

# SCOPING DECISION DOCUMENT

## For the

# PILLSBURY A MILL COMPLEX PROJECT

# ENVIRONMENTAL IMPACT STATEMENT

The Environmental Impact Statement (EIS) is for the Pillsbury A Mill Complex Project, which is bounded on the north and south respectively by 2nd Street SE and Main St. SE, and on the east and west respectively by 3rd Avenue SE and 6th Avenue SE.

### **Responsible Governmental Unit**

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**Purpose:** After the City of Minneapolis prepared an Environmental Assessment Worksheet (EAW) for the Pillsbury A Mill Complex Project (Project), the Minneapolis City Council and the Mayor ordered the preparation of an Environmental Impact Statement (EIS) for the Project (7/8/04). This document is the Scoping Decision Document for the EIS. It describes the issues, impacts, and the alternatives to be addressed in the EIS; the expected schedule for completion; and any studies that are necessary. It has been prepared consistent with Minn Rules 4410.2100 Subp. 6.

### **A. The issues and impacts to be addressed in the EIS**

This section will identify the essential elements of the St. Anthony Falls Historic District, allowing the testing of the Alternatives defined herein for impact on these essential elements and providing a comprehensive analysis of the overall impacts of the entire project on the historic district.

1. **Project description:** The EIS will include a comprehensive description of the Project including all of its phases and all of the Alternatives identified herein.
2. **Description of the historic resources in the area:** The EIS will include a detailed statement describing the archaeological, historical, and architectural resources in the area, including a description of the nature and character of the St. Anthony Falls Historic District (District), focused on this sub-area of the District.
3. **Implementation of the Secretary of the Interior's Standards:** The EIS will identify how the Project implements the recommendations contained in the Secretary

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of the Interior's Standards for Rehabilitation and the guidelines adopted by the Minneapolis Heritage Preservation Commission (HPC).

4. **Historic impact analysis:** The EIS will evaluate the cumulative visual and functional impacts of all phases of the Project (including demolition and new construction) on all of the historic resources on the site and proximate to it, including the following:
  - Describe the Project's effects of siting, height, design, massing, and scale related to all phases of the Project.
  - Describe the Project's impacts on views—
    - to, from, and of the River within the St. Anthony Falls Historic District;
    - to, from, and on both the east and west banks of the District; and
    - on the east and west banks of the River contained within the Mississippi National Recreation Area, the Mississippi River Critical Area, and the City's Shoreland Overlay District, on resources across the river and historic elements such as tunnels and raceways.
  - Analyze the Project's impacts, if any, on infrastructure on the historic sluice ways and mill races under the A Mill and Main Street related to all phases of the project.
  - Describe the cumulative impacts on historic resources of the Project in addition to the other know actions in the immediate area, including the Phoenix Lofts project<sup>1</sup> and 520 and 520-1/2 Second St. SE and 110 Fifth Ave. SE.
5. **Historic impact mitigation plan:** Describe possible measures to mitigate the impacts on historic resources of the Project, including scale, design, circulation and preservation, and specifically including restoration of the A Mill as part of the first phase of the Project. (This is applicable to all but the no-action Alternative.)
6. **Air quality study and mitigation plan:** Complete an additional air quality analysis of the potential impacts of all phases of the Project to further evaluate possible exposure of people to dangerous levels of pollutants from the Southeast Steam Plant. If adverse impacts are determined, identify mitigating measures that will prevent or mitigate impacts of such exposure, including changes in building and mechanical system design, heights, and placements of buildings.
7. **Stormwater management plan:** Prepare a stormwater management plan that includes an evaluation of potential groundwater impacts of all phases of the Project on the nearby Southeast Steam Plant and surrounding natural and historic resources.

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<sup>1</sup> The Phoenix Lofts project is located on the eastern third of the block bounded by 2<sup>nd</sup> St. SE, Main St. SE, 3<sup>rd</sup> Ave. SE, and 2<sup>nd</sup> Ave. SE (extended). The site is also known as the Diageo site. It is important to note that even though this EIS Scoping Decision for the A Mill Project would require the EIS include information about the Phoenix Lofts Project, the preparation of this EIS should not in any way affect the ongoing process to complete the EAW for the Phoenix Lofts Project. The Phoenix Lofts project is separate from and not a connected or phased action of the A Mill Project. Also, the Phoenix Lofts EAW is a separate and independent environmental review, just like the recently completed third environmental review in the immediate area for the 520 and 521 Second Street project.

**B. Time limits for preparation**

Given information gathered and generated and the public comment received during the Environmental Assessment Worksheet and Findings of Fact and Record of Decision processes for the Project, an accelerated schedule is appropriate and reasonable. This accelerated schedule allows the Draft EIS to be circulated at the end of September or early in October, the Final EIS circulated in November or December, and the process completed in January of 2005. The proposed schedule meets all of the minimum time periods defined by the Rules. (Attachment 2 includes the fastest possible schedule for completing the EIS.)

Consistent with Minn. Rules at 4410.2000 Subp. 3 A., the City Council and Mayor ordered the preparation of a Discretionary EIS. For this type of EIS, the appropriate process is defined at 4410.2100 Subp. 4, which requires the City to hold a public comment meeting to review the scope of the EIS at least 10 days but not more than 20 days after the publication of the positive declaration in the *EQB Monitor*. (Full notice with the details concerning the public scoping meeting were published on 8/2/04 in the *Monitor*.) The Rules at 4410.2100 Subp. 4 B. require the City to make a decision on the EIS scope within 45 days of the 8/2/04 notice, or by 9/16/04. The proposed EIS completion schedule in Attachment 2 calls for final City Council action on 9/3/04. The next City Council meeting is 9/24/04, eight days beyond the 45-day deadline called for in the Rules.

Although the Rules do not specify a comment period for this type of EIS, the City is assuming the standard 30-day period found elsewhere in the Rules, 8/2//04 to 9/1/04 in this case.

**C. Identification of the permits for which information will be gathered concurrently with EIS preparation**

The EIS will identify those permits needed by the Project (this information is currently available in the EAW already prepared for the Project).

**D. Identification of the permits for which a record of decision will be required**

This matter will be addressed in the information prepared for Section C.

**E. Alternatives that will be addressed in the EIS**

The EIS shall include the following five alternatives. Alternatives 1-3 include alternate heights and massing for the Project as described in the completed EAW. These alternatives would accommodate approximately 1,095 housing units and 105,000 sq. ft. of commercial space within an overall floor area of 1,850,000 sq. ft. All of the other alternatives would reduce the Project considerably, and Alternative 5, the no action alternative required by State rules, assumes no project at all. All but Alternative 5 include a certified historical rehabilitation of the A Mill portion of the complex as a part of Phase I of the Project. (The "A Mill portion of the complex" includes all existing historic structures, with the assumption of demolition of the existing white concrete elevators.) Each alternative, including the no-

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action alternative, will assume that the proposed Phoenix Lofts project and the proposed 520-520 ½ Second Street SE and 110 Fifth Avenue SE projects will be completed.

1. **Proposed Project:** Alternative 1 will include the Project as described in the completed EAW; however, it may be modified for the EIS. (Illustration A in Attachment 3 shows this concept; however, the illustration will be modified to also show the Phoenix Lofts Project.)
2. **Height limited to Red Tile Elevator:** Alternative 2 will limit the heights of the buildings in the Project to that of the Red Tiled Elevator. (Illustration B in Attachment 3 shows this concept; however, the illustration will be modified to also show the Phoenix Lofts project.)
3. **Reduced heights:** Alternative 3 allows heights above the Red Tile Elevator but reduces the building mass between the taller structures. (Illustration G in Attachment 4 shows this concept; however, the illustration will be modified to also show the Phoenix Lofts project.)
4. **Current zoning:** Alternative 4 involves a lower density development which retains the primacy of the height and massing of the historic mill buildings along this stretch of the river. It reduces the program for the Project significantly to stay within the density and massing permitted by the Industrial Living Overlay District and the density of the R5 Multiple Family District in the City's Zoning Code. The heights of the buildings will not exceed that of the Red Tiled Elevator and no more than two buildings will equal the height of the red tile elevator. No illustration of this alternative is available at this time for inclusion in this draft Scoping document.
5. **No Action:** This no-action alternative, required by the state rules, assumes that the Project will not go forward.

**F. Identification of potential impact areas resulting from the project itself and from related actions which shall be addressed in the EIS**

This matter will be addressed in the materials prepared for Section A.

**G. Identification of necessary studies requiring compilation of existing information or the development of new data that can be generated within a reasonable amount of time and at a reasonable cost**

This matter will be addressed in the materials prepared for Section A.

**Attachments:**

1. Decision on the Need for an Environmental Impact Statement for the Pillsbury A Mill Complex Project
2. Fastest possible completion schedule
3. Concept of Alternatives 1 and 2
4. Concept of Alternative 3
5. City approval of Scoping Decision Document

## **ATTACHMENT 1**

### **DECISION ON THE NEED FOR AN ENVIRONMENTAL IMPACT STATEMENT FOR THE PILLSBURY A MILL PROJECT**

**Action of the Minneapolis City Council on July 2, 2004 and approved by the Mayor on July 8,  
2004**

Based on the [Environmental Assessment Worksheet (EAW)] and all sections of the above analysis, the City of Minneapolis, the responsible governmental unit (RGU) for this environmental review, concludes the following:

1. The EAW and related documentation were completed in compliance with the procedures with the Minnesota Environmental Policy Act and Minn. R., Pt 4410.1000 to 4410.1700.
2. The EAW and related documentation have not satisfactorily addressed all of the issues for which existing information could have been reasonably obtained. Based on information received during the comment period, the EAW is inadequate as follows:
  - The EAW fails to identify and discuss how the project may affect the integrity of the historic resources on or proximate to the site. Aspects of the project with potential impacts on these resources which have not been identified in the EAW include but are not limited to, the demolition of buildings and structures, construction of new buildings, and rehabilitation of existing buildings and structures.
  - The EAW fails to describe impacts related to proposed demolitions, or the historical importance of each property to be removed by demolition and the effect of that removal on the remaining historic properties.
  - The EAW fails to describe the visual and functional impacts on the historic district, and on individual historic properties resulting from the siting, height, design, massing and scale of the proposed new construction.
  - The EAW fails to address impact on views to, from and of the Mississippi River. Further, the EAW has not adequately disclosed the impacts on and within the Mississippi National and Recreation Area (MNRRA), the Mississippi River Critical Area, and the St. Anthony Falls National Register of Historic Places District.
  - The EAW fails to adequately address air quality issues, and staff has recommended that additional air quality studies be required. This study should be conducted as part of the environmental review process in order to inform the Council on this impact before it makes a decision on the EAW.
  - The EAW is inadequate because there is no useable information concerning how stormwater runoff will be managed, or its impact on the A Mill complex, nor was any credible information provided regarding the impact of major sewer and water utility improvements for the project on the historic sluice ways and mill races under the A Mill and Main Street.
  - The EAW is inadequate because it fails to provide adequate information on cumulative impacts of related development. In addition to the project, the proposer is also developing the adjacent Diageo site for the Phoenix Lofts development. These projects are being developed by the same proposer and fall just below the required mandatory threshold for an EIS by less than 10% of the required 1500 units for a

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mandatory EIS. However, the cumulative impacts of these projects is (sic) not adequately addressed in the EAW, but their assessment is left to the regulatory process.

- The EAW is inadequate because it fails to provide any meaningful, substantive analysis of historic impacts which would help the proposer define and refine the project, and to help the City with its future reviews in the City's regulatory processes. The record of decision discloses that the EAW does not fully describe historic resources, impacts, and mitigation options and therefore fails to discuss in the EAW measures that may have already been taken or could be taken to address project impacts. The EAW also fails to identify effective and appropriate avoidance and/or mitigation measures, which actions are a central requirement and purpose of an EAW.
- The EAW is inadequate because it does not provide sufficient information for the City to mitigate the environmental effects of the project by ongoing public regulatory authority, in the City's zoning and building permit processes. Since the record of decision contains little useable information on the environmental impacts, particularly relating to the height impacts, the City's ongoing regulatory processes will be inadequate to mitigate the environmental impacts of the project without this information.
- There is inadequate staffing in the Public Works Department and the Planning Department, including planners who support the Heritage Preservation Commission (HPC) to fully assess in the regulatory process, all the impacts on all the historic resources identified by commenters in the EAW, when these impacts have not been adequately identified in the environmental review process. Staff cannot adequately assess the environmental impacts while also addressing the regulatory standards in the zoning process. Staff cannot replicate in the regulatory process the expertise which would be required to identify and assess all the impacts of the project, and which could be brought to bear in the EIS process.

**The Council determines the EAW is not adequate and that based on the EAW, all the comments and additional information received during the EAW comment period, the project has the potential for significant environmental effects and therefore, orders the preparation of an [Environmental Impact Statement (EIS)] pursuant to Minn. R. 4410.1700 Subp. 1 and 4410.2000, Subp 3.A.**

Further, the City directs staff to commence the EIS scoping process pursuant to the requirements of Minn. R. 4410.2100, which scoping process shall include the following issues at a minimum for discussion during the EIS preparation period:

- The developer should prepare a more comprehensive analysis of the overall impacts of the entire project on the historic district. He should prepare a detailed statement describing the archaeological, historical, and architectural resources in the area, including a description of the nature and character of the historic district. The statement also should identify how the proposal implements the recommendations contained in the Secretary of the Interior's Standards for Rehabilitation and the guidelines adopted by the Minneapolis Heritage Preservation Commission (HPC), and describe any project-related impacts on these

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resources and measures to minimize or avoid these impacts. Submit additional information to satisfy the above concerns related to all phases of the project.

- The developer should evaluate the visual and functional impacts of all new construction on all of the historic resources on the site and proximate to it, including resources across the river and historic elements such as tunnels and raceways concerns related to all phases of the project. These impacts include siting, height, design, massing, and scale related to all phases of the project.
- Impact of the project on views to, from and of the River within the St. Anthony Falls Historic District, on both the east and west banks of the District and the east and west banks of the River contained within the Mississippi National Recreation Area, the Mississippi River Critical Area and the City's Shoreland Overlay District related to all phases of the project.
- The cumulative impacts on historic resources of the project and the Phoenix Lofts related to all phases of the project.
- The impacts on infrastructure for the project on the historic sluice ways and mill races under the A Mill and Main Street related to all phases of the project.
- Possible mitigation effects on historic resources of a master plan for the project site.
- Additional air quality study analyzing impacts on all phases of the project to further evaluate possible exposure of people to dangerous levels of pollutants from the Southeast Steam Plant and mitigating measures that will prevent such exposure based upon the heights and placements of buildings.
- Stormwater management plan and evaluation of potential impacts from groundwater on the nearby Southeast Steam Plant and surrounding natural and historic resources.
- In handling the approvals process, staff should make every effort to make sure that restoration of the A Mill is part of the first phase of the project.

Staff is further directed to comply with the procedures for scoping found in Minn. R. 4410.2100, Subp. 4 and Subp. 5, and to specifically invite comments from the Department of Natural Resources, the State Historic Preservation Office, the National Park Service and all other preservation organizations and others who provided comments during the EAW comment period.

Adopted 7/2/04 by the City Council:

Yeas: Schiff, Benson, Goodman, Lane, Johnson, Colvin Roy

Nays: Zerby, Lilligren, Niziolek, Ostrow

Absent: Johnson Lee, Samuels, Zimmermann

Approved by Mayor Rybak: 7/8/04

## ATTACHMENT 2

### FASTEST POSSIBLE SCHEDULE FOR PREPARATION OF THE EIS<sup>2</sup>

#### A. Scoping Process

- 7/26: Notice of Positive Declaration and notice of time, date and place of scoping meeting to EQB
- 8/2: Draft EIS Scoping Report prepared and distributed
- 8/2: Notice of Positive Declaration notice of time, date and place of scoping meeting published in the *EQB Monitor*
- 8/16: Scoping Meeting (5:00 Room 220 City Hall)
- 8/19: Draft EIS Scoping Decision to Zoning and Planning (Z & P) Committee Clerk
- 8/26: Z & P considers draft EIS Scoping Decision
- 9/2: Close of public comment on the draft Scoping Decision document
- 9/3: City Council approves EIS Scoping Decision
- 9/6: Final EIS Scoping Decision and EIS Preparation notice provided to Environmental Quality Board (EQB) and Notice of Accelerated (less than 280 days) Review
- 9/13: Final Scoping Decision and EIS Preparation notice published in EQB Monitor, Notice of Accelerated (less than 280 days) Review

#### B. Draft EIS Preparation

- 9/20: Notice to EQB of availability of Draft EIS and date of public comment meeting
- 9/27: Draft EIS completed and distributed
- 9/27: Notice of availability of Draft EIS and public comment meeting published in *EQB Monitor* and in *StarTribune*
- 10/18: DEIS Public comment meeting held
- 11/1: DEIS Public comment period ends

#### C. Final EIS Preparation and Final Action

- 11/8: Responses to comments prepared, Final EIS prepared and distributed
- 11/8: Notice of availability of FEIS and public comment meeting published in *EQB Monitor* and in *StarTribune*
- 11/22: Comment Period ends on FEIS
- 12/2: Draft “Finding of Fact and Record of Decision” submitted to Z&P Clerk (2005 schedule is a guess)
- 12/9: Z&P considers the Draft “Finding of Fact and Record of Decision”
- 12/17: City Council approves the “Finding of Fact and Record of Decision”
- 12/27: Notice of adequacy sent to EQB
- 1/3: Notice of adequacy published in *EQB Monitor*

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<sup>2</sup> This schedule represents the fastest possible period to complete the EIS within the minimum time requirements called for in State rules. The actual completion schedule may be longer.

**ATTACHMENT 3**

**ALTERNATIVE 1**



Add Phoenix Lofts Project profile

**ALTERNATIVE 2**



## ATTACHMENT 4

### ALTERNATIVE 3



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**ATTACHMENT 5**