



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

Date: April 3, 2012

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: **2012 Hennepin County Transit Oriented Development Grant Applications for projects located in Minneapolis**

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 County funded projects.

Previous Directives

The City Council considers submission of TOD program applications to Hennepin County on an annual basis.

Prepared by: David Frank, Director of Transit Development

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

Presenter in Committee: David Frank, Director of Transit Development

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 annual solicitation for the Hennepin County Transit-Oriented Development (TOD) Program were submitted in late February, 2012. Eligible applicants for this funding program include cities, public development authorities, and private and non-profit development entities. This is the tenth 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. Hennepin County staff has requested that the City approve a resolution in April, prior to action by the Hennepin County Board of Commissioners in May. Approval of this resolution also authorizes the City Finance Officer or their 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 year, one of the proposed projects (The Mall, submitted by the Minneapolis Park and Recreation Board) is 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 funding agreements and expenditure of TOD funds, if this project is 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 \$2 million available in the 2012 TOD program solicitation. The County may offer either grants or loan agreements 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 year Hennepin County has received 11 applications for funding, requesting a total of \$4.7 million. Seven of these applications are for projects located within the City of Minneapolis, requesting a total of \$3.7 million.

Projects which are funded in 2012 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 2014.

Project Descriptions

A complete list of the projects requesting funds that are located within the City of Minneapolis is attached to this report.

All 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 of the projects.

List of Applications for 2012 Hennepin County TOD program for Projects located in the City of Minneapolis

520 2nd Street SE	
Applicant:	Second Street Holdings, LLC
Location:	520 2 nd Street SE
TOD request:	\$200,000 deferred loan
Proposed use of TOD funds:	Not specified.
Name of redevelopment project area:	Holmes Urban Renewal Area
Designated Transit Improvement Area:	None
County-identified transit corridor:	Many local and express bus routes
Project Description:	91 unit, six story new construction building, with two-levels of structured parking. 100% affordable, near employment centers, riverfront walking and biking trails, the Stone Arch Bridge, and just blocks from transit resources including eight bus routes, Nice Ride and Hour Car kiosks, grocery, entertainment, employment and neighborhood services, all supporting a convenient car free lifestyle.
Contact:	Lucy Brown Minn, 612.436.3205

800 Washington Ave South (fka Liner Parcel)	
Applicant:	Artspace Projects
Location:	800 Washington Ave South
TOD request:	\$750,000 amortizing loan
Proposed use of TOD funds:	Streetscape and landscape design; plaza, lighting, bike rack, and landscaping construction
Name of redevelopment project area:	Industry Square Redevelopment Project
Designated Transit Improvement Area:	Downtown East / Metrodome
County-identified transit corridor:	Many local, limited, and express bus routes
Project Description:	85,000 sq ft mixed-use development with 59 affordable live / work units, Artspace's 9,600 sq ft headquarters, 2,000 sq ft of arts market retail space, a demonstration urban garden, and a conference center. Parking will be provided in the adjacent parking ramp.
Contact:	Heidi Kurtze, 612.465.0215

The Mall

Applicant:	Minneapolis Park and Recreation Board
Location:	1420 The Mall (may also appear as W 29th Street)
TOD request:	\$958,000 grant
Proposed use of TOD funds:	Design, engineer, and construct bicycle/pedestrian paths connecting Hennepin Ave, Uptown Transit Center, Walker Library, and the Midtown Greenway; as well as a plaza with tables, benches, lighting, greenspace, and landscaping
Name of redevelopment project area:	None
Designated Transit Improvement Area:	None
County-identified transit corridor:	Many local, limited, and express bus routes
Project Description:	With community encouragement, Hennepin County and the MPRB re-designed the Hennepin Avenue gateway to "The Mall" – a parkway that links the Chain of Lakes with Hennepin Avenue. Currently under-utilized, this space hasn't evolved to become a dynamic public space that supports the adjacent Midtown Greenway, Uptown Transit Center and Walker Library. The new design inter-connects multiple transportation modes and creates a pedestrian oasis amidst this transit-oriented district.
Contact:	Jennifer Ringold, 612.230.6464

The Mendoza

Applicant:	Randy Hobbs, Terry McNellis & Michael Swenson
Location:	600 5 th Street North
TOD request:	\$565,000 amortizing loan
Proposed use of TOD funds:	Acquisition, demolition, utility relocation, stormwater management, exterior and interior bicycle infrastructure, replacement and improvement of sidewalks, and pedestrian-scale lighting
Name of redevelopment project area:	North Loop Redevelopment Project
Designated Transit Improvement Area:	Target Field Station
County-identified transit corridor:	Many local and express bus routes
Project Description:	63 unit, 5 story, mixed-use rental housing project near Target Field LRT and commuter rail stations and the Interchange transit hub, multiple bike trails and within walking distance of the downtown core. Parking is underground.
Contact:	Terry McNellis, 651.698.1812

Prospect Park Station Boeser Site

Applicant:	The Cornerstone Group
Location:	2901 4 th Street SE
TOD request:	\$1,000,000 amortizing loan
Proposed use of TOD funds:	Acquisition of former Boeser site along Central

Name of redevelopment project area:	Corridor LRT in Prospect Park Southeast Minneapolis Industrial (SEMI) Area Redevelopment Project
Designated Transit Improvement Area:	Prospect Park Station
County-identified transit corridor:	Many local, limited, and express bus routes, and U of M Campus Shuttle
Project Description:	Acquisition of the 2.5 acre Boeser site located beside the Prospect Park LRT station to build approximately 250 units of housing including 20% at 60% AMI. The project involves demolition of the existing warehouse structure, cleanup of contamination, and creation of pedestrian and bicycle connections to LRT, transit stops, and the Intercampus Transitway. The Boeser site is identified in Hennepin County's University Ave/29 th Ave plan as a priority for redevelopment into high-density housing.
Contact:	Beth Pfeifer, 612.746.0660

South Quarter Phase IV	
Applicant:	Aeon
Location:	Northwest corner of Franklin and Portland Avenues
TOD request:	\$90,000 deferred loan
Proposed use of TOD funds:	Acquisition of real property for redevelopment and removal of blight or construction of a bus shelter
Name of redevelopment project area:	Franklin-Portland Gateway Redevelopment Project
Designated Transit Improvement Area:	No
County-identified transit corridor:	High Frequency bus route 5 and local bus routes 2, 9, 11 & 39
Project Description:	90 new mixed-income, high performance multifamily apartment homes in two four-story buildings with structured and surface parking, including 12 apartment homes for those who have experienced long-term homelessness.
Contact:	Dan Walsh, 612.341.3148 x236

West Broadway Curve	
Applicant:	CommonBond Communities
Location:	1926-2022 West Broadway Avenue
TOD request:	\$125,000 deferred loan
Proposed use of TOD funds:	Public gathering places including a gateway plaza and pocket park which contain bike racks, benches, and other pedestrian amenities
Name of redevelopment project area:	West Broadway Redevelopment Project
Designated Transit Improvement Area:	No
County-identified transit corridor:	Bus routes 5, 14, 19, and 22
Project Description:	53 unit affordable housing project located near four existing bus routes and future rapid bus or

streetcar. The project has underground parking and storage for bicycles. The ground floor will house the Advantage Plus services programs with large windows for visibility out on the street and for pedestrians to look in.
Cyntha Lee, 651.290.6245

Contact:

Attachments:

2012 TOD Program Guide and Application
Resolution

RESOLUTION
of the
CITY OF MINNEAPOLIS

By _____

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 seven 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 2012 TOD Program solicitation; and

WHEREAS Hennepin County has requested that the City approve the seven projects located in the City prior to consideration for funding under the 2012 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 Second Street Holdings, LLC for a project at 520 2nd Street 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 Artspace Projects, Inc. for a project at 800 Washington Ave South.

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 Minneapolis Park and Recreation Board for The Mall project at 1420 The Mall.

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 Randy Hobbs, Terry McNellis and Michael Swenson for The Mendoza project at 600 5th Street North.

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 Cornerstone Group for the Prospect Park Station Boeser Site project at 2901 4th Street 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 Aeon for the South Quarter Phase IV project at the northwest corner of Franklin and Portland Avenues.

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 CommonBond Communities for the West Broadway Curve project at 1926-2022 West Broadway Avenue.

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.