

Community Development Committee

Meeting date: June 4, 2018

The Community Development Committee makes the final decision on this item.

Subject: City of Minneapolis Request to Extend the Term for the 4th Street Infrastructure Livable Communities Demonstration Account Grant Beyond the Five Year Maximum Grant Term

District(s), Member(s): District 8 – Cara Letofsky

Policy/Legal Reference: Minnesota Statutes Section 473.25

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

Division/Department: Community Development/Regional Planning

Proposed Action

That the Metropolitan Council: (1) approve a two-year extension beyond the five-year maximum grant term to Livable Communities Demonstration Account-Transit Oriented Development grant SG013-128 for the 4th Street Infrastructure TOD project; and (2) authorize its Acting Community Development Director to execute an amendment on behalf of the Council.

Background

In 2013, the Council awarded \$1,000,000 to the City of Minneapolis for stormwater and utility improvements, public connecting elements and placemaking features, through the 4th Street Infrastructure TOD project, to help catalyze a 243-unit mixed income apartment complex a short distance from the Prospect Park Green Line Light Rail station. These improvements were also expected to help catalyze additional development along 4th Street, between 29th and Malcolm Avenues.

Livable Communities Act grant agreement terms are for three years with the possibility of an administrative extension of another two years upon demonstration of progress of the project. After the initial three-year grant agreement through December 2016, Council staff administratively extended the project to a full five-year term expiring on December 31, 2018.

The City subsequently approved three additional projects along the same stretch of street, one of which was also awarded Livable Communities Act funding, the Aeon Prospect Park project. The City is now concerned that if the grant-funded improvements are constructed within the term of the extended grant, ending in December 2018, the construction of the additional development projects along that street could result in damages to the grant-funded improvements.

The City is now requesting another two-year extension to December 31, 2020 (for a total of seven years).

Rationale

The Council established the three-year term, with the possibility of a two-year extension, as a reasonable amount of time to allow projects to assemble their full funding package and get underway, without unreasonably tying up grant funding that could be used by other projects. The Council has approved five other extensions beyond the maximum five-year term. Two of those were for just a few months, two were for one year, and one was for two years.

Thrive Lens Analysis

The area-wide stormwater improvements should help further the Thrive Stewardship and Sustainability outcomes, by improving both the water quantity management and water quality. By redeveloping a site and improving infrastructure this project will help advance the Thrive Prosperity outcome. By providing housing choices and transit availability for a range of demographic characteristics, this project will help advance the Thrive Livability and Equity outcomes.

Funding

The grant award was for \$1,000,000. \$100,000 has been disbursed to date, leaving a balance of \$900,000 to assist with the street placemaking features.

Known Support / Opposition

The City of Minneapolis made this request, demonstrating their support for it. There is no known opposition to this request.