



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

**Date:** October 22, 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 Fall 2013  
Brownfield 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: 129 Plymouth, 301 Washington, Downtown East, Factory Lumber Site, Miller Bag Building, Seward Commons (Phase III), Shapco Printing Redevelopment, and WaHu Student Housing; 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: 129 Plymouth, 807 Broadway Revival, Downtown East, Factory Lumber Site, Miller Bag Building, Minnesota Innovation Park (Phase IA), Plymouth Building, Seward Commons (Phase III), Shapco Printing Redevelopment, Thorp Building, and WaHu Student Housing; and
3. Authorize application to the Hennepin County Environmental Response Fund [ERF] for environmental investigation and/or remediation funding for the following projects: 129 Plymouth, Boeser Site, Commons @ Penn, Downtown East, Flats on 46<sup>th</sup>, Miller Bag Building, Minnesota Brownfields (Brownfield Gap Financing Program), Plymouth Building, PPL DECC Recapitalization, Seward Commons (Phase III), Shapco Printing Redevelopment, and WaHu Student Housing; and
4. 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, and the Hennepin County Environmental Response Fund [ERF].
5. Approve the proposed policy change regarding "direct" Hennepin County ERF grants (for projects located in Minneapolis) that are applied for by (and awarded to) parties other than the City of Minneapolis.

## **Previous Directives:**

**129 Plymouth** (129 Plymouth Ave.): The City Council approved the submission of an application to DEED for a brownfield investigation grant for this property on April 24, 2009, and accepted that grant on August 14, 2009. The City Council granted various zoning and land use approvals on August 28, 2009. The City Council approved the submission of applications to DEED and Hennepin County for cleanup grants for this property on October 30, 2009 and accepted those grants on February 26, 2010. On September 3, 2010, the City Council granted exclusive development rights to Lupe Development Partners, LLC for this property for a period of one year (through August 24, 2011), with one potential extension through August 24, 2012. On September 2, 2011, the City Council approved the land sale pass through of 129 Plymouth Avenue North from MnDOT to Lupe Development Partners, LLC for \$208,000 and authorized staff to execute a redevelopment contract and any related documents. On June 15, 2012, the Council approved certain amendments to the proposed redevelopment contract and authorized City staff to execute it and any related documents.

**301 Washington** (301 Washington Ave. S.): None.

**807 Broadway Revival** (807 Broadway St. NE, 1100/1110/1112 Quincy St. NE): On August 2, 2013, the City Council authorized the submission of an application to DEED's Redevelopment Grant Program on behalf of this project.

**Boeser Site** (2901 4<sup>th</sup> St. SE): On February 24, 2012, the City Council authorized the submission of an application to the Metropolitan Council for LCDA-TOD funds in the amount of \$2,000,000 and TBRA-TOD funds in the amount of \$720,306 on behalf of this project. On June 29, 2013, the City Council accepted an LCDA-TOD grant that had been awarded to this project.

**Commons @ Penn** (2201/2213/2217/2221 Golden Valley Rd., 1823 Penn Ave. N.): On August 3, 2012, the City Council authorized the submission of a TBRA brownfield investigation grant on behalf of this project. On October 19, 2012, the City Council accepted a TBRA brownfield investigation grant that had been awarded for this project. On April 12, 2013, the City Council authorized the submission of an application to the Metropolitan Council for LCDA-TOD funds on behalf of this project.

**Downtown East** (425 Portland Ave. and multiple other parcels covering five blocks): On July 19, 2013, the City Council received and filed a City staff report on the general conceptual framework for the Ryan Companies' development proposal for Downtown East and authorized staff to negotiate term sheets and/or agreements with Ryan Companies and the Minnesota Sports Facilities Authority, subject to City Council review and approval, consistent with the general conceptual framework.

**Factory Lumber Site** (445 Malcolm Ave. SE): None.

**Flats on 46th** (4022 E. 46<sup>th</sup> St., 4553-4561 Minnehaha Ave.): None.

**Miller Bag Building** (861 E. Hennepin Ave.): None.

**Minnesota Brownfields (Brownfield Gap Financing Program)** (multiple sites TBD): The City Council supported the submission of a \$150,000 Hennepin County ERF grant application in the fall 2012 brownfield grant round to secure start-up funding for the Brownfield Gap Financing [BGF] Program administered by Minnesota Brownfields.

**Minnesota Innovation Park (Phase IA)** (445/501/518 Malcolm Ave. SE, 419-445 29<sup>th</sup> Ave. SE): On December 27, 2007, the City Council accepted a DEED

Redevelopment Grant Program award in the amount of \$520,000 for this project. That award was subsequently relinquished to DEED in December of 2011 because the project had not progressed at the pace that had been originally anticipated. On August 2, 2013, the City Council authorized the submission of an application to DEED's Redevelopment Grant Program on behalf of this project.

**Plymouth Building** (12 S. 6<sup>th</sup> Street): On April 26, 2013, the City Council authorized the submission of a Hennepin County ERF brownfield grant application and a Met Council TBRA-TOD grant application on behalf of this project. On August 2, 2013, the City Council accepted an ERF brownfield grant that had been awarded to this project.

**PPL DECC Recapitalization** (multiple sites): None.

**Seward Commons (Phase III)** (2200-2218 Snelling Ave.): None for Phase III, although the City Council has authorized the submission of grant applications in connection with earlier phases of this project, and accepted grants that were awarded for those earlier phases.

**Shapco Printing Redevelopment** (524 5<sup>th</sup> Street N.): On April 26, 2013, the City Council authorized the submission of brownfield grant applications on behalf of this project. On August 2, 2013, the City Council accepted two brownfield grants that had been awarded to this project. On August 2, 2013, the City Council authorized the submission of an application to DEED's Redevelopment Grant Program on behalf of this project.

**Thorp Building** (1512 & 1620 Central Ave. NE): On April 26, 2013, the City Council authorized the submission of brownfield grant applications on behalf of this project. On August 2, 2013, the City Council accepted two brownfield grants that had been awarded to this project.

**WaHu Student Housing** (1016/1024/1032 Washington Ave. SE, 2408 University Ave. SE, 1025 Delaware Ave. SE): On November 2, 2012, the City Council authorized the submission of brownfield grant applications on behalf of this project. On March 8, 2013, the City Council accepted three brownfield grants that had been awarded to this project.

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

## 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:

**129 Plymouth** (129 Plymouth Ave.): The North Loop Neighborhood Association (NLNA) issued a letter of support on June 25, 2009. The developer met with the Zoning and Planning Committee of the NLNA on September 18, 2013 to provide an update on the project.

**301 Washington** (301 Washington Ave. S.): The Downtown Minneapolis Neighborhood Association has issued a letter of support dated September 4, 2013.

**807 Broadway Revival** (807 Broadway St. NE, 1100/1110/1112 Quincy St. NE): The 807 Broadway Task Force and the Logan Park Neighborhood Association have endorsed or supported this project.

**Boeser Site** (2901 4<sup>th</sup> St. SE): The Prospect Park East River Road Improvement Association has issued a letter dated September 4, 2013 acknowledging a presentation by the developer on August 5, 2013.

**Commons @ Penn** (2201/2213/2217/2221 Golden Valley Rd., 1823 Penn Ave. N.): The Northside Residents Redevelopment Council has issued a letter dated August 30, 2012, acknowledging that the developer has initiated contact with NRRRC about the project, and further acknowledging that the developer has met with neighborhood residents.

**Downtown East** (425 Portland Ave. and multiple other parcels covering five blocks): The Elliot Park neighborhood and the East Downtown Council have both issued letters (dated July 8, 2013 and June 28, 2013, respectively) that are generally supportive of this project's overall development concept.

**Factory Lumber Site** (445 Malcolm Ave. SE): The Prospect Park East River Road Improvement Association has issued a letter of support for the overall project (impliedly including this portion of it) dated June 11, 2013.

**Flats on 46th** (4022 E. 46<sup>th</sup> St., 4553-4561 Minnehaha Ave.): The Longfellow Community Council has issued a letter dated July 22, 2013 that is generally supportive of this project.

**Miller Bag Building** (861 E. Hennepin Ave.): None.

**Minnesota Brownfields (Brownfield Gap Financing Program)** (multiple sites TBD): None.

**Minnesota Innovation Park (Phase IA)** (445/501/518 Malcolm Ave. SE, 419-445 29<sup>th</sup> Ave. SE): The Prospect Park East River Road Improvement Association has issued a letter of support for the overall project (impliedly including this portion of it) dated June 11, 2013.

**Plymouth Building** (12 S. 6<sup>th</sup> Street): The Downtown Minneapolis Neighborhood Association issued a letter of support dated March 13, 2013 (although that letter was based upon a housing project on the site rather than the currently pending hotel proposal).

**PPL DECC Recapitalization** (multiple sites): The Central neighborhood and the Ventura Village neighborhood have both issued letters (dated September 6, 2012 and September 14, 2012, respectively) that support this project's overall building rehabilitation plans.

**Seward Commons (Phase III)** (2200-2218 Snelling Ave.): The Seward Neighborhood Group has consistently supported the redevelopment of the former Bystrom Brothers site since 2005.

**Shapco Printing Redevelopment** (524 5<sup>th</sup> Street N.): United Properties made a presentation to the Planning and Zoning Committee of the North Loop Neighborhood Association on April 17, 2013.

**Thorp Building** (1512 & 1620 Central Ave. NE): The Logan Park Neighborhood Association and the Holland Neighborhood Improvement Association have issued letters of support dated April 17, 2013 and April 24, 2013 (respectively).

**WaHu Student Housing** (1016/1024/1032 Washington Ave. SE, 2408 University Ave. SE, 1025 Delaware Ave. SE): The Prospect Park East River Road Improvement Association and the developer of this project have approved a "Memo of Understanding" dated June 11, 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 seventeen projects and the thirty-one related grant applications that are being recommended for submission to DEED, the Metropolitan Council and Hennepin County in the fall 2013 brownfield grant round are as follows:

<b>Projects RECOMMENDED For Submission To The Grantors In The Fall 2013 Brownfield Grant Round</b>				
Project Name	GRANTORS			Total Grant Requests*
	DEED	Met Council TBRA	Hennepin County ERF	
129 Plymouth	140,145	24,292	24,292	188,729
301 Washington	517,845			517,845
807 Broadway Revival		650,000		650,000
Boeser Site			250,000	250,000
Commons @ Penn			152,000	152,000
Downtown East	2,392,636	1,935,156	654,576	4,982,368
Factory Lumber Site	18,750	18,750		37,500

Flats on 46th			12,500	12,500
Miller Bag Building	96,621	125,060	55,071	276,752
Minnesota Brownfields (Brownfield Gap Financing Program)			200,000	200,000
Minnesota Innovation Park (Phase IA)		175,000		175,000
Plymouth Building		500,000	350,000	850,000
PPL DECC Recapitalization			288,000	288,000
Seward Commons (Phase III)	235,000	200,000	200,000	635,000
Shapco Printing Redevelopment	350,000	140,490	140,490	630,980
Thorp Building		600,000		600,000
WaHu Student Housing	172,280	136,760	50,000	359,040
<b>TOTALS:</b>	<b>3,923,277</b>	<b>4,505,508</b>	<b>2,376,929</b>	<b>10,805,714</b>

\*Amounts shown are based on pre-applications submitted to the City by September 9, 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 September 9, 2013.

### **Brownfield Grant Programs (Fall 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 fall grant round are due by November 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 fall 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 fall round of this program are due by November 1, 2013. No local match is required. The amount that is potentially available to fund brownfield cleanup grants in the fall 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 fall round of this program are due by November 1, 2013. Hennepin County staff members have indicated that they will likely have about \$1.0 million available for cleanup and investigation grants in the fall 2013 round. 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 fall brownfield round sometime between late December of 2013 and mid-January of 2014.

### **City Solicitation/Review/Recommendation Process:**

For the fall 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 August. 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.

Thirty-one applications were received on September 9, 2013, all of which are being recommended for submission to the three grantors in the fall 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 November 1 application deadline.

### **Procedural change regarding certain Hennepin County ERF grant**

**applications:** DEED and the Metropolitan Council will accept a brownfield grant application only from another governmental entity (a city, typically). In such cases, a successful application results in grant funds being awarded to the city (on behalf of the development project in question), and city staff members are therefore responsible for handling the administration of the awarded funds.

Hennepin County is the only local brownfield grantor that will accept a brownfield grant application from a city (on behalf of a developer) or directly from a developer or property owner. Any party who wishes to submit a “direct” application to Hennepin County is still required (per Hennepin County policy) to be listed on a resolution of support adopted by the municipality in which the project is located.

In certain past instances, the same project has received brownfield grant funds from the City of Minneapolis (via a DEED grant and/or a Met Council grant applied for and awarded to the City on the project’s behalf) and also from Hennepin County (via a “direct” application submitted to the County by the developer). This has resulted in the split administration of concurrently pending brownfield grants for the same project, with City staff administering the DEED and/or Met Council grant, and others (a developer’s staff members, typically) administering the contemporaneous Hennepin County ERF grant.

This type of split administration has caused complications and extra work for City staff members, who are responsible for ensuring that the grant(s) and payments from DEED and/or the Met Council that they are administering are properly coordinated with the grant and payments from Hennepin County that they are not administering. This careful coordination is required to avoid inadvertent duplicate payments by grantors and/or the possibility that reimbursements for eligible expenses might be lost due to miscommunications regarding who will be seeking reimbursements from which grantor(s). Also, City-administered DEED grants have a 25% match requirement, and in some cases a portion of the required match is provided by a Hennepin County grant that the City is not administering. The resulting logistical challenges are often significant.

Accordingly, City staff members intend to advise parties seeking brownfield grant funding in the current round and into the future that if a project wishes to seek funding from Hennepin County and from one or both of the two remaining brownfield grantors for related grant-funded activities, the City will support said Hennepin County ERF application **only if** the applicant:

- (a) agrees to have the City submit its ERF application to Hennepin County, or
- (b) agrees to have City staff administer (and agrees to pay the standard City grant administration fee related to) any Hennepin County ERF grant that results from an application submitted directly to the County by the developer in question.

This new procedure will not apply to any project that intends to seek brownfield funding from only Hennepin County, as long as that project does not have a previously awarded DEED or Met Council grant (for the same project) that is currently being administered by City staff.

## **Details of Recommended Brownfield Projects:**

This section of the report presents, in alphabetical order, the projects that City staff members are recommending for submission to the brownfield grantors (see the related City Council resolutions for any contingencies associated with these recommendations). The summary descriptions were based upon information provided by the developers or by others familiar with the details of the projects in question.

### **129 Plymouth** (129 Plymouth Ave.)

*Projected DEED Request: \$140,145*

*Projected Metropolitan Council TBRA Request: \$24,292*

*Projected Hennepin County ERF Request: \$24,292*

Plymouth & Second LLC envisions a 10,000 square foot commercial development with retail food and services (and an adjacent dog park) on this currently vacant lot. The projected total development cost is \$1,750,000. Grant funds, if awarded, will be used for soil remediation. The 129 Plymouth project site is zoned I2 with a Downtown Parking Overlay. 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 intersection of Plymouth Ave N and 2<sup>nd</sup> St N. The site is located in the Downtown Growth Center and North Washington Industrial Employment District 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 Industrial.

### **301 Washington** (301 Washington Ave. S.)

*Projected DEED Request: \$517,845*

The developer, Alatus Washington LLC, plans to construct a 14-story mixed-use multi-family apartment building on an existing parking lot. The project will include connections to the skyway system and commercial and restaurant uses at street level. The projected total development cost is \$54,690,460. Grant funds, if awarded, will be used for soil remediation. The 301 Washington project site is zoned B4-1 with a Downtown Parking Overlay. It is classified as a mixed-use building, which is a permitted/conditional use in the zoning district. The project was approved by the City Planning Commission on September 16, 2013. The development site is located in Downtown at 3<sup>rd</sup> Ave S and Washington Ave S. The site is located in the Downtown Growth Center and a transit station area and is along the Washington 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 Commercial. A mixed-use project would be an appropriate use in this area and would be in conformance with the comprehensive plan for land use.

### **807 Broadway Revival** (807 Broadway St. NE, 1100/1110/1112 Quincy St. NE)

*Projected Metropolitan Council TBRA Request: \$650,000*

Hillcrest Development plans to redevelop approximately 170,000 square feet of space into "creative class" commercial office space. Plans include improving the brick exterior, adding plaza/green space(s) to the interior, addressing stormwater runoff impacts and improving the parking areas. The total projected development cost is \$15,000,000. Grant funds, if awarded, will be used primarily for the abatement of lead paint and asbestos, and for some

incidental soil remediation. The 807 Revival site is zoned I1 Light Industrial, with an Industrial Living Overlay District. It is classified as an office/light industrial use, which is a permitted use in the I1 zoning. The current proposal will require site plan review. Other applications may be determined at the time of land use application submittal. In general, the project design is supportable, but there may be changes recommended by staff during the review and approval process. The development site is located at the intersection of Broadway St NE and Quincy St NE. The site is located on the Broadway St NE community corridor and within one block of the Central Avenue NE 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 a variety of job generating uses, including those proposed in this project. The proposed project would be an appropriate use in this area and would be in conformance with the comprehensive plan for land use.

**Boeser Site** (2901 4<sup>th</sup> St. SE)

*Projected Hennepin County ERF Request: \$250,000*

The developer, Cornerstone, has indicated that a two-phase project is envisioned for this site, which is located adjacent to the Prospect Park LRT Station. Phase I includes 204 units of energy-efficient mixed income rental housing and some quasi-public green space. The projected total development cost is \$53,927,600. Grant funds, if awarded, will be used primarily for soil remediation. The Boeser site is zoned I1 Light Industrial, with a Pedestrian Oriented Overlay District. It is classified as a residential use, which is not a permitted use in the I1 district. However, adopted City policy will readily support the rezoning of this site to a compatible district, as this area is transitioning away from industrial use to high density transit oriented mixed use, consistent with its location at a light rail station area. The current proposal will require rezoning and site plan review. Other applications may be determined at the time of land use application 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 intersection of 4<sup>th</sup> St SE and 29<sup>th</sup> Ave SE. The site is located in the Prospect Park Transit Station 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 mixed-use, which supports the existing proposal, including residential. The project would be an appropriate use in a transit station area and would be in conformance with the comprehensive plan for land use.

**Commons @ Penn** (2201/2213/2217/2221 Golden Valley Rd., 1823 Penn Ave. N.)

*Projected Hennepin County ERF Request: \$152,000*

Building Blocks Non-Profit, Inc. plans to construct a mixed-use building with 45 affordable rental units, underground parking and 4500 square feet of street-level commercial space. Development activities include the demolition of a blighted building and the construction of pedestrian improvements and an integrated transit shelter. The projected total development cost is \$11,847,500. Grant funds, if awarded, will be used primarily for soil remediation. The site is zoned C1 Commercial. Multi-family housing is a permitted use in the C1 District. The current proposal will require site plan review. Other applications may be determined at the time of land use application 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 southwest corner of Penn Avenue North and Golden Valley Road. The future land use map in The Minneapolis Plan for Sustainable Growth designates Penn Avenue as a Community Corridor, which supports medium density residential (20-50 dwelling units per acre). The proposed 45-unit development would be at the low end of the high-density category, with 58 dwelling units per acre, but still within the amount allowed by the C1 District. Multi-family with first floor commercial is in conformance with the goals of the comprehensive plan.

**Downtown East** (425 Portland Ave. and multiple other parcels covering five blocks)

*Projected DEED Request: \$2,396,636*

*Projected Metropolitan Council TBRA Request: \$1,935,156*

*Projected Hennepin County ERF Request: \$654,576*

This Ryan Companies project involves the redevelopment of five blocks (currently owned by the StarTribune) into two major office buildings totaling 1.2 million square feet, 28,000 square feet of retail space, approximately 405 apartment units (224 affordable), a 1,328-stall parking ramp and two blocks of public park. The projected total development cost is \$399,000,000. Grant funds, if awarded, will be used for soil remediation and for the abatement of hazardous materials in several existing buildings. The Downtown East project site is zoned B4S-2 and B4N with the Downtown Parking Overlay. It is classified as a mixed-use project, which is a permitted/conditional use in these districts. In general, the project is supportable, but there may be changes recommended by staff during the public hearing review and approval process. The development site is located in Downtown East. The site is located in the Downtown Growth Center and a Transit Station Area and along the Chicago 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 Commercial and Mixed Use which supports the proposed uses, including office, housing, restaurants, and retail. The project's proposed uses would be appropriate in this area and would be in conformance with the comprehensive plan for land use.

**Factory Lumber Site** (445 Malcolm Ave. SE)

*Projected DEED Request: \$18,750*

*Projected Metropolitan Council TBRA Request: \$18,750*

This site is a portion of the planned Phase II of the Minnesota Innovation Park project. The developer, Wall Development Co. LLC, has indicated that Phase II is expected to include at least 60,000 square feet of office, laboratory and industrial production space. The projected total development cost is \$20,539,397. Grant funds, if awarded, will be used for environmental investigations. The Factory Lumber site is zoned I2 Medium Industrial. It is classified as an office/light industrial use, which is a permitted use in the I2 district. The current proposal will require site plan review. Other applications may be determined at the time of land use application 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 corner of Malcolm Ave SE and the University of Minnesota Transitway. The site is located in the SEMI industrial employment district, 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 industrial, which supports the proposed use of the site. The project would be an appropriate use in an industrial employment district and would be in conformance with the comprehensive plan for land use.

**Flats on 46th** (4022 E. 46<sup>th</sup> St., 4553-4561 Minnehaha Ave.)

*Projected Hennepin County ERF Request: \$12,500*

This Quest Development project involves the planned construction of a new apartment building with 36 affordable units, about two blocks away from the 46<sup>th</sup> Street LRT Station on the Hiawatha line. The projected total development cost is \$8,438,717. Grant funds, if awarded, will be used for environmental investigations. The site is zoned C1 Neighborhood

Commercial District and PO Pedestrian Oriented Overlay. It is classified as a "Multiple-family dwelling, five (5) units or more," which is a permitted use in the C1 district. The current proposal will require at site plan review at a minimum. The grant pre-application does not provide enough details to determine other zoning applications that would be required. Without additional details, staff cannot determine if the project design is supportable, but there may be changes recommended by staff during the public hearing review and approval process. The site is located in/on the corner of 46<sup>th</sup> Street and Minnehaha Avenue. The site is located in a transit station area and on a community 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 urban neighborhood, while the 46<sup>th</sup> Street Station Area Master plan designates the site for residential use, both of which support housing at this location. A multiple-family dwelling would be an appropriate use in a transit station area along a commercial corridor and would be in conformance with the comprehensive plan for land use.

**Miller Bag Building** (861 E. Hennepin Ave.)

*Projected DEED Request: \$96,621*

*Projected Metropolitan Council TBRA Request: \$125,060*

*Projected Hennepin County ERF Request: \$55,071*

This site includes four industrial/office structures that have been vacant for more than two years. Three of them will be demolished by the Ackerberg Group, which will then rehab the fourth building and construct an addition to it. The result will be 32,000 square feet of renovated brick-and-timber office space and 11,160 square feet of high bay warehouse space. The projected total development cost is \$7,907,943. Grant funds, if awarded, will be used for soil remediation and for the abatement of hazardous materials in existing buildings. This site is zoned I1 Light Industrial. It is classified as a light industrial use, which is a permitted use in the I1 district. The current proposal will require site plan review. Other applications may be determined at the time of land use application 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 is located near the intersection of East Hennepin Ave. and 5<sup>th</sup> Ave. SE. The site is located on the East Hennepin Avenue community 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 transitional industrial which supports the uses identified in the proposed project. The project would be an appropriate use on a community corridor in a transitional industrial area and would be in conformance with the comprehensive plan for land use.

**Minnesota Brownfields (Brownfield Gap Financing Program)** (multiple sites)

*Projected Hennepin County ERF Request: \$200,000*

Minnesota Brownfields, a non-profit organization, obtained a \$150,000 Hennepin County ERF grant in the fall 2012 brownfield grant round to fund a Brownfield Gap Financing [BGF] Program that provides small grants to other non-profit organizations and governmental entities for environmental assessments and cleanups. To date, the BGF Program has assisted 19 projects, 18 of which are in Minneapolis. Minnesota Brownfields is seeking additional ERF funding in the current grant round to continue the BGF program.

**Minnesota Innovation Park (Phase IA)** (445/501/518 Malcolm Ave. SE, 419-445 29<sup>th</sup> Ave. SE)

*Projected Metropolitan Council TBRA Request: \$175,000*

The developer, Wall Development Co. LLC, has indicated that Phase 1A of the Minnesota Innovation Park project involves the development of a 61,250 square foot Life Sciences building and a 190-stall surface parking lot near the Prospect Park LRT Station. The total projected development cost is \$20,539,397. Grant funds, if awarded, will be used primarily for the abatement of asbestos and lead-based paint in a large grain elevator that will be demolished. The Minnesota Innovation Park site is zoned I2 Medium Industrial District. It is classified as an office/light industrial use, which is a permitted use in the I2 district. The current proposal will require site plan review. Other applications may be determined at the time of land use application 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 Malcolm Ave SE on the site of former rail yards. It is located in the SEMI Industrial Employment District 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 industrial, which supports the existing proposed use. The project would be an appropriate use in an industrial employment district and would be in conformance with the comprehensive plan for land use.

**Plymouth Building** (12 S. 6<sup>th</sup> Street)

*Projected Metropolitan Council TBRA Request: \$500,000*

*Projected Hennepin County ERF Request: \$350,000*

The developers, Plymouth Building Holdings LLC and Heartland Realty Investors, intend to renovate and restore this 101-year-old, 262,558 square foot commercial/office building (on a 0.85 acre site) and convert it into a hotel, possibly with associated commercial space on the main (street-level) floor. The total project development cost has yet to be determined. 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. The Plymouth Building site is zoned B4-2 with the Downtown Parking Overlay. It is classified as a hotel with commercial uses, which is a permitted/conditional use in that district. In general, the project design is supportable, but there may be changes recommended by staff during the public hearing review and approval process. The site is located in/on the Downtown Growth Center, in a Transit Station Area, and along the Hennepin 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 Commercial, which generally supports hospitality uses. A hotel with ground-floor commercial uses would be an appropriate use along this stretch of Hennepin Avenue.

**PPL DECC Recapitalization** (multiple sites)

*Projected Hennepin County ERF Request: \$288,000*

Project for Pride in Living plans to rehabilitate a total of 51 rental units in several buildings that are included in its South Minneapolis portfolio. The total project development cost is \$10,371,682. The buildings in question were constructed between 1887 and 1917, and no significant rehab has been done in the past 20 years. Grant funding is being sought for the abatement of lead paint and asbestos contamination. The PPL DECC Capitalization project consists of the following seven sites:

- 211 West 28th Street – Zoned R3 Multiple Family District
- 2813 Pillsbury Avenue- Zoned R5 Multiple Family District
- 1819-25 Elliott Avenue – Zoned R6 Multiple Family District
- 1203-05 East 21<sup>st</sup> Street- Zoned R2B Two-Family District
- 3144 Columbus Avenue – Zoned R2B Two-Family District

- 3308,16,20 4<sup>th</sup> Avenue S- Zoned R4 Multiple Family District
- 3637 Columbus Avenue – Zoned R5 Multiple Family District

All of the zoning districts permit residential projects, and (with one exception) the number of units on each site is in conformance with the Zoning Code. One of the sites, 1203-05 E. 21<sup>st</sup> Street, is zoned R2B and has four units; having four units makes this a non-conforming use. However, maintaining a non-conforming use is allowed. The proposed project does not appear to require any additional land use applications. The future land use map in The Minneapolis Plan for Sustainable Growth designates the site as Urban Neighborhood, which supports multiple family housing. Maintaining these existing multiple family buildings would be an appropriate in the urban neighborhood and would be in conformance with the comprehensive plan for land use.

**Seward Commons (Phase III)** (2200-2218 Snelling Ave.)

*Projected DEED Request: \$235,000*

*Projected Metropolitan Council TBRA Request: \$200,000*

*Projected Hennepin County ERF Request: \$200,000*

The developer, Seward Redesign, Inc., has indicated that this third phase of the Seward Commons project (at the former Bystrom Brothers site) will include 84 units of market rate housing, 1500 square feet of new commercial space (designed to accommodate a community bike center), and a large green space that will serve all Seward Commons residents and function as a bike connection to/for the Seward neighborhood. The total projected development cost is \$23,920,000. Grant funds, if awarded, will be used for soil remediation and for the abatement of asbestos and lead-based paint. The Seward Commons Phase III site is zoned I2 Medium Industrial District, PO Pedestrian Oriented Overlay District, and IL Industrial Living Overlay District. It is classified as a “multiple-family dwelling, five (5) units or more,” which is a conditional use in the IL district. The current proposal will require at a minimum site plan review and a conditional use permit. 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 south of the Franklin Avenue Blue Line LRT station on Snelling Avenue and 22<sup>nd</sup> Street. The site is located in the Franklin Avenue Transit Station 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 residential development. A multiple-family dwelling would be an appropriate use in a transit station area and would be in conformance with the comprehensive plan for land use.

**Shapco Printing Redevelopment** (524 5<sup>th</sup> Street N.)

*Projected DEED Request: \$350,000*

*Projected Metropolitan Council TBRA Request: \$140,090*

*Projected Hennepin County ERF Request: \$140,090*

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. The Shapco site is zoned B4S with a Downtown Parking Overlay. The proposal is for an office development, which is a permitted/conditional use in this district. In general, the project is supportable, but there may be changes recommended by staff during the public hearing review and approval process. The development site is located in the North Loop neighborhood at 5<sup>th</sup> St. N and 6<sup>th</sup> Ave. N. The site is located in the Downtown Growth Center and a Transit Station

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 mixed-use, which generally supports office, residential, a variety of commercial uses, and some industrial uses.

**Thorp Building** (1512 & 1620 Central Ave. NE)  
*Projected Metropolitan Council TBRA Request: \$600,000*

The owner/developer, Bohm CRE LLC intends to substantially renovate portions of this existing 250,000+ square foot commercial building on a 7.08-acre site. The total projected development cost is \$4,530,000. Grant funding is being sought to address lead based paint and asbestos in the building. The Thorp Building site is zoned I1 Light Industrial, with an Industrial Living Overlay District. It is classified as an office/light industrial use, which is a permitted/conditional use in the I1 district. The current proposal may require only administrative review. Other applications may be determined at the time of land use application 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 near the intersection of Central Ave. NE and 18<sup>th</sup> Ave. NE. The site is located on the Central Ave. NE commercial corridor. The site is located in a mixed-use 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 mixed-use, which supports the current mix of uses in the building. The project would be an appropriate use in on a commercial corridor in a mixed-use area and would be in conformance with the comprehensive plan for land use.

**WaHu Student Housing** (1016/1024/1032 Washington Ave. SE, 2408 University Ave. SE, 1025 Delaware Ave. SE)  
*Projected DEED Request: \$172,280*  
*Projected Metropolitan Council TBRA Request: \$136,760*  
*Projected Hennepin County ERF Request: \$50,000*

The developers, CPM Development LLC and WaHu LLC, plan to demolish three existing commercial buildings (including Arby's) and construct two mixed-use buildings (6-story and 11-story) that will provide 333 units of market rate rental housing and 30,500 square feet of ground level commercial/retail space. The WaHu site is zoned C3A Community Activity Center District, and is in the Pedestrian Oriented Overlay District and University Area Overlay District. It is classified as a residential and commercial mixed-use development, which is a permitted/conditional use in the C3A district. The development has obtained all required City land use approvals. The development site is located near the intersection of Huron Blvd. SE and University Ave. SE. The site is located in the Stadium Village activity center and the Stadium Village LRT station area, and on the University Avenue SE commercial corridor, as identified in The Minneapolis Plan for Sustainable Growth, as well as near to the University of Minnesota growth center. The future land use map in The Minneapolis Plan for Sustainable Growth designates the site as mixed-use, which supports the proposed mix of uses, including residential and commercial. This project would be an appropriate use in a mixed-use area and 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 pre-applications to the City for the fall 2013 brownfield grant round (with the exception of the Minnesota Brownfields Gap Financing Program project and the PPL DECC Recapitalization project, both of which involve multiple locations).

# Brownfield Grant Applications: Fall Grant Round 2013

Created October 2013  
CPED Research

## Legend

Fall 2013 Projects ●

Ward Boundaries □

### Roads

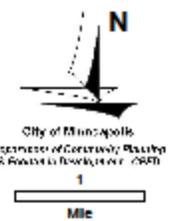
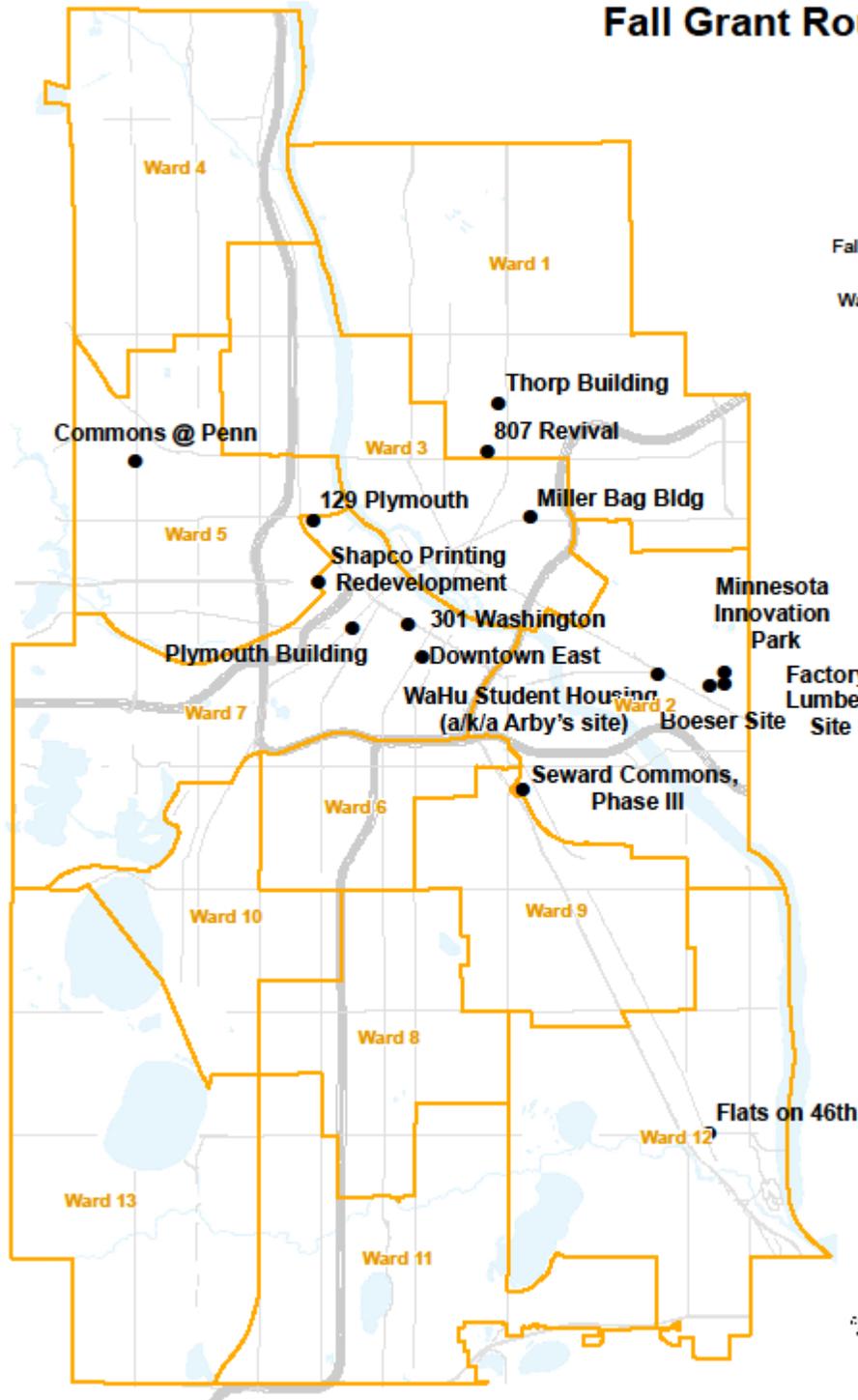
#### STREETNAME

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 November 1, 2013 by the City of Minneapolis for the following sites: 129 Plymouth, 301 Washington, Downtown East, Factory Lumber Site, Miller Bag Building, Seward Commons (Phase III), Shapco Printing Redevelopment, and WaHu Student Housing.

**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 November 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: 129 Plymouth, 807 Broadway Revival, Downtown East, Factory Lumber Site, Miller Bag Building, Minnesota Innovation Park (Phase IA), Plymouth Building, Seward Commons (Phase III), Shapco Printing Redevelopment, Thorp Building, and WaHu Student Housing; 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: 129 Plymouth, Boeser Site, Commons @ Penn, Downtown East, Flats on 46<sup>th</sup>, Miller Bag Building, Minnesota Brownfields (Brownfield Gap Financing Program), Plymouth Building, PPL DECC Recapitalization, Seward Commons (Phase III), Shapco Printing Redevelopment, and WaHu Student Housing;

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 November 1, 2013 by the City of Minneapolis or by the affected property owner or developer.

That the City Council approves the investigation and cleanup projects (although said approval does not confer other benefits or waive zoning, land use, building code or other applicable requirements) to be funded by the Minnesota Brownfields Gap Financing Program, for which an Environmental Response Fund grant application will be submitted to the Hennepin County Department of Environmental Services on November 1, 2013 by Minnesota Brownfields (a nonprofit organization that will also be administering the program in question).

For each project identified above for which the City is not the applicant, the City Council approval granted by this resolution is specifically contingent upon the applicant agreeing to have City staff administer (subject to the applicable City grant administration fee) any Hennepin County ERF grant that results from an application submitted directly to the County by the project developer, if the City is administering funds from other grantors for related project activities.