



**Request for City Council Committee Action
From the Department of Public Works
and
Department of Community Planning and Economic Development
(CPED)**

Date: March 10, 2009

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Honorable Lisa Goodman, Chair Community Development Committee

Referral: Honorable Paul Ostrow, Chair Ways & Means Committee

Subject: **Acquisition of right of way for Granary Road (25th Ave SE to the City Limits) Construction Project No 6738 and Adjacent Stormwater Treatment Pond**

Recommendation:

- a. Authorize staff to pursue acquisition through negotiation with property owners or through condemnation, portions of the following properties to be used for the Granary Road and adjacent pond portion of SEMI/University Research Park infrastructure:
 - PID 30-029-23-21-0059 (Chicago & NW RR merged to Union Pacific RR Co.)
 - PID 30-029-23-12-0009 (Chicago & NW RR merged to Union Pacific RR Co.)
 - PID 30-029-23-12-0011 (Chicago & NW RR merged to Union Pacific RR Co.)
 - PID 30-029-23-12-0012 (Chicago & NW RR merged to Union Pacific RR Co.)
 - PID 30-029-23-12-0004 (Whitebox Commercial Holding Corp.)
 - PID 30-029-23-12-0005 (Whitebox Commercial Holding Corp.)
 - PID 30-029-23-12-0010 (Wall Development Company, LLC)
 - PID 30-029-23-12-0014 (Wall Development Company, LLC)
 - PID 30-029-23-11-0009 (Wall Development Company, LLC)
 - PID 30-029-23-11-0011 (Wall Development Company, LLC)
 - PID 30-029-23-11-0012 (Wall Development Company, LLC)
 - PID 30-029-23-21-0002 (US Development-I, LLC)
 - PID 30-029-23-12-0006 (Mathisen Properties, LLC)
 - PID 30-029-23-12-0007 (Mathisen Properties, LLC)
 - PID 30-029-23-12-0008 (Mathisen Properties, LLC)
 - PID 30-029-23-12-0003 (JJN-L, LLC)
 - PID 30-029-23-11-0006 (B N and Santa Fe Railway)
 - PID 30-029-23-11-0010 (Minnesota Products, Inc.)

- b. Amend the 2009 General Appropriation Resolution by increasing the Community Planning and Economic Development agency Fund 01CS1 - SEMI Phase 1 (01CSI-8900000-8900320) appropriation by \$1,272,000 from the available fund balance.

Previous Directives:

- February 6th, 2009: Resolution 2009R-038, authorizing the proper City officers to pursue acquisition of portions of properties to be used for the 25th Ave portion of the SEMI/University Research Park infrastructure.
- February 9th, 2007: Resolution 2007R-055, City Council accepted and appropriated a Minnesota Department of Employment and Economic Development (DEED) Bioscience Business Development Public Infrastructure Grant; increased the CPED appropriation & revenue budget by \$1,000,000; and authorized execution of an agreement to implement the grant.
- December 22nd, 2006: Resolution 2006R-622, City Council amended the 2006 General Appropriation by increasing CPED agency funds and authorized the appropriate City officials to acquire through negotiation, properties to be used for Malcolm Ave and Granary Road.
- December 22nd, 2006: Resolution 2006R-621, adopting Modification No. 8 to SEMI Area Redevelopment Plan, Modification 1 to the SEMI Area Phase 1 Tax Increment Finance (TIF) Plan, Modification No. 2 to the SEMI Area Phase 2 TIF Plan, Modification No. 2 to the SEMI Area Phase 3 TIF Plan and Modification No. 1 to the SEMI Area Phase 5 TIF Plan to permit pooling in a Bioscience Subzone.
- January 27th, 2006: Resolution 2006R-037, City Council approved revisions to the Comprehensive Plan to incorporate the recommendations of the Revised SEMI Master Plan and AUAR.
- January 13, 2006: Resolution 2006R-004, City Council authorized entering into a Mississippi Watershed Management Organization (MWMO) Fund Agreement for \$2,000,000 and amended the 2006 general appropriation resolution by increasing the CPED agency Fund SMN – State Grants & Loan Programs (SMN-890-8933) appropriation by \$2,000,000.
- December 23rd, 2005: Resolution 2005R-694, City Council authorized staff to acquire by negotiation, a portion of the property located at 601 25th Ave SE (PID No. 19-029-23-34-0016) for the purpose of stormwater management facilities.
- July 13th, 2001: Resolution 2001R-289, City Council approved the SEMI Revised Master Plan and Alternate Urban Areawide Review (AUAR).

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Approved by:

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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
- Business Plan: Action is within the plan. Action requires a change to plan.
- Other financial impact:
- Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Community Impact

Neighborhood Notification: The South East Economic Development (SEED) Committee has approved the SEMI Revised Master Plan that includes the roadways for which this acquisition is sought.

City Goals: A PREMIER DESTINATION: Retain and Grow Businesses in Life Sciences and the Creative Economy. CONNECTED COMMUNITIES: Integrated Multimodal Transportation Choices

Sustainability Targets: Provide additional bicycle routes, increase opportunities for workers to earn a livable wage.

Comprehensive Plan: The infrastructure to be constructed in part with the requested acquisitions is consistent with the approved SEMI/URP amendment to the Comprehensive Plan.

Zoning Code: Consistent.

Background/Supporting Information

CPED and Public Works plan to extend Malcolm Avenue SE and 25th Avenue SE and build Granary Road in the Southeast Minneapolis Industrial (SEMI) redevelopment project area. Granary Road and other roads both planned and under construction will provide access to the SEMI/University Research Park (URP) where no public access now exists. Granary Road has also been identified in a memorandum of understanding between the City, County, University of Minnesota and Metropolitan Council, as a betterment related to the Central Corridor LRT project. The planned road network will open up the 400-acre former rail yard site for redevelopment as a light industrial bioscience area. The area is a state-designated bioscience zone. Ponds will be constructed adjacent to Granary Road to control the rate of stormwater runoff from the impervious area added by the road network.

Portions of Malcolm Avenue and Granary Road were approved for acquisition in 2006. The extension of 25th Avenue was approved for acquisition in 2009. Public Works and CPED now propose to purchase portions of the following parcels for construction of Granary Road and the adjacent stormwater treatment pond:

- PID 30-029-23-21-0059 (Chicago & NW RR merged to Union Pacific RR Co.)

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These parcels are identified as property that may be acquired in the SEMI Area Redevelopment Plan and Modifications and SEMI Area TIF Plan and Modifications.

Public Works will acquire the portions of these parcels for Granary Road using the tax increment revenue (\$1,272,000) and 2008 State Bonds through the State DEED Bioscience Infrastructure Grant and DEED Redevelopment Grant (\$1,272,000). The tax increment is the 50% local match necessary for the DEED Bioscience Grant. Public Works will acquire other portions of these parcels for the adjacent stormwater pond using City Sewer Revenue/Bonds and/or Mississippi Watershed Management Organization Grant (\$741,000). The total estimated acquisition cost for property for the road and stormwater pond is \$3,285,000.

Public Works and CPED are working together to redevelop SEMI. Construction of Granary Road and the adjacent stormwater pond will begin as early as 2010 pending right-of-way acquisition.

Attachment 1 – Map of properties proposed for partial acquisition with this recommendation

Attachment 2 – Map of proposed infrastructure development plan in SEMI

Attachment 3 – Map of Granary Road and other Betterments Related to Central Corridor LRT

CDC – Your Committee recommends passage of the accompanying report regarding the Granary Road (25th Ave SE to the City Limits) Construction Project No 6738 and adjacent pond, increasing the Community Planning and Economic Development agency 01CS1 SEMI Phase 1 Tax Increment appropriation by \$1,272,000.

T&PW – Your Committee recommends passage and summary publication of the accompanying Resolutions regarding the Granary Road (25th Ave SE to the City Limits) Construction Project No 6738 and adjacent pond, authorizing City staff to acquire, through negotiation with property owners or through condemnation, portions of the following properties to be used if needed for the Granary Road and adjacent pond portion of SEMI/University Research Park infrastructure:

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