



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

**Date:** January 20, 2015  
**To:** Council Member Lisa Goodman, Chair, Community Development  
& Regulatory Services Committee  
**Referral to:** Council Member John Quincy, Chair, Ways and Means  
Committee  
**Subject:** Accept and Appropriate Legacy Grant Awarded by the Minnesota  
Historical Society for the Hollywood Theater project.

### Recommendation:

- 1) Accept Legacy Grant awarded by the Minnesota Historical Society for the Hollywood Theater project.
- 2) Amend the 2015 General Appropriation Resolution by increasing the Community Planning & Economic Development agency fund 01600-Other Grants-State and Local (01600-8900320) appropriation by \$262,208.
- 3) Increase the 2015 Revenue Budget for the Community Planning & Economic Development agency fund 01600-Other Grants-State and Local (01600-8900900-321513) by \$262,208.
- 4) Authorize the appropriate City staff to execute grant, subrecipient and/or disbursement and related documents and agreements for these grants.

**Previous Directives:** May 9, 2014, City approved the sale of the Hollywood Theater property to Out of the Past Redevelopment, LLC, an entity controlled by Andrew Volna, and authorized City officials to enter into a Redevelopment Contract. December 14, 2012: the City granted exclusive development rights to Andrew Volna and authorized staff to negotiate terms of a Redevelopment Contract.

Prepared by: Miles Mercer, 612-673-5043	
Approved by: D. Craig Taylor, Executive Director	_____
Catherine A. Polasky, Director, Economic Development	_____
Funding Source and Appropriation Language	
Reviewed by Development Finance:	_____X_____
Presenter in Committee: Miles Mercer	

### Financial Impact

  X   Action requires an appropriation increase to the Operating Budget  
Dept Name: CPED (8900320)  
Fund Name: 01600 - Other Grants – State & Local  
Amount: \$262,208

X   Action provides increased revenue for appropriation increase  
Dept Name: CPED (8900900)  
Fund Name: 01600 - Other Grants – State & Local  
Amount: \$262,208

The Legacy Grant requires matching funds, which will be provided by the developer. The City of Minneapolis has sponsored the grant request in question and will act as a pass-through and conduit for all related grant reimbursement payments.

### **Community Impact**

- Neighborhood Notification: Andrew Volna met with the Audubon Neighborhood Association (ANA) on his project on September 10, 2012, June 3, 2013, and February 3, 2014. The ANA Board submitted a letter of support for granting Volna development rights and provided an updated letter of support for selling the property to Volna.
- City Goals: Great Places
- Comprehensive Plan: The site is located in a Neighborhood Commercial Node and Community Corridor and guided for Mixed Use.
- Zoning Code: The property is zoned C-1, Neighborhood Commercial
- Other: The Hollywood Theater is a locally-designated historic landmark and listed on the National Register of Historic Places.

### **Supporting Information**

The Hollywood Theater property is located at 2815 and 2819 Johnson Street NE and is currently owned by the City. In June 2014, the City executed a Redevelopment Contract for the transfer of the property to Out of the Past Redevelopment, LLC, an entity controlled by Andrew Volna. Once ownership transfers, the Contract obligates Volna to make certain improvements that will stabilize and preserve the building.

To assist in the funding for these improvements, this past summer, the City and Volna applied for a grant from the Minnesota Historical Society from the Arts and Cultural Heritage Fund, also known as a Legacy grant. The Hollywood Theater building is eligible for this program since it is listed on the National Register of Historic Places. At the time of application, there were no other City-sponsored projects eligible or interested in seeking Legacy funds for building rehabilitation purposes.

On September 15, the City received notice of an award of \$262,208 to help fund a scope of stabilization and preservation work on the building. Since receiving the award, staff and Volna have communicated with staff from the Minnesota Historical Society on the application of grant requirements to this project and accordingly have refined the language of a grant agreement and a related letter of agreement governing use of a historic site.

The award of this grant is validation of the historic importance of the Hollywood Theater and strengthens the developer's ability to realize a successful rehabilitation of the building.