

Business Item

Community Development Committee



Committee Meeting Date: June 20, 2023

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: 2023-140

Amend Budget for Nic@Lake LCA Pre-Development Grant (SG-17942)

District(s), Member(s): District 6, John Pacheco Jr.
Policy/Legal Reference: Minn. Stat. § 473.253
Staff Prepared/Presented: Nicole Clapp, Acting Grant Manager (651-602-1723), Samuel Johnson, Principal Grants Administrator, 651-602-1757
Division/Department: Community Development / MTS Finance and Admin/Livable Communities

Proposed Action

That the Community Development Committee approve amending the Nic@Lake (SG-17942) LCA Pre-development Grant Award project summary to adjust budget activity line-items as detailed in Attachment B.

Background

The City of Minneapolis was awarded a \$150,000 Livable Communities Act (LCA) Pre-Development grant in Round 2 of the 2022 funding cycle (Business Item [2022-242](#)) for the Nic@Lake project. The project proposes to redevelop ten acres of land on the 10 and 30 W Lake Street addresses in Minneapolis. The grant funds the City's "Phase 2" of community engagement which includes implementing their Public Engagement plan and developing a Public Space plan and a new Nicollet Ave layout plan. Specifically, funds are split between Community Engagement and Development of Site Plans.

On March 30, 2023, the City of Minneapolis requested the two line-items in the budget be adjusted (Attachment A). They explained that different city departments are leading the two grant-eligible activities and originally were intending to match the individual department led activities with local funds. Amending the budget would ease internal processes and improve accounting practices related to grant funds. The City intends to complete all grant-funded activities but will only request reimbursement for costs related to development of site plans. The City will continue reporting on the progress of Design Workshops/Community Engagement and will provide the deliverables stated in the grant agreement's Project Summary upon completion of the project.

Rationale

The amendment request to adjust the budget for grant funded activities constitutes a 50% shift of total grant funds between budgeted line-items. Committee approval is required for any budget shift above 20%. The project and grant-funded activities are otherwise unchanged.

The grant-funded activities are interdependent. The grantee separated them during application to frame project activities. The line-items were not meant to be restrictive or strictly independent.

Therefore, Council staff recommend the Committee approve amending the project summary (attachment B) to adjust budgeted activity line-items.

Thrive Lens Analysis

Projects that demonstrate efficient and effective use of public financial resources further the Thrive Stewardship Outcome.

Projects that redevelop and increase density further the Thrive Prosperity outcome of “[e]ncouraging redevelopment and infill development across the region.”

Projects that provide a mix of housing affordability levels further the Thrive Equity outcome of “[c]reating real choices in where we live, how we travel, and where we recreate for all residents, across race, ethnicity, economic means, and ability.”

Projects that introduce more housing types and affordability levels in existing neighborhoods further the Thrive Livability outcome of “[p]roviding housing and transportation choices for a range of demographic characteristics and economic means.”

Funding

Funds are available in the Livable Communities authorized 2022 budget and Livable Communities reserve accounts to award these grants. Reserves may need to be amended into a future annual budget to meet cashflow needs on Livable Communities multi-year grants.

Attachments

Attachment A. Grant Amendment Request

Attachment B. Revised Project Summary



Attachment A. Grant Amendment Request



Finance and Property Services Department
 Development Finance Division
 505 4th Avenue S - Room 620
 Minneapolis, MN 55415
www.minneapolismn.gov

March 30, 2023

Samuel Johnson
 Livable Communities Program
 Metropolitan Council
 390 Robert Street
 St. Paul, MN 55101-1805

RE: Request to Modify Grant Budget (but not Deliverables) for SG-17945 Nic@Lake Predevelopment

Dear Sam,

The City of Minneapolis was awarded a second Predevelopment grant for the Nic@Lake project on September 14, 2022. As planning for this second phase of predevelopment progressed, the responsibility for the grant-funded tasks has been split very cleanly between Minneapolis Public Works (MPW) and CPED; MPW will undertake Design Workshops/Community Engagement and CPED will be responsible for Development of site plans, staging plans, public realm plans. MPW has sufficient funds appropriated to pay for their work scope. CPED has an appropriation for a portion of their scope and will return to City Council soon to appropriate the balance of funds needed for the site planning contract which totals \$175,000.

If we provide the deliverable for Design Workshops/Community Engagement as proof this work was performed, can we modify the grant budget to allow CPED to be reimbursed \$150,000 for site planning? Public Works and CPED are using different Funds within the City's accounting structure to pay for their activities, and this would make the accounting and draw documentation so very much more simple, and prevent us from having to journal voucher costs back and forth between Funds (at which point the integrity of the grant accounting goes sideways, as costs would have to be recorded in both a Public Works Fund and the Other Government Grant Fund, which also requires supporting fund appropriations). The relevant section of the Project Summary would look like this:

Funding	
Requested Amount	\$150,000
Previous LCA funding	\$100,000 – TOD Pre-Development Award
Use of funds	
Amount	Uses and Deliverables to be completed by end of the grant term
\$75,000 \$0	Use: Design Workshops/Community Engagement Deliverable: 2-3 street cross-sections or layout alternatives for New Nicollet Street Layout Design and documentation of engagement activities
\$75,000 \$150,000	Use: Development of site plans, staging plans, public realm plans Deliverable: 2-3 Public Space Network Plan design alternatives



Attachment A. Grant Amendment Request (continued)

Both contracts are in the process of being executed. Work will start in earnest in April and will be completed by the end of 2023. If you would like more information, please contact me at (763) 438-5635 and I will make sure you get the information you need. Thank you for your consideration.

Sincerely,

Paula Mazzacano

Paula Mazzacano
Development Grants Coordinator

Cc: Rebecca Parrell, CPED
Suado Abdi, CPED



PROJECT SUMMARY

Grant Number: SG- 17942
Type: LCA Pre-Development
Applicant: City of Minneapolis
Project Name: Nic@Lake
Project Location: 10-30 West Lake Street
Council District: 7 - Lilligren

Project Detail	
Future Development Project Overview	The project will strive to provide opportunities for the private sector to create living wage jobs by requiring that new buildings provide commercial space on the first floor of buildings facing Nicollet Ave and Lake Street. The project will intensify the land use of the site through the redevelopment of approximately 100,000 square feet of single-story retail. Housing will be included on the upper floors of the building. Affordable housing is required to be included in the housing component.
Project Comments	<ul style="list-style-type: none"> The project will significantly improve connections and increase multi-modal options The team has a clear plan for community engagement and has formed partnerships that will benefit the project
Funding	
Awarded Amount	\$150,000
Previous LCA funding	\$100,000 – TOD Pre-Development Award
Use of funds	
Amount	Uses and Deliverables to be completed by end of the grant term
\$0 (local funds will cover these activities)	<p>Use:</p> <ul style="list-style-type: none"> Design Workshops/Community Engagement <p>Deliverable:</p> <ul style="list-style-type: none"> 2-3 street cross-sections or layout alternatives for New Nicollet Street Layout Design and documentation of engagement activities
\$150,000	<p>Use:</p> <ul style="list-style-type: none"> Development of site plans, staging plans, public realm plans <p>Deliverable:</p> <ul style="list-style-type: none"> 2-3 Public Space Network Plan design alternatives

