



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

Date: May 16, 2006
To: Council Member Lisa Goodman, Community Development
Subject: CPED's STATE & REGIONAL REDEVELOPMENT GRANT APPLICATIONS and AWARDS – 2005
Recommendation: Receive and file this report.

Previous Directives:

Prepared by: Paula Mazzacano **Phone:** 673-5129

Approved by:

Chuck Lutz, Deputy Director CPED _____

Jack Kryst, Director Development Finance _____

Permanent Review Committee (PRC) Approval Not Applicable

Note: To determine if applicable see <http://insite/finance/purchasing/permanent-review-committee-overview.asp>

Presenter in Committee: Paula Mazzacano

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
- Action requires an appropriation increase to the Capital Budget or Operating Budget.
- Action provides increased revenue for appropriation increase.
- Action requires use of contingency or reserves.
- Business Plan: Action is within the plan. Action requires a change to plan.
- Other financial impact (Explain):
- Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

Neighborhood Notification:

City Goals:

Comprehensive Plan:

Zoning Code:

Other:

Background/Supporting Information:

CPED's State & Regional Redevelopment Grant Applications and Awards for 2005 report lists the redevelopment grants applied for and awarded during 2005. Some grants were applied for directly by CPED, while other grants were awarded to CPED on behalf of subrecipient developers. In a few cases, grant funds were awarded directly to the developer. Regardless, all grant funds will be expended to further the current redevelopment goals of the City of Minneapolis. (This report does not track funds applied for and awarded to METP or Planning, or Federal TEA funds for which Public Works is the lead applicant.) In 2005, grant applications totaling over \$22.63 million yielded awards in excess of \$12.7 million. Details can be found in Attachment A.

Projects awarded grant funds will help the City realize five of its eight goals updated in April 2005:

- Preserve and enhance our environmental, economic and social realms to promote a sustainable Minneapolis.
- Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.
- Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs and promotes future growth.
- Maintain the physical infrastructure to ensure a healthy, vital and safe City.
- Strengthen City government management and enhance community engagement.

Grantors include: the Council for Excellence in Government (Innovations in American Government Award); Minnesota Department of Employment and Economic Development (Contamination Cleanup and Investigation Grant Programs); Federal government via Metropolitan Council (Congestion Mitigation Air Quality); Hennepin County (Environmental Response Fund, Transit Oriented Development); Legislative Commission on Natural Resources; Metropolitan Council (Livable Communities Demonstration Account, Local Housing Incentive Account, Inclusionary Housing Account, Predevelopment Grants, Tax Base Revitalization Account); McKnight Foundation; Minnesota State Historic Preservation Office (St. Anthony Falls Heritage Board); and the Mississippi Watershed Management Organization.

CPED Trends – State and Regional Redevelopment Grants:

Between 2003 and 2005, both the amount of state and regional grant funds requested and awarded, and the percentage of requests funded, increased substantially.

Between 2003 and 2005:

- ※ Grant requests increased by 63.5%, from \$13.84 million to \$22.63 million.
- ※ Grant awards increased by 297.2%, from \$3.2 million to \$12.71 million.
- ※ The percentage of requested funds awarded rose each year, from 23% in 2003, to 41% in 2004 and 56% in 2005.

- ※ Of the 51 grants applied for in 2003, 24 were funded, for a success rate of 47%.
- ※ Of the 43 grants applied for in 2004, 30 were funded, for a success rate of 70%.
- ※ Of the 66 grants applied for in 2005, 48 were funded, for a success rate of 73%.

In each of the three years, the grant awards were approximately \$10 million less than the grant requests.