

Transportation Committee

Meeting date: February 25, 2008

For Council meeting March 12, 2008

ADVISORY INFORMATION

Date:	February 19, 2008
Subject:	Hiawatha Land Assembly Timing Revision
District(s), Member(s):	5 - Russ Susag; 7- Annette Meeks; 8 - Lynette Wittsack
Policy/Legal Reference:	None
Staff Prepared/Presented:	Arlene McCarthy, Director MTS (651-602-1754) Karen Lyons, Senior Planner, MTS (651-602-1703)
Division/Department:	Metropolitan Transportation Services

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to extend the deadline for closings on property acquisitions assisted by Hiawatha LRT Land Assembly Grants previously awarded by the Metropolitan Council from March 31, 2008 to August 1, 2009

Background

On February 22, 2006, and March 28, 2007, the Metropolitan Council acted to award \$3.5 million in federal CMAQ Hiawatha Land Assembly funds to the City of Minneapolis to assist in assembling properties for three transit-oriented development projects with the following grant amounts:

Longfellow Station (38 th Street Station)	\$ 980,000
Currie Park Lofts/Station Place (Cedar-Riverside Station)	\$1,720,000
Franklin Station (Franklin Avenue Station)	\$ 800,000

Council action on March 28, 2007 also called for expected closing on property acquisitions by March 31, 2008 and development initiation by March 31, 2010.

On October 24, 2007, the Council acted to exchange federal CMAQ Hiawatha LRT Land Assembly Project funding with Hennepin County Hiawatha LRT Operating Funds. An exchange of this nature was initially suggested by the FTA subsequent to federal grant interpretation issues. Council staff has been awaiting formal Federal Transit Administration (FTA) approval of the necessary CMAQ grant scope change. This approval was received on February 1, 2008.

Rationale

The lengthy process and approvals required for the funding adjustment has prevented the execution of grant agreements between the Council and City of Minneapolis. Equally important, the uncertainty regarding funding and FTA approval has negatively impacted property acquisition activities given that land assembly for the three projects could not occur but for these funds.

With the FTA approval and funding now secured, the Council and the City of Minneapolis can execute a grant agreement, the City and its developers can execute subrecipient agreements, and the developers than can complete due diligence activities and requirements for property acquisition. Closing for Currie Park Lofts/Station Place is anticipated to occur between March 31, 2008 and

September 30, 2008. Closing is anticipated by June 31, 2008 for Longfellow Station and by July 2009 for Franklin Station. Given these anticipated dates, a revised required property acquisition closing date of August 1, 2009 is recommended by Council and City of Minneapolis staff. The construction start deadline of March 31, 2010 will be retained.

The original grant applications were submitted to the Council in December 2005. During the two years it has taken to resolve the funding issues, the development concepts for Longfellow Station and Currie Park Lofts/Station Place have evolved, both due to changed market conditions and more detailed feasibility analyses. The following table summarizes the development changes between the original application and the newly proposed development concepts.

Project Receiving Land Assembly Funds	ORIGINAL # Housing Units (# & % Affordable)	NEW # Housing Units (# & % Affordable)	ORIGINAL SF Commercial (# Jobs)	NEW SF Commercial (# Jobs)
Currie Park Lofts/ Station Place	At least 435 units (≥156 affordable units/ ≥36% affordable)	435-631 units (157-227 affordable / ≥36% affordable)	~26,000 sq ft commercial (≥ 80 jobs)	Same as Original
Franklin Station Project	At least 187 units (≥37 affordable units/ ≥20% affordable)	Same as Original	~28,000 sq ft commercial & light industrial (≥56 jobs)	Same as original
Longfellow Station	At least 250 units (≥119 affordable units/ ≥20% affordable)	At least 185 units (≥111 affordable units/ ≥60% affordable)	~50,000 sq ft commercial (≥50 jobs)	~35,000 sq ft commercial (≥100 jobs)
TOTALS	872 housing units (302 units affordable)	807-1003 housing units (313-375 affordable)	~104,000 Sq Ft commercial/ Industrial (≥186 new jobs)	~89,000 sq ft commercial/ industrial (≥236 new jobs)

Funding

The \$3.5 million is available. A capital budget amendment is necessary to create the capital project and allocate the available funds.

Known Support / Opposition

The City of Minneapolis recommended these three projects to receive the Hiawatha Land Assembly funds. TAB demonstrated its support via CMAQ scope change and TIP amendment approvals. Hennepin County also supports this action.

There is no known opposition.