

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

Date: May 15, 2007

To: Council Member Lisa Goodman, Community Development

Subject: CPED'S STATE & REGIONAL REDEVELOPMENT GRANT

APPLICATIONS and AWARDS – 2006 FUNDING ROUNDS:

REDEVELOPMENT GRANT TRENDS

Recommendation: Receive and file this report.

Prepared by: Paula Mazzacano

Approved by: Charles Lutz, Deputy Director CPED

Jack Kryst, Director Development Finance

Presenters in Committee: Paula Mazzacano

Financial Impact

x No financial impact

Community Impact

City Goals: A safe place to call home (housing, health and safety); One Minneapolis (equal access, equal opportunity, equal input); Connected communities (great spaces and places, thriving neighborhoods) Sustainability Targets: These grant funds will help the City realize its sustainability targets to create affordable housing at several income levels and remediate brownfield sites for redevelopment.

Supporting Information

<u>CPED's State & Regional Redevelopment Grant Applications and Awards – 2006 Funding Rounds</u> report lists the redevelopment grants applied for and awarded during 2006 funding rounds. Most of the grants were awarded directly to CPED; however, Hennepin County granted some funds directly to the developers who applied for the grants. All of these grant awards are reflected in this report, as all grant funds will be expended to further the redevelopment goals of the City of Minneapolis. (This report does not track grants applied for and awarded to METP and Planning, or Federal funds.)

In 2006, grant applications totaling over \$22.15 million yielded awards in excess of \$9.8 million. Of the fifty-four grant applications submitted, thirty-four were funded. Details can be found in Attachment A.

Projects awarded grant funds will help the City realize three of its six goals:

- A Safe Place to Call Home
- · One Minneapolis
- · Connected Communities

Grantors include: Minnesota Department of Employment and Economic Development (DEED) (Contamination Cleanup and Investigation Grant Programs, Bioscience Business Development Public Infrastructure); Hennepin County (Environmental Response Fund, Transit Oriented Development); Metropolitan Council (Livable Communities Demonstration Account, Local Housing Incentive Account, Tax Base Revitalization Account); Minnesota Housing Finance Agency; and the Minnesota State Historic Preservation Office (St. Anthony Falls Heritage Board).

CPED Trends – State and Regional Redevelopment Grants

Five state and regional grant programs provide the greatest amount of redevelopment grant funding for Minneapolis projects:

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Grant Program:	2003- 2006:
Metropolitan Council Tax Base Revitalization Account (TBRA)	\$6,891,826
Metropolitan Council Livable Communities Demonstration Account (LCDA)	\$6,382,932
Hennepin County Environmental Response Fund (ERF)	\$4,698,966
MN Department of Employment & Economic Development (DEED) Contamination Investigation and Cleanup	\$3,602,767
Hennepin County Transit Oriented Development (TOD)	\$3,395,000

The City has also been successful in securing funds from new and occasional grant sources, including DEED's Bioscience Business Development Public Infrastructure (\$1,000,000 in 2006), Federal Congestion Mitigation Air Quality (CMAQ) funds via Metropolitan Council (\$3,500,000 in 2005) and Mississippi Watershed Management Organization (MWMO) (\$2,000,000 in 2005).

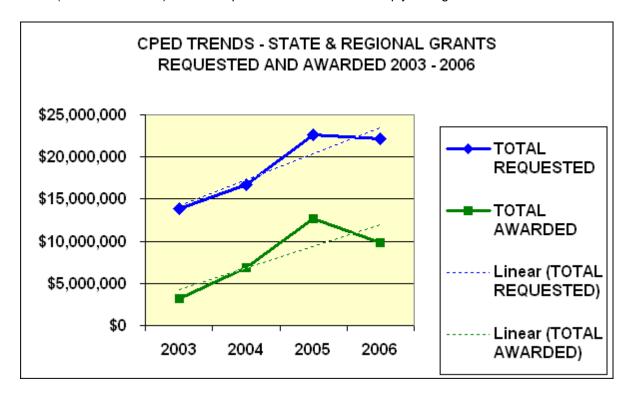
Of the four years spanning 2003 through 2006, 2005 saw the most activity for both number of grants applied for and funds awarded. Significant funds were secured from CMAQ and MWMO. While 2006 was a less successful year than 2005, the \$5.5 million awarded from CMAQ and MWMO in 2005 may be an anomaly. 2006 continues a clear trend in grant funding since 2003.

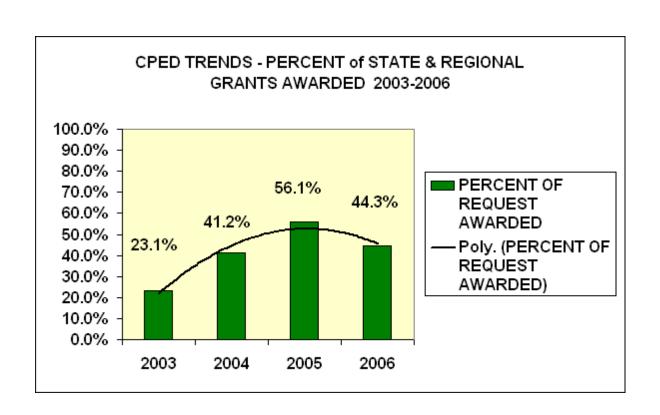
Applications & Awards:	2003	2004	2005	2006
Number of grants applied for	51	43	66	54
Number of grant requests	24	31	48	34
Percent of requested grants awarded	47.1%	72.1%	72.7%	63.0%
Dollar amount of grant funds requested	\$13,844,300	\$16,667,046	\$22,631,202	\$22,154,112
Dollar amount of grants awarded	\$3,199,190	\$6,868,120	\$12,707,418	\$9,824,463
Percent of requested grant funds awarded	23.1%	41.2%	56.1%	44.3%

In 2006, the gap between funds requested and awarded increased from about \$10 million to over \$12 million.

As is evident in the graphs below, state and regional redevelopment grants provide an increasingly important source of revenue for CPED projects.

From 2003 through 2006, the amount of grant funds both requested and received show a strong positive trend (hash-marked line). Grant requests increased more steeply than grant awards.





CPED TRENDS - STATE AND REGIONAL GRANTS REQUESTED & AWARDED 2003-2006

REQUEST BY GRANT PROGRAM	2003	2004	2005	2006
Council for Excellence in Government	\$0	\$0	\$5,000	\$0
DEED Investigation/Cleanup	\$4,442,750	\$4,617,375	\$2,515,270	\$3,034,745
DEED Bioscience Business Devel. Public Infrastructure	\$0	\$0	\$0	\$2,000,000
Federal CMAQ (via Met Council)	\$0	\$0	\$4,420,000	\$0
Hennepin County ERF	\$1,235,750	\$1,703,953	\$2,972,363	\$2,822,441
Hennepin County TOD	\$0	\$3,651,000	\$3,725,050	\$3,408,818
Legislative Commission on MN Resources	\$0	\$0	\$175,000	\$0
Met Council LCDA	\$6,510,000	\$3,000,000	\$3,555,000	\$7,774,942
Met Council LHIA	\$0	\$100,000	\$200,000	\$180,000
Met Council LCIHF	\$0	\$178,700	\$0	\$0
Met Council Predevelopment	\$190,000	\$0	\$0	\$0
Met Council TBRA	\$1,465,800	\$3,356,018	\$3,048,569	\$2,408,166
McKnight Foundation	\$0	\$60,000	\$0	\$0
MHFA Community Revitalization	\$0	\$0	\$0	\$500,000
MN SHPO	\$0	\$0	\$14,950	\$25,000
MWMO	\$0	\$0	\$2,000,000	\$0
TOTAL REQUESTED	\$13,844,300	\$16,667,046	\$22,631,202	\$22,154,112

AWARD BY GRANT PROGRAM	2003	2004	2005	2006
Council for Excellence in Government	\$0	\$0	\$5,000	\$0
DEED Investigation/Cleanup	\$1,343,957	\$1,088,138	\$338,637	\$832,035
DEED Bioscience Business Devel. Public Infrastructure	\$0	\$0	\$0	\$1,000,000
Federal CMAQ (via Met Council)	\$0	\$0	\$3,500,000	\$0
Hennepin County ERF	\$486,635	\$810,794	\$1,571,296	\$1,830,241
Hennepin County TOD	\$0	\$1,300,000	\$620,000	\$1,475,000
Legislative Commission on MN Resources	\$0	\$0	\$175,000	\$0
Met Council LCDA	\$492,545	\$1,200,000	\$2,080,000	\$2,610,387
Met Council LHIA	\$0	\$100,000	\$150,000	\$100,000
Met Council LCIHF	\$0	\$178,700	\$0	\$0
Met Council Predevelopment	\$91,000	\$0	\$0	\$0
Met Council TBRA	\$785,053	\$2,130,488	\$2,252,485	\$1,651,800
McKnight Foundation	\$0	\$60,000	\$0	\$0
MHFA Community Revitalization	\$0	\$0	\$0	\$300,000
MN SHPO	\$0	\$0	\$15,000	\$25,000
MWMO	\$0	\$0	\$2,000,000	\$0
TOTAL AWARDED	\$3,199,190	\$6,868,120	\$12,707,418	\$9,824,463