



**Request for City Council Committee Action
From the Department of Regulatory Services**

Date: July 28, 2004

**To: Council Member Dan Niziolek, Chair
Public Safety and Regulatory Services Committee
Referral to: Ways and Means**

**Subject: Abatement of Special Assessment of \$120,000 for 113 26th St. E, known
as Corson's Corners**

Recommendation: That the Special Assessment be abated due to the overall benefit to the neighborhood and the City of having the pollution cleaned up and a mixed use residential/ retail development created on the property.

Previous Directives: Demolition costs approved as Special Assessment in 1994.

**Prepared or Submitted by: Clara Schmit-Gonzalez, Deputy Director
673-3851**

Approved by : _____
Merwyn Larson, Director of Inspections

Rocco Forte, Assistant City Coordinator
Regulatory Services and Emergency Preparedness

John Moir
City Coordinator

**Presenters in Committee: Harold Troup, Property Management Specialist,
Hennepin County Taxpayer Services
Patrick R. Connoy, Economic Development Project Coordinator, HC**

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase
 Action requires use of contingency or reserves
 Other financial impact (Explain): \$120,000 of Special Assessment revenue will not be recovered, however, the property will become tax generating again.
 Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (use any categories that apply)

Neighborhood Notification

City Goals

Comprehensive Plan

Zoning Code

Other

Background/Supporting Information

This property is the previous location of Despatch Laundry/ Whiteway Cleaners. The building on this site was demolished by the Inspections Department in July of 1993 at a cost of \$121,000 and added to the Special Assessment rolls in 1994. The property became tax forfeited to the State of Minnesota on September 15th of 1994. The Special Assessment was certified later in 1994.

Earlier this year, Mr. Harold Troup, Property Management Specialist with the Hennepin County Taxpayer Services Department wrote a letter requesting that the City abate this Special Assessment in order to facilitate re-development of this property.

We subsequently meet with Mr. Troup and representatives from the Hennepin County Environmental Section to review the history on this property. The previous long-term operation of the Whiteway Cleaners at this location had resulted in substantial pollution on the site and testing indicated that the pollution was spreading. Hennepin County staff applied for grant dollars to cleanup the site for redevelopment and obtained some dollars to do so. Hennepin County is indicating that it is contributing a total of \$358,000 to this effort which includes \$142,008.57 for environmental and property management, an ERF grant of \$108,000 and a contribution of \$108,000 pledged from the Contaminated Lands Escrow Account. Hennepin County will remain responsible for the continued monitoring and ongoing decontamination activities on the site.

We understand that Hennepin County has a private developer who is interested in using this location to put up a mixed use residential/ retail/commercial building. We understand that the neighborhood is very much in favor of this and this will put this property back on the tax rolls as well as abating the pollution on the site. While we understand that many sensitive issues surround the discussion of tax forfeited property, this proposal seems to provide multiple benefits, so in this instance, the abatement of this Special Assessment may make sense in the long-term.

Mr. Troup and/ or Mr. Connoy will be present at the hearing to explain the Health Consultation Report, the Environmental Assessment and Abatement Plan, and the proposed development plan.