

**WHITTIER ALLIANCE - Community Issues Committee
MEETING MINUTES**

July 9, 2007 – 6:30PM-9:00PM

Minneapolis First Seventh-Day Adventist Church

- Present** Shukri Adan, Amal Ah, Nimco Ahmed (CM Lilligren Aide), Michaela Ahern, Denise Arambadjis, Alex Bauman, Tom Bissen, Laura Blubaugh, David F. Boedeker, Shirley Burnu, Faith Cable, Mary Cable, Erica Christ, John Conley, Andrew Cox, Felino de la Pena, Alicia Gibson, Christopher Gottshall, Jamie Graham, Verne Greenlee, Tom Hanson, Raymond Hoffman, Yuyudhan Hoppe, Paula Horan, Halima Ibrahim, Zakaria Ismail, Mohamud Isse, Peter Jochimsen, Gerald B. Johnston, K.P.B.A., Al Keith, Christopher Ledoux, Ken Lidle, Robert Lilligren (City Councilman), Bruce Lundeen, Larry Ludeman, Linda Martin, Kris Martinson, Cynthia Matthias, Larry Miller, Kelly Minard, Damon Nelson, David Nelson, Jeff Nelson, Kurt Nelson, Michael Nelson (Midtown Greenway Coalition), Pam Nordaune (MCAD), Becky Olson, Walter Olson, Amir H. Omar, Jesse Oyervides, April Posner, Ted Redmond, Janna Schneider, Steve Shapiro (French Meadow Bakery), Todd Skallerup, Cheryl Arkin Samuelson, Nancy Stenson, Saeed Suleman, Carrie Thompson, Jeffrey Thomson, Rosarah Townsend, Mark Trehus, Lisa Vecoli, JP Verweij, Jim Walsh, Maureen Walsh, Darrell Washington, Leo M. Whitebird, Craig Wilson, Rochelle Woldorsky, Cynthia M. Wong
- Speakers** Todd Knutson (Knutson Architecture) & Lynn Gordon (French Meadow Bakery), Michael Kraus & Craig Wilson (Kandiyohi Development Partners) & Joe Krumpelmann (BKV Group), Jeff McElmury & Stephen Rondestvedt (Sabri Properties), Chris Carrow, Tom Nordyke & Brent Rogers (Greco Real Estate), Michael J. Krych (BKV Architects)
- Staff** Marian Biehn, Josie Shardlow, Eric James

Call to Order at 6:31 by Chair Destin Nygard. The Conflict of Interest & Standard of Conduct policies were noted. Fifth Precinct Report was moved first on the agenda. **Motion** to approve the agenda as amended **carried**. A **motion** to approve the June 11, 2007 minutes **carried**.

Announcements/Community Comments & Discussion

Fifth Precinct Report – Inspector Kris Arneson

Inspector Arneson introduced Scott Downing, the Franklin Avenue Beat Officer. She opened discussion on the homicide near 24th Street and 1st Avenue. It is an open investigation and specific details cannot be discussed. It was not a random incident and police are closing in on the case. She clarified that the chair found near the victim's window was placed by the caretaker to fix a window screen, not used by the assailant. A resident requested enforcement of a noise ordinance at Champions Bar on Lake St. A business owner asked about burglaries on Lyndale Avenue as her restaurant was broken into several times with an assault. Also there were incidents at Fujiya and Smitten Kitten. She said in 25 years she has not had so much trouble. The Inspector has sent the CPS to talk with businesses on Lyndale. Burglary is the only crime up in the sector but they have made a lot of arrests and convictions this year. Most burglars are serial criminals and repeat when they are released. She noted that most of the incidents are not by forced entry but by doors and windows left open. The Inspector asked residents to lock up at all times of the day, keep outdoor lights on, call 911 and watch out for each others' neighbors. A resident inquired about the presence of guns. The Inspector said many guns are fake. Officers are being sent to focus zones where activity is most dense to prevent situations such as hold-ups. Arrests have been made as a result of targeting concentrated activity. If an arrest is made the neighborhood will be notified.

Minneapolis College of Art & Design – Pam Nordaune

Pam Nordaune from MCAD thanked the neighborhood for calling the college regarding the incident and safety issues. One of her primary focuses is working with Whittier. Pam noted what happened at 24th and 1st will not be a threat to the neighborhood and is isolated. Muggings and robberies around the neighborhood are not connected to this homicide. Pam noted people have to be aware and engage and know their surroundings. She asked the audience what other methods MCAD can take to reduce crime. The Inspector noted they work with MIA on the incidents around the neighborhood and maintain a presence as well. Pam said MCAD security also works alongside. Communication to area students via email is timely. She noted in the future that information will be passed on to the neighborhood.

Officer Downing noted drug dealing problems have improved on Franklin. Some dealers are new residents to the area and arrests were made just today in connection to dealing. The criminals are smart but police will adapt and stop them. Many of the dealers have moved towards the Third Precinct as a result of enforcement. The Inspector asked all residents to call 911 and report activity. The Precinct is down 20% for robberies but she is working every week to reduce them. Many times it depends on factors such as weather, etc. A Karmel business owner commended the police for working with Karmel Plaza in reducing robbery and gang activity. She said the police are doing their best. A resident suggested people carry flashlights and shine them on idling cars or non-violent crimes such as prostitution. If criminals think neighbors are watching they will go somewhere else.

National Night Out – August 7

Josie pointed out several events coming up in Whittier. Clinton Field Park is having several events to highlight more positive uses of the park. The Whittier Alliance has \$100 grants for block club or condo activities. The money cannot be used for “food or fun” but some uses could include rental of equipment (tent/tables/utensils/etc) and “safety prizes.” It’s a simple application form and expenditures up to \$100 get reimbursed. You can also contact local businesses who may be willing to donate to your NNO event. The deadline to register with the City and block off your street is July 24th.

Marian’s Notes: Despatch Site, N’hood Rep for SW Transit Community Advisory Committee (CAC)

The public comment period on the Despatch Site at 26th and Stevens for its removal from the MN Pollution Control Agency contamination list goes until August 1st. There was soil remediation by the MPCA over the past several years and its’ removal from the list allows the development which is already approved to move forward. A resident asked about what will be built on the Despatch Site. Marian said that since 2002 there has been a n’hood task force which helped develop a proposal for mixed-use development-- retail and residential project (3 stories and 23 units). Marian is now taking names for one representative to the SouthWest Transit Community Advisory Committee deciding on the fate of the light rail line alternatives, one of which runs under Nicollet Ave

Fair Oaks Park Meeting – August 6

The visioning meeting is set for Monday, August 6th starting at 6pm and will be at Fair Oaks Park—weather permitting. The meeting is to talk about ideas and proposals for making better use of the park.

August Community Issues Meeting – at Minneapolis First Seventh Day Adventist Church

2601-2607 Lyndale Avenue South – Rex Hardware – Todd Knutson (Architect) / Lynn Gordon (Retail Owner)

Todd Knutson updated the committee on the building status. Todd said the Planning Commission approved all applications except the rezoning which is being sent to City Council for a final vote on August 20th. He reintroduced the site plan. 4700 square feet gross, 4650 of net retail. Four parking spaces are required, set in the rear garage, and will be code-secured.

Lynn Gordon, owner of French Meadow Bakery, notified the committee that she had sold the former Rex Hardware building to Knutson but retains control of the retail space. She also supported Knutson’s condominium proposal above the retail proposal. The original idea of an organic pizza store was impossible due to limited parking. Considering environmentally friendly initiatives, Lynn is now proposing a new retail space called “Living Green,” a natural home store and gallery. It will feature recycled building materials. Most sales must be ordered but there are products on-site.

A resident asked how high the building will be and noted the current building is an eyesore for the neighborhood with all of the graffiti and lack of maintenance. Todd said his construction manager George Barr is out there taking care of the building. He will have Barr address the resident’s concerns until they demolish it. The bricks on the outside of the building will be reused for the rear wall of the retail space. Tom Bissen expressed concern that if a restaurant would move into the space it would generate a parking demand. Lynn reiterated that neither French Meadow Bakery nor she have any interest in opening a food business there. The Living Green retail will not generate additional parking demand but rather be a slow and steady flow of sales daily. A resident asked about sustainable design in the project. Lynn said condo owners will be able to purchase sustainable materials. The building exterior, however will not be sustainable as those materials have already been decided and approved. A resident commented he appreciated the proposal. He asked for clarification of the size of the building. Todd noted available drawings indicate scale of the building and surrounding houses. Livability and neighborhood issues have already been addressed and voted upon in previous CI meetings. Jim Roscoe inquired on the western edge façade with signage locations. Signage has been demarcated. However, final signage design will need to go through City approval.

2528-2550 Nicollet Avenue – Michael Krause & Craig Wilson (Kandiyohi Development Group) / Ted Redmond & Joe Krumpelmann (BKV Architects) / Huey Fung (Proprietor)

Michael Krause reintroduced the project to the CI. The group may seek “green design” certification. The project will fit into the new pedestrian overlay rules and C3A rezoning. All height and code requirements have been met. Three levels of underground parking will still be incorporated. They are committed to reusing two buildings on the site: AZIA and the Icehouse. The group will be taking the proposal to the Planning Commission in August or September. Ted Redmond reviewed the project design and concept. At ground, new retail space north of AZIA. In the center will be a courtyard with retail spaces and flow access from Nicollet to the Icehouse. Icehouse is being renovated into an event center. The existing AZIA building will remain. Anemoni Sushi Bar will become a lobby entryway for the ACE Hotel Group. The hotel will occupy the second story of the AZIA building and the north building. The hotel opens out into an outdoor lounge area overlooking the courtyard. The new northern building’s second story will be office. Roof-top green space from the second level lounge area and the third level lounge area will collect run-off water. A resident asked about the existing businesses north of AZIA. They have been contacted and asked to return as tenants in the new building but it is unknown if they will do so. A musician in the audience said he supported the entertainment and music purposes of the existing Icehouse. Ted noted they are adding a two-story mass on the west side of the AZIA building to provide access to the below-grade

parking and have some additional hotel space. BKV is attempting to capture the expression of Nicollet Avenue with glass on the street level and masonry on the second. The north building's third and fourth level will mimic the mass of flour mills. The western edge of the building will be a green wall of vines and plants which will help screen the loading docks.

Michael introduced the Planning Commission variances they are seeking: 1) full site-plan approval, 2) landscaping requirements of the Pedestrian Overlay District (POD) – 650 square feet of green space, some incorporated on top and at street level (alternative compliance), 3) conditional use permit for a shopping center because of interior retail openings into the courtyard, 4) setback variance on the west side for the hotel function to be up to the lot line of the alleyway (11 ft to 0 ft). From preliminary review with CPED, parking needs were evaluated: the hotel requires 24 spaces, retail 47, existing restaurants 39, office spaces 19, and event center 132 spaces. A bonus of 14 spaces can be taken out due to overlapping uses.

A resident asked about what type of retail and clients will be moving in. Michael said the ACE Hotel Group has access to international retailers from Europe and Asia such as a bicycle shop, barber shop and clothing store. She commented the cultural creativity of the area already exists with the existing immigrant business community. She noted the DNA of the neighborhood would be dramatically changed –the current type of immigrant business might not be able to afford the new rents. Michael said all existing retailers and restaurants are being offered a chance to return into the project but there will be some disruption due to redevelopment. The leases are with Huey Fung and rent has not been going

A resident asked about the future ownership of the space north of AZIA. The development group has no negotiation to buy from Huey. The ownership of the entire block has been solid with Huey Fung for over a decade. Should the hotel back out of the plan, a complete site plan review and permit approval will need to be redone to convert from hotel to a different use. A resident asked who the developers were referring to when they spoke of the “neighborhood” as he did not feel that the current businesses and many residents were being represented. Michael said the group is referring to neighborhood action which produced previous Nicollet visioning studies and work on the Pedestrian Overlay. A resident reported that Freddie from Sindbad's Deli was not notified of the plan. Michael said Huey has spoken to him. Marian echoed that all businesses were indeed notified. The resident commented she is not excited by the architecture. A resident said the hotel component is confusing in a neighborhood where people are trying to get to know each other as it brings in strangers. Destin noted that the previous CIs showed overall support and had voted in general approval.

CI 1 Motion: The Whittier Alliance Community Issues supports the proposed site plan and concept for 2528-2550 Nicollet Avenue. Motion carried. 24 / 14 / 5

Discussion: The Chair noted the proposal is an elegant design and the hotel offers a unique component to the neighborhood and City. He said supporting development such as this will ensure strip malls do not replace it. A Karmel business owner said a hotel in a neighborhood is a good idea to generate retail activity. Linda speaking for the project that the neighborhood does not support the area businesses as well and new activity will assist that. A resident speaking against the development said the development will reduce low-income residents and working-class people from living in Whittier. He suggested green building is not in support of underclass individuals. A resident noted concern of where to relocate residents and businesses owners who have given their life to the street. A resident is concerned about the market stability for a hotel. Michael noted their extensive market studies and interviews have resulted in strong demand for hotel space outside of downtown for local institutions.

CI 2 Motion: The Whittier Alliance Community Issues Committee requests the developers of 2528-2550 Nicollet Avenue return to the August Community Issues committee to review the requested variances and parking and bring forth more details. Motion carried. 32 / 2 / 5

2848 Pleasant Avenue South – Midwest Machinery – Jeff McElmury for Sabri Properties

Jeff McElmury presented on behalf of Sabri Properties. The site zoning was changed from industrial to R-5, which is high-density residential zoning. Previous proposals such as condominium units and storage space did not go forward to completion. Jeff noted the existing structure is being preserved. They are proposing 100 apartment building units within the existing L-shape building. Nothing is being placed underground and they will be building atop the current slab foundation. Parking will go on the first level with enclosed parking ramp on the second level. All traffic enters and exits on Pleasant Avenue. There will be an opening for pedestrians on the Pillsbury side. Upon entry into the new build structure, there will be an open courtyard with seven parking spaces and going up another level there will be individual parking spots for tenants.

They are also proposing additional new construction on the existing property with a four-story apartment building plus a fifth story for a few penthouse units. The existing building is three stories and they are trying to scale up to the Greenway's taller condos and apartments. A large chunk on the north side of the building is being used as green space. A wide setback is maintained from surrounding buildings.

There are 102 enclosed parking spaces. The fifth floor is for the penthouse units and will also house utilities. The apartments are 2-3 bedrooms and geared towards families. An interior elevator or stairwell is being looked at to allow access to the Greenway. Landscaping is also being planned. They are still considering uses for the two lower levels of the building, such as daycare. Given the space, Jeff said that this would be the only use possible. The lower building extension, which was previously used to bring railroad materials up from the Greenway, will not be able to be developed due to zoning and will be used for storage. The brick wall on Pleasant Avenue South will be cleaned up and left to maintain a street front. A structural engineer has said the building is structurally sound. The building previously housed heavy cranes and structural beams bolster the weight. Parking is available right next to the units within the building in the style of a motel. There will be security gates to enter the property.

Stephen Rondestvedt, project coordinator for the project, reported that environmental studies of the property have revealed no industrial pollution. The MPCA will certify filling of an underground tank and blasting of the foundation floor. The property is not a brown field. A representative of the Midtown Greenway Coalition suggested the Greenway plantings be native and a stair be constructed. Private control of the stairway was inquired about. One of the retail tenants may be a bike shop at the greenway level, Stephen mentioned. A resident living north of the property expressed concern over use of the alleyway adjoining both properties. The resident was aware that the City will refuse to plow snow from the alley if it changes to what is proposed. Jeff said the alleyway will be vacated. No government funds are being asked for low-income designation. 20% of the building will be affordable housing. Basim Sabri's interest is being the owner and developer as the CEO of Leonard Properties LLC.

Shukri Adan, who owns a business with 165 employees, spoke on behalf of Karmel Plaza and the proposed housing for Somalis. She stated that she had never been on Sabri's payroll. The current proposal has a waiting list of residents who want to move in. Shukri said the project is accommodating the needs of the Somali community, who is by and large, low-income. A resident inquired if all the tenants will be Somali. Shukri responded yes, the development upon completion will be all Somali tenants.

The traffic congestion at 29th and Pleasant Avenue was brought up. Major traffic congestion will be generated with 100 housing units and a traffic impact study must be done at the property and in the area before this project goes forward. Jeff noted the proposal is not unique as most of the properties along the Greenway are being zoned R-5 and most future projects will be high-density with over a 100 units for financing to be viable.

CI 3 Motion: The Whittier Alliance Community Issues Committee moves discussion of 2848 Pleasant Avenue to the Development Review Group. Motion carried. 42 / 2 / 1

2501 Clinton Avenue South – Chris Carrow

Chris Carrow presented as the sole proprietor of a building located in the Washburn Fair Oaks Historic District. No major renovation has occurred for several years. He purchased the building from a family who owned it for 86 years and did not do any major improvement. To finance renovation, Chris is seeking Affordable Housing Trust Funds (AHTF). He says he is not a corporation but a sole proprietor. Two of the units will be locked into market-rate affordable and the other two are dictated by him. Market-rate rent is \$1123 for each two-bedroom units. The AHTF may or may not be grants.

It was clarified the rent is not what is necessarily the issue but that the renters themselves must make 50% of the metro median income. Should Chris sell the building in 10 years all the money must be paid back if he receives the AHTF. Tom asked about the percentage of how much the project is being reimbursed by AHTF. Tom suggested Chris should sell the property to someone who can renovate it with their own funds. The final rehab financing estimated costs will change due to the bidding process. The letter of support will assist Chris in his attempt to acquire the funds. Tom voiced concern about the financing of the proposal as the budget is for \$470,000 which is above the sale price itself.

Jim commented the need to keep and maintain historic housing stock. Losing components of buildings such as front porches creates problematic facades. The neighborhood should work with Chris to help save the building. A resident said the neighborhood is being contradictory in opposing new development yet also being reluctant to support historic preservation. There are stringent requirements on the affordable housing loans and grants. Damon said he is not opposed to affordable housing and would like the committee to work with Chris on assisting him. A resident commented she understands Chris' position as her historic brownstone's cheap renovations by a previous owner are costing her more now to do correct restoration.

CI 4 Motion: The Whittier Alliance Community Issues Committee moves to approve a letter of support for building rehabilitation funds, committing two units to long-term affordable housing. Motion carried. 30 / 4 / 6

2900 block of Garfield Avenue – Lyn-Lake Artist Lofts – Tom Nordyke (Greco Real Estate)

Tom Nordyke stated that their presentation is informational. The group is proposing affordable livable housing for artists (live-work). Such a project has succeeded in St. Paul but there is no such project yet in Minneapolis. He is an independent consultant and developer working with Brent Rogers of Greco Development at Aldrich and Lake Street.

They are proposing 90-96 units of affordable housing for artists and families including studios, 1 bedrooms, and 2 bedrooms. The units will be designed differently than usual including larger open spaces. They are targeting an affordable housing demographic of 50 to 60 percent of metro median income. Affordable housing will be locked into a 50 year lease. Based on what artists typically earn, the project will fit into a moderate income for all communities. Years ago tax credits for artists began and the concept has been around for a while.

The location of the project is a municipal parking lot at Garfield Avenue and Lake Street which has 125 stalls. The team wanted to address the parking situation in the neighborhood and develop an underutilized piece of land. The project is compatible with some neighborhood goals but not all and they will be working to adjust the project. On the other side of Lyndale, just south of the Greenway, Greco is looking to build a 275 stall parking ramp with office space that could absorb some of the parking needs for the Lyn-Lake area. The ramp would be built before this municipal lot was re-developed.

They are applying for Affordable Housing Trust Funds for long-term loans and grants, and asking for tax-bonds for four percent Federal tax credits. If the cost of capital is lower, then the rents can be lower. Initially they are asking for TIF for 20 years. Along with City funds, tax-bonds and tax-credits they can leverage local, county and Federal funds. With this they will be able to build a quality project.

Mike Krych with BKV Group introduced the site plan. Parking and housing configuration was presented. To accommodate poor circulation in the area, the entrance is located off of Lake Street and exit off of Garfield. 40-50 stalls may be maintained as public parking. The remainder will be resident parking. The project is within the Midtown Greenway plan which calls for high-density and less parking. The front on Lake Street will be the parking ramp entrance and up above, gallery space and common space for artists. There are also walk up apartments at street level on Garfield. The rear units open up on a roof over the parking garage which may become a green terrace. There are four stories of residential units. On Lake Street, the façade will be glass to bring the gallery to the street frontage.

Assessments of the municipal lot will be cancelled should the developers purchase the lot. The project proposes 1200 square feet of office. The developers noted there are complaints there is not enough parking in the Lyn-Lake area. A resident said with the construction, disruption would be great to the existing businesses. The Lyn-Lake business district is on the verge of being revitalized and this type of development would inhibit that.

Denise, owner of It's Greek to Me who has owned her building for 25 years, said the road construction has disrupted the Lyn-Lake area. The businesses pay for all the assessments into the current municipal lot. She said that no one knows about or uses the public parking at Uptown City Apartments on Aldrich and instead uses the municipal lot. She commented she felt insulted: people say no one goes to Lyn-Lake because there is no parking, but businesses are thriving in that district. Condominiums in the city are empty and she expressed dismay that nobody offered the existing Lyn-Lake businesses tax-credits for funding the municipal lot. She likes to keep rents low for her renters. Her property taxes are going up and she does not blame the City but commercial property owners are being squeezed out. In terms of arts organizations who have made it in the fair market, she pointed out Intermedia Arts and Jungle Theater. She reiterated no one is going to go to a parking garage a block away.

A resident who also works with CPED noted that there is no check-off that guarantees the renters would be artists and that the current proposal is essentially affordable housing, not artist living. He pointed out Lyn-Lake is one of the busiest corners in the neighborhood and the lack of green space does not offer amenities for families. The developer stated there are ways to structure the project to sell to artists.

Councilmember Lilligren commented on the financing scheme. He noted Greco is making a profit even though Greco has no actual funds invested into the project. A TIF at this site is not very likely. The municipal lots are within the Public Works inventory and they have no interest in selling. The CM said the project is very unlikely ever to happen. He questioned the likelihood of this lot being sold without a competitive bid process, as is the City's protocol. A resident questioned the intention of developers who purport to know what the neighborhood wants when they do not live in the neighborhood.

Old / New Business

Jim Roscoe requested Whittier staff and the Board of Directors limit the amount of developers to present at meetings and have the CI focus more closely on community issues than development.

Meeting adjourned at 9:45 p.m. Minutes submitted by Eric Fu-Wah James, Whittier Alliance.