



Growing Jobs

December 13, 2011

Table of Contents

Growing Jobs

Performance measure

Page

Background: Jobs in the City

1. Number of jobs in Minneapolis	5
2. Job percentage change 2004-2010	5
3. Employment by economic sector	6
4. Job percentage growth/decline by economic sector	7
5. Where Minneapolis workers live, Where Minneapolis residents work	8
6. Minneapolis labor shed [map]	9
7. Minneapolis commute shed [map]	10
8. Citywide value of building permits	11
9. Number of permits issued by type	12

Background: Residents Employed

10. Minneapolis and Metro unemployment rate, annual	14
11. Minneapolis labor force, by employed and unemployed	14
12. Minneapolis and Metro unemployment rate, quarterly	15
13. Median household income, Minneapolis, Hennepin County, and Metro	15

...continued on next page

Table of Contents, continued

Supporting Job Growth in Minneapolis

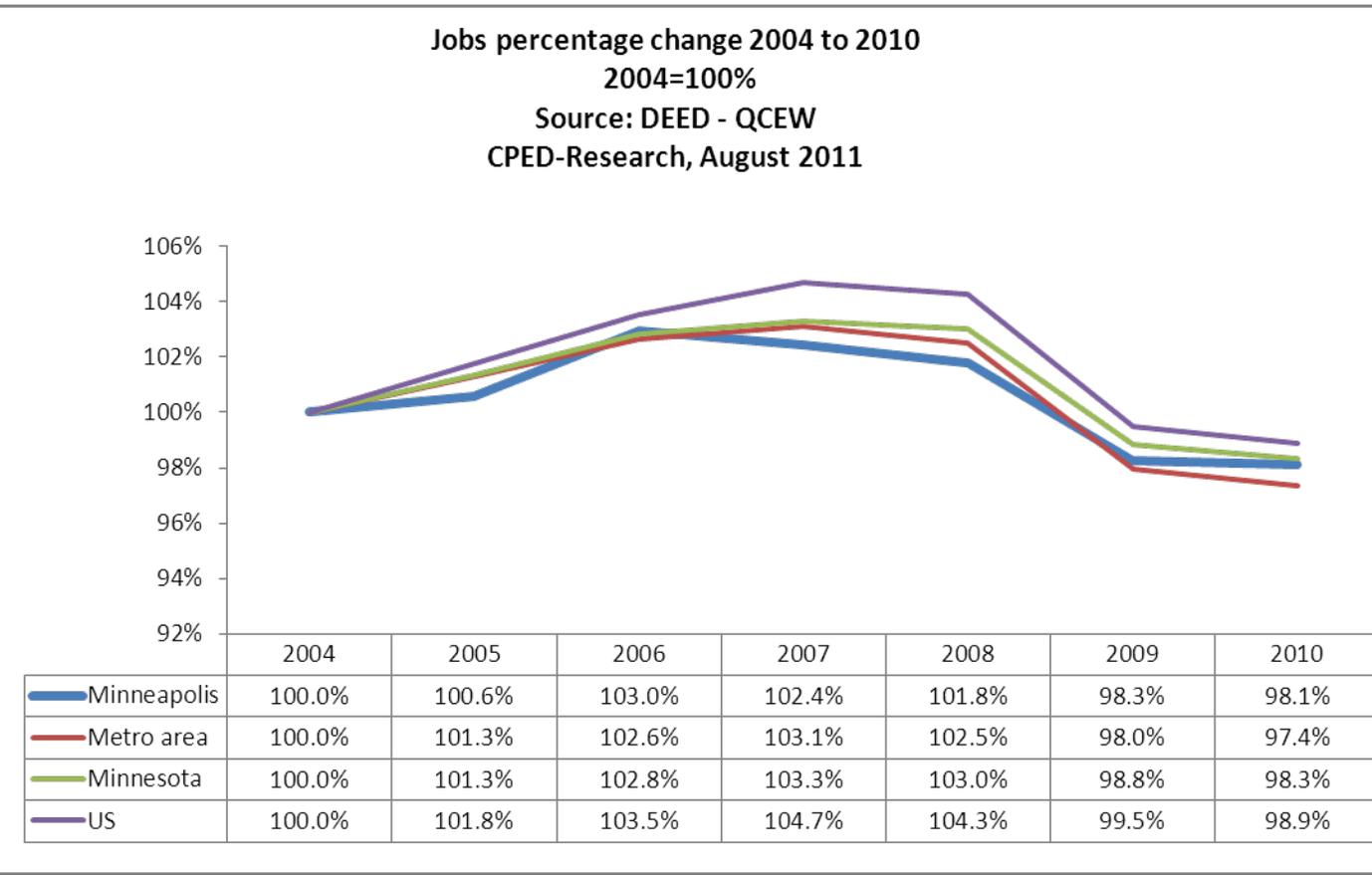
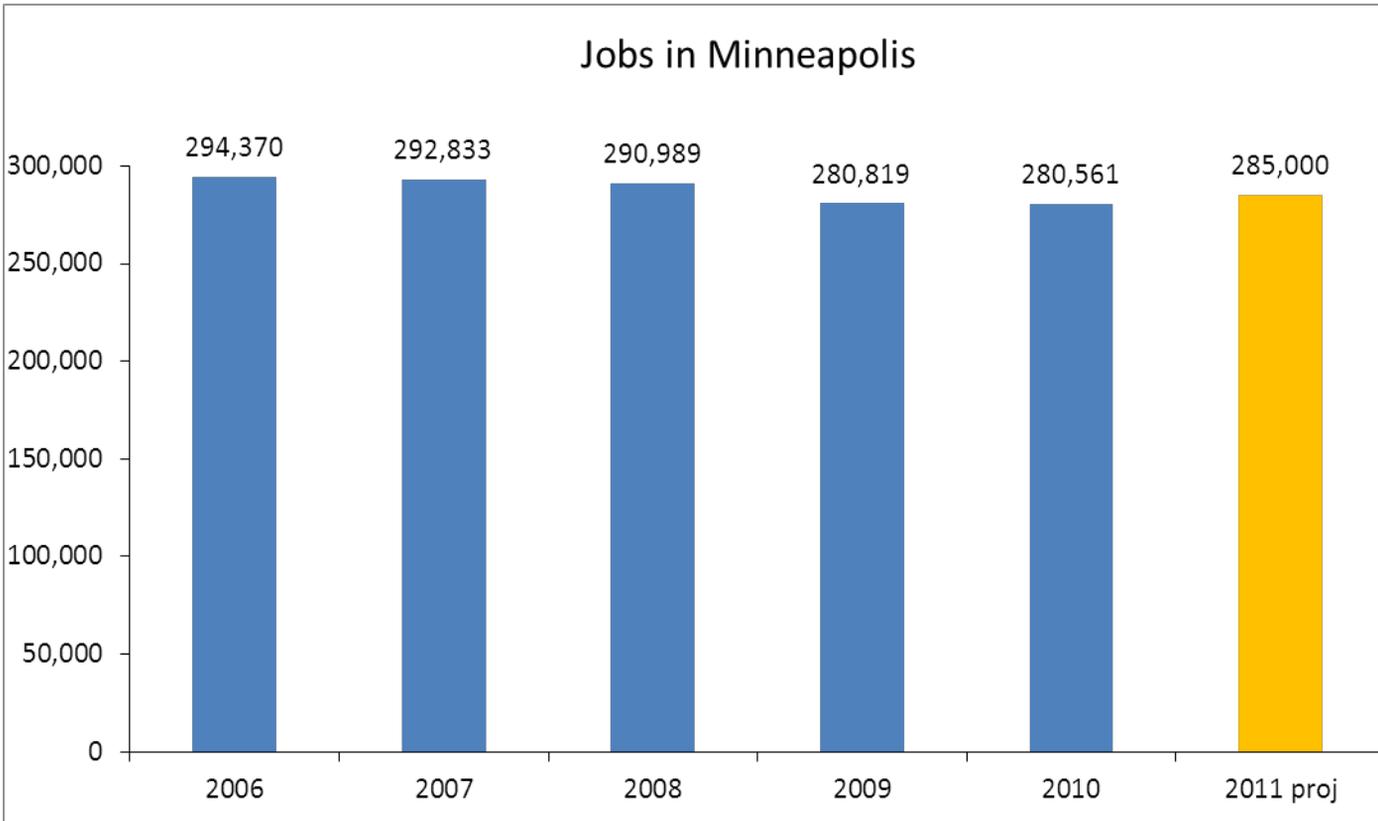
14. Loans and grants awarded and businesses touched	17
15. Business attraction, retention, and expansion	18
16. Immigrant entrepreneurs	19
17. Exports	20
18. Green economy	21
19. High tech sector [measures in development]	23
20. Local food [measures in development]	24
21. Number of days to issue permits	25
22. Percent of permits processed via the web	26
23. Customer satisfaction with Minneapolis Development Review	27
24. Calendar days to issue new trade licenses	28
25. Licensed taxicabs and drivers	29
26. Construction code inspections completed within standard	30

Growing the number of employed residents

27. Unemployment rate, by race/ethnicity	32
28. METP adult and dislocated worker job placements	34
29. METP youth summer job placements (STEP-UP)	36
30. Number of health sector employers and interns participating in the STEP-UP program	37
31. Job-linkage agreements	38
32. Minneapolis workforce plans	39

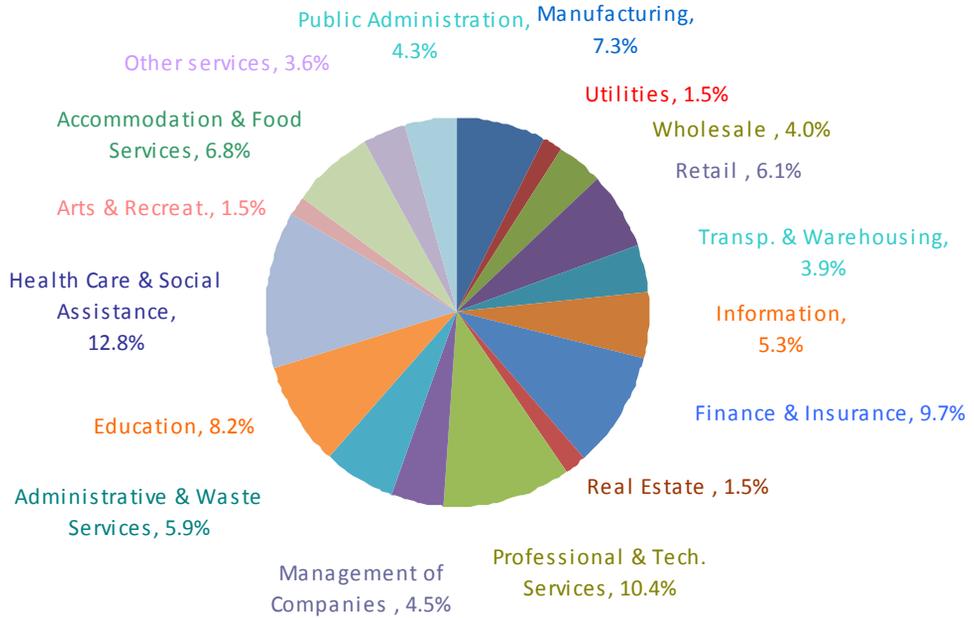
Background

Jobs in the City



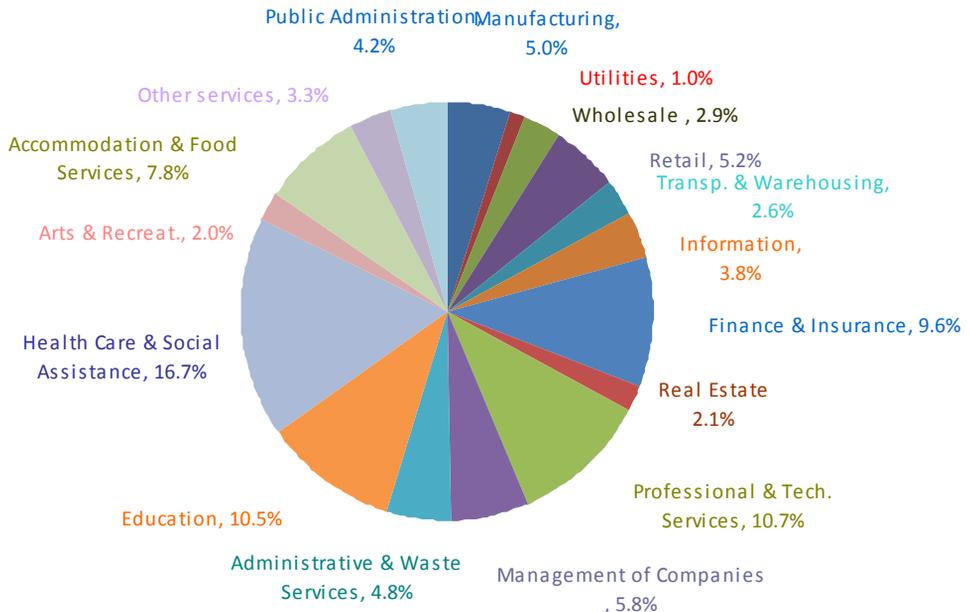
Minneapolis: Employment by economic sectors - 2000 = 308,758

Source: DEED-QCEW
CPED-Research August 2011



Minneapolis: Employment by economic sectors - 2010 = 280,561

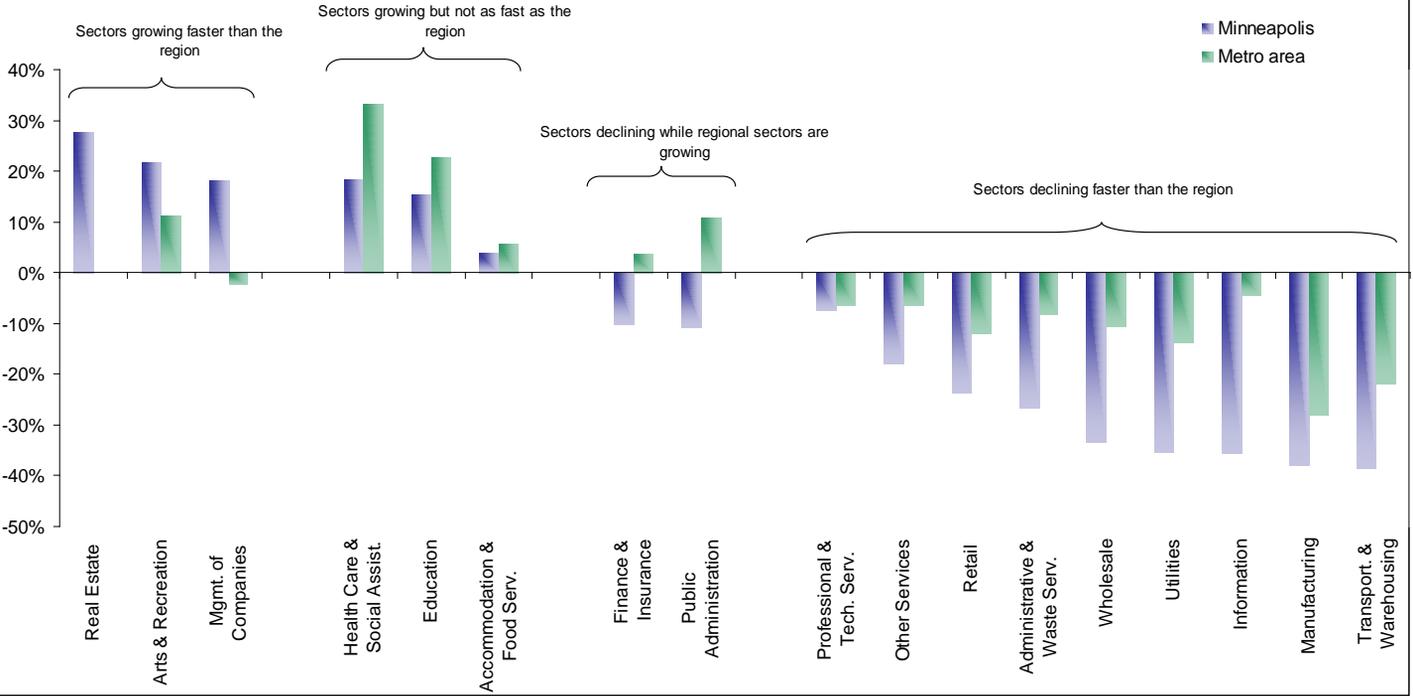
Source: DEED-QCEW
CPED - Research, August 30, 2011



Background: Jobs in the City

Gainers and losers: Percentage growth or decline by sector in number of jobs between 2000 and 2010

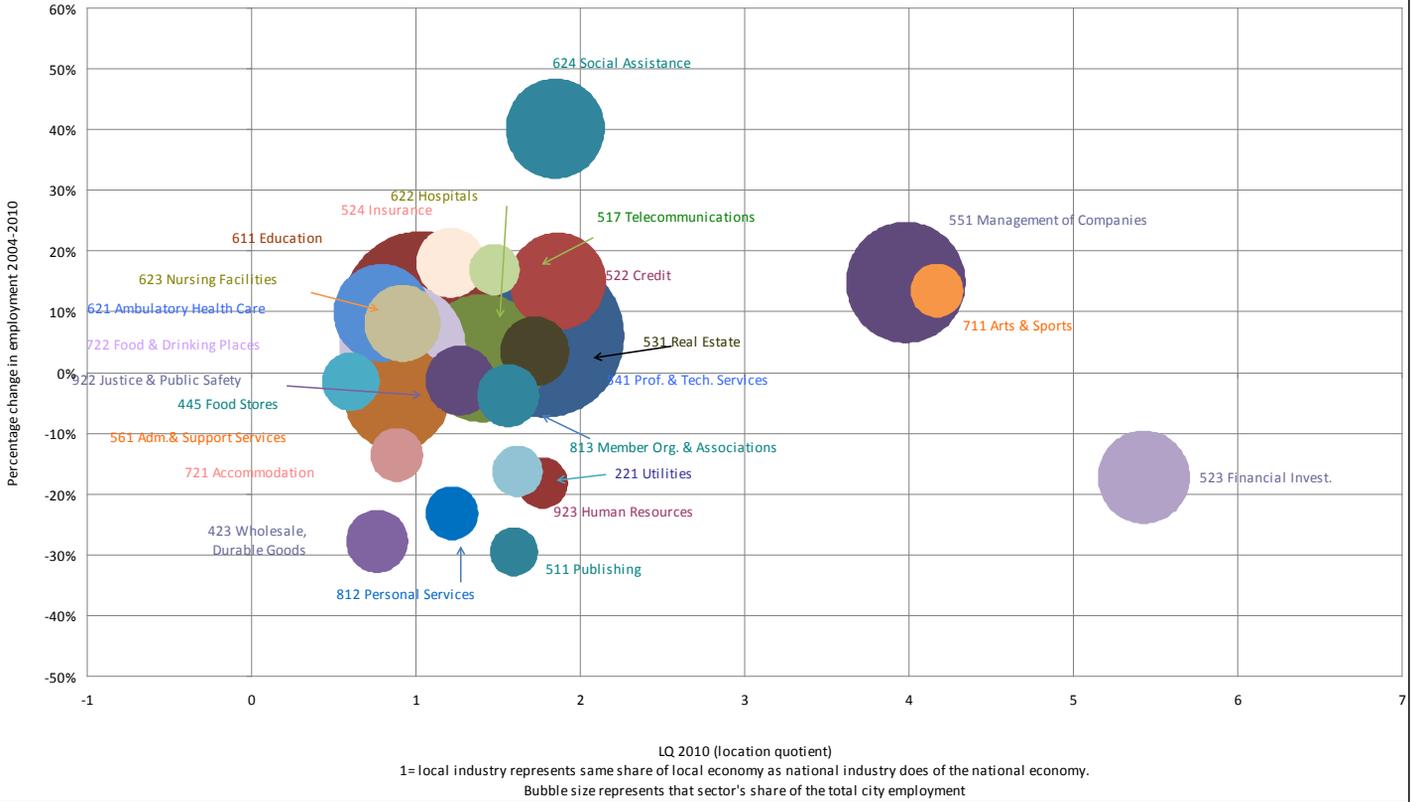
Source: DEED-QCEW, 2000 and 2010
 CPED-Research, September 14, 2011



Minneapolis jobs as a function of employment size, concentration and change 2004-2010

Industries with 1 percent or more of city total employment

Source: DEED-QCEW & BLS preliminary national figures
 CPED-Research, August 22, 2011

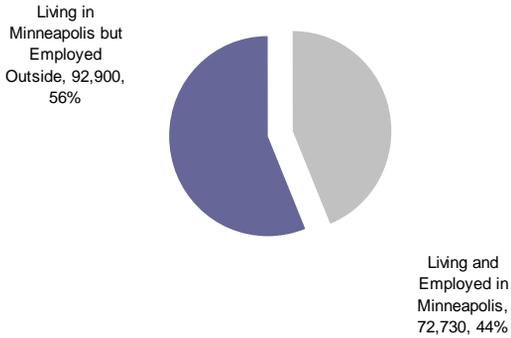


LQ 2010 (location quotient)

1= local industry represents same share of local economy as national industry does of the national economy.
 Bubble size represents that sector's share of the total city employment

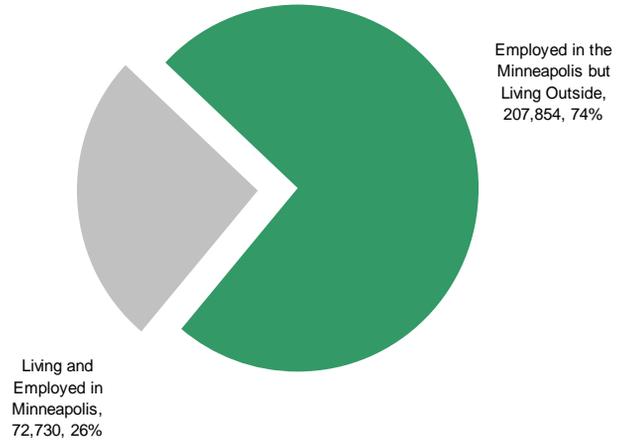
Background: Jobs in the City

Where Minneapolis residents work, 2009
Total: 165,630 residents



Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2009)

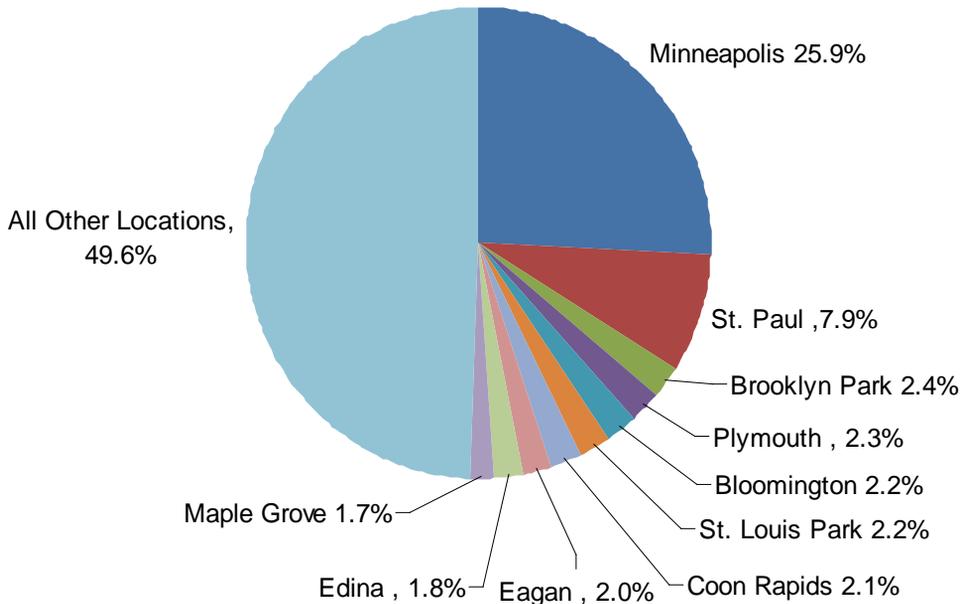
Where Minneapolis workers live, 2009
Total: 280,584 workers



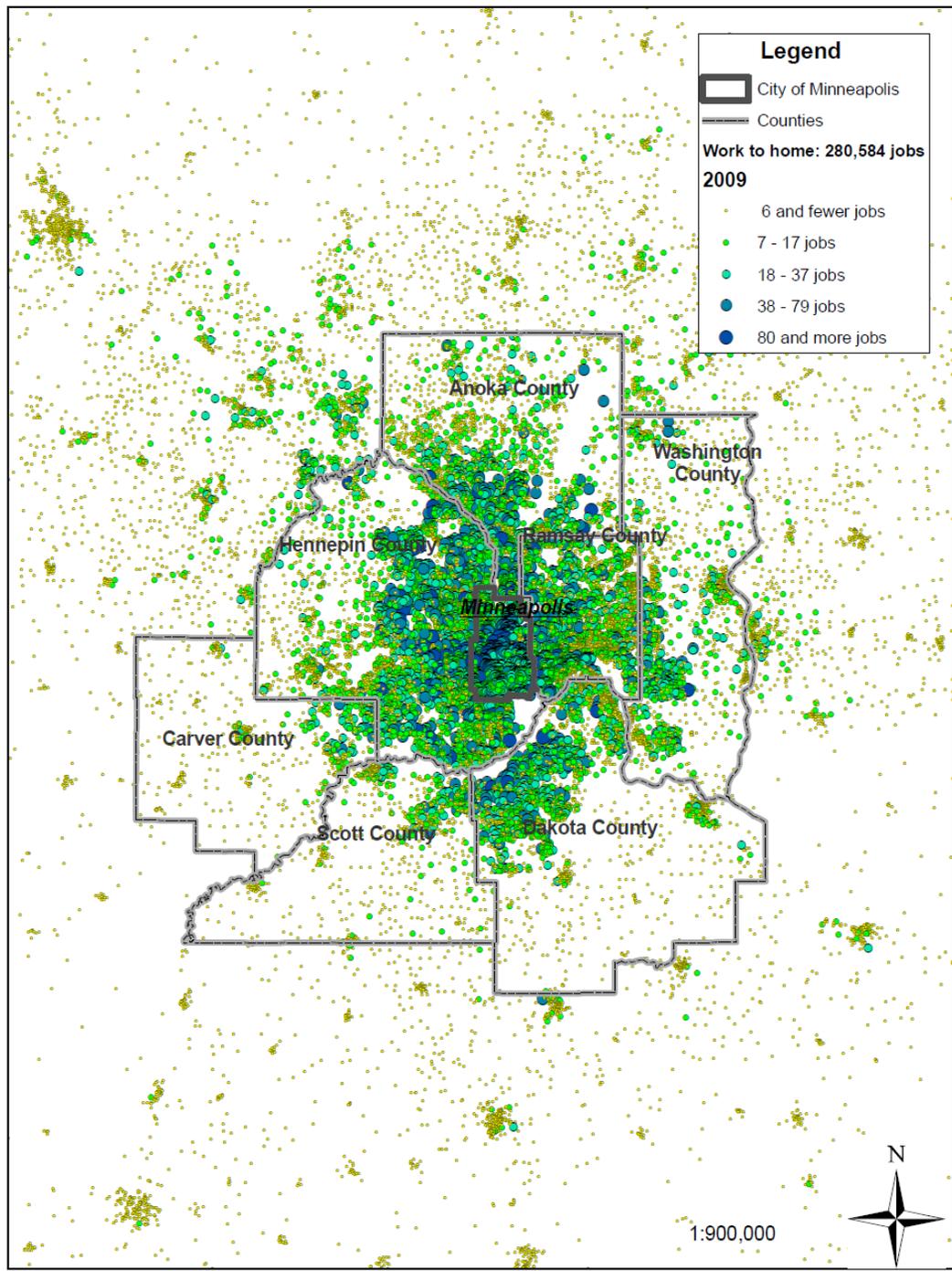
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2009)

Where workers employed in Minneapolis live, by place 2009

Source: Census Bureau, Origin-Destination Stats, 2Q 2002 to 2009
CPED-Research, Sept. 13, 2011



Minneapolis 2009 Labor Shed Work to home destination Where Minneapolis workers live



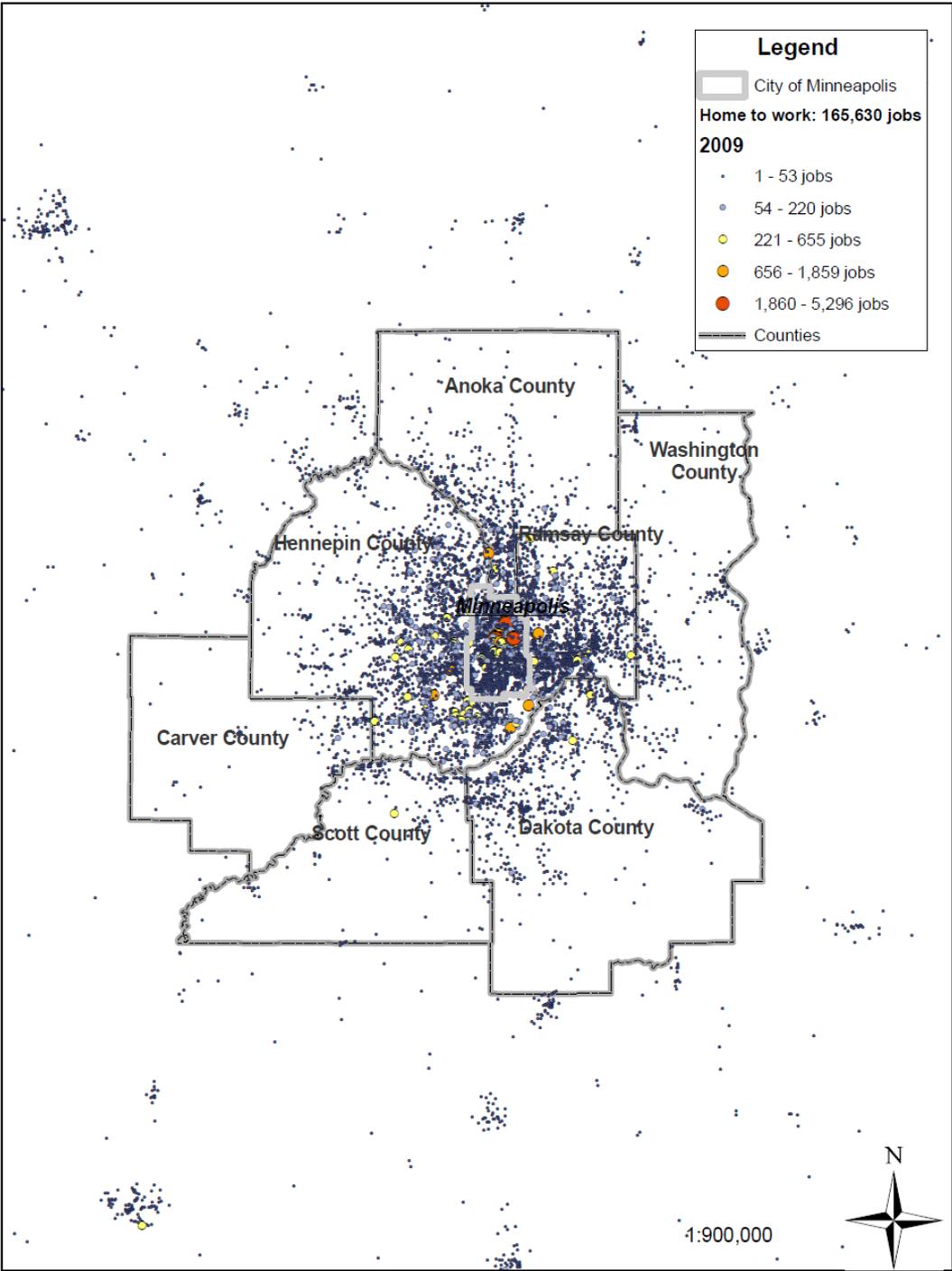
Source: US Census Bureau, LED OnTheMap
Origin-Destination Database
Beginning of Quarter Employment, 2nd Quarter 2009

CPED-Research
September 14, 2011

Minneapolis 2009 Commute Shed

Home to work destination

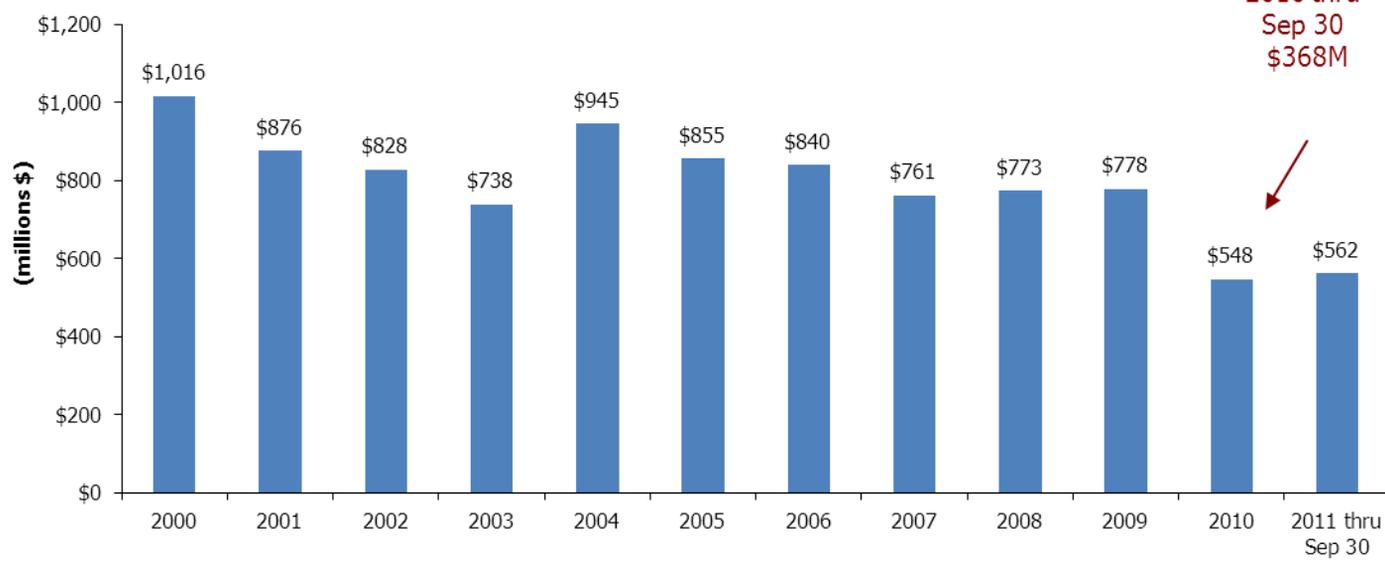
Where Minneapolis residents work



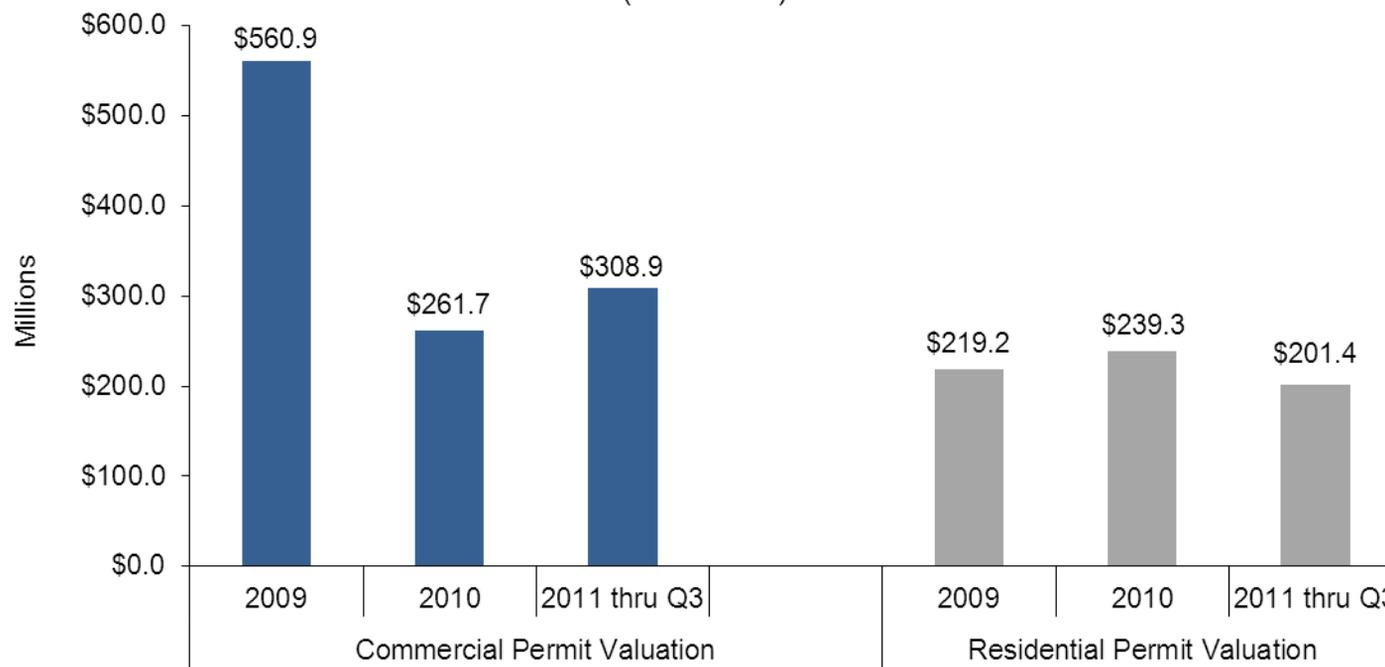
Source: US Census Bureau, LED OnTheMap
Origin-Destination Database
Beginning of Quarter Employment, 2nd Quarter 2009

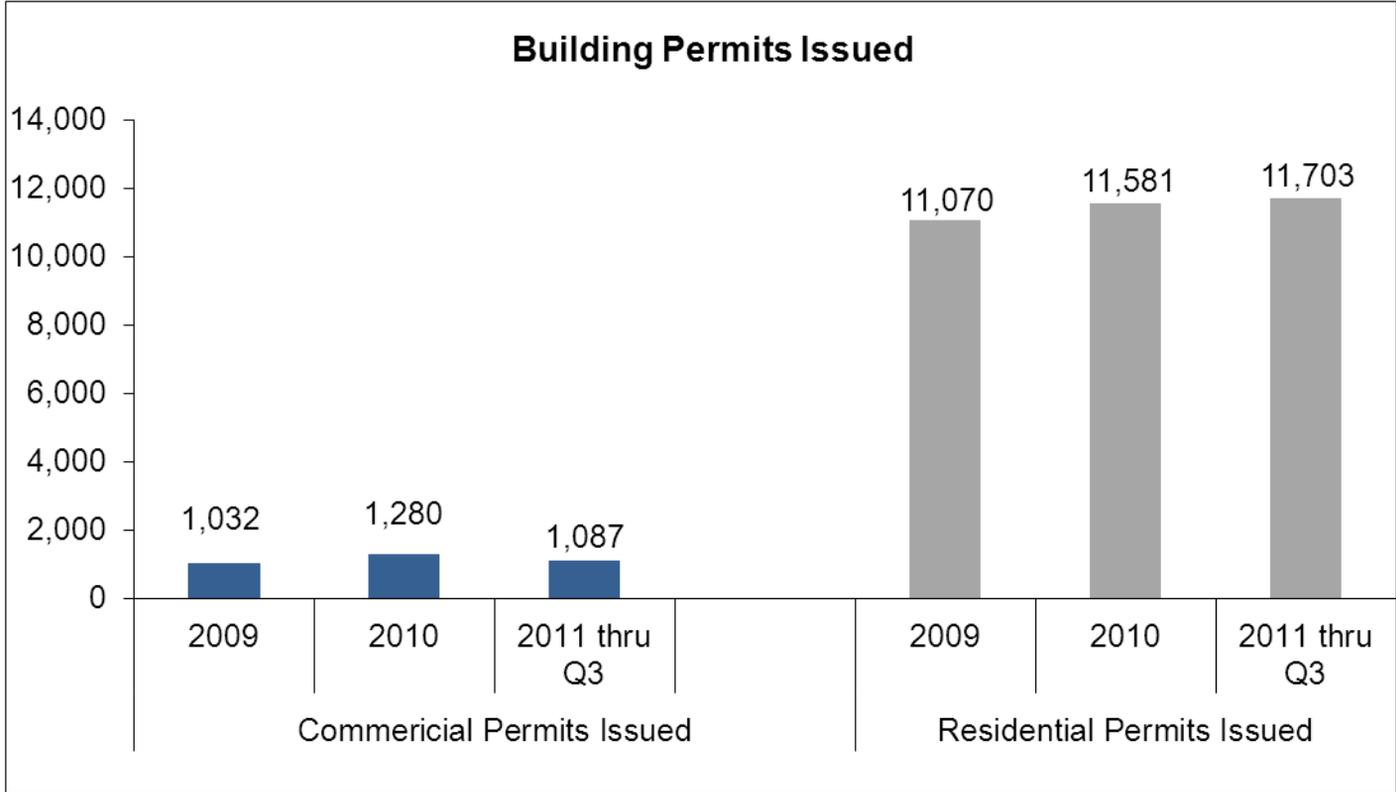
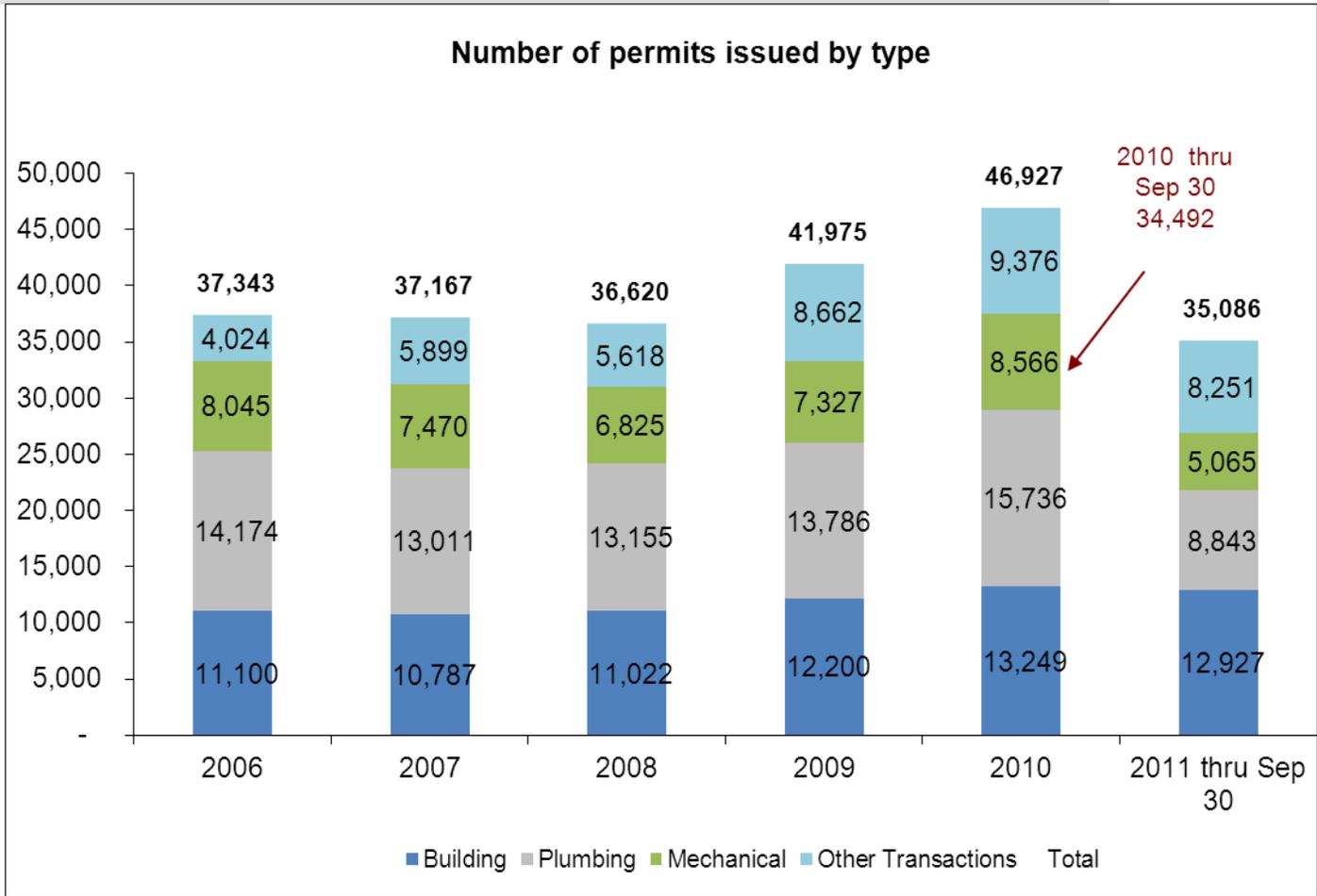
CPED-Research
September 14, 2011

Citywide value of building permits



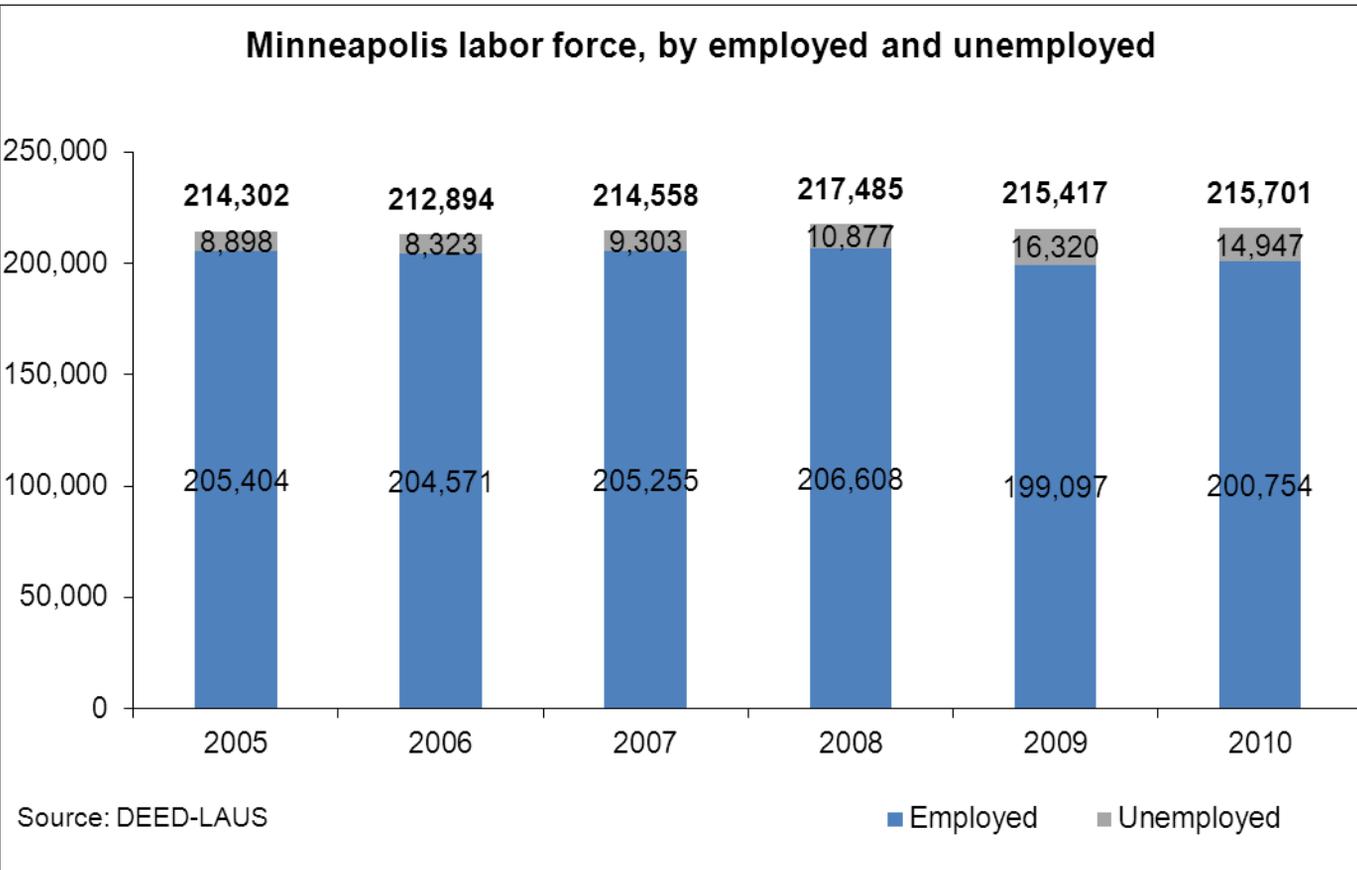
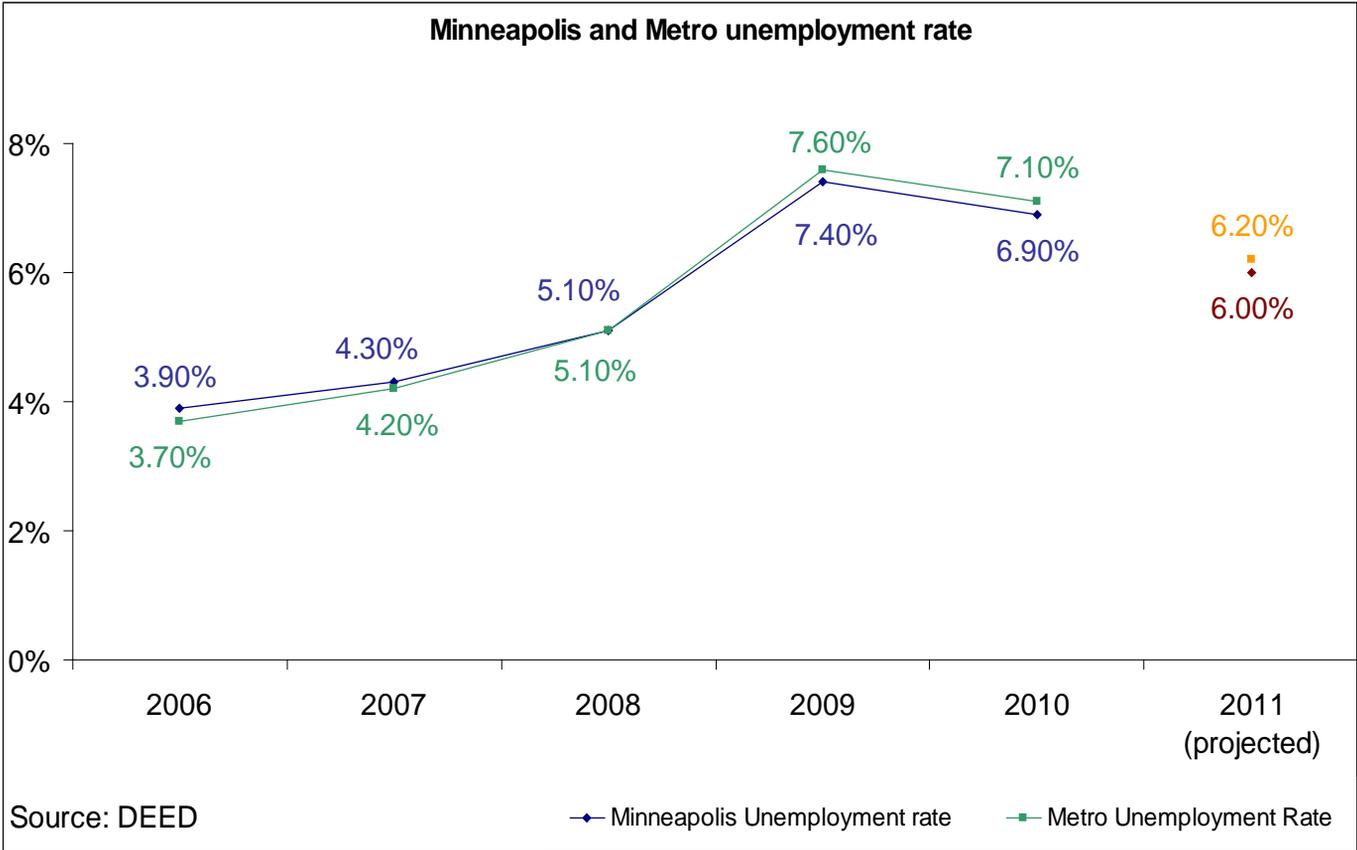
Building Permit Valuation (in millions)

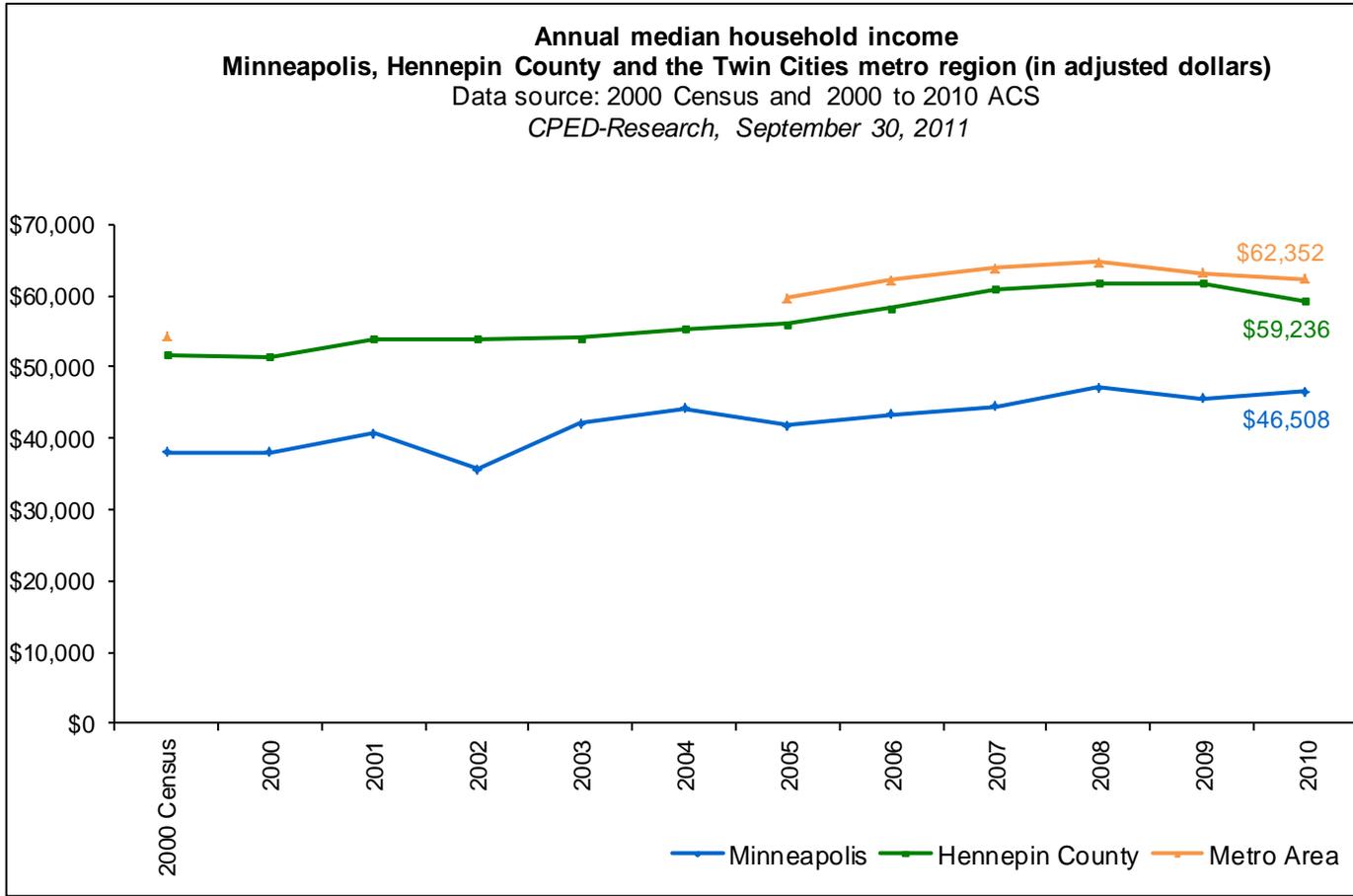
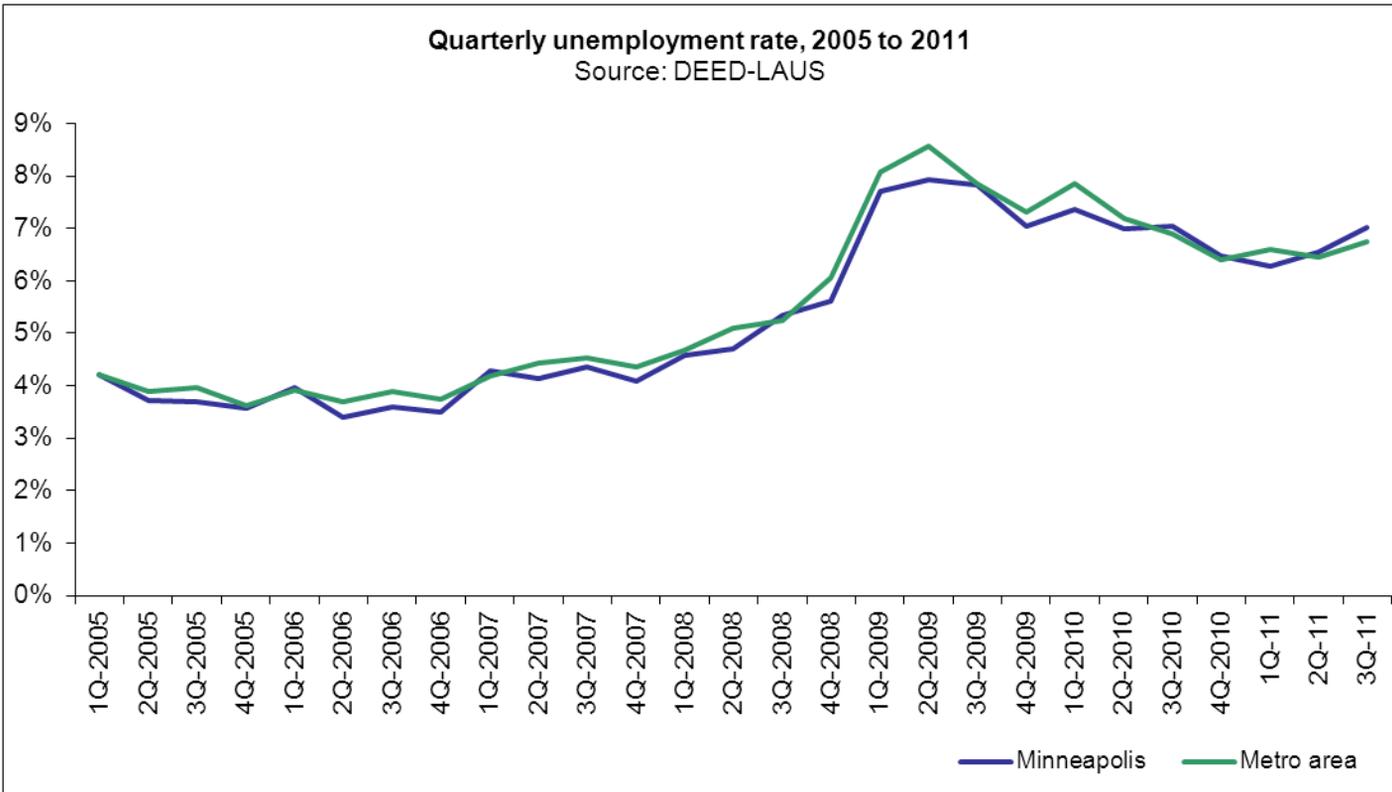




Background

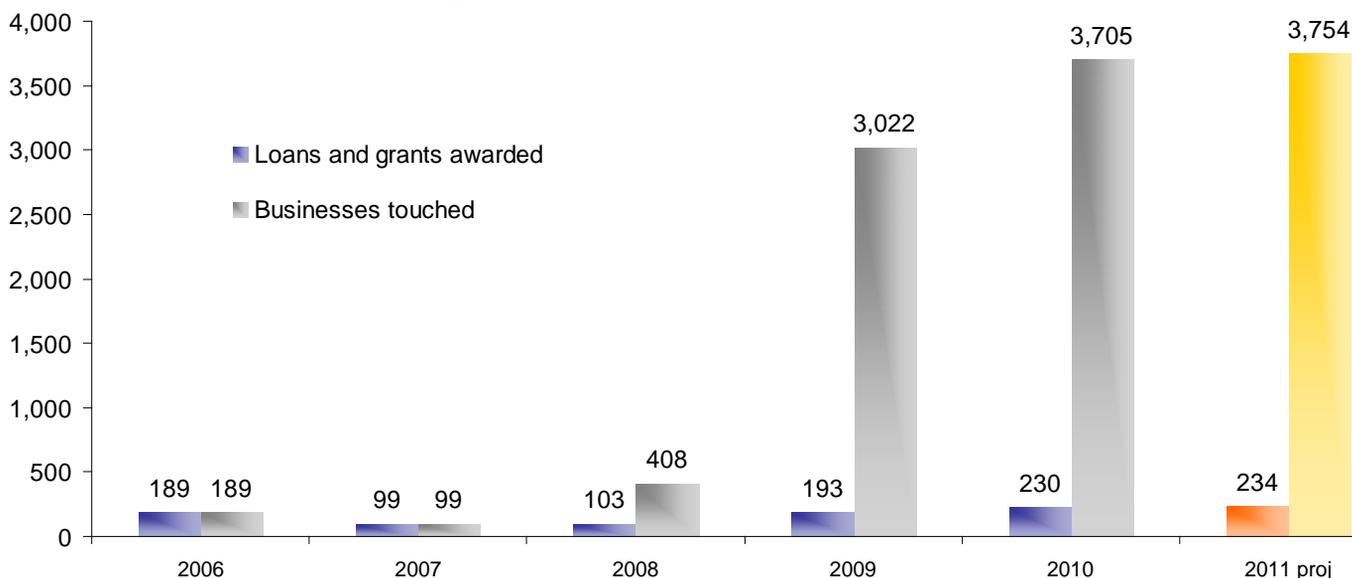
Employed Residents





Supporting job growth in Minneapolis

Loans and grants awarded and businesses touched*



* Businesses that received loans, façade grants, outreach, or technical assistance

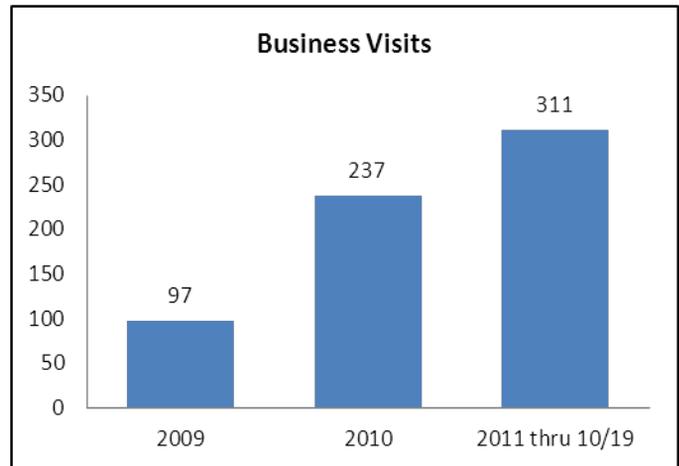
Why is this measure important?

As the above graph indicates, beginning in 2008, CPED has expanded its direct outreach to businesses in a several ways: welcoming new businesses with a brief direct mail contact, calling on businesses to thank them for doing business in the city, and a revised business webpage designed to provide the key information businesses seek and direct phone numbers for CPED staff who can provide “systems navigation” for the entire toolbox as well as tips on complying with City regulations.

These relationship-building contacts are instrumental to retaining businesses in the city, and can be important to attracting new businesses as well, with Minneapolis businesses as ambassadors to others in their sector. While the national, state, and local experience is that job recovery continues at a slow pace, we believe that [the CPED toolbox](#) will help Minneapolis businesses understand that this is a good place to stay and grow. Forbes magazine places our metro as the fourth strongest job market in the country (behind Washington DC, Boston and Austin, TX).

What will it take to make progress? The following pages will detail several specific strategies:

- Business attraction, retention and expansion
- Immigrant community
- Exports
- Green jobs
- High-tech
- Local food production



Why is this measure important?

Businesses are the core job creators in any community, and meaningful job growth is achieved through a combination of business attraction, retention and expansion. Attracting new businesses – both startups and those expanding from other parts of the region, US, or world – is a key element of supporting job growth in Minneapolis. Likewise, actively supporting existing businesses is demonstrated to be one of the most effective ways to retain jobs and support job creation in a community. Between 65 and 80 percent of new jobs are created by existing businesses.

What strategy (or strategies) are you using to achieve this goal?

The CPED economic development team actively works with businesses to start, stay, and grow in Minneapolis. We do this in a variety of ways. Some support is direct financial assistance - low interest loans for building acquisition or tenant improvements, loan guaranties for working capital, and façade matching grants, as shown on the prior page.

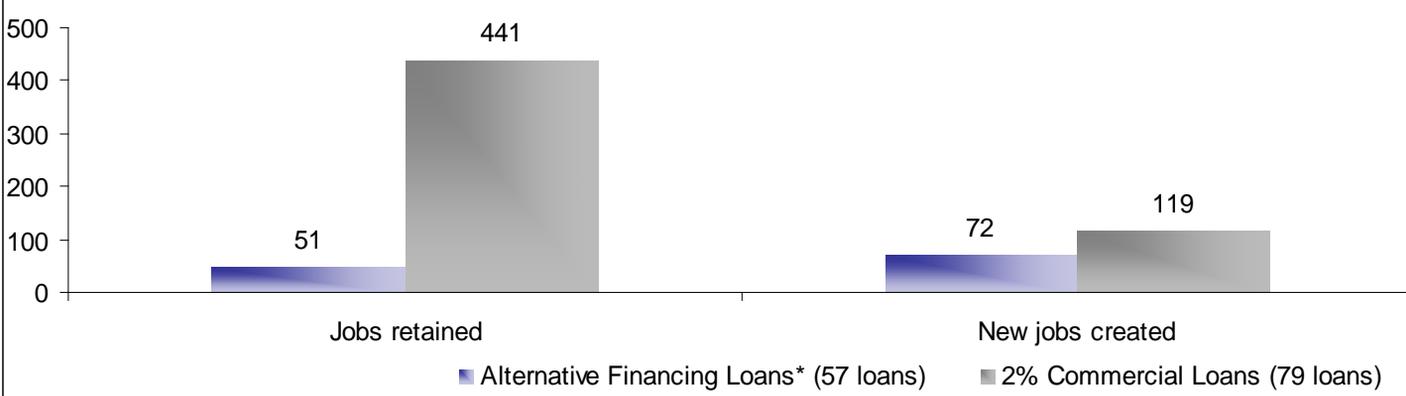
More recently-implemented strategies for business attraction, retention and expansion include calling on companies to thank them for doing business in Minneapolis, providing business consulting services to entrepreneurs through contracts with non-profit community development organizations, and connecting Minneapolis businesses to intensive growth strategy courses. In addition, the new Greater MSP Regional Economic Development Partnership will assist City staff with retention and expansion efforts, and will play a lead role in attracting businesses to invest in Minneapolis from other parts of the nation and the globe.

Through active outreach to Minneapolis businesses, economic development staff become a point of contact for businesses within the City enterprise to help navigate City systems, engage in problem solving on a number of issues, and celebrate successes - new contracts, a new location, added jobs. By intentionally developing relationships with businesses, staff have developed an ear to the ground on emerging trends in the Minneapolis business community, and can share information on business and educational opportunities. For example, in 2011, both the Small Business Administration and the Hennepin County Workforce Investment Board offered mini-MBA programs at no cost to the businesses. Staff got the word out to businesses through our networks, and a total of 22 Minneapolis businesses participated.

CPED also joins with foundation partners to provide support for basic business consulting services to primarily immigrant and minority entrepreneurs through contracts with non-profit community development organizations.



Jobs created and retained through business loans to immigrant entrepreneurs (2008-2011)



* The Alternative Financing program was developed in partnership with the African Development Center as a Sharia-compliant business finance tool similar to the City's 2% loan program.

Why is this measure important?

Minneapolis' immigrant community is a sizable and growing market that is assuming a more significant role in our economy every day. It is also a population that, despite cultural challenges, is extremely ambitious toward entrepreneurship, building wealth, becoming entrenched in a new community and owning homes. The City can play a vital role in helping bridge the cultural gap. By supporting new businesses in the immigrant community, the City can help create jobs in a growing sector of our economy and foster self-sufficiency.

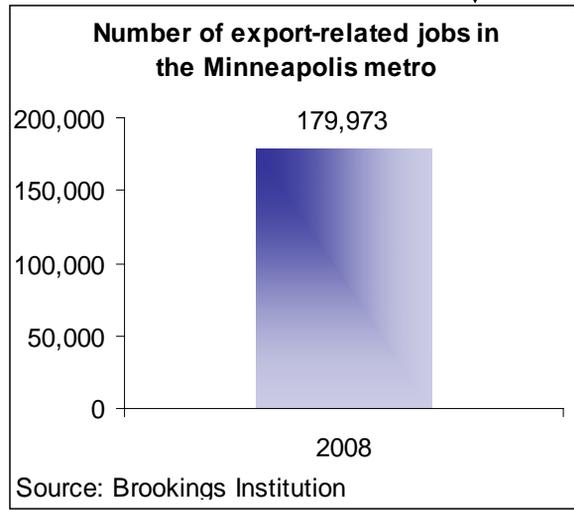
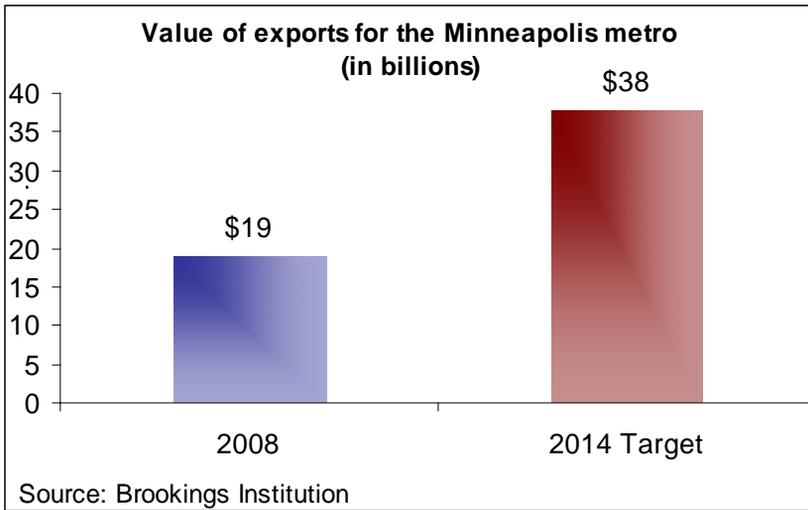
What strategy (or strategies) are you using to achieve this goal?

CPED utilizes a variety of tools to achieve this goal: financing for business expansions, building improvements and working capital, façade matching grants and support for organizations that provide business consulting, technical assistance on regulatory matters, workforce training assistance and networking opportunities, often in a culturally specific way.

Early on, CPED partnered with the African Development Center to work with the African communities to start and sustain successful businesses, build wealth and promote community reinvestment. Similar City- and foundation-supported business consulting and outreach work is conducted by the Latino Economic Development Center, as well as by organizations such as the Metropolitan Economic Development Association, the Neighborhood Development Center, and the Metropolitan Consortium of Community Developers.

Through training, consultations, workshops, and providing business loans, these organizations are successfully illustrating how cultural competency and financial literacy can empower a community to be self-sufficient and active contributors to the local economy.

Business Loans to Immigrant Entrepreneurs (2008-2011)	City Funds	Private funds leveraged
Alternative Financing* (57 investments)	\$1,056,000	\$1,278,000
2% Commercial Loans (79 loans)	\$2,192,000	\$6,121,000
Total	\$3,248,000	\$7,399,000



Why is this measure important?

Market opportunity and job growth

- The Federal International Trade Administration estimates that a US job is created or retained for each \$181,000 in export orders.
- Export-supported jobs have generally been found to be higher paying and more stable than jobs based solely on domestic markets
- 87% of economic growth in the 21st Century is expected outside the US (key countries are Brazil, India and China)

Export assistance resources are ramping up

- Federal resources have increased in response to a goal established by President Obama to double US exports between 2009 and 2014
- The National Export Initiative is: aggressively negotiating trade agreements, increasing export finance resources available through the Export-Import Bank and the Small Business Administration, and increasing outreach to companies.

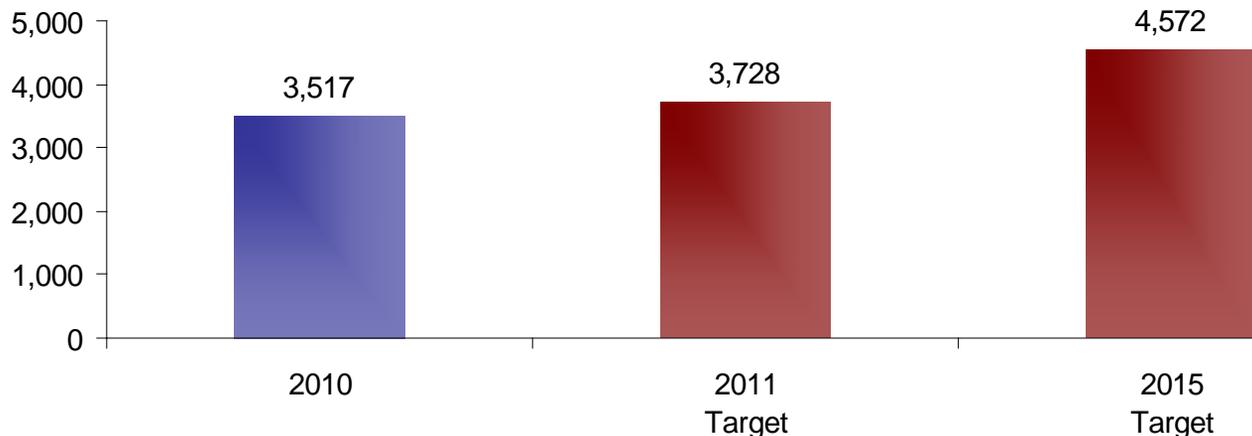
Demand

- Companies are seeking growth opportunities, but small- and medium-sized firms (responsible for 64% of net new jobs in the US) lack the resources to effectively explore market opportunities and vet partners
- Entry into new export markets and international business relationships is often haphazard for companies, with companies unaware of the public and private resources available to assist with exporting and defining a global strategy

What strategies will you use to achieve this goal?

- We are partnering with the Minnesota Trade Office and The Brookings Institution to develop a regional export plan (Minneapolis was selected as one of four pilot metro areas by Brookings), building upon the strength of public-private partnerships forged by the Itasca Project and the Metropolitan Business Plan
- Dovetail an emphasis on increasing exports with the Economic Development division's business calling plan - Ask all businesses called about their export activities and connect Minneapolis businesses with resources for obtaining market data, vetting international partners and obtaining financing
- Establish new connections that leverage the assets of our big small town
- Develop joint export programs, workshops and networking events with export initiative partners focused on countries and regions with significant market opportunity for Minneapolis firms

Green jobs in Minneapolis



Why is this measure important?

- The green/cleantech sector is a growing segment of our local economy, and we want to leverage that strength. A recent Brookings Institution study found that green jobs in our region grew about 5% annually from 2003 to 2010, through the recession. This compares to an overall employment decline of about 2% in both Minneapolis and the metro area during that timeframe.
- Growing the green economy aligns with our City goals around building an eco-focused community, creating a healthy environment and sustainable future.
- Green businesses and companies that “green” their operations deploy energy and resource-saving solutions that improve their bottom line, thus increasing their global competitiveness and benefiting our local economy.
- Green collar jobs pay more on average than traditional jobs and involve higher level skill sets.
- There is a growing global demand for green products and services.

Additional targets

- Achieve a net gain of 25 green manufacturing or services companies in Minneapolis by 2015.
- Create 30 jobs through building retrofit efforts by 2014, including City energy efficiency financing, Community Energy Services and related programs.

What will it take to meet the targets?

Regional Strategies

Thinc.GreenMSP - Minneapolis, in partnership with Saint Paul, launched Thinc.GreenMSP to develop practical strategies using municipal tools to support the growth of good, green manufacturing jobs. Staff in the two Cities are working with local industry leaders to develop policies and initiatives—in areas such as green purchasing, green building and export expansion—that will drive demand for locally-produced green and cleantech products and services and create jobs for green collar workers.

RENEW – A new regional partnership, funded by the US Department of Labor, has already placed more than 580 workers into green credentialing programs in the areas of manufacturing, construction, building systems, and renewable energy. Nearly 300 of these trainees have been placed in jobs.

Continued...

City/Local Strategies – Programs and Policies

Energy efficiency retrofits – The City’s goal is to help 50 percent of property owners improve their energy use in 10 years. Strategies include: (1) Affordable financing to local businesses large and small to make energy efficiency upgrades; (2) Partnering with the Building Owners and Managers Association (BOMA) on the Kilowatt Crackdown, an energy retrofit competition among 78 large commercial building owners/managers in the metro area (33 buildings in Minneapolis); (3) providing financial support to the Center for Energy and Environment’s residential energy efficiency program, using a Department of Energy stimulus grant to the City. The program, Community Energy Services, has serviced 4,000+ homes in Minneapolis and generated more than 20 jobs (including contractors).

Environmental Purchasing Policy (EPP) – The EPP has boosted demand for local product manufacturers and vendors e.g. Tennant Co. and Ecolab. Over 50 percent of all departmental cleaning supplies are now “Green Seal” certified or equivalent. The Thinc.Green initiative will work to strengthen the City’s EPP and incorporate a stronger emphasis on local procurement.

Green Building Policy – The City’s green building policy for our municipal facilities helps generate demand for local green building products, architectural services (LEED APs), and specialized contractor services. e.g. VAST and Wood from the Hood products at the LEED Platinum Hiawatha PW Facility. The Thinc.Green initiative is exploring policy options for expanding the City’s green building standards for private development projects.

Supporting new and expanding green businesses – CPED staff are working to support local green businesses through financing, site search assistance, direct purchasing, business-to-business networking connections, and export opportunities. Key partners include the Cleantech Open, Minneapolis Regional Chamber of Commerce, BlueGreen Alliance, BioBusiness Alliance, Minnesota Cup, Enterprise Minnesota, Minnesota Precision Manufacturing Association, and Minnesota High Tech Association.

Examples include:

ReGo (plug-in electric vehicle conversions) – site search assistance and RENEW employee connection.

Sojourner Farms (Sojo’s all-natural pet food) – financing for purchase of additional equipment to handle 45% growth.

PERCOA, Inc. (pre-cast pervious concrete manufacturer) – site search assistance resulting in co-location with Marshall Concrete in NE Mpls.

Midwest Construction Group (MCG) – minority-owned construction consortium with a subcontract for CCLRT. Staff connected MCG’s owner with MEI’s Vehicle Retrofit initiative (EPA grant-funded) to retrofit MCG’s fleet.

EarthClean Corp. (biodegradable fire retardant manufacturer) – connected to state and federal export expertise to facilitate expansion into three new markets.

Measures in development

Why is this important?

- The jobs of the future will be based on technology with focuses on software and biology
- Technology-based companies offer the potential for rapid growth
- Software companies have low start-up costs, particularly relative to med-tech
- Technology-based jobs are higher paying
- Minneapolis and the metro area have a competitive advantage in B2B software and med-tech industry clusters
- Software industry particularly well suited for Minneapolis proper, given Minneapolis' core-city characteristics, e.g. density, cool neighborhoods, transit, biking, walkability, central business district, University campus, arts, progressive values

What strategies will you use to achieve this goal?

1) Coordinate with various regional and state-wide efforts:

- Regional Business Plan:** Helped to formulate in cooperation with the Brookings Institution and regional partners such as the City of Saint Paul, Regional Council of Mayors, Minnesota Department of Employment and Economic Development, The Itasca Project, Target, and others.

One component is to enhance the region's entrepreneurial ecosystem for high potential/high growth businesses. Called AccelerateMSP, this effort is working with JumpStart to create a nonprofit Venture Development Organization that is proposed to identify, fund, and mentor high growth technology startups.

- Build relationships with key efforts and organizations:** CoCo, Project Skyway, MOJO Minnesota, Minne*, TECHdotMN, The Collaborative, Minnesota Cup, Minnesota Science and Technology Authority, BioBusiness Alliance, Minnesota High Tech Association, Minnesota Angel Network, University of Minnesota

2) Pursue City-level activities:

- Support CoCo Minneapolis and Project Skyway. Helped to bring these two efforts together to locate in Minneapolis. Continue to find ways to make them and their member companies successful.

Why? CoCo provides a physical space for entrepreneurs and innovators to congregate and collaborate. The idea is that companies that grow out of CoCo or that want to be a part of its activity will locate close to it in downtown Minneapolis

- Business calling on Minneapolis companies in software, digital media, interactive marketing, and health technologies, e.g. Bloom Health, to support expansion in the City. Connect companies to training, recognition, export, financing, networking, and other opportunities
- Pursue infrastructure development in the SEMI area to facilitate redevelopment proximate to the University of Minnesota's Biomedical Discovery District



Measures in development

Why is this a important?

Homegrown Minneapolis is an initiative of the City to improve the growth, sales, distribution and consumption of healthy, locally grown foods within the City and the surrounding region. Homegrown Minneapolis is bringing together key partners from local government, area businesses, community organizations, nonprofits, and residents to build a healthy, local food system. These efforts will support the shift to a more sustainable food system, ensure a more equitable distribution of food, expand access to healthy, locally grown food while reducing obesity and chronic disease, and create jobs in the community.

What strategy (or strategies) are you using to achieve this goal?

CPED has been a part of a number of events and initiatives of Homegrown Minneapolis related to the recommendations to: support the growth and development of local businesses, promote and support the local food system and create economic opportunity for growers, processors and distributors of local food.

Homegrown Business Development Center: established in 2011 by City staff, in partnership with the Metropolitan Consortium of Community Developers. The Center will provide financing and technical assistance to Minneapolis based businesses that process and manufacture local food products. The purpose of the Center is to foster the development and expansion of business ventures that promote sustainable agriculture and food production within Minneapolis and the surrounding region. Providing these businesses with a program that addresses both financing and technical assistance issues will fill an unmet need.

Other recent efforts include:

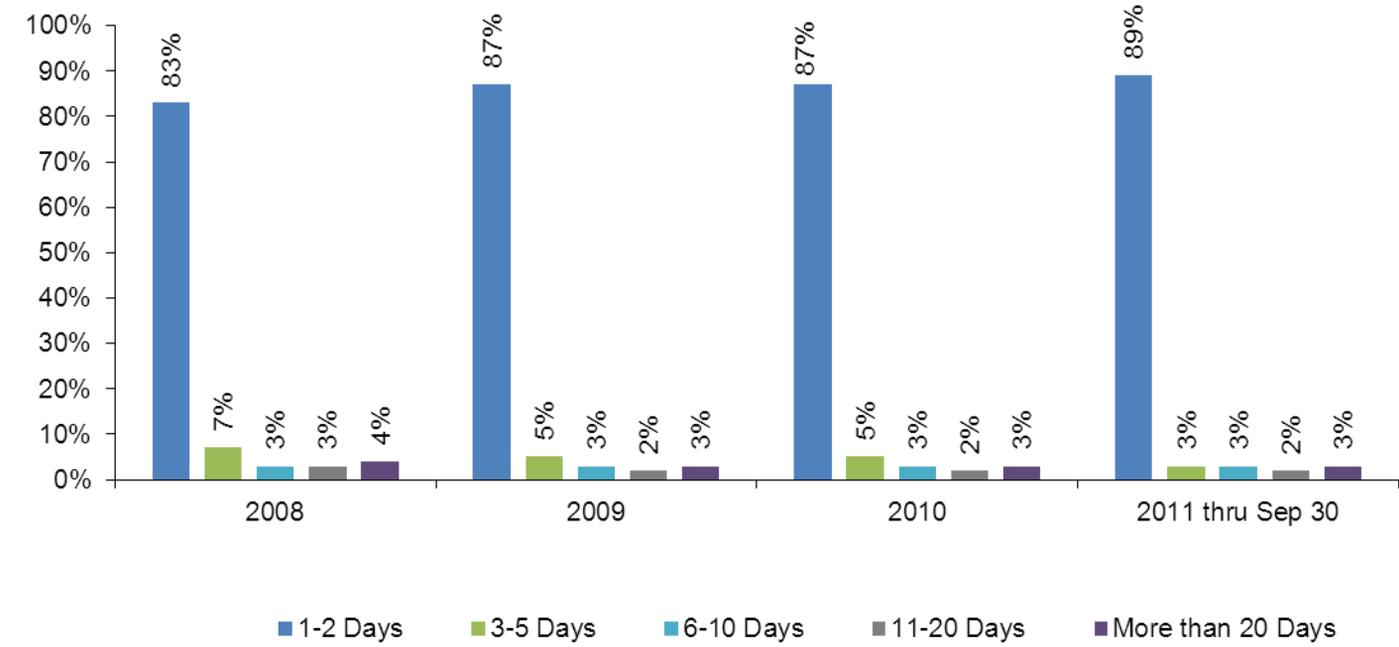
Kitchen in the Market, a commercial kitchen for chefs, caterers and food manufacturers in the Midtown Global Market. The City along with the Neighborhood Development Center assisted with financing and technical assistance.

Kindred Kitchen on West Broadway is a food business incubator that utilized a number of City resources to provide commercial kitchen production facilities, along with workshops and classes to help business owners navigate licensure, insurance and business planning.

City staff are currently working with several local food entrepreneurs to identify expansion space including **Maud Borup Chocolates, Salty Tart Bakery** and **Holy Land**.

Supporting job growth in Minneapolis

Number of days to issue permits



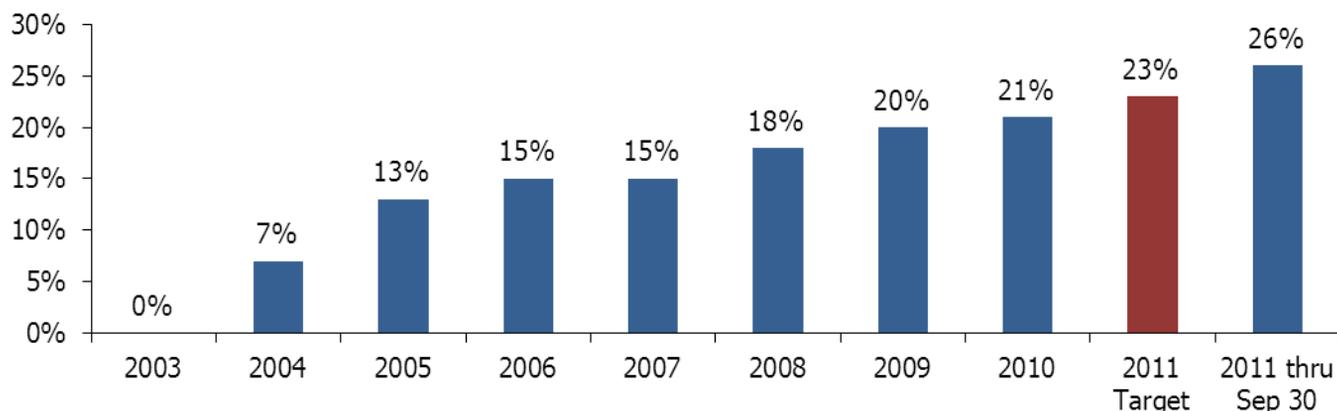
Why is this measurement important?

Time is money to our customers. The chart above is a measurement to identify how efficient Minneapolis Development Review is processing permits for its customers. Currently 89 percent of our customers are benefiting from one or two day service.

What will it take to achieve the target?

Minneapolis Development Review has established a target of 85% of permits to be issued in 1-2 days. We continue to reengineer our process to improve customer service. Currently, we have a pilot project for concurrent reviews with our Community Planning and Economic Development and Construction Code Services partners. The pilot is limited to projects that have completed Preliminary Development Review and commercial projects. The pilot program will reduce the overall number of days to review a plan. After evaluation of the pilot program we are looking to expand to other types of projects. We currently exceed our target and will continue to monitor the process.

Percent of permits processed via the web (total)



Why is this measure important?

The ease and convenience of obtaining permits online enhances the services we provide our customers. Currently, some permits not requiring a plan review may be acquired by contractors online. Permits available online include street use, plumbing, and simple building permits on 1 & 2 dwelling unit properties. Further expansion of the online permitting system to include mechanical permits for furnace and air conditioner replacement has been postponed pending a new land management system.

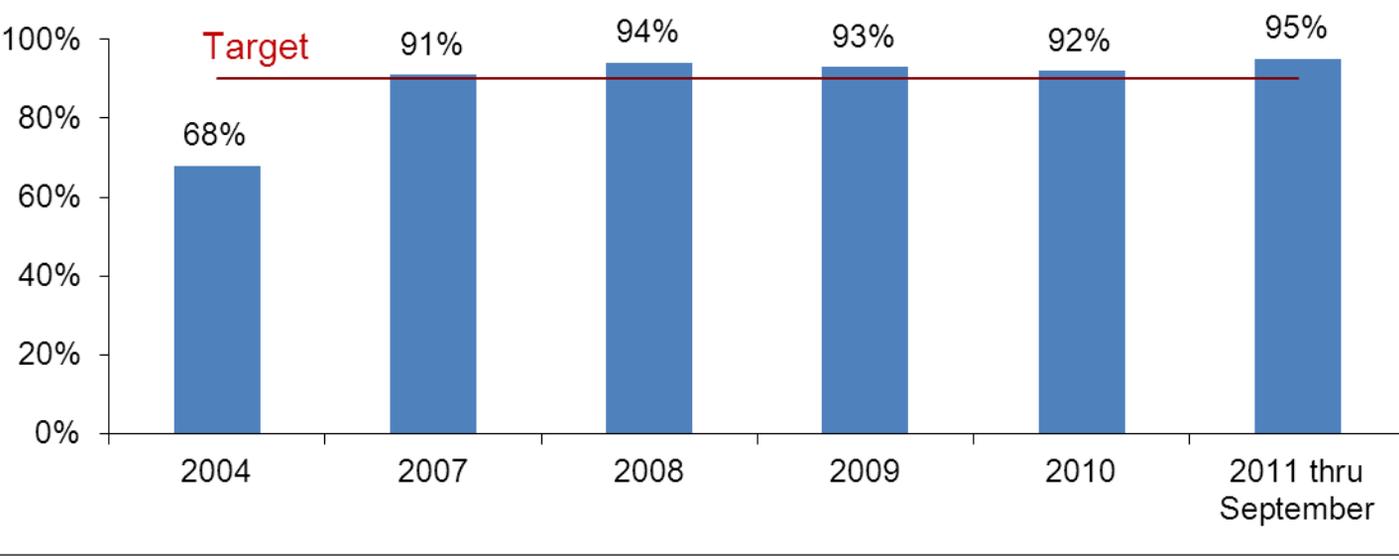
Despite the lack of expansion to the online permitting system given the limitations associated with the current land management system, the number of permits processed via the web for 2011 has exceeded our 2011 target by 3 percent and our total percentage from 2010 by 5 percent. This increase in online permitting can be linked to better customer education efforts including quarterly online permit promotions in the service center as well as expedited response to 311 cases associated with online permitting. Our customers would like the flexibility and convenience of electronic plan submission, but this is also dependent on a new land management system with additional flexibility. The opportunities to expand online offerings include annual renewals such as rental licensing, competency cards, and business licenses.

What will it take to achieve the target?

We will not be able to expand on our target with the current land management system. Minneapolis Development Review conducted a survey with the customers who do not use online permitting. We have found a variety of reasons why customers do not use the system including: credit card limits, limited knowledge of technology, hesitation to use the system, preferred faxing or mailing due to paper trail, internet interruptions and other technological problems, or increased use of property flags such as historic preservation that deter them from using the system on a regular basis. Minneapolis Development Review will continue to educate its customers about online permits. Promotions will be done quarterly. And we also will assist our customers through 311 requests or when customers sign up to use the system.

Unfortunately, there continues to be significant limitations with the functionality of our current KIVA software. We implemented online street use permits (dumpsters and storage containers) in January 2009. In August 2009, the KIVA software was upgraded to the new Payment Card Industry (PCI) compliance standards. Our next effort will be in adding mechanical permits for furnace and air conditioner replacement. However, this expansion is on hold until a new land management system is in place. In addition, this expansion will require changes to City Ordinance and existing business process.

Customer satisfaction with Minneapolis Development Review (percent responding "good" or "excellent")



Why is this measure important?

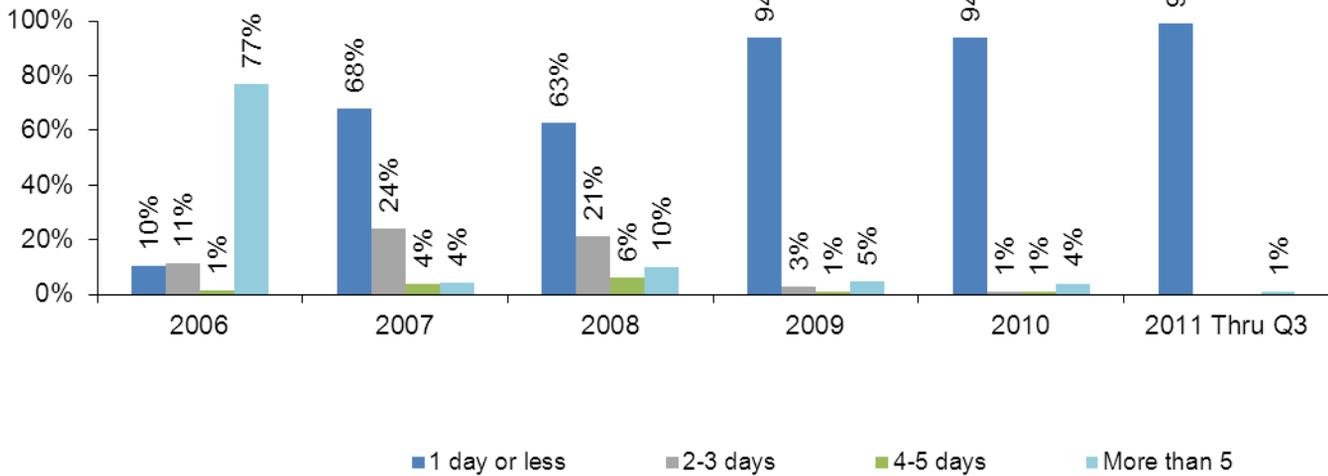
Minneapolis Development Review consistently solicits input from its customers by making sure that every visitor to the Minneapolis Development Review Service Center receives a Customer Comment Card. Customer Comment Cards provide valuable input and opportunities to improve our quality of service to our customers.

What will it take to achieve these targets?

"Customer Focused, Performance-Driven and Outcome-Based". This is the Minneapolis Development Review motto. In the 2006 employee survey conducted by the City of Minneapolis, 83 percent of Minneapolis Development Review employees agreed that we have a strong focus on customer service. Minneapolis Development Review has achieved a 95 percent customer satisfaction rating year-to-date for 2011.

We continue to educate our customers in submitting complete plans prior to Preliminary Development Review, this results in reduced resubmissions of site and construction plans. We also continue to work with our business partners to better coordinate processes.

Calendar days to issue new trade licenses



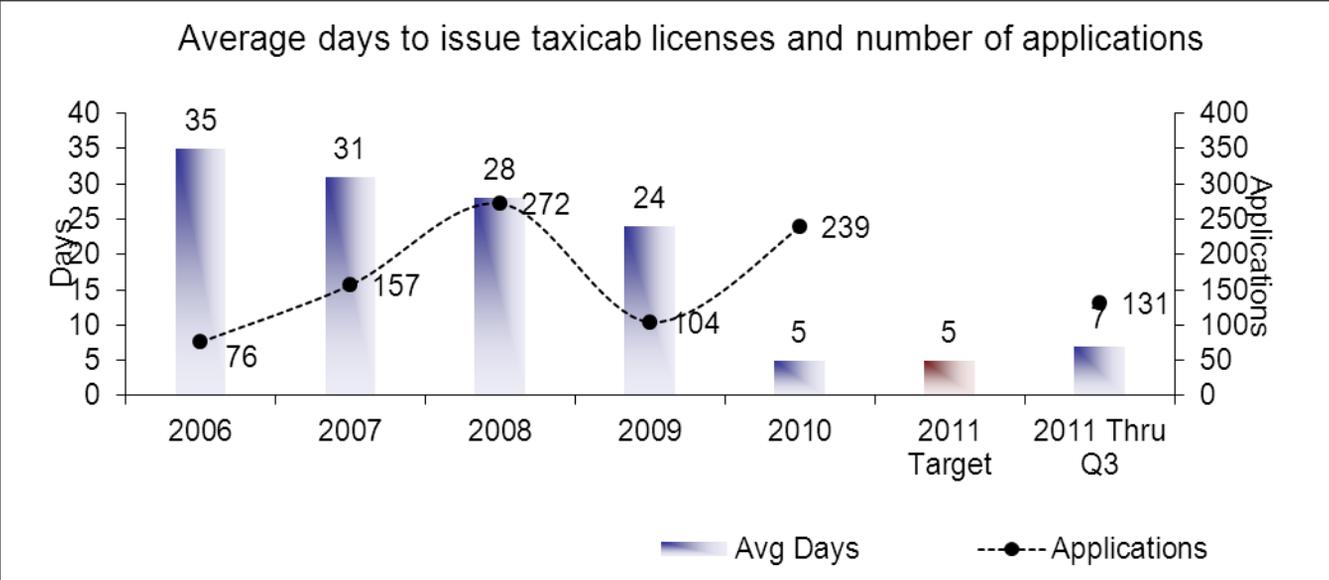
Why is this measure important?

The building trades license category includes plumbing, heating, remodeling, building wreckers, and residential specialty contractors. The chart above indicates the average days needed to approve these licenses. Issuing the license as soon as the application is complete (less than a one day average) allows contractors to immediately sign a customer contract for the work to be completed and obtain a permit for the job.

What will it take to maintain this standard?

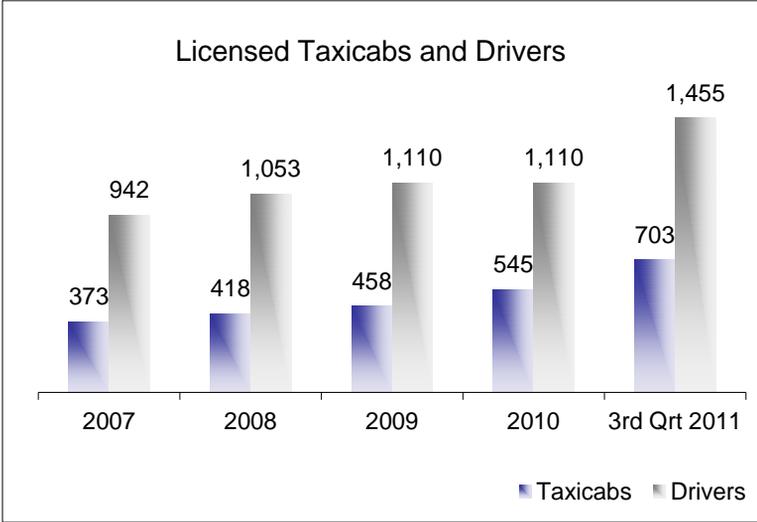
The number of days needed to process trade licenses has steadily decreased because of business process improvement techniques. However, the greatest reduction in time for processing these types of licenses has been the development of administratively issued licenses.

In 2008, 182 trade licensees were issued through the administrative approval process. In 2009, 94 percent of the 173 new trade licenses were administratively approved on the same business day. This performance standard was maintained in 2010 and improved on in 2011 to date -- we intend to maintain this level as our standard.



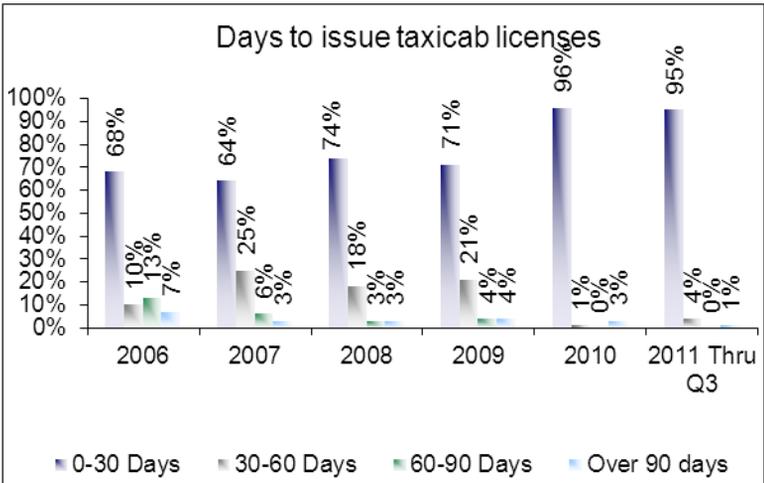
Why is this measure important?

In 2006 the Minneapolis City Council initiated a change to the taxicab ordinance that gradually increased the number of taxicab vehicle licenses that were available, and completely lifted the restriction on the number of licenses available on January 1, 2011. This regulation change has resulted in the creation of an additional 422 new licensed taxicabs, and several hundred taxicab driver, dispatcher, and mechanic jobs in just five years.



What strategies are being implemented to make progress?

In anticipation of a large increase in the number of taxicab vehicle and driver license applications, we used business process improvement techniques to create efficiencies in the in the application approval processes. These processes included conducting driver background checks internally, application simplification, the development of simplified requirement checklists, and partnered with the industry to provide new applicants with the correct application materials and instructions.





Why is this measurement important?

Construction schedules are challenging and delays can cause problems in maintaining the schedules and completing work in a timely manner. Customer satisfaction can be greatly influenced by how quickly an inspection can be completed. The goal of Construction Code Services (CCS) is to provide inspections for customers within 48 hours of the request for the inspection. It is important to all customers to be able to keep projects on schedule whether it is a homeowner building a deck or a large commercial contractor building a new building. CCS currently provides inspection service within 48 hours of the inspection request over 95 percent of the time.

Prior to 2005, CCS did not track response time to inspection requests. A standard was first implemented in 2006. The goal was set to respond to inspection requests within 72 hours of the request. In 2008, the standard was changed to correspond with an established national standard of 48 hours. Due to performance benchmarks, staffing levels, technology improvements, and access to remote offices CCS has been able to maintain responding to inspection requests within the 48 hour standard.

What will it take to achieve the target?

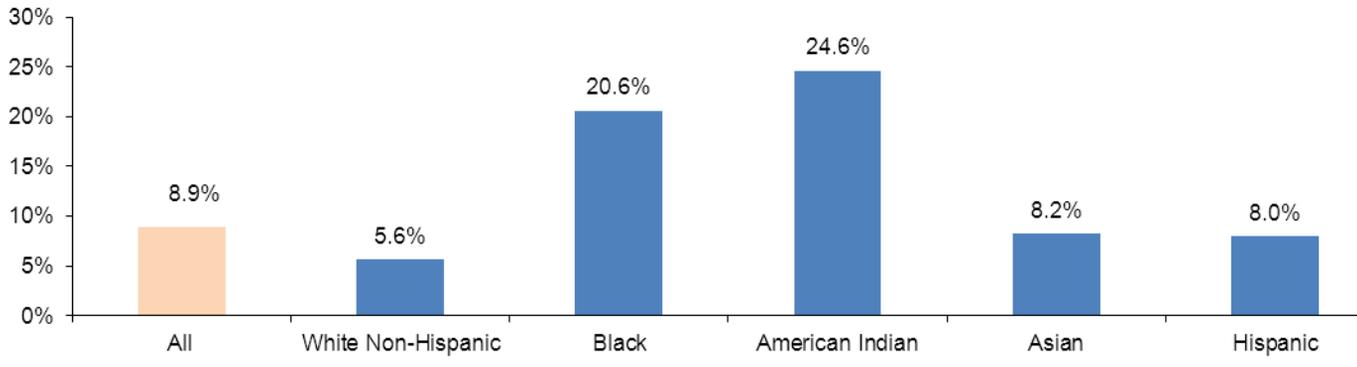
Several factors can influence the ability of CCS to maintain this standard. These include time management by inspectors, adequate staffing levels, and management by supervisors. Inspectors have numerous tasks to perform during the day besides the main task of performing inspections. Providing them with the tools and the training they need assists them in managing their time so they are available to perform inspections in a timely manner.

Having adequate staffing is very important in maintaining acceptable response time to inspection requests. CCS believes the current staffing levels are correct and contribute to the ability to maintain this standard.

CCS currently has one supervisor for every nine inspectors. The supervisors assist the inspectors with daily scheduling problems by monitoring employee absences (which creates additional work load for other inspectors) and other unexpected problems which can interfere with completing inspections in a timely manner. The success of this teamwork is important to achieving the goal CCS has set.

**Growing the number of
employed residents**

Unemployment rate, by race/ethnicity 2009



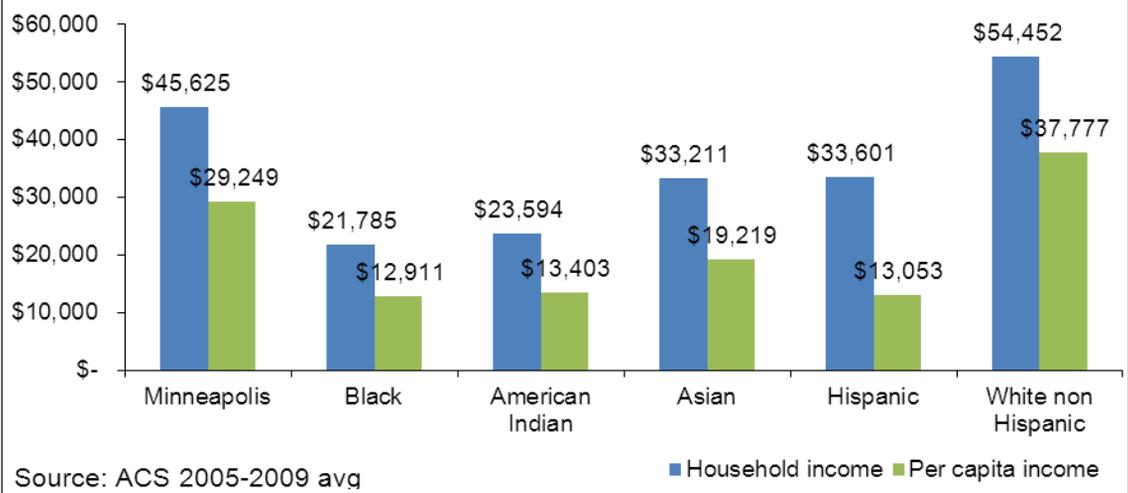
*Figures based on American Community Survey five year averages, 2005-2009
 Note: The 2009 ACS was the first year that the US Census Bureau provided five year averages for unemployment. It is necessary to use five year averages for this graph because sample size of some minority communities are too small for accurate data collection and are left unreported on a year to year basis.

Why are these measures important?

Beginning in 2004, the City of Minneapolis established a goal to close the historic gap in unemployment rates between City and metro area residents. This goal was predicated on the belief that the City's economic health is tied to Minneapolis residents having access to employment opportunities within the city. However, while the overall City versus metro unemployment rate has closed, an examination of unemployment rates within Minneapolis by race and ethnicity shows wide unemployment disparities between whites and minority residents. Further, when exploring per capita income and household earning for the same year, similar trends of disparities are shown.

These measures are indicators of general economic well being in our diverse communities. While some minority groups – Asian and Hispanic – seem to be faring well in terms of the unemployment rate when compared to whites, it should be noted that per capita income is very low, especially for Hispanic residents. For Black and American Indian residents the economic landscape is challenging, both communities have unemployment rates above 20%, and per capita incomes and household earnings well below the Minneapolis average.

Median household income and per capita income in the past 12 months (in 2009 inflation-adjusted dollars)

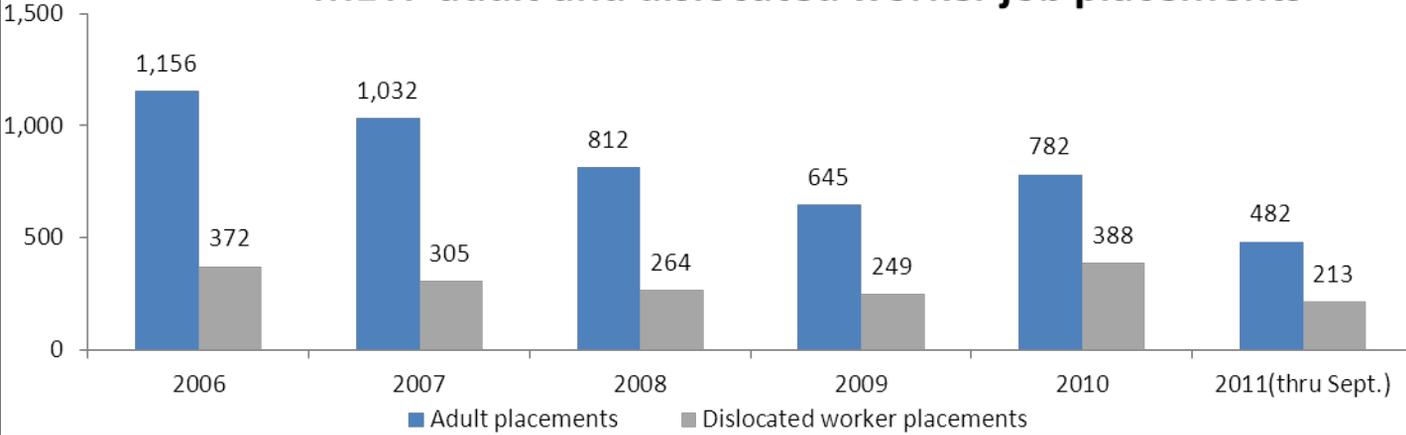


What will it take to make progress?

The strategy for success to close this disparities gap is similar to the mission of the 2004 campaign, including growing good jobs and moving formerly unemployed minority residents into employment and increasing the per capita income and household earnings for all residents; allowing Minneapolis to become a stronger regional capital of economic vitality. Our current strategies, such as STEP-UP and RENEW, should continue, and be expanded through private funding in partnership with the city and state efforts. We then need to augment these strategies with a concerted, coordinated campaign to leverage new training, hiring, and buying strategies by the city and every entity in the region that trains, hires, or buys.

In order to make progress on eliminating these disparities, the City of Minneapolis needs to work regionally with its partners within the private and non-profit sectors, government and with our educational institutions to focus attention of diversity hiring, promotion, procurement policies and education attainment and completion. The proposed One Minneapolis campaign is one new strategy that works to do just this; One Minneapolis is a strategy that pulls together City efforts, from procurement, to Civil Rights, to economic development, as well as engages our private and non-profit sector and education institutions to coordinate strategies related to disparities reduction. This new strategy needs to be joined by other disparities reduction strategies metro-wide to find regional solutions to a regional labor issue.

METP adult and dislocated worker job placements

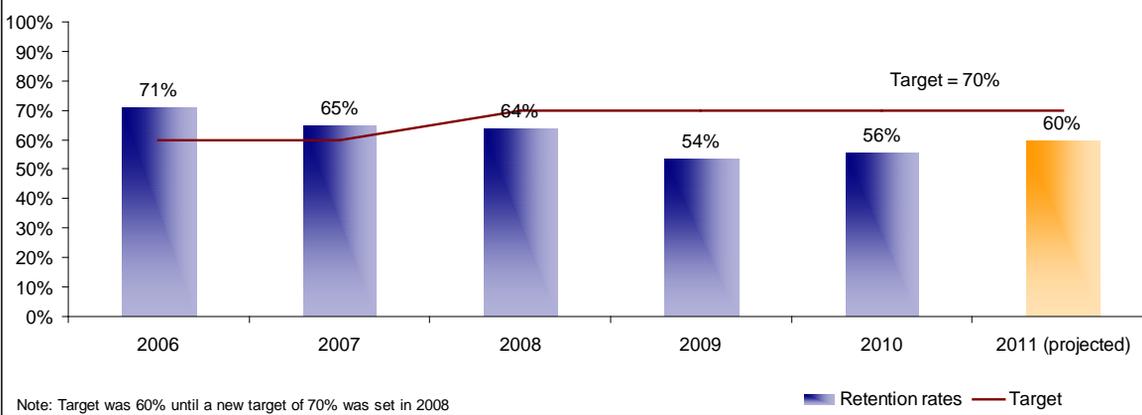


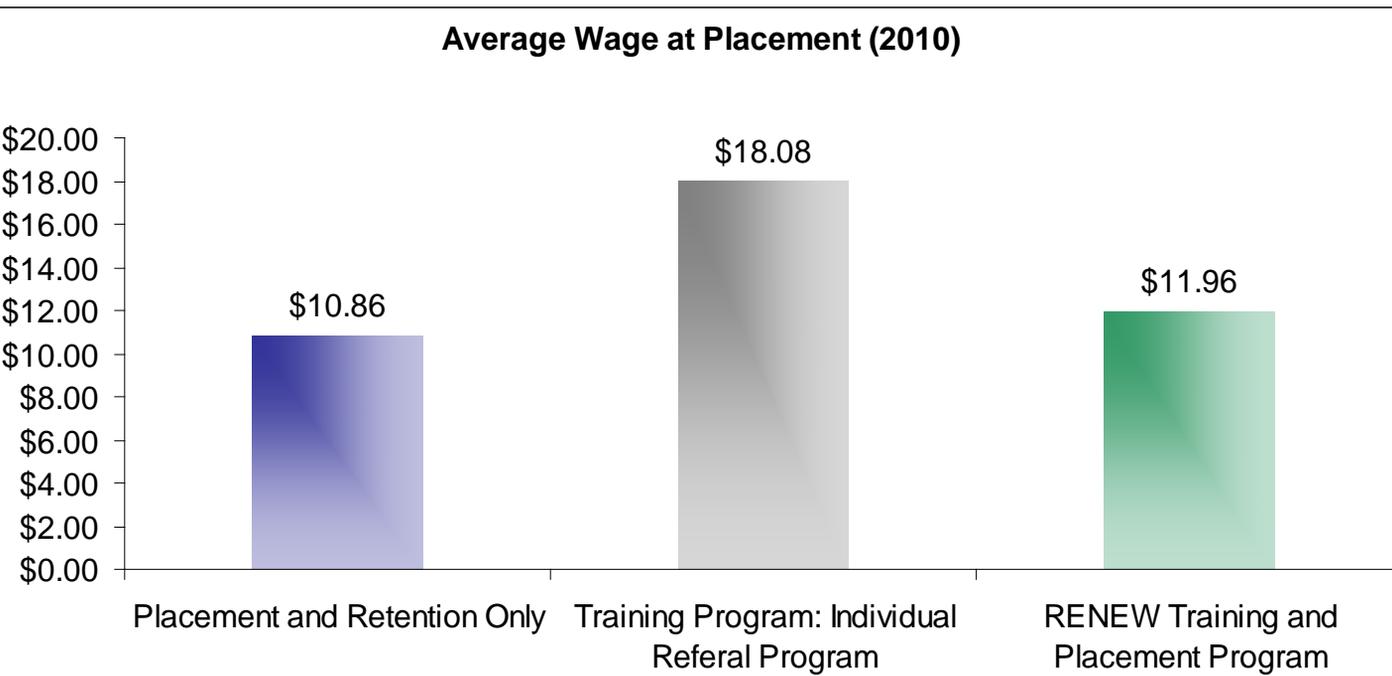
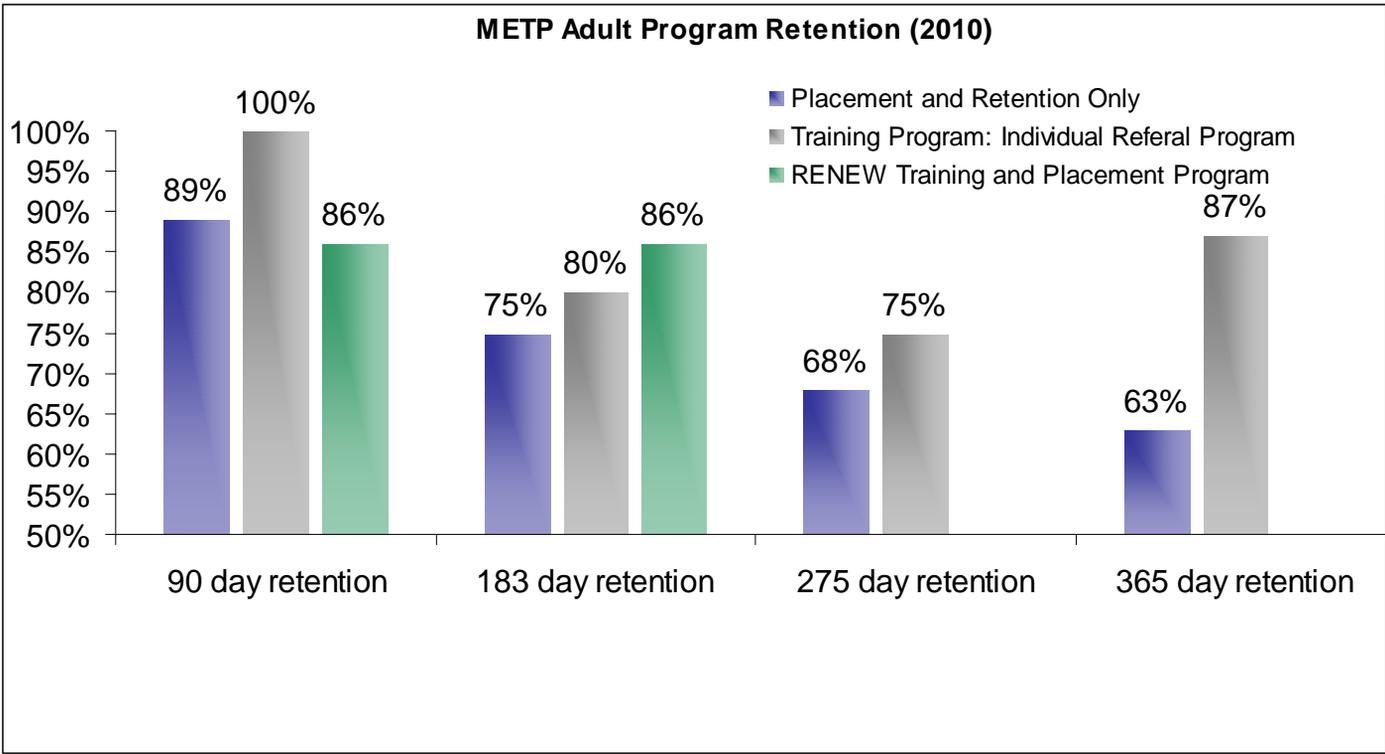
Strategy: METP Adult job placements

One strategy to increase the number of Minneapolis employed residents is through direct job placement services. METP partners with 11 community-based partners to work with unemployed residents to help them quickly and successfully reenter the workforce. The individual strategies employed when working with unemployed persons are varied but often include training, career exploration, work readiness training, and resume building. METP continues to see high demand for employment and training services in Minneapolis. In 2009 and 2010, the American Recovery and Reinvestment Act (ARRA) allowed for increased capacity for skills training for unemployed adults and dislocated workers. In 2010, dislocated workers entered employment at significantly higher rates and with higher wages than Adult Program participants, confirming what we know about the current labor market: those with higher skills will enter the labor market first. The emphasis on increasing the skill level of our workforce remains a priority in 2011 and into the foreseeable future.

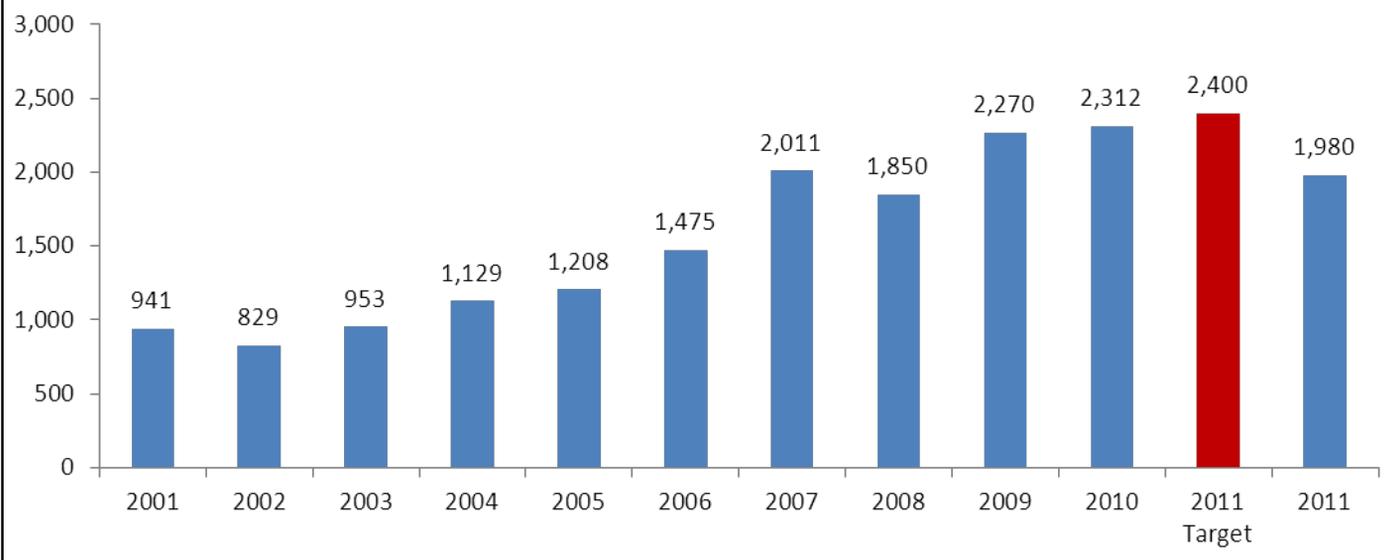
A focus on one-year retention rate is one of several programmatic indicators of long-term employment success used by the City's Adult Jobs and Placement program for low-income Minneapolis residents. Further, Adult Program retention rates are key program results for this program and point to longer-term economic stability for program participants and our regional economy. Due to the economic recession and its long-lasting effects on the workforce, retention rates have declined, most significantly in 2009, especially for those individuals in entry level positions; the majority of Adult Program clients are low-skilled, low-income persons entering the workforce at entry level jobs. Given this challenge, METP has responded by focusing resources on job training, including both short-term credentialing and longer-term degree granting programs for low-skilled individuals; the strategy should help increase retention rates by allowing newly trained individuals to enter the workforce in a less precarious position. In 2010, METP saw increased retention rates, a trend we anticipate will continue in 2011.

One-year retention rates for METP adult program job placements





METP summer youth placements (STEP-up)

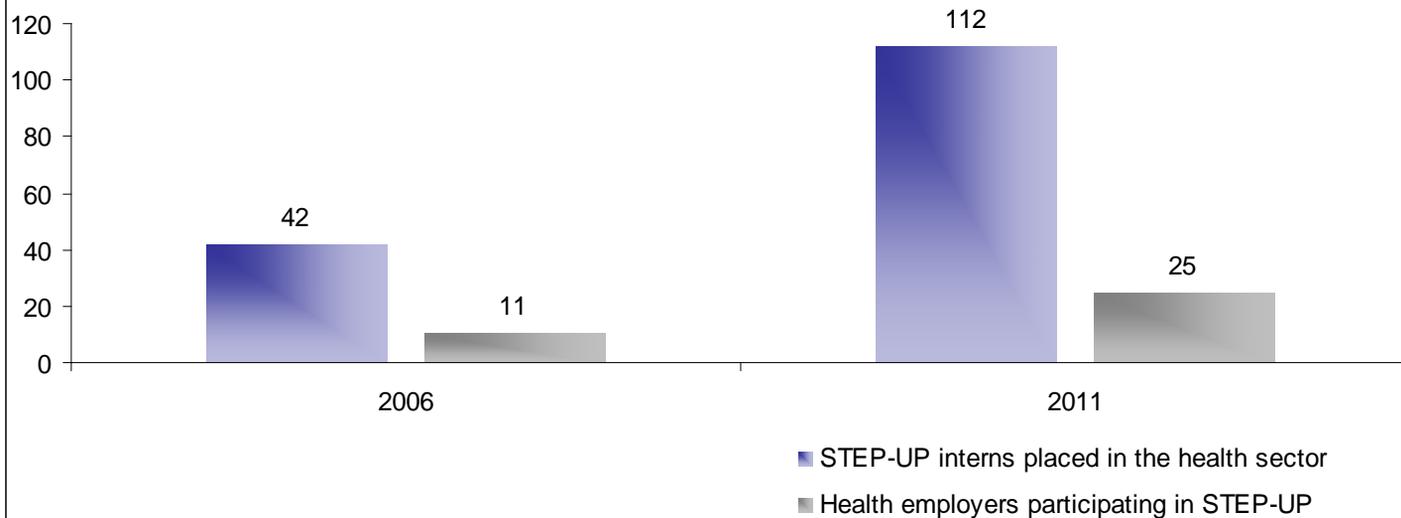


Strategy: Youth job placements/ The Minneapolis Promise Initiative

A substantial and growing body of literature on the early labor market experiences of young adults (summer employment) over the past 30 years indicates quite consistently that employment during the high school years generates a diverse number of favorable short-term and long-run positive impacts on their employability, wages, and earnings, especially among those who do not go on to complete any substantive amount of post-secondary education. This is why a focus on youth summer employment is important and necessary. Over the past few years the substantial investment of local sources by the Mayor and City Council has resulted in increased participation by Minneapolis youth in the [STEP-UP program](#) and has helped it grow to one of the largest summer employment programs in the state. While STEP-UP is the employment strategy, the broader strategy for preparing the future workforce in Minneapolis is the Mayor's [The Minneapolis Promise Initiative](#). This innovative approach brings together the City of Minneapolis, AchieveMpls, and the Minneapolis Community and Technical College and the University of Minnesota, offering Minneapolis youth a clear pathway to summer employment opportunities, career and college counseling, and access to higher education. This strategy has produced outstanding results, including over 12,000 summer jobs as part of STEP-UP, increased graduation rates and college entrance rates, and nearly 1,000 college scholarship for Minneapolis high school graduates.

Growing the number of employed residents

Number health sector employers and interns participating in the STEP-UP program



Strategy: Training and youth placements in the health care sector

In 2006, the Department of Community Planning and Economic Development opened the office of Healthforce in Minneapolis. Led by Jane Foote, Healthforce was established as a center of excellence for health sector employment in the State that same year. Because a leading sector for jobs in the City is healthcare, Healthforce was asked to assist in preparing the health workforce of the future in Minneapolis.

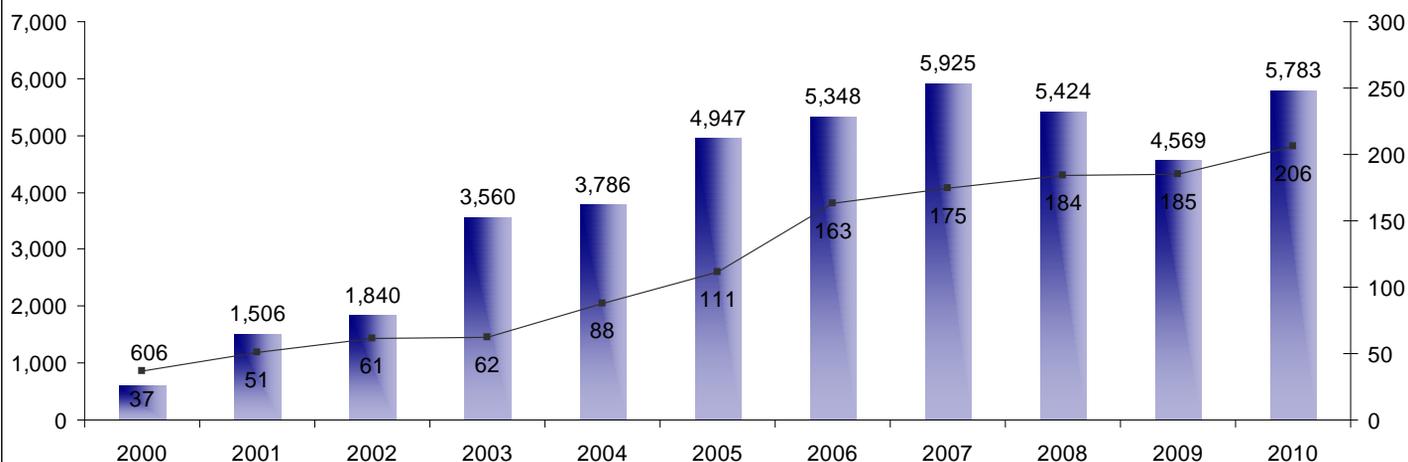
Healthforce first took on the challenge of securing internship opportunities in Minneapolis hospitals and health care institutions for the 299 students enrolled in Roosevelt High School's Health Careers Magnet program. Healthforce worked with Project for Pride in Living and the hospitals to manage patient privacy issues and open these workplaces to STEP-UP interns. As a result, internships in Minneapolis' health sector have moved from 42 in 2006 to 112 in 2011, and the number of participating health care employers in those same years has increased from 11 to 25.

Understanding that these interns also need preparation, Healthforce has partnered with Augsburg and Fairview to establish the Urban Scrubs Camp. In the two years since its inception in the summer of 2010, the Urban Scrubs Camp has welcomed 132 urban youth, including Cedar Riverside residents, to a rigorous week-long curriculum in health careers. Fairview has designed a career ladder which begins with this Scrubs Camp experience and moves into internships and careers within the hospital system.

Further information can be found at www.healthforce.org.

Growing the number of employed residents

Number of new hires at or above living wage by businesses with job-linkage agreements and number of businesses participating



Source: CPED

Note: Beginning in 2007, the City definition of living wage was set at 130% of the HUD poverty level for a family of 4; in 2009 and 2010 this threshold was \$13.78 per hour.

■ New Hires

■ Participant Businesses

Strategy: Job linkage agreements/ workforce plans/ minority contracting

The purpose of the City's job linkage agreements with businesses we assist is to measure whether – in return for our assistance – these businesses create living-wage jobs for Minneapolis residents.

The tracking of job linkages is directly tied to the economic health of Minneapolis which depends upon the creation of living wage careers for residents. However, job linkage agreements alone cannot grow our economy; therefore CPED has aggressively pursued other strategies when working with the private sector. One strategy that has successfully grown good paying jobs for Minneapolis residents and increased the diversity of the construction industries workforce is the use of voluntary workforce plans with developers and contractors. Minneapolis Workforce Plans are focused around the central concept that public assistance given to a private business for economic development should result in an increased number of jobs in Minneapolis. Currently nine Workforce Plans have been executed. Click [here](#) to see all Workforce Plans and a matrix of outcomes to date. The City of Minneapolis Civil Right Department helps CPED monitor these workforce agreements at quarterly meetings with the project's owner and construction contractor; see [latest MDCR annual report on minority contracting](#).

Additionally, CPED has worked with developers to hire minority contractors and employees on other CPED-supported development projects; examples include: Target Center Green Roof, 1200 West Broadway [Catalyst Partners], Delisi's at Penn/Plymouth [Norman Construction], and residential rehab contracts on the Northside [Greater Metropolitan Housing Corporation] which all utilized 50% or more minority contracting on their projects.

Company	Ryan Companies US, Inc – Midtown Exchange Project (May 2004)	Coloplast Corporation, Kraus-Anderson Construction Company – Coloplast Corporate Headquarter	Kraus-Anderson Construction Company, University of Minnesota Children's Hospital – Fairview Construction Project	Knutson Construction Services, Children's Hospital – Expansion/ Ambu latory/ Care Center/Parking Ramp Project (May 2008)	McGough Construction, Atraspac Project Inc., Minnesota Shubert Performing Arts and Education Center Project (July 2009)	Lund Martin Construction Inc., City of Minneapolis, Parking Ramp B Improvements and Modifications (August 2009)	Central Roofing Company/City of Minneapolis Convention Center (April 2010)	Cedar Riverside - Sherman Associates/Knut son Construction Co. - Rehabilitation of Cedar Riverside Housing (December 2010)	American Academy of Neurology/ (AAN) /Montson Construction Co. - Construction of office building (December 2010)	American Sweidh Institute/ Adolfsson and Peterson Construction Workforce Plan (April 2011)
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Local Hiring Goals

Local Residents	City Goal: 30 Achieved: 45	City Goal: 10 Achieved: 12	City Goal: 30 Achieved : 37	City Goal: 30, Achieved to Date: 31	City Goal: 30 Achieved to Date: 37	Project Goal: 8 Achieved to Date: 3,732 hours	Project Goal: 2 Achieved: 315 hours	Project Goal: 90 Mpls. Residents Achieved to Date: 71	Project Goal: 10 Mpls. Residents Achieved to Date:	Project Goal: At least 10 Minneapolis residents Achieved to Date:
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Construction Employment Goals in percentages

Skilled Minority	City Goal: 15% Achieved: 16.8%	City Goal: 11% Achieved: 11.1%	City Goal: 11% Achieved: 11.47%	City Goal: 11% Hospital Goal: 15% Achieved to Date: 15.29%	Project Goal: 15% Achieved to Date: 17.3%	Project Goal: 12% Achieved to date: 9.9%	City Goal: 11% Project Goal: 15% Achieved: 41.9%	City Goal: 11% Project Goal: 15% Achieved to Date: 18.9%	Project Goal: 15% combined Achieved to Date:	Project Goal: 12% Achieved to Date:
Unskilled Minority	City Goal: 20% Achieved: 20.8%	City Goal: 11% Achieved: 21.8%	City Goal: 11% Achieved : 20.17%	City Goal: 11% Hospital Goal: 20% Achieved to Date: 16.52%	Project Goal: 15% Achieved to Date: 16.4%	Project Goal: 13% Achieved to Date: 26.8%	City Goal: 11% Project Goal: 15% Achieved to Date: 26%	City Goal: 11% Project Goal: 15% Achieved to Date: 26%	Project Goal: 15% combined Achieved to Date:	Project Goal: 11% Achieved to Date:
Female	City Goal: 5% Achieved: 6.8%	City Goal: 6% Achieved: 7.7%	City Goal: 6% Achieved: 6.10%	City Goal: 6% Hospital Goal: 6% Achieved to Date: 6.06%	Project Goal: 6% Achieved to Date: 6.8%	Project Goal: 8 to 6% Achieved to Date: 6.5%	City Goal: 6% Achieved : 3.8%	Project Goal: 8% Achieved to Date: 6.7%	Project Goal: 6% Achieved to Date:	Project Goal: 6% Achieved to Date:

Construction Subcontracting Goals in percentages

Minority-Owned Businesses	City Goal: 13% Achieved: 14%	City Goal: 9% Achieved: 9.2%	City Goal: 5% Achieved: 7.09%	City Goal: 13% Achieved to Date: 14.12%	City Goal: 10% Achieved to Date: 11.1%	City Goal: 7% Achieved to Date: 16.5%	City Goal: 7% Achieved: 7.02%	City Goal 10% Achieved to Date: 11.4%	Project Goal: 10- 15% combined Achieved to Date:	Project Goal: 10% Achieved to Date:
Women-Owned Businesses	City Goal: 11% Achieved: 16%	City Goal: 8% Achieved: 8.1%	City Goal: 5% Achieved: 7.15%	City Goal: 11% Achieved to Date: 13.91%	City Goal: 11% Achieved to Date: 13.4%	City Goal: 9% Achieved to Date: 9%	City Goal: 8% Achieved : 8.41%	City Goal 8% Achieved to Date: 13.6%	Project Goal: 10- 15% combined Achieved to Date:	Project Goal: 10% Achieved to Date: