Minneapolis
City of Lakes

Penn Avenue North Redevelopment Plan

Draft for Public Review
December 2, 2011

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I. Introduction

The Penn Avenue North Redevelopment Plan establishes the Penn Avenue North Redevelopment Project and identifies its boundary, redevelopment objectives, land use provisions and a list of property that may be acquired by the City of Minneapolis.

The establishment of the Penn Avenue North Redevelopment Project is part of the City's overall strategy for responding to the damage caused by the May 22, 2011 tornado that struck north Minneapolis, and to other redevelopment needs and opportunities. The project boundary is not based on specific locations of tornado-related damage, but rather on identified redevelopment strategies, priorities and opportunities.

The new redevelopment project encompasses a 38-block area located largely within the Jordan and Willard-Hay neighborhoods of north Minneapolis, with small areas in the Cleveland, Folwell and Near North neighborhoods. Exhibit 1 to this redevelopment plan shows the project area boundary.

The project area includes City-identified priority redevelopment areas along Penn Avenue North, including Penn-Lowry, Penn-West Broadway, Penn-Golden Valley Road and Penn-Plymouth. The Capri Block, located within the project boundary, is the site of the new 5 Points Building redevelopment, the Capri Theater expansion and future mixed use development proposed to include housing, commercial/retail uses and shared parking.

Two of the Northside Home Fund's "cluster projects" are also located within the Penn Avenue North Redevelopment Project boundary. The purpose of the clusters at 21st and Penn and at 27th and Penn is to make a noticeably positive impact on the housing stock and to stabilize and strengthen the homeownership market of north Minneapolis neighborhoods.

The City has issued a Request for Proposals for the southwest and southeast corners of the intersection of Penn and Plymouth Avenues North.

Forty-two tax parcels have been identified as properties that may be acquired by the City of Minneapolis. These parcels include some vacant and boarded buildings, vacant lots, properties adjacent to City-owned properties, properties owned by Hennepin County, properties in foreclosure or tax forfeiture, properties in or near commercial nodes, and properties in identified cluster projects.

The westerly extension of the project boundary along McNair Avenue is included to link the Theodore Wirth Park bike and pedestrian activities to the neighborhoods. The easterly extension along 26th Avenue North is included as the eastward bikeway linkage.

The Penn Avenue North Redevelopment Project boundary overlaps the boundaries of five existing redevelopment project areas: 1) West Lowry Avenue Redevelopment Project; 2) West Broadway Redevelopment Project; 3) Lowell Redevelopment Project; 4) Willard-Homewood Urban Renewal Area; and 5) Near North Side Urban Renewal Area. The boundaries of the five existing project areas are shown in Exhibit 2. The Penn Avenue North Redevelopment Plan complements the goals and objectives of the five existing redevelopment plans.

II. Description of Project

A. Boundary of Redevelopment Project

Under the authority of Minnesota Statutes Sections 469.001 to 469.047 (the Housing and Redevelopment Authorities Act), approval of this redevelopment plan establishes a new redevelopment project as defined in Minnesota Statutes Section 469.002, Subdivision 14.

The Penn Avenue North Redevelopment Project area is bounded generally on the north by 33rd Avenue North, on the south by 12th Avenue North, on the west by Queen Avenue North, and on the east by Oliver and Logan Avenues North. There is a westerly extension along McNair Avenue to the City limits and an easterly extension along 26th Avenue North to Fremont Avenue North. The project area is located largely within the Jordan and Willard-Hay neighborhoods of north Minneapolis, with small areas in the Cleveland, Folwell and Near North neighborhoods.

The project area is legally described as follows:

Beginning at a point of intersection of the West Right-of-Way line of Washburn Avenue North and the South Right-of-Way line of McNair Avenue;

Thence East and then Northeasterly along the South Right-of-Way line of McNair Avenue to the Centerline of Queen Avenue North;

Thence South along the Centerline of Queen Avenue North to the Centerline of 12th Avenue North;

Thence East along the Centerline of 12th Avenue North to the Centerline of Oliver Avenue North;

Thence North along the Centerline of Oliver Avenue North to the West Right-of-Way line of West Broadway Avenue;

Thence Northeasterly across West Broadway Avenue to the intersection of the Centerline of Logan Avenue North and the Northeasterly Right-of-Way line of West Broadway Avenue;

Thence Northeasterly and then North along the Centerline of Logan Avenue North to the South Right-of-Way line of 26th Avenue North;

Thence East along the South Right-of-Way line of 26th Avenue North to the West Right-of-Way line of Fremont Avenue North;

Thence North along the West Right-of-Way line of Fremont Avenue North to the North Right-of-Way line of 26th Avenue North;

Thence West along the North Right-of-Way line of 26th Avenue North to the Centerline of Oliver Avenue North;

Thence North along the Centerline of Oliver Avenue North to the Centerline of 33rd Avenue North;

Thence West along the Centerline of 33rd Avenue North to the Centerline of Queen Avenue North extended;

Thence South along the Queen Avenue North Centerline extended and Queen Avenue North Centerline to the Centerline of West Broadway Avenue;

Thence Southwesterly across West Broadway Avenue to the Northerly corner of Lot 21, Hermann's 1st Addition;

Thence Southwesterly along the Northerly lot line of Lot 21 to the Southwesterly corner of said Lot 21, Hermann's 1st Addition;

Thence Southeasterly along the Southerly lot lines of Lots 21 and 20, Hermann's 1st Addition to the North Right-of-Way line of 24th Avenue North;

Thence across 24th Avenue North to the Northwesterly corner of Lot 8, Hermann's 1st Addition;

Thence Southeasterly along the Southwesterly lot line of Lot 8 to the Westerly lot line of Lot 16, Hermann's 1st Addition;

Thence Southwesterly along the Northwesterly lot lines of Lots 16, 15, 14 and 13, Hermann's 1st Addition to the Northerly Right-of-Way line of Ferrant Place;

Thence Southeasterly along the Northerly Right-of-Way line of Ferrant Place to the northerly Right-of-Way line of McNair Avenue;

Thence Southwesterly and then West along the Northerly Right-of-Way line of McNair Avenue to the West Right-of-Way line of Washburn Avenue North;

Thence South along the West Right-of-Way line of Washburn Avenue North to the point of beginning.

The Project Boundary Map is included in this redevelopment plan as Exhibit 1. Documentation of the property's eligibility as a redevelopment project area is presented in Exhibit 5.

B. Objectives of Redevelopment Plan

The City of Minneapolis seeks to achieve the following objectives through this redevelopment plan:

- Eliminate blighting influences.
- Support tornado recovery efforts.
- Assist in foreclosure recovery efforts.
- Increase the number of housing units and choices within the city.
- Increase housing density.
- Provide diversity in housing types and affordability levels.

- Support strong and diverse neighborhoods where people choose to live.
- Increase business activity and density in commercial districts.
- Increase the availability of goods and services.
- Promote transit-oriented and sustainable development.
- Promote green spaces and amenities for bicyclists and pedestrians.
- Preserve historic structures.
- Clean contaminated properties.
- Increase employment opportunities for local residents.
- Increase the property tax base.

C. Types of Redevelopment Activities

The objectives of this redevelopment plan may be accomplished through the following public and private redevelopment activities: acquisition, rehabilitation, new construction, relocation, demolition, site preparation, environmental remediation, public improvements, project administration and other related activities.

D. Public Purpose

Public purposes of this redevelopment plan include removal of blight or the causes of blight; redevelopment of tornado-damaged properties, vacant buildings and underused parcels; remediation of contaminated properties; provision of a diversity of housing types and affordability levels; promotion of transit usage; provision of employment opportunities; and tax base enhancement.

E. Citizen Participation

The official neighborhood organizations for the project area are Jordan Area Community Council, Northside Residents Redevelopment Council, Cleveland Neighborhood Association and Folwell Neighborhood Association. These organizations will be given the opportunity to review and comment on this redevelopment plan prior to consideration of the plan by the City Council.

The City of Minneapolis will continue to work with the identified neighborhood organizations throughout the implementation of this redevelopment plan, in accordance with contracts that specify that the City shall provide them an advisory role on development proposals, redevelopment plans and tax increment financing plans. The neighborhood organizations, in turn, are required to ensure that those residents most affected by a proposed development are informed of and provided the opportunity to comment on the proposed activity.

The City recognizes that the broader north Minneapolis community has an interest in this redevelopment plan and its implementation, and will communicate and collaborate with other interested neighborhood and community organizations throughout the implementation of the redevelopment plan.

F. Public Financing

Potential sources of public financing of redevelopment activity within the project area include, but are not limited to, tax increment financing, Neighborhood Stabilization

Program (NSP) funds, Neighborhood Revitalization Program (NRP) funds, Community Development Block Grant (CDBG) funds, Low-Income Housing Tax Credits, mortgage revenue bonds, Minnesota Housing Finance Agency funds, and the City's Affordable Housing Trust Fund.

III. Land Use Plan

A. Future Land Use

The proposed reuses of land within the project area include the following:

Urban Neighborhood – Predominantly residential area with a range of densities, with highest densities generally to be concentrated around identified nodes and corridors. May include undesignated nodes and some other small-scale uses, including neighborhood-serving commercial and institutional and semi-public uses (for example, schools, community centers, religious institutions, public safety facilities, etc.) scattered throughout.

Mixed Use – Allows for mixed use development, including mixed use with residential. Mixed use may include either a mix of retail, office or residential uses within a building or within a district. There is no requirement that every building be mixed use.

Open Space and Parks – Applies to land or water areas generally free from development. Primarily used for park and recreation purposes, natural resource conservation, or historic or scenic purposes.

Community Corridor – Primarily residential with intermittent commercial uses clustered at intersections in nodes. Commercial uses are generally small-scale retail sales and services serving the immediate neighborhood. Residential density is allowed at medium density (20-50 du/acre), transitioning to low density in surrounding areas.

Commercial Corridor – Historically have been prominent destinations with a mix of uses, with commercial uses dominating. Residential density is allowed at high density (50-120 du/acre), transitioning down to medium density in surrounding areas.

Neighborhood Commercial Node – Generally provide retail or service uses that serve the surrounding neighborhood, with a limited number of businesses serving a larger area. A mix of uses occurs within and among structures. Residential density is allowed at high density (50-120 du/acre), transitioning down to medium density in surrounding areas.

The Land Use Map is included in this redevelopment plan as Exhibit 3.

B. Conformance with Approved City Plans

Redevelopment activity carried out under the authority of this redevelopment plan will conform to City-approved plans and ordinances.

The Minneapolis Plan for Sustainable Growth

The Penn Avenue North Redevelopment Project covers a large area with different policy guidance depending on location. *The Minneapolis Plan for Sustainable Growth* identifies Penn Avenue North as a Community Corridor. The Penn-Lowry, Penn-West Broadway, and Penn-Plymouth intersections are designated as Neighborhood Commercial Nodes, with Lowry Avenue North and Plymouth Avenue North also being designated as Community Corridors and West Broadway as a Commercial Corridor.

The Minneapolis Plan for Sustainable Growth describes Community Corridors as follows:

> Community Corridors support new residential development from low- to high-density in specified areas, as well as increased housing diversity in neighborhoods. Community Corridors support limited commercial uses that are frequently concentrated in Neighborhood Commercial Nodes. Proposed commercial uses are evaluated according to their impacts on residential character. Design and development along Community Corridors is oriented towards the pedestrian experience and residential quality of life. These streets carry moderate volumes of traffic. These streets are important travel routes for both neighborhood residents and through traffic. In many cases, they are part of the Primary Transit Network that provides frequent, high quality transit service citywide.

The Minneapolis Plan for Sustainable Growth describes Neighborhood Commercial Nodes as follows:

> Minneapolis' Neighborhood Commercial Nodes are typically comprised of a handful of small- and medium-sized businesses focused around one intersection. These nodes primarily serve the needs of the immediate surrounding area, although they may also contain specialty stores that serve a regional client base. Neighborhood business prosperity varies throughout the city and is affected by a variety of factors, including the buying power in the surrounding locality and competition from other commercial areas. The character of Neighborhood Commercial Nodes is defined by the limited scale of businesses operating in these locations. Related to the city's historical growth pattern, these nodes generally consist of traditional commercial storefront buildings. They maintain a building typology and pedestrian orientation that is appropriate for the surrounding residential neighborhoods.

Redevelopment activity carried out under the authority of this redevelopment plan will conform to the following comprehensive plan policies and implementation steps for Community Corridors and Neighborhood Commercial Nodes:

Policy 1.9: Through attention to the mix and intensity of land uses and transit service, the City will support development along Community Corridors that enhances residential livability and pedestrian access.

1.9.1 Support the continued presence of existing small-scale retail sales and commercial services along Community Corridors.

1.9.2 Support new small-scale retail sales and services, commercial services, and mixed uses where Community Corridors intersect with Neighborhood Commercial Nodes.

1.9.3 Discourage uses that diminish the transit and pedestrian oriented character of Community Corridors, such as automobile services and drive-through facilities.

1.9.4 Discourage the conversion of existing residential uses to commercial uses outside of Neighborhood Commercial Nodes.

1.9.5 Encourage the development of low- to medium-density housing on Community Corridors to serve as a transition to surrounding low-density residential areas.

1.9.6 Promote more intensive residential development along Community Corridors near intersections with Neighborhood Commercial Nodes and other locations where it is compatible with existing character.

Policy 1.11: Preserve and enhance a system of Neighborhood Commercial Nodes that includes a mix of housing, neighborhood-serving retail, and community uses.

1.11.1 Discourage the commercial territorial expansion of Neighborhood Commercial Nodes, except to adjacent corners of the node's main intersection.

1.11.2 Support the continued presence of small-scale, neighborhood-serving retail and commercial services in Neighborhood Commercial Nodes.

1.11.3 Discourage new or expanded uses that diminish the transit and pedestrian character of Neighborhood Commercial Nodes, such as some automobile services and drive-through facilities.

1.11.4 Encourage a height of at least two stories for new buildings in Neighborhood Commercial Nodes, in keeping with neighborhood character.

1.11.5 Encourage the development of medium- to high-density housing where appropriate within the boundaries of Neighborhood Commercial Nodes, preferably in mixed use buildings with commercial uses on the ground floor.

1.11.6 Encourage the development of medium-density housing immediately adjacent to Neighborhood Commercial Nodes to serve as a transition to surrounding low-density residential areas.

1.11.7 Encourage the redevelopment of vacant commercial buildings and direct City services to these areas.

Small Area Plans

The *West Broadway Alive* plan was adopted in 2008. The plan designates the intersection of Penn and West Broadway as mixed use (housing and commercial). It indicates a development density of urban scale (rowhouses to apartment buildings of three to five stories in height) to transit scale (apartment buildings to tall apartment buildings that can exceed five stories) for mixed use housing development.

The *Lowry Avenue Strategic Plan* was adopted in 2010. The plan calls for mixed use (housing and commercial) with higher density residential at the Penn-Lowry intersection.

Zoning Ordinance

The City's zoning code regulates land use and development intensity in order to carry out the policies of the City's comprehensive plan. The proposed project area is large and has several different zoning classifications that are appropriate zoning to facilitate the above noted goals of the comprehensive plan and the Penn Avenue North Redevelopment Plan; however, in certain cases rezoning may be necessary to achieve some goals. In general, Penn Avenue has residential zoning on both sides of the streets with commercial and office residential zoning at the Plymouth, Golden Valley Road, West Broadway, and Lowry intersections. The official zoning maps should be consulted for the specific zoning of any individual parcel or property.

C. Land Use Restrictions

Any redevelopment contract between the City and the developer of property within the project area will contain specific requirements regarding the terms and conditions under which City assistance is provided, including land use restrictions.

IV. Project Proposals

A. Proposed Development Activity

The establishment of the Penn Avenue North Redevelopment Project is part of the City's overall strategy for responding to the damage caused by the May 22, 2011 tornado that struck north Minneapolis, and to other redevelopment needs and opportunities. The project boundary is not based on the specific locations of tornado-related damage, but rather on identified redevelopment strategies, priorities and opportunities.

The project area includes City-identified priority redevelopment areas along Penn Avenue North, including Penn-Lowry, Penn-West Broadway, Penn-Golden Valley Road and Penn-Plymouth. The Capri Block, located within the project boundary, is the site of the new 5 Points Building redevelopment, the Capri Theater expansion and future mixed use development proposed to include housing, commercial/retail uses and shared parking.

Two of the Northside Home Fund's "cluster projects" are also located within the Penn Avenue North Redevelopment Project boundary. The purpose of the clusters at 21st and Penn and at 27th and Penn is to make a noticeably positive impact on the housing stock and to stabilize and strengthen the homeownership market of north Minneapolis neighborhoods. Specific components of the cluster projects include the redevelopment of vacant and boarded homes, community outreach and organizing, the administration of a health impact assessment survey, a housing inspections component, foreclosure prevention and the establishment of a development partnership to identify and implement residential development opportunities within the cluster. This multi-faceted approach aims to bring about improvements that are so noticeable that positive change radiates to adjacent blocks.

The City has issued a Request for Proposals for the southwest and southeast corners of the intersection of Penn and Plymouth Avenues North.

The westerly extension of the project boundary along McNair Avenue is included to link the Theodore Wirth Park bike and pedestrian activities to the neighborhoods. The easterly extension along 26th Avenue North is included as the eastward bikeway linkage.

B. Property Acquisition

By including in this redevelopment plan a list of properties that may be acquired, the City of Minneapolis is signifying that it is interested in acquiring the properties listed, 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.

Forty-two properties that may be acquired are identified below. The Property Acquisition Map is included in this redevelopment plan as Exhibit 4.

Property Identification No.	Property Address
08-029-24-14-0155	3229 Penn Avenue North
08-029-24-14-0159	3215 Penn Avenue North
08-029-24-14-0160	3205 Penn Avenue North
08-029-24-41-0103	2904 Queen Avenue North
08-029-24-41-0110	2934 Queen Avenue North
08-029-24-41-0115	2958 Queen Avenue North
08-029-24-41-0227	2954 Queen Avenue North
08-029-24-44-0149	2607 Penn Avenue North
09-029-24-23-0016	3201 Oliver Avenue North
09-029-24-23-0021	3222 Penn Avenue North
09-029-24-33-0108	2718 Penn Avenue North
09-029-24-33-0109	2720 Penn Avenue North
09-029-24-33-0115	2639 Oliver Avenue North
09-029-24-33-0116	2635 Oliver Avenue North
09-029-24-33-0119	2634 Penn Avenue North
09-029-24-33-0121	2640 Penn Avenue North
09-029-24-33-0211	2627 Oliver Avenue North
09-029-24-33-0215	2615 Oliver Avenue North
09-029-24-33-0224	2624 Penn Avenue North
16-029-24-22-0037	2522 Penn Avenue North
16-029-24-22-0038	2520 Penn Avenue North
16-029-24-22-0187	2306 Penn Avenue North
16-029-24-23-0081	2110 Penn Avenue North
16-029-24-23-0085	2202 Penn Avenue North
16-029-24-23-0088	2214 Penn Avenue North
16-029-24-23-0131	1900 Penn Avenue North
16-029-24-23-0144	2020 Penn Avenue North
17-029-24-11-0148	2511 Penn Avenue North

17-029-24-11-0183	2341 Penn Avenue North
17-029-24-11-0184	2335 Penn Avenue North
17-029-24-11-0185	2331 Penn Avenue North
17-029-24-11-0186	2327 Penn Avenue North
17-029-24-11-0189	2315 Penn Avenue North
17-029-24-14-0020	1915 Penn Avenue North
17-029-24-14-0021	1911 Penn Avenue North
17-029-24-14-0022	2200 Golden Valley Road
17-029-24-14-0199	2221 Penn Avenue North
17-029-24-14-0205	2131 Penn Avenue North
17-029-24-14-0212	2101 Penn Avenue North
17-029-24-14-0237	1906 Queen Avenue North
17-029-24-41-0201	1819 Penn Avenue North
20-029-24-11-0003	1237 Penn Avenue North

C. Relocation

Acquisition of property within the project area may result in the displacement of business or residential uses. The City accepts as binding its obligations under state and local law and will administer relocation services and benefits for families, individuals and businesses displaced by public redevelopment activity. In the case of properties damaged by the May 22, 2011 tornado, private insurance benefits may affect the level of public relocation assistance provided or whether any public relocation assistance is provided.

D. Redevelopers' Obligations

The requirements imposed upon redevelopers, their successors or assigns, will be established in any redevelopment contracts between the City and the developers of property within the project area.

V. Official Action to Carry Out Redevelopment Plan

Minnesota law requires that the Minneapolis City Planning Commission review this redevelopment plan and that its written opinion accompany the redevelopment plan when it is officially submitted to the City Council for approval (Minnesota Statutes, Section 469.027).

In approving this redevelopment plan, the City Council is responsible for carrying out those elements of the plan requiring official action by the City.

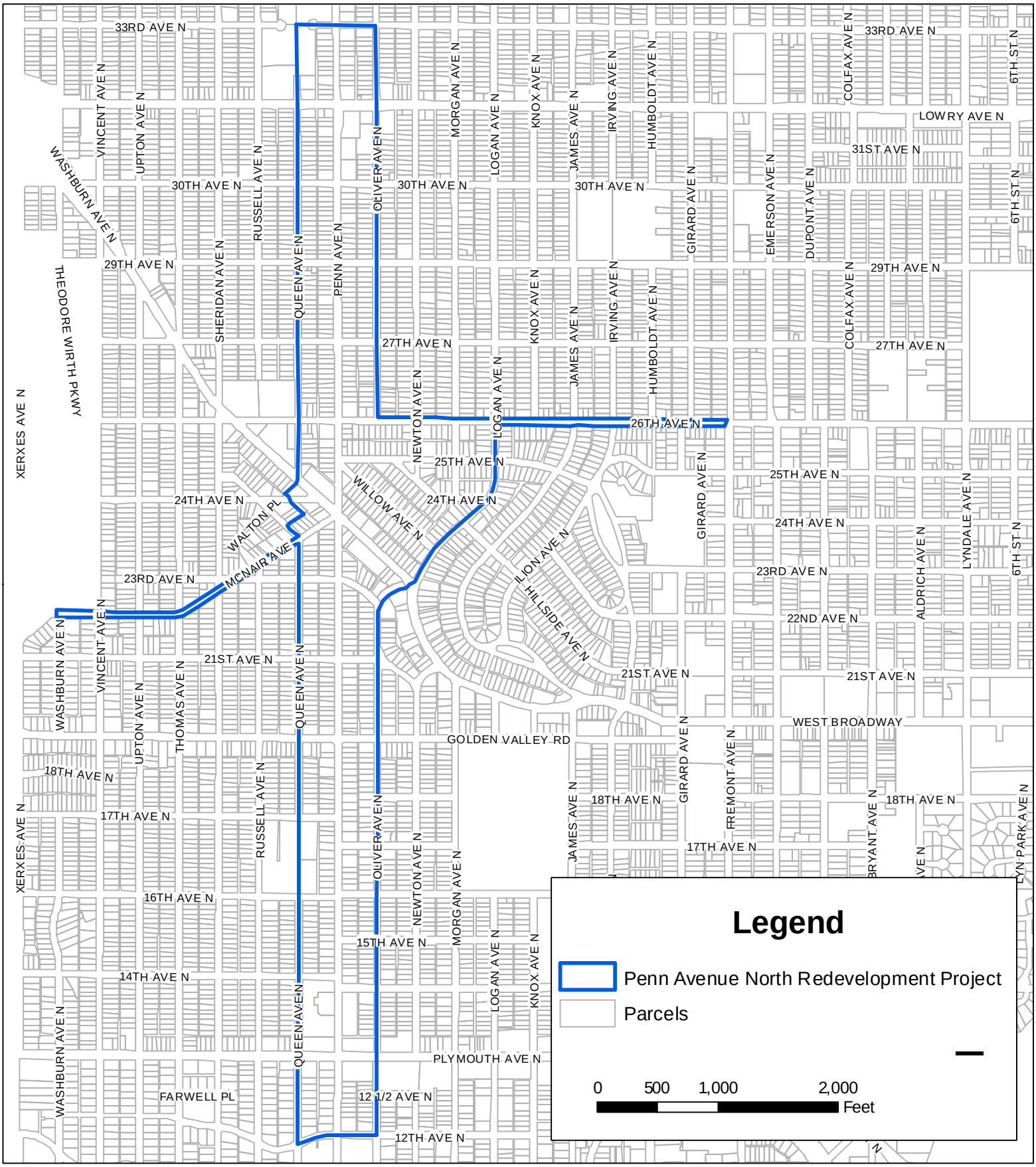
VI. Procedure for Changes in Approved Redevelopment Plan

This redevelopment plan may be modified as provided in Minnesota Statutes, Section 469.029, Subdivision 6:

> A redevelopment plan may be modified at any time. The modification must be adopted by the authority and the governing body of the political subdivision in which the project is located, upon the notice and after the public hearing required for the original adoption of the redevelopment plan. If

the authority determines the necessity of changes in an approved redevelopment plan or approved modification thereof, which changes do not alter or affect the exterior boundaries, and do not substantially alter or affect the general land uses established in the plan, the changes shall not constitute a modification of the redevelopment plan nor require approval by the governing body of the political subdivision in which the project is located.

Exhibit 1



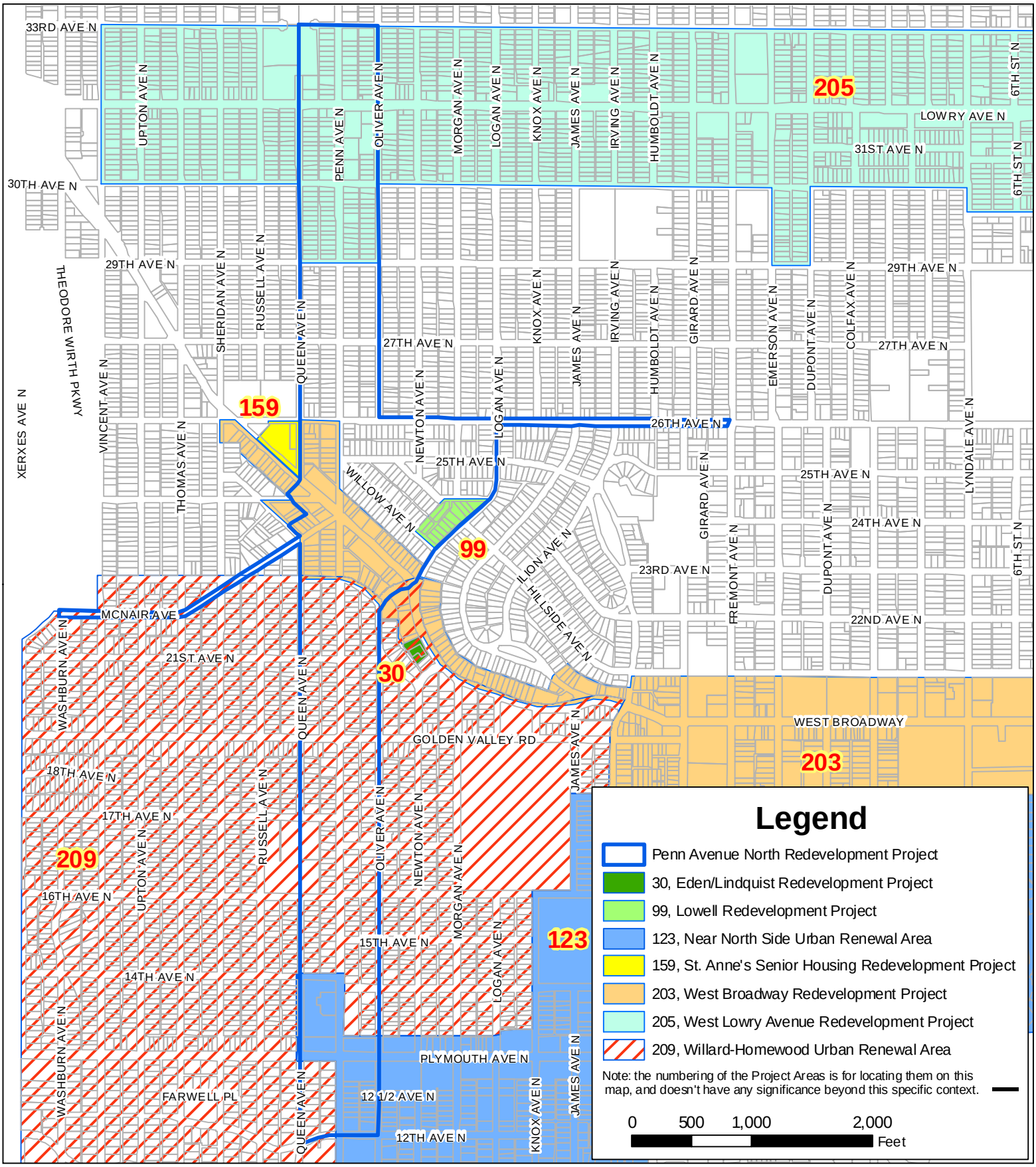
Penn Avenue North Redevelopment Project

Project Boundary Map

December 2011

Development Finance Division

Exhibit 2



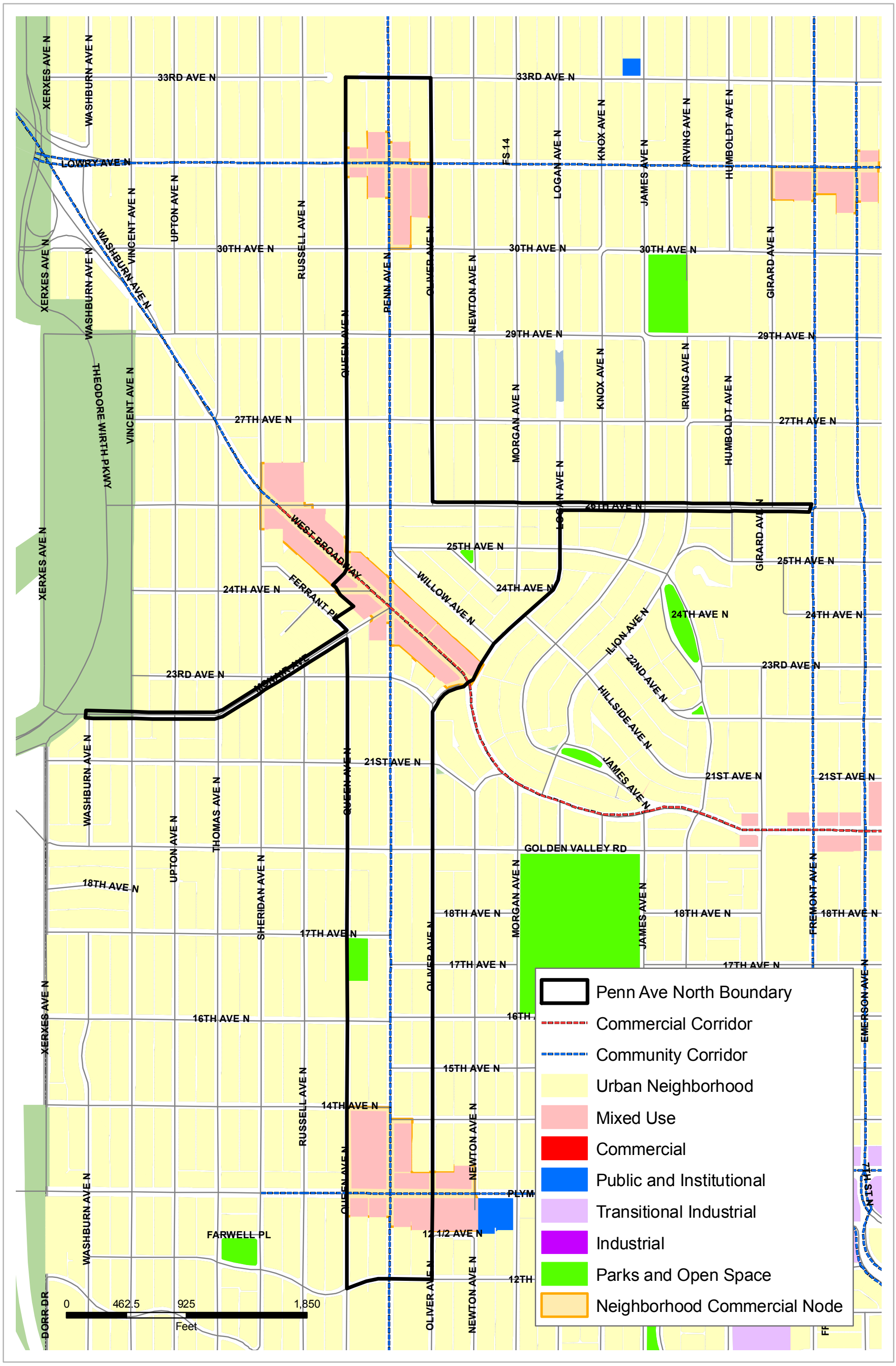
Penn Avenue North Redevelopment Project

Existing Project Areas

December 2011

Development Finance Division

Exhibit 3



Penn Avenue North Project Area - Future Land Use

City of Minneapolis

Community Planning and Economic Development - Planning Division

Created on: November 4, 2011

N W E S

Data compiled from best available sources. The City of Minneapolis assumes no legal responsibility for the accuracy of this map. For illustrative purposes only.

Exhibit 4

Penn Avenue North Redevelopment Project

Property Acquisition Map

December 2011

Development Finance Division

Project Area Report

This report describes the conditions that qualify the proposed Penn Avenue North Redevelopment Project area as a redevelopment project as defined in Minnesota Statutes Section 469.002, Subdivision 14.

Sources of information for this report include City of Minneapolis records, including data from the Assessor's Office, Regulatory Services and Community Planning and Economic Development (CPED); Hennepin County tax records; US Census data; and reports by Wilder Research and the Folwell Center for Urban Initiatives, cited below.

CPED Construction Management staff conducted exterior inspections, took photographs and completed a blight analysis worksheet for each parcel in the project area in August through October 2011. These records are available for review in City of Minneapolis offices at 105 5th Avenue South, Minneapolis, Minnesota.

General Description of Project Area

The proposed project area consists of all or portions of 38 city blocks largely within the Jordan and Willard-Hay neighborhoods of north Minneapolis, with small areas in the Cleveland, Folwell and Near North neighborhoods. The area is bounded generally on the north by 33rd Avenue North, on the south by 12th Avenue North, on the west by Queen Avenue North, and on the east by Oliver and Logan Avenues North. There is a westerly extension along McNair Avenue to the City limits and an easterly extension along 26th Avenue North to Fremont Avenue North.

A narrative description of the project boundary is included in section II.A. of the Penn Avenue North Redevelopment Plan. The Project Boundary Map is included in the redevelopment plan as Exhibit 1.

A profile of the Jordan neighborhood prepared by Minnesota Compass staff at Wilder Research (http://www.mncompass.org/twincities/neighborhoods.php) reports that the neighborhood population declined 19.6 percent between 2000 and 2010, from 9,149 to 7,360. Median household income from 2005 to 2009 (in 2009 dollars) was $30,280 compared to $45,625 for the city as a whole.

The Willard-Hay neighborhood population declined 7.2 percent between 2000 and 2010, from 9,277 to 8,611. Median household income was $44,049, compared to $45,625 for the city as a whole.

There are 763 tax parcels within the project area; 121 are classified by the Minneapolis City Assessor's Office as vacant land, 585 as residential properties, and 57 as commercial properties.

The City's comprehensive plan, *The Minneapolis Plan for Sustainable Growth*, identifies Penn, Lowry and Plymouth Avenues North as Community Corridors, and West Broadway as a Commercial Corridor. The Penn-Lowry, Penn-West Broadway and Penn-Plymouth

intersections are designated as Neighborhood Commercial Nodes. The Commercial Corridors and Neighborhood Commercial Nodes allow residential and commercial uses, often in mixed use buildings, and allow residential development at higher densities. The Community Corridors are predominantly residential with some commercial properties, primarily at the nodes and intersections. They allow residential development at a medium density. Most of the parcels not directly on the corridor streets or in the commercial nodes in the project area have the land use designation Urban Neighborhood, a predominantly residential area with a range of densities, and including neighborhood-serving commercial, institutional and semi-public uses scattered throughout.

Residential Property

The area is comprised primarily of single- and two-unit residential structures built between the early 1900s and World War II; 75 percent of the residential properties in the project area were built prior to 1940. The residential properties are primarily wood frame structures with various siding types, including stucco, brick, asbestos, composite hardboard and wood lap siding. Roof framing is either hip or gable and covered with fiberglass or asphalt shingle material. Clay tiles were used for the roofing of some structures but are an exception to the norm.

More than half (58 percent) of the residential properties in the project area have condition ratings below average (Condition 5, 6 or 7), according to the City Assessor's Office, which uses the following condition rating scale:

1 – Excellent	5 – Average Minus
2 – Good	6 – Fair
3 – Average Plus	7 – Poor
4 – Average	Uninhabitable

Assessor's data indicates that the May 22, 2011 tornado affected nearly half (47 percent) of the residential properties within the project area. In addition to structural damage to residential and commercial properties, many properties were affected by fallen trees, sidewalk damage and general storm-related debris. Much of the tornado damage has since been treated. Ten residential properties with a total of 19 units have been identified by the Construction Code Services unit of the City's Regulatory Services Department as likely to require demolition. A mixed use building with two housing units has also been identified as a property that should be demolished.

Numerous violations of the Minneapolis Housing Maintenance Code, the International Building Code, the State Energy Code, and the Americans With Disabilities Act (ADA) standards were observed in the project area by CPED staff. Seventy-five percent of the parcels were found to have two or more violations of the Minneapolis Housing Maintenance Code.

The majority of the single- and two-unit residential properties lack certain life safety factors. Many are vacant, poorly maintained and are detrimental to the safety, health and welfare of the community by reason of dilapidation, obsolescence, or faulty arrangement or design. Vacant and deteriorated properties undermine the quality and value of the neighborhood and adjacent properties. Such conditions create a repository for debris, thereby creating a fire hazard, and present an atmosphere conducive to vermin infestation. Fundamental design or structural defects of properties generates instability for residential and commercial properties, hinders

viability of adjacent properties, results in an uneconomic return on owners' investments and creates an adverse effect on adjacent properties.

Examples of violations include deteriorated and/or damaged chimneys, roofs, fascia, soffits, gutters/downspouts, siding, windows, door casings, foundations, grade steps, stoops, handrails, paint, driveways, exterior fixtures, fences, retaining walls and address numbers.

Most of the residential properties were constructed prior to 1978 and likely contain lead-based paint and lead solder.

An October 2011 report by the Folwell Center for Urban Initiatives, *North Minneapolis Housing Market Index* (http://stmedia.startribune.com/documents/housingreport.pdf), found that of the 30 blocks within the project area that have residential uses (excluding apartment buildings), only one had above-average "housing market strength", a measure based on value retention, owner-occupancy rates, housing condition and vacancy rates. Two blocks fell into the weakest of nine categories. The distribution of the 30 residential blocks along the scale of nine categories was as follows:

Housing Market Strength

2 blocks	6 blocks	13 blocks	5 blocks	3 blocks		1 block		
Weak				Average				Strong

Eight of the total 38 blocks within the project area have no non-apartment residential uses, and therefore are not included in the above numbers.

Commercial Property

Neighborhood commercial uses are concentrated at Penn Avenue North's intersection with Lowry Avenue North, West Broadway and Plymouth Avenue North. Commercial properties include a major health care facility at Penn and Lowry, older "main street"-style stick-framed brick-clad structures with windowed store fronts, commercial buildings at Penn and West Broadway, and stand-alone single-story flat roof structures built as corner grocery stores pre-World War II. Construction dates for commercial properties range from 1890 to 2007; 54 percent were built prior to 1940. There are a small number of mixed use buildings with residential units above ground-level commercial space. There is a lack of adequate off-street parking for many of the commercial properties.

More than half (61 percent) of the 57 commercial properties in the project area have Assessor's condition ratings below average (Condition 5 or 6). Assessor's data indicates that the tornado affected over half (58 percent) of the commercial properties within the project area. Three commercial properties suffered major damage. One mixed use property has been identified by the Construction Code Services unit of the City's Regulatory Services Department as likely to require demolition. CPED anticipates that five City-owned commercial properties that suffered tornado damage will likely be demolished.

Examples of blighting conditions found on commercial properties include damaged roofing, siding, windows, fascia and soffits, and peeling paint. Defective parking surfaces, a code violation, were found. Many commercial buildings show evidence of deferred maintenance and some were found to be vacant and or abandoned.

Streets

26th Avenue North is a main east-west thoroughfare from the Mississippi River on the east to Theodore Wirth Parkway on the western edge of the City of Minneapolis. The street, constructed of concrete in the 1970s, also serves as bus route and a bicycle route. There have been several alterations to the street for utility maintenance over the years. Currently the street has areas that are uneven and misaligned where the patching has failed or settled over time. The City of Minneapolis plans to construct a multimodal bicycle and pedestrian path along the north side of the existing 26th Avenue North right-of-way.

McNair Avenue is a secondary street that runs southwesterly from the intersection of Penn Avenue North and West Broadway Avenue to Thomas Avenue North, then westerly to Theodore Wirth Parkway. The street is an asphalt-covered roadway in fair condition; the curbs and gutters are in good condition.

Eligibility

Minnesota Statutes Section 469.002, Subdivision 14 includes in its definition of a redevelopment project “any work or undertaking to acquire blighted areas and other real property for the purpose of removing, preventing, or reducing blight, blighting factors, or the causes of blight.”

A “blighted area” is defined in Minnesota Statutes Section 469.002, Subdivision 11 as “any area with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light, and sanitary facilities, excessive land coverage, deleterious land use, or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community.”

The proposed Penn Avenue North Redevelopment Project area is determined to be a blighted area, based on the characteristics described above. Indicators of blight observed in the project area include deteriorated or damaged building elements, underused or vacant land, poorly maintained premises, unoccupied residential properties, evidence of tornado damage, buildings in need of major repair, physically and/or functionally obsolete buildings, and lack of adequate parking for commercial operations.

Redevelopment activities in the project area will remove blight and facilitate the implementation of City land use policies and redevelopment objectives.

Location of Documents

Documentation supporting these findings is on file in City of Minneapolis offices. Detailed records for individual parcels, including maps, photographs, tax records, inspections records, and the specific violations and blighting conditions found on each parcel, are available for inspection in City offices at 105 5th Avenue South, Minneapolis, Minnesota.