjacent neighborhoods have expressed a desire for the land to remain undeveloped and accessible to them.

According to Edina City Manager Scott Neal, Edina is willing to permanently designate the 10 acres within its boundaries as open space and parkland. Therefore staff is recommending a negotiated price of **\$1,072,000** for Edina’s share and Edina has submitted a purchase agreement for that amount. In addition, Edina has agreed that Minneapolis residents will have permanent access to the land on the same terms as Edina residents.

Edina will finance the purchase with a \$50,000 down payment and a three year Contract for Deed at the fixed annual rate of 3%.

Staff requests that this Committee conduct a public hearing on the proposed land sale and recommends adoption of the accompanying Resolution. This Resolution requires an affirmative vote of at least two-thirds of the City Council to be effective.

cc: Steven Kotke, City Engineer
Spencer Cronk, City Coordinator

W&M – Your Committee, having conducted a public hearing on 7/20/2015, recommends passage of the accompanying Resolution.

Resolution by the City of Minneapolis

By Quincy

RESOLUTION 2015R-_____

Approving the sale of land in the vicinity of 40th St W and France Ave S to the City of Edina.

Resolved by the City Council of the City of Minneapolis

That certain land in the vicinity of 40th St W and France Ave S, legally described as:

The Northeast Quarter of the Southeast Quarter of the Northeast Quarter of Section 7, Township 28, Range 24, Hennepin County, MN. ((PID# 07-028-24-14-0001)

Be sold to the City of Edina for \$1,072,000 under a three year Contract for Deed with the subsequent Quit Claim Deed containing these covenants:

The Property shall be used solely for public park purposes, including open space, outdoor recreation, and dog park, and similar uses and facilities; storm water management facilities; and public utilities. Minneapolis residents shall have access in perpetuity to the Property on the same terms as Edina residents have access.

Be It Further Resolved That the Finance Officer be authorized to set other terms and conditions for the sale consistent with this Resolution.

Be It Further Resolved That the proper City Officers be authorized to execute a Contract for Deed, a Quit Claim Deed and any other necessary documents to facilitate the sale.

Be It Further Resolved That the City Council finds that this land sale has no relationship to the Minneapolis Comprehensive Plan because the property lies outside of Minneapolis city limits.