



**Dunwoody Apartments  
Redevelopment Plan**

Draft for Public Review  
July 8, 2011

# Dunwoody Apartments Redevelopment Plan

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### Exhibits

1. Project Boundary and Land Use Map
2. Project Area Report
3. Site Plan and Rendering

# Dunwoody Apartments Redevelopment Plan

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## I. Introduction

The Dunwoody Apartments Redevelopment Plan has been prepared to facilitate the redevelopment of the vacant, historic Abbott Hospital complex at 110 18<sup>th</sup> Street East in south Minneapolis. Gateway Commons, LLC proposes to convert the original Dunwoody building, constructed in 1910, and four additions constructed up through the 1950s, to 123 rental apartments with 40 underground and 64 surface parking spaces. Twenty-five units will be affordable to households at or below 50 percent of the Area Median Income.

The proposed development will remove blight, preserve a historic building, create affordable and market-rate rental housing units, increase the City's tax base and promote transit usage.

This Redevelopment Plan establishes a new redevelopment project and identifies its boundary, redevelopment objectives and land use provisions.

## II. Description of Project

### A. Boundary of Redevelopment Project

Under the authority of Minnesota Statutes Sections 469.001 to 469.047 (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 Dunwoody Apartments Redevelopment Project Area consists of one tax parcel identified below. The project area is located within the Stevens Square-Loring Heights neighborhood and Ward 6 of south Minneapolis.

<b>Property Identification Number</b>	<b>Property Address</b>
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27-029-24-43-0001	110 18 <sup>th</sup> Street East
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The Project Boundary and Land Use Map is included in this redevelopment plan as Exhibit 1. Documentation of the property's eligibility as a redevelopment project area is presented in Exhibit 2.

### B. Objectives of Redevelopment Plan

The City of Minneapolis seeks to achieve the following objectives through this redevelopment plan:

- Eliminate blighting influences by rehabilitating a vacant and deteriorated building.
- Preserve a historic structure.
- Increase the number of housing units and choices within the city.
- Increase housing density.
- Remedy the shortage of housing for low and moderate income residents.
- Support strong and diverse neighborhoods where people choose to live.
- Promote transit-oriented and sustainable development.
- Clean a contaminated property.
- Increase the property tax base.

**C. Types of Redevelopment Activities**

The objectives of this redevelopment plan may be accomplished through the following public and private redevelopment activities: site preparation, environmental remediation, rehabilitation, public improvements, construction of below-grade parking garages, project administration and other related activities.

**D. Public Purpose**

Public purposes of this redevelopment plan include removal of blight or the causes of blight, redevelopment of a vacant building and underused parcel, remediation of a contaminated property, preservation of a historic property, provision of affordable housing, promotion of transit usage and tax base enhancement.

**E. Citizen Participation**

The Stevens Square Community Organization (SSCO) is the official neighborhood group for the project area. SSCO has reviewed and supports the proposed development described in Section IV.A. of this redevelopment plan.

SSCO will be given the opportunity to review and comment on this redevelopment plan prior to consideration of the plan by the City Council.

The City of Minneapolis will continue to work with SSCO throughout the implementation of this redevelopment plan, in accordance with a contract that specifies that the City shall provide SSCO an advisory role on development proposals, redevelopment plans and tax increment financing plans. SSCO, in turn, is required to ensure that those residents most affected by a proposed development are informed of and provided the opportunity to comment on the proposed activity.

**F. Public Financing**

Potential sources of public financing include tax increment financing; the City's Affordable Housing Trust Fund; Hennepin County Environmental Response Fund, Affordable Housing Incentive Fund and Transit-Oriented Development program funds; Metropolitan Council Tax Base Revitalization Account funds; and federal historic tax credits.

**III. Land Use Plan**

**A. Future Land Use**

The proposed reuse of land within the project area is mixed-use.

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

**B. Conformance with Approved City Plans**

The proposed development conforms to City-approved plans and ordinances.

**The Minneapolis Plan for Sustainable Growth**

The Minneapolis Plan for Sustainable Growth identifies the property at 110 18<sup>th</sup> Street East as being within a mixed-use area. The property is within one block of Nicollet Avenue, which is designated a Commercial Corridor at this location.

The proposed development conforms to the following comprehensive plan policies:

- 1.3 Ensure that development plans incorporate appropriate transportation access and facilities, particularly for bicycle, pedestrian, and transit.

**Implementation Step**

Ensure the provision of high quality transit, bicycle, and pedestrian access to and within designated land use features.

- 1.8 Preserve the stability and diversity of the city's neighborhoods while allowing for increased density in order to attract and retain long-term residents and businesses.

**Implementation Step**

Promote a range of housing types and residential densities, with highest density development concentrated in and along appropriate land use features.

- 1.10 Support development along Commercial Corridors that enhances the street's character, fosters pedestrian movement, expands the range of goods and services available, and improves the ability to accommodate automobile traffic.

**Implementation Step**

Encourage the development of medium-density housing on properties adjacent to properties on Commercial Corridors.

- 3.1 Grow by increasing the supply of housing.

**Implementation Step**

Support the development of new medium- and high-density housing in appropriate locations throughout the city.

- 3.2 Support housing density in locations that are well connected by transit, and are close to commercial, cultural and natural amenities.

**Implementation Step**

Encourage and support housing development along commercial and community corridors, and in and near growth centers, activity centers, retail centers, transit station areas, and neighborhood commercial nodes.

- 3.3 Increase housing that is affordable to low and moderate income households.

**Implementation Step**

Continue to utilize housing development finance programs to foster growth in the city's affordable housing stock in all parts of the city.

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- 8.1 Preserve, maintain, and designate districts, landmarks, and historic resources which serve as reminders of the city's architecture, history, and culture.

### **Small Area Plans**

There is no Small Area Plan for this area.

### **Zoning Ordinance**

The City's zoning code regulates land use and development intensity in order to carry out the policies of the City's comprehensive plan. The proposed project area is zoned OR3 (Institutional Office Residence) District, an appropriate zoning to facilitate the above noted goals of the comprehensive plan and the Dunwoody Apartments Redevelopment Plan. The City Planning Commission approved the Dunwoody Apartment project's land use applications on January 10 and May 9, 2011.

### **C. Land Use Restrictions**

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. Project Proposals**

### **A. Proposed Development Activity**

Gateway Commons, LLC acquired the original Abbott Hospital site in 2005 and plans to convert the vacant building to 123 rental apartments, including 25 units affordable to households at or below 50 percent of the Area Median Income.

The approximately 1.7-acre L-shaped site occupies most of the block bounded by 17<sup>th</sup> and 18<sup>th</sup> Streets East, and Stevens and 1<sup>st</sup> Avenues South, just south of Interstate 94 and east of Nicollet Avenue.

Gateway Commons, LLC proposes to convert the original Dunwoody building, constructed in 1910, and four additions constructed up through the 1950s, to 123 rental apartments with 40 underground and 64 surface parking spaces. The 1910 building is in the process of being placed on the National Register of Historic Places. Historic elements to be preserved include some of the existing windows, interior finishes where possible, ceiling heights and other detailing.

The proposed unit mix is nine studios, 90 one-bedroom units and 24 two-bedroom units. The building will also include a leasing/management office, community room for use by residents, indoor bicycle storage and tenant storage lockers.

The estimated total development cost is approximately \$19,556,000.

A site plan and rendering are included as Exhibit 3 to this redevelopment plan.

**B. Property Acquisition**

The City of Minneapolis does not currently intend to acquire any property within the project area. The developer, Gateway Commons, LLC, purchased the property in 2005.

**C. Rehabilitation**

Substantial rehabilitation and historic preservation of the buildings within the project area is planned.

**D. Relocation**

It is not anticipated that any businesses or residents will be displaced by public redevelopment activities within the project area.

**E. Redevelopers' Obligations**

The requirements imposed upon redevelopers, their successors or assigns, will be established in a redevelopment contract between the City and the developer of property within the project area.

**V. Official Action to Carry Out Redevelopment Plan**

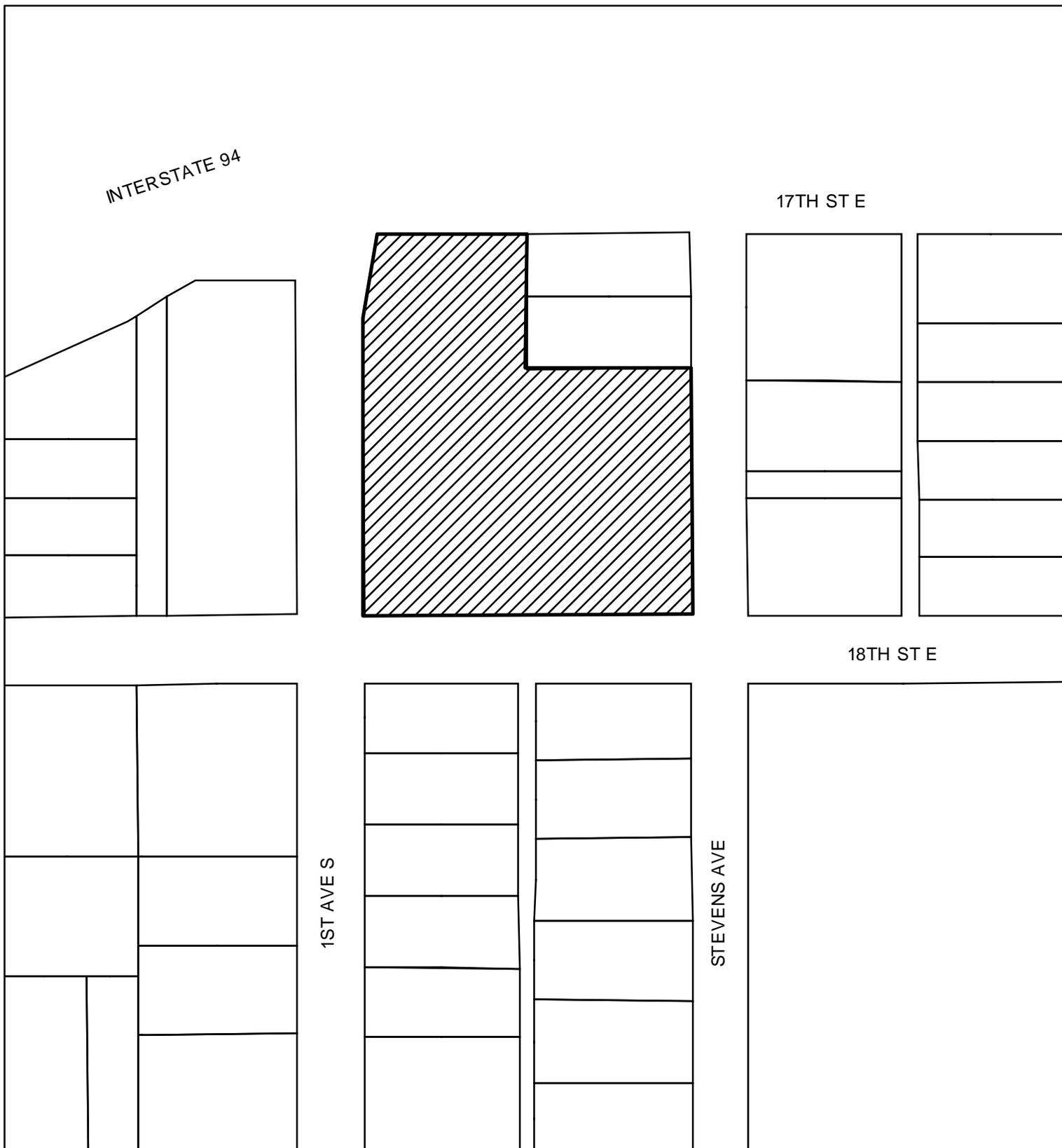
Minnesota law requires that the Minneapolis City Planning Commission review this redevelopment plan and that its written opinion, if any, accompany the redevelopment plan when it is officially submitted to the City Council for approval (Minnesota Statutes, Section 469.027).

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.



# Dunwoody Apartments Redevelopment Project

## Project Boundary and Land Use Map

- Project Boundary
-  Land Use: Mixed Use

**Exhibit 2  
Project Area Report**

The conditions that qualify the proposed Dunwoody Apartments Redevelopment Project as a redevelopment project as defined in Minnesota Statutes Section 469.002, Subdivision 14 are described below.

**Statutory Definitions**

Minnesota Statutes Section 469.002, Subdivision 14 includes in its definition of a redevelopment project “any work or undertaking to acquire blighted areas and other real property for the purpose of removing, preventing, or reducing blight, blighting factors, or the causes of blight.”

A “blighted area” is defined in Minnesota Statutes Section 469.002, Subdivision 11 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.”

**Description of Project Area**

The proposed project area consists of one tax parcel identified below and shown on the Project Boundary and Land Use Map (Exhibit 1).

<b>Property Identification Number</b>	<b>Property Address</b>
27-029-24-43-0001	110 18 <sup>th</sup> Street East

The approximately 1.7-acre L-shaped site occupies most of the block bounded by 17<sup>th</sup> and 18<sup>th</sup> Streets East, and Stevens and 1<sup>st</sup> Avenues South. The property is zoned OR3 – Institutional Office Residence. The remainder of the block is occupied by two apartment buildings.

The City’s comprehensive plan identifies the site as being within a mixed-use area. The property is within one block of Nicollet Avenue, which is designated a Commercial Corridor at this location.

The proposed project area is the site of the former Abbott Hospital complex. The original hospital building, known as the Dunwoody building, was constructed in 1910, with connected additions completed in 1919-1920, 1938, 1954 and 1957. The Dunwoody building is contributing to the Stevens Square Historic District. The developer, Gateway Commons LLC, is seeking national historic designation through the State Historic Preservation Office, and it appears likely that the building will attain listing in the National Register.

The buildings in the project area have a gross area of 147,045 square feet, with a foot print of 36,990 square feet.

Community Planning and Economic Development (CPED) Construction Management staff conducted an exterior and interior inspection of the building complex in May 2011. Numerous violations of the International Building Code, the State Energy Code, the Minnesota State

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Plumbing Code, the National Electric Code, and the Americans With Disabilities Act (ADA) standards were observed in the vacant and boarded building.

Other observations include:

- The building interior is contaminated with lead-based paint and asbestos-containing material.
- The building HVAC system is not in operation, which has led to high humidity causing poor indoor air quality and mold growth.
- The elevator system does not meet current code.
- There is no fire suppression system in service.
- Vandalism and graffiti are evident.

City records indicate there have been 82 code violations or issues on the property since 2001, including rubbish, weeds, brush and branches, broken glass, graffiti, trespassing and storage issues.

The most recent permit activity for plumbing, elevator, mechanical or electrical repair or remodeling was in 2004, with the exception of some masonry repair in 2008.

There have been over 100 police incidents on the property since 2005, including trespassing, burglaries, damage to property, suspicious persons, intoxicated persons and other disturbances.

### **Eligibility**

The project area is determined to be a blighted area, based on the characteristics described above. Indicators of blight observed in the project area include a dilapidated and obsolete vacant building in need of major repairs, with defects or deficiencies in structural elements, essential utilities and facilities, ventilation and fire protection. The premises are poorly maintained and the property is underused.

The proposed development of the Dunwoody Apartments will remove the blight and facilitate the implementation of City land use policies and redevelopment objectives.

Documentation supporting these findings is on file in the office of the City of Minneapolis Development Finance Division, Crown Roller Mill, Suite 575, 105 5<sup>th</sup> Avenue South, Minneapolis, Minnesota 55401.





*Robertson*