



**Request for City Council Committee Action  
From Community Planning and Economic Development Department**

**Date:** July 23, 2003

**To:** Community Development Committee

**Referral to:** none

**Subject:** Ordinance and related actions creating the new Department of Community Planning and Economic Development (CPED)

**Recommendations:**

- 1) Adopt CPED ordinance with technical amendments
- 2) Adopt related transition resolutions (one to City Council, one to MCDA Board)
- 3) Adopt a finding that the unclassified positions of deputy director and the division directors for housing policy and development, economic policy and development, and strategic partnerships, established pursuant to Section 415.50 of the ordinance, meet the criteria of 2003 Minnesota Laws, Chap. 127, Art. 12, Sec. 31.
- 4) Authorize proper City officers to amend the MCDA pension plan document to reflect an increase in the employer's and employees' contribution rates to equal those employer's and employees' contribution rates for the PERA pension plan

**Previous Directives:** Original Focus Minneapolis resolution passed September 13, 2002 included various staff directives and report dates; a subsequent directive in November called for development of legislation. State legislation authorizing the City to create CPED by ordinance passed May 19, 2003. Council actions determining the departmental components of CPED were passed on May 16, 2003 [MCDA, Planning, METP] and June 6, 2003 [Empowerment Zone].

**Prepared or Submitted by:** Jeff Schneider, CPED Project Manager, 673-5124

**Approved by:** Lee Sheehy, Interim Director CPED, 673-5125

**Presenters in Committee:** Lee Sheehy

**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**

Neighborhood Notification: Draft ordinance was sent to registered neighborhood groups  
City Goals: N/A  
Comprehensive Plan: N/A  
Zoning Code: N/A  
Other: N/A

Staff is pleased to transmit to the City Council proposed language for Chapter 415 of the Minneapolis Code of Ordinances, which creates the new Department of Community Planning and Economic Development. This ordinance is the next step in the ongoing Focus Minneapolis process, and will formally create the organizational structure initiated a year ago with the McKinsey & Co. report, approved in concept by the Mayor and Council last September, and finalized by the Council this spring in two separate actions. The ordinance is based on the special state law approved by the legislature in May, a copy of which is included in the attachments to this report.

As directed by the Council, the new department will include the functions of the present MCDA, Planning, METP program of the Health and Family Support Department, and the Empowerment Zone, formerly housed within the City Coordinator's Office. The ordinance and related resolutions are intended to result in a straightforward and orderly transfer of the current functions, staff, and financial assets and liabilities of the above mentioned entities to the new department, which will be a city department operating within approved City procedures, including the civil service system. The new department will have most of the same powers and duties as its predecessor agencies, and it will assume responsibility for both existing labor contracts (AFSCME Local 3419, and Construction and General Laborers Local 563) which extend through 2004. Upon the effective date of the ordinance, employees involved in support functions such as human resources, communications, and finance will be transferred to the respective city internal service departments.

**Establishment of Unclassified Positions**

Section 415.50 of the ordinance establishes four\* unclassified positions, which include a Deputy Director and three division directors. Pursuant to the special law, the City Council may establish the position of the director of the department in the unclassified service, and may establish other unclassified positions, so long as those positions meet the following criteria:

- i) the person occupying the position must report to the director or a deputy director;
- ii) the person occupying the position must be part of the director's management team;
- iii) the duties of the position must involve significant discretion and substantial involvement in the development, interpretation, or implementation of city or department policy;
- iv) the duties of the position must not primarily require technical expertise where continuity in the position would be significant; and
- v) the person occupying the position must be accountable to, loyal to, and compatible with the mayor, the city council, and the director.

\*The ordinance as introduced referred to five unclassified positions; the City Attorney is drafting a technical amendment to change the number to four. The position of Planning

Director which is being transferred into the new department does not need to be established in this ordinance since it already exists.

Descriptions of the duties for the positions of Deputy Director, the Director for Housing Policy and Development, the Director for Economic Policy and Development, and the Director for Strategic Partnerships are attached. These positions meet the criteria of the special law for establishment of unclassified positions: 1) they report to the director or deputy; 2) they are part of the director's management team for the department; 3) as illustrated by the attached descriptions of duties, the people in these positions will exercise significant discretion in the management of the departmental functions for which they have responsibility and will be substantially involved in the development, interpretation and implementation of policy, not only for their own functional areas, but for policies of department and city-wide import; 4) the duties do not primarily require technical expertise; and 5) as is expected and required of all City employees, the people in these positions will be accountable and loyal to the mayor and city council, and will also be held accountable to the director.

### CPED Organization Chart and Director appointments

I previously announced that Chuck Lutz will become the Deputy Director, Chuck Ballentine would remain Director of Planning through the end of this year (as discussed more fully below) and more recently Lee Pao Xiong and Mike Christenson have been appointed Directors of Housing Policy and Development and Director of Strategic Partnerships, respectively. All of these Directors will report to Lee Sheehy, as set forth in the revised Interim Organizational Chart accompanying this report. In light of confusion concerning these announcements being made at different times, clarification is necessary especially as relates to the transition and managing of the Planning function.

First, as announced in June, Chuck Ballentine will continue to be responsible for the day-to-day management of the Planning function through the end of this year. During this time, we will continue the process of defining and refining our Planning activities in four overarching areas: Planning and Zoning Administration/Development Review Services (including our responsibilities in the One-Stop Shop initiative being led by Regulatory Services); Community Planning (including aspects of public engagement and any changes or implications from the on-going neighborhood revitalization policy discussions); Advance or Comprehensive Planning; and Research. Working with the CPED team lead by Lee Sheehy and within the City Enterprise, we need to frame, as we have done at the MCDA as a part of the CPED evolution, key policy, management, resource, and alignment issues relating to Planning as a part of the on-going Mayor's Budget and Business Planning processes. We need to understand and align answers to these questions throughout the department and enterprise-wide.

As we frame these issues for the decision-makers, we must remember that the Planning Department's LGA-related reductions were some of the highest percentages in the City and that the MCDA's personnel (which supported certain planning activities) has been reduced by upwards of 40% from 2001 levels. Likewise, Focus Minneapolis framed certain processes and responsibilities under apparent resource assumptions that are very different than today's realities. So clear policy, management, and resource allocations must be made relating to Planning and, as with all City functions, choices about priorities, creative options, and alternatives must be made. One thing is clear:

absent substantial new resources which are unlikely (although we are investigating fee-type and other revenue proposals), the scope of the non-statutorily mandated Planning activities will need to be revisited and likely restructured and/or reduced. By the end of 2003 and with these policy, management, resource, and alignment issues addressed and hopefully resolved, the Planning function and leadership will be finalized in the CPED structure consistent with the Focus Minneapolis Resolution and subsequent policy actions. Planning will continue to shape and inform development decision-making and to ensure its effectiveness while the tough policy, resource, and management questions must be framed, debated and decided by the governing body, and implemented by staff.

Finally, although a job description for a Director of Economic Policy and Development has been posted, in light of pending policy and resource questions and challenges, this position will not be filled at this time. It is possible, if not likely, that this position, together with the Directorships already existing, will evolve and change as the policy, strategy, resource, and outcome responsibilities of CPED evolve and change.

Other ordinance personnel sections include:

- Sec. 415.40: a description of the authority of the department director, which is based on the existing MCDA ordinance language detailing responsibilities of the executive director;
- Sec. 415.60: transfer of positions and employees to the department. The language provides for transfer of all\* incumbent employees into the new department, and gives responsibility to Human Resources to work out the details of the classification studies that will be required to integrate MCDA employees into civil service and to administer the pension transfer election process provided for in the special legislation. As noted above, the City will be bound by the two existing labor agreements that run through 2004.
- Sec. 415.70: the effective date of the ordinance is August 24<sup>th</sup>, which is the beginning of the first payroll period following the anticipated publication of an August 8<sup>th</sup> Council action.

\*The transfer of non-represented and appointed MCDA positions into the City was not expressly addressed in the original draft ordinance. The City Attorney's Office has drafted a second technical amendment to authorize the transfer of the incumbent deputy director and division directors into the unclassified positions as established in Sec. 415.50.

#### Transition Period

In a change of this magnitude, it is required that certain actions are done by ordinance, others by resolution, and still others administratively. The special law and ordinance are structured to allow this multi-tiered approach. Also, it is not possible or advisable to have the entire transition conclude on one date. Although employees will be transferred on the effective date of the ordinance (August 24<sup>th</sup>), Finance staff are recommending that 2003 appropriations for the predecessor departments remain where they are for this fiscal year, and that the new department become one budget entity beginning with the 2004 budget. As noted in Sec. 415.30, the transfer of financial assets and liabilities will occur in subsequent resolutions, also likely to coincide with the fiscal year. Similarly, staff are continuing to evaluate the dozens of MCDA administrative policies,

program guidelines, and other procedures to determine which ones should transfer to the new department, which processes and functions are adequately addressed by existing City policies, and whether there are any cases where a merging of policies should be explored. The accompanying resolution, discussed below, assumes a four month transition period, so that by January 1, 2004, virtually all financial and programmatic operations will be transferred to CPED.

## Personnel Issues

Although state law, ordinance, and existing labor agreements provide the basic framework within which employee transition issues will be governed, there are many details and steps which will need to be worked through in the coming months. Human Resources will be reconvening a working group of labor and management representatives to work through the many outstanding personnel steps required to fully accomplish the transition to the new department. One such step will be for Human Resources to study the current job titles at the MCDA in order to integrate them into the City's civil service system. Human Resources' Labor Relations function has scheduled the first meeting to begin working through the various collective bargaining issues that must be resolved if a merger that respects all of our employees is to occur.

Prior to introducing the ordinance on July 11, staff met with MCDA AFSCME Local 3419 to brief them on the proposed ordinance. (Other affected City unions were also invited but did not attend the meeting.) The MCDA AFSCME unit requested a change in the employer's contribution rate for those employees who choose to remain in the existing defined contribution plan of the agency. The change requested was to increase the employer's contribution rate from the current 5% of salary to match the rate required by state law for PERA employees, currently 5.5%. The 2004 cost of this increase has been estimated at approximately \$34,000. The employees' contribution rate will also be adjusted to match that of PERA, currently 5.1%. Management supports this request and is asking for Council authority for proper city officers to make this change as detailed in recommendation 4.

## Functions retained by the MCDA

In addition to retaining the MCDA for the transition period, a preliminary legal and programmatic analysis indicates that due to its status as a separate political subdivision, the MCDA has the unique authority to perform a limited number of functions that the City does not. Examples include the authority to impose a special levy pursuant to the original MCDA Special Law (Laws of Minnesota 1980 Chapter 595) and to participate in the Bank Qualified Bank Direct Revenue Bond Program, a bond-financing program available only to "small issuers", defined by IRS regulations as annual issuers of \$10 million or less in revenue bonds. For these and perhaps additional programs, staff presently anticipates that MCDA will be retained as a legal entity, to be staffed by CPED staff, and governed by the existing Board, i.e. members of the City Council. Staff anticipates a future amendment to chapter 422 of the Minneapolis Code of Ordinances reflecting this limited role.

## Resolutions

In order to accomplish additional necessary actions and create a transition framework, staff is recommending the concurrent approval of the accompanying resolutions, one for the City Council and one for the MCDA Board. These resolutions:

- Direct the City Attorney, City Finance Officer, and CPED Director to prepare the necessary year-end financial and program transfer actions;
- Transfer the existing MCDA employee benefit programs to the City;
- Direct the Human Resources department to accomplish the integration of employee benefit plans for non-represented and appointed MCDA staff to City plans and policies by year's end;
- Direct the CPED director staff to prepare recommendations for administrative and program policies and procedures for Council consideration;
- Transfer responsibility for staffing of the MCDA to the City.

Staff will continue to work through these issues in the coming months and will prepare any additional policy actions as needed.

Finally, I would like to thank the staff team that drafted the ordinance and resolutions; they included: Chuck Ballentine, Carol Lansing, Chuck Lutz, Nikki Newman, and Jeff Schneider. Additional assistance was provided by staff from Finance (Pat Born), Human Resources (Pam French, Tim Giles, and Carol Rogers), and MCDA (Paul Fuchs, Jack Kryst, and Joan Mathieu).

### **Recommendations:**

- 1) Approve CPED ordinance with technical amendments
- 2a) Approve accompanying City resolution related to CPED transition
  - b) (to MCDA Operating Committee) Approve MCDA Board resolution related to CPED transition
- 3) Adopt a finding that the unclassified positions of deputy director and the division directors for housing policy and development, economic policy and development, and strategic partnerships, established pursuant to Section 415.50 of the ordinance, meet the criteria of 2003 Minnesota Laws, Chap. 127, Art. 12, Sec. 31.
- 4) Authorize proper City officers to amend the MCDA pension plan document to reflect an increase in the employer's and employees' contribution rates to equal those employer's and employees' contribution rates for the PERA pension plan

### Attachments:

Proposed CPED ordinance  
Laws of Minnesota 2003, Chap. 127, Art. 12, Sec. 31  
Summary of job duties of unclassified positions  
Interim CPED Organizational Chart  
City Council resolution on CPED transition  
MCDA Board resolution on CPED transition

Goodman, Benson. Samuels, Schiff, Zimmermann, Lane, Ostrow, Johnson, Zerby

**Amending Title 16 of the Minneapolis Code of Ordinances relating to Planning and Development by adding a new Chapter 415 relating to Department of Community Planning and Economic Development.**

The City Council of The City of Minneapolis do ordain as follows:

Section 1. That the Minneapolis Code of Ordinances be amended by adding thereto a new Chapter 415 to read as follows:

**CHAPTER 415. DEPARTMENT OF COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT**

**415.10. Department established.** (a) Pursuant to the authority granted to the City of Minneapolis by 2003 Minnesota Laws, chapter 127, article 12, sections 31-34, and approved by the city council pursuant to Resolution 2003R-301, the city hereby establishes the Department of Community Planning and Economic Development. The department shall provide policy analysis, planning and programmatic support to sustain and improve the residential, economic and aesthetic environment of the city for the benefit of residents, employees and businesses in Minneapolis. The department shall work in partnership with the public, neighborhood-based groups, the business community, development providers and other agencies and city departments to provide integrated, efficient and effective programs to support the city's planning and development goals.

(b) Notwithstanding a contrary law or provision of the Minneapolis city charter, Laws 2003, chapter 127, article 12, sections 31-34, authorizes the city council to exercise the powers granted by Minnesota Statutes, sections 469.001 to 469.134 and 469.152 to 469.1799 (except for powers related to public housing), and any other powers granted to a city of the first class; by Laws 1980, chapter 595, as amended; by Laws 1990, chapter 604, article 7, section 29, as amended by Laws 1991, chapter 291, article 10, section 20; and any other development or redevelopment powers authorized by law, independently, or in conjunction with each other, as though all of the authorized powers had been granted to a single entity. In exercising the powers authorized by this section, the City of Minneapolis shall be the authority, agency, or redevelopment agency referred to in Minnesota Statutes, sections 469.001 to 469.134 and 469.152 to 469.1799, and the city council of the City of Minneapolis shall be the governing body or board of commissioners of the authority, agency, or redevelopment agency. But a program, project, or district authorized by the city under Minnesota Statutes, sections 469.001 to 469.134 and 469.152 to 469.1799, is subject to the limitations of the program, project, or district imposed by Minnesota Statutes, sections 469.001 to 469.134 and 469.152 to 469.1799.

**415.20. Departmental functions.** (a) The department shall have responsibility for the city's planning, development, and employment and training functions, including but not limited to the following:

- (1) Serve as the city's planning department, as described in chapter 13 of the city charter.

- (2) Provide technical assistance and coordinate planning efforts, including the city's comprehensive plan and specific neighborhood-level plans.
  - (3) Recommend amendments to the city's comprehensive plan and zoning ordinances.
  - (4) Administer the city's zoning, subdivision, and heritage preservation regulations by providing technical review of applications for development approvals and permits, in coordination with other city regulatory and development functions.
  - (5) Facilitate the city's public engagement and citizen participation functions, including maintaining relationships with neighborhood organizations, business associations, and other public, private and non-profit community groups.
  - (6) Develop partnerships with external organizations on strategies to meet established goals and to leverage funds.
  - (7) Inform the public, developers, neighborhoods, and other entities on the city's plans and development priorities.
  - (8) Coordinate with other city agencies (e.g., parks, school and library boards) and regional/state entities (e.g., MNDOT, Hennepin County, Metropolitan Council) to achieve integrated planning and development.
  - (9) Support decision making by providing research and analysis to inform policy, plan, program and project decisions.
  - (10) Support the city's housing and economic development goals by working with the private and non-profit development community to promote and, where necessary, assist the production of housing and economic development throughout the city.
  - (11) Provide real estate services, including acquisition, disposition, leasing and management of properties related to departmental operations.
  - (12) Propose and facilitate eminent domain actions.
  - (13) Conduct demolition and relocation activities as necessary.
  - (14) Work with policy makers, funding providers, and community programs to promote effective job training and employment opportunities.
  - (15) Administer funding and provide employment and training programs and services to youth, adult, senior and dislocated workers.
  - (16) Coordinate workforce training and other programs with other public and private workforce organizations.
- (b) The functions previously assigned to the planning department, employment and training program of the health department, and the empowerment zone office are

hereby transferred to the department of community planning and economic development, upon the effective date of this ordinance. This transfer of the functions of said departments and programs does not limit the authority of the city council to change, add or eliminate functions of any city department.

**415.30. Existing Minneapolis Community Department Agency (MCDA) programs, projects and districts.** The city council may by one or more resolutions transfer to the department money, investments, real property, personal property, assets, programs, projects, districts, developments and obligations of the Minneapolis Community Development Agency (hereinafter "MCDA"). As transfers are made, the city shall assume and agree to carry out the contractual obligations of the MCDA with respect to the transferred money, investments, real estate, personal property, assets, programs, projects, districts, developments or obligations, including the obligations of any bonds, notes, or other debt obligations of the MCDA; provided, however, that the pledge of the full faith and credit of the MCDA to any bonds, notes, or other debt obligations of the MCDA that are transferred to the City of Minneapolis shall not be secured by the full faith and credit of the City of Minneapolis and shall not be secured by the taxing powers of the City of Minneapolis, but only by the assets pledged by the MCDA to the payment of the bonds, notes, or other debt obligations. Transferred programs, projects and districts established before the effective date of this ordinance shall operate under their existing guidelines, criteria, rules, regulations, project plans or finance plans, except as otherwise determined by the city council.

**415.40. Selection of director; powers.** (a) The department shall be supervised, controlled and directed by the director of the department of community planning and economic development who shall be in the unclassified service of the city. The appointment and removal of the director shall be in the manner provided by the city charter, chapter 3, section 4.

(b) The director shall be responsible for the performance of all administrative duties relating to the functions of the department described herein and shall perform all additional duties as may be properly delegated by action of the city council. The director shall have the power to take all personnel actions, including the appointment of all employees of the department, including those positions in the unclassified service.

(c) The city council hereby delegates to the director the following additional powers:

- (1) To implement projects consistent with project and finance plans approved by the city council.
- (2) To implement programs consistent with budgets and program guidelines approved by the city council.
- (3) To establish fair market values, make offers and acquire real properties consistent with approved projects and programs.
- (4) To settle condemnation cases within approved project or program budgets.
- (5) To restructure or write off delinquent loans consistent with policies approved by the city council.

- (6) To approve citizen participation and nonprofit administrative contracts consistent with budgets approved by the city council.
- (7) To establish professional services panels for appraisers, architects and engineers, financial and market analysts, surveyors, environmental consultants and similar professional services consistent with policies approved by the city council.
- (8) To exercise any authority granted by statute, charter or ordinance to the planning director, or to delegate said authority to his or her designee.
- (9) To determine the total number of full time equivalent department positions within personnel budgets approved by the city council.

**415.50. Establishment of other unclassified management positions.** The city council hereby establishes the following positions in the unclassified service of the city which shall report to the director or deputy director of the department: a deputy director; four division directors.

**415.60. Transfer of positions and employees to department.** (a) Upon the effective date of this ordinance, the city council hereby transfers to the department the positions and employees of the city's planning department, employment and training program, and empowerment zone office. Other city employees may be transferred to the department as the city council may direct.

(b) Upon the effective date of this ordinance, the city council hereby transfers the positions and incumbent employees of the MCDA, except for those employees who may be selected into the unclassified service of the city, into the classified service of the city. The director of human resources shall implement the transfer, and any subsequent reclassification of the transferred positions, considering applicable laws, civil service rules, city policies and collective bargaining agreements.

(c) The city shall be the successor employer for the collective bargaining agreements existing upon the effective date of this ordinance between the MCDA and its employees.

(c) The department of human resources shall develop and implement the pension election provisions for employees transferred from the MCDA to the city, as provided in Laws 2003, chapter 127, article 12, section 32.

**415.70. Effective date.** This ordinance shall become effective on August 24, 2003.

Sec. 31. [MINNEAPOLIS COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT.] Subdivision 1. Notwithstanding a contrary provision of law, the charter of the city of Minneapolis, or its civil service rules, the city council of the city of Minneapolis may, by ordinance: (1) establish a department of the city to be designated as the community planning and economic development department, or another name as the city designates by ordinance. The term "the department" as used in sections 31 to 33 means the community planning and economic development department established under this subdivision; (2) transfer to the department the community development and planning duties and functions of any other department or office of the city of Minneapolis, including the employees performing those duties and functions. If the duties and functions of the city planning department are transferred to the department, the department must perform the administrative duties that were formerly performed by the city's planning department on behalf of or at the request of the city's planning commission; (3) transfer any positions of the Minneapolis community development agency to the city of Minneapolis. The ordinance may provide the process for establishing, classifying, and describing the duties for the transferred positions. Employees of the Minneapolis community development agency who are not in the classified service of the city of Minneapolis may be transferred to the city of Minneapolis, and the city council may transfer the employees into the classified service of the city of Minneapolis and into positions for which the employees are qualified, as determined by the city council; (4) establish the position of director of the department in the unclassified service of the city, and establish other unclassified positions as necessary. Unclassified positions, other than the director, must meet the following criteria: (i) the person occupying the position must report to the director or a deputy director; (ii) the person occupying the position must be part of the director's management team; (iii) the duties of the position must involve significant discretion and substantial involvement in the development, interpretation, or implementation of city or department policy; (iv) the duties of the position must not primarily require technical expertise where continuity in the position would be significant; and (v) the person occupying the position must be accountable to, loyal to, and compatible with the mayor, the city council, and the director; and (5) establish the terms and conditions of employment for employees of the department.

Subd. 2. The employees of the department are employees of the city of Minneapolis for the purposes of membership in the public employees retirement association. An employee transferred from the Minneapolis community development agency to the city of Minneapolis must elect within six months of the effective date of the transfer to either continue as a member of the retirement program in which the employee participated on the date of the employee's transfer to the city of Minneapolis or to become a member of the public employees retirement association. This election is irrevocable. An employee who was a member of the Minneapolis employees retirement fund on the date of the employee's transfer to the city of Minneapolis may continue as a member of that fund retaining all vested rights, constructive time, and employee and employer contributions made on the employee's behalf to that fund. The city of Minneapolis must make the required employer contributions to the elected retirement program. An employee electing to become a member of the public employees retirement association may enroll in the association with vested rights based upon the employee's current tenure as an

employee of the Minneapolis community development agency, but that tenure does not constitute allowable service for purposes of determining benefits.

Subd. 3. The terms of a collective bargaining agreement that is in effect between the Minneapolis community development agency and its employees, some or all of whom may be transferred to the city of Minneapolis, are binding upon the city of Minneapolis and the employees for the term of the contract.

Subd. 4. An employee electing under subdivision 2 to become a member of the public employees retirement association may purchase allowable service credit from the association by paying to the association an amount calculated under Minnesota Statutes, section 356.55. The service credit that is purchasable is a period or periods of employment by the Minneapolis community development agency that would have been eligible service for coverage by the general employees retirement plan of the public employees retirement association if the service had been rendered after the effective date of this article. A person electing to purchase service credit under this subdivision must provide any documentation of prior service required by the executive director of the public employees retirement association. Notwithstanding any provision of Minnesota Statutes, section 356.55, to the contrary, the prior service credit purchase payment may be made in whole or in part on an institution-to-institution basis from a plan qualified under the federal Internal Revenue Code, section 401(a), 401(k), or 414(h), or from an annuity qualified under the federal Internal Revenue Code, section 403, or from a deferred compensation plan under the federal Internal Revenue Code, section 457, to the extent permitted by federal law. In no event may a prior service credit purchase transfer be paid directly to the person purchasing the service.

Sec. 32. [AUTHORITY.] Subdivision 1. Notwithstanding a contrary law or provision of the Minneapolis city charter, the city council may exercise the powers granted by Minnesota Statutes, sections 469.001 to 469.134, and 469.152 to 469.1799, and any other powers granted to a city of the first class, except for powers relating to public housing. In exercising the powers authorized by this section, the city of Minneapolis shall be the authority, agency, or redevelopment agency referred to in Minnesota Statutes, sections 469.001 to 469.134, and 469.152 to 469.1799, and the city council of the city of Minneapolis shall be the governing body or board of commissioners of the authority, agency, or redevelopment agency. The city council may exercise the powers authorized by this subdivision; by Laws 1980, chapter 595, as amended; by Laws 1990, chapter 604, article 7, section 29, as amended by Laws 1991, chapter 291, article 10, section 20; and may exercise any other development or redevelopment powers authorized by law, independently, or in conjunction with each other, as though all of the authorized powers had been granted to a single entity. But a program, project, or district authorized by the city under Minnesota Statutes, sections 469.001 to 469.134, and 469.152 to 469.1799, is subject to the limitations of the program, project, or district imposed by Minnesota Statutes, sections 469.001 to 469.134, and 469.152 to 469.1799.

Subd. 2. The city council may delegate to the department any of the powers granted to the city of Minneapolis under subdivision 1, except the power to tax and the power to issue bonds, notes, or other obligations of the city of Minneapolis.

Subd. 3. Notwithstanding a contrary law or provision of the Minneapolis city charter, money, investments, real property, personal property, assets, programs, projects,

districts, developments, or obligations of the Minneapolis community development agency may be transferred by resolution of the city council to the city of Minneapolis and be made subject to the control, authority, and operation of the department. If a transfer is made, the city of Minneapolis is bound by the contractual obligations of the Minneapolis community development agency with respect to the money, investments, real estate, personal property, assets, programs, projects, districts, developments, or obligations, including the obligations of any bonds, notes, or other debt obligations of the Minneapolis community development agency. The pledge of the full faith and credit of the Minneapolis community development agency to any bonds, notes, or other debt obligations of the Minneapolis community development agency that are transferred to the city of Minneapolis shall not be secured by the full faith and credit of the city of Minneapolis and shall not be secured by the taxing powers of the city of Minneapolis but only by the assets pledged by the Minneapolis community development agency to the payment of the bonds, notes, or other debt obligations. The city council is granted the powers necessary to perform the contractual obligations transferred to the city of Minneapolis.

Subd. 4. The city council may pledge to the payment of bonds, notes, or other obligations of the city of Minneapolis revenues, assets, reserves, or other property transferred to the city of Minneapolis under this section.

Subd. 5. The city council may pledge to the payment of bonds, notes, or other obligations of the city of Minneapolis the full faith and credit of the city of Minneapolis, or the taxing power of the city of Minneapolis, to finance programs, projects, districts, developments, facilities, or activities undertaken by the department.

Subd. 6. Unless prohibited by other law or a contractual obligation including a pledge to the owners of bonds, notes, or other indebtedness, the money and investments of the Minneapolis community development agency transferred to the city of Minneapolis under this section may be deposited in any fund or account of the city of Minneapolis.

Subd. 7. If all money, investments, real property, personal property, assets, programs, projects, districts, developments, or obligations of the Minneapolis community development agency are transferred to the city of Minneapolis, the city council may, by resolution, dissolve the Minneapolis community development agency. Any rights, duties, claims, awards, grants, or liabilities that may arise after the dissolution of the Minneapolis community development agency shall constitute rights, duties, claims, awards, grants, or liabilities of the city of Minneapolis. The pledge of the full faith and credit of the Minneapolis community development agency to any bonds, notes, or other debt obligations of the Minneapolis community development agency that are transferred to the city of Minneapolis shall not be secured by the full faith and credit or the taxing powers of the city of Minneapolis but shall be secured only by the assets pledged by the Minneapolis community development agency to the payment of the bonds, notes, or other debt obligations.

Subd. 8. If the city of Minneapolis exercises its powers for industrial development or establishes industrial development districts under Minnesota Statutes, sections 469.048 to 469.068, 3 the term "industrial," when used in relation to industrial development, includes economic and economic development and housing and housing development.

Sec. 33. [LIMITATIONS.] Subdivision 1. Bonds, notes, or other obligations issued to finance or refinance a program, project, district, development, facility, or activity of the department must be issued by the city council, or, at the request of the city council, by the board of estimate and taxation of the city of Minneapolis. The limitations of this section must not be applied in a manner that impairs the security of bonds, notes, or other obligations issued before the imposition of the limitations.

Subd. 2. Unless otherwise provided in sections 31 to 33, all actions of the city council under sections 31 to 33 are actions within chapter 3, section 1, of the charter of the city of Minneapolis.

Sec. 34. [EFFECTIVE DATE; LOCAL APPROVAL.] Sections 31 to 33 are effective the day after the governing body of the city of Minneapolis and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

## **Job Duties of CPED Unclassified Positions**

July 23, 2003

### **Deputy Executive Director**

This position is responsible for providing leadership and management of internal support functions of CPED and acting in the capacity of Executive Director in the absence of the Executive Director. This involves development, implementation and maintenance of varied internal operating policies; interpretation of policy; ensuring consistency among policies and compatibility of policies with needs of operating divisions; budget planning, tracking and support for CPED; development of business and action plans and measurable outcomes for support activities; monitoring of overall CPED performance against established goals and desired outcomes; coordinating CPED support activities and related city operations; and a number of equally important and significant tasks associated with the delivery of internal support services and CPED-wide oversight.

### **Director of Strategic Partnerships**

This position is responsible for providing leadership and management of the strategic partnership function of CPED. This involves developing and fostering partnerships with communities and residents to meet their job training needs and match them with jobs created through job linkage; developing and fostering partnerships with other stakeholders including residents, civic institutions and the business community on strategies to engage them in business planning; identifying and securing new funding resources that support the varied goals of CPED; development of divisional business and action plans as well as measurable outcomes; development of new and strengthening of existing strategic partnerships vital to achievement of CPED's mission and core businesses; coordination of partnership activities with other CPED divisions and stakeholders to ensure alignment with their goals and priorities; and a number of additional important and significant tasks associated with the development and maintenance of critical partnerships between CPED, its clients and the broader community.

### **Director of Housing Policy and Development**

This position is responsible for providing leadership and management of the housing policy and development function of CPED. This involves the development and implementation of the City's housing policies; ensuring consistency among policies, resources, and housing development outcomes; ensuring a housing development mix that is aligned with desired outcomes; housing policy interpretation; development of divisional business and action plans as well as measurable outcomes; identification of new housing development opportunities that may expand business lines into non-traditional areas; effective coordination of housing programs with NRP; and a number of additional important and significant tasks associated with the delivery of an effective housing program by CPED.

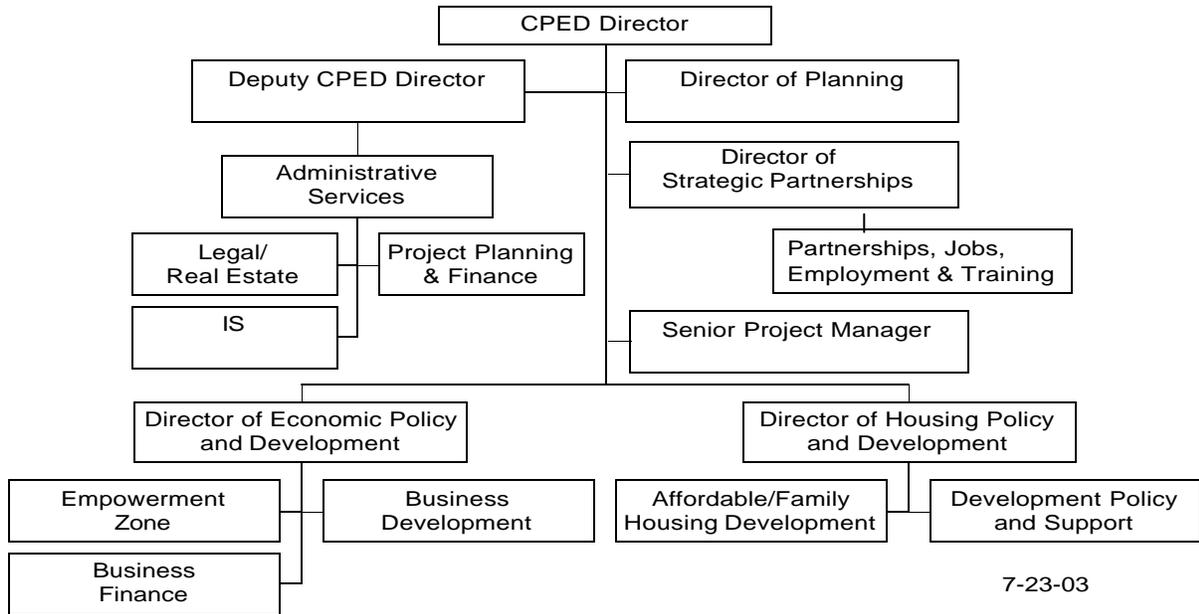
## Director of Economic Policy and Development

This position is responsible for providing leadership and management of the economic policy and development function of CPED. This involves the development and implementation of the City's economic development and jobs policies; ensuring consistency among policies, resources, and economic development outcomes; ensuring that economic development priorities are aligned with desired outcomes; interpretation of economic development policy; development of divisional business and action plans as well as measurable outcomes; development of processes to select projects for financing and other assistance; assessment of job creation needs and options; aligning city and regional development efforts with other partners and stakeholders; identification of new economic development opportunities that may expand business lines into non-traditional areas; and a number of additional important and significant tasks associated with the delivery of an effective economic development program by CPED.

## Director of Planning

This position is responsible for providing leadership and management of the planning function for the City and has already been formally defined and created as an appointed position.

# Interim CPED Organizational Chart



7-23-03

**RESOLUTION  
OF THE  
CITY OF MINNEAPOLIS**

**Approving certain policies and directing certain actions pertaining to the transfer of employees, assets and activities from the Minneapolis Community Development Agency to the City.**

Whereas, the City Council, exercising powers granted by Minnesota Laws 2003, Chapter 127, Article 12, Sections 31 – 34, established the Department of Community Planning and Economic Development and authorized transfers to the Department of the money, investments, real estate, personal property, assets, programs, projects, districts, developments and obligations of the Minneapolis Community Development Agency; and

Whereas, the City's Finance Officer has recommended certain due diligence steps and that such transfers occur at the end of the fiscal year; and

Whereas, given that the employees of the Minneapolis Community Development Agency are being transferred to the City effective August 24, 2003, certain employee benefit plans and agreements of the Minneapolis Community Development Agency must be concurrently transferred to the City; and

Whereas, the Department requires policies and procedures in order to guide staff and to facilitate administrative functions related to real estate acquisition and disposition, relocation, establishing development criteria, tax increment financing, tax abatement, citizen participation, bond financing, low income housing tax credits, housing development and finance programs, and business development and finance programs, among other things; and

Whereas, the Minneapolis Community Development Agency has developed certain policies appropriate for adoption by the City on an interim basis; and

Whereas, adoption of such policies at this time does not preclude subsequent modifications or additions by the City as may from time to time be necessary and appropriate; and

Now, Therefore, Be It Resolved by the City Council of the City of Minneapolis:

1. That the Director of the Department, the Finance Officer and the City Attorney, or their designees, shall develop a plan for the orderly transfer of the money, investments, real estate, personal property, assets, programs, projects, districts, developments and obligations of the Minneapolis Community Development Agency to the City. They shall report back to the City Council by November 1, 2003, with their recommendations.
2. Be it further resolved that the City Council transfers, assigns and conveys all deferred compensation plans, pension plans, severance agreements, life, health, dental, accident or disability, workers' compensation, pre-tax premium or flexible spending account plans and other employee benefit plans of the Minneapolis Community Development Agency to the City, effective August 24, 2003. The proper City officers are hereby authorized and directed to sign

such documents as are necessary to accomplish the transfer of collective bargaining agreements and benefit plans.

3. Be it further resolved that the City's Director of Human Resources shall determine how to transition former unrepresented and appointed employees of the Minneapolis Community Development Agency to the employee benefit plans and policies of the City by the end of the fiscal year.
4. Be it further resolved that the City will provide services and staffing in support of any continuing Minneapolis Community Development Agency functions.
5. Be it further resolved that the City Council hereby adopts the existing policies and procedures of the Minneapolis Community Development Agency, except the policies pertaining to procurement of goods and services, as interim policies of the Department. The Department shall follow the goods and services procurement policies of the City.
6. Be it further resolved that the Director of the Department shall convene an interdisciplinary team with other department heads or their designees to identify policy conflicts or concerns and proposed solutions. The Director shall report back to the City Council with any recommended policy changes by November 1, 2003.

# RESOLUTION

of the

## MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By \_\_\_\_\_

**Consenting to the transfer of certain assets and the staffing of the Minneapolis Community Development Agency by employees of the City of Minneapolis.**

Whereas, the City Council of the City of Minneapolis established the Department of Community Planning and Economic Development and transferred to the City all of the employees of the Minneapolis Community Development Agency (the “Agency”); and

Whereas, the City Council concurrently authorized the transfer, assignment and conveyance to the City of certain employee benefit plans and agreements; and

Whereas, the Agency has determined that the transfers identified in that certain resolution of the City Council of even date herewith (the “Transfer Resolution”) are in the best interest of the City and the Agency;

Now, Therefore, Be It Resolved by The Board of Commissioners of the Minneapolis Community Development Agency as follows:

That the adoption of the Transfer Resolution is hereby approved by the Board of Commissioners of the Agency.

Be It Further Resolved that the Board of Commissioners hereby approves, appoints and engages the City to provide appropriate staffing for the Agency.

Be It Further Resolved that the proper Agency officers and officials are hereby authorized and directed to sign all documents necessary to accomplish the transfers, assignments and conveyances identified in the Transfer Resolution.