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**TO:** Upper Harbor Terminal Collaborative Planning Committee  
**FROM:** Brandon Champeau, United Properties  
**DATE:** July 8, 2020  
**RE:** Developer Update

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We are excited to restart our conversations and look forward to working with CPC to advance the plans and community benefit strategies that will integrate into the projects. We thank everyone for their dedication and commitment to this exciting opportunity.

#### **Development Team**

- We were introduced to Devean George (Building Blocks) by multiple community members in March and have commenced discussions on a potential Building Blocks/United Properties partnership for the affordable housing within the project.
- Additionally, Building Blocks is interested in helping lead the community hub planning and programming, and wishes to begin this discussion with the CPC soon, with a goal of identifying the community's vision for the space, and potential partners and financing sources. We hope to begin this discussion in more detail in August.
- Per the CPC's request to expand minority partners and representation on the development team, United Properties and JE Dunn Construction have mapped out a project ecosystem, in order to determine the depth and breadth of potential minority-owned partners, service-providers, vendors, contractors, and material suppliers. The goal is to identify these partners now, so we can begin discussing when/how they could integrate into the UHT project opportunities. We will share the results of this work with the CPC and relevant community organizations, to identify the gaps in minority representation and to determine strategies for filling those gaps.

#### **Community Development Corporation**

- We continue to be active participants with multiple community members, CPC members, the City, and Pillsbury United Communities on the formation/strategy for a North Minneapolis Community Development Corporation.

#### **Coordinated Plan: Scenario 4**

- Scenario 4 is enclosed and includes the updates/revisions requested at our last meeting on March 11<sup>th</sup>. We will discuss this deck in depth at the July 22<sup>nd</sup> meeting, and wanted to give everyone significant time to review it in advance.
- We have advanced the financial underwriting, which is informing the financing, fundraising, and phasing strategies for the project. This is also informing the requirements to make each project feasible. We have some work to do, but we believe there is a path forward on most of the phase 1 project components, and we will share the financing strategy later in July.
- We have made progress with the City and MWMO on the district stormwater plan and public realm experience. We hope to review this work later in July or early August.
- As it relates to the master plan, we are very excited about the direction of the project, and hope we are becoming aligned with the CPC on the following land use/program:



Parcel	Land Use	Program	Phase	Open Items
1A	Housing	Seniors	2	Ownership (cooperative or condo), market rate rental, or affordable rental?
1B	Housing	Family Affordable Rental + Ground Floor Commercial	1	Assuming we receive funding from typical affordable housing finance sources, the development team must identify approximately \$1m in gap financing to make the project feasible for a 2021 groundbreaking.
2	Park	Public	1	Final park plan will be delivered by MPRB and CAC.
3	CPAC	7-10,000 Seats	1	Final design and phasing dependent on the outcome of the 2020 State Legislative Bonding Bill.
4	Business Park/Jobs	Manufacturing/Production + Rooftop Ag/Hydroculture	2	The development team believes the ground floor space will be attractive to businesses/employers. The rooftop plan for food production and/or a hydroculture operation significantly adds construction complexity and timing risk and is currently not feasible until an operator and financing are identified. The building construction cannot be phased, so we will need to identify the ground floor tenant and rooftop tenant at the same time.
5	Business Park/Jobs	Manufacturing/Production + Rooftop Solar	1	The development team believes this building will be attractive to manufacturing businesses/employers. We need to determine if we should wait for a specific business/tenant to occupy the entire building, which would delay construction (and space for Northside jobs) until that employer is identified. Alternatively, we could construct the building speculatively (without a lead tenant), and lease to interested businesses/tenants at that time. This would result in a faster timeline, but also gives us little control over the business/employer that shows up (leases space).
6A	Housing	Workforce Affordable Rental + Ground Floor Commercial	1	Assuming we receive funding from typical affordable housing finance sources, the development team must identify approximately \$2m in gap financing to make the project feasible for a 2021 groundbreaking.



6B	Community Hub	Health & Wellness	2	We must begin discussing the details of this plan. As stated above, Building Blocks is interested in taking a lead role in the planning and programming, and hopes to commence discussions soon with the CPC on the vision, partners, activities, etc. that would occupy the community hub space.
7A	Housing/Parking	Housing Affordability (TBD) Target Demographic (TBD)	2	<p>Does the CPC recommend high density or medium density housing?</p> <ul style="list-style-type: none"><li>• High density means higher construction cost, which will limit the number of affordable units delivered. The project must meet the City's minimum requirement under the inclusionary zoning policy.</li><li>• Medium density creates more affordability options, but reduces the number of residents on site, as well as the spending power to support the ground floor businesses.</li></ul> <p><i>*Given this is a future phase project, the CPC could accept both options as possible, and we can determine the final plan whenever market conditions for development are feasible (likely 2023+).</i></p>
7B	TBD	Flex Parcel	2	The detailed planning for this project can commence after phase 1, at which point the community can determine what is the highest and best use to occupy/develop the site. In the short-term this site could be used for temporary activations and parking. Long-term, the site could be additional housing or potential hospitality, which may be attractive if connected to community hub and CPAC events.