

Upper Harbor Terminal Collaborative Planning Committee Minutes

Adjourned Meeting
October 21, 2020 - 5:00 pm
Online Meeting

Members Present: Markella Smith (Chair), Vanessa Willis (Chair), Jashan Eison, William "Bill" English, Tanessa Greene, Britt Howell, Mary Jamin Maguire, Channon Lemon, Melissa Newman, Alexis Pennie, Grace Rude, Courtney Schroeder, and Makeda Zulu-Gillespie (Quorum: 9)

Members Absent: Gayle Smaller and Princess Titus

Staff : Hilary Holmes

Call To Order

1. Roll Call.

Quorum Present

2. Adoption of the agenda.

Action Taken: Adopted

Motion: Zulu-Gillespie.

Second: Pennie

Motion passed 9 yay – 0 nay – 0 abstain

3. Acceptance of minutes

[Oct 14, 2020 Upper Harbor Terminal Collaborative Planning Committee](#)

Action Taken: Accepted

Motion: Smith

Second: Howell

Motion passed 8 yay – 0 nay – 1 abstain

Reports

4. City Update (Erik Hansen, City of Minneapolis)

Action Taken: No action taken

Mr. Hansen provided the City update. The Legislature passed the bonding bill which included \$12.5 million for the Community Performing Arts Center at Upper Harbor, and an additional \$9.9 million for projects on the Northside including Baldwin Square, Juxtaposition Arts and two Northside projects for the MPRB.

Mr. Hand provided an update on the progress of centering the Coordinated Plan around American Descendants of Slavery (ADOS) community as one step towards documenting the City role in discrimination. The City Attorney will attend a future Committee meeting. The City Council BIHZ Committee approved a preference policy for the Minneapolis Homes program, which was discussed at CPC and at the Learning Table, which sets 50% of the homes for those who were displaced from impacted neighborhoods since 2007. More information can be found at the LIMSminneapolismn.gov under the BIHZ committee report. City Council also approved a

Truth and Reconciliation Process with the ultimate objective of implementing specific solutions that address specific harms that have been perpetuated on historically Black/ADOS and Indigenous residents. There will be a committee working on the truth and reconciliation process and there will be more updates at upcoming meetings.

Committee comment on a great report, and that the bonding bill was a huge win for North Minneapolis.

Unfinished Business

5. Committee discussion on Recommendation Points

[10-14-20 UHT CPC Updated Recommendation Points for Coordinated Plan](#)

[10-14-20 UHT CPC Updated Community Ownership Options chart](#)

[10-21-20 UHT CPC UHT Community Entity Opportunities and Roles.pdf](#)

Action Taken: Continued to meeting of Oct 28, 2020

Brandon Champeau, United Properties, presented the Community Entity Opportunities and Roles for discussion with the Committee.

Mr. Champeau noted that to manage the ticket fee fund from the venue, a trusted community entity is needed to manage the fund and distribution of the fund back into the community. The funds generated would depend on the amount of events that happen and tickets sold, estimates are approximately \$750,000 per year. The new community entity could decide how to allocate those funds, which could go towards the Community Hub, community arts programming, or subsidies for commercial tenants. These could also shift over time as priorities change. Ground lease estimates will start smaller based on the initial phases, and then could grow as the site is built out. Initially the ground lease payments for the other private development could go towards anti-displacement and anti-gentrification initiatives.

Mr. Champeau presented two examples of how the funds could be utilized, including (1) a potential scenario of how the funds could be used to provide funds to help offset property tax increases or (2) opportunities for writing down the cost of the ground floor commercial space that would enable the operator of the commercial space to subsidize the base rent to support community entrepreneurs.

Mr. Champeau responded to a question on the capacity required by financial institutions (organizational and financial) for the community entity to operate. Mr. Champeau noted that even with the write down of the initial cost to construct commercial space, there would be a risk for the owner of the commercial space as they would need to financially support the commercial space. Mr. Champeau also noted that the entity would need to be meeting regularly to oversee the commercial spaces.

Committee comment on property taxes, to advocate for a property tax cap and let the funds benefit the homeowners rather than just offsetting the increase in property taxes and the funds going right back to the City. Committee request restated for the property tax overview from the City Assessor and CPED.

Mr. Champeau noted the City is being innovative by saying that the ground lease payments could go towards community efforts rather than just going back into the City general fund.

Committee comments:

- Regarding subsidy of the commercial spaces and the ability for those businesses to thrive and learn and also pay their own way. One example provided and supported by Committee was if the percentage of rent collected went into a fund that supported a pathway for businesses to be able to buy their own spaces and move out of UHT and allow another business to come into the space - to create pathways to success.
- The community entity should have sustainability and cultural relevance i.e. a housing program subsidy should also involve pathways so that the subsidies don't just keep supporting specific elements.
- There should be two community entities: (1) development, housing, commercial space should be one entity and (2) working with venue and Community Hub might be a second entity

Devean George, Building Blocks, noted that it is challenging for start-up businesses to get into commercial spaces, so the team will have to get creative to pull in other resources and identify anchor tenants to stabilize the commercial spaces. Mr. George agreed would advocate for affordable space rather than "free".

Mr. Champeau then presented the opportunities for community ownership through possible roles for the community entity in the Community Hub, CPAC (Community Performing Arts Center), and the ground floor commercial space. An advisory option provides community expertise without requiring a financial contribution that is impossible for many smaller community organizations. The group could even explore a district manager that could coordinate the operation of the district, hiring smaller Black-owned businesses to get them experience, as suggested by the Committee.

Mr. Champeau discussed Parcel 1B as an example – one building could potentially have three different ownership groups that are going to need to be able to line up financing at the same time and can negotiate construction contracts and operating agreements. If the group decides that a community entity that needs to own the commercial space, the development team will need to make sure that it all comes together for the project to move forward. There could also be an option to turn over the ownership after it is completed, once the community entity is in a position to take it over. The development team's recommendation is to do a RFP process for the entity and that recommendation stands.

Mr. George addressed the Committee and his role on the development team by stating that he wants to go where he is needed and make sure that he is supporting what has been created already. Mr. George noted this company and developments benefit Black people – he hires Black people from the community because he wants the money to go back into the community. For construction he works with minority owned and Black owned businesses and gives them an ownership stake, a percentage of the profits of the developments. Mr. George noted all of his staff are people of color, the head of compliance, head of maintenance, management are all

Black women, and he hires homeless Black men to clean the buildings and gives people with a criminal record on their applications a second chance. He noted that these are the opportunities for the community that he brings to the project. Mr. George responded that this project is within his organizational capacity and that he has partners that are ready and willing to invest in the community including through his connections and network of professional athletes.

Mr. George responded to a question regarding commercial tenants in his Golden Valley Road/Penn Av buildings, stating that a restaurant, after school childcare and a job training center for adults are going into those spaces.

Based on the Committee discussion the following roles/responsibilities were identified for the Fund Manager (CPAC related) community entity and the Ground Floor Commercial Space community entity.

Fund Manager Role:

- a. Demonstrated ability managing funds
- b. Ability to leverage funding
- c. Credibility within North Minneapolis
- d. Results driven with experience in North Minneapolis
- e. Governance that is truly representative of the Northside Community
- f. Outreach
- g. Good Communication
- h. Ability to build and leverage relationships
- i. Organizational capacity to do the work

Community Real Estate Ownership Role:

- a. Financial Resources (in hand)
- b. Experience operating a commercial real estate project of this size
- c. Demonstrated ability managing funds
- d. Ability to leverage funding
- e. Credibility within North Minneapolis
- f. Results driven with experience in North Minneapolis
- g. Governance that is truly representative of the Northside Community
- h. Expertise with outreach and communication in Northside community
- i. Ability to build and leverage relationships
- j. Organizational capacity to do the work

Mr. Champeau responded to question about the role of a community entity in the commercial space and stated that the ground floor commercial space is the public face of the project and that it will be important to have a community entity in place that can program the space with what the community wants. Typically, a real estate developer would build the space and try to lease the space to people who can pay the rent and it will be important to have a community organization that can either help Building Blocks and United Properties with that, or potentially own it if they can get established in the timeframe for the Phase 1 buildings. If the entity doesn't have the money or the organizational capacity, the role of the entity could vary based on that (advisory rather than ownership from the beginning). If the entity doesn't have the money to co-invest, the entity can be a part of operating it.

Committee comments about community entity as fund manager, and operating entity as commercial space owner and/or operator, and importance of operating entity governance to be representative of the community.

Mr. Champeau responded to a question if the community entity is not in place to invest right away, what the Plan B is. Mr. Champeau noted that since the focus of the entity will be the commercial space, if the community entity does not emerge and the development team needs to line up funding for the affordable housing components of the project, the team will need to move forward when project financing is in place. That would mean that the team would either need to take the ground floor commercial out of the project or that United Properties/Building Blocks would need to finance it. Then the Plan B would be for an advisory group to help United Properties/Building Blocks with programming the ground floor commercial space, but the decisions will be made by the owners who have made the investment.

Committee question if the group could we identify what the entity would need to have in place (what a lender would require) to move forward.

Committee question that if ownership is not immediately feasible what an advisory group/committee would look like.

Committee comments that the ground floor commercial space should work with the Community Hub, and if it is not the same entity, there needs to be clear communication to ensure that the programs are complementary not competitive.

Committee comment and Mr. Champeau concurred that the bigger idea/ideal is for one community entity to do all three roles to create a common thread between the three.

JoAnna Hicks, Element (project manager consultant), summarized the Committee requests from the discussion: More detail about the two community entities, their roles and draft criteria as defined by the Committee for the:

- Fund Manager Role (for the ticket fee funds from venue)
- Commercial Real Estate Ownership Role (for the ground floor commercial space)
 - Option A – Full owner
 - Option B – Advisory Group and/or minority owner
- Overarching Community Entity/Collaboration (like 3CDC model out of Cincinnati) that oversees the Community Hub and the ground floor commercial space

Discussion

6. Updated Meeting Schedule (Hilary Holmes, City of Minneapolis)

Action Taken: No action taken

Ms. Holmes provided an update on the meeting and draft Coordinated Plan schedule in response to Committee request at 10/14 meeting to look at February City Council action on draft plan rather than January.

Mr. Champeau responded to Committee question on deadline for draft plan to be at Council pushing into February is that it will delay the housing projects out by 6 months to 1 year, which could mean that the housing isn't starting until late 2022 or 2023.

Mr. Hansen responded that the City needs the Coordinated Plan and environmental reviews to be in place to move forward on the infrastructure project to not jeopardize the infrastructure bonding award from the State.

Committee comment that it's important for the draft of the Coordinated Plan to be in solid shape before it is released for public comment.

Ms. Holmes responded to Committee question whether the draft plan public comment surveys could be reviewed by Committee during the public comment period and noted the Committee could look at scheduling some time to meet within the public comment period and will follow up with Committee about a Saturday meeting in November.

Adjournment 7:49pm

Notice:

To join the meeting as a member of the public: Call in Number +1 612-276-6670 Conference ID: 152 436 228#

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Next Upper Harbor Terminal Collaborative Planning Committee meeting: Oct 28, 2020

Submit written comments about agenda items to: councilcomment@minneapolismn.gov

For reasonable accommodations or alternative formats please contact the Community Planning & Economic Development at 612-673-5070 or e-mail hilary.holmes@minneapolismn.gov. People who are deaf or hard of hearing can use a relay service to call 311 at 612-673-3000. TTY users call 612-263-6850. Para asistencia 612-673-2700 - Rau kev pab 612-673-2800 - Hadii aad Caawimaad u baahantahay 612-673-3500.