



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

**Date:** August 24, 2004

**To:** Council Member Lisa Goodman, Community Development Cmte  
Council Member Barbara Johnson, Ways and Means/Budget Cmte

**Prepared by:** Jim Forsyth Phone 612-673-5179

**Presenter in  
Committee:** Chuck Lutz

**Approved by:** Chuck Lutz, Deputy CPED Director \_\_\_\_\_

**Subject:** North Washington Job Park RFP, CPED appropriation amendment and contract amendment.

**RECOMMENDATION:** Authorize issuance of a Request for Proposals for development of City owned property located at 1300 Second Street North, amend the 2004 General Appropriation Resolution by increasing the Community Planning & Economic Development agency Fund SCD - Community Development Levy/MILES (SCDMP0-890-8933) by \$51,000 and authorize an increase in the MCDA contract with Earth Tech Inc. in an amount not to exceed \$423,000.

**Previous Directives:** On May 31, 1994 the City Council established the North Washington Jobs Park by approving Modification No. 11 to the North Washington Industrial Park Redevelopment Plan. Modification No. 11 identified 1300 North Second Street, 1316 North Second Street, 108 Plymouth Avenue North and 101 14<sup>th</sup> Avenue North as properties that may be acquired. In 1994, 2001 and 2004 those properties were acquired. On October 25, 2002 the City Council authorized application for pollution remediation grants from the State.

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

- No financial impact - or - Action is within current department budget.  
(If checked, go directly to next box)
- 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** (Summarize below)

**Ward:** 5

**Neighborhood Notification:** The City Council designated Job Park Committee has endorsed preparation and release of a RFP for the site

**City Goals:** Increase the City's competitiveness and extend the benefits of the growing economy to all Minneapolis residents by providing opportunities that create more living wage jobs in the City.

**Comprehensive Plan:** Consistent

**Zoning Code:** Consistent

**Living Wage/Job Linkage:** Any redevelopment agreement will require living wage and Job Linkage agreements.

## **Background/Supporting Information**

In 1994 the City Council established the North Washington Jobs Park bounded by Interstate 94, Broadway Avenue North, the Mississippi River and Plymouth Avenue North. Since establishment of the Jobs Park over 400 jobs have been created in six new buildings that have been constructed within the park. A last remaining area of the Jobs Park, the "Super Block" on the east side of Second Street between Plymouth Avenue and 17<sup>th</sup> Avenue North, has yet to be redeveloped. Between 1994 and 2001 the City assembled the southern most properties on the block through acquisition of five parcels on Second Street. This year property adjacent to those parcels was acquired from the Canadian Pacific Railroad leading to the creation of a 74,000 square foot site suitable for light industrial redevelopment.

This report is a request that the City Council authorize three actions that will lead to redevelopment of the site. Those actions are authorization of a contract amendment and an appropriation to enable CPED to carry out pollution remediation of the property and authorization of a Request For Proposals (RFP) for its redevelopment.

In November 2002 the City requested, and the Minnesota Department of Employment and Economic Development (DEED) approved, a \$316,655 pollution remediation grant for these properties. That grant will, without an extension, expire on December 31<sup>st</sup> of this year. However, DEED staff have informed CPED that DEED would likely grant an extension if one was requested. Nonetheless it is necessary to expedite the contracting process for site remediation in order to ensure that the site can be cleaned during this year's construction season and avoid the need to request an extension of the term of the grant. To do this we are proposing that Earth Tec Inc., the contractor who prepared the Minnesota Pollution Control Agency approved Remedial Action Plan for cleaning the site, would oversee the clean up operation. The entire clean up cost is estimated to be \$423,000. We are proposing that the current \$150,000 contract limit be waived for Earth

Tech Inc. to allow them to act as the general contractor for the clean up operation. If the contract is modified Earth Tech will prepare specifications and advertise for sub contractor work and their specifications and bids will be subject to review and approval by CPED engineering staff.

This process of requesting and obtaining City Council approval of a waiver of the procurement process has, when justified, been followed in the past. In this case Earth Tech has expertise regarding the project that can lead to speedier and more efficient remediation. Additionally, delays that would result from following City procurement procedures could preclude clean up till the spring of 2005 and that could lead to inflationary cost increases and a delay in construction of the anticipated redevelopment.

If this request is approved the contract will be funded by the DEED grant (\$316,655), previously appropriated MILES tax increment funds (\$55,000) and the requested appropriation of MILES Levy funds (\$51,000). Although sufficient appropriations are in place within MILES tax increment to fund the entire city match for the DEED grant, DEED requires that 12% of matching funds be "unrestricted" (not tax increment). Therefore the report includes the request for an appropriation of a portion of the MILES levy.

The assembled properties are the subject of interest by several developers. Under these circumstances CPED policy requires that a RFP be issued for development of the site. The RFP will ask for proposals for light industrial redevelopment consistent with the Jobs Park guidelines. Those guidelines set forth building design, landscape and employment requirements and require Jobs Park committee review and comment on development proposals.

The site presents an opportunity to take advantage of a proposal put forth by the Northwest Area Foundation for a Communications Corridor in North Minneapolis. The proposed corridor would follow Plymouth Avenue from the Star Tribune production building at 800 1<sup>st</sup> Street North to the Time Warner building at 800 Plymouth Ave North. In addition to these two significant businesses there are several companies in print and media already in this area. Establishment of a Communications Corridor may help strengthen those companies as well as bring new similar businesses to North Minneapolis. Therefore the proposed RFP will emphasize communications and related activities as a preferred development for the site.

It is anticipated that the development will result in construction of a building of about 30,000 square feet that is consistent with other new buildings in the Jobs Park and that the occupant of the building will employ between 30 and 45 people. A draft of the RFP has been provided to the North Washington Jobs Park Committee and their comments will, as appropriate, be incorporated into the final version of the RFP.

If the pollution remediation is completed this year we expect that a developer can be selected and a redevelopment agreement approved in time for construction to start in the early spring of 2005.

