UPPER HARBOR TERMINAL

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CONCEPT PLAN

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APPENDIX

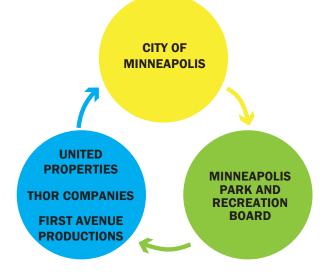
Prepared as the outcome of a master planning process by the City of Minneapolis, Minneapolis Park and Recreation Board, and Upper Harbor Terminal development team (United Properties, THOR Companies, and First Avenue Productions).

PROJECT BACKGROUND

The City of Minneapolis (City), the Minneapolis Park and Recreation Board (MPRB), and a development team of United Properties (as master developer) with THOR Companies and First Avenue Productions (as development partners) are preparing for a significant redevelopment of the 48-acre Upper Harbor Terminal (UHT) site from its historic use as a barge shipping terminal. The plan is to benefit the local community by redeveloping the riverfront for regional park amenities, creating a destination that will attract people into the site to experience the Mississippi river, advancing new development, and building a positive image for the site.

Master Developer Selection Process

The City, MPRB, and the development team have engaged the community on UHT over several years. The earlier stages of engagement occurred between 2010 to 2013 with the RiverFirst, Above the Falls Regional Park Master Plan, and Above the Falls Master Plan Update projects, all of which addressed the entire riverfront north of downtown. Following the announcement of the closure of the Upper St. Anthony Falls Lock and Dam, the City and MPRB issued a collaborative Request for Qualifications (RFQ) to seek a master developer for the entire site. From 2015 to 2016 the City and MPRB worked together on a community process to raise awareness of the upcoming UHT redevelopment and to inform the search for a master developer. Through the RFQ process, the City and MPRB selected the master developer for the site in early 2017.



Exclusive Rights Agreement

The City, MPRB, and the development team entered into an Exclusive Rights Agreement in June 2017. The Exclusive Rights Agreement sets forth the process, milestones, timeline and deliverables to reach redevelopment terms for eventual sale of the property to the development team and conveyance of park land to MPRB. The Exclusive Rights Agreement outlines two milestones for City Council and MPRB Board approval regarding the redevelopment planning process. The first is this Concept Plan, which defines the boundaries of the park and public space, general circulation patterns (with location of street network), the area and general type of anticipated private development (housing, office, commercial, etc.), an initial implementation strategy, and an engagement plan.

The second milestone will be the Coordinated Plan, which will evaluate and refine the elements in the Concept Plan in more detail and establish the business terms and public benefits for the sale of land for private redevelopment and conveyance of land to MPRB. Work on the Coordinated Plan is expected to begin in early 2019, following City Council approval of the Concept Plan. The Coordinated Plan is currently anticipated to be complete by the end of 2019, with approval of the Coordinated Plan and related redevelopment agreement term sheets in early 2020.

Concept Plan

After the City Council and the MPRB selected the development team in early 2017, staff continued community engagement to get more detailed feedback on what the community envisioned for the redevelopment of the site. This community engagement provided information for the City, MPRB, and the development team to evaluate the initial redevelopment concept proposed by the development team in response to the RFQ, to determine the feasibility of the redevelopment concept, and to refine some of the proposed elements into the Concept Plan.

The City, MPRB and development team shared the Concept Plan with the community in the second half of 2018 through various engagement opportunities, with the goal of broad and diverse community support. This phase of engagement began in summer 2018 with the presentation of a draft Concept Plan and wrapped up with this revised Concept Plan that was published in January 2019.

SITE CONTEXT

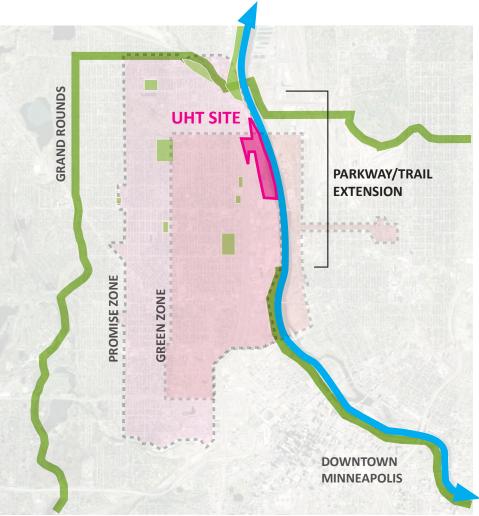
The vision for the UHT site is informed by multiple designations.

The **Grand Rounds National Scenic Byway** is part of the Federal Highway Administration's National Scenic Byways Program. The Grand Rounds is one of the country's longest continuous systems of public urban parkways and is a unique example of a connected park system created for the benefit of the citizens and visitors of Minneapolis. The parkway and trails within the UHT site eventually will connect up and downriver into this system, allowing residents of North Minneapolis to access and enjoy the many special assets along the byway system.

The Mississippi River Corridor Critical Area (designated by the State of Minnesota in 1976) and **Mississippi National River and Recreation Area** (MNRRA), (designated by the National Park Service in 1988), share a common border that includes the entire UHT site except for the westernmost parcel. This designation covers both sides of the 72 miles of Mississippi River through the Twin Cities region, reflecting the significance of this segment of one of the world's great rivers. The Critical Area program is administered by the Minnesota Department of Natural Resources and includes design requirements that will impact the site development. Unlike most other national parks, MNRRA is a "partnership" park in which the National Park Service works with other partners to protect the area and provide programs and amenities.

The **Mississippi River Trail** is a nationally designated bicycle and pedestrian trail that traverses the shores of the Mississippi from its headwaters in Minnesota to the mouth of the river in Louisiana. Once the bike trails through the UHT site are connected up and down river, they can become part of this trail system.

The entire UHT site is part of a **Promise Zone** designated in 2015. Promise Zones are federally designated, high poverty communities where Federal Government agencies partner with local organizations and leaders to increase economic activity, improve educational opportunities and leverage private investment. The Minneapolis Promise Zone supports a comprehensive, community-driven revitalization strategy that builds on and aligns numerous initiatives to address the persistent unemployment, crime, housing blight and poor educational outcomes that affect the area. The portion of the site south of Dowling Ave. is within one of two **Green Zones** designated by the City of Minneapolis in 2017. A Green Zone is a placebased policy initiative aimed at improving health and supporting economic development using environmentally conscious efforts in communities that face the cumulative effects of environmental pollution, as well as social, political and economic vulnerability.



SITE CONTEXT

Assets

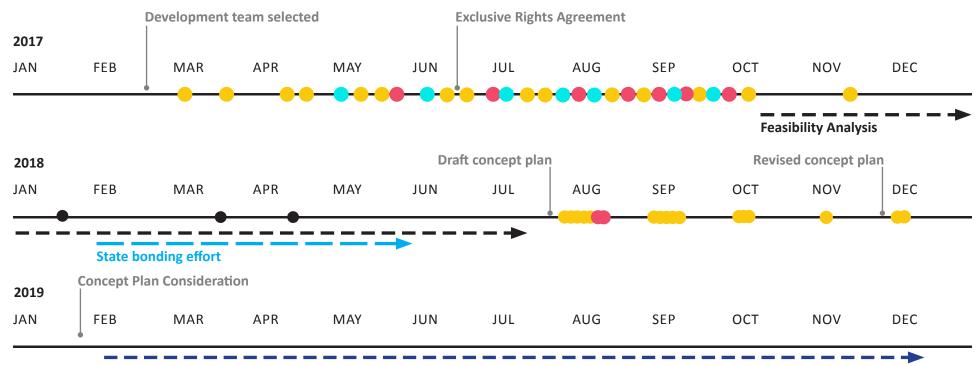
- + 48 acresowned bythe City of Minneapolis
- + Almost one mile of riverfront
- + Direct freeway access
- + Close to North Mississippi Regional Park
- + Two blocks to existing neighborhoods
- + Unique industrial heritage

Constraints

- I-94 and rail line block community access
- Poor pedestrian connections on Dowling Avenue
- Overhead transmission lines limit potential
- Outdated infrastructure
- Amenities needed to support a broader range of riverfront uses



PLANNING AND PRE-DEVELOPMENT TIMELINE



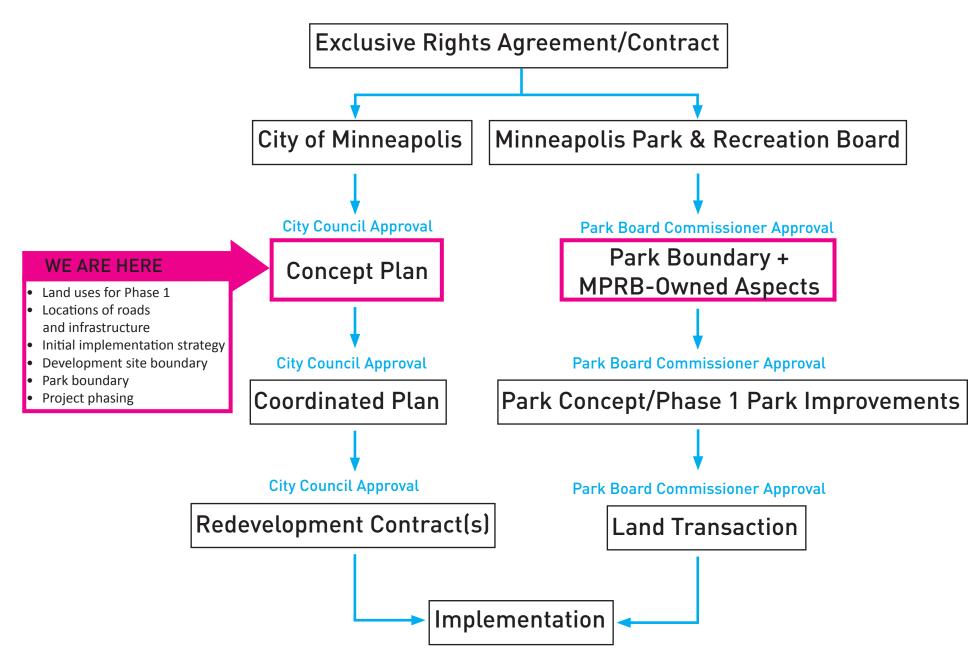
Detailed planning and additional engagement to create Coordinated Plan

Community Meeting or Public Event

- Community Site Visit
- Door Knocking
- State Bonding

Note: See Community Engagement Summary in Appendix for more detail

PROJECT PLANNING TIMELINE



CONCEPT PLAN OVERVIEW

This plan outlines the next steps towards the multi-phase redevelopment of the UHT site from its long-term use as a barge shipping terminal to a mix of riverfront park land and other complementary uses.

Redevelopment of the UHT site will bring multiple benefits to the City and the Northside community, including opening almost a mile of riverfront for long overdue public access. The Concept Plan offers other public benefits, including new housing (both market-rate and affordable), jobs, entrepreneurial opportunities, sustainability improvements, wealth building and community ownership opportunities, and an exciting public destination amenity – an outdoor music performance venue. These benefits align with the City's Minneapolis 2040 plan and Green Zone and Promise Zone efforts.

The Concept Plan reflects the community input collected from hundreds of people over the past two years and the many more who participated in multiple previous planning efforts involving the UHT (See Appendix for the Community Engagement Summary). Community engagement will continue into the next stage of planning to gather input from more stakeholders in the community, including creating a formal Community Advisory Committee.

Development Concept Plan Summary

The Concept Plan allocates the 48-acre site as follows:

- 19.5 acres of park space (including the north-south street that will function as the parkway)
- 4.9 acres of public amenity area (i.e. the outdoor music performance venue)
- 7.2 acres of street right-of-way and vehicular/pedestrian circulation
- 16.9 acres of development parcels for a mix of uses (housing, hospitality, office and commercial)

Anticipated Phasing

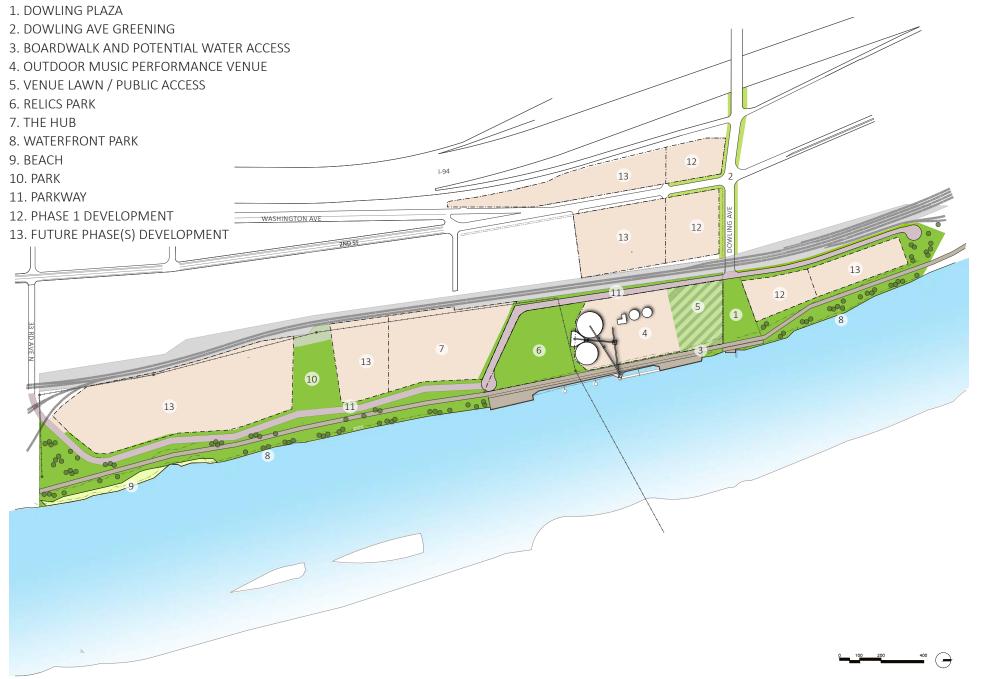
The Concept Plan divides the redevelopment implementation into two phases, each of which will include both public (i.e., park and infrastructure improvements) and private investments. The Concept Plan includes more detail about the Phase 1 activities, which will continue to be refined and detailed in the next phase of planning. As outlined in more detail later in this plan, Phase 1 is proposed to include the following components:

- A package of public infrastructure improvements on the northern half of the site, including reconstruction of Dowling Ave as the primary entrance to the site and construction of a north-south street that will function as a parkway and vehicular access to the adjacent developments;
- Site preparation activities to clear the way for redevelopment;
- Initial riverfront park improvements on the northern half of the site, including linear trail connections, restored riverbank, renovation of some or all of the existing river wall/dock structure for recreational access and two larger park areas (referred to as Dowling Plaza and Relics Park in the Concept Plan);
- An outdoor music performance venue just south of Dowling Ave along the river;
- A hospitality mixed-use building just north of Dowling Ave along the river;
- A residential mixed-use complex on the southeast corner of Dowling and Washington avenues with both market-rate and affordable units;
- An office mixed-use building on the southwest corner of Dowling and Washington avenues;
- An innovative mixed-use building dubbed "The Hub" along the river near 36th Ave N; and
- Stormwater management infrastructure and parking to support the development.

The vision for the Future Phases portions of the site will be informed by community input in the next phase of planning for the Coordinated Plan and is expected to include:

- Additional public improvements to be completed by the City, primarily on the southern half of the site, including completion of the north-south parkway/street and a second access point at 33rd Ave. N.
- Additional park improvements to extend the linear trail connections and restored riverbank through the southern half of the site as well as a third, larger park area
- Five (or more) private development components

CONCEPT PLAN OVERVIEW



REGIONAL PARK BOUNDARY

Approximately 19.5 acres (out of the total 48 acres) is planned to be public park land. The public land extends along the river for the entire length of the UHT site, ensuring permanent public ownership and access to the riverfront.

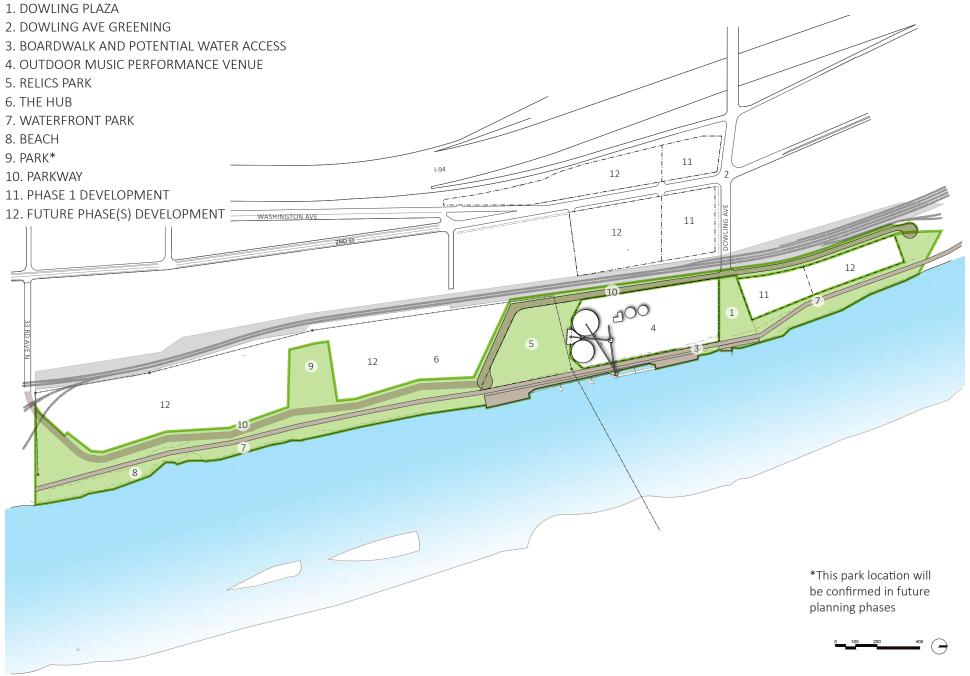
The majority of the park land will function as a linear connection (eventually to trails and parkway that will extend further up and down the river) with shoreland restoration along the sloped bank, bicycle and pedestrian circulation, and a parkway. The parkway also will provide vehicular access to the adjacent development parcels. The linear park spaces vary in width and allow space for public use, such as picnicking, viewing, and fishing areas. In addition to the linear park spaces, three park areas can support larger amenities. MPRB will lead the next stage of engagement to determine the park concept: selecting amenities, shaping the park character, and defining what the first round of improvements should include. The upcoming park planning and design work will directly address options such as access to the water, gathering places, ecological restoration of the shoreline, and areas for public use along the river.

The riverbank along the entire site will be restored with the likely exception of much of the historic river wall. This wall segment may be used to provide an opportunity for the public to have a more direct visual connection to the River, especially where the two docks extend over the river.

The Dowling Avenue corridor will provide a direct connection from the existing neighborhood to the river. Dowling Plaza is a planned pedestrian area, approximately one block long from the end of Dowling Avenue to the river. This area can accommodate many community requests for a park and plaza area that could support events, markets, food trucks, pop up vendors and other attractions. Two other park spaces to the south of the outdoor music performance venue can support functions such as play, athletics, urban agriculture, gardens and natural areas, public art, indoor spaces, and other attractions. MPRB will seek to maximize public amenities in all areas of the park, including using the linear spaces as much as possible.

In addition to the above park spaces, the outdoor music performance venue area would be open for public use approximately 315 days per year (during free programmed events and non-event days). The northernmost portion of the lawn for the venue would remain in public ownership (City or MPRB) and leased to the venue operator for as long as the venue is in operation, to maintain and use during event days.

REGIONAL PARK BOUNDARY



TRANSPORTATION + UTILITIES

Street Network

Dowling Ave. will remain the primary access to the site. The City has been studying how to improve the Dowling Bridge over I-94 and into the site, in particular for pedestrian and bicycle access into the site, and will reach out to the Minnesota Department of Transportation (MnDOT) for further exploration in the next phase of planning. Future development will provide a second access point at 33rd Ave. N. The parkway and trails along the river are planned to eventually extend along the river north and south of the site and to connect to the larger network of parkways, trails, and city streets. The parkway and trail connections will take years to develop as property along the river is still being acquired, with the goal to have continuous public access along the entire riverfront. To the north, MPRB is working on a connection to the existing trail along the river in North Mississippi Regional Park. The parkway will go inland from the river near the north end of the UHT site and continue into the Webber-Camden Neighborhood. South of the UHT site, MPRB would need to obtain several privately-owned properties or easements for the trail and parkway before the MPRB could connect to the existing trail and parkway at Ole Olson Park.

Public Transit

The site currently has very limited transit access and very limited transit service. MetroTransit routes currently serve the portion of the McKinley neighborhood across I-94, but only one limited stop route actually serves the entire UHT site, with a stop at the corner of Dowling and Washington avenues. Early conversations with MetroTransit have noted the need to improve access to the site, though future transit improvements will depend on development on the UHT site creating enough demand to justify additional bus routes and/ or extended service hours. A goal for future transit service is to ensure that housing, employment opportunities, and other uses on site are accessible via transit, as well as connecting the site to downtown Minneapolis via transit.

Parking

The development team is working to balance short and long-term parking demand. This means balancing current parking requirements for the initial phases of project development with anticipated future changes in driving and parking patterns. Any solution could assume that future changes may lead to reduced parking requirements from overall market demand, the City's zoning requirements, and lender's requirements. This is a challenge that the development team is working to solve.

The development team is exploring shared structured parking as a long-term solution. One option that will be further explored is a combination of a large shared parking structure with smaller amounts of structured parking in three of the development components. If structured parking is not feasible, two options may be considered: public subsidy to construct structured parking or interim surface parking on parcels along Washington Ave. N. An interim surface parking solution would provide future flexibility to adapt project parking to future requirements as future phases of the project are developed. Surface parking will not be considered for any riverfront parcels.

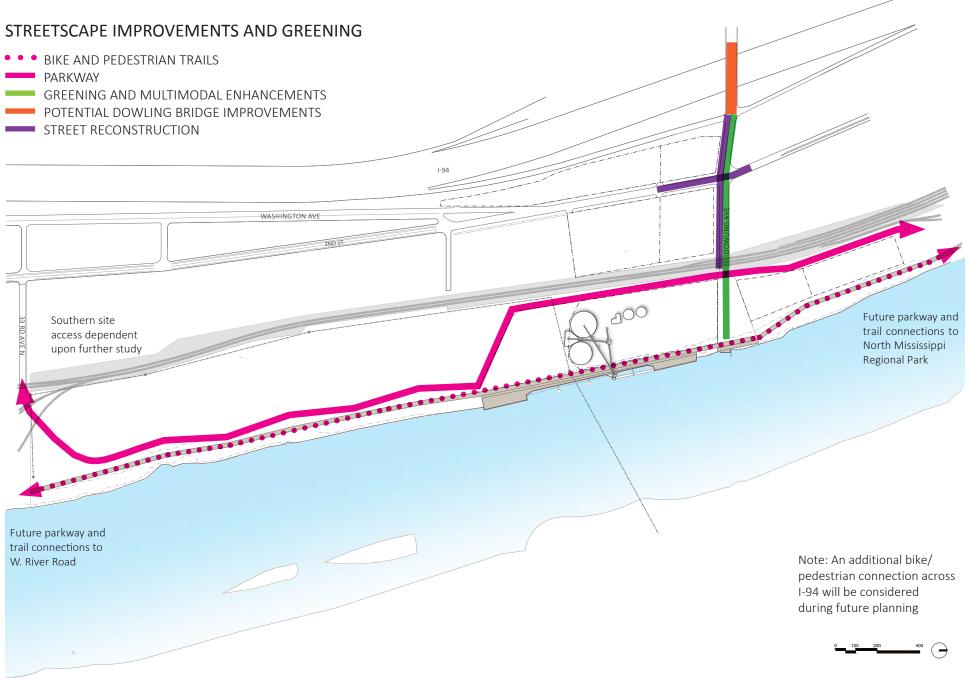
The Concept Plan strives for parking efficiencies with proposed complementary uses. The proposed outdoor music performance venue is a complement for proposed daytime office and industrial uses within the project. Although the proposed outdoor music performance venue needs parking (along with other transportation modes) for efficient operation, it can use the daytime parking areas for its evening and weekend events, thereby making the most efficient use of available parking. The development team is continuing to work on balancing the costs of the project components and project infrastructure while trying to make the best use of available project capital to fund parking requirements.

Utilities + Powerline Relocation

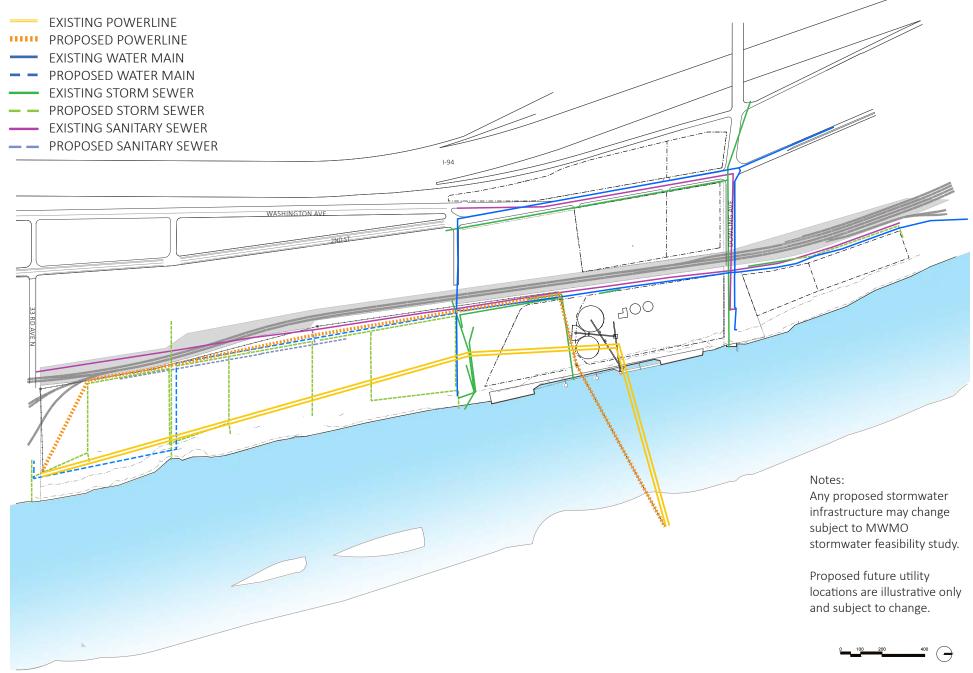
Phase 1 will require City investment in public utilities (water, sanitary sewer, storm sewer) and, at minimum, stormwater management for the public rightsof-way. (Additional investments will be needed for later phases, especially in the southern half of the site.)

The UHT site is bisected by Xcel Energy powerlines, which cross the river from the Xcel Energy Riverside Plant on the east bank of the river and run south through the middle of the riverfront parcels. The current location of the powerline towers is a major site constraint in redevelopment. The overhead powerlines will need to be relocated to prepare the site for redevelopment. The proposed relocation plan would run the powerlines overhead along the northsouth railroad tracks to minimize their impact on the park and development. It is possible to use the area within the powerline fall zones (a clear area below and extending out from the powerlines) for loading, circulation, parking, and stormwater management. Burying the lines underground is cost-prohibitive.

TRANSPORTATION INFRASTRUCTURE

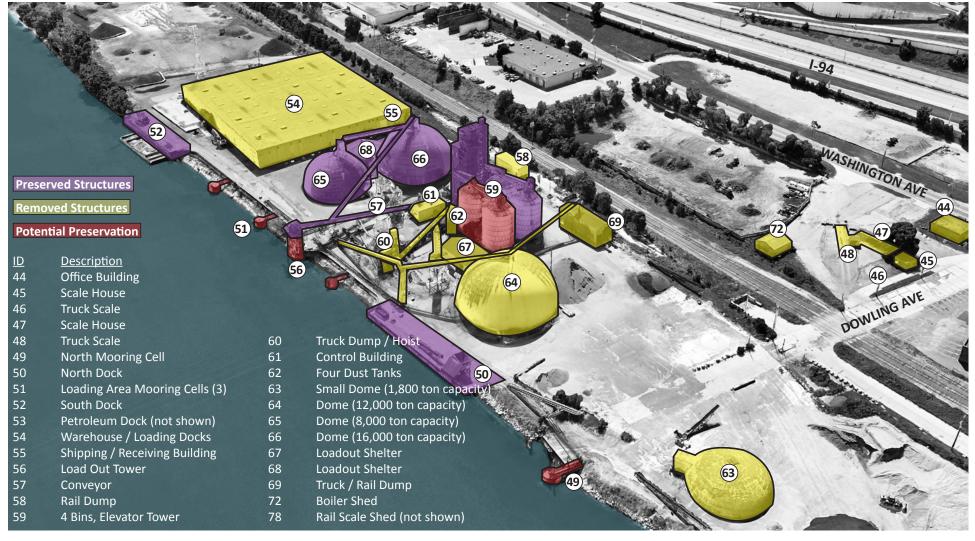


UTILITIES AND POWERLINE RELOCATION



HISTORIC RESOURCES: PROPOSED DEMOLITION AND PRESERVATION PLAN

Pending approval, several of the structures on site (such as the warehouse and the small office and other structures) will be removed. Two of the large domes, two or four grain silos and their associated elevator tower, and some of the steel conveyors and other infrastructure may be preserved by First Avenue Productions. First Avenue Productions will explore options to salvage and reuse the structures, but may eventually determine that some or all need to be removed. The river wall and docks will be preserved on public park land. Some of the steel infrastructure on park land may be preserved; options will be further explored in the next stage of design. Any infrastructure that remains will be evaluated and modified as necessary to keep it safe and stable. Any resources that are removed will be documented before demolition, and interpretation of the site's history will be incorporated into the project plan.



PHASED DEVELOPMENT PLAN

Phase 1 activities are those that are expected to occur earlier in the redevelopment implementation, although they may not all occur at the same time. Aspects of Phase 1 may begin as soon as 2020, and all Phase 1 activities are expected to be complete by 2023 if market conditions allow. The following description notes which of the three development firms are expected to be the lead partner for the various components. However, all three partners will work together to coordinate the planning and implementation and may elect to become co-developers/investors on one or more components and may create related entities to complete development components.

Infrastructure – City

In June 2018 the State of Minnesota awarded a \$15 million General Obligation (G.O.) bond-funded grant to the City and MPRB for public infrastructure on the UHT site. These funds will be allocated as \$9 million to the City and \$6 million to the MPRB. Each entity will be responsible for providing local funding to the project at least equal to their share of the State bond funds to assure that the project is fully funded. Infrastructure improvements to be completed by the City (pending availability of funding to match the 2018 State bond-funded grant) will include:

- Reconstruction of Dowling Ave. from the freeway into the site
- Construction of the northern half of the north-south road that also will serve as the parkway
- Underground public utilities to serve the Phase 1 components
- Stormwater management related to the street right-of-way

The City also will work with MnDOT to pursue improvements to the Dowling Ave. bridge to improve bike and pedestrian access to the UHT site.

Park – MPRB

Phase 1 park space will be constructed with MPRB's allocation of the 2018 State bond-funded grant for infrastructure. Phase 1 improvements include the following:

- Creation of a linear public park along at least the northern half of the site, including bike and walking trails and a restored green riverbank and renovation of some or all of the existing river wall; and
- Construction of at least the basic improvements to create two park areas: 0.8-acre Dowling Plaza at the River end of Dowling and 2.3-acre Relics Park just south of the outdoor amphitheater. Additional special features may be added in a future phase.

Outdoor music performance venue – First Avenue Productions or related entity

The proposed outdoor music performance venue will provide a riverfront destination that will bring people to the UHT site. Attracting visitors and building interest in the UHT site are important ways to support further development of housing, commercial space, and places for businesses. The outdoor music performance venue acts as the catalyst for the entire development site. Without a major destination on site, the market is uncertain for the other aspects such as housing, office and retail. A significant music venue would create the market for this new mixed-income community in the McKinley neighborhood. The stage structure will be designed to allow an enclosed smaller performance venue to ensure that it will be active and programmed year-round.

The specific "gantry" design outdoor music performance venue, referred to as the Community Performing Arts Center (CPAC) would accommodate a range of 7,000 to 10,000 people in a combination of standing area, lawn and fixed seating (shown in the Appendix). As noted in the Financing + Implementation section, the CPAC concept design allows for construction to be phased, or reduced in size or scope.

PHASED DEVELOPMENT PLAN (continued)

Phase I Development – THOR

The following components are part of Phase I development:

- A residential mixed-use complex at the southeast corner of Dowling and Washington avenues with a combination of market rate and affordable housing units, ground floor active uses commercial space and structured parking;
- An office mixed use building with office space, ground floor active uses and structured parking at the southwest corner of Dowling and Washington avenues; and
- A hospitality mixed-use building with ground floor active uses and structured parking just north of the outdoor music performance venue at Dowling and the River. The hospitality use may include hotel rooms, a hostel, an event center or other types of hospitality uses.
- A shared central parking structure between Washington and the rail corridor, south of Dowling.

A Community Innovation Hub – THOR

The Hub will be a community-focused development located south of Relics Park, with proposed uses supportive of urban food systems and community access to such uses. The development team is working with community groups focused on uses supportive of urban food systems and community access to such uses. The development team will explore a mix of uses to complement the Hub including office space for green businesses, an indoor-outdoor marketplace, greenhouse and aqua(hydro)ponics growing space, and possibly an integrated utility hub.

Future Phases Development – United Properties

Decisions about the development in the parcels indicated as Future Phases Development will be the topic of extensive work with the community following approval of the Concept Plan and during the preparation of the Coordinated Plan. The timing of implementation will depend upon the proposed uses.

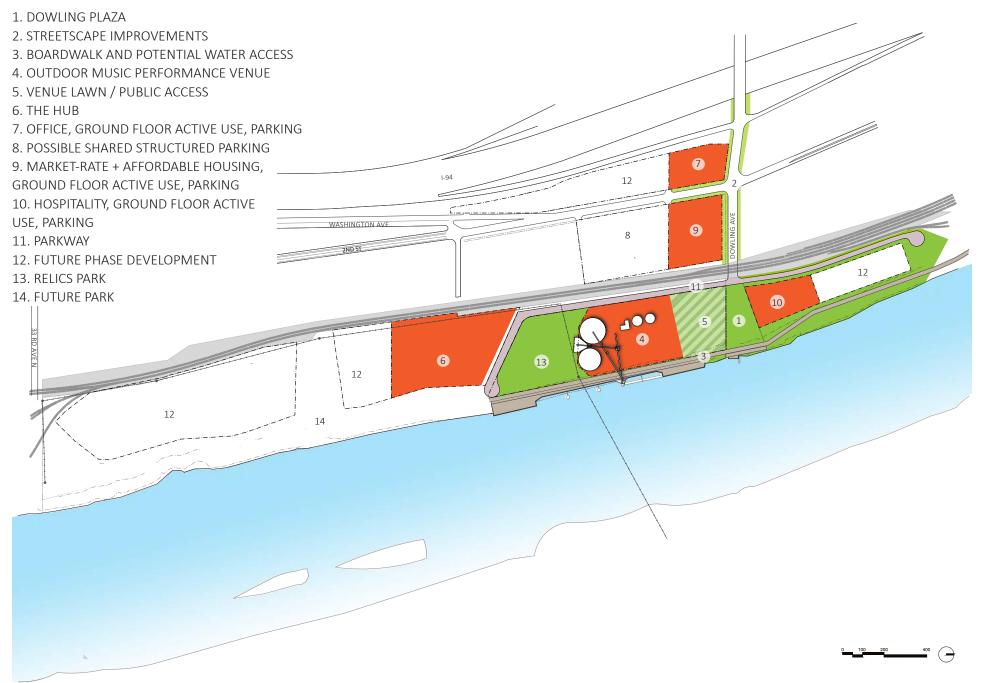
Development of the Future Phase parcels on the northern end of the site may occur in 2022 to 2024, or when market conditions allow. Some of the possible uses that might be considered for a later phase of development are:

- Additional residential development along the river north of Dowling Ave.
- Additional mixed-use development (residential, commercial and/or office) on the remaining portions of the two inland parcels along Washington Ave. N.

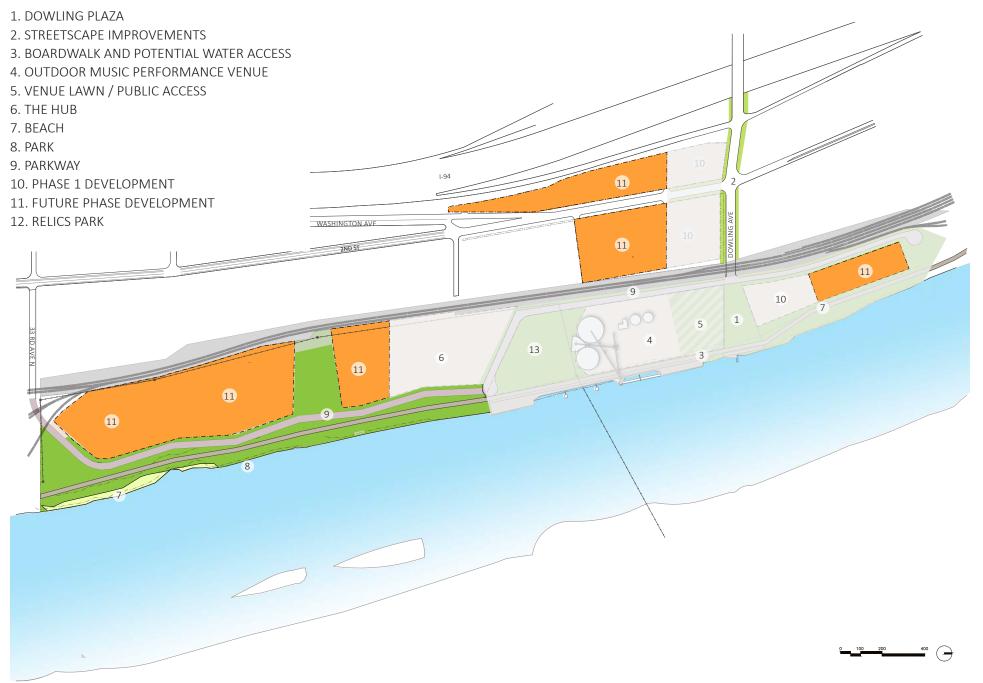
The plans for the southern half of the site are the most flexible and will respond to community input, whether GAF's planned regenerative thermal oxidizer successfully controls odors, and how the market responds to the initial redevelopment of the site. Development options to be explored could include job-generating uses (which could occur as soon as Phase 1, i.e., 2020 to 2023) or additional medium-density mixed-use development (which would not start until 2023 to 2026 or when market conditions allow).

Future phases will include construction of the southern half of the northsouth parkway and a southern access to the site, additional utilities, and the construction of park improvements in the southern half of the site.

PHASE 1 DEVELOPMENT PLAN



FUTURE PHASES DEVELOPMENT PLAN



COMMUNITY BENEFITS

In addition to pursuing the sustainability goals noted in the next section, the development team will be exploring and researching the following community benefits concepts during the next stage of planning.

Intentional Procurement and Targeted Employment

The initial implementation of Phase 1 redevelopment by the City, MPRB and development team is expected to include well over \$200 million in procurement of design services and construction. The parties will be exploring the extent to which this procurement can be targeted to community businesses, and targeting community residents for well-paying construction jobs and steering business to local entrepreneurs. In addition, MPRB will be exploring how they can target on-site jobs to neighborhood residents.

Park

The new park areas will provide long-needed access for the Northside to the Mississippi River, as well as new green spaces and programming to benefit the community. The specific types of improvements and programming are to be determined during the next phase of planning.

Outdoor Music Performance Venue

First Avenue Productions has proposed a wide range of community benefits associated with the outdoor music performance venue. These include:

- A fee on all ticketed event tickets that would generate funds that could be deployed by a yet-to-be identified existing or new Northside community entity to provide free community programming. The purpose is to provide programming that will be of interest to the Northside community (and open to anyone else).
- Priority will be given to Northside businesses for any venue contracting, e.g., food and beverage services, security, textile and poster printing and operation of on-site markets.
- A Youth Advisory Committee could be established to advise First Avenue on the use of the venue, thus gaining career training and management track development while learning problem-solving and decision-making skills.

- As many as 70 Step-Up interns could be hired each year for entry-level positions that will provide both employment and exposure to the music business.
- Green lawn spaces will be open for public use whenever they are not being used for a ticketed or community event.

Ground Floor Active Use Spaces and The Hub

The development team hopes to work with the community to identify or create a community-based partner (e.g., a trust, community development corporation or cooperative) that can own and operate all of the ground level active use spaces and the Hub. This partner then would secure funding to help make the spaces available and affordable to community entrepreneurs (and possibly also provide support services). Depending upon the organizational structure of this partner, this approach could provide community control and possibly also community ownership opportunities.

Office Component

The development team will seek to find one or more office tenants that could provide job opportunities that can be targeted to neighborhood residents.

Housing Component

In addition to providing additional new market-rate housing opportunities to community residents, the Phase 1 housing component will provide units affordable at 60% of the Area Median Income. The goal is for 40% of units to be affordable at 60% AMI, if sufficient affordable housing funding resources are available. The development team also hopes to include some units affordable at 30% AMI if vouchers can be secured.

Hospitality Component

The development team will retain ownership of the hospitality component and thus will be able to work with the management company to identify and then implement ways that the jobs generated by this component can be targeted to neighborhood residents.

SUSTAINABILITY GOALS

The City, MPRB and development team share the goal of implementing a redevelopment project that is sustainable and responds to community interests as well as City goals and policies. During the upcoming continued planning process, this will be pursued in a variety of ways, including:

The Baseline

- Environmental testing of the site to date has not found any significant pollution, but any remediation that is needed will be completed during site redevelopment;
- Except in the section of historic river wall, the river edge will be restored. Habitat will be added in both park and private green areas;
- All businesses on site will be clean and non-polluting;
- All new buildings will achieve LEED and/or WELL standards; and
- All development will include provisions to support non-motorized access to the site, including adequate and easily accessible bike parking. Bike and pedestrian access to the site and the riverfront will be improved by park trails and the improvements to Dowling Ave. The City and development team will continue to work with MetroTransit to encourage additional transit service to the site as development occurs.

Stormwater Quality and Quantity

The City, MPRB and development team will work with the Mississippi Watershed Management Organization (MWMO) to explore the feasibility of a stormwater management system that will improve water quality and habitat, while creating educational experiences and connections between people and the Mississippi River. The goal will be to exceed minimum requirements in handling the site's stormwater in a coordinated, efficient manner. The City, MPRB and development team are working with MWMO to study the feasibility of managing stormwater across the site while also handling some portion of the overall regional needs related to stormwater that currently runs under the UHT site from areas "upstream" in north Minneapolis. Strategies to manage the stormwater include a combination of surface and underground storage facilities. The development team will also consider possible treatment that would allow reuse of the treated water for irrigation and other purposes. Funding beyond the amount that the project would provide to cover the cost of meeting the minimum requirements is not being committed to by any of the partners at this time. It is likely that if a district stormwater system is planned for the entire site, phasing of this system (for implementation) would align with the phasing of redevelopment at UHT.

Energy Efficiency and Generation

Any portion of the project funded with State G.O. bonds must meet the State's B3 goals relative to energy usage. This will apply to the Phase 1 park and infrastructure investments, but the requirement will have only a minimal impact due to the nature of those investments. If the outdoor music performance venue receives State bond funding, it also will need to comply.

Pending availability of funding to cover additional costs related to design and construction, the development team also will work with the City's Sustainability Office and Xcel Energy to explore and create an advanced energy plan. This would include ways to maximize energy efficiency and conservation, energy generation and possible district heating/cooling. Any energy-efficiency and/or generation investments with a payback of ten years or less will be included. A transportation mobility hub also will be explored.

Restorative/Closed Loop Systems

The development team will work with other interested parties to explore the feasibility of incorporating possible restorative/closed loop systems as a part of the Hub in the next phase of planning. A closed loop systems would strive to provide equitable social, environmental, and economic outcomes for the community. A feasibility study as part of the next phase of planning would evaluate how to best leverage a zero-waste business model which could include the following: an anaerobic digester, aquaponics, non-potable water and composting. The City and the development team will cooperate with such a study but are not committing to fund a study at this time.

FINANCING + IMPLEMENTATION

Phase 1 Public Investments

To support the Phase 1 private developments and to start transforming the UHT into a place where people will want to live, work and play, the City and MPRB intend to complete a package of infrastructure and park improvements subject to the availability of funding. Staff currently estimates the total costs of Phase 1 public infrastructure and park improvement at \$37 million (\$25 million City and \$12 million MPRB).

A main resource for these initial public investments will be the \$15 million State bond-funded grant to the City and MPRB. These funds will be allocated as \$9 million to the City and \$6 million to the MPRB. Each entity will be responsible for providing local funding to the project at least equal to their share of the State bond funds to assure that the project is fully funded.

City

The City's infrastructure costs are currently projected to be about \$25 million. However, this is a preliminary number and will need to be significantly refined. This total projected cost currently includes:

- Reconstruction of Dowling Ave. between I-94 and the new parkway/First St. N.*;
- Construction of the northern half of the north-south parkway that also will provide basic street access to the site*;
- Installation of the public utilities (water, sanitary and storm sewer) that are needed to support the Phase 1 components, including required stormwater management for City infrastructure*;
- Relocation of overhead electrical transmission lines; and
- Removal of some of the existing structures on the UHT site.

These infrastructure costs would be funded from the following sources:

- State bond-funded grant (the costs listed above with an (*) are bond fundeligible) Future Council authorization will be needed to accept these funds;
- Funds in the Development Infrastructure Program of the City's Capital Improvement Program which could be allocated to Phase 1;
- Phase 1 land sale proceeds (City property sold for private development);
- Tax increment financing (TIF) from taxable Phase 1 private development;
- Grants from other partners (if available); and
- Other City resources from outside the UHT project that are needed to fill the infrastructure gap.

At this stage, staff does not have enough detailed information from the development team to accurately project the amount of funding from Phase 1 land sale proceeds and TIF. Based on varying sets of assumptions, staff currently projects that the infrastructure gap for Phase 1 could be in the \$10 million to \$11.9 million range. The source of funding to fill this gap has currently not been identified. The City's ability to commit in the future development agreements to this package of City investments will depend upon the Phase 1 private development generating a significant amount of land proceeds and tax increment and the identification of other City resources from outside the UHT project to fill the anticipated resulting gap for Phase 1.

The City will dedicate the park parcel(s) to the MPRB at no cost, and the MPRB will not require any park dedication fees for development that occurs elsewhere on the UHT site. This dedication will include the portion of the land related to the north-south parkway, which will be dedicated subject to a street easement. This street will be designed to have a "parkway" character while also meeting the development's vehicular access needs.

MPRB

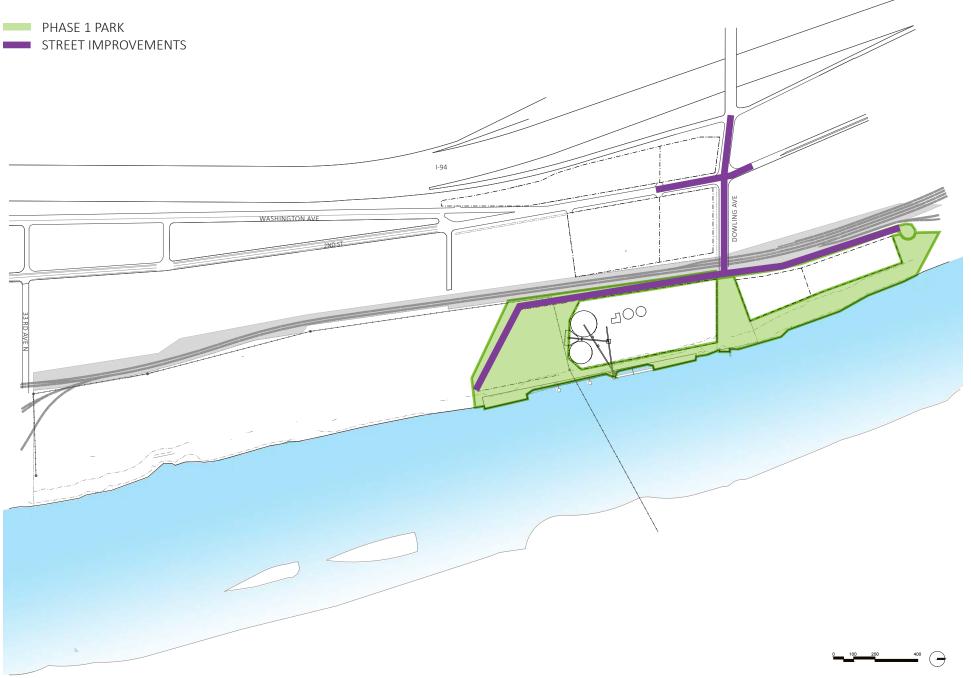
MPRB would construct the following park improvements at a total projected cost of about \$12 million:

- Basic park improvements to Dowling Plaza and Relics Park (special features may be added in a future phase);
- River edge restoration for the northern half of the site;
- Bike and pedestrian riverfront promenade on the northern half of the site.

The MPRB investments will be funded through a combination of the following:

- State bond-funded grant;
- Regional park and other funds included in MPRB Capital Improvement Plan;
- Possible third-party funding sources such as grants, partnerships, and private donations; and
- Possible bridge loan from City.

2018 STATE BOND-FUNDED IMPROVEMENTS - PHASE 1



FINANCING + IMPLEMENTATION (continued)

Outdoor Music Performance Venue

The ability to secure funding will impact the scale and scope of the outdoor performance music venue. The "gantry" design of the CPAC (illustrated in the Appendix) assumes a cost totaling about \$49 million. First Avenue Productions proposes funding these costs with a large State bond-funded grant to the City on behalf of the project (est. \$20 million), a sizable capital campaign by a nonprofit on behalf of the project (est. \$17 million), and significant private funding and tax credits (est. \$12 million).

The State bond funds for the CPAC would be separate from the alreadyapproved \$15 million State bond-funded grant allocated for UHT infrastructure and park improvements. The City would plan to make this request of the State in the 2019 Legislative Session (for pre-design/design if the Legislature considers a bonding bill) and 2020 Legislative Session (for construction).

If the City receives State bond funding for the outdoor music performance venue, then the City would need to have a long-term real estate interest in the project as a condition of the grant. The current anticipated structure to secure this interest includes First Avenue Productions creating a new entity to own the property and building and leasing it to the City. The City would then enter into a use agreement with a First Avenue Productions entity to operate the facility. The details of this relationship will be worked out in the next phases of the process.

Title to the venue's "Outer Lawn" (south of Dowling Plaza) would remain in public ownership (City or MPRB), and that parcel would be leased to the First Avenue Productions entity for as long as the venue remains in operation. The details of this structure will be worked out in the Coordinated Plan process.

If certain CPAC funding sources are not received or if they are received in amounts less than projected, an outdoor music venue would still be constructed. However, in this case, the venue would need to be re-designed to accommodate the smaller budget. This might result in fewer and/or smaller ticketed events and thus less funding available for community programming. A much smaller venue may not be sufficient to serve as a catalyst to support the market for the other Phase I uses. The First Avenue Productions entity would also either buy or lease from the City the existing "relic" structures that will not be demolished, and would have the responsibility to stabilize and maintain them. First Avenue is open to rehabilitating the relics if complementary re-uses can be identified in the future. The alternatives and details of this relationship will be worked out in the next phases of the process.

Ground floor commercial space and Community Impact Center - The Hub

The development team will explore a community development corporation, trust or cooperative to take a lead role in implementing the ground floor active spaces and the Hub. The development team will evaluate organizational options, the projected costs to construct and operate these components, and the sources to fund these costs with the community partners in the next phase of planning. External financial support may be needed to assist with the capital construction and/or operating costs in order to make the spaces affordable to the desired mix of businesses and operations and possibly to provide support services. The development team will work with MWMO to explore the development of an integrated utility hub as part of the Hub, with funding sources for a feasibility study and capital construction yet to be determined.

Residential Component

The market-rate housing component is expected to be developed with a combination of private equity and debt. The development team plans to partner with a nonprofit housing developer for the development of the affordable housing component. That component will be financed with a combination of private equity and debt along with one or more affordable housing sources.

Office and Hospitality Components

The office and hospitality components are expected to be developed with a combination of private equity and debt (except to the extent that the ground floor active uses include some special financing provisions).

Parking

The development team plans to include structured parking in the office, marketrate housing and hospitality components that is expected to be developed and financed as part of those components. The implementation plan and financing for the shared central parking structure will need additional consideration.

NEXT STEPS

The anticipated general steps in Phase 1 planning and implementation process also will include:

- Completion by the City, MPRB, and development team of additional more detailed planning and environmental review-- an Alternative Urban Areawide Review (AUAR)-- that will allow preparation of a Coordinated Plan with more detail on the elements proposed in the Concept Plan
- Approval by City Council and MPRB of the business terms and public benefits for the initial park and development projects and of any aspects of the Coordinated Plan that are not included in those business terms
- Design and bidding of the park and public infrastructure, with construction of those components possibly starting in 2020 or 2021; and
- The timing for the start of construction of the outdoor music performance venue and private development components.

Actual construction timing for these components will depend upon how long it takes to secure the needed approvals and financing. Construction is likely to occur in sub-phases, and may start as soon as 2021.

Next Stage of Planning, and Possible Revisions to Plan

Following the approval of the Concept Plan by the City and of the parkrelated aspects of the Concept Plan by the MPRB, the parties will continue, with extensive community input, to test and refine the various aspects of the Concept Plan. This section outlines the parameters within which that planning can occur and at what points the City Council would need to be asked to approve any plan revisions through formal City Council action. Any plan refinements that would change the type of land use, change the scale beyond the ranges shown here or require the City to make financial investments beyond those anticipated here will require City Council approval.

Public Infrastructure

Community input will inform the design of streetscape, bike and pedestrian facilities, as well as where and how transit service and access across I-94 can be improved. There also may be public art opportunities associated with the infrastructure improvements.

Phase I Park Improvements

Future park planning, led by MPRB with extensive community input, will inform a wide variety of aspects, including the character of the various park areas and what programming they will support, where and how water access will be provided, whether any special park features are desired and the basic design of the park improvements. This planning may inform some modest revisions to the park boundary, including the general location of the park area in the southern section of the site.

Council and MPRB approval will be needed if the overall park acreage varies by more than 10%.

Outdoor Music Performance Venue

As noted, First Avenue Productions proposes to pursue an approximately 7,000 to 10,000 capacity CPAC with the "gantry" design at an estimated cost of about \$49 million. However, if that design cannot be fully funded or if the AUAR or additional analysis identifies challenges with traffic, parking, noise or other factors that are irreconcilable, then First Avenue Productions will pursue an outdoor music performance venue with a revised design and/or scale to respond to those challenges.

Community input will help shape the details of the design of the facility and community programming, but will not be the deciding factor in whether there is a venue. Community input can also inform the size and scale of the venue, if it is within a 7,000 to 10,000-person capacity.

Council approval will be needed if the scale of the proposed outdoor music performance venue drops below 7,000 capacity or exceeds 10,000 capacity.

NEXT STEPS (continued)

Ground floor active uses

The ground floors of the office, residential and hospitality buildings will include active uses that will provide complementary destinations (e.g., food and beverage, entertainment, cultural amenities), retail and services that will support the Northside community, and possibly small maker spaces.

Community input during the next phase of planning will help determine the scales of these spaces and general design, the desired uses in these spaces, as well as the details of an ownership structure that could provide community control of the spaces and perhaps community ownership opportunities.

Office Mixed-use

In the next phase of planning, the development team will explore a mixed-use building that will include 14,000 to 30,000 sq. ft. of active ground floor uses with 104,000 to 230,000 sq. ft. of office above.

Community input will inform the size and general design of the building, what types of office tenants would be desirable, and what approaches could be used to give community residents priority for filling those tenants' open positions.

Residential Mixed-use

The development team will explore a mixed-use building that will include 16,000 to 36,000 sq. ft. of active ground floor uses with 240 to 530 units of residential above. About 60% of the units will be market rate (144 to 318 units) and 40% (96 to 212 units) affordable to households earning 60% of areawide median income (AMI). The development team also will pursue vouchers to allow some of the affordable units to be affordable to those making 30% AMI.

Community input will inform the size and general design of the building. The community also may provide input on the mix of market-rate and affordable units (and the incomes that those affordable units will serve), but what can be implemented will depend upon the amount and types of affordable housing resources that can be secured.

Hospitality Mixed-use

The development team will explore a mixed-use building that will include 9,000 to 20,000 sq. ft. of active ground floor uses with 140 to 310 rooms (or equivalent square footage) of hospitality uses (e.g., hotel, hostel, event facilities).

Community input will inform the types of hospitality uses preferred, and the size and general design of the building, including how the designs of the river and Dowling Plaza sides relate to the adjacent park space.

The Hub

The development team will explore a mixed-use building that will include 20,000 to 45,000 sq. ft. of active ground floor uses facing the river and Relics Park with 108,000 to 240,000 sq. ft. of uses that will benefit the community. The uses to be explored may include: office space for a local innovative food company and "green" businesses, a greenhouse and aqua/hydroponics growing area, an indoor market and an integrated utility hub.

Community input will inform the size and general design of the building, including how the designs of the river and Relics Park sides relate to the adjacent park space. Community input also will inform the mix of uses to be included in the building and the organizational structure.

Ground Floor Active Uses and Community Partner

The development team will explore what type of community partner (e.g., trust, cooperative, community development corporation) could own the Hub and all of the ground floor active spaces in order to provide community ownership and/or control and to make those spaces available and affordable to community businesses.

Community input will inform the entity type and what types of spaces/ businesses are desired.

NEXT STEPS (continued)

Future City Council Approvals

Future City Council approvals will be needed for any and all City investments. This Concept Plan does not commit the City Council to such investments.

Other

Other aspects of the upcoming planning will need community input. This could include interpretive planning (both about the history of the site and area, and ways to help showcase north Minneapolis' strengths) and exploring what approaches and possible funding sources could be used to prevent and/or mitigate displacement in the nearby community.

Future Phases

The City, MPRB, development team and community will have flexibility in the next phase of planning for the development parcels identified for Future Phases. In the next phase of planning, the development team and the community can work collaboratively to explore options for development concepts. The goal for future phases is development that is innovative, yet is financially feasible to implement.

In the southern half of the site, the extension of the north-south street/parkway to a second site access point at 33rd Ave. N. and the extension of the riverfront parkland, trails and restored riverbank will be core components, and community input can inform the design of those public improvements, as well as the specific location and plan for the third larger park area.

The outcome of this shared Future Phases planning will be presented as part of the Coordinated Plan for consideration by the City Council. However, if the parties reach agreement on a concept that would benefit from earlier approval, that would be possible.

APPENDIX

COMMUNITY ENGAGEMENT SUMMARY

Community Engagement Prior to Concept Plan Approval

As outlined in the Exclusive Rights Agreement, the City and MPRB planned and implemented a cooperative community engagement process for the UHT redevelopment planning process. Since 2015, this community engagement process has included a total of over 80 meetings and events and four online surveys. This engagement occurred in multiple phases, detailed below.

In recognition that the McKinley Community organization was not actively meeting during significant portions of the community engagement, the engagement efforts included door knocking throughout the neighborhood. Based on input and previous engagement efforts, City and MPRB staff agreed that the typical engagement approach of establishing a community advisory committee (CAC) had historically not been an effective way to get diverse input, particularly from communities whose voices are often not heard. The engagement process instead focused on reaching people where they are, through multiple ways of communication and methods of engagement, at a range of events and locations.

The engagement process has used several approaches, including:

- Communications via:
 - Project website created in 2015
 - GovDelivery email listserv & email distribution list
 - Over 1,000 have subscribed to the listserv
 - In addition to listserv, over 300 on email distribution list
 - Over 40 meeting notices and updates sent as of December 2018
 - Radio interviews (KMOJ)
 - Social media (Facebook, Twitter, Nextdoor)
 - Print media (North News)
 - Direct mailings to properties in the McKinley neighborhood closest to UHT site
- Open houses and community meetings hosted by the City and MPRB
- Participation in a wide variety of events and meetings organized by others
- Smaller focus groups
- Online surveys
- Door knocking in the McKinley neighborhood
- Site visits to the UHT site following engagement events

Pre-2015

Extensive engagement as part of two eras of Above the Falls planning.

2015 - January 2017

Goal: Seek general input on shared goals for UHT redevelopment. **Outcome:** Drafted the "Characteristics of Success" based on input, which were included in Request for Qualifications. Input also informed Request for Qualifications language. Community input on whether City and MPRB should select the development team as master developer.

Milestone(s): Request for Qualifications issued in August 2016. Development team submission received October 2016.

Engagement Events:

- 2015-05-14 Northside Neighborhood Council meeting
- 2015-09-29 NorthFirst
- 2015-11-12 Northside Neighborhood Council meeting
- 2016-02-23 Above the Falls Community Advisory Committee
- 2016-03-12 Northside Housing Fair
- 2016-03-23 Victory Neighborhood Meeting
- 2016-04-02 Community Connection Conference
- 2016-05-05 HAMAA & Lao Assistance Center
- 2016-05-24 Urban League Open House
- 2016-06-15 Minneapolis Advisory Committee on People with Disabilities
- 2016-06-16 Folwell Ice Cream Social
- 2016-06-18 Southeast Asian Soccer Connections
- 2016-06-18 Juneteenth
- 2016-06-25 Folwell Park Open House
- 2016-06-29 Juxtaposition Arts Youth Ride and Kayak
- 2016-07-09 Somali Independence Day
- 2016-07-11 North Regional Library Community Meeting
- 2016-07-29 Riverfest
- 2016-08-27 Urban League Family Day
- 2016-08-30 Community Organizations Roundtable
- 2016-09-10 Open Streets West Broadway
- 2016-09-29 UHT Redevelopment Community Meeting

COMMUNITY ENGAGEMENT SUMMARY (continued)

- 2016-12-08 Nexus Board and Commissions Leadership Training Institute
- 2016-11-03 Folwell Community Meeting input on potential selection of development team
- 2016-10-27 Focus group #1 on Equitable Development Scorecard
- 2016-12-02 Focus group #2 on Equitable Development Scorecard
- 2017-01-06 Focus group #1 on engagement approaches
- 2017-01-13 Focus group #2 on engagement approaches
- 2017-01-31 MPRB Open House

Spring 2017 – Winter 2017

Goal: City, MPRB and the development team launched another phase of engagement to get more specific community input to inform planning process. **Outcome:** Engaged community in initial planning process for redevelopment of UHT

Milestone(s): City and MPRB, at public meetings, formally selected development team as master developer and authorized execution of Exclusive Rights Agreement. Agreement was executed in June 2017.

Engagement events:

- 2017-04-25 Above the Falls Community Advisory Committee
- 2017-05-30 Above the Falls Community Advisory Committee
- 2017-06-08 Cityview Open House and Online Survey Results
- 2017-06-27 Above the Falls Community Advisory Committee
- 2017-06-29 Juxtaposition Arts Event
- 2017-06-30 Juxtaposition Arts- June Engagement Summary
- 2017-07-29 FLOW
- 2017-08-24 Business Community Meeting
- 2017-09-09 Open Streets West Broadway
- 2017-09-12 Friends of the Mississippi River "Connections" study event/walk
- 2017-09-21 Friends of the Mississippi River "Connections" study event/walk
- 2017-11-06 City of Minneapolis Bicycle Advisory Committee
- 2017-11-16 City of Minneapolis Pedestrian Advisory Committee
- 2017-11-20 McKinley Community board meeting
- 2017-11-30 Housing meeting

- 2017 Site Visits and Tours Summary (engagement with approx. 100 people during multiple events)
- 2017 Food Focused Meetings Summary (engagement with approx. 22 people during two events)
- 2017 Public Festivals Engagement Summary (engagement with approx. 190 people during five events)
- 2017 Door-to-Door Engagement Summary (engagement with approx. 55 people in McKinley)
- 2017 Online survey about potential destinations

Winter 2017 - Summer 2018

Goal: Test feasibility of development concepts to propose in Concept Plan. **Outcome:** Complete initial feasibility review, market studies and evaluation of site constraints (including overhead powerlines, historic structures) and proposed land uses.

Milestone(s): Drafted initial Concept Plan

Engagement Events:

- 2017-07-25 Above the Falls Community Advisory Committee
- 2017-08-29 Above the Falls Community Advisory Committee
- 2017-09-26 Above the Falls Community Advisory Committee
- 2017-10-24 Above the Falls Community Advisory Committee
- 2017-11-28 Above the Falls Community Advisory Committee
- 2018-01-30 Above the Fall Community Advisory Committee
- 2018-07-09 Focus group meeting
- 2018-07-19 Focus group meeting
- 2018-07-26 Focus group meeting

COMMUNITY ENGAGEMENT SUMMARY (continued)

Summer 2018 to Winter 2018

Goal: Engagement to share draft Concept Plan with stakeholders and seek input on proposed redevelopment

Outcome: Completed initial and revised Concept Plan in response to community input

Milestones: Released draft and revised Concept Plan

Engagement events:

- 2018-07-28 FLOW
- 2018-08-15 UHT Redevelopment Community Engagement Meeting
- 2018-08-16 UHT Redevelopment Community Engagement Meeting
- 2018-08-17 Doorknocking in McKinley neighborhood
- 2018-08-20 Good Deal Oriental Foods Open Hours Session
- 2018-08-21 Webber Library Open Hours Session
- 2018-08-22 Serendripity Spot Open Hours Session
- 2018-08-22 Hawthorne EcoVillage Event
- 2018-08-28 UHT Redevelopment Community Engagement Meeting
- 2018-08-31 Doorknocking in McKinley neighborhood
- 2018-09-08 UHT Redevelopment Presentation and Council Member Cunningham Discussion
- 2018-09-15 West Broadway Open Streets
- 2018-09-25 Above the Falls Community Advisory Committee Meeting
- 2018-09-28 Community-Led Workshop
- 2018-10-02 Community-Led Workshop
- 2018-10-13 Coffee with Jeremiah Meeting
- 2018-10-16 Community-Led meeting re: co-creation
- 2018-11-30 Promise Zone Economic Development Working Group
- 2018-10-30 AFCAC meeting
- Online survey about draft concept plan (259 responses)
- Multiple small meetings with interested stakeholders

- 2018-10-30 Promise Zone Economic Development Working Group
- 2018-11-07 Citizens Environmental Advisory Committee (CEAC) meeting
- 2018-11-27 AFCAC meeting re: proposed park boundary
- 2018-11-30 Focus group meeting
- 2018-12-08 UHT Redevelopment Community meeting (hosted by Councilman Cunningham)
- 2018-12-11 UHT Redevelopment Community meeting

COMMUNITY PERFORMING ARTS CENTER - ILLUSTRATIVE CONCEPT



COMMUNITY PERFORMING ARTS CENTER - ILLUSTRATIVE CONCEPT



COMMUNITY PERFORMING ARTS CENTER - ILLUSTRATIVE CONCEPT

