

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

Date: February 5, 2008
To: Council Member Lisa Goodman, Chair Community Development Cmt.
Referral to: Council Member Paul Ostrow, Chair Ways & Means/Budget Cmt.

Subject: Modification 7 to the West Broadway Redevelopment Plan, and Modification 111 to the Common Development and Redevelopment and Common TIF Plan (Common Plans)

Recommendation: Hold Public Hearing and Adopt attached resolution Approving Modification 7 to the West Broadway Redevelopment Plan, and Modification 111 to the Common Development and Redevelopment and Common TIF Plan (Common Plans)

Previous Directives: On November 7, 2005 the City Council approved Modification 6 to the West Broadway Redevelopment Plan.

Prepared by: Erik Hansen, Principal Project Coordinator (612-673-5022) _____
Approved by: Chuck Lutz, Deputy CPED Director _____
Cathy Polasky, Economic Policy and Development Dir. _____
Presenters in Committee: Erik Hansen

Financial Impact

No financial impact
Action is within the Business Plan

Community Impact

Neighborhood Notification - Staff notified the Jordan Area Community Council and Northside Residents Redevelopment Council of this action.

City Goals - Complies with Connected Communities and Enriched Environment Goals.

Sustainability Targets - N/A.

Comprehensive Plan - Business is consistent with the creation of retail choices on this commercial corridor.

Zoning Code - Use complies with zoning.

Living Wage/Business Subsidy Agreement

Yes_____ No__X__

Job Linkage

Yes_____ No__X__

Supporting Information

The West Broadway commercial and residential area is approximately two miles northwest of the Minneapolis Central Business District. The existing project area encompasses more than 115 acres of land with Interstate 94 on the east, 21st Avenue on the north, Irving Avenue on the west, and 18th Avenue on the south as its current boundaries. The modifications to the West Broadway Redevelopment Project Area expands the existing boundary by adding 106 parcels generally along the West Broadway between Logan Avenues and 26th avenues North. In addition to the expanded boundary these Modifications place 1001 West Broadway into acquisition status. Where the City may choose to purchase this property subject to limitations

imposed by law, availability of funds, developer interest, staging requirements, soil contamination and other financial and environmental considerations. Inclusion on this list does not indicate an absolute commitment on the part of the City to acquire a property.

The site of the expansion area surrounds West Broadway from Oliver Avenue North on the East to 26th Avenue North and West Broadway at the Northwest boundary. Penn Avenue extends from 26th Avenue on the North to 23rd Avenue on the south. On the west side of Penn, Queen Avenue extends over to Ferrant Place and on the east side of Penn; Oliver provides coverage up to West Broadway proper.

The Minneapolis Housing and Redevelopment Authority (predecessor of CPED) prepared the original West Broadway Redevelopment Plan. The City Council approved the plan on August 31, 1973, establishing both the initial objectives and boundaries of the project. The City Council established the tax increment financing district on December 28, 1973 as the primary method for financing public redevelopment activity in the project area.

In recent years, a combination of continued disinvestment, a prevalence of livability issues and crime has plagued north Minneapolis. These factors, combined with the fact that this area of Minneapolis is home to a significantly disproportionate number of vacant and boarded buildings and low-income housing units have led to a weakening in the real estate market in north Minneapolis and a visible lack of quality retail and commercial business activity along West Broadway, the community's main corridor.

These modifications, mainly, establish necessary findings to perform activities under the City's redevelopment authority within the Penn and West Broadway business district. Staff performs current work under "spot blight" removal provisions within the Housing and Redevelopment Authority act. An area finding of blight establishes support for the modification expanding the Project Area.

The inclusion of 1001 West Broadway as a property that may be acquired by the City allow staff to continue to negotiate a purchase. In summer 2006, Regulatory Services condemned the building and has tried unsuccessfully to negotiate the rehabilitation from the property owner due to inactivity from the owner. Since that time the property owner has died and CPED staff is discussing possible acquisition from his estate. After the due diligence period staff will determine if an acquisition is consistent with redevelopment goals for West Broadway.

Although 1001 West Broadway is listed as "Property that May be Acquired", inclusion on this list does not indicate an absolute commitment on the part of the City to acquire a property. No TIF districts or development proposals have been identified within the expanded project area.

The Capital Acquisition Revolving Fund provides funding for CPED acquisition of commercial development sites on or near community, commercial and transit corridors as defined in The Minneapolis Plan.

Future Council actions will be required to implement redevelopment activities, establish TIF districts, special service districts, potential rezoning and conditional land use actions.

**Adopting Modification No 7 to the West Broadway Redevelopment Plan and
Modification 111 to the Common Development and Redevelopment and
Common Tax Increment Finance Plan**

RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

Section 1. Recitals

- 1.1 Pursuant to Laws of Minnesota 2003, Chapter 127, Article 12, Sections 31-34, and Minneapolis Code of Ordinances, Chapter 415, the City of Minneapolis (the "City") acting by and through its department of Community Planning and Economic Development ("CPED"), has been granted the authority to propose and implement city development districts, housing and redevelopment projects and tax increment financing ("TIF") districts, all pursuant to Minnesota Statutes, Sections 469.001 through 469.134, and 469.174 through 469.179, as amended, and other laws enumerated therein (collectively, the "Project Laws").
- 1.2 By Resolution duly adopted on August 31, 1973, the City approved the West Broadway Redevelopment Plan, further modified by six subsequent modifications, describing more precisely the Project Area, the activities to be undertaken, the property that may be acquired, all pursuant to the Project Laws. Further, by Resolution No 89R-530 duly adopted December 15, 1989 and approved December 21, 1989, the City approved the Common Development and Redevelopment and Common TIF Plan (the "Common Plans"). The project area established by the West Broadway Redevelopment Plan (the "Project Area") is geographically located within the Project Area established by the Common Plans (the "Common Project").
- 1.3 It has been proposed and the City has prepared, and this Council has investigated the facts with respect to, a proposed Modification No 7 to the West Broadway Redevelopment Plan and Modification 110 to the Common Plans ("collectively, the Plans"), identifying parcels to be added to the West Broadway Redevelopment Plan boundary, and designating a parcel that may be acquired.
- 1.4 The City has performed all actions required by law to be performed prior to the adoption of the Plans, including, but not limited to, a review of the proposed Plans by the affected neighborhood groups and the City Planning Commission, transmittal of the proposed Plans to the Hennepin County Board of Commissioners and the School Board of Special School District No 1 for their review and comment, and the holding of a public hearing after published and mailed notice as required by law.
- 1.5 The Council hereby determines that it is necessary and in the best interest of the City at this time to approve the Plans.

Section 2. Findings for the Adoption of the Plans

- 2.1 The Council hereby finds, determines and declares that the actions authorized by the Plans are all pursuant to and in accordance with the Project Laws.
- 2.2 The Council hereby finds, determines and declares that the Plans will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the project by private enterprise, as additional public benefits will include blight removal, tax base enhancement, and public and private sector partnerships.
- 2.3 The Council further finds, determines and declares that the expansion area consisting of more than 100 parcels that is the subject of the Modification is made up of parcels that are vacant and/or deteriorated structures containing numerous blighting influences, including peeling paint, boarded buildings and windows, structures in need of major repair, have faulty arrangement, are physically obsolete and incompatible with The Minneapolis Plan and zoning code, and are not feasible for rehabilitation to accommodate appropriate land use. Nearly 20 parcels are vacant lots, many buildings were noted as boarded and condemned, and approximately 50 to 60% of the parcels inspected were found to be in poor condition due to lack of maintenance and other deficiencies. Due to the age and condition of the structures, lead paint and asbestos is also suspected. Premises were poorly maintained with overgrown vegetation, boarded windows and doors, lack ventilation, light and sanitary facilities, and there is limited off-street parking.
- 2.4 The Council further finds, determines and declares that the Plans conform to the general plan for the development or redevelopment of the City as a whole. Written comments of the Planning Commission with respect to the Plans were issued, are incorporated herein by reference, and are on file in the office of the City Clerk.
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- 2.5 The Council further finds public benefits in addition to removal of blight and blighting influences will include tax base enhancement, environmental remediation, and expansion of new and existing services for future economic development along and around the West Broadway Commercial Corridor.
- 3 2.6 The Council further finds, determines and declares that it is necessary and in the best interest of the City at this time to approve the Plans.

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Section 3. Approval of the Plans

- 3.1 Based upon the findings set forth in Section 2 hereof, the Plans presented to the Council on this date are hereby approved and shall be placed on file in the office of the City Clerk.

Section 4. Implementation of the Plans

- 4.1 The officers and staff of the City, and the City's consultants and counsel, are authorized and directed to proceed with the implementation of the Plans, and for this purpose to negotiate, draft, prepare and present to this Council for its consideration, as appropriate, all further modifications, resolutions, documents and contracts necessary for this purpose.