

City of Minneapolis

Request for Committee Action

To: Ways & Means
Date: 6/13/2016
From: Finance & Property Services
Lead Staff: Rebecca Law, Project Manager
Presented by: Rebecca Law, Project Manager
File Type: Action

Subject:

Settlement agreement with Beacon Sales Acquisition, Inc. for business relocation from the 1860 28th St E property ("Roof Depot")

Description:

Authorizing a settlement agreement and \$50,000 payment to Beacon Sales Acquisition, Inc. d/b/a Shelter Distribution, Inc. for business relocation resulting from the City's purchase of 1860 28th St E and 2717 Longfellow Ave ("Roof Depot").

Previous Actions:

- February 22, 2016 – Council Action approving acquisition of 1860 28th St E and 2717 Longfellow Ave (also known as the "Roof Depot" properties) for municipal operations purposes for \$6.8 Million.
 - June 19, 2015 – Council Action authorizing negotiations for the acquisition of 1860 28th St E and 2717 Longfellow Ave for the expansion of the City's Hiawatha Campus.
 - Dec 11, 2013 - Council Action authorizing the issuance of \$4M in bonds for the WTR18 Water Distribution Facility.
 - Dec 12, 2012 - Council Resolution 2012R-655 authorizing \$3M in Water Revenue be appropriated to the WTR18 Water Distribution Facility project.
 - April 6, 2001 - Council Action authorizing discussions with the Roof Depot owners about possible acquisition of their property.
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Ward/Address:

Ward 9
1860 28th St E and 2717 Longfellow Ave

Background/Analysis:

On February 22, 2016, the City Council approved the acquisition of 1860 28th St E and 2717 Longfellow Ave, also known as the Roof Depot property. The closing for this real estate purchase will be June 27, 2016. Beacon Sales Acquisition, Inc. d/b/a Shelter Distribution, Inc., a roofing materials supplier, was a long-term tenant at Roof Depot and the City's purchase requires their business to relocate. The proposed Settlement Agreement and payment of \$50,000 represents final settlement of any claims Beacon Sales Acquisition, Inc. could make for relocation expenses. The cost would be paid from the WTR18 Water Distribution Facility project CWTR18, Fund 7400, Department 9010923.

Financial Review:

No additional appropriation required, amount included in current budget.