



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

**Date:** July 26, 2005

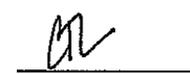
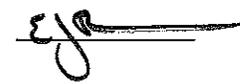
**To:** Council Member Lisa Goodman, Community Development Cmte

**Prepared by:** Tiffany Glasper, Sr. Project Coordinator, Phone 612-673-5221

**Presenter in  
Committee:** Tiffany Glasper, Sr. Project Coordinator

**Approved by:** Chuck Lutz, Deputy Director—CPED  
Elizabeth Ryan, Director, Housing  
Policy and Development

**Subject:** Parcels to be added to and deleted from the Minneapolis Housing  
Replacement Tax Increment Financing District II

**RECOMMENDATION:** Adopt the attached Resolution for the addition of six (6) parcels to and the deletion of three (3) parcels from the Minneapolis Housing Replacement Tax Increment Financing District II.

**Previous Directives:** On August 22, 2003, the Council adopted a Housing Replacement District Plan and created the Housing Replacement TIF District II for the City of Minneapolis.

On June 18, 2004, the Council approved the addition of six additional parcels to the Housing Replacement District II.

On October 12, 2004, the Council approved the addition of seven additional parcels to and the deletion of three parcels from the Housing Replacement District II.

On April 29, 2005 the Council approved the addition of three additional parcels to and the deletion of two parcels from the Housing Replacement District II.

**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
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

### **Community Impact**

**Ward:** 3

**Neighborhood Notification:** NA

**City Goals:** Increase homeownership, eliminate barriers and blighting influences that prevent or inhibit healthy neighborhood environments and economies, increase the City's property tax base and maintain its diversity.

**Comprehensive Plan:** Development activities will conform to the City's and respective neighborhoods' land use plans.

**Zoning Code:** Complies

**Living Wage/Job Linkage:** NA

**Other:**

### **Background/Supporting Information**

The cost to acquire and remove severely deteriorated housing far exceeds what can be recovered by selling the land for new development. With diminishing federal and state resources for these types of activities, the City is limited in the total number of properties it can treat. The Housing Replacement District provides an invaluable tool and added mechanism for financing part of the cost of acquiring and removing substandard housing.

In order to facilitate the redevelopment of blighted properties, the Housing Replacement District II has been created. The sole objective is to facilitate the acquisition, site preparation and disposition of parcels currently containing either undeveloped land, or vacant or substandard houses for purposes of their rehabilitation or redevelopment as market rate housing.

The subject parcels to be added to the district include four (4) vacant and/or blighted structures and two (2) vacant lots. The four vacant and/or blighted structures are located at 2511 James Avenue North and 2814 Knox Avenue North in the Jordan neighborhood and 2638 Colfax Avenue North and 1110 27<sup>th</sup> Avenue North in the Hawthorne neighborhood. The two vacant lots are located at 1108 27<sup>th</sup> Avenue North in the Hawthorne neighborhood and 2525 James Avenue North in the Jordan neighborhood.

The vacant and blighted structure at 2638 Colfax Avenue North is currently owned by the City of Minneapolis Department of Community Planning and Economic Development. The vacant lot at 2525 James Avenue North is currently owned by Hennepin County and will be acquired by the City of Minneapolis Department of Community Planning and Economic Development. The vacant and blighted structures at 2511 James Avenue North and 1110 27<sup>th</sup> Avenue North, the vacant lot at 1108 27<sup>th</sup> Avenue North will also be acquired by the City of Minneapolis Department of Community Planning and Economic Development. The vacant structure at 2814 Knox is currently owned by HUD and is being acquired by the City of Minneapolis Department of Community Planning and Economic Development.

The properties at 2511 James Avenue North and 2525 James Avenue North are being pursued for acquisition to support the efforts of City of Minneapolis Northside Home Fund's Demonstration Cluster. The area surrounding 25<sup>th</sup> and James North has been selected as a pilot project area for this cluster concept. City staff will be addressing the blighting influences of vacant and boarded structures, underutilized vacant land, problem properties, graffiti, trash and deferred maintenance issues in this area of the City in order to reverse the trend of disinvestment in North Minneapolis economically and socially.

All of these properties will be redeveloped as market-rate, owner-occupied housing either by way of new construction or rehabilitation of the existing structure. Due to size and configuration, the parcels at 1108 and 1110 27<sup>th</sup> Avenue North will be combined into a single, buildable parcel resulting in one, new construction owner-occupied dwelling unit.

These six (6) parcels will be included in the Minneapolis Housing Replacement Tax Increment Financing District II as allowed for by the Housing Replacement District Plan approved by the City Council by Resolution 2003R-386 on August 22, 2003.

Parcels to be added to the District:

<b><u>PIN Number</u></b>	<b><u>Address</u></b>
09-029-24-43-0023	1110 27 <sup>th</sup> Avenue North
09-029-24-43-0022	1108 27 <sup>th</sup> Avenue North
16-029-24-21-0038	2511 James Avenue North
16-029-24-21-0035	2525 James Avenue North
09-029-24-44-0153	2638 Colfax Avenue North
09-029-24-34-0100	2814 Knox Avenue North

The following parcels will be deleted from the district as CPED staff has determined that either acquisition is unlikely and/or redevelopment is unfeasible:

<b><u>PIN Number</u></b>	<b><u>Address</u></b>
04-029-24-21-0028	4230 Irving Avenue North
09-029-24-34-0174	2649 Humboldt Avenue North
09-029-24-33-0081	2722 Newton Avenue North

With the deletion of these three (3) parcels and the addition of the above six (6) parcels, there are now 33 parcels in the Minneapolis Housing Replacement Tax Increment Financing District II. The maximum number of parcels that can be placed in the District is 100.

**Adopting the Addition to and Deletion from the Housing Replacement  
District II of the Below Stated Parcels**

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 Laws of Minnesota 1995, Chapter 264, Article 5, Sections 44 through 47, as amended by Minnesota Session Laws 1996, Chapter 471, Article 7, Minnesota Session Laws 1997, Chapter 231, Article 10, and Minnesota Session Laws 2002, Chapter 377, Article 7 (the "Act") and other laws enumerated therein (collectively, the "Project Laws"); and
- 1.2 By Resolution No 2003R-386 duly adopted on August 22, 2003, the City Council of the City (the "Council") adopted a resolution approving the Minneapolis Housing Replacement TIF District II Plan enabling the Agency to establish a Housing Replacement Tax Increment Financing District (the "District") within the City; and
- 1.3 That the Act and the Plan specify the procedures whereby parcels may be added to and deleted from the District; and
- 1.4 It has been proposed that the City add six parcels to the District and delete three parcels previously added to the District.

Section 2. Findings for the Adoption of the Plan

- 2.1 The Council hereby finds, determines and declares that these six parcels qualify for inclusion in the District pursuant to the Act and the

Plan; and that the reasons and supporting facts for this determination are retained and available from the City.

- 2.2 The Council further finds, determines and declares that the properties to be deleted from the District include two vacant lots located at 2722 Newton Avenue North and 4230 Irving Avenue North, and one vacant and boarded structure located at 2649 Humboldt Avenue North.
- 2.3 The Council further finds, determines and declares that the intended acquisition of these properties did not take place and redevelopment did not occur, pursuant to the Project Laws.
- 2.4 The Council further finds, determines and declares that the properties to be added to and certified within the District includes three vacant, substandard single-family dwellings located at 2814 Knox Avenue North, 2638 Colfax Avenue North and 2511 James Avenue North; one vacant, substandard duplex located at 1110 27<sup>th</sup> Avenue North and two vacant lots located at 2525 James Avenue North and 1108 27<sup>th</sup> Avenue North.
- 2.5 The Council further finds, determines and declares that the intended reuse of these properties is market-rate, owner-occupied housing, pursuant to the Project Laws.
- 2.6 The Council further finds, determines and declares that there are now 33 parcels in the Minneapolis Housing Replacement District TIF II with the inclusion of the above named parcels. The maximum number of parcels that can be included in the District is 100 parcels.

NOW, THEREFORE, BE IT RESOLVED BY THE MINNEAPOLIS CITY COUNCIL AS FOLLOWS:

That the parcels listed above are hereby approved for inclusion and/or deletion as part of the Minneapolis Housing Replacement TIF District II.