



# Quarterly Report



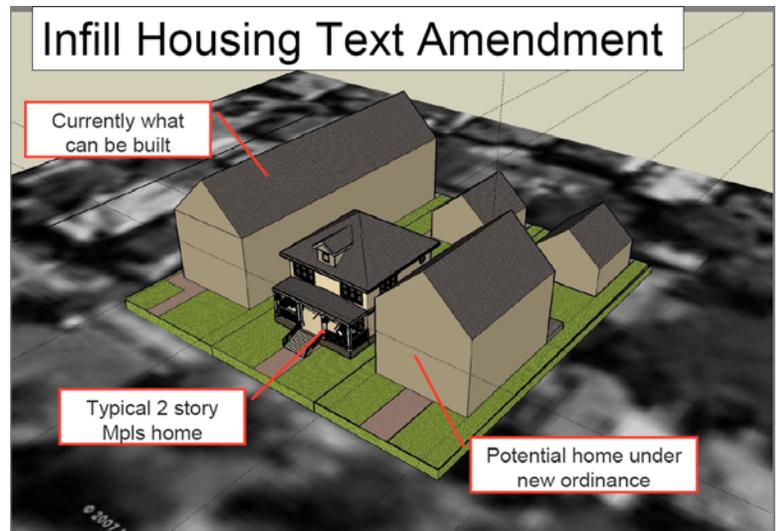
Second Quarter 2007

Department of Community Planning and Economic Development - CPED

## Second Quarter Highlights

- The City Council approved the new [Great Streets Neighborhood Business District program](#). The program includes tools for business commercial real estate development gap financing, business district support contracts, and a facade improvement program.
- The City Council approved the [SEMI/29<sup>th</sup> & University rezoning study](#). By approving the study, the City added the Transit Station Area Pedestrian-Oriented (TSA PO) overlay zoning district to the area which is important because it will encourage more compact, sustainable, mixed-use development adjacent to the coming Central Corridor LRT line.
- CPED hosted three community forums (below) which attracted 150 participants; the forums were followed by an on-line survey to which CPED received 1253 responses. Both the forum and survey focused on the [comprehensive plan](#) update's broad themes of sustainability, urban design, and heritage preservation.

- Planning staff completed the [Infill Housing Text Amendment](#) (below) process (aka the "Monster Home" Ordinance), with the adoption of new zoning code language intended to preserve the traditional character of Minneapolis neighborhoods.



- Target Corporation convened law enforcement leadership with [SafeZone](#) and announced a summer anti-crime push for downtown.
- The [St. Anthony Mills Apartments](#) opened in April. The project is a five-story mixed-use located in the Historic Mill District with 93 housing units – 85 of which are affordable – and 5,000 sq.ft. of commercial space.

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## Part I: Key Accomplishments and Milestones for the Quarter

### ***Our Mission:***

The Department of Community Planning and Economic Development works with local and regional partners to preserve and enhance our natural and built environment, plan for growth, and advance the physical and human development of the city.

#### 1) Plan and develop a vibrant, sustainable community

##### Community Planning

Contact: Karin Berkholtz 673-3240

- [The Minneapolis Plan for Sustainable Development](#) (The City's Comprehensive Plan Update):
  - CPED hosted three community forums which attracted 150 participants; the forums were followed by an on-line survey to which CPED received 1253 responses. Both the forum and survey focused on the plan update's broad themes of sustainability, urban design, and heritage preservation.
  - CPED staff began a series of focus group sessions with organizations such as the Twin Cities Builders Association to gain perspectives and suggestions on the comprehensive plan and improving the city's competitive edge.
- The City Council approved the [SEMI/29<sup>th</sup> & University rezoning study](#). By approving the study, the City added the Transit Station Area Pedestrian-Oriented (TSA PO) overlay zoning district to the area which is important because it will encourage more compact, sustainable, mixed-use development adjacent to the coming Central Corridor LRT line.

##### Development Services

*Contacts: Steve Poor, zoning administration and enforcement, 673-5837; Jason Wittenberg, land use applications and Planning Commission, 673-2297; Jack Byers, preservation and design, 673-2634*

- Zoning code Amendments: Staff work completed on the following four zoning code text amendments:
  - Refining requirements for [separate access/entrances](#) for mixed use buildings;
  - Expansion of allowed use for [wind energy conversion systems](#);
  - Restricting the [size of food and beverage uses](#) in industrial districts; and
  - New regulations related to new [infill housing](#) size and scale.
- Major projects approved by the [City Planning Commission](#):
  - [Clifton Place Condominiums](#) (48 residential units)
  - [26<sup>th</sup> and Lyndale Ave. S.](#) mixed use development (16 residential units and 2,400 square feet of retail);
  - [Infinity Lofts](#) (36 residential units), 150-room hotel (2<sup>nd</sup> St. N. and 3<sup>rd</sup> Ave. N.);
  - [Pacific Flats](#) (80 residential units and approximately 60,000 square feet of commercial);
  - [Midtown Medical](#) (56,000 square-foot clinic and office); and
  - [Center for Changing Lives](#) (48 dwelling units and 57,000 square feet of commercial space).
- Launched a new web site for Heritage Preservation at [www.ci.minneapolis.mn.us/hpc/](http://www.ci.minneapolis.mn.us/hpc/).
- Co-sponsored the Minneapolis [Heritage Preservation Awards Luncheon](#) on May 17<sup>th</sup>.
- Administered four development moratoria in effect related to:
  - Height increases in the Uptown Small Area Plan study area;
  - Retail and sales uses in a portion of North Minneapolis;
  - New construction in the Franklin-Nicollet area; and
  - Electronic advertising billboards

## 2) Promote private sector growth to build a healthy economy

### Business Finance

Contact: *Bob Lind 673-5068*

- The City closed on a \$25,000 loan for the Mustaqbal Computer Center at 912 East 24<sup>th</sup> Street through the [Alternative Financing Program](#) with the [African Development Center](#) providing another \$25,000.
- The City closed on a \$20,000 [2% Commercial Loan](#) with [Franklin Bank](#) providing a \$20,000 match loan to provide financing for a new restaurant called Be'wiched Deli at 800 Washington Ave. N

### Business Development

Contact: *Tom Daniel 673-5079*

#### **Neighborhood Commercial and Transit Corridors**

- The City Council approved the new [Great Streets Neighborhood Business District program](#) that packages City resources for business district support on commercial corridors and at commercial nodes. The program includes tools for business commercial real estate development gap financing, business district support contracts, and a facade improvement program. See [applications online](#) for the business finance tools and the gap financing assistance.
- The [Artist in Residence](#) has produced designs for review at Hiawatha-Lake, Lowry Avenue and West Broadway Avenue. Designs for a bicycle roundabout at Hiawatha-Lake resulted in a successful application for grant funds through the Non-motorized Transportation Fund.
- The City Council approved a [\\$350,000 loan to Master Engineering](#) to acquire the Irv's Bar property at West Broadway and 2<sup>nd</sup> Street N. The property will be redeveloped as offices for Master Engineering, which will lease their current office space on the east side of 2<sup>nd</sup> Street N to [Way to Grow](#), a non-profit social service provider focusing on promoting school readiness.
- The City Council approved a [\\$50,000 loan to LISC](#) to support business technical assistance and corridor revitalization on Central Avenue over the next two years. The financial assistance will be matched by [LISC](#).
- The City Council approved [\\$125,000 loan to Resource Inc](#), a non-profit workforce development organization, for tenant improvements at the Penn-Lowry Crossings Wellington development.
- A team comprised of [The Ackerberg Group](#) and KMOJ Radio was [selected as the preferred developer](#) for the former [Delisi building](#) at Penn and West Broadway. The developer proposes to rehabilitate the building for approximately 13,000 square feet of retail, office and studio space and develop a surface parking lot with approximately 24 spaces on two Penn Avenue parcels. KMOJ will be an equity partner in the development and will occupy the entire second floor.
- The City Council approved a [\\$70,000 loan to the Bean Scene](#) coffee shop at Penn and West Broadway as part of an expansion and debt restructuring package.

#### **Land Recycling and Infrastructure**

- A total of \$3.1 million in [pollution cleanup and/or investigation grants](#) was approved for 9 Minneapolis projects as follows (some projects received multiple grants):
  - \$1.9 M from the Department of Employment and Economic Development for 3 projects;
  - \$0.5 M from the Metropolitan Council for 4 projects
  - \$0.7 M from Hennepin County for 6 projects

Among the [funded projects](#):

- Planned expansion of Coloplast's North American headquarters in North Minneapolis;
- Initiation of the Longfellow Station mixed-use project located adjacent to the Hiawatha light rail line near 39th Street; and
- Relocation of the Seward Co-op Grocery and Deli to the former Riverside Market site on Franklin Avenue.

#### **Downtown**

- Construction began on the Stimson Building at Seventh Street and Hennepin Avenue. The building will house a new restaurant once build out is complete later this year.
- Construction of the [Minnesota Twins Ballpark](#) began.

#### **Riverfront**

- [The Riverfront Blue Ribbon Task Force](#) recommended a new organization be created to support continued riverfront revitalization. A [report](#) summarizing the most recent activities was published.
- [Gold Medal Park](#) was completed and opened to the public. Construction continues on two adjacent private developments.
- [The Minneapolis Riverfront District](#) began its 2007 celebration of [Building on the Past: Architecture and the Minneapolis Riverfront](#).

### **3) Promote economic self-sufficiency for individuals and families**

#### [Minneapolis Employment & Training Program](#)

*Contact: Deb Bahr-Helgen 673-6226*

- The City of Minneapolis secured another \$1.9 million this biennium for summer youth jobs as a result of legislation sponsored in the 2006 session by Senator Linda Higgins.
- Over 2000 youth started jobs through our METP summer youth programs on June 18th. METP will meet or exceed the Mayor's goal of 2007 summer youth jobs in 2007.

### **4) Develop and preserve life-cycle housing throughout the city**

#### [Multi-Family Housing](#)

*Contact: Kevin Walker 673-5236*

- Passage of Resolution adopting the [Wellstone Tax Increment Finance Plan](#) and a [Modification to the Franklin-Portland Gateway Redevelopment Plan](#).
- Passage of Resolutions relating to Redevelopment Plan, Tax Increment Financing Plans and TIF Notes for [Van Cleve Housing Project](#), 917 13th Ave SE.
- Closing on financing for these projects:
  - Rehab of [Blaisdell Apartments](#), 2119 Pillsbury Ave, 150 units – all affordable at 60% AMI or below. Supported with housing revenue bonds.
  - Stabilization of Elliot Park, 719 E. 14th Street, 30 units, all affordable at 30% AMI and below.
  - Emerson Townhomes, 914 Emerson Ave N, 12 units. Five affordable at 80% and below; seven units at market-rate.
  - Slater Square, 1400 Portland Ave S, 162 units. All units at 80% AMI or below.
- Issuance of two Requests for Proposals, both with deadlines at end of August.
  - [4100 Hiawatha Avenue](#) – Medium-density multifamily housing proposals.
  - [54th & Riverview Road](#) – Medium-density multifamily housing proposals, with a preference for senior housing proposals.

### Single-Family Housing

Contact: *Elfric Porte 673-5145*

- Three parcels were sold at [Heritage Park](#) for the development of a total of 13 new housing units.
- Seventeen housing units were completed and ready for owner-occupancy—seven at [Heritage Park](#) and 10 on city-owned parcels sold to developers.
- Two units were completed and sold in the Cottage Park cluster of the [Northside Home Fund](#). The project is being developed by [The Ackerberg Group](#) in partnership with the Hennepin County Sentence to Service program.
- City Council approved negotiations with Hennepin County for an increased number of [tax-forfeited properties that the City can acquire for \\$1 for development](#).
- City Council approved the entering into a memorandum of understanding with the Minneapolis Park and Recreation Board for the potential development of housing on excess Park Board land.
- Added a net of 36 parcels to the [Housing Replacement Tax Increment Financing District](#).

### Progress on the Five-Point Housing Strategy

Contact: *Kellie Jones 673-6228*

- Partnered with Regulatory Services to do preliminary analysis of the “249 List” to determine best remediation solutions for each property. To date, CPED has identified 18 properties to purchase, 11 properties that will be referred to GHMC for inclusion in the Strategic Acquisition Program and 13 properties that should be rehabbed via the private sector using the City’s 249 authority and 34 that should be demolished.
- Reviewed 17 properties for inclusion in the Fall 2007 [Rebuilding Together](#) project in North Minneapolis.
- Acquired seven blighted/boarded properties for housing development.
- Demolished two boarded properties in preparation for future housing development.
- Participated in the Review of nine appeals of 249 Demolition Orders as a member of the Nuisance Condition Process Review Panel, resulting in five Restoration Agreements and four demolitions.
- In response to the increase in mortgage foreclosures and a resulting swell in vacant and boarded homes, the Northside Home Fund (NHF), the [Foreclosure Prevention Funders Council](#), the City of Minneapolis, the Greater Metropolitan Housing Corporation (GMHC), Minnesota Housing, and the Family Housing fund have joined together to create a \$12 million Strategic Acquisition Fund. This program will be used to rapidly address the serious housing problem facing our city, particularly in North Minneapolis.

## **5) Partner effectively to promote regional growth and investment**

### Enterprise Initiatives

Contact: *Mike Christenson (673-5122) or Chuck Lutz (673-5196)*

- Target Corporation convened law enforcement leadership with the [Minneapolis SafeZone](#) and announced summer anti-crime push downtown.

## Part II: Progress on Key Departmental Performance Measures

Note: numbers in **bold** reflect revisions from previously published numbers due to updated information

<i>\$ in millions unless noted otherwise</i>	2004 Actual	2005 Actual	2006 Actual	2007 Target	2007 1 <sup>st</sup> Quarter	2007 2 <sup>nd</sup> Quarter	Comments
<b>Goal 1: Plan and develop a vibrant, sustainable community</b>							
# of milestones achieved for major long range planning projects	n/a	n/a	5 plans approved; 5 plans presented for approval; including the update of the Mpls Plan	Substantial completion of the Comp Plan update  Start/complete 7 small area plans and resulting 7 rezoning studies	Completed text drafts of comp plan content chapters  drafted land use feature boundaries  6 small area plans approved	Received 1,253 responses to on-line survey and conducted 7 targeted focus groups for The Minneapolis Plan update  The 29 <sup>th</sup> & University Rezoning Study was completed	
arts and culture coordination: # film/video permits issued \$ amount of film production budgets # of public art installations or major renovations:	190 \$9.2 5	187 \$8.9 3	212 \$9 4	190 permits \$9.5 million 5 installations and/or conservations	30 permits \$2.8 million 1 installation	80 permits \$3.67 million 3 permits for public art  No commissions or major conservations	3 public arts permits = 2 permanent projects (Juxtaposition Arts and Peace Foundation) and 1 temporary (Minneapolis Warehouse District)
# of building permits reviewed for zoning compliance	8,100	7,039	6,725; 130 ASPR	6,000	1,034; 16 ASPR	1,808; 35 ASPR	61 = new construction, 1,747 remodels
# of land use applications reviewed	1,197	895	586 CPC; 178 BOA	750	101 CPC; 35 BOA	142 CPC; 54 BOA	
# of Heritage Preservation Commission applications reviewed	175	183	198	200	11	18	Plus 36 administrative reviews
# of historic demolition permits reviewed	n/a	191	205	200	35	54	
# of zoning code text amendments adopted	9	11	12	10	0	3	
# of state and federal environmental reviews conducted	24	45	27	20	7	2	both federal
% service requests responded to within 2 days	NA	NA	NA	90%	88%	92%	NEW MEASURE completed 89 requested zoning letters

<i>\$ in millions unless noted otherwise</i>	2004 Actual	2005 Actual	2006 Actual	2007 Target	2007 1 <sup>st</sup> Quarter	2007 2 <sup>nd</sup> Quarter	Comments
<b>Goal 2: Promote private sector growth to build a healthy economy</b>							
# of new jobs projected by City-assisted projects	378	659	2115	742	36	56	
# of small business loans	158	176	189	190	25	21	
\$ value of public portion of business investment/loan	\$246.9	\$609	\$71.5	\$15.75	\$597,872	\$391,500	Includes BF, BD, and EZ activity
\$ value of private portion of business investment/loan	\$243.1	\$612.8	\$255.9	\$226.5	\$16.1	\$3.6	Includes BF, BD, and EZ activity
\$ amount of contamination grants secured	\$4.3	\$4.3	\$4.11	\$3.5	0	\$3.1	
Acreage of land to be recovered due to secured cleanup grants	n/a	36.2 acres	39.1 acres	10-25 acres	0	46.74 acres	
Attendance at City-owned entertainment venues:	429,399	615,676	374,270	TBD	456,842	111,060	
Hennepin Ave Theaters	1,420,833	1,155,244	940,924	TBD	83,145	166,326	
Target Center							
<b>Goal 3: Promote economic self-sufficiency for individuals and families</b>							
Metro unemployment rate	4.4%	3.7%	3.6%	3.6%	4.2%	4.0%	
City unemployment rate	5.1%	4.1%	3.9%	3.8%	4.1%	4.2%	
Gap between City and metro unemployment rates	0.7%	0.4%	0.3%	0.2%	-0.1%	0.2%	
# of adult placements	757	1,453	1156	1000	249	213	
Average hourly wage of adult placements	\$10.34	\$10.58	\$10.51	\$10.75	\$11.36	\$11.35	
# of dislocated workers placed	589	512	372	233	67	355	
Average wage of dislocated workers placed	\$19.07	\$17.17	\$18.25	\$18.44	\$21.03	\$18.39	
<b>Goal 4: Develop and preserve life-cycle housing throughout the city</b>							
New/converted Multi-Family Units w/ financing closed @ 30% AMI	156	112	49	55	18	0	
New/converted Multi-Family Units w/ financing closed @ 50% AMI	163	195	88	230	0	0	

<i>\$ in millions unless noted otherwise</i>	2004 Actual	2005 Actual	2006 Actual	2007 Target	2007 1 <sup>st</sup> Quarter	2007 2 <sup>nd</sup> Quarter	Comments
New/converted Multi-Family Units w/ financing closed @ 60% AMI	234	81	111	65	0	0	
New/converted Multi-Family Units w/ financing closed @ 80% AMI	28	81	14	20	0	5	
Preserved/stabilized Multi-Family units w/ financing closed @ 30% AMI	340	363	177	160	3	30	
Preserved/stabilized Multi-Family units w/ financing @ 50% AMI	104	98	27	220	13	129	
Preserved/stabilized Multi-Family units w/ financing @ 60% AMI	48	33	0	35	0	159	
Preserved/stabilized Multi-Family units w/ financing @ 80% AMI	7	1	0	5	0	24	
New/converted Single-Family units w/ financing closed @ 50% AMI	8	6	21	5	2	6	
New/converted Single-Family units w/ financing closed @ 60% AMI	N/A	81	12	5	0	0	
New/converted Single-Family units w/ financing closed @ 80% AMI	31	15	15	15	1	1	
Preserved/stabilized Single-Family units w/ financing closed @ 80% AMI	N/A	N/A	3	5	0	0	
Preserved/stabilized Single-Family units w/ financing @ 60% AMI	10	7	1	5	1	0	
# and average amount of home improvement loans	9 loans \$13,728	51 loans \$12,892	108 loans \$12,509	100 loans \$9,500	8 loans \$6,928	18 loans \$15,431	
# and average amount of mortgage loans	198 loans \$178,460	369 loans \$184,099	287 loans \$179,355	275 loans \$175,000	78 loans \$172,675	78 \$181,511	
# and average amount of down payment assistance loans	96 loans \$4,563	273 loans \$7,347	193 loans \$5,516	200 loans \$5,250	31 loans \$7,801	52 \$5,390	