



Lake and Nicollet
Redevelopment Plan

Draft for Public Review
February 28, 2014

Lake and Nicollet Redevelopment Plan

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Lake and Nicollet Redevelopment Plan

I. Introduction

The Lake and Nicollet Redevelopment Plan has been prepared to facilitate redevelopment activities that support the City of Minneapolis' 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.

The 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 Lake and Nicollet Redevelopment Project area consists of all or portions of seven blocks within the Whittier and Lyndale neighborhoods of south Minneapolis. The area is bounded generally on the north by 28th Street West and Cecil Newman Lane, on the south by 31st Street East, on the west by Blaisdell Avenue South, and on the east by 1st Avenue South. There is an easterly extension of the boundary to include properties along the north side of Lake Street to Stevens Avenue South.

Much of the Lake and Nicollet Redevelopment Project area is also located within the Nicollet-Lake Development District established by the City in 1972.

A list of property identification numbers and property addresses within the project area is presented below.

Property Identification Number	Property Address
34-029-24-34-0301	2815 Blaisdell Avenue South
34-029-24-34-0096	2901 Blaisdell Avenue South
34-029-24-34-0097	17 29th Street West
34-029-24-34-0093	13 29th Street West
34-029-24-34-0261	2900 Nicollet Avenue
34-029-24-43-0088	2827 Nicollet Avenue
34-029-24-43-0087	2831 Nicollet Avenue
34-029-24-43-0086	2835 Nicollet Avenue
34-029-24-43-0085	2839 Nicollet Avenue
34-029-24-43-0084	2843 Nicollet Avenue
34-029-24-43-0083	2845 Nicollet Avenue
34-029-24-43-0078	2826 1st Avenue South
34-029-24-43-0079	2830 1st Avenue South
34-029-24-43-0080	2834 1st Avenue South
34-029-24-43-0156	2838 1st Avenue South
34-029-24-34-0095	2908 Nicollet Avenue
34-029-24-43-0006	2847 Nicollet Avenue
34-029-24-43-0147	Address Unassigned

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34-029-24-43-0004	2851 Nicollet Avenue
34-029-24-34-0114	30 Lake Street West
34-029-24-43-0141	10 Lake Street West
03-028-24-21-9000*	3000 Nicollet Avenue/1 Lake Street West*
03-028-24-21-0134	3030 Nicollet Avenue
03-028-24-12-0161	1 Lake Street East
03-028-24-12-0162	3031 Nicollet Avenue
34-029-24-43-0037	102 Lake Street East
34-029-24-43-0036	106 Lake Street East
34-029-24-43-0035	112 Lake Street East
34-029-24-43-0034	118 Lake Street East
34-029-24-43-0033	122 Lake Street East

*This property is a four-story 72-unit condominium building with ground floor commercial uses. There are 96 Property Identification Numbers associated with this “super parcel”; they are not listed above.

The Project Boundary Map is included in this Redevelopment Plan as Exhibit 1. Documentation of the area’s eligibility as a redevelopment project is presented in Exhibit 4.

B. Objectives of Redevelopment Plan

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

- Re-connect Nicollet Avenue across Lake Street and the Midtown Greenway.
- Improve access to and from Interstate 35W at Lake Street in conjunction with the upcoming I-35W Transit/Access Project.
- Promote rail in the Midtown Greenway and enhanced bus service on Lake Street along the Midtown Corridor.
- Promote the Nicollet-Central modern streetcar.
- Promote transit-oriented and sustainable development.
- Eliminate blighting influences.
- Increase business activity and density in commercial districts.
- Increase retail activity and the availability of goods and services.
- Promote green spaces and amenities for bicyclists and pedestrians.
- Increase employment opportunities.
- Increase the property tax base.
- Increase the number of housing units and provide diversity in housing types, densities and affordability levels.

C. Types of Redevelopment Activities

The objectives of this Redevelopment Plan may be accomplished through the following public and private redevelopment activities: property acquisition, relocation, property disposition, rehabilitation, demolition, environmental remediation, site preparation, new construction, public improvements, project administration and other related activities.

D. Public Purpose

Public purposes of this Redevelopment Plan include reconnecting Nicollet Avenue across Lake Street and the Midtown Greenway, improving access to and from Interstate 35W at Lake Street, removing blight or the causes of blight, revitalizing commercial and residential areas, providing employment opportunities, providing housing units, promoting improved transit options and transit-oriented development, and enhancing the tax base.

E. Citizen Participation

Recognized stakeholder groups near the project area include Whittier Alliance, Whittier Business Association, Lyndale Neighborhood Association, Nicollet-East Harriet Business Association, Kingfield Neighborhood, Midtown Greenway Coalition and Lake Street Council. They 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 Great Streets Program; net debt bonds; the City's General Fund; tax increment financing; Hennepin County Transit-Oriented Development (TOD) and Environmental Response Fund (ERF) grants; Metropolitan Council Tax Base Revitalization Account (TBRA) Investigation, Contamination and Cleanup grants; Metropolitan Council Livable Communities Development Account (LCDA), LCDA-TOD, and Local Housing Incentive Account (LHIA) grants; Department of Employment and Economic Development (DEED) Contamination, Investigation and Redevelopment grants; Community Development Block Grant (CDBG) funds; federal tax credits; Minnesota Housing funds; housing revenue bonds; and the City's Affordable Housing Trust Fund (AHTF).

III. Land Use Plan

A. Future Land Use

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 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.

The Future Land Use Map is included in this Redevelopment Plan as Exhibit 2.

B. Conformance with Approved City Plans

Uses within the Lake and Nicollet Redevelopment Project area shall conform with adopted City land use plans, including the comprehensive plan, *The Midtown Greenway Land Use and Development Plan* and *The Midtown Minneapolis Land Use and Development Plan*, which are subsets of the comprehensive plan. Uses shall also conform with the Minneapolis Zoning Ordinance.

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.

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 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.

Zoning

Zoning in the area includes the following zoning districts:

- C1, C2, C3A, and C3S: Allows a mix of high-density housing and commercial uses.
- R5: Allows high-density housing.

- I1 and I2: Allows light and medium industrial uses, respectively.

These zoning districts are consistent with the Future Land Use Map, with the exception of five properties north of the Midtown Greenway that remain zoned for industrial uses despite policy guidance for high-density housing. Development of multifamily housing at this location would require rezoning of these properties.

C. Land Use Restrictions

A redevelopment contract 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

The City of Minneapolis has a long-held vision for the Lake and Nicollet area that includes re-opening Nicollet Avenue across Lake Street and the Midtown Greenway and redeveloping the property on both sides of the re-opened Nicollet Avenue.

Other transit objectives include improving access to and from Interstate 35W at Lake Street in conjunction with the upcoming I-35W Transit/Access Project, establishing the Nicollet-Central modern streetcar line, and promoting rail in the Midtown Greenway and enhanced bus service on Lake Street along the Midtown Corridor.

Redevelopment activities will be undertaken to remove blight and achieve the objectives of the City's comprehensive plan, *The Midtown Greenway Land Use and Development Plan* and *The Midtown Minneapolis Land Use and Development Plan*.

There are no specific development proposals under consideration by the City at this time. It is anticipated that activity within the project area in addition to re-opening Lake Street and redeveloping the property on both sides of the re-opened street may include other commercial and housing development of various types to achieve the objectives of the City's adopted land use plans and this Redevelopment Plan.

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.

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

Property Identification Number	Property Address
34-029-24-34-0096	2901 Blaisdell Ave S
34-029-24-34-0097	17 29th St W
34-029-24-34-0093	13 29th St W
34-029-24-34-0261	2900 Nicollet Ave
34-029-24-43-0085	2839 Nicollet Ave
34-029-24-43-0084	2843 Nicollet Ave
34-029-24-43-0083	2845 Nicollet Ave
34-029-24-34-0114	30 Lake St W
34-029-24-43-0141	10 Lake St W

C. Relocation

Acquisition of property within the project area may result in the displacement of business or residential uses. Consistent with applicable laws and policies, the City will provide relocation services and benefits for families, individuals and businesses displaced by public redevelopment activity.

V. Official Action to Carry Out Redevelopment Plan

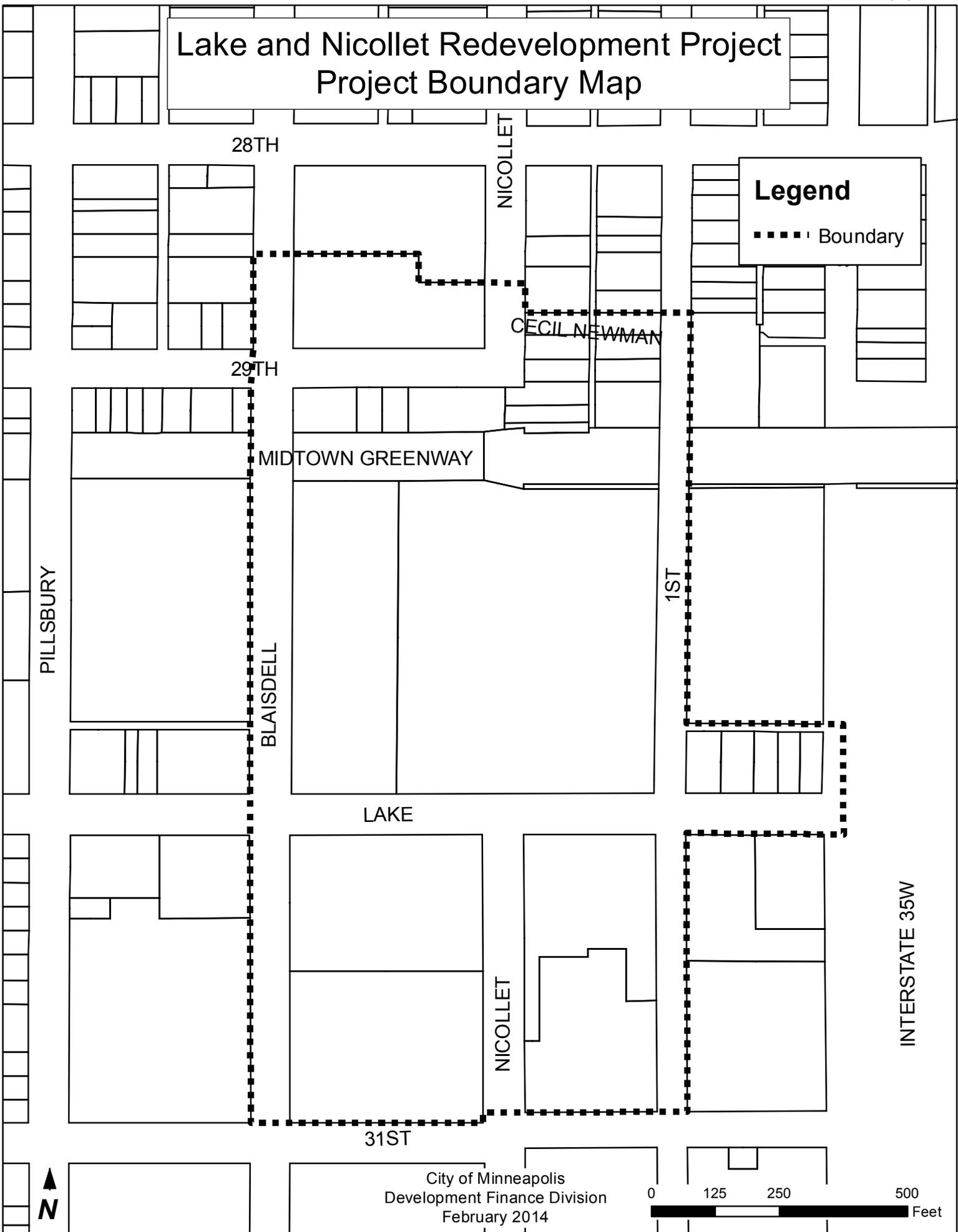
Minnesota law requires that the Minneapolis City Planning Commission review this Redevelopment Plan and that its written opinion, if any, accompany the Redevelopment Plan when it is officially submitted to the City Council for approval (Minnesota Statutes, Section 469.027).

VI. Procedure for Changes in Approved Redevelopment Plan

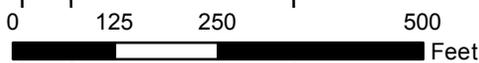
This Redevelopment Plan may be modified as provided in Minnesota Statutes, Section 469.029, Subdivision 6:

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.

Lake and Nicollet Redevelopment Project Project Boundary Map



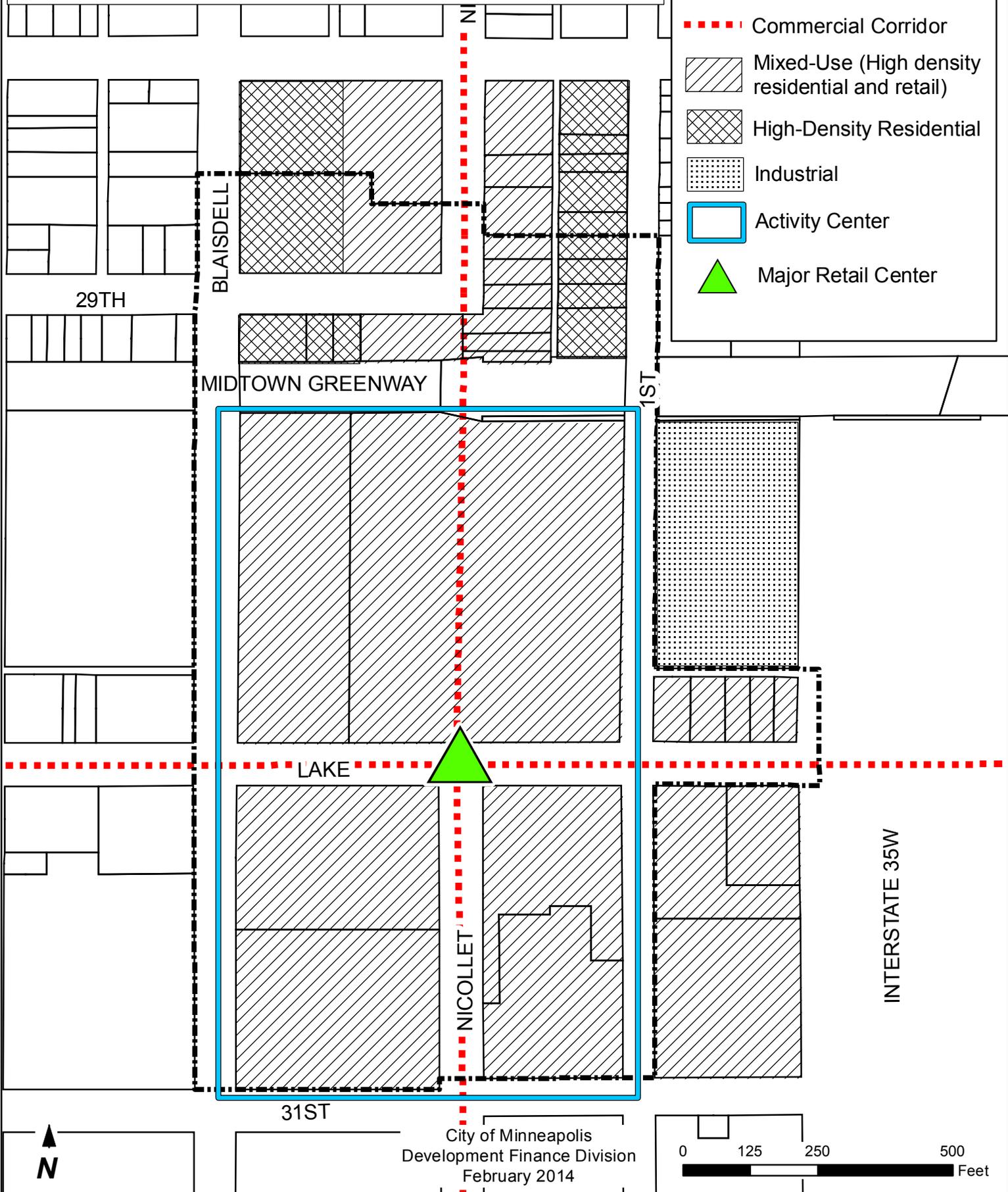
Legend
 - - - - - Boundary



Lake and Nicollet Redevelopment Project Future Land Use Map

Legend

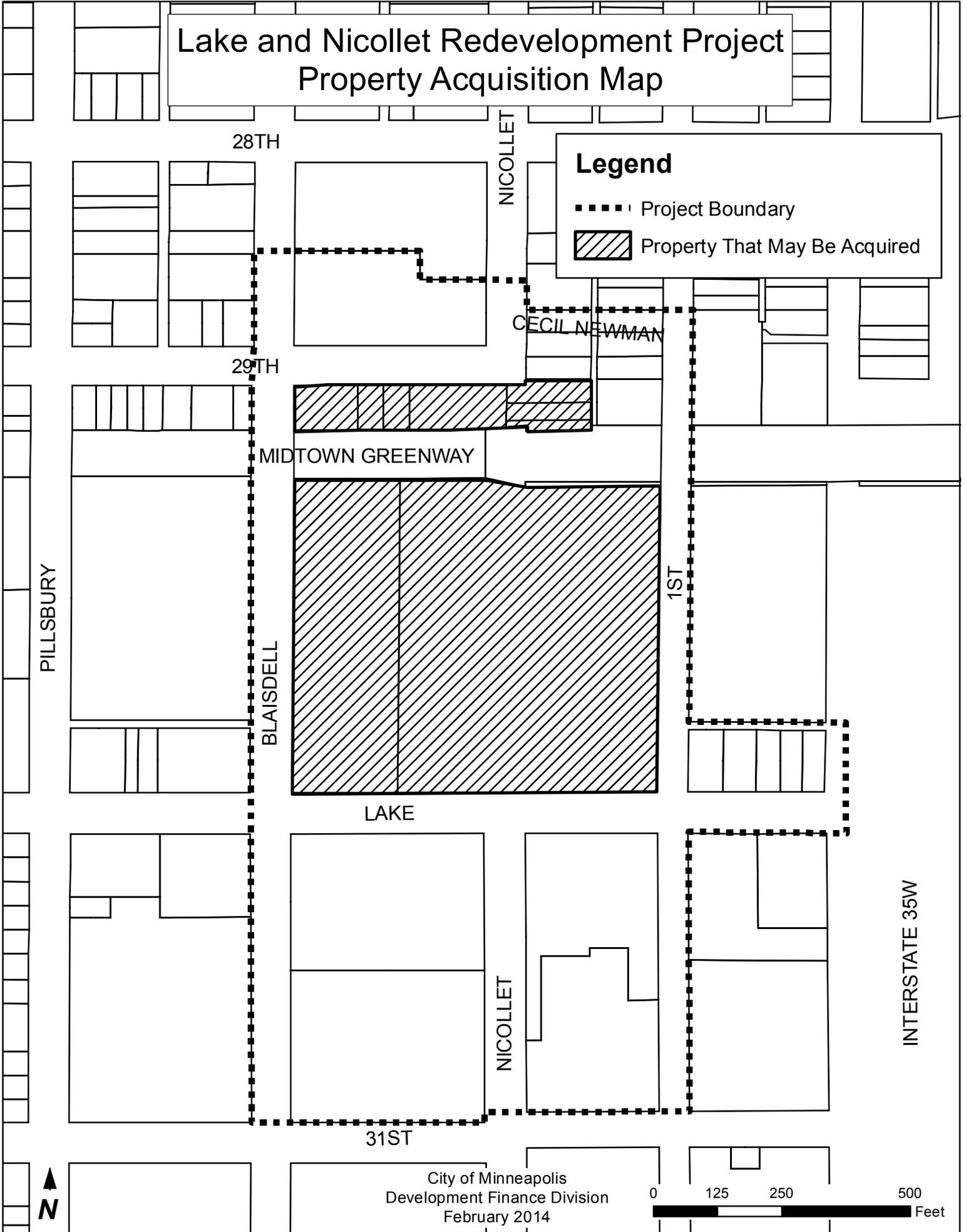
- Project Boundary
- Commercial Corridor
- Mixed-Use (High density residential and retail)
- High-Density Residential
- Industrial
- Activity Center
- Major Retail Center



Lake and Nicollet Redevelopment Project Property Acquisition Map

Legend

- Project Boundary
- Property That May Be Acquired



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Project Area Report

This report describes the conditions that qualify the proposed Lake and Nicollet Redevelopment 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 inspections, took photographs and completed a blight analysis worksheet for each parcel in the project area in November 2013. These records are available for review in City of Minneapolis offices at 105 5th Avenue South, Minneapolis, Minnesota.

General Description of Project Area

The proposed project area consists of all or portions of seven blocks within the Whittier and Lyndale neighborhoods of south Minneapolis. The area is bounded generally on the north by 28th Street West and Cecil Newman Lane, on the south by 31st Street East, on the west by Blaisdell Avenue South, and on the east by 1st Avenue South. There is an easterly extension of the boundary to include properties along the north side of Lake Street to Stevens Avenue South.

The Project Boundary Map is Exhibit 1 to the Lake and Nicollet Redevelopment Plan. A list of property addresses and property identification numbers within the project area is included in section II.A of the Redevelopment Plan.

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. *The Minneapolis Plan* identifies Mixed Use as the future land use for all of the property within the proposed project area.

A major feature of the project area is the interruption of Nicollet Avenue's continuity across Lake Street by the siting of the Kmart store constructed in 1977. The reopening of Nicollet Avenue as a continuous street across Lake Street has been a high priority of the City and the surrounding neighborhoods for many years.

Another major goal for the area has been improving Interstate I-35W access to and from Lake Street. The I-35W Transit/Access project is addressing this need.

Most of the property within the proposed Lake and Nicollet Redevelopment Project area is also within the existing Nicollet-Lake Development District, established by the City in 1972 with the objective of revitalizing the commercial district and providing new housing. Development activity

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carried out in the 1970s and 1980s under the Nicollet-Lake Development District plan included construction of the Kmart and grocery stores on the north side of Lake Street between Blaisdell and 1st Avenues South and the In Town on Lake condominium south of Lake Street between Blaisdell and Nicollet Avenues.

There are 125 tax parcels within the project area, 96 of which are located within the four-story 72-unit In Town on Lake condominium building with ground floor commercial uses at the southwest corner of the intersection of Lake Street West and Nicollet Avenue. Of the remaining 29 parcels, 14 are commercial properties containing a total of 15 buildings, five are commercial properties without buildings (surface parking lots), five are County-owned parcels associated with the Midtown Greenway, four are City-owned streets or sidewalks (primarily, Cecil Newman Lane), and one parcel is industrial land used as a surface parking lot.

Property Conditions

Exterior inspections conducted by CPED Construction Management staff in November 2013 identified numerous blighting factors throughout the proposed project area. Evidence of blight was observed at 24 of the 29 geographic parcels within the project area, or at 83% of the properties. (Note: The In Town on Lake condominium building, which has 96 separate tax parcels, is counted as a single geographic parcel for purposes of this analysis. Likewise, a Hennepin County Regional Railroad Authority-owned property at 2847 Nicollet Avenue is two separate tax parcels but is counted as one geographic parcel.)

Blight or blighting factors noted either by exterior inspection or through City records included the following:

- Deteriorating building conditions and buildings in need of major repair.
- Cracks in building exteriors indicating structural settlement and water intrusion.
- Lack of conformance with the current building codes and energy standards.
- Lack of conformance with Americans With Disabilities Act (ADA) standards.
- Crumbling concrete and asphalt surfaces.
- Premises poorly maintained; trash, litter and debris accumulation and other maintenance issues.
- Multiple open safety and health violations.
- Obstruction of building exits.
- Pedestrian safety and parking lot access issues.
- Few or no building permits issued for particular properties in recent years, indicating lack of investment.
- Numerous police incidents noted for particular properties.
- Vacant portions of buildings.
- Excessive land coverage.
- Deleterious land use or obsolete layout.
- Inappropriate land uses.

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Seven of the 16 buildings (44%) within the project area have condition ratings below average (Condition 5 or 6), according to the City Assessor's Office, which uses the following condition rating scale:

1 – Excellent	5 – Average Minus
2 – Good	6 – Fair
3 – Average Plus	7 – Poor
4 – Average	Uninhabitable

The remaining nine buildings are rated as being in average condition (Condition 4).

Seven of the buildings are one-story commercial buildings constructed between 1900 and 1951. There is one two-story commercial building constructed in 1928. Newer buildings include a small one-story commercial building at 102 Lake Street East (1972), the Kmart and grocery stores on the north side of Lake Street (1977), the In Town on Lake condominium (1982), a car wash at 2900 Nicollet (1985), and the three buildings in the Office Depot and strip mall development south of Lake Street and east of Nicollet (1987).

The placement of the Kmart store that resulted in the closing of Nicollet Avenue at Lake Street is a blighting factor that impedes traffic circulation and economic activity along Nicollet, both north and south of Lake Street.

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 Lake and Nicollet Redevelopment Project area is determined to be a blighted area, based on the characteristics described above. Indicators of blight observed in the project area include dilapidation, obsolescence, faulty arrangement or design, deleterious land use and obsolete layout.

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 individual parcels, including maps, photographs, tax records, inspections records, and the specific violations and blighting conditions found on each parcel, are available for inspection in City offices at 105 5th Avenue South, Minneapolis, Minnesota.