



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date: August 24, 2004

To: Council Member Lisa Goodman, Community Development Committee
Council Member Barbara Johnson, Ways & Means/Budget Committee

Prepared by: Joan Mathieu, Planner, Phone 612-673-5053

Presenter in Committee: Theresa Cunningham, Project Coordinator, Phone 612-673-5237

Approved by: Lee Pao Xiong, Director, Housing Policy & Development _____

Subject: Lowell Redevelopment Plan Public Hearing and Review

RECOMMENDATION: Schedule public hearing for the Lowell Redevelopment Plan; request review and comment by Ways and Means/Budget Committee.

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):
- Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information

The proposed Lowell Redevelopment Project is located on the 2.18-acre former site of Lowell School at 1900 Willow Avenue North, within the Jordan neighborhood in north Minneapolis. The site is located just north of West Broadway and is bounded by Logan, Willow and 24th Avenues North. Project for Pride in Living, Inc. will develop 14 owner-occupied single-family houses (seven of which will be affordable to households at or below 80 percent of the metropolitan median income) and a public park on the site.

The proposed Lowell Redevelopment Plan establishes a new redevelopment project area encompassing the former school site, establishes objectives for redevelopment,

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identifies property that may be acquired, and identifies future land uses for the project area.

It is requested that the Community Development Committee schedule a public hearing on the proposed Lowell Redevelopment Plan, to be held on Tuesday, September 14, 2004, at 1:30 p.m. City Council consideration of the plan will occur on Friday, September 24, 2004.

It is also requested that the Ways and Means/Budget Committee review the proposed plan and submit its comments at the public hearing to be held by the Community Development Committee on Tuesday, September 14, 2004.



Lowell Redevelopment Plan

August 13, 2004

Prepared by:

Development Finance Division
Finance Department, City of Minneapolis
105 5th Avenue South, Minneapolis, Minnesota 55401

**Lowell Redevelopment Plan
August 13, 2004**

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Introduction and Background

The 2.18-acre former site of Lowell School at 1900 Willow Avenue North is located in the Jordan neighborhood within Ward 3 in north Minneapolis. The site is located just north of West Broadway and is bounded by Logan, Willow and 24th Avenues North.

The Minneapolis Community Development Agency (MCDA) purchased the site from the Minneapolis School Board in 1982, and in 1984 entered into a redevelopment contract with a private developer who planned to construct townhouses and single-family houses on the site. After the developer initiated construction, neighborhood concerns led to the repurchase of the site by the MCDA and subsequently by the School Board. The site was held while the School Board considered the potential for building a new school on the site.

In 1999, the School Board declared the site “excess land”. A Technical Advisory Committee was formed at the request of the School Board to prepare development objectives to facilitate the development of affordable housing on the site. The MCDA issued a Request for Proposals (RFP) in January 2002.

In addition to the school site, the RFP included 17 vacant lots in the immediate area, to be developed with in-fill single-family housing.

As a result of the RFP process, exclusive development rights were awarded in September 2002 to a partnership formed by Project for Pride in Living, Inc. (PPL) and Twin Cities Habitat for Humanity, Inc. In-fill housing has been developed on the surrounding lots. PPL’s exclusive development rights for the school site were extended for an additional 12 months in September 2003.

On June 18, 2004, the site was added to the Minneapolis Housing Replacement Tax Increment Financing District II to facilitate the financing of public redevelopment activities associated with the development of housing on the site. The City is considering a request to use Community Development Block Grant (CDBG) funds available through the Vacant Housing Recycling Program for site acquisition and other eligible expenses. CDBG funds will be reimbursed with tax increment revenues generated by the Minneapolis Housing Replacement Tax Increment Financing District II. Inclusion of the site within a redevelopment project area qualifies the project for Hennepin County Transit-Oriented Development funds.

This Lowell Redevelopment Plan establishes a new redevelopment project area encompassing the former school site, establishes objectives for redevelopment,

identifies property that may be acquired, and identifies future land uses for the project area.

Development Proposal

Fourteen owner-occupied single-family houses and a public park will be constructed on the former Lowell School site. Seven will be sold to households at or below 80 percent of the metropolitan median income (MMI) and seven will be sold to households at market rate. Eight to ten of the houses will feature 1,400 to 1,700 square feet of finished living area, three or four bedrooms, a minimum of 1.5 bathrooms, a full unfinished basement, and a detached two-car garage. The remaining four to six houses will be small “cottage”-type units, featuring 1,000 square feet of finished living area, two bedrooms, one bathroom, a detached two-car garage, a full unfinished basement and an unfinished half-story for future expansion.

Building designs will reflect the historic and architectural character of adjacent and nearby structures. Traditional exterior treatments such as front porches, bay windows, trim around windows and at soffits and fascia, and other surface detailing will be featured. There will be a variety of styles with distinct house plans used in a random fashion.

A public park will be developed along vacated Hillside Avenue.

A copy of the proposed site plan is attached as Exhibit 7.

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 5 to this Plan.

The Lowell Redevelopment Project Area consists of one tax parcel (identified below) and an adjacent alley and streets (Willow Avenue North, 24th Avenue North and Logan Avenue North). The Project Area is located within the Jordan neighborhood and Ward 3 in north Minneapolis.

Property Identification Number

Address

16-029-24-22-0054

1900 Willow Avenue North

B. Project Boundary Map

The Project Boundary Map is included in this Redevelopment Plan as Exhibit 1 (the Project Boundary/Property Acquisition Map).

C. Objectives of the Redevelopment Plan

The City of Minneapolis seeks to achieve the following objectives through the Lowell Redevelopment Plan.

- 1) Eliminate blighting influences which impede potential development.
- 2) Provide opportunities for affordable homeownership.
- 3) Eliminate or correct physical deterrents to the development of the land.
- 4) Achieve a high level of design and landscaping quality to enhance the physical environment.
- 5) Encourage housing density along transit corridors, stimulating use of public transit.
- 6) Support strong and diverse neighborhoods where people choose to live.
- 7) Participate in partnerships to achieve common community development objectives.

Specific goals identified in the Lowell School Site Development Objectives include:

- 1) Preserve and replicate the historic and architectural character of adjacent structures.
- 2) Develop in-fill housing that is well designed, serves several income levels, and fits the urban environment.
- 3) Encourage development of owner-occupied single-family housing that maximizes and strengthens values of adjacent residential structures.
- 4) Assist in creating a strong, vital market base to support future development along the West Broadway commercial corridor.
- 5) Promote and encourage open green space.
- 6) Enhance the tax base of the city.

D. Types of Redevelopment Activities

The objectives of the redevelopment plan will be accomplished through the following actions: acquisition and disposition of property, site preparation, new construction of affordable and market rate homeownership units, project administration, public improvements and other related activities.

Public purposes include:

- provision of affordable and market rate homeownership units;
- removal of blight or the causes of blight, including vacant, underused land;
- provision of decent, safe, and sanitary dwellings for persons of low and moderate income and their families;
- and encouragement of housing density near transit corridors, stimulating use of public transit.

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 will be residential.

B. Land Use Provisions and Requirements

All development on land acquired by the City of Minneapolis shall conform to applicable State and local codes and ordinances, including the Minneapolis Zoning Ordinance, and the provisions of this Plan. In cases where codes or ordinances are more restrictive than this Plan, the more restrictive will 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 acquired 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 parcel.

III. Project Proposals

A. Property Acquisition Map

The Property Acquisition Map is included in this Redevelopment Plan as Exhibit 1 (the Project Boundary/Property Acquisition Map).

B. Property Acquisition

1. Property That May Be Acquired

Property located within the Project Area may be acquired, as needed, in order to accomplish the objectives of this Redevelopment Plan. The acquisition of property will be subject to limitations imposed by availability of funds, developer interest, staging requirements, soil contamination and other financial and environmental considerations. Inclusion of property in the category of “property that may be acquired” does not indicate an absolute commitment on the part of the City to acquire a property.

One tax parcel has been identified as Property That May Be Acquired:

<i>Property Identification Number</i>	<i>Address</i>
16-029-24-22-0054	1900 Willow Avenue North

2. Conditions Under Which Property May Be Acquired

State law authorizes the City to acquire property either on a negotiated basis or 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, but may use the power of eminent domain to acquire property identified as “property that may be acquired” when necessary.

C. Rehabilitation

There are no structures on the property located within the Project Area, and therefore rehabilitation will not be one of the redevelopment activities carried out through this Redevelopment Plan.

D. Redevelopers’ Obligations

The requirements to be imposed upon the redeveloper, and its successors or assigns, will be established in the redevelopment agreement. It is anticipated that a redevelopment agreement will be executed with Project for Pride in Living, Inc.

IV. Relocation

The property identified in this Redevelopment Plan as property that may be acquired is not occupied, and therefore relocation will not be one of the redevelopment activities carried out under this Redevelopment Plan.

V. Official Action to Carry Out the Redevelopment Plan

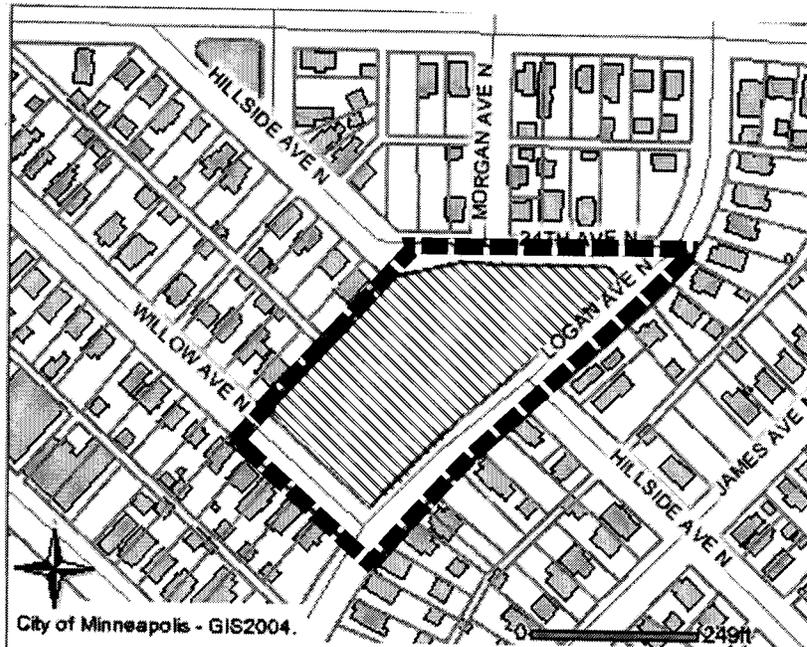
Minnesota law requires that the Minneapolis City Planning Commission review this Redevelopment Plan and that its written opinion, if any, accompany the Redevelopment Plan when it is officially submitted to the City Council for approval (Minnesota Statutes, Section 469.027).

In approving this Redevelopment Plan, the City Council is responsible for carrying out those elements of the Redevelopment 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, as follows:

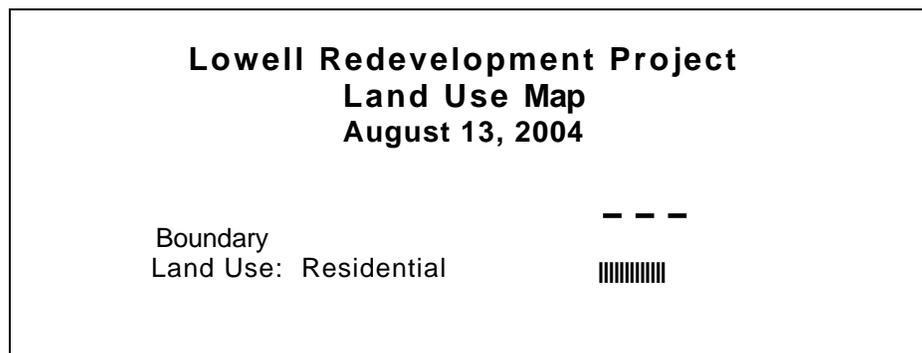
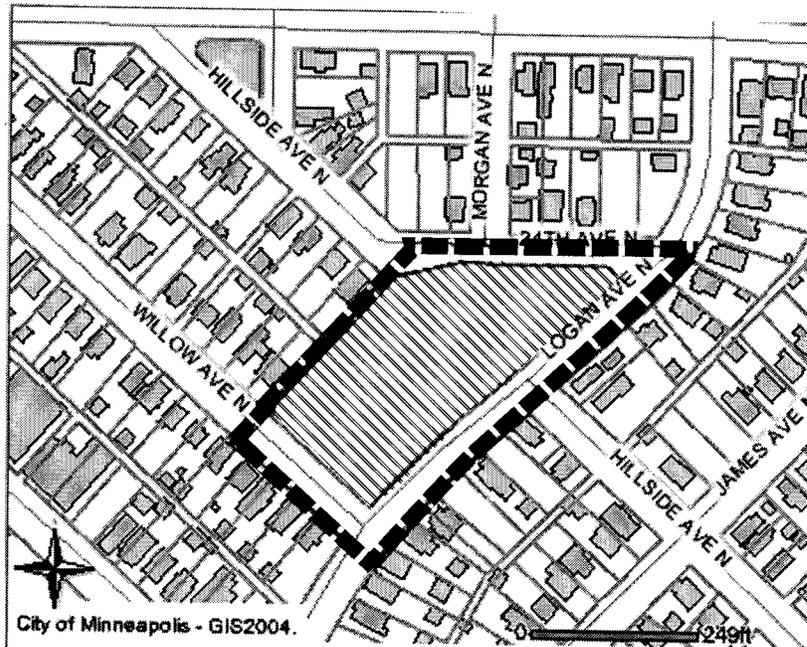
"A redevelopment plan may be modified at any time. The modification must be adopted by the authority and the governing body of the political subdivision in which the project is located, upon the notice and after the public hearing required for the original adoption of the redevelopment plan. If the authority 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."



**Lowell Redevelopment Project
Project Boundary/Property Acquisition Map
August 13, 2004**

Boundary 
Property That May Be Acquired 

Prepared by Development Finance Division, Finance Department,
105 5th Avenue South, Minneapolis, Minnesota



Prepared by Development Finance Division, Finance Department,
105 5th Avenue South, Minneapolis, Minnesota

CITIZEN PARTICIPATION REPORT

Lowell Redevelopment Plan August 13, 2004

The Jordan Area Community Council (JACC) is recognized as the official neighborhood organization representing Jordan neighborhood residents. The Department of Community Planning and Economic Development (CPED) also works with the West Broadway Area Coalition, an organization that includes representatives of JACC, Northside Residents Redevelopment Council, Hawthorne Area Community Council, the West Broadway Business Association, and other area businesses and residents.

On April 27, 2000, a Technical Advisory Committee was convened at the request of the School Board to prepare development objectives for the Lowell school site. Participants included the Minneapolis school district, JACC, the former Minneapolis Community Development Agency (now CPED), the Neighborhood Revitalization Program, the West Broadway Area Coalition, the former City Planning Department (now part of CPED) and the Public Works Department. The Development Objectives are included in this Redevelopment Plan as Exhibit 8.

Following preparation of the Development Objectives, JACC participated in the preparation of a Request for Proposals (RFP) which was issued on January 18, 2002.

JACC reviewed the five development proposals received in response to the RFP and gave its final approval of the joint Project for Pride in Living/Habitat for Humanity proposal on August 13, 2002.

The proposed Lowell Redevelopment Plan has been sent to JACC and the West Broadway Area Coalition for review and comment prior to consideration of the Plan by the City Council.

The City of Minneapolis will continue to work with JACC and the West Broadway Area Coalition throughout the implementation of the Redevelopment Plan.

ENVIRONMENTAL REVIEW

**Lowell Redevelopment Plan
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The City of Minneapolis will comply with all applicable local, state and federal regulations and procedures regarding the assessment of potential environmental impacts resulting from project activities.

A Phase I environmental assessment was completed and did not identify serious contamination issues. A Phase II assessment will be conducted once construction begins.

**PROJECT AREA REPORT
AND DOCUMENTATION OF ELIGIBILITY**

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

The Lowell Redevelopment Project will be a redevelopment project as defined in the Minnesota Housing and Redevelopment Authorities Act (Minnesota Statutes, Section 469.002, Subdivision 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 Section 469.002, Subd. 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.”

Description of Project Area

The 2.18-acre former site of the Lowell School at 1900 Willow Avenue North is located in the Jordan neighborhood within Ward 3 in north Minneapolis. The site is vacant land.

Facts Supporting Eligibility as a Redevelopment Project Area

The proposed project area includes one tax parcel that is the vacant former site of the Lowell School, as well as an adjacent alley and streets (Willow Avenue North, 24th Avenue North and Logan Avenue North). Visual inspection of the proposed redevelopment project area found an unimproved vacant lot.

Vacant lots are detrimental to safety, morals and welfare of the community. The physical characteristics, lot size and configuration of the properties preclude new construction of housing without reconfiguring the parcels. The existing condition of the property is mostly flat with a combination of concrete, asphalt, grass/weeds and bare dirt.

The site may contain remnants of foundation footings, slabs, pavement and debris that were left in place and filled over when the school was demolished and from a subsequently failed housing development undertaken in 1984. Vacated Hillside Avenue remains as an easement for sewer and water facilities.

A Phase I environmental assessment was completed and did not identify serious contamination issues. A Phase II assessment will be conducted once construction begins.

The deterioration of the vacant parcel undermines the value of adjacent property. Vacant parcels may constitute a repository for debris which can be a fire hazard, and may attract vagrants and criminal elements of the population. The vacant land is an uneconomic use of inner city real estate, and is considered a blighting condition.

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

METHOD PROPOSED FOR FINANCING

**Lowell Redevelopment Plan
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The City of Minneapolis may use Community Development Block Grant (CDBG) funds available through the Vacant Housing Recycling Program to acquire the former site of Lowell School at 1900 Willow Avenue North and for other eligible public redevelopment costs.

Tax increment revenues generated by the Minneapolis Housing Replacement Tax Increment Financing District II will be used to reimburse the CDBG funds.

Inclusion of the site within a redevelopment project area qualifies the project for Hennepin County Transit-Oriented Development funds.

SITE PLAN

Lowell Redevelopment Plan
August 13, 2004



Lowell School Site Development Objectives

Advisory Committee's Final Draft
Completed October 12, 2000 & Revised October 2, 2001

1. Geographic Area

The Lowell School Site (1900 Willow Ave.) is the area addressed by these Development Objectives and is generally bounded by Logan Ave. N., 24th Ave. N., and Willow Ave. situated in the Jordan neighborhood of Minneapolis. The site is a vacant 2.18-acre site with approximately 95,015 square feet of surface area.

2. Intent

A. Background

The Minneapolis Public School District, as owner of the site, invited various interested groups and public representatives to participate in an Advisory Committee to formulate development guidelines for development on the site.

The Lowell School Site may contain remnants of foundation footings, slabs, pavement, debris, etc., that were left in place and filled over when the school was demolished and from a subsequently failed housing development project undertaken in 1984. Vacated Hillside Avenue remains as an easement for sewer and water utilities.

Adjacent underlying platted lots in the area have a 42 to 44 foot frontage. Underlying platted lots on the school site also have similar front footages, except the corner parcels at Logan and Hillside Avenues where parcels are tapered in alignment with the contour of Logan Avenue. It is anticipated that subdivision replat will create equal size parcels on the site for future development.

B. Existing Conditions and Future Land Uses

The site is a 2.18 acre area that is zoned R2B for a two family district classification. This designation allows predominately low density, single and two family dwellings and cluster development. In addition to residential uses, institutional and public uses and public services and utilities may be allowed. The exact number of housing units should be determined through good design considerations and compatibility with the neighborhood. More dwelling units are possible if cluster style designs are utilized on some or

the entire site. Preliminary studies suggest that up to 9 single-family structures could be constructed on the site allowing for the reopening of Hillside Avenue and the alley bisecting the southern portion of the site.

C. Development Options

Prospective developers should consider one of two options for redeveloping the site. The first, to develop the site "as is", following the current platted lot configuration, without reopening Hillside and creating access to Hillside, entering the site from either west or east. This scenario would allow up to nine, 5,000 square foot sites for development.

The second option includes re-opening both, Hillside Avenue as a local street, and the alley, subdividing the area and creating equal size single family lots following a subdivision replat of the area.

D. Vision for Area

Members of the Advisory Committee envision new single family housing development on the site that compliments and enhances the existing character of residential structures on the surrounding blocks. Proposed structures should be sensitive to the design of existing 1-1/2-story bungalows and two story structures common to the area.

The prospective developer must maintain an easement through the site for underground utilities on the approximate alignment of Hillside Avenue or pay to have them relocated.

The prospective developer may consider the possibility of re-opening Hillside Avenue as a neighborhood street with traffic calming features, open green space or a pedestrian thoroughfare as a means of maintaining this utility easement. Any proposal to re-open Hillside Avenue will be brought before the neighborhood for their review and support.

E. Development Objectives

The City of Minneapolis, the Minneapolis Community Development Agency (MCDA) and members and residents of the Jordan neighborhood seek to achieve the following objectives on the Lowell School Site:

1. Housing on the site should reflect the historic and architectural character of nearby and adjacent structures.
2. Develop housing with low-maintenance exteriors.
3. Develop well-designed in-fill housing adjacent to the site that fits the surrounding environment.

4. Encourage owner occupancy of the site's new housing in an effort to increase the value of adjacent and nearby residential structures.
5. Create a strong, vital market base that helps support future development along W. Broadway's commercial corridor.
6. Promote and encourage open green space.
7. Enhance the tax base of the City.
8. Develop part of the site for single family homes, incorporating a blend of new with the old; and developing a cluster-type design on the remainder of the site.
9. While single family development is encouraged, a cluster design may be considered with a mix of the two.

F. Design Guidelines

The following guidelines are offered to guide the development and the design of the houses appropriate for the site. These guidelines meet the primary objectives of the project area and assist in creating quality, spacious housing for homeownership that is affordable to families with children and that is compatible in scale and design with the surrounding residential environment.

1. Single family homes should contain three bedrooms, or two bedrooms with expansion space. Cluster style dwelling units should contain at least two bedrooms.
2. Each dwelling unit should have a minimum of 1,400 net sq. ft. of living area.
3. Improve public access to, from and within the adjacent community.
4. Façade treatment should have architectural character and scale that is compatible to existing structures in the area.
5. Sufficient off-street parking must be provided to accommodate site occupants without resorting to the use of on-street parking.
6. Detached garages, situated to the rear of the dwelling units, are strongly recommended.
7. The installation of sidewalks, sewer and water hookups are the responsibilities of the developer. All utilities should be placed underground.
8. The proposed development must comply with applicable codes and ordinances of the City of Minneapolis.
9. Every effort should be taken to preserve the existing mature oak tree on the southwest portion of the site.

G. Public Improvements and Redevelopment Activities

The City of Minneapolis and the MCDA may assist private redevelopment activities on the Lowell School Site through the following public improvements and redevelopment activities:

- acquisition of the property;
- interim property management;

- filing of Application for Subdivision Replat
- disposition of individual parcels or the entire site
- roadway, street and alley re-opening improvements;
- provision of public utilities ;
- creation of a tax increment redevelopment district;
- assisting with soil test and pollution remediation
- streetscape improvements

The MCDA will issue a Request for Proposals (RFP) for housing development on the Lowell School Site. Priority will be given to proposals that include development of the entire 2.18 acre site in one continuous redevelopment schedule; however, a multi phased development project that would be completed within eighteen months, will also be considered. Proposals will be reviewed for consistency with these development objectives and any potential tax increment redevelopment plans formulated for the area. The Minneapolis City Council and the MCDA Board of Commissioners will be responsible for final selection of a developer.

H. Initial Project Financing

Currently there are no public funds available to assist in redevelopment of this site except city-wide federally funded Community Development Block Grant (CDBG) funds provided through the City's Vacant Housing Recycling Program which may be available to acquire the site from the School Board.

Second Phase NRP funds may become available if identified within the Jordan neighborhood's planning initiatives for the area.

Creation of a tax increment district, at the site, is a potential source for financing necessary public improvements.

The MCDA will also attempt to obtain any other appropriate and available federal, state, regional or local funds available to assist this redevelopment effort.

I. Citizen Participation

The Jordan Area Community Council (JACC) is recognized as the official neighborhood organization representing the Jordan neighborhood residents and a member of the Lowell School Site Advisory Committee overseeing the creation of these Development Objectives. The MCDA will consult this body to review any potential development proposals planned for the site.

At the request of the Minneapolis Public School District, the MCDA convened the Lowell School Site Technical Advisory Committee comprised of representatives and members of the School Board, the City's Planning and

Public Works Departments, the Neighborhood Revitalization Program and the West Broadway Area Coalition. The Committee's charge is to determine workable development guidelines/objectives for housing redevelopment on the Lowell School Site.

Upon completion of the final draft Development Objectives and adoption and approval by the Advisory Committee; MCDA staff will proceed to transmit this document for a formal 45-day review to JACC and other interested parties. All interested parties will have an opportunity to submit comments during the 45-day review period and to present those comments at the public hearings held by the Planning Commission and the City Council.