



# A Hub of Economic Activity and Innovation

We focus on areas of greatest need and seize promising opportunities

## What strategies are working?

### **CITY PROGRAMS AND STRATEGIES ARE HELPING BUSINESSES.**

- The Great Streets program is helping increase the vitality of commercial districts.
- Façade improvement dollars are being directed to the areas of greatest need. Even if business owners have little money to invest, they are using this program to invest in building improvements.
- The “window merchandising” grants, as part of the Great Streets Minneapolis funding program have resulted in creative and effective improvements for small businesses. When Lake Street merchants saw the benefits of window merchandising, many of them went on to sign up for façade improvement grants.
- The City’s Comprehensive Plan has a lot of good strategies for business development.

### **MINNEAPOLIS IS A VIBRANT AREA THAT ATTRACTS WORKERS AND INVESTMENT.**

- Companies want to locate and stay in downtown Minneapolis. Companies currently located in the suburbs are interested in moving Downtown because of our transportation infrastructure, talent pool and amenities that workers want.
- Investments in Downtown are paying off. Just look at the area around 510 Marquette; it’s an example of how investment in light rail has leveraged additional development. Before investment, this block was not an area people wanted to be in. Now it’s in high demand.
- The craft brewing and local food movements have made a huge impact on the City’s economic vitality.
- Minneapolis is ground zero for these movements.
- People want to live and work in the Warehouse District. There’s a distinctive feeling to the buildings in this area. There’s a subjective intangible that comes with brick and wood. Buildings that can tell a story are attractive to developers if the basics — safety, infrastructure, etc. — are also in place.
- Developers want to invest where there’s infrastructure and people.
- Minneapolis is attracting the skilled and creative employees that employers want.

### **MINNEAPOLIS BENEFITS FROM THE INFLUENCE OF THE PEOPLE WHO WORK IN THE CITY.**

- Employees have a lot to say about their work environments: they want access to green space, natural light and interesting work spaces. Employees want to work where it’s lunchable and bikeable. Even if they brown bag it or only occasionally bike to work, they like the vibe of these amenities. Employers know that amenities help them retain employees, and it influences their office location decisions.
- Workers like the transit component that Minneapolis offers. They’d rather spend time on their iPads than sitting behind the wheel of a car. These people are exerting a lot of influence on their employers and their workplaces.
- Amenities attract employees, and that’s enough to attract investment.

## What strategies are not working?

### **WE CAN’T TAKE ADVANTAGE OF ALL BUSINESS DEVELOPMENT OPPORTUNITIES.**

- Space for industrial uses is limited.
- We still struggle with the issue of balance. Planners may not like to see a building torn down only to see the land used for a parking lot, but to succeed businesses need parking.
- The façade improvement program is difficult to use for struggling small businesses. It’s hard for them to come up with matching dollars, so they don’t apply for matching grants. If the business is leasing the space, there’s not a lot of incentive for the business owner to invest money in a building someone else owns.

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- When developers call, we don't have accurate information about properties. If we don't have the information, we can't compete with other cities.
- Developers look at a property's readiness, and we don't have sites ready to go.
- Companies are willing to hire, but they can't find trained employees.

## FUNDING IS INADEQUATE.

- The City's Comprehensive Plan has big goals but limited pots of money to make it happen. The money is spread too thin to really be effective. A lot of money and resources are needed to spur development.
- When the City Council redirects budget dollars, it impacts the City's ability to tackle issues successfully. Community Planning and Economic Development (CPED) is not funded adequately. Money from sold properties isn't going back to CPED and is, instead, placed elsewhere.
- If the budget keeps getting cut, the City can only play defense. To take proactive action and make things happen, CPED needs a solid investment of money for staff and programs.
- It is often cheaper to demolish a tax forfeiture building than rehab it.
- It takes a lot of guts and money for investors to rehab a property, so it sits vacant.

## CRIME AND DISREPAIR ARE OBSTACLES TO DEVELOPMENT.

- Old buildings are cool, but development won't occur if there's high crime or the basics aren't in place. There are no shortcuts.
- We haven't figured out how to deal with safety threats — perceived and real — in north Minneapolis. Private security, beat cops, more cops, less cops: all these strategies have been tried and they aren't lowering crime. There's a high profile image problem as well as a real problem of crime and disrepair.
- The City has done extensive work to improve residential properties, but we haven't scaled up to commercial property investments. West Broadway has a lot of vacant and boarded properties.
- West Broadway is ground zero for needing investment to attract small businesses.
- Absentee landlords and bad property owners let their buildings go. Some owners are just using their residential properties for storage. We have to take the gloves off; otherwise, they'll just sit on their investment. The City doesn't have strong tools to aggressively enforce maintenance violations. If property owners are not following the law, they shouldn't be allowed to operate.
- People want to open small businesses in north Minneapolis, but bad property owners charge too much for rent. These owners are holding their properties hostage.
- Bad property owners would rather sit on the property than rent it, because they know if they rent it, they'll have to fix expensive code issues.
- The City's ability to deal with neglected properties is very limited. The City doesn't have condemnation rights until the situation gets really bad. There isn't money to buy properties, and real estate acquisition gets expensive very fast.

## Working in partnership, what strategies could we pursue?

### HELP OUR EXISTING BUSINESSES.

- Find a realistic way to make façade improvement loans more accessible to small business owners.
- Offer a program to help existing businesses expand.
- Seek out business partners and funding assistance to help fund brownfield development, job training and housing renovation.

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- Create new tools to compel absentee property owners to fix their neglected properties.
- Incubate small businesses on West Broadway to stabilize the neighborhood. West Broadway is so different from other areas of the city; it needs a different approach. Instead of focusing on housing, focus on attracting small businesses.
- Redirect some neighborhood funds from housing to commercial, and make those funds less restrictive.

## BE BETTER PREPARED FOR DEVELOPERS.

- Invest money to prepare sites for development. Readiness is a key factor.
- Position ourselves to take advantage of investor interest by having accurate information about properties that are ready for development. Make the investment in staff time so this information is always current.
- Figure out the best use of the Upper River Terminal site. This site is tied to north Minneapolis jobs, and those jobs should span the range from a basic living wage to very high salary jobs. Have the infrastructure and amenities in place, and then pitch the site to medical technology firms, light manufacturing companies and other businesses that require highly skilled workers.

## EVALUATE OUR APPROACH TO ATTRACTING DEVELOPMENT.

- Go beyond our catch-as-catch-can approach to development. Create a more intentional economic strategy to attract development.
- Ensure that our economic development strategy benefits the community, not just developers.
- Take a hard look at how the City works to spur development. Ask whether it's best to enhance the operations of the Community Planning and Economic Development Department or create some new entity that might be modeled after the Saint Paul Port Authority or the former Minneapolis Community Development Agency with appropriate checks and balances.
- Think of an approach to economic development that's adapted to the reality that development timing and political timing often don't mesh. Economic development takes time, and sometimes the politicians who pushed for a program are no longer in office or political priorities have changed.
- Provide Community Planning and Economic Development (CPED) with funds to strategically buy neglected properties and renovate them. Spend the money needed to get development going.
- Stop relying on the marketplace to get vacant properties into productive use; strategic land banking is critical. Set a timeline for how long we will allow a property to sit vacant or deteriorate before we step in.
- Increase intentional land banking in partnership with neighborhoods. The City should buy properties to stabilize a small area and then methodically improve the area piece by piece. Work with nonprofit partners who have a vision for the area.
- Work with Saint Paul to tackle the issue of central city competitiveness.

## WORK WITH PARTNERS TO INCREASE EDUCATION AND JOB TRAINING OPPORTUNITIES.

- Do more to connect the unemployed men in north Minneapolis with education and job training.
- Fix training and apprentice programs to avoid the problem of people graduating from these programs only to find that employers won't recognize their training. Calibrate education and employers so that hiring requirements are met by our job training partners.
- Get business representatives in the room with educators, and have an open and honest conversation about ensuring opportunities for cradle to grave education.
- Continue leveraging the City's role as an employer, and explore ways to use our training and apprenticeship programs to prepare people for jobs. For example, the City should continue partnering with schools to offer training that can lead to firefighter jobs or careers in medicine or medical technology.
- Capture the talent of Minnesota college graduates. These people came here to be educated, and we should be

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making the case that they should stay here after they've earned their degrees. These colleges are producing graduates who can start businesses.

This conversation had representatives from City Council Offices, Mayor's Office, City Coordinator's Office, Community Planning and Economic Development, Greater MSP Urban Core Strategy Group, Hillcrest Development, Nelson Tietz and Hoye, Northside Funders and West Broadway Coalition.