

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

MISSION

CPED works to grow a sustainable city.

BUSINESS LINES

The Department of Community Planning and Economic Development (CPED) has five business lines:

Community Planning – CPED maintains the City's comprehensive plan, guides development and partners in implementation.

Economic Policy & Development – CPED guides the City's role in business development, supports business retention and expansion, creation and attraction in all neighborhoods, including downtown, by providing financing, programmatic and real estate development and expansion tools.

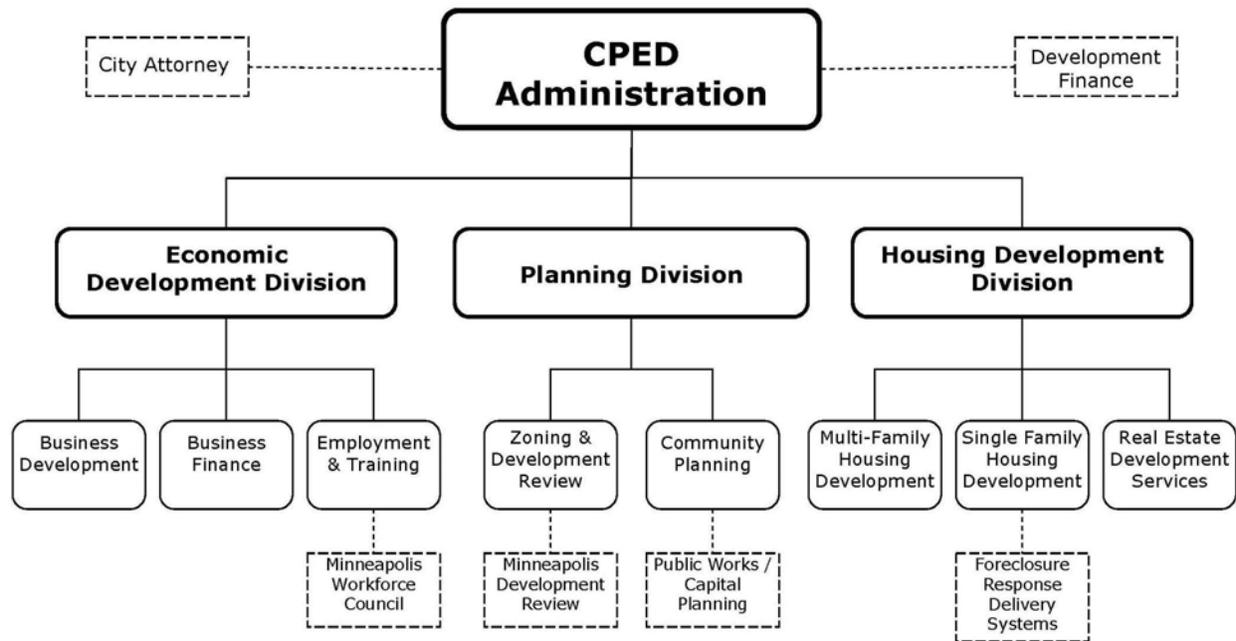
Workforce Development – CPED manages a network that identifies and prepares Minneapolis residents for living-wage jobs and builds partnerships to improve career opportunities in the city.

Housing Policy & Development – CPED guides private, governmental, and non-profit housing investment and development to promote a range of housing types for all incomes throughout the City. In addition, CPED intervenes with targeted programs in areas of housing market failure in order to restore a healthy housing market and stimulate private investment.

Planning & Development Services – CPED administers zoning, heritage preservation and land subdivision regulations.

Other program and management-support activities include real-estate and related technical services, research and public art program.

ORGANIZATION CHART



DEPARTMENTAL PROGRAMS BY GOAL AREA AND FUNDING

Many People, One Minneapolis

Minneapolis Youth Program CPED

General Fund: \$179,299
Other Funds: \$4,224,568

STEP-UP interns receive critical work readiness training prior to being placed in a summer job. This training allows them to acquire the necessary skills to succeed on the job and helps position themselves for other successes in education and future careers. While in STEP-UP youth learn good work habits, earn wages and gain experience while providing valuable services to local businesses. Augmenting the summer job experience is the opportunity to attend camp, participate in workshops and earn high school credit via classroom training.

The STEP-UP programs use a variety of methods to bridge the efforts of community partners who seek to develop youth to their greatest potential. Besides STEP-UP, other programs strategically provide numerous career-exposure related activities for youth throughout the year. These activities primarily cultivate engaged and informed youth who are able to ultimately develop their own career pathway, while being targeted at career sectors that are need of exposure and workforce development.

Measure: Closing disparities in race gaps in employment

Jobs and Economic Vitality

Regional Planning and Development *CPED*

General Fund: \$397,769
Other Funds: \$312,165

This program aligns Economic Development, Planning, Public Works and Sustainability within a regional planning and development framework, poising the city for a sustainable future by:

- accommodating projected population, housing and jobs growth;
- building complete and healthy communities;
- growing the local and regional economy through the initiatives of the Metropolitan Business Plan (MBP), and Regional Corridors of Opportunity;
- protecting natural and historic resources and recreational lands;
- promoting community livability by anticipating implications of climate change, and
- guiding infrastructure investment.

Measure: Increase number of jobs in the City

One Minneapolis (RENEW) *CPED and Civil Rights*

General Fund: \$300,000

Renewable Energy Networks Empowering Workers (RENEW) provides job-skills training and employment placement services, preparing low-income Minneapolis residents for careers in the 21st century. RENEW targets economic sectors in which increased demand for worker training creates career growth opportunity for underserved Minneapolis populations. These sectors include manufacturing, building systems, construction and renewable energy (City goal – Jobs and Economic Vitality). Recent market research highlights the Twin Cities as national leaders in developing green enterprise. Ongoing investment in RENEW capitalizes on successful initial marketing strategies (\$50,000 initial campaign investment) and early job placement momentum, while promoting continuous green economic expansion in the Minneapolis region.

Measure: Increase employment among all groups while working to reduce racial disparities

Adult Workforce Development Program *CPED*

Other Funds: \$5,370,986

The Adult Employment and Training Program serves low-income, program eligible Minneapolis residents. Services are provided by 11 community-based agencies that compete for performance-based contracts through a request for proposal process. The vendors are paid a fixed dollar amount at pre-determined intervals for successfully assisting their participants in obtaining and retaining employment.

The Dislocated Worker Program serves an important need for Minnesota jobseekers and aids employers by providing a pool of experienced workers to meet future labor needs. METP's Dislocated Worker Program is funded by federal Workforce Investment Act (WIA) and Minnesota Workforce Development funds. In 2010, the American Recovery and Reinvestment Act of 2009 (ARRA) also provided supplemental funding. These ARRA (Stimulus) funds were used to substantially increase the number of dislocated workers who

had access to education and training opportunities in regionally identified demand occupational skill training. The Minnesota Department of Employment and Economic Development (DEED) administers these funds to the City.

Measure: Increase employment amongst all groups while working to reduce racial disparities

Business Retention, Expansion, and Attraction Program
CPED

Other Funds: \$7,828,960

The purpose of this program is to retain existing Minneapolis businesses and help them expand and grow in the city and to attract new businesses to the city. Businesses large and small create jobs for city residents and grow the tax base, reducing the burden on all. Neighborhood businesses create stability and vitality while providing access to convenient services.

The City's work with businesses may include any combination of the following tools: site selection assistance, regulatory systems navigation, real estate development, financing, workforce recruitment and training, business consulting and technical assistance, and business networking. This program captures all of these activities except workforce recruitment and training, which is described in the "Adult Jobs" program.

Measure: Increase number of new businesses while retaining existing businesses

Livable Communities/Healthy Lives

Corridor Vitality Investment Program
CPED

General Fund: \$133,471
Other Funds: \$ CDBG*

The CPED Corridor Vitality Investment Program integrates the City's investment of development resources in designated growth areas along transit corridors. This strategy is consistent with federal and regional investment direction and will help the City garner federal and philanthropic funding. This focus will ensure that quality housing choices are available to all demographic sectors in places convenient to shopping, services, and jobs, by means of transit or walking, and will support vibrant business districts at transit stops and transfer locations.

This program is an integrated department-wide framework for corridor investment supporting density and vitality on transit corridors. Program tools include existing development financing and business support through the Great Streets and Higher Density Corridor Housing programs, planning and policy alignment through the Planning Division and TOD Director. The corridor planning, Great Streets and Higher Density Corridor Housing elements of this program would continue ongoing work, with non-General Fund resources (with the exception of 1.7 planning FTEs).

* Most of this program's funding is in CDBG dollars which are not projected in the Mayor's Recommended Budget.

Measure: Change in City's population and modeshare

Community Stabilization Program
CPED

General Fund: \$365,605
Other Funds: \$5,264,843

The focus of this program is as follows:

- *Prevention: Continue foreclosure prevention outreach and counseling*
- *Reinvestment: Pursue strategic property acquisition and promote property development*
- *Repositioning: Engage in community building and marketing efforts*
- *Property Management: Contract services of local businesses and non-profits to maintain city-owned properties*
- *Code Enforcement: Continue zoning code (and related codes) enforcement efforts through various means and partnerships*

Measure: People in my neighborhood look out for one another

Homegrown Minneapolis – Local Food Initiatives: Business Development Center Component

CPED/Health & Family Support

General Fund: \$75,000
Other Funds: \$118,912

The City in partnership with the Metropolitan Consortium of Community Developers (MCCD), has established the Homegrown Business Development Center to provide financing and technical assistance for Minneapolis based businesses that process and manufacture local food products. The purpose of the program is to foster the development and expansion of business ventures that promote sustainable agriculture and food production and processing within Minneapolis and the surrounding region. The Center will provide a loan up to \$10,000 at a 2% interest rate for a term not to exceed five years. Eligible uses of the Center's loan funds can include the costs associated with the processing, manufacturing, distribution and marketing of local food products.

Measure: Percentage of residents live within a quarter mile of healthy and local food choices

Art in Public Places

CPED

Other Funds: \$345,490

The City of Minneapolis Public Art Program includes several components:

- **Art in Public Places:** The annual commissioning of 2-4 public artworks, integrated into City building projects, infrastructure, transportation planning, and development, which is funded through two percent of the annual net debt bond. The projects that will be implemented in 2012 include artist-designed utility boxes and the Hennepin Recycling and Drop-off Facility.
- **Conservation:** Conservation and care of over four dozen works of art developed through the Art in Public Places.
- **Technical Assistance to other agencies:** Technical assistance to other agencies and departments developing and conserving public art projects in the City, including Public Works, Central Corridor and Southwest Transit Way, Neighborhoods, the Minneapolis Park and Recreation Board, Hennepin County and others. Hennepin County and the Interchange will likely be the focus of this type of support in 2012.

- Public Art Policy: Coordinating the development of policies, guidelines and procedures for Public art by the Minneapolis Arts Commission and the City Council
- Proposals for Art on City Property: Coordinating review by the Public Art Advisory Panel and Minneapolis Arts Commission of proposed gifts of art to the City and permits of public art on City property.
- Proposals for Art on Private Property: Consulting on and Reviewing proposed public art and mural projects by others and potential conflict with City ordinances, such as zoning and graffiti.
- Historic Artworks: Work with the Heritage Preservation Commission to consider designation of historical artworks and monuments.

Measure: Perceived change in livability

Protection, Preservation and Design of the Built and Natural Environment

CPED

General Fund: \$1,706,924

Other Funds: \$828,984

This program carries out legally-mandated regulations required by the Code of Ordinances, MN statutes (including the 60-day law), and US Federal law for the preservation, design, and protection of the built and nature environment in the City of Minneapolis. The everyday, ongoing work of the program is integrated to ensure that growth and change in Minneapolis (through property development and building construction) is consistent with the City’s adopted Comprehensive Plan, adopted policies, and all applicable ordinances and laws.

Measure: Perceived change in livability

Transportation Planning and Management

CPED

General Fund: \$396,986

Other Funds: \$175,715

Transportation Planning and Management develops and coordinates policies and actions to promote a safe, efficient and integrated multi-modal transportation system, safe and well maintained public infrastructure and community connectedness. Transportation Planning involves long-range planning, participation in regional transportation planning initiatives such as light rail, local bus and bus rapid transit corridors along with representing the City on policy boards and technical and advisory committees. This program also encompasses Minneapolis’ long-range planning related to the Minneapolis-St. Paul International Airport.

Measure: Resident survey “perceived change in livability”

Homeownership Support & Development

CPED

Other Funds: \$3,249,260

The proposed 2012 program, Homeownership Support & Development, is a combination of existing programs, termed sub-programs in this proposal. This program is designed to assist with the development of affordable ownership housing for households with income at, or below 80% of the area median income. This portion of the strategy is critical to return the housing market to a more healthy condition. This program will be used to support development through rehabilitation and new construction, when applicable. New construction will not be encouraged, although it is understood that there will be instances where new construction will be warranted. An example of such time when new construction is applicable is when a developer has a buyer. The rationale for this decision is to limit the

speculative market from increasing the supply of unsold units. In this section, all the ownership programs from 2011 are being combined into one program called the Homeownership Support & Development. This includes the following programs:

- *Affordable Ownership Housing Program*—the program will be used to support Senior Housing, Co-Ops and development and affordability gap financing for all ownership projects serving households with incomes at, or below 80% of the area median income, as required by the funding.
- *Home Ownership Works*
- *CityLiving (Source is Mortgage Revenue Bonds, the amount is market driven)*
- *Neighborhood Revitalization Program Administration (NRP Funds—contracted on an as requested basis by the neighborhood)*

Measure: Percent of housing cost burdened households

Affordable Housing Development Fund Program **CPED**

Other Funds: \$8,022,593

The Affordable Housing Development Fund provides gap financing that leverages significant public and private resources resulting in the construction of high quality, safe, and affordable housing for the housing cost-burdened citizens of Minneapolis. Affordable housing projects further the mission of CPED - "To Grow the City" - by removing blight, revitalizing neighborhoods, creating jobs, increasing the tax base, and catalyzing adjacent private development. This program is essential to meeting the City's Affordable Housing Goals established pursuant to the Livable Communities Act and its related Metropolitan Council-driven initiatives. The City established a goal to construct 4,200 to 9,300 units of affordable housing between 2011 and 2020. These funds are essential for meeting those goals.

Measure: Percent of housing cost burdened households

FINANCIAL ANALYSIS

EXPENDITURE

The total expenditure budget for CPED decreases from \$81.9 to \$63.6 million, or by 22%, not inclusive of CPED's 2012 allocation of CDBG funding. CPED reduced its staffing levels by 8 FTEs in 2012, though the department's General Fund allocation increases by 6.8% to \$3.6 million. FTE funded with CDBG dollars are left in the budget for illustrative purposes until the final allocation of CDBG funding is included in the 2012 Council Adopted Budget.

REVENUE

The 2012 revenue budget for this department decreases from \$97.6 million in 2011 to \$87.1 million, a 10.7% reduction, primarily due to the Mayor's Recommended Budget not including CDBG revenue. Prior budgets did not account for any federal stimulus funds; however, CPED's proposed 2012 budget captures \$1,089,000 dollars from Neighborhood Stabilization Program for the Vacant and Boarded Program.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommends \$300,000 in one-time funding for the One Minneapolis (RENEW) to be jointly administered with Civil Rights; \$75,000 in one-time funding for the Mayor's regional export growth strategy initiative which will enable Minneapolis to work more effectively with companies considering exporting or seeking to grow by exporting to additional markets and be implemented through CPED - Economic Development Division's existing business calling plan; and \$150,000 for Greater MSP in one-time funding.

The Mayor also recommends that the department eliminate policy assistance for CLIC, reduce heritage preservation funding by \$123,000 (\$81,600 in General Fund money), eliminate departmental support for the Arts Commission, resulting in the reduction of two FTEs in the planning department. The Mayor's recommendation also includes the reduction of four additional FTEs across three programs – Corridor Vitality Investment Program, Minneapolis Youth Program, and Protection, Preservation and Design of the Built and Natural Environment.

The Mayor also recommends a \$100,000 program enhancement for the Minneapolis Youth Program.

At this time, the Mayor has not made recommendations for CDBG dollars. The department's budget reflects removing CDBG dollars until a recommendation is made. Any FTEs funded with CDBG dollars remain in the department position totals.

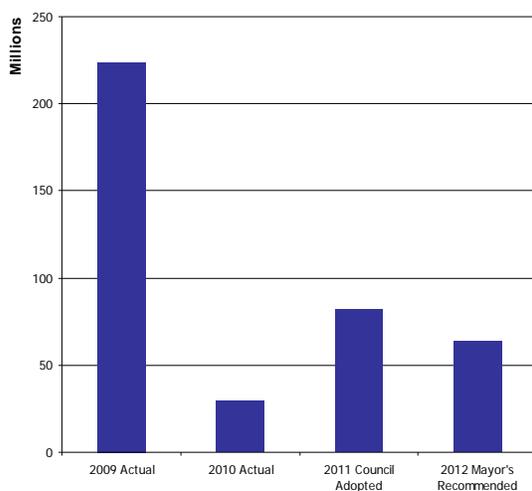
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT

EXPENSE AND REVENUE INFORMATION

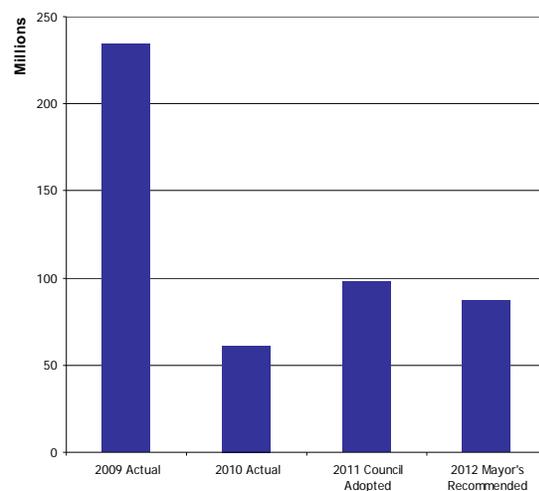
EXPENSE	2009 Actual	2010 Actual	2011 Council Adopted	2012 Mayor's Recommended	Percent Change	Change
DEBT SERVICE						
DEBT SERVICE	37,710,808	4,991,772			0.0%	0
TRANSFERS	307,289	1,500,443			0.0%	0
TOTAL DEBT SERVICE	38,018,097	6,492,215				0
GENERAL						
SALARIES AND WAGES	2,079,122	195,113	1,850,124	1,444,270	-21.9%	(405,854)
FRINGE BENEFITS	683,937	3,741	699,936	540,629	-22.8%	(159,307)
CONTRACTUAL SERVICES	873,592	1,211	514,157	1,330,492	158.8%	816,335
OPERATING COSTS	91,804	7,344	264,363	164,658	-37.7%	(99,705)
CAPITAL				75,000	0.0%	75,000
TRANSFERS	150,458				0.0%	0
TOTAL GENERAL	3,878,913	207,410	3,328,580	3,555,049	6.8%	226,468
CAPITAL PROJECT						
SALARIES AND WAGES		2,753	35,443	72,357	104.2%	36,914
FRINGE BENEFITS			12,604	25,471	102.1%	12,867
CONTRACTUAL SERVICES	110,832	10,224		247,663	0.0%	247,663
OPERATING COSTS	361	71	432		-100.0%	(432)
CAPITAL		39,160			0.0%	0
TOTAL CAPITAL PROJECT	111,193	52,209	48,479	345,490	612.7%	297,012
ENTERPRISE						
SALARIES AND WAGES	129,747		135,928	351,238	158.4%	215,310
FRINGE BENEFITS	39,120	58	44,700	117,479	162.8%	72,779
CONTRACTUAL SERVICES	1,894,773	1,753	851,076	475,144	-44.2%	(375,932)
OPERATING COSTS	1,351,031	347,526	1,474,946	1,483,217	0.6%	8,271
CAPITAL	1,969		93,282	2,113,688	2,165.9%	2,020,406
DEBT SERVICE	41,609	33,332			0.0%	0
TRANSFERS	30,100,542				0.0%	0
TOTAL ENTERPRISE	33,558,790	382,669	2,599,932	4,540,765	74.6%	1,940,833
SPECIAL REVENUE						
SALARIES AND WAGES	7,767,216	706,493	7,067,418	4,861,224	-31.2%	(2,206,195)
FRINGE BENEFITS	2,236,010	87,022	2,528,707	1,685,079	-33.4%	(843,628)
CONTRACTUAL SERVICES	29,633,167	4,836,700	26,781,572	19,202,262	-28.3%	(7,579,310)
OPERATING COSTS	2,493,176	320,061	2,170,231	1,615,268	-25.6%	(554,963)
CAPITAL	40,530,503	8,031,351	31,025,180	16,360,548	-47.3%	(14,664,632)
DEBT SERVICE			110,425	109,099	-1.2%	(1,326)
TRANSFERS	65,458,187	8,283,793	6,252,879	11,349,962	81.5%	5,097,083
TOTAL SPECIAL REVENUE	148,118,259	22,265,421	75,936,413	55,183,443	-27.3%	(20,752,970)
TOTAL EXPENSE	223,685,253	29,399,924	81,913,403	63,624,747	-22.3%	(18,288,656)

REVENUE	2009 Actual	2010 Actual	2011 Council Adopted	2012 Mayor's Recommended	Percent Change	Change
GENERAL						
LICENSE AND PERMITS	734,029	106,475	705,000	620,000	-12.1%	(85,000)
CHARGES FOR SERVICES	327,339	(300)	435,000	738,000	69.7%	303,000
OTHER MISC REVENUES	761	2,272		2,000	0.0%	2,000
TOTAL GENERAL	1,062,128	108,446	1,140,000	1,360,000	19.3%	220,000
SPECIAL REVENUE						
PROPERTY TAXES	70,301,931		61,327,780	52,945,265	-13.7%	(8,382,515)
SALES AND OTHER TAXES	291	293			0.0%	0
FEDERAL GOVERNMENT	8,657,444	15,487,906	9,251,994	6,029,790	-34.8%	(3,222,204)
STATE GOVERNMENT	7,661,369	11,108,053	2,220,000	1,935,000	-12.8%	(285,000)
LOCAL GOVERNMENT	1,649,319	1,027,583			0.0%	0
CHARGES FOR SERVICES	9,678,291	2,303,741	6,579,500	425,000	-93.5%	(6,154,500)
CHARGES FOR SALES	1,503,853		275,000		-100.0%	(275,000)
INTEREST	1,632,449		296,620	187,504	-36.8%	(109,116)
RENTS	4,770,516	125	3,424,760	3,302,360	-3.6%	(122,400)
CONTRIBUTIONS	151,290	88,875			0.0%	0
OTHER MISC REVENUES	4,615,881	136,028	5,705,000	11,597,361	103.3%	5,892,361
TRANSFERS IN	66,299,367	14,820,524	3,389,290	4,634,535	36.7%	1,245,245
TOTAL SPECIAL REVENUE	176,922,002	44,973,128	92,469,944	81,056,815	-12.3%	(11,413,129)
CAPITAL PROJECT						
TRANSFERS IN		641,000			0.0%	0
LONG TERM LIABILITIES PROCEEDS	73,355	(272,573)			0.0%	0
TOTAL CAPITAL PROJECT	73,355	368,427			0.0%	0
DEBT SERVICE						
INTEREST	2,395				0.0%	0
TRANSFERS IN	23,414,785	14,856,111	2,443,088		-100.0%	(2,443,088)
TOTAL DEBT SERVICE	23,417,179	14,856,111	2,443,088		-100.0%	(2,443,088)
ENTERPRISE						
CHARGES FOR SERVICES	2,079,383	353,884		867,000	0.0%	867,000
INTEREST	58,003				0.0%	0
RENTS	313,092			328,000	0.0%	328,000
OTHER MISC REVENUES	30,100,542	129,768	1,550,000	3,500,000	125.8%	1,950,000
TRANSFERS IN	350,000				0.0%	0
TOTAL ENTERPRISE	32,901,020	483,652	1,550,000	4,695,000	202.9%	3,145,000
TOTAL REVENUE	234,375,685	60,789,765	97,603,032	87,111,815	-10.7%	(10,491,217)

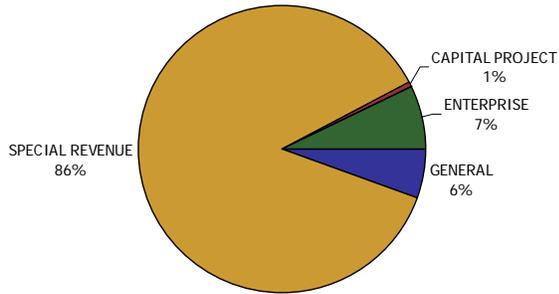
Expense 2009 - 2012



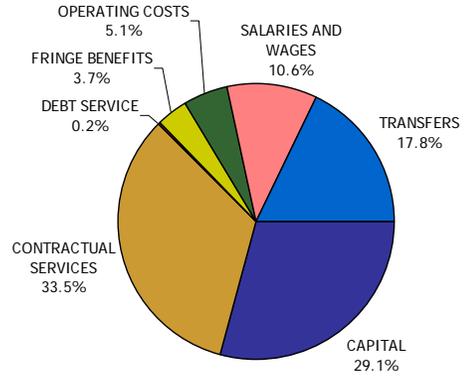
Revenue 2009 - 2012



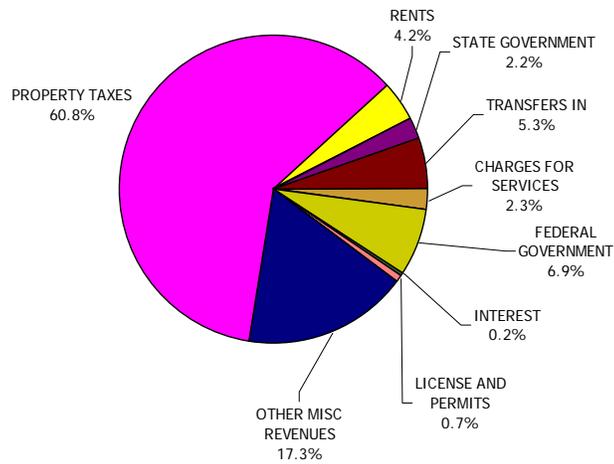
Expense by Fund



Expense by Category



Direct Revenue by Type



COMMUNITY PLANNING & ECONOMIC DEVELOPMENT Staffing Information

Division	2009 Budget	2010 Budget	2011 Budget	2012 Mayor's Recommended	% Change	Change
TOTAL CPED	141.00	135.32	128.00	113.82	-6.4%	(8.21)
TOTAL	141.00	135.32	128.00	113.82	-11.1%	(14.19)

Positions 2009-2012

