

**TOUR AND MEETING FOR PROPOSERS
2225 E LAKE REDEVELOPMENT SITE
SEPTEMBER 16, 2010**

Dollie Crowther, Principal Project Coordinator for CPED and lead for this project welcomed the group. Mark Bollinger, Property Director for Minneapolis Public Schools spoke and answered several questions. Bollinger reported that the Board has chosen to close several school sites due to declining enrollment. The School District wants to sell this site but wants to maintain a small presence here.

Question: Does the District have a minimum price for the property?

Answer: No minimum price has been established, but the schools want as much as possible for the property. The Board will ultimately decide.

Question: Can you explain who is filling up the parking lot today?

Answer: The parking lot behind the building is used by Metro Transit's light rail park and ride customers. The existing tenants of Adult Basic Education, the Welcome Center, and Success Academy are not permanent. There is a lot happening on the site. Success Academy will not be a long term tenant at the site, but would like to keep ABE and the Southside Welcome Center.

Question: What is the Southside Welcome Center?

Answer: A variety of programs are offered to new students of any of the district's southside schools. These programs include registration, testing, and assessing special education and special needs students.

Question: Would the District want to lease or own its space for ABE and the Welcome Center?

Answer: The School District is open, and is asking for proposers to suggest the approach. A condominium option is acceptable. If a much higher property value is offered without a school presence on the site, the District is open to that as well.

Eric Gustafson of the Corcoran Neighborhood Association welcomed the group. He noted the neighborhood is very participatory, and encouraged everyone to come down on a Saturday to observe the farmers market. He noted that the "mission driven" non-profit has focused on planning certain key sites, such as this one. Gustafson noted that a CURA report will be completed soon which covers parking demands and potential shared parking with existing users in the context of redevelopment.

Question: What is the zoning for the property?

Answer: The zoning is rather flexible with C3A zoning. There is a Pedestrian – oriented Overlay District on this site as well so transit station rules also apply.

Question: What role does the City/CPED play in this project?

Answer: The City of Minneapolis, through the Community Planning and Economic Development (CPED) department, has a unique role. CPED is working as a consultant to the School District to sell the property. CPED staff also play more regular roles through planning, regulatory, and intermediary activities for the redevelopment.

Question: Are the two single family owners of homes on the block aware of the development pressure?

Answer: The Corcoran Neighborhood Assn. staff talked to one of the two property owners some months ago.

Question: What is the situation regarding possible parking arrangements with the YMCA?

Answer: The Corcoran Revival Plan contemplated shared structured parking with the YMCA when the School District's 2225 East Lake site is developed. CURA is completing a parking study now. The hope of the study was to identify the quantity and timing of parking demand that can be shared by different institutional users. A round table of developers several weeks ago raised the point that developers don't want to build and finance structured parking. Leveraging and sharing resources would be desirable.

Question: What is the priority for housing funding at this site?

Answer: Resources are tight. This site is strategically located for multi-family housing. A developer will likely need to seek housing funds from multiple public sector agencies. It will take multiple funding cycles and it will be more feasible to construct housing in phases in order to secure enough funds to close any gaps. Any housing project will have to meet program guidelines. The entire funding process is very competitive, and the City cannot direct funds unilaterally. The City has an ample supply of housing revenue entitlement bonds available.

Question: Will tax increment financing be available?

Answer: The City will do financial underwriting of the project. The City may consider TIF for the large redevelopment this represents.

Question: Will the School District be flexible on terms, given the current real estate market?

Answer: The District will not be able to provide seller financing. The District can consider the timing (phasing) proposed for property acquisition as it impacts on the total price. The School District has learned from the recent Northrup and Howe school sites the value/cost relationship.

Dollie Crowther noted that the Farmers Market is an important element of this redevelopment project. With intense vertical development, its important to provide balance for community open space. Eric Gustafson noted the Midtown Market has a niche as accessible, popular, offering all local produce. This use is not exotic, as Milwaukee, Austin, and other cities have similar markets.

A walking tour of the property was led by Paul Mogush. Mark Bollinger commented that the School District had done an evaluation of the existing building with reports available to interested parties.

The proposals to the RFP are due to CPED on November 1, 2010.