

City of Minneapolis
Request for Committee Action

To: Ways & Means
Date: 12/7/2015
From: Finance & Property Services
Prepared by: Greg Goeke, Director of Property Services
Presented by: Greg Goeke
File type: Action
Subcategory: Contracts & Agreements

Subject:

Property Redevelopment in the Vicinity of 340 - 27th Ave NE for Municipal Operations

Description:

1. Authorizing Finance and Property Services to proceed with project implementation to redevelop 340 - 27th Ave NE for Municipal Operations purposes.
2. Authorizing the acquisition by negotiation of four parcels of vacant land adjacent to 340 – 27th Ave NE to be included in the redevelopment project.
3. Authorizing the acquisition by negotiation of the adjacent portion of 2547 - 5th St NE to be included in the redevelopment project.
4. Authorizing Finance and Property Services to negotiate and draft development and operations agreement(s) with the Minneapolis Park and Recreation Board for their inclusion in the redevelopment project.

Previous Actions:

December 10, 2014 – Approval of the 2015 – 2019 Capital Budget - Resolution 2014R-520
May 28, 2010 - Authorized the acquisition of 340 - 27th Ave NE

Ward/Address:

Ward 1
340 - 27th Ave NE

Background/Analysis:

In 2010, the City purchased 6.5 acres at 340 - 27th Ave NE to create a joint City-Hennepin County Recycling and Drop-off Center. The project was later abandoned by Hennepin County but the City has retained ownership of the property to meet the long term needs for municipal operations.

The City's Facilities, Space and Asset Management (FSAM) committee is recommending the property now be developed into a municipal operations campus that will facilitate a variety of large scale storage and maintenance needs. Several departments, such as Police, Public Works, Regulatory Services, and Emergency Management, could co-locate at the storage and maintenance facility, increasing the City's operational efficiencies.

Potential Partnership with Minneapolis Park and Recreation Board

This site could also address the infrastructure needs of other governmental agencies. The Minneapolis Park and Recreation Board (MPRB) has unmet storage and maintenance needs in

the northern half of the City that could potentially be accommodated at this location. Initial conversations with MPRB staff have been positive about this potential partnership. The inclusion of the MPRB is also consistent with the strategic real estate planning guidelines described in the attached *Siting of Public Facilities* document.

FSAM is recommending that the MPRB operational needs in this area be included in the City's initial planning, design and cost estimating activities. If pursued, accommodating the MPRB's programmed needs at the 340 – 27th Ave NE campus would need approval by both governmental units and to be memorialized in a development agreement detailing the MPRB's financial contribution to the project.

Additional Property to be Acquired

The FSAM committee also recommends the acquisition by negotiation of the four adjacent parcels owned by the State of Minnesota and a portion of the 2547 - 5th St NE parcel. These purchases would enhance the site utilization and allow the co-locations of compatible workgroups. Staff is prepared to start the "due diligence" process, such as obtaining property appraisals and environmental investigations. Assuming favorable results, staff is requesting authorization to begin formal negotiations for the acquisitions of the following properties shown on the attached map:

1. Four parcels along the Southeast corner of the intersection of 27th and University Aves NE. This is vacant land and three of the four parcels are owned by the State of Minnesota. On the fourth parcel, the State of Minnesota has a right-of-way easement but the underlying fee title is jointly owned by three limited liability companies – Geneva Exchange Fund XX, Fuller Ave Estates and Jefferson Parkway Estates. The properties lie adjacent to the City's land at 340 - 27th Ave NE and are zoned I2 Industrial.
2. The North part of the parcel addressed as 2547 5th St NE, also lying adjacent to 340 - 27th Ave NE. This is a large parcel containing several mini-storage buildings next to the railroad. Staff recommends acquiring only the portion immediately adjacent to the City-owned property. This would impact only the most northerly mini-storage building. The parcel is zoned I1 Industrial and is owned by Acorn Mini-Storage IV, LLC.

These proposed acquisitions were considered at the November 16, 2015, Planning Commission meeting which ruled that they were consistent with the City's Comprehensive Plan.

Staff will return to the City Council for approval of the price, funding source and purchase terms when negotiations are completed.

Project Implementation

Finance and Property Services (FPS), with guidance and direction from the FSAM committee, will develop and evaluate several site design concepts to meet the City's long-term strategic real estate needs. Design alternatives will consider the MPRB's program needs in that part of the City. Depending on the recommended site concept, additional property acquisitions may be required to meet municipal needs. In that event, City staff would seek additional authorization from the City Council.

The initial goals for the project will be to: 1) design and construct a Leadership in Energy and Environmental Design (LEED) site and facility; 2) be a good neighbor by buffering the campus from residential properties; 3) provide for the inclusion of bicycle and walking paths; 4) study

and mitigate traffic impacts; and 5) build for density to create the most effective and efficient use of land.

Community Engagement

City and MPRB staff collaboratively will engage the community as the initial conceptual design process begins.

Other Benefits

The development of this property also provides opportunities for the City to sell property in other parts of the City for redevelopment. This new municipal operations campus will facilitate shared use of space, equipment, and staffing as well as improved coordination of work activities.

FPS will update financial plans for the project as part of the 2016 -2020 capital budgeting process.

Financial Review:

No additional appropriation required, amount included in current budget.

Future budget impact anticipated.

Funding will be included in the Capital Budget request for 2016 – 2020.

Approved by the Permanent Review Committee.

Not applicable

Meets Small and Underutilized Business Program goals.

Attachments:

1. Site Plan_RCA
2. *Siting of Public Facilities_RCA*

W&M – Your Committee recommends that Finance and Property Services be authorized to proceed with project implementation to redevelop property in the vicinity of 340 - 27th Ave NE for Municipal Operations purposes.

Your Committee further recommends that Finance and Property Services be authorized to acquire four parcels of vacant land adjacent to 340 – 27th Ave NE through negotiations. The properties are legally described as Block 1, B.S. Wright’s Addition to Minneapolis and unplatted land in the West half of the Northwest Quarter of Section 11, Township 29, Range 24 as described in Certificate of Title No. 1190790. Staff is further authorized to proceed with Torrens title registration or proceedings subsequent as needed to ensure clear title to these parcels.

Your Committee further recommends that Finance and Property Services be authorized to acquire the adjacent portion of 2547 - 5th St NE through negotiations. The property is legally described as part of Auditors Subdivision No. 89, Hennepin County. Staff is further authorized to proceed with Torrens title registration or proceedings subsequent as needed to ensure clear title to these parcels.

Your Committee further recommends that Finance and Property Services be authorized to negotiate and draft development and operations agreement(s) with the Minneapolis Park and Recreation Board for their inclusion in the redevelopment project.