



**Request for City Council Committee Action from the Department of Community Planning and Economic Development – CPED**

**Date:** April 17, 2012  
**To:** Council Member Lisa Goodman, Chair, Community Development Committee  
**Subject:** Great Streets Business District Support contracts

**Recommendation:** Authorize CPED staff to negotiate contracts for business district support activities consistent with the recommendations given in the body of this report.

**Previous Directives:** (1) On April 27, 2007, the City Council reviewed and adopted the Great Streets neighborhood business district program. (2) On March 27, 2009, the City Council adopted target categories for commercial nodes, corridors, activity centers, and LRT station areas as defined by *The Minneapolis Plan for Sustainable Growth*.

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Approved by:  
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Presenter in Committee: Kelly Hoffman, Senior Project Coordinator, CPED

**Financial Impact**

No financial impact – funds for this activity were appropriated to the Great Streets program through the budget process.  
Action is within the Business Plan.

**Community Impact**

- Neighborhood Notification – An RFP soliciting proposals for business district support activities in Great Streets neighborhood business districts was released to neighborhood organizations, community development corporations, business associations, and other community partners and posted on the City’s website on January 13, 2012.
- City Goals – Jobs and Economic Vitality, A Safe Place to Call Home.
- Sustainability Targets – Economically vibrant neighborhood commercial districts create attractive urban neighborhoods for infill development, support efficient growth, and reduce the need for car travel to obtain necessary goods and services.
- Comprehensive Plan – This recommendation is consistent with the goals of the comprehensive plan. Policy 4.1: Support private sector growth to maintain a healthy, diverse economy. 4.1.1 Use public development resources and other tools to leverage maximum private sector investment for public benefit.
- Zoning Code – N/A
- Living Wage/Business Subsidy Agreement Yes\_\_\_\_\_ No X
- Job Linkage Yes\_\_\_\_\_ No X

## Supporting Information

### Great Streets Neighborhood Business District Program

The Great Streets neighborhood business district program, adopted by the City Council on April 27, 2007, is based upon an extensive study of strategies and tools to revitalize and sustain neighborhood business districts. In addition to providing important goods and services for residents and adding to the overall character of communities, neighborhood business districts are home to significant numbers of jobs. In 2010, 38% of the City's jobs (106,000) and 49% of the local sales taxes (sales, use, restaurant, liquor, entertainment, and hotel) of \$30.2 million) came from businesses located on commercial corridors.

Studies show that an array of strategies and tools can successfully revitalize and sustain urban neighborhood business districts. The Great Streets program provides support for a multitude of strategies through programs, including the Façade Improvement Program, Real Estate Development Gap Financing, and Business District Support Grants. The City's business loans are also marketed through the Great Streets program. The Business District Support grants are the primary subject of this report, but we'll take the opportunity to report more broadly on Great Streets outcomes and to describe some changes to the way that the City supports business district vitality.

Through targeted investments, the Great Streets program is producing tangible results as well as leveraging private investment.

- The Great Streets façade program alone has stimulated \$2,346,886 of investment in business façade improvements citywide since its inception in 2008. In just four years, grant administrators worked on 228 façade improvement projects providing \$781,864 in matching grants, leveraging \$1,565,022 in private investment. For every \$1.00 of public investment, the private sector invested \$2.00. In addition, these improvements have catalyzed additional private sector investments in nearby properties.
- The City has also provided \$3,505,000 in strategic real estate development loans worth approximately \$54,000,000. These loans are repaid to the City, with interest.
- The business district support program has not only leveraged private dollars, including foundation investments and membership dues, but also volunteer hours and business sponsorships. Along with the Façade Improvement Program, it has also helped business associations and others strengthen relationships with businesses. This program has supported initiatives that increase the customer base of neighborhood businesses.
- The Great Streets program also markets other City financing products for small business support, primarily the 2% Commercial Loan Program. Between 2007 and 2011, 83 2% loans totaling \$6.2 million were made to businesses from this revolving loan fund. These loans leveraged private bank financing of \$43.4 million and allowed businesses to create 390 new permanent jobs within Minneapolis.

In many cases, organizations are combining tools and strategies for maximum impact. For example, at 38<sup>th</sup> and Chicago, the City provided a Great Streets Real Estate Development Gap Financing loan for the Chicago Avenue Fire Arts Center, supported a real estate and market analysis to guide business recruitment efforts supported through Business District Support, and façade improvement grants for eight properties, resulting in highly visible improvements.

### Business District Support

Within the Great Streets program budget, \$300,000 was allocated to fund this fifth round of Business District Support grants. Proposals are solicited on an annual basis through a

Request for Proposals (RFP) process.

The RFP was issued on January 13, 2012, with proposals due February 10, 2012. The maximum award amount is \$50,000. The RFP broadly defined eligible activities as those that support the economic vitality of an entire business district or targeted segment of a business district (as opposed to a single property or business), including marketing/promotional initiatives, market analysis or focused planning efforts, business recruitment, networking opportunities for businesses, etc. Stand alone events such as music festivals or art crawls are clearly articulated as not eligible.

This year, technical assistance for businesses is supported through the new Technical Assistance Program (TAP), rather than through Great Streets Business District Support. The RFP for this program was issued on March 12, 2012. Through a competitive RFP process and outcomes-based contracts with our community partners, TAP will support one-on-one technical assistance as well as classes and training in business planning, legal and tax issues, financial analysis and more. Previously, this work had been supported through Great Streets Business District Support as well as through stand-alone contracts negotiated through CEPD Business Finance. With input from community partners, staff determined that because of the geographic focus of the Great Streets program, technical assistance wasn't a good fit and the program would more effectively support business stability and growth if it was supported through a reorganized program. In previous years, technical assistance contracts represented approximately \$200,000 of the annual Business District Support contracts. This \$200,000 was redirected to the new Technical Assistance Program, along with other funds. Council action on these contracts is expected on May 25, 2012.

### **Great Streets Business District Support and Business Association Assistance Program**

CPED staff have worked to focus and define our objectives for business association work and to better measure outcomes resulting from City support. The Business Association Assistance Program (BAAP) has historically provided small grants for general operating support for business associations. BAAP funds have been used for staff costs as well as general administrative costs associated with holding meetings, maintaining newsletters, and updating websites.

As CPED has refined the BAAP program to be more focused on specific outcomes, and less on general operating support, the overlap with the Great Streets program became apparent and staff decided to merge the two programs in 2013. Our intent is to align City financial support more clearly with City objectives of business growth and business district vitality, to enhance transparency regarding decision making and outcomes, to reduce City funding for general administrative operations that should be supported by member dues and fundraising, and to eliminate redundancies between the two programs. The RFPs for both programs indicated that this would be a transitional year, with a single, consolidated Great Streets program next year. The RFPs urged organizations to spend this year putting in place mechanisms to become administratively self-sustaining. We anticipate that programmatic activity focused on business support and business district vitality funded in the past through BAAP can be funded in the future through the consolidated Great Streets program in large and small amounts.

In November, CPED staff held a focus group with business associations to solicit feedback on ways that we could more effectively support businesses and business district vitality and prioritize our support. We heard that information exchange and opportunities to learn from one another are important. CPED has rolled out the Great Streets Speaker Series offering an opportunity to get together to learn about strategies that are working as well as lessons learned. Topics include using social media for marketing, retail recruitment, public realm management tools, and tours of business districts led by community partners. At least six gatherings per year are planned.

Another request of the business associations was for CPED-Economic Development to play a role in communicating with business associations about regulatory policy changes affecting businesses. Economic Development staff are reaching out to Regulatory Services and Zoning colleagues to explore this.

This year, the review of the BAAP and Great Streets Business District Support proposals was coordinated with program management staff from both programs reviewing funding recommendations. This coordination allowed for the best fit of funding support for the activities proposed for both programs.

### **Great Streets Eligible Areas**

There are 117 eligible geographic areas where adopted City policy supports neighborhood commercial activities. These are the commercial corridors, commercial nodes, LRT station areas, and activity centers designated in *The Minneapolis Plan for Sustainable Development*. The Great Streets program prioritizes resources to areas with demonstrated need and where private investments augment public funding (See Attachment B). Eligible areas are grouped into three categories (intervene, support, and monitor) based on several measures of economic health, need, and opportunity. These categories are defined below.

- |                  |   |
|------------------|---|
| <b>Intervene</b> | areas that are experiencing weak development interest or significant obstacles to attaining the City's commercial development or business investment goals. |
| <b>Support</b>   | areas showing signs of strength, but that remain fragile and have some barriers to market development and business investment.                              |
| <b>Monitor</b>   | areas with strong market development and business activity.   |

### **Program Accountability**

Each Great Streets contract will have a clearly-defined and agreed upon Scope of Services with measureable outcomes, which strengthens accountability and allows CPED staff to evaluate organizational performance. Organizations receive payment only after they have submitted deliverables that demonstrate outcomes. Examples include descriptions of loans packaged, marketing materials, event flyers, data demonstrating increased customer traffic or revenues, numbers of new businesses, new jobs created, consultant reports, etc. While the range of eligible activities is as varied as the strategies for commercial revitalization, measurement of performance is consistently required.

### **Outcomes of Prior Business District Support Contracts**

#### *Business Recruitment*

Many organizations focused on commercial revitalization are developing strategies to recruit businesses to vacant storefronts. Macroeconomic trends, changes in shopping and spending patterns, diversified property ownership, and other factors create many challenges for small businesses. Organizations such as Seward Redesign are actively recruiting businesses to vacant spaces.

They are doing this by:

- offering programs such as the Great Streets Façade Improvement Program and the City's 2% Loan as a reason to locate in a Minneapolis business district and as a tool for property owners to make investments that make vacant properties more attractive to prospective tenants (e.g., Micheal Lander's building now occupied by Blackbird at 38<sup>th</sup> & Nicollet)
- advertising available space,
- building relationships with property owners,
- developing property investment plans,
- navigating the City's regulatory approval process,

- collecting and analyzing market data,
- producing marketing materials highlighting area buying power and specific properties, and
- aggressively contacting prospective businesses.

This Great Streets-supported work produces tangible results, including fewer vacant storefronts; increased commerce; positive economic activity; increased foot traffic; added jobs; and an increase in the goods and services available to residents, workers, and visitors.

Seward Redesign with Standish Ericsson Neighborhood Association worked with the owner of the Oak Building at 38<sup>th</sup> St E and 28<sup>th</sup> Ave S, an historic but derelict building most recently used as a furniture store, to develop drawings and investment plans for this vacant building and arranged showings for Smokehouse Brewpub, a proposed restaurant and craft brewery with 20 bar seats, 55 dining seats, and an outdoor patio. The building owner tapped the Great Streets Façade Improvement Program for \$10,000 of a \$20,152 investment in replacing windows, doors, and exterior lighting. In this case, the façade program was used as a recruitment tool to attract a new business tenant after the improvements were completed for two storefronts.

#### *Marketing Initiatives*

The City's business districts are home to unique stores often offering one-of-a-kind products or an authentic experience not found elsewhere. With limited advertising budgets, these stores and districts are often unknown beyond the neighborhood boundaries and sometimes within them. Marketing initiatives aim to increase business by getting the word out about an area, shaping its image, and drawing new customers to the district. Examples include the West Bank Business Association's "Real.Different" campaign which captures the unique identity of the West Bank and uses targeted advertising to reach potential customers and visitors. Another example is Nicollet East Harriet Business Association's "Experience Southwest" campaign which encourages people to shop and dine at the commercial nodes in Southwest Minneapolis through holiday marketing campaigns and an active online presence.

#### *Information Exchange*

The Business District Support program not only supports organizations convening businesses around topics of interest, but the City also uses the Great Streets program as a way to convene organizations to build knowledge about business support, development, and recruitment and to develop and share best practices.

This year, we rolled out an ambitious calendar of events for 2012. We are hosting workshops on building and maintaining a membership organization, using social media for marketing, retail recruitment, and more. Starting in June, we've organized, with our community partners, tours of business districts throughout the city to see firsthand what organizations are doing to bring vitality to neighborhood business districts.

#### **2012 RFP Responses**

The RFP (Attachment A) outlines the evaluation criteria for reviewing the proposals and establishes a point value for each criterion. The evaluation criteria include: (a) whether the business district is in an area identified as a priority for City investment, based on various measures of economic health (intervene and support areas garner more points than monitor areas); (b) leverage of other resources; (c) impact, visibility, and public benefit; (d) organizational capacity to perform the proposed work; (e) feasibility and readiness; and (f) the extent to which lessons learned are transferable to other business districts (Attachment A, pg. 5).

CPED received 17 proposals by the February 10, 2012 deadline, requesting a total of \$751,083. The total amount budgeted was \$300,000 making this a very competitive round.

The proposals represent a wide range of commercial revitalization strategies including a variety of marketing/branding/promotional initiatives, business recruitment, planning/analysis, business networking events, efforts to build and diversity membership bases, development of business district marketing materials and shopper incentive programs, and more.

The proposals were reviewed and evaluated by a committee comprised of representatives from CPED Business Development; CPED Business Finance; the Minneapolis Regional Chamber of Commerce; the Local Initiatives Support Corporation; Hennepin County Housing, Community Works, and Transit; and the McKnight Foundation. CPED geographic sector teams also provided input.

**Recommendations for Funding**

CPED staff is recommending a total of \$322,800 for full or partial funding of 12 proposals. The initial amount budgeted was \$300,000. During the review period, staff unencumbered \$17,779 from an expired Façade Improvement Program contract and staff is in the process of unencumbering \$30,900 from a 2011 Business District Support contract with East Gateway Partnership, an organization that recently dissolved, prior to completing the contracted work. Therefore, funding \$22,800 over the initial amount budgeted has no net impact on the total Great Streets budget.

This year, proposers were required to use a uniform budget. Using this format made actual costs clearer, allowed easier comparison of proposals, and because the budget required program elements or initiatives to be broken out, it was easier for the review team to select specific program elements to support. The uniform budget also made staff and consultant rates transparent, clarified cash and in-kind leverage, and allowed proposers to attribute a dollar value to volunteer hours.

Table 1 below summarizes the proposals recommended for full or partial funding. Staff is not recommending funding for five proposals. The rationale for the proposals recommended as well as not recommended for funding is below.

**Previous years of Great Streets Business District Support**

Year	Amount	N. of contracts
2008	\$250,000	11
2009	\$712,355	21
2010	\$578,175	18
2011	\$499,873	15
2012 ( <i>proposed</i> )	\$322,800	12

**Table 1: Proposals Recommended for Funding** (in alphabetical order)

Proposer	Activities recommended for funding	Eligible Area(s) Covered	Ward	Amount Requested	Amount Recommended
African Development Center	Business networking events	Cedar-Riverside LRT	2	\$50,000	\$5,000

Asian Media Access	Market study focusing on Asian American and Pacific Islander owned businesses in North Minneapolis; outreach and networking	42nd & Fremont, Lyndale, Thomas, Penn; 45th & Lyndale; Glenwood & Van White; Lowry & Emerson, Penn; Plymouth & Penn; West Broadway & Penn	4,5	\$50,000	\$10,000
Harrison Neighborhood Association	Coordination of Glenwood Corridor Alliance	Glenwood Ave.; Glenwood & Van White	5	\$30,500	\$5,000
Lake Street Council	Shopper incentive program; updating Lake Street marketing materials; social media training	Midtown Lake; East Lake; West Lake; Lake/Hiawatha LRT	2,6,8,9,10,12	\$41,000	\$21,000
Lowry Ave North Collaborative (PPL)	Marketing of Lowry - develop materials, develop marketing campaign, focus on Penn & Lowry redevelopment, develop recruitment strategy; Enhance business association	Penn & Lowry; Emerson & Lowry	4	\$46,700	\$46,700
NE Chamber of Commerce with NEMAA and NE CDC	Market study of economic impact of artists and arts uses; promotion of the NE Minneapolis Arts District	13th & University; 22nd & Johnson; 29th & Johnson; 27th & Central; Lowry & Marshall; Lowry and University; Central Ave; Central & Lowry (AC); East Hennepin (AC); Grain Belt Complex (AC)	1,3	\$50,000	\$18,000
Nicollet East Harriet Business Association	Seasonal marketing campaigns; implementation of Mind*Spark marketing work; social media brown bag workshops; identification of additional marketing tools; Provide professional expertise	Bryant Ave & 36th, 46th, 50th; Lyndale Ave & 36th, 40th, 54th, 58th; 38th & Grand; Nicollet & 38th, 43rd, 46th, 48th, 60th; Diamond Lake Road & Nicollet Ave; Nicollet Ave S	8,10,11,13	\$50,000	\$25,000 (challenge grant)
Seward Redesign	Business recruitment; investment plans for property owners; marketing help for businesses	Franklin Ave; Lake St; Franklin LRT; Lake St LRT; 38th St LRT; 46th St LRT; 38th & 23rd Ave, 28th Ave, Cedar Ave; 42nd & Cedar, 28th Ave; Cedar & Minnehaha; 38th & 28th Ave	2,6,9,1,2	\$49,900	\$49,900
Stadium Village Commercial Association	Marketing, branding, and promotional activities to mitigate impacts of construction	Stadium Village AC; Stadium Village LRT; East Bank LRT	2	\$40,000	\$40,000

Standish Ericsson Neighborhood Association and the West of the Rail Business Association	Advertising campaign using LRT cars and platforms	38th and 46th LRT Stations; 38th & Bloomington, 23rd, & 28th, Cedar; 35th & Bloomington; 42nd & 28th, Bloomington, Cedar; 46th & Bloomington; Cedar & Minnehaha Pkwy	12,9	\$20,700	\$20,700
West Bank Business Association	Communications and outreach; BID coordination; coupon book/shopper incentive program	Cedar Ave; Riverside Ave; Cedar Riverside AC; West Bank LRT; Cedar-Riverside LRT	2	\$50,000	\$36,000
West Broadway Coalition	"Buy Local" Campaign; Farmers Market; Membership Drive; Networking for businesses; Retail Recruitment	West Broadway	3,4,5	\$50,000	\$45,500
<b>TOTAL</b>				<b>\$528,800</b>	<b>\$322,800</b>

*Rationale for Funding Recommendations*

1. African Development Center (\$5,000)

Staff recommends \$5,000 of Great Streets support for business networking events. The goals of these events include strengthening the African-owned business sector and building relationships between this community and the larger business community. ADC plans to host 16 networking meetings and, 12 business breakfast roundtables, and 8 other networking events. ADC will leverage the City's funding with foundation support and earned income for this activity. ADC also requested funding for technical assistance and loan packaging for businesses, and staff expects to receive a proposal from ADC for the City's Technical Assistance Program.

2. Asian Media Access (\$10,000)

Staff recommends funding the market study and outreach proposed by Asian Media Access in North Minneapolis. There is a concentration of Asian Americans and Asian American-owned businesses in North Minneapolis. This market study will assess the economic impact of those businesses as well as assess the market demand and opportunity for new businesses. Asian Media Access also requested funding to provide technical assistance to businesses. Staff will connect Asian Media Access to organizations that receive funding through the City's Technical Assistance Program so they may serve as a bridge between hard-to-reach businesses and technical assistance services. Staff is recommending funding the market study at a lower level than requested (\$35,000) as previous market studies funded through this program have been in the \$8-\$10,000 range.

3. Harrison Neighborhood Association (\$5,000)

The Harrison Neighborhood Association has created the Glenwood Corridor Alliance to convene the Harrison businesses, provide information about tools and resources, create networking opportunities, and organize speakers of interest to the business community. Harrison Neighborhood Association is providing staff support and coordination of this group. Staff recommends that Great Streets resources be directed towards business organizing rather than recruitment efforts which may be premature at this time, given the combination of very few commercial spaces and currently low population density. Harrison also proposed using Great Streets Business District Support dollars to connect residents to local employers. Staff will direct Harrison to the existing workforce development infrastructure through the City's employment and training programs. In addition, Harrison requested

support for technical assistance for businesses. The new Technical Assistance Program will provide citywide resources for technical assistance for businesses without the geographic restrictions of Great Streets. Technical Assistance providers can do outreach including through events such as Glenwood Corridor Alliance meetings.

#### 4. Lake Street Council (\$21,000)

Lake Street Council (LSC) will develop a shopper incentive program to encourage repeat customer visits to Lake Street. They will also facilitate social media training for businesses and update their marketing materials aimed at drawing visitors to Lake Street. LSC has an excellent track record promoting Lake Street; reaching out to businesses; and building relationships with the business community, the City, and with other business associations. LSC covers a large service area and with a small staff, is very effective. An element of their proposal not recommended for funding is \$20,000 requested to advertise Lake Street at the airport. In 2010, the City funded a Lake Street Council airport advertising initiative as a pilot. If that advertising proved effective, the organization should now be able to demonstrate value for their members and raise private capital for future campaigns.

#### 5. Lowry Ave North Collaborative/Project for Pride in Living (\$46,700)

Beginning in 2011, Cleveland, McKinley, Folwell, Hawthorne, and Jordan neighborhoods joined with Project for Pride in Living to begin to implement strategies and recommendations for economic vitality identified in the Lowry Avenue Strategic Plan. The work in this proposal builds on the market and real estate analysis and the development of the business association, work that was recently completed. The group proposes to focus on the redevelopment opportunity at the Northwest corner of Penn and Lowry, as well as develop site-specific marketing materials and business recruitment strategies. This group was recently awarded a contract to administer the Great Streets Façade Improvement Program for the designated Lowry Ave commercial nodes.

#### 6. Northeast Chamber of Commerce with NECDC and NEMAA (\$18,000)

In partnership with Northeast CDC and Northeast Minneapolis Arts Alliance, the Northeast Chamber will complete a market study of the arts-related businesses in Northeast, assess the economic impact of these uses and develop recommendations for leveraging the arts businesses. Staff also recommends supporting strengthening the relationship of the local businesses to arts businesses and promoting the arts district to a wider audience. NE Chamber does an excellent job providing valuable services to their businesses and is a highly capable organization. CPED staff looks forward to the recommendations of the market study as it has been shown time and time again that artists and arts-related businesses can be a key economic strength. Staff is not recommending funding for a proposal for Art in Empty Storefronts idea because there was not sufficient information on level of property and business owner interest or how the program would be structured. Staff felt that the information gathered through the marketing study would help the NE Chamber and partners develop well-informed future initiatives.

#### 7. Nicollet East Harriet Business Association (\$25,000)

Nicollet East Harriet Business Association (NEHBA) will build off of the successful marketing campaign developed by Minneapolis marketing firm Mind\*Spark in 2010. "Experience Southwest" is an identity based marketing campaign that encourages shopping at commercial nodes in Southwest Minneapolis. This campaign includes holiday shopping promotions and an active online and social media presence. This is a strong market area and the initial funding for this initiative was developed and launched with Great Streets funding. Staff recommends requiring a 1:1 financial match.

#### 8. Seward Redesign (\$49,900)

With Great Streets support, Seward Redesign proposes to work with property owners to develop investment plans, identify resources, and identify tenant prospects. With their

history, strength, and capacity, Redesign staff are also frequently called on for guidance by other organizations. This year, Redesign has expanded their geographic coverage to include East Lake Street, and the 38<sup>th</sup> Street and 46<sup>th</sup> Street commercial nodes west of the rail, which will provide more options for prospective businesses. Seward Redesign provided support letters for their work from organizations in their expansion areas.

**9. Stadium Village Commercial Association (\$40,000)**

Stadium Village Commercial Association proposes implementing a variety of marketing and promotional activities to help attract visitors and customers to the area and to mitigate the impacts and disruption to businesses caused by the Central Corridor construction. This organization received Great Streets funding last year and has proven to be very effective at both engaging businesses and leveraging financial resources.

**10. Standish Ericsson Neighborhood Association/West of the Rail Business Association (\$20,700)**

Standish Ericsson Neighborhood Association (SENA) and the West of the Rail Business Association proposes a marketing campaign that includes advertisements on the insides of train cars as well as on LRT platforms. The goal is to let riders know about shopping and dining destinations in the area. SENA will do this project in two phases with an evaluation period after Phase I.

**11. West Bank Business Association (\$36,000)**

West Bank Business Association (WBBA) will continue to focus on building its membership and improving communications with business owners. This critical area of the city will continue to be significantly impacted by multiple infrastructure reconstruction projects in 2012, including the Central Corridor LRT, Riverside Ave, and Cedar Ave and communication with businesses and customers is critical. WBBA also proposes continued involvement with businesses and institutions on developing a Business Improvement District. Staff is not recommending funding for a workshop series focused on increasing the business skills of bands. While this maybe a worthwhile series, because of the geographic focus of Great Streets, it is not a good fit for this program.

**12. West Broadway Coalition (\$45,500)**

There have been a number of recent organizational changes in North Minneapolis and the West Broadway Coalition (WBC) has continued to be a strong and stable organization. This proposal is for implementing the Farmers Market for a second year, increasing membership, organizing networking opportunities and “Buy Local” initiatives. Staff is not recommending funding for the coordination of the mini farmers markets because there is not a clear benefit to area businesses. The review committee thought this could be funded from other sources focused on urban healthy food choices.

**Not Recommended for Funding**

Five proposals are not recommended for funding and one proposal (East Gateway Partnership) was withdrawn.

**Table 2: Great Streets Business District Support Grants Not Recommended for Funding**  
(in alphabetical order)

Proposer	Description	Eligible Area covered	Ward	Amount requested
38 <sup>th</sup> & Chicago Business Association	Public art project, banner design; staffing for one year for marketing, event planning, research	38 <sup>th</sup> & Chicago	8	\$24,500
South Hennepin Business Association	Direct mail promotional campaign; develop/implement social media campaign; design/implement website	South Hennepin	10	\$50,000

	enhancements for LowryHillDistrict.com			
Southeast Business Association	Construction mitigation outreach to businesses; development of parking solutions	29th Ave LRT; University Ave	2	\$50,000
Uptown Association	Social media audit; Uptown coupon book; marketing study; Uptown merchandise; Merchandising consulting; Informational video; Business and community networking; Co-op advertising; Public Relations	Uptown AC	10	\$49,977
<b>TOTAL</b>				<b>\$174,477</b>

*Rationale for Proposals Not Recommended for Funding*

38<sup>th</sup> & Chicago Business Association (\$24,500)

The proposal included funding for public art/streetscape improvements but did not include any information on capital or a long-term maintenance plan (required per the RFP, Attachment A, pg. 3). The proposal also included funding for development of a Special Service District but there is no evidence of support from property owners to begin this process. The proposal requested \$16,000 for undefined activities for organization staff. While this is a commercial node that has experienced positive momentum and is showing signs of improved economic health, the activities proposed do not seem to be the best fit for the current needs or for the Great Streets program.

South Hennepin Business Association (\$50,000)

The proposal is for \$50,000 in City dollars to support a direct mail marketing campaign for businesses in this “monitor” designated area. Direct mail marketing is 1) not well aligned with City sustainability values, 2) not a proven driver of neighborhood customer traffic and 3) not clearly connected to the stated ‘issue to solve’ of commercial vacancy. The proposal does not indicate any organization or business financial support for his activity, showing no leverage for requested City dollars in this relatively strong market area. Further, the hourly rate for the organization staff is double the maximum rate of other organizations.

Southeast Business Association (\$50,000)

SEBA proposed to conduct a parking study and outreach to businesses during Central Corridor LRT construction. However, CPED Planning staff just completed a parking study defining strategies to provide on street parking for business customers after light rail construction and the proposal did not articulate how this study would be different. Moreover, the organization contract staff was identified as the parking study consultant without any evidence of appropriate qualifications. The proposal also requested City dollars for business outreach, though the organization has not submitted any invoices for a 2011 Great Streets contract for the same. No leverage was demonstrated.

Uptown Association (\$49,977)

The Uptown Association has received Great Streets funding the last three years for the development of brand identity, marketing materials, and market research. Many of the initiatives proposed have the potential to be self-sustaining or possibly are self-sustaining, now that the organization’s brand identify is in place.

**Attachments**

- A: Request for Proposals
- B: Great Streets Eligibility Map
- C: Great Streets Categorization