



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

**Date:** April 21, 2015

**To:** Council Member Lisa Goodman, Chair, Community Development and Regulatory Services Committee

**Subject:** 2015 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 recommended County funded projects, as identified below.

Prepared by:	David Frank, Director of Transit Development
Approved by:	Charles T. Lutz, Deputy Director, CPED _____ D. Craig Taylor, Director, CPED _____
Presenter in Committee:	David Frank, Director of Transit Development

### Previous Directives

The City Council considers submission of TOD program applications to Hennepin County on an annual basis, and occasionally for additional funding rounds.

### 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 2015 solicitation for the Hennepin County Transit-Oriented Development (TOD) Program were submitted in February 2015. Eligible applicants for this funding program include cities, public development authorities, and private and non-profit development entities. This is the thirteenth 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. Approval of this resolution also authorizes the City Finance Officer or 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, three of the proposed projects (700 Central, submitted by Nolan Properties Group and Bader Development; 4041 Hiawatha, submitted by Dominion Acquisition LLC; and North Loop Washington Avenue Redevelopment, submitted by Greco, LLC and United Properties) are 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 cooperative agreements and expenditure of TOD funds, if these projects are 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 \$2.2 million available in the 2015 TOD program solicitation. The County may offer either grants or loans with negotiated rates and terms.

The TOD Program is highly competitive. This round Hennepin County has received 19 applications for funding, requesting a total of \$8.3 million. 11 of these applications are for projects located within the City of Minneapolis, requesting a total of \$4.7 million.

Projects which are funded in this 2015 round 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 2017.

**Application Review Process**

The CPED Sector teams, along with the assigned CPED project coordinator, reviewed each submitted application and provided comments on overall project readiness and compatibility with the County program. The recommended project ranking can be found below.

**Recommended applications for 2015 Hennepin County TOD program for projects located in the City of Minneapolis**

	Rank	Project	Applicant	Ward	TOD Request
	1	807 Broadway	807 Broadway Revival, LLC	1	\$249,720
	2	Washington – Chicago Redevelopment	Sherman Associates, Inc.	3	\$250,000
	3	Hawthorne EcoVillage	Project for Pride in Living, Inc.	5	\$150,000
	4	Eastside Food Co-operative Expansion	Eastside Food Co-op	1	\$150,000
	5	Praxis Marketplace	Praxis Marketplace, LLC	5	\$1,000,000
	6	700 Central	Nolan Properties Group and Bader Development	3	\$900,000
	7	2200 Snelling	2200 Snelling, LLC	6	\$700,000
	8	4041 Hiawatha	Dominium Acquisition, LLC	12	\$400,000
	9	Anishinabe Bii Gii Wiin	American Indian Community Development Corporation and Project for Pride in Living, Inc.	6	\$150,000
recommended	10	Flats on 46 <sup>th</sup>	Quest Development	12	\$250,000
not recommended (see notes)		North Loop Washington Avenue Redevelopment	Greco, LLC	3	\$495,000
		<b>Total Requests</b>			<b>\$4,694,720</b>

**Project Descriptions**

Most 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 but one of the projects.

**700 Central.**

Applicant: Nolan Properties Group and Bader Development.

Location: 708 Central Ave NE; 119 7th St SE; 123 7th St SE.

TOD request: \$900,000 grant.

Proposed use of TOD funds: Significant improvements to the streetscape and removal of blighting factors which will promote the pedestrian and transit oriented experience, activate and bring life to the street in a way that will draw pedestrians and make the bus stop more inviting will include: widening and replacing sidewalks to accommodate café seating, new trees and landscape grates, landscape planters, pedestrian/sidewalk lighting, bike racks, removal of plywood, flaking paint, as well as an improved bus stop. Other improvements include public utility relocation and upgrades, demolition (curbs, streets, sidewalks), site clearing, 3rd party

communication relocation, pavement replacement, and temporary public protection (lane closures and temporary sidewalks).

Name of redevelopment project area: None.

Designated Transit Improvement Area: None.

County-identified transit corridor: Central Avenue.

Project Description: 700 Central is an urban renewal mixed-use project in Northeast Minneapolis rehabilitating two vacant, deteriorated and functionally obsolete structures into approximately 80 residential units with ground floor commercial space. An important project objective is to reposition the blighted and dilapidated buildings to a high design development that will serve as a catalyst to this area in the Northeast Minneapolis neighborhood. We are creating a transit oriented, pedestrian friendly place, at a level that will enrich the surrounding area while promoting the long term objectives of the district.

Contact: Katelyn Murray 925.767.2502.

### **807 Broadway.**

Applicant: 807 Broadway Revival, LLC.

Location: 807 Broadway Ave NE.

TOD request: \$249,720 grant.

Proposed use of TOD funds: Bike racks, sidewalks, landscaping, plaza area, shelters, lockers, showers, transit kiosk, bike repair stations, general pedestrian connection enhancements.

Name of redevelopment project area: Central Avenue Redevelopment Project.

Designated Transit Improvement Area: None.

County-identified transit corridor: Broadway Avenue NE.

Project Description: Incorporate intentional TOD and Active Living design elements at the future Highlight Center by creating a publicly accessible bike hub and supportive infrastructure on private property. The goal of the bike hub is to enhance transit usage by creating walkable and bikable access to existing transit. The redevelopment of 807 Broadway increases job density from 0 to 400+. The intentional location of the bike hub is designed to support future tenants, the broader community and the current public transit investment. The redevelopment site is overall short on City parking requirements, but the site design is compact and efficient to maximize walkability and green space connections to transit - Key TOD and Active Living design principles. The multi-tenant redevelopment provides a mix of uses providing both jobs and neighborhood conveniences. The design removes an auto-focused entrance and replaces it with a plaza and green space. It encourages walking and bicycling from Central and Broadway for access to 807 Broadway, 728 Broadway, the Quincy Avenue businesses north of Broadway and the surrounding residential areas. The location of the bike and pedestrian hub is within a block to transit stops on Broadway Avenue and on Central Avenue. Providing pedestrian friendly design will alleviate some safety concerns, a known barrier to utilization of transit.

Contact: Kristina Smitten 612.623.2462.

### **2200 Snelling.**

Applicant: 2200 Snelling, LLC.

Location: 2200 – 2218 Snelling Ave S.

TOD request: \$700,000 grant.

Proposed use of TOD funds: Acquisition, site work.

Name of redevelopment project area: Franklin LRT Station Area Redevelopment Project.

Designated Transit Improvement Area: Franklin.

County-identified transit corridor: Hiawatha Avenue / Blue Line.

Project Description: 2200 Snelling is a 119 unit transit-oriented rental housing development that is Phase III of the Seward Commons Redevelopment, a 4-acre industrial site 1 block southeast of the Franklin LRT station. Phase I and II of Seward Commons provide 100 units of housing for people earning below 50% of median. Phase III will be affordable without regard to residents'

incomes and will provide a needed balance of housing types while improving access to the station and encouraging additional investment in the station area  
Contact: Renee Spillum 612.435.0279.

**4041 Hiawatha.**

Applicant: Dominion Acquisition, LLC.

Location: 4041 Hiawatha Ave S.

TOD request: \$400,000 loan.

Proposed use of TOD funds: These funds would be used to acquire the two buildings located at 4041 Hiawatha Avenue (between 40th and 41st Streets on Hiawatha) and associated infrastructure improvements, including the replacement/repair and creation of sidewalks, construction of bicycle storage facilities, and landscaping improvements along Hiawatha and 40th/41st streets.

Name of redevelopment project area: None.

Designated Transit Improvement Area: None.

County-identified transit corridor: Hiawatha Avenue / Blue Line.

Project Description: 4041 Hiawatha is a light industrial property located just two blocks south of the 38th Street Blue Line Light Rail Station on Hiawatha Avenue. The Developer is proposing a full-scale adaptive reuse of the existing two buildings on the property, converting the space to approximately 80 affordable workforce housing units along with a full amenity package. Eighty percent of the units would be made affordable to residents making 60% of the area median income or less. The remaining twenty percent will be rent restricted at the HUD fair market rents. The project will include one and two-bedroom apartments. Both the 3-story brick building to the north of the property and the metal sided shed building to the south will be utilized as part of the redevelopment plan. The transit-oriented features of the project include a low parking ratio, sidewalk replacement/improvement, substantial landscaping along Hiawatha Avenue and bike storage, to name a few. In addition, the project meets various program selection criteria. With the addition of 80 working households to the area, the project will contribute to increased light rail ridership and increase density along a main transit thoroughfare of Minneapolis. The project will also take a 90-year old property, which is blighted and run down, and restore it to its original glory.

Contact: Nick Andersen 763.354.5638.

**Anishinabe Bii Gii Wiin.**

Applicant: American Indian Community Development Corporation and Project for Pride in Living, Inc.

Location: 1600 19<sup>th</sup> S E.

TOD request: \$150,000 grant.

Proposed use of TOD funds: Acquisition of vacant land, signage and provision of bike racks.

Name of redevelopment project area: Franklin LRT Station Area Redevelopment Project.

Designated Transit Improvement Area: Franklin.

County-identified transit corridor: Hiawatha Avenue / Blue Line.

Project Description: American Indian Community Development Corporation and Project for Pride in Living, Inc. propose to develop a 32-unit, single room occupancy, culturally specific permanent supportive housing/assisted living facility to be constructed as an addition to Anishinabe Wakiagun, a 45-unit permanent supportive housing facility currently owned by AICDC and PPL. The Wakiagun building will undergo moderate rehabilitation. The new units will provide sober housing opportunities with services for homeless and near homeless individuals affordable to households with incomes of less than 50% AMI. The expanded 77-unit development will be called Anishinabe Bii Gii Wiin.

Contact: Mike Goze 612.813.1610.

**Eastside Food Co-operative Expansion.**

Applicant: Eastside Food Co-op.

Location: 2551 Central Ave NE.

TOD request: \$150,000 grant.

Proposed use of TOD funds: Sidewalks, bike racks, demolition, site work, utilities and site improvements.

Name of redevelopment project area: Central Avenue Redevelopment Project.

Designated Transit Improvement Area: None.

County-identified transit corridor: Central Avenue.

Project Description: Eastside Food Co-op (EFC) is a member owned natural foods Cooperative. EFC intends to renovate and expand to become a 17,552sqft store and eliminate an adjacent blighted and vacant structure. The addition will extend 80' along Central - more than doubling the width of the building, solidly orienting the building to the pedestrian and transit corridor. Opened in 2003, EFC's presence transformed the safety of the corner and continues to impact the vitality of the area. This investment will retain 45 and add 55 FTEs and double gross sales within 5 years, further increasing retail activity within the City's defined Central Avenue Revitalization District.

Contact: Amy Fields 612.788.0950.

**Flats on 46th.**

Applicant: Quest Development.

Location: 4022 46th St E.

TOD request: \$250,000 grant.

Proposed use of TOD funds: site acquisition, demolition of the existing dilapidated structures on the site, and utility relocation.

Name of redevelopment project area: 46th Street LRT Station Area Redevelopment Project.

Designated Transit Improvement Area: 46th.

County-identified transit corridor: Hiawatha Avenue / Blue Line.

Project Description: Quest Development, in partnership with Minnesota Attainable Housing Corporation, will construct Flats on 46th, a 40 unit workforce housing development to be located along the Blue Line LRT and A Line Bus Rapid Transit in the Longfellow neighborhood of Minneapolis. Four units will be reserved for households experiencing long-term homelessness and 32 units will be affordable at 50 percent of AMI. Lutheran Social Service of Minnesota will provide quality supportive services to residents of the long term homeless units. With four units to be offered at market rate rents, Flats on 46th will be a mixed income community. The project is easily accessible by transit to metro area job centers, including downtown Minneapolis, downtown St. Paul, and Bloomington.

Contact: Blaine Waters 763.595.9511.

**Hawthorne EcoVillage.**

Applicant: Project for Pride in Living, Inc.

Location: 617 Lowry Ave N, 3113 6th St N, 3117 6th St N, 3110 Lyndale Ave N, and 3116 Lyndale Ave N.

TOD request: \$150,000 grant.

Proposed use of TOD funds: Site utilities, excavation and shoring related to underground parking, construction and outfitting of bike storage room, sidewalks, and curb and gutter.

Name of redevelopment project area: West Lowry Avenue Redevelopment Project.

Designated Transit Improvement Area: None.

County-identified transit corridor: Lowry.

Project Description: The Hawthorne EcoVillage Apartments will provide quality affordable homes to 75 households. The redevelopment of this currently-vacant parcel will increase density and vitality, and therefore walkability and transit use, along this stretch of Lowry Avenue North. This project will also serve as the cornerstone development of the Hawthorne EcoVillage, an

award-winning revitalization project developed by PPL and a network of committed partners which aims to improve local quality of life through neighborhood engagement and sustainable housing development.

Contact: Barbara McCormick 612.455.5100.

### **North Loop Washington Avenue Redevelopment.**

Applicant: Greco, LLC.

Location: 729 Washington Ave N, 753 Washington Ave N, 722 3rd St N, 250 1/2 7th Ave N, 425 1/2 8th Ave N, and 728 3rd St N.

TOD request: \$495,000 grant.

Proposed use of TOD funds: Public park, public sidewalks and walking path, public wayfinding signage, site utilities for pedestrian lighting, storm water management, public park benches, short and long term public bike parking, removal of surface parking lots.

Name of redevelopment project area: None.

Designated Transit Improvement Area: Target Field.

County-identified transit corridor: Hiawatha / Blue Line and Central Corridor / Green Line.

Project Description: Greco, LLC is proposing to redevelop four vacant parking lots into a mixed-use development to include a 21,000 sf public park, market rate apartments, street level retail, and a shared Smart Parking Facility. In accordance with the North Loop Small Area Plan, this development will add a public park fronting Washington Avenue and 3rd Street North with service oriented ground floor retail, a public walking path connecting Washington Avenue to 3rd Street North. Above the Washington Avenue retail the project will include 150 units of market rate apartments. The apartments will provide housing options ranging from moderately priced studio/alcoves up to large three bedroom condo style apartments.

Rationale for not recommending project: Staff has concerns about project readiness and necessary modifications to the site plan.

Contact: Josh Brandsted 612.630.2451.

### **Praxis Marketplace.**

Applicant: Praxis Marketplace, LLC.

Location: 1256 Penn Ave N.

TOD request: \$1,000,000 loan or grant.

Proposed use of TOD funds: Capital has been secured for the entire project, however it is greater amount than originally planned. This is as a result of not securing both sites - this one and the adjacent western site - which would have been used for parking. To solve for parking needs, the underground parking was added to the project, creating a significant increase in overall cost. Therefore any awarded funds would be applied toward the following: Excavation and installation of underground parking \$750,000. Elevator from underground parking into building \$100,000. Sidewalk installation for North and West sides of building \$120,000. Exterior lighting of site \$25,000. Utility connections \$50,000. Stormwater Management Facilities \$175,000. Landscaping of site \$30,000.

Name of redevelopment project area: Penn Avenue North Redevelopment Project (and) Near North Side Urban Renewal Area.

Designated Transit Improvement Area: None.

County-identified transit corridor: Penn Avenue.

Project Description: Praxis Marketplace will be a compelling new full service grocery store in an urban food desert. The 30,000SF grocery store will be built at the southeast corner of Penn and Plymouth Avenues in North Minneapolis. The store will be built on a long vacant property owned by the City of Minneapolis. This store will be an energy efficient design. It will offer a full array of quality organic and non-organic groceries, will feature prepared meals, and nutrition and wellness food options. Amenities include a community sitting area, internet access, and healthy eating/ cooking demonstrations..

Contact: Glenn Ford 612.817.4717.

**Washington – Chicago Redevelopment.**

Applicant: Sherman Associates, Inc.

Location: 724 3rd St S, 713 Washington Ave S and portions of 708 3rd St S and 233 Park Ave S.

TOD request: \$250,000 grant or loan.

Proposed use of TOD funds: These funds would be used for the demolition of the existing surface parking lot and vacant building, construction of sidewalks, landscaping, new and upgraded pedestrian lighting, bike racks, and streetscape for grocery store and active residential frontage along Washington Ave and Chicago Ave.

Name of redevelopment project area: Industry Square Redevelopment Project.

Designated Transit Improvement Area: Government Center and Downtown East.

County-identified transit corridor: Hiawatha / Blue Line and Central Corridor / Green Line.

Project Description: This project is a mixed use development that begins with the demolition of an existing surface parking lot and underutilized building, then construction of a new building including 2 levels of underground parking which will service all buildings in this block (partially for public use), 1 level of commercial space (17,000 sf - we have a signed LOI with a national grocer for 14,000 of the square feet) and dedicated parking, plus 5 levels of residential apartments (totalling 181 units) and associated amenity spaces.

Contact: Shane LaFave 612.436.9146.

**Attachments:**

2015 Hennepin County TOD Program Guide and Application Resolution

**RESOLUTION**  
**of the**  
**CITY OF MINNEAPOLIS**

**By Goodman**

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, eleven 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 2015 TOD Program solicitation; and

Whereas, the City supports ten of the projects located in the City prior to consideration for funding under the 2015 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 Nolan Properties Group and Bader Development for the 700 Central project at 708 Central Av NE, 119 7<sup>th</sup> St SE and 123 7<sup>th</sup> St 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 807 Broadway Revival, LLC for the 807 Broadway project at 807 Broadway Av NE.

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 2200 Snelling, LLC for the 2200 Snelling project at 2200-2218 Snelling Av S.

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 Dominion Acquisition, LLC for the 4041 Hiawatha project at 4041 Hiawatha Av S.

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 American Indian Community Development

Corporation and Project for Pride in Living, Inc. for the Anishinabe Bii Gii Wiin project at 1600 19<sup>th</sup> St 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 The Eastside Food Co-op for the Eastside Food Co-operative Expansion project at 2551 Central Av NE.

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 Quest Development for the Flats on 46<sup>th</sup> project at 4022 46<sup>th</sup> St E.

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 Project for Pride in Living, Inc. for the Hawthorne EcoVillage project at 617 Lowry Av N, 3113 6<sup>th</sup> St N, 3117 6<sup>th</sup> St N, 3110 Lyndale Av N and 3116 Lyndale Av N.

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 Praxis Marketplace, LLC for the Praxis Marketplace project at 1256 Penn Av N.

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 Sherman Associates, Inc. for the Washington-Chicago Redevelopment at 724 3<sup>rd</sup> St S, 713 Washington Av S and portions of 708 3<sup>rd</sup> St S and 233 Park Av S.

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.