

Community Development Committee

Meeting date: December 7, 2020

For the Metropolitan Council meeting of December 23, 2020

Subject: Livable Communities Demonstration Account Transit-Oriented Development Pre-Development Funding Recommendations

District(s), Member(s): All

Policy/Legal Reference: Minnesota Statute § 473.253

Staff Prepared/Presented: Stephen Klimek, Senior Planner, Livable Communities (651) 602-1541

Division/Department: Community Development/ Regional Planning

Proposed Action

That the Metropolitan Council:

1. Award two Livable Communities Demonstration Account Transit-Oriented Development Pre-Development grants for \$200,000 as shown in the Table 1 below.
2. Authorize its Community Development Division Director to execute the grant agreements on behalf of the Council.

Table 1. Livable Communities Demonstration Account TOD Pre-Development Recommended Awards

Applicant	Recommended Project	Award Amount
City of Minneapolis	Nic@Lake	\$100,000
City of Saint Paul	678 N Snelling Ave	\$100,000
Total Recommended:		\$200,000
Total Available:		\$250,000
Total Remaining:		\$50,000

Background

The Metropolitan Council has identified advancing Transit Oriented Development (TOD) along existing and emerging transitways as a priority. The Livable Communities Demonstration Account (LCDA) TOD grant category supports development activities in identified TOD areas. The Council adopted the 2020 Livable Communities Act TOD guidelines, criteria, schedule, and evaluation process as part of the 2020 Annual Livable Communities Fund Distribution Plan ([Business Item 2020-70](#)) on February 26, 2020. The Fund Distribution Plan provides for a one-step staff evaluation process for the LCDA-TOD Pre-Development grant funding. A team of staff from the Community Development Division reviews pre-development applications.

Rationale

On November 2, 2020, the Council received two applications for the fall round of LCDA-TOD Pre-Development funding. Applications came from the City of Minneapolis and the City of Saint Paul. The staff evaluation concluded that both applications met the minimum scoring threshold required for funding. Project details are included in the attached project summaries.

Thrive Lens Analysis

Projects that leverage regional infrastructure investments by helping increase densities and provide a mix of uses further the Thrive Stewardship Outcome.

Projects that redevelop and increase density, especially near transit stations, further the Thrive Prosperity outcome of “Encouraging redevelopment and infill development across the region.”

Projects that help produce jobs near transit further the Thrive Equity outcome of “using our influence and investments to build a more equitable region.”

Projects located near transit and that include a mix of housing and jobs further the Thrive Livability outcome of “Aligning resources to support transit-oriented development and walkable, urban places.”

Funding

Funds are available in the Livable Communities authorized 2020 budget and Livable Communities reserve accounts. Reserve funds may need to be amended into future authorized budgets if grantee draws are forecasted to exceed annual authorized budgets.

As outlined in the [Fund Distribution Plan](#), the Council has two rounds of LCDA-TOD Pre-Development funding in 2020, with up to \$250,000 available in each round. Both applications presented projects that will further Livable Communities Act goals and offer demonstration value to the region. Fully funding both applications will result in \$200,000 in grant awards and \$50,000 of the total available funding unallocated. The remaining balance will be available for future programming.

Known Support / Opposition

Both applicants have submitted a resolution of support from their City Council. There is no known opposition to either project.

Review Process

The Council issued a notice of funding availability in March 2020 after adopting the 2020 Annual Livable Communities Fund Distribution Plan. Staff distributed information about funding availability and met with applicants to discuss the LCA processes, criteria, and best program fit for their projects.

Two applications were submitted, as shown in Table 2. Community Development staff conducted a preliminary review for completeness and eligibility, then used Council-approved criteria to evaluate each application in the following areas: TOD Design and Demonstration; Transit Accessibility, Walkability, & Ridership; Housing; Jobs; Catalyst; and Process and Partnerships. Each application exceeded the minimum threshold of 39 points to be eligible for funding. Staff is recommending that both projects receive funding.

Table 2. LCDA-TOD Pre-Development Application Scoring Summary

Applicant	Project	Points (65 pts. possible; minimum 39)	Amount Requested	Amount Recommended
City of Minneapolis	Nic@Lake	60.0	\$100,000	\$100,000
City of Saint Paul	678 N Snelling Ave	42.5	\$100,000	\$100,000

Total Requested: \$200,000
 Total Recommended: \$200,000
 Total Available: \$250,000
 Total Remaining: \$50,000

Projects Recommended for Funding

A project summary of each of the recommended projects is on the following pages.

Grant #**Type:** LCDA-TOD Pre-Development**Applicant:** City of Minneapolis**Project Name:** Nic@Lake**Project Location:** 10 and 30 West Lake Street, Minneapolis, MN 55408**Council District:** 7 – Robert Lilligren

Project Detail	
Future Development Project Overview	Nic@Lake is a mixed-use redevelopment of the former Kmart on Lake St and Nicollet Ave in a High-Frequency Bus corridor and the Orange Line I-35W & Lake St Station Area. The project intends to bring higher density affordable and mixed-income housing units, retail, and office space to the previously low density big-box commercial site along with an enhanced public realm network plan to encourage walkability, street life, and transit use while also preventing displacement, retaining existing affordable housing and employment opportunities, and supporting new means of BIPOC wealth creation.
Project Comments	The City has high expectations for Nic@Lake to meet City comprehensive plan goals, address historical inequities, current disparities, and be a model for how to develop mixed-use projects. The current scope would increase housing choice, employment opportunities, efficiency of land use, improve connections, support transit use and enhance the public realm.
Funding	
Requested amount	\$100,000
Previous LCA funding	None
Use of funds	
Total Award: \$100,000	
Amount	Uses to be completed by the end of the grant term
\$50,000	Site Plan Development Deliverables: 2-3 Public Space Network Plan alternatives, documentation of how community input was incorporated into site plans
\$20,000	Community Engagement Deliverables: Documentation of community engagement activities and how input was incorporated into project
\$15,000	Impact Analysis Deliverables: Displacement Risk Assessment and Mitigation report
\$15,000	Wealth Creation Study Deliverables: Wealth Creation report including strategies for BIPOC participation in the project

Grant #
Type: LCDA-TOD Pre-Development
Applicant: City of Saint Paul
Project Name: 678 N Snelling Ave
Project Location: 678 N Snelling Ave, St. Paul, MN 55104
Council District: 14 - Kris Fredson

Project Detail	
Future Development Project Overview	678 N Snelling Ave is the rehabilitation of a vacant building by African Economic Development Solutions (AEDS) in the A Line Snelling & Minnehaha Station Area. The mixed-use project is proposing a community facility with small business incubator, office space, commercial kitchen and public realm enhancements along with a future phase co-operative grocery.
Project Comments	The City and AEDS plan to work with community stakeholders and those most impacted in the development process to finalize a vision for the rehabilitation project. The proposed project scope will bring new employment opportunities to the Station Area and provide greater efficiency of land use, support transit use, and enhance the public realm.
Funding	
Requested amount	\$100,000
Previous LCA funding	None
Use of funds	
Total Award: \$100,000	
Amount	Uses to be completed by the end of the grant term
\$15,000	Design Workshops Deliverables: Documentation of site plan workshops and how community input was incorporated into site plans
\$5,000	Financial Analysis Deliverables: Financial modeling of investment, phasing and cash flow
\$5,000	Market Study Deliverables: Final market study; feasibility assessment of community's redevelopment visions
\$45,000	Impact Assessment and Community Engagement Deliverables: Impact Assessment report; documentation of community engagement activities and how input was incorporated into the project
\$5,000	Geotechnical Analysis Deliverables: Soil analysis identifying structural repairs
\$25,000	Site Plan Development Deliverables: 2-3 site plans of community's redevelopment vision