

Minneapolis Community Development Agency

Request for City Council Action

Date: September 30, 2003

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

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

Approved by Lee Sheehy, MCDA Executive Director
Chuck Lutz, MCDA Deputy Executive Director _____

Subject: Informational Report; Results of the Minneapolis Empowerment Zone & Commercial Corridors Request for Proposals

Previous Directives: On February 5, 1999, the City Council selected Central Avenue , Lake Street, Franklin Avenue and West Broadway as priority corridors for commercial revitalization efforts. On October 4 and 15, 1999, the City Council and MCDA Board of Commissioners, respectively, approved the Guidelines for the Allocation of MCDA Commercial Corridor Funds.

Ward: N.A.

Neighborhood Group Notification: The subject's Request for Proposals was widely distributed. Each individual project requires specific neighborhood reviews prior to funding appropriation approvals by City Council.

Consistency with *Building a City That Works*: Consistent with Goal 3: Support strong and diverse neighborhoods where people choose to live; Objective A: The RFP is generally consistent with goals to support neighborhood retail services, commercial corridors and employment hubs. Each proposal will be reviewed for its consistency with the plan.

Comprehensive Plan Compliance: Each individual project will comply.

Zoning Code Compliance: N. A.

Impact on MCDA Budget: (Check those that apply)

- No financial impact - Specific project reports will require appropriation approvals
 Action requires an appropriation increase to the MCDA Budget
 Action provides increased revenue for appropriation increase
 Action requires use of contingency or reserves

___ Other financial impact (Explain):

Living Wage / Business Subsidy: Each individual project will be reviewed to determine if applicable.

Job Linkage: N.A.

Affirmative Action Compliance: All projects approved for funding through this RFP process will be required to comply with the City's Affirmative Action Requirements.

RECOMMENDATION: City Council Recommendation: The Executive Director recommends that the City Council receive and file the report.

Summary

Empowerment Zone funds and Commercial Corridor funds were combined and a Request for Proposals was issued this spring in order to identify projects, especially in the four priority corridors of the city, for funding. The proposals have been evaluated and projects have been identified for funding consideration. The following projects have been recommended for Empowerment Zone Commercial Corridor funding: Mobe Group (Sears at Lake and Chicago); Robert Fern (927 West Broadway); Neighborhood Development Center (1508 East Lake Antiques MN); Broadway Plaza (1101 West Broadway); Fish House Resaturant (Penn and West Broadway); and Juxtaposition Arts (Emerson and West Broadway). In addition, the following projects have been identified for MCDA funding: Vukani Holdings LLC/Houston's; Master Civil Construction Engineering & Electric Fetus; and Neighborhood Development Center (Antiques Minnesota). Appropriation requests and project implementation is to occur for each individual project before December 31, 2004. This informational report provides an update on the proposals and the selected projects.

Introduction

MCDA and Empowerment Zone issued a Request For Proposals (RFP) in May, 2003, to solicit projects located within Empowerment Zones and within one block of one of the four priority corridors: Lake Street - 36th Ave East to Abbott Ave South; Franklin Avenue - Mississippi River to I-35 W; Central Avenue - 18th Avenue NE to 29th Avenue NE; and, West Broadway - Mississippi River to 26th Avenue. Projects located in the city's remaining commercial corridors were also considered for funding. The RFP required all proposals to meet the goals and criteria of the funding source(s) proposed.

A total of 19 proposals were submitted on June 30, 2003 in response to the RFP. Staff reviews of the project proposals took place on July 17th and August 4th. The Commercial Corridor Review Committee evaluated the projects on July 29th. The Empowerment Board Executive Committee reviewed the proposal on August 14 and the EZ Governance Board reviewed the projects September 18th. This report summarizes the findings from the various reviews.

Funding Sources

A total of \$2.25 million has been set aside to fund this RFP cycle: \$1,250,000 from Empowerment Zone; \$500,000 of Tax Increment Commercial Corridor Funds; and \$500,000 of Community Development Block Grant Funds (CDBG).

Because each of the funding sources have restrictions on use, it was important to match the sources to projects that included appropriate uses of funds. For example, Empowerment Zone funds may only be used in designated Empowerment Zone areas, which include most but not all of the priority corridors. They are not able to be used in any of the remaining commercial corridors. Tax Increment funding is limited to uses within areas included in the Common Project and for such activities as site assembly and infrastructure. CDBG uses must meet a national objective and also carry restrictions on usage.

The Proposals

The EZ staff actually issued the RFP and did receive a total of 19 project proposals in response. These 19 project's are briefly identified in the following table:

PROJECT NAME	ADDRESS	PROJECT NAME	ADDRESS
1) Mobe Group	2828 10 th Ave So.	2) Cedar Lake Revival	1709 Lake Street
3) Vukani Holdings	2426 W Broadway	4) Manouchahr Dousti	500 E Lake Street
5) Master/Elec Fetus	Franklin & 4 th Ave.	6) Robert Fern	927-29 West Broadway
7) RS Eden	1927 W Broadway	8) NDC	1508 E Lake Street
9) CCHT	Franklin & Portland	10)Mpls Am. Indian Ctr	1530 E Franklin
11) St Anne's CDC	26 th & W Broadway	12) CCF Credit Union	907-13 E Franklin
13) Clare Housing	957 Central Ave	14) Broadway Plaza	1101 W Broadway
15) Fish House	2221 W Broadway	16) Fades of Gray	2819 Hennepin Avenue
17) Time II Talk, Inc	NA	18) Eastside Food	2551 Central Avenue
19) Juxtaposition Arts	2007 Emerson		

Of the proposals received, three are located along Lake Street; four along Franklin Avenue; seven along West Broadway; two along Central Avenue; one along Hennepin Avenue; and one out of the city limits.

Review

Various city staff met as a review team to evaluate the project proposals with the intent of categorizing funding potential for each proposal. In addition, the Commercial Corridor Review Team and the Empowerment Zone Board also met to make funding recommendations. Certain projects fell out of contention for various reasons, including ineligibility, no demonstrated gap, incomplete proposals, and/or premature proposals. Staff will continue to work on many of these projects to find appropriate funding sources and/or to assist in bringing those projects to a state of readiness for implementation. Another goal of the review team was to match up projects with funding sources. Some of the proposals did meet eligibility criteria for one funding source, but not others.

EZ Funding

The EZ Governance Board recommended funding of the following projects and amounts at its meeting on September 18, 2003. EZ funding is being recommended for six projects: The Mobe Group (\$100,000); Robert Fern Development (\$250,000); Neighborhood Development Center (Antiques Minnesota) (\$250,000); Broadway Plaza (\$350,000); The Fish House (\$100,000); and Juxtaposition Arts (\$200,000). The attached EZ Report to the Empowerment Zone Board of Directors details funding rationale for these projects.

Commercial Corridor TIF and CDBG/CEDF Funding

The \$1,000,000 of Commercial Corridor funding is being reserved for three projects: Master Civil and Construction Engineering/Electric Fetus (\$450,000); Neighborhood Development Center (Antiques Minnesota) (\$250,000); and, Vukani Holdings LLC/Houston's Market (\$300,000). All three of these projects appear to qualify for CDBG/CEDF funding. With \$500,000 of all available funds coming from Tax Increment, requiring that projects be in a Common Project District, it may become necessary to create districts for one or more of these projects in order to access the funds or it may become necessary to interchange TIF funds with CDBG/CEDF funds. Currently, it appears that NDC (Antiques Minnesota) may qualify, in part, to access some of the TIF funds. As each of these three projects becomes ready to advance to implementation stage, the project will be considered by the City Council as part of an appropriation report.

The following summarizes applicant information for the three Commercial Corridor projects. It is anticipated that this information will be revised and modified by negotiations and as the projects advance.

Master Civil and Construction Engineering/Electric Fetus - Franklin Avenue & Fourth Avenue South.

- Major expansion of the Electric Fetus (4,200 square feet), a three-story mixed-use building (14,700 square feet) and shared parking lot.
- 35 new jobs and the retention of 69 existing jobs.
- New development replaces existing blight and vacant, underutilized land.
- Total project budget is \$3,388,369.
- Taxes are expected to increase by \$93,000.
- \$450,000 of Commercial Corridor funds reflect 13% of the total budget.
- Ratio of Commercial Corridor funds to other funding is 1:7.53.
- Private investment for this project is \$2,893,626
- 85% privately financed, with a public to private leverage ratio of 1 to 5.85.
- Project Coordinator, Jim White, is assigned to this project.

Neighborhood Development Center (Antiques Minnesota) - 1508 East Lake Street.

- Renovation of the former Antiques Minnesota building for use as a community businesses and arts organization center (40,000 square feet).
- 104 new jobs (76 are considered part-time).
- Project transforms a vacant, blighted structure into one that is functional.
- Total project budget is \$2,645,822.
- Taxes are expected to increase by \$22,000.
- \$250,000 of Commercial Corridor funds reflect 9% of the total budget.

- Ratio of Commercial Corridor funds to other funding is 1:10.58.
- Private investment for this project is listed as HOBT of \$10,000
- Public to private leverage ratio is 2,645,822:0.
- Project Coordinator, John Harrington, is assigned to this project.

Vukani Holdings LLC/Houston's Market - 2426 West Broadway.

- Renovation of existing store.
- 20 existing jobs retained, 10 new jobs projected.
- Project improves interior spaces and façade, increases lighting, and provides fencing.
- Total project budget is \$500,000.
- Taxes are expected to remain static.
- \$250,000 of Commercial Corridor funds reflect 50% of the total budget.
- Ratio of Commercial Corridor funds to other funding is 1:1.
- Private investment for this project is \$250,000.
- Public to Private leverage ratio is 1:1
- Project Coordinator, Judy Cedar, is assigned to this project.

Next Steps

Staff will continue to work with the projects identified for EZ and/or Commercial Corridor funding. The Commercial Corridor funding will be appropriated on a project-by-project basis as each project is ready to advance to implementation. It may be necessary to create modifications to the Common Project in order to utilize the \$500,000 TIF funds set-aside for the Commercial Corridor projects.

West Broadway-
 Mississippi River
 to Girard Avenue

Central Avenue -
 18th Ave. NE to
 29th Ave. NE

E. Hennepin Ave. -
 Mississippi River
 to 6th St. SE

Franklin Avenue -
 Mississippi River
 to I-35W

Lake Street -
 36th Ave.S. to
 Abbott Ave. S.

Excelsior Blvd. -
 32nd St. W. to
 Lake St.

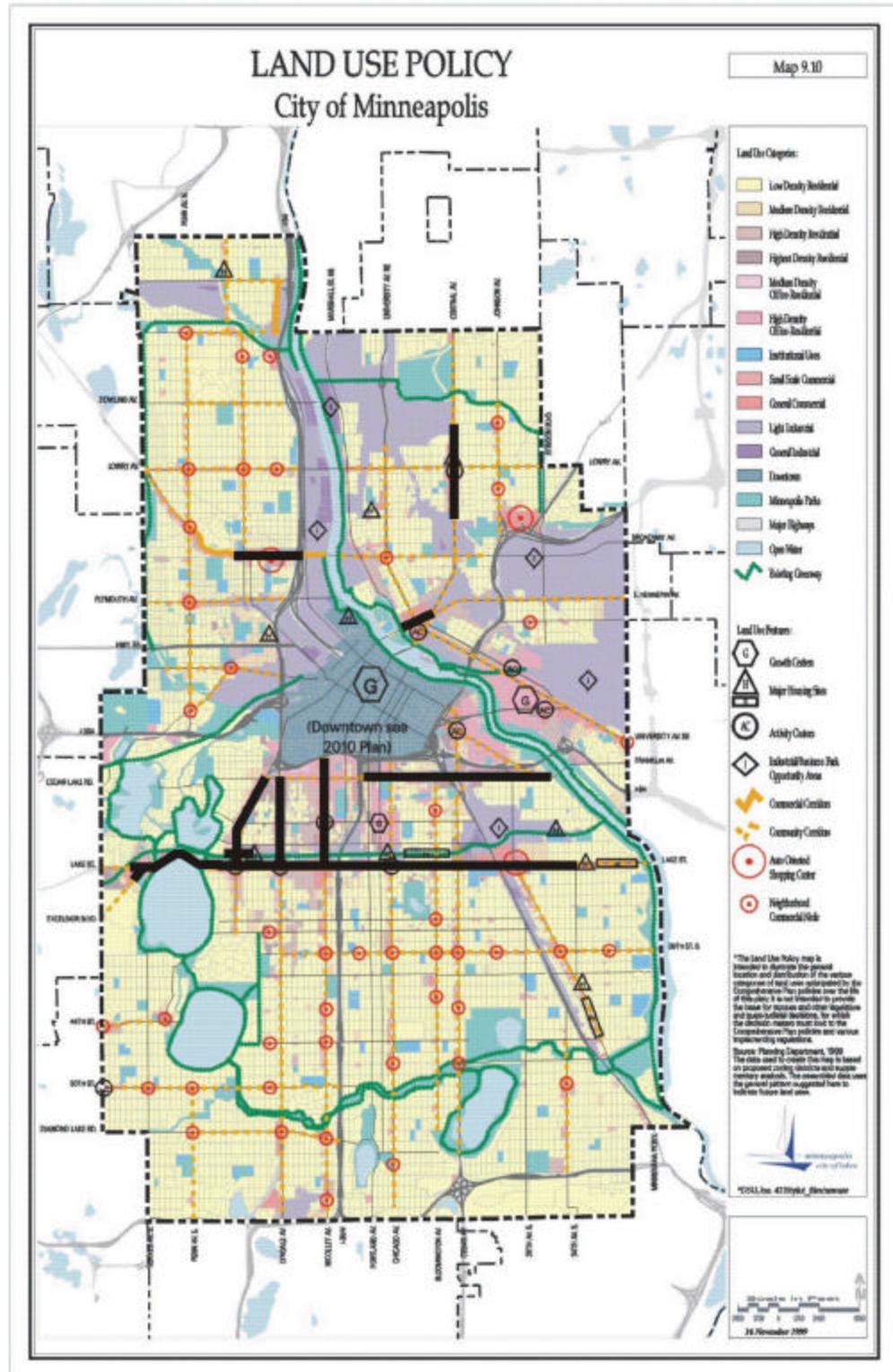
Lagoon Avenue -
 Dupont Ave. to
 Humboldt Ave.

Nicollet Avenue -
 I-94 to Lake St.

Lyndale Avenue -
 Franklin St. to
 Lake St.

Hennepin Avenue -
 Franklin St. To
 Lake St.

City of Minneapolis Commercial Corridors



Attachment to Informational Report
Commercial Corridor Recommendations Prepared for the Empowerment Zone Board of Directors

A team of nine members, approved by the Governance Board on March 20, 2003, reviewed each of the applications that met the minimum criteria, scored them and provided feedback on how they supported or did not support the approved criteria for the EZ/MCDA Commercial Corridor Request for Proposals (RFP). Each Review Committee member spent several hours reviewing each proposal and provided a summary of their analysis at the review committee meetings. The committee met two times for a total of 5 hours and all decisions were reached by consensus. The committee recommended specific projects for approval that are described below.

The board is being asked to approve only the EZ funded projects so those are the only projects you will see reviewed below. A complete list of the combined EZ/MCDA recommendations is also included in the following the report. Please see Attachment 2. The Executive Committee also reviewed the projects and the recommendations of the Review Committee on August 14th.

A. The Mobe Group, Inc (2828 10th Avenue South)

EZ GOALS ADDRESSED: Economic Development

FUNDING REQUEST: \$250,000

FUNDING RECOMMENDED BY THE REVIEW COMMITTEE: \$100,000

FUNDING RECOMMENDED BY THE EXECUTIVE COMMITTEE: \$100,000

TOTAL PROJECT COST: \$550,000

DEVELOPER: The Mobe Group, Inc

SOURCES AND USES:

<u>Sources</u>		<u>Uses</u>	
Private Equity	\$50,000	Professional fees; Admin	\$65,000
Milestone Growth Fund	\$200,000	Working capital	\$450,000
PPNA*	\$10,000	Marketing	\$15,000
Midtown Phillips*	\$10,000	Training/Development	\$20,000
MOBE*	\$15,000		
Associated Bank*	\$15,000	Total Uses	\$550,000
Minneapolis EZ	\$250,00		
* committed			
Total Sources	\$550,000		

MILESTONES:

	<u>Completed by</u>
Secure Financing	November 2003
Access system and technology; secure validation	
System/Technology Assessment	January 2003
SBA certification	December 2003
ISO certification	June 2004
Cost Estimate System	October 2003
Infrastructure Improvements	October 2003
Capital Equipment Purchases	January 2004
Start hiring and training new employees	March 2004

PROJECT DESCRIPTION: The MOBE Group request is to help increase manufacturing career opportunities for the residents of Phillips by diversifying its' customer base and industry focus while increasing its manufacturing capabilities through technology enhancement, infrastructure improvements, employee skill development, quality and minority certification. By 2007, 40 full-time employee positions and 5 part times position will be created.

Staff Rationale:

The MOBE group is losing its largest contract with 3M at the end of 2003. In order to help reposition the company, working capital funding is needed. MOBE is a minority owned company located in the Sears building and has been in business since 1997. They are a good company and have a good business plan and leadership. Staff recommends that we commit \$100,000 in the form of a working capital loan, which must be matched by an equal source such as the Milestone growth fund. Milestone ideally would be the administrator of the EZ loan funds. Of the \$100,000, up to \$50,000 could be forgiven based on a credit of \$2500 per EZ resident hired at a living wage for at least 6 months. The credit would be available for the first two years after the loan is drawn down. The loan will carry a 4% interest rate with a 5-year amortization.

B. Robert Fern Development 927 – 929 West Broadway

EZ GOALS ADDRESSED: Economic Development

FUNDING REQUEST: \$250,000

FUNDING RECOMMENDED BY THE REVIEW COMMITTEE: \$250,000

FUNDING RECOMMENDED BY THE EXECUTIVE COMMITTEE: \$250,000

TOTAL PROJECT COST: \$541,882

DEVELOPER: Robert Fern/West Broadway Area Coalition

SOURCES AND USES:

<u>Sources</u>		<u>Uses</u>	
Private Loan	\$206,000	Acquisition	\$24,955
EZ Loan	\$250,000	Demolition	\$20,000
TIF	\$25,000	Construction	\$414,900
Historic Rehab Tax Credit	\$43,892	Contingency	\$20,745
Developer Equity	\$17,000	Architect	\$33,192
Total Sources	\$541,882	Title & recording	\$5,000
		Marketing	\$5,500
		Appraisal	\$3,000
		Lease up costs	\$6,000
		Taxes during construction	\$4,000
		Constriction insurance	\$1,500
		Financing Costs	\$3,090
		Total Uses	\$541,882

MILESTONES:

	<u>Completed by</u>
Approval of REDI application	August 2003
Finalize letters of intent with new tenant	September 2003
Begin Renovations	October 2003
Elevator construction complete	January 2004
Begin renovation of Tattoo Parlor space	January 2004
Second floor space ready for occupancy	February 2004
Third floor rehab ready for occupancy	March 2004

First floor renovation complete	March 2004
Site work on parking lot complete	April 2004
Stabilization occupancy achieved	July 2004

PROJECT DESCRIPTION: This project will renovate two vacant floors of a four floor, including basement, building. The second and third floors have been gutted and will require extensive renovation prior to being occupied. The renovation plans include the addition of an elevator that will service all four stories, new second and third floor windows, a new first-floor lobby, finished office space on the second & third floors that includes bathroom & kitchen space, and the purchase of the MCDA owned parking lot immediately south of the building. The project aims to create 15 new positions, 8 full time and 7 part time.

Staff Rationale: This is a turn of the century building that has had its second and third floor windows boarded for 10 years. Its rehab will be very symbolic for West Broadway. With the EZ commitment of \$250,000 the project can fully funded and the businesses and residents on and around West Broadway will start seeing results within the next 6 months. It is a privately owned by Robert Fern, a committed redeveloper/owner. The project is receiving technical assistance from JoAnna Hicks of NDC. Of the \$250,000, up to \$50,000 could be forgiven based on a credit of \$2500 per EZ resident hired at a living wage for at least 6 months. The credit would be available for the first two years after construction is completed. The loan will carry a 4% interest rate with a 5-year amortization.

C. Antiques Minnesota Reuse (1508 East Lake Street)

EZ GOALS ADDRESSED: Economic Development

FUNDING REQUEST: \$500,000

EZ FUNDING RECOMMENDED BY THE REVIEW COMMITTEE: \$250,000

EZ FUNDING RECOMMENDED BY THE EXECUTIVE COMMITTEE: \$250,000

TOTAL PROJECT COST: \$2,634,822

DEVELOPER: Neighborhood Development Center

SOURCES AND USES:

Sources

First Mortgage	\$1,500,000
NCD REDI	\$170,000
HOBTEQUITY	\$10,000
Rehab tax credit	\$191,125
Empowerment Zone	\$250,000
MCDA CC Request	\$250,000
Midtown Phillips NRP	\$100,000
Add. NRP	\$30,000
Business Dev. Fund	\$50,000
TIF Financing	\$85,697
Total Sources	\$2,636,822

Uses

Total acquisition estimate	\$1,350,000
Sitework	\$89,800
Hazmat Abatement	\$50,000
Construction Costs	\$655,500
Tenant Finishes	\$50,000
Construction Contingency	\$79,530
Soft costs	\$359,991
Total Uses	\$2,636,822

MILESTONES:

LISC predevelopment grant & MP NRP grant
 City County Approval of RFP proposals
 Finalize financing & leases
 First and second floor rehab complete; move in

Completed by

July 2003
 September 2003
 October 2003
 Spring 2004

Third floor rehab complete; tenants move in Spring 2004
 Site work complete May 2004

PROJECT DESCRIPTION: Funds will be used to renovate the former Antiques Minnesota building from a vacant, dilapidated building into a 40,000 square foot center for community businesses and arts organizations. The front and back of the building will be rehabilitated using Crime Prevention through Environmental design (CPTED) principles. The first floor will provide space for 2-3 expanded businesses from the Mercado Central, the second floor will provide office and production space for Heart of the Beast and Galumph Theaters, and the third floor will have performance space for music & dance groups. The project will create 104 new full and part time jobs.

Staff Rationale: This building has been vacant since 1998. It has fallen into serious disrepair. It is a drain on the Bloomington Lake business node and specifically to the Heart of the Beast Theater, which has had problems controlling rodents coming in from the building. However, the building has great potential since it was built as a Masonic lodge and as such is of high quality construction. This is a project that would significantly improve the business environment of the area and add opportunities for new Latino and other businesses to expand. The EZ is recommending the board approve \$250,000 loan to NDC for the renovation. A like amount of \$250,000 is being recommended by CPED. Up to \$50,000 of the loan can be forgiven based on similar criteria to that described above. Terms will be similar to those described above.

D. Broadway Plaza (1101, 1103 & 1105 West Broadway)

EZ GOALS ADDRESSED: Economic Development

FUNDING REQUEST: \$350,000

FUNDING RECOMMENDED BY THE REVIEW COMMITTEE: \$350,000

FUNDING RECOMMENDED BY THE EXECUTIVE COMMITTEE: \$350,000

TOTAL PROJECT COST: \$1,250,000

DEVELOPER: Phil Greenberg

SOURCES AND USES:

<u>Sources</u>		<u>Uses</u>	
Private Bank Financing	\$700,000	Construction costs	\$1,130,000
Owner Equity	\$100,000	Environmental Remediation	\$100,000
CDBG	\$350,000	Acquisition & demo	\$300,000
Met Council	\$100,000	of adjacent building	
EZ	<u>\$350,000</u>	Soft Costs	<u>\$70,000</u>
Total Sources	\$1,600,000	Total Uses	\$1,600,000

MILESTONES:

	<u>Completed by</u>
Project Initiation/Contracting	October 2003
Project Financing Complete	December 2003
Project Design	December 2003
MCDA Abatement	January 2004
MCDA Building Demolition	February 2004
Project Construction Complete	August 2004

PROJECT DESCRIPTION: Broadway Plaza will be utilizing the main floor, second floor and basement of a building with 6000 square feet on each floor for retail, office and restaurant tenants. It is anticipated that approximately 25-40 new jobs will be created. The developer Phil Greenberg is the owner and manager of Broadway Shopping center and 20 years experience on West Broadway. He is committed to seeing this building originally known as the Hubbard building and built in 1890 refurbished to its original grandeur.

Staff Rationale:

1101 West Broadway is one of the most visible buildings on Broadway because of its prominence at the intersection of Emerson and West Broadway. Emerson is the one way street extension of 7th street out of downtown. This project is an historic rehab and as such is very expensive. The building can only support \$700,000 of debt. With the addition of \$100,000 in equity from the developer, the \$1,600,000 project has a gap of \$800,000. CPED staff has secured and had approved \$450,000 in funding for the project, which leaves a \$350,000 gap to be filled by the EZ. However, the funding can not be debt, it needs to be equity or a grant. Staff is recommending that the EZ contribution be an equity contribution that would be fully forgiven over ten years. If the building is sold within 10 years any funding remaining after the mortgage and developer equity has been paid back would be due to the EZ up until the full \$350,000 is repaid. After 10 years the owner would retain this equity.

E. The Fish House (2221 West Broadway)

EZ GOALS ADDRESSED: Economic Development

FUNDING REQUEST: \$100,000

FUNDING RECOMMENDED BY THE REVIEW COMMITTEE: \$100,000

FUNDING RECOMMENDED BY THE EXECUTIVE COMMITTEE: \$100,000

TOTAL PROJECT COST: \$100,000

DEVELOPER: El-Amin Enterprises

SOURCES AND USES:

Sources

West Broadway Area Coalition	\$15,000	<u>Uses</u>	
NRRC	\$5,000	Building Façade renovation	\$15,000
Property Equity	\$80,000	Building renovation	\$180,000
Empowerment Zone	\$100,000	Equipment purchase	\$5,000
Total Sources	\$200,000	Total Uses	\$200,000

MILESTONES:

Private Funding Secured	<u>Completed by</u>
Building equity secured	June 2003
Project initiation/contracting	July 2003
Construction begins	October 2003
Renovation and expansion complete	November 2003
Begin hiring process for new employees	March 2004
Project completed	April 2004
	June 2004

PROJECT DESCRIPTION: Funding will enable El-Amin Enterprises, a minority business, to renovate and update The Fish House, a restaurant/retail property. Fifty percent of the building is currently boarded and vacant. Funding will leverage private investment to open boarded space in

the current building, create a new out door dining area, install new windows throughout the building, install new security lighting, update the façade of the building, install new ceilings, floors, and walls in the currently vacant space, update restrooms and increase off-street parking.

Staff Rationale:

This is a wonderful expansion of a great local business. With the enhanced visibility of the restaurant and opportunities for indoor and outdoor dining at the restaurant sales should increase greatly from it's current revenues of \$200,000. The EZ funding would be in the form of loan with the same terms as that listed above for MOBE and Robert Fern. (4% interest 5-year amortization and the \$2500 be EZ resident hired credit for the first two years).

F. Juxtaposition Arts (2007 Emerson Avenue North)

EZ GOALS ADDRESSED: Economic Development

FUNDING REQUEST: \$249,198

FUNDING RECOMMENDED BY THE REVIEW COMMITTEE: \$150,000

FUNDING RECOMMENDED BY THE EXECUTIVE COMMITTEE: \$150,000

TOTAL PROJECT COST: \$664,972

DEVELOPER: Juxtaposition Arts

SOURCES AND USES:

Sources

Allianz Life Insurance	\$3,000
Carolyn Foundation	\$23,500
General Mills	\$25,000
Jerome Foundation	\$15,000
Lawson Foundation	\$2,300
McKnight Foundation	\$100,000
Thompson West	\$2,250
Wells Foundation	\$5,000
West Broadway Business	\$3,217
Fdns/corps \$500 or less	\$1200
Individuals	\$32,683
Connection Team	\$450
WBAC Façade program	\$10,000
(Gap)	\$382,000
Total Sources	\$664,972

Uses

Development Cost	\$46,500
Construction Cost	\$472,500
Personnel	\$68,874
Other Project Costs	\$22,700
Pre-development grant	\$54,398
Total Uses	\$664,972

Minneapolis Community Development Agency

MILESTONES:	<u>Completed by</u>
Planning	September 2003
Interior building demolition	August 2002
Secure Building permit	January 2003
Construction	September 2003
Grand opening	October 2003
Phase II	February 2005

PROJECT DESCRIPTION: Funds will be used for Implementing Phase I redevelopment consisting of the acquisition and renovation of 2,200 square foot dilapidated vacant property at 2007 Emerson Avenue North for use as a community visual arts studio, public art gallery, and Juxtaposition Arts' home base. In addition, funds were requested, but not approved, for the pre-development costs for Phase II, located at 1100, 1102 and 1104 West Broadway to create a cultural corner at West Broadway and Emerson.

Staff Rationale:

Juxtaposition Arts is an up and coming arts organization which for the first time is planting its roots in a permanent space that they own. Having lost their space in the warehouse district and then Glenwood Ave. they decided to purchase several buildings on Emerson and West Broadway through a favorable contract for deed. Their unique professional arts training provided to mostly minority youth is a one of a kind. Many of the students have gone on to become professional artists. As a result of this unique situation, EZ staff is recommending that Juxtaposition receive an investment of \$200,000 with \$100,000 being committed to program staffing of the new space and \$100,000 dedicated to the renovation of the space at 2007 Emerson. The program expense would be a grant and the building investment would be in the form of equity under the same terms as described for Broadway Plaza.

Funding Recommendations for EZ/CPED Commercial Corridor RFP

Updated: September 12, 2003

ID	Organization	Corridor	EZ Funding	MCDA Funding	Funding Rec.	Request amount
1	The Mobe Group	Lake	\$100,000.00		\$100,000.00	\$250,000.00
2	Cedar Lake Revival	Lake				\$500,000.00
3	Vukani Holdings LLC	W Broadway		\$300,000.00	\$300,000.00	\$300,000.00
4	Manouchahr Dousti	Lake				\$250,000.00
5	Master Civil & Construction Engineering & Electric Fetus	Franklin		\$450,000.00	\$450,000.00	\$494,743.00
6	Robert Fern	W Broadway	\$250,000.00		\$250,000.00	\$250,000.00
7	RS Eden	W Broadway				\$400,000.00
8	Neighborhood Development Center	Lake Street	\$250,000.00	\$250,000.00	\$500,000.00	\$500,000.00
9	CCHT	Franklin				\$675,000.00
10	Minneapolis American Indian Center	Franklin				\$500,000.00
11	St. Anne's Community Development Corporation	W Broadway				\$500,000.00
12	City-County Credit Union	Franklin				\$500,000.00
13	Clare Housing	Central				\$500,325.00
14	Broadway Plaza	W Broadway	\$350,000.00		\$350,000.00	\$1,150,000.00
15	El-Amin Enterprises - The Fish House	W Broadway	\$100,000.00		\$100,000.00	\$100,000.00
16	Fades of Gray	Hennepin				\$200,000.00
17	Time II Talk, Inc.	NA				\$100,000.00
18	Eastside Food Cooperative, Inc	Central				\$217,014.00
19	Juxtaposition Arts	W Broadway	\$200,000.00		\$200,000.00	\$249,198.00
TOTALS			\$1,250,000.00	\$1,000,000.00	\$2,250,000.00	