



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

Date: October 1, 2012
To: Betsy Hodges, Chair, Ways and Means/Budget Committee
Subject: **Accept Grant From the Metropolitan Council and Appropriate Funds**

Recommendation:

1. Authorize City officers to accept Metropolitan Council Corridor of Opportunity grant funds in the amount of \$43,250 to be used for the East Downtown Parking Lot Study.
2. Amend the 2012 General Appropriation Resolution by increasing the Community Planning and Economic Development agency local grant fund (01600-8900420) by \$43,250.
3. Increase the 2010 Revenue Budget for the Community Planning and Economic Development agency local grant fund (01600-8900420-321513) by \$43,250.
4. Authorize the appropriate City staff to execute grant, sub-recipient and/or disbursement and related agreements for these grants.

Prepared by: Beth Elliott, Principal City Planner, 612-673-2442

Approved by: Jack Byers, Community Planning Manager

Presenter in Committee: Beth Elliott, Principal City Planner

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: The Downtown Minneapolis Neighborhood Association and Elliot Park Neighborhood, Inc. have been notified of the grant request and award and will be actively involved in all aspects of the East Downtown Parking Lot Study as funded by the grant.
- City Goals: Jobs & Economic Vitality; Livable Communities, Healthy Lives; and A City That Works
- Comprehensive Plan: The funded study will provide implementation direction for how to achieve the development goals on the east side of Downtown on existing commercial surface parking lots, consistent with the adopted framework in *The Minneapolis Plan for Sustainable Growth*, the city's Comprehensive Plan.

Supporting Information

The City of Minneapolis applied for and was awarded a \$43,250 grant through the Metropolitan Council's Corridors of Opportunity, an initiative funded through the regional HUD Sustainability Grant. The grant will be used for consulting services to conduct the East Downtown Parking Lot Study.

The purpose of this study is to provide the City with a financial analysis of commercial parking lots on the east side of Downtown in order to identify the development barriers and potential tools to promote redevelopment. We believe the most prominent barrier to development in the Downtown East transit station area is the amount of high-income surface parking that supports Downtown and area employees as well as game-day parking and tailgating. This study will evaluate the long-term potential for development on these parcels from a financial perspective. The framework for this analysis will be existing policies and zoning regulations.

The study will evaluate options for both the public and private sector to reposition the large surface parking lots surrounding the station for future development. Barriers to development on the lots include a low property tax assessment, high revenue, and inflated expectations of land value. The consultant will work with a team of City experts to evaluate alternative property tax structures, creative development models, possible enforcement tools, and interim opportunities. The study would result in a list of strategies for the City to deploy as well as best practice scenarios for development.

The grant work will be completed in the first quarter of 2013.

Amending the 2012 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. Amend the 2012 General appropriation resolution by increasing the Community Planning and Economic Development agency local grant fund (01600-8900420) by \$43,250.
2. Increase the revenue budget for the Community Planning and Economic Development agency local grant fund (01600-8900420-321513) by \$43,250.