



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

Date: July 27, 2004

To: Council Member Lisa Goodman, Community Development Cmte
Council Member Barbara Johnson, Ways and Means/Budget Cmte

Prepared by: Richard Victor, 612-673-5026
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**Presenter in
Committee:** Richard Victor, Senior Project Coordinator
Andrea Hinrichs, Intern

Approved by: Chuck Lutz, Deputy CPED Director _____

Subject: Approval to authorize execution of all contracts between the City and Hennepin County/HCHRA for Transit Oriented Development funds.

RECOMMENDATION: Adopt the attached resolution: (1) approving staff execution of contract documents for Transit Oriented Development Grants from the Hennepin County Housing and Redevelopment Authority (HCHRA) for the following City of Minneapolis projects: St. Anthony Mills Apartments and Cedar Riverside LRT Station Improvement Project; and (2) authorizing Hennepin County through the HCHRA to act within the City and provide Transit Oriented Development Grant Funds to the following privately developed projects: Agape Housing Development, Hi-Lake Shopping Center, Lindquist Apartments, Midtown Exchange, Franklin-Portland Gateway, Karamu West, Nicollet Commons Condominiums, and Lowell School Site.

Amend the 2004 General Appropriation Resolution by increasing the Community Planning & Economic Development agency Fund SMN – Grants (SMNHC0-890) by \$330,000, to be allocated as follows: St. Anthony Mills Apartments (\$200,000) and Cedar Riverside LRT Station (\$130,000).

Amend the 2004 Revenue Budget for the Community Planning & Economic Development agency Fund SMN – Grants (SMN0-890-8490) by \$330,000.

Previous Directives: On April 30th, 2004, City Council recommended the proper City officers be authorized to forward to Hennepin County a priority ranking of Transit Oriented Development grant requests.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: 2, 3, 4, 5, 6, 8, 9, & 10

Neighborhood Notification: Notification sent to affected neighborhood organizations on July 14, 2004.

City Goals: Consistent with Goal #1 – Build communities where all people feel safe and trust the City’s public safety professionals and systems; Goal #5 – Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth; and Goal # 3 – Deliver consistently high quality City services at a good value to our taxpayers.

Comprehensive Plan: N/A

Zoning Code: N/A

Living Wage/Job Linkage: N/A

Background/Supporting Information

Hennepin County has awarded Transit Oriented Development (TOD) Grant Funds to 10 projects in Minneapolis totaling \$1,300,000 out of a possible \$2,000,000. The criteria and guidelines for the use of TOD Grant Funds include the following:

- Reinforce both the community and the transit system
- Exhibit a compact and efficient use of available space, rather than auto-oriented sprawl
- Contain a diversity and mix of uses with daily conveniences and transit at the center
- Support a pedestrian-friendly, physical design that encourages walking, bicycling and access for people with physical disabilities
- Provide maximum comfortable walking distance to transit (roughly one-fourth mile for existing transit stops or one-half mile for rail-based)

TOD Grant Funds may be used to support both redevelopment and new construction, with an emphasis on land acquisition and infrastructure improvements.

The following list provides the name of each project and a short description of the proposed use of the TOD Grant Funds:

- Agape Housing Development (applicant: Agape Development Partners, LLC) TOD Grant Fund recommendation: \$100,000
TOD Grant Funds will be used for property acquisition and site preparation. This project involves the acquisition and demolition of two substandard housing units combined with three MCDA-owned vacant lots. Agape is proposing to build a three story mixed-income supportive housing facility comprised of six 2-bedroom and twelve 3-bedroom units for women with children escaping abusive relationships. This location is accessible to bus service on both Emerson and Lowry Avenues and the proposed County Road 81 NW Corridor Bus Rapid Transit line.
- Cedar Riverside LRT Station Improvement Project (applicant: City of Minneapolis) TOD Grant Fund recommendation: \$130,000
TOD Grant Funds will be used for the installation of pedestrian security lighting in the public right-of-way adjacent to the Cedar Riverside LRT station.
- Hi-Lake Shopping Center (applicant: Wellington Management) TOD Grants Fund recommendation: \$50,000
This project will involve installation of pedestrian lighting walkways and site improvements on private lands linking the Lake Street LRT station to shopping areas and Lake Street. This project is also adjacent to bus service on Lake Street.
- Lindquist Apartments (applicant: RS Eden) TOD Grant Fund recommendation: \$50,000
TOD Grant Funds will be used for new building construction to increase residential and office density along West Broadway bus routes. RS Eden will move office functions from St. Paul into this North Minneapolis site.
- Midtown Exchange (applicant: Sherman Associates) TOD Grant Fund recommendation: \$300,000
TOD Grant Funds will be used to increase pedestrian security and increase access to bus service on Lake Street and Chicago Avenue with additional access to the LRT and 29th Street Midtown Greenway. The former Sears building will be converted into 221 affordable and market rate rental apartments and 82 ownership loft condominiums.
- Franklin-Portland Gateway (applicant: Hope Community and Central Community Housing Trust) TOD Grant Fund recommendation: \$200,000
This project will involve acquisition and demolition of substandard buildings and site improvements to construct the Wellstone, which will have 54 mixed income rental units, 13 moderately priced homeownership units, and 10,000 square feet of commercial space. This project is adjacent to bus service and has links to the Franklin Avenue LRT station.
- Karamu West (applicant: Northside Residents Redevelopment Council) TOD Grant Fund recommendation: \$120,000
Karamu West is a mixed use, 52-unit owner-occupied condominium housing development with a commercial component that will integrate a bus transit stop at Plymouth and Penn Avenue North into the design with improved pedestrian lighting and security.

- Nicollet Commons Condominiums (applicant: Lyndale Neighborhood Development Corporation) TOD Grant Fund recommendation: \$50,000
TOD Grant Funds will be used for site improvements designed to increase transit usage to the nearby Nicollet Avenue, Lake Street, and the Midtown Greenway. The Nicollet Commons Condominiums will have 42 owner-occupied units targeted to first time home buyers with most priced for families earning less than 80% of Area Median Income (AMI) and 25% of the units available to families earning between 50-70% of AMI.
- St. Anthony Mills Apartments (applicant: City of Minneapolis) TOD Grant Fund recommended: \$200,000
St. Anthony Mills Apartments will be served by bus on Washington Avenue and is near the Metrodome LRT Station. This project will include 84 affordable apartment units at 30%, 50%, and 60% AMI and 14 market rate apartment units. TOD Grant Funds will be used for security, lighting, and site improvements.
- Lowell School Site (applicant: Project for Pride In Living, Inc.) TOD Grant Fund recommendation: \$100,000
This project will construct 14 owner-occupied, single-family homes with two car garages, sold at market rate and aimed at modest income purchasers. TOD Grant Funds will be used for infrastructure improvements.

Both State Statutes and TOD guidelines require the governing body of the municipality in which the project is located, adopt a resolution authorizing the HCHRA to participate in the project. (See Minnesota Statutes, Section 383B.77 Subd. 3 and Minnesota Statutes, Section 469.005, Subd. 1).

The Hennepin County TOD Grants Funds are an essential element to assist development in Minneapolis. These grants are an example of a close intergovernmental cooperation between the City and Hennepin County working to make successful projects in Minneapolis.

Requesting that the Hennepin County Housing and Redevelopment Authority provide financial assistance to St. Anthony Mills Apartments, Cedar Riverside LRT Station Improvement Project, Agape Development Site, Hi-Lake Shopping Center, Lindquist Apartments, Midtown Exchange, Franklin-Portland Gateway, Karamu West, Nicollet Commons Condominiums, and Lowell School Site, under the Minnesota Housing and Redevelopment Authorities Act.

Whereas, representatives of the Hennepin County Housing and Redevelopment Authority (the "County HRA") have advised the City of Minneapolis, Department of Community Planning and Economic Development ("CPED") that the County HRA proposes to provide financial assistance from Hennepin County's 2004 Capital Bond Allocation for Transit-Oriented Development Projects in Hennepin County in an amount up to \$200,000, to the City of Minneapolis for security, lighting and site improvements at Brighton Development Corporation's St. Anthony Mills Apartment Complex on the corner of Chicago Avenue and Second Street South, Minneapolis, Minnesota (the "St. Anthony Mills Project"); and

Whereas, representatives of the County HRA have advised the City of Minneapolis CPED that the County HRA proposes to provide financial assistance from Hennepin County's 2004 Capital Bond Allocation for Transit-Oriented Development Projects in Hennepin County in an amount up to \$130,000, to the City of Minneapolis for pedestrian security lighting in the public right-of-way adjacent to the Cedar Riverside LRT Station, Minneapolis, Minnesota (the "CR LRT Project"); and

Whereas, representatives of the County HRA have advised the City of Minneapolis CPED that the County HRA proposes to provide financial assistance from Hennepin County's 2004 Capital Bond Allocation for Transit-Oriented Development Projects in Hennepin County in an amount up to \$100,000, to Agape Development Partners, LLC (the "Agape") for property acquisition and site preparation of a housing project located at 3012/3014 Emerson Avenue North, Minneapolis, Minnesota (the "Agape Project"); and

Whereas, representatives of the County HRA have advised the City of Minneapolis CPED that the County HRA proposes to provide financial assistance from Hennepin County's 2004 Capital Bond Allocation for Transit-Oriented Development Projects in Hennepin County in an amount up to \$50,000, to Wellington Management (the "Wellington") for pedestrian lighting, walkways, and site improvements on land connecting the Lake Street LRT to the Hi-Lake Shopping Center at 2106/2218 East Lake Street, Minneapolis, Minnesota (the "Hi-Lake Project"); and

Whereas, representatives of the County HRA have advised the City of Minneapolis CPED that the County HRA proposes to provide financial assistance from Hennepin County's 2004 Capital Bond Allocation for Transit-Oriented Development

Projects in Hennepin County in an amount up to \$50,000, to RS Eden (the “RS Eden”) for new building construction at Lindquist Apartments at 1927/1935 West Broadway, Minneapolis, Minnesota (the “Lindquist Project”); and

Whereas, representatives of the County HRA have advised the City of Minneapolis CPED that the County HRA proposes to provide financial assistance from Hennepin County’s 2004 Capital Bond Allocation for Transit-Oriented Development Projects in Hennepin County in an amount up to \$300,000, to Sherman Associates (the “Sherman”) at the Midtown Exchange for pedestrian security at 2929 Chicago Avenue South, Minneapolis, Minnesota (the “Midtown Project”); and

Whereas, representatives of the County HRA have advised the City of Minneapolis CPED that the County HRA proposes to provide financial assistance from Hennepin County’s 2004 Capital Bond Allocation for Transit-Oriented Development Projects in Hennepin County in an amount up to \$200,000, to Hope Community and Central Community Housing Trust (the “HC/CCHT”) for acquisition and demolition of substandard buildings at the corner of Franklin and Portland Avenue, Minneapolis, Minnesota (the “Gateway Project”); and

Whereas, representatives of the County HRA have advised the City of Minneapolis CPED that the County HRA proposes to provide financial assistance from Hennepin County’s 2004 Capital Bond Allocation for Transit-Oriented Development Projects in Hennepin County in an amount up to \$120,000, to Northside Residents Redevelopment Council (the “NRRC”) for improved pedestrian lighting and security at Karamu West at 2201-2215 Plymouth and 1245 Penn Avenue North, Minneapolis, Minnesota (the “Karamu West Project”); and

Whereas, representatives of the County HRA have advised the City of Minneapolis CPED that the County HRA proposes to provide financial assistance from Hennepin County’s 2004 Capital Bond Allocation for Transit-Oriented Development Projects in Hennepin County in an amount up to \$50,000, to Lyndale Neighborhood Development Corporation (the “LNDC”) for site improvements at the Nicollet Commons Condominiums at 3310/3314 Nicollet Avenue, Minneapolis, Minnesota (the “Nicollet Commons Project”); and

Whereas, representatives of the County HRA have advised the City of Minneapolis CPED that the County HRA proposes to provide financial assistance from Hennepin County’s 2004 Capital Bond Allocation for Transit-Oriented Development Projects in Hennepin County in an amount up to \$100,000, to Project for Pride In Living, Inc. (the “PPL”) to construct 14 owner-occupied, single-family homes on the Lowell School Site (Phase 2) at 1900 Willow Avenue North, Minneapolis, Minnesota (the “Lowell School Site Project”); and

Whereas, the City of Minneapolis, Agape, Wellington, RS Eden, Sherman, HC/CCHT, NRCC, LNDC and PPL are collectively referred to as the “City and the Borrowers;” and

Whereas, the St. Anthony Mills Project, CR LRT Project, the Agape Project, the Hi-Lake Project, the Lindquist Project, the Midtown Project, the Gateway Project, the

Karamu West Project, the Nicollet Commons Project and the Lowell School Site Project are collectively referred to as the "Projects;" and

Whereas, pursuant to Minnesota Statutes, Section 383B.77, Subd 2, the County HRA cannot exercise its powers within the boundaries of the City of Minneapolis (the "City") unless CPED requests the County HRA to exercise specific powers within the City; and

Whereas, pursuant to Minnesota Statutes, Section 469.005 the City Council must declare there is a need for the County HRA to exercise its powers within the City, specifically through the provision of financial assistance to the City and the Borrowers for the Projects; and

Now, Therefore, Be It Resolved:

That, as required by Minnesota Statutes, Section 383B.77, subd. 2, and pursuant to Minnesota Statutes, section 469.005, the City Council hereby declares there is a need for the County HRA to exercise certain powers within the City and hereby approves the County HRA exercising its powers in the City for the limited purpose of providing financial support to the City and the Borrowers, which have requested, or may hereafter request, financial assistance in the combined amount up to \$1,300,000 from the County HRA for the Projects.

Be It Further Resolved that nothing in this resolution shall create a pecuniary obligation of the City Council to assist the City and the Borrowers nor shall the City be in any way responsible for any financing obligation or agreement of the County HRA with respect to its provision of financial assistance to the Projects.

Be It Further Resolved that the request made hereunder extends only to the powers of the County HRA with respect to the financial assistance the County HRA proposes to provide to the City and the Borrowers for the Projects and the City shall retain all other powers and jurisdiction over matters relating to the City and the Borrowers and the Projects.

Be It Further Resolved that nothing in this resolution is intended to endorse the merits of the Projects to be undertaken by the City and the Borrowers in the City, and neither the City Council nor CPED make any representation as to whether the City and the Borrowers have the ability to repay any financing obligations incurred under the Projects.

Be It Further Resolved that the City Council accepts the financial assistance proposed to be provided by the County HRA with respect to the St. Anthony Mills Project and the CR LRT Project (together, the "City Projects.")

Be It Further Resolved that appropriate staff of the City are to execute and deliver to the County HRA the contract documents relating the City Projects.

