



Request for City Council Committee Action

From the Department of Community Planning & Economic Development

Date September 11, 2007

To Council Member Lisa Goodman, Chair, Community Development Committee
Council Member Paul Ostrow, Chair, Ways & Means/Budget Committee

Subject Authorization to approve \$125,000 from the federal Empowerment Zone grant to execute a contract with West Broadway Business and Area Coalition to administer technical assistance to businesses on West Broadway Avenue in North Minneapolis.

Recommendation

(1) Approve the Empowerment Zone Governance Board Executive Committee recommendations payable from 0300-890-8942; and

(2) Authorize the proper city officers to execute contract with West Broadway Business and Area Coalition setting forth the terms and conditions of administering federal Empowerment Zone funds.

Submitted by/

Presenter in committee

Jonathan Palmer, Director, Empowerment Zone, 673-5016

Approved by

Chuck Lutz, Deputy Director, Community Planning and Economic Development _____

Permanent Review Committee (PRC) Approval Not Applicable

Policy Review Group (PRG) Approval Not Applicable

Financial Impact (Check those that apply)

No financial impact (If checked, go directly to Background/Supporting Information).

Background/Supporting Information

On August 9, 2007 the Empowerment Zone (EZ) Governance Board Executive Committee approved a grant of \$125,000 to West Broadway Business and Area Coalition (WBBAC) to assist businesses and spur economic development on West Broadway Avenue in North Minneapolis.

WBBAC was formed in 2006, through the merger of the West Broadway Business Association and the West Broadway Area Coalition, to represent the interests of business and community members in the effort to revitalize and redevelop West Broadway.

WBBAC's primary goals are to implement a business façade improvement program, provide technical assistance to businesses, sponsor community engagement events, and develop an on-line property listing and communications network.

WBBAC's proposal to the Empowerment Zone is attached.



Office of the Minneapolis Empowerment Zone

Jonathan Palmer, Director

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Empowerment Zone Funding Cover Page

Thank you for your interest in the Minneapolis Empowerment Zone (EZ). Please review the guidelines prior to completing the application. Send paper copies to:

Office of the Minneapolis Empowerment Zone

Attn: Small Grant Program

105 5th Avenue South, Suite 200

Minneapolis, MN 55401

Electronic copies may be emailed to Melissa.Heus@gmail.com

Organization Name: West Broadway Business & Area Coalition

Date: July 16, 2007

Address (include City, State and Zip Code): 1119 West Broadway Ave Minneapolis, MN 55411

Mission or Program Objective: *To add vitality to the West Broadway Community through the promotion of citizenship and by fostering a prosperous business climate.*



Contact Person Name: Matt Halley
x. 101

Phone Number: (612) 521-0855

Street Address: 1119 West Broadway Ave.

Fax: (612) 521-9293

Minneapolis

MN

55411

E-mail: mhalley@cookiecart.org

(City)

(State)

(Zip Code)

Is the organization incorporated as a 501(C) 3? YES NO

Enclose a copy of the IRS letter of determination.

If applying to fund a specific initiative within your organization, provide the following information and enclose the Project Manager's resume:

Project Name:

Address (include City, State and Zip Code):

Objective:

Is the organization and/or project address(s) located within the Empowerment Zone? YES NO

If not, please provide documentation that clearly demonstrates the organization and/or project will serve a minimum of 51% Empowerment Zone residents.



Office of the Minneapolis

Empowerment Zone

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Empowerment Zone Funding Application

[Available at www.ci.minneapolis.mn.us/ez]

Please answer the questions below using the following format. You may copy to another word processing application and insert answers.

I. Description/ Narrative

- A. Describe the organization's program or project goals. Identify the primary goal and how it will help create a sustainable Empowerment Zone (EZ) community.

The West Broadway Business and Area Coalition (an integration of the former West Broadway Business Association and the former West Broadway Area Coalition) is building its capacity to become the premier force for positive change along the Avenue. In order to meet this goal, the Board of Directors has engaged in an extensive needs assessment and planning process. Within the next several months, the WBBAC will secure funding and hire a complement of staff that will allow the organization to carry out its vision. The creation of an effective, stable and reputable organization that represents the interests of business and community members of the West Broadway is a vital step in stabilizing the community.

Throughout the next year, the WBBAC will engage in a number projects that will have a direct and immediate impact on the community. Specifically, it will: 1. administer a façade improvement program for businesses, 2. sponsor/partner in a series of community building events, and 3. develop an on-line communications network that includes a property inventory.

Please check the EZ goal(s) addressed:



- X Economic Development
- Housing
- Community-Based Services
- Education

- X Crime Prevention/Safety

II. Identify the need for the organization's program or project *and* the baseline from which it will begin:

West Broadway Avenue, the central business corridor of the near North side of Minneapolis, lacks cohesive representation of business owners and community members. Since the 1960s the area has experienced a steady decline in business presence, an increase in crime and a deterioration of street life.

The West Broadway Business and Area Coalition is at critical stage in its organizational life. Now is the time to capture the energy of the combined boards of the WBBA and WBAC to build a strong and sustainable force for positive change in North Minneapolis. To achieve this goal, the Coalition needs an experienced, paid leader who can build the administrative structure that will allow the board to carry out its vision.

In the past, both the WBAC and the WBBA have had staff at varying FTEs and skill levels. At the time that the organizations came together, the WBAC did not have any staff and the WBBA has one contracted administrative support staff who works 4 hours per week. As a result, the two volunteer Boards of Directors have not only been responsible for governance, but also for carrying out all of the activities of their respective organizations. This structure places severe limitations on the ability for the sustain themselves and grow. It is unrealistic for the board to be effective in the five priority areas without a paid staff person to manage the initiatives.

III. Is the funding request to replace funds that are no longer available or to support a new initiative? Please explain.

The organizational structure of the WBBAC and the initiatives outlined in this proposal are new. The WBBAC is committed to raising \$12,000 yearly from the businesses along the Avenue to support the organization. These funds are to demonstrate a commitment to the organization from the local business community. The organization is working to secure the first \$5,000 within the next month.

IV. Funding Request: \$125,000

V. Review Questions



COMMUNITY BENEFIT: In what ways will EZ residents, businesses and others directly or indirectly benefit from the initiative? How many EZ residents and/or EZ businesses will benefit and how will you document the benefit?

As a preface to answering this question, We would like to provide some information about the WBBAC Board of Director's planning process. As the organizational structure and staffing pattern were conceived and developed, there were lively discussions and debates about the experience and skills required for the new Executive Director. Some members felt that the WBBAC should seek out volunteers or interns to fill this role. Citing past experience where the West Broadway Area Coalition (WBAC) felt that it was not reaping the benefits from its well-paid staff, it was argued that WBBAC should "make do" with volunteers.

However, the majority of the board advocated for a highly skilled manager and community organizer with demonstrated experience navigating the politics of neighborhood groups and local government. It was argued that the organization would not be able to establish a solid presence in the community without a strong, committed leader and that it was unlikely that such a leader would be motivated solely by altruism. It was also recognized that it is the board's responsibility for guiding and monitoring the work of the new Executive Director. In the event that that person is not achieving the goals of the organization (as detailed in the Strategic Plan that he or she will be involved in developing) or creating a positive image for the organization, he or she will be replaced. These discussions and decisions laid the groundwork for the WBBAC's commitment to high quality and accountability to the community through four primary program areas:

1. Safety and Security
 - In partnership with the Minneapolis Police Department, the WBBAC operates the West Broadway Safety Center
 - The Safety and Security Committee prioritizes safety concerns and identifies solutions with appropriate community partners
2. Business Support
 - The WBBAC serves as a resource and advocate for existing businesses and businesses considering a presence along the Avenue.
 - The WBBAC provides information and referral about government programs designed to assist businesses.
 - The WBBAC maintains an inventory of property along the Avenue.
 - The WBBAC administers a façade improvement grant program.
 - The WBBAC partners with NEON and offices together to teach and sustain North Minneapolis entrepreneurs
3. Information and Activities
 - The WBBAC office serves as a resource to the community members by providing referrals to food, shelter, legal advice and human service programs.
 - The WBBAC offers a respected voice from the Avenue in a newsletter and e-communications
 - The WBBAC hosts special events (e.g. clean-up day) and celebrations (Business and Person of the Year) as community building activities.



- The WBBAC develops and implements marketing strategies for the avenue to attract a broader base of customers.
4. Planning, Zoning and Development
- The WBBAC plays a leadership role in overseeing the implementation of the City's West Broadway Alive planning process.
 - The WBBAC Board will provide locally-based review of development projects that are seeking City approval. The ED will be responsible for drafting Board responses and following development outcomes.
 - The WBBAC plays a leadership role in reviewing zoning and planning policy to support a vibrant West Broadway corridor.

As for the direct benefits to the residents of the community, they are numerous:

1. An accessible forum for helping to shape the West Broadway community will be provided. Residents will be actively recruited to participate in strategic planning and the committees (Safety and Security, Business Support, Information and Activities, and Planning, Zoning and Development).
2. A central point of contact for neighborhood residents and business owners will streamline the flow of information and reduce barriers to progress along the Avenue. As an example, the WBBAC was recently contacted by the new owners of the historic North Library building on Emerson Avenue North just off of West Broadway Avenue. They are hoping to create a community center in the historic building but had "no idea where to begin." While the WBBAC's network of volunteers was able to offer them some guidance, a full-time staff person would be able to work closely with them to assist with their business plan and help them identify and access resources resulting in the re-opening of a community landmark and the creation of a more vibrant West Broadway corridor.
3. The members of the WBBAC have the capacity to influence the legislative process in ways that impact the community in direct and positive ways. For example, Ed Anderson, the Store Director for the West Broadway Avenue Cub Foods grocery store has testified at the State Legislature and was interviewed on National Public Radio about the effects of predatory lending on his employees (who are neighborhood residents) and, in turn, his business.

COLLABORATION: With what organizations and/or businesses are you collaborating and in what ways are you collaborating? Provide any letters of collaboration and support.

By design, the WBBAC has a collaborative organizational structure. Its bi-laws stipulate that the board include representation from businesses, residents, neighborhood groups and non-profit organizations. Thw WBBAC is one of the partners in the NEON – Northside Economic Opportunity Network collaborative and will be sharing an office with NEON staff on the Avenue in the office next to Northway. NEON and the WBBAC will share some support staff and the activities of the two groups will be



complementary. NEON provides loan packaging and we have the opportunity to share an employee with NEON who would be out on the street and could do the property inventory and make calls for façade grants.

COMMUNITY SUPPORT: How does the initiative support other community programs such as the Neighborhood Revitalization Program (NRP), Weed & Seed or others?

The Safety and Security Committee of the WBBAC works in partnership with the Minneapolis Police Department and the City Attorney’s office to implement programs and policies (e.g. Avenue-wide no trespass ordinance, placement of cameras).

The WBBAC is also a sponsor of community events such as the PEACE Foundation’s FLOW and GO!.

LEVERAGE: What is the leverage of other funds to EZ dollars? [i.e. 1:1, 2:1, etc.]

- A. Include a sources and uses budget on the initiative for which funds are being requested. (Use Attachment A template.)
- B. Include a copy of the implementing organizations audited financial statements. (last two years or as operating history permits).

TIMELINE: Include a complete timeline from the initiative’s beginning to completion and identify when you will need the funding.

Activity	Date	Responsibility
Develop ED job description and budget that supports start up staffing	April, 2007	Board of Directors
Conduct Executive Director search	August, 2007	Board of Directors
Executive Director hired	September, 2007	Board of Directors
Facilitate 4 business façade improvement projects	October-March, 2008	Executive Director
Sponsor/co-sponsor 4 community building events	October-March 2008	Executive Director
On-line communication (including property inventory) goes live	March, 2008	Executive Director

CAPACITY: Describe the background of your organization; include operating years, previous initiatives that relate to this funding request and its capacity to implement the initiative. Include a board roster and brief biography on the person responsible for implementation.



Adopted in April 2007, West Broadway Business and Area Coalition is the new name for the West Broadway Area Coalition. The name reflects a significant addition to the organization's mission and areas of activity as the operations of the West Broadway Business Association (WBBA) have been incorporated in the Coalition.

The West Broadway Area Coalition (WBAC) has been an alliance of bordering neighborhood organizations and individuals that are dedicated to the revitalization of West Broadway Avenue in North Minneapolis. WBAC was born out of a 1994 West Broadway Business Association strategic planning process that suggested a new and more focused organization was needed to revitalize North Minneapolis' main commercial artery, which stretches east to west from the Mississippi River to Robbinsdale, while intersecting with four neighborhoods and three city-council wards.

WBAC's mission of **adding life and vitality to the West Broadway Community** was carried out by convening stakeholders and supporting efforts that lead to a safer, cleaner and physically appealing business district that attracts customers and creates new and better jobs for residents. In March 2004, WBAC achieved an organizational milestone by submitting an application to the IRS for 501c3 designation.

Established in 1942, the West Broadway Business Association represented the interests of businesses along the Avenue since it was in its hay day. Designated as a 501c4 by the Internal Revenue Service, the WBBA served as a traditional business networking and advocacy organization for more than one half of a century. In 2005, the Board of Directors adopted a mission stating: **The West Broadway Business Association promotes the economic vitality of the area, good corporate citizenship, and addresses business-related concerns/issues.**

While the creation of the WBAC as a separate organization made sense in 1994, the Boards of Directors of both organizations have come to believe that they can have significantly greater impact and efficiency on the North Minneapolis community if their efforts and organizational structures were combined.

In early 2006, the Boards each approved the exploration of a merger of the two organizations. (Later in the process lawyers for the Boards advised from a legal perspective that a "merger" was not the goal. Instead, the assets and operations of the WBBA have been incorporated into the renamed 501c3 organization.)

Through a series of meetings and planning sessions, the Boards of each organization came to agreement that the efforts of the two organizations should be combined for a number of reasons:

- The WBAC and WBBA shared a primary goal of improving the overall livability, safety and image of the West Broadway Corridor
- There was a great deal of overlap between the organizations in the Board composition, membership, program goals and meeting agendas.



- An opportunity to maximize efficient use of limited resources, time and improve overall effectiveness was identified.
- There was widespread recognition that there are many organizations attempted to improve the conditions of North Minneapolis. At the same time, there was a sense that positive change is occurring too slowly, in part, because these groups are not communicating effectively with one another
- By coming together, the WBBAC would be poised to be a leading force in creating vitality in business and residential life in North Minneapolis.

ECONOMIC DEVELOPMENT RELATIONSHIP: In what way does this initiative demonstrate a relationship to economic development?

By design, the majority of the Board represents business interests. This structure was created for two primary reasons; 1. to assure business owners that in the combining of the WBBA and WBAC activities their interests would be represented and 2. it is widely recognized that ensuring business success along the Avenue and on the Northside is critical to the overall health and vitality of the area we serve.

A central point of contact for neighborhood residents and business owners will streamline the flow of information and reduce barriers to progress along the Avenue. As an example, the WBBAC was recently contacted by the new owners of the North Regional Library building on Emerson Avenue North just off of West Broadway Avenue. They are hoping to create a community center in the historic building but had “no idea where to begin.” While the WBBAC’s network of volunteers was able to offer them some guidance, a full-time staff person would be able to work closely with them to assist with their business plan and help them identify and access resources resulting in the re-opening of a community landmark and the creation of a more vibrant West Broadway corridor.

The members of the WBBAC have the capacity to influence the legislative process in ways that impact the community in direct and positive ways. For example, Ed Anderson, the Store Director for the West Broadway Avenue Cub Foods grocery store has testified at the State Legislature and was interviewed on National Public Radio about the effects of predatory lending on his employees (who are neighborhood residents) and, in turn, his business.

LONG-TERM AND SUSTAINABLE: How will the initiative have a long-term positive impact on EZ residents/businesses and support community sustainability?

The formation of the WBBAC is a direct result of the community’s desire to create a high-impact and sustainable organization to promote economic vitality along West Broadway Avenue. When the WBBAC and WBAC were separate organizations there was inherent role confusion and competition for limited resources (of volunteers, staff and funding).



The Board of Directors is in the process of laying the foundation that will have profound and lasting impact on the community. Thoughtful planning is a critical aspect of this work. While it is tempting to take on projects that have funding attached to them, the board is committed to evaluation any potential projects against the mission and strategic priorities before committing to them. At the same time, the Board recognized the need to demonstrate the WBBACs capacity to have impact on the community in order to secure ongoing funding. For this reason, we have committed to administering the façade improvement program while we hire staff and plan for the future.

INNOVATIVE AND CREATIVE: What is innovative and/or creative about the initiative and why will it be successful?

In a time when many groups are working separately to respond to the issues faced by North Minneapolis, the WBBAC represents a concerted effort to streamline the efforts to make positive change. Perhaps the most innovative aspect of the organization is the board structure which integrates business and community interests. Like a traditional business association, the WBBAC's board is made up of a majority of business owners. However, unlike a 501c6, community members and representatives from other community organizations also have designated seats on the board. We believe that this structure integrates the strength of the business community while ensuring that the voice of the residential community integrated into economic redevelopment initiatives.

VI. Milestones

Identify a minimum of 3 significant milestones from the initiative's complete timeline.

1. Hire an Executive Director for the WBBAC
2. Facilitate façade improvement for four West Broadway Avenue businesses
3. Sponsor 4 community-wide events that contribute to the safety and/or vitality of the Avenue

VII. Outputs [See attachment B: HUD Reporting Requirements]

A. What goal, category, and output measures does the initiative address?

Economic Development Category 2: Businesses Assisted

A. Business Assistance Programs

- Number of EZ/EC businesses receiving financial assistance
- Number of EZ/EC businesses receiving technical assistance

B. How many Empowerment Zone Residents will benefit? How many Empowerment Zone Businesses?



- Currently there are approximately 35 active businesses, non-profit organizations and neighborhood groups who are active in the WBBAC.

VIII. Evaluation

Describe the evaluation plan; list any outcomes you will be tracking to evaluate success and how you will track and measure those outcomes.

The hiring of an Executive Director for the West Broadway Business and Area Coalition is a single yet significant step towards restoring West Broadway Avenue to a vibrant commercial corridor where people come to live, shop and play. This project is an investment in the vision of a group of committed volunteers who care deeply about the future of the Avenue.

West Broadway Avenue faces significant challenges that have been mounting over many years. The WBBAC is one of many key players who can and will make it turn the corner. Realizing the vision will take several years.

While it will take time to evaluate the ultimate success of this work, the more the intermediate outcomes are in sight and they are measurable. One measure of success is to track progress on the projected time line outlined above. Specific outcomes include administration of 4 façade improvement projects, sponsorship/co-sponsorship of 4 community events, and implementation of an on-line communications network for the Avenue.

The person responsible for implementation is required to sign the completed application. Please print and sign your name.

Matt Halley _____

Name

Signature

Date

Please send a hard copy to:



Office of the Minneapolis Empowerment Zone

Attn: Melissa Heus

105 5th Avenue South, Suite 200

Minneapolis, MN 55401

Please e-mail an electronic copy to Melissa.Heus@ci.minneapolis.mn.us



Sources and Uses

SOURCES	Amount
Empowerment Zone grant	\$125,000
City of Minneapolis - Business Association Assistance Program	\$6,000
McKnight Foundation	\$70,000
Corporations	
United Way or other federated campaigns	
Individual contributions	
Fundraising	
Membership income	\$6,000
In-kind support (specify)	
Investment income	
Other (specify)	
Total Sources	\$207,000

USES	Amount
Executive Director (1FTE)	\$55,000
Outreach & Communications Coordinator (1 FTE)	\$35,000



Loan Originator (.5 shared with NEON)	\$20,000
Accounting and Audit	\$5,000
Insurance, benefits and other related taxes (payroll + liability)	\$25,000
Consultants and professional fees (board development + staff development)	\$4,500
Equipment (office start up)	\$7,000
Supplies	\$1,700
Printing and copying	\$1,500
Telephone and fax, website	\$5,000
Postage and delivery	
Rent and utilities	\$12,000
In-kind expenses	
Travel/Conferences	\$2,000
Memberships and Dues	\$1,500
Communications and Marketing (web design, printing, postage, ads, newsletters, flyers)	\$20,000
Community/Special Events	\$10,000
Hospitality	\$1,800
Total Uses	\$207,000