



## Growing Jobs

October 29, 2013

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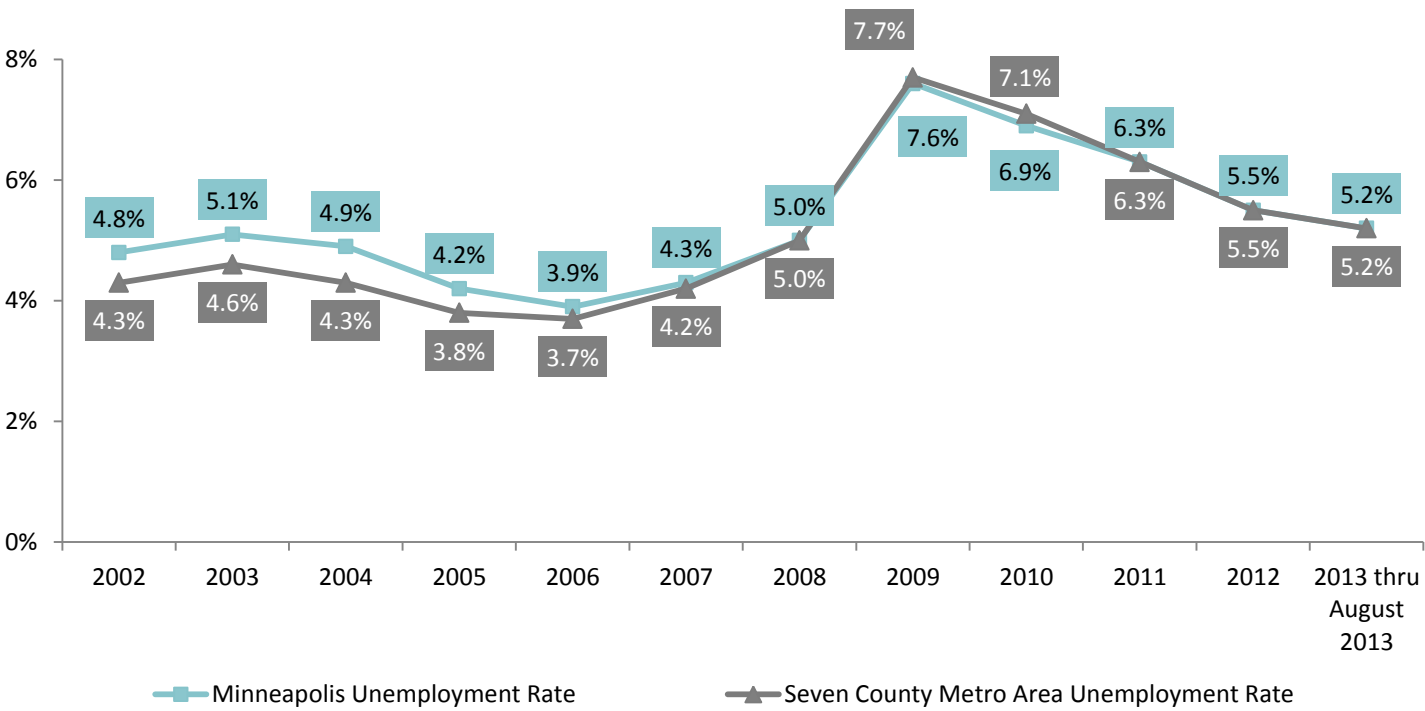
Measures in regular text are “influence” level. These are measures that the department’s work influences but does not control.

*Measures in italics are “control” level. They represent the programmatic or operational activities of the department.*



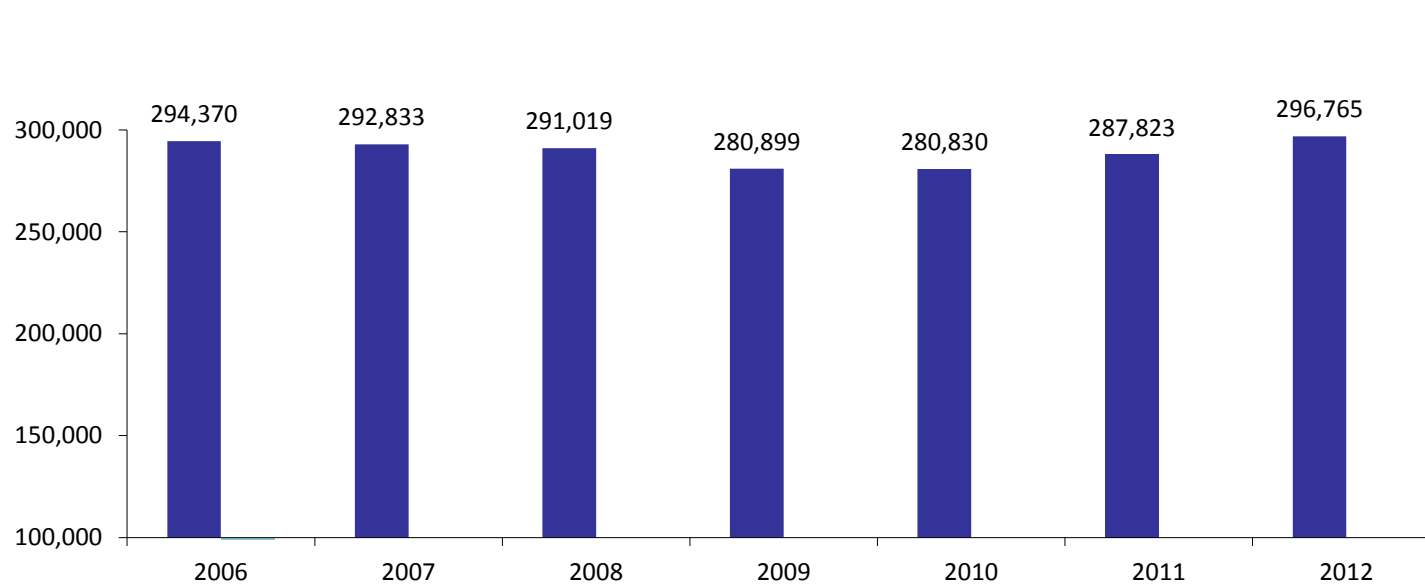
Minneapolis Sustainability Indicator

Minneapolis and Metro Unemployment Rate



Source: DEED-LAUS

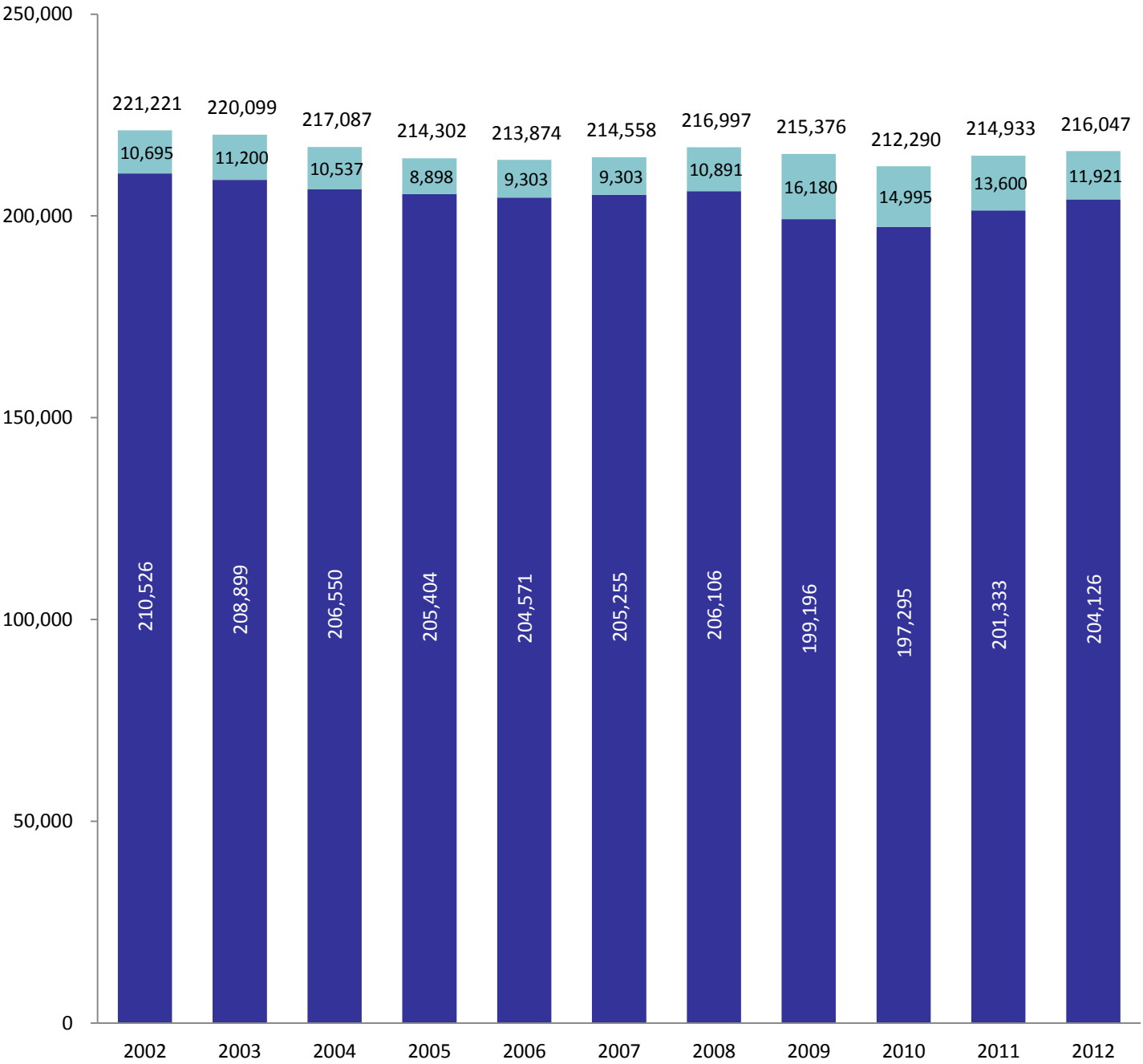
Number of Permanent Jobs in Minneapolis



Note: The QCEW employment count is a total derived from quarterly contribution reports filed by almost every employer in the US for purposes of unemployment compensation. Major exclusions from Unemployment Insurance coverage include self-employed workers, most agricultural workers on small farms, all members of the Armed Forces, elected officials in most states, most employees of railroads, some domestic workers, most student workers at schools, and employees of certain small nonprofit organizations.

Source: DEED

### Minneapolis Labor Force, by Employed and Unemployed



Source: DEED-LAUS

■ Employed ■ Unemployed

### **“The best social service program is a job.”**

The mission of economic development has been to stimulate private investment with the potential to create jobs that generate income for area residents. Households with living-wage jobs are able to afford consumer goods, services, and housing. Employed residents become **self-sufficient**, reducing dependence and government spending on safety-net services linked to poverty, and expanding demand for local goods, services, and housing, which in turn grow the tax base, benefitting the entire community.

As we work to support job creation and ensure that Minneapolis residents are job-ready, Economic Development is simultaneously pursuing other City objectives. In particular, we are applying the lenses of employment equity and sustainability to achieve a “Triple Bottom Line” (TBL) of jobs, opportunity equity, and sustainability. This approach better leverages scarce City resources, striving to make every City investment of time and resources work harder and meet multiple goals. Equally important, without addressing the imperatives of opportunity equity and environmental resilience, we can’t reach our goal of a vital community of self-sufficient residents. Here’s why:

During the Great Recession, millions of jobs were lost, especially middle wage jobs, resulting in economic inequality across the US increasing to the highest level since the Great Depression. Nowhere has that been more true than in the Minneapolis-Saint Paul region, where racial disparities in income and employment are among the worst in the nation. Without targeted intervention, the income inequality gap is likely to worsen, as mid-level jobs lost during the recession are replaced by low-wage jobs in retail and food service.

Simultaneously, climate change is accelerating. The resulting ecological changes have far-reaching social and economic consequences, including exposure to disasters, health impairment, threats to water and food supply, and rising costs to residents and businesses, making improved environmental stewardship an imperative. By proactively weaving environmental considerations into our economic investment decisions, we can reduce these costs and risks. Moreover, by being leaders in protecting and managing resources, we can foster new, well-paid jobs and businesses in the clean tech field. We can do this in a way that provides new opportunities for low income and unemployed residents, generating demand for new goods and services and reducing dependence on safety-net services.

Integrating equity (jobs) and environmental stewardship (sustainability) into the fabric of economic development help the city achieve the TBL. By incorporating a TBL approach into not just our economic development work, but all of the City’s investment decisions, we can leverage our resources and the positive impact of our investment decisions far beyond their traditional reach. CPED is committed to adopting the lenses of equity and sustainability in all of our job, human capital, and real estate development work. While we have begun incorporating the TBL into programs such as Green Homes North and Grow North, we will be working over the coming year to improve our “toolbox” and assessment capabilities to enhance the TBL. **If the best social service program is a job, then the best job strategy is one that supports the jobs of the future that are resilient to economic downturns and climate change.**

Over time, and now in the context of the TBL, the City has articulated economic development goals and strategies, and developed a set of tools, referred to as “the toolbox”, **to support businesses that create jobs and those Minneapolis residents seeking jobs.**

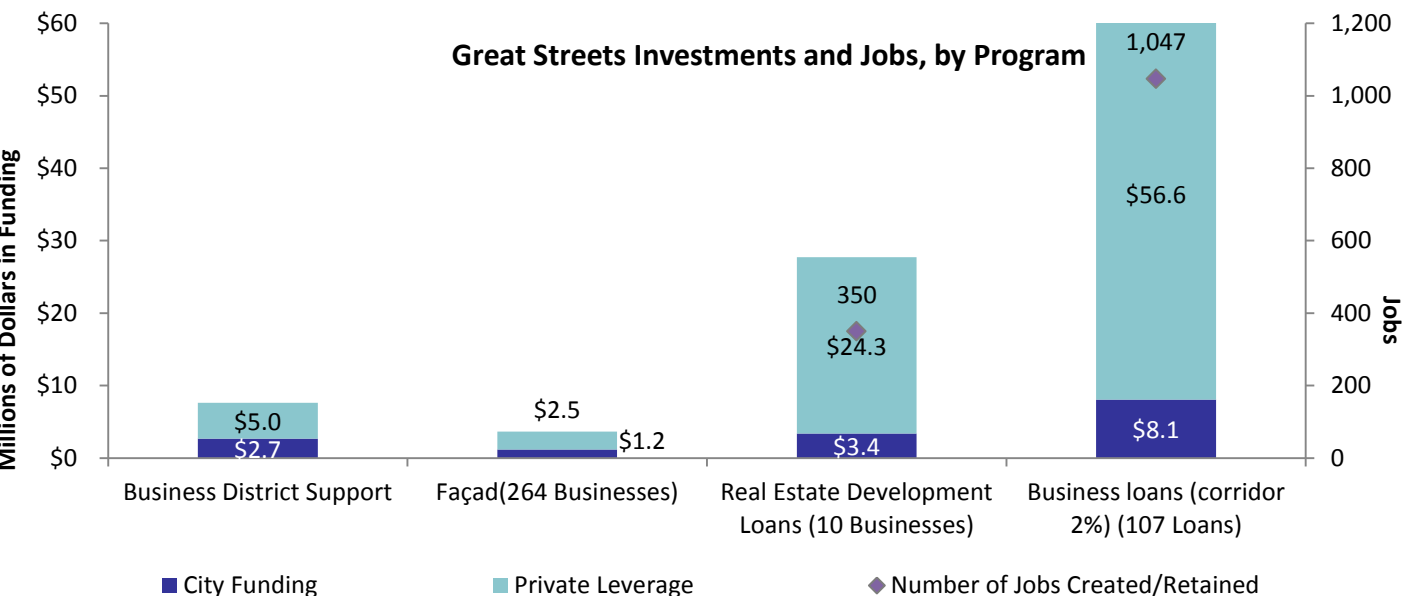
Additional narrative on next page...

The City's five economic development goals and their measurable outcomes are:

- Support Minneapolis businesses with the potential to grow jobs (outcome: increased number of jobs added or retained)
- Make it easy to do business in the city (outcome: streamlined, clear regulatory and permitting processes and reduced licensing times)
- Increase the competitiveness of residents for available jobs (outcome: increased METP training and placement numbers)
- Improve the vitality of our neighborhood commercial districts, which are home to nearly 50 percent of Minneapolis jobs (outcomes: business attraction, job growth, increased property tax values)
- Grow the property tax base, which supports vital city services to support further business and job growth (outcome: demonstrable property tax capacity growth).

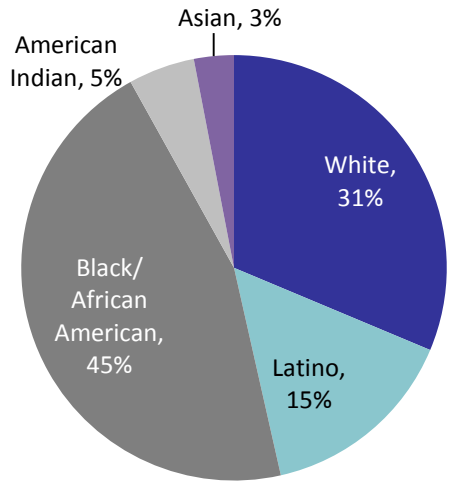
Support Minneapolis Businesses with the  
Potential to Grow Jobs

**Support Minneapolis Businesses with the Potential to Grow Jobs**



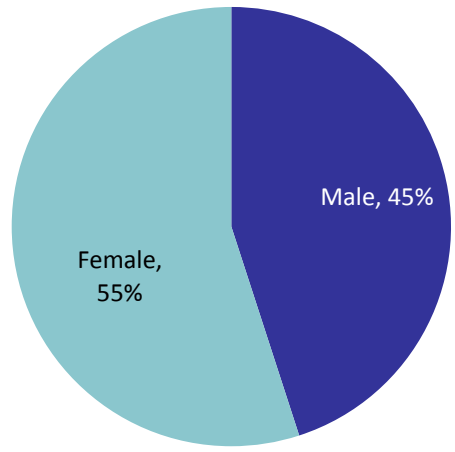
Note:  
 1. Spans dates January 1, 2008 - September 30, 2013  
 2. Narrative on the Great Streets program located on page 11  
 Source: CPED

**Businesses Receiving Consulting Services, by Race**



Note:  
 1. Data is from 2013  
 2. Narrative on addressing disparities located on page 12  
 Source: CPED

**Businesses Receiving Consulting Services, by Gender**



Note:  
 1. Data is from 2013  
 2. Narrative on addressing disparities located on page 12  
 Source: CPED

Narrative on next page...



### Why are these measure important?

Businesses are the core job creators in any community and meaningful job growth is achieved through a combination of business attraction, retention, and expansion. Attracting new businesses – both startups and those expanding from other parts of the region, US, or world – is a key element of supporting job growth in Minneapolis. Likewise, actively supporting existing businesses is demonstrated to be one of the most effective ways to retain jobs and support job creation in a community. Between 65 and 80 percent of new jobs are created by existing businesses.

### What will it take to make progress?

The CPED economic development team actively works with businesses to start, stay, and grow in Minneapolis. We use a tool box consisting of:

- business and commercial real estate loans;
- sale of City-owned commercial properties;
- site selection assistance;
- business retention visits encouraging businesses to stay and grow in Minneapolis;
- guidance on navigating City systems – especially procurement opportunities and regulatory requirements;
- alerting businesses to opportunities for contracts and sales, for example, export opportunities to foreign countries;
- business networking opportunities and business-to-business targeted introductions;
- entrepreneurial business consulting through relationships with providers including SCORE and the Small Business Administration and through City contracts with non-profit partners including the Northside Economic Opportunity Network and the Metropolitan Consortium of Community Developers;
- facilitating redevelopment grants from other governmental entities, and;
- providing employee training and recruitment assistance.

### Outcomes

In 2012, these tools supported permanent (non-construction) jobs:

- 2,234 jobs were created and retained through business recruitment and expansion
- 1,403 jobs were created or retained by redevelopment projects receiving CPED-assisted redevelopment grants

Additionally:

- 2,864 new Minneapolis businesses were sent a welcome postcard from the City
- 9 businesses were recruited to or retained in Minneapolis without financial assistance
- Over 500 entrepreneurs and small business received consulting services through City contracts with non-profit community development organizations and partnerships with the Small Business Administration and Hennepin County

Additional narrative on next page...

### Construction Jobs\*

Real estate development assistance is an important tool for recruiting new and expanding businesses that add to the Minneapolis job supply. City-assisted real estate development also supports construction jobs. CPED ensures that a portion of these construction jobs go to local residents, including women and minorities.

- 706 construction jobs\* were supported through City-assisted commercial real estate development (loans and land sales)
- 6,167 construction jobs\* are projected as a result of 2012 awards of brownfields grants to 25 development projects
- 2,864 construction jobs were supported through City-assisted housing development

\*Construction jobs are estimated based on a multiplier developed by the Department of Housing and Urban Development. Construction jobs as reported are not full-time equivalents. Rather, they represent every construction worker engaged on a project whether for a single day of work or the duration of the project. Only a portion of the construction workers are city residents.

These tools also support tax base growth. Business growth, particularly when it drives property improvements and facilities expansion, is key to offsetting the recent declines in the residential market and maintaining Minneapolis' high quality of life. Commercial and industrial properties pay property tax rates twice that of residences.

Additional narrative on next page...

## Great Streets Program

### **What is the Great Streets program and what does it mean for jobs?**

The Great Streets program was created by the City Council in 2007 to support businesses and investment in our neighborhood commercial districts. Our business districts are the front door of our neighborhoods and the key to their individual identity. Neighborhood commercial districts offer the amenities and convenience goods that make for a vibrant urban fabric – residents surveyed value nearby groceries, hardware and restaurants.

Placemaking is an important aspect of the program, but there are significant jobs located in our commercial districts as well, and neighborhood businesses contribute to property and sales taxes. In 2010, half of all Minneapolis jobs - 139,550 of 280,561 - were located in neighborhood business districts.

Neighborhood retailers face many challenges:

- Macroeconomic forces give an edge to big box stores and malls in the suburbs – economies of scale for purchasing and distribution, carefully managed retail mix;
- Crime and safety (real and perceived);
- Parking (again, real and perceived); and
- Small operations – small staffs, often one or two people, without diversified expertise in buying, marketing, lease negotiations, etc.

The Great Streets program was developed to put a thumb on the scale in Minneapolis to counterbalance these forces acting against neighborhood retailers and to spur private investment.

The Great Streets program is designed to support a variety of strategies and to encourage creativity and highly-localized implementation by business associations and other community organizations. In studying commercial revitalization strategies while developing the program, we learned that even in a single commercial district, success often took different forms, resulting from different strategies. There is no magic bullet, but we found the following approaches to be effective, in isolation or in concert:

- Business district support
  - Business recruitment
  - District marketing and branding
  - Workshops on social media
  - Other district-wide supports
- Façade improvement matching grants
  - Examples: City Food Studio (3722 Chicago Ave), Juxtaposition Arts (1108 West Broadway), The Soap Factory (110 5th Ave SE)
- Real estate development
  - Examples: Five Points, Chicago Avenue Fire Arts Center, African Development Center
- Business loans
  - Specifically the corridor 2 percent loan program cross marketed under the Great Streets umbrella with other neighborhood commercial district tools including the façade grants and real estate development loans (often all three are used together)
  - The corridor 2 percent loan program is also promoted as a tool for Great Streets-supported business recruitment efforts

In 2012, the Great Streets program was awarded an Excellence in Economic Development Award by the International Economic Development Council.

Additional narrative on next page...

## Address Disparities

### **Why is this measure important?**

Inequities in employment and economic opportunity for people of color are at crisis levels in Minneapolis, with the largest employment gap in the nation. Meaningfully addressing these disparities is both a moral and economic imperative.

### **What strategy (or strategies) are you using to achieve this goal?**

As CPED pilots the Equity Toolkit under development by the Civil Rights Department and Coordinator's Office, racial equity is a lens we apply to all of our departmental activities. In our work with businesses, racial equity and support for minority-owned businesses will infuse our programs and our business outreach. To support minority and immigrant small businesses, we developed the Technical Assistance Program in 2012 to complement our 2 percent loans and Sharia-compliant alternative financing. We also work to connect these businesses to contract opportunities, networking, publicity, and advanced business training.

CPED and Civil Rights also work together to ensure that minority workers and minority-owned businesses have a role in large, City-supported real estate development projects.

In summer, 2013, CPED introduced and the City Council approved the new Grow North toolbox, designed to attract medium-size employers to North Minneapolis. Incentives are available for employers bringing at least 75 jobs, hiring a substantial portion of employees from North Minneapolis, and building or retrofitting to green standards.

### **Outcomes**

One program already underway with outcomes to report is the new Business Technical Assistance Program. In early 2012, CPED gained Council approval for a new technical assistance program for entrepreneurs. The Program began after receiving feedback from small businesses that the lack of advice on business planning, financial and regulatory matters was a significant barrier to success in the City. Responses to the City's Request for Proposal resulted in contracts with six providers, offering a range of geographic coverage, ethnic and cultural focus and business services.

### **Business Consulting Service Recipients**

Clients Served: 427

Business Start-ups: 171

### **Jobs**

Jobs Created: 143

Jobs Retained: 548

## Reduce the Time and Effort It Takes to Obtain a Business License



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Thriving businesses are critical to the health and vitality of Minneapolis. Through business process improvements, Business Licensing has been able to help business open their doors to as soon as possible through expedient license approval system so business owners can begin to contribute to the economic growth of the community and provide goods, services, and employment in every neighborhood. The majority of license holders are small business owners with limited resources. Reducing the number of weeks required for an approved business license, without compromising the thoroughness of review requirements, allows business owners to safely and legally open their business sooner and begin contributing to the livability of neighborhoods and the overall economic growth of the community.

### 2011 Stats:

- Liquor: 38 days
- Restaurant: 6 days
- Taxicab: 1 day
- Trade: 1 day

**Influence Indicator for Goal:** Number of days to process a license

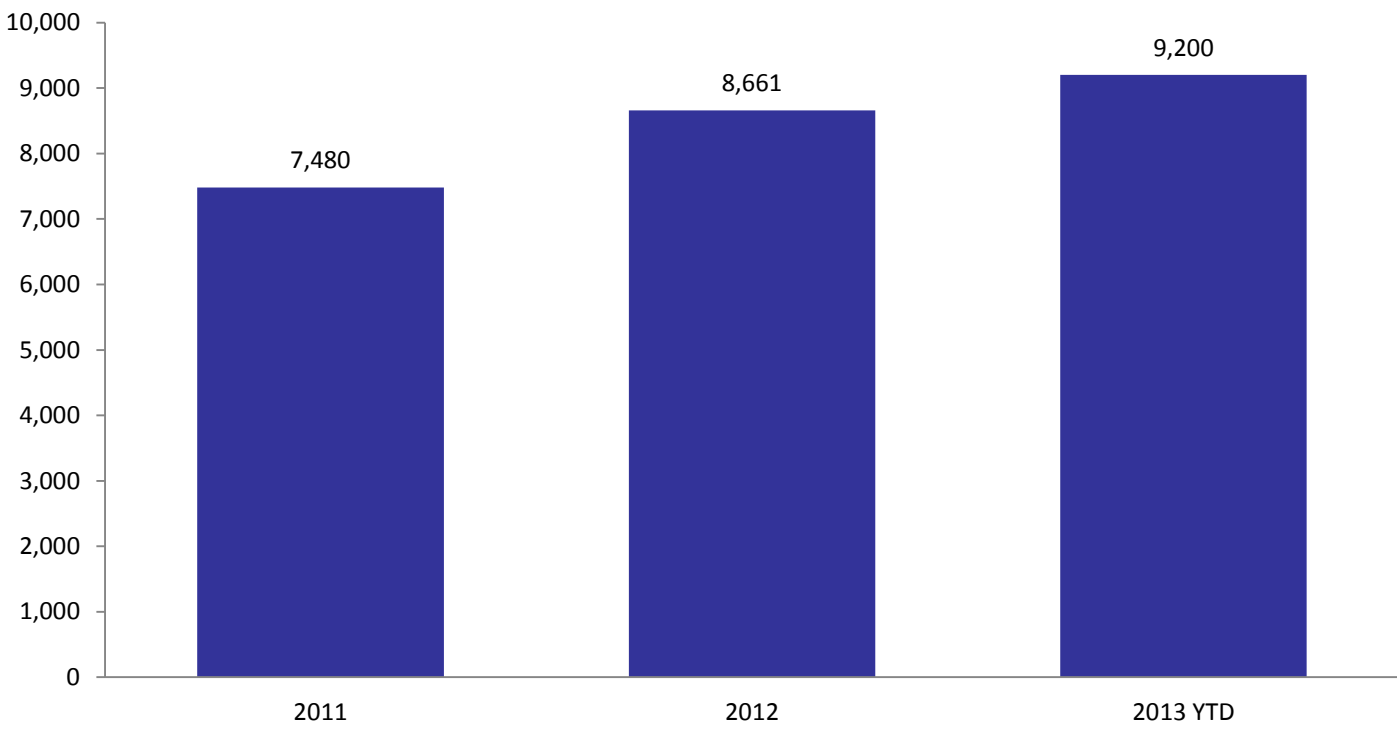
### Efforts to Move Influence Indicator:

- Increase the number of license categories that we can administratively issued
- Accept more applications by mail
- Reduce the amount of paperwork



**Increased Accessibility to Services**

**Business Licensing Web Hits per Month**



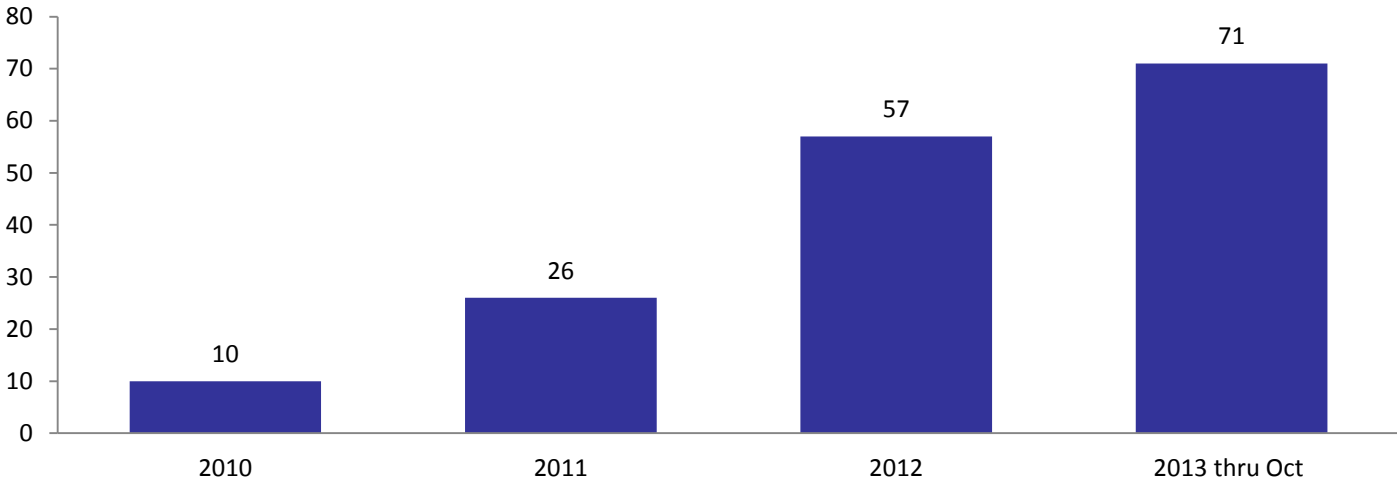
**Influence Indicator for Goal:** Number of web hits

**Efforts to Move Influence Indicator:**

- Add more videos to web site
- Translate more material on web site

**Create new Business and Job Opportunities**

**Total Food Truck Licenses**



Since 2010 we have passed six ordinances that have created new business and job opportunities. (peddle pub, pedi cabs, food trucks, tap rooms, cider houses, second-hand good, flea markets)

**Influence Indicator for Goal:** Number of ordinances passed creating business opportunities  
Number of New Business

**Efforts to Move Influence Indicator:**

- Increase the number of ordinances passed to create new business opportunities

## Develop Services for Good Businesses

Measure in  
Development

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In 2013 over 92 percent of licensees passed their tobacco compliance check. We developed a new service to celebrate their success that will share that information with the public.

Licensees stated that they had a more positive view of business licensing customer service after receiving the certificate.

**Influence Indicator for Goal:** Customer Satisfaction Rating

**Efforts to Move Influence Indicator:**

Continue to develop services for businesses that comply with codes

- Develop a new business welcome inspection
- Reduce number annual inspections for businesses without violations



A Strong Built Environment Makes  
Minneapolis a Good Place to Do Business

# Number of Land Use Applications



## Land Use and Preservation Applications Presented

	City Planning Commission	Board of Adjustment	Heritage Preservation Commission*	Total
<b>2013 (thru Q2)</b>	206	51	*	251
<b>2012</b>	368	123	52	543
<b>2011</b>	335	96	43	474
<b>2010</b>	339	115	47	473
<b>2009</b>	343	128	60	531

\* Heritage Preservation Commission numbers are based on fiscal years as reported to the State Historic Preservation Office

### Why is this measure important?

The number of zoning, land use, and preservation applications is one indicator that our city is growing. Understanding the number and types of applications being presented as well as the outcomes of these applications can provide valuable information. The data may identify trends, outdated zoning codes, and/or gaps/needs for appropriate land use. The above chart identifies the number of application presented to each Board or Commission for approvals or denials.

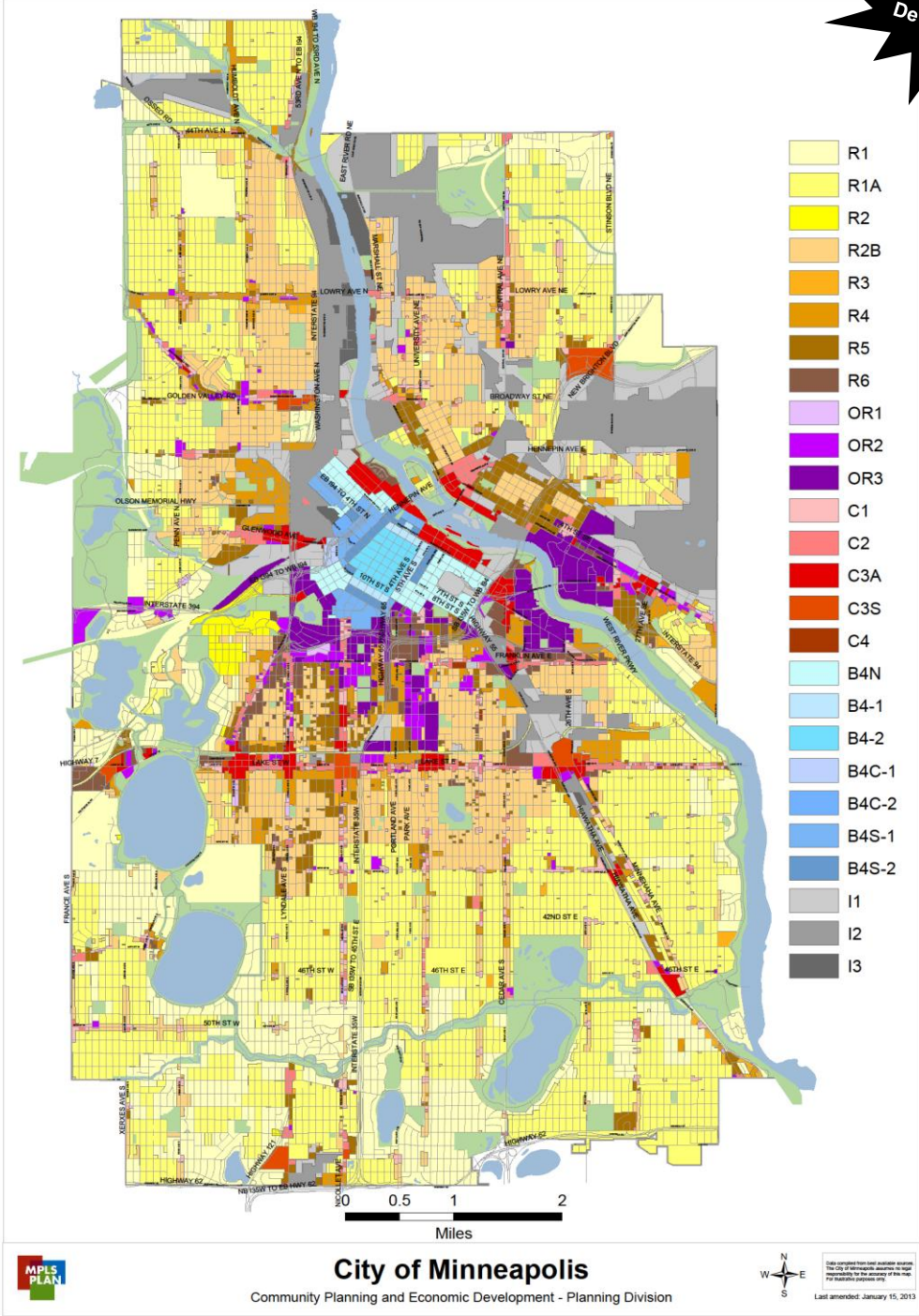
Over 251 land use applications have been presented to a Board or Commission by the end of the second quarter of 2013. It is projected that this number will double by year end, exceeding the 2012 applications. The complexities of the proposed applications continue to increase as the next wave of construction begins within the city. These projects include the development of the new sports stadium and other developments in the East Downtown Area. The increased the number of applications that need to go through a board/commission can add time and inconsistency for applicants. The information gleaned from this data will help ensure a healthy and stable built environment.

As stated above, the information gleaned form this data can help identify trends, zoning text amendments, gaps in land use, etc. The following map is of the current base line land use zoning. This information is used to ensure appropriate uses of land within the City .

### Future measurements:

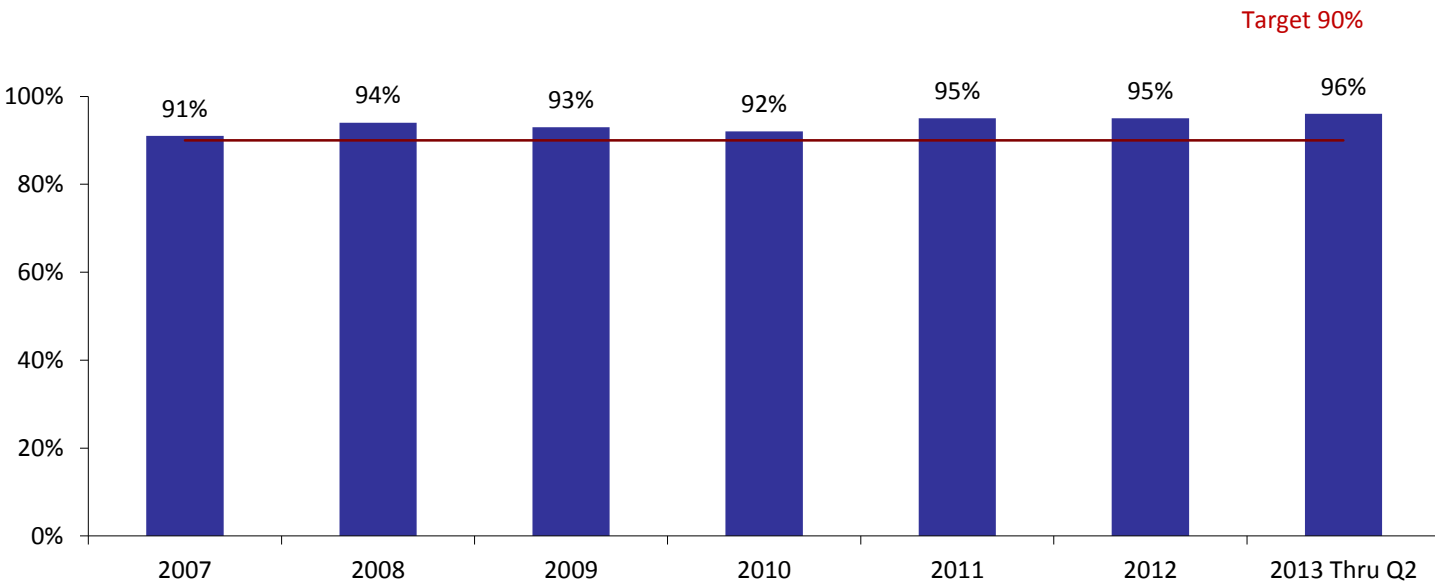
- Number of applications approved administratively
- Days to review applications
- Proposed zoning amendment changes

# 2013 Primary Zoning Districts



- R = Residential Zoning Districts
- OR = Office/Residential Zoning Districts
- C = Commercial Zoning Districts
- B = Downtown Business Zoning Districts
- I = Industrial Zoning Districts

**Customer Satisfaction with Minneapolis Service Center  
(Percent Responding "Good" or "Excellent")**



Note: Minneapolis Service Center was formerly known as Minneapolis Development Review.

Source: *Minneapolis Development Review Comment Cards*

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**Why is this measure important?**

Minneapolis Development Review has achieved a 96 percent customer satisfaction rating through Q2, 2013.

The comment cards are given for three purposes:

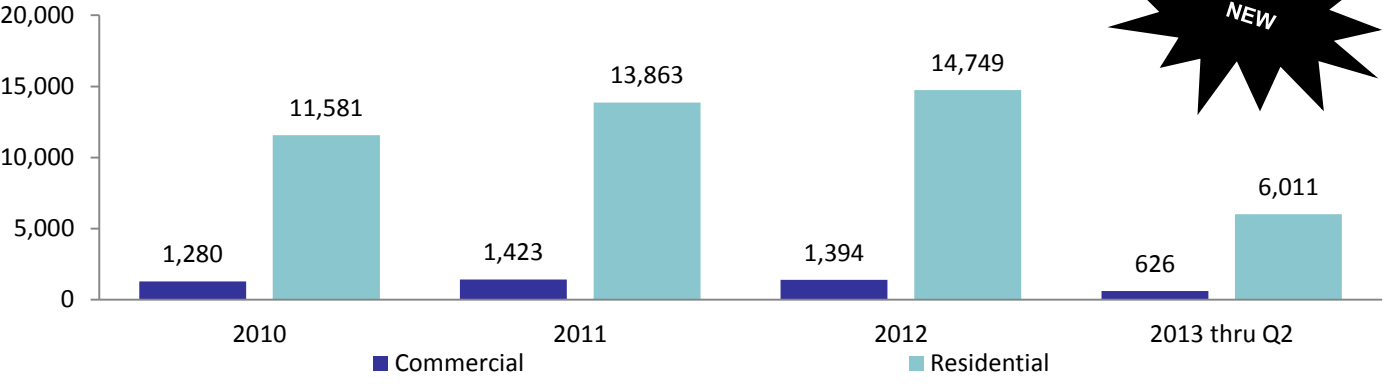
1. Provides an outlet for customer comments
2. Provides and opportunity for customers to give ideas for process improvement
3. Provides for staff accountability

**What will it take to achieve these targets?**

Customer service comment cards are used for staff improvements, charting customer concerns, and identifying process improvements. Development Services continues to explore other opportunities to solicit feedback from our customers, both internally and externally. Hearing from the customers will help meet their expectations of services and identify continuous improvement.

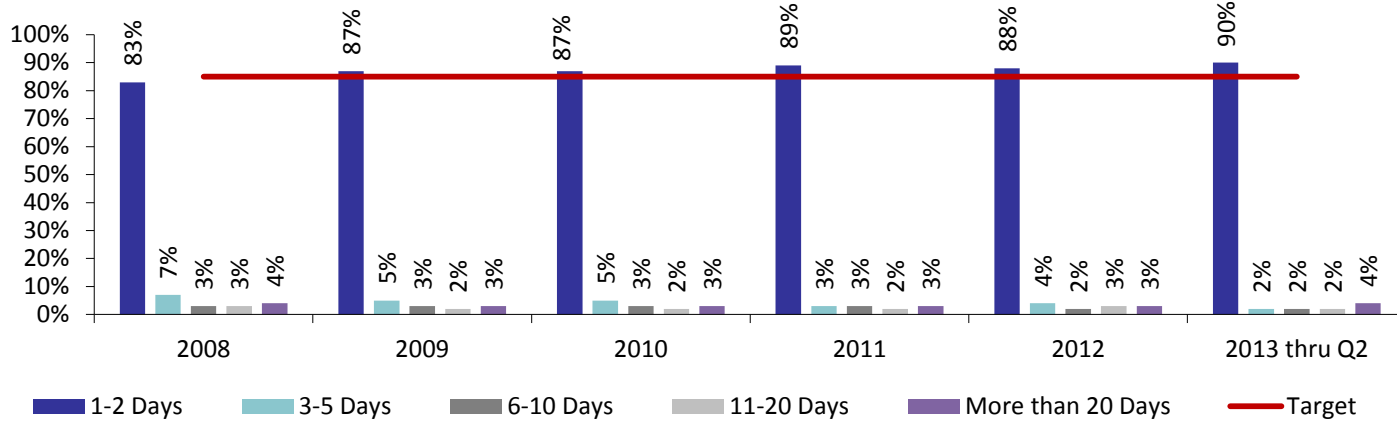


**Building Permits Issued**



Source: COGNOS

**Number of Days to Issue Permits**



Note: This chart includes new building, remodeling, building over the counter, soil erosion, wrecking, plumbing, mechanical, elevator street use, animal control, encroachment and critical parking.

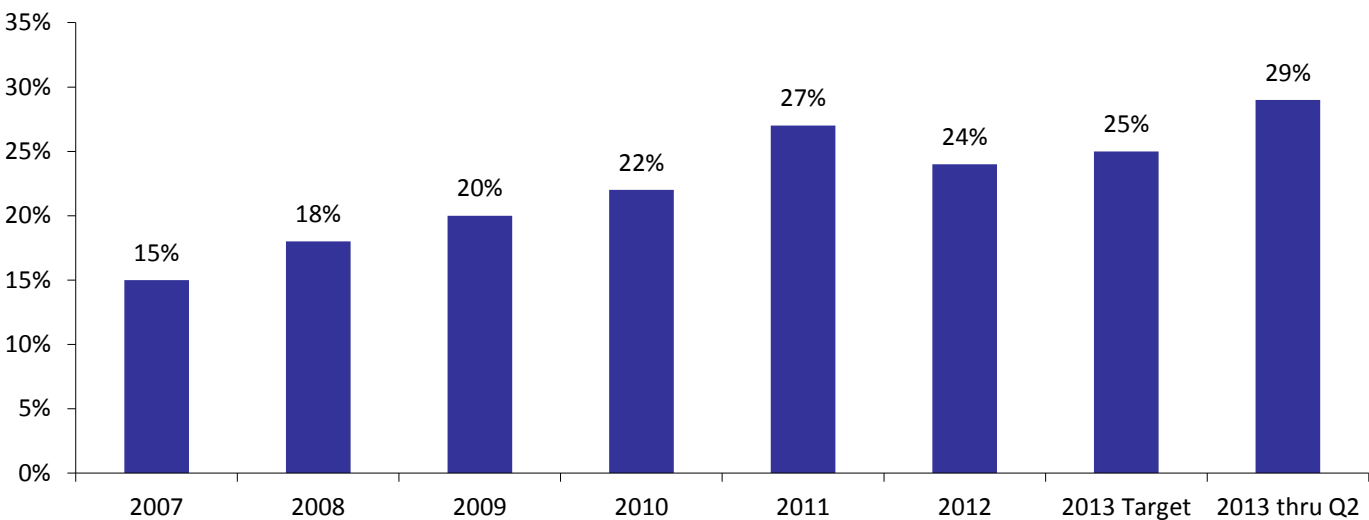
**Why is this measurement important?**

Time is money to our customers. The chart above is a measurement to identify how efficient Minneapolis Development Review is processing permits for its customers. Currently 90 percent of our customers are benefiting from one or two day service.

**What will it take to achieve the target?**

Minneapolis Development Review has established a target of 85 percent of permits to be issued in 1-2 days. We continue to reengineer our process to improve customer service. In 2011, Minneapolis Development Review partnered with Community Planning and Economic Development and Construction Code Service-Plan Review to complete concurrent reviews. The pilot group included projects that were completing the Preliminary Development Review process. With the success of the pilot group, we expanded concurrent reviews to include all commercial projects and new single family construction. This will reduce the overall number of days to review a plan. We are pleased with the success of this initiative and will continue to monitor the process.

### Percentage of Permits Processed Via the Web (Total)

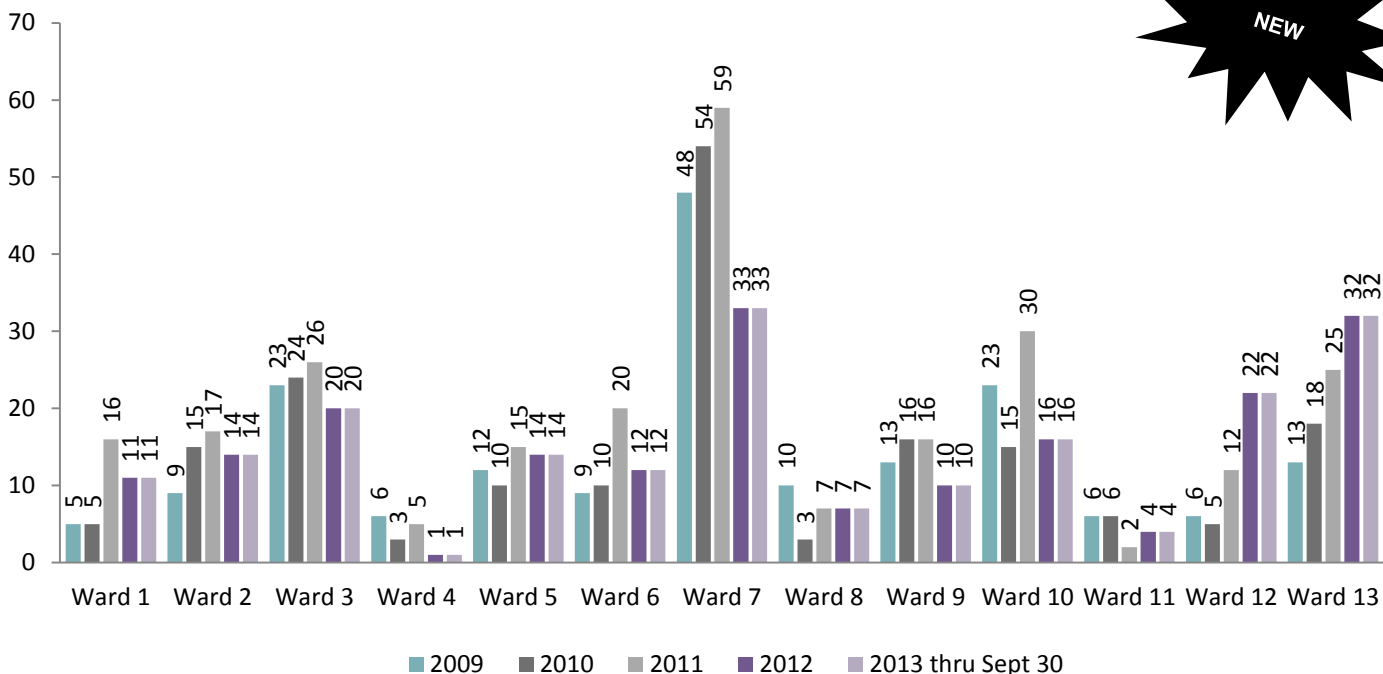


Note: Permit types include: street use, plumbing, and simple building permits on one and two dwelling unit properties.

Source: COGNOS

Obtaining permits online enhances the services we provide our customers. Permits available online include street use, plumbing, and simple building permits on one and two dwelling unit properties. In September 2012, DS expanded the online permits to include mechanical permits for furnace and air conditioner replacement. The majority of these permit applications are faxed in to Minneapolis Development Review and we anticipate a high number of these applications to be pulled online.

Certificates of Occupancy Issued 2009 - September 30, 2013



Source: COGNOS

Dwelling Units Receiving Certificates of Occupancy  
2008 - September 30, 2013

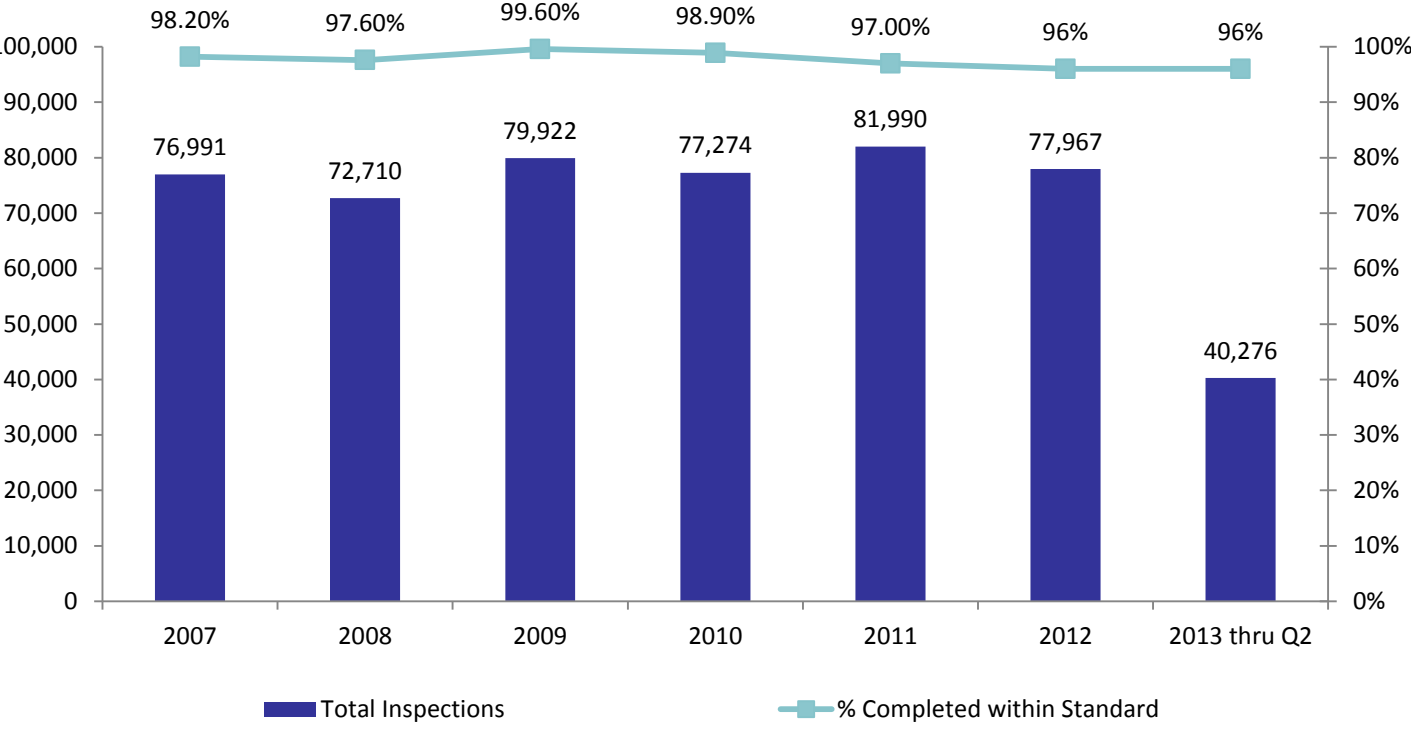


Source: COGNOS

	2008	2009	2010	2011	2012	2013 thru Sept
Ward 1	11	4	2	2	4	39
Ward 2	91	57	5	123	274	553
Ward 3	41	75	42	297	21	424
Ward 4	10	2	10	1	3	1
Ward 5	82	41	10	74	128	59
Ward 6	430	61	82	72	14	41
Ward 7	403	149	151	219	326	1056
Ward 8	14	5	7	1	2	16
Ward 9	13	9	4	50	113	120
Ward 10	312	77	18	118	377	287
Ward 11	5	4	5	5	1	1
Ward 12	4	82	4	3	257	165
Ward 13	57	28	13	15	19	31
Total	1473	594	353	980	1539	2793

Narrative on next page...

Number of Construction Code Inspections Completed within Standard



Note: Since 2008, the standard is 48 hours  
 Source: COGNOS

**Number of Days to Complete a Certificate of Occupancy Inspection**





### **Why is this measure important?**

Construction schedules are challenging and delays can cause problems in maintaining the schedules and completing work in a timely manner. It is important to all customers to be able to keep projects on schedule whether it is a homeowner building a deck or a large commercial contractor building a new building. Customer satisfaction related to the inspection process can be greatly influenced by how efficiently the inspection process is completed.

A Certificate of Occupancies is issued after a building meets the standards for occupancy. The first graph, on the previous page, identifies the number of Certificate of Occupancies issues of the past several years. The second chart identifies the number of residential units that were awarded Certificate of Occupancies. While all Wards have seen new occupancies, the highest levels of increased residential occupancies have occurred in the downtown area, Ward 7.

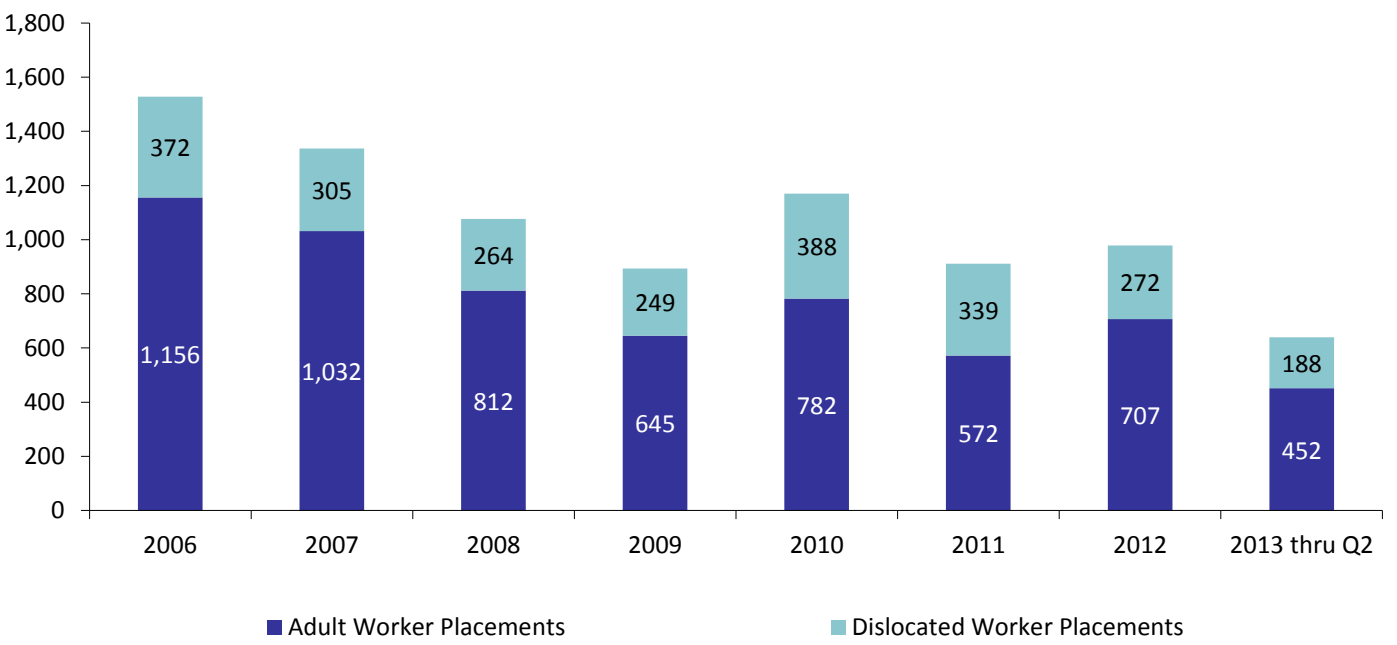
The goal of Construction Code Services (CCS) is to provide inspections for customers within 48 hours of the request for the inspection. CCS has achieved the goal of providing inspection service within 48 hours of the inspection request over our target of 96 percent of the time for several years.

### **What will it take to achieve the target?**

Issuing Certificates of Occupancy are necessary for the occupation of a building. While the timeline is set by the contractor completing work to meet the building code, inspections during the process are critical. Performing these inspection on a timely basis is critical to the on-time completion of a project. The factors that influence the ability of CCS to achieve the goal of performing inspections within the set standard include time management by inspectors, adequate staffing levels and management by supervisors. Inspectors have numerous tasks to perform during a normal work day besides the main task of performing inspections. Providing them with the proper tools, training, technology and support they require, assists them in managing their time so they are able to perform inspections in a timely manner.

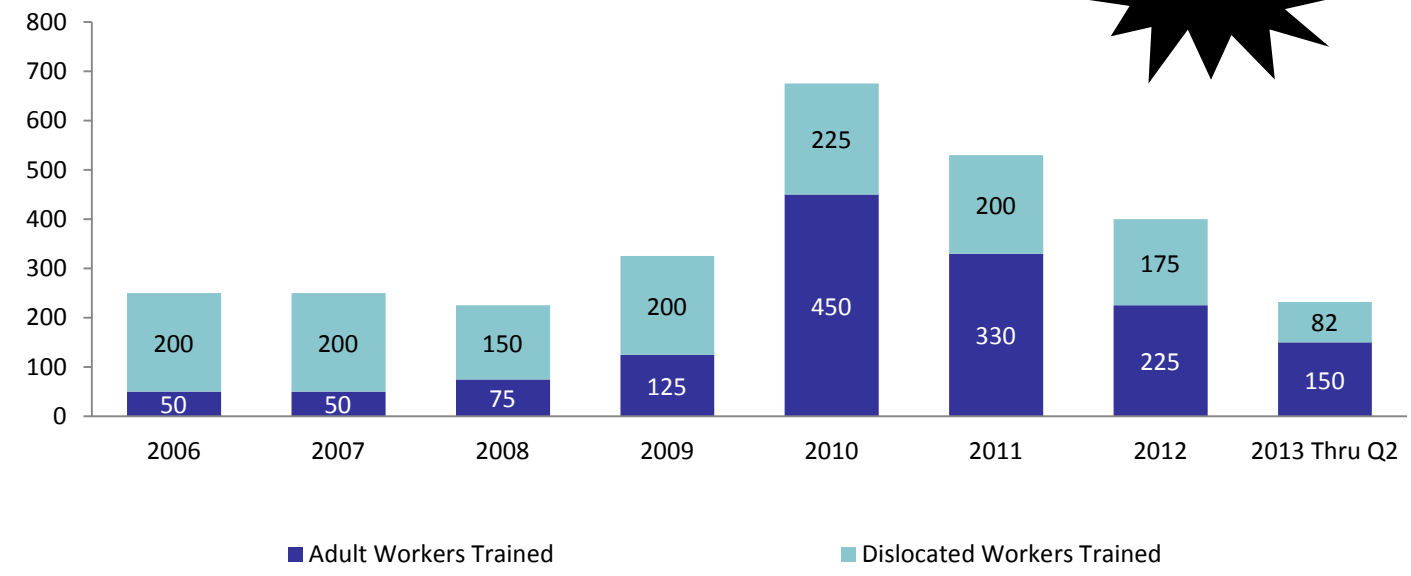
# Increase the Competitiveness of Residents for Available Jobs

### Minneapolis Adult Worker Placements



Source: CPED

### Minneapolis Adult Workers Trained



Source: CPED

Narrative on next page...

### **Why is this measure important?**

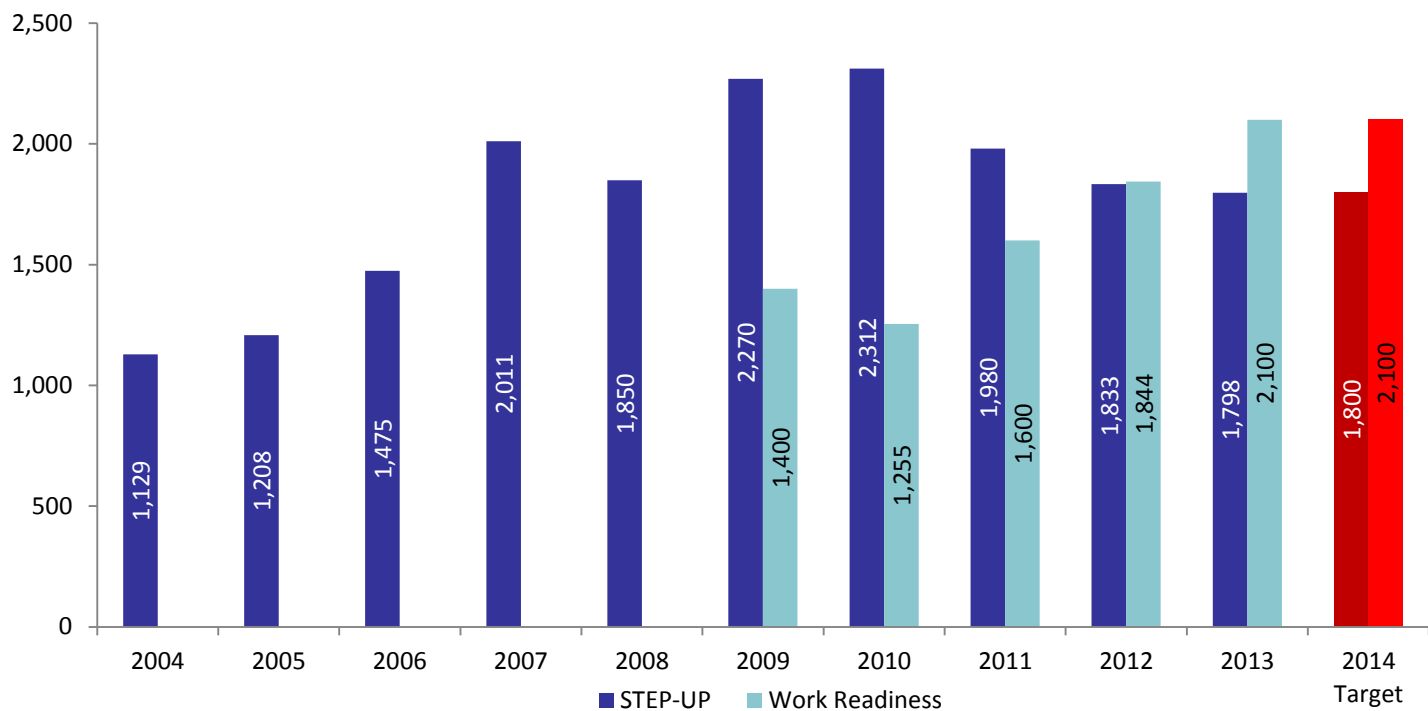
As CPED works to support businesses that create jobs, we also seek to help our residents prepare for and become competitive for those jobs. Being competitive often involves learning new substantive skills, as well as learning how to successfully find and land job opportunities. Helping a job seeker find success in the labor market requires CPED to work closely with employers to make sure the supply and demand equation is balanced. City of Minneapolis Employment and Training uses career pathways training and job placement services to improve a job seeker's position within the labor market and allows job seekers to meet the employer demand. Areas of career pathways training include the fields of construction, manufacturing, health care, building systems and transportation.

### **What strategy (or strategies) are you using to achieve this goal?**

METP partners with 11 community-based partners to work with unemployed residents to help them quickly and successfully reenter the workforce. The individual strategies used with unemployed persons are varied but often include technical skill training, career exploration, work readiness training, and resume building. Annually, over 80 percent of all participants through our partners are minority residents.

Additional narrative on next page...

Number of Youth in STEP-UP and Work Readiness Job Placements



Source: CPED

**Youth Employment**

**Why is this measure important?**

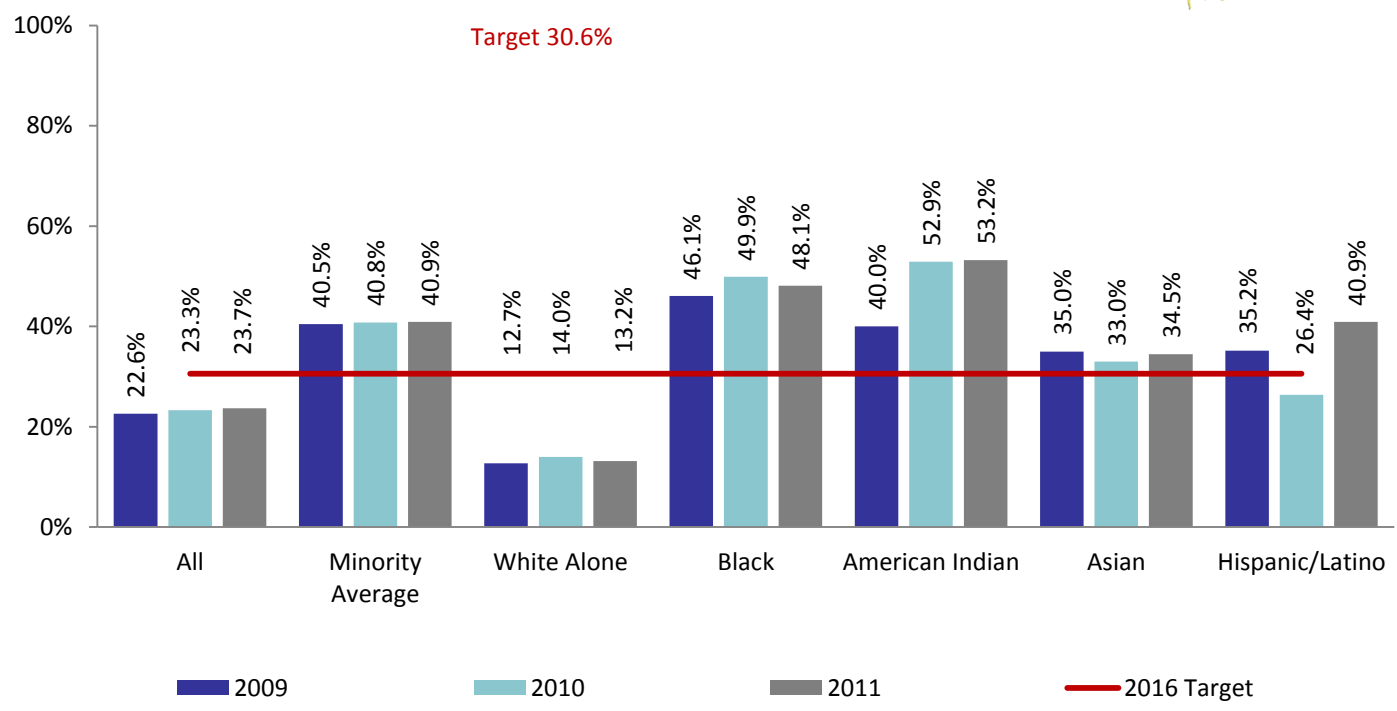
A substantial body of literature finds that summer employment during high school creates short- and long-term positive impacts on students’ employability, wage rate and lifelong earnings, especially among those who do not go on to complete substantial post-secondary education.

**What strategy (or strategies) are you using to achieve this goal?**

STEP-UP is the City’s primary youth employment strategy. STEP-UP’s mission is to prepare youth for success in the workforce by offering quality work and training experiences and strives to see that all Minneapolis youth are work ready. To achieve this, STEP-UP focuses on training and work experience by identifying economic sectors with projected employer demand. This approach is key to developing a competitive pool of talent that will attract companies and help existing companies expand. Over 92 percent of participants are youth of color and all STEP-UP interns live in low-income families or have a significant barrier to employment.

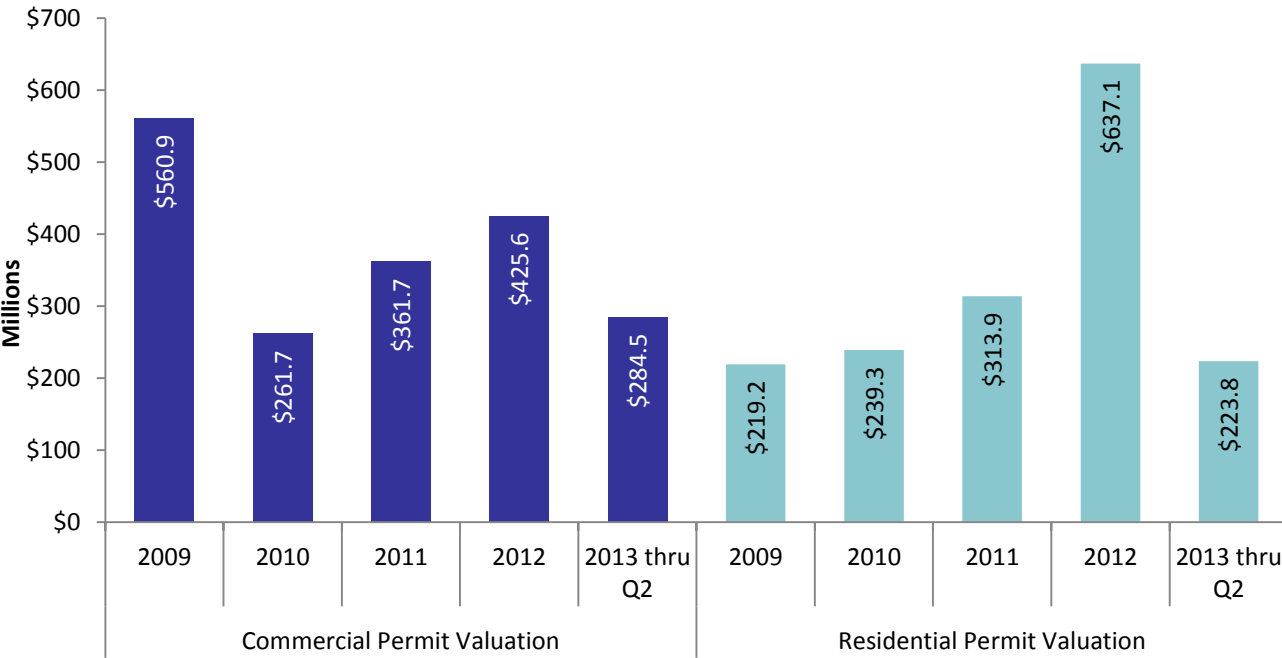
# Appendix

### Minneapolis Poverty by Race



Note: The target is set by the Sustainability Indicators  
Source: U.S. Census Bureau American Community Survey 1-year estimates

### Building Permit Valuation



Source: COGNOS