



Great Streets Neighborhood Business District Program

April 17, 2007

Why we value neighborhood business districts

- Contribute toward a positive neighborhood identity
- Provide goods and services close to people's homes
- Provide public gathering places
- Serve as incubators for small, entrepreneurial businesses
- Provide some job opportunities within residential areas
- Draw people to spend their time and money



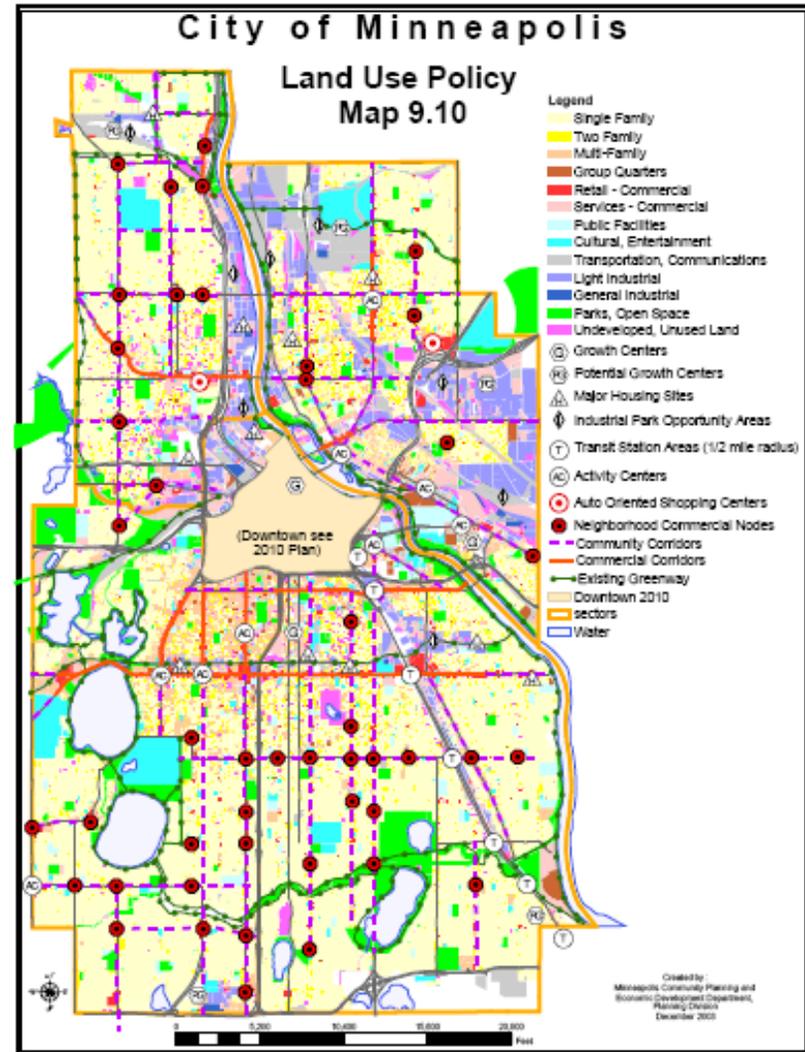
Challenges for neighborhood business districts

- Macroeconomics
 - Small retailers v. larger, suburban merchandisers
 - Auto-oriented retailing trend
- Old buildings – small floorplates, poorly-configured space, lack of investment in property or deferred maintenance
- Limited disposable income
- Lower density neighborhoods
- Public safety challenges – real or perceived
- Parking – inadequate or poorly configured
- Marketing and advertising – limited and uncoordinated
- Access to capital – limited
- No management of the business mix



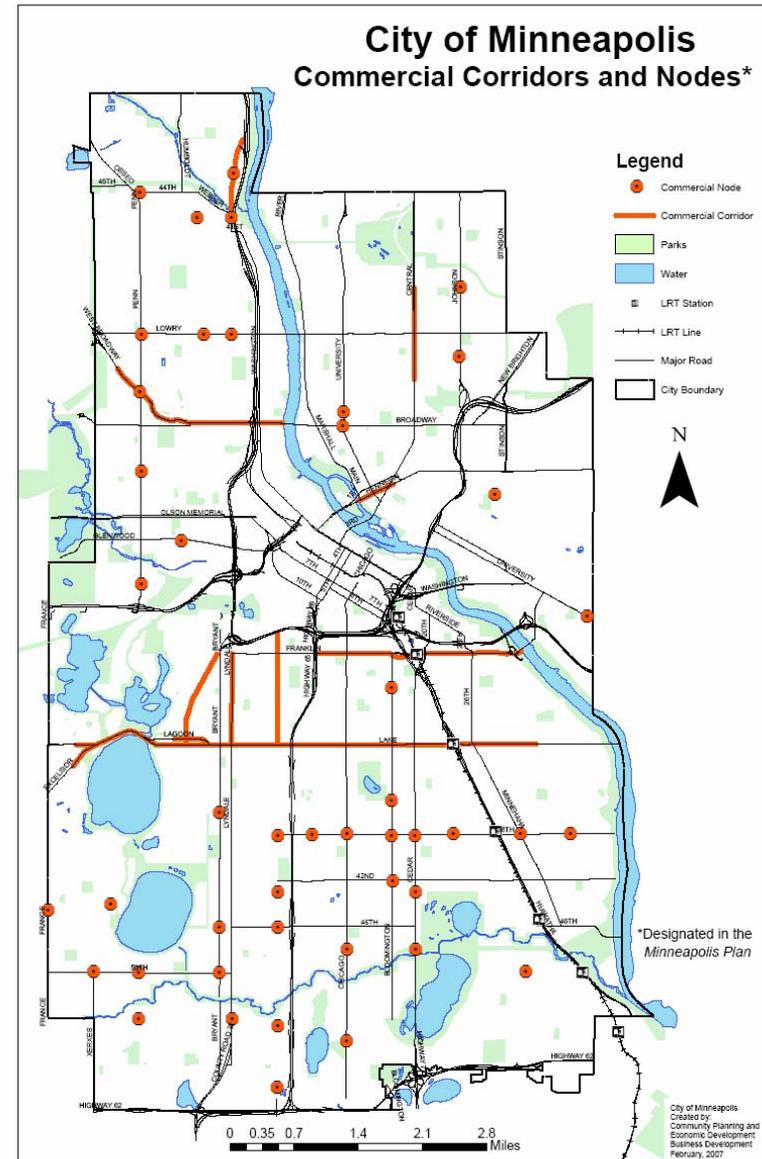
The Minneapolis Plan

- In March 2000, the City Council adopted *The Minneapolis Plan*, which established City policy for neighborhood commercial districts
- Designated 11 commercial corridors and 45 commercial nodes
- Commercial activity will be supported at these locations
 - Policy, e.g. zoning, land use regulations
 - **Programs**



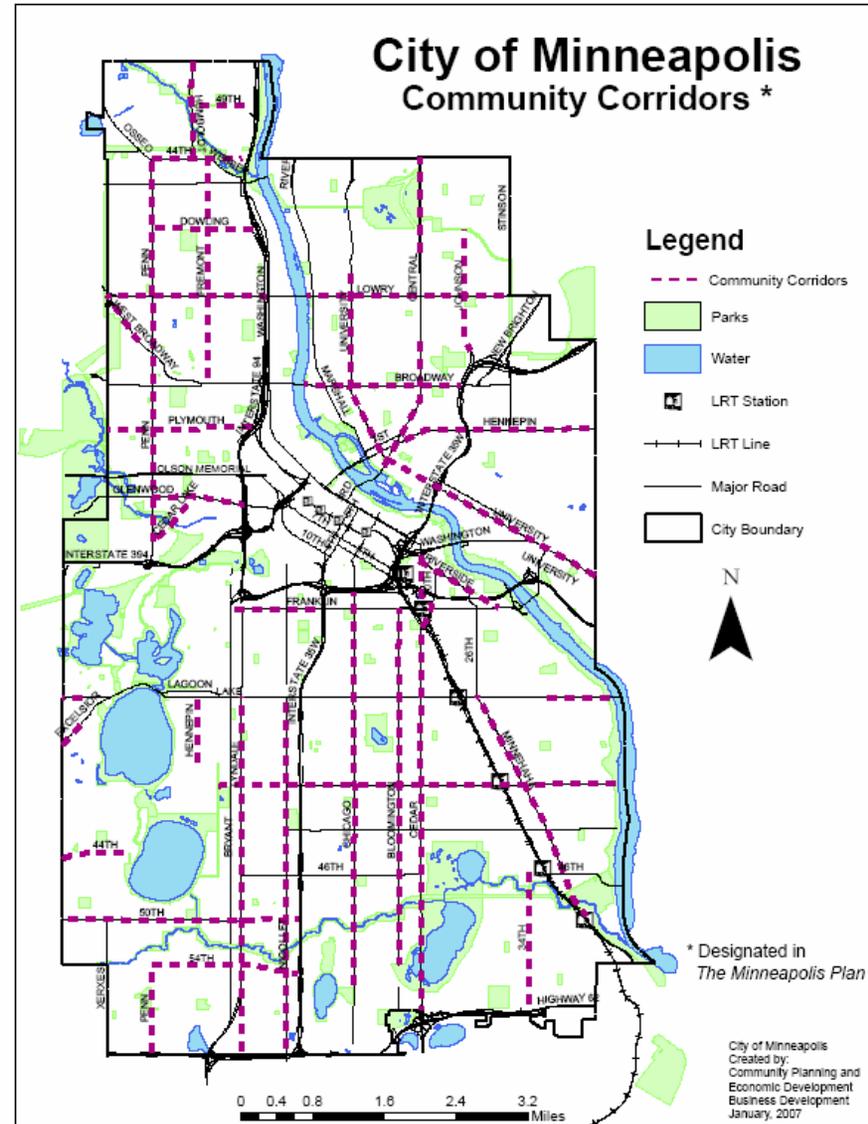
Commercial Corridors

- Major commercial/ retail destinations
- Mostly commercial uses
 - Neighborhood
 - Pass-through traffic
 - Destination
- Portions auto-oriented
- Some office uses
- 10,000-20,000 vehicles/day
- Many are trunk lines of the historic streetcar system
- 11 designated



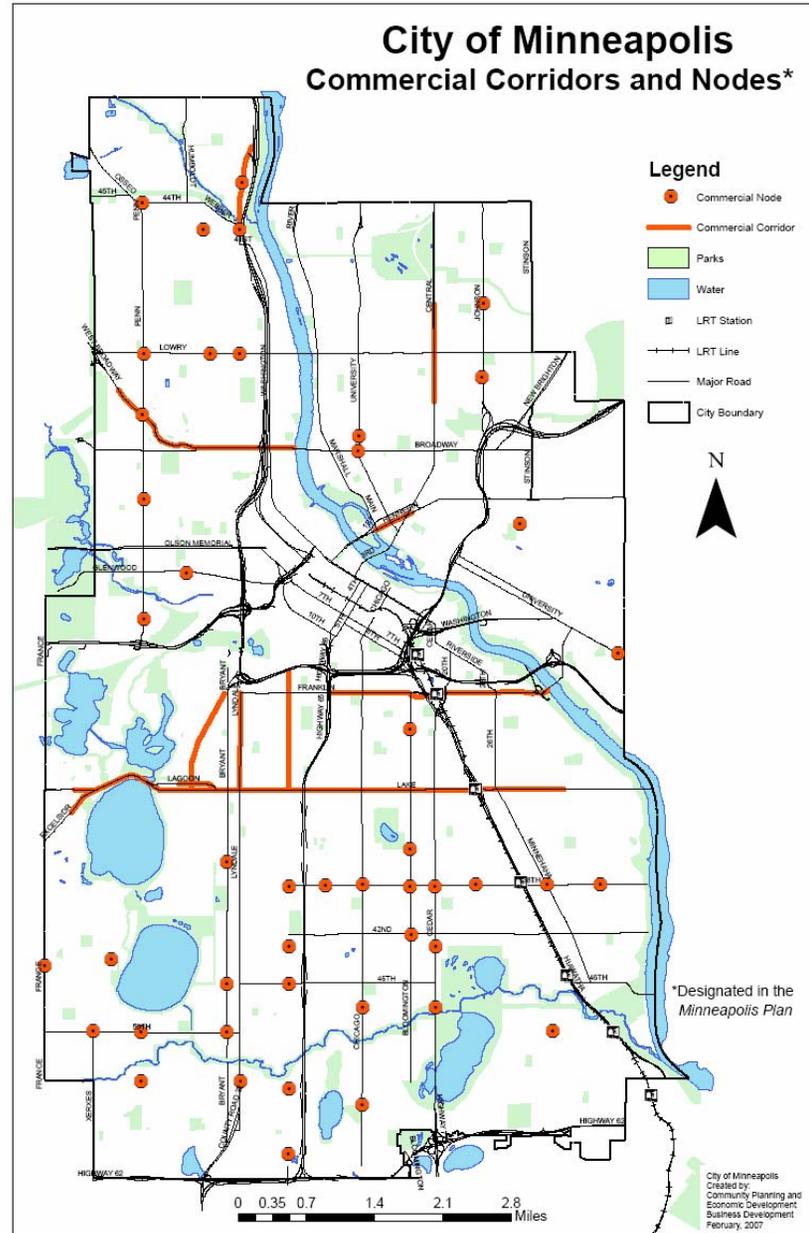
Community Corridors

- Primarily residential in character
- Intermittent commercial uses clustered at certain intersections – commercial nodes
- 4,000-15,000 vehicles/day
- 37 designated
- Intensifying housing density is supported
- New commercial development is supported only at commercial nodes



Commercial Nodes

- Small clusters of commercial uses – mostly neighborhood retail
- Often at intersections of community corridors/historic streetcar lines
- 45 designated

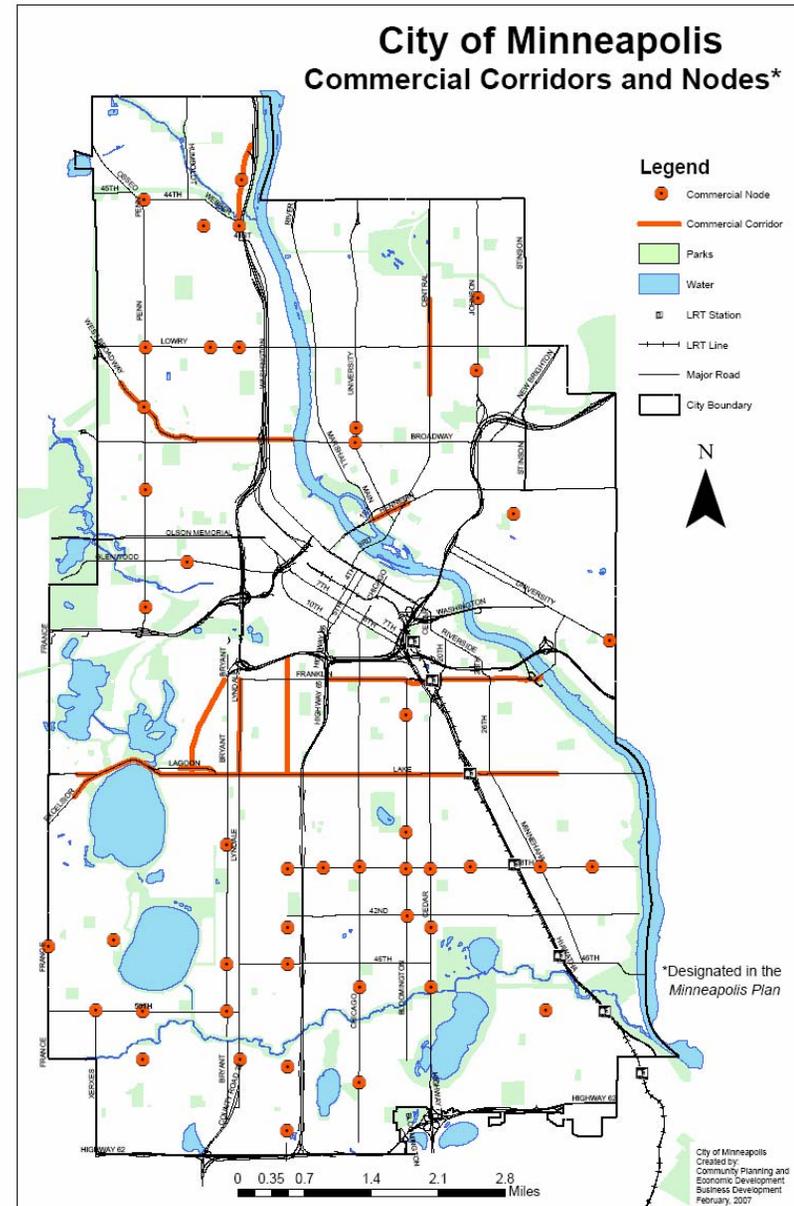


LRT station areas

- Opportunities to create new TOD retail, new neighborhood centers

- Small area plans adopted for each station area identify opportunity sites for new or strengthened commercial development

- Cedar/Riverside
- Franklin Avenue
- Hiawatha-Lake
- 38th Street
- 46nd Street
- 50th Street
- VA Medical Center



Policy guides implementation

- Land use review
 - Special permits
 - Rezoning and variance requests
- A variety of tools to assist neighborhood business districts
 - Low-interest loans
 - Gap financing for catalytic real estate development
 - Façade improvement programs
 - Support for market studies, marketing and branding, retail recruitment
 - Support for shared parking development and strategies
 - Business technical assistance



Many tools are not widely available

- **Two that are widely available:**

- Business loans available Citywide through a variety of programs – one targeted to commercial corridors and nodes
- Acquisition gap financing available for commercial corridors, nodes and major transit corridors Citywide

BUT

- **Very limited availability for:**

- Real estate development gap financing
- Façade improvement programs
- Marketing and branding
- Business technical assistance
- Retail recruitment efforts

- Limited to the four commercial corridors targeted by the City Council in 1999 (West Broadway, E Franklin, E Lake, Central)



Proposed actions

- 1) Broaden availability of tools to:
 - a) All designated commercial corridors
 - b) LRT station areas
 - c) Designated commercial nodes
 - d) Downtown neighborhood-oriented business districts identified by planning documents
- 2) Actively market neighborhood business district programs under the umbrella program “Great Streets”
- 3) Disburse commercial corridor and node program funds through a combination of open online applications and Requests for Proposals

Actions: Commercial corridors & station areas

- Have assessed economic health, need and opportunity using the following measures:
 - Estimated Market Value
 - % change in EMV
 - Crime rates – property and violent
 - % vacant storefronts
 - % substandard buildings
 - # opportunity sites for redevelopment, City-owned property
 - Designated CDBG target areas
- Target resources based on these measures
 - Intervene – high need, low private sector interest
 - Support – equal need and private sector interest
 - Monitor – low need, high private sector interest
- Weighted consideration will be given to projects in areas identified for intervention and support



Commercial Corridor/LRT Station Area Categorization

Commercial Corridors

Intervene

West Broadway

Support

Lyndale Ave N
Central Ave
Franklin Ave
E Lake St
Nicollet Ave

Monitor

E Hennepin Ave
W Lake St
Excelsior Blvd
Lagoon Ave
Lyndale Ave S
Hennepin Ave S

Hiawatha LRT Station Areas

Intervene

Cedar-Riverside

Support

Franklin
Hiawatha/Lake
38th Street
46th Street
50th Street

Monitor

Veterans Admin

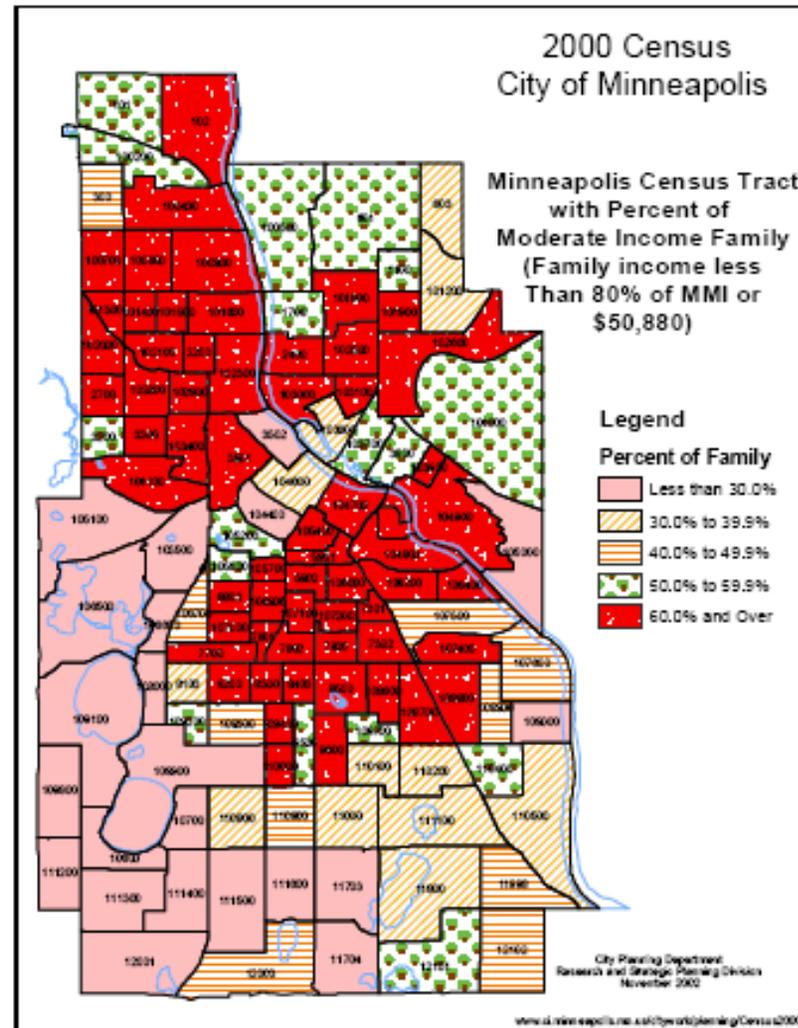
Actions: Commercial Nodes

- Additional CDBG funding allocated to CEDF/NEDF on March 30, 2007 – balance for corridors now \$3.5 million
- Provide resources for development gap financing and façade improvement programs at commercial nodes
- Divide the CEDF/NEDF funds equally between commercial corridors/LRT station areas and commercial nodes
- Include five downtown neighborhood-oriented business districts identified in planning documents but excluded from the land use designations of *The Minneapolis Plan*
- **!** CPED Business Development staff have not conducted an assessment of need and opportunity at commercial nodes
- While that assessment is pending, we plan to use the existing NEDF program guidelines as an interim measure to target resources for commercial nodes



NEDF priority areas

- NEDF guidelines prioritize investment in commercial areas with majority low- and moderate-income residents, shown on this map in red and green



CEDF/NEDF allocated funds

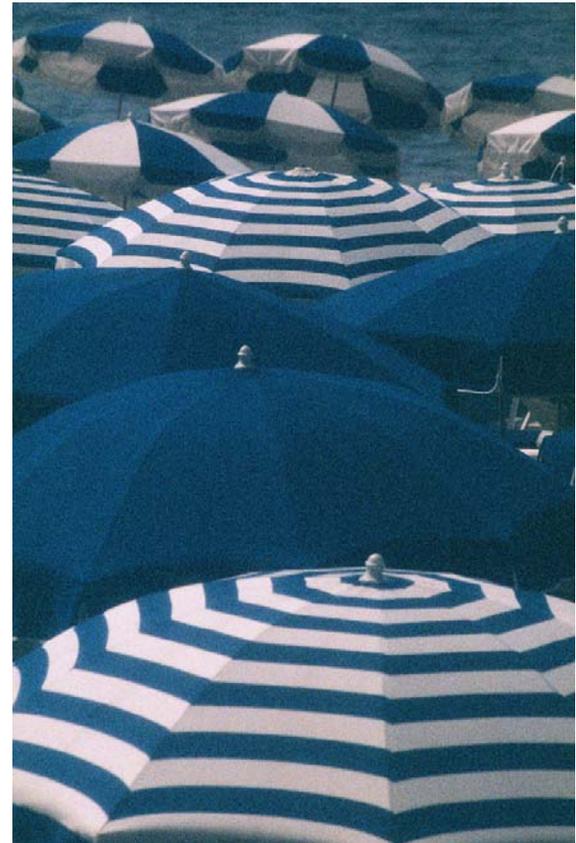
- Four funding sources:
 - Common Project Tax Increment – very restrictive, can only be used within the Common Project, only for bricks and mortar
 - Community Development Block Grant – restrictive, can only be used within CDBG target areas, projects must benefit low- and moderate-income people or remove blight
 - Economic Development levy – not very restrictive, can be used for façade improvement, business district support, Citywide
 - Hilton Legacy fund – unrestricted

CEDF/NEDF Disbursement strategy - \$3.5 m.

- Online application for development gap financing – commercial corridors, station areas and nodes
 - May 2007
 - \$2.7 million from Common Project TI, CDBG, Levy and Hilton Legacy
- RFP for business district assistance – business technical assistance, retail recruitment, marketing and branding – commercial corridors and station areas
 - Neighborhood review May 2007
 - \$150,000 from Legacy
- RFP for façade improvement programs – commercial corridors, station areas and nodes
 - Fall 2007
 - \$400,000 from Legacy and Levy
 - Max grant to corridors/station areas \$50,000 – five areas
 - Max grant to nodes \$30,000 – five areas
- Reserve for partnership opportunities that arise outside the RFP timeframe, e.g., LISC, MCCD
 - \$250,000 from Legacy and Levy

Great Streets program marketing

- Market all City tools for neighborhood business district assistance under the Great Streets umbrella (website, brochure)
 - Real estate development gap financing application
 - RFPs for façade improvement programs and business district support
 - 2% Commercial Corridor/Node Loan Program
 - Alternative Financing Program
 - Capital Acquisition Loan Program
 - Capital Acquisition Revolving Fund Program
 - Business Association operating grants



Great Streets... make a Great City

Healthy neighborhood business districts create a neighborhood and a city that people want to live, work and visit

