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**AVAILABILITY OF THE
Environmental Assessment for the
Nicollet Hotel Block Project**

**Prepared by the City of Minneapolis for the United States Department of Transportation,
Federal Transit Administration**

Distribution date: May 26, 2005

The Environmental Assessment (EA) for the Nicollet Hotel Block Project is now available. This EA is being distributed to the public. It is also available for review on the City of Minneapolis web site: <http://www.ci.minneapolis.mn.us/planning>. Paper copies of this EA can be provided to individuals or on a compact disk by request to Michael Orange, Principal Planner: michael.orange@ci.minneapolis.mn.us.

The Nicollet Hotel Block Project (Project) includes two major components: The North Terminal (Terminal) and a private, mixed-use development that will be above it (Private Development). The Project will include a below-grade bus layover facility with capacity for the layover of 26 buses (including to articulated buses). It will have an interior, at-grade, passenger waiting area that will have access to the street and to the second-story skyway system via a new skyway that will be built between the Private Development and the new Central Library. When the Project opens, it is expected to accommodate approximately 1,000 daily bus trips to and from the facility. It will be operated by the region's public transit authority, Metro Transit, which is an agency of the regional government, the Metropolitan Council of the Twin Cities. The Private Development portion will be a mixed-use project that will include approximately 300 dwelling units, parking for the residents, and retail on the first and second floors. The City will select a private developer that will purchase the site and construct the Project. Federal funds will be used for the transit eligible portions of the Project.

A 30-day public comment period will commence beginning on the above distribution date. Responses and comments on the EA can be submitted within the comment period to Mr. Orange. For further information and to submit comments on the EA, contact J. Michael Orange, Principal Planner, at the above postal and email addresses and by telephone at 612-673-2347. Electronic submissions (email, emailed attachments in Word, and discs containing Word documents) are preferred.

Nicollet Hotel Block Project

Environmental Assessment

**City of Minneapolis
U.S. Department of Transportation,
Federal Transit Administration**

May 26, 2005

**Environmental Assessment for the
Nicollet Hotel Block Project**
per the
**National Environmental Policy Act (24 CFR Part 58)
and the National Historic Preservation Act (36 CFR Part 800)**

**Located on the block bounded by the Nicollet Mall, Hennepin Ave, Washington Ave. S.,
and 3rd St. S.**

**Prepared by the Minneapolis Community Planning and Economic Development
Department (CPED) for the City of Minneapolis and the United States Department of
Transportation, Federal Transit Administration**

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This document is an Environmental Assessment (EA) prepared by the City of Minneapolis on behalf of the United States Department of Transportation, Federal Transit Administration regarding the Nicollet Hotel Block Project. It is prepared pursuant to the National Environmental Policy Act, most specifically 24 CFR Part 58, the National Historic Preservation Act (36 CFR Part 800), and all applicable rules and regulations at both the federal and state levels. Consistent with 36 CFR Part 800.8 (c), it is also intended to meet the requirements of Section 106 of the National Historic Preservation Act.

This EA is being distributed to the public, local news media, libraries, and appropriate governmental agencies listed in Section 4 of the EA. **A 30-day public comment period will commence beginning on the date of distribution found on the transmittal letter.** Responses and comments on the EA can be submitted within the public comment period to Mr. Orange at the addresses listed above.

If you need more information or have special needs, please call the Minneapolis Planning Division of CPED at 612-673-2597.

Table of Contents

	<u>Page</u>
Definition of Terms.....	1
About this Environmental Assessment	2
Executive Summary and Summary Chart of Potential Environmental and Social Impacts	3
Section 1: Description of and Need for the Proposed Action	5
A. Project Description	5
B. Need for the Project	8
C. Background Information and Public Involvement.....	8
Section 2: Alternatives to the Proposed Action.....	10
Section 3: Environmental Impacts of the Two Alternatives	11
A. Land Acquisition and Displacements	11
B. Land Use and Zoning.....	11
C. Air Quality	12
D. Noise	14
E. Water Quality.....	15
F. Hazardous Waste Contamination.....	16
G. Wetlands	17
H. Flooding	17
I. Navigable Waterways and Coastal Zones.....	17
J. Ecologically Sensitive Areas	18
K. Endangered Species	18
L. Traffic and Parking	18
M. Energy Requirements and Potential for Conservation.....	19
N. Historic Properties and Parklands	20
O. Construction.....	22
P. Aesthetics.....	28
Q. Community Disruption	28
R. Safety and Security	29
S. Secondary Development	30
T. Consistency with Local Plans	30
Section 4: List of Agencies and Persons Consulted, EA Preparers, and Distribution List.....	32
A. List of Agencies and Persons Consulted.....	32
B. Environmental Assessment Preparers.....	32
C. Distribution List.....	33
Attachments:	34
1. Site location on aerial photo	
2. Downtown zoning and planning districts	
3. Existing land use	
4. Summary of the Nicollet Mall Shuttle Project and the Circulator Project	
5. Assumptions for the Build Alternative	
6. Current bus layover sites in north part of Downtown and consolidation analysis	
7. Terminal design	
8. Traffic analysis and TAZ Districts	
9. Air quality analysis	
10. Historic analysis	
11. Consistency with adopted plans and policies	
12. FTA letter to the National Advisory Council on Historic Preservation, 4/29/05	

Definition of Terms

For the sake of clarity, this document relies on several terms, which are defined as follows:

- **Nicollet Hotel Block Project (Project):** The term refers to the Project that is the subject of this Environmental Assessment. It has two major components: The North Terminal and the Private Development. The use of the capitalized word “Project” will refer to both of these components.
- **North Terminal (Terminal):** The term refers to the at-grade and below-grade transit terminal that is the subject of this Environmental Assessment.
- **Private Development (Private Development):** The term refers to the private development to be built above the Terminal.
- **Nicollet Hotel Block (Block):** The block bounded by the Nicollet Mall, Hennepin Ave., Washington Ave. S., and 3rd St. S. This is the former site of the Nicollet Hotel and the current site of the Nicollet Hotel Block Project.
- **Transit-oriented development (TOD):** Development that is designed to be complementary with and oriented towards transit and the other alternatives to the private vehicle (bicycles, car pools, pedestrians). The design will pay closer attention to the pedestrian-oriented streetscape and less emphasis on accommodating the private vehicle.
- **Developer:** The private developer that the City will select to build the Terminal and the Private Development.
- **Federal Transit Administration (FTA):** The federal agency that is responsible for the grant funds that will be used to support the Project.
- **Metro Transit:** The transit agency of the regional government, the Metropolitan Council of the Twin Cities.
- **Project Alternatives:** The City studied two alternatives: The Build Alternative and the No Build Alternative that assumes a private development on the site but no transit functions. The City’s preferred alternative is the Build Alternative.

About this Environmental Assessment

The Nicollet Hotel Block Project qualifies as a Class 3 action as defined by the National Environmental Policy Act and the Federal Department of Transportation/Urban Mass Transportation Administration Circular 5620.1 (10/16/79): Transit or inter-modal terminal Class 3 actions “are actions in which the significance of the impacts on the environment is not clearly established and for which an Environmental Assessment is prepared to determine the probable impacts. If significant impacts are uncovered during the preparation of an Environmental Assessment, an Environmental Impact Statement is required; otherwise, a Finding of No Significant Impact is required” (p. 7). The above circular at page 10 also defines the level of detail needed for the analysis: “For example, if a preliminary review of the characteristics of the proposed project and its location indicates that there will be no significant impacts in a category such as noise, then no further detailed analysis in that category is required. Detailed analysis is required only when the potential for significant impacts exists.”

The City has a fully developed concept plan for the Project but has not selected the Private Developer for both parts of the Project and has not determined the exact design of the Private Development. However, this EA includes reasonable assumptions regarding the nature of the Private Development. For example, Attachment 5 describes these assumptions as regards uses, unit size, likely scale and massing of the development, and number of parking stalls. In the event the Private Development has potential impacts that are materially greater than those studied herein, the City and the FTA will amend this EA prior to the issuance of any permits for the Project.

Executive Summary

Two major components of the Project: The Nicollet Hotel Block Project (Project) includes two major components: The North Terminal (Terminal) and a private, mixed-use development that will be above it (Private Development). The Project will include a below-grade bus layover facility with a capacity for the layover of 26 buses (including two articulated buses). It will have an interior, at-grade, passenger waiting area that will have access to the street and to the second-story skyway system via a new skyway that will be built between the Private Development and the new Central Library. When the Project opens, it is expected to accommodate approximately 1,000 daily bus trips to and from the facility. It will be operated by the region's public transit authority, Metro Transit, which is an agency of the regional government, the Metropolitan Council of the Twin Cities. The Private Development will be a mixed-use project that will include approximately 300 dwelling units, parking for the residents, and retail on the first and second floors. The City will select a private developer (Developer) that will purchase the site and construct the Project. Federal funds will be used for the transit eligible portions of the Project.

Current conditions: The site for the Project is the Nicollet Hotel Block (Block) which is bounded by the Nicollet Mall (the City's primary Downtown retail mall), Hennepin Ave. (Downtown's entertainment street with theaters, restaurants, and other attractions), Washington Ave. S. (a key connector street between the North Loop and Mills District areas which are undergoing revitalization), and 3rd St. S. (an important street within the Downtown Core area). The City used Federal Transit Administration (FTA) funds to purchase the site in 1993. Currently, Metro Transit, the region's transit agency, uses a portion the Block as a bus layover site with three to four layover stalls that serve 6 routes and 180 layovers on the average business day. The City uses the remaining portion of the Block as a parking lot for 180 vehicles.

Alternatives: Two alternatives meeting differing objectives were considered: The Build Alternative is the one described above in the first part of this section. It is the preferred alternative selected for implementation. The No Build Alternative assumes no change on the site from current conditions.

The following chart summarizes the potential environmental and social impacts for the Build and No Build Alternatives:

Environmental Assessment - Nicollet Hotel Block Project

Nicollet Hotel Block Environmental Assessment: Summary of Potential Environmental and Social Impacts					
	Category	Alternative	Not Significant	Possibly Significant	Significant
A	Land acquisitions and displacements	Build	X		
		No Build	X		
B	Land use and zoning	Build	X		
		No Build	X		
C	Air quality	Build	X		
		No Build	X		
D	Noise	Build	X		
		No Build	X		
E	Water Quality	Build	X		
		No Build	X		
F	Hazardous Waste Contamination	Build		X	
		No Build	X		
G	Wetlands	Build	X		
		No Build	X		
H	Flooding	Build	X		
		No Build	X		
I	Navigable waterways and coastal zones	Build	X		
		No Build	X		
J	Ecologically sensitive areas	Build	X		
		No Build	X		
K	Endangered species	Build	X		
		No Build	X		
L	Traffic and parking	Build	X		
		No Build	X		
M	Energy requirements and potential for conservation	Build	X		
		No Build	X		
N	Historic properties and parklands	Build		X	
		No Build	X		
O	Construction	Build		X	
		No Build	X		
P	Aesthetics	Build	X		
		No Build	X		
Q	Community disruption	Build	X		
		No Build	X		
R	Safety and security	Build	X		
		No Build	X		
S	Secondary development	Build	X		
		No Build	X		
T	Consistency with local plans	Build	X		
		No Build	X		

Section 1: Description of and Need for Proposed Action

A. Project Description

Two major components: The Nicollet Hotel Block Project (Project) includes two major components: The North Terminal (Terminal) and a private, mixed-use development that will be above it (Private Development). The Project will include a below-grade bus layover facility with a capacity for the layover of 26 buses (including two articulated buses). It will have an interior, at-grade, passenger waiting area that will have access to the street and to the second-story skyway system via a new skyway that will be built between the Private Development and the new Central Library. When the Project opens, it is expected to accommodate approximately 1,000 daily bus trips to and from the facility. It will be operated by the region's public transit authority, Metro Transit, which is an agency of the regional government, the Metropolitan Council of the Twin Cities. The Private Development will be a mixed-use project that will include approximately 300 dwelling units, parking for the residents, and retail on the first and second floors. The City will select a private developer (Developer) that will purchase the site and construct the Project. Federal funds will be used for the transit eligible portions of the Project.

Current conditions: The address for the Project is 200 Nicollet Mall and is referred to as the Nicollet Hotel Block (Block) in this EA (Property Identification Number: 22-029-24-41-0107). It contains 74,378 sq. ft. which is about 75% of a normal block in Minneapolis Downtown District. It is bounded by the Nicollet Mall (the City's primary Downtown retail mall), Hennepin Ave. (Downtown's entertainment street with theaters, restaurants, and other attractions), Washington Ave. S. (a key connector street between the North Loop and Mills District areas which are undergoing revitalization), and 3rd St. S. (an important street within the Downtown Core area). Currently, Metro Transit, the region's transit agency, uses a portion the Block as a bus layover site with three to four layover stalls that serve 6 routes and 180 layovers on the average business day. The City uses the remaining portion of the Block as a parking lot for 180 vehicles.

The City of Minneapolis is also taking steps to build on the recent Downtown development momentum by continuing to revitalize the City. A number of major developments are being added to a downtown that already serves as a successful commercial, retail, entertainment, and cultural center for the five-state Upper Midwest Region. Some of these projects include the construction of a new Guthrie Theater; a new Central Library; a major addition to the Walker Art Center; recent completion of Block E, a hotel and entertainment complex; Heritage Park, a large housing development west of downtown; new housing along the Mississippi River; and the addition of a major light rail train line connecting Downtown with the Minneapolis/Saint Paul International Airport and the Mall of America.

The Block is adjacent to the new Minneapolis Central Public Library, designed by Cesar Pelli and currently under construction. With the recent start of the Hiawatha Light Rail Transit (which officially opened on June 26, 2004), the construction of the new Central Library, and dramatic Downtown growth, the City is convinced that this site is now poised to again play a pivotal role in Downtown redevelopment. The City has also placed a high priority on encouraging transit-oriented development (TOD) in Downtown and especially in its transportation corridors and the new LRT corridor.

The City is enhancing its multi-modal transit system in order to make movement around the City much easier over the next decade. The Nicollet Hotel Block is a prominent example of a TOD site within the Downtown Core area. It is only two blocks from two of the four downtown LRT stations. The development objectives for this block call for a high-density, multi-use development with transit as a central element in terms of a publicly funded, below-grade, transit terminal.

Terminal design characteristics: The City studied four options for the Terminal design and chose the one that most complied with the primary goal to maximize the number of layover stalls while also maximizing the commercial frontage and space on Hennepin Ave. and the Nicollet Mall, which are the two primary commercial streets Downtown. The chosen design, called Option 1 (Attachment 7), includes commercial along the full block-face along the Mall and 15,500 sq. ft. of commercial space that fronts on Hennepin Ave. The Terminal will have the following physical components:

1. The Terminal will include a below-grade bus layover facility with a capacity for the layover of 26 buses including two 90-foot articulated buses. There will be at-grade bus access to the facility with ingress from 3rd St. and egress on to Washington Ave.
2. The Terminal will include an interior, at-grade, passenger waiting area to allow passengers to disembark from buses after they have entered the Terminal entrance and to board buses before they exit the Terminal.
3. The passenger waiting area will have access to the Nicollet Mall and to the second floor of the building. The Private Development includes a skyway connection to the Central Library project under construction in the block to the south. From there, people will have access to the City's existing second-story skyway system.
4. The Terminal will include access for parking and loading for the Private Development including at-grade loading for the retail uses.

Some of the bus parking spaces will be used by Downtown Circulator buses, which will operate on the Mall (Attachment 4 includes a map of the Circulator routes). Most of the buses that will layover will be regular route buses.

Current and future layover capacity: Currently on the average business day, there are 12 sites in the north end of Downtown that accommodate approximately 700 layover of buses that serve 46 routes. The layover facility on the Block accommodates 6 routes and about 180 of these layovers. The Terminal will permit the consolidation of about 86% of these layovers in its underground facility. The following shows conditions in 2009, about a year or two after the Terminal will open.

While the Terminal will be able to handle about 625 layovers, there may still be a need to retain about 4 on-street layover sites for the remaining 105 layovers expected in 2009. Peak-hour bus trips to and from the Block will increase from 42 trips currently to 208 trips, and total trips on the average business day will increase from 360 to about 1,000. The chart also predicts 2009 conditions for the No Build Alternative.

Environmental Assessment - Nicollet Hotel Block Project

North Terminal Project: Summary of the Current, Build, and No Build Conditions			
	Current Conditions	2009 Build Conditions (1)	2009 No Build Conditions
Commercial space	None	85,000 sq. ft.	None
Housing units	None	300	None
Structured parking for on-site housing	None	0.9 to 1.5 stalls per DU = about 360	None
Surface public parking	180 stalls	none	180 stalls
Bus layover stalls	4	26	4
Average Business Day Conditions			
On-site layovers	180 layovers (26% of total)	625 layovers (86% of total)	180 layovers (25% of total)
North Side on-street layover sites (not including Terminal site) (2)	11 sites and 520 layovers	4 sites and about 105 layovers	15 sites and 550 layovers
Total North Side layover sites (2)	12 sites and 700 layovers	5 sites and about 730 layovers	16 sites and 730 layovers
Bus trips to/from project site	360	1,000	360
PM peak hour bus trips to/from project site	42	208	42
(1) Assumes an annual base transit growth of approximately 1%			
(2) Some layover sites have two stalls			

1. **Private Development:** The Project also includes a Private Development built above the Terminal as previously described in this section.

Construction timing: The City hopes to select the Developer and begin construction in 2006 with a desired completion of the Project in late 2007 or 2008.

B. Need for the Project

The City and Metro Transit receive numerous complaints from property owners located near existing on-street layovers asking for the removal of the bus layovers. Lack of alternative locations prohibits accommodation of most of these requests. The Terminal should allow the elimination of 7 existing, on-street, bus layover sites, and consolidate 445 layovers within the Terminal that otherwise would have to be accommodated on-street (625 total capacity less the 180 currently on site). The strategic location of the Project will reduce bus traffic on City streets by eliminating travel to/from these remote layover sites. Metro Transit estimated in 2002 that the consolidation of these bus layovers would save an estimated \$350,000 in annual operating costs (refer to Attachment 6).

The demand for bus layover space in Downtown is expected to grow over time as commercial, institutional, employment, recreational, entertainment, and housing continues to grow. In addition to Downtown growth, significant transit service growth is anticipated and this growth will increase the demand for new layover spaces. New service for the proposed Northwest Corridor/Busway that will connect Minneapolis to Rogers, Minnesota will require an estimated 7 layover locations at start-up with future growth anticipated. The Minnesota Legislature is expected to continue incremental funding to build the region's first commuter rail line to the northwest from Downtown Minneapolis eventually to St. Cloud, Minnesota. Future LRT lines with Downtown as the transit hub are also anticipated as the Legislature increasingly recognizes the ability of transit to mitigate the region's geometric increase in congestion. A study by the City's Planning Division (available upon request) predicts a 38% increase in Downtown transit ridership between 2003 and 2020. This is an indicator of the probable long-term growth in the need for Downtown layover facilities as well, and the associated pressure to reduce them on City streets.

The Project is an important component of the proposed Downtown Circulator. This service will connect with existing Downtown bus service and with LRT. The Circulator will operate along the Nicollet Mall and directly connect with the Project to serve Downtown residents, commuters, visitors, shoppers, and entertainment venue users (Attachment 4 shows the route).

In sum, the Project will allow Metro Transit to bring non-through buses to a central point for layover. This will 1) reduce on-street layovers, 2) reduce the added bus travel time to the currently scattered layover sites, 3) reduce Downtown congestion and air pollution, 4) save bus travel costs, 5) provide a layover for Circulator buses, and 6) provide a staging point for the southbound Circulator to meet the City's light rail transit cars at the Nicollet Mall Station.

C. Background information and Public Involvement

Public input: The public involvement in this project has spanned more than a decade. The City and Metro Transit created a task force early on that has worked on this project for many years. It later became the Downtown Circulator Task Force. In addition to staff from the City and Metro Transit, members included representatives of the Downtown Council, the Downtown Building Owners and Managers Association, and the Downtown Minneapolis Neighborhood Association.

Environmental Assessment - Nicollet Hotel Block Project

All meetings complied with the Minnesota Open Meeting Law. Over the years, the Project and its predecessor, the Nicollet Mall Shuttle Project, were the subject of several newspaper articles.

The City maintains a nationally recognized citizen information system and a citywide network of certified citizen groups (business, neighborhood, community, other) in order to facilitate public input on City decisions. From the very start in the late 1980s, the City involved business and community leaders in the design of the original Nicollet Mall Shuttle project. All of the grant applications required City Council authorization and this process required the use of the City's formal public information system. This system involves electronic notification to hundreds of citizen groups, newspapers, and electronic media outlets. Various City Council committees approved every stage of the original Nicollet Mall Shuttle project and its successor, the Circulator Project, and each of these meetings benefited from the City's public information notification and public comment. The same is true of the subject Project. In addition, this EA will go out for a 30-day public comment period. More recently, the City has added "e-government" services. All public notices, public meetings, hearings, and most major reports, including this EA, are available on the City's web site.

The prior Environmental Assessment: In 1991, the City completed a Environmental Assessment (EA) for the original Nicollet Mall Shuttle project ("Nicollet Transit Mall Shuttle Project: Phase I and II Applications to the Urban Mass Transit Administration Section 3 Capital Grant Program, City of Minneapolis, 1/31/91," available upon request). Since there has been substantive change with the current Project, the prior EA does not apply to this Project and thus the subject EA is required.

Section 2: Alternatives to the Proposed Action

Two alternatives meeting differing objectives were considered:

- Build Alternative:** The Build Alternative is the one detailed on page 9 in Section 1 A, Project Description. It is the preferred alternative selected for implementation. It includes two major components: The Terminal and a the Private Development. The Project will include a below-grade bus layover facility with a capacity for the layover of 26 buses (including two articulated buses). It will have an interior, at-grade, passenger waiting area that will have access to the street and to the second-story skyway system via a new skyway that will be built between the Private Development and the new Central Library. When the Terminal opens, it is expected to accommodate approximately 1,000 daily bus trips to and from the facility. It will be operated by the region's public transit authority, Metro Transit, which is an agency of the regional government, the Metropolitan Council of the Twin Cities. The City will select a Developer to purchase the site and construct the Project. The Private Development portion will be a mixed-use project that will include approximately 300 dwelling units, parking for the residents, and retail on the first and second floors. The City hopes to select the Developer and begin construction in 2006 with a desired completion of the Project in late 2007 or early 2008. Federal funds will be provided for the transit eligible portions of the Project.
- **No-Build Alternative:** This alternative assumes no change on the site from current conditions. Currently, Metro Transit, the region's transit agency, uses a portion the Block as a bus layover site with three to four layover stalls that serve 6 routes and 180 layovers on the average business day. The City uses the remaining portion of the Block as a parking lot for 180 vehicles.

Section 3: Environmental Impacts of the Two Alternatives

A. Land Acquisition and Displacements

Build Alternative: As stated on page 9 in Section 1 A, Project Description, the City purchased the site in 1993. Businesses on the site at the time of acquisition have been relocated. Construction of the Project will displace the City's parking lot for 180 vehicles permanently, and will temporarily displace the Metro Transit's current layover functions during the construction period (refer to Section O for a detailed description of construction impacts).

The Block is located within the Downtown Core area, an area in which the City's Comprehensive Plan discourages long-term parking and encourages dense development served primarily by transit. As such, the displacement of 180 long-term stalls to enable the construction of this transit project and private mixed-use development will be consistent with the City's adopted plan. Furthermore, there are sufficient long-term replacement stalls within the Downtown fringe parking system that will be within walking distance via the sidewalks and skyway system and connected via the Downtown Circulator and other transit alternatives.

Any community disruption was limited to the demolition in 1996 of the Nicollet Hotel that was on this site. The Project will not displace or isolate any community. After the completion of construction, the Project will enhance transit service and improve the pedestrian environment by the removal of many on-street bus layovers and by reducing the need for many buses to drive unnecessarily through Downtown.

No Build Alternative: There will be no effect since the No Build Alternative involves no change to the site.

B. Land Use and Zoning

Build Alternative: Attachments 1-3 include maps that show the land uses and the zoning and planning districts in the vicinity of the site. The site is zoned B4-2, Downtown Business District. This district allows a range of retail, entertainment, office, employment, institutional, and governmental activities of citywide and regional significance. The zoning regulations recognize the unique qualities of Downtown as the business and cultural center of the region to attract business, shoppers, visitors, and residents. Table 549-1 of the Zoning Code specifically identifies a "bus turnaround" and a "passenger transit station" as allowed conditional uses in this district.

The Block is also within two overlay districts. The Downtown Parking Overlay District restricts surface parking. The Nicollet Mall Overlay District (NMOD) prohibits certain uses (including "transportation uses," a zoning code enumeration that does not include the bus layover facility), and it includes specific design and building setback requirements (including a requirement that buildings taller than 10 stories or 140 ft. must

be set back by at least 30 feet with the setback beginning between the third and tenth floors).¹

The NMOD requires that retail uses (retail sales and services and food and beverage uses) occupy at least 60% of the first floor area and shall extend at least 60% of the first floor façade fronting on the Nicollet Mall. Each retail use must also have a separate entrance on to the Mall (Zoning Code at 551.940). The Project will have to comply with these requirements or obtain a variance. The recommended design of the Terminal does include commercial uses for more than 60% of the first floor area but until the Developer has completed the design of the Private Development, compliance with the other zoning requirements cannot be determined.

As would be expected for this part of Downtown, the site is surrounded by office uses in high-rise buildings and surface parking lots and aging sole-use parking ramps that are prime for intensive redevelopment. The new Minneapolis Central Library is under construction across 3rd Street from the site. The nearest residences (apartments in high rise buildings) are located two blocks away along 1st Street between Hennepin and 3rd Ave. The Private Development will introduce approximately 300 residential units to the Block. To the west of the Block across Hennepin Ave. is the site of the proposed Eclipse project, which will have over 500 residential units. Attachment 8 includes a map that shows the Transportation Analysis Zones (TAZ) for Downtown. The Block is located at the intersection of four TAZ zones and the following lists the residential projects within them that have either been built since 2000 or are proposed:

TAZ	Residential Projects	Units
391	212 Lofts	55
	Riverwalk Condos	75
392	The Carlyle	255
393	21 st Century Towers	506
408	Subject Private Development	<u>300</u>
	Total	1,191

No Build Alternative: The No Build Alternative involves no change to the site. It includes the existing surface parking lot and bus layover site.

C. Air Quality

Build Alternative: Vehicle emissions are the primary source of air pollution in the City, and on a per-rider-mile basis, the private automobile creates significantly more pollution than a bus with an average load of passengers. The purpose of the Terminal is to improve transit service Downtown. This better service will encourage more reliance on the alternatives to driving alone, which will have a positive impact on Downtown air quality.

¹ Policy 6.2.2 in the adopted “North Nicollet Mall Development Objectives” states the following regarding building height and mass: “Building height and massing should be compatible with those structures in the surrounding area.... Buildings along Nicollet Mall should be lower in scale, and should incorporate a setback at an elevation of approximately 80 feet above sidewalk grade.” This would be comparable to the fifth floor.

The Private Development also will include a major residential component. Downtown residential units will satisfy housing demand that, if not built Downtown, would be built at some other location; and no other location in the region is more reliant on the cleaner alternatives to the automobile (transit, walking, and biking) than Downtown Minneapolis.

The study by the City's Public Works Department and its transportation consultant concluded that, after mitigating measures are implemented, the Terminal and the Private Development will not adversely impact the Level of Service classifications of the intersections in the study area, including during the construction period. The City's air quality consultant concluded the following (full report at Attachment 9):

It can be seen from the table that except for the intersection at Washington and Hennepin, emissions will decrease with the project in 2009. The increase at Washington and Hennepin is less than 1%. It should also be noted that Carbon Monoxide emissions from diesel transit buses are only a fraction of gasoline-powered automobiles. Therefore, additional bus operations will contribute little to overall Carbon Monoxide emissions. Moreover, downtown transit shuttles, as well as other buses may use alternative fuels by 2009 with even lower emissions.

Therefore, since no exceedance of the Carbon Monoxide ambient air quality standards have been recorded at the downtown monitor in the past few years, no exceedances of air quality standards are expected to occur with the proposed project. Therefore, no adverse impacts on air quality are anticipated to occur because of the proposed Minneapolis North Terminal.²

While vehicle emissions are the primary source of air pollution in the city, energy production is the second largest source. The Block is within the service area of the Minneapolis District Energy system, which offers a highly efficient, clean, and reliable source of heating and cooling energy using natural gas as the primary fuel and pollution control equipment to reduce pollutant emissions. Consistent with the City's Comprehensive Plan, the Developer will be encouraged to maximize energy efficiency through the use of district energy and green building techniques for the construction and operation of the Terminal and the Private Development.

Buses inside the heated Terminal will not need to idle thereby reducing air pollution and saving on Metro Transit fuel costs. Fumes from on-site bus operations will be contained primarily within the below-grade structure. The building's utility infrastructure will be required to accommodate the vehicle exhaust requirements of the Terminal and to protect the pedestrian environment from potential fumes.

² The chart in the report reports on three conditions and the terminology might be confusing with the terms used in the EA. The report's "Existing 2004" column reflects current conditions and the No Build Alternative. The "No Build 2009" column refers to future base level conditions needed for the comparison of the potential effects of the Project. The third column, "Build 2009," accounts for the Build Alternative.

Since there is no structure on the site, there will be no fugitive dust emissions from demolition. Best management practice will be used to minimize dust during construction (refer to the greater detail regarding construction impacts in Section O).

The Terminal is part of the Transportation Improvement Program/State Transportation Improvement Program (TIP/STIP) and has been reviewed by the Transportation Advisory Board of the Metropolitan Council for consistency with the Council's Transportation Policy Guide/Policy Plan (TPP) and the Air Quality Control Plan.

No Build Alternative: There will be no substantive effect in the near term since the No Build Alternative involves no change to the site.³

Projections indicate an increase of 38% in transit riders by 2020. Additional buses will be needed to accommodate this increase, which translates into a greater need for layover facilities. Without the Terminal, this will mean more buses will layover on Downtown streets and the trips to and from these new layover sites will increase bus traffic and its concomitant noise and air quality impacts.

D. Noise

Build Alternative:

1. **Sources of noise and noise sensitive areas:** The primary source of noise will be that associated with the functioning of the Terminal itself. Overall in Downtown, the Terminal will decrease noise impacts because buses that would otherwise drive through Downtown to layover and idle at various locations will instead have their layover in the proposed underground facility. This will reduce the miles driven, the need for idling, and the associated noise at many street locations. This will also enhance the pedestrian environment.

The site is not located within an Unacceptable Noise Zone as defined in federal regulations at 24 CFR Part 51. Downtown has a broad range of uses somewhat sensitive to noise (e.g. schools, the Central Library that is under construction, parks, outdoor plazas, the Nicollet Transit Mall, hospitals, and residences). Only one residential building could be exposed to construction noise: the proposed 24 and 32-story Eclipse residential towers across Hennepin Ave. to be located on the block to the west of the site. This project is currently undergoing permit review and environmental review. Downtown has a broad range of uses somewhat sensitive to noise (e.g. schools, the Central Library that is under construction, parks, outdoor plazas, seasonal outdoor seating at restaurants, hospitals, and residences), however, these uses are also well accustomed to the normally higher noise levels associated with Downtown, including ever-present Downtown construction. There are no schools or hospitals in the vicinity of the site.

2. **Noise descriptors and assessment of impacts:** Many buses operate today on the Nicollet Mall, 3rd St., and Hennepin Ave. High traffic volumes exist on 3rd St.,

³ The air quality information in Attachment 14 examined a former "No Build" scenario.

Hennepin Ave., and Washington Ave. as discussed herein. Buses will enter the Terminal on 3rd St. about mid-block and exit onto Washington Ave. eastbound only, about mid-block. Even though individual buses are noisier than the average private vehicle, the additional buses should not increase current noise levels significantly. Based on an analysis of future traffic conditions that considered a reasonable growth in the base number of vehicle trips and the expected trips by buses to and from the Terminal, the added traffic associated with this development (both the Terminal and the Private Development) will not cause the Level of Service classifications at the four most impacted intersections to go below the C level, which is a “not congested” level, even during the peak periods. It is not expected that any increase in noise levels associated with the proposed Terminal will result in an increase that exceeds the 5-dBA-limit of perceptibility or an increase greater than 3 dBA (Leq).

Operational noise in this underground structure should be minimal because they will be contained primarily within the below-grade structure. Minnesota Pollution Control Agency (MPCA) Rules and Chapter 389 of the City Code will regulate any noise generated by the operation of the structure.

No Build Alternative: The primary source of noise from the site is vehicular movements. Due to the fact that the north end of Downtown where the site is located is less densely built up, traffic is less than the average for downtown. As such, current operations of buses and vehicular traffic are at a level significantly less than the more built up areas of Downtown. In the near term, the No Build Alternative would have no effect on the ambient levels of noise on the site because it assumes no change to current conditions. It is expected that there will be an increase of 38% in transit riders by 2020. Additional buses will be needed to accommodate this increase, which translates into a greater need for layover facilities. Thus, there will likely be an increased need for bus layovers on Downtown streets, bus traffic and bus trips to and from these layover sites. Accordingly, there will be concomitant noise impacts associated with these activities.

E. Water Quality

Build Alternative: The area of the site was the area of earliest urban development in Minneapolis. It has been developed and redeveloped for urban uses for over 150 years and has been 100% impervious for most of that time. Storm water from the site flows to the City’s storm water sewer system. In the Downtown area, the storm sewers empty into the Mississippi River. Approximately 97% of the City’s storm and sanitary sewers are separated and the City is investing to complete the separation. There is separated sanitary sewer service to the site of adequate capacity to serve the Project. The Project will improve stormwater impacts because to comply with the City’s Stormwater Management Ordinance, either 100% of the stormwater on the site will be treated to remove at least 70% of the solids, or the Developer will have to seek a waiver. To obtain a waiver from the City, the Developer will have to contribute an amount to a fund that will finance a comparable amount of stormwater treatment elsewhere in the Middle Mississippi River Watershed.

No Build Alternative: Since this alternative represents no change from existing conditions, there will be no impact on current water-related conditions.

F. Hazardous Waste Contamination

Build Alternative:

- 1. Pollutants of concern:** A consultant completed both geotechnical and environmental related field drilling services in late 1992.

Short Elliott Hendrickson Inc. (SEH®) was retained by the City of Minneapolis Department of Public Works (Client) to conduct a Phase I Environmental Site Assessment (ESA) of Block 30-3rd Street S, Lots 156-167, Auditors Subdivision #137 in Minneapolis, Minnesota (Block).⁴ The full report is hereby included by reference.

A limited file search was conducted by Environmental FirstSearch (FirstSearch) and reviewed and summarized by SEH. The sites identified in the file search are properties that are currently regulated or on record with state and federal environmental agencies.

Through site reconnaissance, aerial photographs, fire insurance maps, city directories, county well logs, topographic maps, and interviews, SEH reviewed the history of the Block and the surrounding properties to identify past uses and potential recognized environmental conditions. SEH also reviewed documents associated with the physiography of the Block.

Based on the information and data collected and compiled during the completion of this ESA, SEH provides the following findings, opinions, and conclusions:

- The Block is listed as a closed leaking underground storage tank (LUST) site (ID #745) with the Minnesota Pollution Control Agency (MPCA). This is due to a leaking fuel oil tank associated with the Nicollet Hotel that has since been removed. The site can be classified as a recognized environmental condition as it is likely that soil fill was brought onto the subject property during LUST removal and contaminated soil removal. Some soil contamination and/or groundwater impacts may remain on site.
- In the 1952 Sanborn Map, a “Filling Station” was listed in the southwest portion of the subject property. This is classified as a historic recognized environmental condition on the subject property because of possible spills or leaks that may have been associated with the fuel system.

⁴ Source: Phase I Environmental Site Assessment, Block 30-3rd Street S., Lots 156 – 167, Auditors Subdivision #137, City of Minneapolis, SHE No. A-MPLS00512.00, January 7, 2005.

Environmental Assessment - Nicollet Hotel Block Project

- The Nicollet Hotel was listed as a Resource Conservation and Recovery Act (RCRA) very small quantity hazardous waste generator (RCRAGN).
- Due to the location in a heavily urbanized area and long history as a commercial property, there are many recognized environmental conditions that may have impacted the Block. The Block is in an area that includes four Emergency Response Notification System sites, twenty-one State Voluntary Investigation and Cleanup sites, eight Spill Sites, and twenty-three LUST sites located either up gradient or side-gradient of the Block.

To reduce the potential for hazardous waste to migrate as a result of construction, or soil or water contamination to occur, the City will prepare or require the Developer to prepare a Phase II Site Assessment. In the event contaminated soils are discovered on the site, the City will require the Developer to contact the local environmental regulatory and emergency response agencies (the Minneapolis Office of Environmental Management and the Minnesota Pollution Control Agency), and comply with all applicable federal, state, and local regulations as regards the testing, removal, and disposal of these contaminated soils. Responsibility for overseeing compliance rests with the City's Public Works Department and the Environmental Management Office.

2. **Erosion and sedimentation during construction:** Refer to construction impacts in Section O.

No Build Alternative: Since the No Build Alternative involves no change to the site, this alternative will have no effect on any soils, even in the event some contain contaminants.

G. Wetlands

Both Alternatives: Per the National Wetlands Inventory, no wetlands or wildlife have been identified on this urban site or nearby urban surroundings in Downtown Minneapolis.

H. Flooding

Both Alternatives: Per FEMA Panel No. 0357E, effective date 8/11/78, the Block is not within a 100-year flood plain or flood hazard area.

I. Navigable Waterways and Coastal Zones

Both Alternatives: The site is located within the jurisdiction of the Middle Mississippi River Watershed Management Organization. It is not within a coastal, riparian, or any other water-related land use management district, and it will not have any impact on any navigable waterway or coastal zone.

J. Ecologically Sensitive Areas

Both Alternatives: The area of the site was the area of earliest urban development in Minneapolis. It has been developed and redeveloped for urban uses for over 150 years. No ecologically sensitive areas or natural areas remain on or near the site.

K. Endangered Species

Both Alternatives: Recent NHRP Contact # ERDB 20040543 with the Minnesota Department of Natural Resources Natural Heritage and Non-game Research program identified no threatened or endangered species at the site or potentially affected by the Project.

L. Traffic and Parking

The Build Alternative: The Block is bounded by 3rd St., Hennepin Ave., Washington Ave., and the Nicollet Mall. Third St. is a one-way street westbound. It has four lanes and carries 13,300 vehicles per day. Hennepin Ave. is one way northbound (with an opposing southbound bus-only lane on the west side, the side away from the Block). It carries 16,300 vehicles per day in three lanes. Washington Ave. is a two way street with a concrete median separating the eastbound and westbound lanes. Washington Ave. carries 25,800 vehicles per day on six lanes (three in each direction). The Nicollet Mall is a two-way, two-lane, bus-only transit way with minimal volumes.

Several access alternatives for the Project were studied. It was determined that buses will enter the Terminal on 3rd St. about mid-block and exit onto Washington Ave. eastbound only, about mid-block. An above-grade parking ramp will be incorporated into the Private Development for the residents of the building, not for public parking.

For the most part, buses added to Downtown routes to meet new demand will result in more buses added to other Downtown streets such as 3rd Ave. rather than on the four streets that border the Terminal. The layover area of the Terminal will serve buses that have completed their trips and would otherwise drive further to some outlying on-street location to layover. When the Terminal opens, it is expected to accommodate about 1,000 daily bus trips. Since there are already 360 bus trips to and from the existing layover on this site, the net increase will be about 640 trips daily. When the Downtown Circulator begins operation, it will add a maximum of 100 daily weekday trips to the Nicollet Mall if fully funded to be able to meet the LRT system's 20-hour-per-day schedule. At that time, Metro Transit will shift some routes from the Nicollet Mall to other streets to leave adequate capacity on the Mall.

The analysis examined the potential impacts on the Level of Service classifications⁵ of the four intersections that surround the site. These are expected to be the only intersections that would have any substantive impact from the proposed change in conditions (Attachment 8). The results of the analysis indicate that all four key

⁵ Attachment 12 on page 6 includes a description of the Level of service classifications.

intersections are expected to operate at LOS C or better (“not congested”) during the critical period, the afternoon peak hour. This applies to both the Build and No Build Alternatives.

The City’s traffic consultant also examined the conflicts between autos exiting the parking ramp of the Private Development on Washington and buses exiting the Terminal on Washington. They estimated up to 83 buses and 37 autos will exit in the afternoon peak hour. This level of activity will not affect the LOS B and C on Washington Ave. at Nicollet Ave. and Hennepin Ave. respectively. Most exiting buses will immediately turn right at the Nicollet Mall whereas all autos will continue to the east past the Mall, thus avoiding conflict. Both the auto drivers and bus drivers will be repeat users who will be familiar with the possible routes and turning movements.

This is a transit-enhancement project that will improve the operation of the City’s just-begun LRT service to Downtown. It will help get more people out of their cars, and it will help make Downtown a more pedestrian-oriented place and less a car-oriented one. The move of bus layovers from City streets to the proposed below-grade facility will free up scarce and valuable street frontage for short-term parking. Allowing buses to layover in the Terminal instead of coursing through Downtown will free up valuable street capacity.

The City has concluded that the Terminal and the parking ramp associated with the Private Development can operate safely as proposed. There is adequate capacity on the existing street system to accommodate this added volume of buses and other vehicle trips.

The No Build Alternative: Since this alternative represents no change from existing conditions, there will be no impact on current traffic and parking conditions in the near term. Projections indicate an increase of 38% in transit riders by 2020. Additional buses will be needed to accommodate this increase, which translates into a greater need for layover facilities. Without the Terminal, this will mean more buses will layover on Downtown streets and the trips to and from these new layover sites will increase bus traffic.

M. Energy Requirements and Potential for Energy Conservation

The Build Alternative: The strategic location of the Terminal will reduce bus traffic on City streets by eliminating travel to/from the current remote layover sites. This is expected to save approximately \$350,000 in annual transit operating costs (2002 estimate). A significant portion of these savings represents fuel that would otherwise be wasted. Saved fuel also results in reduced emissions and other air quality improvements.

Since the Terminal and the Private Development will be partially funded with public dollars, City policy requires that the building maximize energy efficiency. The local utility, Xcel Energy, provides an award-winning Conservation Improvement Program called the Design Assistance Program, which has been able to improve the energy efficiency of larger buildings to 30-50% better than the Minnesota Energy Code (which

was considered state-of-the-art when adopted). The Terminal developers will participate in this program and in all other applicable energy efficiency programs sponsored by the utilities. The Block is within the service area of the Minneapolis District Energy system. The City will encourage the Developer to maximize energy efficiency through the use of district energy and green building techniques for the construction and operation of the Terminal and the Private Development.

As regards the energy value of wasted materials, the Twin Cities are national leaders in waste reduction and recycling and in the resource recovery. A private waste hauler will serve the people who will use the site. City and county regulations require that hauler to provide recycling services. Currently within Hennepin County, public and private recyclers are recycling more than 50% of the mixed municipal solid waste stream. Most of the remaining portion of the waste stream is directed to the County's garbage burner which recovers 22 megawatts of power from the waste and reduces the volume by more than 80%.

The No Build Alternative: Since this alternative represents no change from existing conditions, there will be no impact on current energy-related conditions.

N. Historic Properties and Parklands

The Build Alternative:

1. Historic Properties and the Section 106 Review

The use of federal funds for the Project triggers the federal historic review known as the Section 106 Review, which references the rules in 36 CFR Part 800 that deal with the protection of historic properties. At 800.3 (a), the Agency Official (the FTA in this case) "shall determine whether the proposed Federal action is an undertaking and, if so, whether it has the potential to effect historic properties and whether review is governed by a Federal agency program alternative established under 800.15." The FTA has determined the Project constitutes an undertaking.

a) **Consultation:** Section 800.3 (d) requires the Agency Official consult with the State Historic Preservation Office (SHPO). The history to date of this consultation is as follows:

- On 9/3/04, the FTA notified the Minnesota SHPO that the Agency was about to complete a federal EA and a Section 106 Review regarding the Project.
- In March 2005, City staff consulted with SHPO staff regarding the designation of the Area of Potential Effect.
- On 4/4/05, the City provided the draft of its visual impact analysis of the Project to the SHPO for informal review and comment.
- On 4/20/05, City staff met with a representative of the SHPO regarding the Project to discuss the Area of Potential Effect and the

process and schedule to complete the EA in a timely manner and to complete the Section 106 Review.

- The City consulted during the month of May with the SHPO regarding the drafting of a Memorandum of Agreement.
- The City submitted the EA to the SHPO on the date listed on the transmittal letter of this document.

- b) **Area of Potential Effect:** At 800.4 (a)(1) and (2), the law requires the Agency Official to consult with the SHPO and to “[d]etermine the area of potential effects” by means of a thorough review of the existing information regarding historic properties in the area. Attachment 10 includes this analysis and a map of the Area of Potential Effect.
- c) **Determination of potential effects:** To comply with the law, the Agency Official must follow a well-defined set of criteria to assess a project’s potential to have an adverse impact on historic resources within the Area of Potential Effect. At 800.4 (c) (1), the law directs the Agency Official, in consultation with the SHPO, to apply the “criteria of adverse effect to historic properties within the area of potential effects. The Agency Official shall consider any views concerning such effects.” At 800.5 (a) (1), the law defines the criteria of adverse effect. “An undertaking is considered to have an adverse effect when it may alter the characteristics of a historic property that qualify the property for inclusion in the National Register in a manner that would diminish the integrity of the property’s location, design, setting, materials, workmanship, feeling, or association.” Examples of an adverse effect include “[a]lteration of the property’s setting or use when that character contributes to the property’s qualifications for the National Register,” and “[I]ntroduction of visual or audible elements that are out of character with the property.”
- d) **MOA:** Because the Project is still at the conceptual stage and its potential impacts cannot be fully assessed, it is the intent of the SHPO and the FTA to proceed with a Memorandum of Agreement (MOA) per 800.11(g). An executed MOA will enable the FTA to complete the EA in a timely manner while allowing a future SHPO review of the Project when design details are available.

Due to the presence within a few blocks of the site of two major historic districts plus the Mississippi River National Recreation Area, etc., the City will make a special effort to invite comments and participation from the representative groups, such as the St. Anthony Falls Heritage Board and the nearby neighborhoods, on the EA during the 30-day comment period. Some of these groups may wish to serve as consulting parties on the MOA as well.

2. **Parklands:** There are no park resources on the site. Attachment 11 contains an analysis of the how the Build Alternative is consistent with City plans and policies including plans to improve the City's parks and the pedestrian-orientation of Downtown.

No Build: Since the No Build Alternative involves no change to the site, it will have no impact on historic properties and parklands.

O. Construction

The Build Alternative:

- **Developer responsibilities and timing:** The RFP will require that the Developer be responsible for the Terminal "shell" consisting of the floor, four walls, ceiling/grade level floor, and the bus ramp to the below-grade layover level. The Developer will then proceed with the construction of the above-grade Private Development. Meanwhile, the City and Metro Transit will proceed with the finishing out of the Terminal and the three passenger waiting areas with contractors selected through a public competitive bidding process. The period of construction is expected to be approximately two years beginning in 2006.
- **Bus layovers:** During the construction period, Metro Transit will relocate all the buses currently on the Nicollet Hotel Block Site to other locations. The most likely location will be the existing 1st Ave. N. layover site located between 1st and 2nd Streets. This action requires the addition of an additional bus for Route 18 that will result in an additional 9.5 hours per day of run time during the two-year construction period. The displacement of the layover function on the Block will increase Metro Transit's annual operating costs by about \$185,000 per year during the construction period due to the costs of unproductive drive time to and from new layover locations (2002 estimate). This will have a deleterious effect upon transit service and the pedestrian environment because of the increased need for on-street bus layover, and the increased need for buses to drive through Downtown and thereby consume valuable on-street parking capacity for short-term parking within the Downtown Core area and street capacity.
- **Traffic and pedestrian impacts:** The Zoning Code will allow construction out to the property line (the required setbacks occur at about 60 feet on the Nicollet Mall). Thus, a lane of traffic would likely be disrupted on all sides but the Nicollet Malls side at least during the excavation part of the construction period and possibly during much of the two-year construction period if the space continues to be needed for storage and workspace. Specific street and intersection impacts are as follows:
 - **Nicollet Transit Mall:** Construction will have no substantive effect on the flow of buses and emergency vehicles, which are the only vehicles allowed on the Mall.

- **Third St.:** During off-peak periods, Third St. has four westbound lanes and a parking lane on the side opposite the Block (refer to Attachment 7). During peak periods, the parking lane becomes a traffic lane. Construction will reduce the westbound general traffic lanes from four to three. Construction will not affect the parking supply.
- **Hennepin Ave.:** Hennepin has three northbound lanes, a two-way bicycle lane and a reverse-flow, southbound transit lane. Construction will reduce the northbound general traffic lanes from three to two.
- **Washington Ave.:** Washington Ave. is a two-way, six-lane road with a median. Construction will reduce the eastbound general traffic lanes from three to two.
- **Critical intersections:** Attachment 8 includes the traffic analysis. The four critical intersections that would be affected by the project currently operate at Level of Service (LOS) C or better, which means they do not experience congestion even during the peak periods and peak hours. According to the City Engineer's analysis of likely conditions during the two-year construction period, the loss of a traffic lane on all four sides of the site would not result in an increase in congestion during the peak hour sufficient to create LOS E or F conditions, which would imply a level of concern that would indicate the need for mitigating measures to return conditions to LOS D or better.

Pedestrian movement on at least one side of all four abutting roadways will be required at all times. No property will be denied access during the construction of the Terminal and the Private Development.

The City has worked with numerous developers to not only address the construction needs but effectively manage the public streets and sidewalks. In 2001, the City created a lane and sidewalk use ordinance with a focus on improving pedestrian, bicycle and vehicular movements near and around new construction developments. The fees schedule was set at a sufficiently high level to create an incentive for developers to minimize their use of public rights-of-way and, as a result, these fees have significantly reduced the construction impacts to the public. In addition to the ordinance fees, the City further coordinates with construction projects (delivery routes, off-peak hour work, weekend work, events, etc) to minimize adverse impacts to the public right-of-way.

At some point during construction, the skyway would be built between the new Central Library and the Project. The City has extensive experience in minimizing disruptions to traffic and pedestrian flows during the relatively brief amount of time the street must be partially or completely blocked off in order to construct a skyway over a right-of-way. Installation of the skyway would be scheduled during an off-peak time period such as a weekend or after the business day.

- **Excavation:** The construction of the below-grade Terminal will probably require the complete excavation of the Block to bedrock approximately 25-30 feet below existing grade. This will require removal of approximately 90,000 cubic yards of soil. The Developer will develop the actual construction plan.
- **Erosion control and stormwater management:** During construction, best management practices for control of erosion and sedimentation will be implemented as required by Chapter 52 of the City Ordinance, Erosion and Sediment Control for Land Disturbance Activities.⁶ The City will also conduct on-site inspections during construction. The site is now 100% impervious; therefore, no new surface runoff impacts will be created. The Project will improve stormwater impacts because to comply with the City's Stormwater Management Ordinance, either 100% of the stormwater on the site will be treated to remove at least 70% of the solids, or the Developer will have to seek a waiver. To obtain a waiver from the City, the Developer will have to contribute an amount to a fund that will finance a comparable amount of stormwater treatment elsewhere in the Middle Mississippi Watershed.
- **Air quality:** Since there is no structure on the site, there will be no fugitive dust emissions from demolition. Best management practice will be used to minimize dust during construction. The City's Air Quality Management Authority has the responsibility to regulate air pollutant releases for construction projects. The Developer will be responsible for complying with the City's Code of Ordinances dealing with air quality as regulated by the Minneapolis Air Quality Management Authority.⁷

⁶ Excerpt from Chapter 52: "The purpose of Chapter 52 is to control or eliminate soil erosion and sedimentation within the City of Minneapolis. It establishes standards and specifications for conservation practices and planning activities which minimize soil erosion and sedimentation. (For the full ordinance language, visit the City's web site at www.ci.minneapolis.mn.us/cityordinance.)

52.100. Erosion and sediment control plan (plan). Land disturbance activities which are in excess of either five thousand (5,000) square feet or five hundred (500) cubic yards of earth moved require an erosion and sedimentation control plan approved by the city engineer. These plans shall be drawn to an appropriate scale and shall include sufficient information to evaluate the environmental characteristics of the affected areas, the potential impacts of the proposed grading on water resources, and measures proposed to minimize soil erosion and off-site sedimentation. The owner/developer shall perform all clearing, grading, drainage, construction, and development in strict accordance with the approved plan. In addition, the following information shall be included in any plan."

⁷ Excerpt from the Chapter 47.30 of the Minneapolis Code of Ordinances: "The Minneapolis Air Quality Management Authority shall have full jurisdiction to regulate and control atmospheric pollution . . .

47.190. Public nuisance prohibition and abatement. (a) It shall constitute a public nuisance and be unlawful for any person to make, continue, permit, or cause to be emitted into the open air any dust, gasses, fumes, vapors, smokes and/or odors with objectionable properties and in such quantities as would be likely to cause discomfort or annoyance to a reasonable person of normal sensibilities that does one or more of the following:

- (1) Injures or are sufficient to injure the health or safety of any person or the public;
- (2) Creates an obnoxious odor in the atmosphere;
- (3) Causes damage to property;
- (4) Creates a nuisance or hazard by obscuring vision; or
- (5) Produces a deleterious effect upon trees, plants or other forms of vegetation.

47.220. Control of particulate releases to the atmosphere. . . . (b) No person shall cause or permit the handling, loading, unloading, reloading, storing, transferring, placing, depositing, throwing, discarding, or scattering of any ashes, fly ash, cinders, slag, or dust collected from combustion, or any dust, dirt, chaff, wastepaper, trash, rubbish,

- **Construction noise:** Construction-generated noise has the potential to cause undesirable effects on people in the vicinity of the site. Whether the noise increase is objectionable depends on the level of noise relative to existing community noise and the sensitivity to noise of the land uses located near the project site. The following analysis is consistent with the FTA manual, “Transit Noise and Vibration Impact.”
- **Screening:** The FTA places noise-sensitive sites (called *receptors*) into three categories:
 - A. Low density residential areas far from noise sources, and buildings or parks where quiet is an important element.
 - B. Residential buildings, or buildings with overnight sleeping accommodations such as homes, hospitals, and hotels.
 - C. Institutional land uses with primarily daytime use including schools, churches and synagogues, libraries, auditoriums, and parks.

Downtown has no Category A uses. The following Category B uses are or will be within the vicinity of the site:

- Within one block: The 24 and 32-story Eclipse residential tower is proposed across Hennepin Ave. approximately 150 feet to the west of the Project site. This project is currently undergoing permit review and environmental review. It is probably that residents would be living in the building during at least part of the construction period for the Project.
- Within two blocks: The residential uses listed below are more than 400 feet distant and they are screened from the site and from future construction-related noise by intervening buildings of comparable scale.
 - The Towers Condominiums located at 1st St. S. and Hennepin Ave.: The 25-story ING building screens this building from the site.
 - The Crossings condominiums located at 2nd Ave. S. and Washington Ave. S.: Two large buildings screen this residential building from the site.

waste, or refuse matter of any kind, or any other substance or material whatever, including sandblasting materials, likely to be scattered by the wind, susceptible to being airborne, and/or crossing property boundaries without taking reasonable precautions or measures so as to minimize air pollution. (c) No person shall operate or maintain or cause to be operated or maintained any building, structure or premises, open area, right-of-way, storage pile of materials, yard, vessel or vehicle or construction, sandblasting, alteration, building, demolition or wrecking operation or any other enterprise which has or involves any matter, material or substance likely to be scattered by the wind, susceptible to being airborne, and/or crossing property boundaries without taking reasonable precautions or measures so as to minimize atmospheric pollution.” (For the full ordinance language, visit the City’s web site at www.ci.minneapolis.mn.us/cityordinance.)

The new Central Library currently under construction on the block to the south of the site is the sole Category C use that will likely be open during the construction period for the Project.

Based on the above, there will be two unscreened noise-sensitive receptors, the Central Library and the Eclipse residential project, that are likely to be in use during all or a part of the construction period for the Project.

- **Mitigation measures:** The following noise mitigation measures will be implemented as part of the construction of the proposed Project.
 - Construction noise of the Project will be mitigated by the enforcement of the Minneapolis Code of Ordinances, Chapter 389, Section 389.70, Noise, which closely follows the FTA guidance on assessing and mitigating transit noise during construction. This section of the Code specifies strict limits for both the hours of operation of construction equipment and the allowable noise levels of that equipment, and it specifies fines for noncompliance.⁸ The City noise limit for construction and demolition equipment during the allowable hours of operation is 90 decibels measured at 50 feet or more away from the source. The City Inspectors from the City's Environmental Management Division of the Regulatory Services Department are responsible for enforcing the regulations and they will be responsible for ensuring that construction noise from the Project does not exceed applicable federal noise regulations.
 - The City will require the Developer minimize noise impacts by using equipment that meets specified noise limits and the City will monitor noise levels.
 - Other noise mitigation measures could include constructing temporary sound walls (3/4-inch or thicker plywood or vinyl curtains); avoiding impact pile driving where possible, or, if impact pile driving cannot be avoided, offering overnight living accommodations to affected residents.

⁸ Excerpt from Section 389.70, Minneapolis Code of Ordinances: “[N]o construction or demolition equipment shall be operated within the city between the hours of 6:00 p.m. and 7:00 a.m. on weekdays or during any hours on Saturdays, Sundays and state and federal holidays, except under specific permit from the director of inspections or the city council, for the purpose of a specified construction project only, as provided below and no such equipment shall be operated at any time if the sound level from such operation exceeds ninety (90) decibels measured at fifty (50) feet or more away from the source.... (b) No internal-combustion engine or any other power unit when operated in connection with construction or demolition equipment shall be operated at any time other than at the times as above set forth in this section and any sound emitted from any such engine or power unit shall not exceed ninety (90) decibels measured at fifty (50) feet or more away from the source. ... (c) No exhaust system of such an internal-combustion engine shall be altered, modified or repaired in such a way that the noise emitted by the engine is increased above that emitted by said engine as originally equipped from the manufacturer.” (For the full ordinance language, visit the City’s web site at www.ci.minneapolis.mn.us/cityordinance.)

- **Construction debris and recycling:** Since the City is a partner in this Project, the City will require the Developer comply with adopted City policies (Attachment 11) that call for the minimization of construction waste through “green building” principles and to implement best management practices for waste management during the construction of the project. This will include materials delivery scheduling to minimize damage, on-site waste reduction, and maximization of recycling and reuse of construction debris.

Based on an industry average of 10.04 cubic yards of waste per 1,000 sq. ft. of commercial development, the construction of the Project would normally generate about 6,200 cubic yards of mixed construction debris. Local companies that recycle construction and demolition debris are capturing in excess of 80% of the materials brought to their facilities. As such, the likely amount of construction debris that will result from the project and that will be landfilled will be approximately 1,200 cubic yards.

- **Public and private utilities:** There are no public utilities within the Block. The portion of the Nicollet Mall on the east side of the Block contains the following utilities:
 - A sanitary interceptor in the center of the Nicollet Mall right-of-way that is located 55-60 feet below surface and below the limestone.
 - A storm tunnel about 10 feet west of the Nicollet Mall centerline about 75 feet below surface and below the limestone. In addition, there are three drill holes west of the tunnel on this block.
 - A 24” brick sanitary sewer built in 1882 located about in the center of the right-of-way of Nicollet Mall approximately 13 feet below the surface at South Third Street and 16 feet below the surface at Washington Avenue. This dimension is to the flow line or to the bottom of the inside of the sewer.
 - A 12’ water main slightly to the west of the Nicollet centerline.
 - Disruptions to telecommunications equipment and lines will be minimized. There are no rights-of-way or easements currently on the block. To connect the Project to the various systems will be accomplished with virtually no disruptions to traffic or pedestrian movements. The same is true for electrical service.
 - The site is within the service area of the private district energy system that serves all of Downtown and parts of the surrounding neighborhoods. To connect the Project to the heating and cooling systems will be accomplished with a minimal amount of disruptions to traffic or pedestrian movements.

The Developer will need to connect to existing public utilities within the public street right-of-way as is standard for this kind of development.

- **Site maintenance and security:** City regulations and enforcement personnel will require the Developer and its contractors to maintain a safe and secure construction site at all times and to prevent dirt and other materials from leaving the site. The Block is within the North Nicollet Mall Special Service District and as such, the Developer might contract for additional street and sidewalk maintenance services in order to comply with City ordinances.

No Build Alternative: Since the No Build Alternative implies no change to the site, there will be no effect.

P. Aesthetics

The Build Alternative: The Project will match the scale and intensity appropriate to its location in the Core area of Downtown. The City can exercise considerable control over the aesthetics of the final design of the building both because the City's Comprehensive Plan and Zoning Code provide design review authority to the City Planning Division, and because there will be public funds invested in the Private Development. Also, the movement of bus layovers to a below-grade facility will enhance the streetscape because on-street buses will be replaced by short-term parking. As a below-grade structure the Terminal will have minimal visual impacts.

Since the Block is included in the Downtown Parking Overlay District (DPOD), no surface parking will be allowed on the Block. Any structured parking will be designed to conceal above-grade parking levels from outside the building. The design of such building facades must blend the architectural massing, rhythm, fenestration, and materials treatment of the facade of the parking structure with the other building facades. The intention of this measure is to ensure that the façades of the building will be uniformly designed and that the existence of above-grade structured parking will not be readily evident to the observer.

The No Build Alternative:, The site is currently a surface parking lot and bus layover lot, which is incompatible with and adversely impacts the surrounding downtown uses that are fully developed. The surface parking on the site is a nonconforming use per the City's Zoning Code.

Q. Community Disruption

Build Alternative: No sensitive population will be negatively impacted by the Project. According to 2000 census figures, the population of the City of Minneapolis is 381,618 with 4,581 living in the Downtown West neighborhood (1.2% of the total). This has increased by more than a thousand people due to the nearly 1,000 housing units built in the neighborhood since the 2000 Census. The following chart compares the populations of the neighborhood, the City, and the Twin Cities Metropolitan Area by race and ethnicity. People living in the Downtown West neighborhood are more transit dependent than the rest of the people living in the City and in the region. As such, the enhanced

Environmental Assessment - Nicollet Hotel Block Project

transit character of the Project will have a greater beneficial effect on Downtown West residents than on the region as a whole.

2000 U S Census: Minority Populations

	Downtown West	% of Total	City	% of Total	Metro Area
White Alone	3072	67.1%	248186	65.0%	84.70%
Black/African American Alone	1047	22.9%	68818	18.0%	5.90%
American Indian & Alaskan Native Alone	80	1.7%	8378	2.2%	4.60%
Asian/Native Hawaiian/Other Pacific Islander Alone	221	4.8%	23744	6.2%	
Some Other Race Alone	38	0.8%	15798	4.1%	4.80%
Two or More Races	123	2.7%	16694	4.4%	
Total	4581	100.0%	381618	100.0%	100%
Hispanic/Latina	139	3.0%	29175	7.6%	

Those reporting a disability and not institutionalized are 21.8% for Minneapolis compared to 20.2% in the Metropolitan Area as a whole. The proposed transit portion of the Project will be ADA compliant and will provide continuing transit service for residents of the area. This facility will allow people from across the service area to benefit from the ability to commute to jobs and retail located Downtown, at the airport, the VA hospital, and at many other destinations.

Any community disruption was limited to the demolition in 1996 of the Nicollet Hotel that was on this site. The Project will not displace or isolate any community.

The Project will not have a disproportionate adverse effect on any protected class person or lower income person.

No Build Alternative: No effect.

R. Safety and Security

The Build Alternative: During the design phase, the Project will be evaluated via the City’s Preliminary Site Plan Review process. The Police Department experts in Crime Prevention Through Environmental Design principles will evaluate the Project as regards lighting, security cameras, views into and out of the site and building, access and surveillance security, pedestrian safety, and landscaping. The Fire Department will evaluate the Project to ensure it meets all applicable building and operational codes and regulations. The City’s Environmental Management Department will ensure the Project meets safety codes, HVAC installation requirements, and that the design properly vents garage fumes.

Multiple levels of security will be maintained for the Terminal portion of the Project:

- All rooms with restricted Metro Transit access will be placed on the Metro Transit security key system.
- Street-level and lower-level transit spaces will be under 24-hour surveillance by a digital security CCTV system
- Controlled access high-speed doors will separate the street level and lower level.
- Additional security features will be added to the building as deemed necessary.

The Developer will be responsible to comply with all applicable codes and regulations designed to ensure safe operations for the Private Development including secure access to the private residential parking levels and to the residential lobby.

A transit-oriented, mixed-use, public-private development will increase activity in this area thereby improving safety. The increase in activity and provision of lighted, well-designed passenger waiting areas will improve the safety and security for transit patrons.

The No Build Alternative: No effect.

S. Secondary Development

Build Alternative: City studies have indicated that Downtown's historic growth rate may be slowed in the future due to transportation barriers (namely congestion and its air quality impacts, demand for long-term parking, and limited street and transit capacity). The Terminal helps Downtown to achieve its natural growth by improving transit and street capacity, and by slowing the growth of congestion and the deterioration of air quality. One measure of the environmental impact of Downtown development is to compare it to suburban development. A job created in the auto-oriented suburbs generates six times the vehicle-miles-traveled as a job created in a transit-oriented downtown. There will be a comparable difference in the pollution impacts as well.

No Build Alternative: As stated previously, the site includes a surface parking lot which is incompatible with and adversely impacts the surrounding downtown uses that are fully developed. The surface parking on the site is a nonconforming use per the City's Zoning Code. Underdeveloped sites remaining in the Downtown Core convey an image of a city that is a less-than-desirable place for investment. (Refer also to the next section.)

T. Consistency with Local Plans

The Build Alternative: The goals and objectives of the City's Comprehensive Plan, the *Minneapolis Plan*, and its chapter devoted to Downtown, "Minneapolis Downtown 2010," encompass a strong focus on strengthening access to Downtown via transit instead of accommodating single occupant vehicles, and enhancing Downtown's pedestrian environment. Since 1984, the North Terminal project has been an element of the City's plan designed to accommodate these objectives.

Environmental Assessment - Nicollet Hotel Block Project

The current use of the Block as a surface lot for public long-term parking and as a surface layover for buses is inconsistent with the plan's goals that encourage an intensely urban and vibrant downtown environment. This underutilized site is located within the Downtown Core. The City's adopted plans and policies argue against long-term public parking in the Core because long-term public parking should occur in the Fringe Zone where the City has built a fringe parking system of ramps over the past thirty years. As such, the Project eliminates the inconsistent long-term parking, but also includes the redevelopment of this underutilized Block, adds property back on the tax rolls, enhances transit service, and improves the pedestrian and aesthetic environment. Further, the Project reduces the current on-street bus layovers in the north end of Downtown by consolidating them in an underground facility near the beginning and/or end of their routes. The Project will include a parking ramp (approximately 300 spaces) for the residents.

The Project is part of the Transportation Improvement Program/State Transportation Improvement Program (TIP/STIP) and has been reviewed by the Transportation Advisory Board of the Metropolitan Council for consistency with the Council's Transportation Policy Guide/Policy Plan (TPP) and the Air Quality Control Plan. This Terminal is consistent with transportation policies of the Twin Cities Regional Transportation Policy Plan. This Terminal is included in the 2004 – 2006 (TIP), Project # 141-595-01. This Terminal is consistent with the MPO's Transportation Policy Plan (TPP) and the Regional Blueprint.

Attachment 11 provides a detailed listing of the adopted plans and policies of the City and an assessment of the consistency of the consistency of the Project with these plans and policies.

The No Build Alternative: No impact.

Section 4: List of Agencies and Persons Consulted, EA Preparers, and Distribution List

A. List of Agencies and Persons Consulted

Metropolitan Council: Nacho Diaz, Director of Transportation
Metro Transit:

- Arlene McCarthy, Director of Transit Development
- Rich Rovang, Director of Engineering and Facilities
- Patrick Jones, Principal Engineer/Project Manager

Downtown Council: Sam Garbarski, President

Downtown Circulator Task Force: Charles Ferrell, Chair

Downtown Minneapolis Neighborhood Association

Downtown Building Owners and Managers: Kent Warden, Executive Director

Minnesota State Historic Preservation Office: Dennis Gimmestad, Government Programs and Compliance Officer

B. Environmental Assessment Preparation

The people primarily responsible for the preparation of this EA include the following:

From the FTA:

- Rhonda Reed, Director of Planning and Program Development
- Nancy-Ellen Zusman, Regional Counsel
- William Wheeler, Community Planner

From the City of Minneapolis and Metro Transit:

- Patrick Jones, Principal Engineer/Project Manager, Metro Transit
- Steve Kotke, Deputy Director, Public Works Department
- Rebecca Law, CPED—Business Development
- Greg Mathis, CPED—Planning
- Michael Orange, CPED—Planning

Environmental Assessment - Nicollet Hotel Block Project

C. Environmental Assessment Distribution List

First Name	Last Name (Copies)	Organization	Address	City	State	Zip
Reviews	Coordinator (5)	Metropolitan Council	230 E. Fifth Street	St. Paul	MN	55101
Beth	Lockwood (3)	MN Pollution Control Agency	520 Lafayette Road	St. Paul	MN	55155
Mpls Public Library	(2)	Environ. Conservation Library	250 Marquette	Minneapolis	MN	55401
Carol	Blackburn	MN Legislative Reference Library	645 State Office Building	St. Paul	MN	55155
Tamara	Cameron	U.S. Army Corp of Engineers	190 Fifth Street E.	St. Paul	MN	55101
William	Franz	U.S. Environ. Protection Agency	77 W. Jackson Blvd.	Chicago	IL	60604-3590
T.C. Field Office ES		U.S. Fish & Wildlife Service	4101 E. 80th Street	Bloomington	MN	55425-1665
Jon	Larsen	MN Environmental Quality Board	658 Cedar St., #300	St. Paul	MN	55155
Jim	Haertel	MN Board of Water & Soil Resources	One W. Water St., Suite 200	St. Paul	MN	55107
Becky	Balk	Department of Agriculture	90 W. Plato Blvd.	St. Paul	MN	55107
Environ. Health Division		MN Department of Health	121 E. Seventh Place, Suite 230	St. Paul	MN	55101
Marya	White	Department of Commerce	85 7th Place East, Suite 500	St. Paul	MN	55101
Thomas	Balcom (3)	MN Department of Natural Resources	500 Lafayette Road	St. Paul	MN	55155-4010
Development Review Coordinator	Mn/Dot - Metro Division (3)	Waters Edge	1500 West County Road B-2	Roseville	MN	55113
Dennis	Gimmestad	Minnesota Historical Society	345 Kellogg Blvd.	St. Paul	MN	55102
Dave	Jaeger	Henn. Co. Environmental Services	417 N. 5th Street	Minneapolis	MN	55401
Stewardship Team Manager		National Park Service	111 East Kellogg Blvd, Suite 105	St. Paul	MN	55101-1288
Advisory Council on Historic Pres.	Attn: Don L. Klima	The Old Post Office Building	1100 Pennsylvania Ave. NW #809	Washington	DC	20004

Attachments

1. Site location on aerial photo
2. Downtown zoning and planning districts
3. Existing land use
4. Summary of the Nicollet Mall Shuttle Project and the Circulator Project
5. Assumptions for the Build Alternative
6. Current bus layover sites in north part of Downtown and consolidation analysis
7. Terminal design
8. Traffic analysis and TAZ Districts
9. Air quality analysis
10. Historic analysis
11. Consistency with adopted plans and policies
12. FTA letter to the National Advisory Council on Historic Preservation, 4/29/05

ATTACHMENT 1
Nicollet Hotel Block EA



Summary of the Nicollet Mall Shuttle Project and the Circulator Project

The Nicollet Hotel Block Project stems from a former project, the Nicollet Mall Shuttle Project. This report summarizes this former project and provides its funding history and also its history of citizen input.

A. Original Scope of Nicollet Mall Shuttle Project

The Nicollet Mall Shuttle Project (Shuttle) was modeled, in concept, after the 16th St. Mall Project in Denver. It was funded to demonstrate the use of alternately powered buses providing service designed to alleviate Downtown Minneapolis traffic congestion and improve air quality. The plan was for alternatively fueled buses to replace conventional diesel buses and operate along the Nicollet Mall (a bus only right of way and the City's primary retail street).

The Shuttle concept included establishment of terminals at the northern and southern ends of Downtown. Buses that come to Downtown from the north or south would have terminated in these facilities. Riders would have transferred in a climate-controlled terminal environment to a fleet of alternatively fueled shuttle vehicles that would have operated at high frequencies along the Mall. In off-peak hours, the shuttle vehicles would have acted as a Downtown circulator, akin to a horizontal elevator, that would have moved workers, shoppers, and visitors to key locations in the Downtown area.

The Shuttle Project was organized into two phases with two separate FTA Grants. Both grant applications included public reviews during the City's grant authorization process, which requires public review, and during the public comment process that is integrated into the federal Environmental Assessment process. Phase I included the construction of the South Terminal (Leamington Transit Hub) which was completed in 1991. Phase II, the current FTA Grant, was awarded in late 1992. The Grant, MN-03-0045, was for \$10 million with \$8 million of federal funds to be matched by \$2 million of local funding.

The City's application for this Grant anticipated a need for 18 alternatively fueled buses, a fueling station, and a North Terminal.

The original budget was broken down as follows:

Purchase Shuttle Buses and associated Capital	\$ 8,125,000
Construct Terminal Facilities	\$ 1,475,000
Construct Fueling Facility	<u>\$ 400,000</u>
Total	\$10,000,000

B. Initial Implementation

FTA funds in the amount of \$2.8 million were used in 1993 to purchase the entire Nicollet Hotel Block (bounded by 3rd St, Hennepin Ave., Washington Ave., and the Nicollet Mall) for the purpose of building a North Terminal for the Shuttle. The Nicollet Hotel which was on the site when acquired was subsequently razed in 1996. The site is currently used by Metro Transit as a bus layover site and by the City as a public parking lot.

Summary of the Nicollet Mall Shuttle Project and the Circulator Project

The City and Metro Transit prepared design plans for the North Terminal and the City put it out for bid in 1993. The bids came in higher than expected and were rejected by the City. In June 1999, the City and Metro Transit executed an agreement for the purchase of five hybrid diesel-electric buses using a portion of the Nicollet Mall Shuttle Grant funds. The buses were to be run in regular route service on routes serving the Nicollet Mall. In this manner, two of the Grant objective were addressed: demonstration of alternately powered buses and improved air quality along the Mall.

C. Changes to the Original Concept

Implementation of the Shuttle Project did not proceed due to the inability of the project to secure a source of operating funds for the project and due to excessively high bids for the North Terminal.

The City and Metro Transit reopened the design of the original Shuttle project and took into consideration the following factors:

- Public input from the Downtown business organizations and the Downtown and nearby neighborhood groups influenced the rethinking of the Shuttle project.
- Metro Transit decided that hybrid diesel-electric buses were the buses of choice for the future, not natural gas fueled buses originally proposed. Accordingly, the need for the Fueling Facility was eliminated.
- The decision to construct the region's first LRT line and bring it into Downtown in an east-west direction along 5th St. with four Downtown stations was a major change that had to be accommodated. Revenue service began June 28, 2004.
- Downtown experienced a building boom, well over \$2.5 billion worth in the late 1990s through about 2002. Scores of major office and commercial developments along the Nicollet Mall, and other Downtown office developments within two blocks of the Nicollet Mall increased Downtown job density considerably to the point where Downtown employment now exceeds 145,000. New developments included a new Downtown Central Library currently under construction immediately south of the North Terminal site, a major expansion of the City's Convention Center, and, in more recent years, a Downtown housing boom that has resulted in nearly a thousand housing units either built or planned.

The City and Metro Transit refined the Shuttle project concept and renamed it the Downtown Circulator. It has a slightly different route and function than the original proposal but the intent remains the same. With the tremendous increase in Downtown development pressure, the City and Metro Transit realized the time was right for the full development of the Nicollet Hotel Block. To limit the use to a transit terminal for such an importantly located block would be to grossly underutilize its full development potential. As such, the City decided to market the site for a mixed-use public-private development that would included the terminal in an underground facility with retail in the first two floors and housing above. These changes were designed to make the project financially viable and allow it to be implemented.

Summary of the Nicollet Mall Shuttle Project and the Circulator Project

D. Downtown Circulator Project

In 1999, the City renewed its efforts to implement the Shuttle Grant. Working with Metro Transit and Downtown business and community leaders, the City developed the Downtown Circulator concept to substitute for the Shuttle. The frequency was reduced to meet each incoming LRT vehicle (refer to attached map). This reduced operating costs and the number of buses needed, improving the possibility of implementation.

Service Plan: After much deliberation, a service plan was developed that met each incoming LRT train from 6:30 AM to 1 AM weekdays and from 9 AM to 1 AM on weekends and holidays. This plan requires six buses plus two spares. The bus purchase agreement between the Metro Council and the City was modified to purchase three diesel-electric buses instead of five and to purchase five ultra-low-sulfur-fueled buses. A Five Year Funding Plan was developed and approved by the City Council.

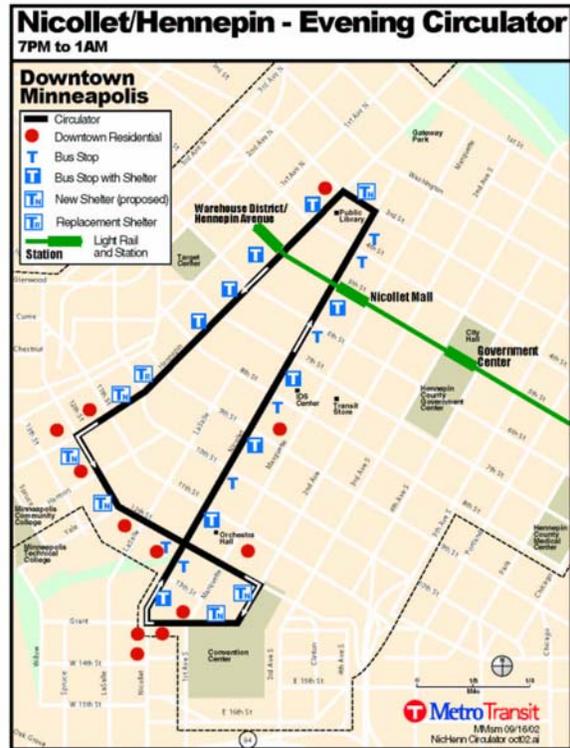
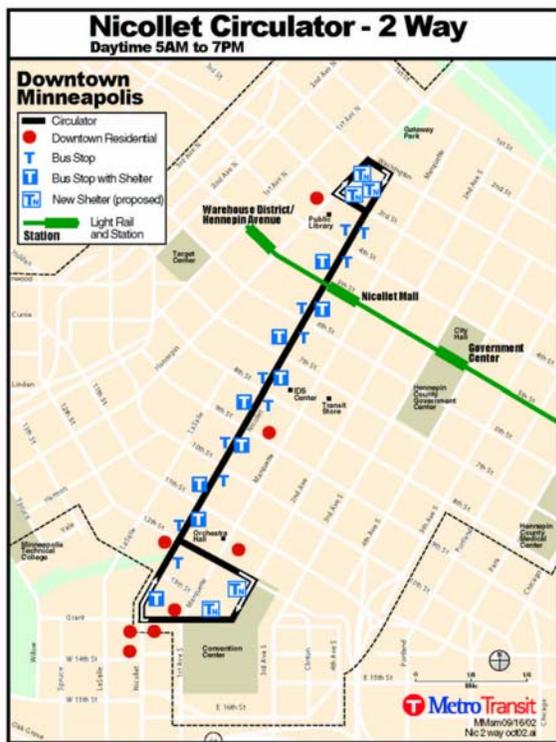
Operating and funding agreements between the City and Metro Council were developed and approved by the City Council. These agreements were transmitted to the Metro Council for approval in late 2003. Prior to ratification, a State Legislator advised that the proposed funding plan was in violation of an old state statute providing that Metro Council could not subsidize more than 50% of the cost of Downtown circulation systems. Accordingly, the funding agreement was not ratified by the Metro Council.

The City has developed several alternate plans that reduce Downtown Circulator service levels and operating costs. We continue to explore alternate funding sources including a possible Downtown Service District. To date, agreement has not been reached on new funding sources or a new service plan although efforts continue. Meanwhile, the eight buses purchased with Grant funds run in regular route service on routes serving the Nicollet Mall.

The Downtown Circulator is proposed to operate on a “no-fare” basis on the Nicollet Mall with loops on the north and south ends to link with LRT and other transit routes, and to serve residential, hotel, and Convention Center needs. During evening and weekend periods, the route is modified to also serve the Entertainment Area along Hennepin Ave. (refer to route maps in Attachment X).

Bus Description: The Circulator bus fleet consists of three diesel-electric buses and five "clean diesel" buses, modified to use ultra-low sulfur fuel. The Circulator buses are standard 40' long buses. They will be visually unique to be easily distinguished from other buses. They are configured to allow quick and convenient boarding by having a low floor, wide (56" compared to a conventional 34") rear door with perimeter seating and a wider aisle for faster loading/unloading.

Proposed Downtown Circulator

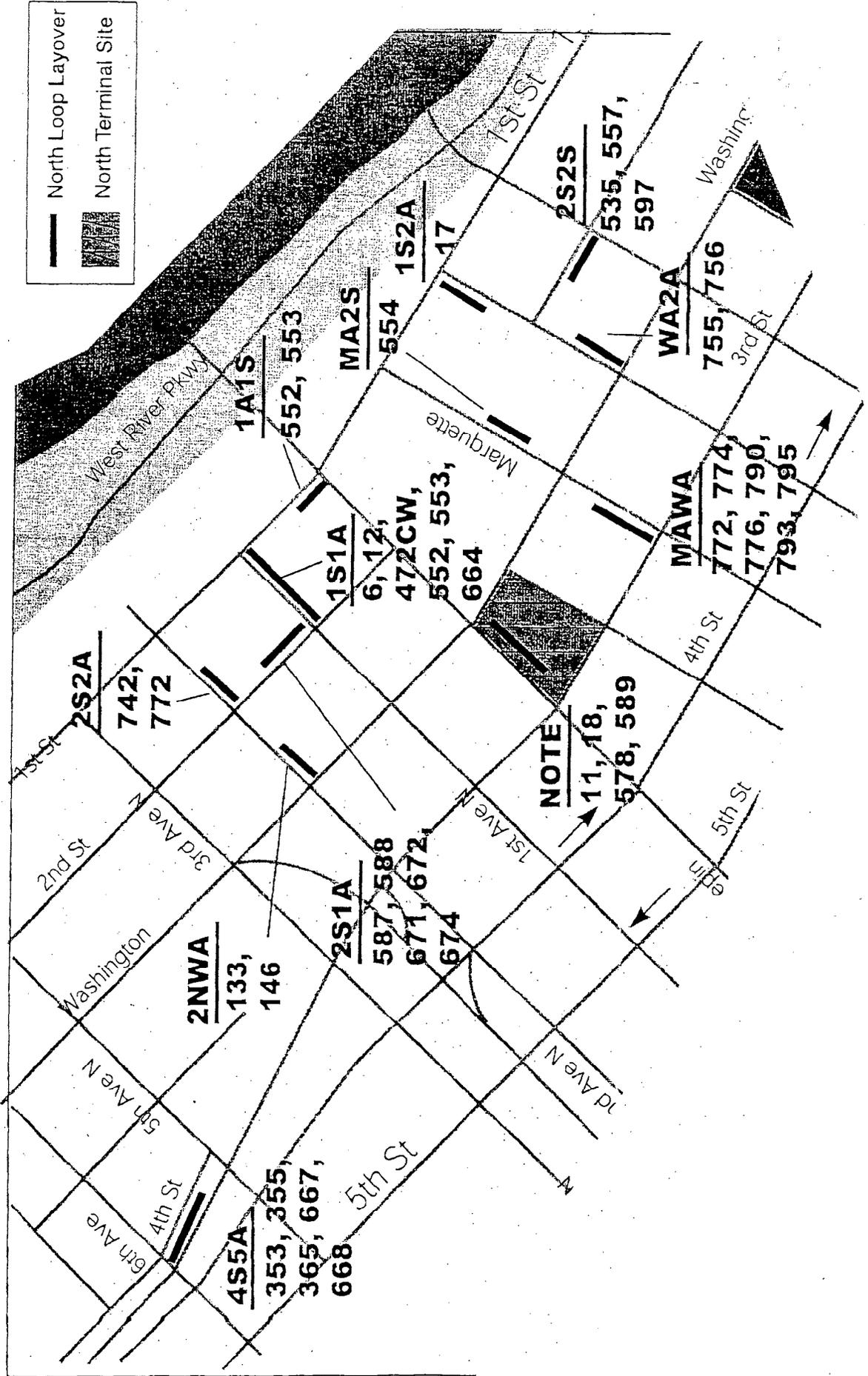


Nicollet Hotel Block Project: Assumptions for the Build Alternative									
Updated: 4/11/05									
Uses									
Floors	Floor area	Terminal	Retail	Parking and Access	Storage, HVAC, stairs, etc.	Dwelling Units	Residential Area	Common Areas and Lobby	Total per floor
Floor 18	37,026				5,554	16	31,472		37,026
Floors 6 through 17	444,312				66,647	270	377,665		444,312
Floor 5	37,026				5,554	1	1,472	30,000	37,026
Floor 4	74,378			44,791	11,157	13	18,431		74,378
Floor 3	74,378			56,459	17,919				74,378
Skyway level	74,378		51,140		23,238				74,378
Street level	74,378	40,518	33,860						74,378
Terminal level	74,378	74,378							74,378
Totals	890,254	114,896	85,000	101,250	130,068	300	429,040	30,000	890,254
Percent of total		13%	10%	11%	15%		48%	3%	100%
Floor area ratio	12.0								
	Floor 4 and below	Floors 5-18							
Data	Property line	With Setbacks	Floor area of two towers						
Nicollet frontage	331	281							
Hennepin frontage	340	289							
Washington frontage	185	166							
3rd St. frontage	265	235							
Total area	74,378	56,341	37,026						
	Amount	Totals							
Dwelling units (DU)	300								
Average sq. ft. per DU (33 X 45)	1,400	420,000							
Stalls per DU	1	375							
Sq. ft. per stall	270	101,250							
Storage per DU	100	30,000							

Minneapolis North Loop Bus Layovers

February 2005

Metro Transit, 2/19/05



Minneapolis North Terminal - Consolidation of On-street Bus Layovers -

A North Terminal on the former Nicollet Hotel block will allow consolidation of 12 existing bus layover sites. The attached map identifies the layover locations in the North Loop and the bus routes that use each location. The 41 impacted bus routes connect downtown Minneapolis with a broad geographical cross-section of the metro area. Six of these routes currently layover at the North Terminal site.

Layovers are extremely important to providing reliable and attractive service to transit customers. Buses are scheduled with calculated "recovery" time between trips. This recovery time allows for each trip to start on time even if the last trip was late due to unusual traffic, detours or weather conditions.

The City of Minneapolis and Metro Transit receive numerous complaints from property owners located near existing on-street layovers asking that the buses be removed. Lack of alternative locations prohibits accommodation of these requests. The construction of a North Terminal allowing consolidation into one location would be welcomed by:

Theatre de la Jeune Lune
Meyer, Scherer & Rockcastle, Ltd.
Nicollet Island Inn
The Towers
The Churchill
Standard Parking

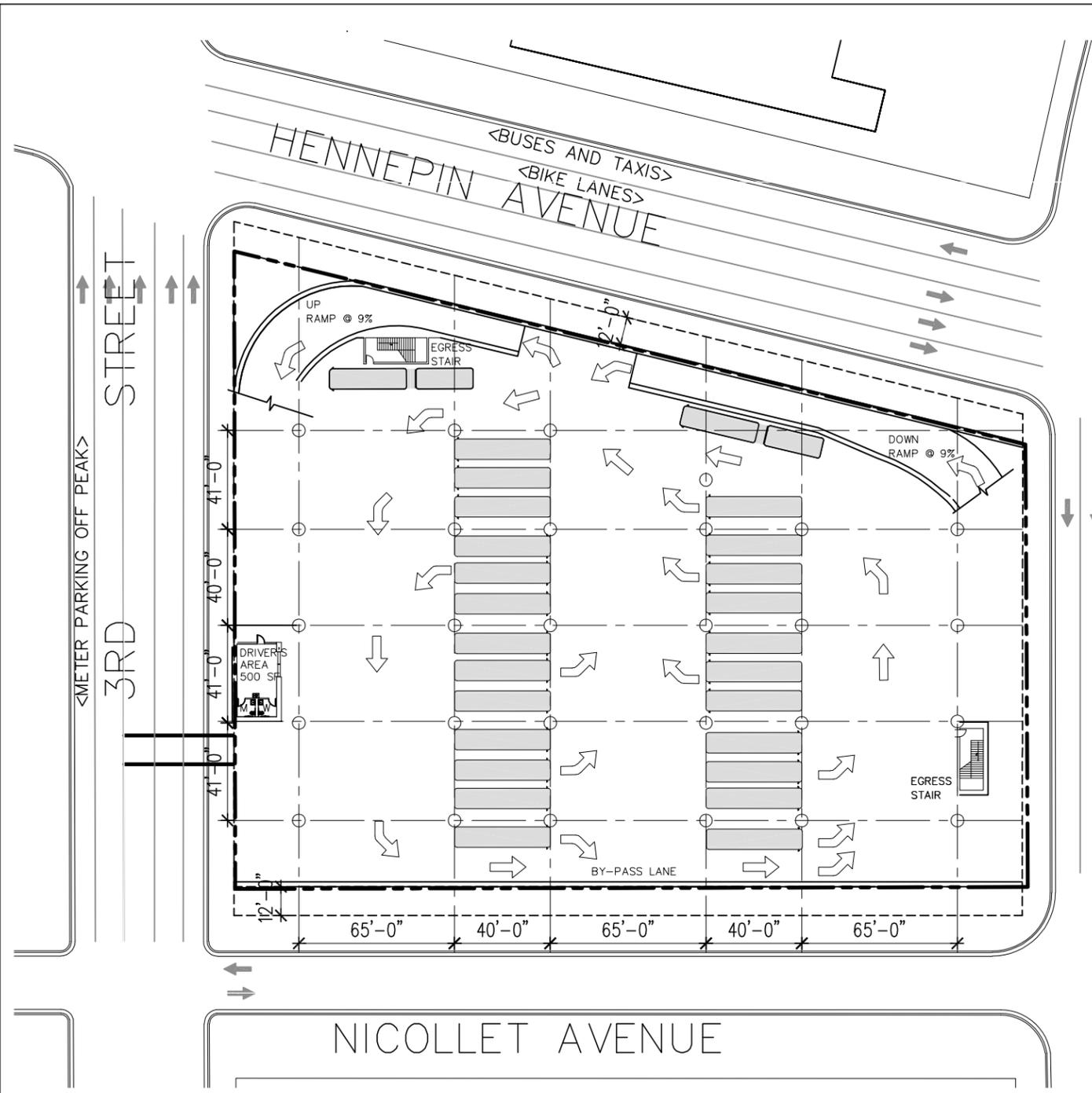
Walsh Design Group
Merit Printing
New Horizon Child Care
ING, Inc.
Rivergate Apartments
100 Washington Square Office Bldg.

The North Terminal would need 26 bus parking spaces for all the on-street layovers shown on the map in the North Loop to be eliminated given current service levels. (Note that Routes 353, 355, 363 and 365 would remain on 4th St. as those routes start service at the 5th Street TAD Garage which is too full to accommodate them).

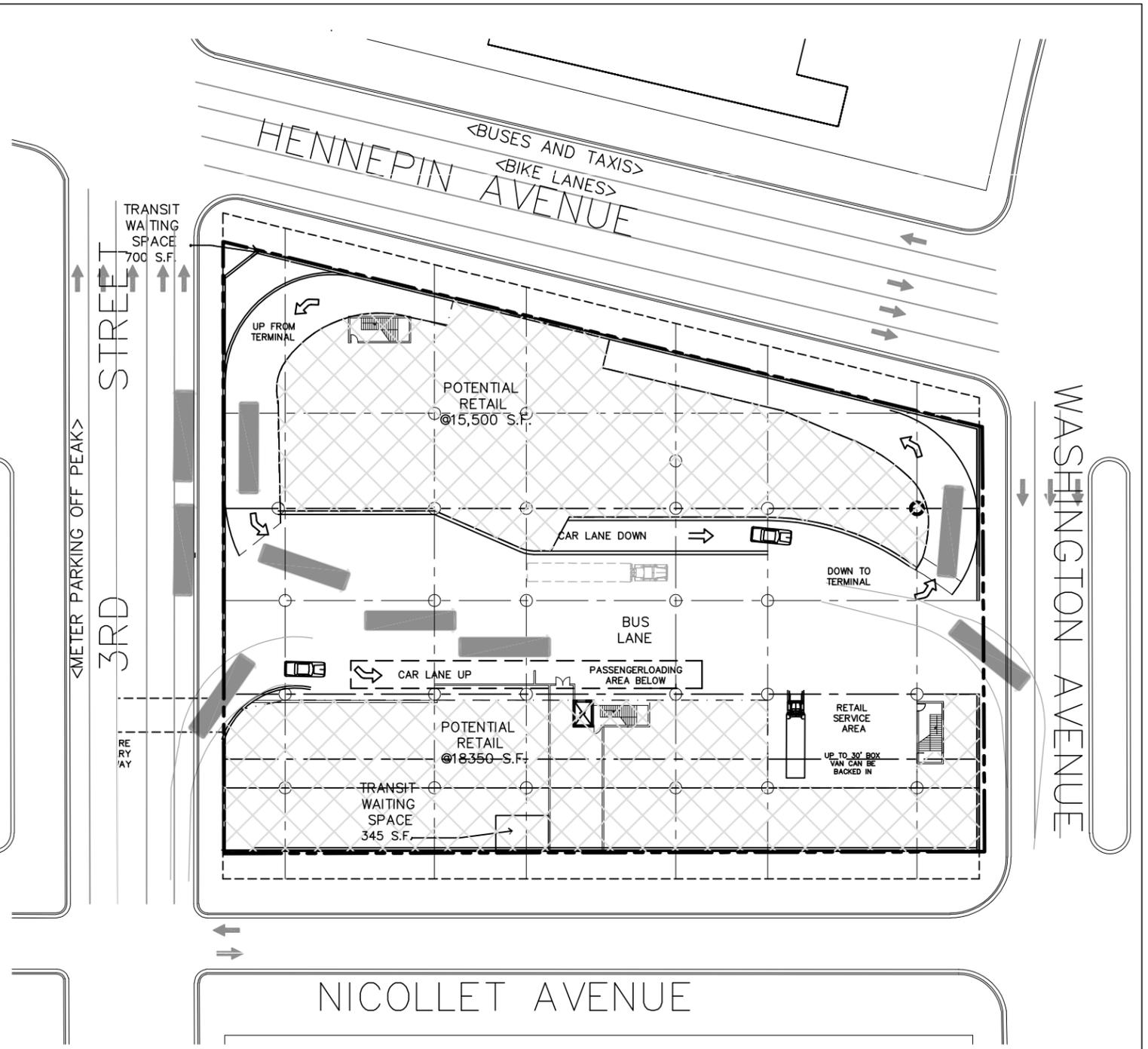
With the 35 routes using North Loop on-street layovers, 342 layovers are taken each weekday. The strategic location of the North Terminal will reduce bus traffic on city streets by eliminating travel to/from remote layover sites between trips. The estimated \$350,000 in annual transit operating savings could offset new facility maintenance and utility costs. The six routes presently laying over on the North Terminal site operate 179 trips per weekday. If these routes could no longer use this site, additional on-street layover sites would need to be identified and annual operating costs would increase by at least \$185,000.

The demand for bus layover space in downtown Minneapolis is expected to grow. Anticipated employment growth will require more bus service. For example, new service for the proposed Northwest Corridor/Busway connecting Minneapolis to Rogers will alone require an estimated seven layover locations at start-up with growth anticipated.

Pressures to eliminate on-street layovers are also expected to increase. Property owners considering new development near layover sites typically request that the buses not be on the street. The new Grant Park complex under construction near Portland and 11th Street is a recent example. The developer asked Metro Transit to move its layover away from this site. This request was granted by moving the bus near the convention center.



LOWER LEVEL



GRADE LEVEL

NORTH TERMINAL



Maintenance Facility Consultants, Inc.
 Planning, Design, and Management Services
 for the Maintenance Industry

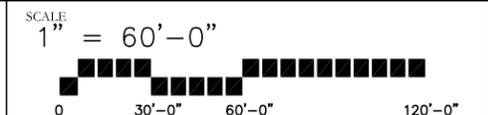
4654 Highway 6 North
 Suite 204
 Houston, TX 77084
 281.463.6171



Lawson Commons
 380 St. Peter Street, Suite 600
 Saint Paul, MN 55102-1996
 651.222.3701

OPTION 1

24 STD BUSES
 2 ARTICULATED



DATE
 MAY 1, 2003

SHEET TITLE
 PLANS

ATTACHMENT 8
Nicollet Hotel Block EA

Michael R. Anderson, PE, PTOE
Transportation Engineer
URS Corporation

Thresher Square
700 Third Street South
Minneapolis, MN 55415

2/23/05

The North Terminal Project Site located on the block bound by Washington Avenue, Third Street, Hennepin Avenue and Nicollet Mall is currently under environmental review. The proposed project provides Metro Transit the ability to consolidate layovers for its downtown bus routes in a central location. In addition to the increased transit operation on the proposed site, Minneapolis has solicited interest in providing transit-orientated development on the project site. Future additional site development would include high-rise condominium units and street/skyway level retail. As part of the environmental documentation, a Traffic Impact Study (TIS) was completed to evaluate impacts associated with the expected increase in bus activity and residential vehicle trips to the proposed North Terminal Project Site. The following provides a summary of the TIS.

Intersections Studied and Analysis Scenarios

Key intersections included in the TIS were selected based on the potential level of project related impact. The following four intersections were evaluated:

- Washington Avenue at Nicollet Mall
- Washington Avenue at Hennepin Avenue
- Third Street at Nicollet Mall
- Third Street at Hennepin Avenue

To identify or quantify traffic impacts created by the Project, the following three scenarios were evaluated.

- *Year 2004 existing*
- *Year 2009 No-build*

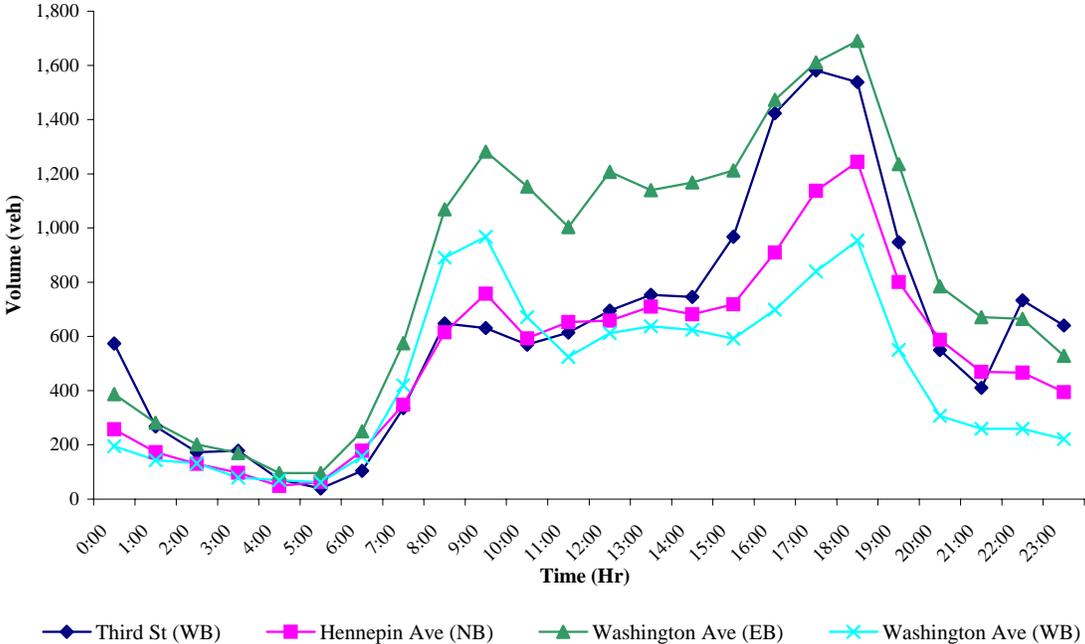
The existing land use of 180 general parking spaces and current bus routes and layover spaces (three to four spaces) are expected to be removed. In their place, a proposed 300 unit High Rise Condo building and 110,000 SF of retail center will be constructed. In addition, two planned land developments (i.e., 21st Century and Public Library) adjacent to the site were included.
- *Year 2009 Build Alternative*

Proposed land use includes 300 High Rise Condos, 85,000 SF of retail center, a bus layover terminal (approximately 21 to 26 total spaces) and the two planned land developments (i.e., 21st Century and Public Library). The existing 180 parking spaces will be removed.

Analysis Time Period

The traffic operation analysis was completed for only the PM peak hour. The PM peak hour represents the most critical time period; therefore the worst-case scenario. Hourly tube counts along Washington Avenue, Hennepin Avenue and Third Street were collected to verify the peak hours of traffic volume. Table 1 illustrates that the peak hour on each roadway occurs during the PM rush. Westbound Washington Avenue is the only exception; however, the difference between AM and PM is negligible.

Table 1. Hourly Volume Trends



The overall intersection volumes were also compared. Table 2 illustrates the AM and PM peak overall intersection volume. As shown, the critical key intersections accommodate significantly more traffic volume during the PM than during the AM peak.

Table 2. Intersection Peak Hour Volume Comparison

INTERSECTION	TIME PERIOD	NORTH APPROACH	EAST APPROACH	SOUTH APPROACH	WEST APPROACH	INTERSECTION TOTAL
Washington Avenue at Hennepin Avenue	PM Peak Hour	46	1,290	1,043	1,033	3,412
	AM Peak Hour	38	771	725	1,043	2,577
Third Street at Hennepin Avenue	PM Peak Hour	41	1,751	1,260	0	3,052
	AM Peak Hour	34	709	759	0	1,502

Planned Land Developments

In addition to the proposed North Terminal project, two future developments are planned adjacent to the project site. The neighboring development parcels were included in the

TIS due to their proximity to the proposed project and the expected cumulative traffic impacts that could result. These developments include:

- 21st Century Towers: 3,600 SF Drive-in Bank, 22,686 SF Retail Center and 317 High-Rise Condos
(21st Century Towers is located on the block bound by Hennepin Avenue, Washington Avenue, Third Street and 1st Avenue North.)
- Minneapolis Public Library: 2,800 daily patrons (345,808 SF Library, 33,707 SF Planetarium and 3,540 SF Retail)
(The Minneapolis Public Library is located on the block bound by Hennepin Avenue, Third Street, Nicollet Mall and Fourth Street)

Existing Traffic Data

The following summarizes key existing condition site characteristics and data collected in completing the TIS:

1. Existing Land Use
 - 180 Parking Spaces
 - 6 bus routes with 180 layovers
2. Existing Data
 - Existing traffic volumes were obtained from the Travel Demand Management Plan for 21st Century Towers, prepared by Parsons Transportation Group, October 27, 2004 and the Travel Demand Management Plan for Minneapolis Public Library, prepared by SRF Consulting Group, March 10, 2003. The existing condition turning movement volumes are illustrated in Figure 1, attached at the end of this section.
 - Existing signal timing parameters were obtained from the City of Minneapolis Traffic Signal Shop
 - Existing roadway and intersection lane geometrics were field collected.

Site Access and Circulation

Site access point locations and internal circulation influence the forecast vehicle and bus trip generation associated with the proposed project. The following summarizes the access and circulation assumed with the proposed North Terminal project.

- Two proposed access points to the site will be provided – one along Third Street and the other along Washington Avenue between Nicollet Mall and Hennepin Avenue.
- Both the Washington Avenue and Third Street access points will be a right-in and right-out only.
- Buses will circulate through the proposed site by entering only on Third Street and exiting only to Washington Avenue.

- The proposed residential parking spaces were assumed to have access via both the Washington Avenue and Third Street access points. (i.e., exiting and entering the residential parking spaces is allowed at both locations).

Trip Generation and Forecast Volumes

The following summarizes the methodologies and assumptions used in developing the forecast year 2009 traffic volumes:

- A background growth rate of 1 percent per year was applied to the existing traffic volumes to obtain the year 2009 No-build background volumes. The background growth rate is in addition to the two planned adjacent land developments (21st Century and the Minneapolis Library), and the proposed land use changes on the project site.
- Proposed residential/commercial retail land use on the North Terminal site trip generation was developed using the ITE Trip Generation Manual, Seventh Edition.
- The residential (High-rise Condo) trip rate was reduced by 15 percent to account for TDM strategies and proximity to transit, bike and walking alternatives.
- The 180 parking spaces on the current site and the associated traffic generation from these spaces were removed from the network under both the No-build and Build alternative scenarios. The existing trip generation was estimated by applying an exiting vehicle trip rate per parking space of 0.30. (i.e, 180 parking spaces generates approximately 54 exiting vehicles during the PM peak hour.
- The commercial retail trip rate was reduced by 90 percent. The retail space will be provided on the street and skyway level, for purpose of serving on-site residents and pedestrian traffic using the skyway system. Dedicated parking for the retail will not be provided other than current on-street metered parking spaces. As such, vehicle traffic is not expected to be generated as a result of the commercial retail land use.
- Based on data provided by Metro Transit, the existing bus trip generation is equal to 42 PM peak hour (21 buses in and 21 buses out), 26 AM peak hour (13 buses in and out) and 360 daily (180 buses in and out).
- Proposed transit activity associated with the North Terminal. Metro Transit has indicated the north terminal will provide space for approximately 520 bus layovers. The PM peak hour trip generation is estimated to be 208 buses (104 in and 104 out), the AM peak hour is 50 (25 in and 25 out) and the daily is approximately 1,000 (500 in and out). These future trip generation estimates include the existing bus trips currently using the site.
- Table 3, on the following page, presents a summary of the trip generation estimates for the proposed North Terminal project.

- The regional directional distribution for the proposed residential/commercial land use assumes 25 percent arriving geographically from the north, 25 percent from the west, 25 percent from the east and 25 percent from the south.
- The regional directional distribution for the proposed new transit routes using the North Terminal are as follows:
 - 100 percent entering from east on Third Street South.
 - 100 percent exiting to the east on Washington Avenue South. (60 percent destined to southbound Nicollet Mall and the remaining 40 percent destined eastbound Washington Avenue.
- Vehicle and bus trips were assigned to the roadway network based on the geographic regional distribution, expected site access point locations, proposed site circulation, consideration of one-way streets, regional freeway system entrance/exit points and characteristics of the surrounding roadway network.
- The forecast 2009 No-build and Build Alternative traffic volumes are presented in Figure 2 and Figure 3, respectively, which are located at the end of this section.

Table 3. Trip Generation Summary

No-build Alternative

Land Use/ITE Code ¹	ITE Unit	Size	Rate ²	Distribution		PM Peak Hour Trips		
				Enter	Exit	Enter	Exit	Total
High Rise Residential Condominiums/232	DU	300	0.32	62%	38%	60	37	97
Specialty Retail/814	SF	110,000	0.27	44%	56%	13	17	30
North Terminal Bus Mall ³						0	0	0
Total						73	54	127

Build Alternative

Land Use/ITE Code ¹	ITE Unit	Size	Rate ²	Distribution		PM Peak Hour Trips		
				Enter	Exit	Enter	Exit	Total
High Rise Residential Condominiums/232	DU	300	0.32	62%	38%	60	37	97
Specialty Retail/814	SF	85,000	0.27	44%	56%	10	13	23
North Terminal Bus Mall ³	--	--	--	50%	50%	83	83	166
Total						153	133	286

¹ Trip Generation Manual, Seventh Edition, Institute of Transportation Engineers.

² Residential Condo trip rate was reduced by 15-percent (0.38 to 0.32) to account for the benefit of TDM strategies and proximity to transit, walking and biking alternatives.

Specialty Retail trip rate reduced by 90 percent (2.71 to 0.27). First and second floor retail uses are accessed through street and skyway levels and are intended for residents and nearby building uses. Regular vehicle trips are not expected.

³ The total number of bus trips expected with the proposed North Terminal project includes 208. 42 of the trips occur in the existing condition and will remain. Therefore, a total of 166 new bus trips are expected. Information provided by Metro Transit on February 14, 2005.

Land Use (Trips) - Removed with Redevelopment of the Project Site

Land Use	Unit	Quantity	Rate ¹	Distribution		PM Peak Hour Trips		
				Enter	Exit	Enter	Exit	Total
General Parking Lot (No-build and Build Alt)	Spaces	180	0.30	0%	100%	0	54	54
Bus Layover Stalls (No-build only) ²	Spaces	4	--	50%	50%	21	21	42
Total						21	75	96

¹ An exiting trip rate of 0.30 vehicles per parking space was assumed for the existing parking lot. (I.e., 30 percent of the parked vehicles exit the lot during the PM peak hour). The existing parking lot contains 180 parking spaces and is primarily used by commuters during the weekday.

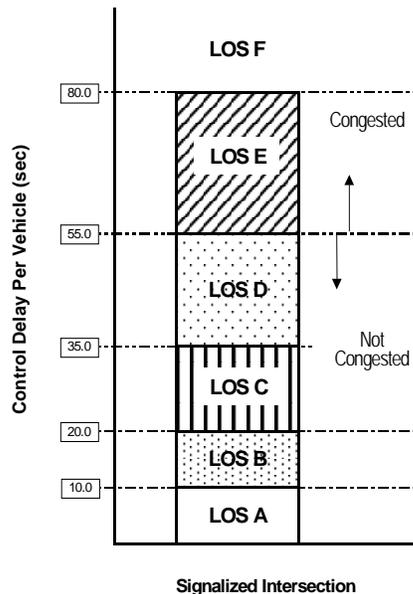
² Data provided by Metro Transit on February 22, 2005.

Traffic Operation Analysis

A traffic operation analysis was conducted for each of the identified key intersections for the PM peak hour. The following summarizes the procedure and results of the traffic operation analysis completed for the North Terminal Project.

- All intersections were evaluated with respect to the documented Methodologies of the Highway Capacity Manual, 2000 Edition, using the Synchro traffic analysis software package.
- The existing signal timing parameters were used for the existing and both the 2009 No-build and Build Alternative scenarios.
- The results of the traffic analysis included approximating the intersection delay. This capacity analysis, or measure of delay, is reported in the terms of Level of Service (LOS), which is the qualitative indicator of traffic impact. By definition, LOS A conditions represent high quality of traffic flow (i.e., little delay) and LOS F conditions represent poor quality of traffic flow (i.e., extreme traffic delays and congestion). Table 4, presents a graphical illustration of LOS.

Table 4. Definition of LOS



- A LOS of D or better is recognized as the threshold of acceptable traffic operations in an urban environment.
- The results of the traffic analysis are summarized in the Table 5, below.

Table 5. Traffic Operation Analysis Results Summary

INTERSECTION	MOE	2004	2009	
		Existing	No-build	Build Alternative
Washington Avenue at Nicollet Mall	Delay LOS	13.2 B	13.6 B	13.9 B
Washington Avenue at Hennepin Avenue	Delay LOS	20.6 C	26.1 C	26.1 C
Third Street at Nicollet Mall	Delay LOS	9.6 A	9.9 A	10.3 B
Third Street at Hennepin Avenue	Delay LOS	16.0 B	17.4 B	17.3 B

- The results of the analysis indicate that all four key intersections are expected to operate at a LOS C or better during the PM peak hour under each of the scenarios evaluated.

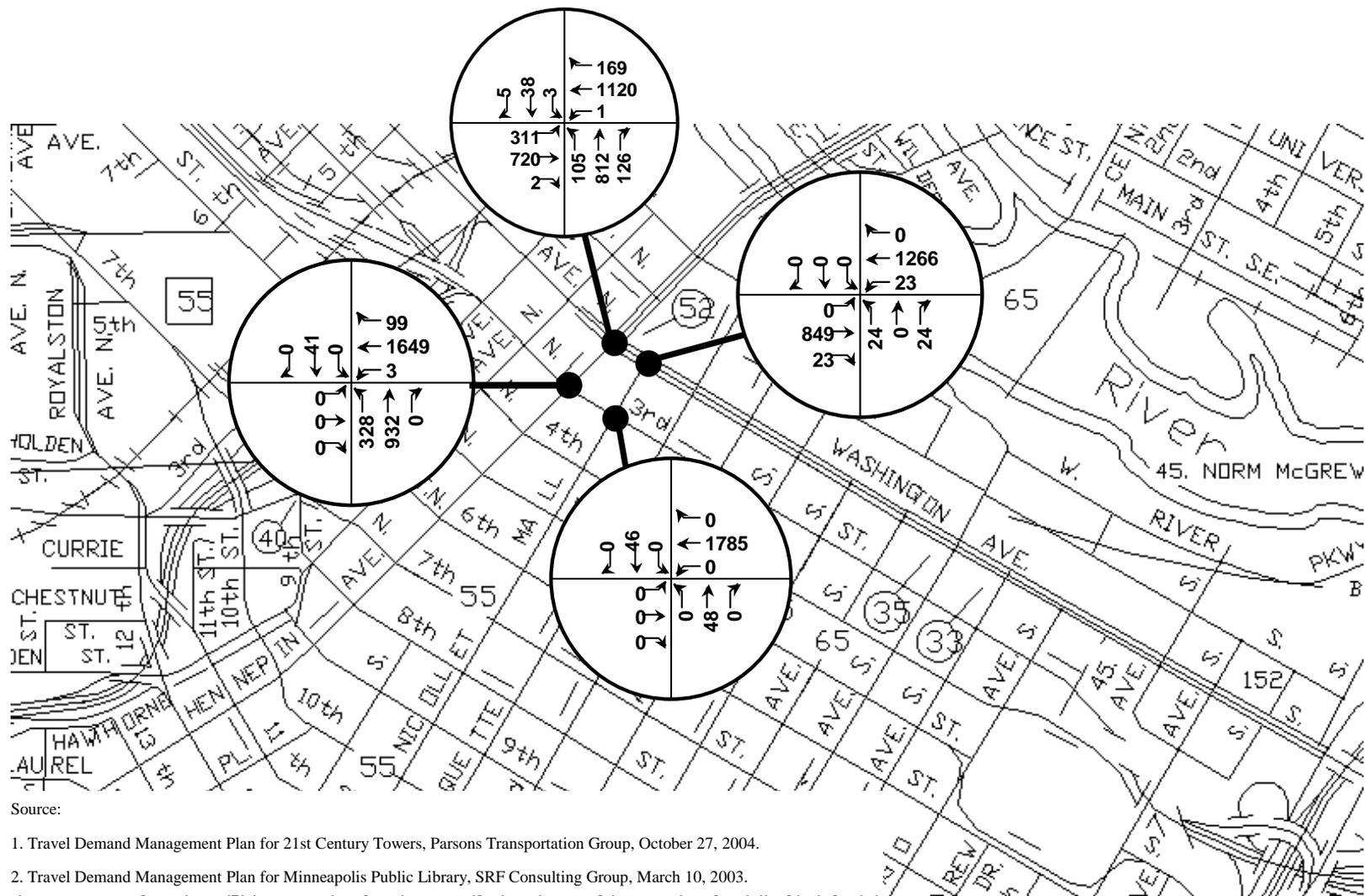


Figure 1. Existing Condition Intersection Turning Movement Volumes – PM Peak Hour

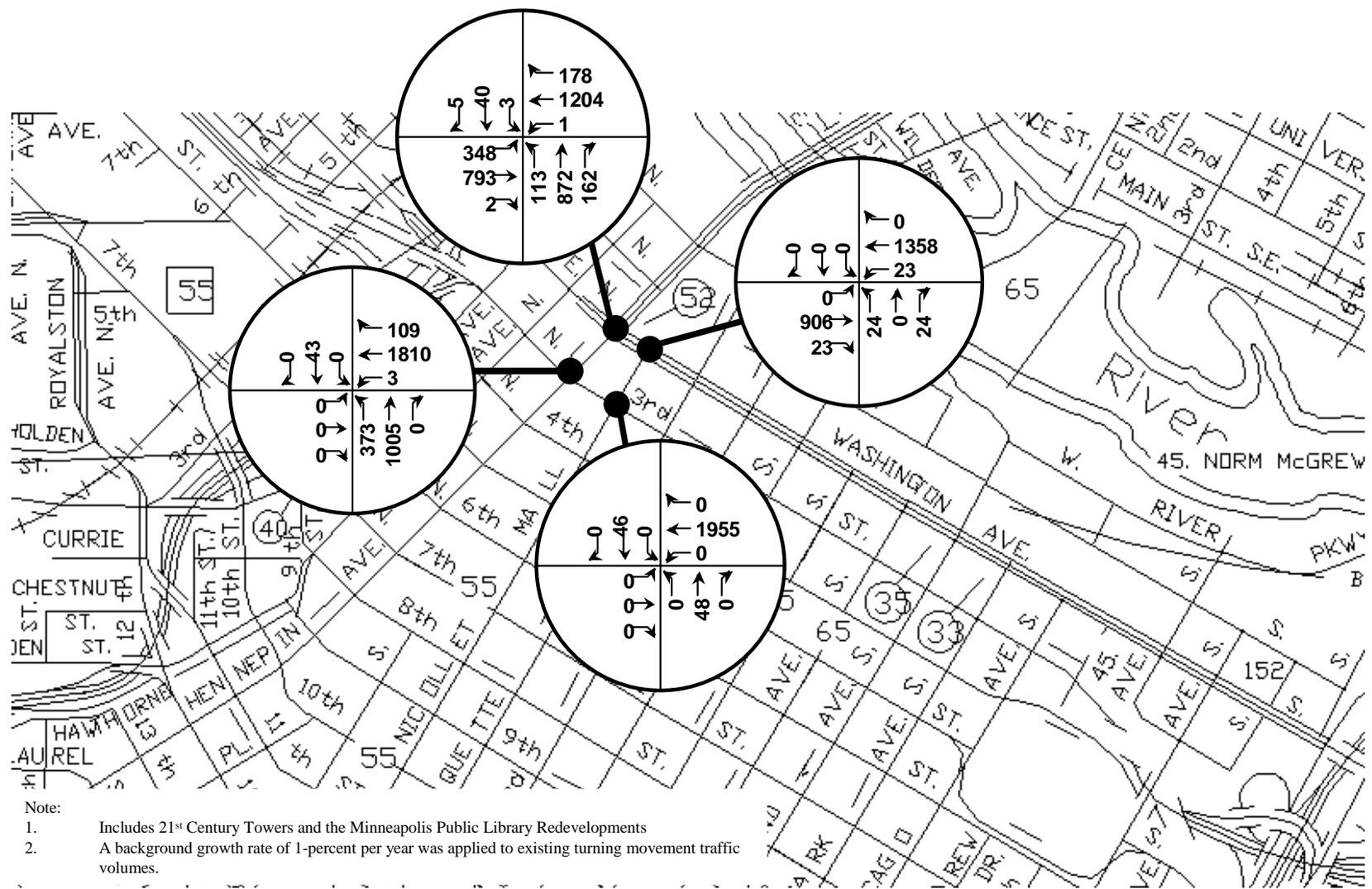


Figure 2. Year 2009 No-Build Intersection Turning Movement Volumes – PM Peak Hour

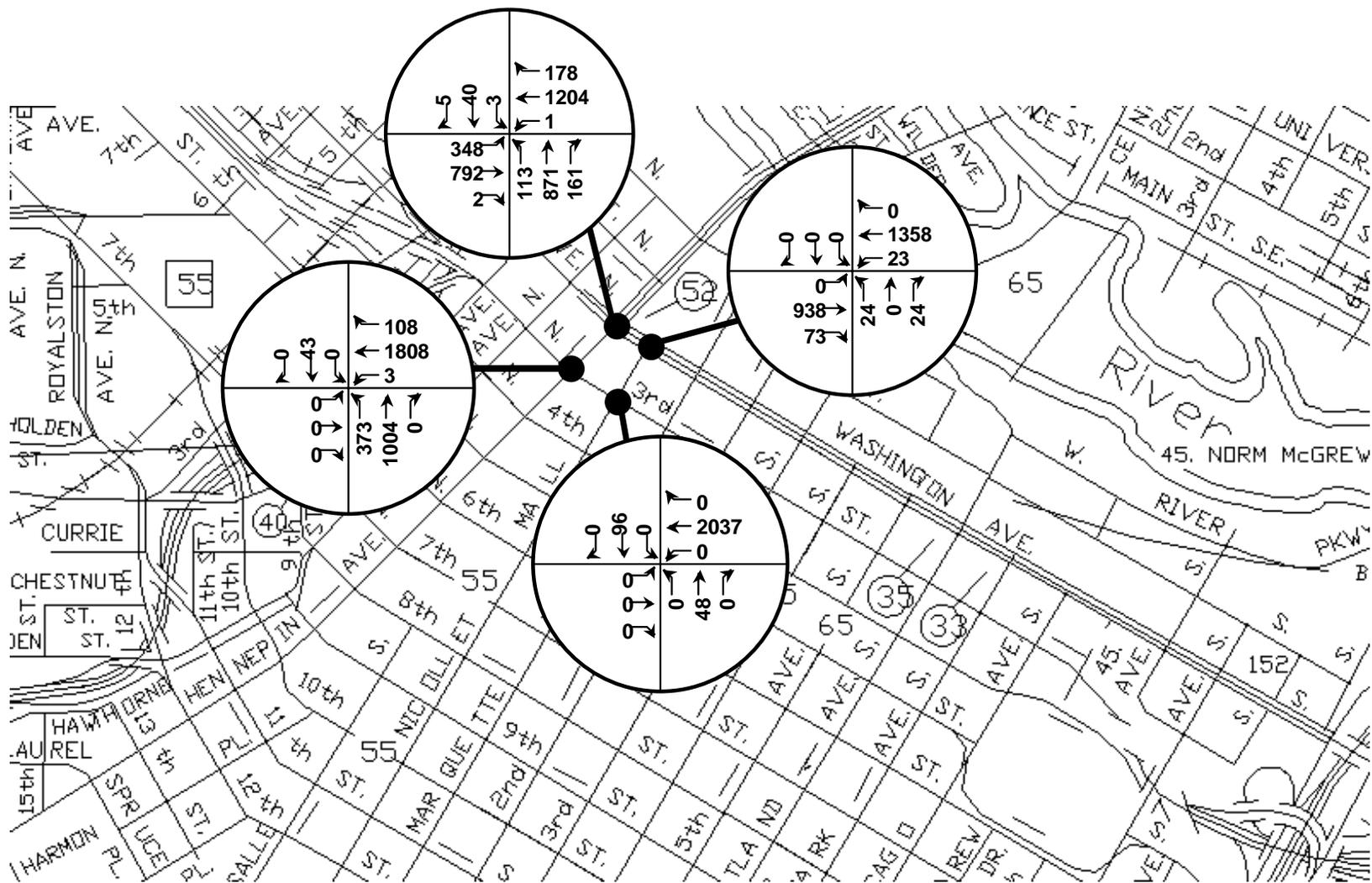


Figure 3. Year 2009 Build Alternative Intersection Turning Movement Volumes – PM Peak Hour

Potential Air Quality Impacts from Minneapolis Nicollet Hotel Block Project **David Braslau and Associates, 2/17/05**

Motor vehicle emissions are associated with vehicles traveling to and from the project along roadways and through critical intersections. At these locations, background traffic not related to the project also contribute to the overall emissions and related concentrations. The most critical pollutant associated with vehicular traffic in Minnesota is Carbon Monoxide (CO) for which 1-hour and 8-hour ambient air quality standards have been established by the US Environmental Protection Agency (EPA) and the Minnesota Pollution Control Agency (MPCA). The potential for exceeding these standards at the four critical intersections analyzed for traffic impact is addressed here.

Carbon Monoxide concentrations measured at the continuous Minnesota Pollution Control Agency monitor at Hennepin at 6th Avenue have been decreasing steadily since the 1980's and no exceedances have been measured in the past few years. In 2002, for example, the high 1-hour concentration was 5.2 ppm and the second high concentration was 4.3 ppm. Since the standard is not to be exceeded more than once per year, the second high, 4.3 ppm, is well below the 1-hour federal standard of 35 ppm and the 1-hour Minnesota standard of 30 ppm. The high 8-hour concentration was 3.8 ppm and the second high was 3.7 ppm, compared with the federal and Minnesota 8-hour standard of 9 ppm. In addition, the top ten 8-hour concentrations occurred between 11 pm and 4 am on a Saturday night and early Sunday morning, due to heavy cruising traffic along Hennepin Avenue and early morning atmospheric inversions. During the PM Peak Hour period, the maximum observed 8-hour concentration was 3.6 ppm, which occurred only once in 2002 (at 6 pm), with the next highest concentration of 3.1 ppm (at 5 pm). Therefore, concentrations during the PM Peak Hour are normally well below the maximum observed concentrations.

From the traffic analysis, total approach volumes, expected delay time, and Level of Service at the four critical intersections are shown in the following table.

Intersection Traffic Volumes, Delay, and Level of Service

EXISTING 2004	Approach Volume	Delay (secs)	LOS
Washington at Nicollet	2,209	13.2	B
Washington at Hennepin	3,412	20.6	C
3rd Avenue at Nicollet	1,879	9.6	A
3rd Avenue at Hennepin	3,052	16	B
NO BUILD 2009	Approach Volume	Delay (secs)	LOS
Washington at Nicollet	2,360	13.5	B
Washington at Hennepin	3,652	26.1	C
3rd Avenue at Nicollet	2,027	9.9	A
3rd Avenue at Hennepin	2,360	13.5	B
BUILD 2009	Approach Volume	Delay (secs)	LOS
Washington at Nicollet	2,440	13.9	B
Washington at Hennepin	3,718	26.1	C
3rd Avenue at Nicollet	2,181	10.3	B

Potential Air Quality Impacts from Minneapolis Nicollet Hotel Block Project

3rd Avenue at Hennepin	3,339	17.3	B
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An evaluation of vehicle emissions in the vicinity of each of the intersections, based upon the approach volumes within one block of the intersection and free flow vehicle emissions at 15 mph and the number of total vehicle-seconds of delay at each intersection times idle emissions, can provide a simple method of estimating the potential increase in emissions, and hence the potential for exceeding existing Carbon Monoxide standards at these intersections. Emissions are based upon the MOBILE 6 emissions model as processed by the Minnesota Pollution Control Agency for the Twin Cities Metropolitan Area. Both free flow and idle emissions decrease over time and tend to cancel the projected increase in vehicle volume. Estimated emissions within one block of the intersections (in tons during the PM Peak Hour) are shown in the table below.

Carbon Monoxide Emissions in Tons per PM Peak Hour

	Existing 2004	No Build 2009	Build 2009
Washington at Nicollet	5.5	4.4	4.6
Washington at Hennepin	13.2	13.1	13.3
3rd Avenue at Nicollet	3.4	2.8	3.1
3rd Avenue at Hennepin	9.2	7.9	7.9

It can be seen from the table that except for the intersection at Washington and Hennepin, emissions will decrease with the project in 2009. The increase at Washington and Hennepin is less than 1%. It should also be noted that Carbon Monoxide emissions from diesel transit buses are only a fraction of gasoline-powered automobiles. Therefore, additional bus operations will contribute little to overall Carbon Monoxide emissions. Moreover, downtown transit shuttles, as well as other buses may use alternative fuels by 2009 with even lower emissions.

Therefore, since no exceedance of the Carbon Monoxide ambient air quality standards have been recorded at the downtown monitor in the past few years, no exceedances of air quality standards are expected to occur with the proposed project. Therefore, no adverse impacts on air quality are anticipated to occur because of the proposed Minneapolis North Terminal.

Environmental Assessment for the Nicollet Hotel Block Project Historical Analysis

1. Historic Properties and the Section 106 Review

The use of federal funds for the Nicollet Hotel Block Project (Project) triggers the federal historic review known as the Section 106 Review, which references the rules in 36 CFR Part 800 that deal with the protection of historic properties. At 800.3 (a), the Agency Official (the Federal Transit Administration (FTA) in this case) “shall determine whether the proposed Federal action is an undertaking and, if so, whether it has the potential to effect historic properties and whether review is governed by a Federal agency program alternative established under 800.15.” The City and the FTA have determined the Project constitutes an undertaking.

a) **Consultation:** Section 800.3 (d) requires the Agency Official consult with the State Historic Preservation Office (SHPO). The history to date of this consultation is as follows:

- On 9/3/04, the FTA notified the Minnesota SHPO that the Agency was about to complete a federal EA and a Section 106 Review regarding the Project.
- In later March 2005, City staff consulted with SHPO staff regarding the designation of the Area of Potential Effect.
- On 4/4/05, the City provided the draft of its visual impact analysis of the Project to the SHPO for informal review and comment.
- On 4/20/05, City staff met with a representative of the SHPO regarding the Project to discuss the Area of Potential Effect and the process and schedule to complete the EA in a timely manner and to complete the Section 106 Review.
- The City consulted during the month of May with the SHPO regarding the drafting of a Memorandum of Agreement.
- The City submitted the EA to the SHPO on the date listed on the transmittal letter of the EA.

b) **Area of Potential Effect:** At 800.4 (a)(1) and (2), the law requires the Agency Official to consult with the SHPO and to “[d]etermine the area of potential effects” by means of a thorough review of the existing information regarding historic properties in the area. The following is that analysis:

The Block: The Block is the former site of the Nicollet Hotel. Originally known as the Nicollet House, the first hotel on this site was a five-story brick building constructed in 1858. In 1923, the original hotel, including some later additions, was demolished and replaced by a new twelve-story, Neo-Classically inspired hotel designed of the prominent Chicago firm of Holabird and Roche. Renamed the Pick-Nicollet in 1957, the hotel remained in business until 1973. The building was subsequently acquired by Souls Harbor Church, who remained in the building through 1984. The hotel stood vacant for several years and was finally demolished in 1991, at which time the site was converted into its current use as a parking lot and bus layover facility.

Federal Environmental Assessment Prepared for the Nicollet Hotel Block Project: Historical Analysis

The Sanborn Fire Insurance Atlases for 1885, 1904, 1912, 1951, and 1952 (available upon request) show how the site developed. Based on the size of the second Nicollet Hotel building, there does not appear to be any undisturbed ground on the site. Therefore, the site has not been evaluated for archaeological potential.

Historic sites and districts in the area: The Nicollet Hotel Block site is located within one city block of two National Register listed historic districts and one individually listed property. Additionally, there are several individually listed properties and several properties that have been determined eligible for the National Register that are located within a several block radius of the site. The site is located one half city block from the Minneapolis Warehouse Historic District (NRHP 1989) and one block from the St. Anthony Falls Historic District (NRHP 1971). The following chart lists the properties and districts that are on the national Register or potentially eligible for listing. Attachment 16, Slide 2 shows the 13 sites and districts closest to the Project site.

Historic properties within a three-block radius of the Project site

Address	Name of Property	Status	Distance from Project site
See map	St. Anthony Falls Historic District	NRHP (1971) MNHD (1971)	1 block
See map	Minneapolis Warehouse Historic District	NRHP (1989) LHD (1978)	½ block
422 Hennepin Ave.	Commercial Building (The Brass Rail)	Not determined	1 block
425 Hennepin Ave./10 S. 5 th St.	Lumber Exchange Building	NRHP (1983) LL (1983)	1 block
516 Hennepin Ave.	Shubert Theater	(NRHP 1995) LL (1990)	1½ blocks
524-30 Hennepin Ave.	Masonic Temple	(NRHP 1975) LL (1980)	1½ blocks
115 S. 4 th St.	Farmers and Mechanics Savings Bank	NRHP (1984) LL (1980)	2½ blocks
315 S. 4 th St./350 S. 5 th St./400 4 th Ave. S	Minneapolis City Hall-Hennepin County Courthouse	NRHP (1974) LL (1977)	4 blocks
105 S. 5 th St.	Soo Line Building	(NR eligible) (1996)	3 blocks
200, 224 s. 5 th St.	Northwestern Bell Telephone Co. Building	(NR Eligible)	3½ blocks
14 N. 6 th St.	Gluek Building	(NR eligible) LL (1984)	2 blocks
88 S. 6 th St.	Farmers and Mechanics Bank	(NR eligible)	3½ blocks
527-29 Marquette Ave.	Rand Tower	NRHP (1994) LL (1994)	4 blocks
20 Washington Ave. S.	Northwestern National Life Insurance Building	(NR eligible)	Across street
200 Washington Ave. S.	Federal Office Building	(NR eligible)	3 blocks
300 Washington Ave. S.	Chicago, Milwaukee, St. Paul and Pacific Depot, Freight House and Train Shed	(NRHP 1978)	4 blocks

Other considerations:

- The site is located within the Downtown Core as designated by the City's Comprehensive Plan. A building of the mass and height as assumed herein could be built consistent with the regulations and guidelines articulated in the City's Zoning Code, Comprehensive Plan, and the North Nicollet Mall Development Objectives.
- The assumed building would be visible from the north along Washington Ave. Because of the building's proximity to Washington Ave., its relative height will be more pronounced than the view of the numerous other tall Downtown buildings, many of which are significantly taller than the subject building.
- The City's Zoning Code and Comprehensive Plan would allow other buildings with equal or greater mass and height to be built in the area of the site and within the view from Washington Ave. and other locations within the Minneapolis Warehouse Historic District. Some of these buildings would screen most of the proposed building from the view southward from Washington Ave. N.
- City streets (3rd St. to 6th St.) and gaps between buildings offer views from the Minneapolis Warehouse Historic District towards the Downtown Core. These views include numerous very tall and massive buildings. Thus, to be able to view another building that is taller and larger than those within the Minneapolis Warehouse Historic District would not create a new or unique situation.
- Downtown Minneapolis, as the financial center of a five-state region, is expected to continue its historic growth trend of about 800,000 sq. ft. of new development per year on average. Numerous sites are still available for redevelopment for additional skyscrapers, many of which would be visible from the Minneapolis Warehouse Historic District and other historic sites and districts.
- Based on the previously mentioned traffic patterns and potential visual affects, the Area of Potential Effect for the Nicollet Hotel Block Project includes the four blocks surrounding the Project site and the view-shed that projects to the north along Hennepin Ave. to Nicollet Island. Slide 15 in Attachment 16 maps the Area of Potential Effect. Slide 2 maps the historic districts and buildings in the vicinity of the site that are individually listed or potentially eligible for listing on the National Register.

- c) **Evaluation of potential visual effects of the Project on historic properties within the Area of Potential Effect:** As previously stated, the Block is located one block from the St. Anthony Falls Historic District. Any potential visual effects on this district are mitigated by the Northwestern National Life Insurance Building which separates the district from the site and by the non-contributing buildings in the district that are closest to the Project site. These buildings include the Towers Condominiums, which are 17 and 21-story buildings constructed in 1964, and the new Federal Reserve Bank, that was built in the late 1990s.

Any visual effects to the Lumber Exchange building will be mitigated by the new, five-story Central Library that is currently under construction on the block that separates the Project site from the Lumber Exchange Building.

Direct visual effects to other National Register listed and National Register eligible properties will be mitigated by other existing buildings that break the direct visual connection between the Project site and the historic sites.

- d) **Potential visual effects on the Minneapolis Warehouse Historic District:** The Project site is separated from the Minneapolis Warehouse Historic District by a row of buildings that front on Hennepin Avenue. These buildings include a two-story commercial building that was constructed in 1929 and a 5-story office building constructed in 1964. Hennepin Avenue has traditionally served as a breaking point in the development pattern of downtown. Lined with low-to-mid-rise buildings, Hennepin Avenue has served as the buffer between the dense urban core, which is comprised of numerous high-rise building located east of Hennepin Avenue, and the warehouse and industrial area located west of Hennepin Avenue, which includes the Minneapolis Warehouse Historic District. Given the historic change in character on each side of Hennepin Avenue, the existing buildings on the west side of Hennepin Avenue should serve as an adequate buffer between the buildings in the Minneapolis Warehouse Historic District that line Third Avenue North and the proposed North Terminal project.

When looking south from the Minneapolis Warehouse Historic District along the streets from 2nd St. N. to 6th St. N. and between gaps in buildings, one sees the tall and massive buildings of the Downtown Core. These buildings serve as the visual terminus of the District. Due to the bend in Washington Avenue at its intersection with Hennepin Avenue, the 13-story Marquette Plaza Building, which, according to the staff of the SHPO, is not eligible for listing on the National Register, serves as the primary visual terminus of the urban canyon created by the numerous buildings that line Washington Avenue through the Warehouse Historic District. Also, the 22-story ING building located at Washington Ave. and Marquette Ave. S. is a part of this visual terminus created by large buildings that are not eligible for listing on the National Register. The Project will join these and other buildings as part of the visual terminus of the District as viewed south from Washington Ave. Because the Project will likely be five or more stories taller than the Marquette Plaza Building and it will be closer to the District than the Marquette Plaza and ING building, it will become a more prominent part of the existing terminus.

Other buildings are likely to become a part of the visual terminus in this area and add to the visual effect. The following are some examples:

- The Carlyle building, a 29-story residential tower, currently under construction on 3rd Ave. S. on the half-block between 1st and 2nd Streets S., will be prominently visible in the area of the Project site.
- The City is considering a private proposal for a two-phased, 24 and 32-story residential development on the FDA Block, called the Eclipse. This building,

which is one block closer to the District than the Project site (bounded by Washington, Hennepin, 1st Ave. N. and 3rd St. N.), will screen most of the view of the Project when viewed from the north.

- The Ritz Block (bounded by 3rd and 4th Sts. S. and Nicollet and Marquette Aves.) and the Powers Block (bounded by 4th and 5th Sts. S. and Nicollet and Marquette Aves. S) are both likely candidates for future skyscrapers. If built, these buildings would likely become even more prominent parts of the visual terminus than the Project.

Photographic analysis: In order to evaluate the potential of the Project to have a visual impact on the Minneapolis Warehouse Historic District, the City examined how the scale and height of the Project might appear from the perspective of a pedestrian standing within the District. The following slides document this analysis. Because the east-west street grid bends at Hennepin Ave., the City explored how the pedestrian's view of the Project would be changed by setting floors five and higher back 50 feet from the Washington Ave. property line so that it would line up with street's property line north of the bend at Hennepin Ave. (refer to Slide 3).

The Zoning Code and Comprehensive Plan could allow a large building of 25 or more stories. A more likely scenario for the proposed development and its residential view needs suggests a building with two residential towers that would rise from a four-story base, as is described in Section 1, Project Description of this EA. Slides 5-9 compare various building options as viewed from two locations on Washington (at 1st Ave. N. and between 3rd and 4th Ave. N. The first option is a building with two, 18-story towers built up to the Washington Ave. and 3rd St. property lines. The second option is the same 18-story building but with the northern tower set back 50 feet from the Washington Ave. property line. Slide 9 places a building with unequal towers (13 and 25 stories) with the shorter tower on the river side of the site. Slide 10 employs a wide-angled view that includes some of Downtown's skyscrapers to illustrate the Project site's location within the Downtown Core. To represent other potential future development, this slide also illustrates three of the above-listed projects.

Slides 11 and 12 provide a variety of southward views from the heart of the historic district toward the site and toward the Downtown Core. Slide 4 locates these potential redevelopment sites and locates the viewpoint of all of the photos.

- e) **Determination of potential effects:** To comply with the law, the Agency Official must follow a well-defined set of criteria to assess a project's potential to have an adverse impact on historic resources within the Area of Potential Effect. At 800.4 (c) (1), the law directs the Agency Official, in consultation with the SHPO, to apply the "criteria of adverse effect to historic properties within the area of potential effects. The Agency Official shall consider any views concerning such effects." At 800.5 (a) (1), the law defines the criteria of adverse effect. "An undertaking is considered to have an adverse effect when it may alter the characteristics of a historic property that qualify the property for inclusion in the National Register in a manner that would diminish the integrity of the property's location, design, setting, materials, workmanship, feeling, or

association.” Examples of an adverse effect include “[a]lteration of the property’s setting or use when that character contributes to the property’s qualifications for the National Register,” and “[I]ntroduction of visual or audible elements that are out of character with the property.”

- f) **MOA:** Because the Project is still at the conceptual stage and its potential visual impacts cannot be fully assessed, it is the intent of the SHPO and the FTA to proceed with a Memorandum of Agreement (MOA) per 800.11(g). An executed MOA will enable the FTA to complete the EA in a timely manner while allowing a future SHPO review of the Project when design details are available.

The MOA will include the following primary elements:

- The MOA will define the primary effect of the Project to be potential visual effects on properties within the Area of Potential Effect per 800.5 (a) (2) (iv).
- The MOA will describe the process and timing by which the SHPO will have the authority to review the Project when its details are known to determine the Project’s potential adverse visual effects on listed and eligible properties within the Area of Potential Effect. In the event the SHPO concludes elements of the Project design will have an adverse visual impact on some of these properties, this process will link the use of the FTA funds allocated to the Project to obtaining SHPO “concurrence” with measures intended to mitigate the impacts such that SHPO can make a finding of No Adverse Effect and conclude the Section 106 Review in a timely manner. The Section 106 Review law defines a dispute resolution process in the event the FTA and SHPO cannot reach concurrence.

Due to the presence within a few blocks of the site of two major historic districts plus the Mississippi River National Recreation Area, etc., the City will make a special effort to invite comments and participation from the representative groups, such as the St. Anthony Falls Heritage Board and the nearby neighborhoods, on the EA during the 30-day comment period. Some of these groups may wish to serve as consulting parties on the MOA as well.

Nicollet Hotel Block Project: Potential Visual Effects on the Minneapolis Warehouse Historic District

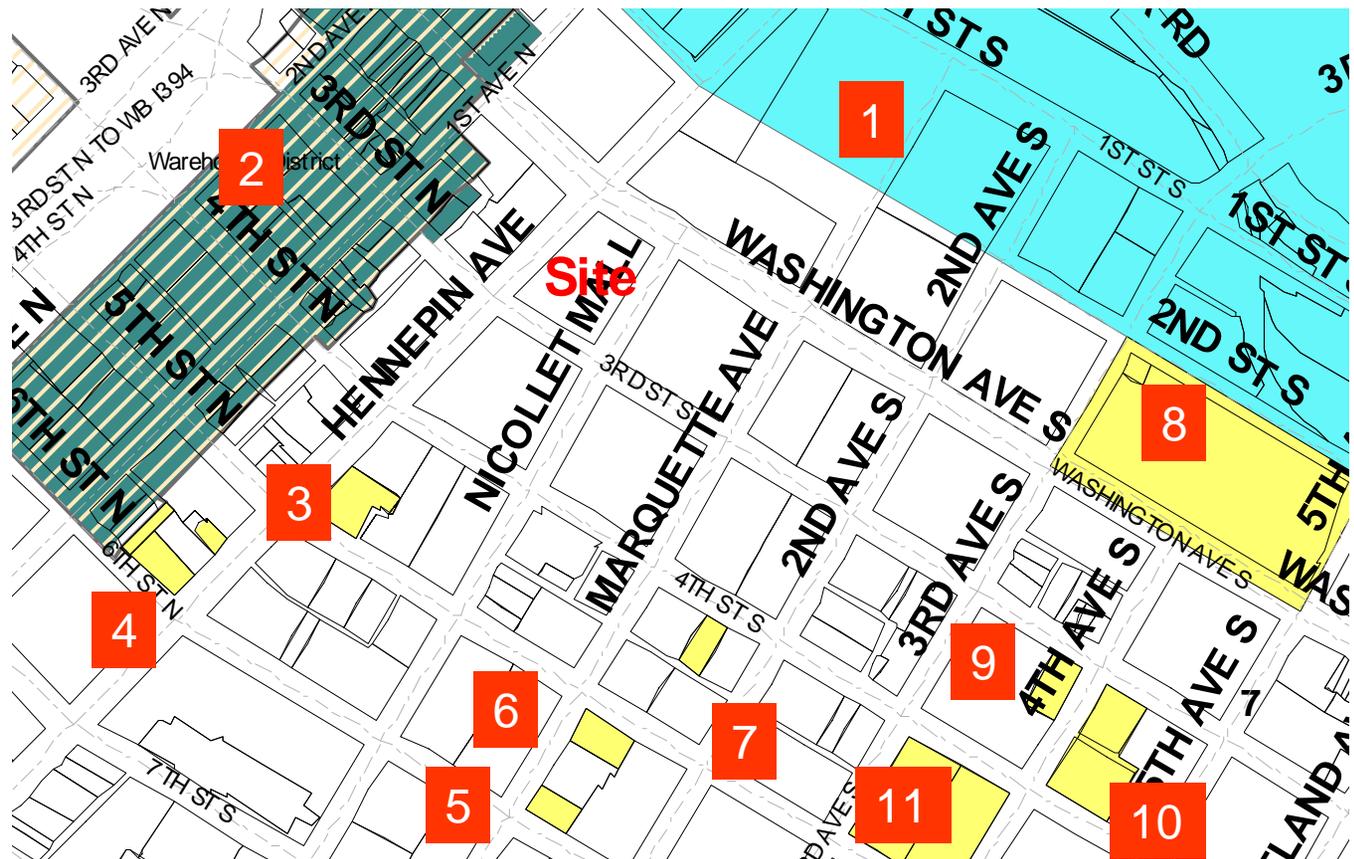
The Private Development portion of the Nicollet Hotel Block Project will be visible from the federally designated Minneapolis Warehouse Historic District (refer to Slide 2). The City examined how the scale and height of the Project might appear from the perspective of a pedestrian standing within the District. Because the east-west street grid bends at Hennepin Ave., the City explored how the pedestrian's view of the Project would be changed by setting floors five and higher back 50 feet from the Washington Ave. property line so that it would line up with street's property line north of the bend at Hennepin Ave. (refer to Slide 3).

The Zoning Code and Comprehensive Plan could allow a large building of 25 or more stories. A more likely scenario for the proposed development and its residential view needs suggests a building with two residential towers that would rise from a four-story base. Slides 5-8 compare the two 18-story building options as viewed from two locations on Washington (at 1st Ave. N. and between 3rd and 4th Ave. N. The first option is a building built up to the Washington Ave. and 3rd St. property lines. The second option is the same building but with the northern tower set back 50 feet from the Washington Ave. property line. Slide 9 shows an option having unequal towers (11 and 25 stories) with the shorter one towards the river. Slide 10 employs a wide-angled view of the 18-story option that includes some of Downtown's skyscrapers to illustrate the Project site's location within the Downtown Core. To represent other potential future development, this slide also illustrates three other potential projects. The City is currently considering a 24/32-story development on the FDA Block called the Eclipse. Slide 10 also shows two theoretical 40-story developments on two nearby blocks that are prime for redevelopment, the Ritz Block and the Powers Block.

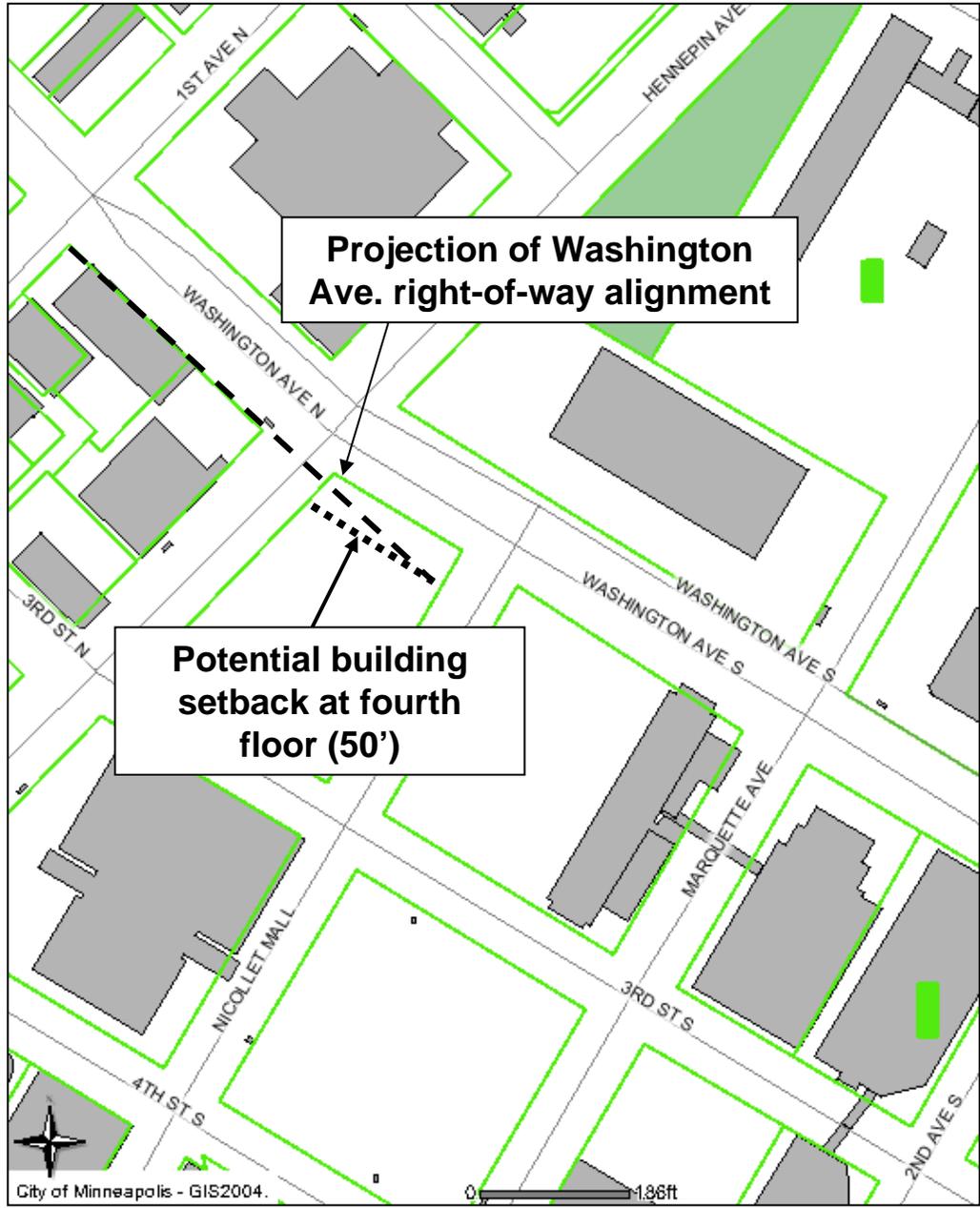
Slides 11 and 12 provide a variety of southward views from the heart of the historic district toward the site and toward the Downtown Core. Slides 13 and 14 provide views toward the site from the St. Anthony Falls Historic District. Slide 4 locates these potential redevelopment sites and locates the viewpoint of all of the photos.

SLIDE 2: National Historic Districts and Sites

1. St. Anthony Falls Historic District
2. Minneapolis Warehouse Historic District (national and local)
3. Lumber Exchange Building
4. Masonic Temple, Glueck Brewing Co. Building, and Schubert Theater
5. Rand Tower
6. Soo Line Building
7. Farmers and Mechanics Bank Building
8. Milwaukee Road Depot
9. Flower Exchange Building
10. Grain Exchange Building
11. Minneapolis City Hall and Courthouse Building

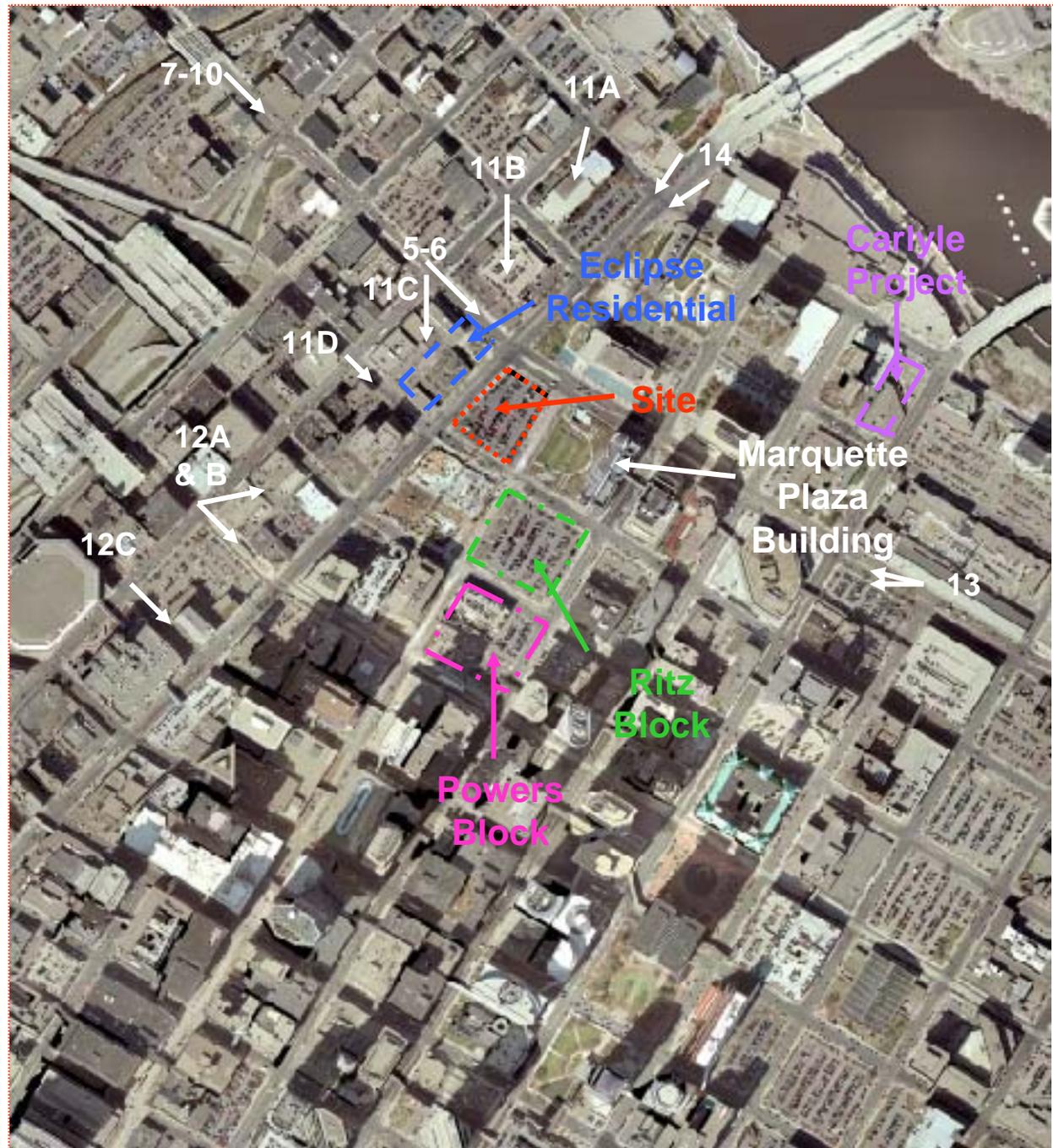


SLIDE 3: Building setback option



SLIDE 4: Photo locater

Numbers indicate Slide Numbers and arrows are the direction of the view



SLIDE 5:
Washington Ave.
Views

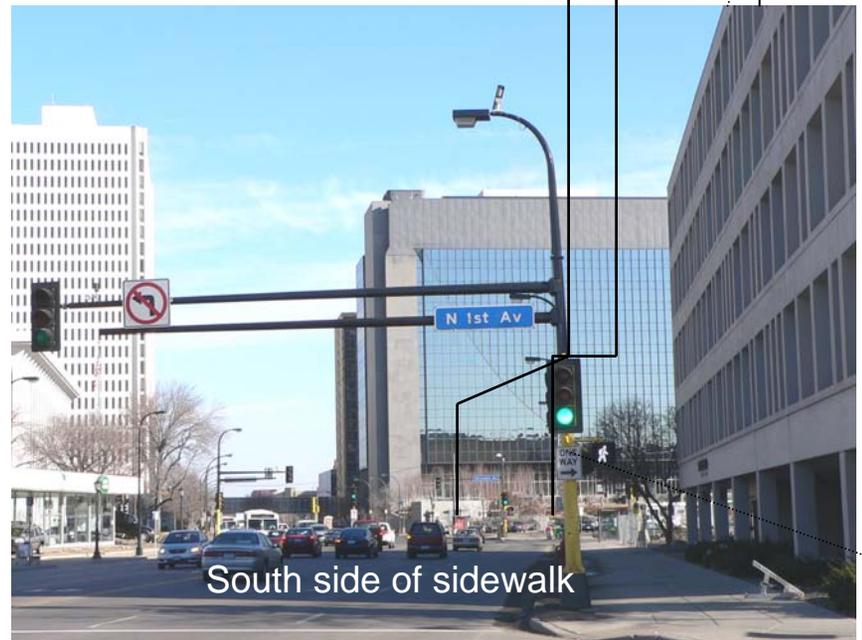
**From 1st Ave. N. with projected building built to
Washington and 3rd St. property lines**

Dotted line suggest massing if the
towers are configured north-south



SLIDE 6:
Washington Ave.
Views

From 1st Ave. N. with projected building set back 50'
from Washington property line



SLIDE 7:
Washington
Ave. Views

Between 3rd and 4th Ave. N., mid-street, with projected building built to the Washington Ave. and 3rd St. property lines



SLIDE 8:
Washington
Ave. Views

**Between 3rd and 4th Ave. N., mid-street, with
projected building with 50' setback from
Washington Ave. property line**



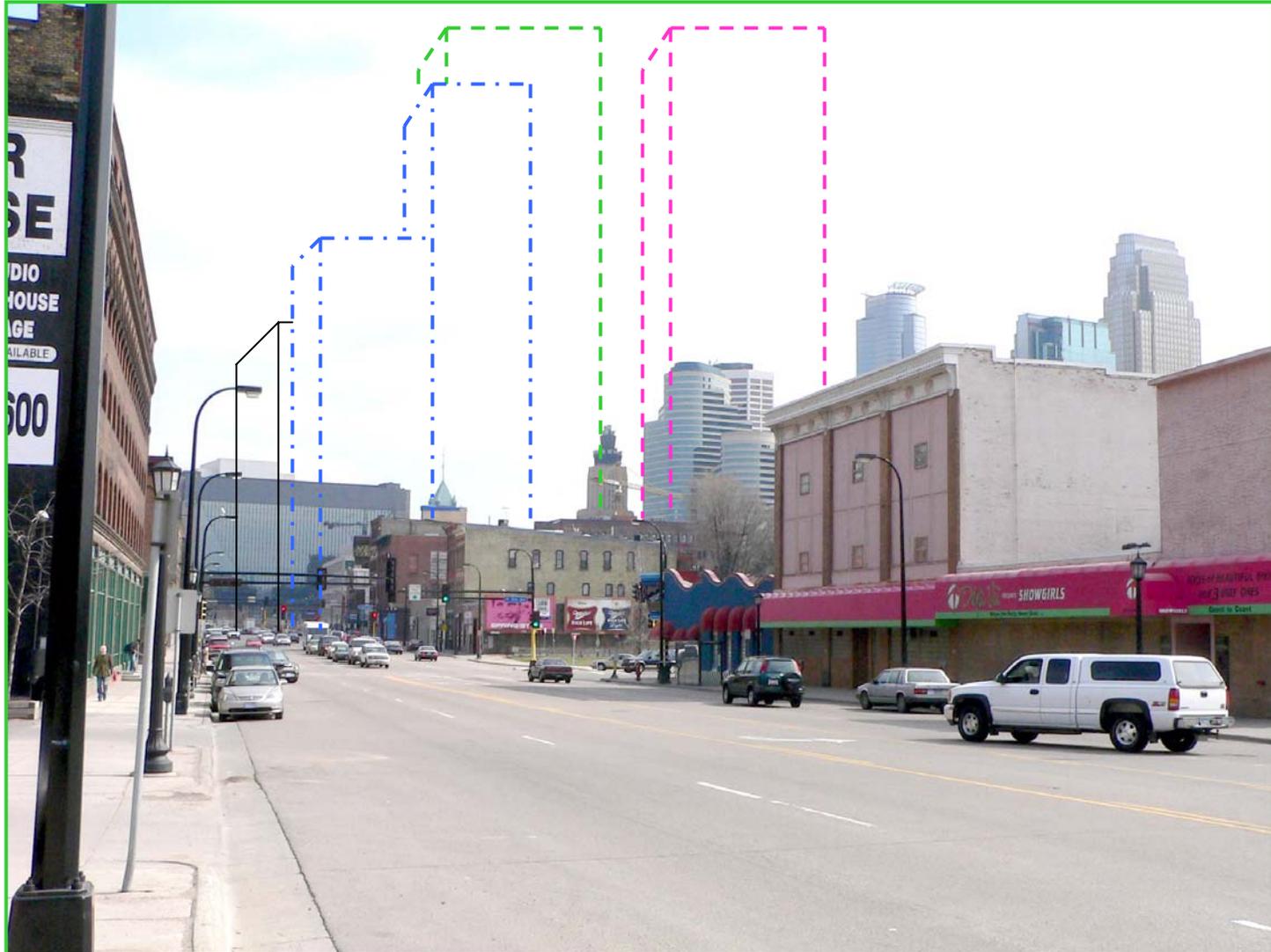
SLIDE 9:
Washington
Ave. Views

Between 3rd and 4th Ave. N., mid-street, with projected 11 and 25-story building built to the Washington Ave. and 3rd St. property lines



SLIDE 10:
Washington
Ave. Views

Wide-angle view between 3rd and 4th Ave. N., with projected building built up to the Washington Ave. property line. Dashed lines represents possible 40-story buildings on Ritz and Powers Blocks and proposed 24/32-story Eclipse residence on FDA Block.



**SLIDE 11: 1st
Ave. N. Views**

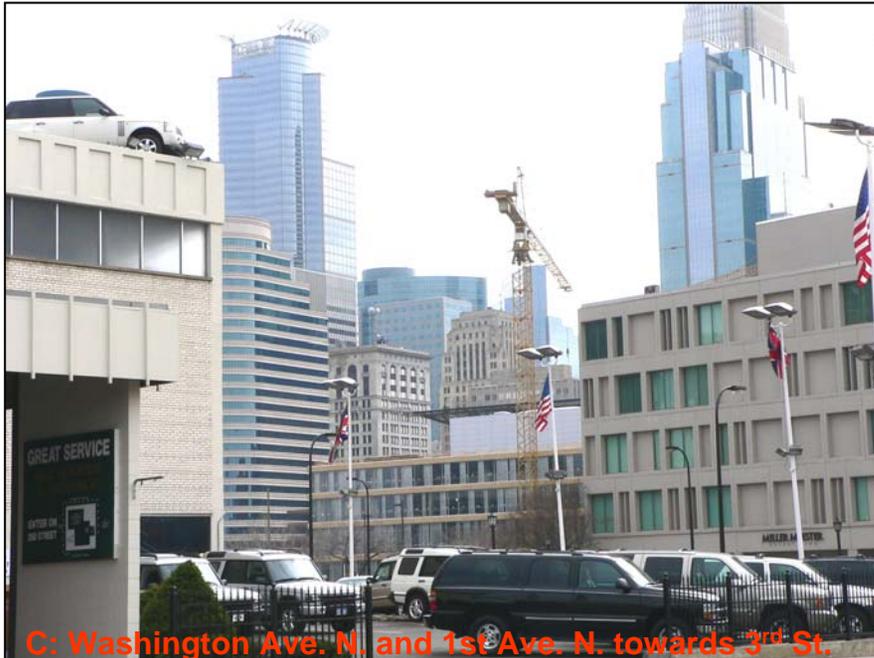
**Southward views from the Minneapolis Warehouse Historic District
toward the site and Downtown**



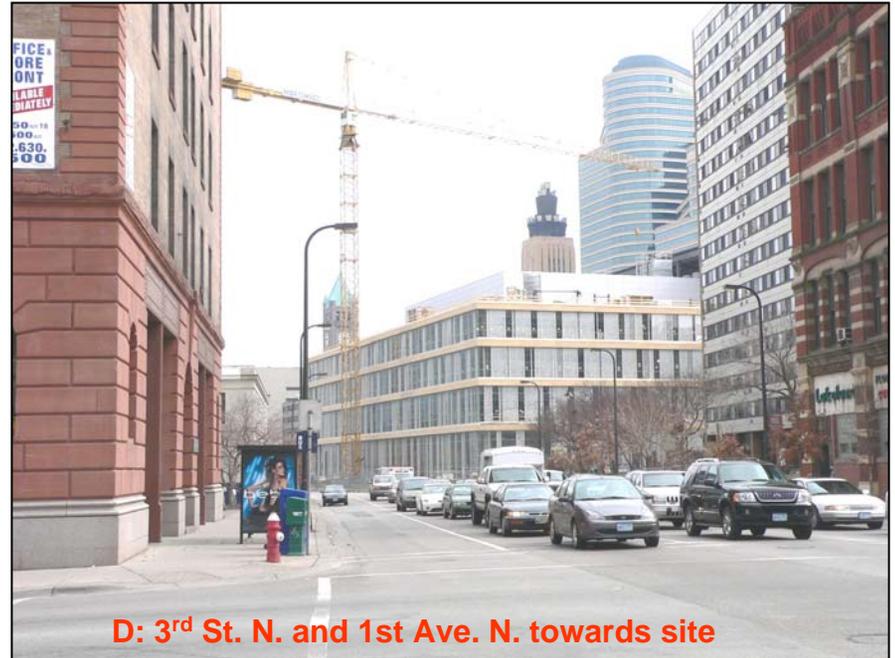
A: 1st. St. N. and 1st Ave. N. towards site



B: 2nd. St. N. and 1st Ave. N. towards site



C: Washington Ave. N. and 1st Ave. N. towards 3rd St.



D: 3rd St. N. and 1st Ave. N. towards site

**SLIDE 12: 1st Ave.
N. Views South**



A: 5th St. and 1st Ave. N.

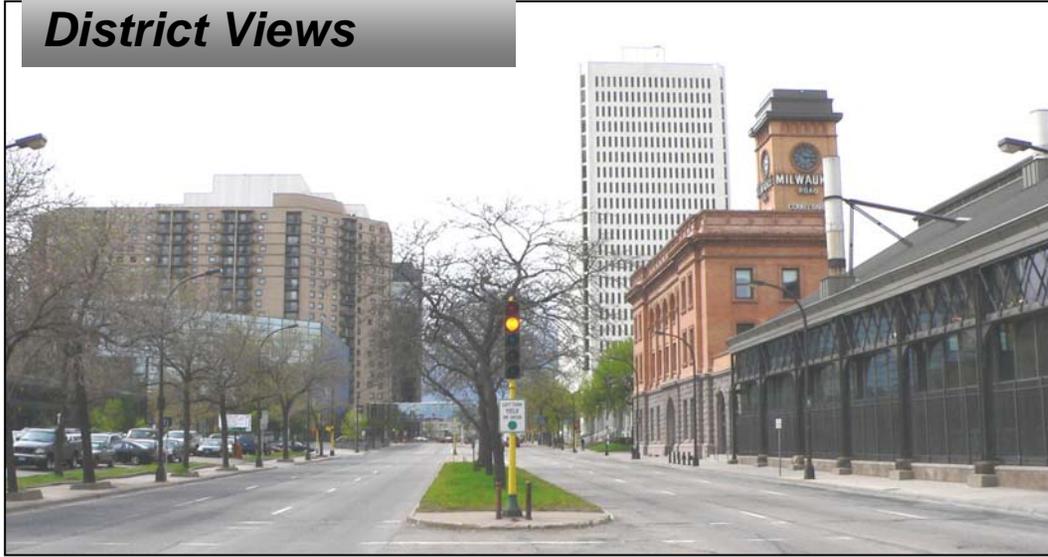


B: 5th St. and 1st Ave. N. towards site



C: 6th St. and 1st Ave. N.

SLIDE 13: Mills District Views



Clockwise from upper left: Looking north on Washington from 4th Ave. S.; north on Washington at 3rd Ave. S. and next at 2nd Ave. S.; view to west from end of 2nd St. S.

**SLIDE 14: Mills
District Views**



Clockwise from upper left: View to southwest with Churchill Apartments on left and the Towers Condominiums on right.; south on Hennepin at 1st St. N., east and west sides of Hennepin.

**SLIDE 15: Area of
Potential Effect**



Adopted Policies and Plans Pertinent to the Nicollet Hotel Block Project and an Evaluation of Consistency

Community Planning and Economic Development Department—Planning Division

I. Applicable Policies and Plans Pertinent to the North Terminal and Private Development

A. Adopted City Goals (selected):

1. Increase the City’s population and tax base by developing and supporting housing choices city-wide through preservation of existing housing and new construction.
5. Improve public transportation to get people to jobs, school and fun.
8. Strengthen our city through infrastructure improvements.

B. “Downtown Minneapolis 2010” chapter of the *Minneapolis Plan* (Plan)

- The Plan includes the Block in the following districts:
 - Pedestrian emphasis zone.
 - Street level retail or entertainment encouraged.
 - Opportunity area for using open spaces as a more dominant element in urban fabric.
 - Development opportunity site for office development.
- The chapter, “Downtown’s Physical Setting” includes the following applicable policies:
 2. Promote retail and other interesting uses at street level in order to reinforce the linking function of streets and to create vitality. These uses should be encouraged at the street level throughout downtown and required where the continuity of retail activity is important.
 3. Encourage improvements to the public right of way that support pedestrian and transit circulation and that beautify downtown.
- The chapter, “Retail” includes the following applicable policy #7: Provide a positive and stimulating shopping experience. The street level design of buildings should be visually interesting and reinforce the image of the retail core as a premier urban shopping district. Display windows, individual store entrances, awnings and other facade embellishments should be provided. The Mall itself should continue to serve as downtown’s “Main Street,” and it should host various activities and events that will draw people downtown to shop.

Adopted Policies and Plans Pertinent to the Nicollet Hotel Block Project and an Evaluation of Consistency

- The chapter, “Downtown Living” includes the following applicable goal and text:

Goal: Develop downtown residential areas into neighborhoods that offer a variety of housing options and traditional urban neighborhood qualities and experiences.

Background: As a housing location, downtown offers two major advantages over other housing markets in the metropolitan area: First, because downtown is centrally located, it is a very convenient place to live for those working downtown or at the University of Minnesota, and for dual households whose work takes them to opposite sides of the metropolitan area. Second, and perhaps most important, downtown has a setting and lifestyle that is uniquely its own. A large part of its allure as a place to live is its concentration of retail, entertainment and cultural activities along with its urban imagery.

- The chapter, “Downtown Movement” includes the following applicable goal and policies:

Goal: Provide a balanced transportation system that ensures continued economic vitality in downtown and that contributes to the quality of life for downtown, the City and the Twin City Metropolitan Area.

Policies:

1. Improve transit service to downtown.
2. Improve transit service in downtown.
 - 2.1 Relieve bus congestion during the afternoon peak period. Improving bus circulation through downtown during the afternoon peak period should be a priority and should be accomplished by either providing additional dedicated bus lanes in the Primary Office District, implementing the north/south shuttle bus system or some other method.
 - 2.2 Improve the quality of downtown transit stops. Better transit stops and waiting areas should be provided, especially along heavily used, dedicated bus routes in downtown. Incentives for incorporating bus stops into private development also should be evaluated.
6. Design and manage the downtown street system to balance the competing needs of commuters with the needs of transit riders, pedestrians and infrequent users such as shoppers and visitors.

C. Other policies in the *Minneapolis Plan*:

Policy 3.1: Minneapolis will designate and develop selected Growth Centers which will be well served by transit and alternative transportation, have superior amenities, accommodate a range of housing needs and offer attractive employment opportunities.

Adopted Policies and Plans Pertinent to the Nicollet Hotel Block Project and an Evaluation of Consistency

Implementation Step:

- Designate downtown Minneapolis, the University of Minnesota area and the Honeywell/Hospitals area as "Existing Growth Centers" with the adoption of this Plan.

Policy 3.2: Minneapolis has adopted Downtown 2010 as a component of the City's Comprehensive Plan and envisions downtown Minneapolis in the year 2010 as one of the nation's finest urban centers; a place of prosperity, civilization and civic pride that will serve as the center for the metropolitan area, the state and surrounding region.

Implementation Steps (selected):

- Develop residential areas into neighborhoods that offer a variety of housing types and affordability levels, as well as traditional urban neighborhood qualities and experiences.
- Provide a balanced transportation system that ensures continued economic vitality and contributes to the quality of life for downtown, the city and the metropolitan area.

Policy 4.8: Minneapolis will enhance Downtown's position as a regional retail center which provides a shopping experience that is entertaining and unique in the region.

Implementation Steps (selected):

- Provide a continuous retail presence in the retail district by requiring retail uses on both the street and skyway levels.

Policy 4.9: Minneapolis will grow by increasing its supply of housing.

Implementation Steps (selected):

- Support the development of new medium- and high-density housing in appropriate locations throughout the City.

Policy 4.20: Minneapolis will provide direct connections to transit stations for pedestrians, bicyclists, and bus riders.

Implementation Steps (selected):

- Design streets, sidewalks, and other public infrastructure to prioritize pedestrian, bus and bicycle access to transit stations (e.g., create wider sidewalks; construct pedestrian bridges, tunnels, and plazas; add bicycle lanes and parking; create bus lanes, pull-outs, and waiting facilities.)
- Work with transit service providers to ensure that bus connections to transit stations are safe, attractive and easy to use (e.g., establish appropriate signage and waiting facilities on important connecting local bus routes)
- Enhance pedestrian connections to stations where walking environments are unsafe or uninviting (e.g., buffering pedestrians from traffic, reducing intersection crossing distances, installing traffic control devices, limiting the size and number

Adopted Policies and Plans Pertinent to the Nicollet Hotel Block Project and an Evaluation of Consistency

of curb cuts, improving streetscapes including lighting and landscaping, installing public art, etc.)

- Enhance pedestrian connections and way finding from neighborhoods with high concentrations of transit users.

Policy 7.8: Minneapolis will continue to support pollution prevention programs as an important first step in maintaining a healthy physical environment.

Implementation Steps (selected):

- Require that projects which receive city assistance disclose efforts to minimize toxic releases and waste disposal.

Policy 7.9: Minneapolis will make buildings more energy efficient.

Implementation Steps (selected):

- Encourage builders and building managers to build and operate so as to have the least harm on the environment, the greatest possible energy efficiency, and the healthiest environment for the occupants.
- Use all means available to ensure that indoor spaces are made safer, more pleasant and productive by ensuring adequate ventilation, reducing sources and concentration of pollutants, carefully selecting materials, and the wise use of natural over artificial light.
- Encourage all development projects to a) disclose the relative energy efficiency of the project; b) participate in all applicable Conservation Improvement Programs (CIPs), and c) implement environmental or energy efficiency measures that have a simple payback period of ten years or less.
- Encourage compliance with provisions of the Mpls St Paul Urban CO₂ Project Plan.
- Promote the transition to cleaner alternative fuels (such as natural gas instead of coal and oil) and renewable fuels (hydro, wind, biomass, and solar).

Policy 8.5: Minneapolis will strengthen the transportation system in favor of transit alternatives in order to make transit a better choice for a range of transportation needs.

Implementation Steps (selected)

- Designate and improve transit service in a high transit service area located in central Minneapolis.

Policy 8.6: Minneapolis will follow a policy of “Transit First” in order to build a more balanced transportation system than the current one.

Implementation Steps (selected)

- Build partnerships with state and metropolitan agencies and other local government units to advance transit strategies and programs of mutual benefit.
- Focus transit services and development growth along transit corridors.

Adopted Policies and Plans Pertinent to the Nicollet Hotel Block Project and an Evaluation of Consistency

- Give public transit priority in development planning and on the Minneapolis street system.

Policy 8.7: Minneapolis will direct its share of regional growth to areas well served by transit, to existing and potential growth centers and along transit corridors.

Implementation Steps (selected)

- Require that future growth centers be well served by reliable and convenient transit service.
- Require that all major new developments located within the city facilitate transit access and service.

Policy 8.8: Minneapolis will continue to aggressively pursue transit improvements in corridors which serve major transit origins and destinations, with the eventual goal of a region wide rail system, including Light Rail Transit (LRT) and commuter rail.

Implementation Steps (selected)

- Invest in high quality amenities and infrastructure to support LRT service along Hiawatha Avenue and in other corridors where LRT will run.
- Continue to pursue a regional network of improved transit, linking LRT service and existing bus service.

Policy 8.9: Minneapolis will work with Metro Transit to improve the focus, priority and overall service offered by the existing transit system.

Implementation Steps (selected)

- Increase passenger comfort by installing all-weather bus stations at major activity nodes and provide safer, more convenient service to all passengers.
- Improve the responsiveness of the bus system to meet the distinct needs of Minneapolis residents.
- Develop route changes and different types of buses that are suited to Minneapolis within the Metro Transit system.

Policy 8.10: Minneapolis will promote the accessibility of downtown Minneapolis by improving and balancing the existing transportation system.

Implementation Steps (selected)

- Improve transit service in the downtown area by relieving bus congestion during the afternoon peak period, promoting the reduced fare downtown transit zone, and improving the quality of downtown transit stops.
- Locate long-term parking facilities and principal use parking lots on the periphery of the office, retail and entertainment districts but outside of residential areas, in order to preserve land for more intensive use, improve air quality and provide a pedestrian, bicycle and transit-oriented environment in these areas.

Policy 9.22: Minneapolis will promote increased housing production in designated areas of the City in order to accommodate population growth.

Implementation Steps (selected)

- Use both infill development and new development opportunities to increase housing in the city.
- Develop an approach to residential development which combines housing form and housing density; for example, medium density residential development may be a townhouse development as well as a high-rise structure, while an attached dwelling form may result in a low density development or a medium density development.
- Ensure that new development projects incorporate a mix of housing types and affordability levels to reach a range of housing submarkets.

D. North Nicollet Mall Development Objectives (adopted by City Council in 2001; refer to Attachment 12):

The City has made and continues to make significant investments to the commercial environment and street life on Hennepin Avenue and along the Nicollet Mall. Such efforts include the construction of a new Central Library (and hopefully, a planetarium), revitalization of the State Theater, the Orpheum Theater, and the Pantages Theater, as well as the relocation of the Shubert Theater. The City has made significant investments in Block E, City Center, and the new Federal Reserve Bank. Finally, the City has partnered with property owners to build the Hennepin Theater District Streetscape, with Hennepin County to build the Washington Avenue Streetscape, and with the Park Board to build the Bridge Square Streetscape. In keeping with these efforts and investments, the City developed the North Nicollet Mall Development Objectives to guide new development. The following policies are applicable to the Terminal and Private Development:

- 3.1 Increase the economic productivity of the Project Area by promoting complementary development of both public and private facilities.
- 3.2 Coordinate with Hennepin County and the Minnesota Department of Transportation to provide new transit services including Light Rail Transit and a Downtown Circulator Bus Service.
- 3.6 Improve and enhance the pedestrian environment and pedestrian circulation through improvements to existing streets and open spaces.
- 3.7 Improve and enhance the pedestrian environment and pedestrian circulation through the development of skyways and indoor pedestrian spaces that connect the Project Area with public transit facilities and the Downtown Core.
- 3.8 Protect and enhance the form and character of the downtown built environment by ensuring that redevelopment is consistent with sound urban design principles.

- 4.3 **Commercial Retail Development:** In keeping with the Downtown 2010 Plan, a compact retail district should be emphasized along the Mall. Regional comparison shopping facilities and major retailers (department stores) shall be encouraged outside of the Project Area, specifically along Nicollet Mall south of South 5th Street. Retail facilities other than department stores—such as retail and service-type establishments that serve the residents and workers of the North Nicollet Mall area—are encouraged as a desirable use in the Project Area. Retail facilities that support street-level activity are encouraged as a desirable use in the Project Area. All new office, hotel, and residential buildings along Nicollet Mall should contain supportive retail and service establishments (such as restaurants, cafes, and specialty shops) that enhance nearby hotel, office, and residential uses. Such retail establishments shall have frontage to, and access along the Mall at the street level. Each retail unit shall provide direct pedestrian access to the Mall. A single street entrance to a collection of internally accessible retail units will not be permitted.
- 4.4 **Residential Development:** All residential development along Nicollet Mall should have ground-level, supportive retail facing the Mall.
- 5.1 **Transit:** Mass transit options (including Light Rail Transit, city bus service, suburban commuter bus service, and Downtown Circulator bus service) shall be considered the chief priority for developing solutions to meet the demands of an increasingly intense and active Downtown Core. In addition, special emphasis shall be given to developing a full array of alternatives to driving alone, including programs such as Minnesota Rideshare. Bicycle transportation and bicycle parking shall be accommodated within the Project Area by complying with bicycle transportation policies contained in the Downtown Transportation Management Plan.
- 5.1.2 **Downtown Circulator Service:** The Downtown Circulator Service is planned to transport people to and from the Nicollet Mall LRT station along points north and south on the Nicollet Mall/Marquette Avenue/Hennepin Avenue corridor. The transfer station for the Downtown Circulator should be coordinated with a single intermodal transit station (at the site of the Nicollet Mall LRT Station). The connection between rail and the Circulator should be enhanced by providing a climate-controlled waiting area. Convenience retail should be included within the intermodal transit station. Ultimately, this intermodal transit station would be integrated into future development on the Powers Block. It shall be designed in such a way as to rationalize pedestrian circulation and the pedestrian environment in and around the intersections of South 5th Street with Nicollet Mall and Marquette Avenues, particularly in regards to the following:
- Passenger connections between LRT and the Circulator
 - Passenger connections from the intermodal transit stop to and from downtown sidewalks

Adopted Policies and Plans Pertinent to the Nicollet Hotel Block Project and an Evaluation of Consistency

- Passenger connections to and from the intermodal transit station to and from downtown skyways, tunnels, and arcades
 - Passenger connections to and from pedestrian open spaces
- 5.1.3 Downtown Shuttle Bus Service: As it was originally conceived, shuttle service would draw all commuter bus service into two terminal facilities (one of which would be located in the Leamington Ramp, the other on the Nicollet Hotel Block). From these facilities bus patrons would board a downtown shuttle bus which would transport people up and down the Mall. Any further consideration of the Downtown Shuttle Service should be taken up as the Department of Public Works prepares its Downtown Transportation Study.
- 5.4 Parking: Above-grade structured parking should be carefully designed according to the following measures:
- No above-grade parking will be permitted in those portions of a block that face directly onto Nicollet Mall, Hennepin Avenue, or South 5th Street. The intention of this measure is to retain, protect, and enhance the special character and prominence of these streets in downtown Minneapolis.
 - Above-grade parking will not be permitted on the street level or skyway level of any building where parking facilities include a façade that faces directly onto a downtown street. The intention of this measure is to ensure that the function, character, and fabric of downtown pedestrian spaces is enhanced, rather than hindered, by the addition of new downtown development.
 - Above-grade parking facilities that face directly onto a downtown street will have a façade that is designed in order to conceal above-grade parking levels from outside the building. The design of such building facades should blend the architectural massing, rhythm, fenestration, and materials treatment of the façade of the parking structure with the building facades at the ground-level, skyway level, and the building façade above parking levels. The intention of this measure is to ensure that the external facade of the building is uniformly designed and that the existence of above-grade structured parking is not recognizable from the external portions of the building.
 - All full block development schemes shall be limited to one access/egress point and one accompanying curb cut. In full-block developments, curb cuts for parking and loading facilities shall be integrated with one another and will not exceed twenty-five feet in width.
 - All quarter-, third-, or half-block development schemes shall be limited to a total of two access/egress points, at least one of which must include or be integrated with access/egress for loading facilities. If two access/egress points are proposed for a given building, no more than one access/egress point will be permitted in a building façade that is only a quarter-, third-, or half-block long. While it is not preferred, in some cases it may be acceptable to locate two separate access/egress points in the same building façade, provided that façade is the full length of the block. The combined

width of all curb cuts for a given building will not exceed a total of twenty-five feet.

- 6.1 Urban form and image: The creation and extension of street level environments shall be a chief priority within the Project Area.... In the blocks along Hennepin Avenue that are considered an extension to the present Entertainment District (south of Washington Avenue), non-traditional public improvements and landscaping are possible.
- 6.2.1 Building placement: Buildings should be placed so that principal entrances front on the public street. The placement of buildings should reinforce the street wall and be compatible with the surrounding area. Placement of buildings should be sensitive to their relationship to landmark buildings. In addition, placement of buildings should also be sensitive to existing and potential views of the downtown skyline, and to existing and potential views between the Mississippi River and Nicollet Mall.
- 6.2.2 Building height and mass: Building height and massing should be compatible with those structures in the surrounding area.... Buildings along Nicollet Mall should be lower in scale, and should incorporate a setback at an elevation of approximately 80 feet above sidewalk grade.
- 6.2.3 Roofscapes: The incorporation of usable roof spaces is encouraged as a way to expand the potential for, and variety of uses in this part of downtown. Those roofscapes on the lower floors of a building should be made fully accessible for use by the general public.
- 6.2.4 Building facades: Building facades should provide architectural detail and texture. Exterior material and appearance should be sensitive to the surrounding area. Given the prominence of this district in downtown, distinctive architectural design and treatment for building facades are encouraged. In those blocks of Hennepin Avenue that are considered an extension of the present Entertainment District (south of Washington Avenue, on the west side of Hennepin Avenue), non-traditional architectural design and treatments for the facade are possible, except in those locations where specific preservation restrictions apply.

All building facades should contain windows at the ground level in order to create visual interest and to increase security of adjacent outdoor spaces by maximizing natural surveillance and visibility. In order to provide an active street, building facades at street level - especially along the Mall - should be transparent, allowing views from the street into interior commercial and retail frontage. Buildings along the Mall shall contain retail and service frontage as specified in Section 4.3. In all cases, the first floor facade that faces a public street or sidewalk should be occupied by a commercial space, or designed with architectural details such as display windows, to create a visual appearance of actively programmed space.

Adopted Policies and Plans Pertinent to the Nicollet Hotel Block Project and an Evaluation of Consistency

Exterior materials and the appearance of the rear and side walls of any building should be compatible with the front of that building. Full block development should present a “frontal” image on all four sides, avoiding a “back door” or service image on any frontage that faces a street.

Building facades for above-grade structured parking shall conform to those standards stated in Section 5.4.1.

6.2.7 Curb cuts: All full block development schemes shall be limited to one access/egress point and one accompanying curb cut. In full-block developments, curb cuts for parking and loading facilities shall be integrated with one another and will not exceed twenty-five feet in width.

6.24.1 Access to parking facilities will not be permitted along South 5th Street, Washington Avenue South, Nicollet Mall, and Hennepin Avenue.

II. Consistency with the City’s Plans and Policies

This section describes how the preferred Build Alternative is or is not consistent with the above applicable goals, plans, and policies:

- The provision of high-density housing Downtown is consistent with City Goal 1 and the applicable policies in the “Downtown Living” section of the “Downtown Minneapolis 2010” chapter of the *Minneapolis Plan*. The high-density housing component of the Private Development is also consistent with the following policies of the Plan: 3.2, 4.8, 4.9, and 9.22.
- Both the Terminal and the Private Development are consistent with Plan Policy 3.1 that designates Downtown as a Growth Center. High-density residential uses mixed with commercial uses and transit facilities are appropriate for Growth Centers.
- Since the Terminal will improve transit service Downtown, enhance the pedestrian environment and free up valuable on-street, short-term parking by eliminating current on-street bus layovers, the Terminal is consistent with the applicable policies in the “Downtown’s Physical Setting” and the “Downtown Movement” sections of the “Downtown Minneapolis 2010” chapter of the *Minneapolis Plan*. The Terminal is also consistent with the following policies of the Plan: 4.20, 8.5, 8.6, 8.7, and 8.9. This is also true as regards Policies 3.7, 5.1, 5.1.2, and 5.1.3 of the North Nicollet Mall Development Objectives.
- Since the Terminal will link with and serve the Circulator system and thus the LRT system, it is consistent with Plan Policy 8.8.
- Because the Terminal and Private Development replace a long-term, surface parking lot within the Downtown Core with a dense mixed-use development with no public parking, the project is consistent with Plan Policy 8.10. This is also true as regards Policy 3.2 of the North Nicollet Mall Development Objectives.
- Since the development objectives for the Private Development prohibit parking on the first two levels and that parking above these levels will be totally screened from street

Adopted Policies and Plans Pertinent to the Nicollet Hotel Block Project and an Evaluation of Consistency

views, this aspect of the Private Development is consistent with Policy 5.4 of the North Nicollet Mall Development Objectives.

- Because the Terminal and the Private Development will share two curb cuts (one in and one out), this aspect is inconsistent with Policies 5.4 and 6.2.7 of the North Nicollet Mall Development Objectives, which limit the number of curb cuts to one. Access via Washington and 3rd St. is consistent with Policy 6.24.1.
- The extension of the skyway system is consistent with plan policies 9.3.
- The provision of street-level commercial on Hennepin and Nicollet is consistent with the applicable policies in the “Retail” section of the “Downtown Minneapolis 2010” chapter of the *Minneapolis Plan*. This is also true as regards Policy 4.3 and 4.4 of the North Nicollet Mall Development Objectives.
- Since the City will require the Developer to comply with the North Nicollet Mall Development Objectives to the extent feasible (refer to the above inconsistency regarding curb cuts), the Terminal and Private Development will be consistent with the setback; building entrance, materials, height, and mass; building facades; and roofscape requirements in the North Nicollet Mall Development Objectives.
- Since the City will require the Terminal and the Private Development maximize energy efficiency, they are consistent with Plan policies 7.8 and 7.9.
- The Block is in a critical location within the City’s system of green spaces and pedestrian-oriented links that extends from the Central Mississippi Riverfront Regional Park on the north, through the Downtown Core along Nicollet Mall (the City’s pedestrian-oriented transit mall), to the Loring Greenway (a pedestrian greenway) and then to Loring Park, and finally to the newly expanded Walker Sculpture Garden on the south (refer to map). In the coming years, this series of links will be extended when Van White Memorial Boulevard is connected to the Walker Sculpture Garden near Dunwoody and Hennepin avenues. Development at the north end of Nicollet Mall must be compatible with the City’s desire to reinforce and enhance this system of pedestrian-oriented green spaces.
- Adjacent green spaces include the property immediately to the east of the Nicollet Hotel site. On the site of the Marquette Plaza building is a half-block size, privately owned and maintained public park (Cancer Survivors Park). On the north side of the site, ING/Reliastar Plaza, Bridge Square, and First Bridge Park provide green open-space, pedestrian links to the Mississippi River. South of the site, the Hennepin Theater District Streetscape is nearing completion. The City expects the treatment of the Hennepin Avenue side of this Project to be completed in a pedestrian-oriented manner that would be consistent with the Hennepin Theater District Streetscape. Also, City plans call for the reconstruction of Washington Avenue South to include a green, pedestrian-friendly streetscape that extends from this site east to Interstate 35W.
- The approved development objectives for the North Nicollet Mall (which includes the Nicollet Hotel Block) encourage the use of public, open, green space integrated into mixed-use developments in this part of Downtown.
- The new jobs and residential units associated with the Terminal and the Private Development will bring more people to this area of Downtown; people who will patronize the businesses, services, and parks and plazas. They will contribute to the vibrant pedestrian environment, add to the vitality of this Downtown location, and thus enhance this pedestrian-oriented linear park and parkway.

Adopted Policies and Plans Pertinent to the Nicollet Hotel Block Project and an Evaluation of Consistency





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The Old Post Office Building
1100 Pennsylvania Avenue, N.W., #809
Washington, D.C. 20004

Re: Consultation – Construction of North
Terminal and Mixed Use Private
Development

Dear Mr. Klima:

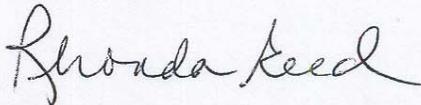
The City of Minneapolis is seeking federal funding to build the North Terminal, which includes a below grade bus layover facility and an interior, at-grade, passenger waiting area in downtown Minneapolis. In addition, the city will use private funds to build a mixed-use building that will include approximately 300 dwelling units, parking for the residents, and retail on the first and second floors, on top of the bus facility.

The City of Minneapolis is in the process of completing an Environmental Assessment for this project, and has been working with the Minnesota State Historic Preservation Office (SHPO). The SHPO has not made an official finding on this project. Enclosed for your review is the project description, maps, drawings and other related information.

Your early attention concerning this matter would be appreciated. If we do not hear from you within 30 days after your receipt of this letter, we will assume that the Advisory Council on Historic Preservation has no objection to this project. Please let us know if you need additional information.

If you have any questions, please contact Bill Wheeler of my staff at (312) 886-1621.

Sincerely,


for Donald Gismondi
Acting Regional Administrator

Enclosures

cc: Michael Orange, City of Minneapolis