



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

**Date:** April 17, 2007

**To:** Council Member Lisa Goodman, Community Development Committee  
**Referral to:** Council Member Paul Ostrow, Ways and Means/Budget Committee

**Subject:** Amendment to Administrative Procedure for Preparing, Approving and Amending Project Plans and Finance Plans

**Recommendation:** Amend the Administrative Procedure for Preparing, Approving and Amending Project Plans and Finance Plans to improve the efficiency of plan review procedures.

**Previous Directives:** The City Council approved the Administrative Procedure in February 1996 (Resolution 96R-010) along with other changes to MCDA procedures. The City Council approved a revision to the Administrative Procedure on December 15, 2003 (Resolution 2003R-605) along with other actions related to the transition from MCDA to CPED.

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Presenter in Committee:	Jack Kryst, Director, Development Finance 612-673-5130

**Financial Impact**

No financial impact.

**Community Impact**

The proposed amendment to the Administrative Procedure for Preparing, Approving and Amending Project Plans and Finance Plans was transmitted to neighborhood groups for a 45-day review and comment period on March 1, 2007. No comments have been received as of April 5, 2007.

**Supporting Information**

Various Minnesota development statutes define project plans and finance plans, and require that certain procedures be followed in approving the plans. Among the procedures required by state law (which vary somewhat depending on the type of plan) are: review by the City Planning Commission; notification to other governmental jurisdictions; publication of notice of public hearings; and City Council approval of the plan.

The Administrative Procedure for Preparing, Approving and Amending Project Plans and Finance Plans, approved by the City Council in February 1996 and revised by the City Council in December 2003, further describes preparation, review and approval procedures in

Minneapolis. Features specific to Minneapolis include: direction from the CPED Director or the City Council to prepare a draft plan; transmittal of proposed plans to neighborhood groups and business associations; and the roles of the Community Development and Ways and Means/Budget committees of the City Council.

Practices associated with the preparation of plan documents and transmittal of documents for review and comment have continued to evolve as efficiencies are recognized and as access to technology improves. For example, CPED has begun electronically transmitting proposed plans for review and posting proposed plans on its public web site.

The current Administrative Procedure identifies the Ways and Means/Budget Committee (along with neighborhood groups, the City Planning Commission, the County and the School Board) as an "interested party" that reviews a proposed plan or modification during the 45-day review period prior to the public hearing conducted by the Community Development Committee. This practice originated prior to the establishment of CPED, when collaboration among MCDA, Planning and Finance staff did not occur to the extent it does today, necessitating in the minds of some an early Ways and Means/Budget Committee (and hence Finance staff) review of proposed plans. Since the advent of CPED, proposed project and finance plan documents have been jointly prepared by CPED (including Planning) and Finance Department staff.

In addition to this early review of proposed plans, the Ways and Means/Budget Committee also considers the proposed plan again following the public hearing, usually in the next consecutive Council cycle. Two Ways and Means/Budget Committee reviews in a short period are now viewed as redundant.

The attached proposed amendment to the Administrative Procedure: 1) eliminates the first Ways and Means/Budget Committee review; 2) eliminates a 45-day notice of the City's intent to prepare a proposed plan (replacing it with a 45-day review period of the actual proposed plan); 3) provides for electronic transmittal and web posting of proposed plans; and 4) makes other minor amendments.

**Administrative Procedure for  
Preparing, Approving and Amending  
Project Plans and Finance Plans**

**Proposed Amendment: March 1, 2007 Draft**

*(Note: Additions indicated by underlining; deletions indicated by strike-through.)*

A project plan is a document that describes the objectives of the City in undertaking specified public redevelopment activities within a described geographic area. A project plan establishes certain standards and controls to which private redevelopment activity receiving public assistance must conform.

Various state statutes governing public redevelopment activities provide definitions of project plans and require that certain topics be addressed in the plans and that certain procedures be followed in approving project plans. These include: a redevelopment plan as defined in Minnesota Statutes Section 469.002, Subdivision 16 (the Housing and Redevelopment Authority Act); a development program as defined in Minnesota Statutes Section 469.125, Subdivision 3 (the City Development District Act); and a port district plan as described in Minnesota Statutes Section 469.055, Subdivision 10 (the Port Authority Act).

A finance plan is a tax increment financing plan as described in Minnesota Statutes Section 469.175, Subdivision 1 (the Tax Increment Financing Act).

The statutes cited above also require that certain topics be addressed and that certain procedures be followed in approving project plans and finance plans. The procedures described below are in accordance with statutory requirements.

**Direction to Proceed**

1. The Community Planning & Economic Development (CPED) Director or the City Council shall direct staff to prepare a draft project plan or finance plan.

**Preparation**

- ~~2. CPED shall provide written notice to affected neighborhood organizations, business associations, and the City Chief Financial Officer of its intent to prepare a proposed plan. This notice shall include a description of the basic features and purpose of the plan to be prepared, and shall be provided at least 45 days prior to the date of the public hearing described in step 13 below.~~
- ~~3. If the plan proposes the establishment of a new housing or redevelopment tax increment financing district, a notice of the intent to prepare the plan shall be sent to each Hennepin County Commissioner representing part of the area within which the proposed district is to be located. This notice shall be provided at least 30 days prior to the date of publication of the notice of public hearing described in step 10 below, in accordance with Minnesota Statutes Section 469.175, Subd. 2a.~~
2. The proposed project plan or finance plan shall be prepared by CPED with the assistance of the City Finance Department.

## Review

3. ~~CPED shall transmit the proposed plan by U.S. mail or by e-mail. The proposed plan shall be transmitted by~~ to interested parties for a ~~4530~~-day review and comment period. Interested parties shall include: the City Planning Commission; ~~the Ways and Means/Budget Committee of the City Council~~; any proposed developer; affected neighborhood groups and business associations; owners of property that is identified for possible acquisition; the Hennepin County Board of Commissioners (if a tax increment financing plan); the Special School District No. 1 Board of Education (if a tax increment financing plan); and any other parties who are required by law or ordinance to receive the proposed plan. If the proposed plan is transmitted by e-mail, the message shall include a link to the posting of the proposed plan on the City's public website. City Council Members and the Mayor shall receive e-mail notification of the link to the posting on the City's public website. Courtesy copies of the plan shall be sent to City Council Members and the Mayor. The transmittal letter or e-mail notification shall include information about the opportunity to provide written comments to CPED, as well as the opportunity to make oral comments at a public hearing conducted by the Community Development Committee.
4. The City Planning Commission shall issue a written opinion regarding the plan's consistency with the Comprehensive Plan within the ~~4530~~-day review period.
5. Comments shall be due to CPED within ~~4530~~ days of transmittal of the proposed plan.
6. CPED may revise the proposed plan based on the comments received.

## Approval

7. CPED shall request that a public hearing regarding approval of the proposed plan be scheduled by the Community Development Committee. ~~This request can be made before or during the 30-day review period.~~
8. The public hearing shall be scheduled by the Community Development Committee. Notice of the public hearing shall be published in accordance with applicable laws and ordinances.
9. ~~The Ways and Means/Budget Committee shall review the proposed plan and submit its comments to the Community Development Committee during the 30-day review period and prior to the date of the public hearing.~~
9. CPED shall submit the proposed plan to the Community Development Committee and request approval of the plan. The report request to the Community Development Committee shall include copies or summaries of any written comments received by CPED~~the MCDA~~.
10. The Community Development Committee shall conduct the public hearing, refer the proposed plan to the Ways and Means/Budget Committee, and recommend action to the full City Council.
11. The Ways and Means/Budget Committee shall review the proposed plan and recommend action to the full City Council.
12. The City Council shall approve, amend or reject the plan.

13. The Mayor shall approve or veto the City Council action.
14. Notice of the actions taken by the City Council and the Mayor shall be published in Finance and Commerce.

**Implementation**

15. CPED shall proceed with implementation of the project or district in accordance with the approved plan.

**Amendment**

16. Modifications or amendments to approved plans shall be prepared, reviewed and approved following the requirements of state law. In most cases, modifications or amendments are approved following the same procedures as approval of the original plan. In any case, affected neighborhood organizations and business associations shall be given adequate opportunity to review and comment on proposed modifications or amendments to approved plans.