

**REQUEST FOR DEVELOPMENT
PROPOSALS FOR LINDEN YARDS &
IMPOUND LOT PARCELS
LOCATED IN BASSETT CREEK VALLEY**

MINNEAPOLIS, MINNESOTA



May 31, 2007

Introduction

The City of Minneapolis (“City”) is seeking preliminary development proposals for certain property owned by the City and located in Bassett Creek Valley just west of downtown Minneapolis. The City seeks a Master Developer to incrementally purchase 56 acres of city-owned land to launch major redevelopment in Bassett Creek Valley. As this property is currently being used for various public works operations, and the area has known environmental and soils issues, the City recognizes this will be a long term effort involving phasing and collaboration.

Bassett Creek Valley is a 230 acre, largely industrial area just west of downtown Minneapolis and the new Twins ballpark. Bassett Creek Valley is bound on the west by Cedar Lake Road, on the east by I-94, on the north by the Heritage Park redevelopment area and on the south by I-394. Bassett Creek Valley is largely known because Glenwood Avenue provides a primary transportation route into downtown Minneapolis. It is recognized for International Market Square, a historic factory rehabilitated into successful designer showrooms and condominiums. The Valley is also known for Bryn Mawr Meadows, a regional ball field destination with breathtaking views of downtown Minneapolis. Although there is a relatively small amount of existing housing within the Valley itself, the area is surrounded by vibrant and diverse residential neighborhoods including Bryn Mawr, Harrison, and the newly established Heritage Park.



The Bassett Creek Valley Master Plan

<http://www.ci.minneapolis.mn.us/citywork/planning/basset-creek.asp>

advocates redevelopment of this outmoded industrial landscape into more than three thousand housing units, 2.5 million square feet of commercial space, and the establishment of nearly 40 acres of new open space. It also suggests the restoration of Bassett Creek.

The Bassett Creek Valley Master Plan was adopted by the Minneapolis City Council in January 2007 after a long and unique community-led effort. The Bassett Creek Valley Redevelopment Oversight Committee (ROC) was established by the City Council in 2000 and includes representatives from the Harrison and Bryn Mawr neighborhoods including business owners and residents, city councilmember and mayoral appointments. ROC directed the development of the Master Plan and will have a continuing role in implementing the plan. ROC and the two respective neighborhoods solicited great community participation and input for the plan.

Guiding principles for redevelopment noted in the Plan include:

- Ensure some benefits of the redevelopment accrue to the community
- Create living wage jobs for area residents
- Creation of a wide variety of new housing options (owner-occupied, rental, mix of affordability levels)
- Increase public access to new and existing green spaces
- Improve linkages to other parts of the city
- Create designs that are pedestrian friendly, fully accessible, that inhibit crime and improve the sense of safety
- Accommodate multiple modes of transportation

Van White Memorial Boulevard is a new north-south parkway-style roadway extending from Plymouth Ave to Dunwoody at I-394 (See Exhibit A). The two lane roadway (with expansion possibility) will be constructed across the public sites and will include bridges to span the Burlington Northern Railroad corridor and Bassett Creek. The roadway and bridge construction work will be bid later this year and is scheduled to be completed and open in late 2009.

Two of the three final route alternatives for the future Southwest light rail transit corridor include a transit station stop at Van White. The Hennepin County Railroad Authority anticipates choosing a final route in 12-24 months following more detailed studies.

Site Facts

Location, size and current improvements

The **Linden Yards** site is approximately 30 acres in size and is bounded by the Burlington Northern Santa Fe rail line, Linden Avenue, Lyndale Ave, I- 394, and the Bryn Mawr ball fields. The site is generally flat and is currently used for outside storage and concrete crushing by the City of Minneapolis Public Works Department. Prior to its current use, this area served as a railyard and elevator operation.

The **Impound Lot** is approximately 26 acres in size and is generally bounded by Bassett Creek, the Bryn Mawr ball fields, Cedar Lake Road, and Colfax Ave N. The City operates an active impound lot involving thousands of towed vehicles held as a result of police operations, snow emergencies, or seasonal street cleaning. The site is generally flat and has been paved with several feet of asphalt. The bituminous cover, while providing a good road base for the movement of vehicles, also serves as a cap to a former unlicensed landfill that remains a state Superfund site.

Exhibit B-1 and B-2 show the location and aerial photo of the two land areas.

Development Features

The Bassett Creek Valley sites offer several unique attributes. The sites are in close proximity to downtown Minneapolis including the growing North Loop neighborhood, home to the new Twins Ballpark. The redevelopment sites offer great views of the downtown skyline.

The large sites are already assembled with single ownership by the City of Minneapolis and are appropriate for corporate headquarters.

The Bassett Creek Valley location offers a “landmark” site with great visibility. Multi-modal connections are already in place, including multiple bike trails, and the potential of a future light rail station. The sites are also adjacent to public parks and cultural amenities including the Walker Art Museum and Sculpture Garden.

Zoning and applicable plans

The sites are currently zoned I2, I1, and R1. The parcels are further subject to the policies in the City's adopted small area plan, the Bassett Creek Valley Master Plan, (link). The City is in the process of rezoning this area to be compatible with the intent of the BCV Master Plan. The parcels also are subject to the policies in the City's comprehensive plan (*The Minneapolis Plan*).



Surrounding uses/development

At this time adjacent uses are largely industrial and include a Xcel electrical substation, a commercial paper recycler, an industrial laundry operation, and the Minneapolis Public School's bus storage and maintenance facility. On the southern edge of Linden Yards, the Cedar Lake Bike Trail and Hennepin County Rail Authority retain right of way for a bike trail and a potential future light rail line.



Geotechnical/Environmental

This area is located in the historical floodplain of Bassett Creek. The site is located in a buried valley that was formed by glacial meltwaters and filled over time with sands, silts, and clays. (See plan view and section view diagrams in Exhibit C). When Minneapolis was established, Bassett Creek meandered with tributary streams, spring-fed ponds, marshes, floodplain forests and meadows. Early in the 1900's, the creek was routed underground and this major wetland was filled in and served as home to immigrant housing, rail lines, and industrial uses.

The Impound Lot site has very poor geotechnical soil characteristics, lies within the 100-year flood plain of Bassett Creek and contains soils and groundwater that are heavily contaminated. The Linden Yards site is also known to have soil and groundwater contamination. Soil characteristics will vary in both sites and more specific testing will be needed when development plans are formulated.

Copies of geotechnical and environmental reports completed to date are available for review either electronically or some only in hard copy at the Minneapolis CPED offices and are listed in Exhibit D-1. An overview of these issues is provided in Exhibit D-2.

Empowerment Zone

Bassett Creek Valley is included in the federal Empowerment Zone. Tax benefits may be available for employers that hire residents that live in the Empowerment Zone.

Purchase of the Property

The selected developer will have exclusive right to negotiate a purchase of this property for up to a five year term conditioned on annual demonstrated progress, with a renewal option. The actual sale price of the land will be negotiated later following an appraisal when the developer is prepared to proceed. It is anticipated that the City of Minneapolis will retain ownership while requesting environmental remediation clean-up grants and assistance to address poor soil conditions. The City will sell the property subject to a 12 month notice to vacate for Linden Yards and a 24 month notice to vacate for the Impound Lot. The City is intending to sell both sites to the same selected developer.

The Impound Lot may initially be reduced in size and screened or relocated in phases, depending on developer's needs.

The City will be working collaboratively with the developer to identify and acquire alternative sites for Public Works operations. Proceeds from the land sales need to be sufficient to cover costs related to the acquisition and relocation of the public works uses. However, the concrete crushing operation is projected to be discontinued, not relocated.

Preferred Objectives/Project Goals

- Compatibility with BCV 2006 Master Plan
- Mixed use
- Strong connection with transit
- Affordable housing
- Employment & construction participation
- Enhanced public spaces

Proposal Contents

Proposals must include the following:

1. A cover page that includes the following information:
 - Developer's name and mailing address
 - Developer's current legal status: corporation, partnership, sole proprietor, etc.
 - Federal ID number or Social Security number
 - State ID number
 - Contact person's name, title, phone number, fax number and e-mail address
 - Signature of authorized corporate officer for each entity proposing as a partnership or team
2. Letter of Interest
3. Relevant experience
4. Ability to Meet Project Goals
 - Compatibility with the Master Plan & other project goals noted above.
 - Explanation of the projected impact to the city.
5. Approach to development issues
 - Mixed use
 - Opportunities for community involvement
 - Collaboration with public and private partners
 - Connectivity
 - Transit
 - Density
 - Geo-technical and environmental issues
 - Park/open space enhancements
 - Incorporation of sustainable design & development
6. Conceptual timeline, written description, preliminary site plan and building elevations for proposed phase I of development including time needed to obtain financing, complete designs, take ownership of property, relocate city services, start and complete construction, and start and complete lease-up or sellout.
7. Conceptual timeline, written description and conceptual site plan for other phases of development
8. Preliminary traffic demand strategy
9. Development pro forma including conceptual sources and uses, financial analysis, and assumptions used.
10. Project team, roles, and relevant experience.
11. References

The City reserves the right to request more detailed information in one or more of the above categories from one or more developers before a final selection is made, and the City will require additional information from the selected developer prior to any land sale. The contents of the proposal and any clarification to the contents

submitted by the successful proposer may become part of the contractual obligation and be incorporated by reference into the redevelopment contract between the selected developer and the City.

The City is not responsible for costs or damages incurred by proposer, subcontractors or other interested parties in connection with this RFP process, including but not limited to costs associated with preparing responses, qualifications and proposals and of participating in any conferences, oral presentations or negotiations.

Developers responding to this RFP are not required to provide a good faith deposit on the land with their proposals. However, the developer whose proposal is ultimately selected by the City Council must make the required deposit of \$20,000 at the time of selection.

Proposal Submission

Proposers must submit copies of their proposals as follows: one unbound copy, 15 bound copies and one electronic version in Microsoft compatible or PDF format on diskette or CD. Proposals must be on standard 8 ½" by 11" paper. All supporting documentation must be on paper no larger than 11" by 17". Proposals and supporting documentation must be submitted in a sealed envelope labeled "Bassett Creek Valley Development." Telefaxed proposals will not be accepted. Proposers may choose to provide additional sets if and when invited to do so for presentation purposes. Submissions will not be returned.

Proposals shall be delivered to the City on or before:

July 30, 2007
4:00 p.m.

To: City of Minneapolis Department of CPED
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401

Proposals received after the deadline will not be accepted. It is neither CPED's responsibility nor practice to acknowledge receipt of any proposal. It is the responder's responsibility to assure that a proposal is received in a timely manner.

RFP Inquiries

Prospective responders may only direct questions in writing to the department contact person:

Beth Grosen
Minneapolis CPED Department
105 Fifth Avenue South
Minneapolis, MN 55402
Email: beth.grosen@ci.minneapolis.mn.us
Fax: (612) 673-5113

A pre-bid conference will be held June 18 at 2 pm in Conference Room 3 of Crown Roller Mill, 105 5th Avenue S, Minneapolis, MN. All questions are due no later than July 9, 2007. Questions will be answered in writing and posted on the CPED Web site. (www.ci.minneapolis.mn.us/cped) The department contact person is the only individual who can be contacted about the project by proposers before the proposal deadline. The department contact cannot vary the terms of the RFP.

Selection Criteria

The review of proposals will be based on selection criteria. In order to qualify for evaluation under these criteria, proposals must be complete and include all of the information outlined in the "Proposal Contents" section (page 8), including an executed "Consent for Release of Response Data" form (Exhibit F).

1. Quality and completeness of proposal
2. Demonstrated capability to implement the proposed development plan
3. Financial considerations
4. The extent to which the project maximizes development intensity and increases tax base
5. Demonstrated success in large (acreage) development projects.
6. Demonstrated understanding and ability to resolve extraordinary site conditions
7. Compatibility with BCV 2006 Master Plan
 - o Land use
 - o Housing mix
 - o Development intensity
8. Commitment & history of working with a local community around development matters including examples of meeting and/or exceeding performance goals.
9. The extent to which development provides connection with downtown & north Minneapolis, including relationships to Van White Boulevard and all bike trails.
10. The extent to which the project contributes to parks and open space
11. Relationship of development to transit (including bus and light rail service and stations) and the quality of the strategies proposed to mitigate traffic congestion associated with site build-out.

The City may, in its discretion, expand or reduce the criteria upon which it bases its final decisions regarding selection of a developer for these sites.

Citizen Participation

The City of Minneapolis has established a citizen participation process for development projects impacting neighborhoods and values advice/input from the public obtained through this process. The neighborhood groups officially designated to provide input on responses to this RFP are the Harrison (www.hnmpls.org) and

Bryn Mawr (www.bmna.org) neighborhoods and the Bassett Creek Valley Redevelopment Oversight Committee (ROC) (www.bcvbuzz.com). Under the Minnesota Government Data Practices Act, Minnesota Statutes Ch. 13, public disclosure of RFP response data prior to execution of a contract is restricted. In order to meet the City's citizen participation goals, the City requires each proposer to execute and submit a "Consent for Release of Response Data" form as attached to this RFP as Exhibit F. Failure to submit the "Consent for Release of Response Data" will be grounds for rejection of the entire proposal as unresponsive. Notwithstanding the foregoing, if proposers are being asked to provide financial statements as part of the RFP response, proposers may submit such financial statements confidentially under separate cover pursuant to the Minnesota Government Data Practices Act.

Review /Selection Process

A technical committee made up of City staff will review proposals received by the due date. Input will be sought from the ROC (Redevelopment Oversight Committee), Bryn Mawr, and Harrison neighborhoods. Some or all of the proposers may be requested to present their proposals to the review committee and the neighborhood organizations. It is hoped that this review process will be completed in September 2007.

The review committee will make a recommendation as to the developer that best meets the evaluation criteria. Additional information may be sought from one or more of the proposers before or after a recommendation and this may affect the overall timeline. This recommendation will be considered by CPED and Public Works and then forwarded to the City Council for action.

If the City Council selects a development proposal that does not entail any additional public investment, staff will proceed to negotiate with the selected developer the terms of the proposed land sale. If the selected proposal requests additional public investment, staff will determine what types of further analysis, underwriting and/or other processes are required. Any proposals requesting public financial assistance will be required to comply with the 2007 Public Financial Assistance Fee Policy (see www.ci.minneapolis.mn.us/cped/public_assistance_policy.asp). Unless further analysis indicates that the selected proposal is infeasible, staff will negotiate the terms of the proposed transaction during this period.

Once redevelopment contract terms have been negotiated and any further analysis completed, staff will return to the City Council for a land sale public hearing and consideration of approval of the land sale and related terms.

The City reserves the right to reject any or all proposals or parts of proposals, to negotiate modifications of proposals submitted, and to negotiate specific work elements with a proposer into a project of lesser or greater magnitude than described in this RFP or the proposer's reply.

Timing

Following is the anticipated timeline:

Pre-proposal Meeting	June 18, 2007
Questions due	July 9, 2007
All answers posted on website	July 13, 2007
Submission deadline for proposals:	July 30, 2007
Review/evaluation of proposals and neighborhood review:	Sept 2007
Recommendation to City Council Community Development Committee on the selected developer:	Mid Oct 2007
Final action by City Council:	Early Nov 2007

City Contracting Requirements

The selected developer will be required to enter into a redevelopment contract with the City and comply with any applicable City requirements. These requirements vary depending upon the type of development and the source and amount of public investment, if any, and may include, without limitation, the payment of prevailing wages for construction, the preparation of affirmative action plans, competitive bidding, compliance with the Small and Underutilized Business Enterprise program or equivalent federal program, and Business Subsidy Act/Living Wage Policy, and reporting requirements for those programs. Some of the standard requirements are further discussed below, but the following list is not exhaustive. Proposers unfamiliar with these standard requirements are urged to seek further information.

1. *Equal opportunity (nondiscrimination and affirmative action)* The selected developer and contractor will be required to submit a written affirmative action plan for the development project and to comply and cause its contractors to comply with applicable provisions of Chapters 139 and 141 (Title 7, Civil Rights), Minneapolis Code of Ordinances, nondiscrimination provisions contained in Chapter 181, Minnesota Statutes, the Americans with Disabilities Act of 1990 (as amended), Section 109 of the Housing and Community Development Act of 1974 (as amended), the Age Discrimination Act of 1975 (as amended) and Executive Order 11246, as amended by Executive Order 12086. The selected developer will be required to agree not to discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, affectional preference, disability or other handicap, age (40 – 70), marital status, or

status with regard to public assistance. The selected developer also will be required to take affirmative action to ensure that all employment practices are free of such discrimination. These employment practices include, but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. The developer will post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this non-discrimination clause. The selected developer also will be required to, in all solicitations or advertisements for employees placed by or on behalf of the developer, state that it is an equal opportunity or affirmative action employer. CPED will require compliance in demolition, construction and marketing of development projects.

2. The *Job Linkage Program* links economic development with employment. The purpose of the program is to insure increased employment opportunities for Minneapolis residents. All commercial/industrial development projects whose primary purpose is job creation or retention, that receive non-City public development assistance, are required by contract to identify positions that are reserved for Minneapolis residents.

3. The City of Minneapolis *Living Wage Policy* established certain wage and hiring requirements applicable to the owner and tenants of development projects where the primary objective of the project is job creation or retention.

4. In accordance with the City's *Prevailing Wage Policy*, the selected developer covenants and agrees that it will cause its general contractor to comply with the wage and hour standards issued by the United States Secretary of Labor pursuant to the Davis Bacon Act, 40 U.S.C. Sections 276a to 276a-5, as amended, and the Contract Work Hours and Safety Standards Act 40 U.S.C. Sections 327-333. The developer shall maintain appropriate payroll documentation for a three-year period after completion of the project.

5. City of Minneapolis regulations require that all development projects that receive public financial assistance in excess of \$100,000 must comply with Chapter 423 of the Ordinance where subcontracting opportunities exist. Such requirements encourage the use of businesses owned by women and minorities in securing construction and professional services, and are applicable to developers and contractors. A list of certified businesses can be obtained by contacting the *Small and Under-utilized Businesses Program* at (612) 673-2112 or on the World Wide Web at www.govcontracts.org.

6. The developer's contractor will be subject to CPED's *Registered Apprenticeship Program* for development projects where public financial assistance is provided to the developer/owner.

7. Depending upon the level and purpose of public assistance that may be received, provisions of the Minnesota *Business Subsidy Act* may also apply to the project. Should these requirements apply, they will be incorporated into the development agreement.

8. The development must be in conformance with the Uniform Federal *Accessibility Standards* as published on April 1, 1988. Developers must describe the accessibility design for people with disabilities of each of the code-required handicapped-accessible units, any proposed housing development (e.g. roll-in showers), the mix of accessible units in the project and where they are located, and any appropriate safety features for vision- and hearing-impaired people.

9. The City's *Affordable Housing Policy* applies to any residential development (rental or ownership) with ten units or more, or a project with a residential component of 10 or more units, that receives any public financial assistance. Public financial assistance includes the receipt of City-wide resources through the normal, competitive RFP funding processes established by the City, or the receipt of non-City resources that are either passed through the City or requires the City to be a co-applicant.

Under the Affordable Housing Policy, three options are available:

- 20 percent of the units in the development must be affordable, or
- A comparable number of affordable units must be legally committed by the developer to be built elsewhere in the City, or
- A payment equal to the number of required affordable housing units times \$80,000 must be made into the City's Affordable Housing Fund.

Units are considered affordable if the rent (and/or the combined PITI with utilities) is no more than 30 percent of 50 percent of the Twin Cities Standard Metropolitan Statistical Area monthly household income, by family size. Affordable units must be occupied by households with incomes less than 50 percent of Metropolitan Median Income. Units must be affordable for a minimum of 15 years after completion.

Respondents to this RFP who make a fair market value offer for the parcel for a housing development proposal will not trigger the City's Affordable Housing Policy.

However, the Twin Cities metropolitan area, including the City of Minneapolis, faces an acute shortage of housing that is affordable to people earning 50 percent of the MMI or below, and the City strongly encourages respondents to include an affordable component in all housing proposals. While the City does not have any financial incentives or subsidies specifically allocated for this project, respondents should consider available city, county, metro, state and federal resources for affordable housing.

Once selected, the developer will follow the City's standard competitive RFP processes for available affordable housing funds if those are requested by the developer. The City will also support and assist with applications for federal, state, metro and county funds to create affordable housing on the parcel. If a developer receives City resources or public resources that pass through the City or require the City to be a co-applicant/ sponsor, then the City's Affordable Housing Policy would apply and must be followed. In addition, all requirements associated with public funding sources will have to be met.

10. *Soil Conditions*: If appropriate, the City will work with the selected developer to apply for remediation funds from non-City sources and/or will consider escrowing a portion of the land proceeds to cover extraordinary environmental or geotechnical correction costs.

11. *Rezoning Responsibility*: It is the selected developer's responsibility to undertake and finance any rezoning, variance and use permits necessary for approval of the proposed development.

12. *Utilities*: It is the selected developer's responsibility to identify the locations of and provide for the installation of electricity, gas, water, sewer service and other utilities servicing the site from the public mains to the individual units.

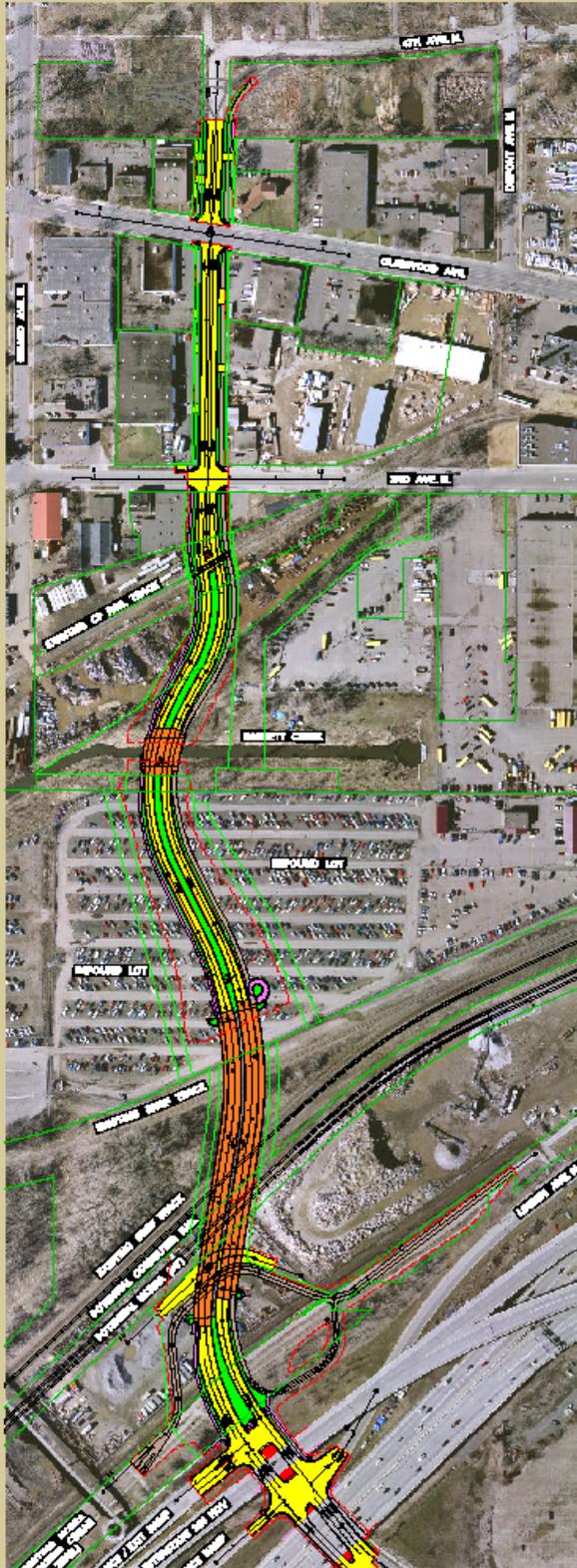
13. *Construction Standards*: Development must meet FHA minimum property standards and all Minneapolis City codes, and projects will be reviewed for energy efficiency.

14. *Residential Sale and Commercial Sale/ Lease*: The completed units must be advertised and offered publicly and must be sold to the general public.

15. *Hold Harmless*: The Respondent shall agree to defend, indemnify and hold CPED harmless from any and all claims or lawsuits that may arise from the Candidate's activities under the provisions of the development agreement, that are attributable to the acts or omissions, including breach of specific contractual duties of the Respondent or the Respondent's independent contractors, agents, employees or officers.

EXHIBIT A

VAN WHITE MEMORIAL BOULEVARD



LEGEND

- █ Bypass
- █ Station
- █ Shared Concrete Median/Bus
- █ Bypass/Bus
- Station
- Potential Station
- Intersection Utility

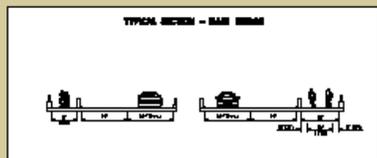
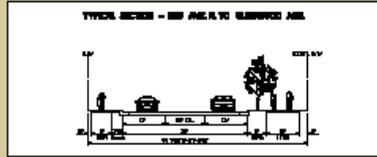
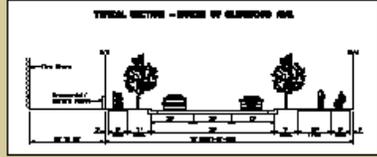


EXHIBIT B-1 Bassett Creek Parcel Location

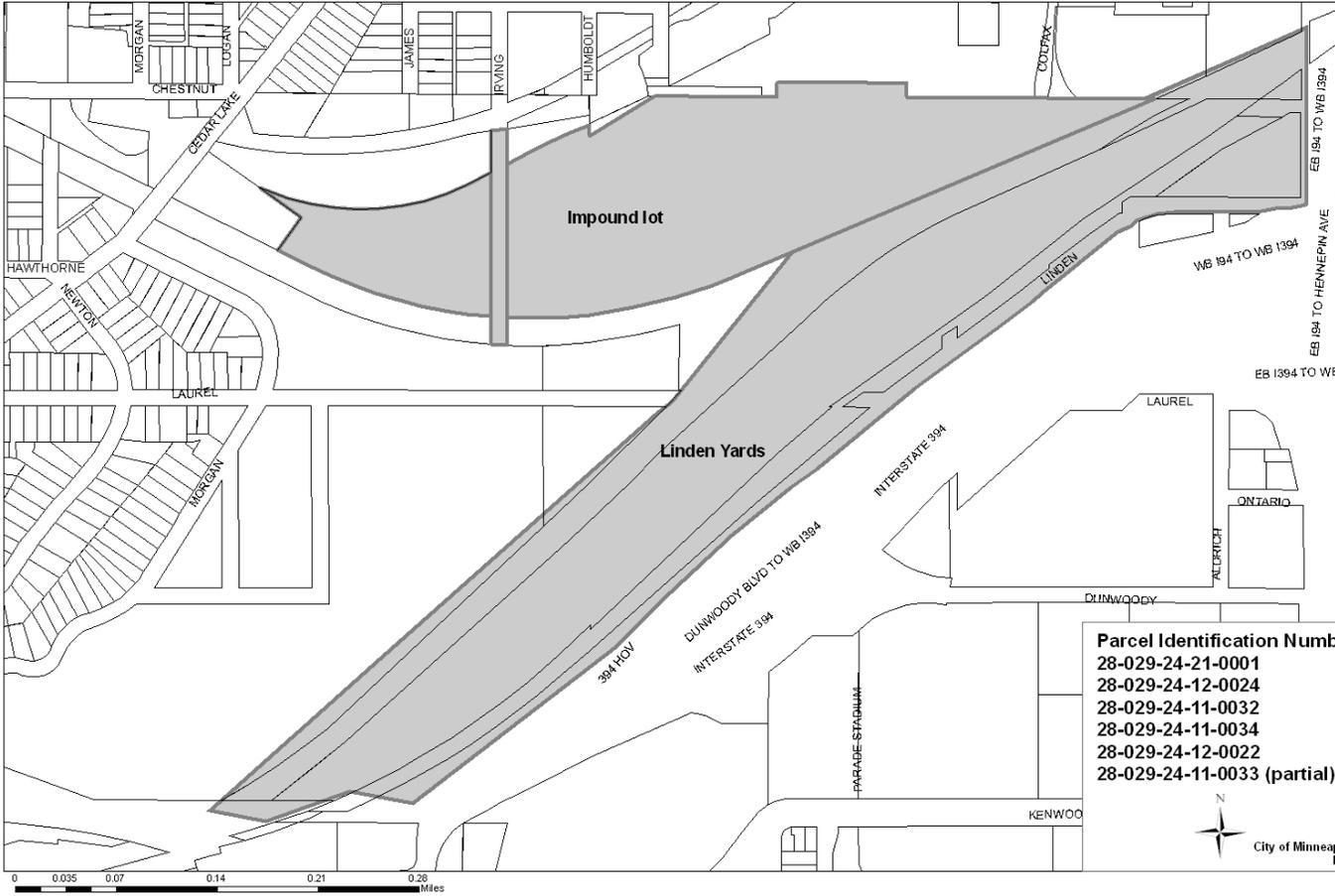
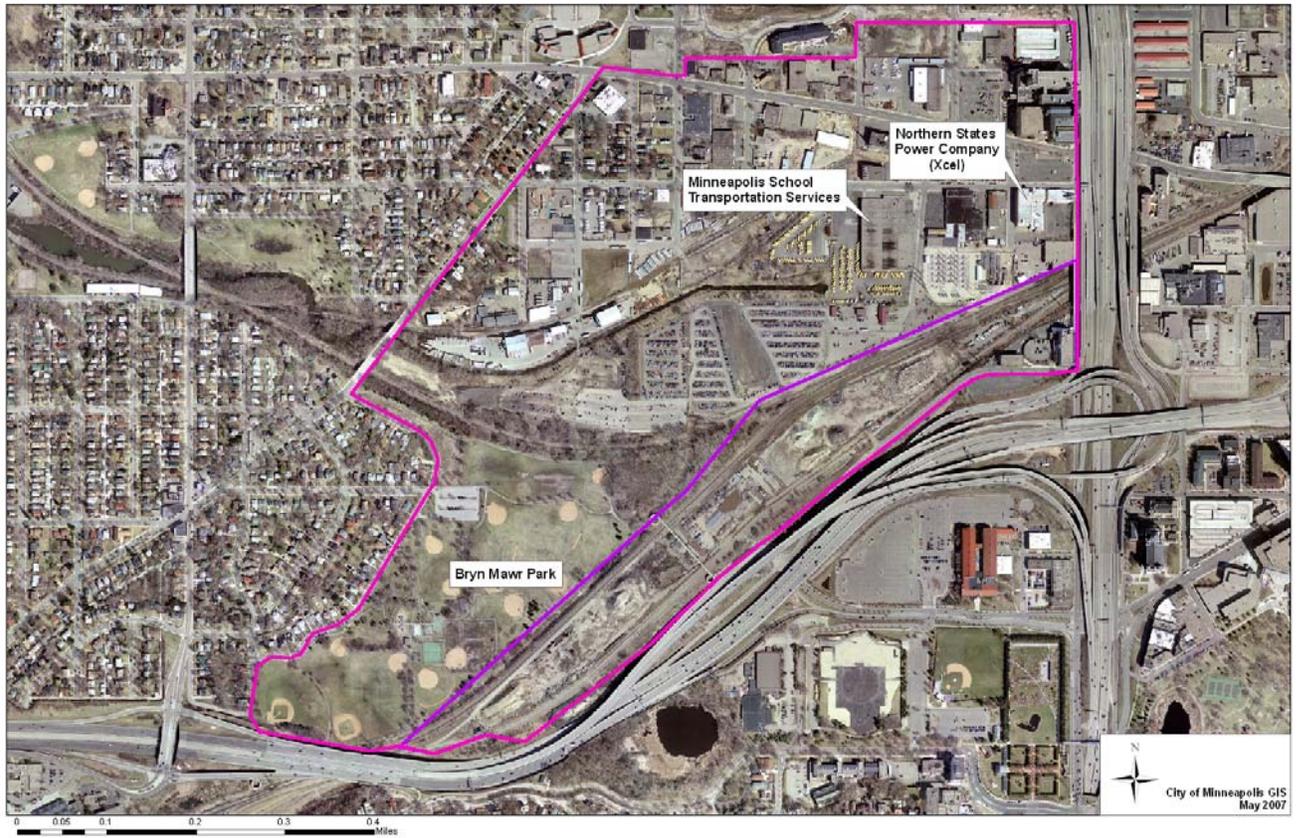
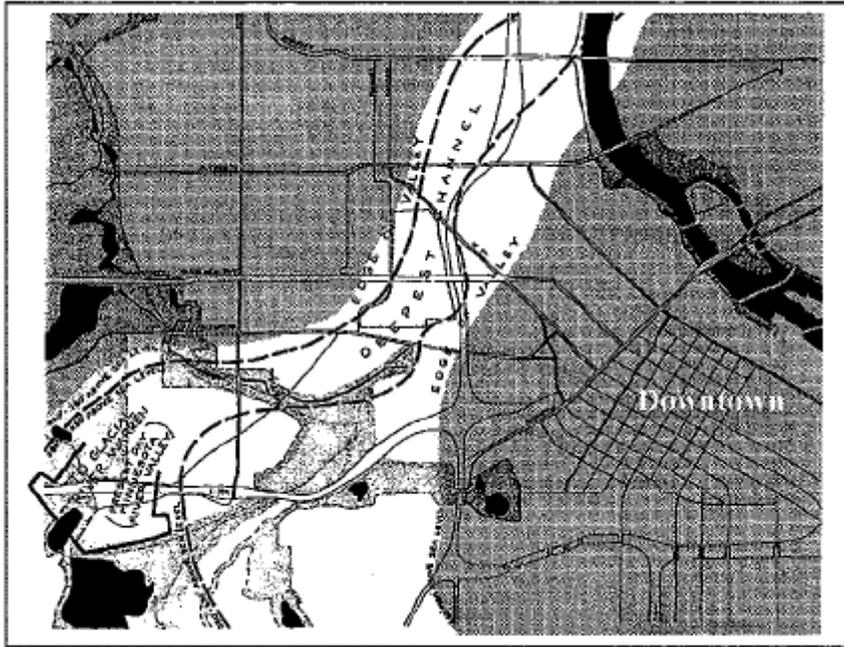


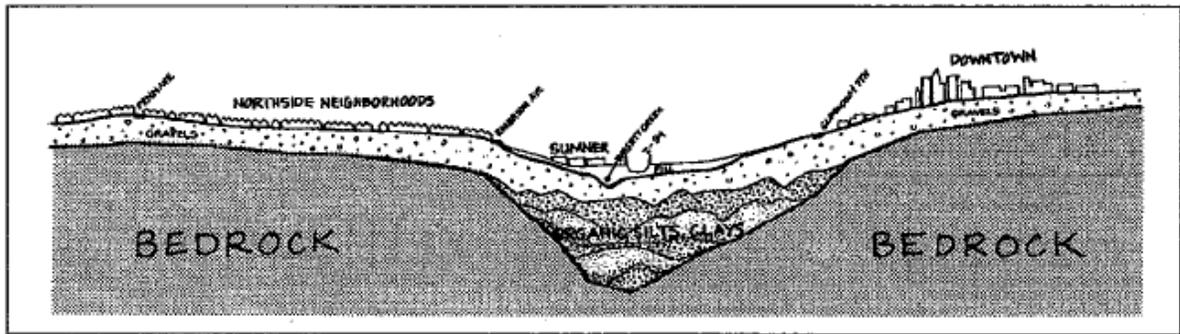
EXHIBIT B-2 Aerial Photo



**EXHIBIT C
Soils Graphic**



The above plan view shows the extent of the buried valley.



The above section view diagram of buried valley, indicating zones of fill, gravel, and organic silts and clays in the project area.

EXHIBIT D-1

**All are Available by Appointment, Contact Andrea Peterson at 612-673-5106
Crown Roller Mill Building, 105 5th Ave. S, Minneapolis, MN 55401**

Bassett Creek Valley References and Reports

**Electronic
On File**

Bassett Creek Valley Master Plan Documents

Report Title

		<i>Bassett Creek Valley Master Plan (2000).</i> Conclusionary Report of the Bassett Creek Valley Master Planning Committee as appointed by the City Council. 2000. Available at: http://www.ci.minneapolis.mn.us/citywork/planning/basset/
		<i>Bassett Creek Valley Master Plan (2006).</i> Prepared for Bassett Creek Valley Redevelopment Oversight Committee. Prepared by Hoisington Koegler Group, Inc. August 15, 2006. Available at: http://www.ci.minneapolis.mn.us/planning/basset-creek.asp#TopOfPage
		<i>Bassett Creek Valley Master Plan DRAFT.</i> Prepared for Bassett Creek Valley Redevelopment Oversight Committee. Prepared by Hoisington Koegler Group, Inc. March 20, 2006.
		<i>Near Northside Master Plan (2000)</i> Conclusionary Report of the Near Northside Implementation

Watershed Commission Documents

Report Title

		<i>Bassett Creek Watershed Commission Annual Reports (2004, 2003, 2002, etc.).</i> Available at: http://www.bassettcreekwmo.org/
		<i>Bassett Creek Watershed Commission Watershed Management Plan.</i> September 2004. Available at: http://www.bassettcreekwmo.org/
		<i>Bassett Creek Mainstem Watershed Management Plan. Prepared for the Bassett Creek Watershed Management Commission. June 2000.</i>

Environmental Site Assessments and Geotechnical Assessments of, and Remediation Plans or, Properties in the Project Area:

Report Title

		<i>Evaluation Report, Irving Avenue Dump Site,</i> prepared by Barr Engineering Company and dated November 1989
		<i>Remedial Investigation, Irving Avenue Dump Site, Minneapolis, Minnesota</i> prepared by Barr Engineering Company and dated August 1990
		<i>Preliminary Geotechnical Evaluation and Limited Phase II Environmental Site Assessment, Linden Avenue Corridor Property, Minneapolis, Minnesota.</i> Prepared for the City of Minneapolis Department of Community Planning and Economic Development by Braun Intertec Corporation and dated September 3, 1998.
		<i>Preliminary Geotechnical Evaluation and Limited Phase II Environmental Site Assessment, Proposed Roadway and Bridge, Sumner-Olsen Redevelopment Area, Dunwoody Boulevard to Girard Avenue North, Minneapolis, Minnesota.</i> Prepared by Braun Intertec and dated March 26, 1999
		<i>Limited Environmental and Geotechnical Data Review, City of Minneapolis Impound Lot/Former Irving Avenue Dump Site/Linden Yard Area Northwest of the Interstate 94 and 394 Interchange, Minneapolis, Minnesota,</i> prepared

	by Braun Intertec and dated March 13,2000.
	<i>Environmental Assessment Report, Bassett Creek Valley Area, Minneapolis, Minnesota</i> prepared by Braun Intertec and dated April 6, 2001
	<i>Preliminary Geotechnical Evaluation for Minneapolis Community Development Agency, Bassett Creek Valley Study Area, Cedar Lake Road and 1st Avenue North, Minneapolis, Minnesota</i> , prepared by Braun Intertec and dated 4-9-01
	<i>Phase I Environmental Assessment, Bassett Creek Valley Redevelopment, Minneapolis, Minnesota</i> , prepared by Delta Environmental Consultants, Inc. (Delta) and dated December 12, 2001
	<i>Phase II Environmental Assessment, Bassett Creek Valley Redevelopment, Scrap Metals Processors Properties, Minneapolis, Minnesota</i> , prepared by Delta and dated August 21, 2003
	<i>Phase II Environmental Site Assessment, Bassett Creek Valley Brownfields Redevelopment, Proposed Van White Memorial Boulevard, Minneapolis, Minnesota</i> , prepared by the United States Army Corps of Engineers (COE) and dated March 2004
	<i>Response Action Plan and Construction Contingency Plan, Proposed Van White Memorial Boulevard, Minneapolis, Minnesota</i> , prepared for the City of Minneapolis by Braun Intertec Corporation and dated April 1, 2005
	<i>Phase II Environmental Site Assessment, Northern States Power/Xcel Energy Property, Van White Memorial Boulevard Project, Minneapolis, Minnesota</i> . Prepared for the City of Minneapolis Department of Community Planning and Economic Development by Braun Intertec Corporation and dated February 9, 2006
	<i>Phase I Environmental Site Assessment; Special School District #1 Southwest Portion of 1001 2nd Avenue North</i> . Prepared for the City of Minneapolis Department of Community Planning and Economic Development by Braun Intertec Corporation and dated December 2006.

Planning and Design Documents

Report Title

	<i>Bassett Creek Reclaimed: A Design Concept for Minneapolis</i> . Prepared for the Department of Public Works. Orr-Schelen-Mayeron & Associates, Inc. December 8, 1976.
	<i>Bassett Creek Wetland Park. Redevelopment in a Landscape of Wetland Soils</i> . Project Coordinator: Regina Bonsignore. Design for American Landscape. October 30, 1996.
	<i>Restoring Bassett Creek: A Strategy for Revitalizing an Urban Watershed</i> . Draft Action Plan. Citizens for a Better Environment. June 1997.
	<i>Urban Watershed Profile. A look at Bassett Creek. Minneapolis, Minnesota. An Assessment of the North Minneapolis Section of Bassett Creek and its Watershed</i> . Amy Middleton and Chao Lee. Citizens for a Better Environment. May 1997.

U.S. Army Corps of Engineers Documents

Report Title

	<i>Bassett Creek Design Memorandum No. 1 Hydrology and Hydraulics</i> . U.S. Army Corps of Engineers. May 1981.
	<i>Bassett Creek Flood Control Project - Operation and Maintenance Manual</i> . U.S. Army Corps of Engineers. June 1997.
	<i>Bassett Creek Flood Control Project, Project Close-out (Aug 2001)</i> . U.S. Army Corps of Engineers. August 2001
	<i>Design Memorandum No. 4 and Draft Supplement to Environmental Impact Statement Flood Control Project Bassett Creek Watershed - Box Culvert and Channel Work</i> . U.S. Army Corps of Engineers. April 1988.
	<i>Project Manual - Flood Control on Bassett Creek Stage IV</i> . U.S. Army Corps of Engineers. March 1989.

EXHIBIT D-2

Overview of Environmental and Geotechnical Issues

City of Minneapolis Impound Lot/Former Irving Avenue Dump Site/Linden Yard Area Limited Environmental and Geotechnical Data Review, March 13, 2000

Executive Summary

A limited review of available environmental and geotechnical data for the City of Minneapolis Impound Lot/Former Irving Avenue Dump Site/Linden Yard Area (*Site*) was conducted for the MCDA by Braun Intertec Corporation. The objective was to summarize available environmental and geotechnical records pertaining to the *Site* and assess the potential impact of the recognized environmental and geotechnical conditions on potential future re-development scenarios for the *Site*.

I. Site History

Former Irving Avenue Dump Site. The former Irving Avenue Dump (Dump Site) is approximately bounded on the north by Bassett Creek, and on the south by Burlington Northern/Santa Fe railroad tracks. The known limits of the former dump area extend westward to approximately the hillslope near Cedar Lake Road and eastward to approximately Colfax Avenue. According to the MPCA, the limits of the former dump may extend north of the creek and west of Cedar Lake Road.

The former Dump Site had operated as a dump since the 1930s. The eastern portion of the former Dump Site is part of the City of Minneapolis Impound Lot, which is accessible via Colfax Avenue. Approximately 50 percent of the Impound Lot is considered to be within the boundaries of the former Dump Site. The central and western portion of the former Dump Site are accessible via the Irving Avenue bridge over Bassett Creek.

The former Dump Site was used in the 1950s and 1960s as a storage area for batteries, oil, gasoline and surplus equipment. Tons of pried open batteries were reported next to the creek. The former Dump Site has been used as a demolition and debris site for concrete, bricks, cinders and other materials since 1964. It is alleged that barrels of waste were disposed of at the site. The Dump Site property, which was purchased by the City of Minneapolis in March 1987, is on the Minnesota Superfund Permanent List of Priorities.

In 1992, the U. S. Army Corps of Engineers (U.S. COE) completed a flood control project for the Bassett Creek watershed. The former Dump Site was used for disposal of the fill material (spoils) generated from the tunnel and creek channel excavation. The spoils were found to contain hazardous levels of lead contamination.

Impound Lot. Aerial photographs taken in the late 1930s indicate that the current Impound Lot portion of the *Site* was used as a landfill with railroad tracks present to the south. By 1938, the northeast quarter was occupied by a building and piles of coal or soil, the northwest quarter was occupied by soil piles, and the southern half was occupied by a railyard. By 1953 the Impound Lot portion of the *Site* was used as a railroad yarding area. By 1978, half of the railroad spurs on the northwest corner had been removed. By 1993, the existing original (pre-expansion) Impound lot was located at this portion of the *Site*.

Linden Yard. As of 1885, the Linden Yard portion of the *Site* was developed as a rail yard with railroad tracks running the length of this portion of the *Site* from the northeast to the southwest. By 1993, all of the railroad lines had been removed, except for one line on the northern boundary. From at least 1885 to 1974, a grain elevator was located on the eastern side of the Linden Yard portion of the *Site* near Lyndale Avenue. By 1938, Laurel Avenue bisected the center of this portion of the *Site* from east to west. By 1974 the street had been removed. This portion of the *Site* is currently utilized by the Department of Public Works and contains stockpiles of gravel, concrete rubble, topsoil and compost material. Construction materials and equipment are also stored at Linden Yard.

II. Site Geotechnical and Environmental Conditions

Impound Lot/Former Irving Avenue Dump Site Generalized Subsurface Soil and Hydrogeologic Conditions. The generalized subsurface conditions depicted by soil boring logs from the Impound Lot and former Dump Site portion of the *Site* indicate mixed fill overlying peat and/or swamp deposits overlying coarse alluvium.

The mixed fill is generally 10 to 20 feet thick and covers most of this portion of the *Site*. The mixed fill, which was placed as part of the uncontrolled dumping at the former Dump Site, is composed of sand, gravel, ashes and cinders, concrete, brick, asphalt, metal, glass, wood, tar, decorator stone fragments, domestic rubbish and other demolition debris.

Underlying the fill is a layer of swamp deposits including peat, marl, silt and organic clay ranging in thickness from 10 to 40 feet. A lacustrine deposit of fat clay underlies the swamp deposits. The unit ranges from 10 to 20 feet thick near the eastern boundary of the former Dump Site, up to 40 feet thick in the central and western portion of the former Dump Site, and appears to be discontinuous north of the Impound Lot.

Deposits of alluvial sand lenses are present beneath the fat clay unit over much of this portion of the *Site*. The poorly graded, fine- to medium-grained, waterbearing sand lenses are approximately 11 to 18 feet thick in the western, southern and northeastern portion of the former Dump Site.

Across much of this portion of the *Site*, sandy lean clay tills underlie the swamp deposits, lacustrine clays and alluvial sands. Where encountered, the till unit ranged from 28 to at least 70 feet thick.

The water table generally occurred at an elevation of about 805 feet above mean sea level (MSL); the average elevation of the former Dump Site is approximately 810 feet MSL. Horizontal groundwater flow within the uppermost waterbearing zone is generally towards the east. Groundwater elevation data collected in 1994 and 1995 indicated that the elevation of the water table was 4 to 6 feet lower than that observed in 1990. The decrease in groundwater elevations was principally attributed to the lowering of the Bassett Creek base flow elevation by the U.S. COE as part of the 1992 Bassett Creek Flood Control project in this area.

Physical characteristics of this portion of the *Site* impose several restrictions on potential re-development. Unfavorable soil conditions make it difficult to provide adequate foundation for the construction of structures. A portion of the *Site* lies within the Bassett Creek regional 100-year floodplain. Floodplain regulations may require that development not decrease the 100-year flood storage of the *Site*.

Due to the historical uncontrolled fill placement activities at the Impound Lot and former Dump Site, and the presence of compressible swamp deposits, construction of footings without remedial measures would likely result in very large total and differential settlements and possibly bearing failure of building footings.

Impound Lot/Former Irving Avenue Dump Site Environmental Information. Numerous environmental investigations and phases of investigation have been performed at the Impound Lot/Former Irving Avenue Dump portion of the *Site* since 1987. Soil and groundwater contamination has been identified at the former Dump Site and Impound Lot.

Contaminants identified within soil include heavy metals, volatile organic compounds (VOCs), polynuclear aromatic hydrocarbons (PAHs) and polychlorinated biphenyls (PCBs). High levels of PAHs have been found in soil samples. PCBs and low levels of VOCs were detected in some soil samples. The primary metal contaminant in soils is lead; concentrations of lead are high enough to be considered hazardous waste. Elevated concentrations of cadmium, copper, lead, mercury and zinc have also been detected in soil samples.

Testing of soil and stream sediment samples from along the creek channel determined that lead concentrations in some of the samples exceeded the Resource Conservation Recovery Act (RCRA) criteria for hazardous waste designation.

Eight groundwater monitoring wells currently are present at the Impound Lot/Former Irving Avenue Dump portion of the *Site*. Groundwater sample analytical results showed low level contamination by heavy metals and VOCs; and concentrations of PAHs exceeding regulatory standards.

Upstream and downstream samples of water collected from Bassett Creek had detectable levels of PAH compounds. The sampling indicated some slight contamination of the creek originating upstream of the Impound Lot/Former Irving Avenue Dump portion of the *Site*. Results did not indicate any negative effect of the Impound Lot/Former Irving Avenue Dump portion of the *Site* on the surface water quality in Bassett Creek.

Two temporary monitoring wells were installed near seeps along the southern bank of Bassett Creek. Groundwater samples collected from the wells were analyzed for dissolved RCRA metals, chloride and PAHs. The inorganic compounds iron, zinc and chloride were detected. Iron was detected at concentrations exceeding drinking water criteria and Class 2A chronic surface water standards. Concentrations of carcinogenic PAHs exceeded drinking water criteria and, in some cases, surface water standards. Some noncarcinogenic PAHs also exceeded surface water standards.

Environmental conditions that may affect development of the Impound Lot/Former Irving Avenue Dump portion of the *Site* include the presence of soil and groundwater contamination, and the inclusion of the former Dump Site within the Minnesota Superfund Permanent List of Priorities program.

Soil sampling and analysis has indicated that concentrations of PAHs and heavy metals exist, which may be considered hazardous. Excavated soils would have to be managed in accordance with state and federal regulations. Excavated soils that contain regulated concentrations of contaminants would have to properly managed on site, treated and disposed off site, or disposed in a hazardous waste landfill.

If dewatering during development activities is necessary, the resulting water generated would likely be contaminated and would likely require special treatment and permitting to allow extraction and disposal.

Because the Irving Avenue Dump portion of the *Site* is listed as a Minnesota Superfund site, future uses of this portion of the *Site* may be limited due to constraints imposed by the final MPCA-approved remedy chosen and implemented. According to the MPCA, future activities concerning the former Dump Site will likely include delisting (removal from the Superfund Permanent List of Priorities). Hennepin County will implement a phytoremediation pilot project at the seeps. The final remedy for the former Dump Site will likely include a restrictive covenant placed on the deed, which will concern future actions to be taken if site soils are disturbed during construction or other intrusive activities. Depending on the future use of the former Dump Site, fencing of the entire site may be required. Future actions with respect to groundwater contamination at this portion of the *Site* will likely consist of a long-term groundwater monitoring program. With respect to possible future development scenarios at this portion of the *Site*, potential exposure to contaminated soils will be the main environmental issue.

Linden Yard Geotechnical Information. The generalized subsurface conditions consist of fill overlying swamp deposits, alluvial deposits and glacial deposits. Soil borings have encountered up to 37 feet of fill consisting of sands with various amounts of silts and clays. Debris such as plastic, cinders, bituminous, wood, brick, limestone and concrete were encountered in the fill.

Swamp deposits consisting of organic clays and peat were encountered below the fill to depths up to 24 feet below the surface. The penetration resistances of the organic clays and peat indicated that these soils are soft.

Alluvial deposits consisting of sands with various amounts of silts and clays were encountered from 11 to 64 feet below the surface. The penetration resistances of the sand indicated those soils were very loose to medium dense and the alluvial clays were rather soft to medium.

Glacial deposits were encountered below the strata mentioned above. These soils typically consisted of sands with various amounts of silt, and clays with various amounts of sand. The penetration resistances of the glacial sands indicated those soils were loose to medium dense and the clay glacial soils were soft to very stiff.

Groundwater was typically encountered at 11 to 14 feet below the surface. Seasonal and annual fluctuations in the groundwater levels should be anticipated.

In general, the soil conditions were geotechnically worse in the western two-thirds portion and the best soil conditions were encountered in the northeast corner of the Linden Yard portion of the *Site*. The existing fill, swamp deposit and most of the alluvial soils at the Linden Yard portion of the *Site* are typically not suitable to support single- or multi-level structures designed based on a typical shallow foundation system. Because these deposits are so deep, deep foundation systems will most likely be required for new buildings in these areas. Utilities will also most likely need to be placed on piles to prevent excessive movement of the utilities that would cause them to fail.

The potential exception to this is the very northeast corner of the Linden Yard portion of the *Site*; the soils in this area could potentially be corrected so that a shallow foundation system could be used. However, a fairly significant soil correction would need to be made and additional deep borings would be needed in this area to further define this potential. The box culvert containing Bassett Creek crosses this portion of the Linden Yard and may restrict development of this area.

New fill placed on the site will most likely consolidate the soft underlying clays and the existing fill soils may also realize some additional settlement. For that reason, it is anticipated that differential settlement will occur between the buildings and the utilities, exterior slabs and pavements that are not supported on a deep foundation system.

Additional debris could be encountered during construction such as foundations, basement slabs and floor slabs from previous structures that were located on the Linden Yard portion of the *Site*.

Linden Yard Environmental Information. The results of a limited Phase II environmental site assessment (ESA) indicated that all parameters detected in the soil samples were below the applicable MPCA residential soil reference values (SRVs) and no RCRA metals were detected at concentrations above naturally-occurring background levels. Also, none of the groundwater samples that were analyzed had concentrations greater than or equal to the laboratory method detection limits for diesel range organics (DRO), gasoline range organics (GRO), VOCs, PAHs, Minnesota Department of Agriculture (MDA) List 1 and 2 pesticides and organophosphorous pesticides. However, the groundwater samples did contain concentrations of RCRA metals that exceeded applicable drinking water criteria.

Suspected asbestos-containing materials (ACM) were observed in site debris. Positive identification of this material as ACM has yet to be determined.

III. Future Development Scenarios for the *Site*

Recognized environmental and geotechnical implications of potential future development scenarios for the Impound Lot/Former Irving Avenue Dump and Linden Yard portions of the *Site* were cursorily evaluated. The following four potential scenarios were briefly evaluated: continue to utilize the *Site* for its present uses, develop the *Site* for light industrial uses, utilize the *Site* as green space, and develop the *Site* for residential uses.

The MPCA has indicated that a long-term groundwater monitoring program likely will be required at the former Irving Avenue Dump portion of the *Site*. As part of the final remedy for this portion of the *Site*, the MPCA likely will require a restrictive covenant placed on the deed, which will concern future actions to be taken if soils are disturbed during construction or other intrusive activities. Long-term groundwater monitoring and a restrictive covenant for the former Dump Site apply to all four potential development scenarios discussed below.

Present Use Scenario. Under this scenario, the Impound Lot/Former Irving Avenue Dump portion of the *Site* would continue to be utilized as an Impound Lot and soils stockpile/staging area. MPCA Industrial SRVs would apply to soil in this portion of the *Site*. The MPCA has indicated that Impound Lot 2, which overlies a portion of the consolidated, lead-impacted spoils generated by the U.S. COE during the Bassett Creek flood control project, will need to be capped with an impervious paved surface. If other portions of the former Dump Site are to be used for vehicle storage they also should be paved to prevent potential human exposure to soil contaminants and limit leaching of the soil contaminants.

Portions of the former Dump Site that may be used for material stockpiling and staging should be paved to prevent underlying, potentially contaminated soils from being inadvertently excavated during stockpile removal, etc.

To restrict public access to this portion of the *Site* and reduce the potential for public exposure to soil contaminants, the remainder of the former Dump Site should be fenced to restrict access. If the remainder of this portion of the *Site* will not be enclosed by fencing, consideration should be given to placing a clean fill/soil cover over the unpaved portions of the *Site*.

Under this scenario, the Linden Yard portion of the *Site* would continue to be utilized as a construction materials storage, equipment storage and soil/gravel/concrete rubble stockpile site. Evaluation of the suspected ACM would be warranted. There does not appear to be any other future environmental or geotechnical implications associated with the present use of this portion of the *Site*.

Light Industrial Use Scenario. Under this scenario, the Impound Lot/Former Irving Avenue Dump portion of the *Site* would be developed for light industrial usage. MPCA Industrial SRVs would apply to soil in this portion of the *Site*. Contaminated soils excavated during construction, including the lead-contaminated tunnel and creek channel excavation spoil pile, would either have to be reused on the *Site* (with MPCA approval), treated and disposed of off site, or directly disposed of off site at an appropriately permitted facility. The concentration of leachable lead in the soil in portions of the Impound Lot/Former Irving Avenue Dump Site have been characterized as being a hazardous waste and would likely have to be handled and disposed of as such. Earthwork at this portion of the *Site* would require the use of 40-hour HAZWOPER-trained workers.

Due to geotechnically poor soil conditions at the Impound Lot/Former Irving Avenue Dump portion of the *Site*, deep pilings would most likely be required for support of buildings and utilities. A large portion of the former Dump Site resides within the 100-year floodplain of Bassett Creek, which may pose limitations on development. City of Minneapolis flood plain regulations may require that development not decrease the 100-year flood storage on this portion of the *Site*.

At the Linden Yard portion of the *Site*, additional Phase II ESA work and evaluation of the suspected ACM would be warranted to further define the identified environmental conditions. Deep pilings would most likely be required for support of buildings and utilities, except for the northeastern-most portion of the Linden Yard where shallow foundations may be possible after rather extensive geotechnical soil correction.

Green Space Use Scenario. Under this scenario, the Impound Lot/Former Irving Avenue Dump portion of the *Site* would be utilized as green space. If accessible to the public, MPCA Residential SRVs likely would apply to soil in this portion of the *Site*. For example, the MPCA would likely require that the lead-impacted spoils generated by the U.S. COE during the Bassett Creek flood control project be at least capped with an engineered soil cover or pavement.

To restrict public access and reduce the potential for public exposure to soil contaminants, the former Dump Site should be fenced to restrict access. If accessible to the public, a clean fill/soil cover should be placed over the unpaved portions of the former Dump Site. In addition, the seeps from the former Dump Site into Bassett Creek should be intercepted and managed with engineering controls or at least restricted from public access.

At the Linden Yard portion of the *Site*, additional Phase II ESA work and evaluation of the suspected ACM would be warranted to further define the identified environmental conditions.

Residential Use Scenario. Under this scenario, the Impound Lot/Former Irving Avenue Dump portion of the *Site* would be developed for residential usage. MPCA Residential SRVs would apply to soil in this portion of the *Site*. The MPCA likely would not allow residential development with hazardous concentrations of any contaminants in soil. Removal of all soil exhibiting hazardous concentrations of contaminants from the former Dump Site would not be technically or economically feasible.

Due to geotechnically poor soil conditions at the Impound Lot/Former Irving Avenue Dump portion of the *Site*, deep pilings would most likely be required for support of buildings and utilities. The expense of deep foundation systems may be cost-prohibitive for single-family and low-rise residential buildings. A large portion of the former Dump Site resides within the 100-year floodplain of Bassett Creek; floodplain regulations may require that development not decrease the 100-year flood storage on this portion of the *Site*.

At the Linden Yard portion of the *Site*, additional Phase II ESA work and evaluation of the suspected ACM would be warranted to further define the identified environmental conditions. Deep pilings would most likely be required for support of buildings and utilities, except for the northeastern-most portion of this parcel, where shallow foundations may be possible after rather extensive geotechnical soil correction.

Exhibit E Location of site relating to Downtown

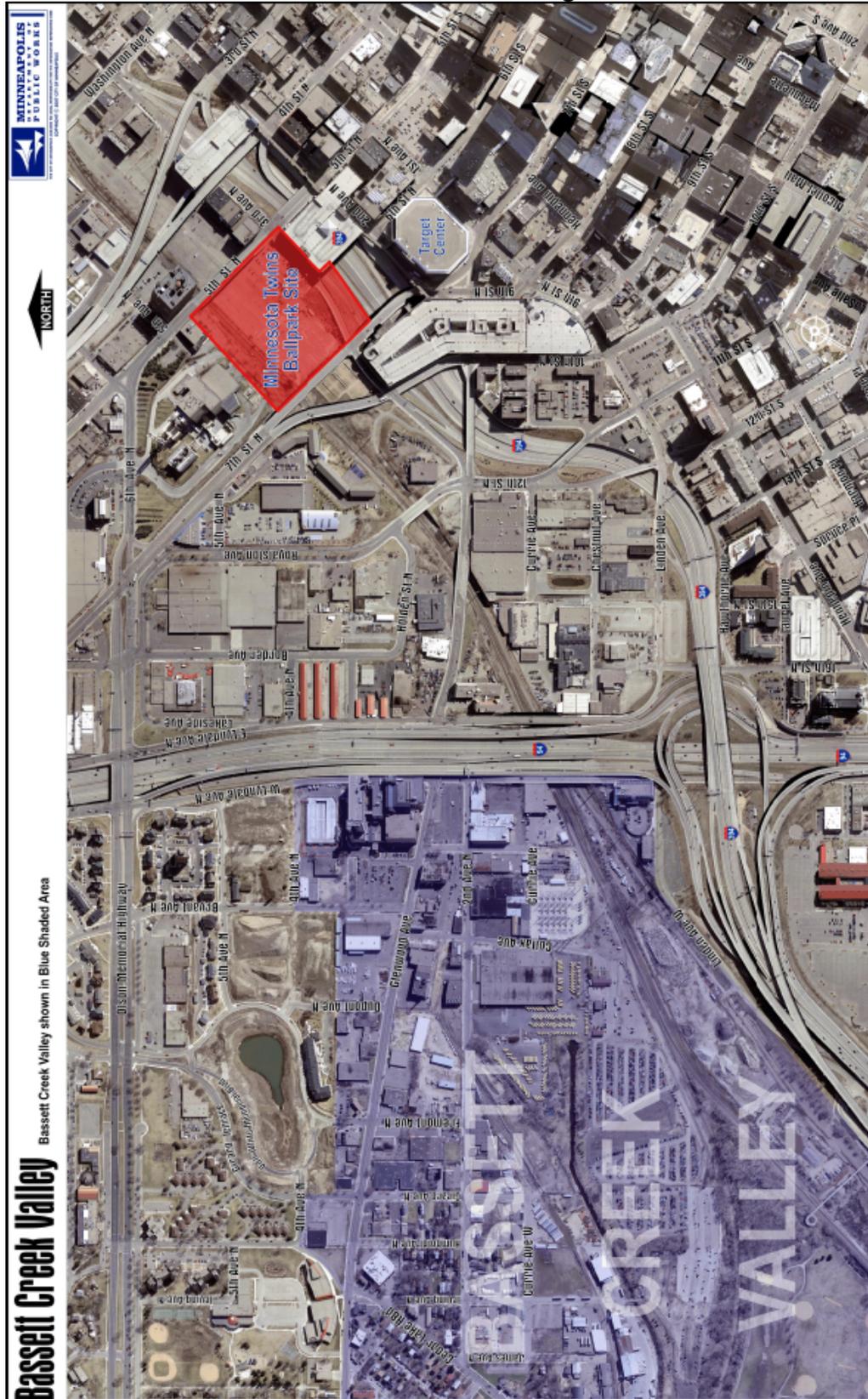


Exhibit F
Form of Consent for Release of Response Data

_____, 2007

City of Minneapolis
Department of Community Planning and Economic Development
105 5th Avenue S., Suite 200
Minneapolis, MN 55401

Re: Bassett Creek Valley Request for Proposals
Consent for Release of Response Data

_____, on behalf of _____, hereby consents to the release of its development proposal in response to the Bassett Creek Valley Request for Proposals and waives any claims it may have under Minnesota Statutes Section 13.08 against the City of Minneapolis for making such information public. The foregoing consent and waiver does not extend to financial statements submitted under separate confidential cover which may be public, but shall be treated by the City consistent with Minnesota Statutes Section 134.591.

