



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

Date: August 8, 2006

To: Council Member Lisa Goodman, Community Development Committee

Subject: **Authorization to award a pollution remediation contract not to exceed \$460,000 to the lowest responsible bidder for clean up of the Portland Condos redevelopment site.**

Recommendation:

Authorize the CPED staff to award a pollution remediation contract to the lowest responsible bidder for pollution remediation on the Portland Condos site not to exceed \$460,000 and to execute the necessary agreements.

Previous Directives:

- June 16, 2006, City Council approved the execution of an amendment to the Amended and Restated Redevelopment Contract for portions of Parcel D West; amended the 2006 General Appropriation Resolution by increasing Fund CWM by \$125,000 for shoring costs associated with the soil remediation to be reimbursed by Brighton upon closing; and increased the 2006 Revenue Budget for Fund CWM by \$272,492 (\$125,000 for shoring costs to be reimbursed and \$147,492 for a holding fee to extend the property closing to June 1, 2007).
- March 31, 2006, City Council accepted and appropriated a SAFHB planning fund allocation in the amount of \$25,000.00 to allow for an archaeological survey on Parcel D West, The Portland site, located at the corner of Portland Avenue and 2nd Street South.
- July 7, 2005, City Council approved an Amended and Restated Redevelopment Contract for Parcel D West to allow development of the property.
- January 17, 2003, City Council accepted and appropriated a TBRA grant from Metropolitan Council in the amount of \$460,000.00 for soil remediation.
- July 7, 2001, City Council approved a land sale of the Washburn Crosby Mill and Parcel D West to the Minnesota Historical Society and Brighton Development Corporation.
- June 29, 1992, the MCDA acquired Parcel D as a part of the Milwaukee Depot acquisition.

Prepared by: Carrie Flack, Sr. Project Coordinator, **Phone:** 673-5010

Approved by:

Chuck Lutz, Deputy Director CPED _____

Mike Christenson, Director of Economic Development _____

Presenter in Committee: Carrie Flack, Sr. Project Coordinator

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.

Community Impact (use any categories that apply)

Neighborhood Notification – Not applicable

City Goals – Connected Communities – great spaces and places, thriving neighborhoods; Enriched Environment – greenspace, arts, sustainability; A Premier Destination – visitors, investment and vitality

Comprehensive Plan – 4.9 Minneapolis will grow by increasing its supply of housing; 4.11 Minneapolis will improve the availability of housing options for its residents; 4.15 Minneapolis will carefully identify project sites where housing redevelopment and or housing revitalization are the appropriate responses to neighborhood conditions and market demand; 9.5 Minneapolis will support the development of residential dwellings of appropriate form and density. In addition, the project is consistent with the Historic Mills District Master Plan and Update.

Zoning Code –Housing permitted as a conditional use in district C3A

Other – Not applicable

Background/Supporting Information:

Parcel D West consists of the block between Washington Avenue South and 2nd Street South and between Portland Avenue South and Park Avenue South.

Parcel D West consists of three development projects: Park Avenue West Lofts, Washington Live/Work, and The Portland. The Portland will be located at the corner of Portland Avenue South and 2nd Street South and will consist of a 4 story building with 44 condo units and 80 below grade parking spaces along with 1,800 sq. ft. of retail/commercial space.

The City obtained an environmental remediation grant in the amount of \$460,000 for the site from Metropolitan Council. This grant will expire on December 31, 2006 with no option for further extension. Therefore, the City rather than the developer is managing the

environmental remediation on this property. This process began in June 2006 and should be completed by September 2006. During remediation, an archaeological survey will be conducted on the site. This \$15,000 survey is being funded by the St. Anthony Falls Heritage Board. In addition, the City may elect to put in construction shoring on the property for the proposed development in connection with the soil remediation. Should this occur, this cost will be reimbursed by the developer, Brighton Nine/Portland LLC, upon the property closing.

Bids are due by the end of August 2006. CPED staff is now requesting authorization to award the pollution remediation contract to the lowest responsible bidder not to exceed the grant amount of \$460,000 and to execute any necessary agreements.