

DOWNTOWN MINNEAPOLIS NEIGHBORHOOD ASSOCIATION

Minutes from the Board Meeting of Tuesday, June 8, 2010
Hennepin County Central Public Library
300 Nicollet Mall
Room N-202, Minneapolis, MN

I. Call to Order and Introductions

Board Chair Carletta Sweet called the meeting to order at 6:05 p.m.

Other board members in attendance included Gerry Ewald, Vice Chair; Andy Hauer; Paula Klimek, Treasurer; Corey Kline; George Rosenquist; and Wally Swan, Secretary.

Excused absentee was Andrea Christenson.

Guests in attendance were:

- Charles Carlson, Metro Transit
- Andrew Commers, Artspace, Inc.
- Beth Elliott, Minneapolis CPED
- Tim Engel, America Academy of Neurology
- Tom Evers, Trust for Public Land
- Carrie Flack, Minneapolis CPED
- David Graham, ESG Architects
- Tina Hoyer and John Tietz, Nelson, Tietz and Hoyer
- Jennifer Lastoka, Minneapolis NCR Department
- Mark Lucas, Brighton Development
- Andrea Peterson, Minneapolis CPED
- Karen Lee Rosar, NCEC District 5 Representative

Staff member Christie Rock was also present.

II. Neighborhood and Community Relations (NCR) Department and Neighborhood and Community Engagement Commission (NCEC) Presentation

Sweet introduced Jennifer Lastoka, the City's Community Engagement Coordinator, who gave a brief description of the NCR and the NCEC Department. She explained that the NCR and the NCEC will eventually replace the Neighborhood Revitalization Program (NRP) and the NRP Policy Board. Lastoka responded to numerous questions from the board and distributed a staff contact sheet with a list of upcoming community meetings.

Then Karen Lee Rosar introduced herself. She is a homeowner in the North Loop neighborhood, a board member of the North Loop Neighborhood Association, and the NCEC District 5 Representative which includes the downtown neighborhoods. She talked about some controversial issues with regards to the future of citizen engagement in Minneapolis and stressed the need for flexibility and patience in the transition process.

Lastoka then led the board through a series of discussion questions asking them their thoughts about the future of citizen engagement programs and funding in the City of Minneapolis. At the conclusion of the input process, Lastoka encouraged all to contact her directly at 612-673-3163 or via email at jennifer.lastoka@ci.minneapolis.mn.us if they had any additional feedback to provide. For more information about the department and the commission, visit www.ci.minneapolis.us/ncr.

III. Consideration of Agenda, May 11, 2010 Minutes, and June 2010 Financial Report

Sweet asked if there were any changes or additions to the agenda. Since Board Member Corey Kline needed to leave the meeting by 7:00 p.m., Sweet requested that the board consider all of the items that required action at this time while there was a quorum.

Kline moved, and Hauer seconded a motion to approve the agenda as amended, the May 11, 2010 board meeting minutes, and the June 2010 Financial Report. Sweet called for discussion. The motion passed.

IV. Land Use Report

LUC Chair Andy Hauer presented the following land use report:

- **Parcel E Liner RFP.** Carrie Flack from CPED reviewed the City's preferred response to the Parcel E Liner RFP. She stated that the American Academy of Neurology (AAN) and Artspace Projects, Inc., jointly submitted complementary and cross-referenced development proposals for the entire site. Flack indicated that two other proposals were received but not recommended for further consideration as they did not respond to a key requirement to include developments for both the Chicago Avenue and Washington Avenue frontages.

The AAN was established in 1948 and will be constructing a new headquarters office building that will house over 120 employees. They anticipate hosting at least 40 to 45 professional meetings annually involving an estimated 600 member visits and generating hotel occupancies of 1,200 weekend room nights. Artspace, a nationally recognized local organization, is proposing their first project in Minneapolis which includes affordable live/work space for artists as well as plans to relocate their office headquarters to the new facility.

The AAN and Artspace projects will be phased, with AAN constructing a 53,000 sq. ft. 4-story office building along Chicago Avenue South in 2011 and Artspace constructing a 4-story building along Washington Avenue with 4,000 sq. ft. of gallery/rental studio space, 8,000 sq. ft. of office space and 36 affordable housing units. Parking for both projects would be accommodated in the Riverfront Parking Ramp, consistent with available space and a City objective to increase ramp use as stated in the RFP. A further summary of the proposal is listed below.

- ◇ Site and Use: American Academy of Neurology on Chicago Avenue South and Artspace on Washington Avenue South

- ◇ Use on Chicago frontage: 53,000 sq. ft. 4-story office building; floor 1 as interpretive gallery with pre-function gallery and conference space; floors 2 to 4 as office space
- ◇ Use on Washington frontage: 4-story building with 5th floor penthouse; 4,000 sq. ft. of gallery/rental studio space; 8,000 sq. ft. of office space; 36 affordable housing units
- ◇ Parking: within City-owned Riverfront Ramp
- ◇ Possible Public Financing (subject to independent evaluations and commitments): soil remediation through Brownfields programs if applicable, Recovery Zone Bonds, New Market Tax Credits, Low Income Housing Tax Credits and other affordable housing sources
- ◇ Chicago 10 foot setback for pedestrian and streetscape consistent with plan; 25 foot setback from 2nd Street for community green space; green sculpture pocket at Chicago and 2nd Street as well as at Washington and Chicago
- ◇ Offer price for Chicago frontage: \$425,000.00 (fair reuse sale price to be determined by appraisal)
- ◇ Offer price for Washington frontage: \$475,000.00 (fair reuse sale price to be determined by appraisal at time of land sale)
- ◇ Total Project Cost Chicago frontage: \$18,000,000
- ◇ Total Project Cost Washington frontage: \$11,300,000

Flack advised that staff is currently seeking authorization to negotiate terms for a redevelopment contract with AAN for the Chicago frontage and expects to return to the City Council with a land sale request this summer. She stated that staff is also recommending granting exclusive development rights to Artspace for 2 years for the Washington frontage. By the end of that period, Artspace will have refined its proposal and be able to identify needed financing sources sufficient for staff to return to the City Council with a redevelopment contract recommendation.

- ***Hennepin Stages RFP.*** Andrea Peterson from CPED gave a brief update on an RFP the City is releasing for the former Hennepin Stages property located at 824 Hennepin Avenue.

The City is seeking proposals that will support the continued revitalization of Hennepin Avenue and the downtown district and be a catalyst for future economic growth, as well as proposals that enhance the visual character of Hennepin Avenue, add permanent jobs, and generate real estate taxes are also desired by the city.

Petersen said that the property could be purchased for one of four possible uses, which include:

- ◇ Continued use as a small theater venue, with minimal or modest physical improvements;
- ◇ Rehabilitation and adaptive reuse of the structure for another purpose;
- ◇ Clearance and new construction; and/or
- ◇ Something that is a part of larger development.

The City is mandating that the building's street-level use be entertainment, cultural, or commercial in nature and that it be actively and extensively programmed to attract people (including families) to downtown Hennepin Avenue and support the avenue as an entertainment and cultural destination.

The property, which used to be a Hirshfield's decorating store, was acquired by the former Minneapolis Community Development Agency (MCDA) in 1995. Following that acquisition, it was leased to Hey City Theater for the production of Tony and Tina's Wedding and eventually renovated to accommodate separate productions on each of two main floors.

Proposals are due August 12, 2010. Peterson will come back to a DMNA board meeting later this summer or early fall to review the submitted proposals and discuss the City's preferred response.

- ***Downtown Minneapolis Bus Layover Study.*** Charles Carlson from Metro Transit gave a report on the Downtown Minneapolis Bus Layover Study that he recently completed (<http://www.cts.umn.edu/Events/ResearchConf/2010/presentations/9-carlson.pdf>). He indicated that the report was prompted by MNDOT and required by the City's Ten Year Transportation Plan, (i.e., Access Minneapolis, <http://www.ci.minneapolis.mn.us/public-works/trans-plan/>). Carlson noted that he has already done outreach to the Downtown Improvement District, the North Loop and the Downtown Council. He then distributed a handout and highlighted the following:

- ◇ Downtown is the starting point for many bus routes;
- ◇ Layover facilities currently in operation;
- ◇ Demand for layover facilities as ridership increases;
- ◇ Where additional layover space might be needed in the future, most likely location is the Nicollet Avenue Hotel block; and
- ◇ Concept plan for the Nicollet Avenue Hotel block.

He then responded to questions from board members. Several asked whether drivers are required to shut-off engines while waiting for routes to begin. Carlson indicated that drivers must shut off engines when waiting if the temperatures are between 32 and 80 degrees.

Then Tom Evers from the Trust for Public Land (www.tpl.org) introduced himself and advised that there is a long-term vision to develop green space on the Nicollet Avenue Hotel block to create a Central Park type environment in Downtown Minneapolis. Evers encouraged the DMNA Board to support a transit project that includes green space.

Carlson concluded by identifying next steps, including sharing results with additional stakeholders, meeting with the Minneapolis City Council, further develop promising sites, and planning for future implementation of more challenging locations.

- ***Valspar Redevelopment.*** Mark Lucas from Brighton Development introduced himself then described his company's plans to acquire the former Valspar property with the intention of redeveloping it into affordable housing. The project would include a number of apartments designated for homeless individuals and families. He is seeking a letter of support from the DMNA for an application to the City's Affordable Housing Reserve Fund.

Ewald moved and Klimek seconded a motion to approve a letter of support to Brighton Development for its application to the City's Affordable Housing Reserve Fund for the Valspar redevelopment project.

V. Crime and Safety Update

Rosenquist gave a brief update on the Downtown 100 and Court Watch programs. Discussion then ensued regarding National Night Out and whether the DMNA should make a financial contribution this year to either the North Loop's or Mill District's event. Lacking any evidence to justify amending last year's vote (i.e., documentation from the NNO planner listing revenues received and expenses paid from previous years), the board agreed to adhere to its 2009 decision not to donate.

VI. Old / New / Other Business

In accordance with the agenda, time was taken to have board members in attendance sign the revised letter in support of Federal climate change legislation as requested by the Sierra Club representative at the May 11, 2010 board meeting.

Sweet then asked board members for updates on their respective collaborative organizations beyond what was provided in the July Outreach and Collaboration chart previously distributed. Hauer passed out a written update on the Minnesota Orchestra Community Engagement Committee. He indicated that this committee has only met one time and that the next meeting is scheduled for July.

Lastly, a discussion regarding whether to hold a July board meeting ensued. The group decided to cancel the regularly scheduled July 13, 2010 board meeting and to hold in its place another internal Phase II housing strategic planning meeting on the same date and at the same location.

VII. Adjournment

Being no further business, the meeting adjourned at 7:55 p.m.

Signed this _____ day of _____, 2010.

Chair

Secretary