



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

Date: September 25, 2012

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

Subject: **2012 Supplemental 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: Jeremy Hanson Willis, 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 supplemental solicitation for the Hennepin County Transit-Oriented Development (TOD) Program were submitted in late August, 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 early October, prior to action by the Hennepin County Board of Commissioners on October 9, 2012. 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 round, 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 \$598,000 of general obligation bond funds available as grants in the 2012 supplemental TOD program solicitation.

The TOD Program is highly competitive. This round Hennepin County received nine applications for funding, requesting a total of \$2,143,000. Six of these applications are for projects located within the City of Minneapolis, requesting a total of \$1,209,373.

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.

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

Currie Park Lofts

Applicant:	Currie Park Developments, LLC
Location:	515 15 th Ave S
TOD request:	\$390,000
Proposed use of TOD funds:	Site acquisition
Name of redevelopment project area:	Cedar-Riverside Urban Renewal Area
Designated Transit Improvement Area:	Cedar-Riverside LRT Station
County-identified transit corridor:	Hiawatha LRT; Central Corridor LRT; six bus routes (2, 3, 7, 16, 22, 50)
Project Description:	Currie Park Lofts will be a general occupancy, mixed-income rental housing development that will include retail, service and open green spaces at walking distance of a variety of means of mass transit. The site, at the corner of 15th Ave. and 6th St S., is next to the Cedar-Riverside Hiawatha LRT station and steps from the West Bank Central Corridor LRT station and the many bus lines along Cedar, Riverside and Washington Aves. It is integrated with the bike lane network and the well developed pedestrian street grid of the area. CPL will use part of the last large undeveloped parcel in the area.
Contact:	Bianca Fine, 612.332.2561

Hi-Lake Triangle Apartments

Applicant:	Wellington Management, Inc.
Location:	NW corner of Lake Street & Hiawatha Avenue
TOD request:	\$150,000
Proposed use of TOD funds:	Site acquisition and pedestrian improvements
Name of redevelopment project area:	Hiawatha and Lake Redevelopment Project and Model City Urban Renewal Area, with expected change to Hiawatha and Lake Redevelopment Project and Hi-Lake Triangle Apartment TIF District
Designated Transit Improvement Area:	Lake Street LRT Station
County-identified transit corridor:	Lake Street LRT station; and bus routes 7, 21, 27, and 53
Project Description:	Hi-Lake Triangle will transform a small, triangular parcel of vacant land next to the Lake Street/Midtown LRT Station into an affordable mixed-use housing development for seniors with retail opportunities on the ground floor along Lake Street. Wellington Management will construct a 64 unit, 5-story building on a vacant site approximately 100 feet from the LRT station on the successful Hiawatha line. The

development will add 53 one-bedroom and 11 two- bedrooms to the Hennepin County senior affordable housing stock and approximately 5,200 square feet of commercial space. Corridor Plaza, LLC will be the General Partner in the final ownership structure along with the tax credit Limited Partner. Wellington Management is in the process of securing leases for the commercial space and has approximately half of the space under contract.

Contact: Judd Fenlon, 651.999.5528

South Quarter Phase IV

Applicant: Aeon
 Location: Northwest corner of Franklin and Portland Avenues
 TOD request: \$90,000
 Proposed use of TOD funds: Utilities and site improvements
 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; and the transition of the existing 30 unit Pine Cliff Apartments into an operationally efficient and energy-wise property.

Contact: James Lehnhoff, 612.746.0536

Spirit on Lake

Applicant: Everwood Development LLC
 Location: 1238 East Lake Street and 2930 30th Ave S
 TOD request: \$250,000
 Proposed use of TOD funds: Site acquisition
 Name of redevelopment project area: Spirit on Lake Redevelopment Project
 Designated Transit Improvement Area: None
 County-identified transit corridor: High frequency bus routes 5, 39, 27, 14, 21, 22.
 Project Description: A 46-unit, mixed use, affordable housing project on a currently underutilized site. Spirit will provide a safe, secure and welcoming environment for the aging GLBT and welcoming community. Located along a busy commercial and transit corridor with convenient access to many amenities and services. The bond/tax credit project received a commitment from the City of Minneapolis' Affordable Housing Trust Fund of \$1,449,000 in January 2011, which along with several other sources of funding will allow for a summer 2012 closing/construction start and occupancy beginning spring of 2013.

Contact: Elizabeth Flannery, 612.644.1649

The Mall

Applicant:	Minneapolis Park and Recreation Board
Location:	1420 The Mall (may also appear as W 29th Street)
TOD request:	\$200,000
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

West Broadway Curve

Applicant:	CommonBond Communities
Location:	1926-2022 West Broadway Avenue
TOD request:	\$129,373
Proposed use of TOD funds:	Acquisition of City-owned parcels
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 units of workforce housing will be developed, removing blight. Residents will have access to four bus routes via a bus stop at the entrance to the building. The project includes a pocket park and a tot lot, and it will improve safety by increasing the number of eyes on the street. Benches and pedestrian scale lighting will align the sidewalks near the transit stop. Bike ridership will be encouraged through the installment of bike lockers, maintenance area, and air pumps as well as a partnership with a local bike shop who will offer on-site classes.
Contact:	Cynthia Lee, 651.290.6245

Project Ranking

Staff recommends forwarding a recommendation to Hennepin County with the following priority ranking:

proposed ranking	project	developer	request
1	Currie Park Lofts	Currie Park Development	390,000
2	Hi-Lake Triangle	Wellington Development	150,000
3	Spirit on Lake	Everwood Development	250,000
4	West Broadway Curve	CommonBond	129,373
5	South Quarter IV	Aeon	90,000
not recommended	The Mall	Park Board	200,000
	total requests		1,209,373

Attachments:

2012 TOD Program Guide and Application
Resolution

**RESOLUTION
OF THE
CITY OF MINNEAPOLIS**

By Goodman

Supporting 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 multijurisdictional reinvestment program under Minnesota Statutes, section 383B.79, and housing or redevelopment project under Minnesota Statutes, section 383B.77; and

Whereas, six 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 Supplemental TOD Program solicitation; and

Whereas, Hennepin County has requested that the City approve the six projects located in the City prior to consideration for funding under the 2012 Supplemental TOD Program solicitation; 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 Currie Park Development, LLC for the Currie Park Lofts project at 515 15th Avenue 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 Wellington Management, Inc. for the Hi Lake Triangle Apartments project at the northeast corner of Lake Street and Hiawatha Avenue.

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 Everwood Development LLC for the Spirit on Lake project at 1238 East Lake Street.

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 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 the City ranks the TOD project funding applications according to the City's own internal priorities in the following order:

Priority	TOD Project Names	Grant Amount Requested
1	Currie Park Lofts	\$390,000
2	Hi-Lake Triangle	\$150,000
3	Spirit on Lake	\$250,000
4	West Broadway Curve	\$129,373
5	South Quarter Phase IV	\$200,000

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 to 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.

