UPPER HARBOR TERMINAL
THE NORTH MINNEAPOLIS WATERFRONT
JULY 10TH COLLABORATIVE PLANNING COMMITTEE MEETING
OUR GOAL

UPPER HARBOR TERMINAL PROJECT ORGANIZATIONAL CHART
# OUR VALUES

These values, weighted by the development team, inform & govern the project decisions.

<table>
<thead>
<tr>
<th>Value</th>
<th>Weight</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>EQUITABLE</td>
<td>20%</td>
<td>Helps address disparities. Accessible + Community-driven</td>
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<td>NORTH</td>
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<td>Unique to this specific place. Enhances North Minneapolis's strengths and rich culture</td>
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OUR 2016 VISION

...create a unique and beloved place; a place that invites the region, but respects the wishes of the neighborhood and contributes to its quality of life—economic, social and cultural. We intend to achieve this goal, through a collaborative process with the community, the City of Minneapolis, the Park & Recreation Board, and potential end users.

OUR GOALS:

• CREATE LOCAL JOBS
• CREATE A REGIONAL DESTINATION
• CONNECT THE RIVER TO THE COMMUNITY
• STIMULATE SUSTAINABLE DEVELOPMENT
• INTEGRATE GREEN INFRASTRUCTURE
• BRING OUTDOOR MUSIC TO MINNEAPOLIS
2015-2018 ENGAGEMENT

Site Visits → Community Input → Community Meetings → Community Response

80+ MEETINGS/EVENTS
2000 SURVEY RESPONSES
WE WERE LISTENING
Plan Changes Based On Community Feedback

Provide for more, and deeper community input opportunities:

Working with Project Sweetie Pie on the Hub, exploring formation of Community Advisory Committee, next steps will include community co-design of open space

Concerns of housing affordability:

Development to include 100 units of affordable housing

Dedicate more area as park space:

Increased park space from 15.5 ac → 19.5 ac (25% increase)

Concerns about displacement and gentrification:

Exploring possible mitigation including land trust, financing, and investment models to enhance long-term opportunities

Improve community access across Dowling Ave:

Working towards improvements to bridge as part of Phase 1

Provide affordable space for local businesses:

Exploring smaller retail spaces, community land trust model, and creative financing including opportunity zones

Examine benefits of CPAC, office, and hotel for the community:

Will be seeking community input on further benefits of development projects in next stages

Explore community ownership models:

Conversations ongoing

Concerns regarding surface parking:

Surface parking on riverfront parcels removed

Emphasize eco-friendly development:

A development priority, with partnership exploration ongoing
HOODSTARTER
Digital Engagement Platform

- A digital platform for customers that own or lease real estate assets and want to optimize human outcomes and financial value, via enhanced connectivity

- Revolutionizes the community engagement process in (3) real-time ways:
  - Engagement (version 1.0)
  - Acceleration (version 1.0)
  - Insights (2.0 predictive capabilities)

- A simple, yet elegant, technology leveraging 1st mover advantage via reputable distribution channel partners

- A fee-based pricing model that can be converted to a subscription model

Seven Ways to Improve the Process & Outcomes

1. Increase accessibility to data outside of public and community meetings

2. Increase anonymity and confidentiality of voices and input

3. Provide more alternative solutions to avoid perception of one-way thinking

4. Improve education around trade-off implications of decisions

5. Create a centralized data management system to improve coordinated communication among all parties

6. Enable real-time ideation from all community members

7. Enable real-time voting from all community members
HOODSTARTER

Who is the community?

What are the foundational values?

What are program focus areas?

What is the approval process?
HOODSTARTER

INNOVATE & ADOPT – UHT EXAMPLE
DEVELOPMENT 101/
CONCEPT PLAN OVERVIEW
UNITED PROPERTIES

Creating Deep Roots.
<table>
<thead>
<tr>
<th>DEVELOPMENT PROCESS</th>
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<tr>
<th>CONCEPT/VISION</th>
<th>DUE DILIGENCE</th>
<th>APPROVALS</th>
<th>FINANCING/CLOSING</th>
<th>CONSTRUCTION</th>
<th>STABILIZATION</th>
<th>EXIT</th>
<th>OPERATIONS</th>
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<tbody>
<tr>
<td>2014 - 2019</td>
<td></td>
<td>6 MONTHS</td>
<td>3 MONTHS</td>
<td>18-24 MONTHS</td>
<td>18-24 MONTHS</td>
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<td>30 - 50 YEARS</td>
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<tr>
<td>WE ARE HERE</td>
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<td>$2 million</td>
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RISK & OPPORTUNITY

MARKET
LOCATION
EXISTING CONDITIONS
FINANCIAL
POLITICS
APPROVALS
CONTROL
TECHNICAL

LEGACY
COMMUNITY
FINANCIAL INCENTIVE
WHAT’S THERE NOW

- Operated as a barging terminal through 2014
- Terminal forced to stop barging due to Congressional closing of lock
- Now operated for interim industrial storage use
- River wall along a portion of the river edge
- Open storage yard areas
- Fertilizer storage domes, grain silos and elevator, unheated warehouse
- Other industrial infrastructure
UPPER HARBOR TERMINAL

SITE ASSETS:
- 48 acres owned by the City of Minneapolis
- Almost **1 mile** of riverfront
- Within two miles of downtown
- Excellent freeway access
- Near North Mississippi Regional Park (NMRP)
- 2 blocks to existing neighborhoods
- Intriguing industrial heritage
- Multi-modal opportunity

SITE CONSTRAINTS:
- I-94 and rail line block community access
- Poor pedestrian connections on Dowling
- Overhead transmission lines limit potential
- Outdated infrastructure
- Amenities needed to support a broader range of riverfront uses
- Surrounding land use impacts program & phasing
- Lack of transit limits potential
9 CHARACTERISTICS OF SUCCESS
A VALUES SYSTEM FOR SUCCESSFUL REDEVELOPMENT

**EQUITABLE**
Helps address disparities
Accessible + Community-driven

**NORTH**
Unique to this specific place
Enhances North Minneapolis’s strengths and rich culture

**COMMUNITY BENEFITING**
High quality private development
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**SUSTAINABLE**
Ecological + Restorative + Innovative approaches
Energy efficient approach to environmental design

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Riverfront oriented destination
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**CONNECTED**
To the fabric of the community and Adjacent neighborhoods

**CONTEXTUAL**
Reflects the history and uniqueness of the site
Contributes to area’s unique character and interest

**TIMELESS**
High quality design
Inviting environment to pedestrians and all users

**WORLD CLASS**
First class park activities for North Minneapolis and region as a whole
SITE PLANNING EVOLUTION - OPEN SPACE

Above the Falls
2013

Maximum Development Scenario per Code

Amphitheater Green Space
December 2017

Concept Plan Draft
August 2018

Revised Concept Plan
December 2018

28 ACRES
INCLUDING AREAS ADJACENT TO G.A.F.

9 ACRES

12 ACRES
INCLUDING AREAS ADJACENT TO RAIL

15.5 ACRES

19.5 ACRES
PUBLIC PARK - ALL WITH RIVER ACCESS
BALANCED PLAN

“More Park”
“More Jobs”
“More Housing”
SITE PLANNING EXPLORATIONS - DEVELOPMENT
A TON OF JOBS
SITE PLANNING EVOLUTION - AMPHITHEATER

A SIMPLE LANDFORM

AN ELEVATED SLOPE

A GANTRY

...OTHER, WITH COMMUNITY INPUT
CONCEPT PLAN APPROVAL

- **19.5 acres of park space** (41% of project area)
- **1 mile of continuous public riverfront** access for North Minneapolis
- **4.9 acres of public amenity area** (i.e. the outdoor music performance venue)
- **7.2 acres** of street right-of-way and vehicular/pedestrian circulation
- **16.9 acres of development parcels for a mix of uses** (35% of project area)
CONCEPT PLAN - REGIONAL PARK BDRY

PROJECT GOALS:
- **Restore** 1 mile of river shoreline and add habitat
- Achieve LEED and WELL Certification for new buildings
- To **Use Ecodistrict principles** to guide the design of the site
- Implement **District Stormwater Management** System
- **Design and build** “Community Innovation Hub”
- Partnership with MWMO on district-wide sustainability
- Create an advanced **energy plan**

41% OPEN SPACE

1 MILE RIVERFRONT ACCESS

1. DOWLING PLAZA
2. DOWLING AVE GREENING
3. BOARDWALK AND POTENTIAL WATER ACCESS
4. OUTDOOR MUSIC PERFORMANCE VENUE
5. VENUE LAWN / PUBLIC ACCESS
6. RELICS PARK
7. THE HUB
8. WATERFRONT PARK
9. BEACH
10. PARK
11. PARKWAY
12. PHASE 1 DEVELOPMENT
13. FUTURE PHASE(S) DEVELOPMENT
CONCEPT PLAN - INFRASTRUCTURE IMPROVEMENTS

STREETSCAPE IMPROVEMENTS AND GREENING

- BIKE AND PEDESTRIAN TRAILS
- PARKWAY
- GREENING AND MULTIMODAL ENHANCEMENTS
- POTENTIAL DOWLING BRIDGE IMPROVEMENTS
- STREET RECONSTRUCTION

Southern site access dependent upon further study

Future parkway and trail connections to W. River Road

Future parkway and trail connections to NMRP
CONCEPT PLAN - UTILITIES & POWERLINE RELOCATION

**Notes:**
Any proposed stormwater infrastructure may change subject to MWMO stormwater feasibility study.
CONCEPT PLAN - PHASE 1

- Land uses for Phase 1
- Locations of roads and infrastructure
- Initial implementation strategy
- Development site boundary
- Park boundary
- Project phasing

*The elements of the Concept Plan will be explored in more detail for feasibility in the next phase of planning leading to Coordinated Plan.*
RISK & OPPORTUNITY

MARKET
LOCATION
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POLITICS
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CONTROL
TECHNICAL

LEGACY
UNIQUE TO NORTH DEVELOPMENT
COMMUNITY BENEFITING
COMMUNITY DRIVEN
ENVIRONMENTALLY FRIENDLY DEVELOPMENT
EQUITABLE DEVELOPMENT
FINANCIAL INCENTIVE
RIVERFRONT DESTINATION
HIGH QUALITY DEVELOPMENT
REGIONAL DESTINATION
VISION STATEMENT

2016 VISION STATEMENT
...create a unique and beloved place; a place that invites the region, but respects the wishes of the neighborhood and contributes to its quality of life—economic, social and cultural. We intend to achieve this goal, through a collaborative process with the community, the City of Minneapolis, the Park & Recreation Board, and potential end users.

CURRENT VISION STATEMENT
...create a collective vision statement with CPC through the Coordinate Plan process.
COSTS & FINANCING

COSTS
$37 MI  Parks & Infrastructure
$49 MI  CPAC
$200-300 MI  Housing, Jobs, Commercial, Hospitality, Hub & Parking

FINANCING
State
City
Private Developers & Investors
Community
Philanthropy
Other

Final financing strategy contingent on proposed Coordinated Plan.
DISCUSSION - KEY CONCEPT PLAN ELEMENTS

Parks & Open Space
Cultural Epicenter
Music & Art
Places to Work
Places to Live
Places to Stay
Community Hub
Community Ownership
Green Infrastructure
CONCEPT PLAN - HOUSING STRATEGY

• Proposed vision includes a combination of market rate and affordable housing opportunities for community residents
• Phase 1 housing component will provide units affordable at 30%-60% of the Area Median Income (AMI)
• Concept plan aligns with Minneapolis Promise Zone goal of “Promoting stable housing”
• Innovative housing strategies (intergenerational multifamily housing) will be taken into consideration
• If sufficient, affordable housing funding resources are available
• Goal - 40% of the units to be affordable at least at 60% AMI
• Secure vouchers and additional funding for deeply affordable units at 30% AMI ($28,300 for a family of 4 in 2018 dollars)
• Partnerships with Minneapolis Public Housing Authority and/or housing nonprofit organizations will also be explored
Parcels: 3
Land Area: 6.3 acres
Potential Units: 400-600
Affordability: Mixed Income
Housing Mix: Mixed Unit Sizes
WHAT WE MUST CONSIDER...

- Existing Conditions Limitations (HUD restrictions)
  - Power lines
  - Railroad
  - Interstate
  - Land Use
- Future Conditions Limitations
  - Music venue
- Community Ownership
  - Need of a Nonprofit Entity
  - Education/Training
  - Nonprofit Partners
- Affordability
  - Subsidies
- Phasing
PRELIMINARY HOUSING PROGRAMMING

SCHEME B

<table>
<thead>
<tr>
<th>GAF PLANT</th>
<th>5. SOUTHERN PARCELS</th>
<th>4. SOUTHERN PARCELS</th>
<th>3. COMMUNITY HUB &amp; PARK</th>
<th>2. RELICS &amp; AMPHITHEATER</th>
<th>1. NORTHERN PARCELS</th>
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<tr>
<td>Light Industrial Use</td>
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<td>Community Hub</td>
<td></td>
<td></td>
<td>Residential Mixed Use</td>
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BALANCED HOUSING SOLUTION

MARKET RATE

Generate taxable value to pay for public improvements.

“TRADITIONAL” AFFORDABLE

Use tools currently available (and available to everyone else). Municipal subsidies, low-income tax credits, etc.

“COMMUNITY-OWNED” AFFORDABLE

Create a new model for affordability and wealth creation.
“Traditional Affordable” Project Example

The Project & Economics

Units: 248
  70% AMI: 198
  50% AMI: 50

Rent:
  70% AMI: $1.67 PSF ($1,460/mo.)
  50% AMI: $1.33 PSF ($845/mo.)

Net Operating Income: $2.4MI
*What remains after rent is paid by residents, operating expenses and taxes are paid by landlord

Required Investment Yield: 7.00%
*What developer and investor require to invest equity
Cost Supported: $34MI
Actual Cost of Project: $49.8MI

Subsidy Required: $15.8MI

The Financing Gap & Options to Fill

City/HRA: $7MI (land write-down, forgivable loans)
County: $400,000 (grant)
MetCouncil: $1.4MI (grant)
Total Cash Subsidies: $8.8MI
*We’re still $7MI short!

City TIF Note: $7MI (or $500,000/year)
*Additional income boasts annual Net Operating Income...

Revised Net Operating Income: $2.9MI
Revised Cost (Net of Cash Subsidy): $41MI
Revised Investment Yield: 7.07%

We have a feasible project!
We have 50 new units of affordable housing!
HOW WE GET THERE...

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OTHER HOUSING OPTIONS

- Low Income Tax Credits
- “Demographic” Housing (Artist Lofts, Senior, etc.)
- Community Investment Trust
- Others?
NEXT STEPS & DISCUSSION

- Feedback from CPC on housing options, unit mix and affordability strategies
- Development team to work with the city, consultants, PUC and partner resources on feasible options
- Present/discuss options at July 24th CPC meeting and vote/decide
- Commence detailed planning and strategy implementation for Coordinated Plan and provide updates at CPC meetings.