

**Adopting Modification No. 1 to the Minneapolis Stone Arch Apartments
Redevelopment Plan, in order to Designate Real Properties and
Interests Therein For Acquisition**

RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

Section 1. Recitals

- 1.1 Pursuant to Laws of Minnesota 1980, Chapter 595, as amended, and the Minneapolis Code of Ordinances, Chapter 422, as amended (the “Agency Laws”) the Housing and Redevelopment Authority in and for the City of Minneapolis has been reorganized, granted additional powers, and designated the Minneapolis Community Development Agency (the “Agency”) with the authority to propose and implement city development districts, 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 1971, Chapter 677 (the “Project Laws”).
- 1.2 By Resolution duly adopted on November 16, 2001, the City approved the creation of the Stone Arch Apartments Redevelopment Project and the adoption of the Minneapolis Stone Arch Apartments Redevelopment Plan.
- 1.3 It has been proposed that the Agency modify the Minneapolis Stone Arch Apartments Redevelopment Plan to enable the Agency to assist the developer in acquiring certain property interests within the redevelopment project area necessary for redevelopment, all pursuant to and in accordance with the Project Laws.
- 1.4 The Agency has prepared, and this Council has investigated the facts with respect to a proposed Modification No. 1 to the Minneapolis Stone Arch Apartments Redevelopment Plan, describing more precisely the designation of parcels that may be acquired, pursuant to and in accordance with the Project Laws.
- 1.5 The Agency and the City have performed all actions required by law to be performed prior to the adoption of the Modification, including, but not limited to, a review of the proposed Modification by the affected neighborhood groups and the Planning Commission, transmittal of the proposed Modification to the Hennepin County Board of Commissioners and the School Board of Special School District No 1 for their review and comment, and the holding of a public hearing after published and mailed notice as required by law.

Section 2. Findings for the Adoption of the Modification

- 2.1 The Council hereby finds, determines and declares that the Modification 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 as the proposed action facilitates site assembly for future development.
- 2.2 The Council further finds, determines and declares that the Modification conforms to the general plan for the development or redevelopment of the City as a whole. Written comments of the Planning Commission with respect to the Modification were issued, are incorporated herein by reference, and are on file in the office of the City Clerk.
- 2.3 The Council further finds, determines and declares that the actions authorized by the Modification are all pursuant to and in accordance with the Project Laws.
- 2.4 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 Modification No. 1 to the Minneapolis Stone Arch Apartments Redevelopment Plan.
- 2.5 The Council further finds, determines and declares that the acquisition of real property, or interests therein, is necessary to eliminate one or more of the conditions found to exist when the Redevelopment Plan was created and is necessary to carry out this redevelopment project. Without MCDA participation, the development could be delayed, purchase costs increased, and the total development jeopardized.

Section 3. Approval of the Plans

- 3.1 Based upon the findings set forth in Section 2 hereof, the Modification 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 Plans

- 4.1 The officers and staff of the City and the Agency, and the City's and the Agency's consultants and counsel, are authorized and directed to proceed with the implementation of the Modification, 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.

MINNEAPOLIS
COMMUNITY
DEVELOPMENT
AGENCY

Modification No. 1
to the
Minneapolis Stone Arch Apartments
Redevelopment Plan

March 8, 2002

Progress Through Partnership

MCDA



Crown Roller Mill
Suite 200
105 5th Avenue South
Minneapolis, Minnesota 55401

**Modification No. 1
March 8, 2002
Revised March 12, 2002**

**to the
STONE ARCH APARTMENTS REDEVELOPMENT PLAN
November 16, 2001**

Modification No. 1
Revised

March 8, 2002
March 12, 2002

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**Modification No. 1
to the
Stone Arch Apartments Redevelopment Plan
March 8, 2002; Revised March 12, 2002**

Introduction

Modification No. 1 to the Minneapolis Stone Arch Apartments Redevelopment Plan has been prepared to identify property that may be acquired. Only those portions of the Redevelopment Plan that have been modified are described in this plan document.

Background

On December 28, 2001, the Minneapolis City Council and the Minneapolis Community Development Agency approved the Minneapolis Stone Arch Apartments Redevelopment Plan. The Stone Arch Apartments site consists of three parcels located at 600 and 625 Main Street Southeast and 106 6th Avenue Southeast, and is approximately 143,000 total square feet.

The developer, Minneapolis Stone Arch Partners, LLC, a joint venture real estate development company formed for the purpose of developing this project, is anticipating to acquire all of the necessary parcels privately. This modification to the Redevelopment Plan affirms that the MCDA may, in certain circumstances, assist in the acquisition of the property or property interests therein needed for redevelopment.

REDEVELOPMENT PLAN

I. Description of Project ~ Revised

The developer is now proposing to construct a 221-unit apartment building containing four floors of living space over two levels of underground parking. There will be 91 affordable units (44 units at 50% of AMI and 47 units at 60% of AMI) with the remaining units at market rate. This is a downward revision in the number of total units in the project as projected in the original Redevelopment Plan. The developer is seeking tax increment financing to assist with the provision of affordable housing. The project is within walking distance of the downtown core and is of extremely high quality construction, in an appropriate mix of studio, one and two bedroom configurations. The project implements the first phase of the University/City approved River Road-to-Main Street Plan (version 2A), and opens the east bank directly for residential use.

D. Types of Redevelopment Activities ~ Changed

The objectives of the redevelopment plan will be accomplished through the following actions: property acquisition, pollution remediation, provision of affordable residential rental units, public improvements, site improvements,

provision of required infrastructure, removal of spur railroad track, new construction, administration, and other related activities.

III. Project Proposals

A. Property Acquisition ~ **Changed**

By including in this Redevelopment Plan a list of property that may be acquired, the Agency is signifying that it is interested in acquiring the properties listed, or property interests therein, subject to limitations imposed by 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 Agency to acquire a property or property interests therein.

PID Number	Address	Owner
24-029-24-41-0040	600 Main Street SE	John Drummond
23-029-24-41-0034	106 6 th Avenue SE	John Drummond
24-029-24-32-0079	625 Main Street SE	Minneapolis Stone Arch Partners

B. Conditions Under Which Property May Be Acquired ~ **Added**

State law authorizes the Agency to acquire property either on a negotiated basis or through the use of its power of eminent domain, if necessary, to carry out a redevelopment plan. The Agency will seek to acquire property from willing sellers whenever possible, but may use its condemnation authority to acquire property identified as “property that may be acquired” only if the developer is unable to acquire the property or property interests therein directly.

IV. Relocation ~ Added

There are three properties within the project area designated as property or interests therein that may be acquired by the Agency, two of which are vacant, and one parcel has been acquired by the developer. Implementation of this plan would result in the displacement of one or more tenant business concerns. The businesses will receive all relocation services and benefits for which they qualify, as discussed within the Relocation Plan.

A copy of the Minneapolis Community Development Agency Relocation Plan has been attached as Exhibit 2 to this Plan.

Exhibit #1

MCDA

Progress Through Partnership

**Stone Arch Apartments Redevelopment Plan
Acquisition Map**

March 8, 2002

LEGEND



Property That
May be
Acquired

**MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY
RELOCATION POLICY***

Stone Arch Apartments Redevelopment Project

March 8, 2002

**includes information for both residential and business relocation, where applicable*

I. Description of Administrative Organization

A. Relocation Agency - Minneapolis Community Development Agency

The Minneapolis Community Development Agency in and for the City of Minneapolis will administer relocation services for families, individuals and businesses to be displaced from property acquired by the Agency.

B. Ability-to-Pay Standards

1) Tenants

No family shall be required to accept referral to a dwelling unit if the gross rental charge for such unit exceeds 30 percent of their monthly income.

2) Home Buyers

It shall be the policy of the relocation staff to consider the following in the purchase of a home: The cost of the house should be consistent with the current ability to pay standards set forth by local lending institutions.

C. Environmental Standards

Referrals to dwelling accommodations shall be reasonably accessible to the place of employment of the primary wage earner and in an area which is generally not less desirable with regard to public facilities and commercial facilities than those existing in the area from which the family is being displaced. A comparable dwelling unit must be in a location not subjected to unreasonable adverse environmental conditions, natural or man-made.

II. Relocation Policy

It is the Agency's relocation policy that:

- A. Families and individuals to be displaced under this program have full opportunity to occupy standard housing that is within their financial means and adequate to their needs; is reasonably accessible to their places of employment or potential**

employment, transportation, and other commercial and public facilities; and is available on a non-discriminatory basis.

- B. Business concerns and non-profit organizations to be displaced be provided maximum assistance to aid in their satisfactory re-establishment with a minimum of delay and loss of earnings.
- C. Full relocation benefits will be provided to displaced businesses. Assistance will be provided in the preparation of claims for relocation benefits.
- D. Project or program activities to be planned and carried out in a manner that minimizes hardship to site occupants and that involves the smallest magnitude of displacement consonant with the needs of the project or program and the persons to be displaced.
- E. Relocation be carried out in a manner that will promote maximum choice within the community's total housing supply; lessen racial, ethnic, and economic concentrations; and facilitate desegregation of racially inclusive patterns of occupancy and use of public and private facilities.
- F. Service be provided to assure that the relocation process will not result in different or separate treatment because of race, color, religion, national origin, sex, or source of income.
- G. Persons to be displaced be provided full information relating to program or project activities which may have an impact on the residents of the project or program area.
- H. Arrangements to be made to provide relocation assistance in accordance with the needs of those to be displaced, including social services counseling, guidance, assistance, and referrals, as well as rehousing.

Inspection will be made of all relocation resources to determine that the dwelling units are at a minimum in accordance with the Housing Maintenance Code of the City of Minneapolis.

III. Assistance in Obtaining Housing

A. Listings

The following arrangements will be made with sources of existing private and public housing to the extent required to meet relocation needs.

1) Private Housing

Notification of vacancies will be obtained through utilization of the following sources as needed:

- Advertisements in newspapers;

- Soliciting the cooperation of inspectors who are familiar with standard housing accommodations;
 - Windshield surveys of neighborhoods for vacancies; and
 - Soliciting cooperation of landlords at the time inspections are made to notify the Agency of future vacancies.
- 2) Apparently eligible applicants for public housing will be assisted in making application for low-rent public housing.

Families and individuals displaced will be accorded a priority in public housing.

- 3) Housing units which are scheduled for clearance under other governmental activity shall not be considered for referral.
- 4) Displacees will be encouraged to seek assistance with regard to inspection from the relocation counselor before moving. If the site occupant makes a self-move to substandard housing, the relocation counselor shall offer further assistance and encouragement to secure standard accommodations.
- 5) The Agency shall provide counseling and assistance to prospective homeowners.

B. Relocation Office

The Relocation Office, located in Suite 600, Crown Roller Mill, 105 - 5th Avenue South, Minneapolis, Minnesota, 55401-2538, will be staffed by supervisory and technical personnel. Office hours are from 8:00 a.m. to 4:30 p.m. Monday through Friday, but additional hours will be scheduled to accommodate persons unable to visit the relocation office during normal business hours.

C. Informational Program

Copies of the Informational Statement for families and individuals and an informational brochure for businesses are available for examination from Agency staff. The appropriate information is provided to relocatees.

IV. Eviction Policy

No person lawfully occupying property will be required to move without at least 90 days' written notice. Eviction is a rare occurrence, and results from one or more of the following situations:

- A. The failure to pay rent, except in those cases where the failure to pay is based upon the Agency's failure to keep the premises in habitable condition.

- B. Harboring a nuisance or use of the premises for illegal purposes.
- C. A material breach of the rental agreement.
- D. Refusal to accept one of a reasonable number of offers of accommodations meeting approved relocation standards.
- E. The eviction is required by state or local law and cannot be prevented by the Agency.

V. Affirmative Action and Equal Opportunity

In carrying out relocation activities, the Agency shall take affirmative actions to provide displaced families and individuals with maximum opportunities of selecting replacement housing within the community's total housing supply.

VI. Grievance Procedure

Persons and businesses aggrieved by the relocation process may initiate a grievance procedure as provided in Public Law 100-17 for the following reasons:

- A disagreement regarding the determination of eligibility for a relocation payment or the amount of the payment; or
- A disagreement regarding the adequacy of replacement housing referred by Agency staff to displaced persons or businesses.

A brief description of the grievance procedure follows:

- The aggrieved person may request a grievance review by the Agency's Executive Director or his designated representative (other than the staff person who was working with the aggrieved).
- An oral presentation by the aggrieved may be made in the company of an advisor or attorney to the Agency representative.
- The Agency representative will prepare a written finding.
- If the finding of the hearing officer is not satisfactory, judicial review may be sought.

All displaced persons and businesses receive information regarding this grievance procedure.

VII. Project Relocation Plan

There are three properties within the project area designated as property or interests therein that may be acquired by the Agency. At this time, it is not known how many displacees will result from the execution of this plan. It is anticipated that

implementation of this plan would result in the displacement of one or more tenant business concerns. However, all will receive relocation services and benefits for which they qualify, as discussed within the above sections of this relocation plan.

- A. Residential Relocation – There are no residential occupants within the property designated as property that may be acquired.
- B. Business Relocation – It is estimated that there are one or more tenant business concerns located on the property or property interests therein.