

City of Minneapolis

Request for Committee Action

To: Community Development & Regulatory Services
Date: 6/21/2016
Referral: N/A
From: Community Planning & Economic Development
Lead Staff: Tiffany Glasper, Sr. Project Coordinator – Residential Finance, x5221
Presented by: Tiffany Glasper, Sr. Project Coordinator – Residential Finance, x 5221
File Type: Action
Subcategory: Contract/Agreement

Subject:

Awarding Exclusive Development Rights to CGG, LLC – Commons @ Penn Phase II

Description:

Awarding exclusive development rights to CGG, LLC for a period not to exceed 24 months on three City-owned parcels at 2200 Golden Valley Road, 1911 Penn Avenue North, 1915 Penn Avenue North.

Previous Actions:

None.

Ward/Address:

Ward 5

2200 Golden Valley Road (TF 168), 1911 Penn Avenue North (TF 911) and 1915 Penn Avenue North (3L 009)

Background/Analysis:

All of the subject parcels are located within the Penn Avenue North Redevelopment Project Area and are identified as “Properties that May Be Acquired.” The Penn Avenue North Redevelopment Plan was adopted by the Minneapolis City Council in January 2012.

The subject parcels were acquired at various times over the last four years through a variety of means including tax forfeiture and voluntary purchase from private parties. Detailed information about the property acquisition and holding costs would be included in a future land sale report if any of the subject parcels are sold for redevelopment. It is anticipated that the proposed redevelopment activity will conform to the provisions of the Penn Avenue North Redevelopment Plan. However, if necessary, a modification to the plan will be presented for Council approval prior to the sale of any properties.

CGG, LLC has submitted a request for exclusive development rights for the City owned properties at 1911 and 1915 Penn Avenue North and 2200 Golden Valley Road. CGG, LLC has also submitted documentation to show site control of three adjacent parcels located at 1906, 1910 and 1914 Queen Avenue North. The developer intends to assemble the City-owned parcels with the parcels they own to create a larger site. They are proposing to develop the site as a four-story, mixed-use, mixed-income building containing approximately 40 units of rental housing above 16,000 square feet of commercial/retail space. The commercial space is proposed to be occupied by a local restaurant, a health care facility, Building Blocks office space and North Community Baptist Church.

The proposed project would also include underground parking for the rental tenants and a variety of public pedestrian amenities.

This project would bring additional housing units and commercial activity to this community, which has seen significant population loss over the last several years. The project will also continue the development momentum at this node and activate this corner.

CGG, LLC is requesting and staff is recommending approval of exclusive development rights for the three City-owned properties that are the subject of this report for a period not to exceed 24 months in order to allow the developer adequate time to refine their development plans and secure project financing. CGG, LLC will pay holding costs equal to \$2,000 per lot per year for the 24-month term.

Financial Review:

Select financial statement.

Future budget impact anticipated.

The developer will pay the City's property management costs during the term of the agreement, alleviating the City's financial burden.

Approved by the Permanent Review Committee.

Meets Small and Underutilized Business Program goals.

Attachments: