

**CITY OF MINNEAPOLIS
DEPARTMENT OF COMMUNITY PLANNING
& ECONOMIC DEVELOPMENT - CPED
2010-2014 BUSINESS PLAN**

**PART ONE
SUBMITTED AUGUST 2, 2010**

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WHO ARE WE?

MISSION

CPED works to grow a sustainable city.

VALUES

As we conduct our work, we strive to be:

- Effective public servants;
- Proactive, creative problem solvers;
- Responsible stewards of public resources;
- Strategic partners with enterprise, public and private entities; and
- Respectful public administrators who are responsive to the diverse cultures and changing needs of our community.

BUSINESS LINE DESCRIPTIONS

The Department of Community Planning and Economic Development (CPED) has five business lines:

Community Planning – CPED prepares and facilitates the implementation of the City's comprehensive plan and other adopted plans, and informs the City's development and infrastructure strategies.

Economic Policy & Development – CPED supports business retention, expansion, creation, and attraction in all neighborhoods, including downtown, by providing financing, programmatic and real estate development and expansion tools.

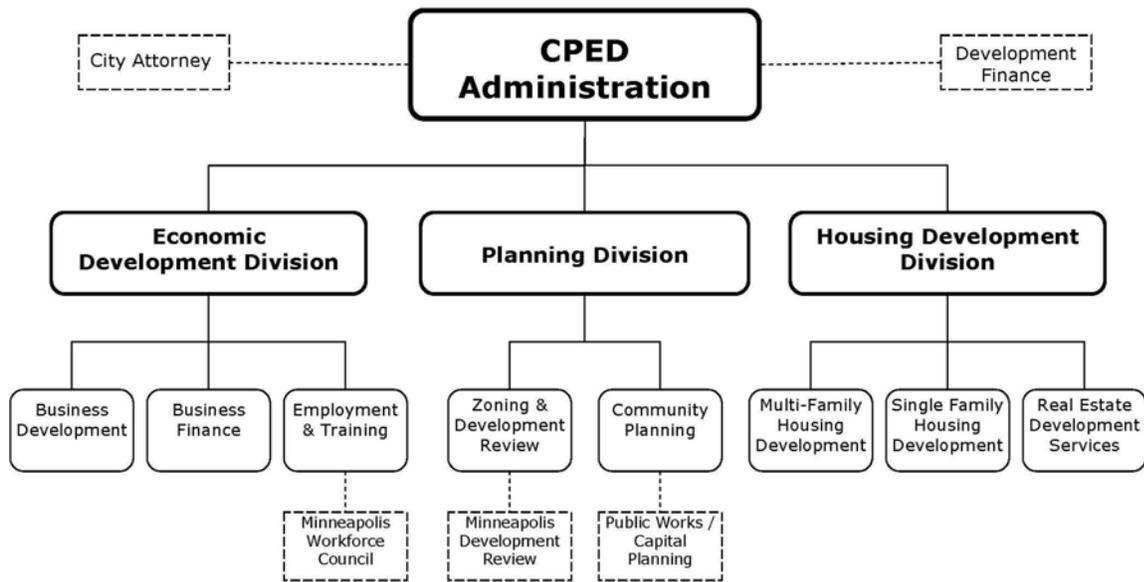
Workforce Development – CPED manages a network that identifies and prepares Minneapolis residents for living-wage jobs and builds partnerships to improve career opportunities in the city.

Housing Policy & Development – CPED provides financing and administers programs for housing development, preservation and rehabilitation to advance a continuum of housing choices; provides financing for home improvement and home mortgages through vendor contracts in cooperation with the Finance Department; and encourages and supports market activity in the production and preservation of housing for all income levels.

Planning & Development Services – CPED administers, interprets and enforces the zoning code, land subdivision regulations and heritage preservation regulations, and conducts environmental reviews as required by law.

Other program and management-support activities include real-estate and related technical services, research, and arts and cultural activities.

ORGANIZATION CHART



WHAT DO WE WANT TO ACHIEVE?

VISION

Minneapolis is and will remain one of the nation's great cities.

DEPARTMENT GOALS, OBJECTIVES AND MEASURES (ALIGNED WITH CITY GOALS)

During the five-year period covered by this business plan (2010-2014), CPED will focus on four overall department goals, related to City goals as described in the table below.

- 1. Plan and develop a vibrant, sustainable community**
- 2. Promote private sector growth to build a healthy economy**
- 3. Promote economic self-sufficiency for individuals and families**
- 4. Develop and preserve life-cycle housing throughout the city**

The policies in the city's Comprehensive Plan, The Minneapolis Plan for Sustainable Growth, adopted by the City Council in October 2009 after a two year planning process, serve as the framework for CPED's business lines and its mission to grow a sustainable city.. The following tables reflect the department's current program and service priorities over the next few years. CPED's broad span of responsibilities means that it is involved in many City goals and directions.

At the time of this writing, the city and the country are just beginning to emerge from the related challenges of a three year housing crisis and a two year economic recession. The worst is behind us, but a full recovery in jobs, personal income, business profitability, and housing markets remains several years away. Rebuilding a robust local economy and healthy housing market will remain on the top of the department's agenda for the duration of the 2010 – 2014

business planning period. Ensuring that this recovery reaches all parts of the city, including the most distressed neighborhoods and commercial corridors, as well as individuals and families in need, remains a core program priority.

Fortunately there are some new tools and hopeful signs:

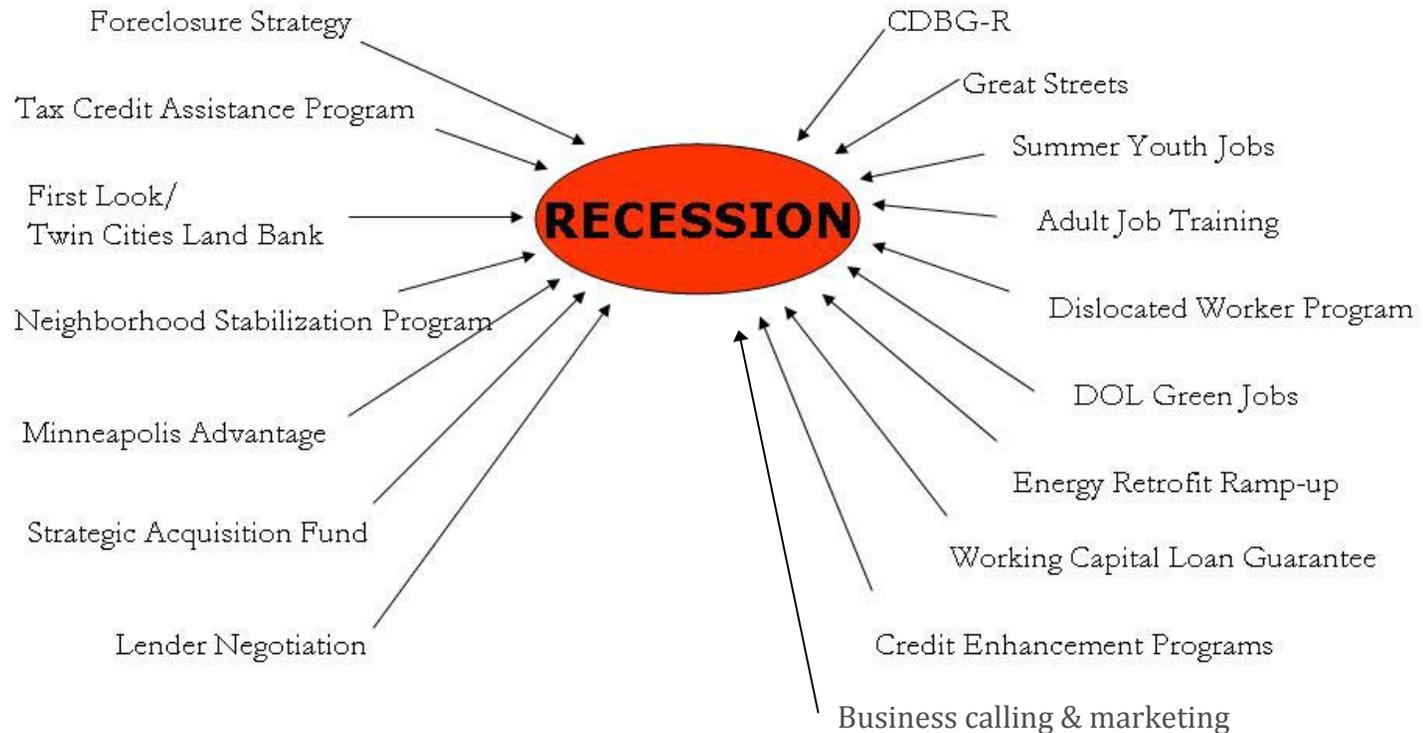
- federal stimulus and housing recovery funds have begun to address needs in local jobs and housing markets; though temporary, the federal role will be crucial to kick-starting / saving / turning around several key sites and neighborhoods;
- the build-out of the regional transit system will expand connections from downtown to all parts of the region; the department will continue to promote growth at the downtown hub, as well as TOD along the existing and new light rail lines in order to concentrate new jobs, housing and people in key corridors and station areas;
- better connections to pedestrian, bike and connector facilities coupled with increasing fuel costs will continue to encourage broader use of alternative transportation modes and more efficient location decisions by individuals and businesses; the large number of surface parking lots in the CBD provides ample capacity for growth at the core;
- continued local policy attention coupled with expanded state and federal support for green jobs will provide new incentives for growth in this sector;
- the new State Historic Tax credit, as well as the recent state Legacy Fund will support an increase in preservation-related work and in designated properties;
- a continued spotlight on community health and climate change will focus attention on livability, sustainability and urban design, including the incorporation of public art with public facilities and spaces;
- an increase in grant opportunities at all levels of government and through foundations will focus on regional collaboration and the integration of transportation, land use and sustainability; the department and City must be ready to respond quickly and to collaborate with multiple partners.

The four tables below display CPED's planned activities over the period of this business plan. Each table reflects one of the above four department goals, and each shows how CPED activities responds to applicable citywide strategic directions.

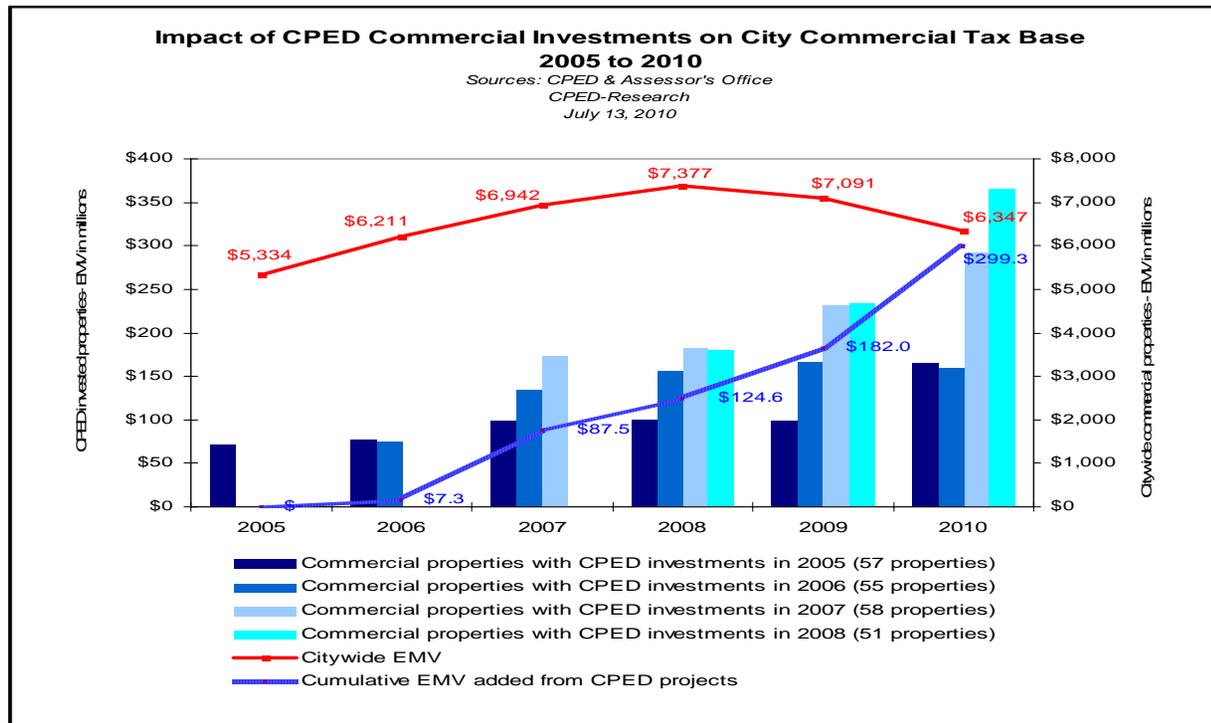
A note about format : the following tables collapse the 3 separate tables as requested in the business plan instructions into one table for each of the department's four goals; CPED believes that this displays the relationship between enterprise policy direction and department objectives, tactics, and performance measures in a clearer way.

Ongoing Challenge: Fighting the Recession

RECENT CPED INTERVENTIONS

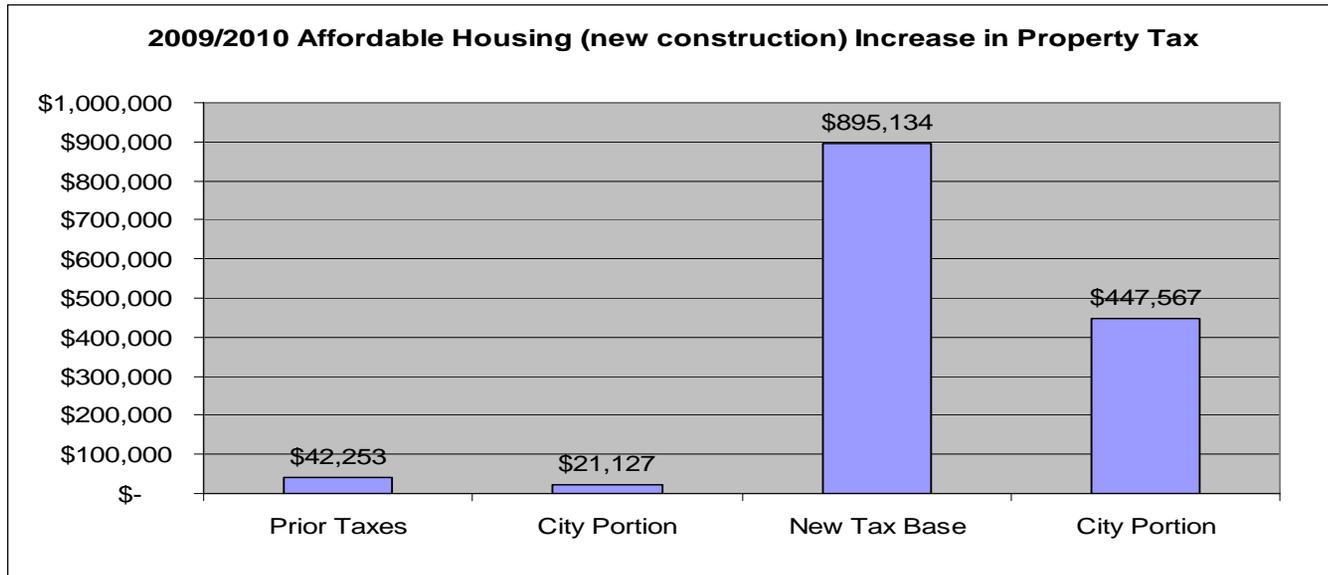


CPED Investment Impact: Economic Development



- **309** permanent jobs created
- **692** permanent jobs retained
- **2,270** summer youth jobs
- **1,422** construction jobs
- **484** permanent jobs and **5,200** construction jobs projected from brownfield remediation grants received

CPED Investment Impact-Housing



- **792** new housing units built or under construction
- **1,133** housing units rehabbed and/or stabilized
- **1180** construction jobs created
- **461** foreclosures prevented
- **250** home purchases via the Minneapolis Advantage Program
- **173** foreclosed properties acquired through The First Look program
- **343** vacant or foreclosed properties acquired through Strategic Acquisition Fund or Neighborhood Stabilization Program for future redevelopment or rehab

Factors Contributing to CPED Budget's Structural Imbalance

- Revenues are not entirely fungible and are often limited to specific purposes. Tax increment financing (TIF), for example, is primarily used to meet the existing debt service obligations associated with the City's tax increment districts; each grant source (federal, state and local) limits the use of its revenues to the specific conditions of their grants; and the uses to which recaptured loan dollars and bond fees can be put are constrained by the terms of the programs that generated them.
- A major ongoing challenge for CPED, in addition to identifying sources of funding, is aligning revenues so that, based on federal, state and local program and policy restrictions, the appropriate sources can be matched with the needs of each business line.
- CPED's annual costs for internal services from other City departments have escalated from \$80,980 to a projected \$4,441,181 in the 2011 budget, amounting to a combined total cost to CPED in excess of \$27 million over the last eight years.
- Ongoing general fund pressures are expected to continue due to the potential for loss of City tax revenues and/or actual LGA coming to the City from the State ending up being less than certified LGA.
- Allowable tax increment administrative expenses payable from Common Project TIF districts are now extremely close to reaching the 10 percent limit imposed by statute.
- The CPED 2011 budget follows the financial planning assumption of no reduction to CDBG from the 2010 Consolidated Plan levels and does not plan for an increase in these revenues in future years.
- The 2003 commitment to NRP capitalization triggered a simultaneous need to identify a source for CPED discretionary development dollars.
- CPED was authorized to borrow up to \$22 million from the Legacy Fund between 2004 and 2009.
- Annual borrowing ranged from \$3.5 million to \$3.7 million.
- These borrowings funded some of CPED Economic Development Division's capital programs and their related staff costs during those years.
- 2009 was the last year CPED had the authority to borrow from the Legacy Fund.
- CPED had been gradually repaying as the years progressed, using annual revenues from the Brookfield lease and Saks parcel. At the end of 2009, CPED owed approximately \$10.9 million. The loan balance to the Legacy Fund was repaid in full, using a portion of the final Brookfield lease payment that came in December 2009. Now, however, the Mayor and City Council have chosen to redirect all the remaining Hilton funds to infrastructure investment.

- The loss of the ability to borrow combined with decertification of the pre-1979 TIF districts reduced CPED revenues for 2010 significantly. The decertifications acted to reduce both TI revenue and TI expenses. CPED's total budget went from approximately \$125 million in 2009 down to \$86 million in 2010.
- CPED's budget also began relying considerably on the use of one-time dollars in 2010. In 2010, approximately \$10.7 million (40 percent) of CPED's total capital program of \$27.1 million was supported by local one-time funds, excluding federal Stimulus money. These funds consisted primarily of (1) approximately \$6.7 million left over from the Brookfield payment after repaying the Legacy Fund and fully capitalizing NRP, together with (2) some (approximately \$3.35 million) unspent, uncommitted but previously borrowed Legacy Fund dollars.
- When the new Consolidated Redevelopment TIF District was originally considered, it was proposed that 100 percent of the pre-1979 parcels be included, to generate \$24 million in net tax increment annually. The uses of the increment would have included \$3.5 million annually for a Commercial Revitalization Fund that would have been housed in CPED and overseen by the new Neighborhood and Community Engagement Commission.
- Later it was decided that the Consolidated Redevelopment TIF District should be scaled back to 50 percent to lessen the overall tax impacts on residents of actions anticipated to be taken by the City in 2011. The Commercial Revitalization Fund went away through the re-sizing of the TIF.
- So now the proposed 2011 budget again is dependent on a drawdown of one-time funds, amounting to approximately \$7.7 million, depleting all but approximately \$20,000 of the local one-time dollars available for 2011.
- These specific one-time dollars become available to CPED in 2011 as a result of two operational changes.
- The sunset of NRP in 2009 makes Common Project non-tax increment funds once again available to CPED for development activities. This amounts to approximately \$4.83 million for 2011. In prior years these funds had been considered restricted since they were a required component of annual NRP capitalizations.
- The operator subsidy for Target Center was formerly paid by CPED from revenues that make up the Local Contribution Fund. With the recent shift of Target Center's ownership and management to the Minneapolis Convention Center, along with the creation of the Consolidated Redevelopment TIF District and the resulting revenues available to supplement the current Target Center Finance Plan, CPED is no longer responsible for paying the operator subsidy. These dollars, which amount to approximately \$2.385 million for 2011, become available to CPED for funding development activities.



MEMORANDUM
 Finance Department
 Development Finance Division

To: CPED Directors and Managers
 From: Jeff Streder
 Date: April 26, 2010
 Re: Update on CPED Deficit Fund Balances

During the 2010 budget process a number of CPED funds were identified with negative fund balances. Some funds do not have identified sources to cover those negative balances and therefore are more problematic than others. While the cumulative balance of all CPED funds covers these negative balances, there is an accrual of negative interest continuing to build within some of these funds, therefore increasing that negative balance.

The following is the updated summary and status of those funds as of YE 2009:

Table A

Fund and Description	12/31/2008 Balance	12/31/2009 Balance	Revenue Source
Preliminary Planning Fund – 01CPP: Preliminary costs for identified projects are initially tracked through a project within this fund.	(\$1,771,363)	(\$3,069,971)	Application fees; reimbursement from project proceeds; other available revenue.
River Terminal – 07ERT: Land acquisition was financed internally from this fund. The project has not generated revenues sufficient to make up this deficit.	(\$512,308)	(\$367,894)	No significant ongoing revenue stream. Future sale of the River Terminal seems essential to eliminate deficit
Theatres – 07ETH: Operating deficits of the theatres and Stimson Building are charged to this fund. There are no identified revenues for this fund and expenditures continue to be budgeted to this fund.	(\$2,028,485)	(\$2,067,175)	As a result of past sale of theaters, there is no longer a revenue source for this fund.
CPED Operating Fund – 01GEN: This fund supports the 3 rate models used for costing out internal City services (most recent annual expense amounted to \$5.1M) and its cash position has been steadily deteriorating. In an effort to begin addressing the fund's negative pressures,	(\$2,806,691)	(\$3,585,843)	While a series of ongoing efforts are being developed to help relieve pressure put on this fund, the City rate models continue to apply extreme negative

MEMORANDUM
Finance Department
Development Finance Division

CPED's indirect cost recovery rate was adjusted from 65% to 105% starting in 2009.			pressure. Additional unrestricted revenues ultimately needed to minimize / eliminate the deficit.
NRP Administration - 01SAD: This fund is used by CPED personnel for administering NRP funded programs	(\$195,929) Not on-going	(\$278,621)	Fund reimbursed through NRP Policy Board. At any given time a negative balance in fund due to timing issue. A recent cash transfer in 2010 reduced the 2009 YE cash deficit to less than \$10,000.
Home Ownership Works Program Fund - 01SHW: This is the line of credit for this program	(\$177,485)	(\$111,662)	Sales proceeds of housing inventory
Upper River Land Bank - 01SUR: This fund is for the land holding costs of property owned on the Upper River	(\$165,113)	\$0.00	Fund Deficit was completely eliminated using portion of 2010 one time dollars.

Recommendations for 2011 Budget

In the 2010 Budget, CPED elected to not appropriate approximately \$952,000 of one time dollars that were coming from unallocated Legacy Fund program income.

Development Finance recommends that the remaining \$952,000 of the Legacy Fund Program Income now be applied to eliminate all or a portion of the deficit associated with the most problematic funds with no significant corresponding revenue stream or any soon anticipated revenue producing event(s) as follows:

Fund and Description	Amount Proposed from Available Legacy Fund Program Income
Upper River Terminal - 07ERT	\$367,894
Theatres - 07ETH	\$0
CPED Operating - 01GEN	\$0
Preliminary Planning Fund - 01CPP	\$584,106

MEMORANDUM
Finance Department
Development Finance Division

This approach completely eliminates the deficit in one fund leaving only 4 remaining funds with deficit balances, evidencing some steady progress by CPED. Although, Home Ownership Works Program Fund does have a deficit balance it seems to be on the decline. Minimal revenue was generated for the Preliminary Planning Fund and consequently that fund experienced the largest deficit increase for YE 2009, so this fund needs immediate attention. The growth of the deficit in 01GEN was managed to some degree through the exercise of determining tax increment revenues from the various Non-Common Project TI District Funds that could be transferred to Fund 01GEN, in order to recover the administrative costs of the Finance Department within those districts, which had been charged to 01GEN.

Development Finance will again undertake this exercise in an effort to recover administrative costs but this time around the amount available for transfer will be about half as large because the last transfer was the first of its kind and accounted for two years (2008 and 2009) of tax increment revenues and Finance Department administrative costs. Lastly, Development Finance will continue to review and identify revenues that may be available either to off-set negative fund balances and / or undertake discretionary development activities.

July 14, 2010

All Encompassing List of Potential Sources for 2011 and / or Future Funding

Revenue Sources

Common Bund Fund (GARFS) - potential for drawing down of reserves	3,484,384
Redirected TI estimate - accumulated thru 2011 (Affordable Hsg TIF only) *	1,750,000
Legacy Fund borrowings unspent and uncommitted balance	132,000
	<u>5,366,384</u>

Potential for Redirected Revenue with Council Action

Funds presently committed for Planetarium construction	5,000,000
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Possible New Revenue Streams Reliant on Policy Action

HRA levy (max HRA levy capacity \$6.7M; CPED 2011 request \$2M)	TBD
More Aggressive Approach to use of TIF Districts (TODs)	TBD
Selling off of Assets	TBD
Upper Harbor Terminal	
City participation in Saks parcel sale proceeds	
Cedar Riverside	
City owned vacant residential parcels	

Possible New Revenue or Expense Reductions within CPED control

Fee implementation - in addition to Brownfield and Remediation Grant Fees started in 2010
Shift program(s) and the costs associated with running them to qualified outside organization
Sell off City owned vacant residential parcels
(in addition to revenue from sale, eliminates property mgmt costs assoc with maintaining these parcels)

Suggested Uses of Revenue not feasible if funding capital programs at minimally acceptable levels

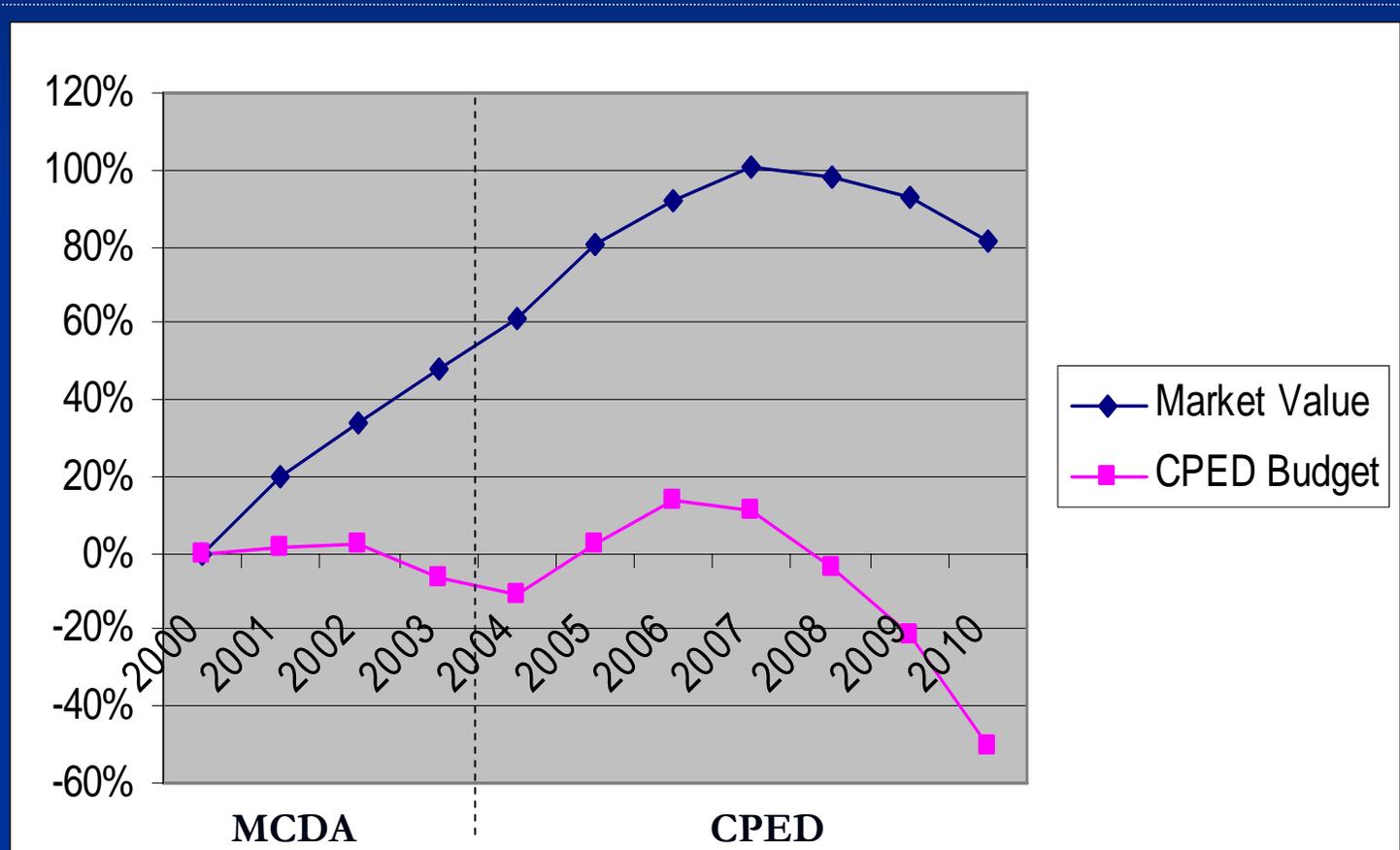
Pay down fund deficit - 07ETH (Historic Theatres)	2,067,175
Pay down fund deficit- 01GEN (CPED General Operating)	750,000
Hold in Reserve for 2012 or beyond	1,200,000

* Approximately \$120K could be expected annually beginning 2012 (\$80K - Heritage Landing and \$40K - Parcel C)

CPED BUDGET

vs.

CITY TAX BASE/MARKET VALUE



Sources – City Assessor and City Finance

Schedule Six
Economic Development Programs
(New Appropriations Only)

Strategy/Program	2003 Adopted	2004 Adopted	2005 Adopted	2006 Adopted	2007 Adopted	2008 Adopted	2009 Adopted	2010 Adopted	2011 Mayor's Recommended
<u>Commercial Development</u>									
Great Streets Program / NEDF/CEDF	120,000	150,000	150,000	136,000	2,569,000	768,000	2,275,752	4,250,000	3,491,460
Commercial Property Management Costs									478,000
MILES Program			1,000,000	600,000	375,000	750,000	522,000		
MILES - Allocation reduction due to re-allocation						(1,500,000)	(1,211,400)		
BDF Loans	175,000	175,000	150,000	150,000	125,000	125,000	125,000	125,000	125,000
Arena Capital	500,000			500,000	500,000	500,000	500,000	500,000	
Riverfront Development Organization			100,000					50,000	50,000
St. Anthony Heritage Board								31,000	
Regional Economic Development Entity (REDE)									150,000
Tax Increment Financing (TIF)	project driven	project driven							
Revenue Bonds	project driven	project driven							
<u>Business Assistance / Finance</u>									
BDF Loans	100,000	100,000	75,000	75,000	75,000	75,000	125,000	125,000	125,000
2% Loans	1,500,000	1,800,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Commercial Corridor 2% Loans	1,000,000	1,000,000	500,000	500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,500,000
Capital Acquisition Loans (CAL)	1,200,000	1,400,000	1,100,000	1,100,000	1,100,000	1,000,000	1,000,000	750,000	750,000
Consortium of Community Developers Grants	100,000	100,000	125,000	135,000	136,600	135,000	135,000	135,000	120,000
Business Assoc. Assistance	207,000	210,000	210,000	210,000	200,000	200,000	210,000	210,000	150,000
CRF Emerging Entrepreneur					325,000				
Alternative Loans						325,000	325,000	300,000	300,000
Credit Building Loans								50,000	25,000
Revenue Bonds	project driven	project driven							
<u>Workforce Development / Job Creation</u>									
Youth and Adult Employment and Training Programs		1,000,000	1,900,000	1,500,000	1,500,000	2,802,600	2,807,590		
Adult Employment and Training Programs								2,272,590	2,272,590
Youth Employment and Training Programs								903,000	1,376,000
Keep It Closed								700,000	
Economic Development Program TOTAL	\$4,902,000	\$5,935,000	\$6,810,000	\$6,406,000	\$9,405,600	\$7,680,600	\$9,313,942	\$12,901,590	\$12,413,050

CPED BUDGET 5yr PLAN (2011 - 2015)

KEY: On-going Revenue
 One-time Revenue

	2010 Revised Budget	2011 Recomm Budget	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast	Projection Assumptions	Increased Revenue Support / Expense Reduction Target
GENERAL FUND AND TAX SUPPORTED (ON-GOING)								
1 General Fund Total	3,407,000	3,457,000	3,591,000	3,733,000	3,849,000	3,985,000	As per current 5 yr Financial Direction CPED's request for new on-going revenue	6,000,000
2 New Revenue TBD *	-	-	500,000	4,000,000	5,000,000	6,000,000		
Total GF / Tax Supported On-going	3,407,000	3,457,000	4,091,000	7,733,000	8,849,000	9,985,000		
OTHER ON-GOING REVENUES								
3 Tax Increment	47,996,939	61,329,001	62,255,829	49,358,211	46,512,096	43,179,104	Starting 2011 includes Consolidated TI	
4 Capital Bonding (CIP) (Public Arts Proj)	203,000	347,000	366,000	366,000	366,000	366,000		
5 Interest Earnings and Program Fees	20,767,540	17,311,441	16,972,881	15,946,680	15,786,965	15,598,663	assumes remain at or near existing levels	
6 Federal, State & Other Grants	19,247,000	19,154,838	19,154,838	19,154,838	19,154,838	19,015,838	assumes remain at or near existing levels	
7 Transfers (Debt Services)	6,000,000	6,000,000	4,000,000	4,000,000	4,000,000	4,000,000		
8 Dev Acct (Non-TI)	1,600,000	-	2,085,000	2,035,000	1,785,000	1,785,000		
9 Legacy Fund (program income)	-	-	100,000	100,000	100,000	100,000	assumes will remain flat once on-going	
10 Transit Oriented Development (TOD)	-	-	TBD	TBD	TBD	TBD		
Total Other On-going	95,814,479	104,142,280	104,934,548	90,960,728	87,704,900	84,044,604		
ONE-TIME SOURCES								
11 Residual Brookfield Payment	6,700,000	-	-	-	-	-		
12 Reallocated Legacy Fund	3,351,000	-	-	-	-	-		
13 Dev Acct (Non-TI)	-	4,830,000	-	-	-	-		
14 Local Contribution Fund	-	2,385,000	330,000	100,000	-	-		
15 Legacy Fund (program income)	447,708	500,000	-	-	-	-		
16 Redirected Affordable Housing TI	-	1,750,000	-	-	-	-		
17 GARFS	-	-	3,485,000	-	-	-		
18 Planetarium	-	-	5,000,000	-	-	-		
19 Adjustment (For) or From Reserve	-	-	(5,000,000)	5,000,000	-	-		
20 Total One-time Sources	10,498,708	9,465,000	3,815,000	5,100,000	-	-		
21 Total Projected Revenues	99,221,479	117,064,280	112,840,548	103,793,728	96,553,900	94,029,604		
EXPENSES								
22 Personnel***	12,164,855	12,688,350	12,330,259	11,919,023	11,457,964	10,863,581	reflects FTE reductions down to 100	(1,824,769)
24 Transit Oriented Development (TOD) Admin @ 10%	-	-	-	TBD	TBD	TBD		
25 Combined Rate Model Charges	4,944,457	4,441,181	4,340,796	4,240,411	4,140,026	4,039,641	a \$1.1M Internal Service reduction from \$5.2M	(401,540)
26 Non-Personnel	21,750,285	23,159,483	23,080,423	22,801,021	22,524,591	22,152,602	other non personnel reduction required	(1,006,881)
CPED Executive Administration (non-personnel only)	2,787,455	2,822,468	2,822,468	2,822,468	2,822,468	2,822,468		
Other Non-Personnel	18,962,830	20,337,015	20,257,955	20,057,613	19,702,123	19,330,134		(1,006,881)
27 Capital	36,141,483	30,298,034	29,798,034	29,298,034	28,798,034	28,298,034	\$2 million reduction to capital	(2,000,000)
28 Debt Service	41,673,236	47,312,238	46,197,135	39,803,692	26,206,220	24,844,590		(5,233,190)
29 Transit Oriented Development (TOD) Project Cost @ 90%	-	-	-	TBD	TBD	TBD		
30 Total Expenses	98,281,027	105,051,946	104,153,396	101,333,367	93,126,835	90,198,448		
31 Fund Deficit Reduction	-	-	3,485,000	4,000,000	4,000,000	4,000,000		
32 Total Projected Uses	98,281,027	105,051,946	107,638,396	105,333,367	97,126,835	94,198,448		
33 Difference	940,452	12,012,334 **	5,202,152	(1,539,639)	(572,935)	(168,844)		

Annual Projected FTE Count	135	129	122	115	108	100
Average Total Direct Cost Per FTE	\$90,110	\$98,359	\$101,068	\$103,644	\$106,092	\$108,636
Percent FTE reduction			5.4%	5.7%	6.1%	7.4%
Estimated Combined Deficit Fund Balance****	\$9,200,000	\$11,700,000	\$10,415,000	\$8,315,000	\$5,915,000	\$3,315,000

* Additional annual revenue request aligned with TIF decertifications occurring between 2010 and 2014

** 2011 RESTRICTED BALANCE - The projected revenue balance in budget year 2011, generally, represents 2011 tax increment collections that are pledged to the payment of debt service in future years. There are a few cases where the obligation extends beyond the life of the district, these dollars are needed to pay these debt

*** Annual personnel costs reflected based on % FTE reduction and apply a 2.5% inflationary adjustment

**** Yearly Estimated Combined Deficit Fund Balance shown represents both accumulated deficit balances and anticipated increases to those balances after applying line 31 payment (projected annual increases for 01GEN fund deficit are eased through reductions in internal service costs realized in the same year)

NOTE: Property sales: aggressive sales are required to reduce property management and staffing expenses. A potential but speculative upside from such sales is the opportunity to establish a Development Account as a source to reduce reliance on the new tax supported revenue source.

Timeline of Major Policy Decisions Impacting CPED Budgets

- 1999** MCDA interest in Hilton Hotel sold, leading to the establishment of the Legacy Fund. Policy decision made to use proceeds for Community Development purposes.
- 2002** To counter tax increment reductions as a result of Property Tax changes, Policy decision was made to initial HRA Levy in the amount of \$4 million to fund Community Development purposes.
- Policy decision was made to adopt the Focus Minneapolis initiative, implementing planning and community redevelopment recommendations of McKinsey & Company, resulting in the creation of CPED.
- 2003** Policy decision to extend HRA Levy in the amount of \$4 million to fund Community Development purposes.
- 2004** Policy decision to forego HRA Levy, instead transferring \$3 million from City General Fund to CPED to fund Community Development purposes. No revenue was transferred in 2004.
- NRP Funding Ordinance creating a waterfall of funding priorities was adopted, requiring CPED to use unobligated Development Account revenues to capitalize NRP prior to funding Community Development purposes.
- Discretionary Development Funding Resolution established the policy decision to allow CPED to **borrow** up to \$22 million from 2004 through 2009 from the Legacy Fund for Community Development purposes.
- Policy decision to institute three rate models beginning in 2004 will have cost CPED a cumulative amount of \$27.4M through 2010-11.
- 2005** Revenue transfer in the amount of \$2 million was made from City General Fund to CPED to fund Community Development purposes, presumably in lieu of \$3 million provided in 2004 budget.
- Policy decision was made to draw \$13.6 million from the Legacy Fund to pay debt service on pension fund debt. Transfer occurred in 2006. *There was no provision to repay this amount to the Legacy Fund.*
- 2008** Policy decision made to dedicate \$5 million of recycled UDAG revenue held in CPED's Neighborhood Development Account to fund construction of the Planetarium and interest earnings on that \$5 million to pay pre-development and administrative costs.
- 2009** Legislation allowed for the establishment of the Consolidated TI District. Mayor recommended establishment of district based on 100% of the properties previously located within the Pre-79 Tax Increment Districts. This recommendation included a \$3.5 million Commercial Revitalization component to be implemented by CPED.
- Policy decision was made to finance the Accelerated Infrastructure Program from the Legacy Fund. *There was no provision to repay these amounts to the Legacy Fund.*
- Policy decision was made in the 2009 Supplemental Budget to transfer \$10 million from the Legacy Fund to replenish the City's General Fund Reserve. *There was no provision to repay this amount to the Legacy Fund.*
- In December, CPED repaid all draws made from the Legacy Fund under the Discretionary Development Funding Resolution.*
- 2010** Policy decision resulting in elimination of the annual \$3.5M Commercial Revitalization component from the allocation of net tax increment revenue from the Consolidated TI District as a result of downsizing the district by 50%.