



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

Date: September 13, 2011

To: Council Member Lisa Goodman, Chair, Community Development Committee

Referral to: Council Member Betsy Hodges, Chair, Ways & Means/Budget Committee

Subject: Accept and Appropriate Environmental Investigation Grants Awarded by the Metropolitan Council's Tax Base Revitalization Account (TBRA) Grant Program

Recommendation:

1. Accept the following grants:

Metropolitan Tax Base Revitalization Account (TBRA) Grants

(The local match for these projects will come from developer's funds.)

Project	Recipient	Grant Award
Cameron Building	City of Minneapolis	\$15,200
Pillsbury A-Mill	City of Minneapolis	47,300
Total Metropolitan Council TBRA:		\$62,500

2. a) Amend the 2011 General Appropriation Resolution by increasing the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900220) by \$62,500.
3. Increase the 2011 Revenue Budget for the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900900-321513) by \$62,500.
4. Authorize the appropriate City staff to execute grant, subrecipient and/or disbursement and related agreements for these grants.

Previous Directives: On August 5, 2011, the City Council authorized staff to submit a number of applications for investigation grant funds the Metropolitan Council's Tax Base Revitalization Account (TBRA) Grant Program. Additional project-specific Council actions are as follows:

Cameron Building (756 N. 4th Street): On April 29, 2011, the City Council approved a resolution authorizing the submission of a brownfield investigation grant application to Hennepin County on behalf of this project in connection with the “regular” semi-annual brownfield grant round. (That application did not score high enough to be funded.)
Pillsbury Lofts (301 Main Street SE): None.

Prepared by: Kevin Carroll, Principal Project Coordinator
Approved by: Charles T. Lutz, Deputy Director, CPED _____
Catherine A. Polasky, Director of Economic Development _____
Funding Source and Appropriation _____
Language Reviewed by Development Finance: _____

Presenter in Committee: Kevin Carroll, Principal Project Coordinator, 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

Community Impact

Neighborhood Notification:

Cameron Building (756 4th Street; Ward 5): This project was discussed with the North Loop Neighborhood Association’s Planning and Zoning Committee on July 20, 2011 and with the NLNA’s full Board on July 27, 2011. Both groups indicated their support for the project.

Pillsbury Lofts (301 Main Street SE; Ward 3): This project has been informally discussed with members of the Marcy-Holmes Neighborhood Group on several occasions, and it is anticipated that a formal presentation will be made in the near future.

City Goals: Jobs and Economic Vitality; Livable Communities, Healthy Lives; Eco-Focused. Cleanup of contaminated land supports sustainability goals and some projects include “green” design and construction elements.

Sustainability Targets: Two Minneapolis sites were awarded funds in this grant round, which brings the total number of City projects securing brownfield grants (2004-2011) to 125. The City’s goal of remediating 100 brownfield sites by 2014 has been achieved and exceeded.

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 prior to the expenditure of funds.

Other: Environmental remediation assistance is generally exempt from the City's Living Wage Ordinance and the State's Business Subsidy Act. However, any business that occupies a remediated site may be asked to sign a Job Linkage Agreement that includes five year hiring goals (with an emphasis on living wage jobs for Minneapolis residents) and seeks to connect the business with a neighborhood workforce organization.

Living Wage/Business Subsidy Agreement: Yes _____ No
Job Linkage: Yes _____ No

Supporting Information

On August 5, 2011 the City of Minneapolis/CPED submitted or supported grant applications to the Metropolitan Council's Tax Base Revitalization Account (TBRA) Investigation Grant Program for two projects, including those identified herein.

Total grant funds in the amount of \$62,500 were awarded to projects located in the City of Minneapolis during the August 1 round of the TBRA investigation grant round. The amount awarded in the round in question is 95.8% of the total amount requested for projects located in the City.

Metropolitan Council Livable Communities Tax Base Revitalization Account (TBRA) Grant Program – of the \$92,500 awarded metro-wide, Minneapolis projects received \$62,500 or 67.6% of the grant funds awarded.

Geographic Distribution of Grant Awards

The Metropolitan Council awarded a total of three brownfield investigation grants during the August 1 grant round. Projects receiving grants were located in the following jurisdictions:

JURISDICTION	NUMBER OF GRANTS RECEIVED
Minneapolis	2
Hopkins	1

CITY OF MINNEAPOLIS AS GRANT RECIPIENT:

The City sponsored and submitted grant applications on behalf of these two projects, and in each case the related grant agreement will be between the grantor and the City. The City will enter into subrecipient agreements with the developers or related entities to enable them to obtain reimbursement for any eligible investigation costs incurred.

Cameron Building (756 N. 4th Street)
Amount Awarded: \$15,200

This project involves the proposed redevelopment of an existing 1910 building on a 0.60-acre site. A conversion of the building to 46 market-rate apartments is envisioned by the developer, Schafer Richardson. The proposed use is consistent with the adopted *North Loop Small Area Plan* and is in line with the rezoning study recommendations as approved by the City Planning Commission on June 16, 2011. The zoning changes are now final in and will result in this property better accommodating the proposed residential project (the prior I2 zoning was not in line with the vision currently outlined in the small area plan). Investigation grant funds will be used to conduct a hazardous materials survey to help clarify and quantify the extent of the current contamination (anticipated to include asbestos and lead-based paint) and thereby position the property for a possible future cleanup grant application.

Pillsbury Lofts (301 Main Street SE)

Amount Awarded: \$47,300

The developer (Minneapolis Leased Housing Associated IV, an affiliate of Dominion Development and Acquisition LLC) intends to construct 240 live/work affordable rental apartments in several existing buildings (A-Mill, South Mill Complex, and Warehouse No. 2) located on approximately 4.8 acres within the historic Pillsbury Mill site in downtown Minneapolis. Two nearby historic buildings will not be redeveloped into housing; the Machine Shop is expected to be converted into a combination of office, restaurant and/or retail uses. The Grain Elevators are expected to remain, due to their historical significance, but a use is not proposed.

This 4.8-acre portion of the Pillsbury Mill site is expected to be purchased from the bank that obtained possession of it from a former developer in the wake of foreclosure on the parcels in question. The former developer's project was originally approved as a PUD. The PUD expired on August 14, 2011, so the developer will have to seek and obtain all new approvals (except that the zoning district will remain C3A). Planning staff members have discussed these issues with the developer. Generally speaking, high density housing of the kind proposed is in line with the adopted plan for the area. The awarded investigation grant funds will be used to update a prior Phase I investigation, conduct a hazardous materials study and a Phase II assessment, and prepare a Response Action Plan [RAP] regarding future remediation activities.

Amending the 2011 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 (01600-8900220) by \$62,500.
3. Increasing the revenue source for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900900-321513) by \$62,500.