



Request for City Council Committee Action from the Department of CPED Planning

Date: January 4, 2007

To: Council Member Gary Schiff, Chair, Zoning and Planning Committee and Members of the Committee

Referral to: Council Member Lisa Goodman, Chair, Community Development Committee and Members of the Committee

Subject: Bassett Creek Valley Master Plan

Recommendation: Approve with modifications per City Planning Commission action

Previous Directives: N/a

Prepared by: Thomas Leighton, Principal Planner, 673-3853 Approved by: Barbara Sporlein, Director of Planning, 673-2616 Presenters in Committee: Thomas Leighton, Principal Planner

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification - Extensive notification through the plan process. 45 day formal public comment period
- City Goals - Contributes to "A Safe Place to Call Home", "Connected Communities", "Enriched Environment", "A Premier Destination"
- Comprehensive Plan - Staff report contains analysis of conformance with comp plan
- Zoning Code - Plan approval implies future zoning changes
- Other

Supporting Information

The Bassett Creek Valley (BCV) Master Plan is a small area plan with more detailed development elements than is typical. Its creation was spearheaded by a partnership between the BCV Redevelopment Oversight Committee and Ryan Companies. On November 27, 2006, the City Planning Commission took action on the plan. It recommended that the City Council adopt it as a small area plan and as an amendment to the comprehensive plan's policies relative to the BCV Area. This approval was subject to

seven modifications to the proposed plan. The action is attached. If approved by the City Council the Bassett Creek Valley Master Plan would supercede the plan by the same name was adopted in March, 2000.

Beyond consideration of the BCV Master Plan as a small area plan, there are several plan elements and community requests that are unaddressed by approval of the plan. 1) The cover letter that accompanied the plan included a recommendation that Ryan Companies be designated as the exclusive master developer for City-controlled land in the BCV Area. 2) There has been a grassroots groundswell of support around the idea of requiring any developer in the BCV Area to negotiate a community benefits agreement in association with new development. 3) One of the greatest challenges in implementing the BCV Master Plan is making BCV Area city operations land available for development. This requires a combination of relocating materials and re-imagining these city services. The approval of this small area plan is consistent with and would reaffirm prior city council action to undertake these transitions at the appropriate time.

Approval of the BCV Master Plan as a small area plan is in the purview of the Zoning and Planning Committee. The additional matters are appropriate for consideration in the Community Development Committee and staff would recommend referral of these development related matters to that committee. Staff is not recommending any particular action on the additional matters.



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

Date: December 1, 2006
To: Council Member Gary Schiff, Chair of Zoning and Planning Committee
Referral to: Zoning and Planning Committee
Subject: Referral from the November 27, 2006 City Planning Commission Meeting
Recommendation: See report from the City Planning Commission

Prepared by: Lisa Baldwin, Planning Commission Committee Clerk (612-673-3710)

Approved by: Jason Wittenberg, Supervisor, CPED Planning-Development Services

Presenter in Committee:

* Bassett Creek Valley Master Plan (2006), Tom Leighton, 612-673-3853

Community Impact (use any categories that apply)

Other: See staff report(s) from the City Planning Commission

Background/Supporting Information Attached

The attached report summarizes the actions taken at the City Planning Commission meeting held on November 27, 2006. The findings and recommendations are respectfully submitted for the consideration of your Committee.

**REPORT
of the
CITY PLANNING COMMISSION
of the City of Minneapolis
(EXCERPT)**

The Minneapolis City Planning Commission, at its meeting on November 27, 2006, took action to **submit the attached comment** on the following items:

16. Bassett Creek Valley Master Plan (2006) (Ward: Citywide) (Tom Leighton). This item was continued from the November 13, 2006 meeting.

A. Master Plan: Consideration of adoption of the ***Bassett Creek Valley Master Plan (2006)***.

Action: The City Planning Commission recommended that the City Council **adopt** the Bassett Creek Valley Master Plan (2006) as a small area plan and replacement to the Bassett Creek Valley Master Plan (2000), and as an articulation of and amendment to the comprehensive plan's policies related to the BCV Area, subject to review and approval by the Metropolitan Council, and subject to the following changes:

1. Append the map illustrating the proposed BCV Area comprehensive plan features.

2. Append the Future Land Use map (as revised by staff in response to 11/21/06 community input).
3. Re-title the map entitled "Land Use Plan" map to "Future Development Scenario."
4. Substitute the following description of the design guidelines on page 4.16.

"Design guidelines have been prepared for Bassett Creek Valley to suggest street and streetscape design, building placement and the transition zone between public streets and building facades. This urban design approach to guidelines allows for much more flexibility and creative expression than would be offered through architectural guidelines that would direct building character and features. The design guidelines also address environmental guidelines such as stormwater management, heat island effect, sustainable design including elements related to renewable energy sources when practical and light pollution. The design guidelines are included as an Appendix to the master plan so they can be used as an independent tool through the development process. The themes addressed in design guidelines include establishing comfortable, safe and vibrant pedestrian streets, creating an urban character, environmental sustainability, balancing auto and pedestrian spaces and attention to building frontages.

In the 10 Year Transportation Action Plan under development, the City of Minneapolis is creating a very similar framework for classifying street types and prescribing dimensional guidelines for them. This plan recognizes that the classification system and design guidelines in the 10 Year Transportation Action Plan must guide street design city-wide. This plan's design guidelines are advanced in the hope that they inform city decisions about how to classify streets in the BCV Area within the 10 Year Transportation Action Plan, and what design features are recommended for those streets."

5. Amend the proposed street network by modifying the alignment of Aldrich, Bryant and Dupont Avenues to address the issues described above.
6. Substitute the following descriptive text in page 22.

"City-owned Facilities and Public Works Operations"

The City of Minneapolis owns two large parcels of land in the study area, commonly referred to as the Impound Lot and Linden Yards. The city's impound lot is situated on approximately 30 acres of property between the north leg of the BNSF railroad line and Bassett Creek. Linden Yards, an outdoor storage and materials transfer area (that includes space for a concrete crushing operation), is on a 25-acre parcel located between the south leg of the BNSF rail line and Interstate 394. A 2001 report completed by the City of Minneapolis analyzed these operations. It identified potential changes to the operations that might reduce their space requirements, and evaluated the requirements, challenges and rudimentary costs associated with finding new locations for them. The report finds that the impound lot is the most difficult of these facilities to relocate or reconfigure. This master plan suggests redevelopment of the Impound Lot and Linden Yards property."

7. Add language in the Financial Feasibility section (page 5.4) of the plan related to the relocation/restructuring of BCV City-owned facilities as follows.

"City-owned Facilities and Public Works Operations: While they do not show up in the lines of the tables on pages 5.9, 5.10, and 5.11, there are significant costs associated with transitioning BCV-Area Public Works operations. Redevelopment related revenues should be utilized to pay these transition costs."

Department of Community Planning and Economic Development – Planning Division
Small Area Plan/Comprehensive Plan Amendment

Date: November 27, 2006

Project Name: Bassett Creek Valley Master Plan 2006

Submitted By: CPED Planning Division

Planning Staff and Phone: Thomas Leighton, 673-3853

Wards: 5, 7

Neighborhood Organizations:

- Harrison Neighborhood Association
- Bryn Mawr Neighborhood Association

Current Minneapolis Plan Designations:

- Community Corridor—Glenwood Avenue
- Neighborhood Commercial Node—Glenwood Avenue and Cedar Lake Avenue

Proposed Minneapolis Plan Designations:

- Growth Center—Bassett Creek Valley Area
- Commercial Corridor—Glenwood Avenue from I-94 to Cedar Lake Road
- Community Corridor—Van White Memorial Boulevard from I-394 to Olson Memorial Highway
- Neighborhood Commercial Node—Van White Memorial Boulevard and Glenwood Avenue

Background

The Bassett Creek Valley (BCV) Area is approximately 230 acres, bounded on the west by Cedar Lake Road, on the east by I-94, on the north by the Heritage Park development, and on the south by I-394. It is named for Bassett Creek, which enters the area from the west, and enters an underground stormwater system in the center of the BCV Area on its way to the Mississippi River. The BCV Area currently encompasses a mix of land uses, including large and prominent features such as the city's Impound Lot, and Bryn Mawr Meadows Park. It is traversed by active freight rail lines, and in the future may support light rail and commuter rail lines. It will soon support three bicycle trails—the existing Cedar Lake Trail and Bassett Creek Trail, and the trail that will be part of Van White Memorial Boulevard. Van White Memorial Boulevard is currently under construction, and will connect Interstate 394 at the current Dunwoody Boulevard exit to north Minneapolis through this area. The BCV Area is home to many industrial and commercial businesses, and some single family homes.

The Bassett Creek Valley Master Plan (also referred to in this report as “the Plan” or “the 2006 Plan”) is a proposed long-range plan for the BCV Area. It bears the same name as, and would supersede, the Bassett Creek Valley Master Plan that was approved by the City Council in 2000

(also referred to in this report as “the 2000 Plan”). The 2006 Plan is a community-based plan that was developed over the course of 2005 and 2006 by the Bassett Creek Valley Redevelopment Oversight Committee (ROC) in collaboration with Ryan Development. Hoisington Koegler was contracted by Ryan Development for consultant services to produce the Plan and facilitate the planning process. During this period numerous opportunities were provided for community input. The public events that provided opportunities for review and comment on the work in progress were extremely well attended. City staff served as a resource to the BCV ROC/Ryan Development collaboration during this period, but were not the project manager, nor the primary client for the consultant services. On two occasions, city staff submitted formal comments on the evolving plan.

The 2006 Plan is complex and has a number of important implications related to city operations and city development support. For this reason the recommendation on the Plan by CPED Planning staff needs to take into full consideration the response of other city staff to the Plan. A number of comments on the Plan have been received from interested parties. They were attached in their entirety to the November 13 staff report. Major themes in these comments are summarized in this report.

Plan Summary

The 2006 Plan attempts to build on the 2000 Plan in several ways. It offers a development scenario and development guidelines that are more specific than the fairly general guidance that was offered in the 2000 Plan. It proposes some modifications to the proposed land use and development guidelines of the 2000 Plan. It provides additional information and analysis relative to the feasibility of the redevelopment it proposes. And it suggests implementation strategies that might further the realization of the plan.

Elements of the 2006 Plan. The Plan offers guidance relative to the following elements.

- Land use
- An enhanced street network
- Specific and considerable improvements to the area’s open space elements
- Housing mix with respect to rental vs ownership and on an affordability continuum
- Design guidelines for streets and buildings
- Appropriate density levels for different plan areas

In addition to this guidance framework, the plan offers an analysis of the feasibility of the proposed development. As part of this analysis it estimates the costs of redevelopment by sub-area. These include development costs related to site assembly, the structural implications of the poor soil conditions in much of the area, and environmental remediation. The Plan also attempts to calculate the cost of providing the public infrastructure associated with development—i.e. the streets and utilities, and desired streetscape elements.

The Plan outlines important principles and potential resources relative to implementation of the Plan.

Major changes from the 2000 Bassett Creek Valley Master Plan. This section highlights important differences between the 2000 and 2006 versions of the BCV Master Plan.

- **Land use along I-394.** The 2000 Plan called for the area between the current Linden Yards area north of I-394 to be commercial and industrial to the east of Van White Memorial Boulevard, and exclusively commercial to the west of Van White. The 2006 Plan proposes an adjustment to the land use guidance in both of these areas. To the east of Van White, it proposes commercial office development, except for an area that is designated for “civic use”. Industrial development is not included as an option. To the west of Van White, it proposes a mix of office and residential.
- **Development intensity along I-394.** The 2000 Plan did not specify a specific density level for development along I-394, but it indicated that it would be appropriate for new buildings to exceed the height of the freeway by a modest amount. The 2006 Plan proposes a higher level of development intensity. It proposes that buildings of up to 25 stories be allowed. However, these building heights are not required in order to build out the area according to the other proposed density measures—up to 150 dwelling units per acre, and a floor area ratio of up to 3.5.
- **Land use along Van White north of railroad line.** The 2000 Plan called for industrial development on the east side of Van White between the railroad lines and Bassett Creek. The 2006 Plan proposes that housing and office uses are more appropriate for some of this area, extending about two blocks to the east of Van White. This is a reduction of industrially guided land and corresponding increase in anticipated housing units and office space.
- **Lower density residential development.** The 2000 Plan called for a mix of housing in the western part of the plan area north of Bassett Creek—including single-family houses, apartments, condominiums, townhouses and artist lofts—with heights generally not to exceed 3 stories. The 2006 Plan makes a distinction between residential blocks north and south of Currie Avenue. To the south of Currie Avenue it proposes medium density residential development with a density of up to 110 housing units per acre. To the north of Currie it proposes lower density residential development with a density of up to 30 units per acre so as to provide development that is more compatible with single family housing north of 2nd Avenue.
- **Park expansion.** The 2000 Plan envisioned Bryn Mawr Meadows Park would be expanded northward up to and encompassing Bassett Creek itself along its northern edge. The new area would provide opportunities for both active and passive recreation. The 2006 Plan calls the park expansion Bassett Creek Commons, and envisions it as a passive open space without active recreational facilities—providing habitat, trail, and stormwater management amenities.
- **Street network.** The 2000 Plan does not illustrate a proposed street network to serve the new development. The 2006 Plan proposes a street network that serves the developed areas. The network includes a road along the north side of Bassett Creek that serves to delineate private development from the creek and associated park and trail system. It also proposes a couple of “green streets”, as well as a bridge over the BN Railroad line at Dupont Avenue additional to the Van White bridge.
- **Housing mix.** The 2000 Plan was silent on the subject of the provision of affordable housing. The 2006 Plan sets ambitious and fairly specific goals for the mix of housing to be built in the

area. It proposes that a minimum of 60% of housing units be owner-occupied units, and that specific and aggressive targets be set for numbers of affordable units within the rental component and the ownership component.

- **Public Works facilities.** While the 2000 Plan called for the relocation of Linden Yards and the City's Impound Lot, current City Council policy direction was established in its 2001 action in response to the staff recommendations in the "Appraisals, Relocation and Operations Analysis". The 2001 City Council action called for the eventual relocation of materials stored in Linden Yards. With respect to the city's Impound Lot, the City Council action called for it to be either reduced in size such that it would be eliminated west of Van White and would continue to exist only on the east side of Van White, or for it to be relocated out of the BCV Area. Because the continuing presence of the Impound Lot is believed to significantly diminish the value of the Linden Yards property for commercial redevelopment, the 2006 Plan reasserts the guidance that the Impound Lot would be relocated out of the BCV Area over the long-term or made invisible by integrating it into a development within the area.

Compatibility with The Minneapolis Plan

The Minneapolis Plan designates Glenwood Avenue and Cedar Lake Road as Community Corridors, and indicates a neighborhood commercial node at the intersection of these two streets. Beyond this, it doesn't offer a lot of guidance for this area. The area is not, for example, designated as either an Industrial Park Opportunity Area or a Major Housing Site.

The 2006 Bassett Creek Valley Master Plan provides guidance for the BCV Area that can and should be formalized through companion changes to The Minneapolis Plan. There is some question whether the Growth Center designation will be retained in the update to The Minneapolis Plan that is currently in the works. If it is, the BCV Area should be designated a Growth Center. In the words of The Minneapolis Plan, the principal character of Growth Centers is "a concentration of employment activity, but they succeed as busy, interesting, attractive places because there are a wide range of complementary activities taking place throughout the day. People want to live in these places, walk to work, relax in parks and open spaces on their work breaks, and have their everyday commercial needs met." This is a good description of the proposed character of the Bassett Creek Valley area.

The BCV Master Plan calls for Glenwood Avenue between Lyndale Avenue and Cedar Lake Road to redevelop as a bustling commercial, mixed use street of a scale similar to the downtown Warehouse District. Commercial establishments serving neighborhood needs would be clustered at the intersection of Glenwood and Van White Memorial Boulevard. To support this intent, Glenwood Avenue should be designated a commercial corridor from Lyndale to Cedar Lake Road, with Glenwood and Van White Memorial Boulevard designated a Neighborhood Commercial Node.

Van White Memorial Boulevard serves to connect neighborhoods, and is being constructed to be bus ready, once developed. The land use along Van White is primarily residential, with intermittent commercial activity. A community corridor designation is compatible with this intent.

A map of these proposed features is attached to this report as an appendix.

Additional Analysis

City staff provided written feedback on the plan at two points in the process—in June, 2005 and May, 2006—that included requested changes to the draft plan document. These comments included the perspectives of CPED and Public Works staff, as well as staff from the Minneapolis Park and Recreation Board. In some instances changes were made, but in some instances they were not. Most of the issues highlighted in the following analysis are not new to this staff report, but were raised earlier in the June, 2005, or May, 2006, reviews.

Generality vs. Specificity. In terms of specificity, the 2006 BCV Plan offers direction for the BCV Area that goes beyond the general land use guidance usually offered in a small area plan. This is helpful in that it provides a higher resolution image of the type of development the community would like to see, and makes possible a stronger analysis of the plan's feasibility. It also, however, raises some concerns.

Small area plans have a role to play in the review of development proposals. Development applications that require a conditional use permit or site plan review are subject to findings that include conformance w/ the city's comprehensive plan. When small area plans are approved and amended to The Minneapolis Plan, the land use guidance of the plan is taken into consideration in that analysis. This makes it important that plans are at the correct level of specificity. To take an example from the "Land Use Plan" of the 2006 Plan, there is an area colored dark purple in blocks 18 and 19 that is guided for office development. If a commercial developer purchased one of these properties and wanted to use it for a printing shop, which is allowed in commercial and industrial districts alike, the City would not be on solid ground to deny the application. Moreover, the boundaries of the "Office" district in blocks 18 and 19 do not follow current property lines on their north edge, and anticipate a relocation of Bryant Avenue, which the City's Public Works staff points out may not be feasible. Similar issues are raised by the proposed civic use in blocks 29 and 30, and the proposed Office/Housing in blocks 20, 23, and 27.

Feasibility. The Plan devotes considerable attention to a general feasibility analysis that considers costs and returns for the entire geographic scope of the Plan area by block and subarea. It estimates costs related to site assembly, site preparation, public infrastructure, environmental remediation and soil correction. It estimates market returns based on the proposed land use and development intensity. It assumes some level of financial support by the city of Minneapolis through the use of tax increment financing.

The Scenario 1 feasibility analysis is the middle ground approach in terms of development intensity. The feasibility analysis for Scenario 1 shows that development yields positive return for Phase I of the project, which includes both the east and west sections of Linden Yards, and redevelopment along Glenwood Avenue. However, Phase I includes three of the plan districts, and the estimated positive return is true for only one of these districts, Linden Yards West. For the other two districts, Linden Yards East and Glenwood, the proposed redevelopment is estimated to yield a financial loss in the order of 6 million dollars for Linden Yards East, and 9 million dollars for Glenwood. This underscores a challenge of the proposed development. Accomplishing redevelopment goals in many parts of the BCV Area requires some means of cross-subsidizing the development districts. Mechanisms must be identified to support redevelopment in lower performing districts through utilization of excess returns derived from higher performing districts.

The Scenario 1 analysis further shows that Phase II of the BCV redevelopment has an estimated gap of 21.7 million dollars. Within this overall figure, each of the development districts is estimated to fall short of paying for itself, even with support from tax increment financing factored in. This raises questions concerning the relatively modest level of density prescribed for certain districts, and the feasibility of developing some parts of the open space system as proposed.

The feasibility analysis includes an expense line related to the provision of affordable housing units. Financing affordable housing is extremely complex. It involves different approaches and funding sources for ownership vs. rental housing, as well as for different types of affordable rental housing. CPED housing staff are not confident that the goals set in the plan are attainable given that they would represent a large share of the affordable housing produced in the City over the next couple of decades.

The above considerations suggest that Scenario 1 development intensity is not at the appropriate balance point between community preferences and development feasibility, particularly for Phase II of the plan. However, the plan's feasibility analysis provides a framework that allows for alternatives to be evaluated—and a number of variations are evident that improve the picture without changing the plan's basic land use guidance. Scenario 3 illustrates the financial implications of more intensive development in several plan areas. Linden Yards East and Linden Yards West are developed with a floor area ratio that is consistent with what would be allowed under OR3 or C3A zoning. Housing in the "Residential" part of the BCV Area is more dense. Making these changes or others results in a positive return for redevelopment in both phases I and II within the plan's feasibility model.

Other modifications to the Plan that can be considered in the spirit of making the development numbers work include eliminating extra bridges over the railroad tracks, which even if they were affordable would possibly not be allowed. The Bassett Creek Commons park and open space area could be developed in a manner that required less excavation. (Bassett Creek Commons is located within the area of a long-filled swampy area commonly referred to as the Irving Avenue Dump, which includes a superfund site. Excavation in this area could reveal severely contaminated material.) Fewer streets could be constructed or relocated.

It also should be noted under this section that plan feasibility requires not only attention to the costs and returns of the redevelopment, but also that there is a way to relocate and restructure existing City facilities used for Public Works operations.

The creators of the Plan are to be applauded for the Plan's attention to the feasibility of what is proposed, and for the consideration of what that implies for Plan implementation. Staff are, however, unable to independently verify the accuracy of the feasibility analysis. A detailed review of the financial basis for projects will be standard as specific development proposals come forward that require city property or city financial support. Implementation of the plan may also require additional work on strategies for supporting financially weaker parts of the plan by leveraging the public or private returns of stronger plan elements.

Future Land Use Map. The 2006 Plan includes a map entitled "Land Use Plan". The "Land Use Plan" map is not, however, in the standard format being utilized by other City of Minneapolis small area plans. It is more prescriptive than is typically the case for small area plans. Additionally, it

uses different density measures. Compatibility with the standard small area plan format is important since these future land use maps are intended to be aggregated and built upon to create a future land use map for the entire city of Minneapolis as a new feature in the updated Minneapolis Plan, to be completed in 2008.

To address this omission, staff created a future land use map in the standard small area plan format that supports the intent of the 2006 BCV Master Plan. It is attached to this report.

Staff proposes that the adoption of the plan be conditioned on re-labeling the “Land Use Plan” a “Future Development Scenario”, and by adding a “Future Land Use” map in the standard format utilized in adopted small area plans.

City Facilities Used For Public Works Operations. As was the case with the 2000 Plan, the 2006 Plan calls for the redevelopment of property that is currently utilized for Public Works operations. The Appraisals, Relocation and Operations Analysis (2001) report is the standing policy document, and contains the best information available at the time, concerning the cost of relocating these facilities and the options for modifying the manner in which these operations are conducted. The 2006 Plan does not independently evaluate these costs and options, nor does it propose the extent to which development-related returns would fund these transitions.

Development intensity along I-394. The proposed intensity of development along I-394 is consistent with its location along the freeway just outside of downtown, and its expected future as an area well connected to downtown by transit. It may be home to a station of the future Southwest Corridor LRT Line. The proposed intensity would be supported by a rezoning to C3A or OR3. While these zoning districts are present downtown, they are not downtown zoning districts and are appropriate in some areas outside of downtown.

Van White Memorial Boulevard. Despite the acquisition of some property, Van White Memorial Boulevard is necessarily somewhat cramped between Curry and 4th Avenues North. Future redevelopment of property on the east or west side of Van White in this section of the street brings an opportunity to acquire additional right of way in order to allow a little more breathing space for the boulevard-style street. This one-of-a-kind street need not follow a specific pattern set in the 10 year Transportation Action Plan. For this reason, it may be appropriate to establish a street cross section in the plan as a goal for what the city and community would like to see.

Design guidelines for frontage types. The Plan utilizes a framework for design guidelines (in Appendix C) that associates particular street types with building frontage types. The proposed street types are named and include detailed and dimensioned street cross section information. The Plan’s framework, and the street types defined therein, are entirely distinct from the framework and named street types being defined in the city’s 10 Year Transportation Action Plan—which is currently under development. It is inadvisable to approve design guidelines in this plan that are inconsistent with the street framework the city is developing. (Planning staff have also noted that the proposed design guidelines do not entirely conform to the requirements city’s zoning code. Examples include proposed setbacks and parking lot standards.)

Staff proposes that the adoption of the Plan be conditioned on the inclusion of clear language concerning the primacy of the street types being developed in the city’s 10 Year Transportation Action Plan, and the suggestion that the Plan’s design guidelines be considered by the city in the final development of the street types in the 10 Year Transportation Action Plan.

Bassett Creek Commons. City and MPRB staff raised issues with regard to the proposed all-open space park expansion from three perspectives. From a policy perspective, it doesn't contribute to a MPRB goal of creating premium recreational facilities at three of the city's parks. From a feasibility perspective, the restoration of a wetland landscape over such a large area is an extremely expensive design—particularly in an area with an unknown but suspected high level of contamination. From a practical perspective, open space needs to be owned and maintained. There is known MPRB interest in owning a park expansion that offers a mix of recreation and open space. Alternative models of ownership and maintenance exist, but they would face tremendous challenges.

The feasibility aspects of this issue will be explored further in a study underway—the “Implementation Plan for Bassett Creek Channel and Habitat Restoration”. No modification to the BCV plan is required to address this issue if the plan's “Land Use Plan” map is labeled and understood as a future development scenario. The plan text avoids prescriptive language when referring to Bassett Creek Commons as a passive open space, stating that this design is “suggested”.

Transit Connectivity/Relationship to Downtown. Given the number of jobs and households that are proposed to be located in the BCV Area, staff have underscored the importance of creating the strongest possible transit linkage with downtown. The Plan's language with respect to connectivity w/ downtown has been strengthened in the final draft.

Staff proposes no changes to the Plan with respect to this issue. However, this should be an important review criterion for any proposal to purchase and develop Linden Yards.

Street Network. A) The value of relocating Colfax Avenue between Glenwood Avenue and 2nd Street eastward to align with Bryant Avenue north of Glenwood Avenue does not justify its cost. B) Aldrich Avenue north of Glenwood Avenue is illustrated as being an overly convoluted street. This is problematic. C) Staff is unconvinced that the additional and expensive bridge over the railroads at Dupont Avenue is necessary, and regardless of cost may not be allowed by rail jurisdictions. D) The street typologies proposed in the Plan are independent of the street typologies being developed under the city's 10 Year Transportation Action Plan.

The proposed street network is an important part of the Plan because it gives concept-level direction to staff and developers what right of way should be developed and what the resulting block structure will look like. However, staff is proposing that the adoption of the Plan be conditioned on rectifying the proposed layout of Aldrich, Bryant and Dupont Avenues as noted above.

City Facilities, Description. City staff have identified issues of tone in the Plan's description of city facilities in the BCV Area that are used for Public Works operations, as well as inaccurate descriptions of past actions by the City Council with respect to these facilities.

Staff proposes that the adoption of the Plan be conditioned on corrections to the text.

City Facilities for Public Works Operations, Implementing Change. Relocating and restructuring Public Works materials and operations is expected to be difficult and costly. But redevelopment of the land generates revenues associated with sale of the property as well as a revenue stream in the form of future property tax receipts. As a policy matter some part of these revenues can be utilized to pay for the transitioning of Public Works facilities. The plan estimates the value of the Linden Yards property at around \$8 million. The estimated value of the Impound Lot property is not clear from the report. The future property tax capacity is not estimated in the report. It is clear that the project generates significant revenue that can be utilized to pay for the

transition of Public Works facilities in the BCV Area. However, there does not yet exist a complete picture of what ceasing Public Works operations in the BCV Area would cost or look like, whether accomplished by relocation, restructuring how services are delivered, or reducing levels of service. The Plan does not clearly demonstrate the sufficiency of the funds.

Adopting the 2006 Plan implies the reestablishment of the goal of relocating and/or restructuring the BCV Public Works facilities in a way that's compatible with the proposed 2006 Plan. Staff cannot verify that project-related revenues would be sufficient to pay for the Linden Yards and Impound Lot transitions prior to receipt and evaluation of a specific development proposal for the Linden Yards and Impound Lot property, and identification of relocation and/or restructuring costs.

Staff is recommending that Plan adoption be conditioned on the addition of language in the Financial Feasibility section of the Plan that relates to the relocation of city operations. It should state the expectation that redevelopment related revenues would be the source of funds for this transition.

Public Comments

A number of public comments were received during the public comment period. These comments were attached in their entirety to the November 13 staff report. The major themes of these comments are summarized in this section, with staff comments.

Industrial redevelopment. Business and land owners in the BCV Area representing 26 different companies oppose the BCV Plan arguing that it is not economically sound, and therefore it will be an enormous burden on Minneapolis taxpayers. They assert that it would force valuable jobs out of the City.

Staff comment: The plan is financially challenging, yet the feasibility analysis suggests that it may be feasible under certain conditions. The implementation of the Plan would not reduce the number of jobs in the area. Rather, it would greatly expand the aggregate number of jobs, albeit changing their composition. The BCV Area was not designated an "Employment District" under the recently approved citywide Industrial Land and Employment Policy Plan. If it had been designated an "Employment District", that would have provided a policy basis for not changing the existing industrial land use.

Scale/height of development. One comment expressed concern that the proposed scale of development is too intensive for some, particularly the scale of development proposed in the Linden Yards area. Another comment expressed support for the density because of its importance in making the development work from a financial perspective.

Bassett Creek Commons. A couple of letters underscored the importance of the proposed "Bassett Creek Commons" being entirely open space as opposed to a space that includes recreation facilities.

Staff comment: Feasibility, ownership, and policy implications of this are discussed above. More work is being done currently to explore these tradeoffs in more depth.

Affordable housing. A couple of comments expressed concern about the level of affordable housing proposed in the development. Another comment highlighted the importance of including affordable housing in the development.

Community benefits agreement. Several comments were submitted highlighting the importance of developing a community benefits agreement between Ryan Development and the Harrison/Bryn Mawr communities, and the City of Minneapolis require that as a condition of approval of the 2006 BCV Plan.

Staff comment: The purpose of a small area plan is to provide guidance concerning how an area should develop in the future. This guidance is applicable to any developer, and for development at any scale that occurs in the project area. A community benefits agreement is an appropriate tool to consider in order to meet some of the social goals expressed in the BCV Plan, but it represents the commitment of a particular developer to take certain actions or meet certain goals, and it is an instrument that makes sense only for very large projects. Approval of a small area plan, for these reasons, should not be conditioned on the future use of this implementation tool.

Future Related Actions

- **Comprehensive plan changes.** Changes to the city’s comprehensive plan will be made in conjunction with the rewrite of that plan currently underway.
- **Rezoning of property.** A great deal of work has already been completed on a rezoning study of the BCV Area. A rezoning proposal for property in the BCV Area is expected to be submitted to the City Planning Commission and City Council in the first half of 2007.
- **Development review.** Future development proposals for property in the BCV Area would require Planning Commission review of development applications such as rezonings, conditional use permits, and site plan review. The Planning Commission also has a role in recommending whether proposed land sales and the establishment of redevelopment districts are in conformance with the city’s comprehensive plan.

Staff Recommendation

That the City Planning Commission recommend that the City Council adopt the Bassett Creek Valley Master Plan (2006) as a small area plan and replacement to the Bassett Creek Valley Master Plan (2000), and as an articulation of and amendment to the comprehensive plan’s policies related to the BCV Area, subject to review and approval by the Metropolitan Council, and subject to the following changes:

- 1) Append the map illustrating the proposed BCV Area comprehensive plan features (attachment 2)
- 2) Append the Future Land Use map (attachment 3).
- 3) Re-title the map entitled “Land Use Plan” map to “Future Development Scenario.”
- 4) Substitute the following description of the design guidelines on page 4.16.

“Design guidelines have been prepared for Bassett Creek Valley to suggest street and streetscape design, building placement and the transition zone between public streets and building facades. This urban design approach to guidelines allows for much more flexibility and creative expression than would be offered through architectural guidelines that would direct building character and features. The design guidelines also address environmental

guidelines such as stormwater management, heat island effect, sustainable design and light pollution. The design guidelines are included as an Appendix to the master plan so they can be used as an independent tool through the development process. The themes addressed in design guidelines include establishing comfortable, safe and vibrant pedestrian streets, creating an urban character, environmental sustainability, balancing auto and pedestrian spaces and attention to building frontages.

In the 10 Year Transportation Action Plan under development, the City of Minneapolis is creating a very similar framework for classifying street types and prescribing dimensional guidelines for them. This plan recognizes that the classification system and design guidelines in the 10 Year Transportation Action Plan must guide street design city-wide. This plan's design guidelines are advanced in the hope that they inform city decisions about how to classify streets in the BCV Area within the 10 Year Transportation Action Plan, and what design features are recommended for those streets."

- 5) Amend the proposed street network by modifying the alignment of Aldrich, Bryant and Dupont Avenues to address the issues described above.
- 6) Substitute the following descriptive test in page 22.

“City-owned Facilities and Public Works Operations

The City of Minneapolis owns two large parcels of land in the study area, commonly referred to as the Impound Lot and Linden Yards. The city's impound lot is situated on approximately 30 acres of property between the north leg of the BNSF railroad line and Bassett Creek. Linden Yards, an outdoor storage and materials transfer area (that includes space for a concrete crushing operation), is on a 25-acre parcel located between the south leg of the BNSF rail line and Interstate 394. A 2001 report completed by the City of Minneapolis analyzed these operations. It identified potential changes to the operations that might reduce their space requirements, and evaluated the requirements, challenges and rudimentary costs associated with finding new locations for them. The report finds that the impound lot is the most difficult of these facilities to relocate or reconfigure. This master plan suggests redevelopment of the Impound Lot and Linden Yards property."

- 7) Add language in the Financial Feasibility section (page 5.4) of the plan related to the relocation/restructuring of BCV City-owned facilities as follows.

“City-owned Facilities and Public Works Operations: While they do not show up in the lines of the tables on pages 5.9, 5.10, and 5.11, there are significant costs associated with transitioning BCV-Area Public Works operations. Redevelopment related revenues should be utilized to pay these transition costs.”

Attachments:

1. Bassett Creek Valley Master Plan (2006)
2. Proposed comprehensive plan designations
3. Proposed Future Land Use map