



quarterly
report

City of Minneapolis
Community Planning &
Economic Development

Third Quarter, 2004



Volume 1, Number 3

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Third Quarter Highlights

One year after its official creation by City ordinance, the department of Community Planning and Economic Development (CPED) has much progress to report. CPED is in the concluding phases of its merger into the City. Several transformative steps near completion:

- McKinsey’s *Focus Minneapolis* “Check-Up” completed
- Reclassification of personnel nearing completion
- Voluntary retirement program approved and available through December 10
- CPED’s updated business plan submitted
- Economic Development and Strategic Partnership divisions merged
- New housing director appointed
- New Empowerment Zone administrator appointed

Change is never easy and increasingly seems constant. In 2005, we will have ratified a strong base from which to perform and to address the challenges of ever-evolving demands in a time of limited resources, partnering needs and opportunities, and an entrepreneurial marketplace of public and private activity.

Thank you for your support. Please let me know if you have questions or thoughts. I also encourage you to familiarize yourselves with the CPED Web presence:

www.ci.minneapolis.mn.us/cped/

including our front-line managers who direct and deliver our performance daily

www.ci.minneapolis.mn.us/cped/management_team.asp

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Part I: Progress on Key Initiatives from 2004 Business Plan

ECONOMIC POLICY & DEVELOPMENT

Expand Small Business Loan Programs

Contact: **Bob Lind 673-5068**

Staff coordinated a New Markets Tax Credit (NMTC) advisory group to prepare an NMTC application for the Midtown Exchange and Lifesciences Corridor projects. The NMTC application was submitted on October 6, 2004. Staff also closed on a \$129 million revenue bond as a joint issue with Saint Paul to finance a major expansion and renovation of the Children's Hospitals and Clinics in Saint Paul and Minneapolis.

Create Riverfront Development Corporation

Contact: **Ann Calvert 673-5023**

Staff prepared a draft Request for Proposals (RFP) for consultant services. Working with stakeholders, the selected consultant will establish a new organization to supplement and enhance riverfront development efforts in Minneapolis.

Recommend City Role in Theater Operation

Contact: **Tom Daniel 673-5079**

In August, staff issued an RFP for the operation and programming of the historic theaters; city council has directed exclusive negotiations with the first ranked proposer.

HOUSING POLICY & DEVELOPMENT

Affordable Housing Trust Fund

Contact: **Donna Wiemann 673-5257**

- Second round Emergency Shelter Grants – three proposals received on August 6, RFP deadline extended
- Additional resources (Affordable Housing Trust Fund, HOME Community Housing Development Corporation, Neighborhood Revitalization Program, Affordable Housing Reserve Fund, Empowerment Zone) – 29 proposals received on September 22. Proposals total: \$18.5 million; funding pool is \$8.8 million, which shows that the need exceeds the funding available.

Limited Equity Co-op Pilot Program

Contact: **Donna Wiemann 673-5257**

Three RFP responses received; one since withdrawn

Heritage Park Finance Plan

Contact: **Elfric Porte 673-5145**

Staff prepared a finance plan that identified funding gaps, including the decree-obligated gap of \$9.4 million. The City Council approved staff's request to reallocate the \$2.9 million remaining in state bonding authority. The mayor's 2005 budget recommendation included \$4.7 million (\$3.2 million in net debt bonds and

\$1.5 million in Water and Sewer bond proceeds). Additionally, the Mississippi Watershed Management Organization five-year capital funding plan identifies \$3 million for this project (\$1 million per year for 2005 to '07). Staff continues to identify sources for \$11 million of non-decree-obligated project components.

Higher Density Corridor Housing Initiative

Contact: **Kevin Dockry 673-5075**

Five projects/sites reviewed and evaluated; due diligence now in process. CPED staff has begun the process to acquire two properties.

Perpetual Affordability Pilot Project

Contact: **Tiffany Glasper 673-5221**

Staff developed guidelines for the program, prepared and submitted an RFP and recommended three of the six proposals received. Council has approved \$215,000 of \$500,000 in awards, with the balance available on a first-come, first-served basis.

Northside Home Fund

Contact: **Elizabeth Ryan 673-5128**

The City earmarked \$1 million to the Northside Partnership while leveraging additional funds to create the Northside Home Fund, a program to preserve the housing stock and increase housing choices in north Minneapolis. Commitments to date include:

Minnesota Housing Finance Agency:	\$20,000,000
Franklin National Bank:	20,000,000
City of Minneapolis:	1,650,000
General Mills Foundation:	200,000
Total	\$41,850,000

PARTNERSHIPS

Northside Partnership

Contact: **Mike Christenson 673-5122**

Staff expanded the Urban League employment contract by \$60,000 in "Close the Employment Gap" funding to place an additional forty workers. A pilot job training program for at-risk African-Americans with Pillsbury-

United and Hospitality House placed twenty-five people in training. The City financed and purchased "Probation House" at 2539 Irving Ave. N.



Part I: Progress on Key Initiatives from 2004 Business Plan

Minneapolis Lifesciences Corridor

Contact: Mike Christenson 673-5122

The City Council approved business subsidy agreements and tax exemption applications for Shepherd and TownStar Medical. New Web site created at www.mplsiflsciences.org.

City-University Partnership

Contact: Mike Christenson 673-5122

Completed five-step University Research Park development plan. Managed solution to access and right-of-way issues related to construction of 15th Avenue. Co-convened planning for summer youth employment STEP UP year-end event. Discussed University request for Responsible Governmental Unit (RGU) designation for new Gopher football stadium.

▶ PLANNING/COMMUNITY PLANNING

Prepare and/or Assist with Plans

Contact: Pam Miner 673-3240

- Lake Street/Nicollet Avenue Development Objectives. Held public comment period and outreach meetings for the draft document, made revisions based on comments
- Citywide Transportation Plan (lead by Public Works) Reviewed RFP and assigned a CPED staff person to the steering committee
- Mississippi River Critical Area Plan (required by Mississippi National River and Recreation Area [MNRRA], Department of Natural Resources [DNR] and Metropolitan Council) Received DNR comments on the draft in mid October; preparing for submission to Metropolitan Council/DNR/MNRRA
- Environmental Sustainability Plan. (City Council Resolution 2003R-133). First draft submitted to Environmental Coordinating Committee; substantial re-draft under way
- South Lyndale Small Area Plan. Corridor Housing Initiative process under way. Presenting draft master plan RFP to neighborhood groups.
- Bassett Creek Valley Rezoning Study. Working with neighborhood implementation group to prepare a master plan implementation strategy.
- Upper Harbor Terminal. Participated in study process. Presented study findings to City Planning Commission Committee of the Whole August 12; City Council study session took place August 27. Work on creating Riverfront Development Corporation will provide basis to consider future study.
- Midtown Greenway Land Use Plan. Draft RFP developed.
- Industrial Land Use Plan. Draft RFP developed by staff team; additional review under way
- LRT Planning. For 38th Street, 85 percent of planning work completed. For 50th Street, staff assigned to team (Hennepin County leads this initiative).

Expand Research Activities and Products

Contact: Cecilia Bolognesi 673-2495

Beginning to develop detailed neighborhood profiles based on 2000 census information. Staff now reports to CPED Administration.

Prepare Planning Manual for Neighborhoods

Contact: Pam Miner 673-3240

Document completed and available on Web site: www.ci.minneapolis.mn.us/planning/docs/NeighborhoodGuideforDevelopingPlanning.pdf

▶ PLANNING/DEVELOPMENT SERVICES

Implement One Stop Development Review Center Customer Service Improvements

Contact: Blake Graham 673-3241

Continued to work on improving the preliminary plan review process. Discussions continue regarding process improvements, technology issues, facility planning and organizational development.

Revise Zoning Code

Contact: Blake Graham 673-3241

Five text amendments have been approved by City Council; 26 text amendments are pending in various stages. Two development moratoria expired (Lowry Hill East and Floodplain); one moratorium in effect (Northside New Residential Construction) with staff work under way.

▶ WORKFORCE DEVELOPMENT

Construction Coalition

Contact: Chip Wells 673-5292

The Minneapolis Employment and Training Program (METP) supported a new pre-apprentice program called Building Minnesota. This program was developed by the Construction Careers Coalition and approved by the Minneapolis Building Trades and the Minnesota Department of Labor and Industry. It will be implemented at Midtown Exchange by Ryan Companies.

Northside Partnership

Contact: Chip Wells 673-5292

METP has implemented a contract with the Minneapolis Urban League to:

- develop and maintain a list of qualified minority contractors
- employ and retain forty individuals interested in the trades
- develop and implement a small business program for contractors and sub-contractors who are interested in entrepreneurship

Part II: Other Key Events and Milestones during third quarter

▶ ECONOMIC POLICY AND DEVELOPMENT

Neighborhood Commercial and Mixed Use

Contact: Tom Daniel 673-5079

- Construction began on the **Midtown Exchange** redevelopment project (1.2+ million square feet mixed use).
- Construction continued on **Greenleaf Lofts** at 2000 Nicollet (27 housing units; 5,600 square feet commercial space; 39 parking spaces).

Industrial/Commercial Employment

Contact: Tom Daniel 673-5079

- The City Council authorized the RFP for a nearly two-acre site in **North Washington Industrial Park**.

Downtown and Central Riverfront

Contact: Tom Daniel 673-5079

- RFP issued for purchase, lease or management and operations of **Hennepin Stages** at 824 Hennepin Ave.
- Construction continued on the **Park Avenue West Lofts** (38 units, 77 spaces).
- Construction continued on the **extension of Park Avenue** between Washington Avenue South and Second Street South.
- **Progress continued on the Guthrie** construction including construction of parking ramp (1,002 spaces).

Business Finance

Contact: Bob Lind 673-5068

- The brochure, “**Small Business Assistance Programs**” was updated and is now available. For copies, call Jennifer Schultz at 612-673-5094.
- CPED staff assembled a comprehensive listing of economic and employment service programs for Minneapolis businesses in a new publication called “**The Minneapolis Business Toolbox**.” The **toolbox** can be accessed on the City’s Web site using this address:
www.ci.minneapolis.mn.us/cped/toolbox_news.asp.

▶ HOUSING POLICY AND DEVELOPMENT

Multi Family

Contact: Cynthia Lee 673-5266

- Low Income Housing Tax Credit (LIHTC) RFP – 9 proposals received July 22 – approximately \$3 million requested
- River Run final Housing Revenue Bonding (HRB) and Tax Increment Financing (TIF) plan approved
- Loan restructuring approved for redevelopment at Little Earth, Homewood, Chicago Avenue, City Flats, Elliot Avenue and Portland Place
- Nicollet Hotel Block RFP issued
- Projects closed: Oakland Square, Morrison Village, Holmes Greenway and Zinsmaster

- Preliminary HRB approval received for Cecil Newman
- Collaborative Village construction completed (*photo left*)
- Lofts on Arts Avenue construction completed (*photo right*)



- Convened Minneapolis homeless coordination meeting with Minnesota Housing Finance Agency
- Worked with Planning division on housing development sites in conjunction with Light Rail Transit
- Coordinated strategies regarding Neighborhood Revitalization Program (NRP) phase 2 funding for affordable housing with Affordable Housing Trust Fund Advisory Committee
- Preliminary discussions held re: mixed-use Walker library project
- Developed prototype for electronic file archive system
- Finalized intern appointment through LISC Changing the Face of Housing program
- Participated in committee meeting on housing location choices with suburban city staff
- Helped develop Economic Development Association of Minnesota presentation on Heritage Housing
- Reviewed first three NRP phase 2 plans; met with neighborhoods
- Prepared TIF plan modifications for affordable housing
- Submitted City’s corridor housing strategy for Fannie Mae/Ash Institute award

Single Family

Contact: Elfric Porte 673-5145

- **67 single-family development lots** sold for owner-occupied households
- Plan reviewed and approved for **single-family for-sale units in the Heritage Park** development
- Developed new property acquisition procedures

▶ PLANNING

Planning

Contact: Barb Sporlein 673-2616

- **Completed work on four planning tools:** Neighborhood Guide for Developing Plans; Land Use and Zoning Guide for Minneapolis; GIS map of adopted small area plans; and inventory of adopted plan recommendations
- **Working with Economic Development and Housing divisions to more fully integrate planning and development efforts** and to provide direction for decisions on citywide capital improvements and program investment
- **Continued participation in Minneapolis One Stop improvements.** Worked with Rocco Forte, new director of Regulatory Services, and Steven Bosacker, new results manager, on various Minneapolis One Stop policy, organization and operation issues

Part III: Progress on Key Departmental Performance Measures

	2003 Actual (annual)	2004 Projected (annual)	2004 YTD (9 months)	Comments
ECONOMIC DEVELOPMENT				
estimated increase in property taxes due to ED projects (\$ in millions)	\$3.2	\$0.8	\$0.3	
# of new jobs projected due to assisted projects	1,554	585	282	
# of small business loans	170	185	90	
# of businesses assisted by market advocates/case managers	n/a	5	7	
Real Estate marketing contacts	571	500	316	
\$ of contamination grants secured (in millions)	\$4.7	\$1.5	\$2.5	
downtown housing units completed (certificates of completion obtained)	605	928	22	does not include units developed without CPED assistance
HOUSING				
# of new/conversion multi-family housing units completed	1,130	815	296	
# of rehabilitated multi-family housing units completed	433	575	789	
# of affordable (to households earning less than 50 percent of metro median income) units (subset of above two categories)	588	715	876	
# of single-family units (new construction) completed	116	100	59	
# of single-family units rehabilitated	8	15	8	
# of low/mod income (< 80 percent MMI) units completed	62	60	21	does not include privately developed units
# of home improvement loans	48	54	2	program implementation completed and 30 loans in process
# of mortgage loans	2	50	82	
PARTNERSHIPS				
reduce crime below City average in Empowerment Zone	n/a	10% reduction	approximately 9% reduction	
launch or strengthen partnerships in four key commercial corridors	n/a	W Broadway, Lake St, Franklin Ave, Central Ave	2 of 4 complete	
develop plan for medical conferencing facility in Lifesciences Corridor	n/a		under way	Working with Convention Ctr
# of lab expansions or startups	n/a	2	2	TwinStar and Shepherd Medical

Part III: Progress on Key Departmental Performance Measures

	2003 Actual (annual)	2004 Projected (annual)	2004 YTD (9 months)	Comments
PARTNERSHIPS (continued)				
establish Lifesciences Capital Fund	n/a	established	under way	mayor and CD chair convened lunch
establish City-University Partnership	n/a	established	under way	University Research Park Plan
PLANNING				
# of small area plans prepared by staff and approved by the City Council	4	n/a	0	Several plans under way, staff reviewing small area plans developed by other entities (neighborhoods, NRP phase 2), developed four new planning tools
# of film permits issued	212	200	158	Total production budget of \$8.8 million, plus one public art project completed and four conserved
# of clients assisted at service counter	8,225	8,295	6,316	
# of building permits reviewed	7,905	7,800	6,162	
# of land use applications reviewed	1,083	1,345	759	all but one reviewed within state mandated time frames
# of Heritage Preservation Commission applications reviewed	341	185	113	
# of zoning code text amendments adopted	6	10	5	Plus 26 pending amendments; staff administered three development moratoria, two of which were unexpected
WORKFORCE DEVELOPMENT				
gap in unemployment rate for city vs. metro	1.1%	0.6%	0.8%	
# of agreements w/ emerging enterprises	n/a	2	2	
# of Job Linkage new hires	4,122	4,500	2,862 (est.)	
# of business visited	44	55	36	