

Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED

Date: June 10, 2008
To: Council Member Lisa Goodman, Chair Community Development Committee
Referral to: Council Member Paul Ostrow, Chair Ways & Means/Budget Committee

Subject: 38th & Chicago Redevelopment Plan

Recommendation: Hold Public Hearing and adopt attached resolution approving the creation of the 38th & Chicago Redevelopment Plan

Previous Directives: (1) On March 21, 2008, the City Council adopted the *38th St & Chicago Ave Corridor Framework/Small Area Plan: with focus on Chicago, Bloomington and 4th Ave Business Nodes*.

Prepared by: Rebecca Brown, Project Coordinator (673-5018)
Approved by: Charles T. Lutz, Deputy CPED Director _____
Catherine A. Polasky, Economic Policy and Development Director _____
Presenter in Committee: Rebecca Brown

Financial Impact

No financial impact
Action is within the Business Plan

Community Impact

Neighborhood Notification: The 45-day neighborhood review ends June 8, 2008, a few days after this report was submitted for consideration. Staff will bring any subsequent comments to the committee meeting. Staff notified four neighborhoods of this action: Bancroft Neighborhood Association, Bryant Neighborhood Organization, Central Area Neighborhood Development Organization, and Powderhorn Park Neighborhood Association. Central Area Neighborhood Development Organization approved the plan at their regular monthly meeting on May 15, 2008.

City Goals: One Minneapolis * Connected communities * Enriched environment *A premier destination

Sustainability Targets: Economically active neighborhood commercial nodes create attractive urban neighborhoods for redevelopment, support efficient growth, and reduce the need for car travel to obtain necessary goods and services.

Comprehensive Plan: 4.1 Encourage reinvestment along major corridors
4.2 Coordinate land use and transportation planning on designated Community Corridor streets through attention to the mix and intensity of land uses, the pedestrian character and residential livability of the streets
4.4 Provide a wide range of goods and services for city residents, to promote employment opportunities, encourage the use and adaptive reuse of existing commercial buildings, and to maintain and improve compatibility with surrounding areas

Zoning Code: N/A

Supporting Information

The 38th & Chicago Redevelopment Plan includes 33 parcels at the intersection of East 38th Street and Chicago Avenue South. The redevelopment plan would establish the City's legal redevelopment authority to acquire and dispose of key properties for commercial redevelopment purposes, laying the foundation for the City to play a role in achieving the goals, recommendations, and tasks as set forth in the *38th St & Chicago Ave Corridor Framework/Small Area Plan*, adopted by City Council on March 21, 2008. The small area plan was a product of an extensive community engagement process, "to support the ongoing improvement and revitalization of the area of 38th Street and Chicago Avenue by proposing specific policies and strategies to guide its evolution."

The plan lists 3749 Chicago Avenue South and 3744 Chicago Avenue South as "property that may be acquired." The City may choose to purchase these properties subject to limitations imposed by law, availability of funds, developer interest, staging requirements, soil contamination, and other financial and environmental considerations. Inclusion on the redevelopment plan list of properties for acquisition does not indicate a commitment on the part of the City to acquire a property.

The inclusion of 3749 and 3744 Chicago Avenue South as properties for possible acquisition by the City, allows staff to negotiate a voluntary purchase from the owner(s). These two key properties, one a historic theater used for auto repair and the second a corner gas station, could be important catalyst sites for area revitalization. A viable end use would be identified prior to City acquisition, following standard CPED acquisition procedures and due diligence. The City would likely use the [Capital Acquisition Revolving Fund](#) (CARF) to fund the acquisition. The Capital Acquisition Revolving Fund provides funding for CPED acquisition of commercial development sites on or near community, commercial, and transit corridors as defined in *The Minneapolis Plan*.

Attachments

A: 38th & Chicago Redevelopment Plan

Proposed Resolution
of the
City of Minneapolis

Adopting the 38th and Chicago Redevelopment Plan

RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

Section 1. Recitals

- 1.1 Pursuant to Laws of Minnesota 2003, Chapter 127, Article 12, § 31-34, and Minneapolis Code of Ordinances, Chapter 415, the City of Minneapolis (the "City") has been granted the authority to propose and implement city development districts, housing and redevelopment projects and tax increment financing ("TIF") districts, all pursuant to Minnesota Statutes, § 469.001 through 469.134, and 469.174 through 469.179, as amended, and other laws enumerated therein (collectively, the "Project Laws").
- 1.2 It has been proposed and the City has prepared, and this Council has investigated the facts with respect to a proposed 38th and Chicago Redevelopment Plan (the "Plan"). The Plan creates a new Redevelopment Project Area (the "Project Area") to facilitate *The 38th Street and Chicago Avenue Small Area / Corridor Framework Plan*, in order to support the ongoing improvement and revitalization of the area of 38th Street and Chicago Avenue, all pursuant to and in accordance with the Project Laws.
- 1.3 The City has performed all actions required by law to be performed prior to the adoption of the Plan, including, but not limited to, a review of the proposed Plan by the affected neighborhood groups and the Planning Commission, and the holding of a public hearing upon published and mailed notice as required by law.
- 1.4 The Council hereby determines that it is necessary and in the best interests of the City at this time to approve the Plan.

Section 2. Findings for the Adoption of the Plan

- 2.1 The Council hereby finds, determines, and declares that the objectives and actions authorized by the Plan are all pursuant to and in accordance with the Project Laws.

- 2.2 The Council hereby finds, determines and declares that the Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment of the Project Area by private enterprise.
- 2.3 The Council hereby finds, determines and declares that the 38th and Chicago Redevelopment Project (“Redevelopment Project”) qualifies as a Redevelopment Project as defined in the Minnesota Housing and Redevelopment Authorities Act (Minnesota Statutes, § 469.002, Subdivisions 14 and 16). The Project Area qualifies as a “blighted area” as defined in the Minnesota Housing and Redevelopment Authorities Act (Minnesota Statutes, § 469.002, Subdivision 11).
- 2.4 The Council hereby finds, determines and declares that the Project Area contains vacant buildings, single-family housing, multifamily housing structures, office buildings, retail space, retail warehouse space, and commercial buildings. Buildings are in poor condition and functionally obsolete for their present and continued use. Several buildings had indicators of blight and showed difficult public access, inadequate setback and side yards, restricted land use configurations, were deficient in or contained no off-street parking and contained vacant lots with debris and outside storage. A study of the area found buildings that are poorly maintained and found to be detrimental to the “safety, health, morals, or welfare of the community” by reason of dilapidation, obsolescence, overcrowding, faulty arrangement and lack of ventilation.
- 2.5 The Council hereby finds, determines and declares that the Plan conforms to the general plan for the development or redevelopment of the City as a whole. Written comments of the Planning Commission with respect to the Plan were issued, are incorporated herein by reference, and are on file in the office of the City Clerk.
- 2.6 The Council hereby finds, determines and declares that the land in the Project Area would not be made available for redevelopment without the financial aid to be sought.
- 2.7 The Council further finds, determines and declares that it is necessary and in the best interests of the City at this time to approve the Plan.

Section 3. Approval of the Plan

- 3.1 Based upon the findings set forth in Section 2 hereof, the 38th and Chicago Redevelopment Plan presented to the Council on this date is hereby approved and shall be placed on file in the office of the City Clerk.

Section 4. Implementation of the Plan

- 4.1 After passage and publication of this Resolution, the officers and staff of the City and the City's consultants and counsel are authorized and directed to proceed with the implementation of the Plan, and for this purpose to negotiate, draft, prepare and present to this Council for its consideration, as appropriate, all further modifications, plans, resolutions, documents and contracts necessary for this purpose.