

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

Date: April 14, 2009

To: Council Member Sandy Colvin Roy, Chair, Transportation & Public Works Committee

Referral to: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: **2009 Hennepin County Transit Oriented Development (TOD) Grant Applications for Minneapolis Projects**

Recommendation:

1. Adopt the multi-jurisdictional program approval resolution for the submission of ten applications to the Hennepin County Transit-Oriented Development (TOD) Program and authorize cooperative agreements for County funded projects; and
2. Approve the City of Minneapolis priority rankings for the 2009 TOD project proposals and direct staff to submit advisory rankings to the Hennepin County Department of Housing, Community Works and Transit.

1. **Alliance Addition;** Aeon
2. **Bassett Creek Valley, Linden Yards West;** City of Minneapolis, CPED
3. **Lyndale Green;** Brighton Development
4. **Walker Apartments;** Twelfth & Hennepin Development, LLC
5. **Jackson Street NE Artist Affordable Owner Occupied Housing;** Northeast CDC & Flannery Construction
6. **Lyndale Creative Community;** Greco, LLC
7. **East Bank Mills, Phase 1;** Mills Development, LLC
8. **ARTS Lot;** Urban Homeworks
9. **Gopher Cleaners Redevelopment;** Savant Properties II, LLC
10. **Stevens and Loring Park Community Connector Project;** Stevens Community & Loring Park Neighborhood

Previous Directives:

Since 2003, the Minneapolis City Council has annually adopted multi-jurisdictional program approval resolutions and City advisory rankings for projects located within Minneapolis that are submitted to the Hennepin County Transit-Oriented Development (TOD) Program.

Department Information

Prepared by:

Mark Garner, Senior Project Coordinator, CPED phone 673-5037

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works _____

Catherine A. Polasky, Director, Economic Policy & Development _____

Charles T. Lutz, Deputy Director, CPED _____

Presenters in Committee: Mark Garner, 673-5037

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification – Not Applicable
- City Goals – Connected communities, Enriched environment, Premier destination
- Sustainability Targets – Economically vibrant and higher density transit corridors create attractive urban neighborhoods for redevelopment, support efficient growth, and reduce the need for car travel to obtain necessary goods and services.
- Comprehensive Plan – Section 4.1 Minneapolis will encourage reinvestment along major urban corridors as a way of promoting growth in neighborhoods; Section 4.9: Minneapolis will grow by increasing its supply of housing; Section 4.10: Minneapolis will increase its housing that is affordable to low and moderate income households; Section 4.11: Minneapolis will improve the availability of housing options for its residents; Section 5.15: Minneapolis will carefully identify project sites where housing development or housing revitalization are the appropriate response to neighborhood conditions and market demand; Section 4.17: Minneapolis will promote housing development that supports a variety of housing types at designated Major Housing sites throughout the City; Section 4.18: Minneapolis will encourage both a density and mix of land uses in Transit Station Areas that both support ridership for transit as well as benefit from its users; and Section 4.19: Minneapolis will require design standards for Transit Station Areas that are oriented to the pedestrian and bicyclist and that enforce traditional urban form.
- Zoning Code – not applicable.

Supporting Information

Applications to the Hennepin County Transit-Oriented Development (TOD) Program were due in late February, 2009. Eligible applicants may include statutory or home rule charter cities, development authorities, and private entities.

This is year seven of this Hennepin County program, which supports TOD projects and developments that reinforce both the community and the transit system, exhibit a compact and efficient use of available space rather than auto oriented sprawl, and contain a diversity and mix of uses with daily conveniences and transit at the center. Projects must exhibit pedestrian-friendly physical design that encourages walking, bicycling and access by people with physical disabilities. Projects must serve a public purpose and address one or more of the following: Community corridor connections, infrastructure development, blight remediation, property acquisition, development and redevelopment of housing and commercial property, rehabilitation of existing housing and commercial buildings, and job creation in transit corridors.

Funding is only available to those multi-jurisdictional programs and projects that occur within or near Hennepin County Transit Corridors. Eligible multi-jurisdictional projects must be located in a municipal or County redevelopment area or housing district.

Project Evaluations

There is \$2 million available for County-wide project allocations in the 2009 TOD program solicitation.

Hennepin County received 20 applications for funding, requesting a total of about \$7.5 million. Applications were submitted for 10 projects located in Hennepin County outside of Minneapolis, requesting a total of about \$4.5 million. This is a highly competitive program.

Ten (10) applications were submitted for projects located within Minneapolis, requesting slightly more than \$3 million. A complete list of these applications is attached to this report. Applications were submitted for projects located in the Downtown, North, East, and Southwest Sectors of the City.

Hennepin County staff has requested that the City submit the multi-jurisdictional program resolution for approved Minneapolis applications in April, prior to action by the Hennepin County Board of Commissioners. Approval of this report also authorizes the City Finance Officer or his designee to execute one or more cooperative agreements authorizing Hennepin County to implement any TOD program projects in Minneapolis that receive funding. In previous years the City has also submitted a City ranking of the proposed Minneapolis projects for advisory purposes to improve inter-agency communication and jurisdictional alignment of policy perspectives, programs and project priorities.

Five of the proposed Minneapolis projects are not currently located within an adopted redevelopment project area as required by state statutes in order to receive funding from a multi-jurisdiction program. Approval of the multi-jurisdictional program resolution supporting submittal of TOD applications for these projects implies that the City intends to pursue the adoption or modification of a redevelopment plan during the next six months to provide the legal authority for the expenditure of County TOD funds for projects that are approved by the Hennepin County Board of Commissioners.

Because of the importance of near-term economic stimulus for recovery from the current recession, this year the City staff review process focused upon project readiness. Project readiness refers to whether or not projects were viewed as economically feasible and likely to be fully funded (including both private and public financing commitments) and able to begin construction within two years.

This year input for ranking projects was requested from City project coordinators assigned to the proposed projects, a Public Works transportation planner, and the economic development, multi-family housing and planning liaisons on the CPED sector teams. The staff ranking matrix was then reviewed by the CPED executive team, and a final recommendation prepared (see the attached final project ranking matrix).

List of Applications for 2009 Hennepin County Transit Oriented Development program for Projects located in the City of Minneapolis

(Priority Rank Order)

The following list of projects summarizes the 2009 applicant information:

1. Alliance Addition

Applicant: Aeon
Location: 17th St E between Portland and Chicago Ave
TOD \$ Request: \$ 195,000
Proposed Use of TOD funds: Pedestrian Lighting, landscaping and sidewalk improvements, utilities, security cameras, and bike racks
Located within Redevelopment Project Area: Yes
Contact: Rosemary Dolata, Project Manager, Aeon
(612) – 341-3148 x 229

Project Description: 61 Unit supportive housing addition to Alliance Apartments providing housing and services for homeless and near homeless adults with chemical dependency and mental health needs, including construction of a new apartment building and the preservation of an existing house.

2. Bassett Creek Valley – Linden Yards West

Applicant: City of Minneapolis
Location: Linden Yards West, 103 N Lyndale Ave
TOD \$ Request: \$ 483,371
Proposed Use of TOD funds: Stormwater infrastructure and underground storage chamber beneath new roundabout.
Located within Redevelopment Project Area: Not at this time
Contact: Beth Grosen, CPED
(612) – 673-5002

Project Description: Construction of stormwater management facilities to support major new mixed use redevelopment site in conjunction with the Van White Boulevard road construction project.

3. Lyndale Green

Applicant: Brighton Development
Location: 28th & Lyndale
TOD \$ Request: \$ 150,000
Proposed Use of TOD funds: Demolition, pedestrian improvements, and site utilities
Located within Redevelopment Project Area: Yes
Contact: Peggy Lucas, Brighton Development
(612) – 332-5664

Project Description: Project combines construction of 66 unit mixed-use and affordable apartment building on parking lot with renovation of historic church.

4. Walker Apartments

Applicant: Twelfth & Hennepin Development, LLC
Location: 1121 – 1127 Hennepin Avenue
TOD \$ Request: \$ 270,000
Proposed Use of TOD funds: Site improvements and utilities, Demolition, Bike & transit enhancements
Located within Redevelopment Project Area: Yes
Contact: Douglas A. Van Winkle, DVW-Consulting,
(612) - 889-8608

Project Description: A mixed-income rental housing project proposed for the southeast corner of Hennepin Avenue and 12th Street with 85 housing units; including 44 affordable, 37 market rate, and 4 supportive housing units.

5. Jackson Street Artist Affordable Owner Occupied Housing

Applicant: Northeast Community Development
Corporation and Flannery Construction
Location: ½ Block off Central Ave NE between 18 ½ and 19th Ave NE
TOD \$ Request: \$ 195,000
Proposed Use of TOD funds: Underground parking, pedestrian lighting, sidewalks and bike racks
Located within Redevelopment Project Area: Yes
Contact: Jay Nord, Northeast CDC, (612) – 849-8082

Project Description: 43 unit live-work artist housing project with 21 units affordable at 50% AMI

6. Lynlake Creative Community

Applicant: Greco, LLC
Location: 2900 Lyndale Ave S
TOD \$ Request: \$ 352,800
Proposed Use of TOD funds: Site furnishings, utilities, landscaping and lighting
Located within Redevelopment Project Area: Not at this time
Contact: Brent Rogers, Greco
(612) – 630-2542

Project Description: A new construction project with 102 units of affordable live/work housing above retail/commercial/restaurant space and community arts space for creative workers

7. East Bank Mills, Phase 1

Applicant: Mill Development LLC
Location: Several blocks in the East Bank Milling district along 2nd and Main St SE between 2nd Ave SE and 6th Ave SE.
TOD \$ Request: \$ 1,085,000
Proposed Use of TOD funds: Demolition of white grain elevators along 2nd St SE
Located within Redevelopment Project Area: Not at this time
Contact: David Frank, Schafer Richardson
(612) – 359-5844

Project Description: The demolition of grain elevators is the first phase of a major project that includes rehabilitation of the historic mills and construction of six new residential buildings; creating approximately 1,000 housing units and over 100,000 square feet of commercial space.

8. ARTS Lot

Applicant: Urban Homeworks
Location: 2009 Emerson Ave N
TOD \$ Request: \$ 117,502
Proposed Use of TOD funds: Property acquisition and site improvements including green, aesthetic and transit enhancements
Located within Redevelopment Project Area: Yes
Contact: Ben Post, Urban Homeworks
(612) – 272-4339

Project Description: Acquisition of property next to Urban Homeworks offices and improvement of site for surface parking as enhanced and sustainable semi-public space

9. Gopher Cleaner Redevelopment

Applicant: Savant Properties II, LLC
Location: 811 – 817 4th Street SE
TOD \$ Request: \$ 100,000
Proposed Use of TOD funds: Freeway ramp “Greenwall” and pollution remediation
Located within Redevelopment Project Area: Not at this time
Contact: Nazar M. Khan, (646) – 526-6959

Project Description: Redevelopment of a dry cleaner site into a mixed-use development with ground floor retail, 3 floors (24 units) of market rate rental, and covered parking

10. Stevens & Loring Park Community Connector

Applicant: Stevens Community & Loring Park Neighborhood
Location: Public R-O-W along W. 15th St, Nicollet Ave, and E. 18th St between Loring Park and Stevens Square Park
TOD \$ Request: \$ 85,000
Proposed Use of TOD funds: Trail signage, lighting, trees and tree grates
Located within Redevelopment Project Area: Not at this time
Contact: Steven Gallagher, (612) – 874-2840

Project Description: This project is a street accessory plan that adds decorative illuminated transit and path signage with pedestrian oriented landscaping, lighting and bike racks to safely connect two neighborhoods with transit.

RESOLUTION
of the
CITY OF MINNEAPOLIS

WHEREAS the Hennepin County Transit-Oriented Development (TOD) Program was established as a multi-jurisdictional reinvestment program under the authority of Minnesota Statutes 383B.79, Subdivision 1.

WHEREAS ten applications were submitted to Hennepin County for projects located within the City of Minneapolis for consideration in the 2009 Hennepin County TOD Program solicitation.

WHEREAS the City of Minneapolis hereby approves the submission of ten applications for projects located within the City of Minneapolis for consideration for funding by the 2009 Hennepin County TOD Program.

THEREFORE, BE IT RESOLVED that the City of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit-oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 26, 2009 by Aeon for the Alliance Addition project.

BE IT FURTHER RESOLVED that the City of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit-oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 26, 2009 by Brighton Development for the Lyndale Green project.

BE IT FURTHER RESOLVED that the City of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit-oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 26, 2009 by the City of Minneapolis for the Bassett Creek Valley – Linden Yards West project.

BE IT FURTHER RESOLVED that the City of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit-oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment

Authority on February 26, 2009 by Greco, LLC for the Lynlake Creative Community project.

BE IT FURTHER RESOLVED that the City of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit-oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 26, 2009 by Mill Development, LLC for the East Bank Mills, Phase 1 project.

BE IT FURTHER RESOLVED that the City of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit-oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 26, 2009 by Northeast Community Development Corporation and Flannery Construction for the Jackson Street Artist Affordable Owner Occupied Housing project.

BE IT FURTHER RESOLVED that the City of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit-oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 26, 2009 by Savant Properties II, LLC for the Gopher Cleaner Redevelopment project.

BE IT FURTHER RESOLVED that the City of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit-oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 26, 2009 by Stevens Community & the Loring Park Neighborhood for the Stevens & Loring Park Community Connector project.

BE IT FURTHER RESOLVED that the City of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit-oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 26, 2009 by Urban Homeworks for the ARTS Lot (Art, Restore, Transit, Sustainable) project.

BE IT FURTHER RESOLVED that the City of Minneapolis, in accordance with Minnesota Statutes 383B.77, Subdivision 3, supports the transit-oriented development loan/grant application submitted to the Hennepin County Housing and Redevelopment Authority on February 26, 2009 by Twelfth & Hennepin Development, LLC for the Walker Apartments project.

BE IT FURTHER RESOLVED that the appropriate City staff may execute one or more cooperative agreements authorizing Hennepin County or the Hennepin County Housing and Redevelopment Authority (HRA) to implement the foregoing projects in Minneapolis.

BE IT FURTHER RESOLVED that nothing in this resolution shall create a pecuniary obligation of the City Council to assist any of the foregoing projects nor shall the City be in any way responsible for any financing obligation or agreement of Hennepin County or the Hennepin County HRA with respect to their provision of financial assistance such projects.

BE IT FURTHER RESOLVED that the support expressed herein extends only to the powers of Hennepin County or the Hennepin County HRA with respect to the financial assistance the County or the HRA proposes to provide to the respective projects and the City shall retain all other powers and jurisdiction over matters relating to the City and the projects.