

Community Planning & Economic Development

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March 16, 2006

MEMO TO: Chuck Lutz, Deputy Director

FROM:  Jack Kryst, Chair, Development Finance Committee

SUBJECT: Development Finance Committee Recommendation
Regarding the Award of Metropolitan Council CMAQ
Funding to Currie Park Lofts and Station Place, Franklin LRT
Station Area, 46th Street Town Square, and Longfellow Station

On March 16, 2006, the Development Finance Committee considered a staff report regarding the terms and conditions under which \$3,500,000 in Metropolitan Council Congestion Mitigation Air Quality (CMAQ) funds are to be awarded for land assembly for four projects in the vicinity of Hiawatha Corridor Light Rail Transit stations.

The Committee concurs with the staff recommendation regarding the terms and conditions, and further recommends:

- that the agreements with the developers identify clearly that the City may or may not at its sole discretion participate financially beyond the CMAQ funding, and that the developer shall have no recourse no matter what the City's decides;
- that the City should establish the strongest collateralized position possible;
- that the Letter of Credit should be at least equal to the amount of the loan, plus interest and City costs;
- that the agreements with developers should put clear and practical performance timing benchmarks in place to ensure that the project moves forward realistically; and
- that the agreements with developers include other criteria that will put the City in as much control as possible, including the City's option to either foreclose or call the Letter of Credit, and establish a claim or position on other properties that may be included in the project.

cc: Kevin Dockry
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Lee Sheehy