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

Date: April 20, 2010
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 in the 2010 budget process and are Legacy funds appropriated to the Great Streets program.
Action is within the Business Plan.

Community Impact
Neighborhood Notification – An RFP soliciting proposals for business district support activities for 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, 2010.

City Goals – A safe place to call home, One Minneapolis, Connected communities, Enriched environment, Premier destination.

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 Street 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 commercial corridors and in 2007 (the most recent available data), commercial nodes were home to 5,748 jobs. CPED staff found that an array of strategies and tools can be successfully employed to revitalize and sustain urban neighborhood business districts, and the 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 under the Great Streets program. Combining multiple tools and strategies is often required to achieve and sustain a vibrant business district.

Business District Support Program

Through small, strategic investments, the Business District Support program has shown measureable impacts. Recent examples include a workable plan for pedestrian improvements for 44th and Penn Avenue North and the "Live at the Capri" music series, for which over 400 people have visited the West Broadway business district. In 2009, African Development Center provided business development training for 60 participants and 750 hours of technical assistance focused on marketing, sales, accounting, management, business planning, and financial management.

The program also builds capacity of business associations, which in turn strengthens local businesses. In 2008 and 2009, the program funded commercial revitalization work through a partnership between the Standish Erikson Neighborhood Association and Seward Redesign, which resulted in the formation of the West of the Rail Business Association, a group actively involved in business recruitment to the area.

Within the 2010 Great Streets program budget, $500,000 was allocated to fund this third round of Business District Support grants. Proposals are solicited on an annual basis through a Request for Proposals (RFP) process. Because of the oversubscription to the program and the quality of the proposals, staff recommends allocating an additional $78,175 to fund a total of $578,175. The balance of the Legacy fund appropriated to the program would be $998,262, to be invested in round 4 of the Façade Improvement Program and Real Estate Development loans.

The RFP was issued on January 14, 2010, with proposals due February 26, 2010. 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, planning, and business technical assistance. Because of declining economic conditions and the recognition of the need to support small businesses, the RFP stated that priority would be given to proposals for technical assistance to businesses. Recognizing the uniqueness of each business district and varying levels and types of needs, the program is meant to be flexible enough to support a wide range of revitalization strategies.

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.

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 work proposed; (e) feasibility and readiness; and (d) the extent to which there are lessons learned that are transferable to other business districts (Attachment A, pg. 5).

CPED received 32 proposals by the February 26, 2010 deadline, requesting a total of $1,446,920. This is nearly three times the amount of funds allocated, making this a highly competitive round. The proposals were reviewed by members of the Business Development division and CPED Sector Teams. In addition, a representative of the Minneapolis Regional Chamber of Commerce evaluated the proposals and provided a valuable private sector perspective.

Staff recommends 18 proposals for full or partial funding, listed in Table 1, totaling $578,175. Each contract will have a clearly defined Scope of Services with measurable outcomes and deliverables. Contract payments will be based upon performance and the expected outcomes.

Program Accountability

Having a clearly defined and agreed upon Scope of Services with measureable outcomes 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 (e.g., from technical assistance providers), description of loans packaged, marketing materials, event flyers, data demonstrating increased business or revenue, new businesses opened, job growth, consultant's report, meeting minutes, etc. While the range of eligible activities is as varied as the strategies for commercial revitalization, measurement of performance is consistently required.

CPED staff has recently engaged in discussions with long-time community development partner LISC to potentially evaluate business technical assistance more formally with the goal of establishing best practices. CPED staff is also working with LISC to evaluate opportunities to leverage Great Streets resources where LISC's and the City's priorities are aligned to maximize the impact of investments.

Prior Business District Support Outcomes

In 2008 and 2009, through the Great Streets Business District Support program, over 270 businesses received **technical assistance** in marketing, bookkeeping, product mix, licensing and code requirements, and business planning. This type of technical assistance supports both new and existing businesses. For example, the Latino Economic Development Center worked closely with Tortilleria La Perla, a business on the verge of closing its doors due to cash flow shortages, and saved 40 jobs.

Technical assistance for businesses is given high priority within this program. Especially given the economic conditions of the last couple of years, supporting existing businesses as well as growing new businesses and creating jobs is critical. Daniel Bonilla, Program and Projects Coordinator for the Latino Economic Development Center (LEDC) says, "The Great Streets Business District Support grant is providing opportunities for local CDCs [Community Development Corporations] to help small business to remain open, keep current jobs, and work more efficiently in the middle of this economic crisis." LEDC has excelled at responding to businesses' needs with flexible and innovative programming. For example, they recently implemented a proactive, comprehensive "check up" program for businesses, to make sure they understand and comply with the City's regulations and ordinances. Since 2003, LEDC has provided training and technical assistance to 610 businesses, 390 of which were start-ups, and of those, 295 are still in business. Given the typically high failure rate for start-ups, this is in impressive track record. Another example of an LEDC success story is Tortilla La Poblanita. This business opened in 2002 on Lake Street. After a few successful years, the business expanded, but the Lake Street reconstruction and economic downturn seriously threatened the viability of the business. Facing foreclosure, LEDC worked with the owners to help them access financing and restructure their business operations; now they are on solid financial footing. LEDC is just one of several very capable organizations supporting the success and growth of grassroots entrepreneurs and businesses.

Many organizations focused on commercial revitalization are **developing strategies to recruit businesses** to vacant storefronts. Macro economic trends, changes in shopping and spending patterns, diversified property ownership, and other factors have created many challenges for small businesses. Organizations such as Seward Redesign are actively working to recruit businesses to these 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, collecting and analyzing market data, and proactively contacting prospective businesses.

The City's business districts are home to unique stores often offering one-of-a-kind products or an authentic experience not found in malls. With limited advertising budgets, these stores and districts are generally unknown beyond the neighborhood boundaries and sometimes not within them. **Marketing initiatives** aim to increase business by getting the word out about an area and shaping its image. A good example is the Great Streets-funded marketing campaign spearheaded by the West Bank Business Association (WBBA). Cedar Riverside is home to great entertainment venues and has a rich music history. WBBA capitalized on that and developed a logo and marketing campaign with a catchy tagline. To highlight the concentration of these entertainment spots, advertisements for these establishments are clustered on one page in City Pages, with the new logo and tagline unifying them under the brand: "West Bank: Real. Different."

In 2009, the Business District Support program also funded marketing and branding efforts in Uptown. Given Uptown's categorization as a monitor area, the City provided funding contingent on Uptown Association's ability to raise a private match. The grant of $24,000

has proven to go a long way and businesses have indicated that they are already seeing results in new business and customers. Thatcher Imboden, President of the Uptown Association says, "In order to refresh what was becoming quite a flat brand, the Uptown Association needed to kick off a branding and marketing campaign. The Great Streets Business District program allowed us the leverage we needed to raise additional funds and kick start our campaign. We are now renewing the brand and building stronger partnerships, which ultimately supports our businesses, their employees, and the community."

Events are a specialized marketing mechanism designed to bring new customers to experience a business district as a festive place and introduce them to local businesses for return visits. According Michelle Martin of the Peace Foundation, "FLOW: A Northside Arts Crawl is a rapidly growing event which has the potential to transform the perception of North Minneapolis both internally and externally, drawing attention to West Broadway's strengths and future promise." The Peace Foundation is now actively developing a plan to make the event self-sustaining.

Another initiative funded through the program in 2009 is the "The Live @ the Capri" series. This program aims to attract new people to experience entertainment in North Minneapolis. "The series is an opportunity for outsiders to visit the newly renovated and historic Capri Theater and get a glimpse into the community in motion. The flipside is that NoMi [North Minneapolis] residents get a chance to hear great live music without leaving the community. Our goal is to raise awareness of the positive aspects of our community and change the negative perceptions most outsiders get from watching the news or reading the newspaper." says Connie Beckers from the Northside Arts Collective. One of the goals of this series is for it to become self-sustaining and supported through ticket sales and sponsorships.
In addition to attracting new people to experience these commercial districts, these events also create publicity opportunities for businesses through advertising and sponsorships. In the opening remarks of the Capri Series, local businesses are mentioned and thanked. Sponsoring businesses are included on the printed tickets and promotional materials. As an added incentive, some businesses use the printed tickets as an opportunity to distribute a coupon.

Great Streets Program Outcomes

The Great Streets program, initiated in late 2007, is already showing results. The program provides innovative and unique low interest loans and financing tools to help small businesses develop and grow. This includes funds to help businesses acquire and redevelop property, expand their business, or improve their storefronts. Job creation through small business growth is a key strategy in ensuring that Minneapolis emerges strong from the recession. Small businesses are significant engines of growth and recovery and employ over 66 percent of all metro area workers. Nationally, small businesses generate more than 50 percent of the non-farm private gross domestic product. The Great Streets and small business loan programs are relatively modest investments that are proving effective in tapping entrepreneurial energy and spurring job growth.

In 2009, the Great Streets program invested $3,818,177 in business and commercial development assistance in neighborhood business districts. The lion's share of this ($2,425,000) was directed toward commercial real estate development loans. These loan dollars return to the City with interest. These 2009 Great Streets loans were invested in real estate development projects worth $42.52 million, which have created or are expected to create 245 permanent new jobs, allowed businesses to retain 59 existing jobs, and created an estimated 327 construction jobs. Through the Business District Support program, close to 300 businesses have been assisted. Strengthening these businesses by providing technical assistance means jobs are preserved and created.

Eleven organizations were awarded Great Streets Business District Support Grants in 2008, totaling $250,000. In 2009, through the second round of Business District Support grants, $712,355 funded 21 proposals. This program has proved to not only provide valuable resources to fund initiatives that help businesses prosper and succeed but it is also providing a vehicle for information exchange and organizational capacity building. The City has organized numerous forums for organizations to come together and share best practices. A goal of the program is to continue to learn what strategies work to revitalize and sustain business districts and catalyze private investment. While neighborhood business districts all have unique characteristics, there are commonalities and best practices that are transferrable across neighborhoods. The projects and initiatives that have been funded are varied, reflecting the diversity of needs and revitalization strategies across the City.

38th and Nicollet is an example of a neighborhood commercial district that Great Streets aims to support. This node features neighborhood-serving businesses such as restaurants, health facilities (Aliveness Project, chiropractic office, dentist, psychologists), a hardware store, a salon, automotive repair, specialty stores, a barber shop, a meat market and a grocery store. Not only do these businesses provide valuable goods and services for residents, but they are also a source of local employment. With 15 occupied storefronts, this node is home to approximately 100 jobs. Recruiting businesses to the five vacant storefronts could easily lead to the creation of approximately 25 new jobs.

Franklin Avenue is a corridor that has experienced revitalization over the years and the number of jobs reflects the positive changes. In 2000, there were 2,860 jobs on Franklin Ave. In 2008, there were 4,004.

The Great Streets program also markets other City financing products for small business support, primarily the 2% loan program. Between 2007 and 2009, 115 2% loans totaling $5.3 million were made to businesses from the revolving loan fund. These loans allowed businesses to create 319 new permanent jobs and retain 663 jobs within Minneapolis.

Recommendations for Funding

The thirty-two 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. Eleven were from the North Sector, eight from the South Sector, five from the Southwest Sector, six from the East Sector, and two from Downtown. Staff is recommending funding 18 proposals.

The categorization system used for funding decisions is based on measures of economic health and is designed to focus public resources in areas of need and opportunity. Of all thirty-two proposals received, sixteen proposals were to work predominately in intervene areas, thirteen for predominately support areas, and three for monitor areas.

Table 1: Great Streets Business District Support Grants Recommended for Funding (in alphabetical order)

Proposer	Description	Eligible Area(s) Covered	Ward	Amount Requested	Amount Recommend
African Development Center	Technical assistance, business planning, workshops on bookkeeping and accounting	(1) Cedar Riverside LRT area, (2) Franklin Ave, (3) East Lake, (4) Midtown Lake, (5) West Lake, (6) Nicollet Ave, (7) Central Ave	1, 2, 9, 8, 6, 10	$50,000	$50,000

Catalyst Community Partners	Business Development, retail recruitment, site development, retail recruitment messaging materials	West Broadway	3, 4, 5	$50,000	$50,000
Elliot Park Neighborhood Inc	Tenant recruitment, redevelopment strategy, pitch packet	Chicago Ave	7	$50,000	$10,000
Latino Economic Development Center	Technical assistance, bookkeeping, licensing, etc.	(1) Midtown, (2) East Lake Street, (3) Central Ave	1, 9	$50,000	$50,000
Metropolitan Consortium of Community Developers	Technical assistance; business district capacity bldg	38th & Chicago	8	$15,000	$15,000
Metropolitan Economic Development Association	Business technical assistance	West Broadway	3, 4, 5	$50,000	$50,000
Native American Community Development Institute	Corridor branding and analysis and design, marketing materials, business directory	(1) Franklin Ave, (2) Franklin LRT	6, 9	$40,000	$40,000
Neighborhood Development Center (Midtown Global Market)	Business technical assistance, marketing	Midtown Lake Street (Midtown Global Market), (2) Midtown LRT Station, (3) Chicago and Lake AC	9	$50,000	$40,000
Nicollet East Harriet Business Association	Marketing/branding	(1)38th St and Nicollet, (2) 43rd St and Nicollet, (3) 46th St and Nicollet, (4) 48th St and Nicollet, (5) 38th St and Grand, (6) 36th St and Lyndale, (7) 40th St and Lyndale, (8) 36th St and Bryant, (9) 46th St and Bryant	8, 10, 11, 13	$50,000	$40,000
Northeast CDC/Northeast Chamber of Commerce	Outreach to businesses, referral to technical assistance services	(1)13th Ave NE & University Ave NE, (2) 22nd Ave NE & Johnson St NE, (3) 29th Ave NE & Johnson St NE, (4) 37th Ave NE & Central Ave NE, (5) Lowry Ave NE & Marshall St NE, (6) Lowry Ave NE & University Ave NE, (7) Central Ave	1	$50,000	$10,000
PEACE Foundation	FLOW: A Northside Arts Crawl	West Broadway	3, 4, 5	$10,000	$10,000

Seward Redesign	Develop tenant recruitment packet, recruit businesses; direct work w/ prop owners	(1) Franklin Ave, (2) Franklin Ave LRT	2	$49,995	$22,000
Seward Redesign w/ SENA	Business recruitment and merchandising; encouraging investment; business organizing; branding	(1) 38th St LRT, (2) 46th St LRT, (3) 28th Ave & 42nd St, (4) Cedar & 42nd St, (5) Cedar and Minnehaha	8, 9, 12	$49,025	$42,900
Sheridan Neighborhood Organization	Branding, event production	13th Ave NE & University Ave NE	3	$45,655	$20,000
Uptown Association	Branding, development of marketing materials including brochures, website, banners	(1) West Lake St, (2) Lake/Hennepin, (3) Lyndale	6, 10	$49,950	$24,975 (challenge grant)
Victory Neighborhood Association	Marketing, branding	(1) 44th and Penn Ave N., (2) 42nd and Thomas Ave N.	4	$50,000	$15,000
West Bank Business Association	Public safety activities, branding and marketing, special events	(1) Cedar Riverside LRT station areas, (2) Cedar, (3) Riverside	2	$50,000	$50,000
West Broadway Coalition	Coordinate street cleaning, community clean up events, Adopt-a-Block, and Winter Carnival	West Broadway	3, 4, 5	$45,300	$38,300

Rationale for Funding Recommendations

1. African Development Center (ADC) – Cedar Riverside - $50,000

This proposal for entrepreneurial training and business technical assistance addresses an area identified for intervention. ADC has demonstrated a strong capacity for the proposed activities and has a proven track record with measurable results. With a solid understanding of how religion, culture, language, and other factors impact the ability of African immigrants to succeed, this organization is well positioned to grow small immigrant-owned businesses, increase financial security, build wealth, and in turn build stronger business districts. ADC's work is consistent with the economic development recommendations of the recent Cedar Riverside small area plan and the work is important citywide. The request is for support of ongoing work, and therefore rates highly for feasibility and readiness. In addition to providing technical assistance and training, ADC is an important source of small business financing; the organization has made more than 200 loans totaling $3.4 million. In addition to providing technical assistance and training for new businesses, ADC has added a series of business-to-business networking events to create opportunities for businesses to share information and establish connections.

2. Catalyst Community Partners – West Broadway - $50,000

This proposal for retail recruitment and innovative business development strategies addresses a critical need on West Broadway, an intervention area of the Great Streets program. Catalyst is focused on developing businesses that meet community desires and needs. In 2009, Catalyst opened an office building, 100% occupied with minority-owned small businesses and Northside serving non-profits. Catalyst has created business plans for

a 3,000 square foot community kitchen, food business incubator and southern food café, scheduled to open in 2010. This proposal demonstrates strong leverage, with $200,000 of cash and in-kind donations and strong leverage of relationships including pro bono real estate development and design assistance from NAIOP and strong volunteer engagement by corporate leaders and staff. The proposal is consistent with the West Broadway Alive! small area plan and builds on the solid foundation established by Catalyst in 2009. Retail recruitment is an activity many business associations are interested in and this work is likely to result in lessons transferable to other business districts.

3. Elliot Park Neighborhood Inc - Chicago Ave (2nd St S to 17th St S) – $10,000 (amt requested $50,000)

This proposal is for planning and redevelopment strategy work in the Elliot Park neighborhood, focusing on multiple underutilized properties and major institutional landowners. Staff recommends less funding than requested, as Great Streets funded a very similar activity in the 2009 round, with significant contract deliverables, including the analysis and strategy document, still pending. Moreover, the neighborhood's 2002 plan extensively outlines the community's redevelopment vision. CPED believes there is value in a more narrowly focused scope oriented towards a few key underutilized properties on Chicago Ave with potential for redevelopment by major institutional players. The recommended scope, for a lesser amount, will produce evidence of property improvements by one of the three institutional property owners, production of a pitch packet that can be used in meetings with investors, a schedule of meetings with potential investors, and at least one business recruited to Centennial Commons.

4. Latino Economic Development Center –Midtown Lake Street, East Lake Street, Central Ave. - $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 and 2009. LEDC has shown strength in providing core services as well as an ability to adapt and provide training in response to business needs. In 2008 and 2009, LEDC served 848 businesses. The request supports ongoing work, and therefore rates highly for feasibility and readiness.

5. Metropolitan Consortium of Community Developers – 38th St. E. and Chicago Ave. S - $15,000

This proposal is for business technical assistance and business district capacity building for a commercial node designated for intervention. This work is aligned with the recommendations of the small area plan for this area and builds on work started in 2009. With the development of the Chicago Avenue Fire Arts Center and the Façade Improvement Program in place, this is a good time to establish the best business mix for this node and to develop strategies for filling vacant storefronts with viable businesses.

6. Metropolitan Economic Development Association - West Broadway - $50,000

MEDA is proposing technical assistance and loan packaging to businesses for the West Broadway area, an intervene corridor. They also intend to work closely with minority contractors and facilitate bidding on construction contracts. MEDA is a well-established organization with a strong track record and is proposing to work closely with Catalyst Community Partners, also strongly recommended for funding in this round.

7. Native American Community Development Institute - Franklin Ave (Cedar to 11th), Franklin Ave LRT - $40,000

This proposal is to build on the strengths of the history and presence of Native American culture in this area. By capitalizing on these strengths, Minneapolis can develop the *American Indian Cultural Corridor* as a signature destination that, like Chinatown in San

Francisco or Little Italy in New York, is an identifiable destination attracting visitors both from within and outside of the region. Specifically, NACDI proposes to develop a website and business directory, complete a corridor analysis, and develop a brand, design and marketing materials. With strong support from Hennepin County, a solid track record, and strong relationships with businesses, this proposal scored high on readiness and leverage.

8. Neighborhood Development Center (Midtown Global Market) - Midtown Lake Street (Midtown Global Market), Midtown LRT Station, Chicago and Lake AC - $40,000 (amt requested $50,000)

NDC is proposing technical assistance and marketing for businesses located at the Midtown Global Market (MGM). NDC is well positioned to provide these services given their role in the development and management of MGM. The success of the MGM and the dozens of businesses that comprise it is critical for the success of the continued revitalization of Lake Street, Chicago Avenue, and the Phillips Neighborhood.

9. Nicollet East Harriet Business Association - 38th St and Nicollet, 43rd St and Nicollet, 46th St and Nicollet, 48th St and Nicollet, 38th St and Grand, 36th St and Lyndale, 40th St and Lyndale, 36th St and Bryant, 46th St and Bryant - $40,000 (amt requested $50,000)

This proposal is for marketing and branding work for the nine 'Experience Southwest' nodes covered by NEHBA. In just a few years since forming, NEHBA has demonstrated solid connections with the 233 businesses served, a thorough understanding of the businesses' needs, and an impressive commitment by volunteers- all of which contributed to a strong assessment of leverage and feasibility. The goal of this work is to market the local businesses to residents of South Minneapolis as well as to encourage new customers from outside the adjacent neighborhoods by developing and implementing a consistent message and marketing campaign. The amount recommended is lower than the amount requested because in comparable Great Streets-funded marketing campaign consultant contracts were less than budgeted in the proposal.

10. Northeast Chamber of Commerce/NECDC–13th Ave NE & University Ave NE, 22nd Ave NE & Johnson St NE, 29th Ave NE & Johnson St NE, 37th Ave NE & Central Ave NE, Lowry Ave NE & Marshall St NE, Lowry Ave NE & University Ave NE, Central Ave - $10,000 (amt requested $50,000)

This proposal is for staff support, retail recruitment, and business technical assistance through the Metropolitan Council of Community Developers. While staff recommends funding the technical assistance, a recruitment strategy was not articulated in the proposal. The retail recruitment strategy development and pitch packet are not recommended for funding because the City recently (2007) funded NECDC to work with a retail recruitment consultant without results. With a new Executive Director of NECDC hired, there is currently uncertainty with regard to the organizational direction and focus. Since the proposal did not articulate a strategy for recruitment, CPED will work with the Chamber and new NECDC leadership to develop a recruitment strategy and provide resources such as updated market data.

11. Peace Foundation – West Broadway - $10,000

This proposal to support a marketing event addresses an area identified for intervention. The FLOW Northside Arts Crawl is arguably the single most important annual event changing perceptions of West Broadway (through both direct experience and positive media coverage), community building, and introducing Minneapolis residents both from the Northside and elsewhere to businesses along the avenue. It also provides support for the arts in North Minneapolis, one part of a comprehensive approach to community development. The request is for support of an annual event with proven success, and therefore rates highly for feasibility and readiness. The Peace Foundation plans to make this a self-sustaining event.

12. Seward Redesign – Franklin Ave - $22,000 (amt requested $49,995)
Seward Redesign will perform tenant recruitment activities, marketing, and direct work with property owners to encourage building improvements and private investment. Seward Redesign has a good track record, proven capacity, and skilled staff for this work. The amount recommended is lower than the amount requested because the façade design assistance line item is an eligible expense within the Façade Improvement Program, which Seward Redesign administers. In addition, Seward Redesign requested Great Streets funding to provide services for East African Business. This can be accomplished through a relationship with African Development Center, an organization recommended to receive funding in this round.

13. Seward Redesign with SENA –38th St LRT, 46th St LRT, 28th Ave & 42nd St, Cedar & 42nd St, Cedar and Minnehaha - $42,900 (amt requested $49,025)
This proposal is for business recruitment activities to fill vacant storefronts and increase commercial activity in the South Minneapolis commercial nodes 'West of the Rail' and two LRT station areas. Activities include direct work with property owners to encourage investments and recruit tenants. Direct work with businesses includes business organizing and branding with the new 'West of the Rail' business association. Seward Redesign is a community development corporation with demonstrated capacity and ability to do this type of work and Seward Redesign has built a strong relationship with SENA. The amount recommended is lower the amount requested because the façade design assistance line item in the request is an eligible expense within the Façade Improvement Program, which Seward Redesign administers.

14. Sheridan Neighborhood Organization – 13th Ave NE & University Ave NE- $20,000 (amt requested $45,655)
This proposal is for business district marketing/branding and special music event production for this node. With the presence of businesses like the 331 Club, Northeast Social, Modern Café, Anchor Pub, and Ritz Theater, the review team felt that node does have an emerging authentic brand as an entertainment district and that a music series that draws new people to the node would likely benefit the businesses by increasing the potential customer base. The organization requested $45,655, but the review team is recommending a grant of $20,000 with the remaining amount raised through private donations from businesses, sponsorships, or donations.

15. Uptown Association - West Lake St, Lake/Hennepin, Lyndale Ave. S. –$24,975 (amt requested $49,950)
This proposal is for activities that are part of a rebranding and marketing effort for Uptown and builds on work started in 2009. Businesses are already expressing the value of the work and the proposal included evidence of strong support from the businesses. Uptown is a monitor area and rates generally high on indicators of economic health. It is arguably one of the most important neighborhood commercial areas and attracts shoppers and visitors from outside of the city. This recommended grant award is half of the amount requested and will be a challenge grant, contingent upon the ability to raise a private match.

16. Victory Neighborhood Association - 44th and Penn Ave N., 42nd and Thomas Ave N. - $15,000 (amt requested $50,000)
This proposal is for marketing and branding work with the goal of increasing business activity and drawing customers to businesses at these commercial nodes. Direct mailings, promotional events, coupons, and attitudinal surveys are proposed activities. The amount recommended is lower than the amount requested due to the small number of businesses (less than 20) in the district, and no contributions from either the businesses or the neighborhood were identified in the proposal. While staff does not recommend requiring a match for this grant as we do in areas with a more robust market, we'd suggest business and neighborhood contributions could bolster this seed amount. During contract

negotiations, staff will work with ViNA representatives and the identified consultant to identify elements that provide the most impact for the investment.

17. West Bank Business Association – Cedar Riverside - $50,000
This proposal is for public safety activities, marketing and branding, and special events designed to attract people to Cedar Riverside to enjoy arts and entertainment and support the businesses. This is a Great Streets area identified for intervention and the proposed activities will continue to build off the momentum towards changing the experience and perception of Cedar Riverside, a key business district with tremendous potential. Therefore, staff and the sector team feel this work is critical. This request builds off work already started and showing results, demonstrating strong organizational capacity. With over $200,000 of other funding dedicated to the activities proposed, this proposal scored high for leverage. In addition to accomplishing the Scope of Work from the 2009 contract, WBBA has done a great job building relationships and engaging the business community.

18. West Broadway Coalition – West Broadway - $38,300 (amt requested $45,300)
This proposal is for West Broadway Coalition to coordinate and implement "cleaning and greening" activities on West Broadway. Business district cleanliness is a critical component of a revitalized business district and this is currently an unmet need. West Broadway Coalition will coordinate regular clean up crews as well as organize a Winter Carnival and professional holiday lighting to attract customers to the district. West Broadway Coalition achieved results in 2009 coordinating activities focused on public safety, which contributed to a drop in crime as well as improvement in the perception of crime. This proposal garnered high marks for visibility and feasibility. The amount recommended is lower than the amount requested because the line item for business workshops was removed as there are technical assistance providers providing this service. CPED staff recently learned of the Executive Director's pending temporary leave of absence. Execution of the contract will be contingent upon demonstration that there is a solid plan for interim leadership.

Not Recommended for Funding

Fourteen proposals are not recommended for funding (Table 2). Staff will communicate the rationale for not recommending funding to the organizations that submitted these proposals. This round was very competitive and priority was given to the proposals that would likely have the biggest impact and provide the most support to small businesses during these tough economic times. The review team was impressed with the quality of proposals and the level of oversubscription demonstrates the demand for support throughout the city.

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

Proposer	Description	Eligible Area covered	Ward	Amount requested
Asian Media Access	Pre-development site analysis for specific site	Penn Ave N and Plymouth Ave N	5	$50,000
Bottineau Neighborhood Association	Planning, market assessment	Lowry Ave NE & Marshall St NE	1,3	$12,500
Harrison Neighborhood Association	Referral to technical assistance, market analysis	(1) Van White and (2) Glenwood (node) and Glenwood (Corridor)	5	$50,000

Hennepin Theater Trust **(staff assignment instead)**	Assessment of challenges and opportunities, development of strategy and "toolkit"	Hennepin Ave	7	$50,000
Hmong American Mutual Assistance Association, Inc.	Business Development, entrepreneurial training	GS Eligible area not specified	n/a	$50,000
Lake Street Council	Oral history, *Museum in the Streets*, writing a book	(1) Lake St East, (2) Lake Street West, (3) Hiawatha Lake LRT	2, 6,8,9,10,12,	$50,000
Linden Hills Business Association	Special events, marketing, web development	43rd & Sheridan	13	$46,500
NEON	Technical assistance, entrepreneurial training, loan packaging	West Broadway other North Minneapolis eligible areas (not specified)	3,4,5	$40,000
Midtown Phillips Neighborhood Association	Market assessment, planning	Bloomington Ave & 25th St E	9	$50,000
Seward Redesign (Prospect Park)	Business support, design assistance	(1) University Ave (23rd Ave SE to Emerald St E), (2) University and 29th LRT station area	2	$50,000
South Hennepin Business Association	Reorganization of SSD to into Business Improvement District structure	S. Hennepin, between Franklin and W 28th St	10	$50,000
STRENGTH Outreach Services, Inc.	Youth violence prevention	GS Eligible area not specified (most likely West Broadway)	n/a	$50,000
West Broadway Business and Area Coalition (Outdoor Market)	Planning and development of farmers' market	West Broadway	3,4,5	$43,045
Women Venture	Technical assistance, entrepreneurial training	West Broadway	3,4,5	$50,000

Rationale for Proposals Not Recommended

1. Asian Media Access- Penn Ave and Plymouth Ave N. amt requested $50,000

This proposal was for a predevelopment assessment of a Pan Asian cultural hub. Developing a plan for a specific property is not an eligible use of Great Streets Business District Support funds. Moreover, this property proposed is City-owned and there has been no vetting of the concept with CPED staff. Staff suggests that Asian Media Access conduct a thorough market

feasibility analysis of this concept rather than starting at this stage with an architectural design and pre-selected site as indicated in the proposal.

2. Bottineau Neighborhood Association - Lowry Ave NE & Marshall St NE - amt requested $12,500

This proposal is to study future development opportunities at this node and to establish whether this commercial node (designated in the comprehensive plan) is an appropriate land use designation. The review team did not think this would be a high impact activity for the businesses. Moreover, a land use assessment was recently evaluated through the comprehensive plan update, adopted in 2009 and this area is within the boundaries of a currently active Upper Riverfront policy assessment. Part of this assessment includes a study of market trends in the Upper Riverfront.

3. Harrison Neighborhood Association - Van White and Glenwood (node) and Glenwood (Corridor) – amt requested $50,000

This proposal is for a market study and referral services for businesses in need of technical assistance. A market study which included this area was completed in 2007 (http://www.jordanmpls.org/reports/NMSPFinal%20combined.pdf), and the review team felt that many of the conclusions are still relevant, especially as projected development that would support greater commercial activity at these "aspirational" designated business districts is still several years away. According to the report, "Until new residences start to materialize in the Bassett Creek Valley, the proposed retail node at Glenwood Avenue and the new Van White Memorial Boulevard is premature." Much of the information in this report is still relevant today.

Further, CPED can provide updated market data at no cost to the organization. Hennepin County is in the early stages of designating the Southwest Corridor, a Community Works partnership area. This designation (including Glenwood) has the potential to bring the combined analytical and capital resources needed to make an impact here and further redevelopment efforts. CPED economic development staff will engage with Hennepin County and Harrison neighborhood representatives around that more productive initiative. Harrison is administering a Great Streets Façade Improvement Program, likely a better tool at this time to build relationships and support businesses. That contract is set to expire in May 2010 but staff recommends extending it another year as Harrison's marketing is now generating interest from businesses.

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

This proposal is to assess the challenges and opportunities to fill vacant store fronts on Hennepin Avenue in the downtown commercial core. The review team thought this work could potentially produce strategies and recommendations but that it would be more effectively achieved in multiple stages through an assignment of CPED staff to lead the effort in close partnership with Hennepin Theater Trust and other Hennepin Avenue stakeholders.

5. Hmong American Mutual Assistance Association, Inc. - GS Eligible area not specified ("Principally North") - amt requested $50,000

This proposal for encouraging and supporting new Hmong businesses was deemed valuable, but because Great Streets eligible areas weren't specified and the work isn't focused on specific geographic areas, it is not a good fit for this funding source. Staff will work with the organization to identify a more appropriate source of funds to support this important work. This organization is a provider for METP.

6. Lake Street Council - Lake St East, Lake Street West, Hiawatha Lake LRT - amt requested $50,000

This proposal was for recording oral history, installing *Museum in the Streets* (historical

markers), and writing a book about the history of Lake Street. Although the review team thought these were valuable activities, they did not seem like the right fit for this particular funding source. Additionally, the historical markers were viewed as capital costs, which would require evidence of proper City permits and a long-term maintenance plan. Staff will work with Lake Street Council to identify a more appropriate source of funds, including possible State Legacy grants.

7. Linden Hills Business Association - 43rd & Sheridan- amt requested $46,500
This proposal is for special event planning and marketing and website development for a monitor area. Given the competiveness of this funding round, these activities didn't rise to the priority level as other proposed activities in terms of immediate impact and public benefits. Unlike the Sheridan Neighborhood Association proposal (a support area) the special events are not as closely connected to the core businesses or to an inherent brand that will draw visitors from the broader metro area, rather than just the immediately surrounding area. In the proposal, Linden Hills Business Association made the case for these events in response to losing anchor tenant Linden Hills Coop. Staff recommends a more direct approach in pursuing a new anchor for the space and CPED economic development staff are available to assist.

8. Northside Economic Opportunity Network - West Broadway and "other" - amt requested $40,000
NEON received Great Streets Business District Support funding in both 2008 and 2009 and has not yet completed the work contracted in 2008 which resulted in low scores for capacity and readiness. The Review team was concerned about the lack of measureable outcomes (businesses opened and stabilized on Northside corridors and nodes) after two years of funding. Given the many organizations proposing technical assistance for businesses on West Broadway and the limited resources, staff recommends against continued funding for NEON in this round.

9. Midtown Phillips Neighborhood Association - Bloomington Ave & 25th, Franklin LRT- amt requested $50,000
This proposal is for a market assessment, assessment of transit connections, special event, and development of a planning document for this node. The proposal was not clear regarding what the overall objective is or how the activities would support the presumed objective of commercial revitalization. This may be a good proposal for CURA or a University of MN Humphrey Capstone project with a broader scope of research interests and the benefit of professorial guidance on defining the research question. The Review team did not rank this high for visibility and impact.

10. Seward Redesign (Prospect Park) - University Ave (23rd Ave SE to Emerald St E), University and 29th LRT station area - amt requested $50,000
Seward Redesign proposes working with businesses on brand development, merchandizing, working with property owners to encourage property investments, and tenant recruitment. This proposal was not recommended because it was unclear if the proposing organization has developed the relationships and connections with businesses in this area to do this work. Seward Redesign is a high performing organization with capacity and has proven to be effective but the Review team thought that the proposal may be premature. Seward Redesign is also not yet well connected to a coordinated Central Corridor business support initiative, though the area's Southeast Business Association is participating in that effort.

11. South Hennepin Business Association - S. Hennepin, between Franklin and W 28th St – amt requested $50,000
This proposal is for the reorganization of a special service district to a structure following the model of the Downtown Improvement District. While the review team thought the concept was worth further investigation, and would likely provide valuable lessons learned, given the

competiveness of the funding round, it was deemed to have less of an immediate and direct impact. Furthermore, Public Works plans to refresh and rethink Special Services Districts and other assessment and maintenance partnerships with a new hire in the coming year. This type of initiative to reconfigure the basic model should occur in conjunction with the Public Works effort.

12. STRENGTH Outreach Services, Inc. – West Broadway - amt requested $50,000
This proposal from a social service provider is for youth violence prevention in an unspecified geography. This activity is not eligible for Great Street funds.

13. West Broadway Business and Area Coalition (Outdoor Market)- West Broadway- amt requested $43,045
This proposal to plan and implement an outdoor farmers' market was viewed as premature given that a site has not been identified and there was subsequently no property owner commitment. CPED staff will work with this organization to ensure that they are aware of the City efforts and resources aligned with initiatives like this (e.g., Homegrown Minneapolis).

14. Women Venture - West Broadway – amt requested $50,000
Women Venture received Great Streets Business District Support funding in both 2008 and 2009 and has outstanding balances for work to be completed and the first expired without being fully paid. This proposal received low scores for capacity and readiness. There was also concern about a lack of tangible outcomes of businesses started and stabilized on Northside nodes and corridors, despite two years of funding. Given the many organizations proposing technical assistance for businesses on West Broadway and the limited resources, staff recommends against continued funding for Women Venture.

Attachments
A: Request for Proposals
B: Great Streets Eligibility and Categorization Map