



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

Date: November 3, 2014

To: Council Member Lisa Goodman, Chair, Community Development and Regulatory Services Committee

Subject: 2014 Round 2 Hennepin County Transit Oriented Development Grant Applications

Recommendation

Adopt the attached multi-jurisdictional program approval resolution authorizing submission of grant applications to the Hennepin County Transit-Oriented Development (TOD) Program and authorize appropriate City officers to execute cooperative agreements for the recommended County funded projects, as identified below.

Prepared by: David Frank, Director of Transit Development

Approved by: Charles T. Lutz, Deputy Director, CPED _____

Presenter in Committee: David Frank, Director of Transit Development

Previous Directives

The City Council considers submission of TOD program applications to Hennepin County on an annual basis, and occasionally for additional funding rounds.

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification: Not applicable.
- City Goals: Connected communities, enriched environment, and premier destination.
- Sustainability Targets: Economically vibrant and higher density transit corridors create attractive urban neighborhoods for development, support efficient growth, and reduce the need for car travel to obtain necessary goods and services.
- Comprehensive Plan: Policy 1.3. Ensure that development plans incorporate appropriate transportation access and facilities, particularly for bicycles, pedestrians and transit; Policy 1.5. Promote growth and encourage overall city vitality by directing new commercial and mixed-use development to designated corridors and districts; Policy 1.13. Support high density development near transit stations in ways that encourage transit use and contribute to

interesting and vibrant places; Policy 2.3. Encourage walking throughout the City by ensuring that routes are safe, comfortable, pleasant and accessible; Policy 2.4. Make transit a more attractive option for both new and existing riders; Policy 3.2. Support housing density in locations that are well connected by transit, and are close to commercial. Cultural and natural amenities; and Policy 4.11. Attract businesses to the City through strategic infrastructure investments.

- Zoning Code: Not applicable

Supporting Information

Applications to the second 2014 solicitation for the Hennepin County Transit-Oriented Development (TOD) Program were submitted in September 2014. Eligible applicants for this funding program include cities, public development authorities, and private and non-profit development entities. This is the twelfth year of the Hennepin County TOD program, which has previously provided funding to projects in transit corridors throughout Minneapolis.

Transit-Oriented Development promotes a mixture of housing, retail, services, workplaces, and open space within walking distance of transit to maximize use of the transit system. Well-planned pedestrian and bike-friendly TOD has numerous benefits including decreased congestion, a greater range of housing options, fewer emissions, and improved public health by creating walkable neighborhoods that promote physical activity. TOD projects often feature reduced parking, increased density, and buildings oriented toward transit and the pedestrian environment. TOD lowers combined housing and transportation costs by reducing the need to drive and own cars for commuting and daily trips, and promotes economic opportunity by linking residents with employment and service destinations.

The role of the City is to adopt a multi-jurisdictional program resolution for the projects which submitted funding applications, and which are supported by the City. Approval of this resolution also authorizes the City Finance Officer or designee to execute one or more cooperative agreements authorizing Hennepin County to contract and implement TOD program projects located in Minneapolis which receive County funding.

A redevelopment project area is required by State statute for the expenditure of TOD program funds on approved multi-jurisdictional projects. This round, two of the proposed projects (700 Central, submitted by Nolan Properties Group; and North Loop Washington Avenue Redevelopment, submitted by Greco, LLC and United Properties) are not located within a previously created City redevelopment project area. Approval of the multi-jurisdictional program resolution implies that the City intends to pursue the adoption of a redevelopment plan during the next six months to provide the legal authority for the execution of cooperative agreements and expenditure of TOD funds, if these projects are approved for funding by the Hennepin County Board of Commissioners.

Program Priorities

Funding through this program is only available to those multi-jurisdictional projects that occur within or near transit corridors in Hennepin County, and in recent years the program has increasingly focused on high frequency transitways.

There is up to \$1.075 million available in the 2014 round 2 TOD program solicitation. The County may offer either grants or loans with negotiated rates and terms. Loan payments will be utilized to fund a revolving loan to support future TOD projects.

The TOD Program is highly competitive. This round Hennepin County has received 18 applications for funding, requesting a total of \$5.4 million. 11 of these applications are for projects located within the City of Minneapolis, requesting a total of \$4.1 million.

Projects which are funded in this second 2014 round by the Hennepin County TOD program are required to complete funded project improvements within two years of contract execution, which means they must be completed in 2016.

Application Review Process

The CPED Sector teams, along with the assigned CPED project coordinator, reviewed each submitted application and provided comments on overall project readiness and compatibility with the County program. The recommended project ranking can be found below.

Recommended applications for 2014 round 2 Hennepin County TOD program for projects located in the City of Minneapolis

	Rank	Project	Applicant	Ward	TOD Request
	1	Green 4 th	City of Minneapolis	2	\$225,000
	2	807 Broadway	Hillcrest Development, LLLP	1	\$267,625
	3	Mill City Quarter	Eagle Iron Partners, LLC	3	\$800,000
	4	Hawthorne EcoVillage	Project for Pride in Living	6	\$450,000
	5	Corcoran Triangle	Corridor Plaza, LLC	9	\$400,000
	6	Eastside Food Cooperative Expansion	Eastside Food Co-op	1	\$100,000
	7	Seward Commons Phase III	Seward Redesign Inc.	6	\$76,575
	8	700 Central	Nolan Properties Group	3	\$500,000
	9	Flats on 46 th	Quest Development	12	\$250,000
recommended	10	North Loop Washington Avenue Redevelopment	Greco, LLC and United Properties	3	\$750,000
not recommended (see notes)		Pathways Learning Center	Asian Media Access	5	\$300,000
		Total Requests			\$4,119,200

Project Descriptions

Most of the Minneapolis proposals submitted this year achieve a high standard of urban infill development appropriate for a walkable and transit-oriented environment, and staff recommends forwarding a recommendation to Hennepin County supporting all but one of the projects.

700 Central.

Applicant: Nolan Properties Group.

Location: 708 Central Ave NE; 119 7th St SE; 123 7th St SE.

TOD request: \$500,000 grant.

Proposed use of TOD funds: Widening and replacing sidewalks to accommodate café seating, new trees and tree grates, landscape planters, decorative street lighting, bike racks, as well as an improved bus stop.

Name of redevelopment project area: None.

Designated Transit Improvement Area: None.

County-identified transit corridor: Central Avenue.

Project Description: 700 Central is an urban renewal mixed-use project in Northeast Minneapolis converting two vacant, deteriorated and functionally obsolete structures into approximately 80 residential units with ground floor commercial space. An important project objective is to reposition the blighted and dilapidated buildings to a high design development that will serve as

a catalyst to this area in the Northeast Minneapolis neighborhood. We are creating a transit oriented, pedestrian friendly place, at a level that will enrich the surrounding area while promoting the long term objectives of the district.

Contact: Katelyn Murray 925.767.2502.

807 Broadway.

Applicant: Hillcrest Development, LLLP.

Location: 807 Broadway Ave NE.

TOD request: \$267,625 grant.

Proposed use of TOD funds: Exterior plaza space with sheltered bike racks, bike service station, landscaping, lighting, and seating area.

Name of redevelopment project area: Central Avenue Redevelopment Project.

Designated Transit Improvement Area: None.

County-identified transit corridor: Broadway Avenue NE.

Project Description: 807 Broadway Avenue NE is the former location of Minneapolis Public School Administration headquarters. The site has been minimally maintained and items like stormwater are currently not managed. The site has one garage, two metal buildings and three contiguous brick buildings. The garage and metal buildings need to be demolished. The three brick buildings will be stabilized and adaptively reused into approximately 165,000 square feet of space for Class B commercial "creative class" office space. Similar to other tenants in Hillcrest Development properties, these tenants will bring predominantly living wage jobs supportive of emerging markets. This site will bring 400 jobs where there are currently no jobs and will convert a currently tax-exempt site into a valuable commercial business-taxed site.

Contact: Kristina Smitten 612.623.2462.

Corcoran Triangle.

Applicant: Corridor Plaza, LLC.

Location: 3120 24th Ave S.

TOD request: \$400,000 grant.

Proposed use of TOD funds: The funds will be used for land acquisition. The acquisition of the land will allow the project to move forward and provide 135 units of affordable housing, including nine units for those suffering from long-term homeless. Additionally, the project will provide pedestrian and bicycle connections to the Lake Street LRT Station, just one block from the site. Bicycle racks will be installed throughout the site, as well as new public sidewalks and pedestrian-scale lighting.

Name of redevelopment project area: Model City Urban Renewal Area.

Designated Transit Improvement Area: Lake Street.

County-identified transit corridor: Hiawatha Avenue / Blue Line.

Project Description: Corcoran Triangle is a 135-unit affordable housing development poised to revitalize the intersection of 32nd and Hiawatha just one block from Lake Street LRT Station on an oddly shaped triangular parcel. This transit-oriented development, consisting of a 4-story building, will be constructed in an energy efficient, modern style reflective of recent market-rate developments in the Corcoran neighborhood and along the LRT. Plans include an architectural "iconic" element on the roof in plain view of LRT riders, creating a landmark and adding to the placemaking around the Lake Street LRT Station area.

Contact: Steve Wellington 651.292.9844.

Eastside Food Cooperative Expansion.

Applicant: Eastside Food Co-op.

Location: 2551, 2543, 2539, 2529, and 2535 Central Ave NE.

TOD request: \$100,000 grant.

Proposed use of TOD funds: Stormwater management, bike parking.

Name of redevelopment project area: Central Avenue Redevelopment Project.

Designated Transit Improvement Area: None.

County-identified transit corridor: Central Avenue.

Project Description: EFC will expand to fill its existing building, which formerly had two other commercial tenants, and add a new construction addition to the building. EFC has purchased two additional parcels to the south, one currently occupied by a dilapidated and vacant structure. The larger site allows for a more functional addition, potential expansion capabilities, and an 'enhanced' image along Central Avenue including space for stormwater management, bike parking, and a coffee shop/juice bar.

Contact: Amy Fields 612.788.0950.

Flats on 46th.

Applicant: Quest Development.

Location: 4022 46th St E.

TOD request: \$250,000 grant.

Proposed use of TOD funds: Site acquisition, demolition of the existing structures on the site, and utility relocation.

Name of redevelopment project area: 46th Street LRT Station Area Redevelopment Project.

Designated Transit Improvement Area: 46th.

County-identified transit corridor: Hiawatha Avenue / Blue Line.

Project Description: Quest Development, in partnership with Minnesota Attainable Housing Corporation, will construct Flats on 46th, a 90% affordable workforce housing community along the Blue Line LRT and A Line Bus Rapid Transit routes in south Minneapolis. Four units will be reserved for households experiencing long-term homelessness. Lutheran Social Service of Minnesota will provide quality supportive to support those households. Four units of market rate housing are also included, making this a mixed-income community. The 40 rental units are ideally located to access metro area job centers by transit, including downtown Minneapolis, downtown St. Paul and Bloomington.

Contact: Blaine Waters 763.595.9511.

Green 4th.

Applicant: City of Minneapolis.

Location: 4th St SE between 29th and Malcolm.

TOD request: \$225,000 grant.

Proposed use of TOD funds: Permeable sidewalks, educational wayfinding, artist designed structures, pedestrian level lighting.

Name of redevelopment project area: South East Minneapolis Industrial Area (SEMI) Redevelopment Project.

Designated Transit Improvement Area: Prospect Park.

County-identified transit corridor: Central Corridor / Green Line.

Project Description: 4th Street SE from 29th Ave to Malcolm is in need of reconstruction and the surrounding area is almost completely impervious surface. A Green 4th street that includes much needed green and open space will create an amenity for future residents, attract additional businesses to develop in this area, and increase ridership at Prospect Park Station.

Contact: David Frank 612.673.5238.

Hawthorne EcoVillage.

Applicant: Project for Pride in Living.

Location: 617 Lowry Ave N, 3113 6th St N, 3117 6th St N, 3110 Lyndale Ave N, and 3116 Lyndale Ave N.

TOD request: \$450,000 grant.

Proposed use of TOD funds: Site utilities, excavation and shoring related to underground parking, construction and outfitting of bike storage room, sidewalks, and curb and gutter.

Name of redevelopment project area: West Lowry Redevelopment Project.

Designated Transit Improvement Area: None.

County-identified transit corridor: Lowry.

Project Description: The Hawthorne EcoVillage Apartments will provide quality affordable homes to 75 households at or below 50% of the area median income. The redevelopment of this currently-vacant parcel will increase density and vitality, and therefore walkability and transit use, along this stretch of Lowry Avenue North. This project will also serve as the cornerstone development of the Hawthorne EcoVillage, an award winning revitalization project developed by PPL and a network of committed partners which aims to improve local quality of life through neighborhood engagement and sustainable housing development.

Contact: Abbie Loosen 612.455.5220.

Mill City Quarter.

Applicant: Eagle Iron Partners, LLC.

Location: 300 2nd St S, 101 3rd Ave S, and 428 2nd St S.

TOD request: \$800,000 grant.

Proposed use of TOD funds: Development of a Woonerf, a Dutch shared-street concept where bikes, pedestrians, and cars co-exist on an environmentally friendly street. Support of site-wide TOD elements: bike racks/storage; integrated transit shelter; sidewalks and paths uniting both Phases to the Woonerf; utility relocation and installation; pedestrian lighting.

Name of redevelopment project area: Industry Square Redevelopment Project.

Designated Transit Improvement Area: Government Center.

County-identified transit corridor: Hiawatha / Blue Line and Central Corridor / Green Line.

Project Description: Eagle Iron Partners, acting as Master Developer, will oversee the construction of Mill City Quarter ("MCQ"), a mixed-use rental community that introduces 150 units of affordable workforce housing in a high-rent area of downtown Minneapolis. Sharing the site is Ecumen, an innovative provider of senior housing and services, who will construct Ecu2, a five-story senior living development that includes 104 independent living and 45 memory care units. MCQ and Ecu2 will be physically and visually united by a Woonerf, a Dutch pedestrian and bicycle-focused amenity shared with vehicles, which blends the private and public sphere, and provides crucial trail connections through a partnership with the Minneapolis Parks and Recreation Board.

Contact: John Wall 612.767.4001.

North Loop Washington Avenue Redevelopment.

Applicant: Greco, LLC and United Properties.

Location: 729 Washington Ave N, 753 Washington Ave N, and 728 Washington Ave N.

TOD request: \$750,000 grant.

Proposed use of TOD funds: Public sidewalks, plaza space and greenscape, site utilities, stormwater management system, benches, pedestrian lighting, service alley, bike parking and racks, removal of surface parking lots, and streetscaping.

Name of redevelopment project area: None.

Designated Transit Improvement Area: Target Field.

County-identified transit corridor: Hiawatha / Blue Line and Central Corridor / Green Line.

Project Description: Greco, LLC is proposing to redevelop three vacant parking lots into a mixed-use development to include market rate apartments, retail, and a shared Smart Parking Facility with office. In accordance with the North Loop Small Area Plan this development will add mixed-use development along Washington Avenue with service oriented ground floor retail and neighborhood grocery store. Above the Washington Avenue retail and grocer the project will include 180 units of market rate apartments and 45,000 sf of class A office. The apartments will provide housing options ranging from moderately priced studio/alcoves up to large three bedroom condo style apartments. Fronting North Third Street, the project will introduce 5,000 sf of new office space .

Contact: Josh Brandsted 612.630.2451.

Pathways Learning Center.

Applicant: Asian Media Access.

Location: 2418 Plymouth Ave N.

TOD request: \$200,000 loan plus \$100,000 grant.

Proposed use of TOD funds: Pedestrian-scale lighting and project construction costs.

Name of redevelopment project area: Willard-Homewood Urban Renewal Area.

Designated Transit Improvement Area: None.

County-identified transit corridor: Plymouth Avenue North.

Project Description: Led by Asian Media Access, in collaboration with Twin Cities Regional Center, a Pathway Learning Center (PLC) is planned at 2412-2418 Plymouth Ave. N., Minneapolis, a 13,360 SF construction project, to stimulate area transit-oriented development. PLC features a public area, pedestrian-scale lighting, bike racks, while reduced parking, increased density, and building orientation toward a transit and the pedestrian/bicycle-friendly environment, with just a ¼ mile from the Penn and Plymouth commercial node. The project is designed to service job development, business incubator, and open space within walking distance to TIA areas for both Penn Rapid Transit Bus; and Bottineau Light Rail. The goal of the PLC project is to 1) Improve physical environment on Plymouth, to encourage walkability; 2) Improve public health by creating public spaces that promote physical activities; and 3) Promote economic opportunity by providing high tech training, and employment to further enhance the tax base.

Rationale for not recommending project: Staff has concerns about project readiness, organizational capacity, lack of neighborhood support, and necessary rezoning from residential to commercial.

Contact: Ange Hwang 612.376.7715.

Seward Commons Phase III.

Applicant: Seward Redesign.

Location: 2200-2218 Snelling Ave S.

TOD request: \$76,575 grant.

Proposed use of TOD funds: To create a pedestrian-bicycle improvement connecting East 22nd Street to the LRT path 1 block south of the Franklin Avenue Station, as part of Phase III of the Seward Commons redevelopment project.

Name of redevelopment project area: Franklin LRT Station Area Redevelopment Project.

Designated Transit Improvement Area: Franklin.

County-identified transit corridor: Hiawatha / Blue Line.

Project Description: Seward Commons Phase III will be the first multifamily rental housing building constructed in Seward since 1982 that does not have income restrictions. It will occupy a critical third phase of the master planned 4-acre Seward Commons redevelopment. The site is directly adjacent to the LRT path that runs along the Blue Line, 1 block south of the Franklin Avenue Station. Phases I and II on the site contain 100 units of housing that are affordable at 30% AMI or below. This project will provide needed balance and opportunity for all people interested in renting near the station area to have that choice, creating a sustainable mixed-income community that will integrate with the existing Seward Neighborhood. It will also set the tone and provide a market impetus for the remaining phases of Seward Commons and additional development in the station area.

Contact: Renee Spillum 612.435.2079.

Attachments:

2014 Hennepin County TOD Program Guide and Application Resolution

RESOLUTION

of the

CITY OF MINNEAPOLIS

Approving funding of various transit-oriented development projects

WHEREAS, Hennepin County has established a transit-oriented development loan/grant program (TOD Program) which it intends to undertake as a multi-jurisdictional reinvestment program under Minnesota Statutes, section 383B.79, and housing or redevelopment project under Minnesota Statutes, section 383B.77; and

WHEREAS, eleven applications were submitted to the Hennepin County Housing and Redevelopment Authority (HRA) for projects located within the City of Minneapolis (City) in response to the 2014 Round 2 TOD Program solicitation; and

WHEREAS, the City supports ten of the projects located in the City prior to consideration for funding under the 2014 Round 2 TOD Program; and

WHEREAS, City approval is necessary in order to satisfy the requirements of a multijurisdictional reinvestment program and authorize Hennepin County or the Hennepin County HRA to undertake project activities within the jurisdiction of the City;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis that pursuant to Minnesota Statutes, sections 383B.77 and 383B.79, the City supports the transit-oriented development loan/grant application submitted to the Hennepin County HRA by Nolan Properties Group for the 700 Central project at 708 Central Ave NE; 119 Seventh St SE; and 123 Seventh St SE.

Be It Further Resolved that pursuant to Minnesota Statutes, sections 383B.77 and 383B.79, the City supports the transit-oriented development loan/grant application submitted to the Hennepin County HRA by Hillcrest Development, LLLP for the 807 Broadway project at 807 Broadway Ave NE.

Be It Further Resolved that pursuant to Minnesota Statutes, sections 383B.77 and 383B.79, the City supports the transit-oriented development loan/grant application submitted to the Hennepin County HRA by Corridor Plaza, LLC for the Corcoran Triangle project at 3120 24th Ave S.

Be It Further Resolved that pursuant to Minnesota Statutes, sections 383B.77 and 383B.79, the City supports the transit-oriented development loan/grant application submitted to the Hennepin County HRA by Eastside Food Co-op for the Eastside Food Cooperative Expansion project at 2551, 2543, 2539, 2529 and 2535 Central Ave NE.

Be It Further Resolved that pursuant to Minnesota Statutes, sections 383B.77 and 383B.79, the City supports the transit-oriented development loan/grant application submitted to the Hennepin County HRA by Quest Development for the Flats on 46th project at 4022 46th St E.

Be It Further Resolved that pursuant to Minnesota Statutes, sections 383B.77 and 383B.79, the City supports the transit-oriented development loan/grant application submitted to the Hennepin County HRA by the City of Minneapolis for the Green 4th project at 4th St SE between 29th and Malcolm.

Be It Further Resolved that pursuant to Minnesota Statutes, sections 383B.77 and 383B.79, the City supports the transit-oriented development loan/grant application submitted to the Hennepin County HRA by Project for Pride in Living for the Hawthorne Eco Village project at 617 Lowry Ave N; 3113 Sixth St North; 3117 Sixth St N; 3110 Lyndale Ave N; and 3116 Lyndale Ave N.

Be It Further Resolved that pursuant to Minnesota Statutes, sections 383B.77 and 383B.79, the City supports the transit-oriented development loan/grant application submitted to the Hennepin County HRA by Eagle Iron Partners, LLC for Mill City Quarter project at 300 Second St S; 101 Third Ave S; and 428 Second St S.

Be It Further Resolved that pursuant to Minnesota Statutes, sections 383B.77 and 383B.79, the City supports the transit-oriented development loan/grant application submitted to the Hennepin County HRA by Greco, LLC and United Properties for the North Loop Washington Avenue project at 729 Washington Ave N; 753 Washington Ave N; and 728 Washington Ave N.

Be It Further Resolved that pursuant to Minnesota Statutes, sections 383B.77 and 383B.79, the City supports the transit-oriented development loan/grant application submitted to the Hennepin County HRA by Seward Redesign for the Seward Commons Phase III project at 2200-2218 Snelling Ave S.

Be It Further Resolved that the appropriate City staff may execute one or more cooperative agreements authorizing Hennepin County or the Hennepin County HRA to undertake the foregoing multijurisdictional reinvestment program projects in Minneapolis.

Be It Further Resolved that nothing in this resolution shall create a pecuniary obligation of the City to assist any of the foregoing projects nor shall the City be in any way responsible for any financing obligation or agreement of Hennepin County or the Hennepin County HRA with respect to their provision of financial assistance such projects.

Be It Further Resolved that the support expressed herein extends only to the powers of Hennepin County or the Hennepin County HRA with respect to the financial assistance the County or the HRA proposes to provide to the respective projects and the City shall retain all other powers and jurisdiction over matters relating to the City and the projects.