

C Community Development Committee
Meeting date: August 20, 2012
For the Council Meeting of September 12, 2012

ADVISORY INFORMATION	
Date:	August 15, 2012
Subject:	Tax Base Revitalization Account (TBRA) Funding Recommendations
District(s), Member(s):	All
Policy/Legal Reference:	Livable Communities Act, Minnesota Statutes §473.25
Staff Prepared/Presented:	Marcus Martin, Senior Planner, 651-602-1054 Paul Burns, Manager, 651-602-1106
Division/Department:	Housing and Livable Communities/Community Development

Proposed Action

That the Metropolitan Council award 8 Tax Base Revitalization Account (TBRA) investigation grants as follows:

Projects recommended for 2012 TBRA Round 2 funding	Recommended amount
Contamination Site Investigation	
Minneapolis - Adams	\$4,300
Minneapolis - Barrington	\$3,300
Minneapolis - Commons at Penn	\$22,500
Minneapolis - Elms	\$4,100
Minneapolis - Heritage Park Outlot C	\$50,000
Minneapolis - Maryland	\$3,400
Minneapolis - Paige Hall	\$1,200
Waconia - 77 Hwy 5	\$15,000
TOTAL	\$103,800

Background

The TBRA is one of three active accounts established by the Livable Communities Act (Minnesota Statutes §473.25). The TBRA awards grants for the cleanup and redevelopment of contaminated land and buildings. Only requests for environmental site *investigation* are eligible this cycle. The funding recommendations proposed are evaluated based on criteria adopted annually by the Metropolitan Council as part of the Livable Communities Fund Distribution Plan (see http://councilmeetings.metc.state.mn.us/council_meetings/2012/0328/0328_2012_91.pdf). Funding totaling over \$93M has been awarded since the start of the grant program in 1996.

Rationale

Contamination investigation grants are awarded based on the consistency of the recommended proposals with the Metropolitan Livable Communities Act and the Council's development goals indicated in the *2030 Regional Development Framework*. Each of the recommended proposals received in the second TBRA funding cycle in 2012 implements Council policy by working with local communities to accommodate growth in a flexible,

connected, and efficient manner. All of the recommended projects are in accordance with guidelines established in the Livable Communities Fund Distribution Plan adopted in April.

Funding

The 2012 Livable Communities Fund Distribution Plan approved \$5M for TBRA awards including up to \$500,000 for the contamination investigation category for the year. The plan approved two main funding cycles for both cleanup and investigation grants with two additional funding cycles for investigation grants only. Based on this schedule, half of the funds are reserved for the first two cycles and half for the later two cycles. Up to \$125,000 is available for the 2012 TBRA Contamination Site Investigation grant cycle (Round 2).

The Livable Communities Act legislation provides a limit (75%) on the amount of funding that can go to cities of the first class (Minneapolis and St. Paul) when competition for the funds exceeds requests. Additionally, there is a limit on the amount that can be awarded to a single community (50%). Neither the limit on the amount that can be awarded to a single community nor the funding limit for Minneapolis and St. Paul applies in this funding cycle because the total amount of funding requested (\$117,185) did not exceed the amount made available (\$125,000).

Known Support / Opposition

Resolutions endorsing each of the applications submitted were received from the respective cities. No documented opposition to any of the proposed projects was presented to staff during the application review process.

Review Record

Aug 2012 Funding Process

Background

The following table shows the history of TBRA funding. The first column shows the expected accomplishments from the start of the TBRA program in 1996 through the first TBRA funding cycle in 2012. The second column shows what the accomplishments will be for the second 2012 grants cycle if this recommendation is approved. (Total cumulative expected tax base increase, acres cleaned and jobs are listed for contamination cleanup applications only. Cleanup applications were not eligible in this funding cycle. It is expected that some, if not all of the proposals recommended for funding will submit a future request for contamination cleanup grant funding.) The last column identifies total grants and award amounts for TBRA Round 2 applicants.

Table 1: History of TBRA Funding

	1996- Round 1, 2012	TBRA Round 2 Recommendation	Total 1996- Round 2, 2012
# Communities Funded	43	2	44*
# Grants	337	8	345
TBRA Awards	\$93,353,958	\$103,800	\$93,457,758
Anticipated Tax Base Increase	\$89,858,063	--	--
Acres cleaned	2,041	--	--
Jobs (new & retained)	37,173	--	--

* Represents the number of LCA-participant communities that have received TBRA funding. Waconia is the only community requesting funding in this round that has not previously been awarded TBRA funding.

2012 TBRA Round 2 Application Summary

The Council issued a notice in July that grant funds were available in August. The TBRA funding available is up to \$125,000 for the second grant cycle in 2012. The funds are from a portion of the Metropolitan Council's tax levy. Eleven applications were received requesting a total of \$117,185 in grant funding. The funds available could fund the total amount requested. Regardless of the amount requested, proposed projects must meet all of the eligibility criteria in order to be considered for funding.

Eligibility and Review Process

The applications were evaluated based on criteria set in the Livable Communities Fund Distribution Plan adopted by the Metropolitan Council in April. The criteria include the projected increase in tax base, increase in jobs, anticipated wage levels, proximity to jobs, the amount of environmental risk and threats to health, project density, market demand, how the project helps implement Framework 2030 policies and support regional systems, partnerships and the need for supplemental funding to a previously awarded TBRA grant.

Review Record

Points were assigned to each project based on how well it met the TBRA criteria. Cleanup site investigation projects have a total of 60 points. The point assignments were determined by the TBRA coordinator and reviewed by the Livable Communities Manager. Table 3 (on page three) lists applications recommended for funding in descending rank order based on the points assigned.

Council staff from Environmental Services, Transportation, Regional Parks, and Local Planning Assistance reviewed the applications and found the recommended projects consistent with Council plans and policies.

Technical environmental information provided by each applicant was evaluated with the assistance of the Minnesota Pollution Control Agency. Questions about the information provided were clarified with applicant city staff and/or the technical consultants who helped prepare the application. Project budgets were reviewed to determine if all of the requested expenses are eligible and reasonable for TBRA grants.

Demonstrated Need for TBRA Funding

Eligible requests need to demonstrate that TBRA funding is essential for the project to be completed as proposed. This determination is made by reviewing the applications, verifying the data and gaining input from other funding sources where applicable.

The primary consideration is the amount of funding available from other public and private sources to conduct a site investigation. Subsequently, a determination is made if the project, as proposed, will proceed without ("but for") Council funding. No other public funding for environmental investigations is available concurrent with this funding cycle. Private matching funds have been pledged. All the cleanup site investigation requests for the second funding cycle in 2012 met the "but for" criteria.

Partner Funding

No partner funding was requested this funding cycle.

Project Ranking

Projects are listed by evaluation point totals in descending order in Table 3 below. Eight projects are recommended for funding. More detailed information for each project related to the use of the funds and the expected project results is provided starting on page 5 of this memo.

Review Record

Table 3
Tax Base Revitalization Account
2012 TBRA Round 2 Ranking and Funding Recommendations

Rank	City - Project Name	Score	TBRA Request	Total Eligible Request	Recommended Funding*
Cleanup Site Investigation Grant Applications					
1	Waconia - 77 Hwy 5	32	\$15,000	\$15,000	\$15,000
2	Minneapolis - Heritage Park Outlot C	30	\$50,000	\$50,000	\$50,000
3-tie	Minneapolis - Elms	27	\$4,514	\$4,163	\$4,100
3-tie	Minneapolis - Paige Hall	27	\$1,424	\$1,275	\$1,200
5	Minneapolis - Maryland	26	\$3,752	\$3,450	\$3,400
6-tie	Minneapolis - Commons at Penn	25	\$22,500	\$22,500	\$22,500
6-tie	Minneapolis - Adams	25	\$4,675	\$4,313	\$4,300
8	Minneapolis - Barrington	24	\$3,671	\$3,375	\$3,300
9	Minneapolis - Elliot Court **	23	\$3,591	\$3,300	\$0
10	Minneapolis – Heritage**	22	\$3,383	\$3,105	\$0
11	Minneapolis – Roselle**	20	\$4,675	\$4,313	\$0
TOTAL Recommended					\$103,800
Balance					\$21,200

(Shading indicates applicants not recommended for funding)

* Recommended funds are rounded down to the nearest \$100.

** Applicant did not meet required minimum score.

Additional Review Considerations

Additional funding distribution constraints are listed in Table 4 below.

The Livable Communities Act legislation provides a limit (75%) on the amount of funding that can go to cities of the first class (Minneapolis and St. Paul) when competition for the funds exceeds requests. Additionally, there is a limit on the amount that can be awarded to a single community (50%). Neither the limit on the amount that can be awarded to a single community nor the funding limit for Minneapolis and St. Paul applies in this funding cycle because the total amount of funding requested (\$117,185) did not exceed the amount made available (\$125,000).

Review Record

Table 4
Tax Base Revitalization Account
Livable Communities Funding Recommendation 2012 TBRA Round 2

Communities	Recommendation	Percentage of Recommended Funding
Suburban	\$15,000	14%
Cities of the first class (Minneapolis and St. Paul)	\$88,800	86%
Total	\$103,800	83% of total available
Balance	\$21,200	17% of total available

City with the largest cumulative funding recommendation: Minneapolis	\$88,800	83% of total recommended award (71% of total available)
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Projects Not Eligible for TBRA Funding

The applications for the Elliot Court, Heritage and Roselle buildings (Minneapolis) requested \$3,591, \$3,383 and \$4,675 in TBRA funding respectively for a phase I environmental site assessments, lead-based paint and asbestos surveys and associated operation and maintenance plans. Upon review, the proposals did not score the minimum number of points required (40% of the total points available) to be eligible for TBRA funding. The recommendation is for no TBRA funding.

Project Details

Projects Recommended for TBRA Funding

Following is a summary of each project recommended for funding, listed alphabetically by applicant. The grant-funded activities for each of the projects are expected to be completed within a one-year grant term. Increases in the annual net tax capacity were calculated using a comparison of the net tax capacity assessed in 2012 with the future estimated net tax capacity for improvements that will be completed after project completion.

Project Summary

Applicant	Minneapolis	Type:	Contamination Investigation
Project Name:	Adams		
Project Location:	500 South 10 th Street, Minneapolis		
Council District:	7 – Gary Cunningham		

Project Description:

The applicant is requesting \$4,675 in TBRA funding for an asbestos and lead-based paint surveys, hazardous materials abatement specifications and associated operation and maintenance plans on a 0.4-acre site with an existing affordable apartment building. The suspected contaminants of concern include asbestos-containing materials (ACM) and lead-based paint within the existing building.

Funding:

Total Estimated Investigation Cost	\$6,233
Amount Requested	\$4,675 (of which \$4,313 is eligible)
Amount Recommended	\$4,300
Use of Funds	Asbestos and lead-based paint surveys, hazardous materials abatement specifications and associated operation and maintenance plans

Deliverables:

Potential benefits include the retention of 75 affordable apartments

Increase in annual net tax capacity	\$0
Jobs	1.45 FTE
Affordable housing	75 rental units

Development Timeline:

Task	Start Date	End Date
Completion of asbestos and lead-based paint surveys, hazardous materials abatement specifications and associated operation and maintenance plans		On or before 8/31/2013

Project Summary

Applicant	Minneapolis	Type:	Contamination Investigation
Project Name:	Barrington		
Project Location:	911 Park Avenue, Minneapolis		
Council District:	7 – Gary Cunningham		

Project Description:

The applicant is requesting \$3,671 in TBRA funding for an asbestos and lead-based paint surveys, hazardous materials abatement specifications and associated operation and maintenance plans on a 0.2-acre site with an existing affordable apartment building. The suspected contaminants of concern include asbestos-containing materials (ACM) and lead-based paint within the existing building.

Funding:

Total Estimated Investigation Cost	\$4,895
Amount Requested	\$3,671 (of which \$3,375 is eligible)
Amount Recommended	\$3,300
Use of Funds	Asbestos and lead-based paint surveys, hazardous materials abatement specifications and associated operation and maintenance plans

Deliverables:

Potential benefits include the retention of 26 affordable apartments

Increase in annual net tax capacity	\$0
Jobs	0.57 FTE
Affordable housing	26 rental units

Development Timeline:

Task	Start Date	End Date
Completion of asbestos and lead-based paint surveys, hazardous materials abatement specifications and associated operation and maintenance plans		On or before 8/31/2013

Project Summary

Applicant	Minneapolis	Type:	Contamination Investigation
Project Name:	Commons at Penn		
Project Location:	2201, 2213, 2217 & 2221 Golden Valley Road and 1823 Penn Avenue North		
Council District:	7 – Gary Cunningham		

Project Description:

The applicant is requesting \$22,500 in TBRA funding for phase I and phase II environmental site assessments and preparation of a response action plan (RAP) on a partially vacant 0.8-acre site with a former gas station and adjacent to a former auto repair business and dry cleaner and two other former gas stations. The contaminants of concern identified to date include petroleum-impacts in the former dispenser area.

Funding:

Total Estimated Investigation Cost	\$30,000
Amount Requested	\$22,500
Amount Recommended	\$22,500
Use of Funds	Phase I and phase II environmental site assessments and preparation of a response action plan (RAP)

Deliverables:

Potential benefits include the construction of 45 affordable apartments with underground parking and 4,500 square feet of commercial space

Increase in annual net tax capacity	\$30,443
Jobs	16.5 FTE
Affordable housing	45 rental units

Development Timeline:

Task	Start Date	End Date
Completion of phase I and phase II environmental site assessments and preparation of a response action plan (RAP)		On or before 8/31/2013

Project Summary

Applicant	Minneapolis	Type:	Contamination Investigation
Project Name:	Elms		
Project Location:	1401 Portland Avenue, Minneapolis		
Council District:	7 – Gary Cunningham		

Project Description:

The applicant is requesting \$4,514 in TBRA funding for an asbestos and lead-based paint surveys, hazardous materials abatement specifications associated operation and maintenance plans on a 0.6-acre site with an existing affordable apartment building. The suspected contaminants of concern include asbestos-containing materials (ACM) and lead-based paint within the existing building.

Funding:

Total Estimated Investigation Cost	\$6,019
Amount Requested	\$4,514 (of which \$4,163 is eligible)
Amount Recommended	\$4,100
Use of Funds	Asbestos and lead-based paint surveys, hazardous materials abatement specifications and associated operation and maintenance plans

Deliverables:

Potential benefits include the retention of 81 affordable apartments

Increase in annual net tax capacity	\$0
Jobs	1.75 FTE
Affordable housing	81 rental units

Development Timeline:

Task	Start Date	End Date
Completion of asbestos and lead-based paint surveys, hazardous materials abatement specifications and associated operation and maintenance plans		On or before 8/31/2013

Project Summary

Applicant	Minneapolis	Type:	Contamination Investigation
Project Name:	Heritage Park Outlot C		
Project Location:	1108 Van White Memorial Boulevard, Minneapolis		
Council District:	8 – Adam Duinick		

Project Description:

The applicant is requesting \$50,000 in TBRA funding for a Phase II environmental site assessment and preparation of a response action plan (RAP) on a vacant 1.1-acre site used as a temporary storage area for excess soil from prior residential development activities in other portions of Heritage Park. A prior sample of the stockpile indicated contaminants commonly associated with urban fill soils. Additional sampling is needed in order to remove the excess soil to prepare the site for development.

Funding:

Total Estimated Investigation Cost	\$66,900
Amount Requested	\$50,000
Amount Recommended	\$50,000
Use of Funds	Phase II environmental site assessment and preparation of a response action plan (RAP). (A Phase I environmental site assessment conducted within 180 days of a grant award is eligible for consideration as matching costs only.)

Deliverables:

Potential benefits include the construction of 15 market-rate rental units

Increase in annual net tax capacity	\$23,096
Jobs	0.75 FTE
Affordable housing	NA

Development Timeline:

Task	Start Date	End Date
Completion of Phase II environmental site assessment and preparation of a response action plan (RAP)		On or before 8/31/2013

Project Summary

Applicant	Minneapolis	Type:	Contamination Investigation
Project Name:	Maryland		
Project Location:	1346 LaSalle Avenue, Minneapolis		
Council District:	7 – Gary Cunningham		

Project Description:

The applicant is requesting \$3,752 in TBRA funding for an asbestos and lead-based paint surveys, hazardous materials abatement specifications and associated operation and maintenance plans on a 0.7-acre site with an existing affordable apartment building. The suspected contaminants of concern include asbestos-containing materials (ACM) and lead-based paint within the existing building.

Funding:

Total Estimated Investigation Cost	\$5,002
Amount Requested	\$3,752 (of which \$3,450 is eligible)
Amount Recommended	\$3,400
Use of Funds	Asbestos and lead-based paint surveys, hazardous materials abatement specifications and associated operation and maintenance plans

Deliverables:

Potential benefits include the retention of 67 affordable apartments and the addition of 12 affordable apartments in currently underused space

Increase in annual net tax capacity	\$0
Jobs	2 FTE
Affordable housing	79 rental units

Development Timeline:

Task	Start Date	End Date
Completion of asbestos and lead-based paint surveys, hazardous materials abatement specifications and associated operation and maintenance plans		On or before 8/31/2013

Project Summary

Applicant	Minneapolis	Type:	Contamination Investigation
Project Name:	Paige Hall		
Project Location:	727 5 th Avenue South, Minneapolis		
Council District:	7 – Gary Cunningham		

Project Description:

The applicant is requesting \$1,424 in TBRA funding for an asbestos and lead-based paint surveys, hazardous materials abatement specifications and associated operation and maintenance plans on a 0.3-acre site with an existing affordable apartment building. The suspected contaminants of concern include asbestos-containing materials (ACM) and lead-based paint within the existing building.

Funding:

Total Estimated Investigation Cost	\$1,899
Amount Requested	\$1,424 (of which \$1,275 is eligible)
Amount Recommended	\$1,200
Use of Funds	Asbestos and lead-based paint surveys, hazardous materials abatement specifications and associated operation and maintenance plans

Deliverables:

Potential benefits include the retention of 68 affordable apartments and the addition of 1 affordable apartment in currently underused space

Increase in annual net tax capacity	\$0
Jobs	1.47 FTE
Affordable housing	69 rental units

Development Timeline:

Task	Start Date	End Date
Completion of asbestos and lead-based paint surveys, hazardous materials abatement specifications and associated operation and maintenance plans		On or before 8/31/2013

Project Summary

Applicant	Waconia	Type:	Contamination Investigation
Project Name:	Marathon Station		
Project Location:	77 Highway 5 West, Waconia		
Council District:	4 – Gary Van Eyll		

Project Description:

The applicant is requesting \$7,500 in TBRA funding for a phase II environmental site assessment and development of a response action plan (RAP) on a 0.7-acre site with a vacant gas station. The contaminants of concern include petroleum-impacts near the dispensing area and near the underground storage tanks.

Funding:

Total Estimated Investigation Cost	\$22,500
Amount Requested	\$15,000
Amount Recommended	\$15,000
Use of Funds	Phase II environmental site assessment and development of a response action plan (RAP) (Cost for completed Phase I ESA are eligible as matching cost only.)

Deliverables:

Potential benefits include the construction of 3,500 square feet of multi-tenant commercial space.

Increase in annual net tax capacity	\$12,904
Jobs	24 FTE
Affordable housing	NA

Development Timeline:

Task	Start Date	End Date
Completion of phase II environmental site assessment and development of a response action plan (RAP)		On or before 8/31/2013