

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

Date: May 20, 2008

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

**Subject:** Land Sale Public Hearing  
Model Cities/Tax Forfeiture Program

**Recommendation:** Approve the sale of 2636 Bloomington Avenue to Fernando Arrieta & Marcial Ortiz-De-Zevallos for \$22,000, subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date of approval of all necessary variances, and 2) payment of holding costs of \$150.00 per month from the date of approval to the date of closing if land sale closing does not occur on or before 30 days from date of approval of all necessary variances. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

**Previous Directives:** In 2006 the sale of this property was approved to Powderhorn Community Council which was subsequently cancelled at the developer's request. CPED acquired 2636 Bloomington Avenue on June 8, 2000.

Prepared by: Edie Oliveto-Oates, Senior Project Coordinator, Phone 612-673-5229

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

Thomas A. Streit, Director Housing Policy & Development \_\_\_\_\_

Presenters in Committee: Edie Oliveto-Oates, Senior Project Coordinator

**Financial Impact**

- Other financial impact: Eliminate property management costs.

**Community Impact**

- Neighborhood Notification: Midtown Phillips reviewed this proposal and recommended it be approved.
- City Goals: A SAFE PLACE TO CALL HOME In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.
- Comprehensive Plan: On 3/20/08, the Planning Commission approved the sale of this parcel as being consistent with the Comprehensive Plan.
- Zoning Code: The parcel is zoned R2B and the construction of a duplex is a permissible use in that zoning.
- Living Wage/Business Subsidy Agreement Yes\_\_\_\_\_ No x
- Job Linkage Yes\_\_\_\_\_ No x
- Other: On 2/1/08, the Planning Staff completed a land sale review of this parcel and deemed it a buildable lot.

**Supporting Information**

**PARCEL**

TF-565

**ADDRESS**

2636 Bloomington Avenue

**SALE PRICE**

\$22,000

**PURCHASER**

Fernando Arrieta & Marcial Ortiz-De-Zevallos  
432 1st Street No., Apt. #221  
Minneapolis, MN 55401

**PROPOSED DEVELOPMENT:**

The developer is proposing to construct a duplex with two 3 bedroom, 1 bath, 1100 square foot units. The property will be operated as rental property. The general contractor is Palmer Homes North, Inc.

The lot size is 42' x 122' = 5,124 total square feet.

**LAND DISPOSITION POLICY:**

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

**FINANCING\*:**

The purchaser has obtained a financing commitment from Horizon Mortgage Solutions, LLC

\*Subject to application and underwriting requirements.

**OFFERING PROCEDURE:**

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

**COMMENTS:**

This is a property that the City acquired from Hennepin County in June 2000. The developer is proposing to construct a duplex on the site with two 3-bedroom units. The units will be rented. The neighborhood reviewed this proposal and recommended approval of the project after negotiating some minor facade improvements to the property. Due to the lot size the developer will be required to apply for a lot area variance. In accordance with the zoning code in an R2B area a variance of up to 55% can be granted if a majority of the surrounding uses are multi unit buildings. Based on the planning staff review it was determined that 60% of the surrounding uses met this criterion.

Staff is recommending approval of the sale of this property.

**Authorizing sale of land Model Cities/Tax Forfeiture Program**

**Disposition Parcel No. TF-565.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-565, in the Midtown Phillips neighborhood, from Fernando Arrieta & Marcial Ortiz-De-Zevallos, hereinafter known as the Redeveloper, the Parcel TF-565, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-565; 2636 Bloomington Avenue

Lot 3, St. Dennis Addition to Minneapolis.

Being registered land as is evidenced by Certificate of Title No. 1142788.

Whereas, the Redeveloper has offered to pay the sum of \$22,000.00, for Parcel TF-565 to the City 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 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 the accepted methods in 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 May 9, 2008, a public hearing on the proposed sale was duly held on May 20, 2008, at the regularly scheduled Community Development Committee meeting of the City Council, 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 Model Cities Urban Renewal plan, as amended, is hereby estimated to be the sum of \$22,000.00 for Parcel TF-565.

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.

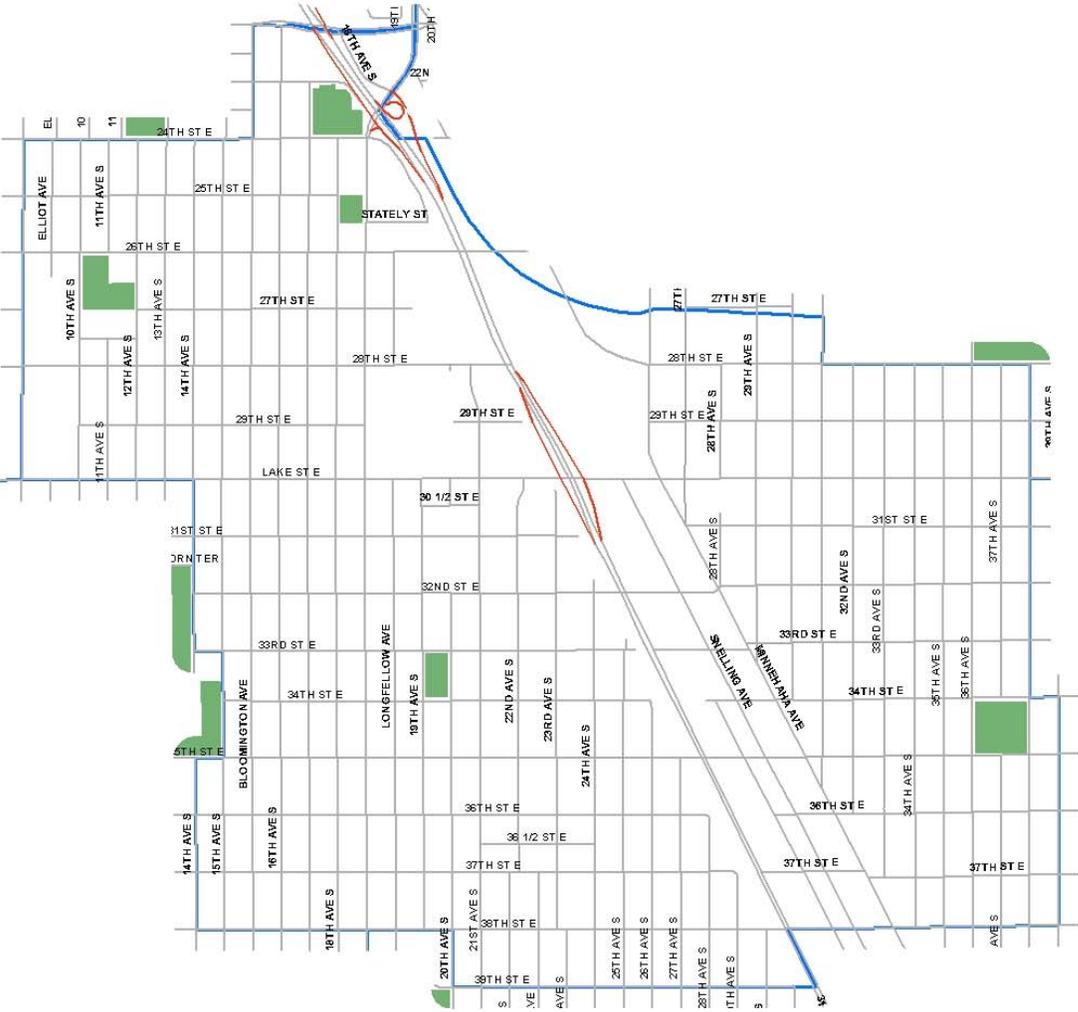
Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date this Resolution is approved by the City and 2) payment of holding costs of \$150.00 per month from the date of approval of this Resolution if the land sale closing does not occur on or before 30 days from the date of approval.

Be It Further Resolved that the sale conditions 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 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 by the Finance Officer or other appropriate City official of the City.

# WARD 9



Created by GBS 8/23/06

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

Date: May 20, 2008  
 Subject: Land Sale – Public Hearing  
 Model Cities/Tax Forfeiture Program  
 Address: 2636 Bloomington Avenue  
 Purchaser: Fernando Arrieta & Marcial Ortiz-De-Zevallos

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
TF-565 06/08/00	2636 Bloomington Avenue	\$942.00	(-) \$22,000	(-) \$21,058.00

Re-Use Value Opinion	Less Sales Price	Write-Down
\$22,000	\$22,000	\$0

Write-Down  
 Reason: N/A

Developer History with CPED:  
 None

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