



Quarterly Report



Third Quarter 2007

Department of Community Planning and Economic Development - CPED

[1101 West Broadway](#) is back! Thanks to a collaborative effort between the City of Minneapolis, Emerge Community Development, City-County Federal Credit Union, The Ackerberg Group, and Welsh Companies, the century-old building has been revitalized, with an opening celebration on held on August 23.



After years of standing vacant, a maternity hospital in north Minneapolis was redeveloped. [Ripley Gardens](#) is an affordable housing development done in partnership with the Central Community Housing Trust (CCHT), Habitat for Humanity, and Minnesota Green Communities.

In late September, the Twin Cities was named the top metro area in the U.S. for business by [MetroWatch Report](#), a subsidiary of Dow Jones & Company.



The City of Minneapolis celebrated its first LEED registered “green” single-family home at 1415 18th A/NE. CPED acquired this former blighted tax-forfeited property from Hennepin County; the property was demolished and sold to a developer. The home is currently listed for sale.

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Part I: Key Accomplishments and Milestones for the Quarter

Our Mission:

The Department of Community Planning and Economic Development works with local and regional partners to preserve and enhance our natural and built environment, plan for growth, and advance the physical and human development of the city.

1) Plan and develop a vibrant, sustainable community

Community Planning

Contact: Karin Berkholtz 673-3240

Long-range planning

- [The Minneapolis Plan for Sustainable Growth](#) CPED concluded its series of outreach sessions on the comprehensive plan update, including meeting with the Minneapolis Realtors Association. The Downtown Task Force completed its comments on policies related to downtown. A related Downtown Market Analysis was also completed; this study addressed future office and retail development in the downtown core.
- **Rezoning Studies**—Two rezoning studies were completed during the third quarter: [Nicollet/Franklin](#) and [South Lyndale Avenue](#). The Nicollet/Franklin Study was designed to help attract and focus density and height as called out in the City's comprehensive plan. The South Lyndale Avenue study featured a Pedestrian Overlay District intended to preserve and encourage the pedestrian character of commercial areas.
- **Recognition:** The University of Minnesota and local partners including the City won a Merit Award from the Minnesota Chapter of the American Planning Association for the University of Minnesota Neighborhood Impact Report.

Planning for public art and culture

- [Minneapolis Mosaic](#)—Over 100 events were featured at this year's event that concluded August 31. A highlight was the theater commissioned by the Pillsbury House Theater.
- **Public Art**—The [Minneapolis Arts Commission](#) hosted a public meeting for artists, citizens and community groups in September with a presentation on how to accomplish public art projects. Topics discussed included the history of public art in Minneapolis, and the evaluation criteria and approval processes for public art in the city.

Development Services

Contacts: Steve Poor, zoning administration and enforcement, 673-5837; Jason Wittenberg, land use applications and Planning Commission, 673-2297; Jack Byers, preservation and design, 673-2634

One zoning code text amendment was approved that limits the size of food and beverage uses in Industrial Employment Districts (consistent with [Industrial Land Use Policy](#)).

The following major development projects were approved:

- Stage Apartments, 814 Hennepin, 37 units in mixed use building
- [Vantage Flats](#), 5341-5351 Minnehaha Ave, 37 unit residential building
- [The Wellstone](#), 612-620 E. Franklin, mixed use building with 49 dwelling units and 7,100 sq. ft

- [Coloplast](#), 1601 W. River Rd., 115,000 sq. ft. addition to existing office/industrial building:



- [Midtown Eco-Energy](#), 2850 20th Ave. So, renovation of existing building for biomass facility
- The Lock Up Self, 1389 Industrial Blvd, new self storage facility
- Prospect Place, 3020-3028 Univ. Ave. SE, new mixed use building with 10 units and 9,072 sq. ft commercial space
- [Seward Co-Op Grocery and Deli](#), 2801 2823 E. Franklin, 15,000 sq. ft addition to existing building for grocery store
- Children's Hospital and Clinic, 2508 Chicago Ave., 417,000 sq. ft expansion of existing hospital campus



- Nokomis Senior Living, 3717 23rd Ave. So., new mixed use building with 77 units and 550 sq. ft commercial space
- Olin 4, 5310-5338 Minnehaha Ave., new 83 unit residential building

2) Promote private sector growth to build a healthy economy

Business Finance

Contact: Bob Lind 673-5068

- The City closed on a \$1,100,000 financing for the [Lundstrum Center](#) for the Performing Arts at 1617 North Second Street with [Park Midway Bank](#) through the issuance of [Bank Qualified Bank Direct Tax-exempt Revenue Bonds](#) for the purchase and renovations to the facility.
- The City closed on a \$9,990,000 financing for the [New French Bakery](#) at 828 Kasota Ave. through the issuance of [Common Bond Fund Revenue Bonds](#) for the purchase and renovation of the bakery facility.
- The City closed on a \$5,000 [Alternative Finance Program Loan](#) for Amal Latest Fashions located in the Karamel Mall, 2910 Pillsbury Ave. S., Suite 122 for Ms. Misbal Ahmed. Ms. Ahmed imports furniture and fabrics from China and Thailand which she uses to make hand sewn draperies and ornate silk decorations. The City's participation in her recent Alternative Finance Loan allowed Ms. Ahmed to double the size of her current space.

Business Development

Contact: Tom Daniel 673-5079

Neighborhood Commercial and Transit Corridors

- The City celebrated the grand opening of the redeveloped building at [1101 West Broadway](#). This once-vacant, City-owned property is back in private ownership and is now home to a branch of the City-County Federal Credit Union, the Bean Scene Too coffee shop and the offices of Emerge, an affiliate of Pillsbury United Communities that provides employment services and supportive housing. *See photo page 1*
- [Great Streets Neighborhood Business District](#) program administrators issued a Request for Proposals for business district support activities such as district branding and marketing initiatives and business technical assistance.
- Rail right-of-way identified for development of a recreational trail and linear stormwater treatment system as part of the [46th and Hiawatha Station Area Master Plan](#) was transferred from the Minneapolis Park and Recreation Board to CPED.
- The City Council approved restructuring City loans to the American Indian Neighborhood Development Corporation to sell the Franklin Business Center to a private investor and embark on a major new development project on West Broadway.
- City-owned property in the Cedar-Riverside neighborhood was sold to the owner of the KWOK restaurant, for continued use as a restaurant.
- The City Council approved the sale of a City-owned property on Central Avenue to the owner of Holy Land Deli for a food manufacturing facility.
- City-owned property on West Broadway Avenue was sold for the construction of a new retail store.

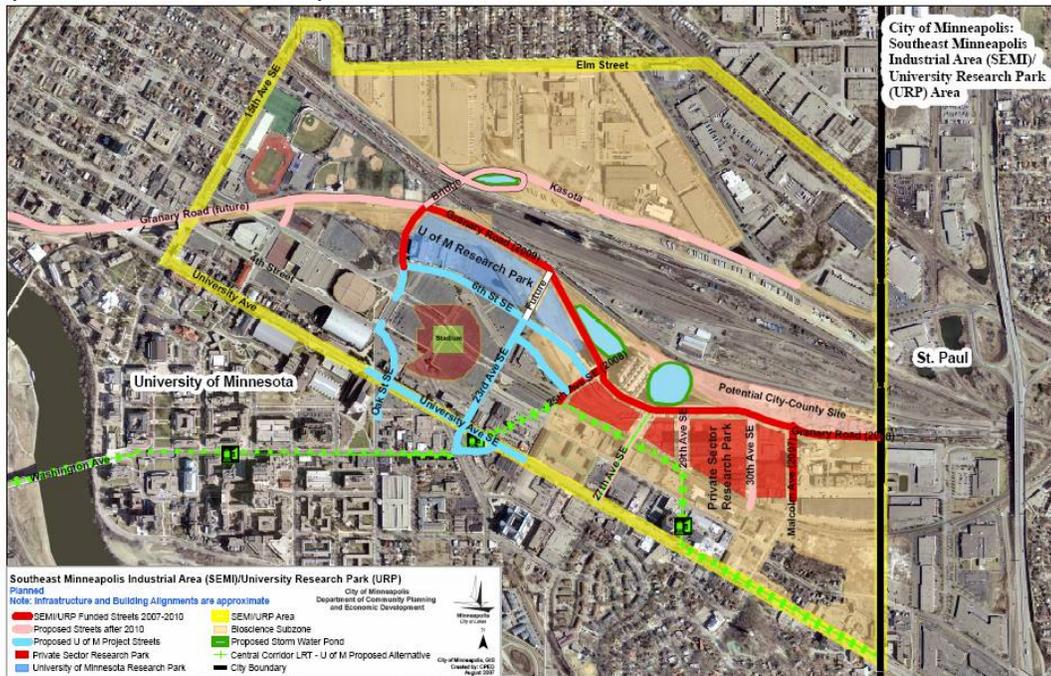
Downtown

- The City Council approved the sale of eight Municipal Parking Ramps. The ramps were sold to improve the financial condition of the City's parking fund and to create development opportunities. CPED coordinated the staff team that also included representatives from Public Works and Finance.
- The Stimson Building's billboard lease and easement were conveyed to the building's developers.

Land Recycling and Infrastructure

- A DEED \$1,000,000 Redevelopment Grant for funds for infrastructure needs in the [SEMI/University Research Park](#) (URP) was executed. Grant funds will be matched and used

for design and construction of Granary Road allowing access to redevelopment land planned for a private sector research park:



- A \$2,000,000 [Mississippi Watershed Management Organization](#) (MWMO) funding agreement was executed that will provide funds for SEMI/URP stormwater management facility design and construction.

Riverfront

- The public engagement process for the [Riverfront Blue Ribbon Task Force report](#) was kicked off at a meeting of the Above the Falls Citizens Advisory Committee in late August.
- Phase I of the [Coloplast](#) project along West River Road in North Minneapolis was approved by the Minneapolis City Planning Commission.
- The Park Board began construction of the [first phase of trails and shoreline restoration](#) next to West River Parkway from Plymouth to Ole Olson Park. CPED assisted with a land transaction and street vacation.

3) Promote economic self-sufficiency for individuals and families

[Minneapolis Employment & Training Program](#)

Contact: Deb Bahr-Helgen 673-6226

CPED's Employment and Training Program received a \$380,000 grant from NorthWay Community Trust to create a unique approach to job training for low-income youth. The Employment and Training Program, Minneapolis Public Schools (MPS), Hennepin County Human Services and Public Health Department (HSPHD), and NorthWay Community Trust joined forces in a household approach to career development. The first phase of the program saw 106 Northside teens getting jobs at the same time with their parents. A NorthWay Family Coach has been hired and will be hosted by North High School. The Family Coach will provide ongoing support and mentoring through out this project, enhancing family stability and success.

4) Develop and preserve life-cycle housing throughout the city

[Multi-Family Housing](#)

Contact: Kevin Walker 673-5266

- The City celebrated the redevelopment of the Ripley Maternity Hospital site, which included [Ripley Gardens](#), a City-assisted 52-unit mixed-income rental project, and Marshall Stacey Townhomes, an 8-unit Habitat for Humanity affordable ownership project. *see photo p. 1*
- Groundbreaking occurred on the Van Cleve Apartments East, the 35-unit, first phase of a multi-phase project with all units affordable at 50% AMI:



- Closing occurred on two stabilization/preservation projects – one combining six scattered-site projects with a total of 48 units at/below 50% AMI and one 27-unit apartment building.
- Closing occurred on a third project consisting of six single-family homes for households at/below 50% AMI.

[Single-Family Housing](#)

Contact: Elfric Porte 673-5145

- The City of Minneapolis celebrated its first LEED registered “green” single-family home at 1415 18th Ave NE.
- Two homes sold at [Heritage Park](#), bringing the total number of homes sold to 43:
 - 20 affordable housing units (average sales price: \$226,430)
 - 19 market rate housing units (average sales price: \$305,643)
 - 4 upper market housing units (average sales price: \$557,225)
- There were 13 housing units completed and sold to owner-occupants.
- Through the [Century Homes Program](#), 8 housing units were completed and ready for occupancy; an additional three are currently under construction. All will be sold to owner-occupants.
- Through the [Home Ownership Program](#), four housing units were completed and ready for occupancy; another is currently under construction. All will be sold to owner-occupants with income below 80% of the metropolitan median income.
- The City Council accepted the bids for the construction of three new single family housing units in the 25th & James Cluster as part of the [Northside Home Fund](#) efforts.
- The City Council approved the collaboration between City of Minneapolis, Hennepin County and Greater Metropolitan Housing Corporation to build three housing units through the Hennepin County Sentence to Service program.
- Progress on the [Five-Point Housing Strategy](#)
 - Partnered with Regulatory Services to do preliminary analysis of the “[249 List](#)” to determine best remediation solutions for each property. To date, CPED has identified 25 properties to purchase, 13 properties that will be referred to GHMC for inclusion in

- the Strategic Acquisition Fund Program and 13 properties that should be rehabbed via the private sector using the City's 249 authority and 34 that should be demolished.
- 11 blighted properties were acquired by the City of Minneapolis and its partners—nine within the Northside Home Fund clusters.
- In partnership, Regulatory Services issued 12 Director's Orders for demolition (seven were in North Minneapolis).
- As a member of the Nuisance Condition Process Review Panel, CPED participated in the review of 14 appeals of 249 Demolition Orders. Five were in North Minneapolis, resulting in three demolition recommendations, one restoration agreement and another was carried over.
- In partnership with the [Northside Home Fund](#), the City of Minneapolis supported the rehab of 10 properties in the Fall 2007 [Rebuilding Together](#) project in North Minneapolis. Two dozen City staff volunteered at the September 8th event.

5) Partner effectively to promote regional growth and investment

Enterprise Initiatives

Contact: Mike Christenson 673-5122 or Chuck Lutz 673-5196

Homeownership Financing - Working jointly with the City of Saint Paul, Minneapolis closed on a \$43 million mortgage revenue bond issue to support the next phase of the [CityLiving Home Program](#) which will help approximately 250 households to buy their first home in the two cities.

Responding to the 35W bridge collapse

Assistance to impacted businesses

- Major employer support has included outreach and communication via [BusinessResponds](#) website, hosted by the Minneapolis Regional Chamber of Commerce; this site has also been used to coordinate fleet management and promote employee transit use
- Small business support has included:
 - Outreach using business associations, Riverfront TAC, etc.
 - Assistance applying for SBA federal disaster relief; 17 businesses have pending applications under the SBA Economic Injury Disaster Loan Program
 - Promotion of small-business finance and assistance tools; the additional outreach and marketing has resulted in a number of new loan applications
 - Support of businesses facing temporary relocation needs
 - Support of commercial barge shippers to mitigate impacts
 - Surveying businesses to determine/monitor impacts

Assistance in planning for bridge reconstruction

CPED staff participated on the I-35W Bridge Visual Quality Team, which worked closely with Mn/DOT to develop visual quality criteria for the Request for Proposals. The team also worked with the four design-build contractors to help them understand the criteria and incorporate into their responses. They also helped review the submitted proposals. They will continue to work with the chosen contractor throughout the design process.

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	2004 Actual	2005 Actual	2006 Actual	2007 Target	2007 1 st Quarter	2007 2 nd Quarter	2007 3 rd Quarter	Comments
Goal 1: Plan and develop a vibrant, sustainable community								
# of milestones achieved for major long range planning projects	n/a	n/a	5 plans approved; 5 plans presented for approval; including the update of the Mpls Plan	Substantial completion of the Comp Plan update Start/complete 7 small area plans and resulting 7 rezoning studies	Completed text drafts of comp plan content chapters drafted land use feature boundaries 6 small area plans approved	Received 1,253 responses to on-line survey and conducted 7 targeted focus groups for The Minneapolis Plan update The 29 th & University Rezoning Study was completed	See text on page 2 for more details. Two rezoning studies completed: Franklin/Nicollet and Lyndale Avenue	
arts and culture coordination: # film/video permits issued \$ amount of film production budgets # of public art installations or major renovations:	190 \$9.2 5	187 \$8.9 3	212 \$9 4	190 permits \$9.5 million 5 installations and/or conservations	30 permits \$2.8 million 1 installation	80 permits \$3.67 million 3 permits for public art No commissions or major conservations	56 permits \$1.74 million 7 permits for public art 1 commission 1 gift 3 major conservations	See page 2 for details.
# of building permits reviewed for zoning compliance	8,100	7,039	6,725; 130 ASPR	6,000	1,034; 16 ASPR	1,808; 35 ASPR	1,776	31 new construction, 1,745 remodel
# of land use applications reviewed	1,197	895	586 CPC; 178 BOA	750	101 CPC; 35 BOA	142 CPC; 54 BOA	220	BOA = 66; CPC = 130; ASPR = 24
# of Heritage Preservation Commission applications reviewed	175	183	198	200	11	18	54	
# of historic demolition permits reviewed	n/a	191	205	200	35	54	56	
# of zoning code text amendments adopted	9	11	12	10	1	5	5	
# of state and federal environmental reviews conducted	24	45	27	20	7	2	3	

<i>\$ in millions unless noted otherwise</i>	2004 Actual	2005 Actual	2006 Actual	2007 Target	2007 1 st Quarter	2007 2 nd Quarter	2007 3rd Quarter	Comments
% service requests responded to within 2 days	NA	NA	NA	90%	88%	92%	94%	872 cases
Goal 2: Promote private sector growth to build a healthy economy								
# of new jobs projected by City-assisted projects	378	659	2115	742	46	64	166	Includes BF, BD, and EZ activity
# of small business loans	158	176	189	190	25	21	25	"
\$ value of public portion of business investment/loan	\$2.53	\$3.70	\$4.42	\$15.75	\$597,872	\$391,500	\$471,700	"
\$ value of private portion of business investment/loan	\$246.8	\$612.9	\$331.0	\$226.5	\$17.3	\$4.5	\$36.3	"
\$ amount of contamination grants secured	\$4.3	\$4.3	\$4.11	\$3.5	0	\$3.1	0	
Acreage of land to be recovered due to secured cleanup grants	NA	36.2 acres	39.1 acres	10-25 acres	0	46.74 acres	0	
Attendance at City-owned entertainment venues:								
Hennepin Ave Theaters	429,399	615,676	374,270	TBD	456,842	111,060	60,468	
Target Center	1,420,833	1,155,244	940,924	TBD	83,145	166,326	99,783	
Goal 3: Promote economic self-sufficiency for individuals and families								
Metro unemployment rate	4.4%	3.7%	3.6%	3.6%	4.2%	4.0%	4.3%	
City unemployment rate	5.1%	4.1%	3.9%	3.8%	4.1%	4.2%	4.6%	
Gap between City and metro unemployment rates	0.7%	0.4%	0.3%	0.2%	-0.1%	0.2%	0.3%	
# of adult placements	757	1,453	1156	1000	249	213	250	
Average hourly wage of adult placements	\$10.34	\$10.58	\$10.51	\$10.75	\$11.36	\$11.35	11.07	
# of dislocated workers placed	589	512	372	233	67	355	61	
Average wage of dislocated workers placed	\$19.07	\$17.17	\$18.25	\$18.44	\$21.03	\$18.39	20.53	

<i>\$ in millions unless noted otherwise</i>	2004 Actual	2005 Actual	2006 Actual	2007 Target	2007 1 st Quarter	2007 2 nd Quarter	2007 3rd Quarter	Comments
Goal 4: Develop and preserve life-cycle housing throughout the city								
New/converted Multi-Family Units w/ financing closed @ 30% AMI	156	112	49	55	18	0	0	
New/converted Multi-Family Units w/ financing closed @ 50% AMI	163	195	88	230	0	0	6	
New/converted Multi-Family Units w/ financing closed @ 60% AMI	234	81	111	65	0	0	0	
New/converted Multi-Family Units w/ financing closed @ 80% AMI	28	81	14	20	0	5	0	
Preserved/stabilized Multi-Family units w/ financing closed @ 30% AMI	340	363	177	160	3	30	12	
Preserved/stabilized Multi-Family units w/ financing @ 50% AMI	104	98	27	220	13	129	61	
Preserved/stabilized Multi-Family units w/ financing @ 60% AMI	48	33	0	35	0	159	0	
Preserved/stabilized Multi-Family units w/ financing @ 80% AMI	7	1	0	5	0	24	2	
New/converted Single-Family units w/ financing closed @ 50% AMI	8	6	21	5	2	6	1	
New/converted Single-Family units w/ financing closed @ 60% AMI	N/A	81	12	5	0	0	0	
New/converted Single-Family units w/ financing closed @ 80% AMI	31	15	15	15	1	1	3	
Preserved/stabilized Single-Family units w/ financing closed @ 80% AMI	N/A	N/A	3	5	0	0	0	

<i>\$ in millions unless noted otherwise</i>	2004 Actual	2005 Actual	2006 Actual	2007 Target	2007 1 st Quarter	2007 2 nd Quarter	2007 3rd Quarter	Comments
Preserved/ stabilized Single- Family units w/ financing @ 60% AMI	10	7	1	5	1	0	3	
# and average amount of home improvement loans	9 loans \$13,728	51 loans \$12,892	108 loans \$12,509	100 loans \$9,500	8 loans \$6,928	18 loans \$15,431	9 loans \$10,841	
# and average amount of mortgage loans	198 loans \$178,460	369 loans \$184,099	287 loans \$179,355	275 loans \$175,000	78 loans \$172,675	78 \$181,511	91 loans \$175,382	
# and average amount of down payment assistance loans	96 loans \$4,563	273 loans \$7,347	193 loans \$5,516	200 loans \$5,250	31 loans \$7,801	52 \$5,390	54 loans \$5,788	