



Quarterly Report First Quarter 2009



Department of Community Planning & Economic Development—CPED

Our Mission: CPED works to grow a sustainable city.

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[Performance Measure Update](#)

Detailed updates & performance measures for each of the departmental goals identified in our Business Plan.

First Quarter Highlights

Mayor R.T. Rybak's 2009 State of the City Address Focuses on Workforce Development

Mayor R.T. Rybak, in his 2009 State of the City address, *Reinventing Economic Opportunity*, spoke on how workforce development and economic growth can move Minneapolis forward. The address was held at [Coloplast's](#) nearly completed North American headquarters on the northside. The \$35 million campus will be LEED certified and will house approximately 500 employees, with specific goals to hire north Minneapolis residents.



Jan Rolin Frederiksen, president of U.S. sales and marketing, Coloplast welcomed the Mayor.

“Coloplast is reinventing the Upper River and the surrounding neighborhoods of north Minneapolis,” Mayor Rybak said.

The Mayor spoke of the creation of CPED five years ago, enabling its job programs to be tied directly to economic development efforts. The Mayor pointed to the City’s Workforce Employment Plans, which connect major private economic development projects with jobs for neighborhood residents; the work of Minneapolis WorkForce Centers and community-based employment service providers facing challenges during these times as they connect unemployed residents to training and jobs; and the Minneapolis Green Jobs Institute, bringing together labor, nonprofits, education and workforce organizations to train diverse workers for the new green economy.

West Broadway Revitalization Efforts Showcased at Community Development Expo

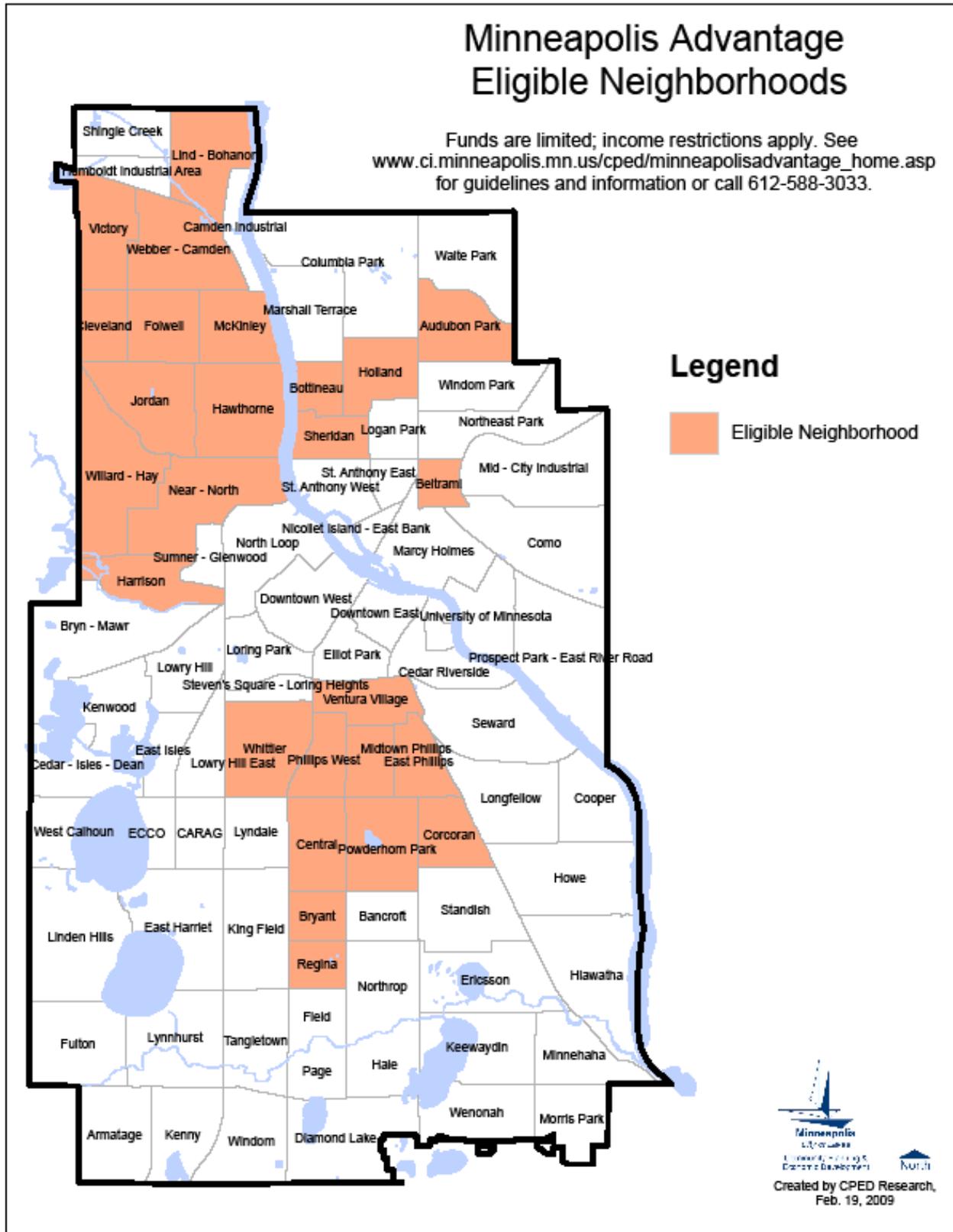
The City of Minneapolis, the West Broadway Coalition, and the Northside Arts Collective hosted a Community Expo on February 7 showcase West Broadway Revitalization efforts:

The **new public plaza** planned for the Hawthorn Crossings Shopping Center at West Broadway and Emerson; proposal to **rezone property** along West Broadway to support land use and development policies in the West Broadway Alive! plan; eight development projects; maps related to the **light rail and bus rapid transit lines** considered as part of the current Bottineau Boulevard Alternatives Analysis; and information on the **façade improvement grants** that support businesses interested in sprucing up storefronts, adding to the visual character of West Broadway.



Communities Begin Rebuilding

\$6.5 million in **National Stabilization Program** funds were awarded to nonprofit developers who will rehab homes in neighborhoods hit hard by foreclosure. This is part of the \$14 million in funding the City received from the Department of Housing and Urban Development (HUD) and the State of Minnesota to support the City's strategy to reinvest in these neighborhoods. The funding will be used to assist local, non-profit developers with construction gap financing. Properties will then be sold or rented to income-qualified tenants. NSP Funds will also be used to fund the next phase of Minneapolis Advantage loan program; acquire foreclosed properties that are not rehabbable and demolish them and hold on to the vacant land until such time when development is possible; and lastly, to demolish boarded and vacant properties on the City's [249 list](#).



CPED Trend Busters –May 11, 2009

Minneapolis Aims to Buck National Economic Slowdown

Minneapolis works to grow its diverse business economy and quality workforce.

➤ Minneapolis companies are expanding and others are moving to the city.

- Wells Fargo & Co. and U.S. Bancorp are the two safest banks in America, according to an analysis of the world's banks by Global Finance. International banks dominate the rankings, with only four U.S. banks among the listing.
- Significant lease renewals include: Target Corp., City Center, 33 S Sixth Street, extended until 2023; TCF Financial Corp., 121 S Eight Street and 801 Marquette Ave. S, extended until 2013; and Neiman Marcus, Gaviidae Common, 651 Nicollet Mall, extended until 2013.
- The value of permitted construction and remodeling work in Minneapolis in 2008 was \$769.5 million; slightly above the 2007 figure of \$755.1 million. Due to the ballpark construction, permitted work in the first quarter of 2009 also exceeded the comparable period last year.
- For the fourth consecutive quarter, the office vacancy rate in the Minneapolis Central Business District (CBD) was 13.6%, lower than the metro rate of 15.1%.

➤ The unemployment gap between the city and the metro closes.

- The Minneapolis first quarter unemployment rate was 7.1%, lower than the metro rate of 7.7%, again closing the historical gap between the city and metro rates. The city's rate was lower than the comparable state-wide (8.7 %) and national (8.8 %) rates.

➤ Minneapolis' quality workforce noted in national ranking.

- Minneapolis and Seattle are the nation's most literate cities, according to an annual study examining the "culture and resources for reading" in the nation's largest metro areas by Central Connecticut State University.

➤ Minneapolis Promise is preparing more youth for productive careers.

- 1,850 youth were employed in jobs through the City's employment programs during summer 2008.
- 993 Minneapolis youth are enrolled in college, for free, under the Minneapolis Promise through the Power of You scholarship program (MCTC, Saint Paul College, Metropolitan State University) and Founders Free Tuition Program (University of Minnesota).

Minneapolis Models Comprehensive Foreclosure Response

Minneapolis and its partners mobilized quickly and comprehensively to address foreclosures.

➤ Minneapolis receives federal aid to assist with foreclosure crisis.

- Minneapolis was awarded \$14 million from the U.S. Department of Housing and Urban Development to address the foreclosure crisis through the Neighborhood Stabilization Program (NSP).

Housing Market Shows Gains

Minneapolis area housing market begins recovery.

➤ March showed signs of hope for Twin Cities housing market.

- Pending home sales were up 21.3% from March 2008; 10 consecutive months of year-over-year increases in sales and the largest such increase since December 2008.
- First-quarter pending sales are up 14% from 2008, an increase of 1,267 units.
- Data for first quarter, 2009 show that 58.8 percent of the sales were lender-mediated (foreclosures and short sales) up from 46 percent in fourth quarter, 2008 and 31.2 percent in third quarter, 2008.
- The March average days on market until sale is 9% lower than a year ago.
- The March percent of original list price received at sale is .6% higher than a year ago.
- The April supply-demand ratio, which measures the number of houses for sale per buyer, is 23.5% lower than a year ago.

Minneapolis Anticipates & Plans for Next Decade of Growth

Minneapolis guides growth and development through its updated Comprehensive Plan.

➤ Minneapolis transit opportunities grow.

- Among the nation's 50 largest cities, Minneapolis trails only Portland, Ore. in the percentage of people who bike to work, according to the Census Bureau. About 3.8 percent of commuters rode bicycles in Minneapolis in 2007 (about 7,200 residents), compared to 3.9 percent in Portland. The City is adding 45 miles to its existing 123 miles of bikeways in 2009 and 2010.
- The Metropolitan Council recently updated its 2030 Transportation Policy Plan; most major regional transit projects are located in Minneapolis. City staff are working to define and promote the city's interest in each phase of each project, including the Hiawatha Light Rail Extension/Northstar Commuter Rail; Central Corridor Light Rail; Southwest Corridor Light Rail; Bottineau Blvd. Light Rail; and Bus Rapid Transit on Cedar and 35 W.
- The City is also working with partners on the design of the Intermodal Transit Station near the new Target Field, to explore high speed rail to Chicago and Duluth, and on potential short term routes and financing options for a resurrected street car system. Implementation of the transit elements of the recently approved Access Minneapolis Downtown Strategy and Urban Partnership Agreement is underway.