



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

Date: May 1, 2007

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Addition and deletion of parcels related to the Minneapolis Housing Replacement Tax Increment Financing (TIF) District II

Recommendation: Adopt the attached resolution for the addition of 17 parcels to and the deletion of two parcels from the Minneapolis Housing Replacement Tax Increment Financing (TIF) District II.

Previous Directives: On August 22, 2003, the City Council adopted a Housing Replacement District Plan and created the Housing Replacement TIF District II for the City of Minneapolis. On June 18, 2004, the City Council approved the addition of six parcels to the Housing Replacement District II. On October 12, 2004, the City Council approved the addition of seven parcels to and the deletion of three parcels from the Housing Replacement District II. On April 29, 2005, the City Council approved the addition of three parcels to and the deletion of two parcels from the Housing Replacement District II. On July 26, 2005, the City Council approved the addition of six parcels to and the deletion of three parcels from the Housing Replacement District II. On August 23, 2005, the City Council approved the addition of four parcels to and deletion of one parcel from the Housing Replacement District II. On July 21, 2006, the City Council approved the addition of twenty five parcels to and deletion of three parcels from the Housing Replacement District II. On November 7, 2006, the City Council approved the addition of three parcels to and deletion of no parcels from the Housing Replacement District II. On March 7, 2007, the City Council approved the addition of three parcels to the Housing Replacement District II.

Prepared by: Edith Johnson, Senior Project Coordinator
Approved by: Charles T. Lutz, Deputy Director _____
Approved by: Elizabeth Ryan, Director of Housing Policy and Development _____
Presenter in Committee: Edith Johnson, Senior Project Coordinator

Reviews

Permanent Review Committee (PRC)
Policy Review Group (PRG):

Approval ___ N/A ___ Date _____
Approval ___ N/A ___ Date _____

Financial Impact

- No financial impact
 Action requires an appropriation increase to the Capital Budget _____ or Operating Budget _____
 Action provides increased revenue for appropriation increase
 Action requires use of contingency or reserves
 Action is within the Business Plan
 Action requires a change to the Business Plan
 Other financial impact
 Request provided to the Finance Department when provided to the Committee Coordinator

Community Impact

Neighborhood Notification: Not Applicable

City Goals: A SAFE PLACE TO CALL HOME. In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.

Sustainability Targets: Not Applicable

Comprehensive Plan: Increase the city's population and tax base by developing and supporting housing choices citywide through preservation of existing housing and new construction.

Zoning Code: Will apply where applicable

Living Wage/Business Subsidy Agreement: Yes _____ No

Job Linkage: Yes _____ No

Other: Not Applicable

Supporting Information

The cost to acquire and remove severely deteriorated housing far exceeds what can be recovered from selling the land for new development. With diminishing federal and state resources for these types of activities, coupled with the increased costs in treating these deteriorating housing units, the city is limited in the total number of properties it can treat. The Housing Replacement District provides an invaluable tool and added mechanism for financing part of the cost of acquiring and removing substandard housing.

In order to facilitate the redevelopment of blighted properties, the Housing Replacement District II was created. The sole objective of the district is to facilitate acquisition, site preparation and disposition of properties currently containing either undeveloped land or vacant/substandard houses for purposes of rehabilitation or redevelopment as market rate housing. Market rate housing is defined as housing that has a market value that does not exceed 150% of the average market value of single family housing in the city.

There will be 17 properties added to the Minneapolis Housing Replacement Tax Increment Financing District II as allowed by the Housing Replacement District Plan approved by the Minneapolis City Council through Resolution 2003-386 on August 22, 2003. It is the intent that the properties being added to the district will be acquired and redeveloped as market-rate, owner-occupied housing units.

Parcels to be added to the District are as follows:

<u>PIN Number</u>	<u>Address</u>
16-029-24-21-0197	1426 25th Avenue North
16-029-24-21-0065	1705 25th Avenue North
16-029-24-21-0067	1711 25th Avenue North
16-029-24-21-0068	2444 Logan Avenue North
16-029-24-22-0001	2523 Logan Avenue North
16-029-24-21-0040	2501 James Avenue North
16-029-24-21-0028	2514 James Avenue North
09-029-24-34-0215	1618 26 th Avenue North
09-029-24-34-0214	1614 26th Avenue North
16-029-24-21-0052	1717 26th Avenue North
16-029-24-21-0053	1709 26th Avenue North
35-029-24-14-0035	2417 16th Avenue South
35-029-24-14-0036	2419 16th Avenue South
35-029-24-14-0075	2422 16th Avenue South
35-029-24-14-0007	2424 16th Avenue South
35-029-24-14-0041	2435 16th Avenue South
35-029-24-14-0042	2439 16th Avenue South

Staff determined that acquisition of the following two properties is unlikely and/or redevelopment is unfeasible and, therefore, will be deleted from the District.

Parcels to be deleted from the District are as follows:

<u>PIN Number</u>	<u>Address</u>
09-029-24-14-0182	3201 Bryant Avenue North
09-029-24-33-0110	2724 Penn Avenue North

With the addition of the 17 parcels and the deletion of the two parcels, there will be 97 parcels in the Minneapolis Housing Replacement Tax Increment Financing District II. The maximum number of parcels that can be placed in the district is 100.

**Adopting the Addition to and Deletion from Housing Replacement TIF District II of
the Below Stated Parcels**

RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

Section 1. Recitals

Pursuant to Laws of Minnesota 2003, Chapter 127, Article 12, Sections 31-34, and Minneapolis Code of Ordinances, Chapter 415, the City of Minneapolis (the "City"), acting by and through its department of Community Planning and Economic Development, has been granted the authority to propose and implement city development districts, housing and redevelopment projects and tax increment financing districts, all pursuant to Minnesota Statutes, Sections 469.001 through 469.134, and 469.174 through 469.179, as amended, and Laws of Minnesota 1995, Chapter 264, Article 5, Sections 44 through 47, as amended by Minnesota Session Laws 1996, Chapter 471, Article 7, Minnesota Session Laws 1997, Chapter 231, Article 10, and Minnesota Session Laws 2002, Chapter 377, Article 7 (the "Act") and other laws enumerated therein (collectively, the "Project Laws"); and

By Resolution No 2003R-386 duly adopted on August 22, 2003, the City Council of the City (the "Council") adopted a resolution approving the Minneapolis Housing Replacement TIF District II Plan enabling the Agency to establish a Housing Replacement Tax Increment Financing District (the "District") within the City; and

That the Act and the Plan specify the procedures whereby parcels may be added to and deleted from the District; and

It has been proposed that the City adds 17 parcels to the District and deletes two parcels previously added to the District.

Section 2. Findings for the Adoption of the Plan

The Council hereby finds, determines and declares that these 17 parcels qualify for inclusion in the District pursuant to the Act and the Plan; and that the reasons and supporting facts for this determination are retained and available from the City.

The Council further finds, determines and declares that two properties are being deleted from the District.

The Council further finds, determines and declares that the intended acquisition of these properties did not take place and redevelopment did not occur, pursuant to the Project Laws.

The Council further finds, determines and declares that the properties to be added to and certified within the District include vacant parcels.

The Council further finds, determines and declares that the intended reuse of these properties is market-rate, owner-occupied housing, pursuant to the Project Laws.

The Council further finds, determines and declares that there will be 97 parcels in the Minneapolis Housing Replacement TIF District II with the inclusion and deletion of the parcels identified on Attachment 1 to this resolution. The maximum number of parcels that can be included in the District is 100 parcels.

NOW, THEREFORE, BE IT RESOLVED BY THE MINNEAPOLIS CITY COUNCIL AS FOLLOWS:

That the parcels listed in Attachment 1 are hereby approved for inclusion and/or deletion as part of the Minneapolis Housing Replacement TIF District II.

ATTACHMENT 1

Housing Replacement District II

Existing Housing Replacement District II Properties (82)

1. 2505 Irving Avenue North
2. 2509 Irving Avenue North
3. 2709 Humboldt Avenue North
4. 3010 Queen Avenue North
5. 2354 James Avenue North
6. 3243 Aldrich Avenue North
7. 3210 Aldrich Avenue North
8. 3250 6th Street North
9. 3223 6th Street North
10. 4515 5th Avenue South
11. 2750 Thomas Avenue North
12. 1900 Willow Avenue North-Lowell School Site Assemblage
13. 1418 25th Avenue North
14. 2627 Fremont Avenue North
15. ~~3201 Bryant Avenue North—delete below~~
16. 1014 30th Avenue North
17. 1316 14th Avenue North
18. 1400 25th Avenue North
19. 3246 Emerson Avenue North
20. 2300 James Avenue North
21. 2127 Queen Avenue North
22. 3207 Bryant Avenue North
23. 2517 James Avenue North
24. 2641 Emerson Avenue North
25. 2615 Thomas Avenue North
26. 1518 Morgan Avenue North
27. 2511 James Avenue North
28. 2525 James Avenue North
29. 2638 Colfax Avenue North

- 30.2814 Knox Avenue North
- 31.2542 17th Avenue South
- 32.2826 14th Avenue South
- 33.3504 Longfellow Avenue South
- 34.3343 Fremont Avenue North
- 35.630 19th Avenue NE
- 36.2751 Sheridan Avenue North
- 37.2119 James Avenue North
- 38.2302 Fremont Avenue North
- 39.419 31st Avenue North
- 40.427 31st Avenue North
- 41.428 31st Avenue North
- 42.429 31st Avenue North
- 43.1415 18th Avenue NE
- 44.3519 Oliver Avenue North
- 45.2534 James Avenue North
- 46.2530 James Avenue North
- 47.1620 26th Avenue North
- 48.1712 26th Avenue North
- 49.1716 26th Avenue North
- 50.5207 Girard Avenue North
- 51.4219 Girard Avenue North
- 52.3411 Fremont Avenue North
- 53.3301 Knox Avenue North
- 54.3730 Fremont Avenue North
55. 3442 Dupont Avenue North
56. 2101 Ilion Avenue North
57. 1000 30th Avenue North
58. 1109 33rd Avenue North

59. 406 30th Avenue North
60. 420 30th Avenue North
61. 409 31st Avenue North
62. 415 31st Avenue North
63. 424 31st Avenue North
64. 3023 4th Street North
65. 3035 6th Street North
66. 2619 Oliver Avenue North
67. 2623 Oliver Avenue North
68. 2655 Oliver Avenue North
69. 2814 Oliver Avenue North
70. 2020 Penn Avenue North
71. 2131 Penn Avenue North
72. 2430 Penn Avenue North
73. 2622 Penn Avenue North
74. 2636 Penn Avenue North
75. 2700 Penn Avenue North
76. 2717 Penn Avenue North
77. 2718 Penn Avenue North
78. 2720 Penn Avenue North
79. 2721 Penn Avenue North
- ~~80. 2724 Penn Avenue North—delete below~~
81. 2733 Penn Avenue North
82. 2800 Penn Avenue North

Additions to Existing Housing Replacement District II (17)

1. 1426 25th Avenue North
2. 1705 25th Avenue North
3. 1711 25th Avenue North

4. 2444 Logan Avenue North
5. 2523 Logan Avenue North
6. 2501 James Avenue North
7. 2514 James Avenue North
8. 1618 26th Avenue North
9. 1614 26th Avenue North
10. 1717 26th Avenue North
11. 1709 26th Avenue North
12. 2417 16th Avenue South
13. 2419 16th Avenue South
14. 2422 16th Avenue South
15. 2424 16th Avenue South
16. 2435 16th Avenue South
17. 2439 16th Avenue South

Deletions from Existing Housing Replacement District II (2)

1. 3201 Bryant Avenue North
2. 2724 Penn Avenue North