

Community Development Committee

Meeting date: May 4, 2015

Subject: City of Minneapolis Request for a Project Change to the TBRA TOD Grant for the Plymouth Building, Grant No. SG014-085

District(s), Member(s): 7 – Gary Cunningham

Policy/Legal Reference: 473.252

Staff Prepared/Presented: Paul Burns (Manager, Livable Communities: 651-602-1106)

Division/Department: Community Development/Livable Communities

Proposed Action

That the Metropolitan Council: (1) approve a project change for the Tax Base Revitalization Account Transit Oriented Development grant for the *Plymouth Building* project in the City of Minneapolis, acknowledging a reduction in the number of jobs produced by the project; and (2) authorize the Community Development Director to execute an amendment to Grant No. SG014-085 reflecting the change.

Background

Because Livable Communities grants are awarded competitively, guidelines established by the Community Development Committee (CDC) require that projects undergoing certain significant changes obtain CDC approval to retain their grants. For TBRA grants, one of the significance thresholds is a reduction in jobs of 15% or 50 jobs, whichever is greater. The redefined project's reduction of 62 jobs exceeds the significance threshold and therefore requires approval by the CDC.

The City was awarded a \$1,000,000 Tax Base Revitalization Account Transit Oriented Development (TBRA TOD) grant in 2014 to support the redevelopment of the Plymouth Building into a hotel that would create or retain 275 jobs. Since the grant was awarded, the property was sold and the project has been redefined into a different hotel product with 62 fewer jobs. The expected increase in net tax capacity will rise by \$34,000 from \$339,000 to \$373,000 annually.

Rationale

Livable Communities staff analyzed the impact of project changes in part by estimating how the original application would have scored using the updated information. Rescoring the project using the approved 2014 evaluation criteria for TBRA TOD grant applications and the current number of expected jobs did not change the overall score. Therefore, the project would still have been recommended for funding had the current numbers been used during the original evaluation.

Funding

There is no impact on funding.

Known Support / Opposition

There is no known opposition.