



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

Date: July 25, 2006

To: Council Member Lisa Goodman, Community Development Committee
Council Member Paul Ostrow, Ways & Means Budget/Committee

Subject: Construction Contract Agreement

Recommendation: Request City Council Approval for the City of Minneapolis to Enter Into a Construction Contract With Watson Forsberg Company

Previous Directives: On October 2, 2002, the City Council approved \$345,000 from the Multi-family Rental and Cooperative Housing Program Funds for the project. On June 5, 2004 the City Council approved \$3000,000 from the Affordable Housing Trust Fund (AHTF) for this project; on May 14, 2004 the City Council approved Project Analysis Authorization for the Franklin-Portland Gateway Project – The Jourdain. In December 2004, the City Council approved the Franklin Portland Gateway Redevelopment Plan and Jourdain Tax Increment Finance Plan.

Prepared by: Dollie Crowther, Principal Project Coordinator **Phone: 612-673-5263**

Approved by: Chuck Lutz, Deputy Director CPED _____
Elizabeth Ryan, Director, of Housing Policy, _____
& Development _____

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Permanent Review Committee (PRC) Approval Not Applicable

Note: To determine if applicable see <http://insite/finance/purchasing/permanent-review-committee-overview.asp>

Presenter in Committee: Dollie Crowther

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
- Action requires an appropriation increase to the Capital Budget or Operating Budget.
- Action provides increased revenue for appropriation increase.
- Action requires use of contingency or reserves.
- Business Plan: Action is within the plan. Action requires a change to plan.
- Other financial impact (Explain):
- Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

Neighborhood Notification: On February 13, 2001 the Ventura Village approved the plans for The Franklin-Portland Gateway Phase II – The Jourdain.

City Goals: Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs and promotes future growth.

Comprehensive Plan: 4.9.1 Minneapolis will grow by increasing its supply of housing. 4.15 Minneapolis will carefully identify project sites where housing development and/or housing revitalization are the appropriate responses to neighborhood conditions.

Zoning Code: Will Comply.

Other: Not Applicable.

Background/Supporting Information

Phase I of the Franklin-Portland Gateway Project consists of the previously approved Children's Village Center, a four story multi-use community and education space, mixed income project on the S.E. corner of Franklin and Portland Avenues. A portion of this phase will provide 30 units of affordable housing. Included in this phase is Hope Community Court, a cluster development which will feature 6 affordable rental and 4 homeownership row houses and carriage houses. Also on the first level are the offices for Hope Community, Inc. This phase is funded and construction is complete on the Children's Village Center. Also the building is now fully occupied.

Franklin-Portland Gateway Phase II – The Jourdain is a collaborative effort by and between the Central Community Housing Trust (CCHT) and Hope Community to develop the southwest corner of Franklin and Portland Avenues. In order to make the Gateway collaborative a reality will require a phased financing and development schedule.

The Jourdain will provide a creative, commercial and residential development in the Phillips neighborhood. Ideas for the phased project were taken from residents and workers in the neighborhood and enhanced by engaging professionals in architecture, urban planning and real estate development. Indications now are that this area is poised for development. The technical expertise of CCHT and Hope represents a unique collaborative arrangement of two very skilled non-profit community developers who are prepared to carry forth the Gateway Project as part of the Ventura Village Master Plan.

Proposed Development

Hope Community and CCHT propose to develop The Jourdain, located at 2000-2012 Portland Avenue. This building will feature forty one (41) units of mixed-income rental housing, ranging from studios to 3 bedroom townhome style family units. Of the 41 units, seventeen will be market rate and the remaining units will be at 50% and 60% of median income. All residential parking is provided via a below grade parking garage, thus preserving much of the site for shared green space, playground and landscaping. Additionally, approximately 4,000 square feet of commercial space is planned for The Jourdain, which is proposed to house a mini-market/grocery.

The project is fully funded and construction is underway with completion anticipated to be October 1, 2006. The developer, CCHT applied for and was approved for TEA-21 grant funds from MNDOT to pay for new sidewalks, lighting, and street amenities along the southwest and northeast corners of Franklin and Portland Avenues.

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The cost for construction improvements eligible for TEA-21 funding is \$342,189 which is divided between Franklin-Portland Phase II and III. Matching funds as required by MNDOT can be City, County, State or other funds as appropriate. These funds also require competitive bidding, etc.

The agreement between MNDOT and the City of Minneapolis requires that the City prepare and execute a construction contract with the selected contractor performing the work, Watson Forsberg Company. Staff is requesting approval for the City of Minneapolis to enter into a construction contract with Watson Forsberg Company and execute the appropriate documents.

07-25-06DC FINAL BD RPT CONSTRUCTION CONTRACT AGREEMENT WATSON FORSBERG/M
Drive/CPED/Housing and Policy Development/Multi-family/Crowther folder