

# Upper Harbor Terminal Collaborative Planning Committee Minutes

Regular Meeting

February 26, 2020 - 05:00 PM

NorthPoint Health & Wellness Center, 5th floor

**Members :** Vanessa Willis (Chair), William "Bill" English, Tanessa Greene, Britt Howell, Mary Jamin Maguire, Melissa Newman, Alexis Pennie, Grace Rude, Courtney Schroeder (Quorum - 9)

**Absent:** Markella Smith (Chair), Jashan Eison, Channon Lemon, Phitsavath Nantharath, Gayle Smaller, Princess Titus, and Makeda Zulu-Gillespie

**Staff :** Hilary Holmes

**Call To Order** 5:27pm

1. Roll Call.
2. Adoption of the agenda.

*Added new business item to end of agenda. Reordered agenda so item #4 Equitable and Inclusive Resilient Development Matrix and #6 Community Engagement Spring 2020 moved to the end of the agenda and #5 Community Ownership at Upper Harbor and #7 Coordinated Plan Outline moved up on the agenda. New order: #4 Community Ownership at Upper Harbor, #5 Coordinated Plan outline, #6 Equitable and Inclusive Resilient Development Matrix, #7 Community Engagement Spring 2020, Green Zone #8, New Business #9, Announcements #10. Motion passed.*

3. Acceptance of minutes of Feb 12, 2020.

*Committee discussed meeting minutes and requested more summarizing as long as all actions and voting are clear. Amendment to minutes to read "no local media was kicked out of the meeting." Not just "no one was kicked out of the meeting." Motion passed.*

## Discussion

4. Community Ownership at Upper Harbor - continued discussion

[1-8-2020 UHT CPC Community ownership discussion questions.pdf](#)

[2-26-20 UHT CPC Community Ownership Opportunities for Discussion.pdf](#)

*Erik Hansen, Economic Development Director for City of Minneapolis introduced the community ownership graphic which represents different opportunities for community ownership at Upper Harbor. This proposes that everything but park land and venue would be owned by City through serviceable marketable ground leases for the developments on top of the land. These would be long-term ground leases, which are typically 99-year leases. There is one right now in the Cedar Riverside neighborhood - the housing is owned by a nonprofit, the land owned by City. City Council and Mayor make these decisions and need to look at financing for these options.*

*Mr. Hansen outlined the ownership structure for an affordable housing development that is financed using Low Income Housing Tax Credits (LIHTC), that it would be a Limited Liability Corporation (LLC) with a general partner and a limited partner. The limited partner puts money into the development in exchange for tax credits (LIHTC) and the general partner in most situations is the developer. There would be a minimum affordability period for the affordable*

*housing developments. At end of that period the limited partner that received the tax credits would want to exit the LLC. The general partner would have rights to purchase the building at the end of the affordability period. The City is currently discussing who the general partner will be and if the City could have the right to purchase the building at the end of the affordability period. The commercial (ground floor) condos within the housing developments would be owned by one entity – a community entity TBD. The housing would be owned by one entity (i.e. the LLC) and the commercial condos would be owned by a separate entity. Ownership for townhomes could look into land trust or coops. The developer would own the production/jobs developments. If there are ground lease payments, they could go to the City for anti-displacement work. Refer to the note at top of page – to make it affordable or the more expensive the ground lease, the bigger gap there is in how much the space costs. The question is how to turn it into something that can be financed.*

*Mr. Hansen explained the two options for the ticket fee – Option 1 is if the City wants to impose the fee through a City agreement or Option 2 is if the Committee wants the fee to go directly to an organization. The City is prohibited from taking money from something and putting it directly into an organization.*

*Mr. Hansen answered a question about what happens to the affordability at the 35-year mark and responded that at 35 years the options are to refinance with affordable housing funding again to get the limited partner out or that the general partner would buy the building.*

*Committee member asked how the City can direct to keep the housing development affordable in perpetuity, rather than convert to market rate or luxury.*

*Mr. Hansen responded that City housing staff would be engaged and would be at the table to negotiate this. 35 years is a longer stretch, which the developer is proposing. It's about what is in the agreement, making sure the entity the CPC wants at table has a seat at the table.*

*In response to Committee question Mr. Hansen answered that the income mix of the housing is still up for discussion by the Committee.*

*In response to Committee question on the general partner for affordable housing Brandon Champeau, United Properties, answered that it could be United Properties or Aeon or CommonBond. United Properties has partnered on a couple affordable housing developments and there is interest at United Properties in creating an affordable housing arm of the company.*

*Mr. Hansen responded to Committee question about what the TBD community entity would have ownership of and answered that the TBD community entity you have a connection to the commercial spaces, the Hub and the music venue. In Minneapolis the general partner would be a nonprofit housing developer, though a for profit can also be in that position.*

*Committee comment that the community entity needs start up or seed funding and asked if those funds could be directed from the City to show commitment to community as well as putting the Northside as a priority to create stabilization and as a pathway to generational wealth.*

*Committee question regarding what is enforceable for community benefits and if the community entity would be able to enforce these.*

*Councilmember Cunningham responded that the City cannot enforce a Community Benefits Agreement (CBA) because that is between two parties that does not include the City.*

*Mr. Hansen affirmed that the City wouldn't be part of that contract. If the will of the Committee is that ticket fees go directly to a community entity, the City is not allowed to do that, so that*

would be in separate agreement. Regarding ability to enforce, that community entity would not have the resources to sue to enforce. The City can enforce the ticket fee but can't direct that it goes directly to a specific community group.

Committee comment about what role the Committee would want a Community Development Corporation (CDC) as the community entity to have. This is the time to have that conversation – the Committee wants the community to have control, which is the point of having a CDC. Committee comment that the CDC needs to be African American owned and led. Committee comment that a CDC needs to get up and running and at a scale that it needs to operate at, and that the Committee should be thinking about phasing for the community entity – the venue first and other things later.

Mr. Hansen noted that the timing is unknown. The conversation is how to get from where the Committee/City are now to actionable, tangible agreements – the City and developer need an entity to sign documents. There is info in the meeting packet about how long it takes to do that. The City cannot start a CDC. Mayor's Office and Council want to make sure that this isn't just plan comes forward without action steps - they want to see outcomes and have pushed City staff and the Committee to get to those. The City owning the land is coming directly from policy makers, the City has been working on it internally for the past few months. Need to figure out ground leases and then the vertical development. City needs to know specifically who needs to be at the table.

Committee question about upcoming deadlines and what is next.

Mr. Hansen responded there is bonding that needs to start being spent for roads and sewers. Things are moving forward on that. The City doesn't know if the City will have bonding for venue. The City has a draft plan to produce by the end of next month, which goes to the community in April, May, June. Then to Council for approval in June with next steps and how to get there. The City will gather feedback and continue to flesh out what it means to have a community, keep working with attorneys what a marketable ground lease would be. Councilmember Cunningham and Mr. Hansen are talking to Councilmembers about this. Then determine what buildings are on top of the land and how those are structured, then can start to talk about how to finance – what are the gaps, what are sources the City can use, who is needed to make it work, what is physical phasing strategy? What are priorities for what to build first? City might be able to invest a certain amount of money into the project – will need to say what the priorities are. The development team is taking the information from the 22<sup>nd</sup> and crunching numbers - how much would it cost to building what the Committee talked about, what is the gap and how does the City fill it? Will be looking to minimize the gap and how to finance it – through the development fund, Tax Increment Financing (TIF) or other mechanisms - County, State, philanthropic resources.

Committee comment regarding venue ticket fees proceeds option 1 & 2 there are trade-offs. Make it clear that if the community entity dissolves there is no community say for how the money gets spent. The money would not be directed to community anymore. Option 1 specifically says the City can enforce the agreement, Option 2 the City does not have ability to enforce.

Councilmember Cunningham responded that the suggestion First Avenue had was to have a community board to make decisions about where the ticket fee goes, that could be back up if the community entity dissolves, request for the community board to be created. Committee comment to write into plan that there will always be a community board.

Committee preference by hand vote for ticket fee structure was as follows. Option 1: Pennie. Option 2: English, Newman, Greene, Howell. Not sure: Rude, Willis, Jamin Maguire, Schroeder.

5. Coordinated Plan outline - continued discussion

[1-22-20 UHT CPC Upper Harbor Terminal Coordinated Plan Overview.pdf](#)

*Staff gave an update on timeline and Coordinated Plan outline. Councilmember Cunningham noted that there would not be a Council decision at time of draft Coordinated Plan submittal, it will be a receive and file, an update to Council on the plan.*

*Committee question about the time for Committee to review the draft before it goes to Council, and what the Council process looks like.*

*Councilmember Cunningham noted the Committee will continue to meet after the draft plan is out for public comment as well as engage the community and refine the final that goes before City Council.*

*Committee comment concerned about public comment as Committee/City has had a hard time engaging community in the process and wanted to ensure that the voices the Committee is trying to represent are in that process - a lot of white people respond, and those that aren't aware get a voice.*

*Councilmember Cunningham responded that the Committee will talk about engagement (later on agenda) because the Committee will help the City plan that. It is part of the charge of the Committee to inform engagement for when the draft goes to City Council. The Councilmember asked that the Committee co-present plan to Council with City and developer.*

*Mr. Hansen noted that the City usually does not bring items as receive and file – this time intentional about giving Council the opportunity to have it and give the project team/Committee feedback before getting to the final decision. Asked Committee to participate in the presentation to Council on draft plan in April. As far as Committee review of plan – main point is getting it done for April review and with time to refine it into final draft after. The draft is not a finished product, the City wants it to be a discussion and engagement to be done with community. Ultimately the Committee is giving a recommendation to Council.*

*Committee comment that Committee needs time for review about decisions. Committee question about what the Committee has finalized about housing, that the Committee needs process for deciding what goes into job production buildings - unfinished business before sending plan to Council.*

*Mr. Hansen responded that regarding housing recommendations that was the discussion Committee had on the 2/22 and will have on 3/11. Committee response that Committee needs more time for these conversations – perhaps another half-day session.*

*Committee comment regarding chance for Committee to discuss types of jobs or types of companies on site. Committee question regarding more time to work on draft before submitting to Council, Committee needs more time to have this discussion on what companies would go into this space. Committee question on what is necessary for this draft plan – naming business or general idea of number of employers or local businesses so that Committee can carry it beyond the Concept Plan.*

*Councilmember Cunningham responded that as Council created the Committee, the details of what companies would go in is beyond scope of the Committee - those are decisions that would be made further down the road. Level of detail needed for the plan is more like development team/Committee is recommending green manufacturing, then be more specific on types of users after getting the recommendations of the Committee. That is the level of detail needed for the Coordinated Plan.*

*Committee comment that the Learning Tables did talk about a lot of this. If we can focus in on the affordability and housing info now, that is what is necessary to be in the draft plan. We can focus on other things after draft is created in April.*

*Councilmember Cunningham affirmed City/Committee will still be refining plan between April and June.*

*Mr. Hansen noted that the Committee can provide a lot of assistance and reaction on the questions the City/developer asked so that the developer can know what strategy to take on attracting certain businesses or users – which might difficult to specify if the project doesn't have the right spaces for the users. That's why the jobs questions (in Jobs memo/scenarios) will help with the strategy around filling them.*

*Committee comment that if Committee is going to set criteria for what users that should go into the plan, so the Council knows what parameters the Committee set. There needs to be accountability of what goes into those buildings.*

6. Equitable and Inclusive Resilient Development Matrix - feedback updates (Joy Marsh Stephens)

[2-26-20 UHT CPC Upper Harbor Terminal Equitable and Resilient Inclusive Development Matrix.pdf](#)

[2-26-20 UHT CPC Matrix Feedback Reconciliation.pdf](#)

*Based on the last presentation on the matrix the Committee wanted to talk through the potential additions suggested by Committee.*

*Committee Chair Willis asked if Committee is ready and willing to vote to use the matrix.*

*Joy Marsh Stephens affirmed that the role of the matrix responds to Council direction to create racial equity framework to help Committee to guide Committee recommendations back to the City and development team.*

*Committee comment that this is a very important document and a lot of work has gone into this as a framework for how the Committee is going to view this project. Need to talk about goals and setting metrics, maybe at another workshop.*

Community Engagement Spring 2020 - continued discussion

[2-26-20 UHT CPC Working Draft Engagement Schedule.pdf](#)

*The Committee did not discuss this agenda item.*

*Chair Willis continued the meeting to the next scheduled Committee meeting on March 11<sup>th</sup> 2020.*

**Adjournment 7:30pm**

**Notice:** A portion of this meeting may be closed to the public pursuant to MN Statutes Section 13D.03 or 13D.05

**Next Upper Harbor Terminal Collaborative Planning Committee meeting Date:** Mar 11, 2020

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