

Request for City Council Action

Date: March 21, 2003

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

Refer to: MCDA Board of Commissioners

Prepared by: Darrell Washington, Project Coordinator III, Phone 612-673-5174

Presented by: Darrell Washington, Project Coordinator III, Phone 612-673-5174

Approved by: Lee Sheehy, MCDA Executive Director
Chuck Lutz, MCDA Deputy Executive Director _____

Subject: Public Hearing and Adoption of Resolution Related to Modification No. 1 to the Near Northside Community Redevelopment Plan, renamed Heritage Park Redevelopment Plan

Previous Directives: Not Applicable.

Ward: 5

Neighborhood Group Notification: Northside Residents Redevelopment Council;
Harrison Neighborhood Association

Consistency with *Building a City That Works*: Not Applicable.

Comprehensive Plan Compliance: Not Applicable.

Zoning Code Compliance: Not Applicable.

Impact on MCDA Budget: (Check those that apply) Not Applicable.

No financial impact

Action requires an appropriation increase to the MCDA Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain):

Living Wage / Business Subsidy: Not Applicable.

Job Linkage: Not Applicable.

Affirmative Action Compliance: Not Applicable.

City Council Recommendation: The MCDA Deputy Executive Director recommends adoption and approval of Modification No. 1 to the Near Northside Community Redevelopment Plan.

MCDA Board Recommendation: The MCDA Deputy Executive Director recommends adoption and approval of Modification No. 1 to the Near Northside Community Redevelopment Plan.

Background/Supporting Information

The Modification designates a parcel within the Near Northside Community Project Area as Property That May Be Acquired. The parcel designated for acquisition in the Modification is the Prince of Glory/Lao Lutheran Church property, located at 430 Bryant Avenue North. This property was previously identified in the Master Plan as being a parcel that may be acquired in order to complete Phase 3 activities. Phase 3 construction activities will generally take place south of Olson Highway and just west of Lyndale Avenue, and will contain approximately 95 rental units. Discussion with the Church and the local Lutheran Synod are in process. The purpose of this requested action is to provide the City with the authority, if needed, to begin acquisition activities in a timely manner.

The Modification also renames the Near Northside Community Redevelopment Project to Heritage Park Redevelopment Plan.

Adopting Modification No 1 to the Near Northside Community (renamed Heritage Park) Redevelopment Plan to reflect Property That May Be Acquired

RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

Section 1. Recitals.

- 1.1. That the Minneapolis Community Development Agency (the “Agency”) has the authority to propose and implement redevelopment projects and tax increment financing districts, among other things, all pursuant to Minnesota Statutes, Sections 469.001 through 469.047, 469.124 through 469.134, and 469.174 through 469.179 as amended; Laws of Minnesota 1971, Chapter 677, as amended; Laws of Minnesota 1980, Chapter 595, as amended; and Minneapolis Code of Ordinances, Chapter 422 (collectively, the “Laws”).
- 1.2. That the Minnesota State Legislature passed special legislation, Laws of Minnesota 1997, Chapter 231, Article 10, Sections 17 through 20 (the Special Law”) authorizing the establishment by the Agency of a housing transition district; and further, that on July 31, 1998, the City Council by Resolution No 98R-284 approved and affirmed the Special Law as required.
- 1.3. That by Resolution No 99R-261 duly adopted July 30, 1999 the City of Minneapolis approved the adoption by the Agency of the Near Northside Community Redevelopment Plan, all pursuant to the Laws and Special Law.
- 1.4. It has been proposed that the Agency modify the Near Northside Community Redevelopment Plan to identify property that may be acquired within the Near Northside Community Redevelopment Project, and to change the name of the project to Heritage Park.
- 1.5. The Agency has prepared, and this City Council (the “Council”) has investigated the facts with respect to, a proposed Modification No 1 to the Near Northside Community (renamed Heritage Park) Redevelopment Plan (the “Modification”), which Modification designates a parcel located within the Project Area as “Property That May Be Acquired”, all pursuant to and in accordance with the Laws and Special Law.

- 1.6. The Agency and the Council have performed all actions required by law to be performed prior to the adoption of the Modification, including, but not limited to, a review of the proposed Modification by the affected neighborhood groups and the Planning Commission, transmittal of the proposed Modification to the Hennepin County Board of Commissioners and the School Board of Special School District No 1 for their review and comment, and the holding of a public hearing after published and mailed notice as required by law.
- 1.7. The Council hereby determines that it is necessary and in the best interest of the City at this time to approve the Modification to reflect the possible acquisition of property and the name change within the Near Northside Community (renamed Heritage Park) Redevelopment Project.

Section 2. Findings for the Adoption of the Modification.

- 2.1. The Council hereby finds, determines and declares that the Modification will afford maximum opportunity, consistent with the needs of the City as a whole, for the redevelopment of the Project Area by private enterprise.
- 2.2. The Council further finds, determines and declares that the Modification 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 Modification were issued, are incorporated herein by reference, and are on file in the office of the City Clerk.
- 2.3. The Council further finds, determines and reaffirms all previous findings with respect to the Near Northside Community (renamed Heritage Park) Redevelopment Plan.
- 2.4. 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 Modification.

Section 3. Approval of the Modification.

- 3.1 Based upon the findings set forth in Section 2 hereof, the Modification 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 Modification.

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

**MINNEAPOLIS
COMMUNITY
DEVELOPMENT
AGENCY**

**Modification No. 1
to the Near Northside Community
Redevelopment Plan, renamed Heritage
Park Redevelopment Plan**

January 17, 2003

Prepared by Project Planning and Finance Department
Crown Roller Mill
105 5th Avenue South
Minneapolis, Minnesota 55401

**Modification No. 1
to the
Near Northside Community Redevelopment Plan
Renamed the Heritage Park Redevelopment Plan
January 31, 2003**

Introduction

Modification No. 1 to the Near Northside Community Redevelopment Plan reflects the designation of a parcel within the Near Northside Community Redevelopment Project Area and Hollman Housing Transition Area as property that may be acquired. The Modification also documents a name change from Near Northside Community Redevelopment Plan to “Heritage Park Redevelopment Plan.”.

Modification Description

One purpose for this modification is to designate a property within the Heritage Park (formerly the Near Northside Community) Redevelopment Project as “Property That May Be Acquired” in accordance with state laws and city ordinances.

The Near North Master Plan, approved by the City Council on March 24, 2000, identified a number of development activities that must be addressed in order to proceed with Phase 3 construction. One of those development activities was to identify a replacement facility for Prince of Glory/Lao Lutheran Church. The Prince of Glory/Lao Lutheran Church property, located at 430 Bryant Avenue North, is situated within the Phase 3 construction site. Discussions are being held with the Church and the local Lutheran Synod to finalize alternative site arrangements. This modification will provide project staff with the authority to begin acquisition activities.

The second purpose for this modification is to change the name of the “Near Northside Community Redevelopment Plan” to the “Heritage Park Redevelopment Plan.” This name change is being made to reflect the new name of the housing development. The Heritage Park development will create a mixed use, mixed income community that replaces the former Sumner, Olson, Glenwood, and Lyndale public family housing developments.

Heritage Park Development Background

The Heritage Park (formerly Near Northside Community Redevelopment) Project will result in 900 new housing units replacing the former Sumner, Olson, Glenwood, and Lyndale family public housing developments. The redevelopment is generally bounded by I-94 on east, Glenwood Ave. on the south, Girard Ave. N on the west, and 7th Street N. on the north.

The Heritage Park Redevelopment Project will be implemented in four phases, with the first two phases located on the north side of Olson Memorial Highway and the third

and fourth phases on the south side of Olson. Phase 1 construction activity is currently underway.

Of the nine-hundred (900) new housing units that is envisioned to be constructed between 2001 and 2009, 440 will be rental units and approximately 360 units will provide homeownership opportunities. The housing units will be built for families of a variety of incomes. Of the 440 total rental units, 200 units will be public family housing (for families at or below 30% of area median income) and 90 units will be constructed using tax-credit financing (for families at or below 50% of area median income). The remaining 150 units will be offered at market-rate rent levels. McCormack Baron & Associates of St. Louis is the master developer for the rental project and is partnered with the local firm of Legacy Management and Development Corporation. McCormack Baron & Associates will construct, own and manage the rental units.

Of the approximately 360 ownership units, 110 will be affordable to families with incomes less than 80% of area median income. The remaining 100 units will be built for elderly public housing residents.

Upon completion, Heritage Park will include new public parks, new infrastructure, facilities for community and service organizations, and a parkway boulevard that will connect this north Minneapolis community with south Minneapolis.

Property Acquisition

1. List of Property That May Be Acquired

By including in this Redevelopment Plan a list of property that may be acquired, the Agency is signifying that it is interested in acquiring the properties listed, subject to limitations imposed by 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 Agency to acquire a property.

The Heritage Park (formerly the Near Northside Community) Project Area contains the following parcel that is included in this Modification as property that may be acquired:

Address	Owner/Address	Property ID
430 Bryant Ave. N.	Minneapolis Area Serv Corp 122 Franklin Ave W #600 Minneapolis MN 55404	21-029-24-41-0009

2. Conditions Under Which Property May Be Acquired

State law authorizes the Agency 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 Agency will seek to acquire property from willing sellers whenever possible, but may use the power of eminent domain and its condemnation authority to acquire property identified as “property that may be acquired” when necessary.

Project Acquisition Map – Changed

The revised Project Acquisition Map is attached as Exhibit #1.

MINNEAPOLIS CITY PLANNING DEPARTMENT REPORT

Redevelopment and Tax Increment Financing Plans

DATE: February 20, 2003

PROJECT NAME: Modification #1 to the Near Northside Community Redevelopment Plan, renamed Heritage Park Redevelopment Plan

SUBMITTED BY: MCDA

CONTACT PERSON and PHONE: Darrell Washington, 673-5174

PLANNING STAFF and PHONE: Fred Neet, 673-3242

WARD: 5

NEIGHBORHOOD GROUP: none remaining. However, the project has used the following organizations on an advisory basis: Northside Residents Redevelopment Council (NRRC), Harrison Neighborhood Association (HNA)

PROJECT DESCRIPTION: The two purposes for this Modification #1 are to:
1) identify 430 Bryant Avenue North for possible acquisition, and 2) rename the Redevelopment Plan.

430 Bryant – Prince of Glory/Lao Lutheran Church property – was identified for possible acquisition in the Near Northside Master Plan approved in March 2000. 95 rental units are anticipated among the 900 new housing units proposed to replace the former Sumner, Olson, Glenwood, and Lyndale family public housing developments. The larger project, Heritage Park, will include 440 rental units (200 affordable at 30% area median income, 90 affordable at 50% median income) and 360 ownership units (110 affordable at 80% area median income), plus new public parks, new infrastructure, facilities for community and service organizations, and a parkway boulevard that will connect this north Minneapolis community with south Minneapolis.

COMPREHENSIVE PLAN: Approved policies listed below are referenced thus:

TMP The Minneapolis Plan, includes City Goals and Housing Principles

HP Housing Principles

AH City Council resolution on Affordable Housing

AP Action Plan for Redevelopment of the Sumner Field . . . and Adjacent Land in Minneapolis, December 1997

- City Goal: Increase the city's population and tax base by developing and supporting housing choices city-wide through preservation of existing housing and new construction.
- TMP Map The TMP Land Use Policy Map designates the Near Northside project area a Major Housing Site.
- TMP Policy 4.15 Minneapolis will carefully identify project sites where housing redevelopment or housing revitalization are the appropriate responses to neighborhood conditions and market demand.
- TMP Policy 4.17 Minneapolis will promote housing development that supports a variety of housing types at designated Major Housing Sites throughout the city.
Implementation step:
Promote the development of new housing that is compatible with existing development in the area, as well as to existing historic or older housing stock where appropriate.
- TMP Policy 9.22 Minneapolis will promote increased housing production in designated areas of the City in order to accommodate population growth.
- TMP Policy 4.11 Minneapolis will improve the range of housing options for those with few or constrained choices. *Implementation Step:*
Promote mixed income housing development as a method of providing more choices to residents.
- TMP Policy 4.13 Minneapolis will expand the type and range of housing types for residents with substantial choice. *Implementation Step:*
Encourage housing developments targeted to a variety of housing submarkets, including, but not limited to, seniors or empty nesters.
- HP The variety of housing types throughout the city, its communities and the metropolitan area shall be increased, giving prospective buyers and renters greater choice in where they live.
- HP Up to 20% of the units in new multifamily housing developments should be affordable.
- HP Disperse subsidized housing metro-wide. No community should receive greater concentration than the metro average.
- AH Policy 4 The City of Minneapolis shall require in all City/MCDA financially assisted rental housing projects of 10 units or more that at least 20% of the units will be affordable at 50% or below of MMI.
- TMP Policy 4.14 Minneapolis will maintain the quality and unique character of the city's housing stock, thus maintaining the character of the vast majority of residential blocks in the city.
- TMP Policy 9.15 Minneapolis will protect residential areas from the negative impact of non-residential uses by providing appropriate transitions.

- AP Mixed Use Site, retail and/or housing or institutional uses (NW corner of Olson Memorial Highway and Lyndale): This site could be an ethnic/cultural marketplace and could be developed as part of a mixed-use facility. It could also have seasonal uses that appeal to users of the open space amenity. [Section goes on to indicate findings of market analysis not favorable to commercial development of area.]
- AP Educational Campus Site: The Action Plan envisions 10 acres of institutional space. During the development phase, the Minneapolis defendants will work with new and existing institutions about the possibility of their locating in the area. If institutional uses are not apparent or viable, the proposed land use for this site could change.

The Near Northside project area offers beautiful views of the downtown skyline. The proposed residential development would take advantage of this area asset. Other approved policies in support of Heritage Park Redevelopment include:

- City Goal: Preserve, enhance and create a sustainable natural and historic environment city-wide.
- TMP Policy 6.1 Minneapolis will identify, protect and manage environmental resources so that they contribute to residents' experience of nature, the parks system and the city.
- TMP Policy 6.2 Minneapolis will develop and support a system of urban parks and 'greenway' connections throughout the City.
- TMP Policy 6.3 Minneapolis will offer a diverse range of programming and recreational facilities for resident use.
- TMP Policy 6.4 Minneapolis will make parks secure, attractive places and ensure that these facilities are accessible, enjoyable and safe.
- TMP Policy 7.5 Minneapolis will protect and sustain its water resources
- TMP Policy 8.11 Minneapolis will continue to enhance the opportunities for cyclist movement.
- TMP Policy 8.4 Minneapolis will continue to build, maintain and require a pedestrian system which recognizes the importance of a network of private and public sidewalks which achieve the highest standards of connectivity and amenity.
- TMP Policy 9.2 Minneapolis will continue to preserve the natural ecology and the historical features that define its unique identity in the region.
- TMP Policy 9.3 Minneapolis will support the preservation and expansion of the existing open space network.

FUTURE RELATED ACTIONS: Redevelopment activities will be required to comply with all applicable regulations.

ACTION REQUESTED OF THE CITY PLANNING COMMISSION: The MCDA requests that the City Planning Commission comment on the redevelopment plans by March 4, at which time the Community Development Committee will conduct a public hearing.

COMMENTS AND FINDINGS: Modification #1 is consistent with the Near Northside Master Plan, approved in March 2000 as compliant with The Minneapolis Plan.

RECOMMENDED ACTION:

The Planning Department recommends that the City Planning Commission send to the City Council the comments above via the Minneapolis Community Development Agency.