

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

Date: October 26, 2010

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Land Sale Public Hearing
Sideyard Sale

Recommendation: Approve the sale of 1829 Newton Ave N to Arriel McDonald for \$1,000, subject to the following conditions; 1) land sale closing must occur no later than April 15, 2011, and 2) payment of holding costs of \$300.00 per month if the land sale closing does not meet this deadline. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

Previous Directives: CPED acquired 1829 Newton Ave N on March 24, 2000.

Prepared by: Rebecca Law, Project Manager, Phone 612-673-5064

Approved by: Charles T. Lutz, Deputy CPED Director _____

Thomas A. Streitz, Director Housing Policy & Development _____

Presenters in Committee: Darrell Washington, Manager-Real Estate Development Services

Financial Impact

- Other financial impact: Eliminate property management costs.

Community Impact

- Neighborhood Notification: Northside Residents Redevelopment Council reviewed this proposal and made no objection.
- Comprehensive Plan: On May 12, 2008, the Planning Commission approved the sale of this parcel as being consistent with the Comprehensive Plan.
- Zoning Code: R1A
- On 3/13/2008, the Planning Staff completed a land sale review of this parcel and deemed it a buildable lot.

Supporting Information

PARCEL

TF-529

ADDRESS

1829 Newton Ave N

SALE PRICE

\$1,000

PURCHASER

Arriel McDonald

17343 77th Ave N, Maple Grove, MN 55311

PROPOSED DEVELOPMENT:

This parcel will be combined with adjacent parcel at 1833 Newton Ave N.

The lot size is 43' x 45.4' = 1,952 total square feet.

LAND DISPOSITION POLICY:

This property is a buildable lot but fits within an exception to the Real Estate Policy that allows it to be sold as sideyard. Specifically, it falls within the Section 2.2.13 C (i)

exception: the shape of the "buildable lot" is irregular and not suitable for housing construction. A conservation easement will be placed on the 1829 Newton Ave N parcel.

OFFERING PROCEDURE:

Sale to the Adjacent Owner. The sales price of this property does reflect the full re-use value.

COMMENTS:

Arriel McDonald owns the adjacent parcels at 1833 Newton Ave N and 2005 Golden Valley Road. Taxes are current on both properties. In 2005, a new single family house was built on the Golden Valley Road parcel. Mr. McDonald wants to buy the City's land at 1829 Newton Ave N and combine it with the adjacent land at 1833 Newton. The combined land would then serve as sideyard for the 2005 Golden Valley house.

Authorizing sale of land Disposition Parcel TF-529.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase Disposition Parcel TF-529 in the Willard - Hay Neighborhood from Arriel McDonald, hereinafter known as the Purchaser, Parcel TF-529 being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

Legal Description

TF-529; 1829 Newton Avenue North

South 43 feet of Lot 1, Block 1, Menard's First Addition to Minneapolis
Being Registered Land as evidenced by Certificate of Title No. 1142826

Whereas, the Purchaser has offered to pay the sum of \$1,000 for Parcel TF-529 to the City for the land; and

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

Whereas, on March 11, 2005 City Council approved the waiving of the Planning Commission's review of certain real estate transactions (including dispositions of non-buildable parcels) that have no relationship to the City's Comprehensive Plan; and

Whereas, the City has determined the offer of \$1,000 to purchase Parcel TF-529 to be reasonable; 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 the City's accepted methods in determining a re-use value for Parcel TF-529; and

Whereas, the City's Real Estate Disposition Policy provided in Section 2.2.13 for the sale of land for sideyard; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on September 3, 2010, a public hearing on said proposal and proposed sale and the provisions thereof, was duly held on September 14, 2010, 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; and

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the re-use value for Parcel TF-529 is hereby estimated to be the sum of \$1,000.

Be It Further Resolved that the acceptance of the offer and Purchaser's proposal is hereby determined to be in accordance with the City's approved disposition policy and it is further determined that the Purchaser possesses the qualifications and financial resources necessary to acquire and maintain the Parcel in accordance with the contract for the sale of land.

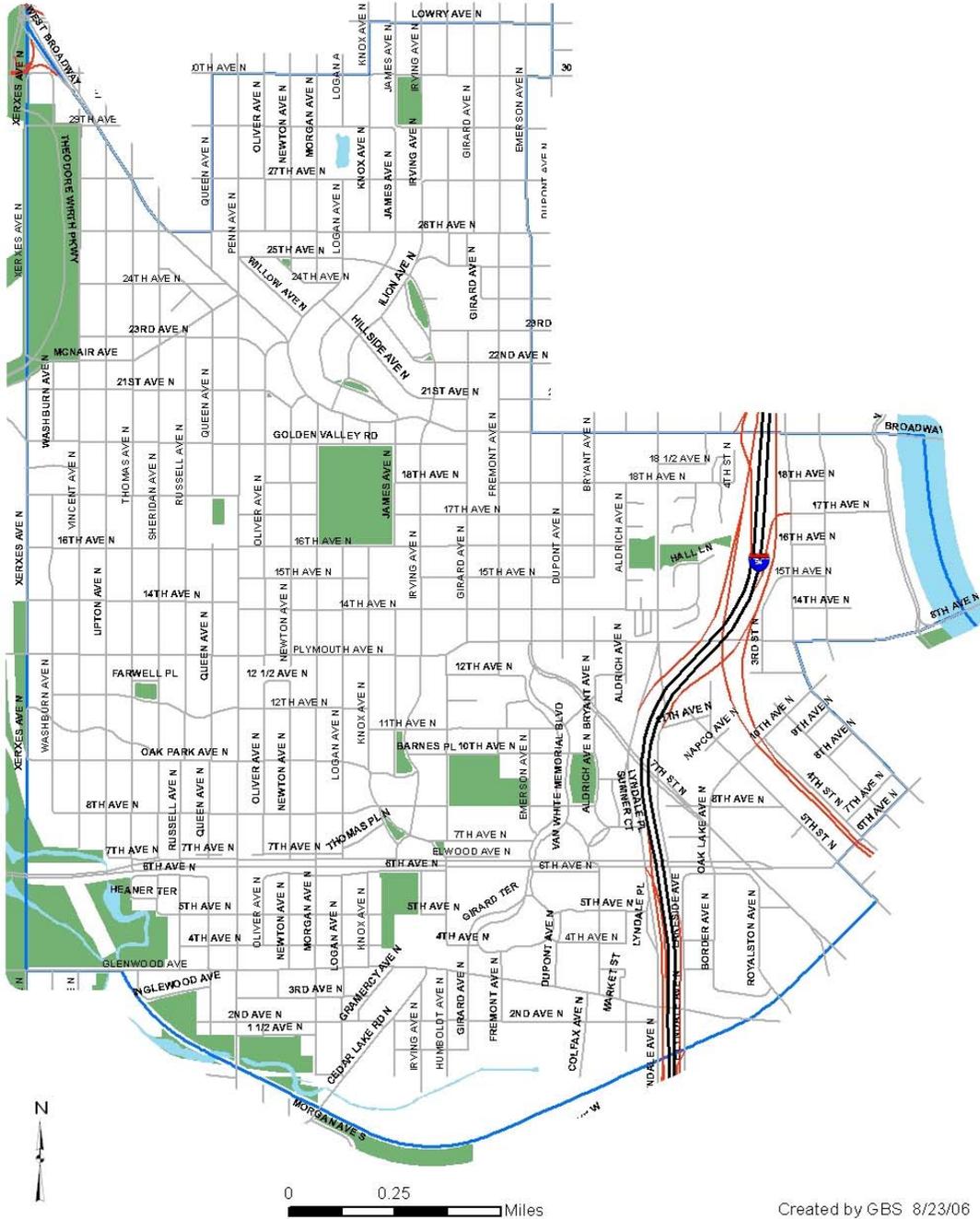
Be It Further Resolved that the offer is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur no later than April 15, 2011 and 2) payment of holding costs of \$300.00 per month if the land sale closing does not occur on or before closing deadline and 3) a conservation easement shall be placed on the parcel to preserve it as green space.

Be It Further Resolved that the sale conditions number one and two described above may be waived or amended with the approval of the CPED Director.

Be It Further Resolved that upon publication of this Resolution, the Finance Officer or other appropriate official of the City is hereby authorized to execute and deliver the contract to the Purchaser; 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 Purchaser in accordance with the provisions of the executed contract and upon payment to the City of 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 Finance Officer or other appropriate official of the City.

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Created by GBS 8/23/06

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

Date: October 26, 2010
 Subject: Land Sale – Public Hearing
 Sideyard Sale
 Address: 1829 Newton Ave N
 Purchaser: Arriel McDonald

| Disposition Parcel No. Acq Date | Address | Total CPED Costs | Less Sales Price | Write Off |
|---------------------------------|-------------------|------------------|------------------|-----------|
| TF-529 03/24/00 | 1829 Newton Ave N | \$6,001 | (-)\$1,000 | -\$5,001 |

| Re-Use Value Opinion | Less Sales Price | Write-Down |
|----------------------|------------------|------------|
| \$1,000 | \$1,000 | \$ 0 |

Developer History with CPED:
 None

Developer Information:

XXX Married Individual