



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

Date: April 8, 2008

To: Council Member Sandy Colvin Roy, Chair, Transportation and Public Works Committee

Referral to: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: **2008 Hennepin County Transit-Oriented Development (TOD) Grant Applications for Projects located within the City of Minneapolis**

Recommendation:

1. Adopt the multi-jurisdictional program approval resolution for the submission of fourteen applications to the 2008 Hennepin County Transit-Oriented Development (TOD) Program for projects located within the City of Minneapolis, and
2. Approve the City of Minneapolis priority rankings for the 2008 TOD project proposals and direct staff to submit advisory rankings to the Hennepin County Department of Housing, Community Works and Transit.

1. **Agape Apartments;** Agape Apartments Limited Partnership
2. **Franklin Avenue LRT Project Area;** City of Minneapolis, CPED
3. **Longfellow Station;** Capital Growth Real Estate, LLC
4. **Delisi Building Transit Plaza;** The Ackerberg Group
5. **Lowry Apartments;** Lowry Apartments Limited Partnership
6. **North Branch Library Renovation / Community Technology Center;** Emerge Community Development
7. **Broadway Apartments;** Alliance Housing Incorporated
8. **West Broadway Curve;** City of Minneapolis, CPED
9. **Broadway Plaza;** Great Neighborhoods! Development Corporation
10. **Penn Avenue Apartments;** Christian Restoration Services
11. **Franklin Portland Gateway;** Aeon and Hope Community
12. **Jackson Street Artist Affordable Owner Occupied Housing;** Northeast Minneapolis Community Development Corporation and Flannery Construction
13. **Salem Housing Redevelopment;** Brighton Development
14. **Hawthorne EcoVillage Phase 1;** Project for Pride in Living Inc.

Previous Directives:

Since 2003, the Minneapolis City Council has annually adopted multi-jurisdictional program approval resolutions and approved City advisory rankings for projects located in Minneapolis that are submitted to the Hennepin County Transit Oriented Development (TOD) Program.

Prepared by: Mark Garner, Senior Project Coordinator, CPED phone: 673-5037
Approved by: Steven A. Kotke, P.E., City Engineer, Director of Public Works _____
Charles T. Lutz, Deputy Director CPED _____
Catherine A. Polasky, Dir. Economic Policy & Development _____
Presenter in Committee: Mark Garner, 673-5037

Financial Impact:

- No financial impact.

Community Impact:

- Neighborhood Notification – Not applicable
- City Goals – Connected communities, Enriched environment, Premier destination
- Sustainability Targets – Economically vibrant and higher density transit corridors create attractive urban neighborhoods for redevelopment, support efficient growth, and reduce the need for car travel to obtain necessary goods and services.
- Comprehensive Plan – Section 4.1 Minneapolis will encourage reinvestment along major urban corridors as a way of promoting growth in all neighborhoods; Section 4.9: Minneapolis will grow by increasing its supply of housing; Section 4.10: Minneapolis will increase its housing that is affordable to low and moderate income households; Section 4.11 Minneapolis will improve the availability of housing options for its residents; Section 4.15: Minneapolis will carefully identify project sites where housing development or housing revitalization are the appropriate responses to neighborhood conditions and market demand; Section 4.17: Minneapolis will promote housing development that supports a variety of housing types at designated Major Housing Sites throughout the City; Section 4.18 Minneapolis will encourage both a density and mix of land uses in Transit Station Areas that both support ridership for transit as well as benefit from its users; and Section 4.19: Minneapolis will require design standards for Transit Station Areas that are oriented to the pedestrian and bicyclist and that enforce traditional urban form.
- Zoning Code – Not applicable.

Background

The Hennepin County Board of Commissioners has extended their Transit Oriented Development (TOD) Program for five more years and included \$2 million in bonding for the program in the Hennepin County 2008 Budget. This is sixth year of the Hennepin County program.

TOD projects supported with this funding must be in redevelopment project areas, have multi-jurisdictional authorization and impacts, and enhance transit usage. Eligible projects must be located within or directly adjacent to Hennepin County Transit Corridors or where new or enhanced transit services supporting County services are taking place.

Transit Oriented Development projects reinforce both the community and the transit system, exhibit a compact and efficient use of available space and existing infrastructure, and contain a mix of uses with daily convenience and transit at the center. The pedestrian friendly physical design of transit oriented developments encourages walking, bicycling and access by people with disabilities. The spatial extent of TOD is the maximum comfortable walking distance, roughly ¼ mile for existing bus transit stops or ½ mile for rail-based transit.

Eligible projects for the multi-jurisdictional TOD program must include plans for one or more of the following: development and redevelopment of housing and commercial properties, job creation, acquisition of property, construction of community corridor connections, corridor planning, or environmental cleanup.

Preference is given to projects and activities that directly increase transit use.

Process & Project Evaluations

Applications to the Hennepin County TOD Program were due to Hennepin County on February 21, 2008. There is \$2 million available for allocation in the 2008 program solicitation. The County initially received twenty (20) applications. The application for one Minneapolis project, Spirit on Lake, submitted by Powderhorn Residents Group, Inc, was subsequently withdrawn after the applicant received notification of a successful funding award from another program. The remaining nineteen (19) projects are requesting a total of \$5,619,221. Fourteen (14) of the applications are for projects that are located within the City of Minneapolis. Funding requests by projects located in Minneapolis totaled \$4,341,000. A complete Minneapolis project list is attached to this report.

The Minneapolis projects are located in North, Northeast and South Minneapolis. Eight of the proposed projects are located in North Minneapolis, primarily along West Broadway Avenue. Two of the projects are located near Hiawatha LRT stations; two are located near Central Avenue NE; one project is located along Franklin Avenue; and one is located near Lake Street and the Midtown Greenway.

Hennepin County staff has requested that the City submit the multi-jurisdictional program approval resolutions by late-April so that County staff can proceed with their internal review and funding award process. The City also submits an advisory ranking of projects against City policies and priorities to provide that additional input for the County review process.

A multi-disciplinary, inter-departmental review team was established to review and evaluate the proposed projects that are located within Minneapolis. The review team included:

1. Don Pflaum, Public Works, Transportation Planning and Engineering
2. Mitchell Sawh, Public Works, Surface Water and Sewers
3. Tom Leighton, CPED, Community Planning
4. Paul Mogush, CPED, Community Planning
5. Jerry LePage, CPED, Multi-family Housing
6. Matt Goldstein, CPED, Multi-family Housing
7. Sharrin Miller-Bassi, CPED, Business Development
8. Erik Hansen, CPED, Business Development
9. Mark Garner, CPED, Business Development

Applications were evaluated against 10 criteria that included both County program criteria and City policy and project requirements, such as consistency with the Minneapolis Plan and adopted small area plans, the quality of transit-oriented development proposed, project readiness, and housing and economic development policies and strategies. A chart showing the final consensus team ranking of TOD applications against City priorities has been attached to this report.

In conducting this review, City staff noted that the Hennepin County TOD program attracts very strong project applications, and that the number of applications for projects located in the City of Minneapolis has been increasing the past several years. City staff anticipate that some of the applications will be only partially funded, reflecting the high quality of many applications and the limited funding available relative to need.

Several evaluation strategies were identified by staff that significantly influenced project rankings this year and were utilized to break tie scores:

- Project readiness was the key criteria for evaluating projects; including an assessment of the level of certainty of project implementation within the next two and 1/2 years, a high level of community exposure and support for the project, and the successful leverage of other public and private funding sources and programs.
- Projects that were regarded as catalytic because of scale of development, significant impact on transit ridership, infrastructure and public spaces, visibility within the community, or for their removal of blight and barriers to additional market activity were ranked highly.
- Rental housing tended to be ranked higher than ownership housing due to current market conditions.
- Projects that reflected strategic priorities identified by recent policy directives including small area plans and programmatic initiatives such as the Great Streets Program and the Housing Five Point Strategy were regarded favorably.

It is anticipated that the Hennepin County Board will recommend their preliminary Transit Oriented Development program funding awards in early May. If grant agreements are successfully negotiated for the recommended projects, the County is expected to approve the final grant contracts in late 2008. Activities funded by the program are expected to occur during 2009 or 2010.

It may be necessary for the City to adopt or modify a redevelopment plan for some of the projects if they are funded by Hennepin County. Most projects for which grant applications have been submitted are already located within existing redevelopment project areas (see the list of projects below). However, approval of the multi-jurisdictional resolution for projects located within the City implies that the City intends to pursue, if necessary, the approval or modification of a redevelopment project area to provide the legal authority for the expenditure of County funds in projects receiving TOD funds.

List of Applications for 2008 Hennepin County Transit Oriented Development program for Projects located in the City of Minneapolis (Priority Rank Order)

The following list of prioritized projects summarizes 2008 applicant information:

1. Agape Apartments

Applicant: Agape Apartments Limited Partnership
Location: 2000 West Broadway & adjacent lots
TOD \$ Request: \$100,000
Proposed Use of TOD funds: Site preparation and infrastructure
Name of Redevelopment Project Area: West Broadway Redevelopment Project
Contact: Patrick Lamb, Legacy Management (952) 831-1448

2. Franklin Avenue LRT Project Area

Applicant: City of Minneapolis, CPED
Location: R.O.W of East 22nd Street between Cedar and Minnehaha Avenue and adjacent properties
TOD \$ Request: \$425,000
Proposed Use of TOD Funds: Property acquisition for street realignment
Name of Redevelopment Project Area: Franklin LRT Station Area Redevelopment Project
Contact: Mark Garner, Minneapolis CPED (612) 673-5037

3. Longfellow Station Project

Applicant: Capital Growth Real Estate, LLC
Location: SE corner of Hiawatha Avenue and 38th Street
TOD \$ Request: \$500,000
Proposed Use of TOD Funds: Infrastructure and site improvements
Name of Redevelopment Project Area: Longfellow Station Redevelopment Project
Contact: Dale Joel, Capital Growth, RE, (651) 222-3366 ext. 15

4. Delisi's Transit Plaza

Applicant: The Ackerberg Group
Location: 2119 & 2125 West Broadway Avenue
TOD \$ Request: \$190,000
Proposed Use of TOD Funds: Site Improvements
Name of Redevelopment Project Area: West Broadway Redevelopment Project
Contact: Margo Geffen, (612) 924-6415

5. Lowry Apartments

Applicant: Lowry Apartments Limited Partnership
Location: 2500 Polk Avenue NE
TOD \$ Request: \$247,000
Proposed Use of TOD Funds: Property acquisition, demolition & site improvements
Name of Redevelopment Project Area: Central Avenue Redevelopment Project
Contact: Rob McCready, MetroPlains, (651) 523-1252

6. North Branch Library Renovation / Community Technology Center

Applicant: Emerge Community Development
Location: 1834 Emerson Avenue North
TOD \$ Request: \$300,000
Proposed Use of TOD funds: Site and property improvements
Name of Redevelopment Project Area: West Broadway Redevelopment Project
Contact: Mike Wynne, (612) 588-5611

7. Broadway Apartments

Applicant: Alliance Housing Incorporated
Location: 2601, 2619, 2623 West Broadway and 2700 Upton Ave. N.
TOD \$ Request: \$250,000
Proposed Use of TOD funds: Demolition and site improvements
Name of Redevelopment Project Area: Redevelopment project not yet established
Contact: Herb Fey, Alliance Housing, (612) 879-7633

8. West Broadway Curve

Applicant: City of Minneapolis, CPED
Location: West Broadway Avenue between James and Oliver Aves. N.
TOD \$ Request: \$500,000
Proposed Use of TOD funds: Pedestrian improvements, property acquisition, and site preparation
Name of Redevelopment Project Area: West Broadway Redevelopment Project
Contact: Tiffany Glasper, Minneapolis CPED, (612) 673-5221

9. Broadway Plaza

Applicant: Great Neighborhoods! Development Corporation
Location: 718 – 800 West Broadway Avenue
TOD \$ Request: \$1,000,000
Proposed Use of TOD funds: Site Improvements and utility infrastructure
Name of Redevelopment Project Area: West Broadway Redevelopment Project
Contact: Theresa Carr, Great Neighborhoods! Dev. Corp., (612) 870-7555

10. Penn Avenue Apartments

Applicant: Christian Restoration Services
Location: 3003 Penn Avenue North
TOD \$ Request: \$25,000
Proposed Use of TOD funds: Property improvements
Name of Redevelopment Project Area: West Lowry Avenue Redevelopment Project
Contact: Marcell Garretson (763) 566-2888; Heidi Rathmann (612) 722-0729

11. Franklin Steele Commons (Franklin Portland Gateway Phase IV)

Applicant: Aeon & Hope Community
Location: NW corner of Portland Avenue and Franklin Avenue
TOD \$ Request: \$309,000
Proposed Use of TOD funds: Demolition, site preparation and site improvements
Name of Redevelopment Project Area: Model City Urban Renewal Project
Contact: Maureen Michalski, Aeon, (612) 341-3148 ext. 236

12. Jackson Street Artist Affordable Owner Occupied Housing

Applicant: Northeast Minneapolis Community Development Corporation
(NECDC) and Flannery Construction
Location: ½ block west of Central between 18-1/2 and 19th Avenue NE
TOD \$ Request: \$195,000
Proposed Use of TOD funds: Site improvements and underground parking
Name of Redevelopment Project Area: Central Avenue Redevelopment Project
Contact: Jay Nord, (612) 849-8082

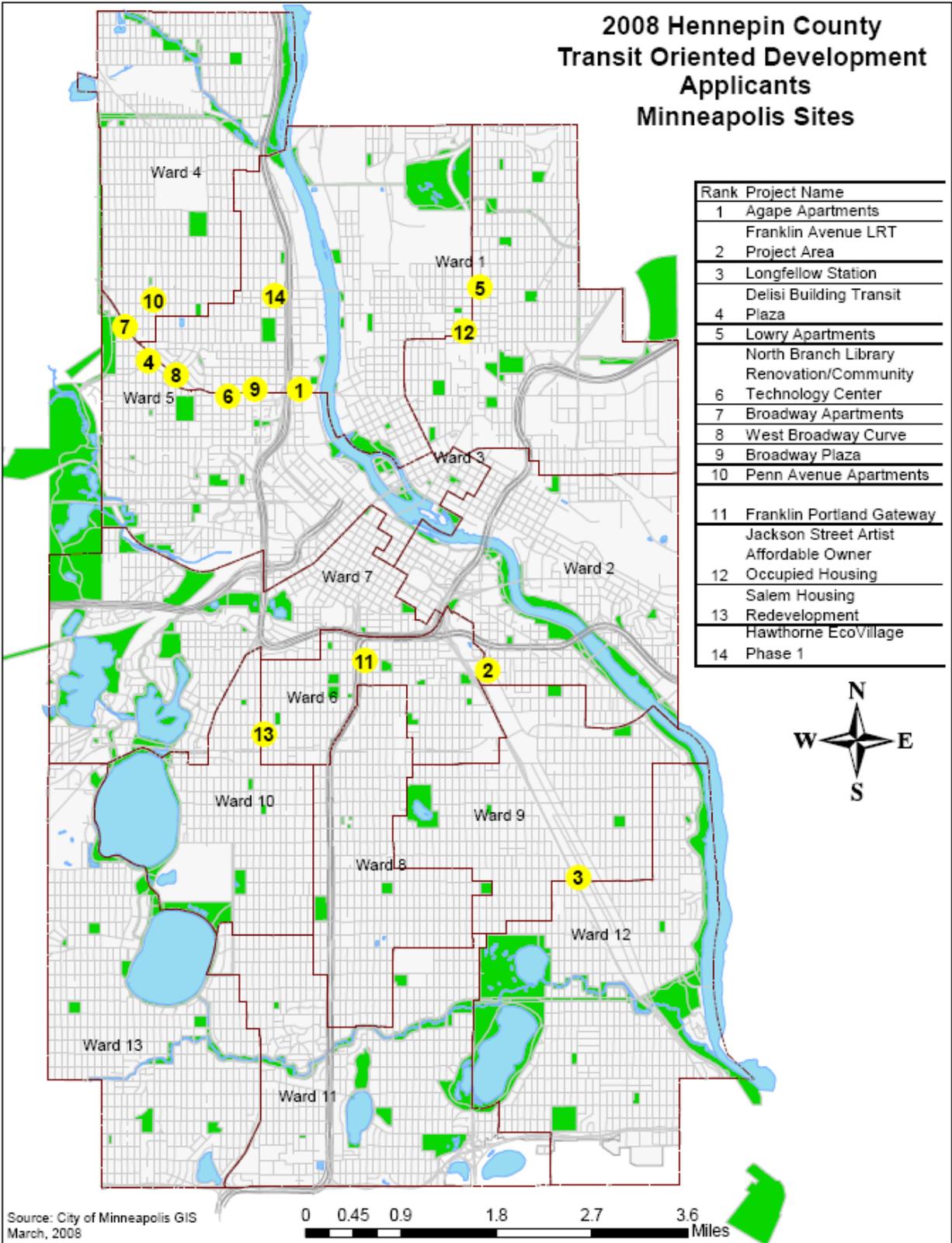
13. Salem Housing Redevelopment

Applicant: Brighton Development
Location: 610 28th Street West
TOD \$ Request: \$210,000
Proposed Use of TOD funds: Demolition and pedestrian improvements
Name of Redevelopment Project Area: Redevelopment project not yet established
Contact: Peggy Lucas, (612) 332-5664; Heidi Rathmann (612) 722-0729

14. Hawthorne EcoVillage Phase 1

Applicant: Project for Pride in Living, Inc.
Location: 429 31st Avenue North and adjacent properties.
TOD \$ Request: \$90,000
Proposed Use of TOD funds: Site improvements
Name of Redevelopment Project Area: West Lowry Avenue Redevelopment Project
Contact: Barbara McCormick, PPL, (612) 455-5206

2008 Hennepin County Transit Oriented Development Applicants Minneapolis Sites



RESOLUTION
of the
CITY OF MINNEAPOLIS

By _____

WHEREAS the Hennepin County Transit Oriented Development (TOD) Program was established as a multi-jurisdictional reinvestment program under the authority of Minnesota Statutes 383B.79, Subdivision 1.

WHEREAS fourteen applications were submitted to Hennepin County for projects located within the City of Minneapolis for consideration in the 2008 Hennepin County TOD Program solicitation.

THEREFORE, BE IT RESOLVED that the city of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 21, 2008 by Agape Apartments Limited Partnership for the Agape Apartments site.

BE IT FURTHER RESOLVED that the city of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 21, 2008 by Minneapolis Department of Community Planning and Economic Development for the Franklin Avenue LRT Project Area site.

BE IT FURTHER RESOLVED that the city of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 21, 2008 by Capital Growth Real Estate LLC for the Longfellow Station site.

BE IT FURTHER RESOLVED that the city of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 21, 2008 by The Ackerberg Group for the Delisi's Transit Plaza site.

BE IT FURTHER RESOLVED that the city of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 21, 2008 by Lowry Apartments Limited Partnership for the Lowry Apartments site.

BE IT FURTHER RESOLVED that the city of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 21, 2008 by Emerge Community Development Corporation for the North Branch Library Renovation – Community Technology Center site.

BE IT FURTHER RESOLVED that the city of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 21, 2008 by Alliance Housing, Inc. for the Broadway Apartments site.

BE IT FURTHER RESOLVED that the city of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 21, 2008 by Minneapolis Department of Community Planning and Economic Development for the West Broadway Curve site.

BE IT FURTHER RESOLVED that the city of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 21, 2008 by Great Neighborhoods! Development Corporation for the Broadway Plaza site.

BE IT FURTHER RESOLVED that the city of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 21, 2008 by Christian Restoration Services for the Penn Avenue Apartments site.

BE IT FURTHER RESOLVED that the city of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 21, 2008 by Aeon & Hope Community for the Franklin Steele Apartments site.

BE IT FURTHER RESOLVED that the city of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 21, 2008 by NE Minneapolis Community Development Corporation and Flannery Construction for the Jackson Street Artist Affordable Owner Occupied Housing site.

BE IT FURTHER RESOLVED that the city of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 21, 2008 by Brighton Development for the Salem Housing Redevelopment site.

BE IT FURTHER RESOLVED that the city of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 21, 2008 by Project for Pride in Living, Inc. for the Hawthorne EcoVillage Phase 1 site.

BE IT FURTHER RESOLVED that the Finance Officer or his designee may execute one or more cooperative agreements authorizing Hennepin County or the Hennepin County Housing and Redevelopment Authority to implement the foregoing projects in Minneapolis.