

**Whittier Alliance Business Association Committee-  
Wed. Sept. 9, 2009 11:30-1 pm Source – Fall Out  
Draft Minutes**

**Present:** Lisa Vecoli (MIA), Jim Hubal (Edina Realty), Christina Le (TDN Enterprises), Erica Christ (Black Forest), Eric McCann, Sharon Lund (Falls Agency), Mary Cable (Sullivan's Super Valu), Jeff Orluck (Source MN, Inc.),  
**Staff:** Marian Biehn, Jessica Rosenberg Whittier Alliance  
**Presenting:** Ricardo X. Cervantes, City of Minneapolis, Licenses; LaTonia Green, City of Minneapolis, Finance; Heather Johnston, City of Minneapolis, Finance.

Call to Order at 11:45 by Marian Biehn, ED Whittier Alliance, followed by introductions. Marian added the candidate forum and event and green fair to agenda. Minutes from previous meeting and spotlight on business deferred to later in the meeting.

**Overview of Mayor's 2010 Recommended Budget (Mpls Finance Dept) –**

Heather, LaTonia and Ricardo are here to give a high level overview of the budget, for business owners' interest.

**1. Major highlights:** The Governor's unallotment plan is leading to expenditures cut. The mayor's recommended budget proposes replacing existing 8% tax revenue policy, starting higher than 8%, and coming down in future years. The budget is balanced over five years.

**2. Financial overview:** \$1.3 billion budget, \$100 million decrease from 2009. Cutting 4,759 positions (reduction of 8.2% from 2009), including Mpls Park Board. 2010 reductions include planned reductions, adding up to \$24.1 million total reductions since December 2008.

**3. Major budget pressures:** Major budget pressures include funding for physical infrastructure, state authorized financing for Target Center and neighborhoods, funding for internal service funds long term financial plans, paying off other obligations, salaries and wages, benefits, continuing obligation to Hennepin County for libraries through 2017. Technology funding: funded through property tax supported debt. Funding for pension liabilities is another major budget pressure: the city's closed funds lost value in the stock market, and with no new people paying in, city has to pay back losses.

**4. Property taxes:** 11.3% property tax levy revenue increase, impact on "typical home" is 6.6% increase in property tax. The city won't have the assessed rate known until this fall, as rates differ depending on property value. Park Board revenues increase by 4.3%. City other levy increase towards unemployment aid. Public Housing Authority received stimulus funds, has asked not to be levied for this year. Impacts on property tax depend on 3 key factors: individual property value, value of other properties, tax rate. Property tax used to be primarily commercial, now is primarily residential. Right now, both commercial and residential tax payable is decreasing, this is an historical anomaly. Property tax policy increase planned over years, so less can feel like more.

**5. Major Initiatives:** Jobs & economic development: city increased adult training, placement and retention and great streets program. Any additional resources above 5% increase in CDBG recommended to replenish Affordable Housing Trust Fund.

**6. Overviews of Selected Departments.** *Fire department:* mayor recommends a reduction of \$2.1 million, 27 positions, and has made recommendations for increasing revenue including commercial hood cleaning and examination of current fees that haven't been increased. *Police:* reduction of \$5.3 million & 49 FTE. The police chief is restructuring the department to shrink specialized departments but not deplete police on the streets. The department is considering 1

year of health care as retirement incentive. *Regulatory Services*: total cut \$521,000. Major changes include increased enforcement of business licensing (nights, weekends & special events), administrative citations, pollution citations, pet licensing, and base increase of \$75,000 for Tree Trust. Including traffic control agents move from Police to Regulatory Services, department has a net gain of 37 FTE. Licensing trying to streamline systems: forms, checklist, and standard application now all available online. Licensing is part of Minneapolis Department Review, a central first stop for new business owners, where you can talk to all of the departments who would need to review business plans. Licensing has been able to raise enough revenue, they won't have to increase licensing fees in 2010. They have been increasing fees annually at 2-3%, but won't increase next year. Leaving one FTE open, but shouldn't impact efficiency too badly, as systems are streamlined. *Public Works*: Total cut: \$1.13 million. Streetlight fee will not be introduced in 2010. There will be revision to snow and ice operations, reduced traffic operations, reduced maintenance to malls & plazas. Increase in utility fees for storm water, sanitary sewer and water utility, and solid waste recycling fee.

**2010 Recommended Budgets upcoming dates:** 10/23: presentation on capital budget, 11/19: public comment on budget and levy at 6:05. 12/2: budget mark-up. 12/7 public comment at 6:05pm to be followed by final budget adoption.

Full budget online at <http://www.ci.minneapolis.mnu.us/city-budget/2010recc/>

#### **Questions and Comments:**

How likely is it that the pension fund will be earned back from the stock market losses? Lawsuit with police and fire pension, will be in front of judge in October. Expecting 6% annually market return. Very few people left in closed pension plans, will have to merge into broader fund, city better able to manage. Mpls Employment Retirement Fund will come into play. Pension is big liability, but a number of ways to bring it down. Is there someone at the city level to go to at the beginning to help mold people's venture and business visions' to work with city through creation? Can't say there is one body; we'd like to have one person who had the full knowledge, and can help create. It's gotten better, and there are people to go to. CPED is important. Then several people at MDR. They can assemble the experts at one time, discuss all at once. Timing is critical; certain licenses require neighborhood involvement, public hearings, but other projects can happen legal and lawful but be uninformed. It is good when neighborhoods speak with one voice, easier for licensing to recommend. WA has ongoing conversation with Amanda in CPED. Zoning laws means things can get approved, but without vision or excitement or above and beyond or community. Licensing will push their authority, over and above what the law requires, with known issues at specific sites at the front end. Is night, weekend, special events regulatory checks just for retail, or also for building & renting? Mostly for commercial, problem property unit exists, licensing doesn't get too deeply involved with housing. Works with police, fire, other units. How will property tax increase affect Nicollet Avenue, special service district fees? Thinks it is separate, Heather will have to check.

Explain street light fees? It is ready to go, being cleaned up, but not implemented this year. If it is, likely there would be a public hearing.

TIF district: 50% of parcels within district being recertified, to get at 50% of revenue. Only 50% as property tax relief.

### **BA-CPED Grant Proposal 2009-2010—**

We've gotten one of these grants every year; applying for \$11-12,000, typically get \$5-6,000. BA has used it for whittierbusiness.org website and maintenance updates, virtual façade improvement project (which the city now offers as a grant, modeled on BA plan), virtual art installations, Whittier calendars. This year: BA administrative person; advertising BA; keep website up to date; restaurant calendar with pictures & recipes; art, murals design in the front and window of vacant storefronts, money for artists; marketing. Proposed budget change: MCAD class might be willing to take on art in windows project, without needing supply dollars. They'll give us less than requested, then we can scale each designated line item back. Deadline is September 31<sup>st</sup>, has to be spent by August 31<sup>st</sup> 2010.

**BA Motion 1:** The Business Assoc. approves the proposed business initiatives and line item budget for the 2009-10 BA-CPED grant application. **Motion Carried**

**Spotlight on Business-** Jeff Orlurk and Peter Wohler were present from the organization. Peter started the concept of the Fallout Arts Initiative and it is the parent organization of Source. Source started in 1987, got involved in Whittier in 94-95. Focus of Source to reach out to urban core of marginalized young people. Fallout is conceptualized like habitat for humanity: using creativity to gain skills. Fallout Urban Art Center (2001): gallery, music venue. Fallout Art Co-op: mixed rate studios for emerging and established artists. They host interactive arts opportunities, Fallout Festival in the summer. This building hosts mixed rate art studios and has a dance practice studio, below market rent for dance and theater rehearsal & performance space.

**Marketing Initiative – October event Plan (Sharon Lund)-** Overview of other neighborhoods' marketing initiatives. WA has small committee, has been discussing residents, visitors, corporations, how we can pull our resources together for multiple audiences. Sysco, US Food Service, Johnson Brothers, JJ Taylor (food providers), interested in participating in some kind of ongoing event in Whittier: initial idea: progressive happy hour. Wednesday through Saturday, 5-10(?), keep it as simple as possible. Signature food or drink, umbrella idea, each restaurant does their own take. Franklin & Nicollet wine tasting, sample item from each restaurant. Get Wells Fargo employees in after work, HCMC chalk drawing to their new site, art at Fallout. Main idea: having something at the same time, coordinating with suppliers, having marketing to pull people in. "Eats. Arts. Entertainment." Committee meeting tomorrow afternoon, 4pm, at Falls Agency.

**New and Old Business-** Topics and events noted: 6thWard Candidate Forum, Façade Improvement Grant; Neighborhood Clean Up Day on Sept 19; Graffiti removal funds.

**Meeting adjourned at 1:20.** Minutes submitted by Jessica Rosenberg

**Next meeting:** October. 14th, 2009 4pm. Mpls College of Art & Design, Emeritus Room.