

**STATEMENT IN SUPPORT OF APPLICATION FOR
APPROVAL OF DEMOLITION OF HISTORIC RESOURCE**

The Applicant, First and University Investors, LLC, submits this statement in support of its application for approval of demolition of the existing building at 315 First Avenue NE.

By letter dated February 11, 2013, Principal City Planner Haila Maze informed the Applicant that the City determined that the building meets at least one of the local designation criteria listed in Section 599.210 of the Minneapolis Code of Ordinances and the building is therefore an historic resource. The property is not a designated landmark or a nominated property under interim protection, and it is not located in an historic district.

Pre-Application Meeting. Representatives of the Applicant (historical consultant Amy Lucas, Landscape Research, LLC, and attorney Eric Galatz, Leonard, Street and Deinard Professional Association) met with Senior Planner Rebecca Farrar and Principal Planner Hilary Dvorak on March 1, 2013, to discuss the process for obtaining approval of demolition of the Superior Plating building. Ms. Lucas, through Landscape Research, LLC, prepared the Determination of Eligibility Study submitted with this Application.

Project Description. The Applicant does not have a specific development proposal for the property as of the date of this Application. The Applicant discussed conceptual development plans for housing or mixed use development with planning staff and neighborhood representatives before Applicant acquired the property but, Applicant acquired the property through bankruptcy proceedings that required Applicant to close on the acquisition before obtaining entitlements for any specific development. Applicant is in negotiations with a developer who may acquire the property for development of a similar mixed use retail and housing project. Due to environmental conditions on the site, however, the Applicant will not be able to pursue development of the property on its own behalf or sell the property to another for development until the existing building is demolished and the environmental conditions are remediated.

Property Condition. The site is a listed Minnesota Pollution Control Agency Permanent List of Priorities (PLP) site (commonly known as a "Superfund Site"). The soils and groundwater below and around the building are contaminated with by-products and wastes associated with the metal plating operations, including chromium, TCE, plating residue, cyanide, PAHs and metal. Further, interior components of the building include asbestos containing materials and other regulated materials. The previous owner of the property, under the oversight of the Minnesota Pollution Control Agency ("MPCA"), installed a wastewater treatment system and monitoring well to address groundwater contamination. Before the Applicant acquired the property in 2012, the Applicant enrolled the property in the MPCA Voluntary Investigations and Cleanup ("VIC") program to determine the scope of contamination and develop an approved response action plan ("RAP") to address the contamination. A copy of the RAP (which contains a more complete description of the condition of the property) is included with this Application.

The RAP calls for demolition of the building and removal of soils below and around the building. The remediation cannot be completed until the building is demolished.

**Superior Plating Site
Remedial Cost Estimates
March 8, 2012**

Estimated Costs for the Remedial Excavation of Impacted Fill, Groundwater System Operation, Regulatory Coordination
Blocks 13 and 16, St. Anthony Falls Addition

	Unit	Estimated Quantities	Unit Price	Total
1) Site Excavation, Soil Pretreatment				
Mobilization/Demobilization/Oversight	LS	1	\$10,000.00	\$10,000.00
Contractor Health & Safety Plan	LS	1	\$2,000.00	\$2,000.00
Permits (SWPPP, MCES, etc.)	LS	1	\$5,000.00	\$5,000.00
Silt Fencing and Erosion Control Measures	LS	1	\$10,000.00	\$10,000.00
On-Site Treatment	tons	9,500	\$8.40	\$79,800.00
Excavation, Segregation, Loading	c.y.	26,505	\$3.25	\$86,141.25
			1) Total	\$192,941.25
2) Soil Transportation and Disposal Costs				
1 Impacted Fill disposal (chromium, TCE, plating residue, cyanide)	tons	9,500	\$30.00	\$285,000.00
2 Impacted Fill disposal (chromium, zinc, plating residue, cyanide)	tons	4,550	\$30.00	\$136,500.00
3 Impacted Fill disposal (PAHs, metals)	tons	12,300	\$30.00	\$369,000.00
4 Impacted Fill disposal (PAHs, metals)	tons	9,100	\$30.00	\$273,000.00
5 Impacted Fill disposal (PAHs, metals)	tons	6,850	\$30.00	\$205,500.00
HW Hazardous waste	tons	500	\$280.00	\$140,000.00
			2) Total	\$1,409,000.00
3) Engineering Costs				
Project Management, Regulatory Coordination, VIC Program Asst	hours	320	\$182.00	\$58,240.00
Field Work Coordination, Reporting	hours	320	\$144.00	\$46,080.00
Environmental Project Field Oversight, CCP Implementation	hours	900	\$101.00	\$90,900.00
Equipment, Supplies & Reimbursables	LS	1	\$35,000.00	\$35,000.00
Mileage	miles	3,000	\$0.55	\$1,650.00
Autocad, administrative	hours	100	\$81.00	\$8,100.00
ACM Abatement Supervisor	hours	120	\$93.00	\$11,160.00
			3) Total	\$251,130.00
4) Analytical Services				
TCLP Cr	sample	100	\$57.50	\$5,750.00
Total cyanide	sample	100	\$40.00	\$4,000.00
PAHs	sample	200	\$82.00	\$16,400.00
VOCs	sample	75	\$92.00	\$6,900.00
RCRA metals + nickel, zinc	sample	200	\$130.00	\$26,000.00
QA/QC	10%	1	\$6,000.00	\$6,000.00
			4) Total	\$65,050.00
5) Building Demolition				
Building demolition				
Assumed some non-C&D disposal	LS	1	\$475,000.00	\$475,000.00
Regulated materials abatement				
Abate ACM, other regulated materials	sample	1	\$175,000.00	\$175,000.00
Production well abandonment	LS	1	\$25,000.00	\$25,000.00
			5) Total	\$650,000.00
6) Regulatory obligations				
Groundwater Remedial System				
Downgradient TCE system	Annual	5	\$60,000.00	\$300,000.00
Groundwater Remedial System				
North Scep (French Drain)	LS	1	\$150,000.00	\$150,000.00
VIC Program Oversight (to MPCA)	hours	800	\$150.00	\$120,000.00
Monitoring well abandonment	LS	1	\$8,000.00	\$8,000.00
			6) Total	\$578,000.00
			Estimated Project Total	\$3,146,121.25

Olson, Lynn

From: Galatz, Eric
Sent: Thursday, May 09, 2013 2:44 PM
To: Hofstede, Diane T.; P Victor Grambsch
Cc: stacy.sorenson@minneapolismn.gov; Wilson, James; Olson, Lynn; Eric Anderson (Eric@ccrpllc.com); Devolve, Robert; Phelps, Todd
Subject: Superior Plating Site Heritage Preservation Commission Application - First and University Investors - City Center Retail
Attachments: Ltr CPED - Rebecca Farrar - HPC Application - First and University Investors, LLC.PDF

Council Member Hofstede and Mr. Grambsch:

Attached please find the application of First and University Investors, LLC, an affiliate of City Center Realty, to the HPC for approval of demolition of the building at 315 First Avenue NE. You will recall Eric Anderson of City Center Realty and I met with the neighborhood in early 2012 before CCR's affiliate, First and University, acquired the property, to gauge the neighbor's reaction to alternative development scenarios. First and University now owns the property, is pursuing alternatives for development, including sale to a third party for development of housing. Before anything can be done, the existing building has to be demolished and the site has to be remediated. This application will allow First and University to start that process.

You will see several attachments listed in the attached cover letter that are not attached to this email. Please let me know if you want copies of any of them.

LEONARD
STREET
AND
DEINARD

Eric H. Galatz *Shareholder*

Work: 612.335.1509 | Mobile: 612.819.4871 | Fax: 612.335.1657 | eric.galatz@leonard.com

Leonard, Street and Deinard *A Professional Association*

150 South Fifth Street Suite 2300, Minneapolis, MN 55402

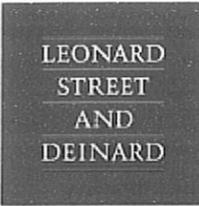
Main: 612.335.1500 | www.leonard.com | vCard

Assistant: Lynn Olson | 612.335.1966 | lynn.olson@leonard.com

Farrar, Rebecca D.

From: Galatz, Eric <eric.galatz@leonard.com>
Sent: Tuesday, May 28, 2013 6:32 PM
To: neighbors@stawno.org
Cc: P Victor Grambsch; Farrar, Rebecca D.; Hofstede, Diane T.
Subject: RE: HPC Application - Superior Plating - First and University LLC.zip

I attempted to deliver the message below with a copy of the HPC Application described below by email today, but you email server rejected the message because of the size of the attachments. I am re-sending without the attachments so you know we submitted the application. I will send the application and attachments in separate emails tomorrow.

	Eric H. Galatz <i>Shareholder</i> Work: 612.335.1509 Mobile: 612.819.4871 Fax: 612.335.1657 eric.galatz@leonard.com
	Leonard, Street and Deinard <i>A Professional Association</i> 150 South Fifth Street Suite 2300, Minneapolis, MN 55402 Main: 612.335.1500 www.leonard.com vCard
	Assistant: Lynn Olson 612.335.1966 lynn.olson@leonard.com

From: Galatz, Eric
Sent: Tuesday, May 28, 2013 6:23 PM
To: 'neighbors@stawno.org'
Cc: P Victor Grambsch; Farrar, Rebecca D. (Rebecca.Farrar@minneapolismn.gov); 'Hofstede, Diane T.'
Subject: HPC Application - Superior Plating - First and University LLC.zip

To the St. Anthony West Neighborhood Association:

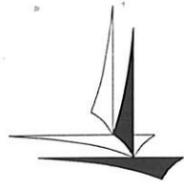
Please accept this email as notification on behalf of First and University, LLC, owners of the former Super Plating property at 315 First Avenue NE, that First and University, LLC has applied to the Minneapolis Heritage Preservation Commission for authority to demolish the existing building at 315 First Avenue NE.

The property is located in the Nicollet Island East Bank Neighborhood, and we provided NIEBNA notice when we first submitted the application. City Planner Rebecca Farrar asked us to provide you with a separate notices in light of the fact that the property is on the boundary of your neighborhood.

We invited members of the St. Anthony West Neighborhood Association to meetings in early 2012, when First and University, through its parent City Center Realty Partners, was first exploring the possibility of acquiring the property. Those who attended will recall that the property is contaminated and in need of substantial environmental remediation before it can be redeveloped, and the existing building will have to be demolished before the property can be remediated.

First and University did acquire the property in 2012 and has since been pursuing alternatives for redeveloping the property, including selling the property to another developer. Before First and University LLC can attract investors in any redevelopment, or sell the property to others for redevelopment, First and University LLC has to demonstrate to prospective investors or purchasers that it will be able to remediate environmental conditions. First and University is therefore pursuing permission to demolish the building as a first step toward remediating environmental conditions.

The application, including the report of our historical consultant, is attached for your information.



Minneapolis
City of Lakes

**Community Planning &
Economic Development**

105 5th Avenue S, Suite 200
Minneapolis MN 55401

Office 612-673-2597
Fax 612-673-2728
TTY 612-673-5154

February 11, 2013

Robert Devolve
Leonard, Street and Deinard
150 S 5th Street, Suite 2300
Minneapolis, MN 55402

RE: Historic Review Letter: 315 1st Ave NE
PID: # 2302924120090
BZH # 27640

Dear Mr. Devolve,

CPED staff understands that a wrecking permit will be required as a component of your land use applications to construct development at 315 1st Ave NE, known as the Superior Plating site. This Historic Review Letter BZH-27640 provides background information as input into the City's process to evaluate the wrecking permit.

Section 599.460 of the Municipal Code of Ordinances (MCO) states:

"The planning director shall review all building permit applications that meet the definition for demolition for a demolition permit to determine whether the affected property is an historic resource. If the planning director determines that the property is not an historic resource, the demolition building permit shall be approved. If the planning director determines that the property is an historic resource, the building permit shall not be issued without review and approval by the commission following a public hearing as provided in section 599.170."

Section 599.110 of the MCO defines a historic resource as: "A property that is believed to have historical, cultural, architectural, archaeological or engineering significance and to meet at least one of the criteria for designation as a landmark or historic district as provided in this chapter."

In 1890, the Minneapolis City Council made the decision to switch from horse-drawn streetcar to electric streetcar. According to *A History of the Minneapolis Street Railway Company, Covering 35 Years, 1873-1908*, the current building located at 315 1st Ave NE was constructed in 1891 by the Minneapolis Street Railway Company as one of the original three streetcar barns designed to house the new electric cars. The other two, both located in south Minneapolis, have since been demolished. While other streetcar barns remain intact, this is currently the only one from that particular era to still be in place.

The building remained in use throughout the entire streetcar era, only closing when the last electric streetcar was decommissioned in 1954. At that point, the

property was sold to an industrial metal plating company, which continued to operate on the site until 2012, when it ceased operations through foreclosure. The building was maintained largely intact, with a series of interior renovations (construction and removal of non-original partitions), and the closure of some windows over time. Some modifications were undertaken in the 1980's when the contamination from the plating business' operations was identified and remediation begun. Remediation is still ongoing, and is expected to continue for some time.

The property is not currently locally or nationally designated. The property was included in a 2011 historic reconnaissance survey of the central core of the city, which did not specifically identify the building as potentially historic, but did identify the adjacent area (including a portion of the site) as a potential historic district.

The property appears to meet local designation criterion one: the property is associated with significant events or with periods that exemplify broad patterns of cultural, political, economic or social history. This building is significant structure in the history of the Minneapolis streetcar system, which shaped the form and layout of the city. While it is the understanding of staff that the site's severe level of contamination from the plating business may prove an impediment to preservation of the structure, the site may still merit a mitigation plan to document and interpret the historic significance of this building.

Based on the information currently available the property appears to meet at least one of the local designation criteria listed in section 599.210 of the Minneapolis Code of Ordinances and has been determined to be a historic resource. As such, if demolition of the property is pursued a Demolition of Historic Resources Application may be required, which is heard in a public hearing with the Minneapolis Heritage Preservation Commission.

In light of additional information CPED reserves the right to reevaluate its determination in this letter.

Sincerely,

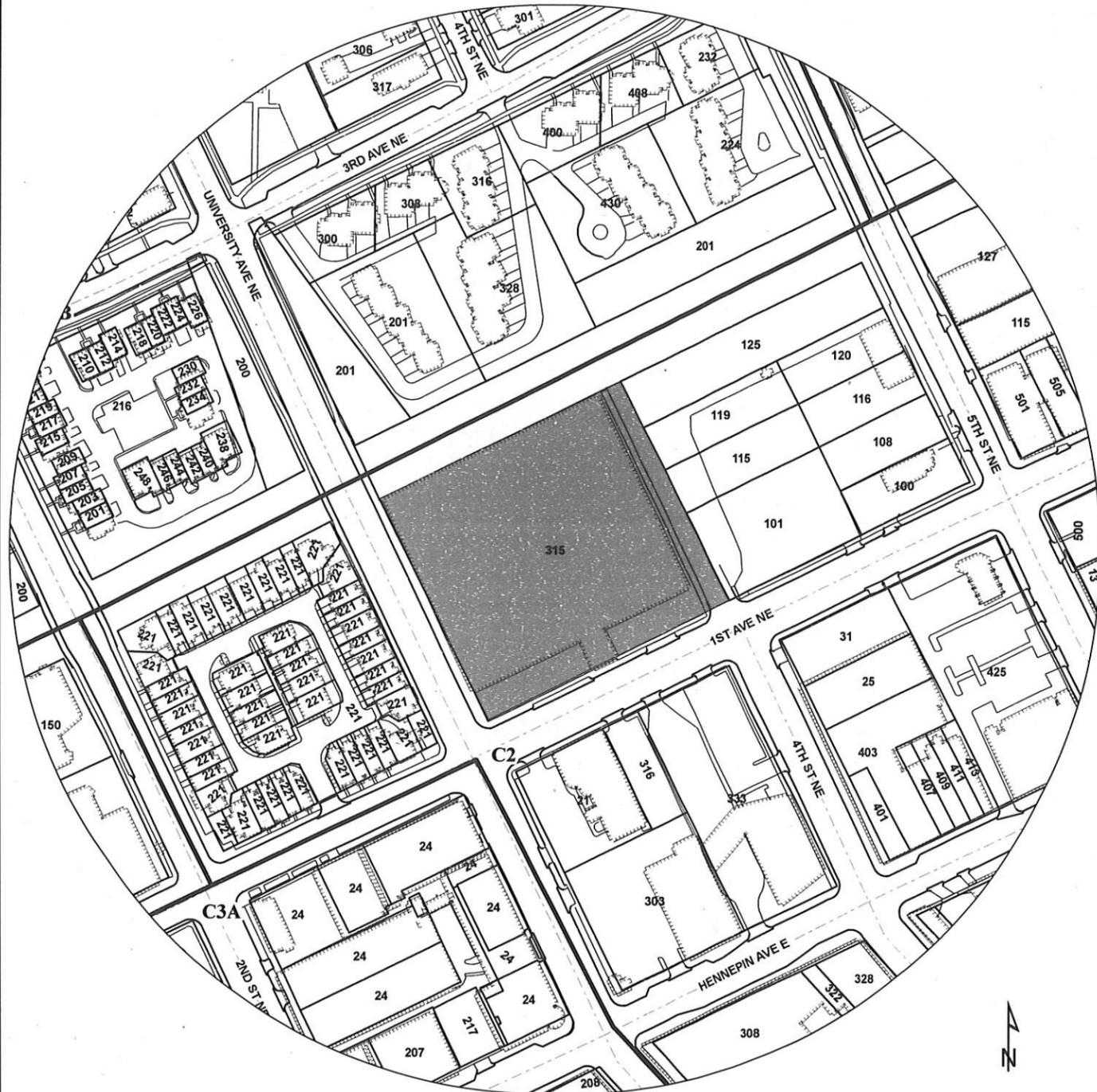
Haila Maze, AICP
Principal City Planner
City of Minneapolis
Community Planning and Economic Development
(612) 673-2098
haila.maze@minneapolismn.gov

Leonard Street and Deinard, on behalf of First and University Investors, LLC

3rd

NAME OF APPLICANT

WARD



PROPERTY ADDRESS

315 1st Avenue NE

FILE NUMBER

BZH- 27768

