



Third Quarter 2005

Volume 2, Number 3

Third Quarter Highlights

The Empowerment Zone released a \$1 million Request for Proposals for the [North Minneapolis Community Transformation initiative](#) to spur private investment on the Northside.

Executed **Redevelopment/Sale Agreement with Stimson Partners LLC** for Stimson Building at Hennepin and Seventh Street. The building will house a restaurant on the first floor and offices on second floor.

Updated the guide book, "[Loans and Grants for Minneapolis Businesses](#)," available on the web or by calling 612-673-5094.

Completed financing with Neighborhood Development Center for the **Midtown Global Marketplace** which is expected to open in April 2006.

Employed 1258 youths through various summer youth programs, including 305 hired through the Step Up program.

The Planning Commission and City Council approved the **Bryn Mawr Land Use Plan**, the **Minneapolis Plans for Arts and Culture**, and the **Lake Street LRT Station Area rezoning changes**.

Drafted master plans for **Midtown Minneapolis Land Use and 38th Street LRT Station Area** and initiated their formal approval process.

Made significant progress on three major plans: the **Midtown Greenway Land Use Plan**, **South Lyndale Corridor Plan** and the **Industrial Land Use and Employment Policy Plan**.

Northside Home Fund's neighborhood partner, the Jordan Area Community Council, released a Request for Qualifications to select a development partner for the Northside Home Fund Demonstration Cluster Project.

Completed the **inspections component of the Northside Home Fund Demonstration Cluster Project**.

The City's **Corridor Housing Strategy** was selected as a finalist for an "Innovations in American Government" award and received the Minnesota chapter of the American Planning Association's 2005 Outstanding Planning Award.

Department Organizational Initiatives:

- Released the department's draft [2006-2010 Business Plan](#).
- Completed department **LEP Plan** with assistance from Multi-Cultural Services staff.
- Initiated a department **Mentoring Program**, implementing a recommendation from the Employee Survey Response Team.
- Initiated a department **Labor-Management Committee**.

We are pleased to release our third quarter highlights. For more information about any of the initiatives please click on the web links or give our staff a call.

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Part I: Progress on Key Initiatives in 2005 Business Plan

Community Planning

Complete, Prepare and Assist with Several Plans

(Contact Pam Miner 673-3240)

- The Planning Commission and City Council approved the [Bryn Mawr Land Use Plan](#).
- The Planning Commission and City Council approved the Minneapolis [Plan for Arts & Culture](#).
- The Planning Commission and City Council adopted the zoning change recommendations from the [Lake Street LRT Station Area Plan Rezoning Study](#).
- The [38th Street LRT Station Area Plan](#) draft was completed and distributed for the 45-day public review period.
- Community meetings and data collection are under way for the [Industrial Land Use and Employment Policy Plan](#).
- Community meetings are under way for the [South Lyndale Corridor Plan](#).
- Community meetings are underway for the [Midtown Greenway Land Use and Development Plan](#).
- Completed draft of Midtown Minneapolis Land Use Plan and presented it to the Planning Commission Committee of the Whole. Under the Planning Commission's direction, staff is obtaining additional information and conducting additional analysis before forwarding the draft to the Planning Commission for consideration.

Economic Policy and Development

Create New Riverfront Partnership

(Contact: Ann Calvert 673-5023)

A new consultant team is studying ways to enhance the city's organizational capacity to continue riverfront revitalization. The team is starting by gathering information about the organizations already involved in riverfront revitalization and examining organizational models used in other communities. Interested parties may follow the process by visiting this link: http://www.ci.minneapolis.mn.us/cped/riverfront_study.asp

Develop Plan for University Research Park

(Contact: Jim Forsyth 673-5179)

- Prepared proposals to revise recommendations in the SEMI Revised Master Plan to preserve industrial land, to recognize University property ownership and to clarify boundaries between SEMI and adjacent neighborhoods. Review by Southeast Minneapolis Economic Development scheduled for October.
- Presented University Research Park opportunities to Enpath, Fairview, United Properties and Frauenschuh.
- Concluded business subsidy agreement with Excorp.
- The City Council approved the staff recommendation for a 2006 legislative request of \$6.64 million in State bonds for infrastructure in the SEMI/URP.
- Public Works has begun design work on one of the SEMI/URP roadway projects (Malcolm Avenue).

Implement Business Services and Toolbox (Contact: Kent Robbins 673-5187)

- The [Minneapolis Business Toolbox](#) is updated and is available on the CPED Web site. The Toolbox combines user-friendly information on how the City of Minneapolis can help start a business, provide grants and loans and find employees.
- CPED staff brought the Toolbox to thirteen Minneapolis companies to discuss economic development programs and services.
- Continued developing a business website called MnBiz in conjunction with the Minnesota Department of Employment and Economic Development (DEED) and Minnesota State Colleges and Universities (MnSCU). The Web site will offer businesses extensive information about human resource and development programs.
- Convened meetings of Minneapolis Business Service representatives including DEED and MnSCU personnel to exchange information on business visits and needs.

Workforce Development

Conclude the “Close the Gap Campaign (Contact: Chip Wells 673-5292)

- This campaign to close the gap between Minneapolis and metro area unemployment rates placed 151 additional participants in jobs this quarter with an average wage of \$10.22 an hour.
- The gap between city and metro unemployment rates was less than 0.6 percent and the city unemployment rate was under 4 percent.
- Received more than \$62,000 in matching funds under a provision of a federal food support program.
- Placed 82 at-risk offenders in jobs through Northside Job Connection, and an additional 30 youths received jobs through the Jordan Probation House and Hennepin County’s Sentence to Serve program.

Support Creation of Public Service Careers Institutes (Contact: Chip Wells 673-5292)

- Initiated a public service explorer program called “Passport to Public Service.” The goal is to expose youths to a variety of careers in the public sector. Youths visited sites at the City of Minneapolis, Hennepin County, state and federal agencies and post-secondary institutions such as University of Minnesota, Dunwoody College of Technology and the Minneapolis Community and Technical College (MCTC). Thirty-six students have enrolled in the project to date.
- Worked with the Minneapolis Police Department and MCTC to design Chief’s Class for 2006. This program will allow 20 Minneapolis Public School graduates to study law enforcement at MCTC beginning fall 2006, tuition free.

Housing Policy and Development

Complete the Heritage Park Development (Contact: Elfric Porte 673-5145)

- Selected a contractor to complete the first half of Van White Memorial Boulevard (north of Olson Memorial Highway).
- Began construction of 16 for-sale units.
- Reviewed and approved plans for ownership units.
- More than 70 percent of rental units in the final phase are leased.

- Heritage Park was a part of the Fall Parade of Homes – 98 people visited the models and 16 visitors expressed interest in moving to Heritage Park.
- The City Council approved inclusion of \$6 million as part of the City's 2006 State bonding request.

Implement Corridor Housing Strategies

(Contact: Kevin Dockry 673-5075 and Bernadette Hornig at 673-5236)

- Conducted a Corridor Housing Initiative (CHI) open house for Hiawatha corridor neighborhood groups – Nokomis East, Standish Ericsson, Corcoran and Longfellow Community Council.
- Developed and gave Fannie Mae CHI presentation via national broadcast.
- Gave CHI presentation at CPED all-staff meeting.
- Three development proposals arising from original CHI areas were submitted for funding – Spirit of the Lakes on Lake Street, Agape on West Broadway and 38th and Nicollet Avenue.
- CPED due diligence is under way to acquire more than 6 Higher Density Corridor sites.
- The City of Minneapolis' [Corridor Housing Strategy](#) was selected a finalist for an "Innovations in American Government" award. This award is a program of the Ash Institute for Democratic Governance at Harvard University's John F. Kennedy School of Government. Minneapolis was one of 18 finalists selected from more than 1,000 applications. This project also received the Minnesota chapter of the American Planning Association's 2005 Outstanding Planning Award.

Implement the Northside Home Fund

(Contact: Elizabeth Ryan 673-5128)

Outreach Activities:

- Developed a packet of information on housing resources available for residents, property owners, and developers living and working in north Minneapolis. Distributed the packet to all neighborhood organizations in the Northside Home Fund (NHF) area and housing resource organizations active in north Minneapolis. Hard copies are available upon request and electronic copies are available on the [Northside Home Fund](#) Web page.
- Developed a second NHF information packet specifically for the residents of the demonstration cluster. Besides information about housing resources, it contains information on the housing inspections process and an introduction to the Jordan Area Community Council.

Demonstration Cluster Activities:

- The Northside Home Fund neighborhood partner organization, the Jordan Area Community Council (JACC), released a Request for Qualifications (RFQ) to select a development partner for the NHF Demonstration Cluster Project. Demonstration clusters are small geographic areas consisting of selected vacant and boarded properties which will be addressed by coordinated city/neighborhood partnership efforts.
- In addition to the usual Regulatory Services Housing Inspections work already occurring in the demonstration cluster area, a concentrated effort has been completed including an exterior inspection of all properties as well as a rental inspections component.

Improve the Quality of Housing Stock

(Contact: Elfric Porte 673-5145)

- Reviewed proposals for 16 new single-family construction projects and worked with developers to ensure their plans were consistent with the neighborhoods' architectural styles.
- Completed and marketed two renovated homes for sale to first-time home buyers.
- Sold one non-buildable lot for green space and 13 buildable lots for construction of new single-family housing.

- Actively marketed 69 buildable lots by the end of quarter, an increase of 16 from the previous quarter.
- Acquired two blighted properties for single-family new construction.
- Reviewed five single-family ownership design proposals at Heritage Park to ensure that they met the approved housing guidelines.

Development Services

Implement Minneapolis One Stop (MOS) and Related Customer Service Improvement **(Contact: Steve Poor 673-5837)**

- Reviewed feedback from customer service feedback survey to assess our processes and staff performance. Themes from the survey thus far include overall satisfaction with staff information and service and concerns about timeliness of returning phone calls.
- Continued working with MOS partners to improve preliminary development review process. Met with stakeholders to share customer feedback, discuss facility restructuring, mapping of all One Stop intake processes, Web content and communications, and incorporation of development coordinators into One Stop work flow.

Part II: Other Key Events and Milestones during third quarter

Community Planning

PLANNING

(Contact: Barb Sporlein 673-2616)

- Executed contract with consultant to complete Downtown East/North Loop Master Plan rezoning study; work is expected to be complete by end of 2005.
- Began rezoning study to implement the SEMI master plan.
- Drafted scope of work for Nokomis East transit station area plan.
- Mapped current boundaries of neighborhood commercial nodes in preparation for updating the City's comprehensive plan.
- Established a team to coordinate the comprehensive plan's 2008 update and initiated work on the required response to the Metropolitan Council's September release of their four System Statements, a precursor step to that update.

Economic Policy & Development

BUSINESS DEVELOPMENT

Neighborhood Commercial and Mixed Use/Transit Corridor

(Contact: Mike Christenson 673-5122)

- Analyzed two proposals to redevelop City-owned property on the southeast corner of Penn and Lowry Avenues North.
- Issued an RFP for the City-owned property at 1101 West Broadway. Proposals are due November 30, 2005.
- Construction continues at Midtown Exchange. The City Council approved a bridge loan for the Midtown Global Market portion of development.

Land Recycling and Infrastructure

(Contact: John Harrington 673-5018)

- The City Council approved nine projects to take priority in remediation grant funding. Hennepin County announced funding for seven projects from the spring funding round for a total of almost \$900,000.
- Completed draft of [Land Recycling Campaign](#) and reviewed with major funding sources.

Downtown

(Contact: Tom Daniel 673-5079)

- Continued support of the [Downtown Security Collaborative](#), a partnership among CPED, the Minneapolis Police and downtown businesses.
- The Collaborative certified completion of training for its first class -- 140 private security officers.
- Executed redevelopment/sale agreement with Stimson Partners LLC for Stimson Building, and construction began for a Clear Channel sign atop the Stimson Building.
- NBA City Restaurant began construction at the Target Center.
- City Council approved issuing taxable bonds as part of the lease agreement for the State, Orpheum, and Pantages Theatres.

Riverfront

(Contact: Ann Calvert 673-5023)

- Additional research and planning are underway to determine the feasibility and possible timeline of redeveloping the City-owned Upper Harbor Terminal.
- In cooperation with the Public Works Department, construction was completed on a package of Mill Quarter public improvements, including two new streets (Chicago and Ninth Avenues), a storm water retention facility and the Mill Quarter Municipal Ramp.
- Chicago Avenue between Second Street and West River Parkway was formally designated as the Chicago Avenue Mall and an advisory board was appointed. The construction contract for Phase IIB of the Chicago Avenue Plaza/Mall was awarded and executed.
- Redevelopment contracts were drafted for four housing and mixed-use buildings on “Parcel D” in the Mill Quarter.

BUSINESS FINANCE

(Contact: Bob Lind 673-5068)

- Closed on a \$150,000 Two Percent Commercial Loan to the Neighborhood Development Center as part of the financing for the Midtown Global Marketplace. Continued working with potential tenants for the marketplace to provide financing for leasehold improvements.
- A new Emerging Small Business Loan Guarantee Program in partnership with the Minneapolis Consortium of Community Developers (MCCD) has been approved by City Council. Program documents and marketing efforts are under way.
- The guide book, “[Loans and Grants for Minneapolis Businesses](#)” has been updated. For copies, call Jennifer Schultz at 612-673-5094 or click on the Web link above.

EMPOWERMENT ZONE

(Contact: Jonathan Palmer 673-5016)

- The Minneapolis Empowerment Zone (EZ) released a Request for Proposals (RFP) for the \$1 million [North Minneapolis Community Transformation Initiative](#) to spur private investment in four north Minneapolis commercial nodes: Penn and Glenwood Avenues, West Broadway and Penn Avenues, Penn and Lowry Avenues, and West Broadway and Lyndale Avenues. The RFP focuses on commercial development/site preparation, business expansion and recruitment for employment opportunities. For more information, click on the link above.

Housing Policy and Development

MULTI FAMILY

(Contact: Cynthia Lee 673-5266)

- Closing, construction start on Double Flats stabilization in the Whittier neighborhood (developed by Project for Pride in Living [PPL]).
- Parcel F land sale approved (riverfront condominiums to be developed by Sherman Associates at 900 Washington).
- Closing, construction start on Albright Townhomes bond refinance and stabilization (Community Housing Development Corporation [CHDC], 89 units).
- Closing, construction start on Urban Village Track 29 phase 1 (54-unit condominium development on Midtown Greenway).
- Project Analysis Authorization approval for Karamu West (mixed-use development on Plymouth Avenue – Northside Residents’ Redevelopment Council).
- Completion of Village in Phillips phase I (28 townhouse units – Powderhorn Residents’ Group), Clare Apartments (32 units of supportive housing – Clare and Central Community Housing Trust), Lindquist

Apartments (26 units of supportive housing – RS Eden), Grant Park (327 condo units downtown – Apex & Opus), Oaks Hiawatha (61 units of market-rate rental – Klodt), Oakland Square stabilization (31 units of affordable rental – CHDC), Morrison Village stabilization (57 units of affordable rental – CHDC), Little Earth phase 3 (56 units of affordable rental – Little Earth of United Tribes Housing Corporation), Men’s Secure Waiting (251 shelter units).

- Closing, construction start on Veteran’s Housing (140 units of supportive housing near the VA Medical Center – CHDC).
- Land sale approved for Kingsley Commons on the Humboldt Greenway (affordable rental housing for persons with multiple sclerosis – CommonBond).
- Low Income Tax Credit RFP – City Council approved \$1.07 million for 2006 allocation: five projects (Homewood Apartments stabilization, Ripley Gardens, Van Cleve Court Apartments, Central Avenue Lofts, PPL Southside Recapitalization -- 237 units total).
- Affordable Housing Trust Fund / Emergency Shelter Grant RFP – 19 proposals received, requesting \$11.6 million.
- Affordable Ownership RFP – 11 proposals received, requesting \$3.2M.

SINGLE FAMILY

(Contact: Elfric Porte 673-5145)

- Received Council approval on the disposition of five parcels for new single-family housing developments and green space.
- Issued completion certificates for 10 owner-occupant housing units.

Development Services

(Contact: Jason Wittenberg 673-2297 and/or Steve Poor 673-5837)

- Continued progress on several zoning code text amendments that the Planning Commission and City Council will consider in the fourth quarter. Includes changes to provisions on interim ordinances and development moratoria, changes to non-conforming use provisions, limits on required yard setbacks, green roof performance standards, emergency shelter hours of operation and changes to conditional uses.
- Presented the Zoning and Planning Committee with the inventory, status and proposed work plan for all pending zoning code text and map amendments.

Department-wide Initiatives

- Completed department Limited English Proficiency Plan with assistance from Multi-Cultural Services staff. **(Contact: Kent Robbins 673-5187)**
- Initiated a department Mentoring Program, a recommendation from the employee survey. **(Contact: Kent Robbins 673-5187)**
- Initiated a department labor-management committee, which had its initial training and began monthly meetings. The mission of the committee is “to provide an open, respectful and trusting forum for discussion and clarification of common issues and to make recommendations for a better workplace.” **(Committee co-chairs are Connie Fournier 673-5028 [management]; Lonnie Nichols 673-5468 [MPEA], and Tina Sanz 673-3710 [AFSCME].)**
- Completed [draft 2006-2010 CPED Business Plan](#) **(Contact: Jeff Schneider 673-5124)**
- Renamed the real estate support function as “Real Estate Development Services,” which reports to the Housing Division Director. This work unit will be integral in developing the City’s centralized real estate operations. **(Contact: Connie Fournier 673-5028)**

Part III: Progress on Key Departmental Performance Measures

	2003 Actual	2004 Actual	2005 Projected	2005 1 st Quarter Actual	2005 2 nd Quarter Actual	2005 3 rd Quarter Actual	Comments
Economic Development	[\$ in millions]						
Estimated increase in property taxes due to Economic Development projects	\$3.2	\$0.4	\$0.8	\$0.18	\$0.10	\$0.10	
# of new jobs projected due to city assisted projects	1,554	378	447	68	63	342	
# of small business loans	170	115	158	18	29	53	
\$ value of business loans	\$282	\$246	\$300	\$4.3	\$548.4	\$20.8	
# of businesses assisted by City market advocates/case managers	n/a	7	50	16	14	8	
Real estate marketing contacts	571	522	200	48	81	56	
\$ amount of contamination grants secured	\$4.7	\$4.2	\$1.5	0	\$1.0	\$0.9	Hennepin County grants
Acreage of land to be recovered due to secured cleanup grants	n/a	n/a	5 – 25 acres	0	12 acres	12 acres	Acreage is for BB Nelson Park site; acreage for other grants was counted in second quarter
Attendance at City-owned entertainment venues:							
Historic theatres	428,458	429,399	500,000	107,000	230,136	97,284	
Target Center	1,196,894	1,420,833	2,000,000	515,000	164,000	66,452	
# of Empowerment Zone businesses funded	50	40	5	6	4	4	
# of Empowerment Zone businesses receiving technical assistance	414	402	20	47	56	40 (est.)	
Housing							
# of new/conversion multifamily housing units completed (# located downtown)	1,151 (461)	650 (0)	1,193 (578)	97 (52)	72 (0)	622 (426)	

	2003 Actual	2004 Actual	2005 Projected	2005 1 st Quarter Actual	2005 2 nd Quarter Actual	2005 3 rd Quarter Actual	Comments
# of rehabilitated multi-family housing units completed (# located downtown)	418 (69)	1,240 (381)	560 (0)	12 (0)	43 (0)	144 (0)	
# of multi-family units affordable to households < 50% of MMI (subset of above two categories) (# located downtown)	594 (142)	1,283 (220)	751 (52)	64 (52)	43 (0)	246 (0)	
# of multi-family units under construction (# located downtown)	2,122 (0)	1,345 (471)	1886 (25)	231 (25)	180 (0)	381 (35)	
# of single family units (new construction) completed	116	80	80	20	15	10	
# of single family units rehabilitated	8	10	13	1	2	2	
# of single family units affordable to households < 80% of MMI (subset of SF units completed)	62	42	40	11	9	5	
# of lots sold for single-family development or side yards	120	64	80	4	24	14	
# and average amount of home improvement loans	48 loans \$11,289	9 loans \$13,728	45 loans \$ 13,000	4 loans \$12,420	17 loans \$12,945	6 loans \$10,108	
# and average amount of mortgage loans	2 loans \$112,760	198 loans \$178,460	150 loans \$180,000	27 loans \$178,880	164 loans \$182,615	190 loans \$184,264	
# and average amount of down payment assistance loans	13 loans \$13,103	96 loans \$4,563	105 loans \$5,000	22 loans \$4,000	124 loans \$7,535	133 loans \$1,545	
Community Planning							
# of small area plans prepared by staff and approved or amended by City Council	4	0	6	0	1	3*	*Lake St. LRT rezoning; Bryn Mawr Land Use Plan; Arts & Culture Plan. Work underway on 8 other plans
% of surveyed residents confident that their input will be valued	n/a	n/a	80%	n/a	n/a	n/a	Report being compiled from survey results
# film permits issued	212	190	195	48	55	37	Total YTD production budgets = \$2.5 million

	2003 Actual	2004 Actual	2005 Projected	2005 1 st Quarter Actual	2005 2 nd Quarter Actual	2005 3 rd Quarter Actual	Comments
# of public art projects installed or renovated (major conservations)	3	5	4	0	0	2	2 renovations of existing public art; 11 art commissions underway
Development Services							
# of building permits reviewed	7,905	8,100	7,900	894	2,349	2,273	Plus 2,398 permit counter customers; 4,691 zoning information and 1,588 zoning enforcement calls
# of land use applications reviewed	1,083	1,197	1,400	188	239	221	Includes 168 City Planning Commission & 53 Board of Adjustment
% of land use applications processed within state mandated timeframes	99+%	99+%	99+%	100%	100%	100%	
# of Heritage Preservation Commission applications reviewed	180	175	200	36	50	39	31 Certificates of No Change and 8 Certificates of Appropriateness
# of properties designated for historic preservation	n/a	n/a	2	1	0	0	Sears Building will be designated in 4 th Quarter
# of historic demolition permits reviewed	n/a	n/a	160	40	38	53	
# of zoning code text amendments adopted	6	9	10	1	3	0	Staff work on 6 under way; text amendment work plan approved
# of state and federal environmental reviews conducted	16	24	30	18	19	5	3 federal EAWs and 2 citizen petitions
Workforce Development							
Metro unemployment rate	4.6%	4.4%	4.3%	4.2%	3.7%	3.43%	
City unemployment rate	5.5%	5.1%	4.5%	4.5%	4.2%	3.96%	
Gap between City and metro unemployment rates	.9%	.7%	.2%	.3%	.5%	.53%	
# of Job Linkage new hires	4,122	4,607	4,700	1,152 (est.)	2000 (est.)	2936 (est.)	