

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

Date: March 4, 2008
To: Council Member Lisa Goodman, Community Development

Subject: CPED'S STATE & REGIONAL REDEVELOPMENT GRANT APPLICATIONS and AWARDS – 2007 FUNDING ROUNDS; REDEVELOPMENT GRANT TRENDS

Recommendation: Receive and file this report.

Prepared by: Paula Mazzacano	
Approved by: Charles T. Lutz, Deputy Director CPED	_____
Jack Kryst, Director Development Finance	_____
Presenters in Committee: Paula Mazzacano (612 673-5129)	

Financial Impact

No financial impact

Community Impact

City Goals: A safe place to call home (housing, health and safety); One Minneapolis (equal access, equal opportunity, equal input); Connected communities (great spaces and places, thriving neighborhoods)

Sustainability Targets: These grant funds will help the City realize its sustainability targets to create affordable housing at several income levels and remediate brownfield sites for redevelopment.

Supporting Information

2007 Results

CPED's State & Regional Redevelopment Grant Applications and Awards – 2007 Funding Rounds report lists the redevelopment grants applied for and awarded during 2007 funding rounds. Most of the grants were awarded directly to CPED; however, Hennepin County granted some funds directly to the developers who applied for the grants. All of these grant awards are reflected in this report, as all grant funds will be expended to further the redevelopment goals of the City of Minneapolis. (This report does not track grants applied for and awarded to METP and Planning, or Federal grant funds.)

In 2007, grant applications totaling almost \$21.74 million yielded awards in excess of \$10.05 million. Of the sixty-three (63) grant applications submitted, forty-three (43) were funded. Details can be found in Attachment A.

Projects awarded grant funds will help the City realize three of its six goals:

- A Safe Place to Call Home
- One Minneapolis
- Connected Communities

Grantors include: Minnesota Department of Employment and Economic Development (DEED) (Contamination Cleanup and Investigation Grant Programs, Redevelopment, and Minnesota Investment Fund); Hennepin County (Environmental Response Fund, Transit Oriented Development); and the Metropolitan Council (Livable Communities Demonstration Account, Local Housing Incentive Account, and Tax Base Revitalization Account).

CPED Trends – State and Regional Redevelopment Grants

During the 2004 through 2007 funding rounds, five (5) state and regional grant programs provided the greatest amount of redevelopment grant funding for Minneapolis projects:

Grant Program:	Grant funds awarded 2004- 2007:
Metropolitan Council Livable Communities Demonstration Account (LCDA)	\$7,715,387
Metropolitan Council Tax Base Revitalization Account (TBRA)	\$7,698,633
Hennepin County Environmental Response Fund (ERF)	\$5,982,150
Hennepin County Transit Oriented Development (TOD)	\$4,440,000
MN Department of Employment & Economic Development (DEED) Contamination Investigation and Cleanup	\$4,327,062

The City has also been successful in securing funds from new and occasional grant sources, including DEED's Bioscience Business Development Public Infrastructure (\$1,000,000 in 2006), Federal Congestion Mitigation Air Quality (CMAQ) funds via Metropolitan Council (\$3,500,000 in 2005) and Mississippi Watershed Management Organization (MWMO) (\$2,000,000 in 2005).

Of the four years spanning 2004 through 2007, 2005 saw the most activity in terms of number of grants applied for and funds awarded. Significant funds (\$5.5 million) were awarded from CMAQ and MWMO, rendering 2005 an anomaly. 2006 and 2007 award levels continue a clear trend of increasing grant funding since 2003.

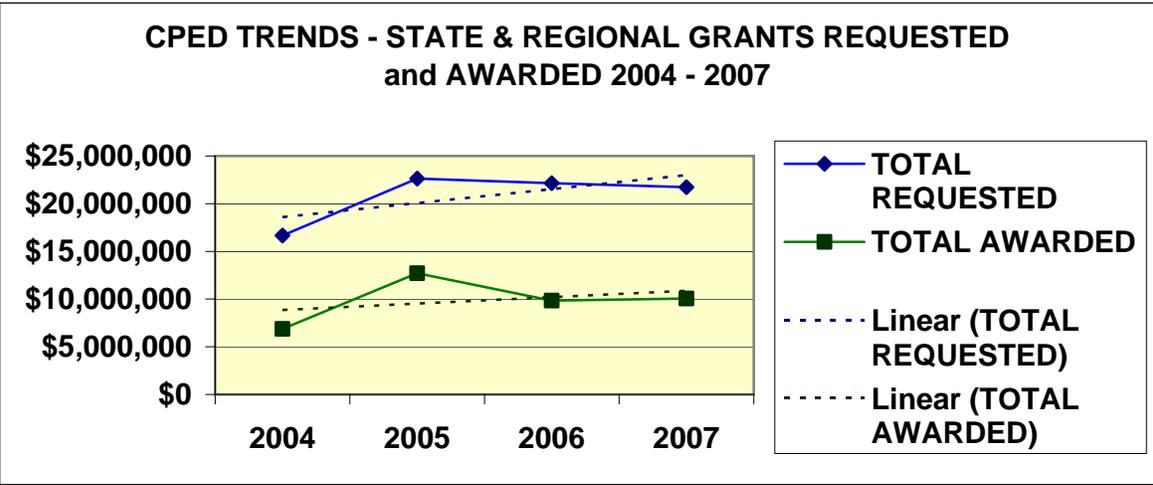
Applications & Awards:	2004	2005	2006	2007
Number of grants applied for	43	66	54	66
Number of grants awarded	31	48	34	43
Percent of requested grants awarded	72.1%	72.7%	63.0%	68.3%

Dollar amount of grant funds requested	\$16,667,046	\$22,631,202	\$22,154,112	\$21,735,063
Dollar amount of grants awarded	\$6,868,120	\$12,707,418	\$9,836,463	\$10,052,931
Percent of requested grant funds awarded	41.2%	56.1%	44.4%	46.3%

From 2006 to 2007, the gap between grant funds requested and awarded decreased from \$12.23 million to \$11.68 million.

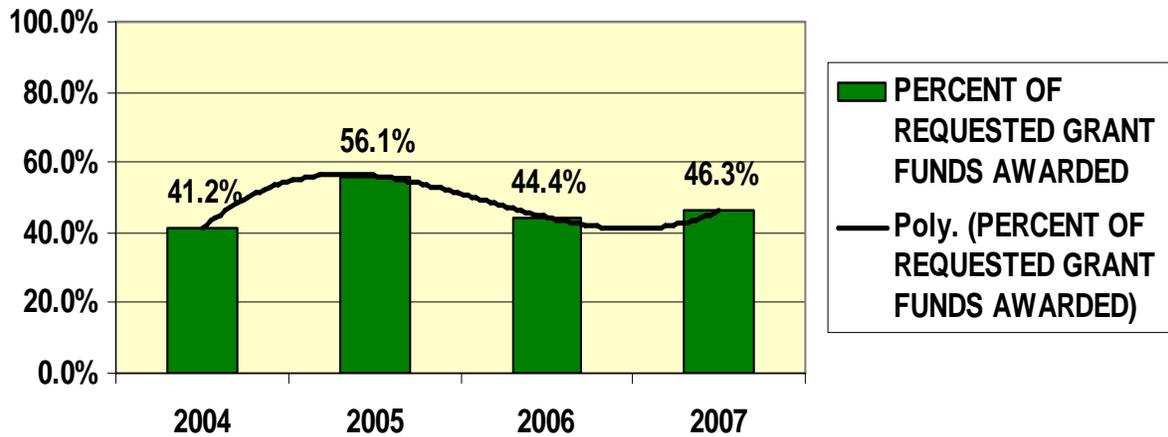
As is evident in the graphs below, state and regional redevelopment grants provide an increasingly important source of revenue for CPED projects.

From 2004 through 2007, the amount of grant funds both requested and received show a positive trend (hash-marked line). Grant requests increased more steeply than grant awards.



The percentage of requested grant funds awarded from 2004 through 2007 also shows an overall positive trend.

CPED TRENDS - PERCENT of REQUESTED STATE & REGIONAL GRANT FUNDS AWARDED 2004 - 2007



This table shows the amounts requested and awarded by grant program for the years spanning 2004 through 2007:

CPED TRENDS - STATE AND REGIONAL GRANTS REQUESTED & AWARDED 2004-2007

REQUEST BY GRANT PROGRAM	2004	2005	2006	2007
Council for Excellence in Government	\$0	\$5,000	\$0	\$0
DEED Cleanup/Investigation	\$4,617,375	\$2,515,270	\$3,034,745	\$2,319,455
DEED Bioscience Business Devel. Public Infrastructure	\$0	\$0	\$2,000,000	\$0
DEED Redevelopment	\$0	\$0	\$0	\$4,611,500
DEED MN Investment Fund	\$0	\$0	\$0	\$500,000
Federal CMAQ (via Met Council)	\$0	\$4,420,000	\$0	\$0
Hennepin County ERF	\$1,703,953	\$2,972,363	\$2,822,441	\$2,231,120
Hennepin County TOD	\$3,651,000	\$3,725,050	\$3,408,818	\$2,418,600
Legislative Commission on MN Resources	\$0	\$175,000	\$0	\$0
Met Council LCDA	\$3,000,000	\$3,555,000	\$7,774,942	\$6,922,880
Met Council LHIA	\$100,000	\$200,000	\$180,000	\$193,000
Met Council LCIHF	\$178,700	\$0	\$0	\$0
Met Council Predevelopment	\$0	\$0	\$0	\$0
Met Council TBRA	\$3,356,018	\$3,048,569	\$2,408,166	\$2,538,508
McKnight Foundation	\$60,000	\$0	\$0	\$0
MHFA Community Revitalization	\$0	\$0	\$500,000	\$0
MN SHPO	\$0	\$14,950	\$25,000	\$0
MWMO	\$0	\$2,000,000	\$0	\$0
TOTAL REQUESTED	\$16,667,046	\$22,631,202	\$22,154,112	\$21,735,063
AWARD BY GRANT PROGRAM	2004	2005	2006	2007
Council for Excellence in Government	\$0	\$5,000	\$0	\$0
DEED Cleanup/Investigation	\$1,088,138	\$338,637	\$832,035	\$2,068,252
DEED Bioscience Business Devel. Public Infrastructure	\$0	\$0	\$1,000,000	\$0
DEED Redevelopment	\$0	\$0	\$0	\$1,000,000
DEED MN Investment Fund	\$0	\$0	\$0	\$500,000
Federal CMAQ (via Met Council)	\$0	\$3,500,000	\$0	\$0
Hennepin County ERF	\$810,794	\$1,571,296	\$1,842,241	\$1,757,819
Hennepin County TOD	\$1,300,000	\$620,000	\$1,475,000	\$1,045,000
Legislative Commission on MN Resources	\$0	\$175,000	\$0	\$0
Met Council LCDA	\$1,200,000	\$2,080,000	\$2,610,387	\$1,825,000
Met Council LHIA	\$100,000	\$150,000	\$100,000	\$193,000
Met Council LCIHF	\$178,700	\$0	\$0	\$0
Met Council Predevelopment	\$0	\$0	\$0	\$0
Met Council TBRA	\$2,130,488	\$2,252,485	\$1,651,800	\$1,663,860
McKnight Foundation	\$60,000	\$0	\$0	\$0
MHFA Community Revitalization	\$0	\$0	\$300,000	\$0
MN SHPO	\$0	\$15,000	\$25,000	\$0
MWMO	\$0	\$2,000,000	\$0	\$0
TOTAL AWARDED	\$6,868,120	\$12,707,418	\$9,836,463	\$10,052,931

ATTACHMENT A

**CPED'S STATE & REGIONAL REDEVELOPMENT GRANT
APPLICATIONS & AWARDS – 2007 FUNDING ROUNDS**