



City of Minneapolis

Department of Community Planning
& Economic Development - CPED

City of Minneapolis
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MEMORANDUM

DATE: 23 July 2009
TO: Bill Storm
FROM: Karin Berkholtz *KRB*
CC: City Council members Glidden, Gordon, Lilligren and Schiff, Chuck Lutz
SUBJECT: Addendum to Scope Comments, Xcel Hiawatha Transmission Project

The purpose of this memo is to amend comments submitted by the City of Minneapolis Departments of Community Planning and Economic Development and Public Works regarding the Xcel Hiawatha Transmission Project.

The submitted July 10, 2009 comment letter describes the project area as one with intensifying residential uses. Our land use plan and proposed rezoning supports the transformation, and the market has been steadily converging on this area both from the west and the east.

The city grows housing, jobs and population using a number of strategies and tools. One tool is lender utilization of Federal Housing Administration (FHA) guaranteed loans for single- and multi-family housing. FHA lending rules (4150.2) specify that "*All residential structures must be outside the engineered fall distance of any tower.*" Specifically, language reads:

"J. OVERHEAD HIGH-VOLTAGE TRANSMISSION LINES

No dwelling or related property improvement may be located within the engineering (designed) fall distance of any pole, tower or support structure of a high-voltage transmission line, radio/TV transmission tower, microwave relay dish or tower or satellite dish (radio, TV cable, etc.). For field analysis, the appraiser may use tower height as the fall distance. For the purpose of this Handbook, a High-Voltage Electric Transmission Line is a power line that carries high voltage between a generating plant and a substation. These lines are usually 60 Kilovolts (kV) and greater, and are considered hazardous. Lines with capacity of 12-60 kV and above are considered high voltage for the purpose of this Handbook. High voltage lines do not include local distribution and service lines."

This is one criterion lenders must follow for new construction and rehabilitation projects utilizing FHA funds. The language appears in a section of FHA criteria entitled unacceptable sites:

"A. UNACCEPTABLE SITES

FHA guidelines require that a site be rejected if the property being appraised is subject to hazards, environmental contaminants, noxious odors, offensive sights or excessive noises to the point of endangering the physical improvements or affecting the livability of the property, its marketability or the health and safety of its occupants. Rejection may also be appropriate if the future economic life of the property is shortened by obvious and compelling pressure to a higher use, making a long-term mortgage impractical."

Given that that the city is fully-developed with housing, commercial, industrial and residential uses spanning the Hiawatha project study area, and since intensification of residential and other urban land uses is anticipated over the next 30 years, we request that the EIS scope be expanded to include the following:

- 1) Identification and impact analysis of the “fall distance” for the alternatives being analyzed in the EIS.
 - a. Include in the economic analysis an assessment of impacts of each alternative on housing impacts, specifically impacts to property owners which may have financed their acquisition of or remodel of housing with FHA funding;
- 2) Identification and analysis of right of way widths needed during construction and for maintenance and monitoring purposes, including analysis of whether any displacement of existing uses will occur and identification of alternatives for mitigating impacts of those displacements;
- 3) The EIS should identify the techniques used for clearing and controlling vegetation in rights of way. A variety of uses occur along the corridor, how vegetation is managed is important to residential and recreational uses and also to other public purposes such as stormwater management. The means of controlling vegetation should minimize the utilization of herbicides and pesticides;
- 4) The project area is highly valued by users of the Greenway, businesses and residents. The EIS should identify how, for each alternative, the area of disruption will be minimized and impacts mitigated, including discussion of the aesthetics of materials, height and color of transmission towers and wires and noise.

Because of the complexities of land uses in this corridor, we request that the environmental data and project design be integrated so as to enable one reviewing the data to visually and spatially understand the impacts and alternatives and to aid with consideration of those alternatives. This may aid decisions about transmission facility design and routing.