

Federal Environmental Assessment
per the
National Environmental Policy Act (24 CFR Part 58)
and the **National Historic Preservation Act (36 CFR Part 800)**

520 Second Street Apartments
518-520 Second St. SE, Minneapolis, MN

Responsible Entity: City of Minneapolis

Completed for the City of Minneapolis by the
Minneapolis Grants and Special Projects Office and the
Minneapolis Community Planning and Economic Development Department—Planning
Division

November 21, 2012

	<u>Grants and Special Projects</u>	<u>Project</u>
Contact person:	Matthew Bower	Cherie Shoquist
Title:	Manager Resource Coordination	Project Coordinator
Address:	Room 301M City Hall Mpls., MN 55415-1385	CPED 105 5 th Ave. S., Mpls., MN 55401
Phone:	612-673-2188	612-673-5078
Facsimile:	612-673-3724	612-673-5259
TDD:	612-673-2157	612-673-2157
Email	matthew.bower@minneapolismn.gov	Cherie.shoquist@minneapolismn.gov

INTRODUCTION

This document is a federal Environmental Assessment (EA) completed by the City of Minneapolis regarding the above named project. Federal regulations require verification that the project will meet the requirements of the National Environmental Policy Act of 1969.

On 14 October 1996, the U.S. Department of Housing and Urban Development (HUD) delegated its responsibilities to complete required EAs to the appropriate local governmental agencies, in this case, the City of Minneapolis. The City has completed the EA in compliance with the National Environmental Policy Act, most specifically 24 CFR Part 58, the National Historic Preservation Act (36 CFR Part 800), and all applicable rules and regulations at both the federal and state levels. Consistent with 36 CFR Part 800.8 (c), it is also intended to meet the requirements of Section 106 of the National Historic Preservation Act.

Consistent with 24 CFR Part 58, this EA is being distributed to the interested groups and individuals, local news media, libraries, and appropriate governmental agencies. A 15-day review period per 24 CFR Part 58.45 will commence beginning on the date of distribution listed

Attention: If you want help translating this information, call **-Hmong** - Ceeb toom. Yog koj xav tau kev pab txhais cov xov no rau koj dawb, hu 612-673-2800; **Spanish** - Atención. Si desea recibir asistencia gratuita para traducir esta información, llama 612-673-2700; **Somali** - Ogow. Haddii aad dooneyso in lagaa kaalmeeyo tarjamadda macluumaadkani oo lacag la' aan wac 612-673-3500

above. Responses and comments on the EA and the Finding of No Significant Impact (FONSI) can be submitted within the review period to Mr. Bower at the address listed above.

SUMMARY OF ENVIRONMENTAL CONDITIONS FINDINGS AND CONCLUSIONS

1.0 Project Summary

Second Street Holdings, LLC proposes to construct a 91-unit apartment building. It will consist of six stories above grade and two levels of underground parking. This building will offer affordable rents with an emphasis on workforce housing.

This project will include substantial green technologies including energy efficient appliances, lighting, heating and systems; renewable and recycled building equipment; and source separation of refuse from construction debris for construction recycling.

2.0 Project Evaluation per 24 CFR Part 58, Section 58.40

2.1 Determine existing conditions and describe the character, features, and resources of the project area and its surrounding; identify the trends that are likely to continue in the absence of the project.

Response: The project site consists of two adjoining parcels located along the south side of Second Street SE between 5th and 6th Avenues SE (518 and 520 2nd Streets SE). The 518 parcel formerly housed a one-story building that was removed in 2005. The parcel is currently undeveloped with scrub vegetation and holds a storage building. The 520 parcel holds a one-story commercial building that currently vacant that the development would be located is currently vacant. Both structures are proposed to be demolished and the parcel ground surface excavated to permit a two level underground parking structure and removal of existing utilities. The building found on the 520 parcel and its treatment is discussed further in this document. The proposed development will complement surrounding land uses. Utilizing the site for higher density housing will provide additional opportunities for housing within the neighborhood and specifically add affordable housing units to an emerging housing market occurring in the immediate area. If the project does not go forward, this site is likely to remain in its current state until some future date and alternative project is proposed.

2.2 Identify all potential environmental impacts, whether beneficial or adverse, and the conditions that would change as a result of the project.

Response: EA Form 5 and the responses to these findings address all of the anticipated potential environmental effects that would result with this project. The proposed development will result in two issues outlined below that merit monitoring in light of existing conditions and the project as proposed.

Site Environmental Hazards

The site has been used as an industrial warehouse property since the early part of the 20th Century. The property bordered the neighboring operations of the Pillsbury A Mill. Goods to and from the mill were shipped through the property by rail. A Phase I and Phase II Environmental Site Assessment have been prepared for the site. Past investigations have found low concentrations of polynuclear aromatic hydrocarbons, RCRA metals and diesel range organics. Fill soil samples on the site exhibit VOCs, PAHs and RCRA metals at levels below residential soil values. The applicant has entered a Voluntary Investigation and Cleanup Program of the MN Pollution Control Agency and will contract for environmental monitoring and sampling during the course of redevelopment activities to ensure proper identification, management and disposal of any contaminated materials. The response action plan discussing past investigations, findings and response actions is found in Attachment 7.

Historic Preservation

The project site is located within the St. Anthony Falls Historic District and the East Side Milling Railroad Corridor Historic District. The St. Anthony Falls Historic District is listed on the National Register of Historic Places, has been designated a State Historic District by statute, and has been designated locally by the City as a Local Heritage Preservation District. The East Side Milling Railroad Corridor Historic District is eligible for National Register listing. The City's Heritage Preservation Commission has adopted design guidelines for the District. The project is subject to review by the Heritage Preservation Commission. The existing building on the 520 site, the Union Railway Storage Company building, is considered a contributing element within the National District. MN SHPO has advised the project that its demolition as part of the project will result in an adverse effect to the District. The project developer and HUD have entered into a Memorandum of Understanding to outline several actions to be undertaken to mitigate the loss of this resource (see Attachment 4). In both instances of federal and local historic review, the project developer will be required to deliver the project in a manner consistent with the condition and character of the associated districts.

- 2.3 Identify, analyze, and evaluate all impacts to determine the significance of their effects on the human environment and whether the project will require further compliance under related laws and authorities cited in Sec. 58.5 and Sec. 58.6.**

Response: Sections 58.5 and 58.6 state that the Responsible Agency must consider the criteria, standards, polices, and regulations of several laws and agencies that are listed in these sections of the law. EA Form 5 and the responses to these findings address all of these laws and agencies.

2.4 Examine and recommend feasible ways in which the project or external factors related to the project could be modified in order to eliminate or minimize adverse environmental impacts.

Response: As described in this Environmental Assessment, no other substantial adverse environmental effects are likely to result from the project other than what is described in this review. An adverse impacts described in this review also include discussion of mitigating actions to be undertaken. The project will be the subject of multiple City reviews that will further ensure this to be true and to ensure the project is consistent with all applicable policies, plans, laws, and regulations.

2.5 Examine alternatives to the project itself, if appropriate, including the alternative of no action.

Response: The no-action alternative is addressed above in the response to Finding number 1.

2.6 Complete all environmental review requirements necessary for the project's compliance with applicable authorities cited in Sections 58.5 and 58.6.

Response: Sections 58.5 and 58.6 state that the Responsible Agency must consider the criteria, standards, polices, and regulations of several laws and agencies that are listed in these sections of the law. Form 5 and the responses to these findings address all of these laws and agencies.

3.0 Conclusion and Finding of No Significant Impact

After the City has addressed all concerns raised during the review period, the City will have complied with all applicable federal, state and local regulations. When signed below, the City makes a "Finding of No Significant Impact."

The undersigned does hereby certify that the information furnished in this Environmental Assessment is true and accurate to the best of their knowledge, and that the project is not an action that will result in a significant impact on the quality of the human environment:



Matthew Bower, Manager Resource Coordination, Minneapolis Grants and Special Projects Office

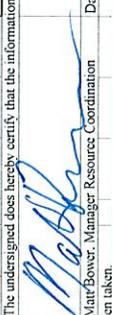
HUD EA Form 5

Attachments:

1. CPED Project Data Sheet , Site Plan and Rendering
2. Site Location Map
3. Flood Insurance Rate Map
4. SHPO Letter and Section 106 Memorandum of Understanding
5. Wetland Inventory Map
6. Noise Assessment
7. Environmental Site Assessment – Response Action Plan
8. City Planning Commission approvals

ENVIRONMENTAL REVIEW RECORD	
National Environmental Policy Act	
Approved for the City of Minneapolis by the Minneapolis Office, Federal Housing and Urban Development Department	
Consistent with 24 CFR Part 58 – Environmental Review Procedures of Entities Assuming HUD Environmental Responsibilities and 36 CFR Part 800 – Protection of Historic Properties	
Project Information	
Project name and summary	520 Second Street Apartments -- Second Street Holdings, LLC proposes to construct a 91-unit apartment building. It will consist of six stories above grade and two levels of underground parking. This building will offer affordable rents with an emphasis on workforce housing. This project will include substantial green technologies including energy efficient appliances, lighting, heating and systems, renewable and recycled building equipment, and source separation of refuse from construction debris for construction recycling.
Location	518-520 Second St. SE, Minneapolis, MN
Applicant	Second Street Holdings, LLC
Project contact	Cherie Sheguit, Senior Project Coordinator
Address	CPED, 105 3rd Avenue South, Suite 200, Minneapolis, MN 55401
Phone	612-673-5078
Fax	TDD 612-673-2157
HUD contact	Johna.Schroeder@minneapolis.gov
City contact person	Kimberly Bink, Senior CPD Representative, US HUD, 920 Second Avenue, Suite 1300, Minneapolis, MN 55402, 612-370-3019, 32101, Cynthia.Beinke@hud.gov
Address	Minneapolis Grants and Special Projects Coordination
Phone	612-673-2188
Fax	TDD 612-673-2157
Env. Assessment contact person	Matt Bower, Manager Resources Coordination
Address	612-673-3724
Phone	TDD 612-673-2157
Fax	Matthew.Bower@minneapolis.gov
Statutory Checklist	
Area of Statutory or Regulatory Compliance	Not applicable to this project
Consentation required	
Review required	
Permits required	
Determination of consistency approved	
Conditions and/or mitigation actions required	X
FACTORS	
Historic [58.5 (a)]	The project site is located within the St. Anthony Falls Historic District and the East Side Milling Railroad Corridor Historic District. The St. Anthony Falls Historic District is listed on the National Register of Historic Places, has been designated a State Historic District by statute, and has been designated locally by the City as a Local Heritage Preservation District. The East Side Milling Railroad Corridor Historic District is eligible for National Register listing. The City's Heritage Preservation Commission has adopted design guidelines for the District. The project is subject to review by the Heritage Preservation Commission. The existing building on the 520 site, the Union Railway Storage Company building, is considered a contributing element within the National District. MN SHPO has advised the project that its demolition as part of the project will result in an adverse effect to the District. The project developer and HUD have entered into a Memorandum of Understanding to outline several actions to be undertaken to mitigate the loss of this resource. See Attachment 4. In both instances of federal and local historic review, the project developer will be required to deliver the project in a manner consistent with the condition and character of the associated districts.
Floodplain management [58.5 (b)]	The project site is not located within a 100-year flood plain, a floodway, or flood hazard area. (Attachment 2). The site is located within the jurisdiction of the 'Middle Mississippi Watershed Management Organization. Per the National Wetlands Inventory, no wetlands have been identified on this urban site or nearby urban surroundings. (Attachment 5).
Wetland protection [58.5 (b)]	There are no coastal zones in or near the City of Minneapolis.
Coastal barrier management [58.5 (c)]	The project will have no impact on sole source aquifers. The site is served by the Minneapolis Water Works which draws its water supply from the Mississippi River under MN DNR appropriation permit #786216-1. Potable supplies are adequate to meet the needs of the project without modification to the existing system.
Sole source aquifers [58.5 (d)]	For over a century, the project area has been characterized as a fully developed area. Vegetation is limited to the on-street boulevards and nearby city parks. The site itself has been developed for over a century. Generally, this results in limited habitat to support any significant wildlife resources.
Endangered species [58.5 (e)]	There are no wild and scenic rivers in or near the City of Minneapolis.
Wild & scenic rivers [58.5 (f)]	The project will have to comply with all pertinent federal requirements. The City of Minneapolis will be responsible for the issuance of building permits. The City processes include on-site inspections to ensure conformance with all applicable local regulations. City policies encourage building practices that maximize energy efficiency and alternative transportation, and that minimize off-site air quality impacts. Hennepin County, in which these Minneapolis projects are located, and surrounding counties are not designated as non-attainment.
Air quality [58.5 (g)]	The target population for the project are those at or below HUD low and moderate income limits. This population is currently underserved with housing options in the immediate housing market emerging in the mills district on the east bank of the Mississippi River. The surrounding area provides a wide variety of shopping, recreational and employment opportunities. No sensitive populations will be adversely affected by the project.
Farmedland protection [58.5 (h)]	The noise analysis performed with the HUD Site DNL Calculator (11/19/12) concludes that the project is located within an "Acceptable Noise Zone" for HUD-funded projects as defined in federal regulations at 24 CFR Part 5.1 (Attachment 6).
Environmental justice [58.5 (j)]	
HUD ENVIRONMENTAL STANDARDS	
Noise abatement and control [per 24 CFR 51 B)]	X

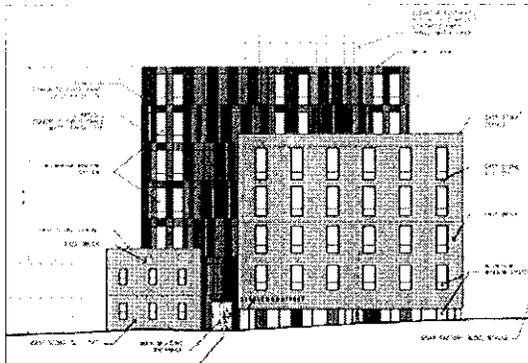
Form 5: Environmental Assessment

Statutory Checklist		Source Documentation					
Area of Statutory or Regulatory Compliance	Not applicable to this project	Consultation required*	Review required*	Permits required	Determination of consistency approvals	Consistency approvals obtained	Conditions and/or mitigation actions required
Toxic or hazardous substances and radioactive materials [per HUD Notice 79-83]						X	The site has been used as an industrial warehouse property since the early part of the 20th Century. The property bordered the neighboring operations of the Pillsbury A Mill. Goods to and from the mill were shipped through the property by rail. A Phase I and Phase II Environmental Site Assessment have been prepared for the site. Past investigations have found low concentrations of polynuclear aromatic hydrocarbons, RCRA metals and diesel range organics. Fill soil samples on the site exhibit VOCs, PAHs and RCRA metals at levels below residential soil values. The applicant has entered a Voluntary Investigation and Cleanup Program of the MN Pollution Control Agency and will contract for environmental monitoring and sampling during the course of re-development activities to ensure proper identification, management and disposal of any contaminated materials. The response action plan discussing past investigations, findings and response actions is found in Attachment 7.
Siting of HUD-assisted projects near hazardous operations [per 24 CFR 51.101 Airport Clear Zones and Accident Potential Zones [per 24 CFR 51.101]	X						The project will not be sited near any hazardous operations. An above ground storage tank is located within 1/4 mile of the project site however, the site is located beyond the ASD and there exist manmade barriers between the identified tank and the project site.
LAND DEVELOPMENT	X						The site is not located within an Airport Safety Zone.
Conformance with comprehensive plans and zoning			X				The goals and objectives of <i>The Minneapolis Plan for Sustainable Growth</i> are consistent with the Project. The development supports the City's policies for mixed-use development and increased housing density. The site is currently zoned C3A Community Activity Center District within the Mississippi River Critical Area Overlay and University Area Overlay Districts. The project is developed under a conditional use permit regarding height and number of dwelling units. See Attachment 8.
Slope, erosion and soil suitability	X						There are no steep slopes on the site though it contains a significant grade change. During demolition and construction, best management practices for control of erosion and sedimentation will be implemented as required by the Minneapolis Code of Ordinances, Chapter 52, Erosion and Sediment Control for Land Disturbance Activities. The City will also conduct on-site inspections during construction. The Phase I and Phase II Environmental Site Assessments prepared for the site indicate soil consisting primarily of silt, sand and gravel on top of a limestone bedrock formation approximately 40 feet below ground level. Fill soil consisting of mostly silty sand, clayey sand and sandy clay from the ground surface to depths ranging from 9.5 to 17 feet below ground. The fill soil contained varying amounts intermixed debris (concrete, wood, brick, ash, cinders, and clinkers) to depths up to 9.5 feet bgs. Current construction plans which include two levels of underground parking beneath the new apartment building necessitate removal of the majority of this fill soil. Groundwater was encountered at depths of 25.7 and 30.9 feet below ground.
Hazards, nuisances, site safety, public safety	X						There are no known hazards or public nuisances on site. Any hazardous soils will be removed and disposed of off-site. The project will bring new development that will add pedestrian activity, which usually translates into increased site safety and public safety.
Energy efficiency	X						The project will comply with the City's policies that call for the maximization of energy efficiency.
Project's contribution to community noise levels	X						Construction noise of the project will be regulated by Minneapolis Code of Ordinances, Chapter 389, Noise, Section 389.70, Noise. This section of the Code specifies strict limits for both the hours of operation of construction equipment and the allowable noise levels of that equipment. The City Inspectors from the City's Environmental Management Division of the Regulatory Services Department are responsible for enforcing the regulations. Increased noise during construction will be temporary. On May 24, 2010, the Minneapolis City Planning Commission approved the required land use applications for the project consisting of conditional use permits, variances and site plan review (Attachment 8). The review of these applications evaluated the potential visual, scale, massing and historic impacts of the project as well as the compatibility of the development with the rest of the neighborhood.
Visual quality, coherence, diversity, compatible use and scale	X		X				This project will have positive effects on the surrounding area, by increasing the availability of affordable housing in an emerging housing market consisting of mixed use residential projects in a historic district. The development will help to increase density the City in an area adjacent to transit and appropriate for high-density housing, increase the property's value, and the construction of the project will add jobs. Constructing the proposed development on this former industrial storage site will continue current development patterns in the area.
Educational, commercial, health care and social service facilities	X						A range of appropriate and desired uses exist in the neighborhood including an elementary school, commercial services, recreational opportunities and other community services. The area is also serviced with several public transportation options.
Solid waste	X						Private haulers under contract with the property owner will provide municipal solid waste (MSW) collection and recycling program services. The City and the County maintain award-winning recycling programs that recover over 30% of the waste stream. The County also recovers much of the embedded energy in the MSW through its garbage incinerator.
Water supply and waste water	X						The project will be served by the City's water system and the sanitary and sewer systems. City sewers flow into the Metropolitan Council Environmental Services sanitary sewer interceptor for treatment at the Metropolitan Waste Water Treatment Plant with ultimate discharge to the Mississippi River. No pretreatment or special treatment methods for this wastewater are required and adequate capacity exists in these systems for the project.
Stormwater	X						The Mississippi River is the receiving body for stormwater from this site. During demolition and construction, best management practices for control of erosion and sedimentation will be implemented as required by the Minneapolis Code of Ordinances, Chapter 52, Erosion and Sediment Control for Land Disturbance Activities as detailed in PDR 1000481. The City will also conduct on-site inspections during construction.
Open space, recreation, cultural facilities	X						The project site sits one block from riverfront park acreage with connections via the Stone Arch Bridge to the downtown and its recreational and cultural opportunities. The project is located in the East Bank Mill District area, a growing neighborhood with riverfront park connections and concentration of establishments supportive of an active and dynamic neighborhood milieu.
Transportation	X						The required parking is provided within the building. The zoning code requires 91 parking spaces and the development will provide 91 spaces. Due to the close proximity to downtown, the University of Minnesota, and transit this should be adequate parking. The development will also provide a required 91 bike parking spaces in an enclosed secure area. The site is located within one block of a high frequency bus transit stop serving local and express routes to local and east suburban areas. The site is 1/2 block from a designated bike route connecting the area with the Stone Arch Bridge and through access to Downtown.
Certification	The undersigned does hereby certify that the information furnished in this Environmental Assessment is true and accurate to the best of their knowledge:						
Signature of City official/Date	 Matr Bower, Manager Resource Coordination						
Date	11/21/12						

ATTACHMENT 1

Project Data Worksheet, site plan and rendering

CPED MULTIFAMILY HOUSING DEPARTMENT
Affordable Housing Inventory Project Data Worksheet



Project Status
 Proposed: 6/23/2010
 Approved:
 Closed:
 Complete:

Impaction
 Non-Impacted
 Impacted

Occupancy
 Rental
 Ownership

Project Name: 520 2nd St SE
 Main Address: 520 2nd St SE
 Project Aliases:
 Additional Addresses:
 Ward: 3 Neighborhood: Marcy-Holmes

Project Activity
 New Construction
 Rehabilitation
 Stabilization
 Preservation
 Year Built: _____

Development
 Apartment/Condo
 Townhome
 Coop
 Shelter
 Transitional
 Scattered Site/Other

Household
 General
 Family w/Children
 Senior
 Single
 Special Needs
 Homeless

Housing Production and Affordability

UNIT COMPOSITION	UNIT	QTY	UNIT AFFORDABILITY				
	UNIT	<30%	<50%	<60%	<80%	MKT	
0BR	17	0	7	10	0	0	
1BR	74	0	30	44	0	0	
2BR	0	0	0	0	0	0	
3BR	0	0	0	0	0	0	
4+BR	0	0	0	0	0	0	
TOT	91	0	37	54	0	0	

Shelter Units: _____ + Conversion Units: _____
 Section 8: _____

GENERAL INFORMATION

Second Street Holdings, LLC proposes to construct a 91-unit apartment building. It will consist of six stories above grade and two levels of underground parking. This building will offer affordable rents with an emphasis on workforce housing.

This project will include substantial green technologies including energy efficient appliances, lighting, heating and systems; renewable and recycled building equipment; and source separation of refuse from construction debris for construction recycling.

Partnership: 520 2nd Street Apartments LP

Contact Information:

Developer Contact:
 John Wall
 Second Street Holdings, LLC
 811 LaSalle Ave
 Minneapolis, MN 55402-2030
 Phone: (612) 767-4001 ext
 Fax: (612) 767-4004
 john@wallcompanies.com

Owner Contact:
 John Wall
 Second Street Holdings, LLC
 811 LaSalle Ave
 Minneapolis, MN 55402-2030
 Phone: (612) 767-4001 ext-
 Fax: (612) 767-4004
 john@wallcompanies.com

Consultant:
 Becky Landon
 Ponterre Group, LLC
 1402 Edmund Ave
 Saint Paul, MN 55104-
 Phone: (651) 647-3457 ext-
 Fax: (651) 647-4148
 blandon@ponterregroup.com

Contractor:
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 Black / Dew
 2586 7th Ave E Suite 301
 N Saint Paul, MN 55109-
 Phone: (651) 777-4900 ext-
 Fax: (651) 777-4994
 RDew@black-dew.com

Architect:
 J. Owen Boorman
 BKV Group
 222 N 2nd St
 Minneapolis, MN 55401-1423
 Phone: (612) 339-3752 ext-
 Fax: (612) 339-6212
 jboorman@bkgvgroup.com

Property Manager:
 American Mgmt Service Central LLC
 Phone: (952) 544-4048 ext-
 Fax: (952) 544-4871

CPED Coordinator:
 Cherie Shoquist
 CPED
 105 5th Ave S Suite 200
 Minneapolis, MN 55401-
 Phone: (612) 673-5078 ext-
 Fax:
 cherie.shoquist@minneapolis.mn.gov

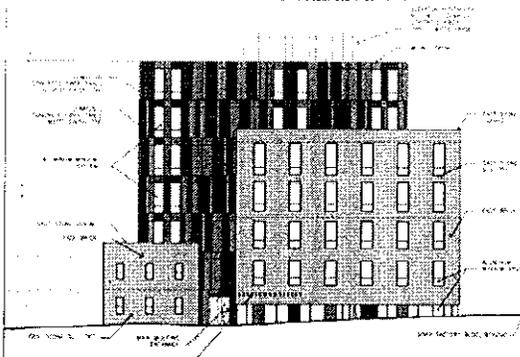
CPED Legal:
 Gary Winter
 Phone: (612) 673-5132 ext-
 Fax: (612) 673-5112

CPED Rehab:

CPED Support Coordinator
 Susie Shepherd
 Phone: (612) 673-5244 ext-
 Fax: (612) 673-5259

MPLS Affirmative Action

CPED MULTIFAMILY HOUSING DEPARTMENT
Affordable Housing Inventory Project Data Worksheet



Project Status
 Proposed: 6/23/2010
 Approved:
 Closed:
 Complete:

Project Name: 520 2nd St SE
 Main Address: 520 2nd St SE
 Project Aliases:
 Additional Addresses:
 Ward: 3 Neighborhood: Marcy-Holmes

Impaction
 Non-Impacted
 Impacted

Occupancy
 Rental
 Ownership

Project Activity
 New Construction
 Rehabilitation
 Stabilization
 Preservation
 Year Built: _____

Development
 Apartment/Condo
 Townhome
 Coop
 Shelter
 Transitional
 Scattered Site/Other

Household
 General
 Family w/Children
 Senior
 Single
 Special Needs
 Homeless

Housing Production and Affordability

UNIT COMPOSITION	UNIT	QTY	UNIT AFFORDABILITY				
	UNIT	<30%	<50%	<60%	<80%	MKT	
0BR	0BR	17	0	7	10	0	0
1BR	1BR	74	0	30	44	0	0
2BR	2BR	0	0	0	0	0	0
3BR	3BR	0	0	0	0	0	0
4+BR	4+BR	0	0	0	0	0	0
TOT	TOT	91	0	37	54	0	0

Shelter Units: _____ + Conversion Units: _____
 Section 8: _____

USES AND PERMANENT SOURCES

Project Uses:

Land:	\$700,000.00
Construction:	\$9,858,579.00
Construction Contingency:	\$450,000.00
Construction Interest:	\$202,933.00
Relocation:	\$0.00
Developer Fee:	\$1,347,814.00
Legal Fees:	\$125,000.00
Architect Fees:	\$378,000.00
Other Costs:	\$1,511,171.00
Reserves:	\$424,000.00
Non-Housing:	\$0.00
TDC:	\$14,997,497.00
TDC/Unit:	\$164,808.00

Project Permanent Sources:

Source / Program	Amount	%	Term	Committed
1 Land Equity	\$700,000.00			6/23/2010
2 City of Minneapolis HRB (Project Revenues)	\$6,821,000.00			10/7/2011
3 City of Minneapolis HRB (TIF)	\$790,000.00			
4 Syndication Proceeds	\$4,708,385.00			
5 Deferred Dev Fee	\$203,112.00			6/23/2010
6 Hennepin County TOD	\$350,000.00			
7 CPED AHTF (2011)	\$925,000.00			2/10/2012
8 Hennepin County AHIF	\$500,000.00			
TDC:	\$14,997,497.00			

Financing Notes:

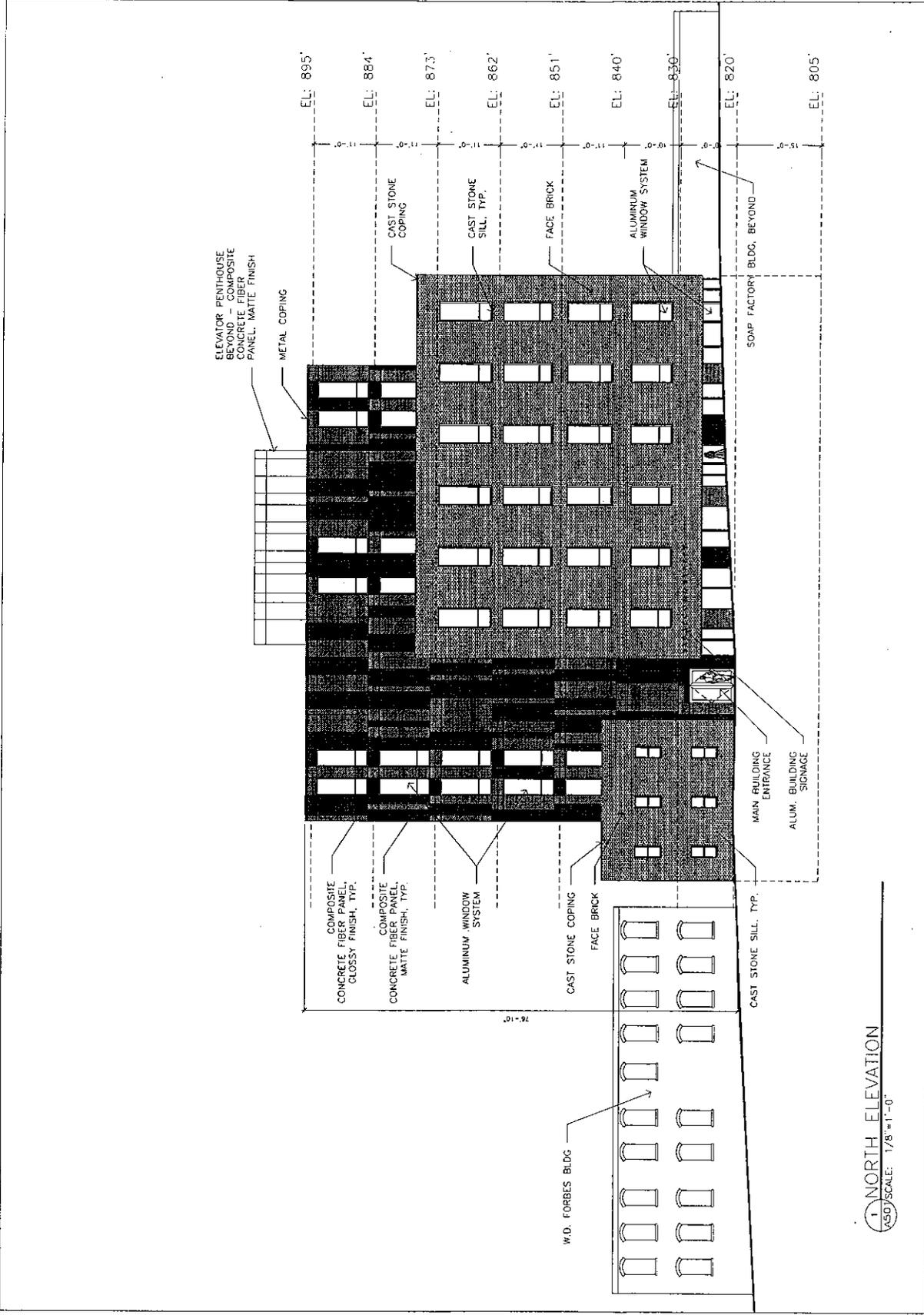
520
 SECOND STREET

REVISIONS	NO.	DATE

DATE	06-11-09
DESIGNED BY	
CHECKED BY	
COMPILED BY	
DATE PLOTTED	10/15/01

NORTH
 ELEVATION

A501

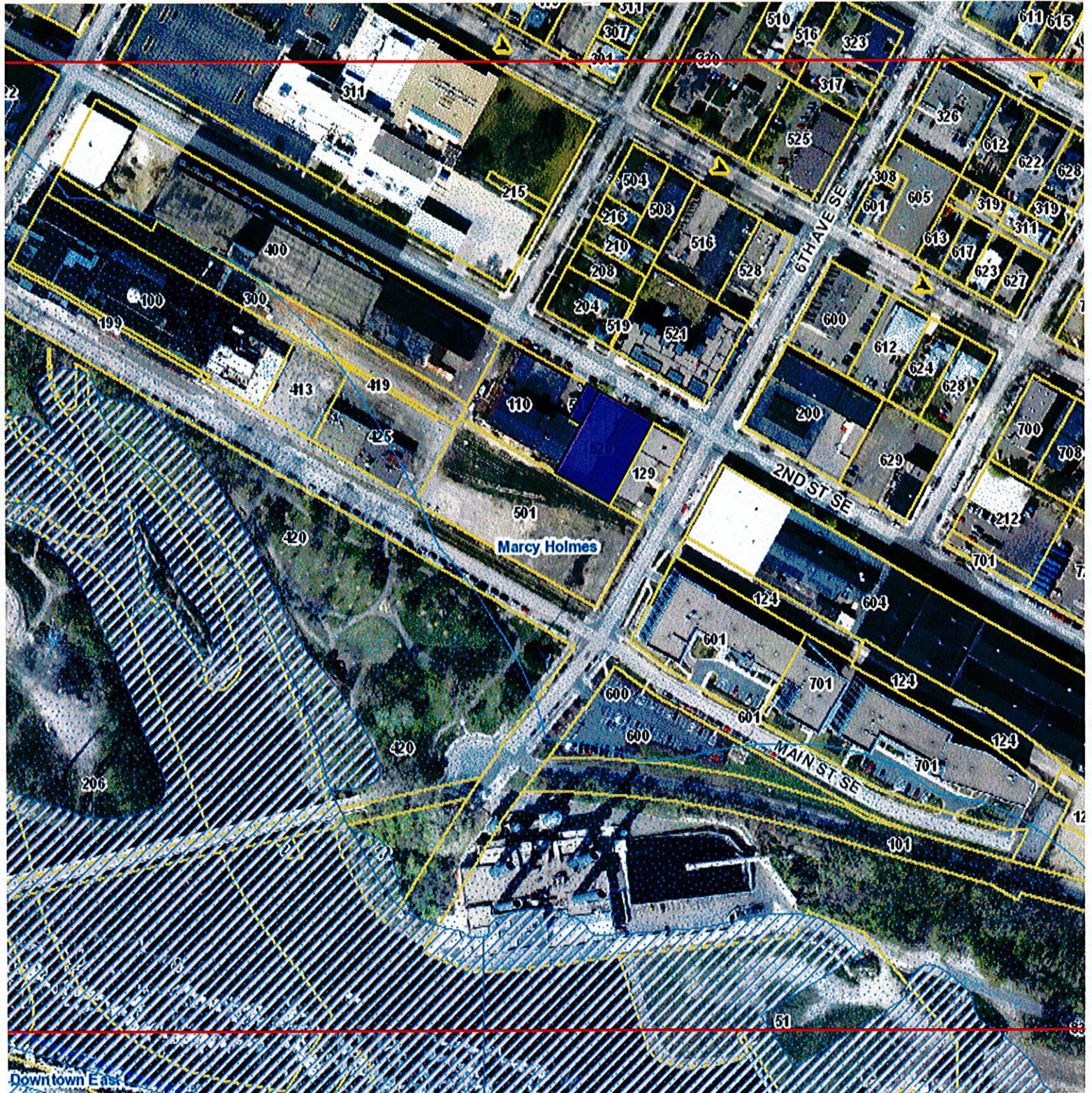


1 NORTH ELEVATION
 ASO SCALE: 1/8" = 1'-0"

ATTACHMENT 2

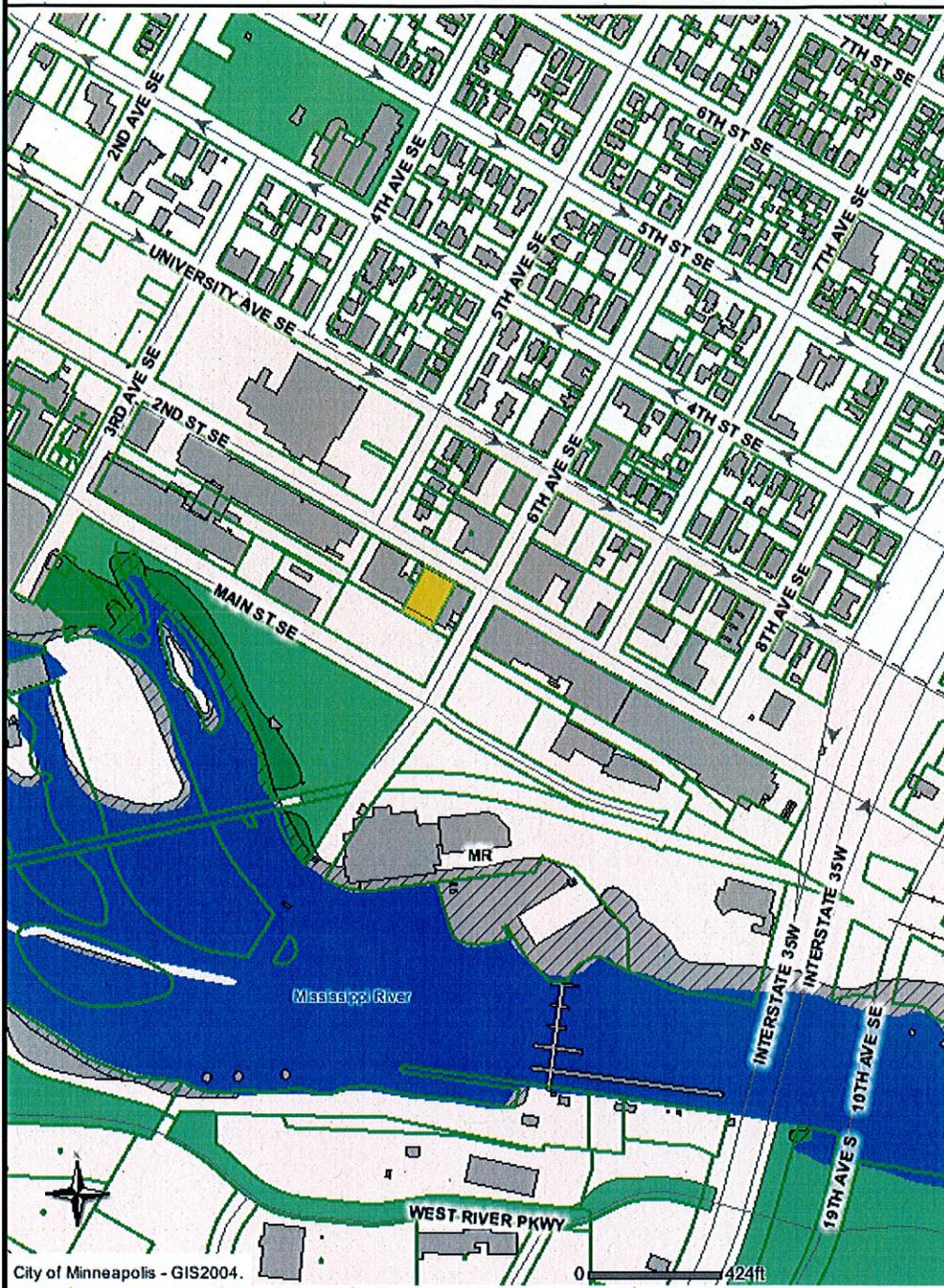
Site Location Map

520 Second St Apartments



ATTACHMENT 3
Flood Insurance Rate Map

520 Second St Apartments Site Location



- Legend**
- Selected Features
 - Railroads
 - City Limits
 - Light Rail Stations
 - Light Rail Line
 - Streets
 - Parcels
 - Buildings
 - Water
 - Parks
 - Mississippi River Dist
 - FEMA
 - Floodfringe
 - Floodway

City of Minneapolis - GIS2004.

0 424ft

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PROPRIETARY INFORMATION: Any resale of this information is prohibited, except in accordance with a licensing agreement.

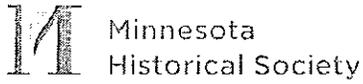


GIS Business Services
331 2nd Ave. S. Ste. 220
Minneapolis, MN 55401
612-673-2040



ATTACHMENT 4

SHPO Letter and Section 106 Memorandum of Understanding



STATE HISTORIC PRESERVATION OFFICE

December 7, 2011

Paul Woxland, Director
Minneapolis Multifamily Hub
U.S. Dept. of Housing & Urban Development
920 Second Avenue South, Suite 1300
Minneapolis, MN 55402-4012

RE: Construction of 520 Second Street Apartments at 2nd St SE and 6th Ave SE
Minneapolis, Hennepin County
SHPO Number: 2011-3195

Dear Mr. Woxland:

Thank you for sending the additional information we requested regarding the above-referenced project. The project materials have been reviewed pursuant to the responsibilities given the State Historic Preservation Officer by the National Historic Preservation Act of 1966 and the Procedures of the Advisory Council on Historic Preservation (36CFR8000).

As previously noted, the proposed project is located within two historic districts: the St. Anthony Falls Historic District, which is listed in the National Register of Historic Places, and the East Side Milling Railroad Corridor Historic District, which has previously been determined eligible for the National Register. Your letter indicates a misunderstanding of our review. The State Historic Preservation Office (SHPO) has not been involved in reviewing this proposal for a number of years. I believe you are referring instead to the Minneapolis Heritage Preservation Commission (HPC). Our involvement at the SHPO has been quite recent, when federal financing was proposed. Our review deals with federal law, not City ordinance.

Under Federal preservation law, we concur with your finding that the Flour Sack Flats building (formerly Union Railway Storage Company) located at 520 2nd Street SE is a contributing element within a National Register historic district, and that its demolition will result in an **adverse effect** to the district. Please notify the Advisory Council on Historic Preservation, and invite them to participate in the resolution of adverse effect, as required by law.

Even with the consultant's explanation of the project design changes over the years of consultation with the City's HPC, we still do not feel the resulting design meets the Secretary of Interior's Standards, because of the scale of the new building, the use of several different materials, and the intrusion of the new building into the old rail corridor. However, we accept the design alterations as an effort to minimize, although not entirely avoid, adverse design impacts. Our historic architect makes the following suggestions on the design to further minimize adverse effects:

- The building should be no higher than 56 feet (although we would prefer a maximum of 45 feet) because immediately surrounding contributing buildings are quite small.
- Windows should be recessed a minimum of 3", and not flush – on ALL of the building, not just the bottom portion.
- Windows should have a consistent, not random, pattern.
- As the City HPC originally recommended, these windows should not be glass block and they should be comparable to windows on the rest of the building in size and configuration.
- The consultant report says the developer will correct the rail corridor encroachment, and decrease it 15 feet on the rail side. Please submit this reduction documented in a design drawing.

- The multiple materials are not compatible with the District. At minimum, please do not use multiple colors on these materials as well, but rather establish a more unified color scheme.

Please begin the process of preparing a draft Memorandum of Agreement (MOA) to resolve the adverse effects of the demolition, and incompatible design. If any or all of the design suggestions made above are incorporated into revised plans, we will regard it as partial design mitigation. However, that does not mitigate for the demolition. You have suggested a Minnesota Historic Property Record as mitigation. Please be aware that preparing a proper record of an historic building prior to demolition is a federal agency responsibility under Sec. 110 (b) of the National Historic Preservation Act. Since recordation is already required, it should not really count as mitigation. Instead, we would like to see a project or task related to strengthening the St. Anthony Falls Historic District. The HPC may have a project they would like to move forward that would be suitable as mitigation. We request that the HPC be considered a consulting party for the purpose of the MOA preparation, and we ask that you talk with them about suggestions for an appropriate mitigation project.

We look forward to continuing consultation on this project. Meanwhile, if you have any questions concerning this letter or our review, please call me at (651) 259-3456.

Sincerely,



 Mary Ann Heidemann, Manager
Government Programs and Compliance

cc: Aaron Hanauer, Senior Planner, City of Minneapolis
Jack Byers, Minneapolis HPC
Charlene Roise, Hess, Roise and Company
Amy Long, HUD Minneapolis Multifamily Hub Project Manager

**SECTION 106
MEMORANDUM OF AGREEMENT**

**among the U.S. Department of Housing and Urban Development, the Minnesota State Historic Preservation Office, and Second Street Holdings, LLC
regarding Construction of an Apartment Building at 520 Second Street SE,
Minneapolis, Hennepin County, Minnesota**

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) is considering providing mortgage insurance to Second Street Holdings, LLC (SSH) for the construction of a 91-unit affordable apartment building (the PROJECT) at 520 Second Street SE in Minneapolis, Minnesota; and

WHEREAS, SSH's proposed construction of the PROJECT requires demolition of an 1892 addition to the Union Railway Storage Company Warehouse (UNION WAREHOUSE ADDITION) located at 520 Second Street SE, Minneapolis, a contributing building in the Saint Anthony Falls Historic District, which is listed in the NRHP; and

WHEREAS, the proposed PROJECT building height and color scheme do not conform to the Secretary of the Interior's Guidelines for new construction in a historic district; and

WHEREAS, HUD has determined that these aspects of the PROJECT will have an adverse effect on both the UNION WAREHOUSE ADDITION and the Saint Anthony Falls Historic District; and

WHEREAS, the Minneapolis Heritage Preservation Commission (MHPC) has been involved in the consultation and has been invited to concur in this memorandum of agreement; and

WHEREAS, the MHPC and various stakeholders in the community have had the opportunity to comment at these public hearings and in writing; and

WHEREAS, HUD and MnSHPO find that there is little potential for significant archaeological resources on this site and that archaeological survey work is not required; and

WHEREAS, HUD has notified the Advisory Council on Historic Preservation (ACHP) of the consultation to resolve the adverse effects of this project, and the ACHP has declined the invitation to participate; and

WHEREAS, HUD has consulted in accordance with 36 CFR 800.6(b)(1), "Resolution without the Council"; and

NOW, THEREFORE, HUD, MnSHPO, and SSH agree that the following stipulations are an appropriate means of taking into account the effect of the undertaking on historic properties.

STIPULATIONS

HUD will ensure that the following actions are carried out prior to final endorsement of the HUD loan:

1. Documentation: SSH, at its own expense, will document the UNION WAREHOUSE ADDITION at 520 Second Street SE to the standards of the Level I Minnesota Historic Property Record (MHPR). The work will be completed by a consultant who meets the Secretary of the Interior's Standards for Historian or Architectural Historian. The recordation will be completed in consultation with MnSHPO.
2. Design: SSH will revise the proposed materials to have a matte finish and be in deep red and buff colors, which are similar to existing unpainted buildings in the historic district.
3. Interpretation: SSH will, at its own expense, develop an interpretive plaza adjacent to the south wall of the new building in the 15-foot setback from the south property line. The interpretation will focus on the history of the Union Railway Storage Company Warehouse, including the UNION WAREHOUSE ADDITION, and the railway corridor. The design of the plaza will be developed with the assistance of an architectural historian and include MnSHPO consultation. SSH agrees to cooperate with the initiatives of neighboring property owners to extend this interpretation throughout the historic railway corridor.
4. Noise and Vibration: The developer shall respond to any complaints about noise and vibration that are received during demolition or construction related to the PROJECT, and shall notify HUD and MnSHPO about such complaints in a timely manner.
5. Dispute Resolution: Should any signatory to this agreement object to the terms or implementation of the terms this agreement, HUD shall consult with the party to resolve the objection. If HUD determines that the objection cannot be resolved, HUD shall request the further comments of the ACHP pursuant to 36 CFR 800. Any ACHP comment provided in response to such a request, will be taken into account by HUD in accordance with 36 CFR 800 with reference only to the subject of the dispute. HUD's responsibility to carry out all actions under this agreement that are not the subject of the dispute will remain unchanged.
6. Duration: This agreement shall be in effect until final endorsement of the HUD loan or three (3) years from the date of closing, whichever comes sooner. The agreement may be extended with the concurrence of HUD, MnSHPO, and SSH.
7. Reporting: From initial endorsement through final endorsement of the HUD loan, HUD will require quarterly reports from SSH on its progress toward meeting the stipulations in this agreement.
8. Amendments: Any party may request that the agreement be amended, whereupon the proposed changes shall be submitted to the other parties and the ACHP in accordance with 36 CFR 800.6(c)(7).
9. Termination: Any signatory to this agreement may terminate it by providing thirty (30) days written notice to the other parties, provided that the signatories and concurring parties consult during the period prior to termination to seek agreement or other actions that would avoid termination. If the agreement is terminated, HUD will reinitiate the review of the undertaking in accordance with the regulations of 36CFR Part 800.

Execution of this memorandum of agreement and implementation of its terms evidence that HUD has taken into account the effects of the PROJECT on historic properties.

Concurring signatory:

Minneapolis Heritage Preservation Commission

By: *Allen Hansen* Date: 4-12-12

ATTACHMENT 5
Wetland Inventory Map

Wetlands Mapper - Microsoft Internet Explorer provided by City of Minneapolis

http://www.fws.gov/wetlands/Wetlands-Mapper.html

File Edit View Favorites Tools Help

Convert Select

citytalk Gmail Hennepin County, Minnesot... Home Home - CityTalk Lagan Web Lexis New App OldApp Q-MATIC Suite Student Records Symplicity Zoning Handouts

Wetlands Mapper

U.S. Fish and Wildlife Service
National Wetlands Inventory

Tools Print Map Streets Imagery/Labels Topo USGS Topo

st se, Minneapolis, mn Find Location Zoom to: select

Zoom History

Available Layers

- Wetlands ?
- Wetland Status
- Riparian ?
- Riparian Status
- Data Source
- Source Type
- Image Scale
- Image Year
- Area of Interest
- FWS Refuges ?

Wetlands

- Freshwater Emergent
- Freshwater Forested/Shrub
- Estuarine and Marine Deepwater
- Estuarine and Marine
- Freshwater Pond
- Lake
- Riverine
- Other

Philip Pillsbury Park

Mississippi National River and Recreation Area

Map scale: 1:4514 Lat: 44.9826, Long: -93.2502

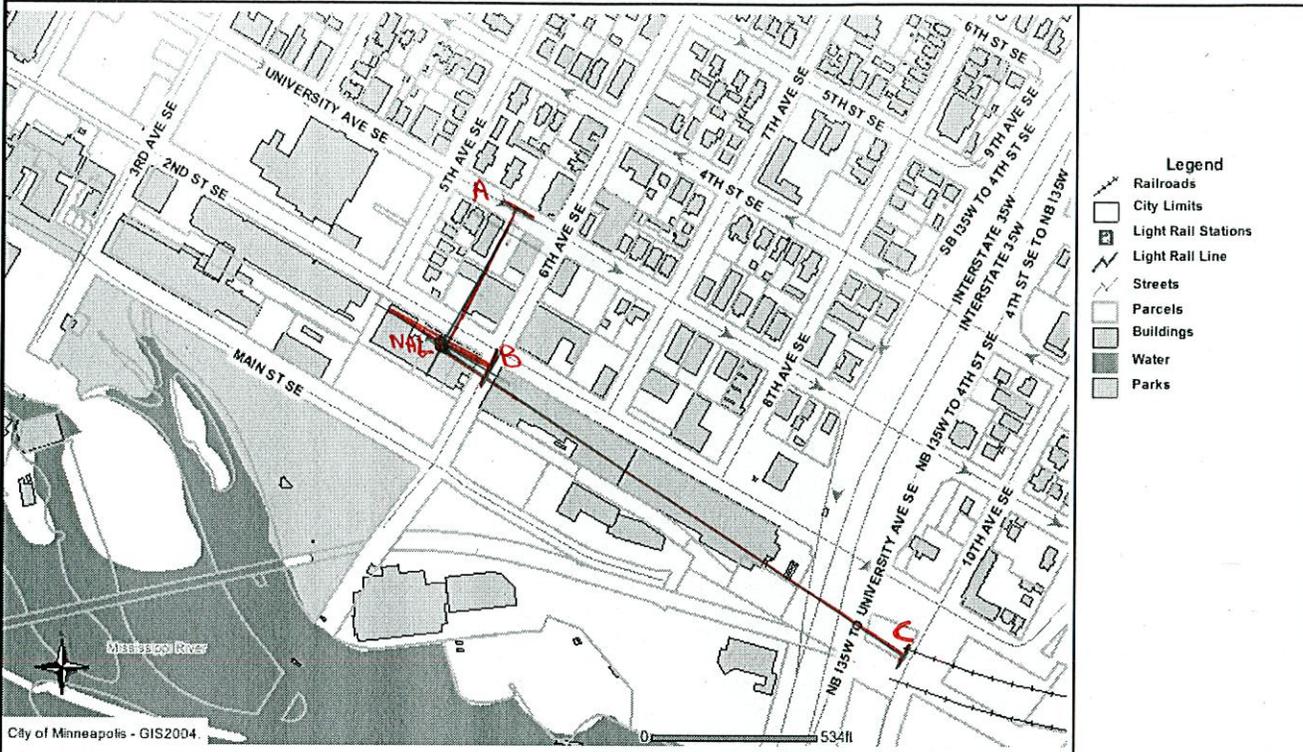
Done Internet 100%

518-520 2nd Street SE

ATTACHMENT 6

Noise Assessment

520 Second Street Apartments Noise Analysis



DISCLAIMER : This is a product of the City of Minneapolis GIS Business Services. The information depicted here has been developed by the City of Minneapolis with cooperation from other agencies. The City of Minneapolis expressly disclaims responsibility for damages or liability that may arise from the use of this map.

PROPRIETARY INFORMATION: Any resale of this information is prohibited, except in accordance with a licensing agreement.



GIS Business Services
331 2nd Ave. S. Ste. 220
Minneapolis, MN 55401
612-673-2040



A = 450'
B = 180'
C = 1,938'

Site DNL Calculator

For more information on using the noise calculator, to access the user guidebook, or send comments, please visit the following page:

[Day/Night Noise Level Electronic Assessment Tool](#)

Guidelines:

- To display the Road and/or Rail DNL calculator(s), click on the "Add Road Source" and/or "Add Rail Source" button(s) below.
- All Road and Rail input values must be positive non-decimal numbers.
- All Road and/or Rail DNL value(s) must be calculated separately before calculating the Site DNL.
- All checkboxes that apply must be checked for vehicles and trains in the tables' headers.
- **Note #1:** Tooltips, containing field specific information, have been added in this tool and may be accessed by hovering over all the respective data fields (site identification, roadway and railway assessment, DNL calculation results, roadway and railway input variables) with the mouse.
- **Note #2:** DNL Calculator assumes roadway data is always entered.

Site ID 520 Second St Ap

Record Date 11/19/12

User's Name Matt Bower

Road # 1 Name: University Ave SE

Road #1			
Vehicle Type	Cars <input checked="" type="checkbox"/>	Medium Trucks <input type="checkbox"/>	Heavy Trucks <input checked="" type="checkbox"/>
Effective Distance	450		450
Distance to Stop Sign			
Average Speed	30		30
Average Daily Trips (ADT)	17290		910
Night Fraction of ADT	15		15
Road Gradient (%)			0
Vehicle DNL	51.0329		58.603
Calculate Road #1 DNL	59.289	Reset	

Road # 2 Name: 2nd Ave SE

Road #2			
Vehicle Type	Cars <input checked="" type="checkbox"/>	Medium Trucks <input checked="" type="checkbox"/>	Heavy Trucks <input type="checkbox"/>
Effective Distance	50	50	
Distance to Stop Sign	112	112	
Average Speed	30	30	
Average Daily Trips (ADT)	1710	90	
Night Fraction of ADT	15	15	
Road Gradient (%)			
Vehicle DNL	49.5799	58.7923	
Calculate Road #2 DNL	57.5498	Reset	

Road # 3 Name: 6th Ave SE

Road #3			
Vehicle Type	Cars <input checked="" type="checkbox"/>	Medium Trucks <input type="checkbox"/>	Heavy Trucks <input type="checkbox"/>
Effective Distance	180		
Distance to Stop Sign	112		
Average Speed	30		
Average Daily Trips (ADT)	2200		
Night Fraction of ADT	15		
Road Gradient (%)			
Vehicle DNL	42.3296		
Calculate Road #3 DNL	42.3296	Reset	

Railroad #1 Track Identifier: BNSF Yard Spur Line

Rail # 1	
Train Type	Electric <input type="checkbox"/> Diesel <input checked="" type="checkbox"/>
Effective Distance	1938

Providing Feedback & Corrections

After using the DNL Assessment Tool, following the directions in the User's Guide, users are encouraged to provide feedback on how the DNL Assessment Tool may be improved. Users are also encouraged to send comments or corrections for the improvement of the tool. Please send comments or other input to: ATEC@hud.gov

Related Information

- [Day/Night Noise Level Assessment Tool User Guide](#)
- [Day/Night Noise Level Assessment Tool Flowcharts](#)

System Requirements

- Internet Explorer 6.0 or above
- Adobe Reader
- Enabling JavaScript

Average Train Speed		45
Engines per Train		3
Railway cars per Train		110
Average Train Operations (ATO)		54
Night Fraction of ATO		38
Railway whistles or horns?	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>
Bolted Tracks?	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>
Train DNL		56.1947
Calculate Rail #1 DNL	56.1947	Reset

Airport Noise Level

Loud Impulse Sounds? Yes No

Combined DNL for all Road and Rail sources 56.1947

Combined DNL including Airport 56.1947

Site DNL with Loud Impulse Sound 56.1947

Mitigation Options

If your site DNL is in Excess of 65 decibels, your options are:

- **No Action Alternative**
Cancel the project at this location [DNL Calculator](#)
- **Other Reasonable Alternatives**
Choose an alternate site [DNL Calculator](#)
- **Mitigation**
 - **Contact your Field or Regional Environmental Officer - [Environmental Contacts](#)**
 - **Increase mitigation in the building walls** (only effective if no outdoor, noise sensitive areas).
 - **Reconfigure the site plan to increase the distance between the noise source and noise-sensitive uses** [DNL Calculator](#)
 - **Incorporate natural or man-made barriers.** See [The Noise Guidebook](#)
 - **Construct noise barrier.** See the [Barrier Performance Module](#)

Content current as of 13 August 2010

 [Back to top](#)

ATTACHMENT 7

Environmental Site Assessment – Response Action Plan



RESPONSE ACTION PLAN

520 2nd Street SE
Minneapolis, Minnesota

Prepared for:

Second Street Holdings, LLC
c/o Wall Companies

July 6, 2012

RESPONSE ACTION PLAN
520 2ND STREET SE
MINNEAPOLIS, MINNESOTA
(Peer #21106.01)

Prepared for:

Second Street Holdings, LLC
c/o Wall Companies
811 LaSalle Avenue, Suite 102
Minneapolis, Minnesota 55402

Prepared by:

Peer Engineering, Inc.
7615 Golden Triangle Drive, Suite N
Eden Prairie, Minnesota 55344
(952) 831-3341

July 6, 2012

TABLE OF CONTENTS

1.0 INTRODUCTION	1
2.0 BACKGROUND	1
2.1 SITE LOCATION AND HISTORY	1
2.2 PROPOSED DEVELOPMENT	2
2.3 PREVIOUS ENVIRONMENTAL REPORTS	2
3.0 RESPONSE ACTIONS	5
3.1 OVERVIEW	5
3.2 DEMOLITION/REMOVAL OF EXISTING SITE IMPROVEMENTS	5
3.3 CONTAMINATED SOIL EXCAVATION AND DISPOSAL	5
3.4 CONTAMINATED GROUNDWATER MANAGEMENT	6
3.5 ENVIRONMENTAL MONITORING, SAMPLING AND TESTING	6
3.6 SEGREGATION AND DISPOSAL OF CONTAMINATED SOIL	8
3.7 CONSTRUCTION CONTINGENCY PLAN	8
4.0 RAP IMPLEMENTATION REPORT	9
5.0 SITE RESPONSIBILITIES AND COORDINATION	10
5.1 RESPONSIBILITY OF INVOLVED PARTIES	10
5.2 PROJECT COORDINATION	10
6.0 TRAINING AND SITE SAFETY	11
7.0 PROJECT SCHEDULE	11

LIST OF FIGURES

Figure

- 1 Site Location Map
- 2 Site Diagram

LIST OF APPENDICES

Appendix

- A Development Plans
- B Previous Investigation Data
- C Methods and Procedures

1.0 INTRODUCTION

Peer Engineering, Inc. (Peer) was retained by Second Street Holdings, LLC (SSH) to prepare this Response Action Plan (RAP) for the property located at 520 2nd Street SE in Minneapolis, Minnesota (the "Site"). SSH plans to redevelop the Site for residential use. The proposed plan includes demolition of existing site improvements including a building on the eastern portion of the Site, and construction of a six-story apartment building that includes two levels of underground parking.

This RAP describes the monitoring/testing, segregation, management and disposal procedures for contaminated fill soil removed as part of construction-related excavation work. Provisions are also included for management/disposition of contaminated groundwater if generated by dewatering during installation of the planned pile foundation system for the new building. Additionally, this RAP provides a Construction Contingency Plan for addressing any unexpected environmental conditions.

2.0 BACKGROUND

2.1 SITE LOCATION AND HISTORY

The Site consists of two adjoining parcels located along the south side of 2nd Street SE between 5th Avenue SE and 6th Avenue SE in Minneapolis, Hennepin County, Minnesota (see **Figure 1**). The Site is currently owned by Second Street Holdings, LLC.

- ♦ 518 2nd Street SE (PIN# 23-029-24-41-0046) - A partial tax description is listed as Lot 4 and part of Lot 3, Block 51, St. Anthony Falls Addition. This parcel is currently undeveloped with vegetative coverage. As discussed in the review of the 2005 Phase I ESA Report in Section 1.4, this parcel was formerly part of a larger adjoining parcel. A one-story building formerly occupied the parcel. The building was demolished in August 2005. The building was part of the larger "The Soap Factory" complex which formerly occupied the larger adjoining parcel. Four 10,000-gallon ASTs that reportedly contained fat were formerly located just to the south of the former building.
- ♦ 520 2nd Street SE (PIN 23-029-24-41-0209) - A partial tax description is listed as Lot 2 and part of Lot 3, Block 51, St. Anthony Falls Addition. The eastern half of this parcel is currently occupied by a one-story commercial building with a basement (the 520 ½ 2nd Street SE building as discussed in the 2002 Phase I ESA Report and the 2005 Phase I ESA Report in Section 1.4). The building was reportedly constructed in 1910 and has been used for office and warehouse purposes. The building is currently vacant. Municipal sewer and water service are provided to the building. Natural gas fired forced-air furnaces and space heaters provided heat. The local utilities provided natural gas and electrical service to the building.

Land use activities adjoining the Property include:

NORTH	2 nd Street SE followed by a residential dwelling and an apartment building and then a coffee shop and a residential neighborhood.
EAST	W.D. Forbes Company (129 6 th Avenue SE) followed by 6 th Avenue SE and then Metal Matic (a metal fabricating business at 604 2 nd Street SE).
SOUTH	Inactive railroad tracks followed by a currently redevelopment parcel formerly occupied by a flour mill and railroad warehouses and then Main Street SE. The Minneapolis Riverfront parkland, University of Minnesota Southeast Heating Plant, and the Mississippi River are located south of Main Street SE.
WEST	A warehouse building (110 5 th Avenue SE) formerly occupied by the Soap Factory but now occupied by an art gallery known as “The Soap Factory” followed by 5 th Avenue SE and the warehouse and mill buildings.

2.2 PROPOSED DEVELOPMENT

SSH is planning to redevelop the Site for residential use. Current development plans are included in **Appendix A**. The proposed development includes construction of a six-story apartment building that contains two levels of underground parking. Site preparation work will include the demolition and removal of the existing building on the eastern portion of the Site (520 ½ 2nd Street SE), demolition and removal of the existing concrete slab (associated with a former building) located in the center portion of the Site (520 2nd Street SE), demolition and removal of the existing storage structure located on the western portion of the Site, and removal of existing site utilities. **Figure 2** outlines the existing structures targeted for demolition. Excavation will be conducted for construction of the two-level underground parking structure, the building foundation, and for installation of new underground utilities. Exterior improvements to the Site will include construction of paved walkways with grass/shrub landscaped cover areas around the building perimeter.

2.3 PREVIOUS ENVIRONMENTAL REPORTS

Peer completed a Phase I ESA of the Site in 2011, the results of which are presented in the following report:

- ♦ *Phase I Environmental Site Assessment, 520 Second Street Apartments, 518 and 520 2nd Street SE, Minneapolis, Minnesota, dated July 28, 2011 (the 2011 Phase I ESA).*

The Phase I ESA describes the site history as well as summarizes previous environmental work completed on the Site and adjoining Soap Factory site (MPCA #VP7650 and #VP7651). In general, the Site has had a long development history including industrial and warehouse uses. In addition, environmental investigation conducted in 2003 and 2004 at the Site identified shallow historic fill soil with low concentrations (generally below residential standards) of polynuclear aromatic hydrocarbons (PAHs), RCRA metals (barium, chromium, lead and mercury), and diesel range organics (DRO). The 2003-2004 boring locations are shown of **Figure 2**; copies of the analytical summary tables and boring logs are included in **Appendix B**.

The previous investigation results are presented in the following reports prepared by Peer:

- ♦ *Environmental Investigation Results, Proposed Condominium Building, 520 and 520 ½ Second Street, Minneapolis, Minnesota, dated January 20, 2004.*
- ♦ *Additional Environmental Investigation Results, Former Soap Factory, 110 5th Avenue, Minneapolis, Minnesota, dated May 21, 2004.*

A geotechnical investigation was conducted of the Site in February 2012, the results of which are presented in the following report:

- ♦ *Report of Geotechnical Exploration and Review, 520 - 520 ½ 2nd Street SE, Minneapolis, Minnesota, dated February 20, 2012, prepared by American Engineering Testing, Inc. (the 2012 Geotechnical Investigation).*

The 2012 Geotechnical Investigation evaluated subsurface conditions and evaluated possible foundation design options for the proposed redevelopment of the Site. The 2012 Geotechnical Investigation included completion of four soil borings, and as well as reviewed data from five soil borings previously completed in 2003. The 2012 and 2003 geotechnical borings all encountered fill soil to varying depths ranging from 5 to 15 feet below ground surface (bgs). Minor amounts of debris, including wood, brick and glass, were noted in several of the borings up to a depth of 7.5 feet. Limestone bedrock was encountered in the borings at depths of 24 to 31 feet bgs. The 2012 Geotechnical Investigation report recommended that the building be supported by a deep foundation system consisting of steel pipe piles bearing on the underlying limestone bedrock. The 2003 and 2012 geotechnical boring locations are shown of **Figure 2**; copies of the boring logs are included in **Appendix B**

A Phase II Environmental Site Assessment was conducted of the Site in June 2012, the results of which are presented in the following report:

- ♦ *Phase II Environmental Site Assessment, 520 2nd Street SE, Minneapolis, Minnesota, dated June 28, 2012, prepared Peer. (the 2012 Phase II ESA).*

A total of 5 soil borings were advanced at the Site in order to characterize subsurface environmental conditions and provide data for quantifying potential cleanup costs related to the proposed redevelopment. Two of the soil borings were converted into temporary monitoring wells and one soil boring was converted into a temporary soil gas point. Representative soil, groundwater, and soil gas samples collected at the Site. The 2012 Phase II investigation locations are shown of **Figure 2**; copies of the analytical summary tables and boring logs are included in **Appendix B**. The 2012 Phase II ESA report presented the following conclusions:

- ♦ The soil borings encountered fill soil consisting of mostly silty sand, clayey sand and sandy clay from the ground surface to depths ranging from 9.5 to 17 feet bgs. Groundwater was encountered at depths of 25.7 and 30.9 feet bgs.

- ♦ The fill soil contained varying amounts intermixed debris (concrete, wood, brick, ash, cinders, and clinkers) to depths up to 9.5 feet bgs. Current construction plans which include two levels of underground parking beneath the new apartment building necessitate removal of the majority of this fill soil.
- ♦ Analytical testing of fill soil samples identified volatile organic compounds (VOCs), PAHs, and RCRA metals at concentrations generally below established Residential SRVs, with the exception of the BaP Equivalent in sample EB-3 (0.5-2') and total arsenic in samples EB-2 (4.5-6.5'), EB-3 (0.5-2'), EB-5 (0.5-2') and EB-5 (9.5-11.5') which exceeded the Residential Soil Reference Values (SRVs) for these compounds. DRO was also detected in the fill soil samples at concentrations of approximately 13 to 110 mg/kg; there is currently no established SRV for DRO. *It is noted that the DRO identified in the soil samples is believed to be related to the PAHs detections, and not a specific petroleum release.*
- ♦ Tetrachloroethene (also referred as perchloroethylene or PCE) and trichloroethene (TCE) were detected in the groundwater samples from EB-1 and EB-2, at concentrations below the Health Risk Limits (HRLs). These VOCs were not detected in any of the fill soil samples analyzed, and are likely related to an off-site source (e.g. the Superior Plating Site). DRO was also detected in the EB-1 groundwater sample; there is currently no HRL established for DRO.
- ♦ Various petroleum and non-petroleum VOCs were detected in the soil gas sample; however the concentrations detected were less than Residential Intrusion Screening Values (ISVs). *Based on the soil gas testing results, vapor controls for the new building do not appear warranted.*

In addition to the above referenced reports, Peer completed two Hazardous Materials (HazMat) Surveys at the Site in 2005. The 518 2nd Street structure has since been demolished and only the concrete slab of the former building remains. The HazMat Surveys identified and quantified asbestos-containing materials (ACM) and other regulated hazardous materials present in the structures. The HazMat survey results are presented in the following reports:

- ♦ *Hazardous Materials Inventory, 518 & 520 2nd Street SE, Minneapolis, Minnesota, dated June 23, 2005, prepared by Peer.*
- ♦ *Hazardous Materials Inventory, 520 1/2 2nd Street SE, Minneapolis, Minnesota, dated June 24, 2005, prepared by Peer.*

3.0 RESPONSE ACTIONS

3.1 OVERVIEW

The following categories of environmental response actions will be to be completed at the Site to facilitate redevelopment:

1. Demolition and removal of existing site improvements and underground utilities.
2. Management of contaminated fill soil removed for construction-related excavation activities.
3. Management of contaminated groundwater if generated by dewatering during installation of the pile foundation system for the new building.
4. Environmental monitoring during all significant redevelopment related excavation activities that have the potential to encounter contaminated fill soil.
5. Implementation of a Construction Contingency Plan (if required) during redevelopment to address unexpected environmental conditions.

The following sections provide additional information pertaining to the proposed response actions. Field methods and procedures are described in **Appendix C**.

3.2 DEMOLITION/REMOVAL OF EXISTING SITE IMPROVEMENTS

The following existing site improvements (see **Figure 2**) will be demolished and/or removed as part of redevelopment:

- ♦ The one-story building with basement located on the eastern portion of the Site (520 ½ 2nd Street SE).
- ♦ Concrete slab located in the center portion of the Site (518 2nd Street SE).
- ♦ One-story storage structure located on the western portion of the property.
- ♦ Existing underground utilities.

Prior to demolition, ACM and hazardous materials (i.e. materials that have special disposal requirements) present in the existing structures will be removed and properly disposed or recycled. In addition, any lead-based paint (if present) that is in poor condition will be stabilized.

3.3 CONTAMINATED SOIL EXCAVATION AND DISPOSAL

Current construction plans include two levels of underground parking beneath the new apartment building and necessitate removal of the majority of fill soil at the Site. Based on the investigation results to date, much of this fill soil contains low concentrations (i.e. below Residential SRVs) of VOCs, PAHs, metals, and DRO (which is presumably

related to the PAHs). However, the fill soil was identified to have more elevated concentrations of PAHs (i.e. BaP Equivalent) and total arsenic at some locations. Specifically, the BaP Equivalent in sample EB-3 (0.5-2') and total arsenic in samples EB-2 (4.5-6.5'), EB-3 (0.5-2'), EB-5 (02.-2'), and EB-5 (9.5-11.5') exceeded the Residential SRVs. In addition, the fill soil contained varying amounts intermixed debris (concrete, wood, brick, ash, cinders, and clinkers) to depths up to 9.5 feet bgs.

Based on the available data and for purposes of this RAP, it is assumed approximately 2,500 cubic yards (CY) of fill soil will be excavated which requires off-site disposition. Of this volume, approximately 900 CY (or 1,300 tons) will require disposal at a permitted facility as industrial waste. The remaining 1,600 CY of fill soil should meet the MPCA's unregulated fill criteria, and will be targeted for reuse at a local commercial or industrial property as unregulated fill material in accordance with the document: *Best Management Practices for Off-Site Reuse of Unregulated Fill* dated February 2012.

Redevelopment excavations will be backfilled as required with varying types of imported fill (e.g. granular soil, topsoil, and general fill soil) depending on the intended use and geotechnical considerations. Imported fill sources will be documented, and if warranted, representative samples of the fill will be collected prior to import and submitted for analytical testing for any potential contaminants of concern as indicated in **Section 3.5**.

3.4 CONTAMINATED GROUNDWATER MANAGEMENT

Based on the Phase II ESA results, it is anticipated that groundwater contaminated with low levels of VOCs (i.e. PCE and TCE) and DRO may be generated by dewatering during installation of the deep foundation system. Prior to the start of foundation system installation activities, a Special Discharge Permit will be obtain from the Metropolitan Council Environmental Services (MCES) to allow for the future discharge of the contaminated groundwater if required. During installation of the foundation system, any groundwater generated will be collected and temporarily stored on-site in a holding tank. Following completion of the foundation system installation, the groundwater will be discharged on-site to the sanitary sewer system per the requirements of the MCES permit. Sampling and monitoring will be conducted as required by the MCES permit.

3.5 ENVIRONMENTAL MONITORING, SAMPLING AND TESTING

Environmental Monitoring

Environmental monitoring will be conducted during significant redevelopment related soil excavation activities to assist in identifying and segregating contaminated and potentially contaminated soil that requires off-site disposition (see **Section 3.6**). Contaminated soil will be segregated from adjacent clean materials (e.g., clean native soil) using a combination of visual and/or olfactory observations, organic vapor

screening results, and/or existing analytical testing results. During monitoring, the excavated soils will be observed continuously by the environmental professional for visual and olfactory evidence of significant contamination (e.g., debris, staining or discoloration, or chemical odors), and screened for organic vapors using a photoionization detector (PID) equipped with a 10.6 eV lamp. The PID will be calibrated to an isobutylene standard to read in parts per million (ppm) benzene. It is expected that at least one PID reading will be collected for each 20 cubic yards of material excavated. Existing soil analytical data will also be utilized to guide excavation activities.

Sampling and Analytical Testing

Sampling and analytical testing will be performed as necessary during RAP implementation. The primary types of sampling and analytical testing include:

1. Characterization sampling/testing (if required) soil targeted for disposal at a permitted facility.
2. Verification sampling/testing of imported fill materials if warranted (see **Section 3.3**).

Laboratory analysis data for soil from 2012 Phase II ESA and previous investigations will be used to obtain disposal facility approvals for the project. If required by the selected disposal facility, additional sampling and analytical testing will be completed as required.

If warranted based on information regarding fill sources (see **Section 3.3**), the imported fill material used to backfill redevelopment excavations will be sampled and tested to ensure the materials are clean and suitable for use at the Site. Available information regarding the fill source will be evaluated to determine appropriate sampling requirements and analytical testing parameters. Unregulated fill material imported to the Site will be free of debris, asbestos-containing materials, visual staining, and chemical odor, exhibit no organic vapors above background as measured by PID, contain concentrations less than 10 mg/kg GRO/DRO, and contain concentrations less than the MPCA's Tier I SRVs and Soil Leaching Values (SLVs). Depending on the specific fill source, analytical testing may be conducted for potential contaminants of concern such as VOCs, PAHs and RCRA metals.

Documentation sampling/testing will be conducted as warranted from the significant excavations where contaminated fill soil with contaminant concentrations exceeding Residential SRVs was removed to confirm concentrations of residual contamination remaining in place. The soil samples will be collected from the base (and sidewalls if warranted) of the excavation areas in accordance with MPCA Risk Based Guidance Documents. The samples will be analyzed for specific parameters of concern based on the 2012 Phase II ESA investigation data (i.e. VOCs, PAHs and RCRA metals). Additional parameters may be added if warranted based on field conditions and consultation with the MPCA.

3.6 SEGREGATION AND DISPOSAL OF CONTAMINATED SOIL

Fill soil segregated by environmental monitoring will be loaded onto trucks and transported either to a permitted local facility for disposal as industrial waste or to a nearby commercial/industrial property for reuse as unrestricted fill (see Section 3.3). Any temporary stockpiles used to stage contaminated materials (i.e. soil with exceedances of Residential SRVs) during RAP implementation will be placed on and covered with 10-mil reinforced plastic sheeting and secured with clean soil or other suitable materials (e.g. tires or wood pallets). All contaminated material truckloads removed from the Site to a permitted disposal facility will be accompanied by a disposal manifest. In addition, fill soil removed from the Site for off-site reuse as unregulated fill will be tracked by the truck load using shipping manifests. The MPCA will be notified of the specific disposal facilities and unregulated fill reuse site used for the project once they have been determined.

If large pieces of concrete or other debris are encountered during excavation, the materials will be segregated and targeted disposal at a demolition waste landfill or recycling facility. Prior to disposal as demolition waste or recycling, the surfaces of the respective materials will be scraped of any large pieces adhered soil.

When practical, zones or layers of clean material encountered during the fill soil excavation process will be segregated and targeted for on-site beneficial reuse. To be considered for on-site reuse, the soil must be geotechnically suitable for its intended use, have no elevated PID readings, and be free of indications of potential contamination including staining, odors or debris.

3.7 CONSTRUCTION CONTINGENCY PLAN

The Construction Contingency Plan outlined in this section will be implemented during development to address unexpected environmental conditions. When the environmental professional is not present on-Site, it will be the responsibility of the owner and contractor to ensure that appropriate response actions are carried out in accordance with this section. Specifically, if any unexpected condition is encountered (e.g. unanticipated contamination, an underground storage tank, etc.), excavation activities will cease until the situation has been properly assessed and a plan of action is developed. Potential contingency events could include encountering previously unknown tanks, drums, wells, oily substances, and/or suspect ACM. The following steps will be taken if a contingency event occurs:

1. The situation will be assessed by the environmental professional to determine the nature of the issue and the potential risks involved. The MPCA staff assigned to the project will be notified of the potential issue, as appropriate.
2. Samples of the suspect contaminated materials will be collected for laboratory analysis as appropriate. The analytical parameters will be selected based on the

nature of the suspected contamination and input by the MPCA. Further actions will depend on the test results and discussions with MPCA staff.

3. If suspect ACM are identified, samples of the suspect materials will be collected by a licensed asbestos inspector and tested for asbestos. The need for further actions (e.g., Emissions Control Plan) related to asbestos will be dependent upon the test results.
4. All findings will be incorporated into the RAP Implementation Report prepared for the Site.

Contact information related to RAP implementation and construction contingencies is provided in **Section 5.0**.

4.0 RAP IMPLEMENTATION REPORT

Following completion of response actions for the redevelopment, a RAP Implementation Report will be prepared and submitted to the MPCA Petroleum Brownfields Program (and VIC Program if unanticipated non-petroleum contamination is encountered).

The RAP Implementation Report will include the following at a minimum:

- ◆ Overview of the environmental response actions performed.
- ◆ Documentation regarding the pre-demolition abatement activities.
- ◆ Locations and volumes of fill soil excavated and disposed as industrial waste or reused off-site as unregulated fill.
- ◆ Environmental monitoring procedures and results.
- ◆ Documentation for final disposition of contaminated soil (including manifests).
- ◆ Documentation regarding contaminated groundwater generated and discharged to the sanitary sewer system.
- ◆ Documentation of imported fill sources and associated analytical testing results.
- ◆ Documentation/confirmation soil sampling results.
- ◆ Descriptions and documentation related to any contingency actions completed during construction.
- ◆ Photographic documentation.

5.0 SITE RESPONSIBILITIES AND COORDINATION

5.1 RESPONSIBILITY OF INVOLVED PARTIES

Specific responsibilities of the parties involved in the redevelopment of the Site include:

Second Street Holdings, LLC (Second Street)

SSH is owner and master developer of the Site. The SSH contact is:

Contact: Mr. Aaron Diederich, Project Manager
Address: Second Street Holdings, LLC, c/o Wall Companies
1701 Madison Street NE, Suite 111
Minneapolis, MN 55413
Phone: (612) 436-3200 ext. 203

Peer Engineering, Inc.

Peer is the environmental consultant for SSH and will be responsible for environmental monitoring and sampling, contaminated media characterization for disposal, documentation and reporting of all environmental activities in connection with the impacted soil. Peer's contact is:

Contact: Mr. Stephen T. Jansen, President
Address: Peer Engineering, Inc.
7615 Golden Triangle Drive, Suite N
Eden Prairie, MN 55344
Phone: (952) 831-3341

Minnesota Pollution Control Agency

The MPCA Voluntary Investigation & Cleanup (VIC) Program will have authority over all environmental response actions, because the identified contamination at the Site is non-petroleum related. The MPCA VIC Program contacts have not yet been assigned to the project.

5.2 PROJECT COORDINATION

SSH and Peer will coordinate with the general contractor regarding the construction schedule. Peer will conduct environmental monitoring and sampling on behalf of SSH to help ensure that any contaminated materials encountered as part of redevelopment activities are properly identified and managed. Peer will communicate with SSH, the MPCA and other interested parties as necessary regarding the environmental monitoring results and any necessary environmental actions.

6.0 TRAINING AND SITE SAFETY

Environmental professionals involved in monitoring and sampling activities will be required to meet the training requirements of 29 CFR 1920.120. Specifically each person will have completed an OSHA certified 40-Hour Hazardous Waste Operations and Emergency Response (HAZWOPER) safety course. In addition, they will have experience in directing contaminated material excavation and be competent in proper screening and sampling procedures. Peer will prepare a Site Safety and Health Plan (SSHP) that addresses monitoring and sampling activities completed by its personnel.

Personnel involved with general construction activities will not be required to have special training or certificates. However, all contractor personnel and individuals who are involved with the handling and moving of potentially contaminated or known contaminated soil are required by OSHA to meet the training requirements of 29 CFR 1910.120, including the 40-hour HAZWOPER training and a current 8-hour refresher course. Personnel assisting with asbestos and lead-based paint abatement will have appropriate asbestos and lead credentials.

7.0 PROJECT SCHEDULE

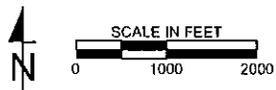
It is currently anticipated that RAP implementation will commence with the start of development construction in fall of 2012. It is expected that the majority of the environmental response actions related to contaminated fill soil excavation and disposal will be completed before the end of 2012. A construction schedule will be provided to the MPCA when available. The following general schedule for environmental activities is anticipated:

- ◆ Materials sampled for analytical testing will be transported to the laboratory within one day of collection.
- ◆ Laboratory analytical results for further characterization of removed materials will be available approximately ten working days after sample submittal. If warranted rush (48 hour) laboratory analysis will be conducted.
- ◆ Excavated contaminated/potentially contaminated materials will be stockpiled at a designated on-site location the same day they are excavated or as soon as feasible.
- ◆ If possible, preapproval to dispose of contaminated materials at a designated treatment/disposal facility will be obtained prior to excavation. If preapproval is not obtained, excavated contaminated materials will be temporarily stored on-site until appropriate analytical results have been received, waste characterization has been completed, and the materials have been accepted for treatment/disposal at an offsite facility.
- ◆ Confirmation laboratory analytical results will be available within ten working days after the sample is submitted to the laboratory.
- ◆ The RAP Implementation Report will be submitted to the MPCA approximately six weeks following completion of response actions.

FIGURES



TAKEN FROM: ST. PAUL WEST, MN, 7.5
 MINUTE SERIES TOPOGRAPHIC MAP 1967
 (REVISED 1993) UNITED STATES
 GEOLOGICAL SURVEY



BORDERS\Figure 1.dwg



PROJECT #: 21106

SUBJECT PROPERTY LOCATION MAP

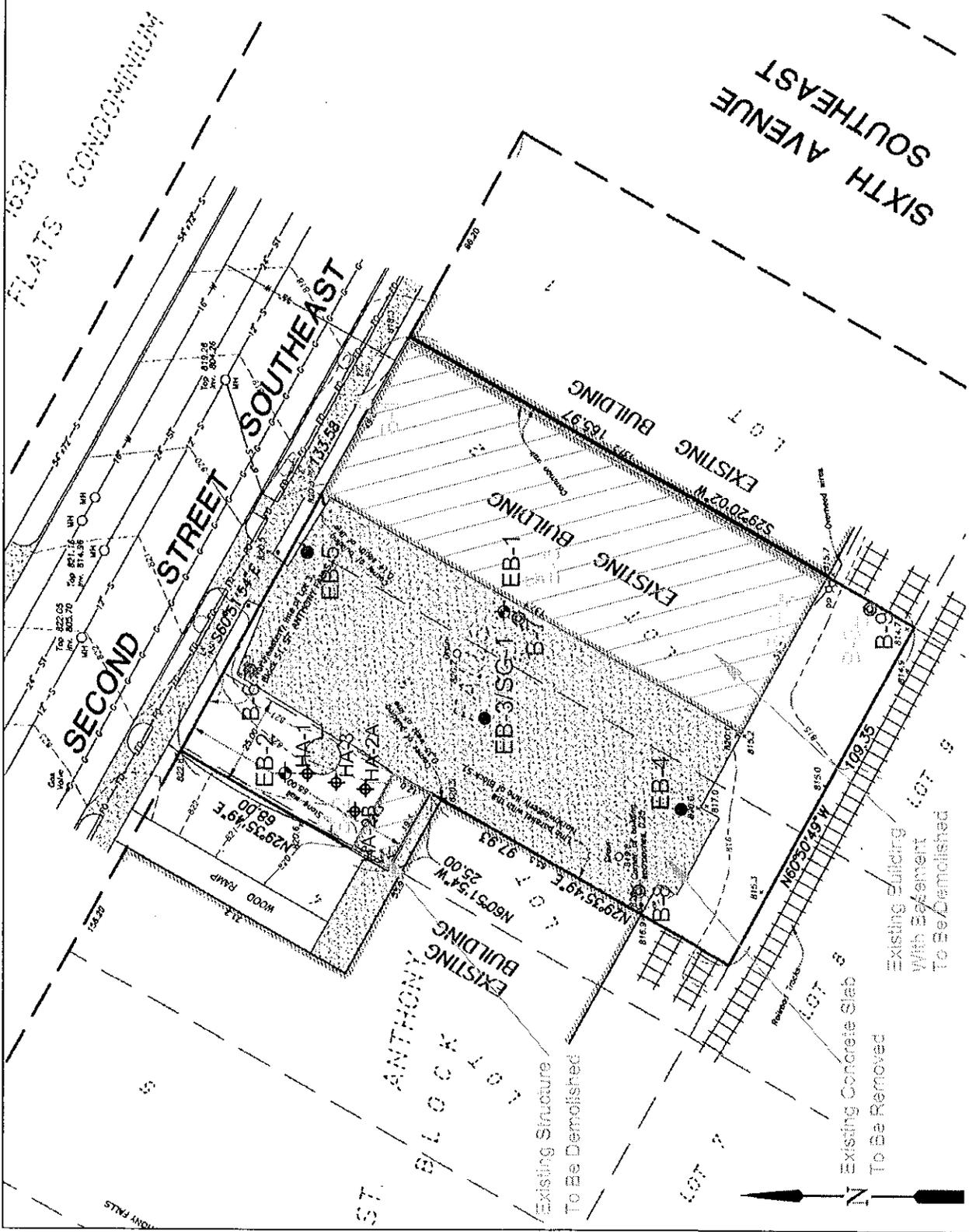
JULY 2011

520 SECOND STREET APARTMENTS
 518 AND 520 2ND STREET SE
 MINNEAPOLIS, MINNESOTA

FIGURE
 1

LEGEND

- SOIL BORING LOCATION
- ⊕ SOIL BORING/TEMPORARY WELL
- SOIL BORING/SOIL GAS POINT
- ⊙ GEOTECHNICAL BORING (2/2012)
- ⊕ HAND AUGER BORING (PEER 4/04)
- ⊙ SOIL BORING/HAND AUGER BORING (PEER 12/03)



SITE DIAGRAM
520 2ND STREET SE
MINNEAPOLIS, MINNESOTA

JULY 2012
FIGURE 2



21106 Site Diagram_Figure 2_RAP.dwg PROJECT #: 21106.01



Minnesota Pollution Control Agency

520 Lafayette Road North | St. Paul, Minnesota 55155-4194 | 651-296-6300

800-657-3864 | 651-282-5332 TTY | www.pca.state.mn.us | Equal Opportunity Employer

August 10, 2012

Mr. Aaron Diederich
Second Street Holdings, LLC
1701 Madison Street NE, Suite 111
Minneapolis, MN 55413

RE: 520 2nd Street SE Site, 518 and 520 2nd Street SE, Minneapolis MN
MPCA Project Number VP28610
PIN 2302924410046 and 2302924410209
Approval of Construction Soil Management RAP and Construction Contingency Plan

Dear Mr. Diederich:

The Minnesota Pollution Control Agency (MPCA) staff in the Voluntary Investigation and Cleanup (VIC) Program has reviewed the "Response Action Plan" (RAP) prepared by Peer Engineering (Peer), dated July 6, 2012 for the site, located at the address referenced above (the Site). The approximately 0.45-acre Site is comprised of two commercial parcels which are being redeveloped into a high density residential housing structure, with two levels of underground parking.

The 518 parcel was previously part of an adjacent industrial operation referred to as "The Soap Factory," and supported a single-story building until demolition in 2005. The 520 parcel is occupied by a building with basement which was constructed in 1910 and reportedly used as an office and warehouse. A second building on the 520 parcel was a slab on-grade building built in 1946, used for machine storage and removed in 2005.

Environmental investigations completed at the Site in 2012 have documented fill material to depths of 15 feet below grade across the Site, including observations of concrete, wood, brick, ash, cinders, clinkers and glass debris to depths of 10 feet below grade. Five soil borings were completed during a limited assessment of soil, groundwater and soil gas conditions. The soils were field screened and there were no petroleum, unusual odors, of suspect asbestos containing materials noted. Six fill soil samples were collected and analyzed for volatile organic compounds (VOCs), Resource Conservation and Recovery Act (RCRA) metals, polynuclear aromatic hydrocarbon (PAH) compounds, and diesel range organic (DRO) compounds. Two groundwater grab samples were collected from a depth of approximately 26 feet below grade and analyzed for VOCs. A single soil gas sample was collected from a depth of 12 feet below grade and analyzed for VOCs. The fill soil analytical results included detections of PAHs and related DRO in five of the six samples, and metals above normal background concentrations in four of the six samples. The concentration of benzo(a)pyrene equivalents slightly exceeded the MPCA's Residential Soil Reference Value (SRV) in one soil sample. Each of the two groundwater grab samples had single detections of trichloroethene (TCE) and tetrachloroethene (PCE); the concentrations were below the Health Risk Limits established by the Minnesota Department of Health. DRO was also detected in one of the groundwater samples at 480 micrograms per liter. The single soil gas sample had detections of VOCs; however, all concentrations were below the 10x residential Intrusion Screening Value established by the MPCA. If desired, assurances for petroleum compounds detected at the Site may be obtained from the MPCA's Petroleum Brownfields Program.

Mr. Aaron Diederich
Page 2
August 10, 2012

The RAP proposes to raze the Site and manage fill soils such that contaminants, including those soils identified as exceeding the residential SRVs or an estimated volume of 900 cubic yards, are sent for off-site permitted disposal. Prior to demolition, asbestos and any other identified hazardous building materials will be properly abated and recycled or disposed. An estimated 1,600 cubic yards of soil to be removed for construction purposes is estimated as meeting the MPCA's unregulated fill criteria, and may be reused off-site in accordance with the MPCA's *Best Management Practices for Off-Site Reuse of Unregulated Fill* (Guidance dated February 2012). Excavation and removal confirmation samples will be collected to demonstrate cleanup to residential SRVs. Redevelopment excavation backfill will follow MPCA guidance for clean fill including any required screening and laboratory confirmation sampling. Contaminated groundwater from excavation dewatering will be collected and stored on-Site, and subsequently discharged in the sanitary sewer in accordance with a Special Discharge Permit obtained with the Metropolitan Council Environmental Services (MCES). All RAP activities will be directed and monitored by PEER, as environmental consultant services assigned responsibility and coordination for RAP Implementation and any construction contingency plan activities as described in the RAP. The RAP anticipated schedule is for implementation beginning in late 2012 and that a RAP Implementation report to be submitted to the MPCA approximately six weeks following completion of response actions.

Based upon the information provided and the MPCA staff's review, the RAP is hereby approved as a Construction Soil Management RAP.

Please be advised that this letter is subject to the disclaimers found in Attachment A. If you have any questions about the contents of this letter, please contact me at 651-757-2627.

Sincerely,



Edward P. Olson, CEP
Project Manager
VIC and Emergency Response Section
Remediation Division

EPO:jmp

Attachment

cc: Tom Frame, City of Minneapolis
David Jaeger, Hennepin County

ATTACHMENT A
DISCLAIMERS
520 2nd STREET SE Site
MPCA Project Number VP28610

1. Reservation of Authorities

The MPCA Commissioner reserves the authority to take any appropriate actions with respect to any release, threatened release, or other conditions at the Site. The MPCA Commissioner also reserves the authority to take such actions if the voluntary party does not proceed in the manner described in this letter or if actions taken or omitted by the voluntary party with respect to the Site contribute to any release or threatened release, or create an imminent and substantial danger to public health and welfare.

2. No MPCA Assumption of Liability

The MPCA, its Commissioner and staff do not assume any liability for any release, threatened release or other conditions at the Site or for any actions taken or omitted by the voluntary party with regard to the release, threatened release, or other conditions at the Site, whether the actions taken or omitted are in accordance with this letter or otherwise.

3. Letter Based on Current Information

All statements, conclusions and representations in this letter are based upon information known to the MPCA Commissioner and staff at the time this letter was issued. The MPCA Commissioner and staff reserve the authority to modify or rescind any such statement, conclusion or representation and to take any appropriate action under his authority if the MPCA Commissioner or staff acquires information after issuance of this letter that provides a basis for such modification or action.

4. Disclaimer Regarding Use or Development of the Property

The MPCA, its Commissioner and staff do not warrant that the Site is suitable or appropriate for any particular use.

5. Disclaimer Regarding Investigative or Response Action at the Property

Nothing in this letter is intended to authorize any response action under Minn. Stat. § 115B.17, subd. 12.

ATTACHMENT 8

City Planning Commission approvals

Minneapolis City Planning Commission Actions

See agenda for this meeting.

Regular Meeting

May 24, 2010

4:30 p.m. - Room 317, City Hall, Minneapolis, Minnesota

Commissioners: President Motzenbecker, Bates, Bourn, Carter, Cohen, Gorecki, Huynh, Luepke-Pier, Schiff and Tucker – 10

Committee Clerk: Lisa Baldwin (612) 673-3710

Call to order

Approval of the Agenda

Committee of the Whole Consent Agenda – May 13, 2010

1. CLIC 2011 and Location and Design Reviews for new projects for 2011 (Staff: Merland Otto)

FIR11-Fire Station 11

PV066-MnDOT Cooperative Projects

PV067-Nawadaha and Minnehaha Ave.

PV068-LaSalle Ave

PV069-Penn Ave South

TR021-Traffic Signals

TR022-Traffic and Safety Improvements

Recommended Action: Approve the staff report – the item is consistent with The Minneapolis Plan.

The City Planning Commission **approved** the staff recommendation for the above consent item and noted that they do not need further review except for FIR11-Fire Station 11 which needs more detail.

Public Hearings

Introduction to the Public Hearing

Public Hearing

1. (BZZ-4719, Ward: 3), 518-520 2nd St SE (Jim Voll). This item was continued from the April 26, 2010 meeting.

Staff Report

A. Conditional Use Permit: Application by BKV Group, Inc. has applied for a conditional use permit for 91 dwelling units for property located at 518-520 2nd St SE.

Action: The City Planning Commission adopted the findings and **approved** the conditional use permit application for 91 dwelling units for property located at 518-520 2nd Street SE subject to the following conditions:

1. The conditional use permit shall be recorded with Hennepin County as required by Minn. Stat. 462.3595, subd. 4 before building permits may be issued or before the use or activity requiring a conditional use permit may commence. Unless extended by the zoning administrator, the conditional use permit shall expire if it is not recorded within one year of approval.
2. The applicant shall record the instrument or document approved by staff guaranteeing that at least 18 units meet the definition of affordable housing in the zoning code for at least 15 years, before permits may be issued.

B. Conditional Use Permit: Application by BKV Group, Inc. has applied for a conditional use permit to increase the maximum allowable height from 4 stories to 7 stories for property located at 518-520 2nd St SE.

Action: The City Planning Commission adopted the findings and **approved** the conditional use permit application to increase the height from 4 stories, or 56 feet to 7 stories or 76 feet for property located at 518-520 2nd Street SE subject to the following condition:

1. The conditional use permit shall be recorded with Hennepin County as required by Minn. Stat. 462.3595, subd. 4 before building permits may be issued or before the use or activity requiring a conditional use permit may commence. Unless extended by the zoning administrator, the conditional use permit shall expire if it is not recorded within one year of approval.

C. Variance: Application by BKV Group, Inc. has applied for a variance to reduce the minimum lot area per dwelling for property located at 518-520 2nd St SE.

Action: The City Planning Commission adopted the findings and **approved** the variance application to decrease the minimum lot area from 295 square feet to 217 square feet per dwelling unit for property located at 518-520 2nd Street SE.

D. Variance: Application by BKV Group, Inc. has applied for a variance to allow patios to encroach into the east and west interior side yards for property located at 518-520 2nd St SE.

Action: The City Planning Commission adopted the findings and **approved** the variance application to reduce the interior east and west side yard setbacks to allow patio encroachments on the roof of the parking structure for property located at 518-520 2nd Street SE.

E. Site Plan Review: Application by BKV Group, Inc. has applied for a site plan review for property located at 518-520 2nd St SE.

Action: The City Planning Commission adopted the findings and **approved** the site plan review application for a mixed use 91 unit residential building located at 518-520 2nd Street SE; subject to the following conditions:

1. CPED Planning staff review and approval of the final elevations and site and landscaping plans before permits may be issued.
2. All site improvements shall be completed by May 24, 2011, unless extended by the Zoning Administrator, or the permit may be revoked for noncompliance.
3. Compliance with the HPC conditions of approval (as approved by the City Council on appeal).
4. Compliance with the applicable standards of the MR Mississippi River Overlay District.
5. The gates and/or fencing between the subject building and adjacent buildings shall be decorative metal gates and/or fencing.
6. The landscaping plan be amended to eliminate the trees at the rear of the building to preserve the view corridor along the rail corridor.

2. (BZZ-4748, Ward: 5), 217-229 West Broadway (Kimberly Holien).