



**Request for City Council Committee Action
From the Department of Public Works
and
Department of Community Planning and Economic Development
(CPED)**

Date: January 27, 2009

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Honorable Lisa Goodman, Chair Community Development Committee

Referral: Honorable Paul Ostrow, Chair Ways & Means Committee

Subject: **Acquisition of right of way for 25th Ave SE Extension (4th St SE to Proposed Granary Road) Construction Project No 6734**

Recommendation:

- a. Authorize staff to pursue acquisition through negotiation with property owners or through condemnation, portions of the following properties to be used for the 25th Avenue portion of SEMI/University Research Park infrastructure:
 - PID 30-029-23-21-0059 (Chicago & NW RR merged to Union Pacific RR Co.)
 - PID 30-029-23-12-0009 (Chicago & NW RR merged to Union Pacific RR Co.)
 - PID 30-029-23-21-0049 (Burlington Northern RR Co.)
- b. Amend the 2009 General Appropriation Resolution by increasing the Community Planning and Economic Development agency Fund 01CS1 - SEMI Phase 1 (01CSI-8900000-8900320) appropriation by \$320,000 from the available fund balance.

Previous Directives:

- February 9th, 2007: Resolution 2007R-055, City Council accepted and appropriated a Minnesota Department of Employment and Economic Development (DEED) Bioscience Business Development Public Infrastructure Grant; increased the CPED appropriation & revenue budget by \$1,000,000; and authorized execution of an agreement to implement the grant.
- December 22nd, 2006: Resolution 2006R-622, City Council amended the 2006 General Appropriation by increasing CPED agency funds and authorized the appropriate City officials to acquire through negotiation, properties to be used for Malcolm Ave and Granary Road.
- December 22nd, 2006: Resolution 2006R-621, adopting Modification No. 8 to SEMI Area Redevelopment Plan, Modification 1 to the SEMI Area Phase 1 Tax Increment

Finance (TIF) Plan, Modification No. 2 to the SEMI Area Phase 2 TIF Plan, Modification No. 2 to the SEMI Area Phase 3 TIF Plan and Modification No. 1 to the SEMI Area Phase 5 TIF Plan to permit pooling in a Bioscience Subzone.

- January 27th, 2006: Resolution 2006R-037, City Council approved revisions to the Comprehensive Plan to incorporate the recommendations of the Revised SEMI Master Plan and AUAR.
- December 23rd, 2005: Resolution 2005R-694, City Council authorized staff to acquire by negotiation, a portion of the property located at 601 25th Ave SE (PID No. 19-029-23-34-0016) for the purpose of stormwater management facilities.
- July 13th, 2001: Resolution 2001R-289, City Council approved the SEMI Revised Master Plan and Alternate Urban Areawide Review (AUAR).

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Approved by:

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Financial Impact (Check those that apply)

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

Community Impact

Neighborhood Notification: The South East Economic Development (SEED) Committee has approved the SEMI Revised Master Plan that includes the roadways for which this acquisition is sought.

City Goals: A PREMIER DESTINATION: Retain and Grow Businesses in Life Sciences and the Creative Economy. CONNECTED COMMUNITIES: Integrated Multimodal Transportation Choices

Sustainability Targets: Provide additional bicycle routes, increase opportunities for workers to earn a livable wage.

Comprehensive Plan: The infrastructure to be constructed in part with the requested acquisitions is consistent with the approved SEMI/URP amendment to the Comprehensive Plan.

Zoning Code: Consistent.

Background/Supporting Information

CPED and Public Works plan to extend Malcolm Avenue SE and 25th Avenue SE and build Granary Road in the Southeast Minneapolis Industrial (SEMI) redevelopment project area. These roads will provide access to the SEMI/University Research Park (URP) where no public access now exists. Granary Road has also been identified in a memorandum of understanding between the City, County, University of Minnesota and Metropolitan Council, as a betterment related to the Central Corridor LRT project. The planned road network will open up the 400-acre former rail yard site for redevelopment as a light industrial bioscience area. The area is a state-designated bioscience zone.

Portions of Malcolm Avenue and Granary Road were approved for acquisition in 2006. Public Works and CPED now propose to purchase portions of the following parcels for construction of 25th Avenue SE:

- PID 30-029-23-21-0059 (Chicago & NW RR merged to Union Pacific RR Co.)
- PID 30-029-23-12-0009 (Chicago & NW RR merged to Union Pacific RR Co.)
- PID 30-029-23-21-0049 (Burlington Northern RR Co.)

These parcels are identified as property that may be acquired in the SEMI Area Redevelopment Plan and Modifications and SEMI Area TIF Plan and Modifications.

Public Works will acquire portions of these parcels using the tax increment revenue (\$320,000) and the DEED Bioscience Grant (\$320,000). The tax increment is the 50% local match necessary for the DEED Bioscience Grant.

Public Works and CPED are working together to redevelop SEMI. Construction of 25th Avenue SE will begin as early as 2009 pending right-of-way acquisition.

Attachment 1 – Map of properties proposed for partial acquisition with this recommendation

Attachment 2 – Map of proposed infrastructure development plan in SEMI

CDC – Your Committee recommends passage of the accompanying report regarding the 25th Ave SE Extension (4th St SE to Proposed Granary Road) Construction Project No 6734, increasing the Community Planning and Economic Development agency 01CS1 SEMI Phase 1 Tax Increment appropriation by \$320,000.

T&PW – Your Committee recommends passage and summary publication of the accompanying Resolutions regarding the 25th Ave SE Extension (4th St SE to Proposed Granary Road) Construction Project No 6734, authorizing City staff to acquire, through negotiation with property owners or through condemnation, portions of the following properties to be used if needed for the 25th Avenue portion of SEMI/University Research Park infrastructure:

- PID 30-029-23-21-0059 (Chicago & NW RR merged to Union Pacific RR Co.)
- PID 30-029-23-12-0009 (Chicago & NW RR merged to Union Pacific RR Co.)
- PID 30-029-23-21-0049 (Burlington Northern RR Co.)