VI. Implementation Recommendations and Strategies

The best plans are of little value if they are not implemented. Implementation of the opportunities outlined in this document is dependent on proactive leadership of the community and an orchestrated collaboration between the city officials and departments, property owners, neighborhood residents, the business community, civic organizations and developers.

The following Chapter identifies;

- Best practices and recommendations for the preservation, restoration and maintenance of the historic paved streets and loading dock areas within the Warehouse District Heritage Street project area.
- Capital project costs and maintenance related costs based on the study recommendations.
- The prioritization and phasing plan for the preservation of Heritage Streets
- Potential funding sources for implementing the recommendations identified in the previous chapter.

Recommendations for Heritage Street Preservation and Restoration

The primary assumption of this Section is that the Heritage Street Plan will require the removal, cleaning and reinstallation of historic pavements on all specific Heritage Streets except for along 5th Avenue North, as defined in the previous Chapter. With this assumption it is important to define the responsibilities of private property owners as they relate to the difference between public and private improvements associated with the street reconstruction or restoration projects.

- Based on the above assumption, if future street projects result in a shortage of clay brick pavers then there are three viable options that can be explored to locate additional pavers.

  - The first option would be to salvage pavers from other City street reconstruction projects. If other reconstruction projects throughout the City are uncovering similar pavers then the City should make an effort to salvage, clean and store these pavers for re-use in the Heritage Street project area.

  - Option two is to purchase similar historic pavers from paver suppliers. See page III-21 for type and source of additional pavers.

  - Option three is to reduce the design of a specific Heritage street project by placing pavers only in the driving lanes and placing concrete in the designated parking lanes. See recommendations for 3rd Street N on page V-56 for an example of this.

- Private property owners who need to remove concrete curb, gutter and historic pavements from a specific Heritage Street for utility repairs or upgrades related to a building rehabilitation or redevelopment project are required to remove, clean and reinstall the historic pavements according to the minimum requirements as outlined below in the "Recommendations for Repair of Roadway Utility Cuts" section (page 114). Property owners would also be responsible for matching existing street grade with new curb and gutter work. This may require property owners to adjust the entire width of the street to the far curb. The cost required to remove, clean and reinstall the historic pavements is the responsibility of the property owner.

- Sidewalks around loading docks should be a minimum of 8'-0" wide, but it is recognized that some streets may require sidewalks as narrow as 5'-6" to 6'-0" wide. If said Heritage Street is not being reconstructed at the same time as the proposed redevelopment project, the property owner will be responsible to pay for the future sidewalk when the street is reconstructed. Rehabilitation projects will be reviewed on a case-by-case basis.

- Private property owners adjacent to a Heritage Street that is reconstructed will be responsible to pay the standard assessment for the construction of street, sidewalks and infrastructure improvements.

Recommendations for Loading Docks

The primary assumption of this Section is that loading docks within the District will be preserved and any alterations will not be allowed to protect the integrity of the loading dock.

- Sidewalks around loading docks should be a minimum of 8'-0" wide, but it is recognized that some streets may require sidewalks as narrow as 5'-6" to 6'-0" wide.

- Principal entries to buildings will not be allowed from loading dock areas. This will be reviewed on a case-by-case basis by the HPC.

- If alterations have occurred to an existing loading dock for the purpose of primary access to a building, once the current use of the building changes the alterations to the loading dock shall be

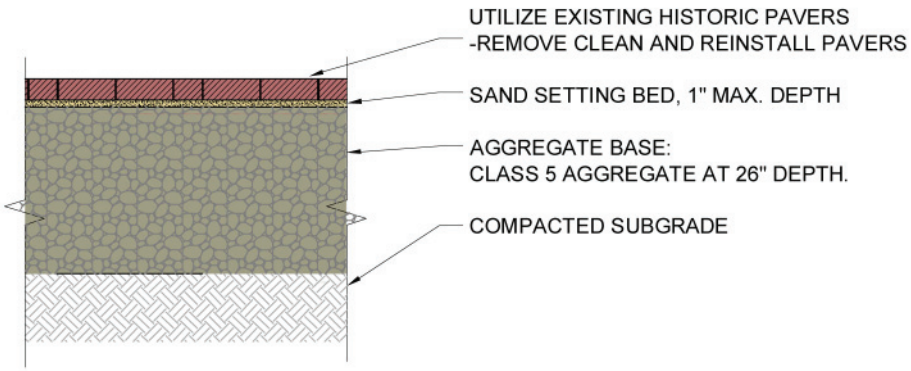
reviewed by the HPC to determine if primary entrance can be reconfigured to rehabilitate the loading dock.

- Current active loading docks will remain "in service" until a specific change in use of the building occurs. At that time when a change in building use occurs then the project will be reviewed by the HPC.

Recommendations for new Heritage Street Pavement Design Section

The following represents the recommendation for the design of the new pavement section for reuse and rehabilitation of historic pavers for the Heritage Streets.

- The historic clay pavers found within the Warehouse District are best laid with a flexible system which utilizes a crushed aggregate base with sand. This system is the most simple to construct, maintain, and cost effective over time. The sand layer (typically 1" max. sand layer) permits proper drainage and can adjust to keep moisture away from bricks.
- The new Heritage Street design section assumes 26-inches of Class 5 Aggregate base below the pavers. The section does not assume any strength from the pavers. This system will settle approximately 1/8", which should be accounted for in defining initial pavement elevations.
- Historic granite cobbles (located along Traffic Street), are best set in aggregate base with sand. Typically granite cobbles have a variation in height of up to 1.5 inches and a sand setting bed is needed for settling allowance.
- If alternative design street sections are considered in lieu of this street section described above, the alternate design shall conform to all State of Minnesota State Aid and City of Minneapolis design criteria.



Proposed Heritage Street Design Section

Paver Removal

The clay and granite pavers on all identified Heritage streets may be salvaged with varying degrees of success and loss due to age, wear, composition, and removal process. Every contractor contacted utilized mechanical equipment in the paver removal process.

The process of paver removal should begin with hand pulling a few pavers to examine the quality and strength of the pavers. If the bricks appear to have not too much moisture and/or deterioration, then the contractor will be allowed to use a bobcat to lift and dump bricks. Next, workers clean the bricks before they are palletized. If the bricks appear fragile at the initial removal, then contractor should hand pull the bricks. Contractor should not reuse fragile bricks because if they are too fragile to remove with a machine, they likely will not hold up to the re-installation process of being mechanically repacked.

Based on discussions with contractors and research conducted as part of the precedent studies, it is estimated that approximately 60-70% of bricks should be salvageable depending on the setting method used, the fragility of bricks, and existing texture of the bricks.

Paver Cleaning

Most contractors contacted for the precedent studies stated that the appropriate cleaning method was basically "clapping" the bricks together to clean off dirt and related debris. Cleaning of the historic pavers really becomes a function of costs. If bricks need to be hand scraped, workers should use a putty knife to clean the joints. Texture on the side of the bricks adds a variable. Hand scraping becomes very expensive as the "scrapers" are paid common labor rate. It will become necessary for specific Heritage Street projects to hand clean historic pavers in order to have the necessary quantity of pavers to reset as part of a reconstruction project.

Costs

Based on input from local contractors, information provided from precedent case studies and the design of the proposed street section it has been estimated that the range of costs to remove, salvage, clean and reinstall historic pavements for a Heritage Street project will be approximately $10.00 to $14.00 per square foot. These costs would include the aggregate base materials but not include the palletizing and delivery of pavers to a designated storage area.

The estimated costs to salvage, clean, palletize and deliver pavers to a designated storage site would be approximately $6.00 to $10.00 per square foot.

Recommendations for the Salvage and Storage of historic pavers

- For those pavers that are "harvested" in the future to reuse in paving projects in the neighborhood a process needs to be defined and a secure location identified for the storage of pavers.
- Pavers should be removed using mechanical means and those pavers that remain intact with little to no structural damage should be cleaned, stacked onto pallets, shrink wrapped and delivered to the identified storage location. The pavers should be stored in an above ground level location that will remain dry and protected from the natural elements. A limited quantity of historic clay pavers are currently being stored at the Water Works site in Columbia Heights (address is 4300 Marshall St. NE.).
- It is recommended for future storage of historic pavements that a system be developed in consultation with Minneapolis Public Works staff to prevent pallets of pavers from sinking into the ground. One possible method would be to stack a series of pallets on the ground to serve as a "base" for other pallets with pavers. This "base" could include broken and un-usable pavers (stacked only a couple of rows high) that can be sacrificed for pavers in better condition. This "base" pallet then would be placed on the bottom of other pallets of pavers and allowed to sink into the ground over time to protect the other pallets of pavers.
- Pallets of pavers should be labeled with information regarding location of paver removal and approximate quantities. Opportunities should be explored to salvage pavers (those pavers that are similar and deemed comparable to the pavers found within the District) from other street projects within the City if Minneapolis for future use to repair and reconstruct the streets within the Historic Warehouse District.

Photo of palletized pavers at the Minneapolis Water Works Site

- If more than 75 individual historic pavers are going to be removed as part of any one project, the city should require that the bricks be stacked and stored. Pavers should be mechanically removed and dumped into trucks to be hauled, palletized, and stored. If there are less than 75 individual pavers as part of any one project, these pavers are to be removed by hand, cleaned by hand (chipping off asphalt and debris for re-use), and palletized for storage.

Recommendations for Paver Maintenance

With any of the 100-year-old Heritage Streets, defining the implications and best practices associated with the long-term maintenance are critical to the success of this project.

- See the following section (page 115) for recommendations related to snow removal and storage.
- See the following section (pages 1114-115) for specific recommendations related to roadway patching for utility cuts. The general recommendation would be to have the utility contractor remove a "larger area" (approximately an additional 2' outside of the necessary sized hole for the utility) and bring up the base material below the street paving to within approximately 1' from the surface. City staff would then be responsible (or City would hire a contractor) to reinstall final lift of base materials and pavers.
- Although brick paving surfaces are very durable, some routine maintenance may be necessary. It has been estimated that approximately an average of two 480 square foot patches per year (each patch approximately 16' x 30') should be budgeted for. This is a worse case scenario as it may not happen for 10 years. At approximately $13.00 per square foot to salvage and reinstall the pavers, that would be a total of $12,400 for all of the Heritage Streets.
- With the completion of a Warehouse District Heritage Street Plan, it is recommended that the City Council approve a new maintenance budget to be specifically targeted for streets composed of historic clay, wood, or granite pavers. A certain percentage of the annual budget for street maintenance should be set-aside to remove patches and potholes, level surfaces and generally do surface improvements that would improve the rideability and appearance of brick streets.

Recommendations for Repair of Roadway Utility Cuts

At some time during the life of the Heritage Street brick pavement, repairs or utility work beneath the pavement may require the removal and replacement of pavers from the working area. The following represents the recommendations for the repair of historic pavers in the Heritage Streets.

- The City Engineer shall mandate that all surfaces disturbed by utility cuts for the Heritage streets be replaced with the appropriate historic bricks. This repair policy should not be limited to just utility cuts, which excavate the surface of the street.
- It is recommended that the City trains the Public Works crews to lay historic pavers the proper way to allow for more cost effective and easy repairs within the District.
- Public Works Department should actively salvage historic pavements from other City wide street/ alley reconstruction projects for use in repair or reconstruction of the Heritage Streets.
- Adjacent road repairs which may impact the edges of brick streets near intersections should be reviewed by the Heritage Preservation Commission if the affected street is a Heritage Street.

Method for Repair of utility cuts

The following represents the best practice for the repair of utility cuts within the Heritage Street District.

- When starting utility cut repairs, a single brick should be removed, preferably with a probst (A probst is a special tool from Germany made for pulling pavers. The tool costs approximately $200 and replacement blades can be purchased for $10). It may be necessary to break a few pavers to start the removal. Adjacent pavers are then removed and stacked nearby to be used again if not damaged.

- The pavers should be cleaned of adhering sand by brushing or "clapping". Temporary edge restraints should be placed at the perimeter of the removal area.
- Excavation of trenches should follow established procedures. Proper compaction of the returned fill material is very important. If the area is too small for proper compaction, stabilized materials, such as concrete, should be used. The compacted fill should be brought up to the proper level. A "larger area" of paver removal (approximately an additional 2' outside of the necessary sized hole for the utility) of the excavated area should be removed so that accurate levels can be established from undisturbed work. At all times, vehicular traffic should be kept at least 6 ft away from the work edges.
- Setting bed material should be screeded to the proper grade. The setting bed should be compacted and a thin layer of sand screeded on top.
- Temporary edge restraints are removed and the pavers are then laid in the correct bond pattern. Some creep of the pavement may have occurred during repairs; therefore, some pavers may have to be saw cut to fit. Jointing sand should be spread over the top of the pavers and the system vibrated to the finished level with a plate compactor. Two or three passes may be necessary to fill the joints.
- Dependent upon the type of backfill used in the excavation, it may be appropriate to set the pavers high of the final surface so as to accommodate any consolidation. Providing a slight arch to the profile will help in maintaining a good fit.
- The use of asphalt or concrete fill are permitted when dips or holes occur through underground, natural or wearing circumstances.
- If existing utility patches are re-excavated on the Heritage Streets, they must be replaced with brick if some portion of the newest excavation touches brick.

Recommendations for Snow Removal

Snow removal from brick pavements should not present any particular problem. It can be removed by plowing, blowing or brushing away the snow. Primary recommendations for snow removal related to the Heritage Street Plan are identified below:

- See Access Minneapolis Plan Chapter 8 - Objective 5.1. for primary considerations related to snow removal and storage.
- New sidewalk widths should be greater than 5'- 6" when possible to accommodate some placement of snow onto the sidewalk areas. Snow will get plowed onto the sidewalks adjacent the streets and the loading dock areas.
- Further discussions should happen to discuss revised policies for snow removal, including underground snow melting methods.
- When using plows or shovels there are precautionary measures that can be taken to preserve the surface character of the brick. Snow plow blades should be made of rubber or if metal blades are utilized then these blades should be rubber or urethane tipped or mounted on small rollers. The blade edge should be adjusted to a clearance height suitable for the pavement surface. When hand shoveling, shovel at an angle to the paver edge to avoid catching it.
- Avoid the use of any chemicals containing rock salt (calcium chloride) directly on the brick streets to aid in melting ice. Use of these materials may cause efflorescence. Calcium magnesium acetate is recommended for snow and ice removal. Urea is used to melt ice at many airports without causing efflorescence, but it is not effective below 20 degrees F (-7 C). Otherwise, remove snow before it can be compacted or turn to ice. To render icy surfaces passable, use clean sand or ashes on the icy areas.

Cost Estimates (Capital and Maintenance)

Capital Costs

As part of the Heritage Street Plan a detailed cost estimate has been prepared that identifies various enhancements that are associated with the recommended street reconstruction projects.

For the basis of comparison in the capital costs it is assumed that all Heritage Streets will be constructed utilizing either concrete or reconstructed with historic pavements. The estimates also assume that there will be no costs associated with public or private utility infrastructure upgrades.

- The chart identifies a cost of $6.43 million for standard reconstruction of the Heritage streets utilizing concrete for the roadways.
- The chart identifies a cost of $8.06 million to incorporate historic preservation recommendations utilizing historic pavements.
- Difference in costs between the City standard which would utilize concrete in the roadway versus reconstruction of the streets utilizing the recommended preservation of historic street pavements is approximately $1.62 million
- Items included in the construction costs include:
  - *Mobilization (LS)*
  - *Traffic Control (LS)*
  - *Removals, Street (LS)*
  - *Removals, Sidewalks (LS)*
  - *Excavation - assume 18" (CY)*
  - *Subgrade Preparation (SY)*
  - *Class 5 gravel base - assume 8" (TN)*
  - *B624 Concrete curb and gutter (LF)*
  - *Concrete Pavement - assume 9" (SY)*
  - *Adjust Structures (LS)*
  - *Signs (LS)*
  - *Lateral Storm Sewer (LF)*
  - *Stormwater Management estimate (LS)*
  - *Sidewalk with base (SF)*
  - *Trees with soil and grate (EA)*
  - *Lighting estimate (LS)*
  - *Contingency*
  - *Salvage Pavers (SF)*
  - *Install Salvaged Pavers (SF)*

See Chart included in Appendix 3 for breakdown of street by street costs.

Maintenance Costs

Maintenance costs associated with any specific Heritage Street concept is a little more difficult to define. Based on the assumptions that we will not provide costs associated with snow removal and street sweeping we have assumed an average of two 480sf historic pavement patches per year (each patch approximately 16' x 30').

At $15.00 per SF to salvage and reinstall the pavers, that would be approximately **$14,400.00** for all of the streets defined as part of this plan. The costs identified would not occur on a yearly basis starting immediately after the reconstruction of a street. Rather, we can assume this is a cost that would start 3-4 years after the reconstruction of a street has occurred.

Warehouse District Heritage Street Plan - Probable Estimate of Construction Costs (April 2011)

Street Segment	Length(ft.)	Standard Cost Per Foot	Standard Construction Cost	Preservation Cost Per Foot	Preservation Construction Cost	Additional Preservation Cost
9th Avenue N. from Wash. to 3rd St.	400	843.69	$ 337,476.00	1230.6	$ 492,240.00	$ 154,764.00
8th Avenue N. from Wash. to 3rd St.	400	1040.20	$ 416,080.00	1,506.30	$ 602,520.00	$ 186,440.00
7th Avenue N. from Wash. to 4th St.	800	761.50	$ 609,200.00	761.50	$ 609,200.00	$ -
6th Avenue N. from Wash. to 3rd St.	400	863.66	$ 345,464.00	1,272.85	$ 509,140.00	$ 163,676.00
6th Avenue N. from 3rd St. to 4th St.	400	878.40	$ 351,360.00	1,369.80	$ 547,920.00	$ 196,560.00
5th Avenue N. from Wash. to 3th St.	400	1128.35	$ 451,340.00	1128.35	$ 451,340.00	$ -
5th Avenue N. from 3rd St. to 5th St.	800	1149.20	$ 919,360.00	1389.20	$ 1,111,360.00	$ 192,000.00
3rd Street from 10th Ave. to 7th Ave.	1440	1289.76	$ 1,857,254.40	1691.21	$ 2,435,342.40	$ 578,088.00
3rd Street from 7th Ave. to 5th Ave.	720	1270.00	$ 914,400.00	1270.00	$ 914,400.00	$ -
Traffic Street	280	491.76	$ 137,692.80	743.90	$ 208,292.00	$ 70,599.20
2nd Avenue N. (north of 1st Street)	140	715.54	$ 100,175.60	1,305.79	$ 182,810.60	$ 82,635.00
TOTALS			$ 6,439,802.80		$ 8,064,565.00	$ 1,624,762.20

The estimates above are intended for comparison purposes only.

The estimates above include only estimated construction costs and do not include costs for trunk storm sewer, sanitary sewer, water main, or individuals services.

The estimates above do not include allowance for non-construction "soft costs".

Add approximately 58% to the above estimates to account for typical city soft costs (based on 26.5% for design, 12% for project management, 12% for contingency, and 7.5% for City Administration).

Prioritization List

A prioritization list has been developed to assist the City of Minneapolis in defining a strategy for the implementation of the street-by-street recommendations for each specific Heritage street defined as part of this plan.

.

The development of the prioritization list included many factors such as:

- Existing conditions of each Heritage Street (overall condition of street, sidewalks, driveways, loading docks, current use of streets, etc.)
- Accessibility issues of each Heritage Street (existing sidewalks, condition of ramps, conflicts with loading docks and truck traffic, etc.)
- Historic signifigance and integrity of street materials along each Heritage Street (condition of street materials, signifigance of street witin the district, historic events associated with the street, historic loading docks and buildings, etc.)
- Redevelopment efforts, proposed buidling rehabilitations and other planning projects, etc.
- Future funding sources, CIP schedule, proposed utility work, etc.

Based on the previous factors, a series of project assumptions were developed to organize critical components of any specific Heritage street and inform the creation of the prioritization lists.

- Assumption 1: Streets that meet recommendations of previous planning studies are strong candidates for preservation.
- Assumption 2: Streets that meet period of significance (1865 -1930) for the Warehouse District are stronger candidates for preservation
- Assumption 3: Heritage Streets in good condition (no damaged pavers and no pavement heaving) with few patches are stronger candidates for preservation.
- Assumption 4: Streets with poor structural condition and drainage issues are good candidates for repair and preservation.
- Assumption 5: Streets that will require utility work in the future to support redevelopment are good candidates for repair and preservation.
- Assumption 6: Streets with large numbers of new utilities below them are poor candidates for preservation.
- Assumption 7: Streets with historic loading dock areas and a higher percentages of “contributing” structures with good architectural integrity are good candidates for preservation.

Based on these project assumptions, three catagories were established to prioritize the phasing of future projects.

Recommendations to Preserve Warehouse District Heritage Streets

The following lists include each specific Heritage street considered as part of this plan, their prioritization for preservation in categories one through three (ranging from restoration recommendations to identifying those which merit further comment from the Minneapolis HPC), and some short explanations about the extent of preservation for each category.

Recommended Categories:

Category One: The streets identified in catagory one are so important to the Warehouse District that they should be restored to their original appearance with modifications to improve accessibility.

The historic pavements should be replaced and the disturbed areas restored to their former appearance. Additional efforts should be made to restore these Heritage streets when funds are available.

- Traffic Street
- 6th Avenue North
- 8th Avenue North
- 2nd Avenue North
- 3rd Street North (Between 10th Avenue N and 7th Avenue N)

Category Two: These streets are important enough to merit preservation, but not so important as to merit a full restoration. These historic pavements should be replaced and the disturbed areas restored to their former appearance.

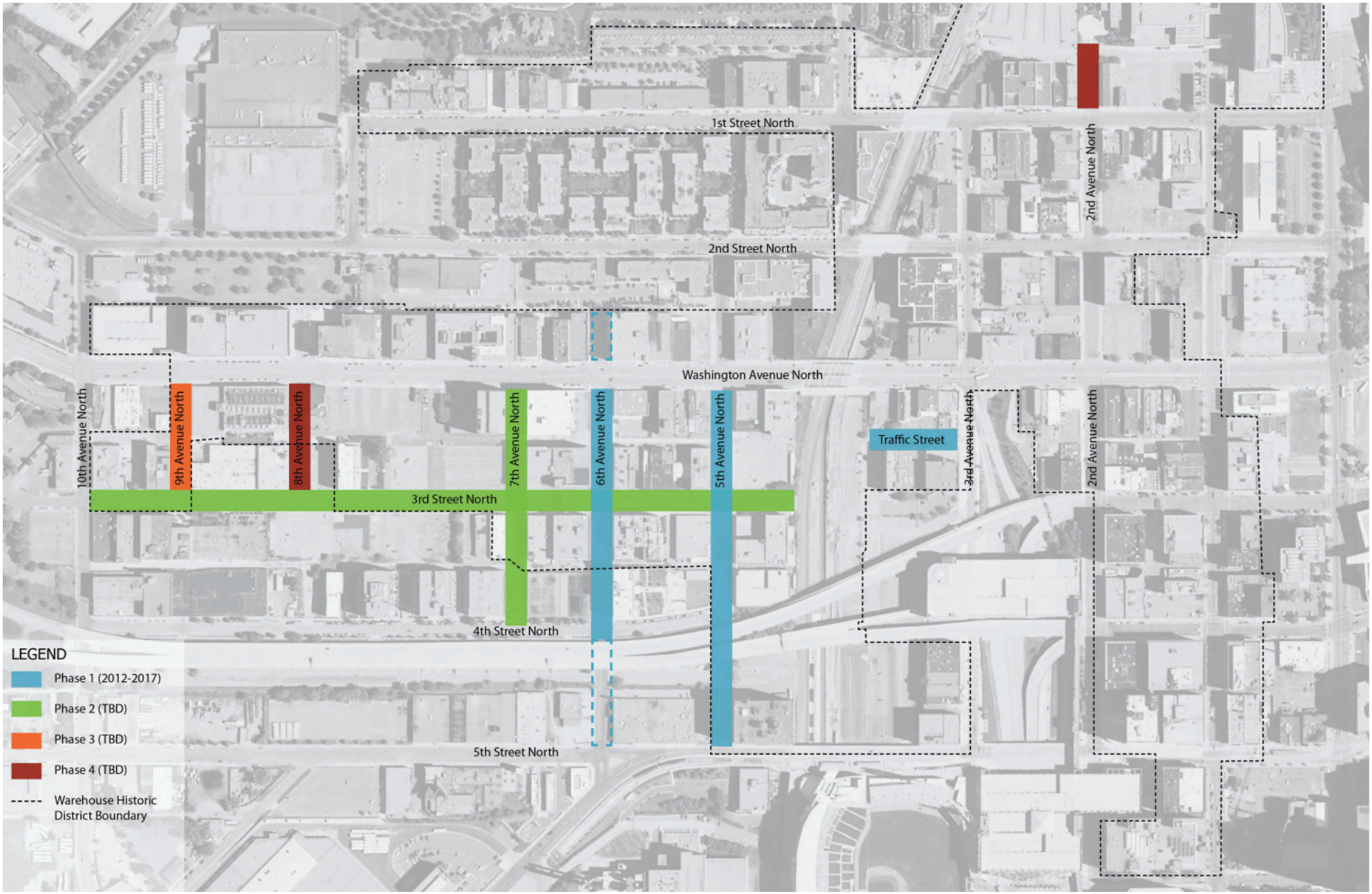
- 9th Avenue North

Category Three: Streets should go to the Minneapolis Heritage Preservation Commission for further comment before resurfacing or repairs commence due to the questionable potential for preservation.

- 5th Avenue North
- 7th Avenue North *(Note that there are no existing bricks in 7th Avenue North)*

Category 1 - View along 6th Avenue North

Category 3 - View along 5th Avenue North



Warehouse District Heritage Streets Plan - Phasing Plan

Project Phasing

Future project phasing for the Heritage Street Plan is an on-going and ever evolving process and somewhat dependent on the issues and timing associated with potential neighborhood redevelopment opportunities and possible multi-jurisdictional public projects (such as the Interchange Project). The City of Minneapolis should stay proactive and search for creative opportunities and possible public/ private partnerships to enhance or rehabilitate each specific Heritage Street. The following recommendations for project phasing make an attempt to reconstruct less important streets where the opportunity exists to salvage historic pavements and reuse the pavements in other more prominent streets.

Following is an outline of a preliminary phasing plan:

Phase 1:

Traffic Street: Current redevelopment opportunities would require the reconstruction of this street as an access for development that happens below the viaduct area.

5th Avenue North: Would be one of the first recommended projects to enhance the street and improve connections to Target Field and the future Interchange Project. This project would also allow the City to salvage historic pavers from portions of 5th Avenue N to reuse in the reconstruction of 6th Avenue N. The salvaged pavers from 5th Avenue would provide an ample supply for the reconstruction of 6th Avenue North.

6th Avenue North: One of the most important Heritage Streets. This street is in very poor structural condition and would be a critical first project to test construction techniques and methods regarding the removal, cleaning and reuse of historic pavements within the district. Because of the overall condition of this street, it has been included on previous City CIP project lists.

The City should consider reconstructing the entire road from the alley between Washington Avenue and 2nd Street N to 5th Street North in order to salvage and reuse pavers from the sections of 6th Avenue (between 4th Street N and 5th Street N and the alley between Washington Avenue and 2nd Street N).

Phase 2:

3rd Street North

Phase 3:

9th Avenue North
7th Avenue North

Phase 4:

2nd Avenue North
8th Avenue North

Potential Funding Sources

This section is intended to provide a preliminary assessment of state and federal funding options that the City could consider for the recommended improvements for the Warehouse District Heritage Street project.

Because there are many factors that could initiate the reconstruction of a Heritage Street, this list is to serve as a starting point to begin to evaluate potential funding sources as a specific project is programmed for implementation. It should be noted, that in most cases, grant and loan financing provided by State and federal government must be applied for by the City of Minneapolis requiring coordination between City departments. Additionally, many funders require a City match and programming in the city's CIP.

The overall recommended funding sources for future Heritage Street reconstruction projects are listed below:

- Minnesota Historical and Cultural Grants Program (Legacy Grants)
- Special Assessments
- Metropolitan Council Livable Communities Demonstration Account (LCDA) Development Grants
- MNDOT STP, Transportation Enhancement Program
- MNDOT – Municipal State Aid
- Stormwater Funding: MWMO and other Clean Water Funding

A description of all grants and funding sources follows:

State Funding Sources

Tax Increment Financing (TIF)

Tax increment financing (TIF) is the primary development finance tool available to Minnesota cities. TIF is simple in concept, but complex in its application. Through tax increment financing, the property taxes created by new development (or redevelopment) are captured and used to finance activities needed to encourage the development. The challenge in using TIF lies with the complex and ever-changing statutory limitations.

Uses

Tax increment financing can be used to finance all of the important implementation actions facing the City: land acquisition, site preparation, parking, and public improvements. In addition, TIF creates a means to borrow money needed to pay for redevelopment costs. The City can issue general obligation bonds without an election of 20% or more of the debt is supported by tax increment revenues. These bonds are not subject to any debt limit.

Purpose of Minneapolis TIF Policy

This Tax Increment Policy has been approved by the Minneapolis City Council for the following purposes:
- to guide staff in forming recommendations regarding the use of tax increment financing and negotiating contract terms with developers;
- to provide a framework within which the City Council and Mayor can evaluate and compare proposed uses of tax increment financing; and
- to inform the public of the City's position on the use of tax increment financing and the process through which decisions regarding the use of the tool are made.

Development Objectives

The City uses tax increment financing to accomplish these major objectives:

A. Expand the Minneapolis economy to create more living-wage jobs, with an emphasis on providing job opportunities for the unemployed and underemployed.
B. Attract and expand new and existing services, developments and employers in order to position Minneapolis and the region to compete in the economy of the 21st century.
C. Increase the city's property tax base and maintain its diversity. Clean contaminated land to provide sites for uses that achieve City redevelopment objectives.
D. Provide an array of housing choices that meet the needs of current residents and attract new residents to the city, with an emphasis on providing affordable housing.
E. Eliminate blighting influences throughout the city.
F. Support neighborhood retail services, commercial corridors and employment hubs.
G. Support redevelopment efforts that enhance and preserve unique urban features and amenities, including downtown, the riverfront and historic structures.

General Guidelines in the Use of Tax Increment Financing

A. The City of Minneapolis will comply with all requirements of the Minnesota Tax Increment Financing Act, as amended. The City will undertake a rigorous analysis to ensure that the proposed project satisfies the "but for" test embodied within the Tax Increment Financing Act.
B. The City of Minneapolis will use tax increment financing only when a clearly identified city development objective is served and only to the degree necessary to accomplish that development objective.
C. Tax increment financing will only be used in cases where the City has the financial capacity to provide the needed public assistance, the Council deems it fiscally prudent to provide such assistance and the developer can clearly demonstrate that the development will be able to meet its financial and public purpose commitments.
D. The City of Minneapolis will recapture the public subsidy to the maximum extent feasible after allowing the developer a reasonable return.
E. Alternatives, such as "pay as you go" financing and reimbursing front-end public redevelopment costs with tax increment revenues, are preferable to bond financing and are to be considered and used when appropriate. The City will not issue general obligation tax increment bonds except when all net bond proceeds are used to directly pay public costs or refinance debt that was previously issued to pay for such costs, and the taxable development that will generate the tax increment used to pay all or a portion of the debt service on the bonds is either fully constructed and assessed by the City Assessor or is underway and subject to the terms and conditions of a development agreement with the City.
F. Only those public improvements and public redevelopment costs directly associated with or needed to service the proposed development plan or project should be financed through tax increment.
G. The City will analyze each potential new tax increment financing district and recommend whether it should be included in or excluded from the fiscal disparity contribution. The impact of the fiscal disparity election on the City's general tax base will be analyzed using the methodology prescribed by the Minnesota Department of Revenue and will be reported to the City Council in a manner understandable to the general public prior to approval of the proposed use of tax increment financing.

H. As part of the annual budget process, the City will identify tax increment revenues deemed to be excess tax increment and will make related recommendations for decertification of parcels or districts and report on the total value of captured tax capacity expressed in both dollars and as a percentage of total tax capacity.

Online information from the City of Minneapolis at www.ci.minneapolis.mn.us/cped

Tax Abatement

Tax abatement acts like a simpler and less powerful version of tax increment financing. With TIF, the city controls the entire property tax revenue from new development. Under the abatement statute (Minnesota Statutes, Sections 469.1812 through 469.1815), the city, county, and school district have independent authority to grant an abatement.

Uses

The City of Minneapolis will use Tax Abatement to support the substantial rehabilitation of historic properties. The City Council must find that the expected benefits to the City of the proposed abatement agreement at least equal the costs to the City of the proposed agreement. The City Council must also find that the abatement is in the public interest because it will facilitate at least one of the following objectives:

1. Increase or preserve tax base;
2. Provide employment opportunities in the City of Minneapolis;
3. Provide or help acquire or construct public facilities;
4. Help redevelop or renew blighted areas;
5. Help provide access to services for residents of the City of Minneapolis;
6. Finance or improve public infrastructure; or
7. Phase in a property tax increase on the parcel resulting from an increase of 50 percent or more in one year on the estimated market value of the parcel, other than increase attributable to the improvement of the parcel.

Restrictive Use of the Abatement Tool for Historic Properties by the City of Minneapolis

The City will limit the use of Tax Abatement under this policy to a more restrictive range of uses than authorized by the State Legislature.

1. Taxes may be abated only for properties with Historic Preservation designation.
2. Taxes may be abated only to support the substantial rehabilitation of the property.

Evaluation Criteria

The following criteria will be considered in the evaluation of any proposal to use tax abatement for historic properties:

1. The extent to which the proposed use of tax abatement is consistent with the City goals, development priorities, Comprehensive Plan and zoning codes.
2. The extent of the direct and indirect public benefits and costs generated by the tax abatement and redevelopment shall be determined and quantified to the degree possible.
3. The extent to which other government jurisdictions support the project, including but not limited to participation in the public abatement agreement.
4. The extent to which other public assistance is being provided to the project.

Special Assessments

Public improvements are often financed using the power to levy special assessments (Minnesota Statutes Chapter 429). A special assessment is a means for benefiting properties to pay for all or part of the costs associated with improvements, and to spread the impact over a period of years. This tool can be applied to both the construction of new improvements and the rehabilitation of existing improvements.

Uses

Special assessments can be used to finance all of the public improvements resulting from the plan. Eligible improvements include sanitary sewer, water, storm sewer, streets, sidewalks, street lighting, park, streetscape, and parking.

Special assessments provide a means to borrow money to finance public improvements. Minnesota Statutes Chapter 429 conveys the power to issue general obligation improvement bonds to finance the design and construction of public improvements. Important factors in the use of improvement bonds include:

- A minimum of 20% of the cost of the improvement must be assessed against benefited properties.
- Beyond the 20% threshold, any other legally available source of municipal revenue may be used to pay debt service on improvement bonds.
- Improvements bonds are not subject to any statutory debt limit.
- Improvement bonds may be issued without voter approval.

Limitations

The amount of an assessment cannot exceed the benefit to property as measured by increased market value. There are also practical considerations. In growth areas, cities must decide how to allocate costs between current and future development. Assessment policies must consider how to make this allocation and the financial resources needed to carry future costs until development occurs. For reconstruction, the challenge becomes determining how much benefiting property owners should pay for enhancing an existing improvement. Within this limitation, several factors will shape the amount of the assessment.

- The amount of the assessment must be 20% or more of the improvement cost to allow the issuance of bonds.
- Local improvement policies and/or decisions made on previous projects often create parameters for assessments. Likewise, assessment decisions should be made with consideration of the potential implications for future similar projects.
- The assessment must strike a balance between equity and feasibility. Properties that benefit from improvements should pay a fair share of the costs. The assessment must be affordable for both the property owner and the city. Reducing the assessment to the property requires the city to allocate other revenues to the project.

MNDOT – Municipal State Aid

Many of the streets in the study area are part of the City's Municipal State Aid System. The City receives state aid for the construction and maintenance of the local streets. This aid can only be used for streets designated for inclusion in the local state aid street system. These revenues can also be pledged to pay debt service on bonds issued for the construction and maintenance of state aid streets (M.S. 162.18).

Projects will need to follow MnDOT's standard State Aid eligibility process and the City's general practice.

In general, most of the proposed work appears eligible. It appears that the cost to salvage and reinstall paves could be eligible for State Aid participation.

Metropolitan Council Livable Communities Demonstration Account (LCDA)

LCDA Pre-Development grants - site-specific surface water management

LCDA Development Grants
Grant funds may be used for basic and placemaking public infrastructure. This includes local public streets: new streets, street realignment, reconstruction of an existing street grid, street extensions or connections. Note that these elements are eligible only when performed on local public streets. County roads are ineligible.

- Street lighting and street signs, when awarded in conjunction with one of the eligible items in Section 1(A) of the LCDA application or to retrofit an existing street grid with these elements
- Permanent public pedestrian features, including sidewalks and benches, when awarded in conjunction with one of the eligible items in this section I-A or to retrofit an existing public local street with these elements
- Stormwater management improvements

Award limits

- Council-established guidelines state that up to 40% of the total funds available in a grant cycle is available to projects located in Minneapolis and/or Saint Paul. The Council reserves the right to consider awarding more than 40% under certain conditions. There are no award limits for individual Development grants. In the past two years, awards have averaged $559,000.

Match requirements

- There are no match requirements for LCDA Development grants.

Grant terms

- 2011 LCDA Development grant terms will be three years in length, with the possibility of an administratively-approved two-year extension with the submission of adequate proof of progress.

Minnesota Historical Society Grants

Minnesota Historical and Cultural Grants Program (Legacy Grants).

- Legacy grants fund brick and mortar projects.
- The opportunity exists to apply for a "Large" Legacy grant, likely under the 'Historic Properties' category to facilitate the restoration of one or more Heritage streets.

State Capital Project Grants-in-Aid
"Capital projects for historic preservation of publicly owned and used buildings and restoration of a historic landscape are eligible for these matching grants. Primary recipients are public entities as defined by state law, including county and local jurisdictions. Nonprofit history organizations that occupy a building owned by a public entity also may apply."

http://www.mnhs.org/shpo/grants/grants.htm

This program is funded with state bond dollars, hence it funds the preservation of publicly-owned historic resources.

County and Local Preservation Grants $1,000,000 *

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.0525.

*Note: A total of $150,000 was allocated for a specific project; the balance of the appropriation, $850,000, is available for grant awards.

MNDOT STP, Transportation Enhancement Program

- Solicitation for next round of grants is scheduled to be announced on May 12, 2011.
- Applications will probably be due by mid-July 2011.
- Up to $1,000,000 per project available.
- Historic Preservation is one of the qualifying activities for these funds.
- **Information available at www. metrocouncil.org/planning/transportation**

Minnesota Governmental Funding

- Total Maximum Daily Load (TMDL) Grants
- Transportation Revolving Loan Fund. The Transportation Revolving Loan Fund provides financing to state, local and other government entities for transportation projects approved by the Minnesota
- Department of Transportation - Transportation Economic Development Program (TED)

Street Reconstruction

A relatively new municipal power is the ability to issue bonds to finance street reconstruction projects (M.S. 475.58). To use this authority, the streets to be reconstructed must be part of a "street reconstruction plan" that describes the streets to be reconstructed, the estimated costs, and any planned reconstruction of other city streets over the next five years. The issuance of the bonds must be approved by a vote of all of the members of the governing body following a public hearing. The issuance is subject to a reverse referendum provision. The city must hold an election prior to issuance if petitioned by voters within 30 days of the public hearing. Unlike most municipal debt, these bonds are subject to the debt limit.

Department of Employment and Economic Development (DEED)

Development and Redevelopment Grants and Loans

The Minnesota Department of Employment and Economic Development (DEED) offers a number of different financial and technical resources grants to communities and businesses for the purpose of fostering business growth and addressing revitalization needs. Eligible activities include certain redevelopment projects, streets improvements supporting certain economic development projects, housing and commercial rehabilitation, and cleanup of contaminated sites.

DEED has recently implemented a "one-stop shopping" application for a variety of funding programs intended to foster and promote economic development. The "Business Development/Infrastructure Application" is a process that allows eligible applicants to apply for multiple funding sources through just one application. There is an opportunity that future private or public redevelopment plans along 3rd Street N could conceivably be eligible for DEED administered grants. Once these development plans are firm, DEED staff should be consulted to determine potential eligibility for funding through these grant and loan programs.

Minnesota Transportation Revolving Loan Fund (TRLF)

Minnesota's TRLF operates in much the same way as a commercial bank, offering loans and other types of financial assistance to eligible borrowers to finance transportation projects. (The term "other financial assistance" means loan guarantees, lines of credit, credit enhancements, equipment financing leases, bond insurance, and other forms of financial assistance.)
Project types eligible to be funded through the TRLF include streetscaping and other enhancement items, pre-design studies, acquisition of right-of-way, road and bridge maintenance, repair, improvement, or construction, rail safety projects, signs, guardrails, and protective structures used in connection with these projects.

If a determination is made to pursue TRLF funding, the project sponsors should work with the following organizations to ensure eligibility for funding:
1) Mn/DOT District 6 representatives who oversee the district's Area Transportation Partnership (ATP); and
2) the Minnesota Public Facilities Authority (PFA) who essentially serves as the "banking authority" for the program.

Utility Revenues

The city operates three municipal utilities: water, sanitary sewer and storm water. The revenues from the operation of these utilities are available to pay for capital improvements in support of community development initiatives.

State Law (Minnesota Statutes, Section 444.075) gives the authority to pledge these revenues to general obligation bonds for utility system improvements.

MWMO Stormwater Grants

Stewardship Fund Program

Water pollution comes from many different sources, including our everyday activities. How we care for our yards and grounds, wash and maintain our cars, and even dispose of pet waste can contribute to water pollution in the Mississippi River. The hard surfaces of our driveways, sidewalks, and pathways increase the amount of stormwater entering the stormdrains. There are many choices we can make to reduce these harmful impacts on water quality.
Projects funded through the Stewardship Fund Program should achieve the following:

- Improve water quality or improve water and natural resource management. Projects may reduce pollution (both point and non-point source) entering surface and groundwater, prevent flooding, lessen the effects of drought, increase the capacity of the watershed to store water, and/or restore or maintain habitat and native plant communities.
- Build community understanding, knowledge, and initiative related to water and natural resource issues and solutions. Projects should educate and engage people in the watershed regarding watershed issues, resulting in awareness and changed behaviors. Organizations receiving grants will increase their capacity to lead and promote water quality efforts.

$250,000 is available annually through these grants:

- Planning Grants for up to $10,000 each are available annually to complete planning in order to develop a full application for an Action Grant or significant water quality project with another funder.
- Action Grants for up to $50,000 each are available annually to complete a significant watershed stewardship project.

Local Planning Grants

These local grants are exclusively for planning related projects and not for capital improvements.

- McKnight Foundation
- Otto Bremer Foundation.
- The Minneapolis Foundation
- The Jay and Rose Phillips Family Foundation
- 3M Foundation

Federal Funding Sources

Federal Transportation Funding

Metropolitan & Statewide Planning (5303, 5304, 5305)

- Increase the safety of the transportation system for motorized and no motorized users
- Increase the accessibility and mobility of people and for freight
- Protect and enhance the environment, promote energy conservation, improve the quality of life, and promote consistency between transportation improvements and State and local planned growth and economic development patterns
- Enhance the integration and connectivity of the transportation system, across and between modes, for people and freight
- Promote efficient system management and operation
- Emphasize the preservation of the existing transportation system