

Tax Base Revitalization Account

PROJECT PROFILE

Gallery Flats Hopkins, Minnesota



Under Construction



After

PROJECT SUMMARY

The 163-unit Gallery Flats apartments are located along 8th Avenue in Hopkins. Eighth Avenue is an important quarter-mile link between Mainstreet and the future Downtown Hopkins station on the METRO Green Line Extension. The project introduced market rate rental units along 8th Avenue, with the possibility of converting ground floor residential space to commercial uses. The corridor along 8th Avenue is branded as “The Artery”, which reflects plans to incorporate public art along the street. Gallery Flats provides urban-style living in a historic suburban downtown, where residents are within walking distance of local shopping, transit, recreation, and entertainment.

HOW THIS PROJECT SUPPORTS LIVABLE COMMUNITIES

BENEFITS ENVIRONMENT → The project cleaned up mercury and asbestos in the soil and asbestos within the existing building. The redevelopment also conserves water supply by adding individual water meters, improves water quality by adding a large central courtyard green space that infiltrates stormwater, and by conserving native vegetation.

CREATES OPPORTUNITY → The final two-building development has a total of 163 apartments—and created six jobs.

INCREASES TAX BASE → The development increased the annual tax base by \$480,525 and leveraged \$24.8 million in private investment.

TBRA GRANT INFORMATION

Applicant:	City of Hopkins
Funding Cycle:	2011 & 2012
Grant Amount:	\$71,000
Other LCA Funding:	\$900,000 LCDA, \$119,500 Round 1 & \$17,500 Round 2 TBRA, 2011

Funded Elements:

Soil remediation (including buried asbestos, arsenic and mercury in soil) and asbestos abatement

FAST FACTS

Developer: Klodt Development, LLC	Construction Costs per GSF: 128
Project Type: Mixed-use, live/work units	Total Housing Units: 163
Acres: 1.8	Affordable Units: 1
Estimated Total Development Cost: \$24.8 million	Jobs: 6

RISKS AND OUTCOMES

FROM PROJECT DEVELOPER

Gallery Flats was the first project for which Klodt Development used public funds. Grants administration added complexity, to subcontractor documentation and invoicing for grant-funded activities. While these funds were critical to allowing the project to move forward, the developer found them complicated to manage.

The landscaped plaza was a component of the project that was important to the City, that it added additional cost to the project. The plaza became a key selling point and amenity for the apartments, and has become a well-used gathering place for residents.

FROM CITY STAFF

Developers told the City that retail along 8th Avenue would not be feasible until after the METRO Green Line Extension was operational. Nevertheless, the City wanted to preserve opportunities to generate activity and visual interest along 8th Avenue. The City worked with the developer to create walk-up “flex space” on the ground floor that could be used as either residential, commercial, or live/work units. The units were initially leased as residential, but the City hopes the market will soon support the conversion of these spaces as the market allows.

The developer sold the building to a company that was concerned about the low number of parking spaces. The City responded by leasing an additional 34 spaces in a nearby city-owned parking facility. The City speculates that the need for added parking will go down after light rail transit service begins.

The City worked with the developer to allow for public access through the landscaped plaza to build a green connection between 8th Avenue and the Downtown Park. However, the design does not feel as “public” as the City anticipated. The walkways are not well used. In the future, the City will work with a landscape architect or urban designer to ensure more public use.



Gallery Flats includes a landscaped plaza on top of underground parking



Looking down from a balcony at the plaza

ABOUT TBRA

The 1995 Livable Communities Act (LCA) funds community investment that revitalizes economies, creates affordable housing, and links different land uses and transit. The council awards 4 types of grants to communities. TBRA provides annual funding to investigate and clean up brownfields — contaminated land, ground water, or buildings — for redevelopment. TBRA provides key financial support for a wide range of projects, from affordable and market-rate multi family housing to commercial and industrial redevelopment.

TBRA Contact: Marcus Martin | marcus.martin@metc.state.mn.us | metro council.org

LEARN MORE

City Contact: Meg Beekman
mbeekman@hopkinsmn.com

Website: www.galleryflatsapts.com

