



Third Quarter 2006



Third Quarter Highlights

- CPED closed on the property for the new [MacPhail Center for Music](#) and construction began in September. MacPhail received \$11.5 million in city bonds and \$5 million in state bonding for this \$26.5 million project.



(photo courtesy of James Dayton Design)

- The [Downtown East North Loop Master Plan rezoning study](#) was approved by the City Council on October 20th. Staff worked on four other rezoning studies – SEMI; South Lyndale; Bassett Creek Valley and Franklin Transit Station Area.
- A lease agreement was executed with the Park Development Foundation for development of Gold Medal Park on the Riverfront East Parcel and adjacent Guthrie expansion parcel. Construction began in September and is expected to be completed in November.

- The Home Depot Foundation awarded a \$500,000 grant to support work in the [31st Avenue & 6th Street Cluster](#) in the Hawthorne neighborhood.
- Major project closings occurred on the [Kingsley Commons](#), [St. Anne's](#), Central Avenue Lofts, [Little Earth Phase IV](#), Washington Court and Track 29 multifamily developments. Construction is underway.
- On August 19, the [Northside Home Fund](#) partnered with [Rebuilding Together](#) to rehabilitate 10 homes in the Northside cluster areas. Nearly 200 volunteers performed nearly 1800 hours worth of work to fix everything from minor painting to building retaining walls. This project also assisted with correcting violations cited during the Northside Inspections sweep.



Lee E. Sheehy, Director
(612) 673-5125
lee.sheehy@ci.minneapolis.mn.us
www.ci.minneapolis.mn.us/cped

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

- A Request for Proposals was issued for the [Uptown Small Area Plan](#).
- After extensive public outreach, well-attended community open house and business kick-off meetings were held for the [West Broadway Alive!](#) Plan.
- Executed contracts for both the community engagement and market analysis consultants for the [Cedar-Riverside Small Area Plan](#); established Steering Committee.
- The drafts of both the [Midtown Greenway Land Use and Development Plan](#) and the [Seward and Longfellow Greenway Area Land Use and Pre-Development Study](#) were completed in preparation for the 45 day public comment period.
- The [Southeast Minneapolis Industrial \(SEMI\) Comprehensive Plan Amendment](#) was formally adopted by the Metropolitan Council on August 23rd.
- The [Industrial Land Use and Employment Policy Plan](#) was initially presented to the City Council Zoning and Planning Committee on August 24th and was approved, with amendments, on October 26th.
- The [Mississippi River Critical Area Plan](#) was submitted to the Metropolitan Council for approval (MC staff recommended approval; committee and final action expected in fourth quarter). The Arts and Culture Coordinating Committee held its fourth quarterly meeting toward implementing the direction of the City's adopted [Plan for Arts and Culture](#). The ACCC will prepare a 2006 Progress report for submission to elected officials and other interested parties in early 2007.
- The draft [Nokomis East Station Area Plan](#) was completed in preparation for the 45 day public comment period.
- The [38th Street Transit Station Area Plan](#) was approved by the Planning Commission and transmitted to the Zoning and planning Committee.

Development Services

(Contacts: Steve Poor, zoning administration and enforcement, 673-5837; Jason Wittenberg, land use applications and Planning Commission, 673-2297; Jack Byers, heritage preservation, design review, Board of Adjustment, 673-2634)

- Completed work on five zoning code text amendments (established farmer's markets provisions; amended communication towers provisions; established downtown entertainment billboard/sign district; authorized variance related to minimum width requirements for 1-4 unit residential buildings; and clarified the City's exemption from the State adult uses statute due to the existence of a local ordinance). Staff is working on seven other zoning code text amendments.
- Administered two development moratoria enacted by the City Council related to approvals for height increases not permitted as of right in the Uptown study area, and new construction on Nicollet Avenue between Franklin and the Greenway. Staff worked with a neighborhood task force on drafting the [Franklin-Nicollet Pedestrian Overlay District](#).
- Processed 405 zoning-related service requests through the City's 3-1-1 system. Staff worked closely with 3-1-1 staff to refine the program and increase the level of customer service based on the program's first nine months of data and use. New service requests, protocols and expected service levels have been created to address system issues.

ECONOMIC POLICY AND DEVELOPMENT

Business Development

(Contact: Tom Daniel 673-5079)

Neighborhood Commercial and Transit Corridors

- City Council approved guidelines for the joint [Multifamily/Business Development Capital Acquisition Revolving Fund](#).
- Staff presented a report to City Council summarizing [2006 Northside Community Development Committee](#) activity and projected CPED Business Development section activity. The report discusses CPED's approach to economic development and provides an overview of pending activities on the Northside.
- City Council approved the [land sale](#) of the City-owned property on the southeast corner of Penn and Lowry Avenues North to Wellington Management, Inc. The property will be developed with approximately 32,000 square feet of commercial space including a grocery store, bank, and other retail and office uses.
- The West Broadway Safety Center opened.
- The installation of pedestrian lighting connecting [Cedar Riverside](#) to the LRT station was completed.
- City Council approved the [Franklin LRT Station Area Redevelopment Plan](#).
- Closing occurred on an easement at the [Hi-Lake Triangle](#) adjacent to the LRT station.

Land Recycling and Infrastructure

- Hennepin County approved a total of \$710,300 for either pollution investigation or pollution cleanup on seven Minneapolis projects.
- Outlot B in the Seward Industrial Park was sold for \$50,000 and will be used for parking to support an existing industrial building.

Downtown

- City Council approved an amendment to the redevelopment agreement for the Stimson Building at 700 Hennepin Avenue permitting a new restaurateur and extending the closing deadline to November 2006.
- An [RFP for sale of nine city-owned parking ramps](#) was issued. Thirteen proposals received October 19 will be reviewed.

Riverfront

- Task 2 of the riverfront organizational study was completed, and the resulting [report](#) was posted. This [study](#) is exploring ways to enhance Minneapolis' organization capacity to continue riverfront revitalization. In preparation for Task 3 of the study, two new interim task forces were established to guide the remainder of the study work – the Riverfront Policy Oversight Task Force and Riverfront Senior Management Task Force.
- Installation of streetscape on the upriver side of Chicago Avenue between Washington and Second Street began.

Business Finance

(Contact: Bob Lind 673-5068)

The City of Minneapolis through its [Bank Qualified Bank Direct Tax-exempt Revenue Bond Program](#) recently closed on its seventh financing for a 501(c)(3) non-profit organization. This program has an annual allocation of \$10 million.

HOUSING POLICY AND DEVELOPMENT

Multi-Family Housing

(Contact: Cynthia Lee 673-5266)

- CPED issued an [RFP for development of 1501 Nicollet Avenue](#) (the “meter farm” site). Four proposals for mixed-income, mixed-use development were received and review/ranking is underway.
- Following completion of the RFP process, developer selection for the [1800 Plymouth Avenue site](#) was approved by the City Council. Olson Development is proposing to construct 18 mixed-income for-sale town home units.
- The City Council approved allocation of \$1,109,037 of 2007 Low Income Housing Tax Credits to the LSS Park Avenue, Van Cleve West and PPL Southside projects.
- Staff completed proposal review, underwriting and ranking for the 24 AHTF and 6 AOHP applications received in response to summer RFPs.

Single-Family Housing

(Contact: Elfric Porte 673-5145)

- Seven homes were sold and 8 lots purchased for construction of new ownership housing units at [Heritage Park](#).
- Six units were completed and ready for occupancy at [Heritage Park](#).
- The last of five “clusters” in the [Northside Home Fund](#) selected a development partner to assist in the identification and execution of residential development and rehabilitation opportunities in the “cluster” area. Clusters are small geographic areas with three or more boarded and vacant properties that have been termed an opportunity area by the neighborhood groups and City departments.
- The City sold seven lots and issued 8 completion certificates for owner-occupied housing.

Real Estate Development Services

(Contact: Connie Fournier 673-5028)

- In the first week of July, 1,736 Public Works parcels were successfully loaded into MINS as part of the City’s Real Estate Inventory Project. Each parcel was placed in a project category and identified by standard land attributes.
- On October 6, 2006, Council authorized an 18 month Pilot Program designed to sell parcels quickly and cost-effectively that were not needed for development purposes. Properties placed into the program would be sold under a modified version of the City’s “Sideyard Sales” policy and procedures. This public hearing included the approval to sell 32 such parcels.

DEPARTMENT-WIDE INITIATIVES

1) Improve Transportation and Transit Connections and Infrastructure

Steve Hay, Principal Planner for Transportation, continued his work defining and promoting the City's interests related to a number of regional transportation issues and projects, including the Central Corridor LRT, Southwest transit Corridor, NorthStar Commuter Rail, 35W, Cedar Avenue and Bottineau Blvd BRT ways, as well as serving as the lead planner on the City's 10-Year Transportation Plan (Access Minneapolis). CPED staff worked closely with Public Works, Hennepin County, University of Minnesota, MnDOT, Metropolitan Council and the Twins organization to address key transportation and transit issues as part of the planning and design work for the University of MN Gophers Football Stadium and the Twins Ballpark.

2) Close the Unemployment Gap

Coloplast, a Denmark-based, health care product manufacturer, announced that it will move its North American corporate headquarters to a new campus on West River Road in North Minneapolis. Coloplast expects to move at least 300 jobs from its current location in Marietta, Georgia. In addition to the relocated positions, Coloplast recently acquired the urology division of Minneapolis-based Mentor Corp., adding 330 employees in Minneapolis, creating the foundation for its U.S. operations.

3) Increase Choices along the Housing Continuum

In a span of 100 days, the members of the Commission on Homelessness met and developed a draft report – [Heading Home Hennepin](#) – to end homelessness in Minneapolis and Hennepin County by the year 2016. This plan is available for public comment through Sept. 22, 2006. City staff also participated in the September 29 City council study session on homelessness.

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

Planning staff's primary contributions to this initiative included implementing the policies in the Comprehensive Plan, adopted small areas and the zoning code through the development of policy and land use plans; administrative regulatory reviews; and by staffing the Board of Adjustment, Heritage Preservation Commission and the Planning Commission (see data in Part II). This work is also accomplished through preliminary discussions between planning staff and property owners, neighborhood organizations, residents, developers and architects.

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	2003 Actual	2004 Actual	2005 Actual	2006 Target	2006 1 st Quarter	2006 2 nd Quarter	2006 3 rd Quarter	Comments
Planning / Community Planning								
# of milestones achieved for major long range planning projects	n/a	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	See Part I for more detail on plan specifics
arts and culture coordination:								
# film/video permits issued	212	190	187	190	40	53	78	Loring Bikeway railing completed and installed; Elliot Park Gateway and Heritage Park railings conserved
\$ amount of film production budgets	\$6.7	\$9.2	\$8.9	\$9.7	\$2.3	\$2.2	\$2.3	
# of public art installations or major renovations:	3	5	3	7	0	1	1 installation	
							2 renovations	
Planning/Development Services								
# of building permits reviewed for zoning compliance	7,905	8,100	7,039	7,800	1,280; 18 ASPR	1,776; 42 ASPR	1,741; 38 ASPR	Permits = 79 new bldgs and 1,662 remodels ASPR = Admin Site Plan Review
# of land use applications reviewed	1,083	1,197	895	1,100	139 CPC; 26 BOA	197 CPC; 63 BOA	130 CPC; 45 BOA	CPC = City Planning Commission; BOA = Board of Adjustment
# of Heritage Preservation Commission applications reviewed	180	175	183	190	60	63	57	
# of properties designated for historic preservation	n/a	n/a	2	2	0	2	0	

<i>\$ in millions unless noted otherwise</i>	2003 Actual	2004 Actual	2005 Actual	2006 Target	2006 1 st Quarter	2006 2 nd Quarter	2006 3 rd Quarter	Comments
# of historic demolition permits reviewed	n/a	n/a	191	150	50	48	50	
# of zoning code text amendments adopted	6	9	11	10	4	2	5	See Part 1 for list
# of state and federal environmental reviews conducted	16	24	45	27	9	3	9	

Economic Development//Business Development and Business Finance

# of new jobs projected by City-assisted projects	1,554	378	659	1,447	206	184	62	
# of small business loans	170	115	143	160	36	60	38	
\$ value of business loans	\$282	\$246	\$607.9	\$300	\$14.7	\$38.5	\$20.3	
Ratio of City \$ to all other public and private \$: for Bus. Finance loans	1:170	1:162	1:250	1:150	1:12	1:32	1:23	
\$ amount of contamination grants secured	\$4.7	\$4.2	\$2.2	\$3.0	\$2.0	\$0.24	.62*	*Hennepin County sprint 2006 grants
Acreage of land to be recovered due to secured cleanup grants	n/a	n/a	36.2 acres	5 – 25 acres	7.3	5.8	1.2*	*Hennepin County spring 2006 grants
Attendance at City-owned entertainment venues:	428,458	429,399	615,676	500,000	81,941	86,898	69,120	
Hennepin Avenue theaters	1,196,894	1,420,833	1,155,244	1,195,000	425,743	139,347	89,599	
Target Center								
# of Empowerment Zone businesses funded	50	40	18	20	18	9	7	

Economic Development/Workforce Development

Metro unemployment rate	4.6%	4.4%	3.7%	4.0%	4.1%	3.4%	3.5%	
-------------------------	------	------	------	------	------	------	------	--

<i>\$ in millions unless noted otherwise</i>	2003 Actual	2004 Actual	2005 Actual	2006 Target	2006 1 st Quarter	2006 2 nd Quarter	2006 3 rd Quarter	Comments
City unemployment rate	5.5%	5.1%	4.1%	4.0%	4.2%	3.8%	4.0%	
Gap between City and metro unemployment rates	0.9%	0.7%	0.4%	0%	0.1%	0.4%	0.5%	
# of adult placements	754	757	1,453	1,500	252	309	346	
Average hourly wage of adult placements	\$10.56	\$10.34	\$10.58	\$10.60	\$10.36	\$10.51	\$10.69	
Housing								
New/converted Multi-Family Units w/ financing closed @ 30% AMI	260	156	112	n/a	0	16	33	
New/converted Multi-Family Units w/ financing closed @ 50% AMI	46	163	195	n/a	0	44	36	
New/converted Multi-Family Units w/ financing closed @ 60% AMI	80	234	81	n/a	0	0	111	
New/converted Multi-Family Units w/ financing closed @ 80% AMI	49	28	81	n/a	0	1	13	
Preserved/stabilized Multi-Family units w/ financing closed @ 30% AMI	822	340	363	n/a	6	0	52	
Preserved/stabilized Multi-Family units w/ financing @ 50% AMI	33	104	98	n/a	13	0	15	
Preserved/stabilized Multi-Family units w/ financing @ 60% AMI	51	48	33	n/a	0	0	0	

<i>\$ in millions unless noted otherwise</i>	2003 Actual	2004 Actual	2005 Actual	2006 Target	2006 1 st Quarter	2006 2 nd Quarter	2006 3 rd Quarter	Comments
Preserved/ stabilized Multi-Family units w/ financing @ 80% AMI	131	7	1	n/a	0	0	0	
New/converted Single-Family units w/ financing closed @ 30% AMI	5	n/a	n/a	2	0	0	0	
New/converted Single-Family units w/ financing closed @ 50% AMI	5	8	6	12	4	1	2	
New/converted Single-Family units w/ financing closed @ 60% AMI	80	n/a	81	5	0	0	0	
New/converted Single-Family units w/ financing closed @ 80% AMI	37	31	15	15	0	3	11	
Preserved/ stabilized Single-Family units w/ financing closed @ 60% AMI	n/a	n/a	n/a	3	0	0	2	
Preserved/ stabilized Single-Family units w/ financing @ 50% AMI	8	10	7	7	1	0	0	