

C Community Development Committee

Meeting date: October 15, 2007

ADVISORY INFORMATION

Date:	October 8, 2007
Subject:	Recommendation from CDC Review Panel on Longfellow Station LCA Agreements
District(s), Member(s):	All
Policy/Legal Reference:	MN Statutes Sec. 473.25 Livable Communities Act
Staff Prepared/Presented:	Guy Peterson, Director, Community Development Jan Gustafson, Manager, Livable Communities Program
Division/Department:	Community Development/Livable Communities

Proposed Action/Motion

That the Community Development Committee direct staff to amend the project description shown as Attachment A of Livable Communities Demonstration Account Grant SG006-162 Longfellow Station Project) and Tax Base Revitalization Account Grant SG007-041(Longfellow Station) to incorporate City of Minneapolis-requested post-award changes to the project.

Background

The Council received a letter from the City of Minneapolis dated September 6, 2007, "requesting approval of certain modifications to previously approved project outputs" described in two Livable Communities grants (one from the Tax Base Revitalization Account [TBRA] and one from the Livable Communities Demonstration Account [LCDA]) for the Longfellow Station project. The proposed changes were the result of the downturn in the condominium market—condominiums originally intended as part of the housing provided within the Longfellow Station Project are not feasible in the current market.

On Sept 26, 2007, the Metropolitan Council directed staff to implement proposed grant administration procedures to address requests for revisions to the end projects (not LCA-funded elements) originally proposed as the development or redevelopment outcome in proposals assisted by Livable Communities grant awards. The procedures establish a three-step process to be used by the Community Development Committee (CDC) to determine whether to approve such requests.

As prescribed by the procedures, CDC Chair Natalie Steffen appointed a Review Panel consisting of Chair Steffen, Council Member Georgie Hilker and Council Member Brian McDaniel to meet on Thursday, October 4, to consider the city's request. Chair Steffen also invited Livable Communities Advisory Committee Vice Chair Dan Marckel to participate in the meeting during discussion of the LCDA grant.

Kevin Dockry, a Project Manager with Community Planning and Economic Development Department for the City of Minneapolis, presented the city's request to the panel after which Mr. Dockry and Dale Joel from the Longfellow Station Project development team responded to questions from panel members. Panel members were particularly interested in ensuring that they understood completely the changes to the housing units planned for the site: fewer units, low-rise buildings, a larger number of affordable units. Chair Steffen concluded the discussion with thanks to the Mr. Dockry and Mr. Joel for their presentation, after which the two men left the meeting.

Chair Steffen then called on Guy Peterson to present the information included in the staff memo (ATTACHMENT 1). Mr. Peterson presented the information required by the three-step procedures for considering requests for changes to end projects as follows:

STEP ONE — DETERMINE WHETHER THE REQUESTED AMENDMENT IS A SIGNIFICANT CHANGE

For the 2006 Livable Communities Demonstration Account Grant, the proposed changes are significant because:

- 1) the shift from construction of “mid and high-rise structures” to the construction of “four stories of housing above main level retail” substantially changes the nature of the project originally proposed, and
- 2) the reduction in the number of housing units from 294 to 185-215 reduces by 10 percent or more, or by 50 units (whichever is higher) the total number of housing units.

For the 2007 Tax Base Revitalization Account Grant, the proposed changes are significant because:

- 1) the shift from ownership condominium units to rental units will result in a reduction of 20 percent or more of the total net tax capacity expected to be generated by the redevelopment as originally proposed.

STEP TWO — EVALUATE THE PROPOSED AMENDMENT

The procedures state that the CDC may authorize an amendment to the project description included in the grant agreement provided that the end project, as revised, will produce the intended results described in the Livable Communities Act...and meets additional account-specific conditions. An assessment was made of each of the two grants for which amendments are requested.

For the 2006 Livable Communities Demonstration Account Grant:

A review of the proposed revisions to the end develop/redevelopment project indicates that the revised project:

- 1) will still meet the requirements of the Livable Communities Act because, consistent with the purpose of the law (in italics), it will *interrelate development or redevelopment and transit* because it is located on the Hiawatha LRT line; *interrelate affordable housing and employment growth areas*, being within one mile of jobs in downtown Minneapolis, the University of Minnesota and the employers along Lake Street; *intensify land use that leads to more compact development or redevelopment* by adding housing at densities of 50-60 units/acre; *involve development or redevelopment that mixes incomes of residents in housing...* by renting half the units at affordable rates and the other half at market rate; ...and... *attract private sector redevelopment investment in commercial and residential properties adjacent to the public improvement*—the project cost will total \$50 million, with \$35 million invested in the residential component...., and
- 2) meets the account eligibility criteria, and
- 3) would still include the demonstration and innovation elements that contributed to the Livable Communities Advisory Committee’s (LCAC’s) selection of the project for funding as noted in the the committee’s review summary and, in addition,
- 4) ...would score similarly (i.e. would score at least 20 points [the threshold level] in the Step One evaluation) to the original end project in the staff technical evaluation. The project as originally proposed in 2006 received a Step One evaluation score of 38 points. The Step One evaluation of the project as revised ...resulted in a score of 40 points.

For the 2007 Tax Base Revitalization Account Grant:

A review of the proposed revisions to the end develop/redevelopment project indicates that the revised project:

- 1) will still meet the requirements of the Livable Communities Act (in italics) because it will continue to *provide...a high return in public benefits for the public costs incurred, encourage development that will lead to the preservation or growth of living-wage jobs or the production of affordable housing, and enhance the tax base of the recipient municipality,* and,
- 2) meets the account eligibility criteria, and
- 3) is acceptable to the Council's polluted site cleanup funding partners that have also granted funds to the project (documentation provided at the meeting is included in ATTACHMENT 1), and
- 4) would score similarly to the original end project (i.e., rank within the list of projects recommended for funding) in the jobs/housing and tax base increase categories. The project as originally described received a total score of 105 points. As revised, the project would have received 97 points—still higher than the second-ranked project which received 95 points. (The points changes were made in three categories: Jobs or Affordable Housing [from 25 points to 20 points due to the smaller number of units included in the project], Increase Tax Capacity [from 25 points to 23 points because the loss of condominium units reduced the amount of taxes that would be assessed], and Framework 2030 [the score for implementing Framework goals dropped by one point due to the slightly reduced densities of the project and the loss of condominium units as a housing choice].) Rescoring the project using the revised project description would still place the project as the top ranked project during the Spring 2007 funding cycle.

STEP THREE — CONVENE THE CDC REVIEW PANEL

As required by the amendment procedures, the Review Panel considered the city's request and the information provided by Mr. Peterson. Following a thorough discussion, Council Member Hilker moved, seconded by Council Member McDaniel, that the Community Development Committee be advised that the Review Panel's recommendation was that staff be directed to amend the project description shown as Attachment A of Livable Communities Demonstration Account Grant SG006-162 Longfellow Station Project) and Tax Base Revitalization Account Grant SG007-041(Longfellow Station) to incorporate City of Minneapolis-requested post-award changes to the project necessitated by the downturn in the condominium market.

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ATTACHMENT 1



Internal Memorandum

DATE: October 1, 2007

TO: Community Development Committee Review Panel

FROM: Guy Peterson, Director, Community Development 651.602.1418
Jan Gustafson, Manager, Livable Communities Program 651.602.1384

SUBJECT: City of Minneapolis Request to Amend the End Redevelopment Project for Longfellow Station

SUMMARY

The Council received a letter from the City of Minneapolis dated September 6, 2007, “requesting approval of certain modifications to previously approved project outputs” for the Longfellow Station project. On Sept 26, 2007, the Metropolitan Council directed staff to implement proposed grant administration procedures to address requests for revisions to the end projects (not LCA-funded elements) originally proposed as the development or redevelopment outcome in proposals assisted by Livable Communities grant awards. The procedures establish a three-step process to be used by the Community Development Committee to determine whether to approve such requests. This memo applies those procedures to the City of Minneapolis request.

FUNDING HISTORY

Longfellow Station has received two previous LCA Grants:

Year	LCA Fund Account	Project Name	Amount Awarded
2006	Livable Communities Demonstration Account (LCDA)	Longfellow Station Project	\$934,523
<p>PROJECT SUMMARY: The first phase, phase 1A, of the multi-phased, mixed-use TOD Longfellow Station project includes the construction of 294 housing units, 47,000 sq. of commercial space, and 486 structured and below-grade parking spaces. The project design also includes greenroofed structures, a stormwater runoff pond, and an internal system of pedestrian connections. Project housing will include 80 affordable rental housing units and 214 market rate for-sale condominium units constructed in both mid and high-rise structures. The commercial space includes a grocery store as well other neighborhood commercial uses at ground level immediately adjacent to the housing structures. Commercial space users and housing residents will be able to park in the structured and below grade parking spaces. Grant funds will assist with unique and unusual project demolition costs (removal of large grain elevators and underutilized, deteriorated buildings that are a safety hazard) that are a barrier to redevelopment of the site.</p>			
	LCA Fund Account	Project Name	Amount Awarded
2007	Tax Base Revitalization Account (TBRA)	Longfellow Station	\$295,200
<p>PROJECT SUMMARY: The applicant submitted a revised request of \$401,406 for lead-based paint and asbestos abatement as well as matching funding for soil remediation and of a 3.6-acre site formerly used as a commercial feed mill, animal food supplement production and distribution center. Contamination identified includes arsenic and slag and coal fragments with traces of PAHs in shallow soils and DRO, GRO in deep soils. Expected benefits include the development of 200 housing units (100 ownership housing units (including 10-15 affordable), and 100 affordable rental units). Funds are to be used for asbestos and lead-based paint abatement and soil remediation. (Note, costs related to petroleum remediation will require submission of a DRAP approval letter, other regulated and hazardous material removal is not eligible.)</p>			

While there were some differences in the project description between the December 2006 LCDA award and the application for TBRA funding submitted on May 1, 2007, each grant was scored based on the description provided in the application. Later, more significant changes occurred as shifts in the real estate market resulted in declines in condominium sales. The City of Minneapolis started to make general inquiries about the Council's willingness to amend end development/redevelopment projects in late May and early June as developers began informing the city of difficulties in marketing condominium units included in several projects underway in the city.

Some projects assisted by Livable Communities funding were unable to proceed under current market conditions and relinquished funds to the Council. However, developers of the Longfellow Station project suggested changes to their original proposal that would allow the project to move forward. To continue development the city has applied for an additional \$500,000 from the Livable Communities Demonstration Account in 2007 as well as affordable housing gap funding assistance from Minnesota Housing. The July 2007 application includes a revised project summary:

The Longfellow Station project is a high-density multi-use transit oriented development (TOD) located in immediate proximity to the 38th St. transit station of the Hiawatha LRT line. When completed the project will include the construction of 185-215 housing units, 35,000 to 50,000 sq. ft. of commercial space, and approximately 430 spaces (structured, below-grade, and surface) parking spaces. The project is seeking assistance for a key project component - a comprehensive integrated and innovative green stormwater management system. The rental housing is made up of 185-215 units (approximately 119 affordable). The commercial space may include a grocery store as well other neighborhood commercial uses at ground level immediately adjacent to the housing structures. Commercial space users and housing residents will be able to park in the structured and below grade parking spaces. The estimated total development costs for the project are approximately \$50 million. The project developers have site control, have in place a complete development team, and are working with the neighborhood and city staff on land use and zoning approvals.

In compliance with Council grant administration procedures that require that requests to amend LCA grant agreements be submitted in writing, the City of Minneapolis sent a letter dated September 6, 2007, (Attachment A) requesting approval of modifications to project outputs described in previous LCA grant awards to make them consistent with the project summary in the current LCDA application. The letter stated that the "[m]ost notable of the changes is the elimination of for sale condominiums for the project, and increased construction of rental housing (rental housing cost constraints dictate the use of stick construction, limiting the project size to four stories of housing above main level retail).

APPLICATION OF AMENDMENT PROCEDURES

The Council's process for amending LCA grants to change end development/redevelopment projects (Attachment B, approved on September 26, 2007), involves three steps, as follows:

STEP ONE — DETERMINE WHETHER THE REQUESTED AMENDMENT IS A SIGNIFICANT CHANGE

For the 2006 Livable Communities Demonstration Account Grant, the proposed changes are significant because:

- 3) the shift from construction of "mid and high-rise structures" to the construction of "four stories of housing above main level retail" substantially changes the nature of the project originally proposed, and
- 4) the reduction in the number of housing units from 294 to 185-215 reduces by 10 percent or more, or by 50 units (whichever is higher) the total number of housing units.

For the 2007 Tax Base Revitalization Account Grant, the proposed changes are significant because:

- 1) the shift from ownership condominium units to rental units will result in a reduction of 20 percent or more of the total net tax capacity expected to be generated by the redevelopment as originally proposed.

The determination that the proposed changes are significant for both the LCDA and the TBRA grant moves the consideration of both grants to Step Two.

STEP TWO — EVALUATE THE PROPOSED AMENDMENT

The amendment procedures require staff to prepare a memorandum assessing the proposed amendment's eligibility and compliance with additional account-specific criteria and reporting the results of the rescoring of end projects as amended.

The procedures state that the CDC may authorize an amendment to the project description included in the grant agreement provided that the end project, as revised, will produce the intended results described in the Livable Communities Act (in italics) and meets additional account-specific conditions. An assessment was made of each of the two grants for which amendments are requested.

For the 2006 Livable Communities Demonstration Account Grant:

A review of the proposed revisions to the end develop/redevelopment project indicates that the revised project:

- 2) will still meet the requirements of the Livable Communities Act because it will *interrelate development or redevelopment and transit; interrelate affordable housing and employment growth areas; intensify land use that leads to more compact development or redevelopment; involve development or redevelopment that mixes incomes of residents in housing, including introducing or reintroducing higher value housing in lower income area to achieve a mix of housing opportunities; or encourage public infrastructure investments which connect urban neighborhoods and suburban communities, attract private sector redevelopment investment in commercial and residential properties adjacent to the public improvement, and provide project area residents with expanded opportunities for private sector employment, and*
- 2) meets the account eligibility criteria, and
- 3) would still include the demonstration and innovation elements that contributed to the Livable Communities Advisory Committee's (LCAC's) selection of the project for funding. The summary of the LCAC review states:
Advisory Committee Comments on Demonstration, Innovation, Catalyst Elements of this Project:
This project demonstrates a high-density new neighborhood connected to transit and fitting into an existing neighborhood, with innovative green technology elements. The large grain elevators on the site represent an extraordinary barrier to development—the funding will provide a catalyst to allow the development to proceed.
and, in addition,
- 4) (for projects awarded funds in 2006 or later) would score similarly (i.e. would score at least 20 points [the threshold level] in the Step One evaluation) to the original end project in the staff technical evaluation. The project as originally proposed in 2006 received a Step One evaluation score of 38 points. The Step One evaluation of the project as revised (i.e. the project as described in the application currently being evaluated) resulted in a score of 40 points.

For the 2007 Tax Base Revitalization Account Grant:

A review of the proposed revisions to the end develop/redevelopment project indicates that the revised project:

- 2) will still meet the requirements of the Livable Communities Act because it will
 - a. *provide the highest return in public benefits for the public costs incurred, encourage development that will lead to the preservation or growth of living-wage jobs or the production of affordable housing, and enhance the tax base of the recipient municipality, and,*
- 2) meets the account eligibility criteria, and
- 5) is acceptable to the Council's polluted site cleanup funding partners that have also granted funds to the project (Attachment C ~~documentation will be provided at the meeting~~), and
- 6) would score similarly to the original end project (i.e., rank within the list of projects recommended for funding) in the jobs/housing and tax base increase categories. The project as originally described received a total score of 105 points. As revised, the project would have received 97 points. Rescoring the project using the revised project description would still place the project as the top ranked project during the Spring 2007 funding cycle.

STEP THREE — CONVENE THE CDC REVIEW PANEL

As required by the amendment procedures, a Community Development Committee (CDC) Review Panel has been appointed to consider the request to revise the Longfellow Station project. The panel will take into account the information provided by representatives of the City of Minneapolis and the staff assessment included in this memorandum to prepare a recommendation for action by the CDC during its October 15 meeting.

The committee's action will occur within 45 days of receipt of the City of Minneapolis letter requesting the amendments.

ATTACHMENT A

Community Planning & Economic Development

Crown Roller Mill, 105 Fifth Ave. S.
Suite 200
Minneapolis, MN 55401



September 6, 2007

Ms. Jan Gustafson
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101

RE: Longfellow Station Project – Revised Project Scope

Dear Jan:

Thank you very much for your support of the Longfellow Station Project. As you know, the Metropolitan Council has generously awarded \$2.2 million (CMAQ \$980,000, LCDA \$934,523, and TBRA \$295,200) for this transit oriented development located at 38th Street and Hiawatha Avenue in the City of Minneapolis.

I am writing today to request your guidance and assistance with respect to the above mentioned LCDA and TBRA Grant awards. The LCDA funding was awarded during the fall 2006 funding cycle (Grant Agreement No. SG006-162 executed on March 28, 2007). The TBRA funding was awarded during the spring 2007 funding cycle (Grant Agreement No. SG007-041 pending).

Since filing the LCDA and TBRA applications, market conditions in the metropolitan area have continued to change, particularly for condominium housing. In order to secure the necessary private financing and implement the Longfellow Station project in a timely manner, the City is requesting approval of certain modifications to previously approved project outputs. Most notable of the changes is the elimination of for sale condominiums from the project, and increased construction of rental housing (rental housing cost constraints dictate the use of stick construction, limiting the project size to four stories of housing above main level retail).

The revised project outputs are as follows:

185 – 215 rental housing units

37 – 43 (20%) housing units affordable at or below 50% Metropolitan Median Income (MMI)
74 – 86 (40%) housing units affordable 51% - 80% Metropolitan Median Income (MMI)
74 – 86 (40%) market rate housing units (Rents: Efficiency @ \$834/mo.; 1BR @ \$1115/mo.;
2BR @ \$1475 - \$1655)

35,000 – 50,000 square feet of commercial space

Includes commercial, retail, restaurant, and office

350 – 395 parking stalls

Structured, below grade, and surface parking

100 – 140 new full- and part-time jobs

75 – 100 new full-time jobs

25 – 40 new part-time jobs

While the eligible costs approved by the Metropolitan Council have not changed, the revised project outputs conflict with terms included in Grant Agreement No's. SG006-162 and SG007-041, and the City is unable to move forward with the necessary sub-recipient agreements.

At this time, the City is seeking your guidance in the process necessary to obtain revisions/amendments to these Grant Agreements to reflect the revised project outputs as described above. The Longfellow Station project is currently soliciting affordable housing gap funding assistance from a number of local funders, including Minnesota Housing; the City is concerned that lack of clarity surrounding environmental remediation (TBRA) and demolition (LCDA) funding may be construed by prospective funders as "readiness" impediments and negatively impact funding decisions. It would be helpful if the City could advise funders that output conflicts will be addressed before Minnesota Housing announces its funding awards on October 25, 2007.

Please contact Kevin Dockry (CPED Senior Project Coordinator) at (612) 673-5075 if you have any questions or if you need additional information. Thank you very much for your consideration.

Sincerely,



ELIZABETH J. RYAN

Director

Housing Policy & Development

CC: Council Member Lynette Wittsack
Kevin Dockry, CPED

ATTACHMENT B PROPOSED REVISIONS TO THE GRANT ADMINISTRATION PROCEDURES

Process for Amending Livable Communities Grant Awards in Response to Requests for Changes to the End Development/Redevelopment Project

Grantees will be informed that **all requests to amend the end development project or redevelopment project as described in an LCA grant agreement must be made in writing**. Information provided must include:

- the proposed amendment(s)
- an explanation as to why the proposed change is necessary

Decisions regarding disposition of requests to amend end projects will be made through a three-step process summarized as follows and further defined below:

1. Determine whether the requested amendment to the end project is a significant change.
2. If the change is deemed to be significant, Livable Communities staff will A) review the request and prepare a report stating whether the project, as amended, meets specific conditions that would suggest that the Community Development Committee should approve the amendment and B) invite the grantee to present the proposed amendment to the Community Development Committee Review Panel.
3. Convene a three-member CDC Review Panel to consider the grantee's request and recommend action to the full Community Development Committee.

STEP ONE — DETERMINE WHETHER THE REQUESTED AMENDMENT IS A SIGNIFICANT CHANGE

Decisions as to whether or not proposed changes to end projects are **significant** will be based on consideration of the account-specific legislative outcomes and on the factors considered when the application for funding was scored. For example, some end project proposals do not include jobs...others do not include housing units.

Only the factors applicable to the end project as originally proposed will be evaluated.

For the **Tax Base Revitalization Account**, a proposed change will be considered **significant** if the change:

- proposes to replace the end project as originally proposed with a completely different end project, or
- will result in a reduction of 20 percent or more of the total net tax capacity expected to be generated by the redevelopment as originally proposed, or
- proposes to reduce by 15 percent or more, or by 50 jobs, (whichever is higher) the total number of new or retained jobs, or
- proposes to reduce by 10 percent or more, or by 50 units, (whichever is higher) the total number of housing units, or
- proposes to reduce the total number of affordable housing units by 20 percent or more from the project as originally proposed.

For the **Livable Communities Demonstration Account**, a proposed change will be considered **significant** if the change:

- proposes to replace the end project as originally proposed with a completely different end project, or
- proposes to substantially change the mix and type of land uses originally proposed in a way inconsistent with program objectives, or substantially change the nature of the project originally proposed, or
- will reduce the overall project density below the density guidelines for developments in the project location, or 20 percent below the density originally proposed (whichever is higher), or

- proposes to reduce by 10 percent or more, or by 50 units, (whichever is higher) the total number of housing units, or
- proposes to reduce the total number of affordable housing units by 20 percent or more from the project as originally proposed.

For the **Local Housing Incentives Account**, a proposed change will be considered **significant** if the change:

- proposes to replace the end project as originally proposed with a completely different end project, or
- proposes to reduce by 20 percent or more the total number of affordable housing units, or
- no longer meets Minnesota Housing funding requirements resulting in the withdrawal of Minnesota Housing funds from the project.

STEP TWO — EVALUATE THE PROPOSED AMENDMENT

If the purpose for which the funds were awarded remains the same, but the requested amendment proposes **significant changes to the end development or redevelopment project** as described in the grant as awarded by the Council’s governing body (e.g. changing an LCDA or TBRA end project in its entirety from residential development to retail uses or— for LHIA grants—changing the end project from rental apartments to owner-occupied single-family homes), the Community Development Committee may authorize an amendment to the project description included in the grant agreement provided that the end project, as revised, will produce the intended results described in the Livable Communities Act (in italics) and meets additional account-specific conditions as follows:

Tax Base Revitalization Account—

- *provide the highest return in public benefits for the public costs incurred, encourage development that will lead to the preservation or growth of living-wage jobs or the production of affordable housing, and enhance the tax base of the recipient municipality, and,*
- meets the account eligibility criteria, and
- if the revised end project is acceptable to the Council’s polluted site cleanup funding partners that have also granted funds to the project, and
- if the revised end development or development project would score similarly to the original end project (i.e., rank within the list of projects recommended for funding) in the jobs/housing and tax base increase categories;

Livable Communities Demonstration Account—

- *interrelate development or redevelopment and transit; interrelate affordable housing and employment growth areas; intensify land use that leads to more compact development or redevelopment; involve development or redevelopment that mixes incomes of residents in housing, including introducing or reintroducing higher value housing in lower income area to achieve a mix of housing opportunities; or encourage public infrastructure investments which connect urban neighborhoods and suburban communities, attract private sector redevelopment investment in commercial and residential properties adjacent to the public improvement, and provide project area residents with expanded opportunities for private sector employment, and*
- meets the account eligibility criteria, and
- if an examination of the record of review for the grant award indicates that the end development/redevelopment project, as amended, would still include the demonstration and innovation elements that contributed to the Livable Communities Advisory Committee’s selection of the project for funding, and, in addition,
- (for projects awarded funds in 2006 or later) if the revised end development/redevelopment project would score similarly (i.e. would score at least 20 points [the threshold level] in the Step One evaluation) to the original end project in the staff technical evaluation.

Local Housing Incentives Account—

- *create incentives for developing communities to include a full range of housing opportunities; create incentives to preserve and rehabilitate affordable housing in the fully developed area,*
- meets the account eligibility criteria, and
- if the revised end development/redevelopment project is acceptable to the Council's Metropolitan Housing Implementation Group funding partners that have also granted funds to the project.

STEP THREE — CONVENE THE CDC REVIEW PANEL

Community Development Committee decisions regarding compliance with the above conditions will be made in the following manner:

- A Review Panel subcommittee of the Community Development Committee consisting of three committee members appointed by the committee chair will convene to consider requests for significant changes to end projects.
- Representatives of the grant award recipients will be asked to present to the Review Panel their requests for a change to the original end project and will be available to answer panel members' questions.
- Staff will provide the Review Panel with a memorandum assessing the proposed amendments' eligibility and compliance with additional account-specific criteria and reporting the results of the rescoring of end projects as amended.
- The Review Panel will consider the information provided and make recommendations to the Community Development Committee for a final decision regarding disposition of the requests for amendments.
- The Community Development Committee will endeavor to inform grantees of the committee's decision regarding requested amendments in writing within 45 days of receipt of the grantees' written requests, subject to the committee's meeting schedule.

Implementation of the Livable Communities Act Program will continue to focus on partnering with communities to achieve local plans and objectives consistent with the Council's *2030 Regional Development Framework*. LCA staff will continue to hold grantees accountable for funded projects, monitoring progress and contacting communities to help resolve issues for funded projects on which progress is delayed.

ATTACHMENT C



October 1, 2007

Mr. Marcus Martin
Metropolitan Council
Livable Communities
390 Robert Street North
St. Paul, MN 55101

Dear Mr. Martin:

As you know, the Longfellow Station Redevelopment project has changed scope from the original plan of 215 ownership units, 80 rental units and 50,000 square feet of commercial space. The new site proposal includes 185-215 rental units and 35,000-50,000 square feet of commercial space.

The Department of Employment and Economic Development (DEED) awarded this project a contamination cleanup grant of \$265,000.00 during the May 2007 grant cycle. DEED is aware that the original project plan has changed and will allow all grant funds to remain available for the newly proposed project.

Please contact me should you have questions.

Sincerely,

A handwritten signature in cursive script that reads "Kristin Lukes".

Kristin Lukes
Director, Brownfields & Redevelopment Unit

Business and Community Development
Department of Employment and Economic Development
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