Minneapolis
City of Lakes

38th & Chicago
Redevelopment Plan

April 25, 2008

Prepared by the Development Finance Division
105 5th Avenue South, Minneapolis, Minnesota 55401

38th & Chicago Redevelopment Plan
April 25, 2008

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38th & Chicago
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Introduction
This plan document has been prepared to facilitate a proposed redevelopment project in four neighborhoods of Ward 8 in south Minneapolis.

The 38th & Chicago Redevelopment Plan establishes a new redevelopment project area, objectives for redevelopment of the area, and land use recommendations for parcels in the area.

The Department of Community Planning and Economic Development ("CPED"), Business Development Division, desires to establish this redevelopment project area to help implement the *38th St & Chicago Ave Corridor Framework/Small Area Plan,* approved by the Minneapolis City Council on March 21, 2008.

REDEVELOPMENT PLAN

I. Description of Project

A. Boundary of Redevelopment Project

Under the authority of the Housing and Redevelopment Authorities Act, approval of this Redevelopment Plan establishes a new Redevelopment Project as defined in Minnesota Statutes Section 469.002, Subdivision 14. The Project Area Report and Documentation of Eligibility is attached as Exhibit 3.

The 38th & Chicago Redevelopment Project Area consists of 33 existing tax parcels identified below. The project area is located within the Bancroft, Bryant, Central, and Powderhorn Park neighborhoods, Powderhorn Community, and Ward 8 of south Minneapolis. The tax parcels to be included in the proposed Project Area are:

Property Identification Number	Address
1) 02-028-24-33-0056	3700 Chicago Ave S
2) 02-028-24-33-0057	3708 Chicago Ave S
3) 02-028-24-33-0223	3710 Chicago Ave S
4) 02-028-24-33-0061	3718 Chicago Ave S
5) 02-028-24-33-0062	3722 Chicago Ave S
6) 02-028-24-33-0089	3726 Chicago Ave S
7) 02-028-24-33-0090	3728 Chicago Ave S
8) 02-028-24-33-0092	3730 Chicago Ave S
9) 02-028-24-33-0091	3732 Chicago Ave S

10) 02-028-24-33-0227	3736 Chicago Ave S
11) 02-028-24-33-0220	3744 Chicago Ave S
12) 02-028-24-33-0097	730-32 38th St E
13) 02-028-24-33-0098	726 38th St E
14) 02-028-24-33-0099	722 38th St E
15) 11-028-24-22-0114	3800 Chicago Ave S
16) 11-028-24-22-0115	3808 Chicago Ave S
17) 11-028-24-22-0116	3814 Chicago Ave S
18) 02-028-24-34-0044	3701 Chicago Ave S
19) 02-028-24-34-0043	3705 Chicago Ave S
20) 02-028-24-34-0245	3715 Chicago Ave S
21) 02-028-24-34-0040	3721 Chicago Ave S
22) 02-028-24-34-0039	3725 Chicago Ave S
23) 02-028-24-34-0038	3731 Chicago Ave S
24) 02-028-24-34-0037	3733 Chicago Ave S
25) 02-028-24-34-0036	3737 Chicago Ave S
26) 02-028-24-34-0035	3741 Chicago Ave S
27) 02-028-24-34-0229	3745-49 Chicago Ave S
28) 02-028-24-34-0032	3753 Chicago Ave S
29) 02-028-24-34-0031	810 38th St E (and 3755 Chicago Ave S)
30) 02-028-24-34-0030	816 38th St E
31) 11-028-24-21-0113	805 38th St E
32)11-028-24-21-0111	3805 Chicago Ave S
33)11-028-24-21-0112	3807 Chicago Ave S

B. Project Boundary Map

The Project Boundary Map is included in this redevelopment plan as Exhibit 1.

C. Objectives of the Redevelopment Plan

The City of Minneapolis seeks to achieve the following objectives through the 38th & Chicago Redevelopment Plan:

- eliminate blighting influences throughout the city;
- increase the City's property tax base;
- provide an array of housing choices that meet the needs of current residents and attract new residents to the city;
- increase commercial and housing densities;
- replace auto-oriented uses with new development;
- encourage and support new and expanding business activity;
- create a mix of uses at densities sufficient to create a vibrant, transit-oriented community;
- support redevelopment efforts that enhance and preserve unique urban features and amenities;
- improve the quality of the urban environment for pedestrians, bicyclists, and transit-users; and

- improve access to the area for pedestrians, bicyclists, transit-users, and motorists.

D. Types of Redevelopment Activities

The objectives of the redevelopment plan will be accomplished through the following actions: acquisition, site preparation, demolition, new construction, project administration, public improvements, and other related activities.

E. Public Purpose

Public purposes of the 38th & Chicago Redevelopment Plan include: (1) removal of blight or the causes of blight, (2) increased density on transit lines, (3) redevelopment of vacant and underused parcels, (4) job creation, (5) increased property tax generation, (6) improved environment of the public realm, and (7) adaptive building reuses.

F. Citizen Participation

The Bancroft Neighborhood Association, Bryant Neighborhood Organization, Central Area Neighborhood Development Organization, and Powderhorn Park Neighborhood Association are the official neighborhood groups for the project area.

These neighborhood groups and other neighborhood participants will be given the opportunity to review and comment on the 38th & Chicago Redevelopment Plan prior to consideration of the plan by the City Council.

The City of Minneapolis will continue to work with these groups throughout the implementation of the redevelopment plan.

G. Public Financing

The redevelopment project area boundary includes the same parcels as the focus area at 38th and Chicago in the *38th St and Chicago Ave Corridor Framework/Small Area Plan*. The redevelopment at the 38th St E and Chicago Ave S Commercial Node will focus on achieving the goals, recommendations, and tasks as set forth in the small area plan. A variety of CPED financing tools and funds allocated to economic development and housing programs may be used to further the objectives of this redevelopment.

The City will seek to acquire the properties identified from willing sellers if, or when, opportunities arise.

Funds allocated to CPED programs may help finance the redevelopment costs associated with projects in this redevelopment plan.

II. Land Use Plan

Future land use in the 38th and Chicago Redevelopment Area will be guided by the future land use map adopted by the City Council as part of the *38th Street and Chicago Avenue Framework/Small Area Plan* on March 21, 2008 (www.ci.minneapolis.mn.us/cped/chicago-38.asp). Redevelopment will be a mix of medium-density residential, commercial, and mixed-use commercial/residential land uses.

The properties are currently zoned R-5 (Multifamily Residential) C2 (Neighborhood Corridor Commercial), C1 (Neighborhood Commercial), R4 (Multifamily Residential), OR1 (Neighborhood Office Residence) and R2B (Two-family Residential). Future development may require rezoning to accommodate potential land uses.

A. Land Use Map

The Land Use Map is included in this redevelopment plan as Exhibit 2.

B. Conformance with Approved City Plans

Future land use designation will be a mix of medium-density residential, commercial, and mixed-use commercial/residential and shall conform to the Minneapolis Zoning Ordinance. The land use provision and building requirements shall be applied in addition to official codes, ordinances, and other legal controls in the City of Minneapolis and the State of Minnesota. Where there is a conflict between any of the existing official codes ordinances and other legal controls in the City of Minneapolis and State of Minnesota with these land use provisions and building requirements, the stricter and more limiting requirement shall apply.

C. Environmental Review

The City of Minneapolis will comply with all applicable local, state and federal regulations and procedures regarding the assessment of potential environmental impacts resulting from project activities.

D. Period during which Land Use Provisions and Requirements Will Be In Effect

The requirements and provisions of Section II B of this redevelopment plan shall apply to all of the properties located in the project area, except where strict compliance thereto would in the judgment of the City either not be in the best interest of the project or the City or would not contribute to the achievement of the objectives of this redevelopment plan. These requirements shall remain in effect for 20 years from the date of conveyance of the disposition parcels.

III. Project Proposals

A. Property Acquisition

1. Property That May Be Acquired

By including in this redevelopment plan a list of "Property That May Be Acquired," the City of Minneapolis is signifying that it is interested in acquiring the property listed, subject to limitations imposed by law, 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 City to acquire a property.

The list of Property That May be Acquired includes:

Property Identification No.	Property Address
02-028-24-34-0229	3745-49 Chicago Ave S
02-028-24-33-0220	3744 Chicago Ave S

State law authorizes the City to acquire property either on a negotiated basis or, in certain situations, through the use of its power of eminent domain, if necessary, to carry out a redevelopment plan. The City will seek to acquire property from willing sellers whenever possible.

The Acquisition Map is included in this Redevelopment Plan as Exhibit 3.

B. Rehabilitation

Property that is acquired under this redevelopment plan may be rehabilitated or sold for rehabilitation when such rehabilitation would serve to achieve the objectives of this redevelopment plan.

C. Redevelopers' Obligations

The general requirements imposed upon redevelopers, their successors or assigns, will be established in development agreements. A redevelopment contract between the City and the developer of property within the project area will contain specific requirements regarding the terms and conditions under which City assistance is provided, including land use restrictions.

IV. Relocation

There are two properties within the project area designated as property that may be acquired in whole or in part by the City of Minneapolis. It is not known at this time if relocation would result in the displacement of business or residential concerns. The City of Minneapolis accepts as binding, its obligations under state and local law for relocation and will administer relocation services for families,

individuals, and businesses to be displaced by public action. The State Law requires that:

> "prior to approval by the City of any redevelopment plan, it shall be satisfied that there is a feasible method for the temporary relocation of families to be displaced from the Project Area and that there are available or will be provided, in the Project Area or in other areas not less desirable in regard to public utilities and public commercial facilities and at rents or prices within the financial means of the families displaced from the Project Area, decent, safe, and sanitary dwellings equal in number of such displaced families" (www.ci.minneapolis.mn.us/cped/city_redevelopment.asp).

V. Official Action to Carryout the Redevelopment Plan

Minnesota law requires that the Minneapolis City Planning Commission review this redevelopment plan and that its written opinion, if any, accompany the redevelopment plan when it is officially submitted to the City Council for approval (Minnesota Statutes, Section 469.027).

In approving this redevelopment plan, the City Council is responsible for carrying out those elements of the plan requiring official action by the City.

VI. Procedure for Changes in Approved Redevelopment Plan

This redevelopment plan may be modified as provided in Minnesota Statutes, Section 469.029, Subdivision 6.

> "A redevelopment plan may be modified at any time. The modification must be adopted by the authority and the governing body of the political subdivision in which the project is located, upon the notice and after the public hearing required for the original adoption of the redevelopment plan. If the authority determines the necessity of changes in an approved redevelopment plan or approved modification thereof, which changes do not alter or affect the exterior boundaries, and do not substantially alter or affect the general land uses established in the plan, the changes shall not constitute a modification of the redevelopment plan nor require approval by the governing body of the political subdivision in which the project is located."

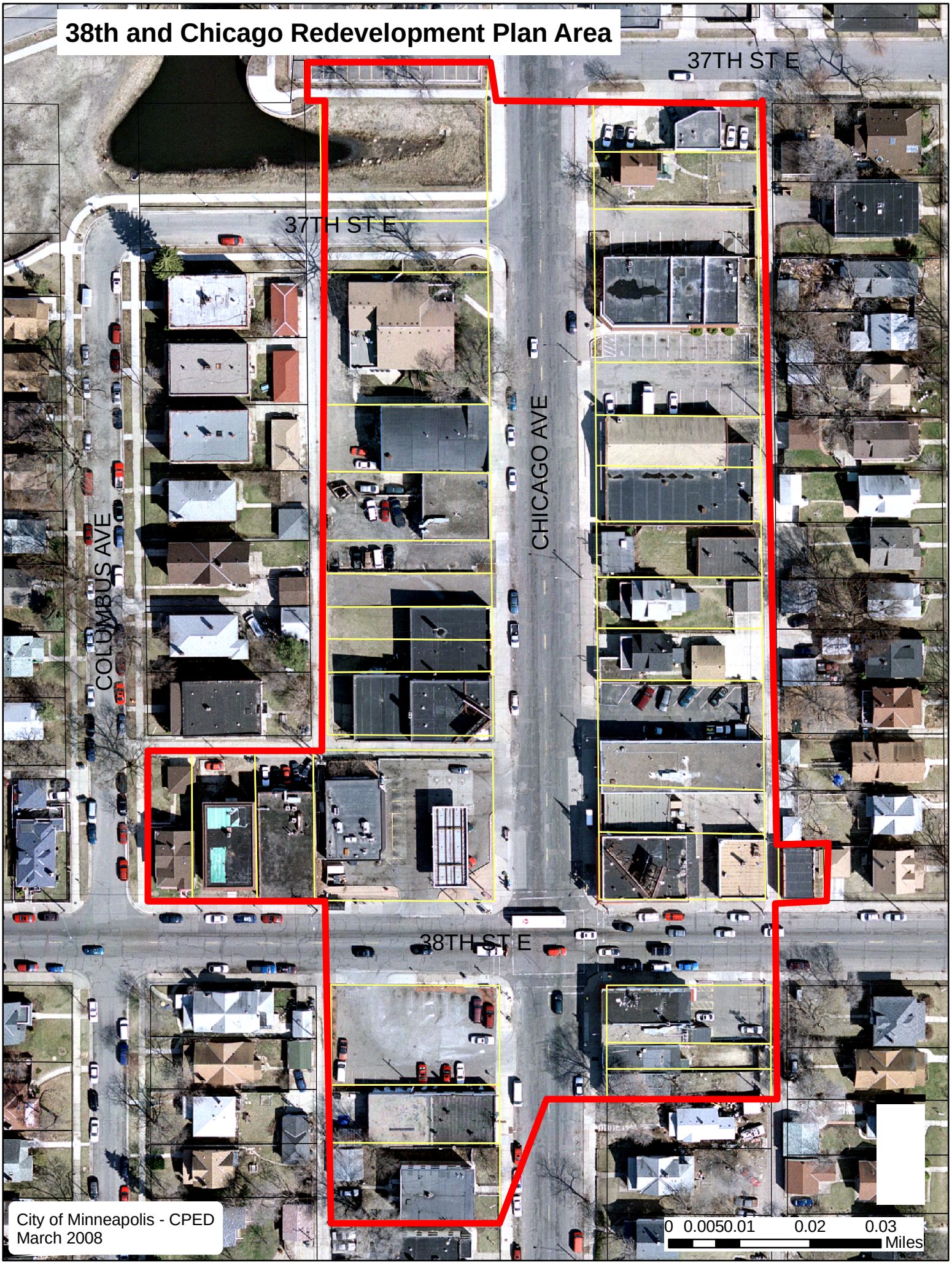
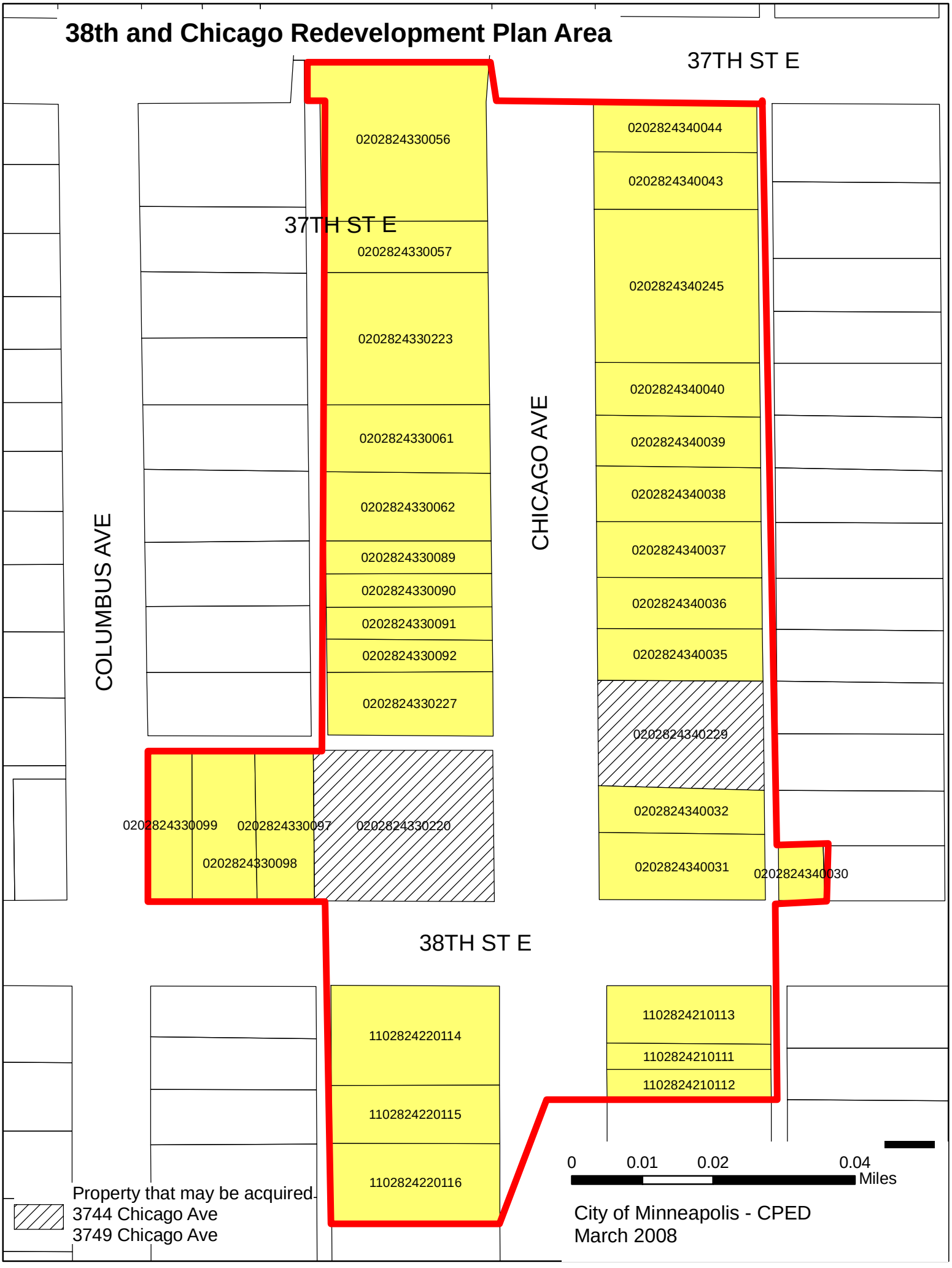

38th and Chicago Redevelopment Plan Area
37TH ST E
37TH ST E
CHICAGO AVE
COLUMBUS AVE
38TH ST E
City of Minneapolis - CPED
March 2008
0 0.0050.01 0.02 0.03
Miles

EXHIBIT 2
38th & Chicago Redevelopment Plan
Land Use Map
April 25, 2008


38th and Chicago Redevelopment Plan Area
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37TH ST E
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COLUMBUS AVE
CHICAGO AVE
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38TH ST E
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1102824220116
1102824210113
1102824210111
1102824210112
0
0.01
0.02
0.04
Miles
Property that may be acquired
3744 Chicago Ave
3749 Chicago Ave
City of Minneapolis - CPED
March 2008

EXHIBIT 4
38th & Chicago Redevelopment Plan
Project Area Report and Documentation of Eligibility
April 25, 2008

The Minneapolis City Council adopted the *38th Street & Chicago Avenue Corridor Framework/Small Area Plan* on March 21, 2008. This plan was the product of an extensive community engagement process "to support the ongoing improvement and revitalization of the area of 38th Street and Chicago Avenue by proposing specific policies and strategies to guide its evolution". This 38th & Chicago Redevelopment Plan is being created to implement future development and further reinvestment at the 38th and Chicago Commercial Node.

This Project Area Report and Documentation of Eligibility describes the conditions that qualify the 38th & Chicago site as a redevelopment project.

The 38th & Chicago Redevelopment Project (the "Redevelopment Project") will be a redevelopment project as defined in the Minnesota Housing and Redevelopment Authorities Act (Minnesota Statutes, Section 469.002, Subdivision 14 and 16). According to Subdivision 14, Paragraph 1, redevelopment projects are established "for the purpose of removing, preventing, or reducing blight, blighting factors, or the causes of blight." The redevelopment project area therefore must be found to be a blighted area, which is defined in Section 469.002, Subd. 11 of the Act as:

> "any area with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light, and sanitary facilities, excessive land coverage, deleterious land use, or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community."

Area Characteristics

Chicago Avenue is a busy north-south corridor connecting downtown Minneapolis to important institutional, commercial and residential locations along its path[1]. This portion of Chicago Avenue has a good mix of residential commercial and institutional uses. At present, 38th Street includes a mix of residential, commercial, and institutional uses. Less intensely commercial than Chicago Avenue, a significant number of parcels are residential land uses, including a limited number of multi-family units. The Focus Area at 38th and Chicago is classified as a Neighborhood Commercial Node under The Minneapolis Plan, while both Chicago Avenue and 38th Street are identified as Community Corridors.

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[1] *38th Street & Chicago Avenue Corridor Framework/Small Area Plan: with focus on Chicago, Bloomington and 4th Avenue Business Nodes, approved 3/21/08 by the Minneapolis City Council*

Findings of Blight within the Proposed Redevelopment Project Area
CPED Senior Construction Management Specialists James Edin and Duane Nygren conducted exterior inspections of the proposed redevelopment project area in March 2008. The properties consist of vacant buildings, single-family housing, multifamily housing structures, office buildings, retail space, retail warehouse space, and commercial buildings. The majority of the structures were built from 1900 to 1960. Buildings consist of brick exteriors, wood framed walls, flat roofs, and below grade living spaces. It is of significant interest that minimum permit activity was found throughout the subject area. A study of the public records found minimal remodeling activity or construction permits during the times other areas were experiencing economic prosperity.

The building conditions in the proposed project area were surveyed pertinent to the Minnesota Statutory requirements to determine if there is sufficient evidence to establish and qualify a Redevelopment Project Area under the Housing and Redevelopment Authorities Act (Minnesota Statutes, Section 469.002, Subdivision 14 and 16).

The existing single-family residential buildings are in poor condition and functionally obsolete for their present and continued use. Their proximity to the growing and expanding commerce and retail and retail buildings are lacking certain life safety upgrades, compliance with the Americans with Disabilities Act (ADA) and obsolete mechanical and electrical systems essential for compliance with present day Building Codes and Standards. Further, most of the buildings lack energy conservation standards essential for compliance with the Minnesota State Energy Code. The study of the area found buildings that are detrimental to the “life safety, health, morals, or welfare of the community” due to dilapidation, obsolescence, overcrowding, lack of ventilation, or vacant buildings that lack essential utilities, light and sanitary facilities.

Several of the buildings observed had indicators of blight and showed difficult public access, inadequate set back and side yards restricting the land use configurations, were deficient in or contained no off street parking, and vacant lots contained debris and outside storage. One parcel may contain underground tanks if the property was previously a gas station.

Eligibility Findings
Staff found that the proposed project area qualifies for inclusion in a redevelopment project under Minnesota Statutes 469.001 through 469.047. This property is detrimental to the “safety, health, morals or welfare of the community” by reasons of dilapidation, obsolescence, overcrowding, faulty arrangement, lack of ventilation and structural damage as demonstrated by the photographs of the site, structures and damage therein. It is the determination of staff that the subject property is substandard and meets the criteria for blighted condition noted at the property.

Documentation supporting these findings is on file in the office of the Development Finance Division, Finance Department, Suite 575, Crown Roller Mill, 105 5th Avenue South, Minneapolis, Minnesota.