



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

Date: May 16, 2006
To: Council Member Lisa Goodman, Community Development Committee
Council Member Paul Ostrow, Ways & Means Budget/Committee
Subject: Funding for Northeast Community Development Corporation's Central Avenue marketing and retail recruitment program

Recommendation: 1) Amend the 2006 General Appropriation Resolution by increasing the Fund SCD – Commercial Corridor Revitalization Fund (SCD-890-8933-SCDCC01) levy appropriation by \$25,000 from available fund balances. 2) Authorize appropriate staff to negotiate and execute a contract for professional services by and between the City of Minneapolis and the Northeast Community Development Corporation to provide retail recruitment, branding and marketing services on Central Avenue for a term effective June 1, 2004 and continuing until the 31st day of May 2005.

Previous Directives: 1) On February 5, 1999, the City Council designated four priority target commercial corridors, portions of Central, West Broadway and Franklin Avenues and East Lake Street and established the Commercial Corridor Revitalization Fund (CCRF) with Common Project monies. 2) Guidelines for the CCRF, with the intent of "supporting projects that will provide benefits to multiple businesses or to the commercial area in general" were adopted by the Council on October 15, 1999 and administratively revised by the CPED director effective January 1, 2004 to acknowledge the formation of CPED. 3) On December 13, 2001, the City Council authorized the MCDA to levy a 2001 property tax payable in 2002, not to exceed \$4,000,000. 4) On July 26, 2002, the City Council allocated \$1,000,000 of these levy monies to the CCRF.

Prepared by: Kristin Guild, Principal Project Coordinator **Phone:** 612-673-5168

Approved by: Chuck Lutz, Deputy Director CPED _____
Mike Christenson, Director of Economic Development _____

Permanent Review Committee (PRC) Approval Not Applicable

Note: To determine if applicable see <http://insite/finance/purchasing/permanent-review-committee-overview.asp>

Presenter in Committee: Kristin Guild

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
- Action requires an appropriation increase to the Capital Budget or Operating Budget.
- Action provides increased revenue for appropriation increase.
- Action requires use of contingency or reserves.
- Business Plan: Action is within the plan. Action requires a change to plan.
- Other financial impact (Explain):
- Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

Neighborhood Notification: N/A – programmatic activity consistent with program guidelines reviewed by affected neighborhoods. Affected neighborhood groups have been supportive of prior commercial corridor revitalization activities along Central Avenue.

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

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

Zoning Code: N/A

Background/Supporting Information

Northeast Community Development Corporation has requested City support for its Central Avenue retail recruitment and marketing program focused on revitalizing the main street of Northeast Minneapolis. Northeast CDC would use a portion of the money to hire a retail consultant for guidance, access to necessary retail and market data, and expertise with recruiting, and the remainder would support recruiting and marketing activities undertaken by the Executive Director, John Vaughn. There would be measurable performance standards for retail recruitment and marketing built into the contract. Supporting retail recruitment on Central Avenue meets the guidelines and objectives of the Commercial Corridor Revitalization Fund, and would leverage an equal match from LISC for corridor revitalization activities on Central Avenue.

Northeast Community Development Corporation was founded in 2002 in part to bring together resident and business interests along Central Avenue. The NECDC ran the Central Avenue Mainstreet Program (CAMP), jointly funded by the City of Minneapolis and LISC from 2000 to 2005, to stabilize and revitalize Central Avenue. The CAMP program provides a foundation for continued NECDC work with Central Avenue businesses and addressing the business mix to manage vacancy issues. A 2004 evaluation report of CAMP commissioned by LISC notes that Central Avenue business owners report that the CAMP program created a stronger connection among businesses, improved safety and improved the appearance of the neighborhood.

In the past six months, the vacant square footage on Central Avenue has nearly doubled, to approximately 20,000 square feet. Northeast CDC has completed market studies and retail leakage phone surveys in the neighborhood, and is poised for retail recruitment and to continue their business technical assistance program.

**GUIDELINES FOR THE ALLOCATION OF CITY of MINNEAPOLIS DEPARTMENT OF
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (CPED)**

COMMERCIAL CORRIDOR REVITALIZATION FUNDS

The Commercial Corridor Revitalization Fund guidelines are geared toward supporting projects that will provide benefits to multiple businesses or to the commercial area in general including such things as the development of parking, the removal of blight, or assistance to a single property or project if, due to its size or other characteristics, it has the potential to significantly positively influence the environment of the commercial area. The guidelines are as follows:

- Determination of funding allocations should be based on desired outcomes, i.e., increase in services, improvement in commercial environment, enhancement of area security as opposed to eligible uses.
- Expenditures should be for purposes which are expected to provide benefits to multiple businesses or the commercial area in general. Examples of types of uses which might provide these broad benefits could include land assembly for transit-oriented development; development of parking intended to serve several businesses or a commercial area or node; improvements to a single property or assistance to a project, either of which due to size or other characteristics, has the potential to affect significantly the environment of the area; and the removal of a blighting influence, the results of which would be to improve the environment in that area of the commercial corridor.
- Commercial corridor revitalization funds should be used to leverage funds from other sources to the greatest extent possible. These funds should not be used to replace traditional CPED funding sources such as NEDF, CEDF and two percent loans, but should be available to complement these sources where appropriate.
- Commercial Corridor Revitalization Funds were allocated in 2000-2002 as a match to LISC's Minneapolis Commercial Corridor Revitalization Program. Funds should also be available to replicate LISC efforts in corridors where LISC has not yet implemented its Program.
- Priority should be given in allocating these funds to uses which will provide re-payment.
- Future consideration will be given to NRP strategies regarding corridor revitalization as they are developed when allocating these funds.
- A newsletter or similar communication vehicle should be established for each commercial corridor in order to update targeted audiences on developments and issues.