

Minneapolis Community Development Agency

Request for City Council Action

Date: April 8, 2003

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

Refer to:

Prepared by Cynthia Lee, Manager, Multifamily Housing Department, Phone 612-673-5266

Approved by Lee Sheehy, MCDA Executive Director
Chuck Lutz, MCDA Deputy Executive Director _____

Subject: Appropriation, Increase, Fund SDA

Previous Directives: On January 10, 1997 the City Council authorized the execution of a Redevelopment contract for the River Station project, including public financial assistance of \$2,400,000 for eligible public costs.

Ward: 5

Neighborhood Group Notification: Not Applicable.

Consistency with *Building a City That Works*: Goal 2: Ensure that an array of housing choices exists to meet the needs of our current residents and attract new residents to the city, Objective C. Preserve and expand middle- and upper-income housing

Comprehensive Plan Compliance: Complies

Zoning Code Compliance: Complies

Impact on MCDA Budget: (Check those that apply)

- No financial impact
- Action requires an appropriation increase to the MCDA Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):

Living Wage / Business Subsidy: Not Applicable

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Job Linkage: Not applicable

Affirmative Action Compliance: Complies

RECOMMENDATION:

City Council Recommendation: The Executive Director recommends that the City Council amend the 2003 MCDA Appropriation Resolution to increase the appropriation in Fund SDA/SDA250001 by \$600,000 from available fund balances.

Background/Supporting Information

Pursuant to the Agency's Redevelopment contract, public financial assistance of up to \$600,000 for phase 4 of the River Station project (401 North 1st Street) is to be provided from reinvestment of funds paid by the Redeveloper to the Agency pursuant to the required Agency participation (40%) in profits.

To date, profit participation payments of \$400,000 and \$209,002, respectively, have been received from Hunt Gregory in 2001 and 2002 and credited to fund SDA.

An appropriation increase to fund SDA is needed to process the payment request of \$600,000 for eligible phase 4 public costs.