



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

Date: May 17, 2005

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

Prepared by: Dollie Crowther, Principal Coordinator, Phone 612-673-5263

Presenter in Committee: Dollie Crowther

Approved by: Elizabeth J. Ryan, Director, Housing Policy and Development

Subject: Authorization to Contract with MNDOT for Promenade Construction for the Urban Village Site

RECOMMENDATION: Authorize staff to enter into a contract with MNDOT for advance construction of promenade for \$400,000 for the Urban Village Site.

Previous Directives: The City Council approved the Urban Village concept on May 8, 1998 and authorized the Executive Director to direct staff to select developers, develop housing types on the site, establish a Redevelopment Project and Tax Increment Finance Plan. Also, the City Council approved the Urban Village Redevelopment Plan on January 25, 1999. On December 15, 2000 the Board authorized the initiation of condemnation proceedings to acquire Parcel 6 from Sowles. On June 22, 2001 the City Council approved the business terms with the developers and authorization to enter into a redevelopment contract. On July 11, 2001 the MCDA acquired Parcel 10 and on December 9, 2002 the MCDA acquired Parcel 6. On January 31, 2003 the City Council approved the sale of city-owned Parcel 2b to the MCDA. On August 29, 2003 the MCDA Board approved the sale of 2824, 2810, 2825 Colfax Avenue to Midtown Lofts, LLC. On September 26, 2003 the City Council approved demolition of the Sowles Crane site to the lowest bidder. On April 29, 2005, the City Council approved the sale of a portion of the Urban Village to Bryant Lofts, LLC.

Financial Impact (Check those that apply)

- | | |
|--------------------------|---|
| <input type="checkbox"/> | No financial impact - or - Action is within current department budget.
(If checked, go directly to next box) |
| <input type="checkbox"/> | Action requires an appropriation increase to the Capital Budget |
| <input type="checkbox"/> | Action requires an appropriation increase to the Operating Budget |
| <input type="checkbox"/> | Action provides increased revenue for appropriation increase |

<input type="checkbox"/>	Action requires use of contingency or reserves
<input checked="" type="checkbox"/>	Other financial impact (Explain): Sale of this parcel will eliminate future property management expenses.
<input type="checkbox"/>	Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: 10

Neighborhood Notification: The proposed concept of developing mixed use housing for the area has been presented at various neighborhood meetings in the area and the concept has been incorporated in various plans, including Lyndale/Lake Master Plan, Task Force Plan, and Lowry Hill East.

City Goals: Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

Comprehensive Plan Compliance: This proposed development is consistent with the Comprehensive Plan as shown on the Land Use Map and in conformance with the Land Use Plan for the Lowry Hill East Community.

Zoning Code: R5. Project will comply.

Living Wage/Job Linkage: NA

Other: Project was approved in Zoning and Planning for Conditional Use Permit, Variance, Final Plat for PUD.

Background/Supporting Information

The Urban Village Project has been in development for over five years and is located on the north edge of the Midtown Greenway corridor. The first part of Urban Village is the Midtown Lofts Project representing 72 ownership lofts developed by the Lander Group and Sherman Associates. Construction of Midtown Lofts is nearly complete. The second phase of Urban Village is expected to be under construction summer 2005 and will consist of 54 2-story ownership townhomes. Loft units are expected to be constructed at a later date. Ross Fefercorn is the developer and the project is called Track 29 Uptown.

Per the approved business terms, CPED is to deliver a clean site to the developer upon closing. Various sources of funds were secured from TEA-21 Grants, Livable

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Community Grants, a Pollution Grant, Hennepin County Grant and Empowerment Zone Funds. Included in the terms, the Department of Public Works is required to assist with the public improvements with TEA-21 Grant Funds of \$400,000 for the promenade. MNDOT's role is to review and approve the plans, specifications, bidding procedure and the award of the contract.

The TEA-21 Grant Funds of \$400,000 have not been secured as anticipated because the Federal Transportation Bill has not been signed for over a year. This Federal Bill impacts projects throughout the country that rely on these funds being passed to the individual states for their specific use. In order to successfully proceed with the redevelopment of the project, CPED has agreed to contribute \$400,000. These funds will be provided on a short term basis by using tax exempt proceeds with Wells Fargo. Eventually, the tax exempt proceeds from the TIF bond issue will replace the Wells Fargo notes. It is anticipated that once the Transportation Bill is signed, the TEA-21 Grant funds will reimburse whatever source of funds is outstanding at that time.