



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

Date: February 11, 2014  
To: Lisa Goodman, Chair, Community Development and Regulatory Services Committee  
Referral to: John Quincy, Chair, Ways & Means Committee  
Subject: Accept and Appropriate Environmental Remediation Grants Awarded by the Minnesota Department of Employment and Economic Development (DEED) Contamination Cleanup and Investigation Grant Program, Metropolitan Council Livable Communities Tax Base Revitalization Account (TBRA) Grant Program and the Hennepin County Environmental Response Fund (ERF)

**Recommendation:**

1. Accept and/or approve the following grants (but only those for which the City of Minneapolis is identified as the "Recipient;" others are direct awards to applicant/developer and are included in this report for informational purposes only):

**MN Department of Employment and Economic Development (DEED) Grants**  
(The local match for these projects will come from developer's funds and/or from other grant funds.)

<b>Project</b>	<b>Recipient</b>	<b>Grant Award</b>
301 Washington	City of Minneapolis	\$ 472,845
Downtown East (Phase I)	City of Minneapolis	787,107
Factory Lumber	City of Minneapolis	19,237
Seward Commons (Phase III)	City of Minneapolis	388,400
Shapco Printing Redev.	City of Minneapolis	520,320
WaHu Student Housing	City of Minneapolis	222,280
<b>Total DEED awards:</b>		<b>\$2,410,189</b>

## Metropolitan Tax Base Revitalization Account (TBRA) Grants

(There is no local match required for these grants.)

<b>Project</b>	<b>Recipient</b>	<b>Grant Award</b>
129 Plymouth	City of Minneapolis	\$ 21,800
807 Broadway Revival	City of Minneapolis	576,700
Miller Bag Building	City of Minneapolis	125,000
Plymouth Building	City of Minneapolis	500,000
Shapco Printing Redev.	City of Minneapolis	244,900
WaHu Student Housing	City of Minneapolis	136,700
<b>Total Met Council TBRA awards:</b>		<b>\$1,605,100</b>

## Hennepin County Environmental Response Fund (ERF) Grants

(There is no local match required for these grants.)

<b>Project</b>	<b>Recipient</b>	<b>Grant Award</b>
129 Plymouth	City of Minneapolis	\$ 21,835
Boeser Site	The Cornerstone Group	260,000
Commons@Penn	Building Blocks of MN	195,700
Miller Bag Building	City of Minneapolis	55,071
Plymouth Building	City of Minneapolis	25,000
PPL DECC Recapitalization	Project for Pride in Living	287,650
Seward Commons (Phase III)	City of Minneapolis	110,000
<b>Total Hennepin County ERF awards:</b>		<b>\$955,256</b>

- a) Amend the 2014 General Appropriation Resolution by increasing the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900320) appropriation by \$2,896,970 and  
b) Amend the 2014 General Appropriation Resolution by increasing the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900220) appropriation by \$1,330,225.
- Increase the 2014 Revenue Budget for the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900900-321504) by \$2,410,189; Fund 01600-Other Grants-State and Local (01600-8900900-321513) by \$1,605,100; and Fund 01600-Other Grants-State and Local (01600-8900900-322002) by \$211,906.
- Authorize the appropriate City staff to execute grant, subrecipient and/or disbursement and related agreements for these grants.

**Previous Directives:** On November 1, 2013, the City Council authorized staff to submit a number of applications for remediation grant funds to the Minnesota Department of Employment and Economic Development (DEED) Contamination Cleanup and Investigation Grant Program, the Metropolitan Council Livable Communities Tax Base Revitalization Account (TBRA) Grant Program, and the

Hennepin County Environmental Response Fund (ERF). Additional project-specific Council actions are as follows:

**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. On December 6, 2013, the City Council overturned the Planning Commission's denial of the conditional use plan for the site.

**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. On December 6, 2013, the City Council accepted a \$198,500 DEED Redevelopment grant that had been awarded to the City on the project's behalf.

**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 a LCDA-TOD grant and a TBRA-TOD grant that had been awarded to this project.

**Commons@Penn** (2201/2213/2217/2221 Golden Valley Rd., 1823 Penn Ave. N.): On June 29, 2012, the City Council granted exclusive development rights for 12 months for the two City-owned parcels at 2201 Golden Valley Road and 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 December 7, 2012 the City Council granted preliminary approval for bond issuance for the development. 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. On November 2, 2013, the City Council approved an Affordable Housing Trust Fund loan up to \$1,125,000.

**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 and authorized staff to negotiate term sheets and/or agreements. On December 13, 2013, the City Council approved the term sheet with Ryan and the Minnesota Sports Facilities Authority, adopted resolutions establishing the development district and authorizing the issuance of bonds, adopted an ordinance related to the issuance of bonds, and authorized City officials to execute necessary agreements.

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

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

**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.

**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  
Approved by: Charles T. Lutz, Deputy Director, CPED \_\_\_\_\_  
Catherine A. Polasky, Director of Economic Development \_\_\_\_\_  
Funding Source and Appropriation Language \_\_\_\_\_  
Reviewed by Development Finance: \_\_\_\_\_  
  
Presenter in Committee: Kevin Carroll, Principal Project Coordinator, 612-673-5181

**Financial Impact**

Action requires an appropriation increase to the Capital Budget \_\_\_\_\_ or Operating Budget

Departments: 8900220 and 8900320  
Fund: 01600 (Other Grants – State and Local)  
Amount: \$2,896,970 (in 8900320)  
\$1,330,225 (in 8900220)

Action provides increased revenue for appropriation increase

Department: 8900900 (Transfer & Debt Service)  
Fund: 01600 (Other Grants – State and Local)  
Amount: \$4,227,195

Action is within the Business Plan

## 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. The developer met with the NLNA on October 23, 2013 to provide an update on the project. The NLNA issued a new letter of support on November 6, 2013.

**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 NRRC 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. Ryan provided an update on the project to a joint Elliott Park/East Downtown Council/Downtown Minneapolis Neighborhood Association meeting on January 16, 2014.

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

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

**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 (SNG) has consistently supported the redevelopment of the former Bystrom Brothers site since 2005. On October 8, 2013, the SNG's Community Development Committee adopted a motion supporting the developer's anticipated brownfield grant applications in the fall 2013 grant round.

**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.

**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:** Eight new Minneapolis sites were awarded funds in this grant round, which brings the total number of City projects securing brownfield grants (2004-2013, inclusive) to 167. (Thirteen sites were actually awarded funds, but to avoid double-counting, five of them – 129 Plymouth, Commons@Penn, Plymouth Building, Shapco Printing Redevelopment, and WaHu Student Housing – have been excluded because they were also awarded brownfield funds in a prior grant round.) The City's original goal of remediating 100 brownfield sites by 2014 was achieved in the spring 2010 grant round. A revised goal of remediating 170 sites by 2014 was then established, and the City is now on the verge of achieving that new goal.

**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 prior to the expenditure of funds.

**Other:**

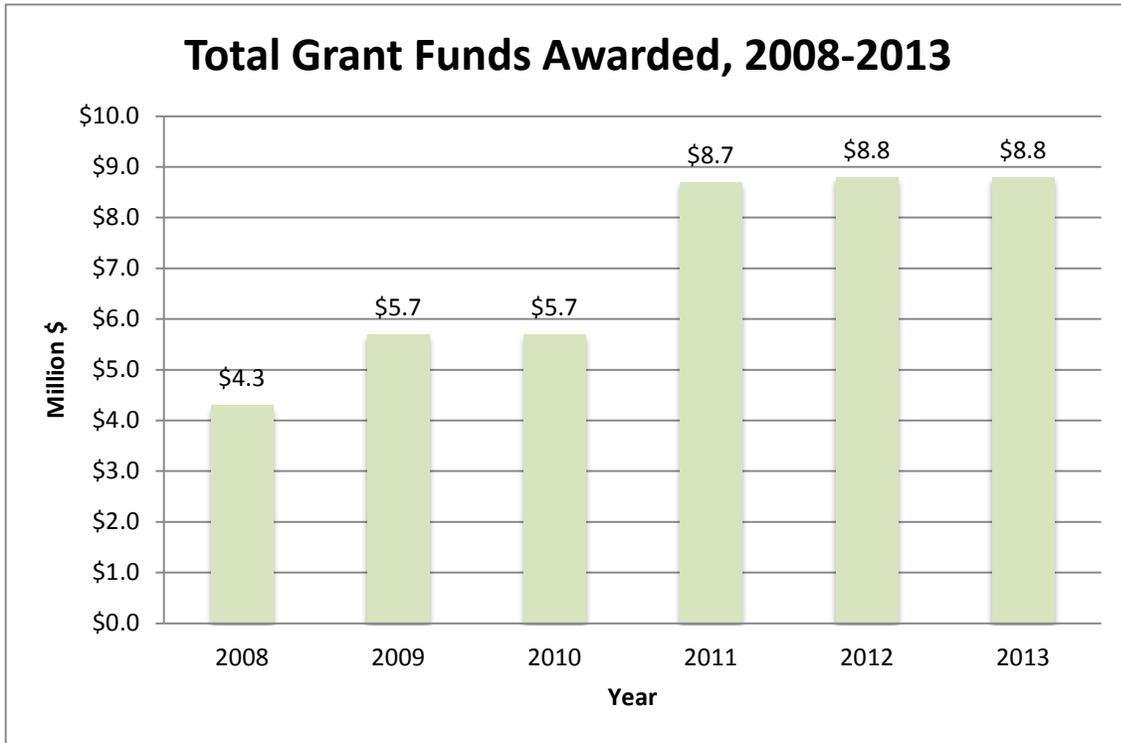
Living Wage/Business Subsidy Agreement: Yes \_\_\_\_\_ No X  
Job Linkage: Yes \_\_\_\_\_ No X

**Supporting Information**

On November 4, 2013, the City of Minneapolis/CPED submitted or supported grant applications to the Minnesota Department of Employment and Economic Development (DEED) Contamination Cleanup and Investigation Grant Program, Metropolitan Council Livable Communities Tax Base Revitalization Account (TBRA) Grant Program and the Hennepin County Environmental Response Fund (ERF) for a number of projects, including those identified herein.

Total grant funds in the amount of \$4,970,545 were awarded to projects located in the City of Minneapolis during the fall 2013 brownfield grant funding round. The amount awarded in the fall 2013 round is 70.1% of the total amount requested (\$7,087,553) for projects located in the City.

The combination of the grant funds awarded in the spring (\$3,792,095) and fall (\$4,970,545) rounds of 2013 -- \$8,762,640 -- is only \$16,374 less than the City record that was set just last year (\$8,779,014) for total brownfield grant funds awarded to and accepted by the City in a single year.



**Minnesota Department of Employment and Economic Development (DEED) Contamination Cleanup and Investigation Grant Program** – of the \$3,337,208 awarded state-wide, Minneapolis projects were awarded \$2,410,189, or 72.2% of the grant funds awarded.

Six of the eight Minneapolis projects that submitted applications were awarded a grant. The funds awarded to those six projects represent 98.3% of the total amount requested (\$2,452,182) by the six projects. This percentage is a bit inflated by the fact that in three cases (Seward Commons, Shapco and WaHu) DEED awarded more funding than the applications had requested; DEED presumably did so upon discovering that one or both of the other two brownfield grantors would be awarding less than those projects had been seeking from them.

**Metropolitan Council Livable Communities Tax Base Revitalization Account (TBRA) Grant Program** – of the \$4,071,700 awarded metro-wide, Minneapolis projects were awarded \$1,605,100, or 39.4% of the grant funds awarded.

Six of the ten Minneapolis projects that submitted applications were awarded a grant. The funds awarded to those six projects represent 55.8% of the total amount requested (\$2,877,929) by the six projects.

**Hennepin County Environmental Response Fund (ERF)** - of the \$1,428,120 awarded county-wide, Minneapolis projects were awarded \$955,256, or 66.9% of the grant funds awarded.

Seven of the eleven Minneapolis projects that submitted applications were awarded a grant. The funds awarded to those seven projects represent 54.4% of the total amount requested (\$1,757,442) by the seven projects.

**Geographic Distribution of Grant Awards**

DEED, the Metropolitan Council and Hennepin County awarded a total of 34 brownfield grants during the fall 2013 grant round. Projects receiving grant awards were located in the following jurisdictions:

JURISDICTION	NUMBER OF GRANTS RECEIVED
Minneapolis	19
St. Paul	4
Fridley, Golden Valley	2 each
Blue Earth County, Bloomington, Duluth, Excelsior, Mankato, Roseville (and one multi-city program grant)	1 each

**CITY OF MINNEAPOLIS AS GRANT RECIPIENT:**

The City sponsored and submitted grant applications on behalf of the following ten projects, and in each case the related grant agreement will be between the grantor and the City. The City will enter into subrecipient agreements with the developers or related entities to enable them to obtain reimbursement for any eligible investigation and/or remediation costs incurred.

**129 Plymouth (Ward 3) - \$43,635**

129 Plymouth Ave. N.

Lead Developer – Plymouth & Second LLC (or affiliated entity)

Met Council TBRA award \$21,800

Hennepin County ERF award \$21,835

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. 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.

The awarded grant funds will be used for soil remediation.

**301 Washington (Ward 3) - \$472,845**

301 Washington Ave. S.

Lead Developer – Alatus Washington LLC (or affiliated entity)

DEED Cleanup Award \$472,845

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. 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.

The awarded grant funds will be used for soil remediation.

**807 Revival (Ward 1) - \$576,700**

807 Broadway St. NE; 1100-1110-1112 Quincy St. NE

Lead Developer – Hillcrest Development (or affiliated entity)

Met Council TBRA award \$576,700

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. 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.

The awarded grant funds will be used primarily for the abatement of lead paint and asbestos, and for some incidental soil remediation.

**Downtown East, Phase I (Ward 3) - \$787,107**

425 Portland Ave. (and multiple other parcels)

Lead Developer – Ryan Companies (or affiliated entity)

DEED Cleanup Award \$787,107

This Ryan Companies project involves the redevelopment of five blocks (currently owned by the StarTribune) into two major office buildings totaling over 1 million square feet, approximately 22,000 square feet of retail space, up to 400 housing units, a 1,600-stall parking ramp and one and two-thirds blocks of public green space. The projected total development cost is over \$400 million. 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. The project has received its city land use approvals. 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.

The awarded grant funds will be used primarily for soil remediation.

**Factory Lumber (Ward 2) - \$19,237**

445 Malcolm Ave. SE

Lead Developer – Wall Development Co. LLC (or affiliated entity)

DEED Investigation Award \$19,237

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. 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.

The awarded grant funds will be used for an environmental site investigation.

**Miller Bag Building (Ward 3) - \$180,071**

861 E. Hennepin Ave.

Lead Developer – Ackerberg Group (or affiliated entity)

Met Council TBRA award	\$125,000
Hennepin County ERF award	\$ 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. 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.

The awarded grant funds will be used for soil remediation and for the abatement of hazardous materials in existing buildings.

**Plymouth Building (Ward 3) - \$525,000**

12 S. 6<sup>th</sup> St.

Lead Developer – Plymouth Building Holdings LLC (or affiliated entity)

Met Council TBRA award	\$500,000
Hennepin County ERF award	\$ 25,000

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. 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.

The awarded grant funds will be used primarily for the abatement of asbestos and lead-based paint, and for the closure of an on-site well.

**Seward Commons, Phase III (Ward 6) - \$498,400**

2200-2218 Snelling Ave.

Lead Developer – Seward Redesign (or affiliated entity)

DEED Cleanup Award	\$388,400
Hennepin County ERF award	\$110,000

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. 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.

The awarded grant funds will be used for soil remediation and for the abatement of asbestos and lead-based paint.

**Shapco Printing Redevelopment (Ward 5) - \$765,220**

524 5<sup>th</sup> St. N.

Lead Developer – United Properties (or affiliated entity)

DEED Cleanup Award	\$520,320
Met Council TBRA award	\$244,900

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. 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.

The awarded grant funds will be used for soil remediation and for the abatement of hazardous materials in the existing building on the site.

**WaHu Student Housing (Ward 2) - \$358,980**

1016-1024-1032 Washington Ave. SE; 2408 University Ave. SE; 1025 Delaware Ave. SE

Lead Developer – CPM Development LLC and/or WaHu LLC (or affiliated entity)

DEED Cleanup Award	\$222,280
Met Council TBRA award	\$136,700

The developers, CPM Development LLC and WaHu LLC, are currently in the process of demolishing three existing commercial buildings (including Arby's) and constructing 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 is an appropriate use in a mixed-use area and is in conformance with the comprehensive plan for land use.

The awarded grant funds will be primarily used for soil remediation.

**DEVELOPER AS GRANT RECIPIENT:**

The City did not submit the grant applications for the projects referred to below; the projects in question applied directly to Hennepin County. The County allows certain parties to apply directly to them (rather than through the City) if the applicant is identified in the County's guidelines as an authorized "direct" applicant and if there is evidence that the City supports the project. For the projects referred to below, the grant agreements will be between Hennepin County and the grant

recipients, rather than between the County and the City. Therefore, no subrecipient agreements will be required, and the City will not appropriate the grant funds. The grant recipients will obtain reimbursement for eligible remediation costs directly from the County rather than from or through the City. These projects are presented for informational purposes.

**Boeser Site (Ward 2) - \$260,000**

2901 4<sup>th</sup> St. SE

Lead Developer and ERF Applicant – The Cornerstone Group (or affiliated entity)

Hennepin County ERF award

\$260,000

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. 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.

The awarded grant funds will be used primarily for soil remediation.

**Commons @ Penn (Ward 5) - \$195,700**

2201-2213-2217-2221 Golden Valley Road, 1823 Penn Ave. N.

Lead Developer and ERF Applicant – Building Blocks Non-Profit, Inc.

Hennepin County ERF award

\$195,700

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. 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.

The awarded grant funds will be used primarily for soil remediation.

**PPL DECC Recapitalization (Wards 6, 8, 9, 10) - \$287,650**

Multiple sites on Elliott Ave. S, E. 21<sup>st</sup> St., Pillsbury Ave., W. 28<sup>th</sup> Street, 4<sup>th</sup> Ave. S and Columbus Ave. S

Lead Developer and ERF applicant – Project for Pride in Living

Hennepin County ERF award \$287,650

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 projected total development cost is \$10,486,345. The buildings in question were constructed between 1887 and 1917, and no significant rehab has been done in the past 20 years. 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.

The awarded grant funding will be used for the abatement of lead paint and asbestos contamination.

**FALL 2013 CONTAMINATION CLEANUP GRANT ROUND  
MINNEAPOLIS APPLICANTS - Requests & Awards**  
(o) = original request in pre-application; (a) = amended request in final application

PROJECT	APPLICANT	# of Acres	DEED		Met Council TBRA		Hennepin County ERF		Total Grants	
			Requested	Awarded	Requested	Awarded	Requested	Awarded	Requested	Awarded
129 Plymouth	City of Minneapolis	<del>0.760</del>	140,145 (o)	0	24,292 (o) 21,835 (a)	21,800	24,292 (o) 21,835 (a)	21,835	188,729 (o) 183,815 (a)	43,635
301 Washington	City of Minneapolis	1.300	517,845 (o) 529,564 (a)	472,845					517,845 (o) 529,564 (a)	472,845
807 Revival	City of Minneapolis	5.800			650,000 (o) 576,788 (a)	576,700			650,000 (o) 576,788 (a)	576,700
Boeser Site	Cornerstone Group	2.520					250,000 (o) 260,000 (a)	260,000	250,000 (o) 260,000 (a)	260,000
Commons@Penn	Building Blocks MN	<del>0.780</del>					152,000 (o) 195,700 (a)	195,700	152,000 (o) 195,700 (a)	197,700
Downtown East	City of Minneapolis	12.700	2,392,636 (o) 946,420 (a)	787,107	1,935,156 (o) 0 (a)		654,576 (o) 170,336 (a)	0	4,982,368 (o) 1,116,756 (a)	787,107
Factory Lumber	City of Minneapolis	1.010	18,750 (o) 19,998 (a)	19,237	18,750 (o) 19,998 (a)	0			37,500 (o) 39,996 (a)	19,237
Flats on 46th	Quest Development	NA					12,500 (o) 26,000 (a)	0	12,500 (o) 26,000 (a)	0
Miller Bag Building	City of Minneapolis	0.850	96,621 (o) 96,246 (a)	0	125,060 (o)	125,000	55,071 (o)	55,071	276,752 (o) 276,377 (a)	180,071
Minnesota Innovation Park	City of Minneapolis	NA			175,000 (o) 235,000 (a)	0			175,000 (o) 235,000 (a)	0
Plymouth Building	City of Minneapolis	<del>0.850</del>			500,000 (o)	500,000	350,000 (o)	25,000	850,000 (o)	525,000
PPL DECC Recapitalization	Project for Pride in Living	1.510					288,000 (o)	287,650	288,000 (o)	287,650
Seward Commons, Phase III	City of Minneapolis	1.010	235,000 (o) 197,529 (a)	388,400	200,000 (o)	0	200,000 (o)	110,000	635,000 (o) 597,529 (a)	498,400
Shapco Printing Redevelopment	City of Minneapolis	<del>4.240</del>	350,000 (o)	520,320	140,490 (o) 224,980 (a)	244,900	140,490 (o) 140,500 (a)	0	630,980 (o) 715,480 (a)	765,220
Thorp Building	City of Minneapolis	NA			600,000 (o) 837,508 (a)	0			600,000 (o) 837,508 (a)	0
WaHu Student Housing	City of Minneapolis	<del>4.935</del>	172,280 (o)	222,280	136,760 (o)	136,700	50,000 (o)	0	359,040 (o)	358,980
<b>TOTAL</b> (acreage total is for <i>awarded</i> grants only; also, 129 Plymouth, Commons@Penn, Plymouth Building, Shapco and WaHu have been excluded from the total because they received brownfield grants in prior rounds)			3,923,277 (o) 2,452,182 (a)	<b>2,410,189</b>	4,505,508 (o) 2,877,929 (a)	<b>1,605,100</b>	2,176,929 (o) 1,757,442 (a)	<b>955,256</b>	10,605,714 (o) 7,087,553 (a)	<b>4,970,545</b>
<b>Percent of Requested Funds Awarded:</b>				<b>98.3%</b>		<b>55.8%</b>		<b>54.4%</b>		<b>70.1%</b>

## **Amending the 2014 General Appropriation Resolution.**

Resolved by The City Council of the City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by:

1. Increasing the appropriation for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900320) by \$2,896,970.
2. Increasing the appropriation for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900220) by \$1,330,225.
3. Increasing the revenue source for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900900-321504) by \$2,410,189.
4. Increasing the revenue source for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900900-321513) by 1,605,100.
5. Increasing the revenue source for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900900-322002) by \$211,906.