



Request for City Council Committee Action from the Department of Community Planning & Economic Development

Date: August 19, 2014
To: Councilmember Lisa Goodman, Chair, Community Development and Regulatory Services Committee
Referral to: Councilmember John Quincy, Chair, Ways and Means Committee
Subject: Accept and Appropriate Environmental Grants Awarded by the Metropolitan Council's Transit Oriented Development Site Investigation Grant Program [TBRA-TOD] and Pre-Development Grant Program [LCDA-TOD]

Recommendation:

1. Accept the following grants:

Metropolitan Tax Base Revitalization Account (TBRA-TOD) Grants

(The local match for these projects will come from developer's funds.)

Project	Recipient	Grant Award
729 Washington Ave. N.	City of Minneapolis	\$ 98,000
Target Field Station – Pad A	City of Minneapolis	26,625
Total Metropolitan Council TBRA-TOD:		\$124,625

**Livable Communities Demonstration Account Transit-Oriented
Development (LCDA-TOD) Pre-Development Grant**

(The local match for these projects will come from City funds.)

Project	Recipient	Grant Award
Downtown East Park- Schematic Design	City of Minneapolis	\$ 60,000
Total Metropolitan Council LCDA-TOD:		\$60,000

2. (a) Amend the 2014 General Appropriation Resolution by increasing the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900220) by \$98,000.
 (b) Amend the 2014 General Appropriation Resolution by increasing the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900320) by \$26,625.
 (c) Amend the 2014 General Appropriation Resolution by increasing the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900420) by \$60,000.
3. Increase the 2014 Revenue Budget for the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900900-321513) by \$124,625.
4. Increase the 2014 Revenue Budget for the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900420-321513) by \$60,000.
5. Authorize the appropriate City staff to execute grant, subrecipient and/or disbursement and related agreements for these grants.

Previous Directives: On May 23, 2014 the City Council authorized staff to submit two applications for investigation grant funds (for the 729 Washington project and the Target Field Station project) to the Metropolitan Council's Tax Base Revitalization Account (TBRA-TOD) Grant Program. April 25, 2014 the City Council authorized staff to submit a pre-development grant application (for the Downtown East Park Redevelopment project) to the Metropolitan Council's Livable Communities Demonstration Account (LCDA-TOD) Grant Program. Additional project-specific City Council actions are as follows:

729 Washington Ave. N. Redevelopment (729 Washington Ave. N.): None.

Target Field Station – Pad A (southern corner of 5th St. N. and 6th Ave. N.): None.

Downtown East Park Redevelopment (Blocks bounded by 5th Avenue South, 4th Street S, Park Avenue and 5th Street South): On July 19, 2013, the City Council authorized the negotiation of term sheets and/or agreements with Ryan Companies and the Minnesota Sports Facilities Authority regarding a general conceptual framework for the development proposal (including the park). On October 1, 2013, the City Council established the Park Committee to guide the plans for a new park in Downtown East. On December 13, 2013, the City Council approved the term sheet with Ryan and the Minnesota Sports Facilities Authority, adopted resolutions establishing the development district and authorizing the issuance of bonds, adopted an ordinance related to the issuance of bonds, and authorized City officials to execute necessary agreements. On April 25, 2014, the City Council authorized the submission of a TBRA-TOD cleanup application on behalf of this project for environmental abatement. On August 1, 2014, the City Council authorized submission of a DEED Redevelopment Grant application on behalf of this project for building demolition.

Prepared by: Kevin Carroll, Principal Project Coordinator, 612-673-5181	_____
Approved by: Charles T. Lutz, Interim Director, CPED	_____
Catherine A. Polasky, Director of Economic Policy & Development	_____
Funding Source and Appropriation	_____
Language Reviewed by Development Finance:	_____
Presenter in Committee: Kevin Carroll, Principal Project Coordinator	

Financial Impact

Action requires an appropriation increase to the Capital Budget _____ or Operating Budget

Action provides increased revenue for appropriation increase

Action is within the Business Plan

Community Impact

Neighborhood Notification:

729 Washington Ave. N. Redevelopment (729 Washington Ave. N.): The Planning and Zoning Committee of the North Loop Neighborhood Association issued a letter of support for the developer’s brownfield grant application on April 24, 2014.

Target Field Station – Pad A (southern corner of 5th St. N. and 6th Ave. N.): None.

Downtown East Park Redevelopment (Blocks bounded by 5th Avenue South, 4th Street S, Park Avenue and 5th Street South): None.

City Goals: A hub of economic activity and innovation.

Sustainability Targets: Brownfield Sites

Comprehensive Plan: The proposed projects generally comply with the “land reclamation” and “providing a healthy environment” elements of The Minneapolis Plan for Sustainable Growth.

Zoning Code: The proposed projects either are in compliance or will comply.

Living Wage/Business Subsidy Agreement: Yes_____ No

Job Linkage: Yes_____ No

Background/Supporting Information

On June 2, 2014 the City of Minneapolis/CPED submitted grant applications for two projects to the Metropolitan Council’s Tax Base Revitalization Account (TBRA-TOD) Site Investigation Grant Program and for one project to the Metropolitan Council’s

Livable Communities Demonstration Account Transit-Oriented Development (LCDA-TOD) Pre-Development Grant Program.

For the TBRA-TOD site investigation program, total grant funds in the amount of \$124,625 were awarded in the grant round in question. 100% of the funds were awarded to City of Minneapolis projects. The amount awarded was 98.4% of the total amount requested (\$126,625) by the two Minneapolis projects. For the LCDA-TOD Pre-Development program, \$350,000 in total grant applications were submitted and \$250,000 was available. The City applied for \$100,000 for the Downtown East Park pre-development project and received \$60,000.

The purpose of the various types of Met Council TOD grant funding is to assist participating communities in implementing transit oriented development that (a) encourages more transit ridership and (b) demonstrates how increasing density around transit stations can reduce dependence on automobile ownership, vehicular traffic, and the associated parking requirements that would otherwise be necessary to support a similar level of more traditional development.

The TBRA-TOD Site Investigation Grant Program provides funding for Phase I and Phase II environmental site investigations, preparation of Response Action Plans [RAPs], and hazardous materials surveys (lead based paint, asbestos, etc.). This program does not provide any funding for site remediation/cleanup. The LCDA-TOD Pre-Development Grant Program provides funding for municipalities that are defining a TOD-related project through activities such as design workshops, architectural work to generate site plans, financial analyses, market studies, appraisals, project-specific stormwater management plans, soil testing, and environmental, fiscal, traffic, or gentrification impact analyses.

CITY OF MINNEAPOLIS AS GRANT RECIPIENT:

The City sponsored and submitted grant applications on behalf of Target Field Station and 729 Washington Ave. N., and in each case the related grant agreement will be between the grantor and the City. The City will enter into subrecipient agreements with the developers or related entities to enable them to obtain reimbursement for any eligible investigation costs incurred. The City applied on its own behalf for a grant to support pre-development activities for the Downtown East Park.

Target Field Station – Pad A (southern corner of 5th St. N. and 6th Ave. N.)
Metropolitan Council TBRA-TOD Site Investigation Award: \$26,625

United Properties Investment LLC intends to construct a new mixed-use, 200,000 square foot building that will include 46,000 square feet of commercial office space and 6,500 square feet of retail, with the remainder of the square footage devoted to a 161-room hotel and structured parking to support all of the aforementioned uses. The awarded grant funding will be used for Phase I and Phase II environmental site investigations and for the preparation of a Response Action Plan.

729 Washington Ave. N. Redevelopment (729 Washington Ave. N.)

Metropolitan Council TBRA-TOD Site Investigation Award: \$98,000

Greco, LLC intends to use an existing surface parking lot (from which all prior buildings were removed before 1923) as the site of a new mixed-use project that will include 50-60 market rate apartments and 7,000 to 10,000 square feet of retail space, along with an adjacent parking structure to support the residential units and the retail businesses. The awarded grant funding will be used to complete and update previously conducted partial environmental site investigations and to prepare a Response Action Plan.

Downtown East Park Predevelopment - Schematic Design (Blocks bounded by 5th Avenue South, 4th Street S, Park Avenue and 5th Street South)

Metropolitan Council LCDA-TOD Pre-Development Award: \$60,000

In 2013, the City of Minneapolis reached a deal with Ryan Companies for a redevelopment that included 1.5 million square feet of office space, approximately 20,000 square feet of commercial space, 203 dwelling units and 3.4 acres of public park. The park will be adjacent to the Downtown East LRT station. The park was approved with a base level design of seeded grass. A higher level of design and programming for the park is expected and desired. The awarded funds will be used for the development of a schematic design for the park. The City intends to issue a Request for Proposals that will be used to help select a consultant to assist with the planning and design work in question.

Amending the 2014 General Appropriation Resolution.

Resolved by The City Council of the City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by:

1. Increasing the appropriation for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900220) by \$98,000.
2. Increasing the appropriation for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900320) by \$26,625.
3. Increasing the appropriation for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900420) by \$60,000.
4. Increasing the revenue source for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900900-321513) by \$124,625.
5. Increasing the revenue source Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900420-321513) by \$60,000.