

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.

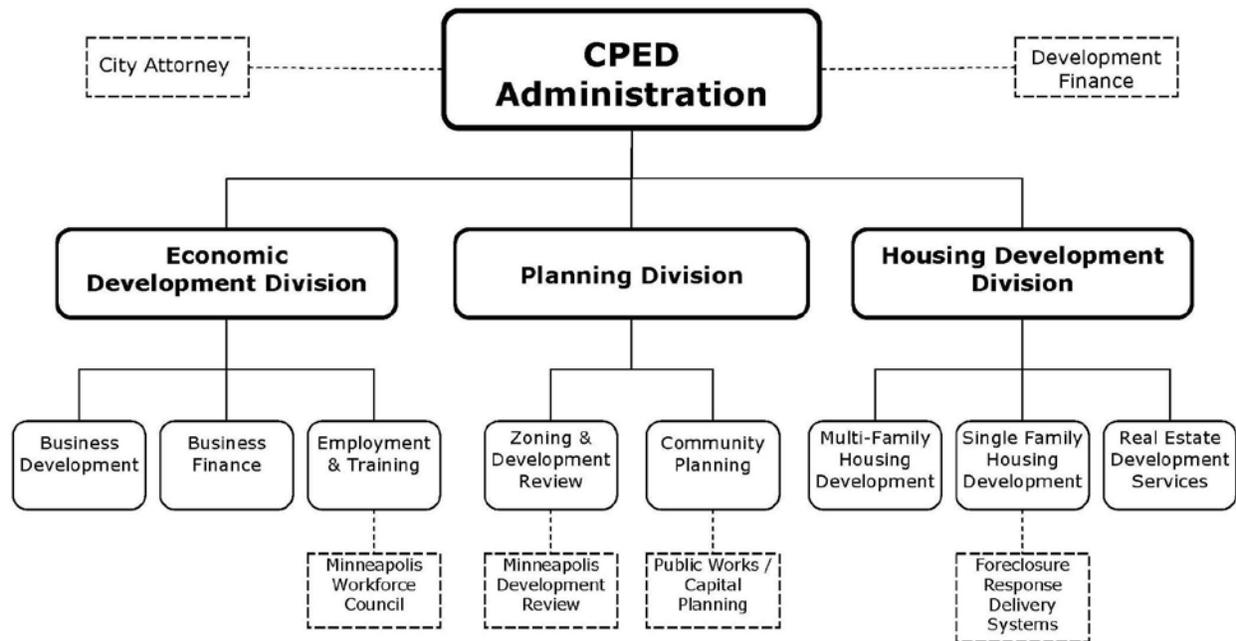
Workforce Development – CPED manages a network that identifies and prepares Minneapolis residents for living-wage jobs and builds partnerships to improve career opportunities in the city.

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

General Fund: \$179,299

CPED

Other Funds: \$4,267,763

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

General Fund: \$463,279

CPED

Other Funds: \$179,139

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)

General Fund: \$210,000

CPED and Civil Rights

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

Other Funds: \$5,464,548

CPED

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 Other Funds: \$7,830,125

CPED

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 General Fund: \$244,885

CPED Other Funds: \$4,105,942

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).

Measure: Change in City's population and modeshare

Community Stabilization Program

CPED

General Fund: \$329,367

Other Funds: \$5,428,195

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: \$1,725,432

Other Funds: \$892,572

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: \$330,271

Other Funds: \$164,667

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: Perceived change in livability

Homeownership Support & Development

CPED

Other Funds: \$2,918,038

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

Other Funds: \$9,839,500

CPED

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 \$75.6 to \$63.5 million, or by 16%, primarily due to 2012 being the first year that transfers have been excluded from the budget. If transfers would have been included, CPED's expenditure budget would have been \$74.9 million, or shown a decrease of only 0.9%, primarily due to reductions in CPED's 2012 allocation of HOME funding. CPED planned to reduce its staffing levels by 6 FTE in 2012, with an additional 6 FTE recommended by the Mayor, though the Council restored 1 FTE to make the net reduction of 11 FTEs in 2012. The department's General Fund allocation increases by 7.6% to \$3.6 million. Debt Service payments totaling \$18.4 million in funding are not shown in a narrative program description.

REVENUE

The 2012 revenue budget for this department decreases from \$91.8 million in 2011 to \$82.9 million, a 9.7% reduction, primarily due to 2012 being the first year that transfers are excluded from the budget and a 50% decrease in the captured value of the Consolidated TIF District, resulting in reduced tax increment revenue collections, reduced revenue collections in other TIF districts, and a reduction in projected CPED program income. If transfers would have been left in the budget, the department's revenue budget would have been \$87.5 million, a 4.7% reduction. Prior budgets did not account for any federal stimulus funds; however, CPED's 2012 budget captures \$1,089,000 dollars from the Neighborhood Stabilization Program for the Vacant and Boarded Program.

FUND ALLOCATION

The CPED Department's programming is funded primarily in special revenue funds (86.7%). Enterprise funds account for 7.1% of the total and the General Fund accounts for 5.6%. A small portion (0.5%) of the department's programming is in capital projects.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended funding the department at the requested level with reductions to growth for a slower than anticipated rise in health care costs. The Mayor recommended funding the One Minneapolis program with \$300,000 in one-time funding 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 recommended 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, and thereby, reducing two FTEs in the planning department. The Mayor's recommendation also included 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 recommended a \$100,000 program enhancement for the Minneapolis Youth Program.

COUNCIL ADOPTED BUDGET

The Council amended the Mayor's Recommended Budget by increasing the Year 38 allocations for Other Consolidated Plan Entitlements to HOME Investment Partnerships by \$2,072,652; and to the Emergency Solutions Grant (ESG) by \$1,014,625.

The Council also increased the Year 38 allocation for CDBG for Multi-Family/Affordable Housing by \$164,601.

The Council directed that the Year 38 Community Development Block Grant (CDBG) Consolidated Plan capital allocation to CPED be amended by reducing the allocation to NEDF/CEDF (Great Streets) by \$718,056 and increasing the allocation to Adult Training by \$380,000, increasing the allocation to Commercial Property Investment by \$139,000 and increasing the allocation to the Vacant and Boarded Building Program by \$199,056.

The Council also amended the Mayor's Recommended Budget for CPED by increasing the operating budget as follows:

- (1) Fund 01CUB - United Van/Bus \$200,000;
 - (2) Fund 01CRS - Rosacker Nursery \$525,000;
 - (3) Fund 01CPD - Portland place \$70,000;
 - (4) Fund 01CST - Stinson Tech. Campus \$300,000;
 - (5) Fund 01CFR - Former Federal Reserve \$500,000; and
 - (6) Fund 01CUV - Urban Village \$405,000
- for a total of \$2 million.

The Council further amended the Mayor's Recommended Budget by transferring \$90,000 from the RENEW program within CPED to Civil Rights.

The Council also amended the Mayor's Recommended budget for CPED by increasing CPED's expenditure budget by \$92,000 and increasing CPED FTE by 1 (Zoning Inspector II).

The Council further amended the Mayor's Recommended 2012 Capital Budget for Community Planning and Economic Development to allocate \$50,000 in Fund 01CLC (Location Contribution) for the It's All About Kids program, by decreasing the 2011 allocation for the Affordable Ownership Housing Program by \$50,000 and subsequently amending the Council's September 2, 2011 action to reduce the reallocated Affordable Ownership Housing Program funding that capitalizes the revolving loan fund for Neighborhood Stabilization Program projects from \$750,000 to \$700,000.

The Council rescinded its previous action committing \$5 million in UDAG funding to the planetarium project and returned discretionary control of these funds to CPED.

The Council directed the Community Planning and Economic Development Department to work with the Finance Department to prepare and present a methodology for the proposed Growth Fund. These presentations must be made prior to April 1, 2012, to both the Ways and Means/Budget Committee and the Community Development Committee.

CPED and Communications are directed to assist MTN in reviewing options to reduce expenses for office and studio space including seeking a sublessee for MTN's existing space.

CPED is directed to increase fees for land use applications by 3.5% in 2012. Zoning re-inspection fees will be increased from \$150 to \$200.

CPED is directed to allocate up to 7.5% of Community Development Block Grant funds for Emergency Shelter Grants to Intergovernmental Relations.

The Council directed Public Works and CPED to create a Project Team comprised of representatives of CPED, Public Works and Finance department to advance the reopening of Nicollet Avenue at Lake Street. Activities of the Project Team to include:

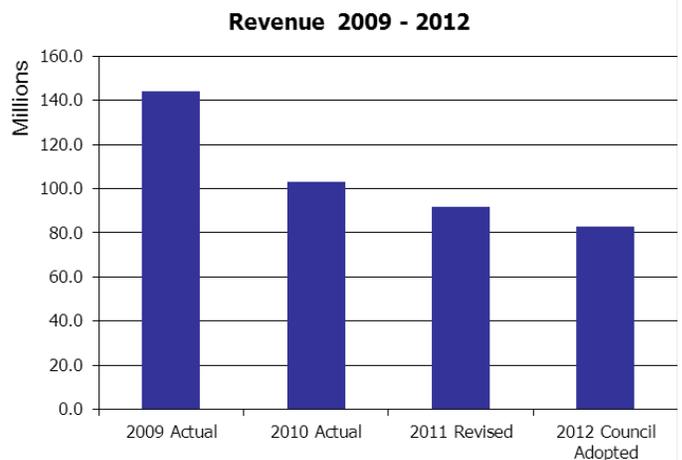
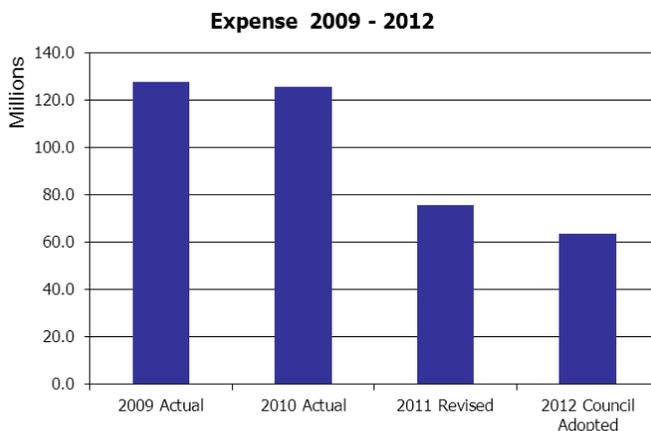
- a) Create defined project area;
- b) Establish Timeline, schedule, benchmarks; and
- c) Design and implement community and stakeholder engagement.

Staff is further directed to report back to CD and TPW committees by end of the first quarter 2012 on progress and with any recommendations.

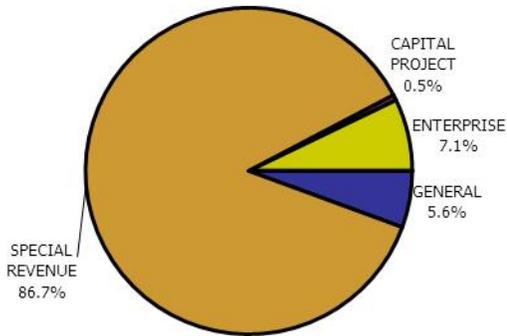
**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2009 Actual	2010 Actual	2011 Revised	2012 Council Adopted	Percent Change	Change
DEBT SERVICE						
DEBT SERVICE	37,710,808	14,271,772				0
TOTAL DEBT SERVICE	37,710,808	14,271,772				0
GENERAL						
CAPITAL				75,000		75,000
CONTRACTUAL SERVICES	873,592	676,397	514,157	1,097,238	113.4%	583,081
FRINGE BENEFITS	683,937	650,492	699,936	619,318	-11.5%	(80,618)
OPERATING COSTS	91,804	265,470	242,363	92,958	-61.6%	(149,405)
SALARIES AND WAGES	2,079,122	1,934,292	1,850,124	1,673,021	-9.6%	(177,103)
TOTAL GENERAL	3,728,455	3,526,651	3,306,580	3,557,535	7.6%	250,954
CAPITAL PROJECT						
CAPITAL		39,160				0
CONTRACTUAL SERVICES	110,832	356,098		247,663		247,663
FRINGE BENEFITS		12,393	12,604	25,471	102.1%	12,867
OPERATING COSTS	361	424	432		-100.0%	(432)
SALARIES AND WAGES		28,924	35,443	72,357	104.2%	36,914
TOTAL CAPITAL PROJECT	111,193	436,999	48,479	345,490	612.7%	297,012
ENTERPRISE						
CAPITAL	1,969	15,918	93,282	2,113,688	2,165.9%	2,020,406
CONTRACTUAL SERVICES	1,894,773	1,988,508	851,076	475,144	-44.2%	(375,932)
DEBT SERVICE	41,609	33,332				0
FRINGE BENEFITS	39,120	36,670	44,700	117,479	162.8%	72,779
OPERATING COSTS	1,351,031	349,601	1,474,946	1,483,217	0.6%	8,271
SALARIES AND WAGES	129,747	111,013	135,928	351,238	158.4%	215,310
TOTAL ENTERPRISE	3,458,248	2,535,043	2,599,932	4,540,765	74.6%	1,940,833
SPECIAL REVENUE						
CAPITAL	40,530,503	57,866,905	31,025,180	22,193,553	-28.5%	(8,831,627)
CONTRACTUAL SERVICES	29,633,167	33,674,145	26,781,572	22,185,345	-17.2%	(4,596,227)
DEBT SERVICE			110,425	109,099	-1.2%	(1,326)
FRINGE BENEFITS	2,236,010	2,356,499	2,528,707	2,324,209	-8.1%	(204,499)
OPERATING COSTS	2,493,176	3,268,957	2,170,231	1,608,382	-25.9%	(561,849)
SALARIES AND WAGES	7,767,216	7,896,107	7,067,418	6,626,125	-6.2%	(441,293)
TOTAL SPECIAL REVENUE	82,660,072	105,062,614	69,683,534	55,046,713	-21.0%	(14,636,821)
TOTAL EXPENSE	127,668,776	125,833,079	75,638,524	63,490,503	-16.1%	(12,148,021)

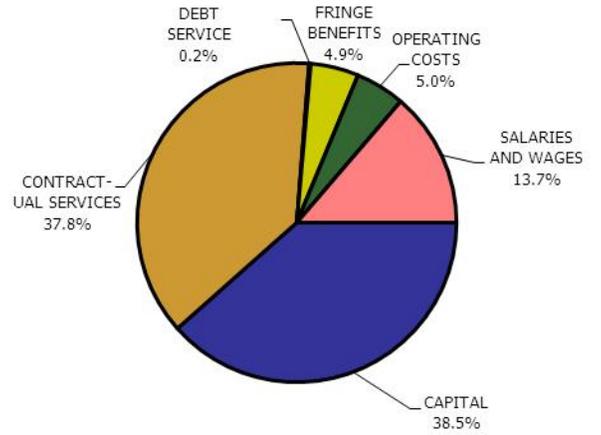
REVENUE	2009 Actual	2010 Actual	2011 Revised	2012 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	327,339	395,310	435,000	830,000	90.8%	395,000
LICENSE AND PERMITS	734,029	613,426	705,000	620,000	-12.1%	(85,000)
OTHER MISC REVENUES	761	2,272		2,000		2,000
TOTAL GENERAL	1,062,128	1,011,008	1,140,000	1,452,000	27.4%	312,000
SPECIAL REVENUE						
CHARGES FOR SALES	1,503,853	1,639,061	275,000		-100.0%	(275,000)
CHARGES FOR SERVICES	9,678,291	9,007,468	6,579,500	425,000	-93.5%	(6,154,500)
CONTRIBUTIONS	151,290	88,875				0
FEDERAL GOVERNMENT	8,657,444	22,852,765	9,251,994	5,273,652	-43.0%	(3,978,342)
INTEREST	1,632,449	1,397,173	296,620	187,504	-36.8%	(109,116)
LOCAL GOVERNMENT	1,649,319	1,027,583				0
OTHER MISC REVENUES	4,615,881	3,606,445	5,705,000	12,686,393	122.4%	6,981,393
PROPERTY TAXES	70,301,931	41,843,214	61,327,780	52,945,265	-13.7%	(8,382,515)
RENTS	4,770,516	5,138,909	3,424,760	3,302,360	-3.6%	(122,400)
SALES AND OTHER TAXES	291	293				0
STATE GOVERNMENT	7,661,369	13,306,545	2,220,000	1,935,000	-12.8%	(285,000)
TOTAL SPECIAL REVENUE	110,622,636	99,908,331	89,080,654	76,755,174	-13.8%	(12,325,480)
CAPITAL PROJECT						
LONG TERM LIABILITIES PROCEEDS	73,355	(272,573)				0
TOTAL CAPITAL PROJECT	73,355	(272,573)				0
DEBT SERVICE						
INTEREST	2,395	527				0
TOTAL DEBT SERVICE	2,395	527				0
ENTERPRISE						
CHARGES FOR SERVICES	2,079,383	2,179,678		867,000		867,000
INTEREST	58,003	46,291				0
OTHER MISC REVENUES	30,100,542	129,768	1,550,000	3,500,000	125.8%	1,950,000
RENTS	313,092	285,623		328,000		328,000
TOTAL ENTERPRISE	32,551,020	2,641,360	1,550,000	4,695,000	202.9%	3,145,000
TOTAL REVENUE	144,311,534	103,288,652	91,770,654	82,902,174	-9.7%	(8,868,480)



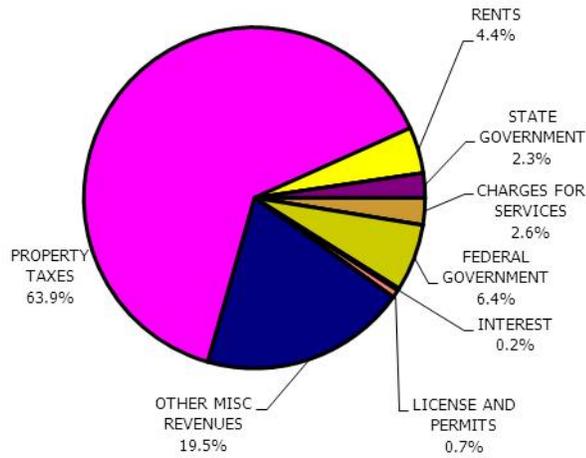
Expense by Fund



Expense by Category



Direct Revenue by Type



COMMUNITY PLANNING & ECONOMIC DEVELOPMENT Staffing Information

Division	2009 Budget	2010 Budget	2011 Budget	2012 Budget	% Change	Change
TOTAL CPED	141.00	135.32	128.00	116.79	-8.8%	(11.22)
TOTAL	141.00	135.32	128.00	116.79	-8.8%	(11.22)

Positions 2009-2012

