

# The Phillips Story

## *Addressing Market Failure Through Public-Private Partnership*



**Minneapolis**  
City of Lakes

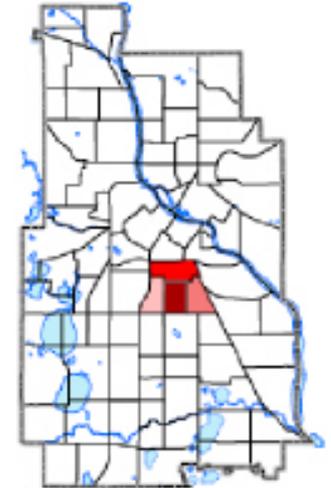
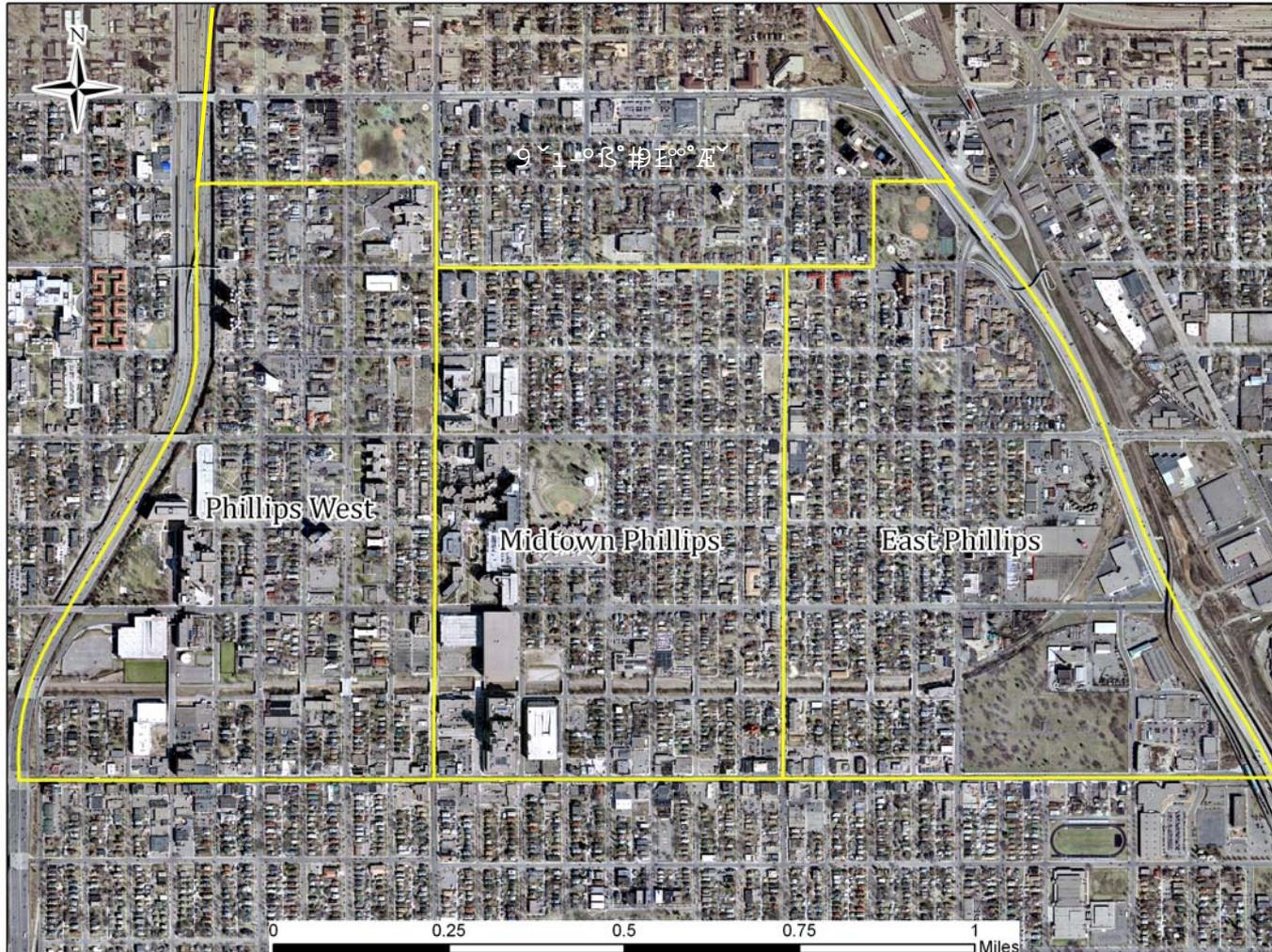
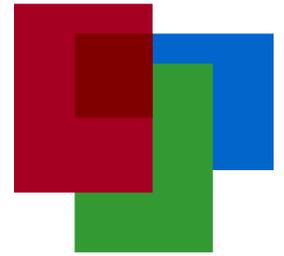
**Department of Community Planning & Economic Development – CPED**

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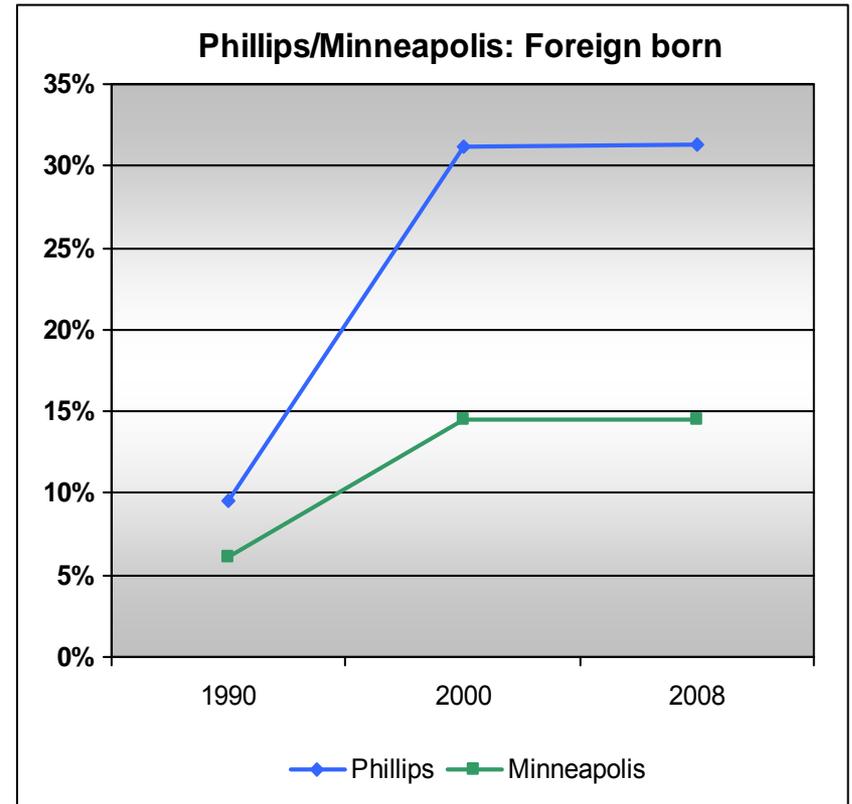
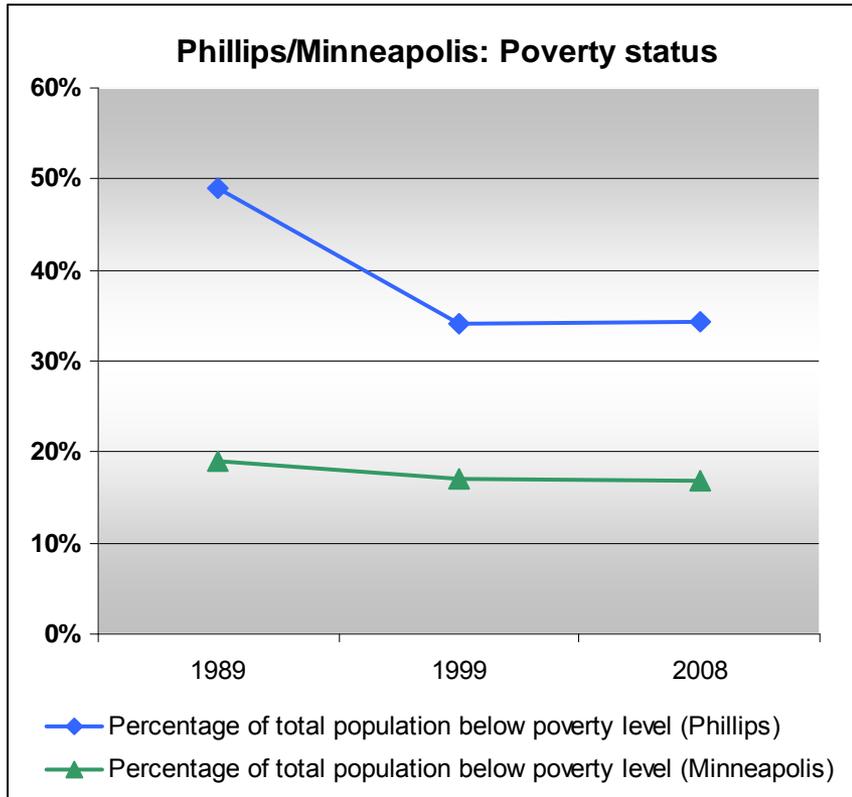
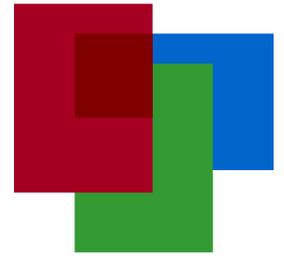
[www.ci.minneapolis.mn.us/cped/presentations](http://www.ci.minneapolis.mn.us/cped/presentations)

November 2011

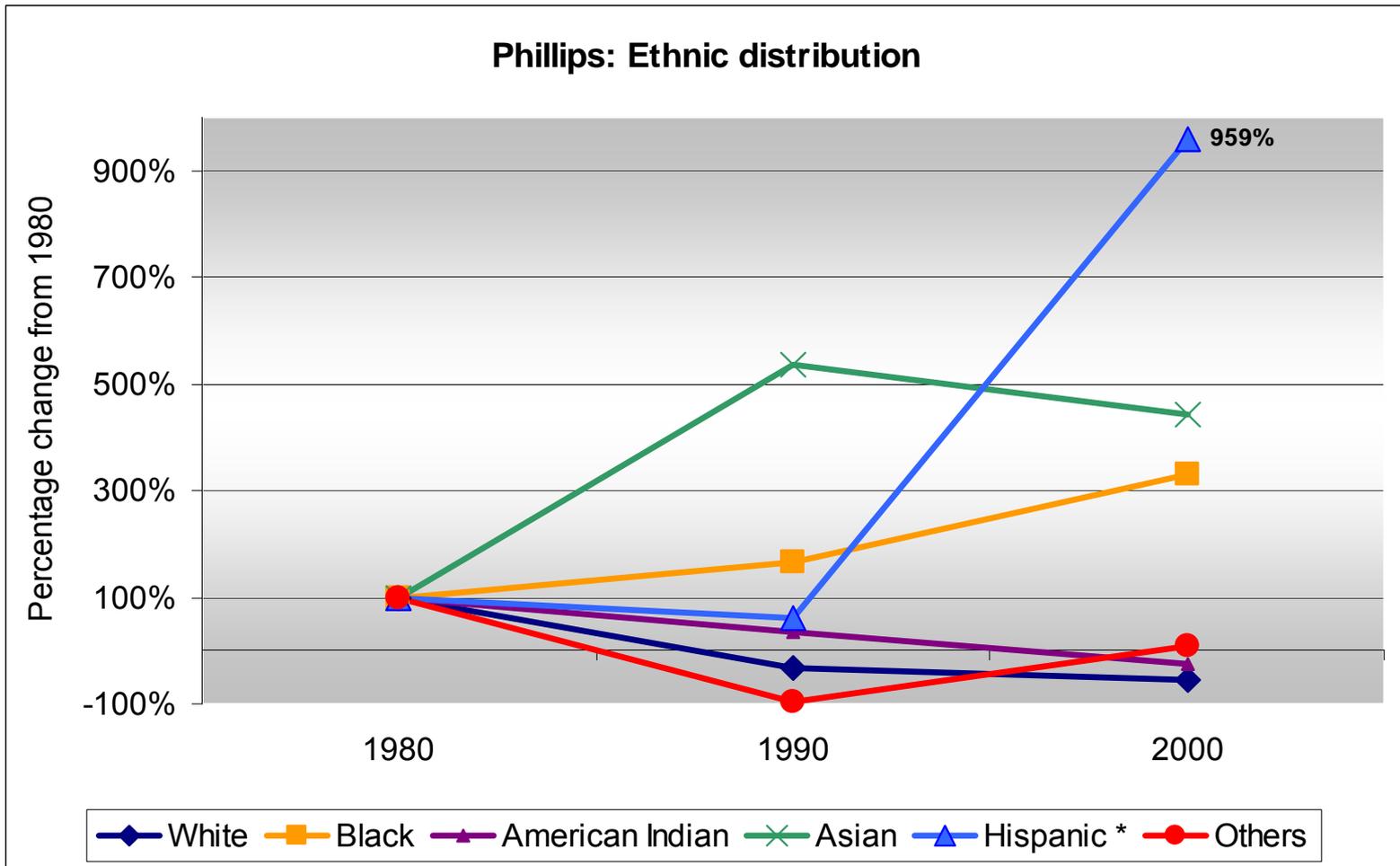
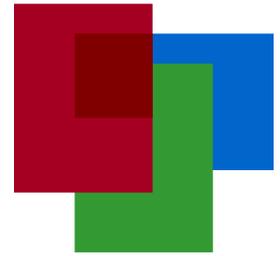
# Phillips



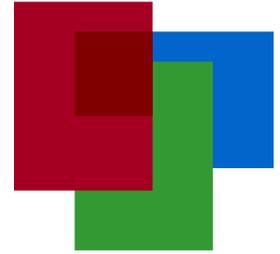
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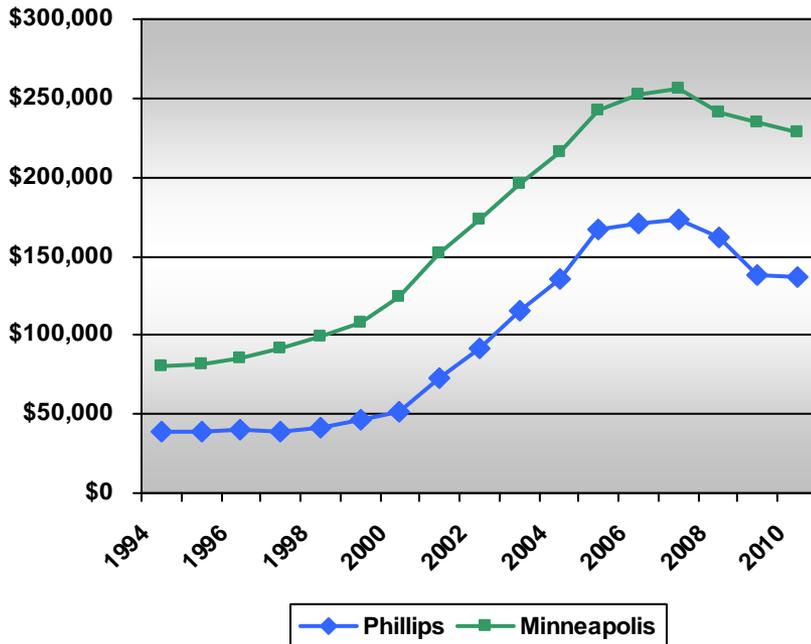
# Phillips



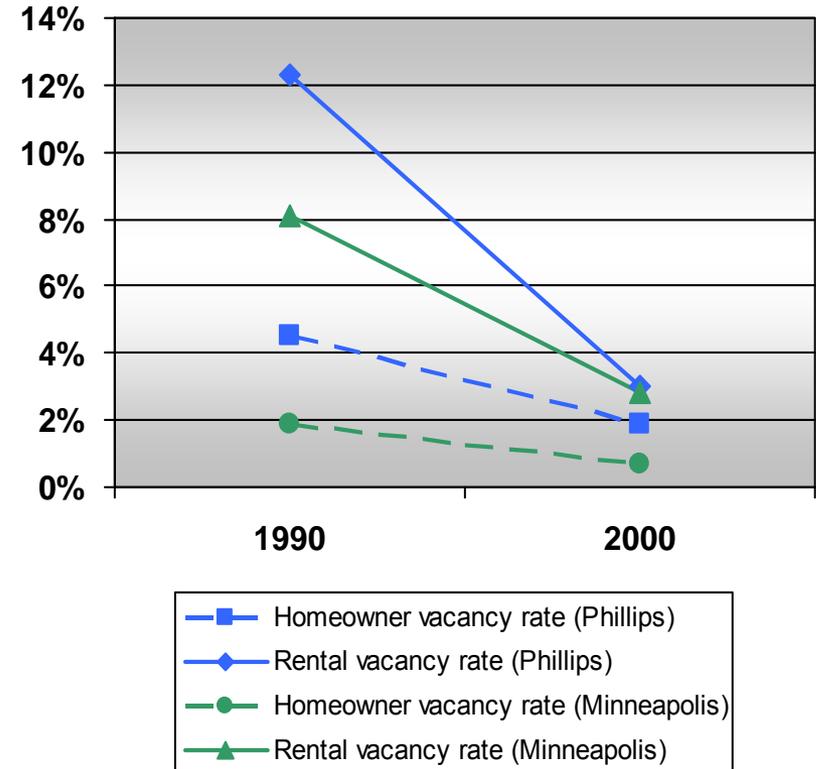
\* Hispanic could be any race  
Source: U.S. Census of Population and Housing (SF1)



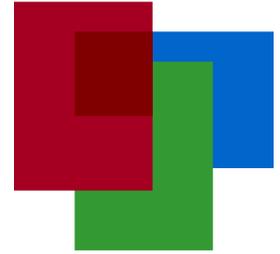
### Average Estimated Market Value: Single Family



### Phillips/Minneapolis: Homeowner and Rental vacancy rate



# Leadership



## Honeywell



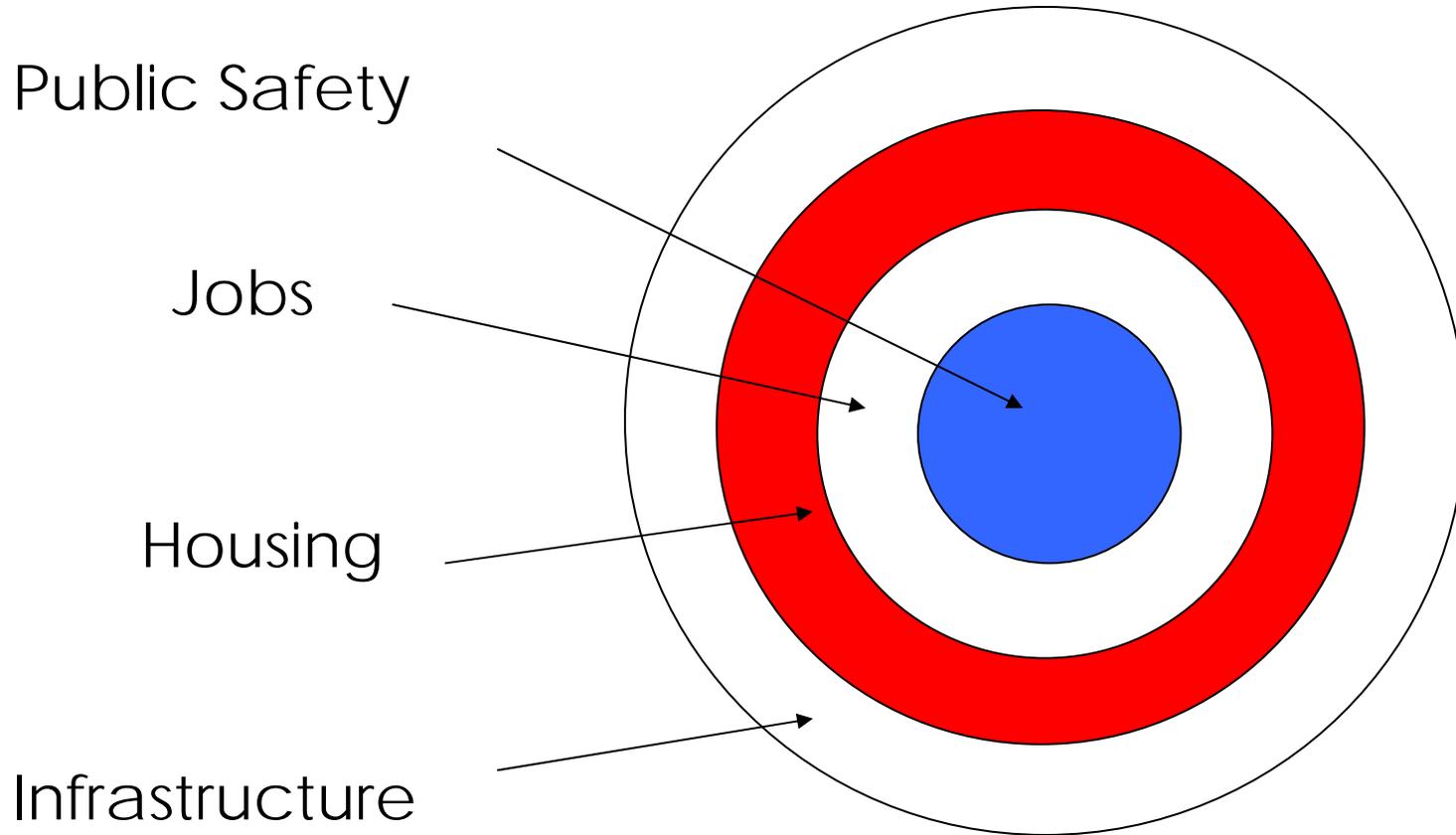
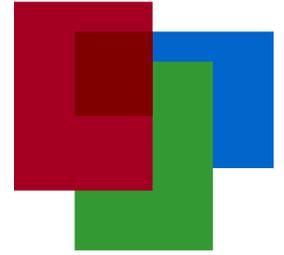
## Phillips Partnership

*safety-jobs-housing-infrastructure  
for the Phillips neighborhood*



**City of Minneapolis**  
*Department of Community Planning  
& Economic Development - CPED*

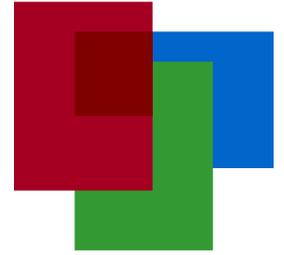
# A Targeted Approach



- Michael Bonsignore

*CEO Honeywell, June 1997*

# Safety



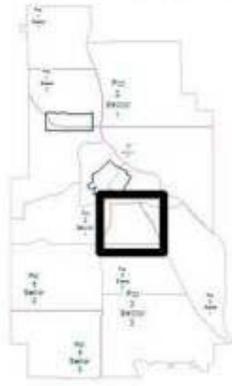
“Crime curbs development.  
Development curbs crime.”

- MPD Chief Dolan &  
CPED Mike Christenson

# Crime Map: 2009

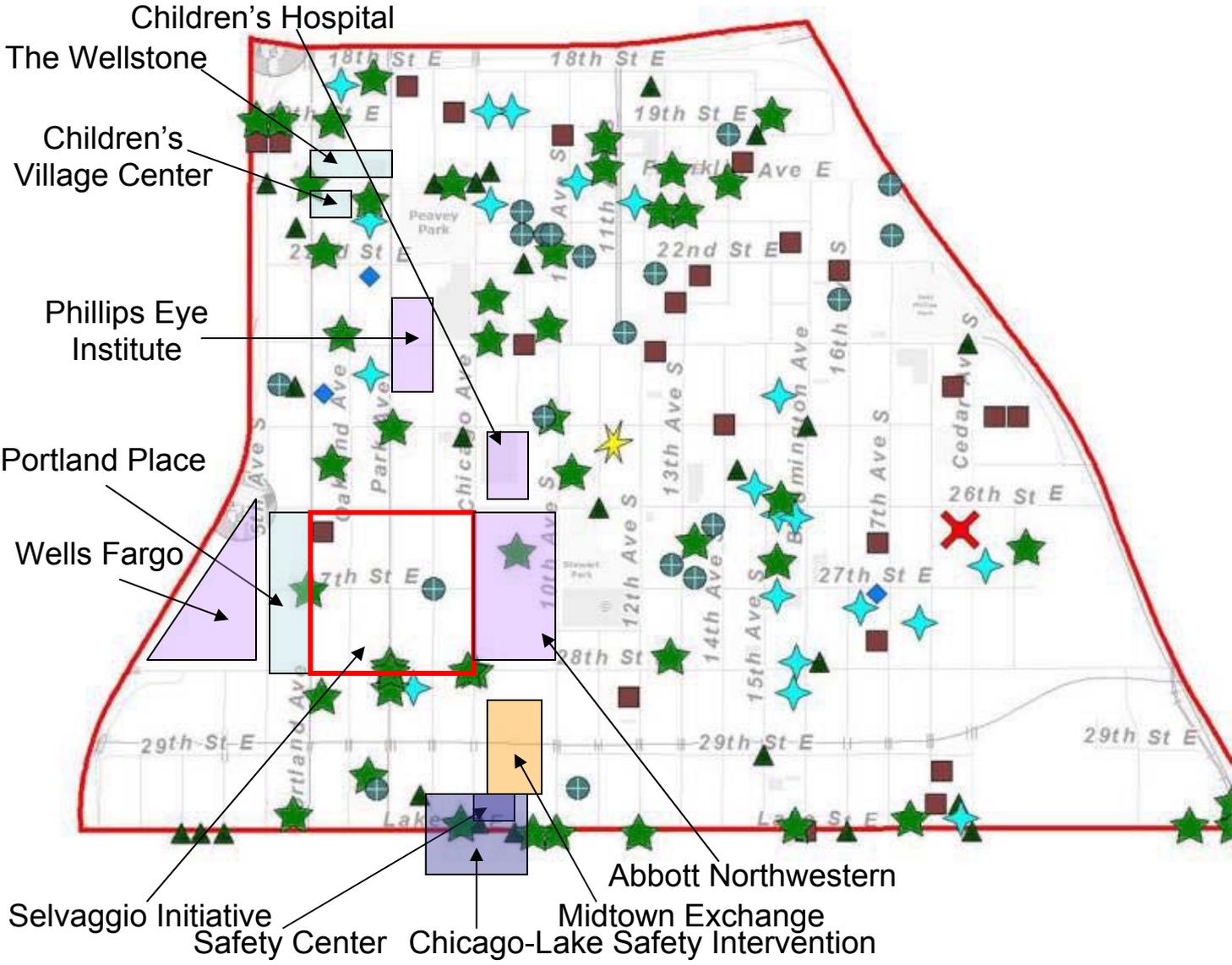


City of Minneapolis



Sectors

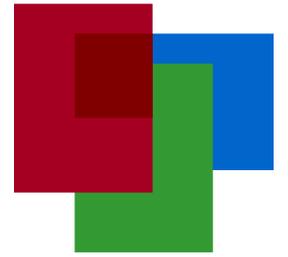
Part 1 Crimes  
Pct 3 Sector 1  
7/1/09 - 7/31/09



- ✖ UCR 01-02: Homicide ( 1 )
- ◆ UCR 03: Rape ( 3 )
- ▲ UCR 04: Robbery ( 25 )
- UCR 05: Agg Assault ( 23 )
- ◆ UCR 06: Burglary ( 20 )
- ★ UCR 07: Larceny ( 50 )
- UCR 08: Auto Theft ( 19 )
- ★ UCR 10: Arson ( 1 )



Total - 142      2.940 PSMPD

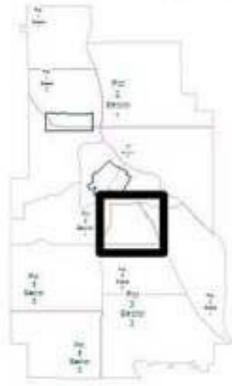


# Development Curbs Crime

# Crime Map: 1998

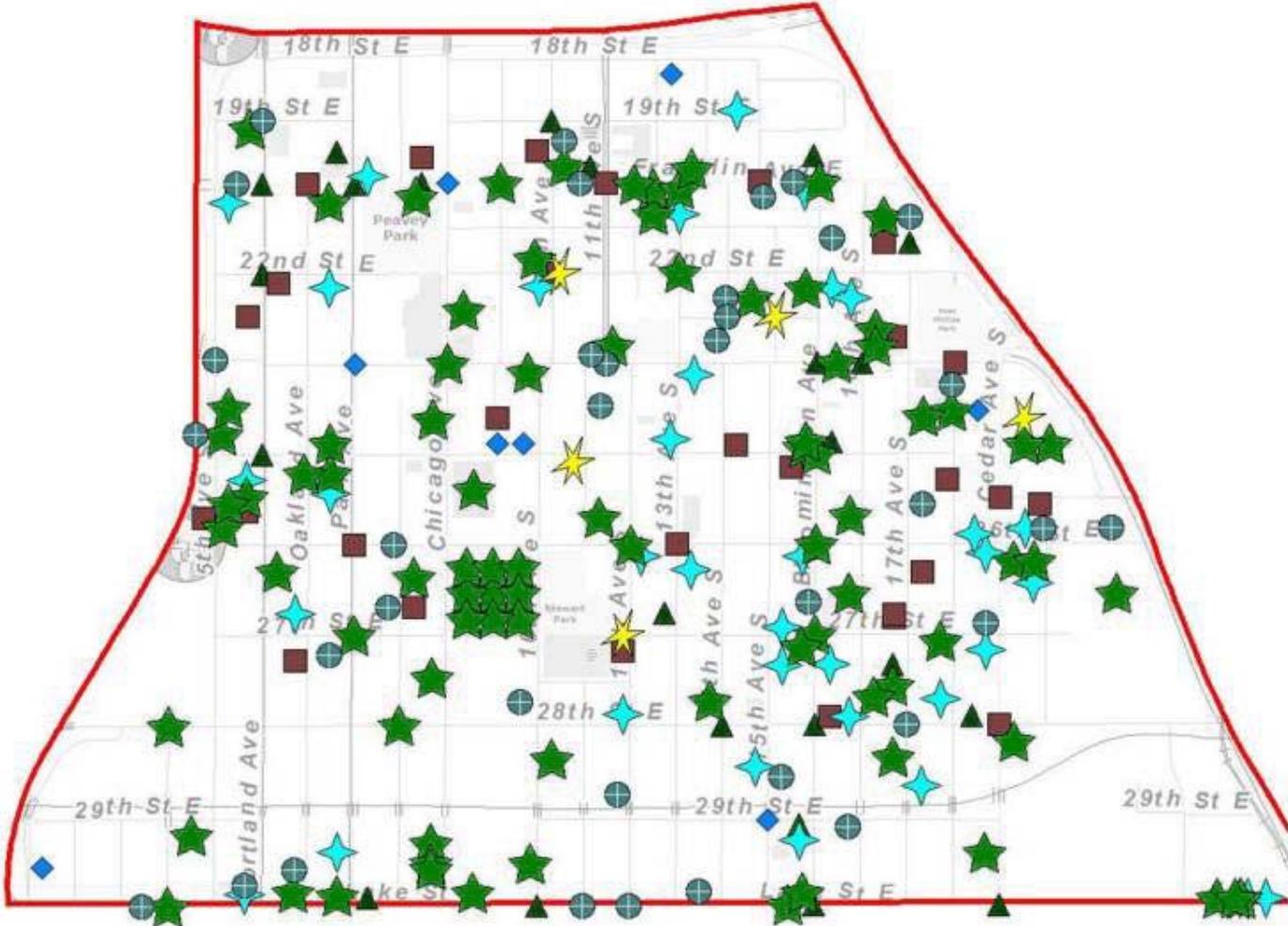


City of Minneapolis



Sectors

Part 1 Crimes  
Pct 3 Sector 1  
7/1/98 - 7/31/98



- ✖ UCR 01-02: Homicide ( 0 )
- ◆ UCR 03: Rape ( 8 )
- ▲ UCR 04: Robbery ( 23 )
- UCR 05: Agg Assault ( 29 )
- ◆ UCR 06: Burglary ( 36 )
- ★ UCR 07: Larceny ( 87 )
- ⊕ UCR 08: Auto Theft ( 36 )
- ★ UCR 10: Arson ( 5 )

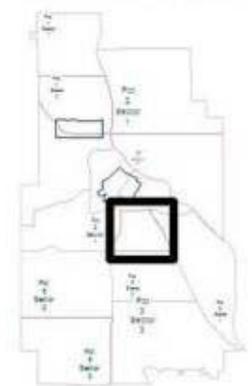


Total - 224      4.637 PSMPD

# Crime Map: 2009



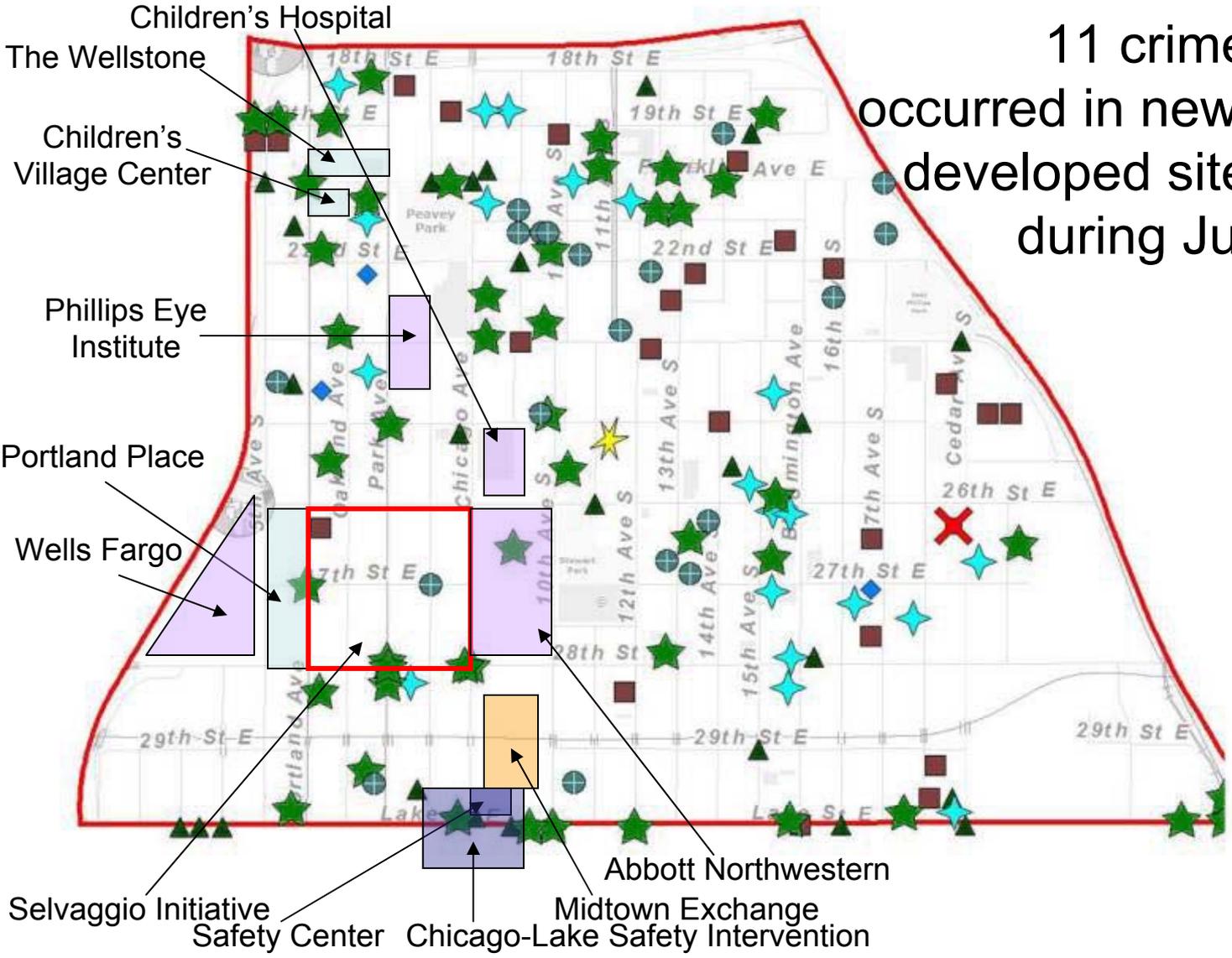
City of Minneapolis



Sectors

Part 1 Crimes  
Pct 3 Sector 1  
7/1/09 - 7/31/09

11 crimes occurred in newly developed sites during July



- ✕ UCR 01-02: Homicide ( 1 )
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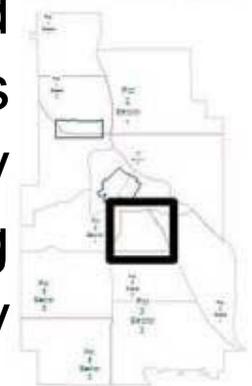


Total - 142      2.940 PSMPD

# Crime Map: 1998



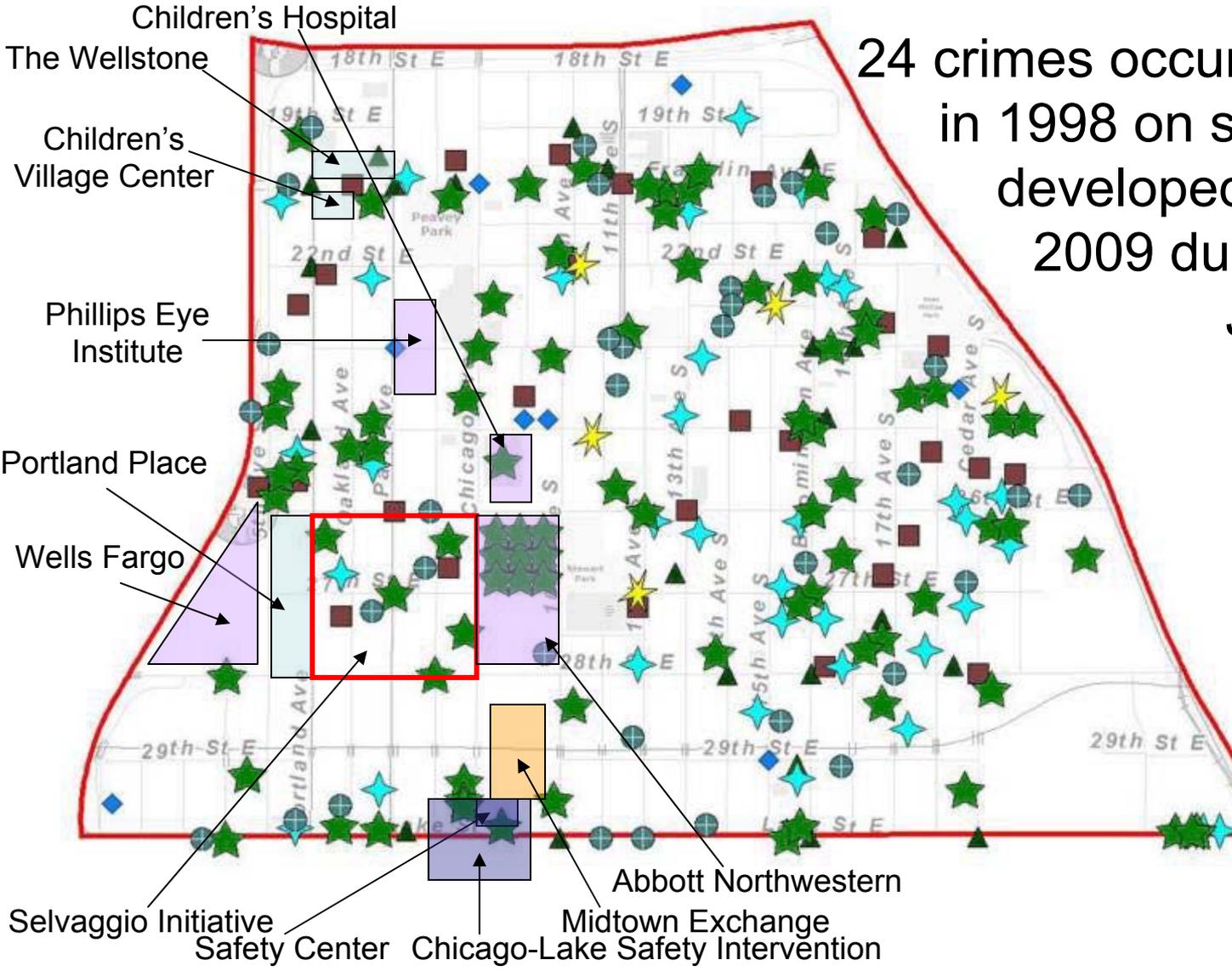
City of Minneapolis



Sectors

Part 1 Crimes  
Pct 3 Sector 1  
7/1/98 - 7/31/98

24 crimes occurred  
in 1998 on sites  
developed by  
2009 during  
July



- ✖ UCR 01-02: Homicide ( 0 )
- ◆ UCR 03: Rape ( 8 )
- ▲ UCR 04: Robbery (23)
- UCR 05: Agg Assault (29)
- ◆ UCR 06: Burglary (36)
- ★ UCR 07: Larceny (87)
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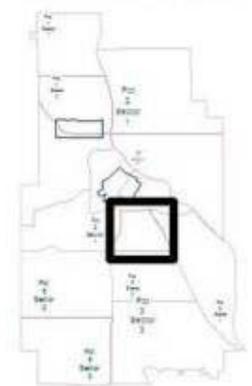


Total - 224      4.637 PSMPD

# Crime Map: 2009



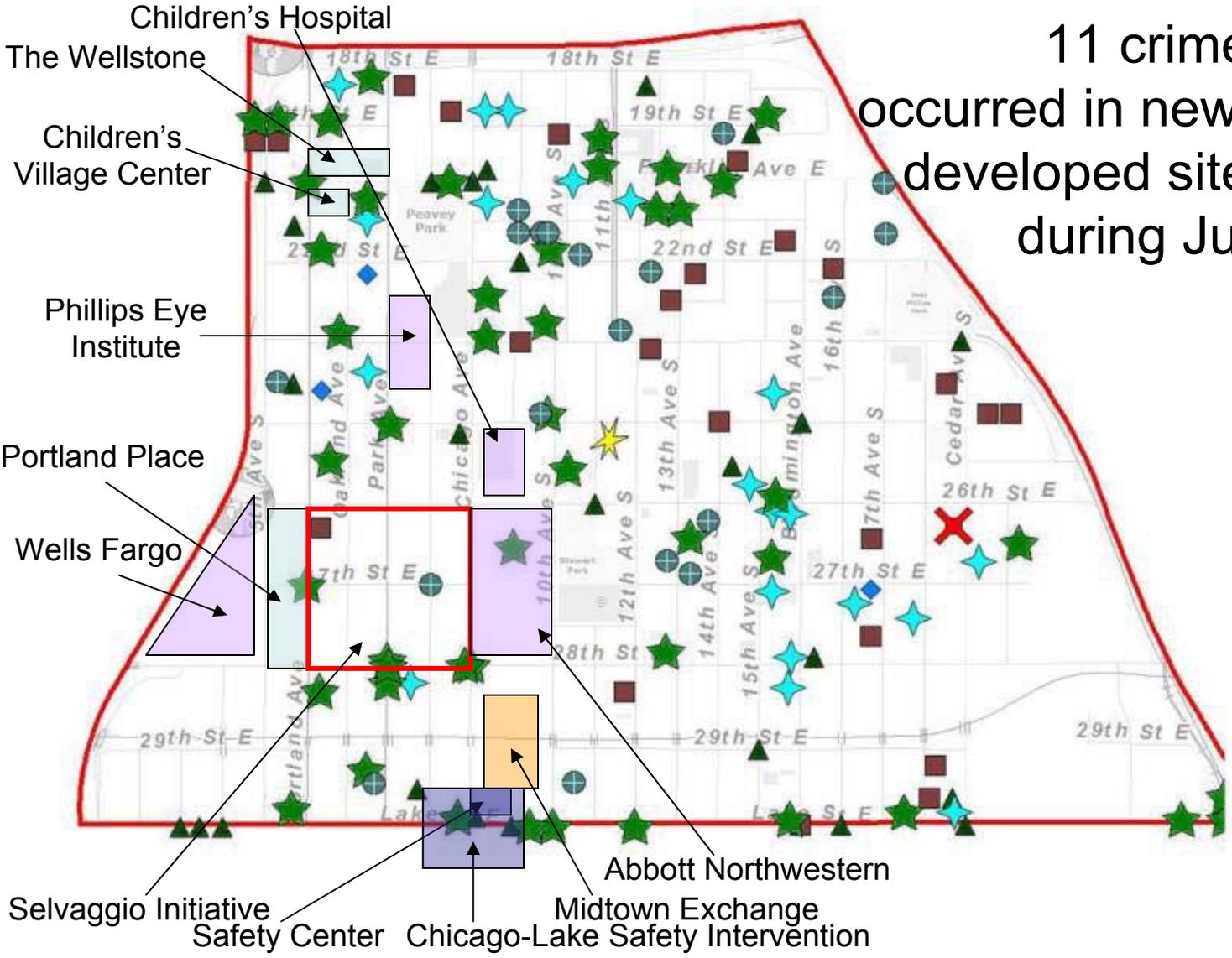
City of Minneapolis



Sectors

Part 1 Crimes  
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7/1/09 - 7/31/09

11 crimes occurred in newly developed sites during July



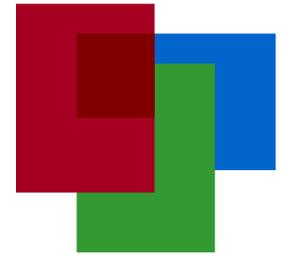
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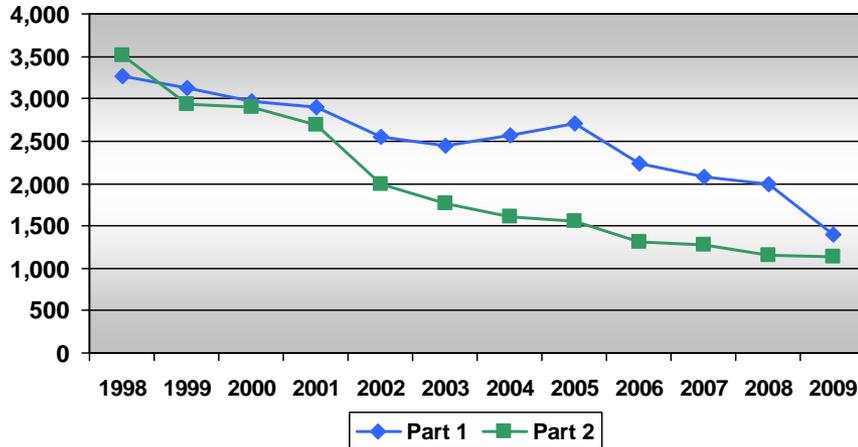
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# Safety

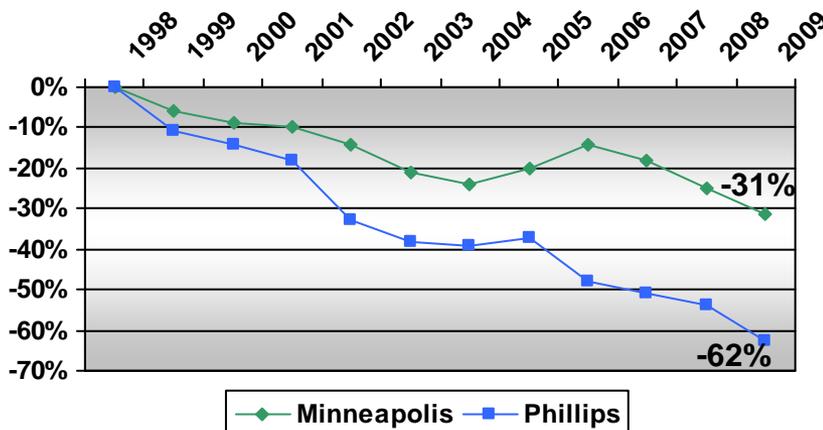
Crime down 62% 1998 – 2009



Philips Neighborhood: Crime



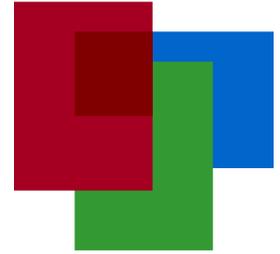
Percentage Change in Crime from 1998



Type of Crime	% Change 98-09
<b>ALL One Crimes</b>	<b>-57%</b>
Homicide*	-90%
Rape*	-40%
Robbery*	-48%
Aggravated Assault*	-46%
Burglary	-62%
Larceny	-59%
Vehicle Theft	-64%
Arson	-56%
<b>ALL Two Crimes</b>	<b>-68%</b>
Simple Assault	-67%
Weapons	-54%
Prostitution	-83%
Narcotics	-60%

\* Violent Crimes down 43%

# Safety

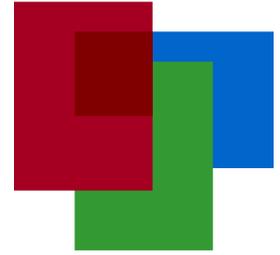


## *Safe-Zone Tactics*

- Public-Private partnership
- Cameras
- Intranet site
- Safety Center
- Shotspotter
- Joint Patrols
- Training
- CityWorkSite & Communications



# Safety



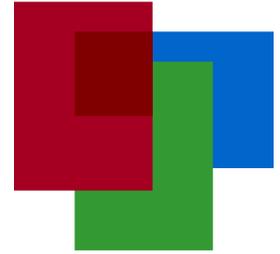
**Joseph Selvaggio Initiative**  
(1998-2001)

**Community Crime  
Prevention Initiative** (1998-)

**Chicago-Lake Intervention**  
(2002-2004)



# Jobs



**Largest hospital-based training program in the nation**

## **Train to Work**

- Since 1997: 987 graduates and 735 job placements
- 80% job retention rate

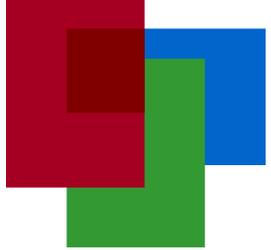


## **Health Careers Partnership (HCP)**

2001-2005: More than 1,200 students enrolled, with most graduates placed in career-track jobs at the 15 area healthcare providers.



# Jobs

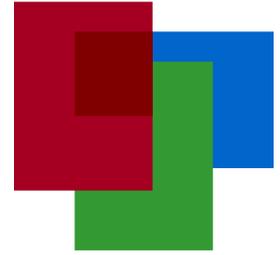


- **Abbott Northwestern** invests \$145 million in expansion of its heart hospital, employs 5,300 people in total, and triples its employment of Phillips residents to 900



- **Wells Fargo** invests \$200 million in the former Honeywell Buildings and employs 4,300 people.

# Jobs

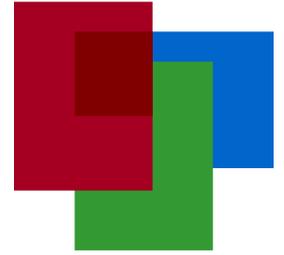


- **Allina Health Systems** relocates its headquarters in the renovated Midtown Exchange building, bringing 2,000 jobs.



- **Children's Hospital and Clinics** adds almost \$200 million to its campus and employs 2,225 people.

# Jobs



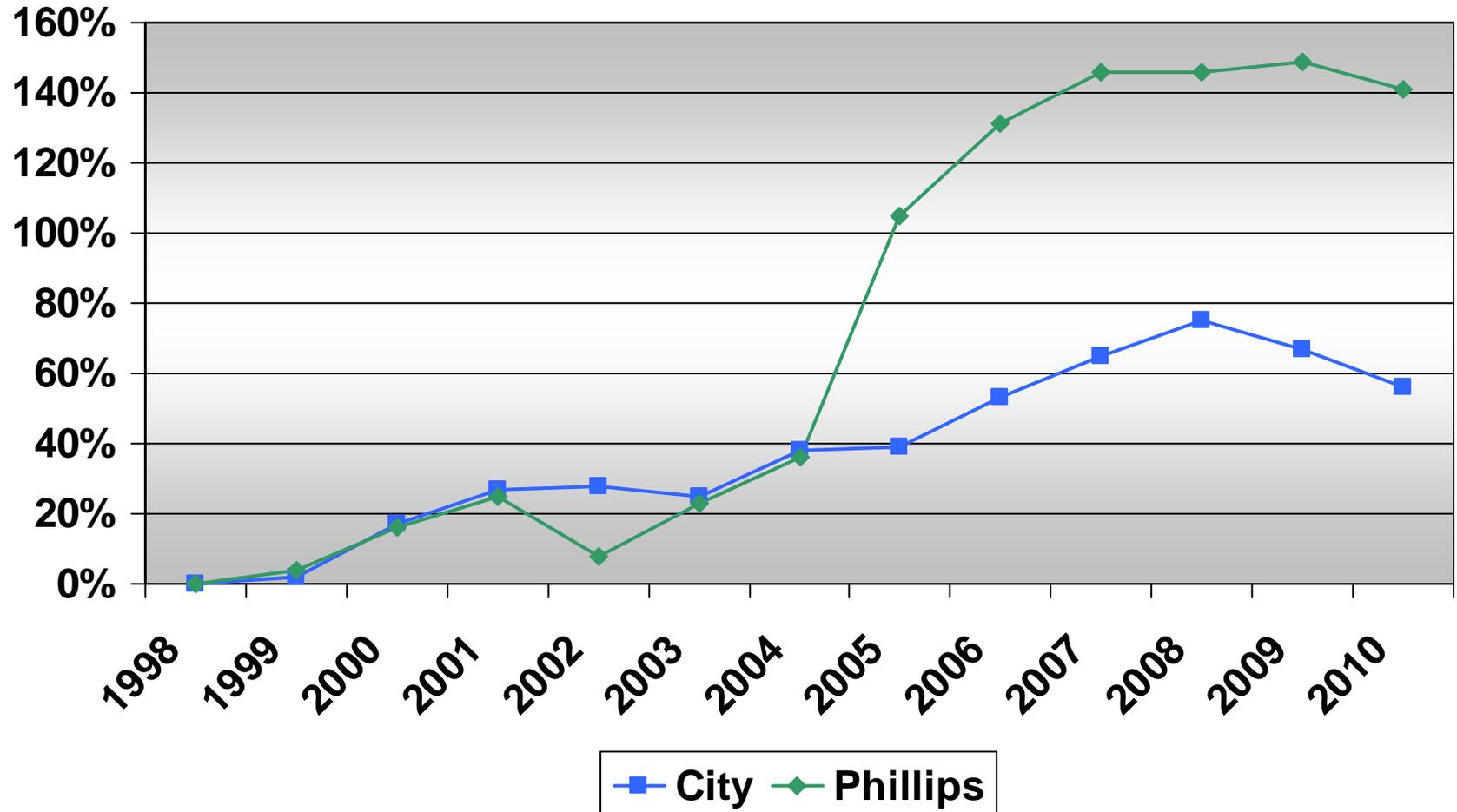
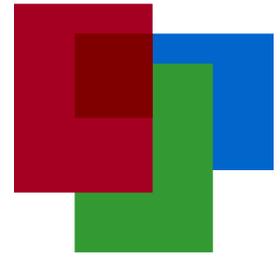
- 36.4% of Phillips residents work in Minneapolis (not including the Phillips neighborhood)



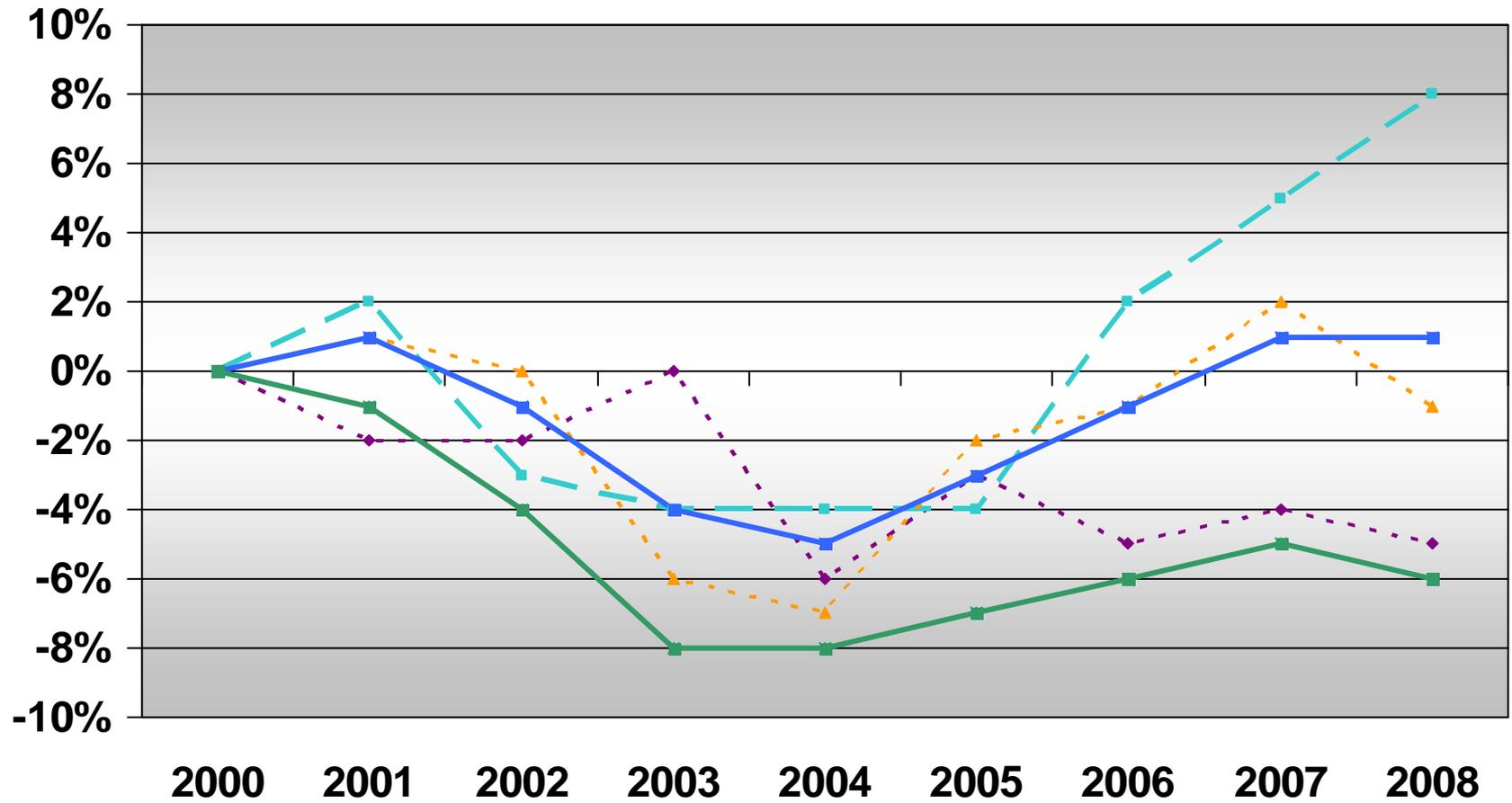
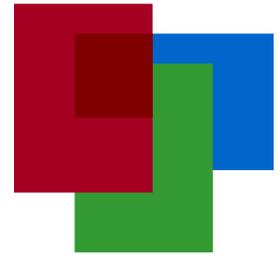
More work to be done:

- Only 2.8% of Phillips residents work in the Phillips neighborhood

# Percentage Growth in EMV of Commercial & Industrial Buildings from 1998

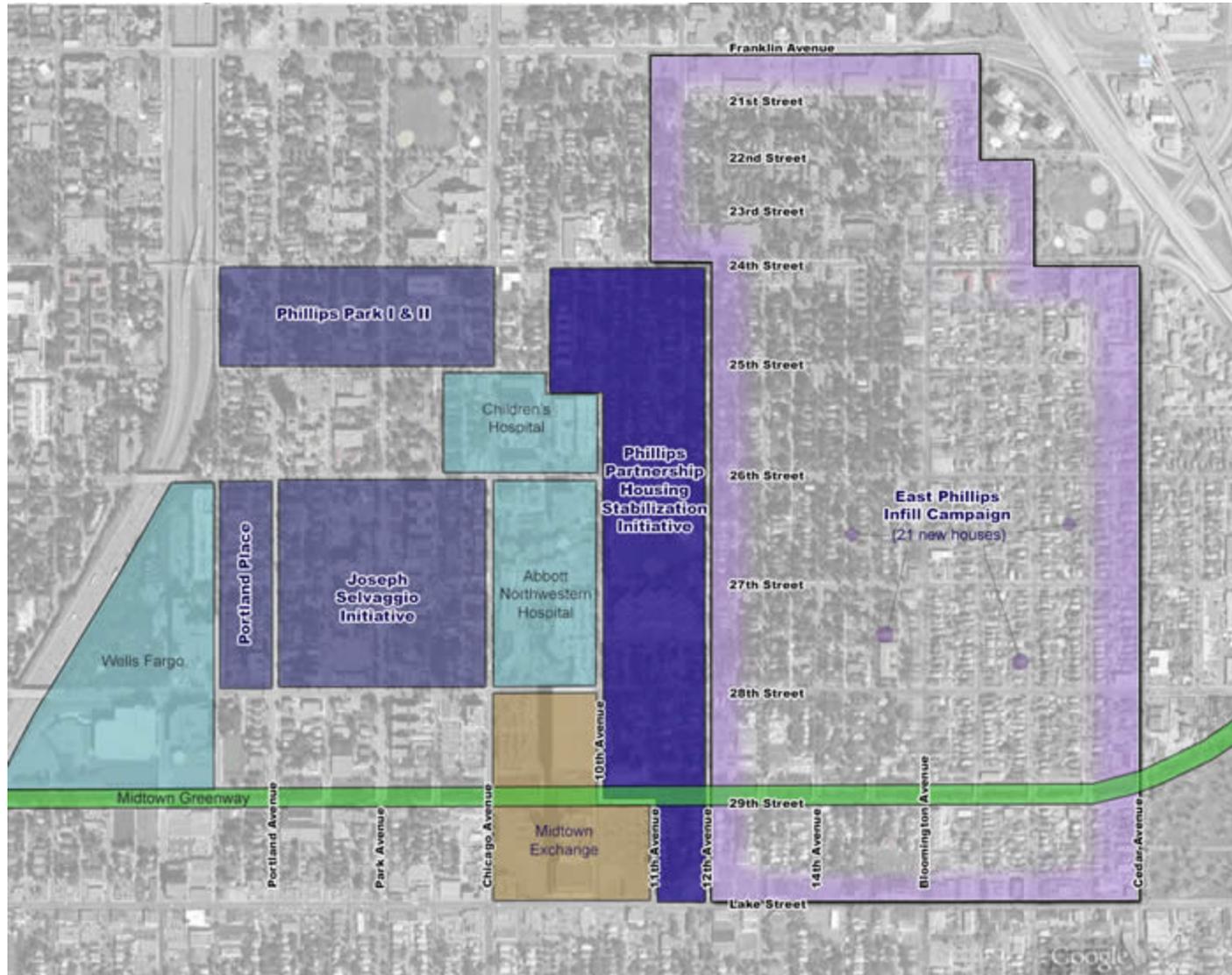
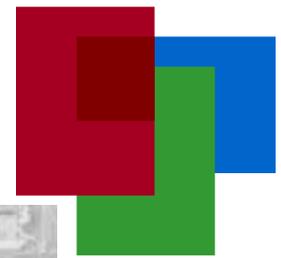


# Percentage Employment Change from 2000

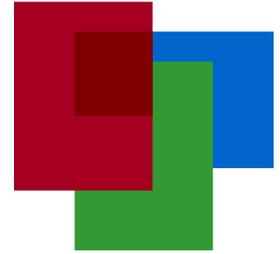


---◆--- North EZ    - - -■- - Phillips EZ    - - -▲- - Northeast EZ    - - -■- - Empowerment zone    - - ■ - - City

# Housing



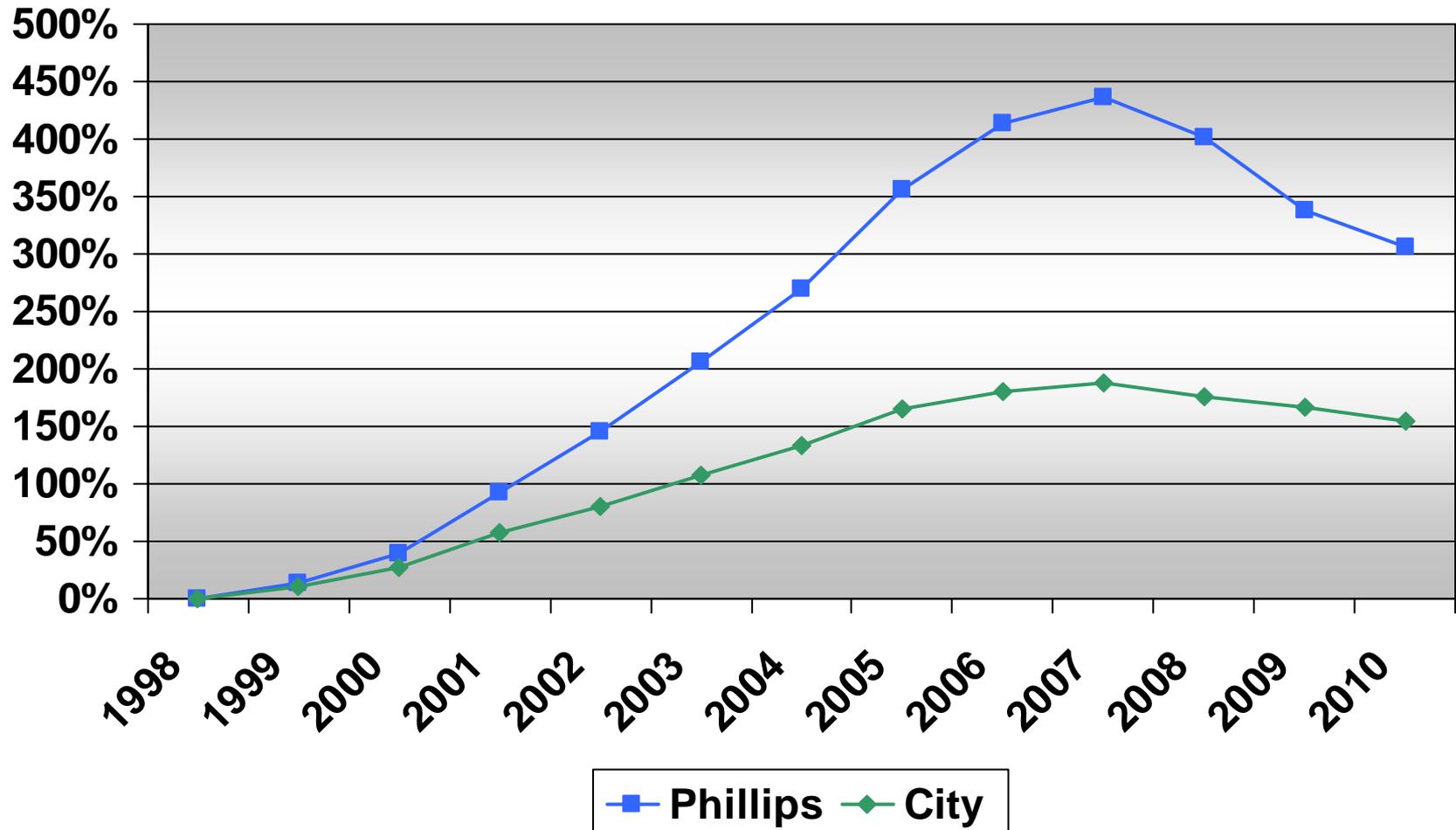
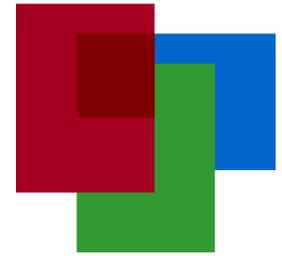
# Housing



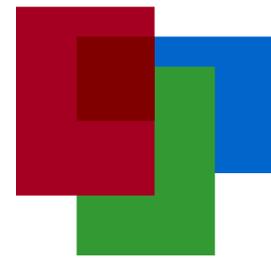
## **\$35 million invested or earmarked for neighborhood housing, 1997-2004**

- **Phillips Partnership Housing Stabilization Initiative (2009)**
  - Home improvement grants
  - Downpayment assistance
  - Neighborhood marketing
  - Foreclosure prevention & housing resource guide
- **Joseph Selvaggio Initiative (1998–2001)**
- **East Phillips Infill Campaign (1999–)**
- **Portland Place (1997–1999)**
- **Phillips Park Initiative (1997–1998; 2003–)**

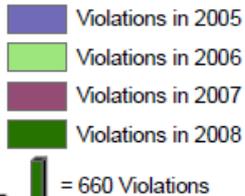
# Percentage Change in EMV of Residential Buildings from 1998



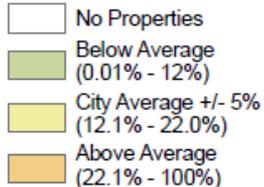
# MAP A: Residential Properties with Housing Violations



## Number of Residential Housing Violations



## Percent of Residential Properties with a Housing Violation (2008)

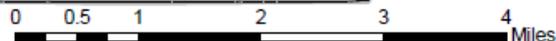


City Average (2008) = 17%  
(18,888 of 108,948)

Note: Regulatory Services conducted sweeps for housing violations in 2006 on the Northside and in 2007 in Waite Park and Audubon Park

Source: Regulatory Services

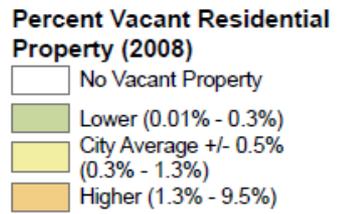
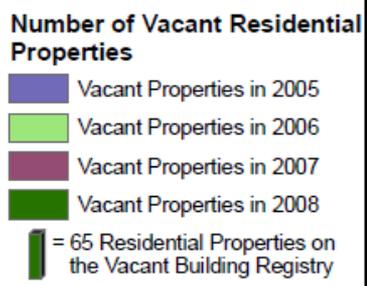
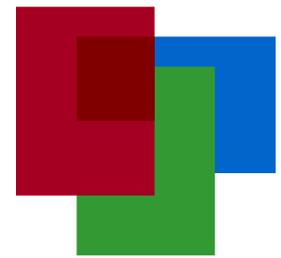
Map created by CPED Research  
DRAFT January 2010



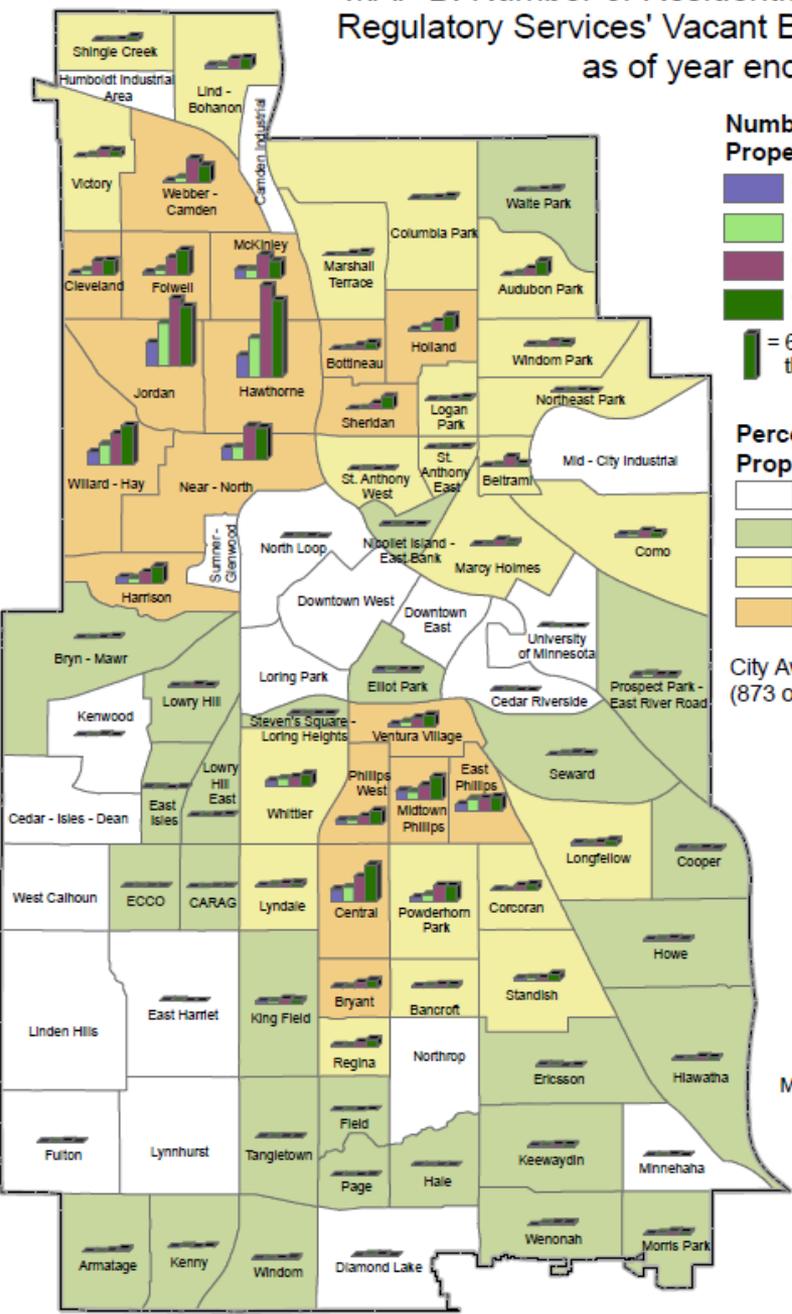
DRAFT - January 20, 2010

# Residential Properties with Housing Violations

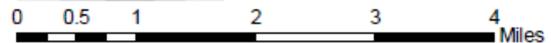
# MAP B: Number of Residential Properties on Regulatory Services' Vacant Building Registry as of year end



City Average (2008) = 0.8% (873 of 108,948)



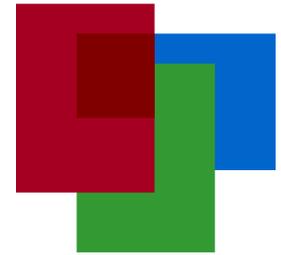
Source: Regulatory Services  
Map created by CPED Research  
DRAFT January 2010



DRAFT - January 20, 2010

# Residential Properties on Vacant Building Registry

# MAP D: Residential Property Foreclosures



## Number of Residential Property Foreclosures

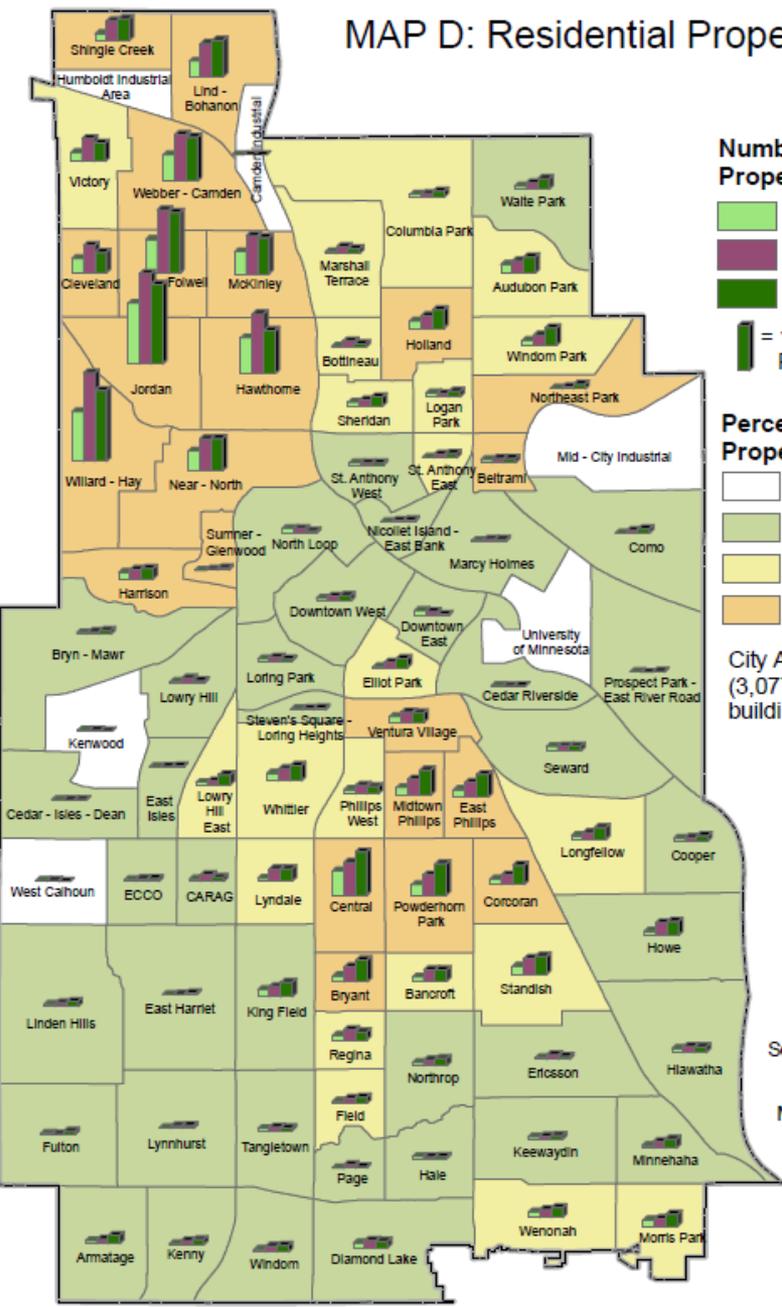


## Percentage of Residential Properties Foreclosed in 2008



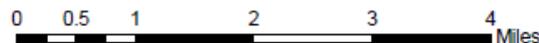
City Average (2008) = 2.8%  
(3,077 of 108,948 residential buildings)

# Residential Property Foreclosures



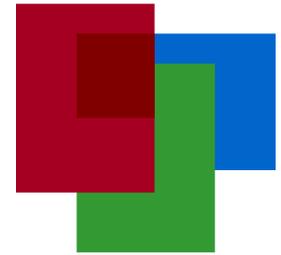
Source: Hennepin County Sheriff's Office

Map created by CPED Research  
DRAFT January 2010

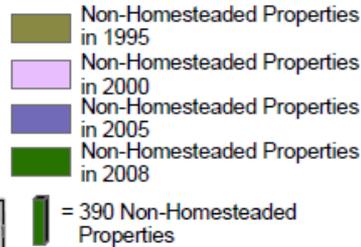


DRAFT - January 20, 2010

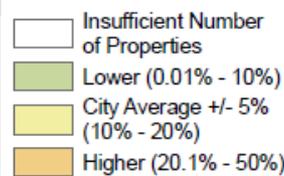
# MAP E - 2: Non-Homesteaded Single Family Residential Properties (1-3 Units), 1995 - 2008



## Number of Non-Homesteaded Single Family Residential Properties



## Percent of Single Family Residential Properties that are Non-Homesteaded (2008)



City Average (2008) = 15% (11,358 of 75,202)

Source: City Assessors Office

Map created by CPED Research  
DRAFT January 2010

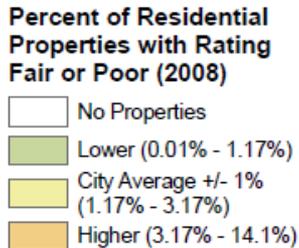
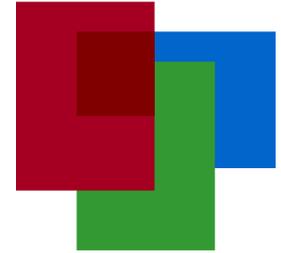


DRAFT - January 20, 2010

# Non-Homesteaded Single Family Residential Properties 1995 - 2008

# MAP F: Residential Properties in Poor or Fair Condition\*

\*The number of residential buildings (parcels) with an Assessor condition rating of 6 (Fair) or 7 (Poor)



City Average (2008) = 2.17% (3,088 of 142,228)

Note: Generally, housing assessment is done on a 5 year cycle. Assessor field checks housing condition for 20% of residential properties per year.

\*City Assessors Office conducted sweeps in Jordan and Hawthorne neighborhoods in 2008.

Source: City Assessors Office

Map created by CPED Research  
DRAFT January 2010

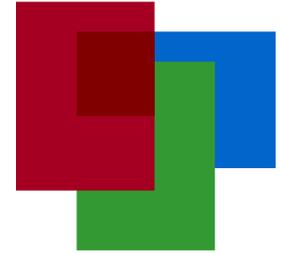


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# Residential Properties in Poor or Fair Condition

# MAP H: Value of Residential Property Permits\*

\*Includes new construction (BINB), remodeling (BIRE), and over-the-counter (BOTC) permits over \$5,000 for residential properties



## Number of Residential Permits



## Residential Property Permit Value (2008)



Average City Neighborhood in 2008 = \$2.3 Million in Residential Property Permits

# Value of Residential Property Permits

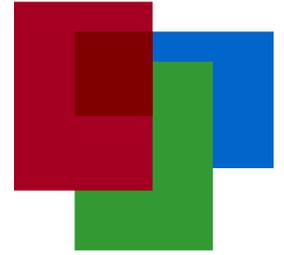
Source: Regulatory Services

Map created by CPED Research  
DRAFT January 2010



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# Housing

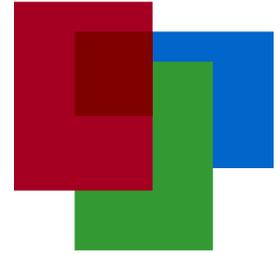


## Midtown Exchange

Monumental historic renovation. Includes 374 units of affordable and market rate condos and apartments, Allina corporate headquarters, and the Midtown Global Market.



# Infrastructure



**More than \$800 million allocated for roads, light rail, and green space**

- **I-35W Access Project**

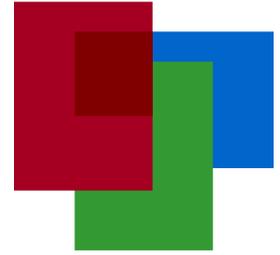
- \$100 million in freeway access improvements that the Phillips Partnership has mobilized

- **Private-Sector**

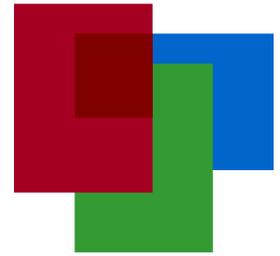
- Members of the Phillips Partnership have initiated nearly \$1 billion in development in the neighborhood, resulting in 4,000 new jobs.



# Results



- An effective public-private partnership empowered to address market failure
  - Crime down 62% 1998 – 2009.
  - \$772 million investment by private sector, 4,000 new jobs on 5 campuses (Allina, Abbott Northwestern, Wells Fargo Mortgage, Children's and Phillips Eye Institute)
  - Largest hospital-based job training program in the country
  - Market value growth in Phillips beyond City averages



# Thank you



**City of Minneapolis**  
*Department of Community Planning  
& Economic Development - CPED*

Information and photographs courtesy of Phillips Partnership.

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