

City of Minneapolis

Request for Committee Action

To: Community Development & Regulatory Services
Date: 5/17/2016
Referral: N/A
From: Community Planning & Economic Development
Lead Staff: Jim Terrell
Presented by: Jim Terrell
File Type: Action
Subcategory: Development Project

Subject:

Development rights to Wellington Management, Inc. for the Capri Block properties.

Description:

1. Awarding exclusive development rights to Wellington Management, Inc., or related entity, for City-owned property located at 2101 West Broadway (less the easterly 7,012 sq. ft.), 2306 Penn Avenue North, 2300 Penn Avenue North and 2114 23rd Avenue North for a period of eighteen months with a possible extension of up to six months approvable by the CPED Director
2. Authorizing staff to negotiate business terms with Wellington Management, Inc. for a land sale redevelopment agreement, subject to future City Council review and approval

Previous Actions:

August 14, 2009 the City Council approved a modification to the West Broadway Redevelopment Plan and added this and other properties to the list of properties that may be acquired. February 26, 2010, the City Council accepted a Metropolitan Council Livable Communities Demonstration Account grant of \$869,000 for acquisition of this and other properties. April 1, 2011 the City Council approved the sale a portion of 2101 West Broadway to Plymouth Christian Youth center (PCYC) for the nearby Capri Theater Expansion

Ward/Address:

Ward 5

2101 West Broadway (less the easterly 7,012 sq. ft.), 2306 Penn Avenue North, 2300 Penn Avenue North and 2114 23rd Avenue North.

Background/Analysis:

The Minneapolis Department of Community Planning and Economic Development issued a development Request for Proposals (RFP) for the property on March 7, 2016. Proposals were due on April 11, 2016. A single proposal was received from Wellington Management, Inc. (WMI). The proposal called for the development of a 35,000 square foot two-level medical office building with a clinic on the site located just west of the Capri Theater at 2101 West Broadway Avenue.

In addition, WMI proposes to construct a 175 stall two-level parking ramp and a 4,000 square foot single level restaurant/retail building. The parking ramp will be designed to accommodate not only the parking demands for the medical office building patients and employees, but for the parking needs of the adjacent Capri Theater as well. The restaurant/retail building will accommodate 1-3 smaller tenants, with a focus on the anchor restaurant tenant.

Additionally, the proposal calls for a public plaza to be developed between the proposed new restaurant/retail building and the expanded Capri Theater. WMI indicates that they are working with representatives of the Capri Theater to develop a collaborative design that will ensure compatibility between the proposed WMI project and the expanded Capri Theater development. The proposed public plaza will provide a gathering space for the community, opportunities for public art, as well as outdoor seating for the proposed new restaurant.

The proposal was reviewed by the staff team, West Broadway Area and Business Coalition, and as of this writing is scheduled to be reviewed by the Northside Resident Redevelopment Council. The staff team, Hennepin County, non-profit partners and neighborhood groups will continue to work with Wellington Management to refine the tenant mix, site design, parking and financing elements of the proposal.

The proposal level of investment, the proposed shared parking facility, the proposed inclusion of public space and public art, the collaboration with PCYC and the Capri Theater, and the strong support of Hennepin County and other non-profit partners make this proposed development potentially transformative to the Penn and Broadway intersection, to West Broadway, and to North Minneapolis.

Financial Review:

No financial impact.