

## Request for City Council Action

Date: October 17, 2002

To: Council Member Lisa Goodman, Community Development Committee  
Council Member Barbara Johnson, Ways and Means/Budget Committee  
Refer to: MCDA Board of Commissioners

Prepared by John Harrington, Project Coordinator 612-673-5018

Approved by Chuck Lutz, MCDA Interim Executive Director \_\_\_\_\_

**Subject:** Authorization to:

- 1) Apply to the Metropolitan Council Metropolitan Livable Communities Fund Tax Base Revitalization Account Grant Program for 628 E. Franklin Ave.; 1822 Park; Hubbard Building; Lenox Flats; Portland Condos; Space LLC ; and Whittier First Cooperative, and,
- 2) Apply to the Minnesota Department of Trade and Economic Development Contamination Cleanup Grant Program to conduct environmental remediation at Heritage Park; North Washington Industrial Park (NWIP); Profloor; South East Minneapolis Industrial (SEMI) Phase 7; and,
- 3) Apply to the Hennepin County Environmental Response Fund for E. 17th St.; (former) BF Nelson; Franklin/Portland Gateway, Sites B, C, E; Lydia Apartments; (former)Riverview Supper Club; and Roosevelt Library

**Previous Directives:** The City Council previously authorized application to the Hennepin County Environmental Response Fund to conduct environmental investigations for 628 E. Franklin Ave; 1822 Park; (former) BF Nelson; (former) Riverview Supper Club; and Lenox Flats. The MCDA Board of Commissioners has previously approved actions on 628 E. Franklin Ave., Heritage Park; Hubbard Building; Portland Condos; and Profloor. No previous actions have been taken on E. 17th St.; Roosevelt Library ; and Space LLC. On July 22, 2002, the Minneapolis City Planning Commission approved the site plan for SPACE LLC at 501-509 Washington Ave. S. On December 14, 2001, the Minneapolis City Council approved the Parcel C Redevelopment and TIF Plans, and the MCDA Board of Commissioners authorized sale of the land to CMS Investors II, Inc. In August 2002 the MCDA Board approved a recommendation granting the Wall Companies exclusive development rights for SEMI Phase 7 till the end of February 2003.

**Wards:** 2, 3, 5, 6, 7 and 9

**Neighborhood Group Notification:** The NWIP Jobs Park Committee was informed of the intent to apply for clean up funds for the properties at 1300/1360 N 2nd during its Sept. 17, 2002 meeting. The SEED Committee was told at its Sept. 18, 2002 meeting that an application would be made for funds to clean up the SEMI Phase 7 site. In February 2001 Ventura Village approved plans for the Franklin/Portland Gateway Redevelopment Project.

The Ventura Village Neighborhood in the Phillips Community had been notified that funds will be sought for the investigation of asbestos and lead at 1822 Park Avenue. The West Broadway Area Coalition (WBAC) and Northside Residents Redevelopment Council (NRRC) reviewed and approved the Hubbard Building project in November of 2001.

**Consistency with *Building a City That Works*:** 628 East Franklin, Lenox Flats, 1822 Park, Portland Condos, Hubbard Building, Whittier First Cooperative and Franklin/Portland Redevelopment are consistent with Goal 2: Ensure that an array of housing choices exist to meet the needs of our current residents and attract new residents to the city, Strategy 2: Increase the development of affordable housing in neighborhoods with stronger markets, and Goal 3: Support strong and diverse neighborhoods where people choose to live. NWIP and SEMI, Phase VII are consistent with Goal 1: Increase the city's economic competitiveness and extend the benefits of the growing economy to all Minneapolis residents, Strategy 1: Provide clean, buildable land parcels to meet the needs of business expansion and relocation within the city. Hubbard Building is consistent with Goal 3: Support strong and diverse neighborhoods where people choose to live, Strategy 2: Ensure the availability of funds to preserve existing neighborhood characteristics and for new construction features required to complement unique neighborhood characteristics; and Goal 4: Preserve and enhance the historic structures, urban institutions, environments and amenities that define Minneapolis, Objective C: Preserve and support significant historic structures and features, Strategy 1: Identify new sources of funding to stabilize historic or otherwise significant properties in the MCDA's inventory.

**Comprehensive Plan Compliance:** Complies with land reclamation and providing a healthy environment elements of the Minneapolis Plan.

**Zoning Code Compliance:** The proposed projects either are in compliance or will comply with the Minneapolis Zoning Code.

**Impact on MCDA Budget:** (Check those that apply)

- No financial impact
- Action requires an appropriation increase to the MCDA Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):

There is no direct financial impact at this time. However, some of the grant requests do require a commitment of local match funds. The Minneapolis Community Development Agency is sponsoring these grant requests, acting in some cases as a pass-through and conduit for environmental investigations and cleanup. The following listing is in priority order based on affordable housing impacts and input from the Brownfield Review Committee.

**Metropolitan Tax Base Revitalization Account Contamination Cleanup Grant Requests In Priority Order**

<b>Project</b>	<b>Grant Request</b>
Portland Condos	\$ 500,000
828 E. Franklin Ave	\$ 140,000
1822 Park	\$ 50,000
Whittier First Cooperative	\$ 200,000
Lenox Flats	\$ 125,000
NWIP	\$ 62,500
Space LLC	\$ 38,855
Hubbard Building	\$ 100,000
<b>Total Metropolitan Council:</b>	<b>\$1,216,355</b>

**MN Department of Trade and Economic Development Contamination Cleanup Grant**

<b>Project</b>	<b>Grant Request</b>
Profloor	\$ 318,750
Heritage Park	\$ 425,000
SEMI Phase VII	\$ 375,000
NWIP	\$ 375,000
<b>Total MN DTED</b>	<b>\$1,493,750</b>

Profloor will require a local match of \$106,250 from MILES. Heritage Park will require a local match from existing City of Minneapolis bond funds of \$75,000. SEMI Phase 7 will require a local match of \$125,000 from the Mississippi Watershed Association. NWIP will require a local match of \$62,500 from the MILES fund if Metro Council funding is obtained or \$125,000 from MILES without Metropolitan Council funding.

**Hennepin County Environmental Response Fund Grant Requests in Priority Order**

<b>Project</b>	<b>Grant Request</b>
(former) BF Nelson	\$ 30,000*
(former) Riverview Supper Club	\$ 30,000*
Franklin/Portland Gateway	\$ 20,000
E. 17th St.	\$ 25,000
Heritage Park	\$150,000
Lydia Apartment	\$ 15,000
Roosevelt Library	\$ 30,000
<b>Total Hennepin County ERF</b>	<b>\$240,000*</b>

\* The two Park Board projects have funding earmarked from the Spring 2002 funding round. Their \$60,000 total is not counted as part of the Autumn 2002 application total.

**Living Wage / Business Subsidy:** Environmental assistance is exempt from Living Wage/Business Subsidy.

**Job Linkage:** Generally exempt, may be case by case exceptions.

**Affirmative Action Compliance:** Will comply.

**RECOMMENDATION:**

**CITY COUNCIL RECOMMENDATION:** The Interim Executive Director recommends that the City Council

1. Apply to the Metropolitan Council Metropolitan Livable Communities Fund Tax Base Revitalization Account Grant Program for 628 E. Franklin Ave.; 1822 Park; Hubbard Building; Lenox Flats; Portland Condos; Whittier First Cooperative and, Space LLC ; and,

2. Apply to the Minnesota Department of Trade and Economic Development Contamination Cleanup Grant Program for environmental remediation at Heritage Park; NWIP; Profloor; SEMI Phase VII; and,
3. Apply to the Hennepin County Environmental Response Fund for E. 17th St.; (former) BF Nelson; Franklin/Portland Gateway, Sites B, C, E; Lydia Apartments; (former) Riverview Supper Club; and Roosevelt Library; and,
4. Forward this report to the MCDA Board of Commissioners.

**MCDA Board Recommendation:** Approve the attached resolutions authorizing the Interim Executive Director or other appropriate staff to execute agreements to implement the Metropolitan Council Livable Communities Tax Base Revitalization Account grant program, Minnesota Department of Trade and Economic Development Contamination Clean Up and Investigation Grant Program, and Hennepin County Environmental Response Fund, and direct staff to continue working with the Whittier Neighborhood and Hennepin County to refine cleanup techniques consistent with residential and commercial reuse.

## **Background/Supporting Information**

### **INTRODUCTION:**

Enacted by the legislature in 1995, the Metropolitan Livable Communities Act designated the Metropolitan Council as the administrator of the Tax Base Revitalization 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 to this program are due November 1st, 2002. No local match is required. The City of Minneapolis geographic area is restricted to receiving no more than \$1,300,000.

The Minnesota Contamination Cleanup Grant Program was established in 1993 to clean up contaminated sites and convert contaminated property into a marketable asset. The Department of Trade and Economic Development is the administering state agency. Applications are due November 1st, 2002 and a local non-tax increment match equal to twenty-five percent of the cleanup costs is required. There is no financial limit for the City of Minneapolis geographic area.

Hennepin County has been collecting mortgage registry and deed tax for deposit into an Environmental Response Fund (ERF). The ERF is used for the assessment and clean up of contaminated sites located within Hennepin County, with emphasis on affordable housing projects. Applications are due November 1, 2002.

In Spring, 2002 the MCDA received \$992,858 from the Metropolitan Council, \$1,924,566 from the State of Minnesota and \$205,000 from Hennepin County for contamination cleanup. Since 1994 the MCDA has been awarded \$15,487,230 from the Metropolitan Council, \$13,934,329 from the State of Minnesota, and \$853,340 from Hennepin County for contamination cleanup. Projects may be eligible for and apply to more than one grant source.

For the Autumn 2002 Contamination Grant round the MCDA has been requested to sponsor 16 (new) projects with contamination cleanup needs totaling . These projects would have the MCDA submitting 4 applications totaling \$1,493,750 to MnDTEd, 8 applications totaling \$1,216,355 to the Metropolitan Council and 7 applications (5 new and 2 from the Spring 2002 round with \$30,000 each in funding earmarked) totaling \$240,000 (in new funding requests) to Hennepin County.

### **Proposed Projects:**

This section of the report presents **projects in alphabetical order**, since their ranking for each funding source is not identical.

#### **628 East Franklin** (Ward 6, Metro Council for \$140,000, no local match required)

The building located at 628 E. Franklin is a 15,720 square foot, 4-story brick building built in 1904, located between Park and Portland Avenues on Franklin Avenue. The building has sat vacant and boarded since 1996. The building currently has 21 rental units. The unit mix consists of 17 efficiency and 4 one-bedroom units with no off street parking. The current zoning for the area will require that the building either be reduced to not more than 6 units or a developer will be required to apply for a variance. The interior of the building is infested with pigeons and the original plaster contains asbestos. There are several private for profit developers as well as a non-profit partnership that are interested in rehabilitating the structure. The MCDA is seeking a \$140,000 Metropolitan Council Tax Base Revitalization Account grant to remediate the lead paint and asbestos contamination.

#### **E. 17th St. Apartments** (Ward 7, Hennepin County for \$25,000, no local match required)

Funds are needed to abate asbestos and lead based paint. The cost has been estimated at \$25,000. The asbestos and lead have already been identified with an Asbestos and Lead Survey. It is scheduled to complete the abatement in the Winter of 2002 / 03. The project will provide a total of 77 units, of which 12 will be market rate and 65 will be affordable units. The redevelopment will create approximately 2-3 new jobs and an estimated increase of approximately \$60,000 additional taxes generated annually

#### **1822 Park Avenue** (Ward 6, Metro Council for \$50,000, no local match required)

This project involves the renovation of a 3-story walk up apartment building. The project will result in the preservation of approximately 14 units of affordable housing. A Phase 1 Environmental Site Assessment has already been conducted using a \$5,200 Hennepin County ERF grant Abatement costs have been estimated at \$50,000. Much of the lead based paint had been abated through participation in the Minneapolis Health Department's 10,000 Windows program. The project is scheduled to complete the abatement in the Winter of 2002 / 03.

#### **(former) BF Nelson** (Ward 3, Hennepin County for \$30,000, no local match required)

This Park Board owned parcel adjacent to Boom Island has a history of contamination from its former use in the production of asphalt shingles. Phase I and II assessments have been completed, however, the Phase II recommends additional study to be completed. The Park Board has applied to the Hennepin County ERF fund for grant assistance in obtaining this

additional assessment. This parcel could contain trails, open space, natural restoration, passive and active recreation, picnic and related facilities and activities.

(former) **Despatch Laundry/Whiteway Cleaners** (Ward 6, no local match required)

The Despatch/Whiteway Cleaners site, located at 113 E. 26th Street in the Whittier Neighborhood, is a State of Minnesota Superfund site with extensive PCE environmental contamination. The MPCA is preparing a pilot test cleanup plan for installation in early 2003. This Hennepin County Taxpayer Services tax-forfeited site is enrolled in the City of Minneapolis/MCDA U.S. Environmental Protection Agency Pilot Assessment Grant Program. The Whittier Neighborhood has selected Alan Chazin and Ed Bell to develop mixed use housing and commercial space on the site.

Hennepin County has contracted with the Whittier Alliance for consulting services related to citizen participation activities based on a community-based planning and visioning process in response to site environmental characterization and evaluation.

The Minnesota Pollution Control Agency has released a Draft Focused Feasibility Study dated August 2002 prepared for the Agency by Bay West, Inc. Local government review and comment on the Draft FFS is pending as of September 2002. At this time, MCDA authorization is being requested to continue working with the Whittier Neighborhood and Hennepin County to refine cleanup techniques consistent with residential and commercial reuse. It is anticipated that applications for contamination cleanup funds could be submitted in spring 2003.

**Franklin/Portland Redevelopment** (Ward 6, Hennepin County for \$20,000, no local match required)

Franklin-Portland Gateway Phase I consists of Children's Village Center, a four story multi-use, mixed income project on the SE corner of Franklin and Portland Avenue and Hope Community Court. The project adds 36 units of affordable rental units to north Phillips and demonstrates a diverse mix of building types, unit sizes and prices. The Children's Village Center offers 30 affordable (50%AMI) rental units and commercial (Hope Community Offices) and gathering space at street level. Hope Community Court will be a cluster development that features affordable rental and homeownership row-houses and carriage houses. Gateway Phase I is part of a larger phased development that will fill in property at the intersections of Franklin and Portland Avenues with mixed use, mixed income developments. The project will require Phase I environmental testing on vacant buildings/parcels on the site. The site was also home to two gas stations, which will require subsurface assessment of the whole site. Scope of Work: Conduct Phase I and II environmental testing on vacant buildings/parcels that are on these sites. Conduct subsurface soils testing on entire site (approx. 4 acres). Investigation and testing is needed for nine existing scattered small residential and small commercial structures (prior to demolition), surface soils, and subsurface soils on an approximately four-acre site bordering the northwest, northeast, and southwest corners of the intersection of East Franklin Avenue at Portland Avenue South. These project sites consist of an assortment of vacant lots and abandoned residential and commercial buildings, including three former gas station sites on the corners. An overall environmental assessment of the entire site

and remaining buildings needs to be completed. The proposed Gateway project will be a multi-structure, mixed-use development of approximately 20,000 s.f. of neighborhood retail, approximately 280-300 units of rental and owner-occupied housing, as well as below-grade parking. The development of the Franklin/Portland Gateway sites will be phased from approximately 2002-2005/6. Approximate cost is \$60,000. Both Hennepin County and MNDTED assistance will be sought for these environmental investigation costs. This project anticipates 28,000 sq. ft. of commercial –retail and office space. It will include office workers, retail workers, a new restaurant, and a fast food restaurant which all together will generate approximately 85 new job opportunities for the Phillips community.

**Heritage Park** (Ward 5, DTED for \$425,000, Hennepin County for \$150,000, local match of \$75,000 to be provided from City of Minneapolis bond funding)

The Heritage Park Redevelopment Project is a major renewal of a blighted, under-served area in what was once one of Minneapolis' poorest neighborhoods. Heritage Park is a complex, \$200+ million initiative that is redeveloping four former public housing developments into a vibrant community. The redevelopment goal is to create a mixed-use, mixed-income, high-amenity community on the near north side of Minneapolis. Heritage Park will contain 900 new units of mixed-density housing to accommodate a variety of income levels – with special emphasis on those families and individuals making less than 80% of the adjusted median income level. These new homes will be an economic catalyst for new commercial, retail and housing development in the adjacent Harrison & Willard-Hay neighborhoods and to greater Minneapolis. Not only will Heritage Park bring new housing units, the development will also include parkland amenities, transportation links, brownfield remediation and major infrastructure changes. The Heritage Park development is applying to Hennepin County and MnDTED for assistance in paying for environmental assessment and remediation efforts. These grant funds will permit the project's Phase 2 infrastructure and site preparation activities to occur. The project will use existing City of Minneapolis bond funds to pay for any local match obligations

**Hubbard Building** (Ward 5, Metro Council for \$100,000, no local match required)

The Hubbard Building was built in 1890. It is approximately 55.5 feet by 80 feet and was built as offices, stores and flats. This two-level commercial building is constructed of steel, brick and concrete with plaster walls and various other finishings. The Asbestos and Hazardous Survey Report was completed in January 2002 and found asbestos and lead-based paint throughout the building that must be abated prior to development. The project will include private financing, equity and gap financing. A proposal was received on August 30, 2002, for the rehabilitation of this building for reuse as commercial offices above ground-level retail. The development team is Michael J. Crowe, Inc. (construction management), Phil Greenberg (developer), and Robert Roscoe (architect). The West Broadway Area Coalition (WBAC) and Northside Residents Redevelopment Corporation (NRRC) will review this design concept in October, 2002. A Metropolitan Council grant of \$100,000 is being sought to address the onsite environmental contamination.

**Lenox Flats** (Ward 7, Metro Council for \$125,000, no local match required)

The Historic Lenox Commons is located at 9th and Portland in the Elliot Park Neighborhood. Central Community Housing Trust (CCHT) is planning to restore the Lenox

into a 30-unit owner occupied condominium with 20 percent affordable. This will be part of a larger development that will include new construction of a 56 unit mixed-use rental property. Phase II environmental assessments have estimated a need for \$150,000 to remediate asbestos and lead paint at the property. A \$125,000 Metropolitan Council Tax Base Revitalization Account grant is being sought to pay for some of the cleanup.

**Lydia Apartments** (Ward 7, Hennepin County for \$15,000, no local match required) Plymouth Church Neighborhood Foundation is proposing to renovate a former nursing home at 1920 LaSalle Avenue South which will contain 40 units of permanent supportive housing for single adults who are currently homeless or living in temporary housing and who are living with disabilities. The existing three-story building sits on a 38,500 square foot lot. The building itself is 11,112 square feet. Total Development Cost of project is estimated at \$5.6 million. \$15,000 is being requested for environmental testing. Remediation funds are expected to be needed to clean up and remove asbestos in the floor and ceiling tiles.

**North Washington Industrial Park (NWIP)** (Ward 5, DTED for \$375,000, Metro Council for \$62,500, local match of \$62,500 from MILES required with MC funding, \$125,000 without MC funds)

In the early 1990's the Agency acquired 1300 N 2nd Ave. The site had been used for soft drink bottling but was vacant at the time of acquisition. In 2001 the Agency acquired 1316 N 2nd Ave. The site had been used as an auto storage yard with soil contamination typical of sites used for that purpose, characterized by measurable petroleum and heavy metal content. The estimated cost of cleanup is \$500,000, to be funded through a DTED grant of \$375,000, combined with a matching grant of \$62,500 from the Metro Council and a local match of \$62,500 from MILES. Reuse of this approximately one acre site will be consistent with other development in the NWIP Area and is expected to provide space for a new or expanding business that needs an industrial site and is expected to generate 25 to 30 new living wage jobs.

**Portland Condos** (Ward 2, Metro Council for \$500,000, no local match required)

The Portland Avenue Condos is the second phase of the greater redevelopment area known as Parcel D of the Milwaukee Road Depot property. The first phase, known as the Park Avenue Lofts, will begin remediation work this fall and construction this winter. The Portland Avenue project is scheduled to begin construction in 2003, with occupancy in 2004. The Portland Condos project will be located on the northwest corner of the western block of Parcel D. The building will occupy approximately 20,500 square feet of space on the site and will offer approximately 56 for-sale condominium units and two levels of parking below grade. The MCDA has recently completed a ground-water clean-up effort on Parcel D that has been underway since 1998. This clean-up was restricted to removing petroleum products from the water table, and did not address residual soil contamination. The proposed Metropolitan Council grant in the amount of \$500,000 will allow the developer to remove petroleum and mercury containing soil, bringing the site into compliance with residential standards.

There are three subsequent projects included in the master plan for the remainder of Parcel D, all of which should be concluded by 2006. Overall, the redevelopment of this two-block

area will result in the creation of approximately 166 units of for-sale condominiums, 84 rental housing units targeted at various affordable levels and a public parking ramp. The extension of Park and Chicago Avenues between Washington and 2nd Street South will also be established in conjunction with this plan.

**Profloor** (Ward 9, DTED for \$318,750, local match of \$106,250 required from MILES)  
The MCDA Board of Commissioners approved a land sale to 320, LLC to be leased in entirety to Pro Floor, Inc. on March 25, 2002. At that time, resources from current Seward MILES funding and proceeds from land sale escrow were expected to cover the entire cost of environmental remediation and geotechnical correction. The developer began excavation of the site the week of August 12, 2002 and during that time uncovered a foundation from past rail yard infrastructure. The foundation was found to contain numerous areas of Asbestos Containing Materials (ACM), for which no clean up was contemplated by any of the parties. The level of ACM and pervasiveness of the ACM at the site warranted the immediate abatement of exposed ACM, and the site work was halted while staff was able to evaluate the steps to occur. Approximately 6,000 cubic yards are expected to be removed from the site with an overall cost of approximately \$425,000.

(former) **Riverview Supper Club** (Ward 3, Hennepin County for \$30,000, no local match required)

The Park Board has recently acquired the easterly 3.3 acres of the former Riverview Supper Club site for park, parkway, open space, and passive recreation purposes in line with the City and Park Board approved Above The Falls - A Master Plan for the Upper River in Minneapolis report. The entire 5 acre parcel is the site of a former railroad roundhouse, and contamination has been discovered on the westerly 2 acres. Therefore, the Park Board has applied to the Hennepin County ERF fund for grant assistance in obtaining a Phase I and II Environmental Assessment of the 3+ acres it owns. Funding from the Spring 2002 funding round has been earmarked by the County.

**Roosevelt Library** (Ward 9, Hennepin County for \$30,000, no local match required)  
At the moment, Roosevelt Library is in the conceptual stages of planning. Site control has not been achieved. The proposed site, at East 38th Street and 23rd Avenue South, is 38,000 square feet. The library will be 12,000 square feet of building space. Up to 60 units of housing has been discussed but 20 to 30 units may be more likely. A request for environmental assessment report preparation, for Phase I and II, is being sought in the amount of \$30,000. This assessment is needed to support reuse of the site for either library or mixed use purposes.

**South East Minneapolis Phase 7** (Ward 2, DTED for \$375,000, local match of \$125,000 to be provided by Mississippi Watershed Association)  
The site of approximately 3.5 acres is to be used for construction of a regional stormwater management pond. The pond will serve both existing and anticipated needs for stormwater management in the South East Minneapolis Industrial (SEMI) area. Currently stormwater management infrastructure in SEMI is inadequate and plans for high-density research-related light industrial redevelopment will exacerbate the situation. The SEMI Revised Master Plan and Areawide Environmental analysis (AUAR) have identified MCDA property

at 670 25th Ave. SE as the most suitable location for a stormwater pond to serve the area. The site (former Wenco Warehouse site) was tax forfeited and acquired by the MCDA from Hennepin County. Remediation is estimated to cost approximately \$500,000. The required local match will be from the Mississippi Watershed Management Association allocation to SEMI. An anticipated redevelopment associated with this property is a four phase, 65 acre research park built to take advantage of SEMI's proximity to the University of Minnesota. Construction on the 14 acre first phase, which is immediately adjacent to the stormwater pond, is planned to begin in early 2003.

**Space LLC** (Ward 5, Metro Council for \$38,855, no local match required)

The property located at 501-509 Washington Ave South is a 36,000 light industrial manufacturing facility that was previously owned by PPL Industries. The new owner, SPACE LLC, intends to renovate the entire building and property to accommodate 12,000 square feet of main floor retail space and 15,000 square feet of 2nd and 3rd floor office space. Caribou Coffee and Northern Lights Mortgage Company are two tenants that are planned for the project. This project is in conformance with the Minneapolis 2010 plan and has the approval of local neighborhood groups as well as the city zoning and planning department. After completion of the project, it is anticipated that the parcel will have a tax impact of \$336,500 per year, representing a positive tax impact of over \$300,000 per year. SPACE LLC is seeking \$38,855 to support the project in the removal of hazardous materials, including multiple forms of asbestos and lead based paint.

**Whittier First Cooperative** (multiple non-MCDA sources will provide a local match of approximately \$164,000)

This project is a limited equity Cooperative located at 2409 First Avenue South, built in 1915. The property is a 3-story brick building located in the historic Washburn Fair-Oaks district, containing 13 residential units comprised of 7 one-bedroom units; 4 two-bedroom units and 2 three-bedroom units. Garsten/Perennial Management provides property management services for the Cooperative. In early 2002, the Cooperative's insurance provider decided to stop insuring cooperative properties. Before the Cooperative can obtain new insurance coverage, substantial deferred maintenance improvements will need to be made. Load-Bearing, Inc has prepared a detailed scope of renovation repairs. Lead-based paint testing, conducted by the Minneapolis Environmental Health Department has been completed for the property. Abatement costs have been estimated at \$364,000. The total cost of the renovation repairs including the abatement costs has been estimated at \$900,000. The Minneapolis Health Department's 10,000 Windows program will contribute \$32,000 towards the abatement costs. This amount will be matched by the Cooperative, using existing replacement reserve funds. The abatement portion of this project is scheduled to begin Winter, of 2002/03. The MCDA is seeking a \$200,000 Metropolitan Council Tax Base Revitalization Account grant to remediate the lead-based paint hazards. The Cooperative has applied for additional financing to complete the renovation/abatement repairs through the MCDA's Multi-family programs, North Country Cooperative Development Fund and a first mortgage lender.

**Contamination Cleanup Grant Requests:**

These projects are consistent with City of Minneapolis and MCDA Goals and request funding in the following amounts:

**Metropolitan Tax Base Revitalization Account Contamination Cleanup Grant**

<b>Project</b>	<b>Grant Request</b>
628 E. Franklin Ave	\$ 140,000
1822 Park	\$ 50,000
Hubbard Building	\$ 100,000
Lenox Flats	\$ 125,000
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**MN Department of Trade and Economic Development Contamination Cleanup Grant**

<b>Project</b>	<b>Grant Request</b>
Heritage Park	\$ 112,500
NWIP	\$ 375,000
Profloor	\$ 318,750
SEMI Phase VII	\$ 375,000
<b>Total MN DTED</b>	<b>\$1,181,250</b>

**Hennepin County Environmental Response Fund**

<b>Project</b>	<b>Grant Request</b>
Franklin/Portland Gateway	\$ 20,000
E. 17th St.	\$ 25,000
(former) BF Nelson	\$ 30,000*
(former) Riverview Supper Club	\$ 30,000*
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Roosevelt Library	\$ 30,000
<b>Total Hennepin County ERF</b>	<b>\$240,000*</b>

\* The two Park Board projects have funding earmarked from the Spring 2002 funding round. Their \$60,000 total is not counted as part of the Autumn 2002 application total.

**RECOMMENDATION: The Interim Executive Director recommends that the City Council:**

1. Apply to the Metropolitan Council Metropolitan Livable Communities Fund Tax Base Revitalization Account Grant Program for 628 E. Franklin Ave.; 1822 Park; Hubbard Building; Lenox Flats; Portland Condos; Whittier First Cooperative and, Space LLC ; and,
2. Apply to the Minnesota Department of Trade and Economic Development Contamination Cleanup Grant Program for environmental remediation at Heritage Park; NWIP; Profloor; SEMI Phase 7; and,
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4. Forward this report to the MCDA Board of Commissioners.

**MCDA Board Recommendation:** Approve the attached resolutions authorizing the Interim Executive Director or other appropriate staff to execute agreements to implement the Metropolitan Council Livable Communities Tax Base Revitalization Account grant program, Minnesota Department of Trade and Economic Development Contamination Clean Up and Investigation Grant Program, and Hennepin County Environmental Response Fund, and direct staff to continue working with the Whittier Neighborhood and Hennepin County to refine cleanup techniques consistent with residential and commercial reuse.

# RESOLUTION

of the

## MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By \_\_\_\_\_

### **Authorizing application to the Metropolitan Council Tax Base Revitalization Account for various projects.**

Whereas, the City of Minneapolis (the "City") is a participant in the Livable Communities Act's Housing Incentives Program for 2001-2002 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 designated the Minneapolis Community Development Agency (MCDA) to apply on behalf of the City to the Tax Base Revitalization Account; and

Whereas, the MCDA has identified the following clean-up projects within the City that meet the Tax Base Revitalization Account's purposes and criteria: 628 E. Franklin Ave., 1822 Park, Hubbard Building, Lenox Flats, Portland Condos, Space LLC, and Whittier First Cooperative, and

Whereas, the MCDA intends to act as the legal sponsor for one or more of the above-referenced projects, which are more completely described in the Tax Base Revitalization Account grant applications to be submitted to the Metropolitan Council on November 1, 2002; and

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

Whereas, upon approval of one or more of its applications, the MCDA may enter into agreements with the Metropolitan Council 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 Board of Commissioners of the Minneapolis Community Development Agency:

That the MCDA Board of Commissioners authorize the Executive Director 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.

RECORD OF COMMISSIONER VOTE													
Commissioner	Aye	Nay	NV	Abs	Ovrd	Sust	Commissioner	Aye	Nay	NV	Abs	Ovrd	Sust
Benson							Niziolek						
Biernat							Ostrow						
Colvin Roy							Schiff						
Johnson							Zerby						
Johnson Lee							Zimmermann						
Lane							Goodman, chair						
Lilligren													
Vote: NV - Not Voting			Abs - Absent			Ovrd - Vote to Override			Sust - Vote to Sustain				

**ADOPTED** \_\_\_\_\_ . \_\_\_\_\_  
**Chairperson**

**APPROVED**  
**NOT APPROVED** \_\_\_\_\_ . \_\_\_\_\_  
**Mayor**

**VETOED**  
 Minneapolis Community Development Agency  
 Crown Roller Mill, 105 Fifth Ave. S.  
 Minneapolis, MN 55401

# RESOLUTION

of the

## MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By \_\_\_\_\_

### **Authorizing application to the Minnesota Department of Trade and Economic Development Contamination Cleanup Grant Program for various projects.**

Whereas, the Minneapolis Community Development Agency (MCDA) intends to act as the legal sponsor for one or more of the following projects that are more completely described in the contamination clean up applications to be submitted to the Minnesota Department of Trade and Economic Development (DTED) on November 1, 2002: Heritage Park, North Washington Industrial Park (NWIP), Profloor, South East Minneapolis Industrial (SEMI) Phase 7; and

Whereas, the MCDA 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 MCDA 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 MCDA may enter into agreements with the DTED 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 Board of Commissioners of the Minneapolis Community Development Agency:

That the MCDA Board of Commissioners authorize the Executive Director to apply to the Department of Trade and Economic Development for Contamination Clean Up Grant Program funding for one or more of the above-referenced projects and to execute such agreements as are necessary to implement the projects.

RECORD OF COMMISSIONER VOTE													
Commissioner	Aye	Nay	NV	Abs	Ovrd	Sust	Commissioner	Aye	Nay	NV	Abs	Ovrd	Sust
Benson							Niziolek						
Biernat							Ostrow						
Colvin Roy							Schiff						
Johnson							Zerby						
Johnson Lee							Zimmermann						
Lane							Goodman,						
Lilligren							chair						
Vote: NV - Not Voting			Abs - Absent			Ovrd - Vote to Override			Sust - Vote to Sustain				

**ADOPTED** \_\_\_\_\_ . \_\_\_\_\_  
**Chairperson**

**APPROVED**  
**NOT APPROVED** \_\_\_\_\_ . \_\_\_\_\_  
**Mayor**

**VETOED**  
 Minneapolis Community Development Agency  
 Crown Roller Mill, 105 Fifth Ave. S.  
 Minneapolis, MN 55401

# RESOLUTION

of the

## MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By \_\_\_\_\_

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

Whereas, the Minneapolis Community Development Agency (MCDA) intends to act as the legal sponsor for one or more of the following projects that are more completely described in the Environmental Response Fund applications to be submitted to Hennepin County on November 1, 2002: ; and

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

Whereas, the MCDA 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 MCDA 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 Board of Commissioners of the Minneapolis Community Development Agency:

That the MCDA Board of Commissioners authorize the Executive Director 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.

RECORD OF COMMISSIONER VOTE													
Commissioner	Aye	Nay	NV	Abs	Ovrd	Sust	Commissioner	Aye	Nay	NV	Abs	Ovrd	Sust
Benson							Niziolek						
Biernat							Ostrow						
Colvin Roy							Schiff						
Johnson							Zerby						
Johnson Lee							Zimmermann						
Lane							Goodman, chair						
Lilligren													
Vote: NV - Not Voting			Abs - Absent			Ovrd - Vote to Override			Sust - Vote to Sustain				

ADOPTED \_\_\_\_\_ .

\_\_\_\_\_ .  
Chairperson

APPROVED \_\_\_\_\_ .  
NOT APPROVED \_\_\_\_\_ .

\_\_\_\_\_ .  
Mayor