

Upper Harbor Terminal Collaborative Planning Committee Minutes

Regular Meeting
November 4, 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, and Makeda Zulu-Gillespie (Quorum: 9)

Members Absent: Gayle Smaller, Princess Titus and Courtney Schroeder

Staff : Hilary Holmes

Call To Order

1. Roll Call.

Quorum Present

2. Adoption of the agenda.

Action Taken: Adopted

Moved: English

Second: Newman

10 yay – 0 nay – 0 abstention. Passed.

3. Acceptance of minutes

[Oct 28, 2020 Upper Harbor Terminal Collaborative Planning Committee](#)

Action Taken: Accepted

Moved: Newman

Second: Willis

11 yay – 0 nay – 0 abstention. Passed.

Reports

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

Action Taken: No action taken

Mr. Hansen provided an update on centering the Coordinated Plan on American Descendants of Slavery (ADOS) and shared that City staff were scheduling a meeting with Civil Rights attorneys around how to center the process on ADOS residents.

Mr. Hansen addressed some confusing information that was reported in the Star Tribune last week around the environmental review process for the project. CPED is responsible for preparing documents related to environmental review. The Minnesota Environmental Review Program requires that environmental reviews be completed for projects which exceed certain thresholds. The nature, size, and location of a project determines if an environmental review is required. Environmental reviews are conducted by the Responsible Governmental Unit (RGU). In most cases, the City of Minneapolis is the RGU for projects located within Minneapolis. The law defines the content and scope of the review and the process and timeline for its completion.

The purpose of the environmental review is to disclose the potential environmental impacts of the project and identify ways to avoid or minimize them. Permitting agencies, including the city, rely on this information for their permitting decisions. The environmental review program has no authority of its own to require any response to the environmental effects disclosed, no matter how significant. It is left to the regulating authorities to implement the mitigative measures identified in the environmental review.

An AUAR will be completed for the Upper Harbor Terminal Project. The Alternative Urban Areawide Review (AUAR) is a form of environmental review that reviews a project's environmental setting, the potential environmental effects of the project, alternative scenarios, and a very specific mitigation plan.

The City can use an AUAR as a planning tool to understand how different development scenarios will affect the environment of their community before the development occurs. The process is designed to look at the cumulative impacts of anticipated development scenarios within a given geographic area, including noise, traffic and impact on cultural resources. Environmental analysis information from an AUAR can be used to inform local planning and zoning decisions.

The City Council will approve the scope of the proposed AUAR following a period of public comment and stakeholder review, which is anticipated to occur in early 2021. Once the AUAR analysis is complete and the proposed mitigation strategies are identified, the Minneapolis City Council will make a determination on the adequacy of study following another public comment period.

Once that has occurred, the normal development review process may begin. This includes the final design of the required infrastructure (roads, stormwater management, utilities, etc.) and site and building design for each individual component of the development. This will occur as each building within the development is brought forward for review. As with any development review process, this is a critical opportunity for community input and feedback.

Mr. Hansen noted that this information will be contained in the implementation chapter which will be shared with the committee next week, and that the process will begin prior to the approval of the Coordinated Plan by the City Council.

Committee question on update on GAF? Hilary Dvorak, City of Minneapolis, noted that the scope of the AUAR is limited to the site and the neighboring properties would have to consent to be a part of the AUAR, and that GAF is not included. Mr. Hansen noted that there is information on GAF from the Department of Health and promised to get more information on GAF to the Committee.

Committee question on if the domes will be included in the environmental review, what if the Committee wants them gone, how the Committee could advocate to have them demolished and if there will be a study of traffic and pollution. Ms. Dvorak responded that the site has been deemed a potential historic resource which means that as part of the AUAR. Ultimately, a demolition permit needs to be applied for to the Historic Preservation Commission- they would be deciding on the scope of the demolition plan, but that decision could be appealed to the City Council. During the demo permit, there would be public comment period before the demolition permit is issued, which would be completed after the AUAR is finalized. The process is using the plan that included the minimum demolition plan in the MPRB plan and will also be addressing

the maximum demolition plan. The SHPO is a reviewing agency as well. Ms. Dvorak noted that the AUAR will be studying soil and air pollution as well as traffic including new trips to the site. Ms. Dvorak can provide more details on this process as the AUAR process progresses.

Committee comment that that some of the engagement process indicated that there was interest in potentially reusing one of those domes.

Unfinished Business

5. Discussion on Recommendation Points and Review of Draft Coordinated Plan - Housing Affordability Strategy and Phasing

[11-4-20 UHT CPC UHT Housing Program and Phase 2 Options](#)

[11-4-20 UHT CPC Updated Recommendation Points for Coordinated Plan.pdf](#)

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

[2-22-20 UHT CPC Design Day Dot Voting Posters.pdf](#)

Action Taken: Continued to meeting of Nov 14, 2020

Brandon Champeau, United Properties, introduced additional housing information that was provided to supplement the housing section in the Draft Coordinated Plan following last week's meeting. He introduced the strategy that the development team has been using since the UHT CPC Design Day:

- i. Mixed Income with 1/3 of units affordable to households below 50% Area Median Income (AMI), 1/3 below 60% AMI and 1/3 below 70% AMI (which is effectively Market Rate) that would be on 1B (family sized units) and 6A (smaller units/workforce housing).
- ii. The proposal is to start with affordable housing and give the two best sites for affordable units (the two sites are around the park and with river views). Other components of the strategy are to increase the supply of affordable housing and not bring in completely unrestricted housing in Phase 1, both of which were designed to limit displacement and gentrification.
- iii. That would leave two sites for Phase 2, which might not start until 2025. Development team was looking for ideas and direction of what is wanted for Phase 2, but that could be revisited closer to 2025 and a decision made based on whether the developer/Community want more affordable, or want to introduce market rate, or more ownership opportunities based on how Phase 1 went. It would also allow a bit more flexibility in terms of program and density, which could help build a larger community. Higher density also allows the developments to deliver a higher land value, which in this case would mean a higher ground lease payment which would go to the community fund.
- iv. Overall, this community would be approximately 500 units with almost 1,000 residents with a mix of rental, some ownership in each building and programmatic uses & unit sizes. The ownership could be a mix of incomes with some sort of grant/land trust or primarily affordable depending on grant sources.

Mr. Champeau responded to a committee question on the number of units at the 70% AMI, by stating if there is an affordable project, the units have to average out at 60% AMI. The building could potentially include some higher income units, but then would need to offset that with a deeper level of affordability. He noted that about trying to achieve the income mix all in one building, it is virtually impossible to finance a truly mixed income building. So what is proposed is the income mix either by having affordable concentrated in the first two phases and the market rate would either be in the ownership units or in the second phase.

Mr. Champeau responded to a question on density for the potential market rate building in Phase 2 and stated the attainable buildings would be six-story (wood frame over concrete first floor). To go higher, would need to use steel (7-10 stories) or concrete (above 10 stories) which cost more to build which drives up the rent required. What is shown in Phase 2 is a 14-15 unit concrete structure, or potentially a high-rise timber frame or modular construction depending on the cost/rent structure in the future. Mr. Champeau clarified that what is being proposed is higher density on the corner of Dowling and 94 but low/medium density on the other parcels, which would require approval from the City because it exceeds the heights in the Critical Area/Shoreland Overlay district.

Mr. Hansen responded to a committee question on how the redevelopment contract with the City could be structured to ensure that the same benefits that are being discussed for Phase 1 are addressed in the second phase. Mr. Hansen mentioned that the Coordinated Plan should be the guide for the development and will codify what will be required and noted that the Committee could see the basic terms that go into a redevelopment agreement.

Committee comments regarding the proposed market rate building in Phase 2, that there would be some affordable units in the building, and that who occupies the market rate units matters, and to look into priority by zipcode and documentation of Northside residency.

Mr. Champeau presented the decision tree for the Phase 2 parcels and the affordability strategies that could be explored for 7A and 1B and what the outcomes would be in terms of affordability, program, timing and ground lease impact.

Mr. Champeau confirmed for the Committee that the points the Committee needs to address are:

- i. Are you supportive of the strategy for Phase 1? If so United Properties would immediately start searching for financing with Building Blocks.
- ii. Are you supportive of exceeding the Critical Area height limit (current proposed is 4-5 stories on the river), if not it would cut the number of units delivered. It was noted that the Critical Area/Shoreland Overlay were discussed as part of Committee Design Day and included in those materials.
- iii. What would you like to do in Phase 2? Do you want the development team to wait until Phase 1 is completed and give direction at that time? Do you want to give direction now saying that you are not supportive of a higher density market rate project at any time in the future?

Mr. Champeau clarified that 65% of the Phase 1 units would be delivered at affordable to an income of 30-50% AMI. The project-based section 8 comment was specifically noted to deliver even deeper affordability.

In response to Committee comment about the financing gap for the affordable housing that the developer can't formally start the process until they have the construction documents done and a full bid package with a construction bid, which means that the estimate on the gap not a final number. The gap can be filled with grants from government, foundations, etc as well as deferred developer fees from Building Blocks and United Properties.

Committee comment on the building heights, that the Above the Falls Advisory Committee will have concerns about the heights, but Committee member doesn't want to pit affordability against height, and need to get the community benefits codified including housing and jobs.

Mr. Champeau responded to a Committee question on any assurances that the affordability goals will be met by stating that while he can't promise that they can meet the fundraising gap or get Low Income Housing Tax Credit Financing, that United Properties is partnering with Devean George who has experience with delivering these affordable housing developments. United Properties and Mr. George are committed to working together.

Committee comment that there is a lot of opportunity to address sustainability, affordability and have a vibrant community and made the following points:

(1) the mix of 30-70% AMI is a wide range of incomes and would serve an important need to keep people in North Minneapolis

(2) in terms of Critical Area Overlay restrictions, if the Committee is able to follow through on goals of sustainability and environmental justice that are written into the plan for the construction and operation of the buildings, that is a good balance of protecting and respecting the river while providing housing that interacts with the river rather than the industrial nature of it now, and that the Committee will regret limiting the unit number to meet the height restrictions

(3) On Parcel 1A, leaning towards a senior cooperative and the stake in management of having ownership in a cooperative model would be nice to address the power dynamics discussed however senior affordable is important., and

(4) Hold off on making decision on 7A based on market conditions, but that the medium density might be preferred by the community even for the visual power dynamics, especially if the developments are able to target the Committee's definition of community.

Motion: "Support Phase 1 plan with the proposed affordability strategy with the understanding that 65% of Phase 1 is below 50% AMI and 33% is below 60% AMI."

Moved: Smith

Second: Newman

7 yay – 2 oppose – 1 abstention. Motion passed.

Committee comment on the height of the buildings and how that relates to protection of North and Northeast from environmental impacts, that this Committee is trying to meet every single thing with this project and don't understand push back for adding a few more levels of affordable units to this project.

Committee comment that if it's done correctly it would be ok. Another Committee comment that the site can have housing and respect the river.

Committee comment that with the 2040 Comprehensive Plan, there is clearly an effort in the City to increase density that is in the plan that has been approved. The City just approved the Broadway Pizza site, the density that they are putting in and extending their heights while providing no amenities and commercial space. By putting protection in here, it is important to have environmentally sound buildings, but this is consistent with the density increases across the city to address the affordability crisis. If the environmental impact study demonstrates that it is viable, then we are on the right page.

Committee comment/request if the City could identify any developments of this magnitude near this site. Mr. Hansen responded that he will look into it for developments along the river and within 5 mile radius.

Adjournment 7:48pm

Notice:

To join the meeting as a member of the public: Call in Number +1 612-276-6670 Conference ID: 284 923 182#

This meeting may involve the remote participation by members, either by telephone or other electronic means, due to the local public health emergency (novel coronavirus pandemic), pursuant to the provisions of MN Statutes Section 13D.021.

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: Nov 14, 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.