



quarterly
report

City of Minneapolis
Community Planning &
Economic Development

First Quarter, 2005



Volume 2, Number 1

In this issue...

Progress on Key Initiatives ... 2

- Community Planning 2
- Economic Policy & Development 2
- Workforce Development 2
- Housing Policy & Development 2
- Development Services 3

Key Events and Milestones ... 4

- Community Planning 4
- Economic Policy & Development 4
- Housing Policy & Development 5
- Developmental Services 5

Progress on Key Department

Performance Measures 6

- Economic Development 6
- Housing 6
- Planning/Community Planning 7
- Planning/Development Services 7
- Workforce Development 8

First Quarter Highlights

2005 got off to a fast start with progress on many fronts; selected highlights are listed here; for additional program detail, please see the remainder of the report.

Jobs

Thanks to increased placements through the Minneapolis Employment and Training Program, the gap between metro and city unemployment rates narrowed to 0.3 percent – the best in recent history.

New Immigrants

CPED helped fund the renovation of Plaza Verde, with retail, office and arts space in the former Antiques Minnesota building on Bloomington and Lake. CPED also was a founding partner of the Lake Street Business and Career Center.

Theaters

The City Council approved CPED’s recommendations governing long term management and ownership of the three City-owned Hennepin Theatre District properties: the Historic Orpheum Theatre, the Historic State Theatre and the Pantages Theatre.

Northside Home Fund

The fund, which was joined with the Don’t Borrow Trouble campaign against predatory lending in north Minneapolis, received an additional \$250,000 commitment from the Family Housing Fund. It selected the first cluster of homes to renovate at 25th and James Avenues in the Jordan neighborhood.

New Housing Production Report

For the first time, basic information about public and private housing production in the city is included in a single, new report. During the 15-month period from January 2004 through March of 2005, 1,887 new housing units were completed. The report is available at <http://www.ci.minneapolis.mn.us/cped/newhousingproduction.asp>

Affordable Housing Trust Fund

The City Council approved \$7.2 million for eleven projects comprising 627 units.

Corridor Housing Strategies

This CPED program was among 18 finalists selected out of more than a thousand applicants nationwide for the Harvard Ash Institute’s Innovations in American Government Awards.

Site Plan Review

CPED revised the Site Plan Review chapter of the zoning code. Revisions improve customer service, focus the City’s limited resources where they can have the most impact, improve environmental provisions, and, in response to the recent North Side new residential construction moratorium, add innovative new design standards for one- to four-unit residential buildings.

Schools Study

A consultant hired by CPED completed a historic context study for the Minneapolis Public Schools. The study tells the story of school construction in Minneapolis as it relates to architecture and engineering, curriculum, demographics and public health. It is available at <http://www.ci.minneapolis.mn.us/hpc/schools.asp>

Public Safety

CPED has worked with the Minneapolis Police Department to create the Downtown Security Collaborative, an initiative that addresses perceptions of crime with a united approach across jurisdictions and sectors.

Thank you for your support. Please let me know if you have comments or questions.

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Part I: Progress on Key Initiatives in 2005 Business Plan

▶ COMMUNITY PLANNING

Complete, Prepare and Assist with Several Plans (Contact: Pam Miner 673-3240)

- Prepared final draft of Midtown Minneapolis Land Use Plan (formerly titled Lake Street Development Objectives).
- Sustainability plan approved by the Planning Commission and forwarded to the City Council for final approval.
- Collected final data for the 38th Street LRT station area plan.
- Requests for Proposals issued and proposal review conducted for Industrial Land Use and Employment Policy, South Lyndale Corridor Plan and Midtown Greenway Master Plan.
- Substantial involvement in Environmental Impact Statements (EIS) related to major developments and sports facilities.

▶ ECONOMIC POLICY & DEVELOPMENT

Create New Riverfront Partnership

(Contact: Ann Calvert 673-5023)

- Selected consultant to complete a riverfront organizational capacity study.
- Applied for grant funds to enter into a contract with the consultant.

Develop Plan for University Research Park

(Contact: Jim Forsyth 673-5179)

- Received 2005 state bond approval for bioscience infrastructure.
- Collaborated with Public Works to prioritize infrastructure needs, estimate the costs and identify funding sources.
- Task force reviewing the University's football stadium EIS.
- Working with existing property owner Wall Development Company on pollution remediation and other efforts directed at development of the east phase of their proposed Minnesota Innovation Center.

Implement Business Toolbox

(Contact: Kent Robbins 673-5187)

- Completed the script and layout for the Business Toolbox, a comprehensive description of CPED's employment and economic development programs.

▶ WORKFORCE DEVELOPMENT

Conclude the "Close the Gap" Campaign

(Contact: Chip Wells 673-5292)

- Continued to raise funds for "Close the Gap," a campaign to close the unemployment rate gap between Minneapolis and the metro area.
- Received \$300,000 from the Northway Foundation for job placement services on the Northside.
- Received approximately \$89,000 in match funding under a provision of the Federal Food Support program.
- Unemployment rate gap for the first quarter dropped to a record low at .3 percent.

▶ HOUSING POLICY & DEVELOPMENT

Identify Funds to Complete the Heritage Park Finance Plan

(Contact: Elfric Porte 673-5145)

- Developed a financial strategy to meet the construction deadline as ordered by the Federal Court.
- Transferred \$2.9 million from Southeast Minneapolis Industrial area to the Heritage Park project.
- Received \$450,000 of Metropolitan Council grant funds.
- Created a plan for Phases III and IV, which is ownership housing development.

Implement Corridor Housing Strategies

(Contact: Kevin Dockry 673-5075)

- Selected as a finalist for the Harvard University's Ash Institute Innovations in American Government Awards; according to Fannie Mae, co-sponsor of this award, "These programs represent true innovation and creative development of affordable homes by state and city government."
- Acquisition is underway for the first 2 parcels with funding approved in 2004.

Part I: Progress on Key Initiatives in 2005 Business Plan

Implement the Northside Home Fund

(Contact: *Elizabeth Ryan 673-5128*)

- The City Council has approved an eminent domain pilot project. This means the City may now move to acquire vacant and boarded homes in the Northside Home Fund target area. These acquisitions are part of a larger “cluster” plan to improve vacant and boarded property and the surrounding privately owned properties.
- The Family Housing Fund committed an additional \$250,000.

Improve the Quality of Housing Stock

(Contact: *Elfric Porte 673-5145*)

- Completed Memorandums of Understanding with four neighborhoods to implement the Neighborhood Revitalization Program (NRP)/CPED Lot Redevelopment Program, which helps acquire blighted properties and redevelop them.
- Developed a City “enterprise-wide” strategy with Inspections, coordinating the two departments’ work on vacant and boarded properties.
- Housing and Real Estate reviewed proposals for 12 new construction projects, and worked with developers to insure their plans were appropriate for the neighborhoods’ architectural styles.
- Reviewed plans for the single-family ownership units at Heritage Park to ensure that they meet the approved housing guidelines.

▶ DEVELOPMENT SERVICES

Implement Minneapolis One Stop and Related Customer Service Improvement

(Contact: *Steve Poor 673-5837*)

- Analyzed cost/benefit and potential design of Integrated Voice Response system for automated telephone customer service.
- Assisted in KIVA software system upgrade.
- Worked to ensure all basic zoning data is available in KIVA.

▶ COMMUNITY PLANNING

PLANNING

(Contact: Barb Sporlein 673-2616)

- Served as major partner in county-led process to complete a small area plan for 29th Street and University Avenue (formal approval pending).
- Served on University of Minnesota Gopher Stadium Advisory Group: reviewed and responded formally to the Environmental Assessment Worksheet and Environmental Impact Statement Scoping Document, achieved an agreement between the City and the University on citizen and City engagement, coordination and approvals.
- Revised the draft Arts and Culture Plan presented to City staff and the Arts Commission by the consultant. Final revisions to be made in the second quarter, with formal review and approval to occur later in 2005.
- Received approval to remove and donate the “Northern Lights” public art sculpture currently on Nicollet Mall.

▶ ECONOMIC POLICY & DEVELOPMENT

BUSINESS DEVELOPMENT

(Contact: Tom Daniel 673-5079)

CPED’s Business Development section is organized around four teams, as described below; team and project highlights follow:

Neighborhood Commercial/Transit Corridor

(Contact: Mike Christenson 673-5122)

- ♦ Work plan developed for the Northside that builds from current community, City, and private initiatives. The plan calls for Business Development staff to focus on soliciting development proposals for CPED-owned properties.
- ♦ Funding for the Ritz Theater approved, with construction to commence later this year.
- ♦ Construction work on Plaza Verde (formerly known as Antiques Minnesota) was completed, and the facility celebrated its grand opening.

Land Recycling and Infrastructure

(Contact: John Harrington 673-5018)

- ♦ The team selected appropriate parcels for parking development (Lake Street and Cedar Riverside).
- ♦ Staff developed a 2005 work plan for the brownfields program and began activities for six to nine probable brownfields projects worth \$3 million to \$4 million of anticipated funding.

Downtown

(Contact: Tom Daniel 673-5079)

- ♦ Identified two key initiatives for 2005: improving downtown security and completing the rezoning study associated with the Downtown East/North Loop Master Plan.
- ♦ Completed negotiations of lease terms for the historic theaters.

Riverfront

(Contact: Ann Calvert 673-5023)

- ♦ Interagency team developed a 2005 work plan for public activities along the Upper River.
- ♦ Completed multi-stakeholder negotiations for the public improvements package associated with the new Guthrie Theater. (Council action is expected in the second quarter with construction work to follow.)

BUSINESS FINANCE

(Contact: Bob Lind 673-5068)

- Partnered with the 35 neighborhood business associations to promote the City’s small business assistance programs.
- Revised “Small Business Assistance Programs” brochure to include a section on accessing City business services for residents who speak limited English.
- Marketed our business programs at a number of small business fairs and expos and have had articles published in area business journals.

Part II: Other Key Events and Milestones during the First Quarter

▶ HOUSING POLICY AND DEVELOPMENT

MULTIFAMILY

(Contact: Cynthia Lee 673-5266)

- Eleven projects approved for the second round of the 2004 Affordable Housing Trust Fund (AHTF) (627 units, \$7.2 million).
- Five projects selected for Workforce Housing.
- Ten projects approved for the 2004 NRP Affordable Housing Reserve Fund (AHRF) (\$3+ million).
- Limited Equity Cooperative projects approved by City Council.
- Midtown Exchange ownership housing closed.
- Humboldt Greenway Phase II closed.
- St. Barnabas, Hiawatha Court and Phillips Park Initiative projects completed.
- Grain Belt Redevelopment contract executed.
- Walker Library proposals analyzed. Recommendations presented to joint task force.

SINGLE-FAMILY

(Contact: Elfric Porte 673-5145)

- Worked with neighborhood groups reviewing their NRP Phase II plans. Three of those plans were approved this quarter.
- Sold five buildable parcels for new single-family housing developments.
- Sold renovated home to a first-time homebuyer.
- Reviewed plans for the single-family ownership units to be built at Heritage Park.
- Updated Council on the disposition strategy of the CPED-owned non-buildable parcels.
- Received authorization to contract with Lutheran Social Services for \$200,000 to implement “It’s All About the Kids.”
- Acquired the Lao Lutheran Church property in order to build more housing units within Heritage Park.
- Worked with the Northside Home Fund Advisory Board in selecting the first project area (cluster) for pilot housing improvement project.

▶ DEVELOPMENT SERVICES

(Contact: Steve Poor 673-5837)

- Completed transfer of zoning enforcement duties from Regulatory Services to CPED Planning. Started work on overall analysis of functions and work plan for this section.
- Created satisfaction survey for Development Services customers. Survey will be mailed out with final action letters related to land use applications and given to walk-in customers at the zoning counter. A similar survey is being developed for Community Planning customers. Survey responses will be tabulated and used to make improvements.
- Completed the Minneapolis Public Schools historical context study. The study is available on the Heritage Preservation Commission Web site at: <http://www.ci.minneapolis.mn.us/hpc/schools.asp>
- Initiated Phase II of the City’s Development Review Fee Study. This involves working with the consultant and a member of the Steering Committee to fully account for development review activity and costs so that each department can fully recover the fee revenue related to their actual development review activity and costs.

Part III: Progress on Key Departmental Performance Measures

[\$ in millions]	2002 Actual	2003 Actual	2004 Actual	2005 Projected	2005 YTD (1 st Quarter)	Comments
ECONOMIC DEVELOPMENT						
Estimated increase in property taxes due to Economic Development projects	\$1.3	\$3.2	\$0.4	\$0.8	\$0.18	
# of new jobs projected by City-assisted projects	1,441	1,554	378	447	68	
# of small business loans	151	170	115	158	18	
\$ value of business loans	\$390	\$282	\$246	\$300	\$4.3	
# of businesses assisted by City market advocates/ case managers	n/a	n/a	7	50	16	
Real estate marketing contacts	n/a	571	522	200	48	
\$ amount of contamination grants secured	\$4.3	\$4.7	\$4.2	\$1.5	0	Grant applications to be submitted next quarter
Acreage of land to be recovered due to secured cleanup grants	n/a	n/a	n/a	5–25 acres	0	Projection to be refined next quarter
Attendance at City-owned entertainment venues:						Theater numbers for 2002-2004 do not include Hennepin Stages
Historic theaters	553,058	428,458	429,399	500,000	107,000	
Target Center	pending	pending	pending	2,000,000	515,000	
# of Empowerment Zone businesses funded	11	50	40	5	4	
# of Empowerment Zone businesses receiving technical assistance	120	414	402	20	49	
HOUSING						
Note: Unit counts reflect CPED-assisted housing development and not privately developed housing. Numbers marked with * have been changed to reflect updated historical information (e.g., shelter beds have been excluded from unit counts).						
# of new/converted multifamily housing units completed (# located downtown)	388* (162)	1,151* (461)	650 (0)	1,193 (578)	97 (52)	
# of rehabilitated multifamily housing units completed (# located downtown)	466* (0)	418* (69)	1,240 (381)	560 (0)	12 (0)	
# of multifamily units affordable to households earning less than 50 percent of metro median income (subset of above two categories)(# located downtown)	476* (33)	594* (142)	1,283 (220)	751 (52)	64 (52)	
# of multifamily units under construction (# located downtown)	1,918* (736)	2,122 (0)	1,345 (471)	1886 (25)	231 (25)	
# of single-family units (new construction) completed	123	116	80	80	20	

Part III: Progress on Key Departmental Performance Measures

[\$ in millions]	2002 Actual	2003 Actual	2004 Actual	2005 Projected	2005 YTD (1 st Quarter)	Comments
HOUSING (continued)						
# of single-family units rehabilitated	10	8	10	13	1	
# of single-family units affordable to households earning less than 80 percent of metro median income (subset of SF units completed)	54	62	42	40	11	
# lots sold for single-family development or side yards	122	120	64	80	4	
# and average amount of home improvement loans	131 loans \$12,586	48 loans \$11,289	9 loans \$13,728	45 loans \$ 13,000	3 loans \$13,227	
# and average amount of mortgage loans	138 loans \$141,402	2 loans \$112,760	198 loans \$178,460	150 loans \$180,000	27 loans \$178,880	
# and average amount of down payment assistance loans	29 loans \$18,364	13 loans \$13,103	96 loans \$4,563	105 loans \$5,000	22 loans \$4,000	
PLANNING/COMMUNITY PLANNING						
# of small-area plans prepared by staff and approved or amended by City Council	n/a	4	0	6	0	
% involved residents confident that their input will be valued	n/a	n/a	n/a	80%	n/a	Development Services customer survey begins next quarter
# film permits issued	205	212	190	195	48	Total project budgets = \$1.5 million
# of public art projects installed or renovated (major conservations)	11	3	5	4	0	1 removal / donation ("Northern Lights" on Nicollet Mall)
PLANNING/DEVELOPMENT SERVICES						
# of building permits reviewed	7,905	7,905	8,100	7,900	894	1,499 counter customers served; 4,560 zoning calls processed
# of land use applications reviewed	1,194	1,083	1,197	1,400	188	151 City Planning Commission apps; 37 Board of Adjustment apps
% land use applications processed within state- mandated timeframes	99+%	99+%	99+%	99+%	100%	
# of Heritage Preservation Commission applications reviewed	155	180	175	200	36	
# of properties designated for historic preservation	n/a	n/a	n/a	2	1	Cream of Wheat Building

Part III: Progress on Key Departmental Performance Measures

[\$ in millions]	2002 Actual	2003 Actual	2004 Actual	2005 Projected	2005 YTD (1 st Quarter)	Comments
PLANNING/DEVELOPMENT SERVICES (continued)						
# of historic demolition permits reviewed	n/a	n/a	n/a	160	40	
# of zoning code text amendments adopted	31	6	9	10	1	
# of state and federal environmental reviews conducted	26	16	24	30	18	
WORKFORCE DEVELOPMENT						
NOTE: Numbers marked with * have been changed to reflect updated historical information.						
Metro unemployment rate	4.3%	4.6%	4.4%	4.3%	4.2%	
City unemployment rate	4.9%	5.5%	5.1%	4.5%	4.5%	
Gap in unemployment rate for city vs. metro	.6%*	.9%	.7%	.2%	.3%	
# of Job Linkage new hires	2,205*	4,122*	4,607	4,700	1,152 (est.)	