

CITY OF MINNEAPOLIS

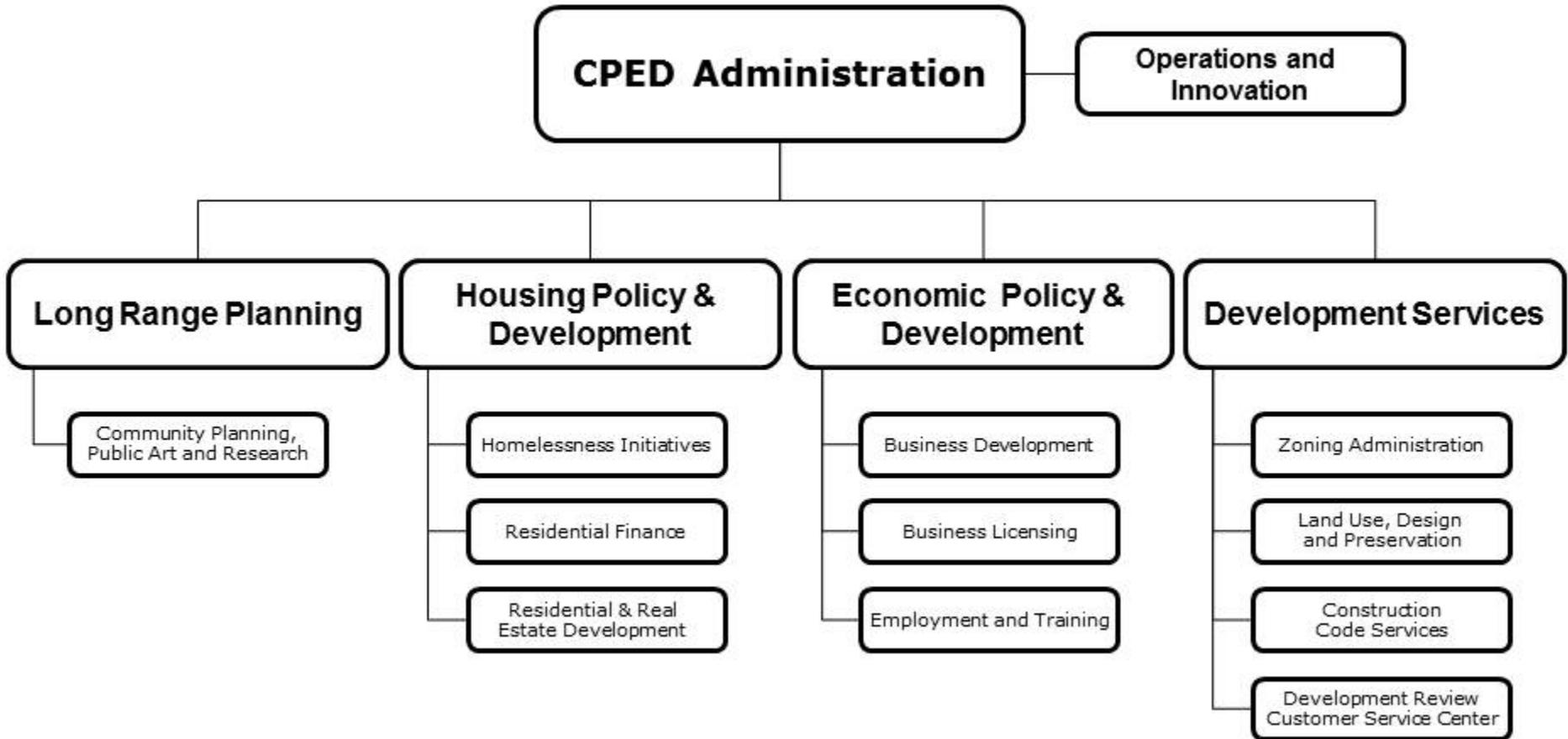
2015 Mayor's recommended budget

Community Planning & Economic Development

September 18, 2014

Budget Book Pages F142-155





Recommended budget program overview

Program name	Current funding		Recommended Enhancements (new dollars)		FTEs		Select type of funding	
	General fund	Non- general fund	General fund	Non- general fund	Current	Add'l	One time	On-going
Program #1 – Long Range Planning	\$1,897,681	\$504,801	\$18,500		13.7			X
Program #2 - Affordable Housing Development	\$1,498,542	\$9,147,002	\$1,218,500		16.4		X	X
Program #3 - Homeownership Support and Development	\$843,538	\$4,765,452	\$393,500		13.9		X	X
Program #4 – Business Development	\$5,261,515	\$1,718,353	\$468,500		22.2		X	X
Program #5 – Business Licensing	\$3,924,990	\$235,999	\$112,500		30.2	1.00		X
Program #6 – Adult Workforce Development	\$709,956	\$4,626,546	18,500		9.1		X	X
Program #7 – Youth Training and Development	\$709,524	\$3,153,649	\$93,500		6.9		X	X

Recommended budget program overview

Program name	Current funding		Recommended Enhancements (new dollars)		FTEs		Select type of funding	
	General fund	Non- general fund	General fund	Non- general fund	Current	Add'l	One time	On-going
Program #8 – Land Use, Design and Preservation	\$2,693,440	\$860,283	\$18,500		25.5		X	X
Program #9 – Development Services – Customer Service Center	\$2,559,504	\$283,676	\$18,500		20.3			X
Program #10 – Construction Code Services	\$9,779,299	\$867,112	\$318,500		69.9	3.00*	X	X
Program #11 – Transfers and Debt Service		\$35,854,944						X
TOTAL	\$29,877,989	\$62,017,817	\$2,679,000	\$0	228.0	4.0		

* Includes two FTEs with one-time funding

Long Range Planning

CPED LRP works with citizens, elected representatives, and subject matter experts to identify goals and establish the policy framework to achieve equity, livability, growth, and strategic development. We do this through:

- Coordinated intergovernmental planning, including representing municipal interests in State, regional, and county planning initiatives, and developing plans for adoption accordingly
- Strategic citywide planning, often coordinating input from multiple City departments and business lines
- Research and technology deliverables, including a service desk function, policy research support, geographic profiles, development of data points, and production of recurring reports
- Planning and urban design services and deliverables, including the City's Comprehensive Plan, Small Area Plans, Thematic Plans, Historic Designation Studies, Urban Design Assessments, Visualization Services, Public Realm Frameworks, and the Public Realm Enhancement Working Group (recent success: Parklets)
- Public Art services and deliverables, including public art installations, utility box wraps, creative community engagement (Creative Citymaking), and emerging artist support.

The program directly addresses the Mayor's top three priorities:

- **Grow the City**
 - Long Range Planning shapes planning policy governing density, land use, livability, transportation, and urban design.
- **Run the City Well**
 - Long Range Planning houses research, reporting, and mapping functions that measure performance and inform policy discussion. These functions directly address the City's objective to be "results-driven."
- **Close the Equity Gap**
 - Long Range Planning seeks to address equity through its research, planning, urban design, operations, and public art functions. LRP continues to develop innovative engagement strategies (Creative Citymaking) and addresses equity in every planning process.

Long Range Planning (continued)

Level of Service Impacts

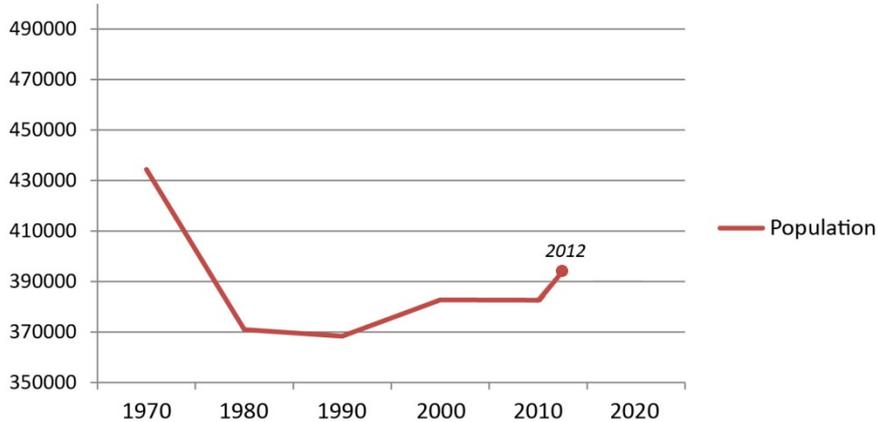
- In 2015, we will maintain current service levels in Urban Design, barring an increase in the current level of demand for regulatory or alternatives visualization, urban design assessment, public realm framework planning, Public Works coordination, and so on.
- Depending on the public art and conservation need on Nicollet Mall, which is presently unquantified, it is possible we could see an impact to the level of service delivery more broadly in the Art in Public Places program.
- In 2015, we believe we will see an effective drop in our level of service in Planning, including postponing some technical consulting required to inform the Mississippi River Critical Area update and the Comprehensive Plan.
- We will maintain the same level of service in Research as we achieved in 2014, which we view as inadequate to meet demand or quality standards; we continue to seek to restore prior levels of service to Research and supplement it with Technology resources, and have drafted a plan representing these goals.

Future Opportunities

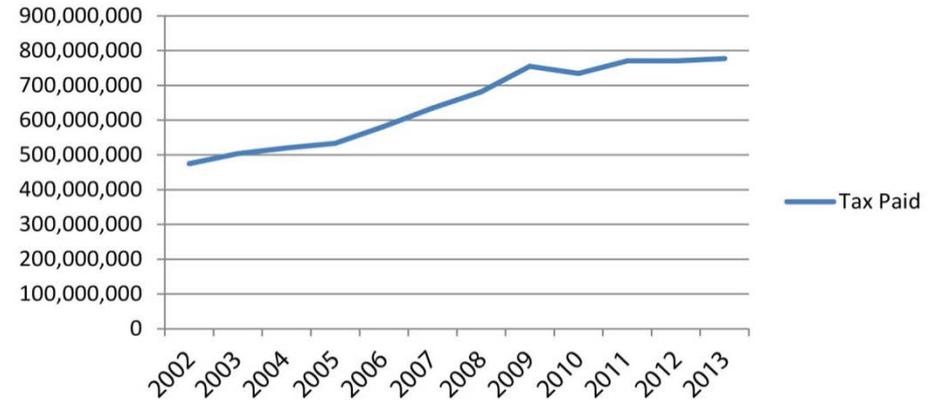
- Expand our capacity to be efficient and informed through a commitment to funding resources and staff in research and technology (see handout).
- Continue our commitment to urban design as a natural platform for collaboration (see handout), and provide sufficient resources to be responsive and effective if demand for those services grows.

Justification: *Results Minneapolis* measures

Minneapolis Population



Minneapolis Tax Base



Minneapolis Has Gotten Better, Gotten Worse or Stayed about the Same as a Place to Live

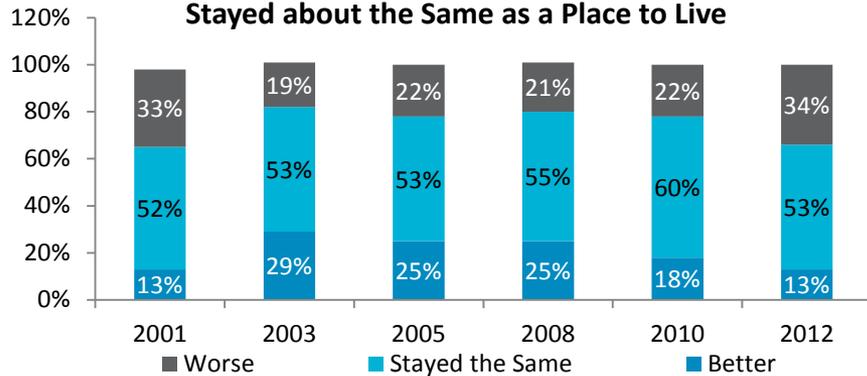


FIGURE 1: BIGGEST CHALLENGES MINNEAPOLIS WILL FACE COMPARED OVER TIME

In your opinion, what are the three biggest challenges Minneapolis will face in the next five years?	2012	2011	2008	2005	2003	2001
Public safety	32%	28%	44%	44%	42%	36%
Education	30%	35%	29%	38%	29%	30%
Transportation-related issues – includes traffic, transit and parking	28%	21%	37%	35%	32%	30%
Housing	21%	14%	26%	30%	24%	47%
Property taxes	20%	21%	NA	NA	NA	NA
Maintain public infrastructure – including bridge and road maintenance	19%	23%	16%	NA	NA	NA
Job opportunities	17%	21%	17%	17%	NA	NA
Economic development	15%	19%	26%	21%	24%	22%
Growth	8%	7%	11%	10%	9%	8%
City government	6%	8%	9%	10%	38%	NA
Foreclosure	1%	2%	7%	NA	NA	NA
Other	37%	40%	29%	43%	15%	29%

Total may exceed 100% as respondents were able to choose more than one response.

Source: Resident Surveys

Links to goals and values

Goals

Does this program move the City closer to achieving any of the following goals?

Living well: Minneapolis is safe and livable and has an active and connected way of life	X
One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper	X
A hub of economic activity and innovation: Businesses, big and small, start, move, stay and grow here	X
Great places: Natural and built spaces work together and our environment is protected	X
A City that works: City government runs well and connects to the community it serves	X

Values

Does this program move the City closer to achieving any of the following values?

Equity	X
Safety	X
Health	X
Vitality	X
Connectedness	X
Growth	X

Housing Development

- Housing Development provides financial assistance for the development of affordable housing options for all Minneapolis residents
 - Affordable Housing Trust Fund-City Council Goal of funding at \$10 million
- Provides gap financing for new construction, stabilization, rehabilitation and conversion for affordable housing
 - Higher Density Corridor Housing –provides funding for acquiring strategic housing redevelopment properties

Housing Development promotes the Mayor's goals of **Equity** by furthering housing choices for all demographics and the goal of **Grow the City** by creating more affordable and market rate housing opportunities.

Housing Program Enhancements

- **Affordable Housing Trust Fund**

\$1 million from General Fund for the Affordable Housing Trust Fund directed to affordable housing for large families.

- These funds can create up to 40 to 80 units of affordable housing (based on an average of \$12,500 to \$25,000 per unit). This grows the city and provides housing equality.

- **Homeless Initiatives**

- \$150,000 St. Stephen's contract for Homeless Initiative
- \$50,000 Office to End Homelessness

Justification: *Results Minneapolis* measures

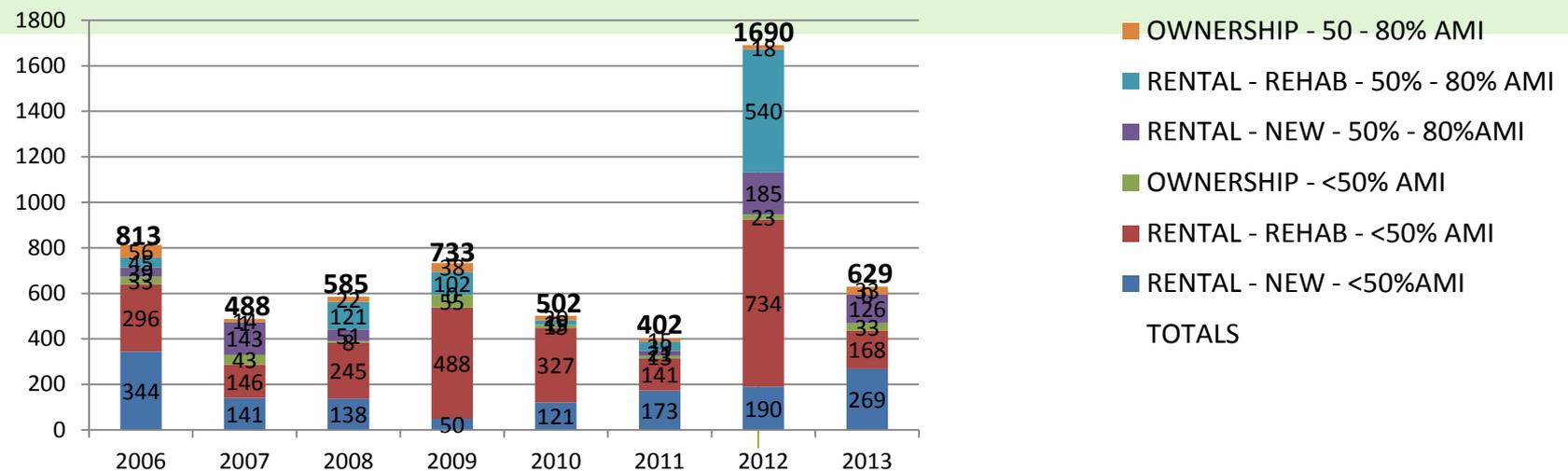
Affordable Housing Production

Number of Affordable Housing Units Complete <50% AMI



Affordable Housing Production

Number of Affordable Housing Units Complete <80% AMI



Links to goals and values

Goals

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Values

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Equity	X
Safety	X
Health	X
Vitality	X
Connectedness	X
Growth	X

Homeownership Support & Development

The following shows how Homeownership Support & Development is designed using a multi-faceted approach to assist new and existing homeowners:

- Assist new households experience homeownership through down payment and closing cost assistance
- Assist existing homeowners remain in their homes by providing rehab loans and foreclosure prevention counseling
- Support the development of new housing on city-owned vacant lots
- Stabilize neighborhoods through the removal of blighted properties—rehabilitation or demolition

Connection to the Mayor's priority areas

- **Equity**—Reduce the gap in homeownership and employment rates between white and non-white residents
- **Grow the City**—Develop new housing units and assist families get in new units.

Homeownership Support & Development Enhancements

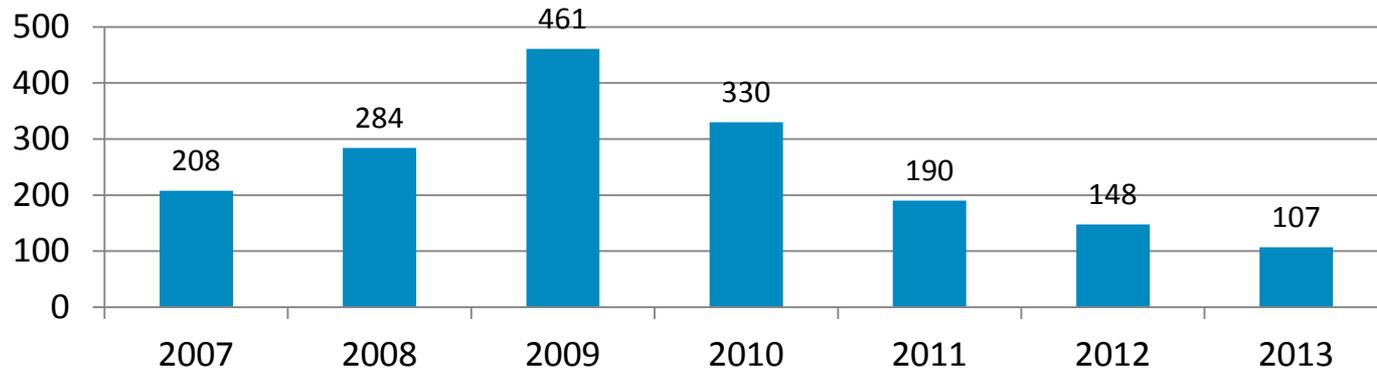
Homeownership Counseling & Outreach—\$375,000

Support an ongoing collaboration with the Minnesota Homeownership Center. This program employs a two-fold approach—assist existing homeowners in their ability to stay in their own homes. With the decline in foreclosures, the partners primary focus in 2015 will be centered around expanding the outreach to five populations—African-American, American-Indian, Asian, East African immigrants, and Hispanic. The intent is to increase the homeownership rates in these populations. Staff has commenced discussions with Minnesota Housing Finance Agency regarding their *Targeted Mortgage Opportunity Program (Targeted Mortgage Program)*. The goal of the *Targeted Mortgage Program* is to provide first mortgage financing to prospective homebuyers who are otherwise capable of maintaining successful homeownership, but are unable to access a mortgage that meets their needs. In an attempt to get these households to utilize the program, the City will partner with organizations that have existing relationships with the targeted population to perform outreach efforts.

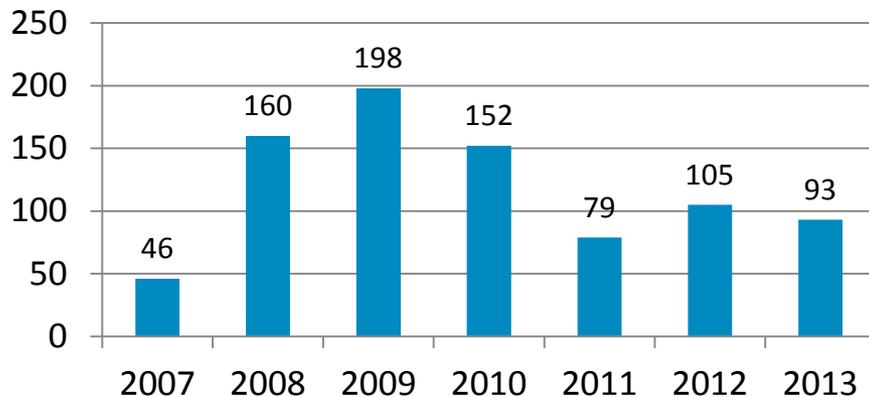
- **Possible Partnering Organizations**
 - Minnesota Homeownership Center and its network of Counseling Agencies
 - Minnesota Housing Finance Agency
 - AccountAbility Minnesota
- **Mayor's Priority Areas: Equity and Grow the City**

Justification: *Results Minneapolis* measures

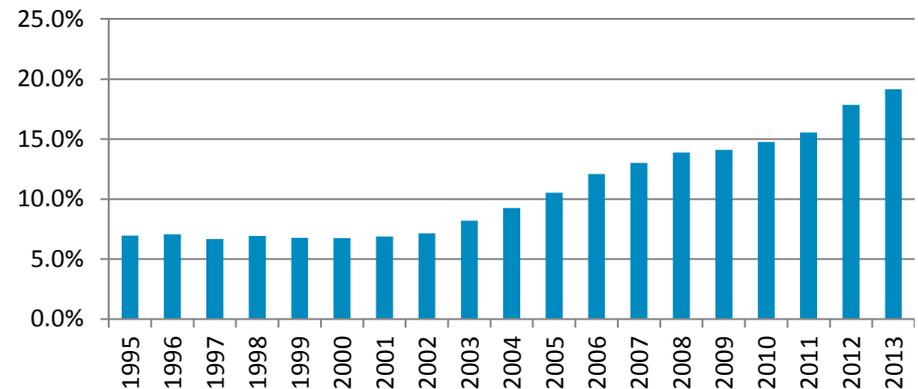
Foreclosures Prevented by Year



Home Acquisition by Year



Percent of Single Family Homes Not Homesteaded



Links to goals and values

Goals

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Great places: Natural and built spaces work together and our environment is protected	X
A City that works: City government runs well and connects to the community it serves	

Values

Does this program move the City closer to achieving any of the following values?

Equity	X
Safety	X
Health	
Vitality	
Connectedness	
Growth	X

Business Development

CPED works with businesses to start, stay and grow in Minneapolis with the objectives of equitable job growth, tax base growth and community vitality. Our toolbox includes:

- Business loans and façade grants,
- Business consulting and technical assistance,
- Site search assistance,
- Commercial real estate development, and
- Neighborhood business district support.

FEATURE: GROW NORTH, DC Group Expansion

The success of the DC Group's high tech, uninterruptible power supply business meant outgrowing their facility at 1977 W. River Rd N. As the first user of the City's new Grow North program, DC Group averted a move out of the City, and is instead investing \$7m in capital upgrades, retaining 62 and adding 33 employees in North Minneapolis.

Next Up: expansion of Unison Comfort Technologies' facility at 60-28th Ave. N., which has added 95 employees in 2014.

2014 BTAP redesign to pay-per-outcome

2013 cost per job: \$2,750

2014 Q1 cost per job: \$545

FEATURE:

Rabbit Hole, Midtown Global Market



With guidance from a City technical assistance provider NDC, Thomas Kim and Kat Melgaard expanded the Korean-American street food concept they tested as a market stall to a prominent, full-service restaurant space at the entrance to the Market.

Responding to gaps and market failure

2014 new program with Health – loans to small businesses to meet code requirements

Business Development Enhancements

CPED requests funding to:

- Expand the **Business Technical Assistance Program (BTAP+)** (\$100,000 General Fund)
 - to address knowledge gaps for business consultants in specific technical areas such as DBE certification, food safety and code compliance, etc., and
 - To establish networking events to connect small Minneapolis businesses with buyers.
- Address policy issues of **industrial land scarcity** that are a barrier to job growth (\$100,000 General Fund)
- To prepare the **Upper Harbor Terminal** site for redevelopment. These funds are needed as a local match to leverage grants from other sources to fund redevelopment infrastructure. (\$250,000 General Fund).*

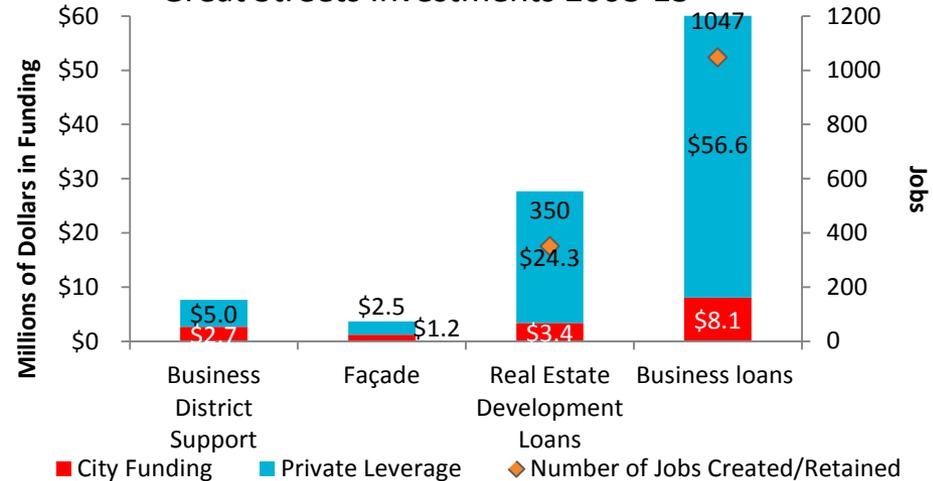
* Additional funding is requested to be drawn from the **Common Project TIF** district, a source restricted to redevelopment activities in limited geographic areas.

Justification: *Results Minneapolis* measures

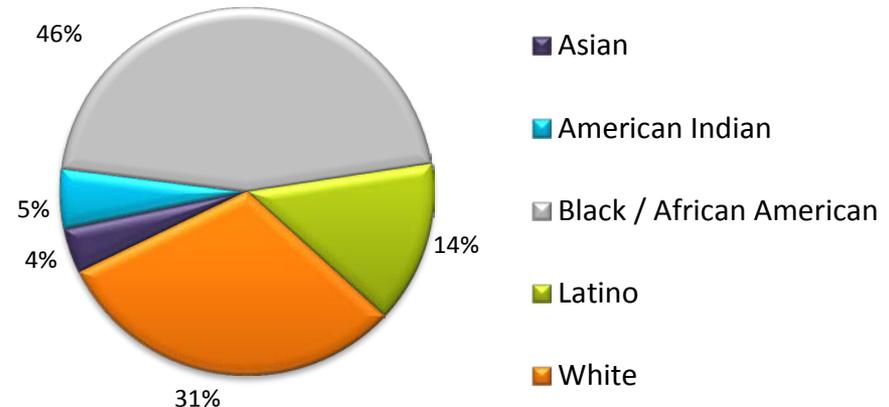
In 2013 Business Development activities:

- Provided **financing** to **105 businesses**.
- Provided business consulting services to **340 entrepreneurs** through the Business Technical Assistance Program (BTAP). Most of these businesses are minority- or women-owned.
- Welcomed **2,607 new businesses** and made **122 business visits**.
- CPED investments in commercial and residential development supported the creation and/or retention of **2,234 permanent jobs** and **9,737 construction jobs** in Minneapolis.
- We also connected **35 Minneapolis businesses** to intensive growth strategy courses offered by the Small Business Administration and Hennepin County between 2011 and 2013.

Great Streets Investments 2008-13



BTAP Participant Ethnicity 2013



Links to goals and values

Goals

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Great places: Natural and built spaces work together and our environment is protected	X
A City that works: City government runs well and connects to the community it serves	X

Values

Does this program move the City closer to achieving any of the following values?

Equity	X
Safety	X
Health	X
Vitality	X
Connectedness	X
Growth	X

Licenses and Consumer Services

- Licenses and Consumer Services manages business licensing for liquor establishments and over 200 other types of businesses, and annually licenses 11,000 small businesses and individuals. This service includes assisting business owners through various regulatory processes, license application review, background checks, and on-site facility inspections, problem business management, and the collection of license fees with an annual renewal billing system.
- The License and Consumer Services division continues to seek amendments to the code of ordinances to allow new and emerging business opportunities. Amendments to allow additional types of mobile vending, breweries, distilleries, sidewalk sales, and more entertainment options in our restaurants are a few examples of how we are growing the City. The overall number of business licenses remains steady, and some areas of commerce continue to grow.
- The work performed by the Licenses and Consumer Services Division is foundational to the goal of Living Well: Minneapolis is safe and livable and has an active and connected way of life. Strategies of quick and effective response to threats to public safety, proactive and coordinated efforts to ensure stability and to promote safety. The Division provides a safe environment for our residents and visitors by providing consistent enforcement of laws relating to liquor sales and other late night entertainment venues. License Inspectors provide over 800 hours of evening and weekend enforcement annually to control liquor establishment closing times, overcrowding of liquor venues, complaint investigations, and noisy or disruptive assembly of bar patrons. Licenses partners with the Minneapolis Police Department regarding multiple licensing issues, including special event management.

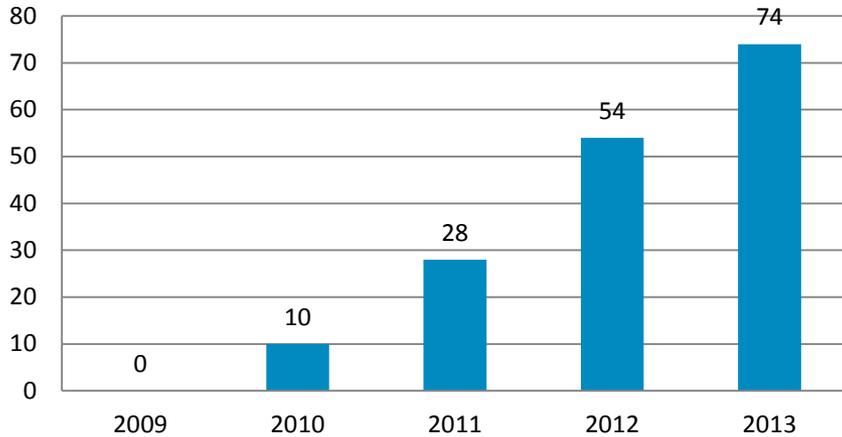
License and Consumer Services Enhancements

The License and Consumer Services division is seeking to add one License Inspector position to work with new personal transportation services known as Transportation Network Companies. Companies such as Lyft and Uber X have begun operation in Minneapolis and this new emerging industry will require monitoring to ensure the vehicles and drivers meet minimum standards. 100 % of the cost of this enhancement will be supported by license fees paid by the Transportation Network Companies.

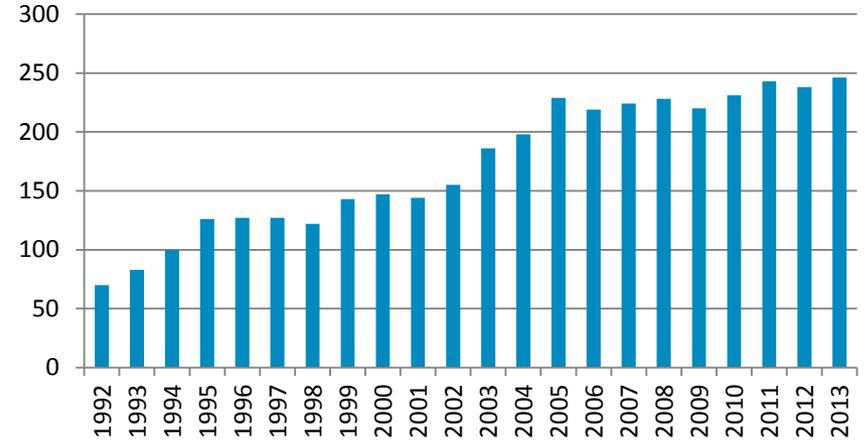
- Although this enhancement will be revenue neutral, it will **Grow the City** by adding a new personal transportation option for riders, and a new income source for several hundred citizens.

Justification: *Results Minneapolis Measures*

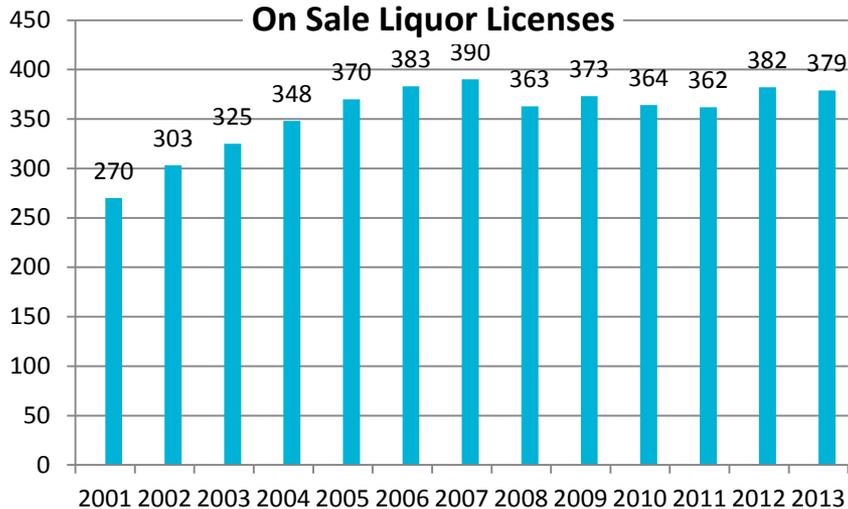
Mobile Food Vendor License History



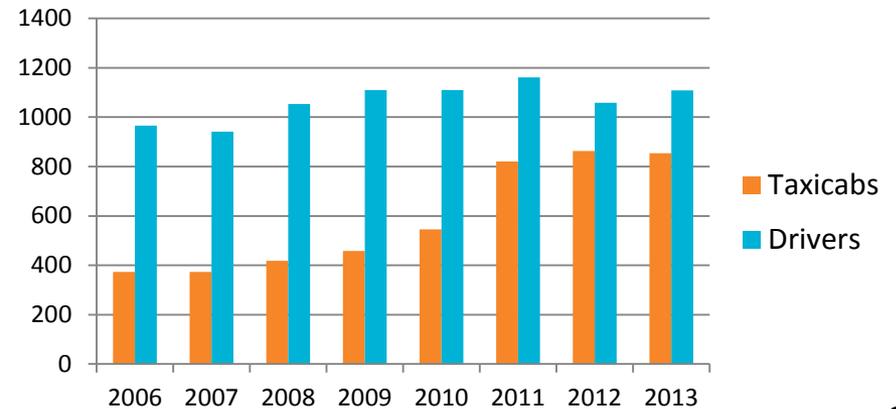
Sidewalk Cafe Licenses



On Sale Liquor Licenses



Number of Licensed Taxicabs and Taxicab Drivers



Links to goals and values

Goals

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Living well: Minneapolis is safe and livable and has an active and connected way of life	X
One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper	X
A hub of economic activity and innovation: Businesses, big and small, start, move, stay and grow here	X
Great places: Natural and built spaces work together and our environment is protected	X
A City that works: City government runs well and connects to the community it serves	X

Values

Does this program move the City closer to achieving any of the following values?

Equity	X
Safety	X
Health	X
Vitality	X
Connectedness	X
Growth	X

Adult Workforce Development

Adult Workforce Development supports Minneapolis residents in gaining employment through three programs; Minneapolis Works and RENEW Minneapolis, both serving low-income Minneapolis job seekers; and the Dislocated Worker Program, helping recently laid off adults return to the workforce. In partnership with fifteen community-based agencies the adult programs provide career counseling, job readiness training, job search assistance, and job placement.

- Many of the clients served through the program have multiple barriers to employment, including ex-offender status, lack of consistent work history, unstable housing, low educational attainment, and/or chemical dependency.

Impact: In 2013, the Adult Workforce Development programs assisted over 2,000 Minneapolis residents through employment training, career navigation, and job counseling services; where nearly 1,000 gained employment. The remaining 1,000 continue to utilize employment services provided by these programs to secure permanent or temporary employment. The average cost per participant in the adult programs is \$2,618, including tuition assistance for nearly 40% of all participants.

Equity: The Adult Workforce Development programs are explicitly designed to work towards racial equity by focusing on delivering employment services in communities and in specific neighborhoods of highest need, principally in communities of color.

- Nearly 80% of all successful job seekers using our programs are from racial and ethnic minority populations. By focusing on employment disparities for adults we can move the needle on addressing one of the most pervasive disparities in the City.

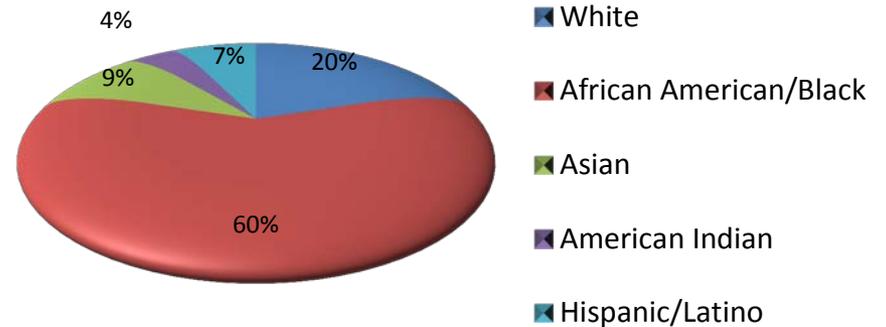
Grow the City: Adult Workforce Development programs provide residents of Minneapolis with access to the tools necessary to reenter the workforce resulting in both increased family income and longer-term financial stability for families and neighborhoods, this helps **Grow the City**.

Running the City Well: Beginning in the 1980s, Minneapolis re-organized and decentralized employment services and moved to a network of community-based non-profit and government employment services providers. These community-based providers are paid on an outcome-based, pay-for-success model evaluated and graded quarterly. This model assures that community-based agencies are accountable to taxpayers and federal, state and local sources of funding are maximized to meet the needs of communities and residents.

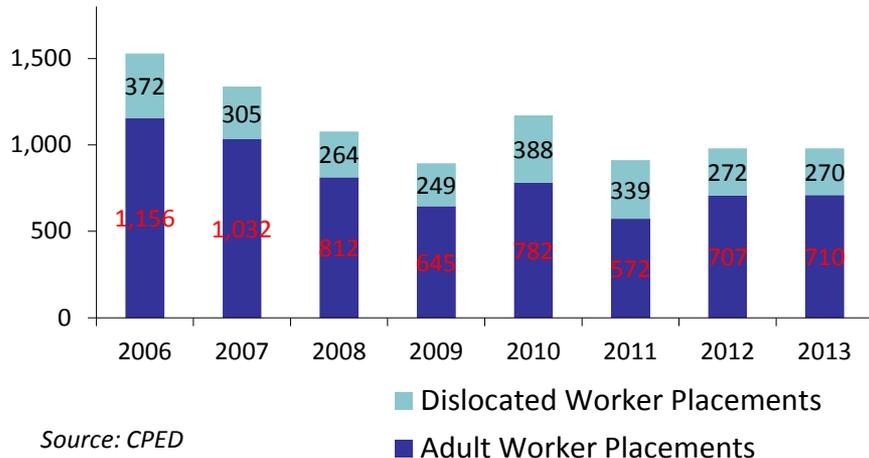
Justification: *Results Minneapolis Measures*

During the calendar year 2013, Adult Workforce Development spent:	\$5,443,058
To Serve	
2,079 Participants	We spent \$2,618 per participant, including training

Participants served by Race/Ethnicity

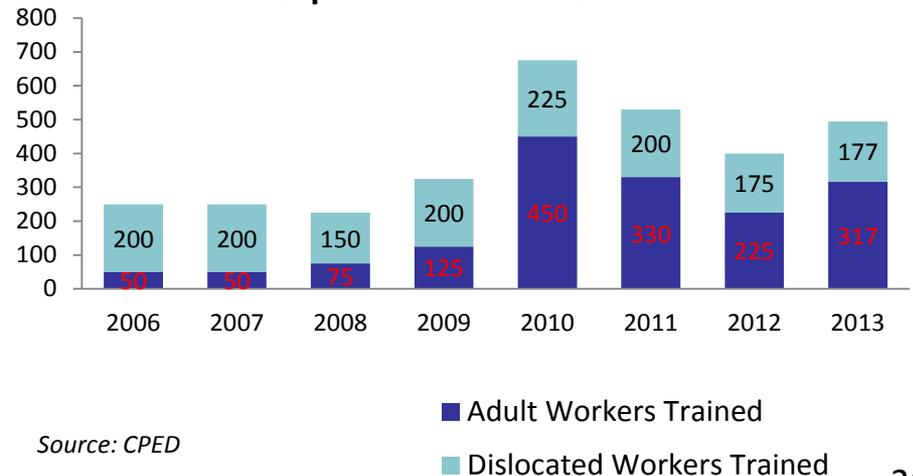


Minneapolis Adult Worker Placements



Source: CPED

Minneapolis Adult Workers Trained



Source: CPED

Links to goals and values

Goals

Does this program move the City closer to achieving any of the following goals?

Living well: Minneapolis is safe and livable and has an active and connected way of life	
One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper	X
A hub of economic activity and innovation: Businesses, big and small, start, move, stay and grow here	X
Great places: Natural and built spaces work together and our environment is protected	
A City that works: City government runs well and connects to the community it serves	X

Values

Does this program move the City closer to achieving any of the following values?

Equity	X
Safety	
Health	X
Vitality	X
Connectedness	X
Growth	X

Youth Training and Development

The City of Minneapolis Youth Programs aim to create a strong future workforce by reducing youth unemployment and racial employment disparities. The youth programs provide employment for low-income Minneapolis youth, ages 14-21, are comprised of two distinct but well linked programs; the STEP-UP Program and the Year Round WIA Youth Program. Both programs are designed to give Minneapolis youth - specifically those from minority communities, low-income families, and youth with barriers to employment - the tools to find their place within the workforce.

Impact:

1. STEP-UP, the most recognized Minneapolis youth program, serves close to 2,000 Minneapolis youth every summer, connecting them to real and valuable summer work experiences. STEP-UP interns receive critical work readiness training prior to being placed in a summer job. Through STEP-UP, youth learn good work habits, earn wages, and gain experience while providing valuable services to local businesses. Augmenting the summer job experience is the opportunity to attend camp, participate in workshops, and earn high school credit via classroom training.
2. The Year Round WIA Youth Program provides over 1,000 youth - all of whom have multiple barriers, including homelessness, high school dropouts, juvenile criminal records, etc. - with year round stabilization programming, including employment placement services. This program increases youths' long-term employability by enhancing educational, occupational, and leadership skills.

Equity: By design, the Minneapolis Youth Programs work towards racial equity in employment through the direct and deliberate focus of serving youth from underrepresented communities. In 2013, 94% of all youth served were youth of color, with 50% residing in North Minneapolis, a community with a long history of workforce underrepresentation. While targeting specific communities and racial/ethnic groups is the outreach strategy, programming is also designed to engage, enhance, and prepare diverse Minneapolis youth for future job success.

Growing the City: Without the foundation of work that STEP-UP or our year round youth programs provide, fewer Minneapolis minority youth would have exposure to a variety of careers. With this focus on youth career exposure, the City's employment programs are crucial in creating the future workforce in the metro; a workforce which will be more diverse and inclusive – which in turn will **Grow the City**.

Running the City Well: Youth Programs are designed to keep overhead costs low, get resources to youth, and leverage the private sectors' investment in youth. In 2013, STEP-UP interns earned a combined \$2.8 million in wages, of which \$1.1 was funded by private employers.

Youth Training and Development Enhancements

Enhancements: The Youth training and development program requests additional funding to maintain and enhance the youth workforce development. This increase will connect more minority youth to essential work readiness training and employment, vital preparatory skills for future employment success and financial stability. (\$75,000)

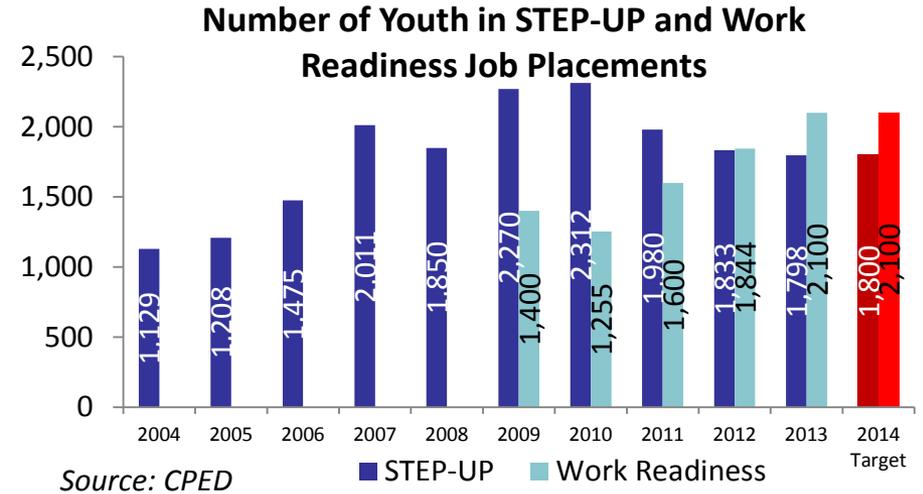
Need: In 2014, over 3,500 applications for STEP-UP were received by qualified youth in Minneapolis. Resources enable us to serve 1635 youth. This is not an uncommon trend, in 2012 and 2013, a similar situation was experienced.

Impact: Additional funding would also allow us to:

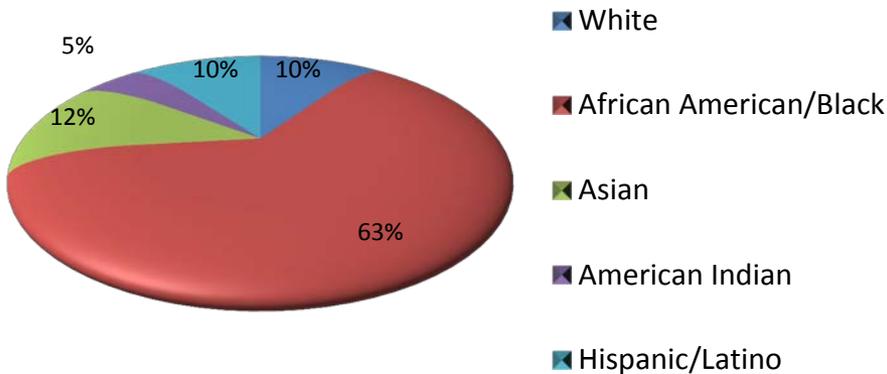
- Provide additional summer employment for low-income minority youth; gaining an opportunity to learn important new life skills, social and professional connections, and the confidence to pursue their future career goals.
- Serve a very unique group of interns better. While many youth are completing high school and transitioning to post-secondary schools or training, approximately 10-15% of STEP-UP interns have not planned their next steps after graduation. We propose to identify this group early in their internship and provide additional services not only during the summer but continue to work with them on a plan for future success upon completion of their STEP-UP experience. Funds targeted to this group would allow us to reach the young people that would traditionally have a successful summer internship and then exit STEP-UP with no job or education plan.
- Create a unique culinary arts program at North High School bringing career exposure, work experience, and healthy food options to students. Students gain knowledge and skills needed to succeed in the food industry, learn the basics of running a small business as well as obtain an industry-recognized credential (ServSafe certification).

Justification: *Results Minneapolis* measures

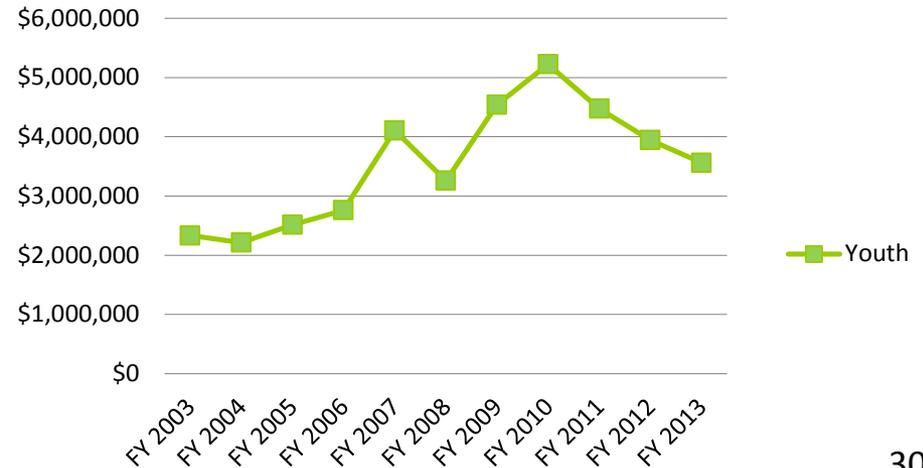
During the calendar year 2013, Youth Training and Development spent:	\$3,560,221
To Serve	
2,558 Participants	We spent \$1,360 per participant
In addition to public spending; the private sector paid \$1,100,000 in wages to STEP-UP youth interns	



Youth served by Race/Ethnicity



Budget, change over time



Links to goals and values

Goals

Does this program move the City closer to achieving any of the following goals?

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Values

Does this program move the City closer to achieving any of the following values?

Equity	X
Safety	X
Health	X
Vitality	X
Connectedness	X
Growth	X

Land Use, Design, Preservation and Zoning

Land Use, Design, Preservation and Zoning guide development as required by law, helping residents and property owners invest in the City in a way that aligns with the City's comprehensive plan and development regulations

- Manage, review and enforce land use, zoning, preservation, and environmental review applications; helping to facilitate substantial growth
- Staff and administer public processes, including public meetings of the City Planning Commission, Heritage Preservation Commission and Zoning Board of Adjustment
- Guide ongoing regulatory reform affecting land use and development
- Perform administrative reviews and provide guidance land use and preservation permits at the customer service center

Priorities:

- **Grow the City:** Minneapolis does not grow without staff review ensuring that construction aligns with the City's land use goals and standards.
- **Run the City well:** continue to implement efficiencies while ensuring that stakeholders are informed and engaged. "Make it easier to do the right thing."
- **Close the equity gap:** consistently and reasonably apply regulations. Provide consultation and guidance to customers with limited access to development-related resources.

Justification: *Results Minneapolis* measures

Land Use Applications

	City Planning Commission	Board of Adjustment	Total CPC & BoA
2013	349	117	466
2012	368	123	491
2011	335	96	431
2010	339	115	454
2009	343	128	471

Preservation Applications

	Heritage Preservation Commission*
2013	48
2012	52
2011	43
2010	47
2009	60

Major development projects -

Projects with 10 or more new dwelling units and/or 10,000 square feet of commercial space

2009	2010	2011	2012	2013
21	27	31	42	42

Note: ordinances have been amended to require fewer applications to achieve equivalent (or better) outcomes

Links to goals and values

Goals

Does this program move the City closer to achieving any of the following goals?

Living well: Minneapolis is safe and livable and has an active and connected way of life	X
One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper	X
A hub of economic activity and innovation: Businesses, big and small, start, move, stay and grow here	X
Great places: Natural and built spaces work together and our environment is protected	X
A City that works: City government runs well and connects to the community it serves	X

Values

Does this program move the City closer to achieving any of the following values?

Equity	X
Safety	X
Health	X
Vitality	X
Connectedness	X
Growth	X

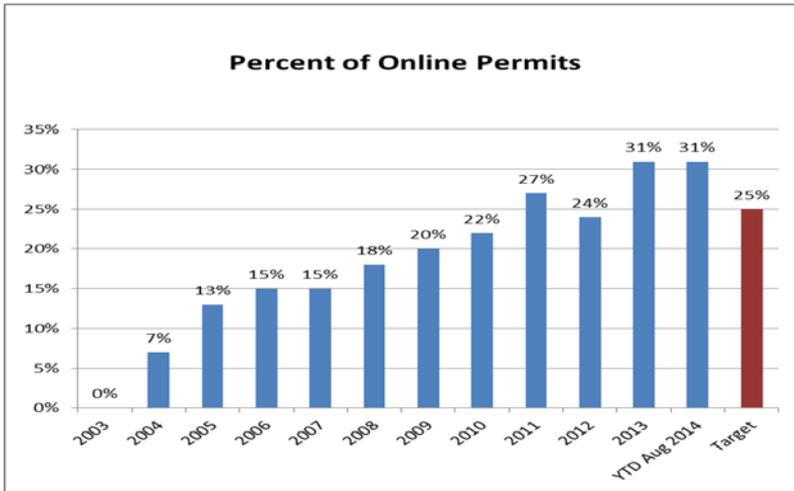
Development Services-Customer Service Center

Development Services - Customer Service Center serves as the front door and service center for the City's consolidated development activities and focuses on consistent, efficient, and streamlined customer service.

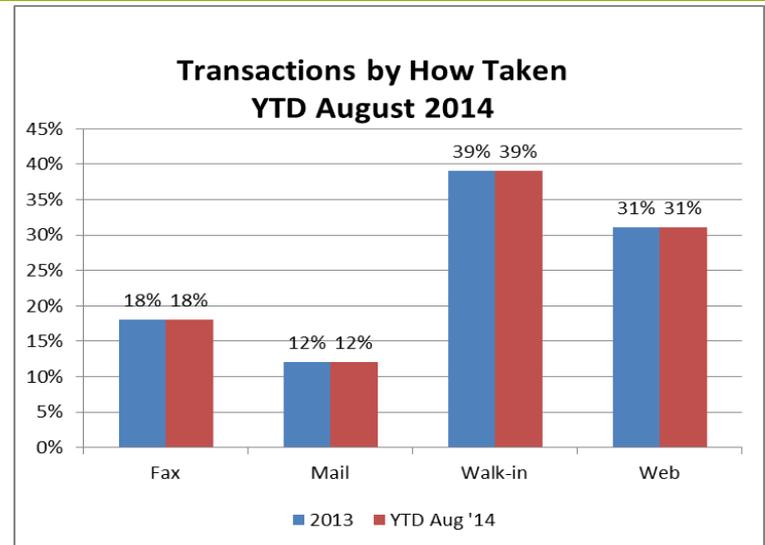
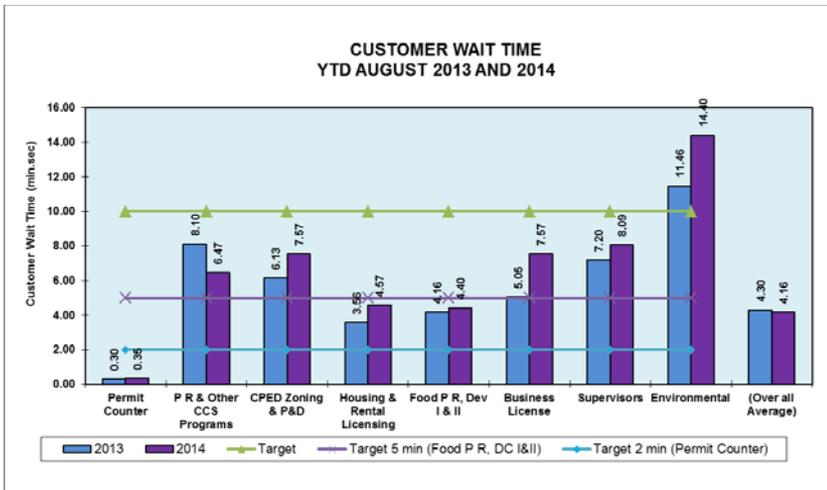
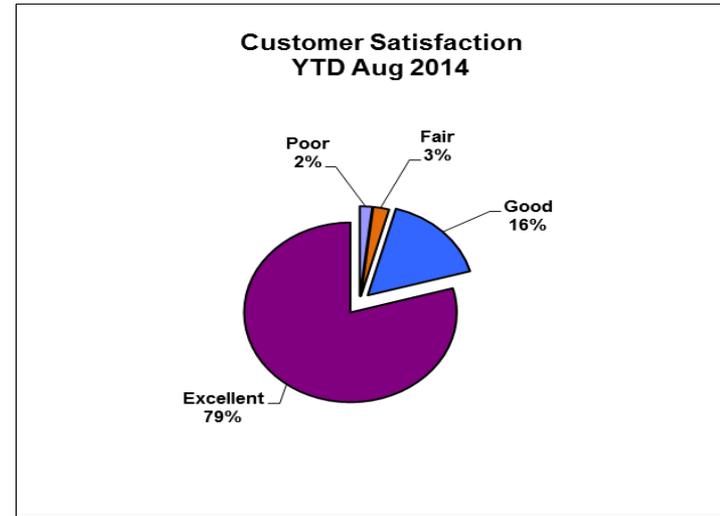
Connection to Mayor's Priorities:

- **Grow the City**
 - Development Services – Customer Service Center ensures high-quality development while requiring that building construction and rehabilitation projects meet the City's standards in terms of safety, livability and health & environmental sensitivity.
 - The Customer Service Center functions as a development hub for residents and businesses that seek to start, move, stay and grow in Minneapolis.
- **Running the City well**
 - The Customer Service Center functions as a development hub for residents and businesses in one location for efficiency.
 - The Customer Service Center issues partner department permits for business licenses, housing rental licenses, pet licenses and Public Works Critical Parking.

Justification: *Results Minneapolis* measures



(2014 goal: 25%)



Links to goals and values

Goals

Does this program move the City closer to achieving any of the following goals?

Living well: Minneapolis is safe and livable and has an active and connected way of life	X
One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper	
A hub of economic activity and innovation: Businesses, big and small, start, move, stay and grow here	X
Great places: Natural and built spaces work together and our environment is protected	X
A City that works: City government runs well and connects to the community it serves	X

Values

Does this program move the City closer to achieving any of the following values?

Equity	X
Safety	X
Health	X
Vitality	X
Connectedness	X
Growth	X

Construction Code Services

Construction Code Services ensures the comprehensive application of the Minnesota State Building Code and applicable city ordinances and consists of the three business lines of Construction Plan Review, Construction Inspections, and Programs

- **Construction Plan Review** accepts all applications for building, elevator, mechanical, and plumbing work that require a plan review and a permit. Plans are reviewed and permits are issued for these projects.
- **Construction Inspections** performs all required inspections for building, elevator, mechanical, and plumbing work covered by issued permits and respond to complaints regarding construction projects.
- **Programs** include elevator registration and annual inspections, code compliance, truth-in-sale-of-housing, certificate of occupancy, and fire escrow.

Priorities:

- **Grow the City** is key to all of CCS, by inspecting and ensuring a safe, durable and quality built environment.
- CCS staff and program strive for continuous improvement to ensure the **City Runs Well** by working with other City Departments and constituents to ensure a safe, durable and quality built environment.

Construction Code Services Enhancements

CCS is requesting on-going funding to support the 2014 approved one-time funding salaries for 3 FTE's. The proposed budget supports:

- One FTE, using ongoing general fund for a Construction Management Agreement field inspector
- Two FTE's, using one-time general funds for field inspectors to cover the increased volume of required inspections

With additional funding of two FTE's, staff will be able to meet services level standards due to the increase of recent and anticipated work levels currently being seen in the construction activity and complexities of these buildings. The work levels for inspections will exist for three on current projects. If the levels of construction continue, as expected, the need for this staffing level will continue for additional years.

The enhancements requested will contribute to our goal to **Grow the City**

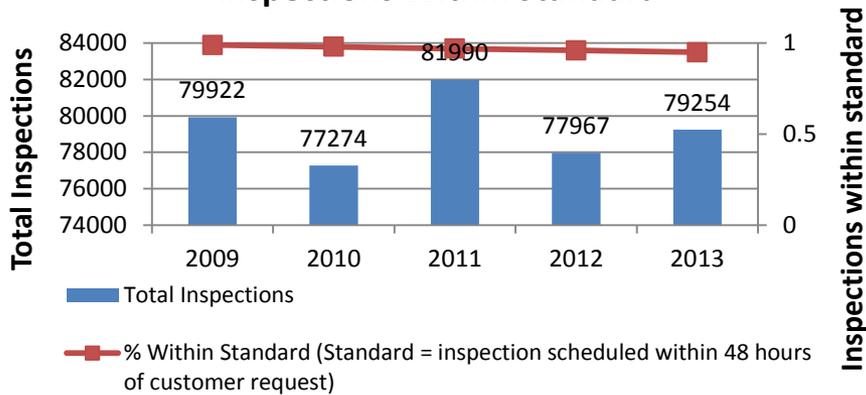
- Increased construction activity generates other development, there is job creation and reduced unemployment, the city is viewed as an opportunity by other businesses.
- Increased fee revenue supplements the general fund.

The enhancements requested will contribute to **Running the City Well**

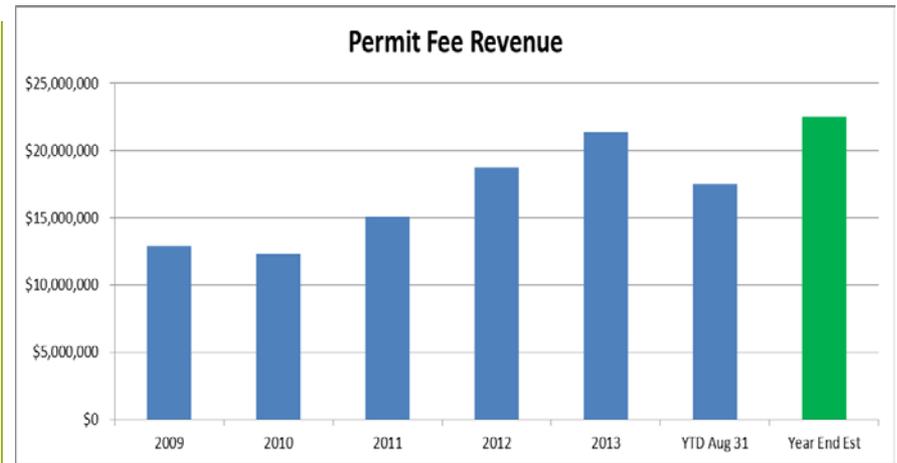
- The additional staff provide increased customer service to the residents, businesses, and customers seeking inspection services.

Justification: *Results Minneapolis* measures

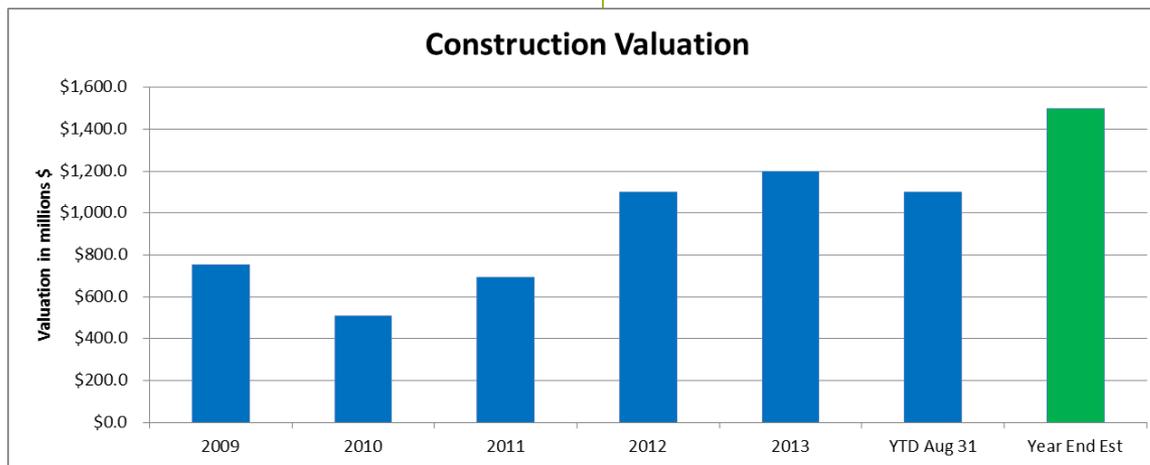
CCS Total Inspections Performed and Inspections Within Standard



Permit Fee Revenue



Construction Valuation



Links to goals and values

Goals

Does this program move the City closer to achieving any of the following goals?

Living well: Minneapolis is safe and livable and has an active and connected way of life	X
One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper	X
A hub of economic activity and innovation: Businesses, big and small, start, move, stay and grow here	X
Great places: Natural and built spaces work together and our environment is protected	X
A City that works: City government runs well and connects to the community it serves	X

Values

Does this program move the City closer to achieving any of the following values?

Equity	X
Safety	X
Health	X
Vitality	X
Connectedness	X
Growth	X

Transfers & Debt Service

Transfers & Debt Service relates to the administration and management of certain CPED financial resources, both with external partners and between CPED funds. This program provides for the transfer of revenues necessary to pay annual debt service on bonds and other contractual obligations issued to undertake various CPED activities as well as the internal transfer of eligible revenues to finance CPED development activities.

Links to goals and values

Goals

Does this program move the City closer to achieving any of the following goals?

<p>Living well: Minneapolis is safe and livable and has an active and connected way of life</p>	
<p>One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper</p>	
<p>A hub of economic activity and innovation: Businesses, big and small, start, move, stay and grow here</p>	
<p>Great places: Natural and built spaces work together and our environment is protected</p>	
<p>A City that works: City government runs well and connects to the community it serves</p>	X

Values

Does this program move the City closer to achieving any of the following values?

Equity	
Safety	
Health	
Vitality	
Connectedness	
Growth	

Operating capital request - CARS

PROJECT DESCRIPTION	TYPE	REQUESTED AMOUNT	RECOMMEND AMOUNT	OTHER FUNDING	RECOMMEND GEN FUND AMOUNT	ANNUAL OPERATING COST
Anticipated hardware requirements in anticipation of the rollout of ELMS.	Repl	168,500	150,000	0	150,000	0
Qty (3) Ford Escapes with computer stands \$24,500	Add	35,000	35,000	0	35,000	11,400

*reflects only items recommended – for details of other requests, please see CARS Report

CLIC capital request

- CPED requested \$545,000 in 2015 for Arts in Public Places.
- Mayor recommends a one year hiatus in funding based upon unspent balance from prior years.
- Mayor's recommendation restores funding for 2016-2019.

2015 Budget Compared to 2014

Prog #	Program Name	2014 ADOPTED	2015 MAYOR'S RECOMM.
Prog 1	Long Range Planning	3,150,119	2,420,983
Prog 2	Affordable Housing Dev	12,039,522	11,864,044
Prog 3	Homeownership Support and Dev	6,006,566	6,002,493
Prog 4	Business Development	9,781,429	7,448,365
Prog 5	Business Licensing	4,104,169	4,273,488
Prog 6	Adult Workforce Development	5,223,221	5,355,001
Prog 7	Youth Training and Development	3,909,570	3,956,671
Prog 8	Land Use, Design and Preservation	3,516,069	3,572,224
Prog 9	Development Services - CSC	2,860,532	2,861,680
Prog 10	Construction Code Services	11,016,064	10,964,912
Prog 11	Pre-Development Activities	879,141	
Prog 12	Transfers and Debt Service	36,401,013	35,854,944
	TOTAL	98,887,415	94,574,805

How is the department doing?

- CPED Housing Development continues to produce significant results in stabilizing the most challenged housing markets in the City. In 2013, 78 ownership units and 563 rental units at 60% AMI were produced
- In 2013, CPED investments in business and development, including Great Streets, Business Technical Assistance Program (BTAP), Brownfields and Housing created or retained 12,000 jobs
- CPED Development Services maintained 97% customer satisfaction, and inspections turnaround standards, while engaging in record setting construction activity
- For the third year in a row Minneapolis has more than \$1 billion in construction projects approved. In 2014, we achieved this benchmark in mid-August; 2 months earlier than 2013

2015 Expenditure Budget Highlights

- Ongoing general fund increase of \$924,000; One time general fund increase of \$1.675 million
- 2 additional FTE ongoing; 2 additional FTE one time
 - \$200,000 ongoing for Homelessness initiative
 - \$250,000 ongoing and \$125,000 one time for Homeownership Counseling and Outreach
 - \$100,000 ongoing for Business Technical Assistance
 - \$75,000 ongoing for Youth Training and Development
 - \$1,000,000 one time for Affordable Housing Trust Fund
 - \$250,000 one time for Upper Harbor Terminal planning activities
 - \$100,000 one time to address industrial land capacity policy issues
- CARS funding of \$185,000 – Land Management System hardware and vehicles
- Non general fund reduction of \$6,200,000
- Development fund balances will be drawn down, and rollover funding will be used to maintain current service levels, e.g. Great Streets
- Service/production levels may be impacted:
 - Increased inspections workload caused by unprecedented permitted construction activity
 - Capital Acquisition Revolving Fund
 - Grow North homebuyer assistance
 - Upper Harbor Terminal

2015 Revenue Budget Highlights

- \$2.6 million in additional revenue, excluding transfers
- \$2.2 million of this revenue goes to the general fund, generated by unprecedented values and number of development/building permits issued
- Unique construction activity of 2014 (stadium and Ryan) has spurred additional development – revenues, and workload, are expected to remain high in 2015

Questions?

THANK YOU