



**Request for City Council Committee Action  
From the Department of Community Planning & Economic Development**

**Date:** July 26, 2005

**To:** Council Member Lisa Goodman, Community Development Committee

**Prepared by:** Theresa Cunningham, Senior Project Coordinator (Phone 612-673-5237)

**Presenter in**

**Committee:** Theresa Cunningham, Senior Project Coordinator

**Approved by:** Elizabeth Ryan, Director, Housing \_\_\_\_\_

**Subject:** Authorization to Request and Accept Contamination Cleanup Grant Extension from the MN Department of Employment and Economic Development for the Karamu West Project for \$262,500.

**RECOMMENDATION:** Authorize CPED staff to request and accept a MN Department of Employment and Economic Development (DEED) Contamination Cleanup Grant Extension for the Karamu West Project on Plymouth for \$262,500 and to execute the necessary agreements.

**Previous Directives:**

1. On July 1, 2005, the City Council adopted a resolution to preserve the right of the City to create a redevelopment tax increment financing district in the Near North & Willard-Hay Neighborhoods to be named the Karamu Tax Increment Financing District.
2. On April 20, 2004, the City Council approved and authorized the acceptance and appropriate of MN Department of Employment and Economic Development Contamination Cleanup Grant for the Karamu West Project on Plymouth for \$262,500.
3. On October 28, 2003, the City Council approved and authorized staff to apply to the MN Department of Employment and Economic Development (DEED) through its' Contamination Cleanup Grant Program for an environmental remediation grant to be used at the Karamu West Site on Plymouth Avenue North.
4. On April 8, 2003, the City Council approved and authorized the MCDA/City staff to apply to the State and Metropolitan Council for a Tax Base Revitalization Account Grant for spring 2003.

**Financial Impact** (Check those that apply)

- No financial impact - or - Action is within current department budget.  
(If checked, go directly to next box)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase

\_\_\_ Action requires use of contingency or reserves  
\_\_\_ Other financial impact (Explain):  
\_\_\_ Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact** (Summarize below)

**Ward:** 5

**Neighborhood Notification:** Not applicable

**City Goals:** Not applicable

**Comprehensive Plan:** Not applicable

**Zoning Code:** Not applicable

**Living Wage/Job Linkage:** Not applicable

**Background/Supporting Information**

On December 31, 2003, the City of Minneapolis entered into a Contamination Cleanup Grant Agreement with the MN Department of Employment and Economic Development (DEED). A total of \$262,500 were awarded to assist with the cleanup of the southwestern corner of Penn and Plymouth Avenue North in the Willard-Hay neighborhood of North Minneapolis. The grant agreement expired on June 30, 2005, but has been extended until December 31, 2005. CPED staff is now processing the necessary documents to contract with an independent remediation company to complete the environmental remediation work.

Mississippi Pathway Development Company, LLC (MPDC) will provide the DEED required local matching funds for the cleanup grant. Upon completion of the environmental remediation, MPDC proposes to purchase the cleaned site from the City and construct the Karamu West development, which will include 63,000 square foot, 4-story mixed-use building with one level of underground parking.

Staff is now requesting authorization to concur with staff's extension request, accept the contamination cleanup grant extension for the Karamu West Project for \$262,500 and to execute the necessary agreements.