



Request for City Council Committee Action from the Department of Community Planning & Economic Development

Date: June 23, 2015

To: Council Member Lisa Goodman, Chair, Community Development and
Regulatory Services Committee

Subject: Award exclusive development rights to Indigenous Peoples Task Force for
City-owned property located at 2313 13th Avenue South

Recommendation:

1. Award exclusive development rights to the Indigenous Peoples Task Force to be the developer of the City-owned property at 2313 13th Avenue South for a period of twenty-four months with a possible extension of up to six months approvable by the CPED Director; and
2. Authorize staff to negotiate business terms with the Indigenous Peoples Task Force for a land sale redevelopment agreement subject to future City Council review and approval

Previous Directives: In 1991, 1992 and 1994 the Minneapolis Community Development Agency (MCDA) was authorized to acquire properties located on the two-blocks containing the former Lutheran Deaconess Hospital campus in the Ventura Village neighborhood. On September 26, 2003 the City Council awarded exclusive development rights to the American Indian Community Development Corporation (AICDC) for several dispersed City-owned properties, including 2313 13th Avenue South, to implement the Self-Sufficient Urban Indian Communities Initiative. On October 24, 2004 the City Council approved an extension of the exclusive development rights agreement. On July 1, 2005 the City Council approved the sale of 2313 13th Avenue South to the AICDC for the for the Pokegama South housing project. Exclusive development rights for 2313 13th Avenue South were subsequently extended by the City Council on January 16, 2007 and July 25, 2008. The new development was ultimately not pursued by AICDC whose development rights have expired, and the property remains in the City's development property inventory.

Department Information

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Approved by: D. Craig Taylor, Executive Director, CPED _____ Charles T. Lutz Deputy Director, CPED _____
Presenter in Committee: Mark Garner

Financial Impact

- Action is within the Business plan
- Indigenous Peoples Task Force has proposed to pay \$184,900 for the property, which is the appraised fair market value. If the property is ultimately sold, subject to City Council approved terms and conditions, the sale proceeds must be treated as CDBG program income.

Community Impact

- Neighborhood Notification: A 45-day notification letter was sent to Ventura Village Neighborhood Organization (VVNO) on May 8, 2015. On May 13, the VVNO General Membership meeting voted to support the purchase of 2313 13th Avenue South by the Indigenous Peoples Task Force in order to develop the Mikwanedun Audisookon Center for Art and Wellness.
- City Goals: Living Well: Neighborhoods have amenities to meet daily needs and live a healthy life; Residents and visitors have ample arts, cultural, entertainment and recreational opportunities; and One Minneapolis: Racial Inequalities (including in housing, education, income and health) are addressed and eliminated.
- Comprehensive Plan: Policy 6.14. Promote and enhance the quality of the urban environment to promote sustainable lifestyles for its citizens; and Policy 9.7.4. Include arts education as a criterion for determining City support for development of cultural facilities.
- Zoning Code: The parcel is zoned OR2 (high density office residence district) and the proposed development will comply.

Background

2313 13th Avenue South is a vacant City-owned development property located at the NE corner of 24th Street and 13th Avenue South, in Ward 6 in the Ventura Village Neighborhood. The parcel is 37,621 square feet (.82 acres) and is irregularly shaped (see attached map). The surrounding area includes a cluster of more intensive neighborhood-serving non-residential uses; including the Waite House, the Minnesota Indian Women's Resource Center and the American Indian Health Board; as well as lower density uses such as the 24th Street Community Gardens, single family houses, townhomes, and supportive housing. The subject property is zoned OR2 which is the High Density Office Residence District.

2313 13th Avenue South is the last remaining undeveloped site from a larger two-block land assembly completed by the City between 1991 and 1994 that included the former Lutheran Deaconess Hospital campus as well as several adjacent vacant and blighted single-family properties. Other sites created from the former campus were subdivided, sold and renovated or redeveloped during the past two decades. Between 2003 and 2009, the American Indian Community Development Corporation was awarded exclusive development rights to 2313 13th Avenue South, and made several unsuccessful attempts to secure financing and buyers to construct housing on the property, until its development rights expired. Until recently, there had been no market interest in the property since 2009.

Request for Proposals Process

In 2014, the Indigenous Peoples Task Force (IPTF), expressed interest in purchasing the City property at 2313 13th Avenue South. IPTF is a Native American provider of HIV education and direct services to the Native community in Minnesota. For over 26 years, IPTF has developed and implemented culturally appropriate programs to prevent further transmission of HIV, increase access to traditional and western medical services, improve the quality of life for clients, and promote health, employment opportunities and cultural well-being among native youth and adults. IPTF is the nonprofit owner/developer of the Maynidoowahdak Odena Housing Community, located on the adjacent property at 1321 23rd Street East, which provides 14-units of housing and support services for individuals and families living with HIV/AIDS and other medical disabilities.

Given this inquiry, in January, 2015, the CPED Director authorized the release of a Request for Proposals (RFP) for this property. The development goals for the RFP were to 1) Develop a commercial, institutional or public land use consistent with the zoning requirements of the OR2 district; 2) Serve the local community and promote equitable development by reducing disparities in available jobs, commercial or human services, or providing employment and entrepreneurship training; and 3) Implement and promote sustainable development.

The RFP was released on March 23, 2015 and only one proposal, from the Indigenous Peoples Task Force was received prior to the response deadline on April 20, 2015.

Development Proposal for Mikwanedun Audisookon Center for Art and Wellness

The Indigenous Peoples Task Force has proposed to construct a new community facility to be named the Mikwanedun Audisookon Art and Wellness Center. The two-story, 13,500 square foot Center is proposed to "provide office, educational and creative spaces needed to meet critical social and economic demands of the Native American Community, while improving the sense of belonging and prosperity in the Phillips Community."

The proposed project is intended to integrate and expand IPTF's current extensive culturally-based work focused on health issues such as HIV prevention and treatment, STD's, tobacco cessation, and childhood diabetes; while also improving services to residents in the Maynidoowahdak Odena Housing Community. The new Center will allow IPTF to significantly expand its existing art and theater-based health-educational programs for youth; and also create new employment opportunities, employment training and entrepreneurial training programs for youth and adults in traditional Native arts and foods and in green building technologies.

The new building will incorporate Indigenous-based design principles, building materials, ecological landscaping and renewable energy systems into the center's design and construction; utilizing methods that will lower energy and operational costs and reduce project environmental impacts. The project will provide new office and specialized program space for the Indigenous Peoples Task Force.

Letters of support for the project have been submitted by the Ventura Village Neighborhood Organization, Indian Health Board, Minneapolis American Indian Center, American Indian Community Development Corporation, Pillsbury United Communities, Native American Community Development Institute, and the Metropolitan Urban Indian Directors.

The Indigenous Peoples Task Force has extensive experience over the past 20-years in planning and implementation of programs ranging from health education and case management services, to youth skill and leadership training and employment, and supportive housing development. In 1995-1997 IPTF successfully managed the design, capital campaign and construction of the 14-unit Manidoowaydak Odena Housing Community, with a total development budget of \$2.2 million.

IPTF's current annual budget of \$1.2 million is supported primarily through state, federal and foundation grants; anchored by successful established relationships with the Center for Disease Control, Administration for Native Americans, Minnesota Department of Health, Minnesota Office of Minority Health, Minnesota Department of Human Services, and the Minnesota Housing Finance Agency, among others. More than a dozen notable local and national foundations have made multiple grants to support IPTF projects and programs.

IPTF has assembled an experienced development team and capital campaign committee with strong qualifications to complete the project.

The Art and Wellness Center will represent a \$2.78 million investment in the Phillips neighborhood along with approximately \$300,000 in additional programming expenditures annually. IPTF has offered to pay \$184,960, the appraised value of the property, to purchase the City-owned development parcel.

In order to launch the capital campaign and secure financing commitments for the Mikwanedun Audisookon Art and Wellness Center project, IPTF has requested exclusive development rights for the property located at 2313 13th Avenue South. The schedule for completing the capital campaign is 18 to 20 months. The IPTF project schedule calls for closing on the City-owned property and start of construction in the spring of 2017; with anticipated date of building occupancy in May 2018.

Recommendation

A multidisciplinary City review team consisting of CPED and Finance staff evaluated the Indigenous Peoples Task Force proposal. Evaluation criteria included:

- Extent to which the proposed project meets the site development goals;
- Project compliance with City land use policies and zoning;
- Experience, financial, and organizational capacity of the development team;
- Community input;
- Quality of proposed development, including preliminary plans;
- Market and community demand for proposed services;
- Project finance plan, proposed budget and funding sources, and feasibility;
- Realistic project schedule and level of project readiness;
- Public benefits of the proposed project; and
- Overall quality of proposal.

The review team was impressed with the experience and accomplishments of the Indigenous Peoples Task Force; the quality of the pre-development, finance and program development planning for the proposed Art and Wellness Center project; and the breadth of potential public benefits from the project. IPTF has established strong community support, a qualified development team, a strong network of potential funding partners and financing sources for this project, and has a systematic capital campaign plan to pursue the required funding.

Staff recommends that the City Council award exclusive development rights to the Indigenous Peoples Task Force to be the developer of the City-owned property at 2313 13th Avenue South for a period of twenty-four months, with a possible extension of up to six additional months approvable by the CPED Director if the project is moving towards successful implementation.

Staff requests authorization to negotiate business terms with the Indigenous Peoples Task Force for a land sale redevelopment agreement which will be subject to future City Council review and approval after the IPTF has achieved significant progress in its design development, land use approvals, capital campaign and financing commitments for the Mikwanedun Audisookon Center for Art and Wellness project.