

MEMORANDUM



TO: Heritage Preservation Commission
FROM: Jack Byers, Planning Manager, 612.673.2634
DATE: October 11, 2011
RE: CPED Applications for 2011 Minnesota Historical and Cultural Funds (aka Legacy Grant Funds)

Background:

In the November 2008 general election, Minnesota voters approved a referendum known as the “Clean Water, Land, and Legacy Amendment.” The referendum approval paved the way for an amendment to the Minnesota Constitution to increase the state’s sales tax rate by three-eighths of one percent and to dedicate the revenues from that increase for natural resource and cultural heritage purposes. Four funds were created by the Legislature to disseminate these resources:

1. The Outdoor Heritage Fund
2. The Parks and Trail Fund
3. The Clean Water Fund
4. The Arts and Cultural Heritage Fund

Creation of the Statewide Historical and Cultural Grants Program

A portion of the Arts and Cultural Heritage Fund is appropriated to the Minnesota Historical Society (MHS) for history-related projects around the state. Within the MHS allocation, a specific fund called the Statewide Historical and Cultural Grants program (aka “Legacy Grants Program”) is set aside for “projects of enduring value for the cause of history and historic preservation.” MHS shaped the new grant program during the summer of 2009 by conducting meetings and workshops across the state. They conducted additional workshops in 2010 and 2011. Several CPED staff participated in these workshops as a way to learn more about the opportunities afforded and to provide feedback to our MHS and SHPO colleagues about what sort of Minneapolis projects might benefit from these resources.

The Minnesota Legislature mandates to each funding organization that awards are spread as evenly as possible across the state. Similarly, MHS follows a policy that no one organization can have more than two projects with allocated funding at any one time. Given that Minneapolis is the largest city in the state and that there are many non-profits and units of government, we stand at a major disadvantage when compared to smaller cities and towns. We understand from MHS that the two projects per organization rule will not be strictly adhered to for Minneapolis as a city/place, but that no more than two projects can be “open” at one time for Minneapolis as a unit of government. In other words, CPED is not competing against non-profits located in the city for the same two “open” grants.

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Grant Categories:

MHS created a variety of grant categories assembled into two general areas:

- The History Projects category is geared towards museums and local history organizations
- The Historic Preservation Projects category is geared towards care and maintenance of historic properties, preservation planning, and preservation-related research activities. CPED applications for grant money fall into this category.

In the Historic Preservation Projects sub-category, MHS also created three levels for grant applications and subsequent awards:

- Fast Track Grants – Available on a monthly basis for projects under \$7,000
- Medium Grants – Available on an annual basis for projects under \$50,000
- Large Grants – Available on an annual basis for projects over \$50,000

Partnership Grants: In order to widen the opportunities available, MHS further created a special fund within the Historic Preservation Projects category for so-called Partnership Grants. Under this fund, local governments that can demonstrate a financial partnership with a specific non-profit or private developer are eligible to compete for funds in this account – thereby improving chances for funding for projects that are considered public/private collaborations.

Finally, MHS created and maintains the Historic Review Awards Committee (HRAC) to review grant applications submitted from governments and non-profits from around the state. HRAC is composed of 10-15 historians and preservationists who meet in St. Paul to review applications, take recommendations from MHS staff, make funding recommendations to the MHS Board of Directors, and to provide feedback to the Legislature about how Legacy money is being allocated and used. (CPED applied to have a position on HRAC but we were not selected at this time.)

Past Applications and Awards to CPED:

Year	Project	Category	Request	Award	Status	Next Steps
2009	Grain Belt Office Building	Large	\$500,000	\$50,000	Specific component(s) of project completed with funds awarded	Funds sought for additional components of project in 2010 round.
2009	East Bank Mills Energy Center	Small	\$7,000	\$7,000	Grant funded project completed	Additional funds for next steps sought in 2011 round
2009	Pillsbury A-Mill Roof Stabilization and Window Survey	Large	\$107,000	None	No project undertaken	Will be undertaken as part of Dominion project
2009	Pioneers and Soldiers Cemetery Fence Restoration	Large	\$115,000	None	Others funds sought and secured	Additional funds will be sought in 2011 round

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Past Applications and Awards to CPED (continued):

Year	Project	Category	Request	Award	Status	Next Steps
2010	Grain Belt Office Building	Large	\$290,000	\$125,000	Specific component(s) of project completed with funds awarded	Submissions to CPED-RFP are currently under review. Sale of building is possible through negotiations.
2010	Warehouse District Heritage Street Plan	Large	\$100,000	\$75,000	Grant funded project completed	Implementation funds sought in 2011 round
2010	Pillsbury A-Mill Roof Stabilization	Medium	\$42,000	None	No project undertaken	Will be undertaken as part of Dominion project
2010	Pillsbury A-Mill Window Survey	Medium	\$42,000	None	No project undertaken	Will be undertaken as part of Dominion project
2010	Pioneers and Soldiers Cemetery	Partnership Fund (with Friends of the Cemetery)	\$150,000	None	Application disqualified due to MHS rule regarding 501(c)3 status	Application will be submitted for 2011 round (but not in "Partnership" category)

2011: Recommended Projects, Priorities, and Strategy:

While acting on the state budget in July 2011, the Minnesota Legislature reauthorized the use of funds collected through the Clean Water, Land, and Legacy Amendment. Shortly thereafter, the Minnesota Historical Society set dates and requirements for applications to their Fall 2011 round of preservation grant applications. For the 2011-2012 biennium, the MHS Legacy Grants Program includes over \$10 million to be awarded through a competitive application and review process for historic preservation projects across the state.

After the state government re-opened in July and based upon dates and framework announced by MHS in early August, CPED-Planning's Preservation and Design Team convened a meeting with our colleagues in CPED-Business Development and CPED-Multi-Family Housing to continue working on a cross-division strategy to apply for and use Legacy Funds to advance the City's interests in locally-designated properties and projects. As in the past, the managers for each section (Jack Byers, Kristen Guild, and Wes Butler) agreed to a strategy that focused on securing financial resources to stabilize key properties that are owned by the City (either by CPED or the Public Works Department). We also

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agreed that the successful rehabilitation of the East Bank Mills project is so critical to the economic success of the central riverfront that it was in the City's best interest to find whatever means possible to partner with the property developer to help position that very complex and far-reaching project for attracting other outside investments.

Round 3 Applications are due to MHS in November 2011. CPED recommends continuing a strategy that focuses on securing financial resources to stabilize key properties that are owned by the City (either by CPED or the Public Works Department) and to continue to partner with the property developer on the Pillsbury A-Mill Project. That being the case, for Round 3, CPED is refining our strategy in three ways as an attempt to have broader success:

- Limit the number of applications submitted by CPED to those that are directly related to current stabilization, restoration, and infrastructure projects.
- Prioritize projects at the time applications are submitted so that the awards review committee understands the City's most critical needs for Legacy funds.
- In order to demonstrate the City's commitment to the project, the likely allocation of staff time that will be spent on the project will be noted as an in-kind match. The intent is to more successfully leverage the estimated dollar value of staff time that would be spent on a given project anyway.

At this time, CPED-Planning and CPED-Economic Development are proposing to submit the following applications to MHS for Round 3 funding with the prioritization scheme that follows:

Category: Historic Preservation Projects

#1: Pioneers and Soldiers Cemetery:

Legacy Funds requested: \$150,000

City Match: \$273,000 (CLIC) and in-kind services (staff hours) amount to be determined

Private Match: \$5,000 Fundraising by Friends of the Cemetery

Brief Summary of Project: Pioneers and Soldiers Cemetery (formerly Layman's Cemetery), established in 1853, is the only cemetery in Minnesota listed as an individual landmark on the National Register of Historic Places. In 1928, an ornate steel fence was built along Lake Street and Cedar Avenue as part of a redesign to pay tribute to the pioneers and soldiers buried in the cemetery. Today the fence is in a state of disrepair. The goal of the fence restoration project is to restore the historic fence to a level that will last indefinitely. In addition to its commemorative value, the fence is the public face of the cemetery for the 35,000 people that pass the cemetery daily. It is also the City's best line of protection against vandalism to the grounds and gravesites. Phases 1 and 2 of this project were completed in Spring 2011. Funds will be sought in the upcoming grant application round for funds to complete Phases 3 and 4 of the fence restoration.

Project Manager: Chris Backes, Public Works, Property Services

Preservation Planner: Aaron Hanauer, CPED-Planning, Preservation and Design Section

#2: Warehouse District Heritage Street Plan - Brick Salvaging Project:

Legacy Funds requested: \$150,000

City Match: \$500,000 (CLIC) and in-kind services (staff hours) amount to be determined

Brief Summary of Project: Funded with a 2010 Legacy Grant, The Warehouse District Heritage Street Plan set out a detailed street-by-street plan for preserving historic infrastructure in the Warehouse Historic District. The Plan provides a practical, forward

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looking, and historically-sensitive approach preserving and rehabilitating historic streets and loading docks while improving pedestrian accessibility, and enhancing stormwater run-off by increasing sustainable practices within the Warehouse Historic District. The completed document was approved by the HPC in August of 2011. The document is a detailed street-by-street plan with specific trouble-shooting for how to preserve the remaining historic materials and industrial infrastructure, while accommodating the American with Disabilities Act (ADA) requirements and addressing the need for street and sewer repairs. The plan will be used to inform the individual site decisions that property owners, design professionals, and the City will need to make when properties in the District are rehabilitated. It is also being used as the guiding document for the design and development of City capital improvement projects for the reconstruction and repair of specific streets and alleys.

Now that the plan is completed, CPED and Public Works are beginning work toward implementation with a focus on reconstruction of 6th Avenue North. One of the challenges identified in the plan is that original brick material will be deficient to reuse throughout the district due to breakage or removal from past utility cuts. In order to reconstruct 6th Avenue North with full brick replacement, Public Works will need to find similar brick from other city streets under reconstruction. This grant will be used to salvage, palletize, transfer, and store subsurface brick from other City projects where the brick is similar to that in the Warehouse District. One possible removal project will occur in 2012 with the first phase of Nicollet Avenue South reconstruction.

Project Manager: Beth Elliot, CPED-Planning, Community Planning Section

Public Works Staff: Paul Miller, PW-Transportation Planning and Design; Bob Carlson, PW-Engineering and Street Design

Preservation Planner: Brian Schaffer, CPED-Planning, Preservation and Design Section

Category: Partnership Projects

#1: Pillsbury A Mill Tunnel System Condition Study

Legacy Funds requested: \$320,000

City Match: In-kind services (staff hours) amount to be determined

Private Match: \$20,000 Dominion Development (cash and staff hours); In-kind donation of services from other organizations will also be sought for this project

Brief Summary of Project: The work proposed to be funded by the grant is an historic and structural conditions study of the underground waterpower tunnel system associated with the Pillsbury A Mill complex. The project would include some preparatory work to make the tunnel system safely accessible for undertaking and completing the study. The overall scope for *this* study was prepared in 2009 by Mead and Hunt using funding provided by a previous (Small category) Legacy grant. This scope is a variation of a standard Historic Structure Report. The proposed conditions study will include the necessary inspection and testing to:

- (a) evaluate the historical and structural condition of the tunnel system,
- (b) identify what is needed to preserve the system for continued use and interpretation,
- (c) prepare cost estimates for the necessary work, and
- (d) summarize the above in a final report.

A private developer (Dominium Development) has a purchase agreement with the property owner, BNC Bank, for the historic Pillsbury A-Mill structures. Dominion is refining plans to rehabilitate those above-grade structures for primarily residential use. (The Machine Shop

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building is slated for commercial/office use). This development project will rehabilitate this exceptionally significant complex for continued use and will provide about 250 affordable live-work housing units for artists.

The Pillsbury A Mill is a registered National Historic Landmark and the accessory buildings are considered contributing resources to the St. Anthony Falls Historic District, which is also listed on the National Register of Historic Places.

External Partner: Owen Metz, Dominion Development

Project Coordinator: Ann Calvert, CPED-Economic Development, Business Development

Preservation Planner: Brian Schaffer, CPED-Planning, Preservation and Design Section

Recap: Current Applications Recommended:

Year	Proposed Rank	Project	Category	Request	Award	Status	Next Steps
2011	1	Pioneers and Soldiers Cemetery Fence Restoration: Phases 3 and 4	Large	\$150,000	TBD	TBD	TBD
2011	2	Warehouse District Streets - Brick Salvaging Project	Large	\$150,000	TBD	TBD	TBD
2011	Partnership	Pillsbury A Mill Tunnel System Condition Study	Partnership (with Dominion Develop't)	\$320,000	TBD	TBD	TBD

Internal Review Process: The following internal review process was set-up in order to allow for review and ranking of proposed projects by appointed and elected officials, as follows:

- Week of September 26-30th: Review by CPED Directors in advance of a staff report being made to the HPC.
- October 11th: Review and discuss projects with the HPC in order to seek feedback on and prioritization for applications.
- October 25th: Present HPC recommendations for prioritization to the City Council - for review and approval prior to submission of grant applications to MHS. A presentation is proposed for the Community Development Committee with referral of the report to the Ways and Means Committee and to the Zoning and Planning Committee
- November 4th: Review by the Full City Council

When grant applications are transmitted to MHS, CPED will also transmit the City Council actions so that the Historic Review Awards Committee (HRAC) understands the City's rankings and priorities for projects. If and when grant funds are awarded, CPED will also submit Requests for Council Action (RCAs) to the City Council seeking approval to accept any grant funds received.

CPED and Public Works welcome input and feedback from the Heritage Preservation Commission at your October 11th meeting, particularly on the projects, priorities, and strategies for successfully pursuing Minnesota Historical and Cultural Funds to stabilize and rehabilitate locally designated properties.