

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

Date: August 4, 2009  
To: Council Member Lisa Goodman, Chair Community Development Cmt.  
Referral to: Council Member Paul Ostrow, Chair Ways & Means/Budget Cmt.

**Subject:** Modification 8 to the West Broadway Redevelopment Plan, and Modification 114 to the Common Development and Redevelopment and Common TIF Plan (Common Plans)

**Recommendation:** Hold Public Hearing and Adopt attached resolution Approving Modification 8 to the West Broadway Redevelopment Plan, and Modification 114 to the Common Development and Redevelopment and Common TIF Plan (Common Plans)

**Previous Directives:** On February 5, 2009 the City Council approved Modification 7 to the West Broadway Redevelopment Plan. On November 7, 2005 the City Council approved Modification 6 to the West Broadway Redevelopment Plan.

Prepared by: Erik Hansen, Principal Project Coordinator (612-673-5022)
Approved by: Chuck Lutz, Deputy CPED Director _____
Cathy Polasky, Economic Policy and Development Dir. _____
Presenter in Committee: Erik Hansen

**Financial Impact**

No financial impact  
Action is within the Business Plan

**Community Impact**

Neighborhood Notification - Staff notified the Jordan Area Community Council, Hawthorne Neighborhood Council, Old Highland Neighborhood Association, West Broadway Coalition, and Northside Residents Redevelopment Council of this action.

City Goals - Complies with Connected Communities and Enriched Environment Goals.

Sustainability Targets - N/A.

Comprehensive Plan - Business is consistent with the creation of retail choices on this commercial corridor.

Zoning Code - Use complies with zoning.

Living Wage/Business Subsidy Agreement

Yes\_\_\_\_\_ No\_\_X\_\_

Job Linkage

Yes\_\_\_\_\_ No\_\_X\_\_

**Supporting Information**

The West Broadway commercial and residential area is approximately two miles northwest of the Minneapolis Central Business District. The existing project area

encompasses more than 115 acres of land with Interstate 94 on the east, 21st Avenue on the north, Irving Avenue on the west, and 18th Avenue on the south as its current boundaries. The modifications add 21 parcels to the list of Property That May Be Acquired and update the Land Use Map. The parcels identified for Property That May Be Acquired are properties the City may choose to purchase subject to limitations imposed by law, 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 City to acquire a property.

The parcels may be acquired for purposes of blight removal, redevelopment of existing commercial buildings, construction of new higher-density multifamily housing, public infrastructure improvements, and construction of surface parking. Anticipated development includes renovation of two three-story commercial properties at 927 and 1001 West Broadway for new retail services; rehabilitation of an office building at 1314, 1400, and 1404 West Broadway; a mixed-use redevelopment next to the historic Capri theater on West Broadway; and construction of a three- to four-story mixed-income rental development at West Broadway and Logan Avenue North.

Because the West Broadway Redevelopment Project is also located within the Minneapolis Common Project, Modification No. 114 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan has been prepared to amend the list of Property That May Be Acquired contained within those plans to include the 21 parcels.

The Minneapolis Housing and Redevelopment Authority (predecessor of CPED) prepared the original West Broadway Redevelopment Plan. The City Council approved the plan on August 31, 1973, establishing both the initial objectives and boundaries of the project. The City Council established the tax increment financing district on December 28, 1973 as the primary method for financing public redevelopment activity in the project area.

In recent years, a combination of continued disinvestment, a prevalence of livability issues and crime has plagued north Minneapolis. These factors, combined with the fact that this area of Minneapolis is home to a significantly disproportionate number of vacant and boarded buildings and low-income housing units have led to a weakening in the real estate market in north Minneapolis and a visible lack of quality retail and commercial business activity along West Broadway, the community's main corridor.

These modifications, mainly, establish necessary findings to perform activities under the City's redevelopment authority along the West Broadway commercial corridor. First, the City is marketing 1001 and 927 West Broadway, previously purchased by the City, for commercial redevelopment. The expansion of the Properties That May Be Acquired allow for staff to explore acquisition of additional properties for parking to support the project using the Capital Acquisition Revolving Fund ('CARF') as a source to purchase.

Second, Staff is in negotiation for a conduit property sale to acquire property at 1314, 1400, and 1404 West Broadway from Hennepin County and then sell it to a private party

for a commercial/office redevelopment at the agreed to price set by the County, City and Developer.

Finally, these modifications allow staff to continue to assemble land as it becomes available for the redevelopment on the block bordered by West Broadway, Penn, vacated Oliver, and 23<sup>rd</sup> Avenue North. The West Broadway Alive small-area plan identified this development, adjacent to the historic Capri Theater and the City-owned former Delisi's supper club buildings, as a high-density "opportunity site". ~~Staff will use available CARE funds for acquisition.~~

Although 21 properties in the West Broadway Redevelopment Project are listed as "Property that May be Acquired", inclusion on this list does not indicate an absolute commitment on the part of the City to acquire a property. No TIF districts or development proposals have been identified within the expanded project area.

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.

Future Council actions will be required to implement redevelopment activities, establish TIF districts, special service districts, potential rezoning and conditional land use actions.

**RESOLUTION  
OF THE  
CITY OF MINNEAPOLIS**

**By Goodman and Ostrow**

**Adopting Modification No 8 to the West Broadway Redevelopment Plan and  
Modification No 114 to the Common Development and Redevelopment Plan and  
Common Tax Increment Financing 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, 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 other laws enumerated therein (collectively, the "Project Laws").

1.2. By Resolution duly adopted on August 31, 1973, the City approved the West Broadway Redevelopment Plan, further modified by seven subsequent modifications, describing more precisely the Project Area, the activities to be undertaken, the property that may be acquired, all pursuant to the Project Laws.

1.3 By Resolution No 89R-530 duly adopted December 15, 1989 and approved December 21, 1989, the City approved the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan (the "Common Plans"). The project area established by the West Broadway Redevelopment Plan (the "Project Area") is geographically located within the project area established by the Common Plans (the "Common Project").

1.4. It has been proposed and the City has prepared, and this Council has investigated the facts with respect to, Modification No 8 to the West Broadway Redevelopment Plan and Modification No 114 to the Common Plans (the "Modifications"), designating 21 parcels as property that may be acquired and updating the land use map.

1.5. The City has performed all actions required by law to be performed prior to the adoption of the Modifications, including, but not limited to, a review of the proposed Modifications by the affected neighborhood group and the City Planning Commission, transmittal of the proposed Modifications to the Hennepin County Board of Commissioners and the School Board of Special School District No 1 for review and comment, and the holding of a public hearing after published notice as required by law.

## Section 2. Findings for the Adoption of the Modifications

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

2.2 The Council further finds, determines and declares that the land in the Project Area would not be made available for redevelopment without the financial aid and public assistance to be sought.

2.3. The Council further finds, determines and declares that the Modifications 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.

2.4. The Council further finds, determines and declares that the Modifications conform to the general plan for the development of the city as a whole. Written comments of the City Planning Commission with respect to the Modifications were issued, are incorporated herein by reference, and are on file in the office of the City Clerk.

2.5. The Council further finds, determines and declares that it is necessary and in the best interest of the City at this time to approve the Modifications.

## Section 3. Approval of the Modifications

3.1. Based upon the findings set forth in Section 2 hereof, the Modifications presented to the Council on this date are hereby approved and shall be placed on file in the office of the City Clerk.

## Section 4. Implementation of the Modifications

4.1. 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 Modifications, and for this purpose to negotiate, draft, prepare and present to this Council for its consideration, as appropriate, all further modifications, resolutions, documents and contracts necessary for this purpose.