



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

Date: August 3, 2005

To: Council Member Gary Schiff, Chair, Zoning & Planning Committee and
Members of the Committee

Prepared by: Michael Orange, Principal Planner, Department of Community Planning and
Economic Development—Planning Division

Approved by: Barbara Sporlein, Director, Planning

Subject: Determination of the need for an Environmental Impact Statement and the adequacy of
the Environmental Assessment Worksheet for the proposed Eclipse Condominium Development
at 240 and 258 Hennepin Avenue.

Previous Directives: None

RECOMMENDATION: The Department of Community Planning and Economic
Development—Planning Division recommends that the City Council approve the following
findings, make a “Negative Declaration on the need for an Environmental Impact Statement”
(EIS), and not require the preparation of an EIS for the proposed Eclipse Condominium Project
at 240 and 258 Hennepin Avenue:

1. The Environmental Assessment Worksheet (EAW), the “Findings of Fact and Record of Decision” document, and related documentation for the Eclipse Condominium Project were prepared in compliance with the procedures of the Minnesota Environmental Policy Act and Minn. Rules, Parts 4410.1000 to 4410.1700 (1993).
2. The EAW, the “Findings of Fact and Record of Decision” document, and related documentation for the project have satisfactorily addressed all of the issues for which existing information could have been reasonably obtained.
3. The project does not have the potential for significant environmental effects based upon the above findings and the evaluation of the following four criteria (per Minn. Rules, Parts 4410.1700 Subp. 7):
 - Type, extent, and reversibility of environmental effects.
 - Cumulative effects of related or anticipated future projects.
 - Extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority.

- Extent to which environmental effects can be anticipated and controlled as a result of other environmental studies undertaken by public agencies or the project proposer, or of environmental reviews previously prepared on similar projects.
4. The finding by the City that the EAW is adequate and no EIS is required provides no endorsement, approval, or right to develop the proposal by the City and cannot be relied upon as an indication of such approval. This EAW conclusion allows the proposer to formally initiate the City's process for considering the specific discretionary and ministerial approvals necessary for redevelopment, and for the City in this process, informed by the record of the EAW, to identify and encourage the elements for compatible redevelopment, and assure their implementation at this site.

Financial Impact: Not applicable

Community Impact: Refer to the EAW (distributed on June 20) and to the attached "Findings of Fact and Record of Decision"

Ward: 5

Neighborhood Notification: See attached "Findings" Exhibit C

City Goals: Not applicable, this process and decision is mandated by the EQB rules.

Comprehensive Plan: Not applicable

Zoning Code: Not applicable

Living Wage/Job Linkage: Not applicable

Other: Not applicable

Background and Supporting Information: Refer to the EAW (distributed on 6/20/05) and attached "Findings of Fact and Record of Decision."

Attachment: Draft Findings of Fact and Record of Decision for the Proposed Eclipse Condominium Project at 240 and 258 Hennepin Avenue

FINDINGS OF FACT AND RECORD OF DECISION

ENVIRONMENTAL ASSESSMENT WORKSHEET

For the Eclipse Condominium Project

240 and 258 Hennepin Avenue in the City of Minneapolis,
Hennepin County, Minnesota

Responsible Governmental Unit: City of Minneapolis

Responsible Governmental Unit

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Proposer

Shamrock Development
Sue Makredes
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Minneapolis, MN 55401
612 685-7900
612 333-0533
makredes@attglobal.net

Final action (refer to Exhibit E): Based on the Environmental Assessment Worksheet (EAW), the “Findings of Fact and Record of Decision,” and related documentation for the Eclipse Condominium Project, the City of Minneapolis, on August 19, 2005, approved the following findings, made a “Negative Declaration on the need for an Environmental Impact Statement” (EIS), and did not require the preparation of an EIS for the proposed Eclipse Condominium Project at 240 and 258 Hennepin Avenue:

1. The EAW, the “Findings of Fact and Record of Decision” document, and related documentation for the Eclipse Condominium Project were prepared in compliance with the procedures of the Minnesota Environmental Policy Act and Minn. Rules, Parts 4410.1000 to 4410.1700 (1993).
2. The EAW, the “Findings of Fact and Record of Decision” document, and related documentation for the project have satisfactorily addressed all of the issues for which existing information could have been reasonably obtained.
3. The project does not have the potential for significant environmental effects based upon the above findings and the evaluation of the following four criteria (per Minn. Rules, Parts 4410.1700 Subp. 7):
 - Type, extent, and reversibility of environmental effects.
 - Cumulative effects of related or anticipated future projects.
 - Extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority.
 - Extent to which environmental effects can be anticipated and controlled as a result of other environmental studies undertaken by public agencies or the project proposer, or of environmental reviews previously prepared on similar projects.
4. The finding by the City that the EAW is adequate and no EIS is required provides no endorsement, approval, or right to develop the proposal by the City and cannot be relied upon as

an indication of such approval. This EAW conclusion allows the proposer to formally initiate the City's process for considering the specific discretionary and ministerial approvals necessary for redevelopment, and for the City in this process, informed by the record of the EAW, to identify and encourage the elements for compatible redevelopment, and assure their implementation at this site.

I. ENVIRONMENTAL REVIEW AND RECORD OF DECISION

The City of Minneapolis prepared a Mandatory Environmental Assessment Worksheet (EAW) for the Eclipse Condominium Project according to the Environmental Review Rules of the Minnesota Environmental Quality Board (EQB) under Rule 4410.4300 subpart 19, Residential Development, D. The project includes the development of more than 375 attached housing units. Exhibit A includes the project summary, and Exhibit B includes the Record of Decision.

II. EAW NOTIFICATION AND DISTRIBUTION

On June 20, 2005, the City caused the EAW to be published and distributed to the official Environmental Quality Board (EQB) mailing list and to the project mailing list. The EQB published notice of availability in the *EQB Monitor* on June 20, 2005. Exhibit C includes the public notification record and these mailing lists.

III. COMMENT PERIOD, PUBLIC MEETING, AND RECORD OF DECISION

Exhibit D includes the comment letters received. The Zoning and Planning Committee of the Minneapolis City Council considered the EAW and the "Findings of Fact and Record of Decision" document during its August 11, 2005 meeting. Notification of this public meeting was distributed via the City's standard notification methods and to the official list of registered organizations (refer to Exhibit C).

IV. SUBSTANTIVE COMMENTS RECEIVED AND RESPONSES TO THESE COMMENTS

The City received two written comments during the public comment period from the following:

1. Minnesota Pollution Control Agency, July 15, 2005
2. Metropolitan Council, July 18, 2005

The following section provides a summary of these comments and responses to them (Exhibit D includes the letters).

1. Minnesota Pollution Control Agency

Comment: Confirms the requirement of a NPDES Construction Stormwater Permit, as noted in section 8 of the EAW.

Response: Section 8 of the EAW, “Permits and Approvals Required” notes this permit has been applied for and granted by the MPCA.

2. Metropolitan Council

Comment: Sanitary sewer connection plans . . . need to be submitted to both the MPCA and the MCES for review and permit.”

Response: Noted for the record

Comment: Surface Water Runoff, the design of the facilities, while meeting the standards of the City, may not meet the efficiency recommendation of the Metropolitan Council, but with the green roof, will significantly improve the runoff water quality over existing conditions.

Response: Noted for the Record

Comment: The developer is requested to contact Metro Transit to assure sufficient sidewalk space for the present bus stops on each of the three sides of the block will be maintained.

Response: The developer has confirmed they will contact the identified Metro Transit staff member for this discussion.

V. ISSUES IDENTIFIED IN THE EAW

The EAW identified the significant issues for this project as those relating to the traffic impacts during construction (which were also noted in Metropolitan Council comment on the bus stops surrounding the site), dust and noise during construction, and the change in the shape of the City's skyline in this part of downtown Minneapolis.

VI. COMPARISON OF POTENTIAL IMPACTS WITH EVALUATION CRITERIA

In deciding whether a project has the potential for significant environmental effects and whether an EIS is needed, the Minnesota Environmental Quality Board rules (4410.1700 Subp. 6 & 7) require the responsible governmental unit, the City in this case, to compare the impacts that may be reasonably expected to occur from the project with four criteria by which potential impacts must be evaluated. The following is that comparison:

A. Type, Extent, and Reversibility of Environmental Effects

The environmental effects identified in the EAW and the comment letters are visual or localized, transitory, and non persistent.

B. Cumulative Effects of Related or Anticipated Future Projects

The site is not in one of the three “Downtown Neighborhoods” where the City’s comprehensive plan, the *Minneapolis Plan*, encourages new housing. Residential

development at this site, however, is consistent with the overall residential objectives of the plan and the experience of recent proposals to expand residential opportunities downtown. No future project or phase not already addressed in the EAW are related to this project, and no significant environment effects are predicted by the development of this project or other anticipated residential projects in downtown.

C. Extent to Which the Environmental Effects are Subject to Mitigation by Ongoing Public Regulatory Authority

The City has discretionary authority through its land use approval process, and the City and State have ministerial authority through the permit approvals required for this project, to address, mitigate or avoid the environmental effects identified in the EAW and the comment letter.

D. Extent to which Environmental Effects Can be Anticipated and Controlled as a Result of other Environmental Studies Undertaken by Public Agencies or the Project Proposer, or of Environmental Reviews Previously Prepared on Similar Projects.

The construction of another residential building in the downtown of a central city follows many precedents, and is a known event with known effects.

VII. DECISION ON THE NEED FOR AN ENVIRONMENTAL IMPACT STATEMENT

Based on the EAW, the “Findings of Fact and Record of Decision,” and related documentation for the above project, the City of Minneapolis, on August 19, 2005, approved the following findings, made a “Negative Declaration on the need for an Environmental Impact Statement,” and did not require the preparation of an EIS for the proposed Eclipse Condominium Project at 240 and 258 Hennepin Avenue:

1. The EAW, the “Findings of Fact and Record of Decision” document, and related documentation for the Eclipse Condominium Project were prepared in compliance with the procedures of the Minnesota Environmental Policy Act and Minn. Rules, Parts 4410.1000 to 4410.1700 (1993).
2. The EAW, the “Findings of Fact and Record of Decision” document, and related documentation for the project have satisfactorily addressed all of the issues for which existing information could have been reasonably obtained.
3. The project does not have the potential for significant environmental effects based upon the above findings and the evaluation of the following four criteria (per Minn. Rules, Parts 4410.1700 Subp. 7):
 - Type, extent, and reversibility of environmental effects.
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4. The finding by the City that the EAW is adequate and no EIS is required provides no endorsement, approval, or right to develop the proposal by the City and cannot be relied upon as

an indication of such approval. This EAW conclusion allows the proposer to formally initiate the City's process for considering the specific discretionary and ministerial approvals necessary for redevelopment, and for the City in this process, informed by the record of the EAW, to identify and encourage the elements for compatible redevelopment, and assure their implementation at this site.

Exhibits:

- A. Project Description
- B. Record of Decision
- C. Public notification record
- D. Comment letters
- E. Council/Mayor action

EXHIBIT A

Project Description

The proposed Eclipse Condominiums Project is new construction of two multi-family, owner-occupied residential buildings with commercial space on the first floor. There will be approximately 16,810 sq. ft. of commercial space, 503 residential units, and 908 enclosed parking spaces at completion. A landscaped plaza will be provided at the corner of Hennepin and Washington Avenues, and a green roof will occupy a large portion of the 5th floor. Above the sixth floor, the two residential towers will be separated laterally by approximately 40 feet. The project will be built in two phases: Phase One is planned to begin construction this year and is anticipated to take 2 years to complete. Construction of Phase Two will follow the completion of Phase One.

Phase One is designed as a 458,733 sq. ft., 24-story building occupying 42,197 sq. ft. of the 69,481-sq.-ft. site. Phase One will contain 180 residential units and approximately 6,610 sq. ft. of commercial space on the first floor. This phase will be served by 483 parking spaces occupying 253,294 sq. ft. above and below grade. The below-grade parking will include 166 of the parking spaces, and 317 spaces will be enclosed above grade on the first 5 floors of the building. The first floor will contain only commercial space and parking. There will be a combination of residential units and parking on the second through fifth floors, and floors 6 to 24 will contain only residential units. The 6th floor includes the majority of the building amenities such as the pool, community room, exercise room, putting green and meeting room.

Upon completion of Phase One, the Dolphin Staffing building will be demolished and construction of Phase Two will begin. Phase Two is designed as a 788,790 sq. ft., 32-story building occupying the remaining 27,384 sq. ft. of the site. Phase Two will contain 323 residential units and approximately 10,200 sq. ft. of commercial space. The first floor will contain the commercial space and parking. Phase Two will be served by 425 parking spaces occupying 188,510 sq. ft. above and below grade. The Below-grade parking will have the capacity for 250 spaces, and 341 spaces will be the sole use in floors 2 through 4. Floors 5 to 32 will contain only residential units.

The exterior of both towers will consist mostly of curtain wall with tinted vision and spandrel glass, which will be uniform for both towers. Both towers will also have consistent exterior stone accents with the Phase Two tower having more exterior stone accent than the Phase One tower. The exposed two-story columns at the street level portions of the north walls at the base and accent bands on Phase Two will be limestone veneer. There will be semi-recessed and protruding balconies with glass railings to match the curtain wall. The roofs will all be flat with the green roof at the 5th floor.

EXHIBIT B

**Environmental Review Record for the Eclipse Condominium
Project Environmental Assessment Worksheet**

**CHRONOLOGY IN COMPLIANCE WITH THE PROCEDURES OF THE MINNESOTA
ENVIRONMENTAL POLICY ACT
(Future expected events in *italics*)**

DATE	ITEM
6/17/05	City staff distributes EAW to official EQB mailing list and Official Project List.
6/21/05	Minnesota Environmental Quality Board (EQB) publishes notice of availability in <i>EQB Monitor</i> . 30-day comment period commences.
7/20/05	End of EAW public comment period.
8/11/05	<i>Zoning and Planning Committee (Z & P) of the City Council considers the “Findings of Fact and Record of Decision” report, provides recommendation to the City Council.</i>
8/19/05	<i>City Council approves Z & P Committee recommendation and makes a finding of Negative Declaration: EAW is adequate and no EIS is necessary.</i>
8/25/05	<i>Mayor approves Council action regarding EAW</i>
8/27/05	<i>City publishes notice of Council/Mayor decision in Finance and Commerce. Moratorium on issuance of final permits lifted.</i>
8/22/05	<i>City publishes and distributes Notice of Decision and availability of final “Findings” report to Official EQB List and the Official Project List</i>
9/2/05	<i>EQB publishes Notice of Decision in EQB Monitor.</i>

EXHIBIT C

Public Notification Record **(Future expected events in *italics*)**

The following describes the public notification process of the Planning Division for the EAW prepared for the proposed Eclipse Condominium Project at 240 and 258 Hennepin Ave.:

1. The City maintains an updated list based on the Official Minnesota Environmental Quality Board (EQB) Contact List. The list used for the Eclipse Condominium Project EAW is attached. All persons on that list were sent copies of the EAW. The Planning Division also distributed copies of the EAW to the City Council and Mayor, certain City staff and the City Attorney's Office, and others who have expressed interest in the project.
2. The City posted a copy of the EAW on the City's web site.
3. The Minneapolis Communications and Public Affairs Office submitted a press release to the *StarTribune* newspaper on 6/20/05 for immediate publication. The press release provided a notice of the availability of the Eclipse Condominium Project EAW, the dates of the comment period, the process for receiving a copy of the EAW (including the City's web site address), and the process for providing comment.
4. *The Planning Division distributed the Notice of Decision with information regarding the final "Findings" document to the Official EQB Contact List and the project list.*
5. *The EQB published the Notice of Decision in the EQB Monitor on 6/20/05.*

Attached:

Official EQB Contact List
Project List
Press release

EXHIBIT D

Comments Received on the Eclipse Condominiums Project EAW

Comments were received from:

1. Minnesota Pollution Control Agency, July 18, 2005
2. Metropolitan Council, July 18, 2005

A copy of each written comment follows.

EXHIBIT E

Council /Mayor Action