

REPORT TO THE CITY COUNCIL FROM  
**COMMUNITY DEVELOPMENT & REGULATORY SERVICES COMMITTEE**  
STANDING COMMITTEE OF THE MINNEAPOLIS CITY COUNCIL  
November 28, 2017

A regular meeting of the committee was convened at 1:30 pm on this date.

Members Present: Lisa Goodman (Chair), Jacob Frey (Vice-Chair), Kevin Reich, Abdi Warsame, Alondra Cano, and John Quincy (Quorum - 4)

*Roxanne Young Kimball, Department of Community Planning & Economic Development (CPED), introduced Aarica Coleman and Kevin Knase, new CPED staff members who will work in the residential and real estate development unit.*

Matters listed below are hereby submitted with the following recommendations; to-wit:

1. City of Minneapolis Employment and Training Partner of the Year Awards [\(2017-01442\)](#)

Presenting *2017 Awards for Outstanding Service* to CLUES (Comunidades Latinas Unidas En Servicio) for the Adult and Dislocated Worker Programs Partner Award and to Pillsbury United Communities for the Youth Program Partner Award.

Staff presentation by Deb Bahr-Helgen, Department of Community Planning & Economic Development (CPED).

The Chair afforded the courtesy of the floor to award presenters and recipients.

Jim Roth, Minneapolis Workforce Development Board member and Executive Director of the Metropolitan Consortium of Community Developers, spoke to and presented the adult award to CLUES.

Ruby Lee, Executive Director of CLUES, accepted the Adult and Dislocated Worker Programs Partner Award, along with Ann Meyers, Associate Director of Employment and Career Training at CLUES.

Scott Redd, Minneapolis Workforce Development Board member, Chair of the Minneapolis Youth Council, and Vice President of Services at AEON, spoke to and presented the youth award to Pillsbury United Communities.

Adair Mosley, Interim President and CEO of Pillsbury United Communities, accepted the Youth Program Partner Award, along with staff members Julie Graves, Michele McGarry, and Autumn McDowell.

Goodman moved to receive and file. On voice vote, the motion passed.

2. Land Sale: 2214 4th Ave N to Ashton McGinnis and James Rautmann [\(2017-01439\)](#)

1. Passage of Resolution approving the sale of the property at 2214 4th Ave N, (Disposition Parcel No. MH-38), to Ashton McGinnis and James Rautmann for \$15,600, subject to conditions.
2. Approving the award of up to \$20,000 in Homebuyer Incentive funds to Ashton McGinnis and James Rautmann.
3. Authorizing the execution of related agreements with the selected purchaser.

Staff presentation by Matthew Ramadan, CPED.

The public hearing was opened.

The following persons spoke in support:

1. Ashton McGinnis and James Rautmann, proposed co-buyers of subject property

The public hearing was closed.

Frey moved to approve. On voice vote, the motion passed.

3. Land Sale: 1919 Monroe St NE to Northeast Minneapolis Properties LLC ([2017-01440](#))

Passage of Resolution approving the sale of the property at 1919 Monroe St NE, MH-37, to Northeast Minneapolis Properties LLC for \$46,900, subject to conditions. If Northeast Minneapolis Properties LLC fails to close, approving the sale of 1919 Monroe St NE, MH-37, to Dean Johnson Homes Inc. for \$46,900, subject to conditions.

Staff presentation by Matthew Ramadan, CPED.

The public hearing was opened.

The following person spoke in support:

1. A representative of Northeast Minneapolis Properties LLC

The public hearing was closed.

Reich moved to approve. On voice vote, the motion passed.

4. Land Sale: 415-417 Taylor St NE to Ikraan A. Abdulle and Deka Abdulle (as developers for Ikraan A. Abdulle; Deka Abdulle; Ahmed A. Abdulle; Faiso A. Abdulle; Farhiyo A. Abdulle; and Aden A. Ahmednur) ([2017-01441](#))

Passage of Resolution approving the sale of the property at 415-417 Taylor St NE, (Disposition Parcel No. MH-40 and MH-41), to Ikraan A. Abdulle and Deka Abdulle (as developers for Ikraan A. Abdulle; Deka Abdulle; Ahmed A. Abdulle; Faiso A. Abdulle; Farhiyo A. Abdulle; and Aden A. Ahmednur) for \$180,000, subject to conditions.

Staff presentation by Matthew Ramadan, CPED.

The public hearing was opened.

The following persons spoke in support:

1. Ikrann Abdulle and Deka Abdulle, proposed co-buyers/developers of subject property
2. Mr. Abdulle, proposed co-buyer of subject property

The public hearing was closed.

Frey moved to approve. On voice vote, the motion passed.

5. F45 Training, 5445 Lyndale Ave S, (Ward 11), submitted by Transformation Training, LLC, Extended Hours License (LIC360688) ([2017-01417](#))

Approving application for F45 Training, 5445 Lyndale Ave S, (Ward 11), submitted by Transformation Training, LLC, for an Extended Hours License (LIC360688), subject to final inspection and compliance with all provisions of applicable codes and ordinances.

Staff presentation by Grant Wilson, CPED/Licenses & Consumer Services Division.

The public hearing was opened.

The following persons spoke:

1. Adam Meyer, owner of F45 Training
2. Paul Shreboda, resident in surrounding area

The public hearing was closed.

Quincy moved to approve. On voice vote, the motion passed.

6. Brother Justus Whiskey, 451 Taft St NE, (Ward 1), submitted by Brother Justus Whiskey Co., LLC, Off Sale Distilled Spirits License (LIC360603) ([2017-01418](#))

Approving application for Brother Justus Whiskey, 451 Taft St NE, (Ward 1), submitted by Brother Justus Whiskey Co., LLC, for an Off Sale Distilled Spirits License LIC360603 (new license), subject to final inspection and compliance with provisions of applicable codes and ordinances.

Staff presentation by Grant Wilson, CPED/Licenses & Consumer Services Division.

The public hearing was opened.

The following person spoke in support:

1. Phil Steger, founder of Brother Justus Whiskey

The public hearing was closed.

Reich moved to approve. On voice vote, the motion passed.

7. Geek Love Café at Moon Palace Books, 3032 Minnehaha Ave S, (Ward 9), submitted by Moon Palace Books, LLC, On Sale Wine with Strong Beer, Class A License (LIC353749) ([2017-01419](#))

Approving application for Geek Love Café at Moon Palace Books, 3032 Minnehaha Ave S, (Ward 9), submitted by Moon Palace Books, LLC, for an On Sale Wine with Strong Beer, Class A License (LIC353749), subject to final inspection and compliance with all provisions of applicable codes and ordinances.

Staff presentation by Grant Wilson, CPED/Licenses & Consumer Services Division.

The public hearing was opened.

The following person spoke in support:

1. Jamie Schwesnedl, co-owner of Moon Palace Books

The public hearing was closed.

Cano moved to approve. On voice vote, the motion passed.

8. In the Heart of the Beast Puppet and Mask Theatre, 1500 E Lake St, (Ward 9), submitted by In the Heart of the Beast Puppet and Mask Theatre, On Sale Wine with Strong Beer, Class A License, (LIC359288) ([2017-01420](#))

Approving application for In the Heart of the Beast Puppet and Mask Theatre, 1500 E Lake St, (Ward 9), submitted by In the Heart of the Beast Puppet and Mask Theatre, for an On Sale Wine with Strong Beer, Class A License, (LIC359288), subject to final inspection and compliance with all provisions of applicable codes and ordinances.

Staff presentation by Grant Wilson, CPED/Licenses & Consumer Services Division.

The public hearing was opened.

The following person spoke in support:

1. Corrie Zoll, Executive Director of In the Heart of the Beast Puppet and Mask Theatre

The following person spoke in opposition.

1. Mr. Ali, neighbor and owner of property in surrounding neighborhood

The public hearing was closed.

Cano moved to approve. On voice vote, the motion passed.

9. Moxy Minneapolis Uptown, 1121 W Lake St, (Ward 10), submitted by Graves Uptown, LLC, On Sale Liquor, Class C-1 with Sunday Sales License (LIC359576) and a Hotel license (LIC359580) ([2017-01421](#))

1. Approving application for Moxy Minneapolis Uptown, 1121 W Lake St, (Ward 10), submitted by Graves Uptown, LLC, for an On Sale Liquor, Class C-1 with Sunday Sales License, LIC359576, (new business), subject to final inspection and compliance with provisions of applicable codes and ordinances.
2. Approving application for Moxy Minneapolis Uptown, 1121 W Lake St, (Ward 10), submitted by Graves Uptown, LLC, for a Hotel License, LIC359580, (new business), subject to final inspection and compliance with provisions of applicable codes and ordinances.

Staff presentation by Grant Wilson, CPED/Licenses & Consumer Services Division.

The public hearing was opened.

The following person spoke in opposition:

1. Phillip Qualy, 3021 Emerson Ave S, Minneapolis. A letter in opposition signed by neighbors was submitted for the record.

The following person spoke in support:

1. John Lykins, 1320 W Lake St, representing the Graves

The public hearing was closed.

On motion by Goodman, carried on voice vote, item 9.2 was approved.

On motion by Goodman, carried on voice vote, item 9.1 was sent forward without recommendation.

10. Ombibulous, 949 E Hennepin Ave, (Ward 3), submitted by OmbiMN, LLC, Off Sale Liquor License (LIC360439) ([2017-01422](#))

Approving application for Ombibulous, 949 E Hennepin Ave, (Ward 3), submitted by OmbiMN, LLC, for an Off Sale Liquor License, LIC360439, subject to final inspection and compliance with provisions of applicable codes and ordinances.

Staff presentation by Grant Wilson, CPED/Licenses & Consumer Services Division.

The public hearing was opened.

The following person spoke in support:

1. Michele Ross, with Ombibulous

The public hearing was closed.

Frey moved to approve. On voice vote, the motion passed.

11. Food truck zone operating hours ordinance ([2017-01183](#))

Passage of Ordinance amending Title 10, Chapter 188 of the Minneapolis Code of Ordinances relating to Food Code: Mobile Food Vehicle Vendors, amending the restriction on hours of operation within a special late night mobile food vendor zone.

Staff presentation by Linda Roberts, CPED/Licenses & Consumer Services Division.

The public hearing was opened.

The following person spoke in support:

1. John Levy, President of the MN Food Truck Association

The public hearing was closed.

Frey moved to approve. On voice vote, the motion passed.

12. Liquor, Business and Gambling Licenses for Nov. 28, 2017 ([2017-01416](#))

Approving the Department of Licenses and Consumer Services Agenda recommendations granting applications for Liquor, Business and Gambling Licenses as recommended in the Licenses and Consumer Services Agenda for Nov. 28, 2017, subject to final inspection and compliance with all provisions of applicable codes and ordinances.

Goodman moved to approve. On voice vote, the motion passed.

13. Extension of development timeframe for the Capri Theater expansion project. ([2017-01432](#))

Approving an extension to Dec. 31, 2018, of the development time frame under a previously approved land sale of the property at 2029, 2033, and a portion of 2101 W Broadway Ave to Plymouth Christian Youth Center (PCYC) or affiliated entity.

Goodman moved to approve. On voice vote, the motion passed.

14. 2017 Emergency Solutions Grant (ESG) capital funding recommendations ([2017-01424](#))

1. Approving up to \$71,000 of Fiscal Year 2017 Emergency Solutions Grant funds for the following capital project: First Covenant Church, located on 7th St, by St. Stephen's Human Services or an affiliate.
2. Approving up to \$25,677 of Fiscal Year 2017 Emergency Solutions Grant funds for the following capital project: Harbor Light, located on Currie Ave, by The Salvation Army or an affiliate.
3. Approving up to \$311,700 of Fiscal Year 2017 Emergency Solutions Grant funds for the following capital project: Avenues for Homeless Youth, located on Oak Park Ave, by Avenues for Youth or an affiliate.

Goodman moved to approve. On voice vote, the motion passed.

15. Homegrown Small Business Fund changes ([2017-01426](#))

1. Authorizing amendments to the Homegrown Business Development Center loan program.
2. Authorizing contracts with Minneapolis Business Technical Assistance Program providers to administer the Homegrown loan program.

Goodman moved to approve. On voice vote, the motion passed.

16. Extension of Exclusive Development Rights to Indigenous Peoples Task Force (IPTF) for 2313 13th Ave S ([2017-01428](#))

Authorizing extension of exclusive development rights to Indigenous Peoples Task Force for City-owned vacant property located at 2313 13th Ave S for a period of 18 months, with a possible additional administrative extension of up to six months, for the development of the Mikwanedun Audisookon Center for Art and Wellness.

Goodman moved to approve. On voice vote, the motion passed.

17. Riverside Homes refinance and long-term preservation ([2017-01431](#))

1. Authorizing, contingent upon and in conjunction with a new HUD first mortgage loan, the loan repayment of two existing loans by the current owner, Riverside Homes of Minneapolis Limited Partnership, and the concurrent issuance of a new City loan to the new owner, Riverside Homes II of Minneapolis Limited Partnership. The new City loan will have a term that is co-terminus with the new HUD loan (Dec. 31, 2058), an interest rate 0% or the Applicable Federal Rate (AFR), and covenants requiring affordability in compliance with the City's current Affordable Housing Policy. All future loan payments will be available to be budgeted through the City's Affordable Housing Trust Fund.
2. Authorizing, contingent upon and in conjunction with a new HUD first mortgage loan, CPED staff to negotiate with new owner, a new ground lease with up to 75 year term ending Dec. 31, 2093, replacing the existing City ground lease, with covenants requiring affordability in compliance with the City's current Affordable Housing Policy.
3. Authorizing execution of all agreements and documents associated with the actions described above.
4. Approving the committal of City loan payments received on the new loan to be recycled through the City's Affordable Housing Trust Fund.

Goodman moved to approve. On voice vote, the motion passed.

18. Albright Townhomes refinance and long-term preservation ([2017-01433](#))

1. Authorizing, contingent upon and in conjunction with a new HUD first mortgage loan, partial interest forgiveness in connection with the repayment of two existing loans by the current owner, CHDC, and the concurrent issuance of a new City loan to the new owner, Albright Limited Partnership. The new City loan will have a term that is co-terminus with the new HUD loan (Dec. 31, 2058), an interest rate of 0% or Applicable Federal Rate (AFR), and covenants requiring affordability in compliance with the City's current Affordable Housing Policy. All future loan payments will be available to be budgeted through the City's Affordable Housing Trust Fund.
2. Authorizing execution of all agreements and documents associated with the actions described above.

Goodman moved to approve. On voice vote, the motion passed.

19. ADC Commercial Real Estate loan restructure, parking lot lease agreement and extension ([2017-01434](#))

1. Authorizing a restructure of the City's Great Streets Loan to ADC Commercial Real Estate, Inc.
2. Authorizing the execution of appropriate loan documents.
3. Approving a settlement of unpaid lease payments required under the existing parking lease with African Development Center by accepting \$3,600, and authorizing execution of any documents necessary to effectuate the settlement.
4. Authorizing the execution of a new lease with African Development Center from March 28, 2017 through March 31, 2020, to maintain and operate an accessory parking lot for its building at 1927-31 5th St S.

Goodman moved to approve and refer to the Ways & Means Committee meeting of Dec 4, 2017. On voice vote, the motion passed.

20. Cooperative Agreement with the Hennepin County Housing and Redevelopment Authority for the disposition and redevelopment of the property at 3421 Lake St W ([2017-01435](#))

1. Passage of Resolution authorizing the Hennepin County Housing and Redevelopment Authority to undertake the sale of the County-owned property at 3421 Lake St W to a private developer for the purpose of redeveloping the vacant land adjacent to the proposed West Lake Southwest Light Rail Transit Station.
2. Authorizing the City to enter into a cooperative agreement with the Hennepin County Housing and Redevelopment Authority to facilitate the project.

Goodman moved to approve. On voice vote, the motion passed.

21. Impact Fund grant from Minnesota Housing for neighborhood stabilization ([2017-01436](#))

1. Accepting an Impact Fund grant from Minnesota Housing in the amount of \$750,000.
2. Authorizing a contract between Minnesota Housing and the City of Minneapolis for funds received.



3. Passage of Resolution appropriating \$239,518.04 of program income generated through the Neighborhood Stabilization Program (NSP) and \$1,041,507.79 of program income generated through HOME.

Goodman moved to approve and refer to the Ways & Means Committee meeting of Dec 4, 2017. On voice vote, the motion passed.

22. Memorandum of Understanding with Minneapolis Public Housing Authority for the Minneapolis Property Owner Incentive Fund Pilot Program ([2017-01427](#))

Authorizing a Memorandum of Understanding with Minneapolis Public Housing Authority for the Minneapolis Property Owner Incentive Fund Pilot Program.

Goodman moved to approve. On voice vote, the motion passed.

23. Report on Aug. 3, 2017 City Council Housing Study Session staff direction ([2017-01437](#))

Receiving and filing a report on Aug. 3, 2017 City Council Housing Study Session staff direction.

Goodman moved to receive and file. On voice vote, the motion passed.

24. Carry-forward of Year 2017 Tax Exempt Entitlement Housing Revenue Bonds ([2017-01429](#))

Passage of Resolution authorizing the carry-forward of \$49,655,014 of the Year 2017 Tax Exempt Multifamily Housing Entitlement Revenue Bonds for the Multifamily Housing Program.

Staff presentation by Andrea Brennan and Dollie Crowther, CPED.

Goodman moved to approve. On voice vote, the motion passed.

25. Report on Housing Choice Voucher (Section 8) staff direction ([2017-01425](#))

Receiving and filing a report on Housing Choice Voucher (Section 8) staff directions.

Staff presentation by Andrea Brennan, CPED, along with Gregory Russ, Executive Director/CEO of Minneapolis Public Housing Authority (MPHA); and Kyle Hanson, MPHA's Managing Director of Housing Choice Vouchers (HCV)/Section 8.

Goodman moved to receive and file. On voice vote, the motion passed.

*Vice Chair Frey assumed the Chair and read a statement of procedure and rules for the quasi-judicial hearing, item 26.*

26. Rental dwelling license revocation of all license(s) held by Stephen Frenz ([2017-01438](#))

1. Considering the revocation of the Rental Dwelling License(s) held by Stephen Frenz, sixty (60) properties in all, for failure to meet licensing standards pursuant to Section 244.1910 1(3a), (15) and (19) of the Minneapolis Code of Ordinances.
2. Considering adoption of the Findings of Fact, Conclusions and Recommendation of the Department of Regulatory Services.

Staff presentation by Noah Schuchman, Director of Regulatory Services, who recommended the committee uphold the hearing officer's recommendation for revocation.

The hearing was opened for argument by the licensee or their representative.

The following person spoke:

1. Steve Frenz, 4521 E Lake Harriet Pkwy, Minneapolis

Goodman moved to approve revocation of the licenses. On voice vote, the motion passed.

Goodman moved to adopt the Findings of Fact, Conclusions and Recommendation. On voice vote, the motion passed.

On motion by Frey, carried on voice vote, the following recommendation of Joel Fussy, Assistant City Attorney, was approved: Denied request of Stephen Frenz for stay enforcement of all rental dwelling license revocations pending certiorari appeal to the Minnesota Court of Appeals.

On motion by Frey, carried on voice vote, the City Attorney's office was directed to draft Findings to support the Committee's decision to deny the stay request.

On motion by Frey, carried on voice vote, the City Attorney's office was directed to evaluate legal options on how to move forward with regard to the legal actions that are taking place involving the subject properties.

*Goodman resumed the Chair.*

With no further business to transact, the meeting adjourned at 3:39 pm.

Reported by Irene Kasper, Council Committee Coordinator