

**Community Development Committee**

For the Metropolitan Council meeting of October 25, 2017

**Subject:** 2017 Livable Communities Demonstration Account Transit Oriented Development Grant Recommendations

**Proposed Action**

That the Metropolitan Council (1) award four Livable Communities Demonstration Account Transit Oriented Development grants as follows, totaling \$4,550,000, and (2) authorize its Community Development Division Director to execute the grant agreements on behalf of the Council:

Recommended Projects	Applicant	Points	LCDA-TOD
PLACE	St. Louis Park	112.72	\$850,000
38 <sup>th</sup> St Station	Minneapolis	106.80	\$1,500,000
Elevate	Eden Prairie	96.16	\$750,000
NW University & Dale	St. Paul	85.83	\$1,450,000
<b>Total Recommended</b>			<b>\$4,550,000</b>
Total Available			\$4,550,000
Total Remaining			\$0

**Summary of Committee Discussion/Questions**

Committee Member Munt asked why The Mariner project in Minnetonka was not funded. Staff responded that after assigning funds to the top-ranking projects, the total funding available was exhausted.

Chair Cunningham was also interested in why the Mino-Bimaadiziwin project did not receive any funding, even though it scored higher than other projects to which funding was recommended; he wondered if this had been done before. Staff indicated that in other Livable Communities programs higher scoring projects have not been awarded partial funding in order to fully fund other projects. Chair Cunningham asked Community Development Director Beth Reetz to provide information on the potential for additional funding. Director Reetz indicated that due to past balance carryover and the relinquishment of some grants for projects that did not move forward there is a balance that could be applied to the Livable Communities Demonstration Account-Transit Oriented Development (LCDA-TOD) and/or the regular Livable Communities Demonstration Account programs. She suggested up to roughly \$5 million dollars could be available and recommended that the Committee wait to decide on adding any additional funds to the program until the LCDA review is completed in November. The Committee may want to decide at that time if it wants to add additional funding to either program and if so, how to allocate that funding.

The Committee unanimously approved the recommendation.

Note: The City of Eden Prairie confirmed that eight additional units will be affordable at 80% of area median income after the business item had been posted. This change is reflected in the attached project summary for Elevate.

## Community Development Committee

Meeting date: October 16, 2017

For the Metropolitan Council meeting of October 25, 2017

**Subject:** 2017 Livable Communities Demonstration Account Transit Oriented Development Grant Recommendations

**District(s), Member(s):** All

**Policy/Legal Reference:** Minnesota Statute §473.253

**Staff Prepared/Presented:** Ryan Kelley, Senior Planner (651) 602-1541

**Division/Department:** Community Development / Regional Planning

### Proposed Action

That the Metropolitan Council (1) award four Livable Communities Demonstration Account Transit Oriented Development grants as follows, totaling \$4,550,000, and (2) authorize its Community Development Division Director to execute the grant agreements on behalf of the Council:

Recommended Projects	Applicant	Points	LCDA-TOD
PLACE	St. Louis Park	112.72	\$850,000
38 <sup>th</sup> St Station	Minneapolis	106.80	\$1,500,000
Elevate	Eden Prairie	96.16	\$750,000
NW University & Dale	St. Paul	85.83	\$1,450,000
<b>Total Recommended</b>			<b>\$4,550,000</b>
Total Available			\$4,550,000
Total Remaining			\$0

### Background

Advancing Transit Oriented Development (TOD) along existing and planned transitways is a priority of the Metropolitan Council. The TOD grant category supports development activities in identified TOD areas. The Council adopted Livable Communities Act (LCA)-TOD program guidelines, criteria, schedule and evaluation process as part of the 2017 Fund Distribution Plan (FDP). The Fund Distribution Plan requires a two-step evaluation process for Livable Communities Demonstration Account TOD (LCDA-TOD) Development and Tax Base Revitalization Account TOD (TBRA-TOD) Cleanup grants. After a technical review by an interdivisional Council staff team (Step One), the Livable Communities Advisory Committee (LCAC) reviews projects that meet the minimum Step One scoring threshold (Step Two). The LCAC funding recommendations are presented to the Community Development Committee for consideration.

### Rationale

On June 29, 2017, the Council received nine LCDA-TOD applications. No applications were submitted for TBRA-TOD funds. Staff evaluated the applications using criteria outlined in the 2017 Fund Distribution Plan. Seven applications met the minimum Step One scoring threshold and were reviewed by the LCAC.

The seven applications reviewed by the LCAC requested over \$9 million in total. The oversubscription of funding and the \$2 million per city award limit were significant factors in determining the funding recommendation. The LCAC is recommending full funding for four LCDA-TOD requests, totaling \$4,550,000: PLACE (St. Louis Park), 38<sup>th</sup> St Station (Minneapolis), Elevate (Eden Prairie), NW University & Dale (St. Paul).

As illustrated in Table 2, the Mino-Bimaadiziwin (Minneapolis) scored above the Eden Prairie and St. Paul projects. Due to the \$2 million per city limit, this would only permit \$500,000 to be awarded which is only 27% of the amount requested. This partial award would then also result in a partial award to the St. Paul project due to exhausting the total available funding. The LCAC wanted to avoid making partial awards.

The LCAC is recommending full funding for four projects.

### **Thrive Lens Analysis**

The Council's investment in TOD projects responds directly to several Thrive outcomes.

- TOD funding will “leverage transit investments with higher expectations of land use” (Stewardship), providing a diversity of land uses in station areas while supporting increased ridership.
- This investment “encourages redevelopment and infill development” (Prosperity), adding a diversity of land uses, housing types and jobs supporting economic competitiveness over other regions.
- These projects provide a “mix of housing affordability along the region’s transit corridors” (Equity) and also “provide housing and transportation choices for a range of demographic characteristics and economic means” (Livability) particularly with the addition of affordable units in the suburban communities of Eden Prairie and St. Louis Park.
- TOD projects use land more efficiently and introduce a diversity of land uses in a smaller area, which in conjunction with transit access, allows more people to access more of their daily needs via walking, biking or transit, thereby reducing vehicular travel and associated auto infrastructure (Sustainability).

### **Funding**

As outlined in the Fund Distribution Plan, \$5 million is available for LCDA-TOD Development and Pre-development activities such as site acquisition, infrastructure, and placemaking. LCDA-TOD Pre-Development grants are offered in the spring and the fall, with \$250,000 reserved for each of those rounds. Two applications were awarded funding in the spring totaling \$200,000. The remaining balance of \$50,000 from the spring round was made available to the development grant program making \$4,550,000 available for LCDA-TOD Development projects. Per the Fund Distribution Plan, there is a \$2 million award limit per city.

The Fund Distribution Plan also makes \$2 million available for TBRA-TOD Cleanup and Site Investigation grants to support the cleanup of soils and materials contaminated with asbestos and lead-based paint in projects applying for LCDA-TOD Development funding. TBRA-TOD Site Investigation grants are offered in the spring and the fall, with \$125,000 reserved for each of those rounds. No Site Investigation applications were received in the spring and no Cleanup applications were received in June. Therefore, \$1,875,000 was made available for TBRA projects while \$125,000 will remain available for the fall round of TBRA-TOD Site Investigation funding.

### **Known Support / Opposition**

Resolutions of support were received from each applicant community. There is no known opposition to any of the applications recommended for funding.

## Review Process

The Council issued a Notice of Funding Availability in March 2017 following adoption of the 2017 Annual Livable Communities Fund Distribution Plan. Staff subsequently scheduled meetings with potential applicants to provide information on the LCA-TOD process and criteria and discuss project ideas.

Project Concept Plans, a shorter version of the full Development and Cleanup applications, were due on May 4, 2017. Ten Project Concept Plans were submitted by the cities of Columbia Heights, Eden Prairie, Minneapolis, and Minnetonka, as well as the Fridley Housing and Redevelopment Authority and the St. Louis Park Economic Development Authority. Staff reviewed the submissions and provided comments on eligibility, grant funded activities and alignment with principles of TOD and Council objectives.

Staff convened the LCA-TOD design team again this year for its fourth year. The design team reviewed projects in February so that applicants could consider feedback in their PCP submittal, and then reviewed projects again in May to provide further comments to include in a full application.

Staff received nine full applications on June 29, 2017. The number of full applications differs from the number of Project Concept Plans because the City of Columbia Heights applied to the regular LCDA program rather than the TOD program, and the City of St. Paul changed some of their applications between these same two programs.

An interdivisional staff team used Council-approved Step One criteria to evaluate the applications in seven categories, including: housing, transit accessibility and walkability, ridership, jobs and economic competitiveness, TOD design, environmental design, leverage and partnerships. Two applications, Fridley Station (Fridley) and 1919 University (St. Paul) did not meet the minimum required 45-point scoring threshold to move on to Step 2, so were not considered for funding.

The Livable Communities Advisory Committee (LCAC) reviewed the seven projects that met the minimum Step One scoring threshold. The LCAC evaluated projects in the Step Two categories of TOD model/demonstration value, catalytic potential, and readiness. The Committee’s scores, combined with scores from the Step One process, yielded a preliminary score. All seven projects met the minimum required combined scoring threshold of 72 points. The final ranking for each project included the Housing Performance Scores for each city.

**Table 1: Application Summary**

Grant Category	Project Concept Plans received	Full applications received	Eligible applications	Applications moved forward to Step Two	Applications recommended for award
LCDA-TOD	10	9	9	7	4

**Table 2: Applicant Scoring Summary**

Project	Applicant	Points	LCDA-TOD Amount Requested	LCDA-TOD Recommendation
PLACE	St. Louis Park	112.72	\$850,000	\$850,000
38 <sup>th</sup> St Station	Minneapolis	106.80	\$1,500,000	\$1,500,000
Mino-Bimaadiziwin	Minneapolis	97.57	\$1,800,000	\$0
Elevate	Eden Prairie	96.16	\$750,000	\$750,000
NW University & Dale	St. Paul	85.83	\$1,450,000	\$1,450,000
The Mariner	Minnetonka	83.43	\$1,876,000	\$0
Penn Ave Union	Minneapolis	82.76	\$1,069,819	\$0
<b>Total</b>			<b>\$9,296,319</b>	<b>\$4,550,000</b>
<b>Difference</b>			<b>(\$4,746,319)</b>	<b>\$4,550,000</b>

**Outcomes Summary**

The table below shows the expected outcomes for the 2017 LCA-TOD investment in the region.

**Table 3: Expected outcomes of projects recommended for funding**

Total Housing Units	715
Affordable Housing Units (≤80% AMI)	361
Market Rate Housing Units	354
Total Jobs (FTEs)	342
Regular (or permanent) Jobs	267
Temporary (or construction) Jobs	1,183
Net Tax Capacity Increase	\$1,831,153.75
Total Development Cost:	\$246, 640,473
Private Investment Leveraged	\$215,879,007
Other Public Investment Leveraged	\$26,216,466
<b>Parking</b>	
Average Residential Parking Ratio	.74
Average Commercial Parking Ratio (1 space per "X" square feet)	495
<b>Density</b>	
Average Net Dwelling Units per Acre (DUPA)	69
Average Net Floor-Area Ratio (FAR)	1.92

## Projects not Recommended for Funding

### Did not meet Step 1 minimum score:

#### *Fridley Station*

**Applicant:** Fridley HRA

**Determination:** Ineligible; did not meet required threshold score in Step One.

**Rationale:**

- Single use
- Minimal jobs
- Project lacked TOD design elements: design included multiple surface parking lots, single use, inactive first floor
- Weak connection to transit station
- Lack of cohesive design for whole of development site

#### *1919 University Ave*

**Applicant:** City of St. Paul

**Determination:** Ineligible; did not meet required threshold score in Step One.

**Rationale:**

- Project included no housing
- Project had low number of new jobs
- Minimal environmental design elements

### Met Step 1 & Step 2 minimum score, lack of funding:

#### *Mino-Bimaadiziwin*

**Applicant:** City of Minneapolis

**Determination:** Scored enough points to be considered for funding. Due to per city funding limits and the LCAC desire to not award partial funding, no funding is recommended.

The LCAC strongly encourages Minneapolis to reapply for this project next year, especially incorporating feedback regarding improvements to the immediate area and station connection.

#### *The Mariner*

**Applicant:** City of Minnetonka

**Determination:** Scored enough points to be considered for funding, but due to oversubscription and this being a lower scoring application no funding was available.

The LCAC encouraged Minnetonka to reapply for this project next year.

#### *Penn Avenue Union*

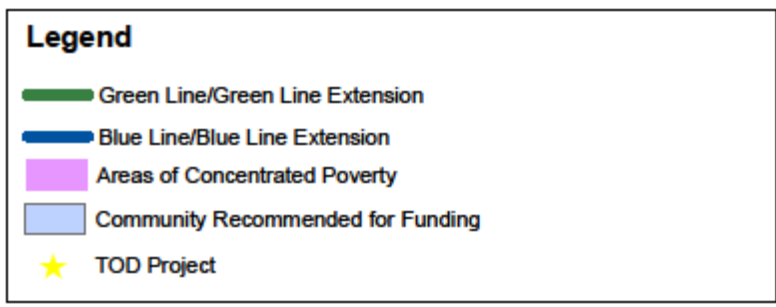
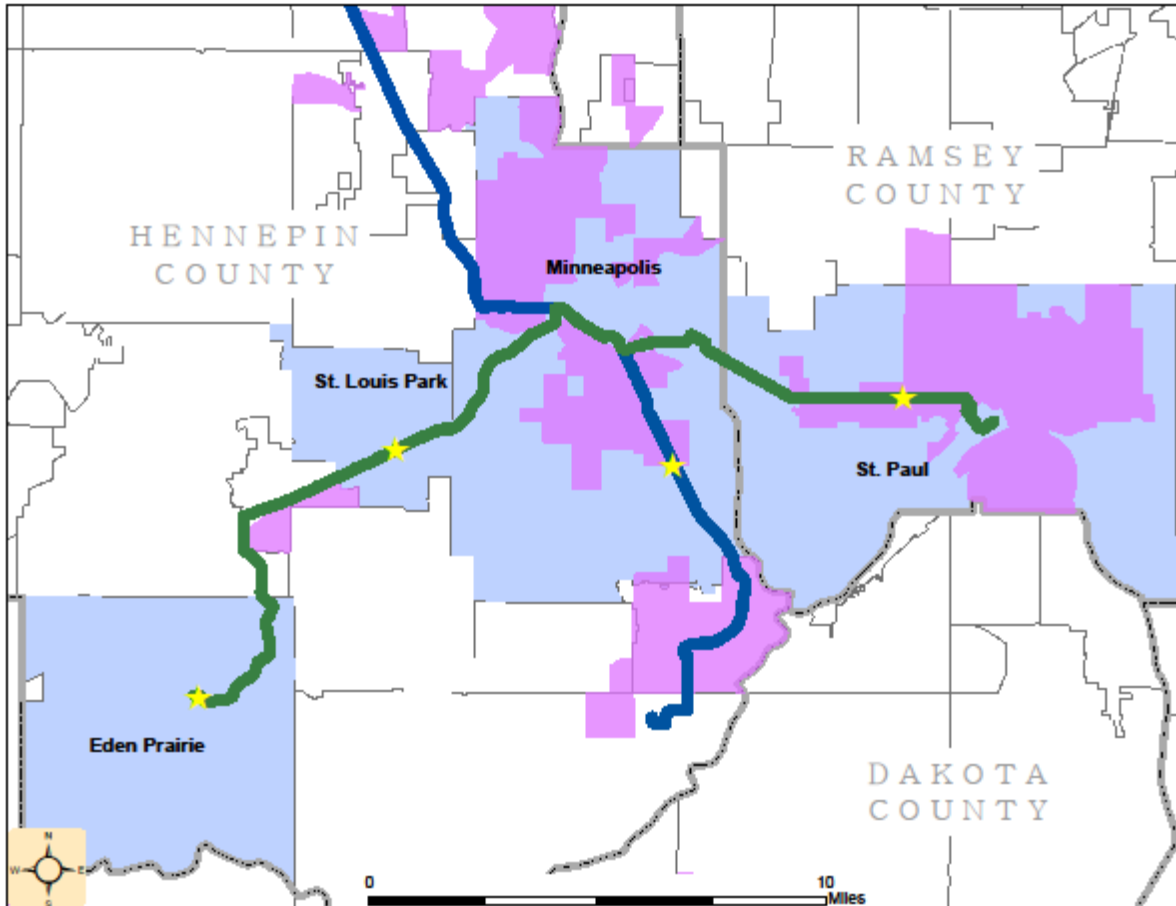
**Applicant:** City of Minneapolis

**Determination:** Scored enough points to be considered for funding, but due to oversubscription and this being a lower scoring application no funding was available.

The LCAC encouraged Minneapolis to reapply for this project next year.

## Projects Recommended for Funding

### Livable Communities 2017 Transit-Oriented Development Grants Communities Recommended for Award



## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCDA-TOD Development  
**Applicant:** City of St. Louis Park  
**Project Name:** PLACE  
**Project Location:** Green Line X – Wooddale Station  
**Council District:** District 6 – Gail Dorfman

Project Detail	
Project Overview	PLACE, a non-profit developer is working with the City of St. Louis Park to create a mixed-use, mixed-income ecovillage at the Wooddale Station. The project has expanded to the south side of the station allowing the development program to span both sides of the station. The project now includes a large plaza area right at the station with connections to 36 <sup>th</sup> St and the LRT drop-off. This area is surrounded by live-work units, retail spaces, a coffee shop and the hotel. The project now also includes a solar canopy over a parking area to the north.
Jobs (FTEs)	Temporary (construction): 628 Permanent: 123
Net tax capacity increase	\$702,103
Total housing units	299
Affordable units	200 @ 51%-60% AMI
Anticipated # bedrooms	222 - Studio/1BR; 48 - 2BR; 29 - 3+BR
Est. total development cost	\$128,132,906
Est. private funds	\$124,108,676
Est. other public funds	\$3,174,230
TOD metrics	Floor-area ratio: 2.17 Dwelling units per acre: 57 Distance to platform: 25 feet Residential parking ratio: .77 stalls/unit
Comments/ Demonstration value	<ul style="list-style-type: none"> <li>• TOD design features include: active first floor uses, bike racks, efficient land use, increased connections, enhanced public realm and plazas</li> <li>• Potential to catalyze additional TOD investment and increased density in the immediate station area and along 36<sup>th</sup> St.</li> <li>• Demonstration of sustainability through anaerobic digester and solar canopy over parking.</li> <li>• Great enhancement of regional trail with addition of urban forest and added bike amenities for users.</li> </ul>
Funding Request	
\$850,000	TOTAL
\$575,000	Placemaking
\$175,000	Renewable Energy – Solar panels
\$100,000	Stormwater Management



## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCDA-TOD Development  
**Applicant:** City of Minneapolis  
**Project Name:** 38<sup>th</sup> Street Station  
**Project Location:** Blue Line – 38<sup>th</sup> Street Station  
**Council District:** District 8 – Cara Letofsky

<b>Project Detail</b>	
Project Overview	The Lander Group has worked with Metro Transit to reconfigure bus travel through this site to create a mixed-use development featuring approximately 10,000 sq ft of ground floor commercial/retail and 133 units of housing. The development will enhance the LRT station with the addition of a plaza and building right at the station as well as enhanced streetscaping and public space.
Jobs (FTEs)	Temporary (construction): 270 Permanent: 91
Net tax capacity increase	\$423,007
Total housing units	133
Affordable units	28 @ 51%-60% AMI; 27 @ 61%-80% AMI
Anticipated # bedrooms	101 - Studio/1BR; 29 - 2BR; 3 - 3+BR
Est. total development cost	\$34,935,432
Est. private funds	\$32,550,432
Est. other public funds	\$885,000
TOD metrics	Floor-area ratio: 2.77 Dwelling units per acre: 83 Distance to platform: 126 feet Residential parking ratio: .82 stalls/unit
Comments/ Demonstration value	<ul style="list-style-type: none"> <li>• TOD design features include: active first floor uses, bike racks, efficient land use, increased connections, enhanced public realm and plazas</li> <li>• Potential to catalyze additional TOD investment and increased density in the immediate station area</li> <li>• Demonstration value in working with Metro Transit to reconfigure bus traffic to create a model TOD project.</li> <li>• Significant attention to detail and building massing illustrating innovative design at the neighborhood scale and how private development can enhance the public realm.</li> </ul>
<b>Funding Request</b>	
\$1,500,000	TOTAL
\$355,000	Site preparation (grading, soil correction)
\$400,000	New street/street reconfiguration and associated lighting
\$685,000	Placemaking – North & South Plazas and other public realm areas
\$30,000	Architecture/Engineering fees for placemaking areas
\$30,000	Stormwater Management

## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCDA-TOD Development  
**Applicant:** City of Eden Prairie  
**Project Name:** Elevate  
**Project Location:** Green Line X – Southwest Station  
**Council District:** District 3 – Jennifer Munt

Project Detail	
Project Overview	Redevelopment is a new mixed-use development at the proposed Southwest Station on the Green Line Extension. The project is nestled in between the LRT line and the existing park and ride for Southwest Transit and includes market rate and affordable housing units along with approximately 13,000 square feet of ground floor commercial space. A prominent outdoor plaza is planned as well as connections to the regional trail system and enhanced pedestrian access from the development to the new LRT station.
Jobs (FTEs)	Temporary (construction): 210 Permanent: 35
Net tax capacity increase	\$624,635
Total housing units	222
Affordable units	45 @ 31-50% AMI; 8 @ 80% AMI
Anticipated # bedrooms	187 - Studio/1BR; 30 - 2BR; 5 - 3+BR
Est. total development cost	\$60,617,259
Est. private funds	\$51,117,259
Est. other public funds	\$8,755,000
TOD metrics	Floor-area ratio: 2.63 Dwelling units per acre: 75 Distance to platform: 395 feet Residential parking ratio: 1.15 stalls/unit
Comments/ Demonstration value	<ul style="list-style-type: none"> <li>• TOD design features include: active first floor uses, bike racks, efficient land use, improved area connections, onsite stormwater management and public art</li> <li>• Potential to catalyze additional TOD investment and increased density within the Southwest Station area</li> <li>• Public plaza area and connection to regional trails is great amenity and well done on difficult site.</li> <li>• Project includes green roof and on-site grey water reuse</li> </ul>
Funding Request	
\$750,000	TOTAL
\$250,000	Site acquisition
\$50,000	Site preparation
\$15,000	Bike racks
\$80,000	Placemaking
\$355,000	Stormwater Management

## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCDA-TOD Development  
**Applicant:** City of St. Paul  
**Project Name:** Northwest University & Dale  
**Project Location:** Green Line – Dale Street Station  
**Council District:** District 14 – Jon Commers

Project Detail	
Project Overview	The redevelopment supports the Dale Street Area Station Plan vision for a healthy and functioning Main Street” serving the daily needs of residents and small businesses. The mixed-use project includes approximately 9,000 sq ft of retail/commercial space, 15,000 sq ft of office space and affordable senior housing units. The building will anchor this important corner of the station area providing enhanced landscaping, a corner plaza/seating area and green space, while also working to secure smaller local businesses and service organizations as tenants.
Jobs (FTEs)	Temporary (construction): 75 Permanent: 98
Net tax capacity increase	\$81,409
Total housing units	61
Affordable units	61 @ 51%-60% AMI
Anticipated # bedrooms	51 - Studio/1BR; 6 - 2BR; 4 - 3+BR
Est. total development cost	\$22,954,876
Est. private funds	\$8,102,640
Est. other public funds	\$13,402,236
TOD metrics	Floor-area ratio: 2.02 Dwelling units per acre: 61 Distance to platform: 73 feet Residential parking ratio: .25 stalls/unit
Comments/ Demonstration value	<ul style="list-style-type: none"> <li>• TOD design features include: active first floor uses, high transparency and building articulation, efficient land use, enhanced public realm</li> <li>• Potential to catalyze additional TOD investment and increased density in the immediate station area</li> <li>• The business incubator space is greatly needed and good addition to this project and can provide important wealth building capacity for neighborhood.</li> </ul>
Funding Request	
\$1,450,000	TOTAL
\$1,450,000	Site Acquisition