



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

Date: April 2, 2013
To: Council Member Lisa Goodman, Chair, Community Development Committee
Subject: 2013 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 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, Deputy 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, 2013. Eligible applicants for this funding program include cities, public development authorities, and private and non-profit development entities. This is the eleventh 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 (MoZaic Phase II, submitted by The Ackerberg Group) is not located within a previously created City redevelopment project area; and another of the proposed projects (TOD Strategic Acquisition Holding Cost Fund, submitted by the Twin Cities Community Land Bank) does not propose specific sites, so future funding may or may not be 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 2013 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 \$3.6 million. Nine of these applications are for projects located within the City of Minneapolis, requesting a total of \$3 million.

Projects which are funded in 2013 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 2015.

Project Descriptions

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 2013 Hennepin County TOD program for Projects located in the City of Minneapolis

Broadway Flats	
Applicant:	Rose Development LLC
Location:	2201 West Broadway
TOD request:	\$150,000 loan
Proposed use of TOD funds:	Not specified
Name of redevelopment project area:	Penn Avenue North Redevelopment Project
Designated Transit Improvement Area:	None
County-identified transit corridor:	West Broadway, Penn Avenue North
Project Description:	Broadway Flats will include 75 units of studio and one-bedroom workforce housing. The first floor includes roughly 16,000 square feet. Up to 8,000 square feet is already committed to the new Broadway Liquor Outlet, replacing the store demolished by the tornado. The first floor also includes the residential lobby, amenities and leasing office. The at-grade exterior plan provides for up to 60 surface parking stalls, as well as storm water retention and landscaping. An underground garage will accommodate 2,000 square feet of storage space, with (44) standard parking stalls, (15) compact parking stalls, (2) electric/car sharing parking stalls, and (2) accessible parking stalls.
Contact:	Dean Rose, 612.522.4384

Commons at Penn	
Applicant:	Building Blocks
Location:	1823 Penn Ave N
TOD request:	\$150,000 loan
Proposed use of TOD funds:	Stormwater management, pedestrian scale lighting, streetscape
Name of redevelopment project area:	Penn Avenue North Redevelopment Project
Designated Transit Improvement Area:	None
County-identified transit corridor:	Penn Avenue North
Project Description:	Commons at Penn is a 45 unit, three-story affordable multi-family housing complex with 4,500 square feet of commercial space on the

	<p>first floor that will house Building Blocks services, Mind, Body and Soul, and retail tenants. The building will have underground parking for the housing residents and on-grade parking for the commercial tenants. The proposed building will have three stories facing Penn Avenue, Golden Valley Road, and Queen Avenue. The development will include one, two and three bedroom units. 75% of the units will have two and three bedrooms providing housing options for families with children.</p>
Contact:	Craig Slaughter, 818.430.2928

Corcoran Triangle	
Applicant:	Wellington Management
Location:	31xx 24 th Ave S
TOD request:	\$300,000 deferred loan
Proposed use of TOD funds:	Utility relocation, site clearance and preparation, sidewalks and pedestrian-scale lighting, pedestrian and bicycle connections to Lake Street LRT Station, and effective stormwater management.
Name of redevelopment project area:	Model City Urban Renewal Area
Designated Transit Improvement Area:	Lake Street Station
County-identified transit corridor:	Hiawatha
Project Description:	Corcoran Triangle is located in Minneapolis' Corcoran neighborhood. It consists of two, four-story new construction buildings, 103 units of workforce housing accessible to mixed incomes, six units of supportive housing for long-term homeless households living with HIV/AIDS, 161,343 total square feet, 81,496 square feet of green space, community indoor/outdoor classroom space, underground parking for 66 vehicles, advanced stormwater management infrastructure, sustainable building materials, and outdoor community and playground green space.
Contact:	Steve Wellington, 651.292.9844

Destination Brewery	
Applicant:	Surly Brewing Company
Location:	5 th & Malcolm SE
TOD request:	\$500,000 loan
Proposed use of TOD funds:	Clearing of remaining site structures and abandoned utilities and construction of public improvements
Name of redevelopment project area:	Southeast Minneapolis Industrial (SEMI) Area Redevelopment Project
Designated Transit Improvement Area:	Prospect Park Station
County-identified transit corridor:	Central Corridor
Project Description:	Surly plans to develop a large blighted industrial site into a nationally recognized destination

Contact:

brewery. The site has specifically been selected for its urban location, redevelopment potential, and connections to multiple sources of sustainable public transportation, including nearby light rail, bus routes, and bike trails.
Paul Koerber, 612.752.5753

Greenway Heights

Applicant:

Phoenix Development Company and PRG

Location:

2845 Bloomington Ave S

TOD request:

\$288,286

Proposed use of TOD funds:

Site preparation, public promenade construction, upgrade utilities, exterior lighting, and building excavation

Name of redevelopment project area:

Model City Urban Renewal Area and Lake and Bloomington Redevelopment Project

Designated Transit Improvement Area:

None

County-identified transit corridor:

Lake Street and Bloomington Ave

Project Description:

42 two, three, and four bedroom units affordable to large families at or below 50% MFI along the Midtown Greenway and near transit.

Contact:

Lauren Brueggemann, 612.386.9071

Mill City Quarter

Applicant:

Eagle Iron Partners LLC

Location:

3rd Ave S & 2nd St S

TOD request:

\$150,000

Proposed use of TOD funds:

Incorporation of a transit stop; pedestrian scale lighting; connectivity to West River Road; acquisition of parking lot for residential building

Name of redevelopment project area:

Industry Square Redevelopment Project

Designated Transit Improvement Area:

Government Center

County-identified transit corridor:

Hiawatha, Central Corridor, and many local routes

Project Description:

Eagle Iron Partners, LLC proposes MCQ: a new construction development consisting of one six-story building with 140-units of affordable senior and life cycle housing, 14,000 sq. ft. of first floor retail and 145 underground and surface parking spaces. The unit mix is comprised of 122 1-bedroom units and 18 2-bedroom apartments. This project will bring much needed affordable housing to the area. This downtown Minneapolis parcel is at the gateway to the historic riverfront milling district, offering a rich patina of public recreation and transit options, in proximity to a vibrant and ethnically diverse employment base, yet is currently occupied by surface parking. The proposed mixed-use development of this surface parking provides an innovative demonstration of multiple property owner cooperation, an amazing "woonerf" design linking the river to

the street grid, and an important senior housing and services campus unique to Downtown Minneapolis. The project will connect to multiple bus routes, Hiawatha LRT, and future 35W BRT to housing and retail. It will also connect bike and pedestrian corridors on West River Road, the Stone Arch Bridge and the Mississippi River corridor to the street grid.
John Wall, 612.767.4001

Contact:

MoZaic Phase II

Applicant:	The Ackerberg Group
Location:	1350 Lagoon Ave S
TOD request:	\$500,000
Proposed use of TOD funds:	Demolition, site clearing, utilities, public plaza expansion and enhancements, and infrastructure to support bicycle commuters to the Uptown area.
Name of redevelopment project area:	None. Adjacent to the southern boundary of the Urban Village Redevelopment Project.
Designated Transit Improvement Area:	None
County-identified transit corridor:	Hennepin and others
Project Description:	MoZaic Phase II is the second phase to the MoZaic Project in Uptown Minneapolis that adds jobs, improves walkability, enhances livability, increases the tax base, catalyzes future development, and creates spill over economic benefits to other businesses. Located immediately adjacent to the Uptown Transit Station and an access point to the Midtown Greenway, MoZaic offers easy access to the region without requiring a car to get there. MoZaic currently includes over 65,000 SF of Class A office space, 12,000 SF of restaurant space, and a public parking facility along with a large public plaza. MoZaic East will replace a surface parking lot with a new building that will include approximately 110,000 SF of Class A office space, 25,000 SF of clinic space, and 25,000 SF of movie theater or retail space. The building is designed to maximize employee access to daylight and reduce shadowing on the Midtown Greenway by stepping the building back as the building height increases. The various floor plate sizes allows for tenant flexibility, which can accommodate both large and small businesses. This also allows for businesses to grow within the building over time. The project team is in discussions with several potential larger tenants who have indicated that they have further interest in the space. The property is owned by the

Contact:	development team and there is equity committed. JoAnna Villone Hicks, 612.924.6417
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Strategic Acquisition Holding Cost Fund	
Applicant:	Twin Cities Community Land Bank
Location:	To be determined
TOD request:	\$250,000
Proposed use of TOD funds:	Pilot: Holding costs including maintenance, insurance, and utilities associated with land banking key sites along transit corridors in Hennepin County
Name of redevelopment project area:	To be determined
Designated Transit Improvement Area:	To be determined
County-identified transit corridor:	To be determined
Project Description:	The cities along the LRT lines have identified sites which may be ripe for Transit Oriented Development in the future, but the opportunity to acquire the parcels is now. The Land Bank is able to fill this void in the development continuum to acquire property quickly and hold the property while an appropriate developer is paired with the site. End developments will meet shared Hennepin County/City affordability, design, and TOD goals.
Contact:	Margo Geffen, 612.238.8214

West Broadway Curve	
Applicant:	Common Bond Communities
Location:	1926 – 2022 West Broadway
TOD request:	\$150,000
Proposed use of TOD funds:	Acquisition of City owned vacant parcels for the purpose of removing blight; installation of TOD features such as bike racks and a transit plaza.
Name of redevelopment project area:	West Broadway Redevelopment Project
Designated Transit Improvement Area:	None
County-identified transit corridor:	West Broadway
Project Description:	West Broadway Curve will redevelop blighted, vacant land in a high-density area to a higher and better use; create 54 units of affordable housing with connections to transit, jobs and schools along a County transit corridor; increase density from 0 units/acre to 31.3 units/acre; integrate a transit stop into the development with direct access from the residential building to four bus routes; add green space to activate the street and emphasize pedestrian-scale uses; install benches and pedestrian-scale lighting adjacent to the transit stop; install bike lockers, an internal bike maintenance area; provide air pumps and collaborate with a bike shop to offer on-site bicycle maintenance classes.

Contact:

Jen Oscarson, 651.290.6252

Attachments:

2013 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 nine 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 2013 TOD Program solicitation; and

WHEREAS Hennepin County has requested that the City approve the nine projects located in the City prior to consideration for funding under the 2013 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 Rose Development LLC for The Broadway Flats project at 2201 West Broadway.

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 Building Blocks for The Commons at Penn project at 1823 Penn avenue 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 Wellington Management for The Corcoran Triangle project at 31xx 24th 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 Surly Brewing Company for The Destination Brewery project at 5th and Malcolm 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 Phoenix Development Company and PRG, Inc. for The Greenway Heights project at 2845 Bloomington 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 Eagle Iron Partners LLC for The Mill City Quarter project at 3rd Avenue South and 2nd Street 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 Ackerberg Group for The MoZaic Phase II project at 1350 Lagoon 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 Twin Cities Community Land Bank for their Strategic Acquisition Holding Cost Fund.

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.