



**Request for City Council Committee Action
from the Departments of Community Planning and Economic
Development and Procurement**

Date: August 18, 2008

To: Council Member Paul Ostrow, Ways and Means/Budget Committee

**Subject: Approval of Official Publication No. 7010 –
205 Park Demonstration Project**

Recommendation: Acceptance of the low bid from Veit and Company in the amount of \$209,671.00 to furnish and deliver all labor, materials, equipment and incidentals necessary to construct the 205 Park Demonstration Project.

Further recommend proper officials be authorized and directed to execute a contract for this project all in accordance with specifications prepared by Elness Swenson Graham Architects and Oslund and Associates.

Previous Directives:

- February 23, 2007, City Council: a) authorized amended & restated redevelopment contact between the City & Sherman Associates, Inc; b) approved sale of perpetual easement across City-owned land at 711-2nd St S to Sherman Associates; and c) approved recommendation that easement sale proceeds be used to pay or reimburse Public Works for ramp enhancements & associated expenses of selling the property
- November 17, 2006, City Council consented to the assignment and assumption of the Redevelopment Contract between the City of Minneapolis and Brighton Park East LLC to Sherman Associates, Inc. for the redevelopment of the Park Avenue East site at 205 Park Avenue South. Authorized staff to negotiate amendments to the Redevelopment Contract with Sherman Associates, Inc. for the Park Avenue East site for a new development project.
- July 7, 2001, City Council approved a land sale of Milwaukee Depot Parcel D to Brighton Development Corporation for a multiple-phase development that included residential development on the 205 Park site.
- June 29, 1992, the MCDA acquired Parcel D (which included the 205 Park parcel) as a part of the Milwaukee Depot acquisition.

Prepared by: Ann Calvert, Principal Project Coordinator, 673-5023 Approved by: Gary Warnberg, Director, Procurement _____ Charles T. Lutz, Deputy Director CPED _____ Cathy Polasky, Director of Economic Development _____ Presenters in Committee: Ann Calvert, Principal Project Coordinator

Civil Rights Review

Approved August 11, 2008

Financial Impact

Action is within the Business Plan
 Action is within current department budget

Community Impact

Neighborhood Notification – The adjacent neighbors and the impacted neighborhood organization have been notified of the improvements by letter.

City Goals – Connected Communities – great spaces and places, thriving neighborhoods; Enriched Environment – greenspace, arts, sustainability; A Premier Destination – visitors, investment and vitality.

Sustainability Targets – Improvements will substantially increase amount of permeable surface on site.

Comprehensive Plan – 9.6 Minneapolis will work with private and other public sector partners to invest in new development that is attractive, functional, and adds value to the physical environment.

Zoning Code – Complies

Living Wage/Business Subsidy Agreement	Yes _____	No <input checked="" type="checkbox"/>
Job Linkage	Yes _____	No <input checked="" type="checkbox"/>

Supporting Information

The tabulation of the seven bids received on Official Publication No. 7010 for 205 Park Demonstration Project is attached. The recommended contractor submitted the second-lowest bid amount. The lowest bidder is not recommended because the firm did not meet the established SUBP goals and thus did not receive Civil Rights Department approval.

Background and Project Description

Since 1992, the City of Minneapolis CPED Department (and before that the MCDA) has owned a parcel at 205 Park Avenue South that originally was part of the larger Milwaukee Depot property. That parcel has been operated as a surface parking lot in the interim until it could be sold for appropriate development. As noted in the previous Directives, there were two proposals for this site (a housing development and then a commercial development) that were not able to be completed due to the softened real estate market. All earlier redevelopment contracts have been terminated, and it now appears that the City will retain ownership of this parcel and continue the surface parking operation for the next few years until the market rebounds.

In anticipation that development was imminent, little has been invested in the site over the last several years and it suffers from deferred maintenance. In addition, only makeshift improvements were made to reconfigure the lot after the new segment of Park Avenue was constructed between Washington and Second Street. The current parking lot does not meet City requirements and is a blighting influence on the Mill District. This is a particular concern given the site's high visibility near the Mill City Museum and Guthrie Theater. It is time for the City to take action as a responsible property owner to improve the parcel so that the interim parking operation can be continued until redevelopment is feasible.

The anticipated improvements (see site plan) include removal of bituminous paving to meet the City's zoning requirement that 20% of the site be landscaped, repair of the battered bituminous paving and replacement of the jerry-rigged temporary driveway with a standard driveway and curb cut. A sidewalk will be installed along Park Avenue and the existing battered walk along Second will be replaced. The edges of the site will be graded, and the top layer of contaminated soil will be removed and replaced with clean soil to support plantings. In addition to exceeding the 20% landscaping requirement, grasses and perennial plants will be installed around the edges of the parking lot to demonstrate plant materials that can be beneficial in improvement of stormwater quality. Pervious pavers made from recycled materials will be used for walkways within the site, and a dog-relieving area will be included to meet the needs of area dog owners.

Funding sources

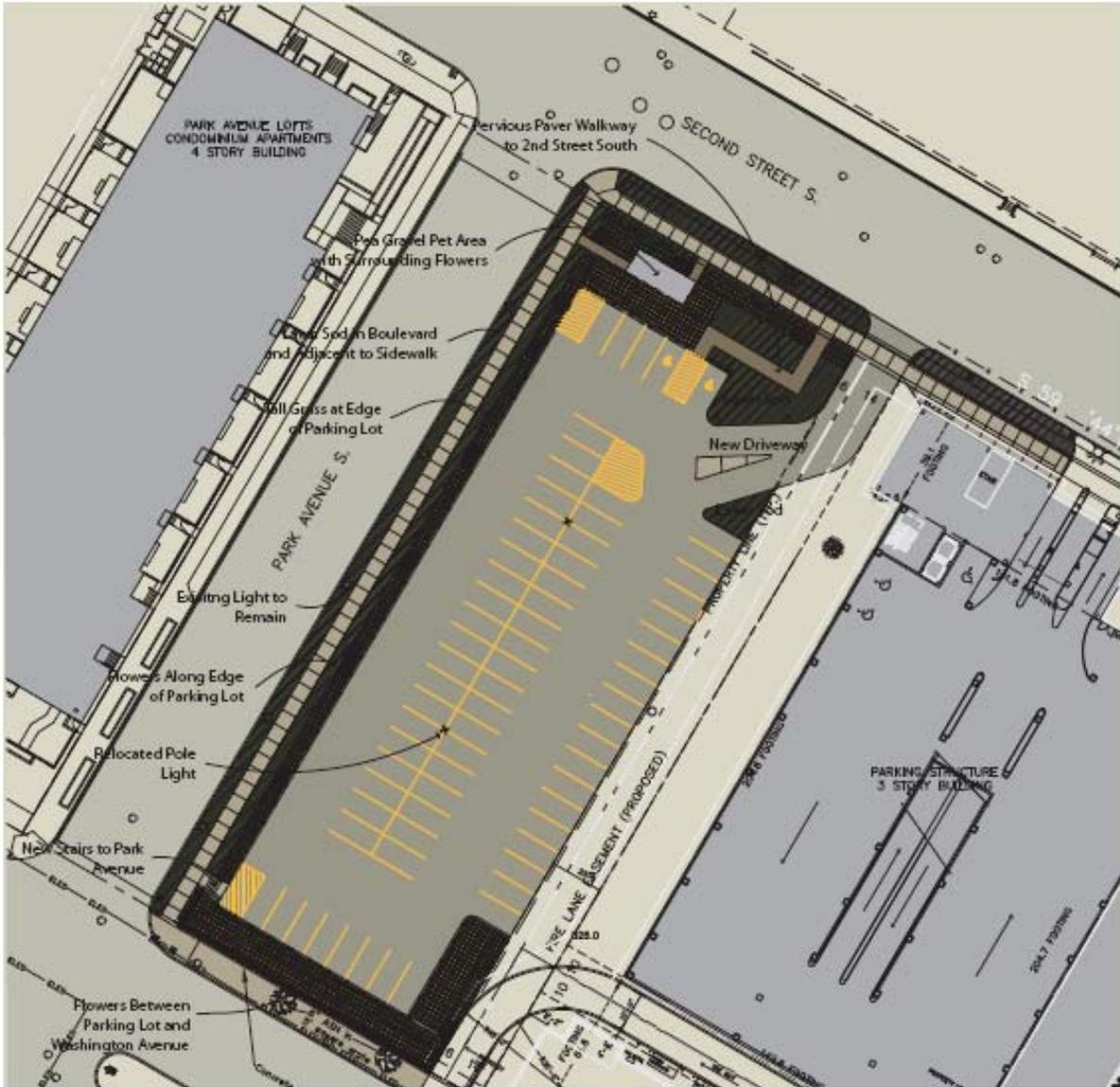
Two funding sources will be used for the construction of the interim improvements. Improvements within the adjacent public rights-of-way (along Washington, Park and Second) will be funded from remaining bond proceeds in Fund 01BWM. These bonds were sold to fund public improvements within the West Side Milling District and the proposed improvements are an eligible use. Approximately \$53,000 remains available and is already appropriated. The proposed funding source for the improvements on the property itself is up to \$230,000 remaining in tax increment funds appropriated in Fund 01CWM for public improvements in the Mill District.

Two local design firms, Elness Swenson Graham Architects and Oslund and Associates, graciously donated the basic site plan design.

The interim parking operation on the site over the last 16 years has generated several hundred thousand dollars in revenue which have been deposited in Fund 01CPC and used for a number of approved activities. Operation of the parking recently has been transferred to Public Works, and the parking operation is expected to generate about \$60-65,000 per year in revenue, which will be used to recoup the investment in improving the site. The revenue will be deposited in Fund 01CWM (a TIF fund).

cc: Marvin Taylor

AC784A



205 Park Avenue
Site improvements

