



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

Date: April 22, 2008
To: Council Member Lisa Goodman, Chair, Community Development Committee
Referred to: Council Member Paul Ostrow, Chair Ways and Means/Budget Committee
Subject: Great Streets Façade Improvement Program Administration contracts

Recommendation: (1) Amend the 2008 General Appropriation Resolution by increasing the Community Planning and Economic Development agency Fund 01SCD-Community Development Levy 595 (01SCD-8900320) by \$150,000 from the available fund balance. (2) Authorize CPED staff negotiate contracts for Façade Improvement Program Administration, consistent with recommendations provided herein.

Previous Directives: On April 27, 2007, the City Council reviewed and adopted the Great Streets Neighborhood Business District Program, including expanding façade improvement support to neighborhood commercial nodes.

Prepared by:
 Rebecca Brown, Project Coordinator, Business Development, CPED phone: 673-5018

Approved by:
 Charles T. Lutz, Deputy Director, CPED _____

Catherine A. Polasky, Director of Economic Policy and Development, CPED _____

Presenter in Committee:
 Rebecca Brown

Financial Impact

X Action requires an appropriation increase to the Capital Budget () or Operating Budget (X)

Community Impact

Neighborhood Notification: The draft RFP was released for a 45-day comment period to all City neighborhood organizations, business associations, community development corporations, and other non-profits engaged in commercial revitalization on November 16, 2007. The RFP was issued to the same distribution list on January 7, 2008.

City Goals: * A safe place to call home * One Minneapolis * Connected communities
 * Enriched environment

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: 4.1 Minneapolis will encourage reinvestment along major urban corridors as a way of promoting growth in all neighborhoods

4.3 Minneapolis will support development in Commercial Corridors where it enhances the street's character, improves its ability to accommodate automobile traffic and foster pedestrian movement, and expands the range of goods and services offered.

Zoning Code: N/A

Living Wage/Business Subsidy Agreement: N/A

Job Linkage: N/A

Supporting Information

On April 27, 2007, the City Council adopted the Great Streets Neighborhood Business District Program, based upon an extensive study of strategies and tools to revitalize and sustain neighborhood business districts. The Great Streets program provides support for access to market studies, marketing initiatives, business technical assistance, and business façade improvements through a competitive system of online applications and requests for proposals.

The April Council report recommended using \$400,000 for a façade improvement program through a competitive Request for Proposals process. The report also allocated a small budget to develop and print marketing materials, including a *Façade Design Guide* to accompany the Façade Improvement Program (Exhibit C). In the 2008 Operating Budget, Council appropriated \$250,000 to the Great Streets program from fund 01SPH (Legacy fund).

The report identified areas eligible for façade improvement contracts: commercial corridors, commercial nodes, LRT station areas, and downtown neighborhood business districts. Organizations eligible to apply for a contract include community development corporations, business associations, neighborhood organizations and other entities that have demonstrated capacity to perform the work proposed. CPED staff issued the Request for Proposals (RFP) on January 7, 2008, with proposals due February 19, 2008 (Exhibit A).

The Great Streets façade improvement matching grant program has four primary goals: to stimulate visible investment, create healthy and attractive neighborhood business districts, enhance the sense of place, and develop collaborative relationships between administering organizations and businesses in their service area. Organizations awarded contracts are responsible for spearheading the marketing effort, energizing local merchants and property owners, staffing a location where owners can go for assistance, keeping records, and managing funds responsibly. The RFP defined the contract length to be two years and the maximum contract amount at \$50,000. Organizations can include an administration fee of up to 15 percent of the total award. Historically, Minneapolis façade improvement programs have leveraged as much as \$5 of private investment for every \$1 of public investments.

As described in the RFP and the April 2007 City Council report, Great Streets programs prioritize resources to areas with demonstrated need and where private investments will augment public funding. Commercial corridors and LRT station areas are designated as intervene, support, or monitor areas based on several measures of economic health, need, and opportunity. Commercial nodes and downtown neighborhood business districts are priority or non-priority areas based upon federally designated Community Development Block Grant (CDBG) funding areas. Priority is given to applications for assistance in intervene areas, followed by priority and support areas. These categories of need also define the public-to-private match ratio available in the area. Intervene areas have a 1:1 match with a \$7,500 maximum grant, support areas and priority nodes have a 1:2 match with a \$5,000 maximum grant, and monitor areas have a 1:3 match with a \$5,000 maximum grant.

The RFP outlined five evaluation criteria for reviewing proposals, in addition to points assigned in proportion to need (intervene, priority, and support). These five are:

- current organizational experience and capacity to administer the program;
- past experience administering a matching grant program;
- alignment with recent planning efforts or infrastructure investments;
- core commitment to commercial revitalization in organization's mission; and
- effective strategies outlined for achieving high quality improvements.

CPED received 13 proposals by the deadline, requesting a total of \$643,750. A team of seven staff from Business Development, Business Finance, Community Planning, Preservation and Design, Land Use, and Zoning reviewed the proposals. Reviewers first assessed each proposal's responsiveness to the RFP to determine which were eligible for funding. Then the group scored the eligible proposals following the evaluation criteria and point system articulated in the RFP. The aggregated scores of each reviewer determined the final ranking of the proposals. Based on the scoring, rank, and detailed review of the proposals, the staff team recommended contract funding amounts and funding areas. Staff proposes to eliminate all ineligible areas and in one case, an eligible area.

Funding Recommendations

CPED staff recommends eight proposals for façade improvement matching grants receive \$50,000 each. Staff would negotiate the contracts based on the recommendations described below and the reporting requirements detailed in the RFP. Contract payments would be reimbursements for completed work. Staff has included a map of the areas recommended for funding (Exhibit B).

APPLICANT	SERVICE AREA(S)	AMOUNT REQUESTED	AMOUNT PROPOSED	WARD(S)
Bancroft Neighborhood Association (BNA)	PRIORITY: (1) 38th St E & Bloomington Ave S, (2) 38th St E & Chicago Ave S, and (3) 38th St E & 4th Ave S Commercial Nodes	\$50,000	\$50,000	8, 9
Cedar Riverside Business Association (CRBA)	INTERVENE: (1) Cedar Riverside LRT Station Area	\$50,000	\$50,000	2, 7, 6
Lake Street Council (LSC)	SUPPORT: (1) East Lake St Commercial Corridor and (2) Hiawatha/Lake LRT Station Area (area focused around Lake St, not covered by Seward Redesign) MONITOR: (1) West Lake St, (2) Lagoon Ave, and (3) Excelsior Blvd Commercial Corridors	\$50,000	\$50,000	6, 8, 9, 13
Nicollet-East Harriet Business Association (NEHBA)	PRIORITY: (1) 36th St W & Bryant Ave S Commercial Node NON-PRIORITY: (1) 38th St W & Nicollet Ave S, (2) 43rd St W & Nicollet Ave S, (3) 46th St W & Nicollet Ave S, and (4) 46th St W & Bryant Ave S Commercial Nodes	\$50,000	\$50,000	8, 10, 11, 13
Seward Redesign, Inc.	SUPPORT: (1) Franklin LRT Station Area and (2) Franklin Ave Commercial Corridor (Franklin LRT station to Mississippi river)	\$50,000	\$50,000	2, 6, 9
Seward Redesign, Inc., Longfellow Business Association (LBA), Longfellow Community Council (LCC), and Standish-Ericsson Neighborhood Association (SENA)	SUPPORT: (1) Hiawatha/Lake (focus area around Minnehaha, not covered by Lake Street Council), (2) 38 th St and (3) 46 th St LRT Station Areas	\$100,000	\$50,000	9, 12
West Broadway Area Coalition (WBAC) and Northside Economic Opportunity Network (NEON)	INTERVENE: (1) West Broadway Commercial Corridor	\$50,000	\$50,000	3, 4, 5
Whittier Alliance	SUPPORT: (1) Nicollet Ave Commercial Corridor (Franklin Ave to Lake St)	\$50,000	\$50,000	6, 10

Bancroft Neighborhood Association (BNA)

The proposal from BNA scored very well on the evaluation criteria. It scored exceptionally high on serving areas in need, past experience administering a matching grant program, and alignment with recent planning efforts or infrastructure investments.

Cedar Riverside Business Association (CRBA)

The proposal from CRBA scored high on serving areas in need and alignment with recent planning efforts or infrastructure investments. Their proposal did not score as well on describing effective strategies for achieving high quality improvements or current organizational experience and capacity to administer the program. The organization is prepared to hire a staff person to administer the program, but has not yet done so, which made evaluating capacity more difficult. CPED staff will work with CRBA to improve their approach to achieving high quality improvements and will execute a contract with CRBA once they have identified and hired a program administrator.

Lake Street Council (LSC)

The proposal from LSC scored well on most of the evaluation criteria, and especially high on serving areas in need and past experience administering a matching grant program. Their proposal lacked substance describing effective strategies for achieving high quality improvements, but CPED staff will work with LSC to suggest ways to augment their program. The service area for the Lake Street Council is the six-mile stretch between the western City limit and 36th Ave E; however, their outreach efforts will focus on support areas.

Nicollet-East Harriet Business Association (NEHBA)

The proposal from NEHBA scored well on most criteria, with the exception of serving areas identified for priority investment. Only one of their nodes is in a priority area. Their overall ranking, however, pushed them into the proposals recommended for funding. NEHBA did an exceptional job describing effective strategies for achieving high quality improvements, including connecting the façade program with other initiatives like working with the Police Department on Crime Prevention Through Environmental Design (CPTED).

Seward Redesign, Inc.

The proposal from Seward Redesign scored very well on all the evaluation criteria, and especially well on serving areas in need and current organizational experience and capacity to administer the program.

Seward Redesign, Inc., Longfellow Business Association (LBA), Longfellow Community Council (LCC), and Standish-Ericsson Neighborhood Association (SENA)

The proposal from Seward Redesign on behalf of LBA, LCC, and SENA scored very well on all the evaluation criteria and especially high on serving areas in need and current organizational experience and capacity to administer the program. The proposal from these four organizations included three commercial nodes. Two of the proposed nodes lay within the proposed station areas, and thus are in staff's recommendation. CPED staff recommends eliminating the third node at 38th St E and 42nd Ave S to better concentrate the funding amount provided in this contract.

West Broadway Area Coalition (WBAC) and Northside Economic Opportunity Network (NEON)

The proposal from WBAC and NEON scored high on serving areas in need. Their proposal did not score as well on describing effective strategies for achieving high quality improvements or current organizational experience and capacity to administer the program. CPED staff will work with WBAC and NEON to identify an experienced administrator for the program and improve their approach to achieving high quality improvements.

Whittier Alliance

The proposal from Whittier Alliance scored very well across all the evaluation criteria, with the exception of serving areas in need. Only one of the proposed areas is a support area, the Nicollet Avenue Commercial Corridor. The proposal included three ineligible streets, which CPED staff recommend excluding from the contract: 26th St W, 28th St W, and Franklin Ave (35W to Lyndale Ave). The organization stated in its proposal that the outreach efforts will focus on Nicollet Ave. the proposal scored extremely well on effective strategies for achieving high quality improvements.

Non-funding Recommendations

Staff is not recommending five proposals for funding. The proposal from Northeast Community Development Corporation is ineligible because the organization has an existing CPED façade improvement contract with an outstanding balance in excess of \$15,000. In the interest of making façade improvement resources broadly available to businesses, the RFP limited eligibility to organization and areas that don't have an existing CPED-funded façade program with an outstanding balance in excess of \$15,000. A second proposal from the Marcy-Holmes Neighborhood Association and Dinkytown Business Association is ineligible because it is not an eligible area for Great Streets funding. The three remaining proposals ranked below the eight recommended for funding.

APPLICANT	SERVICE AREA(S)	AMOUNT REQUESTED	AMOUNT PROPOSED	WARD(S)
Marcy-Holmes Neighborhood Association and Dinkytown Business Association	<u>INELIGIBLE area:</u> Dinkytown Activity Center	\$50,000	\$0	2, 3
<u>INELIGIBLE organization:</u> Northeast Community Development Corporation (NECDC)	<u>SUPPORT:</u> Central Ave Commercial Corridor <u>PRIORITY:</u> 29th Ave NE & Johnson St NE Commercial Node	\$25,000	\$0	1
East Downtown Council (EDC)	<u>PRIORITY:</u> Chicago Ave S & 10th St S Downtown Neighborhood Business District <u>NON-PRIORITY:</u> Washington Ave S & 5th Ave S Downtown Neighborhood Business District	\$50,000	\$0	7
Harrison Neighborhood Association	<u>PRIORITY:</u> Glenwood Ave N & Cedar Lake Rd Commercial Node	\$28,500	\$0	5
Sheridan Neighborhood Organization (SNO)	<u>PRIORITY:</u> 13 th Ave NE/Broadway St NE/University Ave NE Commercial Node	\$40,000	\$0	3

Marcy-Holmes Neighborhood Association and Dinkytown Business Association

This application proposed to serve the Dinkytown Activity Center. *The Minneapolis Plan* identifies ten activity centers. Great Streets programs serve six of the ten through designated commercial corridors, nodes, station areas, and downtown neighborhood business districts; however, the Dinkytown Activity Center is not covered. At this time, CPED staff is not recommending this proposal for funding, but recommends re-considering activity centers as eligible areas for Great Streets when the City Council adopts *The Minneapolis Plan* update in 2009.

Northeast Community Development Corporation (NECDC)

The proposal from NECDC is not eligible because the organization has a CPED façade improvement contract, executed in August 2005, with an outstanding balance of \$28,550. The RFP is clear that, "organizations with a current CPED façade improvement contract with a balance of \$15,000 or more at the submission deadline of February 19, 2008 are not

eligible." Two other organizations with existing contracts took steps to ensure eligibility for the RFP.

East Downtown Council (EDC)

The proposal from EDC ranked low on serving areas in need, effective strategies outlined for achieving high quality improvements, and alignment with recent planning efforts or infrastructure investments. The application from EDC proposed to serve only one priority area and one non-priority area, and did not adequately demonstrate need for a façade improvement program at the priority node. Together, these dropped the proposal's overall score below those recommended for funding.

Harrison Neighborhood Association

The proposal from Harrison scored low on effective strategies for achieving high quality improvements and serving areas in need because it only served one small priority commercial node at Glenwood Ave N and Cedar Lake Rd. In the draft *The Minneapolis Plan for Sustainable Growth*, to be adopted in 2009, the commercial node at Glenwood Ave N and Cedar Lake Rd is removed from the list of commercial nodes, rendering it ineligible for future rounds of Great Streets funding. Given the proposal's overall score and the future designation of the node in question, the proposal dropped below those recommended for funding.

Sheridan Neighborhood Organization (SNO)

The proposal from SNO was very brief and lacked adequate descriptions on most points. The proposal scored low on effective strategies for achieving high quality improvements, alignment with recent planning efforts or infrastructure investments, and serving areas in need. In addition, the node proposed by SNO is within the area covered by NECDC's existing façade improvement program. This alone would not have eliminated the proposal for funding, but with the proposal's overall low ranking it dropped it below those recommended for funding.

EXHIBITS

- A. Request for Proposals
- B. Map of Areas Recommended for Great Streets Façade Improvement Funding
- C. City of Minneapolis Great Streets *Façade Design Guide*