

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

Date: June 22, 2010  
To: Council Member Lisa Goodman, Community Development Committee

**Subject: CPED'S STATE & REGIONAL REDEVELOPMENT GRANT APPLICATIONS and AWARDS – 2009 FUNDING ROUNDS; REDEVELOPMENT GRANT TRENDS**

**Recommendation: Receive and file this report.**

Prepared by: Paula Mazzacano	
Approved by: Charles T. Lutz, Deputy Director CPED	_____
Jeffrey C. Streder, 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); A premier destination (visitors, investment and vitality); Connected communities (great spaces and places, thriving neighborhoods); Enriched environment (greenspace, arts and sustainability)

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**

**2009 Results**

CPED's State & Regional Redevelopment Grant Applications and Awards – 2009 Funding Rounds report lists the redevelopment grants applied for and awarded during 2009 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 2009, grant applications totaling almost \$14.12 million yielded awards in excess of \$7.15 million. Sixty-nine (69) grant applications were submitted on behalf of forty (40) separate projects; thirty-four (34) grants were awarded to twenty-three (23) separate

projects (some projects received multiple grant awards). Details can be found in Attachment A.

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

- A Safe Place to Call Home
- One Minneapolis
- Connected Communities
- A Premier Destination
- Enriched Environment

Grantors include: Council for Excellence in Government; Hennepin County (Environmental Response Fund, Transit Oriented Development); the Metropolitan Council (Livable Communities Demonstration Account, Local Housing Incentive Account, and Tax Base Revitalization Account); Minnesota Department of Employment and Economic Development (DEED) (Bioscience Business Development, Contamination Cleanup and Investigation Grant Programs, and Redevelopment); and State of Minnesota (Historic Preservation Legacy Grant Program).

**CPED Trends – State and Regional Redevelopment Grants**

During the 2006 through 2009 funding rounds, eight (8) state and regional grant programs provided the greatest amount of redevelopment grant funding for Minneapolis projects, totaling \$39,946,385 awarded over four years:

<b>Grant Program:</b>	<b>Grant funds awarded 2006- 2009:</b>
Hennepin County Environmental Response Fund (ERF)	\$8,635,409
Metropolitan Council Livable Communities Demonstration Account (LCDA)	\$7,399,128
MN Department of Employment & Economic Development (DEED) Contamination Investigation and Cleanup	\$5,703,628
Hennepin County Transit Oriented Development (TOD)	\$4,545,000
MN Department of Employment & Economic Development (DEED) Bioscience Business Development Public Infrastructure	\$4,500,000
Metropolitan Council Tax Base Revitalization Account (TBRA)	\$4,194,260
MN Department of Employment & Economic Development (DEED) Redevelopment	\$3,840,960
Metropolitan Council Local Housing Incentives Account (LHIA)	\$1,128,000

The City has also been successful in securing funds from new and occasional grant sources, including Council for Excellence in Government (\$5,000 in 2008), DEED's

Minnesota Investment Fund (\$500,000 in 2007), Living Cities (\$125,000 in 2009), Minnesota Housing Community Revitalization (\$300,000 in 2006), and Minnesota State Heritage Preservation Office (\$25,000 in 2006 and \$57,000 in 2009).

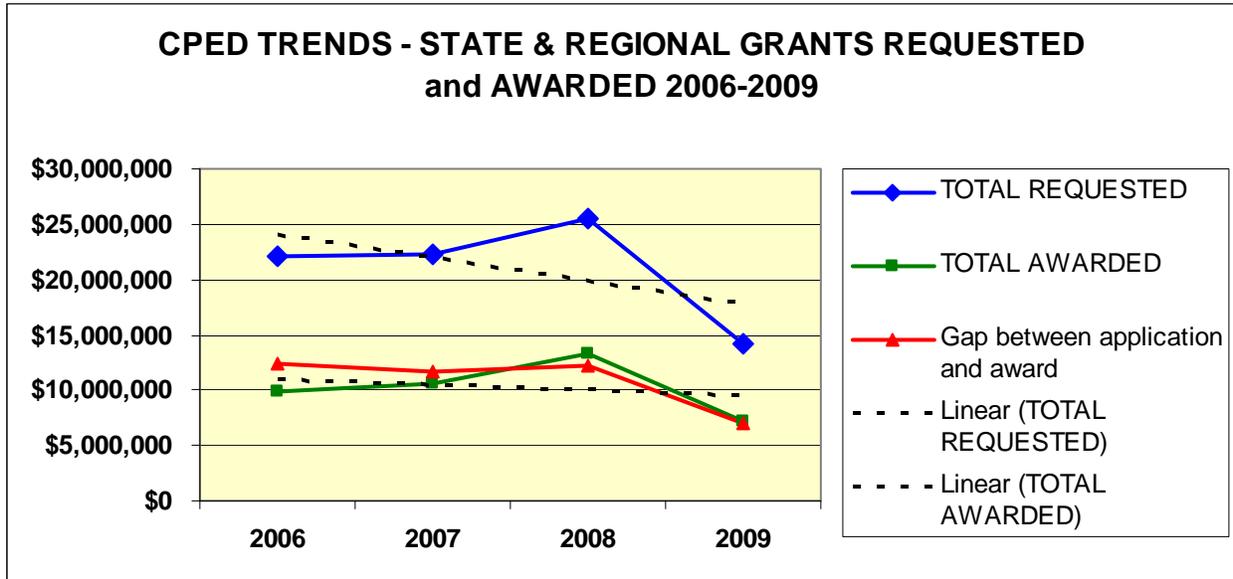
Of the four years spanning 2006 through 2009, 2008 saw the most activity in terms of both the number of grants applied for and funds awarded. Minneapolis projects continue to rank highly with grantors, competing strongly at county, regional and state levels. However, funding for the various grant programs is not assured, or stable from one grant round to the next. In 2009, DEED had only minimal funding available for its Redevelopment Grant Program. The Metropolitan Council successfully petitioned the Legislature to reallocate Livable Communities funding to support the Metro Transit budget, and canceled the May 2009 TBRA grant round (this increased competition for DEED and Hennepin County funds, and Minneapolis projects fared well). The Metropolitan Council also made changes to Livable Communities grant administrative procedures which may have, in the current real estate financing market, significantly reduced developers' ability to submit competitive TBRA and LCDA grant applications due to performance dates required by these grants.

<b>Applications &amp; Awards:</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Number of grants applied for	54	66	71	69
Number of grants awarded	34	43	53	34
Percent of requested grants awarded	63.0%	68.3%	74.6%	49.3%
Dollar amount of grant funds requested	\$22,154,112	\$21,735,063	\$25,450,698	\$14,119,810
<b>Dollar amount of grants awarded</b>	<b>\$9,836,463</b>	<b>\$10,052,931</b>	<b>\$13,318,219</b>	<b>\$7,157,772</b>
Percent of requested grant funds awarded	44.4%	46.3%	52.3%	50.7%

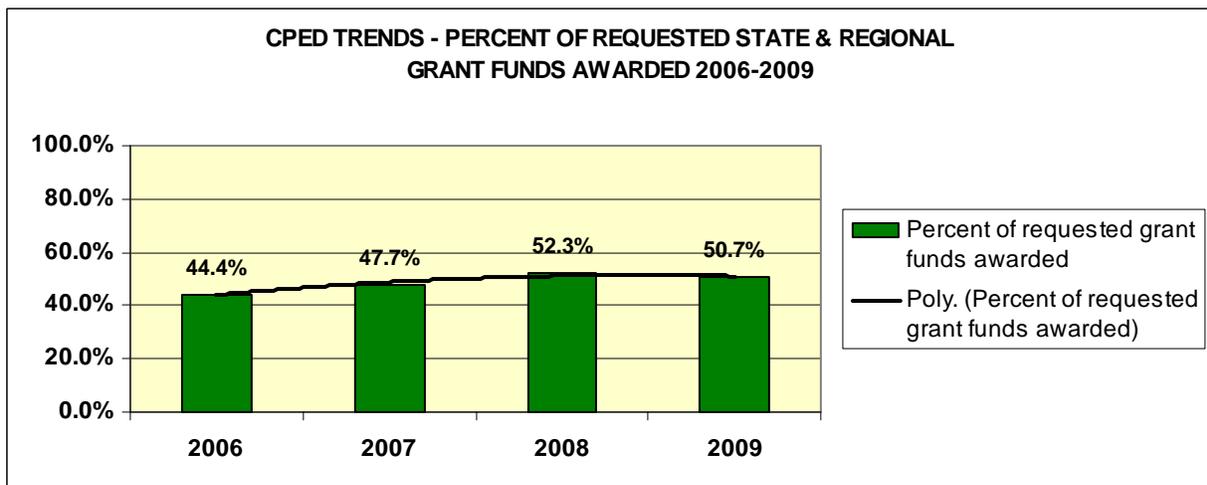
Although fewer grant funds were available in 2009, Minneapolis projects were awarded over half of the funds requested. This performance compares favorably to results over the four year time span.

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

From 2006 through 2009, the amount of grant funds both requested and awarded shows a declining trend (hash-marked line), which can largely be explained by the loss of the May 2009 TBRA grant round after the very successful 2008 grant rounds. The amount of the grant awards did not decline as steeply as the amount of the grant requests. CPED maintained its efforts to aggressively pursue grant funds for a range of redevelopment projects.



The percentage of requested grant funds awarded from 2006 through 2009 shows a steady increase over the past four years. Although fewer grant funds were available in 2009, the year's performance was still relatively strong.



This table shows the amounts requested and awarded, by grant program, for the years spanning 2006 through 2009:

**CPED TRENDS - STATE AND REGIONAL GRANTS REQUESTED & AWARDED 2006-2009**

<b>REQUEST BY GRANT PROGRAM</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Council for Excellence in Government	\$0	\$0	\$5,000	\$0
DEED Cleanup/Investigation	\$3,034,745	\$2,319,455	\$1,743,965	\$2,489,030
DEED Bioscience Business Devel. Public Infrastructure	\$2,000,000	\$0	\$6,850,000	\$0
DEED Redevelopment	\$0	\$4,961,500	\$4,681,216	\$1,514,063
DEED MN Investment Fund	\$0	\$500,000	\$0	\$0
Hennepin County ERF	\$2,822,441	\$2,474,120	\$2,006,033	\$4,038,031
Hennepin County TOD	\$3,408,818	\$2,418,600	\$4,341,000	\$3,033,673
Living Cities	\$0	\$0	\$0	\$125,000
Met Council LCDA	\$7,774,942	\$6,922,880	\$3,520,741	\$995,400
Met Council LHIA	\$180,000	\$193,000	\$260,000	\$575,000
Met Council TBRA	\$2,408,166	\$2,538,508	\$1,542,743	\$566,613
MHFA Community Revitalization	\$500,000	\$0	\$500,000	\$0
MN SHPO	\$25,000	\$0	\$0	\$783,000
<b>TOTAL REQUESTED</b>	<b>\$22,154,112</b>	<b>\$22,328,063</b>	<b>\$25,450,698</b>	<b>\$14,119,810</b>
<b>AWARD BY GRANT PROGRAM</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Council for Excellence in Government	\$0	\$0	\$5,000	\$0
DEED Cleanup/Investigation	\$832,035	\$2,068,252	\$1,168,823	\$1,634,518
DEED Bioscience Business Devel. Public Infrastructure	\$1,000,000	\$0	\$3,500,000	\$0
DEED Redevelopment	\$0	\$1,350,000	\$2,169,022	\$321,938
DEED MN Investment Fund	\$0	\$500,000	\$0	\$0
Hennepin County ERF	\$1,842,241	\$2,000,819	\$2,006,033	\$2,786,316
Hennepin County TOD	\$1,475,000	\$1,045,000	\$1,480,000	\$545,000
Living Cities	\$0	\$0	\$0	\$125,000
Met Council LCDA	\$2,610,387	\$1,825,000	\$2,020,741	\$943,000
Met Council LHIA	\$100,000	\$193,000	\$260,000	\$575,000
Met Council TBRA	\$1,651,800	\$1,663,860	\$708,600	\$170,000
MHFA Community Revitalization	\$300,000	\$0	\$0	\$0
MN SHPO	\$25,000	\$0	\$0	\$57,000
<b>TOTAL AWARDED</b>	<b>\$9,836,463</b>	<b>\$10,645,931</b>	<b>\$13,318,219</b>	<b>\$7,157,772</b>

**ATTACHMENT A**

**CPED'S STATE & REGIONAL REDEVELOPMENT GRANT  
APPLICATIONS & AWARDS – 2009 FUNDING ROUNDS**