

## Community Development Committee

Meeting date: June 7, 2021

For the Metropolitan Council meeting of June 23, 2021

**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 \$202,500 as shown in the table below.
2. Authorize its Community Development Division Director to execute the grant agreements on behalf of the Council.

Applicant	Recommended Project	Award Amount
City of Minneapolis	3030 Nicollet	\$150,000
City of Saint Paul	990 Payne	\$52,500

### 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 2021 Livable Communities Act TOD guidelines, criteria, schedule, and evaluation process as part of the 2021 Annual Livable Communities Fund Distribution Plan ([Business Item 2021-47](#)) on February 24, 2021. 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 April 21, 2021, the Council received three applications for Round One of LCDA-TOD Pre-Development funding. The City of Bloomington, City of Minneapolis, and City of Saint Paul all submitted applications. The staff evaluation concluded that two of the three submitted applications met the minimum scoring threshold required for funding. Project details are included in the attached project summaries. An analysis of projects not recommended for funding is included at the end of this report.

As outlined in the Fund Distribution Plan, the Council has two rounds of LCDA-TOD Pre-Development funding in 2021, with up to \$500,000 available in each round. Two of the three submitted projects received scores above the minimum point threshold to be eligible for funding.

Fully funding the recommended applications will result in \$202,500 in grant awards and \$297,500 of the total available funding unallocated.

## **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 “[e]ncouraging 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 “[a]igning resources to support transit-oriented development and walkable, urban places.”

## **Funding**

Funds are available in the Livable Communities authorized 2021 budget and Livable Communities reserve accounts. Reserve funds may need to be amended into the authorized budget in Q3 or Q4 2021, if grantee draws are forecasted to exceed the authorized 2021 budget.

## **Known Support / Opposition**

All applicants have submitted a statement of support from their City Council or other authorizing body. There is no known opposition to the proposals submitted.

## Review Process

The Council issued a notice of funding availability in March 2021 after adopting the 2021 Annual Livable Communities Fund Distribution Plan. Staff held an informational webinar, distributed information about funding availability and met with applicants to discuss the LCA processes, criteria, and best program fit for their projects.

Three applications were submitted, as shown in Table 1. Council staff conducted a preliminary review for completeness and eligibility, then used Council-approved criteria to evaluate each application in the following areas: LCA and Thrive Goals, Pre-Development Activities, Process, and Who Is Involved.

Table 1. LCDA-TOD Pre-Development Application Scoring Summary

Applicant	Project	Points (45 pts. possible; minimum 30)	Amount Requested	Amount Recommended
City of Bloomington	98 <sup>th</sup> St Station	27.50	\$150,000	\$0
City of Minneapolis	3030 Nicollet	41.75	\$150,000	\$150,000
City of Saint Paul	990 Payne	40.00	\$52,500	\$52,500

Total Requested:	\$352,500
Total Recommended:	\$202,500
Total Available:	\$500,000
Total Remaining:	\$297,500

### *Projects Not Recommended for Funding*

#### **98<sup>th</sup> St Station**

**Applicant:** City of Bloomington

**Determination:** Ineligible; did not meet minimum score required to be eligible for funding

**Rationale:**

- Project does not include a strong public engagement process or analysis of who benefits from the project
- Staff are recommending that the project team gather more details or priorities for the development consultant and re-apply in Round Two

### *Projects Recommended for Funding*

A project summary of each of the recommended projects is on the following pages, including the following projects:

- 3030 Nicollet Ave, City of Minneapolis
- 990 Payne Ave, City of Saint Paul

Project Summary

**Grant #**

**Type:** LCDA-TOD Pre-Development

**Applicant:** City of Minneapolis

**Project Name:** 3030 Nicollet

**Project Location:** 3030 Nicollet Ave, Minneapolis, MN 55408

**Council District:** 7 – Robert Lilligren

<b>Project Detail</b>	
Future Development Project Overview	Mixed-use development with a first phase including a new LEED-certified Wells Fargo branch, approximately 100 units of affordable housing, and commercial space for community-based businesses and/or organizations. Future phases will be informed by the proposed engagement activities but plan to include an additional 100 units of affordable housing.
Project Comments	Project includes equitable development strategies and is community-driven with unique partnerships. Requested activities will advance LCA goals of providing housing, living wage jobs, increasing density, and furthering racial equity outcomes in the region.
<b>Funding</b>	
Requested amount	\$150,000
Previous LCA funding	None
<b>Use of funds</b>	
<b>Total Award: \$150,000</b>	
<b>Amount</b>	<b>Uses and Deliverables to be completed by the end of the grant term</b>
\$35,000.00	<b>Design Workshops/Community Engagement</b> Deliverable: Report documenting process of seven community meeting sessions and summary of how input will shape project
\$25,000.00	<b>Development of project-specific or district-wide Stormwater Management Plan</b> Deliverable: Stormwater management plans
\$90,000.00	<b>Development of site plans, staging plans, public realm plans, plans for other Universal Design features, or site selection</b> Deliverable: 2-3 phase site plan and public realm framework

Project Summary

**Grant #**

**Type:** LCDA-TOD Pre-Development

**Applicant:** City of Saint Paul

**Project Name:** 990 Payne Ave

**Project Location:** 990 Payne Ave, St Paul, MN 55130

**Council District:** 13 – Chai Lee

<b>Project Detail</b>	
Future Development Project Overview	Commercial redevelopment of a small food and retail business entrepreneurship center by Latino Economic Development Center (LEDC). The project aims to create 40 new jobs by incubating new local BIPOC-owned businesses that employ unemployed and underemployed residents.
Project Comments	Requested activities will significantly further the described project outcomes which are consistent with LCA goals of providing living wage jobs and furthering racial equity outcomes in the region. The project is community-driven with partnerships and applicant support.
<b>Funding</b>	
Requested amount	\$52,500
Previous LCA funding	None
<b>Use of funds</b>	
<b>Total Award: \$52,500</b>	
<b>Amount</b>	<b>Uses and Deliverables to be completed by the end of the grant term</b>
\$35,500.00	<b>Market or Feasibility Study to develop and evaluate development scenario(s)</b> Deliverable: Financial feasibility study for small food vendors with market studies for commissary kitchen and event center
\$17,000.00	<b>Market or Feasibility Study to develop and evaluate development scenario(s)</b> Deliverable: Financial feasibility study for real estate development and management