



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

Date: April 17, 2007

To: Lisa Goodman, Chair Community Development Committee

Referral to: Paul Ostrow, Chair Ways and Means/Budget Committee

Subject: Environmental Remediation Grant Applications, Spring 2007

Recommendation:

1. Apply to the Minnesota Department of Employment and Economic Development [DEED] Contamination Cleanup and Investigation Grant Program for environmental remediation and/or investigation at: Heritage Park (Phases III and IV), Crown Iron, SoHo, Longfellow Station, Aloft Hotel, Coloplast, Delisi Building, Midwest Machinery, and Bystrom Brothers; and,
2. Apply to the Metropolitan Council Metropolitan Livable Communities Fund Tax Base Revitalization Account [TBRA] Grant Program for: Park Avenue Apartments, Heritage Park (Phases III and IV), Hopf & Hopf Printing Building, Midtown Eco Energy, Riverside Market, Soho, Aloft, Grain Belt Building, Coloplast, Delisi Building, Midwest Machinery, and Bystrom Brothers; and,
3. Authorize application to the Hennepin County Environmental Response Fund [ERF] for: Heritage Park (Phases III and IV), Van White Memorial Boulevard, Spirit on Lake Cooperative, Crown Iron, Hopf & Hopf Printing Building, Midtown Eco Energy, SoHo, Longfellow Station, Riverside Market, Grain Belt Building, Delisi Building, Midwest Machinery, and Bystrom Brothers; and,
4. Approve the attached resolutions authorizing appropriate City staff to execute agreements to implement Minnesota Department of Employment and Economic Development Contamination Cleanup and Investigation Grant Program, the Metropolitan Council Livable Communities Tax Base Revitalization Account [TBRA] Grant Program, and Hennepin County Environmental Response Fund [ERF].

Previous Directives:

Aloft Hotel a/k/a Parcel F Redevelopment (900 Washington Ave. S.):

July 2005 - approved the pass-through land sale of 900 Washington Ave S and 901 Second Street S above 790 feet (above sea level) to Sherman Associates or

an affiliated entity and authorized City staff/ officials to execute a redevelopment contract. May 2005 - authorized CPED to execute a purchase agreement with HCRRA and to grant Sherman Associates Exclusive Development Rights to the property for up to 12 months. October 2005 - approved the pass-through sale of the mined-underground space below 790 feet (above sea level) at 900 Washington and 901 Second Street S and approved the land sale of the mined underground space below 911 Second Street S (911½ Second Street S) to Sherman Associates or an affiliated entity. October 11, 2006 – authorized submission of an application for a Met Council (TBRA) brownfield grant; February 2007 - accepted and appropriated a \$44,400 Met Council (TBRA) grant.

Bystrom Brothers Site (2200 Snelling Avenue): December 23, 2005 - approved a resolution authorizing submission of applications to the Metropolitan Council for Hiawatha Corridor Land Assembly Fund proposals. March 31, 2006 - approved acceptance and appropriation of Metropolitan Council Hiawatha Light Rail Land Assembly Fund Grants of \$3,500,000 for projects along the Hiawatha Light Rail line, including the redevelopment of the Bystrom Brothers site.

Coloplast Campus Redevelopment (1525, 1601, 1615 W. River Rd. N.): None.

Crown Iron a/k/a [former] Electric Machinery Site (1227-1361 Tyler St. NE): October 11, 2006 – authorized submission of applications for DEED, Met Council (TBRA) and Hennepin County (ERF) brownfield grants; February 2007 - accepted and appropriated the following grants: \$690,000 Met Council (TBRA) grant and \$86,034 Hennepin County (ERF) grant.

Delisi Building (2119 West Broadway Ave.): October 1, 1999 – authorized the acquisition of the property in question from Hennepin County via tax forfeiture.

Grain Belt Building (1215 Marshall St. NE): The MCDA Board of Commissioners approved the acquisition of 1215 Marshall Street N.E. on December 17, 1989. In August 2000, the MCDA Board and City Council approved an amendment to the Grain Belt Development Objectives, a modification to the Grain Belt Redevelopment Plan, and an authorization to issue a housing RFP. In February 2001, the MCDA Board selected the Sheridan Development Company (SDC) as the developer of the Grain Belt Housing Project over three other development proposals, and awarded it six-month development rights. In July 2001, the Board approved a one-year extension of the development rights. The Board approved additional extensions in July 2002 and in February 2003. On June 2003, the Board approved the finance plan and redevelopment contract terms for Phase I of Grain Belt. On September 26, 2003, the Council adopted the Grain Belt TIF Plan and related Plan modifications. On November 5, 2004, the Council approved an amendment to the redevelopment contract business terms for Phase I of the Grain Belt Housing Project. On December 23, 2005, the Council approved an amendment to the redevelopment contract to extend certain performance deadlines. The Office Building was severed from the Grain Belt Housing Project and an appropriation of \$65,000 was approved to cover certain costs related to issuing a Request for Proposals (RFP). On May 26, 2006, the Council approved the sale of the Phase I site to the developer. The Council modified the development timetable in July 2006.

Heritage Park, Phases III and IV (4th Avenue N. and Girard Ave.): On March 31, 2006, the City Council approved authorization to negotiate a term sheet with Centex Homes – Minnesota Division for Phases 3 and 4 of Heritage Park for 30 days, and accepted the withdrawal letter from Heritage Housing, LLC from Phases 3 and 4 to allow them to focus on completing Phases 1 and 2. (This is the only previous action related to the *ownership* component of the development. All other previous directives would have been for the rental development or the City's infrastructure.) October 11, 2006 – authorized submission of an application for a Hennepin County (ERF) brownfield grant; February 2007 - accepted and appropriated a \$400,000 Hennepin County (ERF) grant.

Hopf & Hopf Printing Building (2711 E. Franklin Ave.): None.

Longfellow Station (3815 Hiawatha Ave.): December 23, 2005 – approved a resolution authorizing submission of applications to the Metropolitan Council for Hiawatha Corridor Land Assembly Fund proposals. March 31, 2006 - approved acceptance and appropriation of Metropolitan Council Hiawatha Light Rail Land Assembly Fund Grants of \$3,500,000 for projects along the Hiawatha Light Rail line, including the Longfellow Station Project. June 2006 – authorized submission of an application for Metropolitan Council Livable Communities Demonstration Account (LCDA) funding. October 11, 2006 – authorized submission of an application for a Hennepin County (ERF) brownfield grant. February 2007 – accepted and appropriated \$934,523 Metropolitan Council Livable Communities Demonstration Account (LCDA) grant; accepted and appropriated a \$90,000 Hennepin County (ERF) grant.

Midtown Eco Energy (2850 20th Ave. S.): March 28, 2006 – directed staff to issue an RFP to solicit proposals for the sale of the South Transfer Station (at 2850 20th Ave. S.) for developing it into a combined heat and power generation facility. June 30, 2006 – directed staff to negotiate and execute a purchase agreement with Midtown Eco Energy in accordance with the requirements of the previously-issued RFP. March 30, 2007 – approved an amendment to the Purchase Agreement with Midtown Eco Energy, LLC, for the property located at 2850 20th Av S as follows: extending the option to purchase by up to one calendar year (from March 30, 2007 to March 30, 2008); extending the required closing date by up to one calendar year (from October 2, 2007 to October 2, 2008) and maintaining the requirement that any closing after October 2, 2007 include a holding cost payment of \$125 per day; establishing a minimum of 130 calendar days between the option to purchase and the closing date; and requiring that any closing date after October 1, 2007 be contingent upon an updated appraisal to reflect current market value, and that the sale price be adjusted appropriately.

Midwest Machinery (2848 Pleasant Ave. S.): None.

Park Avenue Apartments and LSS Center for Changing Lives (2414

Park Ave. S.): September 22, 2006 – approved a preliminary reservation of 2007 Federal Low Income Housing Tax Credits in the amount of \$616,805 for LSS Park Avenue at 2414 Park Avenue South. December 23, 2005 – approved a loan up to \$500,000 from the Affordable Housing Trust Fund for LSS Park Avenue Apartments at 2414 Park Avenue South by Lutheran Social Services or an affiliate of the Borrower established for the purpose of holding owning real estate subject to the City loan.

Riverside Market a/k/a Seward Co-op Grocery Expansion (2801, 2823 E. Franklin Ave.): None.

SoHo (718 Washington Ave. N.): October 21, 2005 – approved applications for DEED, Met Council and Hennepin County brownfield remediation grants. October 11, 2006 - approved applications for DEED and Met Council brownfield remediation grants. February 2007 - accepted and appropriated a \$47,600 Met Council (TBRA) grant.

Spirit on Lake Cooperative (1238 E. Lake St.): December 2005 – approved affordability funding of up to \$350,730 from the 2005 Affordable Ownership Housing Program; November 2006 – approved Project Analysis Authorization (PAA).

Van White Memorial Boulevard (Glenwood Ave. to I-394): March 24, 2000 - approved the Near Northside and Bassett Creek Valley Master Plans. July 28, 2000 - approved the central corridor alignment for the North-South Boulevard. May 18, 2001 - approved the financing strategy for the North-South Boulevard. December 28, 2001 - approved an appropriation increase of \$10 million in federal funding for the North-South Boulevard. April 16, 2004 - authorized the execution of a Cost Participation Agreement with Hennepin County and issuance of a Request For Proposals (RFP) for a design and engineering consultant for Van White Memorial Boulevard. July 23, 2004 - authorized staff to negotiate and enter into an agreement with TKDA. August 3, 2005 - approved receipt of Hennepin County Environmental Response Funds for the Van White Road and Bridge project.

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Approved by: Chuck Lutz, Deputy CPED Director
Mike Christenson, Director Economic Policy & Development

Presenter in Committee: Kevin Carroll, 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 following list is in priority order based on (a) criteria previously approved by the City Council and (b) an interdepartmental staff review:

Spring 2007 Grant Applicants			Grantors			Total Grant Request(s) ⁵
Rank ¹	Project Address	Project Name	DEED ²	Met Council TBRA ³	Hennepin County ERF ⁴	
1	2414 Park Ave. S.	Park Avenue Apartments		135,000		135,000
2	4 th Ave. N. & Girard Ave.	Heritage Park (III and IV)	50,000	50,000	100,000	200,000
3	Glenwood Ave. to I-394	Van White Memorial Blvd.			400,000	400,000
4	1238 E. Lake St.	Spirit on Lake Cooperative			37,150	37,150
5	1227-1361 Tyler St. NE	Crown Iron	565,475		23,166	588,641
6	2711 E. Franklin Ave.	Hopf & Hopf Building		45,000	30,000	75,000
6	2850 20 th Ave. S.	Midtown Eco Energy		300,000	50,000	350,000
7	718 Washington Ave. N.	SoHo	20,000	14,500	20,000	54,500
7	3815 Hiawatha Ave.	Longfellow Station	146,074		311,750	457,824
8	2801-2823 E. Franklin Ave.	Riverside Market		130,000	135,000	265,000
8	900 Washington Ave.	Aloft Hotel	256,170	44,400		300,570
8	1215 Marshall St. NE	Grain Belt Building		100,000	96,500	196,500
9	1525,1601, 1615 W. River Rd. N.	Coloplast	444,500	53,340		497,840
10	2119 W. Broadway Ave.	Delisi Building	19,000	6760	20,000	45,760
11	2848 Pleasant Ave. S.	Midwest Machinery	75,000	75,000	125,000	275,000
11 ⁶	2200 Snelling Ave.	Bystrom Brothers	225,000	37,500	37,500	300,000
TOTAL PROJECTED GRANT REQUESTS:			1,801,219	991,500	1,386,066⁷	4,178,785

¹ City staff rankings are based on criteria previously approved by the City Council. Grantors rank applications and award grants according to their own criteria. Each grantor has advised City staff that the City's ranking of grant applications will typically be referred to and/or used only to "break a tie" between two City projects that have the same score or rank under the grantor's review procedure(s).

² The local match for these projects will come from developer funds and/or from other grants, not from the City.

³ No local match is required for these grants.

⁴ No local match is required for these grants.

⁵ Prospective grant applicants were required to provide the City with projected grant request amounts several weeks prior to the May 1 application deadline. Final grant request amounts may therefore vary from the amounts shown here.

⁶ This applicant's relatively low ranking was partially attributable to the submission of incomplete information.

⁷ Hennepin County's ERF program does not require a City Council resolution of support. It is therefore possible that ERF grants may be awarded to projects located in the City of Minneapolis *other than* or *in addition to* those listed here.

Community Impact Neighborhood Notification:

Aloft Hotel a/k/a Parcel F Redevelopment (900 Washington Ave. S): This project received a letter of support dated March 7, 2006 from the Downtown Minneapolis Neighborhood Association.

Bystrom Brothers Site (2200 Snelling Avenue): This project received a letter of neighborhood support dated March 23, 2007 from the Seward Neighborhood Group.

Coloplast Campus Redevelopment (1525, 1601, 1615 W. River Rd. N.): The minutes of a December 11, 2006 meeting of the Residential/Commercial Task Force of the Northside Residents Redevelopment Council indicate that "...RCTF members expressed strong support for the development as a needed investment on the Northside with major positive implications."

Crown Iron a/k/a [former] Electric Machinery Site (1227-1361 Tyler St. NE): This project received a letter of support dated March 7, 2007 from the Northeast Park Neighborhood Association.

Delisi Building (2119 West Broadway Ave.): This project, which is located in the Willard-Hay neighborhood, was directly or indirectly referred to in the August 2006 "*Plan for Transit-Oriented Development*" for the Penn-West Broadway Avenue area. Participants in the process that resulted in the *Plan* included the Northside Residents Redevelopment Council, the Jordan Area Community Council, the West Broadway Business Association, the West Broadway Area Coalition, and the Penn-West Broadway Community Advisory Committee.

Grain Belt Building (1215 Marshall St. NE): The minutes of a January 22, 2007 meeting of the Sheridan Neighborhood Organization indicate that "...[a]n informal straw poll was taken among the board regarding the United Properties [redevelopment proposal] and all board members voted in favor of [it] with the exception of [one member] because she was not able to review [it]."

Heritage Park, Phases III and IV (4th Avenue N. and Girard Ave.): This project received a letter of support dated December 11, 2006 from the Harrison Neighborhood Association.

Hopf & Hopf Printing Building (2711 E. Franklin Ave.): This project received a letter of support dated March 23, 2007 from the Seward Neighborhood Group.

Longfellow Station (3815 Hiawatha Ave.): This project received a letter of support dated June 19, 2006 from the Longfellow Community Council.

Midtown Eco Energy (2850 20th Ave. S.): This project received a letter of support dated October 20, 2004 from the East Phillips Improvement Coalition.

Midwest Machinery (2848 Pleasant Ave. S.): This project received a letter of support dated March 27, 2007 from the Whittier Alliance.

Park Avenue Apts. & LSS Center for Changing Lives (2414 Park Ave. S.): This project received a letter of support dated June 20, 2006 from the Phillips West Neighborhood.

Riverside Market a/k/a Seward Co-op Grocery Expansion (2801, 2823 E. Franklin Ave.): This project received a letter of support dated March 23, 2007 from the Seward Neighborhood Group.

SoHo (718 Washington Ave. N.): This project received a letter of support dated August 3, 2005 from the North Loop Neighborhood Association.

Spirit on Lake Cooperative (1238 E. Lake St.): This project received a letter of support dated July 13, 2005 from the Powderhorn Park Neighborhood Association

and a letter of support dated February 10, 2007 from the Midtown Phillips Neighborhood Association, Inc.

Van White Memorial Boulevard (Glenwood Ave. to I-394): This project was directly or indirectly referred to in the Bassett Creek Valley Master Plan and the Near Northside Master Plan, each of which was supported by the Harrison Neighborhood Association and the Bryn Mawr Neighborhood Association.

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. Job Linkage Agreements are voluntary.

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 spring grant round are due on or by May 1, 2007. 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 (often provided by the developer). There is no financial limit for the City of Minneapolis geographic area. The total legislative appropriation for this grant program for fiscal years 2006 and 2007 is \$4,362,000 of general fund monies for the investigation and cleanup of Superfund contaminants and \$12.4 million of Petrofund monies. Since the program runs on a semi-annual grant cycle, the monies will be divided among the four cycles run during the biennium. Up to \$250,000 of this funding will be awarded per fiscal year 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 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 spring round of this program are due on or by May 1, 2007. No local match is required. The amount that is potentially available to fund brownfield grants in the Spring 2007 round is \$3.3 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 spring round of this program are due on or by May 1, 2007.

Table 1: **Cumulative Remediation Grant Funding 1995 through Fall 2006**

DEED	\$18,284,156
Met Council	\$23,853,653
Hennepin County	\$7,104,593
TOTAL:	\$49,242,402

Projects initiated through these grants and additional public funds have, from their inception through the Fall 2006 grant round, triggered more than an estimated \$1 billion in additional private investment in the City of Minneapolis.

Table 2: **New Funding Requests for Spring 2007**

	Grant Applications Spring 2007	Grant Funding Requested
DEED	9	\$1,801,219
Met Council	12	\$991,500
Hennepin County	13	\$1,386,066
TOTAL:	34	\$4,178,785

The criteria used to evaluate projects were approved by the City Council several years ago. The criteria, plus the City's review schedule and additional information regarding funding program requirements, were provided to CPED project coordinators and potential applicants. Letters were mailed and e-mails were sent to potential applicants in February. Relevant information was posted on the City's website and published in the *Minneapolis Star Tribune*. A summary of the criteria used to evaluate projects is provided below.

The City's approved review criteria are: readiness to proceed with cleanup, importance of the proposed project (to the affected neighborhood and/or to the City), removal of blighting influences, developer's readiness to proceed, status of development financing, commitment by end users, financial health, commitment of City funds, affordable housing, zoning consistency and planning consistency. The

recommended grant ranking(s) for the Spring 2007 grant round reflect the outcome of interdepartmental staff reviews conducted on March 19 and March 27, 2007. In attendance and participating were: Paula Mazzacano, CPED Development Finance; Cynthia Lee and Scott Ehrenberg, CPED Multi-Family Housing; Steve Maki, CPED Engineering; Kevin Carroll and Andrea Petersen, CPED Business Development; and Amanda Arnold, CPED Community Planning. (Tom Frame from Environmental Management was also invited to participate but was unable to attend.) At these interdepartmental staff meetings, the criteria points and preliminary ranking for each project (based on the information provided by applicants) were reviewed and discussed.

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.]

Aloft Hotel a/k/a Parcel F Redevelopment (900 Washington Ave S.)

DEED Request: \$256,170

Met Council TBRA Request: \$44,400

A new Aloft Hotel, with 155 rooms, will front Washington Avenue between 9th and 10th Avenues South on land currently used as a surface parking lot. There will also be 4,000 square feet of neighborhood retail space along Washington Avenue. Parking for the hotel will be accommodated through a reimbursement agreement with the City of Minneapolis at the adjacent Riverfront Ramp. The Aloft Hotel is a new hotel type for Starwood Hotels and Resorts. It is designed and intended to be a "hip, affordable" version of the luxury W Hotel brand. The applicant reported that the project will result in a net increase of 45 jobs.

Bystrom Brothers Site (2200 Snelling Avenue; at/near the Franklin LRT Station area)

DEED Request: \$225,000

Met Council TBRA Request: \$37,500

Hennepin County ERF: \$37,500

The 3.5 acre site is currently occupied by Bystrom Brothers. The site will be cleaned up and re-used by Bystrom Brothers or another user on an interim basis, pending a subsequent phased transit-oriented redevelopment of the site. The applicant did not report the number of new jobs expected by the project.

Coloplast (1525, 1601, 1615 West River Road North)

DEED Request: \$444,500

Met Council TBRA Request: \$53,340

The planned project includes demolition of an existing building and partial demolition of a second building. A multi-story office building, a shipping/receiving building and green space will be constructed to be used in conjunction with two existing structures that will remain on the property. The applicant reported that the project will result in a net increase of 45 jobs.

Crown Iron a/k/a [former] Electric Machinery Site (1227-1361 Tyler Street NE)

DEED Request: \$565,475

Hennepin County ERF Request: \$23,166

The project maintains the first floor commercial/light industrial and second floor artist studio rental uses. The project involves removing large quantities of asbestos containing materials [ACM], designing and installing a soil venting system, and removing contaminated soil for the installation of a stormwater management system on the east side of the site. The

removal of ACM and the installation of the soil venting system will protect the health and safety of current tenants, as well as facilitate the marketing and safe occupancy of additional tenants. The stormwater management system will bring the site up to current municipal stormwater codes and at the same time, will prohibit access to the current unpaved portion of the site where soils are impacted with semi-volatile organic compounds and heavy metals. The applicant reported that the project will result in a net increase of 230 jobs.

Delisi Building (2119 West Broadway Avenue)

DEED Request: \$19,000

Met Council TBRA Request: \$6,760

Hennepin County ERF Request: \$20,000

The City of Minneapolis is offering to sell (for redevelopment) a property housing the former Delisi Bar and Grill, located at the southeast corner of Penn and West Broadway Avenues. The property has been offered through a Request for Proposals process with a due date of April 17, 2007. Proposals could include either rehabilitation of the existing two-story commercial building or demolition for redevelopment of the existing [or a larger assembled] site. However, the City will pursue a remediation grant for only the rehabilitation of the building, as abatement costs for demolition are minimal. (Timing considerations will require that the City be the grant applicants in this instance.) The project is projected to result in a net increase of 15 to 25 jobs.

Grain Belt Building (4th Avenue North and Girard Avenue)

Met Council Request: \$100,000

Hennepin County ERF Request: \$96,500

The Grain Belt Office Building is included within the Minneapolis Brewing Company Historic District and was placed on the National Register of Historic Places in 1990. The building is currently vacant and unused. The City issued a Request for Proposals in 2006 and staff will recommend sale of this property to United Properties for historic rehabilitation and reuse. United Properties has made its offer to purchase contingent upon the abatement of pollutants being the seller's (City's) responsibility. The City is therefore expected to be the grant applicant in this instance. The project will result in a presently unknown number of jobs.

Heritage Park, Phases III and IV (4th Avenue North and Girard Avenue)

DEED Request: \$50,000

Met Council TBRA Request: \$50,000

Hennepin County ERF Request: \$100,000

Phases III and IV of the Heritage Park Redevelopment Project are located within the Sumner-Glenwood Neighborhood and are among the final sites to be redeveloped as part of the City's master plan for the area. Heritage Park offers a wide variety of housing choices to a mixed income community and incorporates innovative green space and stormwater management design. Complicating redevelopment and revival of the neighborhood are (a) the soft native soils coupled with the presence of uncontrolled fill that was brought into the area in the early 1900s and (b) the area's past industrial use. Both the fill of unknown origin and former industrial uses have impacted previous phases of Heritage Park and pose environmental threats to Phases III and IV. The applicant reported that the project has resulted in a net increase of 18 jobs. The project has 192 market rate residential units and 29 residential units affordable at <50% MMI.

Hopf and Hopf Printing Building (2711 East Franklin)

Met Council TBRA Request: \$45,000

Hennepin County ERF Request: \$30,000

The project will remediate pollution and renovate an existing commercial building for office and program use. The applicant did not report the number of new jobs expected to result from the project.

Longfellow Station (3815 Hiawatha Avenue)

DEED Request: \$146,047

Hennepin County ERF Request: \$311,750

The Longfellow Station project is a mixed-use transit oriented development located adjacent to the 38th Street Station of the Hiawatha LRT Line. Phase 1a of the project will include up to 300 units of new ownership and rental housing (110-115 affordable units), up to 40,000 square feet of neighborhood retail uses, up to 440 structured parking spaces and other innovative infrastructure improvements. The applicant reported that the project will result in a net increase of 150 jobs.

Midtown Eco Energy (2850 20th Avenue South)

Met Council TBRA Request: \$300,000

Hennepin County ERF Request: \$50,000

The Midtown Eco Energy project (MEE) is a biomass, distributive generation, combined heat and power facility that will produce both clean renewable electrical power and thermal energy. The facility will produce 24.5 gross megawatts of electricity from its location at 2850 20th Avenue South. The site was originally home to a solid waste incinerator from 1939 to 1970. The site is currently operated by the City of Minneapolis as a solid waste transfer station. The City awarded an option to purchase the site in June 2006 to Kandiyohi Development Partners, the facility's developer. The facility will be owned by Midtown Eco Energy, LLC. The applicant reported that the project will result in a net increase of 20 jobs.

Midwest Machinery (2848 Pleasant Avenue South)

DEED Request: \$75,000

Met Council TBRA Request: \$75,000

Hennepin County ERF Request: \$125,000

The proposed reuse of the property includes a commercial/industrial type office and a mini-storage facility. Office type uses contemplated are creative-based industries. The applicant estimated that the project will result in a net increase of 15 jobs.

Park Avenue Apartments and LSS Center for Changing Lives (2414 Park Avenue S.)

Met Council TBRA Request: \$135,000

To expand capacity, improve efficiency, and provide a much needed facelift, Lutheran Social Services (LSS) will demolish its current building and construct a 56,000 square foot office and social service building to be called the Center for Changing Lives (CFCL). LSS' financial council, youth services, family resources, adoption services, refuge and employment and housing services programs will be housed in the CFCL. It will also be home to several community services, including the Faith in the City's Personal Finance Center, the Wellness Connection and Phillips West Neighborhood Organization. Messiah Lutheran Church will relocate its office and worship space into CFCL. In addition to the CFCL, the LSS Park Avenue Apartments, a permanent supportive housing development, will be constructed on the south portion of the site connected to the CFCL by a one-story link with a shared underground parking garage. Park Avenue Apartments will feature 48 new multifamily rental units to serve 10 long-term homeless families, 3 near-homeless families at 30% AMI and 35 units of "service enriched housing" targeting entry-level workforce families who earn 60% or less AMI with rent limits at or below 45% AMI. The applicant reported the project will result in a net increase of 5 jobs.

Riverside Market a/k/a Seward Co-op Grocery Expansion (2801, 2823 East Franklin)

Met Council TBRA Request: \$130,000
Hennepin County ERF Request: \$135,000

The project will be occupied by Seward Co-op Grocery and Deli. The existing building will be rehabilitated and an addition will be added, increasing the building's square footage to 25,000. Environmental remediation will include tank removal, petroleum-contaminated soil removal, lead abatement and a sub-slab vent system. The applicant did not report the number of new jobs expected to result from the project.

SoHo (718 Washington Avenue North)
DEED Request: \$20,000
Met Council TBRA Request: \$14,500
Hennepin County ERF Request: \$20,000

The 126,000 square foot building is in the process of full-fledged renovation into commercial condominiums for small to mid-size businesses and live/work residential units. The building will house creative businesses, artist studios, professional offices and residents. The residential lofts are priced from \$185,000 and the commercial condos begin at \$140,000. The applicant reported the project will result in a net increase of 60 jobs.

Spirit on Lake Cooperative (1238 East Lake Street)
Hennepin County ERF Request: \$37,150

Spirit on Lake is a mixed-use, 41-unit, limited-equity cooperative located within a City-designated growth center. The project will add attractive, affordable new housing options to an area of the city with the most significant concentration of employment outside of downtown. The project will add nine residential units at 50% MMI, seven units at 80% MMI, and 15 units at 115% MMI. The project will be located on a currently under-utilized, blighted site. Increased residential density builds on tremendous public investments in infrastructure, transit, and amenities as well as private entrepreneurial investment in the surrounding area. The limited-equity model ensures that public investment in affordable housing continues to serve its intended purpose over the long term. The applicant reported that the project will result in a net increase of 2.5 jobs.

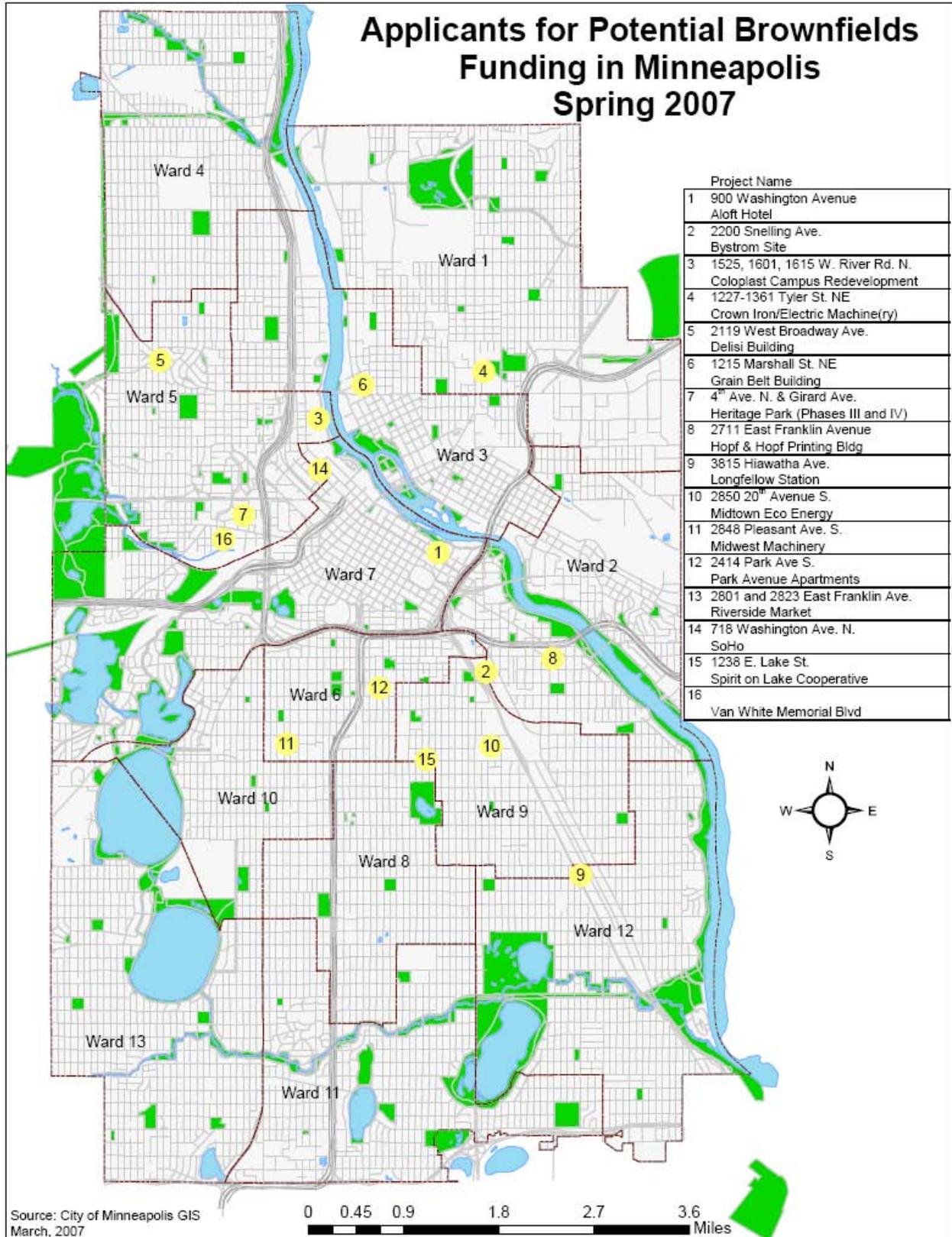
Van White Memorial Boulevard (Glenwood Avenue to I-394)
Hennepin County ERF Request: \$400,000

The objective of this grant request is to seek funds to assist in on-going remediation costs associated with constructing Van White Memorial Boulevard between Glenwood Avenue and Highway 394. The immediate challenge is implementing the RAP/CCP for this project. Van White Memorial Boulevard, when completed, is anticipated to spur redevelopment that corresponds with two community-driven master plans. The applicant reported the project will result in a net increase of 0 jobs.

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 Spring 2007



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 are more completely described in the contamination cleanup and/or investigation applications to be submitted to the Minnesota Department of Employment and Economic Development (DEED) on or by May 1, 2007: Heritage Park (Phases III and IV), Crown Iron, SoHo, Longfellow Station, Aloft Hotel, Coloplast, Delisi Building, Midwest Machinery, and Bystrom Brothers; 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 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 identified the following clean-up projects within the City that meet the Tax Base Revitalization Account's purposes and criteria: Park Avenue Apartments, Heritage Park (Phases III and IV), Hopf & Hopf Printing Building, Midtown Eco Energy, Riverside Market, Soho, Aloft, Grain Belt Building, Coloplast, Delisi Building, Midwest Machinery, and Bystrom Brothers; and,

Whereas, the City 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 or by May 1, 2007; 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 are more completely described in the Environmental Response Fund applications to be submitted to Hennepin County on May 1, 2007: Heritage Park (Phases III and IV), Van White Memorial Boulevard, Spirit on Lake Cooperative, Crown Iron, Hopf & Hopf Printing Building, Midtown Eco Energy, SoHo, Longfellow Station, Riverside Market, Grain Belt Building, Delisi Building, Midwest Machinery, and Bystrom Brothers; 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.