

City of Minneapolis
Request for Committee Action

To: Commercial Development & Regulatory Services
Date: 11/10/2015
From: Community Planning & Economic Development
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File type: Resolution
Subcategory: City Policies

Subject:

City of Minneapolis Commercial Garden Policy

Description:

1. Authorize the Resolution delegating authority to the Community Planning and Economic Development department director or designee and to the Public Works department director or designee to make and execute City Commercial Garden Lease form contracts (Attachment 4).
2. Adopt the attached commercial garden criteria for determining a parcel's eligibility for lease or sale as a commercial garden space (Attachment 2).
3. Permit appropriate City staff to execute leases of up to five (5) years in length for commercial gardens on parcels determined to be undevelopable, as referenced in the commercial garden criteria (Attachment 2).
4. Approve the commercial garden lease standards (Attachment 2).
5. Support enforcement of the removal of unauthorized gardens on City-owned vacant parcels.

Previous Actions:

In June 2009, the City Council adopted City Resolution 2009R-283 "Recognizing the Importance of Healthy, Sustainably Produced and Locally Grown Foods and Creating the Homegrown Minneapolis Implementation Task Force", directing City staff among other things to develop a community garden program that allows commercial organizations to lease non-developable City-owned properties for commercial gardens.

In April 2010, the City Council adopted City Resolution 2010R-119 "The City Council hereby delegates authority to the Department of Community Planning and Economic Development (CPED) director or designees for City development properties and to the Department of Public Works director, the City engineer or designees for all other City-owned properties, to make and execute community garden leases with non-profit organizations for non-buildable and non-developable City-owned properties, at no cost to the City, for a term not to exceed five years using a form approved by the City Attorney.

In September 2013, the City Council approved a waiver to the Community Garden Policy to allow for short term leases on City-owned buildable lots within the Tornado affected areas of Minneapolis.

In April 2014, the City Council approved the City of Minneapolis Real Estate Disposition Policy. This policy governs a) disposition of City-owned real estate that is no longer needed for City operating purposes and b) disposition of real estate acquired or held by the City for development purposes. Section 2.2.14 of the policy provides directives on the sale of certain vacant non-buildable parcels to registered non-profit entities for use as community gardens.

In March 2015, the Community Development & Regulatory Services Committee of the City Council directed CPED Housing and Economic Development staff to review the vacant property list to determine which parcels are developable based on economic conditions and lot size and thereupon develop a set of policy recommendations regarding the Food Council's land access policy goals, to present to the Community Development and Regulatory Services Committee.

Ward/Neighborhood/Address:

All Wards
All Neighborhoods

Background/Analysis:

This request to authorize a resolution delegating authority to the Community Planning and Economic Development department director or designee and to the Public Works department director or designee to make and execute City Commercial Garden Lease form contracts and for garden policy modifications applies to the City of Minneapolis Commercial Garden Policy to lease and sell certain City-owned parcels within CPED's inventory for private for-profit commercial market gardens and urban farms. CPED staff will develop a separate City of Minneapolis Community Garden Policy to lease and sell certain City-owned parcels within CPED's inventory for non-profit community gardens for consideration by the City Council.

In its March 2015 annual report to the City Council, leadership of the Homegrown Minneapolis Food Council (HMFC) described the increasing demand from residents for both community and commercial gardening space in the city. At the time, over 243 community gardens were operating within Minneapolis – 33 of them on City-owned properties. There are now nearly 50 community gardens leased on City-owned parcels. The gardens reported as leased effectively limited vacant space available for accommodating new interest from residents in growing food. A number of successful commercial growers were also experiencing difficulties in finding suitable land for expanding their businesses.

In City Resolutions 2009R-283 and 2011R-445, the City Council directed the HMFC to:

1. Develop innovative policies and strategies to improve the growing, processing, promotion, distribution, consumption and composting of healthy, sustainable, locally grown foods in Minneapolis.
2. Advise the Mayor, City Council, and Park Board on food system related opportunities and challenges.
3. Advance the food system in directions that are health promoting, environmentally sustainable, local, resilient, inclusive, equitable, fair and transparent.

As a result, the HMFC engaged a diverse set of community stakeholders to assess the needs and challenges of food growers within Minneapolis and devise strategies to assist these growers in meeting the above noted sustainability and food system goals.

Following the directive from the CD&RS Committee, and taking into account the HMFC recommendations, City staff conducted a thorough analysis of the vacant land inventory of the City's Department of Community Planning and Economic Development (CPED), as well as relevant State statutes pertaining to the disposition of these properties. A breakdown of the vacant land in CPED's inventory is provided in the table below.

Lots in CPED Inventory, As of October 2, 2015	Count
Held for Multifamily Development	75
Held for Business Development	60
Long Term, Third Party Leases	83
To Be Transferred to Public Works	4
Lots Held for Special Projects:	136
<i>Humboldt Greenway</i>	48
<i>Penn Avenue Corridor</i>	30
<i>Heritage Park</i>	18
<i>Lowry Avenue Corridor</i>	5
<i>Eco-Village</i>	4
<i>Other Strategic Assemblage</i>	30
Side Yards	51
Single Family New Construction ¹	369
Structures Marketed for Single Family Rehab ²	19
Total	796
Notes:	
1. Of the 370 lots, 51 are being reconfigured for future lot sale.	
2. Of the 19 structures, 10 have been approved for sale and five are slated for demolition and four will be remarketed.	

As the result of staff preliminary analysis of City-owned properties in CPED's inventory, staff identified a total of 47 additional properties (Attachment 2) to be considered under this recommendation and present the following commercial garden criteria and lease agreement standards (Attachment 1):

Criteria

1. Vacant parcels in CPED's inventory determined to be undevelopable may be made available for garden lease terms of up to five (5) years. Undersized parcels with no pending redevelopment activities or use restrictions may be made available for garden lease terms of three (3) years. Certain properties, as described in the commercial garden criteria (Attachment 2), in CPED's inventory for Single Family, Multifamily and Business development may be made available for garden lease terms of one (1) year. All leases may be renewed, conditioned by adherence to lease terms.
2. Determination of the eligibility of vacant parcels for garden leases may be based upon the commercial garden criteria (Attachment 2). Any vacant parcels added to CPED's inventory in the future may be considered eligible for a garden lease, without the need for full City Council approval, provided they meet one of these criteria.
3. The sale of undevelopable or undersized vacant parcels, not needed for site assemblage, to commercial gardeners may be permitted. However, preference will be given to adjacent property owners for sale as a side yard, provided that the adjacent properties are not larger than the average parcel on the block, do not have unpaid taxes and do not have open housing violations.

Lease Agreement Standards

1. Liability insurance requirements for commercial gardens will be \$2 million.
2. In the event of lease termination by the City for purposes of redevelopment, gardeners would not be required to vacate the property any sooner than the end of the current growing season.
3. The City will collect a commercial garden lease fee of five percent of the fair market value of the property or a sales price based on the fair market value of the property. The City will also collect an administrative fee of \$25.00 and a refundable damage deposit of \$250.00, in the case of leases.
4. Accessory buildings and improvements may be approved by the City pursuant to the City's Building Code and Zoning Code requirements.
5. Utilities, including water and electricity, will be used, maintained and financed by the lessee.
6. Use and storage of fertilizers, pesticides and other chemicals on site only as permitted by law.
7. Soil testing for all garden properties is required before entering into a garden lease and clean-fill raised bed gardens will be used where required by soil testing.
8. In residential areas, garden hours will be between 8:00 am and 10:00 pm.
9. No on-site parking will be allowed on garden lots.
10. Garden lots will be maintained year-round, including sidewalk and snow removal, by the lessee.

Additionally, the City will cause the removal of any unauthorized use of City-owned properties for gardens and unauthorized gardeners will be directed to follow the process for leasing an appropriate garden site. Gardeners will be connected to other garden opportunities through the HMFC. It is anticipated that the expansion of available lots for gardening will minimize any unauthorized use of City-owned properties for gardening.

The City currently performs soil testing through a relationship with Hennepin County, should those funds be depleted, all future costs of soil testing will be the responsibility of the gardener. This position will be in keeping with the April 2010 City Council adopted City Resolution 2010R-119 that references , "...To make and execute community garden leases with non-profit organizations for non-buildable and non-developable City-owned properties, at no cost to the City, for a term not to exceed five years using a form approved by the City Attorney."

In order to lease non-buildable and non-developable City-owned properties for commercial gardens, CPED staff have requested that the City Attorney's Office to prepare a standard form City Commercial Garden Lease consistent with the 2005 City Council authorization establishing a protocol for delegating contracting authority to various departments to enter into standard form contracts.

The requisite information for the City Commercial Garden Lease includes:

- **Title:** City Commercial Garden Lease
- **Usage:** Leasing City-owned properties that are non-developable and non-buildable to market gardeners and urban farmers for use of commercial gardens in accordance with the City's Homegrown Minneapolis initiative and City Resolutions 2009R-283 and 2011R-445.
- **Required Signatures:** CPED Department Director or Designee for City development properties or Public Works Department Director, City Engineer or Designee for all other City-owned properties.
- **Dollar Limits:** An amount equal to five percent of the fair market value of the property value of the property, an administrative fee of \$25.00 and a refundable damage deposit of \$250.00.
- **Maximum Term:** Five (5) years.

These City of Minneapolis Commercial Garden policy criteria and standards to lease and sell certain City-owned parcels within CPED's and Public Works' inventory for commercial gardens, market gardens and urban farms, if adopted, will assist in advancing strategies to improve the growing, processing, promotion, distribution, consumption and composting of healthy, sustainable, locally grown foods in Minneapolis.

Financial Review:

No additional appropriation required, amount included in current budget.

Future budget impact anticipated.

- The lease or sale of the property will eliminate an estimated \$3,600 of future management costs, annually.

Reduction in property maintenance costs incurred by City of Minneapolis of approximately \$3,600 annually, as the lessee is responsible for property management during the lease period. Potential one-time revenue and increased tax collection from vacant parcels sold for commercial gardens.

Approved by the Permanent Review Committee.

Meets Small and Underutilized Business Program goals.

Attachments:

1. City of Minneapolis Commercial Garden Criteria
2. Vacant Parcels for Consideration for Community and Commercial Gardens
3. City of Minneapolis Community and Commercial Garden Map
4. Resolution delegating authority to make and execute City Community Garden Lease form contracts.