Community Development Committee

Meeting date: May 20, 2013

Subject: City of Apple Valley Request for a Project Change to the Livable Communities Demonstration Account Transit Oriented Development Grant for the *Commons I and II Site Acquisition Assistance* Project

District(s), Member(s): 13 – Wendy Wulff

Policy/Legal Reference: Minnesota Statutes Section 473.25

Staff Prepared/Presented: Deborah Streets Jensen, Livable Communities Grant Administrator, (651) 602-1554

Division/Department: Community Development / Livable Communities

Proposed Action

That the Community Development Committee approve a request from the City of Apple Valley to allow changes to the *Commons I and Commons II Site Acquisition Assistance* project that was awarded a 2011 Livable Communities Demonstration Account Transit Oriented Development (LCDA-TOD) grant, including a change in the project location from the 147th Street Station to the Apple Valley Transit Station.

Background

This project was awarded \$866,000 in April of 2012 in the first of two pilot rounds of TOD grants. The City's application proposed that, with a LCDA-TOD grant, a multi-national employer would undertake the purchase and adaptive reuse of two buildings near the 147th Street Station on the METRO Red Line (Cedar Avenue Bus Rapid Transit), with the intention of hiring 250 to 550 employees over the course of three years. Since that time, the employer has been unable to come to terms with the current property owner and has found another location near the METRO Red Line Apple Valley Transit Station, where it now proposes to build a new facility. The City learned of the issue with the site acquisition after the date of the grant award and has delayed signing the grant agreement until the Council gives its approval of the location change. The new site is currently owned by Dakota County as a result of tax forfeiture.

At its September 17, 2012 meeting, the Community Development Committee revised its procedures for amending grant agreements, allowing approval of changes in funded Livable Communities projects if those changes improve the project. Pursuant to those procedures, this project change does not require the approval of the full Council.

Rationale

This project was awarded an LCDA-TOD grant largely because of the number of new jobs it would create and the corresponding increase in transit ridership it would facilitate. The proposed change improves the project and its expected outcomes.

The proposed change in the project, which will be known as the *Central Village West*, will create the same number jobs and expected riders for this growing employer and leverage 30 percent more in private investment. The proposed new building will be one-third larger than the originally-proposed project but will sit on a site half as large, representing a 258 percent increase in floor-area ratio. A table illustrating the changes in the project are attached. The third column of the attached table includes information related to two Project Concept Plans recently submitted by the City for grant requests in the 2013 LCDA and LCDA-TOD grant rounds. Full applications for these requests are due July 1, 2013. The City's request for the change and revised project documents are also attached.

Staff recommends approval of the request.

Funding

There is no change in funding, which was allocated as part of the 2011 Livable Communities Fund Distribution Plan.

Known Support / Opposition

There is no known opposition. The City of Apple Valley has indicated its strong support for this project and change request.

Comparison of original and revised project data

		-	-	2013 Anticipated LCA
		Commons I & II (original project)	Central Village West (revised project)	new grant requests (PCPs received)
Grant	Grant Award Amount	\$866,000	\$866,000	
	Grant-Funded Activities	Site Acquisition	Site Acquisition	
Project Outcomes	Square Footage of Office Development	66,738 square feet	100,000 square feet	
	Mixed Use? (Y/N)	Ν	Ν	
	Dwelling Units (% affordable)	0 (0%)	0 (0%)	
	Corporate headquarters included?	Yes	Uncertain as of 5/13/13	
	Square Footage of Site	8.8 acres / 383,328 sq. feet	3.7 acres / 161,772 sq. feet	1.64 acres for parking ramp
	Private Investment Leveraged	\$ 9.6 million	\$18.5 million	
	Public Investment Leveraged	\$3 million	\$3.4 million	\$2.3 million for parking ramp and \$718,541 for trail/sidewalks
TOD Metrics	Floor-Area Ratio	.17	.61	
	Number of Stories	4	2	
	Number of Jobs Created	550	550	
	Number of Surface Parking Spaces	520	164	
	Number of Structured Parking Spaces	0	0	400 requested
	Number of Total Parking Spaces	520	164	564 (including 400 requested)
	Projected Ridership Increase	110 riders	110 riders	
	Walking Route Distance to Station	1,735 feet*	Route A – 2,767 feet (all sidewalks exist)	Route B – 2,139 feet (requires 1,120 feet of sidewalk/trail requested)
		5.25 short city blocks	8.4 short city blocks	6.5 short city blocks

*For reference, a short city block is 330 linear feet; a 1,200 foot walk is generally considered to be 5 minutes.

Comparison of original and revised project locations

The original Apple Valley Commons I & Commons II project was located in the METRO Red Line 147th Street Station Area. The proposed Central Village West project is located within the METRO Red Line Apple Valley Transit Station Area.





