

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

Date: October 14, 2008
To: Lisa Goodman, Chair, Community Development Committee
Referral to: Paul Ostrow, Chair, Ways and Means/Budget Committee
Subject: Environmental Remediation Grant Applications, Fall 2008

Recommendation:

1. Authorize application to the Minnesota Department of Employment and Economic Development [DEED] Contamination Cleanup and Investigation Grant Program for environmental remediation and/or investigation funding for the following projects: 2600 Minnehaha Ave. S., 2900 Lyndale Ave. S., CVS Pharmacy, Digigraphics, Impact Mailing, Standard Heating & Air Conditioning, and Sydney Hall & Dinkydome; and,
2. Authorize application to the Metropolitan Council Metropolitan Livable Communities Fund Tax Base Revitalization Account [TBRA] Grant Program for environmental remediation and/or investigation funding for the following projects: 200 1st St. N., 1200 W. Broadway, 2900 Lyndale Ave. S, CVS Pharmacy, Digigraphics, and Standard Heating & Air Conditioning; and
3. Authorize application to the Hennepin County Environmental Response Fund [ERF] for environmental remediation and/or investigation funding for the following projects: 200 1st St. N., 747-800 N. 3rd St., 1200 W. Broadway, 2600 Minnehaha Ave. S., 2900 Lyndale Ave. S., CVS Pharmacy, Digigraphics, East Bank Mills, Exodus Apartments, Huron Flats, [former] Ken's Metal Finishing, Sydney Hall & Dinkydome, and Walker Apartments; and
4. Approve the submission of a "Community Garden Sites" application to Groundwork Minneapolis for investigation and/or remediation funds; and
5. Approve the attached resolutions authorizing appropriate City staff to submit the aforesaid applications to the Minnesota Department of Employment and Economic Development [DEED] Contamination Cleanup and Investigation Grant Program, the Metropolitan Council Livable Communities Tax Base Revitalization Account [TBRA] Grant Program, and the Hennepin County Environmental Response Fund [ERF].

Previous Directives:

200 1st St. N: None.

747-800 N. 3rd Street: None. [It is currently anticipated that the ERF grant application in this instance will be submitted directly to the Hennepin County ERF program by the developer, rather than by the City. However, a City Council resolution of support is needed to satisfy the requirements of the ERF program.]

1200 West Broadway: None.

2600 Minnehaha: None.

2900 Lyndale Avenue S.: May 2, 2008 – The City Council approved a rezoning of the property from C2 and I1 to C3A. June 20, 2008 – the City Council approved the vacation of an alley within the project site.

Community Garden Sites (incl. 905 Washburn Ave. N.): None.

CVS Pharmacy (4419 France Avenue S. & 3815 Sunnyside Avenue): The Planning Commission has recommended approval of a request for rezoning and for site plan approval. These topics are scheduled to be considered by the City Council on October 10, 2008.

Digigraphics (2639 Minnehaha Ave. S.):] None.

East Bank Mills (100 Main Street SE, 300 3rd Ave. SE, 400 2nd Street SE): September 22, 2006 – City Council approved rezoning of East Bank Mills site from I1 to C3A district and approved the removal of ILOD district on a portion of the site. February 24, 2006 -- City Council granted the developer's appeal of the HPC's determinations regarding the height and design of the [new] tower buildings proposed for the east end of the site.

Exodus Apartments (3131-33, 3137-39, 3143-45 1st Ave. S. & 106-108 E. 32nd Street): None. [The grant application in this instance will be submitted directly to the Hennepin County ERF program by the developer, rather than by the City. However, a City Council resolution of support is needed to satisfy the requirements of the ERF program.]

Huron Flats (2428 Delaware Street SE): None. [It is currently anticipated that the grant application in this instance will be submitted directly to the Hennepin County ERF program by the developer, rather than by the City. However, a City Council resolution of support is needed to satisfy the requirements of the ERF program.] None.

Impact Mailing (4528 Lyndale Avenue N.): None.

[Former] Ken's Metal Finishing (2323-2333 Emerson Avenue N.): On March 17, 2008, the City (through the Minnesota Pollution Control Agency) requested that the U.S. EPA respond to releases and threatened releases of plating shop chemicals and wastes at this site. [It is currently anticipated that the grant application in this instance will be submitted directly to the Hennepin County ERF program by the developer, rather than by the City. However, a City Council resolution of support is needed to satisfy the requirements of the ERF program.]

Sydney Hall & Dinkydome (SE Corner of 4th Street & 15th Avenue SE):

July 25, 2008 – The City Council approved the rezoning of certain properties within the project site from C1, C2 and OR3 to C3A, approved the addition of a PO overlay district to a portion of the site to allow for a mixed-use building addition with 198 dwelling units, and approved several requested variances.

Standard Heating & Air Conditioning (1300-1316 2nd St. N., 109 14th Ave. N.): CPED acquired 1300 2nd Street North on May 16, 1994, 1316 2nd Street North on October 9, 2001, and 109 14th Avenue North on March 23, 2004. The City Council approved the terms of the proposed sale of this property to Standard Plymouth, LLC on February 29, 2008. The City Council later approved an extension of the closing deadline to September 30, 2008 and approved the use of \$250,000 in MILES funds to address site contamination and infrastructure improvements.

Walker Apartments (1121 & 1127 Hennepin Avenue): None.

[It is currently anticipated that the grant application in this instance will be submitted directly to the Hennepin County ERF program by the developer, rather than by the City. However, a City Council resolution of support is needed to satisfy the requirements of the ERF program.]

Prepared by: Kevin Carroll, Principal Project Coordinator
 Approved by: Charles Lutz, Deputy Director, CPED _____
 Catherine Polasky, Director of Economic Development _____
 Presenter in Committee: Kevin Carroll, Principal Project Coordinator, 612-673-5181

Financial Impact

 X Other financial impact: There is no direct financial impact at this time. However, some of the grant requests have been identified as requiring a commitment of local match funds, to be provided by the developer or other non-City funding sources. The City of Minneapolis is sponsoring these grant requests, acting in some cases as a pass-through and conduit for environmental investigations and cleanup.

The sixteen projects and the twenty-seven related grant applications that are being recommended for submission to DEED, the Metropolitan Council and Hennepin County are as follows:

Project Name	GRANTORS			Total Grant Requests*
	DEED	Met Council TBRA	Henn. County ERF	
200 1 st St. N.		88,109	70,375	158,484

747-800 N. 3 rd Street			48,400	48,400
1200 W. Broadway		93,500	60,000	153,500
2600 Minnehaha	23,250		4,030	27,280
2900 Lyndale	54,375	14,625	82,500	151,500
Community Garden Sites (incl. 905 Washburn Ave. N.)			Undet.	Undetermined
CVS Pharmacy	51,400	148,400	104,170	303,970
Digigraphics	259,099	22,455	22,455	304,009
East Bank Mills			133,844	133,844
Exodus Apartments			135,420	135,420
Huron Flats			32,500	32,500
Impact Mailing	277,500			277,500
[Former] Ken's Metal Finishing			53,000	53,000
Standard Heating & Air Cond.	397,180	113,476		510,656
Sydney Hall & Dinky Dome	461,732		80,033	541,765
Walker Apartments			42,500	42,500
TOTALS:	1,524,536	480,565	869,227	2,874,328

*Amounts shown are based on pre-applications submitted to the City by September 19, 2008. The final amounts shown on grant applications submitted to the grantors on or by November 3, 2008 may differ, due to project cost updates prepared after September 19, 2008.

Community Impact

Neighborhood Notification:

200 1st St. N: None.

747-800 N. 3rd Street: The project's concept plan was presented to the North Loop Neighborhood's Land Use and Planning Committee on September 17, 2008.

1200 West Broadway: None.

2600 Minnehaha: Community notification was provided when the City issued a Request for Proposals in 2004 regarding the potential redevelopment of the site.

2900 Lyndale Avenue S.: On January 16, 2008, the Board of the Lowry Hill East Neighborhood Association voted unanimously to support this project's development plans, including its rezoning request, as evidenced by a letter dated March 26, 2008.

Community Garden Sites (incl. 905 Washburn Ave. N.): Hennepin County staff members have indicated that the impetus for conducting environmental contamination investigations at potential community garden sites has come primarily from community and neighborhood groups.

CVS Pharmacy (4419 France Avenue S. & 3815 Sunnyside Avenue): The Linden Hills Neighborhood Council issued a letter in support of this project on June 9, 2008.

Digigraphics (2639 Minnehaha Ave. S.): None.

East Bank Mills (100 Main Street SE, 300 3rd Ave. SE, 400 2nd Street SE): The bulk of neighborhood meetings regarding this project occurred in 2005. The Nicollet Island East Bank Neighborhood Association issued a letter of support dated December 31, 2005. The Marcy-Holmes Neighborhood Association issued letters of support dated November 15, 2005 and January 18, 2006.

Exodus Apartments (3131-33, 3137-39, 3143-45 1st Ave. S. & 106-108 E. 32nd Street): The Lyndale Neighborhood Association issued a letter of support dated March 10, 2008.

Huron Flats (2428 Delaware Street SE): None.

Impact Mailing (4528 Lyndale Avenue N.): None.

[Former] Ken's Metal Finishing (2323-2333 Emerson Avenue N.): None (although the applicant does not know what type of notification may have been provided by the U.S EPA).

Sydney Hall & Dinkydome (SE Corner of 4th Street & 15th Avenue SE): The land use committee of the Marcy-Holmes Neighborhood Association voted to support this project and issued a letter to that effect on June 16, 2008. No formal action was subsequently taken by the MHNA Board in support of or in opposition to the project. The University of Minnesota issued a letter in support of the project on May 9, 2008.

Standard Heating & Air Conditioning (1300-1316 2nd St. N., 109 14th Ave. N.): Standard Heating made presentations to the Northside Residents Redevelopment Council (NRRC) on February 11, 2008 and the NWIP Jobs Park Committee on February 19, 2008, both of which subsequently issued letters expressing general support for the proposal, subject to further review of any revisions of the site plan and/or building elevations.

Walker Apartments (1121 & 1127 Hennepin Avenue): On June 10, 2008, the Downtown Minneapolis Neighborhood Association passed a motion in support of the preliminary concept plan for this project, as confirmed in a letter dated June 23, 2008.

City Goals:

A Premier Destination
Enriched Environment

Sustainability Targets:

Brownfield Sites

Comprehensive Plan:

The proposed projects generally comply with the "land reclamation" and "providing a healthy environment" elements of the Minneapolis Plan.

Zoning Code:

The proposed projects either are in compliance or will comply.

Living Wage/Business Subsidy Agreement: Yes____ No_X__

Job Linkage: Yes____ No_X__

Other: Environmental remediation assistance is generally exempt from the City's Living Wage Ordinance and the State's Business Subsidy Act. However, any business that occupies a remediated site may be asked to sign a Job Linkage Agreement that includes five year hiring goals (with an emphasis on living wage jobs for Minneapolis residents) and seeks to connect the business with a neighborhood workforce organization.

Background/Supporting Information

The Minnesota Contamination Cleanup and Investigation Grant Program was established in 1993 to clean up contaminated sites and convert contaminated property into a marketable asset. The Department of Employment and Economic Development [DEED] is the administering state agency. Applications for the fall grant round are due on or by November 3, 2008. A local match equal to twenty-five percent of the project costs is required, of which twelve percent must come from non-tax increment local funds (typically provided by the developer). The amount that is potentially available to fund brownfield grants in the fall 2008 round is \$4,025,500. Up to \$250,000 of this funding will be awarded per fiscal year (\$125,000 per grant round) for DEED's Investigation and RAP Development Grants. The legislature has designated that at least 25% of available funds be spent on remediating sites in Greater Minnesota unless sufficient applications are not received. This allows the grant program to assist with cleanup efforts statewide.

Enacted by the legislature in 1995, the Metropolitan Livable Communities Act designated the Metropolitan Council as the administrator of the Tax Base Revitalization Account [TBRA] Program. This program makes grants to clean up contaminated land for subsequent redevelopment, job retention, and job growth in areas that have lost some of their commercial/industrial base. Applications for the fall round of this program are due on or by November 3, 2008. No local match is required. The amount that is potentially available to fund brownfield grants in the fall 2008 round is \$3.9 million. The TBRA program reserves at least one-quarter of the funding available in each grant cycle for projects outside of the two core cities of Minneapolis and St. Paul, and restricts any one municipality from receiving more than half of the funding in any given round.

Hennepin County has been collecting mortgage registry and deed tax for deposit into an Environmental Response Fund (ERF) and has awarded grants

from that fund since the fall of 2001. The ERF is used for the assessment and clean up of contaminated sites located within Hennepin County, with emphasis on affordable housing projects. Applications for the fall round of this program are due on or by November 3, 2008. The amount that is potentially available to fund brownfield grants in the fall 2008 round is \$1.5 million. Typically, about 50% of the available grant funds are awarded to the City of Minneapolis, and the remainder is awarded to suburban communities and other entities.

Projects initiated through these grants and additional public funds have, from their inception through the spring 2008 grant round, triggered more than an estimated \$1 billion in additional private investment in the City of Minneapolis.

New Funding Requests for Fall 2008

	Grant Applications	Grant Funding Requested
DEED	7	\$1,524,536
Met Council	6	480,565
Hennepin County	14	869,227
TOTAL:	27	\$2,874,328

For the fall 2008 grant round, details regarding the City's pre-application process and related program requirements were provided to CPED project coordinators and potential applicants in August. Relevant information was posted on the City's website. A public informational meeting was organized and conducted by City staff on September 4, 2008. Staff review of the submitted pre-applications included consideration of factors such as readiness to proceed with cleanup, removal of blighting influences, commitment of City funds, affordable housing, compliance with zoning requirements and comprehensive plan designations, and job creation. Twenty-seven pre-applications were received, all of which are being recommended for submission to the grantors. Interactions with the three grantors during the last four grant rounds have clarified and reinforced the fact that their internal processes for reviewing, scoring and ranking applications give no weight to any city's prioritization of the applications that it submits to the grantors. The analyses conducted by the grantors' staff, and the decisions that they make in awarding grants, are based on statutory criteria and adopted guidelines that do not include the (relative) preferences of municipal applicants. Accordingly, and in keeping with the practice that has been followed by the City in the last three brownfield grant rounds, the recommendation of City staff is that the City Council not rank or prioritize the applications that it authorizes staff to submit to the grantors on or by the November 3, 2008 application deadline.

Details of Proposed Projects:

[This section of the report presents projects in alphabetical order. The summary descriptions were provided by the developers or by others familiar with the details of the projects in question.]

200 1st St. N.

Projected Met Council TBRA Request: \$88,109

Projected Hennepin County ERF Request: \$70,375

This is a 0.1562 acre site that is located in the North Loop Redevelopment Project area. The developer, Daft Group LLC, proposes to renovate a blighted 1881 building that has housed a succession of industrial tenants for over a century. The developer intends to restore and reposition the building as commercial space suitable for office or retail use. Upon completion, the building will offer 20,500 square feet of renovated commercial space. Remediation funds, if awarded, would be used to address soil contamination. Planning staff have indicated that any structural changes would need to be approved by the City's Heritage Preservation Commission as the site is within the Warehouse Historic District. The proposed uses are consistent with the future land use designation of "Mixed Use" in *The Minneapolis Plan for Sustainable Growth*. Additionally, retail, office and restaurant uses are consistent with the current zoning designation of C3A. While there are currently no land use applications for improvements on the site, the concept to rehab an historic building and bring the land uses into compliance with the existing zoning helps to further City goals.

747-800 N. 3rd Street

Projected Hennepin County ERF Request: \$48,400

These two parcels comprise a 3.48 acre site that is not located in a City redevelopment project area. The developer, Schafer Richardson, proposes to remediate the two parcels and develop one for 225 market-rate housing units (with first floor commercial space) and the other for publicly-accessible green space. Remediation funds, if awarded, would be used for Phase I and Phase II site assessments and the preparation of a Response Action Plan. The zoning on both sites is I2 with the Industrial Living and Downtown Parking overlay districts. Adopted policy guidance in the Downtown East/North Loop Master Plan recommends improving the amount of publicly-accessible green space in the North Loop neighborhood, and it also specifically identifies the area at the tunneled Bassett Creek for this purpose (as proposed in this pre-application). Both the Downtown East/North Loop Master Plan and *The Minneapolis Plan for Sustainable Growth* also support a mix of residential and commercial uses on either site. Existing City policies support limiting the impact of parking facilities on the pedestrian and public realm, including the use of shared parking facilities as proposed in this pre-application. There are currently no land use applications pending for improvements on the site. The density proposed for the market-rate rental project is inconsistent with current zoning and would likely require rezoning. Any rezoning would be evaluated against the policy vision for a mix of commercial and residential uses in this area in the future.

1200 W. Broadway

Projected Met Council TBRA Request: \$93,500

Projected Hennepin County ERF Request: \$60,000

This is a 0.66 acre site that is within the West Broadway Redevelopment Project Area, but is not within a TIF District boundary. The developer, Ackerberg Group, intends to renovate four interconnected buildings into much-needed office space. The combined buildings, built in 1927, have over 12,900 square feet of leasable area. The commercial space is generally envisioned for office, however there are three tenant spaces that may become retail space. The rehab of the structure(s) may also include a shared commercial kitchen and event/meeting space. The building renovation will consist of a new roof, new flooring, a new elevator, façade improvements, and the resurfacing of the twenty-car parking lot. Remediation funds, if awarded, would be used primarily for asbestos abatement. This project does not appear to involve any approvals that would necessitate a zoning change, site plan review, or other City Planning Commission-related action since the scope relates to the rehabilitation of an existing structure.

2600 Minnehaha

Projected DEED Request: \$23,250

Projected Hennepin County ERF Request: \$4,030

This is a vacant City-owned 1.51 acre site that is located in the Seward South Urban Renewal Project Area. The site would be suitable for a sale to an approved end-user for the construction of an industrial building of approximately 25,000 square feet. Remediation funds, if awarded, would be used to investigate soil contamination and prepare a Response Action Plan. The site is within the Seward/Hiawatha employment district, an area identified in the Industrial Land Use Study and the 2008 comprehensive plan to be retained for industrial use and job creation. The Seward Longfellow Greenway Area Plan also identifies this parcel for continued industrial use. Zoning is I1.

2900 Lyndale Avenue S.

Projected DEED Request: \$54,375

Projected Met Council TBRA Request: \$14,625

Projected Hennepin County ERF Request: \$82,500

This is a vacant 0.74 acre site that is not located in a City redevelopment project area. The developer, LynLake Development Partners LLC c/o GRECO, LLC, intends to construct a new 4-story mixed use commercial/retail building that would include 47,977 square feet of office space, 8450 square feet of retail space, 4231 square feet of restaurant space and three live-work units. Remediation funds, if awarded, would be used to (among other things) remove and dispose of contaminated soil and fill. This project received City Planning Commission approval in March 2008, and thus is deemed as being in keeping with the comprehensive plan and the zoning ordinance.

Community Garden Sites (including, but not limited to, 905 Washburn Ave. N.)

Projected Hennepin County ERF Request: Undetermined

This is a joint proposal by Hennepin County staff and Groundwork Minneapolis (a non-profit organization) to use funds that were previously awarded to Groundwork Minneapolis (by Hennepin County's ERF program) to conduct soil sampling and related environmental investigative work at a number of Minneapolis sites that are being considered for flower and vegetable gardens that would be planted and maintained by local community groups. One of the conditions that Hennepin County placed on the prior award of funds to Groundwork Minneapolis was that a resolution of support be obtained from the Minneapolis City Council for any proposed use(s) of the awarded funds. One of the sites that are being considered for a future community garden consists of 14 contiguous parcels that include the parcel located at 905 Washburn Ave. N. (and 13 others). However, Hennepin County and Groundwork Minneapolis have requested that the City Council's resolution of support be worded broadly enough to include any additional sites or parcels that they may wish to investigate in the future as possible community garden locations. Criteria to be applied will

include requirements that the proposed sites be located in Minneapolis, that they be owned by a public entity or a non-profit organization, that they be intended for use as flower or vegetable gardens, and that they be suspected of containing contaminants.

CVS Pharmacy (4419 France Avenue S. & 3815 Sunnyside Avenue)

Projected DEED Request: \$51,400

Projected Met Council TBRA Request: \$148,400

Projected Hennepin County ERF Request: \$104,170

This is a 1.23 acre site that is not located in a City redevelopment project area. The developer, Velmeir Companies, intends to construct a new 13,600 square foot commercial building. Remediation funds, if awarded, will be used to address contaminated soils, asbestos and/or lead-based paint. This project received Planning Commission approval on September 8, 2008. The project requires a rezoning, which is currently scheduled to be heard by the City Council on October 10, 2008.

Digigraphics (2639 Minnehaha Ave. S.)

Projected DEED Request: \$259,099

Projected Met Council TBRA Request: \$22,455

Projected Hennepin County ERF Request: \$22,455

This is a 2.8 acre site that is located in the Seward South Urban Renewal Project Area. The owner of Digigraphics is in the early stages of constructing a 16,000 square foot addition to his existing industrial building. Remediation funds, if awarded, will be used to address soil contamination and install a vapor barrier. The site is within the Seward/Hiawatha employment district, an area identified in the Industrial Land Use Study and the 2008 comprehensive plan to be retained for industrial use and job creation. The Seward Longfellow Greenway Area Plan also identifies this parcel for continued industrial use. The City Planning Commission approved a site plan review for the proposed expansion on June 2, 2008. Zoning is I1.

East Bank Mills (100 Main Street SE, 300 3rd Ave. SE, 400 2nd Street SE))

Projected Hennepin County ERF Request: \$133,844

This is a 2.33 acre site that is not located in a City redevelopment project area. The developer, Schafer Richardson, has planned a project that includes 235 new market rate apartments with associated office/commercial space. Remediation funds, if awarded, would be used primarily to address soil contamination. Planning staff has indicated that this project includes a large-scale renovation and redevelopment of the Pillsbury A Mill Historic Complex. Land use applications for the project were approved by the Planning Commission on August 14, 2006 and are generally supported by the neighborhood. The site is located in the St. Anthony Falls Historic District. The Pillsbury A Mill itself is a national historic landmark. The project has been approved by the Heritage Preservation Commission. The site is located in the East Hennepin activity center, as designated in the comprehensive plan. The project is consistent with comprehensive plan policy, and has been rezoned to C3A, which is appropriate for the intended use(s). The project has been the subject of an EAW and an EIS (record of decision in 2005). Overall, this project is seen as an ambitious redevelopment that will preserve a valued resource and help the continuing revitalization of the riverfront area.

Exodus Apartments (3131-33, 3137-39, 3143-45 1st Ave. S. & 106-108 E. 32nd Street)

Projected Hennepin County ERF Request: \$135,420

This is a 0.67 acre site that is located in the Model City Urban Renewal Project Area. The developer, Community Housing Development Corporation, intends to renovate 12 existing units of affordable housing, 10 of which will require extensive lead-based paint remediation. This project does not appear to involve any approvals that would necessitate a zoning change, site plan review, or other City Planning Commission related action since the scope relates to rehabilitation of existing structures.

Huron Flats (2428 Delaware Street SE)

Projected Hennepin County ERF Request: \$32,500

This is a 0.49 acre site that is not located in a City redevelopment project area. The developer, Republic Ventures LLC, intends to construct a new 8-story building for student housing, with 100 units and 1st floor commercial space. Remediation funds, if awarded, would be used to investigate soil contamination issues and prepare a Response Action Plan. The proposed project is located on the former Gopher Oil site, which has long been identified by the City as a priority for cleanup. The project has not been submitted to the City for development review to date; final approval would be contingent on the results of that process. The project is located in the Stadium Village activity center and close to the University of Minnesota growth center, both of which are designated in the comprehensive plan. Generally, this project appears to be consistent with comprehensive plan policy for these areas, which encourages higher density development. The project would be close to proposed Central Corridor LRT station. The property is currently zoned C3A, and it does not appear that it would need rezoning (though some conditional use permits, variances, etc. may be required).

Impact Mailing (4528 Lyndale Avenue N.)

Projected DEED Request: \$277,500

This is a 3.09 acre site that is located in the Camden Area Redevelopment Project Area. The owner of the business is in the early stages of constructing a 56,000 square foot addition to his existing industrial building. Remediation funds, if awarded, would be used to dispose of contaminated soil and fill. The subject property is not in a designated employment district, but is in an existing and longstanding industrial area. It is zoned I2. There are no approved land use plans that provide long-term policy guidance for this area. Development applications pertaining to Impact Mailing's expansion proposal were approved by the City Planning Commission in May, 2008, and were deemed to be compatible with the City's comprehensive plan at that time.

[Former] Ken's Metal Finishing (2323-2333 Emerson Avenue N.)

Projected Hennepin County ERF Request: \$53,000

This is a 0.34 acre site that is not located in a City redevelopment project area. It is a tax-forfeited property that was acquired by Hennepin County in June of 2008. Its future use is presently undetermined. Hennepin County is seeking assessment funds from its own brownfield (ERF) program to investigate suspected soil and groundwater contamination at the site. The site has split zoning—C1 neighborhood commercial and R2B residential. It does not have a comprehensive plan land use designation. Low to medium density residential reuse would be allowed and preferred. Commercial reuse would require a rezoning of part of the property. Cleanup to residential standards would thus be preferred.

Sydney Hall & Dinkydome (SE Corner of 4th Street & 15th Avenue SE)

Projected DEED Request: \$461,732

Projected Hennepin County ERF Request: \$80,033

This is a 1.0 acre site that is not located within a City redevelopment project area. The developer, Doran Companies, intends to renovate the Dinkydome and construct a new, adjacent mixed-use building with 198 units of student housing and ground-level commercial space. Remediation funding would be used to remove contaminated soil and fill. Land use applications for the project were approved by the City Council on July 25, 2008 on appeal (initially denied by Planning Commission, but issues were satisfactorily addressed by applicant). The project is generally supported by the neighborhood, although some concerns have occasionally been expressed. The property has been rezoned to C3A, which is appropriate for the intended uses(s). The project is located in the Dinkytown activity center and along the University Avenue community corridor, both of which are designated in the comprehensive plan. The project is consistent with comprehensive plan policy for these areas. The project will renovate and preserve the Dinkydome, an identified historic resource, and provide needed housing and retail services.

Standard Heating & Air Conditioning (1300-1316 2nd St. N., 109 14th Ave. N.)

Projected DEED Request: \$397,180

Projected Met Council TBRA Request: \$113,476

This is a 1.91 acre site that is located within the North Washington Industrial Park Redevelopment Project Area. The site will be redeveloped as the corporate headquarters for Standard Heating and Air Conditioning, which has outgrown its current facility on Lake Street. Cleanup funds are being sought for additional remediation of contaminated soils and cleanup costs related to the Midwest Steel building, which was recently acquired by Standard to expand the size of the project site. Standard's proposed development consists of a two-story office/parts department/showroom of 17,200 square feet on the corner of 2nd Street N. and Plymouth Avenue N., an adjoining one-story warehouse of 7,179 square feet, and a future warehouse expansion area of 6,093 square feet. The subject property is in a designated employment district, and is zoned I2. It is compatible with the North Washington Jobs Park land use and urban design guidelines approved by the City Council and relevant for this area. Development applications pertaining to this development proposal were approved by the City Planning Commission in June, 2008, and were deemed to be compatible with the city's comprehensive plan at that time.

Walker Apartments (1121 and 1127 Hennepin Avenue)

Projected Hennepin County ERF Request: \$42,500

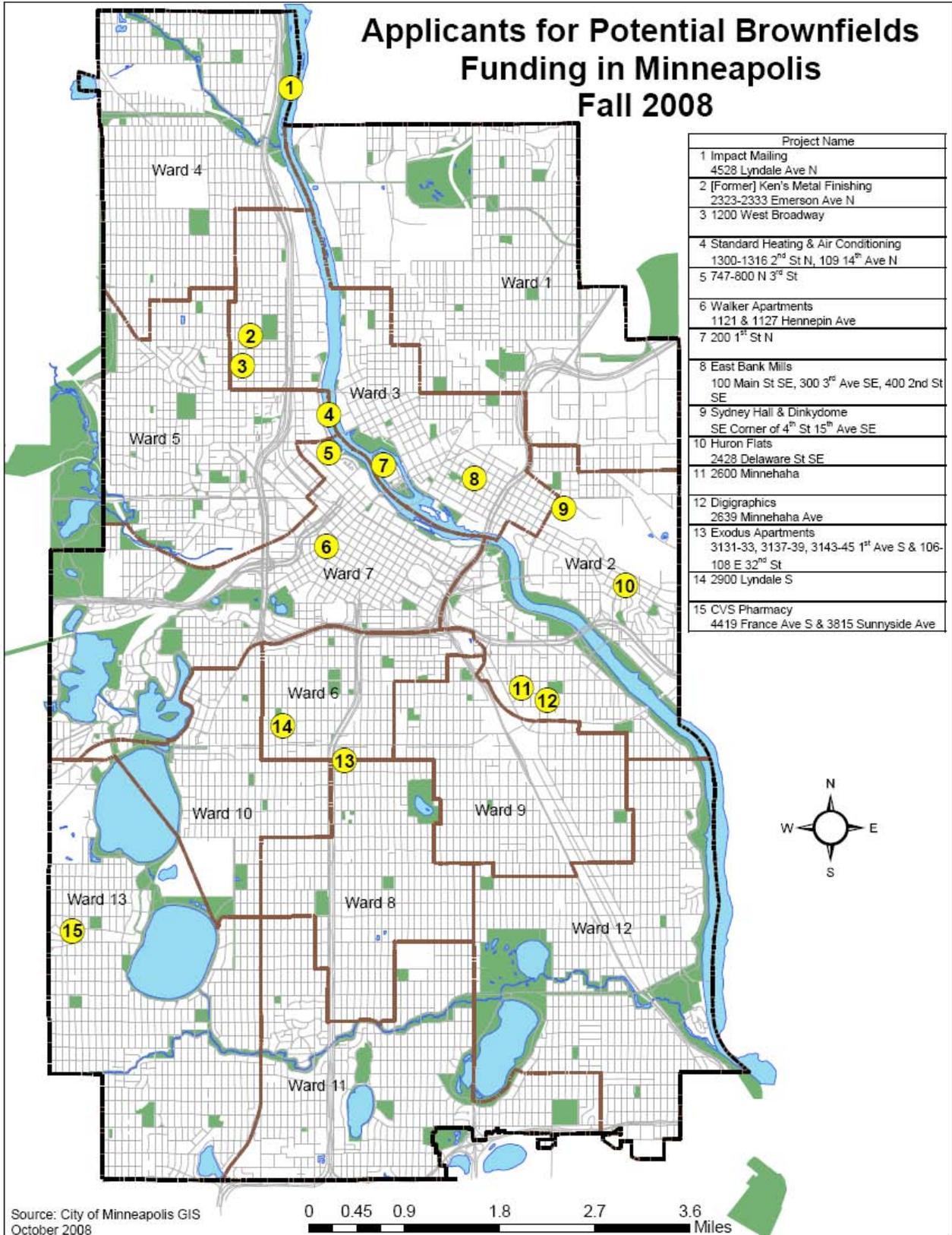
This is a 0.39 acre site that is located within Greater Hennepin Avenue Development District #58, but not within a TIF District. The developer, Twelfth & Hennepin Development LLC, intends to construct a new five-floor building containing 66 general occupancy units and 4 supportive housing units, with 70% of the units being affordable. One level of underground parking would be provided. ERF funding is being sought to investigate possible soil contamination, past spills of hazardous substances, and the possible presence of asbestos. The site is zoned B4S-1 and is located in the Downtown Parking and Harmon Area overlay districts. The Harmon Area Overlay District was established to preserve and protect the unique character of the Harmon area by limiting the height and scale of new development. The site is also within the Harmon Place Historic District. Based on the overlay district, the maximum height on these sites is limited to 4 stories or 56 feet, whichever is less. Both the zoning and policies within The Minneapolis Plan for Sustainable Growth allow for a variety of residential and commercial uses on the proposed site. Hennepin Avenue is identified as a Commercial Corridor where there should be active ground-floor uses, pedestrian orientation to building design and residential density. The proposed use (solely residential units) is not likely to create the desired level of all-day activity at this location; further analysis of this issue may be required. The proposed height of the residential structure would require a conditional use permit for additional height.

The applicant has had preliminary meetings with both Development Services staff and Preservation & Design staff. There are no formal applications at this time. Staff brought an informational item to the Heritage Preservation Commission on March 25, 2008 about the development concept at that time. The concept in March included retail on the ground floor with residential above in a 5-story structure. Preservation & Design staff will evaluate the final proposal based on the Harmon Plan Historic District Guidelines.

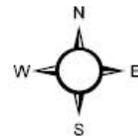
Proposed Project Locations:

The map that appears on the following page identifies the location of each of the proposed projects.

Applicants for Potential Brownfields Funding in Minneapolis Fall 2008



Project Name
1 Impact Mailing 4528 Lyndale Ave N
2 [Former] Ken's Metal Finishing 2323-2333 Emerson Ave N
3 1200 West Broadway
4 Standard Heating & Air Conditioning 1300-1316 2 nd St N, 109 14 th Ave N
5 747-800 N 3 rd St
6 Walker Apartments 1121 & 1127 Hennepin Ave
7 200 1 st St N
8 East Bank Mills 100 Main St SE, 300 3 rd Ave SE, 400 2nd St SE
9 Sydney Hall & Dinkydome SE Corner of 4 th St 15 th Ave SE
10 Huron Flats 2428 Delaware St SE
11 2600 Minnehaha
12 Digigraphics 2639 Minnehaha Ave
13 Exodus Apartments 3131-33, 3137-39, 3143-45 1 st Ave S & 106-108 E 32 nd St
14 2900 Lyndale S
15 CVS Pharmacy 4419 France Ave S & 3815 Sunnyside Ave



Source: City of Minneapolis GIS
October 2008

0 0.45 0.9 1.8 2.7 3.6 Miles

Authorizing application to the Minnesota Department of Employment and Economic Development [DEED] Contamination Cleanup and Investigation Grant Program for various projects.

Whereas, the City of Minneapolis intends to act as the legal sponsor for one or more of the following projects that will be more completely described in contamination cleanup and/or investigation applications to be submitted to the Minnesota Department of Employment and Economic Development (DEED) on or by November 3, 2008, subject to final staff verification of each such application's compliance with the DEED grant program's purposes and criteria: 2600 Minnehaha Ave. S., 2900 Lyndale Ave. S., CVS Pharmacy, Digigraphics, Impact Mailing, Standard Heating & Air Conditioning, and Sydney Hall & Dinkydome; and

Whereas, the City has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration; and

Whereas, the sources and amounts of the local match identified in the applications are committed to the identified projects; and

Whereas, the City has not violated any federal, state or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice; and

Whereas, upon approval of one or more of its applications, the City may enter into agreements with the DEED for one or more of the above-referenced projects and will comply with all applicable laws and regulations stated in such agreements;

Now, Therefore, Be It Resolved By The City Council of the City of Minneapolis:

That the City Council authorizes the Director of the Department of Planning and Economic Development or other appropriate staff to apply to the Department of Employment and Economic Development for Contamination Cleanup and Investigation Grant Program funding for one or more of the above-referenced projects and to execute such agreements as are necessary to implement the projects.

Authorizing application to the Metropolitan Council Tax Base Revitalization Account [TBRA] for various projects.

Whereas, the City of Minneapolis (the "City") was and is a participant in the Livable Communities Act's Housing Incentives Program as determined by the Metropolitan Council, and is therefore eligible to make application for funds under the Tax Base Revitalization Account; and

Whereas, the City has identified the following clean-up projects within the City that preliminarily appear to meet the Tax Base Revitalization Account's purposes and criteria: 200 1st St. N., 1200 W. Broadway, 2900 Lyndale Ave. S, CVS Pharmacy, Digigraphics, and Standard Heating & Air Conditioning; and,

Whereas, the City intends to act as the legal sponsor for the above-referenced projects, which will be more completely described in Tax Base Revitalization Account grant applications to be submitted to the Metropolitan Council on or by November 3, 2008, subject to final staff verification of each such application's compliance with the TBRA grant program's purposes and criteria ; and

Whereas, the City has the institutional, managerial and financial capability to ensure adequate project administration; and

Whereas, upon approval of one or more of its applications, the City may enter into agreements with the Metropolitan Council for one or more of the above-reference projects and will comply with all applicable laws and regulations stated in such agreements;

Now, Therefore, Be It Resolved By The City Council of the City of Minneapolis:

That the City Council authorizes the Director of the Department of Community Planning and Economic Development or other appropriate staff to apply on behalf of the City of Minneapolis to the Metropolitan Council for Tax Base Revitalization Account funding for one or more of the above-referenced projects and to execute such agreements as are necessary to implement the projects.

Authorizing application to the Hennepin County Environmental Response Fund for various projects.

Whereas, the City of Minneapolis intends to act as the legal sponsor for one or more of the following projects that will be more completely described in Environmental Response Fund applications to be submitted to Hennepin County on or by November 3, 2008, subject to final staff verification of each such application's compliance with the ERF program's purposes and criteria: 200 1st S. N., 747-800 N. 3rd St., 1200 W. Broadway, 2600 Minnehaha Ave. S., 2900 Lyndale Ave. S., CVS Pharmacy, Digigraphics, East Bank Mills, Exodus Apartments, Huron Flats, [former] Ken's Metal Finishing, Sydney Hall & Dinkydome, and Walker Apartments (any of these projects may opt to submit its application directly to Hennepin County, rather than through the City of Minneapolis, if doing so is authorized under the ERF program's guidelines); and

Whereas, the City has been advised that a project known as "Community Garden Sites" desires to apply to Groundwork Minneapolis for investigation and/or remediation funds originally provided to Groundwork Minneapolis by the Environmental Response Fund [ERF], and that the ERF program's procedures require a City Council resolution in support of any Minneapolis project that intends to seek such funding; and

Whereas, the City has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration; and

Whereas, the City has not violated any federal, state or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice; and

Whereas, upon approval of one or more of its applications, the City may enter into agreements with Hennepin County for one or more of the above-referenced projects and will comply with all applicable laws and regulations stated in such agreements;

Now, Therefore, Be It Resolved By the City Council of the City of Minneapolis:

That the City Council authorizes the Director of the Department of Planning and Economic Development or other appropriate staff to apply to the Hennepin County Environmental Response Fund for funding for one or more of the above-referenced projects and to execute such agreements as are necessary to implement the projects; and that the City Council hereby expresses its support for the ERF investigation and/or remediation funding that the "Community Garden Sites" project intends to request from Groundwork Minneapolis.