

Business Item

Community Development Committee



Committee Meeting Date: December 19, 2022

For the Metropolitan Council: NA*

*Per Livable Communities Act Grant Amendment Process (Business Item [2012-296](#) and [2014-182](#)), the Community Development Committee is the final authority on this item.

Business Item: 2022-342

Revise Project Scope for 678 N Snelling TOD Pre-development Grant (SG-14953)

District(s), Member(s):	District 4, Kris Fredson
Policy/Legal Reference:	Minn. Stat. § 473.253
Staff Prepared/Presented:	Samuel Johnson, Senior Grants Administrator, 651-602-1757
Division/Department:	Community Development / MTS Finance and Admin/Livable Communities

Proposed Action

That the Community Development Committee approve revising the 678 N Snelling (SG-14953) TOD Pre-development Grant Award project summary as detailed in Attachment B.

Background

The City of Saint Paul was awarded a \$100,000 Transit Oriented Development (TOD) Pre-Development grant in the 2020 Round 2 funding cycle ([Business Item 2020-330](#)) for the 678 North Snelling project. The original project covered rehabilitation of a vacant building by African Economic Development Solutions (AEDS) to be used for activities beneficial to the community including a small business incubator, office space, a commercial kitchen, public realm enhancements, and a co-operative grocery store. The City of Saint Paul and AEDS proposed working with community stakeholders and those most impacted in the development process to finalize a vision for the rehabilitation project. The TOD grant was to assist in paying community engagement and feasibility study costs related to the project (Table 1).

Six months after the grant was awarded, the City of Saint Paul contacted Council staff to discuss the project. Before executing the grant agreement, they and AEDS had updates on the project and were interested in revising the Project Summary and The City of Saint Paul formally requested amending the unexecuted grant agreement on September 29, 2022 (Attachment A).

The City requests a change to the project description. The project no longer includes a commercial kitchen and the grocery store will no longer be a co-operative model.

The City requests the funds for Community Engagement decrease significantly (Table 1). They explained that they did not see opportunity for meaningful community engagement due to the constraints of the renovation. Due to the limits of design planning related to the building's zero lot line limits, the City requests that funds for design workshops be reduced to \$0. They request funds for Site Plan Development decrease significantly (Table 1), explaining that physical and financial constraints are determinative of most project site decisions, and therefore no major site planning is needed. Finally, they request funds for Geotechnical Analysis be reduced to \$0, explaining that the structural engineer for the project has determined no soil analysis of geo-technical conditions is required. In total, they are asking those four activities be reduced by \$78,750. Of that amount, they

are proposing to relinquish \$55,000 in funding back to the Council and to shift the remaining \$23,750 to Financial Analysis and Market Study activities (Table 1), explaining that substantially more work is needed to conduct a comprehensive financial analysis and the original application was incorrect in its estimate of the cost of doing a market study.

Table 1. Project Activities and Funding Levels

Project Activity	Original Amount	Amended Amount Amended
Impact Assessment & Community Engagement	\$45,000	\$7,500
Design Workshops	\$15,000	\$0
Site Plan Development	\$25,000	\$3,750
Financial Analysis	\$5,000	\$15,000
Market Study	\$5,000	\$18,750
Geotechnical Analysis	\$5,000	\$0

Rationale

The 678 N Snelling Ave (AEDS) TOD Pre-Development application was one of two submitted in the second funding round of 2020. The proposed changes to the scope and role of community engagement in the AEDS project would have produced lower scores in two evaluation categories: “TOD Design & Demonstration” and “Process & Partnerships.”

While the proposed changes to the project would have caused its application to score fewer points than the original, it would still have been recommended for funding. The proposed changes to the AEDS project would not have impacted the funding recommendation for any other applicant in the 2020 round 2 funding cycle.

Therefore, Council staff recommend the Committee approve amending the project summary (attachment B) to represent the proposed changes to the project and grant funded activities, and to amend the total award amount from \$100,000 to \$45,000 per the City’s request.

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

The [2020 Fund Distribution Plan](#) committed funds for TOD Pre-development projects. The relinquished funds will be returned to the LCA undesignated account to be used towards future LCA Fund Distributions.



Attachments

Attachment A. Grant Amendment Request

Attachment B. Revised Project Summary



Attachment A. Grant Amendment Request



SAINT PAUL
PLANNING & ECONOMIC
DEVELOPMENT

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT
NICOLLE GOODMAN, DIRECTOR

City Hall Annex, 25 West 4th Street, Suite 1300
Saint Paul, MN 55102
Tel: 651-266-6565

September 30, 2022

TO: Samuel Johnson, Metropolitan Council Community Development

FROM: Jonathan Reisetter, Senior Project Manager, Department of Planning and Economic Development

SUBJECT: Amendment Request for SG-14953

Hi Samuel:

As you know, I have been working with the consultant for the project at 678 Snelling Ave N on an amendment request for the LCDA TOD Pre-development grant no. SG-14953. With their revised grant activities showing a budget shift greater than 20%, we will be requesting an amendment via committee approval. Please see the attached draft agreement with adjustments made to the Project Summary (Attachment A) section reflecting the proposed amendment amounts and activities.

We look forward to working with you in the coming days and weeks to finalize the specifics of the request. Please let me know if you need anything further to submit this request.

Sincerely,
Jonathan Reisetter
Senior Project Manager, PED



Metropolitan Council

CITY OF SAINT PAUL
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Project Summary

Grant No.: SG-14953
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, and public realm enhancements along with a 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	
Estimated Project Amount	\$60,000
Maximum Grant Amount	\$45,000
Grantee Match	\$15,000
Use of funds	
Amount	Uses to be completed by the end of the grant term
\$15,000	Financial Analysis Deliverables: Financial modeling of investment, phasing and cash flow
\$18,750	Market Study Deliverables: Final market study; feasibility assessment of community's redevelopment visions
7,500	Impact Assessment and Community Engagement Deliverables: Impact Assessment report; documentation of community engagement activities and how input was incorporated into the project
\$3,750	Site Plan Development Deliverables: Site plan of community's redevelopment vision
45,000	Total

