



Request for City Council Committee Action from the Department of Community Planning and Economic Development

Date: July 24, 2012

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Utility Easement Approval – 2304 Snelling Avenue
City-Owned Parcel within Seward Commons

Recommendation:

1. Authorize staff to enter into a Utility Easement Agreement with PPL and Seward Commons, LLC (or affiliated entities) for purposes of providing utility access to the City-owned site within Seward Commons, consistent with the terms outlined in the report.

Previous Directives: CPED acquired 2304 Snelling Ave on June 2, 2009 with a combination of City Transit-Oriented Development (TOD) funds and Met Council Land Acquisition for Affordable New Development (LAAND) funds. Council authorization for this action was granted on May 8, 2009. On October 2, 2009 the City Council authorized the sale of a portion of the site to PPL for purposes of the Touchstone project. On May 13, 2011, the City Council authorized the sale of the balance of the site to CRS Housing, LLC for purposes of the Snelling Apartments project.

Department Information

Prepared by: Amy Geisler, CPED Senior Project Coordinator, 673-5266
Approved by: Charles T. Lutz, Deputy Director CPED _____
Thomas A. Streitz, Director of Housing Policy & Development _____
Presenters in Committee: Amy Geisler, CPED Senior Project Coordinator

Financial Impact

- Financial impact – not applicable.
- Action is within the Business Plan

Community Impact

- Neighborhood Notification – Seward Neighborhood Group (SNG) has reviewed the Touchstone project numerous times and has indicated their support.
- City Goals: A Safe Place to Call Home; Livable Communities, Healthy Lives
- Sustainability Targets: Affordable Housing Units
- Comprehensive Plan: On March 26, 2009, the Planning Commission approved the sale of this parcel as being consistent with the Comprehensive Plan.
- Zoning Code: I2/IL/PO
- Other: On February 17, 2009, Planning Staff approved a land sale review of this parcel.

Supporting Information

On June 28, 2012 City staff closed on all City financing and land sale transactions associated with PPL's Touchstone project. Touchstone is the first phase project in the Seward Commons redevelopment of the Bystrom Brothers industrial site, near the Franklin Avenue LRT station. Touchstone will contain 40 affordable, supportive housing units, along with approximately 10,000 square feet of office space to be occupied by Touchstone staff.

The Touchstone site is located directly south of a City-owned parcel, which will be occupied by the Phase II redevelopment project (Snelling Apartments), which is expected to close and start construction Summer 2013. Prior to the Touchstone closing, it became clear that a utility easement was needed to provide access to electrical service from the Touchstone site to the City-owned site to the north. Authorization for this easement was not included in prior City Council actions, and therefore staff is now seeking Council approval to execute this easement agreement with PPL and Seward Commons (the master developer). All obligations to maintain the easement do not begin for the owner of the City parcel until the Phase II development is constructed, which will be after the City conveys the parcel to the Phase II developer (CRS Housing, LLC).

Staff recommends approval of the utility easement as described above.

Attachment: Proposed utility easement exhibit