Request for City Council Committee Action from the Department of

Community Planning & Economic Development

Date: April 14, 2009
To: Lisa Goodman, Chair, Community Development Committee
Referral to: Paul Ostrow, Chair, Ways and Means/Budget Committee
Subject: Environmental Remediation Grant Applications, Spring 2009 [**Revised**]

Recommendation:

1. Authorize application to the Minnesota Department of Employment and Economic Development [DEED] Contamination Cleanup and Investigation Grant Program for environmental remediation and/or investigation funding for the following projects: 129 Plymouth, 811-813-817 4th Street S.E., Bystrom (Phase I), CVS Pharmacy, Florence Court Apartments, Hennepin Healthcare System, Inc. Family Medical Center, Huron Flats, Parcel A, and Walker Apartments; and,

2. Authorize application to the Hennepin County Environmental Response Fund [ERF] for environmental remediation and/or investigation funding for the following projects: 129 Plymouth, 811-813-817 4th Street S.E., B.F. Nelson Park, Bystrom (Phase I), Como Student Community Cooperative, CVS Pharmacy, Florence Court Apartments, Gateway Lofts, Groundwork Assessment Program, Hennepin Healthcare System, Inc. Family Medical Center, Huron Flats, [Former] Ken's Metal Finishing, Lyndale Green, Merit Printing, Near North Community Housing Project, Parcel A, PPL Foreclosure Redirection Program, Re-Alliance, Stone Arch Apartments II, Walker Apartments, and West Broadway Curve; and

3. Approve the attached resolutions authorizing appropriate City staff to submit the aforesaid applications to the Minnesota Department of Employment and Economic Development [DEED] Contamination Cleanup and Investigation Grant Program and the Hennepin County Environmental Response Fund [ERF].

Previous Directives:

129 Plymouth: None.
811-813-817 4th Street S.E.: The City Council approved the submission of an application for a Hennepin County ERF investigation grant during the spring 2008 grant round.
B.F. Nelson Park (500 Marshall Street S.E.): None.
Bystrom (Phase I) (2310 Snelling Avenue – Franklin LRT Station Area): July 1, 2005 – City Council approved submission of federal transportation funding applications for planned work including the realignment/improvement of the Cedar/Franklin/Minnehaha intersection(s). December 23, 2005 -- City Council approved application by Seward Redesign to the Metropolitan Council Hiawatha Corridor Land Assembly Fund for the Franklin Station Project. March 31, 2006 - City Council approved acceptance and appropriation of Metropolitan Council Hiawatha Light Rail Land Assembly Fund Grants of $3,500,000 for projects along the Hiawatha Light Rail line. April 14, 2006 -- City Council approved application by Seward Redesign to the Hennepin County Transit-Oriented Development Program for the Franklin Station Project. September 1, 2006 -- City Council approved Modification No. 109 to the Common Plan as well as the expansion of the Franklin LRT Station Redevelopment Project to include additional properties, including the Bystrom Brothers property. October 10, 2008 -- City Council authorized a City application to the Metropolitan Council's Land Acquisition for Affordable New Development (LAAND) Program for the Franklin Station Project. December 12, 2008 – City Council approved acceptance of $500,000 funding award from the Metropolitan Council LAAND (Land Acquisition for Affordable New Development) Program for the Franklin Station Project, approved appropriation increases, authorized the execution of loan, subrecipient and/or disbursement and related agreements for the LAAND award, and set aside $600,000 from the Minneapolis Hiawatha LRT Corridor Transit Oriented Development Program for property acquisition.
Como Student Community Cooperative (1024 27th Avenue S.E.): The City Council approved the submission of a Hennepin County ERF application in the fall 2008 brownfield grant round.
CVS Pharmacy (4419 France Avenue S. & 3815 Sunnyside Avenue): The City Council approved a rezoning of the property in question from C1 to C2 on October 10, 2008.
Florence Court Apartments (1000 University Avenue S.E.): On December 12, 2008, the City Council approved a variance recommended by the HPC, to allow for more than one residential structure on one zoning lot.
Gateway Lofts (2610, 2619, 2623 W. Broadway; 2700 Upton Avenue N.): This project was allocated $997,000 from the Affordable Housing Trust Fund on December 12, 2008.
Groundwork Assessment Program: (Various locations): The City Council approved the submission of a Hennepin County ERF grant application related to this program in the fall 2008 brownfield grant round.

Hennepin Healthcare System, Inc. Family Medical Center (28th Street & Nicollet Avenue): The City Council approved a Memorandum of Understanding between the City and Hennepin Healthcare System, Inc. on December 12, 2008.
Huron Flats (2428 Delaware Street S.E.): The City Council approved the submission of a Hennepin County ERF application in the fall 2008 brownfield grant round.
[Former] Ken's Metal Finishing (2323-2333 Emerson Avenue N.): On March 17, 2008, the City (through the Minnesota Pollution Control Agency) requested that the U.S. EPA respond to releases and threatened releases of plating shop chemicals and wastes at this site. The City Council approved the submission of a Hennepin County ERF application in the fall 2008 brownfield grant round.
Lyndale Green (610 28th Street W.): None.
Merit Printing (103 & 117 2nd Street N.): None.
Near North Community Housing Project: (10 parcels on Logan, Morgan and Oliver Avenue N.): None.
Parcel A: (2nd Street N. between 3rd Avenue S. and 5th Avenue S.): On March 6, 2009, the City Council granted exclusive development rights for this property to Eagle Iron Partners.
PPL Foreclosure Redirection Program (various locations): None.
Re-Alliance: (1508 2nd Street N.): None.
Stone Arch Apartments II (600 Main Street S.E.); None.
Walker Apartments (1121 & 1127 Hennepin Avenue): The City Council approved the submission of a Hennepin County ERF application in the fall 2008 brownfield grant round. The City Council approved a loan of up to $1,440,000 for this project from the 2008 Affordable Housing Trust Fund on March 29, 2009.
West Broadway Curve (1807, 1905, 2022 W. Broadway): On December 2, 2005, the City Council approved the expansion of the West Broadway Redevelopment Project Area to include the area now identified as the West Broadway Curve. On May 25, 2007, the City Council approved the submission of an LCDA grant application for the West Broadway Curve Redevelopment Project.

Prepared by:	Kevin Carroll, Principal Project Coordinator	
Approved by:	Charles Lutz, Deputy Director, CPED	_____
	Catherine Polasky, Director of Economic Development	_____
Presenter in Committee: Kevin Carroll, Principal Project Coordinator, 612-673-5181		

Financial Impact

X Other financial impact: There is no direct financial impact at this time. However, some of the grant requests have been identified as requiring a

commitment of local match funds, to be provided by the developer or other non-City funding sources. The City of Minneapolis is sponsoring these grant requests, acting in some cases as a pass-through and conduit for environmental investigations and cleanup.

The twenty-one projects and the thirty related grant applications that are being recommended for submission to DEED and Hennepin County are as follows:

Project Name	GRANTORS		Total Grant Requests*
	DEED	Hennepin County ERF	
129 Plymouth	26,813	4,648	31,461
811, 813, 817 4th St. SE	297,240	51,523	348,763
B.F. Nelson Park		25,000	25,000
Bystrom (Phase I)	126,000	270,000	396,000
Como Student Comm. Coop.		300,000	300,000
CVS Pharmacy	181,721	60,574	242,295
Florence Court Apartments	184,200	122,800	307,000
Gateway Lofts		327,845	327,845
Groundwork Assess. Program		100,000	100,000
Hennepin Healthcare System, Inc. Family Medical Center	512,883	88,900	601,783
Huron Flats	655,275	131,587	786,862
[Former] Ken's Metal Finishing		100,000	100,000
Lyndale Green		30,000	30,000
Merit Printing		35,000	35,000
Near North Comm. Housing Project		150,000	150,000
Parcel A	31,875	5,525	37,400
PPL Foreclosure Redirection Program		150,000	150,000
Re-Alliance		53,000	53,000
Stone Arch Apartments II		42,000	42,000
Walker Apartments	181,420	96,596	278,016
West Broadway Curve		29,500	29,500
TOTALS:	$2,197,427	$2,174,498	$4,371,925

*Amounts shown are based on pre-applications submitted to the City by March 20, 2009. The final amounts shown on grant applications submitted to the grantors on or by May 1, 2009 may differ, due to project cost updates prepared after March 20, 2009.

Community Impact

Neighborhood Notification:

129 Plymouth: This project was presented to the North Loop Neighborhood Association in March of this year, and to the North Washington Industrial Park (Jobs Park Committee) on March 17, 2009.

811-813-817 4th Street S.E.: A presentation to the Marcy-Holmes Neighborhood Association's land use committee is believed to have occurred on or about April 9, 2008.

B.F. Nelson Park (500 Marshall Street S.E.): None.

Bystrom (Phase I) (2310 Snelling Avenue – Franklin LRT Station Area): The Seward Neighborhood Group and the Ventura Village Neighborhood Group both submitted letters requesting that the City adopt the Franklin Avenue redevelopment plan in 2005, and have indicated their ongoing support from time to time. The Seward Neighborhood Group's Community Development Committee [CDC] has been involved in the Bystrom vision and has had a number of conversations with PPL/Touchstone about the proposed Phase I. There is no formal/final plan for the CDC to vote on Phase I, but a CDC representative has indicated that preliminary conversations have been favorable.

Como Student Community Cooperative (1024 27th Avenue S.E.): Residents at the Como Student Community Cooperative receive a memo prepared by the Department of Environmental Health and Safety prior to all fieldwork, along with a summary of each report submitted to the MPCA and a digital link to the complete report. Update presentations are also provided at the Coop board meetings.

CVS Pharmacy (4419 France Avenue S. & 3815 Sunnyside Avenue): The Linden Hills Neighborhood Council issued a letter in support of this project on June 9, 2008.

Florence Court Apartments (1000 University Avenue S.E.): The developer, Clark Gassen, executed an agreement with the Marcy-Holmes neighborhood on or about December 1, 2008 and the neighborhood issued a related letter of support on December 5, 2008.

Gateway Lofts (2610, 2619, 2623 W. Broadway; 2700 Upton Avenue N.): Letters of support have been written by NRRC and the Jordan neighborhood.

Groundwork Assessment Program: (Various locations): Much of the work that will be done under this program will be in connection with current or planned community garden sites. Hennepin County staff members have indicated that the impetus for conducting environmental contamination investigations at such sites has come primarily from community and neighborhood groups.

Hennepin Healthcare System, Inc. Family Medical Center (28th Street & Nicollet Avenue): This project has been discussed with the Whittier Community Alliance, the Whittier Business Alliance and the Lyndale Neighborhood Association, each of which has issued a letter in support of the project.

Huron Flats (2428 Delaware Street S.E.): None.

[Former] Ken's Metal Finishing (2323-2333 Emerson Avenue N.): The EPA provided a community notification in May of 2008, which consisted of a fact sheet that was mailed to residents within a two block radius of the site, to the local library and nearby schools, and to various community officials.
Lyndale Green (610 28th Street W.): None.
Merit Printing (103 & 117 2nd Street N.): This project was reviewed and approved by the North Loop Neighborhood Planning & Zoning Committee.
Near North Community Housing Project: (10 parcels on Logan, Morgan and Oliver Avenue N.): The Northside Residents Redevelopment Council issued a letter in support of this project on February 15, 2008.
Parcel A: (2nd Street N. between 3rd Avenue S. and 5th Avenue S.): The developer's proposal for the site was presented to and reviewed by the Industry Square Project Committee, which took no formal position on it (or on any of the development proposals that were submitted by others).
PPL Foreclosure Redirection Program (various locations): The Hawthorne Neighborhood Council, Phillips West Neighborhood Organization, and the Midtown Phillips Neighborhood Association issued letters in support of this project on (respectively) February 12, February 6 and February 11, 2009.
Re-Alliance: (1508 2nd Street N.): None.
Stone Arch Apartments II (600 Main Street S.E.): The developer and its architect attended meetings with the development committee of the Marcy-Holmes Neighborhood Association [MHNA] before finalizing the design for the project. The committee's input was taken into consideration as part of the design. MHNA's board of directors voted on March 17, 2009 to deny the developer's request that the board support the rezoning, conditional use permits and variances necessary to build an apartment building.
Walker Apartments (1121 & 1127 Hennepin Avenue): On June 10, 2008, the Downtown Minneapolis Neighborhood Association [DMNA] reviewed the preliminary concept plan for this project and passed a motion in support of it. The DMNA also issued a letter on October 9, 2008 in support of the developer's application to the Affordable Housing Trust Fund.
West Broadway Curve (1807, 1905, 2022 W. Broadway): The Jordan Area Community Council has been advised of, and supports, the West Broadway Curve Redevelopment project as currently planned.

City Goals: A Premier Destination, Enriched Environment

Sustainability Targets: Brownfield Sites

Comprehensive Plan: The proposed projects generally comply with the "land reclamation" and "providing a healthy environment" elements of the Minneapolis Plan.

Zoning Code: The proposed projects either are in compliance or will comply.

Living Wage/Business Subsidy Agreement: Yes____ No_X___

Job Linkage: Yes____ No_X___

Other: Environmental remediation assistance is generally exempt from the City's Living Wage Ordinance and the State's Business Subsidy Act. However, any business that occupies a remediated site may be asked to sign a Job Linkage Agreement that includes five year hiring goals (with an emphasis on living wage jobs for Minneapolis residents) and seeks to connect the business with a neighborhood workforce organization.

Background/Supporting Information

The Minnesota Contamination Cleanup and Investigation Grant Program was established in 1993 to clean up contaminated sites and convert contaminated property into a marketable asset. The Department of Employment and Economic Development [DEED] is the administering state agency. Applications for the spring grant round are due on or by May 1, 2009. A local match equal to twenty-five percent of the project costs is required, of which twelve percent must come from non-tax increment local funds (typically provided by the developer). The legislature has designated that at least 25% of available funds be spent on remediating sites in Greater Minnesota unless sufficient applications are not received. This allows the grant program to assist with cleanup efforts statewide.

The Metropolitan Council, which for many years has made Tax Base Revitalization Account grants available twice a year, is not participating in the spring 2009 brownfield grant round.

Hennepin County has been collecting mortgage registry and deed tax for deposit into an Environmental Response Fund (ERF) and has awarded grants from that fund since the fall of 2001. The ERF is used for the assessment and clean up of contaminated sites located within Hennepin County, with emphasis on affordable housing projects. Applications for the spring round of this program are due on or by May 1, 2009. Typically, about 50% of the available grant funds are awarded to the City of Minneapolis, and the remainder is awarded to suburban communities and other entities.

Projects initiated through these grants and additional public funds have, from their inception through the fall 2009 grant round, triggered more than an estimated $1 billion in additional private investment in the City of Minneapolis.

New Funding Requests for Spring 2009

	Grant Applications	Grant Funding Requested
DEED	9	$2,197,427
Hennepin County	21	$2,174,498

TOTAL:	**30**	**$4,371,925**

For the spring 2009 grant round, details regarding the City's pre-application process and related program requirements were provided to CPED project coordinators and potential applicants in January and February. Relevant information was posted on the City's website. Staff review of the submitted pre-applications included consideration of factors such as readiness to proceed with cleanup, removal of blighting influences, commitment of City funds, affordable housing, compliance with zoning requirements and comprehensive plan designations, and job creation. Thirty pre-applications were received, all of which are being recommended for submission to the grantors. Interactions with the three grantors during the last five grant rounds have clarified and reinforced the fact that their internal processes for reviewing, scoring and ranking applications give no weight to any city's prioritization of the applications that it submits to the grantors. The analyses conducted by the grantors' staff, and the decisions that they make in awarding grants, are based on statutory criteria and adopted guidelines that do not include the (relative) preferences of municipal applicants. Accordingly, and in keeping with the practice that has been followed by the City in the last four brownfield grant rounds, the recommendation of City staff is that the City Council not rank or prioritize the applications that it authorizes staff to submit to the grantors on or by the May 1, 2009 application deadline.

Details of Proposed Projects:

[This section of the report presents projects in alphabetical order**.** The summary descriptions were provided by the developers or by others familiar with the details of the projects in question.]

129 Plymouth
Projected DEED Request: $26,813
Projected Hennepin County ERF Request: $4,648

This 0.76 acre property is currently owned by MnDOT. MnDOT has indicated that it is willing to sell the property to the City of Minneapolis for a specified price if that amount can be paid by August 15, 2009. Lupe Development was the sole party to respond to an RFP that the City prepared regarding the site. Lupe has proposed an 8500 square foot, slab on grade commercial building for the site, which is currently zoned I-2. Planning staff indicate that the project as currently proposed is not entirely consistent with land use policies and existing zoning. Staff is working with the development team to bring the project into consistency. Although MnDOT conducted some remediation after the prior owner of the site (Shafer Metal Recycling) departed, funds are now being sought to conduct a site assessment to determine the current environmental condition of the property.

811-813-817 4th Street S.E.
Projected DEED Request: $297,240
Projected Hennepin County ERF Request: $51,523

This 0.28 acre site includes a distressed building (which has been vacant for over a year) that formerly housed a dry cleaning operation. The property owner, Savant Properties, LLC

and its developer, Master Development, intend to redevelop the site by constructing a new mixed use residential/retail building with a footprint size of 9,885 square feet. The building will be four stories in height with ground floor retail, apartments on floors two through four, and one level of underground parking. The site is prominently located on the corner of 4th Street SE and Interstate 35W. The redevelopment will transform this site into an active mixed-use development providing market rate apartments for professionals and students, and it will enhance the pedestrian experience with street level improvements and new retail area. The creation of approximately 12 new jobs is anticipated. This site is currently zoned C1. This project may require either a rezoning or variances to accommodate the desired density and height. Planning staff have indicated that the developer met with them around April of 2008 regarding a preliminary plan for the site; however, no official submittal has been made since that time. Based on those earlier conversations, the project generally appears suitable for the site. The Marcy Holmes neighborhood master plan envisions this as an important gateway location for their area (and should be designed with that in mind), with commercial/mixed uses. The project as proposed is generally consistent with the comprehensive plan and the Marcy-Holmes Neighborhood Master Plan. Funds are being sought for (among other things) removal and disposal of all hazardous materials from the building prior to demolition, excavation and disposal of contaminated soil, and design and construction of a sub-slab vapor barrier and active venting system beneath the entire building footprint.

B.F. Nelson Park (500 Marshall Street S.E.)
Projected Hennepin County ERF Request: $25,000

This 12 acre site is owned by the Minneapolis Park and Recreation Board. Recent construction activity at the site included earthwork and grading of a proposed wetland area and shoreline stabilization. Shovel tests and borings that were done in several locations within the wetland and park site revealed no environmental degradation. However, contaminated soils were encountered once earthwork and grading limits reached the proposed low pond elevations. Initial observations made upon discovery (apparent shingles, tar and a petroleum-like odor in soil) suggested the source of contamination was residual material from the former B.F. Nelson shingle and tarpaper manufacturing business that historically operated on the property. Funding is being sought in this grant round for the cost of transported the contaminated material off-site (along with segregated debris) for disposal. The remaining soil will be managed on-site in a manner that minimizes exposure to human health and the environment while maintaining consistency with the final land-use as a public park. Material deemed appropriate for re-use on-site will be relocated under future parking areas some distance north of the Mississippi River. With no change of use or significant construction proposed (beyond park development work already underway), planning staff have indicated that they don't have any substantive comments. The existing use is considered appropriate for the area.

Bystrom (Phase I) (2310 Snelling Avenue – Franklin LRT Station Area)
Projected DEED Request: $126,000
Projected Hennepin County ERF Request: $270,000

The owner of this 0.56 acre [Phase I] site is 2200 Minnehaha LLC and the developer is Seward Redesign and/or Seward Commons LLC. Phase I is part of a larger property formerly occupied by Bystrom Brothers, a manufacturer of machine products and components. The Bystrom Brothers property and certain nearby areas will be redeveloped in several phases, the first of which is planned for the spring of 2010. Phase I includes the southernmost portion of the former Bystrom property. The overall redevelopment plan envisions a number of multi-story residential, office and retail structures, with underground parking. The Phase I plan includes a multi-story apartment/assisted living complex with a footprint of approximately 18,500 square feet. Built in partnership with Touchstone Mental Health

Services and Project for Pride in Living, the complex is expected to have 40 one-bedroom units of supportive housing with on-site services plus 5,000 square feet of office space. Grant funding is being sought to remove and properly dispose of large quantities of contaminated soil.

Como Student Community Cooperative (1024 27th Avenue S.E.)
Projected Hennepin County ERF Request: $300,000

Soil contamination was discovered in late September of 2008 at a University-owned property known as the Como Student Community Cooperative. The 6 acre property in question includes several apartment buildings that provide housing for married students. The contamination was discovered while soil was being removed from around the foundations of the buildings during a landscaping and basement waterproofing project. Tests conducted during the soil removal process indicated the presence of elevated concentrations of lead, cadmium, arsenic and carcinogenic polycyclic aromatic hydrocarbons, which present potential health risks. Now that the testing has been completed, the University wants to move forward with the required site remediation work. With no change of use or significant construction proposed, planning staff have indicated that they don't have any substantive comments at this time. The existing use is considered appropriate for the area.

CVS Pharmacy (4419 France Avenue S. & 3815 Sunnyside Avenue)
Projected DEED Request: $181,721
Projected Hennepin County ERF Request: $60,574

This is a 1.23 acre site owned by Robert Olson, on which the developer, Velmeir Companies, intends to construct a new 13,600 square foot commercial building. The property is currently the site of a gas station (open) and a grocery store (closed since 2007). Remediation funds, if awarded, will be used to address contaminated soils, asbestos and/or lead-based paint. This project received all required land use and zoning approvals in October of 2008.

Florence Court Apartments (1000 University Avenue S.E.)
Projected DEED Request: $184,200
Projected Hennepin County ERF Request: $122,800

The owner/developer of this 0.18 site is Clark Gassen and/or CAG Development. The property is currently the site of a gas station and a body shop. Phase I of the redevelopment of the site will include the construction of an 84-unit, 6-story apartment building (expected to be primarily student housing) with underground parking. Planning staff have indicated that this project was approved by Planning Commission on 12/8/08. The project is in compliance with all City policies, including the comprehensive plan and the Marcy Holmes neighborhood master plan; it also has been approved through the Heritage Preservation Commission due to the historic nature of the property (there is a building on the National Register). Grant funding is being sought to clean up soil contamination caused by leaking petroleum tanks, and to install a vapor barrier.

Gateway Lofts (2610, 2619, 2623 W. Broadway; 2700 Upton Avenue N.)
Projected Hennepin County ERF Request: $327,845

Alliance Housing, Inc. is the developer of this 0.74 acre site, which will create 6 two-bedroom units of live/work space, 14 one-bedroom units, and 26 studio apartments. Of the total of 46 units, 41 will be affordable. Planning staff indicate that Gateway Lofts is consistent with city policy in The Minneapolis Plan and West Broadway Alive in terms of land

use and density, and that the site design is good. Grant funding is being sought to clean up petroleum-impacted soil in the vicinity of a former gas station on the site.

Groundwork Assessment Program: (Various locations)
Projected Hennepin County ERF Request: $100,000

Groundwork Minneapolis (a non-profit organization) was a prior recipient of a $100,000 Hennepin County ERF grant. The awarded funds were used to conduct soil sampling and related environmental investigative work at a number of Minneapolis sites that were being considered for redevelopment or for flower and vegetable gardens that would be planted and maintained by local community groups. One of the conditions that Hennepin County placed on the prior award of funds to Groundwork Minneapolis was that a resolution of support be obtained from the Minneapolis City Council for any proposed use(s) of the awarded funds. The current application seeks additional ERF funds to continue the program in question. Specific locations have not yet been determined. Criteria to be applied will include requirements that the proposed sites be located in Minneapolis, that they be owned by a public entity or a non-profit organization, and that they be suspected of containing contaminants.

Hennepin Healthcare System, Inc. Family Medical Center (28th Street & Nicollet Ave.):
Projected DEED Request: $512,883
Projected Hennepin County ERF Request: $88,900

This 3.05 acre site is the proposed location for a new 60,000 square foot medical clinic, to be constructed by Hennepin Healthcare Systems, Inc. [HHSI]. The clinic would be constructed on a 1.65 acre portion of the site and the remaining 1.4 acres will be eventually transferred to the City for future redevelopment, pursuant to the terms of a Memorandum of Understanding that was approved by the City Council on December 12, 2008. The HHSI project will require the removal and disposal of a substantial amount of contaminated soil. HHSI intends to seek cleanup funding by having Hennepin County (through its Property Services Department) apply directly to DEED and to its own Environmental Response Fund [ERF] on HHSI's behalf, rather than having the City submit HHSI's applications. However, both grantors still require that the applications be accompanied by City Council resolutions of support.

Huron Flats (2428 Delaware Street SE)
Projected DEED Request: $655,275
Projected Hennepin County ERF Request: $131,587

This is a 0.49 acre site on which the developer, Republic Ventures LLC, intends to construct a new 8-story building for student housing, with 100 units and 1st floor commercial space. The proposed project is located on the former Gopher Oil site, which has long been identified by the City as a priority for cleanup. The project is located in the Stadium Village activity center and close to the University of Minnesota growth center, both of which are designated in the comprehensive plan. Generally, this project appears to be consistent with comprehensive plan policy for these areas, which encourages higher density development. The project would be close to proposed Central Corridor LRT station. The property is currently zoned C3A, and it does not appear that it would need rezoning (though some conditional use permits, variances, etc. may be required). Remediation funds, if awarded, would be use to clean up soil contamination.

[Former] Ken's Metal Finishing (2323-2333 Emerson Avenue N.)
Projected Hennepin County ERF Request: $100,000

This 0.34 acre site is a tax-forfeited property that was acquired by Hennepin County in June of 2008. Its future use is presently undetermined. Hennepin County is seeking funds from its own brownfield (ERF) program to clean up soil contamination at the site. The site has split zoning—C1 neighborhood commercial and R2B residential. It does not have a comprehensive plan land use designation. Low to medium density residential reuse would be allowed and preferred. Commercial reuse would require a rezoning of part of the property. Cleanup to residential standards would thus be preferred.

Lyndale Green (610 28th Street W.)
Projected Hennepin County ERF Request: $30,000

This 1.27 acre site is being developed by Brighton Development and Ponterre Group. The site is sometimes referred to as the Salem English Lutheran Church project. The concept plan envisions 65 units of new affordable housing. Planning staff indicate that this project hasn't been through Planning Commission yet, but the conceptual designs are in keeping with the city's land use policies for the area. Grant funding is being sought to conduct an environmental assessment.

Merit Printing (103 & 117 2nd Street N.)
Projected Hennepin County ERF Request: $35,000

This 0.69 acre site is owned by BCR Real Estate LLC and will be developed by Hunt Associates. The redevelopment plan involves the demolition of an existing building and the construction of a 15-story apartment building with 259 units and first floor retail. The project is located in the in the North Loop neighborhood, within a *Mixed Use* area as per the future land use map in the Minneapolis Plan for Sustainable Growth, the City's comprehensive plan. The *Mixed Use* designation allows for mixed use development, including mixed use with residential. Mixed use may include either a mix of retail, office or residential uses within a building or within a district. There is no requirement that every building be mixed use. The proposed development is consistent with the intent of the Minneapolis Plan for Sustainable Growth. The site is zoned B4C-1 (Downtown Commercial). In the B4C-1 zoning district multiple-family developments are a permitted use. Based on the intensity proposed on the site, the applicant may be required to seek density bonuses to undertake the proposed development. The applicant has had preliminary meetings with Development Services staff. Staff brought an informational item to the Committee of the Whole of the City Planning Commission members on March 26, 2009. The staff report to the Committee outlines the density considerations mentioned above and other application requirements to prepare a detailed analysis of the proposal. Grant funding is being sought to conduct an environmental assessment and prepare a response action plan [RAP].

Near North Community Housing Project: (10 parcels on Logan, Morgan and Oliver Avenue N.)
Projected Hennepin County ERF Request: $150,000

Project for Pride in Living intends to rehabilitate up to 62 apartment units, all affordable, located on three streets in north Minneapolis. The rehabilitation of existing housing stock is consistent with city policy in The Minneapolis Plan. Grant fund are being sought for asbestos and lead-based paint assessments.

Parcel A: (2nd Street N. between 3rd Avenue S. and 5th Avenue S.)
Projected DEED Request: $31,875
Projected Hennepin County ERF Request: $5,525

Eagle Iron Partners plans to develop this 2.51 acre site by creating 326 rental housing units (138 affordable), with a first floor retail component. This property in the Downtown West

neighborhood is situated within a designated *Activity Centre* in the Minneapolis Plan for Sustainable Growth, the City's comprehensive plan. Activity Centers support a wide range of commercial, office, and residential uses. They typically have a busy street life with activity throughout the day and into the evening. They are heavily oriented towards pedestrians, and maintain a traditional urban form and scale. *Activity Centers* are also well-served by transit. The proposed development is consistent with the intent of the Minneapolis Plan for Sustainable Growth vis-à-vis the *Activity Centre* designation. The site is zoned C3A (Community Activity Center) and located in the Downtown Height and Downtown Parking Overlay Districts. The site is also situated within the St. Anthony Falls Historic District. The existing base zoning permits a variety of residential and nonresidential uses and the Downtown Height Overlay provides flexibility in maximum height permissible. This allows for the type, scale and character of development being proposed. The applicant is expected to comply with all applicable regulations when submitting the land use application. Grant funding is being sought to conduct an environmental assessment and prepare a response action plan [RAP].

PPL Foreclosure Redirection Program (various locations)
Projected Hennepin County ERF Request: $150,000

Project for Pride in Living intends to rehabilitate 2-10 existing single-family houses in each of two 20-30 block areas. The homes are not currently owned by PPL, but would be acquired using funds recently approved for that purpose. The rehabilitation of existing housing stock is consistent with city policy in The Minneapolis Plan. Grant fund are being sought for asbestos and lead-based paint assessments.

Re-Alliance: (1508 2nd Street N.)
Projected DEED Request: $51,400
Projected Hennepin County ERF Request: $53,000

Re-Alliance has, over time, proposed various redevelopment scenarios for its property in the North Washington Industrial Park. All of them would require addressing existing site contamination. Planning staff have indicated that the anticipated investigation of contamination will provide information useful to the evaluation of proposals for the reuse or reconfiguration of the site. Grant funds are being sought for an initial environmental assessment of a portion of Re-Alliance's property.

Stone Arch Apartments II (600 Main Street S.E.)
Projected Hennepin County ERF Request: $42,000

The developer of this 0.93 acre site is Bluff Street Development (a partnership between Lupe Development and Wall Co.). The site is currently a surface parking lot located near the north end of the Stone Arch Bridge. A 6-story apartment building with 98 units (19 affordable) and underground parking is planned. This project was recommended for approval by city planning staff, but was denied at Planning Commission on March 23, 2009, with the stated reason being the requested rezoning (to C3A) was too intense for this location. The project has been opposed by some neighborhood residents for similar reasons. It is currently shown as parkland on the city's future land use map, which some in the neighborhood would prefer. However, there does not appear to be any funding available to purchase the land for a park at any time in the near future. The developer has indicated an intention to appeal the Planning Commission's decision; that appeal is scheduled to be heard on April 16, 2009. Staff has also met with developer regarding the plan for a Main Street extension, particularly with regard regarding to the proposed bike trail which may pass through or near the property. Grant funding is being sought to conduct an environmental site assessment and develop and response action plan [RAP].

Walker Apartments (1121 and 1127 Hennepin Avenue)
Projected DEED Request: $181,420
Projected Hennepin County ERF Request: $96,596

This is a 0.39 acre site that is located within Greater Hennepin Avenue Development District #58, but not within a TIF District. The developer, Twelfth & Hennepin Development LLC and/or MetroPolitan Development, intends to construct a new five-floor building containing 85 units, 45 of which will be affordable. One level of underground parking would be provided. The site is zoned B4S-1 and is located in the Downtown Parking and Harmon Area overlay districts. The Harmon Area Overlay District was established to preserve and protect the unique character of the Harmon area by limiting the height and scale of new development. The site is also within the Harmon Place Historic District. Based on the overlay district, the maximum height on these sites is limited to 4 stories or 56 feet, whichever is less. Both the zoning and policies within The Minneapolis Plan for Sustainable Growth allow for a variety of residential and commercial uses on the proposed site. Hennepin Avenue is identified as a Commercial Corridor where there should be active ground-floor uses, pedestrian orientation to building design and residential density. The proposed use (solely residential units) is not likely to create the desired level of all-day activity at this location; further analysis of this issue may be required. The proposed height of the residential structure would require a conditional use permit for additional height. The applicant has had preliminary meetings with both Development Services staff and Preservation & Design staff. Staff brought an informational item to the Heritage Preservation Commission on March 25, 2008 about the development concept at that time. The concept in March included retail on the ground floor with residential above in a 5-story structure. Preservation & Design staff will evaluate the final proposal based on the Harmon Plan Historic District Guidelines. Funding is being sought from DEED and Hennepin County, primarily for soil cleanup.

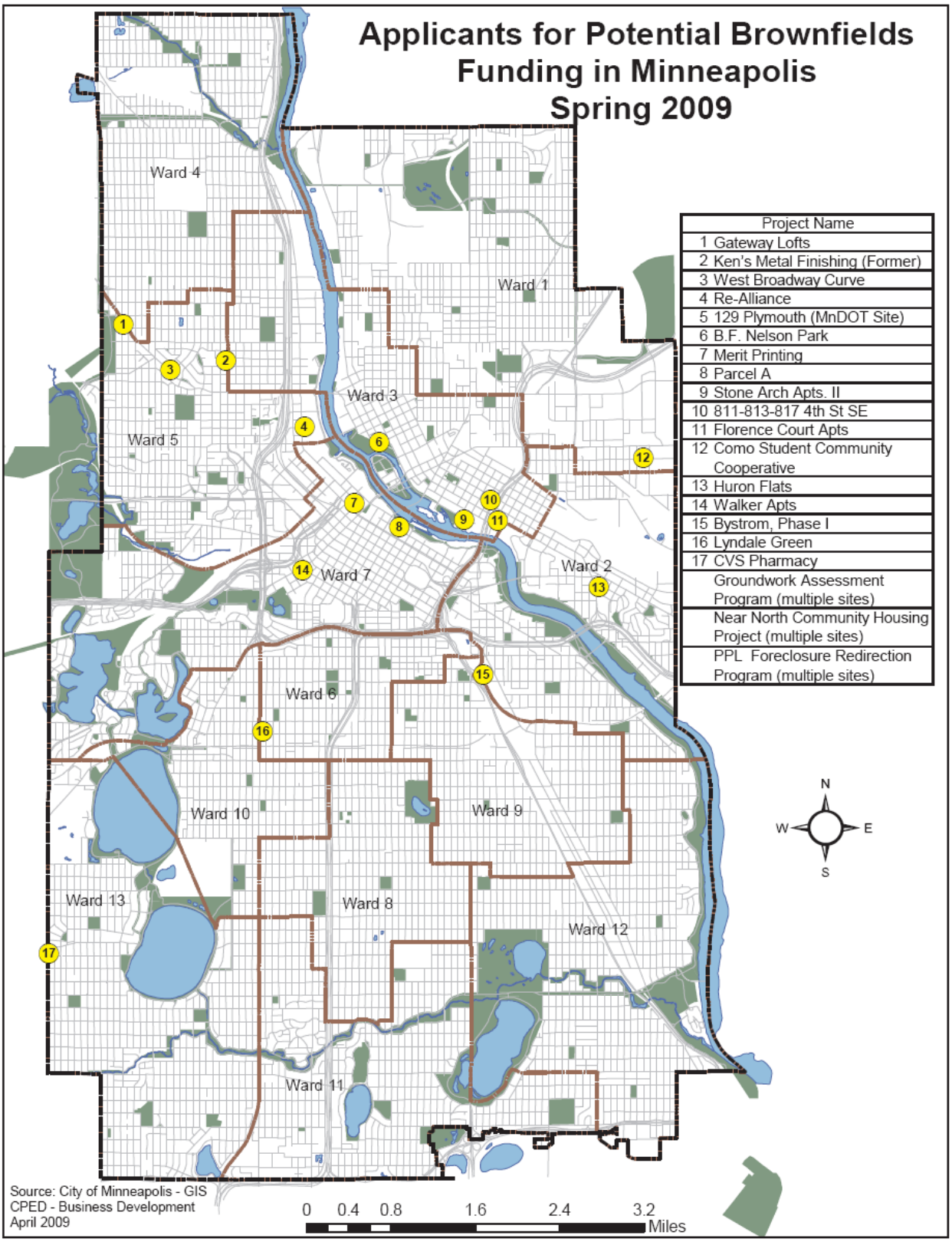
West Broadway Curve (1807, 1905, 2022 W. Broadway)
Projected Hennepin County ERF Request: $29,500

The West Broadway Curve project involves a number of parcels. The pending grant application involves three of them, ranging in size from .21 to .37 acres. All are vacant, and all appear to have been used for auto or gas station-related uses at various times. A large-scale residential redevelopment project for the area has been envisioned for many years. Planning staff have indicated that the anticipated remediation investigation will help further redevelopment in an area identified as a high priority development opportunity in the West Broadway Alive plan. Grant funds are being sought for environmental investigation and assessment of these three parcels.

Proposed Project Locations:

The map that appears on the following page identifies the location of each of the proposed projects.

Applicants for Potential Brownfields Funding in Minneapolis Spring 2009



Project Name
1 Gateway Lofts
2 Ken's Metal Finishing (Former)
3 West Broadway Curve
4 Re-Alliance
5 129 Plymouth (MnDOT Site)
6 B.F. Nelson Park
7 Merit Printing
8 Parcel A
9 Stone Arch Apts. II
10 811-813-817 4th St SE
11 Florence Court Apts
12 Como Student Community Cooperative
13 Huron Flats
14 Walker Apts
15 Bystrom, Phase I
16 Lyndale Green
17 CVS Pharmacy
Groundwork Assessment Program (multiple sites)
Near North Community Housing Project (multiple sites)
PPL Foreclosure Redirection Program (multiple sites)

Source: City of Minneapolis - GIS
CPED - Business Development
April 2009

Authorizing application to the Minnesota Department of Employment and Economic Development [DEED] Contamination Cleanup and Investigation Grant Program for various projects.

Whereas, the City of Minneapolis intends to act as the legal sponsor for one or more of the following projects that will be more completely described in contamination cleanup and/or investigation applications to be submitted to the Minnesota Department of Employment and Economic Development (DEED) on or by May 1, 2009, subject to final staff verification of each such application's compliance with the DEED grant program's purposes and criteria: 129 Plymouth, 811-813-817 4th Street S.E., Bystrom (Phase I), CVS Pharmacy, Florence Court Apartments, Hennepin Healthcare System, Inc. Family Medical Center, Huron Flats, Parcel A, and Walker Apartments; and

Whereas, the City has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration; and

Whereas, the sources and amounts of the local match identified in the applications are committed to the identified projects; and

Whereas, the City has not violated any federal, state or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice; and

Whereas, upon approval of one or more of its applications, the City may enter into agreements with the DEED for one or more of the above-referenced projects and will comply with all applicable laws and regulations stated in such agreements;

Now, Therefore, Be It Resolved By The City Council of the City of Minneapolis:

That the City Council authorizes the Director of the Department of Planning and Economic Development or other appropriate staff to apply to the Department of Employment and Economic Development for Contamination Cleanup and Investigation Grant Program funding for one or more of the above-referenced projects and to execute such agreements as are necessary to implement the projects.

Authorizing application to the Hennepin County Environmental Response Fund for various projects.

Whereas, the City of Minneapolis intends to act as the legal sponsor for one or more of the following projects that will be more completely described in Environmental Response Fund applications to be submitted to Hennepin County on or by May 1, 2009, subject to final staff verification of each such application's compliance with the ERF program's purposes and criteria: 129 Plymouth, 811-813-817 4th Street S.E., B.F. Nelson Park, Bystrom (Phase I), Como Student Community Cooperative, CVS Pharmacy, Florence Court Apartments, Gateway Lofts, Groundwork Assessment Program, Hennepin Healthcare System, Inc. Family Medical Center, Huron Flats, , [Former] Ken's Metal Finishing, Lyndale Green, Merit Printing, Near North Community Housing Project, Parcel A, Re-Alliance, PPL Foreclosure Redirection Program, Stone Arch Apartments II, Walker Apartments, and West Broadway Curve (any of these projects may opt to submit its application directly to Hennepin County, rather than through the City of Minneapolis, if doing so is authorized under the ERF program's guidelines); and

Whereas, the City has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration; and

Whereas, the City has not violated any federal, state or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice; and

Whereas, upon approval of one or more of its applications, the City may enter into agreements with Hennepin County for one or more of the above-referenced projects and will comply with all applicable laws and regulations stated in such agreements;

Now, Therefore, Be It Resolved By the City Council of the City of Minneapolis:

That the City Council authorizes the Director of the Department of Planning and Economic Development or other appropriate staff to apply to the Hennepin County Environmental Response Fund for funding for one or more of the above-referenced projects and to execute such agreements as are necessary to implement the projects.