

C Community Development Committee
Meeting date: November 16, 2009

ADVISORY INFORMATION	
Date:	November 12, 2009
Subject:	City of Columbia Heights Request for a 2 nd Extension of the LCDA Grant for Grand Central Lofts, SG006-166
District(s), Member(s):	District 2 – Tony Pistilli
Policy/Legal Reference:	473.253 Livable Communities Demonstration Account
Staff Prepared/Presented:	Guy Peterson, Director, Community Development Division (651-602-1418) Beth Reetz, Housing and Livable Communities Director (651-602-1060) Deb Jensen, LCA Grants Administrator (651-602-1554)
Division/Department:	Housing and Livable Communities/Community Development

Proposed Action

That the Metropolitan Council approve the request by the City of Columbia Heights to extend the term of the Livable Communities Demonstration Account (LCDA) grant for the Grand Central Lofts project to December 31, 2010 with the conditions that:

- the City delivers to the Council documentation of full project financing by March 31, 2010; and
- no funds will be disbursed prior to the delivery of documentation of full financing and that the grant will terminate if such documentation is not delivered by March 31, 2010.

Background

The Metropolitan Council awarded the City of Columbia Heights \$974,369 on December 13, 2006, to build a 230 space parking ramp. On December 5, 2008, the Council extended the grant to December 31, 2009. On April 14, 2009, the Council approved a change in the Project and reduced the amount of the grant to \$760,008, commensurate with a reduction in the size of the parking ramp. The City requested a second extension to December 31, 2010 on September 25, 2009.

Rationale

Procedures for processing Livable Communities grant extensions beyond the first one-year administrative extension require the approval of the governing body.

Requests for second extensions require the following elements:

Required Element	Grantee response
A resolution from the grantee's governing body in support of the extension containing all of the following items:	A City Council resolution dated October 26, 2009 and containing all required assurances except for finalized financing has been received by staff.
Assurance of site control	Gained in October 2007
Secured financing	Financing will not be finalized until the pro forma is completed, final leases are signed, and permits are issued. Documentation of full project financing must be delivered to the Council by March 31, 2010.
Development agreement	An amended Development Agreement between the City's Economic Development Authority and Grand Central Commons was approved on February 9, 2009. During the summer of 2009 GCC contracted with RJM Construction and United Properties as part of the implementation.
Assurance that significant progress and/or public and/or private investment, expenditures or obligations have been made or committed to complete the Grant-Funded Activities and Project identified in the grant agreement within the term of the requested extension	The lease for the anchor tenant has been signed. The City has submitted a developer's schedule showing project completion during 2010 and has approved the site plan. The development agreement cites \$300,000 in TIF assistance to the developer and another \$350,000 in TIF for utilities.

Funding

This request would keep the modified grant amount at \$760,008. The grantee has not made any payment requests against the grant.

Known Support / Opposition

There is no known opposition.

CITY OF COLUMBIA HEIGHTS
RESOLUTION 2009-150

RESOLUTION AUTHORIZING SUBMITAL TO THE METROPOLITAN COUNCIL FOR
A THIRD EXTENSION FOR DEMONSTRATION GRANT NO. SG006-166 FOR THE 47TH
AND CENTRAL PARKING RAMP

Recitals

Whereas, on December 13, 2006 the City of Columbia Heights was awarded a \$974,369 grant from the Metropolitan Council through the Livable Communities Demonstration Account, and

Whereas, these funds were to be used for a portion of the costs to construct a parking ramp as part of a commercial and office development at 47th and Central, and

Whereas, due to economic considerations the subject project has not been constructed, and

Whereas, the City received a second extension on March 11, 2009 from the Metropolitan Council with a grant reduction to \$ 760,008 and a project completion deadline of December 31, 2009, and

Whereas, the City views that progress by the developer should ensure a project start date in 2010 with a completion date by 2011,

NOW THEREFORE BE IT RESOLVED, the Columbia Heights City Council hereby agrees to the following:

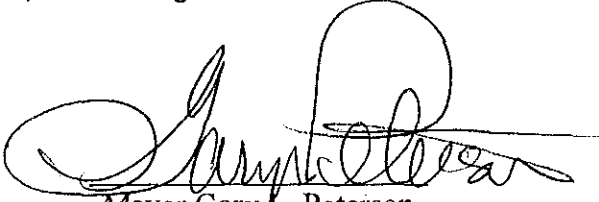
- 1) The development of the commercial portion of the Grand Central Lofts project is critical to the City's revitalization of Central Ave., bolsters the redevelopment actions in the adjacent Sheffield neighborhood and will serve as a future catalyst to complete the Lofts housing plan.
- 2) The City strongly encourages the Metropolitan Council to grant a third time extension to allow development to occur in 2010 with a final completion no later than 2011.

Passed this 28th day of September

Offered by: Williams

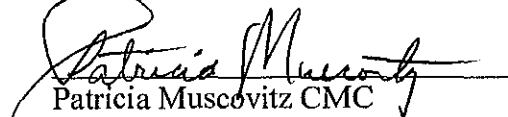
Second by: Kelzenberg

Roll call: Ayes: Peterson, Williams, Nawrocki, Diehm, Kelzenberg



Mayor Gary L. Peterson

Attest:



Patricia Muscovitz CMC
City Clerk