



## **Hollywood Theatre Redevelopment Plan**

**September 12, 2008**

Prepared by the Development Finance Division  
105 5<sup>th</sup> Avenue South, Minneapolis, Minnesota 55401

# Hollywood Theatre Redevelopment Plan

September 12, 2008

## Table of Contents

### *Introduction and Background*

### *Redevelopment Plan*

#### I. Description of Project

- A. Boundary of Redevelopment Project
- B. Project Boundary Map
- C. Objectives of the Redevelopment Plan
- D. Types of Redevelopment Activities
- E. Public Purpose
- F. Citizen Participation
- G. Public Financing

#### II. Land Use Plan

- A. Land Use Map
- B. Conformance with Approved City Plans
- C. Period during which Land Use Provisions and Requirements Will Be In Effect

#### III. Project Proposals

- A. Property Acquisition
- B. Rehabilitation
- C. Redevelopers' Obligations

#### IV. Relocation

#### V. Official Action to Carry Out Redevelopment Plan

#### VI. Procedure for Changes in Approved Redevelopment Plan

### *EXHIBITS*

- 1. Project Boundary Map
- 2. Land Use Map
- 3. Acquisition Map
- 4. Project Area Report and Documentation of Eligibility

# Hollywood Theatre Redevelopment Plan

## September 12, 2008

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### Introduction and Background

Since 1993, the City of Minneapolis has sought to facilitate redevelopment of the Hollywood Theatre building at 2815 Johnson Street Northeast. The Minneapolis Community Development Agency (MCDA), predecessor to the City's Community Planning and Economic Development (CPED) department, purchased the Hollywood Theatre and a vacant lot across the street at 2800 Johnson Street Northeast in 1993. The 2800 Johnson property is a former gas station site.

Following acquisition of the properties, marketing efforts focused on movie theater and entertainment reuses. In addition to general marketing, three formal Requests for Proposals failed to yield any viable entertainment proposals, in spite of extensive work with the respective proposers.

In 2007, the City reevaluated the site's development potential and changed its approach to pursue more general, and possibly interim, arts-related reuses such as photography or art studio, architectural offices, or other arts-related uses. The City objective is the sale and long-term stable redevelopment of the Hollywood Theatre and related properties.

Stakeholder support for this approach and non-theater reuse evolved in discussions in early 2008 among a neighborhood task force, CPED, and representatives of Hillcrest Development, who participated in an advisory role. The discussions identified certain near-term improvements to enhance marketing of the property.

The City's primary goal is the sale and redevelopment of the Hollywood Theatre and related properties to achieve a stable long-term reuse. To achieve that goal, components of an interim use plan, including near-term improvements and development of a marketing strategy, are being undertaken to facilitate implementation of a marketing plan in early 2009.

**The Hollywood Theatre Redevelopment Plan** establishes a new redevelopment project area, establishes redevelopment objectives and land use recommendations, and identifies property that may be acquired by the City of Minneapolis.

## REDEVELOPMENT PLAN

### I. Description of Project

#### A. Boundary of Redevelopment Project

Under the authority of 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 Project Area Report and Documentation of Eligibility is attached as Exhibit 3.

The Hollywood Theatre Redevelopment project area consists of three tax parcels identified below. The project area is located within the Audubon Park Neighborhood in Ward 1 of northeast Minneapolis.

<b>Property Identification Number</b>	<b>Address</b>
1) 12-029-24-21-0002	2800 Johnson St NE
2) 12-029-24-12-0224	2815 Johnson St NE
3) 12-029-24-12-0062	2819 Johnson St NE

#### B. Project Boundary Map

The Project Boundary Map is included in this redevelopment plan as Exhibit 1.

#### C. Objectives of the Redevelopment Plan

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

- eliminate blighting influences;
- stabilize an historic resource;
- provide a catalyst to the revitalization of the 29<sup>th</sup> and Johnson commercial node;
- support the goals articulated in the recently adopted Audubon Park Small Area Plan;
- increase the City's property tax base;
- increase the supply of housing choices;
- encourage and support new and expanding business activity;
- create a mix of uses to create a vibrant, transit-oriented community; and
- support redevelopment efforts that enhance and preserve unique urban features and amenities.

#### D. Types of Redevelopment Activities

The objectives of the redevelopment plan may be accomplished through the following actions: acquisition, demolition, new construction, rehabilitation, project administration, and other related activities.

#### E. Public Purpose

Public purposes of the Hollywood Theatre Redevelopment Plan include:

1) removal of blight or the causes of blight; 2) stabilization of an historic structure; 3) redevelopment of vacant and underused parcels; 4) job creation; 5) increased property tax generation; (6) improved environment of the public realm; (7) adaptive building reuses; and (8) disposition of City owned properties.

#### F. Citizen Participation

The Audubon Neighborhood Association is the official neighborhood group for the project area, and will be given the opportunity to review and comment on the Hollywood Theatre Redevelopment Plan prior to consideration of the plan by the City Council.

The City of Minneapolis will continue to work with this group throughout the implementation of the redevelopment plan.

#### G. Public Financing

If the property identified in section III.A.1 of this redevelopment plan is acquired by the City of Minneapolis, the likely source of public acquisition funds will be the resources allocated to neighborhood business district revitalization programs.

### II. Land Use Plan

#### A. Land Use Map

The Land Use Map is included in this redevelopment plan as Exhibit 2. Future land use on property within the project area acquired by the City of Minneapolis will be commercial or mixed-use.

#### B. Conformance with Approved City Plans

All development on land acquired by the City of Minneapolis shall conform to the Minneapolis Zoning Ordinance, the City's comprehensive plan, and other City Council-adopted plans and ordinances. Properties within the project area are currently zoned C1 (Neighborhood Commercial). The land use provisions and building requirements of this redevelopment plan shall be applied in addition to official codes, ordinances, and other legal controls in the City of Minneapolis and

the State of Minnesota. Where there is a conflict between any of the existing official codes, ordinances or other legal controls of the City of Minneapolis or State of Minnesota and these land use provisions and building requirements, the stricter and more limiting requirement shall apply.

C. Period During Which Land Use Provisions and Requirements Will Be In Effect

The requirements and provisions of Section II.B of this redevelopment plan shall apply to all of the properties located in the project area, except where strict compliance thereto would in the judgment of the City either not be in the best interest of the project or the City or would not contribute to the achievement of the objectives of this redevelopment plan. These requirements shall remain in effect for 20 years from the date of conveyance of the disposition parcels.

III. Project Proposals

A. Property Acquisition

1. Property That May Be Acquired

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:

<u>Property Identification No.</u>	<u>Property Address</u>
12-029-24-12-0062	2819 Johnson St NE

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 Acquisition Map is included in this redevelopment plan as Exhibit 3.

B. 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.

### C. Redevelopers' Obligations

The general requirements imposed upon redevelopers, their successors or assigns, will be established in development agreements. 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. Relocation

No acquisition of property within the project area will result in the displacement of business or residential uses.

### V. Official Action to Carry Out the Redevelopment Plan

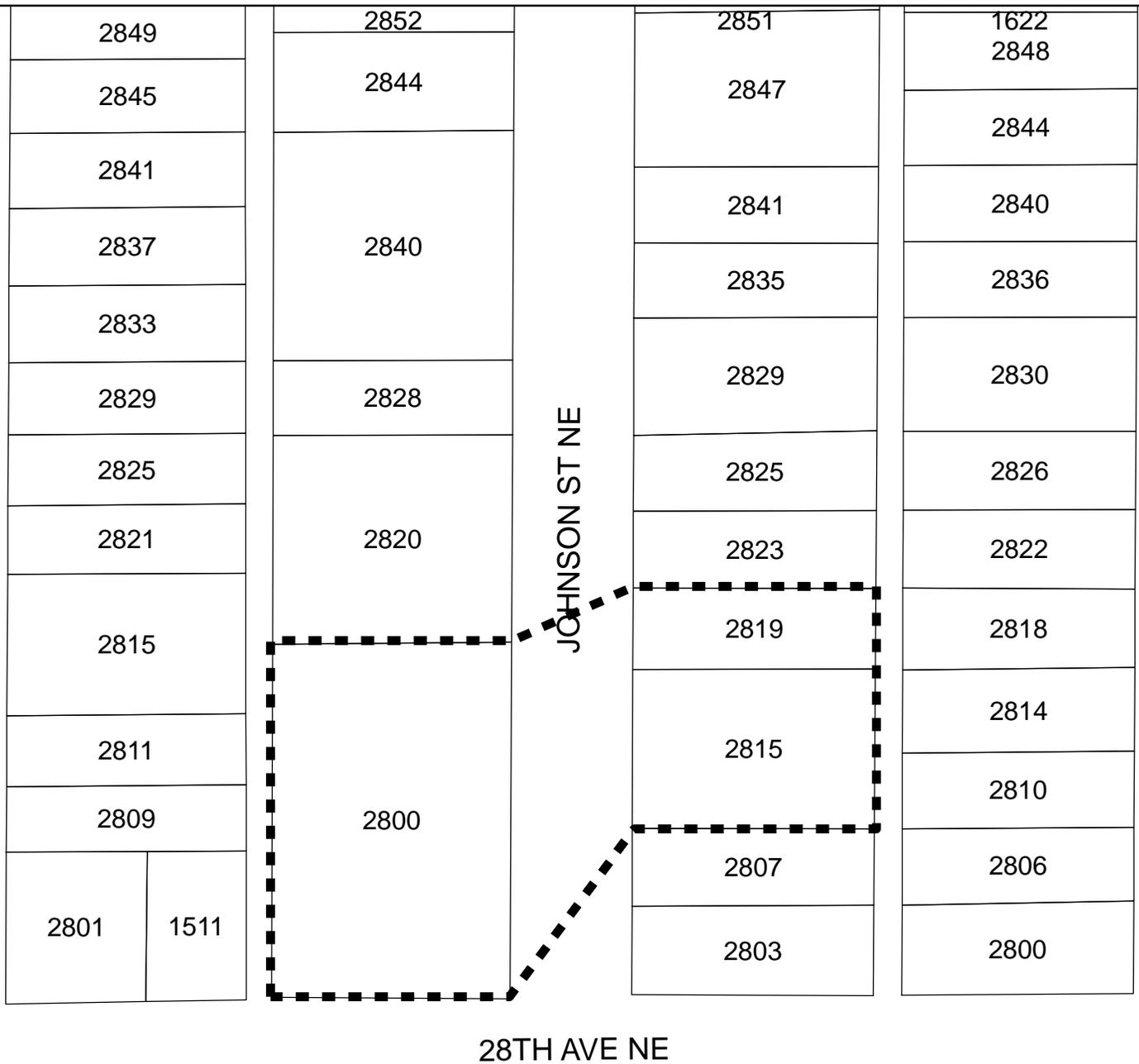
Minnesota law requires that the Minneapolis City Planning Commission review this redevelopment plan and that its written opinion, if any, accompany the redevelopment plan when it is officially submitted to the City Council for approval (Minnesota Statutes, Section 469.027).

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

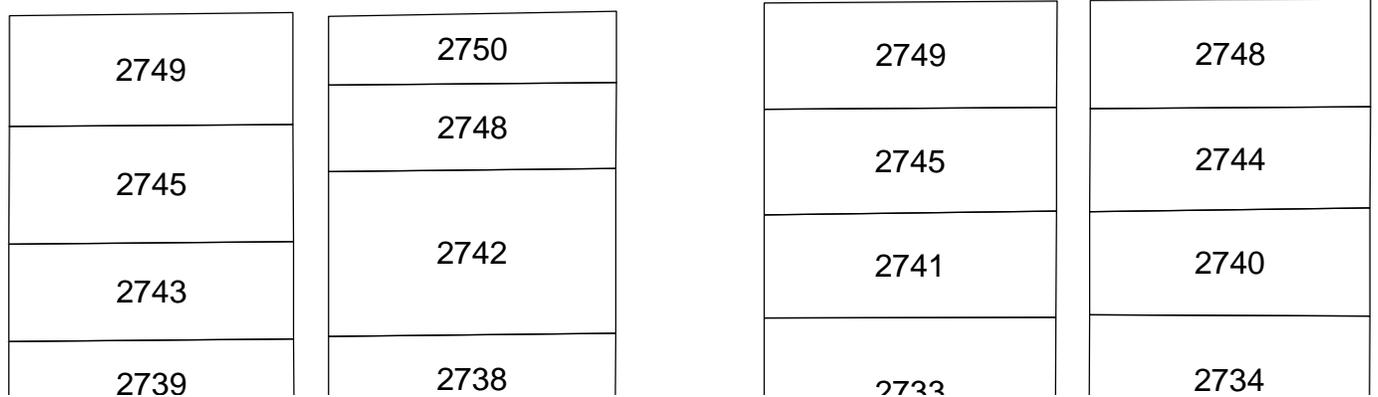
### VI. Procedure for Changes in Approved Redevelopment Plan

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.”



28TH AVE NE



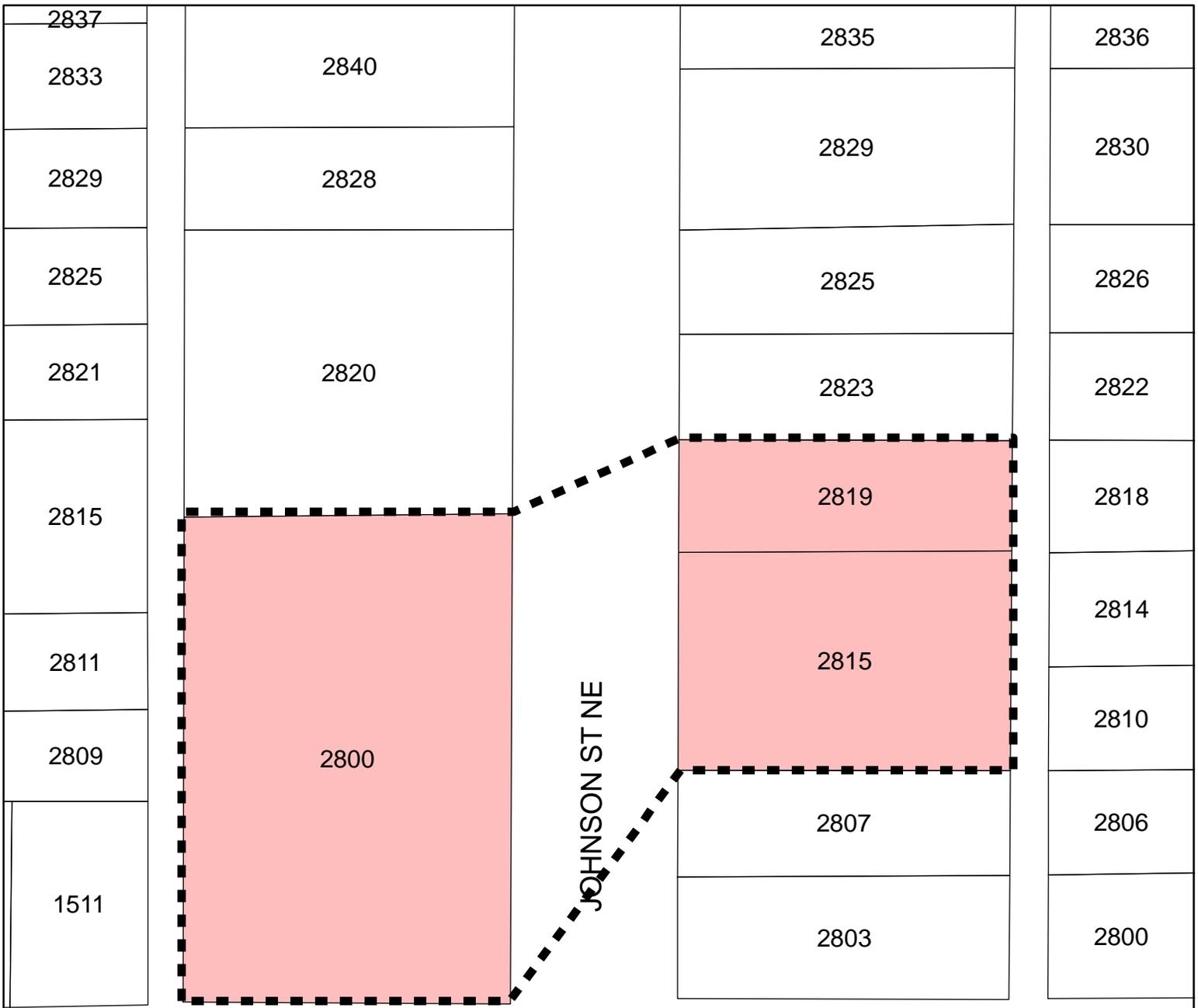
# Hollywood Theatre Redevelopment Project Boundary Map

August 1, 2008

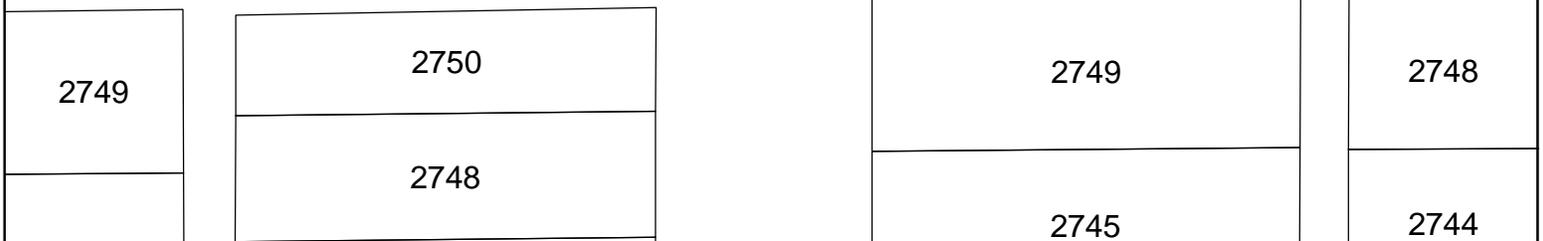
 Project Boundary



Exhibit 1



28TH AVE NE



# Hollywood Theatre Redevelopment Project Land Use Map

August 1, 2008

- Project Boundary
- Land Use: commercial/mixed use

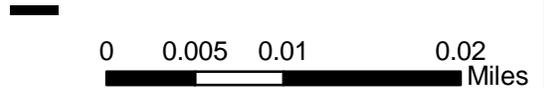
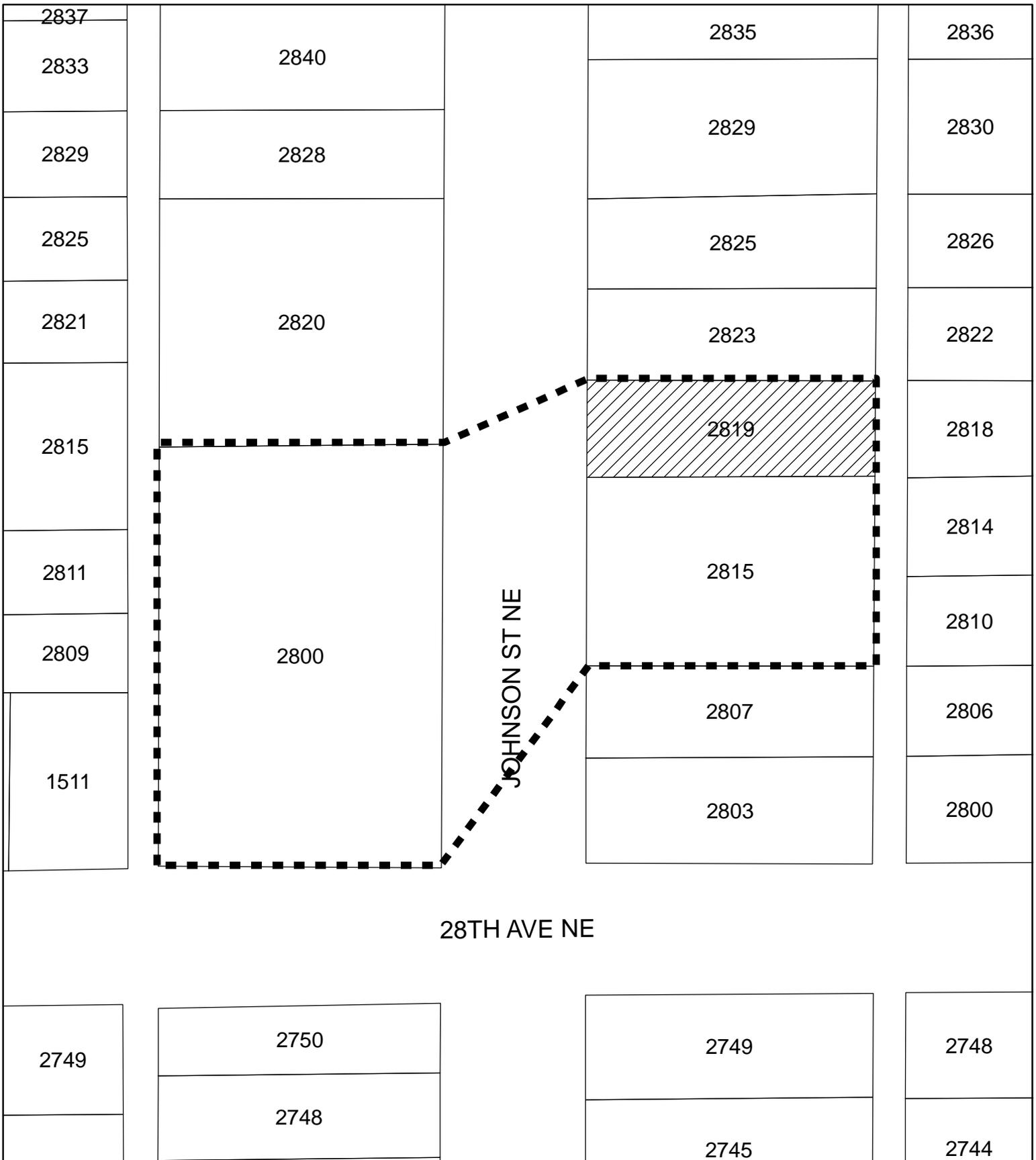


Exhibit 2



Hollywood Theatre Redevelopment Project Acquisition Map  
 August 1, 2008

-  Project Boundary
-  2819 Johnson St NE "Property that may be acquired"



**Hollywood Theatre Redevelopment Plan  
Project Area Report and Documentation of Eligibility  
September 12, 2008**

The Hollywood Theatre Redevelopment Plan establishes a new redevelopment project area, establishes redevelopment objectives and land use recommendations, and identifies one parcel as property that may be acquired by the City of Minneapolis.

This Project Area Report and Documentation of Eligibility describes the conditions that qualify the area as a redevelopment project.

The Hollywood Theatre Redevelopment Project will be a redevelopment project as defined in the Minnesota Housing and Redevelopment Authorities Act (Minnesota Statutes, § 469.002, Subdivisions 14 and 16). According to Subdivision 14, Paragraph 1, redevelopment projects are established “for the purpose of removing, preventing, or reducing blight, blighting factors, or the causes of blight.” The redevelopment project area therefore must be found to be a blighted area, which is defined in § 469.002, Subdivision 11 of the Act 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.”

**Conditions within the Proposed Redevelopment Project Area**

In May 2008, Senior Construction Management Specialist James Edin of the City’s Community Planning and Economic Development (CPED) department conducted exterior inspections of the entire proposed redevelopment project area and interior inspections of the theater building. The building conditions in the proposed project area were surveyed with respect to the statutory requirements to determine if there is sufficient evidence to establish and qualify a Redevelopment Project Area under the Housing and Redevelopment Authorities Act (Minnesota Statutes, § 469.002, Subdivisions 14 and 16).

Properties within the project area include a vacant former movie theater, a vacant single-family dwelling, and a vacant parcel of land.

The theater building, constructed in 1935, is located at 2815 Johnson Street NE. The parcel measures approximately 82’ by 127’ and the building virtually covers the site. The building has been vacant for a number of years and was unheated for a period of time. It suffers from deferred maintenance and has sustained significant deterioration. The exterior walls appear to have suffered extensive deterioration, requiring major tuck pointing and replacement of bricks. There are large areas with cracks, missing mortar

and defacement. Standing water or ice was present for a time when a sump ceased to operate. A temporary sump was activated but a permanent pumping system would probably be required. The entire existing electrical system is outdated, obsolete and unsafe. The heating, ventilation and air conditioning system and plumbing will need to be replaced. The building was inspected by a structural engineer and an architect in June 1993 and was found to be in stable condition. Although the building components appeared to be in structurally sound condition at that time, it was recommended that no additional loads be imposed upon the existing structural system unless an extensive structural analysis is performed. Stabilization completed by the City of Minneapolis in 2002 included installation of a new roof, operating sump pumps, temporary heaters and fans, construction lighting and environmental abatement.

The residential structure at 2819 Johnson Street NE is, at 704 square feet, small by modern standards. The four-room structure, built in 1925, has two bedrooms and a full basement. The property presents as well-kept; however, the garage is the original structure, is functionally obsolete, and should be considered past its useful service life. A search of public records found only two building permits at this property, dating back to 2004.

The vacant lot at 2800 Johnson Street NE is owned by the City of Minneapolis. The parcel is 23,870 square feet in size and formerly housed a gas station.

### **Eligibility Findings**

Staff has determined that the proposed project area qualifies for inclusion in a redevelopment project under Minnesota Statutes § 469.001 through 469.047. Property within the project area is substandard and meets the statutory criteria for blight. The property is detrimental to the "safety, health, morals or welfare of the community" by reasons of dilapidation, obsolescence, overcrowding, faulty arrangement, lack of ventilation and structural damage as demonstrated by photographs of the site, structures and damage therein.

The existing structures are in poor condition or are functionally obsolete for their present and continued use. They lack certain life safety upgrades and compliance with the Americans with Disabilities Act (ADA), and their obsolete mechanical and electrical systems do not comply with present day building codes and standards.

Documentation supporting these findings is on file in the office of the Development Finance Division, Finance Department, Suite 575, Crown Roller Mill, 105 5<sup>th</sup> Avenue South, Minneapolis, Minnesota.