



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

Date: April 4, 2006
To: Council Member Lisa Goodman, Community Development Committee
Subject: Selection of Developer – Riverfront East Parcel

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Recommendation: Grant to the William W. and Nadine M. McGuire Family Foundation exclusive rights for a period of one hundred and twenty days (120) days to negotiate the terms of a land lease for the Riverfront East Parcel in accordance with the terms and conditions outlined herein, for consideration by the City Council at a future meeting after a public hearing.

Previous Directives: On December 23, 2005, the City Council authorized the distribution of a development Request for Proposals for the Riverfront East Parcel. On November 22, 2002, the City Council authorized the execution of a redevelopment contract with the Guthrie Theater that provided for the provision of certain employee parking for the Guthrie Theater on the Riverfront East Parcel. The acquisition of the property now included in the Riverfront East Parcel was approved by the MCDA Board of Commissioners and completed in 1987, 1991 and 1994.

Prepared by: Ann Calvert, Principal Project Coordinator **Phone:** (612) 673-5023

Approved by: Lee E. Sheehy, Director _____
Mike Christenson, Director of Economic Development _____

Permanent Review Committee (PRC) Approval Not Applicable

Note: To determine if applicable see <http://insite/finance/purchasing/permanent-review-committee-overview.asp>

Presenter in Committee: Mike Christenson

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
- Action requires an appropriation increase to the Capital Budget or Operating Budget.
- Action provides increased revenue for appropriation increase.
- Action requires use of contingency or reserves.
- Business Plan: Action is within the plan. Action requires a change to plan.

- Other financial impact (Explain):
- Request provided to department's finance contact when provided to the Committee Coordinator.

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Community Impact (use any categories that apply)

Neighborhood Notification: The Downtown Minneapolis Neighborhood Association (DMNA) and Industry Square Project Committee (ISPC) both appointed representatives to the proposal review advisory committee for the Riverfront East Parcel. In addition, staff presented summaries of the three proposals to the ISPC on March 9, 2006, and to the DMNA on March 14, 2006.

City Goals: Addresses the goal of creating an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets, specifically by encouraging through a partnership with a private party the development of a green space amenity in order to create a strong sense of place and an environment in which businesses want to locate and workers want to live. Also addresses Sustainability Goal of adding 2,500 trees on public land every year through 2015.

Comprehensive Plan: The recommended proposal generally complies, although the plan identifies this area as a location for housing or other amenities.

Zoning Code: The land use in the recommended proposal complies; additional detail will be required for a full compliance review.

Background Information and Proposal Review Process

The property now known as the "Riverfront East Parcel" is owned by the City as part of the CPED (previously, MCDA) land inventory. The parcel is bounded by West River Parkway, 11th Avenue South and Second Street South and includes vacated Tenth Avenue South. The current parcel was assembled for redevelopment through a number of acquisitions over a period of several years and is the last CPED-owned parcel with frontage along West River Parkway. See Exhibit A for an overall location map.

As authorized by the City Council, a development Request for Proposals (RFP) was issued at the beginning of 2006. The following three proposals were received by the March 2, 2006, due date (all of which may be read in full at www.ci.minneapolis.mn.us/cped/riverfront_east_rfp_home.asp):

- Brighton Development Corporation and Norway House proposed two for-sale residential buildings totaling about 144 units, a 35,000 sq. ft. American-Norwegian business and cultural center, plus a green space amenity (which was proposed to extend onto the adjacent Guthrie expansion parcel)
- Hunt Associates and North America Partners proposed a mixed-use development with about 196 for-sale units and 47,200 sq. ft. of ground level restaurant/commercial space, plus a park/open space area (which was proposed to extend onto the adjacent Guthrie expansion parcel)
- The William W. and Nadine M. McGuire Family Foundation proposed a privately-funded green space for ten years with the use of the property reverting to the City after the ten years

These proposals were reviewed by an advisory committee including CPED, Development Finance, Council, Park Board and Minnesota Historical Society staff, a Council Member appointee and representatives from the Downtown Minneapolis Neighborhood Association, Industry Square Project Committee and Guthrie. To assist with the proposal review, City staff prepared the attached

summary of the three proposals (see Exhibits B-1 and B-2). The review advisory committee heard presentations from all three of the development teams and evaluated the proposals against the criteria outlined in the RFP (Exhibit C).

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The committee recommended the selection of the proposal from the McGuire Family Foundation, and the CPED Director has concurred in that recommendation. Letters of support for this proposal have been received from nearby condominium associations, the Trust for Public Land, Friends of the Mississippi River and numerous individuals.

Supporting and Additional Information about Recommended Development Proposal

The recommended proposal is from a team composed of the William W. and Nadine M. McGuire Family Foundation as developer, Oslund and Associates as designer and Windsor Companies, Inc. as construction manager. The proposal includes construction on both the Riverfront East Parcel and adjacent Guthrie Theater "expansion parcel" of a privately-funded green space amenity of almost 8 acres. See Exhibits D-1 and D-2 for a site plan and rendering.

The Riverfront East Parcel is proposed to be leased from the City for a period of ten years for \$50,000 per year. The construction funding and lease payment will be provided by the McGuire Foundation and is already secured. The Foundation (or a related park conservancy) also will provide maintenance during the lease period. The Guthrie Theater Foundation has expressed its support for the McGuire Foundation proposal and has committed to make its expansion parcel available for the ten-year period. The Guthrie has not made similar commitments to the other two proposers to allow their proposed green spaces to extend onto the Guthrie property. The proposal assumes that the City would provide public safety services to the property as it would to the current use and to any other use. The Guthrie representative to the advisory committee also indicated that the Guthrie is prepared to discuss cooperative security oversight given that its property is involved and that its adjacent Theater complex has 24-hour security.

The proposal assumes that the property will be exempt from real estate taxes during the lease period. The lease to be negotiated will address the potential obligation for payment of property taxes (which could be \$80,000 – 115,000 at today's value) and, as with the Hennepin Avenue Historic Theaters, a request for property tax status will be submitted to the County and City Assessor's office. Currently, the City-owned property is classified as exempt from payment of property taxes, as is the adjacent Guthrie expansion parcel.

At the end of the lease period, the use of the City-owned parcel will revert back for a determination by the City as to its future use. The decision can be made at that time whether to continue the green space use or seek development proposals. If it is decided to continue the green space use, funding sources for on-going maintenance, capital improvements, security and insurance will need to be identified. The advisory committee discussed several conceptual options, including continuation of a privately funded conservancy, regional open space/park designation or a special service district. If it is determined that development would be more desirable and/or if funding is not available to continue use for green space, removal of the green space may be controversial, but the City can revisit the redevelopment potential in an area which is rapidly developing.

Both the *Downtown 2010* and *Historic Mills District* plans identify this site for housing development (or an activity amenity such as a ball park or the Guthrie). However, there are several thousand housing units currently proposed or under construction within the downtown Minneapolis freeway ring. Although some of the proposed projects may never come to fruition and the absorption rate for future years is difficult to project with any certainty, there is not a pressing need for additional housing product on this site to meet demand in the next several years. The two competing proposals included substantial residential components. The market viability of those proposals and

their ability to secure the necessary approvals (e.g., Conditional Use Permits to allow additional height) make their timing and outcome less certain than the McGuire Foundation proposal. The Riverfront East Parcel's location makes it a prime riverfront site that will retain its market potential for re-assessment at the end of the ten-year lease period and may well increase in value due to the appreciation over time and the greening investment made if the McGuire proposal is approved.

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Among the complications inherent in the site is the existing contractual requirement that the City provide 135 employee parking spaces to the Guthrie Theater at a discounted rate until March of 2013 either on the Riverfront East Parcel or in the Riverfront Ramp. This parking currently is located on the Riverfront East Parcel, and the Request for Proposals indicated that proposers should assume this parking will remain or provide an acceptable alternative. The McGuire Foundation proposal assumes that the parking will be relocated from the parcel so that the entire parcel can be improved in the near term, but leaves it to the Guthrie and City to determine an acceptable alternative. The terms of the Guthrie parking commitment would allow this parking requirement to be moved to the Riverfront Ramp. The current pro forma indicates that in the interim until the ramp fills up, this would result in additional income to the Parking Fund. When and if the ramp becomes full, the Parking Fund would lose the incremental revenue that would have been generated had the spaces been rented at the full market rate. During the negotiation phase, City and Guthrie staff will explore alternates that will eliminate or reduce any negative financial impact on the Parking Fund.

While the proposed annual rental rate is less than a highest-and-best Fair Market Value rental rate would be, it is considered by the CPED Staff Appraiser to be acceptable as a Fair Reuse Value net rental rate for a non-economic, public purpose green space.

Financial factors were carefully considered by CPED and are summarized briefly in this report. First, as noted elsewhere in this report, when looking at the two competing land uses, the need for additional market-rate housing in this area was considered. Second, it is apparent that the McGuire proposal has substantial certainty of financial ability to perform, no market risk, limited risk of any additional public investment and the opportunity for future appreciation of the City property if redevelopment is pursued. The other two proposals have much greater uncertainty and risks.

The McGuire proposal is accompanied by evidence that "unencumbered assets in the amount of at least \$4 million" are immediately available. In addition, as a part of the advisory committee process, Dr. McGuire indicated a willingness to consider additional financial performance assurances if selected as well as discuss areas of possible financial risks to the City, as discussed elsewhere in this report.

CPED also considered the market risk and additional public investment. The advisory committee questioned the proposers on these topics as well. Three areas of inquiry are illustrative of the risk and uncertainty. The Hunt-North American Partners proposal assumes a 30-story residential tower. Inquiry about the probability of land use approvals for a 30-story tower (in an area which would appear to have little contextual support for such height) led the developer to indicate that any substantial reduction in height would lead to a reduction in purchase price (and likely accompanying reduction in tax base and capital funding for public amenities). Likewise, when the advisory process questioned the financial responsibility for the public space amenities proposed in the Hunt-North American proposal, the developer indicated that operating and maintenance costs would fall to the public and/or Guthrie and offered escrowing a portion of the purchase price as a possible source of "endowment."

The Brighton-Norway House proposal submitted a revised proposal on the day of presentation to the advisory committee and proposed that its public park amenity become a joint proposal of the McGuire Foundation. The housing elements of this proposal were closer in scale to the surrounding

area, but the revised proposal did not provide financial implications of the revisions and left questions about certainty and possible additional public investment.

Brighton as a proposer also underscores the market risk in that Brighton currently has four projects under development within a few blocks of the Riverfront East Parcel (St. Anthony Mills Apartments, a 93-unit affordable housing project under construction, and three pending developments -- Park Avenue East Lofts currently proposing 44 condos, The Portland proposing 44 condos and Page five

Washington Avenue, a mixed use project). Finally, considering market conditions in the immediate area, three adjacent blocks between Washington and Second Street are being proposed for development, including the Revue, the Zenith and the Bridgewater projects. These developments will result another 500 – 600 condominium units being built in the next few years. A residential development proposal also is being formulated for the block across 11th Avenue from the Riverfront East Parcel.

In addition to recommending the McGuire Foundation proposal, the review advisory committee noted that they would be open to the inclusion of the Norway House as a component if the Foundation and Norway House were to mutually agree to that revision. In response to questions from the advisory committee, Dr. McGuire indicated that he had previously been approached by the Norway House and did not feel then or now that it was an appropriate element of the open space objectives which were the essence of the Foundation's proposal.

Reasons for recommendation

The McGuire Foundation proposal is recommended for the following reasons:

- It will allow the Guthrie expansion parcel and Riverfront East Parcel to be combined to provide an 8-acre urban green space amenity for ten years to benefit the surrounding neighborhood and downtown, complement the Mississippi Central Riverfront Regional Park and support the current efforts to green the city.
- It preserves sightlines to a signature piece of architecture and opens the possibility of visually connecting the riverfront to Washington Avenue at Tenth and 11th avenues.
- The ten-year lease structure preserves options for the long-term future of this last available parcel with parkway frontage in the Minneapolis Riverfront District.
- The construction financing has been committed, and the project is ready to move ahead in a timely manner with little or no uncertainty about market, funding availability or approvals.
- The proposed structure represents an intriguing public-private partnership opportunity that merits exploration and may serve as a model for future projects.

Recommended refinements and considerations

In order to enhance and refine the proposal and the business terms, it is recommended that staff address the following issues and considerations during the negotiation phase and thereafter:

- In order to increase security in the green space area without additional City cost, the Foundation should refine the project design to incorporate Crime Prevention through Environmental Design (CPTED) design principles and/or consider incorporation of additional electronic surveillance tools that can be tied into the Guthrie's security system.
- The matter of liability and insurance should be resolved in a manner that assures that the City is not responsible for liabilities related to the Foundation's or park conservancy's maintenance and other responsibilities.
- The City should determine if green space should continue after the ten-year period well before the end of the lease term. If it is determined that green space should continue, the City, Foundation/park conservancy and Guthrie should diligently explore approaches and resources that could be used for long-term maintenance, capital improvements, insurance and security of the green space after the end of the ten years, if that is eventually determined to be the desired course.
- As with any development proposal, the Foundation should seek input from interested parties and stakeholders, including neighborhood organizations and others. This should include

input from the St. Anthony Falls Heritage Board about potential historic interpretation opportunities.

- The City should be allowed the opportunity to provide technical assistance and input into selection of materials, circulation patterns and other topics that will impact the usability of the space and the viability of public maintenance after the end of the lease period.

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- In order to comply with the *Update to the Historic Mills District Plan*, consideration should be given to how the design will interrelate to the Tenth Avenue corridor – both through continuation of pedestrian/bicycle circulation patterns and either provision of a view corridor to the river or deliberate termination with something of visual interest.
- The Foundation should consider the site's environmental conditions in plant selections, irrigation system design, etc. and will seek the appropriate MPCA approvals of same.
- The terms of the lease agreement should seek to avoid any incremental costs to the City due to this proposal (e.g., security costs, real estate taxes, Parking Fund impacts due to relocation of the Guthrie employee parking). The terms also should specify in what condition the site should be returned to the City at the end of the lease so that the City does not inherit maintenance problems or limited reuse options.

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EXHIBIT A
RIVERFRONT EAST PARCEL LOCATION

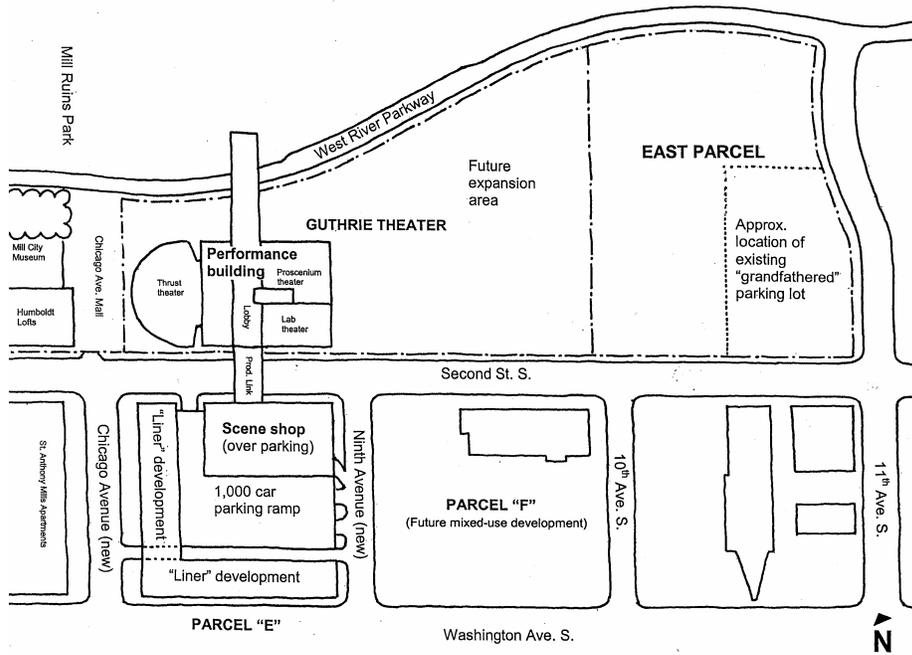


EXHIBIT B - 1

RIVERFRONT EAST PARCEL PROPOSAL SUMMARY

Proposers	Brighton Development Corp. and Norway House – Initial proposal *	Hunt Associates and North America Partners	William W. and Nadine M. McGuire Family Foundation
Design team	<ul style="list-style-type: none"> Residential – Meyer, Scherer and Rockcastle Norway House – Thorbeck Architects Park – Cuninghame Group 	Hammel, Green and Abrahamson, Inc.	Oslund and Associates
Components on Riverfront East Parcel	<ul style="list-style-type: none"> 144 sale DUs; 260 parking spaces under res. Norway House (35,000 sq. ft.) with consulate, rest., audit., meeting rooms, etc.; 100 underground parking spaces Park/open space of about 1 -- 1.5 acres Bike/ped access from Second to parkway at Tenth and mid-block 	<ul style="list-style-type: none"> 196 sale DUs; 392 underground parking spaces 47,200 sq. ft. restaurant/comm.; 58 underground parking spaces Park/open space of about 2.5 – 3 acres; construction to be privately funded; maintenance and operation to be publicly funded Bike/ped access from Second to parkway at Tenth and mid-block 	<ul style="list-style-type: none"> Green/open space of 4.6 acres on City-owned land (a total of about 8 acres including the adjacent Guthrie property) for ten years; (future use to be determined) Bike/ped access from Second to parkway at multiple locations
Total private/non-profit investment	Res. – \$75.2 million Norway House -- \$15.2 million Park -- Unknown Total -- \$90.4 million	Mixed use -- \$100.2 million Park – Included above Total -- \$100.2 million	\$3 to 4 million for both City and Guthrie parcels
Timeline	<ul style="list-style-type: none"> Norway House – 2008 to 2009 Park – 2008 to 2010 Ph. I res. – 2011 to 2012 Ph. II res. – 2013 to 2014 	Ph, I res. – 2007 to 2008 Ph. II – 2013	2006 and/or 2007
Impact on Guthrie parking	Accommodates	Accommodated on non-grandfathered area	Assumes moved
	* A variation of the initial proposal was shown during the presentation to the review advisory committee. This revision eliminated one residential building to allow the western half of the site to be included in the McGuire green space proposal.		

CRITERIA #1:			
Initial review of zoning considerations	<ul style="list-style-type: none"> • Maximum height allowed is six stories, with a CUP required for more • Residential density is 400 sq. ft. per unit, so 144 units will require a site of 57,600 sq. ft. • Residential with more than five units is a conditionally permitted use • Restaurants are permitted uses • FAR is 2.7 • Norway House uses appear to be permitted (but specific uses would need to be further explored after seeing more detailed floor plans) • Park/green space uses are permitted 	<ul style="list-style-type: none"> • Maximum height allowed is six stories, with a CUP required for more • Residential density is 400 sq. ft. per unit, so 196 units will require a site of 78,400 sq. ft. • Residential with more than five units is a conditionally permitted use • Restaurants are permitted uses • Retail is a max. of 8,000 sq. ft. per use with bonuses applied • FAR is 2.7 • Park/green space uses are permitted • Surface parking is not allowed in area shown for relocated Guthrie parking 	Park/green space uses are permitted
<i>The Minneapolis Plan and Mill District plan considerations</i>	See separate summary, Exhibit B-2	See separate summary, Exhibit B-2	See separate summary, Exhibit B-2
CRITERIA # 2:			
Proposed land/lease proceeds	Res. – \$2,980,560 Norway House – TBD PV in 2006 of \$2.2 million for residential	\$5,880,000 PV in 2006 of \$5.6 million	Lease of \$50,000 per year for ten years PV in 2006 of \$0.4 million Land value in 10 years unknown
Estimated annual real estate taxes	About \$1.1 million (EMV of about \$71 million) upon completion & sales	About \$1.8 million (EMV of about \$112 million) upon completion & sales	\$0 for first ten years if exempt
Affordable housing units	Open to including affordable rental	None	None
Park and other amenities	1 -- 1.5 acres of park with elements to be determined through community process; Restaurant and other amenities in Norway House	2.5 – 3 acres of park with "winter park" warming pavilion/bike shelter; Restaurant(s) and commercial along Second	4.6 acres of park with paths, trees, seating, overlook; potential other features
Sustainable design elements	Included in Norway House concept	None noted	None noted
Jobs	Approx. 25 - 30	Approx. 16 FT and 50 PT	0
CRITERIA #3:			
Similar experience	Res. – extensive experience Norway House – unique product Park -- none	Mixed use – extensive experience Park -- none	Park – extensive private open space (not public park) design experience; no park development experience
Financials submitted?	Yes	Hunt Assoc. and Daniel Hunt, not North America	Yes

CRITERIA #4:			
Market info submitted	Minimal	Minimal	Not applicable
Status of financing	To be secured	To be secured	Available
Timetable	Uncertain	Uncertain	Soon
Security proposed	None proposed	None proposed	None proposed
CRITERIA #5:			
Additional public investments requested	Met Council environmental grant; Housing funds if affordable housing included Insufficient information to determine if total land price reflects Fair Market Value	Park maintenance, operation and security to be publicly funded at estimated cost of \$100,000 per year; Need to verify if proposed land price reflects Fair Market Value	City to provide security for park; Proposed lease rate is a Fair Reuse Value, but not highest-and-best-use Fair Market Value

EXHIBIT B - 2

RIVERFRONT EAST PARCEL PROPOSAL PLANNING POLICY REVIEW

DOWNTOWN 2010 plan

- Promote a street-level design of buildings that contributes to downtown's vitality and security by encouraging individual entrances to street-level building tenants, windows and architectural detailing.
 - **McGuire:** NA
 - **Brighton:** Not enough detail to identify.
 - **Hunt:** Proposal identifies a commercial building on 2nd Street with a transparent first floor, but more detail would be needed to identify full impact of street-level design. Commercial building directly on 2nd Street conflicts with RFP requirements.
- Promote building forms that maximize solar access to major pedestrian spaces and that minimize the creation of excessive and uncomfortable surface winds along sidewalks.
 - **McGuire:** NA
 - **Brighton:** Based on basic site rendering, buildings are located to potentially maximize solar access. Would need further detail to determine solar constraints from height.
 - **Hunt:** Slender tower located in SE corner of site would maximize solar access.
- Improve the appearance of downtown parking lots by providing landscaping and other visual enhancements.
 - **All:** Landscaping of the Guthrie overflow parking lot is not proposed but should be accomplished through coordination with the Guthrie.
 - **Brighton:** Does not propose surface parking lots but does indicate that one level of parking would be partially above-ground – would need to minimize any negative impacts through landscaping and design.
- Promote building heights and designs that protect the image and form of the downtown skyline, that provide transition to the edges of downtown and that protect the scale and qualities of distinctive physical or historic character.
 - **McGuire:** NA
 - **Brighton:** Not enough detail to identify.
 - **Hunt:** Proposed tower would create addition to downtown skyline as well as be a stand-alone tower in the Mills District – it would not be a transition to the edge of downtown.
- Encourage the creation of new parks and plazas that are within easy access to the majority of the downtown workforce.
 - **McGuire:** Even though the proposal includes a new park, it is not within easy walking distance of the majority of downtown workers.
 - **Brighton:** Same
 - **Hunt:** Same
- Improve physical and visual access to the riverfront.
 - **McGuire:** Proposal would accomplish this through the design of the park; however, the 25-foot mound may impede any view corridor to the river down 10th Avenue.
 - **Brighton:** Based on basic site rendering, structure facing 2nd Street should be moved east to maximize view corridor down 10th Avenue.
 - **Hunt:** The proposed tower potentially allows for more open space on the site and more visual access to the river. The proposal also includes a public pedestrian extension of 10th Ave toward the river to allow for a view corridor.

- Emphasize good open space design.
 - **McGuire:** *Not enough detail to identify*
 - **Brighton:** *Not enough detail to identify.*
 - **Hunt:** *Proposal includes a variety of open space “rooms” with different themes, including passive and active usage. Is there a need, though, for another ice skating rink in the Mills District?*

- Encourage restaurants in other areas of downtown (*outside of the Entertainment District*).
 - **McGuire:** *NA*
 - **Brighton:** *Norway House would include a unique restaurant experience facing the river (RFP indicates commercial should take advantage of river).*
 - **Hunt:** *Proposed commercial uses are located at the furthest point from the river, but may be able to take advantage of the view beyond the proposed open space.*

- Expand housing opportunities in downtown for all income levels, with an emphasis on providing additional moderate to high income, owner-occupied units.
 - **McGuire:** *NA*
 - **Brighton:** *Proposal includes owner-occupied housing with an option for rental (which may require additional public investment).*
 - **Hunt:** *Proposal includes owner-occupied housing*

- Capitalize on sites that are well suited for housing, especially along the riverfront and around Loring Park, by encouraging medium to high-density housing development.
 - **McGuire:** *The proposal does not include housing and defers this decision to the City in 10 years.*
 - **Brighton:** *Proposal does include medium to high-density housing development along the river.*
 - **Hunt:** *Proposal does include medium to high-density housing development along the river.*

- Locate medium to high-density housing in areas designated as a Riverfront Residential District located adjacent to and near the West River Parkway. This district should provide locations for housing that can take advantage of the open space and recreational amenities of the riverfront. The primary use of this district should be housing. Other retail, office, cultural and recreational uses should be encouraged, especially those that revitalize historic structures, but should be compatible with housing.
 - **McGuire:** *The proposal does not include housing and defers this decision to the City in 10 years.*
 - **Brighton:** *Proposal does include medium to high-density housing development along the river.*
 - **Hunt:** *Proposal does include medium to high-density housing development along the river. Location of commercial (retail, restaurant, etc.) is inconsistent with RFP requirements.*

- Ensure that new residential development contributes to the sense of neighborhoods through appropriate site planning and architectural design.
 - **McGuire:** *NA*
 - **Brighton:** *Not enough detail to identify.*
 - **Hunt:** *Not enough detail to identify.*

- Along the riverfront, ensure that development provides public access to the river as an integral part of their design.
 - **McGuire:** Proposal includes public access to the river.
 - **Brighton:** Proposal includes public plaza/walkway between housing structures, but care would need to be taken to make sure it feels public rather than private. Additionally, plaza/walkway to the west of the site should be lined up with 10th Avenue to create a view corridor and public path to river.
 - **Hunt:** The proposal includes a public pedestrian extension of 10th Ave toward the river to allow for a view corridor.

HISTORIC MILLS DISTRICT MASTER PLAN/UPDATE TO THE HISTORIC . . .

- Link new residential, cultural and recreational development to Downtown and the riverfront.
 - **McGuire:** Proposal could accomplish this through well-marked pedestrian connections through the park.
 - **Brighton:** Norway House would add a unique cultural amenity to the riverfront.
 - **Hunt:** Proposal includes both active and passive recreational activities that can be utilized by downtown workers and residents.
- Create the amenities necessary to attract new investment.
 - **McGuire:** Proposal identifies this as a goal.
 - **Brighton:** Norway House, as a cultural attraction, may bring additional tourism to the area.
 - **Hunt:** Proposal includes both active and passive recreational activities that can be utilized by downtown workers and residents.
- Celebrate the area's history.
 - **McGuire:** Proposal does not identify this as a theme.
 - **Brighton:** Norway House celebrates Minnesota's Norwegian history.
 - **Hunt:** Proposal does not identify this as a theme.
- Buildings should be oriented to front city streets and should be set back from the street right-of-way no further than 10 feet for more than 50% of the width of the parcel.
 - **McGuire:** NA
 - **Brighton:** Based on basic site rendering, it looks like the buildings are oriented to the streets. Further detail would be needed to clarify street presence.
 - **Hunt:** Based on basic site rendering, it looks like the buildings are oriented to the streets. Further detail would be needed to clarify street presence.
- Building frontage along streets should be lined with pedestrian oriented uses on the ground floor, and the upper floors should have a regular pattern of windows to create 'eyes on the street.' Parking should be located underground or in the middle of the block, behind the buildings.
 - **McGuire:** NA
 - **Brighton:** Not enough detail to identify, except where the proposal indicates that part of the parking ramp would be above-ground – where and why?
 - **Hunt:** Not enough detail to identify architecture and pedestrian orientation. Proposal includes two stories of underground parking with 450 stalls – are there shared opportunities available to minimize parking on site?
- Recommended height of 112 feet (8 or 9 stories) on this block.
 - **McGuire:** NA
 - **Brighton:** Two residential buildings generally comply at 7-8 stories.
 - **Hunt:** Proposal is inconsistent with this policy.

- Building heights should be a minimum of four stories. Tall buildings should be positioned along north/south avenues to allow sunlight to penetrate into the street spaces and courtyards and to block northwest winds. The heights of the tallest buildings should be compatible with existing commercial buildings in the Historic Mills District.
 - **McGuire:** NA
 - **Brighton:** *Would need further detail to determine solar constraints from height and position of buildings.*
 - **Hunt:** *Proposal is inconsistent with this policy.*
- Ground-floor commercial uses shall have storefronts with glazed areas equal to at least 65% of the ground-level portion of the façade.
 - **McGuire:** NA
 - **Brighton:** NA
 - **Hunt:** *Proposed 2-story commercial building directly fronts 2nd Street which is in conflict with RFP. Otherwise, not enough detail to identify ground-level architecture.*

EXHIBIT C

RIVERFRONT EAST PARCEL EVALUATION CRITERIA

(excerpted from RFP, pages 11 and 12)

Physical Development Proposal Evaluation Criteria

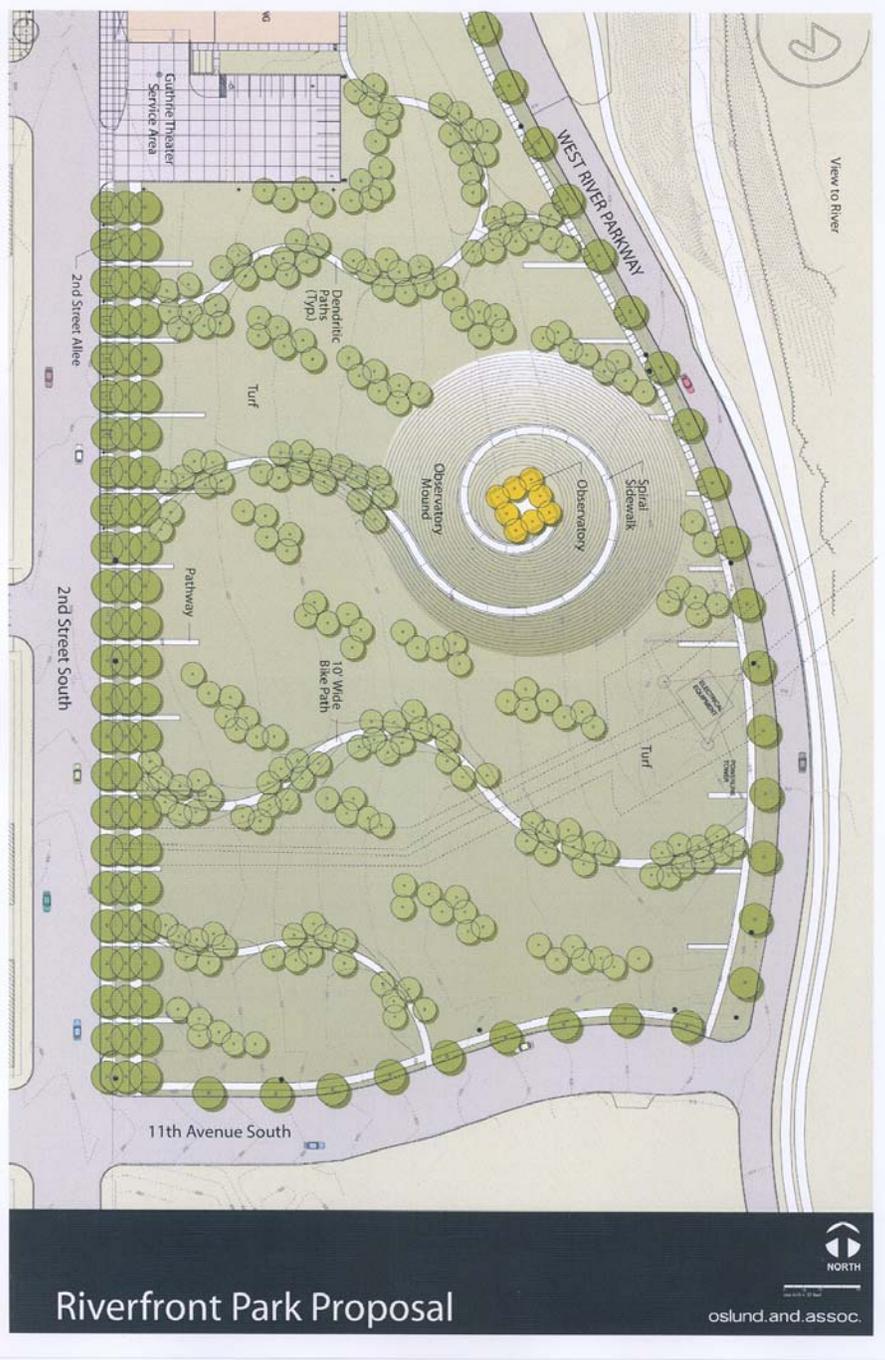
1. The extent to which the proposal realizes the development potential of this superior riverfront site, fulfills adopted City goals, plans and policies and attains a high level of application to the following planning and design considerations.
 - The proposal complies with the Minneapolis Zoning Code, comprehensive plan, adopted small area plans and design criteria outlined herein.
 - The proposal indicates a strong relationship between uses in the parcel and uses in the surrounding blocks; and
 - The proposal addresses traffic circulation within the parcel, including automotive/truck circulation and pedestrian/bicycle circulation.
 - Given the extraordinary, high-visibility location of this site – a high caliber aesthetic and stylistic design solution is encouraged and expected. In addition to other criteria outlined in this RFP, the selection committee will judge proposals for the quality of aesthetic design solutions through which functional design considerations have been met.
2. The public benefits to be achieved by the proposal (e.g., land proceeds; real estate taxes; provision of affordable housing; provision of public park, recreation, interpretive or cultural amenities; and/or incorporation of sustainable design elements).

Developer Experience/Financial Proposal Evaluation Criteria

3. The experience, qualifications, and the financial and organizational capacity of the developer and the development team in successfully planning and completing development projects of similar type and scale, on time and within budget.
4. The market and financial feasibility of the development and the likelihood of implementation in a timely manner.
 - The nature of private financing interest or commitment;
 - The anticipated ability of the project to secure necessary public and private funds;
 - The schedule for commencement and completion of elements of the proposed mixed-use project; and
 - The security to be provided to assure the successful completion and operation of the development.
5. The extent to which the proposal minimizes any need for additional public investments.

EXHIBIT D-1

SITE PLAN



**EXHIBIT D-2
RENDERING**

