

Penn-Lowry RFP Pre-proposal Conference

July 27, 2005

City of Minneapolis – CPED Offices, 105 Fifth Avenue South.

Overview:

City of Minneapolis staff held a pre-proposal conference on July 27 to discuss the Penn-Lowry redevelopment request for proposals. This is the summary of the conference and the questions that participants asked.

Attendees:

Darnell Bruce, New Life SDA

Gordon Engstrom, Resource (EAC)

Sandy Gerber, Federal Reserve Bank, Community Affairs Department

Erik Hansen, City of Minneapolis – CPED Economic Development

Jeanne Kelsey, CCHT

Tom Leighton, City of Minneapolis – CPED Planning

Carol Lezotte-Anderson, Hennepin County Community Works

Chuck Lutz, City of Minneapolis – Deputy CPED Director

Todd J. McIntyre, Investment Property Services

Ned Rukavina, United Properties

Darryl Weivoda, North End Hardware

Introduction to project:

- Redevelopment site is located on one of the most significant community commercial nodes in the City.
- Lowry Avenue Corridor Plan will affect the site. Construction expected in 2010.
- Reconstruction project will widen Lowry Avenue to accommodate a BRT station, curb cuts, alley vacation, parking bay & bike lane.
- Goal for property – Bold commercial mixed-use redevelopment that addresses the neighborhoods’ and market’s needs and the *Minneapolis Plan*.
- Redevelopment at City site will set the tone for future redevelopment in the intersection.
- Phasing of the four corners of the intersection may be possible due to planned County acquisition for the Lowry Corridor.
- The site is located to many natural amenities, such as Cleveland Park and Theodore Wirth Park/Victory Memorial Drive. Expected future development on the northwest corner could connect Cleveland Park to the business node.
- Penn-Lowry is the first in a series of redevelopment opportunities that the City will offer on the Northside.

Questions:

Is it possible to get a scale drawing of what Hennepin County will be taking?

The City has requested a scale drawing of the site with the Lowry Avenue Corridor project area defined. If an electronic version is available it will be posted to the RFP

website. If an electronic version is not available a paper copy will be available upon request at no charge. Contact Erik Hansen to request a copy.

What is timing of the developer selection process and can 2010 construction process be sped up?

Lowry Avenue Corridor Project – Hennepin County will begin acquiring parcels from 2008 to 2010. Although the funding is not secured, the County has Phase 2 (Girard Avenue to Theodore Wirth Parkway) in its five-year capital plan and is committed to obtaining additional funding to complete the reconstruction. Phase 1 (Girard Avenue to Interstate 94) construction will begin in 2006. Depending on the success of Phase 1, the County Board could decide to move up construction of Phase 2, but Phase I must be completed first.

Developer selection process – City staff expects to make a recommendation to city council in December 2005. Proposals review will begin on August 31st to determine if proposals meet submission requirements. Qualifying proposal will be distributed out to community groups for review. City staff will hold one, possibly two, community meetings to discuss the merits of each and ask for community recommendations. From community recommendations and staff analysis, a recommendation will go to the City Council and Mayor for official selection. Upon approval, City staff will begin redevelopment contract negotiation as soon as possible with an expectation that construction will begin on the project in 2006.

Tom Leighton reviewed the development goals for site

As outlined in the RFP the development goals for the site are as follows:

- Commercial development
- Office & residential appropriate
- Openness to 3-5 story development
- Current zoning is commercial / residential – C1 & R2B, but rezoning for a use that address development goals will be supported.
- Neighborhood commercial / medium density
- Rezoning for more housing density
- Up to the street – parking alongside development or in rear of primary structure

What is the desired location of parking on the site?

At the interior of block, or parking along Penn or Oliver avenues if at the side of the structure, but the City would prefer not to see parking on the corners.

Will you consider below-grade parking?

Yes. Below-grade parking works well for residential development. Residential parking below and commercial surface parking is an option. Shared/Community parking for the commercial component is encouraged.

Will City subsidies or financing be available to close gap on underground parking?

The City will explore all financing options that are available. Successful proposals will maximize conventional financing sources including owner's equity. City subsidies will be considered if the proposed project will return considerable public benefits and a demonstrated gap is present.

What sorts of housing types are preferable?

If proposers include a residential component, the City will look to developers to decide what makes the most marketable sense. The community prefers ownership housing. City affordable housing policies will apply if the City participates in financing or provides a subsidy.

Has any market research been done on demand for housing or commercial on the corner of Penn/Lowry?

The City will be doing some market research, but not to the caliber of a specific development proposal. The City will expect proposers include marketing research as a component of the proposal.

What is the status of soil contamination on the site?

City completed contamination clean up in the summer 2004. The site was formerly a gas station and there were leaking tanks that introduced petroleum to the soil. The City does not expect that there will be a need to for additional clean up. The Response Action Plan Implementation Documentation that the City's consultant, Peer, prepared is available for review at the CPED office. City staff has requested an electronic version from the consultant. When that is obtained, it will be posted on the RFP website.

Will there be access to Petrofund for site cleanup?

The City conducted the cleanup in accordance with Minnesota Pollution Control Agency approved Response Action Plan. Additional clean up is not expected.

Does the implementation report include a geotechnical report?

Yes, geotechnical documentation is included in Peer report. City staff has requested an electronic version from the consultant. When that is obtained, it will be posted on the RFP website.

Carol Lazotte-Anderson addressed whether projections for ridership at the BRT station available?

Staff will obtain projections from MetroTransit and post it on the RFP website.

Bus Rapid Transit will be limited at Penn-Lowry. Local Routes 5 & 32 serve Penn and Lowry avenues North around every 15 minutes.

Alley vacation on Lowry Avenue

Hennepin County will strongly encourage vacation of alley. The County will narrow roadway to one travel lane in each direction, add a bike lane and BRT station, and limit parking to commercial nodes. The existing alley will eliminate a number of potential parking spaces along Lowry Avenue.

Landscaping improvements are desired.

Some examples that the City and County are looking for in more detailed landscaping include:

- pedestrian lighting
- Planting areas
- Stamped concrete/brickwork
- Not planning any maintenance districts within 3 yrs, but possibly farther out

Will the three neighborhoods (Jordan, Folwell, and Cleveland) come together for one meeting or will there be meetings with individual neighborhoods?

There will be one, possibly two, meeting(s) on development proposals and individual neighborhood boards will make recommendations – presence from developers expected at joint-neighborhood meeting(s).

Is there an example of an RFP available?

All RFP requirements change, so old proposals might not be the best guide for this RFP. The content in the RFP is the most important element. Answer the required RFP information in full and in order to improve the proposal's chances. Although colorful proposals with a number of elevations and illustrations are helpful it is the required content that will carry the day.

Interest of Existing Businesses

Darryl, North End hardware store owner addressed the group. He stated that the RFP does not represent the extent of the interest of the businesses that are there to relocate in the development – the businesses on the corner are interested in moving to development which would free up the other three corners for redevelopment and allow to meet demand for additional retail demands of neighborhood – moving existing businesses would result in very little down time and allow to rebuild corners at a higher density

Small and underutilized business program listings available upon request

Is Hennepin County or the City of Minneapolis helping tenants relocate?

County is responsible for roadway acquisition and relocation.

Partnerships with Existing Businesses

There is a potential to partner with businesses that own property on corners. New development on City owned site could provide new retail space that will free up redevelopment of adjacent corners. The nearby park provides a good opportunity for residential redevelopment.

There are four businesses listed in the RFP, but a number of other businesses may be interested in being involved – Darryl spoke with other business owners that would be interested, but were not included in RFP.