

T Transportation Committee

Meeting date: March 12, 2007

ADVISORY INFORMATION

Date: March 7, 2007
Subject: Hiawatha LRT CMAQ Land Assembly Funds Reallocation
District(s), Member(s): 5 – Russ Susag; 7 – Annette Meeks; 8 – Lynette Wittsack
Policy/Legal Reference: Federal Transit Administration Grant Number MN-90-X139-00
Staff Prepared/Presented: Arlene McCarthy, Director Metropolitan Transportation Services (651-602-1754)
 Karen Lyons, Senior Planner MTS (651-602-1703)
Division/Department: Metropolitan Transportation Services

Proposed Action/Motion

That the Metropolitan Council:

1. Reallocate \$750,000 in Hiawatha LRT CMAQ Land Assembly funds from the 46th Street Square: Snelling Avenue Extension project to the Longfellow Station Transit-Oriented Development project, for a total Longfellow Station award of \$980,000.
2. Extend the expected timing of closings on property acquisitions from March 31, 2007 to March 31, 2008, and on beginning development of properties by March 31, 2009 to March 31, 2010, and
3. Authorize the Regional Administrator to negotiate and execute grant agreements with the City of Minneapolis for the following new recommended grant amounts:

Project Recommended for Land Assembly Funding	Original City Requested Amount	2/22/06 Metropolitan Council Award	Reallocation Request	New Recommended Amount
Currie Park Lofts and Station Place (Cedar/Riverside LRT Station Area)	\$1,720,000	\$1,720,000		\$1,720,000
Franklin LRT Station Project (Franklin Avenue LRT Station Area)	\$800,000	\$800,000		\$800,000
46 th Street Town Square: Snelling Avenue Extension (46 th Street LRT Station Area)	\$750,000	\$750,000	(\$750,000)	\$0
Longfellow Station Transit Oriented Development (38 th Street LRT Station Area)	\$1,000,000	\$230,000	+\$750,000	\$980,000
TOTALS	\$4,270,000	\$3,500,000		\$3,500,000

Issue(s)

On February 22, 2006, the Metropolitan Council authorized awarding \$3.5 million in remaining Hiawatha Land Assembly federal funds to the City of Minneapolis for four projects as listed above.

Reallocation of Funds

Subsequent to Council action awarding the Hiawatha land assembly funds, further review of property acquisition costs for the 46th Street Town Square project by City staff determined at least two to three years would be necessary to assemble sufficient funds to acquire the necessary property. This would delay implementing the 46th Street Town Square project. Therefore, the City Council took action in December 2006 requesting reallocation of the \$750,000 previously designated for the 46th Street Town Square project to the

Longfellow Station Transit Oriented Development. The Longfellow Station project is poised to move forward with Phase I property acquisition and development in the near term.

The two other projects, Franklin Station Development and Currie Park Lofts/Station Place, are awaiting the land assembly funds and are poised to move forward with property acquisition soon after the land assembly grant agreements are executed.

Time Extensions

Following Metropolitan Council action in February 2006, City and Council staff drafted grant agreement terms acceptable to both parties. However, attaining Federal Transit Administration (FTA) sign-off on grant agreement terms has taken considerably longer than Council staff anticipated. Specifically, the mechanism to assure that the private developments assisted with the Land Assembly funds continue the federal and regional transit interests must still be approved by the FTA. Council staff continues to work with FTA staff toward an agreement on the continuing control mechanism.

As a result of the lengthy continuing control negotiations, execution of the Council/City grant agreements and City/Developer grant agreements have been delayed such that the original milestones for closing on property acquisition and likely development initiation dates may not be met. Therefore, staff recommends extending property acquisition closing expectations by one year to March 31, 2008, and subsequent development implementation by one year to March 31, 2010.

Overview and Funding

In addition to the \$3.5 million land assembly funds, on December 13, 2006, the Council also awarded two of these projects Livable Communities Demonstration Account (LCDA) funds:

- Currie Park Lofts and Station Place project was awarded \$341,341.
- Longfellow Station project was awarded \$934,523.