

Parcel "A" Pre-proposal Meeting

Thursday, January 31, 2008 – 2 p.m.

Crown Roller Mill Conference Room 3

Overview

Introductions of staff present: Carrie Flack, CPED Business Development; Shelley Roe with the City Attorney's Office; Beth Elliott with CPED Community Planning; Janelle Widmeier with CPED Development Services; Brian Schaffer with CPED Heritage Preservation Commission staff; Donald Pflaum with the Public Works Department, and Ann Calvert with CPED Business Development. Also present were Craig Kupritz and Beryl Miller with Mill Place.

Carrie Flack highlighted a few items from the RFP.

- Parcel A is located between 3rd Avenue South and 5th Avenue South along 2nd Street South and is approximately 2 acres in size.
- Currently the site consists of 2 parcels that are bisected by a parcel owned by Mill Place. The City has reached an agreement with Mill Place for a land exchange that would allow for contiguous street frontage and the possible configuration of 1 single parcel. A map attached to the RFP showed a possible solution to how this land exchange might be configured. The City is seeking proposals that will allow for this land exchange to take place.
- A goal of the City's is to provide further access to the Riverfront. The City is seeking proposals that will provide a pedestrian and bike path ideally following the old vacated railroad right of way under the First Street bridge adjacent to Mill Place to 1st Street South which could then be extended to the River through the former Fuji Ya site. The final land exchange with Mill Place will need to provide appropriate easements to facilitate this goal.
- One of the challenges for this site consists of adhering to the parking agreement between City and the Crown Roller Mill and Ceresota Mill Buildings. This agreement requires that 200 parking spaces be provided on this parcel until 2022 and is posted on the City's website.
- Some preliminary environmental testing has been done on this site that indicates the soil will need to be remediated. That report is included on the website as well. The City has had much success in this area in obtaining brownfield grants from the State DEED office, the County and Metropolitan Council and the City will be willing to seek those grants for this site as requested by the selected developer.
- The RFP notes that the zoning for this site, which is C3A, and the adopted master plan for this site conflict with respect to height. The City has strongly emphasized height with respect to the Historic Mills District Master Plan which recommends a height of 4-5 stories or 63 feet for this site.
- Page 6 of the RFP outlined the specific street design elements which include the standard acorn pedestrian lights that are being used in this area along with the requirements for boulevard and sidewalk widths.
- Proposals should also give consideration to incorporating design elements that will: a) allow any structures to achieve L.E.E.D. certification, and b) reduce the quantity of and improve the quality of stormwater runoff from the parcels. Strong consideration also should be given to including rooftop gardens and green spaces, particularly along the historic rail corridor.
- Please be reminded that the submission deadline is February 28, 2008. In addition to the items briefly mentioned, the City will be looking to select a proposal that is able to clearly demonstrate the financial wherewithal to construct their proposed project. Given

the current market, the City is particularly sensitive to this component of the RFP and all proposals should be as thorough as possible with respect to this requirement of the proposal.

General Questions from meeting attendees

Q: The City has placed limits on the height of development proposals in the RFP; why are these limits less than that of the Carlyle development adjacent to the site? Did the Carlyle receive a waiver for height limitations in the St. Anthony Falls Historic District and the Historic Mills District Master Plan?

A: There are a number of reasons that the City has placed limits on the height of development proposals including following the adopted Historic Mills District Master Plan, to conform to the context of the historic Milwaukee Depot property and because the City (as seller of the real estate) has chosen to limit the height of this development. The Carlyle did not receive a waiver; it is in a different sub-district of the St. Anthony Falls Historic District that allows for heights similar to those of the Carlyle. The Carlyle is not located within the boundaries of the Historic Mills District Master Plan.

Q: Based on the EAW for the Carlyle, there was mention of a sub-district that required height limits therefore the Carlyle required a waiver for the height. Is that height limit based on the federal district?

A: The Carlyle did not receive a height waiver. There are many sub-districts in the St. Anthony Falls Historic District design guidelines; staff will prepare additional information on these districts and how they impact height of development. Height limitations for Parcel "A" are a seller's (City) requirement.

Additional information from staff

Parcel A is located in sub district E: Right (West) Bank Milling District of the St. Anthony Falls Historic District. The maximum height allowed in this sub district of the St. Anthony Falls Historic District is stated as no higher than that of the existing silo-mills in the area. The Carlyle is located in sub district D: South First Street District and there are no height requirements stated for sub district D. The two sub districts have entirely different guidelines and contexts and the approvals granted for a project in one sub district do not set precedence for projects in other sub districts.

The Historic Mills District Master Plan, which does not include the Carlyle site, provides more specific City adopted requirements for height on the subject site, which is 4-5 stories or 63 feet. Height limitations for Parcel "A" are a seller's (City) requirement.

Q: Please comment on the status of development on the former Fuji-Ya site?

A: The property is owned by the Minneapolis Park and Recreation Board, not the City of Minneapolis, so City staff has only tangential knowledge of the development. To the best-of-our knowledge, we understand that there is a development proposal that was selected by the Park Board and that a purchase agreement was signed, but a closing never took place and there currently is litigation on the property. The proposal went through environmental review, but was not presented to the Planning Commission for approval.

Q: What will happen to the north-western point of the eastern section of the development parcel?

A: It is the intention of the City to work with the adjacent property owner in the discussions for a land swap to square-off the site and that portion is likely to be a part of the property “swapped” with the adjacent property owner.

Q: Will the City prohibit building on the historic railway portion of the property?

A: No. However the City desires a trail connection from 2nd Street through the site that can, some day, connect to the river under the bridge on 1st Street.

Q: Will the adjacent property owner that the City is in negotiations for a land swap receive an easement from the City to cross Parcel “A”?

A: Yes, to access the rear of the Mill Place building.

Q: What are the details of the land swap?

A: The City has no signed agreement with the adjacent property owners. There is agreement to swap land, and the desired negotiations will occur between the selected developer, the adjacent property owner, and the City.

Q: What is the current parking at Mill Place?

A: 200 stalls on Parcel “A”.

Q: Will the selected developer have to provide parking for Mill Place tenants on Parcel “A”?

A: No.

Q: What is the current parking capacity on Parcel “A”?

A: 400 vehicles.

Q: Given 400 stalls of current parking and high bedrock isn't it difficult to limit the development community to 5 stories?

A: To clarify – the selected development only needs to provide for the 200 spaces leased to the Crown and Ceresota, plus whatever parking is needed for the new development. The 200 spaces for the Mill Place project will be accommodated on the parcel to be swapped to Mill Place. Proposer's are encouraged to talk with the lessee, Paul Ravich of Canal Street Limited Partnership about potential solutions.

Q: Will the revenue from the parking that any development proposal must protect for Crown Roller Mill go to the selected developer?

A: Yes.

Q: Is the rate which the developer may charge for parking market rate? And is that based on any index or escalator?

A: Yes. The market rate is not based on any index or escalator. No future rates have been determined.

Q: Will Mill Place receive permission to install a curb cut on 3rd Avenue mid-block between 1st and 2nd Streets?

A: Permission is expected but not yet approved.

Q: Will the City's land to be conveyed to the adjacent property owner through the swap be large enough to accommodate 200 vehicles? If not, how will Mill Place accommodate demand?

A: No. Mill Place ownership plans to build a ramp.

Q: What constitutes mixed use?

A: More than one use. The City would like to see multiple uses in the proposed development with any retail uses closer to 3rd Avenue.

Q: What are the environmental contaminants on the Parcel "A" site and what level of remediation is needed?

A: Staff has provided the environmental report on the website.

Q: Does the update to *The Minneapolis Plan* have any specific guidance for Parcel "A"?

A: No there is no specific guidance for the parcel in the comprehensive plan, except land uses like most of downtown. There are more specifics for the site in the small area plan *Historic Mills District Master Plan*.

Q: Will the City accept variable building heights to achieve an average of 63 feet? What about height increases along 2nd Street in excess of 63 feet?

A: Staff will evaluate development proposals on the criteria listed in the RFP, one of which is height, not to exceed 63 feet. Staff desires to maintain proportionality with the historic Milwaukee Road Depot property and Mill Place.

Q: What are the thresholds for a Travel Demand Management ("TDM") plan and will one be required for this project. Will the proposed developer be required to install additional traffic controls at 2nd Street and 5th Avenue?

A: The zoning code requires a TDM for projects with 100,000 square feet or more, however Public Works has discretion to require a TDM for any project. Based on the location of the project and anticipated size of the development, a TDM will likely be a requirement for the developer. Additional traffic controls may be required at 2nd Street and 5th Avenue based on increases in traffic that the development is likely to create.

Q: Will the City require the developer to pay for additional traffic controls if the increase in traffic is based not only on what will be proposed for Parcel "A" but also other developments within the district?

A: The need for additional traffic controls and the responsibility to pay for such will need to be determined after there is a development concept.

Q: Has MnDOT waived its prohibition for a curb cut on 3rd Avenue (TH 65)?

A: Minneapolis Public Works has discretion on curb cuts on Trunk Highways within the City Limits, no waiver is necessary.

Q: Does environmental remediation funding count as Public Financial Assistance therefore triggering additional City and other governmental regulations?

A: No, not if it is a pass-through of non-City funds.

Q: What does count as Public Financial Assistance?

A: Most other financial assistance from the City, including but not limited to, land-sale price reductions from “fair-reuse value,” financing at below market rate, tax-increment financing, and grants.

Q: How much Tax-increment is left within the current district that may be available for the Parcel “A” project?

A: The parcel is currently in the Industry Square Tax Increment District, which is within Minneapolis’ Common Project Tax-Increment Financing (“TIF”) district. No current increment is available for the Parcel “A” development, as all increment from the Industry Square project is committed to debt service. If the selected developer has interest in obtaining TIF assistance and TIF is determined to be an appropriate and available financing tool, then the City would need to decertify the parcel from the Common Project, with approval of the insurer of Common Project TIF bonds, and recertify the parcel as TIF eligible with current tax basis. Parcel A will automatically decertify from the Common Project August 1, 2009.

Q: Will the development of Parcel “A” be able to have shared access with the Mill Place curb cut on 3rd Avenue?

A: That is something that can be a topic of discussion during the negotiations for the land swap.

Q: Has the City prepared any title work?

A: No. The City has old title work but no updated work for this offering, as yet.

Q: Does the City have a certified survey of the site?

A: No, because the parcel boundaries are subject to the land swap with the adjacent property owner. The City will produce a certified survey prior to sale to the selected developer.

Q: Does the City have a survey from its original acquisition of the site? Can developers obtain a copy?

A: Yes, due to the inability to reproduce the original survey, it will be available for review at CPED office in the Crown Roller Mill.

Q: Will the City provide clean title to the property at time of sale?

A: Yes.

Q: Will the community have input on the design of the selected development?

A: Yes, at a community meeting and there likely will be two public hearings: one in front of the Community Development Committee related to the land sale and another in front of the City Planning Commission related to whatever land use approvals are needed for the project.

Q: Is it staff's intent to have neighborhood input on the selected development prior to selection?

A: It is not the intent it is the policy to have neighborhood input on the development.

Q: Any expectation that the schedule for the RFP and developer selection will change.

A: No.