

**C** Community Development Committee  
Meeting date: March 19, 2012  
For the Council Meeting of March 28, 2012

ADVISORY INFORMATION	
Date:	March 13, 2012
Subject:	City of Mahtomedi Request to Change the Grantee, Mahtomedi Redevelopment Initiative, SG011-146
District(s), Member(s):	12 – Harry Melander
Policy/Legal Reference:	MN Statutes Sec. 473.25 Livable Communities Act
Staff Prepared/Presented:	Deb Jensen, Livable Communities Grant Coordinator, 651.602.1554
Division/Department:	Community Development / Livable Communities

**Proposed Action**

That the Metropolitan Council change the name of the grantee from the City of Mahtomedi to the Washington County Housing and Redevelopment Authority for the Livable Communities Demonstration Account award to the Mahtomedi Redevelopment Initiative, SG011-146.

**Background**

The Council awarded \$1,030,000 in Livable Communities Demonstration Account funds to the City of Mahtomedi for its Redevelopment Initiative on December 14, 2011. The application for the Redevelopment Initiative project was completed jointly between the City of Mahtomedi (City) and the Washington County Housing and Redevelopment Authority (HRA). Since the time of the award, the City has determined that it would be more efficient for the HRA to administer the award, stating in their attached amendment request that the HRA is negotiating directly with the property owner for the purchase of the redevelopment site and will contract directly with a project developer.

**Rationale**

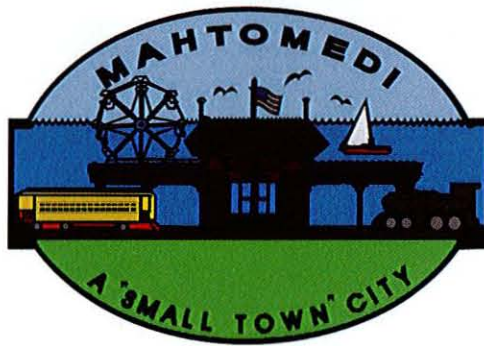
Staff supports the change in grantee, because the HRA will be the entity most directly involved in the work. Adding another layer of administration through the City will increase overall public costs and slow processing time. The HRA is an eligible recipient of Livable Communities funds. Both the HRA and the City have signed the amendment request, and the City has provided a resolution of support for the change.

**Funding**

This action will have no impact on funding.

**Known Support / Opposition**

There is no known opposition.



February 22, 2012

Mr. Paul Burns  
Livable Communities Program  
Metropolitan Council  
390 Robert Street North  
St. Paul, Minnesota 55101

RE: Livable Communities Demonstration Account Development Grant Program  
Grant No. SG011-146; Award Amount \$1,030,000  
Redevelopment Initiative at Stillwater Road (CR 12) and Wildwood Road (TH 244)  
(for redevelopment of the former Piccadilly Restaurant Site)

Dear Mr. Burns,

The City of Mahtomedi (the "City") and the Washington County HRA (the "HRA") co-authored a joint grant application for Livable Community Demonstration Account funds last summer, which was ultimately funded by the Metropolitan Council. During the committee review process, the City was identified as the applicant. The purpose of this letter is to request that the Grantee (for Grant No. SG011-146) be changed from the City to the HRA. I have also attached a copy of a resolution passed by the Mahtomedi City Council authorizing me to submit this request.

The City does not have a redevelopment authority and throughout this process the HRA has served as the lead redevelopment agency. The City and HRA are both committed to the project; however, the HRA has the personnel and expertise to perform the accounting, record keeping and audit requirements of the grant administration. Moreover, the HRA is currently negotiating with the property owner for the purchase of the redevelopment site and the HRA intends to contract directly with a project developer. In addition, the HRA will be the lead agency seeking additional grant and other funding for this approximate \$12,000,000 project.

The City fully supports the redevelopment of the subject site and is in full agreement that the HRA is more capable to perform the duties required of the Grantee pursuant to Metropolitan Council grant agreement terms. In sum, the HRA is best suited to administer the grant, and the HRA is best suited to manage a project of this magnitude to meet the affordable housing goals of the grant funding.

600 Stillwater Road • Mahtomedi, MN 55115  
Phone: 651-426-3344 • Fax: 651-426-1786  
<http://www.ci.mahtomedi.mn.us>

I have also asked Ms. Barbara Dacy to sign this letter as to demonstrate to the willingness of the HRA to be the Grantee and enter into the grant agreement required for Grant No. SG011-146.

Should you have any questions, do not hesitate to contact myself or Ms. Barbara Dacy at the HRA.

Very Truly Yours,



Scott Neilson  
City Administrator



Barbara Dacy  
Executive Director  
Washington County HRA

**CITY OF MAHTOMEDI  
WASHINGTON COUNTY, MINNESOTA  
RESOLUTION NO. 2012-05**

**A RESOLUTION AUTHORIZING CITY STAFF TO REQUEST THAT THE  
METROPOLITAN COUNCIL DESIGNATE THE WASHINGTON COUNTY HOUSING  
AND REDEVELOPMENT AUTHORITY AS THE GRANTEE OF GRANT NO. SG011-146  
TO FACILITATE GRANT AND REDEVELOPMENT PROJECT ADMINISTRATION  
FUNCTIONS**

**WHEREAS**, the City of Mahtomedi (the "City") and the Washington County Housing and Redevelopment Authority (the "HRA") co-authored a joint grant application for Livable Community Demonstration Account funds last summer, which was ultimately funded by the Metropolitan Council. During the committee review process, the City was identified as the applicant;

**WHEREAS**, the City does not have a redevelopment authority and throughout this grant/redevelopment process the HRA has served as the lead redevelopment agency. The City and HRA are both committed to the project; however, the HRA has the personnel and expertise to perform the accounting, record keeping and audit requirements of the grant administration. Moreover, the HRA is currently negotiating with the property owner for the purchase of the redevelopment site and the HRA intends to contract directly with a project developer. In addition, the HRA will be the lead agency seeking additional grant and other funding for this approximate \$12,000,000 project; and

**WHEREAS**, the City fully supports the redevelopment of the subject site and is in full agreement that the HRA is more capable to perform the duties required of the grantee pursuant to Metropolitan Council grant agreement terms. In addition, the City agrees that the HRA is best suited to administer the grant, and the HRA is best suited to manage a project of this magnitude to meet the affordable housing goals of the grant funding.

**NOW THEREFORE, IT IS HEREBY RESOLVED:**

That the City Administrator of Mahtomedi is hereby authorized to request that the Metropolitan Council designate the Washington County Housing and Redevelopment Authority as the grantee of Grant No. SG011-146 for purposes of entering into the grant agreement required by the Metropolitan Council and for performing the duties of the grantee of Grant No. SG011-146.

**RESOLUTION NO. 2012-05**

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Adopted by the City Council of the City of Mahtomedi this 21<sup>st</sup> day of February, 2012.

Motion for adoption by: Ramaley

Seconded by: Brainerd

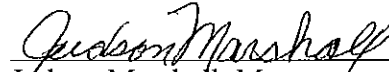
Ayes: Deans, Brainerd, Marshall, Ramaley, Mitchell

Nays: None

Abstained: None

Absent: None

**CITY OF MAHTOMEDI**

  
\_\_\_\_\_  
Judson Marshall, Mayor

Attest:

  
\_\_\_\_\_  
Mary Solie, City Clerk