

Community Development Committee

Meeting date: January 17, 2017

Subject: Project Change to the Livable Communities Demonstration Account Grant, SG014-110, Village Pointe Plaza, City of Apple Valley

District(s), Member(s): District 16, Wendy Wulff

Policy/Legal Reference: Minnesota Statutes Section 473.252

Staff Prepared/Presented: Ryan Kelley, Senior Planner, 651.602.1541

Division/Department: Community Development/Livable Communities

Proposed Action

That the Community Development Committee (1) approve a project change amendment for the Livable Communities Demonstration Account (LCDA) grant agreement number SG014-110, Village Pointe Plaza to the City of Apple Valley reducing the number of housing units and reducing the amount of commercial space; and (2) authorize its Community Development Division Director to execute the grant agreement amendment on behalf of the Council.

Background

This grant was awarded in 2014 to assist with site acquisition costs. Village Pointe Plaza is the latest phase of the Central Village development in downtown Apple Valley within one-half mile of the Red Line BRT. The original development project included 78 units of senior housing with 20% of the units affordable at 50% of area-median income (AMI). The project also includes a mix of commercial and retail space.

City staff recently notified Council staff that the number of dwelling units would be reduced from 78 to 58 units, the commercial space will be reduced, the planned commercial tenant mix will change, and the anticipated number of jobs will be slightly reduced. The number of affordable units will also be reduced, but will remain the same percentage of total units as previously planned.

Livable Communities grant amendment guidelines approved by the Community Development Committee (CDC) ([2011-302](#)) require LCDA project changes to be approved by the CDC if the overall Project density and/or land use intensity is reduced by 20% or more from the density and/or land use intensity originally proposed. The proposed project change is a 25% reduction in overall density. The CDC is the final approving body of LCDA grant amendments.

Rationale

This project scored fourth out of ten projects reviewed by the Livable Communities Advisory Committee. Project elements that contributed to its score remain, including intensified redevelopment with a mix of uses and providing a more walkable environment through building placement near a BRT station. The revised project would still score within the fundable range of projects in the grant round.

Thrive Lens Analysis

Investing in the Village Pointe Plaza project advances all five of the Thrive Outcomes. Redevelopment of this vacant site adds senior housing and affordable housing units to the suburban community of Apple Valley. The mix of uses and proposed density, within one-half mile of BRT service, are a more efficient use of land and infrastructure providing environmental and quality of life benefits.

Funding

There are no impacts to funding.

Known Support / Opposition

Staff is not aware of any opposition to the amendment.

Revised Project Summary

Grant # SG014-110
Type: Livable Communities Demonstration Account
Applicant City of Apple Valley
Project Name Village Pointe Plaza
Project Location 15342 Founders Lane
Council District 16 – Wendy Wulff
Project Detail

Project Detail	Original Numbers	Revised Numbers
(Re)Development summary of project to commence by 12/31/2018	Village Pointe Plaza is the latest phase of the Central Village development, a compact mixed-use development in downtown Apple Valley. The project will deliver a pedestrian-friendly, integrated mix of uses with 58 units of senior-owned housing, retail and office uses on a vacant 3.65-acre lot within a 1/2-mile walk to the Apple Valley Transit Station and the METRO Red Line. The site is prominent in Apple Valley, where development has been sought for over 10 years.	
Jobs (FTEs)	200 – Temporary Construction 35 – Regular (32 Living Wage)	200 – Temporary Construction 28 – Regular (21 Living Wage)
Net tax capacity increase	\$388,000	\$306,630
Total housing units	78	58
Affordable units (60% AMI)	16 – at 50% AMI	12 – at 50% AMI
Anticipated # bedrooms	27 – 1BR 37 – 2BR 14 – 3BR	9 – 1BR 49 – 2BR
Est. total development cost	\$33.3 million	\$27.4 million
Est. private funds leveraged	\$32.1 million • Private resources	\$26.3 million • Private resources
Est. other public funds	None	None
Comments/ Demonstration value	This project demonstrates innovation in how it recaptures a tax-forfeiture parcel and programs it for development as part of the larger, more urban-style development. This project can serve as a model for other suburban communities with redevelopment sites as it shows ways to intensify development in a manner that will accommodate an aging population and generate more tax revenue in an environment that is sustainable and walkable. From an urban design/walkability standpoint it surpasses some of its urban counterparts and brings together healthy food/healthy lifestyle in a strong way.	
Funding		
Requested amount	\$1,148,639	
Previous LCA funding	\$46,000 – Pre-development grants 2001 & 2002 \$425,000 – LCDA 2006 for Central Village	
Use of funds		
Amount	Uses to be completed by 12/31/2018	
\$1,148,639	Site acquisition	
\$1,148,639	TOTAL	