

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

**Date:** October 14, 2008

**To:** Lisa Goodman, Chair, Community Development Committee

**Referral to:** Paul Ostrow, Chair, Ways and Means/Budget Committee

**Subject:** **Accept and Appropriate Redevelopment Grants Awarded by the Minnesota Department of Employment and Economic Development (DEED) for Broadway Plaza and Jackson Street Affordable Housing.**

**Recommendation:**

- 1) Accept Redevelopment Program Grants awarded by the Minnesota Department of Employment and Economic Development (DEED) for Broadway Plaza (\$661,876) and Jackson Street Affordable Housing (\$132,275).
- 2) a. Amend the 2008 General Appropriation Resolution by increasing the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900320) by \$661,876 (Broadway Plaza) and b. Amend the 2008 General Appropriation Resolution by increasing the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900220) by \$132,275 (Jackson Street Affordable Housing).
- 3) Increase the 2008 Revenue Budget for the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900900-321504) by \$794,151.
- 4) Authorize the appropriate City staff to execute grant, subrecipient and/or disbursement and related documents and agreements for these grants.

**Previous Directives:**

**Broadway Plaza:** April 8, 2008 – City Council authorized the submission of brownfield grant applications to DEED, Metropolitan Council and Hennepin County.

**Jackson Street Affordable Live-Work Housing:** June 19, 2007 – City Council authorized staff to analyze the project for possible TIF assistance, establish a Preliminary Planning Fund, negotiate a redevelopment contract with the Northeast Community Development Corporation [NECDC] and Flannery Construction, and prepare a redevelopment plan and TIF plan for the project.

Prepared by: Kevin Carroll, Principal Project Coordinator Paula Mazzacano, Financial Analyst	
Approved by: Charles Lutz, Deputy Director, CPED _____ Cathy Polasky, Director, Economic Policy & Development _____	

Presenter in Committee: Kevin Carroll, 612-673-5181

### **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

There is no direct financial impact at this time. However, DEED redevelopment grants require a commitment of local match funds, to be provided by the developer or other non-City funding sources. The City of Minneapolis is sponsoring these grant requests, acting as a pass-through and conduit for the grant funds in question.

### **Community Impact**

Neighborhood Notification:

**Broadway Plaza:** Letters of support for this project were issued by the Hawthorne Area Community Council on April 20, 2006 and by the West Broadway Area Coalition on March 30, 2006.

**Jackson Street Affordable Live-Work Housing:** On April 11, 2007 the Logan Park Neighborhood Association was notified of the NECDC's application for public financial assistance for the project.

**City Goals:** The projects identified herein will assist the City in achieving one or more of the following goals:

A Safe Place to Call Home (relevant strategic directions: Lifecycle Housing; "Get Fit" and Make Healthy Choices; Youth: Valued, Challenged and Engaged).

Connected Communities (relevant strategic directions: Integrated, Multimodal Transportation Choices).

A Premier Destination (relevant strategic goals: Retain and Grow Businesses; Jobs).

**Sustainability Targets:** These redevelopment projects will help the City realize sustainability targets related to Combined Sewer Overflow, Permeable Surfaces and Water Quality.

**Comprehensive Plan:** The projects identified herein are consistent with one or more of the following policies identified in The Minneapolis Plan:

2.3 Minneapolis will continue to provide high quality physical infrastructure to serve the needs of businesses.

4.1 Minneapolis will encourage reinvestment along major urban corridors as a way of promoting growth in all neighborhoods.

4.9 Minneapolis will grow by increasing its supply of housing.

4.10 Minneapolis will increase its housing that is affordable to low and moderate income households.



Redevelopment Grants require a 50% local match. State bond funds, which were awarded to the two City projects in question, can be spent only to implement projects on publicly-owned land, where the end use has a long-term public purpose.

### **Broadway Plaza**

DEED Award: \$661,876

Source of 50% Local Match: Funds to be provided by the developer or other non-DEED funding sources.

DEED redevelopment funds were awarded to help fund infrastructure improvements (roadways, sidewalks, sanitary sewer, storm sewer, lighting, etc.) on the publicly-owned portions of the project site.

The Great Neighborhoods! Development Corporation [GNDC] intends to redevelop approximately four acres of property located on the north side of West Broadway Avenue between Lyndale Avenue N. and Bryant Avenue N. The project will result in the development of 165,000 square feet of new space that will house up to 15 businesses and provide approximately 225 new jobs. The anchor tenant in the project will be the YWCA of Minneapolis, which plans to partner with the Science Museum of Minnesota. Other anticipated tenants include a restaurant, a state-of-the art community safety center, and a variety of providers of goods and services needed in the neighborhood. West Broadway Avenue is one of two commercial areas of the City identified for a concerted City intervention to revitalize the district.

### **Jackson Street Affordable Live-Work Housing**

DEED Award: \$132,275.

Source of 50% Local Match: Funds to be provided by the developer or other non-DEED funding sources.

DEED redevelopment funds were awarded to pay for a portion of the costs of installing stormwater control structures, pedestrian improvements (sidewalks, lighting, etc.) and water lines, sewer lines and other public utilities.

The Northeast Community Development Corporation [NECDC] has demolished five single-family residences and five duplexes (all vacant and dilapidated) that were located ½ block off Central Avenue, approximately 1.5 miles from downtown Minneapolis. The NECDC intends to construct a new 4-story multi-family building containing 43 owner-occupied housing units, with underground parking. Twenty-one units will be affordable at 50% of AMI, ten units will be affordable at 80% of AMI, and the remainder will be market-rate units. The average size of the units will be 1000+ square feet, with two bedrooms, one bath, and an open floor plan suitable for live-work space utilization. The floor plans have been devised using guidance from extensive artist live-work space use studies conducted by ArtSpace and others. The project also involves a 3200 sq. ft. studio space that residents will be able to use for arts production(s) and educational purposes.

**2008R-**  
**RESOLUTION of the CITY OF MINNEAPOLIS**

**Amending the 2008 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 \$661,876.
2. Increasing the appropriation for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900220) by \$132,275.
3. Increasing the revenue source for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900900-321504) by \$794,151.