

Community Development Committee

Meeting date: May 4, 2020

Per Council policy, the Community Development Committee is the final authority on this item.

Subject: Project Change for Minneapolis Apprenticeship and Training Center, City of Minneapolis (SG-11027)

District(s), Member(s): 7, Robert Lilligren

Policy/Legal Reference: Minn. Stat. § 473.252

Staff Prepared/Presented: Tara Beard, Livable Communities Manager (651-602-1051)

Division/Department: Community Development / Livable Communities

Proposed Action

That the Community Development Committee:

1. Approve the project change for the Minneapolis Apprenticeship and Training Center (SG-11027) awarded to the City of Minneapolis; and
2. Authorize its Community Development Director to execute the amendment reflecting the changes on behalf of the Council.

Background

Livable Communities grants are awarded through a competitive process. To maintain the fairness of the scoring process, grantees are required to notify Council staff of any changes to the funded project that would have impacted how it was initially scored. When Council staff are notified of a change, the project changes are reviewed against guidelines that have been established by the Community Development Committee (CDC). If the changes are considered significant, Council staff rescore the project to compare with other scores from the initial funding round in which the grant was awarded. The results are then presented to the CDC, which then makes the final determination on the grant award.

The City of Minneapolis was awarded a \$1,600,000 Livable Communities Demonstration Account (LCDA) grant in the Fall 2018 funding cycle ([Business Item 2018-313](#)) for site acquisition and environmental improvements such as stormwater management and renewable energy on two parcels (Minneapolis Apprenticeship and Training Center). The project as originally proposed included an existing 22,000 square foot building on one parcel and the construction of a new 100,000 square foot building on the other parcel.

However, the City did not execute the original grant agreement sent in December of 2018, and since then there have been intermittent conversations about the timing and inclusion of the second parcel and new building in the overall project. The City formally submitted a request for a project change on March 17, 2020, informing staff that they would like to officially amend the project to only include the acquisition and improvements to the existing building. A significant reduction in the total square footage of the project is a change that requires approval by the CDC.

The project change reflects that construction of the second building will not commence as originally described in the application. The City did not wish to enter into a grant agreement that requires the second building commence construction prior to the expiration of the grant, which is December 31, 2021. While construction of the new building

was a consideration in the scoring of the original application, the funded activities applied only to the acquisition and improvements to the existing building. Therefore, while the amended project must be evaluated to ensure it would have still been awarded funding without consideration of the new building in 2018, none of the uses or amounts of the original grant award need to be changed.

Rationale

The impact of the project change was determined by rescoring the new project (exclusive of the new construction portion of the project, as discussed above) based on the criteria set forth in the [2018 Fund Distribution Plan](#). The score is then compared against the other projects it was competing against in the original grant round to estimate if it still would have been funded.

The original score for the project was 76.17. The revised score was 73.17, resulting from a decrease in some of the environmental features that were associated with the new building and an increase in readiness and partnerships since the original application. While the revised score is less than the original score, it is still greater than the lowest ranking project recommended for funding in the same grant round, which received a score of 69.77. Therefore, the new project would have been recommended for funding in the original grant round.

Thrive Lens Analysis

The project supports livability by preparing residents for careers in clean energy, water systems, and other technical construction fields. The area is well-served by transit which supports stewardship of existing transit infrastructure and sustainability through the environmental features of the existing building improvements. An increase in workforce readiness supports regional prosperity and doing so in an area where more than 50% of the residents are people of color supports equity.

Funding

The City of Minneapolis was awarded a \$1,600,000 Livable Communities Demonstration Account (LCDA) grant in the Fall 2018 funding cycle ([Business Item 2018-313](#)) for site acquisition and environmental improvements such as stormwater management and a photovoltaic system for this project. There is no impact to the funding associated with this grant as the proposed funded activities will not be changed as part of this grant.

Known Support / Opposition

The City is supportive of the project, and there is no known opposition.