



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date: December 13, 2005
To: Council Member Lisa Goodman, Community Development Cmte
Prepared by: Edie Oliveto-Oates, Phone 612-673-5229
Presenter in Committee: Edie Oliveto-Oates
Approved by: Chuck Lutz, Deputy CPED Director
Elizabeth Ryan, Director, Housing Policy & Development
Subject: Amendment Number Two to the Memorandum of Understanding between Hennepin County and the City of Minneapolis

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RECOMMENDATION: The Director recommends that the City Council authorizes staff to execute the Amendment Number Two to the Memorandum of Understanding between the City of Minneapolis and Hennepin County.

Previous Directives: On September 3, 2004, the City Council approved entering into Amendment One to the Memorandum of Understanding (MOU) between the City of Minneapolis and Hennepin County related to tax forfeit land. November 8, 2002, the Minneapolis Community Development Agency (MCDA) Board of Commissioners authorized the execution of the Memorandum of Understanding between MCDA and Hennepin County regarding disposition of tax forfeited properties.

Financial Impact (Check those that apply)
 No financial impact.
(If checked, go directly to next box)
 Action requires an appropriation increase to the Capital Budget
 Action requires an appropriation increase to the Operating Budget
 Action provides increased revenue for appropriation increase
 Action requires use of contingency or reserves
 Other financial impact (Explain):
 Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: City Wide

Neighborhood Notification: Not Applicable

City Goals: not Applicable

Comprehensive Plan: Not Applicable

Zoning Code: Not Applicable

Living Wage/Job Linkage: Not applicable

Background/Supporting Information

In 2002, due to State Legislative changes regarding tax forfeited properties, Hennepin County and MCDA negotiated a Memorandum of Understanding as to procedure both bodies would follow. In 2004 the Memorandum of Understanding was amended to reflect the following terms:

- CPED would acquire not more than 15 tax forfeited parcels which were held from previous years and those parcels would be conveyed for \$1 each and all remaining parcels were released.
- CPED shall provide for the redevelopment of the fifteen properties as productive taxable property within eighteen months from the date title transfers to the City for each parcel.
- By mutual agreement of the parties, the eighteen-month period may be extended to twenty-one months for any tax-forfeited parcel subject to this Memorandum of Understanding where significant demolition, soil correction or environmental investigation or remediation is required
- For the year 2005, the County shall convey for \$1 each to the City ten percent (10%) of tax-forfeited parcels located in Minneapolis' Targeted Neighborhoods as selected by the City of Minneapolis.
- This addendum shall only cover tax-forfeited parcels situated in City of Minneapolis' Targeted Neighborhoods that become tax-forfeited between January 1, 2000 and December 31, 2005. This Memorandum of Understanding shall not limit other City acquisitions of tax-forfeited properties for authorized public uses.

At this time Amendment One is expiring. City staff has met with County staff and believe it is appropriate to again amend the Memorandum of Understanding for 2006. At this time all of the properties which had been held from previous years have either been purchased by the City or released back to the County for sale, therefore, that provision is no longer applicable. The County has suggested that an increase from 10% of the net forfeitures in 2006 to 20% of the net forfeitures would be acceptable. At this time the amendment has not been drafted. Staff also believes it is appropriate to initiate negotiations with Hennepin County on treatment of future tax forfeit acquisitions.