



**201 Lowry Avenue Northeast  
Redevelopment Plan**

Draft for Public Review  
January 13, 2012

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**I. Introduction**

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 (the “City”) 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 that any City financial assistance will be provided for the project.

This Redevelopment Plan establishes a new redevelopment project and identifies its boundary, redevelopment objectives, land use provisions and property that may be acquired by the City.

**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 201 Lowry Avenue Northeast Redevelopment Project area consists of one tax parcel identified below. The project area is located within the Marshall Terrace neighborhood and Ward 1 of northeast Minneapolis.

<b>Property Identification Number</b>	<b>Property Address</b>
11-029-24-23-0132	201 Lowry Avenue Northeast

It is anticipated that the above parcel 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 Project Boundary and Land Use 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 3.

## **B. Objectives of Redevelopment Plan**

The City of Minneapolis seeks to achieve the following objectives through this Redevelopment Plan:

- Eliminate blighting.
- Support neighborhood commercial activity.
- Clean a contaminated property.
- Create jobs.
- Increase the property tax base.
- Stabilize an historic resource.
- Increase the number of housing units and choices within the city.
- Increase housing density.
- Support strong and diverse neighborhoods where people choose to live.

## **C. Types of Redevelopment Activities**

The objectives of this Redevelopment Plan may be accomplished through the following public and private redevelopment activities: acquisition, site preparation, environmental remediation, rehabilitation, public improvements, new construction, 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 a vacant building and underused parcel, remediation of a contaminated property, job creation, provision of housing units, and tax base enhancement.

## **E. Citizen Participation**

The Concerned Citizens of Marshall Terrace (CCMT) is the official neighborhood group for the project area.

CCMT 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 CCMT throughout the implementation of this Redevelopment Plan, in accordance with a contract that specifies that the City shall provide CCMT an advisory role on development proposals, redevelopment plans and tax increment financing plans. CCMT, in turn, is 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.

## **F. Public Financing**

Potential sources of public financing include state and local environmental grants, federal historic tax credits and federal New Markets Tax Credits. At this time, it is not anticipated that any City financial assistance will be provided for the project.

### III. Land Use Plan

#### A. Future Land Use

The designated future land use within the 201 Lowry Avenue Northeast Redevelopment Project area is Mixed Use.

The City's comprehensive plan designates the site's future land use as Urban Neighborhood, which can include residential as well as neighborhood-serving commercial and other compatible uses.

The Project Boundary and Land Use Map is included in this Redevelopment Plan as Exhibit 1.

#### B. Conformance with Approved City Plans

The proposed development conforms to City-approved plans and ordinances.

##### **The Minneapolis Plan for Sustainable Growth**

*The Minneapolis Plan for Sustainable Growth*, the City's comprehensive plan, indicates the redevelopment area is located at the intersection of two Community Corridors, Lowry Avenue Northeast and 2<sup>nd</sup> Street Northeast. The plan indicates the land use for 201 Lowry Avenue Northeast is Urban Neighborhood, which is consistent with a vision for moderate density residential and neighborhood-serving retail, in keeping with the surrounding context of the site.

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

Primarily residential with intermittent commercial uses clustered at intersections in nodes. Commercial uses, generally small-scale retail sales and services, serving the immediate neighborhood.

The proposed development conforms to the following comprehensive plan policies:

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.

## 201 Lowry Avenue Northeast Redevelopment Plan

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- 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 3.1: Grow by increasing the supply of housing.

- 3.1.1 Support the development of new medium- and high-density housing in appropriate locations throughout the city.
- 3.1.2 Use planning processes and other opportunities for community engagement to build community understanding of the important role that urban density plays in stabilizing and strengthening the city.
- 3.1.3 Continue to streamline city development review, permitting, and licensing to make it easier to develop property in the City of Minneapolis.

### **Small Area Plans**

The Lowry Avenue Corridor Plan was approved by the City Council on July 12, 2002. It has since been incorporated as part of *The Minneapolis Plan for Sustainable Growth*, the City's comprehensive plan. The Lowry Avenue frontage of this redevelopment area falls within the plan's study area and recommendations.

The proposed commercial uses are consistent with the small area plan. On the plan's land use map, this area is shown as "predominantly retail/service" along the Lowry Avenue frontage. Additionally, the plan states:

Planning for the consolidation of commercial space, services, retail and office around transit centers/nodes is one of the stated goals of this corridor planning process.

This plan recommends ... consolidation of commercial uses at other key nodes, including Penn Avenue, Marshall Street, 2<sup>nd</sup> Street NE, and University Avenue.

Promote a land use pattern that concentrates commercial activities at key intersections and reinforces the primarily residential nature of neighborhoods between the nodes.

The portion of the parcel at 201 Lowry Avenue Northeast away from the frontage is not specifically addressed in this plan. However, the plan generally notes:

Where there is a deeper parcel, larger, more intense residential or commercial development may be possible.

Additionally, areas adjacent to Commercial Corridors, at noted above, are generally guided for moderate density residential.

### **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 zoned C2 (Neighborhood Corridor Commercial) District, an appropriate zoning to facilitate the above noted goals of the comprehensive plan and the Lowry Avenue Corridor Plan.

Generally speaking, the zoning is suitable for the proposed development, though it has not yet been brought through the City's development review process. At minimum, a conditional use permit will be required for a cluster development, a PUD or any multiple-family dwelling with five or more units. Additionally, site plan review will likely be required.

**C. Land Use Restrictions**

A 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 201 Lowry Avenue Northeast Redevelopment Plan has been prepared to facilitate the redevelopment of the tax-forfeited property at 201 Lowry Avenue Northeast. 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 anticipated that development of the commercial portion of the project will commence in 2012. Renderings of the anticipated development are provided in Exhibit 4.

It is proposed that the City of Minneapolis acquire the tax-forfeited property and convey it to the development entity.

**B. Property Acquisition**

By including in this Redevelopment Plan a list of Property That May Be Acquired, the City of Minneapolis is signifying that it is interested in acquiring the property 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.

The list of Property That May be Acquired includes:

<b>Property Identification Number</b>	<b>Property Address</b>
11-029-24-23-0132	201 Lowry Avenue Northeast

State law authorizes the City to acquire property either on a negotiated basis or, in certain situations, through the use of its power of eminent domain, if necessary, to carry out a redevelopment plan. The City will seek to acquire property from willing sellers whenever possible.

The Property Acquisition Map is included in this Redevelopment Plan as Exhibit 3.

**C. Rehabilitation**

Property that is acquired under this Redevelopment Plan may be rehabilitated or sold for rehabilitation when such rehabilitation would serve to achieve the objectives of this Redevelopment Plan. Substantial rehabilitation of the building at 201 Lowry Avenue Northeast is planned.

**D. Relocation**

It is not anticipated that any businesses or residents will be displaced by public redevelopment activities within the project area.

**E. Redevelopers' Obligations**

The requirements imposed upon redevelopers, their successors or assigns, will be established in a development agreement between the City and the developer 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, if any, accompany the Redevelopment Plan when it is officially submitted to the City Council for approval (Minnesota Statutes, Section 469.027).

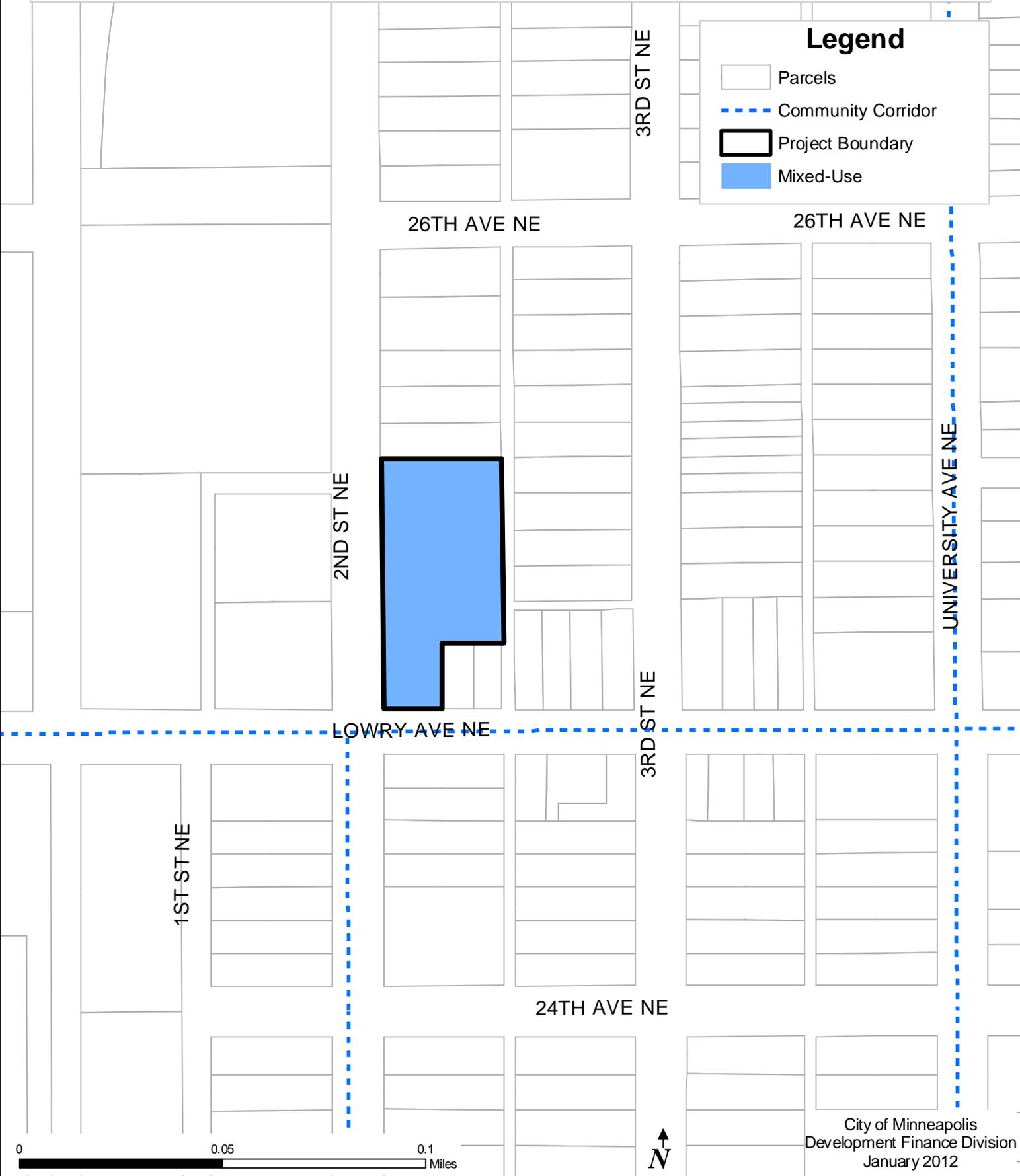
In approving this Redevelopment Plan, the City Council is responsible for carrying out those elements of the plan requiring official action by the City.

**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.

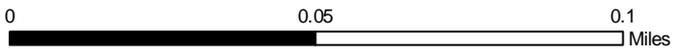
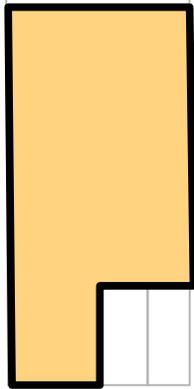
# 201 Lowry Avenue Northeast Redevelopment Plan Project Boundary and Future Land Use Map



# 201 Lowry Avenue Northeast Redevelopment Plan Property Acquisition Map

**Legend**

- Parcels
- Project Boundary
- Property that May be Acquired



201 Lowry Avenue Northeast Redevelopment Plan

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**Project Area Report**

This report describes the conditions that qualify the proposed 201 Lowry Avenue Northeast 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 and Hennepin County records, including information gathered during an exterior inspection conducted in December 2011 by the City's Community Planning and Economic Development (CPED) Construction Management staff. These records are available for review in City of Minneapolis offices at 105 5<sup>th</sup> Avenue South, Minneapolis, Minnesota.

**General Description of Project Area**

The proposed project area consists of one 44,375-square foot tax parcel located at 201 Lowry Avenue Northeast (Property Identification No. 11-029-24-23-0132), within the Marshall Terrace neighborhood of northeast Minneapolis. The project boundary is depicted on the Project Boundary and Land Use Map (see Exhibit 1).

The project area is located at the intersection of two Community Corridors – Lowry Avenue Northeast and 2<sup>nd</sup> Street Northeast – as identified in the City's comprehensive plan, *The Minneapolis Plan for Sustainable Growth*. The *Minneapolis Plan's* land use designation for the 201 Lowry Avenue Northeast parcel is Urban Neighborhood, which is described as a predominantly residential area with a range of densities, with a limited amount of other uses appropriate in a residential setting. The property in the project area is zoned C2 (Neighborhood Corridor Commercial) District.

**Property Conditions**

The sole parcel within the project area is a tax-forfeited property administered by Hennepin County. The parcel is occupied by a two-story commercial building constructed in 1902 and a surface parking lot. The building, vacant since 2006, housed a restaurant on the first floor and a residential apartment on the second floor. Hennepin County became the administrator of the property in August 2010 through tax forfeiture. The building was determined to be unsafe for habitation and was condemned by Minneapolis Inspections in November 2010. The Minneapolis City Assessor's Office has rated the building's condition as 7-Poor, the lowest rating on a seven-point system.

An exterior inspection of the property found a vacant and boarded deteriorated building suffering from lack of maintenance and in need of major repair. Electrical service to the building has been removed. Cracks in the stucco siding were noted. An interior inspection of the property was not attempted, due to known hazardous conditions resulting from significant mold issues. The need for asbestos abatement was also noted in an August 2011 property appraisal.

In the last years of the building's operation as a restaurant, there were numerous City orders related to health, safety and fire code violations on the property. A November 2010 Inspections

## Penn Avenue North Redevelopment Plan

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report indicated the building was inadequately maintained, unsafe and structurally unsound. In January 2011, the Minneapolis Police Department declared the property a nuisance and authorized an emergency boarding due to its being vacant and open to trespass.

### **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 201 Lowry Avenue Northeast Redevelopment Project area is determined to be a blighted area, based on the conditions described herein. Indicators of blight observed in the project area include deteriorated or damaged building elements, underused land, poorly maintained premises, unoccupied property, and a building in need of major repair.

Redevelopment activity in the project area will remove blight and redevelop a vacant building and underused parcel.

### **Location of Documents**

Documentation supporting these findings is on file in City of Minneapolis offices. Detailed records, including maps, photographs, tax records and inspections records, are available for examination in City offices at 105 5<sup>th</sup> Avenue South, Minneapolis, Minnesota.

