



Request for City Council Committee Action from the Department of

Date: January 20, 2015

To: Council Member Lisa Goodman, Chair, Community Development & Regulatory Services Committee

Subject: Reciprocal Access and Maintenance Easement Agreement between the City of Minneapolis and Mill Place, Inc. for access and maintenance to alley right of way on Parcel A.

Recommendation: Authorize staff to execute a Reciprocal Access and Maintenance Easement Agreement between the City of Minneapolis and Mill Place, Inc. for access and maintenance to alley right of way on Parcel A as described in the attached report.

Previous Directives:

- December 12, 2014, City Council authorized staff to enter into an agreement with Standard Parking for continued parking operations on Parcel A until closing (anticipated in spring 2015).
- May 2012, City Council authorized staff to enter into an agreement with Standard Parking for parking operations on Parcel A for three years.
- December 2009, City Council extended exclusive development rights to Eagle Iron Partners Joint Venture, Lupe Development Partners, LLC and North First Ventures, LLC (or affiliate) and authorized the Mayor and City Clerk to sign an application for title registration to be filed pursuant to Minnesota Statute 508.03 (6).
- March 6, 2009, City Council awarded exclusive development rights to Eagle Iron Partners Joint Venture, Lupe Development Partners, LLC and North First Ventures, LLC (or an affiliate).
- In January 2009, the City Council authorized staff to enter into an agreement with Standard Parking for parking operations on Parcel A.
- May 1993, the Minneapolis Community Development Agency (MCDA) entered into an Operating Agreement with Standard Parking for the operation and maintenance of over 1,000 parking spaces spread throughout several blocks in the Mill District area. This agreement automatically renews every 6 months.

Department Information

Prepared by: Carrie Flack, Sr. Project Coordinator Approved by: Craig D. Taylor, Executive Director, CPED _____ Charles T. Lutz, Deputy Director, CPED _____ Presenters in Committee: Carrie Flack, Sr. Project Coordinator
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Financial Impact

- No financial impact
- Action is within the Business Plan

Community Impact

- Neighborhood Notification – This is an access and maintenance easement agreement for a vacated alley shared with Mill Place, Inc. Staff has been working with Wall Companies and Lupe Development on a proposed redevelopment project for this site. The project is slated to close and break ground in Spring 2015. The project has received land use and planning approvals which included notification to the neighborhood groups. In addition, a public notice has been sent to DMNA regarding the land sale public hearing.
- City Goals – Development planned for this site addresses: Living Well, One Minneapolis, A Hub of Economic Activity and Innovation, Great Places, and a City that Works.
- Comprehensive Plan – Development planned for this site is for mixed use in the Mill District and is consistent with a number of goals in the Comprehensive Plan. In addition, the project is consistent with the Historic Mills District Master Plan update.
- Zoning Code – Development planned for this site is in compliance with the existing zoning district. The project has received all land use and planning approvals from the Heritage Preservation Commission and City Planning Commission.

Supporting Information

Parcel A is located on the northeast side of 2nd Street South between 3rd Avenue South and 5th Avenue South. An irregularly-shaped parcel owned by Mill Place, Inc., that was former railroad right of way, bisects Parcel A. Parcel A is thus divided into two parcels, Parcel A West and Parcel A East. All three parcels are currently improved with approximately 400 surface parking spaces operated and maintained by Standard Parking.

City staff issued a Request for Proposals for development on this site in January 2008 and the City Council granted exclusive development rights to Eagle Iron Partners in December 2009. Construction is anticipated in Spring 2015. The proposed Mill City Quarter is a mixed-use development project with about 300 units in two buildings primarily marketed for affordable and senior housing. A landscaped path, known as the Woonerf, will follow the old historic rail corridor dividing the two buildings and providing future access the Mississippi River.

The first building consists of a six-story building with 150 affordable housing units, about 15,000 sf of retail space, and below grade parking. The second building is a five-story senior housing complex with 104 units of independent senior housing and 45 memory care units with below grade parking. There will also be a restaurant open to the public.

As part of the process for clearing title in order to prepare for conveying the land at closing, the public alley between Mill Place, Inc. and the City of Minneapolis must be vacated. The purpose of the Reciprocal Access and Maintenance Easement Agreement is to maintain private access and maintenance of the alley should the property closing not occur. Once the alley is vacated, approximately 7 feet will be conveyed to the City and combined with the parcel being conveyed for development. The other half of the alley will be conveyed to Mill Place. This agreement maintains the current access and maintenance of the entire 14 foot alley for the benefit of the two adjacent properties until such time as the property closes and construction begins.

Staff recommends approval of the reciprocal access and maintenance easement agreement.

Attachment: Reciprocal Access and Maintenance Easement Agreement