

**MINNEAPOLIS COMMUNITY PLANNING  
AND ECONOMIC DEVELOPMENT (CPED) DEPARTMENT,  
LONG RANGE PLANNING DIVISION**

**Seward Friendship Co-op Redevelopment Plan**

**DATE:** June 12, 2014

**PROJECT NAME:** Seward Friendship Co-op Redevelopment Plan

**SUBMITTED BY:** CPED Business Development

**CONTACT PERSON AND PHONE:** Mark Garner, 612-673-5037

**PLANNING STAFF AND PHONE:** Paul Mogush, 612-673-2074

**WARD:** 8

**NEIGHBORHOOD ORGANIZATIONS:** Bryant Neighborhood Organization

**PROJECT DESCRIPTION:**

The Seward Friendship Co-op Redevelopment Plan has been prepared to facilitate the redevelopment of five properties located in the northern portion of the block bounded by 38th and 39th Streets East and 3rd and Clinton Avenues South in the Bryant neighborhood of south Minneapolis. The Seward Community Co-op has proposed the construction of a two-story full-service cooperative grocery store on a 52,000-square foot site that includes the five properties within the project boundary as well as three additional contiguous parcels located just south of the boundary along 3rd Avenue South.

The Redevelopment Plan identifies the boundary, objectives, land use provisions and anticipated redevelopment activities of the Seward Friendship Co-op Redevelopment Project.

**COMPREHENSIVE PLAN:**

Uses within the Seward Friendship Co-op Redevelopment Project area shall conform with adopted City land use plans, including the comprehensive plan and The 38th Street and Chicago Avenue Small Area/Corridor Framework Plan, which is a subset of the comprehensive plan. Uses shall also conform with the Minneapolis Zoning Ordinance.

East 38th Street is designated as a Community corridor in The Minneapolis Plan for Sustainable Growth, the City's comprehensive plan. Community Corridors support new residential development from low- to high-density in specified areas, as well as increased housing diversity in neighborhoods. Community Corridors support limited commercial uses that are frequently concentrated in Neighborhood Commercial Nodes. Proposed commercial uses are evaluated according to their impacts on residential character.

## **Minneapolis City Planning Department Report Development Plan Review**

The redevelopment project area is just outside the boundary of a designated Neighborhood Commercial Node at East 38th Street and 4th Avenue South. Minneapolis' Neighborhood Commercial Nodes are typically comprised of a handful of small- and medium-sized businesses focused around one intersection. These nodes primarily serve the needs of the immediate surrounding area, although they may also contain specialty stores that serve a regional client base.

The individual parcels within the redevelopment project area are designated as Mixed Use and Urban Neighborhood, as shown in the map accompanying the attached redevelopment plan.

### **SMALL AREA PLAN**

The 38th Street and Chicago Avenue Small Area/Corridor Framework Plan is adopted by reference into the comprehensive plan, and is the basis for the parcel-specific future land use designations of Mixed Use and Urban Neighborhood. In addition to supporting mixed use development, the small area plan specifically calls for a cooperative grocery store in the area.

### **ZONING ORDINANCE**

Current zoning in the Seward Friendship Co-op Redevelopment Project area is R1A. Rezoning to a Commercial district will be required in order to achieve commercial or mixed-use development.

### **PREVIOUS RELATED ACTIONS**

Land use approvals for the co-op development, including the necessary rezoning applications, were expected to be considered by the City Planning Commission on June 9, 2014.

### **FUTURE RELATED ACTIONS**

It is expected that the proposed Redevelopment Plan, as well as the related land sale and redevelopment agreement for 3800 Clinton Ave, will be considered at the following meetings of the Minneapolis City Council and its committees:

Community Development & Regulatory Services Committee (A public hearing will be conducted at this meeting.)

Tuesday, July 8, 2014 at 1:30 p.m.

Ways and Means Committee

Monday, July 14, 2014 at 1:30 p.m.

City Council

Friday, July 18, 2014 at 9:30 a.m.

All meetings will be held in Minneapolis City Hall, 350 S. Fifth Street, Room 317.

**Minneapolis City Planning Department Report  
Development Plan Review**

**COMMENTS AND FINDINGS:** Staff finds that the redevelopment plan is consistent with *The Minneapolis Plan for Sustainable Growth*.

**RECOMMENDED ACTION:** The CPED Planning Division recommends that the City Planning Commission send to the City Council the comments above.



Seward Friendship Co-op  
Redevelopment Plan

Draft for Public Review  
May 23, 2014

# Seward Friendship Co-op Redevelopment Plan

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## Table of Contents

I.	Introduction .....	1
II.	Description of Project .....	1
	A. Boundary of Redevelopment Project .....	1
	B. Objectives of Redevelopment Plan .....	1
	C. Types of Redevelopment Activities .....	2
	D. Public Purpose .....	2
	E. Citizen Participation .....	2
	F. Public Financing .....	2
III.	Land Use Plan.....	2
	A. Future Land Use .....	2
	B. Conformance with Approved City Plans .....	3
	C. Land Use Restrictions .....	4
IV.	Project Proposals .....	4
	A. Proposed Development Activity .....	4
	B. Property Acquisition .....	5
	C. Relocation.....	5
	D. Redevelopers' Obligations.....	5
V.	Official Action to Carry Out Redevelopment Plan.....	5
VI.	Procedure for Changes in Approved Redevelopment Plan.....	6

### Exhibits

1. Project Boundary Map
2. Future Land Use Map
3. Development Site Map
4. Site Plan and Elevations
5. Project Area Report

# Seward Friendship Co-op Redevelopment Plan

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## I. Introduction

The Seward Friendship Co-op Redevelopment Plan has been prepared to facilitate the redevelopment of five properties located in the northern portion of the block bounded by 38<sup>th</sup> and 39<sup>th</sup> Streets East and 3<sup>rd</sup> and Clinton Avenues South in the Bryant neighborhood of south Minneapolis. The Seward Community Co-op has proposed the construction of a two-story full-service cooperative grocery store on a 52,000-square foot site that includes the five properties within the project boundary as well as three additional contiguous parcels located just south of the boundary along 3<sup>rd</sup> Avenue South.

The Redevelopment Plan identifies the boundary, objectives, land use provisions and anticipated redevelopment activities of the Seward Friendship Co-op Redevelopment Project.

## 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 Seward Friendship Co-op Redevelopment Project is located at the intersection of 38<sup>th</sup> Street East and Clinton Avenue South in the Bryant neighborhood of south Minneapolis. The Project Area consists of five tax parcels identified below by their current Property Identification Numbers and addresses.

Property Identification Number	Property Address
10-028-24-11-0190	317 38 <sup>th</sup> Street East
10-028-24-11-0191	3800 Clinton Avenue South
10-028-24-11-0192	3808 Clinton Avenue South
10-028-24-11-0200	3815 3 <sup>rd</sup> Avenue South
10-028-24-11-0222	3805 3 <sup>rd</sup> Avenue South

The Project Boundary 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 5.

### B. Objectives of Redevelopment Plan

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

- Eliminate blighting influences.
- Support strong and diverse neighborhoods where people choose to live.
- Support neighborhood commercial activity.
- Promote transit-oriented and sustainable development.
- Increase employment opportunities for local residents.
- Increase the property tax base.
- Increase retail activity and the availability of goods and services.
- Provide improved access to healthy food in an underserved area of the city.

**C. Types of Redevelopment Activities**

The objectives of this Redevelopment Plan may be accomplished through the following public and private redevelopment activities: property acquisition, property disposition, demolition, site preparation, new construction, house moves, public improvements, project administration and other related activities.

**D. Public Purpose**

Public purposes of this Redevelopment Plan include removing blight or the causes of blight, redeveloping underused parcels, improving access to goods and services, providing employment opportunities, promoting transit-oriented and sustainable development, and enhancing the tax base.

**E. Citizen Participation**

The Bryant Neighborhood Organization and the Central Area Neighborhood Development Organization will be given the opportunity to review and comment on this Redevelopment Plan prior to consideration of the plan by the City Council.

**F. Public Financing**

The City acquired the property at 3800 Clinton Avenue South and demolished a blighted building using federal Community Development Block Grant (CDBG) funds. The City will sell the property to Seward Community Co-op, Inc. at fair market value and the land sale proceeds will reimburse the City's CDBG fund.

No City financial assistance will be provided for the development of the Seward Friendship Store.

Seward Community Co-op, Inc. has received an allocation of New Markets Tax Credits that will leverage private investment to construct the project. Equity for the project is also being provided by Seward Community Co-op, Inc.

The City is investigating the feasibility of relocating the house at 3808 Clinton Avenue South to a new location outside the project area. If a house move is feasible, additional City redevelopment activity and costs related to the house move may occur.

**III. Land Use Plan**

**A. Future Land Use**

The designated future land uses within the Seward Friendship Co-op Redevelopment Project area are Mixed Use and Urban Neighborhood, as adopted in the City's comprehensive plan, *The Minneapolis Plan for Sustainable Growth*.

- Mixed Use – Allows for mixed use development, including mixed use with residential. Mixed use may include either a mix of retail, office or residential uses within a building or within a district. There is no requirement that every building be mixed use.

## Seward Friendship Co-op Redevelopment Plan

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- Urban Neighborhood – Predominantly residential area with a range of densities, with highest densities generally to be concentrated around identified nodes and corridors. May include undesignated nodes and some other small-scale uses, including neighborhood-serving commercial and institutional and semi-public uses (for example, schools, community centers, religious institutions, public safety facilities, etc.) scattered throughout. More intensive non-residential uses may be located in neighborhoods closer to Downtown and around Growth Centers. Not generally intended to accommodate significant new growth, other than replacement of existing buildings with those of similar density.

The Future Land Use Map is included in this Redevelopment Plan as Exhibit 2, and reflects the parcel-specific future land uses as shown in *The Minneapolis Plan for Sustainable Growth*.

### **B. Conformance with Approved City Plans**

Uses within the Seward Friendship Co-op Redevelopment Project area shall conform with adopted City land use plans, including the comprehensive plan and *The 38th Street and Chicago Avenue Small Area/Corridor Framework Plan*, which is a subset of the comprehensive plan. Uses shall also conform with the Minneapolis Zoning Ordinance.

#### **The Minneapolis Plan for Sustainable Growth**

East 38th Street is designated as a Community corridor in *The Minneapolis Plan for Sustainable Growth*, the City's comprehensive plan. Community Corridors support new residential development from low- to high-density in specified areas, as well as increased housing diversity in neighborhoods. Community Corridors support limited commercial uses that are frequently concentrated in Neighborhood Commercial Nodes. Proposed commercial uses are evaluated according to their impacts on residential character.

The redevelopment project area is just outside the boundary of a designated Neighborhood Commercial Node at East 38th Street and 4th Avenue South. Minneapolis' Neighborhood Commercial Nodes are typically comprised of a handful of small- and medium-sized businesses focused around one intersection. These nodes primarily serve the needs of the immediate surrounding area, although they may also contain specialty stores that serve a regional client base.

The individual parcels within the redevelopment project area are designated as Mixed Use and Urban Neighborhood, as described in Section A above.

#### **Small Area Plan**

The *38th Street and Chicago Avenue Small Area/Corridor Framework Plan* is adopted by reference into the comprehensive plan, and is the basis for the parcel-specific future land use designations of Mixed Use and Urban Neighborhood. In addition to supporting mixed use development, the small area plan specifically calls for a cooperative grocery store in the area.

### **Zoning Ordinance**

Current zoning in the Seward Friendship Co-op Redevelopment Project area is R1A. Rezoning to a Commercial district will be required in order to achieve commercial or mixed-use development.

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

A redevelopment contract between the City and the developer of property within the project area will contain specific requirements regarding terms and conditions, including land use restrictions.

## **IV. Project Proposals**

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

Seward Community Co-op, Inc. (the “Co-op”) proposes to construct a full-service cooperative grocery store at the corner of 38<sup>th</sup> Street East and Clinton Avenue South in the Bryant neighborhood of south Minneapolis.

The Co-op has successfully owned and operated a grocery store at various locations on East Franklin Avenue in the Seward neighborhood since 1972. The current location of the Seward Co-op is 2823 East Franklin Avenue.

The Co-op will develop a second store, to be known as the Seward Friendship Store, on 38<sup>th</sup> Street East between 3<sup>rd</sup> and Clinton Avenues South. In doing so, the Co-op intends to better serve its existing members, relieve congestion at the Franklin Avenue store, and expand access to the co-op to new communities in underserved areas.

The development site includes eight properties; five of these properties are located within the proposed Redevelopment Project boundary. Plans for the development project have evolved over time as have the neighborhood and City land use policies and objectives in this area. Three development site parcels were not included in the City’s adopted commercial development plans at the time that the Redevelopment Plan boundary decisions were being made. However, all zoning and site plan issues for the Seward Friendship Co-op development are subject to the normal land use approval process.

The five properties in the project area are the four purchased by the Co-op from the Greater Friendship Missionary Baptist Church and one City-owned parcel. A map showing the boundary of the development site is provided in Exhibit 3.

The Co-op acquired the four Church parcels and three additional parcels from private owners in March 2014. The remaining parcel, 3800 Clinton Avenue South, is vacant land owned by the City of Minneapolis. In November 2013, the Co-op submitted a purchase offer for the property. The City’s sale of the parcel to the Co-op for commercial development requires City Council authorization, as well as approval of this Redevelopment Plan, the property rezoning, and other land use approvals.

It is anticipated that the church building will be demolished. The four residential structures within the development site will either be demolished or moved to lots outside

## Seward Friendship Co-op Redevelopment Plan

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the project area, depending upon the results of an evaluation of their structural condition and the cost and feasibility of house moves.

A two-story cooperative grocery store with 15,000 square feet on the first floor and 5,000 square feet on the second floor will be constructed on a 52,000-square foot site at the southwest corner of the intersection of 38<sup>th</sup> Street East and Clinton Avenue South. A 70-stall surface parking lot to be constructed along 3<sup>rd</sup> Avenue South and bicycle parking along 38<sup>th</sup> Street East will serve the grocery store.

The store will be located in an area easily accessed by transit, which will enable employees and shoppers to use public transit, walk or bicycle to the store.

The development cost of the real estate project is expected to be about \$8.5 million, with an additional \$3 million in store start-up and operating costs, for a grocery store project totaling more than \$11.5 million.

Seward Co-op, Inc. projects that the number of new living-wage jobs resulting from the development will exceed 100 FTEs. The Co-op intends to emphasize hiring from the local community.

A site plan and elevations of the anticipated development are provided in Exhibit 4.

### **B. Property Acquisition**

The City does not intend to acquire any property within the Redevelopment Project.

### **C. Relocation**

No businesses or residents will be displaced by public redevelopment activities within the project area.

### **D. Redevelopers' Obligations**

The requirements imposed upon redevelopers, their successors or assigns, will be established in a development agreement 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**

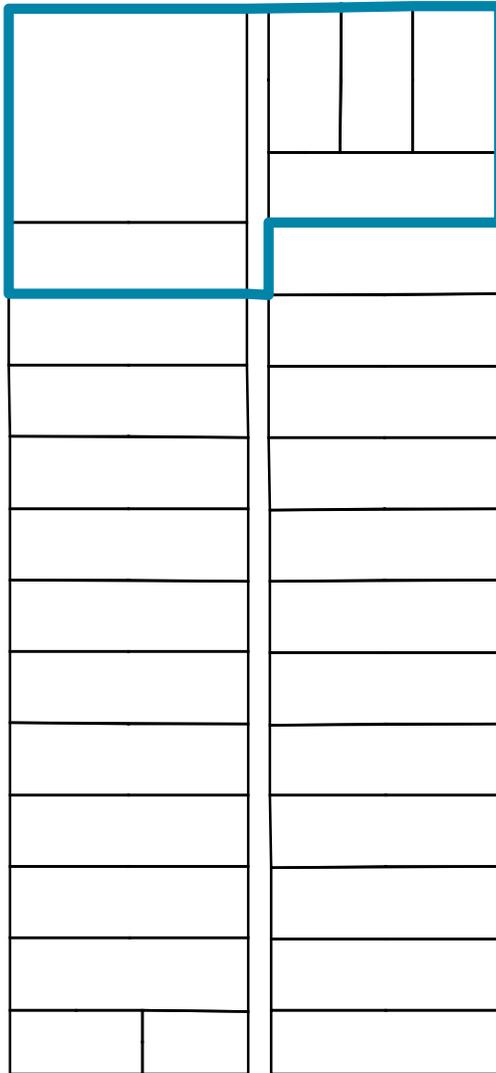
This Redevelopment Plan may be modified as provided in Minnesota Statutes, Section 469.029, Subdivision 6:

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.

# Seward Friendship Co-op Redevelopment Plan Project Boundary Map



38TH ST E



3RD AVE S

CLINTON AVE

39TH ST E

City of Minneapolis  
Development Finance Division  
May 2014



# Seward Friendship Co-op Redevelopment Plan Future Land Use Map

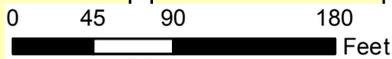
 Project Boundary  
Mixed Use  
Public and Institutional  
Urban Neighborhood

38TH ST E

3RD AVE S

CLINTON AVE

39TH ST E



City of Minneapolis  
Development Finance Division  
May 2014



# Seward Friendship Co-op Development Site Map

-  Project Boundary
-  Development Site
-  City-owned Property

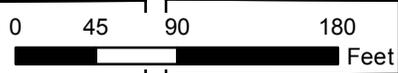


38TH ST E

3RD AVE S

CLINTON AVE

39TH ST E



City of Minneapolis  
Development Finance Division  
May 2014





Date: 3/31/14

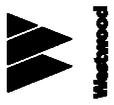
**Seward Community Co-Op**  
 Minneapolis, MN

Concept Site Plan  
 Figure 2

Prepared for:  
**Seward Community Co-Op**  
 2823 East Franklin Avenue  
 Minneapolis, MN 55406

Client: \_\_\_\_\_  
 Checked: \_\_\_\_\_  
 Drawn: \_\_\_\_\_  
 Revised Drawing: In/Date: \_\_\_\_\_

Westwood Professional Services, Inc.  
 7889 Angstrom Drive  
 Eden Prairie, MN 55344  
 PHONE 952.937-5100  
 FAX 952.937-5622  
 TOLL FREE 1-888-937-5100  
 www.westwoodps.com







## Seward Friendship Co-op Redevelopment Plan

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### Project Area Report

This report describes the conditions that qualify the proposed Seward Friendship Co-op Redevelopment Project area as a redevelopment project in accordance with Minnesota Statutes Section 469.002, Subdivision 14.

Sources of information for this report include City of Minneapolis and Hennepin County records, including information gathered during an exterior inspection conducted in October 2013 by the City's Community Planning and Economic Development (CPED) Construction Management staff.

#### General Description of Project Area

The proposed project area is located in the northern portion of the block bounded by 38th and 39th Streets East, and 3rd and Clinton Avenues South in the Bryant neighborhood of south Minneapolis. The project area consists of five tax parcels identified below by their current property identification numbers and addresses:

Property Identification Number	Property Address
10-028-24-11-0190	317 38 <sup>th</sup> Street East
10-028-24-11-0191	3800 Clinton Avenue South
10-028-24-11-0192	3808 Clinton Avenue South
10-028-24-11-0200	3815 3 <sup>rd</sup> Avenue South
10-028-24-11-0222	3805 3rd Avenue South

The largest parcel, 3805 3<sup>rd</sup> Avenue South, is a commercial building that was most recently used by a church. A vacant single-family house occupies 3808 Clinton Avenue South. The remaining three parcels are vacant lots.

A map of the project area is provided in Exhibit 1 to the Seward Friendship Co-op Redevelopment Plan.

#### Property Conditions

Blighting factors associated with the two structures (the commercial building at 3805 3<sup>rd</sup> Avenue South and the single-family house at 3808 Clinton Avenue South) noted either by the October 2013 exterior inspection or through City records include the following:

- Deteriorating building conditions and buildings in need of major repair.
- Deteriorating stucco indicating water intrusion.
- Evidence of deteriorated and damaged roofing material.
- Evidence of building settlement.
- Open violations related to guard rails, heat producing appliances, electrical panel access, maintenance of hood and duct systems, and maintenance of emergency lighting.
- Lack of conformance with current building codes and energy standards.

## Seward Friendship Co-op Redevelopment Plan

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A July 2013 Truth in Sale of Housing Disclosure Report for the house at 3808 Clinton Avenue South noted multiple issues, including foundation cracks, evidence of moisture in the basement, missing floor drains, improperly supported gas lines, broken and boarded up windows, and damaged and missing storm doors.

The three vacant properties are unused, grass and weed-covered lots. These underutilized and unproductive properties encompass approximately 34 percent of the land area of the Seward Friendship Co-op Redevelopment Project.

### **Eligibility**

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.”

The proposed Seward Friendship Co-op Redevelopment Project area is determined to be a blighted area, based on the characteristics described above. Indicators of blight observed in the project area include dilapidation, obsolescence and deleterious land use.

Redevelopment activities in the project area will remove blighting factors and facilitate the implementation of City land use policies and redevelopment objectives.

### **Location of Documents**

Documentation supporting these findings is on file in City of Minneapolis offices. Detailed records, including maps, photographs, tax records and inspections records are available for examination in City offices at 105 5<sup>th</sup> Avenue South, Minneapolis, Minnesota.