



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

Date: May 13, 2014
To: Councilmember Lisa Goodman, Chair, Community Development and Regulatory Services Committee
Referral to: Councilmember John Quincy, Chair, Ways and Means Committee
Subject: Metropolitan Council Transit Oriented Development [TBRA-TOD] Site Investigation Grant Applications

Recommendation:

1. Authorize application to the Metropolitan Council's Transit Oriented Development [TBRA-TOD] Grant Program for environmental site investigation work required for the following projects: 729 Washington Ave. N. Redevelopment and Target Field Station – Pad A; and
2. Approve the attached resolution authorizing appropriate City staff to submit the aforesaid applications to the Metropolitan Council's Transit Oriented Development [TBRA-TOD] Site Investigation Grant Program.

Previous Directives:

729 Washington Ave. N. Redevelopment (729 Washington Ave. N.): None.
Target Field Station – Pad A (southern corner of 5th St. N. and 6th Ave. N.): None.

Prepared by: Kevin Carroll, Principal Project Coordinator, 612-673-5181
Approved by: Charles T. Lutz, Interim Director, CPED _____
Catherine A. Polasky, Director of Economic Policy & Development _____
Presenter in Committee: Kevin Carroll, Principal Project Coordinator

Financial Impact

Action is within the business plan.
 Other financial impact: There is no direct financial impact. However, some of the grant requests have been identified as requiring a commitment of local match funds, to be provided in most cases by the developer or other non-City funding sources. The City of Minneapolis is sponsoring these grant requests, acting in some cases as a pass-through and conduit for environmental investigations and cleanup. Sponsoring these grant applications does not commit (or imply a commitment of)

City funds as the required match. Partial compensation for City staff time required to review and process grant applications, and to administer any pass-through grants that are awarded, will be obtained through application fees and grant administration fees that were approved by the City Council on April 16, 2010.

Community Impact

Neighborhood Notification:

729 Washington Ave. N. Redevelopment (729 Washington Ave. N.): The Planning and Zoning Committee of the North Loop Neighborhood Association issued a letter of support for the developer’s brownfield grant application on April 24, 2014.

Target Field Station – Pad A (southern corner of 5th St. N. and 6th Ave. N.): None.

City Goals: A hub of economic activity and innovation.

Sustainability Targets: Brownfield Sites

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

Zoning Code: The proposed projects either are in compliance or will comply.

Living Wage/Business Subsidy Agreement: Yes____ No X
 Job Linkage: Yes____ No X

Background/Supporting Information

The two projects that are being recommended for submission to the Metropolitan Council’s 2014 round of its TBRA-TOD Site Investigation Program are as follows:

Projects RECOMMENDED For Submission To The Met Council’s 2014 Round of Its Transit Oriented Development [TBRA-TOD] Site Investigation Grant Program		
Project Name	City Ranking	Grant Request
Target Field Station – Pad A	1	35,500
729 Washington Ave. N. Redevelopment	2	100,000
TOTAL:		135,000

Metropolitan Council's Transit Oriented Development [TBRA-TOD] Program (2014 Round):

The Metropolitan Council periodically makes grant funding available to support new development projects through its Transit Oriented Development (TOD) program. Funded projects should connect development with transit, intensify land uses, connect housing and employment, provide a mix of housing affordability, and provide infrastructure to connect communities and attract investment. Funds are intended to be used for projects that demonstrate innovative and new ways to achieve and implement these objectives. Cities may submit applications for projects to be undertaken directly by the City, or may sponsor applications submitted by private developers.

The TOD program will leverage the region's public investment in its transit infrastructure by focusing on proposals which are located in the following areas:

- within a DEED designated Transit Improvement Area (TIA) or an area eligible for TIA designation; or
- within a one-quarter mile radius along designated high frequency local bus lines; or
- within a one-half mile radius of a bus stop or station on designated high-frequency express routes.

The purpose of this funding is to assist participating communities in implementing transit oriented development that (a) encourages more transit ridership and (b) demonstrates how increasing density around transit stations can reduce dependence on automobile ownership, vehicular traffic, and the associated parking requirements that would otherwise be necessary to support a similar level of more traditional development.

In 2014, the Metropolitan Council will be providing up to \$8 million in TOD program funding for transit oriented development activities in identified "TOD areas." The TOD program has two separately funded sub-accounts: up to \$5 million in LCDA-TOD (pre-development and development grants similar to "regular" LCDA grants that are awarded by the Met Council once a year), and up to \$3 million in TBRA-TOD (environmental investigation and cleanup grants similar to the "regular" TBRA or Tax Base Revitalization Account grants that are awarded by the Met Council in its semi-annual May 1 and November 1 brownfield grant rounds). City staff recommendations regarding LCDA-TOD Development and Pre-Development grants, TBRA-TOD Cleanup grants, and "regular" spring round brownfield grants were considered by the City Council's Community Development and Regulatory Services Committee on April 15, 2014, and by the City Council on April 25, 2014.

This report addresses City staff recommendations regarding the TBRA-TOD "Site Investigation" grant program. This program can provide funding for Phase I and Phase II environmental site investigations, preparation of Response Action Plans [RAPs], and hazardous materials surveys (lead based paint, asbestos, etc.). This program does not provide any funding for site remediation/cleanup. The maximum

grant award per project is \$100,000. A total of \$250,000 in grant funding is available in this round.

Cities can submit a combined total of up to three applications for TBRA Site Investigation grant funding and/or LCDA Pre-Development grant funding. One City application for LCDA Pre-Development funding (East Downtown Park – Schematic Design) was approved by the City Council on April 25, 2014, which means that the City Council can now approve a maximum of two TBRA Site Investigation applications for the June 2 round of that program.

City Staff will submit TBRA-TOD Site Investigation applications to the Metropolitan Council, based upon the project ranking approved by the City Council. Final applications will be due to the Met Council on June 2, 2014. Awards are expected to be finalized by the Met Council in July or August of this year.

City Solicitation/Review/Recommendation Process:

For the June 2 TBRA-TOD Site Investigation round, details regarding the City's application process and related program requirements were posted on the City's website and distributed via email to the 650+ parties on CPED's Development Notices Distribution List. Projects that were interested in seeking Site Investigation funding were asked to prepare and submit a Grant Assessment Worksheet (a City form designed to help assess project readiness) by April 18, 2014.

Three projects submitted Grant Assessment Worksheets on April 18, 2014, one of which was later withdrawn. The remaining two projects are now being recommended for submission to the Metropolitan Council in the 2014 round of its Transit Oriented Development [TBRA-TOD] Site Investigation grant round.

Details of Recommended Metropolitan Council Transit Oriented Development [TBRA-TOD] Site Investigation Projects:

This section of the report presents the projects that City staff recommend for submission to the Metropolitan Council. The summary descriptions are based upon information provided by the developers or by others familiar with the details of the projects in question.

The Met Council's TBRA-TOD program (unlike the "regular" multi-grantor spring brownfield grant program) requires that the City rank any applications that it submits. The ranking (Target Field Station – Pad A, #1; 729 Washington Ave. N. Redevelopment, #2) that appears on page 2 of this report and in the attached Met Council TBRA-TOD Site Investigation resolution is based on factors that include the projected market value increase for each property, the number of new and retained jobs related to each project, and the degree to which each project matches the goals and objectives of the TOD grant program.

#1 Ranked Project:

Target Field Station – Pad A (southern corner of 5th St. N. and 6th Ave. N.)

Projected Metropolitan Council TBRA-TOD Site Investigation Request: \$35,500

United Properties Investment LLC intends to construct new mixed-use, 200,000 square foot building that will include 46,000 square feet of commercial office space and 6,500 square feet of retail, with the remainder of the square footage devoted to a 161-room hotel and structured parking to support all of the aforementioned uses. Grant funding, if awarded, would be used for Phase I and Phase II environmental site investigations and for the preparation of a Response Action Plan.

#2 Ranked Project:

729 Washington Ave. N. Redevelopment (729 Washington Ave. N.)

Projected Metropolitan Council TBRA-TOD Site Investigation Request: \$100,000

Greco, LLC intends to use an existing surface parking lot (from which all prior buildings were removed before 1923) as the site of a new mixed-use project that will include 50-60 market rate apartments and 7,000 to 10,000 square feet of retail space, along with an adjacent parking structure to support the residential units and the retail businesses. Grant funding, if awarded, would be used to complete and update previously conducted partial environmental site investigations and to prepare a Response Action Plan.

Authorizing application to the Metropolitan Council for Transit Oriented Development [TBRA-TOD] Site Investigation funding for various projects

Whereas, the City of Minneapolis ("City") is a participant in the Metropolitan Livable Communities Act ("LCA") Local Housing Incentives Program for 2014 as determined by the Metropolitan Council, and is therefore eligible to apply for LCA Livable Communities Demonstration Account and Tax Base Revitalization Account Transit Oriented Development (collectively, "TOD") funds; and

Whereas, the City has identified proposed projects within the City that meet TOD purposes and criteria and are consistent with and promote the purposes of the Metropolitan Livable Communities Act and the policies of the Metropolitan Council's adopted metropolitan development guide; and

Whereas, the City has the institutional, managerial and financial capability to adequately manage an LCA TOD grant; and

Whereas, the City certifies that it will comply with all applicable laws and regulations as stated in the grant agreement; and

Whereas, the City acknowledges Livable Communities TOD grants are intended to fund projects or project components that can serve as models, examples or prototypes for TOD development or redevelopment elsewhere in the region, and therefore represents that the proposed projects or key components of the proposed projects can be replicated in other metropolitan-area communities; and

Whereas, only a limited amount of grant funding is available through the Metropolitan Council's Livable Communities TOD initiative during each funding cycle and the Metropolitan Council has determined it is appropriate to allocate those scarce grant funds only to eligible projects that would not occur without the availability of TOD grant funding; and

Whereas, cities may submit grant applications for up to three TBRA-TOD projects during each funding cycle, but, using the City's own internal ranking processes, must rank their projects by priority so the Metropolitan Council may consider those priority rankings as it reviews applications and makes grant awards;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the City finds that it is in the best interests of the City's development goals and priorities for the proposed projects to occur at the sites indicated in the grant applications at this particular time.

Be It Further Resolved that the City finds that the TOD project components for which Livable Communities TOD funding is sought (a) will not occur solely through private or other public investment within the reasonably foreseeable future; and (b) will occur within the term of the grant award (two years for Pre-Development and Site Investigation grants, and three years for Development grants) only if Livable Communities TOD funding is made available for these projects at this time.

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	TBRA-TOD Project Name	Grant Request
1	Target Field Station – Pad A	\$35,500
2	729 Washington Ave. N. Redevelopment	\$100,000

Be It Further Resolved that the City authorizes its Department of Community Planning and Economic Development to submit on behalf of the City applications for Metropolitan Council Livable Communities TBRA-TOD Site Investigation grant funds for the TOD project components identified in the applications and upon acceptance of any awards by the City Council its Finance Officer or designee to execute such agreements as may be necessary to implement the projects on behalf of the City.