

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

**Modification No. 125 to Common Development & Redevelopment Plan
and Common Tax Increment Financing Plan**

Modification No. 1 to Lake and Nicollet Redevelopment Plan

DATE: December 10, 2015

PROJECT NAME: Modification No. 125 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan and Modification No. 1 to the Lake and Nicollet Redevelopment Plan

SUBMITTED BY: CPED Economic Policy & Development

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NEIGHBORHOOD ORGANIZATION: Whittier Alliance and Lyndale Neighborhood Association

PROJECT DESCRIPTION:

Modification No. 125 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan (the “Common Plan”) and Modification No. 1 to the Lake and Nicollet Redevelopment Plan incorporate the Lake and Nicollet Redevelopment Project into the Minneapolis Common Development and Redevelopment Project (the “Common Project”) and authorize the use of Common Project tax increment revenue for costs associated with the acquisition of properties at 30 West Lake Street and 10 West Lake Street

The Lake and Nicollet Redevelopment Plan was approved by the Minneapolis City Council on April 25, 2014. The Redevelopment Plan’s purpose is to facilitate redevelopment activities that support the City’s goals for the area, including re-opening Nicollet Avenue across Lake Street and the Midtown Greenway, improving access to Interstate I-35W from Lake Street, blight removal, and revitalization of the commercial area. Approval of the Lake and Nicollet Redevelopment Plan established the Lake and Nicollet Redevelopment Project.

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The properties at 30 West Lake Street (the former SuperValu grocery store site) and 10 West Lake Street (the Kmart site) are among those identified in the Lake and Nicollet Redevelopment Plan as Property That May be Acquired. On November 20, 2015, the City Council authorized the purchase of 30 West Lake Street for \$5,275,000, and also authorized staff to negotiate, sign, and implement an option agreement to purchase the leased fee estate of 10 West Lake Street for an amount not to exceed \$8,000,000. The proposed option price is \$800,000.

The Council appropriated up to \$6,275,000 to provide temporary funding for these activities. While the City's Development Account will provide a temporary source of funding, tax increment revenues of the Common Project will be the final funding source for these activities.

Common Project funds may only be used for redevelopment activity within Common Project boundaries. Although both 30 West Lake Street and 10 West Lake Street are physically located within the Common Project, the Lake and Nicollet Redevelopment Project, which is one source of the City's acquisition authority, is not currently incorporated into the Common Project.

Modification No. 125 to the Common Plan includes the following changes:

- Incorporates the Lake and Nicollet Redevelopment Project into the Common Project.
- Expands the Common Project boundary to include all of the property within the Lake and Nicollet Redevelopment Project boundary.
- Designates additional properties (as identified in the Lake and Nicollet Redevelopment Plan) as property that may be acquired by the City.
- Authorizes the use of Common Project tax increment revenue for costs associated with the acquisition of 30 West Lake Street and 10 West Lake Street.

It is anticipated that, following approval of the modifications, Common Project tax increment revenues will be the final funding source for the purchase price and related costs of 30 West Lake Street and the option price and related costs on 10 West Lake Street

Modification No. 1 to the Lake and Nicollet Redevelopment Plan adds the following language to two sections of the Plan:

- Section II.A. Boundary of Redevelopment Project is amended by the addition of the following language: Upon approval of Modification No. 1 to this Redevelopment Plan and Modification No. 125 to the Common Plan, the Lake and Nicollet Redevelopment Project is incorporated into the Common Project through an expansion of the Common Project boundary.
- Section II.F. Public Financing is amended by the addition of the following language: Tax increment revenues of the Common Project may be used to fund public redevelopment activities, including property acquisition and related costs, in accordance with this Redevelopment Plan.

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COMPREHENSIVE PLAN:

Uses within the Lake and Nicollet Redevelopment Project area shall conform with adopted City land use plans and the Minneapolis Zoning Ordinance.

The proposed reuses of land within the project area include Mixed Use (multifamily housing with commercial uses) and High Density Residential, as specified and described in the City's comprehensive plan, *The Minneapolis Plan for Sustainable Growth* as well as *The Midtown Greenway Land Use and Development Plan* and *The Midtown Minneapolis Land Use and Development Plan*, which are subsets of the comprehensive plan.

- 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.
- High Density Residential –High Density multifamily housing, which the comprehensive plan defines as 50-120 dwelling units per acre.

Both Lake Street and Nicollet Avenue are identified as Commercial Corridors in the City's comprehensive plan, *The Minneapolis Plan for Sustainable Growth*. The Nicollet and Lake intersection is identified as an Activity Center (an area with citywide and regional draw, with a high intensity of uses, including employment, commercial, office and residential uses) and a Major Retail Center (able to accommodate large-scale retail uses, with immediate and easy connections to regional road networks). Residential and commercial uses, often in mixed-use buildings and at higher densities, are permitted in Commercial Corridors.

Redevelopment within the Lake and Nicollet Redevelopment Project area will conform to the following policies articulated in the City's comprehensive plan:

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.

- 1.10.1 Support a mix of uses – such as retail sales, office, institutional, high-density residential and clean low-impact light industrial – where compatible with the existing and desired character.
- 1.10.2 Encourage commercial development, including active uses on the ground floor, where Commercial Corridors intersect with other designated corridors.
- 1.10.3 Discourage uses that diminish the transit and pedestrian character of Commercial Corridors, such as some automobile services and drive-through facilities, where Commercial Corridors intersect other designated corridors.

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- 1.10.4 Encourage a height of at least two stories for new buildings along Commercial Corridors, in keeping with neighborhood character.
- 1.10.5 Encourage the development of high-density housing on Commercial Corridors.
- 1.10.6 Encourage the development of medium-density housing on properties adjacent to properties on Commercial Corridors.

Policy 1.12: Support Activity Centers by preserving the mix and intensity of land uses and by enhancing the design features that give each center its unique urban character.

- 1.12.1 Encourage a variety of commercial and residential uses that generate activity all day long and into the evening.
- 1.12.2 Encourage mixed use buildings, with commercial uses located on the ground floor and secure entrances for residential uses.
- 1.12.3 Encourage active uses on the ground floor of buildings in Activity Centers.
- 1.12.4 Discourage uses that diminish the transit and pedestrian character of Activity Centers, such as automobile services, surface parking lots, and drive-through facilities.
- 1.12.5 Encourage a height of at least two stories for new buildings in Activity Centers, in keeping with neighborhood character.
- 1.12.6 Encourage the development of high- to very-high density housing within the boundaries of Activity Centers.
- 1.12.7 Encourage the development of medium- to high-density housing immediately adjacent to Activity Centers to serve as a transition to surrounding residential areas.
- 1.12.8 Support district parking strategies in Activity Centers, including shared parking facilities with uniform signage, and other strategies.
- 1.12.9 Encourage architectural design, building massing and site plans to create or improve public and semi-public spaces in Activity Centers.
- 1.12.10 Encourage developments to incorporate climate sensitive site and building design practices.

Policy 1.16: Support a limited number of Major Retail Centers, while promoting their compatibility with the surrounding area and their accessibility to transit, bicycle and foot traffic

- 1.16.1 Encourage the development of mixed residential, office, institutional and, where appropriate, small-scale retail sales and services to serve as transitions between

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Major Retail Centers and neighboring residential areas.

- 1.16.2 Incorporate principles of traditional urban design in new and phased development, including buildings that reinforce the street wall, have windows that provide “eyes on the street”, and principal entrances that face the public sidewalks.
- 1.16.3 Encourage and implement buffering to lessen potential conflicts between uses in Major Retail Centers and surrounding areas.
- 1.16.4 Ensure the provision of high quality transit, bicycle and pedestrian access to Major Retail Centers.
- 1.16.5 Support district parking strategies in Major Retail Centers, including shared parking facilities, uniform signage for parking facilities, and other strategies.

FUTURE RELATED ACTIONS:

It is expected that the proposed Modifications 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, January 5, 2016 at 1:30 p.m.

Ways and Means Committee

Monday, January 11, 2016 at 1:30 p.m.

City Council

Friday, January 15, 2016 at 9:30 a.m.

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

COMMENTS AND FINDINGS:

Staff finds that the plan modifications are 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.