



Fourth Quarter Highlights

- The [Midtown Exchange](#) public-private partnership was honored by the National Trust for Historic Preservation in a November ceremony held in Pittsburgh. Ryan Companies received the Excellence in Historic Preservation award for the \$190 million redevelopment of the 1928 Art Deco Sears facility.



Jack Byers (2nd from right) represented CPED at the Historic Preservation awards ceremony

- The unemployment rate for city residents decreased to 3.7% in the fourth quarter of 2006, only 0.2% higher than the metro rate of 3.7% - was the lowest quarterly unemployment rate since the pre-recession 2nd quarter of 2001.
- The Builders Association of the Twin Cities reported that Minneapolis led the metro area in 2006 residential construction with 1,571 units permitted*, which was equal to the combined residential growth of the next three highest cities (Woodbury, Lakeville, and Otsego).
*Note: The Association's number excluded units converted from non-residential uses, thereby undercounting the total new units. Final figures indicate that a total of 2,059 net new units were permitted in Minneapolis in 2006.

- The City Council adopted two major plans: the [Industrial Land Use and Employment Plan](#), and the [38th Street Transit Station Area Plan](#).
- The City Council in December 2006 approved an [Islamic financing program](#) in partnership with African Development Center addressing small business financing needs of entrepreneurs for start-ups and to expand existing businesses but which have been unable to secure financing from conventional bank sources.
- Over \$8.8 million of Multifamily Housing funds were awarded for various housing programs (see p. 4 for details).
- Completed construction on ten city-supported multifamily housing developments, including: The Jourdain, Hiawatha Commons, Midtown Exchange Condominiums, and Veteran's Housing (see p. 4 for complete list).



*Veteran's Housing
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Part I: Key Accomplishments and Milestones for the Quarter

PLANNING

Community Planning

(Contact: Barbara Sporlein 673-2616)

Copies of approved plans and updates on other planning projects can be found at the Planning website www.ci.minneapolis.mn.us/planning

- The 45-day public comment period was held for the [Bassett Creek Valley Master Plan Update](#); it was approved by the City Planning Commission and transmitted to the City Council Zoning and Planning Committee.
- The public engagement process began for the [Cedar Riverside Small Area Plan](#). A community meeting and stakeholder focus groups were held.
- The [Industrial Land Use and Employment Policy Plan](#) was adopted by the City Council in November.
- The 45-day public comment period was held for the [Redevelopment Supplement for the Marcy Holmes Master Plan](#); it was approved by the City Planning Commission and transmitted to the City Council Zoning and Planning Committee.
- The 45-day public comment period was held for the [Midtown Greenway Land Use and Development Plan](#); it was approved by the City Planning Commission and transmitted to the City Council Zoning and Planning Committee.
- The [Nokomis East Transit Station Area Plan](#) was recommended for adoption by the Planning Commission and transmitted to the City Council Zoning and Planning Committee.
- The [Seward Longfellow Greenway Area Land Use and Pre-Development Study](#) was heard by the Planning Commission and continued to the January 8, 2007 meeting (where it was subsequently approved).
- The [38th Street Transit Station Area Plan](#), including amendments related to the Purina Mill redevelopment was adopted by the Planning Commission and City Council.
- A consultant team, led by the Cuningham Group, was selected to help develop the [Uptown Small Area Plan](#). Public workshops were held that focused on stakeholders' vision for the future of Uptown.
- The 45-day public comment period was held for the [University Avenue SE and 29th Avenue SE Development Objectives and Design Guidelines](#); the Planning Commission will act on it in the first quarter of 2007.
- Community work continued for the [West Broadway Alive! Corridor Plan](#). A community meeting, developer focus group and design-focus workshop were all held in the last quarter.
- CPED Planning staff participated in the ongoing University of Minnesota Neighborhood Impact Report Task Force meetings in preparation for its presentation to the State Legislature.
- New public artworks were installed in the East Lake and North Regional Public Libraries. See [maps and brochures that feature public art in Minneapolis](#).
- City Council approved the rezoning of approximately 60 downtown blocks to implement the transit-oriented polices of the [Downtown East/North Loop Master Plan](#).

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)

- Staff administered two development moratoria enacted by the City Council related to approvals of height increases in the [Uptown Small Area Plan](#) study area and new construction on [Nicollet Avenue between Franklin Avenue and the Midtown Greenway](#).

- Staff continued its work on the following rezoning studies: [Bassett Creek Valley](#), [South Lyndale](#), [Franklin Transit Station Area](#), Nicollet-Franklin Pedestrian Overlay District, [38th Street Transit Station Area](#), and [SEMI Area](#).
- Zoning staff processed 398 service requests generated through 3-1-1 in the third quarter and 6,970 total requests for information through 3-1-1 for 2006.

ECONOMIC POLICY AND DEVELOPMENT

Business Development

(Contact: Tom Daniel 673-5079)

Neighborhood Commercial and Transit Corridors

- City Planning Commission approved Wellington Management's plans for redevelopment of the City-owned property on the southeast corner of [Penn and Lowry Avenues North](#), to be developed with approximately 32,000 square feet of commercial space including a grocery store, bank, and other retail and office uses.
- Closing occurred on [1101 West Broadway](#). The Ackerberg Group is renovating the building which will house a credit union, coffee shop, and offices.
- Construction of the [PPL Learning Center](#) was completed and the grand opening celebration was held.
- In response to an RFP, a City evaluation panel selected Olsson Associates to prepare the [46th Street Transit-Oriented Development](#) strategy.

Land Recycling and Infrastructure

- The City Council authorized acquisition of property for right of way use in the [Southeast Minneapolis Industrial \(SEMI\) Area](#).
- The Minnesota Department of Employment and Economic Development awarded the City a \$1,000,000 Bioscience Business Development Public Infrastructure Grant. The grant will be used to reconstruct Malcolm Avenue and to construct an extension of 25th Avenue SE.
- The Metropolitan Council approved \$1,408,500 for pollution cleanup on five Minneapolis projects, and the Minnesota Department of Employment and Economic Development approved \$782,035 for pollution cleanup on one Minneapolis project.

Downtown

- The City received thirteen proposals in response to the [RFP for the sale of eight Municipal Parking Ramps](#): Centre Village, Downtown East, Gateway, Federal Courthouse, Loring, Riverfront, Seven Corners, and St. Anthony ramps. The staff team including representatives of CPED, Public Works, and Finance will be evaluating proposals, seeking neighborhood input, and making recommendations to the City Council.
- Closing occurred on \$1 million of state bond financing for the [Shubert Theater](#).

Riverfront

- [The Riverfront Policy Oversight and Riverfront Senior Management task forces](#) approved a coordinated work plan and a working vision for riverfront revitalization, as well as the composition of a Riverfront Blue Ribbon Task Force.
- A City staff team has begun working with Coloplast on the land use approval process and workforce training for Coloplast's planned new riverfront campus.
- Soil remediation and an archaeological survey on The Portland site were completed. The Council consented to the assignment of the development rights for the [201 Park Avenue Lofts](#) site from Brighton to Sherman Associates. The terms of this project continue to be negotiated and will be presented for consideration in early 2007.
- Sidewalk paving and pedestrian lights were installed on the upriver side of Chicago Avenue between Second and Washington.
- The construction of [Gold Medal Park](#) was essentially completed; the park will open to the public in spring 2007. Work continues on the Park Development Foundation, which will oversee operations and maintenance activities for the park.

Business Finance

(Contact: Bob Lind 673-5068)

- The City Council in December 2006 approved an [Islamic financing program](#) in partnership with African Development Center addressing small business financing needs of entrepreneurs for start-ups and to expand existing businesses but which have been unable to secure financing from conventional bank sources.

HOUSING POLICY AND DEVELOPMENT

Multi-Family Housing

(Contact: Cynthia Lee 673-5266)

- \$6.3 million of AHTF funding was awarded to 13 multifamily rental developments
- \$150,000 of Non Profit Development Assistance was awarded to five rental projects
- \$564,253 of ESG funding was awarded to three homeless housing projects
- \$1.3 million of AOHP funding was awarded to 5 ownership housing developments
- \$2.6 million of Met Council LCDA funding was awarded to three Mpls developments – [Van Cleve Courts](#), [Longfellow Station](#), and [Currie Park Lofts](#)
- Corridor Housing Initiative process was completed for 38th & Chicago and 18th & Central Ave NE
- Multifamily projects closed and construction started – Marshall Stacy Townhomes, Minnesota Indian Women's Resource Center stabilization, Whittier Townhomes stabilization
- Multifamily projects completed – Midtown Exchange Condominiums, [The Jourdain](#), [Hiawatha Commons](#), Linden Hills Townhomes, Veteran's Housing, Hawthorne Apartments, Cedar 28, Greenway Terrace on Cedar, [Albright Townhomes](#) stabilization, [City Flats](#) stabilization

Single-Family Housing

(Contact: Elfric Porte 673-5145)

- One home was sold, bringing the total number of homes sold to 31 at [Heritage Park](#).
- Fourteen lots purchased for construction of new ownership housing units at [Heritage Park](#).
- Five units were completed and ready for occupancy at [Heritage Park](#).
- Construction started on two new homes in the Cottage Park cluster of the [Northside Home Fund](#). The project is being developed by the Ackerberg Group and they have partnered with the Hennepin County Sentence to Service program.
- City Council approved entering into a memorandum of understanding with Hennepin County to acquire 20% of tax forfeited land located in the City of Minneapolis Targeted Neighborhoods that become tax-forfeit between January 1, 2007 and December 31, 2008 for \$1.00 for the purpose of developing owner-occupied housing units.

Real Estate Development Services

(Contact: Connie Fournier 673-5028)

- The Real Estate Inventory Project Team produced sample maps depicting the characteristics and locations of city-owned real estate. The mapping product is still being tested by BIS staff to be reviewed by City staff and should be available to CityTalk users in 2007.
- In partnership with the University of Minnesota's College of Design and Tree Trust, a brochure was created to provide sustainable yard designs, home landscaping resources and trees at a reduced cost to side yard purchasers. These resources will be offered to all side yard purchasers in coordination with the City's Tree Program.
- Completed the sale of 7 properties under the Sideyards Pilot Program and has pending offers to purchase 10 other parcels. Two other sales using the standard disposition process involved the sale of excess land owned by Public Works.

- Staff provided acquisition, relocation and demolition services to Hennepin County on 14 parcels for the Lowry Corridor. Staff also made offers and provided relocation on eight new parcels along the corridor. The City received a total of \$42,892 from Hennepin County for CPED staff work.

DEPARTMENT-WIDE INITIATIVES

1) Improve Transportation and Transit Connections and Infrastructure

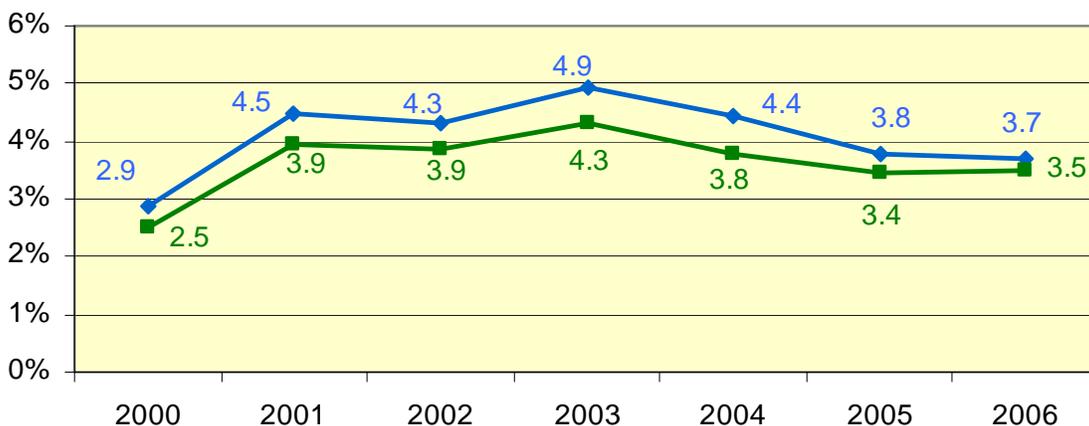
Work continued on defining and promoting the City's interests related to a number of regional transportation issues and projects. *Access Minneapolis*, the City's 10-Year Transportation Action Plan, focused on refining the downtown street strategy. Additionally, Phase II of the Streetcar Feasibility Study – a separate component of *Access Minneapolis* – was completed. This phase recommends a limited number of corridors for further evaluation. Another major project was the Southwest Transitway Alternatives Analysis. The Southwest Corridor Policy Advisory Committee recommended LRT as the preferred transit mode and selected three proposed alignments for further evaluation in the next phase, the Draft Environmental Impact Statement. Work continues on the central Corridor LRT, Northstar Commuter Rail (and Hiawatha LRT extension), I-35W and Bottineau Boulevard BRT projects, and a myriad of transportation issues related to the Twins Ballpark and Gopher Stadium development projects.

2) Close the Unemployment Gap

The unemployment rate for city residents decreased to 3.7% in the fourth quarter of 2006, only 0.2% higher than the metro rate of 3.5%; this was the lowest quarterly unemployment rate since the pre-recession 2nd quarter of 2001. The following table depicts the 4th quarter average unemployment rates for city and metro unemployment since 2000:

**Unemployment Rate- 4th quarter average
Minneapolis and Metro Area**

Source: DEED



◆ Minneapolis ■ Metro Area

Created by CPED
Research
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3) Increase Choices along the Housing Continuum

The "[Heading Home Hennepin](#)" Plan was approved by the City Council and the Hennepin County Board of Commissioners. Implementation efforts are underway. CPED staff continue to serve on the Funder's Council, which will be assuming the role of the financing committee for the plan.

4) Enhance Neighborhood Livability by Reducing Crime, Promoting Good Urban Design and Increasing Amenities

The Downtown Safe Zone, a collaborative which CPED assisted in developing, [registered a 19% decline in serious crime from 2005 to 2006](#). This model is being expanded to the 3rd precinct (via the Midtown Security Collaborative) and the 4th precinct (via the West Broadway Safety Center.)

The primary way planning promotes good design and amenities is through the city's development review processes, where the city's policies and regulations are applied (see table on p. 7 with planning/development services permit review activity). Another way is working with our planning partners on the creation of plans and policies which will guide future development. A list of current planning activities is found on p. 2 of this report.

Part II: Progress on Key Departmental Performance Measures

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

\$ in millions unless noted otherwise	2004 Actual	2005 Actual	2006 Target	2006 1 st Quarter	2006 2 nd Quarter	2006 3 rd Quarter	2006 4 th Quarter	2006 Actual	Comments
Planning / Community Planning									
# of milestones achieved for major long range planning projects	n/a	n/a	7 major plans completed; 5 midpoint milestones achieved; 5 new plans started	1 major plan approved; 1 comp plan amendment completed; substantial work on 4 other major plans; 1 new plan started	1 major plan approved; 1 new plan started; substantial work on 6 other major plans	1 comp plan amendment approved; 3 plans presented for adoption; 3 draft plans completed; 3 plans underway	2 plans adopted; 5 plans presented for approval; 5 plans underway	5 plans approved; 5 plans presented for approval; including the update of the Mpls Plan	Details in Part 1
arts and culture coordination:									
# film/video permits issued	190	187	190	40	53	78	41 permits	212 permits	Public art installations included Central Avenue, Loring Bikeway, East Lake and North Regional Libraries (3 conservations and 9 commissions underway)
\$ amount of film production budgets	\$9.2	\$8.9	\$9.7	\$2.3	\$2.2	\$2.3	\$2.2 million	\$9 million	
# of public art installations or major renovations:	5	3	7	0	1	1 installation 2 renovations	3 installations 1 conservation	4 installations	
Planning / Development Services									
# of building permits reviewed for zoning compliance	8,100	7,039	7,800	1,280; 18 ASPR	1,776; 42 ASPR	1,741; 38 ASPR	1,928; 32 ASPR	6,725; 130 ASPR	1,928 permits = 46 new construction and 1,882 remodels; ASPR = Admin Site Plan Review
# of land use applications reviewed	1,197	895	1,100	139 CPC; 26 BOA	197 CPC; 63 BOA	130 CPC; 45 BOA	120 CPC; 44 BOA	586 CPC; 178 BOA	CPC = City Planning Commission; BOA = Board of Adjustment
# of Heritage Preservation Commission applications reviewed	175	183	190	60	63	57	18	198	
# of properties designated for historic preservation	n/a	2	2	0	2	0	0	2	Pioneers/ Laymen's Cemetery and Semple Mansion
# of historic demolition permits reviewed	n/a	191	150	50	48	50	57	205	
# of zoning code text amendments adopted	9	11	10	4	2	5	1	12	Reaffirmed local adult uses land use regulations

<i>\$ in millions unless noted otherwise</i>	2004 Actual	2005 Actual	2006 Target	2006 1 st Quarter	2006 2 nd Quarter	2006 3 rd Quarter	2006 4 th Quarter	2006 Actual	Comments
# of state and federal environmental reviews conducted	24	45	27	9	3	9	6	27	

Economic Development / Business Finance & Business Development

# of new jobs projected by City-assisted projects	378	659	1,447	221	201	228	1465	2115	4 th quarter jobs reflect the Midtown Exchange project; previous 2006 quarters revised with updated info
# of small business loans	115	143	160	36	60	38	24	158	
\$ value of business loans	\$246	\$607.9	\$300	\$14.7	\$38.5	\$20.3	4.1	77.6	
Ratio of City \$ to all other public and private \$: for Bus. Finance loans	1:162	1:250	1:150	1:12	1:32	1:23	1:7	1:20	
\$ amount of contamination grants secured	\$4.2	\$2..2	\$3.0	\$2.0	\$0.24	.62*	\$2.19*	\$5.05	*Met Council and DEED fall 2006 grants
Acreage of land to be recovered due to secured cleanup grants	n/a	36.2 acres	5 – 25 acres	7.3	5.8	1.2*	12.37*	26.67	*Met Council and DEED fall 2006 grants
Attendance at City-owned entertainment venues:	429,399	615,676	500,000	81,941	86,898	69,120	136,311	374,270	
Hennepin Avenue theaters	1,420,833	1,155,244	1,195,000	425,743	139,347	89,599	286,235	940,924	
Target Center									
# of Empowerment Zone businesses funded	40	18	20	18	9	7	0	34	

Economic Development / Workforce Development

Metro unemployment rate	4.4%	3.7%	4.0%	4.1%	3.4%	3.5%	3.5%	3.6%	
City unemployment rate	5.1%	4.1%	4.0%	4.2%	3.8%	4.0%	3.7%	3.9%	
Gap between City and metro unemployment rates	0.7%	0.4%	0%	0.1%	0.4%	0.5%	0.2%	0.3%	
# of adult placements	757	1,453	1,500	252	309	346	203	1156	
Average hourly wage of adult placements	\$10.34	\$10.58	\$10.60	\$10.36	\$10.51	\$10.69	\$13.12	\$11.84	

<i>\$ in millions unless noted otherwise</i>	2004 Actual	2005 Actual	2006 Target	2006 1 st Quarter	2006 2 nd Quarter	2006 3 rd Quarter	2006 4 th Quarter	2006 Actual	Comments
Housing									
New/converted Multi-Family Units w/ financing closed @ 30% AMI	156	112	n/a	0	16	33	0	49	
New/converted Multi-Family Units w/ financing closed @ 50% AMI	163	195	n/a	0	44	36	8	88	
New/converted Multi-Family Units w/ financing closed @ 60% AMI	234	81	n/a	0	0	111	0	111	
New/converted Multi-Family Units w/ financing closed @ 80% AMI	28	81	n/a	0	1	13	0	14	
Preserved/stabilized Multi-Family units w/ financing closed @ 30% AMI	340	363	n/a	99	0	52	26	177	
Preserved/stabilized Multi-Family units w/ financing @ 50% AMI	104	98	n/a	12	0	15	0	27	
Preserved/stabilized Multi-Family units w/ financing @ 60% AMI	48	33	n/a	0	0	0	0	0	
Preserved/stabilized Multi-Family units w/ financing @ 80% AMI	7	1	n/a	0	0	0	0	0	
New/converted Single-Family units w/ financing closed @ 30% AMI	n/a	n/a	2	0	0	0	0	0	
New/converted Single-Family units w/ financing closed @ 50% AMI	8	6	12	4	1	2	14	21	
New/converted Single-Family units w/ financing closed @ 60% AMI	n/a	81	5	0	0	0	12	12	
New/converted Single-Family units w/ financing closed @ 80% AMI	31	15	15	0	3	11	1	15	

<i>\$ in millions unless noted otherwise</i>	2004 Actual	2005 Actual	2006 Target	2006 1 st Quarter	2006 2 nd Quarter	2006 3 rd Quarter	2006 4 th Quarter	2006 Actual	Comments
Preserved/stabilized Single-Family units w/ financing closed @ 60% AMI	n/a	n/a	3	0	0	2	1	3	
Preserved/stabilized Single-Family units w/ financing @ 50% AMI	10	7	7	1	0	0	0	1	
# and average amount of home improvement loans	9 loans \$13,728	51 loans \$12,892	45 loans \$12,300	26 loans \$11,992	29 loans \$11,761	24 loans \$13,874	29 loans \$12,591	108 loans \$12,509	
# and average amount of mortgage loans	198 loans \$178,460	369 loans \$184,099	200 loans \$182,000	46 loans \$169,278	42 loans \$172,675	54 loans \$178,889	145 loans \$184,661	287 loans \$179,355	
# and average amount of down payment assistance loans	96 loans \$4,563	273 loans \$7,347	160 loans \$3,500	32 loans \$5,196	35 loans \$5,307	38 loans \$5,327	88 loans \$5,798	193 loans \$5,516	