



Request for City Council Committee Action from the Department of Community Planning and Economic Development – CPED

Date: April 19, 2011
To: Council Member Lisa Goodman, Chair, Community Development Committee
Subject: Great Streets Business District Support contracts

Recommendation: Authorize CPED staff to negotiate contracts for business district support activities consistent with recommendations given in the body of this report.

Previous Directives: (1) On April 27, 2007, the City Council reviewed and adopted the Great Streets neighborhood business district program. (2) On March 27, 2009, the City Council adopted target categories for commercial nodes, corridors, activity centers, and LRT station areas as defined by *The Minneapolis Plan for Sustainable Growth*.

Prepared by:
Kelly Hoffman, Senior Project Coordinator, CPED phone: 612-673-5079

Approved by:
Charles T. Lutz, Deputy Director CPED _____
Catherine A. Polasky, Director of Economic Policy and Development _____
Presenter in Committee: Kelly Hoffman, Senior Project Coordinator, CPED

Financial Impact

No financial impact – funds for this activity were appropriated to the Great Streets program through the budget process.
Action is within the Business Plan.

Community Impact

- Neighborhood Notification – An RFP soliciting proposals for business district support activities in Great Streets neighborhood business districts was released to neighborhood organizations, community development corporations, business associations, and other community partners. It was posted on the City’s website on January 14, 2011.
- City Goals – Jobs and Economic Vitality, A Safe Place to Call Home.
- Sustainability Targets – Economically vibrant neighborhood commercial districts create attractive urban neighborhoods for infill development, support efficient growth, and reduce the need for car travel to obtain necessary goods and services.
- Comprehensive Plan – This recommendation is consistent with the goals of the comprehensive plan. Policy 4.1: Support private sector growth to maintain a healthy, diverse economy. 4.1.1 Use public development resources and other tools to leverage maximum private sector investment for public benefit.
- Zoning Code – N/A
- Living Wage/Business Subsidy Agreement Yes_____ No X
- Job Linkage Yes_____ No X

Supporting Information

Great Streets Neighborhood Business District Program

The Great Streets neighborhood business district program, adopted by the City Council on April 27, 2007, is based upon an extensive study of strategies and tools to revitalize and sustain neighborhood business districts. In addition to providing important goods and services for residents, significant numbers of jobs are located in neighborhood business districts. As of December 2008, 133,802 jobs were located on Minneapolis commercial corridors and in 2007 (the most recent available data), designated commercial nodes were home to 5,748 jobs. CPED staff found that an array of strategies and tools can successfully revitalize and sustain urban neighborhood business districts, and the Great Streets program provides support for the various strategies, including the Façade Improvement Program, Real Estate Development Gap Financing, and Business District Support Grants. The City's business loans are also marketed through the Great Streets program. Combining multiple tools and strategies is often required to achieve and sustain a vibrant business district.

Since the inception of the Great Streets program, the City has invested \$5,404,197 in Façade Improvement Program Grants, Real Estate Development Gap Financing, and Business District Support Grants. This investment has leveraged \$60,306,825 in private investment. These investments are resulting in tangible, measurable results in the city's neighborhood business districts.

Business District Support Program

Within the Great Streets program budget, \$500,000 was allocated to fund this fourth round of Business District Support grants. Proposals are solicited on an annual basis through a Request for Proposals (RFP) process.

The RFP was issued on January 14, 2011, with proposals due February 25, 2011. The target contract amount was defined as between \$5,000 and \$50,000. The RFP broadly defined eligible activities as those that support the economic vitality of an entire business district or targeted segment of a business district (as opposed to a single property or business), including marketing/branding efforts, market analysis or focused planning efforts, and business technical assistance. Recognizing the uniqueness of each business district and varying levels and types of needs, the program is flexible enough to support a wide range of revitalization strategies.

Organizations selected for funding enter into one-year contracts with the City. Contracts are outcomes-based and payments are made on a reimbursement basis. Organizations receive payments only after they successfully demonstrate the achievement of specific outcomes.

Great Streets Eligible Areas

There are 117 eligible geographic areas where adopted City policy supports commercial activities. These are the commercial corridors, commercial nodes, LRT station areas, and activity centers designated in *The Minneapolis Plan for Sustainable Development*. The Great Streets program prioritizes resources to areas with demonstrated need and where private investments augment public funding (See Attachment B). Eligible areas are grouped into three categories (intervene, support, and monitor) based on several measures of economic health, need, and opportunity. These categories are defined below.

- | | |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Intervene | areas that are experiencing weak development interest or significant infrastructure or land assembly obstacles to attaining the City's commercial development goals |
| Support | areas showing signs of resurgence, but that remain fragile and have some barriers to market development |
| Monitor | areas with strong market development and business activity |

Program Accountability

Each Great Streets contract will have a clearly-defined and agreed upon Scope of Services with measureable outcomes, which strengthens accountability and allows CPED staff to evaluate organizational performance. Organizations receive payment only after they have submitted deliverables that demonstrate outcomes. Examples include class rosters from technical assistance providers, descriptions of loans packaged, marketing materials, event flyers, data demonstrating increased customer traffic or revenue, numbers of new businesses, new jobs created, consultant reports, meeting minutes, etc. While the range of eligible activities is as varied as the strategies for commercial revitalization, measurement of performance is consistently required.

Outcomes of Prior Business District Support Contracts

Business Technical Assistance

Business Technical Assistance is a broad category of work that includes many different support services with the goal of strengthening both new and existing businesses. Through the first two funding rounds (2008 and 2009), 477 businesses were directly assisted and through the 2010 round (several contracts are still open and not due to end until mid-2011), 253 businesses will receive technical assistance in topics such as business planning, marketing and social media, legal and tax issues, accounting and bookkeeping, product mix and space layout, licensing and code requirements, and financial management. Technical assistance supports entrepreneurs and start-ups as well as established businesses.

Examples of Business Technical Assistance

Simba Craftware at Midtown Global Market

Simba Craftware is a gift shop at the Midtown Global Market showcasing products created by artists from Kenya and other countries in Africa. Throughout 2010, supported by a City Great Streets contract, Midtown Global Market staff worked with owner, Martin Akinseye on merchandizing, product display, and marketing strategies. Martin implemented strategies to make the shop more educational, developed a top of the line website that customers are using to make orders, and explored the possibility of starting a drumming class that will support sales. In December 2010 Simba Craftware sales *increased by 61% over December 2008 and by 349% over 2009* when the business was in serious trouble.

Social media workshop hosted by the Northeast Chamber of Commerce

With support from the City's Great Streets program as well as sponsorship by UPS and event fees, the Northeast Chamber of Commerce hosted a workshop on social media for businesses. Businesses learned how to use social media to market their businesses and increase sales. *The 50 spaces sold out in 6 hours.*

Business Recruitment

Many organizations focused on commercial revitalization are developing strategies to recruit businesses to vacant storefronts. Macroeconomic trends, changes in shopping and spending patterns, diversified property ownership, and other factors create many challenges for small businesses. Organizations such as Seward Redesign and Catalyst Community Partners are actively recruiting businesses to vacant spaces. They are doing this by encouraging property owners to take advantage of programs such as the Great Streets Façade Improvement Program and the City's 2% Loan to update and improve buildings, producing marketing materials, advertising available space, building relationships with property owners, developing property investment plans, navigating the City's regulatory approval process, collecting and analyzing market data, and aggressively contacting prospective businesses. This Great Streets-supported work produces tangible results, including fewer vacant storefronts, increased commerce, positive economic activity, increased foot traffic, added jobs and an increase in the goods and services available to residents, workers, and visitors.

Examples of Business Recruitment

Catalyst Community Partners Recruits

With support from the City's Great Streets program and numerous foundation partners, Catalyst Community Partners is recruiting business investment and bringing jobs to West Broadway in North Minneapolis, a long-challenged commercial corridor. Examples from 2010 include:

- Adds Light Cleaning Services was a home-based business and now has office space at 1011 West Broadway. (*business expansion*)
- Wilson's Image moved from a small space outside of the commercial core to a bigger, more visible space on West Broadway. (*business expansion*)
- The owner of Right Now Refunds had locations in Atlanta and Chicago and has now added a Minneapolis location on West Broadway. (*new business*)
- Catalyst developed Gullah Café, located at 1200 West Broadway next to Kindred Kitchen, scheduled to open in May 2011. (*new business*)

Seward Redesign and Boneshaker Books

Seward Redesign staff worked with Boneshaker Books, a volunteer-run, progressive bookstore, to help them find an ideal location on East Franklin Avenue. Staff reviewed the Boneshaker business plan and showed them several potential locations before facilitating a lease with the owner of 2002 23rd Ave S. Once they secured the location, Redesign worked with Boneshaker to develop, promote, and staff a grand opening event. With the help of social media and door-to-door flyering, the event attracted at least 125 community members and literary enthusiasts to the new retail location. Boneshaker reports that opening day sales significantly exceeded their expectations. Redesign is continuing to work with them to sublet two offices within the building.

"Redesign's support has been super helpful. The work they did to help us find a space and then promote our Grand Opening was invaluable. The opening night celebration was an amazing event and we had a great turnout. It was beyond what we could have wanted; we're definitely in the perfect neighborhood." -Jason Paschall, Volunteer, Boneshaker Books

Marketing Initiatives

The City's business districts are home to unique stores often offering one-of-a-kind products or an authentic experience not found elsewhere. With limited advertising budgets, these stores and districts are often unknown beyond the neighborhood boundaries and sometimes not within them. Marketing initiatives aim to increase business by getting the word out about an area, shaping its image, and drawing new customers to the district.

Examples of Marketing Initiatives

Northeast Music Festival (13th & University)

With support from the City's Great Streets program among numerous other sponsors, Sheridan Neighborhood Organization (SNO) worked with area businesses to organize the first annual Northeast Music Festival at 13th and University Avenues. The event brought 4,500 attendees to the business district and helped raise awareness of the local businesses. Following the event, music venues including the 331 Club and Mayslacks saw a 6% increase in sales and area restaurants including the Modern Café and Dusty's Bar and Grill saw a 4% post-event sales increase. While staff is not recommending funding events this round, the Northeast Music Festival provides an example of how to effectively measure the positive impacts of events.

The Midtown Global Market

The Midtown Global Market (MGM) used \$20,000 of Great Streets Business District Support funding for marketing services. The success of MGM depends on getting customers in the door. Special events are one way to attract local residents, people from outside the immediate area, and customers who may be new to the market. In five months, from June to October 2010, marketing firm Nemer Fieger helped plan and execute 20 special events designed to draw customers to the market. Examples include the Global Chili Cook-Off, Soccer Festival (World Cup), and Green Gifts Fair. Nemer Fieger produced multiple graphic productions for eight of these events, designed print ads for ten publications, and wrote Featured Vendor articles for the Star Tribune Taste section. Nemer Fieger estimates that the 382 print, television, radio, and online advertising features and mentions that MGM received from June to October 2010, at no cost, is valued at \$282,190. They also focused heavily on the 11 MGM vendors that had a presence at the Minnesota State Fair and assisted with signage, marketing, and media relations.

Information Exchange

The Business District Support program not only supports organizations convening businesses around topics of interest such as developing strategies for social media promotion, but the City also uses the program as a way to convene organizations to build knowledge about business support, development, and recruitment and to develop and share best practices.

Example of Information Exchange

In 2010, CPED organized a three part series focused on retail recruitment. Filling vacant storefronts, diversifying the selection of goods and services, and attracting customers to local business districts are goals shared by community organizations throughout the city. In 2010, the City convened a three part series focused on retail recruitment to share information and share best practices. Approximately 65 attendees learned about: strategies for developer and retailer recruitment in challenged economic times, ESRI Business Analyst Online, a GIS-based market data tool, and best practices and resources for retail recruitment.

Small Business Financing

The Great Streets program also markets other City financing products for small business support, primarily the 2% Commercial Loan Program. Between 2007 and 2010, 175 2% loans totaling \$7.9 million were made to businesses from this revolving loan fund. These 175 loans leveraged private bank financing of \$41.2 million and allowed businesses to create 405 new permanent jobs and retain 950 jobs within Minneapolis.

2011 RFP Responses

The RFP (Attachment A) outlines the evaluation criteria for reviewing the proposals and establishes a point value for each criterion. The evaluation criteria include: (a) whether the business district was in an area identified as a priority for City investment (intervene and support areas garner more points than monitor areas); (b) leverage of other resources; (c) impact, visibility and public benefit; (d) organizational capacity to perform the proposed work; (e) feasibility and readiness; and (d) the extent to which lessons learned are transferable to other business districts (Attachment A, pg. 5).

CPED received 23 proposals by the February 25, 2011 deadline, requesting a total of \$889,543 (\$389,543 over the amount budgeted). The proposals represent a wide range of commercial revitalization strategies including business technical assistance, marketing/branding, special events, retail recruitment, planning/analysis, business directory development, public safety, and organizational work.

The proposals were reviewed and evaluated by a committee comprised of representatives from CPED Business Development; CPED Business Finance; the Minneapolis Regional Chamber of Commerce; the Local Initiatives Support Corporation; Hennepin County Housing, Community Works, and Transit; and the Minneapolis Foundation. CPED geographic sector teams also provided input. Additional insight was provided by area foundations that support commercial revitalization work.

The Great Streets Business District Support Program funding decisions are made by the City Council in April. In 2010, some contracts were not executed until last summer and in some cases the fall. All the contracts have a 12-month term. There was not a specific threshold identified in the 2011 RFP for how much previous contracts needed to be drawn down in order to submit a proposal in 2011, but staff communicated that proposals submitted by organizations with outstanding contract balances would be less competitive than proposals from organizations without open contracts. Staff is recommending funding for some organizations where there has been substantial progress towards completing the work of past contracts and where the proposed activity is addressing a critical need. CPED is in the process of developing processes that will expedite the contracting process to execute 2011 contracts by June, at the latest.

Recommendations for Funding

Eleven organizations were awarded Great Streets Business District Support Grants in 2008, totaling \$250,000. In 2009, the second round awarded \$712,355 to 21 proposals. In 2010, 18 proposals received \$578,175.

The twenty-three proposals received represent a wide range of commercial revitalization strategies including business technical assistance, marketing/branding, special events, retail recruitment, planning/analysis, business directory development, public safety, and organizational work.

This year staff recommends 15 proposals for full or partial funding, listed in Table 1, totaling \$499,873. Because of limited City resources and program priorities and objectives, staff is recommending funding less than the amount requested in some cases. Staff will work with organizations to identify alternative funding sources or negotiate a scaled back scope of work, commensurate with the contract amount. Staff recommends not funding eight proposals.

Table 1: Proposals Recommended for Funding (in alphabetical order)

Proposer	Activities recommended for funding	Eligible Area(s) Covered	Ward	Amount Requested	Amount Recommended
Catalyst Community Partners	Business Development, retail recruitment, site development, retail recruitment messaging materials	West Broadway	3, 4, 5	\$50,000	\$45,000
East Gateway Partnership	Public safety	West Broadway	3,4,5	\$49,320	\$34,320

Harrison Neighborhood Association	Business organizing, business/property owner technical assistance	Glenwood Ave.; Glenwood & Van White	5	\$34,500	\$29,500
Hennepin Theater Trust	Analysis and planning for vacant commercial space	Hennepin Ave.; Warehouse district	7	\$50,000	\$50,000
Lake Street Council	Business recruitment, marketing assistance for businesses	Midtown Lake; East Lake; West Lake; Lake/Hiawatha LRT	6,9,10	\$50,000	\$30,000
Latino Economic Development Center	Technical assistance, bookkeeping, licensing, etc.	Midtown Lake; East Lake Street; Central Ave	6,9,1	\$50,000	\$46,750
Longfellow Community Council	Market assessment, business recruitment strategy development, Art in Vacant Storefronts	East Lake Street	6,9	\$25,645	\$25,645
Lowry Ave North Collaborative	Real estate assessment, business recruitment strategy development	Penn & Lowry; Emerson & Lowry; Lyndale & Lowry	3,5	\$30,588	\$30,588
NEON	Business technical assistance	West Broadway; Penn & Lowry, Emerson & Lowry, Lyndale & Lowry	3,4,5	\$50,000	\$35,000
Nicollet East Harriet Business Association	Construction mitigation, marketing assistance, business technical assistance	54 th & Lyndale; 58 th & Lyndale	11,13	\$15,250	\$15,250
Seward Redesign	Business recruitment, business technical assistance, property owner technical assistance	(1) Franklin Ave, (2) Franklin Ave LRT	2	\$42,245	\$42,245
University Area Business Associations (collaborative)	Construction mitigation, outreach, business technical assistance, district marketing	Cedar Ave; Riverside Ave; Cedar Riverside LRT, West Bank LRT, 29 th Ave LRT, East Bank LRT	2	\$50,000	\$50,000
Uptown Association	Business education, Adopt-a-Block program	Uptown activity center	6, 10	\$44,895	\$9,025

West Bank Business Association	Communication; social media technical assistance	Cedar Riverside LRT; Cedar Ave; Riverside Ave	2	\$50,000	\$10,000
West Broadway Coalition	Web & social media project, membership drive, networking for businesses, business resource brokering	West Broadway	3,4,5	\$50,000	\$46,550
Total				\$642,443	\$499,873

Rationale for Funding Recommendations

1. Catalyst Community Partners – West Broadway - \$45,000 (amt. requested \$50,000)

This proposal for retail recruitment and innovative business development strategies addresses a critical need on West Broadway, an intervene corridor. Catalyst is focused on recruiting and developing businesses that meet community desires and needs. In 2009, Catalyst opened an office building at 1200 West Broadway, 100% occupied with minority-owned small businesses and Northside serving non-profits. Catalyst launched Kindred Kitchen, a 3,000 square foot community kitchen that fosters entrepreneurship and business development. Catalyst has a proven track record of both business development and business recruitment. A number of North Minneapolis proposals indicated that organizations work in partnership to provide a coordinated set of business recruitment and development tools and business technical assistance (Catalyst, WBC, NEON, MEDA, and EGP). In interest of supporting this network and given the limited program resources, staff recommends funding several of these organizations at a level less than requested and paring back some proposed activities.

2. East Gateway Partnership – West Broadway - \$34,320 (amt. requested \$49,320)

East Gateway Partnership (EGP) will continue their work implementing strategies to enhance public safety, including consolidated private security through a single firm G4S, serving as a liaison between businesses and the Police Department, and providing technical assistance to business and property owners on safety issues. Public safety and the public perception of safety are consistently cited as major impediments to commercial district revitalization and business recruitment in this area. EGP is working in partnership with Catalyst Community Partners, NEON, and MEDA. EGP will expand their work westward on West Broadway through this contract. EGP suggested expanding to Penn and Lowry Avenues. That additional coverage is not recommended for funding due to the very few Great Streets eligible commercial nodes in those areas and uncertainty about how the program would be applied to primarily residential corridors and lack of clear community support for such expansion.

3. Harrison Neighborhood Association – Glenwood Ave - \$29,500 (amt. requested \$34,500)

Harrison Neighborhood Association (HNA) will continue organizing and strengthening the Glenwood Corridor Alliance. There is currently not a business association and the Glenwood Corridor Alliance has been created to fill that role by providing information about tools and resources, creating networking opportunities, and organizing speakers of interest to the business community. HNA will also provide technical assistance for business and property owners primarily with navigating regulatory and permitting systems. The amount requested is for \$5,000 less than the request.

Staff recommends that resources be directed towards business organizing and technical assistance, rather than recruitment efforts which may be premature at this time, given the combination of very few commercial spaces and currently low population density. As retail

generally follows rooftops, we expect that this neighborhood business district will mature as additional housing is developed. Glenwood is described by Planning Staff as an “aspirational” commercial corridor. This Great Streets investment will allow Harrison to make incremental progress toward that vision without setting them on a quixotic path. However, staff will work directly with HNA to help them develop a recruitment strategy and will, for example, provide market data and technical assistance.

4. Hennepin Theater Trust – Hennepin Ave - \$50,000

Hennepin Theater Trust (HTT) will organize property owners on Hennepin Avenue to develop a plan and implementation strategy for filling vacant storefronts. With the assistance of a consultant, the group will identify barriers to leasing vacant commercial space and develop strategies to attract tenants. This plan will be incorporated into the “Plan for Cultural Corridor.” Hennepin Theater Trust has been invited to apply for a grant from the National Endowment for the Arts (NEA) to fully develop the Cultural Corridor plan. This Great Streets Business District Support grant would provide the required local match for the NEA grant. If the NEA grant is not awarded, HTT has committed to privately raising the additional funding needed.

5. Lake Street Council – East, Midtown, West Lake Street, Lake & Hiawatha LRT – \$30,000 (amt. requested \$50,000)

Lake Street Council (LSC) proposes working with businesses to develop professional logos for the existing businesses. The organization also seeks to address extremely high commercial vacancy on East Lake Street, deploying a team of local brokers and real estate professionals for a concerted recruitment effort. LSC will work directly with real estate brokers to identify viable businesses, develop pitch materials with market and real estate information, and actively recruit businesses to these spaces. LSC also received \$17,400 from the City’s Business Association Assistance Program to support this work.

6. Latino Economic Development Center – East, Midtown Lake Street, Central Ave - \$46,750 (amt. requested \$50,000)

This proposal for entrepreneurial training and business technical assistance focuses on Lake Street and Central Avenue, important support corridors. LEDC has demonstrated a strong capacity for the proposed activities and received Business District Support funding in 2008, 2009, and 2010 with great results. LEDC has shown strength in providing core services as well as an ability to adapt and provide training in response to business needs. The amount recommended is less than the amount requested. LEDC’s proposal included a youth entrepreneur training component for \$3,250, and while the activity is valuable, it is not a good fit for the Great Streets program with the focus on business outcomes in specific geographic areas. Staff is currently exploring whether that activity could be funded through the City’s Step Up internship program.

7. Longfellow Community Council – East Lake Street - \$25,645

This proposal from Longfellow Community Council, with partners Longfellow Business Association and League of Longfellow Artists, is for two activities to activate and revitalize East Lake Street. The first is a comprehensive market assessment of the East Lake Street corridor, an area that has seen an increase in commercial vacancies over the last couple of years. The market and real estate analysis will not only provide a thorough assessment of the existing real estate and market conditions but it will also provide recommendations and strategies for retail business recruitment as well as offer recommendations for repurposing buildings or increasing housing density. This work will inform the efforts proposed by the Lake Street Council (above). The second activity is to display the work on local artists in vacant storefronts. The goal is to engage local property owners in redevelopment efforts as well as display the work of local Longfellow artists. Longfellow Community Council also received \$6,000 from the City’s Business Association Assistance Program to support this work.

8. Lowry Ave North Collaborative – Penn & Lowry, Emerson & Lowry, Lyndale & Lowry - \$30,588

Cleveland, McKinley, Folwell, Hawthorne, and Jordan neighborhoods have joined with Project for Pride in Living to implement strategies and recommendations identified in the Lowry Avenue Strategic Plan, funded by NRP and Great Streets in 2009. Businesses on Lowry face multiple challenges to commercial revitalization, including misperceptions about the local purchasing power and perceptions of safety. Furthermore, there is currently no organization focused on the business district. This proposal is to do a market and real estate assessment in order to collect information on the available real estate as well as guide business recruitment efforts. The second component of this proposal is business organizing. The legal structure for a business association exists but, with the exception of a handful of business owners, the businesses are currently not organized or engaged. Staff recommends investing less than proposed for the market analysis, as much of the needed data are available through the City's ESRI Business Analyst Online subscription, and directing more resources to the business organizing and outreach effort.

9. NEON – West Broadway, Penn & Lowry, Emerson & Lowry, Lyndale & Lowry - \$35,000 (amt. requested \$50,000)

NEON will provide entrepreneur training classes and support new businesses with loan packaging. Training topics include business planning, marketing, financial counseling, legal counseling, website development, accounting, business licensing review and assistance, tax assistance, loan packaging, and more. Through this contract, NEON will provide businesses with focused technical assistance and will help open or expand businesses on West Broadway. NEON also provides loan packaging services for hard to finance businesses. The amount recommended is lower than the request; staff recommends identifying other sources of funds for the proposed \$10,000 youth entrepreneur training (the Step Up program is a strong possibility) as well as for several proposed minority contractor workshops which serve small contracting businesses typically not located in Great Streets-eligible areas or contributing to the neighborhood business district vitality.

10. Nicollet East Harriet Business Association - 54th & Lyndale, 58th & Lyndale - \$15,250

Two major infrastructure projects will impact the businesses at 54th and Lyndale and 58th & Lyndale in the coming years. Lyndale road construction will reduce driving and parking lanes and the Minnehaha Bridge will be demolished and replaced. It has been shown that businesses often struggle during construction when access is limited. Nicollet East-Harriet Business Association (NEHBA) will provide marketing assistance to these businesses as well as keep the businesses informed through consistent communication regarding the construction projects. The goal is to keep customers coming during and after to lessen the impact of the construction on business revenues. This proposal received high marks for the potential for lessons learned that can be transferred to other business districts in the city. While Business District Support contracts normally have a term of one year, staff is recommending a two year term because of the timing of the construction project. NEHBA also received \$12,000 from the City's Business Association Assistance Program, in part, to support this work.

11. Seward Redesign – Franklin Ave, Franklin LRT - \$42,245

Seward Redesign is a high capacity community development corporation with a proven track record. Redesign is establishing best practices and strategies for business recruitment and providing technical assistance to property owners. With Great Streets support, Seward Redesign proposes to work with property owners to develop "investment plans" and helping property owners identify resources to make the investments. Redesign also proposes social media workshops for businesses, a topic proving to be popular citywide. With their history, strength, and capacity, Redesign staff are also frequent called on for guidance by other organizations.

12. University Area Business Associations (collaborative) - Cedar Ave, Riverside Ave, Cedar Riverside LRT, West Bank LRT, 29th Ave LRT, East Bank LRT - \$50,000

This proposal submitted by Southeast Business Association, Stadium Village Commercial Association, and West Bank Business Association is for marketing, outreach, and technical assistance. In addition to helping businesses survive and thrive during and after construction, these are potentially valuable lessons learned that can be applied to future construction projects impacting the neighborhood business districts. The Central Corridor Funders Collaborative (CCFC) has provided extensive funding to construction mitigation work to the corridor and CCFC staff have expressed an interest in supporting some aspects of the Minneapolis construction mitigation work proposed here. CPED staff are currently engaged in determining which elements can be supported by the Funders Collaborative and what structure a Great Streets contract should take. We have asked the Metropolitan Consortium of Community Developers to play a role in defining the structure and will also consult with other partners in the area.

13. Uptown Association – Uptown Activity Center - \$9,025 (amt. requested \$44,895)

Businesses are already expressing the value of the work done by Uptown Association (UA) and their proposal included evidence of strong support from the businesses. Uptown is one of the most important neighborhood commercial areas in the city and attracts shoppers and visitors from outside the city limits. This recommended grant amount is for the adopt-a-block program and the business education workshops. The adopt-a-block program is potentially a program that can be replicated in other business districts and this is an opportunity for UA to develop a good model. In 2010, UA organized a three part educational series for businesses that focused on branding, marketing, and social media. In total, 109 people attended, indicating a strong demand for this type of education. UA also received \$5,000 from the City's Business Association Assistance Program to support this work.

14 West Bank Business Association – Cedar Riverside LRT - \$10,000 (amt. requested \$50,000)

Staff is recommending \$10,000 for the West Bank Business Association (WBBA) to focus on diversifying its membership and improving communications with diverse business owners. This area of the city is going to be significantly impacted by the Central Corridor construction and communication with businesses is critical. WBBA has spent the last two years developing and implementing a successful marketing campaign ("Real.Different") that encourages people to come to the West Bank for the diverse arts-entertainment scene and destination retail and restaurant establishments. WBBA has a current contract to continue this marketing work. Staff is recommending Great Streets funds support the communications component of their proposal and extend their existing contract which has a balance of approximately \$20,000. WBBA also received \$5,000 from the City's Business Association Assistance Program to support this work.

15. West Broadway Coalition – West Broadway - \$46,550 (amt. requested \$50,000)

Under new leadership and a new focused scope of work, the West Broadway Coalition (WBC) is focusing on helping businesses thrive. Through this contract, WBC will actively recruit businesses to become paid members, provide website hosting for businesses that don't have an online presence and offer businesses workshops on social media, host networking and information-sharing meetings for businesses, create a new farmers market, and provide ongoing consultation connecting businesses to resources. WBC is working in partnership with EGP, Catalyst Community Partners, NEON, and MEDA. WBC also received \$12,000 from the City's Business Association Assistance Program to support this work. Staff is not recommending Great Streets funding for space rental fees for business networking events or for technical assistance for storm water management.

Not Recommended for Funding

Eight proposals are not recommended for funding (Table 2). Staff will communicate the rationale for not recommending funding to the organizations that submitted these proposals and where appropriate, help them identify alternative resources. This round was competitive and priority was given to the proposals that would likely have the biggest impact and provide the most direct support to small businesses. In the past, Great Streets has supported promotional events designed to bring customers to a business district and help create a positive perception of a district. While staff still believes these activities are beneficial, given the constraints on the City's budget and the ongoing need for direct business assistance, staff is not recommending funding for events this year. Also, this is one of the activities where there is strong potential to raise private funds through sponsorships.

In two cases (ADC and MEDA-West Broadway) existing contracts for similar scopes of services have significant balances and staff recommends extending the contract through the end of 2011, rather than additional funding.

Table 2: Great Streets Business District Support Grants Not Recommended for Funding
(in alphabetical order)

Proposer	Description	Eligible Area covered	Ward	Amount requested
50 th & France Business and Professional Association	Event, Business Technical Assistance	50 th & France	13	\$11,000
African Development Center	Business Technical Assistance	West Bank LRT, Cedar Riverside LRT	2	\$50,000
FLOW	Arts event	West Broadway	3,4,5	\$15,000
KMOJ	Business and district marketing	West Broadway, Penn & Lowry, Emerson & Lowry, Lyndale & Lowry, 44 th & Penn, Glenwood Ave, Glenwood & Van White, Plymouth & Penn	3,4,5	\$15,000
South Hennepin Business Association	Market Analysis and marketing plan	South Hennepin	10	\$50,000
Metropolitan Economic Development Association	Business Technical Assistance	Cedar Riverside LRT	2	\$50,000
Metropolitan Economic Development Association	Business Technical Assistance	West Broadway	3,4,5	\$40,000
Northeast Minneapolis Business Association	Capital/streetscape improvements	East Hennepin Activity Center	3	\$16,100
Total				\$247,100

Rationale for Proposals Not Recommended for Funding

1. 50th & France Business and Professional Association – 50th and France – amt requested \$11,000

This is a request for funds to support a Bridal Campaign event as well as provide technical assistance to businesses. While the review committee thought the event idea was creative and a good fit for the commercial district, given the limited resources, it is recommended the organization seek alternative funds. Also, the City's Business Association Assistance Program approved a grant of \$5,000 to support this work.

2. African Development Center – West Bank LRT, Cedar Riverside LRT – amt requested \$50,000

African Development Center is a high performing organization with measureable outcomes. Staff is not recommending funding because ADC has a Great Streets Business District Support contract that is effective through the end of August for a similar scope of work. That contract could be extended through the end of 2011 so that ADC can draw down the remaining contract balance. ADC also recently received a City-funded contract through the Business Finance section for \$40,000 to provide technical assistance services. Staff is recommending ADC complete the work of the existing contracts and apply in 2012.

3. FLOW – West Broadway – amt requested \$15,000

FLOW is an annual arts event that takes place on West Broadway. The City has provided Great Streets support for the last three years and staff feels this is a valuable event that helps market West Broadway and contributes to a positive perception of the avenue. However, because of limited resources, it is recommended the organizations seek alternate funds such as business sponsorships or foundation funds for the event.

4. KMOJ – West Broadway, Penn & Lowry, Emerson & Lowry, 42nd & Freement, 42nd & Lyndale, 42nd & Thomas, 45th & Lyndale, Glenwood Ave, Plymouth & Penn - \$15,000

KMOJ received funding for a similar scope of work for business district marketing in 2009 and was unable to complete the scope of work. At that time, KMOJ was moving into their new building and there were staff changes at partner organizations that caused some instability. However, the partners identified in the proposal no longer have a strong presence in North Minneapolis (Women Venture) or they were unaware that they were identified as a partner (WBC).

5. South Hennepin Business Association – Hennepin Ave South - \$50,000

While staff thought there was value in providing some marketing assistance to businesses in this area, the City has a subscription to Business Analyst Online and can provide market data at no cost. Staff will work with South Hennepin Business Association to ensure that the businesses know about existing tools and resources and have access to marketing technical assistance. A tool to stimulate private investment such as the Façade Improvement Program and the 2% loans may be a better fit for this business district.

6. Metropolitan Economic Development Association – Cedar Riverside LRT - \$50,000

MEDA applied for funding to provide technical assistance for emerging and existing businesses in Cedar Riverside as well as loan packaging services in Cedar Riverside. Staff recommends MEDA first develop the relationships with organizations and businesses in Cedar Riverside and demonstrate a need for more concerted MEDA work in the area in the next round.

7. Metropolitan Economic Development Association – West Broadway - \$50,000

MEDA currently has a contract to provide technical assistance to West Broadway businesses and has a remaining balance of \$31,476 and has until mid-July 2011 to complete the work. Staff recommends MEDA complete this scope of work. If a balance remains when the

contract expires, staff will evaluate extending the contract through the end of 2011 to maintain business access to MEDA consulting services.

8. Northeast Minneapolis Business Association – East Hennepin - \$16,100

This proposal was for capital projects such as tree planting, light post sign maintenance, event banners, and development of a neighborhood brochure. The Great Streets RFP states that in order to approve capital investments under the program, evidence of City approvals and a long-term maintenance plan must be included. Staff will work with Northeast Minneapolis Business Association to identify a more appropriate funding source. This organization also received \$4,500 from the City's Business Association Assistance Program.

Attachments

A: Request for Proposals

B: Great Streets Eligibility and Categorization Map