

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

Date: January 27, 2009

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

Subject: Great Streets Façade Improvement Program Administration contracts

Recommendation: Authorize CPED staff to negotiate contracts for Façade Improvement Program Administration with the African Development Center, Field Regina Northrop Neighborhood Association, and Victory Neighborhood Association, consistent with recommendations provided herein.

Previous Directives: (1) On May 2, 2008 the City Council approved two-year contracts for Façade Improvement Program Administration, allocating \$400,000 between eleven community organizations/contracts. (2) On April 27, 2007, the City Council reviewed and adopted the Great Streets Neighborhood Business District Program, including expanding façade improvement support to neighborhood commercial nodes.

Prepared by: Rebecca Parrell, Project Coordinator (673-5018)

Approved by: Charles T. Lutz, Deputy Director, CPED _____

Catherine A. Polasky, Director, Economic Policy and Development _____

Presenter in Committee: Rebecca Parrell

Financial Impact

No financial impact- funds have been allocated to the Great Street program through the budget process
Action is within the Business Plan

Community Impact

Neighborhood Notification: The RFP was issued on October 14, 2008, with an official announcement email to all NRP neighborhood groups, business associations, and community development corporations.

City Goals: A safe place to call home * One Minneapolis * Connected communities
Enriched environment

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: 4.1 Minneapolis will encourage reinvestment along major urban corridors as a way of promoting growth in all neighborhoods
4.3 Minneapolis will support development in Commercial Corridors where it enhances the street's character, improves its ability to accommodate automobile traffic and foster pedestrian movement, and expands the range of goods and services offered.

Zoning Code: NA

Living Wage/Business Subsidy Agreement: NA

Job Linkage: NA

Supporting Information

The Great Streets façade improvement matching grant program has four primary goals: to stimulate visible investment in businesses and buildings, create healthy and attractive neighborhood business districts, enhance the sense of place, and develop collaborative relationships between administering organizations and businesses in their service area.

CPED staff issued the second Great Streets Façade Improvement Program Administration Request for Proposals (RFP) on October 14, 2008, with proposals due November 25, 2008 (Exhibit A). Areas eligible for façade improvement contracts include commercial corridors, commercial nodes, LRT station areas, and downtown neighborhood business districts. Organizations eligible to apply for these areas include community development corporations, business associations, neighborhood organizations and other entities that have the demonstrated capacity to perform the work proposed. Organizations administering Great Streets Façade Improvement Programs are responsible for spearheading the marketing effort, energizing local merchants and property owners, staffing a location where businesses can go for assistance, keeping records, and managing funds responsibly.

The RFP outlined five evaluation criteria for reviewing proposals:

- organizational and staff experience and capacity to administer the program;
- the organization's marketing plan for the program;
- the strategies, processes, and criteria for achieving high quality improvements that are consistent with the program's Design Guide, and where applicable, area-specific design guidelines;
- alignment with recent or pending planning efforts or public investments in infrastructure, public facilities, or multifamily housing development; and
- whether the area(s) to be served are Great Streets priority target areas.

The April 2007 Council action adopting the Great Streets program categorized commercial corridors and LRT station areas as intervene, support, or monitor based on several measures of economic health, need, and opportunity. Commercial nodes were added to the program later, though there were less data and analysis for nodes, so they are designated as simply priority or non-priority areas based upon the Neighborhood Economic Development Fund (NEDF) Guidelines. In early 2009, following the City Council adoption of the updated comprehensive plan, which adds a number of corridors and nodes, the commercial nodes and activity centers will also be recommended for categorization as intervene, support, or monitor.

Priority is given to applications for assistance in intervene areas, followed by priority and support areas. These categories of need also define the public-to-private match ratio available in the area. Intervene areas have a 1:1 match with a \$7,500 maximum grant, support areas and priority nodes have a 1:1 match with a \$5,000 maximum grant, and monitor areas have a 1:2 match with a \$5,000 maximum grant.

Funding Recommendations

CPED received three proposals in response to the RFP, requesting a total of \$130,000. Eleven existing two-year contracts from the first round of façade improvement grant contracts reduced the number of organizations likely to apply in this round. The low number of responses to the RFP in this round may also be related to an organizational assessment that the businesses in the service area may be less willing to invest in façade improvements in the current economy. A staff team reviewed the proposals following the evaluation criteria and point system articulated in the RFP.

Staff recommend funding all three proposals for Façade Improvement Matching Grant Administration Contracts for the full amount requested. Staff would negotiate the contracts based on the recommendations described below and the reporting requirements detailed in the RFP.

Applicant	Service Area(s) *	Amount Requested	Amount Recommended	Ward(s)
African Development Center (ADC)	<p><u>One intervene station area:</u> Cedar Riverside LRT</p> <p><u>Two support station areas:</u> Franklin LRT and Hiawatha-Lake LRT</p> <p><u>Five support commercial corridors:</u> Nicollet Ave, East Lake St, Franklin Ave, Midtown Lake, and Central Ave</p>	\$50,000	\$50,000	1, 2, 6, 8, 9
Field Regina Northrop Neighborhood Association (FRNNA) and South Chicago Avenue Business Alliance (SCABA)	<p><u>Five non-priority commercial nodes:</u> 48th and Chicago Ave S, 46th and Bloomington Ave S, 42nd and Bloomington Ave S, 42nd and Cedar Ave S, and Cedar Ave S and Minnehaha Parkway</p>	\$50,000	\$50,000	8, 11
Victory Neighborhood Association (ViNA)	<p><u>One priority commercial node:</u> 44th and Penn Ave N</p>	\$30,000	\$30,000	4

* See Exhibit B

African Development Center (ADC)

ADC offers many services to its business clients, including a variety of business workshops and one-on-one technical assistance. ADC’s staff is very experienced with loans and is well-suited to administering a business grant program. ADC proposes to serve some areas already covered by contract with other organizations. A Great Streets Façade Improvement Grant administered by ADC will help the City reach businesses that may be more connected to ADC than other neighborhood groups or business associations. The ADC proposal includes letters of support from the organization administering overlapping Great Streets Façade Improvement contracts. The proposal has a strong marketing plan and good strategies for high quality improvements. ADC will organize a group of design advisors to provide reduced rate or potentially pro bono assistance to its clients on design related issues for the façade program.

Field Regina Northrop Neighborhood Association (FRNNA) AND South Chicago Avenue Business Alliance (SCABA)

The joint proposal from FRNNA and SCABA will serve five nodes in the south central part of Minneapolis. Donna Sanders, the Director of FRNNA will act as the program administrator. She has ten years of experience with commercial matching grant programs with Bancroft Neighborhood Association and Longfellow Community Council. The proposal’s marketing plan is strong and will include personal visits to all of the businesses located in each commercial node to present the program, its potential benefits to their business, and Donna’s contact information for any assistance businesses may need in completing the application materials. The two organizations also plan on follow-up emails, phone calls, and visits. Both SCABA and FRNNA will be actively involved in marketing the program through their committee work, emails, newsletters, and websites.

Victory Neighborhood Association (ViNA)

ViNA proposes a targeted façade improvement approach for the commercial node at 44th and Penn Ave N, building from the recommendations of the organization’s recent Pedestrian Improvement Study, funded in part with a Great Streets Business District Support Grant. The Pedestrian

Improvement Study was one component of the comprehensive revitalization strategy for the 44th and Penn node, which included a vision for façade and landscape improvements for the area in addition to a plan for improving traffic and pedestrian safety at the intersection. Applying for a façade contract is a natural next step for implementation of the plan. ViNA's organizational experience includes executing seven commercial matching grants in 2006 and 2007. Demonstrated by the work the organization has done to date with the Pedestrian Improvement Study and past matching grants, ViNA has strong marketing skills and connections with area businesses and property owners.

EXHIBITS

- A. Request for Proposals
- B. Map of areas recommended herein for Great Streets Façade Improvement funding