



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

Date: September 27, 2005

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

Prepared by: Sharrin Miller-Bassi, Senior Project Coordinator,
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Presenter in Committee: Sharrin Miller-Bassi, Senior Project Coordinator,
Phone 612-673-5019

Approved by: Chuck Lutz, Deputy CPED Director _____

Subject: Modification No. 5 to the Central Avenue Redevelopment Plan and
Modification No. 106 to the Common Plan

RECOMMENDATION: Adopt the attached resolution approving Modification No. 5 to the Central Avenue Redevelopment Plan and Modification No. 106 to the Common Plan

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)
- 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
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: 1

Neighborhood Notification: The Northeast Park Neighborhood Association has been notified of the proposed actions.

City Goals: The proposal addresses this City goal: Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.

Comprehensive Plan: *The Minneapolis Plan* identifies this portion of Central Avenue NE as a Community Corridor. Community Corridors are locations that support a mix of neighborhood-serving commercial, office and residential uses and typically have a mix of commercial, office and residential zoning. This portion of Central Avenue is also identified to be within the boundaries of the Northeast Arts District. The Northeast Arts District Plan is not an adopted land use plan but does provide strategies for the retention and expansion of the artist base in Northeast.

Zoning Code: The proposed office use and scale is permitted in the existing I-1 zoning.

Living Wage/Job Linkage: Will comply

Background/Supporting Information

Modification No. 5 to the Central Avenue Redevelopment Plan and Modification No. 106 to the Common Plan identify property located at 1401 Central Avenue Northeast as property that may be acquired. The plan modifications change the proposed reuse of the property from industrial to commercial, to allow construction of a 20,000 square foot four-story multi-tenant commercial office building by Locus Architecture, Ltd.

The property is owned by the State of Minnesota and has been part of the Hennepin County tax forfeited land inventory since 1986. Contamination on the site was remediated by Hennepin County. Marketing efforts included an RFP process with extensive community involvement in the early 1990s. In recent years the site has been used as a City Tree Trust site.

Minneapolis Community Planning and Economic Development (CPED) has received an Offer to Purchase 1401 Central Avenue NE from Locus Architects. CPED and Hennepin County have agreed to the transfer of the property to Locus by means of a pass through land sale process employed by the City and County for these types of transactions.

Description of Proposed Development

Locus Architecture plans to construct a four-story 20,000 square foot signature commercial building on the site to serve as the company's headquarters and provide space for other commercial tenants. The project will include approximately 37 parking spaces and site landscaping. Total project cost is estimated at \$2,620,282. It is estimated that the project will retain 25 jobs and create 50 new jobs. Closing on the

land sale is anticipated for spring 2006 and construction completion planned for July 2007.

Proposed Modification No. 5 to the Central Avenue Redevelopment Plan and Modification No. 106 to the Common Plan (1401 Central Avenue Northeast)

On July 8, 2005 CPED transmitted the proposed Modification No. 5 to the Central Avenue Redevelopment Plan and Modification No. 106 to the Common Plan (1401 Central Avenue Northeast) for review and comment to the Hennepin County Board of Commissioners, Special School District No. 1, the City Planning Commission, Northeast Park Neighborhood Association, Locus Architecture, and other interested parties. No comments were received. A public hearing on the plan modification proposals is being held at the Community Development meeting on September 27, 2005.

The plan modifications identify 1401 Central Avenue Northeast as property that may be acquired and change the proposed reuse of the property from industrial to commercial. The property is not within a tax increment financing district and the modifications do not provide for the inclusion of any additional property within a tax increment financing district.

Requested Action

It is requested that the City Council approve the proposed modifications.

REFERRED TO (NAME OF) COMMITTEE:
DATE:

RESOLUTION of the CITY OF MINNEAPOLIS

By _____

Adopting Modification No 5 to the Central Avenue Redevelopment Plan and Modification No 106 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 No 83R-356 duly adopted on August 26, 1983 the City approved the creation of the Central Avenue Redevelopment Project, dated May 10, 1983, which was further modified on August 28, 1987 by Resolution 87R-377, on January 13, 1989 by Resolution 89R-007, on January 24, 1992 by Resolution 92R-030, and on December 13, 2002 by Resolution 2002R-461.
- 1.3 By Resolution No 89R-530 duly adopted December 15, 1989 and approved December 21, 1989, the City approved the creation of the Common Development and Redevelopment Project (the "Common Project Area") and the Common Development and Redevelopment and Common Tax Increment Financing Plans (the "Common Plans") relating thereto, all pursuant to Minnesota Laws. The Central Avenue Redevelopment Project Area is within the Common Project Area.
- 1.4 It has been proposed and prepared, and this Council has investigated the facts with respect to a proposed Modification No 5 to the Central Avenue Redevelopment Plan and a proposed Modification No 106 to the Common Plans (collectively, the "Modifications"). The Modifications identify property located at 1401 Central Avenue Northeast as property that may be acquired and change the proposed reuse of the property from industrial to commercial, all pursuant to and in accordance with the Project Laws.

- 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 and mailed notice as required by law.
- 1.6 The Council hereby determines that it is necessary and in the best interests of the City at this time to approve the Modifications.

Section 2. Findings for the Adoption of the Modifications

- 2.1 The Council hereby finds, determines and reaffirms all previous findings related to the Central Avenue Redevelopment Project and the Common Development and Redevelopment Project and Common Tax Increment Financing District.
- 2.2 The Council further finds, determines and declares that the objectives and actions authorized by the Modifications are all pursuant to and in accordance with the Project Laws.
- 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 by private enterprise.
- 2.4 The Council further finds, determines and declares that the Modifications conform to the general plan for the development or redevelopment 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 interests of the City at this time to approve the Modifications.
- 2.6 The Council further finds, determines and declares that the actions authorized by the Modifications is consistent with the undertaking of a redevelopment project, pursuant to and in accordance with the Project Laws.

Section 3. Approval of the Modifications

- 3.1 Based upon the findings set forth in Section 2, Modification No 5 to the Central Avenue Redevelopment Plan and Modification No 106 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan presented to the Council on this date are hereby approved and shall be placed on file in the office of the City Clerk.

