



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

Date: July 14, 2015

To: Council Member Lisa Goodman, Chair, Community Development and Regulatory Services Committee

Subject: Cooperative Agreement with Hennepin County for 2225 East Lake Street

Recommendation

Adopt the attached resolution approving redevelopment activities by the Hennepin County Housing and Redevelopment Authority ("HRA") in the Hiawatha and Lake Redevelopment Project.

Prepared by:	David Frank, Director of Economic Policy and Development
Approved by:	Charles T. Lutz, Deputy Director, CPED _____ D. Craig Taylor, Director, CPED _____
Presenter in Committee:	David Frank, Director of Economic Policy and Development

Previous Directives

- The City Council approved the Hiawatha and Lake Redevelopment Plan on May 19, 2000.
- The City Council regularly considers cooperative agreements with Hennepin County declaring a need for the County HRA to exercise its powers in the City.
- The City Planning Commission approved multiple land use applications for the project on April 27, 2015.

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification: Hennepin County staff and Corcoran Neighborhood staff and volunteers worked together extensively over the past months to shape a project which satisfies many neighborhood and community objectives. Multiple task force meetings were held, as well as several community meetings.
- City Goals: Connected communities, enriched environment, and premier destination.

- Sustainability Targets: Economically vibrant and higher density transit corridors create attractive urban neighborhoods for development, support efficient growth, and reduce the need for car travel to obtain necessary goods and services.
- Comprehensive Plan: Policy 1.3. Ensure that development plans incorporate appropriate transportation access and facilities, particularly for bicycles, pedestrians and transit; Policy 1.5. Promote growth and encourage overall city vitality by directing new commercial and mixed-use development to designated corridors and districts; Policy 1.13. Support high density development near transit stations in ways that encourage transit use and contribute to interesting and vibrant places; Policy 2.3. Encourage walking throughout the City by ensuring that routes are safe, comfortable, pleasant and accessible; Policy 2.4. Make transit a more attractive option for both new and existing riders; Policy 3.2. Support housing density in locations that are well connected by transit, and are close to commercial. Cultural and natural amenities; and Policy 4.11. Attract businesses to the City through strategic infrastructure investments.
- Zoning Code: See City Planning Commission actions of April 27, 2015 [here](#).

Supporting Information

Many plans have identified the need to redevelop the 6.5 acre property at 2225 East Lake Street, at the southwest corner of Lake Street and Hiawatha Avenue, including the Hiawatha/Lake Station Area Master Plan (2000) and the Corcoran Midtown Revival Plan (2002). When Minneapolis Public Schools (“MPS”), working through CPED, released a Request for Proposals for the property in 2010, there were high hopes that development would come to the underutilized site, currently home to the 53,000 sq ft MPS Adult Basic Education building. MPS selected L&H Development as developer, and negotiations continued, but the parties ultimately could not come to terms.

By this time, Hennepin County was interested in locating their sixth and final human services center - or hub - for south Minneapolis on the site, and so the County stepped into the role of master developer for the site. The County signed a letter of intent with MPS in the spring of 2014, providing for a purchase of the site by the County and a lease with MPS that would permit MPS to occupy the existing building for a period of time following closing.

The master plan for the site includes a mix of office, retail, and housing, a public plaza, a permanent home for the Midtown Farmers Market, and a strong connection to the Lake Street station on the Blue line. The first phase of the project will include the construction of the 100,000 sq ft County hub, associated parking, and approximately 125 units of housing. Subsequent phases of the project will be developed by others.

The County HRA has requested that the City Council adopt a resolution under Minnesota Statutes section 469.005, declaring a need for the County HRA to exercise its powers in the City, and approve the Redevelopment Activities as required by Minnesota Statutes section 383B.77. The City has negotiated a cooperative agreement with the County HRA to ensure that the redevelopment activities are consistent with community priorities and adopted plans.

Attachments:

Cooperative Agreement
Resolution

RESOLUTION
Of the
CITY OF MINNEAPOLIS

By Goodman

Providing requisite approvals for certain redevelopment activities by the Hennepin County Housing and Redevelopment Authority in the Hiawatha and Lake Redevelopment Project.

Whereas, the City of Minneapolis (the "City") has approved a redevelopment plan, as amended, entitled the Hiawatha and Lake Redevelopment Plan (the "Plan") under the authority of Minnesota Statutes, sections 469.001-.047, for a redevelopment project located in the vicinity of the Lake Street light rail station (the "Project"); and

Whereas, Hennepin County and the Hennepin County Housing and Redevelopment Authority (the "County HRA") have proposed a multiphased redevelopment of a 6½ acre site within the Project; and

Whereas, the proposed redevelopment, entitled L & H Station, involves the acquisition of property at 2225 E. Lake Street and adjacent parcels to be redeveloped in phases over 10 years by L& H Station Development L.L.C. as 565 residential units, a 100,000 square foot office building to house the Hennepin County Human Services and Public Health Department, 16,075 square feet of commercial space, approximately 840 off-street parking spaces, a private street and a public plaza/marketplace (collectively, the "Redevelopment Activities"); and

Whereas, the County HRA has requested that the City Council of the City adopt a resolution under Minnesota Statutes, section 469.005, declaring a need for the County HRA to exercise its powers in the City, and approve the Redevelopment Activities as required by Minnesota Statutes, section 383B.77, and approve the off-street parking facilities that will be constructed as part of the Redevelopment Activities per Minnesota Statutes, section 383B.20; and

Whereas, the City has reviewed the County HRA's master plan and investigated the facts with respect to the Redevelopment Activities; and

Whereas, the City has also negotiated a cooperative agreement with the County HRA to ensure that the Redevelopment Activities are consistent with community priorities and the Plan (the "Cooperative Agreement");

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis that the City Council grants general approval in accordance with Minnesota Statutes, sections 469.005, 383B.77 and 383B.20, of the proposed Redevelopment Activities further described in County HRA Resolution 14-HCHRA-0043.

Be It Further Resolved that the approval in this resolution is contingent upon execution and delivery by the County HRA of the Cooperative Agreement.

Be It Further Resolved that the approval in this resolution does not confer financial and other benefits or waive zoning, land use, building code and other applicable requirements.