

# 44<sup>th</sup> & Penn Avenue North Redevelopment Plan

March 30, 2018 Draft for Public Review

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**I. Introduction**

The 44<sup>th</sup> & Penn Avenue North Redevelopment Plan has been prepared to facilitate redevelopment of two vacant commercial properties at the intersection of 44<sup>th</sup> Avenue North and Penn Avenue North in the Victory Neighborhood of north Minneapolis, through new construction of transit-oriented mixed-use commercial and multifamily housing development.

This Redevelopment Plan establishes a new redevelopment project and identifies its boundary, redevelopment objectives, land use provisions, and properties that may be acquired by the City.

**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 44<sup>th</sup> & Penn Avenue North Redevelopment Project area consists of two parcels occupying approximately 16,100 square feet at the southeast corner of the intersection of 44<sup>th</sup> Avenue North and Penn Avenue North in the Victory neighborhood of north Minneapolis.

Properties within the project area are identified below by their property identification (PID) numbers and property addresses.

<b>PID Number</b>	<b>Property Address</b>
04-029-24-22-0148	2139 44 <sup>th</sup> Avenue North
04-029-24-22-0149	2147 44 <sup>th</sup> Avenue North

Documentation of the area’s eligibility as a redevelopment project is presented in the Project Area Report (Exhibit 4).

**B. Objectives of Redevelopment Plan**

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

- Provide a site for commercial, mixed use, transit-oriented, and sustainable development.
- Eliminate blighting influences.
- Clean contaminated sites.
- Increase neighborhood employment opportunities.
- Increase the number of housing units and provide diversity in housing types, densities, and affordability levels.
- Increase the property tax base.

**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, environmental remediation, soil correction, site preparation, new construction, 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 underutilized parcels, providing neighborhood employment opportunities, providing housing units, promoting transit-oriented and sustainable development, and enhancing the tax base.

**E. Citizen Participation**

The Victory Neighborhood Association 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**

Potential sources of public financing may include but are not limited to the City's Capital Acquisition Revolving Fund (CARF) and Development Account; TOD, development, and contamination cleanup grants from Hennepin County, the Metropolitan Council, and the state Department of Employment and Economic Development (DEED); and New Markets Tax Credits.

**III. Land Use Plan****A. Future Land Use**

The 44<sup>th</sup> & Penn Avenue North Redevelopment Project area is designated as a Neighborhood Commercial Node in the City's comprehensive plan, *The Minneapolis Plan for Sustainable Growth*. Penn Avenue North and 44<sup>th</sup> Avenue North are also designated as Community Corridors, outside of the Neighborhood Commercial Node.

The Future Land Use Map included in this Redevelopment Plan as Exhibit 2 identifies Mixed Use as the future land use for the two properties within the project area, reflecting the parcel-specific future land uses identified in *The Minneapolis Plan for Sustainable Growth*.

**B. Conformance with Approved City Plans****The Minneapolis Plan for Sustainable Growth**

Land use guidance is found in the City's comprehensive plan, *The Minneapolis Plan for Sustainable Growth*. The 44<sup>th</sup> & Penn Avenue North Redevelopment Project area is designated as a Neighborhood Commercial Node. Neighborhood Commercial Nodes generally provide retail or service uses that serve the surrounding neighborhood, with a limited number of

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businesses serving a larger area. A mix of uses occurs within and among structures. Where there is residential use, high density (50 to 120 dwelling units per acre) transitioning down to medium density in surrounding areas, is appropriate.

#### **Small Area Plans**

There are no small area plans adopted for the project area.

#### **Zoning**

The current zoning of the redevelopment area is C1 Neighborhood Commercial District and PO Pedestrian Oriented Overlay District.

The C1 Neighborhood Commercial District is established to provide a convenient shopping environment of small-scale retail sales and commercial services that are compatible with adjacent residential uses. In addition to commercial, residential, institutional, and public uses, parking facilities, limited production and processing, and public services and utilities are allowed.

The PO Pedestrian Oriented Overlay District is established to preserve and encourage the pedestrian character of commercial areas and to promote street life and activity by regulating building orientation and design and accessory parking facilities, and by prohibiting certain high-impact and automobile-oriented uses.

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

Redevelopment contracts between the City and any developers of property within the project area will contain specific requirements regarding terms and conditions, including land use restrictions.

### **IV. Project Implementation**

#### **A. Project Overview**

Redevelopment activities will be undertaken in the project area to achieve the objectives of this Redevelopment Plan and the City's comprehensive plan. It is anticipated that such activities may include site assembly, demolition, site preparation including environmental remediation and soil correction, and construction of transit-oriented and sustainable mixed-use commercial and multifamily residential development.

The approximately 16,100-square-foot site within the project area is well suited for transit-oriented development. Bus rapid transit (BRT) lines are planned for both Penn and 44<sup>th</sup> Avenues, and a BRT station is to be located along 44<sup>th</sup> Avenue on the northern edge of the site.

There are no specific development proposals under consideration at this time. If the City acquires the two properties within the project area, it will likely issue a formal Request for Proposals.

**B. Property Acquisition**

By including in this Redevelopment Plan a list of properties that may be acquired, the City of Minneapolis is signifying that it is interested in acquiring the properties listed, subject to limitations imposed by law, availability of funds, developer interest, staging requirements, soil contamination, and other financial and environmental considerations. Inclusion on this list does not indicate an absolute commitment on the part of the City to acquire a property.

Properties that may be acquired are identified below and on the Property Acquisition Map (Exhibit 3).

<b>PID Number</b>	<b>Property Address</b>
04-029-24-22-0148	2139 44 <sup>th</sup> Avenue North
04-029-24-22-0149	2147 44 <sup>th</sup> Avenue North

**C. Relocation**

It is not anticipated that any businesses or residents will be displaced by public redevelopment activities 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).

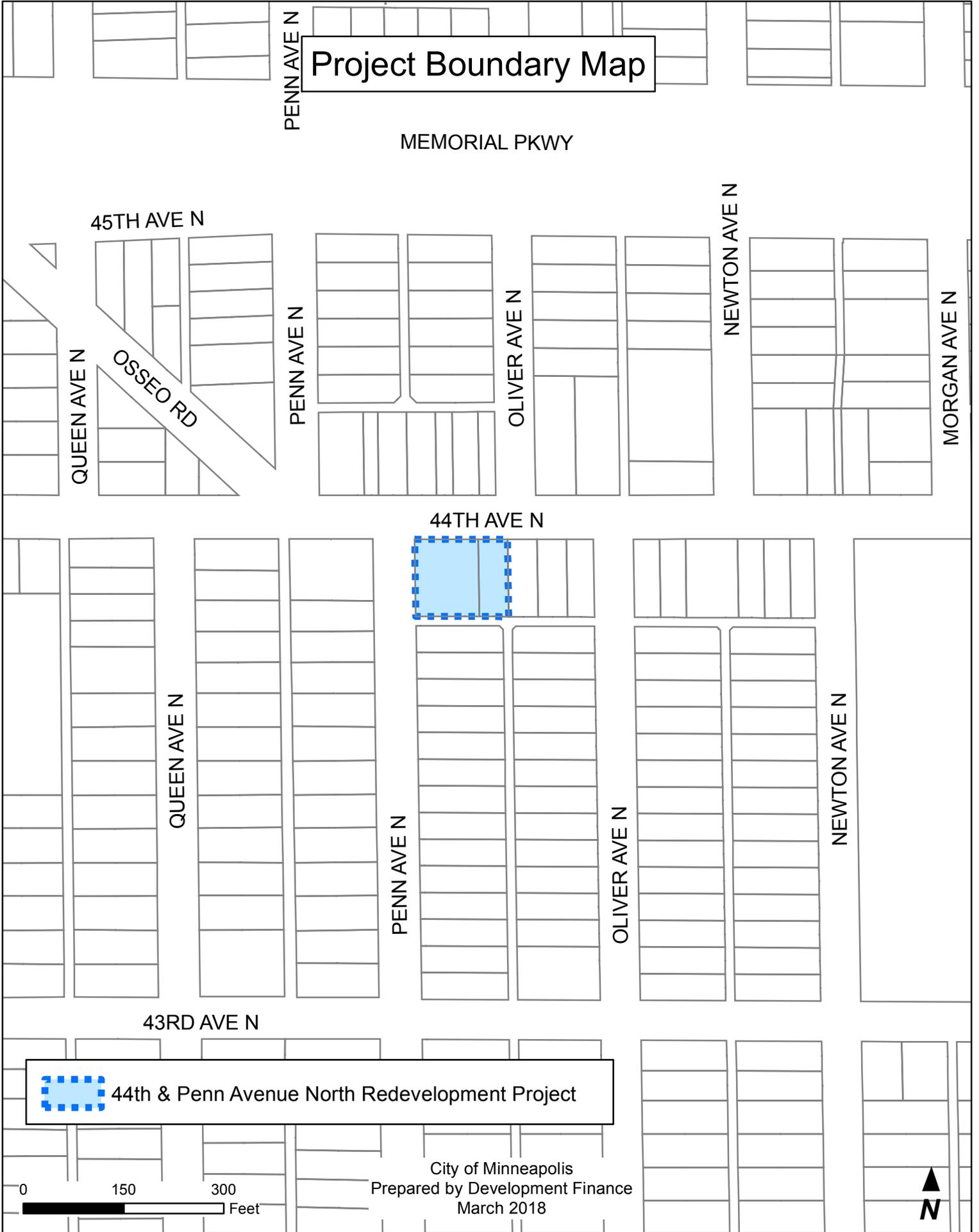
**VI. Procedure for Changes in Approved Redevelopment Plan**

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

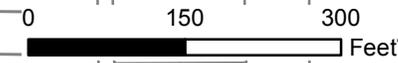
A redevelopment plan may be modified at any time. The modification must be adopted by the authority and the governing body of the political subdivision in which the project is located, upon the notice and after the public hearing required for the original adoption of the redevelopment plan.

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.

# Project Boundary Map



 44th & Penn Avenue North Redevelopment Project



City of Minneapolis  
Prepared by Development Finance  
March 2018



Future Land Use Map

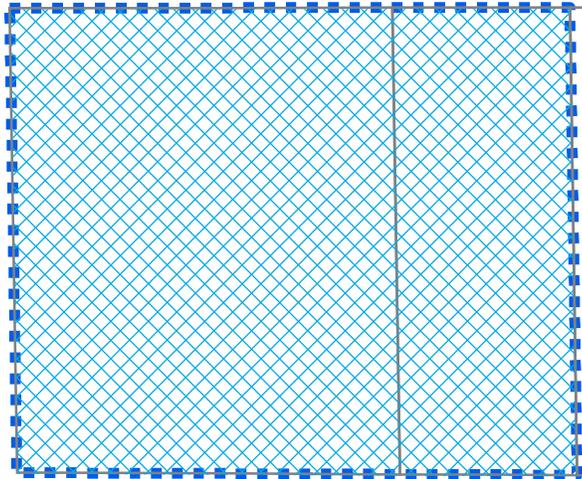
OLIVER AVE N

44TH AVE N

PENN AVE N

**Legend**

-  Parcels
-  Mixed Use
-  Project Boundary



City of Minneapolis  
Prepared by Development Finance  
March 2018



Property Acquisition Map

OLIVER AVE N

44TH AVE N

PENN AVE N

**Legend**



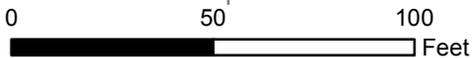
Parcels



Property That May Be Acquired



Project Boundary



City of Minneapolis  
Prepared by Development Finance  
March 2018



## Project Area Report

This report describes the conditions that qualify the proposed 44<sup>th</sup> & Penn Avenue North project area as a redevelopment project as defined in Minnesota Statutes Section 469.002, Subdivision 14.

Sources of information for this report include City of Minneapolis records, including data from the Assessor's Office, Regulatory Services, and Community Planning and Economic Development (CPED), and Hennepin County tax records.

CPED Construction Management staff conducted exterior and interior inspections, took photographs, and completed a blight analysis worksheet for each parcel in the project area in February and March 2018. These records are available for review upon request.

### General Description of Project Area

The proposed project area consists of the following two parcels at the southeast corner of the intersection of 44<sup>th</sup> Avenue North and Penn Avenue North in the Victory neighborhood of north Minneapolis:

Property Address	PID Number
2139 44 <sup>th</sup> Avenue North	04-029-24-22-0148
2147 44 <sup>th</sup> Avenue North	04-029-24-22-0149

Together, the parcels total 16,102 square feet, or about .37 acres. Both parcels are privately owned vacant commercial properties. Each contains a one-story structure, and both are completely covered by structures and paved parking, with no green space or area for drainage. Both structures have a condition rating of 4-Average, according to the City Assessor's seven-point scale ranging from 1-Excellent to 7-Poor.

The properties are located at the intersection of two Community Corridors (Penn Avenue North and 44<sup>th</sup> Avenue North) and within a designated Neighborhood Commercial Node. Both are zoned C1 Neighborhood Commercial District and PO Pedestrian Oriented Overlay District. Neighborhood retail uses are located directly north and west of the properties, across 44<sup>th</sup> and Penn Avenues North. The properties directly east and south of the properties are single-family homes.

The Project Boundary Map is Exhibit 1 to the 44<sup>th</sup> & Penn Avenue North Redevelopment Plan.

### Property Conditions

#### 2139 44<sup>th</sup> Avenue North

This 44' x 116' (5,107-square-foot) parcel is occupied by a 2,698-square-foot one-story slab-on-grade concrete building constructed in 1948. For decades, the single-tenant commercial building was occupied by a beauty salon. Most recently, it housed a community counseling center.

The portion of the lot not occupied by the building is paved for parking. There are eight parking spaces accessible from the alley south of the building.

The building has been vacant since late 2017 and was listed for sale in January 2018. The current owner, Day One Property Services LLC, acquired the property in 2013 for \$120,000. It is currently listed for sale with an asking price of \$295,000. The estimated market value for taxes payable in 2018 is \$187,000.

Exterior and interior inspections conducted by CPED Construction Management staff in February and March 2018 identified the following blighting factors on the property:

- Excessive land coverage; the building extends nearly to the north, east and west lot lines. The southerly portion of the lot is paved with asphalt, offering limited off-street parking.
- Deleterious land use; the building nearly abuts the single-family house to the east.
- Infringes on adjacent property; an attached concrete security wall infringes on the property line and attaches to the structure located on the adjacent parcel to the west (2147 44<sup>th</sup> Avenue North).
- Physically and functionally obsolete; the building does not conform with current building codes and energy standards. The structure requires fire protection, accessibility modifications, and mechanical and electrical modifications to meet current code and to correct ventilation and light deficiencies. A non-code-compliant plumbing vent was observed.
- Lack of ventilation, light, or sanitary facilities; the east wall of the building has no windows.
- Deteriorated building conditions, including an active roof leak.
- Premises poorly maintained; debris accumulation and other maintenance issues were observed.
- Vacant building.

#### 2147 44<sup>th</sup> Avenue North

This 95' x 116' (10,995-square-foot) parcel is occupied by a 2,400-square-foot one-story slab-on-grade concrete building constructed in 1976, originally housing a convenience store. Prior uses of the site include a gas station. The portion of the lot not occupied by the building is paved for parking. There are 12 parking spaces accessible from 44<sup>th</sup> Avenue North.

The building is vacant; the Domino's pizza take-out franchise that occupied the property moved to a different location in March 2018.

The current owner, Kaukauna of Minnesota LLC, acquired the property in 2006 for \$233,000. The estimated market value for taxes payable in 2018 is \$231,000.

Exterior and interior inspections conducted by CPED Construction Management staff in February and March 2018 identified the following blighting factors on the property:

- Excessive land coverage; the entire parcel is covered by the building and paved parking.
  - Deleterious land use; the building is set back to the southern lot line, along an alley, with parking in front along the Penn and 44<sup>th</sup> Avenue North. This is contrary to the objectives of
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the PO Pedestrian Overlay District, which was established to preserve and encourage the pedestrian character of the commercial area and to promote street life and activity by regulating building orientation and design and accessory parking facilities.

- Deleterious land use; there were 45 police incidents on the property in 2016, 43 in 2017, and eight through March 5, 2018. Incidents included robberies, assaults, suspicious vehicles, narcotics activity, fights, and other disturbances.
- Physically and functionally obsolete; the building does not conform with current building codes and energy standards. The structure requires fire protection, accessibility modifications, and mechanical and electrical modifications to meet current code and to correct ventilation and light deficiencies.
- Deteriorated building conditions, including an active roof leak along the south wall.
- In need of major repair; there is evidence of structural settling at the foundation and structural damage above a window on the north side of the building.
- Premises poorly maintained; debris accumulation and other maintenance issues were observed, including water-damaged ceiling tiles resulting from the roof leak. The parking lot is in poor condition, with cracks and uneven pavement.
- Infestation; a rodent bait station was observed outside the building.
- Vacant building.

### **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 44<sup>th</sup> & Penn Avenue North project area is determined to be a blighted area. All of the conditions listed in the statutory definition of blight were observed in the project area.

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 for each parcel, including maps, photographs, tax records, inspections records, police records, and the specific blighting conditions found on each parcel, are available upon request.