



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

Date: February 28, 2012

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

Referral to: Council Member Betsy Hodges, Chair, Ways and Means/Budget Committee

Subject: Public Hearing and Approval of 201 Lowry Avenue Northeast Redevelopment Plan

Recommendation: Conduct a public hearing and adopt the attached resolution approving the 201 Lowry Avenue Northeast Redevelopment Plan.

Previous Directives:

None

Department Information

Prepared by: Wesley J. Butler, Multifamily Housing Manager, 612-673-5194

Approved by: Thomas A. Streit, Director, Housing Policy & Development _____

Charles T. Lutz, Interim CPED Director _____

Presenter in Committee: Wesley J. Butler, Multifamily Housing Manager

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification: On January 13, 2012, the Concerned Citizens of Marshall Terrace and the Bottineau Neighborhood Association were notified of the opportunity to review and comment on the proposed 201 Lowry Avenue Northeast Redevelopment Plan.
- City Goals: Jobs & Economic Vitality; Livable Communities, Healthy Lives
- Comprehensive Plan: On February 6, 2012, the City Planning Commission found that the 201 Lowry Avenue Northeast Redevelopment Plan is consistent with *The Minneapolis Plan for Sustainable Growth*.

Supporting Information

The 201 Lowry Avenue Northeast Redevelopment Plan has been prepared to facilitate the redevelopment of a tax-forfeited property at 201 Lowry Avenue Northeast in northeast Minneapolis. A development team led by Dean Dovolis, a local architect, proposes to renovate the existing vacant building (the former Little Jack's restaurant) for restaurant and/or other commercial use and, in a later development phase, construct new high-density market rate rental housing on the portion of the site formerly used for surface parking. It is proposed that the City of Minneapolis acquire the tax-forfeited property and convey it to the development entity.

Sources of funding for the commercial portion of the project may include commercial mortgages, developer equity, environmental grants, historic tax credits and/or New Markets Tax Credits. At this time, it is not anticipated nor contemplated that any City financial assistance will be provided to either phase of this project.

The 201 Lowry Avenue parcel (PID 11-029-24-23-0132) was the location of "Little Jack's" restaurant on Lowry Avenue. In 2010, Hennepin County foreclosed the property for non-payment of taxes. CPED Business Development arranged to hold the property off of public auction based on the developer's interest in renovating the existing buildings and constructing a market rate housing project on the north half of this one-acre site.

Over the past 10 months, CPED Housing Staff negotiated a price of sale for the property between Hennepin County and the developer, and are prepared to enter into a redevelopment agreement that will require the minimum improvements to be completed by the developer. These improvements include: the rehabilitation of the existing structures or construction of new commercial structures (if rehabilitation is not possible) and construction of high density market rate rental housing. If the developer fails to perform the agreed to improvements, the City of Minneapolis shall have the right to reacquire the property for redevelopment by another developer.

It is anticipated that 201 Lowry will be divided into two new tax parcels, separating the southern portion of the original parcel (containing the existing building) from the northern portion (formerly used for surface parking). It is anticipated that the new northern-most parcel will be the location of the future housing development. The parcel division will occur following conveyance of the property to the developer and as a requirement of the development agreement between the City and the developer.

The developer may make applications to Hennepin County, the Metropolitan Council or the State of Minnesota for funds to assist in any clean-up of the site. The developer will not be requesting tax increment financing or affordable housing subsidy funds for this development.

Attachments: City Council Resolution
Map of site
201 Lowry Avenue Northeast Redevelopment Plan

**RESOLUTION
OF THE
CITY OF MINNEAPOLIS**

By Goodman and Hodges

Approving the 201 Lowry Avenue Northeast Redevelopment 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, has been granted the authority to propose and implement city development districts, housing and redevelopment projects and tax increment financing 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. It has been proposed and the City has caused to be prepared, and this Council has investigated the facts with respect to, the 201 Lowry Avenue Northeast Redevelopment Plan (the "Plan"). The Plan creates a new redevelopment project area (the "Project Area"), states the City's objectives, describes proposed development activity, describes a proposed land use and identifies property that may be acquired by the City to facilitate redevelopment of the Project Area, all pursuant to and in accordance with the Project Laws.

1.3. The City has performed all actions required by law to be performed prior to the adoption of the Plan, including, but not limited to, a review of the proposed Plan by the affected neighborhood group and the City Planning Commission, and the holding of a public hearing after published notice as required by law.

Section 2. Findings

2.1. The Council hereby finds, determines and declares that the objectives and actions authorized by the Plan are all pursuant to and in accordance with the Project Laws.

2.2. The Council further finds, determines and declares that the land in the Project Area would not be made available for redevelopment without the financial aid and public assistance to be sought.

2.3. The Council further finds, determines and declares that the Plan will afford maximum opportunity, consistent with the sound needs of the city as a whole, for the redevelopment of the Project Area by private enterprise.

2.4. The Council further finds, determines and declares that the Plan conforms to the general plan for the development or redevelopment of the city as a whole. Written comments of the City Planning Commission with respect to the Plan were issued, are incorporated herein by reference, and are on file in the office of the City Clerk.

2.5. The Council further finds, determines and declares that the 201 Lowry Avenue Northeast Redevelopment Project is a redevelopment project pursuant to Minnesota Statutes, Section 469.002, Subdivisions 14 and 16 and that the Project Area is a "blighted area" pursuant to Minnesota Statutes, Section 469.002, Subdivision 11.

2.6. The Council further finds, determines and declares that the reasons and facts supporting the findings in this Resolution are described in the Plan.

2.7. The Council further finds, determines and declares that it is necessary and in the best interests of the City at this time to approve the Plan.

Section 3. Approval of the Plan

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

Section 4. Implementation of the Plan

4.1. After passage and publication of this Resolution, 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 Plan, and for this purpose to negotiate, draft, prepare and present to this Council for its consideration, as appropriate, all further modifications, plans, resolutions, documents and contracts necessary for this purpose.