



**Request for City Council Committee Action
From the City Attorney's Office**

Date: October 1, 2013
To: Zoning and Planning Committee
Referral to:

Subject: *The Preservation Alliance of Minnesota et al. vs. City of Minneapolis*
Court File No: 27-CV-12-14220

Recommendation: That the City Council approves the settlement of this case by non-monetary relief as defined below and authorize the City Attorney's Office to execute any documents necessary to effectuate settlement.

Previous Directives:

Prepared by: Erik Nilsson Phone: 612-673-2192

Approved by: 
Susan Segal City Attorney

Presenter in Committee: Erik Nilsson, Assistant City Attorney

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
 Action requires an appropriation increase to the _____ Capital Budget or _____ Operating Budget.
 Action provides increased revenue for appropriation increase.
 Action requires use of contingency or reserves.
 Business Plan: _____ Action is within the plan. _____ Action requires a change to plan.
 Other financial impact (Explain):
 Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact: Other

Background/Supporting Information

In June 2012, plaintiffs filed a lawsuit under the Minnesota Environmental Rights Act ("MERA") challenging the City's approval of the demolition of Peavey Plaza ("Plaza") in conjunction with an approved redesign concept. Plaintiffs contended that the Plaza was a "historical resource" protected from destruction under MERA. The City denied the claim and asserted that there was "no feasible and prudent alternative" to demolition. In January 2013, the Plaza was officially listed by the federal government on the National Register of Historic Places. The demolition approval at issue expired in June 2013.

After extensive negotiation, the parties have reached a settlement conditional on City Council approval. The agreement would acknowledge the law that rehabilitation of the Plaza must be consistent with applicable historic preservation standards. The parties also agreed to a list of design goals to guide future rehabilitation of the Plaza, including operation and maintenance improvements, enhanced disability access, and increased event space usage. The agreement would not obligate the City to carry out any

plan or make any financial commitments. Finally, the City would agree to provide advance notice of any intent to demolish the Plaza to plaintiffs for a period of three years. Plaintiffs will dismiss the lawsuit with prejudice and without costs or disbursements to either party.

This matter has been discussed with Community Planning and Economic Development personnel, the Mayor's office, and select members of the City Council, and we feel it is in the best interest of the City and recommend approval by this Committee and the City Council.