

Community Development Committee

Meeting date: November 16, 2015

Subject: City of Minneapolis Request for a Project Change to the TBRA Grant, Number SG012-149, for the 4250 Upton Project (Paul Burns 651 602-1106)

District(s), Member(s): 6 – Gail Dorfman

Policy/Legal Reference: 473.252

Staff Prepared/Presented: Paul Burns (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 grant for the *4250 Upton* project in the City of Minneapolis, acknowledging a change in the project from ownership to rental apartments, an increase in the number of units, a decrease in the projected increase in net tax capacity and an increase 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 significant changes obtain CDC approval to retain their grants. For TBRA grants, one of the significance thresholds is a reduction of 20% or more of the expected net tax capacity increase. The revised project estimates a reduction in the previously anticipated net tax capacity increase of more than 20% from the originally proposed project. However, the new project is proposed to have 29 market rate rental apartments in a four-story building, whereas the original application included 18 market rate ownership condominium units. The new proposal also projects 19 more jobs than the original proposal. Both proposals envision 6,000 square feet of retail.

Rationale

Livable Communities staff analyzes 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 2012 evaluation criteria for TBRA 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.