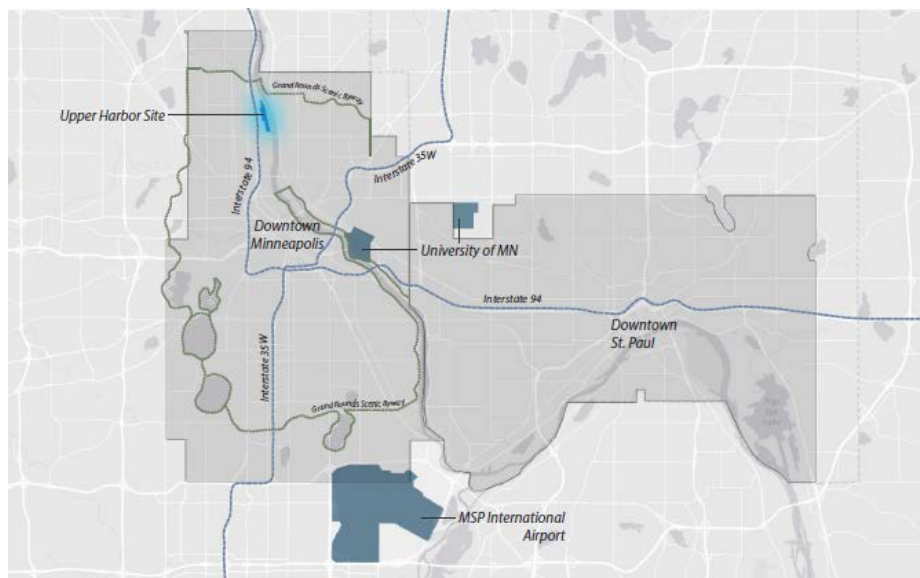


Appendix 1 The Site and Its Environs

Regional context: Minneapolis and its metro area and their strengths

Minneapolis and its surrounding metropolitan region consistently rank at or near the tops of rankings for quality of life factors, economic strength and development vitality. Minneapolis' famed park system has been rated the best in the nation for the last three years, and development construction has topped \$1 billion per year for the last four years. The city and region boast a strong, diversified economy and offer an educated and experienced workforce. Residents benefit from a high quality of life and a wide array of arts, entertainment and leisure opportunities. An evaluation of seven major, different lists put the Minneapolis/St. Paul region on top as being the city that showed up the most frequently on these lists.



Neighborhood context

While Minneapolis, the Twin Cities region and the state of Minnesota rate well on almost all metrics of success, that success [has not spread equally to its residents of color](#). Work is now underway at all levels of government, with the active involvement of the nonprofit and business communities, to address these inequities and “close the gap.” This includes the designation of the North Minneapolis area in which the UHT site is located as a federal [“Promise Zone”](#) where a comprehensive, community-driven revitalization strategy is building on and aligning numerous initiatives to address the persistent unemployment, crime, housing blight, and poor educational outcomes that plague the area.

Given its size and key riverfront location, the redevelopment of the UHT site offers the opportunity to positively impact North Minneapolis through the provision of a major new regional park amenity as well as adjacent private development that will benefit the community. In Minneapolis' [Central Riverfront](#) near downtown Minneapolis, revitalization of the riverfront laid the groundwork for revitalization to spread inland, bringing to life previously dormant parts of the city, including the now-thriving North Loop neighborhood.

Recent public and private investments along the Mississippi River in North and Northeast Minneapolis in accordance with the *Above the Falls Master Plan* are building the revitalization momentum along this segment of the River, which redevelopment of the UHT can greatly accelerate.

These recent investments include:

[Mississippi Watershed Management Organization \(MWMO\) Stormwater Park and Learning Center](#)

11,200 sq. ft. office/learning center and outdoor learning center
Structure completed in 2012, and outdoor components completed in 2015

[Betty Danger's Country Club](#)

Bar/restaurant/mini-golf with “preppy” theme and “vertically revolving patio;” opened 2014

[Lowry Avenue Bridge](#)

Signature basket-handle arch bridge, with LED lighting
\$104 million, opened 2012

[Psycho Suzi's Motor Lounge](#)

Bar/restaurant with tropical theme and only outdoor dining area immediately next to Mississippi River in Minneapolis; opened 2012

[Ole Olson Park](#)

3.5 acre public park restored in 2015

[LifeSource](#)

40,000 sq. ft. headquarters for tissue donation nonprofit, including memorial garden
\$18,750,000, completed 2014

[DC Group](#)

[Headquarters facility](#) for uninterruptible power firm

\$7.3 million renovation/expansion totaling 39,050 sq. ft., completed 2015

[Coloplast](#)

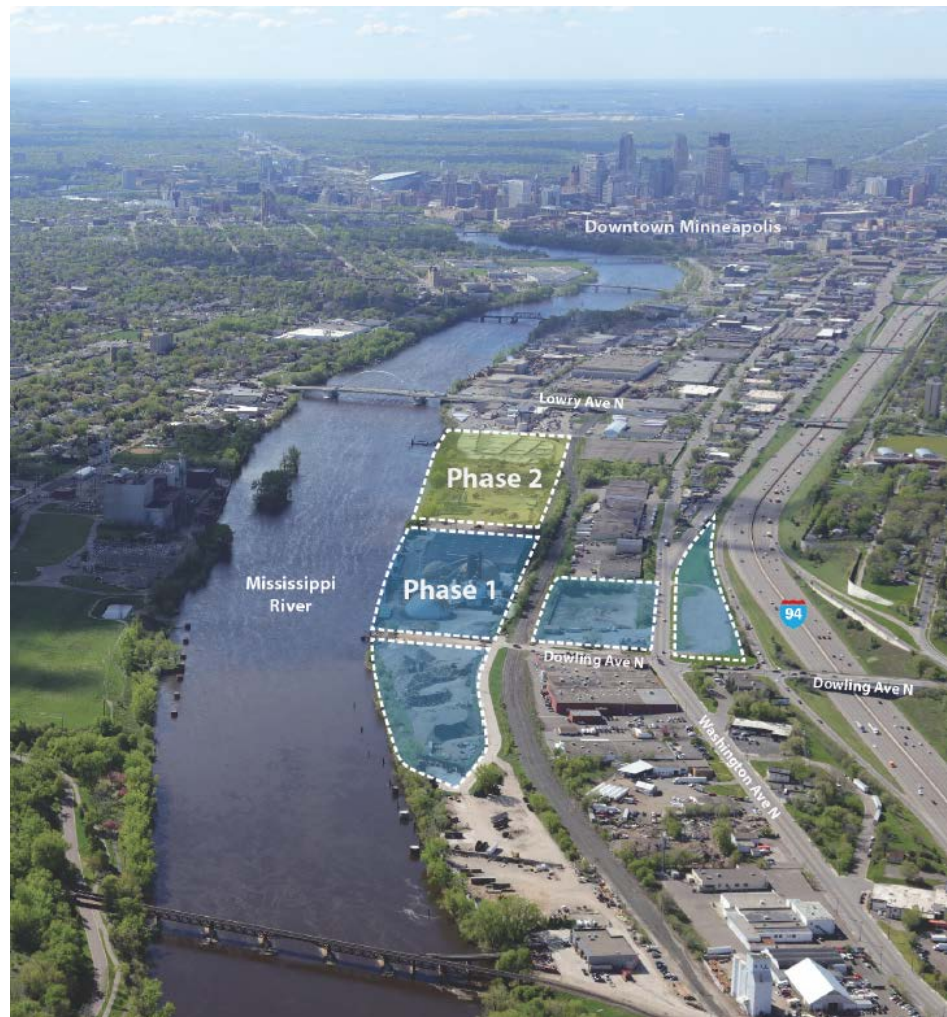
192,000 sq. ft. North American headquarters for Danish med-tech firm

\$35,000,000, completed 2009



The site

The UHT site is located along the west bank of the Mississippi River just over two miles north of downtown Minneapolis. It offers excellent freeway access, with an entrance to I-94 immediately adjacent. The site contains over 48 acres of land consolidated under City of Minneapolis ownership and does not appear to present any significant environmental or geotechnical barriers to redevelopment (as described elsewhere in this RFQ).



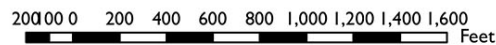
Current street access into the site is available at both Dowling/Port of Minneapolis Drive and at 33rd Ave. N. on the southern end of the site. In addition to the access to I-94 available at Dowling, Washington Ave. N. and Second St. N. are arterials that run parallel to the river and provide north-south access. Lowry Ave. N. just to the south and 42nd Ave. N. just to the north both provide east-west access across the River and also extend west into the adjacent community; Dowling also provides key access from the site across the freeway and into the community.

The parcels immediately surround the site are largely industrial and include light industrial uses, warehouses, a roofing plant, a boating supply and storage company, a maintenance facility for the Minnesota Department of Transportation, a photo studio and a precision manufacturer. There also are a handful of houses in the narrow block between Washington and Second St., a fast food restaurant at Lowry and Washington and a Hindu temple just north of the site.



Upper Harbor Terminal
Parcel Information

- 1. 3800 1st St N -**
03-029-24-31-0008, 5.71 acres
- 2. 2 36th Ave N -**
03-029-24-34-0026, 12.47 acres
- 3. 51 36th Ave N -**
10-029-24-21-0002, 7.25 acres
- 4. 51 34th Ave N -**
10-029-24-21-0048, 7.42 acres
- 5. 3360 1st St. N**
10-029-24-24-0065, 7.56 acres
- 6a. 3700 Washington Ave N**
03-029-24-34-0007, 4.25 acres
- 6b. 3648 Washington Ave N**
03-029-24-34-0028, .54 acres
- 7a. 3701 Washington Ave N**
03-029-24-34-0029, 2.15 acres
- 7b. 3639 Washington Ave N**
03-029-24-34-0031, 1.13 acres



PROPERTY ADDRESS

Upper Harbor Terminal

FILE NUMBER

The UHT site consists of nine tax parcels that total just over 48 acres in size (with perhaps closer to 50 acres once unused streets are vacated and areas along the riverbank are added). The site includes several structures and improvements related to the site’s terminal operation (see following section).

Site history and existing structures (including image galleries)

Site History

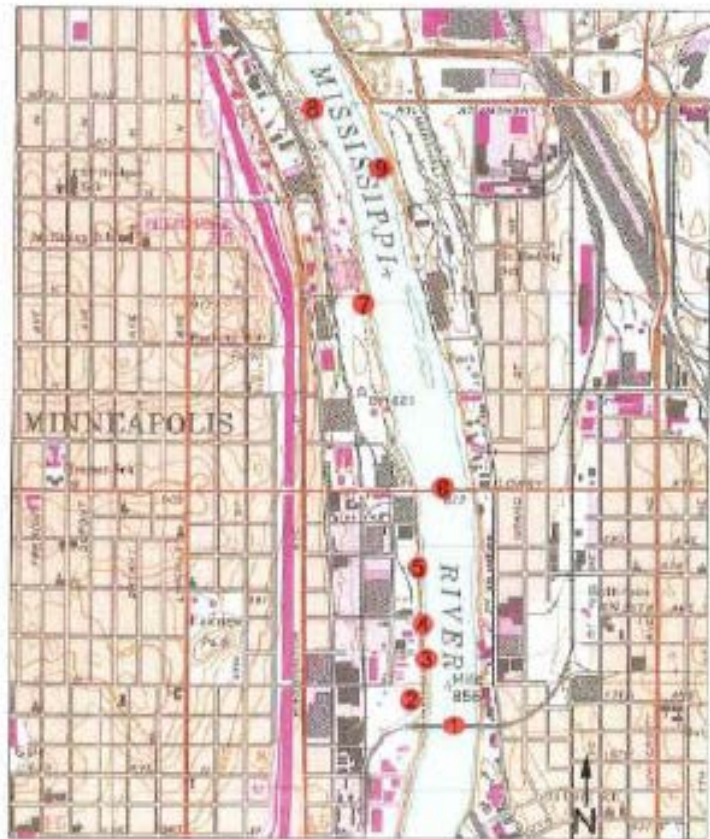
Between 1968 and 1987, the Upper Harbor Terminal site was developed as an inter-modal barge shipping terminal located at almost the head of commercial navigation on the Mississippi River. The terminal continued in operation until the closure at the end of 2014 of the Upper St. Anthony Falls Lock, at which time the operation shifted from using commercial barges to interim use to store commodities that are trucked to and from the site.

A historical [survey](#) that was completed in 2007 determined that the UHT site is eligible for listing in the National Register of Historic Places as part of a potential historic district that encompasses the larger Upper Mississippi Harbor. The terminal also is eligible for listing as a local Minneapolis landmark.

The site's historic significance relates not to its architectural beauty or significance (although its four concrete storage domes are architecturally and structurally significant), but to the role the site played in the City of Minneapolis' [decades-long effort](#) to have two new river locks built that would make Minneapolis, not St. Paul, the head of navigation on the Mississippi River.

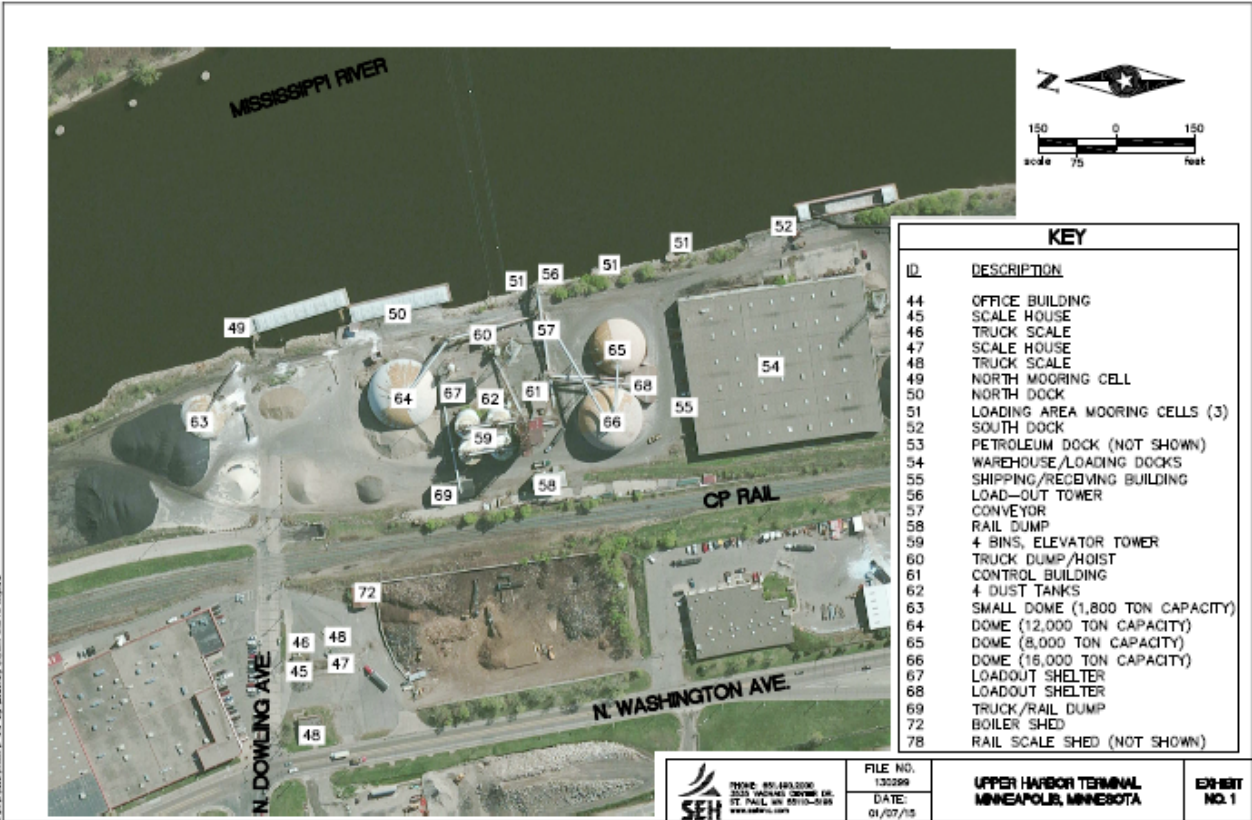
Existing Structures

The site contains a collection of existing structures that include two docks and related river wall features along the river bank, a 110,000 sq. ft. cold storage warehouse, four large concrete storage domes, a grain elevator complex, an extensive conveyor system, a small office building and a variety of other support structures. The bulk of these structures are concentrated on Parcel 2.



Contributing properties to the potential Upper Harbor Historic District

- | | |
|-------------------------------------|---|
| 1. Northern Pacific Railroad Bridge | 6. Lovry Avenue Bridge |
| 2. Harun Cement Terminal | 7. Upper Harbor Terminal |
| 3. Northside Barge Dock | 8. Dundas Cement Terminal |
| 4. Northside Boat Ramp | 9. Riverbite Station Power Plant Terminal |
| 5. American Iron and Supply Company | |



Above is a map showing the locations of these existing structures. (Note: The office building at the corner of Dowling and Washington should be labeled #44 instead of #48.) A gallery of photos related to many of the structures may be found at:

- [Aerial overviews](#)
- [Existing structures on Phase I parcels, including sample scanned plans](#)
- [Open storage areas](#)
- [Views from site](#)

In order to better understand the condition of and potential for these existing structures, the City of Minneapolis contracted with a team of structural and historical consultants to evaluate the structures. The resulting [study](#) found that the major structures, while well-worn, are structurally still in fair to good condition. The study provided initial cost estimates for stabilizing them. The study also found that most of the structures retain their historic integrity and noted which changes probably could be made to allow new uses while respecting the Secretary of Interior’s Standard for the Treatment of Historic Properties.

The presence of these structures on a portion of the site does potentially present some limits to redevelopment options. However, if they were formally listed on the National Register and could be rehabilitated for new uses in accordance with the Secretary of Interior’s Standards, the rehabilitation could qualify for [federal and state investment tax credits](#) equal to 40% of the qualifying rehabilitation costs, as well as potentially other grant assistance.

In addition, finding appropriate new uses for some or all of the existing structures could provide an immediate and dramatic sense of “identity” for the new redevelopment and perhaps allow design options that probably would not be permitted in entirely new construction. Creative ideas brainstormed to date include:

- Beer fermentation tanks in the grain elevators, with an adjacent taproom
- Aquaponics in the warehouse or possibly parking for a major riverfront destination
- An indoor recreation center and climbing wall in a dome, leading up to a zipline that would follow the existing conveyors
- Outdoor restaurant seating right next to the River, taking advantage of the presence of the existing river wall
- A bandshell in half of a dome
- A themed restaurant, photo studio, planetarium or other use that could take advantage of the large open space in a dome

The City of Minneapolis expects to work closely with the Master Developer during the coordinated planning period to more fully explore the feasibility of any potential reuses of the structures.

Environmental and geotechnical conditions

Environmental Conditions

With the assistance of a grant from the Metropolitan Council, the City of Minneapolis contracted with Braun Intertec Corporation to complete Phase I and Phase II environmental site assessments and an initial hazardous materials inspection for the City-owned UHT site. In coordination with this work, the Minneapolis Park and Recreation Board also contracted with Braun to complete the Phase II testing on the portion of the site most likely to be redeveloped for park use.

Nothing has been found as a result of these studies that would be expected to substantively hamper redevelopment of the site or increase the redevelopment cost in a significant manner.

The [Phase I environmental site assessment](#) looked at the entire site to identify any areas of potential concern that merited testing in Phase II. This included research into previous uses on the site, review of previous tests and reports that had been completed and gathering of information about the surrounding area that might impact the site. This study did not identify and “recognized environmental conditions,” with the exception of three fairly limited areas of “potential recognized environmental conditions.”

The [Phase II environmental site assessment](#) included a total (for both the development and park portions of the site) of 48 soil borings and ten temporary groundwater monitoring wells which then were tested for a variety of contaminants. 27 of these soil borings were on the portion of the site expected to be redeveloped for private use, and 21 of the borings were on the portion of the site expected to be redeveloped for park use. This testing found some small areas of concern, but nothing that appears to impact a large portion of the site or that will

significantly complicate site redevelopment. No further environmental investigation was recommended at this time, although additional investigations will be needed once specific development plans can identify what portions of the site will be affected and in what manner.

An initial [hazardous building materials inspection](#) also was completed to determine if the structures on the site contain asbestos, lead-based paint or other materials of concern. Given the age of the structures, it is not surprising that it was determined that there are some materials that contain various levels of asbestos and lead-based paint. Therefore, the demolition and/or rehabilitation of the impacted structures will require standard asbestos and lead paint abatement, which will somewhat increase the cost, but not to a level that is expected to discourage redevelopment.

Geotechnical Conditions

In order to gain a better understanding of the geotechnical conditions of the City-owned Upper Harbor Terminal (UHT) site, the City of Minneapolis contracted with Braun Intertec to complete some additional soil borings to supplement the existing information on the site. This testing focused on the portions of the site most likely to be redeveloped for private development, rather than for park improvements.

The testing to date determined that, in general, low- to mid-rise structures (i.e., up to about six stories) likely could be built on the site without the need for extraordinary geotechnical corrections (e.g., some soil correction to allow for spread footings, but deep foundations are not anticipated). Taller structures might need more extensive correction approaches or deep foundations. In addition, groundwater levels under portions of the site, especially right along the river, are relatively high, which will limit the extent to which below-grade parking or other below-grade spaces would be feasible. However, the report notes that much more project-specific evaluation will be needed once a specific redevelopment plan is available.

[View the full report, including the test results, recommendations and qualifying conditions.](#)

Site infrastructure and 2014 technical study

A [technical study](#) was completed in 2014 to assess various factors that will influence the site's redevelopment, explore possible redevelopment models and explore the spatial feasibility of some potential redevelopment options.

As outlined in the study, the site is currently served by public utilities (water, sanitary sewer and storm sewers). These appear to have the capacity to support anticipated redevelopment, although that will need to be assessed in more detail as the coordinated planning proceeds (especially smaller side mains). The condition of these utilities varies from good to needs replacement, so those factors also will be reviewed in more detail during the planning process. The water mains in and around the UHT site are all in generally good condition. Information about the condition of the sanitary sewers in and around the UHT site may be found [here](#), and information about the condition of the storm sewers may be found [here](#).

Average Annual Daily Traffic volumes in the UHT site vicinity are as follows (2013 or 2014 data):

- I-94 – 124,000
- Dowling Ave. between I-94 and Washington Ave. – 14,100
- Washington Ave. north of Lowry – 2,650
- Second St. north of Lowry – 5,500
- Lowry Ave. crossing Mississippi River – 16,500



Particularly given its proximity to the Mississippi River, it will be a goal of the redevelopment to improve the quality of any Stormwater that leaves the site and enters the River. The City's [stormwater ordinance](#) requirements will inform the design of the stormwater treatment plan for the redevelopment. In addition, the [Mississippi Watershed Management Organization](#) is willing to work with the City, MPRB and selected Master Developer during the coordinated planning to explore innovative approaches to stormwater management.

Power line

The local electrical company, Xcel Energy, operates an electrical generation plant (the Riverside Plant) across the river from the UHT site. Xcel recently made a major investment to convert this plant to natural gas as the energy source. Overhead electrical transmission lines cross the river from the Riverside Plant to Parcel 2 on the UHT site and then run downriver through the middle of the site to a substation on the northern edge of downtown Minneapolis (see graphic above).

These lines must remain in existence and cannot be buried, but Xcel is open to working with the City, MPRB and Master Developer to relocate these lines so they would have less impact on future redevelopment possibilities. This likely would involve moving the north-south section of the line to the west, adjacent to the existing rail line, and also possibly changing where and how the line crosses the River. The exploration of these options is expected to be another aspect of the coordinated planning work.

Additional information about some of the power line relocation options and potential costs may be found [here](#).

Rail line

Canadian Pacific provides rail service along the western edges of Parcels 1 through 5. There currently are grade crossings over this line at Dowling Ave./Port of Minneapolis Drive (in Phase 1) and at 33rd Ave. N. (in Phase 2). It is hoped that it also might be possible to add at least one other crossing location. The impact of this rail siding and the need for rail crossing improvements will be explored with Canadian Pacific during the coordinated planning work.

Survey and Title

- [ALTA land survey](#) for entire UHT site (Note: This survey does not reflect an additional 14 feet of width that was added to Washington Ave. N. as a result of an 1891 City action, so the actual street width will need to be 80 feet rather than 66 feet)
- UHT site [title commitment](#), 2014
- [Release of CP Rail spur track easement 3213871](#)
- [Release of CP Rail spur track easement 3518718](#)
- Draft [title registration application](#) for non-registered portions of site