



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

**Date:** April 19, 2005

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

**Prepared by:** Erik Hansen, Senior Project Coordinator, Phone 612-673-5022

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

**Subject:** Fund Appropriation of \$50,000 for Year Six of Local Initiatives Support Corporation (LISC) Commercial Corridors Revitalization Program (CCRP)

**RECOMMENDATION:** (1) Amend the 2005 General Appropriation Resolution by increasing the Department of Community Planning and Economic Development Fund SCD - Commercial Corridor – LISC (SCD-890-8933-SCDCC01) appropriation by \$50,000; and (2) authorize appropriate staff to execute a contract for Consulting Services By and Between the City of Minneapolis and Local Initiatives Support Corporation for a term effective May 1, 2005 and continuing until the December 31, 2005.

**Previous Directives:** Approved Allocations totaling \$550,000 to fund Years 1-5 of LISC's Minneapolis Commercial Corridors Revitalization Program (approvals April 2000, September 2001, January 2003, and April 2004).

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

- No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)
- 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, 3, 4, and 5 all benefit from the LISC Programs along Central Avenue and West Broadway Commercial Corridors.

**Neighborhood Notification:** The two impacted business associations are in support of Year 5 Funding of the LISC Program. Affected neighborhood groups along both corridors have supported the LISC Program funding when notified of previous

years' allocation of funds. This is a continuation of previous funding under the same program. Notice to affected neighborhoods of this funding will be issued pending Council approval.

**City Goals:** Build communities where all people feel safe and trust the City's public safety professionals and systems; and Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets ... the City will support building capacity within the business community, in order to strengthen the business community's ability to attract new businesses and foster entrepreneurship.

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

**Zoning Code:** N/A

**Living Wage/Job Linkage:** N/A

## **SUMMARY**

With approval the City will continue the Commercial Corridor Revitalization Program with the Local Support Initiatives Support Corporation (LISC) for a sixth year for Central and West Broadway Avenues. The City will match LISC's contribution with a one-to-one basis in an amount not to exceed \$50,000. Funding will come from remaining Commercial Corridor Levy funds (this action will reduce the fund to \$716,029). Year Six will differ from past years in that the City and LISC will turn to a performance based contract that requires specific goals to be reached in order to receive payment and a change to a calendar year for funding. For West Broadway, Year Six will also closer address the City's North Side economic development work plan and that focuses activities to the commercial districts at Penn and from Fremont Avenue to Interstate 94.

LISC will administer the funds with City approval of work plan, performance standards and default provisions. The City will work with the Northeast Community Development Corporation on Central Avenue and a partnership of organizations on West Broadway that could include the West Broadway Area Coalition, Northside Residents Redevelopment Council, Neighborhood Development Center, and neighborhood groups and business associations. The partnership is being formed and will depend on the specific work plan that will address stakeholder outreach, business collaboration and integration of City goals with community efforts.

## **BACKGROUND**

The City has partnered with LISC for the past five years in an effort to create higher performing commercial corridors on Central and West Broadway Avenues through the LISC program Commercial Corridor Revitalization Program (CCRP). This program promotes stronger corridors through locally based interaction and cooperation that focus on the physical appearance of the area, the commercial market, and confounding factors that discourage growth (such as the perception of crime or lack of safety). Overall the CCRP strives to address the root of the issues that adversely affect underperforming corridors and engenders a cooperative atmosphere that can build on

existing corridor assets to prepare the market place for growth and to achieve a sense of place. This sense of place turns underperforming corridors into destinations that encourage and attract positive activity, a component to the overall strategy to re-energize communities.

On Central Avenue in the past year, the program partner Northeast Community Development Corporation provided ongoing business technical assistance, continued a window merchandising and facade improvement programs, and sponsored a graffiti abatement program and spring clean up.

The past year on West Broadway, the program partner West Broadway Area Coalition worked with Pillsbury United Community to develop a job recruitment and training program to place northside residents in jobs at the new Cub Foods, continued to build relationships between Avenue businesses and community groups through update meetings on road reconstruction, creation of housing goals, and developing marketing and streetscaping plans.

See Attachment One 'LISC Outcome Summary' for more details on accomplishment and remaining challenges for Central and West Broadway.

## **CCRP IN YEAR SIX**

Year Six of the CCRP program will build on past successes, address past and present challenges, and work towards current City goals. Through collaboration with LISC, Year Six will differ from previous years. These changes will include moving to performance based contracting, shifting to a calendar year schedule, aligning activities with the City Economic Development work plans, and closer collaboration between City staff and our program partners.

City Staff and LISC will define specific roles for both Central and West Broadway program partners. See Attachment Two for an example of performance measures in place for a similar LISC program in Saint Paul. On Central Avenue this partner will continue to be Northeast Community Development Corporation (NECDC) and the Central Avenue Mainstreet Program (CAMP). In the past year, NECDC has been very successful in leveraging CCRP funds for CAMP to increase visibility of the Avenue through marketing, physical and business improvements. This culminated with a WCCO Radio feature on Central Avenue as an area "for arts and eats." Continuing City participation for CAMP is necessary to further solidify the burgeoning economic success of Central Avenue.

On West Broadway, success has been more elusive. The conditions present on and around West Broadway have hampered community efforts to achieve the same progress as on Central Avenue or other commercial corridors; such as Lake Street and Franklin Avenue where LISC and the City combined resources to assist in turnarounds of the corridors. The City needs to help attract the same positive momentum that brought Franklin Bakery to Franklin, many first-class restaurants to Nicollet and Allina to Lake Street. For the first time CPED has organized a cross-disciplinary team to help organize this effort. The team is proceeding under a simple and direct economic development work plan (see Attachment Three) which seeks continued resource support of the CCRP program on West Broadway, tied more tightly to results. CPED

staff there proposes increased controls and confined focus on program activity under the economic development work plan.

Through collaboration with LISC and community partners, Year Six CCRP on West Broadway will align with City goals and the North Minneapolis economic development work plan. The community partners' activities will be developed to address three areas: stakeholder outreach, business technical assistance, and to facilitate program implementation. These areas will assist City efforts in developing a marketing, infrastructure, and branding plan for the two focus areas. Year Six also builds on current initiatives such as the Corridor Housing Initiative, West Broadway planning (both County and City lead efforts), City's TOD grant applications, and other neighborhood marketing and business improvement efforts. One of the primary goals of these efforts will be to address the underlying factors that have hampered City efforts on West Broadway to redevelop City owned properties at 1101 and 2119 West Broadway.

Organizations on West Broadway, such as WBAC, have working relationships and connections with current businesses and community stakeholders that will lead to increased participation. The CCRP Year Six will leverage these and other community partner relationships to increase the effectiveness of City efforts.

Year Six of the CCRP program envisions a continuation of efforts in economic restructuring, design/appearance, marketing/promotion and safety. In addition, LISC will require both groups to create a clear vision of goals, encourage more business participation, secure development expertise to assist problem properties, strengthen leadership capacity, and develop a work plan that includes fundraising strategies.

## FUNDING SOURCE

The City will partner with LISC to fund Year Six CCRP. The City will match LISC on a one-to-one basis not to exceed \$50,000. Currently LISC funders have pledged \$50,000. City funding for Year Six will come from the Commercial Corridors Levy Fund (SCD). This has been the traditional source for this program. With approval the available Commercial Corridors Levy Fund will be reduced to \$765,029 for new projects. 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	<u>\$1,079,971.00</u>
<b>COMMERCIAL CORRIDOR LEVY FUNDS</b>	<b>\$2,000,000.00</b>
Subtotal of Approved Projects	\$1,079,971.00
<b>REMAINDER AVAILABLE FOR OTHER PROJECTS</b>	<b>\$920,029.00</b>
<b>POTENTIAL NEW PROJECT USES</b>	
Ritz	\$100,000.00
Crescent Moon Bakery & Deli	\$5,000.00
Central Avenue Fix and Paint	\$49,000.00
Subtotal of Potential Projects	<u>\$154,000.00</u>
Remainder minus Potential = Unreserved	<u>\$766,029.00</u>
Remainder minus Year Six CCRP	<b>\$716,029.00</b>

# Attachment One 'LISC Outcome Summary'

## Local Initiatives Support Corporation (LISC)

### CCRP Site Outcomes Summary

#### Central Avenue

##### 2004-05 Accomplishments and Key Highlights:

- The Central Avenue Mainstreet Program (CAMP) through the Northeast CDC provided ongoing business technical assistance on a variety of issues to businesses along Central Avenue. Four businesses participated in a window merchandising project. Several businesses and property owners received assistance with new awnings, façade improvements, outside seating permits, and business planning and access to capital.
- Business consultation was given to new immigrant businesses on cash flow management, enhancing visibility and marketing, land use, business planning, signage, and business expansion.
- Central Avenue was featured on WCCO Radio during the Food & Wine Experience Weekend, with remote broadcasts from Central highlighting "arts and eats in Northeast" and sponsored a booth for three Central Avenue restaurants as a "Taste of Central Avenue," which won "Best Dining Experience".
- NE CDC joined a new Graffiti Task Force and created the first "Big Brush Off" in May, at which 50 volunteers cleaned or re-painted 30 properties on or just off Central, plus re-painted all the public utilities on Central from Hennepin to 37<sup>th</sup> that had been tagged. Two weeks later, the group returned during Weed It and Reap Days and completed 21 more properties.
- NE CDC sponsored two studies with the Humphrey Institute of Public Affairs at the University of Minnesota on the market potential of Central Avenue and the impact of ethnic businesses along Central Avenue.

##### Challenges:

- NE CDC operates with a small staff, which includes a part-time program manager for CAMP. This capacity is bridged with the use of consultant assistance through the CCRP/NDC technical assistance and the Minneapolis Consortium of Community Developers. A reduction in funds through CCRP may diminish the ability to contract with needed expertise.
- NE CDC/CAMP has been attempting to capitalize a \$150,000 façade improvement program for Central Avenue. To date, \$35,000 has been committed from Waste Management. Previous façade/business improvement resources have come from NRP organizations and the City's Paint & Fix program, all of which have constrained or diminished resources.

##### 2005 Goals:

- Improve and expand business assistance services and resources. Expand façade grant program to additional Central Avenue neighborhoods. 6 new facades completed. Expand customized technical assistance and loan packaging services (with MCCD and NDC). Assist 3-4 businesses per year. Improve window merchandizing along Avenue.
- Better engage immigrant, non-white businesses. Secure a full-time business organizer/technical assistance position. Assist 6-8 businesses per year.
- Contribute to improved public safety and the perception of safety. Maintain Central Avenue Beat Cop position. NECDC will explore partnership with the police department for a satellite police office. Eliminate tagging problem.
- Promote the CAMP district. "Brand" Central Avenue ala' "District Del Sol" or "Eat Street". Design and implement campaign around via strategy.
- Facilitate economic and physical development. Broker or develop at least one new housing and/or commercial development on Central by the end of 2005. Create new options for Central/Lowry parking problem.
- Improve NECDC organizational capacity and sustainability. Transition from start-up stage to growth stage utilizing accepted nonprofit organizational development methods. Diversify revenue. Improved board functioning and minority recruitment.

## **West Broadway**

### 2004-05 Accomplishments and Key Highlights:

- The West Broadway Area Coalition (WBAC) worked with Pillsbury United Communities to develop a job training/job recruitment strategy for north side residents for the new Cub Store. 75% of the new hires were from the North side. Those hires were retained longer than most.
- The WBAC worked with several local businesses on a variety of issues: addressing illegal parking, trash can replacements, access for street repaving, and zoning changes.
- WBAC worked with Thomas and Sons and Hennepin County to diminish the difficulty for businesses that the street repaving caused. WBAC/WBBA and the construction crews held weekly briefing meetings at which all businesses were invited to attend. Many issues including parking, access, and sidewalks were handled with a minimum of disruption. The road construction was completed ahead of schedule.
- WBAC joined with Jordan Area Community Council and the Northside Residents Redevelopment Council (NRRC) regarding goals and objectives for housing on West Broadway through the Corridor Housing Initiative. Developed with planning department a policy inventory of West Broadway. Chose opportunity sites for study and choose vendor for market study of West Broadway. Set up outreach meetings for community using CCHT computer modeling and the design center.
- WBAC initiated the gateway project, which is a collaborative project with Juxtaposition Arts, CURA, NRRC and Hawthorne neighborhood to develop methods to integrate art and culture into development of the area from 1-94 to the Mississippi River.
- WBAC has also initiated planning and resource development to facilitate a broader strategic planning process for the West Broadway corridor.

### Challenges:

- Like NE CDC, WBAC also struggles to meet its goals and the daunting challenges of West Broadway given its small staff (One staff member). In the past, there has been greater conflict given particular property owner participation on the board. The organization has addressed concerns with the board representation and has elevated a local business owner as a strong board chair.
- WBAC has needed to repair relationships within the neighborhoods and with City Council members, which to some degree has been accomplished. There is significant turf battles and suspicion among the various players on the north side that WBAC staff will need to overcome.
- WBAC has been relying solely on LISC CCRP funding. They have raised some additional resources from the Otto Bremer Foundation and NRRC, but most of those resources will be directed to the strategic planning process. Financial stability for the organization may be at risk.

### 2005 Goals:

- Broker commercial, housing and mixed-use redevelopment and physical improvements along the avenue. Complete 3-4 façade and property improvements per year. Market 3-4 key development parcels per year to nonprofit and for-profit developers. Market vacant/underutilized buildings to new businesses.
- Assist individual businesses with loans, training, zoning, and Empowerment Zone applications. Assist 5-6 businesses per year, with special attention given to minority-owned businesses and entrepreneurs.
- Work with local nonprofit development partners to incubate businesses that will spin off into vacant space on Broadway. Partners include: Pillsbury, NDC, Shiloh Temple, WBAC, Point Development. Work with 2-3 micro-entrepreneurs per year.
- Recruit needed businesses to avenue, maintain list of vacancies, real estate contacts. Maintain “clearinghouse” of property information.
- Development of marketing and identity piece for the avenue. Establish Avenue potentially as an African American cultural destination.
- Work with county and city to minimize disruption to business/residents during street reconstruction and streetscape improvements.
- Improve WBAC organizational capacity and sustainability. Transition from start-up stage to growth stage utilizing accepted nonprofit organizational development methods. Diversify revenue. Improved board functioning.

**Attachment Two 'Example of Work plan from LISC'**

**REDA - LISC Workplan 2004**

**Commercial Corridor Revitalization Program – District del Sol  
Riverview Economic Development Association  
(2004 Work Plan and Payment Structure)**

**\*\*\*Total annual funding in bold italics, quarterly request in bold normal\*\*\***

<b>Activity</b>	<b>Projected Outcome</b>	<b>Quarterly Outcome</b>	<b>Fee for Service \$23,625</b>	<b>Fee for Outcome \$15,750</b>
<b>Economic Restructuring</b>				
<b>1) Development Projects</b>			<b><i>\$5000</i></b>	
a) Renovate or develop properties *  2004 priorities: Angel Industries, 430 S. Robert, 429 S. Wabasha  2005 priorities: Riverview Commercial Club, 111 Concord St.  Predevelopment work on projects	2004: 3 properties  3 year: 7 properties			*\$10,000 per project over \$200,000 *\$5,000 per project from \$ \$100,000 – 199,999 *\$2,500 per project under \$100,000  REDA's role can include being catalyst, developer, co-developer, or provide financing.
b) Create new and expand existing businesses  2004 priorities: 430 S. Robert St., 427 S. Wabasha, WS Clinic space	3 year: 6 new; 4 minority, fill 2 vacant properties  2004: 3 new; 2 minority; 1 vacancy			*\$1,500 per new or expanded business *\$2,000 per new or expanded minority business
c) Promote District del Sol to developers and potential tenants	Increase market awareness of District del Sol			
<b>Crime and Safety</b>			<b><i>\$5000</i></b>	
1) Continue efforts with police to address problem properties, promote community policing, and address quality of life issues within the commercial district.	3 year: work with business owners to keep crime at low levels; implement strategies that address the perception of crime  2004: a) Develop and implement strategy to work with police and business owners to reduce quality of life crimes b) continue aggressive trash cleanup activities			
2) Provide opportunities for business owners to learn about crime prevention				
<b>Marketing and Promotions</b>			<b><i>\$6000</i></b>	
1) Continue to grow Cinco de Mayo in a sustainable way	3 year: Build pool of sponsors			
2) Provide assistance to individual businesses to help them market their business.	3 year: ongoing, with emphasis on assisting new businesses  2004: provide marketing assistance to 4 businesses			
3) Conduct a variety of events that will attract people District del Sol throughout the year: Dia de los Muertos, Music and Movies in the	3 year: establish a series of events & venues that attract people to District del			

Park, Holiday Lights Contest	Sol  2004: Music & Movies in District del Sol, Dias de los Muertos			
4) Staff support to Marketing and Promotions Committee	2004: committee meets monthly to plan and review group promotion efforts and events.			
<b>Organizing, Mobilizing, and Assisting Businesses</b>			<b>\$6500</b>	
1) Outreach, recruitment, and assistance to minority businesses	3 year: 5 new District del Sol businesses as REDA members  2004: 2 new District del Sol Businesses as members; explore other options to breakfasts and implement concepts			
2) Begin discussion with business community about establishing a Business Improvement District (BID)	3 year: BID fully explored  2004: REDA further research BID reqs			
<b>Design &amp; Public Infrastructure</b>			<b>\$900</b>	
1) Concord St. streetscape improvements  2004 priority: work with city staff on 2003 award – Parque Castillo; support City staff in applying for Livable Communities Grant	3 year: A) Community input on streetscape changes B) conduct parking study C) secure funds during the 2005 CIB funding cycle.			
2) Wabasha Retaining Wall and Green Stairs  2004 priority: Work with city on implementation	3 year: A) Complete construction of wall; B) assist City staff in engineering review of stairs			
<b>TOTALS – to date</b>				
<b>CURRENT REQUEST</b>				

\* REDA will work with its partner banks to identify a role for them in financing the projects.

# Attachment Three '2005 Economic Development Work Plan for North Minneapolis'

City of Minneapolis – Community Planning and Economic Development - February 2005

## Goal

Align City economic development activities with internal initiatives and plans, external resources and community input to ensure positive and substantial impact on the City's North Side.

## Focus

For the purpose of this work plan, economic development is defined as redevelopment of City owned properties, improvements to the physical infrastructure, commercial district identities, breadth of goods and services offered, and viability of businesses.

## Principles

- Improve the built environment to encourage pedestrian traffic.
- Focus on the ecology of the business district and nodes.
- Emphasize shared or common parking as an essential component for business stability.
- "Storefronts follow roof tops." Maximize feasible residential density in development projects to increase consumer base.
- Promote the connection between "Storefront-District-Neighborhood-North Side." A successful commercial district depends on the strength of individual businesses, the retail mix, an inviting sense of place, its relationship to the neighborhoods it serves, in addition to how it contributes to the overall character of the North Side as a unique destination.
- Encourage involvement from all stakeholder groups to identify initial steps along a path not yet fully identified or articulated.

## District Approach

Economic Development activities will advocate for and pursue improvements to North Minneapolis business districts and nodes with the goals of increasing pedestrian activity; balancing transit, bicycle and vehicle traffic; improving the built environment; building and strengthening connections to the surrounding community (both physical and cultural); and addressing shared issues such as branding, parking, and way finding.

## Primary Opportunity Districts

- Fremont Avenue to Interstate 94 on West Broadway
- Penn and Plymouth Avenues North
- Penn and Lowry Avenues North
- Penn and West Broadway Avenues North

## Action Steps

- (1) Create requests for proposals in conjunction with the Minneapolis Empowerment Zone over the next 18-months, which identifies four primary opportunity sites within the wider districts and includes the following information:
  - a. development objectives for each individual site;
  - b. all known and available background information on the site;
  - c. a listing of the stakeholders who the City will invite to the discuss potential development;
  - d. developer selection criteria.
- (2) Contact key property/business owners to assess interest in staying, selling, or partnering in redevelopment.
- (3) Develop the community involvement process and begin discussions on how to select a developer, developers or development team.
- (4) Convene groups focused on individual districts to discuss potential development projects and district improvements. Stakeholders can include business and property owners, service providers, City officials (both policy and technical), and neighborhood representatives.
- (5) Market and celebrate the North Side. Partner with real estate and development professionals to promote the area. Work with the community to identify public celebrations in 2005.
- (6) Compile data that can assist in the marketing effort, including:
  - a. database of commercial/industrial properties;
  - b. traffic counts;
  - c. parking supply;
  - d. transit uses and projections;
  - e. household size, income, consumption patterns and trends;
  - f. retail and business mix;
  - g. market information on competitors and competing areas;
  - h. identification of barriers to trade and possible solutions;
  - i. crime statistics and trends;
- (7) Review and revise approach each calendar quarter.