



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

**Date:** December 12, 2006

**To:** Council Member, Lisa Goodman, Community Development Committee

**Referral to:** Council Member Paul Ostrow, Chair Ways and Means/Budget Committee

**Subject:** Appropriations for acquisition of parcels in South East Minneapolis Industrial Area (SEMI) for Malcolm Avenue reconstruction and Granary Road right of way.

**Recommendation:**

- a) Authorize the appropriate City officials to acquire through negotiation all of 700 29<sup>th</sup> Avenue SE and portions of the following properties: 504 29<sup>th</sup> Avenue SE, 518 Malcolm Avenue SE, 520 ½ Malcolm Avenue SE, 501 Malcolm Avenue SE, and 600 Malcolm Avenue SE to be used for Malcolm Avenue and Granary Road right of way for SEMI/University Research Park infrastructure. The purchase price and fees, totaling approximately \$516,000, will be funded by \$258,000 in Minneapolis Industrial Land and Employment Strategy (MILES) program funds (Fund SCDMP00) and \$258,000 in state bond redevelopment grant funds administered by State of Minnesota Department of Employment and Economic Development (DEED).
- b) Amend the 2006 General Appropriation by increasing the Community Planning and Economic Development agency Fund SCD - Community Development 595 Levy (SCDMP00-890-8933) by \$258,000 from available fund balance.
- c) Increase the 2006 Revenue Budget for the Community Planning and Economic Development agency Fund SMNO – State Grant and Loan Programs (SMNO-890-8490-3215) by \$258,000.

d) Amend the 2006 General Appropriation by increasing the Community Planning and Economic Development Agency fund SMNO – State Grant and Loan Programs (SMNO-890-8933) by \$258,000.

**Previous Directives:** On September 22, 1998, City Council authorized the MCDA to apply for the Minnesota Department of Trade and Economic Development (currently DEED) Redevelopment Grant for SEMI, on July 13 2001, the City Council approved the SEMI Revised Master Plan and Alternate Urban Areawide Review (AUAR), on January 7, 2006, the City Council approved revisions to the Comprehensive Plan to incorporate the recommendations of the Revised Master Plan and AUAR.

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Approved by: Approved by: Charles T. Lutz, Deputy CPED Director \_\_\_\_\_  
Mike Christenson, Director Economic Policy & Dev. \_\_\_\_\_  
Presenter in Committee: Jim Forsyth

**Financial Impact**

- Action is within the Business Plan
- Other financial impact: A State redevelopment grant from the Department of Employment and Economic Development will provide 50% of the costs for the requested property acquisitions.

**Community Impact**

- **Neighborhood Notification:** The South East Economic Development (SEED) Committee has approved the SEMI Revised Master Plan that includes the roadways for which this appropriation is sought.
- **City Goals:** A Premier Destination; Retain and Grow Businesses in Life Sciences and the Creative Economy.
- **Sustainability Targets:** Provide additional bicycle lanes and paths, increase opportunities for workers to earn a livable wage.
- **Comprehensive Plan:** The infrastructure to be constructed in part with the requested appropriation is consistent with the recently approved SEMI/URP amendment to the Comprehensive Plan.
- **Zoning Code:** Consistent.
- **Other:** The Minneapolis Industrial Land and Employment (MILES) Committee reviewed and approved this request for MILES Levy funds.

**Supporting Information**

CPED and Public Works plan to build Granary Road and widen Malcolm Avenue SE in the SEMI redevelopment project area. These roads will provide access to the planned SEMI University Research Park where no public access now exists. To accommodate this plan, CPED proposes to purchase one entire parcel – 700 29<sup>th</sup> Avenue SE (30-029-23-12-0010) and portions of five parcels - 518 Malcolm Avenue SE (30-029-23-11-0011), 520 ½ Malcolm

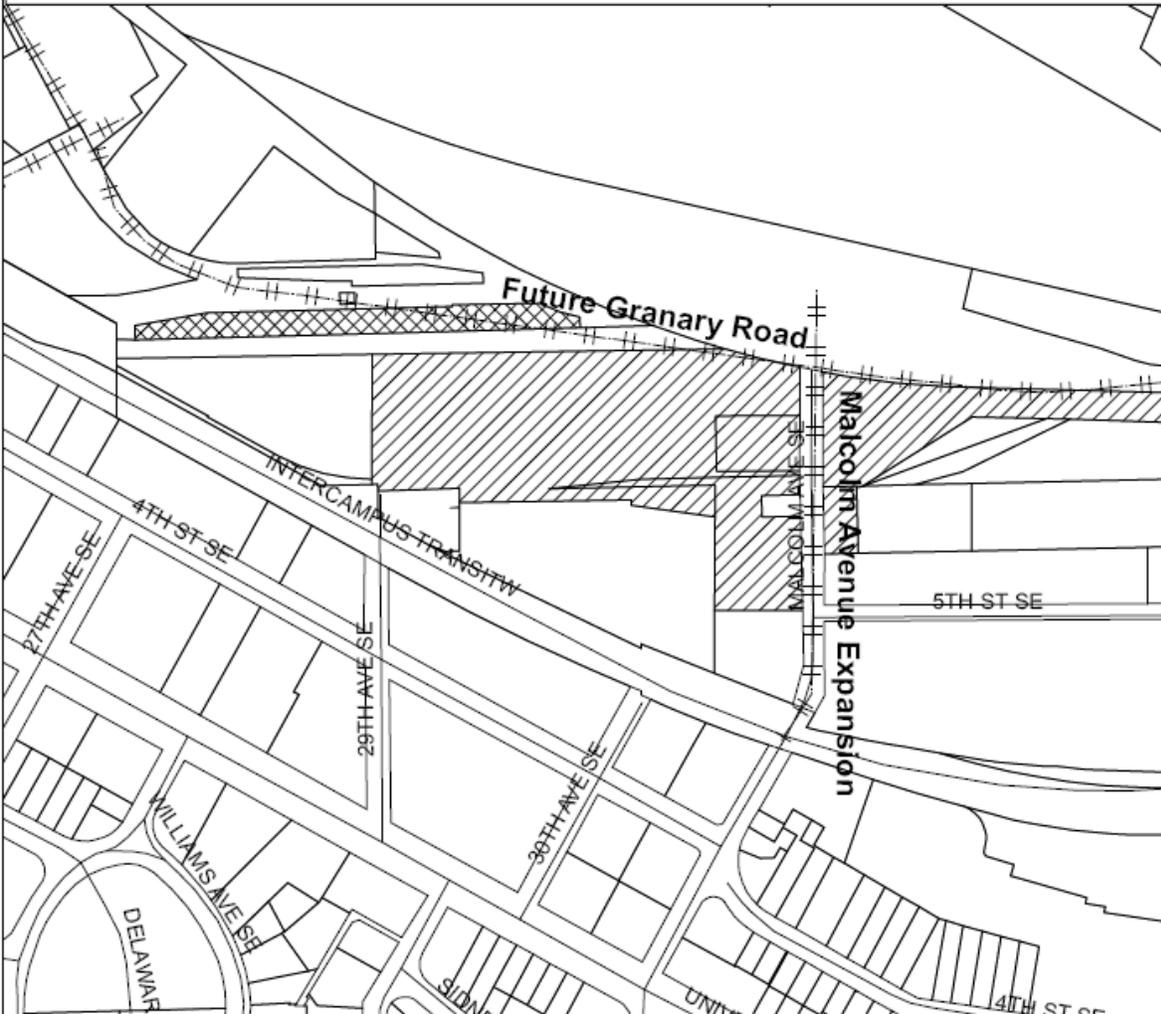
Avenue SE (30-029-23-14-0004), 501 Malcolm Avenue SE (30-029-23-14-052), 504 29<sup>th</sup> Avenue SE (30-029-23-12-0014), and 600 Malcolm Avenue SE (30-029-23-11-0012). The entire parcel at 700 29<sup>th</sup> Avenue SE will be purchased for the future Granary Road. Three feet will be acquired from the other five parcels for additional right of way for Malcolm Avenue.

CPED will purchase these parcels with MILES funds and a matching DEED redevelopment grant. The parcels are identified as property that may be acquired in the TIF modification plan concurrently scheduled for City Council action.

Each parcel requires some environmental remediation. CPED engineering staff estimate that remediation of the above properties will consist of removal and disposal of two feet of soil for a cost of approximately \$315,000. 700 29<sup>th</sup> Avenue SE also currently contains a grain elevator requiring demolition at an estimated cost of \$1,100,000. City staff (CPED and Public Works) will pursue the funds needed for the remediation and demolition through grants and other sources such as tax increment and MILES.

The map attached as an exhibit identifies the properties that are proposed for acquisition.

# Future Granary and Malcolm Avenue Right-of-Way



## Legend

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 Purchasing 3 feet on each side of Malcolm Avenue from the following properties:  
 518 Malcolm Ave SE (30-029-23-11-0011)  
 600 Malcolm Avenue SE (30-029-23-11-0012)  
 520 ½ Malcolm Avenue SE (30-029-23-14-0004)  
 501 Malcolm Avenue SE (30-029-23-14-0052)  
 504 29th Avenue SE (30-029-23-12-0014)
- 
 Negotiating to purchase the entire parcel  
 700 29th Ave SE (30-029-23-12-0010)
- 
 Proposed Roadway



City of Minneapolis - CPED  
 Business Development  
 November, 2006