



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

Date: August 4, 2004

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

Prepared by: J. Michael Orange, Principal Planner, 612-673-2347

Approved by: Barbara Sporlein, Director, Planning \_\_\_\_\_

Subject: Environmental Assessment Worksheet and Draft "Findings of Fact and Record of  
Decision" document for the Phoenix Project

**RECOMMENDATION:** Based on the information in the Environmental Assessment Worksheet, the "Findings of Fact and Record of Decision" document, and the related documentation for the Phoenix Project, the City Council should conclude the following:

1. The Environmental Assessment Worksheet, the "Findings of Fact and Record of Decision" document, and related documentation for Phoenix Project were prepared in compliance with the procedures of the Minnesota Environmental Policy Act and Minn. Rules, Parts 4410.1000 to 4410.1700 (1993).
2. The Environmental Assessment Worksheet, the "Findings of Fact and Record of Decision" document, and related documentation for the project have satisfactorily addressed all of the issues for which existing information could have been reasonably obtained.
3. The project does not have the potential for significant environmental effects based upon the above findings and the evaluation of the following four criteria (per Minn. Rules, Parts 4410.1700 Subp. 7):
  - Type, extent, and reversibility of environmental effects.
  - Cumulative effects of related or anticipated future projects.
  - Extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority.

**Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

- Extent to which environmental effects can be anticipated and controlled as a result of other environmental studies undertaken by public agencies or the project proposer, or of environmental reviews previously prepared on similar projects.

Consequently, the City does not require the development of an Environmental Impact Statement for the Phoenix Project.

**Previous Directives:** None

**Financial Impact** (Check those that apply)

- No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact**

Ward: 2  
Neighborhood Notification: Completed (refer to Exhibits B-D in document)  
City Goals: Consistent with some; inconsistent with others (refer to the attached document)  
Comprehensive Plan: Consistent with some of the goals and policies; inconsistent with others (refer to the attached document)  
Zoning Code: Consistent with parts of the Code; inconsistent with other parts (refer to the attached document)  
Living Wage/Job Linkage: Private development; no public funds  
Other:

**Background/Supporting Information**

1. "Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project.
2. Environmental Assessment Worksheet for the Phoenix Project.

**Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

**AVAILABILITY OF THE DRAFT “FINDINGS OF FACT AND RECORD OF DECISION” DOCUMENT, WHICH IS PART OF THE ENVIRONMENTAL ASSESSMENT WORKSHEET FOR THE PHOENIX PROJECT**

The Draft “Findings of Fact and Record of Decision” document provides additional information to complete the Environmental Assessment Worksheet (EAW) process for a site between Main Street and Second Street SE west of Third Avenue SE in Minneapolis, Minnesota. Upon full development, the Phoenix site would contain 150 residential units in a stepped structure 5 stories above Main Street, and then 15 stories above Second Street, and 6,000 sq. ft. of commercial space.

Copies of the Draft “Findings of Fact and Record of Decision” document and the EAW are available for review at the downtown Minneapolis Public Library located at 250 Marquette Ave, the Southeast Community Library located at 1222 SE 4th Street, and in the office of the City Planning Division at 210 City Hall. Copies of this Draft “Findings of Fact and Record of Decision” document and EAW can also be provided to individuals on a compact disk by request to Michael Orange (refer to contact information below).

At its regular meeting on August 12, 2004 (9:30 a.m. in Room 317 City Hall), the Zoning and Planning Committee of the City Council will consider the Draft “Findings of Fact and Record of Decision” document and the EAW, hear comments from all interested parties, and decide on the need for an Environmental Impact Statement for this proposal. The City Council will act on the recommendation of this Committee at a subsequent meeting, probably July 23.

For further information, contact J. Michael Orange, Principal Planner, Minneapolis Planning Division, Community Planning and Economic Development Department, City Hall Room 210, 350 S. 5th Street, Minneapolis, MN 55415-1385, by telephone at 612-673-2347, or E-mail at [michael.orange@ci.minneapolis.mn.us](mailto:michael.orange@ci.minneapolis.mn.us).

If you need more information or have special needs, please call the  
Minneapolis Planning Division at 612-673-2597.

# FINDINGS OF FACT AND RECORD OF DECISION

## ENVIRONMENTAL ASSESSMENT WORKSHEET

for the  
**Phoenix Project**

**Location: between Main Street and Second Street SE  
west of Third Avenue SE in the  
City of Minneapolis, Hennepin County, Minnesota**

**Responsible Governmental Unit: City of Minneapolis**

**Responsible Governmental Unit**

City of Minneapolis  
J. Michael Orange , Principal Planner  
Minneapolis Planning Department  
Room 210 City Hall  
Minneapolis, MN 55415-1385  
Phone: 612-673-2347  
Facsimile: 612-673-2728  
TDD: 612-673-2157  
[michael.orange@ci.minneapolis.mn.us](mailto:michael.orange@ci.minneapolis.mn.us)

**Proposer**

Schafer Richardson Inc./Phoenix Lofts LLC  
David Frank  
615 First Avenue NE Suite 500  
Minneapolis, MN 55414  
612 359-5844  
612 359-5858  
dfrank@sr-re.com

**Final action (refer to Exhibit E):** Based on the Environmental Assessment Worksheet, the “Findings of Fact and Record of Decision,” and related documentation for the above project, the City of Minneapolis concluded the following on *July 23, 2004*:

1. The Environmental Assessment Worksheet, the “Findings of Fact and Record of Decision” document, and related documentation for the 520 and 521 Project were prepared in compliance with the procedures of the Minnesota Environmental Policy Act and Minn. Rules, Parts 4410.1000 to 4410.1700 (1993).
2. The Environmental Assessment Worksheet, the “Findings of Fact and Record of Decision” document, and related documentation for the project *have/have not* satisfactorily addressed all of the issues for which existing information could have been reasonably obtained.
3. The project *does/does not* have the potential for significant environmental effects based upon the above findings and the evaluation of the following four criteria (per Minn. Rules, Parts 4410.1700 Subp. 7):
  - Type, extent, and reversibility of environmental effects.
  - Cumulative effects of related or anticipated future projects.
  - Extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority.

## **Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

- Extent to which environmental effects can be anticipated and controlled as a result of other environmental studies undertaken by public agencies or the project proposer, or of environmental reviews previously prepared on similar projects.

Consequently, the City *does/does not* require the development of an Environmental Impact Statement for the project.

### **I. ENVIRONMENTAL REVIEW AND RECORD OF DECISION**

The City of Minneapolis prepared a Mandatory Environmental Assessment Worksheet (EAW) for the Phoenix development according to the Environmental Review Rules of the Minnesota Environmental Quality Board (EQB) under Rule 4410.4300 subpart 31, Historical Places. The project includes the demolition of an office building constructed in 1981 that is located within a nationally designated historic district. Exhibit A includes the project summary, and Exhibit B includes the Record of Decision.

### **II. EAW NOTIFICATION AND DISTRIBUTION**

On May 7, 2004, the City caused the EAW to be published and distributed to the official EQB mailing list and to the Project's official project mailing list. The EQB published notice of availability in the *EQB Monitor* on May 10, 2004. Exhibit C includes the public notification record.

### **III. COMMENT PERIOD, PUBLIC MEETING, AND RECORD OF DECISION**

Exhibit D includes the comment letters received. At its meeting on 7/15/04, the Minneapolis Planning Commission's Committee of the Whole received the EAW and the draft of this "Findings of Fact and Record of Decision" document. The Zoning and Planning Committee of the Minneapolis City Council held a public meeting on the EAW and the draft of this "Findings of Fact and Record of Decision" document during its July 15, 2004, meeting. Notification of these public meetings were distributed via the City's standard notification methods and to the official list of registered organizations (refer to Exhibit C).

### **IV. SUBSTANTIVE COMMENTS RECEIVED AND RESPONSES TO THESE COMMENTS**

The following section includes highlights and requests for response from the eight written comments received. Exhibit D provides the complete written comment submitted by all respondents. Comments on the EAW were received from:

1. Metropolitan Council, Phyllis Hanson, June 2, 2004
2. National Park Service, JoAnn Kyril, June 3, 2004

**Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

3. Minneapolis Park & Recreation Board, Rachel Ramadhyani, June 4, 2004
4. Ted Tucker, Marcy-Holmes Neighborhood Association, June 9, 2004
5. Minnesota Historical Society, Britta Bloomberg, June 9, 2004
6. Bluff Street Development, John Wall & Steve Minn, June 9, 2004
7. University of Minnesota, The Environmental Law Group, June 9, 2004
8. Department of Natural Resources, Kathleen Wallace, June 9, 2004
9. Minnesota Pollution Control Agency, Eric Kilberg, June 3, 2004

The City’s response to the comment follows each summary.

**1. Metropolitan Council**

**Comment:** The EAW should compare the project to heights of nearby buildings.

**Response:** Refer to Exhibit F “Nearby Building Heights.”

**Comment:** “Sanitary sewer connection plans . . . need to be submitted to both the MPCA and the MCES for review and permit.”

**Response:** Noted for the record.

**2. National Park Service**

**Comment:** “Since the publication of the Phoenix EAW, it has come to our attention a third mixed residential and commercial industrial development project adjacent to the Pillsbury A Mill is undergoing review by the city of Minneapolis. Evaluated as related actions, the three adjacent projects would exceed the threshold for a Mandatory Environmental Impact Statement under Minnesota Rules 4410.4400, subpart 21. . . .[We] ask the City to clarify its decision not to mandate and EIS for these related actions.”

**Response:** The scale of these projects as described in their EAW’s are as follows:  
The scale of these projects as described in their EAW’s are as follows:

	<b>Residential Units</b>	<b>Commercial Area</b>
A Mill Complex	1,095 units	105,000 sq. ft.
Phoenix	150 units	6,000 sq. ft.
520	62 units	none proposed
521	<u>60 units</u>	<u>9600 sq. ft.</u>
Total	1,367 units	120,600 sq. ft.

First, the combined total of 1,367 proposed residential units is 91.1% of the 1,500-unit minimum threshold for a Mandatory EIS based on the residential use alone. The combined total of 120,600 sq. ft. of proposed commercial space is 8.0% of the 1.5 million sq. ft. minimum threshold for a Mandatory EIS based on the commercial use alone. Combined, they are very close (99%) but still beneath the project standard for a Mandatory EIS required by 4410.4400 subpart 21, if all three were a single or related project.

**Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

Second, and more importantly, the City has found for the reasons discussed in part T “Diageo Site” beginning on page 23 of the “Pillsbury A Mill Draft Findings of Fact and Record of Decision,” the Pillsbury A Mill Complex and the site are not related or cumulative actions. The same reasoning found in that section is the basis for not finding the Phoenix and the 520 and 521 projects are related or cumulative actions with or without the redevelopment of the Pillsbury A Mill Complex.

Third, the EAW identifies the significant and problematic nature of the scale of the necessary variances, which are required to reach the proposed density and bulk for each of the three proposed projects, and therefore may reduce the approved number of housing units and the commercial floor area for each project.

**Comment:** “A comparison of the proposed building heights with nearby buildings should be provided.”

**Response:** Refer to Exhibit F “Nearby Building Heights.”

**Comment:** Impacts on Phoenix Mill site, Chutes’s Tunnel, and the Pillsbury Canal should be described.

**Response:** Refer to Exhibits G and I.

**Comment:** “The EAW should state how the exterior design treatments for the new construction relate to the HPC Guidelines”

**Response:** Refer to Exhibits G and I

**Comment:** “Impacts of the Phoenix proposal on resources of the MNRRA should be addressed directly and cumulatively with the other development projects . . . .”

**Response:** The response to question 27 on page 11 of the EAW addresses this issue.

**3. Minneapolis Park and Recreation Board**

**Response:** The MPRB comments provide very helpful information and corrections to the text of the EAW. The information will be especially helpful for project evaluation during the permit review phase. All comments are noted for the record.

**4. Marcy Holmes Neighborhood Association**

**Comment:** “We look forward to a successful project that will increase home ownership in the neighborhood and allow new residents to experience riverfront living here.”

**Response:** Noted for the record.

**5. Minnesota Historical Society**

**Comment:**, “[We] do not feel that its removal [the Office/Data Center Buildin] will adversely affect the historic district.”

**Response:** Noted for the record.

**Comment:** “The effects of the new construction on the historic district, on both the east and west bank, should have been substantively discussed in the response to Question 25a. . . . Further analysis of how the specific project design relates to the character of the historic district are needed.”

**Response:** See Exhibits G and I

**Comment:** “We concur with the recommendations the Phoenix Mill site, Chutes Tunnel, and the Pillsbury Canal are contributing archeological resources in the historic district and . . . those resources that cannot be preserved should be subject to data recovery.”

**Response:** Noted for the record. The EAW on page 11 includes the commitment by the developer to implement the recommendations of the 106 Group for data recovery.

## **6. Bluff Street Development**

**Comment:** Requests preparation of an EIS to study the combined impacts of the redevelopment of the Pillsbury a Mill Complex and the Phoenix on the basis of several conditions.

**Response:**

- **Scale:** Refer to the above response to the National Park Service letter as regards project scale.
- **Height:** The EAW on pages 11-12 discusses the hieght issue and applicable regulations that govern height. Also, the EAW included by reference the extensive inforamtion developed for the EAW developed for the adjacent A Mill complex that dealt with areqwide height regulations includeing the following:
  - The applicable standards and guidelines for regulation of height of structures were presented in three sections of the EAW. Section 27, beginning on page 71, describes the Minneapolis enforced standards. First, the standards of the Zoning Code beginning on page 71, includes the necessary findings for any change in the standards. Second, beginning on page 74, the Guidelines of the Minneapolis Heritage Preservation Commission are provided. Third, the standards of the Mississippi River Corridor Critical Area were presented in Section 14, beginning on page 28, and expanded in two advisory letters from the DNR included in the 12 page “Appendix to Question 14” at the end of the EAW.
  - HPC Certificate of Appropriateness, Findings 28
  - PUD Finding, Findings 31
  - CUP Height Standards, Findings 8
- **Shadows:** So noted for the record.

**Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

- **Stormwater:** The EAW addresses this issue on page 6. The City's system is adequate to handle the stormwater demands of the project. The City will demand the project obtain approval of a Stormwater Management Plan that will require control and removal of 70% of particulate matter before discharge to the City's system.
- **Traffic and air quality:** The EAW addresses these issues on pages 8-9 and 22, and includes a draft Travel demand Management Plan. The plan analyzed and identified no major issues beyond mitigation.
- **Nearby resources and visual impacts:** Refer to Exhibit G and H and the EAW.

**7. University of Minnesota, The Environmental Law Group, Ltd.**

**Comment:** The EAW does not describe the nearby industrial uses, including the University's Southeast Steam Plant, nor the project's compatibility with these uses. The project may cause a groundwater dam effect that will impact the steam plant. The EAW fails to adequately evaluate important environmental considerations including the potential for groundwater infiltration resulting from proposed development in the area. It does not describe the environmental consequences including those related to air, noise, odor, and vibration of attempting to site the proposed development in the immediate proximity of a large working steam plant, as well as the cumulative effects of the similar adjacent proposed developments. Air emissions are not addressed, especially on rooftop gardens. The City should require that an EIS be prepared for the development.

**Response:**

- **Compatibility with industrial uses:** Refer to Exhibits G and I.
- **Groundwater:** Footings for the proposed buildings will be placed above the level of the groundwater and so they will have no impact on it. See Exhibit H, Braun Intertec letter of June 23, 2004. The buildings would have not effect on groundwater at nearby sites.
- **Air emissions, odor, vibration:** The building site is approximately 1,200 distant and approximately 40 ft below the actual height and 90 to 110 ft below the effective height of the stacks. Preliminary modeling reported in the "Findings of Fact" for the Pillsbury A Mill Complex did not predict a hazard at this height or distance. The EAW for the A Mill project analyzed a similar comment from the University. The air quality analysis examined the potential for exposure to people living in tall buildings. The analysis was of a worst case scenario, which is appropriate for environmental review. It included the following assumptions: 1) the plant's fuel mix would maximize sulfur dioxide emissions, the primary pollutant of concern, 2) assume low-wind conditions when the pollutants tend to disperse more slowly, and 3) assume the wind direction from the steam plant towards the A Mill Project, which is the same as for the Phoenix Project. The data for 1991 show that these wind conditions happened for 13 hours (0.37% of the time) during June through July when windows are likely to be open or people may be out on balconies or roof-top gardens.

## Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project

The analysis showed that under these worst case conditions, only very tall buildings, such as the 27-story building proposed for Parcel E (297 ft. high building at Main St. and Fifth Ave.) may be of concern for brief periods. Thus, Steam Plant emissions will likely be well below federal standards for all critical stack pollutants for people using the 5 and 15-story buildings proposed for the Phoenix Project.

- **Noise:** The site is well beyond the noise slant distance of the 60 dBA noise contour for the Steam Plant provided in the “Findings of Fact” prepared for the Pillsbury A Mill Complex.

### 8. Department of Natural Resources

**Comment:** The EAW should have provided the required building height and height comparison data

**Response:** Refer to Exhibit F

**Comment:** “Review, and approval by the DNR Critical Areas Program will be required for rezoning of this property since the proposed rezoning differs from the EQB-approved Ordinances and Plan for the site shown as Light Industrial. Under Minnesota Rules, a local unit of government shall enact only the plans and regulations that have the written approval of DNR. Amendments to plans and regulations shall become effective only upon approval by DNR.”, and “Critical Area staff would oppose the use of variances for permitted number of housing units and floor area. State law for approval of variances and undue hardship cannot be proved for increased units and floor area.”

**Response:** The City is engaged in an ongoing effort with the Department of Natural Resources (DNR) Critical Areas Program staff to provide the most effective and efficient implementation of the guidelines for the Mississippi River Critical Area Corridor throughout its extent in the City. We have prepared a comprehensive amendment of the City’s Critical Area Plan and submitted it in draft form for review and comment by the DNR in 2003. The Planning Division Director will specifically assure the DNR’s continued participation, review and comment on the City’s proposed land use decisions and permitting for this proposal and other proposals within the designated Critical Area in Minneapolis.

**Comment:** The EAW indicates the proposer is considering the use of green roofs, which the DNR endorses

**Response:** Noted for the record.

**Comment:** “From a natural resources management perspective, the proposed project does not have the potential for significant environmental effects and does not require preparation of an Environmental Impact Statement (EIS).”

**Response:** Noted for the record

**9. Minnesota Pollution Control Agency**

**Response:** Permit requirements are noted for the record.

**V. ISSUES IDENTIFIED IN THE EAW**

The EAW identified the significant issues for this EAW as those relating to the intensity, scale and design of the proposal, and its relation to the plans, guidelines and regulations discussed in Section 27 of the EAW. These same issues were the focus of the comments by reviewers.

**VI. COMPARISON OF POTENTIAL IMPACTS WITH EVALUATION CRITERIA**

In deciding whether a project has the potential for significant environmental effects and whether an Environmental Impact Statement (EIS) is needed, the Minnesota Environmental Quality Board rules (4410.1700 Subp. 6 & 7) require the responsible governmental unit, the City in this case, to compare the impacts that may be reasonably expected to occur from the project with four criteria by which potential impacts must be evaluated. The following is that comparison:

**A. Type, Extent, and Reversibility of Environmental Effects**

The EAW provided a study of the potential traffic and parking impacts for the Project and found no potential impact, and the consultant concluded the trips from the Project will not cause a violation of air quality standards; prior to Site Plan Approval the City can request additional modeling to confirm the exposure status of the project to noise and other emissions from the University of Minnesota Steam Plant; standard construction techniques, similar to those used in other similar projects along the River will be used and regulated by City ordinances and any impacts will be non persistent; mitigation of the design can be accomplished through the HPC and the review required by the Zoning Ordinance process and conditions of approval; all limiting the potential for significant environmental effects of the Project.

The significance of the environmental effect of the loss by demolition of the existing buildings and construction of new buildings on the sites, which was the reason for the preparation of this EAW, are expanded upon in Exhibit G, and will be determined by the Minneapolis Heritage Preservation Commission and subsequent City reviews described in the EAW. The guidelines of the Minneapolis Heritage Preservation Commission, the plans and regulations of the City, and the Critical Area requirements by the Department of Natural Resources were provided in the EAW and echoed in the comments. The regulatory format and tools to assess and resolve these visual and perceptual impacts on the historic district and the adjacent public and private properties are provided in the City's comprehensive development review process.

**B. Cumulative Effects of Related or Anticipated Future Projects**

Proposed developments in the central riverfront that continue the transition from industrial use to residential and commercial uses, including the recently approved and constructed “Stone Arch” apartments at 6th Avenue SE and Main St., have been consistently found to be in conformance with the policies of the Comprehensive Plan. The construction of another residential development in this district does not create a precedent or environment for future projects. The Project is not a stage of a subsequent project and is not connected to any other development; the traffic and parking study assumed and anticipated growth in traffic and parking demand in the area, and incorporated these assumptions into its findings; all limiting the potential for significant cumulative or unanticipated environmental effects from the Project.

**C. Extent to Which the Environmental Effects are Subject to Mitigation by Ongoing Public Regulatory Authority**

The site is presently designated I1, Light Industrial. In this zoning district, and in all industrial districts in Minneapolis, all residential use, except certain community correctional facilities, is prohibited by section 550.60 of the Zoning Code. The site is also within the Industrial Living Overlay District (ILOD). Residential uses are allowed as a conditional use with an ILOD at a much reduced density as proposed. The proposer has no “as of right” permissions or standing to construct a development resembling the proposal without significant and specific discretionary amendments and permissions from the City of Minneapolis.

## **Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

The process the City will use to review the proposal will be competent and open. In its review of the proposal and determination of the required mitigation, modifications and amendments necessary for approval, the City will have the opportunity to initiate similar studies, have similar information made available, and allow similar opportunities for public participation as would be provided in an EIS process.

The City has the professional staff and regulatory format to address and resolve the technical issues raised by this proposal. Its review will also provide the only accepted path, approval by our local elected officials, to resolve the major non technical, perceptual, issues of the visual relationships and impacts presented by the proposal. The record created by this EAW process will be available to inform and guide all participants. This local approval process, informed by the record created by this EAW, is the direct, effective and efficient venue to identify and encourage the elements for compatible redevelopment, and assure their implementation at this important site.

A finding by the City the EAW is adequate and no EIS is required provides no endorsement, approval or right to develop the proposal by the City. It simply allows the proposer to formally initiate the City's process for considering the specific discretionary amendments and permissions necessary for redevelopment, and for the City in this process, informed by the record of the EAW, to identify and encourage the elements for compatible redevelopment, and assure their implementation at this important site.

### **D. Extent to which Environmental Effects Can be Anticipated and Controlled as a Result of other Environmental Studies Undertaken by Public Agencies or the Project Proposer, or of Environmental Reviews Previously Prepared on Similar Projects.**

The construction of another residential building in the central riverfront of a central city follows many precedents, and is known event with known impacts.

## **VII. DECISION ON THE NEED FOR AN ENVIRONMENTAL IMPACT STATEMENT**

Based on the Environmental Assessment Worksheet, the "Findings of Fact and Record of Decision," and related documentation for this project, the City of Minneapolis, the responsible governmental unit (RGU) for this environmental review, concludes the following:

1. The Environmental Assessment Worksheet, the "Findings of Fact and Record of Decision" document, and related documentation for the Phoenix Project were prepared in compliance with the procedures of the Minnesota Environmental Policy Act and Minn. Rules, Parts 4410.1000 to 4410.1700 (1993).
2. The Environmental Assessment Worksheet, the "Findings of Fact and Record of Decision" document, and related documentation for the project have satisfactorily addressed all of the issues for which existing information could have been reasonably obtained.

**Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

3. The project does not have the potential for significant environmental effects based upon the above findings and the evaluation of the following four criteria (per Minn. Rules, Parts 4410.1700 Subp. 7):
- Type, extent, and reversibility of environmental effects.
  - Cumulative effects of related or anticipated future projects.
  - Extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority.
  - Extent to which environmental effects can be anticipated and controlled as a result of other environmental studies undertaken by public agencies or the project proposer, or of environmental reviews previously prepared on similar projects.

Consequently, the City does not require the development of an Environmental Impact Statement for the project.

**Exhibits:**

- A. Project Description
- B. Record of Decision
- C. Public notification record
- D. Comment letters
- E. Council/Mayor action
- F. Nearby Building Heights
- G. Additional Comment on the Historic District Impact
- H. Braun Intertec letter of June 23, 2004
- I. “Archaeological Assessment for the Proposed Phoenix Lofts Project”

**Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

**THE CITY OF MINNEAPOLIS  
Community Planning & Economic Development  
Planning Division  
210 City Hall  
Minneapolis, MN 55415**

May 10, 2004

**AVAILABILITY OF THE ENVIRONMENTAL ASSESSMENT WORKSHEET FOR THE  
“PHOENIX”**

This EAW studies the site at 224 Second Street SE, on the east bank of the Mississippi River in Minneapolis, Minnesota. This site is located within the St. Anthony Falls Historic District. The 38,115 square foot site is bounded north and south by 2nd Street SE and Main St. SE, and on the west by 3rd Avenue SE. The site is presently occupied by an office building constructed in 1981, and a 23 space surface parking lot.

The proposed development is a mixed use building with 150 residential units, 6,000 sf of retail, and 220 parking spaces. Along Main Street a 5 story tall portion of the building will contain the 6,000 sf of commercial use, and 15 housing units. Along Second Street, a 15 story portion of the building will contain 135 housing units. This site was identified as the "Diageo Site" in the recently circulated "Pillsbury A Mill Complex" EAW.

Copies of the EAW will be available for review at the downtown Minneapolis Public Library located at 250 Marquette Ave, the Southeast Community Library located at 1222 SE 4th Street and in the office of the City Planning Division at 210 City Hall.

Notice will be published in the *EQB Monitor* on Monday, May 10, 2004. Public comments on the EAW must be made within the 30-day comment period, which ends at 4:30 p.m. on Wednesday, June 9, 2004. The Zoning and Planning Committee at its regular meeting on July 8, 2004, or at a subsequent meeting, will receive a report and recommendation from City staff, hear comment from all parties and consider the adequacy of this EAW and the need for an Environmental Impact Statement for this proposal. The City Council will act on the recommendation of this Committee at a subsequent meeting.

Copies of this EAW can be obtained by calling Lisa Baldwin, 612 973-2597. For further information and to submit comments on the EAW, contact Neil Anderson, Supervisor of Development Services, City of Minneapolis, City Hall Room 210, 350 S. 5th Street, Minneapolis, MN 55415, by telephone at 612-673-2351, or E-mail at [neil.anderson@ci.minneapolis.mn.us](mailto:neil.anderson@ci.minneapolis.mn.us).

# ENVIRONMENTAL ASSESSMENT WORKSHEET

Note to preparers: An electronic version of this form is available at [www.mnplan.state.mn.us](http://www.mnplan.state.mn.us). *EAW Guidelines* will be available in spring 1999. The Environmental Assessment Worksheet provides information about a project that may have the potential for significant environmental effects. The EAW is prepared by the Responsible Governmental Unit or its agents to determine whether an Environmental Impact Statement should be prepared. The project proposer must supply any reasonably accessible data for — but should not complete — the final worksheet. If a complete answer does not fit in the space allotted, attach additional sheets as necessary. The complete question as well as the answer must be included if the EAW is prepared electronically.

Note to reviewers: Comments must be submitted to the RGU during the 30-day comment period following notice of the EAW in the *EQB Monitor*. Comments should address the accuracy and completeness of information, potential impacts that warrant further investigation and the need for an EIS.

1. **Project title** Phoenix
  
2. **Proposer** Schafer Richardson, Inc./ Phoenix Lofts LLC  
Contact person David Frank  
Title Project Manager  
Address 615 1st Ave NE, Suite 500  
City, state, ZIP Minneapolis, MN 55414  
Phone (612) 359-5844  
Fax (612) 359-5858  
E-mail dfrank@sr-re.com
  
3. **RGU** City of Minneapolis  
Contact person Neil Anderson  
Title Supervisor of Development Services  
Address 350 South 5th Street Room 210  
City, state, ZIP Minneapolis, MN 55415-1385  
Phone (612) 673-2351 / TDD (612) 673-2157  
Fax (612) 673-2728  
E-mail neil.anderson@ci.minneapolis.mn.us
  
4. **Reason for EAW preparation (check one):**  
 EIS scoping     Mandatory EAW     Citizen petition  
 RGU discretion     Proposer volunteered

**If EAW or EIS is mandatory give EQB rule category subpart number 4410.4300 subpart 31 and subpart name Historical places.**

The structure to be demolished was constructed in 1981 on the site of the former Phoenix Mill. The Mill was demolished and the site cleared in 1956.

5. **Project location**  
County Hennepin  
City/Township Minneapolis  
NE 1/4 Section 23 Township 29 Range 24

The address of the project site is 224 2nd Street SE. in the City of Minneapolis

**Attach each of the following to the EAW:**

**County map showing the general location of the project.** See Attachment A - County And U.S. Geologic Survey Maps

**U.S. Geological Survey 7.5 minute, 1:24,000 scale map indicating project boundaries (photocopy acceptable).**

## Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project

See Attachment A

**Site plan showing all significant project and natural features.**

See Attachment B

### 6. Description

**a. Provide a project summary of 50 words or less to be published in the EQB Monitor.** Construct a mixed use building with 150 residential units, 6,000 sf of retail, and 220 parking spaces on a site bounded by Main Street, 3rd Avenue SE and 2nd Street SE, in the St. Anthony Falls Historic District. This site was identified as the "Diageo Site" in the recently circulated "Pillsbury A Mill Complex" EAW.

**b. Give a complete description of the proposed project and related new construction. Attach additional sheets as necessary. Emphasize construction, operation methods and features that will cause physical manipulation of the environment or will produce wastes. Include modifications to existing equipment or industrial processes and significant demolition, removal or remodeling of existing structures. Indicate the timing and duration of construction activities.**

The site is a generally 116 foot wide parcel along 3rd Avenue SE between Main Street and 2nd Street SE. There is a change in grade of 28 ft between Main Street and 2nd Street SE. The site is presently occupied by a 19,697 sf, two story, office/data center constructed in 1981, and 23 off street parking spaces. No special hazards or the necessity for special techniques during demolition have been identified at this site.

The project, see Attachment B Site Plan, Attachment C Main Street Elevation, and Attachment D Third Avenue and Second Street Elevations, though a single integrated structure will contain 3 components. Along Main Street and extending approximately 145 ft towards Second Avenue a 5 story (58 ft above Main Street) building component will contain 6,000 sf of retail space along Main Street and 15 housing units above. A second component extends along Second Street and approximately 185 ft along Third Avenue. This 15 story (161 ft above Second Street, 189 ft above Main Street) component will contain 135 housing units. The third component is 220 enclosed off street parking spaces serving all the residences and the retail space. The parking will be located in the interior of the site, enclosed by the building. Primary access to the parking will be from Second Street, with secondary access from Third Avenue. Service to the building and the retail use will be from Main St. in an existing easement area shared with the adjacent St. Anthony Main complex.

The exterior of the building along Main Street is proposed as a five-story block to relate to the simple massing and height of its streetscape neighbors to the East and West. This five-story Main Street building component will feature stone and masonry brick facades. Window opening and terraces will be primarily "punched openings" to maintain the character of its neighbors while allowing for a higher degree of transparency for its residents. The second, 15-story, building component of the Phoenix along 2nd Street Southeast at the intersection of 3rd Avenue will be primarily of cast stone and brick utilized in a variety of ways, with the exception of the rooftop where natural metal is used. The terraces on the building are designed primarily as recesses in the cast stone façade

Conventional construction techniques will be used to build the project. Depending on permitting, demolition of the present building could occur this year with construction complete by spring of 2006.

**c. Explain the project purpose; if the project will be carried out by a governmental unit, explain the need for the project and identify its beneficiaries.**

The project will replace a vacant structure and a surface parking lot with a residential building and retail space, increasing the opportunity and diversity of housing on the riverfront.

**d. Are future stages of this development including development on any outlots planned or likely to happen?**

No

**Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

If yes, briefly describe future stages, relationship to present project, timeline and plans for environmental review.

e. Is this project a subsequent stage of an earlier project?

No

If yes, briefly describe the past development, time line and any past environmental review.

**7. Project magnitude data**

**Total project acreage:** 38,115 square feet or 0.88 acres

**Number of residential units: unattached** 0 **attached** 150 **maximum units per building** 150

**Commercial, industrial or institutional building area (gross floor space): total square feet** 6,000.

The total residential and commercial floor area, not including the 220 space parking area, is 292,078 sf

**Indicate areas of specific uses (in square feet):**

Office	0	Manufacturing	0
Retail	6,000	Other industrial	0
Warehouse	0	Institutional	0
Light industrial	0	Agricultural	0
Other commercial	0	Building height	5 and 15 stories, 897 and 1001 msl, 58 and 189 ft above Main Street 30 and 161 ft above Second St.

If over 2 stories, compare to heights of nearby buildings.

**8. Permits and approvals required**

List all known local, state and federal permits, approvals and financial assistance for the project. Include modifications of any existing permits, governmental review of plans and all direct and indirect forms of public financial assistance including bond guarantees, Tax Increment Financing, and infrastructure.

State:

Pollution Control Agency Sanitary Sewer Extension Permit	To be applied for
Registration permits for generators	To be applied for

Local:

City of Minneapolis

Heritage Preservation Commission Demolition Approval	To be applied for
Heritage Preservation Commission Plan Approval	To be applied for
Transportation Demand Management Plan	To be applied for
Rezoning, Conditional Use Permits and Variances*	To be applied for
Site Plan Review*	To be applied for
Grading/Erosion Control Plan	To be applied for
Demolition Permit	To be applied for
Building Permits	To be applied for

\* DNR Critical Area Staff request notification prior to approval

**It is not the objective of the EAW preparation to develop all the detailed information required for construction permits. The Proposer will assemble the required information and apply for these permits when appropriate.**

**9. Land use**

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**Describe current and recent past land use and development on the site and on adjacent lands. Discuss project compatibility with adjacent and nearby land uses. Indicate whether any potential conflicts involve environmental matters. Identify any potential environmental hazards due to past site uses, such as soil contamination or abandoned storage tanks, or proximity to nearby hazardous liquid or gas pipelines.**

The Phoenix Mill was located on this site from 1875 until 1956. It began as a water powered flour mill, and was converted to a rye mill by the Pillsbury Company when they acquired it in 1916. When it was demolished in 1956, a parking lot was constructed in its place. In 1981 Pillsbury constructed the data center building that now occupies the site.

Non milling, non industrial activity in the area dates from the early 1970's with the opening of the restaurant "Pracna on Main" the Bicentennial activities on Nicollet Island, the conversion of the Salisbury factory into St. Anthony Main complex, construction of the Winslow House Apartments, and eventually Riverplace. With the cessation of flour milling at the A Mill (and therefore on the riverfront) in 2003, conversion of the A Mill Complex to residential and commercial use is proposed.

Current Adjacent Land Uses include:

- On the north: Surface parking lot and General Mills research facility and associated surface parking (across 2nd Street).
- On the south: Father Hennepin Bluff Park and the Mississippi River (across Main Street).
- On the east: Pillsbury A Mill complex (across 3rd Avenue).
- On the west: St. Anthony Main office and commercial complex.

Residential use predominates on the north side of University Avenue west of Fifth Avenue SE, and both sides east of Fifth Avenue

The proposal is typical of and continues the transition of the City's central riverfront from industrial to residential and commercial use.

A buried fuel oil tank and a molasses tank have been identified on site and will be removed during demolition.

**10. Cover types.**

**Estimate the acreage of the site with each of the following cover types before and after development:**

	Before	After		Before	After
Types 1-8 wetlands	0	0	Lawn/landscaping	0.19	0 (at grade)
Wooded/forest	0	0	Impervious surfaces	0.69	.88
Brush/Grassland	0	0	Other (describe)	<u>0</u>	<u>0</u>
Cropland	0	0	TOTAL	0.88	0.88

**If before and after totals are not equal, explain why.**

**11. Fish, wildlife and ecologically sensitive resources**

**a. Identify fish and wildlife resources and habitats on or near the site and describe how they would be affected by the project. Describe any measures to be taken to minimize or avoid impacts.**

The project site can be characterized as an established and fully developed industrial area since the mid 1800's. The project site consists of industrial and commercial buildings and parking lots. Vegetation is limited to isolated small lawns and associated boulevard trees. Consequently, there are no significant wildlife habitats within the project site.

The project site is flanked on the northwest by the St. Anthony Main commercial center, on the northeast by multiple commercial buildings, and on the southeast by a the Pillsbury A Mill site across 3rd Avenue SE. Across Main Street is the the linear park along the riverfront opening at Fourth Ave. to the Philip Pillsbury Park, providing access to the Stone Arch Bridge and the very steep wooded slopes and the River.

**Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

**b. Are any state-listed (endangered, threatened, or special concern) species, rare plant communities or other sensitive ecological resources such as native prairie habitat, colonial waterbird nesting colonies or regionally rare plant communities on or near the site?**

No, none on the actual site

Yes, near the site, but not affected by the project

**If yes, describe the resource and how it would be affected by the project. Indicate if a site survey of the resources has been conducted and describe the results.**

**If the DNR Natural Heritage and Nongame Research program has been contacted give the correspondence reference number:**

Contact ERDB 20031088 would also address this site

**Describe measures to minimize or avoid adverse impacts.**

No off site impacts are predicted

**12. Physical impacts on water resources**

**Will the project involve the physical or hydrologic alteration — dredging, filling, stream diversion, outfall structure, diking, and impoundment — of any surface waters such as a lake, pond, wetland, stream or drainage ditch?**

No

**If yes, identify water resource affected and give the DNR Protected Waters Inventory number(s) if the water resources affected are on the PWI: Describe alternatives considered and proposed mitigation measures to minimize impacts.**

**13. Water use**

**Will the project involve installation or abandonment of any water wells, connection to or changes in any public water supply or appropriation of any ground or surface water (including dewatering)?**

Yes. Connection to the municipal water system

**If yes, as applicable, give location and purpose of any new wells; public supply affected, changes to be made, and water quantities to be used; the source, duration, quantity and purpose of any appropriations; and unique well numbers and DNR appropriation permit numbers, if known. Identify any existing and new wells on the site map. If there are no wells known on site, explain methodology used to determine.**

The project will not involve the drilling of new wells, and the Phase One investigation identified no wells exiting on site.

The project will obtain potable water from the City of Minneapolis system. Estimated water demand is based upon the Service Availability Charge Procedure Manual (Metropolitan Council – Environmental Services, January 2004). One SAC unit (274 gallons per day representing peak day usage) is assigned to each residential unit. One SAC unit is assigned to each 3,000 square feet of retail space. Not taking credits for existing water use on the site, it is estimated maximum of 41,648 gallons per day would be required for the project. Discussions with the City of Minneapolis indicate that potable supplies are adequate to meet the needs of the project without modifications to the existing City system.

**14. Water-related land use management district**

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**Does any part of the project involve a shoreland zoning district, a delineated 100-year flood plain, or a state or federally designated wild or scenic river land use district?**

Yes

**If yes, identify the district and discuss project compatibility with district land use restrictions.**

The project is located within the State designated Mississippi River Critical Area Corridor. Executive Order 79-19 establishing this Critical Area was signed and published in the Minnesota State Register in 1979. The order provided requirements and guidelines for preparing plans and regulations for the Corridor. The City of Minneapolis prepared such a plan and has established in its Zoning Ordinance Article VIII MR Mississippi River Critical Area Overlay District to implement its approved Critical Area Plan. The boundaries of this Overlay District are as designated for the Critical Area in Executive Order 79-19. During 2003, the City developed amendments to its approved plan, and has begun the process of DNR review of the proposed amendments.

**15. Water surface use**

**Will the project change the number or type of watercraft on any water body?**

No

**If yes, indicate the current and projected watercraft usage and discuss any potential overcrowding or conflicts with other uses.**

**16. Erosion and sedimentation**

**Give the acreage to be graded or excavated and the cubic yards of soil to be moved: acres \_\_\_\_\_; cubic yards \_\_\_\_\_. Describe any steep slopes or highly erodible soils and identify them on the site map. Describe any erosion and sedimentation control measures to be used during and after project construction.**

The project site has been previously developed. After demolition, some very limited excavation of the site along 2nd Street will be necessary. The bedrock elevation generally ranges from 794 to 799 feet above mean sea level. The existing building on the site will be demolished, and a new building constructed. The proposed building will have underground parking levels which generally extend to near the bedrock surface. The lowest elevation of the below-grade parking levels is approximately 805.5 feet above mean sea level. In areas where the excavation extends close to the street or curbs, some temporary shoring may be required. The existing site has 0.69 acres of impervious surface. This represents 78% of the 0.88 acre project area. The proposed project will result in a no impervious surface at grade. The proposer is exploring using a green roof system with the assistance of the Green Institute. that would provide 0.17 acres of landscaped area on the rooftops. The building roof drains will be connected to storage tanks located in the garage levels, and the runoff will be treated prior to discharge into the City storm sewer.

**17. Water quality: Surface water runoff**

**a. Compare the quantity and quality of site runoff before and after the project. Describe permanent controls to manage or treat runoff. Describe any stormwater pollution prevention plans.**

78% of the site is now impervious surface, and part of this impervious surface is a surface parking lot. The quantity of site runoff will be slightly increased because while no impervious surface is provided at grade, approximately 19% of the roof top area of the site may be landscaped. However, the quality of the runoff may be improved as all parking will be enclosed, and stormwater treatment will be designed to remove 70% of total suspended solids and meet rate control requirements based on connection capacity.

**b. Identify routes and receiving water bodies for runoff from the site; include major downstream water bodies as well as the immediate receiving waters. Estimate impact runoff on the quality of receiving waters.**

## **Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

Storm water runoff will be directed to the existing storm drain connection, under Main Street. This City storm drain connects to the Phoenix Mill tunnel, which in turn discharges to the Mississippi River. The impact on the Mississippi River water quality will be diminutive.

### **18. Water quality: Wastewaters**

#### **a. Describe sources, composition and quantities of all sanitary, municipal and industrial wastewater produced or treated at the site.**

Estimated sanitary wastewater produced on the site from residential and commercial uses is 41,648 gallons per day, based upon estimated water consumption. The development is not expected to produce any wastewater that requires special treatment.

#### **b. Describe waste treatment methods or pollution prevention efforts and give estimates of composition after treatment. Identify receiving waters, including major downstream water bodies, and estimate the discharge impact on the quality of receiving waters. If the project involves on-site sewage systems, discuss the suitability of site conditions for such systems.**

Sanitary wastewater will be directed to the City of Minneapolis sanitary sewer system, which consists of existing sanitary sewer main along Main Street and 2nd Ave and an interceptor tunnel along 2nd Ave.

#### **c. If wastes will be discharged into a publicly owned treatment facility, identify the facility, describe any pretreatment provisions and discuss the facility's ability to handle the volume and composition of wastes, identifying any improvements necessary.**

Wastes will be discharged to the Metropolitan Wastewater Treatment Plant.

#### **d. If the project requires disposal of liquid animal manure, describe disposal technique and location and discuss capacity to handle the volume and composition of manure. Identify any improvements necessary. Describe any required setbacks for land disposal systems.**

N/A.

### **19. Geologic hazards and soil conditions**

#### **a. Approximate depth (in feet) to ground water:** Groundwater was not detected above the bedrock surface.

**Approximate depth (in feet) to bedrock:** 15 minimum, 21 average.

#### **Describe any of the following geologic site hazards to ground water and also identify them on the site map: sinkholes, shallow limestone formations or karst conditions. Describe measures to avoid or minimize environmental problems due to any of these hazards.**

Bedrock encountered during site geotechnical investigations ranges in elevation from 794 to 799 feet above mean sea level, and depths to bedrock range from 15 to 45 feet below grade. The uppermost bedrock encountered is the Platteville Formation, which is composed of a somewhat fractured dolomitic limestone. Ground water was not observed in the Platteville Formation during geotechnical drilling, but is believed to exist in this geologic unit in its lower portion, at least in places, and is likely affected by seasonal fluctuations. Persistent saturated conditions exist in the underlying St. Peter Sandstone, where water level elevations are near river level and fluctuate with river levels (approximately 750 feet). No hazards to ground water are anticipated related to the proposed construction. Some karst conditions in the Platteville Formation are known in the vicinity of the site.

#### **b. Describe the soils on the site, giving NRCS (SCS) classifications, if known. Discuss soil granularity and potential for groundwater contamination from wastes or chemicals spread or spilled onto the soils. Discuss any mitigation measures to prevent such contamination.**

The Soil Survey of Hennepin County (USDA, April, 1974) was reviewed for project site soils mapping. In the project area, soils are unmapped by USDA, likely due to the extensive development and related fill placement that was present at the time of the mapping.

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Geotechnical borings and test pits were recently performed at the site (Braun Intertec geotechnical report dated February 2004) and the logs of the 7 soil borings show a general soil profile of fill (two to 22 feet in thickness, and varying considerably in content and compaction) over native granular soils (poorly graded sand and poorly graded sand with silt). In one of the borings, glacial till was encountered at depth. Given the variability of the type and compaction of the fill and the presence of granular soils underlying the fill, the project site is somewhat susceptible to vertical movement of liquid contaminants or contaminants entrained in liquids. However, the proposed project, being comprised of commercial and residential redevelopment, is not anticipated to involve any significant commercial storage of potential contaminants (in either liquid or solid form). The project will require on-site fuel storage tanks (e.g. fuel tanks for backup electrical generation). Such tanks are regulated and require secondary containment and/or periodic leak testing. Therefore, potential contaminant impacts are anticipated to be minimal from these sources. Also, the completed project will have relatively small areas of pervious surfaces for percolation of contaminants. These pervious areas will be limited to lawn and landscaped areas, which will not also be used for potential contaminant storage. Therefore, specific mitigation measures for control of potential contaminants are not currently proposed.

### **20. Solid wastes, hazardous wastes, storage tanks**

**a. Describe types, amounts and compositions of solid or hazardous wastes, including solid animal manure, sludge and ash, produced during construction and operation. Identify method and location of disposal. For projects generating municipal solid waste, indicate if there is a source separation plan; describe how the project will be modified for recycling. If hazardous waste is generated, indicate if there is a hazardous waste minimization plan and routine hazardous waste reduction assessments.**

Demolition for the project will create construction waste. The waste will be removed to an appropriate construction landfill. After occupancy, it is estimated that each unit will generate approximately 52 pounds of solid waste per week, or weekly solid waste generation of 7,800 pounds and annual solid waste generation of 203 tons. The City collects only from apartment buildings with four or fewer units, so the building occupants will have to contract with a commercial waste hauler for service. Commercial haulers must provide the same recycling service as the City, which means collection for cans, corrugated cardboard, dry boxboard, glass, household batteries, magazines, newspapers, office paper and mail, phone books and plastic.

**b. Identify any toxic or hazardous materials to be used or present at the site and identify measures to be used to prevent them from contaminating groundwater. If the use of toxic or hazardous materials will lead to a regulated waste, discharge or emission, discuss any alternatives considered to minimize or eliminate the waste, discharge or emission.**

Some commercial tenants may be VSQ generators, but the amounts and storage of such wastes are not anticipated to present any substantial risk to soil or ground water contamination.

**c. Indicate the number, location, size and use of any above or below ground tanks to store petroleum products or other materials, except water. Describe any emergency response containment plans.**

The project may contain emergency electrical generators at the site upon completion of construction. Each generator will have a diesel fuel tank located in the parking level of the structure. The size of the fuel tanks will range from 500 to 1000 gallons. Such tanks are regulated by MPCA, and they require secondary containment and/or periodic leak testing. All tanks are planned to be above-ground tanks, which will facilitate leak detection, should any occur. Emergency response plans will be developed for the generators to plan for appropriate reactions to emergency situations. The generators will also require registration permits from the MPCA.

### **21. Traffic**

**Parking spaces added 197 . Existing spaces (if project involves expansion) 23 . Estimated total average daily traffic generated 1220. Estimated maximum peak hour traffic generated 100 and time of occurrence pm peak hour. Provide an estimate of the impact on traffic congestion on affected roads and describe any traffic improvements necessary. If the project is within the Twin Cities metropolitan area, discuss its impact on the regional transportation system.**

## **Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

Traffic. Benshoof & Associates has analyzed the traffic impacts of the proposed development and concluded that the additional trips generated by the project would not adversely affect the adjacent street network and intersections. Key points from the analysis of the impacts of this proposed development on the local roadways are summarized briefly below.

Six signalized intersections to the northwest of the proposed development site have been analyzed in order to determine the impacts from the new trips generated by the development. These six intersections are the intersections of University Avenue and 4th Street with 1st Avenue, Hennepin Avenue and Central Avenue. These are the nearby signalized intersections subject to the greatest volume increase due to the development. Since the expected completion date of the proposed development is in the year 2006, the analysis examined intersection operations in 2007, one year after full build out. Synchro/Sim Traffic software was used to determine the level of service (LOS) at these intersections for existing conditions, for the no-build scenario in 2007, and after full development in 2007. These analyses have been completed for the weekday p.m. peak hour, which is the period of highest volume at the affected intersections and the period of greatest potential impacts due to the development.

Capacity analysis results are presented in terms of LOS which ranges from A to F. LOS A represents the best intersection operation, with very little delay for each vehicle using the intersection. LOS F represents the worst intersection operation with excessive delay. LOS D is generally considered the minimal acceptable LOS for normal peak traffic conditions. LOS E indicates an intersection that may be near capacity, and for which vehicles experience a considerable delay.

To establish existing conditions, turning movement count data was collected in June of 2003 at the six intersections. Using the volumes from these counts, the intersection capacity analysis indicated that five of the intersections operate at LOS C or better. One intersection, 4th Street and Hennepin Avenue, was determined to operate at LOS E.

To estimate the no-build conditions for the year 2007, a 1% yearly growth rate was applied to the existing volumes. Analysis was again performed using the increased volumes. The LOS for all intersections remained the same as they were for the existing 2003 scenario.

In order to estimate the post-development conditions in the year 2007, new development trips were added to the 2007 no-build volumes. Development trips were assigned to the local roadway network based on trip distribution percentages derived from existing traffic patterns and an origin/destination study taken in 2003. Using the 2007 build volumes, the intersection capacity analysis indicated that the LOS remained the same at all six intersections as in the 2007 no-build and existing scenarios.

We examined potential mitigation measures to determine whether it is possible to improve the LOS at the intersection of 4th Street and Hennepin Avenue. The best result we found was to modify the traffic signal timing. In order to improve operations for the existing situation and in the 2007 build scenario, we shifted four seconds from the eastbound Hennepin Avenue green cycle to the northwest bound 4th Street green cycle. As this shift in timing was done the cycle length was kept constant in order to preserve the integrity of the City's interconnect system. The shift in timing increased the LOS for both scenarios from E to D.

The traffic impact of the project was also analyzed as that of the "Diageo Site" in the recently circulated "Pillsbury A Mill Complex" EAW.

Parking. Off street parking in excess of the zoning code requirements is provided for both the residential and commercial activities. Additional parking is available in nearby public ramps and surface parking areas.

### **22. Vehicle-related air emissions**

**Estimate the effect of the project's traffic generation on air quality, including carbon monoxide levels. Discuss the effect of traffic improvements or other mitigation measures on air quality impacts. Note: If the project involves 500 or more parking spaces, consult *EAW Guidelines* about whether a detailed air quality analysis is needed.**

## **Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

Based on the level of service at the four intersections, which will carry traffic associated with the Phoenix site, David Braslau Associates has concluded in a study for Pillsbury A Mill Complex that trips from this project will not cause a violation of air quality standards.

### **23. Stationary source air emissions**

**Describe the type, sources, quantities and compositions of any emissions from stationary sources of air emissions such as boilers, exhaust stacks or fugitive dust sources. Include any hazardous air pollutants (consult *EAW Guidelines* for a listing) and any greenhouse gases (such as carbon dioxide, methane, nitrous oxide) and ozone-depleting chemicals (chloro-fluorocarbons, hydrofluorocarbons, perfluorocarbons or sulfur hexafluoride). Also describe any proposed pollution prevention techniques and proposed air pollution control devices. Describe the impacts on air quality.**

The heating and cooling systems for the building have not been designed.

Emergency generators will be installed in the project. Each generator will require a registration permit from the Minnesota Pollution Control Agency in which emission estimates will be included. Because of limited and periodic use, no significant adverse impacts on air quality are anticipated from this equipment.

### **24. Odors, noise and dust**

**Will the project generate odors, noise or dust during construction or during operation? n Yes o No If yes, describe sources, characteristics, duration, quantities or intensity and any proposed measures to mitigate adverse impacts. Also identify locations of nearby sensitive receptors and estimate impacts on them. Discuss potential impacts on human health or quality of life. (Note: fugitive dust generated by operations may be discussed at item 23 instead of here.)**

Odors: The construction and occupancy of the project is not expected to generate objectionable odors.

Construction noise: The Minneapolis Code of Ordinances regulates both the hours of operation for construction equipment and allowable noise levels. Construction of the Project will comply with these requirements.

Operational noise: The Minneapolis Code of Ordinances and the MPCA regulate mechanical noise associated with building operation. The occupancy of the Project will comply with these requirements.

Demolition and construction dust: During demolition and construction, contractors will follow best management practices to reduce dust emissions. During demolition, this will include wetting down the building and debris with hoses as necessary.

Fugitive dust emissions after occupancy: Once occupied, the project is not expected to generate fugitive dust emissions.

### **25. Nearby resources**

**Are any of the following resources on or in proximity to the site?**

**Archaeological, historical or architectural resources?**

Yes

**Prime or unique farmlands or land within an agricultural preserve?**

No

**Designated parks, recreation areas or trails?**

Yes

**Scenic views and vistas?**

Yes

**Other unique resources?**

No

**If yes, describe the resource and identify any project-related impacts on the resource. Describe any measures to minimize or avoid adverse impacts.**

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Historic resources: The project is within the St. Anthony Falls Historic District and across Third Avenue SE from the landmark Pillsbury A Mill. The City's Heritage Preservation Commission ("HPC") has adopted design guidelines for the St. Anthony Falls Historic District, see section 27 of this EAW. All plans for projects in the District must be reviewed by the HPC and receive a Certificate of Appropriateness for the site and District before a structure can be demolished, construction can begin and City zoning reviews can be initiated.

Designated parks, recreation areas or trails: The project site is across Main Street from the trails and facilities of the Mississippi River Corridor Park facilities, and adjacent to Nicollet Island, the Stone Arch Bridge and Father Hennepin Bluff Park, which includes the historic bridge, and parts of the river gorge, sluiceways, dams, tailraces and newly developed pedestrian paths. Residents will have no marginal impacts on these regional facilities.

Scenic views and vistas: The construction of the Phoenix will introduce a new element into the vista from the River and Main Street. The significance of the impact in the context of the project will be assessed as part of the necessary and discretionary reviews of the intensity, bulk, height and design by the City's Heritage Preservation Commission, City Planning Commission, and City Council as described in section 27 of this EAW.

Archeological resources: In February 2004, Andrea C. Vermeer, MA.,RPA of The 106 Group Ltd. prepared an Archaeological Assessment for the Proposed Phoenix. A copy of this report is available for review at the office of the Minneapolis City Planning Division, 210 City Hall. The report states the Phoenix Mill site, Chute's Tunnel, and the Pillsbury Canal are contributing properties to the St. Anthony Falls Historic District, which is listed on the NRHP for its significance under criteria A, C, and D. All three properties are believed to have good integrity and, therefore, the ability to answer questions important in Minnesota and United States history. For these reasons, and because the current plans for the Phoenix project call for partial or complete impacts on each of these properties, The 106 Group recommends that an "archaeological data recovery" be conducted within the proposed area of impact as a means of mitigating the adverse effects to these properties.

The proposer will implement the recommendations of The 106 Group an archaeological data recovery be conducted within the proposed area of impact.

### 26. Visual impacts

**Will the project create adverse visual impacts during construction or operation? Such as glare from intense lights, lights visible in wilderness areas and large visible plumes from cooling towers or exhaust stacks? o**

No

**If yes, explain.**

### 27. Compatibility with plans and land use regulations

**Is the project subject to an adopted local comprehensive plan, land use plan or regulation, or other applicable land use, water, or resource management plan of a local, regional, state or federal agency?**

Yes

**If yes, describe the plan, discuss its compatibility with the project and explain how any conflicts will be resolved. If no, explain.**

#### a. Mississippi National River and Recreation Area Comprehensive Management Plan

Main Street provides separation from the riverfront band developed and maintained by the Minneapolis Park and Recreation Board. This area is also recognized in the plan as one where cultural resources are generally more significant than natural resources. The project seems generally in compliance at the comprehensive level. The measure of compliance would seem to rest more in the "second tier" where partner roles are most significant.

#### b. Mississippi River Corridor Critical Area

## **Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

Section 14 of this EAW references the Executive Order and plan and DNR review status. Extended comments by the DNR on how the Order is interpreted are included as “Appendix to Question 14” in the recently circulated “Pillsbury A Mill Complex” EAW.

### **c. City of Minneapolis, Comprehensive Plan and Land Use Regulations**

Proposed developments in the central riverfront that continue the transition from industrial use to residential and commercial uses have been consistently found to be in conformance with the policies of the Comprehensive Plan. The site is either within or at the edge of the Activity Center that is centered around East Hennepin and Central. Precise boundaries of the Activity Center have not been adopted. Activity Centers are characterized by the following features:

- A diversity of uses that draw traffic from city-wide and regional destinations.
- They are complemented by medium and high density residential uses and retail and commercial services, entertainment, educational campuses, or other large scale cultural or public facilities.
- They have a traditional urban form.
- Pedestrian and transit orientation.
- Uses that are active all day long and into the evening.
- A mix of uses occurs within structures and within the larger boundaries of the Activity Center.
- A unique urban character that distinguishes them from other commercial areas because of the mix and complementary type of uses as well as the traffic the area generates.”

The residential and commercial use of the proposal are not permitted in the site’s present Industrial zoning district. The applicant will be proposing to rezone the site to the C3A Community Activity Center District. This District would permit the proposed residential and commercial use. The St. Anthony Main development, the adjoining property to the west, is zoned C3A.

In addition to regulating the uses permitted in the C3A District, provisions of the District also regulate the number of housing units permitted and the total building area on the site, expressed as a ratio to the ground area of the site. The area of the Phoenix site is 38,115 sf

In the C3A District, each housing unit is required to be “supported” by 400 sf of site area. The permitted number of housing units on a site of this size is 95 units. This could be increased by the use of a permitted bonus. Section 548.130 (a) of the Code provides a bonus of 20% for providing enclosed parking. This bonus, granted as part of the development approval process, would increase the permitted number of housing units to 114 units. The proposer could then increase the permitted number of housing units on the site from 114 to 150 by seeking a variance under Section 525.520 (2) of the Zoning Code

In the C3A District, one square foot of site area supports 2.7 square feet of building area. This is called the “Floor Area Ratio” or FAR. The project as proposed contains 292,078 sf of floor area, not including parking structures. The permitted floor area on a site of this size is 102,911 sf. The permitted floor area is also increased 20% by the enclosed parking bonus discussed above. This will increase the permitted floor area to 123,493 sf. To develop the project at the floor area and bulk proposed, a variance would have to be granted to allow an additional 168,585 sf. of floor area. This variance, unlike the unit variance, is not subject to a cap, however more than doubling the amount of floor area allowed, doubled even after the bonus is accounted for, is problematic

In the C3A District building height is also regulated directly, limiting height to 4 stories or 56 ft above grade. The height of buildings can be increased by the City Planning Commission and City Council on the findings provided in Section 548.110 of the Zoning Code. A portion of the site is within 300 ft of the River and therefore within the Shoreland area, and will require exception to the 35 ft height limit established in Article VI of the Zoning Code from that Overlay District. The findings necessary to grant this exception are found in Section 551.480 of the Zoning Ordinance.

### **d. City of Minneapolis, Heritage Preservation Commission, St. Anthony Falls Historic District**

## **Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

The project site is within the “Left (East) Bank Milling area” of the St. Anthony Falls Historic District. The District is listed on the National Register of Historic Places, has been designated a State Historic District by statute, and has been designated as a Local Heritage Preservation District by the City. The City’s Heritage Preservation Commission (“HPC”) has adopted design guidelines for the St. Anthony Falls Historic District and general design guidelines for historic properties. All plans for projects in the District must be reviewed by the HPC and receive a Certificate of Appropriateness before a structure can be demolished or construction can begin.

The general regulations for the “Left (East) Bank Milling area” within the district are contained in the St. Anthony Falls Historic District Guidelines (June 1980). This area is bounded by Central Avenue, University Avenue and 6th Avenue SE, excluding the block bounded by University Avenue, 6th Avenue SE, 2nd Street SE, and 5th Avenue SE. The guidelines provide:

1. Siting: New buildings shall be constructed with principal elevations in line with the facades of existing buildings. New construction shall continue to form a visual wall along the street.
2. Height: New buildings to be no higher than that of existing silo-mills in the area.
3. Rhythm of Projections: There shall be no major projections on the principal facades, since there is no consistent pattern of projections of the existing buildings.
4. Directional Emphasis: The existing buildings have both vertical window bays and horizontal belt courses, resulting in a non-directional emphasis. Therefore, new construction also shall have no strong directional emphasis.
5. Materials: The exterior surface of new buildings shall be constructed of brick, stone or concrete.
6. Nature of Openings: Openings should appear in a consistent and repeated pattern across the principal facades. Window openings should be approximately 2-1/2 to 3 times as tall as they are wide. Doors and windows should be set toward the front of the openings but should not be flush with the masonry surface. "Storefront" construction may be used on the first floor.
7. Roof Shapes: New buildings should have flat or nearly flat roofs.
8. Details: New buildings should have some emphasis given to the upper termination of the building. Where other surface treatment is used, it should reflect details from other buildings.
9. Color: The primary surfaces of new buildings should be deep red or buff, similar to the existing unpainted buildings. Trim should be subdued earth tones or flat black.

e. **Marcy-Holmes Neighborhood Plan**

The surrounding neighborhood organization has developed a plan for the community. The Plan is available on the Organization’s web site at [www.marcy-holmes.org](http://www.marcy-holmes.org). The Plan on page 2-2, discussing new housing unit production, and in Figure 2-1 Housing Plan, identifies five areas for new multi-family housing construction. The Phoenix site and area, with the condition the housing is not adversely impacted by adjacent industrial uses, is adjacent to one of those sites. Figure 8-1 on page 8-7 identifies the Phoenix site as adjacent to the area of relaxation of the 4 story height limit in the C3A District. The degree of relaxation of limits is provided on page 8-6, “Buildings can be as tall as the Red Tile Elevator -- or about 190 ft above Main Street -- between 2nd Street and Main Street”. The proposed height of the Phoenix is consistent with this height standard. The Marcy Holmes Zoning and Planning Committee and the Board of Directors have reviewed the Phoenix plan and recommended approval of the requests to enable the project to move forward.

**28. Impact on infrastructure and public services**

**Will new or expanded utilities, roads, other infrastructure or public services be required to serve the project?**

No

**If yes, describe the new or additional infrastructure or services needed. (Note: any infrastructure that is a connected action with respect to the project must be assessed in the EAW; see *EAW Guidelines* for details.)**

**Draft Findings of Fact and Record of Decision for the Environmental Assessment Worksheet for the Phoenix Project**

**29. Cumulative impacts**

Minnesota Rule part 4410.1700, subpart 7, item B requires that the RGU consider the “cumulative potential effects of related or anticipated future projects” when determining the need for an environmental impact statement. Identify any past, present or reasonably foreseeable future projects that may interact with the project described in this EAW in such a way as to cause cumulative impacts. Describe the nature of the cumulative impacts and summarize any other available information relevant to determining whether there is potential for significant environmental effects due to cumulative impacts (*or discuss each cumulative impact under appropriate item(s) elsewhere on this form*).

The Phoenix proposal that is typical of activity, but not the intensity, of recent development along the River, and given the housing development and in place amenities along the River, will not initiate or create any cumulative impacts

**30. Other potential environmental impacts**

If the project may cause any adverse environmental impacts not addressed by items 1 to 28, identify and discuss them here, along with any proposed mitigation. N/A.

**31. Summary of issues**

*Do not complete this section if the EAW is being done for EIS scoping; instead, address relevant issues in the draft Scoping Decision document, which must accompany the EAW. List any impacts and issues identified above that may require further investigation before the project is begun. Discuss any alternatives or mitigative measures that have been or may be considered for these impacts and issues, including those that have been or may be ordered as permit conditions.*

The significant issues for this EAW are those relating to the intensity, scale and design of the proposal, and its relation to the plans, guidelines and regulations discussed in Section 27.

**RGU CERTIFICATION.** The Environmental Quality Board will only accept **SIGNED** Environmental Assessment Worksheets for public notice in the *EQB Monitor*.

I hereby certify that:

1. The information contained in this document is accurate and complete to the best of my knowledge.
2. The EAW describes the complete project; there are no other projects, stages or components other than those described in this document, which are related to the project as connected actions or phased actions, as defined at Minnesota Rules, parts 4410.0200, subparts 9b and 60, respectively.
3. Copies of this EAW are being sent to the entire EQB distribution list.

Signature \_\_\_\_\_

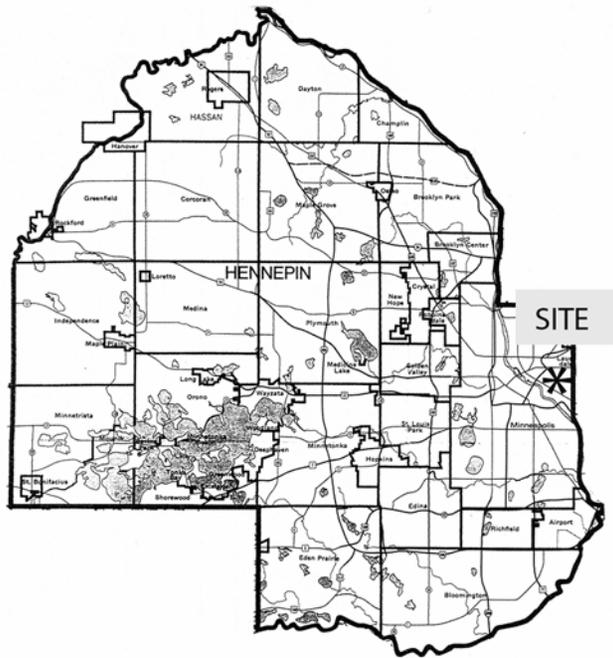
Printed Name Neil Anderson

Title Supervisor of Development Services

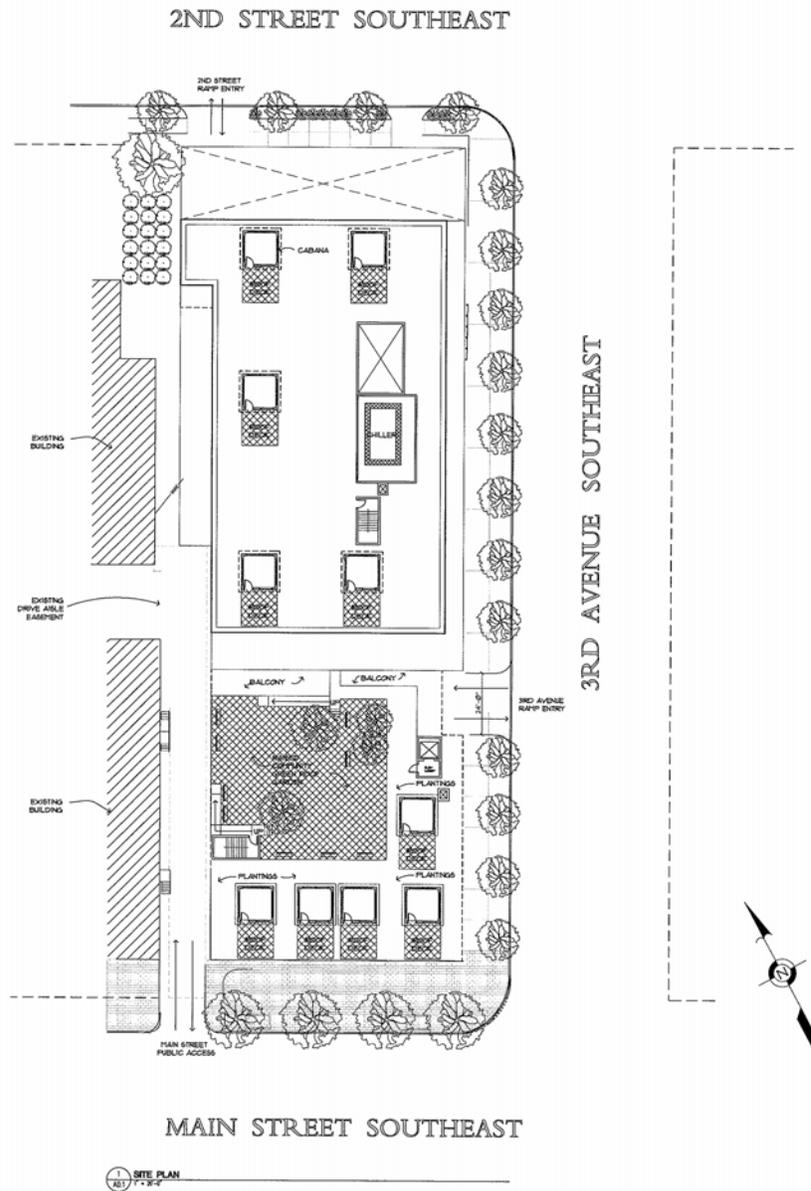
Date \_\_\_\_\_

Environmental Assessment Worksheet was prepared by the staff of the Environmental Quality Board at Minnesota Planning. For additional information, worksheets or for *EAW Guidelines*, contact: Environmental Quality Board, 658 Cedar St., St. Paul, MN 55155, 651-296-8253, or [www.mnplan.state.mn.us](http://www.mnplan.state.mn.us) Revised 2/99

# ATTACHMENT A LOCATION MAPS



# ATTACHMENT B PHOENIX SITE PLAN



**ATTACHMENT C-1  
PHOENIX LOFTS MAIN STREET ELEVATION**



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

**ATTACHMENT C-2**  
**3<sup>RD</sup> AVE SE AND 2<sup>ND</sup> ST SE ELEVATIONS**



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