



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

Date: April 16, 2013
To: Lisa Goodman, Chair, Community Development Committee
Referral to: Betsy Hodges, Chair, Ways and Means/Budget Committee
Subject: Applications for Environmental Grant Funding in the Spring 2013 Brownfield Grant Round and the 2013 Round of the Metropolitan Council's Transit Oriented Development [TOD-TBRA] Grant Round

Recommendation:

1. Authorize application to the Minnesota Department of Employment and Economic Development [DEED] Contamination Cleanup and Investigation Grant Program for environmental investigation and/or remediation funding for the following projects: 901 2nd Street N.; 2700 Hennepin Ave S.; Bridges, The; LifeSource; Praxis Marketplace; Shapco Printing Redevelopment; Thorp Building; and Velo Flats; and,
2. Authorize application to the Metropolitan Council's Tax Base Revitalization Account [TBRA] Grant Program for environmental investigation and/or remediation funding for the following projects: Praxis Marketplace; Shapco Printing Redevelopment; Thorp Building and Velo Flats; and
3. Authorize application to the Hennepin County Environmental Response Fund [ERF] for environmental investigation and/or remediation funding for the following projects: 6th Street NE Redevelopment f/k/a Totino's; LifeSource; Lonoke, The; Mississippi Watershed Management Organization [MWMO] – Second Phase; Plymouth Building; Praxis Marketplace; Shapco Printing Redevelopment; and Thorp Building; and
4. Authorize application to the Metropolitan Council's Transit Oriented Development [TOD-TBRA] Grant Program for environmental investigation and/or remediation work required for the following projects: Plymouth Building and Shapco Printing Redevelopment; and
5. Approve the attached resolutions authorizing appropriate City staff to submit the aforesaid applications to the Minnesota Department of Employment and Economic Development [DEED] Contamination Cleanup and Investigation Grant Program, the Metropolitan Council's Tax Base Revitalization Account [TBRA] Grant Program, the Hennepin County Environmental Response Fund [ERF], and the Metropolitan Council's Transit Oriented Development [TOD-TBRA] Grant Program.

Previous Directives:

6th Street NE Redevelopment f/k/a Totino's (519 Central Ave. NE, 514 1st Ave. NE): None.

901 2nd Street N.: None.

2700 Hennepin Ave.: None.

Bridges, The (918, 928 University Ave. SE; 211, 219 10th Ave. SE): None.

LifeSource (2225 & 2313 W. River Road; 70 22nd Ave. N.): None.

Lonoke, The (1926 3rd Ave. S.): On November 2, 2012, the City Council approved up to \$432, 523 from the Affordable Housing Trust Fund for this project. On December 7, 2012, the City Council preliminarily reserved Federal Low Income Housing Tax Credits totaling \$37,574 for the project.

Mississippi Watershed Management Organization [MWMO] – Second Phase (2522 Marshall St. NE): On April 29, 2011, the City Council authorized the submission of brownfield grant applications to DEED and Hennepin County in connection with the 1st phase of this project. On August 19, 2011, the City Council approved and accepted DEED and Hennepin County brownfield grants that were awarded to the project for the 1st phase.

Plymouth Building (12 S. 6th Street): None.

Praxis Marketplace (1256 Penn Ave. N.; 1235, 1237 & 1243 Oliver Ave. N.): On July 20, 2012, the City Council awarded exclusive development rights to Praxis Foods (through December 31, 2013).

Shapco Printing Redevelopment (524 5th Street N.): None.

Thorp Building (1512 & 1620 Central Ave. NE): None.

Velo Flats (103 North 2nd St.): None.

Prepared by: Kevin Carroll, Principal Project Coordinator, 612-673-5181
Approved by: Charles T. Lutz, Deputy Director, CPED _____
Catherine A. Polasky, Director of Economic Policy & Development _____
Presenter in Committee: Kevin Carroll, Principal Project Coordinator, 612-673-5168

Financial Impact

X Action is within the business plan.

X Other financial impact: There is no direct financial impact. However, some of the grant requests have been identified as requiring a commitment of local match funds, to be provided in most cases by the developer or other non-City funding sources. The City of Minneapolis is sponsoring these grant requests, acting in some cases as a pass-through and conduit for environmental investigations and cleanup. Sponsoring these grant applications does not commit (or imply a commitment of) City funds as the required match. Partial compensation for City staff time required to review and process grant applications, and to administer any pass-through grants that are awarded, will be obtained through application fees and grant administration fees that were approved by the City Council on April 16, 2010.

Community Impact

Neighborhood Notification:

6th Street NE Redevelopment f/k/a Totino's (519 Central Ave. NE, 514 1st Ave. NE): The Nicollet Island East Bank Neighborhood Association issued a letter of support dated January 30, 2013.

901 2nd Street N.: The developer has indicated that he discussed this project with the North Loop Neighborhood Association's Planning and Zoning Committee on March 20, 2013 and with the NLNA's Board on March 27, 2013. He has also indicated that the NLNA supported his two earlier/related projects, Soltva (701 2nd St. N.) and Solhavn (815 2nd St. N.).

2700 Hennepin Ave.: The East Isles Residents Association issued a letter dated February 14, 2013 that indicated that EIRA "had voted to support the project;" that letter also identified three concerns (maintaining an existing "no left turn" sign; a preference for no, or limited, drive-through lanes; and comments about lighting).

Bridges, The (918, 928 University Ave. SE; 211, 219 10th Ave. SE): The Marcy Holmes Neighborhood Association issued a letter of support dated February 20, 2013.

LifeSource (2225 & 2313 W. River Road; 70 22nd Ave. N.): The Hawthorne Neighborhood Council's Environmental Committee issued an email on March 4, 2013 that indicated its support for this project's remediation plans. This project is also on the agenda for the HNC's Executive Committee meeting on April 4, 2013.

Lonoke, The (1926 3rd Ave. S.): The Steven Square Community Organization issued a letter of support dated May 24, 2012.

Mississippi Watershed Management Organization [MWMO] – Second Phase (2522 Marshall St. NE): Letters of support for the 1st phase of this project were issued on August 10, 2010 by the Friends of the Mississippi and the Above the Falls Citizens Advisory Committee. The 2nd phase is current scheduled to be discussed with the Concerned Citizens of Marshall Terrace on April 18, 2013.

Plymouth Building (12 S. 6th Street): The Downtown Minneapolis Neighborhood Association issued a letter of support dated March 13, 2013.

Praxis Marketplace (1256 Penn Ave. N.; 1235, 1237 & 1243 Oliver Ave. N.): The Northside Residents Redevelopment Council issued a letter of support dated June 26, 2012.

Shapco Printing Redevelopment (524 5th Street N.): United Properties currently plans to make a presentation to the North Loop Neighborhood Association on April 17, 2013.

Thorp Building (1512 & 1620 Central Ave. NE): The owner/developer has indicated that "Logan Park [has] worked synergistically with the owner for the development of this site."

Velo Flats (103 North 2nd St.): The North Loop Neighborhood Association issued a letter of support dated April 3, 2012.

City Goals: Jobs and Economic Vitality; Livable Communities, Healthy Lives; Eco-Focused. Cleanup of contaminated land supports sustainability goals and some projects include "green" design and construction elements.

Sustainability Targets: Brownfield Sites

Comprehensive Plan: The proposed projects generally comply with the “land reclamation” and “providing a healthy environment” elements of The Minneapolis Plan for Sustainable Growth.

Zoning Code: The proposed projects either are in compliance or will comply.

Living Wage/Business Subsidy Agreement: Yes ___ No X
 Job Linkage: Yes ___ No X

Background/Supporting Information

The twelve projects and the twenty related grant applications that are being recommended for submission to DEED, the Metropolitan Council and Hennepin County in the spring 2013 brownfield grant round are as follows:

Projects RECOMMENDED For Submission To The Grantors In The Spring 2013 Brownfield Grant Round				
Project Name	GRANTORS			Total Grant Requests*
	DEED	Met Council TBRA	Hennepin County ERF	
6 th Street NE Redevelopment f/k/a Totino's			350,000	350,000
901 2 nd Street N.	30,000			30,000
2700 Hennepin Ave. S.	130,966			130,966
Bridges, The	450,000			450,000
LifeSource	425,665		410,540	836,205
Lonoke, The			64,000	64,000
Mississippi Watershed Management Organization [MWMO] – Second Phase			230,000	230,000
Plymouth Building			219,000	219,000
Praxis Marketplace	220,303	179,316	51,230	450,849
Shapco Printing Redevelopment	487,460	350,000	200,000	1,037,460
Thorp Building	50,000	12,400	12,400	74,800
Velo Flats	624,554	108,256		732,810
TOTALS:	2,418,948	649,972	1,537,170	4,606,090

*Amounts shown are based on applications submitted to the City by March 4, 2013. The final amounts shown on grant applications submitted to the grantors by their respective application deadlines may differ, due to project cost updates prepared after March 4, 2013.

The two projects and the related grant applications (for TBRA brownfield funding) that are being recommended for submission to the Metropolitan Council's 2013 round of its Transit Oriented Development [TOD] Program are as follows:

Projects RECOMMENDED For Submission To The Metropolitan Council's 2013 Round of Its Transit Oriented Development [TOD-TBRA] Grant Program		
Project Name	City Ranking	Grant Request*
Shapco Printing Redevelopment**	1	1,037,460
Plymouth Building	2	1,168,000
TOTAL:		2,205,460

*Amount shown for each project will be reduced by the amount of funding that is awarded to that project by DEED and/or Hennepin County in the spring brownfield grant round.

** Although it is currently anticipated that this project will seek all of its desired funding in the spring brownfield grant round, this staff report also requests the City Council's authorization to seeking funding for the project in the Metropolitan Council's TOD-TBRA round if it is decided between now and May 1 (the application deadline for the spring brownfield grant round) that the latter program is a better "fit" for this project.

Brownfield Grant Programs (Spring 2013 Round):

The Minnesota Contamination Cleanup and Investigation Grant Program was established in 1993 to clean up contaminated sites and convert contaminated properties into marketable assets. The Department of Employment and Economic Development [DEED] is the administering state agency. Applications for the spring grant round are due by May 1, 2013. A local match equal to twenty-five percent of the project costs is required, of which twelve percent must come from non-tax increment local funds (typically provided by the developer). The amount that is potentially available to fund brownfield investigation and cleanup grants in the spring 2013 round is \$4.25 million, which includes up to \$250,000 for investigation grants. The legislature has designated that at least 35% of available funds be spent on remediating sites in Greater Minnesota unless sufficient applications are not received.

Enacted by the legislature in 1995, the Metropolitan Livable Communities Act designated the Metropolitan Council as the administrator of the Tax Base Revitalization Account [TBRA] Program. This program makes grants to clean up contaminated land for subsequent redevelopment, job retention, and job growth in areas that have lost some of their commercial/industrial base. Applications for the spring round of this program are due by May 1, 2013. No local match is required. The amount that is potentially available to fund brownfield cleanup grants in the spring 2013 round is projected to be \$2.5 million, which includes up to \$125,000 for investigation grants. The TBRA program reserves at least one-quarter of the funding available in each grant cycle for projects outside of the two core cities of Minneapolis and St. Paul, and restricts any one municipality from receiving more than half of the funding in any given round.

Hennepin County has been collecting mortgage registry and deed taxes for deposit into an Environmental Response Fund (ERF) and has awarded grants from that fund since the fall of 2001. The ERF is used for the assessment and cleanup of

contaminated sites located within Hennepin County, with emphasis on affordable housing projects. Applications for the spring round of this program are due by May 1, 2013. Historically, Hennepin County has usually awarded a total amount in the \$1.0 - \$1.5 million range per grant round (for cleanup and investigation grants). Typically, about 50% of the available grant funds are awarded to projects within the City of Minneapolis, and the remainder is awarded to projects within suburban communities.

All three of the aforementioned grantors are expected to finalize awards for the spring brownfield round sometime between late June and mid-August of this year.

Metropolitan Council's Transit Oriented Development [TOD-TBRA] Program (2013 Round):

The Metropolitan Council periodically makes grant funding available to support new development projects through its Transit Oriented Development (TOD) program. Funded projects should connect development with transit, intensify land uses, connect housing and employment, provide a mix of housing affordability, and provide infrastructure to connect communities and attract investment. Funds are intended to be used for projects that demonstrate innovative and new ways to achieve and implement these objectives. Cities may submit applications for projects to be undertaken directly by the City, or may sponsor applications submitted by private developers.

In 2013, the Metropolitan Council will be providing up to \$8 million in TOD program funding for transit oriented development activities in identified "TOD areas." The TOD program has 2 separately funded sub-accounts: up to \$5 million in TOD-LCDA (development grants similar to "regular" LCDA), and up to \$3 million in TOD-TBRA (environmental grants similar to the "regular" Tax Base Revitalization Account grants that will be awarded in the aforementioned spring 2013 brownfield grant round). City staff recommendations regarding TOD-LCDA grants were reviewed at the April 2, 2013 meeting of the Council's Community Development Committee.

This report addresses the staff recommendations related to the TOD-TBRA program as well as recommendations for the spring brownfield round applications. CPED staff overseeing these programs have consulted extensively with each other on application review, strategy for programmatic 'best fits' and recommendations.

The TOD program will leverage the region's public investment in its transit infrastructure by focusing on proposals which are located in the following areas:

- within a DEED designated Transit Improvement Area (TIA) or an area eligible for TIA designation; or
- within a one-quarter mile radius along designated high frequency local bus lines; or
- within a one-half mile radius of a bus stop or station on designated high-frequency express routes.

The purpose of this funding is to assist participating communities in implementing transit oriented development that (a) encourages more transit ridership and (b)

demonstrates how increasing density around transit stations can reduce dependence on automobile ownership, vehicular traffic, and the associated parking requirements that would otherwise be necessary to support a similar level of more traditional development.

City Staff will submit applications to the Metropolitan Council, based upon the project ranking approved by the City Council. Pre-applications will be due to the Met Council in late April or early May, with final applications due in July. Met Council staff will recommend awards to the Council's Community Development Committee in October/November 2013. Awards are expected to be finalized by the full Council in November/December 2013.

City Solicitation/Review/Recommendation Process:

Based upon the grantors' two overlapping application processes for the regular spring 2013 brownfield grant round (which involves three grantors including the Met Council) and the Metropolitan Council's 2013 TOD-TBRA round, and the fact that projects may apply to the Met Council under only one program (not both) in any given calendar year, City staff implemented a single application process for projects interested in applying to any or all of the funding sources in question. A city may submit up to three TOD-TBRA applications per year, which must be ranked according to priority before submission to the Metropolitan Council; there is no limit on the number of applications that can be submitted to DEED, the Met Council or Hennepin County in the spring brownfield grant round.

For the spring 2013 brownfield grant round, details regarding the City's application process and related program requirements were provided to CPED project coordinators and potential applicants in early February. Relevant information was posted on the City's website and distributed via email to the 650+ parties on CPED's Development Notices Distribution List. Staff processing of the submitted applications included review by members of the affected geographic Sector teams and consideration of factors such as readiness to proceed with cleanup, removal of blighting influences, commitment of City funds, creation or retention of affordable housing, compliance with zoning requirements and comprehensive plan designations, and job creation.

In this round, staff continued the use of a more rigorous review process that was first implemented during the fall 2012 round. This new process required developers to submit a grant assessment worksheet that included a project fact sheet with information important to the City such as jobs created or displaced and the number of affordable housing units to be created or retained. The review also included other sections regarding readiness measures, policy alignment and developer experience.

Twenty-one applications were received on March 4, 2013, twenty of which are being recommended for submission to the three grantors in the "regular" spring brownfield grant round, and one of which (Plymouth Building) is being recommended for submission to the Metropolitan Council in the 2013 round of its Transit Oriented Development [TOD-TBRA] grant round. Although it is currently anticipated that the Shapco Printing Redevelopment project will seek all of its desired funding in the spring brownfield grant round, this staff report also requests the City Council's authorization to seeking funding for that project in the

Metropolitan Council's TOD-TBRA round if it is decided between now and May 1 (the application deadline for the spring brownfield grant round) that the latter program is a better "fit" for the Shapco project.

The two grant rounds referred to herein have different approaches to the issue of ranking. In the Met Council's TOD round, the City will be required to assign priority rankings to the LCDA and TBRA applications that it submits. However, with regard to the multi-grantor brownfield grant round, the City's interactions with the three grantors during past grant rounds have established that their internal processes for reviewing, scoring and ranking brownfield applications give no weight to any city's prioritization of the applications that it submits to the grantors. The analyses conducted by the three grantors' staff, and the decisions that they make in awarding brownfield grants, are based on statutory criteria and adopted guidelines that do not include the (relative) preferences of municipal applicants regarding the applications submitted. Accordingly, and in keeping with the practice that has been followed by the City in recent years, the recommendation of City staff is that the City Council not rank or prioritize the brownfield applications that it authorizes staff to submit to the three brownfield grantors on or by their joint May 1 application deadline.

Details of Recommended Brownfield Projects:

This section of the report presents projects, in alphabetical order, that City staff recommend for submission to the brownfield grantors. The summary descriptions were based upon information provided by the developers or by others familiar with the details of the projects in question.

6th Street NE Redevelopment, f/k/a Totino's (519 Central Ave. NE, 514 1st Avenue NE)
Projected Hennepin County ERF Request: \$350,000 [Direct application to Hennepin County]

Farrington Properties, Inc., an affiliate of Schafer Richardson, plans to demolish an existing vacant two story building on this 0.849 acre site and construct approximately 10,000 square feet of commercial (retail) space at grade with five levels of market rate apartments (approximately 130 units) above and two levels of underground parking. The projected total development cost is \$26,766,900. Grant funds are being sought for soil remediation and the abatement of asbestos and lead-based paint.

This site is zoned C2 with a PO overlay. It is classified as a mixed use development, which is a permitted/conditional use in the C2 district. The current proposal will require rezoning, conditional use permit, variance, and site plan review applications, and is currently scheduled to be considered by the Planning Commission on April 8, 2013. In general, the project design is supportable, but there may be changes recommended by staff during the public hearing review and approval process, including upzoning to support increased density. The development site is located in the East Hennepin Activity Center and on the Central Ave commercial corridor as identified in The Minneapolis Plan for Sustainable Growth. The future land use map in The Minneapolis Plan for Sustainable Growth designates the site as mixed use which supports the proposed project. The project would be an appropriate use in this area and would be in conformance with the comprehensive plan for land use.

901 2nd Street N.

Projected DEED Request: \$30,000

Investigation funding is being sought to determine the environmental condition of this 1.07 acre site, which is envisioned for approximately 137 new units of market-rate apartments. This developer, 815 Option LLC (Curt Gunsbury) is currently constructing a 137-unit apartment building (“Solhavn”) on the adjacent site. The projected total development cost is about \$26 million. This developer is currently seeking the City’s support for a \$370,500 application to the Met Council’s TOD-LCDA grant program for an “8th Avenue Pocket Park” project that would create a new pedestrian/bike passageway from this development site on 2nd Street North to Washington Avenue at 8th Avenue. Action on this proposed grant request is expected to be taken by the City Council on or around April 12, 2013.

The development site is located along 2nd St N in the North Loop neighborhood. The future land use map in The Minneapolis Plan for Sustainable Growth designates the area as Mixed Use; it is within one block of the Washington Avenue Commercial Corridor and it is in the Downtown Growth Center. Residential is an appropriate use in this area and therefore the project would be in conformance with the comprehensive plan for land use.

2700 Hennepin Ave.

Projected DEED Request: \$130,966

Nolan Property Group’s plans include an approximately 6,000 square foot newly constructed commercial building on this 0.46 acre property, which is the site of a former gas station (currently vacant due to a bank foreclosure). The projected total development cost is \$2,700,000, excluding land costs. Approximately 10 new full-time and 50 new part-time jobs are projected by the developer. Grant funds are being sought primarily for soil remediation. This property is located in a position of prominence along the Hennepin Avenue commercial corridor and is a priority for cleanup and reactivation. While City land use policy would emphasize higher density for redeveloping this site, constraints imposed by the seller due to contamination and the property size effectively limit the redevelopment potential to a one-story building.

This site is zoned C2 (Neighborhood Commercial Corridor) and SH (Shoreland Overlay). The proposed use is a single story, multi-tenant retail building which is a permitted in the C2 District. The current proposal sought a variance and site plan review. The variance was denied and the site plan review application was approved, with conditions, by the City Planning Commission on February 19, 2013. The development site is located on the corner of 27th Street West and Hennepin Avenue. Hennepin Avenue is a Commercial Corridor as identified in The Minneapolis Plan for Sustainable Growth. The future land use map in The Minneapolis Plan for Sustainable Growth designates the site as mixed use, which supports general retail sales and services. The proposed commercial use is in keeping with aspects of The Minneapolis Plan for Sustainable Growth that envision a mix of uses that enhance the street’s character.

Bridges, The (918, 928 University Ave. SE; 211, 219 10th Ave. SE)

Projected DEED Request: \$450,000

The developer, Doran, plans to construct a new 11-story, 211-unit market rate apartment building on this 1.30 acre site, which has been vacant since the last two buildings on the property were demolished in 2005. The projected total development cost is about \$40,000,000. Grant funds, if awarded, will be used primarily for soil remediation.

This site is currently zoned C2 with a UA overlay, and the developer is pursuing rezoning to OR3. It is classified as a residential/mixed use project, which is a permitted/conditional use in OR3. The current development proposal received Planning Commission approval on

March 4, 2013 and is currently awaiting final City Council approval of the required rezoning. The development site is on the University Ave SE community corridor. The site is located near the University of Minnesota growth center, as identified in The Minneapolis Plan for Sustainable Growth. The future land use map in The Minneapolis Plan for Sustainable Growth designates the site as commercial which supports commercial and residential uses, including multifamily residential. This project would be an appropriate use in this context and would be in conformance with the comprehensive plan for land use.

LifeSource (2225 & 2313 W. River Road; 70 22nd Ave. N.)

Projected DEED Request: \$425,665

Projected Hennepin County ERF Request: \$410,540

LifeSource, a regional organ and tissue donation organization, intends to construct a new 40,000 square foot corporate headquarters building (with one 2-story wing and one 1-story wing) on this 4.82 acre site and relocate its current staff (approximately 125 full-time jobs) and operations. The projected total development cost is \$10,854,000. Grant funds, if awarded, will be used for soil remediation and the abatement of hazardous materials in the existing building on the site (which will be demolished).

This site is zoned I1 Light Industrial District and is covered by the Industrial Living Overlay District, Mississippi River Critical Area Overlay District, and the Shoreland Overlay District. Based on the information provided, the use is classified as an office and research laboratory use, which is a permitted use in the I1 District. The current proposal will require site plan review. Additional applications may be identified at the time of the land use submittal. In general, the project design is supportable, but there may be changes recommended by staff during the public hearing review and approval process. The development site is located on the West River Road north of West Broadway. The future land use map in The Minneapolis Plan for Sustainable Growth designates the site as Urban Neighborhood. Further guidance is provided by the Above the Falls Plan, which supports residential or industrial uses. The proposed update to the Above the Falls Plan includes a staff recommendation that this be designated a mixed-use area. An office building and research laboratory use would be an appropriate use in this area and would be in conformance with the comprehensive plan for land use.

Lonoke, The (1926 3rd Ave. S.)

Projected Hennepin County ERF Request: \$64,000

Beacon Interfaith Housing Collaborative (f/k/a/ Portico Interfaith Housing Collaborative, f/k/a/ Plymouth Church Neighborhood Association) plans to rehabilitate an existing 19-unit apartment building on this 0.22 acre site in the Stevens Square neighborhood. The newly-renovated building will provide independent housing for formerly-homeless residents transitioning out of supportive housing, and thereby free up scarce resources for the homeless persons needing intensive services at the nearby Lydia Apartments. The total projected development cost is \$2,855,603. Grant funds are being sought for the abatement of asbestos and lead-based paint.

The development site is located at the intersection of Franklin Ave and 3rd Ave S. The future land use map in The Minneapolis Plan for Sustainable Growth designates the area as Mixed Use, and it is located on the Franklin Avenue Commercial Corridor. Residential is an appropriate use in this area and therefore the project would be in conformance with the comprehensive plan for land use.

Mississippi Watershed Management Organization [MWMO] – Second Phase (2522 Marshall St. NE)

Projected Hennepin County ERF Request: \$230,000 [Direct application to Hennepin County]

The already-completed first phase of the MWMO project at this location resulted in the construction a new MWMO office building and educational center on the eastern half of the site. The planned second phase will involve the excavation and removal of contaminated soil on the 1.26 acre western half of the site and the construction of a green space providing riverfront access and stormwater management demonstration opportunities for the public. The total projected development cost is around \$900,000. Grant funds, if awarded, will be used for soil remediation.

This site is zoned C2. The proposed use is a permitted/conditional use in the C2. The current proposal will likely require site plan review. In general, the project design is supportable, but there may be changes recommended by staff during review process. The site is located in a mixed use area as identified in The Minneapolis Plan for Sustainable Growth. The future land use map also designates the site as mixed use, which supports the proposed use of the site.

Plymouth Building (12 S. 6th Street)

Projected Hennepin County ERF Request: \$219,000

The developer, Plymouth Building Holdings LLC, intends to renovate and restore this 101 year old, 262,558 square foot commercial/office building (on a 0.85 acre site) and convert eleven of its floors to apartments (approximately 252), at least fifteen of which will be affordable. The first two floors will be remodeled and updated for commercial/retail use. The total project development cost is \$49,366,260. Grant funds, if awarded, will be used primarily for the abatement of asbestos and lead-based paint. A City 'Trillion BTU' loan of \$150,000 for energy efficiency improvements to commercial properties will be repaid in full at closing and will be available for re-lending through the City's small business loan programs.

This site is located at the intersection of Hennepin Ave and 6th St in the Downtown West neighborhood. The future land use map in The Minneapolis Plan for Sustainable Growth designates the area as Mixed Use. It is located on the Hennepin Avenue Commercial Corridor, and it is within a Transit Station Area (TSA). Residential is an appropriate use in this area and therefore the project would be in conformance with the comprehensive plan for land use.

Praxis Marketplace (1256 Penn Ave. N.; 1235, 1237 & 1243 Oliver Ave. N.)

Projected DEED Request: \$220,303

Projected Metropolitan Council TBRA Request: \$179,316

Projected Hennepin County ERF Request: \$51,230

The developer, Praxis Foods, Inc., intends to construct a new 30,000 square foot full-service grocery store with underground parking on several parcels that are currently City-owned (1.3 acres in total). The City Council awarded the developer exclusive development rights to the site through December 13, 2013 following a Request for Proposals process. Approximately 108 new full-time and 35 new part-time jobs are projected. The total projected development cost is \$7,800,000. Grant funds, if awarded, will be used for soil remediation.

This site is zoned C2 Neighborhood Corridor Commercial District. The proposed grocery store use is permitted in the C2 District. The current proposal will require site plan review. Additional applications may be identified at the time of the land use submittal. In general, the project design is supportable, but there may be changes recommended by staff during

the public hearing review and approval process. The development site is located at the southeast corner of Penn Avenue North and Plymouth Avenue North. The future land use map in The Minneapolis Plan for Sustainable Growth designates the intersection as a Neighborhood Commercial Node which supports retail sales and services that serve the surrounding neighborhood. A grocery store would be an appropriate use in a Neighborhood Commercial Node and would be in conformance with the comprehensive plan for land use.

Shapco Printing Redevelopment (524 5th Street N.)

Projected DEED Request: \$487,460

Projected Metropolitan Council TBRA Request: \$350,000

Projected Hennepin County ERF Request: 2100,000

The developer, United Properties, intends to demolish the existing Shapco Printing building on this 1.21 acre site and construct a new single tenant office building that will accommodate up to 1,100 employees. The planned 8-story building will be about 250,000 square feet, with one level of underground parking. The projected total development cost is \$56,900,000. Grant funds, if awarded, will be used for soil remediation and for the abatement of hazardous materials in the existing building on the site. (City economic development staff members are working with leaders of Shapco Printing, the company that will be displaced, to retain them in Minneapolis.)

The development site is located along 5th St N between 5th and 6th Aves N in the North Loop neighborhood. The future land use map in The Minneapolis Plan for Sustainable Growth designates the area as Mixed Use, and it is within the Interchange Transit Station Area (TSA). Office is an appropriate use in this area and therefore the project would be in conformance with the comprehensive plan for land use.

Thorp Building (1512 & 1620 Central Ave. NE)

Projected DEED Request: \$50,000

Projected Metropolitan Council TBRA Request: \$12,400

Projected Hennepin County ERF Request: \$12,400

The owner/developer, Bohm CRE LLC (Jon Sander) intends to substantially renovate portions of this existing 250,000+ square foot commercial building on a 7.08 acre site. Approximately 50 new full-time jobs and 15 new part-time jobs are projected to result from the planned renovations. The total projected development cost is \$4,530,000. However, before the planned renovations can begin, an updated hazardous materials assessment is needed and investigations of soil conditions, soil vapor, and groundwater will need to be conducted. Grant funding is being sought for these environmental investigations, and for the preparation of a related Response Action Plan.

This site is zoned I1 with an ILOD. It is classified as an industrial use, which is a permitted/conditional use in the I1. The current proposal may not trigger any additional land use applications, since it is for investigation within an existing, occupied building. In general, the project design is supportable, but there may be changes recommended by staff during the public hearing review and approval process. The development site is located on the Central Ave community corridor. The site is located in a transitional industrial area as identified in The Minneapolis Plan for Sustainable Growth. The future land use map in The Minneapolis Plan for Sustainable Growth designates the site as transitional industrial which supports the existing use of this building for office and light industrial uses. The project would be an appropriate use in this area and would be in conformance with the comprehensive plan for land use.

Velo Flats (103 North 2nd St.)

Projected DEED Request: \$624,554

Projected Metropolitan Council TBRA Request: \$108,256

The developer, Opus, plans to construct a new mixed-use building on this 0.69 acre site, containing approximately 101 market rate apartments, two levels of underground parking and 11,200 square feet of 1st floor retail space. The projected total development cost is about \$25,000,000. Grant funds, if awarded, will be used primarily for soil remediation.

This site is located at the intersection of 1st Ave N and 2nd St in the North Loop neighborhood. The future land use map in The Minneapolis Plan for Sustainable Growth designates the area as Mixed Use. It is located within one block of both the Hennepin Avenue and Washington Avenue Commercial Corridors, and it is within a Transit Station Area (TSA). Residential is an appropriate use in this area and therefore the project would be in conformance with the comprehensive plan for land use.

Details of Recommended Metropolitan Council Transit Oriented Development [TOD-TBRA] Projects:

This section of the report presents projects, in priority order, that City staff recommend for submission to the Metropolitan Council's Transit Oriented Development [TOD] grant program. The summary descriptions were based upon information provided by the developers or by others familiar with the details of the projects in question.

As noted earlier in this report, the Met Council's TOD-TBRA program (unlike the "regular" multi-grantor spring brownfield grant program) will require that the City rank any applications that it submits. The ranking (Shapco Printing Redevelopment, #1; Plymouth Building, #2) that appears on page 5 of this report and in the attached Met Council TOD-TBRA resolution is based on factors that include the projected market value increase for each property, the number of new and retained jobs related to each project, and the degree to which each project matches the goals and objectives of the TOD grant program. However, as noted elsewhere in this report, it is currently anticipated that the Shapco project will likely seek all of its desired brownfield funding in the spring brownfield grant round, in which case the Plymouth Building project will then become the City's #1-ranked (and only) TOD-TBRA application.

Shapco Printing Redevelopment (524 5th Street N.)

Projected Metropolitan Council TOD-TBRA Request: \$1,037,460

The developer, United Properties, intends to demolish the existing Shapco Printing building on this 1.21 acre site and construct a new single tenant office building that will accommodate up to 1,100 employees. The planned 8-story building will be about 250,000 square feet, with one level of underground parking. The projected total development cost is \$56,900,000. Grant funds, if awarded, will be used for soil remediation and for the abatement of hazardous materials in the existing building on the site. (City economic development staff members are working with leaders of Shapco Printing, the company that will be displaced, to retain them in Minneapolis.)

The development site is located along 5th St N between 5th and 6th Aves N in the North Loop neighborhood. The future land use map in The Minneapolis Plan for Sustainable Growth designates the area as Mixed Use, and it is within the Interchange Transit Station Area (TSA). Office is an appropriate use in this area and therefore the project would be in conformance with the comprehensive plan for land use.

Plymouth Building (12 S. 6th Street)

Projected Metropolitan Council TOD-TBRA Request: \$1,168,000

The developer, Plymouth Building Holdings LLC, intends to renovate and restore this 101 year old, 262,558 square foot commercial/office building (on a 0.85 acre site) and convert eleven of its floors to apartments (approximately 252), at least fifteen of which will be affordable. The first two floors will be remodeled and updated for commercial/retail use. The total project development cost is \$49,366,260. Grant funds, if awarded, will be used primarily for the abatement of asbestos and lead-based paint. A City 'Trillion BTU' loan of \$150,000 for energy efficiency improvements to commercial properties will be repaid in full at closing and will be available for re-lending through the City's small business loan programs.

This site is located at the intersection of Hennepin Ave and 6th St in the Downtown West neighborhood. The future land use map in The Minneapolis Plan for Sustainable Growth designates the area as Mixed Use. It is located on the Hennepin Avenue Commercial Corridor, and it is within a Transit Station Area (TSA). Residential is an appropriate use in this area and therefore the project would be in conformance with the comprehensive plan for land use.

Proposed Project Locations:

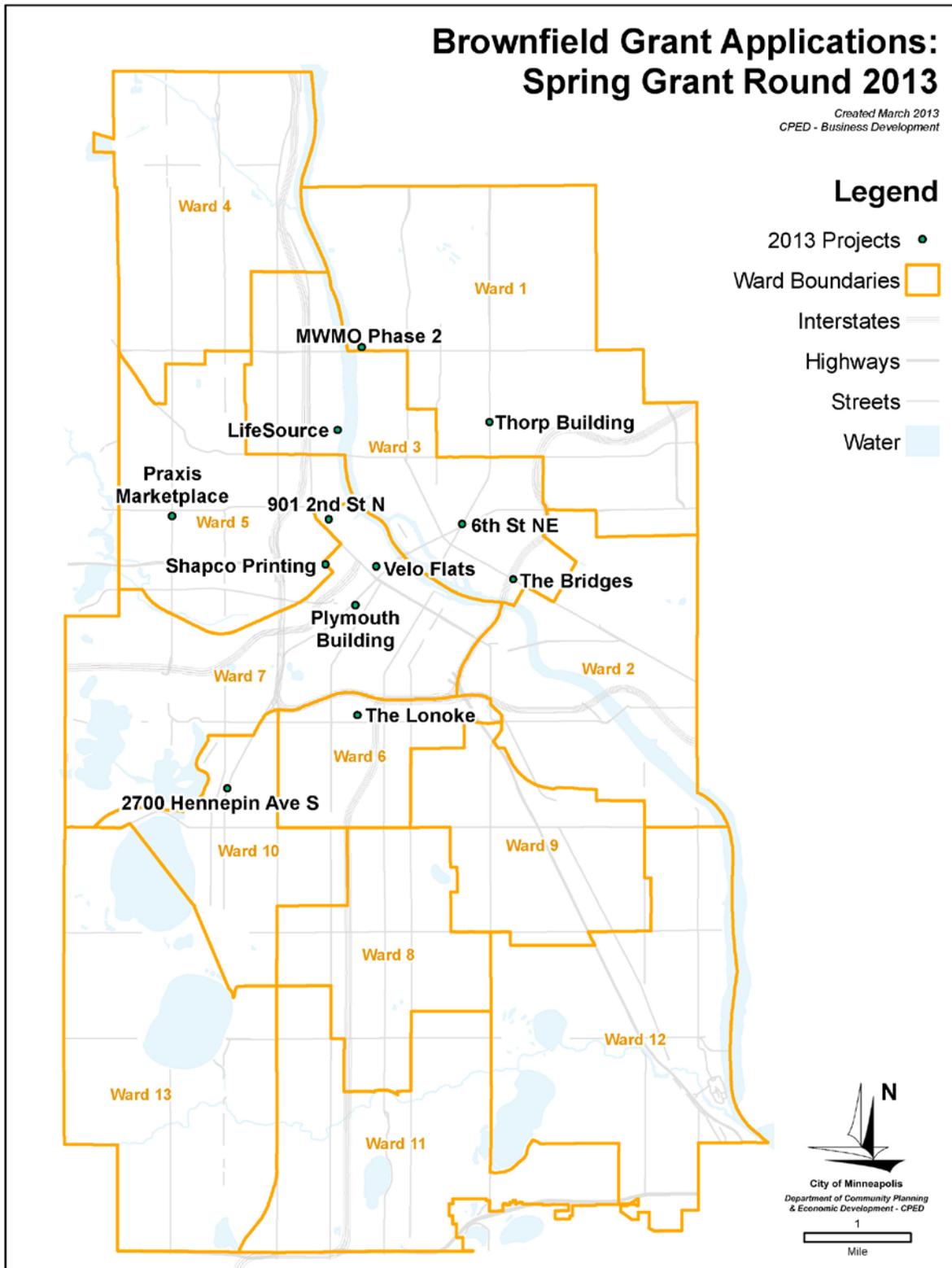
The map that appears on the following page identifies the location of each of the projects that submitted applications to the City for the spring 2013 brownfield grant round and the 2013 round of the Metropolitan Council's TOD-TBRA program.

Brownfield Grant Applications: Spring Grant Round 2013

Created March 2013
CPED - Business Development

Legend

- 2013 Projects ●
- Ward Boundaries □
- Interstates —
- Highways —
- Streets —
- Water ■



**Authorizing application to the Minnesota Department of Employment
and Economic Development [DEED] Contamination Cleanup and
Investigation Grant Program for various projects**

BE IT RESOLVED by the City Council of The City of Minneapolis that:

The City of Minneapolis has approved the Contamination Cleanup grant applications to be submitted to the Department of Employment and Economic Development (DEED) on May 1, 2013 by the City of Minneapolis for the following sites: 901 2nd Street N.; 2700 Hennepin Ave S.; Bridges, The; LifeSource; Praxis Marketplace; Shapco Printing Redevelopment; Thorp Building; and Velo Flats.

BE IT FURTHER RESOLVED that the City of Minneapolis act as the legal sponsor for the projects contained in the Contamination Cleanup Grant Program applications to be submitted on May 1, 2013 and that the Director of the Department of Community Planning and Economic Development (or his designee) is hereby authorized to apply to the Department of Employment and Economic Development for funding of the aforementioned projects on behalf of the City.

BE IT FURTHER RESOLVED that the City of Minneapolis has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

BE IT FURTHER RESOLVED that the sources and amounts of the local match identified in the application are committed to the projects identified.

BE IT FURTHER RESOLVED that the City of Minneapolis has not violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its applications by the state and acceptance by the City Council, the City of Minneapolis may enter into agreements with the State of Minnesota for the above-referenced project(s), and that the City of Minneapolis certifies that it will comply with all applicable laws and regulation as stated in all contract agreements.

BE IT FINALLY RESOLVED that upon approval of its applications by the state and acceptance by the City Council, the Finance Officer or his designee will be authorized to execute such agreements as are necessary to implement the projects on behalf of the applicant.

Authorizing application to the Metropolitan Council Tax Base Revitalization Account [TBRA] for various projects

Whereas, the City of Minneapolis (the "City") is a participant in the Livable Communities Act's Local Housing Incentives Account Program for 2013 as determined by the Metropolitan Council, and is therefore eligible to make application for funds under the Tax Base Revitalization Account; and

Whereas, the City has identified the following investigation and/or clean-up projects within the City that meet the Tax Base Revitalization Account's purposes and criteria: Praxis Marketplace, Shapco Printing Redevelopment, Thorp Building and Velo Flats; and,

Whereas, the City has the institutional, managerial and financial capability to ensure adequate project and grant administration; and

Whereas, the City certifies that it will comply with all applicable laws and regulations as stated in the contract grant agreements; and

Whereas, the City finds that the contamination investigation and/or cleanup will not occur through private or other public investment within the reasonably foreseeable future without Tax Base Revitalization Account grant funding; and

Whereas, the City represents that it has undertaken reasonable and good faith efforts to procure funding for the activities for which Livable Communities Act Tax Base Revitalization Account funding is sought but was not able to find or secure from other sources funding that is necessary for investigation and/or cleanup completion and states that this representation is based on the following reasons and supporting facts: City staff members provide information about all potential sources of brownfield grant funding and actively encourage project proponents to seek funding from as many prospective funding sources as possible.

Now, Therefore, Be It Resolved By the City Council of the City of Minneapolis:

That the City Council authorizes the Director of the Department of Community Planning and Economic Development or other appropriate City staff to apply on behalf of the City of Minneapolis to the Metropolitan Council for Tax Base Revitalization Account funding for one or more of the above-referenced projects. The City acknowledges that for each grant awarded to and accepted by the City, the City will be the grantee and will act as legal sponsor, and will administer and be responsible for grant funds expended for the project referred to in the applicable grant application.

Authorizing application to the Hennepin County Environmental Response Fund for various projects

Whereas, the City of Minneapolis intends to act as the legal sponsor for one or more of the following investigation or cleanup projects: 6th Street NE Redevelopment f/k/a Totino's; LifeSource; Lonoke, The; Mississippi Watershed Management Organization [MWMO] – Second Phase; Plymouth Building; Praxis Marketplace; Shapco Printing Redevelopment; and Thorp Building;

Now, Therefore, Be It Resolved By the City Council of the City of Minneapolis:

That the City Council approves the aforementioned investigation and/or cleanup projects (although said approval does not confer other benefits or waive zoning, land use, building code or other applicable requirements), for which Environmental Response Fund grant applications are being submitted to the Hennepin County Department of Environmental Services on May 1, 2013 by the City of Minneapolis or by the affected property owner or developer.

Authorizing application to the Metropolitan Council for Transit Oriented Development [TBRA-TOD] funding for various projects

Whereas, the City of Minneapolis ("City") is a participant in the Metropolitan Livable Communities Act ("LCA") Local Housing Incentives Program for 2013 as determined by the Metropolitan Council, and is therefore eligible to apply for LCA Livable Communities Demonstration Account and Tax Base Revitalization Account Transit Oriented Development (collectively, "TOD") funds; and

Whereas, the City has identified proposed projects within the City that meet TOD purposes and criteria and are consistent with and promote the purposes of the Metropolitan Livable Communities Act and the policies of the Metropolitan Council's adopted metropolitan development guide; and

Whereas, the City has the institutional, managerial and financial capability to adequately manage an LCA TOD grant; and

Whereas, the City certifies that it will comply with all applicable laws and regulations as stated in the grant agreement; and

Whereas, the City acknowledges Livable Communities TOD grants are intended to fund projects or project components that can serve as models, examples or prototypes for TOD development or redevelopment elsewhere in the region, and therefore represents that the proposed projects or key components of the proposed projects can be replicated in other metropolitan-area communities; and

Whereas, only a limited amount of grant funding is available through the Metropolitan Council's Livable Communities TOD initiative during each funding cycle and the Metropolitan Council has determined it is appropriate to allocate those scarce grant funds only to eligible projects that would not occur without the availability of TOD grant funding; and

Whereas, cities may submit grant applications for up to three TOD Demonstration Account projects during each funding cycle, but, using the City's own internal ranking processes, must rank their projects by priority so the Metropolitan Council may consider those priority rankings as it reviews applications and makes grant awards;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the City finds that it is in the best interests of the City's development goals and priorities for the proposed projects to occur at the sites indicated in the grant applications at this particular time.

Be It Further Resolved that the City finds that the TOD project components for which Livable Communities TOD funding is sought (a) will not occur solely through private or other public investment within the reasonably foreseeable

future; and (b) will occur within the term of the grant award (two years for Pre-Development grants, and three years for Development grants) only if Livable Communities TOD funding is made available for these projects at this time.

Be It Further Resolved that the City ranks the TOD project funding applications according to the City's own internal priorities in the following order:

Priority	TBRA-TOD Project Name	Grant Request
1	Shapco Printing Redevelopment	1,037,460
2	Plymouth Building	1,168,000

Be It Further Resolved that the City authorizes its Department of Community Planning and Economic Development to submit on behalf of the City applications for Metropolitan Council Livable Communities TOD grant funds for the TOD project components identified in the applications and upon acceptance of any awards by the City Council its Finance Officer or designee to execute such agreements as may be necessary to implement the projects on behalf of the City.