

QUESTION AND ANSWER DOCUMENT

1215 Marshall Street N.E. 2009 RFP

Questions November 2009 -

Q: Can the building be reopened once more prior to the RFP deadline?

A: The building will be open and available for another walk through from 1:30 to 3:30 on Tuesday, December 1.

Questions October 2009 -

Q: Is it possible to arrange for a building tour or Q&A with staff (as was arranged for the July submission)?

A: The building will be open and available for a walk through at 2:00 PM on Tuesday, November 10th . We are not scheduling another Q&A with staff.

Previously asked questions, July 2009 and earlier

Q: How much water collects in the basement?

A: It varies. Wednesday, June 24 was rainy and a wet-vac collected approximately 10 gallons. Thursday the amount was approximately four gallons. Some weeks when it is dry it may only be one to two gallons for the entire week.

Q: Is there a sump pump?

A: Yes.

Q: Does the building's air conditioning work?

A: There is no air conditioning installed.

Q: Does the currently identified 34 car spaces that are part of the building's sale limit uses allowed for the building?

A: Yes – Proposers will need to check with the City's zoning staff to see how many parking spaces would be required for your intended use and ask about variance procedures if the 34 spaces were insufficient for the use. Zoning inquiries are fielded in person at Minneapolis Development Review Center on the third floor of 250 So. 4th Street (<http://www.ci.minneapolis.mn.us/mdr/>) (phone (612) 673-3000). Or, you may ask to speak directly to the Principal Planner involved with this project: Jim Voll, Principal City Planner, CPED Planning Division, Telephone (612) 673-3887.

Q: Can some of the interior be demolished?

A: Proposers will need to check with the City's Heritage Preservation staff at Room

300, Public Service Center, 250 South 4th Street or call John Smoley at 612-673-2830 to discuss your specific, detailed plans for interior demolition.

Q: What did it cost to heat the building last year?

A: Approximately \$5,000.

Q: Is the abatement eligible for state grants?

A: Abatement grant funds would require an application in 2010 and preparation of a Remediation Action Plan. DEED Redevelopment Grant money could be another potential source and that grant has an upcoming funding cycle, starting August 2.

Q: What was in the tanks that were removed in 1989?

A: Fuel oil

Q: Does the smell in the basement mean the groundwater is polluted?

A: We don't have any evidence of contaminated groundwater in this area. Testing the groundwater can be part of a prospective developer's due diligence on the property if desired.

Q: Is the parcel adjacent to Office Building available for development too?

A: No, that parcel is planned for multifamily ownership housing development and the corner at Marshall and 13th will become a plaza that interprets the Orth Brewery foundations (original brewery site of the entire Grain Belt properties).

Q: What is the housing capacity for the adjacent parcel?

A: Estimated at 100-120 units of homeownership housing with some retail. The Orth foundation ruins underground will require that a plaza at 13th and Marshall be undeveloped in order to preserve the ruins.

Q: Explain the need to rezone the property.

A: A small portion of the Office Building parcel for sale is zoned R-5 (residential) with the remainder of the parcel zoned C-1 (commercial). Split zoning lots are not permitted in the City of Minneapolis, so therefore the parcel will be rezoned to either C-1 or C3A to resolve the residential/commercial zonings on this site. The adjacent property (reserved for future housing development) will retain the R-5 zoning. The zoning category C-1 allows for less intensive uses than the C3A category but C3A is a possibility since this parcel is within an Activity Center, a land use designation within the City's comprehensive plan that supports high-intensity neighborhood commercial and entertainment uses. The City will undertake this rezoning action and does not expect financial participation from proposers for this action, though proposed uses will be considered in determining the proposed zoning district. Zoning review will occur with the plat review by City Planning Commission.

Q: Will the parking area and driveway easement interfere with the promenade?

A: No

Q: Are 34 cars spaces enough?

A: The required number of car spaces depends primarily on the use intended for the property. For example, it is possible that 34 spaces would be enough for a small charter school or a small café but not sufficient for a reception hall or entertainment center. Shared leased parking on nearby privately-owned sites may be a possibility and transit incentives may reduce the required spaces of parking for a specific use. The City of Minneapolis recently modified its parking requirements, generally reducing the number of spaces required.

Q: Will other zoning changes be made to parcels in the Sheridan Neighborhood?

A: A large area surrounding the upper Mississippi River addressed in The [Above the Falls plan](#), adopted in 2000, is slated for a rezoning study in 2009 and 2010. Zoning changes consistent with the plan's policy guidance will be proposed to the City Planning Commission and City Council following the study.

Q: What funding sources might be available for this project?

A: Several public sources of funding are available that may provide development assistance with this project. The following is a fairly complete, though not exhaustive list:

Historic Tax Credit - Because the property is listed on the National Register of Historic Places, redevelopment construction is eligible for an Historic Tax Credit for 20% of qualifying rehabilitation activities, subject to review by the State Historic Preservation Office and the Department of the Interior.

City of Minneapolis Great Streets gap financing – The City of Minneapolis has loan funds at favorable rates for catalytic commercial redevelopment projects in designated commercial districts. The Grain Belt Office Building is in an area eligible for Great Streets gap financing. The program is used to fill gaps remaining in project financing due to bank loan to value requirements and equity return expectations. Loan applications are available online; loans through the program must be approved by the Minneapolis City Council.

Business Finance loans – The City of Minneapolis also provides a set of loan products for business and development. More information at http://www.ci.minneapolis.mn.us/cped/docs/BF_Matrix_Loan_Programs.pdf

Brownfields program – Several local and regional agencies provide grant dollars for environmental remediation through grant rounds coordinated by the City of Minneapolis each spring and fall. More information can be found at <http://www.ci.minneapolis.mn.us/cped/brownfields.asp>.

Hennepin County's Transit Oriented Development grant program – Hennepin County gives development grants to development projects located on primary transit lines each spring for the following construction year. A link to program

information can be found at

http://www.ci.minneapolis.mn.us/cped/business_assistance.asp

Q: Will there be park area with parking availability along the river?

A: The park at the river is being developed by the Park Board. The project includes demolition of two building additions to the historic Warehouse building to allow for a connection of Water Street to 14th and 13th Avenues. The Park Board is currently assembling project financing.

Q: Is a storm sewer required?

A: All of the building's stormwater, including that collected in window wells, currently flows into the City's sanitary sewer system, a condition that must be remedied. A sump and pump system will likely be necessary to treat some of the water infiltration into the building.

There are multiple ways to resolve the storm water and water infiltration. The developer will need to work with their engineer, City Regulatory Services and City Public Works to develop a stormwater and drainage plan. Most stormwater plans will require careful review of exterior alterations by the State Historic Preservation Office and the City Heritage Preservation Commission.

Q: Would the City consider disposition of the Grain Belt Office Building through a long-term lease mechanism, such as to a community land trust?

A: The City's preference is to return this property to the tax rolls through an outright sale. However, the City's primary objective is to reactivate this historic property and encourage commercial activity at this location. If a proposal were submitted for a lease structure rather than a sale, the City would consider that proposal.

Q: What kinds of modifications can be made to the building? For example, is there any requirement to reuse the skylight? What type of historic review will be required for modifications to the structure?

A: No. Even so, that feature, even though boarded, is from the period of historic significance and would need to be retained. Some interior changes will require review by the City Heritage Preservation Commission, while others may be approved administratively. A consultation with HPC Staff will be necessary to determine the significance of various interior features. If the developer wishes to utilize Historic Tax Credits to finance the redevelopment, the State Historic Preservation Office and Department of the Interior will review all construction documents.

Q: What is the City's general process for sale?

A: Once a developer is identified through the proposal review process conducted by City staff with neighborhood and business community engagement, the City Council will authorize staff to negotiate a redevelopment agreement with the developer.

Sale of the property is contingent upon approval by the Minneapolis City Council. The Council will review the entire project including requests for public assistance, the proposed use of the building, the sale price, and the financial capacity of buyer. As a condition of sale, the developer will enter into a binding redevelopment contract with the City, outlining the expected development parameters and timeframe. If the developer does not perform according to the conditions of the redevelopment contract, the City may exercise its rights to take the property back into the City inventory.

Q: What steps has City taken to maintain the Office Building?

A: Over the past 10 years the building has been vacant. We have minimally heated the building in the winter to avoid freeze-thaw damage. Water infiltrating the basement is removed continuously as needed and the sandbags are replaced as needed. **Daily inspections are routine.** Security features and fire sprinklers have been installed.