

Upper Harbor Terminal Redevelopment Community Meeting on Revised Concept Plan

December 8, 2018

Prepared by Ann Calvert, City of Minneapolis

Meeting held at: Minneapolis Park and Recreation Board headquarters, 2117 W. River Road N.

Note: Text in *italics* is supplementary information added to the meeting summary to make it more informational.

Introduction and welcome

Councilman Cunningham welcomed participants to the meeting and thanked them for their participation.

Ravi Norman of THOR Companies made some introductory remarks and introduced the other members of the development team: Brandon Champeau (United Properties), Dayna Frank (First Avenue) and D'Angelos Svenkeson (THOR Companies) and a representative of the development team's design firm, Robin Ganser (Coen+Partners).

Presentation

The presentation found [here](#) was made by development team members. (*Note: Slides 3 and 4 were added for the similar December 11 community meeting and are included here as additional information.*)

Mr. Norman noted that the development team's intent is to make a truly positive contribution that will benefit the Northside. The community engagement process has already been more than 18 months long, and the team is committed to continue that engagement during the upcoming phase of planning. The extent of anticipated community engagement apparently discouraged other potential developers from submitting a proposal to be selected as master developer. He reviewed a slide that summarized some of what the team heard during the engagement about the draft concept plan and how the updated plan has been revised and/or further detailed in response to that input.

Mr. Svenkeson reviewed the overall concept plan. In response to the request that there be more housing, the plan now includes about 260 to 280 units of housing in Phase 1, of which about 100 would be affordable to those making 60% of the metro area median income (AMI). The team will select a nonprofit development partner to assist with the affordable component, and they will seek vouchers so that some of the units can be affordable at 30% AMI. The office component will be "build-to-suit," and they will seek tenants with the right values who want to contribute to the community. To provide some community control/ownership, the goal is for a trust or cooperative to own the ground level community-focused space in the various buildings and make it available to community businesses. He looks forward to working with the community to co-create the model for this space.

Mr. Ganser noted that the proposed park space has been increased about 25% to 19.5 acres in response to community input. The linear space along the riverfront has been increased in width to about 115 to 140 feet, and another park area has been added in the southern half of the site. He clarified that, although initially only the parkway and trail segments on the UHT site can be built, the eventual goal is to have them connect up and downriver into the overall park system.

About half of the meeting attendees were familiar with the Characteristics of Success that had been included in the Request for Qualifications and had been a guiding document in formulating the plan. The Characteristics were reviewed, as well as how they informed the concept plan.

During the presentation and the later discussion, development team members explained that sustainability has always been a development goal, but one that was not strongly articulated because it is so early in the process. The team felt that the basic types of development that would be pursued needed to be identified before any specific sustainability options could be explored in depth. Mr. Champeau noted that the [21st Century Development](#) model for resilient, sustainable and regenerative development is being explored.

Ms. Frank outlined some of the proposed benefits of the Community Performing Arts Center (CPAC), including the fact that fees collected on ticketed events will support both green space maintenance and free community programming curated by a Northside entity to be of interest to community residents (but also open to anyone). This programming would be in addition to any MPRB programming of the adjacent park space.

Q&A, Comments and Input:

1. Please explain the Opportunity Zone program.

A: This program was created by the 2017 federal tax law. *An IRS FAQ is [here](#).* The UHT site is within a designated Opportunity Zone. The goal of the program is to attract capital investors (locally and from all over the country) by offering a deferral and/or forgiveness of federal capital gains taxes. Because of the ten-year deferral period, it's hoped that investors will be more patient in leaving their funds invested. They also may be willing to accept a somewhat lower rate of return because of the tax benefits. These factors could help make challenging developments more feasible. To have access to the initial largest group of investors, there needs to be a credible development plan in place by the middle of 2019, which is one of the reasons why having the Concept Plan approved in early 2019 is important.

2. A number of attendees expressed concern about the amount of State bond funding that apparently would be needed to fund the CPAC and whether that should be the highest priority for use of that type of public funding. It was clarified that the State would sell General Obligation bonds for that type of grant and that State of Minnesota taxpayers would repay those bonds.

There also were questions about who will own the CPAC, and it was explained that the receipt of a State bond will mean that the City must have a long-term real estate

leasehold interest in the bond-funded project for 125% of the expected useful life (which is anticipated to be 50 years, so there would be a City interest for 62.5 years). The City would have a lease/use agreement to have the First Avenue entity operate the venue. This agreement will allow the City to be sure that the promised community benefits (e.g., community programming, youth employment, purchasing priority for community businesses) are provided in the long-term. The City or Park Board also will retain ownership of the “outer lawn” portion of the CPAC and lease it to First Avenue as long as the music venue is in operation. If operation ceases, that parcel then could be added to the park system.

One attendee expressed concern that First Avenue had been part of the selected development team before there was community input about whether a music venue was desired and that any questions about interest in live music were skewed to get a positive answer. *(Note: A summary of the input that was received prior to issuance of the Request for Qualifications that indicated that music would be a desirable destination may be found [here](#).)*

3. A number of attendees expressed concern that the community engagement to this point had not been sufficient, equitable and/or effective (even if the intent was positive). It was noted that the Minneapolis Community Environmental Advisory Committee (CEAC) has recommended that the Concept Plan not be approved because the engagement has not been sufficient and the plan doesn't comply with the City's Climate Action Plan. One attendee expressed that the community is not necessarily opposed to the project or the development team, but feels strongly that the City and MPRB have not been listening to the community. There is concern that the City won't follow through on its promises.

Others acknowledged that there has been community engagement about riverfront development and the UHT redevelopment for many years and/or that it can be very difficult to get input from those who often don't attend meetings due to practical challenges or who don't speak up at meetings for various reasons. Working with and through the neighborhood organizations also isn't always the best way to engage. A development team representative noted that different community members want different (and sometimes competing) things, so there isn't one clear and unanimous community goal to guide the planning. By incorporating multiple land uses, the proposed plan attempts to provide a balanced response to those varied requests.

Councilman Cunningham explained that a community advisory committee that represents the actual impacted community and its cultural communities will be appointed to provide input in the next phase of planning. Mr. Norman added that the development team also will be exploring the use of technologies such as Hoodstarter to allow additional ways for the community to participate and provide input.

Council Member Ellison noted that planning for this project has been underway for a long time and that there still are people not in the room to provide input. Even if engagement is thorough and intentional, people still can feel uninformed and unheard

(using the Minneapolis 2040 planning process and its extensive input as an example). It's impossible to ever get all the possible input, and he doesn't want everyone to be in the same place in five years discussing a plan and not seeing action because consensus can't be reached and/or another new group of community members wants to become involved.

4. A few attendees recommended that the warehouse should be recognized as an asset and retained for use by Mississippi Mushrooms and other compatible similar businesses. The funds that would have been used for demolition and disposal could instead be invested in renovation.
5. Some attendees suggested that the plan add ways for the public to access the water rather than just view it (e.g., a floating restaurant, swimming, canoeing, dock for boat taxi, marina or houseboat community). City staff explained that those sorts of uses/activities certainly will be further explored in the upcoming park planning process that the Park Board will be leading. It was clarified that the development team was told that they shouldn't get into those types of details at this point in the process and instead should defer to the future Park Board-led process.
6. One attendee suggested that the plan should consider ways that the site could support field trips to teach students about one or more relevant topics.
7. One attendee indicated that great design usually comes from challenging assumptions, and he doesn't see that happening in this process. There needs to be a master plan that reflects a larger shared vision.
8. Several attendees expressed concern about moving forward with Concept Plan approval when some in the community still have concerns, questions and a strong desire to explore other options. Why is concept plan approval necessary, and will the future planning process then be constrained with the need to work around the CPAC, hotel and other components that are raising concerns?
 - A: Several factors are influencing the timeline, including: a) staying within the process and timeline in the Exclusive Rights Agreement, b) the desire to be prepared to seek Opportunity Zone investments and c) the need to assess Council and Mayoral support before making further investments of time and money.

Mr. Norman noted that he is very aware of the disparities that the community is concerned about and one of his values is to continue the conversation so that the old patterns can be changed and a level of trust can be established.

9. The development team and staff noted that, in response to the community's desire for more active engagement, the format of the Concept Plan has been revised to include approval of only the basic Phase 1 land uses that will be pursued in the next phase of planning. For example, approval of the plan will approve a live music venue on the site south of Dowling at the River, but not a specific design or funding plan. There is a commitment to work with the community in the next phase of planning to test, refine

and detail the basic Phase 1 components. In addition, there will be wide latitude to explore options for the “later phase” parcels.

10. A group of attendees introduced themselves as students advocating for environmental justice. The [principles of environmental justice](#) adopted in 1991 should be the framework guiding the planning. There also was a concern raised as to why additional residential is being proposed for an area that is already suffering from the ill effects of air pollution. Mr. Norman noted that he is very aware of the environmental justice goals and has been working with the Environmental Justice Coordinating Council.
11. An attendee who represents the Northside on the Minneapolis School Board (KerryJo Felder) noted that she represents many students who are homeless and is concerned that there is not enough housing in the plan, especially deeply affordable housing. She also is concerned that all elected officials and clergy members have not been contacted about the plan.
12. Why isn't there a master plan for the entire site to which the community can respond? Are there options related to the southern part of the site that could and should be considered, e.g., potential acquisition of the GAF roofing plant?
 - A: There are many unknowns about the southern half of the site, including whether the GAF regenerative thermal oxidizer (RTO) equipment will be successful in removing the odor problem and whether the community would prefer to see job-generating businesses in that area or additional mixed use (e.g., residential, office, commercial). If the former, then development could proceed fairly quickly. If the latter, then time needs to be allowed to see if the RTO works and how the market responds to the Phase 1 development. In response to the community input, the development team also left that part of the plan open to allow the community to work with them to explore options in the next phase of planning. GAF has stated that they intend to remain in their plant location, and the use of eminent domain for private redevelopment is not allowed (and would be extremely expensive).
13. The Mississippi River National River and Recreation Area Superintendent noted that the site is within a national park, and the development should live up to that significance. This should include the provision of educational opportunities. Another attendee noted that the UHT parkland also will be a regional park and that a national bike trail runs the length of the Mississippi River. The School Board member noted that the Northside doesn't have places to meet its local needs (e.g., a skate park) and those local needs also must be considered. Youth input should be sought.
14. Could a design competition be used to inform the planning and design?
 - A: That has been considered. However, design competition participants tend to skew to larger white firms, and there's a desire to support local and minority-owned firms with this project.

Council Member Ellison noted that, as an artist, he hoped that artists could be included in any design competition.

15. One attendee noted that the site is within a Green Zone and Promise Zone and an important goal of both is to avoid gentrification and displacement. He's concerned that those dangers will not be addressed by this project.

A: City staff is actively involved in the national [All-In-Cities Anti-Displacement Policy Network](#) initiative to explore ways to avoid or mitigate displacement. UHT project staff will be monitoring this initiative to learn what it identifies as tools and approaches. It could be that those tools would be applied on a city-wide basis rather than a project-by-project basis, as the problem is city-wide, and it would be hard to assess what the impact of any specific project might be.

Mr. Ganser observed that it's a delicate balance to pursue wealth-building for the existing community while also avoiding displacement.

16. Council Member Ellison assured attendees that the City still owns the UHT site. The development team has some rights, but can't implement anything until the City approves the specifics. The elected City officials will be accountable for making the decisions on the details and what is acceptable.

17. Why is the community questions FAQ in the UHT website still "coming soon" after three months?

A: Ann Calvert of the City apologized that she had not been able to prepare that FAQ due to limited time. Many of the questions raised by the community in the survey either were covered in one of the existing [FAQs](#) or were asked in community meetings, so she has prioritized the preparation of meeting summaries instead.

18. One attendee felt that the plan needs more expert advice and that anywhere else there would have been more study. There were flaws in the process, so experts need to be brought to the table. A development team member noted that there already have been multiple studies and that more will be completed in the upcoming phase (including the [Alternative Urban Areawide Review](#)), but that first one needs a basic plan to determine what to study.

19. To conclude the meeting, Council Member Ellison asked what would feel like a good way to close out the discussion. Attendees agreed that they are eager to understand what the concept plan will look like and what level and types of detail it will include. It was agreed that the concept plan that will be presented for approval will be posted online about a week before the meeting at which it will be considered so that the community will have time to review it. There also was interest in understanding the next steps and when and how the community can influence the process. This resulted in slides 3 and 4 being added to the [December 11 meeting presentation](#).