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City of Minneapolis
Department of
Community Planning & Economic Development

Lee Sheehy, Director

2006-2010 Business Plan

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Table of Contents

2006 Executive Summary..... 2

Introduction..... 7

Section One: Department Overview

 Department Mission , Vision, and Values Statements.....8

 Department Alignment with Citywide Strategic Plan.....10

 Key Trends and Challenges Impacting the Department.....13

 Department Organizational Chart.....15

Section Two: Business Line Overview

 Primary Business Lines.....16

 Identification of Markets, Customers, and Their Expectation.....23

 Relationship to Other Departments' and Agencies' Businesses.....26

 Assessment of Other Models of Providing Services.....28

Section Three: Strategies and Performance Measures

 Strategies/Objectives/Measures/Tactics.....30

 Performance Measures.....38

Section Four: Department Resources

 Finance Plan..... 43

 Workforce Plan..... 48

 Technology Plan..... 51

 Equipment and Space Plan..... 56

 Limited English Proficiency Plan57

Appendices

 Limited English Proficiency Matrix.....58

 Loss Prevention Matrix.....60

 Enterprise Information Management Matrix.....61

2006 Executive Summary

The Community Planning and Economic Development (CPED) Business Plan was updated for 2006 in accordance with the City's business planning process. The plan describes the department's mission, vision and values; primary business lines and service activities; alignment with City goals; key trends and challenges; strategies, objectives and tactics; performance measures; and department resources.

Department Mission Statement

To promote and advance the City's planning and community development goals through strategic partnerships and responsible management of resources, and to support the public interest through implementation of the City's plans and priorities.

Department Vision

To be one of the nation's great cities through excellence in coordinated planning and development.

Department Values

CPED endeavors to conduct its work based on the following core values:

- To be effective public servants
- To be strategic partners with enterprise, regional, and private entities
- To be responsible stewards of public resources
- To be respectful public administrators who are responsive to the diverse needs of our community

Identification of Primary Business Lines

The Department of Community Planning & Economic Development (CPED) has five primary business lines:

1) [Community Planning](#)

CPED prepares and facilitates the implementation of the City's comprehensive plan and other adopted plans, and informs the City's development and infrastructure strategies.

2) [Economic Policy & Development](#)

CPED facilitates business retention, expansion, creation, and attraction in all neighborhoods, including downtown, by providing financing, programmatic and real estate development and expansion tools, as well as administering the Minneapolis Empowerment Zone program.

3) [Workforce Development](#)

CPED manages a network that identifies and prepares Minneapolis residents for living wage job opportunities and builds partnerships to improve career opportunities in the city.

4) [Housing Policy & Development](#)

CPED provides financing and administers programs for housing development, preservation and rehabilitation to advance a continuum of housing choices; provides financing for home improvement and home mortgages through vendor contracts in cooperation with the Finance Department; and encourages and supports market activity in the production and preservation of housing for all income levels.

5) [Planning Development Services](#)

CPED administers, interprets and enforces the zoning code, land subdivision regulations and heritage preservation regulations, and conducts environmental reviews as required by law.

Other program and management support activities include real estate and associated technical services, research, arts and cultural activities, and the community based services of the Empowerment Zone office.

Key Trends and Challenges Impacting the Department

1) [Challenge of Managing CPED's Partnership Role with the City Enterprise and Other Local and Regional Partners](#)

Planning and development projects require collaboration and coordination not only with various City departments and stakeholders, but with multiple public and private partners. CPED is continuing to build and expand its relationships with other City and external partners, including Hennepin County, the University of Minnesota, the Metropolitan Council, and selected state agencies, notably the Department of Transportation (MnDOT), Department of Employment and Economic Development (DEED) and the Minnesota Housing Finance Agency (MHFA). The department has already assumed a lead role in major regional initiatives such as the Northside Partnership, Bus Rapid Transit on I-35W, and the Downtown Security Collaborative. In 2006, the department will continue working with our partners on major projects such as regional sports facilities, riverfront development and regional transportation projects, including LRT parcel development, Northstar Commuter Rail, Central and Southwest Transit Corridors, and the City's 2030 Transportation Plan.

2) [Challenge of Aligning CPED More Closely to the Private Marketplace](#)

CPED works with the market in at least five distinct ways:

- a) supporting marketplace development and investment, e.g. by removing barriers, providing necessary infrastructure, etc.;
- b) informing the market through long- and mid-range planning;
- c) effectively and efficiently regulating the market through land use and zoning controls;

- d) helping to organize and coordinate public investment, especially within major corridors and growth centers; and
- e) intervening when the market fails to adequately address public policy needs such as affordable housing, environmental remediation, commercial development in selected geographical areas, and job training for selected populations.

The continued challenge for CPED and for the City as an enterprise is to balance these multiple roles in such a manner as to encourage private investment as well as ensure that all people and areas of the City have opportunities to prosper. It is particularly important that CPED and the City clearly and fairly fulfill our statutory role in land use planning and development regulation while at the same time pursue active partnerships with the private and non-profit sector to address those places and people which the private market is not engaging.

3) Potential Federal Funding Cuts and the Need to Establish Stable Revenue Base for Planning Functions

Note: these include planned cuts in federal Empowerment Zone funding and potential cuts in federal Community Development Block Grants funding as well as the need to address the continuing gap between the costs and revenue for the regulatory services sections of planning. These are discussed in the Finance work plan, in Section 4.

Responses to Five Year Financial Direction (including CDBG)

The City's Five-Year Financial Direction for 2006 requires that CPED identify General Fund reductions to equal growth in CPED's General Fund budget from 2005 to 2006, which was projected by Finance to be \$100,000. CPED proposes to meet this target by continuing the process it started in 2005 of replacing General Fund expenditures with development resources. The details of this are described in the Finance Work plan under Section 4.

Key Initiatives for 2006

2006 Priorities: Build Stronger Communities by:

- **Improving transportation and transit connections and infrastructure**
(see Section 3, Objectives 3.1 and 3.2)

Performance Measures: Progress made on protecting and promoting the City's and region's transportation and transit interests as part of the planning and design phase of several transportation and transit processes and projects. CPED participated in the Metropolitan Council's adoption of its new 2030 Transportation Plan, which designated five Tier 1 transit corridors, all of which serve Minneapolis in some fashion. Likewise, CPED is contributing to the City's transportation planning by helping to inform CLIC's review of the City's capital investment program, the Metropolitan Council's Tier 1 transportation initiatives and Public Works' 10-year transportation and mobility planning activities.

- **Closing the unemployment gap**

(see Section 3, Objective 2.1)

Performance Measure: City unemployment rate compared to metro unemployment rate.

- **Increasing choices along the housing continuum**

(see Section 3, Objective 2.3)

Performance Measures: Number of new housing units; number and percentage of new and total housing units that are affordable and/or meet special needs (elderly, homeless, supportive services, emerging markets) as benchmarked against goals identified in the City's annual HUD Consolidated Plan and the Metro Council's Report on Affordable and Life-cycle Housing.

- **Enhancing neighborhood livability by reducing crime, promoting good urban design, and increasing amenities**

(see Section 3, Objectives 1.1, 1.2)

Performance Measures: Crime rates and changes in rates; value of approved site plan improvements; inventory of notable urban design features from land use approvals.

2006 Priority Areas:

(Areas for targeted staff and program resources; note however that CPED will continue to work throughout the City)

- 1) West Broadway Corridor
- 2) Hiawatha LRT Corridor
- 3) Downtown/Riverfront
- 4) SEMI/University Research Park

Enterprise Initiatives

- 1) Limited English Proficiency (LEP)

CPED participated in the City-wide Limited English Proficiency Plan during 2004. A department LEP Plan has been developed; the Plan identifies services and activities of CPED that require LEP services, building on existing CPED LEP activities. These will be incorporated into CPED business lines.

- 2) Community Engagement

The department engages with the community through numerous ongoing partnerships, including being the contract manager for the citizen participation program which funds over 60 neighborhood organizations. The Minneapolis Employment and Training Program (METP) and the Empowerment Zone have federally-mandated advisory boards which draw from all significant stakeholder groups of their respective service areas. Planning engages the

community in a variety of formal and informal processes through its long range planning and development services business lines. The department will continue to work with these community partners as it designs and implements its planning, housing, economic development and job training programs.

3) Minneapolis One Stop

CPED's Planning division will continue to be an effective and collaborative partner in Minneapolis One Stop. We will continue efforts to complete the Development Work Flow mapping and process redesign; improve the Preliminary Plan Review process; provide training on and evaluate the effects of the new Site Plan Review Chapter of the Zoning Code; help clarify the role of Development Coordinators; identify Minneapolis One Stop facility needs and solutions; and complete the Development Review Fee Study (working to reallocate existing fee revenues across departments, establish new fees and re-evaluate fee levels). CPED's Planning Development Services implemented a new customer satisfaction and feedback survey in April 2005; the results will be used to inform future customer and process improvements.

4) Minneapolis One Call

CPED has been participating in the enterprise process analysis with the One Call project team. It is expected that some portion of telephone calls received for one or two service areas will become part of the One Call office responsibility next year.

5) Enterprise Information Management Policy

CPED is in the process of working with the Records Management staff of the City Clerk's office to update and merge the various records retention policies of its predecessor entities. It is anticipated that a consolidated records retention policy for the department will be completed by fall 2005/winter 2006.

6) Employee Survey Response

The department established an employee survey response team in January of 2005, which included staff from several sections and divisions. The team presented a report which focused on ways to improve new employee orientation, training and development, and internal communications. The report was distributed to the entire department for review and comment and the report and comments were reviewed by the CPED management team. As a result, CPED is creating a new employee manual; will strive, within budget constraints, to expand training opportunities; and will implement several new communications mechanisms. The recommended next steps are discussed in our Workforce plan in Section 4.

7) Loss Prevention Strategies

CPED is committed to protecting its assets against losses and maximizing the efficiency and effectiveness of services provided to its residents. Therefore, the department will respond to the recent request by Finance/Risk Management by working with them to identify and incorporate proactive loss prevention efforts within our daily operations. The associated strategies and objective are included in the appendix.

Introduction

The CPED Business Plan was updated for 2006 in accordance with the City's business planning process. The process of updating the Business Plan began in May and continues. Division directors and section managers led the review of the department's mission, vision, values and business lines, and the identification of key challenges, new initiatives and performance measures. The department's resource plans were updated with the assistance of Development Finance, Human Resources, and CPED Support Services staff.

Section One of the Business Plan provides an overview of the department, including its mission, vision, values, primary business lines, alignment with City goals, key trends and challenges, and the organizational chart.

Section Two describes the service activities for each business line. The section also includes descriptions of the department's markets, customers, expectations, and relationships to other departments' and agencies' businesses, and other models of providing service.

Section Three The section includes a matrix displaying Strategies, Objectives and Tactics and a table of historical and projected performance measures.

Section Four describes department resources, including a finance plan, workforce plan, technology plan, equipment and space plan, and Limited English Proficiency Plan.

The **Appendices** describe various enterprise initiatives, including Limited English Proficiency, Loss Prevention Tactics, and Enterprise Information Management.

Section One: Department Overview

This section provides an overview of the department, including its mission statement, primary business lines, alignment with City goals, trends and challenges, and the organizational chart.

Department Mission Statement

To promote and advance the City's planning and community development goals through strategic partnerships and responsible management of resources, and to support the public interest through implementation of the City's plans and priorities.

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5) [Planning Development Services](#)

CPED administers, interprets and enforces the zoning code, land subdivision regulations and heritage preservation regulations, and conducts environmental reviews as required by law.

Department Alignment with Citywide Strategic Plan

CPED is the **primary City department** contributing to the following two City goals:

Goal 4: Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.

- CPED assists in the preservation and creation of living-wage jobs, enhances the city's tax base, secures financing to redevelop blighted and contaminated areas, and supports the provision of commercial services to city residents.
- Through financing and technical assistance provided to small businesses, CPED leverages private financing for business expansion projects that retain businesses in the city, increase the availability of neighborhood commercial services, retain and create jobs, and support business start-ups among minority and immigrant populations.
- CPED works to strengthen downtown retail and entertainment sectors and to maintain downtown as the principal employment center of the region.
- CPED's workforce development programs create opportunities for individuals to access good-paying jobs while helping employers meet their hiring needs.
- CPED will collaborate with Regulatory Services in implementing Minneapolis One Stop and addressing blight elimination.

Goal 5: Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs and promotes future growth.

- CPED provides financing for the development of a mix of housing styles, types, densities and unit sizes, as well as ownership and rental opportunities.
- CPED's housing development efforts address the entire range of affordability and the full life-cycle continuum, including senior/elderly housing and supportive housing for special needs populations.
- CPED integrates housing with other development opportunities, including those within the Empowerment Zone, along corridors including the light rail transit corridor, on the riverfront and within downtown.
- CPED exercises development controls and works in partnership with other City departments, community organizations and the marketplace to ensure housing quality and compatible design.
- CPED pursues Corridor Housing Strategies to promote future growth, including the Corridor Housing Initiative and the Higher Density Corridor Housing Program.

CPED is a **significant contributor** to the following City goals:

Goal 6: Preserve and enhance our environmental, economic and social realms to promote a sustainable Minneapolis.

- CPED planning and development efforts preserve and enhance the city's environmental, economic and social realms.
- CPED secures grant funding to clean contaminated development sites.
- The Minneapolis Empowerment Zone leads economic development strategies in federally-designated, challenged city neighborhoods.
- CPED's housing programs address energy efficiency and sustainability.

- CPED works closely with residents and businesses to address community livability issues through the elimination of residential blight and the development of quality housing.
- CPED monitors airport noise and related negative impacts and advocates for funding, plans and procedures to address those negative impacts.

Goal 7: Promote public, community and private partnerships to address disparities and to support strong, healthy families and communities.

- CPED delivers quality housing that contributes to the social well-being of individuals, communities and the city as a whole.
- CPED's economic development activities and employment, training and workforce development programs contribute to economic self-sufficiency for families.

CPED, **along with every City department**, supports and strives to achieve the following goals:

Goal 3: Deliver consistently high quality City services at a good value to our taxpayers.

- CPED strives to ensure that planning and development processes and policies are clear, consistent and well managed.
- CPED uses a variety of public funding tools to leverage private financing for residential, commercial and industrial development.
- CPED delivers high-quality employment and training services to city residents at a reasonable cost with a high return on investment, and uses performance-based contracting arrangements to ensure accountability.
- CPED Development Services staff participates in the Minneapolis One Stop development review center.
- CPED will participate in the new Minneapolis One Call/311 Call Center.

Goal 8: Strengthen City government management and enhance community engagement.

- CPED conducts research and analysis on trends affecting City policy and development to promote informed decision-making.
- CPED monitors and publishes its performance measures on a quarterly basis, promoting staff awareness of opportunities for continuous improvement, and ensuring accountability for results.
- CPED contributes to enhanced enterprise alignment and government management by consolidating policy direction and enhancing management coordination with other departments.
- CPED enhances community engagement by maintaining positive relationships with neighborhoods and supporting their involvement in planning and review processes.
- CPED's practice of assigning community planners to each of five geographic sectors of the city enhances communication and maintains a presence in the neighborhoods.
- CPED engages a network of community-based organizations and neighborhood groups to deliver employment and training programs in their service areas.
- CPED continues to operate citizen participation processes and directly supports numerous boards and committees, including the City Planning Commission, Heritage Preservation Commission, Arts Commission, Board of Adjustment, Interagency Stabilization Group, Affordable Housing Trust Fund Advisory Group, Capital & Debt Management Committee, Empowerment Zone Governance Board and the Minneapolis

Private Industry Workforce Council, the Northside Home Fund Board, and participates in many others.

CPED **indirectly supports** the following goals:

Goal 1: Build communities where all people feel safe and trust the City's public safety professionals and systems.

- CPED's planning and community development activities, including blight elimination and design review, contribute to the safety of the City's residents, workers and visitors.
- CPED staffs the Downtown Security Collaborative comprised of representatives of law enforcement jurisdictions, private security entities, and the downtown business community.

Goal 2: Maintain the physical infrastructure to ensure a healthy, vital and safe city.

- CPED's planning and community development activities support the maintenance and improvement of the City's physical infrastructure.
- CPED's planning and community development activities reflect the importance of transit in supporting a vital city.

Key Trends and Challenges Impacting the Department

1) Challenge of Managing CPED's Partnership Role with the City Enterprise and Other Local and Regional Partners

Planning and development projects require collaboration and coordination not only with various City departments and stakeholders but with multiple public and private partners. CPED continues to build and expand its relationships with other City and external partners, including Hennepin County, the University of Minnesota, the Metropolitan Council, and selected state agencies, notably MnDOT, DEED and MHFA. The department has already assumed a lead role in major regional initiatives such as the Northside Partnership, Bus Rapid Transit on I-35W, and the [Downtown Security Collaborative](#). In 2006, the department will continue working with our partners on major projects such as regional sports facilities, riverfront development and regional transportation projects, including LRT parcel development, Northstar Commuter Rail, Central and SW Transit Corridors, and the City's 2030 Transportation Plan.

2) Challenge of Aligning CPED More Closely to the Private Marketplace

CPED works with the market in at least five distinct ways:

- a) supporting marketplace development and investment, e.g. by removing barriers, providing necessary infrastructure, etc.;
- b) informing the market through long- and mid-range planning;
- c) effectively and efficiently regulating the market through land use and zoning controls;
- d) helping to organize and coordinate public investment, especially within major corridors and growth centers; and
- e) intervening when the market fails to adequately address public policy needs such as affordable housing, environmental remediation, commercial development in selected geographical areas, and job training for selected populations.

The continued challenge for CPED and for the City as an enterprise is to balance these multiple roles in such a manner as to encourage private investment as well as ensure that all people and areas in the City have opportunities to prosper. It is particularly important that CPED and the City clearly and fairly fulfill our statutory role in land use planning and development regulation while at the same time pursue active partnerships with the private and non-profit sector to address those places and people which the private market is not engaging.

One of our greatest challenges is to prioritize the City's role in addressing market failures in a time of shrinking resources. Nevertheless, CPED is addressing market failure in key areas of focus. For example, in housing, CPED has helped implement an increase in affordable housing investment from \$8 million in 2001 to over \$20 million in 2004. We established a three-year goal (2003-2005) of creating or renovating 2,100 units of affordable housing in the city. As of the end of 2005, the City has surpassed that goal.

In the Phillips neighborhood, homeowners have experienced the doubling of market values from 2000 to 2004 and are rapidly building equity and stability. Other market challenges remain, including projected housing demand created by rising population growth. Housing across all income levels is needed to meet this demand. Our budget also looks at taxpayer investment in a continuum of housing needs.

CPED has been equally aggressive in addressing market failure in the jobs area. In 2004, the Mayor and City Council announced their goal of closing the unemployment gap between City and metropolitan area unemployment rates. This gap stands at a ten-year average of just under one percent, or about 2,400 additional placements per year. “Close the Gap” is a united public-private effort to prepare unemployed persons and employers alike to address this market failure. In March 2005, the unemployment gap had closed to a new low of 0.2 percent, as measured by the State Department of Employment and Economic Development.

2006 will present the City with other market challenges, but our most important effort will be to implement the initiatives now underway. Our affordable housing effort will continue to work across the City enterprise and coordinate investments with other City efforts, such as the work of Inspections on vacant and boarded homes. Close the Gap must improve summer youth placements, weather federal cutback challenges, and prove that it can move people up the career and income ladder to position them to live in an increasingly expensive City.

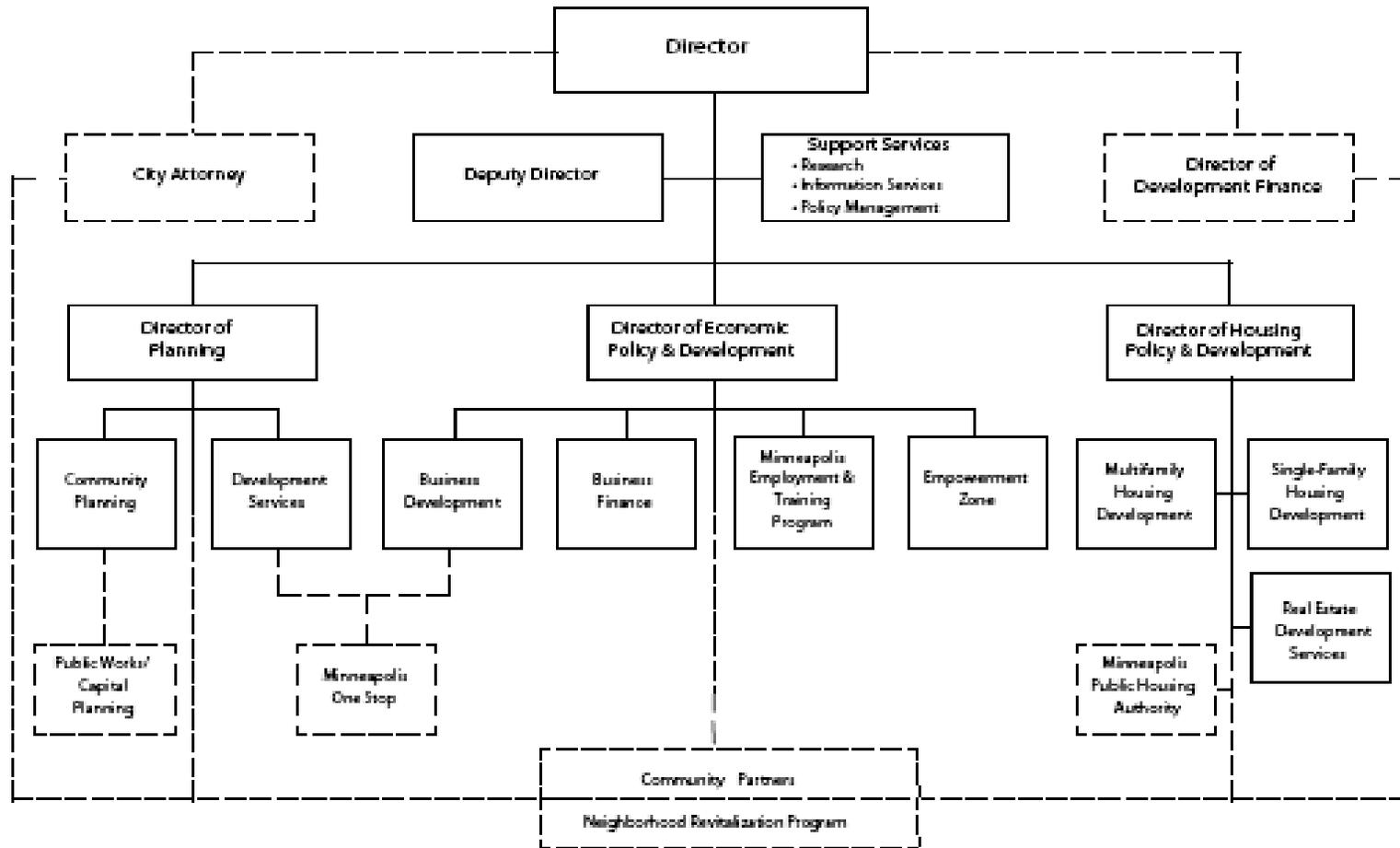
3) Potential Federal and Local Funding Cuts and the Need to Establish Stable Revenue Base for Planning Functions

Note: these include planned cuts in federal Empowerment Zone funding and potential cuts in federal Community Development Block Grants and Empowerment Zone funding as well as the need to address the continuing gap between the costs and revenue for the regulatory services of planning. These are discussed in the Finance work plan, in Section 4.

Economic and Demographic Trends

CPED tracks market and socioeconomic data and trends to better understand current community needs and more effectively direct the department’s limited public resources. This information is routinely reported in key reports such as the quarterly [Minneapolis Trends](#), available on the department’s website.

Community Planning & Economic Development
 Organization Chart December 2005



* Dotted lines indicate key on-going relationships with other departments and agencies.

Section Two: Business Line Overview

This section describes the service activities for each Primary Business, and the department's markets, customers, expectations, and relationships to other departments' and agencies' businesses. In addition to the five Primary Businesses, CPED conducts activities in the areas of research, real estate acquisition and disposition, relocation and engineering. These support activities are also described in this section.

Community Planning

CPED prepares and facilitates the implementation of the City's comprehensive plan and other adopted plans, and informs the City's development and infrastructure strategies.

Service Activities

1. Provide support to elected officials, residents, City departments, neighborhood groups, developers and others to further the City's stated goals and visions as articulated in [The Minneapolis Plan](#) and other adopted plans. This includes education and outreach as well as informing the development of the City's capital and programmatic investment strategy.

CPED is responsible for facilitating the implementation of the Comprehensive Plan and other adopted plans by coordinating planning issues and projects by [geographic sectors](#) and reviewing capital improvement and housing and economic development proposals for consistency with the Comprehensive Plan and other adopted plans. Planning helps define development and redevelopment priorities and resource allocation and assist in the development of the City's capital and programmatic investment strategy.

2. Conduct long range comprehensive and land use planning

CPED is responsible for preparing, implementing, and refining [the City's comprehensive plan](#). This is accomplished through interaction with various groups and organizations. CPED provides guidance, assistance, technical support, research, and plan preparation.

Economic Policy & Development

CPED provides services in support of business retention, expansion, creation and attraction in all neighborhoods, including downtown, by providing financing, programmatic and real estate development and expansion tools, as well as administering the [Minneapolis Empowerment Zone](#) program.

Service Activities

1. Identify, pursue, and promote long-term catalytic redevelopment projects, priority initiatives, and economic development opportunities.

Under the policy guidance of the City Council, CPED acts as the lead among multiple partners in the redevelopment of geographic areas of the city and in the implementation

of economic development strategies. CPED works to create synergies among activities undertaken by disparate departments and agencies. CPED uses targeted market data to inform the planning documents that guide redevelopment activities. CPED advocates at the local, regional, state, and federal levels for the policies, laws, tools, and resources needed to be effective. CPED markets areas for development.

2. Build relationships with key businesses.

CPED advocates for business needs, promotes its services to the business community, and works to strengthen entrepreneurial networks. CPED fosters improved relationships between key business leaders and elected officials. CPED exchanges its knowledge of planning initiatives, [market trends](#), and socioeconomic data with the business community to identify markets and anticipate market needs.

3. Provide [sites](#) and financing for neighborhood commercial, mixed-use and industrial development.

CPED conducts site and facility searches, provides site assembly, and offers financial assistance for commercial, mixed-use and industrial development. As part of these activities, CPED provides [technical assistance](#) and helps reduce barriers to development.

4. Provide [financing](#) and technical assistance to for-profit and not-for-profit businesses.

CPED uses a variety of funding tools, programs, and strategic partnerships to leverage private financing, or provide direct affordable financing, for business expansion projects that keep businesses in the city, increase the availability of neighborhood commercial services, preserve and improve commercial buildings, retain and create jobs, and support business start-ups. CPED provides technical assistance and guidance to businesses starting, expanding or relocating in Minneapolis.

5. Maintain and promote a vital downtown and [central riverfront](#).

CPED works to maintain downtown as the principal employment center of the region and helps to strengthen downtown retail and entertainment sectors. CPED owns and oversees the management of [three downtown theaters](#) and the Target Center and has a leasehold interest in the Guthrie Theater. With its riverfront revitalization partners, CPED enhances [riverfront recreational, entertainment, historic and cultural amenities and attractions](#). CPED assists with the development of a variety of downtown and riverfront housing opportunities for all income levels.

6. Manage real estate assets and contractual obligations.

CPED manages real estate assets throughout the city, including downtown and community theaters, Target Center, and the Upper Harbor River Terminal. After project completion, CPED administers long-term, on-going aspects of redevelopment contracts and services loans.

7. Administer the [Minneapolis Empowerment Zone](#) program.

CPED manages federal dollars and promotes tax credits as part of the U.S. Department of Housing and Urban Development (HUD) designation of specific geographic areas of Minneapolis as a Round II Urban Empowerment Zone (EZ). The goal of the program is to reduce poverty and increase wealth in the city's lowest income neighborhoods. The EZ takes a holistic approach to community development by funding job creation, small business development, affordable housing options, community based safety strategies, enhanced educational opportunities and coordinated delivery of supportive services. The EZ investments are directed by a 35-member Governance Board.

Workforce Development

CPED manages a network that identifies and prepares Minneapolis residents for living wage job opportunities, and builds partnerships to improve career opportunities in the city.

Service Activities

1. Manage the [Minneapolis Employment Training Program \(METP\)](#).

METP is a performance-based system that prepares Minneapolis residents for economic opportunity. It operates through 27 community organizations paid by METP based on placements. In 2003, cost per placement was about \$2,200.

Funded largely by state and federal grants, METP manages training, placement and retention across several program areas, including adult employment, welfare-to-work, dislocated workers and youth employment. METP is overseen by the Minneapolis Private Industry Workforce Council.

2. Develop employment partnerships on major project opportunities.

CPED has entered into employment partnership agreements with: 1) Ryan Companies for a pre-apprenticeship program at the former [Sears property on Lake Street](#); and 2) the Neighborhood Development Corporation for the Global Market and Plaza Verde. CPED will continue to pursue other partnership opportunities.

3. Promote living wage job creation and retention through job linkage agreements.

The City's [Living Wage ordinance](#), which requires that recipients of City development assistance provide living wage jobs (one job for every \$25,000 in assistance), promotes living wage job opportunities for Minneapolis residents. Review and monitoring of [job linkage agreements](#) with Minneapolis businesses will provide new living wage jobs and also help close the unemployment gap. This function will be managed with CPED's emerging market advocacy function to ensure that employer efforts extend where possible beyond requirements of law.

4. Continue refining marketing and service programs that help businesses hire and retain Minneapolis residents.

CPED is coordinating its activities with City Regulatory Services, neighborhood employers, DEED and MNSCU to develop a "[tool box](#)" of services and programs to help businesses

stay and prosper in Minneapolis. Financial institutions and manufacturers are the first customers of this new approach.

Housing Policy & Development

CPED provides financing and administers [programs](#) for housing development, preservation and rehabilitation to advance a continuum of housing choices; provides financing for [home improvement and home mortgages](#) through vendor contracts in cooperation with the Finance Department; and encourages and supports market activity in the production and preservation of housing for all income levels.

CPED housing staff have primary responsibility for implementing HUD Consolidated Plan strategies and fulfilling Consolidated Plan production goals. The Housing Policy & Development business line is charged with the delivery of the majority of the City's housing and community development action plan strategies. HUD requires City housing strategies for very low and low income, homeless, and special needs populations. In addition, the City must address issues of poverty and minority concentrations, fair housing, lead paint hazards, and regulatory barriers. The Housing Policy & Development business line will be actively involved in the implementation of the five-year [2005-2009 HUD Consolidated Plan](#).

CPED housing staff prepares sites for production and preservation of housing for all income levels through the removal of blight and the acquisition of tax-forfeited properties. CPED works with its partners to address the quality of the city's housing stock.

Service Activities

1. Provide sites and financing for the development and preservation of affordable and mixed-income rental and ownership housing.

CPED provides financing and administers a number of [programs](#) for the development and preservation of affordable and mixed-income rental and ownership housing. Funds are targeted to meet City housing priorities, including supportive/special needs, senior/elderly, large family, long-term/perpetual affordability, corridor/transit/density, and mixed-use. Preservation of currently affordable housing is a top priority for insuring continuing housing affordability in the city. In particular, CPED will focus on preserving federally subsidized affordable housing that may be subject to conversion to market rate due to expiring federal programs or prepayment of federal mortgages.

2. Develop and rehabilitate [single-family ownership housing](#) to serve a variety of income levels and household sizes.

CPED administers programs and seeks partnerships to return [vacant lots](#) and vacant and/or boarded structures to the city's housing supply.

3. Create an environment that encourages and supports private market activity in the production and preservation of housing for all income levels.

CPED will undertake initiatives to remove obstacles, promote growth and support private sector housing development efforts.

4. Provide [financing for home improvement and home mortgages](#) in cooperation with the Development Finance Division of the Finance Department.

Through vendor contracts, CPED provides financing to Minneapolis homeowners who might not otherwise be financially able to carry out residential improvements or code repairs. Staff support for this activity is provided by the Development Finance Division of the Finance Department.

CPED provides down payment and closing cost assistance to homebuyers within the Empowerment Zone. CPED also provides down payment, affordability and closing cost assistance through the [HOW Program](#) and the GMHC Home Ownership Program.

Mortgage financing is provided under agreements with private lenders. Mortgage lending has been temporarily suspended because the interest rates are not competitive with private sector rates, and because the investment yields on trustee accounts are too low, thereby increasing program operating costs. As markets change to produce more competitive mortgage rates, programs will be reactivated. Staff support for this activity is provided by the Development Finance Division of the Finance Department.

Planning / Development Services

CPED administers, interprets and enforces the zoning code, land subdivision regulations and heritage preservation regulations, and conducts environmental reviews as required by law.

Service Activities

1. Administer, interpret and enforce the zoning code and land subdivision regulations.

Planning Development Services zoning staff consult with clients on a daily basis, helping customers by reviewing building permits and all business license applications for zoning code compliance, and answering phone inquiries.

2. Review and prepare findings and recommendations on applications for approvals as required by the zoning code, land subdivision regulations and state law.

Planning Development Services staff provide analysis and recommendations on land use applications through written reports to the [City Planning Commission](#), the [Board of Adjustment](#) and the City Council that insure that development proposals conform with the comprehensive plan, the zoning code, subdivision regulations, and other relevant City ordinances and policies.

3. Administer and interpret the City's heritage preservation regulations.

[Heritage Preservation Commission](#) staff are responsible for the identification of historic resources, designation of historic landmarks and historic districts, review of applications for required approvals, participation in 106 reviews, implementation of heritage preservation regulations, and education and outreach.

4. Prepare and recommend to the City Council amendments to the City's land use regulations.

Planning Development Services staff prepare and recommend amendments to the City's land use regulations, primarily the [Minneapolis Zoning Code](#).

5. Conduct environmental reviews as required by law.

Planning Development Services staff prepare the documents required to implement state and federal environmental review laws, including EAW (Environmental Assessment Worksheet), EIS (Environmental Impact Statement), and AUAR (Alternative Urban Area-wide Review).

Other Program and Management Support Activities

In addition to the service activities conducted under the five CPED Primary Business Lines, the department conducts activities in the areas of research, real estate acquisition and disposition, relocation, and site preparation. These activities provide critical internal support to the CPED business lines. Another area of activity, providing community-based services through the Minneapolis Empowerment Zone, is an external activity that contributes to the service activities conducted under the Economic Policy & Development and Housing Policy & Development business lines.

1. Conduct [research and analysis](#) on [trends](#) affecting City policy and development.

CPED supports and promotes the goals identified in [The Minneapolis Plan](#). Through the collection of data regarding population, residential and commercial construction, and other socioeconomic factors, policy makers are provided with necessary information to make informed policy decisions in the areas of housing (including affordable housing) and economic development.

2. Acquire and sell property for redevelopment and municipal operations, and provide relocation services for businesses and residents displaced by redevelopment activities.

CPED acquires and sells property to be redeveloped under projects and programs operated by the department, and provides relocation counseling and financial assistance to businesses and residents displaced by redevelopment activities, in accordance with City policy and state and federal regulations. The department also provides property acquisition, disposition and relocation services to other City departments, and contracts with other governmental jurisdictions to provide these services. In 2005 CPED assumed a new role maintaining inventory data for all City-owned real estate assets.

3. Provide engineering services and technical assistance for site preparation.

CPED's engineering activities include site environmental and geotechnical investigation, pollution remediation, surveying, demolition and various engineering, architectural and other professional services for the evaluation and redevelopment of sites.

4. Provide construction management activities.

CPED's construction management activities include pre-analysis of sites for the presence of blight per state statute. CPED development projects are assisted through the process by construction management oversight of bidding procedures, pre-

acquisition inspections, relocation inspections, construction monitoring, contract payment approvals, and annual inspection of completed projects funded by CPED. Construction management assists the nonprofit neighborhood groups to successfully complete joint development projects.

5. Provide community-based services through the [Minneapolis Empowerment Zone](#).

In addition to economic development and housing initiatives, the Empowerment Zone funds community-based services to implement safety strategies, enhance educational opportunities, and coordinate delivery of social support services.

6. [Coordinate City-sponsored arts and cultural activities](#) and serve as a liaison between private cultural efforts and City services.

Identification of Markets, Customers and Their Expectations

Markets

Market demand for CPED's programs, financial tools and services remains strong and is increasing in several areas.

Continued strong private development activity has enlarged demand for community planning and development review services, including preparation of new small area plans and development objectives, and renewed interest in the focused implementation of adopted plans. The number of land use and building permit applications reviewed by CPED staff remains at high levels.

Demand for economic development services has remained robust through changing economic conditions, particularly in the areas of commercial corridor and transit-oriented development. Business finance programs continue to be highly utilized and have been expanded through new partnerships to serve more businesses both inside and outside Minneapolis. Revenue bond financing for medical facilities, nursing homes and nonprofit organizations continues at a high level of demand. Industrial development activity ebbs and flows with the economy.

The demand for qualified workers is increasing in several industries, including health care and financial services, leading to an increase in demand for the workforce development and placement services provided by METP.

Housing demand continues to increase as the number of metropolitan area households increases. Demand is particularly strong for housing affordable at less than 60 percent of the median family income, housing for large families, and senior housing. There is a need for cost reduction strategies in housing construction and continued efforts to rehabilitate and preserve the existing housing stock. The competitive demand for CPED's multifamily housing financial resources and vacant single-family lots is further evidence that the need for affordable housing continues to grow.

Among the factors affecting demand for CPED's programs, financial tools and services are:

- Economic conditions
- Interest rates
- Demographics
- Age of housing stock
- City infrastructure investments
- Public confidence in the community/business climate
- Public confidence in the City enterprise
- City code requirements, process requirements and fees
- Activities of other units of government
- Availability of federal, state, regional and county funding for economic development, housing development, and remediation of polluted land

Customers

CPED serves many public and private customers, both within and outside the city. Customers include:

- City residents
- Neighborhood groups
- Residents and neighbors of CPED-assisted housing developments
- Business owners
- Business associations
- Developers
- Architects, land surveyors and contractors
- Real estate professionals
- Attorneys
- Lenders
- Job seekers
- Employers
- Applicants for funding
- Purchasers of City-owned property
- Mayor
- City Council
- Other City departments
- Other governmental jurisdictions, including the School Board, Library Board, Park Board, Hennepin County, Metropolitan Council and State agencies

Expectations

CPED's customer base is broad, and expectations differ according to customer type. At the broadest level, customers expect that CPED will carry out its mission to "promote and advance the City's planning and economic development goals" in an inclusive, respectful, efficient, cost-effective and professional manner.

CPED is expected to:

- Deliver high quality planning and development review services within established timeframes.
- Improve the economic health of the city.
- Provide living wage and career employment opportunities.
- Provide a wide variety of housing types and housing affordability programs to meet the needs of residents.
- Partner with other public and private entities to achieve economic development and housing goals.

Factors that affect CPED's ability to meet these expectations include availability of financial resources, staffing levels, statutory and other governmental rules and regulations, market conditions, availability of development sites and opportunities, social environments, technology changes, and language barriers.

Fees

CPED collects fees from applicants for tax increment financing, tax abatement, industrial and housing revenue bonds, business loans, tax credits and selected categories of NRP-funded projects. Various fees apply to land use and zoning applications. The Minnesota Department of Transportation pays fees for land pass-through transactions.

Fees charged for business finance activities (revenue bonds and loans) cover all of the Business Finance section administrative expenses and contribute to the capital funding needs of the small business assistance programs. Fees from multifamily residential bond projects cover a substantial portion of the Multifamily Housing Development section administrative expenses, and may contribute to capital funding for the Affordable Housing Trust Fund. Tax credit fees cover administrative costs to a certain degree.

Fees for processing land use and zoning applications have not historically covered Planning Development Services administrative costs. New fees and adjustments to existing fees implemented in 2004 and 2005 have increased the percentage of these costs covered by fees.

Relationship to Other Departments' and Agencies' Businesses

CPED works in partnership with other City departments to achieve the City's planning and community development goals:

- [Regulatory Services](#) and [Public Works](#) play critical roles at all stages of the development process: planning, review, and project implementation, including the infrastructure components of development projects. Coordination of work plans within and among the departments, the development of integrated systems, and increased staff accountability are necessary to achieve efficiency and effectiveness.
- CPED participates in [Minneapolis One Stop](#), an interdepartmental effort to better coordinate and streamline city development regulatory services.
- CPED interacts with other departments through preliminary plan review of land use applications. Other departments are involved as needed to address specific aspects of a land use application. For example, Public Works will comment directly on an application that involves the creation of a curb cut or a requested street or alley vacation. Fire will comment on a land use application that raises concerns about emergency vehicle/personnel access.
- Public Works has a direct impact on the timing and quality of review of development proposals and land use applications. Similarly, Regulatory Services is directly affected by CPED's activities, as the issuance of building permits and licenses is dependent upon CPED's review and approval.
- CPED plays a key role in the CLIC process by reviewing proposals as they are submitted for consideration to ensure consistency with adopted plans and policies. In this way, all City departments, including the Library, School and Park Boards, are integrated into the capital improvement review and recommendation process.
- CPED is a user of the City's GIS services for planning studies and analyses.
- CPED has many partners in its work on riverfront development, including the Park Board, Minnesota Historical Society, St. Anthony Falls Heritage Board, National Park Service.

CPED works with other public agencies to achieve its planning and community development goals:

- Hennepin County, the Metropolitan Council, the Department of Employment and Economic Development, and state and federal environmental agencies are key partners in providing funding for environmental investigation and cleanup.
- Federal transportation funds are critical in the development of infrastructure in key areas.
- The [Neighborhood Revitalization Program \(NRP\)](#) contributes fund to development projects and neighborhood residential and small business loan and grant programs.

- The [Community Reinvestment Fund](#) participates in small business financing through real estate financing and the New Markets Tax Credit program.
- Because of its unique skill set and experience, CPED has provided technical assistance and site assembly services to other governmental entities, NRP, and for-profit and non-profit developers. Examples include City holding ponds, police stations, elementary school sites, the Convention Center, the animal shelter, the Public Works maintenance facility, Humboldt Greenway and Walker Library.
- CPED acts as the financial intermediary between HUD Empowerment Zone financing and community-based organizations to finance developments serving residents of the [Empowerment Zone](#).
- [METP](#) is the administrative, fiscal and program staff of the Minneapolis Private Industry Workforce Council, which contracts with a network of employment service providers to deliver employment and training services while retaining broad responsibility for the planning, policy and oversight of the workforce development system in Minneapolis.
- CPED is one of several key lenders in the affordable housing development industry. CPED works with the other funding providers to put together a complete funding package for developments. Other providers include the Minnesota Housing Finance Agency, the Metropolitan Council, the Department of Housing and Urban Development, the Federal Housing Administration, Hennepin County, the Family Housing Fund, the Federal Home Loan Bank, banks, foundations and the Neighborhood Revitalization Program.
- Other public and private entities that are affected by or affect housing development activities are Public Works, Regulatory Services, neighborhood organizations, the Minneapolis Public Housing Authority and the Metropolitan Council.

Assessment of Other Models of Providing Service

During 2005, CPED identified, evaluated and successfully implemented two new models of providing community development services. CPED property management functions were transferred to and merged with Public Works, and Public Works' and CPED's responsibilities for real estate transactions and inventory management were consolidated within CPED.

CPED continues to identify and evaluate other models of providing planning and community development services, including the following:

Geographic Service Delivery

Continued implementation of the model of community planning based on five sectors of the City. Neighborhood and business organizations within these sectors will have one known point of contact regarding planning and development issues, which should increase the likelihood of information flowing from the neighborhoods to the City. CPED will continue to work toward a more integrated model of service delivery with other City departments and outside organizations.

[Comprehensive and Small Area Planning Priorities](#)

Comprehensive and small area plans to be undertaken should be well defined in yearly action plans. Deviations from the work plan in order to respond to certain opportunities should be discussed and agreed upon in the context of the City's adopted goals, priorities and available resources.

City Coordination of [CLIC Process](#)

To effectively implement plans that have been adopted by the City of Minneapolis, a structure needs to be in place to ensure the timely, orderly, and efficient use of dwindling City resources. The Community Planning business line will continue its work on interdepartmental coordination of CLIC proposals prior to submission to CLIC. By coordinating City efforts through this early process, duplicative actions and expenditures can be reduced over time.

Collaborate with Regulatory Services on [Minneapolis One Stop](#)

The regulatory functions of Planning will be more closely coordinated with those of Regulatory Services and other City departments as part of the Minneapolis One Stop initiative. Preliminary steps have already been taken to raise awareness of Minneapolis One Stop and continuing efforts are underway to more closely coordinate the various regulatory and licensing functions across City departments. Minneapolis One Stop can help to create an environment that encourages and supports private market activity by removing obstacles.

Cooperative Efforts with [Empowerment Zone](#)

METP will ask the Empowerment Zone Governance Board to consider increased support of human capital investment and to employ tactics that include:

- Promoting use of tax credits and additional financial incentives of the EZ to local businesses and employment placement/training organizations.

- Targeting resources to residents and/or training programs that provide training and placement into careers that are high paying and provide career-laddering opportunities.

Northside Partnership

The Northside Partnership is a group of private, nonprofit and public leaders committed to reversing a long-term decline in private investment in the City's Northside. Their work has already included summer jobs programs, the Jordan Probation House, the [Northside Home Fund](#), and a West Broadway planning process. This partnership model seeks to test whether a unified CPED development budget will draw investors into the Northside from existing businesses there or other investors.

Coordination with Human Resources Department

When opportunities arise, METP will work with Human Resources to provide training for new City employees and for City residents who seek to become City employees.

**Section Three:
Business Line Strategies**

Strategy	Objective	Performance Measure	Tactics
<p>1. Promote private sector growth to build a healthy economy-</p>	<p>1.1 The City's plans, policies and regulations are respected and enable well informed, long-range investment decisions by the marketplace and the City enterprise in order to ensure thriving and vibrant neighborhoods</p>	<p><i>Activity (output) measures:</i> - # of plans adopted by City Council - # of milestones achieved for major planning efforts -progress made towards implementing the <u>current</u> Comp Plan -progress made towards <u>2008 update</u> of Comp Plan - # of zoning code text amendments completed - # of building permits reviewed - # of land use permits reviewed -% of permits reviewed w/in state mandated timeframe(60-120 days) - # of HPC applications reviewed - # of state and federal environmental reviews</p> <p><i>Outcome Measures:</i> - # & % of stakeholders confident that their input and the adopted plan will be used - % of residents responding positively to resident survey Q #5 on neighborhoods (safety, cleanliness, adequate services, social cohesion, etc.)</p>	<p>1.1.1 Conduct long range comprehensive and land use planning 1.1.2 Conduct education and outreach related to the Minneapolis Plan and other adopted plans 1.1.3 Begin work on the major update to the City's Comprehensive Plan as required by Metro Council by 2008 1.1.4 Provide sites and financing for neighborhood, commercial, & mixed use development 1.1.5 Review proposed capital improvements, public financial assistance, RFP's, and public land sales for consistency with adopted plans 1.1.6 Be an effective and committed partner in the Minneapolis One Stop coordinated development review initiative 1.1.7 Apply land use, HPC, subdivision, and environmental regulations fairly and consistently.</p>

Strategy	Objective	Performance Measure	Tactics
	<p>1.2 Consistent with regional and city policies on density and TOD, CPED will focus development efforts around priority neighborhood nodes, corridors, activity and growth centers in the City</p>	<p><i>Intermediate outcome measure:</i></p> <ul style="list-style-type: none"> -percentage of overall development (private and public) occurring in priority areas 	<p>Implement the following ongoing programs:</p> <ul style="list-style-type: none"> 1.2.1 Corridor Housing Initiative 1.2.2 Higher Density Corridor Housing Program 1.2.3 Two Percent Commercial Node/Corridor Program 1.2.4 Community Economic Development Fund 1.2.5 Minneapolis Industrial Land and Employment Strategy
	<p>1.3 The City's use of public development resources and other tools will be used to leverage maximum private sector investment and public benefit</p>	<p><i>Outcome measures:</i></p> <ul style="list-style-type: none"> - ratio of private to public dollars leveraged (economic and housing development reported separately) -number of jobs created as a result of CPED assistance 	<ul style="list-style-type: none"> 1.3.1 Provide financing and technical assistance to for-profit and not-for profit businesses 1.3.2 Provide housing development, rehabilitation, and ownership resources 1.3.3 Provide Business Toolboxes, targeted to small business 1.3.4 Strengthen entrepreneurial networks 1.3.5 Continue Brownfield remediation efforts 1.3.6 Manage real estate assets and contractual obligations, including theaters, Target Center, Grain Belt and Upper Harbor River Terminal
	<p>1.4 The downtown will continue to offer diverse recreational and entertainment attractions and continue to thrive economically</p>	<p><i>Outcome measures:</i></p> <ul style="list-style-type: none"> - # of downtown visitors to City owned venues (theaters, Target Center) - # of downtown workers - # of downtown residents - downtown office space occupancy rates 	<ul style="list-style-type: none"> 1.4.1 Support development of appropriate mix of retail services 1.4.2 Oversee the management of selected major entertainment venues (downtown theaters and the Target Center) 1.4.3 Enhance riverfront recreational, entertainment, historic and cultural amenities and attractions with our riverfront revitalization partners 1.4.5 Continue to support downtown business priorities, including crime prevention

Strategy	Objective	Performance Measure	Tactics
	1.5 The City will maintain its unique cultural, architectural, historical, and entertainment assets	<i>Activity Measures:</i> - # of public art projects installed and under commission - # of major renovations - # of film permits and related production production budget - # of individual landmarks and districts designated for heritage preservation	1.5.1 Coordinate City-sponsored arts and cultural activities and serve as liaison between private cultural efforts and City services 1.5.2 Represent City in development and ongoing management of regional sports facilities 1.5.3 Administer the City’s heritage preservation regulations and identify, designate, and promote historic resources. 1.5.4 Continue Riverfront and Mills District development efforts in conjunction with our various public and private partners
	1.6 CPED is actively involved in long-term catalytic redevelopment projects	<i>Outcome measures (use measures appropriate to project)</i> - # jobs created - # of housing units built - # private dollars leveraged - amount of related spin-off development activity	1.6.1 Represent City in development and ongoing management of regional sports facilities 1.6.2 Complete Heritage Park 1.6.3 Continue to plan and develop University Research Park 1.6.4 Continue to work on the Upper River 1.6.5 Work on Bassett Creek Valley Master Plan
	1.7 Minneapolis has an environment that supports private market activity in the production and preservation of housing	<i>Outcome measures:</i> - volume of residential building (overall value of construction permits and # of net new units) -relative growth in housing values compared to metro area - customer satisfaction with city development processes	1.7.1 Be an effective and committed partner in the Minneapolis One Stop coordinated development review initiative 1.7.2 Apply land use, HPC, subdivision, and environmental regulations fairly and consistently.

Strategy	Objective	Performance Measure	Tactics
	1.8 The City's parks, open space, riverfront and recreational opportunities will be maintained and enhanced as part of overall planning and development activities of the department	<ul style="list-style-type: none"> - # of park and open space acres; - # of bike miles; -Citizen satisfaction with City parks, open spaces and recreational opportunities (note: a related Q is part of the residents' survey) 	<ul style="list-style-type: none"> 1.8.1 Work with Public Works, MPRB, and other levels of government to secure funding for and develop bike and walking trails 1.8.2 Ensure City policies and regulations include appropriate provisions related to parks, open spaces, and work with partner to implement adopted plans
2. Promote/ advocate/support economic self-sufficiency for individuals, families	2.1 Minneapolis residents have jobs skills and are provided opportunities to get on the path of economic self-sufficiency	<p><i>Activity Measures:</i></p> <ul style="list-style-type: none"> - # job placements by METP programs - average wage of placements - # of new hires (Mpls residents) via job linkage agreement - change in new claims for unemployment within EZ boundaries <p><i>Outcome measures:</i></p> <ul style="list-style-type: none"> -City/Metro unemployment rate gap - % of jobs program placements and new hires at assisted businesses hired at living wage rate or better 	<ul style="list-style-type: none"> 2.1.1 Manage the Minneapolis Employment and Training Program 2.1.2 Promote living wage job creation and retention through job linkage agreements 2.1.3 Administer the Minneapolis Empowerment Zone program 2.1.4 Continue to support the Northside Partnership

Strategy	Objective	Performance Measure	Tactics
	<p>2.2 The City's housing stock is well designed and maintained</p>	<p><i>Activity Measures:</i></p> <ul style="list-style-type: none"> - # and value of rehab permits - # of rehab loans - # of code violations remedied - average length of time for remedy <p><i>Outcome measures:</i></p> <ul style="list-style-type: none"> - value of housing stock - assessor's condition rating - citizen satisfaction with city programs - code violation trends - % of Citizen Survey respondents who reported satisfaction with their housing situation (Q's 6 & 7) - 	<p>2.2.1 Housing rehabilitation programs.</p> <p>2.2.2 Senior programs aimed at rehabbing homes so young families won't be deterred.</p> <p>2.2.3 Proactive remedy of code violations.</p> <p>2.2.4 Implement new 1-4 unit residential design standards for new construction.</p>
	<p>2.3 The housing needs of people, families and businesses across the housing continuum, points in the life cycle, and levels of income are met</p>	<p><i>Activity measures:</i></p> <ul style="list-style-type: none"> - levels of affordable housing production compared to City, Metro Council goals - # of homeowners assisted - # of new homebuyers <p><i>Outcome measures:</i></p> <ul style="list-style-type: none"> - relative foreclosure rates - improved % of minority and low-income homeowners higher homeownership rate overall - # of households below median income pay 30% or more for housing 	<p>2.3.1 Provide financing to develop and preserve affordable and mixed-income rental and ownership housing, including programs such as the Northside Home Fund</p> <p>2.3.2 Develop, preserve and rehabilitate moderate and market rate single-family ownership housing</p> <p>2.3.3 Provide financing for home improvement and home mortgages</p> <p>2.3.4 Identify and plan new sites for housing development</p> <p>2.3.5 Assist market in addressing senior housing needs</p> <p>2.3.6 Improve homeownership: prevent foreclosures</p> <p>2.3.7 First-time homebuyers' assistance</p>

Strategy	Objective	Performance Measure	Tactics
<p>3 CPED is an active partner regionally and beyond to effectively promote and manage growth</p>	<p>3.1 People and business throughout the City are well served by CPED's active involvement in regional transportation and infrastructure planning</p>	<p><i>Activity measures:</i></p> <ul style="list-style-type: none"> -% of workers w/in the City that use public transportation - level of funding and implementation of Met Council's Tier 1 transportation projects 	<p>3.1.1 Improve transportation and transit connections & infrastructure</p> <ul style="list-style-type: none"> • Regional Transportation Projects (including LRT parcel development) • Northstar Commuter Rail and Intermodal Station • Central and SW Transit Corridors • Bus Rapid Transit on 35W and Bottineau Boulevard • Develop and implement the City's 2030 Transportation Plan • LRT TOD development <p>3.1.2 Build closer working relationship with partners on transportation and infrastructure planning including, Public Works, Met Council, Hennepin County, MnDOT, Federal Government</p> <p>3.1.3 Assist in development of City's capital and programmatic investment strategy</p> <p>3.1.4 Coordinate and assist in planning public investment especially within major corridors and growth centers</p> <p>3.1.5 Implement the land recycling campaign</p> <p>3.1.6 Implement the Corridor Housing Program</p>
	<p>3.2 The City's receipt of and benefit from regional, state, and federal public investments is maximized through existing and new partnerships</p>	<p><i>Activity measures:</i></p> <ul style="list-style-type: none"> - increase in public and private grants and funding for City development initiatives 	<p>3.2.1 Improve staff capacity to organize and staff partnerships, including reaching out to outside parties to create and foster shared priorities and work plans</p> <p>3.2.2 Represent the City's interests by serving on various regional/state advisory committees</p>

Strategy	Objective	Performance Measure	Tactics
	3.3 The City's housing production will support projected job and population growth	<ul style="list-style-type: none"> - development and annual review of housing mix - completion of work plan tasks to incite housing - housing mix compared to goals/needs - # of new housing starts compared to goals - # of households below median income paying 30% or more for housing 	<p>3.3.1 Continue to implement Corridor Housing strategy</p> <p>3.3.2 Identify optimal mix of housing and volume of new housing starts; analyze what the city needs to do to attract/support that volume and mix; develop specific work plan to accomplish it (e.g., different zoning, streamlined permitting, subsidies under what conditions)</p>
4 CPED's customers are at the center of our work and process improvements.	4.1 Our customers recognize us for quality customer service	<p><i>Outcome measures:</i></p> <ul style="list-style-type: none"> - One Call and One Stop customer satisfaction measures - % of land use and zoning customers who are satisfied with services received - relevant Resident Survey customer satisfaction questions (housing, neighborhoods, downtown, etc.) 	<p>4.1.1 Be an effective and committed partner in the Minneapolis One Stop coordinated development review initiative</p> <p>4.1.2 Collaborate with One Call team to successfully implement One Call</p> <p>4.1.3 Strengthen efforts to monitor customer satisfaction in all service areas</p>
	4.2 CPED's services are tailored to meet local employer needs for qualified workers	<p><i>Outcome measures:</i></p> <ul style="list-style-type: none"> - # of Mpls residents hired by assisted businesses - % of companies with METP placements who believe City is adequately training program participants 	<p>4.2.1 Develop employment partnerships with emerging enterprises</p> <p>4.2.2 Develop marketing and service programs that help businesses hire and retrain Minneapolis residents</p>

Strategy	Objective	Performance Measure	Tactics
	4.3 A culture of continuous improvement is firmly established	- % of employees who believe a culture of continuous improvement exists - number of business process improvements implemented	4.3.1 Implement enhanced training and development efforts 4.3.2 Expand efforts at benchmarking and best practices efforts 4.3.3 Utilize technology and systems to implement improved performance measure reporting as well as business process improvements 4.3.4 Coordinate efforts with City and External Partners to improve service quality and effectiveness
5 Develop a highly productive, diverse and professional CPED workforce, and a work environment that promotes professional development and respect	5.1 Issues identified in the 2004 Employee Survey will be successfully addressed	- progress on specific follow-up items to 2004 survey (see 5.1.1) - change in employee responses to 2006 employee survey	5.1.1 Implement priority recommendations: <ul style="list-style-type: none"> • New employee orientation manual • New employee Mentoring Program • Enhanced training and development support • Staff tours of other CPED and City work units • Clarify department level protocols/policies • Develop employee recognition program 5.1.2 Continue to support department Labor Management Committee
	5.2 Employees are given the training and tools to drive both individual and departmental development	- % of employee hours and funding devoted to training	5.2.1 Provide tools and training to improve individual skills on continuous improvement techniques: <ul style="list-style-type: none"> • Benchmarking • Best practices • Business process analysis • Customer service focus
	5.3 Employees can see how their daily work connects with the CPED business plan	-increase in % of employees who are familiar with City's goals and department business plan - % of employees who see how their daily work contributes to the broader objectives of the department	5.3.1 Actively promote integration of business plan into divisional, section, and individual work plans

Note: the following historical and projected performance measures is organized according to the department five primary business lines. It contains those measures which the department intends to continue reporting on a quarterly basis. It includes some but not all of the measures noted in the previous table, which in 2006 will be fully integrated.

Department of Community Planning and Economic Development Performance Measures					
Measures [\$ in millions]	2002 Actual	2003 Actual	2004 Actual	2005 Estimate	2006 Estimate based on Approved 2006 budget
Planning / Community Planning					
# of milestones achieved for major long range planning projects					7 major plans completed; 5 midpoint milestones achieved; 5 new plans started
# and % of stakeholders confident that their input and the developed plan will be used for decision-making	n/a	n/a	n/a	80%	90%
# film permits issued and total production budget	205 \$6.2	212 \$6.7	190 \$9.2	195 \$9.5	190 \$9.7
# of public art projects installed or renovated (major conservations)	11	3	5	4	7
Economic Development					
Estimated increase in property taxes due to Economic Development projects	\$1.3	\$3.2	\$0.4	\$0.8	\$2.0
# of new jobs projected by City-assisted projects	1,441	1,554	378	447	1,447

Department of Community Planning and Economic Development Performance Measures					
Measures [\$ in millions]	2002 Actual	2003 Actual	2004 Actual	2005 Estimate	2006 Estimate based on Approved 2006 budget
# of small business loans	151	170	115	158	160
\$ value of business loans	\$390	\$282	\$246	\$300	\$300
# of businesses assisted by City market advocates/case managers	n/a	n/a	7	50	60
Real estate marketing contacts	n/a	571	522	200	200
\$ amount of contamination grants secured	\$4.3	\$4.7	\$4.2	\$1.5	\$3.0
Acreage of land to be recovered due to secured cleanup grants	n/a	n/a	n/a	5 – 25 acres	5 – 25 acres
Attendance at City-owned entertainment venues: Historic theaters ----- Target Center	553,058 ----- 1,244,308	428,458 ----- 1,196,894	429,399 ----- 1,420,833	500,000 ----- 2,000,000	500,000 ----- 1,195,000
# of Empowerment Zone businesses funded	11	50	40	20	20
# of Empowerment Zone businesses receiving technical assistance	120	414	402	200	200

Department of Community Planning and Economic Development Performance Measures					
Measures [\$ in millions]	2002 Actual	2003 Actual	2004 Actual	2005 Estimate	2006 Estimate based on Approved 2006 budget
Workforce Development					
Metro unemployment rate	4.3%	4.6%	4.4%	4.3%	4.0%
City unemployment rate	4.9%	5.5%	5.1%	4.5%	4.0%
Gap in unemployment rate for city vs. metro	.6%	.9%	.7%	.2%	0%
# of Job Linkage new hires	2,272	4,134	4,669	5,125	5,300
Housing					
# of new/converted multifamily housing units completed (# located downtown)	388 (162)	1,151 (461)	650 (0)	1,193 (578)	945 (93)
# of rehabilitated multifamily housing units completed (# located downtown)	466 (0)	418 (69)	1,240 (381)	560 (0)	697 (134)
# of multifamily units affordable to households earning less than 50 percent of metro median income (subset of above two categories) (# located downtown)	476 (33)	594 (142)	1,283 (220)	751 (52)	933 (182)
# of multifamily units under construction (# located downtown)	1,918 (736)	2,122 (0)	1,345 (471)	1886 (25)	2,281 (691)
# of single-family units completed (new construction)	123	116	80	80	80

Department of Community Planning and Economic Development Performance Measures					
Measures [\$ in millions]	2002 Actual	2003 Actual	2004 Actual	2005 Estimate	2006 Estimate based on Approved 2006 budget
# of single-family units rehabilitated	10	8	10	13	13
# of single-family units affordable to households earning less than 80 percent of metro median income (subset of SF units completed)	54	62	42	40	35
# lots sold for single-family development or side yards	122	120	64	80	80
# and average amount of home improvement loans (\$ in 000's)	131 loans \$12,586	48 loans \$11,289	9 loans \$13,728	45 loans \$ 13,000	45 loans \$12,300
# and average amount of mortgage loans (\$ in 000's)	138 loans \$141,402	2 loans \$112,760	198 loans \$178,460	150 loans \$180,000	200 loans \$182,000
# and average amount of down payment assistance loans (\$ in 000's)	29 loans \$18,364	13 loans \$13,103	96 loans \$4,563	105 loans \$5,000	160 loans \$3,500
Planning / Development Services					
# of building permits reviewed for zoning compliance	7,905	7,905	8,100	7,900	7,800
# of land use applications reviewed	1,194	1,083	1,197	1,400	1,100

Department of Community Planning and Economic Development Performance Measures					
Measures [\$ in millions]	2002 Actual	2003 Actual	2004 Actual	2005 Estimate	2006 Estimate based on Approved 2006 budget
% land use applications processed within state-mandated timeframes	99+%	99+%	99+%	99+%	99+%
# of Heritage Preservation Commission applications reviewed	155	180	175	200	190
# of properties designated for historic preservation	n/a	n/a	n/a	2	2
# of historic demolition permits reviewed	n/a	n/a	n/a	160	150
# of zoning code text amendments adopted	31	6	9	10	10
# of state and federal environmental reviews conducted	26	16	24	30	27

Section Four: Department Resources Finance Plan

This Finance Plan includes an examination of the financial trends and challenges faced by CPED, the department's responses to the Five-Year Financial Direction, and projected resources, revenues and expenditures for 2006 through 2010.

Financial Trends and Challenges

CPED and the City must meet the challenge of establishing a stable revenue base for planning and development functions. The following trends affect the ability to accomplish this.

Threatened Federal Grant Reductions

City goals for housing, employment, economic and business development, citizen participation and planning administration administered by CPED for low and moderate income residents' use approximately 75 percent of the City's annual CDBG entitlement. Significant budget cuts such as those threatened earlier this year are unsustainable. A 5 percent budget cut equates to a \$0.8 million reduction in programming. A 50 percent cut would represent a disastrous \$5.8 million reduction. Currently there are no funding sources available to replace these dollars or the programming they provide. Further, a reduction that approaches 50 percent may require immediate action on existing programs, since the City's CDBG program is currently oversubscribed. Current federal budgets also phase out Empowerment Zone funding in the next two years. A sustainable, long-term funding source to meet City development priorities must be found.

Planning's Regulatory Function – Need for Additional Fee-based Funding

Given the high volume of development activity in recent years, the workload in Planning's regulatory function has greatly increased, and staff resources have been moved from Community Planning to help meet demand. In 2005, the Development Services side of the Planning division is budgeted at \$2.0 million and is projected to "earn" approximately \$567,000 in revenue. Thus there remains a \$1.4 million gap in direct revenue, which is currently filled with other non-direct General Fund revenue and CDBG. The department has recommended for two years that this function move over time toward being 100 percent fee-based (direct revenue). Over the last two years it has participated with other regulatory departments and Finance to explore both a more equitable allocation of existing revenue and potential new or increased fee revenues. This study recommended allocating portions of existing regulatory fee revenue to Fire, Public Works and CPED in proportion to their respective costs. Specific recommendations were included in the Mayor's budget recommendation and approved as part of the Council's adopted 2006 budget.

Community Planning

As noted above, the Community Planning function has been reduced not only due to a series of General Fund reductions but also due to reallocation of resources to Development Services, where 65 percent of the division's staff resources are currently assigned. If the City desires to maintain even a minimal capacity for proactive land use planning, it is imperative that a stable revenue base be identified to support this function.

Response to Five Year Financial Direction (including CDBG)

The City's Five-Year Financial Direction requires that CPED identify General Fund reductions to equal growth in CPED's General Fund budget from 2005 to 2006, which was projected by Finance to be \$100,000. CPED proposes to meet this target by continuing the process it began in 2005 of replacing General Fund expenditures with development resources.

In 2005, the department was directed to reduce its General Fund usage by \$75,000. This was accomplished by offsetting eligible General Fund expenditures in Planning with Preliminary Planning Fund dollars. This \$75,000 offset will continue through 2006. Additionally, for 2006, the General Fund appropriation used for Executive Administration will be reduced and replaced by allocations from development funds through CPED's indirect cost allocation plan to the degree necessary to meet Five-Year Financial Direction goals.

This integration of resources was a hoped-for consequence of the creation of CPED; however, without positive changes in the availability of development resources it is not sustainable. The potential offset of existing General Fund property tax revenue with new fee-generated revenue is one such positive change. Combined with the adjusted allocation of fee-revenue as determined by the fee study, CPED Planning costs should be less property-tax dependent and more self-supporting in 2006 and beyond.

The specific fee proposals for new 2006 revenue are consistent with the recent work by an interdepartmental team and consultant on development related fees and have resulted in the reallocation of almost \$700,000 of direct General Fund revenues to CPED beginning in 2006. This amount reflects the contribution of CPED staff time to various planning-related regulatory functions which had not previously been recognized in the accounting system.

Additionally, new General Fund revenues are proposed as follows:

Planning 2006 Revenue Increase	
New Fees	
Zoning Enforcement (reinspections & administrative)	25,000
HPC permit applications	22,250
CPC Land Use Applications	3,500
Subtotal New	50,750
Increases in Existing Fees	
Major Site Plan Review, Appeals, CUP for PUD	29,900
R-O-W Vacation Permits (pro-rated)	3,500
Subtotal Increase	33,400
Total New General Fund Revenue	84,150

New revenue will mitigate funding demands for planning basics such as the purchase of professional services, environmental reviews, land use application processing, rezoning studies and zoning code text amendments, as well as other planning services.

As part of its review the department's business plan, the Community Development Committee directed CPED to pursue additional sources of direct revenue so that the regulatory functions within the Planning division would be self-supporting within two years. The department will report on these efforts as part of its annual budget submission.

2006 – 2010 Projections

Table 1 shows both revenue and expenditure projections for 2006 through 2010. These are the first reported projections to extend past 2009, a year that marks two key development finance events:

- 1) the decertification of the pre-1979 tax increment financing (TIF) districts; and
- 2) the final year of the City's statutory obligation to provide funding to the Neighborhood Revitalization Program (NRP).

These projections are based on several revenue assumptions that need to be validated annually:

- revenues from federal grant programs, including the annual disbursement rate for the Empowerment Zone, will remain close to constant;
- although revenues from state and local grants vary in relation to project need and availability, for projection purposes they are shown as constant;
- there will be continuing modest increases in bond related fee income from housing and economic development activities;
- there will be annual variations in overall project income but these are shown as constant from 2006 for projection purposes;
- there is no change to the scheduled 2009 Brookfield payment;
- there will be no further legislative actions or assessment adjustments that have a significant negative impact on tax increment or General Fund collections; and
- inflationary growth in Planning's fee revenue.

The expenditure projections contain assumptions that also need to be revisited annually in the context of revised revenues and department outcome measures:

- CPED staff levels will generally remain constant or reduce slightly with personnel costs increasing 2 percent per annum while non-personnel expenditures increase approximately 1 percent per annum.
- The Development Account and TIF revenues of the Common Project continue to be restricted to the capitalization of the NRP through 2009.
- Consistent with the Discretionary Development resolution, \$3.697 million from the Legacy Fund is being provided annually through 2009.

The projected CPED revenues and expenditures for 2006-2010 show somewhat level revenues through 2008 increasing in 2009 with the receipt of a Brookfield-Dain payment of \$27.87 million. However, the total revenue received each year from 2006 to 2009 is smaller than anticipated in the 2003-2009 projections prepared last year, largely due to smaller than anticipated tax increment revenues as a result of recent reductions to market valuations of various properties within the Common Project.

Debt service on the post-1979 Common Project TIF districts continues past 2010. Taken together with other projected costs, the forecast for that year is break-even. There is no assumption of a source for discretionary development activity beyond 2009, although the availability of new tax capacity created by the decertification of the pre-1979 districts could allow, as one policy option, the re-use of Chapter 595 levy authority with little or no increase of residential property taxes.

Under current policy direction the Hilton Legacy Fund will also have been repaid in 2009 for the \$22 million annually borrowed for discretionary development activity, and will provide another option for development support in 2010 and beyond.

Projected General Fund revenues and expenditures are displayed consistent with the Five-Year Financial Direction. The direct revenue to the General Fund attributed to CPED increases substantially from 2005 to 2006 (line 5) as a result of the multi-department fee study completed earlier this year. The additional revenues allocated as a result of this study are included and increased annually at an annual rate of 3 percent.

A further consequence of the reduction of development resources that started in 2001 has been the reduced level of funding (from \$20 million per annum in Phase I) available to capitalize the NRP. As noted above, the lowering of market value of several properties within the Common Project appears to have exacerbated this reduction. Table 1, Line 37 displays the current (October 2005) projections.

Finance Plan - Table 1

Projected CPED Revenues & Expenditures 2006 - 2010

	2005	2006	2007	2008	2009	2010
1 Local Funds						
2 General Fund Total	3,409,730	3,745,973	3,681,973	3,745,258	3,822,242	3,912,945
3 GF Property Tax & Non-Direct Revenue	2,099,758	1,720,594	1,667,469	1,731,939	1,801,053	1,886,550
4 General Fund LGA	742,672	680,848	671,026	646,556	630,442	610,944
5 General Fund Direct Revenues	567,300	1,343,478	1,343,478	1,366,763	1,390,747	1,415,451
6 Tax/Increment/Abatement	64,421,783	71,085,947	76,664,322	78,035,163	56,879,199	32,487,622
7 Capital Bonding (CIP)	1,395,000	3,547,000	2,900,000	900,000	400,000	400,000
8 Dev Acct (Non-TI)	2,213,272	2,199,272	2,028,432	2,002,705	28,302,997	300,000
9 Interest Earnings all Funds	5,600,000	5,320,000	5,054,000	4,801,300	4,561,235	4,720,878
10 Bond Fees						
11 Housing Program Fees & Revenues	1,299,000	1,199,000	1,244,970	1,292,719	1,342,317	1,393,835
12 Economic Dev Program Fees & Revenues	3,635,000	3,639,500	3,651,500	3,663,620	3,675,861	3,688,225
13 Legacy Fund	3,679,000	3,679,000	3,679,000	3,679,000	3,679,000	-
14 Other Project & Program Income	16,703,892	16,700,000	16,700,000	16,700,000	16,700,000	16,700,000
15 Transfers	37,252,992	50,548,980	37,529,085	37,549,128	46,574,667	43,074,667
16 Federal Funds						
17 CDBG*	19,352,211	17,583,662	16,304,700	16,304,700	16,304,700	16,304,700
18 ESG	601,000	597,000	597,000	597,000	597,000	597,000
19 HOME	3,911,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000
20 Other State/Local Grants	4,252,803	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
21 Total Projected Revenues	167,726,683	188,144,281	178,334,982	177,570,593	191,139,218	131,879,872
22 <u>Appropriated</u>						
23 <u>Business Lines:</u>						
24 Economic Policy & Development	15,664,192	15,726,643	14,947,543	15,171,756	15,399,332	15,630,322
26 Housing & Policy Development	20,781,514	26,730,137	25,715,137	26,100,864	26,492,377	26,889,763
27 Community Planning	3,305,810	1,985,293	2,044,852	2,085,749	2,127,464	2,170,013
28 Development Services	1,420,880	2,006,327	2,066,517	2,107,847	2,150,004	2,193,004
29 Workforce Development	11,119,063	10,842,414	10,950,838	11,060,347	11,170,950	11,282,659
30 <u>CPED Support:</u>						
31 Executive & Support Services	6,205,558	6,319,452	6,445,841	6,574,758	6,706,253	6,840,378
32 Transfer & Debt Service	102,570,796	117,208,947	106,640,832	105,215,723	101,144,413	66,966,446
34 Direct Charge (Development Finance)	2,414,321	-	-	-	-	-
35 Total Appropriated	163,482,134	180,819,213	168,811,559	168,317,043	165,190,793	131,972,586
36 <u>To be appropriated</u>						
37 Potential NRP Capitalization	717,155	4,363,989	4,512,724	2,139,122	15,937,784	-
38 Brookfield repayment to Legacy	1,769,000	1,769,000	1,769,000	1,769,000	11,386,000	-
38 Total Projected Used	165,968,289	186,952,202	175,093,283	172,225,165	192,514,577	131,972,586
40 Projected Revenues Less Uses	1,758,394	1,192,079	3,241,699	5,345,428	(1,375,359)	(92,714)

* entitlement, program income and federal workforce grants

Personnel Costs & Overhead

	2005	2006	2007	2008	2009	2010
41 Personnel (Salary & Fringe)	10,707,226	11,498,092	11,728,054	11,962,615	12,201,867	12,445,905
42 Non-Personnel CPED Overhead	3,335,356	3,146,001	3,208,921	3,273,099	3,338,561	3,405,333
43 TOTAL BASE OPERATING COST*	14,042,582	14,644,093	14,936,975	15,235,714	15,540,429	15,851,237

* Total CPED personnel costs (salary & fringe) plus overhead operating costs of the department.

Workforce Plan

Workforce Profile

The Department of Community Planning & Economic Development was formally recognized as a City Department August 24, 2003. Accurate employee turnover data is first reflected in 2004. There has been turnover across various positions over the last year (due to retirement, resignations, and promotions) resulting in the average tenure for CPED employees to be twelve years of service.

Community Planning and Economic Development (CPED) has 142 authorized positions as of July 2005. Over 90 percent of these positions are filled. The department workforce profile breaks down as shown in the table below. The department offered a retirement incentive in 2004 and thirteen employees took advantage of the incentive.

The department is not anticipating any major spikes in employee turnover in the next five years; current employees are estimated to retire at a rate of about four per year.

Department Workforce Profile		
	<i>Year 2005 July</i>	<i>Year 2004 July</i>
Authorized positions	142	146
Employees	128	140
Average years of service	12	13.7
Average age	46	47
Employees by gender:		
Male	42%	50%
Female	58%	50%
Employees by Ethnicity:		
White	84%	86%
Black	9%	8%
Hispanic	2%	2%
Asian	3%	2%
American Indian	2%	2%
Employees retired during year (2005-thru 8/31/05)	7	14
Estimated average # of employees to retire annually during the next 5-years	4	6

Workforce Issues

Developing a Highly Qualified, Diverse Workforce

The department desires to increase diversity in the organization to reflect the diversity of the City of Minneapolis. CPED is developing enhanced partnerships with the University of MN, primarily the Humphrey Institute of Public Affairs, including tailored training and development programs, more formal internships, alumni mentor program and class projects that focus on Minneapolis projects. The department participates in the "Changing Face of Housing in Minnesota" Initiative, including sponsoring internships. The department will seek to acquire diverse talent in all hiring decisions (internal and external).

CPED leads the Citywide Step Up! program, an effort to reach into Minneapolis high schools and get youth on public service career tracks. Last year, the City hired thirty Step Up! interns and five were placed in CPED. The diversity challenge of CPED has been joined in searches this year for employees with college or advanced degrees. The number of minority applicants has trailed expectations and we recognize the need to reach out to candidates earlier. For this reason, we believe Step Up! and other internship programs will allow us to encourage candidates to direct themselves to the educational requirements needed from this and other Minneapolis employers.

Succession Planning

The department will continue succession planning to ensure a smooth transition which allows for an overlap of training by the incumbent prior to their retirement. According to retirement projections for the next five years, the Department will have at least 21 employees who are eligible to retire. The Department will focus on core competencies to ensure employees receive training or courses in preparation to promote into those positions.

Employee Survey Response

In response to the 2004 Citywide Employee Survey the department is working to establish and implement the following:

- develop new employee orientation manual to augment other information in helping to welcome new employees to the department and the City;
- develop a Mentoring Program, which will be done with the help of the same consultant used by Public Works to develop their mentoring program;
- continue CPED Section Tours, both within the department and across other City and jurisdictions; these are intended to address the survey response that there was little understanding or communication beyond one's immediate work unit;
- develop an Employee Recognition Program, which was a commonly stated desire of employees in last year's employee survey;
- continue brown bag educational topics to make internal and external experts available on an informal basis;
- implement new Training & Development Management guidelines that include:
 - conferences and seminars
 - tuition reimbursement
 - professional associations and membership.

In addition, the housing division has addressed concerns raised in the survey by contracting with a consultant and conducting two division-wide staff development sessions.

Labor Management Committee

In 2005 Community Planning and Economic Development created a joint Labor Management Committee with both AFSCME and MPEA. The Committee is a forum to discuss common issues and make recommendations for a better workplace.

Technology Plan

Key Initiatives

CPED will leverage current and future investments in technology to support the department's vision and to strategically align its processes and information to meet defined initiatives and goals.

The CPED technology plan supports core business processes, the provision of services to stakeholders, and the integration and delivery of City support functions. Solutions will be leveraged to eliminate duplicate processes and facilitate business process reengineering.

Existing Technology, Challenges and Opportunities

CPED continues to implement and expand the use of automated business tools to support the department's economic development goals. With the integration of multiple, diverse departments into the CPED department, a convergence of business support tools have occurred. These applications support multiple business processes and are in varying stages of implementation.

Existing Technology

- 1) Management Information Network System (MINS) is a custom built application that resulted from a major business process reengineering initiative conducted by the former MCDA in the late 1990's. The primary goal of the exercise was to define and automate the core development processes of project planning, land acquisition, preparation, disposition and the financing of Minneapolis properties and projects. MINS supports, consolidates and associates processes and information for:
 - **Financial management.**
 - Record and manage development program source use and fees to more accurately represent costs associated with all CPED development projects.
 - **Development loan origination, servicing, inspections and compliance.**
 - Centralizing all loan management processes for CPED into one area to free development coordination resources to concentrate on higher level development efforts.
 - **Project management.**
 - Automating project management will enforce standard processes and disciplines across the organization and result in timely and accurate project data.
 - **Real Estate management.**
 - Expanding the core real estate functions and tools to include like processes from other City departments will enforce standards and disciplines for real estate management across the City enterprise.
 - **Economic development workflow administration.**
 - Bridging Economic Development and Community Planning processes with common development tools will streamline processes and communication between the divisions.
- 2) CPED Online Reporting System is an independently managed custom online report facility that organizes and presents information, primarily from the MINS application and the City's primary financial system, FISCOL. The tool provides:

- Online delivery of Housing, Economic Development, Finance, Program / Project Management and Real Estate reports.
- Consists of approximately 200 Crystal Reports grouping development data in a variety of orders including but not limited to:
 - Ward
 - Neighborhood
 - Census Tract
 - Development Project and Financial Program
 - Project Coordinator
 - CPED Department

3) KIVA (Accela)

- The KIVA business application is a purchased “packaged” application that supports zoning land use, permitting and regulatory processes and information. The application supports and automates processes and information associated with CPED’s development services division and aligns the regulatory processes of Fire, Public Works, Inspections, Licensing and Regulatory Services.

Challenges and Opportunities

Numerous challenges exist for CPED and the future alignment and integration of business applications that support the organization. The two major business tools supporting the majority of the CPED mission are the MINS and KIVA applications. These two systems have common features that support a wide variety of processes. Two primary examples would be the workflow management features of each system and their ability to centralize and align a number of business processes and data into a common data base of information.

Along with defining the similarities, CPED will be challenged with the process of addressing the many differences between these business applications and aligning, interfacing or implementing new business solutions to support CPED’s intricate business model. These CPED IT challenges do not exist as stand-alone or separate issues. Instead, CPED will expect these initiatives to be managed and implemented in varying parallel time frames. Some business and application challenges facing CPED are:

- 1) Resumption of process reengineering and business systems integration of the former MCDA business units, initiated in the late 1990s and suspended during the CPED integration will result in the:
 - a. Alignment and automation of processes and information between Multifamily and Single-Family sections of the Housing Policy & Development Division;
 - b. Alignment and automation of processes and information between the business development and business finance departments of Economic Development and the support of the Development Finance business lines.
 - c. Standardization of systems and tools and replacement of ad-hoc redundant databases and spread sheets that currently exist across the organization.

- d. Continued work on CPED IT projects as defined by the approved 2004 Business Support Services IT priority list.
 - e. Continued focus on technical issues related to inadequate network capacity between Crown Roller Mill and City Hall remains a critical path to the realization of many of these goals.
- 2) Alignment and integration of new CPED functions and processes into common support tools such as MINS will be extended to include a number of newly formed internal relationships and processes between the former MCDA, METP, EZ and Planning's Community Planning and Development Services sections, such as:
- a. Aligning Development Finances' need to manage the financial program and loan management processes of Housing and Economic Development with those of EZ, METP and Planning with a common business tool and process flow.
 - b. Gaining organizational efficiencies by defining and exploiting common processes that span the CPED enterprise.
- 3) Integrating CPED business applications by extending CPED lines of business, data and processes with other City enterprise business applications and tools, such as:
- a. Regulatory Services's KIVA.
 - b. Assessor's Govern system.
 - c. GIS's ability to visualize development work based on a wide variety of CPED information.
 - d. FISCOL's link to CPED's information management tools and data.
 - e. Records Management and records retention disciplines will be enterprise driven and align with City goals and objectives.
 - f. Consolidation of Development Finances NRP housing loan portfolio into existing Development Finance loan management processes and business support systems. Resulting benefits of this consolidation of processes would enable a more efficient and effective alignment of all development loan portfolios between NRP and CPED.
 - g. Continued coordination of Public Works acquisition, disposition and land asset transaction processes with CPED land acquisition, management and disposition processes.

4) Training and Development:

Training opportunities exist to enhance and expand CPED staff knowledge and use of technology. These areas would fall into two categories:

Enterprise applications training would represent those systems and tools that are supported at the City enterprise level, such as GIS, HRIS, FISCOL and office productivity tools like Word, Excel and Outlook. CPED will look to Human Resources to provide direction and training on these enterprise applications.

CPED business systems training represents those applications that support specific CPED business goals and processes. Training for applications such as MINS and KIVA will empower CPED staff by training divisions and departments on their roles and responsibilities in the use of these tools.

5) Performance Measure Reporting and Research:

Providing and maintaining useful and accurate sources of data for research support, demographics and economic trends should be the primary goal of process automation. Data for these goals will originate from multiple sources. CPED IT will implement disciplines and controls to manage data sources by ensuring formal processes exist to maintain data continuity, source consistency and accuracy.

CPED will provide timely and accurate business data for performance metrics by supporting and aligning centralized business automation tools and data sources with CPED core business processes and aligning these tools with City enterprise goals.

Other Challenges

Technical and application enhancements will constantly require scrutiny and prioritization. As technology plays an increasing role in the daily support of business goals and processes, CPED will need to develop and manage programs to help streamline this process to insure maximum return on technology investment.

Existing Data Sources and Future Needs

CPED presently utilizes multiple business applications to manage economic development and regulatory processes. Many of these systems share or interface to multiple data sources and are in varying stages of accuracy, support and implementation.

CPED's MINS application Data Sources

The MINS business application was designed to interface, where possible, to City centralized data sources for data that is considered enterprise in nature. Examples of some these interface sources are:

City Data warehouse for:

- Parcel address origination and geographical identifiers.
- KIVA permits
- Hennepin County tax records
- Assessor land value information
- Utility Billing information
- MINS is written to retrieve Assessor Parcel data from data warehouse
- Current warehouse Assessor Parcel Address and assessed value data is obsolete and does not reflect current Assessor production systems. Current data warehouse sources have been obsolete for a number of years due to multiple system application upgrades and replacements in the Assessors department.
KIVA permit interfaces have been developed and tested to tie this information to the economic development processes data of MINS but there was no formal implementation effort to put this into production.
- All utility billing interface data is obsolete and no longer supported in the warehouse making this interface a candidate for removal.

As the layers of opportunities and challenges surrounding MINS implementation and support are revealed, future direction and extent of effort to resolve these interface issues will need to be considered.

CPED Online Reports

Presently, CPED drives all of its business reporting from this sub system. This reporting system is driven by a web based menu system. This system is one of the last applications on the former MCDA domain. CPED will be challenged to reengineer this report facility and integrate the product into the City enterprise standards. Serious consideration must be taken when and if this application is reengineered. Issues of data privacy and business continuity are a couple of the primary challenges.

KIVA (Accela)

The KIVA application is the primary business support application for CPED's regulatory focused Development Services business line. Staff input data into KIVA to update and record the City's zoning codes and overlay districts, land subdivision actions and changes, and building permits issued. Data found in KIVA helps City staff research property history and develop regulatory workflow relationships with other departments, including staff from Public Works, Licensing, Fire and Regulatory Services. In the future, CPED will compare and contrast the relationships and interfaces between the business lines and processes supported by the MINS business application with the business lines and processes managed by CPED.

Govern

Though it is the primary business system for the Assessor department and MINS was originally designed to reference the Assessor Parcel Address for its parcel address needs, there is no certainty that the Govern application will or should be considered the address source for MINS going forward.

GIS

CPED has invested a great deal into GIS. Community Planners use GIS to conduct planning studies and analysis. Economic Development staff has extreme interest in broadening their use of GIS. CPED will need to expand the use of this tool and work to ensure consistent and accurate data sources are maintained.

DATA Integration

CPED will continue to develop and implement the disciplines required to manage internal and external data sources. CPED relies on data from multiple sources and development processes to, among other things, identify trends within the City. Aligning and bridging information from the regulatory (KIVA), economic development (MINS) and assessor (Govern) sources will remain a priority and over-arching goal.

Equipment and Space Plan

CPED staff are currently housed in four locations:

- the department's administrative staff and Housing and Economic divisions are located at the Crown Roller Mill;
- the Planning Administration and Community Planning sections of Planning are located at City Hall along with staff for Heritage Preservation, arts and culture, and research;
- most of the Development Services section of Planning is located in the Public Services Center (Minneapolis One Stop), adjacent to the Regulatory Services staff with whom they work closely;
- the Construction Management staff (a part of the Real Estate and Construction Management section within the Housing Division) is located at the Grain Belt facility, co-located with a small contingent of property management staff of Public Works.

CPED is supportive of the desire to consolidate its locations within the downtown campus of the City as described in last year's Downtown Campus Strategic Space Plan (with the exception of the Development Services portion of Planning, which should continue to be co-located with other components of Minneapolis One Stop in the Public Service Center). As the study noted, the current lease at the Crown Roller Mill runs through 2016, which poses a challenge to any major relocation in the short term. However, CPED will continue to explore – with Public Works' assistance – improvements and configurations of its existing staff and locations that maximize inter- and intra-departmental coordination. Short term projects that may be a part of this include ergonomic improvements (as budget allows), possible co-location of geographic-based teams either at City Hall or Crown Roller, and more efficient use of the Crown Roller space.

It is CPED's understanding that the Planning suite of offices in City Hall, including Room 220, is scheduled for renovation starting in the fourth quarter of 2007 or spring of 2008. This will require the relocation of staff from Planning Admin, Community Planning, and two research staff. Discussions are underway with Public Works regarding the short and long term relocation destinations of these functions.

As noted above, one of the four CPED locations is in the Phase II site of the Grain Belt housing project in NE Minneapolis. This site houses the construction management function of CPED (4 FTEs) and a portion of the property management function of Public Works (7 FTEs), a function that was recently transferred from CPED. The City Council has approved plans for redevelopment of this site into a new housing development, which will require relocation of these two functions by mid-2007. It is anticipated that the construction management staff will relocate with the Real Estate staff at Crown Roller Mill and that the property management staff will relocate to other City owned facilities.

Limited English Proficiency Plan

In October 2004, the Minneapolis City Council approved a plan to ensure equal access to City services for those who speak limited English, and directed departments to develop individual Limited English Proficiency (LEP) plans. CPED has developed a department plan that identifies the strategies and tactics it will use to serve LEP residents and users of City services. Key strategies and tactics are highlighted below.

- Notices of LEP services will be displayed in all of CPED's public access locations. Services include signage, language blocks, I Speak cards, appropriate person-to-person communication, and phone answering machine messages.
- Requests for interpretation or translation will be forwarded to the Minneapolis Multicultural Services office or answered through use of the contracted telephone interpreting service.
- CPED staff interaction with LEP persons is highest in the area of development plan review. In other areas of CPED, the frequency of use and need for interpreters is generally low.
- Identification and data collection of LEP requests and activity will be recorded as they occur so that future LEP contact and service can be improved.
- CPED will translate appropriate flyers, brochures, notices, disclosures, citizen feedback forms, and handbooks as needed, and will explore translating portions or summaries of The Minneapolis Plan and the Business Toolbox.
- CPED will work with Human Resources to develop recruitment strategies to address diversity and LEP needs.
- CPED staff will participate in training to address the City's LEP mandates beginning in early 2006.

Appendix One: Limited English Proficiency

<p>Limited English Proficiency</p> <ul style="list-style-type: none"> o In October of 2004, the Minneapolis City Council approved a plan to ensure equal access for those who speak limited English and requested departments build on this enterprise wide plan and develop their individual departmental plans in phases. o In 2005, the following departments completed plans: City Attorney, City Clerk, Fire, Health and Family Support, Human Resources, Police Public Works and selected divisions of Regulatory Services. While timelines for plan development varied-most departments reported completion within 40-60 hours.

<p>Budgetary note: In 2005, Minneapolis Multicultural Services (Department of Civil Rights) has some dollars available to assist with translation projects. In 2006, all departments are expected to budget for: telephonic interpreting (\$1.12 or \$2.85/hour); face to face interpreting for public meetings and investigations (\$50.00/hour) and translation (\$.27-\$0.40 per word or approximately \$110.00 per page, depending on language, jargon and layout)</p>

Strategies, Objectives and Tactics>>>> Enterprise level-CPED
Mission: Ensure equal access to City services for people with limited English proficiency

Strategies	Objectives	Tactics	Department Specific Tactics
Integrate practices of language access into operations of every City department	Build awareness about legal mandates of language access services in each department	<ul style="list-style-type: none"> ▪ Designate LEP liaisons in department ▪ Define liaison responsibilities ▪ Establish and support on-going departmental LEP workgroup(s) (Workgroups usually meet once per month for 2 hours) 	<ul style="list-style-type: none"> ▪ CPED participates on the citywide LEP team and has a liaison ▪ Each business line in CPED has completed an environmental scan
Define protocols and service activities for language access compliance in each department	Provide notice to limited English speakers of their right to free service	<ul style="list-style-type: none"> ▪ Utilize multiple communication channels(signage, language blocks, website, bulletins, etc.) to disseminate information about how to obtain and use language services 	<ul style="list-style-type: none"> ▪ CPED is working with Multicultural services to place signs at public access points ▪ CPED utilizes language blocks when appropriate
	Identify the LEP persons living in Minneapolis and the City services they use	<ul style="list-style-type: none"> ▪ Assess level (low/medium/high) of frequency and intensity of LEP interaction in department to determine service gaps ▪ Develop mechanisms to track services provided to LEP individuals 	<ul style="list-style-type: none"> ▪ Most CPED activities involve low to medium interaction with LEP persons ▪ CPED business lines are working to track information where possible. NOTE: In some instances, in some business lines,(lending etc.) tracking this information is illegal
	Offer free, timely spoken language interpretation services for LEP individuals	<ul style="list-style-type: none"> ▪ Establish decision tree for determining whether to use internal or external interpreters 	<ul style="list-style-type: none"> ▪ Some divisions have multilingual employees; most do not.

Strategies	Objectives	Tactics	Department Specific Tactics
		<ul style="list-style-type: none"> ▪ Set up telephonic interpreting account ▪ Use work tools and guides for working with interpreters 	<ul style="list-style-type: none"> ▪ In 2006, CPED will establish telephonic interpreter accounts with Certified Languages International ▪ CPED makes use of Multicultural Services staff or vendors for most interpretation needs
	Provide free written language translations of vital documents	<ul style="list-style-type: none"> ▪ Select which documents are vital and will be translated ▪ Use checklists for preparing documents for translation 	<ul style="list-style-type: none"> ▪ CPED divisions completed their scans and determined which documents need translation. These documents have been forwarded to Multicultural Services(See plan for specific document titles)
	Hiring to meet multilingual needs	<ul style="list-style-type: none"> ▪ Work with HR to have multilingual capability a consideration or qualification in job announcements 	<ul style="list-style-type: none"> ▪ CPED will work with HR to include multilingual skills as a consideration for hiring
	Train to ensure that City staff is familiar with legal mandates and best practices for serving LEP individuals	<ul style="list-style-type: none"> ▪ Identify and utilize training opportunities to promote an increased understanding and awareness of improved communications through language access (e.g. new employee orientation, videos, departmental presentations and discussions) available to City staff ▪ Work with MMS to customize training based on department needs/business lines when appropriate ▪ Encourage use of resources and tools posted on CityTalk to facilitate consistent LEP service 	<ul style="list-style-type: none"> ▪ In late fall of 2006, CPED staff will be trained in: <ul style="list-style-type: none"> ○ the basics of LEP mandates ○ working with interpreters ○ preparing documents for translation

Appendix Two: Loss Prevention Tactics

Strategy	Objective	Tactics	Status
I. Integrate the philosophy and practices of loss prevention into daily operations	A. Develop structure and define accountability for loss prevention.	<ul style="list-style-type: none"> ○ Assign Department Loss Prevention Coordinator ○ Establish safety committee ○ Attach loss prevention template to business plan 	
	B. Create a loss prevention culture through expectation, communication, and training.	<ul style="list-style-type: none"> ○ Define loss prevention responsibilities ○ Identify/implement relevant training 	
	C. Maintain written safety system that defines various programs, policies, procedures	<ul style="list-style-type: none"> ○ Develop written safety & health program 	
II. Workplace Survey/Hazard Analysis Systematically identify potential loss exposures and means to control same.	A. Develop written process for reporting workplace injuries/illnesses	<ul style="list-style-type: none"> ○ Complete Supervisor’s Report of Injury (SRI) forms in a timely manner and forward to supervisor for action 	
	B. Develop written process for reporting and tracking workplace hazards	<ul style="list-style-type: none"> ○ Report all hazards to Department Loss Prevention Coordinator 	
	C. Perform Workplace Survey/Hazard Analysis	<ul style="list-style-type: none"> ○ Survey workplace for unsafe conditions/work practices 	
	D. Appraise workplace hazards that could lead to occupational disease.	<ul style="list-style-type: none"> ○ List physical, biological, and chemical hazards and evaluate employees’ exposure(s) 	
III. Accident and Data Analysis Identify loss exposures based upon claims history	A. Review loss data to identify trends and potential loss exposures	<ul style="list-style-type: none"> ○ Review and discuss department’s OSHA 300 log and Risk Management’s quarterly loss reports 	
	B. Complete accident investigations for all claims	<ul style="list-style-type: none"> ○ Supervisors conduct accident investigations following all incidents leading to loss. 	
IV. Hazard Prevention and Control Implement prevention measures to control hazards.	A. Based upon hazard, develop effective safety programs and review same annually.	<ul style="list-style-type: none"> ○ Develop and implement effective safety programs 	
	B. Create a written system for tracking and abating hazards	<ul style="list-style-type: none"> ○ Department Loss Prevention Coordinator tracks hazard abatement 	
	C. Administer system of accountability to ensure employees are performing jobs, tasks as instructed.	<ul style="list-style-type: none"> ○ Review policies, procedures with employees ○ Observe employees’ work practices 	
V. Emergency Preparedness Prepare for perils and preserve City assets	A. Protect City assets prior to, and preserve City assets following an emergency. Assets include personnel, property and continuity of service.	<ul style="list-style-type: none"> ○ List perils & identify processes to protect assets ○ Conduct periodic drills 	

Appendix Three: Enterprise Information Management (EIM)

The EIM initiative will create and maintain a standardized governance framework of policies, procedures and application tools for the life cycle management of electronic information resources across the enterprise.

Budgetary note:

- In 2006, all departments are expected to provide resources (primarily staff time) for the training and user groups defined below.
- Based on the preliminary EIM Needs Assessment, Police and Public Works will have the greatest priority for 2006 for EIM development, specifically the development of department retention schedules (see 2.1.1 below.) Required resources will include department staff time and budgeting for the Clerk's records management consultant. Please contact Craig Steiner (673-3282), Clerk's Department, for assistance in developing an estimate of required resources.

Strategies	Objectives	Objective Definition	Measures: Outcome and Driver	Tactics
1. Ensure enterprise compliance and accountability	1.1 Integrate EIM requirements into all department activities, services and systems			1.1.1 Complete EIM Needs Assessment to identify priority areas for development and improvement
				1.1.2 Integrate EIM into 5 year business plan
				1.1.3 Include EIM requirements as part of system development projects
	1.2 Develop EIM knowledge, skills and abilities within department			1.2.1 Develop department EIM competencies and specific EIM roles and responsibilities
			1.2.2 Assign membership to the EIM user group	
2. Ensure legal accountability and admissibility	2.1 Ensure that all department records are identified and scheduled in a current City retention schedule			2.1.1 Develop department operational retention schedules based on the priority order from the EIM Needs Assessment (see 1.1.1)

Strategies	Objectives	Objective Definition	Measures: Outcome and Driver	Tactics
	2.2 Develop a department data practices program to ensure compliance with the Minnesota Government Data Practices Act (MGDPA)			2.2.1 Identify data practices representatives to be department expert in understanding requirements of MGDPA
	2.3 Create an department classification/taxonomy and metadata standard to manage electronic data			2.3.1 Develop department detailed taxonomies based on the priority order from the EIM Needs Assessment (see 1.1.1)