

**Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED**

Date: May 12, 2009  
To: Council Member Lisa Goodman, Community Development

**Subject: CPED'S STATE & REGIONAL REDEVELOPMENT GRANT APPLICATIONS and AWARDS – 2008 FUNDING ROUNDS; REDEVELOPMENT GRANT TRENDS**

**Recommendation: Receive and file this report.**

Prepared by: Paula Mazzacano	
Approved by: Charles T. Lutz, Deputy Director CPED	_____
Jeff C. Streder, Director Development Finance	_____
Presenters in Committee: Paula Mazzacano (612 673-5129)	

**Financial Impact**

No financial impact

**Community Impact**

City Goals: A safe place to call home (housing, health and safety); One Minneapolis (equal access, equal opportunity, equal input); Connected communities (great spaces and places, thriving neighborhoods)

Sustainability Targets: These grant funds will help the City realize its sustainability targets to create affordable housing at several income levels and remediate brownfield sites for redevelopment.

**Supporting Information**

**2008 Results**

CPED's State & Regional Redevelopment Grant Applications and Awards – 2008 Funding Rounds report lists the redevelopment grants applied for and awarded during 2008 funding rounds. Most of the grants were awarded directly to CPED; however, Hennepin County granted some funds directly to the developers who applied for the grants. All of these grant awards are reflected in this report, as all grant funds will be expended to further the redevelopment goals of the City of Minneapolis. (This report does not track grants applied for and awarded to METP and Planning, or Federal grant funds.)

In 2008, grant applications totaling over \$25.45 million yielded awards in excess of \$13.3 million. Of the seventy-one (71) grant applications submitted, fifty-three (53) were funded. Details can be found in Attachment A.

Projects awarded grant funds will help the City realize three of its six goals:

- A Safe Place to Call Home
- One Minneapolis
- Connected Communities

Grantors include: Council for Excellence in Government, Minnesota Department of Employment and Economic Development (DEED) (Bioscience Business Development Public Infrastructure, Contamination Cleanup and Investigation Grant Programs, and Redevelopment); Hennepin County (Environmental Response Fund, Transit Oriented Development); the Metropolitan Council (Livable Communities Demonstration Account, Local Housing Incentive Account, and Tax Base Revitalization Account); and Minnesota Housing (Single-Family Community Revitalization).

### **CPED Trends – State and Regional Redevelopment Grants**

During the 2005 through 2008 funding rounds, seven (7) state and regional grant programs provided the greatest amount of redevelopment grant funding for Minneapolis projects:

<b>Grant Program:</b>	<b>Grant funds awarded 2005- 2008:</b>
Metropolitan Council Livable Communities Demonstration Account (LCDA)	\$8,536,128
Hennepin County Environmental Response Fund (ERF)	\$7,420,389
Metropolitan Council Tax Base Revitalization Account (TBRA)	\$6,276,745
Hennepin County Transit Oriented Development (TOD)	\$4,620,000
MN Department of Employment & Economic Development (DEED) Bioscience Business Development Public Infrastructure	\$4,500,000
MN Department of Employment & Economic Development (DEED) Contamination Investigation and Cleanup	\$4,407,747
MN Department of Employment & Economic Development (DEED) Redevelopment	\$3,519,022

The City has also been successful in securing funds from new and occasional grant sources, including Council for Excellence in Government (\$5,000 in 2006 and \$5,000 in 2008), DEED's Minnesota Investment Fund (\$500,000 in 2007), Federal Congestion Mitigation Air Quality (CMAQ) funds via Metropolitan Council (\$3,500,000 in 2005), Legislative Commission on Minnesota Resources (\$175,000 in 2005), Metropolitan Council Local Housing Incentives Account (funding all four years totaling \$703,000), Minnesota Housing Community Revitalization (\$300,000 in 2006) Minnesota State Heritage Preservation Office (\$15,000 in 2005 and \$25,000 in 2006) and Mississippi Watershed Management Organization (MWMO) (\$2,000,000 in 2005).

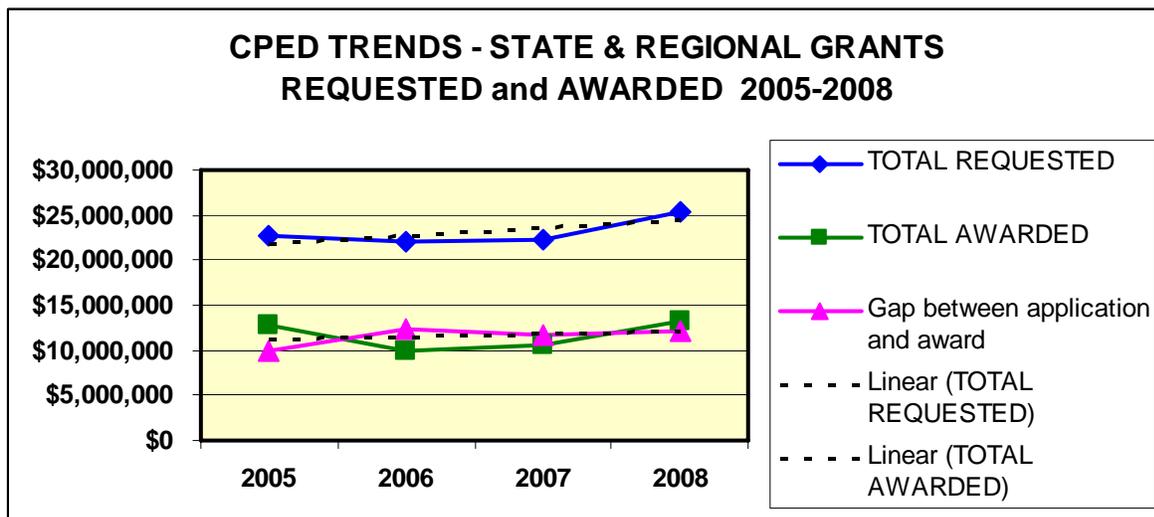
Of the four years spanning 2005 through 2008, 2008 saw the most activity in terms of both the number of grants applied for and funds awarded. Minneapolis projects continue to rank highly with grantors, competing strongly at county, regional and state levels. In 2008, projects located in the City of Minneapolis were awarded 100% of the Environmental Response Fund grant funds requested of Hennepin County.

<b>Applications &amp; Awards:</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Number of grants applied for	66	54	66	71
Number of grants awarded	48	34	43	53
Percent of requested grants awarded	72.7%	63.0%	68.3%	74.6%
Dollar amount of grant funds requested	\$22,631,202	\$22,154,112	\$21,735,063	\$25,450,698
<b>Dollar amount of grants awarded</b>	<b>\$12,707,418</b>	<b>\$9,836,463</b>	<b>\$10,052,931</b>	<b>\$13,318,219</b>
Percent of requested grant funds awarded	56.1%	44.4%	46.3%	52.3%

From 2007 to 2008, the gap between grant funds requested and awarded increased from \$11.68 million to \$12.13 million.

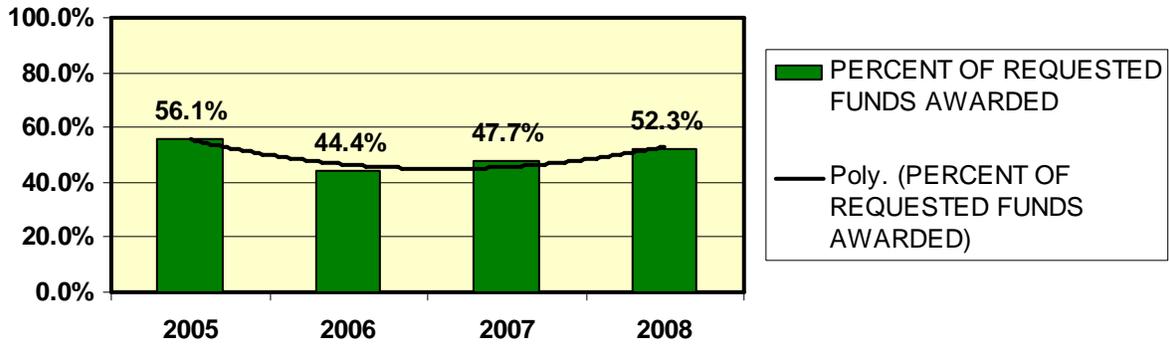
As is evident in the graphs below, state and regional redevelopment grants provide an increasingly important source of revenue for CPED projects.

From 2005 through 2008, the amount of grant funds both requested and awarded shows a slightly positive trend (hash-marked line). Grant requests increased a bit more steeply than grant awards. CPED has sustained its efforts to aggressively pursue grant funds for a range of redevelopment projects.



The percentage of requested grant funds awarded from 2005 through 2008 shows a steady increase over the past three years. Significant funds (\$5.5 million) were awarded from CMAQ and MWMO in 2005, creating an anomaly in the comparative data.

**CPED TRENDS - PERCENT OF REQUESTED STATE & REGIONAL GRANT FUNDS AWARDED 2005-2008**



This table shows the amounts requested and awarded by grant program for the years spanning 2005 through 2008:

CPED TRENDS - STATE AND REGIONAL GRANTS REQUESTED & AWARDED 2005-2008

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<b>REQUEST BY GRANT PROGRAM</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Council for Excellence in Government	\$5,000	\$0	\$0	\$5,000
DEED Cleanup/Investigation	\$2,515,270	\$3,034,745	\$2,319,455	\$1,743,965
DEED Bioscience Business Devel. Public Infrastructure	\$0	\$2,000,000	\$0	\$6,850,000
DEED Redevelopment	\$0	\$0	\$4,961,500	\$4,681,216
DEED MN Investment Fund	\$0	\$0	\$500,000	\$0
Federal CMAQ (via Met Council)	\$4,420,000	\$0	\$0	\$0
Hennepin County ERF	\$2,972,363	\$2,822,441	\$2,474,120	\$2,006,033
Hennepin County TOD	\$3,725,050	\$3,408,818	\$2,418,600	\$4,341,000
Legislative Commission on MN Resources	\$175,000	\$0	\$0	\$0
Met Council LCDA	\$3,555,000	\$7,774,942	\$6,922,880	\$3,520,741
Met Council LHIA	\$200,000	\$180,000	\$193,000	\$260,000
Met Council LCIFH	\$0	\$0	\$0	\$0
Met Council Predevelopment	\$0	\$0	\$0	\$0
Met Council TBRA	\$3,048,569	\$2,408,166	\$2,538,508	\$1,542,743
McKnight Foundation	\$0	\$0	\$0	\$0
MHFA Community Revitalization	\$0	\$500,000	\$0	\$500,000
MN SHPO	\$14,950	\$25,000	\$0	\$0
MWMO	\$2,000,000	\$0	\$0	\$0
<b>TOTAL REQUESTED</b>	<b>\$22,631,202</b>	<b>\$22,154,112</b>	<b>\$22,328,063</b>	<b>\$25,450,698</b>
<b>AWARD BY GRANT PROGRAM</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Council for Excellence in Government	\$5,000	\$0	\$0	\$5,000
DEED Cleanup/Investigation	\$338,637	\$832,035	\$2,068,252	\$1,168,823
DEED Bioscience Business Devel. Public Infrastructure	\$0	\$1,000,000	\$0	\$3,500,000
DEED Redevelopment	\$0	\$0	\$1,350,000	\$2,169,022
DEED MN Investment Fund	\$0	\$0	\$500,000	\$0
Federal CMAQ (via Met Council)	\$3,500,000	\$0	\$0	\$0
Hennepin County ERF	\$1,571,296	\$1,842,241	\$2,000,819	\$2,006,033
Hennepin County TOD	\$620,000	\$1,475,000	\$1,045,000	\$1,480,000
Legislative Commission on MN Resources	\$175,000	\$0	\$0	\$0
Met Council LCDA	\$2,080,000	\$2,610,387	\$1,825,000	\$2,020,741
Met Council LHIA	\$150,000	\$100,000	\$193,000	\$260,000
Met Council LCIFH	\$0	\$0	\$0	\$0
Met Council Predevelopment	\$0	\$0	\$0	\$0
Met Council TBRA	\$2,252,485	\$1,651,800	\$1,663,860	\$708,600
McKnight Foundation	\$0	\$0	\$0	\$0
MHFA Community Revitalization	\$0	\$300,000	\$0	\$0
MN SHPO	\$15,000	\$25,000	\$0	\$0
MWMO	\$2,000,000	\$0	\$0	\$0
<b>TOTAL AWARDED</b>	<b>\$12,707,418</b>	<b>\$9,836,463</b>	<b>\$10,645,931</b>	<b>\$13,318,219</b>

**ATTACHMENT A**

**CPED'S STATE & REGIONAL REDEVELOPMENT GRANT  
APPLICATIONS & AWARDS – 2008 FUNDING ROUNDS**