

# Hurt Minneapolis and you hurt Minnesota

## Minneapolis has the capacity to lead the State out of the recession

- Minneapolis generates 12% of the state's sales and use taxes: that's **\$342 million**.
- 12% of the state's workforce is in Minneapolis.
- Minneapolis accounts for 15% of Minnesota's corporate income tax: that's **\$101 million**.
- Downtown Minneapolis has the largest concentration of commercial activity in the northern tier states between Chicago and Seattle.

## LGA cuts will hurt everyone's economy

Minneapolis has already made significant budget cuts. In 2002, we cut the budget by \$5.2 million. In January, the Mayor and Council approved a 5-year plan to further cut the budget by \$55 million. Significant cuts in state aid would unavoidably lower the level of essential services (police, fire and street maintenance) the City can provide to the more than half million people who are here every day for work, school, medical treatment or enjoyment.

### **Cuts to Minneapolis' local government aid will impact our ability to be there for our neighbors.**

We know we'll have fewer police officers on the street, fire protection and emergency workers and diminished street maintenance. It also means Minneapolis public safety and emergency workers will be less able to assist other communities when they're in need, such as the with 46 communities where the Minneapolis Fire Department has agreements to lend assistance during emergencies.

**We know this reality will impact the City's – and the state's – economy** because providing these services in a comprehensive way has encouraged existing industries to expand their operations and allowed us to attract major business ... not from suburbs or Greater Minnesota, but from outside the state.

Several examples can be found in the Phillips neighborhood, which historically had a high crime rate. Community based policing and intense, targeted patrol allows us to stay on top of that problem. Today, Phillips has significant corporate investments that benefit all Minnesotans. **Wells Fargo Home Mortgage** recently announced it increased its investment in the Phillips campus to \$175 million, **bringing an additional 800 jobs**. The **Heart Hospital at Abbott Northwestern's** investment has grown to include the Heart Institute and its new research facility. Today:

- The hospital employs 5,000 people.
- 1,500 Abbott Northwestern employees live in Minneapolis; nearly a thousand of them right in the Phillips neighborhood.
- Staff, visitors and patients spend more than \$6 million in the Phillips neighborhood every year.



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If we can't keep neighborhoods safe and our streets repaired, we don't have a prayer of attracting an institution like that in the future, and we may even lose a few.

## **Think the rest of Minnesota won't miss a few hundred Minneapolis police and firefighters?**

- The City's fire department has mutual aid agreements serving 46 Minnesota communities.
- The Minneapolis Fire Department is ready to assist communities as far north as Duluth.
- The City's police and fire departments have equipment and training found nowhere else in the state.
- In the event of a large-scale disaster or terrorist attack, the Minneapolis Police Department would be the largest standing force immediately available to respond.

## **It's not business as usual at Minneapolis City Hall**

- Through major reform, we're streamlining, becoming user-friendly, and eliminating redundancy.
- City leaders recently got out of the computer business by outsourcing technology management and infrastructure – that's expected to save the City an estimated \$20 million.
- Leaders resolved to hold employee wage increases in all future labor contracts to no more than 2% – that could save the City \$35 million over the next 5 years.
- Elected officials passed a *Five Year Financial Direction* that plans for a lean and mean Minneapolis going into the future.

## **The State can help us maintain a strong Minneapolis to share with Minnesota**

- LGA is critical to keeping our neighborhoods safe and our streets plowed and repaired. We ask that you preserve Local Government Aid.
- Support Minneapolis legislative effort seeking authority to create the Office of Community Planning and Economic Development, which reforms and streamlines development activities.



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