



Request for City Council Committee Action from the Department of Community Planning & Economic Development

Date: August 8, 2006

To: Council Member Lisa Goodman, Community Development Committee
Council Member Paul Ostrow, Ways & Means Budget/Committee

Subject: Modification No. 1 to the 46th Street LRT Station Area Redevelopment Plan and Modification No. 108 to the Common Plan

Recommendation: Approve Modification No. 1 to the 46th Street LRT Station Area Redevelopment Plan and Modification No. 108 to the Common Plan

Previous Directives: 1) The 46th Street Station Area Master Plan was adopted by the City Council on December 28, 2001; 2) The 46th Street LRT Station Area Redevelopment Plan was approved by the City Council on July 11, 2003. 3) In June 1999, the City Council established the Transit-Oriented Development (TOD) Program and designated \$3.6 million of discretionary Common Project Reserve Funds as a set-aside for the program, to fund redevelopment activities in station areas in the Hiawatha LRT Corridor that are within the Common Project.

Prepared by: Kristin Guild, Principal Project Coordinator **Phone:** 612-673-5168

Approved by: Chuck Lutz, Deputy Director CPED _____
Mike Christenson, Director of Economic Development _____

Permanent Review Committee (PRC) Approval Not Applicable

Note: To determine if applicable see <http://insite/finance/purchasing/permanent-review-committee-overview.asp>

Presenter in Committee: Kristin Guild

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
- 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.
- Business Plan: Action is within the plan. Action requires a change to plan.
- Other financial impact (Explain):
- Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

Neighborhood Notification: On June 23, 2006, neighborhood groups were notified of the proposed modifications. The 45-day review and comment period is June 23 through August 7.

City Goals: Connected communities.

Comprehensive Plan: The proposed modifications support implementation of public works infrastructure construction identified in the 46th Street Station Area Master Plan, which has been adopted into The Minneapolis Plan.

Zoning Code: N/A

Background/Supporting Information

Modification No. 1 to the 46th Street Station Area Redevelopment Plan

In anticipation of the transformative effect that the Hiawatha Line Light Rail Transit system might have on surrounding neighborhoods, the Minneapolis City Council in 1998 directed City staff to engage Hiawatha area neighborhoods in planning efforts to maximize the benefits provided by new transit investment. Planning for the 46th Street Station Area began in the fall of 2000 with strong citizen participation, and on December 28, 2001, the 46th Street Station Area Master Plan was adopted by the City Council as official City policy. That plan proposed a number of desired land use and infrastructure changes to the area to improve the functioning of the road network and better utilize the light rail line with transit-oriented development.

The adopted "Consensus Plan" for the 46th Street station area includes the following improvements to the block bounded by Hiawatha Avenue, East 46th Street, Minnehaha Avenue and Nawadaha Boulevard and currently occupied by light industrial and auto-oriented retail uses: 1) the extension of Snelling Avenue from its southern terminus at 46th Street southward into the block; 2) construction of new stormwater treatment infrastructure; and 3) redevelopment of a significant portion of that block for transit-oriented development (TOD), a higher-density mix of residential and retail uses.

The 46th Street LRT Station Area Redevelopment Plan, based on the Master Plan, was adopted by the City Council on July 11, 2003. Although the extension of Snelling Avenue south of 46th Street and stormwater treatment facilities will require acquisition of two parcels owned by Capp Industries, the Redevelopment Plan did not identify the parcels as properties that may be acquired because at that time there was no firm commitment to construct the extension of Snelling Avenue. Roadway design and construction costs are now included in the Capital Improvement Budget of the City of Minneapolis for 2006 and 2008. The Redevelopment Plan is therefore now being modified to identify the two parcels as property that may be acquired to support necessary infrastructure construction.

Modification No. 108 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan

In June 1999, the City Council established the Transit-Oriented Development (TOD) Program and designated \$3.6 million of discretionary Common Project Reserve Funds as a set-aside for the program, to fund redevelopment activities in station areas in the Hiawatha LRT Corridor that are also located within the Common Project Area. An additional \$400,000 of Development Account funds were set aside for the TOD program at the same time. To date, approximately \$2.5 million of the Common Project set-aside funds have been expended or allocated for TOD within the Common Project Area.

The proposed Modification No. 108 to the Common Plan expands the boundary of the Common Project to include the 46th Street LRT Station Area project area; identifies the two parcels that may be acquired; and identifies \$1.1 million in Common Project Reserve Funds set aside for transit-oriented development as a funding source for acquisition of the two parcels.

A future appropriation request to the City Council will precede any expenditure of these funds.