



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

Date: June 21, 2005

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 Northeast CDC Fix & Paint Program Grant

RECOMMENDATION: Amend the 2005 General Appropriation resolution by increasing the Community Planning & Economic Development agency LEVY Fund SCDCDC appropriation by \$49,000 and authorize appropriate staff to execute a Grant Agreement.

Previous Directives: MCDA Board of Directors approved seven former grant contracts for use in conjunction with the Northeast CDC Fix & Paint Program from 1993 to present.

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 1 and 3 benefit from the Northeast CDC Fix & Paint Program

Neighborhood Notification: Neighborhoods directly affected by this program were notified of Northeast CDCs request for further funding of the Fix & Paint Program.

These neighborhoods have consistently supported grant awards for Fix & Paint Programs in Northeast Minneapolis beginning in year 1993 to present.

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 Northeast Community Development Corporation's (NECDC) Fix & Paint Program offers small businesses and commercial property owners a grant up to \$3,000 to improve their property and the overall image and appearance of the commercial areas in Northeast, Minneapolis. The grant amount is a percentage of actual costs and based on the visibility of the work completed and paid for by the business or property owner, with eligibility at 35% for highly visible exterior improvements; 25% for low visible exterior improvements and 15% for interior improvements. Northeast Community Development Corporation represents the commercial, industrial and professional business community in the Northeast area of the City serving several communities: Columbia; Marshall Terrace; Bottineau; Sheridan; St Anthony West; St Anthony East; Logan Park; Holland; Waite Park; Audubon Park; Windom Park; Northeast Park; Beltrami and Mid-City Industrial Area.

Their current grant contract has leveraged, to date, \$10.45 for every grant dollar dedicated to the program (the leverage falls to \$7.67 when administrative amounts are included). Approximately \$390,629.65 in commercial improvements have been completed using approximately \$37,367.69 grant funds from the current LSC grant agreement. The businesses using the program employ a total of 112 full-time equivalents, with 26 ½ of those being new jobs. A total of 18 businesses have improved their properties using the current Fix & Paint Grant Agreement funding. LSC uses \$7,500 of the grant award for their administrative costs in addition to the \$41,500 for direct grants to eligible business owners.

Since the programs start in 1993, a total of 157 claims have been paid using approximately \$301,900 public dollars (includes administrative fees) and leveraging approximately \$1,243,000 in private funds. 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
Fix & Paint - Lake Street	\$49,000.00
SUBTOTAL	\$1,079,971.00
COMMERCIAL CORRIDOR LEVY FUNDS	\$2,000,000.00
Subtotal of Approved Projects	\$1,079,971.00
REMAINDER AVAILABLE FOR OTHER PROJECTS	\$920,029.00
Potential New Project Uses	
Ritz	\$100,000.00
Fix & Paint - Northeast	\$49,000.00
Subtotal of Potential Projects	\$149,000.00
Remainder minus Potential = Unreserved	\$771,029.00

NUMBER	INVOICE DATE	INVOICE AMOUNT	REMAINING BALANCE	BUSINESS	ADDRESS	PRIVATE LEVERAGE	TOTAL COST	DRAWN TO DATE	WARD
1	2/11/2003	1,012.20	47,987.80	Ready Meats	3550 Johnson St NE	5,735.80	6,748.00	1,012.20	3
2	5/13/2003	3,000.00	44,987.80	Dinsmore Cleaners	740 Adams Street NE	78,425.00	81,425.00	4,012.20	1
3	8/12/2003	3,000.00	41,987.80	Italian American Club	2223 Central Avenue	59,751.00	62,751.00	7,012.20	1
4	9/9/2003	789.00	41,198.80	LoPesio-Redeem. Love	2413 Central Avenue	4,471.00	5,260.00	7,801.20	1
5	9/3/2003	1,952.52	39,246.28	Antiquified, Inc	1519 Central	8,250.70	10,203.22	9,753.72	1
6	10/15/2003	3,000.00	36,246.28	Warner Chiropractic	2726 Johnson St NE	8,579.00	11,579.00	12,753.72	1
7	9/3/2003	766.08	35,480.20	Antiquified, Inc	1519 Central	2,158.03	2,924.11	13,519.80	1
8	12/11/2003	3,000.00	32,480.20	Doroschak Dental	230 Broadway St NE	70,483.52	73,483.52	16,519.80	3
9	12/11/2003	3,000.00	29,480.20	Keg House Develop	34 13th Avenue NE	26,586.80	29,586.80	19,519.80	3
10	12/11/2003	3,000.00	26,480.20	Eastside Food Coop	2551 Central NE	12,844.00	15,844.00	22,519.80	3
11	06/14/2004	2,000.00	24,480.20	Tom Sullivan	2548 Central NE	6,000.00	8,000	24,519.80	1
12	10/26/2004	3,000.00	21,480.20	Central Giant Wash	2524 Central NE	13,800.00	16,800.00	27,519.80	1
13	10/26/2004	910.00	20,570.20	Erte Restaurant	1304 University Ave	1,690.00	2,600.00	28,429.80	3
14	10/26/2004	662.55	19,907.65	Grand Central Grill	2205 Central	1,230.45	1,893.00	29,092.35	3
15	1/24/2005	3,750.00	16,157.65	Administrative	NA	0.00	3,750.00	32,842.35	0
16	1/31/2005	1,815.00	14,342.65	Q.arma Bldg.	1224 Quincy St NE	10,922.00	12,737.00	34,657.35	1
17	1/31/2005	3,000.00	11,342.65	Tom's Styline & Tanning	2423 Central Ave	25,000.00	28,000.00	37,657.35	1
18	1/31/2005	2,798.75	8,543.90	Stinson Automotive	3300 Stinson Blvd	8,396.25	11,195.00	40,456.10	1
19	5/18/2005	661.50	7,882.40	LaTortuga Restaurant	2411 Central NE	1,438.50	2,100.00	41,117.60	1
20	5/18/2005	3,750.00	4,132.40	Administrative	NA	0.00	3,750.00	44,867.60	NA
Totals		\$44,867.60				\$344,323.55	\$390,629.65		

NORTHEAST FIX PAINT CONTRACT #018756, 2003 -

Northeast Community Development Corporation

2535 Central Avenue NE, Minneapolis, MN 55418
(Fax) 612-378-8870

(612) 378-0050
maude@nemplschamber.org

March 14, 2005

CPED
Chuck Lutz
105 5th Avenue South
Crown Roller Mill, #200
Minneapolis, MN 55401-2534

Dear Mr. Lutz,

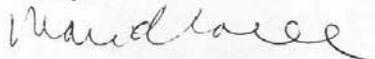
Please consider this letter an official request from the Northeast Community Development Corporation (NE CDC) to apply for future funding in regards to the continuation of our Paint and Fix Program in Northeast Minneapolis. It would be our hope to receive these funds under the same terms, conditions and contract as the previous grant funds that were allowed this program over the past many years.

The Paint and Fix program has been in existence in Northeast since 1993. During that time, the program has been an integral part of the growth and revitalization of our community and has allowed small to medium size businesses the opportunity to make necessary improvements to their space as well as afforded new businesses a chance to "start on the right foot". The continuance of this program will only serve to enhance our economic development.

From 1993 to the present, the Paint and Fix program has processed 116 applications from 97 different Northeast businesses and assisted in 246 individual improvement projects. Since February 2003 alone, private investment dollars is \$344, 323 with the creation of 26.5 new jobs. Improvements were evident in 9 of the 13 Northeast neighborhoods. These investments strengthen the vitality of both the commercial and residential community by encouraging work to be done now rather than postponing or ignoring improvements that have a blighting influence on Northeast.

If you have any questions about the Paint and Fix Program in Northeast Minneapolis, please call me at 612-378-0050. Thanking you in advance for your consideration.

Sincerely,



Maude L. Lovelle
Economic Development Coordinator
Paint and Fix Program

cc: City Council President Paul Ostrow
cc: Council Member Don Samuels
cc: Mayor R.T. Rybak
cc: Judy Cedar

COPY FW → TOM D.