

DOWNTOWN MINNEAPOLIS NEIGHBORHOOD ASSOCIATION

Minutes from the Board Meeting on Monday, May 16, 2016
Guthrie Theater, Level 1 Rehearsal Room
818 South 2nd Street, Minneapolis, MN 55415

I. Call to Order

Board Chair Nick Cichowicz called the Board meeting to order at 5:47 p.m.

II. Introductions

Other Board Members in attendance were:

Dan Collison
Kevin Frazell
Pamela McCrea, Treasurer
Carletta Sweet, Secretary
Joe Tamburino, Vice Chair

Board member Laurie Jones was absent.

Staff member Christie Rock-Hantge was also present, and staff member Joan Bennett was absent.

Guests in attendance included:

Erin Anderson
L. Anderson
Kathy Bakkenist
Marge Bracken
Will Bracken
Andrea Brennan, Minneapolis CPED
Ellen Breyer, Washburn Lofts
Karl Breyer, Washburn Lofts
Laura Brown
D. Cousins, Stone Arch Lofts
Doug Cravin, Bridgewater Lofts
Julie Cravin, Bridgewater Lofts
Ina Dunham, Stone Arch Lofts
Larry Dunham, Stone Arch Lofts
Trude Edling
William Ferenbach
Jacob Frey, 3rd Ward City Council Member
Cynthia Froid, Cynthia Froid Group
Lucy Gerold
Henry Gowin
S. Hill
Denise Holt, Park Avenue Lofts
Penny Hunt

Steven Imholdt
Daniel Jacobson, La Rive Condominiums
Aron Johnson
Michael Karadsheh, Northern Spark Festival
Dana Kirkemo
Anita Kunin
Al Lenzmeier
Mary Margaret MacMillen
Colton Maher
Larry Neumann
Tom Novak
Juan Paz
Christine Paz
Sarah Peters, Northern Spark Festival
Kent Pitlick
Mary Ramos
Dean Ramos
Elaine Rayford
Lynn Regnier, EPNI
Tish Reynolds
M. Richardson
Kevin Ringdahl
Lyonel San Juan, Bridgewater Lofts
Sharon Schmid, Washburn Lofts
Tom Schmid, Washburn Lofts
Marty Solhaug
Nancy Solhaug
David Stahl
Emily Stern, City of Minneapolis CPED
Bill Svrluga
Amy Sweasy, Metropolitan Lofts
Donneen Torrey
Doug Verdier, RiverWest Condominium
Diane Walsh
Brent Webb, Sherman Associates
Kathy Yates, Park Avenue Lofts
Conrad Zbikowski, The Towers Condominiums
Mary Zbikowski, Stonebridge Lofts

III. Public Comment

Cichowicz advised because there is an open community forum later in the agenda, the audience would be given an opportunity to introduce themselves and provide comment during that period of the meeting.

IV. Consideration of the Agenda

Sweet moved and Collison seconded a motion to approve the May 16, 2016 Board meeting agenda. Cichowicz called for discussion. The motion passed.

V. Consideration of the Consent Agenda

McCrea moved and Frazell seconded a motion to approve the Consent Agenda that included the Board meeting minutes from April 18, 2016; the Finance Coordinator's staff report for April 2016 (Invoice 016); and the Outreach and Programming Coordinator's staff report for April 2016 (Invoice 016). Cichowicz called for discussion. The motion passed.

VI. Financial Update

Treasurer Pam McCrea reviewed the following items which required action by the Board:

A. F2016 Budget vs. Actual as of April 2016.

There were no unusual expenses to report.

McCrea moved and Sweet seconded a motion to receive and file the April financial report. Cichowicz called for discussion. The motion passed.

B. 2015 Community Participation Program Annual Report.

Neighborhoods must report on their activities on an annual basis in order to continue to receive financial support from the City. This report lists accomplishments from 2015, rates the impact of City services and interactions, and asks for new engagement activities and neighborhood priorities for 2016.

McCrea moved and Frazell seconded a motion to approve the 2015 Community Participation Program Annual Report. Cichowicz called for discussion. The motion passed.

C. NRP Phase II Plan Modification.

In order to fund the \$10,000 contribution to the Mill City Farmers Market that the Board voted on at its April meeting, the Board needs to approve a modification to the NRP Phase II Plan by moving \$5,000 from the Housing Opportunities Fund to the Arts, Culture and Education strategy. The other \$5,000 will come from CPP.

McCrea moved and Sweet seconded a motion to approve a modification to the NRP Phase II Plan by moving \$5,000 from the Housing Opportunities Fund to the Arts, Culture and Education strategy. Cichowicz called for discussion. The motion passed.

VII. Miscellaneous Business

A. Vacant Board Seat.

Cichowicz advised that due to the relocation of the former Treasurer, McCrea stepped up to fill that role; however, there is still a vacant seat to fill and the deadline to submit an application has been extended until June 13th. If interested, please send your name, contact information and a 250-word biography to the info@thedmna.org email address. Anyone who lives, works, or owns property in Downtown East or Downtown West may apply.

B. Committee of the Whole.

Cichowicz advised last year Executive Committee meetings were held to fill the gap between the monthly Board meetings and were open to the public. Since it involved the entire Board, it has now been more appropriately renamed Committee of the Whole. A COW was held on May 4, 2016, but because it was held primarily to address staffing changes, i.e., the re-aligning of staff responsibilities, it was closed to the public. He assured the audience that the Board is very satisfied with the work that both Joan Bennett and Christie Rock Hantge are doing and to stay tuned for further developments.

VIII. Northern Spark Festival

Using a slide presentation, Sarah Peters, Associate Director of Northern Spark Festival, and Michael Karadsheh, NSF Intern, introduced themselves. Peters advised this 6th annual, free dusk-to-dawn festival, beginning at 9 p.m., on Saturday, June 11th to 5:26 a.m., on Sunday, June 12th, is returning to this neighborhood. This year's theme is "Climate Chaos, Climate Rising."

When the 2014 festival was disrupted by 9 straight hours of rain, they began thinking about climate instability in a different way. A lot of the artists they are working with are addressing environmental issues in their work in really provocative and interesting ways and NSF decided to give them a larger platform in which to explore the interconnected, evolving, long-term consequences from climate change.

Displaying a map, Peters explained the festival this year has been condensed to in and around the central riverfront neighborhood and she is excited that the Guthrie Theater has come on as partner; there will be artists projects throughout the building as well as inside the Mill City Museum and Train Shed, and along West River Parkway which will be closed to vehicular traffic between Portland and 11th Avenues. Then Peters highlighted a number of different performances and activities taking place in the Mill District during the event, including the launch party 7-9 p.m., in the Mill City Museum's Mill Ruins Courtyard.

For more information, visit <http://2016.northernspark.org/>.

IX. Land Use Committee Report

Frazell provided an update on the four following projects presented at the May 3rd LUC meeting at Emanuel Housing, the first two of which will require action:

- A. Riverdale Ventures 374-Unit Legacy Condominium Project (South 2nd Street and 13th Avenue South).** This is the next phase of developer Jim Stanton's residential project (following the Bridgewater Lofts and Stonebridge Lofts) at the eastern most end of the Mill District known as the Legacy. Based on recommendations by the City's Planning Commission, each of the project's three towers now have more pronounced elevations creating greater visual interest; the LUC agreed it is appropriate as end cap for the neighborhood next to I-35W and for greater riverfront views.

The LUC complimented the developer on it extensive use of landscaping, including rain gardens and an expanded streetscape along South 2nd Street. The plans also include accommodations for dog relief, both interior and exterior areas. The LUC encouraged the developer to include public art that picks up the industrial heritage of the area, and to share exterior amenities such as the playground with the Stonebridge Lofts. The Legacy is considered a nice amenity to the community and will balance off the 39-story Carlyle property at the western end of the Mill District. For more information, visit http://www.minneapolismn.gov/www/groups/public/@cped/documents/webcontent/wc_msp-180307.pdf.

Frazell moved and Tamburino seconded a motion to provide a letter of support for the Legacy condominium project located at South 2nd Street and 13th Avenue South. Cichowicz called for discussion. The motion passed.

B. Iron Clad Mixed-Use Development Project (811 Washington Avenue South). This project consists of three buildings: (1) a 15-story, 166-unit market rate, mixed-use Iron Clad apartment building with 14,000 square feet of retail space to be erected along Washington Avenue South; (2) the 8-story, 153-unit Marriott branded Moxy Hotel to be erected along Chicago Avenue South; and (3) the 4-story, 30,000 square foot office building to be erected along Norm McGrew Place just north of the beginning of the Hiawatha Bike Trail. All three structures will wrap around a 465-stall, enclosed parking structure with 3 stories above grade and 1 story below grade with the top of the structure providing a roof deck amenity for the hotel guests, residents, and office workers.

The LUC asked the developer to treat the rear wall facing the residents in Emanuel Housing in an attractive manner, expressed concern over the length of the curb cut along Chicago Avenue being a pedestrian safety issue, and requested exterior and interior dog relief areas.

Concern was also expressed over the number of hotels being planned for the area. In response, the LUC was reminded that these will all be small boutique hotels whose room totals will be between 600 and 800, a much smaller number than the Hyatt Minneapolis in downtown. Also, this is the emerging model of where people like to stay, i.e., the hip, happening neighborhoods around downtown.

The LUC believes this project will positively contribute to the architectural diversity of the area and honors the importance of the corner by maintaining the existing stone wall at the intersection of Chicago and Washington Avenues. In addition, the active use of McGrew place communicates the industrial history of the site. Construction will commence in the summer of 2017. For more information, visit <http://www.minneapolismn.gov/www/groups/public/@cped/documents/webcontent/wcmssp-178553.pdf> or <http://ironcladm.com/#welcome>

Frazell moved and Sweet seconded a motion to provide a letter of support for the Iron Clad Development project located at 811 Washington Avenue South. Cichowicz called for discussion. The motion passed.

C. Mortenson Hyatt Centric Mixed-Use Project (800 Washington Avenue South). An overview of the current design was given and the LUC was impressed by what was presented; however, committee action was not required at this time and the developer will return when they have moved further along in the City process. For more information, visit <http://www.ci.minneapolis.mn.us/www/groups/public/@cped/documents/webcontent/wcmssp-177704.pdf>.

D. Aeon Health Supported Housing (409 South 9th Street). An overview was provided for this proposed 85-90 affordable apartments for medically fragile adults with onsite services. However, as a result of recent community and City feedback, they are considering other downtown site options and will return once they have been chosen. For more information, visit http://www.thedmna.org/wp-content/uploads/2015/11/DMNA-Land-Use_HSH_withCoverLetter.pdf.

X. Community Forum: 205 Park Avenue South Request for Proposal

A. Purpose of Forum. Cichowicz explained the agenda, the presenters, and the purpose for the instant community forum, i.e., 205 Park Avenue South specifically, and affordable and owner-occupied housing in general. After which, it will be the audience's opportunity to ask

questions and offer feedback.

The DMNA currently has five Board members and over the last 4 years there has been a lot of transition. With transitions occurring every year, the DMNA is put in the tough position of having to figure out who it is and where it is going. This Board has taken on this task of strategically planning who it is and where it is going. In furtherance of that effort, it convened this community forum because of its commitment to be a conduit for topics that need discussion. As it moves forward, the DMNA will continue to seek feedback from the Downtown East and Downtown West residents, homeowners, and businesses about whether it is offering what they need to enhance and improve the livability in downtown. Cichowicz then applauded the Board because they pondered what's the future of the DMNA and are great advocates for all voices in downtown.

Cichowicz announced he will be transitioning off of the Board and noted that elections will be held for four Board members at the October annual meeting and encouraged those who believe they can add value to the DMNA to apply. Thereafter, he thanked the audience for attending and participating.

- B. East Downtown Council Perspective.** As its Executive Director, Dan Collison provided an overview of the EDC (<http://edcmpls.org/>), the business association that represents the Downtown East and Elliot Park neighborhoods. Then he explained that 2 years ago, the Minneapolis Downtown Council, (<http://www.downtownmpls.com/page/show/423275-2025-plan>), invited him to become a joint staff person and he is now its Director of East Downtown Partnership. As a part of his MDC staff position, he is leading a 2025 Plan Land Use Task Force comprised of 70 organizations, City staff, and representatives from the neighborhoods that has interest in conducting an interdisciplinary study of what has been identified as the 307-acre east part of downtown.

Just 10 years ago, a full 25% of the land was either parking lots or unused land. It has been amazing to study what the City has done, the private sector has done, and how the neighborhoods have grown. To this conversation tonight, Collison has been an eager student as well as participant as a former resident of the Phoenix the force of having two kids and realizing his family could no longer afford to live downtown due to the rising cost; it's a big part of the narrative and hard for middle and even upper middle income households to live downtown. It was an impulse for him to study and advocate for a complete community in East Downtown and as the Task Force progressed, they studied district energy, land use, multifamily housing from market rate rentals to affordable, and tomorrow there will be a discussion on sustainable energy with Ani Back from Xcel Energy. What Collison is offering to the audience tonight as his perspective is that cities are complex and the closer you get to the core the more complex it becomes because of the density and that all along the way everyone has a different set of dials that are layered against each other, e.g., East Downtown is represented by three City Council Members, two State Representatives, two neighborhood organizations, and impacts how we negotiate zoning, density, height.

In closing, Collison read the goal of the Task Force under housing: to maximize the development potential in East Downtown in order to meet the 2025 Plan goal of doubling the downtown residential population paying special attention to all opportunities for diversifying the housing stock to better accommodate families, college students, senior citizens, and people of all incomes. That is something they have been working on and it is exciting to see some of

this come to fruition and he is anxious to see what happens at 205 Park Avenue.

- C. Mill District Resident Perspective.** Vice Chair Joe Tamburino introduced himself and advised he lives at Metropolitan Lofts (<http://www.metroplitan-lofts.com/>) and asked by show of hands how many others lived in the Mill District which resulted in 90-95% of the audience. He explained the DMNA has started to become a neighborhood advocacy group and to determine what the neighborhood wants. Toward that effort, the DMNA conducted a survey about what to do with this site in December 2015/January 2016 that received 303 respondents. When asked if they wanted owner-occupied or rental, 273 respondents or 93% wanted owner-occupied and why the DMNA convened the community forum this evening. Also significant was the height of the development; 51% of the respondents wanted 6 stories or less. As an advocacy group, the DMNA stands behind its survey.

Tamburino then reviewed the history of 205 Park Avenue South from the days when the City indicated it would be developed into owner-occupied units; the historical significance of the area; and the historical significance of the adjoining cross streets (i.e., Portland Avenue was called Cataract Street leading to the Cataract Falls, and South 2nd Street was called Helen Street). As a consequence, the DMNA feels it is important that whatever is developed respects the neighborhood.

Using a map, Tamburino explained what has happened in residential development within the last 10 years in the Mill District / Downtown East. There have been no owner-occupied units constructed since Stonebridge Lofts; instead there have been approximately 1,091 rental apartments constructed. When these rental apartments are coupled with the existing (100 units Emanuel Housing, 176 units at St. Anthony Mills Apartments 12 of which are Section 8) and under construction (150 units at Mill City Quarter) affordable units, they will comprise 31% of the housing stock. Respondents to the survey also supported affordable housing but by far if it was owner-occupied.

Cichowicz clarified the Board has different perspectives on the future of housing in downtown and the survey is a first step and thought, as a collective, to specifically hear from Council Member Frey and City staff on housing in general and the RFP for 205 Park Avenue South in particular.

- D. Overview of RFP.** CM Frey confirmed that the process to develop an RFP began back 2004. Since then, things have changed and the City needed to shift its priorities in order to get the best result possible for this site. When the DMNA came forward with its survey, he read it thoroughly and simultaneously the RFP was drafted and soon thereafter was issued. The RFP does not mandate any particular use, nor mandate affordable versus rental versus high-end owner-occupied versus low-end owner-occupied. What the RFP does is here are some goals the City has at large and specifically for a parcel.

This RFP did list a couple City preferences. First, if the developer chooses to build residential, whether rental or owner-occupied, the preference is for it to have a portion set aside as affordable. If rental, 20% of the total development or 20-25 units at 50-60% of Area Medium Income. This would be affordable for those making \$35,000, working class people who deserve to live in the neighborhood. If owner-occupied, a portion of affordable via a land trust model.

Second, they want the neighborhood to thrive for the long term, and if it's going to do so it can't be 100% homogenous; it needs social and economic diversity. Frey wants to retain the

wealthy, retired empty-nesters who have made this area wonderful and it will receive more when the high-end Legacy condominium and Encore apartment (that can be easily converted to owner-occupied) developments are built. But the City also wants some form of diversity by having some component of affordable housing whether rental or owner-occupied.

Third, they want a retail component to the development. Based upon the survey and conversations with the community, having a breakfast joint of some sort was indicated.

Frey reiterated that nothing has been decided and outlined just a few of the City's preferences; there are many more. They also have to account for the price tag and things the City needs to run well that were not included in the survey or identified by the neighborhood. Frey then dispelled some of the rumors and blatant misinformation that has been floating around; they will see what proposals are submitted and then go back and figure out which works practically for the site accounting for both neighborhood and citywide concerns. Given market conditions and the site's historic location, he would be surprised if the building were built beyond 6 stories.

Thereafter CM Frey, Director of Housing Policy and Development Andrea Brennan, and Senior Project Coordinator Emily Stern, responded to questions from the audience. To read the entire RFP, visit <http://www.ci.minneapolis.mn.us/www/groups/public/@cped/documents/webcontent/wcmsp-178249.pdf>.

Brennan also gave a brief overview of the City's housing policies and goals. They are losing affordability and incomes within the city are not keeping pace with housing costs both in the owner-occupied as well as the rental market. As such, they are promoting mixed-income housing development and preservation wherever they can and strive to meet a range of housing options particularly when the City has ownership of the site. What they have found in RFPs in the past is that sometimes you get a better proposal from an aesthetic standpoint and how it fits into a neighborhood if it is a rental project. There are needs across the board and they want to make sure they're responsive and supportive of a range of housing options across the city.

In closing, Frey thanked the DMNA Board for pulling this forum together as well as City staff for taking time out of their busy evening. He advised they sincerely care about the community's input; many of the audience worked very hard over the past 20 years to make this a beautiful neighborhood and the fruits of that labor are coming to fruition and the 205 Park Avenue project will be a primo development that will work with the historical context and improves life in the area.

XI. Adjournment

Being no further business, Frazell moved and Tamburino seconded a motion to adjourn the meeting for a closed Board session. Cichowicz called for discussion. The meeting adjourned at 7:43 p.m.

Signed this _____ day of _____, 2016.

Chair

Secretary