



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

Date: November 19, 2013
To: Lisa Goodman, Chair, Community Development Committee
Referral to: Betsy Hodges, Chair, Ways and Means/Budget Committee
Subject: Accept and Appropriate Redevelopment Grant Awarded by the Minnesota Department of Employment and Economic Development

Recommendation:

- 1) Accept Redevelopment Program grant awarded by the Minnesota Department of Employment and Economic Development (DEED) for the 807 Broadway project.
- 2) Amend the 2013 General Appropriation Resolution by increasing the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900320) by \$198,850.
- 3) Increase the 2013 Revenue Budget for the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900900-321504) by \$198,850.
- 4) Authorize the appropriate City staff to execute grant, subrecipient and/or disbursement and related documents and agreements for this grant.

Previous Directives:

807 Broadway (807 Broadway St. NE, 1100/1110/1112 Quincy St. NE): On August 2, 2013, the City Council authorized the submission of an application to DEED’s Redevelopment Grant Program on behalf of this project. On November 1, 2013, the City Council authorized the submission of a TBRA brownfield grant application to the Metropolitan Council on behalf of this project.

Prepared by:	Kevin Carroll, Principal Project Coordinator, 612-673-5181	
Approved by:	Charles T. Lutz, Deputy Director, CPED	_____
	Catherine A. Polasky, Director, Economic Policy & Dev.	_____
Funding Source and Appropriation Language		
Reviewed by Development Finance:		_____
Presenter in Committee:	Kevin Carroll, Principal Project Coordinator, 612-673-5181	

Financial Impact

Action requires an appropriation increase to the Capital Budget _____ or
Operating Budget

Dept Name: CPED (8900320)

Fund Name: 01600 - Other Grants – State & Local

Amount: \$198,850

Action provides increased revenue for appropriation increase

Dept Name: CPED (8900900)

Fund Name: 01600 - Other Grants – State & Local

Amount: \$198,850

Action is within the Business Plan

DEED Redevelopment grants require a commitment of local match funds, to be provided by the developer. The City of Minneapolis has sponsored the grant request in question and will act as a pass-through and conduit for its expenditure and realize a grant administration fee of \$13,920. When the rehabilitation project is complete, the complex is projected to generate new property taxes in excess of \$600,000 per year.

Community Impact

Neighborhood Notification:

807 Broadway (807 Broadway St. NE, 1100/1110/1112 Quincy St. NE): The 807 Broadway Task Force and the Logan Park Neighborhood Association have endorsed or supported this project.

City Goals: Jobs and Economic Vitality; Livable Communities, Healthy Lives; Eco-Focused.

Sustainability Targets: The project identified herein will help the City realize sustainability targets related to Brownfield Sites inasmuch as the project will require the remediation of site contamination.

Comprehensive Plan: The proposed project generally complies with the “land reclamation” and “providing a healthy environment” elements of The Minneapolis Plan for Sustainable Growth. More specifically:

The project identified herein is consistent with Policies 4.1.2 and 4.11.1 of the Minneapolis Plan for Sustainable Growth (adopted 10/2/09), which provide that Minneapolis will “seek out and implement long-term redevelopment projects that catalyze revitalization and private sector investment” and “enhance and maintain transportation, wastewater,

green space, and other physical infrastructure to serve the needs of businesses where appropriate.”

Zoning Code: The proposed project is in compliance or will comply.

Living Wage/Business Subsidy Agreement: Yes___ No X (see below)

Job Linkage: Yes___ No X (see below)
(Not applicable; the project in question is housing-related.)

Supporting Information: On August 1, 2013, the City submitted applications to DEED’s Redevelopment Grant Program for the following projects: 807 Broadway, The Cameron, Greenway Heights Family Housing, Minnesota Innovation Park, Praxis Marketplace, and Shapco Printing Redevelopment. By letter dated September 27, 2013, DEED notified the City that a grant in the amount of \$198,850 had been awarded to the 807 Broadway project. Redevelopment Program grants require a 50% local match, to be provided by the developer.

Project Details:

807 Broadway (807 Broadway St. NE, 1100/1110/1112 Quincy St. NE)

Hillcrest Development plans to redevelop approximately 170,000 square feet of space into “creative class” commercial office space. Plans include improving the brick exterior, adding plaza/green space(s) to the interior, addressing stormwater runoff impacts and improving the parking areas. The total projected development cost is about \$15,000,000.

The 807 Broadway site is zoned I1 Light Industrial, with an Industrial Living Overlay District. It is classified as an office/light industrial use, which is a permitted use in the I1 zoning. The current proposal will require site plan review. Other applications may be determined at the time of land use application submittal. In general, the project design is supportable, but there may be changes recommended by staff during the review and approval process. The development site is located at the intersection of Broadway St NE and Quincy St NE. The site is located on the Broadway St NE community corridor and within one block of the Central Avenue NE community corridor. The site is located in a transitional industrial area as identified in The Minneapolis Plan for Sustainable Growth. The future land use map in The Minneapolis Plan for Sustainable Growth designates the site as transitional industrial which supports a variety of job generating uses, including those proposed in this project. The proposed project would be an appropriate use in this area and would be in conformance with the comprehensive plan for land use.

2013R-
RESOLUTION of the CITY OF MINNEAPOLIS

Amending the 2013 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. Increasing the appropriation for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900320) by \$198,850.
2. Increasing the revenue source for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900900-321504) by \$198,850.