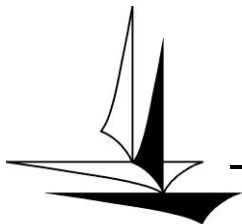




# The Phillips Story

## *Addressing Market Failure Through Public-Private Partnership*



**Minneapolis**  
*City of Lakes*

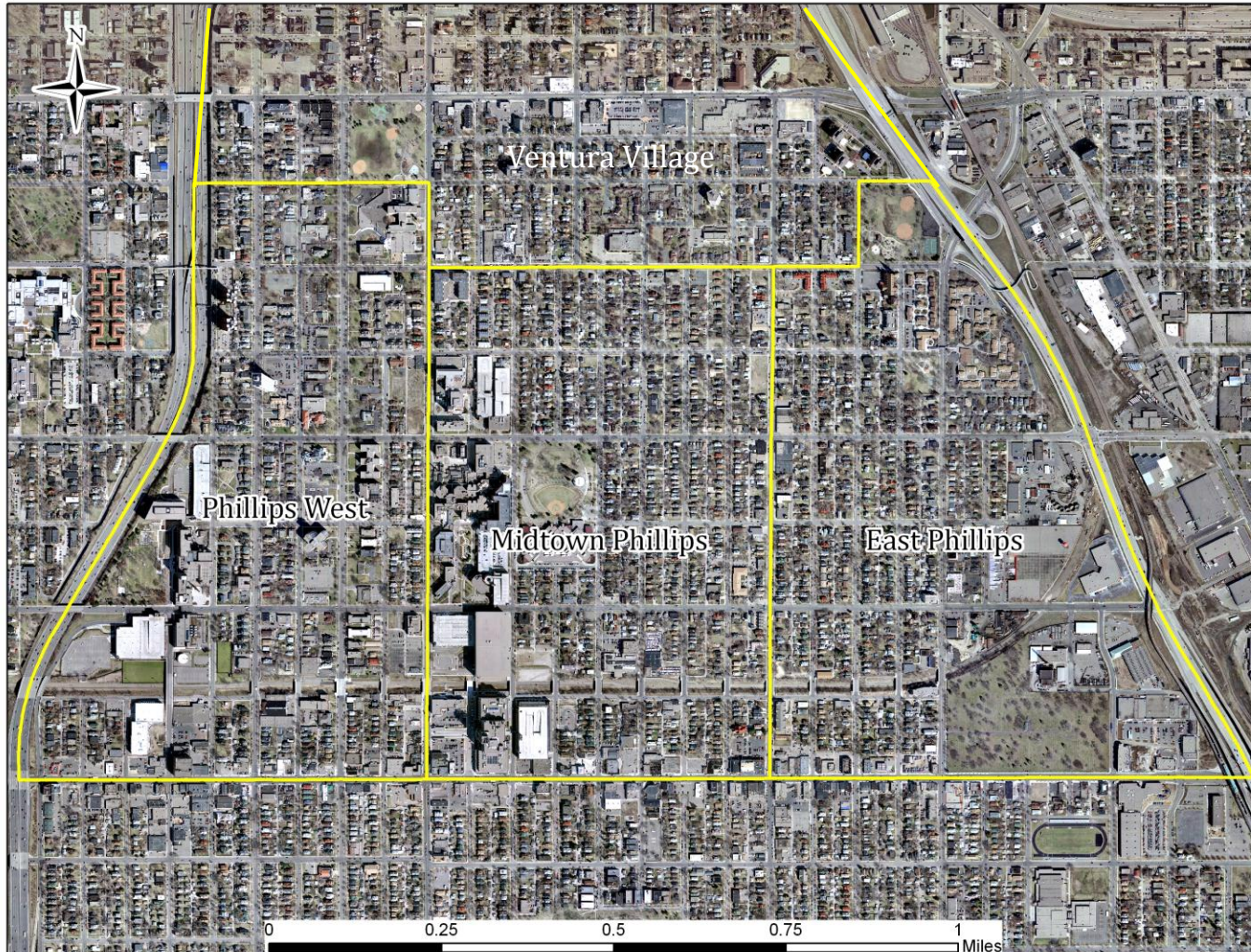
**Department of Community Planning & Economic Development – CPED**

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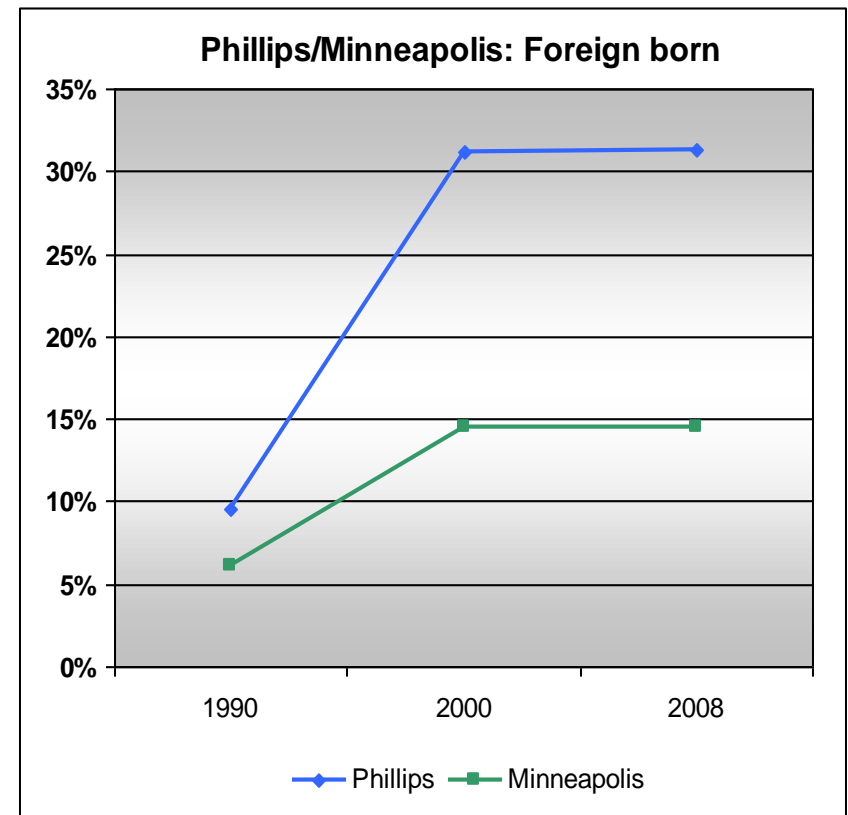
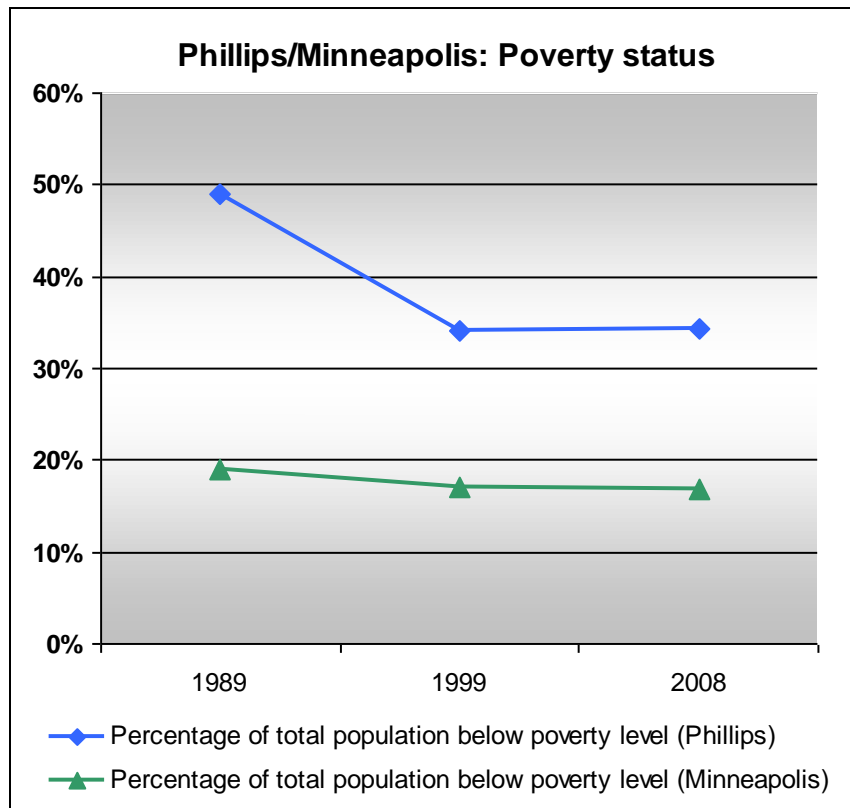
[www.ci.minneapolis.mn.us/cped/presentations](http://www.ci.minneapolis.mn.us/cped/presentations)

April 2010

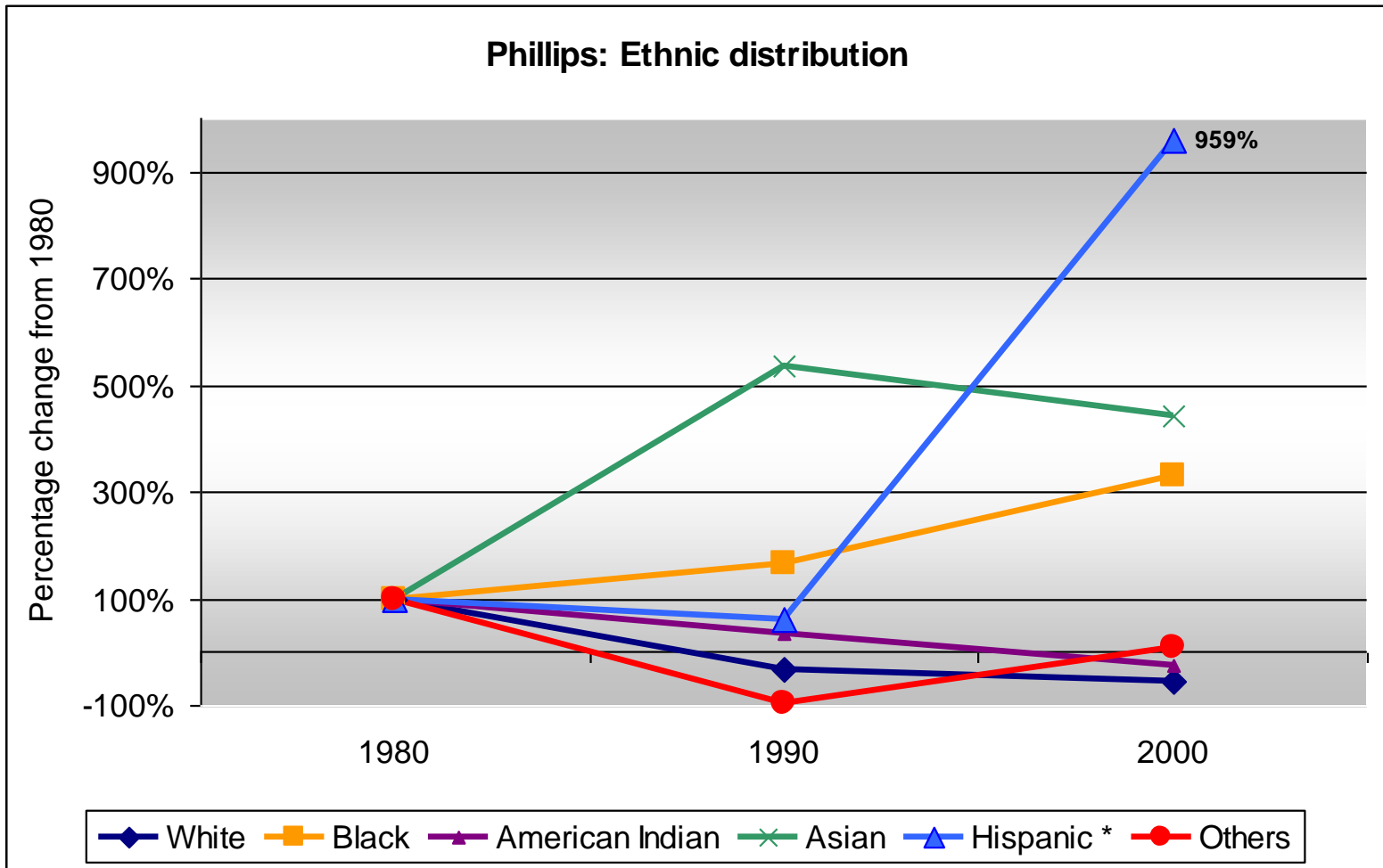
# Phillips



# Phillips



# Phillips

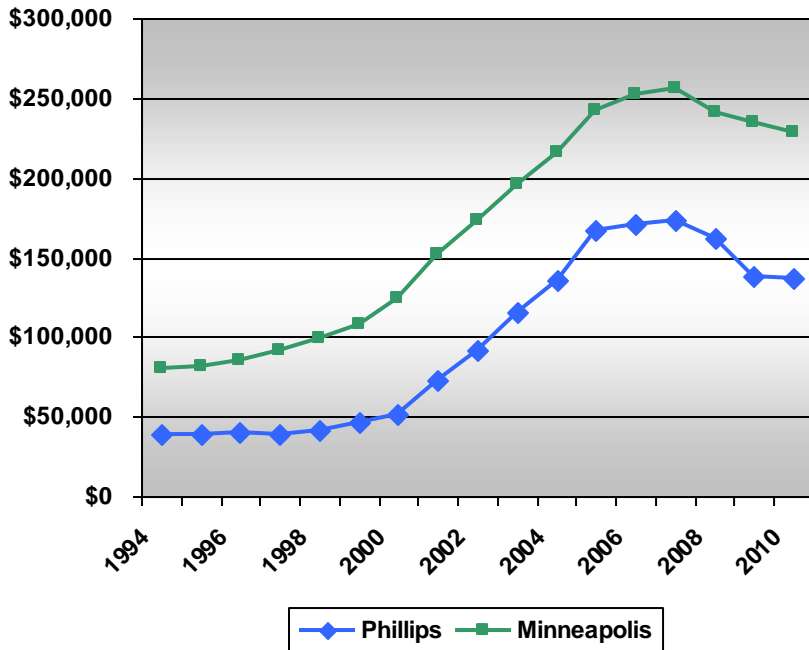


\* Hispanic could be any race  
Source: U.S. Census of Population and Housing (SF1)

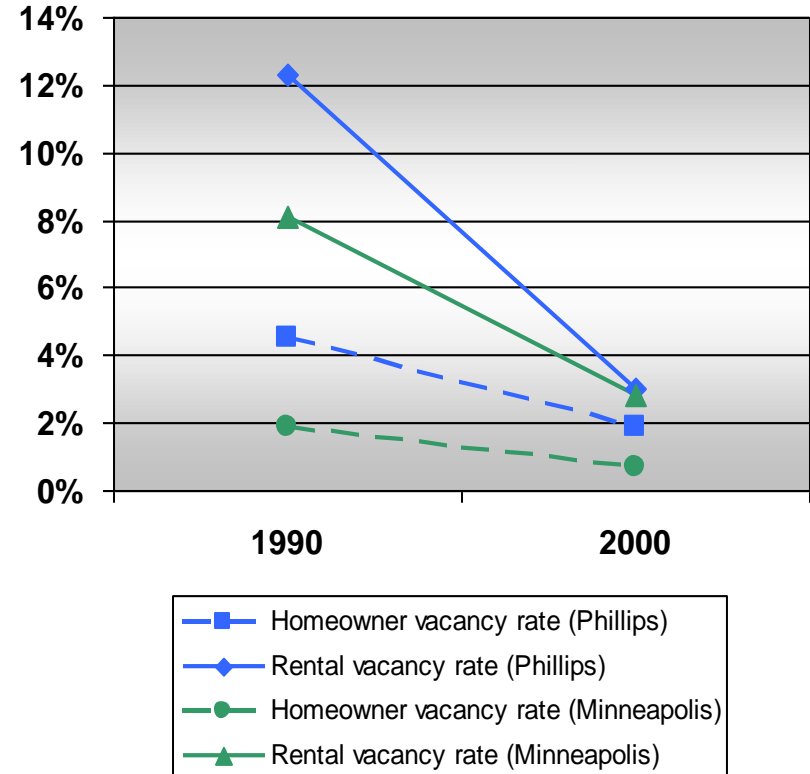
# Phillips



### Average Estimated Market Value: Single Family



### Phillips/Minneapolis: Homeowner and Rental vacancy rate



# Leadership

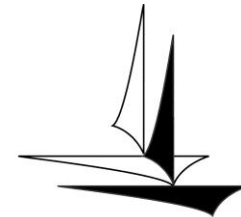


Phillips  
Partnership

*safety-jobs-housing-infrastructure  
for the Phillips neighborhood*

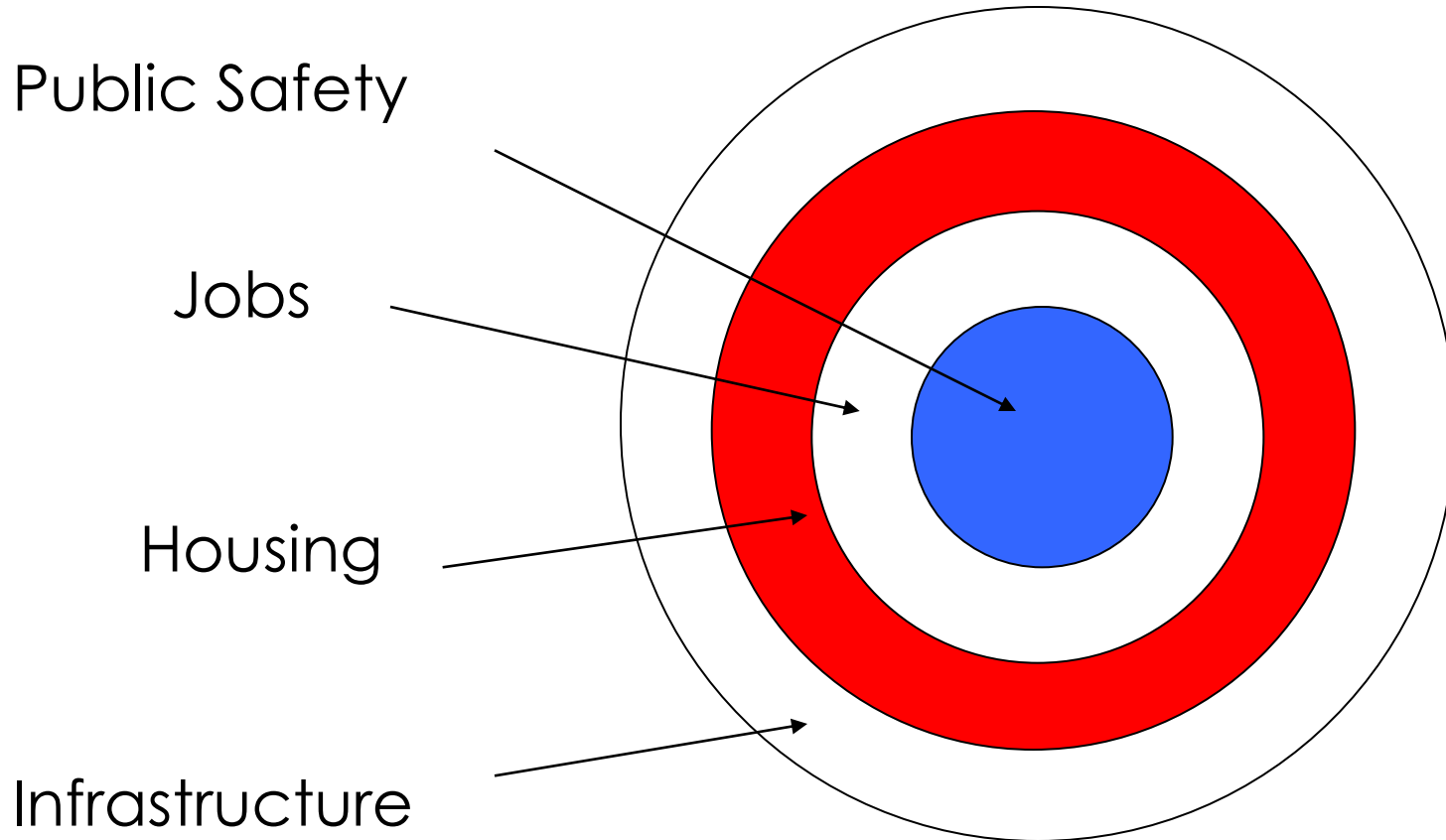


**Honeywell**



City of Minneapolis  
Department of Community Planning  
& Economic Development - CPED

# A Targeted Approach



- Michael Bonsignore

*CEO Honeywell, June 1997*

# Safety



“Crime curbs development.  
Development curbs crime.”

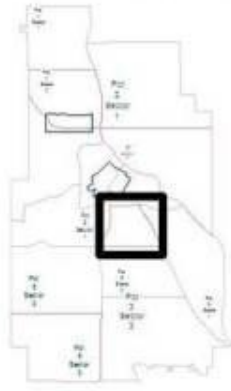
- MPD Chief Dolan &  
CPED Mike Christenson



# Crime Map: 2009

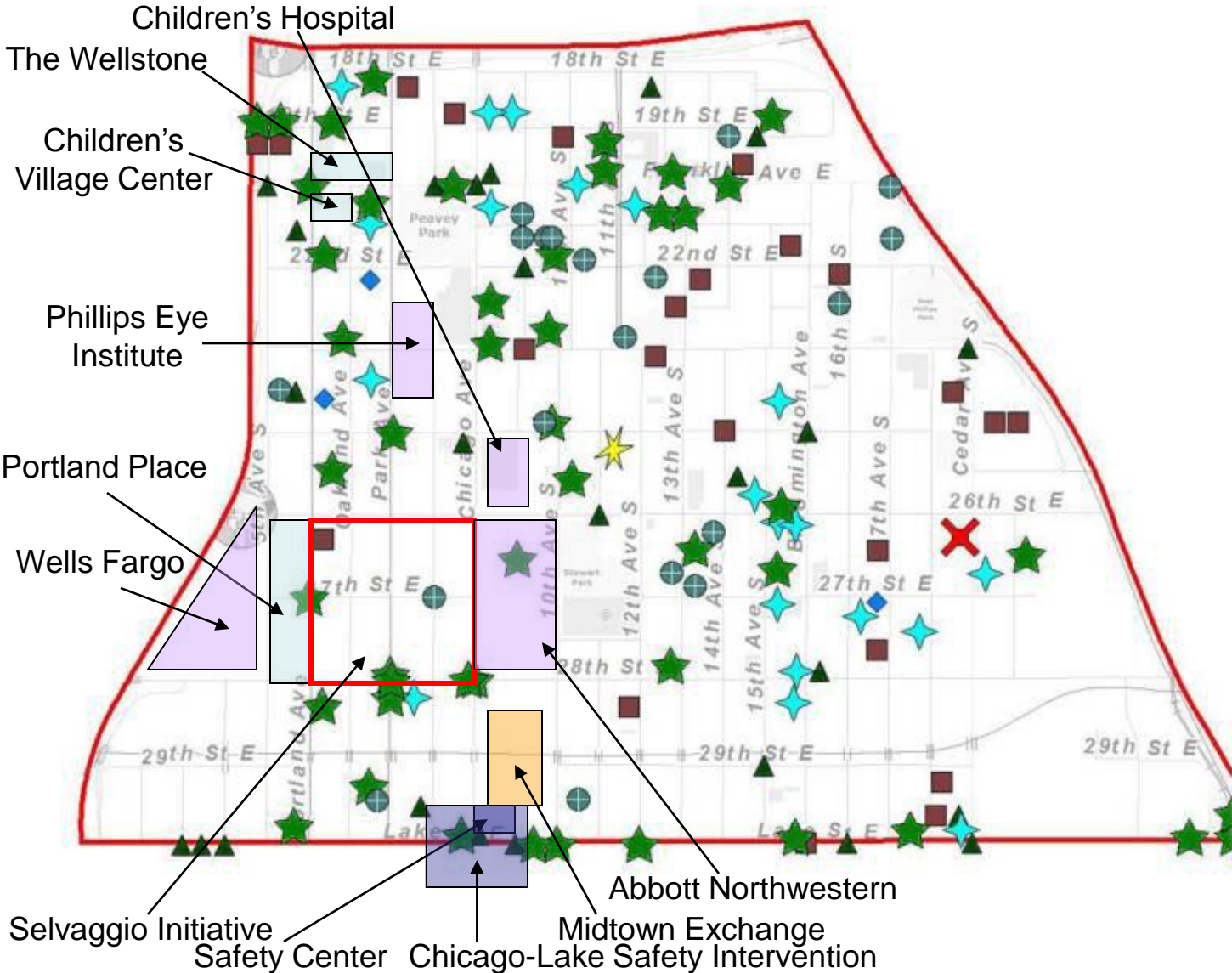


City of Minneapolis

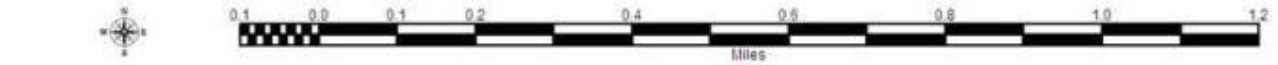


Sectors

Part 1 Crimes  
Pct 3 Sector 1  
7/1/09 - 7/31/09



- ✖ UCR 01-02: Homicide ( 1 )
- ◆ UCR 03: Rape ( 3 )
- ▲ UCR 04: Robbery ( 25 )
- UCR 05: Agg Assault ( 23 )
- ◆ UCR 06: Burglary ( 20 )
- ★ UCR 07: Larceny ( 50 )
- ⊕ UCR 08: Auto Theft ( 19 )
- ★ UCR 10: Arson ( 1 )



Total - 142      2.940 PSMPD

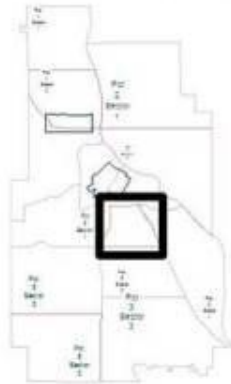


# Development Curbs Crime

# Crime Map: 1998

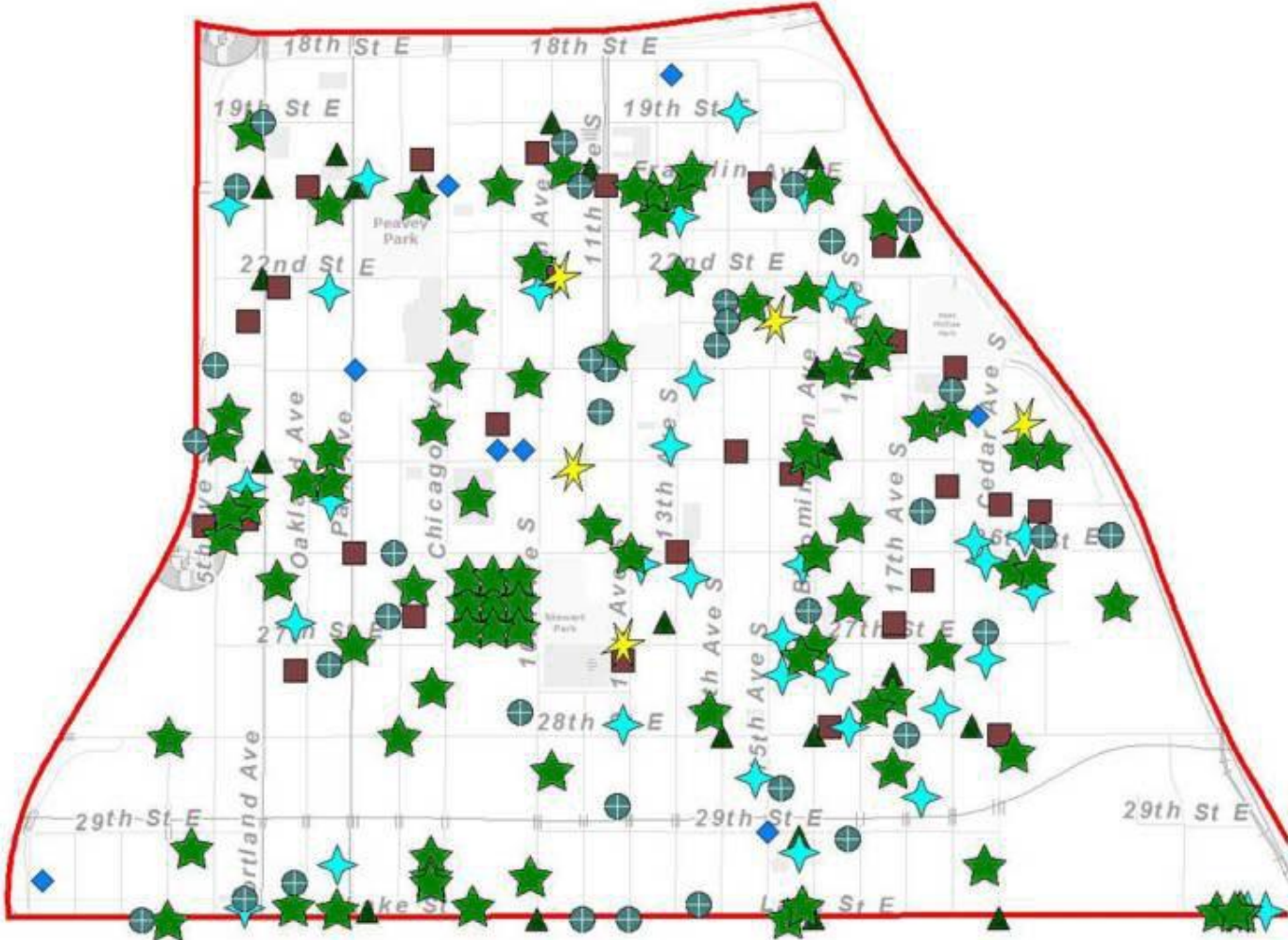


City of Minneapolis



Sectors

Part 1 Crimes  
Pct 3 Sector 1  
7/1/98 - 7/31/98



- ✖ UCR 01-02: Homicide ( 0)
- ◆ UCR 03: Rape ( 8)
- ▲ UCR 04: Robbery (23)
- UCR 05: Agg Assault (29)
- ◆ UCR 06: Burglary (36)
- ★ UCR 07: Larceny (87)
- ⊕ UCR 08: Auto Theft (36)
- ★ UCR 10: Arson ( 5)

Total - 224      4.637 PSMPD

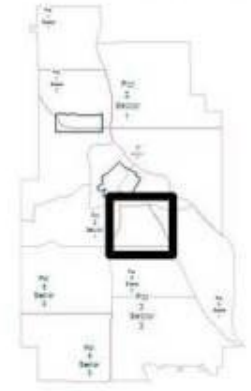


# Crime Map: 2009



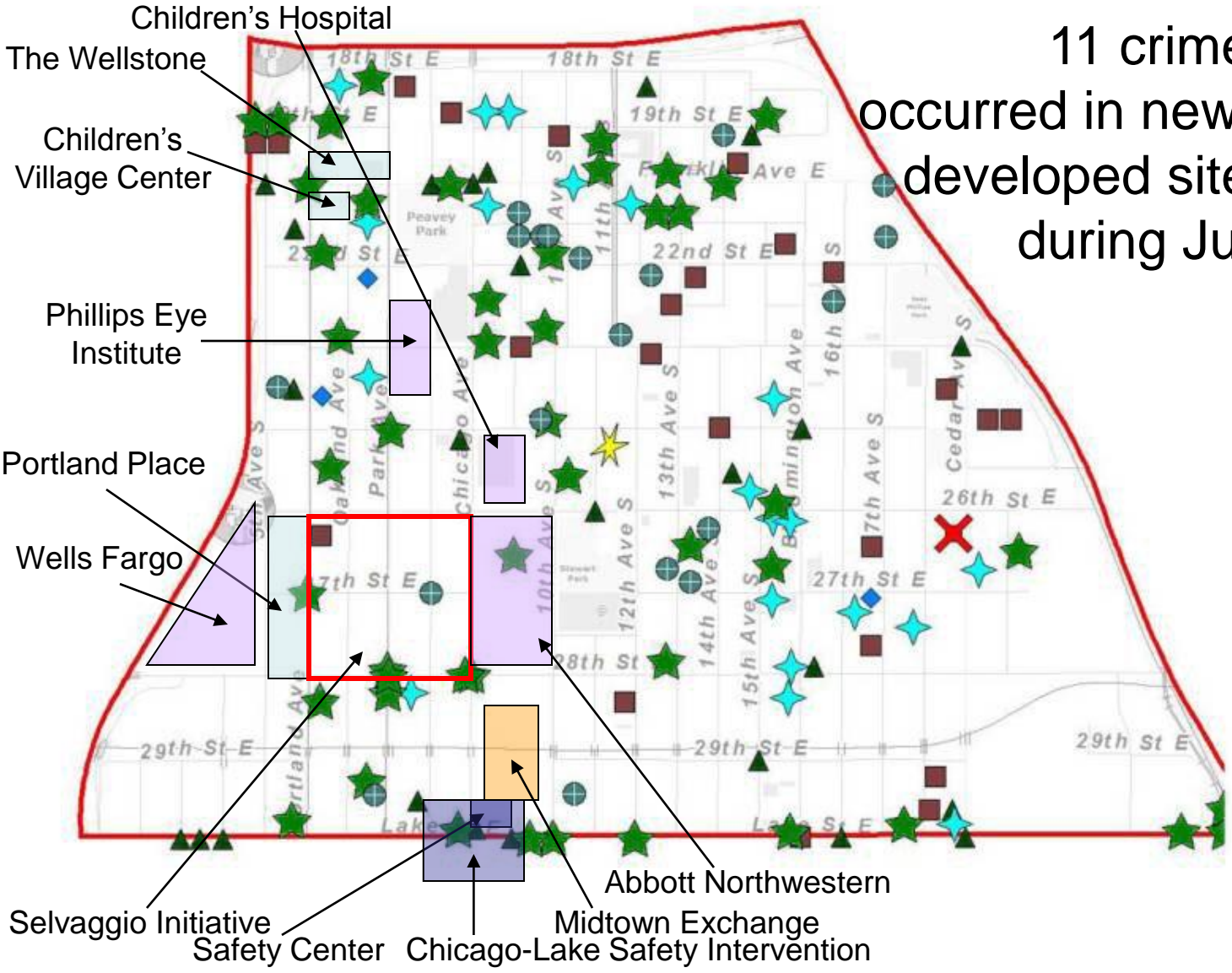
City of Minneapolis

11 crimes occurred in newly developed sites during July



Sectors

Part 1 Crimes  
Pct 3 Sector 1  
7/1/09 - 7/31/09



- ✕ UCR 01-02: Homicide ( 1 )
- ◆ UCR 03: Rape ( 3 )
- ▲ UCR 04: Robbery ( 25 )
- UCR 05: Agg Assault ( 23 )
- ◆ UCR 06: Burglary ( 20 )
- ★ UCR 07: Larceny ( 50 )
- ⊕ UCR 08: Auto Theft ( 19 )
- ★ UCR 10: Arson ( 1 )

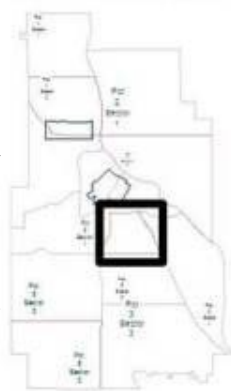


Total - 142      2.940 PSMPD

# Crime Map: 1998



City of Minneapolis



Sectors

24 crimes occurred in 1998 on sites developed by 2009 during July

Part 1 Crimes  
Pct 3 Sector 1  
7/1/98 - 7/31/98

Children's Hospital

The Wellstone

Children's Village Center

Phillips Eye Institute

Portland Place

Wells Fargo

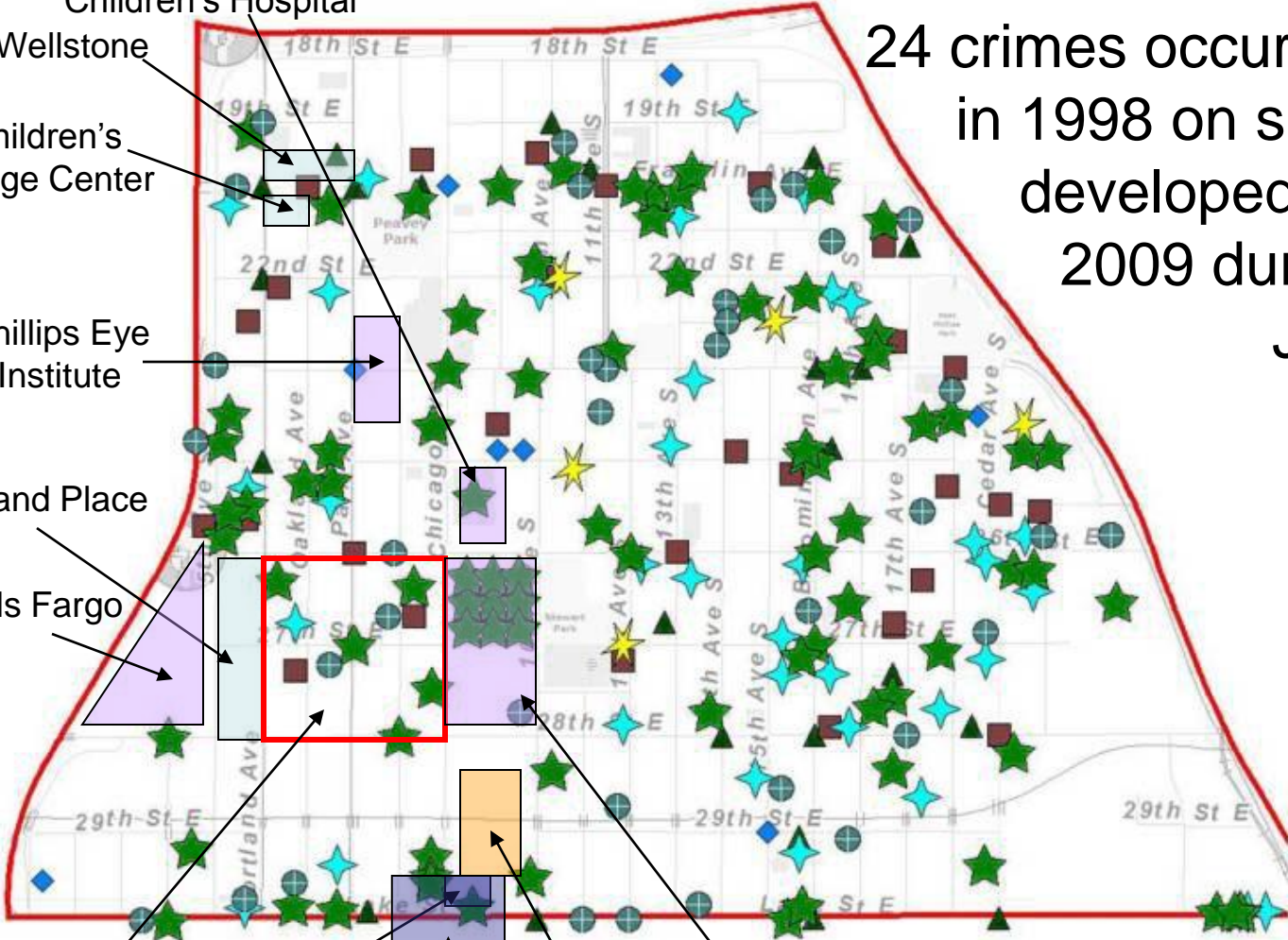
Selvaggio Initiative

Safety Center

Chicago-Lake Safety Intervention

Abbott Northwestern

Midtown Exchange



- ✖ UCR 01-02: Homicide ( 0 )
- ◆ UCR 03: Rape ( 8 )
- ▲ UCR 04: Robbery ( 23 )
- UCR 05: Agg Assault ( 29 )
- ◆ UCR 06: Burglary ( 36 )
- ★ UCR 07: Larceny ( 87 )
- UCR 08: Auto Theft ( 36 )
- ★ UCR 10: Arson ( 5 )



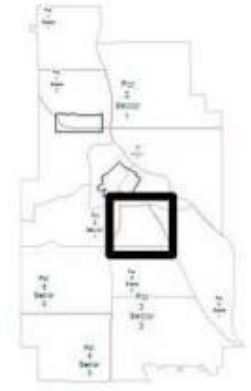
Total - 224 4.637 PSMPD

# Crime Map: 2009



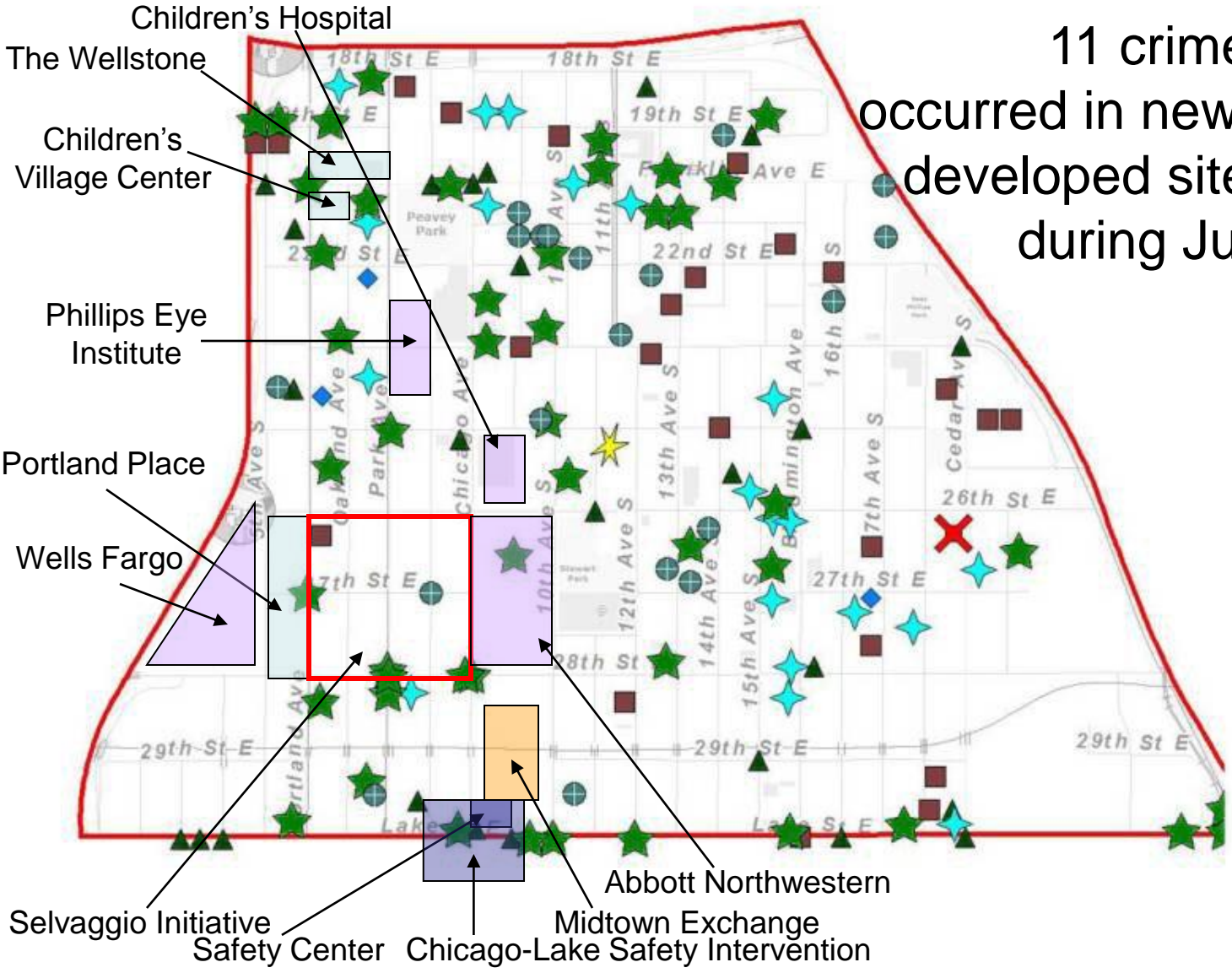
City of Minneapolis

11 crimes occurred in newly developed sites during July



Sectors

Part 1 Crimes  
Pct 3 Sector 1  
7/1/09 - 7/31/09



- ✖ UCR 01-02: Homicide ( 1 )
- ◆ UCR 03: Rape ( 3 )
- ▲ UCR 04: Robbery ( 25 )
- UCR 05: Agg Assault ( 23 )
- ◆ UCR 06: Burglary ( 20 )
- ★ UCR 07: Larceny ( 50 )
- ⊕ UCR 08: Auto Theft ( 19 )
- ★ UCR 10: Arson ( 1 )



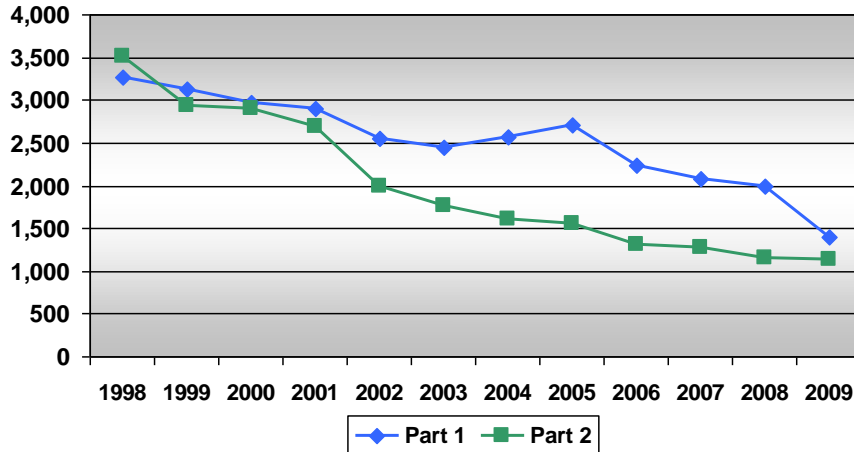
Total - 142 2.940 PSMPD

# Safety

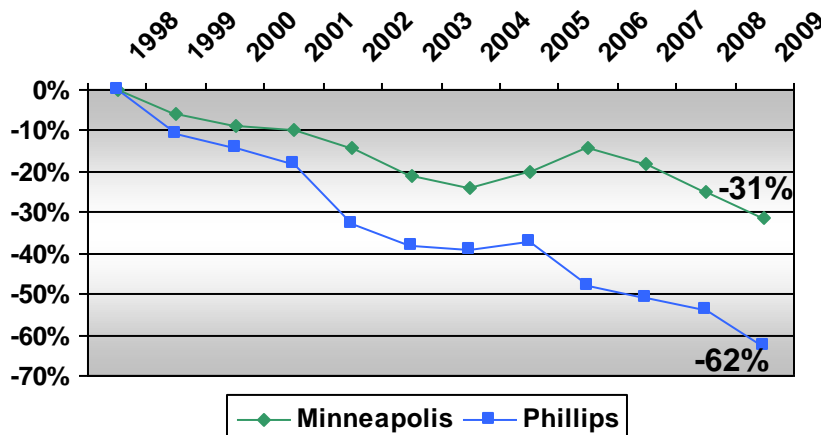
Crime down 62% 1998 – 2009



Philips Neighborhood: Crime



Percentage Change in Crime from 1998



Type of Crime	% Change 98-09
<b>ALL One Crimes</b>	<b>-57%</b>
Homicide*	-90%
Rape*	-40%
Robbery*	-48%
Aggravated Assault*	-46%
Burglary	-62%
Larceny	-59%
Vehicle Theft	-64%
Arson	-56%
<b>ALL Two Crimes</b>	<b>-68%</b>
Simple Assault	-67%
Weapons	-54%
Prostitution	-83%
Narcotics	-60%

\* Violent Crimes down 43%

# Partnership Focus on Safety



## SafeZone

(2006-present)

## Midtown Safety Center

(2005-present)

## Midtown Security Collaborative

(2005-present)

## Community Crime Prevention Initiative

(1998-2009)

## Chicago-Lake Intervention

(2002-2004)





# Safety

## Safe Zone



### Tools used by Safe Zone:

- Web Site  
[www.MPLSsafezone.org](http://www.MPLSsafezone.org)
- Seminars
- Membership Meetings
- Radio Link
- Cameras
- Prosecution Protocols
- Summit Meetings
- Hassle Factor Efforts
- Connection with Community Groups
- Police Officer Visibility and Collaboration
- Perception Surveys

**Minneapolis Safe City**  
Admin Home Submit Tip Contact Us Join Now Partner Login

*The Minneapolis SafeZone is bringing the public and private sectors together to make the heart of downtown safe and welcoming for those who work, live or visit here.*

Minneapolis Safe City Home  
**Minneapolis SafeZone**  
What is SafeZone?  
SafeZone Project Area Map  
Traffic and HyperLink  
Who Should Participate?  
SafeZone Advisory Committee Resources  
**Become a Partner**  
Join Minneapolis SafeZone  
Partner Login  
Meetings & Events  
**Contact Police**  
Submit Tips or Leads  
Contact Us  
**News & Announcements**

### What is SafeZone?

**How SafeZone Works:** By engaging community members, sharing information and working with business people, individuals, elected officials, governmental policy-makers, police and other non-profits. Here are examples of some of the tools used:

**Web Site:** ([www.MPLSsafezone.org](http://www.MPLSsafezone.org)) with links for members to the City Website (computer information-sharing platform) where members

- receive time-sensitive bulletins from police to e-mail or cell phones
- have access to news and articles relating to security, safety and important information for downtown businesses
- can view information about chronic offenders
- can provide impact statements to be used in prosecution
- can report incidents of crimes and attach files from their own cameras

**Seminars:** where hundreds of collaborative members receive information about criminal statutes of interest to them and how to use them, how to document crimes to ensure the best possible prosecutions, how to provide impact statements for the courts, and how to use the SafeZone website and other resources available to them.

# Safety



## *Midtown Safety Center*

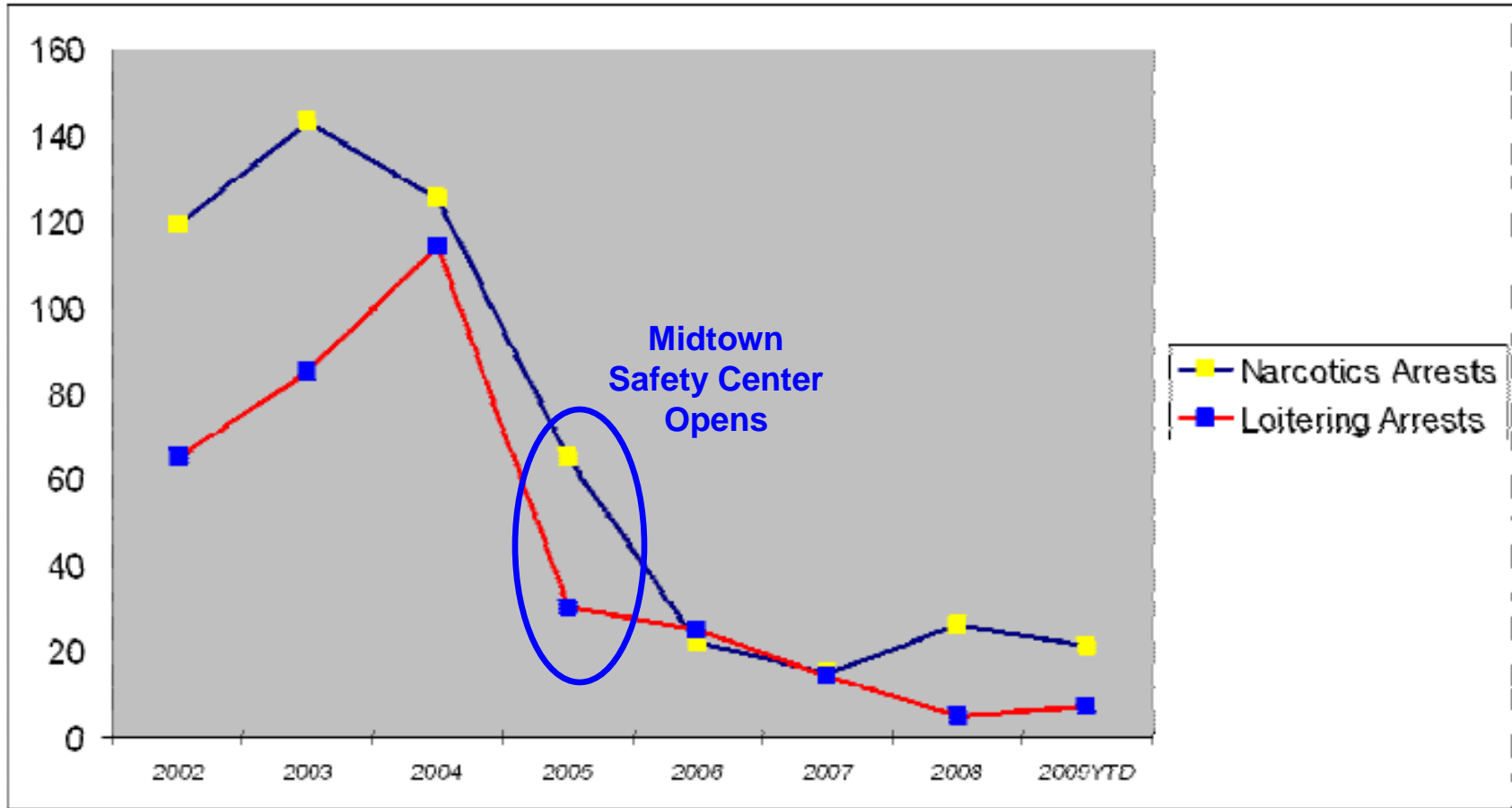
- A collaborative effort between area residents, neighborhood organizations, businesses and law enforcement
- Central, visible location that deters crime
- Neighborhood probation & police-probation partnership



**Mission:** The focal point for safety and security in the area and a place for community members and the police to discuss neighborhood problems and safety issues.

# Narcotics and Loitering Arrests

Midtown Safety Center Zone: Park Ave to 10<sup>th</sup> Ave / 28<sup>th</sup>-32<sup>nd</sup> Street



# Jobs



## Train to Work

- Since 1997: 987 graduates and 735 job placements
- 80% job retention rate



## Health Careers Partnership (HCP)

- 2001-2005: More than 1,200 students enrolled, with most graduates placed in career-track jobs at the 15 area healthcare providers.
- In its first 3 years, it was the largest hospital-based training program in the nation

# Jobs



- **Abbott Northwestern** invests \$145 million in expansion of its heart hospital, employs 5,300 people in total, and triples its employment of Phillips residents to 900



- **Wells Fargo** invests \$200 million in the former Honeywell Buildings and employs 4,300 people.

# Jobs



- **Allina Health Systems** relocates its headquarters in the renovated Midtown Exchange building, bringing 2,000 jobs.



- **Children's Hospital and Clinics** adds around \$175 million to its campus and employs 2,225 people.

# Jobs



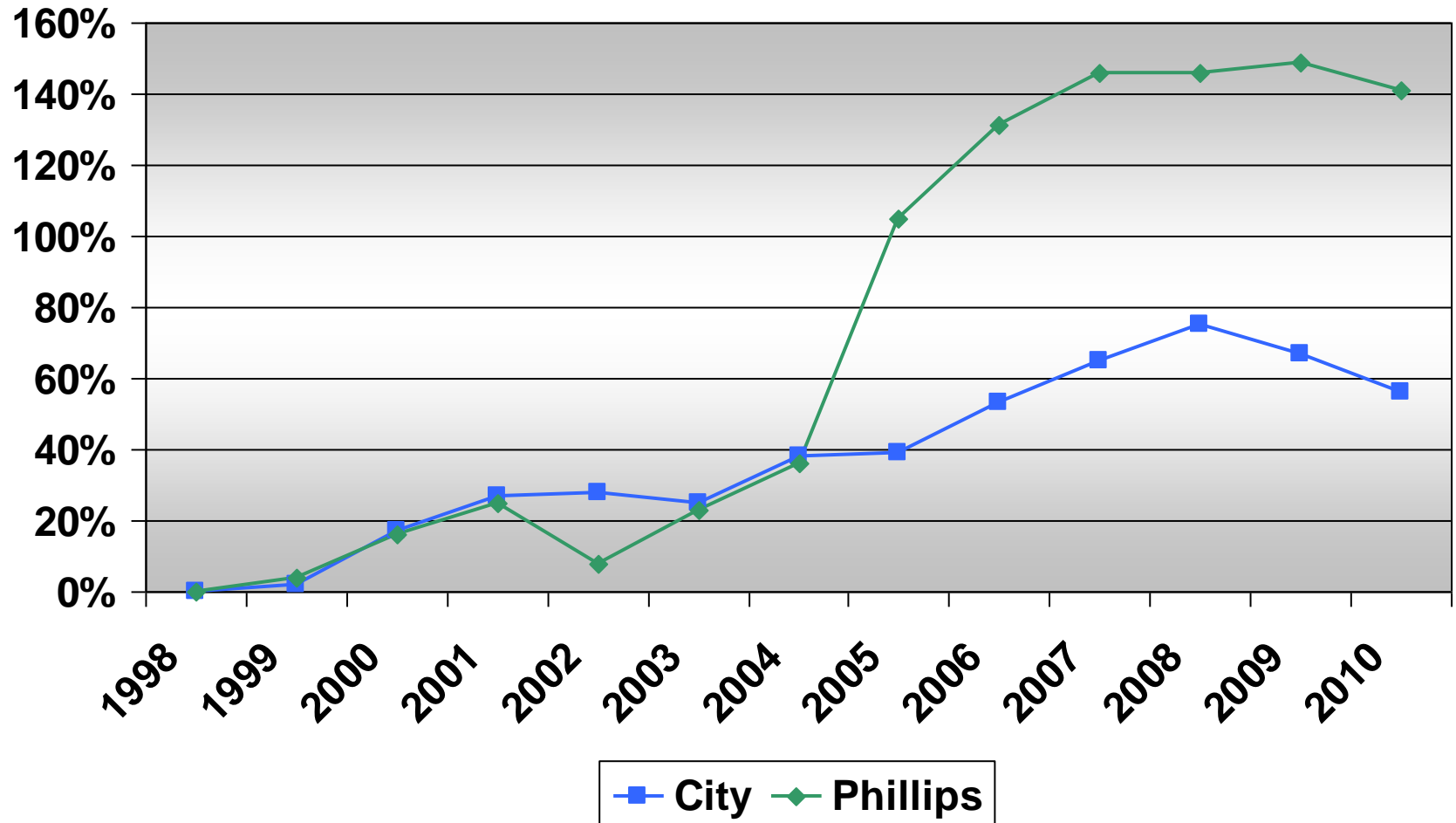
- 36.4% of Phillips residents work in Minneapolis (not including the Phillips neighborhood)



More work to be done:

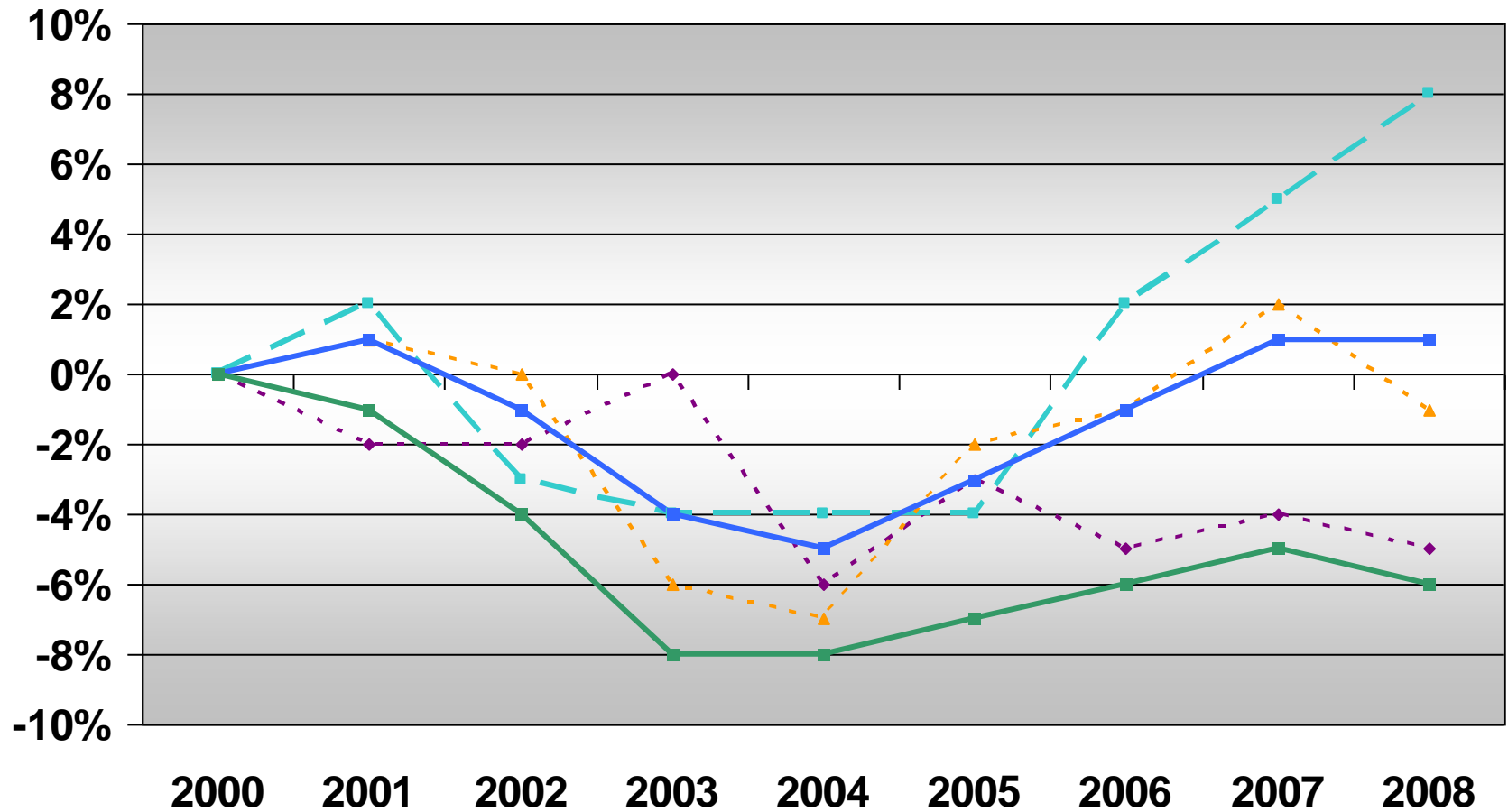
- Only 5.8% of Phillips residents work in the Phillips neighborhood

# Percentage Growth in EMV of Commercial & Industrial Buildings from 1998





# Percentage Employment Change from 2000



---◆--- North EZ    - - -■- - Phillips EZ    - - -▲- - Northeast EZ    - - -■- - Empowerment zone    - - ■- - City

# Housing



# Housing



- **Phillips Partnership Housing Stabilization Initiative (2009-2011)**
  - Home improvement grants
  - Downpayment assistance
  - Neighborhood marketing
  - Foreclosure prevention & housing resource guide
- **Joseph Selvaggio Initiative (1998–2001)**
- **East Phillips Infill Campaign (1999–2001)**
- **Portland Place (1997–1999)**
- **Phillips Park Initiative (1997–1998; 2003–2005)**

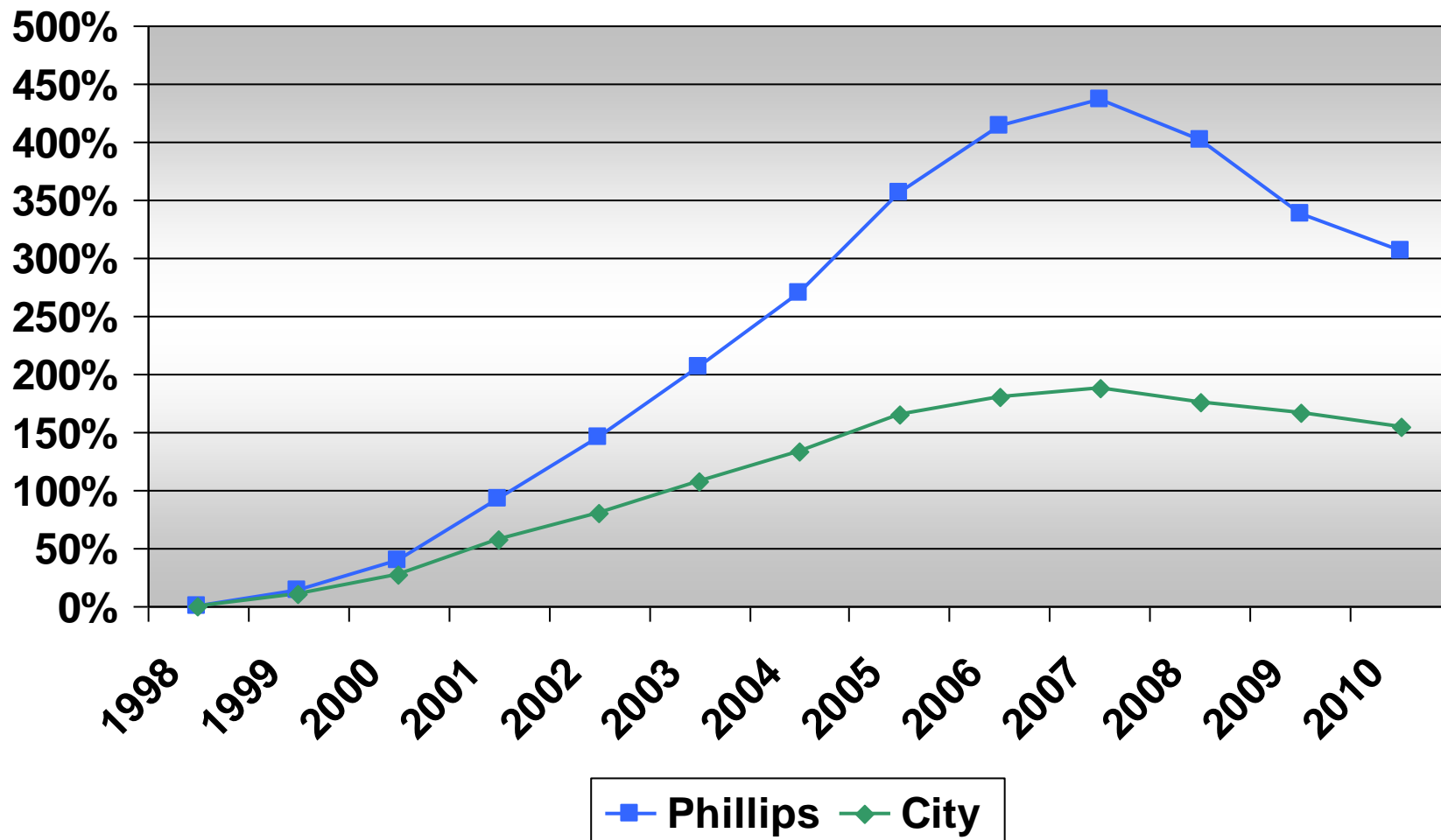
**\$35 million invested or earmarked for neighborhood housing, 1997-2004**



**24<sup>th</sup> St & 12th Ave. S.**

Tuck Pointing Around Chimney,  
Flashing Around Chimney, Shrub  
Removal, New Sod, Patio, Fire Pit  
Total Project Cost: **\$6,988.23**

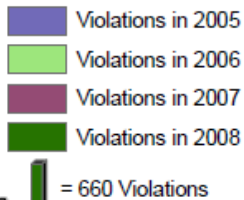
# Percentage Change in EMV of Residential Buildings from 1998



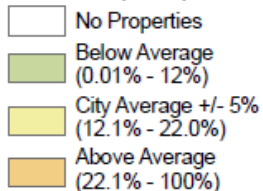
# MAP A: Residential Properties with Housing Violations



## Number of Residential Housing Violations



## Percent of Residential Properties with a Housing Violation (2008)

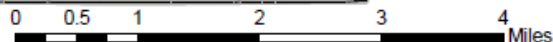


City Average (2008) = 17%  
(18,888 of 108,948)

Note: Regulatory Services conducted sweeps for housing violations in 2006 on the Northside and in 2007 in Waite Park and Audubon Park

Source: Regulatory Services

Map created by CPED Research  
DRAFT January 2010



DRAFT - January 20, 2010

# Residential Properties with Housing Violations

# MAP B: Number of Residential Properties on Regulatory Services' Vacant Building Registry as of year end



## Number of Vacant Residential Properties

- Vacant Properties in 2005
- Vacant Properties in 2006
- Vacant Properties in 2007
- Vacant Properties in 2008

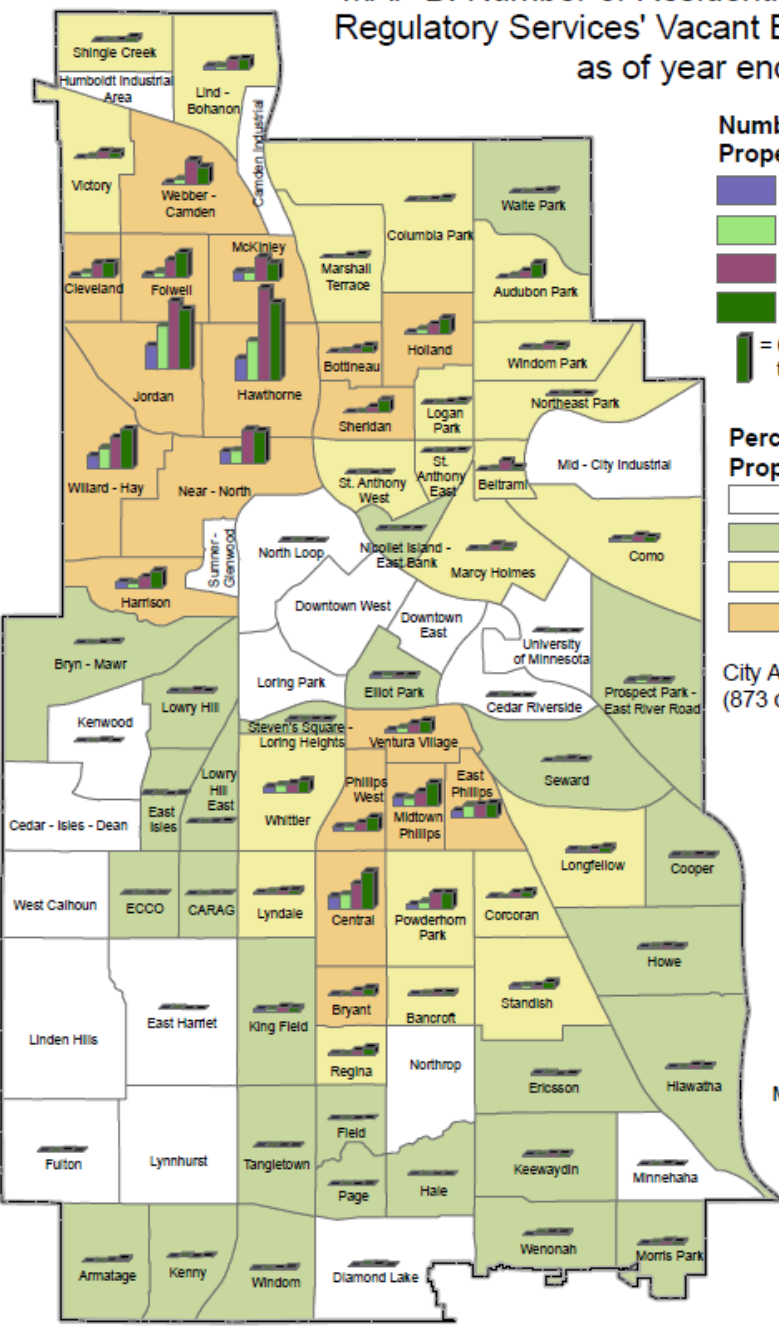
= 65 Residential Properties on the Vacant Building Registry

## Percent Vacant Residential Property (2008)

- No Vacant Property
- Lower (0.01% - 0.3%)
- City Average +/- 0.5% (0.3% - 1.3%)
- Higher (1.3% - 9.5%)

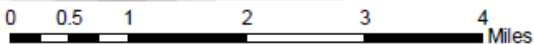
City Average (2008) = 0.8%  
(873 of 108,948)

# Residential Properties on Vacant Building Registry



Source: Regulatory Services

Map created by CPED Research  
DRAFT January 2010



DRAFT - January 20, 2010

# MAP D: Residential Property Foreclosures



## Number of Residential Property Foreclosures

- Foreclosures in 2006
- Foreclosures in 2007
- Foreclosures in 2008

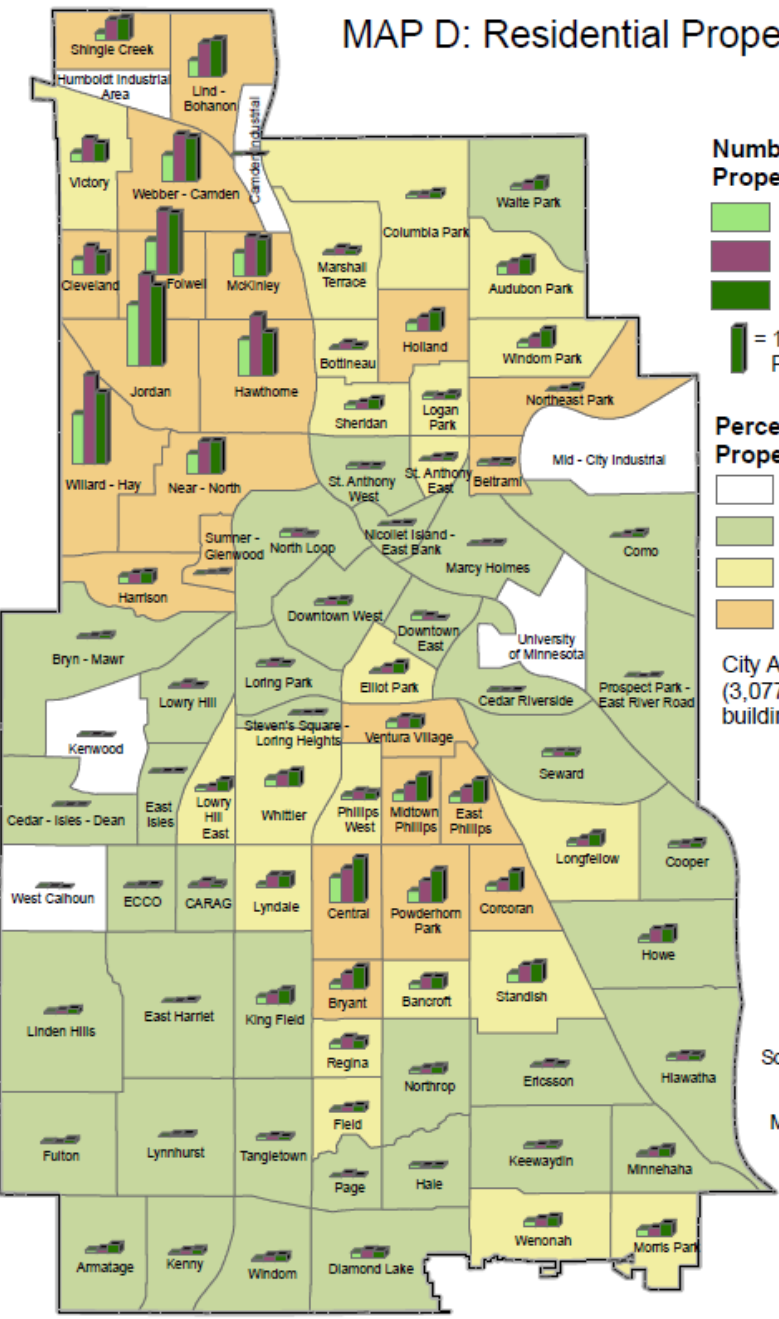
= 130 Foreclosed Residential Properties

## Percentage of Residential Properties Foreclosed in 2008

- No Foreclosed Properties
- Below Average (0.1% - 1.8%)
- City Average +/- 1% (1.8% - 3.8%)
- Above Average (3.8% - 11%)

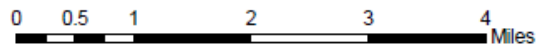
City Average (2008) = 2.8%  
(3,077 of 108,948 residential buildings)

# Residential Property Foreclosures



Source: Hennepin County Sheriff's Office

Map created by CPED Research  
DRAFT January 2010

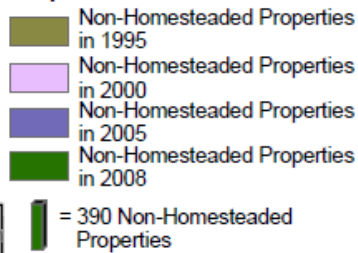


DRAFT - January 20, 2010

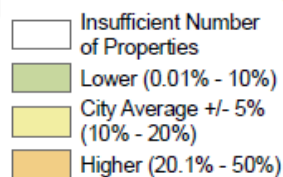
# MAP E - 2: Non-Homesteaded Single Family Residential Properties (1-3 Units), 1995 - 2008



## Number of Non-Homesteaded Single Family Residential Properties

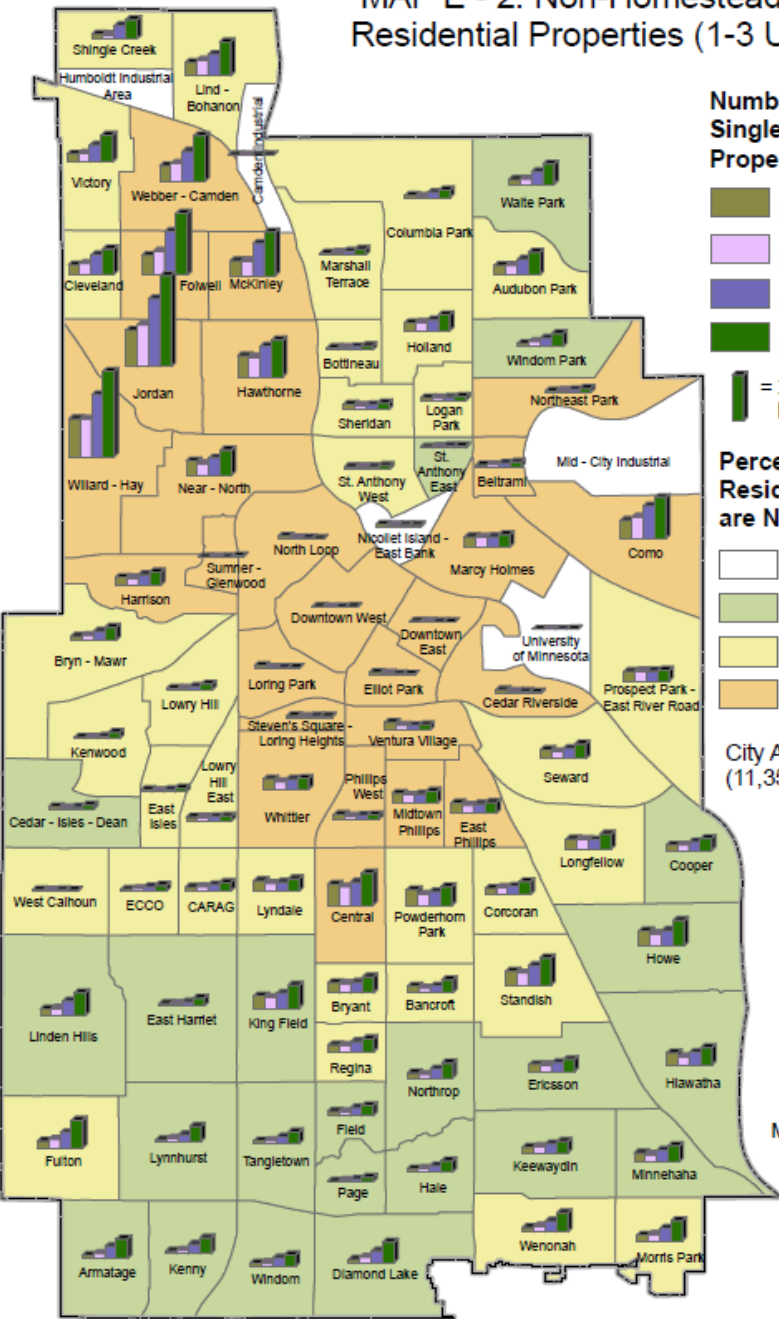


## Percent of Single Family Residential Properties that are Non-Homesteaded (2008)



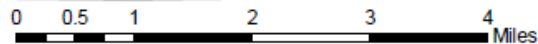
City Average (2008) = 15%  
(11,358 of 75,202)

# Non-Homesteaded Single Family Residential Properties 1995 - 2008



Source: City Assessors Office

Map created by CPED Research  
DRAFT January 2010

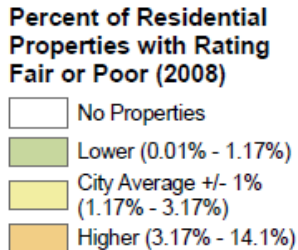
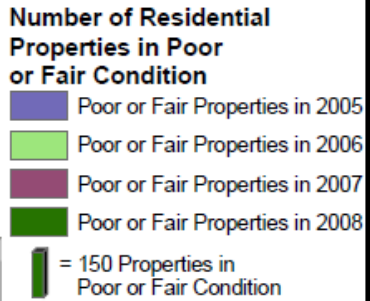


DRAFT - January 20, 2010



# MAP F: Residential Properties in Poor or Fair Condition\*

\*The number of residential buildings (parcels) with an Assessor condition rating of 6 (Fair) or 7 (Poor)



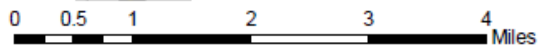
City Average (2008) = 2.17% (3,088 of 142,228)

Note: Generally, housing assessment is done on a 5 year cycle. Assessor field checks housing condition for 20% of residential properties per year.

\*City Assessors Office conducted sweeps in Jordan and Hawthorne neighborhoods in 2008.

Source: City Assessors Office

Map created by CPED Research  
DRAFT January 2010



DRAFT - January 20, 2010

# Residential Properties in Poor or Fair Condition

# MAP H: Value of Residential Property Permits\*

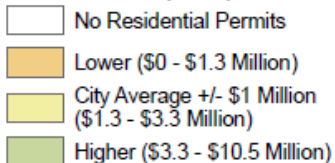
\*Includes new construction (BINB), remodeling (BIRE), and over-the-counter (BOTC) permits over \$5,000 for residential properties



## Number of Residential Permits



## Residential Property Permit Value (2008)

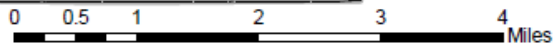


Average City Neighborhood in 2008 = \$2.3 Million in Residential Property Permits

# Value of Residential Property Permits

Source: Regulatory Services

Map created by CPED Research  
DRAFT January 2010



DRAFT - January 20, 2010

# Housing



## Midtown Exchange

Monumental historic renovation of the former Sears building. Includes 374 units of affordable and market rate condos and apartments, Allina corporate headquarters, and the Midtown Global Market. Development costs totaled \$190 million.



# Infrastructure



## ■ I-35W Access Project

- Multi-million dollar addition of freeway access ramps championed by the Phillips Partnership. Current estimated cost is \$250 million.
- Project recently updated to include a BRT station on I-35W.



## ■ Private-Sector

- Members of the Phillips Partnership have invested \$730 million in development in the neighborhood, resulting in 6,300 new jobs.

# Results



- An effective public-private partnership empowered to address market failure
  - Crime down 62% 1998 – 2009.
  - \$730 million investment by private sector, 6,300 new jobs on 5 campuses (Allina, Abbott Northwestern, Wells Fargo Mortgage, Children's and Phillips Eye Institute)
  - Largest hospital-based job training program in the country
  - Market value growth in Phillips beyond City averages



# Thank you



**City of Minneapolis**  
*Department of Community Planning  
& Economic Development - CPED*

Information and photographs courtesy of Phillips Partnership.

April 2010. Revised September 2010.