



**Request for City Council Committee Action  
From the Department of Community Planning & Economic Development**

**Date:**

**To:** Council Member Lisa Goodman, Community Development Cmte  
Council Member Barbara Johnson, Ways and Means/Budget Cmte

**Prepared by:** Judy Cedar, Project Coordinator Phone 612-673-5025

**Presenter in**

**Committee:** Judy Cedar, Project Coordinator

**Approved by:** Chuck Lutz, Deputy CPED Director \_\_\_\_\_

**Subject:** Fund Appropriation of \$49,000 LEVY Fund for a Lake Street  
Council Commercial Fix and Paint Program Grant

**RECOMMENDATION:** Amend the 2004 General Appropriation resolution by increasing the Community Planning & Economic Development agency LEVY Fund SCDCC appropriation by \$49,000 and authorize appropriate staff to execute a Grant Agreement.

**Previous Directives:** MCDA Board of Directors approved former grants for the Lake Street Council's Fix & Paint Program in 2002, 2000, 1998, 1995 and previous years.

**Financial Impact** (Check those that apply)

- No financial impact - or - Action is within current department budget.  
(If checked, go directly to next box)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact** (Summarize below)

**Ward:** Wards 6, 8, 9 and 10 benefit from the LSC's Fix & Paint Program

**Neighborhood Notification:** Neighborhoods directly affected by this program were notified of LSC's request for further funding of the Fix & Paint Program. These neighborhoods have consistently supported grant awards to LSC for their Fix & Paint Programs since 1982.

**City Goals:** Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.

**Comprehensive Plan:** This proposal is consistent with the Minneapolis Plan's goal of creating strong, vital commercial corridors.

**Zoning Code:** Not applicable.

**Living Wage/Job Linkage:** Not applicable

### **Supporting Information**

The Lake Street Council's (LSC) Fix & Paint Program offers small businesses and commercial property owners a grant up to \$2,000 to improve their property and the overall image and appearance of the Lake Street Corridor. A reimbursement type grant, of 15% to 30% of the cost of improvements, is based on the visibility of the work completed and paid for by the business or property owner. Since 1982, the LSC has awarded more than \$1.4 million dollars in Paint & Fix grants. LSC represents the commercial, industrial and professional business community in the greater Lake Street corridor. Their Fix & Paint Program serves Lake Street from the Mississippi River to Lake Calhoun.

Their current grant contract has leveraged, to date, \$9.40 for every grant dollar dedicated to the program. Approximately \$443,300 in commercial improvements have been completed using approximately \$42,500 grant funds from the current LSC grant agreement. A total of 24 businesses have improved their properties using the current Fix & Paint Grant Agreement funding. LSC dedicates \$7,500 of the grant award for their administrative costs and \$41,500 for direct grants to eligible business owners. The last two grant agreements, years 1998 and 2000, assisted a total of 53 businesses and yielded a melded public to private ratio of 1:6.5.

An itemized report of the current grant program is attached. The CEDF/LEVY Review Committee reviewed and approved the request by LSC for additional funding to continue this program.

The following table shows a summary of the Commercial Corridor LEVY Fund SCD:

PROJECT NAME:	Amounts Approved
Commercial Node Analysis	\$376,421.00
Lake Street Corridor	\$82,550.00
LISC Years 3 & 4	\$226,000.00
All Weather	\$206,000.00
AINDC (Snyder Roof)	\$40,000.00
LISC Year 5	\$100,000.00
SUBTOTAL	\$1,030,971.00
COMMERCIAL CORRIDOR LEVY FUNDS	\$2,000,000.00
Subtotal of Approved Projects	\$930,971.00
REMAINDER AVAILABLE FOR OTHER PROJECTS	\$969,029.00
Potential New Project Uses	
Ritz	\$100,000.00
Fix & Paint - Lake Street	\$49,000.00
Subtotal of Potential Projects	\$149,000.00
Remainder minus Potential = Unreserved	\$820,029.00

Leverage 1: 9.4

**NEDF YEAR 27 (2001-02)**

(The NEDF year corresponds to the CDBG program year even if the project does not use CDBG funds)

**ORGANIZATION:** Lake Street Council VENDOR# 13336  
**ADDRESS:** 919 East Lake Street, Mpls, MN 55407 PC# 4778  
**PROJECT:** Commercial Fix & Paint Fed Tax ID: 41-0975738  
**CONTACT PERSON:** Ted Muller LSC Office: 822-0232 Home: 823-3269 Fax: 825-6986  
 (Grants \$41,500 Admin: \$7,500) Cell: 386-5728  
**CODING:** FNAO 340 34538015 02 RP09  
**CONTRACT #** C-18338 Non-CDBG

**AUTHORIZATION AMT:** \$49,000.00  
**AMOUNT OF CONTRACT:** \$49,000.00  
**REMAINING BALANCE:** \$6,436.70

INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	REMAINING BALANCE	BUSINESS ADDRESS	PRIVATE LEVERAGE	TOTAL COST	DRAWN TO DATE	WARD
1	10/4/2002	\$1,716.00	\$47,284.00	Tom Roberts Lake & Nicollet	\$5,491.00	\$7,207.00	\$1,716.00	8
2	10/4/2002	\$825.00	\$46,459.00	Café Thang Bom 2650 Nicollet	\$4,673.00	\$5,500.00	\$2,541.00	8
3	12/5/2002	\$940.00	\$45,519.00	Walter Hagen 2800 Lyndale S	\$3,760.00	\$4,700.00	\$3,481.00	6
4	12/6/2002	\$934.20	\$44,584.80	Prades LLC (dom 2801 26th Ave;	\$4,610.80	\$5,545.00	\$4,415.20	9
5	12/13/2002	\$2,000.00	\$42,584.80	Manuel Gonzalez 2700 East Lake	\$137,793.00	\$139,793.00	\$6,415.20	9
6	1/10/2003	\$1,351.00	\$41,233.80	A & J Fish & Chi 717 East Lake S	\$3,152.00	\$4,503.00	\$7,766.20	8
7	6/30/2003	\$2,000.00	\$39,233.80	G C Peterson Mar 381.5 East Lake	\$12,600.00	\$14,600.00	\$9,766.20	9
8	6/30/2003	\$1,800.00	\$37,433.80	All State Construc 2610 1st Avenue	\$4,200.00	\$6,000.00	\$11,566.20	6
9	7/2/2003	\$2,000.00	\$35,433.80	Atticus Developm 2937 Lyndale S	\$22,999.45	\$24,999.45	\$13,566.20	6
10	7/30/2003	\$1,623.60	\$33,810.20	Custom Camera 823 West Lake	\$6,494.40	\$8,118.00	\$15,189.80	6
11	7/30/2003	\$322.00	\$33,488.20	Bodybags Limitec 2817 Lyndale S	\$752.00	\$1,074.00	\$15,511.80	10
12	8/11/2003	\$2,000.00	\$31,488.20	Schaezlein Saddle 413 West Lake	\$9,840.00	\$11,840.00	\$17,511.80	6
13	8/11/2003	\$2,000.00	\$29,488.20	Housing Urhinite 131.5 E Lake St	\$18,110.00	\$20,110.00	\$19,511.80	1
14	10/1/2003	\$2,000.00	\$27,488.20	J Michaels Comp. 2608 1st Avenue	\$6,500.00	\$8,500.00	\$21,511.80	6
15	10/1/2003	\$2,000.00	\$25,488.20	Ingetretsen's 1601 East Lake	\$6,500.00	\$8,500.00	\$23,511.80	9
16	10/1/2003	\$124.50	\$25,363.70	Baraka Rugs 1630 East Lake	\$290.50	\$415.00	\$23,636.30	9
17	10/1/2003	\$3,750.00	\$21,613.70	Administrative Fe NA	\$0.00	\$3,750.00	\$27,386.30	-
18	12/8/2003	\$1,547.00	\$20,066.70	2900 Evilding 2900 Aldrich St	\$5,258.00	\$6,785.00	\$28,933.30	10
19	12/8/2003	\$2,000.00	\$18,066.70	MMMS Properties 301.5 12 Ave Sc	\$84,795.00	\$86,795.00	\$30,933.30	9
20	12/8/2003	\$2,000.00	\$16,066.70	Pass Properties 2536 18th Ave;	\$18,970.00	\$20,970.00	\$32,933.30	6
21	2/12/2004	\$2,000.00	\$14,066.70	Electra Tune, Inc. 4522 East Lake	\$13,050.00	\$15,050.00	\$34,933.30	9
22		\$450.00	\$13,616.70	Howard Realty In 711 East Lake	\$1,030.00	\$1,500.00	\$35,383.30	8
23	2/12/2004	\$2,000.00	\$11,616.70	Fiant Dental 2937 Lyndale	\$17,592.80	\$19,592.80	\$37,383.30	6
24	6/28/2004	\$2,000.00	\$9,616.70	Michael Dooley 4300 E Lake	\$4,830.00	\$6,830.00	\$39,383.30	9
25	6/28/2004	\$1,575.00	\$8,041.70	G C Peterson M 381.5 East Lake	\$3,675.00	\$5,250.00	\$40,958.30	9
26	7/28/2004	\$1,605.00	\$6,436.70	Corner Store 900 Lake	\$3,745.00	\$5,350.00	\$42,563.30	8
totals		\$42,563.30			\$400,733.95	\$443,297.25		



# Lake Street Council

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- Lake Street Council  
Officers & Directors  
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(Ingebretsen's)
- Vice President**  
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- Mohamed Jibrell  
(Goodwill Easter Seals)
- Gary Schiff  
(MPLS City Council 9th Ward)

April 21, 2004

Mr. Chuck Lutz, Director  
CPED  
Crown Roller Mill, Suite 200  
105 5<sup>th</sup> Avenue South  
Minneapolis, MN 55401-2534

Dear Chuck:

Please use this letter as an official request from the Lake Street Council to apply for the future funding and the continuation of our Fix and Paint Program for 2004-2005. If possible we would like to receive these funds under the same terms, conditions and contract as the previous grant funds that were allocated to this program over the past several years.

As you well know the renaissance and improvements currently being experienced within the commercial corridor of Lake Street are fantastic and we have now begun to see the results of all our hard work and efforts. The Fix and Paint Program have assisted the growth and economic development within the Lake Street Corridor and will continue with the help of this program if grant funds are made available to our small businesses and commercial property owners.

In addition to increased property values we have also seen many hundreds of thousands of personal dollars invested in the area since this is a matching grant program and money is not paid unless the business or property owner is willing to spend out-of-pocket money to get the work completed. The ratio is 15% grant funds vs. 85% personal funds for no visibility projects, 20% for low visibility projects, and 30% for high visibility projects. And since the CAP on this program continues to be \$2,000 the ratio of grant funds vs. personal dollars is even greater than the ratios indicated above.

Another favorable statistic of this program is the increase in employment. As businesses have grown and become more popular the number of positions has also increased.

Please approve these grant funds as requested.

Thank you,

Ted Muller, Executive Director

cc. Councilmember, Gary Schiff  
9<sup>th</sup> Ward