

Upper Harbor Terminal Collaborative Planning Committee Minutes

Regular Meeting
October 28, 2020 - 5:00 pm
Online Meeting

Members Present: Markella Smith (Chair), Vanessa Willis (Chair), 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: Jashan Eison, Gayle Smaller, and Princess Titus

Staff: Hilary Holmes

Call To Order

1. Roll Call.

Quorum Present

2. Adoption of the agenda.

Action Taken: Adopted

Schroeder moved. Zulu-Gillespie second.
Motion passed 9-0-0.

3. Acceptance of minutes

[Oct 21, 2020 Upper Harbor Terminal Collaborative Planning Committee](#)

Action Taken: Accepted

Schroeder moved. Rude second.
Motion passed 9 yay – 0 nay – 2 abstain (Pennie, Lemon)

Reports

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

Action Taken: No action taken

Mr. Hansen provided an update on City leadership discussion and next meeting on how to center the Coordinated Plan on ADOS. He also reported that staff is in discussions with the U of M to discuss a potential study to understand the potential impacts of the project on property tax values and hopes to have more to report back on what a study might look like. Mr. Hansen affirmed that the impact could look at NE Minneapolis as well as the geography for the study has not be determined yet.

Committee question if the City staff conversations are recognizing the explicit harm that the City has done to Black people in North Minneapolis especially as it relates to the foreclosure crisis and the subsequent auctioning of properties in North Minneapolis. Comment that if that explicit harm was recognized by the City that it might help focus the specific remedies to those specific harms.

Unfinished Business

5. Continued Discussion on Recommendation Points

Action Taken: Continued to meeting of Nov 4, 2020

Brandon Champeau, United Properties, and JoAnna Hicks, Element, continued Committee discussion on roles and criteria for community entity/entities in the redevelopment and walked through pages 74-75 of [10-28-20 UHT CPC Coordinated Plan DRAFT](#).

Ms. Hicks responded to a question if United Properties would be willing to operate the building if no community entity showed up, and noted that there is a pathway to move from the advisory role to a full ownership role after the expiration of the New Market Tax Credit compliance period (7 years), depending on the interest and capacity of the community entity.

Committee question if the community entity were to wait the 7 years to purchase the ground floor commercial space, if United Properties is prepared to fulfill what is being requested for the commercial spaces and to assist local and small businesses to be in those spaces. Mr. Champeau responded that there are benefits to having a nonprofit owner of the ground floor commercial space that can access more types of funds to meet the community benefit goals, and that a hybrid approach could be to have Building Blocks own the space and have an agreement in place with the community entity. He noted that there is more flexibility if there is an entity in place from day 1. Mr. Champeau noted that he and Devean George (Building Blocks) may identify anchor tenants to pay market rent to help subsidize some of the more affordable commercial/start-up spaces.

Committee question on how many businesses would be in the commercial space and if United Properties would be willing to dedicate a certain number of commercial spaces for Northside or BIPOC businesses, or affordable rent spaces. Mr. Champeau responded that 35,000sf ground floor commercial space is proposed on parcels 1B and 6A as part of Phase I, which could fit between 12-15 businesses. Regarding the anchor tenant idea, they would be tenants that can pay market rent and complement the other uses i.e. a health and wellness clinic could take an anchor tenant space and leave space for affordable/smaller commercial spaces. He noted another approach is flexible lease structures that are pop-up spaces, so instead of 7-10 year lease commitments, these pop-up spaces may pay a little more rent per square foot but only be quarterly leases. United Properties could work with someone to master lease the spaces or United Properties could master lease.

Committee discussion followed on the criteria for the fund manager community entity role – criteria should be expanded to include:

- Demonstrated ability to manage community-based funds i.e. managed budgets of \$X amount
- Note that organizations could partner, and that it could include a new organization

Committee question about which of the two organizations/entities would manage the Community Benefits Agreement and oversee the equity commitments (the Matrix) and where is that governance to ensure that commitments made are kept.

Ms. Hicks responded that the two commitments specific to the music venue (ticket fee and discounted tickets for youth) – could not be housed in the City redevelopment agreement, which is where most of the benefits are housed, which allow the City to ensure they are being met. The development fund manager would likely be the entity to ensure that these two benefits are met. The City will have a redevelopment contract for each of the private development parcels which will each have certain community benefits that will be required as obligations that the developer needs to meet in the redevelopment agreement prior to the land transaction as well as some ongoing commitments.

Mr. Hansen responded that community benefits will be outlined in the redevelopment contracts and based on what comes out of the Coordinated Plan will draw up term sheets. The term sheets will identify those benefits which will be contained in the redevelopment contracts. What's in the Coordinated Plan will be translated into term sheets which would be approved by City Council and those term sheets would translate into redevelopment contracts between the City and the development entity (who that is depends on the development project). The Community Benefits Agreement (CBA) for the ticket fees and discounted tickets would be separate from the City's redevelopment contracts, that would be between the First Avenue + Community Entity (FA+CE) organization (to be the owner of the land under the Community Performing Arts Center/CPAC), and some other community entity and the City would not be party to that contract. Mr. Hansen noted that the Committee could recommend that the City report on the progress towards the benefits outlined in the Coordinated Plan.

Ms. Hicks noted that the CBA for the CPAC might be held by a neighborhood organization to start out and then the future community entity could become party to that, to allow the time for the entity to be in place.

Mr. Hansen noted that the community benefits outlined in the redevelopment contracts would be managed by the City. It's important for the Committee to provide these recommendations to the City Council to build out the term sheets because those terms sheets will be the building blocks to those contracts, once those contracts are executed the official responsibility over oversight will be the City as the party to the contract.

Committee comment that the Matrix also includes workforce and participation goals, beyond the venue, at which point does the community get to ensure that those are accomplished across the entire development. Mr. Hansen recommended for the Committee to deliberate is what the terms are for reporting – i.e. annual report for transparency. Committee comment that an annual reporting on economic inclusion doesn't get us to address systemic issues on lack of inclusion on development projects – when the equity matrix was created that it would be closely monitored. Mr. Hansen recommended focusing on the inputs rather than the outputs to make sure strategies for workforce training and entrepreneurial support are operationalized to make sure the pipeline for participation is ready. Mr. Champeau noted that the Draft Plan (page 24) includes the previously presented strategies for economic inclusion and that the Comprehensive Strategies for Inclusion would be submitted with the request for final approval for each parcel – and the reporting is the next step.

Committee question if Committee can formalize how community gets to participate in the process to co-collaborate or overseeing as Mr. Champeau outlined. There needs to be a committee outside of the CPC to help oversee this, if that's what the CPC wants to see then there should be a motion. Also with the community entity selection process, with the criteria

the Committee wants to make sure that United Properties is following that criteria. Mr. Champeau agreed.

Motion: For a formal committee of Community members (Community as defined by the CPC) to be established to help with the community entity selection process and economic inclusion strategies.

Moved: Zulu-Gillespie. Second: Smith.

Motion passed 9 yay – 1 nay (Pennie) – 0 abstain

Committee comment on the fund manager criteria on if a new organization can step into the community entity roles, i.e. should be high capacity, well-known leaders would have the track record, not necessarily the age of the organization itself. Since this is such an innovative project with such high potential something innovative is likely needed and shouldn't discount new organizations, just need to be careful and critical to look at the experience in a new organization.

Committee comment on the redevelopment contracts – that if the City is going to be supportive of a CBA and will be looking at the Coordinated Plan for the conditions of the contract with United Properties, it is crucial to include as many benefits as possible in the Coordinated Plan so that the City is supported in this redevelopment contract and is able to hold United Properties accountable to these. Also that there should be two CBAs one for the venue and one for the developer. It sounds like the redevelopment contract is how to get benefits and have the City clearly identify. Ms. Hicks noted that many of the community benefits are included in the Draft Plan that was sent out to Committee (on this agenda) tie back to the equity Matrix and also that the strategies as the backbone of what will be in the redevelopment contracts and referred to the Implementation section of the Plan to include some of the language that would be used in the term sheets and the redevelopment agreements.

Committee comment for an RFP for the community entity to allow for the opportunity for a new entity that is collaborative, and any organization must demonstrate broad community representation and engaging with the UHT CPC and neighborhoods near. Committee comment that the language for the RFP needs to be reviewed by the Committee to make sure it is culturally aware and culturally significant. Also that the entity board needs to be independent of any other board of directors.

Mr. Champeau noted that the RFQ process for the community entity is as an opportunity to bring some unique partnerships together.

Committee comment to start with these criteria and that it's heading in the right direction and the Committee will continue to revisit it.

Motion: To use this draft as a starting point and create a working session to work with Brandon (Mr. Champeau) to finalize the RFQ language.

Moved: English. Second: Smith.

Motion passed. 12 yay – 0 nay – 0 abstain

New Business

6. Review of Draft Coordinated Plan - first review of Draft Coordinated Plan Sections

[10-28-20 UHT CPC Coordinated Plan DRAFT](#)

[10-28-20 UHT CPC UHT Project Milestone Schedule](#)

Action Taken: No action taken

Mr. Champeau gave an introduction & orientation to the Draft Coordinated Plan.

Committee question when the City Council considers this is it a straight up or down vote or would they make a modification to it or how would they consider a plan of this size. Mr. Hansen responded that with the Concept Plan the actual Plan itself went forward and was approved by City Council and added staff directions and modifications independently and those were the creation of the CPC & the values that are driving this work, so it's in their purview to make changes they want, typically with a plan of this nature (development or small area) they don't make changes to the document they add directions on what to do in the next phase, typically it's an up or down on the plan that's written. Councilmembers will get a look at the Plan well in advance of the meeting so they can give staff their feedback if they have any and those can be incorporated those as comments into the final deliberations.

Committee question about the housing plan, that it was supposed to be mixed-use with some attainable, some affordable and some market rate with opportunities for ownership, if we're talking about economic viability we have to talk about mixed-used housing: affordable, attainable and market rate. Don't want the Northside which already has an overabundance of affordable housing for this to just be affordable and attainable – in my view mixed-used includes some market rate. Mr. Champeau responded that is correct, and the one thing that changed slightly from February at the Committee Design Day the housing strategy was presented with Phase 1 as mixed-income affordable with 1/3 at 30%, 1/3 at 50%, 1/3 at 60% in the two affordable housing projects, then had proposed the opportunity to do two additional housing projects one that was discussed as potentially senior which is what the Committee was interested in so parcel 1A was earmarked for that parcel but it is to be determined if that would be market rate or affordable. And on parcel 7A had proposed a market rate project with higher density (with around 150 units). On the Design Day the Committee was concerned with declaring that 7A would be market rate, that there was concern with two affordable projects and then one 15 story market rate project. So on the Design Day it was agreed that Phase 1 would be parcel 6A and 1B and those two buildings will be affordable and then in the future make the determination what the affordability strategy should be for Phase 2.

Committee question if as part of the public comment there can be a question on 7A and 1A and get feedback on that regarding how much market rate there should be. Mr. Champeau if Phase 2 (parcels 1B and 7A) went all market rate the break down would be 47% of housing as affordable, 43% as market rate and 10% of units as ownership.

Committee comment that there should be mixed-income and mixed-incomes within buildings, not in separate buildings, not comfortable stating that it will all be affordable, and assumed that the senior housing would be affordable.

Committee comment that the number of affordable housing should be way up as North Minneapolis is losing affordable housing to gentrification and concern that the model proposed could accelerate gentrification in North Minneapolis. So if there will be market rate want to see it mixed in to balance the power dynamic of people that have money and those that have less.

Committee comment to continue housing discussion on levels of ownership and what types. mixed-income housing across the site comments about mixed-income housing within buildings versus in separate buildings across the site.

Committee suggestion to create tabs in the Plan to allow people to jump to specific areas that they are interested in, and request to see the PDFs or photos of the dot voting posters from the February Committee work session, though Committee has already ironed out AMI for all projects and that 7A higher density was agreed upon as market rate.

Committee question about rendering for the venue included in draft Plan. Ms. Hicks responded that there will be a site plan from Design Day with concept or images that will be incorporated, we are catching up now that there was the bonding decision, but there will not be any renderings of it since it has not gone through the design process yet.

Committee comment to put more time on the agenda for the housing discussion, there have been many meetings about it but haven't been able to finish the discussion about what types of ownership, thought there were going to be higher levels of ownership.

Mr. Champeau noted that the point of sharing the draft Plan is to make sure everyone is on the same page about this and if not then it is a priority to cover it, and don't want to submit something that isn't reflective of the Committee's wishes.

Adjournment 7:46pm

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Next Upper Harbor Terminal Collaborative Planning Committee meeting: Nov 4, 2020

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