

State of the City 2003

*Minneapolis Department of Community Planning &
Economic Development - Planning Division*



Downtown Minneapolis

Photo Courtesy of Scott Miner

State of the City 2003

A Statistical Portrait of Minneapolis

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2003 State of the City

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The Minneapolis Department of Community Planning & Economic Development - Planning Division is pleased to release the 29th edition of the "State of the City." The report provides a statistical profile of Minneapolis, describes signs of the City's condition, and examines patterns of change. Although each edition varies in content, the series together provides a continuous year-by-year update in many subject areas. Data contained herein are the most current and accurate available. For the second year, the "State of the City" report will be available only on the World Wide Web.

Data sources vary, as do the periods that can be described by available data. Where possible, data for the full year or a portion of a year are described and contrasted to those of previous years. When available, additional data for a portion of 2003 may have been added to reveal current signs of change. Older information is used when it is the most current data available.

Occasionally this report looks outside the City's boundaries for comparative data, but typically compares Minneapolis in the present to Minneapolis in the recent past. Information describing sub-areas of the City is provided where data are available. For example, some maps concentrate on Minneapolis' 11 "communities" which consist of 80 neighborhoods and three industrial areas. This report is produced with the assistance of many City departments and other agencies.

Snapshot of Minneapolis 2002-2003

	<u>Minneapolis</u>	<u>Hennepin County</u>
Population (2000 Census)	382,618	1,116,200
Housing (2000 Census)	168,606	468,824
Labor Force (2003)	216,227	687,887

Area of City of Minneapolis 58.7 miles

Climate

Annual Precipitation	22.69 inches
Average Temperature	
Annual	46.4 degrees Farenheit
January 2003	15.3 degrees Farenheit
July 2003	73.7 degrees Farenheit

Elected Officials

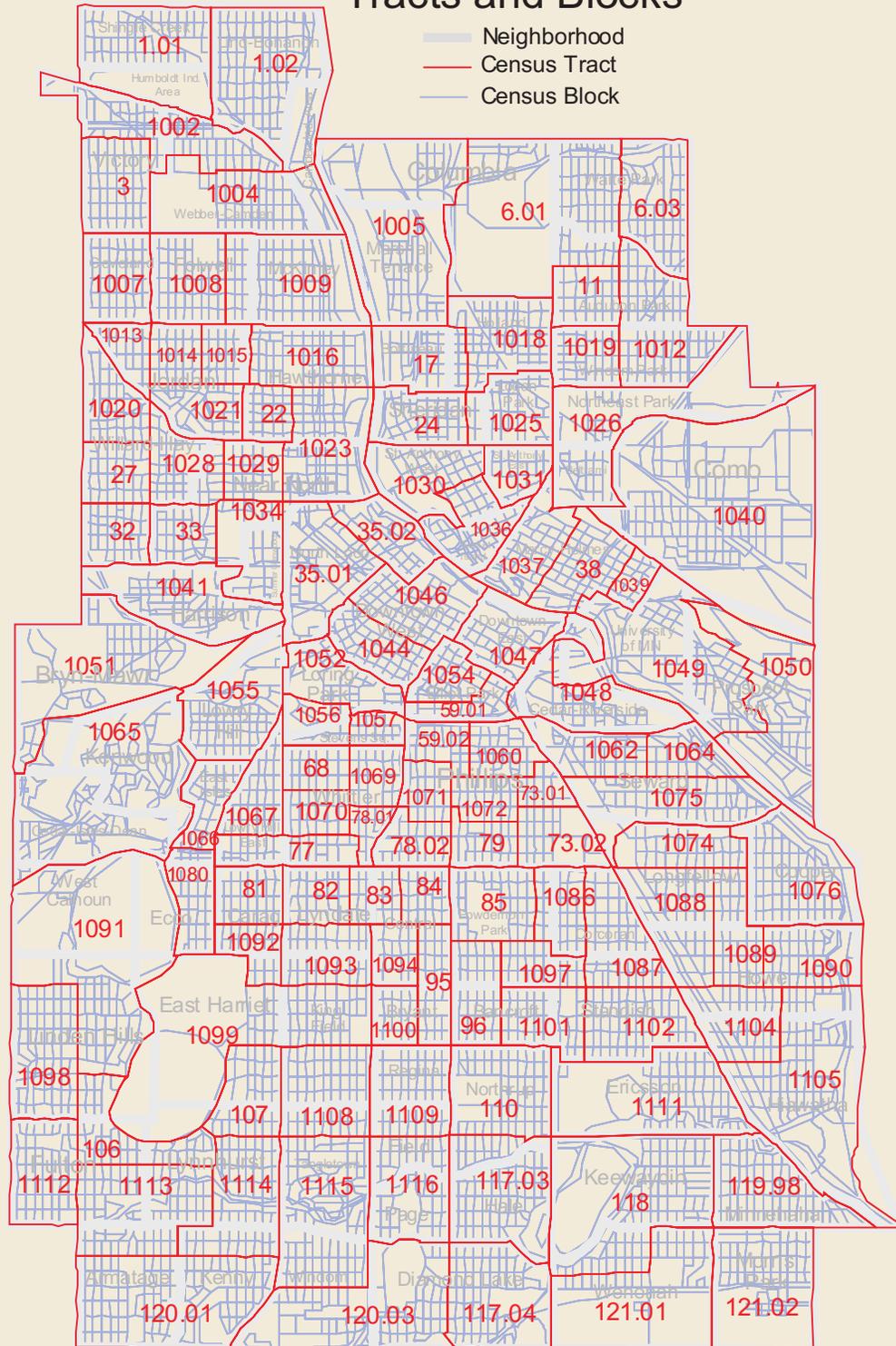
Mayor	Park and Recreation Board (9)
School District (13)	Board of Education (7)
Library Board (8)	Board of Estimate and Taxation (7)

Net Tax Capacity Based Levies

	<u>2002</u>	<u>2003</u>
City	\$146,852,500	\$158,415,271
School District	79,247,500	84,395,623
Hennepin County	113,177,500	113,078,056
City related special levies	9,877,432	9,825,422
Other special levies	23,481,500	12,012,539

City of Minneapolis

2000 Census Tracts and Blocks



Source: US Census Bureau
Planning Department, Research and Strategic Planning Division
July 2001

Population

This chapter of the "State of the City" contains decennial census data. Its primary intent is to present Census 2000 results, often in comparison to earlier years and other geographic areas. Comparative data from past censuses have been taken from previous "State of the City" editions and from various U.S. Census publications.

This chapter presents the most current data on Minneapolis' racial and ethnic, age, and geographic distribution, as well as demographic characteristics of its families, households, and home ownership. It also contains additional demographic, social, economic, and housing Census data released in the spring of 2002.

POPULATION

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This chapter presents the most current data on Minneapolis' racial and ethnic, age, and geographic distribution, as well as demographic characteristics of its families, households, and home ownership. It also contains additional demographic, social, economic, and housing Census data released in the spring of 2002.

Total Population and Household Characteristics

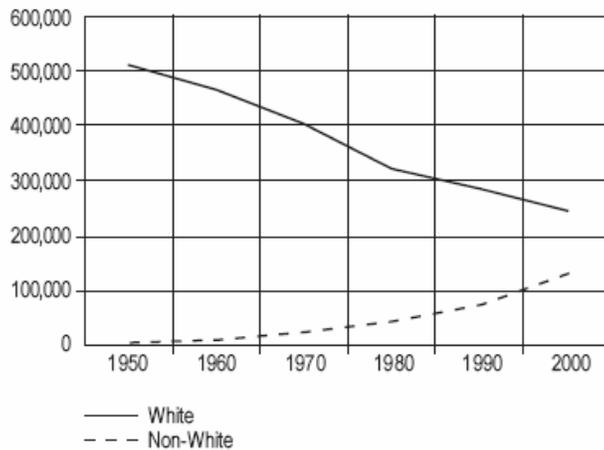
According to the Census 2000, Minneapolis' total population grew by nearly 4% or 14,235 persons since 1990. After decades of population losses, Minneapolis' population was reported at 382,618 in 2000. However, the 2000 Census data also reported a decline in the number of residents living in family households.

MINNEAPOLIS POPULATION, 1950-2000

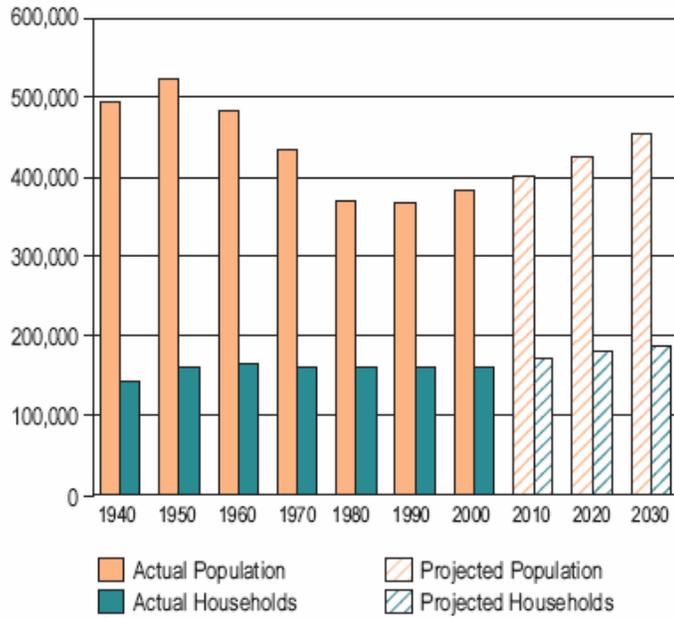
Year	Population	Decade Loss	Decade Gain
1950	521,718	38,846	
1960	482,872	48,472	
1970	434,400	63,449	
1980	370,951	2,568	
1990	368,383		
2000	382,618		14,235
2001*	382,446 (est)		

*Source: Metropolitan Council

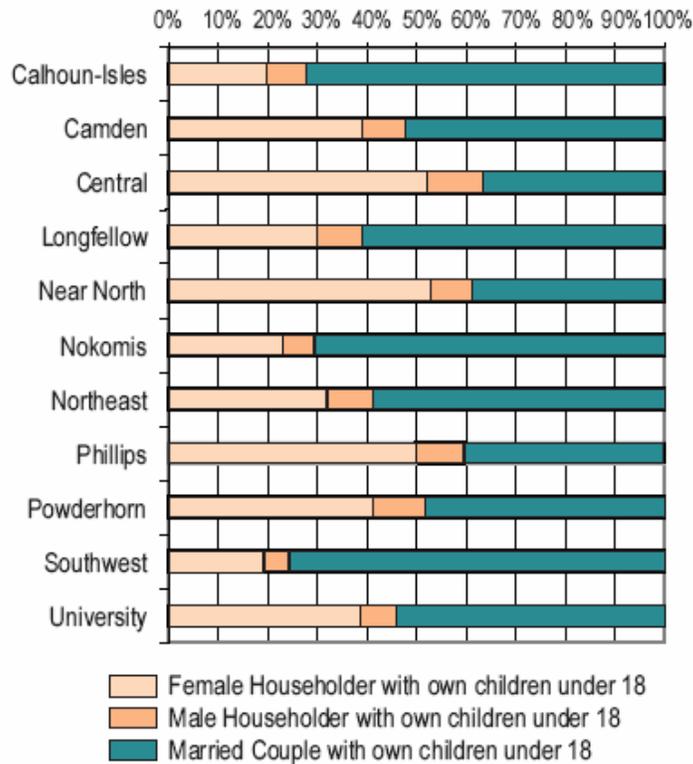
WHITE AND NON-WHITE POPULATION CHANGE, 1950 - 2000



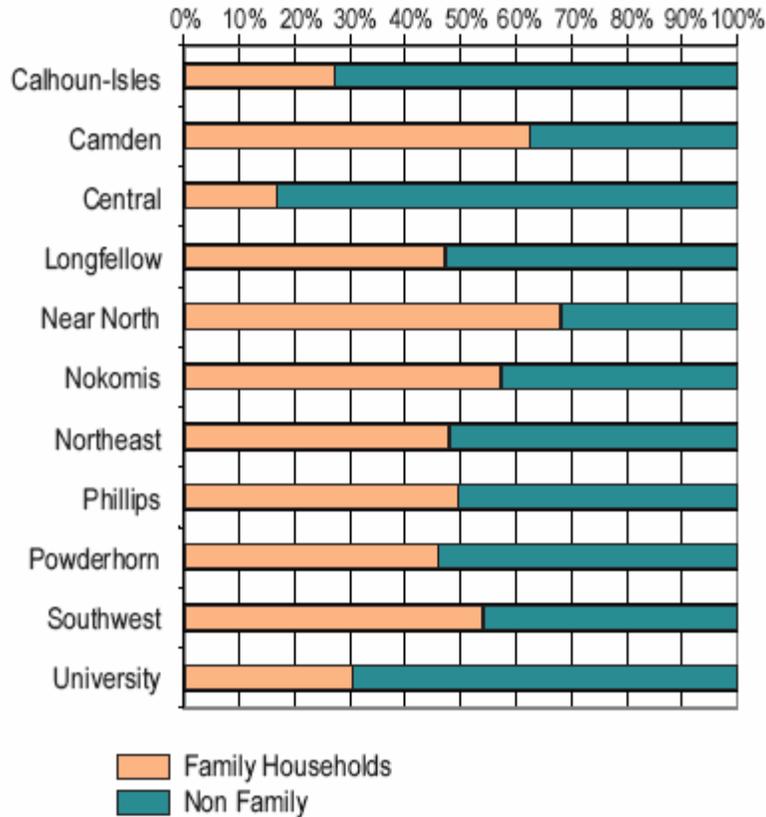
MINNEAPOLIS FORECASTS, 2000 TO 2030



PERCENT OF FAMILY HOUSEHOLDS WITH CHILDREN UNDER 18, 2000



**FAMILY HOUSEHOLD AND NON-FAMILY HOUSEHOLD
COMPARISON, 2000**

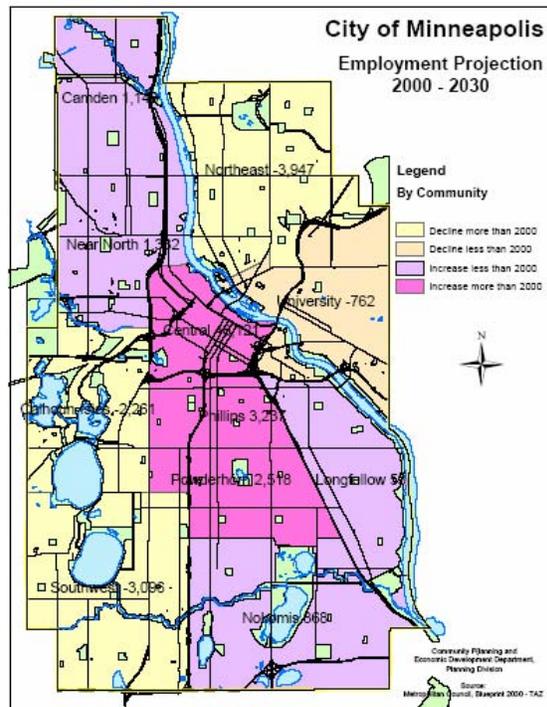
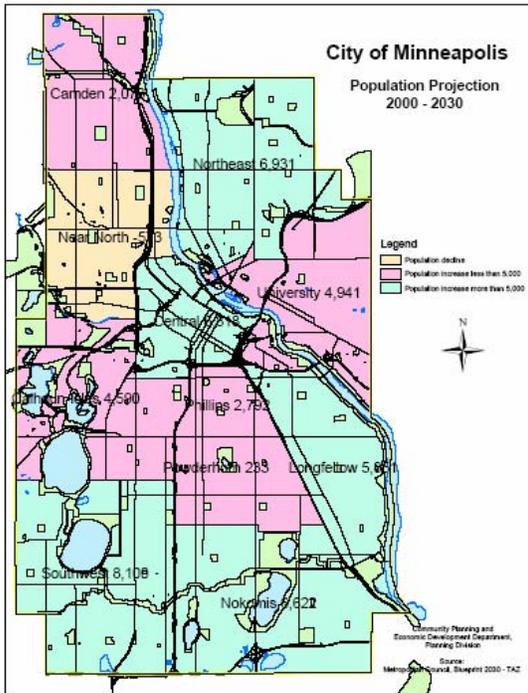


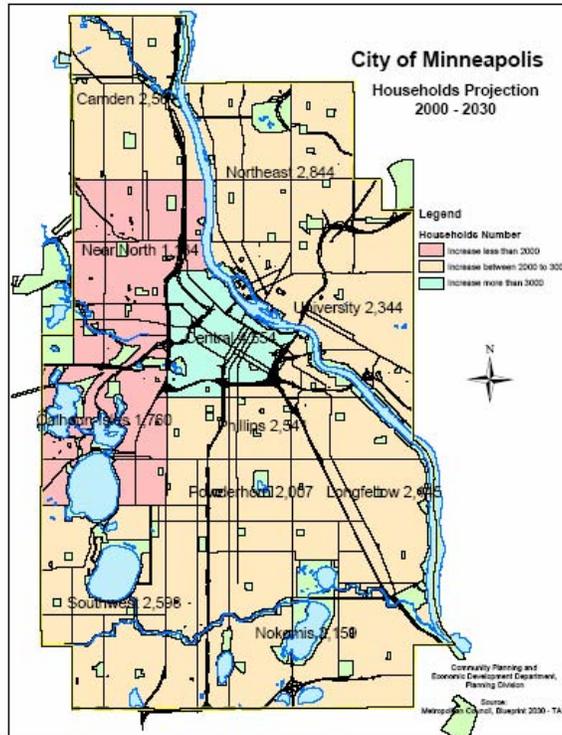
HOUSEHOLDS BY TYPE, 1990-2000

	Households 1990	Percent Share 1990	Households 2000	Percent Share 2000	Total Change 1990-2000	Change in Percent Share 1990-2000
Married Couple	51,984	32.4	47,049	29.0	-9,327	-5.5
No Wife Present	5,232	3.2	6,899	4.2	1,212	0.7
No Husband Present	20,455	12.7	19,991	12.3	2,840	1.8
Family Total	77,671	48.3	73,939	45.5	-5,275	-3.0
Non-Family Total	83,011	51.7	88,413	54.5	4,099	3.0
Total	160,682	100	162,352	100	-1,176	

In 2000, there were 162,352 households in Minneapolis compared to 160,682 in 1990 (each occupied housing unit has one household). A total of 364,554 persons lived in households in 2000, an average of 2.25 persons per household. Additionally, in 2000, 55% of households identified themselves as non-family (only unrelated individuals or a single individual living in an occupied housing unit). Non-family households (83,011) had risen by 3% in proportion to family households (73,939) in 2000.

For the last fifty years, the number of households and housing units in Minneapolis had been very stable. In 2002, the City of Minneapolis participated with the Metropolitan Council in *Blueprint 2030*, forecasting the City's growth for the next 30 years. The following graphs and maps project anticipated changes in population, households and employment.





Household Size

Minneapolis had a total of 162,352 households. According to the 2000 Census, 65,551 households were identified as being occupied by “one person living alone” representing 40% of the total households in Minneapolis. Two person households represented the second largest number of households at 48,648 or 30%.

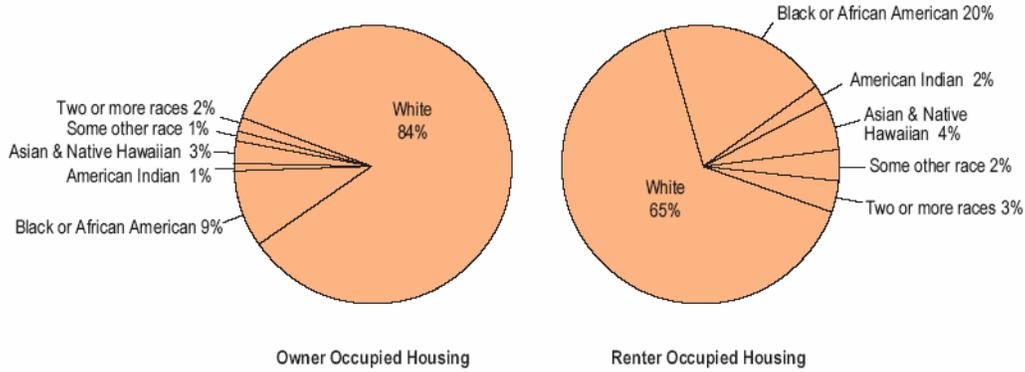
	Family		NonFamily	
	Number	Percent of total household	Number	Percent of total household
1 person	0		65,551	40.4%
2 person	31,226	19.2%	17,422	10.7%
3 person	16,894	10.4%	3,170	2.0%
4 person	12,964	8.0%	1,085	0.7%
5 person	6,516	4.0%	377	0.2%
6 person	3,290	2.0%	160	0.1%
7 or more	3,653	2.0%	74	0.0%
Total	74,543		87,839	

Housing by Householder Race and Ethnicity

The 2000 Census showed 70,822 white householders owned their home or 85% of total homeowners and 51,232 rented or 65% of total renters. There are 12,666 non-white householders who owned their home and 27,712 non-white householders who rented.

There are more than twice as many renters as homeowners among non-white householders.

MINNEAPOLIS 2000 CENSUS:
PERCENT OF HOMEOWNERS AND RENTERS BY RACE AND ETHNICITY



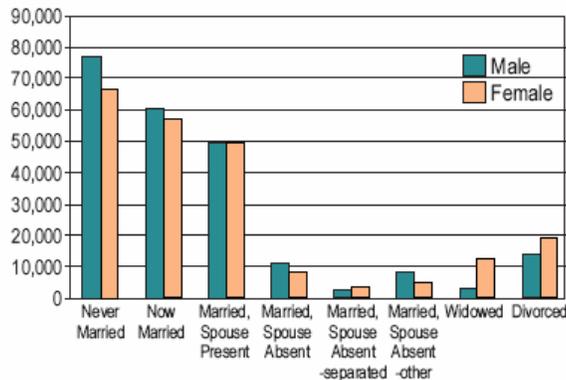
MINNEAPOLIS 2000 CENSUS:
NUMBER OF HOMEOWNERS AND RENTERS BY RACE AND ETHNICITY

	White	Black or African American	American Indian	Asian, Native Hawaiian & other Pacific Islander	Some other race	Two or more races	Total	Hispanic/Latino
Home Owner	70,822	7,433	659	2,249	921	1,324	83,408	1,814
Renters	51,232	15,743	1,744	4,265	2,814	3,146	78,944	5,012

Marital Status

In 2000, there were 310,582 persons aged 15 and older living in Minneapolis – 155,006 males and 155,576 females. Fifty percent of the male and 43% of the female population had never been married, but the gap narrowed between males (39%) and females (37%) in the “currently married” category. The graph below shows details of the marital status of the Minneapolis population.

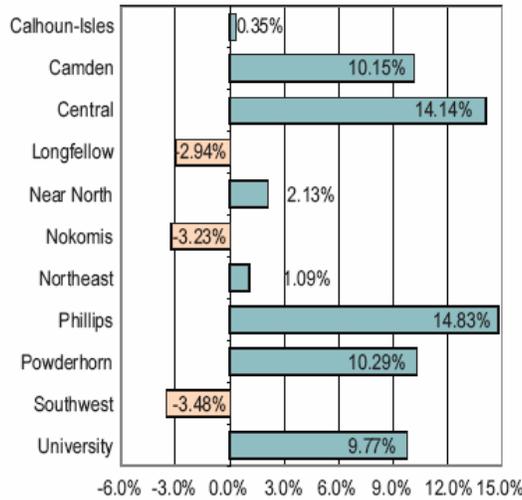
MINNEAPOLIS 2000 CENSUS:
POPULATION 15 YEARS AND OVER, MARITAL STATUS



Community Population and Age Distribution

Minneapolis has identified 11 communities composed of 80 neighborhoods and three industrial areas. Although the total population of Minneapolis increased by 4% between 1990 and 2000, population declined within some geographic subareas and increased in others. As shown in the following table, five of the 11 communities gained more than 5% in population, while three experienced losses between 1990 and 2000.

POPULATION PERCENT CHANGE BY COMMUNITY, 1990-2000



According to the 2000 Census, Minneapolis experienced a 4% (12,840 persons) decline in the senior population, and a 3% increase in the school age and young adult populations. The median age in 2000 was slightly higher than 1990.

Census 2000 showed an increase in the school age, young adult and middle age population, reversing the 1980-1990 trends in these population groups, but the population categories preschool, adult and senior all declined from 1990 to 2000. The decrease of the adult (25-44 years old) population was nearly 4,000 from 1990 to 2000. However, Minneapolis experienced a 26% increase in the middle age category (17,539 persons).

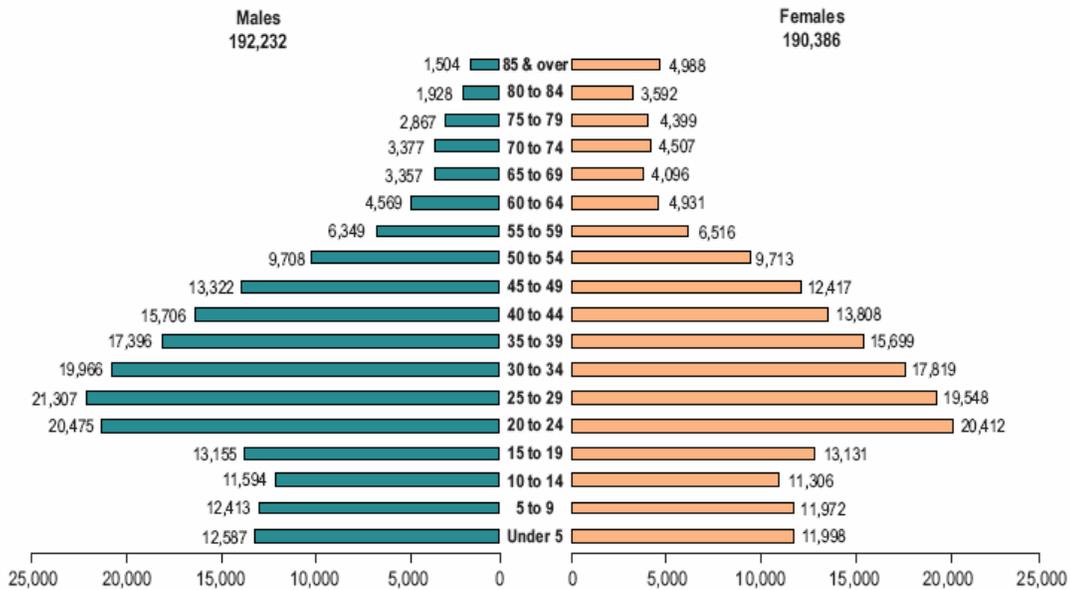
POPULATION BY COMMUNITY, 1980-2000

Community	Population			Percent		Percent		Percent		Percent	
	1980	1990	2000	Share 2000	Change 1980-90	Change 1980-90	Change 1980-00	Change 1980-00	Change 1990-00	Change 1990-00	
Calhoun-Isles	30,687	30,322	30,429	7.95%	-365	-1.19%	-258	-0.84%	107	0.35%	
Camden	29,652	28,776	31,698	8.28%	-876	-2.95%	2,046	6.90%	2,922	10.15%	
Central	19,035	21,158	24,149	6.31%	2,123	11.15%	5,114	26.87%	2,991	14.14%	
Longfellow	28,962	28,618	27,776	7.26%	-344	-1.19%	-1,186	-4.10%	-842	-2.94%	
Near North	33,721	35,225	35,976	9.40%	1,504	4.46%	2,255	6.69%	751	2.13%	
Nokomis	39,944	38,514	37,270	9.74%	-1,430	-3.58%	-2,674	-6.69%	-1,244	-3.23%	
Northeast	37,501	36,515	36,913	9.65%	-986	-2.63%	-588	-1.57%	398	1.09%	
Phillips	17,115	17,247	19,805	5.18%	132	0.77%	2,690	15.72%	2,558	14.83%	
Powderhorn	51,536	51,954	57,299	14.98%	418	0.81%	5,763	11.18%	5,345	10.29%	
Southwest	52,946	49,590	47,863	12.51%	-3,356	-6.34%	-5,083	-9.60%	-1,727	-3.48%	
University	29,852	30,464	33,440	8.74%	612	2.05%	3,588	12.02%	2,976	9.77%	
Minneapolis	370,951	368,383	382,618	100.00%	-2,568	-0.69%	11,667	3.15%	14,235	3.86%	

POPULATION BY AGE, 1980-2000

	1980		1990		2000		1980-90		1990-00	
	Persons	Share	Persons	Share	Persons	Share	Change	Change	Change	Change
Preschool (under 5)	22,433	6.00%	27,114	7.40%	25,185	6.58%	4,681	1.30%	-1,927	-0.80%
School Age (5-17)	51,592	13.90%	48,836	13.30%	58,982	15.42%	-2,756	-0.70%	10,146	2.10%
Young Adult (18-24)	64,601	17.40%	49,786	13.50%	55,084	14.40%	-14,815	-3.90%	5,302	0.90%
Adult (25-44)	113,900	30.70%	143,867	39.10%	139,874	36.56%	29,967	8.30%	-3,985	-2.50%
Middle Age (45-64)	61,395	16.60%	51,062	13.90%	68,601	17.93%	-10,333	-2.70%	17,539	4.00%
Senior (65+)	57,030	15.40%	47,718	13.00%	34,877	9.12%	-9,312	-2.40%	-12,840	-3.90%
Total Persons	370,951		368,383		382,618		-2,568		14,235	

MINNEAPOLIS 2000 CENSUS
POPULATION BY AGE AND GENDER



Income

According to the Census 2000, the median household income increased for Minneapolis residents but was lower than the income level for the metropolitan area and the nation as a whole. Almost all Minneapolis households experienced an earning increase for the period 1990 to 2000. In 1999 the median household income for City residents was \$37,974. This income was \$16,330 below the metropolitan median household income of \$54,304 and \$4,020 below the U.S. figure of \$41,994. After adjustment for inflation, however, the Minneapolis median household income showed an increase of 9% for the period 1990 to 2000. This increase in median household income for City residents is slightly less than the 10% increase for the metropolitan area, but higher than the 4% increase in household income for U.S. residents.

It should be noted that the median family income category showed the same growth pattern with the median household income. The median family income for Minneapolis residents increased from \$44,334 in 1989 (after adjustment for inflation) to \$48,602 in 1999. The 10% increase in median family income for the City was less than the 11% increase for the metropolitan area, but higher than the 6% for U.S. during the same period.

Median Household Income, 1989-1999

	Unadjusted Median Household Income 1989	Adjusted Median Household Income 1989 (1999\$)	Median Household Income 1999	Net Change 1989-1999	Percent Change 1989-1999
Minneapolis	\$25,324	\$34,824	\$37,974	\$3,150	9.05%
Metro Area	\$36,678	\$49,279	\$54,304	\$5,025	10.20%
U.S.	\$36,678	\$40,382	\$41,994	\$1,612	3.99%

Source: 2000 Census of Population

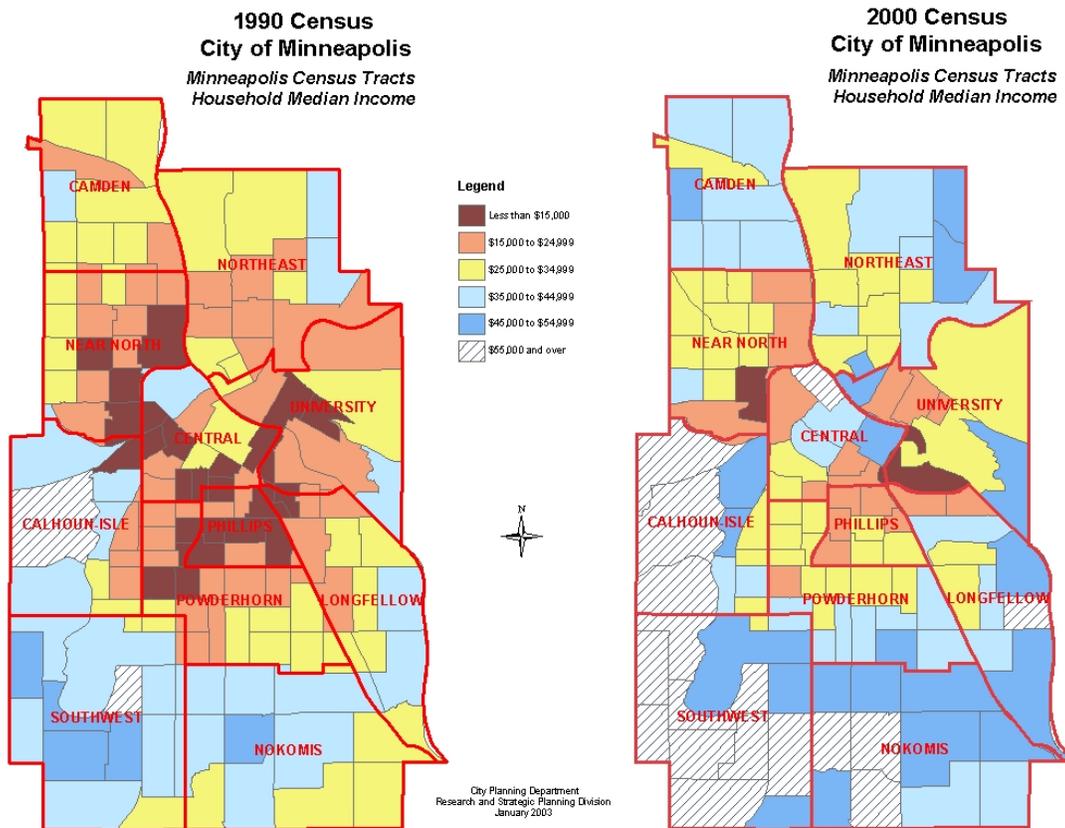
Median Family Income, 1989-1999

	Unadjusted Median Family Income 1989	Adjusted Median Family Income 1989 (1999\$)	Median Family Income 1999	Net Change 1989-1999	Percent Change 1989-1999
Minneapolis	\$32,998	\$44,334	\$48,602	\$4,268	9.63%
Metro Area	\$43,781	\$58,822	\$65,450	\$6,628	11.27%
U.S.	\$35,255	\$47,326	\$50,046	\$2,720	5.75%

Source: 2000 Census of Population

The geographic distribution of median household income by census tract reveals that there were only two tracts with the lowest income levels - Near-North and University communities. In contrast, higher income households were concentrated within the Calhoun-Isles, Southwest, and Nokomis communities. The south portion of the Longfellow community, part of Central and Northeast communities, and Camden community also experienced much higher household income gain than most areas situated near Downtown.

The 1999 household income patterns by Census tract reflected the same patterns of the income gain evidenced in 1989 and earlier. The examination of household income changes from 1989 to 1999 indicated that the income in Camden, part of Northeast Community, increased from \$25,000-\$34,999 category to \$35,000-\$44,999 category. The Near-North, Phillips, Powderhorn and University communities also showed changes in household income from \$15,000-\$24,999 category to \$25,000-\$34,999 category. The big gain in household income was in Calhoun-Isles, Southwest, Nokomis and part of Longfellow communities. In some Census tracts in these areas, the median household income increased from \$35,000-\$44,999 category to \$55,000 and over category.



Poverty

During the period between 1989 and 1999 the poverty rate for all Minneapolis residents decreased from 19% to 17%. The poverty rate for families also decreased from 14% to 12% in the same period. The poverty rates for children of all categories were also reduced. Contrasted to 1989 figures, the City showed an increase in the poverty rate for individuals and families.

Individual and family poverty rates for Minneapolis residents were more than twice that of the comparable rates for the metropolitan area, which were 7% for individuals and 4% for families. Though the 2000 Census showed the decline in poverty rates for all categories, the poverty rate for the City's children remained significantly higher than the poverty rate for adults.

Poverty rate varied substantially among racial and ethnic groups. The white population continued to experience the lowest rate of poverty, while non-white population had almost one-third of residents living in poverty; 25% of Hispanic or Latino population was living in poverty.

Poverty Status, Persons and Families, 1979 – 1999

	1979		1989		1999	
	Persons in Poverty	%	Persons in Poverty	%	Persons in Poverty	%
All persons	48,029	14	65,556	19	62,092	17
Related children under 5 years	4,784	22	8,666	33	5,888	23
Related children 5 to 17 years	8,099	16	13,524	29	13,963	25
Related children under 18 years	12,883	18	22,190	30	19,851	25
Persons 18 and over	35,146	12	42,957	15	41,615	15
All families	7,487	9	11,029	14	8,868	12
Families with related children under 18	6,097	16	9,485	24	7,614	19
Female headed families with related children under 18	4,378	39	7,073	53	4,876	34

Poverty Status by Racial/Ethnic Classification, 1979 – 1999

Race/Ethnicity	1979		1989		1999	
	Persons in Poverty	%	Persons in Poverty	%	Persons in Poverty	%
White	33,226	11	32,275	12	22,706	10
African American	8,403	30	18,947	41	20,685	32
American Indian	3,662	41	6,396	54	2,561	35
Asian/Pacific Islander	2,037	40	7,032	46	7,540	32
Other	N/A	N/A	906	32	3,838	24
Two or more races	N/A	N/A	N/A	N/A	4,762	28
Total persons	48,029	14	65,556	19	62,092	17
Hispanic/Latino	1,302	28	2,029	29	6,998	25

The highest percentage of persons living in poverty was concentrated in parts of the Near North, University, Phillips and Central communities. Near North had the highest concentration of persons in poverty, with four Census tracts at the highest level (40% or over). This is an improvement from 1980 when seven tracts were at the highest levels in that area. The Phillips community showed a reduction in the number of persons living in poverty, from seven tracts with highest concentration of poverty in 1990 falling to only two tracts at the highest level in 2000.

Educational Attainment

The 2000 Census estimated that there were 50,495 high school graduates and 91,027 post-high school graduates (4 year degree and higher) living in Minneapolis. There was an almost equal percentage of males and females in each educational attainment category, except for professional and doctorate degrees, which were 40% female and 60% male. In comparison to the 1990 Census, the numbers of Minneapolis adult

residents age 25 and over who had some post-high school education increased – 139,224 in 1990 and 156,293 in 2000.

Educational Attainment for the Population 25 years and over

	Male	Female	City wide
No schooling completed	2,078	2,810	4,888
Nursery to 4th grade	461	495	956
5th and 6th grade	2,089	1,298	3,387
7th and 8th grade	2,580	2,717	5,297
9th grade	1,771	1,998	3,769
10th grade	2,557	2,497	5,054
11th grade	2,533	2,981	5,514
12th grade, no diploma	4,443	3,313	7,756
High school graduate (includes equivalency)	24,719	25,776	50,495
Some college, less than one year	6,712	7,630	14,342
Some college, 1 or more years, no degree	19,518	17,814	37,332
Associate degree	6,752	6,840	13,592
Bachelor's degree	28,341	30,883	59,224
Master's degree	9,694	10,788	20,482
Professional school degree	4,597	2,733	7,330
Doctorate degree	2,531	1,460	3,991
Total population 25 years old and over	121,376	122,033	243,409

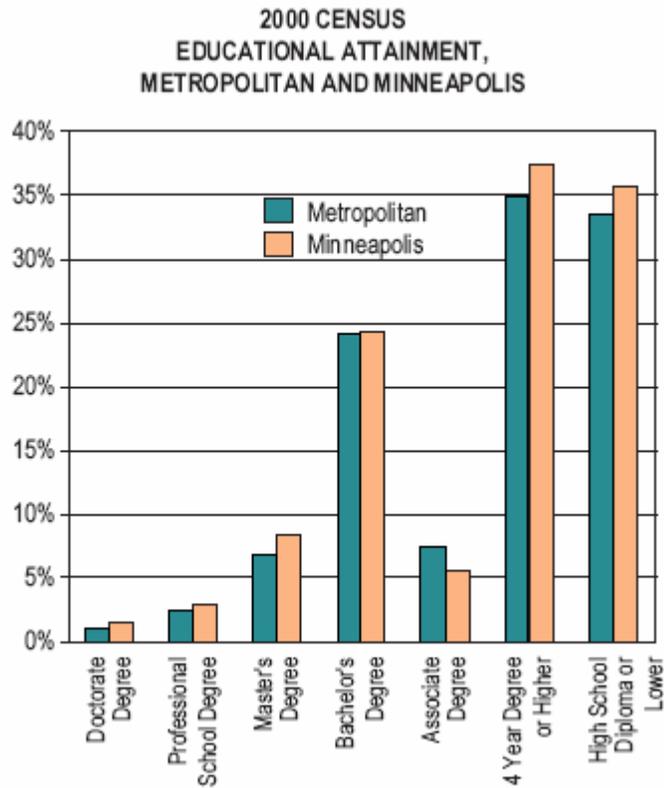
Educational Attainment, 1980 - 2000

Years of formal education	1980 persons 25+	%	1990 persons 25+	%	2000 persons 25+	%
0-8	30,654	13	15,931	7	14,528	6
9-11	27,983	12	26,517	11	22,093	9
12	74,879	32	62,004	25	50,495	21
13 to 15	43,724	19	65,396	27	65,266	27
16 or more	55,118	24	73,828	30	91,027	37
Total	232,358		243,676		243,409	

The number of Minneapolis residents with 13 to 15 years of education (some college but no degree, or an Associate's degree) stayed the same between 1990 and 2000 despite the increase of more than 21,000 persons between 1980 and 1990. The number of residents with 16 or more years of education (4 year degree or higher) increased 17,199, from 73,828 in 1990 to 91,027 in 2000, while the number of residents in Minneapolis with a high school diploma or lower decreased from 104,452 in 1990 to 87,116 in 2000.

Among 1,702,090 persons in the metropolitan area who were 25 years old or over in 2000, 35% had 4-year degrees or higher compared to 37% in Minneapolis. The City had

a slightly higher percentage of population in every educational degree category, with the exception of the Associate Degree category.



Language Spoken

English was the most frequently spoken language for the school-aged population group (5 to 17 years old). Spanish, Hmong, African languages and other languages were also spoken at home.

Language Spoken	City wide	Percent
Total population 5 to 17 years	59,415	
Speak only English	43,984	74.0%
Spanish or Spanish Creole	5,191	8.7%
Miao, Hmong	5,156	8.7%
African languages	2,319	3.9%
Vietnamese	551	0.9%
Laotian	386	0.6%
Arabic	306	0.5%
French (incl. Patois, Cajun)	298	0.5%
Mon-Khmer, Cambodian	213	0.4%
Other Native North American languages	137	0.2%
Chinese	124	0.2%
German	90	0.2%
Other Asian languages	90	0.2%
Russian	77	0.1%
Japanese	66	0.1%
Serbo-Croatian	59	0.1%
Other Indo-European languages	35	0.1%
Thai	33	0.1%
Italian	32	0.1%
Persian	32	0.1%
Urdu	32	0.1%
Hindi	30	0.1%
Other Slavic languages	28	0.0%
Korean	28	0.0%
Other and unspecified languages	28	0.0%
Tagalog	25	0.0%
Scandinavian languages	18	0.0%
Polish	15	0.0%
Greek	13	0.0%
Portuguese or Portuguese Creole	11	0.0%
Other Pacific Island languages	5	0.0%
Hungarian	3	0.0%

Race and Ethnicity

The City's minority population more than doubled since 1980, and the number of minorities increased by 54,016 persons (68%) between 1990 and 2000. Racial and ethnic diversity was most predominant in the younger age categories, where in 1990 approximately 40% were children of color. By 2000, over 70% of children in public school were children of color.

Although the City's total population hardly changed during the 1980s, significant shifts occurred within specific racial and ethnic populations. Between 1990 and 2000, the City's white population declined by 39,781 or 14%. This decline, while significant, was not near the level of non-minority population loss that occurred between 1970 and 1980, when the white population declined by 82,582 persons. Between 1970 and 1980 the City's minority population increased by 19,133 persons; the increase in the City's minority population between 1980 and 1990 was 32,296 persons, and 54,016 persons between 1990 and 2000.

For the first time, the 2000 Census allowed people to identify themselves by more than one race. In Minneapolis 16,694 persons identified themselves as two or more races, while 15,798 persons (4%) identified themselves as "other." The black/African American was the largest minority group in Minneapolis with 68818 persons. Forty percent of Minnesota's black/African American population resided in Minneapolis, followed by 20% of the Hispanic population, 15% of the American Indian/Alaska Native, and 16% Asian/Native Hawaiian/other Pacific Islander. The second largest minority group in Minneapolis was the Asian/Native Hawaiian/other Pacific Islander at 23,744 persons in 2000.

Since 1990, the American Indian/Alaska Native population decreased by 3,957 persons, or 32%. Nationally, the Twin Cities dropped from 8th to 16th largest among urban Indian populations. The Asian/Native Hawaiian/other Pacific Islander population increased by 51%. The Black/African American population grew by 44%. The Hispanic population soared at 269%. Minneapolis' total non-white population increased by 68%.

Minority Population By Community, 1990 and 2000

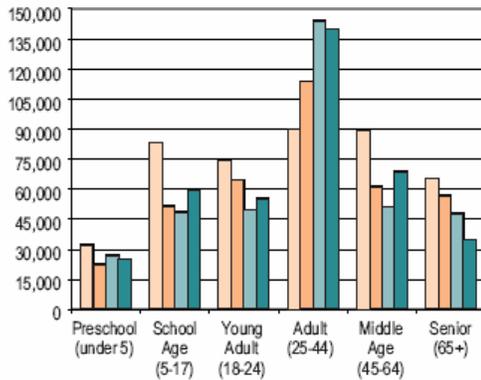
Community	Population			1980-1990 Change		1980-2000 Change		1990-2000 Change	
	1980	1990	2000	#	%	#	%	#	%
Camden	1,450	3,698	15,462	2,248	155%	14,012	966%	11,764	318%
Northeast	951	2,484	7,442	1,533	161%	6,491	683%	4,958	200%
Near North	13,466	21,633	28,986	1,533	61%	15,520	115%	7,353	34%
Central	2,807	5,678	8,034	2,871	102%	5,227	186%	2,356	421%
University	3,328	4,391	9,765	1,063	32%	6,437	193%	5,374	122%
Calhoun-Isles	1,500	1,990	2,961	490	33%	1,461	97%	971	49%
Powderhorn	10,774	18,768	27,977	7,994	74%	17,203	160%	9,209	49%
Phillips	5,864	9,488	13,547	3,624	62%	7,683	131%	4,059	43%
Longfellow	1,573	2,990	6,536	1,417	90%	4,963	316%	3,546	119%
Southwest	2,078	3,627	5,456	1,549	75%	3,378	163%	1,829	50%
Nokomis	3,329	4,669	7,266	1,340	40%	3,937	118%	2,597	56%
Minneapolis	47,120	79,416	133,432	32,296	69%	86,312	183%	54,016	68

Age Distribution by Race and Hispanic Ethnicity, 2000

	White		Black/ African American		American Indian/ Alaska Native		Asian/Nativ e Hawaiian and Other Pacific Islander		Other Race		Two or more Races		Hispanic/ Latino	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Preschool (Under 5)	10,792	4	6,748	9	720	9	2,248	10	1,920	12	2,759	17	3,606	12
School Age (5-17)	22,526	9	19,306	27	2,251	27	6,857	29	2,974	19	5,068	30	5,689	20
Young Adult (18-24)	35,863	14	8,286	12	1,036	12	3,795	16	3,558	23	2,550	15	6,251	21
Adult (25-44)	95,843	39	23,007	32	2,699	32	7,593	32	6,100	39	4,640	28	11,163	38
Middle Age (45-64)	53,513	22	8,929	12	1,381	17	2,415	10	1,094	7	1,269	8	2,054	7
Senior (65+)	30,649	12	2,542	4	291	4	836	4	152	1	408	2	412	1
Total	249,186		68,818		8,378		23,744		15,798		16,694		29,175	

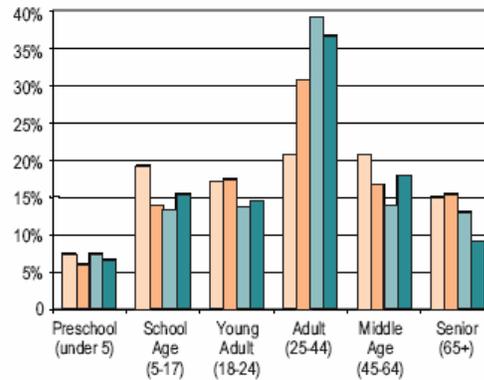
Note: Figures used for Hispanics should not be used in total counts as the U.S. Bureau of the Census includes these in other racial categories.

AGE DISTRIBUTION, NUMBER OF PERSONS COMPARISON
1970 - 2000



1970 Persons
 1980 Persons
 1990 Persons
 2000 Persons

AGE DISTRIBUTION, PERCENT SHARE COMPARISON
1970 - 2000

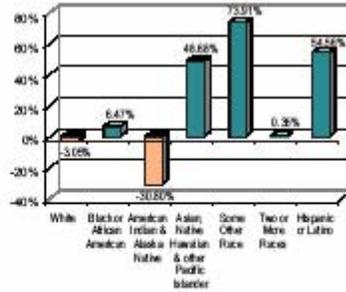
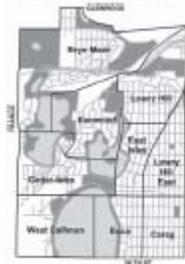


1970 Percent Share
 1980 Percent Share
 1990 Percent Share
 2000 Percent Share

Racial and Ethnic Composition by Community and Neighborhood

Calhoun Isles

Calhoun-Isles Community Population
Percent Change 1990 - 2000



	White	Black or African American	American Indian & Alaska Native	Asian, Native Hawaiian & other Pacific Islander	Some Other Race	Two or More Races	Hispanic/Latino
1990 Total	28,332	1,036	224	569	161	30,322	471
2000 Total	27,468	1,103	155	846	280	30,429	728
Number Change	-864	67	-69	277	119	107	257
Percent Change	-3.05%	6.47%	-30.80%	48.68%	73.91%	0.35%	54.56%

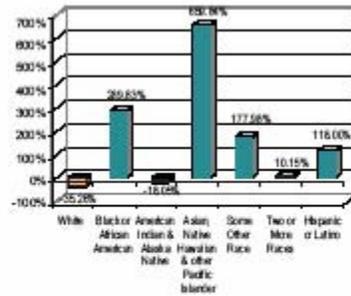
Neighborhood	White alone	Black/ African American alone	American Indian and Alaska Native alone	Asian/ Native Hawaiian/ other Pacific Islander alone	Some other race alone	Two or more races	Total	Hispanic/ Latino
CALHOUN-ISLES COMMUNITY								

Bryn Mawr	2,474	70	4	64	16	35	2,663	44
Carag	5,160	294	56	184	75	138	5,907	168
Cedar Isles Dean	2,556	53	3	59	4	23	2,698	31
East Isles	3,112	55	10	74	38	51	3,340	69
Ecco	2,307	59	5	105	19	50	2,545	62
Kenwood	1,416	21	6	40	1	16	1,500	26
Lowry Hill	3,729	93	4	79	23	71	3,999	71
Lowry Hill East	5,024	403	65	162	92	166	5,912	217
West Calhoun	1,690	55	2	79	12	27	1,865	40
2000 Total	27,468	1,103	155	846	280	577	30,429	728
1990 Total	28,332	1,036	224	569	161	N/A	30,322	471
Number change	-864	67	-69	277	119	N/A	107	257
Percent change	-3%	6%	-31%	49%	74%	N/A	<1%	55%

Although the overall increase in population was relatively small at less than 1%, the Calhoun Isles community experienced a number of significant changes between 1990 and 2000. During this period, the white population declined by 864 or 3%, while the non-white population rose significantly. Asian/Native Hawaiian/other Pacific Islander experienced the largest growth at 49%, while American Indian/ Alaska Native population decreased by 31%. Calhoun-Isles Hispanic/Latino population rose by 55%.

Camden Community

Camden Community Population
Percent Change 1990 - 2000



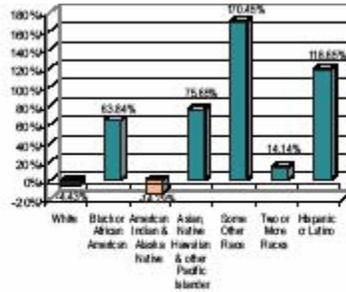
	White	Black or African American	American Indian & Alaska Native	Asian, Native Hawaiian & other Pacific Islander	Some Other Race	Two or More Races	Hispanic/Latino
1990 Total	25,077	2,301	687	493	218	28,776	550
2000 Total	16,236	8,070	953	3,746	606	31,698	1,199
Number Change	-8,841	6,669	-124	3,253	388	2,922	649
Percent Change	-35.26%	290.83%	-18.05%	659.84%	177.98%	10.15%	118.00%

Neighborhood	White alone	Black/African American alone	American Indian and Alaska Native alone	Asian/Native Hawaiian/other Pacific Islander alone	Some other race alone	Two or more races	Total	Hispanic/Latino
CAMDEN COMMUNITY								
Camden Ind. Area	37	5	1	3	-	1	47	1
Cleveland	1,798	1,046	48	347	49	152	3,440	109
Folwell	2,428	2,519	112	777	121	374	6,331	224
Humboldt Ind. Area	-	-	-	-	-	-	-	-
Lind Bohanon	2,704	773	108	518	103	195	4,401	231
McKinley	1,111	1,598	104	581	72	192	3,658	126
Shingle Creek	1,792	586	51	550	61	130	3,170	134
Victory	3,597	766	42	279	55	236	4,975	110
Webber-Camden	2,769	1,677	97	691	145	297	5,676	264
2000 Total	16,236	8,970	563	3,746	606	1,577	31,698	1,199
1990 Total	25,077	2,301	687	493	218	N/A	28,776	550
Number change	-8,841	6,669	-124	3,253	388	N/A	2,922	649
Percent change	-35%	290%	-18%	660%	178%	N/A	10%	118%

The 2000 Census reported a 10% population increase. During the same period the racial and ethnic composition of the community changed considerably. The white population declined by 35% or 8,841 persons. The Asian/Native Hawaiian/other Pacific Islander population experienced the largest increase at 660%, followed by the black/African American with an increase of 290%. This represents the largest Asian/Native Hawaiian/other Pacific Islander population increase of Minneapolis' 11 communities. The Hispanic/Latino population increased by 118%.

Central Community

Central Community Population
Percent Change 1990 - 2000



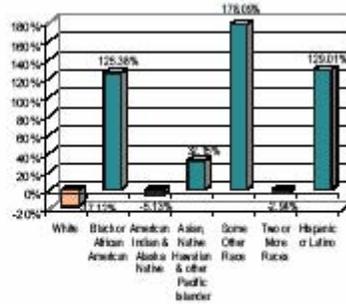
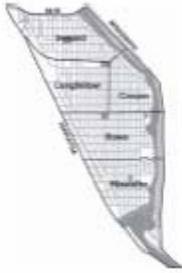
	White	Black or African American	American Indian, Alaska Native	Asian, Native Hawaiian & other Pacific Islander	Some Other Race	Two or More Races	Hispanic/Latino
1990 Total	16,862	2,995	553	501	247	21,158	724
2000 Total	16,115	4,907	474	880	668	24,149	1,583
Number Change	-747	1,912	-79	379	421	2,991	859
Percent Change	-4.43%	63.84%	-14.29%	75.65%	170.45%	14.14%	118.65%

Neighborhood	White alone	Black/African American alone	American Indian and Alaska Native alone	Asian/Native Hawaiian/other Pacific Islander alone	Some other race alone	Two or more races	Total	Hispanic/Latino
CENTRAL COMMUNITY								
Downtown East	81	32	1	3	8	3	128	12
Downtown West	3,072	1,047	80	221	38	123	4,581	139
Elliot Park	3,361	2,037	182	215	213	468	6,476	500
Loring Park	6,076	727	61	284	157	196	7,501	380
North Loop	914	377	77	41	39	67	1,515	96
Stevens Square Loring Heights	2,611	687	73	116	213	248	3,948	456
2000 Total	16,115	4,907	474	880	668	1,105	24,149	1,583
1990 Total	16,862	2,995	553	501	247	N/A	21,158	724
Number change	-747	1,912	-79	379	421	N/A	2,991	859
Percent change	-4%	64%	-14%	76%	170%	N/A	14%	119%

Population increases of non-whites contributed largely to the 14% growth experienced by the Central community. The most noticeable increases were among the black/African American population up 64% and the Asian/Native Hawaiian/other Pacific Islander up 76%. As in most other communities, the American Indian/Alaska Native population declined by 14% since 1990. The white population also declined by 4.43%. The Hispanic/Latino population grew by 119%.

Longfellow Community

Longfellow Community Population
Percent Change 1990 - 2000



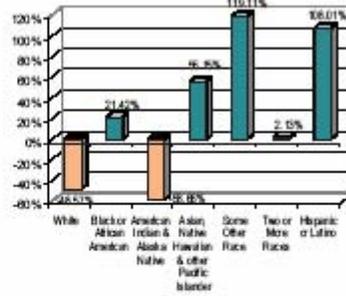
	White	Black or African American	American Indian & Alaska Native	Asian, Native Hawaiian & other Pacific Islander	Some Other Race	Two or More Races	Hispanic or Latino
1990 Total	25,628	1,328	760	619	283	28,618	624
2000 Total	21,240	2,993	721	818	787	27,776	1,429
Number Change	-4,388	1,665	-39	199	504	-842	805
Percent Change	-17.12%	125.38%	-5.13%	32.15%	178.09%	-2.94%	129.01%

Neighborhood	White alone	Black/African American alone	American Indian and Alaska Native alone	Asian/Native Hawaiian/other Pacific Islander alone	Some other race alone	Two or more races	Total	Hispanic/Latino
LONGFELLOW COMMUNITY								
Cooper	3,041	129	58	77	59	84	3,448	127
Hiawatha	4,607	273	105	98	80	141	5,304	170
Howe	5,374	622	205	170	238	269	6,878	436
Longfellow	3,545	528	200	168	294	237	4,972	483
Seward	4,673	1,441	153	305	116	486	7,174	213
2000 Total	21,240	2,993	721	818	787	1,217	27,776	1,429
1990 Total	25,628	1,328	760	619	283	N/A	28,618	624
Number change	-4,388	1,665	-39	199	504	N/A	-842	805
Percent change	-17.12%	125.38%	-5.13%	32.15%	178.09%	N/A	-2.94%	129.01%

Longfellow is one of three communities to experience an overall population decline (three%) in 2000. Longfellow experienced a large percentage change in black/African American population. The Census 2000 showed a 125.38% increase or 1,665 black/African American persons in Longfellow. The Hispanic/Latino population increased 129.01% or 805 persons. The white population declined by 4,388 persons or 17.12% and the American Indian/Alaska Native declined by 39 persons or 5.13%.

Near North Community

Near-North Community Population
Percent Change 1990 - 2000



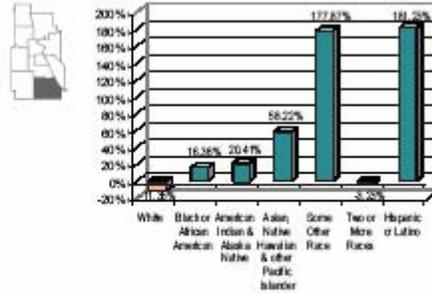
	White	Black or African American	American Indian & Alaska Native	Asian, Native Hawaiian & other Pacific Islander	Some Other Race	Two or More Races	Hispanic/Latino
1990 Total	13,592	15,959	1,357	3,846	471	35,225	886
2000 Total	6,990	19,378	561	5,967	1,032	35,976	1,843
Number Change	-6,602	3,419	-796	2,121	561	751	957
Percent Change	-48.57%	21.42%	-58.66%	55.15%	119.11%	2.13%	108.01%

Neighborhood	White alone	Black/African American alone	American Indian and Alaska Native alone	Asian/Native Hawaiian/other Pacific Islander alone	Some other race alone	Two or more races	Total	Hispanic/Latino
NEAR-NORTH COMMUNITY								
Harrison	1,016	1,605	58	1,117	98	258	4,152	213
Hawthorne	1,271	3,217	148	1,069	216	412	6,333	339
Jordon	2,152	4,526	167	1,584	177	543	9,149	386
Near North	1,041	4,040	74	1,002	417	347	6,921	625
Sumner Glenwood	13	59	1	62	8	1	144	9
Willard Hay	1,497	5,931	113	1,133	116	487	9,277	271
2000 Total	6,990	19,378	561	5,967	1,032	2,048	35,976	1,843
1990 Total	13,592	15,959	1,357	3,846	471	N/A	35,225	886
Number change	-6,602	3,419	-796	2,121	561	N/A	751	957
Percent change	-49%	21%	-59%	55%	119%	N/A	2%	108%

There was a slight increase of two% in the total Near North community total population during the past decade. Near-North experienced large declines in both white and American Indian/Alaska Native populations. Whites in the area decreased from 13,592 in 1990 to 6,990 in 2000. American Indians/Alaska Natives decreased 59% or 561 persons. The Black/African American population gained 3,419 or 21% in 2000. The Hispanic/Latino population realized the largest growth at 108.01% change or 957 persons since 1990, along with Asian/Native Hawaiian/other Pacific Islander at 55% change or 2,121 persons.

Nokomis Community

Nokomis Community Population
Percent Change 1990 - 2000

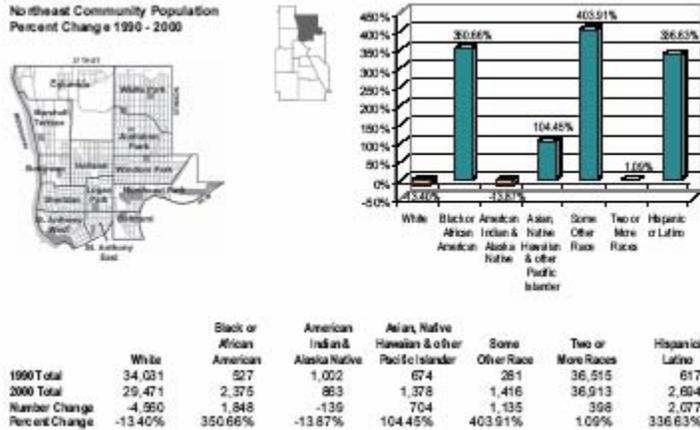


	White	Black or African American	American Indian & Alaska Native	Asian, Native Hawaiian & other Pacific Islander	Some Other Race	Two or More Races	Hispanic or Latino
1990 Total	33,845	3,375	387	663	244	38,514	554
2000 Total	30,004	3,927	466	1,049	678	37,270	1,558
Number Change	-3,841	552	79	386	434	-1,244	1,004
Percent Change	-11.35%	16.36%	20.41%	58.22%	177.87%	-3.23%	181.23%

Neighborhood	White alone	Black/ African American alone	American Indian and Alaska Native alone	Asian/ Native Hawaiian/ other Pacific Islander alone	Some other race alone	Two or more races	Total	Hispanic/ Latino
NOKOMIS COMMUNITY								
Diamond Lake	4,595	354	24	132	41	105	5,251	114
Ericsson	2,706	210	40	72	43	78	3,149	180
Field	1,685	586	16	92	28	119	2,526	81
Hale	2,911	123	11	77	26	48	3,196	49
Keewaydin	2,922	83	22	42	46	63	3,178	82
Minnehaha	3,557	226	84	61	39	91	4,058	124
Morris Park	2,442	177	67	129	43	126	2,984	91
Northrup	3,510	362	67	129	112	155	4,335	206
Page	1,537	72	6	23	9	35	1,682	26
Regina	934	1,149	33	147	91	135	2,489	175
Wenonah	3,205	585	96	145	200	191	4,422	430
2000 Total	30,004	3,927	466	1,049	678	1,146	37,270	1,558
1990 Total	33,845	3,375	387	663	244	N/A	38,514	554
Number change	-3,841	552	79	386	434	N/A	-1,244	1,004
Percent change	-11%	16%	20%	58%	178%	N/A	-3%	181%

The Nokomis community experienced a total population decline of 3.23% or 1,244 persons. All racial groups except whites experienced a steady increase in population. White population declined by 11% or 3,841 persons. Of the non-white population, Asian/Native Hawaiian/other Pacific Islander realized the largest population gain (58% or 386 persons) in this area. The Hispanic/Latino population increased by 181% or 1,004 persons.

Northeast Community

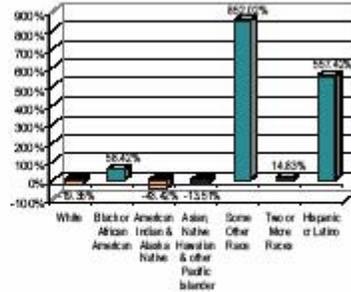


Neighborhood	White alone	Black/ African American alone	American Indian and Alaska Native alone	Asian/ Native Hawaiian/ other Pacific Islander alone	Some other race alone	Two or more races	Total	Hispanic/ Latino
NORTHEAST COMMUNITY								
Audobon Park	4,414	245	63	159	176	199	5,256	380
Beltrami	831	150	59	125	49	63	1,277	126
Bottineau	940	69	57	68	65	55	1,254	151
Columbia	1,477	126	47	54	55	75	1,834	93
Holland	3,204	383	164	173	218	239	4,381	418
Logan Park	1,633	202	80	66	121	120	2,222	197
Marshall Terrace	1,043	87	41	62	53	56	1,342	110
Northeast Park	649	93	17	31	65	27	882	92
Sheridan	2,109	147	83	89	169	106	2,703	303
St. Anthony East	1,645	149	67	73	72	99	2,105	161
St. Anthony West	2,196	131	32	76	145	86	2,666	245
Waite Park	4,634	160	35	209	52	115	5,205	116
Windom Park	4,696	433	118	193	176	170	5,786	302
2000 Total	29,471	2,375	863	1,378	1,416	1,410	36,913	2,694
1990 Total	34,031	527	1,002	674	281	N/A	36,515	617
Number change	-4,560	1,848	-139	704	1,135	N/A	398	2,077
Percent change	-13%	351%	-14%	104%	404%	N/A	1%	337%

Although the total population of the Northeast community only increased by one%, the composition of the area changed markedly. The white population declined by 4,560 persons or 13%. At the same time, the black/African American population sharply increased by 351%. The Asian/Native Hawaiian/other Pacific Islander population increased by 104% and the Hispanic/Latino population rose by 337%. As in most other areas of the city, the American Indian/Alaska Native population dropped by 14%.

Phillips Community

Phillips Community Population
Percent Change 1990 - 2000

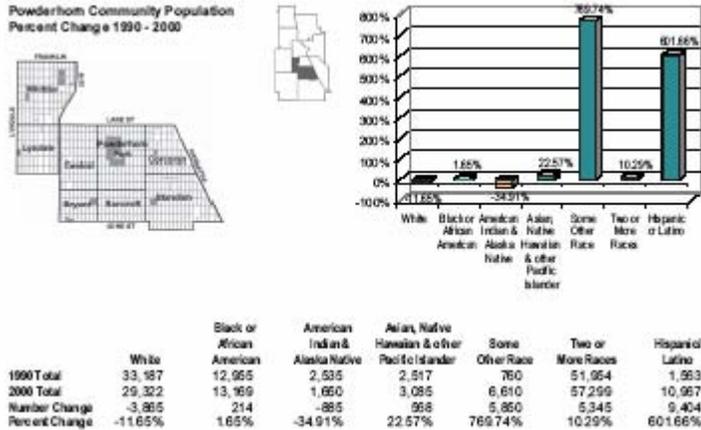


	White	Black or African American	American Indian & Alaska Native	Asian, Native Hawaiian & other Pacific Islander	Some Other Race	Two or More Races	Hispanic or Latino
1990 Total	7,759	3,677	4,157	1,406	248	17,247	667
2000 Total	6,258	5,825	2,352	1,216	2,361	19,805	4,385
Number Change	-1,501	2,148	-1,805	-190	2,113	2,558	3,718
Percent Change	-19.35%	58.42%	-43.42%	-13.51%	85.02%	14.83%	55.742%

Neighborhood	White alone	Black/African American alone	American Indian and Alaska Native alone	Asian/Native Hawaiian/other Pacific Islander alone	Some other race alone	Two or more races	Total	Hispanic/Latino
PHILLIPS COMMUNITY								
Phillips	6,258	5,825	2,352	1,216	2,361	1,793	19,805	4,385
2000 Total	6,258	5,825	2,352	1,216	2,361	1,793	19,805	4,385
1990 Total	7,759	3,677	4,157	1,406	248	N/A	17,247	667
Number change	-1,501	2,148	-1,805	-190	2,113	N/A	2,558	3,718
Percent change	-19%	58%	-43%	-14%	85%	N/A	15%	557%

During the past decade, the Phillips community grew by 14.83% or 2,558 persons. This represents the largest total population increase of the city's 11 communities. The increase is largely associated with a black/African American population growth of 58% or 2,148 persons, and a Hispanic/Latino population increase of 557% or 3,718 persons. The American Indian/Alaska Native population dropped considerably to 43% or 1,805 persons, and the Asian/Native Hawaiian/other Pacific Islander population also declined in the Phillips community. Phillips and Southwest were the only Minneapolis communities that experienced a decline in the Asian/Native Hawaiian/other Pacific Islander population.

Powderhorn Community

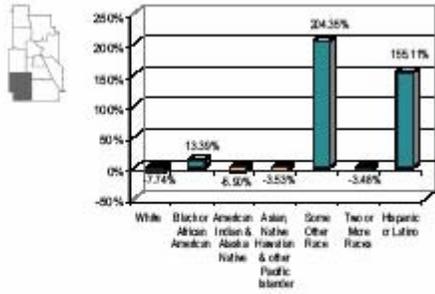
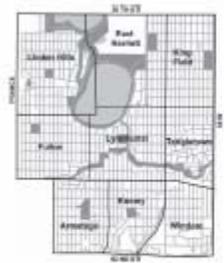


Neighborhood	White alone	Black/ African American alone	American Indian and Alaska Native alone	Asian/ Native Hawaiian/ other Pacific Islander alone	Some other race alone	Two or more races	Total	Hispanic/ Latino
POWDERHORN COMMUNITY								
Bancroft	2,347	564	52	175	237	231	3,606	366
Bryant	711	1,497	32	141	259	149	2,789	423
Central	2,096	3,306	199	746	1,152	651	8,150	1,899
Corcoran	2,235	672	195	191	639	296	4,228	897
Lyndale	4,274	1,513	105	342	1,041	415	7,690	1,646
Powderhorn Park	4,467	1,987	477	454	1,034	538	8,957	1,971
Standish	5,031	586	262	195	258	300	6,632	466
Whittier	8,161	3,044	328	841	1,990	883	15,247	3,299
2000 Total	29,322	13,169	1,650	3,085	6,610	3,463	57,299	10,967
1990 Total	33,187	12,955	2,535	2,517	760	N/A	51,954	1,563
Number change	-3,865	214	-885	568	5,850	N/A	5,345	9,404
Percent change	-12%	2%	-35%	23%	770%	N/A	10%	602%

During the period from 1990 to 2000, the Powderhorn community was one of four Minneapolis communities that experienced a population increase of 10% or greater. Over the same period, the Powderhorn white population decreased by 12% or 3,865 persons. The growth of the community can be attributed to an increase in the non-white population, with the exception of the American Indian/Alaska Native population, which experienced a decline of 35%. The most significant changes can be seen in the Hispanic/Latino population that increased by 9,404 persons or 602%.

SOUTHWEST COMMUNITY

Southwest Community Population Percent Change 1990 - 2000

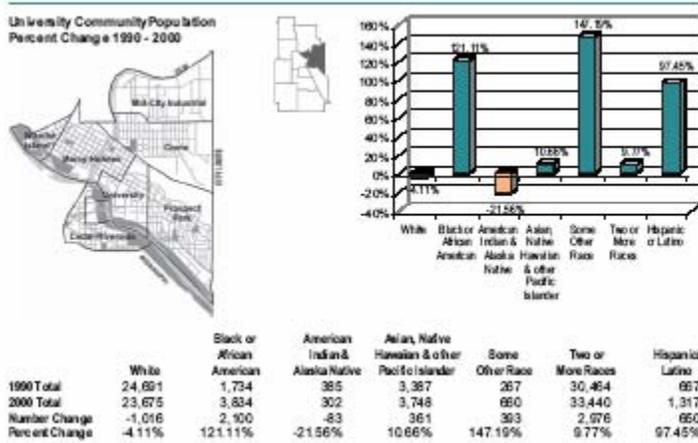


	White	Black or African American	American Indian & Alaska Native	Asian, Native Hawaiian & other Pacific Islander	Some Other Race	Two or More Races	Hispanic/Latino
1990 Total	45,963	2,061	288	1,048	230	49,590	577
2000 Total	42,407	2,337	271	1,011	700	47,863	1,472
Number Change	-3,556	276	-17	-37	470	-1,727	895
Percent Change	-7.74%	13.36%	-5.90%	-3.53%	204.35%	-3.46%	155.11%

Neighborhood	White alone	Black/African American alone	American Indian and Alaska Native alone	Asian/Native Hawaiian/other Pacific Islander alone	Some other race alone	Two or more races	Total	Hispanic/Latino
SOUTHWEST COMMUNITY								
Armatage	4,348	156	21	121	56	57	4,759	104
East Harriet	3,687	148	12	53	12	87	3,999	55
Fulton	5,283	56	18	95	27	87	5,566	91
Kenny	3,275	58	7	88	8	57	3,493	49
King Field	6,134	753	102	168	346	313	7,816	603
Linden Hills	6,906	95	33	147	49	140	7,370	121
Lynnhurst	5,299	69	9	140	15	81	5,613	68
Tangletown	3,859	157	17	69	50	111	4,263	82
Windom	3,616	845	52	130	137	204	4,984	299
2000 Total	42,407	2,337	271	1,011	700	1,137	47,863	1,472
1990 Total	45,963	2,061	288	1,048	230	N/A	49,590	577
Number change	-3,556	276	-17	-37	470	N/A	-1,727	895
Percent change	-8%	13%	-6%	-4%	204%	N/A	-3%	155%

During the past ten years, the Southwest community changed significantly in both population and composition. The community experienced an overall decline in population of 4% attributed largely to a decrease in the white population of 3,556 persons. During the same period, the non-white population changed significantly, with an increase in the black/African American population of 13% or 276 persons, and more notably an increase in the Hispanic/Latino populations by 155% or 895 persons. Within the community, the American Indian/Alaska Native and the Asian/Native Hawaiian/other Pacific Islander populations experienced a decline of 6% and 3.5% respectively.

University Community



Neighborhood	White alone	Black/African American alone	American Indian and Alaska Native alone	Asian/Native Hawaiian/other Pacific Islander alone	Some other race alone	Two or more races	Total	Hispanic/Latino
UNIVERSITY COMMUNITY								
Cedar Riverside West Bank	3,174	2,428	67	1,190	286	400	7,545	426
Como	4,550	315	74	545	56	151	5,691	168
Marcy Holmes	6,844	439	76	1,105	229	316	9,009	454
Mid City Ind. Area	13	2	-	-	-	-	15	-
Nicollet Island East Bank	715	39	5	53	4	12	828	16
Prospect Park East River Road	4,839	481	70	639	53	244	6,326	155
University	3,540	130	10	216	32	98	4,026	98
2000 Total	23,675	3,834	302	3,748	660	1,221	33,440	1,317
1990 Total	24,691	1,734	385	3,387	267	N/A	30,464	667
Number change	-1,016	2,100	-83	361	393	N/A	2,976	650
Percent change	-4%	121%	-22%	11%	147%	N/A	10%	97%

The University community experienced a significant increase in total population of 9.77% or 2,976 persons between 1990 and 2000. The community became more racially and ethnically diverse as well. The white population declined by just over 1,000 persons or 4%. The non-white population increased significantly. The Black/African American population accounted for 2,100 persons, an increase of 121% over 1990. The Hispanic/Latino population increased by 97% or 650 persons.

Economic Development

Minneapolis business establishments and employment data for 2002, as well as jobs and job distribution by industry for 2002 and 2003 were published by the Minnesota Department of Employment and Economic Development.

Estimates of Minneapolis resident employment and unemployment for 2000 to 2003 and data on selected characteristics of Minneapolis insured unemployed for 2001 to 2003 were provided by the Minnesota Department of Employment and Economic Development.

Annual construction information as represented by building permit values was tabulated by the Minneapolis Inspections Division of the Department of Regulatory Services.

Sources of development activity information included the Towle Report-Midyear 2002, the 2003 Colliers Towle Report "Local Real Estate, Globally", the CB Richard Ellis Market Outlook 2003 Report and the Minneapolis Department of Community Planning and Economic Development - Planning Division.

ECONOMIC DEVELOPMENT

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Business Establishments

In 2002, the professional and technical service sector had the largest number of business establishments in the City of Minneapolis. Health care and social assistance was the largest employer, but its employees were concentrated in about 8% of the total number of business units in the City. The utilities sector provided the highest average weekly wage.

Annual average data for 2002 indicated a total of 12,671 business units identified within the City of Minneapolis. Professional and technical service establishments comprised the largest share of the total at 19.1%. An array of other services, including personal services, comprised 10.2% of the total number of establishments. Note that these particular areas were part of a larger service sector comprised of a range of personal, business, legal, recreational and other miscellaneous service establishments. However, because industry classification codes have changed, figures provided until recently are no longer comparable with the new numbers.

The North American Industrial Code (NAIC), which identified over 350 new industries, replaced the old SIC (Standard Industrial Code) code. The code was modified to take into account structural changes in the economy during the last decades, which resulted in a shrinking manufacturing sector and expansion of knowledge-based services and industries. The NAIC did not make any distinction in the manufacturing sector, separating utilities from transportation, and finance and insurance from real estate while adding a new industrial category of information. .

The number of plant locations or work sites in 2002 decreased by 235 units from 12,906 in 2001 to 12,671 in 2002. Data for the first and second quarter of 2003 showed business units continued to decline to an average of about 12,300. The annual average number of persons employed (295,653) by those establishments decreased by more than 11,000 workers from the previous year, and employment continued to decline to about 287,600 in the second quarter.

The manufacturing sector continued to shrink, as the average number of units dropped from 710 in 2001 to 668 a year later, and declined again to 632 in the second quarter of 2003. The average number of workers per unit also dropped from 30 to 28, following a continuing trend affecting the whole country.

Three industrial sectors had the largest concentration of employees per units: utilities, management of companies and enterprises, and government. The government sector tended to be concentrated in relatively few facilities. All three sectors reduced their size in comparison with the previous year.

Also of importance was the average weekly wage. In 2002, the reported average weekly wage increased by 0.2%, from \$914 the previous year to \$916. In the second quarter of 2003, however, the average weekly wage dropped to \$905. The average weekly wage for four sectors – utilities, finance and insurance, management of companies and enterprises, and professional and technical services - were the highest. The average weekly wage in the Utilities sector increased by 4% from the 2001 comparable figure, while the average wage in the finance and insurance sector decreased by 6% in the same period. Utilities average weekly salary in 2002 was more than \$600 (or about 68%) above the all-industry average. The gap for average weekly wages in the financial sector dropped to 66% above the all-industry average, from 78% the previous year.

Minneapolis Business Establishments By Industrial Category, Annual 2002

Industry (1)	Business Units (2)		Average	
	Average	% share	Empl./unit	Weekly Wage
Total, All Industries	12,671	100.0%	23	\$ 916
Construction	533	4.2%	14	\$ 999
Manufacturing	668	5.3%	28	\$ 883
Utilities	26	0.2%	144	\$ 1,536
Wholesale Trade	846	6.7%	13	\$ 1,025
Retail Trade	1,232	9.7%	14	\$ 508
Transportation and Warehousing	178	1.4%	64	\$ 768
Information	373	2.9%	37	\$ 961
Finance and Insurance	881	7.0%	32	\$ 1,523
Real Estate and Rental and Leasing	666	5.3%	8	\$ 844
Professional and Technical Services	2,416	19.1%	13	\$ 1,317
Management of Companies and Enterprises	126	1.0%	101	\$ 1,429
Administrative and Waste Services	616	4.9%	25	\$ 488
Educational Services	498	3.9%	53	\$ 892
Health Care and Social Assistance	1,013	8.0%	42	\$ 754
Arts, Entertainment, and Recreation	235	1.9%	21	\$ 943
Accommodation and Food Services	971	7.7%	21	\$ 306
Other Services, Ex. Public Admin	1,289	10.2%	9	\$ 537
Public Administration	102	0.8%	132	\$ 909

Agricultural, Forestry and Mining excluded due to small numbers

(1) Number of plant locations or work sites

Source: MN Department of Employment and Economic Development Covered Employment and Wages

Note: Data in the above table relate to firms covered under the Minnesota unemployment compensation tax law. Although the State Department of Employment and Economic Development (MNDEED) estimates that over 95% of the state's nonagricultural wage and salary employment is covered, nine employment categories not included are listed in the tables' source. Prominent among these are the self-employed, railroad workers, insurance and real estate agents on commission only, and elected officials.

Jobs

The number of jobs held in Minneapolis totaled 294,838 in March 2002, a decrease of 3.7% over March of the previous year. Jobs decreased again to 285,494 in March 2003.

The Minneapolis job count was the number of jobs held within the City by both residents and non-residents of the city, as estimated by MNDEED. A March estimate date was been used because March is a month where data are not inflated by holiday or summer labor force participants. As such, March workforce levels may be closer to the annual average than those of other months.

Data differ from previous reports because MNDEED has made adjustments. Data reported here represent what the Department is currently reporting for present and past years. Note that the data used above are March totals, while the data used in the following job distribution section are annual averages. Differences between the two reflect cyclical variations.

Job Distribution

The annual average workforce for 2002 was 295,653, a decrease of 3.6% in comparison with the annual average for 2001. In 2002 the economy shed an average of slightly more than 11,000 jobs.

Minneapolis Employment by Place of Work (Jobs) Distribution by Industry 2002 and 2001

Industry*	Employment			
	2002 Average	2001 Average	2001-2002 Growth	
			Number	Percent
Construction	7342	NA	NA	NA
Manufacturing	18859	21314	-2455	-11.5
Utilities	3739	4088	-349	-8.5
Wholesale Trade	11385	12019	-634	-5.3
Retail Trade	17053	18129	-1076	-5.9
Transportation and Warehousing	11337	11831	-494	-4.2
Information	13761	15105	-1344	-8.9
Finance and Insurance	28556	29609	-1053	-3.6
Real Estate, Rental and Leasing	5274	5217	57	1.1
Professional and Technical Services	30472	32788	-2316	-7.1
Management of Companies and Enterprises	12729	13833	-1104	-8.0
Administrative and Waste Services	15664	17085	-1421	-8.3
Educational Services	26543	26338	205	0.8
Health Care and Social Assistance	42045	40916	1129	-2.8
Arts, Entertainment, and Recreation	4942	4649	4606	43
Accommodation and Food Services	20639	20685	21051	-366
Other Services, Exc. Public Admin.	11735	11676	11192	484
Public Administration	13509	13384	13272	112

*Agricultural, Forestry and Mining excluded due to small numbers

Source: Minnesota Department of Employment and Economic Development

Manufacturing suffered the most, with a drop of almost 2,500 jobs, followed by professional and technical services. Both sectors combined accounted for 43% of the total job loss. Although other sectors such as health care, education and arts and entertainment created a number of jobs, they did not grow enough to offset the losses.

Labor Force

The annual average Minneapolis labor force increased between the year 2001 and 2002 by almost 1,600 people, while the number of Minneapolis residents employed decreased by slightly more than 870 and the number of unemployed rose more than 2,450. The Minneapolis labor force consisted of city residents who were working or actively seeking employment. In 2002, with an increasing number of people in the labor force, unemployment grew at an annual average rate of 4.9%, while

employment stagnated and decreased. Still unemployment in the City was lower than in the US (5.8%), but higher than in the rest of the State (4.4%).

Minneapolis: Resident Employment and Unemployment Annual Averages

Year	Labor Force	Employment	Unemployment Comparative Rates			
			Number	Rate	MN	US
2000	213,254	206,435	6,819	3.2%	3.3%	4.0%
2001	218,471	210,041	8,430	3.9%	3.7%	4.7%

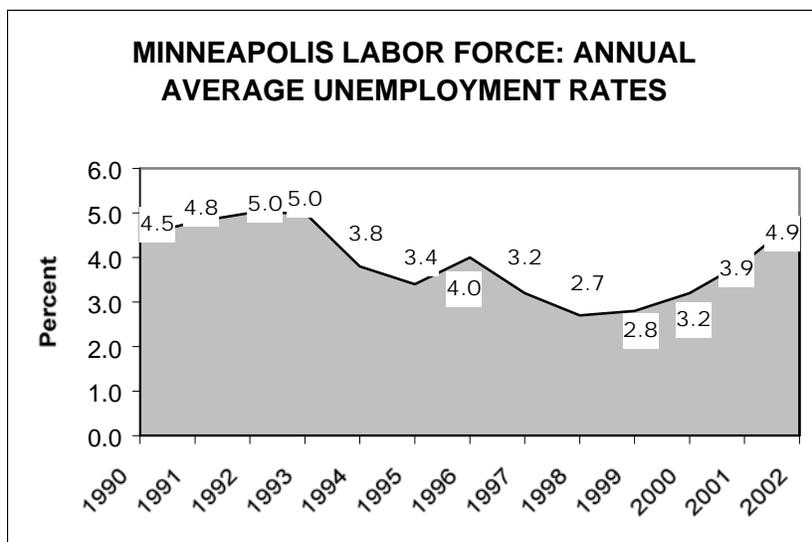
Source: MN Department of Employment and Economic Development

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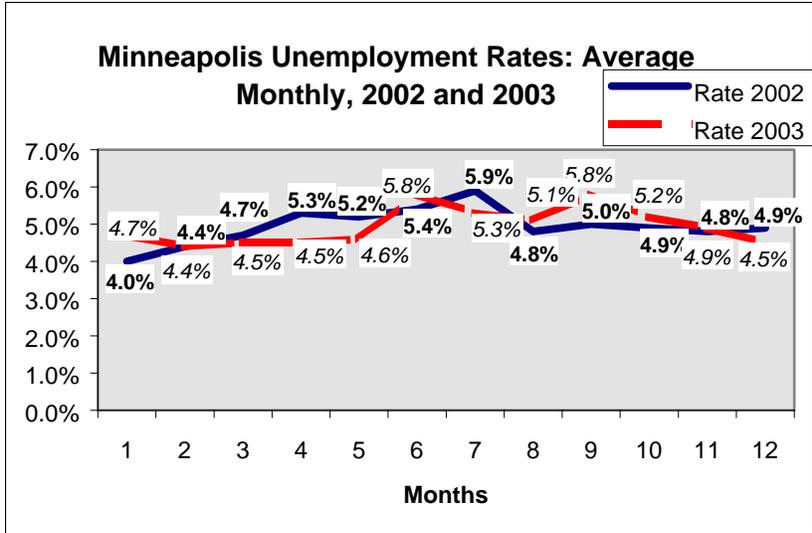
Unemployment

Minneapolis' annual average labor force unemployment rate in 2002 was 4.9%, an increase of 1% from the previous year. The following table indicates the annual average Minneapolis labor force unemployment rate for each year from 1990 to 2002. In the 1990's, unemployment rates peaked in 1992 and 1993 at 5%. Rates then declined in 1995 to 3.4%, and declined again to 2.7% in 1998 after climbing to 4% in 1996. Since 1998 they have started to increase steadily, reaching 4.9% in 2002.

Unemployment figures from MNDEED are estimates based on the monthly Current Population Survey (CPS) conducted by the Census Bureau. This survey covered all resident employment including self-employment, farm work, unpaid family work and private household work.



Unemployment rates varied throughout the year. Unemployment rates tended to improve in the second quarter of 2003, but were substantially higher in September and October in comparison to 2002 rates during the same period. The following chart shows unemployment rates for each month of the years 2002 and 2003.



The number of Minneapolis applicants for the Unemployment Insurance program in calendar year 2002 was 17,203, in year 2003 it was 17,403. Selected characteristics of unemployed persons who filed for unemployment compensation in Minneapolis for the program years ending December 31, 2002 and 2003 are contained in the following table. Over 50% of the applicants had over 12 years of school. Females were about one third and minorities were a little over 30%. More than half of those claiming unemployment were between the ages of 22 and 39. In comparison to 2001, the proportion of young people filing for unemployment claims tended to decline, but the percentage of those between 40 and 64 years old went up as did the proportion of those with over 12 years of school.

**Selected Characteristics of Insured Unemployed
City of Minneapolis**

Calendar Years 2001, 2002 and 2003

Characteristics	2001	2002	2003
Female	38.0%	38.3%	39.2%
Minorities	31.7%	31.0%	31.4%
Age 22-39	54.7%	53.6%	52.6%
Age 40-54	34.2%	34.4%	34.5%
Age 55-64	6.1%	6.7%	7.4%
12 years school	37.5%	36.0%	35.8%
over 12 years school	50.5%	51.0%	51.1%

Source: Minnesota Department of Employment and Economic Development, unpublished data.

Construction

The value of construction permits issued in 2002 showed a 2% increase over the previous year with higher dollar values for additions and remodels. In 2003 the total value of all construction permits increased only 1% in comparison with the previous year. Construction permit values can serve as a leading economic indicator.

Years	Total Value of all Permits (dollars)	% Value: Additions and Repairs	% Value: New Construction	Annual Change (%)
1996	\$296,128,370	89%	11%	
1997	\$483,825,940	68%	32%	63%
1998	\$365,096,329	43%	57%	-25%
1999	\$700,609,948	63%	37%	92%
2000	\$1,166,839,846	54%	46%	67%
2001	\$751,065,992	64%	36%	-36%
2002	\$766,703,334	58%	42%	2%
2003	\$771,988,267	56%	44%	1%

Source: Minneapolis Inspections

During 2002 and 2003 permit value rate of change for new construction, additions and remodels combined grew very slowly in comparison to previous years. In spite of this slow growth, total values in the last two years compared favorably with values for 1999.

Activity in renovations and additions was complimented by new construction both in downtown Minneapolis and in the surrounding neighborhoods. An indication of this activity was the 20 major projects under construction in 2002 and 2003, as shown below.

2002 Major Construction Projects Minneapolis Permits Issued

Address	Project value	Use	Type of permit
800 28 ST E	\$ 63,326,308	Hospital	addition
500 11 ST S	\$ 49,075,000	Residential	new
2508 DELAWARE ST	\$ 36,500,000	Residential	new
1101 HARMON PL	\$ 20,026,000	Law school	new
750 2 ST S	\$ 18,495,000	Residential	new
727 VINELAND PL	\$ 16,800,000	Parking Garage	new
1601 50 ST W	\$ 16,799,000	School	new
111 4 AVE N	\$ 15,251,000	Residential	new
500 WASHINGTON AVE S	\$ 12,684,005	Office/retail	new
1808 UNIVERSITY NE	\$ 9,615,837	Residential	new
625 MAIN ST SE	\$ 9,261,467	Residential	new
25 11 ST S	\$ 9,200,000	Parking Ramp	new
2935 FREMONT AVE S	\$ 8,131,186	Residential	new
627 MAIN ST SE	\$ 7,517,392	Residential	new
35 7 ST S	\$ 6,700,000	Retail	remodel
2801 4 AVE S	\$ 6,521,000	Commercial	remodel
301 KENWOOD PKWY	\$ 6,418,849	Residential	new
2101 KENNEDY ST NE	\$ 6,400,000	Office	rehab
317 17 AVE SE	\$ 6,140,000	Residential	new
2101 KENNEDY ST NE	\$ 5,970,000	commercial	addition

Source: Minneapolis Department of Regulatory Services, Inspections Division

2003 Major Construction Projects Minneapolis Permits Issued

<u>Address</u>	<u>Value</u>	<u>Description</u>	<u>Type</u>
818 2 ST S	\$ 82,985,770	theater	new
725 VINELAND PL	\$ 38,116,446	institutional	addition
2400 3 AVE S	\$ 31,660,000	museum	addition
2650 WELLS FARGO WAY	\$ 24,761,700	office	new
150 2 ST NE	\$ 18,750,000	residential	new
200 PARK AVE	\$ 12,561,000	residential	new
2833 CHICAGO AVE	\$ 9,220,627	commercial	new
720 LAKE ST W	\$ 8,538,264	residential	new
525 3 ST N	\$ 8,200,000	residential	conversion
1501 HENNEPIN AVE	\$ 7,077,000	commercial/hist.	remodel
2714 33 ST E	\$ 6,880,000	industrial	repair
301 CLIFTON AVE	\$ 6,713,950	residential	new
2919 RANDOLPH ST	\$ 6,675,000	senior housing	new
1900 CENTRAL AVE NE	\$ 5,318,656	residential/retail	new
800 28 ST E	\$ 5,251,800	institutional	remodel
545 2 ST S	\$ 5,234,861	residential	new
2310 LAKE ST E	\$ 5,000,000	rail station	new
1829 3 AVE S	\$ 4,906,283	residential	new
500 11 ST S	\$ 4,900,000	residential	addition

Source: Minneapolis Department of Regulatory Services, Inspections Division

Development Activity

Development activity slowed down considerably following the overall decrease in economic activity, which in turn drove down demand for office space. Downtown was the largest office space market in the metropolitan area accounting for just over 40% of the private market multi-tenant office space in the region and was a center for arts, entertainment, retail, and government activity. The downtown office and general employment market exerted considerable influence over the rest of the region. The Metropolitan Council estimated that 143,000 people worked in the downtown area, and it was expected to attract nearly 170,000 workers by 2020. Downtown also had approximately 20,200 residents according to the 2000 Census.

During 2002, construction proceeded at a slow pace in Downtown Minneapolis. Real estate reports indicated that the vacancy rate in the office market grew in downtown from 7.5% in the second quarter of 2001 to 14.1% in the second quarter of 2002. At the end of 2002 it had reached a level of more than 17%. A shrinking economy with layoffs in key sectors and the amount of space built during the previous years were responsible for the steep hike of the vacancy rate. In the 4th quarter of 2002 the Colliers Towle reported 4,461,500 square feet of total vacant space in the Minneapolis central business district.

Multi-Tenant Office Space

The high increase of the vacancy rate for downtown office space was mostly felt in Class B and C buildings, with vacant space increasing by more than 20% at the end of the year. These buildings suffered because large tenants relocated to new buildings. Class A and renovated buildings fared better, with a vacancy rate of between 14 and 15%. Because of the large amount of vacant space, rents decreased slightly in some segments of the market, especially in Class A buildings; average property taxes fell in the fourth quarter.

Office Space Classifications
Class A: Newer buildings in first class condition, decor and design. Large and/or tall in size with mostly multiple skyway linkage.
Class B: Seasoned buildings in good condition and generally over ten years old. Mid-rise in size and may include skyway linkage.
Class C: Older buildings of any size in average to poor condition. They may or may not have skyway linkage.
Renovated: Buildings which have had a complete renovation, including all mechanical systems and exterior treatment. Many of these buildings have been readapted to office usage from multi-story industrial designs.

Source: Towle Real Estate Company, 2003 Local Real Estate, Globally

Trends in Vacancy Rates By Type of Space and Location

	Study Date	Rental Area	Amount Vacant	Vacancy Rate
Minneapolis	2nd Qtr 2001	23,258,813	1,735,476	7.5%
CBD	2nd Qtr 2002	25,322,820	3,571,297	14.1%
	4th Qtr 2002	25,599,769	4,461,500	17.4%
Class A	2nd Qtr 2001	11,472,592	641,245	5.6%
	2nd Qtr 2002	13,160,256	1,806,474	13.7%
	4th Qtr 2002	13,170,578	1,908,958	14.5%
Class B	2nd Qtr 2001	6,813,731	565,704	8.3%
	2nd Qtr 2002	7,316,897	1,009,782	10.9%
	4th Qtr 2002	7,316,823	1,618,820	22.1%
Class C	2nd Qtr 2001	1,803,577	223,079	12.4%
	2nd Qtr 2002	1,687,309	395,709	23.5%
	4th Qtr 2002	1,685,806	398,519	23.6%

Source: Towle Real Estate Company, Local Real Estate, Globally (2003)

Net Rental Rates: Second Quarter 2002

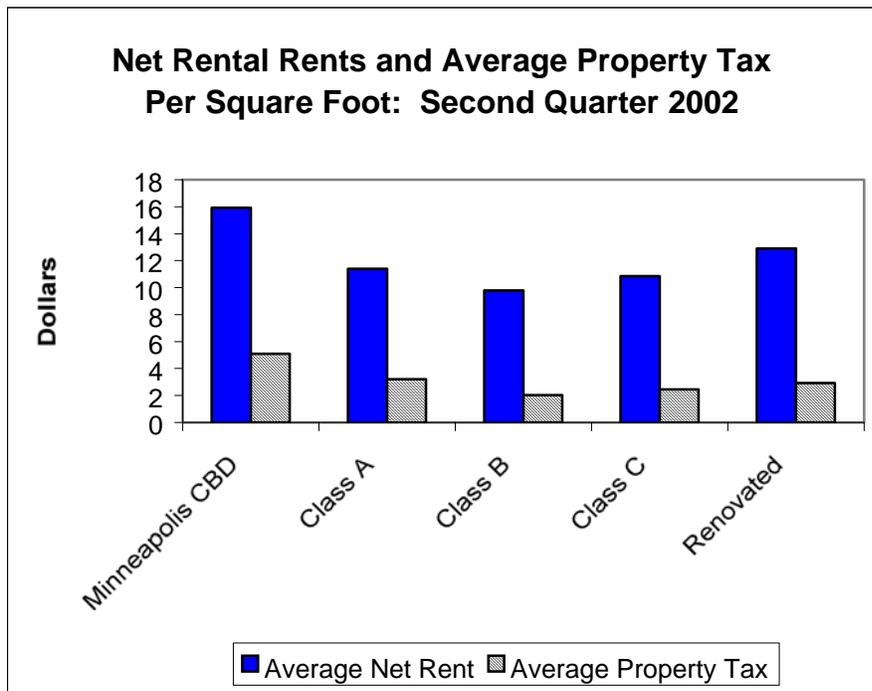
	Average Net Rent	Net Rent Range Low-High	Average Prop. Tax
Minneapolis CBD			
Class A	\$ 16	\$11.75-\$21.5	5.09
Class B	\$ 11	\$ 8.5-\$15.5	3.22
Class C	\$ 10	\$6.75-\$12	2.04
Renovated	\$ 11	\$8.25-\$13.5	2.46
Out of CBD	\$ 13	\$7.50-\$20	2.93

Source: Towle Real Estate Company, Local Real Estate, Globally (2003)

Net Rental Rates: Fourth Quarter 2002

	Average Net Rent	Net Rent Range: Low-High	Average Property Tax
Minneapolis CBD			
Class A	\$ 15	\$11-\$17.50	4.8
Class B	\$ 11	\$ 7.75-\$15	3.4
Class C	\$ 9	\$ 5-\$11	2.04
Renovated	\$ 9	\$ 5-\$14	2.46
Out of CBD	\$ 13	\$6.50-\$18	2.94

Source: Towle Real Estate Company, Local Real Estate, Globally (2003)



Major Developments

Downtown

Investment activity continued to concentrate in downtown and surrounding neighborhoods, however the economic downturn slowed down construction of commercial buildings. Only two buildings were under construction in the CBD to add 222,000 square feet of commercial space: the Depot Office Center and the Stone Arch Plaza. Remodel and build-out was the rule, as tenants moved to new Class A buildings recently completed. Although commercial construction was slow, high-value institutional investments were undertaken. The new central library on Nicollet Mall started in 2003, while St. Thomas University began work in a new Law School in 2002.

Residential construction, especially in the North Loop and downtown near the waterfront, continued unabated - at least 342 units in multi-family buildings were permitted during 2002 and 2003 in this area, including new buildings and conversions. The Humboldt Mill was converted into residential space with a high-rise annex. In addition, two train stations for light rail were built along 5th Street as part of the new light rail system that will connect downtown with the Airport and the Mall of America.

Neighborhoods

A large number of commercial and residential projects were taking shape in Minneapolis neighborhoods. The Near Northside Redevelopment was well underway to transform the former site of five public housing developments into a mixed-income, mixed-density, culturally diverse, amenity-rich neighborhood with 900 units of housing.

During 2001 and 2003 the most important cultural institutions in the City began to implement expansion plans, including the Walker Arts Center and the Minneapolis Institute of Art, in the neighborhoods of Lowry Hill and Whittier respectively. The Guthrie Theater broke ground in 2003 on Second Avenue South, while other institutions such as the University of Minnesota and Abbott Northwestern Hospital also expanded. A UMN 278-units student housing building in Prospect Park and a nine-story heart unit, an addition to the Abbott Northwestern Hospital complex, began construction during these two years.

Neighborhood office developments include Wells Fargo Home Mortgage Office, with a new office building located at Wells Fargo Way under construction. Industrial development consisting of new manufacturing for airplane parts was underway in Near North.

New residential and commercial development, including apartments and warehouses, were appearing along Hiawatha Avenue and vicinity where light rail will connect to downtown.

The Built Environment

The year 2003 brought major changes in the planning and development activities of the City of Minneapolis. These changes were a result of "Focus Minneapolis," an eight month initiative of the Mayor and City Council to create a more strategic and streamlined approach to the City's planning and development activities.

This effort built on recommendations developed for the City of Minneapolis by McKinsey & Company in the report "Strengthening Community and Economic Development in Minneapolis." This report summarized direct input from over 2,000 residents, businesses, City staff and other stakeholders regarding the way business and development is handled within the City of Minneapolis.

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The year 2003 brought major changes of the planning and development activities within the City of Minneapolis. These changes were a result of “Focus Minneapolis,” an eight month initiative of the Mayor and City Council to create a more strategic and streamlined approach to the City’s planning and development activities. This effort builds on recommendations developed for the City of Minneapolis by McKinsey & Company in the report “Strengthening Community and Economic Development in Minneapolis.” This report summarized direct input from over 2,000 residents, businesses, City staff and other stakeholders regarding the way business and development is handled within the City of Minneapolis.

Community Planning and Economic Development

The primary recommendation of the “Focus Minneapolis” initiative was to create a new Department of Community and Economic Development (CPED), through a special law adopted by the State of Minnesota. CPED was officially established by a City Council ordinance effective August 24, 2003. Several entities of the City joined to form this new entity – the Planning Department, the Minneapolis Community Development Agency (MCDA), the Empowerment Zone office, and the Minneapolis Employment and Training Program (METP). This collaboration of separate functions, including MCDA which had been an agency separate from the City, began with the mission “to promote and advance the City’s planning and community development goals through strategic partnerships and responsible management of resources, and to support the public interest through implementation of the City’s plans and priorities.” As a result, CPED is comprised of four divisions – Planning, Economic Policy and Development, Housing Policy and Development, and Strategic Partnerships.

CPED Planning Division

The former Planning Department became a division of CPED and was organized into two distinct Sections – Community Planning and Development Services.

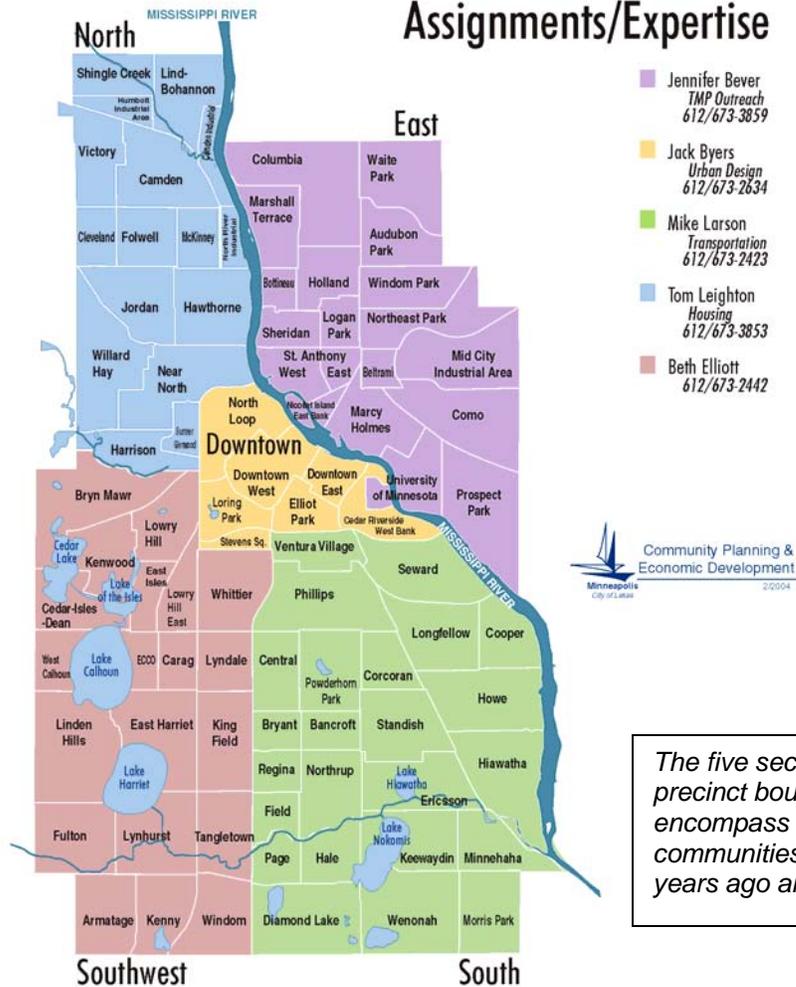
Community Planning Section

The primary business lines of the Community Planning Section included:

- Provide support to Elected Officials, residents, City departments, neighborhood groups, developers, and others to encourage participation in city processes;
- Conduct research and analyses on trends affecting City policy and development; and
- Coordinate City-sponsored arts and cultural activities and serve as a liaison between private cultural efforts and City services.

In 2003, the Community Planning staff was structured into five service sectors. Each sector was staffed by one Community Planner, who acted as a first point of contact on planning and preliminary development opportunities.

Community Planner Assignments/Expertise



The five sectors are aligned to match Police precinct boundaries. The sectors also encompass groupings of the 11 “planning communities” that were established several years ago and continue to be used in this report.

As refinements to [“The Minneapolis Plan”](#) small area plans continue to be developed. In 2003, work began on the [“38th Street Station Area Master Plan.”](#) With the forthcoming start of Light Rail Transit (LRT) serving Minneapolis, this was the fifth of six land use master plans for the areas surrounding the stations that will serve the new line. In addition, the City Council adopted the [“Elliot Park Master Plan,”](#) which identifies future land uses and growth strategies for this downtown area neighborhood. In conjunction with the Elliot Park plan, the [“\(Downtown East/North Loop Master Plan\)”](#) was completed. This plan establishes a vision and framework for new growth in the Downtown and North Loop areas, with particular attention focused on the areas near LRT stations. With the completion of the [“Marcy Holmes Master Plan,”](#) local level planning and development issues will be guided by the policies identified by the neighborhood residents.

The Research staff of Community Planning continued to play a key role in framing and evaluating key indicators and market data to shape City policy and to aid in priority-setting. 2003 brought the development of “Minneapolis Trends,” a quarterly overview of socioeconomic and housing trends ([2002 Minneapolis Trends](#), [1st Quarter 2003 Minneapolis Trends](#), [2nd Quarter 2003 Minneapolis Trends](#), [3rd Quarter 2003 Minneapolis Trends](#), [4th Quarter 2003 Minneapolis Trends](#)).

The Arts and Cultural Affairs staff of the Community Planning Section continued to work in cooperation with the Minneapolis Arts Commission. Chartered in 1974 with the mission to strengthen the arts and enrich cultural life in Minneapolis, the 17-member Commission consisted of five artists, five art administrators and seven laypersons, with consideration for membership given to a geographical distribution of commissioners, experience in the arts, connections with the community, ethnic diversity and representations from a range of artistic disciplines. The 2003 Arts Commission included the following members:

- Deborah Jindra, Chair (Accountant, USPS)
- Randy Hartten, Vice Chair (community volunteer)
- Dr. Mary Ann Feldman (editor, Minnesota Orchestral Association)
- Christopher Fischbach (managing editor, Coffee House Press)
- William Eddins (independent composer)
- Sally French (project manager, Annenberg Challenge, Minneapolis Public Schools)
- Jane Gregerson (community volunteer)
- Jennifer Haugh (director of marketing, Minnesota Youth Symphonies)
- Jessica Kohen (television producer, TC Public Television)
- Susan Jahn (art consultant and interior designer)
- Marianne Norris (school administrator, Minneapolis Public Schools)
- Dr. Maxine Rossman (professor, Capella University)
- Randy Rowoldt (costume designer, Children's Theater Company)
- Mick Spence (attorney, Spence Law Firm)
- Melissa Stephens (visual artist, MAS Creations)
- Carla Waldemar (writer)
- Kathleen Welch (theater artist)

In 2003, the Arts Commission reviewed 25 arts-related issues facing the City, including construction of the new Walker Art Center, public art for the New Central Library and strategies for the creation of the Minneapolis Plan for Arts and Culture. The Arts Commission held two public meetings, one on the topic of public art gifts and loans, the other on removal of art work.

Neighborhood Gateways were the original focus of the Art in Public Places program. Since 1992, partnerships with local steering committees produced locations and projects with unique significance in communities. The City of Minneapolis contributed approximately \$50,000 per project, leveraging considerable levels of funding from neighborhood organizations. A total of 13 gateways have been dedicated to date, one in 2003, with three more currently underway.

“Pathway to Peace, East Harriet Farmstead Gateway” was dedicated June, 2003. The production of artists Teri Kwant and Greg Ingraham, it was comprised of a series on seven cairns exploring the process of creating peace.



Gateways under construction at the end of 2003 included the “Seward Gateway” a ‘merwyn’ creature designed to engage the imagination of children designed by artist Marjorie Pitz. “Farview Tower: Circle of Vision, Hawthorne Gateway” was a steel tower with periscope views, reminiscent of Farview Park’s original tower, is under construction following the vision of artists Norman Andersen and Kathy Schaefer. Artist Aldo Moroni is nearly 50% complete with his production of “Sixth Avenue Stroll, Marcy-Holmes Gateway” to consist of 26 columns with bronze images of historic buildings.

In 2001, the Mayor and City Council directed that the “Art in Public Places” program be redirected by integrating public art more directly into City infrastructure projects. In 2002 and 2003, projects were selected to engage artists to work with architects and other designers as City building efforts were being developed. Dedicated in September, 2003, “Hand to Heart, the Jeremiah Program” was a mosaic on the exterior pillars and day care entrance, was created collaboratively with residents along with the artists Marilyn Lindstrom and Malichansouk Kouanchao. “Heritage Park,” a creation of artist Seitu Jones, completed the design of this artwork to be integrated into bridges, plazas, and walkways drawing on environmental and cultural themes.



“God”

Rollin Alm

In 2003, the “Art in the Mayor’s Office” exhibition program once again created opportunities for local visual artists to exhibit work in City Hall. A panel of art professionals and Minneapolis Arts Commissioners participated in the competitive juried process for artist selection. Exhibited during January and February, 2003, the “Home Sweet Home” exhibit highlighted the work of more than 20 local artists in a group exhibition organized by the Family Housing Fund, which featured work based on the theme of affordable housing. The artist Rollin Alm was featured in September and October, whose art emphasized abstract and representational imagery rendered in a large-scale watercolor medium. November and December brought an exhibit by Pamela Belding, featuring paintings of figural forms in a mystical and spiritual realm.

The City of Minneapolis received two notable corporate-sponsored gifts of public art in 2003. "The Dancers" by Fernando Botero was brought to Minneapolis by CSM Corporation. This monumental bronze sculpture, nearly nine feet tall, stands at 500 Washington Avenue South, and is one of the newest works of art constructed by this artist and one of only three castings in the world.



"The Dancers" Botero



"Summer in the City" Whelihan

Located at the Greater Minneapolis Convention and Visitors Association, in September 2003 American Express and the City unveiled "Seasons of the City" by Anthony Whelihan this 5,600 square foot mural.

The City of Minneapolis continued its support of the arts through various other actions. The Guthrie Theater began construction in 2003 of its new three-theater complex, designed to be a national center for theater arts and education. Located along the Mississippi River, the \$125 million complex will include a thrust-stage theater, a proscenium theater and a studio theater, with a total 2,050 seats. The City acquired the site for the new theater for approximately \$12.6 million, and sold it to the Guthrie for \$4 million. The City is also planning to invest \$29 million to build a 1,000 car parking facility to serve the new theaters and other area users. The City approved a new site for the MacPhail Center for the Arts as part of a mixed-use development on the block east of the Milwaukee Road Depot. The City received over \$1 million in grants funds from the State for pollution remediation on the site, and CPED is providing nearly \$3 million in Tax Increment Financing for part of the cost of the parking structure. In addition, CPED continued to maintain the Ritz Theater through 2003, with the Ballet of the Dolls planning to purchase and renovate the site. Arts and Cultural Affairs staff also participated in the first "[Minneapolis Mosaic](#)," a celebration of the City's arts, cultures, heritages and traditions.

The number of film permits issued in 2003 totaled 212, for commercial, corporate and independent film productions. Budgets for all films in 2003 totaled \$6.7 million, with 51% corporate and commercial video, 21% television production, 18% film production and 10% still photography. Notable commercial projects over the past year included shoots for Allianz, Anheuser-Busch, General Mills, Holiday Inn, Hotels.com, Marshall Field's, ShopNBC, Suzuki, Target, Target Market, Thrivent Financial and Valvoline Motor Oil. Minneapolis also maintained a strong independent television community. Minnesota is home to 22 national television series, with roughly two-thirds of the crews and vendors located in Minneapolis. Some productions shot in 2003 included Comedy Central's "Trigger Happy," The Food Network, Fox with "Ambush Makeover," HGTV production "Weekend Warriors," NBC "Days of Our Lives," The Learning Channel with "Trading Spaces" and "Perfect Proposal," Warner Brothers' "ElimiDate." And Twin Cities Public Television.

Development Services Section

The primary business lines of this Section of CPED included:

- Administering and interpreting the zoning code and land subdivision regulations;
- Reviewing and preparing findings and recommendations on applications for approvals as required by the Zoning Code, land subdivision regulations, and State law;
- Preparing and recommending to the City Council amendments to the City's land use regulations; and
- Administering and interpreting the City's heritage preservation guidelines.

The Planning Commission was charged with long-range planning for the City and was responsible for advising the City Council on matters of development, zoning, and capital improvements. It was a citizen's committee that worked with CPED on the development of plans and the review of development applications. The Planning Commission consisted of mayoral appointments and representatives from the School Board, Library Board, Park Board, Hennepin County, and the City Council. 2003 Planning Commissioners were:

- *Judith Martin, President*
- *Randall Bradley, Vice President*
- *Michael Hohmann*
- *Audrey Johnson*
- *Michael Krause*
- *Rod Krueger*
- *Robert Laschomb*
- *James Nestigen*
- *Council Member Gary Schiff*
- *Annie Young*

Reporting to the City Planning Commission (CPC), the 2003 Development Services Section achievements included an exceptional number of actions. Staff assisted 8,225 clients and reviewed 7,905 building permits at the newly-configured One-Stop Center. In addition, staff analyzed an all-time high number of land use applications (1,083) that required review by the City Planning Commission. Six amendments to land use regulations were completed.

CPED-Planning staff also continued to administer the heritage preservation regulations. Heritage preservation regulations were overseen by the Heritage Preservation Commission (HPC), an 11-member citizen advisory body to the Minneapolis City Council, with the mission to preserve historically and architecturally significant buildings and districts while allowing modifications for contemporary use. 2003 Commissioners were:

- Linda Messenger, Chair
- Virginia Housum, Vice-Chair
- Kathleen Anderson, Secretary
- Michele Dunn
- Robert Glancy
- Todd Grover
- Phillip Koski
- Shann Lee
- Kelley Lindquist
- Tracy Nordstrom

Between October 1, 2002 and September 30, 2003, the HPC reviewed 63 applications for alterations to historically designated properties, including three demolition requests and three

historic variances. The HPC also reviewed three applications to demolish three non-historic resources, and had preliminary discussions with 12 parties interested in rehabilitating or developing historic properties or resources. During the same period, HPC staff approved 112 “Certificates of No Change” for minor repair work to designated properties, and approved 115 demolition permits for properties determined to not be historic resources.

Also in 2003, the City of Minneapolis obtained a grant from the State Historic Preservation Office to complete an architectural and historic sites survey of the Cedar-Riverside neighborhood. Encompassing nearly 380 buildings, this area documented 41 sites considered to meet at least one criterion for local designation.

The HPC recommended, and the City Council approved, several landmark designations, including Fire Station No. 13, located at 4201 Cedar Avenue.



A. F. Raymond, 1936

Photo courtesy: Minnesota Historical Society

The HPC also commented favorably on a national Register of Historic Places nomination for Lock and Dam No. 2 (Meeker Island Lock and Dam), Mississippi River, north of Lake Street. Other major projects approved by the HPC included:

- Mohamed Samaha and Holle Construction, 417 2nd Avenue North – Warehouse Historic District rehabilitation of a three-story commercial building.
- Minneapolis Public Library, 611 Emerson Avenue North – Sumner Library rehabilitation of library and construction of a one-story addition.
- Children’s Theater Company, 2400 3rd Avenue South – Washburn-Fair Oaks Historic District construction of a four-story 45,000 square foot addition.
- Guthrie Theater, 802-12 South 2nd Street – St. Anthony Falls Historic District construction of a 10-story theater complex.
- John Rimarcik, 218-28 Washington Avenue North – Warehouse Historic District rehabilitation of a three-story commercial building.
- Shamrock Development, 210-12 218 North 1st Street – St. Anthony Falls Historic District construction of a four- to six-story residential building.
- CPED (former MCDA), 100 block of Chicago Avenue – St. Anthony Falls Historic District construction of a public plaza.
- Standard Mill, LLC, 150 Portland Avenue – St. Anthony Falls Historic District rehabilitation of a mill as condominiums.
- Apex Asset Management Corporation, 220 South 2nd Street and 225 South 1st Street – St. Anthony Falls Heritage District construction of a 39-story residential building and a four-story parking ramp.
- Minneapolis Public Library, 1314 Franklin Avenue – Franklin Library Individual Designation, rehabilitation of a library and construction of a one-story addition.

- Park Avenue Lofts, LLC, 616 South 3rd Street – Northern Implement Company Individual Designation, rehabilitation of a warehouse as condominiums.

2003 Heritage Preservation Awards were presented for:

- Historic Renovation – William H. Lee residence porch and Lake Harriett restrooms;
- Construction in a Historic District – Heritage Landing
- Adaptive Reuse – Washburn Lofts, St. Anthony Falls Fire Barn and Annex, and 702 N. Washington Building.

The CPED divisions of Economic Policy and Development and Housing Policy and Development were former programs of the Minneapolis Community Development Agency. Building upon the plans and priorities outlined in planning activities, these divisions provided the implementation strategies to achieve the vision articulated in approved City plans and priorities.

CPED Economic Policy and Development Division

The business lines identified for this Division included direction to:

- Identify, pursue, and promote long-term catalytic redevelopment projects, priority initiatives, and economic development opportunities;
- Build relationships with businesses;
- Provide sites and financing for neighborhood commercial, mixed-use and industrial development;
- Provide financing and technical assistance to for-profit and not-for-profit businesses;
- Maintain and promote a vital downtown and central riverfront; and
- Manage real estate assets and contractual obligations.

Business Development Section

The Business Development Section worked toward fulfilling the goals to: transform the Minneapolis riverfront from an abandoned industrial wasteland into a vibrant mixed-use neighborhood; strengthen downtown's one-of-a-kind entertainment district; expand of businesses and created new living wage jobs; and strengthen neighborhoods. The 2003 achievements toward these goals included the opening of the Mill City Museum in a former milling facility. Also completed was the Stone Arch Office and Depot East Office Center, as well as the Pierre Bottineau Community Library. A new East Side Food Cooperative opened in 2003, as well as Le Meridien Hotel in Downtown Minneapolis. The Downtown East LRT station, arcade and plaza were opened to the public.

Additional tenants were sited for the Block E development, and light industrial facilities were completed for Bridgerail and ProFloor, Inc. Skyway Event Services, another light industrial facility began construction. Improvements to the Target Center and historic theaters were completed in the Hennepin Avenue/Warehouse District. The Pantages Theater received a Historic Preservation Award for the preservation efforts at this site.

Business Finance Section

The primary function of the Business Finance Section was to provide below-market loans to Minneapolis businesses. In 2003 this section completed more than 20 SBA 504 loans and issued \$243 million in revenue bonds.

One million in Bank Qualified Bank Direct Tax-Exempt Revenue Bonds were issued to Mount Olivet Day Care Services for refinancing an existing debt, and to acquire and install furnishings and equipment. Another \$3.3 million in Common Bond Fund Revenue Bonds were issued for the expansion and renovation of a small manufacturing company, 7-Sigma, Inc. Jakeeno's Pizza and Pasta used a \$40,000 2% Commercial Loan from the City's Small Business Loan Program to rehabilitate the exterior of the building, resurface the parking lot, install new doors and windows, and renovate the dining and kitchen areas. A total of \$120,000 Capital Acquisition Loan was awarded from the City's Small Business Loan Program to Welna Hardware to purchase and renovate a newer, larger building.

CPED Housing Division

The primary mission of the Housing Division of CPED was to:

- Provide financing and administer programs for the development and preservation of affordable and mixed-income rental and ownership housing;
- Develop and rehabilitate moderate and market rate single-family ownership housing;
- Create an environment that encourages and supports private market activity in the production and preservation of housing for all income levels; and
- Provide financing for home improvement and home mortgages in cooperation with the Development Finance Division of the Finance Department.

To accomplish its mission, the Housing Division was separated into two sections – Multi-Family Housing Development and Single Family Housing Development and Support.

Multi-Family Housing Section

This section of CPED participated in supportive, mixed-use, senior and ownership housing initiatives in 2003. Trinity Gateway, a 24-unit, mixed income housing development, was provided \$845,000 in financing. This development included eight units with supportive services for persons with mental illness. A vacant nursing home was converted to the Lydia Apartment, 40 units of supportive housing for single, homeless adults using \$530,000 in financing. The Children's Village Center received \$530,000 to build 36 units of family supportive housing and office/community space, along with four ownership units.

In 2003, this Section also closed on a \$588,300 loan for Collaborative Village, 20 units of permanent supportive housing for homeless families and closed a loan for \$5.9 million for a new construction project to provide senior-only independent rental housing units, with 51 mixed-income units. In addition, a portion of land plus financing was provided for the Lofts on Arts Avenue, a 36-unit mixed-income project that provided seven ownership opportunities for households at 50% of median income. With a major impact on housing availability within the City, a loan was closed and land conveyed for 167 units of mixed-income, single family condominium and townhouse development for Heritage Housing Phase I, Heritage Park.

Single Family Housing Development and Support Section

Coordination of the implementation of a large housing redevelopment continued through this Section of CPED. The Heritage Park development moved closer toward completion, to replace affordable and market rate units in the Near North Neighborhood. In 2003, there was 80% occupation in Phase I rental units, Phase II rental construction completion with occupation to begin in 2004, and the construction of the new Van White Memorial Boulevard connecting the Heritage Park development on the north side of the City to downtown and south Minneapolis.

In cooperation with the Holland Neighborhood Association, a parking lot and two units in disrepair were purchased, and were transformed into a townhouse development. A total of 57 new single family homes were created along the Hiawatha Avenue corridor on a strip of land purchased by the City of Minneapolis over 10 years ago. This development included: two single family homes built by Habitat for Humanity; 35 detached, single family townhomes; a temporary housing facility for victims of domestic violence, with three family units and necessary support services; and seven housing units with three occupants per unit who had suffered severe head and spinal trauma.

The Single Family Housing Section also oversaw the maintenance of City-owned properties and other special projects through its Property Management and Construction Management units. This work included commercial, residential, and industrial parcels, along with vacant land and structures, plus the property management and leasing activities in the Grain Belt Brewing House complex.

In 2003, the Property Management Unit completed 700 work orders over and above routine maintenance. Staff also managed a property inventory of over 700 parcels and explored other

models of providing maintenance/management services, resulting in a partnership with the Hennepin County "Sentencing to Serve" initiative. New leases were completed for tenants of the Grain Belt complex, including the addition of new tenants, and the asbestos abatement project for the Grain Belt property was completed.

In 2003, the Construction Management Unit completed 10,802 inspections of over 577 CPED-assisted projects. This included inspection of 295 single family projects and 129 multi-family structures. Inspections were required by the Business Finance section for 51 projects that had to meet bond requirements. Blight inspections and analyses were conducted on several large projects, including the Sears Complex, Franklin/Portland Project, Lowry Corridor Project, Many Rivers West, Cedar Lake and Grant Park. In addition, staff continued to monitor Business Development projects, including the Guthrie, Orpheum and Pantages theaters, Stimson Building, Bridgerail/AW Roofing, and East Side Food Coop.

Strategic Partnerships Division

The mission of this division of CPED was to ensure that the City's highest priority corridors were improved through partnerships established and supported by CPED activities. These activities were completed through the partnerships established through the Workforce Development, Empowerment Zone, and Partnership sections.

Workforce Development Section

This section continued its work through the Minneapolis Employment and Training Program (METP), assisting residents in obtaining economic self-sufficiency through training and employment and by responding to the needs of local employers in assembling a qualified workforce. Objectives for 2003 were to:

- Develop employment partnerships with emerging enterprises;
- Promote living wage job creation and retention through job linkage agreements;
- Develop marketing and service programs that helped businesses hire and retain Minneapolis residents; and
- Initiate the "Close the Gap" campaign to reduce unemployment by providing placement into living wage jobs and job retention services for 2,400 Minneapolis residents between July, 2004 and June, 2006.

Empowerment Zone Section

Activities for 2003 in this area included:

- A \$420,000 pre-development loan and \$1.2 million in grant funds to finance new housing development in Heritage Park;
- Supporting the development of the first 28 homes in the "Village in Phillips," now known as "Franklin Station;"
- Supporting the renovation of 42 homes at Little Earth and three other affordable rental housing developments;
- Assisting 73 Empowerment Zone residents in finding living wage jobs by investing in employment and job training programs;
- Providing \$310,000 in scholarships and assisting 90 Empowerment Zone residents in a program to create career ladders in the health care and construction fields;
- Granting \$146,000 to Accessibility, Inc. to provide work opportunities to adults who have barriers to employment;
- Assisting the Hmong American Mutual Assistance Association with \$150,000 to assist new residents with English as a Second Language classes and job training;

- Creating 20 new jobs through the expansion of the Franklin Bakery with \$300,000 in financial assistance;
- Supporting Siyeza Inc., a local food manufacturer with a loan of \$184,000 which led to the creation of another work shift creating 60 new jobs;
- Entrepreneurs were assisted through the Small Business Initiative Loan Fund, which nurtured collaboration among community-based organizations to provide \$1.6 million in loan funds;
- Providing assistance to entrepreneurs of the Muslim faith, where paying or charging interest violates religious principles. By offering the “REBA FREE” program, five small businesses received over \$100,000 in interest-free funds using a lease-to-own financing plan;
- A total of 32 loans were made to 29 businesses in 2003, with 85 entrepreneurs receiving technical assistance;
- Of all loans, 75% were made to minorities and/or immigrants;
- Supporting the development of the Hennepin County Community Leadership Award and MetLife Foundation Community Policing Partnership Award winner, the East Franklin Avenue Safety Center, with \$150,000 in financial assistance;
- Empowerment Zone funds were also used to support the MADDADS Center for Fathering with \$75,000 toward this violence prevention initiative;
- Providing \$100,000 to a mentoring program for individuals in transition from prison to the community, the Church of St. Phillip Redeemer Center for Life;
- Connected hundreds of middle and high school students with corporate mentors through a \$75,000 grant to the Achieve Minneapolis program;
- Helped over 30 children in the first year of a program designed to prepare children of primarily Latino descent for kindergarten, by infusing \$100,000 in funds to the Centro, Inc. Siembra Early Childhood Education program.

Partnerships Section

Two major partnerships were initiated in 2003 through the Partnerships Section – the Minneapolis Lifesciences Corridor, and the Northside Partnership.

- The Lifesciences Corridor initiative included the formation of the Minneapolis Lifesciences Consortium, a partnership of physicians, health and research institutions and the City of Minneapolis, seeking to advance the care of patients, contribute to a greater body of knowledge, and create an environment that attracts physicians and health professionals to work in the Chicago Avenue Corridor.
- The Northside Partnership was formed with the goal of attracting investors to more sustainable solutions which develop and empower the north side of Minneapolis.

Physical Environment

Minneapolis Parks and Recreation Board provided information on water quality, stormwater management, and the urban forest.

Environmental Management Section of the Department of Regulatory Services provided information on the City's land and soil resources, water quality, stormwater management and sustainability.

The Metropolitan Council offered information on stormwater management.

Minneapolis Department of Public Works contributed water quality and stormwater management data.

The Minneapolis Air Quality Management Authority added information on air quality.

Physical Environment

There were numerous tools and strategies by which the City managed, protected, and sustained the physical environment. In some cases, Federal, State, regional, or other mandates guided City action and policy. In others, the City developed additional tools that helped sustain a healthy physical environment that supported its social, economic, and ecological wants and needs. In 2003, the City of Minneapolis undertook a variety of initiatives intended to protect and improve our air, water and land resources.

The City took a leadership role in successfully advocating for the conversion of the Riverside Coal Plant to natural gas, the most important improvement in air quality in over a generation. An effort to protect the Mississippi River from sewer overflows resulted in over 15,000 inspections to address the problem of rainleader connections. A Water Quality Task Force was created to spearhead efforts to improve the lakes, creeks and the river, while planning began in 2003 to protect the quality of the City's drinking water upstream before it enters the water plant intake on the Mississippi.

The City received an award of excellence from the Minnesota Department of Agriculture in 2003 for work to protect the food supply, promote farmers markets and locally grown products. City work groups focused on making City operations more environmentally friendly in areas such as purchasing, fleets, buildings, and energy.

Significant progress was made in 2003 to protect existing trees in the City and to begin planting the urban forest of the future. 2003 saw the initiation of a "Sustainability Plan" for the City, along with sustainability performance measures. Minneapolis was named the "Most Sustainable City" in the U.S. A survey was conducted of 102 city planning offices serving a population of 50,000 or more, with questions related to 39 "green" policies and techniques. Final ranking of cities was based on the extent to which actions relative to such policies and techniques were being initiated.

Minneapolis ranked first in:

- o leadership – taking action in areas that most others tend not to;
- o innovation – taking action in areas that are least well understood and most outside the mainstream.

Transportation accounted for more than half of the air pollution and a significant amount of the soil and water pollution nationally. Travel Demand Management (TDM) Plans served as important tools for the City to minimize the polluting impacts of transportation. The City's Zoning Code required developments of over 100,000 square feet to submit a TDM Plan for approval by the Planning Director. TDM Plans disclosed the expected transportation impacts and detailed a mitigation plan. Since 1997, the City stepped up its efforts to negotiate stronger TDM Plans from major projects. The City estimated the net present value of the private sector investments in the above mitigating measures for 14 TDM Plans for major downtown projects, with a total of \$9.6 million. In October 1999, the City was presented a Commuter Choice Award for its work on TDM Plans. During 2001, the City approved 10 TDM Plans for projects, and six in 2003.

Travel Demand Management Plans

Year completed	Number completed
1999 and before	2
2000	4
2001	9
2002	11
2003	6

Land and Soil

The total area of the City was 59 square miles or 37,516 acres. Residential uses represented the single largest type of land use - slightly more than 53% of the City's total land area. Public and recreational uses ranked second in land usage. The third largest land use was industrial land while lakes, rivers, and streams covered 6%.

The Office of Environmental Management was responsible for regulatory authority over contaminated sites in the City. The City's Brownfields Work Group was instrumental in the cleanup of contaminated land and in developing new cleanup standards, applying cleanup technologies, and developing legislation to finance remediation efforts. Over \$50 million in State brownfields funding was leveraged by the City to clean up sites ranging from old gas stations to large post-industrial areas. The City of Minneapolis was considered a national model in reclaiming polluted commercial/industrial sites.

Minneapolis had 25 Federal- or State-designated Superfund sites where past contaminant releases threatened public health or the environment. Of these sites, seven were cleaned and had their Superfund designation removed. The remaining 18 sites were the focus of Superfund laws such as the federal Comprehensive Environmental Response, the federal Compensation and Liability Act (CERCLA), and the Minnesota Environmental Response and Liability Act (MERLA).

Since 1979, there have been more than 985 confirmed petroleum tank leak sites in the City. Since 1987, 847 were cleaned to standards set by the Minnesota Pollution Control Agency (MPCA). In 2003 46 new sites were opened with 43 existing sites obtaining site closure. Tank owners who performed cleanups in accordance with MPCA guidelines were eligible for reimbursement up to 90% of the total cost of cleanup through the State-funded Petrofund program.

Urban Forest

In 2003, the Minneapolis Park and Recreation Board (MPRB) Forestry Section planted over 3,100 new trees on boulevards and in parks throughout Minneapolis with funding provided by People For Parks (PFP), Neighborhood Revitalization Program (NRP), Public Works, private donations, State and Federal funds, and the MPRB. In addition, Minneapolis received its 23rd consecutive "Tree City USA Award" from the National Arbor Day Foundation for efforts through 2002. This award was presented to cities that displayed an ongoing commitment to a strong urban forest program. With over \$7 million budgeted for its tree program, Minneapolis more than sufficiently satisfied one of the award criteria.

Minneapolis was also decorated with its ninth consecutive "Tree City USA Growth Award." Two categories helped Minneapolis to qualify for this honor. Using funding from a United States Forest Service (USFS) grant, a video was produced for distribution to homeowners for instructions when planting a new tree. The second activity rated was a Forestry Training Program that provided safety instruction for employees.

Minneapolis continued to combat Dutch Elm Disease (DED). The number of diseased trees increased over the last few years but was still at a manageable level. In 2003, the MPRB removed

approximately 1,800 trees from streets, parks, and natural areas. An additional 1,500 diseased trees were condemned on private property. Since 1963, over 143,000 diseased elm trees have been removed Citywide.

In 2003, important steps were taken to protect our existing urban forest and begin planting the forest of the future. The Mayor and City Council approved \$200,000 in additional funding to replace boulevard trees, and secured an additional \$100,000 in funding for trees from the United States Environmental Protection Agency. The Forestry Section of the Minneapolis Park and Recreation Board partnered with three neighborhoods in north Minneapolis to help receive a "MnReleaf" Grant from the Minnesota Department of Natural Resources in 2003. This funding will result in the planting of at least 250 new trees. Additionally, in 2003, the City developed an Urban Forest Policy directed at protecting the City's existing trees from damage and neglect. Significant effort also went into planning for the future of the many community gardens in Minneapolis. The City was a key partner in receiving funding from the National Park Service and EPA to begin a "GroundWork" project, intended to take polluted and underutilized land and convert it to a variety of types of green space.

Water

Minneapolis — "The City of Lakes" — has within its boundaries:

- The Mississippi River;
- Bassett's Creek, Minnehaha Creek, and Shingle Creek;
- Brownie Lake, Cedar Lake, Diamond Lake, Grass Lake, Lake Calhoun, Lake of the Isles, Lake Harriet, Lake Hiawatha, Lake Nokomis, Mother Lake, Powderhorn Lake, and Ryan Lake;
- Birch Pond, Webber Pond, Spring Lake, the Lake in Lakewood Cemetery;
- Five unnamed wetlands.

In 2003, the City and Park Board created the Water Quality Task Force to coordinate the City's water quality improvement efforts, and invited all four watershed organizations to participate. This group oversaw monitoring efforts, problem identification and improvement plan preparation and implementation.

The Public Works Department evaluated more than 40 stormwater management plans in 2003 for projects of one acre or larger, with levels of compliance with the Stormwater Management Ordinance varying significantly. Factors such as project location, proximity to protected waters, soil types, and the relative percentage of building, parking lot, and green space contributed to this variance. The approximate increase in construction costs ranged from zero on projects with no surface parking or rate control requirements, to \$20,000 for medium-sized projects, and up to \$150,000 for large commercial projects that required pond construction and associated infrastructure upgrades. Estimates for annual maintenance costs ranged from \$1,000 to \$10,000 per year. In cases where on-site stormwater treatment was not feasible, the City may have allowed the developer to contribute a comparable amount to one of the regional stormwater ponds being constructed by the City.

In 2003, as part of the Nationwide Pollution Discharge Elimination System (NPDES) permit for the City of Minneapolis, the MPRB actively monitored stormwater. For approximately 10 years, the MPRB monitored the 44th and Harriet storm water site. Four additional NPDES sites in St. Paul and Minneapolis were added in the year 2001. These sites were representative of a variety of land uses but were not influenced by Best Management Practices or combined sewer overflows. Samples were collected once per month from May through October. MPRB staff used the data to characterize the chemical make-up of the stormwater entering our City's lakes, streams, and river and to develop plans to improve the quality of our waterways. The Public Works Department will

include this data in an annual stormwater report they are preparing to submit to the MPCA in June 2004.

The Minneapolis Erosion Control Ordinance regulated everyone who disturbed topsoil. The goal was to insure that soil did not leave the excavation site or enter any storm drain system on either private property or the public right-of-way. Ongoing inspections by Public Works Staff were curtailed during 2003 resulting in a decrease in compliance and implementation of erosion control BMPs. Additional staff has been allocated for 2004 which will provide the inspection needed to gain compliance from private sector contractors.

MPRB Environmental Operations staff collected water samples from MPRB's public beaches during the summer season of 2003, and analyzed them for bacteria to determine if a health risk was present for swimmers. Fecal coliform and Escherichia coli levels were used as indicators of pathogens in the water. High bacterial levels generally occurred immediately after rain events in Minneapolis, and predominantly came from pet and waterfowl wastes that collected in yards, streets, parks, and beaches. Rain washed the bacteria into storm sewers that flowed directly into the City lakes. Elevated bacterial levels in lakes generally returned to normal levels within 48 hours of a rain event. Using the EPA's guidelines for E. coli in 2003, the main beach at Harriet was closed once and the Hiawatha beach was closed several times. Hiawatha's beach was also closed after a large rain event in June when the lifeguard stand was under water.

In response to earlier flooding episodes, monitoring of lake levels remained a vital aspect of lake management for the Minneapolis Park and Recreation Board. Analysis of historic lake levels in the Chain of Lakes showed an upward trend in the average annual lake levels, and the range of lake level fluctuations. Much of this additional water was due to continued urbanization of the Chain of Lakes watershed and the increased runoff volumes and rate of runoff from storm events. Flooding in 1997 led to a redesign of the lake level management system which managed the increased amounts of runoff entering the Chain of Lakes.

In order to best manage its water resources, the City adopted a watershed management perspective, using the natural drainage patterns of the land to better understand how all activities within our watersheds affect the health of our water resources. Four watershed management organizations participated in the administration of water resources within the City: The Mississippi Watershed Management Organization, the Bassett Creek Water Management Commission, the Shingle Creek Watershed Management Commission, and the Minnehaha Creek Watershed District. Each organization was created to protect, enhance, and restore the surface and groundwater resources within its jurisdiction through education, management, and enforcement. Environmental Management staff participated in two important committees: the Minnehaha Creek Watershed District's Project Advisory Committee for the Hydraulic and Hydrologic Study and Pollutant Loading Model for Minnehaha Creek, and the Shingle Creek Watershed 2nd Generation Watershed Management Plan Steering Committee.

The Mississippi River is essential to the ecological health of the region. Minneapolis is the first major urban area graced by the Mississippi as it moves through the heart of the country. Indeed, the use of the river's St. Anthony Falls for a hydroelectric power plant, one of the first in the Western Hemisphere, was the impetus for settling the City. Approximately half of the River frontage in Minneapolis was MPRB parkland. Several agencies monitored the health of the River including the Metropolitan Council, the Army Corps of Engineers, the Minnesota Pollution Control Agency, the US Geologic Survey, and the Minneapolis Health Department.

Combined sewer overflows (CSOs) occurred when rain or melting snow caused sanitary sewers to overflow into area storm drains. CSOs were rare and were on the decrease in Minneapolis since the

City began an aggressive campaign in the 1960s of separating its sanitary sewer system from its storm water drainage system. More than 95% of the City's sanitary sewer and storm drains were separated to date. The City and Met Council joined forces in a five-year program to progress toward elimination of CSOs in Minneapolis through a program of education, regulation and capital projects. In 2003 the City passed a new ordinance, "Chapter 56 Prohibited Discharges to Sanitary or Combined Sewer." Chapter 56 prohibited any new connections and required all existing connections used to transport storm water and clear water to the sanitary sewer to be disconnected. As of January 2004, 16,642 buildings were inspected with a noncompliance rate of 92%.

Water quality in the River improved greatly over the last 25 years. One indicator of ecological health was the ability of an ecosystem to recover from stressors. Submersed aquatic vegetation was abundant in the Upper Mississippi River. Lake scientists monitored the City's lakes on a biweekly basis since the early 1990s. By studying long-term trends in basic water chemistry, nutrient levels, overall water quality, and biological communities, lake managers determined the most effective actions to improve the biological health and overall recreational quality of the lakes. In 2003, lake scientists from the MPRB monitored 13 of the City's most heavily used lakes, and used the results to estimate the fertility or trophic state of the lakes. By assessing lake fertility, managers determined if algae and water plants were likely to be problems. Trophic State Indicator (TSI) scores ranged from 0 to 100, with higher numbers indicating more fertility. Lakes with TSI scores below 25 often looked like sandy swimming pools, while lakes with TSI scores above 75 were more like pea soup for much of the summer, or had very dense aquatic plant growth. In the Twin Cities, it was recommended that a TSI score of 59 or lower be maintained at lakes used for swimming. The following table shows the trends based on average TSI score and overall trophic state:

Trophic State Trends for Minneapolis Lakes: 1998-2003

Lake Name	1998	1999	2000	2001	2002	2003
Calhoun	48	47	46	46	43	43
Cedar	43	45	47	48	48	49
Diamond	73	67	71	68	60	71
Harriet	47	49	48	45	44	45
Hiawatha	58	59	65	58	59	58
Isles	56	56	53	58	59	62
Loring	63	71	73	71	70	69
Nokomis	58	60	61	60	57	57
Powderhorn	73	73	75	72	70	63
Webber	51	46	56	61	62	67
Wirth	61	60	58	57	55	55

Lakes With:

Long-Term Quality Improvement

Lake Calhoun

Cedar Lake

Lake Harriet
Lake of the Isles
Wirth Lake

Stable Water Quality

Diamond Lake

Lake Hiawatha

Lake Nokomis

Water Quality Degradation

Loring Pond
(3 years of recent stability)
Powderhorn Lake
(2 years of recent improvement)

Eurasian watermilfoil was an increasingly evident problem in several Minneapolis Lakes. No environmentally safe method has been proven to rid lakes of milfoil, but several management methods existed to treat the symptoms of infestation. The MPRB primarily used harvesting to control the growth of milfoil in City lakes, but was assisting the University of Minnesota in exploring the potential of using milfoil beetles (weevils) to naturally control nuisance growth. Aquatic weevils that eat Eurasian Milfoil and burrow through the stems were released into parts of Cedar Lake and Lake of the Isles. The Minnesota Department of Natural Resources required a permit to remove or control Eurasian watermilfoil. These permits limited the area from which milfoil could be harvested. The 2003 permits issued to the Minneapolis Park and Recreation Board allowed for harvesting primarily in swimming areas, boat launches, and in shallow areas where dense growth occurs.

Harvested Area of Eurasian Watermilfoil in Minneapolis Lakes

Lake	Area Harvested in 2003	Lake Surface Area
Calhoun	50.0 acres	421 acres
Cedar	30.0 acres	170 acres
Harriet	50.0 acres	353 acres
Isles	48.5 acres	103 acres

Air

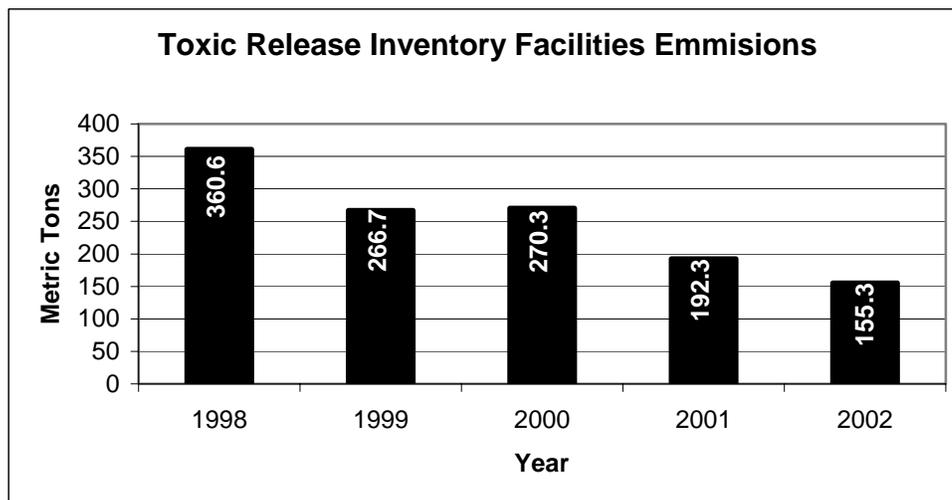
In 2003, the City continued to work to address global climate change by promoting energy efficiency and reducing emissions of carbon dioxide and other greenhouse gases, in part, by participating in a coalition to convert the Riverside Coal Plant to natural gas. Toxic air pollutants continued to be a

priority for environmental regulators at all levels of government, prompting Minneapolis to adopt gasoline station vapor reduction guidelines – the first city in the country to do so as a preventive measure.

Three major activities affected air quality in Minneapolis: transportation, energy production, and industry. The annual air quality reports issued by the U.S. Environmental Protection Agency (EPA) indicated the City's airshed has seen improvements in all three areas in recent years, which led to an overall improvement in air quality. The City created the Minneapolis Air Quality Management Authority (MAQMA) in 1999 as part of the effort to update the City's 40 year old air pollution ordinance. The MAQMA was the municipal entity charged with preventing, controlling, and regulating sources of indoor and outdoor air pollution within the City. The MAQMA developed a highly responsive air quality program that focused on reasonable regulations, flexible permitting procedures, and an emphasis on pollution prevention, compliance assistance, and proactive enforcement. The MAQMA was actively involved on a number of fronts aimed at protecting the City's air quality including:

- Controlling nuisance odors;
- Regulating and reducing vehicle emissions;
- Regulating industrial pollution;
- Preventing indoor air pollution;
- Promoting energy conservation and renewable energy; and
- Educating the public about global climate change.

In 2003, the City continued to work with the Minnesota Pollution Control Agency (MPCA) to draft and issue Air Emission Permits to companies within the City. These permits incorporated specific operating and emission limits and requirements governing pollution control, pollution prevention, monitoring, record keeping, and reporting. Since 1998 these efforts have resulted in emission reductions of 57%.



In 1991, an agency of the United Nations called the International Council for Local Environmental Initiatives (ICLEI), selected Minneapolis and Saint Paul to participate in the Urban CO2 Reduction Project, the first project designed to mobilize local governments in the global effort to postpone the adverse effects of global climate change. The chief product of the Urban CO2 Reduction Project was the development of CO2 reduction plans. In December 1993, the Minneapolis and Saint Paul City Councils adopted such a plan, titled the "Minneapolis-Saint Paul Urban CO2 Reduction Project Plan: A Framework for Developing Strategies to Reduce CO2 Emissions, Save Taxes, and Save Resources." By 2005, the plan called for reducing carbon dioxide emissions by 20% from 1988 levels, with an intermediate goal of 7.5% by 1997. The conversion of the Riverside Coal Plant to natural gas in 2009 will have a dramatic effect on greenhouse gas emissions. By 2009, the City is expected to realize reductions from the plant totaling 1,438,651 metric tons. Minneapolis expects to lead the cities of the nation in greenhouse gas reductions. By 2010 Minneapolis will likely be the first City in the country to announce compliance with the Kyoto Protocol on global warming; in 2003, the City was already at 74% of the goal.

Housing

Data for this chapter were acquired from several public and private sources, including the 2000 Census, Minneapolis Public Housing Authority, GVA Marquette Advisors, Minneapolis City Assessor's Office, the Minneapolis Department of Regulatory Services, and the Minneapolis Department of Community Planning and Economic Development.

Basic housing inventory data, as well as information about housing condition and home purchase prices within the City, were based upon the records of the Minneapolis City Assessor's Office. Information about construction and demolition of housing units was based upon the building permit files maintained by the Minneapolis Department of Regulatory Services - Division of Inspections.

GVA Marquette Advisors provided the data on apartment rental costs within the City. Information on public housing and Section 8 rental vouchers was provided by the Minneapolis Public Housing Authority. Data on City-assisted housing production and preservation was provided by the Multifamily Development Division of the Department of Community Planning and Economic Development.

Housing

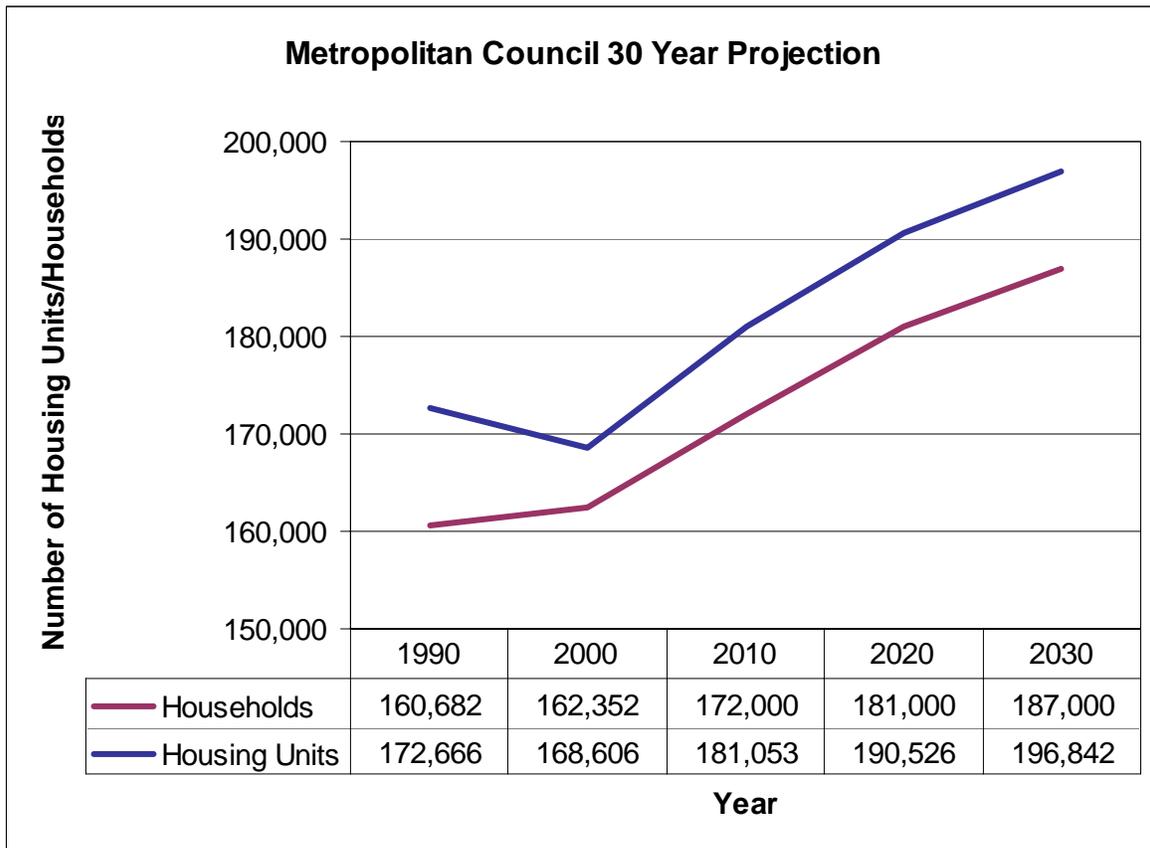
Supply

The Metropolitan Council in its *2030 Regional Development Framework* forecast the level of growth in the number of Minneapolis households over a 30 year period. According to this report, 25,000 additional households are expected between 2000 and 2030, a departure from the pattern of recent decades. The City's dramatic population decline between 1950 and 1990 was associated with the loss of housing units and a reduction in average household size. The period from 1990 to 2000 showed that the population grew slightly even as the number of housing units declined by another 4,000. In the four calendar years from 2000 through 2003, the City added housing units equivalent in number to those lost in the 1990s. Sale prices of single family houses continued to increase dramatically.

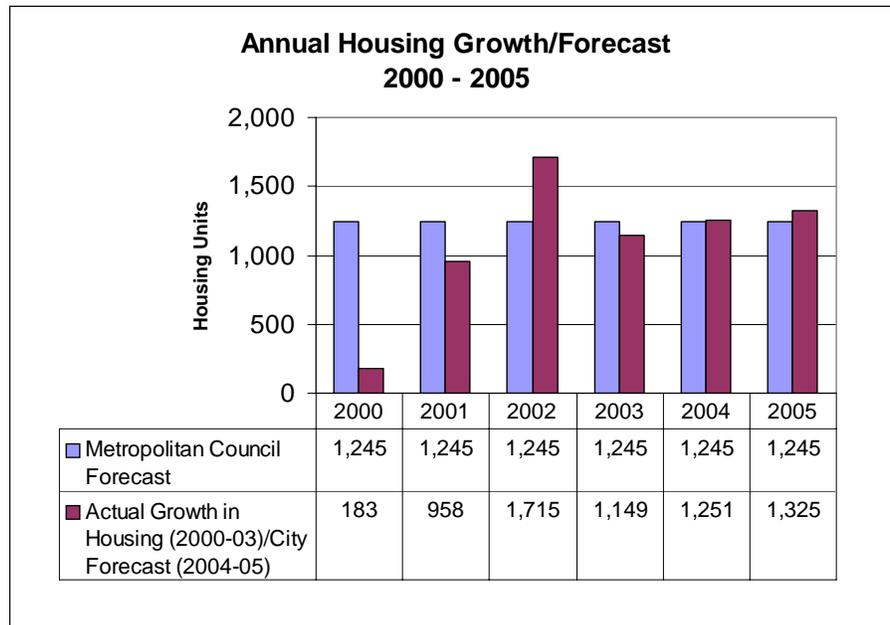
In 2003, the Minneapolis housing stock consisted of roughly 101,600 residential structures comprising some 170,800 units. These included: 75,600 single family detached homes; 25,000 duplex/triplex units; 5,700 apartments in four to five unit buildings; and almost 54,000 apartments in buildings with six or more units. Townhouse, condominium, and cooperative housing units numbered around 10,500.

Projected Growth

The following graph illustrates the Metropolitan Council's household growth projection for the City of Minneapolis. Utilizing the assumption of a 5% vacancy rate it also illustrates growth in housing units.



Over the last several years the growth in the City's housing stock has reached the forecasted level. City projections anticipate further increases in the rate of housing growth.



Construction and Demolition

According to Department of Regulatory Services - Inspections Department records, a total of 1,243 housing units were constructed in 2003. While this was a decline from the 1,866 housing units constructed in 2002, it was the second highest mark in the last decade. Also of note was a continued reduction in the annual demolition of housing units. Fewer than 100 housing units were demolished in 2003. This is the lowest mark in many years, and compared with an average of over 500 demolitions a year in the 1990s. Taking both construction and demolition into consideration, the net gain in housing units was about 1,150.

The following chart records housing construction and demolition from 1990 to 2003. Note that the housing categories change beginning in 1999. The new categories correspond better with the way permits are currently classified in Inspections Division records. Moreover, these categories make an important distinction between “townhouse style” and “condominium style” multiple family structures.

Construction/Demolition by Housing Type

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Units added (Construction permits)														
SF	89	62	55	57	113	88	79	97	83	83	144	182	238	202
2F										12	20	8	2	40
2-4 Units	14	8	19	27	6	2	4	17	30					
5+ Units	693	34	0	110	98	89	44	395	217					
3+ Apartment Style										815	371	875	1587	875
3+ Townhouse Style	27	22	2	30	3	21	0	18	27	61	85	55	39	126
Total	823	126	76	224	220	200	127	527	357	971	620	1120	1866	1243
Units removed (Demolition permits)														
SF	108	98	107	139	153	149	147	121	197	274	171	92	76	58
2F														26
2-4 Units	194	197	232	280	358	296	204	158	224	222	71	38	70	
5+ Units	34	82	43	115	92	110	73	211	324	217	195	32	5	
3+ Apartment Style														10
3+ Townhouse Style														0
Total	336	377	382	534	603	555	424	490	745	713	437	162	151	94
Net Units Added	487	-251	-306	-310	-383	-355	-297	37	-388	258	183	958	1715	1149

Housing Inventory

The following tables summarize the City's housing inventory in 2003; the data were principally derived from City Assessor data. Single family homes were the dominant type of housing in the City in terms of number of structures (75% of all structures), and land area, however they represented only 44% of total housing units. About 32% of Minneapolis housing units were located in rental apartment buildings of six or more units, and 18% are in multi-family buildings of two to five units. Ownership multifamily housing units - condominiums, townhomes and cooperatives - constituted 6% of the City's housing units in 2003.

The housing stock grew at the beginning and end of 2003, but declined in the middle of the year. Infill development added to the supply of single family homes. Units in smaller multifamily structures (2 – 5 unit rental buildings) showed a net decrease. The nearly 400 new condominiums and townhomes were enough to slightly increase their share of the total housing stock. Housing units in buildings with six or more units showed the biggest growth in both number (1,311 units) and share of total housing stock.

Housing Inventory

	Single Family Units	Condo/ Townhouse Units	Duplex/ Triplex Units	Four/Five Units	Six or More Units	Total
Housing Structures	75,571	10,526	12,050	1,358	2,084	101,589
Housing Units	75,571	10,526	25,058	5,710	53,923	170,788
Change in units from 2002	169	381	-140	-50	1,311	1,671
Housing category as % of all structures	74.4%	10.4%	11.9%	1.3%	2.1%	100.0%
Housing category as % of all units	44.2%	6.2%	14.7%	3.3%	31.6%	100.0%

Geographically, most of the multi-family housing growth in 2003 occurred in the Central (downtown) and University communities. The greatest growth in single family homes was in the Near North community.

Housing Inventory by Community

	Single Family Units	Condo/ Townhouse Units	Duplex/ Triplex Units	Four/ Five Units	Six or More Units	Total Units
Calhoun-Isle	4,005	1,556	2,401	912		17,523
Camden	9,622	201	1,080	194		11,845
Central	70	3,534	149	97		16,815
Longfellow	7,775	555	1,866	256		13,361
Near North	5,766	232	2,748	379		11,309
Nokomis	13,656	564	1,372	150		16,574
Northeast	8,403	261	5,103	631		17,237
Phillips	1,018	621	1,569	424		7,185
Powderhorn	8,178	1,201	4,601	1,690		23,687
Southwest	15,154	497	2,453	525		21,633
University	1,924	1,304	1,716	452		13,619

Market

The Minneapolis housing market experienced dramatic fluctuations in recent years. Owners of apartment buildings reported that average rent levels rose 42% from 1998 to 2003 – a pace that far outstripped gains in household incomes. Over the same period the vacancy rate in Minneapolis increased from 1% to 7%. It was therefore easier in 2003 to find a vacant rental unit, but it cost quite a bit more to rent it. The cost of purchasing a house in Minneapolis has also risen significantly - between 1998 and 2003, the median sale price of a single family home increased by 97%.

Average Rent/Vacancy Rate

GVA Marquette compiles metro-wide rental market data based on a survey of rental property owners and managers. Survey participants represent approximately one quarter of Minneapolis rental units; they are self-selected and tend to own or manage larger multi-unit rental properties. Because this is a non-random sample, reported rent levels and vacancy rates will differ to some degree from the true levels reflecting the entire rental housing stock. However, the direction and general magnitude of changes in GVA Marquette-reported rents and vacancies would be expected to mirror similar trends in the overall rental market.

In GVA Marquette-sampled housing developments, rent levels grew by 2% in Minneapolis from 2002 to 2003, while levels remained relatively stable for the metropolitan area as a whole. Over the five year period from 1998 to 2003, Minneapolis rents rose about 42%. Vacancies in sampled Minneapolis rental buildings increased in 2003 from 6% to 7%. The higher metro-wide vacancy rate rose by a full percentage point to 8%.

Average Rent by Year

Year	Minneapolis Average Rent	Metro Area Average Rent
1996	\$523	
1997	\$540	
1998	\$574	
1999	\$693	
2000	\$762	\$805
2001	\$789	\$837
2002	\$799	\$841
2003	\$815	\$845

Vacancy Rate by Year

Year	Minneapolis Rental Vacancy Rate	Metro Area Rental Vacancy Rate
1996	2.9%	
1997	1.8%	
1998	1.1%	
1999	1.7%	
2000	1.7%	1.8%
2001	3.7%	4.0%
2002	6.1%	6.6%
2003	6.5%	7.6%

Rent by Unit Type

The unit type breakdown shows that rent levels appreciated for all unit types in 2003. Over a five year period from 1998 to 2003 average rents increased between 31% for studio apartments and 56% for 3+ bedroom units.

Average Rents by Unit Size

	1996	1997	1998	1999	2000	2001	2002	2003
Studio	\$387	\$394	\$419	\$466	\$512	\$522	\$543	\$550
1 BR	\$497	\$518	\$551	\$649	\$724	\$758	\$764	\$766
2 BR	\$682	\$702	\$741	\$939	\$966	\$1,031	\$1,050	\$1,075
3+ BR	\$796	\$795	\$836	\$1,109	\$929	\$1,024	\$1,294	\$1,304
Total	\$523	\$540	\$574	\$693	\$762	\$789	\$799	\$815

Single Family Home Sales

While rent increases in 2003 were modest, sale prices of single family homes continued to climb dramatically. The median sale price of a single family home in 2003 was \$184,000—a 10% increase

over the 2002 figure. Over six years from 1997 to 2003 the median sale price of a home more than doubled. The number of sales remained relatively constant over the period.

Single Family Sales Overview

	1997	1998	1999	2000	2001	2002	2003
Median Price, 1 st Qtr	\$82,148	\$89,000	\$97,750	\$118,000	\$137,000	\$152,000	\$175,000
# Reported Sales, 1 st Qtr	838	867	784	849	890	999	1,025
Median Price, Full Year					\$150,000	\$168,000	\$184,000
# Reported Sales, Full Year					5,212	5,023	5,133

The sale price of single family homes continued to rise in 2003 for all Minneapolis communities. Communities with the lowest home values seem to have experienced particularly strong growth in sale prices.

Single Family Median Sale Price by Community

Community	1 st Qtr 1997	1 st Qtr 1998	1 st Qtr 1999	1 st Qtr 2000	1 st Qtr 2001	1 st Qtr 2002	1 st Qtr 2003	Full Year 2001	Full Year 2002	Full Year 2003	2002- 2003 Change
Calhoun Isles	\$216,250	\$186,000	\$300,000	\$210,500	\$299,900	\$316,000	\$417,000	\$341,125	\$349,500	\$409,950	17%
Camden	\$60,000	\$67,950	\$74,900	\$94,250	\$112,200	\$125,200	\$138,000	\$118,900	\$131,000	\$145,000	11%
Central	NA*	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Longfellow	\$75,900	\$81,950	\$85,353	\$104,500	\$135,000	\$156,500	\$175,000	\$150,000	\$169,900	\$180,147	6%
Near-North	49,900	54,950	\$62,450	\$72,250	\$95,000	\$115,000	\$135,000	\$103,000	\$115,000	\$135,000	17%
Nokomis	\$92,000	\$95,000	\$109,950	\$133,650	\$153,800	\$164,900	\$187,500	\$164,900	\$183,000	\$200,000	9%
Northeast	\$78,450	\$79,500	\$89,900	\$103,785	\$140,000	\$155,500	\$172,224	\$145,900	\$159,900	\$178,250	11%
Phillips	NA	\$108,950	\$130,000	\$155,000	19%						
Powderhorn	\$65,000	\$72,590	\$75,000	\$92,900	\$133,700	\$141,000	\$166,000	\$139,900	\$159,900	\$172,000	8%
Southwest	\$127,500	\$138,375	\$152,200	\$173,500	\$190,000	\$224,100	\$268,950	\$209,500	\$235,000	\$261,000	11%
University	NA	\$164,825	\$186,000	\$207,000	11%						

*Price not shown where fewer than 20 sales.

Housing Mix

The 2003 housing profile showed that nearly 83% of all residential structures in the City were owner-occupied. Because the great majority of these were single family homes or condominium units as opposed to multi-family apartment buildings, this represented about 49% of the City's housing units. The age of residential buildings in the City reflects an older housing supply. Only 14% of all housing units were constructed in 1960 or later. Of the City's residential structures, 4% are rated below average by the City Assessor's Office.

Housing Profile by Housing Type

Across all housing categories, fewer properties were homesteaded in 2003 than in 2002. The 49% of housing units that were homesteaded in 2003 compares with 50% in 2002. The biggest decline in homesteaded units was in the percentage of two and three unit buildings homesteaded. A five year frame of reference, however, shows that the number of housing units homesteaded has grown in comparison with the 47% of housing units that were homesteaded in 1998.

Most Minneapolis residential property was developed prior to 1960, but the average year of construction differs by type of housing. About 66% of duplexes and triplexes, and 56% of four and five unit buildings were built before 1920. But 74% of condominium and townhouse units, and almost half of all large multifamily apartment buildings, were built after 1959. The majority of single family homes were built between 1920 and 1960.

Condition was related to age of structure, owner occupancy and, for rental property, management capacity. Two to five unit buildings were generally not owner occupied, and were of a size that poses challenges for efficient management. This may explain the relatively high number of city duplexes and triplexes rated below average. The City Assessor's Office rates around 9% of two to five unit buildings below average, while only 3% of single family properties and 0.3% of condominium properties are rated below average.

2002 and 2003 condition ratings are not comparable with condition ratings prior to 2002. In 2002, the City Assessor's Office went from a nine-point condition rating scale to a seven-point condition rating scale; 2002 was the first full year under the new rating scale.

Housing Profile by Housing Type 2003

	Single Family Units	Condo/ Townhouse Units	Duplex/ Triplex Units	Four/ Five Units	Six or More Units	All Properties/Units
All Residential Properties	75,571	10,526	12,050	1,358	2,084	101,589
Homesteaded Properties	68,058	8,670	6,840	301	51	83,920
% Properties Homesteaded	90.1%	82.4%	56.8%	22.2%	2.4%	82.6%
% Units Homesteaded	90.1%	82.4%	27.3%	5.3%	0.1%	49.1%
% Structures Built Before 1920	35.3%	18.2%	65.9%	56.4%	23.3%	37.3%
% Structures Built 1920 to 1959	58.4%	7.8%	28.3%	35.0%	28.6%	49.0%
% Structures Built 1960 and Later	6.2%	74.0%	5.7%	8.6%	48.1%	13.7%
% Structures Above Average Condition	4.9%	29.8%	1.4%	1.9%	4.2%	6.9%
% Structures Average Condition	92.1%	69.9%	89.9%	86.2%	92.1%	89.5%
% Structures Below Average Condition	3.1%	0.3%	8.7%	11.9%	3.8%	3.6%

The distinct character of Minneapolis communities was largely a function of when development occurred in that community; the era of development influenced the mix of housing types developed. Further implications related to property conditions, and the likelihood of property to be owner occupied because multi-family structures were less likely to be owner occupied than single family homes. In the Near North, Phillips, Powderhorn, and University communities, over 50% of residential properties were developed by 1920. In the Nokomis, Southwest, and Camden communities, most properties were developed between 1920 and 1959. The downtown-area Central community is unique in that three quarters of residential properties were developed after 1959.

Communities varied widely in terms of owner occupancy. While five of every six housing units were homesteaded in Nokomis, less than a quarter of housing units were homesteaded in the Central and Phillips communities. The percentage of homesteaded properties declined between 2002 and 2003 by more than a percentage point in the Near North, Camden, Northeast and University communities. While the Near North and Phillips communities had the largest number of housing structures that are in disrepair, these two communities also showed the greatest decline in the number and percentage of properties rated in "below average" condition.

Housing Profile by Community

	Calhoun-Isles	Camden	Central	Longfellow	Near North	Nokomis	Northeast	Phillips	Powderhorn	Southwest	University
Total Residential Properties	7,278	10,446	3,958	9,400	7,529	14,985	11,436	2,600	12,428	17,135	4,394
Homesteaded Properties	5,737	8,861	2,836	8,358	5,098	13,766	9,602	1,628	9,564	15,554	2,916
% Properties Homesteaded	78.8%	84.8%	71.7%	88.9%	67.7%	91.9%	84.0%	62.6%	77.0%	90.8%	66.4%
% Units Homesteaded	32.7%	74.8%	16.9%	62.6%	45.1%	83.1%	55.7%	22.7%	40.4%	71.9%	21.4%
% Built Before 1920	50.2%	24.8%	22.5%	42.2%	50.5%	10.0%	44.0%	68.1%	59.2%	30.2%	51.8%
% Built 1920 - 1959	29.0%	66.9%	4.5%	47.5%	33.3%	83.4%	43.0%	9.8%	29.4%	65.1%	21.2%
% Built 1960 To Date	20.8%	8.2%	73.0%	10.3%	16.2%	6.7%	13.0%	22.1%	11.4%	4.7%	27.0%
% Above Average Condition	15.7%	3.6%	33.0%	1.6%	9.7%	5.4%	6.6%	10.1%	3.7%	3.7%	9.6%
% Average Condition	81.1%	94.7%	66.4%	94.8%	79.2%	92.7%	90.4%	78.0%	90.8%	94.7%	87.6%
% Below Average Condition	3.2%	1.7%	0.7%	3.6%	11.1%	1.9%	3.0%	11.9%	5.4%	1.6%	2.8%

The City's inventory of registered vacant buildings provided another window into the condition of the City's housing stock, and how it has changed over time. The decline in vacant, boarded buildings was an indicator that investment in rehabilitation and maintenance of property more commonly brought a financial return. It also reflected the use of new tools on the part of the City's Inspections Division to compel maintenance and repair of rental property before vacancy and condemnation were required.

Affordable Housing

At the time of the 2000 Census, approximately 47,000 rental housing units (61% of the total rental housing stock) were priced at a rent level that was affordable to households making 50% or less of the Metropolitan Median Income (MMI). Of these, the majority were "market rate" affordable units. That is, no contract or conditions of development financing prevented the rent level from rising with changes in the rental market. Indeed, since Minneapolis rents rose an average of 15% between mid-1999 (when citizens returned their Census forms) and 2002, it is certain that some of these units were no longer rented at an affordable level utilizing the above definition.

In 2002, there were about 17,100 "controlled affordable" housing units—those that for legal or contractual reasons must remain affordable for a certain period of time. This represented about 20% of all rental housing units in Minneapolis. Controlled affordable units fell in three major categories. First, the Minneapolis Public Housing Authority owned and managed about 5,800 units of public housing. Second, the Department of Community Planning and Economic Development – Housing Division had redevelopment contracts with approximately 8,000 housing units that restricted rents to affordable levels. Finally, federally subsidized housing projects represented roughly 3,300 affordable housing units. In addition to these site-based types of affordable housing, the Minneapolis Public Housing Authority distributed around 3,700 Section 8 portable housing vouchers.

Minneapolis Public Housing Authority

The mission of the Minneapolis Public Housing Authority (MPHA) was “to promote and deliver quality, well-managed homes to a diverse low-income population, and as a valued partner, contribute to the well-being of the individuals, families and community we serve”. The MPHA was responsible for administering public housing and Section 8 rent assistance programs for eligible individuals and families in Minneapolis, and was the largest public housing authority in Minnesota. Through its public housing and Section 8 programs, it provided some 21,000 persons in the community with decent, safe and affordable housing.

In all, the MPHA owned and managed around 5,900 housing units, most of which were located in one of its 40 highrise apartment buildings. 1,500 units were in highrises specifically designated for seniors. Scattered site public housing was located in every community in Minneapolis. MPHA maintained 99% to 100% occupancy in its available housing units. It had around 4,000 families on its family public housing waiting list, 5,000 individuals on its highrise public housing waiting list and 2,300 families on its Section 8 waiting list.

Public Housing in the City of Minneapolis 2003

	Calhoun-Isles	Camden	Central	Longfellow	Near North	Nokomis	Northeast	Phillips	Powderhorn	South-west	University	Scattered Site	Total
Family	0	0	0	0	0	0	0	0	0	0	183	733	916
Elderly	0	220	0	151	84	0	704	0	370	0	0	0	1,529
General Occupancy	0	31	964	166	560	0	240	664	163	0	539	0	3,327
Mixed Finance Developments	0	8	0	0	105	0	0	0	6	0	0	0	119
Section 8 Vouchers												4,100	4,100

Minneapolis Department of Community Planning and Economic Development.

Although the housing market was extremely active in Minneapolis, there were unique and multiple challenges associated with developing new housing in a fully developed city. Moreover, the city had placed a strong priority on the development of affordable housing units. For these reasons, most new housing development in Minneapolis was catalyzed or supported through some form of City assistance.

In 2003, 31 multifamily housing projects were completed with the assistance of the City’s Department of Community Planning and Economic Development (CPED) – Housing Division. This resulted in the construction, preservation, or rehabilitation of 1,869 total units; of these, 1,195 were new units. Eighteen different categories of CPED-administered funds were drawn upon to assist these projects. Households of a variety of income levels were supported by these activities, as indicated by the column headings of the below table. (MMI refers to Metropolitan Median Income—the median income of the Twin Cities metropolitan area.) Around a third of the units produced were restricted to households earning 30% or less of MMI. These numbers included assistance to existing shelters representing 306 shelter beds. Around 40% of units produced in City-assisted projects were not rent restricted. The rent levels of these housing units floated with the housing market. These units were generally in “mixed income” projects where some units were designated for low

income occupancy and others were unrestricted.

City-Assisted Multifamily Rental Housing

	Household Income				Market Rate	Total
	Restricted					
	30% MMI	50% MMI	60% MMI	80% MMI		
New						
Production/Conversion	235	111	167	0	414	927
Rehabilitation	97	145	49	0	142	433
Shelter	306	0	0	0	0	306
Total	638	256	216	0	556	1,666

City Assisted Multifamily Ownership Housing

	Household Income				Market Rate	Total
	Restricted					
	30% MMI	50% MMI	60% MMI	80% MMI		
New						
Production/Conversion	0	0	0	0	203	203
Rehabilitation	0	0	0	0	0	0
Total	0	0	0	0	203	203

Health and Family Support, Public Safety

Data and analysis regarding health and vital statistics were provided by the Minneapolis Department of Health and Family Support and the Minnesota Department of Health. Statistics included reflect the most recent data available at the time this section was completed -usually 2002 data.

The statistics regarding public safety were compiled by the Minneapolis Police Department, as reported in their 2002 Annual Report, and by the Minneapolis Fire Department. Information on crime prevention activity was provided by the Minneapolis Office of Community Crime Prevention/SAFE (CCP/SAFE).

Health

The United States Public Health Service has set specific and measurable goals for several health priority areas. These objectives were set to reduce deaths and disability, to improve the health of all Americans, and to outline goals for providers of health care. As an indicator of overall community health, the Health Department monitors the City's progress toward meeting these nationwide goals.

Births

This section presents selected characteristics on resident births in 2001 and 2002. There were several factors that were used to consider the health status of mothers and infants. Some of these factors were related to pregnancy outcome and reflect health status, and included the mother's age and education level, her marital status, and her use of prenatal care. Birth data indicated the need for continued efforts to improve the health of mothers and children in Minneapolis. Substantial differences in health status existed among population groups.

Not all maternal and infant characteristics were recorded for each birth. When "unknown" does not appear as a category on the tables in the following section, the percents were calculated only for cases for which the characteristic was recorded.

Minneapolis Resident Births 1982 to 2002

Year	Number	Rate
2002	6,376	16.7
2001	6,598	17.2
2000	6,645	17.4
1999	6,298	17.5
1998	6,341	17.6
1997	6,062	16.8
1996	5,790	15.9
1995	5,739	15.7
1994	5,943	16.2
1993	6,032	16.4
1992	6,273	17.1

Births per 1,000 population.

There were 6,376 live births to Minneapolis residents in 2002 for a birth rate of 17 births per 1,000 population, a decrease in 2002 as compared with 2001.

In this report, birth statistics presented by race reflect the mother's race, as reported on the birth certificate. The racial distribution of resident live births changed significantly over the last 20 years. In 2002, almost 40% of resident births were to women of color, compared to 21% in 1980. Compared with 2001, the number of resident births in 2002 increased among American Indians while decreasing for all other races.

**Minneapolis Resident Live Births by Mother's Race
2001 and 2002**

	2001		2002	
	Number	%	Number	%
White	3,947	59.8	3,824	60.0
African American	1,761	26.7	1,720	27.0
American Indian	211	3.2	239	3.7
Asian/Pacific Islander	499	7.6	475	7.4
Other Race/Missing	180	2.7	118	1.9
Total	6,598	100.0	6,376	100.0

In 2002, 12% of births were to women less than 20 years old, 47% were to women between 20 and 29 years, and 42% were to women 30 years and older. The proportion of births to women 30 years and older increased significantly over the past 27 years. In 1975, 14% of resident births were to women 30 years and older; by 2002, this percent had increased to 42%.

**Minneapolis Resident Live Births by Mother's Age
2001 and 2002**

Age Group Of Mother	2001		2002	
	Number	%	Number	%
Under 15 years	18	0.3	22	0.3
15 – 17 years	276	4.2	268	4.2
18 – 19 years	486	7.4	462	7.2
20 – 24 years	1603	24.3	1457	22.9
25 – 29 years	1578	23.9	1515	23.8
30 – 34 years	1642	24.9	1644	25.8
35 – 39 years	784	11.9	817	12.8
40 and above	210	3.2	191	3.0
Total	6,598	100.0	6,376	100.0

The percent of births to women less than 18 years of age was 5% in 2002, the same as in 2001. There was a substantial difference in proportions of births to adolescent women for different racial groups. The proportion of births to adolescents was 10% for American Indians, 8% for Asian/Pacific Islanders, 7% for African Americans, and 3% for Whites.

**Mother's Age Less than 18 Years
By Mother's Race
2001 and 2002**

	2001		2002	
	Number	%	Number	%
White	95	2.4	94	2.5
African American	125	7.1	128	7.4
American Indian	28	13.3	24	10.0
Asian/Pac Islander	33	6.6	37	7.8
Total	294	4.5	290	4.5

Births to unmarried women often resulted in the family's entry into poverty. As long as the number of births to unmarried women remains high, the number of families living in poverty is expected to remain high. Births to unmarried women accounted for 44% of total births in 2002 but varied greatly by racial group: 88% for American Indians, 66% for African Americans, 33% for Whites, and 32% for Asian/Pacific Islanders.

**Minneapolis Resident Live Births to Unmarried Women
By Mother's Race
2001 and 2002**

	2001		2002	
	Number	%	Number	%
White	1,220	30.9	1,260	32.9
African American	1,072	60.9	1,130	65.7
American Indian	173	82.0	210	87.9
Asian/Pac Islander	147	30.6	150	31.6
Total	2,722	41.3	2,815	44.1

Mothers with less than a high school education accounted for 26% of resident births in 2002. The proportion was highest for American Indians at 50%, followed by African Americans 31%, Asian/Pacific Islanders 27%, and Whites 22%. The proportions of mothers with less than a high school education decreased among Asian/Pacific Islanders while increasing among all other races in 2002 when compared to the proportions in 2001. Data on mother's educational level was not recorded for 4% of resident births (227 cases) in 2002.

**Mother's Education Less Than High School
By Mother's Race
2001 and 2002**

	2001		2002	
	Number	%	Number	%
White	809	21.0	832	22.2
African American	489	30.0	505	31.1
American Indian	84	42.2	113	49.3
Asian/Pac Islander	142	31.1	117	26.5
Total	1,577	25.1	1,604	26.1

Prenatal Care

The national goal for prenatal care by the year 2010 is that at least 90% of women receive prenatal care in the first trimester of pregnancy. In 2002, the City's proportion of women receiving prenatal care in the first trimester was 75.3% as compared to 71.0% in 2001. The percentages for specific population groups were 81.4% for Whites, 67.8% for African Americans, 50.5% for American Indians and 62.8% for Asian/Pacific Islanders. Data on prenatal care were not recorded for 6.0% (393 cases) of resident births in 2002. The percentage of women receiving late or no prenatal care decreased from 5.5% in 2001 to 4.7% in 2002.

**Minneapolis Resident Live Births by Mother's Race
With First Trimester Prenatal Care
2001 and 2002**

	2001		2002	
	Number	%	Number	%
White	2,837	76.7	2,987	81.4
African American	997	62.6	1,066	67.8
American Indian	106	58.2	106	50.5
Asian/Pacific Islander	279	61.3	265	62.8
Total	4,327	71.0	4,505	75.3

**Minneapolis Resident Live Births My Mother's Race
With Third Trimester Prenatal Care or No Care
2001 and 2002**

	2001		2002	
	Number	%	Number	%
White	133	3.6	105	2.9
African American	135	8.5	117	7.4
American Indian	27	14.8	33	15.4
Asian/Pacific Islander	25	5.5	25	5.9
Total	335	5.5	284	4.7

**Minneapolis Resident Live Births
By Age of Mother and Community of Residence
2000 - 2002**

Community	Less than 18 years		18 – 19 years		20 years and over	
	Number	%	Number	%	Number	%
Camden	164	9.4	172	9.8	1,414	80.8
Northeast	68	3.9	114	6.6	1,544	89.5
Near North	224	9.7	316	13.7	1,769	76.6
Central	18	2.6	59	8.4	623	89.0
University	17	1.8	38	4.0	900	94.2
Calhoun Isles	11	1.4	17	2.2	761	96.5
Phillips	123	7.7	174	10.9	1,293	81.3
Powderhorn	185	5.2	313	8.9	3,028	85.9
Longfellow	36	2.9	68	5.5	1,126	91.5
Nokomis	41	2.2	67	3.6	1,778	94.3
Southwest	20	0.9	38	2.0	2,271	97.1
Minneapolis	943	4.8	1,456	7.4	17,218	87.8

**Minneapolis Resident Live Births
By Mother's Race and Community of Residence
2000 - 2002**

Community	White		African American		American Indian		Asian/Pacific Islander	
	Number	%	Number	%	Number	%	Number	%
Camden	749	43.4	616	35.7	41	2.4	292	16.9
Northeast	1,320	78.1	216	12.8	76	4.5	67	4.0
Near North	420	18.4	1,293	56.8	54	2.4	477	20.9
Central	290	42.0	350	50.7	17	2.5	28	4.1
University	347	37.6	443	47.9	20	2.2	111	12.0
Calhoun Isles	665	85.0	59	7.5	12	1.5	40	5.1
Phillips	717	45.9	544	34.8	195	12.5	83	5.3
Powderhorn	2,220	64.2	887	25.6	138	4.0	167	4.8
Longfellow	796	66.4	294	24.5	57	4.8	40	3.3
Nokomis	1,556	83.5	194	10.4	37	2.0	63	3.4
Southwest	2,076	89.4	165	7.1	25	1.1	53	2.3
Minneapolis	11,598	59.1	5,323	27.1	699	3.6	1,484	7.6

**Minneapolis Resident Live Births
By Selected Characteristics and Community of Residence
2000 - 2002**

Community	Low Weight		Less than High School Education		First Trimester Prenatal Care		Births to Unmarried Women	
	Number	%	Number	%	Number	%	Number	%
Camden	136	7.8	461	27.6	1,137	74.0	934	53.4
Northeast	120	7.0	369	22.0	1,221	77.0	648	37.6
Near North	272	11.8	807	37.1	1,266	63.7	1,471	63.7
Central	56	8.0	201	30.5	428	66.0	339	48.6
University	60	6.3	186	20.6	650	73.1	251	26.3
Calhoun Isles	46	5.8	44	5.8	653	87.9	186	23.6
Phillips	156	9.8	763	51.0	797	55.0	928	58.4
Powderhorn	246	7.0	1,237	37.0	2,094	64.1	1,937	55.0
Longfellow	75	6.1	200	16.9	898	79.0	428	34.9
Nokomis	116	6.2	180	9.8	1,523	86.1	447	23.7
Southwest	151	6.5	105	4.6	1,992	90.4	343	14.7
Minneapolis	1,515	7.7	4,757	25.3	13,171	73.4	8,328	42.5

For the previous tables, three years of data for the period 2000 through 2002 were combined for a comparison of birth characteristics by community. Neighborhood summary data are available from the Department of Health and Family Support on request.

Low Weight Births

The national goal for reducing low birth weight in babies states that by the year 2010, low birth weight babies should constitute no more than 5% of all births. The proportion of low weight births among all Minneapolis residents was 8% overall in 2002. The proportions of low weight births in 2002 were 12.4% for African Americans, 10.0% for American Indians, 8.4% for Asian/Pacific Islanders, and 5.9% for Whites.

**Low Weight Live Births to Minneapolis Residents
By Mother's Race
2000 and 2001**

	2001		2002	
	Number	%	Number	%
White	230	5.8	226	5.9
African American	176	10.0	213	12.4
American Indian	19	9.0	23	9.6
Asian/Pacific Islander	31	6.2	40	8.4
Total	473	7.2	508	8.0

Induced Abortions

During 2002, there were 2,703 reported induced abortions, reflecting a ratio of 423.9 abortions per 1,000 live births. The number of abortions in Minneapolis decreased by 0.3% from 2001 to 2002.

Minneapolis Residents Reported Induced Abortions

Year	Number	Ratio
2002	2,703	423.9
2001	2,784	421.9
2000	2,859	430.3
1999	2,708	430.0
1998	2,934	462.7
1997	2,866	472.8
1996	2,921	504.5
1995	2,815	490.5
1994	2,701	454.5
1993	2,720	450.9
1992	2,931	467.2
1991	2,983	451.1
1990	3,174	478.6
1989	3,312	494.5
1988	3,501	540.2
1987	3,415	545.0

An increase in the number of abortions from 2001 to 2002 occurred in age groups under 15, 18-19, and 40 and above. Abortions in the rest of the age groups of women decreased from 2001 to 2002.

Minneapolis Residents Reported Induced Abortions 2001 and 2002

Age Group	#	2001			2002		
		%	Ratio	#	%	Ratio	
Under 15	14	0.5	777.8	16	0.6	727.3	
15 – 17	105	3.8	380.4	100	3.7	373.1	
18 – 19	226	8.1	465.0	277	10.2	599.6	
20 – 24	992	35.6	618.8	965	35.7	662.3	
25 – 29	713	25.6	451.8	629	23.3	415.2	
30 – 34	432	15.5	263.1	424	15.7	257.9	
35 – 39	227	8.2	289.5	210	7.8	257.0	
40 +	75	2.7	355.5	82	3.0	429.3	
Total	2,784	100.0	421.9	2,784	100.0	423.9	

Infant Mortality

Efforts to reduce infant mortality were guided by the national goal, which states that by the year 2010, the national infant mortality rate (deaths for all babies up to one year of age) should be reduced to no more than 5 deaths per 1,000 live births.

In 2002, there were 41 deaths to children under the age of one year, for an infant mortality rate of six per 1,000 live births. The numbers and rates of infant deaths have been declining over time, despite some fluctuations. These fluctuations should be interpreted cautiously as the rate is based on a small number of events. The three-year infant mortality rate for 2000-2002 was six deaths per 1,000 live births, compared to eight deaths per 1,000 live births for the period from 1997 to 1999.

**Minneapolis Resident Infant Mortality
1982 to 2002**

Year	Number	Rate
2002	41	6.4
2001	37	5.6
2000	41	6.2
1999	50	7.9
1998	39	6.1
1997	53	8.7
1996	60	10.4
1995	70	12.2
1994	58	9.8
1993	68	11.3
1992	76	12.1
1991	85	12.9
1990	79	11.9
1989	73	10.9
1988	73	11.3
1987	81	12.7
1986	81	12.3
1985	61	9.2
1984	59	9.4
1983	61	10.0
1982	76	12.1

African Americans had the highest infant mortality rate (nine infant deaths per 1,000 live births) among all racial groups for the three-year period from 2000 to 2002; the second highest rate occurred in Asian/Pacific Islanders (seven infant deaths per 1,000 live births). The rate among American Indians was three per 1,000 live births, the lowest among all racial groups, while the rate among Whites was five per 1,000 live births.

The infant mortality rates decreased for all racial groups except Asian/Pacific Islanders when the period from 2000 to 2002 is compared with 1997 to 1999. For Asian/Pacific Islanders, the rate increased for the latter three-year period but reflects one additional death.

Minneapolis Resident Infant Mortality By Race

	1997-1999		2000-2002	
	Number	Rate	Number	Rate
All Races	142	7.6	119	6.1
White	52	4.9	54	4.7
African American	66	12.7	48	9.0
American Indian	14	18.0	2	2.9
Asian/Pac Islander	10	6.1	11	7.4

Infant mortality rate was the highest in the Northeast, Near North and Phillips communities, and lowest in the Calhoun Isles and Southwest communities.

**Minneapolis Infant Mortality
By Area of Residence
2000 to 2002**

Community	Number	Rate
Camden	11	6.3
Northeast	15	8.7
Near North	18	7.8
Central	3	4.3
University	6	6.3
Calhoun Isles	2	2.5
Phillips	12	7.5
Powderhorn	22	6.2
Longfellow	5	4.1
Nokomis	9	4.8
Southwest	6	2.6
Minneapolis	119	6.1

Infant deaths were further classified as being either neonatal (deaths in the first 27 days of life) or post neonatal (deaths of children ages 28 days to less than one year). Neonatal deaths were usually associated with unhealthy conditions during pregnancy and events surrounding birth, such as preterm delivery or low birth weight. The year 2010 national goal for neonatal deaths is no more than three deaths per 1,000 live births. During the current three-year period 2000-2002, the average neonatal death rate in Minneapolis was four deaths per 1,000 live births. Postneonatal mortality was often associated with infectious disease and physical, socioeconomic and environmental factors. The average postneonatal mortality for the period 2000-2002 was two deaths per 1,000 live births.

**Minneapolis Resident Neonatal and Postnatal
Mortality Rates
1982 to 2002**

Three Year Period	Neonatal Mortality Rate	Postneonatal Mortality Rate
2000-2002	4.0	2.1
1999 - 2001	4.2	2.3
1998 - 2000	4.6	2.1
1997 - 1999	4.9	2.7
1996 - 1998	5.3	3.0
1995 - 1997	5.2	5.2
1994 - 1996	6.1	4.7
1993 - 1995	6.1	5.0
1992 - 1994	6.7	4.3
1991 - 1993	7.2	4.9
1990 - 1992	7.0	5.3
1989 - 1991	6.6	5.3
1988 - 1990	6.7	4.7
1987 - 1989	7.0	4.6
1986 - 1988	7.2	4.9
1984 - 1986	6.0	4.4
1983 - 1985	5.6	3.9
1982 - 1984	5.9	4.5

Three major causes of death accounted for nearly 70% of all infant deaths. Conditions originating in the prenatal period and congenital anomalies were the major causes of neonatal deaths.

**Minneapolis Resident Infant Deaths
By Cause**

	1997-1999		2000-2002	
	No.	Rate	No.	Rate
All Causes	142	7.6	119	6.1
Certain conditions originating in the perinatal period	61	3.3	59	3.0
Congenital anomalies	35	1.9	21	1.1
Symptoms and ill-defined causes	16	0.9	3	0.2
All other causes	30	1.6	36	1.8

Deaths

Total deaths among Minneapolis residents decreased from 3,004 in 2001 to 2,817 in 2002. The number of deaths per 1,000 population was seven in 2002.

**Minneapolis Resident Deaths
1982 to 2002**

Year	Number	Rate
2002	2,817	7.4
2001	3,004	7.8
2000	2,989	7.8
1999	3,151	8.7
1998	3,241	9.0
1997	3,249	9.0
1996	3,522	9.7
1995	3,630	9.9
1994	3,642	9.9
1993	3,772	10.2
1992	3,577	9.8
1991	3,704	10.0
1990	3,624	9.8
1989	3,652	10.0
1988	3,853	10.8
1987	3,930	10.9
1986	3,916	10.9
1985	3,934	10.9
1984	3,925	10.8
1983	3,980	10.9
1982	3,977	10.9

Heart Disease, Malignant Neoplasm (Cancer), and Cerebrovascular Disease were the leading causes of death in Minneapolis, accounting for 46.2% of all 2002 deaths.

**Leading Causes of Death
Minneapolis Residents Number and Percent of Total Deaths
2000 and 2001**

	2001		2002	
	Number	%	Number	%
All Causes	3,004	100.0	2,817	100.0
Diseases of the heart	577	19.2	516	18.3
Malignant neoplasms (cancer)	629	20.9	585	20.8
Cerebrovascular disease	194	6.5	200	7.1
Chronic obstructive pulmonary disease	147	4.9	152	5.4
Unintentional injury	133	4.4	128	4.5
Motor vehicle	39	1.3	31	1.1
Influenza and Pneumonia	65	2.2	63	2.2
Diabetes mellitus	88	2.9	101	3.6
HIV-related	25	0.8	23	0.8
Homicide	40	1.3	41	1.5
Suicide	49	1.6	40	1.4
Chronic liver disease and cirrhosis	34	1.1	30	1.1
All other causes	984	32.8	907	32.2

The Minneapolis Department of Health and Family Support, together with Hennepin County Health Department conducted a household survey of almost 10,000 Hennepin County adults (aged 18 years or older). Data from this study, "Survey of the Health of Adults, the Population, and the Environment (SHAPE)", provided health-related information and risk factors for Minneapolis and suburban Hennepin County. The risk factors shown are associated with the 10 leading causes of premature death. The results presented in the risk factor table show the proportions of Minneapolis and Hennepin County adults who were at high risk from hypertension, smoking, obesity and binge drinking.

**Behavioral Risk Factors of
Minneapolis and Hennepin County Adults
2002**

% at Risk of Premature Death due to:	Minneapolis	Hennepin County
Nonuse of seatbelts	10.1	10.2
Hypertension	16.5	18.2
Smoking (current smoker)	20.7	18.5
Obesity	16.6	16.8
Inadequate Physical Activity (people failing to meet guidelines for moderate or vigorous physical activity)	39.1	40.4
Binge drinking (persons who drank 5 or more drinks during the past 30 days).	8.1	7.2

Deaths and injuries due to motor vehicle accidents continued to be a health problem with many potential preventive solutions. The incidence of seat belt use in Hennepin County increased from 33% in 1984 to 90% in 2002. The tables given below list the leading causes of death by age group for the three-year period 2000-2002.

**Leading Causes of Death by Age Groups
Minneapolis Resident Deaths 2000 to 2002**

1 – 4 Years	Number	%
All Causes	21	100.0
Motor vehicle	4	19.0
Congenital anomalies	3	14.3
Diseases of the heart	2	9.5
Other	12	57.2
5 – 14 Years	Number	%
All Causes	29	100.0
Unintentional injuries	6	20.7
Motor vehicle	5	17.2
Chronic obstructive pulmonary disease	3	10.3
Malignant neoplasms	3	10.3
Homicide	3	10.3
Congenital anomalies	2	6.9
Other	7	24.3
15 – 24 Years	Number	%
All Causes	124	100.0
Homicide	46	37.1
Motor vehicle	23	18.5
Suicide	14	11.3
Unintentional injuries	13	10.5
Malignant Neoplasms	6	4.8
Other	22	17.8
25 – 44 Years	Number	%
All Causes	584	100.0
Unintentional injuries	78	13.4
Malignant Neoplasms	69	11.8
Diseases of the heart	68	11.6
Suicide	66	11.3
Homicide	48	8.2
Motor vehicle	41	7.0
HIV-related	38	6.5
Cerebrovascular disease	15	2.6
Diabetes mellitus	15	2.6
Chronic liver disease and cirrhosis	12	2.1
Other	134	22.9
45 – 64 Years	Number	%
All Causes	1,508	100.0
Malignant neoplasms	458	30.4
Diseases of the heart	299	19.8
Chronic obstructive pulmonary disease	64	4.2
Unintentional injuries	64	4.2
Diabetes mellitus	63	4.2
Chronic liver disease and cirrhosis	60	4.0
Cerebrovascular disease	50	3.3
HIV-related	38	2.5
Suicide	36	2.4
Homicide	15	1.0
Influenza and pneumonia	14	0.9
Motor vehicle	11	0.7
Other	301	20.0

65 and Older	Number	%
All Causes	6,425	100.0
Malignant neoplasms	1,330	20.7
Diseases of the heart	1,291	20.1
Cerebrovascular disease	534	8.3
Chronic obstructive pulmonary disease	375	5.8
Diabetes mellitus	214	3.3
Unintentional injuries	200	3.1
Influenza and pneumonia	186	2.9
Chronic liver disease and cirrhosis	29	0.5
Suicide	21	0.3
Arteriosclerosis	20	0.3
Motor vehicle	18	0.3
Suicide	16	0.2
Homicide	3	0.0
Other	2,188	34.0

Unintentional injuries and violent deaths continued to be the leading causes of death for children and young adults under the age of 25. Accidents, homicides and suicides accounted for two-thirds of all deaths among persons one to 24 years of age during the period of 2000-2002. Homicide was the major cause of death for residents 15 to 24 years of age.

Unintentional Injuries, malignant neoplasms, diseases of the heart and suicide were the major causes of death in the 25 to 44 age group. The other major causes of death in this age group were homicide, human immunodeficiency virus (HIV) infection, and motor vehicle accidents.

The leading causes of death in the 45 to 64 age group were cancer and heart disease. In the age group 65 years and older, heart disease, cancer and cerebrovascular disease were the leading causes of death. Accidents, primarily from falls, were a major cause of death in persons 85 years and older.

Selected Reportable Diseases

Minnesota State Law required the reporting of certain communicable diseases. Sexually transmitted infections (STIs) including chlamydia, gonorrhea and syphilis continued to be the most frequently occurring of those reported. The national objectives for the year 2010, as stated in the "Health Communities 2010 Model Standards," set a goal of reducing gonorrhea to an incidence of no more than 19 cases per 100,000 population. In 2002, Minneapolis reported 1,324 cases for a rate of 346 per 100,000 population.

AIDS is another reported communicable disease. In Minneapolis, 67 new AIDS cases were reported in 2002. Minneapolis continued to have the majority of the reported statewide cases.

Selected Reportable Diseases

Minneapolis

2000 to 2002

	2000	2001	2002
AIDS	65	54	67
Amebiasis	13	43	1
Campylobacter	92	76	80
Chlamydia	2,547	2,506	2,702
Encephalitis	0	0	0
Giardiasis	147	170	79
Gonorrhea	1,544	1,251	1,324
Hemophilus influenzae	3	6	3

invasive disease			
Hepatitis A	40	9	14
Hepatitis B	19	20	8
Hepatitis; unspecified	0	0	0
Lyme disease	33	18	30
Malaria	9	7	8
Meningococcal disease	2	1	1
Mumps	0	0	0
Pertussis	32	22	31
Rabies (animal)	3	0	0
Rubella	3	0	0
Rubeola	1	2	0
Salmonellosis	55	67	72
Shigellosis	53	68	47
Syphilis (all forms)	25	64	77
Tetanus	0	0	0
Toxic shock syndrome	1	0	1
Tuberculosis	85	101	81
Yersiniosis	3	1	1

The City of Minneapolis had one of the highest rates of sexually transmitted infections (STIs) in the country, and teenagers were at the highest risk. In addition, teenage pregnancy rates were also high. As a result, the Minneapolis Department of Health and Family Support worked with the Minnesota Department of Health and community groups to address the issues around STIs and teen pregnancy.

Immunization Status

The percentage of children immunized was an important measure of a community's protection against some major preventable diseases. Minneapolis school district records indicated the percentage of students who were fully immunized against diphtheria, pertussis and tetanus (DPT 95.2%), polio (96.7%), and measles, mumps and rubella (MMR 97.2%). All these percentages included children in public and non-public schools throughout the City. The percentage of children vaccinated remained relatively stable since 1980, when State law first required all children (except those with exemptions) to be fully immunized.

The national immunization goal for the year 2010 stated that at least 95.0% of children in kindergarten or first grade should be immunized against measles, mumps, rubella, polio and diphtheria, pertussis and tetanus. Immunization rates among the kindergarten population decreased in the past several years. The "Immunization Action Plan" (IAP) targeted activities in five areas of Minneapolis defined by zip codes where immunization rates were the lowest. Outreach strategies were offered including immunization clinics, information to service providers, and assistance with status review of immunization records. The rates of immunization for kindergartners in the 2001-2002 school year significantly decreased as compared to the rates for kindergartners in the previous school year.

**IMMUNIZATION STATUS BY GRADE LEVEL
REPORTED FOR MINNEAPOLIS
2001-2002 SCHOOL YEAR**

% Fully Immunized	DPT	Polio	MMR
Kindergarten	90.6	92.2	95.6
Grades 1 – 12	97.5	97.2	97.4
Total	95.2	96.7	97.2

Insurance

Almost one-fifth of Minneapolis residents were without medical insurance sometime during the year. Studies showed that uninsured individuals were likely to delay care for significant health problems and suffer longer term and/or more severe health problems. Without financial access to health services, members of the community were less able to participate in the economic and civic life of the community. Most uninsured children were eligible for public health programs, such as MinnesotaCare and Medical Assistance. By working in partnership with the schools and other settings serving families with children, the Minneapolis Department of Health and Family Support worked to significantly decrease the number of uninsured families in the City.

Community Clinics

Minneapolis Department of Health and Family Support operated seven School Based Clinics in Minneapolis offering medical assessments, treatment of minor illnesses, injury, and disease, immunizations, sports physicals, and emotional counseling. Last year, there were more than 8,000 patient encounters, with almost two-thirds for social and emotional health reasons.

Minneapolis School Based Clinics

School	Address	Community
Henry High School	4320 43rd Ave. N.	Camden
Edison High School	700 22nd Ave. N.E.	Northeast
Northeast Middle School	2955 N.E. Hayes	Northeast
South High School	3131 19th Ave. S.	Powderhorn
Roosevelt High School	4029 28th Ave. S.	Nokomis
Washburn High School	201 W. 49th St.	Southwest
Plymouth Youth Center	2301 Oliver Ave. N.	Near North

Minneapolis Department of Health and Family Support, along with the Minneapolis Public Schools, Hennepin County, Blue Cross/Blue Shield, the Children’s Defense Fund, and Robert Wood Johnson Foundation, supported the New Family Center as a way to register incoming students for school. In addition, the New Family Center acted as the first point of contact for many of the newly arriving families to the Minneapolis community, and assisted with transportation, housing, immunizations, health care assistance, health insurance, and an array of social services. The New Family Center was located at 807 NE Broadway, in the Northeast community. Community clinics were also located at the following locations:

Community Clinic	Address	Community
Fremont Community Health Center	3300 Fremont Ave. N.	Camden
Pilot City Health Center	1313 Penn Ave. N.	Near North
Central Avenue Clinic	2610 Central Ave. N.E.	Northeast
Cedar-Riverside People's Center	425 20th Avenue South	University
Planned Parenthood	1200 Lagoon Ave. S.	Calhoun Isles
Uptown Community Clinic	2431 Hennepin Ave.	Calhoun Isles
Community-University Health Care Center	2001 Bloomington Ave.	Phillips
Indian Health Board of Minneapolis	1315 E. 24th St.	Phillips
Teen Age Medical Services (TAMS)	2425 Chicago Ave.	Phillips
Southside Community Clinic	4730 Chicago Ave. S.	Nokomis
Sheridan Women & Children's Clinic	342-13th Ave. N.E.	(Northeast
Green Central Community Clinic	324 E. 35th St.	Powderhorn
Glenwood Lyndale Community Clinic	503 Bryant Ave. N.	Near North
Birth Partners/Smiley Clinic	2615 E. Franklin	Longfellow
Family Medical Center	5 West Lake St.	Powderhorn

Police

The total of all crimes reported in Minneapolis decreased by 8% from 2002 to 2003, an improvement over the 2001 to 2002 decline of 4%. Part I Crimes were generally more serious offenses and were followed closely as an indicator of crime trends. Overall, Part I offenses decreased 7% from 2002 to 2003. Again, this showed an improvement over the period 2001 to 2002, which exhibited only a 3.4% decrease. Part II offenses (generally less serious crimes) decreased by 8% from 2002 to 2003. This was an improvement over the rate of 2001 to 2002, which displayed a 7% decline.

These crime data were organized using Uniform Crime Reporting (UCR) criteria, where only the most serious offense in a multiple offense incident was tabulated. The Uniform Crime Report was governed by national standards established by the U.S. Department of Justice, and is the official statement and reporting method of the Minneapolis Police Department and all other police departments and law enforcement agencies across the country.

Homicides - Minneapolis recorded 46 homicides during 2003, down substantially from 1995 when the number was at 97. These numbers have continuously tapered off, but at a slower rate in recent years.

Criminal Sexual Conduct - There were 399 reports of forcible rape during 2003. This is a 4% increase over the number of cases in 2002, but a substantial improvement from the 489 reported cases in 1998.

Prostitution - Reports of prostitution declined from 2002 to 714 cases in 2003, a 24% decrease. The 2003 figure was down dramatically from the 1,293 cases reported in 2000.

Robbery - 2003 saw 2,220 reports of robbery, up 22% from the 1,824 reported in 2002. For the period 1998 to 2002, the reports of robbery showed a steady decline each year.

Assault - Aggravated assault reports decreased very slightly from 2002 to 2003, from 1,945 to 1,925. Simple assaults were reported in 2003 at a level of 8,226 – down from 8,963 in 2002. The incidents of simple assault have continued to decline from 1998, when 12,679 were reported.

Burglary - Burglary offenses continued to show an increasing trend, from 4,464 in 2002 to 4,512 in 2003. While this is an increase over the past year, the 2003 offenses were measurably lower than the 6,560 reported in 1998.

Motor Vehicle Theft - 2003 saw 3,598 motor vehicle thefts, up from 3,513 in 2002.

Vandalism - The number of vandalism offenses totaled 10,469 in 2002, falling to 9,608 in 2003.

The following tables show 1998-2002 data and compare the number of reported UCR offenses and arrests for 2000 and 2001.

Offenses Reported to the Police, 1998-2003

Uniform Crime Reports Basis

Major Offenses (UCR Part I)

Offense Classification	1998	1999	2000	2001	2002	2003	% Change 2002-03
Criminal Homicide	58	47	50	43	46	46	-2
Forcible Rape	489	479	444	407	385	399	4
Robbery	2,400	2,122	1,982	1,957	1,824	2,220	22
Aggravated Assault	2,691	2,387	2,015	1,732	1,945	1,925	-1
Burglary	6,560	5,634	4,566	4,111	4,465	4,512	1
Larceny-Theft	18,322	16,552	14,915	14,581	14,754	12,477	-15
Motor Vehicle Theft	4,540	3,941	3,898	4,111	3,515	3,598	2
Arson	427	298	268	260	266	250	-6
Total Major Offenses Reported	35,487	31,460	28,138	27,202	27,200	25,427	-7

Other Offenses

UCR (Part II)

Simple Assault	12,679	11,945	11,279	9,693	8,963	8,226	-8
Vandalism	7,864	7,596	9,593	11,247	10,443	9,608	-8
Weapons Violation	850	780	680	595	646	626	-8
Prostitution	1,276	1,039	1,293	1,149	935	714	-24
Sex Offenses	678	692	621	599	629	535	-15
Narcotic Drug Laws	4,204	4,032	3,825	3,785	3,545	3,395	-4
Driving Under Influence	1,435	1,344	1,096	1,023	1,004	869	-13
All Other Part II	16,556	17,509	17,110	17,290	16,198	14,949	-8
Total Part II	45,542	44,937	45,497	45,329	42,363	38,922	-8
Total All Crimes	81,029	76,397	73,635	72,583	69,563	64,349	-8

Source: City of Minneapolis Police Department

Total Persons Arrested

1998 - 2003

Major Offenses

(UCR Part I)	1998	1999	2000	2001	2002	2003	% Change 2002- 2003
Criminal Homicide	60	40	39	34	38	20	-47
Forcible Rape	166	168	131	125	120	129	6
Robbery	453	426	453	489	436	393	-10
Aggravated Assault	1,133	1,041	944	871	837	763	-9
Burglary	488	474	411	327	322	336	3
Larceny	2,137	2,023	1,850	1,724	1,684	1,463	-14
Motor Vehicle Theft	700	709	711	618	605	581	-4
Arson	55	25	23	20	23	17	-26
Total Part I Arrests	5,192	4,906	4,562	4,208	4,065	3,702	-9

**Other Offenses
(UCR Part II)**

Simple Assault	4,608	4,100	3,673	3,422	3,194	2,955	-8
Vandalism	1,204	1,203	1,219	1,194	1,011	985	-3
Weapons Violations	847	800	690	571	696	692	-1
Prostitution	2,032	1,458	1,826	1,567	1,183	886	-25
Other Sex Offenses	99	105	102	107	136	88	-35
Narcotic/Drug Laws	4,526	4,282	4,144	3,982	3,733	3,572	-4
Driving Under Influence	1,438	1,384	1,124	1,048	1,024	879	-14
Other Part II Offenses	19,738	20,379	18,954	19,388	17,115	15,946	-7
Total Part II Arrests	34,510	33,711	31,732	31,267	28,092	26,003	-8
Total Arrests	39,702	38,617	36,294	35,487	32,157	29,705	-8

Source: City of Minneapolis Police Department

Profile of Police Service Demand

City policing entailed much more than law enforcement and control of crime. Police were called upon to resolve family problems, deal with various other citizen conflicts, and to respond to miscellaneous non-criminal emergencies, many of which posed a serious threat to persons and property. Police were primarily reactive in their tactics. The vast majority of criminal incidents that the police handled came to the attention of the police through information provided by citizens. Consequently, citizen cooperation with the police was the vital link for effective order maintenance and crime control. Information on citizen calls for assistance revealed a great deal about the nature of urban policing.

Over the past few years, the department embarked on efforts to better serve the public by more efficient utilization of resources. In 1990, the department instituted a telephone report line called Tele-Serve, which reduces the need to send a squad to every call a more costly resource.

Call Breakdown: Service vs. Crime

	2001	2002
Service	73%	71%
Crime	27%	29%

Source: Minneapolis Police Department

Summary of Crime Calls

	2001	2002
Property Crimes	39.0%	42.4%
Domestics	21.7%	19.8%
Assaults	18.0%	17.6%
Miscellaneous	16.9%	16.9%
Robbery	3.0%	2.7%
Sex Crimes	1.3%	1.3%

Source: Minneapolis Police Department

Summary of Service Calls

	2001	2002
Disturbances	46.6%	42.1%
Traffic	31.3%	35.8%
Alarms	8.2%	7.6%
Medic/Welfare	6.8%	6.9%
Assisting People	6.4%	6.9%
Hazards	0.6%	0.7%

Source: Minneapolis Police Department

Summary of Part I & Part II Crime Calls

	2001	2002
Part I Crimes	38%	39%
Part II Crimes	62%	61%

Source: Minneapolis Police Department

Police Calls for Service Dispatched by Precinct

	2001	2002	2003
Downtown Command (First Precinct)	14%	13%	15%
Second Precinct	12%	13%	13%
Third Precinct	29%	30%	29%
Fourth Precinct	24%	24%	23%
Fifth Precinct	21%	20%	19%

Source: Minneapolis Police Department

Police Calls for Service Dispatched by Time of Day

	2001	2002	2003
'0001-0400'	17%	16%	16%
'0401-0800'	7%	7%	7%
'0801-1200'	16%	15%	15%
'1201-1600'	19%	19%	18%
'1601-2000'	23%	22%	21%
'2001-0000'	18%	21%	24%

Source: Minneapolis Police Department

Calls for Service Dispatched by Month

	2001		2002		2003	
	%	Number	%	Number	%	Number
January	7.8%	25,086	7.7%	25,807	7.5%	23,728
February	6.6%	21,356	7.3%	24,539	6.3%	20,162
March	7.9%	25,317	7.5%	25,213	7.9%	24,966
April	8.6%	27,656	8.1%	27,127	8.3%	26,524
May	9.2%	29,676	8.9%	29,896	9.3%	29,407
June	8.6%	27,749	9.4%	31,340	9.6%	30,539
July	8.5%	27,495	9.6%	32,184	9.8%	31,178
August	9.2%	29,500	9.7%	32,495	9.9%	31,611
September	8.6%	27,622	8.7%	29,124	8.9%	28,239
October	9.0%	29,099	8.0%	26,884	8.4%	26,700
November	8.2%	26,328	7.4%	24,827	7.1%	22,508
December	7.8%	25,002	7.4%	24,762	7.0%	22,235

Source: Minneapolis Police Department

Total Calls for Police Service Processed by the Minneapolis Emergency Communications Center

YEAR	TOTAL CALLS	TELE-SERVE CALLS
2003	343,367	5,344
2002	334,198	9,465
2001	321,886	9,617
2000	362,645	9,270
1999	392,403	10,791
1998	414,548	16,769
1997	393,514	17,142
1996	396,139	24,123
1995	388,057	23,649
1994	379,594	23,210
1993	362,512	23,664
1992	349,029	24,966
1991	338,871	30,176
1990	342,126	25,936

Source: Minneapolis Police Department

Crime Prevention and Problem Solving Programs

The Police Department offered people who lived or worked in Minneapolis a variety of crime prevention programs through the Community Crime Prevention/SAFE (CCP/SAFE) Unit. CCP/SAFE paired specially trained police officers with civilian crime prevention specialists. Together, they worked in partnership with the community to reduce crime, resolve livability problems, build community and reduce fear. Several programs were administered through this partnership:

Block/Apartment Club Organizing (Neighborhood Watch) - Block and apartment clubs were made up of neighbors working together to be alert and to watch out for each other. They took responsibility for the quality of life in their area and worked to build a sense of community through various group activities. They also distributed crime prevention material, educated residents, and took action to deter crime. Each club was coordinated by one or

more trained volunteer leaders. Training for new block leaders was offered frequently throughout the City.

Neighborhood Problem Solving (SAFE program) - Staff assisted residents in addressing issues that affected the quality of life in the city such as drug dealing, loud parties, prostitution or unsupervised youth. In more complex situations, resources from other City departments, County services, and other agencies were drawn into the problem-solving process. These problems were often based in residences. Staff also dealt with many other livability problems that were not formally tracked.

National Night Out (NNO) - National Night Out highlighted the strength of citizen involvement in crime prevention. Residents gathered with their neighbors on the first Tuesday in August at block events throughout the city. Participation in NNO helped maintain Minneapolis' extensive network of block and apartment clubs.

McGruff Houses - McGruff Houses were homes where children could get temporary assistance in emergency situations (lost, hurt, locked out, crime victim, etc.). McGruff signs identified these homes where screened and trained volunteers lived. People who were regularly home during the day and who could occasionally help children were encouraged to volunteer.

Personal Safety Information - Staff educated residents and people who worked in Minneapolis about personal safety in a variety of venues, from large company employee presentations to informal talks with residents. More in-depth personal safety workshops were also offered in partnership with self-defense experts.

Home Security Information - Staff offered information to interested groups on low cost ways to improve home security and reduce the risk of being burglarized. Specially trained staff also assessed the security strengths and weaknesses of individual homes.

Information about Crimes and Crime Patterns - Crime Alerts were produced by staff and distributed by residents when certain crime patterns arose. These alerts outlined the facts, gave available suspect information, and provided prevention information. An "Attention Residents" flyer was used to inform people in a small area of a particularly serious crime or people in a larger area of a general increase in crime. Both types of documents were available on the city's web page.

Crime Prevention for Businesses - Staff regularly met with business representatives to discuss their unique crime concerns, such as robbery, shoplifting, and employee theft.

Rental Property Owner Education - Owners and managers of rental property learned management techniques, how to deal with illegal activities, and how to organize for crime prevention. Staff offered individual meetings with property owners, managers and owner associations as well as eight-hour workshops that were the first phase of the Crime Free Multi-Housing Program.

Fire

Fire Calls

The Minneapolis Fire Department had 19 fire stations located throughout the City and a Fire Training Facility located at 37th Avenue and Marshall Street Northeast. The department's typical response to a fire alarm was three engine companies, two ladder companies, a rescue rig, the Mobile Command Van, a Battalion Chief and the Incident Safety Officer. If additional resources were necessary and a second alarm response was indicated, an additional two engines, one truck, and the Deputy Chief were dispatched to the scene.

The Minneapolis Fire Department responded to 2,238 fire calls in 2002, along with 11,709 other fire-related runs. This included fires in buildings, vehicles, and other fires. There were 35 multiple alarms in 2002, a 35% increase from 2001.

Summary of Fires and Alarms 2002

	Number	Estimated Loss
Fires in building	1,142	\$14,093,545
Fires in vehicles	489	\$ 1,110,542
Other fires	607	\$ 30,965
False and silent alarms	5,234	\$ 0
Totals	7,472	\$15,235,052

Fire Prevention

The Minneapolis Fire Prevention Bureau continued its commitment to preventing fires from occurring, or minimizing the extent of the loss should a fire occur, through inspections for code compliance and fire prevention education. Inspections by Fire Prevention Bureau inspectors totaled 4,106 in 2002, down from 4,568 in 2001.

Emergency Medical Service

The Minneapolis Fire Department responded to 21,745 calls for Emergency Medical Service (EMS) in 2002, an average of 60 EMS calls per day. Since 1973, medical emergency service in Minneapolis had been the joint responsibility of the Minneapolis Fire Department and the Hennepin County Emergency Medical Service, using a "dual response" approach when responding to emergency situations. The Fire Department provided Basic Life Support, as all firefighters were trained Emergency Medical Technicians. The Hennepin County ambulances were staffed by trained paramedics and were equipped to provide Advanced Life Support. As soon as an emergency call was received, the closest fire company and ambulance were dispatched. Because of the scattered fire station sites, the fire company usually arrived first (85% of the time in less than four minutes) and provided immediate attention. The ambulance crew took over medical care when they arrived and provided transportation to a hospital. This system allowed the necessary medical care to be on the scene as quickly as possible without the need for additional ambulances, which were expensive to equip and staff.

Arson

There were 258 fires in Minneapolis during 2002 for which the origin was determined to be arson. This represents 22% of the total 1,190 fires investigated in 2002. The Minneapolis Fire Department investigated all fires to determine, at a minimum, the extent of the loss and the cause of the fire. Whenever an accidental cause could not be determined and there was some evidence that the fire may have been deliberately set, a criminal investigation was conducted by the Police Department Bomb/Arson Squad.

Human Development

All information pertaining to education was obtained from the Minneapolis Public Schools.

The Minneapolis Park and Recreation Board provided data for the sections on parks and recreation.

Material about libraries was obtained from the Minneapolis Public Library and Information Center.

The Minneapolis Department of Civil Rights provided discrimination case data and information about educational activities.

The Greater Minneapolis Day Care Association provided information on early childhood care and education.

The Youth Coordinating Board provided information on youth services.

Hennepin County provided all data concerning income assistance and community social services.

Minneapolis Public Schools

Mission

Minneapolis Public Schools (MPS) existed to ensure that all students learned and grew into knowledgeable, skilled and confident citizens capable of succeeding in their work, personal and family lives. Students came from everywhere – more than 90 different languages were spoken in the City's schools - and every day saw new faces from Bosnia, Mexico, Somalia, California, and reservations in our own State. There were no admissions policies and no income. For Minneapolis Public Schools, 2003 was about change in student demographics and needs. Superintendent Carol Johnson accepted a position in Tennessee, leaving district management under the direction of an interim superintendent. Enrollment continued to fluctuate, decreasing to 46,182 students. The student population became increasingly diverse: almost 74% of students were people of color. Spanish, Hmong and Somali were the largest language groups. The number of students eligible for free or reduced price meals grew to 67%.

Services

English Language Learners Program - in 2003, almost a quarter of MPS students were found to have low proficiency in English. Minneapolis Public Schools promoted academic achievement by ensuring that quality services met individual English Language Learner (ELL) needs in English as a Second Language (ESL), bilingual, and regular education settings. In 2003, there were almost 12,000 students receiving ELL services.

Minneapolis Community Education Programs - Early Education for Children and their Parents and Early Childhood Family Education (ECFE) accomplished its mission by offering classes, home visits and special needs services throughout Minneapolis. ECFE worked closely with Minneapolis' K-12 programs by collaborating with Special Education, Adolescent Parent Education, and by offering classes for children from birth to kindergarten age. Parents of new babies participated in ECFE at area hospitals and in classes at neighborhood sites. Partnerships and collaboration with community-based agencies provided additional services for families. During the 2002-2003 school year, over 9,800 children and over 12,000 parents participated in ECFE.

Year-round Enrichment Opportunities for Children and Youth - in 2003, extended-day programs were planned and implemented at 29 sites in partnership with school staff, parents, community members, and community organizations. The goal was to provide additional opportunities for learning and development to over 46,500 youth during 2002-2003. These programs were developed around the Search Institute's asset model of youth development and were designed to support learning, relationship building between young people, relationship building between youth and adults, and to reinforce positive social interactions.

Youth Development and Youth Service - youth development and youth service gave young people the opportunity to serve the community and to learn from the experience. The program involved young people in community service and formative activities during and after school hours. Programs included youth leadership development, community service, and other youth development initiatives. Approximately 14,000 young people participated during 2002-2003.

Summer Programs - summer program for K through sixth grade youth included Sports Arts Plus, Summer Enrichment, Swimming, and Leadership and Service Programs. Older students participated in Phat Summer, a collaboration among schools, parks and the Youth Coordinating Board. Approximately 5,300 youth participated during the summer of 2003.

Year-round School Age Childcare -the district provided safe, affordable, school-age childcare through a year-round childcare service. It offered high-quality service for parents during periods

when students were not involved in their regular school day. The National School Age Care Alliance or the National Association for the Education of Young Children accredited the 2002-2003 programs. The 2002-2003 program operated in 17 school buildings and served 1,400 children from over 900 families.

Basic Skills Education for Adults - this program served learners, aged 16 and older, who were not enrolled in school. It offered the following educational opportunities at no cost: Adult Basic Education, General Equivalency Development (GED), English Language Learning (ELL), Citizenship Instruction and Distance Learning, and Project Regina's self-sufficiency program. During 2002-2003 about 9,000 adults took classes at 20 sites, and over 700 GEDs and adult diplomas were awarded.

General Skill Building Classes for Adults - adults in all stages of life enjoyed a large variety of high-quality, low-cost classes and programs. Classes were designed to fit the needs of single people, working adults, older adults, parents, and adults with disabilities. Topics covered a wide range of interests, including physical fitness, business and computer technology, home improvement, financial management, and consumer information. In 2002-2003, community programs served 17,000 adults with skill-building, life-enhancing classes.

Disability Access Services - all Minneapolis community education classes and services were available to people with disabilities. Accommodations included, but were not limited to, sign language interpreter, accessible classroom location, and alternate format of class materials. Classes focused on skill development in reading and math, independent living, recreation, and leisure interests. Participants learned skills to improve their lives at home, at work, and in the community. During 2002-2003, approximately 1,000 adults were served.

Volunteer Services - 2003 had three district-wide volunteer programs: WISE Tutors, The Intergenerational Program, and the Adult Basic Education Volunteers. Last year over 7,500 parents, employees, students and other individuals shared their time and talents by volunteering thousands of hours in Minneapolis Public Schools.

**Minneapolis School District Demographics
2002-2003**

Number of Schools

Elementary	64
Middle	8
High School	7
Public Alternative	9
Special Education	5
Contract Alternative	26

Student Enrollment

Pre-kindergarten/ECSE	531
Kindergarten High Five	566
Kindergarten	3,527
Grades 1-6	20,889
Grades 7 & 8	6,826
Grades 9-12	13,843
Total Enrollment	46,182

Student Demographics

(73.88% of MPS students are people of color)

Native American	4.11%
African American	43.22%
Asian American	13.79%
Hispanic American	12.76%
White American	26.12%

Special Education 13%

Eligible for free/reduced price lunch 67.6%

Breakfast is available to all elementary students at no cost through a state-funded program. All meals meet or exceed USDA guidelines for good nutrition. Free and reduced-priced meals are also available to eligible students.

Student Mobility

Summer Transfers In	Mid-year Transfers In	Mid-year In-district Transfers	Mid-year Transfers Out	Mid-year Transfers Combined
4,081 (9%)	4,391 (9.6%)	6,610 (14.5%)	6,171 (13.5%)	17,172 (37.7%)

Average Class Size Standards

Grades K - 3	22 students
Grades 4 - 8	28 students
Grades 9 - 12	30 students

Employees

Teachers	4,592
Support Staff	3,242
Principals/Administrators	279
Total	8,113

Attendance

Students who attended school between 85-100% of the time passed State tests in reading and math at much higher rates than students who attended school less than 85% of the time. MPS adopted an attendance policy in 2000 requiring students to attend school 95% of the time, meaning students can miss no more than eight days a year. In 2001-2002, MPS students attended school an average of 93% of the time.

Budget 2002-2003

A budget shortfall in fiscal year 2003, which included a loss of \$5 million in State integration aid, forced the District to reduce the number of magnet schools and close or merge several schools over the next few years.

General Fund	\$ 441,113,823
Referendum Fund	43,254,157
Food Services	18,496,403
Transportation	36,417,837
Community Education	17,322,927
Building Construction	68,400,000
Debt	65,337,745
Grants	52,150,000
Other	1,599,000
Total	\$ 707,674,055

Parks and Recreation

The Minneapolis Park & Recreation Board (MPRB), a semi-autonomous elected body of City government, oversaw a diverse system of land and water areas. The Minneapolis Park System consisted of more than 170 park properties including local and regional parks, playgrounds, totlots, triangles, waterparks, golf courses, gardens, picnic areas, nature sanctuaries, athletic fields and a 55-mile parkway system. Together, these properties totaled nearly 6,400 acres of land and water.

Within the park system there were 49 neighborhood recreation centers; 11 supervised beaches; three outdoor swimming pools; two waterparks, 37 outdoor ice rinks; 2 year-round hockey rinks, one indoor ice skating and hockey complex; six 18-hole golf courses; two Golf Learning Centers; 396 baseball and softball diamonds; and 167 tennis courts. There were also 38 miles of walking paths, 36 miles of biking/skating paths, a winter recreation complex at Wirth Park, an athletic field complex at Fort Snelling, four dog parks and Park Board Headquarters building.

In addition, many Minneapolis cultural and historic amenities were located on park land or administered by the Park Board, such as:

- Minneapolis Sculpture Garden
- Minneapolis Institute of Arts
- Historic Fort Snelling
- Stevens House
- Godfrey House
- Longfellow House
- Grand Rounds National Scenic Highway

Recreational, environmental and other park programs and services were provided for all ages and abilities, from toddlers to senior citizens. Various divisions of the Minneapolis Park and Recreation Board provided planning, development, maintenance, and police protection for the city's recreational facilities.

Planning Division

In 2003, the Park Planning Division managed \$14.6 million in construction activities and completed over \$11.5 million in capital projects. Work was completed by the two Planning Sections: Project Management and Community Planning.

Perhaps the most remarkable accomplishment of 2003 was the completion of the MPRB headquarters building. After 120 years of moving its administrative offices from one rented space to another, the MPRB now has a place to call its own. The renovation of the atrium and second floor of the new building was completed in July.

The newly renovated Loring Park shelter building with its added performance-event space, the most recent element of the Loring Park master plan to be undertaken and completed, reopened in the fall and a dedication ceremony was held on October 4, 2003.

Project Management Section

Capital and Master Planning Projects included:

- *Armatage Park* – athletic field improvements design work completed in 2003 with construction planned for spring 2004;
- *Cedar Avenue Field* – playground and site improvements completed and dedicated September 20, 2003;
- *Currie Park* – playground and site improvements completed, design work in process with construction Spring 2004;
- *Hall Park* – playground and site improvements, construction begun, to be completed Spring 2004;
- *Harrison Park* – completed playground and site improvements, design process completed, construction in Spring 2004;
- *Jackson Square Park* – playground and site improvements finished, design work continuing with construction in Spring 2004;
- *Loring Park* – renovation and expansion of shelter building completed and dedicated October 4, 2004;
- *Powderhorn Park* – aluminum treatments completed;
- *Reserve Block 40* – playground and site improvements design work in process, with construction anticipated in Spring 2004;
- *Riverside Park* – 50 new trees planted;
- *Webber Park* – design work in process on playground and site improvements for construction in Spring 2004;
- *Willard Park* – playground and site improvements and installation of new wading pool completed, with dedication on June 25, 2003.

Regional Parks Improvements for 2003 were:

- *Mill Ruins Park* - design work in process on tailrace circulation and interpretive;
- *Plank Road at Mill Ruins Park* – reconstructed original wood decking and dedicated December 11, 2003. The Plank Road now forms a portion of West River Parkway, with white oak surfacing that replicates the original wood decking that once covered the main waterpower canal powering the great mills of Minneapolis’
- *Upper River* – Phase 1 *Above the Falls* master plan task force convened and design work initiated.

Trails and Shoreline Restoration efforts included:

- *Cedar Lake, Lake Nokomis, West River Parkway* – paths replaced and widened;
- *East River Parkway Trail* – completed, creating a major connection for both commuters and recreational cyclists;
- *Lake of the Isles* – completed shoreline stabilization, wetland restoration, and pathway renovation along the east shore and the Kenilworth Lagoon; retaining wall replacement at Evergreen point; wetland creation and play field improvements at southwest end; West bay and north arm design work completed for construction in Spring 2004;
- *Wirth Trail* – completed, leading to another major connection for commuters and recreational cyclists;
- *Pathway Improvements* - seven miles of deteriorating bike and pedestrian pathways were replaced at Lake Nokomis, Lake Hiawatha, and Cedar Lake, as well as paths along the West River Parkway.

Community Planning Section

To better understand trends as well as needs, Community Planning staff worked to keep the lines of communication open between park users and planning staff. To facilitate community participation in the capital improvement planning process, community planners notified citizens of opportunities to share their ideas as well as keep them informed about a project's progress through blanket mailings, mailings to committee members, website postings, news releases to local newspapers, postings on community calendars. Planning staff facilitated 26 community meetings throughout the year to create designs for designated capital improvements. Community Planning staff also actively partnered with neighborhoods and the larger community to dedicate new park facilities.

In light of 2003 funding difficulties, the Park Board directed Community Planning staff to take the lead in getting community input on the programs and services that residents valued the most. The goal of the input was to give residents opportunities to influence program service priorities and help establish strategies to meet the greatest park and recreation need utilizing Park Board, neighborhood and other resources. The top five programs and services identified in Community Town Meetings were:

1. Programs/activities for youth;
2. Wading pools;
3. Portable toilets;
4. Park safety and security;
5. Maintain and protect the natural environment, tree maintenance/ new tree plantings.

The ten most important programs and services in the printed surveys were the following programs and services:

1. Youth Sports Programs = 99%;
2. Play Area Maintenance = 99%;
3. Restroom Facilities = 97%;
4. Garbage Removal = 97%;
5. Youth Supervision at Recreation Centers = 97%;
6. Park Police Investigation = 95%;
7. Athletic Field Maintenance = 95%;
8. Lifeguards at Beaches = 95%;
9. Water Quality Maintenance = 93%;
10. Police Protection = 92%.

Assessing the needs of the community was a fundamental step in developing a Comprehensive Plan for the Park Board that will guide the future development of the park system and fulfill the expectations of those it was intended to serve. The Needs Assessment attempted to identify the system's current customers as well as current and future recreation needs. To begin the Needs Assessment, Planning staff undertook a comprehensive information gathering process by reviewing existing data, creating a demographic profile, developing current usage statistics, and researching trends. To keep up with trends and respond to citizen demands, Community Planning explored the possibility of creating both skate parks and off-road bike trails in the park system. Planning staff visited existing skate parks in other communities, identified appropriate sites within Minneapolis' park system, and engaged the community in skate park discussions. Planning staff also directed the development of a demonstration project to test the system's ability to accommodate off road cycling. Staff drafted a memorandum of agreement that addressed a range of issues (including costs, maintenance, user conflicts, and overuse) involved in conducting and evaluating a demonstration project at Theodore Wirth Park. At the conclusion of the demonstration project, the board will determine if a network of designated off-road cycling trails can be incorporated into the system.

Recreation Division

The Recreation Division was responsible for all neighborhood and community centers, playgrounds, pools, beaches, cultural arts, environmental programs, youth sports leagues, adult athletic leagues, citywide adult activities, special events and specialized services for teenage youth. The Recreation Division provided quality recreational programs and services for the residents of Minneapolis. New initiatives were developed and implemented by staff to meet new recreational needs of the city's residents, plus enhance and add to the traditional line of programs and services.

Neighborhood/Community Recreation Centers Section

Recreation Centers were the hub of activity in Minneapolis neighborhoods, providing places and spaces for individuals to meet and develop new friendships, create lasting memories, learn new skills, keep healthy and stay fit. Each of the 49 centers, open year-round, offered a variety of programs such as structured tiny-tots, theater performances, environmental classes and sports competitions, plus less structured drop-in activities, social groups and pick-up games in gymnasiums. Communities gathered during special events, generating a sense of pride and an avenue for neighbors to celebrate together. In addition, meeting rooms provided much needed space for groups and neighborhood organizations to meet.

Musical performances continued at the 5th Annual Freedom Jazz Festival at Minnehaha Park; concerts at Elliot Park, Lake Harriet, Nicollet Island and Minnehaha Park; and the Minnesota Orchestra at McRae Park. Traditional neighborhood-based festivals like penny carnivals, corn feeds and seasonal celebrations brought neighbors together throughout the year. Halloween parties held at all 49 centers drew 14,709 children. Over 60 neighborhood festivals and celebrations took place in neighborhood parks in 2003.

The Summer Playground Program offered recreation services and programs for nine weeks at 21 smaller neighborhood parks that did not have year-round facilities. The attendance at the summer playground sites averaged more than 40 children per day, per site. The Mobile Playground Program served four park sites on a rotating basis. This 'recreation center on wheels' was stocked with craft supplies, games, toys, in-line skates and sports equipment. The Mobile Playground Program changed hours from morning and afternoon to afternoon and evening in 2003 to better serve the neighborhoods. More than 30 children on average each day per site enjoyed the organized activities.

The New Year's Eve Celebration, attended by more than 4,000 people, capped the year with music, skating, hayrides, crafts, entertainment and fireworks at the Nicollet Island Pavilion.

Safety Camp's 12th year had its largest registration in fourth years with 145 children who were entering the third and fourth grade in the fall of 2003. The third Annual Volunteer Appreciation day was held in conjunction with the Freedom Jazz Festival at Minnehaha Falls on August 9, 2003. Over 2,500 volunteers and their families were invited to attend. Each year, the Recreation Division holds an annual Volunteer Recognition Banquet, for those who have demonstrated extraordinary commitment and support to the programs and services of the MPRB. In 2003 the event took place at the Minneapolis Institute of Arts, which facilitated a large, elegant space for dinner, plus a comfortable auditorium setting for the awards presentation and program.

Progress continued in the Recreation Division's outdoor-lighted sign program. Folwell Park received a new sign and orders were placed for Webber and Luxton park signs for a Spring 2004 installation. 250 people attended the annual Lake Hiawatha Festival on August 6th, 2003. Wilderness Inquiry conducted canoeing lessons, while staff and volunteers supervised rock climbing and outdoor games.

Grant funding enabled the implementation of three new computer labs, complete with computer terminals, printers, scanners, digital cameras, software, internet access and trained staff at Fuller, McRae and Longfellow Parks. Construction of a computer lab at Harrison Park began in December 2003, bringing the total number of computer labs to 11 -Whittier, Longfellow, Logan, Farview, North Commons, Powderhorn, Loring, Corcoran, Folwell, Fuller, and McRae.

In October, 2003, the first Peace Games, a partnership of 12 agencies, promoted cultural learning and harmony among culturally diverse youth with cultural games, sports, arts and crafts, music, dance and food. The second annual Latino Resource Fair, a partnership of Powderhorn Park and La Oportunidad, attracted 1,000 people to the park for information, music, food and resources about the Latino population. Whittier Park organized a Tibetan Dance program and 250 people enjoyed the music, dance and food. Many other recreation centers hosted cultural activities and partnered with community agencies to celebrate the diverse customs and cultures in the city. Neighborhood grants and the Osiris Organization funded air conditioning at Longfellow Park in 2003, bringing the total number of centers with air conditioning to 11.

Partnerships and Collaborations Section

Juneteenth, an annual celebration of freedom for African Americans, took place at Theodore Wirth Park on June 14, 2003. This partnership with the Juneteenth Committee organized a parade, music, crafts, food, entertainment, resource information, and more for 50,000 people. New last year was the KMOJ Radio Family Village, which focused on family games, competitions and other fun opportunities that support and strengthen families.

Art in the Park, a decade long programming collaboration with the Minneapolis Institute of Arts (MIA) and the MPRB, brought quality arts programming to the neighborhood parks as well as encouraging neighborhood residents to visit and use the resources at the Institute. Art in the Park was comprised of four components:

1. Summer Art in the Park Workshops - held in 47 Recreation Centers during Summer 2003, provided children in grades K-6 the opportunity to learn about the Minneapolis Institute of Arts' diverse collection through hands on instruction from professional artists;
2. Staff training and Art Bins – MIA staff conducted a series of training sessions for MPRB staff, providing project ideas and an orientation to how best use the Museum as a resource. Art Bins, filled with lesson plans, step-by-step instructions and materials were available for MPRB staff to check-out from MIA for use in Recreation Centers;
3. Tickets for Special Exhibits – 300 tickets to special MIA exhibitions were reserved for distribution by MPRB staff through the Recreation Centers. Park staff also planned special field trips to the museum;
4. Cross Marketing - MIA and MPRB worked closely to market Art in the Park programs and MIA Family Days in publications produced by each agency.

In 2003, 1,500 of Minnesota's hardiest enjoyed the Winter Ice Festival, with ice fishing demonstrations, horse and wagon rides, fire pit with marshmallow roasting, and a children's medallion hunt. The event was a partnership with Lyndale Farmstead Park, East Harriet Farmstead Neighborhood Association, Minnesota Kite Society, Department of Natural Resources, Southwest Athletic Council, Linden Hills Park, Fuller Park Council, Fuller Park, M.L. King Park and Corcoran Park. The Heart of the Beast Puppet Theater sponsored the annual May Day celebration held in Powderhorn Park, with the eagerly anticipated annual May Day parade attracting 60,000 people. July 4th fireworks drew attendance of 20,000 people.

The 2003 session of "The First Tee " program saw participation by 950 youth. The Minneapolis Aquatennial Association continued its partnership with the Park Board by co-sponsoring the Festival of Neighborhoods at 16 sites in 2003, which included food and entertainment for over 7,000 people.

The City Children's Nutcracker – a collaboration of the Park Board and Ballet Arts Minnesota - celebrated its 12th anniversary in 2003. This performing arts experience attended by 100 inner-city children began in the summer with weekly classes taught with professional dance instruction, and culminated with a holiday production of The Nutcracker, presented at the Historic State Theater in downtown Minneapolis.

The Parks Museum Partnership between the MPRB and Science Museum of Minnesota provided free and reduced price admission for groups to programs and exhibits of the Museum. Over 980 youth from Minneapolis Parks were able to explore and discover exciting, hand-on exhibits in the new Science Museum. Buck Hill Super Saturdays - a downhill ski, snowboarding and snow tubing facility - partnered with the Recreation Division, providing low cost downhill ski lessons for 70 children from MPRB parks.

Community Services Section

The Community Services Section provided citywide programs in adult and youth sports, aquatic activities, instructional programs and special events. The section provides a balanced, progressive delivery of all athletics programs and helps provide programming that function better citywide.

The Newly built Leonard H. Neiman Sports Complex opened for public use in April of 2003 with baseball and softball games with 1,200 attending the Grand Opening in May, 2003. The Neiman Complex drew 102,920 people from mid April-October. The Jim Lupient Foundation dedicated a \$1 million endowment to the newly renamed Jim Lupient water park (formerly Northeast Water Park) to be used for special programming and capital outlay. In the first year, endowment funds were used to teach 12 low income children and adults how to swim, and to reward 426 youth for doing something special in their community and qualifying for the new "Aqua Star" program.

Youthline Outreach Mentorship Section

The Youthline Outreach Mentorship Program provided leadership experiences, skill building, recreation and mentoring relationships for nearly 8,000 youth at 16 parks (two sites were temporarily eliminated due to budget cuts) during the school year, and at an additional 20 parks during the summer. Youthline's Boy's Program, including a leadership day at Camp Ihduhapi, where 80 boys' participated in trust, critical thinking, problem solving, communication skill-building, and teamwork activities.

The partnership with Junior Achievement began its third year involving youth in learning about entrepreneurship. Sixteen parks (100 youth) completed the curriculum and went to Junior Achievement's main office where the youth managed the mock city assuming the roles of business owners, park superintendent, mayor, banker, judges, and police. The 13th Girls' Annual Overnight Leadership Development training took place at a local college with 130 girls participating. Outdoor Environmental Adventures (funded by The McKnight Foundation) started in January with winter activities including: a trip to Gooseberry Falls for a winter nature hike with snowshoes; ice fishing on one of the metro area lakes, and winter survival training at Warner Nature Center in Marine on St. Croix. In February the youth went to Underwater World at the Mall of America to participate in the *Marine Life and the Environment* program, learning how changes to the sea and its creatures affect the world. The summer program offered fishing, bicycling, swimming, natural history courses at Baker Park Reserve's Wilderness Settlement, kayaking, canoeing, and the annual trip to hear the wolves howl at the Wildlife Science Center in Forest Lake. More than 400 Youthline participants learned about the outdoors and the environment in these activities.

Approximately 700 youth and families enjoyed the 12th annual Black History event hosted by the Youthline Program in District 1 at Central Gym Park. The McKnight Foundation selected the Youthline Program for a formal program evaluation, with the November evaluation report indicting

that youth participated in Youthline more than 28 hours each week. Youthline began the Multicultural Tennis program at the Fort Snelling Tennis facility, offering tennis instruction year-round to 270 Youthline participants

The Girls' Program involved 12-16 year old girls in programs and activities that focused on self-esteem building, leadership and life skills development. Girls' groups in 18 parks met weekly to identify and discuss issues of concern to them, and planned and implemented activities that provided positive experiences. That Summer Program provided extended recreation program hours during the summer evenings for youth ages 12-18 for eight weeks. Activities were offered Monday through Friday from 7:00 to 10:30 p.m. at 25 parks one to three nights a week, with average participation from 12-139 youth per site per night.

Recreation Plus+ provided quality school-age care services for neighborhood families in 17 parks during the school year and 20 parks during the summer. Funding from a State of Minnesota Professional Development grant enabled Recreation Plus+ staff to attend the Minnesota School-Age Care Alliance annual conference and to receive other relevant training during the year. Another State grant provided funding to train neighborhood naturalists who worked with children at four Recreation Plus+ parks to create children's gardens. The Lupient Water Park and North Mississippi Regional Park were used as the annual site for the end of summer Recreation Plus+ picnic that attracted 500 children and staff.

Minneapolis Park & Recreation Board Park Police

In 2003, the MPRB entered into an agreement with the Minneapolis Public Schools (MPS) to provide School Resource (School Liaison) Officers (SRO). The SRO's covered the seven high schools, eight middle schools and two challenging K-8 schools. In order to supply these officers, one sergeant and two Park Police officers were reassigned as well as the hiring of an additional 14 officers (all who came from Minneapolis Police Department). The use of motorcycles in patrolling parks continued in 2003. A program offered by Harley Davidson motorcycles allowed police departments to lease motorcycles for \$1 per year per motorcycle. The department paid for installation of emergency equipment, graphics and routine maintenance.

The 12th Annual Safety Camp for third and fourth graders, a joint effort of the Park Police, the MPRB Recreation division, and the Minneapolis Fire and Police Departments, provided an exciting three days of hands-on safety training for over 100 Minneapolis children. The Park Police continued the bicycle rodeos started in 2003 with over 600 children attending and graduating from the Bike Safety Clinics.

In 2003 the Park Police Investigations Unit assigned out and completed 332 cases for further investigation, compared with 347 cases in 2002. Although there was a slight decrease in the number of cases assigned, the quality of the investigations improved with a 59% increase in cases closed by arrest and charging of suspects. In 2003, 189 cases were closed compared to 78 in 2002. With the addition of School Liaison Officers, a 38% increase in the number of cases entered into the CAPRS system increased from 2,926 in 2002 to 3,844 in 2003.

Administration Division

Information and Technology Services Section

The Information and Technology Services (ITS) section devoted considerable effort to planning and implementation efforts related to the relocation of the MPRB's headquarters to 2117 West River Road. Relocation efforts proceeded in several phases over several months beginning early in 2003. The relocation project included the specification and design of the cabling infrastructure at the new 2117 West River Road facility.

ITS staff developed specifications for a phone system for the new headquarters location that would provide seamless connectivity via a point-to-point T1 to the existing Southside Operations Center, allowing intercom dialing between these sites, centralized operator capabilities, as well as system redundancy. ITS Staff worked with other divisions on technology enhancements in 2003, including a new tree planting and inventory software for the Forestry Division, a bar coding inventory system upgrade for Stores, parking passes and other web enhancements for Special Services, and upgrades in architectural/engineering software for Planning.

Email addresses were added to the Park Board's website www.minneapolisparcs.org early in 2003 under the direction of the Superintendent. Over 100 email aliases are now available to the public online, including one for each department, all recreation centers, golf courses, Superintendent, Assistant Superintendents and Commissioners if requested. Other new initiatives on the website included online e-commerce, utilizing a third-party software, the Park Board was able to sell parking passes and posters to support the maintenance of the MPRB fountains. In the future permits will also be available for online purchase.

Ongoing and routine program services of the ITS Section included:

- The upgrading of servers and other network equipment to meet the demands for data storage;
- Success in monitoring new and more lethal viruses through virus detection software;
- Internet Filtering and monitoring software was effectively used to minimize the risk of employees straying into inappropriate sites; and
- The Minneapolis Park & Recreation Board website continued to be an overwhelming success, sustaining nearly 2 million page views in 2003, a 25% increase over the previous year.

Human Resources Section

Human Resources assisted all divisions to meet their service delivery goals by helping to hire, train and develop highly skilled employees for the Minneapolis Park & Recreation Board. The MPRB workforce was made up of more than 600 full time staff, along with over 1,000 part time or seasonal employees. The goal was to have a staff that reflects the diversity of the people who visit Minneapolis Parks. This section coordinated and monitored hires, promotions, transfers, leaves of absence and other employee transactions and ensured that injured employees received prompt and quality medical care and services through the administration of the Workers' Compensation program. Staff of this section also assisted with administration of the collective bargaining agreements, including negotiation and grievance handling. Negotiated and finalized 4 new CBA's in 2003: Park Police, Teamsters Local #320, I.U.O.E. Local #49, and AFSCME Local #9, coordinated and implemented Employee Training and finalized and implemented a comprehensive plan for Employee Safety Training. All required safety training for 2003 MPRB employees was completed. In addition, a new MPRB Safety Manual was completed and will be distributed in 2004, along with training for managers.

The 2003 Safety Expo, sponsored by the Safety Committee, was attended by more than 200 employees, which included work and personal safety demos, blood pressure screenings, health and wellness information. Employees here also managed a Retirement Incentive for employees eligible for retirement, with nearly 50 employees taking advantage of the incentive, representing more than double the number predicted.

Operations Division

Park Maintenance Section

The Minneapolis Park & Recreation Board Maintenance Division continued to provide park patrons with beautiful and accessible parks year-round. The Maintenance staff helped assure park buildings are clean and useable for programming, projects and community events. In addition, Maintenance staff assured that ball fields were playable, turf was mowed and cleaned of trash, and provided support to numerous special events throughout the year.

As part of the annual parkway-paving program run by the Minneapolis Park and Recreation Board Maintenance Operations and Minneapolis Public Works, three sections of Minnehaha Parkway were renovated in 2003. Renovations consisted of milling out old pavement and replacing it with five inches of new pavement plus minimal curb and gutter work. Renovations were completed on the following areas:

- South side of Minnehaha Parkway, eastbound from Humboldt Avenue South to Lyndale Ave South;
- North side of Minnehaha Parkway, westbound from Lyndale Avenue South to 50th Street West;
- North side of Minnehaha Parkway, from 2nd Avenue South to Park Avenue.

Two segments of parkway roads were seal coated as part of the pavement management program between the City and the MPRB. The Park Board worked with the City to choose a special red rock that gave the parkways a pink appearance for ease of way finding and identification. For the second year in a row, an Ortonville granite rock was used on the parkways to seal coat the following areas:

- Minnehaha Parkway eastbound between Lyndale Avenue and Stevens Avenue; and
- East River Road between Franklin Avenue and Arlington Street Southeast.

Cracked and heaved sections of the perimeter sidewalk around Mueller Park were replaced and the MPRB Cement Shop repaired hazardous steps at Minnehaha Falls. Roof repair at the Southside Operations Center (3800 Bryant Avenue South) was completed with a total of 377 patches installed on the roof. Just prior to the start of the 2003/2004 winter skating season, the MPRB discovered that it could no longer purchase replacement light bulbs for the existing light fixtures that were used to illuminate the outdoor hockey rink at Lake of the Isles. The existing fixtures were 40 to 50 years old, and replacement light bulbs for these fixtures were no longer being manufactured. New, state-of-the-art light fixtures were purchased and installed that substantially reduced spill and glare light from the hockey rink

In an effort to reduce expenditures, in light of the MPRB budgetary restrictions, the Maintenance Division reduced the number of fishing piers from 11 to seven. Changes included the elimination of annual construction of hand-built piers at Cedar Lake, Lake Calhoun, Lake Harriet, Lake Nokomis and Lake Hiawatha. New floatable fishing piers were purchased for Cedar Lake, previously an annually constructed pier. Additional piers were purchased for Ryan Lake, a little known lake located near the border of the City of Minneapolis and the City of Robbinsdale.

One of the more surprising challenges for the Maintenance Division during the 2003 calendar year was the decision by the Minneapolis Park & Recreation Board of Commissioners to eliminate the portable restroom program due to budgetary constraints. This decision to eliminate all tax-supported portable restrooms throughout the MPRB system resulted in over 50 portable restroom units being removed. During the 2002-2003 skating season, the Maintenance Section maintained and operated 33 ice rinks including 27 general rinks, 22 hockey rinks, and 6 broomball rinks. The combined attendance for the ice rinks over the 10 week period was 127,373.

Due to budget cuts, mowing reductions were implemented in the spring of 2003 for areas that were not actively used and trimming of trees was reduced. Due to the tight budget situation the Board

faced, many of the fountains that the MPRB operated and maintained were slated for shut off for the 2003 season. Thanks to the efforts of numerous concerned Minneapolis citizens and their private fundraising efforts, all of the fountains eventually were operated. The only exception to this was the Gateway Fountain, which remained inoperable due to a major leak. The MPRB received a donation of \$25,000 in late 2003 from the Downtown Minneapolis Neighborhood Association to repair the Gateway Fountain, with repairs to be completed and the fountain operational in 2004.

On January 18-19, 2003 the National Speed skating Marathon was held at Lake of the Isles Skating rink. Forty to 50 internationally ranked skaters competed on the 1,000-meter track that was created for the race. The 1st annual City of Lakes Loppett Ski race was held in Winter 2003. The race was to begin at Theodore Wirth Park and end on Lake Calhoun, winding through Wirth Park and the Chain of Lakes. Warm weather and lack of snow made the use of the full course impossible, so a shortened version in the Chain of Lakes was held on February 1, 2003.

Minneapolis Public Library

The mission of the Minneapolis Public Library was to link people in the City and beyond with the transforming power of knowledge. An essential public institution for the active exercise of democracy and intellectual freedom, the library helped work toward a future where:

- people of all ages successfully navigated information for work, study, and play;
- the City, its businesses, and residents prosper;
- each library is a vital center in dynamic and diverse neighborhoods;
- cultural life is rich and varied;
- literacy is widespread; and
- everyone is enlivened by the joy of discovery, reading, and lifelong learning.

A 2003 study that ranked cities of 250,000 or more population in five different categories named Minneapolis the most literate city in the U.S. The Library Board began an extensive public participation process in Spring 2003 to chart a course for the Minneapolis Public Library (MPL) for the next three years. Heard consistently throughout this process was that people value the libraries, wanted to keep them open, and were willing to do what they can to support them. To respond to this feedback in the new environment of reduced public funding, the Library Board took measures to restructure staffing, hours, and operating expenses to accomplish:

- library service at all community libraries, Central Library Marquette, and Bookmobile;
- a balanced budget for 2004-06 responsive to MPL's mission and vision;
- a successful launch and adequate staffing for the New Central Library when it opens in 2006;
- all capital improvements planned for the 14 community libraries; and
- positioning the library for rebuilding system excellence in the future.

The library system served people through: the Central Library in downtown Minneapolis; 14 community libraries spread throughout the City; two technology centers and one literacy center; a bookmobile that visited more than 30 neighborhood location; reference service by phone and email; and 24/7 access at www.mplib.org to search the catalog; request and renew materials; link to search engines, databases, online periodicals, and book clubs; and visit Web for Kids and Web for Teens with links to activities and homework help.

Library Board and Administration

The library was governed by an independent Board of Trustees. Six are elected at large for four-year terms and two are appointed for two-year terms, one by the Mayor and one by the City Council:

Library Board 2003

Laura Waterman Wittstock, President (*appointed by Mayor*)

Rod Krueger, Secretary (*elected at large*)

Anita S. Duckor (*elected at large*)

George A. Garnett (*elected at large; resigned August 2003*)

Gregory Gray (*appointed by the Board in October to fill unexpired term of George Garnett*)

Diane Hofstede (*elected at large*)

Virginia Holte (*elected at large*)

Kathleen M. Lamb (*appointed by City Council*)

Laurie Savran (*elected at large*)

The Library Board was responsible for overseeing the establishment, management, and maintenance of public libraries in the City of Minneapolis and had the authority to levy a tax for the support of the library system. The Board also appointed the Director, who administered and

coordinated the operation of the library within the basic goals, objectives, policies, and principles approved by the Library Board. On February 20, 2003 the Library Board selected Katherine G. (Kit) Hadley to be the 11th Director of Minneapolis Public Library. Ms. Hadley was most recently the Commissioner of the Minnesota Housing Finance Agency (MHFA), where she provided cabinet level leadership under Governors Carlson and Ventura from 1994 to 2003. Jan Feye-Stukas, Acting Director since January 2002, returned to the post of Associate Director when Hadley assumed the Directorship on March 1, 2003.

The Library Board's 2003 budget was roughly equal to that of 2002, limited because the City-wide property tax increase was capped at 8%. This necessitated closing three additional holidays, two long weekends, and the full week of August 25-September 1, 2003, an action unprecedented since 1933. Also due to budgetary cutbacks, the Municipal Information Library in City Hall, established in 1972 through the cooperation of the City Council and the Library Board, closed in March; the librarian and portions of the collection were transferred to Central Library. On March 25, the Library Board was required to further reduce its 2003 Operating Budget by approximately 10%, due to anticipated cuts in Local Government Aid from the State of Minnesota. This reduction was accomplished by enacting one-time cuts, including reducing the personnel budget and deferring building repair projects and computer upgrades.

In April, the Board initiated a public participation process that resulted in three potential scenarios for delivering library service under a severely reduced budget. After extensive community input (received through an online survey, written comments, and at public meetings), the Board forwarded a 2004 budget that retained service at all libraries, with reduced hours, staffing, programs, and services. The 2004 budget adopted in November, 2003 was set at \$18.5 million, approximately 20% less than the already-reduced 2003 budget of \$22.9 million.

In order to accomplish MPL's goals and meet the City's information needs, the Director initiated an administrative reorganization that reduced the number of administrators and realigned staff into four Divisions: Patron Services, Collection & Technical Services, Library Operations, and Community Partnerships & Development. In place by October, the new management team cooperated to reallocate staff and make the necessary cutbacks through lay-off of approximately one out of every four positions by year's end.

Central Library

December 2003 marked the first full year of operation at Central Library Marquette, the interim downtown library at 250 Marquette Avenue. Due to the unfamiliar location, reduced hours, and portions of the collection being in long term storage, usage showed an overall decline from 2002, but was on the rise again by year's end. A series of "Getting Down to Business" workshops in the Fall drew in new users as it highlighted the Central Library's extensive business resources. Meanwhile, the New Central Library Project moved forward, on budget and on schedule. Highlights in 2003 included:

- The demolition of the 1961 Central Library and the start of construction for the new library, opening in 2006;
- Opening the 1959 time capsule in a public event focused on urban renewal;
- A groundbreaking celebration on May 20, 2003 to mark the construction startup milestone; and
- A process to select artists for public art projects in the new library, and a public event in November to preview the artists' designs.

Community Libraries

Minneapolis' community libraries were thriving centers of community gathering and lifelong learning. They provided access to the entire library collection as patrons requested materials for pickup at their nearest library. They also were places for neighborhood meetings, book clubs, free public computers, homework help, and more. Continuing its commitment to complete capital improvements at all 14 community libraries by 2010, the Library Board reached the following milestones in 2003:

- The start of restoration and redesign at the historic Sumner Library on the near north side, with an expansion and new main entry, designed by KKE Architects, commencing in April;
- The May approval of design development for renovation of Franklin Community Library by Meyer Scherer & Rockcastle Architects, with the library closing in August and, thanks to a community fundraising initiative, the opening of interim service next door in October; and
- The May 31, 2003 grand opening of the new Pierre Bottineau Community Library, replacing a former storefront location with a 12,000 sq. ft., accessible, state-of-the-art library, located in two reclaimed buildings plus a new wing in the historic Grain Belt campus in northeast Minneapolis.

Partnerships

MPL collaborated with a number of organizations and institutions in 2003 to enhance programs and outreach. The Minnesota Twins Community Fund sponsored the Summer Reading Program kickoff at Central Library Marquette in May. CONNECT/US-RUSSIA hosted a June visit from a group of librarians from Moldova. Marshall Fields piloted a new community service program, *Field Trips*, providing third grade students with arts experiences enriched by books and music from the library.

The American Library Association partnered with the National Institute of Child, Health and Human Development as one of 14 libraries participating in a nationwide study on early literacy. Through its "Neighbors Supporting Neighbors" initiative at City Center, Brookfield Properties supported displays about the New Central Library and support to The Friends of MPL for the New Central Library Capital Campaign. Minneapolis Public Schools assisted with deposit collections, class visits to the library, and librarian visits to schools. The Friends of Franklin, an ad hoc advocacy group, took on the challenge of raising operating funds for the Franklin interim location.

The Minneapolis Youth Coordinating Board funded the library's Homework Helper program, in its 10th year of supporting student success. The Minneapolis Institute of Arts provided classroom support materials in conjunction with the Touring Exhibition of "George Washington: A National Treasure." Minneapolis MOSAIC, a project of the City of Minneapolis and the office of Mayor R.T. Rybak to celebrate the arts and cultures of the city, participated with programs and a resource list. The Minnesota Board on Aging sponsored Senior Surf Days, helping seniors learn to surf the Internet. Hennepin County Medical Center and Friends of Libraries USA collaborated in Verizon's "Books for Babies" program, which distributed books and library information to parents of newborns.

Grants and Gifts

Through the generosity of lead donors and many others, the New Central Library Capital Campaign conducted by The Friends of the Minneapolis Public Library met its goal of reaching \$7 million in private support by the end of 2003, nearly halfway to the overall target of \$15 million. The Friends also received a \$250,000 capital grant from the Cargill Foundation to fund the addition of a community room as part of the Sumner Library restoration/redesign project.

Other funding supported and enhanced library programs and projects in 2003:

- \$10,000 procured by Hennepin County Community Health Department to support *Libraries Plus You*, a truancy prevention project that placed students for six hours of community service in a library of their choice;
- \$31,000 from the Youth Coordinating Board for the 2003-04 Homework Helper program,

which provided students with homework assistance, a personal connection to library resources, and a safe place to study;

- Accessibility grants from the Minnesota Department of Education - \$130,000 for Sumner Library and \$150,000 for Franklin Library;
- \$20,000 for Franklin Library from the State of Minnesota through the Minnesota Historical Society's Grants-in-Aid Program;
- \$25,000 from the Minneapolis Empowerment Zone for the Franklin Library interim site;
- Numerous Neighborhood Revitalization Program grants for library resources, technology, and capital improvements.

Civil Rights and Diversity

The Minneapolis Department of Civil Rights (MDCR) was established in 1967 to enforce the Minneapolis Civil Rights Ordinance and Title VII of the Civil Rights Act. Subsequently, through a number of ordinance amendments, protections were added making discrimination illegal based upon sex, affectional preference, disability, age, and marital status; with over 30 ordinance amendments passed between 1971 and the present. In addition to investigative and contract compliance functions, the Department offered a number of educational outreach services in an effort to educate the public about civil rights, prejudice and discrimination-related issues. The Small and Underutilized Business Program (SUBP) encouraged and fostered the economic development and expertise of small businesses, including those owned by women or minorities, by addressing barriers to their success and promoting opportunities to participate in the commerce of the city of Minneapolis.

Complaint Investigation

The Civil Rights Department's Complaint Investigations Unit provided a quality process for the investigation and resolution of complaints of discrimination, and also provided education for the community concerning civil right protections and processes. Staff responded to civil rights inquiries and conducted investigations that included early resolution of discrimination complaints through mediation and conciliation.

In an effort to increase participation and awareness and access to our services, the unit instituted a Community Intake program. Staff from the Investigations Unit maintained regular hours at and contact with community-based organizations throughout the City, and was able to take the complaints of discrimination at community centers near residents' homes.

The Complaint Investigation Unit of the Minneapolis Department of Civil Rights performed a full, fair and impartial investigation of discrimination occurring in Minneapolis. To ensure the fairness of the investigation, the Complaint Investigations Officers remained neutral throughout the investigation.

The person(s) bringing forth the charge of discrimination, the Complainant, met with the Intake Officer to detail the incident and draft the charge. The charge of discrimination included:

- A statement of what happened;
- A summary of the explanation offered about the incident; and
- A citation of the relevant portion of the civil rights ordinance.

The charge of discrimination was signed by the Complainant, notarized, and sent to the Respondent (the organization or person named as responsible for the incident). The investigation of the complaint included both interviews with key people involved in the incident, and reviews of documents and records that related to the case.

At the conclusion of the investigation, the Executive Director issued a final determination which was based on the facts gathered in the case and in keeping with recent case law precedents. The Director's Determination of Probable Cause to believe discrimination occurred was forwarded to the Minneapolis Commission on Civil Rights for a hearing. A determination of No Probable Cause may be appealed to the Commission.

Remedies available for those charges in which Probable Cause was determined include policy changes to correct the discrimination, compensation for possible lost wages in employment cases, apologies, punitive damages and other remedies which corrected the situation. Complainants and Respondents did, at times, agree to settle a charge for terms that are agreeable to them prior to the

completion of the investigation. The Investigator facilitated the mediation if that was the will of the parties. In 2003, the Complaint Investigations Unit received 238 charges of discrimination.

Contract Compliance

The Contract Compliance Unit promoted equal opportunity and affirmative action through quality programs, research, education, and contract compliance, accomplished through enforcement of Chapter 139.50 of the Minneapolis Civil Rights Ordinance. The Contract Compliance Unit conducted affirmative action reviews for businesses providing goods or services to the City and assisted such businesses in achieving affirmative action employment goals. The unit also monitored designated construction and development projects for adherence to the Davis-Bacon Act (prevailing wages) and other federal or City mandates. On an annual basis, the MCDR is responsible for monitoring over 100 construction projects worth approximately two billion dollars. In addition the department receives and reviews over 500 affirmative action plans. In 2003 the MCDR sought wage restitution for 41 employees, amounting to \$69,800.00.

Small and Underutilized Business Program

The Small and Underutilized Business Program (SUBP) provided small businesses, including those owned by women or minorities, with access to City business opportunities. That access included the procurement of goods, materials and services, as well as construction and economic development projects. The program attempted to eliminate disparities in the use of small, women, and minority-owned businesses on City funded contracts in the areas of construction, development and the provision of goods and services. The SUBP achieved those objectives through increased outreach efforts that enhanced the knowledge and capacity of certified businesses, through activities that addressed and eliminated historical and systemic barriers to successful participation, and through the establishment of participation goals for projects generated by public funds or assistance.

The City of Minneapolis and the SUBP continued to develop relationships and partnerships, including those with Hennepin County, the Minnesota Surety Association, and the National Association of Minority Contractors of the Upper Midwest, Ramsey County, and the City of St. Paul. From January 1, 2000 through January 30, 2004, the following number of businesses became certified in the certification categories listed below.

Small Business Enterprises:	243
Small, Women, Minority Business Enterprises:	37
Small Minority Business Enterprises:	170
Small Women Business Enterprises:	264

Commission on Civil Rights

The Commission was a 21-member citizen-body appointed by the Mayor or City Council, with a minimum of six and a maximum of eight of the 21 commissioners being attorneys. The Civil Rights Commission implemented the City's Civil Rights policies through public information, education, mediation, conciliation, and enforcement. The primary objective of the Commission was to promote and protect the civil rights of the citizens of Minneapolis.

The Civil Rights Commissioners served on standing committees and panels that reviewed and heard allegations of civil rights violations in Minneapolis. Some of these allegations were heard through a public hearing process in which a panel of commissioners served as the judge and jury and decided the outcome of cases based on the facts presented at the hearing. Commissioners also reviewed appeals on Minneapolis Civil Rights Department no probable cause determinations.

Civilian Review Authority (CRA)

The Civilian Review Authority (CRA) investigated allegations of misconduct on the part of officers of the Minneapolis Police Department and made findings of fact and conclusions based upon those findings. For the year 2003, CRA had 158 signed complaints. In July 2003, the Mayor and City Council appointed a seven-member board to hear cases of misconduct, review police policies and training procedures and make recommendations for change. The board began hearing cases, and remains active with community outreach and educating the citizenry on the new procedures for the redesigned CRA.

Community Outreach, Education and Advocacy

The department participated in a variety of community celebrations and cultural events, including sponsoring workshops, forums, and radio series designed to foster community and economic development. In 2003, the goal to sponsor four Community Summits was achieved: Community Summit I for African-Americans, Community Summit II for Hispanic/Latino/Chicanos, Community Summit III for Asian Pacific Islanders, and Community Summit IV for American Indians. The purpose of these Summits was to open the dialogue between these cultural communities and elected officials, discuss needs and concerns, and develop recommendations to present and implement. Each Summit enjoyed success with over 200 in attendance at each session.

Department Publications

City of Minneapolis Civil Rights Ordinance

A Guide to Understanding Our Laws and Your Civil Rights

Civil Rights in Minneapolis

Contract Compliance Rules and Regulations

Affirmative Action Plan Guide

Modified Affirmative Action Plan Guide

Pre-construction Booklet

A Guide to Starting a Business in Minnesota, Minnesota Department of Trade and Economic Development

Central Certification (CERT) Program Business Directory

Central Certification (CERT) Program Application

City of Minneapolis Small Business resource Directory

City Ordinance Chapter 423. Small and Underutilized Business Enterprise Program

Introduction to the City of Minneapolis Finance Department Procurement Division

Minneapolis Department of Civil Rights Small & Underutilized Business Enterprise Program

Small Business Compass (Quarterly Newsletter)

City of Minneapolis Department of Civil Rights Small and Underutilized Business Program (SUBP) handout (Includes Mission Statement, Policy, Program Objective, Program Function)

SBE/MSA Partner Program brochure

SBE Helpline card

Central Certification (CERT) Program Collaborative Members Availability Data for Construction Firms in the Minneapolis MSA (Metropolitan Statistical Area)

Minneapolis Commission on Civil Rights Rules and Procedures for Contested Case Hearings

Early Childhood Care and Education

Supply

As of December 2003, there were spaces for 16,674 children in Minneapolis in 509 licensed family child care homes and 172 child care centers, preschools/nursery schools, school age programs, and Head Start/Early Head Start programs.

City of Minneapolis Support

City dollars leveraged other funds and enhanced accessibility and quality of child care services in every Ward of the city. In 2002-2003, the City allocated Community Development Block Grant (CDBG) funds to support child care in partnership with the Greater Minneapolis Day Care Association (GMDCA). CDBG funds were used for: capital improvements for child care facilities; a sliding fee child care assistance program for low income working parents; and support for building quality through technical assistance, on site consultation, training and grants. In 2002-2003, 530 providers, 76 families, and 2,900 children were served with a combination of these services.

Finance

Affordability continued to be a barrier for families. An \$86 million dollar cut made was by the State to the Child Care Assistance program. Hennepin County's voluntary contribution of \$3.1 million dollars was cut by \$ 1.3 million. The waiting list for Child Care Assistance grew to a 20 to 24 month waiting period. Over 3,000 families who work or go to school were on the waiting list in Hennepin County and 1,400 of those families live in Minneapolis.

For families who did get assistance, average co-payments doubled and the eligibility level was dropped from about 290% of poverty to 175%. As of July 1, 2003, 122 Minneapolis families were cut from the program and many more families have lost eligibility since then. In 2002-2003, CDBG funds assisted 76 families and 190 children with child care costs on a short-term basis, filling part of the gap that a lack of State funds created. Minneapolis families waited three to six months less than other families for child care assistance thanks in part to the CDBG allocation. Minneapolis funds were also used to support an Emergency Fund which supported families by paying up to one month of their child care costs during a time of difficulty, such as homelessness or domestic abuse situations.

State cuts also hit Minneapolis providers very hard and many providers lost children whose families could no longer afford care. The City's CDBG allocation was cut by \$185,000 for 2004-05 which required reductions in the above services and added to the negative impacts of decisions made by the State legislature and County Board. Market rates for child care assistance reimbursements were frozen at 2002 levels, meaning that serving subsidized children caused providers to lose money. Two long time child care centers, American Indian OIC and Northstar Child Development closed their doors December 31, 2003

Infrastructure

Child care spaces are an essential element of quality and accessibility. The CDBG Renovation Loan Program funded 32 family child care homes and centers to upgrade or expand their child care facilities. Over \$323,000 was awarded in the form of partially forgivable loans – the money that is received as repayment will then used to fund future projects.

GMDCA also worked in partnership with the City to support Healthy Environments for Early Learning (HEEL) initiative, providing lead poisoning prevention, air quality assessment, and solutions for environmental health issues that were present in many licensed child care facilities. GMDCA provided county-wide onsite consultations for child care homes and centers, technical assistance,

and training for child care providers. In addition, enhanced consulting and training was provided for Minneapolis providers, including culturally specific services provided by Hmong and Latino Child Care Specialists. GMDCA subcontracted with community based agencies to address specific needs in the child care community. The Early Childhood Resource and Training Center (ECRTC) supported child care providers through Impact, a program designed to move entry level child care staff up to assistant teacher or teacher level qualifications, and Joyce Nursery School received a small grant to support bi-lingual programming. In 2002-2003, GMDCA helped launch the School Readiness initiative in partnership with the Youth Coordinating Board (YCB) which provided early literacy training to more than 180 child care providers in Minneapolis.

Minneapolis Licensed Child Care Providers, December 2003

Type of Care	Number	Capacity	Average Weekly Child Care Rates by Age*			
			Infant	Toddler	Preschool	School Age
Family Child Care	509	5,682	\$154.63	\$147.70	\$137.78	\$125.51
Child Care Center	96	6,091	\$262.79	\$217.73	\$187.33	\$171.64
Preschool/Nursery School	23	1,048				
Before/After School Program	44	1,821				
Head Start/Early HS	9	2,032				
Total	681	16,674				

Type of Care	Number	Capacity	Average Weekly Child Care Rates by Age*			
			Infant	Toddler	Preschool	School Age
Family Child Care	15	172	\$177.50	\$170.00	\$162.50	n/a
Child Care Center	5	288	\$231.25	\$200.00	\$168.67	n/a
Preschool/Nursery School	3	203				
Before/After School Program	5	157				
Head Start/Early HS	0	—				
Total	28	820				

Type of Care	Number	Capacity	Average Weekly Child Care Rates by Age*			
			Infant	Toddler	Preschool	School Age
Family Child Care	77	831	\$147.38	\$140.93	\$130.79	\$121.09
Child Care Center	2	127	\$245.00	\$199.50	\$179.50	n/a
Preschool/Nursery School	1	24				
Before/After School Program	3	110				
Head Start/Early HS	0	—				
Total	83	1,092				

Type of Care	Number	Capacity	Average Weekly Child Care Rates by Age*			
			Infant	Toddler	Preschool	School

						Age
Family Child Care	0	—	—	—	—	—
Child Care Center	12	937	\$269.50	\$226.50	\$193.78	\$200.00
Preschool/Nursery School	1	20				
Before/After School Program	3	80				
Head Start/Early HS	1	50				
Total	17	1,087				

Longfellow

Type of Care	Number	Capacity	Average Weekly Child Care Rates by Age*			
			Infant	Toddler	Preschool	School Age
Family Child Care	37	401	\$164.31	\$155.13	\$140.50	\$137.50
Child Care Center	5	338	\$321.25	\$231.75	\$185.35	\$145.42
Preschool/Nursery School	2	60				
Before/After School Program	7	330				
Head Start/Early HS	0	—				
Total	51	1,129				

Near North

Type of Care	Number	Capacity	Average Weekly Child Care Rates by Age*			
			Infant	Toddler	Preschool	School Age
Family Child Care	121	1,394	\$152.88	\$145.95	\$133.50	\$124.17
Child Care Center	13	1,097	\$222.60	\$186.17	\$168.50	\$177.60
Preschool/Nursery School	1	18				
Before/After School Program	0	—				
Head Start/Early HS	2	508				
Total	137	3,017				

Nokomis

Type of Care	Number	Capacity	Average Weekly Child Care Rates by Age*			
			Infant	Toddler	Preschool	School Age
Family Child Care	74	809	\$160.62	\$150.60	\$142.06	\$128.09
Child Care Center	4	220	\$256.00	\$219.00	\$173.50	\$188.50
Preschool/Nursery School	1	20				
Before/After School Program	7	315				
Head Start/Early HS	1	942				
Total	87	2,306				

Northeast

Type of Care	Number	Capacity	Average Weekly Child Care Rates by Age*			
			Infant	Toddler	Preschool	School

						Age
Family Child Care	34	368	\$128.13	\$121.06	\$115.63	\$106.88
Child Care Center	3	186	n/a	\$241.40	\$210.83	\$163.30
Preschool/Nursery School	3	124				
Before/After School Program	5	209				
Head Start/Early HS	1	102				
Total	46	989				

Phillips

Type of Care	Number	Capacity	Average Weekly Child Care Rates by Age*			
			Infant	Toddler	Preschool	School Age
Family Child Care	21	260	\$153.75	\$143.10	\$133.00	\$124.00
Child Care Center	10	524	\$312.21	\$269.68	\$215.73	\$176.53
Preschool/Nursery School	3	78				
Before/After School Program	0	—				
Head Start/Early HS	3	248				
Total	37	1,110				

Powderhorn

Type of Care	Number	Capacity	Average Weekly Child Care Rates by Age*			
			Infant	Toddler	Preschool	School Age
Family Child Care	82	934	\$153.47	\$147.43	\$138.77	\$125.47
Child Care Center	16	751	\$275.68	\$223.87	\$201.32	\$175.30
Preschool/Nursery School	2	87				
Before/After School Program	4	260				
Head Start/Early HS	0	—				
Total	104	2,032				

Southwest

Type of Care	Number	Capacity	Average Weekly Child Care Rates by Age*			
			Infant	Toddler	Preschool	School Age
Family Child Care	40	417	\$180.00	\$173.75	\$169.29	\$165.00
Child Care Center	16	878	\$233.86	\$199.42	\$176.36	\$146.40
Preschool/Nursery School	4	340				
Before/After School Program	8	277				
Head Start/Early HS	0	—				
Total	68	1,912				

University

Type of Care	Number	Capacity	Average Weekly Child Care Rates by Age*			
			Infant	Toddler	Preschool	School

						Age
Family Child Care	8	96	\$160.00	\$154.50	\$146.67	\$122.50
Child Care Center	10	745	\$263.52	\$213.69	\$191.39	\$169.20
Preschool/Nursery School	2	74				
Before/After School Program	2	83				
Head Start/Early HS	1	182				
Total	23	1,180				

* child care rate data was collected October to December, 2002

For more information, contact the Greater Minneapolis Day Care Association at (612) 341-1177.

Youth Coordinating Board

Established in 1985 through a State authorized joint powers agreement among the City of Minneapolis, the Minneapolis Public Schools, the Minneapolis Park and Recreation Board, the Minneapolis Library Board and the Hennepin County Board of Commissioners, the Minneapolis Youth Coordinating Board (YCB) was an intergovernmental organization dedicated to promoting the healthy, comprehensive development of Minneapolis children and youth ages 0-20 through collaborative action.

The YCB was governed by a 13 member board of elected officials that includes the Mayor of Minneapolis, two Minneapolis City Council members, two Minneapolis School Board members, two Hennepin County Commissioners, one Minneapolis Park and Recreation Board Commissioner, one Minneapolis Library Board member, the Chief Judge of Hennepin County District Court-Juvenile Division, the Hennepin County Attorney, and chairpersons of the Minneapolis delegations to the Minnesota House of Representatives and the Minnesota State Senate. In 2002 the YCB made the bold move to strengthen the policy function of the Board by focusing on specific priorities and moving away from the direct management of programs. The Board believed that programs and services should be delivered at the community level and that the most effective role of a policy board is to develop and work towards common goals and strategies for children and youth.

Programs, Partnerships and Initiatives

Minneapolis Way to Grow – Minneapolis “Way to Grow” (WTG) was a citywide school readiness program that sought to assist families and children (newborn to six years old) through a community driven approach that built on family strengths and the natural support systems within each community. WTG connected families with services and resources available in their community and encourages prevention and early intervention services. Way to Grow will become an independent non-profit agency in 2004.

Minneapolis Redesign - The “Minneapolis Redesign” was a collaborative effort of families, communities, schools, and other public, private and nonprofit organizations working together to bring health, social services and other community resources into school buildings. The effort made it easier for families to access resources and for schools and human services to work together on behalf of children and families. With the goal of healthy development and school success for all Minneapolis children and youth, the “Minneapolis Redesign” coordinated two separate efforts for children. The program also operated three Family Resource Centers (FRCs) in Andersen Complex, Northstar School and Northeast Middle School. The FRCs served as regional hubs to coordinate resources for the schools in their communities. The FRCs served nearly 7,000 children in 2003 and formed more than 40 partnerships with outside agencies. The second major program of the “Minneapolis Redesign” is the Attendance Liaison Project (ALP). This project provided funding for 17 Minneapolis Public Schools to hire an Attendance Liaison to do early intervention work with students experiencing attendance problems. ALP has shown success in increasing the number of children attending school at least 95% of the time. The Attendance Liaison Project was transitioned to Minneapolis Public Schools’ management in April 2003 and the Family Resource Centers will be transitioned to MPS management in 2004.

Minneapolis FATHER Project - The “FATHER Project's” mission was to assist fathers in overcoming barriers that prevent them from fully supporting their children, both financially and emotionally. The “FATHER Project” sought to help low-income, non-custodial fathers overcome barriers so they could become and/or remain consistently involved in the lives of their children. Eligible fathers were between 16 and 30 years old, unemployed or under employed, and dealing with child support issues in Hennepin County. The demonstration period of the project ended successfully on December 31, 2003 through the supportive involvement of the major collaborating partners: the Minneapolis Youth

Coordinating Board, the City of Minneapolis Employment and Training Program, the Neighborhood Employment Network, Hennepin County Child Support Division, and the Minnesota Child Support Division. These partners remain involved through the post-demonstration transition. The "FATHER Project" plans to continue to offer the same critical services to fathers in 2004, expanding its partnership with Goodwill/Easter Seals of Minnesota.

What's Up? Youth Information Line – "What's Up?" originally began when the Minneapolis Youth Coordinating Board commissioned the 1996 "Places to Grow" study. The study reported that a lack of information about youth programs created a significant barrier to participation. In June 1996 the YCB responded by creating the "What's Up?" Youth Information Line that provided callers with information about local youth programs and activities. Replicated in the east metro area in 1998 through an agreement with the United Way of St. Paul, the combined "What's Up?" established an extensive database of local youth opportunities. In January of 2003, "What's Up?" employees and youth initiatives were moved from the Minneapolis Youth Coordinating Board to "YO! The Movement," a non-profit youth membership organization. In 2004 "What's Up?" will be expanding its service area for the creation of the "What's Up?" network that will help link thousands of young people throughout the greater metropolitan area to thousands of positive youth development activities, events, programs, people and opportunities for growth and leadership. YO! plans to consolidate "What's Up?'s" Minneapolis and East Metro operations while expanding services to include the Northwest and South metropolitan areas.

Minneapolis Youth Council (MYC) - The Minneapolis Youth Council originated as the Minneapolis Mayor's Youth Council, through the Minneapolis Youth Coordinating Board, and was created to engage young people in public policy at a state and local level. MYC is now housed inside "YO! The Movement." MYC identified areas of concern for young people in Minneapolis and worked to bring about positive change. These opportunities for civic engagement and youth leadership allowed MYC members to positively influence their neighborhoods.

Youth Coordinating Board School Readiness Initiative - In late fall 2002, YCB launched a \$1 million "School Readiness Initiative," funded by a federal Early Learning Opportunities Act (ELOA) grant with a 15% match from the YCB. The Initiative's goal was to increase the number of Minneapolis children entering kindergarten ready to learn. YCB "School Readiness Initiative" strategies and 2003 outcomes included:

- Increasing the quality of early care and education by offering free early literacy training (180 providers trained), T.E.A.C.H.® teacher scholarships (28 scholarships given) and retention grants (103 grants given) to child care providers/early childhood teachers in Minneapolis;
- Promoting early childhood screening at age 3 to identify learning problems well before kindergarten entry. The "Screen at 3" campaign, launched in April 2003, has dramatically increased the percentage of children screened at younger ages;
- Strengthening the connection between families and appropriate school readiness resources through development of a "school readiness clearinghouse" concept that will offer referrals for families to appropriate resources;
- Disseminating early literacy materials to parents through a free book and early literacy strategy that is being implemented in 10 community clinics and multiple community agencies;
- Measuring progress by developing a "State of Young Children in Minneapolis" report card, to be finalized in 2004;
- Helping to shape an early childhood system by connecting early childhood partners and inventorying gaps and overlaps.

Step Up Initiative – "Step-Up" was a new initiative of the Minneapolis Youth Coordinating Board designed to connect Minneapolis youth to opportunities in employment, education, and recreation to connect youth to positive activities such as jobs, internships, volunteer opportunities, recreational

opportunities and sports. Employers assisted young people ages 14 to 21 by giving them the chance to explore career options while earning money at on-site workplace training through employment and internships. In 2004, "Step Up" will become part of CPED's "Close the Gap" Initiative and has received funding to continue in summer 2004 through "Close the Gap" funding. The Minneapolis Employment and Training Program (METP) has contracted with "Achieve! Minneapolis" to run "Step Up" through summer 2004. The focus of this initiative has been narrowed since 2003 – "Step Up" will focus on securing private sector jobs for 16-21 year old Minneapolis youth and on making sure the young people are "work ready" to meet employer needs. The goal is 200 new private sector jobs and 200 young people certified as "work ready."

Youth Sports Initiative - The YCB "Youth Sports Initiative" aimed to build a youth sport system in Minneapolis that provided opportunities for young people to engage in sports at all levels. In filling a gap in providing girls' sports, in the fall of 2003 YSI increased girls' volleyball teams by 50%, adding 17 additional teams and adding more than 200 girls to the rosters. In the spring of 2004 the YSI is kicking off a major fundraising campaign and will be exploring new and creative ways to support sports. Youth in Minneapolis After School Program (Y-MAP) - Youth in Minneapolis After School Program (Y-MAP) was supplemental funding given to parks, schools and libraries to provide after school activities for Minneapolis young people in grades 6 through 8. The Minneapolis Youth Coordinating Board reimbursed eligible expenses through dollars provided by the Minneapolis City Council.

Phat Summer - operated jointly by the Minneapolis Youth Coordinating Board, the Minneapolis Park and Recreation Board, Minneapolis Public Schools' Family and Community Educational Services, and endorsed by the Mayor, this program ran for eight weeks from mid-June to mid-August serving youth ages 12-18. In 2003, 12 to 139 youth per site per night attended one or more of the 25 programs offered at various sites with a total of 3,611 youth participating in Phat Summer in 2003, with 23,224 total contacts.

Transportation

Transportation and Parking Services Division of the Minneapolis Public Works Department provided information on travel trends, traffic accidents, street lighting, managing the City's parking infrastructure, and bicycle facilities.

Public Works' Engineering Services Division furnished information on roadway jurisdictions and mileage, residential paving and storm drain separation programs, and bridge conditions.

Public Works' Field Services Division provided information on residential pavement condition and the City's preventive maintenance programs.

The Downtown Minneapolis Transportation Management Organization (TMO) provided information on travel demand management efforts in downtown Minneapolis.

Metro Transit provided information related to public transit service and ridership in Minneapolis.

Transportation

Travel Behavior in the Region

Information on regional travel behavior from the Metropolitan Council and the Census was released and presented in August 2003. The 2000 Travel Behavior Inventory included information on regional travel patterns and behavior, including mode of travel, trip time, and original patterns. At the regional level, there were a number of significant findings, which had direct and indirect impacts on the transportation infrastructure and quality of life in the City.

The number of trips continued to increase faster than the rate of population and household growth. Between 1990 and 2000, the number of households grew 14%, while the number of vehicle trips increased 22%. The “per person” trip rate increased from 3.9 to 4.2 trips per day between 1990 and 2000.

Transit constituted 2.5% of all trips, the same as in 1990, while the number of “drive-alone” trips increased from 49.5% to 50.8%. The percentage of trips taken in carpools increased from 43.9% to 45.1%, while the percentage taken by all other modes decreased from 4.1% to 1.6%. Despite the slight increase in carpool trips overall, the average occupancy of automobiles for work trips continues to decline, from 1.07 in 1990 to 1.05 in 2000.

The number of miles traveled by vehicles increased faster than the number of trips, indicating that trip lengths were increasing. This was reflected in a three-minute increase in the average commute time (from 21 in 1990 to 24 in 2000).

Roadway Jurisdictions

The City worked with partners at the Federal, State and County levels to maintain its streets and roadways. Each level of government could request changes to transfer jurisdiction based on changing characteristics or policy framework. Recent State of the City reports identified a number of potential jurisdictional changes in roadways; these and other negotiations are still underway.

Total Roadway Centerline Miles by Jurisdiction

2003

Type of Roadway	Miles
Interstate Highways	
I-35W	9.9
I-94	10.1
I-394	4.3
Total	24.3
Other State Trunk Highways	17.7
County-State-Aid Highways	81.5
Parkways and Special Park Roadways	59.0
Municipal-State Aid Streets	203.3
Other City Streets	704.0
City Alleys	455.0
TOTAL	1,544.8

Source: Minneapolis Public Works Department, Engineering Services Division

HOV (High Occupancy Vehicle) Lanes

Last year, the State legislature authorized a demonstration project on I-394 that would allow single occupant drivers to pay a toll to use the HOV lane. Buses and carpools will continue to use the lanes free of charge, and tolls will be set high enough so that the lanes do not become congested. The new High Occupancy/Toll (HOT) lane will be used on an "as-needed" basis and involve automated electronic fare collection (rather than toll booths). Tolls will vary based on demand (e.g., higher prices during peak rush hour).

The "MnPass" program may be implemented as early as 2004. Potential benefits of the program include new mechanisms for transportation financing, a means of providing choice for more reliable conditions, and a more efficient use of limited transportation infrastructure. Transit and carpools will continue to have reliable travel conditions free of toll charges. Primary concerns include the fact that such a program effectively increases the capacity of the roadway for driving alone. As well, those concerned with social and economic equity suggest that such a program primarily benefits those on the higher end of the economic spectrum. These concerns could be addressed over time by balancing investment between general-purpose lanes, HOT lanes, and transit infrastructure such as light rail and busways.

35W and the Crosstown Commons

In 2003, Mn/DOT refined the concept plan for the 35W/Crosstown Commons project and began preliminary geometric layout. Traffic forecasting and traffic operations modeling was completed, while an environmental impact analysis, begun at the beginning of the year, neared completion. Municipal approval of preliminary engineering was anticipated in early 2004. Construction is still anticipated between late 2005 and 2009. The 35W Access Project will involve changes to and improved access to Lake Street from 35W. Preliminary design layouts, which also included moving ramps from 35th/36th Streets to 38th Street, were submitted for review to the Minnesota Department of Transportation and the Federal Highway Administration. The Governor's 2003 bonding bill included money for continued design-related work. Primary outstanding issues included obtaining full funding commitment from the State, coordination with other corridor improvements, and resolving concerns about negative impacts of increased traffic and the prospective widening of Lake Street.

Street Renovation and Paving Program

Public Works developed a framework to set the priorities of the street renovation program, relative to the age and condition of the streets and the kinds of rehabilitation work the streets have experienced in the past. There were nearly 1,400 miles of paved driving surfaces under the jurisdiction of the City of Minneapolis, including local streets and alleys. The Department of Public Works, Paving Construction Division, was responsible for major rehabilitation or reconstruction of those surface streets and sidewalks.

The following is a list of Public Works projects for the 2003 and 2004 construction seasons.

2003 Projects	From - To	Mileage	Estimated Expenditure
3rd Ave. S.	Washington Ave. to 5th St. S.	0.17	Carryover from 2002
Central Ave. NE *	27th Ave. NE to 37th Ave. NE	1.42	\$7,450,000
10th St. S.	3rd Ave. S. to Park Ave.	0.28	\$2,405,000
38th St. E.	23rd Ave. S. to Hiawatha Ave.	0.58	\$2,410,000
Nicollet Ave.	46th St. E. to M'haha Cr. Bridge	0.76	\$3,975,000
South Linden Hills	Renovation Program		\$2,440,000
East University	Renovation Program		\$1,595,000
Central Phillips	Renovation Program		\$2,910,000
Huron Blvd.	at Fulton St. SE		\$130,000
Regina Field	Renovation Program		\$335,000
	2003 Total		\$23,650,000
2004 Projects			
Central Ave. NE *	27th Ave. NE to 37th Ave. NE	1.42	\$7,450,000
15th Ave. SE	5th St. SE to Como Ave. SE	0.51	\$2,695,000
LaSalle Ave. S.	Grant St. W. to Franklin Ave. W.	0.49	\$2,968,000
Richfield Road	39th @ Sheridan Ave. S. to 36th St. W.	0.6	\$2,926,000
9th Ave. S.	Washington Ave. to 2nd St. S.	0.08	\$480,000
University West	Renovation Program	2.3	\$2,366,000
Como North	Renovation Program	4.32	\$2,491,000
	2004 Total		\$21,376,000

* Major portion of work will be completed in 2004

Alley Resurfacing Program

The prevalence of alleys throughout City neighborhoods, and the access they provide to housing, made them an important part of the transportation network in Minneapolis neighborhoods. Due to cost constraints, this system of 455 miles of paved alleys is older than residential streets. The previous resurfacing program was terminated in 1991 due to budgetary constraints. The City recently completed a successful two-year pilot study on a new method to renovate alleys. A bituminous overlay can now be placed economically utilizing a small, self-propelled paving machine. As a result of this pilot project, the City initiated a new alley surfacing program to renovate between 30 and 40 alleys each year.

Downtown Traffic

In 2003, the Public Works Department conducted its 18th "Cordon Count" for Downtown Minneapolis, a count of vehicles and people entering and leaving the Minneapolis Central Business District (CBD) at specific locations. A summary report compared these totals with those obtained between 1958 and 1998. Each of these counts took place on the second Wednesday in September between 6:30 a.m. and 6:30 p.m. Slight precipitation on the survey day in 2003 may have accounted for the

decline in pedestrian/bicycle counts over that in 1998, and average automobile occupancy reversed its consistent downward decline since 1958 when it was 1.44. Some of the key data are as follows:

Vehicles entering and leaving Downtown Minneapolis

	2003		1998	
Total vehicles	310,028		328,298	
Automobiles	266,305	(85.9%)	283,505	(86.4%)
Transit vehicles	8,111	(2.6%)	7,570	(2.3%)
Taxi	8,111	(2.6%)	7,272	(2.3%)

People entering and leaving Downtown Minneapolis by mode

	2003		1998	
Automobile	335,544	(64.2%)	347,548	(64.2%)
Bus	108,663	(20.8%)	107,201	(19.8%)
Pedestrian	35,255	(6.7%)	10,976	(2.0%)
Taxi	10,692	(2.0%)	39,982	(7.4%)
Bicycle	4,323	(0.8%)	4,959	(0.9%)

Average vehicle occupancy

	2003	1998
Automobile	1.26	1.23
Bus	13.40	14.16
Taxi	1.47	1.64

Traffic Accidents

The City analyzed locations that had higher accident rates or dramatic changes in accident rates. Some of the issues and solutions that Public Works addresses included:

- Minor malfunctioning of signal timing or Walk/Don't Walk indicators that were not detected by the central computer;
- Left turn accidents at congested intersections, which could be alleviated by adding a left turn arrow; and
- A change in the roadway and intersection environments, such as damage to signage or the growth of tree branches that may have obstructed views.

The total number of accidents in 2003 continued declining for the third year in a row, following a substantial increase (19%) in 2000. Injury accidents were down 25% since the late 1990s. Pedestrian accidents showed a similar decline. Bicycle accidents held steady, despite increased volumes of bicycles and improved bicycle lane/trail facilities.

Traffic engineers paid special attention to the newly redesigned Hiawatha Avenue corridor, in preparation for introduction of Light Rail Transit in 2004. Pedestrian access to the LRT stations will be closely monitored. Newly relevant was the introduction last year of new speed limits on Hiawatha Avenue. From the existing limit of 35 mph, limits were increased to 50 mph for southbound traffic between Downtown Minneapolis and just south of the Cedar Avenue bridge, to 55 mph for northbound traffic from 26th Street, to 40 mph between 26th Street and 50th Street, and to 45 mph between 50th Street and Trunk Highway 62 ("the Crosstown"). In addition to an ongoing public safety campaign that began last year, measures to address safety of pedestrians and drivers crossing Hiawatha Avenue and the LRT tracks include/will include:

- Gate arms and flashers to alert drivers and prevent cars from advancing or turning while the train is crossing;
- Signage stating "Don't stop on tracks;"
- Signage stating "No Turn on Red;"

- Signal timing to clear intersections of cross traffic prior to the arrival of the train;
- Pedestrian level signage stating: "Look Both Ways;"
- Zebra striped crosswalks;
- Pedestrian "Walk/Don't Walk" indicators with a countdown timer;

**Traffic Accidents, by Type
1999 to 2003**

	1999	2000	2001	2002	2003
Total Accidents	7,077	8,418	8,079	7442	7018
Injuries	4,051	4,140	3,626	3297	3051
Fatalities	10	17	19	12	14
Pedestrian Accidents	383	352	373	367	268
Pedestrian Fatalities	5	2	9	5	2
Bicycle Accidents	304	298	269	232	234
Bicycle Fatalities	0	1	0	1	1

Source: Minneapolis Public Works Department, Transportation and Parking Services Division

Sidewalk Maintenance Program

The Sidewalk Division of the Public Works Department maintained the City's 1,900 miles of sidewalks and oversaw the inspection and construction of sidewalks associated with all street-paving projects. New standards developed in 2003, to be implemented in 2004, included new specifications for tree grates and pedestrian ramps. During the 2003 construction season, over \$4.7 million was spent on sidewalk infrastructure Citywide, compared to \$3.2 million the previous year. The focus of activity during the past construction season was the following areas: Folwell, Webber-Camden, McKinley, University East, Central Phillips, Bancroft, Lynnhurst, Armatage, south Linden Hills, and Powderhorn Park.

Bridges in the City

Minneapolis had a total of 608 bridges within the City limits (excluding bridges as part of interstate highways). Of the 608 bridge structures, 281 structures carried railroad, pedestrian, and skyway (pedestrian) traffic over roadways. The remaining 327 bridge structures carried roadways over creeks and rivers, railroads, and other roadways. The City and Park Board owned 179 of these bridges and the City maintained an additional 149 bridges as a result of agreements with other entities.

Since the late 1970s the City has had an aggressive bridge replacement program, successfully securing a variety of funding sources to finance bridge repair and replacement. An ongoing five-year program was revised each year by the Public Works Department to keep the bridge network viable. The Public Works Department performed annual structural inspections of all bridges according to strict criteria set up by the Federal government.

In 2002, the Public Works Department developed updated information on the structural deficiency and budget implications of future bridge rehabilitation and replacement. At the end of 1999, 27 bridges were structurally deficient, and 30 were functionally obsolete, as defined by Federal rating criteria; the cost of replacing these bridges was estimated at about \$50 million in 1996 dollars. By 2002, the City had estimated that about 85 more bridges built prior to 1940 would need to be added to the deficient list, and would require an additional \$70 million in 1996 dollars. At the replacement rate of four bridges per year, it would take about 20-25 years to replace these deficient structures without counting additional bridges that may become deficient as they exceed their useful life of 60 years.

Pedestrian Level Lighting

The City was in the process of developing a comprehensive set of policies and procedures related to street lighting, including handling requests, establishing standards, and funding and maintenance. Residents of the City of Minneapolis became more interested in the installation of pedestrian level lighting around their neighborhoods as concern over security and aesthetics became more focused on conditions on neighborhood streets after nightfall. Installation of the pedestrian level light standard occurred last year on Bank St (28 lights), Logan Park (60), Nicollet Avenue (50).

Parking In Downtown

The municipal parking system grew to 25,864 spaces in 22 ramps and eight surface lots last year. Despite this growth, use of the system declined. The aggregate public investment in the downtown parking system was about \$443,930,000. The most recent State audit of the parking system indicated that in 2002, Total Operating Revenues for the Municipal Parking Enterprise Fund were \$54,116,340 while Total Operating Expenses were \$40,713,197

A survey last year indicated that the total off-street parking supply, including privately owned ramps and lots, was 58,698 spaces. This total did not include the 4,500 plus on-street parking meters. Last year, rules for use of these spaces by handicapped persons were made more restrictive. Drivers could now only park free at one, two, and four-hour meters for a maximum of four hours. To replace the loss of all-day free parking at meetings, the City now offers a 50% reduction in the regular monthly rate for persons with disability permits.

Newly opened City ramps and planned facilities include:

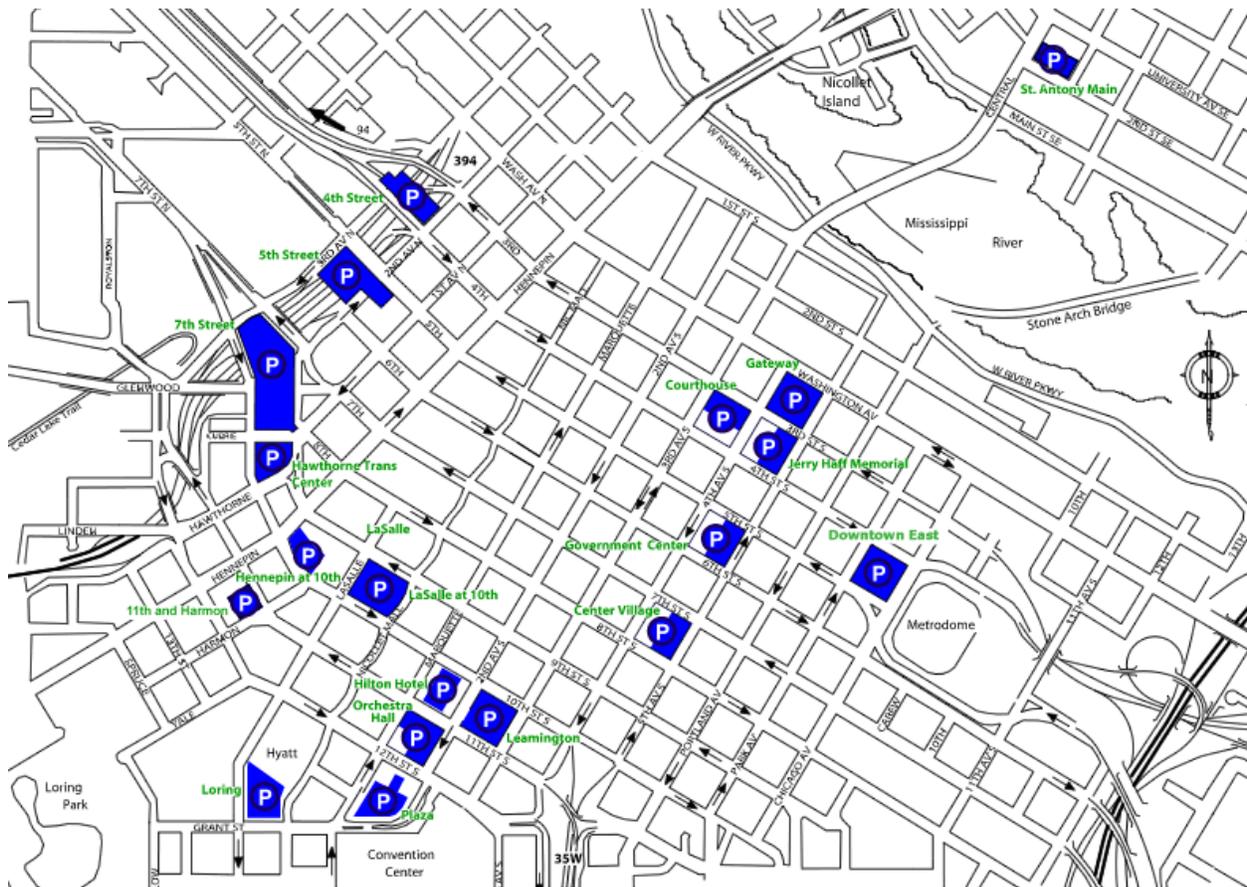
- Downtown East Municipal Ramp: 450 spaces.
- 11th & Harmon Municipal Ramp: 600 spaces.
- Vineland Place Municipal Ramp: 675 spaces.
- Guthrie Theatre Municipal Ramp (opening 2006): 1000 spaces.

**Average Daily Use of Downtown
Municipally-Owned Parking Spaces
2003**

User Type	%	# Cars Parked/Day
Hourly/Daily	46.0	12,068
Monthly	35.5	9,315
Carpool/Vanpool	6.1	1,601
Validation	2.1	551
Event	10.3	2,703
Total	100.0	26,238
Total Cars Parked in 2003		6,821,883

Source: *Public Works Transportation and Parking Services Division*

Minneapolis Parking Facilities



Critical Parking Areas

The City was allowed to officially designate certain areas as Critical Parking Areas, with on-street parking limited to a number of hours during certain periods of the day. In exchange for a small fee and a parking permit sticker, residents were allowed to use on-street parking without restriction. These Critical Parking Areas were established by the Transportation and Parking Services Division, and enforced by the Traffic Control Section of Licenses and Consumer Services. The [Critical Parking Areas Map](#) indicates the locations of the 24 Critical Parking Areas throughout the City. No additional areas were designated in 2003.

Transit Facility Improvements

A number of improvements related to bus transit were implemented or began implementation in 2003. Park-and-ride lots, as well as bus-only freeway shoulder lanes which served downtown Minneapolis, were also opened. In 2003 Metro Transit added 92 new buses to its fleet. Metro Transit capital improvements related to Minneapolis service are identified below:

- Exclusive bus-only entrance from the Foley Park-and-Ride in Coon Rapids into southbound Hwy. 610, saving express buses about three minutes on trip to downtown Minneapolis;
- 400-car park and ride lot along Highway 61 in Cottage Grove, with express service to downtown Minneapolis;
- Land was purchased for a new 400-car park and ride lot next to Maplewood Mall to be constructed in 2004, with express service to downtown Minneapolis; and
- Construction began in 2003 on a new 85-car park and ride at 99th & Aldrich in Bloomington. When opened in 2004, it will have non-stop express service to downtown Minneapolis.

Exclusive Bus Shoulder Lanes

In 2003, 11 miles of exclusive bus shoulder lanes were implemented for express bus routes serving downtown Minneapolis. The locations are:

- Westbound I-94 from Dowling Avenue in Minneapolis to I-694 in Brooklyn Center
- Northbound Hwy. 77 from 138th Street in Apple Valley to I-35E in Eagan
- Northbound Hwy. 77 from Old Shakopee Road in Bloomington to 74th Street in Richfield
- Southbound Hwy. 77 from I-494 to Old Shakopee Road in Bloomington.
- Southbound Hwy. 77 from Hwy. 13 to I-35E in Eagan

Transit Service and Ridership

Ridership on Metro Transit decreased in 2003 due to a combination of service reductions, a fare increase, and the lasting effects of the economic slowdown.

Metro Transit Average Daily Ridership 1999 to 2002.

	Weekday	Saturday	Sunday
1999	237731	127562	80306
2000	242582	130035	80875
2001	243392	126472	81144
2002	230341	120293	77050
2003	217588	110222	67137

Source: Metro Transit

Route and Service Changes

Due to a tight financial situation, Metro Transit reduced service on a large number of routes system wide, including many serving Minneapolis. Metro Transit continued its Sector 5 planning to restructure and improve bus service in south Minneapolis, Richfield and Bloomington. Service changes will be spread over 2004, including major route realignments to feed the Hiawatha LRT line.

The Hiawatha Corridor

In 2003, Light Rail Transit in the Hiawatha Corridor neared completion for the portion of the line between the Fort Snelling and Downtown Minneapolis. Stations were completed, the first vehicles were delivered, and on-track testing of vehicles began. Service will begin in Spring 2004.

Northstar Commuter Rail

The Northstar Corridor is an 82-mile stretch along Highways 10 and 47 from St. Cloud to Minneapolis. Preliminary engineering and environmental documentation for a commuter rail project was completed in 2002. In 2003, a new cost-benefit analysis indicated that a shorter line, from Big Lake to Downtown Minneapolis, and the removal of two planned stations (Northeast Minneapolis and Foley Boulevard in Coon Rapids) would result in a more cost-effective project. As a result of this analysis and revised project scope, Governor Pawlenty indicated support by allocating funds in his proposed bonding bill.

Northwest Corridor

Hennepin County and Metro Transit developed plans for the reconstruction of County State Aid Highway (CSAH) 81 from Lowry Avenue in Robbinsdale to Trunk Highway 169 in Brooklyn Park. The project will include Bus Rapid Transit (BRT) which will operate either in separate lanes or in mixed traffic. Where operated in mixed-traffic, special "queue jumps" will give buses an advantage at station stops. Service will operate along twenty-two miles of CSAH 81, and include both the use of 394 bus lanes as well as Lowry and Broadway Avenues in North Minneapolis.

In 2002, the State legislature authorized \$20 million in bonding for this BRT project, with additional funds coming from Metro Transit (\$15 million) and the Federal government (\$5.75 million). Funds have yet to be allocated and Metro Transit and Hennepin County have stated that if \$20 million in State bonding is made available in 2004, they will be able to complete the project's first phase in 2008.

Central Corridor

The 11-mile Central Corridor, along University Avenue and connecting the downtowns of Minneapolis and St. Paul as well as the University of Minnesota, was the only LRT-specified corridor other than Hiawatha in the Transit 2025 Plan. In 2003, a Draft Environmental Impact Statement (DEIS) was completed for the prospective project and was released for public review. It is currently being reviewed by the FTA, and public hearing dates have yet to be determined.

Downtown Transportation Management

The Downtown Minneapolis Transportation Management Organization (TMO), a non-profit, was a partnership between the City of Minneapolis and the downtown business community. The TMO worked with employers to promote alternative commuting options, as well as advising the Minneapolis City Council, the Downtown Council of Minneapolis, and the private sector on key transportation concerns.

The TMO operated Commuter Connection, a one-stop transportation resource center for downtown employees and visitors located in the Pillsbury Center. Services included personalized assistance on bus riding, carpooling, bicycling, and walking to work. Last year, Commuter Connection served over 60,000 customers and had sales of over \$682,000. TMO staff also assisted employers with implementing transportation demand management (TDM) plans required by the City, transit benefits such as discounted bus passes (e.g. regional Metropass program), and accessing State and Federal tax advantages for transportation alternatives.

The direction of much of Commuter Connection's focus has shifted to building managers and/or small employers, as well as maintaining established relationships with large employers. Commuter Connection also promoted the development of a carsharing program, which had the potential of further reducing the number of vehicle trips taken. Accomplishments for the year 2003 included the following:

- Launched and presented the City of Minneapolis with the website www.laneuse.ci.minneapolis.mn.us which provided updated information on closures of traffic lanes, sidewalks, and curbs. During 2003, the site had 534,000 hits averaging 49,000 per month;
- Assisted five Minneapolis employers to participate in the Metropass program, a regional discounted transit pass program;
- Over 30 downtown employers and 5,500 downtown commuters participated in the B-BOP (Bike, Bus or Pool) / Commuter Challenge event; and
- Partnered with the City of Minneapolis, Clean Air Minnesota (a program of the Minnesota Environmental Initiative) and others to increase awareness about ground level ozone and Air Pollution Alerts.

Bicycle Infrastructure

The 2000 Census indicated that the City of Minneapolis had a relatively high percentage of bicycle commuters. The results of two Census survey instruments indicated different, but similar results. The long-form survey, which is completed by one in seven households, indicated that among large cities, Minneapolis ranks third in bicycle commuting (behind Tucson and San Francisco). The Census Supplemental Survey, which has a smaller sample size, indicated that Minneapolis ranked first. Although the latter survey has a smaller sample size (and is, therefore, less reliable), the

former survey was given in the springtime, when cities such as San Francisco and Tucson have more reliable biking conditions.

By the end of 2003, the City of Minneapolis had over 54 miles of off-street trails and 26 miles of on-street bike lanes. Minneapolis also had over 700 miles of low-volume residential streets appropriate for bicycling. Approximately 75% of Minneapolis streets are bicycle-friendly. Planned bikeways that are fully or partially funded over the next five years include 19 miles of additional off-street trails and 25 miles of additional on-street bike lanes. The City has a 50/50 cost-sharing bicycle rack program for businesses, with \$30,000 spent annually, with a recent focus on replacing damaged bicycle lockers.

Considerable data was collected in 2003 on bicycle use in the City:

Downtown; September 10th, 2003 (weather threatening rain)

- 2,311 inbound bicycles and 2,368 outbound bicycles, 6:30am to 6:30pm
- 623 bicycles parked throughout downtown (between 10 and 3PM)

U of M: First week of September 2003

- 5,000 bicycles parked at campus bike racks
- U of M has 7,000 bicycle parking spaces.

Cedar Lake Trail

- 750 bikers per day on average
- 1,500 bikers per day on nice summer weekends

Stone Arch Bridge: September 10th, 2003, 6AM to 6 PM

- 485 bicycles

Midtown Greenway at Uptown Transit Hub

- Prior to opening of Southwest LRT trail connection (31st/Chowen to Beltline Blvd):
 - 500 bikers per day
- After opening of Southwest LRT trail connection
 - 1,000 bicyclists per day

Construction of and planning for new bicycle facilities continued in the City. In 2003, the City completed the Kingfield Neighborhood portion of the RiverLake Greenway, an on-street facility that will run between the Chain of Lakes and the Mississippi River along redesigned roadways of 40th Street (west of Nokomis Avenue) and along 42nd Street (east of Nokomis Avenue). In 2004, the East Harriet-Farmstead portion of the RiverLake Greenway will be completed. Planning is underway for the portion east of 35W, but the project is not yet scheduled in the capital improvement program.

Also in 2003, the portion of the planned bicycle trail that parallels the Hiawatha LRT line was completed between 11th Avenue and 26th Street. An overpass will be built in 2006 or 2007 to link the portion on the east side of Hiawatha with that on the west. The design of the portion of the trail on the west side of Hiawatha between 28th Street and Lake Street is not yet determined. The exact location and route will depend on redevelopment planning at the Hi-Lake Center and how future transit in the Midtown Greenway will connect with the Lake Street/Midtown LRT station.

Phase 2 construction of the Midtown Greenway, between 5th Avenue and Hiawatha Avenue, began in 2003 and will be completed in the fall of 2004. Ridership on the Midtown Greenway increased with last year's connection to the Southwest LRT trail.

There are a number of significant projects planned for construction in the coming two years. In 2004, these are the East Harriet-Farmstead portion of the RiverLake Greenway, the Loring Bikeway bridge, including extension of the off-street trail to Loring Park between 15th Street and Groveland, and a bicycle lane on Richfield Road. The year 2005 will see the construction of Phase 3 of the Cedar Lake trail, including an extension to the river, the Northeast Diagonal Trail, the "U of M trail", and a bike "station" at the Midtown Exchange (Sears) project.

Existing Minneapolis-St. Paul International Airport Facilities

Minneapolis-St. Paul International Airport (MSP) consists of three runways, two of which are parallel oriented in a northwest-southeast direction and a crosswind runway oriented approximately perpendicular oriented in a northeast-southwest direction. The airport has grown to encompass 3,400 acres with two passenger terminals, cargo facilities, airline maintenance facilities, auto parking, and support service facilities.

The crosswind runway 4/22 is the longest runway at 11,000 feet enabling the largest fully loaded aircraft to fly nonstop to European and Asian destinations under almost all weather conditions. Runway 12R/30L is 10,000 feet long and 12L/30R is 8,200 feet. All runways are equipped with special lighting and landing aids to provide operational service in poor weather conditions.

Scheduled passenger service is accommodated at the Lindbergh Terminal with four concourses and 76 jet aircraft parking gates. Major facility improvements at the terminal area are ongoing in order to keep pace with passenger service requirements, better road access, and increased auto parking demands. Due to MSP's status as a Northwest Airlines hub airport, major improvements have been made in passenger movement systems, as well as retail shops and concessions. International passengers on scheduled airlines are processed through customs and immigration in the Lindbergh Terminal making faster and easier connections to other flights possible.

The newly remodeled Humphrey (HHH) terminal opened in May of 2001 replacing a badly outdated terminal facility serving charter and international passengers. The new terminal has 10 gates of which eight are fully finished. It has the capability to expand to 16 gates. Sun Country Airline, the anchor tenant in the new terminal originally provided both scheduled and charter services in 2001, but with Sun Country's bankruptcy and reorganization in 2002 they are now limiting their operations to charter. Five other airlines provide charter services through the Humphrey terminal. The Metropolitan Airports Commission (MAC) is pursuing new market entrants or trying to persuade other carriers to relocate from the Lindberg terminal to the Humphrey terminal to more efficiently use this facility.

Airline Service

Twelve major U.S. passenger airlines, three foreign-based carriers, six regional carriers, seven charter carriers, and 19 cargo carriers served MSP in 2003. Combined passenger and cargo nonstop flights linked the region directly to 12 international destinations and 119 domestic destinations.

The carriers which provided service to MSP in 2003 were:

Major Airlines	Foreign Carriers	Regional Airlines
Air Tran Airways	Air Canada	Great Lakes
America West	KLM	Chataqua
American	IcelandAir	Comair
American Trans Air		Mesaba
Delta		Pinnacle/Express
Frontier		Skyway (Midwest Express)*
Northwest		
United		
USAir		
Skywest		
MESA*		

Charter Airlines	Cargo Airlines
Champion Air	Airborne Express
Casino Express	AM Intl/KittyHawk
Omni International	ATI/BAX Global
Ryan	Basler Airlines
Miami Air	Bemidji
Sun Country	Blackhawk Airways
	Connie Kalitta
	CSA Air
	DHL Airways
	Emery Worldwide
	Fed Ex
	Mountain Air Cargo
	Orion Air
	Sioux Falls Av.
	Southern Air
	UPS
	Viking Express
	Zantop

Northwest Airlines, with its second largest domestic hub at MSP, continued to dominate operations with the breakout as shown for 1999 through 2003. Both Air Tran and American Trans Air, low fare carriers, experienced significant growth in market share, but have a small base from which to start. While the popularity of low fare carriers continued, their combined share of the market at MSP was limited.

Percent Operations at MSP by Major Airline

Airline	1999	2000	2001	2002	2003
Northwest	76.3	76.5	78.2	79.3	79.4
United	4.1	4.0	3.7	3.7	4.2
American	3.3	3.3	3.3	5.0***	3.9
Delta	2.5	2.5	2.2	2.2	2.4
Continental	2.5	2.2	2.2	2.5	2.8
TWA	1.8	1.8	1.7	0.0***	----
Sun Country	3.6	3.8	3.3	0.8	----
Vanguard	1.8	1.3	0.1**	0.0	----
US Airways	1.7	1.6	1.6	1.6	1.3
America West	1.0	0.9	0.9	1.1	1.0
Frontier	0.4	0.4	0.4	0.5	0.7
Iceland Air	0.2	0.2	0.2	0.2	0.1
KLM	0.2	0.2*	0.1	NA	----
Air Tran Airways	NA	0.5*	0.7	0.8	1.2

American Trans Air	NA	0.4*	0.7	0.9	1.2
Air Canada		0.5	0.2	0.6	0.6
Sky West		0.2			0.7
MESA****		0.2			0.8

* New carrier entrants in year 2000

** Terminated service 3/01

*** American purchased TWA in 2002 and operations are all counted under American Airlines

**** Started service in March 2002

Aircraft Operations

Operations activity increased significantly from 1985 to 1995, albeit at a lower growth rate than passenger activity. In the 11-year period from 1985 to 1995, total operations increased from 373,000 to 465,000, almost a 25 % increase. During the five-year period from 1996 through 2000, MSP experienced a 7.8 % increase in aircraft operations. The combination of an economic slowdown and the September 2001 terrorist attacks resulted in fewer operations in 2001. Growth since 2001 has been slow but in 2003, operations were only 2% lower than the historic high in 2000.

Year	Total Operations	% Chg
1996	485,480	4.3
1997	491,273	1.2
1998	483,013	-1.7
1999	510,421	5.7
2000	523,146	2.5
2001	501,522	-4.1
2002	507,669	1.2
2003	512,350	0.9

Operational characteristics were further broken down by six general classifications; the following table illustrates this breakdown for 1999 through 2003.

Operations by Classification

	1999	2000	% Change	2001	% Change	2002	% Change	2003	% Change
Major	320,919	349,204	8.8	349,571	0.1	345,792	-1.1	340,766	-1.5
Regional	109,017	89,105	-18.2	81,661	8.4	95,248	16.6	104,899	10.1
Charter	10,600	5,959	-43.8	4,090	-31.4	4,833	18.2	10,656	120.5
Air Freight	17,271	18,395	6.5	17,077	-7.2	14,974	-12.3	16,579	10.7
General Aviation	49,256	58,076	17.9	45,943	-20.9	44,279	-3.6	37,594	-15.1
Military	3,358	2,473	-26.4	3,180	28.6	2,543	-20.0	1,856	-27.0
Total	510,421	522,257	2.3	501,522	-4.1	507,669	1.2	512,350	0.9

As indicated, both regional and charter activity dropped off significantly between 1999 and 2001, while general aviation (primarily corporate) experienced substantial growth. The picture is somewhat distorted, however, since a number of regional operations are now classified as major carrier operations. Charter, freight, and regional activity were growth sectors in 2003. Major airline activity remained marginally in decline as the mainline carriers reduced capacity and used regional carriers to a greater degree in order to boost yields. Restrictions imposed on general aviation after September 11, 2001 contributed to a significant decline in general aviation operations the last

several years. Military operations comprised a very small percentage of the total operations at MSP and were at a five year low in 2003.

Passengers

While aircraft operations increased significantly over the last 15 years, passenger activity has increased at a much greater rate over the same time period. This growth can be attributed to:

- Northwest Airlines' hub activity with more connecting flights;
- increased load factors (number of passengers/aircraft flight); and
- more leisure travel.

From 1985 through 1995 total passengers increased from 14.8 million annually to 26.8 million, a 70% increase. Since 1995 the total number of passengers increased to over 36 million in 2000, a 27% increase over the five-year period. The impacts of the economic slowdown starting early in 2001 and the September 11 attacks are evident in the drop off of passenger activity since 2000. Total passengers in 2003 were 9.6% lower than the historic high. Revenue passengers increased nearly 2.5% from 2002. The higher yielding business fare market continued to be very weak, thus exacerbating the weakness of the major airlines' financial positions.

Year	Total Passengers*	% Change
1996	28,772,000	7.5
1997	30,208,000	5.0
1998	30,347,920	0.5
1999	34,721,879	14.4
2000	36,751,632	5.8
2001	33,742,074	-8.2
2002	32,629,690	-3.3
2003	33,195,873	1.7

* Includes both revenue and non-revenue (airline employees or other non-paying) passengers

Cargo

Air cargo was an important aspect of service provided at MSP in 2003. Cargo included heavier freight, small package and mail service. Regional commuters carried a small percentage of cargo, but the bulk of cargo was shipped in the belly holds of passenger aircraft or in all-cargo carriers. Nearly 59% of cargo was shipped via passenger aircraft while all-cargo carriers shipped about 40%. The following table illustrates cargo volume at MSP for the period 1995-2003. The volume of cargo shipped through MSP has remained relatively stable in the 1990's. Since 2000, mail and cargo volumes have continued to decline reflecting a regional weakness as well as the economic climate.

Mail and Cargo Volumes

Year	Metric tons	% Change
1995	365,203	
1996	361,662	-1.0
1997	379,117	4.8
1998	366,347	-3.4
1999	366,425	0.0
2000	376,032	2.6
2001	340,027	-9.6
2002	320,148	-5.8
2003	317,230	-0.9

Facility Improvements

In 1989, the Metropolitan Airport Planning Act required the Metropolitan Council and the Metropolitan Airports Commission to undertake an extensive study to plan for long term major airport development to serve the aviation needs of the region. The study included assessing the possibility of meeting long term needs through 2020 at the current site, as well as the option of developing a new airport at a new site. This study process became known as the dual track process and had a number of component parts. In 1996, the Minnesota Legislature decided that a new airport would not be needed, and that MSP could meet the region's air traffic needs beyond 2020. The State legislature thereby ended the dual track study.

One of the dual track study components was the development of a long-term comprehensive plan for MSP to meet aviation needs through 2010. Major improvements needed to meet operational demand included significant improvements to runways, the addition of a new north-south runway, taxiway improvements, aircraft holding aprons, and additional passenger and cargo aprons. In addition to runway reconstruction of older pavement areas on the south parallel, the crosswind runway was extended to provide greater utilization for international flights. Staged construction for the new north-south runway, 17/35, is underway with an anticipated operational date of November 2005.

Major improvements have been completed in both terminals, concourses, vehicle parking ramps, terminal access roads, and support facilities. Among the major improvements brought into service in 2002 were:

- Passenger Screening Checkpoints;
- Completion of the C Concourse adding 11 additional gates and connection to A and B concourses;
- Completion of Regional Concourses A and B providing 30 gates for regional carriers;
- First Phase Parking Ramp at the Humphrey Terminal providing 2500 spaces;
- Federal Express Center completed; and
- Reconstruction and strengthening of 2000' of Runway 4-22.

In 2003, major work items included:

- Relocation of the auto rental service site and access road;
- Site work on the Mesaba hangar site;
- Runway 17-35 paving;
- Runway 12R de-icing pad;
- Upgrade of the lighting system on Runway 12L;
- Work on the stormwater drainage ponds; and
- LRT station and tunnel work.

Airport Noise

A consequence of having a busy airport in the urban area was the noise impacts on neighboring communities. The Federal Aviation Act of 1958 gave the Federal government complete and exclusive national sovereignty in the airspace over the United States. The Act also created the Federal Aviation Administration (FAA) and gave it broad authority to control and regulate the use of navigable airspace and aircraft operations. At the time of the Act, most airports were locally owned and operated, and local governments were responsible for controlling and regulating the airports.

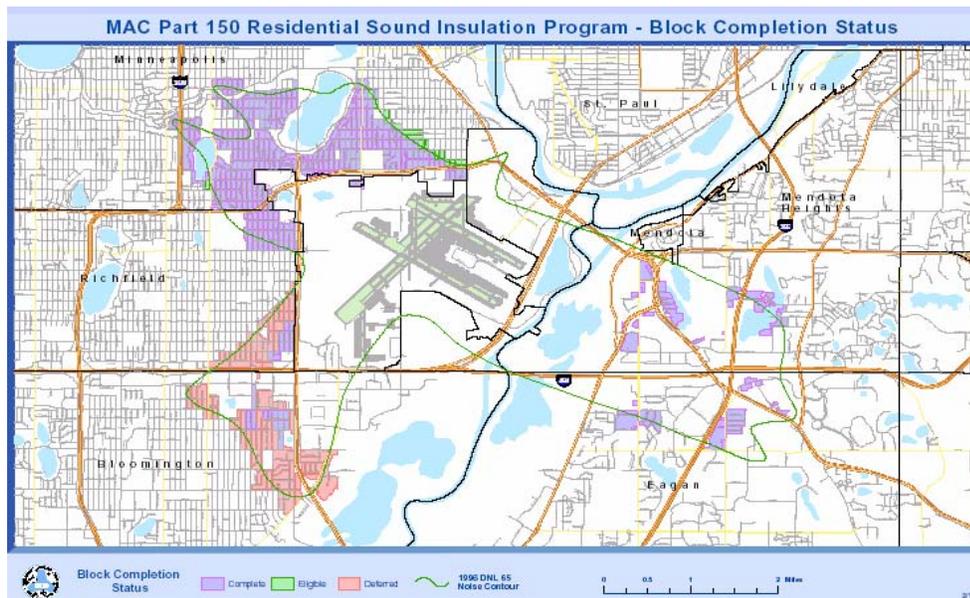
To balance the interests of the airline industry and those of residents living near airports, Congress responded with the Airport Noise and Capacity Act of 1990 (ANCA). A key provision of the Act was the implementation of a national phase out of older, noisier Stage 2 aircraft with the goal of achieving a 100% transition of aircraft over 75,000 pounds to new generation, quieter aircraft (Stage 3) by the year 2000. The Act also authorized DOT to establish a national aviation noise policy and

program for reviewing noise and airport access restrictions. In effect, the ability of airport proprietors or local communities to control noise impacts through airport use restrictions was severely limited.

The Metropolitan Airports Commission (MAC) current Part 150 program was based on a 1996 65 Day Night Level (DNL) Noise Exposure Map which was developed in the prior Part 150 update in 1991. As shown, the largest impact area is associated with the parallel runways. The area to the southeast, Mendota Heights and Eagan, within the contours depicted was primarily commercial and industrial development, although there was some residential development as well. The area to the northwest, Minneapolis and Richfield, was primarily residential development. To the southwest a relatively large lobe was projected from use of Runway 4/22 encompassing both residential development in Richfield and commercial development in Bloomington. The use of the crosswind runway did not materialize as projected with the result being that a greater share of noise was associated with use of the parallel runways.

Sound Insulation Program

The MAC implemented a residential Sound Insulation Program (SIP) in 1992 providing neighboring homes with a sound insulation package, which reduced the noise environment inside homes. Homeowner participation in the program was voluntary. Efforts of the program focused on relieving the highest noise impacted areas first and moving outward toward areas of lower noise levels. In November 1995, the FAA approved a recommendation whereby all homes in a given block would be eligible to participate in the program if the noise contour touched or passed through any part of that city block.



Treatment methods varied by individual home, but were designed to achieve a five-decibel reduction inside the home. A five-decibel noise reduction was roughly equal to doubling the distance of an aircraft from the roof of the home. A combination of methods were used to treat noise infiltration including replacement of doors and windows, addition of acoustical storm windows, vent baffles, additional insulation in walls and attics, central air conditioning, and vent or duct modifications.

Since 1992, the MAC awarded contracts for insulation of 7,452 homes (as of December 19th, 2003) of which 7,342 were completed. There were an additional 350 homes in the pre-construction and construction phases. With the completion of the homes currently underway, the total residential program costs to date will be \$215.3 million. Of the completed homes, 6,241 (nearly 85%) were in Minneapolis.

A cost summary since the inception of the program outlines the construction effort and expenditure by year. The cost per home reflects both construction and administrative costs. In addition to the effects of inflation, the increased cost per home in 2000 and 2001 was attributed to work being conducted on larger homes, generally higher costs associated with construction materials and labor, and addition of air quality enhancement services which were not available with the early program. The lower unit costs in 2003 were primarily attributed to work being done on smaller homes and favorable construction costs compared to the previous two years. It is anticipated that all single homes eligible under the 1996 65 DNL contour will be completed in 2004.

MAC Part 150 Program Cost Summary

Year	# Homes Awarded	Yearly Program Cost (in \$ millions)	Avg Cost/Home
1992	139	\$ 4.4	\$28,500
1993	243	5.9	\$24,100
1994	599	10.4	\$17,300
1995	843	14.5	\$17,300
1996	1,002	20.7	\$19,100
1997	847	20.7	\$23,850
1998	912	25.5	\$31,000
1999	758	25.5	\$33,500
2000	831	36.4	\$43,800
2001	734	33.0	\$45,000
2002	241	8.6	\$35,600
2003	304	9.7	\$32,000
Total	7,452	\$215.3	

*As of December 19, 2003

Prior to the single family homes program, in 1981 the MAC initiated school sound abatement projects in neighboring communities, with St. Kevin's School in Minneapolis as the initial project. Since that time an additional nine schools have been completed in Minneapolis. Two schools were completed in Mendota Heights, and an additional five have been completed in Richfield. The sound abatement measures generally consist of adding a secondary roof system and suspended ceiling, window reduction and replacement, re-working of doors and entryways, baffling of air intakes and vents, and air conditioning. MAC has spent approximately \$41.7 million on this aspect of the compatibility program in the three communities, with schools located in Minneapolis receiving approximately two-thirds of the funds. Visitation School is the last remaining school to receive noise mitigation and was completed in 2003.

Sound Abatement Projects at Minneapolis Schools

School	Project Years	Project Cost
St. Kevin's	1981 - 87	\$ 215,300
Wenonah	1988 - 89	1,153,500
Hale	1998	1,585,600
Resurrection	1989 - 90	1,263,300
Windom	1991 - 92	1,926,200
Keewaydin	1997	2,185,400
Ramsey	1999 - 2000	9,142,900
Washburn	1999 - 2000	8,544,500
Clara Barton	2001 - 2002	1,729,700
Visitation	2003	1,850,000
Total Minneapolis		\$29,596,400

Multiple Family Residential Noise Mitigation

The MAC initiated a pilot program in 2001 to insulate affected multi-family structures within the 1996 65-DNL contour. The program was designed to determine the most suitable and effective techniques to achieve a similar five-decibel reduction that is comparable to noise reduction in single-family homes. Implementation of the pilot program was deferred from the 2002 capital improvements program, along with most other construction projects, in response to anticipated revenue shortfalls. Six structures were in the initial pilot program. A total of 960 multiple family

units situated in 64 structures were identified within the 1996 65-DNL contour; most were located in Minneapolis. In 2003, 220 units in 15 structures were sound insulated at a cost of approximately \$1.85 million.

Summary of Existing Part 150 Program

The noise compatibility program had 19 elements, which were approved by the FAA and put into effect at MSP to alleviate noise impacts on neighboring residents. These elements included 11 noise abatement measures aimed at reducing overall noise exposure levels. These measures included voluntary nighttime flight restrictions, training restrictions, utilization of runways most favorable to alleviating noise impacts to residents, noise monitoring, and flight tracking. In addition, eight measures were directed at either corrective action to mitigate non-compatible land uses or to prevent future non-compatible uses. These measures included acquisition, relocation, zoning, building code revisions, and the sound insulation program. While a significant number of Minneapolis residents were impacted by airport noise, the MAC had one of the most aggressive noise compatibility programs in the nation.

Property Services

Three divisions of the Minneapolis Department of Public Works provided property services information:

The Engineering Design Division was the source of sewage discharge information.

Information on water came from the Water Works Division.

The Solid Waste Division furnished data on solid waste disposal and recycling.

Center Point Energy/Minnegasco and Xcel Energy provided energy data.

The Minneapolis Budget Office compiled data on revenue from utility company franchise fees.

Water

The Minneapolis water system served Minneapolis, Columbia Heights, Crystal, Edina Morningside, Golden Valley, Hilltop, New Hope, Bloomington, and the Minneapolis-St. Paul Airport. The amount of water consumed in 2003 was slightly lower than consumption in 2002. In 2002, 16 billion gallons of water were delivered to the Minneapolis distribution system and used specifically in Minneapolis. About 18 billion gallons were used in Minneapolis in 2003. The following graph indicates the amount of water delivered to Minneapolis customers in recent years.

Year	Million Gallons per Year	Million Gallons per Day
1998	20,700	56.715
1999	21,155	57.959
2000	20,103	55.080
2001	22,168	60.902
2002	21,270	58.434
2003	13,423	36.377

The City began replacing all residential water meters in the City with remote reading units in 1992. The new system allowed for accurate water consumption figures for customer billing. The program was completed at the end of 2002 with 98% of the customers on automatic meters, thus achieving the goal set in 2001. Arrangements were made to install the majority of the remaining 2% of automatic water meter readers during 2002. Water rate increases have been steady due to the new Ultra-Filtration Program, the new reservoir in Fridley, the SCADA system, and ongoing capital improvement of watermain replacement. The water rate in 2002 was \$1.99 and rose to \$2.21 in 2003. With the installation of automatic meters in 1995, the City converted from quarterly to monthly billing. As of August 1, 1999, 100% of households were billed monthly.

Condition of Systems

In addition to the municipal water supply, other sources of water in the City included several Park Board wells, springs and commercial wells. The State of Minnesota Health Department monitored the chemical and bacterial content of well water. If the water in any of these wells exceeded safety standards, appropriate action was taken to correct the hazard. The condition of the City's approximately 1000-mile water distribution system was generally good given its age, with watermain breaks occurring relatively infrequently with 55 in 2002 and 24 in 2003. Since the majority of the City's watermains are over 50 years old, with many over 100 years old, corrosion deposits accumulated on the walls of the watermains and were a problem. To mitigate the restricted carrying capacity of these pipes due to accumulated corrosion and to extend the service life of old unlined cast iron watermains, a program was implemented to clean and line watermains. The lining extended the expected service life of the pipes by about 50 years. The funding for these rehabilitation activities increased; in 2002, 32,000 feet of small watermains and 6,000 feet of large watermains were cleaned and lined and in 2003, 52,000 combined square feet of small and large watermains were cleaned and lined.

Many of the system components (such as hydrants and manholes) that were installed with the water mains were also in need of repair or replacement. In 1998, a major repair and replacement program was implemented to address these infrastructure needs. To accommodate development in the City and major transportation corridors, water construction crews installed new watermains at the expense of the developer or agency requesting the utility move or installation. In addition, some segments of watermain that were problematic (high incidence of watermain breaks or areas where system circulation needs to be increased) were replaced.

The average monthly combined sewer and water bill for 2002 was estimated at \$34.88 per household; in 2003, the same bill was estimated at \$32.94. In 2003, 12,000 feet of new watermain were installed, with the majority of the footage at the Heritage Park housing development.

Sewage Discharge and Treatment

The total volume of sewage discharged by the City of Minneapolis remained virtually the same for several years. In 2002, water rates increased to \$1.99 per 100 cubic feet, and in 2003 to \$2.21 per 100 cubic feet. Sewer rates for 2003 were \$3.28 per 100 cubic feet. Sewage discharge remained under 71 million gallons per day since 1980. Average daily discharge for 2003 was 37 million gallons per day, well within the 78 million gallons per day limitation allowed by the Metropolitan Council's system statement for Minneapolis. The overall condition of the sanitary sewers is generally good, although the age of the sewer infrastructure is a concern. Some areas in the system are over 100 years old, with the need for repair often exceeding available resources. During 2002, six major repairs of sanitary sewer were completed and three major repairs of storm sewer were completed. In addition, 18,395 feet or 3.48 miles of sewers were re-lined. The current goal of the lining program is to completely line all cement sewers within the city. There are a total of 25 miles of cement pipe, 21.67 miles of which have been lined through 2003. The next goal will be to line those segments of clay sewers that are leaking or crumbling. It is estimated that 30 percent of the 660 miles of clay sewers will need to be lined; to date 3.06 miles of clay pipe have been lined. The following table indicates the number of miles of sanitary sewers, storm drains, sewer interceptor tunnels and storm drain tunnels in Minneapolis.

Miles of:

Year	Sanitary Sewers	Storm Drains	Sewer Interceptor Tunnels	Storm Drain Tunnels
1998	829.4	504.6	31.3	23.2
1999	829.5	507.4	31.3	23.2
2000	829.5	507.4	31.3	23.2
2001	829.5	508.6	31.3	23.8
2002	828.2	508.8	31.3	23.8
2003	828.2	508.8	31.3	23.8

Storm Water Management

In 1990, the United States Environmental Protection Agency issued regulations that required all storm water runoff from municipalities with populations greater than 100,000 be permitted under the National Pollutant Discharge Elimination System (NPDES) program. The Minnesota Pollution Control Agency issued the first NPDES Storm Water Runoff Permit to Minneapolis on December 1, 2000. The permit required the implementation of approved storm water management activities designed to mitigate the pollution effects of urbanization on storm water runoff. Annual reporting requirements for this permit were submitted in the form of a storm water management program and annual report. Each annual report presented the activities that will be implemented for the current year, and provided documentation and analysis of the activities conducted in the previous year. Activities included the installation and proper maintenance of water quality ponds and grit chambers, street sweeping, and educational efforts to raise awareness about storm water issues. Notable accomplishments for the previous year included:

- Maintenance and cleaning programs removed 23,800 tons of material and 3,500 tons of leaves in street sweeping operations, and 790 cubic yards of sediment from storm water grit chambers.

- Information on the adverse effects of fertilizer use on water quality was distributed to 100,000 homes in the City of Minneapolis.
- Construction of four flood control projects with features designed to remove sediments, floatables, and nutrients, prevent erosion, and provide rate control.
- Water quality measures were implemented on new storm drain construction projects wherever feasible. With approximately 30,000 inlet structures and 525 outfalls in Minneapolis, storm drain design methods utilized water quality controls near the outlet. This approach provided the most cost-effective and efficient means of protecting surface waters from the adverse effects of storm water runoff. Manufactured BMPs (grit chambers) were the preferred BMP for this function in the City of Minneapolis. The greatest constraint in a fully developed city is space, making the compact nature of manufactured BMPs the only feasible choice for many storm drain projects.

Flood Mitigation Program

In July of 1997, Minneapolis experienced torrential rainstorms that severely overburdened the existing storm sewer system. The rainstorms caused flooding at locations throughout the city resulting in physical damage to homes, businesses, and automobiles. In November 1997, the Minneapolis City Council adopted a nine-year flood mitigation program aimed at solving ongoing flooding caused by undersized storm drains. The specific goal the Department of Public Works has been working towards is to provide an equal level of drainage protection to all areas of the City. The approved program included the construction of six storm water retention basins (or ponds) plus 20 major storm drain construction projects. To date, two ponds and four flood control storm drain projects have been constructed.

During the summer of 2000, Public Works received several flood complaints from areas that were not documented in the 1997 Flood Report. Engineering Services completed preliminary studies for all of these additional complaint areas and identified 15 areas that have inadequate drainage systems by today's standard. Engineering Services staff conducted a more detailed analysis and rank the projects in a manner similar to that used for the 1997 Flood Mitigation Program. To complete all projects without increasing sewer rates, it was necessary to extend the original program to 2009, and begin work on the newly identified areas in 2010. Completion of all projects currently identified would then be extended to 2015.

Solid Waste

The Division of Solid Waste and Recycling was created from Public Works General Services in 1991, serving 118,818 dwelling units. That year, 139,749 tons of waste were collected. By the end of 2000, the Division provided service to 107,179 residential units, 239 municipal locations and 1,275 litter containers collecting 158,485 tons of debris.

Solid waste services included collection of garbage, recyclable materials, large items, and yard waste from all single-family through four-unit dwellings. Larger residential dwellings and commercial establishments were granted City service on a case-by-case basis. Drop-off programs were provided for used motor oil, tires, household batteries, construction and building debris and large amounts of waste from spring cleaning or moveouts.

For collection purposes, the City is split roughly in half. City forces collected residences east of Interstate 35W and south of Broadway Avenue Northeast. A consortium of private haulers, Minneapolis Refuse, Inc. (MRI), collected the remaining half of the City. The type and level of services provided were identical for all city residents.

In 2002, the Division collected 115,826 tons of garbage, including tonnage from the Dirty Collection Point (DCP) Program and the Annual Neighborhood CleanSweeps. Up to two large burnable items were collected each garbage day from each serviced address. The DCP Program began on the City-serviced side of Minneapolis in June 1992 and was implemented citywide in July 1993.

Recycling

The Minneapolis Recycling Program continued to be one of the most extensive in the nation. The source-separated recycling stream consisted of junk mail, newspapers, magazines and catalogs, clear, green, blue and brown glass bottles and jars, food and beverage cans, aluminum foil, household batteries, corrugated cardboard, mixed paperboard, plastic bottles and phone books, amounting to more than 21,856 tons in 2002.

Large Item Collection

Due to changes in Minnesota State law and requirements at the Hennepin County incinerator, a separate weekly collection for appliances and large items was initiated in 1990. Prior to that time, large items were collected with the garbage. In 2002, the Division collected 5,323 tons. In addition, the recycling program was expanded in 1997 by instituting separate collection of televisions, computers and computer monitors for processing and recycling. In 2002, approximately 464 tons of these electronic items were collected, an increase from the previous year.

Yard Trimmings

Collection of yard trimmings was seasonal and varied greatly with the weather. Spring and fall yard trimmings tonnage was usually higher than summer. In 2002, 17,639 tons of yard trimmings were collected and disposed of at private composting facilities.

Hazardous Waste

The collection of unwanted garden and household hazardous wastes in Minneapolis was coordinated through the Hennepin County Department of Environmental Services. Hennepin County maintained two permanent collection sites and offered occasional mobile drop-off sites.

Other Solid Waste Efforts

The Division operated the annual "Neighborhood CleanSweep Program." This program provided staff, vehicles and disposal to organized neighborhoods. Volunteers gathered debris from basements, attics and garages and disposed of any amount of general household debris. Residents were encouraged to use vouchers to haul certain non-burnable materials to the transfer station for disposal.

Tonnage Collected Through Neighborhood Clean Sweeps

Year	Tons
1998	517.3
1999	382.7
2000	348.4
2001	440.0
2002	329.9

Minneapolis residents also took up to 2,000 pounds of almost any material except household hazardous waste to the transfer station without additional charge. Over the past five years, use of the transfer station through the "Voucher Program" has been encouraged. Interest in the program has grown, as shown by the number of annual voucher requests. In 2002, 21,598 vouchers were used.

Annual Transfer Station Voucher Requests

Year	# Vouchers Requested
1997	8,771
1998	11,291
1999	13,388
2000	14,486

Other efforts in 2002 included the collection 247 tons of tires and 16 tons of household batteries. The Solid Waste Division continued to maintain 1,490 public litter containers with regular collection schedules. As of January 2000, Solid Waste and Recycling ceased to service most litter containers due to expense, increased demand for containers, and inequity of service (most litter containers were placed for the convenience of specific for-profit businesses, but were paid for by City residents). An "Adopt a Litter Container" program was put in place with 690 adoptees.

**Minneapolis Recycling and Sanitation Tonnage and Tipping Fees
1998 to 2002**

Year	# of Customers	Recycling Tonnage	Large Items and Major Appliances Tonnage	Yard Waste Tonnage	Garbage Tonnage	Garbage Tipping Fees	Vouchers
1998	107,919	21,871	3,680	20,537	109,531	\$39.00	11,291
1999	107,290	22,570	4,160	17,094	112,962	\$39.00	13,388
2000	180,693	23,054	4,148	17,704	113,580	\$39.00	14,586
2001	107,069	21,976	5,076	19,584	115,461	\$39.00	23,530
2002		21,856	5,323	17,639	115,826	\$39.00	

Government Management

The Minneapolis City Coordinator's Office provided information about its various functions and accomplishments.

The Minneapolis Finance Department provided the financial information in the Government Management section of this document.

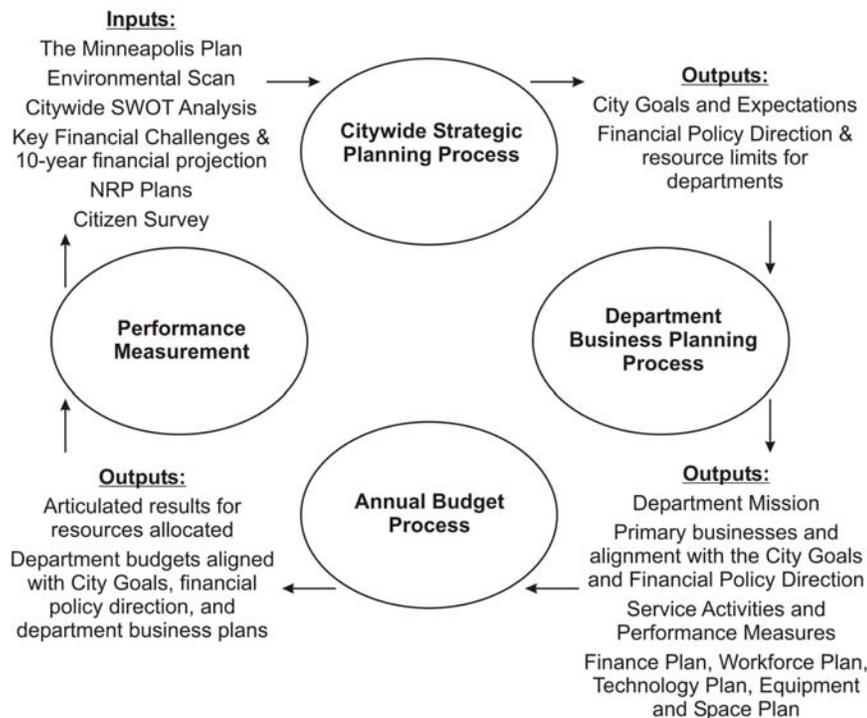
Data for the Tax Increment Finance District section was reviewed and updated by staff from the Finance Department.

Government Management

Policy Development and Implementation

To be effective and accountable, the City of Minneapolis worked as an enterprise with a shared vision and had management systems that supported the delivery of services to the citizens of Minneapolis. The City Coordinator acted as a policy advisor to the Mayor and City Council and ensured that project implementation was accountable and consistent with Mayor and Council direction. The City Coordinator's Office led this charge through the implementation of the City's core processes. The core processes of Minneapolis City Government convened the Mayor and City Council to fulfill their responsibility as the policy leaders for our City. The core processes also provided the City Department Heads the opportunity to align the service activities and performance measures of their departments with the goals and direction set by the Mayor and Council.

In 2002, the City's core processes were simplified and streamlined to improve the linkages between the strategic planning and financial planning/budgeting processes.



The City Coordinator supported the Mayor's Executive Committee in developing and strengthening mechanisms to assure the accountability of all charter department heads through business planning reviews and performance evaluations. Strong management support was crucial to the delivery of quality city services by helping departments manage and plan their budgets, develop a diverse and qualified workforce, inform and engage the community, and provide information and analysis for informed decision making.

The City Coordinator oversaw the following departments in 2003:

- Business Information Services
- Communications
- Finance
- Human Resources
- Intergovernmental Relations

- Operations & Regulatory Services (Licensing, Inspections, Convention Center)

Citywide Strategic Planning

In January 2003, the Mayor and the City Council adopted their City Goals and Expectations for the next four years and a resolution establishing a commitment to strategic business planning and providing a five-year financial direction to departments.

The 2003 City Goals were to:

1. Build communities where all people feel safe and trust the City's public safety professionals and systems;
2. Maintain the physical infrastructure to ensure a healthy, vital and safe City;
3. Deliver consistently high quality City services at a good value to our taxpayers;
4. Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets;
5. Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth;
6. Preserve and enhance our natural and historic environment and promote a clean, sustainable Minneapolis;
7. Promote public, community and private partnerships to address disparities and to support strong, healthy families and communities; and
8. Strengthen City government management and enhance community engagement.

Strategic planning was a process in which the organization set its long term future direction based upon the stated goals. The development of the Citywide strategic plan was intended to provide clear direction for departments' business planning efforts. Through the strategic planning process, departments were given direction as to City priorities and their projected level of financial resources over the next several years, and had the opportunity to structure their business plans accordingly. A department's business plan articulated the alignment of its services with the Citywide strategic plan.

Business Planning

Business planning was a process that provides both strategic and tactical direction to City departments. The business plans were mid-range plans (5-year planning horizon) that aligned department services with City strategic goals. A business plan addressed what the department did, what it was trying to achieve, who were its customers, how it utilized its resources to achieve its goals, and how to know when it was successful. In 2003, all departments worked to develop business plans. These plans will be reviewed by the Mayor and City Council beginning in 2004.

Performance Measurement

Performance Measurement was how we knew when we had done the appropriate things to achieve our goals and how we knew when we had done those things correctly. A successful performance measurement system can lead to continuous improvement of program performance, improved customer service, strengthened accountability, and empowered employees. Each department business plan includes performance measures to determine achievement toward City goals.

The Annual Budget Process

Minneapolis' annual budget process was the time when the Mayor and City Council articulated their priorities for the upcoming year by allocating City financial resources accordingly. As Minneapolis moved towards better integration of its key City processes, the annual budget process became more straightforward. During the strategic planning process, departments were given the projected level of financial resources to expect over the next several years – they then were able to develop their business plans in accordance with these projections. Resource allocations will flow from the business plans – departments' annual budgets then will flow from their longer-term financial plans.

Management Oversight

The City Coordinator oversaw the City's management departments, regulatory services, and the Minneapolis Convention Center to ensure excellence in service and public accountability. Also, effective January 1, 2004, the City Coordinator oversaw the Minneapolis Emergency Communications Center.

Central Library

2003 was another big year for the New Central Library Project. The demolition of the old library was completed and construction of the new building began. In April, the site plan was approved and in May 2003 the official groundbreaking was held. The design of the building was finalized in the summer, which included the capacity to accommodate a green roof and other sustainable features.

Six artists were selected to develop public art for both outside and inside the library; these preliminary designs were presented at a public event in November. Construction contracts were awarded for the building foundations, structure and enclosure. The foundation of the building was completed by the end of 2003.

Approximately \$7.0 million in campaign commitments were made toward the goal of \$15 million in private donations by 2006. The Minnesota Planetarium Society was formed to oversee development and management of a new Planetarium. The planetarium was incorporated in the schematic design for the library building and the City continued to seek State bonding money to support its construction as well as private donations for an endowment.

Business Information Services (BIS)

During the course of 2003 the City's Business Information Services (BIS) department successfully transitioned all of the City's information technology and associated support functions to Unisys, including the helpdesk. This move privatized the function of installing, supporting and maintaining information technology, which was essentially not a core City government function, and resulted in major improvements in service delivery and significant cost avoidance and operating cost savings.

In 2001 approximately 60%, or close to \$12 million per year, of the ITS operating budget was devoted to managing and maintaining the City's information technology, the "break and fix business." This included ITS' Information Technology Operations Division, Action Center (help desk) and the annual capital investment required to replace failing infrastructure and avoid technological obsolescence. ITS was providing 8X5 service, which was inadequate to support 24x7 Police, Fire, Public Works business requirements. Adding 24X7 support would have involved a 40% increase in ITS annual operating costs. In addition there was a \$3 million annual capital investment required to maintain information technology infrastructure across the City. It became apparent that owning, installing and maintaining information technology assets could no longer be considered a "core business function" of the City. As a result, the Mayor and City Council approved a program in 2002 to pursue the outsourcing of ITS Technology Operations.

In January 2003 the City entered into a seven year, \$56 million contract that transferred the ownership, support and maintenance of the City's information technology infrastructure to Unisys Corporation. The Unisys Managed Services program will save the City \$20 million over the life of the contract while dramatically improving the quality of information services to City employees, policy makers and the public. The transition of the City's technology infrastructure and support services to Unisys, which normally take 18-24 months, was completed in 10 months, which had an immediate impact by reducing Business Information Services operating cost, minimizing capital investment and improving service delivery.

The City has also avoided the significant capital outlay and operational cost associated with five major projects required to prevent further deterioration of the information technology infrastructure and improve the cost effectiveness of information services. These five projects were to:

- Deploy global upgrades of the Microsoft core operating software including Windows Data Center, Windows XP and Office 2000;
- Implement an alternate data center and disaster recovery facilities;
- Migrate Public Works information technology infrastructure into the enterprise;
- Relocate the City's data center at the end of the space lease with Hennepin County;
- Replace desktop computer equipment that had reached obsolescence.

Minneapolis neighborhoods have lost hundreds of affordable housing units to deterioration and abandonment. The City's Business Information Services department in collaboration with the Neighborhood Revitalization Program (NRP), 12 Minneapolis neighborhood organizations and the Center for Urban and Regional Affairs at the University of Minnesota (CURA) launched the *Minneapolis Neighborhood Information System (MNIS)* in response to this challenge. The Minneapolis Neighborhood Information System (MNIS) was an integrated property database system with an analytical component for use by neighborhood organizations to identify residential properties at risk for housing deterioration and abandonment. The database contained information from the City of Minneapolis and Hennepin County that was used in conjunction with a Geographic Information System (GIS) to evaluate key indicators of potential housing problems. Prior to the MNIS program, neighborhood organizations were not aware of housing problems until they became severe. The MNIS program interrupted the cycle of decline by bringing early awareness of housing status to the neighborhood organizations. Early intervention was much more cost effective than responding after a house has been condemned, foreclosed or forfeited.

The Department of Public Works, Solid Waste and Recycling (SWR) Division was responsible for garbage, recycling, problem materials and yard waste collection in the City of Minneapolis. In order to comply with Federal, State, County and City regulations, and to meet the Clean City and customer service missions of the Division, the collection system in Minneapolis was rather complicated. The Public Works, Solid Waste and Recycling Division managed its entire operation using a state-of-the-art *Solid Waste Information System*. This was leading edge, next generation business application software that handled tagging, work orders, vouchers, and other core business operations. The SWIS business application dramatically improved productivity, accommodated recycling day information for customers on the City's Web site and facilitated information sharing across the Enterprise to assist in interdepartmental Clean City initiatives. The SWIS was a collaborative business application development project between BIS and Solid Waste and Recycling. SWR Division staff and BIS re-engineered business processes to ensure that the new Solid Waste Information System was fully compliant with the City's Enterprise information technology standards and exceeded the high reliability demands of a 24X7 operation.

The Mobile Command Vehicles deployed by the Minneapolis Police and Fire Departments in 2003 were equipped with state-of-the-art information technology that enhanced the situational awareness of the first responders. The BIS-Unisys Managed Services team provided systems integration support on several levels including advanced satellite/wireless internet connectivity, on-board Geographic Information System (GIS) access to maps, aerial photos, crime data and property information and leading edge mobile computing facilities.

New information resources were added to the City's web site in 2003. The City Council Date book presented council and committee meeting schedules in a flexible, easy-to-navigate calendar format. An interactive downtown road map showed commuters and visitors which roads, lanes, sidewalks and bicycle paths are open and available for traffic. Zoning district maps and the zoning code came

online to make it easier for homeowners and land developers to find and understand zoning regulations for their properties.

The City also made solid progress toward a technical infrastructure for providing transactional services on line. The Minneapolis Neighborhood Information System provides important data about land use and housing to neighborhood groups working on the frontlines to make Minneapolis a better place to live. Police E-Report lets crime victims report certain types of incidents on line. Both projects produced reusable solutions that will help make it faster and easier to deliver similar services in the future.

Planning and design for electronic permitting and a new on-line payment service got underway during the fall. These new services are targeted for release in spring 2004.

The One Stop Development Review Center is a critical, enterprise project to integrate people, processes and technology across various city departments (Regulatory Services, Community Planning and Economic Development, Public Works, Fire, Assessors, Police, and City Clerk's office). This is the first true enterprise project that the City has undertaken and team members are developing modern business processes using the City of Phoenix as a model. In 2004, you will see an improvement in the following areas of customer service: Improved application assistance so that customers can know where to go, what they need to provide and how long the process may take; and new ways to obtain information and conduct business with the City of Minneapolis (ePermits, strategic use of Interactive Voice Response technology, automated workflow).

Cities across the nation recognized the need to develop consistency, inter-department coordination and accountability when responding to citizens' requests for services. Furthermore, many cities were relieving 911 services of non-emergency calls to increase communications capacity to manage the demands of emergency situations. Minneapolis adopted this same successful model assuming it can be implemented in a cost-effective manner; the work started in 2003 will continue in 2004 with a rollout of a Citizen Relationship Management & Work Order Management to pilot departments. A Citizen Relationship Management tool aims for the following results:

- Streamline services and track public demands for service.
- Increase department efficiency and accountability.
- Improve workload tracking, evaluation and reporting.
- Provide senior management with consistent, complete, and accurate data for planning, decision making and prioritization of City efforts.

A CRM tool provides elected officials, department heads and employees a system to monitor a service request through its lifecycle and across departments. The system will allow the City to "close the loop" with citizens through the measurement of customer needs and satisfaction levels. A 311 system would focus on providing citizens one point of contact for all non-emergency services.

Other BIS improvements included the enterprise financial system of the City was upgraded to FISCOL 2.2. This includes the required accounting changes for GASB 34. Also upgraded was the BRASS budgeting subsystem. For the enterprise Human Resources system, remote boards and agencies were provided with the ability to print their own payroll registers, use a new interface to report information for unemployment claims and employment verifications, and utilize the information from the implementation of seven tax updates and provide substantial assistance during open enrollment for new health plans. For the Public Safety systems, work began on a project to enable the police system to support the requirements of the National Incident-Based Reporting System (NIBRS). Implementation is scheduled for the second quarter of 2004. A new application for inventory management in the Police Department was completed. Police inventory includes items such as mobile radios, handcuffs, badges and handguns. Work started on an upgrade to the Police

Timekeeping system, which is supported by a \$1.8 million federal grant. Implementation is scheduled for the third quarter of 2004. The City worked with Hennepin County on integration between two of their public safety systems; rollout is scheduled for early 2004.

The Convention Center implemented a digital time clock and time tracking software. It also coordinated the installation of facility maintenance that will allow the center's maintenance needs to be tracked and managed. The Emergency Communication Center implemented multiple fire dispatch response plans. In addition, large numbers of mobile data terminal devices were migrated to mobile data computer laptops in the Police Department.

Communications

The job of the Communications Department was to help other City departments and agencies identify what information and messages needed to be conveyed to Minneapolis' diverse audiences and to ensure that this was done in the most effective manner possible. It was also the job of the department to find opportunities to promote the City – its theaters, arts, restaurants, colleges, hospitals, parks – and the successes of city government.

In 2003, the Communications Department improved outreach efforts to special populations, including English as second language communities. It promptly and accurately accommodated media inquiries, and worked to improve the effectiveness of publications, while cutting costs. In addition, the Communications Director and department staff began work to centralize communications staff and resources from throughout the City, with a goal of promoting a consistent Minneapolis message and being more cost effective. Highlights of the year included the following activities or areas of support:

- Public Works Department Snow Emergency communications;
- Outreach and media events designed to showcase the City's diversity;
- Ongoing communications regarding the City's reform efforts;
- Communications initiatives with City employees including regarding major changes to employee health care plans;
- Improvements to the City's Web site, including headlines on the front page updated daily.

Finance

The mission of the Finance Department was to provide financial services that assisted customers in making sound and informed decisions and ensure the City's financial integrity. Finance business lines were financial operations and decision support for managers and policy makers. These two lines of business were carried out through Finance's six divisions.

Management and Budget

The Management and Budget Division provided staff support necessary to allow City officials to make the best decisions regarding tax, user fee policy, and expenditures. This included development of procedures and deadlines, accurate and relevant data and clear written and oral communications. This division also coordinated and managed citywide business planning, the Mayor and City Council's strategic planning work, and annual budget decisions of the Mayor and City Council.

Many significant organizational and financial changes occurred in 2003. The State of Minnesota cut aid to Minneapolis by \$35 million on an annual basis. This significant cut ended up being \$1.8 million greater than what the City was expected to receive, based on final figures used during the conclusion of the legislative session. The City responded to this significant revenue cut by reducing spending early in 2003, including reductions in staffing and services. The annualized impact of the decisions made in 2003 plus the offsetting increases in other revenue resulted in departments not

needing to make additional cuts in 2004. However, the reduced service levels as a result of LGA cuts remain in effect.

Other accomplishments in 2003 included:

- Council approved long term funding plans for NRP and Target Center;
- All city departments substantially completed draft business plans;
- Maintained credit ratings in the face of extraordinary financial challenges;
- Received the Government Finance Officers Association's Distinguished Budget Presentation Award - the second consecutive year since 1986 that the City has received this award. The award signifies that the City's budget report meets best practices standards set by the GFOA.

Controller

The Controller's Division conducted all accounting operations of the City, provided financial reports to managers and policy makers throughout the year, supported the annual budget preparation process, and provided financial analysis to departments.

The primary initiative of this Division in 2003 was the implementation of GASB 34, the most wide-ranging changes to municipal accounting in more than 50 years. Significant resources (money and personnel) were devoted to this effort. The City met this initiative and completed GASB 34 compliance with the CAFR for 2002, which was submitted in May 2003. The City received the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting for 2003.

Other accomplishments in 2003 included:

- Publication of monthly and quarterly financial reports;
- Reduction of audit exceptions notes in the State Auditor's management letter;
- Council adopted a self-insurance fund work out plan;
- Development and adoption of a new travel policy, t-card, e-pay for expense reimbursement to reduce manual payments;
- Created CPED transition, liabilities and funds to City.

Treasury

The Treasury Division was responsible for managing the cash resources of the City including utility billing, accounts receivables management, and investments. The Division converted receivables to cash and cash to investments in the most efficient and practical methods available. Increasingly, these improved methods were faster and used less paper by employing electronic means that were more secure and less error prone.

In 2003 Treasury proposed an e-pay plan for City Council review to assist the One Stop Permitting project in hopes of receiving approval in early 2004. The One Stop Permitting project was ranked as the top priority project by the City's Technology Steering Committee and will integrate and streamline development application, review, permitting and licensing, and inspection activities within the City. In addition, the e-pay initiative will establish an enterprise wide standard for use and acceptance of online payment City-wide. During 2004 and beyond, the e-pay initiative will enable other City departments, Library and the Park Board the ability to establish an on-line payment presence to expedite their payment processing.

Procurement

The Procurement Division provided procurement and contract management services for City departments, boards and related agencies. Contract management training was initiated and will continue. The City of Minneapolis had a formal bidding process for purchases exceeding \$50,000

and a formal Request for Proposals (RFP) process for procuring professional services exceeding \$50,000. In 2002, 370 bids and 24 Request for Proposals went through the formal processes.

During 2003, Procurement established performance indicators and benchmarks for “green” office supplies, paper and cleaning products, as chair of the Green Purchasing Committee in conjunction with the Environmental Coordinating Team. The Division also worked with the Central Library project as part of the project steering committee to develop and complete bid packages for the initial demolition and site excavation.

Risk Management & Claims

This Division defined a Loss Prevention Strategy Program citywide that will impacted losses and changed behavioral practices within departments from the top of management to front line employees. The division supported the Health Care Labor-Management Subcommittee on the development of a health insurance benefit redesign for the City and the development of a Voluntary Employer Benefit Account as a potential incentive for labor and financial needs. This effort included working with HR and other Finance Divisions to migrate the new health care selections and VEBA options. Also completed was a cost comparison study on providers and associated medical fees for employment services and defined a policy and process via committee review and appeals on the issue of Post-Employment Health Care Claims submitted by MPD and MFD disabled employees. The City also continued to play a leadership role at the Light Rail Transit Risk Management Advisory Team for the State.

Development Finance

The Development Finance Division was established in 2003 to support the financial management and certain contract administrative needs of the new Community Planning and Economic Development (CPED) Department. Nearly all of the Division’s employees were transferred from the Minneapolis Community Development Agency (MCDA). The division provided accounting, payroll, budgeting, project financial analysis, tax increment district planning, and contract administration support to CPED.

Human Resources

The mission of the Human Resources Department (HR) was to strategically partner with City departments to hire, develop and retain an excellent workforce. There were five primary businesses that crossed all three HR Divisions:

- Ensure employees have competitive compensation and positive working conditions while minimizing the City’s exposure to liability;
- Manage and provide HR information to City, Independent Boards and Agencies for decision-making purposes;
- Provide learning opportunities for managers, supervisors and employees to maximize their development and minimize organizational risk;
- Assist departments in designing and developing their organization;
- Provide the City, Park & Library Boards with the timely opportunity to hire diverse, competent employees.

Accomplishments from 2003 included:

- Reduction in Force: The staff of the HR department successfully managed the citywide reduction of our workforce (as directed in the 5-year Financial Direction and LGA cuts):
 - Negotiated significant changes to the Job Bank Program, reducing it from 120 to 60 days during the normal budget cycle, and to 30 days during unplanned, mid-year budget reductions;

- Verified and electronically recorded employment records for over 3,000 employees to ensure accuracy of the seniority system for current and future use;
- Successfully managed over 160 employees who were placed in the Job Bank Program throughout the year. Overall, 82 employees were ultimately laid off, with 10 taking a voluntary layoff. By the end of the year, 52 employees had been recalled from layoff;
- Provided critical workforce analysis and information to the organization for decision-making and reporting purposes;
- Provided Job Bank employment transition, dealing with change, and career development workshops to employees affected by the midyear layoffs;
- Changed Healthcare Insurance in collaboration with the Healthcare Labor Management Committee, by successfully redesigned the health care funding and delivery system in the City and the Independent Boards and Agencies.
 - The restructured system avoided a 2004 expenditure in excess of \$8 million;
 - The City used a portion of the avoided expenditure, \$3.8 million, to move toward a consumer driven health care structure;
 - The City successfully negotiated and implemented Voluntary Employer Benefit Accounts (VEBA) to assist employees in managing anticipated expenses associated with the change;
 - The restructured system stabilized health care funding and delivery for the next three years;
 - Successfully negotiated and added Health Care Savings Accounts to assist employees in managing post employment health care expenses;
 - HR conducted 59 employee training sessions on the new health plans and benefits, attended by almost 2,400 employees, and created and staffed an employee Phone Bank, which responded to over 1,800 employee inquiries;
 - Of the over 5,200 employees who went through Open Enrollment, 72% accessed Self Service online to make their own health care choices;
- Sponsored or attended over 30 different community events and job fairs:
 - This was a decrease from 2002 because of budget reductions and the hiring freeze in place most of the year. Active participation in the community contributed to the creation of more diverse applicant pools for hiring managers to consider for job vacancies.
 - In 2003, females made up 33% of the applicant pool (45% of eligible lists). Of new hires, 46% were female. People of color made up 36% of the applicant pool (36% of eligible lists). Of new hires, 27% were people of color. Today, 31% of our full-time regular employees are women, and 20% are people of color. This reflected a 4% increase in people of color since 1997, and a 3% increase in women;
- Managers continued to express satisfaction with support received from HR Generalists. On a survey sent to operating department managers, as a group the HRGs received an overall average score of 4.4 on a 5.0 scale. The survey measured the HRG's credibility, customer service, leadership, diagnostic insight and versatility;
- Successfully negotiated eight collective bargaining agreements: one a market-adjusted settlement with the Police Federation that anticipated placing them in approximately the top 1/3 of the greater metro area relative to compensation; and the other seven being within the 2% compensation cap established by elected officials;
- Implemented e-learning giving all City employees the opportunity to access training on computer and soft skills from any location, at any time;
- Delivered critical City of Minneapolis policy training such as preventing harassment, drug and alcohol, ethics, and ADA;
- Increased the number of management development offerings by providing a manager conference in the spring and a supervisor conference in the fall reaching over 50% of all managers and supervisors.

Intergovernmental Relations (IGR)

The Intergovernmental Relations Office and the Office of Grants and Special Projects served as valuable and essential resources for the City in its policy development, priority setting, issue management, grant seeking, and governmental relations initiatives. The Intergovernmental Relations Office effectively represented the City's policies and priorities at the international, Federal, State, and regional levels, as well as non-governmental partnerships. The primary business of Intergovernmental Relations (IGR) was to retain and defend local government authority and service needs by developing the City's strategic IGR policy position and advocating for that policy. The IGR Office provided services by:

- Legislative Analysis - identifying issues and political concerns needing review and decision by the Mayor, City Council, and department heads;
- Policy Development - establishing work teams and incorporate team research results into legislative package, developing a unique action plan for each item;
- Information Delivery - advocated a clear message of policy position and the service needs of Minneapolis to Federal, State, and regional governments;
- Representation - IGR represented the City on numerous boards, task forces, and affinity organizations charged with designing public policy.

Three major city issues during the 2003 State Legislative Session were:

- Local government finances - in light of the state budget shortfall;
- Minneapolis – accountability and results;
- Transportation – including operational funding for the Hiawatha Light Rail Transit.

Federal Legislative Package. The city formally defined federal legislative package. IGR staff, in consultation with the City's lobbyist, refined the Federal legislative agenda for the 2004 Congressional Session.

Office of Grants and Special Projects

In 2003, the Office of Grants and Special Projects continued to provide support for those City departments and community-based agencies searching for grant funding. To expand this support, a section about fundraising was added to the web site. The Grant Users' Groups continued including a session about the Strategic Partnerships being developed by the Department of Community Planning and Economic Development. Of the total grant funds applied for by City departments, 70% were funded.

Operations and Regulatory Services

The Department of Operations and Regulatory Services was a part of the Office of the City Coordinator that provided direct services to customers, including residents, businesses and visitors. The department consisted of two major functions: Operations and Regulatory Services.

Operations

The Minneapolis Convention Center & Greater Minneapolis Convention and Visitors Association was one of the primary economic engines driving the success and vitality of downtown Minneapolis, the metro region and Minnesota. The convention and visitor business was very big business for the City and State, with hundreds of hotels, restaurants, entertainment venues and attendant facilities. The hospitality industry employed tens of thousands and generates significant revenue for City and State programs and services.

In 2003, the Minneapolis Convention Center:

- Developed a five year business plan and ongoing review process as part of a citywide initiative. This business plan will guide the decision making process for the facility while providing performance measurements to gauge success in meeting the mission of the facility;
- Welcomed a major addition to the artistic landscape of the City of Minneapolis with the completion of the American Express “Seasons of the City” mural by contemporary artist Anthony Whelihan. This mural occupied the Third Avenue Art Wall on the northwest corner of the Minneapolis Convention Center and paid homage to a variety of local landmarks and treasures which gave Minneapolis its unique character.

Regulatory Services

Regulatory Services consisted of two divisions: Licenses and Consumer Services, and Inspections. The activities of these divisions protected and enhanced the livability of the City’s neighborhoods. In 2003, Regulatory Services was responsible for tens of thousands of code compliance inspections involving a wide range of activities including business operations, single and multifamily housing, building construction, food safety and the environment. Regulatory Services functions were divided into five major business service areas: Development Review Services, Construction Inspection Services, Housing Inspection Services, Business Services and Environmental Services.

Development Review Services

Development Review Services consisted of permit Issuance, zoning inspections and plan review functions. Activities in 2003 included:

- Reviewed plans and issued permits for 1,243 new dwelling units:
 - 202 single family homes;
 - 166 duplex/double bungalows/townhouses;
 - 745 apartments/condo units;
 - 130 units apartment/new condo conversions;
- Issued permits for \$922 million dollars of construction and remodeling work;
- Issued building permits for the new Guthrie on the River, Walker Art Center Expansion, Minneapolis Institute of Art expansion and the new Central Library;
- Conducted annual compliance inspections of 153 site plans approved by the City Planning Commission; private investment in 2003 approved site plan improvements was estimated at \$2.158 million.

Housing Inspection Services

Housing Inspection Services consisted of housing inspection, rental licensing, and hazardous/boarded buildings programs. In 2003 this unit:

- Generated 49,822 housing cases for interior, exterior violations on residential properties and nuisance type violation; a total number of 119,757 inspections were completed in 2003, including 69,935 re-inspections;
- Proactively generated 23,611 nuisance condition cases; received only 3,917 customer service requests to resolve nuisance cases;
- Implemented an inspection fee for inoperable vehicle towing from residential lots; cost recovery for this activity totaled approximately \$42,825;
- Reduced the number of vacant/boarded building registrations from 245 to 208;
- Reduced Chapter 249 boarded buildings from 150 to 119, a 17-year low for Minneapolis;
- Presented two boarded building cases to City Council for Chapter 249 nuisance abatement (one was demolished and one was rehabbed);
- Started a program to expedite code compliance on rental properties and increase sanctions for non-compliance.
- The City Attorney and Inspections brought Tenant Remedy filings to preserve the housing stock and prevent possible condemnations of these structures;

- Implemented a re-inspection fee program providing an incentive for owners to comply with housing code violations within a reasonable timeframe and save resources by eliminating unnecessary inspections.
- Re-inspections were reduced in 2003 by 15% (12,563 fewer re-inspections) due largely to the implementation of these fees;
- Renewed approximately 16,225 licenses for rental properties;
- In late December 2003, some Housing Inspection Services activities were transferred to the Fire Department to allow for a better utilization of available resource hours.
- The Fire Department augmented inspections activities with a goal to inspect all rental units in a five-year cycle starting in 2004;
- Housing Inspection Services maintained nuisance type violations on most lots throughout the City of Minneapolis and one to three unit rental buildings. The Fire Department was responsible for four or more unit rental buildings, lodging facilities, mixed use commercial/residential and owner-occupied single family properties;
- Administrative Adjudication for Housing Code Violations was developed in late 2003, with an implementation date of February, 2004. The use of administrative citations will assist in the alleviation of several types of nuisance conditions and blight, prevent the deterioration of the housing stock, and assist in providing safer dwelling units.

Business Services

A top priority of this division is to resolve complaints and livability issues involving businesses. Some of the common issues resolved in cooperation with the Minneapolis Police Department were excess litter and building appearance, loitering, safety or health violations present at business, operating after legal hours, unlicensed businesses operating illegally, residential motor vehicle repair garages, and criminal related activity on business property in conjunction.

- In 2003 License Inspectors took 3,057 service actions, which included 1,616 on-site inspections to resolve business problems and livability issues;
- As of December 31, 2003, 736 business problems have been resolved successfully (91%);
- In 2003, License Inspectors issued 222 Administrative Citations for a total of \$55,710, resulting in a reduction of time consuming Business License Hearings and expensive Administrative Law Judge Hearings while still resolving the problems at businesses in a timely and efficient manner;
- Since two taxi driver homicides of the summer of 2003, substantial efforts were taken to increase taxi safety, including:
 - The Mayor, Police, and the Licensing division met with the taxi driver community three times to discuss their concerns.
 - A taxi safety committee was formed and met another three times in preparing recommendations to the City Council. The prime areas of interest currently include surveillance cameras within taxicabs, computerized dispatch systems complete with Global Positioning Systems (GPS) to identify taxi locations at any given time, and ways to increase the taxi/police communications and relationships;
 - The City experienced a steady increase in burglar alarm systems in the past five years. Minneapolis responded to 10% increase in alarms since 1998. The Minneapolis Police estimated that they used a total of 8 full time staff responding to false alarms in 2003. In an effort to reduce the negative impact of false burglary alarms the ordinance was revised in 2003 to:
 - reduce the number of free false alarms from three to two;
 - increase the fines for false alarms to \$200 on the third alarm to reflect the true cost of responding to alarms;

- allow the City to suspend service after the fifth alarm or if payment of fines are 90 days past due. Chronic problem alarms were decreased by 59% and it is anticipated that a similar decrease will occur in 2004 furthering the reduction of unnecessary police responses;
- A State Law was passed by the State Legislature with an effective date of July 1, 2003 regarding 2:00 a.m. closing times for liquor, wine and beer establishments. By the end of 2003, 208 Minneapolis liquor, wine and beer establishments have been certified to the State for 2:00 a.m. licensing;
- There are now 342 liquor licenses on the books, up from 265, with most of the increase coming in 2003;
- The Block E development was approved for eight new liquor and entertainment licenses.

Environmental Services

Environmental Services consists of Animal Care & Control, Food Safety & Environmental Health, Environmental Management. In 2003, the Environmental Services division participated in the following:

- Initiated the development of a Sustainability Plan through the City's Environmental Coordinating Team (ECT), including indicators or performance measures for air, water and land.
- Implemented the Green City Initiative through the ECT to encourage green government practices in the areas of purchasing, fleets, buildings, transportation, energy, and neighborhoods.
- Successfully pursued conversion of the XCEL Riverside plant from coal to gas, advocated for changes in state air quality risk analysis that would better protect neighborhoods from industrial pollution.
- Implemented the new Combined Sewer Overflow program (completing 15, 000 inspections), staffed the Mississippi Watershed Management Organization and implemented the Ground Work Program.
- Created Water Quality Monitoring Task Force, participated in planning for a new Source Water Protection Plan to protect drinking water.
- Implemented the new Business Plan for Food Safety & Environmental Health including new geographic service areas (North, Downtown and South).
- Cooperated with HUD and Hennepin County to significantly increase funding for childhood lead poisoning.
- Forged new working relationship with EPA Region 5 as part of region's Great Cities Initiative, including \$100,000.00 for trees in the city.
- Devoted staff resources to Environmental Justice Advocates of Minnesota.
- Planned for the construction of the new Animal Care & Control Center in 2004.

Animal Care & Control

Capping more than a decade of work, in 2003 the City began construction of its new Animal Care and Control Center. The new Center was designed based upon the State of Minnesota Sustainable Design Guidelines. It was a "smart" building that exceeded the State energy code by more than 25% and was enrolled in the Xcel Energy Design Assistance Program for energy efficient design incentives. It was also first large-scale project to use pervious pavers in the parking lot to ensure storm water quality and management.

Notably, the Center became more than twice the size of the existing animal shelter, but was been designed to be operated with the same number of staff. Efficiencies stemmed from the design of canine runs using overhead mechanized dividers and a power sprayer system. Additional improvements included the design of an air exchange system that optimized the drying time of disinfected areas. As a result of the Center's design to effectively control infectious disease among

cats as well as dogs, for the first time it was possible for the Animal Care and Control Program to transfer animals to the Animal Humane Society for adoption. This extended the practice of partnering with animal organizations to place as many animals as possible in new and responsible homes.

The new Animal Care and Control Center also was designed for the efficient delivery of quality public service. The service area of the facility included three work stations for public contact including pet licenses, off leash area permits and pet recovery and adoption. There was also a meeting room for administrative hearings concerning dangerous dog declarations as well as staff and community meetings.

The new facility will be completed in Spring 2004.

Construction Inspections Services

Construction Inspection Services consisting of Building and Trades Inspections, Truth in Sale of Housing and Occupancy Certification). Construction Inspections Services performed inspections of the built environment for repairs, remodeling and new construction to assure compliance with the State Building Code. This division also administered Truth in Sale of Housing, Code Compliance on condemned buildings, Emergency Demolitions, Fire Escrow and Certificates of Occupancy.

Construction Inspections

Cross-disciplined teams were organized and supervised in geographic service delivery districts aligned with the City's Police precincts to provide better customer service, coordinated inspections and more timely response to requests. In addition, a dedicated customer service telephone line was installed with an expanded CIS public web site. CIS performed over 72,000 inspections of alterations, remodeling and new construction and coordinated the issuance of 482 Certificates of Occupancy authorizing safe occupancy of hundreds of residential units.

Truth In Sale of Housing - Utilizing the new TISH ordinance, the closing process was streamlined while CIS resources were focused on the required repairs of critical building system hazards. In 2003 the division reviewed and processed 7,700 property evaluations, an 11% increase over 2002, and collected over \$160,000 in associated fees. In addition, it issued 5,382 Certificates of Approval for successful closings, and assured proper installation of smoke detectors, and the elimination of plumbing, mechanical and electrical hazards.

Code Compliance - Conducted over 100 inspections of condemned properties and issued correction orders to assure code compliance. Issued 75 Code Compliance Certificates approving the safe reuse of previously condemned buildings.

Emergency Demolitions - Safely removed, without damage to property or injury to the public, several buildings that were a threat for collapse and assessed the costs to the property owners.

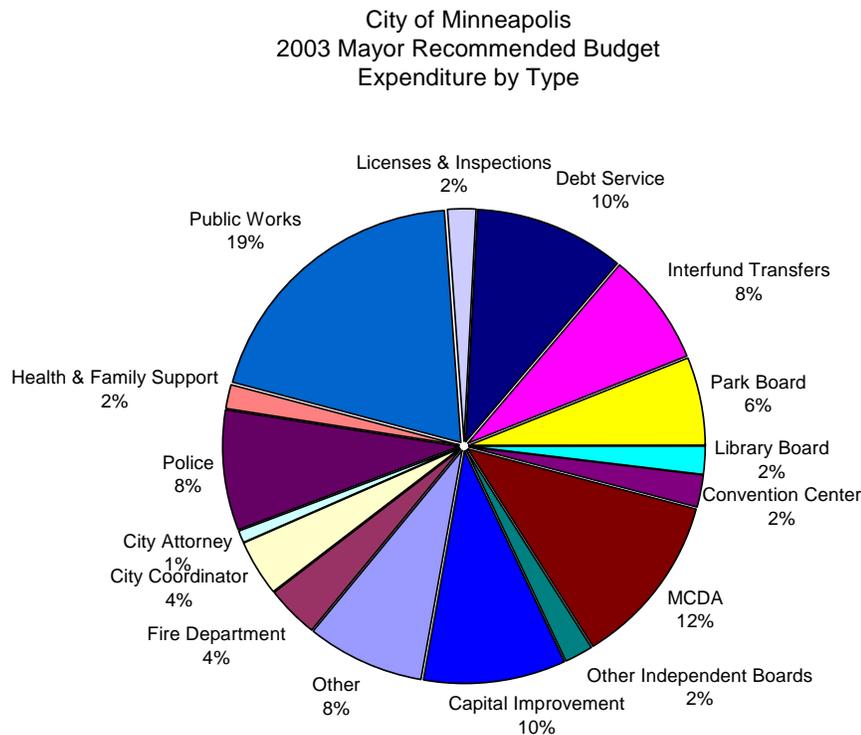
Fire Escrow - Utilized fire escrow insurance funds based on State legislation to remove two buildings severely damaged by fire at no cost to the city and its taxpayers. Also processed over 100 fire escrow requests and successfully closed 18 escrow accounts ensuring fire repairs were completed to code using appropriate insurance funds.

City Revenues and Expenditures

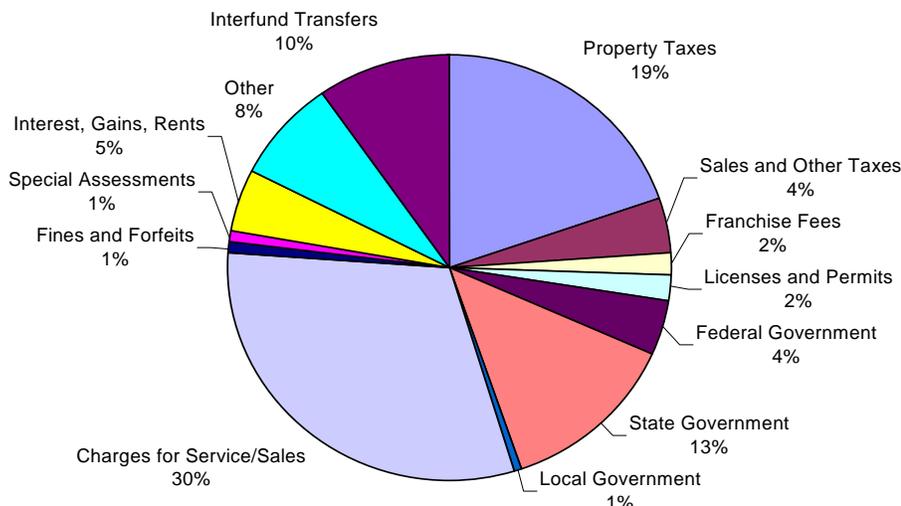
The 2003 City Council adopted budget called for City operating expenditures of approximately \$1.2 billion against revenues of \$1.2 billion. Within the operating budget recommendations, the City of Minneapolis 2003 budget called for \$263 million of general fund expenditures, balanced by a like amount in revenue. In comparison, the 2002 approved budget called for general fund expenditures of \$246 million. This represented a 7% increase in the City's general fund expenditures from 2002 to 2003.

The general fund was the largest of the City's operating funds. It financed the majority of "general" government activities, such as public safety and street construction and maintenance. It received support from a number of sources, such as the general property tax levy (see the "Property Tax" section), government aid, licenses and permits, franchise fees, service charges, and fines and forfeitures.

The following table shows the 2003 General Fund operating expenditures for several departments whose activities are discussed, in part, within this *State of the City* report. The 2002 approved amounts for these departments are also included for comparison.



City of Minneapolis
2003 Council Adopted Budget
Revenues by Major Category



**GENERAL FUND OPERATING EXPENDITURES
SELECTED DEPARTMENTS AND BOARDS
2002 & 2003 BUDGETS (IN MILLIONS)**

Department	2002	2003
Fire	\$41.6	\$44.2
Police	\$92.9	\$98.0
Inspections & Licenses	\$19.0	\$18.8
Health & Family Support	\$4.0	\$3.9
Public Works	\$36.3	\$38.3

City of Minneapolis Revenue by Major Category (in millions of dollars)

	2002 Adopted Budget	2003 Adopted Budget
Property Tax	\$151.3	\$166.5
Tax Increment Property Tax	\$58.7	\$64.6
Sales and Other Taxes	\$49.1	\$49.5
State Government	\$151.0	\$154.3
Local Government	\$8.5	\$8.3
Federal Government	\$39.2	\$50.0
Franchise Fees	\$21.6	\$20.4
Charges for Service	\$311.1	\$348.5
Charges for Sales	\$15.1	\$14.1
Licenses and Permits	\$19.6	\$21.7
Fines and Forfeitures	\$8.2	\$9.3
Special Assessments	\$10.0	\$10.2
Interest Income	\$6.4	\$3.6
Rents	\$46.2	\$49.9
Other	\$102.9	\$89.7
Subtotal	\$1,002.9	\$1,063.0
Transfers from Other Funds	\$280.9	\$116.0
Total Revenues	\$1,283.7	\$1,179.0

City of Minneapolis Expenditures by Service (in millions of dollars)

	2002 Adopted Budget	2003 Adopted Budget
City Coordinator (excluding Inspections and Licenses)	\$47.2	\$48.5
City Attorney	\$9.2	\$9.9
Convention Center and Greater Minneapolis Convention and Visitor's Association	\$26.3	\$27.5
Fire Department	\$42.3	\$44.3
Health and Family Support	\$22.1	\$21.32
Inspections and Licenses	\$24.1	\$23.1
Police	\$97.1	\$100.8
Public Works - Field Services	\$27.6	\$29.9
Public Works - Sewer, Storm Water, Flood Mitigation	\$38.9	\$39.9
Public Works - Solid Waste and Recycling	\$25.2	\$25.8
Public Works - Transportation	\$45.2	\$47.4
Public Works - Water Treatment and Distribution	\$31.5	\$34.8
Public Works - Other	\$55.6	\$61.3
Other City Services	\$15.2	\$16.4
Other	\$61.1	\$82.4
Debt Service	\$136.5	\$132.4
Capital Improvement	\$122.5	\$98.1
Subtotal	\$827.9	\$843.8
 <i>Independent Boards</i>		
Community Development Agency (MCDA)	\$162.1	\$149.1
Library Board	\$22.0	\$22.0
Park Board	\$78.5	\$77.5
Youth Coordinating Board	\$6.8	\$6.1
Other Boards	\$9.0	\$9.2
Subtotal	\$278.5	\$264.1
 Total Expenditures (without Transfers)	 \$1,106.3	 \$1,107.8
Transfers to other funds	\$138.4	\$89.6
 Total Expenditures with Transfers	 \$1,244.8	 \$1,197.4

Property Tax

The calculation of a parcel's property tax began with the Assessor's determination of its estimated market value. The estimated market value was defined as the usual selling price of the property that would be obtained at private sale. Property taxes were not based upon the estimated market value of a property. Rather, property taxes were based upon the taxable value of a property. Many times, the estimated market value and taxable value of a property were not the same.

This was because of a program called *limited market value (LMV)*. Limited market value was first implemented by the state in 1993 and limited the growth in a property's taxable value from year to year. This program is currently being phased out by the State and, barring any changes by the State, will be completely eliminated by 2008. As a result, estimated market value and taxable market value will be the same for all properties for taxes payable in 2008; this phase-out will be a contributing factor to property tax increases in coming years.

The taxable value of a property was known as *net tax capacity*. Net tax capacity was determined by taking the property's taxable market value and multiplying that amount by a class rate. The class rates applied to a particular property depended upon the property type and its value. Class rates were determined by the State statute and were uniform throughout the State.

The tax rates that were applied to the net tax capacity were determined each year by the various taxing jurisdictions. Each jurisdiction estimated the amount of the tax revenue necessary for the following year and divided that amount by the total value of taxable property (total net tax capacity) within the jurisdiction; the result was a local tax rate. Each taxing jurisdiction held a Truth in Taxation hearing each Fall, which was a public hearing on the amount of the proposed tax levy for the following year. Final tax rates were available in mid-February of the following year. For Minneapolis property owners, the tax rates payable for 2003 were as follows:

Jurisdiction	Tax Rate	Total Certified Tax Levy (in millions)	% of Total Tax Rate
City of Minneapolis	63.65%	\$158.4	6.6%
Minneapolis Public Schools	33.44%	\$84.4	41.8%
Hennepin County	45.07%	\$113.1	22.0%
Other Special Taxing Jurisdictions	10.04%	\$21.8	29.6%
Total	152.20%	\$ 377.7	100.00%

Special levies includes levies for Metro Mosquito Control, Met Council, Metro Transit, Hennepin Parks, Park Museum, Hennepin County Regional Railroad Authority, Minneapolis Public Housing, Minneapolis HRA/MCDA, Minneapolis Teachers Retirement Fund and various watershed districts. Does not factor in the effects of any property tax credits.

The local tax rates were then applied to a property's tax capacity, property tax credits were subtracted out and a final property tax amount was determined.

Step 1: Start with the 2003 taxable market value, as determined by the Assessor.

Example: \$155,500

Step 2: Calculate the property's tax capacity by multiplying the estimated market value by the applicable class rate.

Example: \$155,500 x 1.00% = \$1,555 in tax capacity

Step 3: Multiply the property's tax capacity with the applicable tax rate/s:

Example: \$1,800 x 152.2% (tax rate) = \$1,792

Total estimated property taxes = \$1,792

The homeowner's property tax refund program, sometimes referred to as the "circuit breaker," provided property tax relief to homeowners. In most cases the total amount of property tax credits received by a homeowner depended upon the relationship between the property owner's income and the amount of their property tax.

Tax Increment Financing

A Tax Increment Financing (TIF) district is created by City Council adoption of a plan for redevelopment and tax increment financing. The tax capacity of the property within the district is then determined according to the last equalized tax roll (with that year becoming the base year) and represents the original tax capacity of the TIF district. Each of the taxing jurisdictions (City, County, School District, and special taxing jurisdictions) continues to receive the share of taxes collected on the tax capacity representing the original tax capacity. This continues as if the district had never been created and there had been no change in the valuation of the area.

The City may sell bonds, issue notes, or use other available resources to clean up pollution, acquire property, relocate businesses and residents, preserve historic structures, demolish buildings, and prepare sites for redevelopment in tax increment districts. The assembled parcels of cleared land are sold to a private developer. When construction is complete and the new buildings are on the tax rolls, the TIF district has a new, higher tax capacity since it will have a higher market value, and tax capacity is based on a percentage of market value.

Property tax reforms enacted during the 2001 legislative session directly impacted the amount of TIF revenue to be collected in future years. Additionally, reductions in market values of various commercial properties in the downtown area also impacted the amount of revenue collected each year. The City closely monitored the impact of property tax reform as well as the fluctuation of market values on tax increment revenues. It is anticipated TIF revenues will be sufficient to pay outstanding tax increment debt.

In Minneapolis, the tax increment districts were administered by the Minneapolis Community Development Agency through 2003. As of January 1, 2004, the tax increment districts were administered by the Development Finance Division of the City’s Department of Finance. The captured tax capacity was calculated for districts that were active. The net tax capacity captured for all active projects totaled \$44.4 million for taxes payable in 2002, down from \$53.8 million in 2001. The net tax capacity captured for all 2003 active projects totaled \$47.9 million.

The following is a list of active Minneapolis TIF districts; modifications were not included in the listing.

Active Districts	Base Year	Active Districts	Base Year
1. St. Anthony West	1971	42. Housing Replacement District	1996
2. Cedar-Riverside	1971	43. Impact Mailing	1997
3. Grant	1971	44. Southeast Minneapolis Industrial Area (SEMI) Phase III	1997
4. Seward South	1971	45. Southeast Minneapolis Industrial Area (SEMI) Phase IV	
5. Holmes	1972	46. Lowry Ridge	
6. Loring Park	1972	47. Camden Medical Facility	
7. Nicollet-Lake	1972	48. Rosacker Nursery Site	1998
8. North Loop	1973	49. Creamette	1998
9. West Broadway	1973	50. Phillips Park	1998
10. North Washington Industrial Park	1973	51. West Side Milling District	1998
11. Industry Square	1973	52. Portland Place	1999
12. Nicollet Island-East Bank	1979	53. Heritage Landing Housing District	1999

13. Broadway I-35	1977	54. Southeast Minneapolis Industrial Area (SEMI) Phase V (Kasota Phase II)	1999
14. City Center	1977	55. 50 th & France	1999
15. Hennepin-Lake	1979	56. Historic Milwaukee Depot Reuse	1999
16. Elliot Park #1	1980	57. 2 ND Street North Hotel/Apts	
17. Elliot Park #2	1981	58. 10th & Washington	2000
18. Franklin Avenue	1980	59. East Village	2000
19. Nokomis Homes	1981	60. Nicollet-Franklin	2000
20. 20 th & Central	1982	61. Humboldt Greenway	
21. One Ten Grant	1982	62. Former Federal Reserve	2000
22. Convention Hotel & Retail	1985	63. Stinson Technology Campus	2000
23. Chicago-Lake (knocked down)	1985	64. Graco Campus Expansion	2000
24. 28 th & Chicago	1985	64. East Hennepin & University	2000
25. Conservatory	1985	65. Hennepin & 7th Entertainment	2000
26. Laurel Village	1985	66. 2700 East Lake	2000
27. LaSalle Plaza	1985	67. Towers at Elliot Park	2000
28. NBA Arena	1986	68. Grain Belt Brew House	2000
29. IDS Data Service Center	1986	70. Magnum Loft Apartments	2001
30. Block 33 – Franklin Avenue	1986	71. 13 Th and Harmon	2001
31. Neiman Marcus	1988	72. Shingle Creek Commons	2001
32. Block E	1989	73. Urban Village	2001
33. MILES I	1991	74. 1900 Central Ave.	2002
34. Housing for Chronic Alcoholics	1994	75. East Phillips Commons, Phase I	2002
35. 36 th & Marshall NE	1994	76. Lake Street Center (Sears)	2002
36. 9 th & Hennepin	1995	77. Many Rivers East	2002
37. Southeast Minneapolis Industrial Area (SEMI) Phase I	1995	78. Minneapolis Stone Arch Apartments	2002
38. United Van/Bus	1996	79. East River/Unocal Site	2002
39. Southeast Minneapolis Industrial Area (SEMI) Phase II	1996	80. West River Commons	2002
40. Deep Rock Economic Development	1996	81. Grain Belt	2003
41. Spring and Central	1996	82. Village in Phillips	2003

City Debt

Minneapolis' total general obligation debt increased from \$1.119 billion at December 31, 2002 to \$1.250 billion at December 31, 2003. In 2003, the City of Minneapolis issued bonds totaling \$252,705,000. Of this amount, \$42,335,000 was issued to refund existing debt. The following information provides details of Year 2003 Bond Sales:

January

In January, the City issued \$26,350,000 of General Obligation Tax Increment Refunding Bonds, Series 2003 (Laurel Village). These bonds refunded \$26,165,000 of General Obligation Laurel Village Refunding Bonds, Series 1992 dated September 1, 1992 on the optional call date of March 1, 2003. Final maturities of both bond series were March 1, 2016. The refunding resulted in debt service savings of approximately \$3,853,000 on a present value basis.

June

In June, the City issued \$1,725,000 of General Obligation Tax Increment Bonds, Series 2003A (West Side Milling) and \$6,900,000 of General Obligation Tax Increment Bonds, Series 2003B (Heritage Park) to fund two ongoing redevelopment projects. Also issued were \$36,000,000 of Taxable General Obligation Pension Bonds (MERF) to fund pension obligations for the Municipal Employees Retirement Fund and \$68,615,000 of General Obligation Various Purpose Bonds, Series 2003 supporting the five year capital plan.

The various purpose bonds supporting the capital plan were as follows:

500,000	Diseased Tree Removals
8,590,000	Flood Mitigation & Combined Sewer Overflow Projects
8,350,000	Water Works Projects
9,630,000	Fleet Equipment Purchases
14,215,000	Public Safety Capital Initiative Projects
100,000	Library Improvements
661,500	Municipal Building Commission Projects
1,920,000	Park Improvements
24,648,500	Various Public Works Infrastructure Projects

October

In October, the City issued \$6,130,000 of General Obligation Improvement Bonds, Series 2003 for various special assessment projects. Also issued were \$15,985,000 of General Obligation Various Purpose Refunding Bonds, Series 2003 and \$57,000,000 of General Obligation Library Bonds, Series 2003 for construction of Central and Community Library system projects. Finally, \$17,900,000 of Taxable General Obligation Pension Bonds (MPRA), Series 2003 were issued for pension obligations for the Minneapolis Police Relief Association.

December

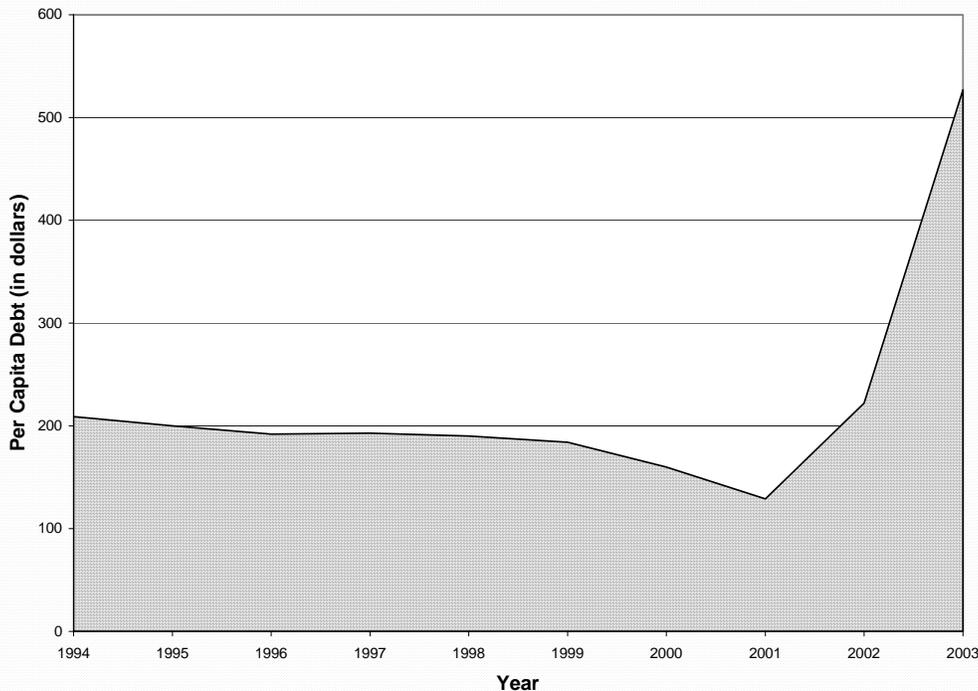
In December, the City issued \$16,100,000 of General Obligation Guthrie Parking Ramp Bonds, Series 2003 for design and construction of a new parking ramp to serve the new Guthrie Theater.

Management of the City's debt involved consideration not only of the absolute amount of debt, but also attention to yearly trends in the relationship of the debt to other financial measures. For purposes here, Mortgage Revenue bonds and General Agency Reserve Fund System bonds of the Community Planning & Economic Development Department (formerly Minneapolis Community Development Agency) were not included as City Debt.

Debt Trends

The accompanying chart shows a ten-year history of the total City debt level for years 1994 - 2003. The total included general obligation debt, backed by the full faith and credit of the City, and non-general obligation debt, which included only tax increment revenue bonds.

**City of Minneapolis
Per Capita Debt, in Dollars*
1994-2003**



Figures shown are adjusted indebtedness, which represents the total general obligation indebtedness of the City less that indebtedness supported by revenues other than general property taxes. Some of the increase in 2003 will be offset by funding from self supporting enterprises of the City but the extent of this amount was not fully known at the time of this publication.

Debt Capacity – Total Debt

The primary goal of the City's debt management effort was to maintain the ability to incur debt at minimal interest rates without endangering the City's ability to finance essential City services. The policy focused on a revenue/debt ratio approach and called for the City to closely monitor the absolute amounts and year-to-year trends of key financial ratios. The policy stated that the City should limit the issuance of new bonded debt so as to make improvements in the key financial ratios over time.

The key management ratio used in monitoring total debt was total debt outstanding as a percent of estimated full market value of Minneapolis' taxable property. The ratio of total outstanding debt to the Minneapolis City Assessor's market value of taxable property remained at an estimated 4.7% in 2003, the same as the previous year, even though Total Debt applicable to this calculation rose by over \$117 million during this timeframe.

The chart below shows 1994 as the highest total debt/market ratio even though total debt was decreasing. This was due to declining market valuations experienced in the early 1990's. From 1994 - 1999, the ratio's favorable downward trend reflected a recovery in property valuations at the same time the total debt level was stable to slightly increasing. Total Debt levels increased in 2000

and 2001, declined in 2002 and rose again in 2003, but the impact of these higher debt levels were more than offset by a continuing increase in the market value of the City's taxable property.

