



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

Date: December 12, 2006
To: Council Member Lisa Goodman, Community Development Cmt
Referral to: Council Member Paul Ostrow, Ways & Means Committee

Subject: Metropolitan Council LRT Land Assembly (CMAQ) grant funding reallocation request

Recommendation: Authorize a request to the Metropolitan Council to reallocate \$750,000 in federal CMAQ funds awarded to fund land acquisition for an extension of Snelling Avenue at the 46th Street LRT station area consistent with the terms of this report

Previous Directives:

1) On December 23, 2005 the City Council authorized the submission of four (4) applications to the Metropolitan Council Hiawatha Light Rail Transit (LRT) Land Assembly Fund (CMAQ) Program. 2) On March 21, 2006, the City Council accepted and appropriated Metropolitan Council Hiawatha Light Rail Transit (LRT) Land Assembly Fund (CMAQ) Grants of totaling \$3.5 million for land assembly for four projects, including \$750,000 awarded to the extension of Snelling Avenue at the 46th Street LRT station.

Prepared by:

Kristin Guild, Principal Project Coordinator, CPED phone: 612-673-5168
Kevin Dockry, Senior Project Coordinator, CPED phone: 612-673-5075

Approved by:

Charles T. Lutz, Deputy Director CPED _____

Mike Christenson, Dir. Economic Policy & Devel. _____

Elizabeth Ryan, Dir. Housing Policy & Devel. _____

Presenters in Committee: Kristin Guild, Kevin Dockry

Financial Impact

- No financial impact
- Action is within the Business Plan

Community Impact

- Neighborhood Notification – N/A
- City Goals – A safe place to call home; One Minneapolis; Connected communities; Enriched environment; Premier destination
- Comprehensive Plan - 4.1 Minneapolis will encourage reinvestment along major urban corridors as a way of promoting growth in all neighborhoods. 4.3 Minneapolis will support development in Commercial Corridors where it enhances the street's character, improves its ability to accommodate automobile traffic and foster pedestrian movement, and expands the range of goods and services offered.
- Zoning Code – N/A

Supporting Information

On December 23, 2005 the City Council authorized the submission of the following four (4) applications to the Metropolitan Council Hiawatha Light Rail Transit (LRT) Land Assembly Fund Program (funding provided by the Federal Transit Authority (FTA) Congestion Mitigation and Air Quality (CMAQ) program):

Project name (subrecipient)	Ward	Developer requested	City Recommended
Currie Park (Fine Associates)	2	\$3,440,000	\$1.72 million
Bystrom Bros (Seward Redesign)	2	\$800,000	\$800,000
Snelling Avenue extension (direct City acquisition)	12	\$750,000	\$750,000
Longfellow Station (Capital Growth Real Estate, LLC)	12	\$1,800,000	\$1,000,000

In February of 2006, the Metropolitan Council awarded \$3.5 million to facilitate Transit Oriented Development along the Hiawatha Light Rail Transit line to four projects:

Project name (subrecipient)	City requested	Metropolitan Council awarded
Currie Park (Fine Associates)	\$1,720,000	\$1,720,000
Bystrom Bros (Seward Redesign)	\$800,000	\$800,000
Snelling Avenue extension (direct City acquisition)	\$750,000	\$750,000
Longfellow Station (Capital Growth Real Estate, LLC)	\$1,000,000	\$230,000

The Metropolitan Council's Hiawatha Light Rail Transit (LRT) Land Assembly Fund Program requires closing on properties by March 31, 2007, and development of the property beginning by March 31, 2009.

The March 31, 2007, acquisition deadline cannot be met for the Snelling Avenue extension project. To-date, staff has identified approximately \$1.8 million in possible acquisition funds (including the Metropolitan Council CMAQ grant funds), leaving an anticipated gap of several million dollars.

During the CMAQ hearing, the City advised the Metropolitan Council that it would return with a reallocation request if it appeared that any of the projects would not move forward within the required timeframes. Having exhausted all possibilities for funding, staff recommends that the City initiate a request to reallocate the \$750,000 awarded the Snelling Avenue extension project to the Longfellow Station project (maximum allowable under program guidelines) and Currie Park Lofts (balance, if any). While there is a risk that the Metropolitan Council may reject the City's request, staff believes this course of action remains preferable to allowing the award to expire.

Recommendations for reallocation

The Hiawatha Corridor Work Team (a group of CPED and Public Works staff that meet twice monthly to coordinate work along the Hiawatha LRT line) reviewed the options for reallocation, and achieved the following consensus recommendation:

Project name (subrecipient)	Developer Requested	City Recommended	Metropolitan Council awarded	City Reallocation Recommended
Currie Park (Fine Associates)	\$3,440,000	\$1,720,000	\$1,720,000	\$1,720,000
Bystrom Bros (Seward Redesign)	\$800,000	\$800,000	\$800,000	\$800,000
Snelling Avenue extension (direct City acquisition)	\$750,000	\$750,000	\$750,000	\$0
Longfellow Station (Capital Growth Real Estate, LLC)	\$1,800,000	\$1,000,000	\$230,000	\$980,000

As a result of the recommended reallocation, Currie Park would receive 50% of its original request, Franklin Station LRT 100% of its original request, and Longfellow Station 54% of its original request.