



## Request for City Council Committee Action from the Department of Community Planning and Economic Development

**Date:** June 5, 2012

**To:** Council Member Lisa Goodman, Chair,  
Community Development Committee

**Subject:** Central Corridor LRT Project - Joint Powers Agreement between the Cities of Minneapolis and Saint Paul for a Central Corridor Business Marketing Program funded by the Metropolitan Council.

**Recommendation:**

- a) Authorize City staff to enter into a Joint Powers Agreement (JPA) with the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (Saint Paul) for a Central Corridor Business Marketing Program
- b) Delegate authority to the CPED Director to authorize amendments to the JPA to modify the ratio of program funds allocated to the two affected cities.
- c) Authorize \$10,000 administration fee to Saint Paul HRA to oversee contract in Minneapolis. Funds to be drawn from the Great Streets construction mitigation dollars, leveraging approximately \$360,000 in Metropolitan Council marketing resources for Minneapolis businesses.

**Previous Directives:** April 15, 2011 – City Council authorized City staff to enter into a JPA with Saint Paul for a Small Business Forgivable Loan Program for businesses impacted by the Central Corridor Light Rail construction.

**Department Information**

Prepared by: Emily Stern, Senior Project Coordinator, 612-673-5191 Approved by: Charles T. Lutz, Deputy CPED Director _____ Catherine A. Polasky, Director, Economic Policy & Development _____ Presenters in Committee: Emily Stern, Senior Project Coordinator
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**Financial Impact**

  X   No financial impact. Contract administration funds would be drawn from existing appropriation to the Great Streets program.

**Community Impact**

- Neighborhood Notification: City staff have discussed the marketing program with Minneapolis business associations along the Central Corridor – the West Bank

Business Association, Stadium Village Commercial Association, and Southeast Business Association.

- City Goals: Jobs & Economic Vitality – helping businesses survive LRT-related construction impacts and thrive post-construction; Livable Communities, Healthy Lives – building and maintaining strong and vibrant commercial and transit corridors.
- Comprehensive Plan: The proposed action is consistent with the Comprehensive Plan.
- Zoning Code: N/A
- Sustainability Targets: maintaining and growing commercial density along the Central Corridor.
- Living Wage/Business Subsidy Agreement: N/A
- Job Linkage: N/A

### **Supporting Information**

The Metropolitan Council (Met Council) is constructing an 11-mile long Central Corridor Light Rail Transit (CCLRT) line linking downtown Minneapolis with downtown Saint Paul. Heavy construction associated with the CCLRT Project began in August 2010 and is scheduled to continue in phases into 2014.

The Cities of Minneapolis and Saint Paul are collaboratively implementing programs to support businesses along the CCLRT corridor as they are impacted by the disruptions associated with the construction of the CCLRT Project.

The Met Council has agreed to provide up to \$1,200,000 in CCLRT Project contingency and bid underrun funds to implement a Business Marketing Program (Program) for small businesses located along the CCLRT corridor. Many CCLRT businesses have experienced reduced customer traffic and revenue declines related to LRT construction, which has reduced access and parking availability.

The Met Council and the Saint Paul Housing and Redevelopment Authority (HRA) have entered into a Joint Powers Agreement to administer the Program, with the understanding that the Program would serve businesses in both Minneapolis and Saint Paul and be implemented by a contractor under the terms of an agreement between the Cities of Minneapolis and Saint Paul. That agreement, allowing the administration of this Business Marketing Program to CCLRT businesses within Minneapolis, is the subject of this report.

The Program is intended to drive customer traffic to corridor businesses during and immediately following light rail construction. The ratio of Met Council Funds is expected to be approximately seventy percent (70%) for marketing activities to benefit businesses in Saint Paul and thirty percent (30%) for marketing activities to benefit businesses in Minneapolis – consistent with the relative distribution of CCLRT capital funds, track miles and the number of CCLRT businesses in each city – with modifications to this ratio as deemed necessary by the City of Minneapolis and the Saint Paul HRA.

A local marketing and public relations firm, Mod & Co., has been selected through a competitive Request for Proposals process and is under contract to serve as the consultant providing marketing services to CCLRT businesses under this Program.

The Met Council has committed to provide up to \$48,000 from the overall program budget (4%) to the Saint Paul HRA to administer the marketing contract with Mod & Co. To maximize the benefit to CCLRT businesses and acknowledge the value to Minneapolis businesses from Saint Paul's assumption of contract management responsibility, CPED staff recommends providing \$10,000 from the Great Streets construction mitigation set-aside to the HRA to administer the Business Marketing Program.

The Business Marketing Program is part of a broader suite of business support tools, resources and assistance, including the Central Corridor Forgivable Loan Program, that is being coordinated through the Central Corridor Business Resources Collaborative (BRC). The BRC is a partnership of CCLRT businesses and business associations, nonprofit technical assistance providers, the Cities of Minneapolis and Saint Paul, the Metropolitan Council, and the Central Corridor Funders Collaborative that is working to promote the interests of businesses and property owners along the Central Corridor.