



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

Date: August 21, 2007

To: Council Member Lisa Goodman, Community Development Committee

Referral to: Council Member Paul Ostrow, Ways & Means/Budget Committee

Subject: Approval of the Longfellow Station Redevelopment Plan

Recommendation: Adopt the resolution approving the Longfellow Station Redevelopment Plan

Previous Directives: December 2005 – approved a resolution authorizing submission of applications to the Metropolitan Council for Hiawatha Corridor Land Assembly Fund proposals; March 2006 - approved acceptance and appropriation of Metropolitan Council Hiawatha Light Rail Land Assembly Fund Grants of \$3,500,000 for projects along the Hiawatha Light Rail line, including the Longfellow Station Project; June 2006 – authorized submission of an application for Metropolitan Council Livable Communities Demonstration Account (LCDA) funding; October 2006 – authorized submission of an application for a Hennepin County ERF brownfield grant; December 2006 – approved up to \$400,000 from the Affordable Housing Trust Fund; February 2007 - accepted and appropriated \$934,523 Metropolitan Council Livable Communities Demonstration Account LCDA grant and \$90,000 Hennepin County ERF grant; and May 2007 – authorized submission of an application for Metropolitan Council Livable Communities Demonstration Account (LCDA) funding.

Prepared by: Kevin Dockry, Senior Project Coordinator (612) 673-5075

Approved by: Charles T. Lutz, Deputy Director _____

Presenters in Committee: Kevin Dockry, Senior Project Coordinator

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification: The Longfellow Community Council was advised of this plan on July 6, 2007.
- City Goals: One Minneapolis - In five years, all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.

- Sustainability Targets: Affordable housing preservation.
- Comprehensive Plan: The Minneapolis City Planning Commission approved this plan on July 30, 2007; Section 4.9 Minneapolis will grow by increasing its supply of housing; Section 4.10 Minneapolis will increase its housing that is affordable to low and moderate income households; Section 4.11 Minneapolis will improve the availability of housing options for its residents; 4.15 Minneapolis will carefully identify project sites where housing redevelopment and/or housing revitalization are the appropriate responses to neighborhood conditions and market demand.
- Zoning Code: N/A
- Living Wage/Business Subsidy Agreement Yes_____ No X
- Job Linkage Yes_____ No X
- Other: N/A

Background/Supporting Information

The Longfellow Station Redevelopment Plan establishes a new redevelopment project area, establishes objectives for redevelopment, and identifies land uses for the redevelopment of the project area.

CPED staff has conducted the necessary blight analysis of the existing structures on the site and have determined that the proposed project area qualifies for inclusion in a Redevelopment Project under Minnesota Statutes 469.001 through 469.047.

The Longfellow Station Redevelopment Project Area consists of one existing tax parcel located on the southeast corner of 38th Street East and Hiawatha Avenue. The project area is located within the Howe neighborhood, Longfellow Community, and Ward 12 of South Minneapolis. The tax parcel to be included in the proposed Project Area is:

<u>Property Identification Number</u>	<u>Address</u>
12-028-24-11-0182	3815 Hiawatha Avenue

The City of Minneapolis seeks to achieve the following objectives through the Longfellow Station Redevelopment Plan:

- Eliminate blighting influences throughout the city.
- Increase the City’s property tax base and maintain its population diversity.
- Provide an array of housing choices that meet the needs of current residents and attract new residents to the city with an emphasis on providing affordable housing.
- Support redevelopment efforts that enhance and preserve unique urban features and amenities.
- Provide affordable workforce housing on a major fixed transit line.
- Maximize use of nearby light-rail transit through significant increase in housing density.
- Create a mix of uses at densities sufficient to create a vibrant, transit oriented community.

- Include a mix of small scale and moderate scale retail and service commercial uses that support high density residential and office markets as well as the needs of the surrounding community.
- Provide off-street parking that facilitates shared use and which incorporates Travel Demand Management (TDM) programs to reduce automobile use and encourage alternatives.

The objectives of the redevelopment plan will be accomplished through the following actions: site preparation, demolition, new construction, parking, project administration, public improvements and other related activities. Public purposes include the provision of affordable workforce rental housing units, removal of blight or the causes of blight, including vacant, underused land, and the provision of decent, safe, and sanitary dwellings for persons of low and moderate income.

Future land use on property within the Project Area will be mixed-use commercial and high-density residential. The property is currently zoned I-2, Medium Industrial District and PO Pedestrian Oriented Overlay District.

Proposed Development

The current property owner has proposed a mixed-use project consisting of approximately 185-300 housing units, 35,000 to 50,000 square feet of neighborhood commercial space, and 400 structured and below-grade parking spaces. The project design also includes one or more green roofed structures, an innovative storm water runoff pond system, and an internal system of pedestrian connections. At least 20% of the housing units will be affordable to households at 50% of Metro Median Income (MMI). The commercial space includes a possible grocery store, as well as other neighborhood commercial uses at ground level immediately adjacent to the housing structures. The proposed development will require a rezoning to accommodate the proposed land uses.

The project is located near the 38th Street Station of the Hiawatha LRT line, and is designed to be a high-density mixed-use transit oriented project that will encourage residents, workers and visitors to utilize the LRT line and provide needed housing/retail services to residents as well as to nearby neighborhoods.

The creation of a redevelopment project area separate from the tax increment financing process is required to meet Hennepin County's timing condition for receiving a \$100,000 County TOD grant that has been approved for the proposed development (i.e. the proposed development must be located within a redevelopment project area by September 2007).

The City Council has approved approximately \$2.4 million in funding awards for the proposed development, including Affordable Housing Trust Funds (\$400,000), Metropolitan Council LCDA and CMAQ funds (\$1,914,523), and Hennepin County Environmental Remediation Funds (\$90,000). Staff anticipates future applications for City housing revenue bonds, tax increment financing, and Affordable Housing Trust Funds.

**Resolution
Of the
City of Minneapolis**

By Goodman

Adopting the Longfellow Station Redevelopment 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") has been granted the authority to propose and implement city development districts, housing and redevelopment projects and tax increment financing ("TIF") 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 It has been proposed and the City has prepared, and this Council has investigated the facts with respect to a proposed Longfellow Station Redevelopment Plan (the "Plan"). The Plan creates a new Redevelopment Project Area (the "Project Area") to facilitate redevelopment at 3815 Hiawatha Avenue through the construction of a proposed mixed-use housing and neighborhood commercial project, all pursuant to and in accordance with the Project Laws.

1.3 The City has performed all actions required by law to be performed prior to the adoption of the Plan, including, but not limited to, a review of the proposed Plan by the affected neighborhood group and the Planning Commission, and the holding of a public hearing upon published and mailed notice as required by law.

1.4 The Council hereby determines that it is necessary and in the best interests of the City at this time to approve the Plan.

Section 2. Findings for the Adoption of the Plan

2.1 The Council hereby finds, determines, and declares that the objectives and actions authorized by the Plan are all pursuant to and in accordance with the Project Laws.

2.2 The Council hereby finds, determines and declares that the Plan 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. The proposed redevelopment removes blight and blighting influences, provides decent, safe and sanitary dwellings for persons of low and moderate income, encourages housing density near transit corridors (the project will include 185 to 300 units of rental and/or ownership housing; at least 20% of the units will be affordable to households at 50% of Metro Median Income (MMI), includes commercial uses that support high density residential as well as the needs of the surrounding community, and provides off-street parking that facilitates shared use.

2.3 The Council hereby finds, determines and declares that the Longfellow Station Redevelopment Project (“Redevelopment Project”) qualifies as a Redevelopment Project as defined in the Minnesota Housing and Redevelopment Authorities Act (Minnesota Statutes, Section 469.002, Subdivisions 14 and 16). The Project Area qualifies as a “blighted area” as defined in the Minnesota Housing and Redevelopment Authorities Act (Minnesota Statutes, Section 469.002, Subdivision 11).

2.4 The Council hereby finds, determines and declares that the Project Area contains a vacant grain elevator storage and handling facility and vacant office building. The property is an abandoned grain milling operation on an irregular lot approximately 159,000 square feet in size with numerous areas that are open to trespass. The buildings appear to be without utilities and lack functioning sanitary facilities, are poorly maintained and found to be detrimental to the “safety, health, morals, or welfare of the community” by reason of dilapidation, obsolescence, overcrowding, faulty arrangement and lack of ventilation.

2.5 The Council hereby finds, determines and declares that the Plan 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 Plan were issued, are incorporated herein by reference, and are on file in the office of the City Clerk.

2.6 The Council hereby finds, determines and declares that the Plan 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 development makes possible housing opportunities for low and moderate income households, and is necessary to relieve the current shortage of decent, safe, and sanitary housing for persons of moderate or low income and their families in Minneapolis.

2.7 The Council hereby finds, determines and declares that the land in the Project Area would not be made available for redevelopment without the financial aid to be sought.

2.8 The Council further finds additional public benefits will include tax base enhancement, elimination of blighting influences, provision of affordable workforce housing on a major fixed transit line, maximization of nearby light-rail transit through increased housing density, and increased neighborhood livability.

2.9 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 Plan.

Section 3. Approval of the Plan; Creation of Project Area

3.1 Based upon the findings set forth in Section 2 hereof, the Longfellow Station Redevelopment Plan presented to the Council on this date is hereby approved and shall be placed on file in the office of the City Clerk.

Section 4. Implementation of the Plan

4.1 After passage and publication of this Resolution, the officers and staff of the City and the City's consultants and counsel are authorized and directed to proceed with the implementation of the Plan, and for this purpose to negotiate, draft, prepare and present to this Council for its consideration, as appropriate, all further modifications, plans, resolutions, documents and contracts necessary for this purpose.