



First Quarter 2006

First Quarter Highlights

- Adopted the <u>South Lyndale Corridor Plan</u>, covering Lyndale Avenue South from the Minnehaha Creek to the Crosstown Highway, capping a three-year communitybased effort to develop a vision for South Lyndale Avenue.
- Assisted 12 small businesses in the Midtown Global Market with more than \$750,000 in loans. The Midtown Global Market will include 60 small businesses offering a worldwide variety of fresh and prepared ethnic food, including restaurants and small specialty grocery stores reflecting the local immigrant populations. A public grand opening is planned for June 3.



 Three CPED-assisted housing projects won The Business Journal's 2005 "Best in Real Estate" awards: <u>The Jourdain</u>, <u>Cecil</u> <u>Newman</u>, and <u>St. Anthony Mills</u>. Below is a rendering of the Cecil Newman project:



- Received \$3.5 million in Metropolitan Council Congestion Mitigation and Air Quality (CMAQ) funding for four projects in the Hiawatha LRT corridor. The projects are Currie Park Lofts and Station Place, the Franklin LRT Station Project, Longfellow Station, and the 46th Street Town Square Project. These projects will add more than 1,100 housing units and 150,000 square feet of commercial space at four Minneapolis neighborhood LRT stations.
- The City Council approved the land sale for the Stimson Building to develop 18,000 square feet for restaurant and commercial uses. The building wraps around the Pantages Theatre at 700 Hennepin Ave. (picture below)



- Approved Redevelopment and Tax Increment plans for <u>Humboldt Industrial</u> <u>Park</u>. The City Council also authorized a contract with Real Estate Recycling to develop a 125,000-square-foot lightindustrial building.
- The gap between the city and metro unemployment rates decreased to 0.1 percent. This virtually closes the gap that has long existed between Minneapolis and metro-wide unemployment rates, a key department performance measure.

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Part I: Key Accomplishments and Milestones for the Quarter

PLANNING

Community Planning

(Contact: Pam Miner 673-3240) Copies of approved plans and updates on other planning projects can be found on the Planning Web site at www.ci.minneapolis.mn.us/planning

- The City Council adopted the South Lyndale Corridor Plan.
- The City Council adopted an amendment to The Minneapolis Plan, incorporating the policy direction and future land use guidance from the <u>SEMI Refined Master Plan</u>.
- The Arts and Culture Coordinating Committee held its second quarterly meeting, implementing the direction of the approved Minneapolis Plan for Arts and Culture.
- Staff held a second round of community meetings on the <u>Industrial Land Use and Employment Policy Plan</u> and presented preliminary findings in a study session for the City Council on January 20, 2006.
- Staff held final community meetings on the Midtown Greenway Land Use and Development Plan.
- A <u>request for proposals</u> was issued for consultants to complete the land use study as part of <u>West</u> Broadway Alive!
- A final draft of the Minneapolis Mississippi River Critical Area Plan was distributed for public comment.
- Staff held second public workshop for the <u>Nokomis East Station Area Plan</u>.

Development Services

(Contacts: Steve Poor 673-5837 for zoning administration and enforcement, Jason Wittenberg 673-2297 for land use applications and text amendments, and Jack Byers 673-2634 for Board of Adjustment, Heritage Preservation and administrative site plan review)

- Made comprehensive revisions to conditional and permitted uses in the zoning code;
- Updated application fees for planning-related development review and heritage preservation in the zoning code application fees as directed in the approved 2006 budget;
- Completed the analysis related to the Loring Hill development moratorium, which expired on 3/31/06;
- The Planning Commission tabled indefinitely the zoning code text amendment analysis and recommendation related to reducing the minimum lot area and amending the lot area variance for two-family units in the R2-B residential district.
- Zoning and Planning Committee affirmed the prioritization and estimated timetables for updated text amendment work plan.

ECONOMIC POLICY AND DEVELOPMENT

Business Development

(Contact: Tom Daniel 673-5079)

Neighborhood Commercial and Transit Corridors

- Analysis and community review of four proposals to redevelop City-owned property at 1101 West Broadway continued. Recommendation expected in April.
- The City Council awarded development rights to Wellington Management for the City-owned property on the southeast corner of Penn and Lowry avenues North.
- The City Council approved the land sale of 1838 Dupont Avenue North to Bobbie Fern as part of redevelopment at 927 West Broadway. The renovated building will house a Hennepin County juvenile probation office and a Minneapolis Police Department safety center.
- The City Council approved the land sale of 1401 Central Avenue NE to Locus Architecture for development of a new 33,400-square-foot commercial office and retail building.
- Final construction and preparation for opening the Midtown Global Market.

 The City Council accepted \$3.5 million in Metropolitan Council Congestion Mitigation and Air Quality (CMAQ) funding for four projects in the Hiawatha LRT corridor. The projects are: Currie Park Lofts and Station Place, Franklin LRT Station, Longfellow Station, and the 46th Street Town Square. When fully developed, these four projects would add more than 1,100 housing units and 150,000 square feet of commercial space.

Land Recycling and Infrastructure

- Hennepin County and the Metropolitan Council approved \$2 million for pollution cleanup on six Minneapolis projects.
- The City Council approved Redevelopment and Tax Increment plans for <u>Humboldt Industrial Park</u>. The
 City Council also approved a term sheet and authorized a redevelopment contract with Real Estate
 Recycling to develop a 125,000-square-foot light-industrial building.

Downtown

- The City Council approved a land sale for the Stimson Building at 700 Hennepin Ave. to develop 18,000 square feet for restaurant and commercial uses.
- NBA City theme restaurant opened at the Target Center.

Riverfront

- Task 2 of the riverfront organizational study got under way, including a series of meetings between department leadership and agencies involved in riverfront revitalization to: a) discuss ways to coordinate work plans, and b) assess priorities and appetite for change.
- Research and planning has begun to determine the feasibility and possible timeline of redeveloping the City-owned Upper Harbor Terminal and options for sale of the Rose Bee towboat.
- A report evaluating the outcomes of the 1990 *St. Anthony Falls Heritage Zone Interpretive Plan* was completed. The report found that much progress has been made in implementing the 1990 plan and recommended that the plan be updated and refreshed to inform future work.
- Three proposals were received and evaluated in response to a request for proposals to develop the
 <u>Riverfront East Parcel</u> at Second Street South and 11th Avenue South. The review advisory committee
 and CPED director recommended selection of the proposal from the William W. and Nadine M. McGuire
 Family Foundation.

Business Finance

(Contact: Bob Lind 673-5068)

- The City of Minneapolis small business assistance programs assisted 12 small-business tenants in the Midtown Global Market.
- The <u>Midtown Global Market</u>, set to open on June 3, will have up to 60 small businesses offering a
 worldwide variety of fresh and prepared ethnic food in stalls and booths, mixed with restaurants and
 small specialty grocery stores that reflect the significant populations in Minneapolis, including recent
 immigrants.

HOUSING POLICY AND DEVELOPMENT

Multifamily Housing

(Contact: Cynthia Lee 673-5266)

- Completion of housing at Midtown Exchange the (former Sears) and Unocal/East River Mews
- Three Multifamily projects won the Business Journal's "Best in Real Estate Awards" <u>The Jourdain</u>, Cecil Newman and St. Anthony Mills.

Single-family Housing

(Contact: Elfric Porte 673-5145)

- More than 80 percent of the non-senior rental housing at Heritage Park is leased.
- The first residents of the 102-unit senior facility, Heritage Commons at Heritage Park, began moving into their new homes.
- Five homes were sold and four additional lots purchased for construction of new homes at Heritage Park.
- Twenty ownership units were completed and are ready for occupancy at Heritage Park.
- The total number of "clusters" in the <u>Northside Home Fund</u> increased to five. Clusters are small geographic
 areas with three or more boarded and vacant properties that have been termed an opportunity area by the
 neighborhood group and city departments.
- The City sold five lots and issued 13 completion certificates for single-family owner-occupied housing development.
- The City demolished one blighted property for subsequent development of owner-occupied housing

DEPARTMENT-WIDE INITIATIVES

1) Improve Transportation and Transit Connections and Infrastructure

- Actively participated in several transportation planning projects to ensure consistency with the City's comprehensive plan and other adopted plans and policies, and to ensure that land use and other planning-related issues are appropriately considered as projects move forward, including:
 - 1. Citywide 10-Year Transportation Action Plan
 - 2. Hiawatha Corridor planning and development processes
 - Hiawatha LRT neighborhood station area rezoning study
 - o 38th Street station area master plan
 - o Nokomis East station area plan
 - 3. Central Corridor Alternative Analysis and Draft EIS
 - 4. Northstar Commuter Rail and the Intermodal Station Study
 - 5. Southwest Corridor Alternatives Analysis
 - 6. Bus Rapid Transitways:
 - o Cedar Avenue
 - Bottineau Boulevard
 - o 35W
 - 7. Gopher Stadium EIS process
 - 8. Midtown Greenway transitway planning
- Incorporate transportation planning into various small area planning processes, such as the current Bassett Creek Valley Master Plan update, citywide <u>Industrial Land Use and Employment Policy Plan</u>, <u>West Broadway Alive! Corridor Plan</u>, <u>Uptown Activity Center Master Plan</u>, Cedar-Riverside Small Area Plan and the recently completed South Lyndale Corridor Plan.
- A new transportation planner position was approved in the 2006 budget. This person will work closely with partners in Public Works and other stakeholders, including the regional, state and federal transportation agencies, to ensure better transportation planning for the City.

2) Close the Unemployment Gap

The gap between the city and metro unemployment rates was 0.1 percent. This virtually closes the gap
that has long existed between these two unemployment rates.

3) Increase Choices along the Housing Continuum

• Construction has begun on the Exodus Hotel, Saint Stephen's Shelter and Simpson Housing Services (\$404,000 of Emergency Shelter Grant funding resulted in renovation of 199 shelter beds).

Staff has begun reviewing all public finance and public land sale proposals and private development
proposals to ensure consistency with the City's comprehensive plan and other adopted plans,
participation in the Corridor Housing Initiative and inclusion of housing issues in its various long-range
planning processes.

4) Enhance Neighborhood Livability by Reducing Crime, Promoting Good Urban Design and Increasing Amenities

- The Downtown Safe Zone Initiative reduced property crimes and auto thefts downtown.
- Nearly 400 housing units have been completed along the Hiawatha light-rail line.
- Six Minneapolis projects won the Business Journal's "Best in Real Estate Awards" for design:
 - St. Anthony Mills Apartments
 - o Ritz Theater
 - o Innovent Headquarters
 - Ryan Business Center
 - o Midtown Sheraton
 - o Cecil Newman Apartments

Planning staff work toward this initiative through their processes involving long-range planning, public finance, land sale review, development review, the Minneapolis One Stop partnership, environmental review and zoning administration responsibilities. Planning staff completed the South Lyndale Corridor Plan, reviewed dozens of public finance and public land sales, reviewed 225 land use applications, and completed four zoning code text amendments.

Part II: Progress on Key Departmental Performance Measures

	2003 Actual	2004 Actual	2005 Actual	2006 Target	2006 1 st Quarter actual	Comments
Planning/Comm	unity Plan	ning				
# of milestones achieved for major long range planning projects	NA	NA	NA	7 major plans completed; 5 midpoint milestones achieved; 5 new plans started	1 major plan approved; 1 comp plan amendment completed; substantial work on 4 other major plans; 1 new plan started	See page 2 for additional information
arts and culture coordination:						
# film/video permits issued	212	190	187	190	40	
\$ amount of film production budgets	\$6.7 million	\$9.2 million	\$8.9 million	\$9.7 million	\$2.3 million	
# of public art installations or major renovations:	3	5	3	7	0	
Planning/Develo	opment Se	rvices				
# of building permits reviewed for zoning compliance	7,905	8,100	7,039	7,800	1,280	
# of land use and heritage preservation applications reviewed by CPC, BOA and HPC	1,083 CPC/BOA; 180 HPC	1,197 CPC/BOA; 175 HPC	895 CPC/BOA; 183 HPC	1,100 CPC/BOA; 190 HPC	139 CPC; 26 BOA; 60 HPC	CPC = City Planning Commission BOA = Board of Adjustment HPC = Heritage Preservation Commission
# of properties designated for historic preservation	n/a	n/a	2	2	0	
# of zoning code text amendments adopted	6	9	11	10	4	
# of state and federal environmental reviews conducted	16	24	45	27	9	1 state required Environmental Assessment Worksheet; 8 federal assessments

	2003 Actual	2004 Actual	2005 Actual	2006 Target	2006 1 st Quarter actual	Comments
Economic Deve	lopment/B	usiness D	evelopmer	nt and Busines	ss Finance	
# of new jobs projected by City- assisted projects	1,554	378	659	1,447	206	
# of small business loans	170	115	143	160	34	
\$ value of business loans	\$282 million	\$246 million	\$608 million	\$300 million	\$14.3 million	
Ratio of City \$ to all other public and private \$: for Bus. Finance loans	1:170	1:162	1:250	1:150	1:13	
\$ amount of contamination grants secured	\$4.7 million	\$4.2 million	\$2.2 million	\$3 million	\$2 million*	*Metropolitan Council & Hennepin County fall 2005 grants
Acreage of land to be recovered due to secured cleanup grants	NA	NA	36.2 acres	5 to 25 acres	7.3*	*Metropolitan Council & Hennepin County fall 2005 grants
Attendance at Cityowned entertainment venues: Henn Ave Theaters Target Center	428,458 1,196,894	429,399 1,420,833	615,676	500,000	81,941 425,743	
# of Empowerment Zone businesses funded	50	40	18	20	18	
Economic Deve	lopment/W	/orkforce [Developme	ent		
Metro unemployment rate	4.6%	4.4%	3.7%	4.0%	4.1%	
City unemployment rate	5.5%	5.1%	4.1%	4.0%	4.2%	
Gap between City and metro unemployment rates	.9%	.7%	.4%	0%	0.1%	
# of adults placed in jobs	754	757	1,453	1,500	252	
Average hourly wage of adult placements	\$10.56	\$10.34	\$10.58	\$10.60	\$10.36	Note: the relatively low wage at initial placement reflects the lower skills of program clients
Housing						
# of new/converted multifamily housing units completed (# located downtown)	1,151 <i>(4</i> 61)	650 <i>(0)</i>	1,209 <i>(478)</i>	945 (93)	349 (75)	
# of rehabilitated multifamily housing units completed (# located downtown)	418 (69)	1,240 (381)	593 (0)	697 (134)	35 (0)	

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	2003 Actual	2004 Actual	2005 Actual	2006 Target	2006 1 st Quarter actual	Comments
# of multifamily units affordable to households earning less than 50% of metro median income (subset of above two categories) (# located downtown)	594 (142)	1,283 (220)	562 (52)	933 (182)	116 <i>(0)</i>	
# of multifamily units under construction (# located downtown)	2,122 (0)	1,345 (471)	1,429 <i>(308)</i>	2,281 (691)	19 <i>(0)</i>	Also closed on 199 shelter beds
# of single-family units (new construction) completed	116	80	65	80	11	
# of single-family units rehabilitated	8	10	7	7*	1	*reduced from original target of 13 because of changes in program guidelines
# of single-family units affordable to households earning less than 80%/50% of metro median	62 @ 80% 16 @ 50%	42 @ 80% 11@ 50%	26 @ 80% 4 @ 50%	35 @ 80% 10@ 50%	9 @ 80% 3 @ 50%	
income # of lots sold for single-family development or side yards	120	64	50	80	8	
# and average amount of home improvement loans	48 loans \$11,289	9 loans \$13,728	51 loans \$12,892	45 loans \$12,3000	25 loans \$12,199	
# and average amount of mortgage loans	2 loans \$112,760	198 loans \$178,460	369 loans \$184,099	200 loans \$182,000	46 loans \$169,278	
# and average amount of down payment assistance loans	13 loans \$13,103	96 loans \$4,563	273 loans \$7,347	160 loans \$3,500	32 loans \$5,195.72	