

City of Minneapolis

To: Community Development & Regulatory Services
Date: 10/25/2016
Referral: Ways & Means
From: Community Planning & Economic Development
Prepared by: Kevin Carroll, Principal Project Coordinator
Presented by: Kevin Carroll
File type: Resolution
Subcategory: Appropriation

Subject:

Acceptance of grants awarded by the Minnesota Department of Employment and Economic Development (DEED) in the Aug. 1, 2016 round of DEED's Redevelopment Grant Program

Description:

- 1) Accepting grants from the Minnesota Department of Employment and Economic Development (DEED) for the Harris Building project, 501 30th Ave SE, in the amount of \$175,000, and the North Market project, 4414 Humboldt Ave N, in the amount of \$130,250, for the Aug. 1, 2016 round of the Redevelopment Grant Program.
- 2) Authorizing grant, subrecipient and/or disbursement and related documents and agreements for the redevelopment grants.
- 3) Passage of Resolution approving appropriation of funds to the Department of Community Planning & Economic Development.

Previous Actions: On August 5, 2016, the City Council approved the submission of the grant applications referred to herein ([16-01063](#)).

Ward/Neighborhood/Address: Ward 2 (Harris Building) and Ward 4 (North Market).

Background/Analysis:

On August 1, 2016, the City submitted applications to DEED's Redevelopment Grant Program for a number of projects. By letter dated September 26, 2016, DEED notified the City that grants in the amount of \$175,000 and \$130,250 had been awarded to the Harris Building project and the North Market project (respectively).

Project Details:

Harris Building (501 30th Ave SE)
DEED Request: \$300,000
DEED Award: \$175,000

Wall Ventures, LLC plans to renovate the existing (and currently vacant) Harris Machinery Building into a 12,200 square foot destination distillery, to be operated by Du Nord Craft Spirits. It will produce small batch "micro" spirits for sale and consumption in a tasting room, similar in

concept to a microbrew taproom. The remaining space (6,000 square feet) within the renovated building will be used as office space for additional tenants. DEED funding will be used for the selective demolition of the roof and upper portions of the walls, stabilization of other portions of the building, and upgrades to the stormwater management infrastructure on the site. The projected total development cost is \$5,400,000.

North Market (4414 Humboldt Ave N)

DEED Request: \$130,250

DEED Award: \$130,250

The developer, Oppidan Investment Co., in conjunction with Pillsbury United Communities (PUC), intends to redevelop an existing 15,000 square foot structure into a building that will serve as a full-service grocery store and a health-based resource center for North Minneapolis and surrounding areas. The goal for North Market is to increase access to affordable, nutritious food and to be a source for educational and health services. PUC will be partnering with North Memorial Health Care to provide access to healthcare providers/services and wellness programs, along with a walk-in clinic, a pharmacy, an on-site dietician and/or community health worker, and community education classes. DEED funding will be used for interior demolition, infrastructure improvements (utilities, access roads, exterior lighting) and stormwater improvements. The projected total development cost is \$5,000,000.

Financial Review:

Additional appropriation required.

Amend the 2016 General Appropriation Resolution by increasing the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900320) appropriation by \$305,250.

Increase the 2016 Revenue Budget for the Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900900-321515) by \$305,250.

The DEED grant requests referred to herein require a commitment of local match funds (50% match), to be provided by the developer (or other non-City funding sources). The City of Minneapolis is sponsoring these grant requests, and will act as a pass-through and conduit for any awarded grant funding. Sponsoring these grant applications does not commit (or imply a commitment of) City funds as the required match. Partial compensation for City staff time required to review and process grant applications, and to administer any pass-through grants that are awarded, will be obtained through application fees and grant administration fees that were approved by the City Council on April 16, 2010.

- Future budget impact anticipated.**
- Approved by the Permanent Review Committee.**
- Meets Small and Underutilized Business Program goals.**

Attachments:

1. Appropriation Resolution