



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

Date: October 14, 2008

To: Council Member Lisa Goodman, Community Development Committee

Referral to: Council Member Paul Ostrow, Ways & Means/Budget Committee

Subject: Approval of the Lyndale Green Redevelopment Plan

Recommendation: Adopt the resolution approving the Lyndale Green Redevelopment Plan

Previous Directives: On April 18, 2008 the City Council authorized the submission of a Hennepin County Transit Oriented Development (TOD) application for funding for the Lyndale Green project (also known as Salem Redevelopment); on April 18, the City Council also authorized submission of a Hennepin County ERF grant application; on September 26, 2008 the City Council authorized staff to execute a Cooperative Agreement with Hennepin County related to a TOD grant awarded to the project; on June 6, 2008 the City Council authorized submission for Livable Communities Demonstration Account (LCDA) funding by the Metropolitan Council; on August 8, 2008 the City Council authorized acceptance of the ERF grant funds.

Prepared by: Amy Geisler, Senior Project Coordinator (612) 673-5266	
Approved by: Charles T. Lutz, Deputy Director, CPED	_____
Thomas Streitz, Director, Housing Policy and Development	_____
Wesley Butler, MF Housing Manager	_____
Presenters in Committee: Amy Geisler, Senior Project Coordinator	

Financial Impact

- No financial impact
- Action requires an appropriation increase to the Capital Budget _____ or Operating Budget _____
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Action is within the Business Plan
- Action requires a change to the Business Plan
- Other financial impact
- Request provided to the Finance Dept. when provided to the Committee Coordinator

Community Impact

- Neighborhood Notification: The Whittier Alliance was advised of this plan on August 29, 2008.
- City Goals: A safe place to call home, One Minneapolis, Connected communities, Enriched environment.
- Sustainability Targets: Affordable housing production.
- Comprehensive Plan: The Minneapolis City Planning Commission will consider this plan for approval on October 6, 2008. *The Minneapolis Plan for Sustainable Growth* contains

the following relevant policies: *Policy 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; *Policy 3.1*: Grow by increasing the supply of housing; *Policy 3.2*: Support housing density in locations that are well connected by transit, and are close to commercial, cultural and natural amenities; *Policy 3.3*: Increase housing that is affordable to low and moderate income households; *Policy 8.10*: Promote the benefits of preservation as an economic development tool and a method to achieve greater environmental sustainability and city vitality.

- Zoning Code: A rezoning will be required for this project, as proposed
- Living Wage/Business Subsidy Agreement Yes _____ No X
- Job Linkage Yes _____ No X
- Other: N/A

Background/Supporting Information

The Lyndale Green Redevelopment Plan establishes a new redevelopment project area, establishes objectives for redevelopment, and identifies land uses for the redevelopment of the project area.

CPED staff has conducted the necessary blight analysis of the existing structures on the site and have determined that the proposed project area qualifies for inclusion in a Redevelopment Project under Minnesota Statutes 469.001 through 469.047.

The Lyndale Green Redevelopment Project Area consists of one existing tax parcel located on the northeast corner of Lyndale Ave S and 28th Street West. The project area is located within the Whittier neighborhood and Ward 6 of South Minneapolis. The tax parcel to be included in the proposed Project Area is:

<u>Property Identification Number</u>	<u>Address</u>
34-029-24-32-0062	610 W. 28 th St

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

- Eliminate blighting influences;
- Clean contaminated land to provide a site for a use that achieves the City's redevelopment objectives;
- Stabilize an historic resource;
- Support the goals related to Commercial Corridors articulated in The Minneapolis Plan for Sustainable Growth;
- Increase the City's property tax base;
- Create jobs;
- Increase the supply of housing choices;
- Support neighborhood retail services;
- Encourage a mix of uses to create a vibrant, transit-oriented community; and
- Support redevelopment efforts that enhance and preserve unique urban features and amenities.

The objectives of the redevelopment plan may be accomplished through the following actions: demolition, new construction, rehabilitation, environmental cleanup, project administration, and other related activities. Public purposes include removal of blight or the causes of blight, stabilization of an historic structure, redevelopment of vacant and underused parcels, contamination cleanup, increased property tax generation, provision of affordable housing, and job creation.

Future land use on property within the Project Area will be mixed-use commercial and residential. The property is currently zoned RB2/Two Family.

Proposed Development

Brighton Development Corp. is proposing to purchase a portion of the Salem English Lutheran Church site in order to develop a mixed-use project consisting of 65 rental apartments and approximately 9,000 square feet of neighborhood commercial space, along with 105 parking spaces (57 to be underground). Brighton proposes to demolish a 1960s-era addition to the original church and surface parking lot, and construct the new building in their place. The original church will be retained and renovated.

At least 20% of the housing units will be affordable to households at 50% of Metro Median Income (MMI). The commercial space users have not yet been identified, but are expected to include neighborhood-scale retail, and possibly office users. The project will require a rezoning to move forward as proposed. Brighton Development is also pursuing LEED certification for the new building, and will incorporate a number of innovative stormwater management techniques on the site.

Brighton Development has also submitted applications for Tax Increment Financing and Affordable Housing Trust Funds for this project. An application for Housing Revenue Bonds is anticipated in early 2009.

The creation of a redevelopment project area separate from the tax increment financing process is required to meet Hennepin County's timing condition for receiving a \$150,000 County TOD grant that has been approved for the proposed development (i.e. the proposed development must be located within a redevelopment project area by November 2008).

**Proposed Resolution
of the
City of Minneapolis**

Adopting the Lyndale Green Redevelopment Plan

RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

Section 1. Recitals

- 1.1 Pursuant to Laws of Minnesota 2003, Chapter 127, Article 12, Sections 31-34, and Minneapolis Code of Ordinances, Chapter 415, the City of Minneapolis (the “City”), acting by and through its department of Community Planning and Economic Development (“CPED”), has been granted the authority to propose and implement city development districts, housing and redevelopment projects and tax increment financing districts, all pursuant to Minnesota Statutes, Sections 469.001 through 469.134, and 469.174 through 469.179, as amended, and other laws enumerated therein (collectively, the “Project Laws”).
- 1.2 CPED has prepared facts and this Council has investigated the facts with respect to a proposed Lyndale Green Redevelopment Plan (the “Plan”). The Plan creates a new redevelopment project area (the “Project Area”) to facilitate redevelopment of property at West 28th Street and Lyndale Avenue South as a mixed-use commercial and rental housing project, all pursuant to and in accordance with the Project Laws.
- 1.3 The City has performed all actions required by law to be performed prior to the adoption of the Plan, including, but not limited to, a review of the proposed Plan by the affected neighborhood groups and the City Planning Commission, and the holding of a public hearing after published and mailed notice as required by law.
- 1.4 The Council hereby determines that it is necessary and in the best interests of the City at this time to approve the Plan.

Section 2. Findings for the Adoption of the Plan

- 2.1 The Council hereby finds, determines and declares that the objectives and actions authorized by the Plan are all pursuant to and in accordance with the Project Laws.
- 2.2 The Council hereby finds, determines and declares that the Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment of the Project Area by private enterprise. The proposed redevelopment removes blight and blighting influences, provides decent, safe and sanitary dwellings for persons of low and moderate income, cleans contaminated land, stabilizes an historic resource, supports goals related to commercial corridors in the Minneapolis Plan for Sustainable Growth, creates jobs, and encourages housing density near transit corridors.

- 2.3 The Council hereby finds, determines and declares that the Lyndale Green Redevelopment Project (the “Redevelopment Project”) qualifies as a Redevelopment Project as defined in the Minnesota Housing and Redevelopment Authorities Act (Minnesota Statutes, Section 469.002, Subdivisions 14 and 16). The Project Area qualifies as a “blighted area” as defined in the Minnesota Housing and Redevelopment Authorities Act (Minnesota Statutes, Section 469.002, Subdivision 11).
- 2.4 The Council hereby finds, determines and declares that the Project Area includes vacant and underutilized buildings that are detrimental to the community by reasons of dilapidation, obsolescence, overcrowding, faulty arrangement, lack of ventilation and structural damage, and may include asbestos and lead paint contamination. The vacant and substandard buildings undermine the value of adjacent property, are an uneconomic use of the land, and are considered a blighting condition.
- 2.5 The Council further finds, determines and declares that the Plan conforms to the general plan for the development or redevelopment of the City as a whole. Written comments of the Planning Commission with respect to the Plan were issued, are incorporated herein by reference, and are on file in the office of the City Clerk.
- 2.6 The Council hereby finds, determines and declares that the land in the Project Area would not be made available for redevelopment without the financial aid to be sought.
- 2.7 The Council further finds, determines and declares that it is necessary and in the best interests of the City at this time to approve the Plan.

Section 3. Approval of the Plan; Creation of Project Area

- 3.1 Based upon the findings set forth in Section 2 hereof, the Lyndale Green Redevelopment Plan presented to the Council on this date is hereby approved and shall be placed on file in the office of the City Clerk.

Section 4. Implementation of the Plan

- 4.1 The officers and staff of the City, and the City's consultants and counsel, are authorized and directed to proceed with the implementation of the Plan, and for this purpose to negotiate, draft, prepare and present to this Council for its consideration, as appropriate, all further modifications, resolutions, documents and contracts necessary for this purpose.