



Request for City Council Committee Action from the Department of Public Works

Date: November 19, 2013

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Honorable Lisa Goodman, Chair, Community Development Committee

Referral to: Honorable Betsy Hodges, Chair Ways and Means/Budget Committee

Subject: **Direction for the Impound Lot and Development Strategy for Land Adjacent to Van White Memorial Boulevard**

Recommendation:

- A. Direct Public Works and Finance & Property Services (FPS) to reduce the Impound Lot footprint and prepare recommendations on how to best to facilitate development while aesthetically improving the remaining infrastructure, including building and grounds, and enhancing the overall security and customer experience.
- B. Authorize Community Planning and Economic Development (CPED) and Public Works departments to coordinate a land use and development strategy for City owned parcels adjacent to the newly completed Van White Memorial Boulevard.
- C. Amend the 2013 General Appropriation Resolution by increasing the Community Planning and Economic Development agency Fund 01SDA – Development Account (01SDA-8900320) appropriation by \$100,000 from the available fund balance for consulting services.

Previous Directives:

- Aug 21, 2012- Receive and file report on Linden Yards redevelopment progress
- Jan 18, 2011- Receive and file report regarding strategies to maximize development on Linden Yards East and accept LCDA Predevelopment Grant from Met Council for Linden Yards East.
- April 2, 2010- Granted Ryan exclusive development rights to Linden Yards West through Dec 31, 2015 provided annual progress is demonstrated through a report each year. If Linden Yards East is selected by the Hennepin County Regional Rail Authority (HCRRA) as the preferred site for a rail layover facility, City staff is directed

to work with the HCRRRA on joint development strategies to maximize development and report back to the City Council on these strategies by 12/31/2010.

- March 6, 2009- Approved agreement with Hennepin County Regional Rail Authority for Cedar Lake Trail permits that contemplated future sale of land for commuter rail car storage.
- November 7, 2008- Granted Ryan Companies five years' exclusive development rights provided that annual progress is demonstrated and a research report is presented to City Council in approximately eight months (regarding the HCRRRA rail layover facility issue).
- February 15, 2008- Approved zoning revisions in Bassett Creek Valley from industrial to primarily commercial and higher-density residential uses. January 12, 2007- Approved Bassett Creek Valley Master Plan.
- January 12, 2007- Approved Bassett Creek Valley Master Plan.
- June 22, 2001 - Directed City and MCDA staff to carry out the short term strategies for relocation and operation alternatives for the Impound Lot, Concrete Crushing, and Linden Yards Operations Storage facilities.

Department Information:

Prepared by: Atif Saeed, Parking Systems Manager 612-673-2159 Beth Grosen, CPED Senior Project Coordinator 612-673-5002
Approved by: _____ Steven A. Kotke, P.E., Director of Public Works _____ Jeremy Hanson Willis, Director of CPED _____ Kevin Carpenter, City Finance Officer _____ Paul Aasen, City Coordinator
Presenters in Committee: Atif Saeed and Beth Grosen

Reviews: None

Financial Impact

Action requires an appropriation increase to the Operating Budget
Dept Name: Community Planning and Economic Development
Fund Name: Development Account (01SDA-8900320)
Amount: \$100,000

Other financial impact- Study of city-owned land and the reduction of land area for impounding would ultimately facilitate the marketing and potential sale of the property for private development at fair market value.

Community Impact

Neighborhood Notification – Notification provided to Harrison Neighborhood, Bryn Mawr Neighborhood and the Bassett Creek Valley Redevelopment Oversight Committee (ROC). Future engagement and on-going communication is planned.

City Goals - Contributes to “Livable Communities, Healthy Lives,” “Jobs and Economic Vitality”, and “A Safe Place to Call Home.”

Sustainability Targets - Supports central infill development.

Comprehensive Plan - Redevelopment elements will conform or will move toward conformance with the Minneapolis Plan for Sustainable Growth and Bassett Creek Valley Master Plan.

Zoning Code -property is zoned for I-1, C2, and R5.

Living Wage/Business Subsidy Agreement - Not at this time.

Job Linkage - Not at this time.

Supporting Information

History

Considerable planning and development study has focused on Bassett Creek Valley in the last ten years. Bassett Creek Valley is situated between I-394 and Glenwood Avenue, I-94 and Cedar Lake Road. The final leg of Van White Memorial Boulevard, linking north and south Minneapolis through the center of the valley, opened in August 2013. Planning efforts with the Harrison and Bryn Mawr neighborhoods, and the Bassett Creek Valley Redevelopment Oversight Committee (ROC), have been premised on leadership by the City to market city-owned property in the area. This was formalized in the adopted Bassett Creek Valley Master Plan approved in 2007.

Since 2007 city staff has studied and provided options for reducing the City’s land area through a combination of operational efficiency initiatives and/or relocating municipal operations to other locations. Efforts are currently underway by Public Works to reduce operations on Linden Yards.

Reducing the Size of the Impound Lot

The “Relocation Study for Public Works Operations Linden Yards and the Impound Lot for the Bassett Creek Redevelopment Plan” dated August 2009 examined options for alternative sites of a smaller 12 or more acres to fully relocate the Impound Lot. The estimated cost was at least \$15 million depending on the selected site. Since then, staff focus has been to improve operational efficiency while shrinking the size of the impound lot.

Public Works has recently updated the analysis of functions performed at the Impound Lot and has projected that the current operational footprint of the facility can be reduced significantly. This reduction is primarily due to a decrease in the day-to-day tow volume

and associated storage needs coupled with some operational changes and efficiencies and greater use of remote lots during high demand periods (e.g. Snow Emergencies).

A reduction in Impound Lot land area could be achieved through several different configurations of the existing lot and buildings. In one example, the existing public operations building could be razed to provide a more efficient lot and shuttle layout, and the public operations/entry could move one block east to the city-owned 198 Aldrich Avenue site. Another example could be enhancing the existing building (at its current location) while utilizing a portion of the existing lot to achieve the desired results.

Exploring alternatives will include further community and stakeholder engagement. As different alternatives are evaluated, operational needs, safety/security, accessibility and customer service, as well as ways to maximize development potential, must be considered. The overall goal would be to achieve much needed customer service enhancements while maintaining a reduced and more appealing Impound Lot presence as longer-term solutions are discussed and/or determined for the City's impounding needs.

Current Opportunities for Initial Development

As a separate but related issue, there is surplus City-owned land adjacent to the new Van White Memorial Boulevard and Bridge just south of 2nd Avenue North. These five acres are composed of five very irregularly-shaped parcels, separated by other property owned by CP Rail and a private party. If the City could combine the five acres of "surplus" land from Van White Memorial Boulevard with the CP Rail and private parcels, it would be able to assemble developable parcels both east and west of Van White Memorial Boulevard near 2nd Avenue North. The attached map, Exhibit 1, shows the City-owned parcels in dark blue and light blue. These dark blue parcels could potentially be combined with impound lot "shrinkage" acreage to form a new development area shown in the aerial map, Exhibit 2.

Development issues to be resolved include:

- disposition approval of several development parcels for an economic development use;
- appropriate building types based on market, soils, and environmental contamination;
- civil engineering related to connections to the Van White Memorial Boulevard and Bridge or new access across Bassett Creek;
- land survey and appraisals to potentially purchase or cooperatively market adjacent land owned by CP Rail or the private party.

Thus, this Council action includes an appropriation request for consultant contracts to assist with this technical predevelopment work. Funding of \$100,000 is requested by CPED to address pre-development issues and advance plans to market the city-owned property via an RFP to developers for land sales at fair market value. The redevelopment may be commercial, light industrial or mixed-use.

Appropriate development of these parcels would build upon the strategic public investment in the new Van White Memorial Boulevard and could act as a catalyst to encourage redevelopment within the Harrison neighborhood.

Next Steps

The above noted processes would move the area toward the goals of the Bassett Creek Valley Master Plan, while recognizing challenges and developments since the adoption of the plan. These include changes in the housing market and attitudes toward job-intensive uses, physical and financial issues and realities related to relocating the impound lot, and progress in defining locations for the proposed Bottineau and Southwest LRT lines and stations.

Overall, the representative departments (CPED, Public Works, and Finance - Property Services) request these Council approvals to pursue initiatives now through 2014 that will develop plans to effectively reduce the Impound Lot footprint, improve or replace the existing impound buildings and infrastructure, and study the best way to assemble and market parcels along Van White Memorial Boulevard for private redevelopment.

The expected timeline of activities and next steps include:

now through April 2014	CPED and Public Works will engage the Harrison and Bryn Mawr Neighborhoods and the Bassett Creek Redevelopment Oversight Committee (ROC) to develop a preferred approach for shrinking and improving the impound lot while developing additional marketable sites near Van White Memorial Boulevard. Public Works and CPED will secure consultants to assist in their planning work
May 2014	Facilities, Space and Asset Management (FSAM) committee will review and provide comment
June 2014	City Council will receive a report and recommendations
Last half of 2014	Public Works and FPS (with their consultants) will develop more detailed designs of impound lot improvements
2015	City site plan development review, FSAM, and bidding for impound lot improvements Following the CPED studies, an RFP will be issued to solicit development proposals with Council Action
late in 2015 or 2016	Construction would begin