

## DOWNTOWN MINNEAPOLIS NEIGHBORHOOD ASSOCIATION

**Minutes from the Board Meeting on Thursday, March 6, 2014**  
*Central Public Library*  
*Room N-202*  
**300 Nicollet Mall, Minneapolis, MN**

### I. Call to Order and Introductions

Board Chair Nick Cichowicz called the board meeting to order at 6:00 p.m.

Other board members in attendance were:

Chad DiDonato, Vice Chair  
Gerry Ewald, Treasurer  
Laurie Jones  
Claudia Kittock  
Carletta Sweet  
Jesse Winkler  
Peter Zenner, Secretary

Staff member Christie Rock was present.

Guests in attendance were:

Martha Archer, Mill City Farmers Market  
Tony Barranco, Ryan Companies  
Mikkel Beckmen, Hennepin County Office to End Homelessness  
Deb Brandwick, Oertel Architects  
Peter Brown, Nicollet Mall consultant  
Rick Collins, Ryan Companies  
Steve Cramer, Minneapolis Downtown Council  
Kathy Franzen, Bridgewater resident  
Jacob Frey, 3rd Ward City Council Member  
Phil Hage, Bridgewater resident  
Ben Johnson, *Minneapolis Journal*  
Brenda Langton, Spoonriver and Mill City Farmers Market  
Eric Laska, RiverWest resident  
Bob Lind, City of Minneapolis CPED  
Miles Mercer, City of Minneapolis CPED  
Janet Moore, *Star Tribune*  
Dan Pellinen, Tushie - Montgomery & Associates  
Jim Stanton, Shamrock Development  
Anita Tabb, 4th District Park Board Commissioner  
Doug Verdier, RiverWest resident  
Dale White, RiverWest resident

### II. Consideration of the Agenda

*Ewald moved and Jones seconded a motion to approve the March 6, 2014 board meeting agenda. Cichowicz called for discussion. The motion passed.*

### **III. Consideration of Consent Agenda**

*Sweet moved and Ewald seconded a motion to approve the consent agenda that included the February 6, 2014 board meeting minutes, the March 2014 financial report, and the March staff report. Cichowicz called for discussion. The motion passed.*

### **IV. Public Comment**

No speakers came forward during the public comment period.

### **V. Guest Presentations**

- Third Ward City Council Member Jacob Frey reported on the following:
  - Soon will be choosing a developer from the two proposals received from Mortenson Development and Ryan Companies, for the redevelopment of Block 1 Liner Parcel in Downtown East.
  - Working hard in a lobbyist capacity to get the \$50 million Nicollet Mall rehabilitation project done. The city requested \$25 million in state bonding dollars and a \$25 million match from the business community. Toward that end, we all need to stand together and tell legislators that this is an important project that needs to be at the top of the docket and that other projects can't hinder it. The Minneapolis delegation needs to refuse to participate or sign up for this bonding project if they don't get all \$25 million.
  - Has done a bunch of research on the Southwest Light Rail Transit (SWLRT) and the co-location proposals. He has approached this from a contractual standpoint. About 20 years ago, St. Louis Park promised to take the freight in exchange for approximately \$5 million to do some economic development and pollution remediation. They took the money, did some economic development and pollution remediation. Now it's time for them to take the LRT and have yet to do so. Yesterday the Minneapolis City Council passed a resolution opposing the co-location. For more information about SWLRT visit <http://www.swlrtcommunityworks.org/> and for a recent Star Tribune article visit <http://www.startribune.com/local/blogs/248613071.html>.
  - Tomorrow he will be introducing the subject of ride-sharing services and ways to deal with them due to the arrival of Lyft (with the pink mustache on the front bumper) and UberX who both currently operate outside of Minneapolis' metered taxi ordinances.
  - Have had some controversy over Doran Companies' proposed 6-story boutique hotel project at 1319 Fourth Street SE in Dinkytown. Ultimately, by denying demolition of the 1920s brick building (currently home to Mesa Pizza and Camdi restaurant) to study historic significance, he is confident that they will get a better development for the site.
  - At Regulatory Services they are cracking down on some of the bad actors of the city. It used to be they really didn't enforce a lot of the regulations in place and now they have taken away licenses from some slumlords, problem bar owners and businesses.
  - The inaugural "Wake-up with Jacob breakfast meeting was a success; approximately 100 people attended to hear from our state legislators. For those disinclined to get up early, Ewald offered another name for his event "Midnight Snacks with Jacob," and Collins offered "Stay Up With Jacob."
- Fourth District Park Board Commissioner Anita Tabb reported on the following:

- That Crown Hydro has responded to the Federal Energy Regulatory Commission (FERC) advising that it will conduct a number of studies during the summer to address longstanding concerns of the MPRB, Army Corps of Engineers and others that prevented the project from moving forward since receiving its original license in March of 1999. Tabb finds that interesting because one of the things they said they would study is flow over the falls and that has already been done and paid for by CH. However, CH did not like the results of the 2007 Emmons and Olivier study (<http://www.crownhydro.net/downloads/Emmons%20&%20Olivier.pdf>) and as a consequence continues to press for additional study. Tabb is in the process of getting the MPRB to impede CH from asking for further study in pursuit of a response they like. For more information, visit <http://www.journalmpls.com/news-feed/crown-hydro-plans-studies-in-response-to-agency-neighborhood-criticism>.

Tabb also expressed frustration over taxpayers having funded a Renewable Development Grant through Xcel because CH received the first grant made of \$5 million that has allowed them to hire the best attorneys in D.C. to proceed with this process.

- Updating the Central Mississippi Riverfront Regional Park Master Plan is still underway and the opportunity for the community to lend their voice to the design process remains possible via online survey or by attending charrettes and public meetings. There is a lot of very good work going on for both sides of the river and Tabb encouraged the audience to become involved if they hadn't done so thus far. Her sense of the Community Advisory Committee is that it has a light touch approach to design; it doesn't seem to want a lot of development or fanfare, but prefers parks with wildlife and that sort of thing. However, there will be some activity as well that is being developed through a programming matrix and this is the time to figure that out.

Tabb then responded to questions, including one regarding the status of the proposed 4.2-acre park in Downtown East known as "The Yard." There are many unanswered questions that need to be addressed, e.g., how it's going to be funded from an operations and maintenance standpoint. That is a huge open question that hasn't been resolved. From the MPRB perspective, you have to understand that they already have almost 200 park properties they struggle to maintain well and this will be a signature downtown park. Therefore, it cannot be treated as they typically do for neighborhood parks. Based on the model of Chicago's Millennium Park, for a park of this size it would not be out of line to spend \$40 million in capital cost and \$4 million annually in maintenance cost. The MPRB just doesn't have that kind of money and would not put that amount of money into one park without working out the details for generating income to maintain it. In any event, it is still in the hands of the city to work through these details in conjunction with surrounding development.

## VI. Community Development

Community Development Chair Jesse Winkler reminded the presenters to state what they are seeking from the DMNA board, then he introduced the following:

- ***Block 1 Liner Parcel (728 South 4th Street) and Air Rights RFP.*** Bob Lind, Director of Business Finance, Minneapolis CPED, gave the board a quick update on the status of the RFP

process since he last presented the Ryan Companies and Mortenson Development proposals to the board on February 6th. He distributed a revised summary sheet and advised that several weeks after the last board meeting, Ryan Companies updated its proposal to include a 150-room Radisson Red hotel and 200-unit apartment tower.

- **Ryan Companies proposal.** Rick Collins first addressed The Yard maintenance issue since it was previously discussed in the meeting. He stated that the way that Ryan's transaction is structured they would deliver to the city a green park on or about June 1, 2016. This involves demolition of all existing improvements and the asphalt parking lots and replace it with plant-able soil, perimeter sidewalks, new streetlights, a storm water management system, electrical upgrades to allow for activity at various spots through the park, planted grass and trees. The Park Committee may decide to alter that design.

Furthermore, Collins believes it is highly unlikely that anywhere near \$40 million of additional investment would be required. And the \$4 million annual operating cost is nothing but a simple rule of thumb, i.e., 10% of the capital investment becomes annual operating cost, and that would be \$11,000 a day. Collins advised that if that were the case, then he wants the mowing, snow plowing and sidewalk cleaning contract and he'll do it for half that amount. Then he advised those who wish to have input to forward it to the Park Committee (<http://www.ci.minneapolis.mn.us/cped/ParkCommittee>).

Tony Barranco explained that he has been working more on the housing and retail components of the project and when they started looking at the air rights of the Block 1 Liner Parcel he became more actively involved due to his expertise. Then he provided an overview of the site plan via an animated video and explained that the catalyst for this project was the stadium development, the Star Tribune property coming to bear, and the luck, timing-wise, to have an incredible corporate user willing to make a significant investment, i.e., the Wells Fargo 1.2 million square foot office complex. In conjunction, they really needed to replace the surface parking system to provide parking solutions for the stadium as well as the Monday through Friday work needs of the office towers.

As part of the negotiations with the City and the MSFA regarding how to pay for the ramp, there was an area identified in front of and above the ramp that could be sold for additional proceeds to offset some of the land acquisition cost for the park. So the City issued an RFP in early January for what amounted to anything above the existing ramp and anything on the small liner parcel of about 10,000 square feet on the southern edge of the ramp. Ryan has now come forward with a partnership with Magellan Development Group and Carlson Rezidor Hotel Group who also teamed up on a project called Aqua in Chicago.

As part of the 5 block plan for the existing Star Tribune property, the Block 1 Liner Parcel project would feature a 150-room Radisson Red hotel on the first 10 floors and 200 apartments on its top 17 floors all atop a 1,610 stall parking ramp 6 or 7 stories above grade. There will be a green roof of amenities that will be shared by the hotel and the apartments. This project would serve as the exclamation point at the end of their entire development. Ryan is contractually obligated to use it during the day and on weekends as a parking ramp and on event days by the Vikings. The guarantee that Ryan provides for the parking revenue is the funding mechanism that will cover the cost of The Yard.

Miles Mercer, Business Development Lead, Minneapolis CPED, briefed the audience on what stage of the planning process they are in for this RFP. City staff is finalizing its recommendations for the selection of a developer (to be posted online on or about March 13th) and will take their recommendations to the City Council by March 18th. After the Council chooses a developer, a period of negotiation will ensue to work out the terms of the sale. Then in a few months, staff will return to the City Council and the neighborhood group with the final terms of the sale.

In response to questions related to occupancy rates, configuration of rental units, and options for affordable family units, Barranco stated that he sits on the Downtown Council's 2025 Plan Housing Task Force that is comprised of about 20 people from diverse backgrounds related to property management. There are many market rate apartments coming up, many of which are heavily skewed toward studio and one-bedrooms. The demand remains somewhat insatiable for those products and the capital and renters continue to flow into those categories. Until there is a shift in the demand side, the supply side doesn't need to catch up. What Council Member Frey and others are doing to get a school and other amenities downtown will be hugely helpful in attracting more families to the downtown neighborhoods.

Barranco advised that the specifics of how the MSFA's parking ramp will operate in relation to the hotel, restaurant, and apartments is still under discussion. The design is very specific, due to the ins and outs at peak periods, and is in accordance with NFL standards. On Sunday game days, there will be a minimum of 963 stalls under Vikings jurisdiction for VIPs and stakeholders. The ramp will be no less than 1,610 stalls but may grow based on the use needs of the hotel and apartments.

Barranco acknowledged the desperate need for affordable units in downtown. The Housing Task Force on which he serves represents over 3,000 market rate units and about 150 affordable units that have waiting lists over three times occupancy. What everyone is struggling with is the ready capital to go into market rate projects and, because of that, the City has seen development happen without subsidy. They are then able to take those subsidy dollars and place them in other parts of the city.

Collins advised that part of Ryan's original proposal for the mixed-use development was to have the parcel north of both towers be affordable/workforce housing. The development costs are basically the same, whether for market rate or affordable housing, but the only way to make it affordable is to bring other resources to the table to buy down the costs. The City has a limited amount of resources to use to support affordable housing and for its policymakers to decide where it should go. During its original proposal discussions with the City, the decision was made that there wasn't current support for affordable housing. Ryan then agreed that they would defer a decision for the north parcel and would not ask for resources for affordable housing. They believe, however, that there is a strong market for it, but at this point they have nothing on which to proceed.

Collins further advised that there would be a skyway they would build connecting from the parking ramp to the stadium but are working out the details of alignment. At this point it will likely enter the second level of the stadium and clear the LRT catenarian. They have weekly meetings with MTC and MSFA about management of pedestrian and

safety and the potential for an open-air land bridge at the first level of the stadium to allow crossing at Chicago Avenue and Fourth Street.

Mercer advised that the Minneapolis Parkland Dedication Ordinance came into effect on January 1, 2014 and since Ryan's mixed-use project received its land use approval last year it will not be subject to this fee. The Block 1 Liner Parcel project, however, is subject to a one-time parkland dedication fee that is due when the building permit is issued. These funds will go to the MPRB. For more information, visit [www.ci.minneapolis.mn.us/www/groups/public/.../wcms1p-118221.pdf](http://www.ci.minneapolis.mn.us/www/groups/public/.../wcms1p-118221.pdf).

- ***Mortenson Development proposal.*** Although invited to attend, no representative was available to present due to an internal 60th anniversary celebratory event at the Convention Center that evening.
- ***Eclipse Redevelopment Project.*** Jim Stanton from Shamrock Development and Deb Brandwick from Oertel Architects distributed a packet of architectural renderings, site and floor plans then gave an update on the proposed project for a 1.25-acre vacant site on Hennepin Avenue bounded by Washington Avenue North and North 3rd Street. Shamrock is proposing a two-tower complex comprised of 360 condo units with 18,000 square feet of retail space on the street level. The towers will be constructed in two phases: the first one at 3rd Street followed by the second one at Washington Avenue. The unit mix is mostly 2-bedrooms with no studio units planned. Unit prices will range from upper \$200,000 to \$1,000,000 plus. The materials to be used are still preliminary.

There will be 4 levels of below grade parking for residents, 5 at-grade parking spaces for guests, and 12 at-grade parking spaces for retail customers. There will also be 72 parking spaces on the interior of the surface lot for the Miller Meister building to replace its on-site spaces. Shamrock may seek a parking variance from the City of Minneapolis to increase the number of parking spaces from 1.6 to 1.8 per unit.

The board took no action at this time.

- ***Nicollet Mall Redesign Project.*** Peter Brown, a consultant working with the City of Minneapolis, distributed architectural renderings of the latest concept designs developed by James Corner Field Operations, then provided background on how the \$50 million project came into fruition. The impetus relates to the fact that the Nicollet Mall is home to some of Minnesota's largest employers and is the first impression many travelers get of the city, region and state when they fly into the metro area and catch the train downtown. The City believes the transit and pedestrian mall needs to be updated and re-envisioned to keep Minnesota attractive in an increasingly competitive national and global marketplace and is seeking \$25 million in state bonding monies to help pay for the redesign project.

Brown stated that there has been a number of design charrettes seeking public input on the proposed redesign plans, the most recent being on February 19th at the Central Public Library. The feedback suggests that Minnesotans are in favor of a more open, green gathering space that provides a connection between the Mississippi River and Loring Park, as well as a more vibrant business district and thriving retail space on Nicollet Mall. The consultant has until May to complete their work.

Brown concluded by responding to questions and asking for feedback. For more information and to view the concept designs, visit <http://www.nicolletmallproject.com>.

The board took no action at this time.

## VII. Community Participation Program Update

- ***Mill City Farmers Market update and request for 2014 contribution.*** Cichowicz introduced Brenda Langton and Martha Archer from the Mill City Farmers Market who distributed a two-sided information sheet that described their 2013 accomplishments and 2014 goals as well as a color photo sheet depicting the DMNA musical support sign. Langton and Archer are seeking a \$7,500 contribution from the DMNA to support the 2014 market. The MCFM's 2013 accomplishments included: providing economic opportunities for local farmers and food artisans, vendors and staff; educational programming; outreach and food access (they launched Electronic Benefit Transfer (EBT and Market Bucks); community events and support; and a strategic planning process. They plan to build on their accomplishments for 2014.

Responding to questions, Langton advised that they are expanding across Chicago Avenue to the Guthrie's front door then concluded by thanking the DMNA Board for their support and previous contributions. She stated that the first outdoor market of the season is May 10. For more information, visit <http://millcityfarmersmarket.org>.

Winkler noted, that as a marketing tool, the DMNA should also be considering something other than a sign to get the biggest bang for our buck, e.g., reusable bags, water bottles and magnets instead of just a sign and to be more strategic about how we're using these funds.

*Ewald moved and Sweet seconded a motion to contribute \$7,500 to the 2014 Mill City Farmers Market. Cichowicz called for discussion. The motion passed with Winkler voting against.*

## VIII. Neighborhood Revitalization Program

- ***Request for funds to end street homelessness.*** Mikkel Beckman, the director of the Hennepin County Office to End Homelessness, presented a request for \$100,000 in DMNA NRP funds to implement two key strategies in the Downtown 2025 Plan: (1) increase the number of St. Stephen's street outreach workers from 8 to 12; and (2) support a marketing campaign to educate workers and visitors regarding panhandling. They have a multitude of strategies that have been identified that cost \$4.2 million annually and the list of the committee members are all on the same page, but they have identified two they consider low hanging fruit to leverage additional funds and get things going.

Steve Cramer commented that billboards have been donated but they need creative messaging and there is money in the Minneapolis DID budget that could supplement what is already committed to street outreach. However, the leverage factor is important in bringing other money to the table. Also, it is interesting that this conversation is occurring on the heels of Peter Brown's presentation about the physical improvements to the mall because they've created a working group to improve the social conditions of the mall. The strategies that both entities have laid out will play into the comprehensive strategy to improve the total environment for people who call downtown their home but want to ensure that the resources

are available for those who are on the street to help them become a positive member of the community.

Beckman then entertained questions regarding the use of the funds. Thereafter, the board postponed taking action in order to discuss it at its strategic planning session on April 3.

## **IX. Strategic Planning and Priorities / Board Governance Discussion**

Vice Chair DiDonato is working on an agenda for the proposed April 3rd 3-hour strategic planning session at Open Book and asked board members to submit items for the agenda to him via email.

## **X. Old, New and Other Business**

- *Potential topics for upcoming meeting.* Rock informed the board on potential upcoming agenda items for the April 3rd board meeting.
- *Outreach and collaboration with other downtown organizations.* Reference the Outreach and Collaboration chart and attachments emailed from Sweet in advance of the meeting.
- *Downtown Minneapolis School Initiative.* Eric Laska thanked the board for representing families in downtown; the MPS has been very receptive to their initiative. He believes there will be close to 800 one- and two-bedroom market rate apartments in the Ryan Companies development: 250 wrapped around the Wells Fargo development, 300 in the park, and 300 in the ramp development that will dictate how the neighborhood will evolve. Then he reported the following:
  - The task force is taking a tour of two similar schools on March 24 to then provide a summary of what design they'd like to see;
  - Next steps are to hire a principal and develop a curriculum prior to January 2015;
  - Starting in 2015 will offer free pre-K to all school facilities;
  - Class size will be approximately 20 students; and
  - Still on track to open the school in the fall of 2015.

## **XI. Adjournment**

Being no further business, the meeting adjourned at 8:15 p.m.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

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Chair

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Secretary