



Quarterly Report

First Quarter 2007

Department of Community Planning and Economic Development - CPED



First Quarter Highlights

- The Foreclosure Prevention Funders Council was founded in January 2007 to address the multiple issues which are both causing and resulting from the recent rise in home foreclosures. Chaired by Elizabeth Ryan, the Council includes multiple regional partners, including [MHFA](#), the [Family Housing Fund](#), and the [City of St. Paul](#). Its goal: Create a healthy housing market by focusing existing and future investments on recent surge in residential mortgage foreclosures to revitalize neighborhoods affected by foreclosure.



- Business Finance closed its first loan through the new [Islamic financing program](#) for Global Clothing & Accessories, a store operated by Shukri Gedi (pictured above) in the Karmel Mall on Pillsbury Ave. at 29th Street.
- The state reported that for the first quarter Minneapolis residents had lower unemployment rate (4%) than the metro-wide average (4.2%). This is the first time since at least 1990 that the quarterly city rate was lower than the metro rate, thus achieving a key city jobs and training program goal to "Close the Gap." Future program funding levels will determine the city's ability to sustain this achievement on an ongoing basis.

- CPED's [2007-2011 Business Plan](#) was adopted by the City Council in March. This year's plan identified the five broad department goals which have been used to organize the content of this year's quarterly reports.

- [Update to The Minneapolis Plan](#): Major efforts during the first quarter included developing key policy questions under three broad topics: sustainability, urban design, and heritage preservation; finalizing first drafts to each chapter; and presenting status reports to City commissioners. Staff also geared up for the upcoming series of community forums by developing a branding image for the plan.



- CPED was involved in 14 of the 21 projects taking "[Best in Real Estate](#)" awards from the Minneapolis-St. Paul Business Journal. Winners include Madison Lofts, Ripley Gardens, 225 South Sixth, Oracle Center, Phoenix on the River, E2 Cityhomes, [Ivy Hotel + Residence](#), [1101 West Broadway](#), C/W Lofts, [MacPhail Center](#), Westin Minneapolis Hotel, Minneapolis Business Center, and [St. Anne's Senior Housing](#) (pictured below).



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

- An extremely productive quarter for completion of small area plans that guide future development in each respective area:
 - [Nokomis East Station Area Plan](#) (adopted 1/12/07)
 - [Bassett Creek Valley Master Plan](#) 2006 (adopted 1/12/07)
 - [Marcy-Holmes Master Plan Supplement](#) (adopted 1/26/07)
 - [Seward Longfellow Greenway Area Plan](#) (adopted 2/9/07)
 - [University Avenue SE & 29th Avenue SE Development Objectives and Design Guidelines](#) (adopted 2/9/07)
 - [Midtown Greenway Land Use and Development Plan](#) (adopted 2/23/07)
- The [Midtown Greenway Land Use and Development Plan](#) gives land use and development direction for parcels within approximately one block of the Midtown Greenway from the city's western boundary to Hiawatha Avenue for the next 20 years. The plan's major components include a Future Land Use Map, Development Guidelines, recommendations for key transportation elements and an implementation strategy.
- [West Broadway Alive!](#) Project with a North High geography teacher to work with students in urban geography, focusing on the safety of their neighborhood. [The Design Center introduced the students to Crime Prevention Through Environmental Design \(CPTED\)](#); creating a curriculum for class sessions, including a presentation of CPTED principles; a field trip to photograph areas along West Broadway; mapping exercises; and creating design recommendations for improving the safety along West Broadway. The work of the 23 students will be displayed at a West Broadway Alive! public meeting.
- [Update to The Minneapolis Plan](#): Major efforts during the first quarter included developing key policy questions under three broad topics: sustainability, urban design, and heritage preservation; finalizing first drafts to each chapter; and presenting status reports to [City commissioners](#). Staff also geared up for the upcoming series of community forums by developing a branding image for the plan.
- Work continued on three other small area plans – [Cedar Riverside](#), [Central Avenue NE](#), and [Uptown](#).

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

- Zoning Code Amendments: Staff work completed on the following five text amendments:
 - expansion of allowable areas for wind energy conversion systems
 - infill housing requirements
 - amend requirement that non-residential and residential uses must have separate entrances and hallways
 - Franklin Avenue Transit Station Area rezoning study
 - 29th and University Transit Station Area rezoning Study.

- Major projects approved by the City Planning Commission: Sexton Place Phase II (252 residential uses with ground level retail); 2833 Lyndale Mixed Use Development; M Flats (44 residential units and 2,628 sq ft retail); Kirschbaum and Krupp Metal Recycling (17,000 sq ft expansion); Hotel Uptown (114 guest rooms); Global One Hotel (213 guest rooms); and Jackson Square Condominiums (46 residential units).

2) Promote private sector growth to build a healthy economy

Business Finance

Contact: Bob Lind 673-5068

- Together with the [Community Reinvestment Fund](#) (CRF) and banks, the City offered newer businesses funding to purchase and rehab properties in the City. The Emerging Entrepreneur Loan Program involves a bank providing 50% of the loan, the City through CRF provides 40% and the business puts up 10% equity into the project.
- The City closed on its first loan through the Islamic financing program for the Global Clothing & Accessories, a store operated by Shukri Gedi in the Karmel Mall on Pillsbury Ave. at 29th Street. The [Alternative Financing Program](#) offers profit-based financing to Minneapolis business owners where no interest is paid or collected, thereby making it attractive to Muslim business owners whose religious beliefs restrict them from receiving traditional interest-based financing.

Business Development

Contact: Tom Daniel 673-5079

- “Best in Real Estate” award winners included 225 South Sixth, Oracle Center, [Ivy Hotel + Residences](#), [1101 West Broadway](#), [MacPhail Center](#), Westin Minneapolis Hotel, and Minneapolis Business Center.

Neighborhood Commercial and Transit Corridors

- Closing and groundbreaking occurred on the City-owned property on the southeast corner of [Penn and Lowry Avenues North](#). Wellington Management will develop the site with approximately 32,000 square feet of commercial space including a grocery store, bank, and other retail and office uses.
- The City Council approved a \$165,000 loan to Juxtaposition Arts for their expansion into 1100 West Broadway.
- The Ackerberg Group continues to renovate the building at 1101 West Broadway which will house a credit union, coffee shop, and offices.

Land Recycling and Infrastructure

- Closing occurred on financing for the [Humboldt Industrial Park](#) also known as the Minneapolis Business Center. The development includes 128,000 square feet of light industrial space.
- Hennepin County approved \$1,209,941 for pollution cleanup and/or investigation on seven (7) Minneapolis projects for the fall 2006 funding round.

Downtown

- Closing occurred on the Stimson Building at 7th & Hennepin, which will house a new restaurant plus office space.
- The City continued its review of thirteen proposals in response to the [RFP for the sale of eight Municipal Parking Ramps](#). The staff team including representatives of CPED, Public Works, and Finance will seek neighborhood input and making recommendations to the City Council in the second quarter.

Riverfront

- The Riverfront Blue Ribbon Task Force made substantial progress in formulating its recommendation as part of the [Riverfront Organization Study](#).
- The St. Anthony Falls Heritage Board approved its 2007 budget and work plan.
- Construction of [MacPhail Center for Music](#) continues, and a “topping off” ceremony was held.
- The City Council approved the assignment of development rights for the 201 Park site in the Mill District to Sherman and Associates.

3) Promote economic self-sufficiency for individuals and families

[Minneapolis Employment & Training Program](#)

Contact: Deb Bahr-Helgen 673-6226

- During the first quarter of 2007 and for the first time since at least 1990 (since comparable statistics are available) the unemployment rates for city residents was lower than the comparable rate for the metro area. Future program funding levels will determine the city's ability to sustain this achievement on an ongoing basis.
- Additionally, recruitment began for our Younger Youth STEP UP summer jobs program. Our goal for this summer is 2007 youth employed.

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

[Multi-Family Housing](#)

Contact: Cynthia Lee 673-5266

- [“Best in Real Estate”](#) award winners included Ripley Gardens, Phoenix on the River, E2 Cityhomes, C/W Lofts, Madison Lofts, and [St. Anne's Senior Housing](#).
- Rehabilitation was completed on the Indian Neighborhood Club (14 units) and Avenues for Homeless Youth (20 units) projects.
- Construction was completed on PPL's Camden Apartments, new permanent supportive housing (23 units) for custodial fathers. Pillsbury United Communities provides social services.
- Closing and construction started on The Bridge Center for Youth, providing transitional housing for at-risk youth (18 person facility).
- Closing on Structured Independent Living, transitional housing for homeless veterans (16 SRO units).
- Council approval of Heritage Park phase 1 & 2 revised agreement.
- Preliminary bond approval for Blue Goose Apartments.
- Council approval of land sale to Little Earth (MnDot land).

[Single-Family Housing](#)

Contact: Elfric Porte 673-5145

- Four homes sold, bringing the total number of homes sold to 35 at [Heritage Park](#).
- Five rental units were completed and ready for occupancy at Heritage Park.
- The first new home construction was completed in the Cottage Park cluster of the [Northside Home Fund](#). The project is being developed by the Ackerberg Group in partnership with the Hennepin County Sentence to Service program.
- City Council approved the construction of three Home Ownership Works program units—two rehab and one new construction projects. All three projects will be sold to owner-occupants with household income of less than 80% of metro median income.
- City Council approved the disposition of three city-owned parcels for the construction of an eight-unit artist housing project on Plymouth Avenue.

5) Partner effectively to promote regional growth and investment

Enterprise Initiatives

Contact: Lee Sheehy (673-5125) or Chuck Lutz (673-5196)

- **Comprehensive Plan Update:** Consultation with City of St. Paul and the Minneapolis Park & Recreation Board regarding updates to the [Comprehensive Plan](#). The St. Paul discussions included zoning, future land use mapping, and comparing work plans for the update. Park Board discussions included Park outreach efforts, discovering areas of shared interest, and implications of changing demographics.
- **Ballpark:** CPED serves as the lead for the citywide staff team for the Twins ballpark. Efforts this quarter focused on active participation in the development of the EIS including mitigation strategies, collaboration with the City-County Implementation Committee on initial design elements; and support to the County of site control and site prep.
- **Foreclosures:** The Foreclosure Prevention Funders Council was founded in January 2007 to address the multiple issues which are both causing and resulting from the recent rise in home foreclosures. Chaired by Elizabeth Ryan, the Council includes multiple regional partners, including [MHFA](#), the [Family Housing Fund](#), and the [City of St. Paul](#). The goal of the council is to create a healthy housing market by focusing existing and future investments to address the recent surge in residential mortgage foreclosures and thereby revitalize those neighborhoods affected by foreclosure.

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	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	Comp plan update on schedule; Planning for rollout of public involvement process in 2 nd quarter 2007. Three new planning efforts initiated: Central Av. Plan Update; Downtown 2030 Task Force; McKnight Downtown Greening Effort
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	East Lake Community Library, Pages: Edged glass text across the front of the Library's façade. Annual maintenance is window washing, making this the most sustainable artwork owned by the City.
# of building permits reviewed for zoning compliance	8,100	7,039	6,725; 130 ASPR	6,000	1,034; 16 ASPR	30 new construction; 1,004 remodel ASPR: Administrative Site Plan Review
# of land use applications reviewed	1,197	895	586 CPC; 178 BOA	750	101 CPC; 35 BOA	CPC: City Planning Commission BOA: Board of Adjustment
# of Heritage Preservation Commission applications reviewed	175	183	198	200	11	30 certificates of no change processed
# of historic demolition permits reviewed	n/a	191	205	200	35	200
# of zoning code text amendments adopted	9	11	12	10	0	5 pending city council approval, work on 11 amendments underway

<i>\$ in millions unless noted otherwise</i>	2004 Actual	2005 Actual	2006 Actual	2007 Target	2007 1 st Quarter	Comments
# of state and federal environmental reviews conducted	24	45	27	20	7	Federal reviews
Goal 2: Promote private sector growth to build a healthy economy						
# of new jobs projected by City-assisted projects	378	659	2115	742	36	From Results Mpls
# of small business loans	158	176	189	190	25	Includes any BF/EZ loans not already counted
\$ value of public portion of business investment/loan	\$246.9	\$609	\$71.5	\$15.75	\$597,872	NEW measure; combines BF, BD, and EZ
\$ value of private portion of business investment/loan	\$243.1	\$612.8	\$255.9	\$226.5	\$16.1	NEW measure; combines BF, BD, and EZ
\$ amount of contamination grants secured	\$4.3	\$4.3	\$4.11	\$3.5	0	Changes in historical #s reflect additional funds not previously reported
Acreage of land to be recovered due to secured cleanup grants	n/a	36.2 acres	39.1 acres	10-25 acres	0	
Attendance at City-owned entertainment venues:	429,399	615,676	374,270	TBD	456,842	
Hennepin Ave Theaters	1,420,833	1,155,244	940,924	TBD	83,145	
Target Center						
Goal 3: Promote economic self-sufficiency for individuals and families						
Metro unemployment rate	4.4%	3.7%	3.6%	3.6%	4.2%	
City unemployment rate	5.1%	4.1%	3.9%	3.8%	4.1%	
Gap between City and metro unemployment rates	0.7%	0.4%	0.3%	0.2%	-0.1%	
# of adult placements	757	1,453	1156	1000	249	
Average hourly wage of adult placements	\$10.34	\$10.58	\$10.51	\$10.75	\$11.36	2006 Correction
# of dislocated workers placed	589	512	372	233	67	New measure
Average wage of dislocated workers placed	\$19.07	\$17.17	\$18.25	\$18.44	\$21.03	New measure

<i>\$ in millions unless noted otherwise</i>	2004 Actual	2005 Actual	2006 Actual	2007 Target	2007 1 st 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	
New/converted Multi-Family Units w/ financing closed @ 50% AMI	163	195	88	230	0	
New/converted Multi-Family Units w/ financing closed @ 60% AMI	234	81	111	65	0	
New/converted Multi-Family Units w/ financing closed @ 80% AMI	28	81	14	20	0	
Preserved/stabilized Multi-Family units w/ financing closed @ 30% AMI	340	363	177	160	3	
Preserved/stabilized Multi-Family units w/ financing @ 50% AMI	104	98	27	220	13	
Preserved/stabilized Multi-Family units w/ financing @ 60% AMI	48	33	0	35	0	
Preserved/stabilized Multi-Family units w/ financing @ 80% AMI	7	1	0	5	0	
New/converted Single-Family units w/ financing closed @ 50% AMI	8	6	21	5	2	
New/converted Single-Family units w/ financing closed @ 60% AMI	N/A	81	12	5	0	
New/converted Single-Family units w/ financing closed @ 80% AMI	31	15	15	15	1	
Preserved/stabilized Single-Family units w/ financing closed @ 80% AMI	N/A	N/A	3	5	0	
Preserved/stabilized Single-Family units w/ financing @ 60% AMI	10	7	1	5	1	
# 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	

<i>\$ in millions unless noted otherwise</i>	2004 Actual	2005 Actual	2006 Actual	2007 Target	2007 1 st Quarter	Comments
# 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	
# 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	