

HENNEPIN COUNTY

MINNESOTA

Board Action Request 22-0325

Item Description:

2022 pandemic recovery Community Investment Initiative funding recommendations - neg 18 Community Investment Initiative agmts, 08/16/22-12/31/32, NTE \$10,000,000

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate Agreements

- PR00004646 with the City of Bloomington, or affiliated entity, for the City of Bloomington Business Incubator project, with the amount not to exceed \$400,000;
- PR00004653 with the City of Brooklyn Center, or affiliated entity, for the Entrepreneurship Market Plaza project, with the amount not to exceed \$750,000;
- PR00004641 with the Brooklyn Park Economic Development Authority, or affiliated entity, for the Brooklyn Park Small Business Center project, with the amount not to exceed \$500,000;
- PR00004649 with PPL Nic Lake, LLC, or affiliated entity, for the 3030 Nicollet project, with the amount not to exceed \$750,000;
- PR00004661 with Ibys, LLC, or affiliated entity, for the Abyssinia Cultural Center project, with the amount not to exceed \$375,000;
- PR00004650 with Juxtaposition Arts, or affiliated entity, for the Build JXTA: A Capital & Legacy Campaign, with the amount not to exceed \$300,000;
- PR00004651 with Seward Redesign, Inc, or affiliated entity, for the Coliseum project, with the amount not to exceed \$1,500,000;
- PR00004645 with the Neighborhood Development Center, or affiliated entity, for the Midtown Global Market project, with the amount not to exceed \$450,000;
- PR00004639 with the Indigenous Peoples Task Force, or affiliated entity, for the Mikwanedun Audisookon Center for Art and Wellness project, with the amount not to exceed \$750,000;
- PR00004647 with the Minneapolis American Indian Center, or affiliated entity, for the Minneapolis American Indian Center All Roads Campaign, with the amount not to exceed \$550,000;
- PR00004642 with Artspace Projects, Inc, or affiliated entity, for the Northrup King project, with the amount not to exceed \$500,000;
- PR00004663 with Northgate Development, LLC, or affiliated entity, for the Regional Apprenticeship Training Center project, with the amount not to exceed \$250,000;
- PR00004640 with Riverfront Development Partners, or affiliated entity, for the Resolute project, with the amount not to exceed \$800,000;
- PR00004648 with Pillsbury United Communities, or affiliated entity, for the Studio Technical Arts Campus project, with the amount not to exceed \$300,000;
- PR00004662 with New Rules, or affiliated entity, for the TAP IN project, with the amount not to exceed \$275,000;
- PR00004664 with 1200 KMA Development, LLC, or affiliated entity, for the ZaRah project, with the amount not to exceed \$800,000;
- PR00004652 with Perspectives, Inc, or affiliated entity, for the Seed the Change project, with the amount not to exceed \$370,000;
- PR00004644 with the St. Louis Park Economic Development Authority, or affiliated entity, for the St. Louis Park Affordable Commercial Space Initiative, with the amount not to exceed \$380,000,

during the period August 9, 2022, through December 31, 2032; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreements and related documents on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:

Hennepin County Resolution 21-0370 authorized a total of \$19 million of pandemic recovery funding, made possible by Federal American Rescue Plan Act and reclassified by Hennepin County Board Resolution 22-0136, to multiple economic recovery strategies, including approximately \$10 million to strengthen communities, accelerate economic recovery, and address disparities exacerbated by the pandemic.

Resolution 22-0136R1 (adopted March 22, 2022) authorized the County Administrator to rescind the funding source for any prior board action that authorized use of Federal Pandemic Funds for pandemic recovery activities in order to use other resources for the same activities. The County Administrator has accordingly rescinded the original funding source for Resolution 21-0305 and designated other resources for the previously authorized equitable housing recovery strategies.

As a result, the one-time Community Investment Initiative program released guidelines in March 2022 seeking applications from redevelopment projects that support business incubators, long-term affordable commercial space, or nonprofits providing economic recovery services to disproportionately impacted communities.

The Community Investment Initiative Request for Proposals garnered forty-six applications requesting a total of \$47.2 million in funding.

Applications were reviewed by a multi-agency panel consisting of Hennepin County, Carver County, and Local Initiatives Support Coalition (LISC) staff. Projects were evaluated to the extent to which they demonstrated readiness to move forward, organizational capacity, and outcomes including the scale of benefit to multiple local businesses, to disadvantaged communities and business owners, and to quality of life. Over the long-term, recommended projects are anticipated to generate employment, business ownership, and wealth-building opportunities in communities hardest hit by the pandemic.

Attachment A provides a summary of the eighteen projects recommended for funding.

Affordable Commercial and Business Incubator Projects:

Recommended funding for 13 affordable commercial and business incubator projects below will provide over 330,000 square feet of affordable commercial space supporting approximately 550 small businesses, and over 760 total new or retained jobs. The total investment value of these projects is approximately \$206 million.

- PR00004646 – City of Bloomington – City of Bloomington Business Incubator – \$400,000
Bloomington; 6,600 square feet commercial space; 15 businesses/entrepreneurs supported; 2 jobs created or retained
- PR00004653 – City of Brooklyn Center – Entrepreneurship Market Plaza – \$750,000
Brooklyn Center; 19,100 square feet commercial space; 30 businesses/entrepreneurs supported; 89 jobs created or retained
- PR00004641 – Brooklyn Park Economic Development Authority – Brooklyn Park Small Business Center – \$500,000
Brooklyn Park; 27,000 square feet commercial space; 60 businesses/entrepreneurs supported; 65 jobs created or retained
- PR00004649 – PPL Nic Lake, LLC – 3030 Nicollet – \$750,000
Minneapolis; 15,200 square feet commercial space; 4 businesses supported; 60 jobs created or retained
- PR00004661 – Ibys LLC – Abyssinia Cultural Center – \$375,000
Minneapolis; 20,100 square feet commercial space; 9 businesses/entrepreneurs supported; 34 jobs created or retained
- PR00004651 – Seward Redesign, Inc. – The Coliseum Building – \$1,500,000
Minneapolis; 70,000 square feet commercial space; 25 businesses/entrepreneurs; 120 jobs created or retained
- PR00004645 – Neighborhood Development Center – Midtown Global Market – \$450,000
Minneapolis; 80,000 square feet commercial space; 37 businesses/entrepreneurs supported; 125 jobs created or retained
- PR00004642 – Artspace Projects, Inc. – Northrup King Building Campus – \$500,000
Minneapolis; 8,100 square feet commercial space; 350 entrepreneurs/businesses/artists supported
- PR00004663 – Northgate Development LLC, dba Renewable Energy Partners – Regional Apprenticeship Training Center – \$250,000
Minneapolis; 19,800 square feet commercial space; 4 businesses supported; 20 jobs retained
- PR00004662 – New Rules GBC – TAP IN – \$275,000
Minneapolis; 2,700 square feet commercial space; 4 businesses supported; 12 jobs created or retained
- PR00004640 – Riverfront Development Partners – The Resolute – \$800,000
Minneapolis; 14,100 square feet commercial space; 3 businesses supported; 46 jobs created or retained
- PR00004664 – 1200 KMA Development, LLC – ZaRah - \$800,000
Minneapolis; 23,600 square feet commercial space; 20 businesses/entrepreneurs supported; 184 jobs created or retained
- PR00004644 – St. Louis Park Economic Development Authority – St. Louis Park Affordable Commercial Space Initiative – \$380,000
St. Louis Park; 8,300 square feet commercial space; 7 businesses supported; 21 jobs created

Nonprofit Community Assets:

Recommended funding for five nonprofit community asset projects below will support the expansion or creation of over 160,000 square feet of space supporting 200 total new or retained jobs at nonprofits providing economic development and recovery services to over 12,000 participants. The total investment value of these projects is approximately \$67.7 million.

- PR00004650 – Juxtaposition Arts – Build JXTA: A Capital & Legacy Campaign – \$300,000
Minneapolis; 40,000 square feet commercial and community space; 1,600 community members served; 31 jobs created or retained
- PR00004639 – Indigenous Peoples Task Force – Mikwanedun Audisookon Center for Art and Wellness – \$750,000
Minneapolis; 12,600 square feet commercial and community space; 5,600 community members served; 13 jobs created
- PR00004647 – Minneapolis American Indian Center – Minneapolis American Indian Center All Roads Campaign – \$550,000
Minneapolis; 65,000 square feet commercial and community space; 4,400 community members served; 45 jobs created or retained
- PR00004648 – Pillsbury United Communities – Studio Arts Technical Campus – \$300,000
Minneapolis; 5,200 square feet commercial and community space; 150 community members served; 5 jobs created or retained
- PR00004652 – Perspectives, Inc. – Seed the Change – \$370,000
St. Louis Park; 38,100 square feet community space; 977 community members served; 110 jobs created or retained

Current Request: Authorize negotiation of eighteen Community Investment Initiative agreements during the period August 16, 2022, through December 31, 2032, with a combined total not to exceed amount of \$10,000,000.

Impact/Outcomes: Eighteen projects receiving awards will leverage approximately \$265 million in total investment value to create over 300,000 square feet of affordable commercial and community space for approximately 548 local, small businesses or entrepreneurs, and 160,000 square feet of improved or new nonprofit space, in total preserving or creating over 780 total new or retained jobs.

Disparity Domains: This request supports Hennepin County disparity reduction efforts in income and employment by supporting a range of investments that create employment and wealth-building/ownership opportunities, community services and amenities in areas well-served by public transit, including low-income communities and communities of color.

ATTACHMENTS:

Description	Upload Date	Type
Attachment A - Recommended Projects and Awards	8/3/2022	Backup Material
Budget-New Contract Detail form - 2022 CII Agmts	8/3/2022	Budget - New Contract Detail form