

Collaborative Framework and Business Plan

Central Corridor Funders Collaborative

FINAL DRAFT

Prepared by:



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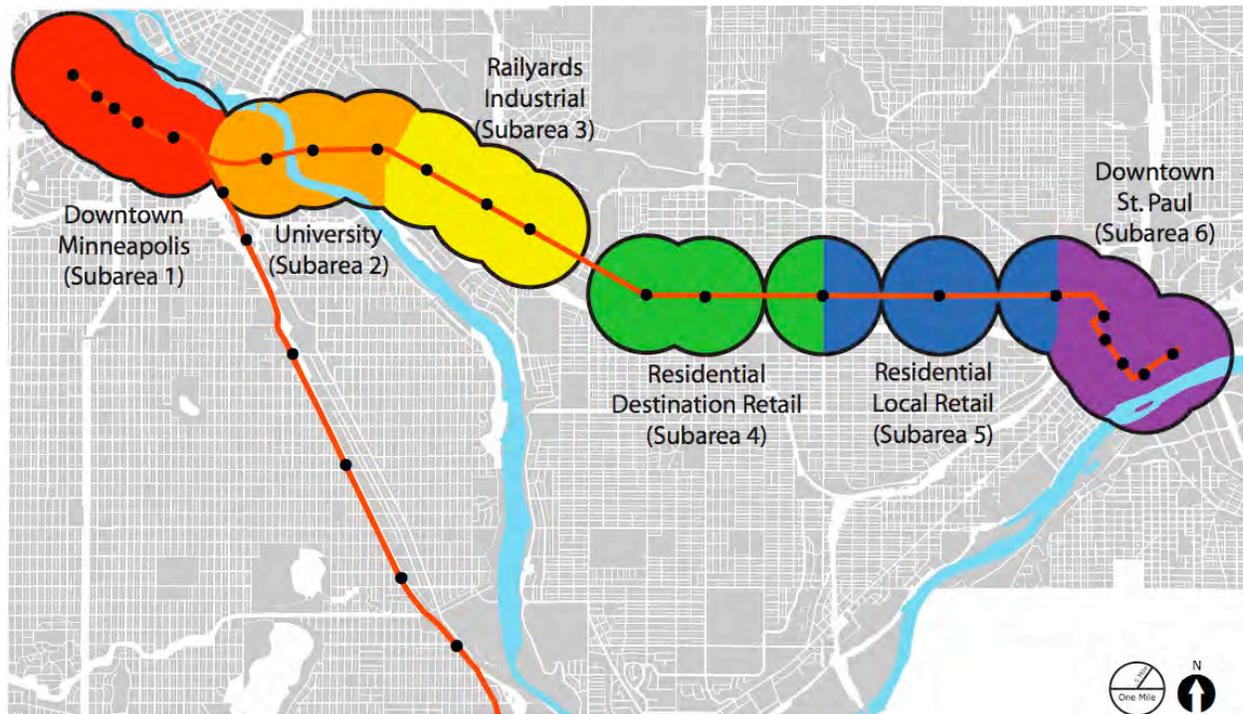
Executive Summary

Why the Central Corridor Funders Collaborative?

The Central Corridor LRT project has the potential to positively impact equitable development in the neighborhoods served by the line by providing residents with access to regional destinations, spurring business and economic development, and generating new public and private investment. At the same time, if left on its own, the transit investment also has the possibility to displace existing residents and business owners with rising costs and gentrification. The strong and active community development efforts show the benefits of continued involvement on the part of local and national funders. The Metropolitan Council is currently engaged in Preliminary Engineering for the LRT, and service in the corridor is expected to begin in 2014.

The Central Corridor Funders are dedicated to building on the transformational potential of LRT for the development of stable, healthy, walkable, diverse neighborhoods that support and link all families to regional opportunities, reflect community identities, and benefit both existing residents and those still to come.

Working collaboratively, Central Corridor Funders can help build on and enhance existing investments to have a greater scale of impact in a shorter time frame. This ambitious effort will also require new approaches and models not previously been implemented in the corridor as a complement to ongoing activities.



Coordinated Approach to Leverage Assets

The diversity of actors engaged in equitable neighborhood development in the corridor—ranging from small CDCs to advocacy organizations to city and regional government and beyond—is staggering. Working collaboratively, funders invested in the Central Corridor can more effectively exchange information, better inform decision-making and grantmaking by individual funders, leverage outside resources, increase scale of impact, build institutional capacity in the non-profit and government sectors, develop models for success, and produce long-term accountability for community outcomes. A collaborative approach will be able to reinforce and strengthen existing relationships between funders and grantees, as well as the opportunity to create new relationships and partnerships.

A coordinated approach requires creating new venues for funders to share information, engage with stakeholders, and learn from successes in the Twin Cities region and across the country. The level of coordination necessary, however, requires a dedicated presence in the corridor representing the Funders Collaborative and helping to further the goals of the collaboration.

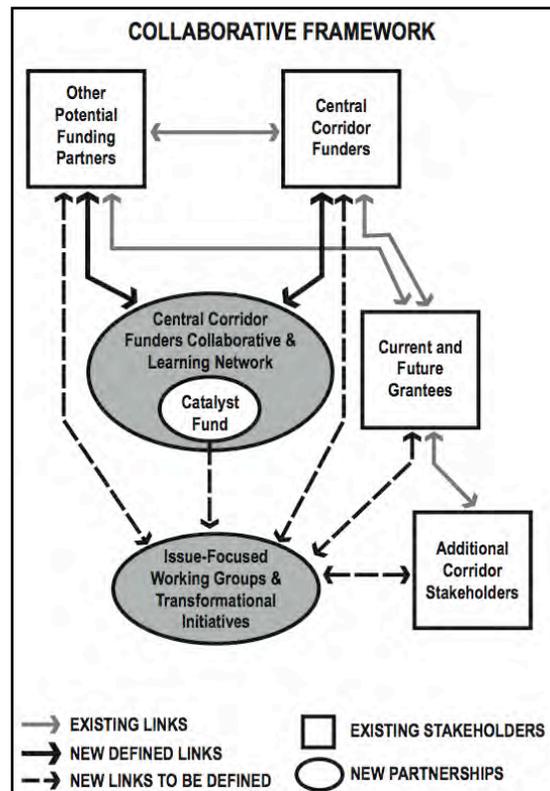
Flexible Approach to Addressing Corridor Needs

Development pressures for change will affect different parts of the corridor in different ways, with some areas facing more pressure for redevelopment and others facing cost escalations that could lead to gentrification. Similarly, some areas will require more attention to small business development and job training for existing entrepreneurs and residents, while others will require a more housing-focused strategy for equitable development outcomes. The existing actors in the corridor come from diverse backgrounds and viewpoints, and may be working towards distinct, although still complementary goals. An equitable development strategy for the Central Corridor will take time to develop and implement. Funding for new initiatives will require patience and flexibility to address all of these factors.

A flexible approach requires alternative funding sources that can serve multiple needs over a flexible term, with performance and progress indicators that may not conform to current funding pools. A flexible approach must also be able to bring all of the corridor's assets to bear and to clearly articulate existing needs across sectors and subareas of the corridor.

A New Framework for Collaboration

The ambitious agenda for the Central Corridor Funders Collaborative demands actions that build upon the transformational potential of the LRT investment and accelerate the scale of grantmaking impact. The needs articulated above set the parameters for action. The members of the Central Corridor Funders Collaborative must find new ways to work together and engage with potential future funding partners. Both the diagram at right and the collaborative vehicles described below identify these new partnerships.



Vehicle of Collaboration	Purpose	Governance
Funders Collaborative	Build upon the transformational potential of the LRT investment and accelerate the scale of grantmaking impact.	Monthly Steering Committee meetings.
Learning Network	Information sharing and education role for funders and corridor actors.	Quarterly convenings (subjects to be determined by Coordinator and members).
Catalyst Fund	Seed Working Groups and Transformational Initiatives with flexible startup funding to address current funding gaps	Program Committee to evaluate grant proposals and recommend funding allocations.
Funders Coordinator	(1) Support the Program Committee of the Catalyst Fund. (2) Act as “eyes and ears” of the Collaborative, helping to engage grantees and other stakeholders.	Details TBD; could be created within a participating foundation or engaged on a consultant basis
Working Groups	(1) Provide a vehicle for information sharing and education. (2) Engage existing and potential grantees as well as other corridor stakeholders around certain issues (3) Identify potential Transformational Initiatives.	Details TBD based on issues and expertise.

Tiered Levels of Engagement

Within a broader goal of collaboration, there will also need to be ways for funders to engage and participate at different levels based on their organizational goals and objectives. All of the members of the Central Corridor Funders Collaborative value their existing relationships with grantees, and the initiative is not intended to supplant these relationships. The structure of the Central Corridor Funders Collaborative provides the opportunity for different levels of engagement to meet the needs and goals of diverse funders.

Level of Engagement	Yearly Investment	Outcomes
Member	\$10,000-\$30,000/year basic Collaborative membership	Participation in Central Corridor Learning Network quarterly convenings and strategies. Support for Central Corridor Coordinator and Collaborative operations. Potential participation in Funders Collaborative Steering Committee Potential participation in one or more issue-focused Working Groups
Investor	\$150,000+/year investment in Central Corridor Catalyst Fund	Membership on Program Committee to evaluate grant proposals and recommend funding allocations.

Purpose and Need

The Central Corridor Funders Collaborative has formed in response to the unique characteristics of the Central Corridor and its vital role in the Twin Cities region. The corridor will serve a critical function in the regional transit network and can also serve as a model for future growth and the development of vibrant, inclusive neighborhoods.

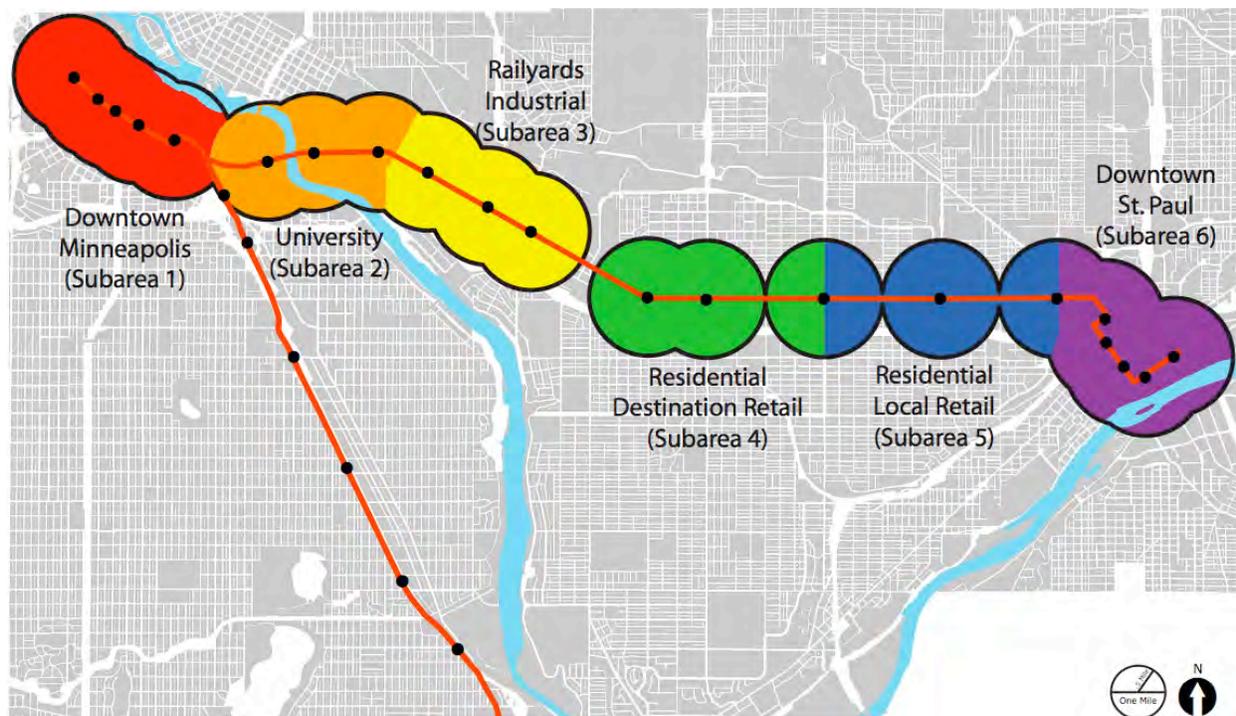
Location and History

The Central Corridor connects the downtowns of Minneapolis and St. Paul, as well as major destinations, including the State Capitol complex, the University of Minnesota, and the Metrodome, as well as schools and hospitals. The corridor also ties together a diverse collection of neighborhoods, including communities that have been largely unchanged for 50 years and recent immigrant populations. Transportation in the corridor has long been an important issue, and has been the subject of community organizing and advocacy. The construction of I-94 in the 1960s displaced many residents of the corridor, and reshaped the fabric of the community. Disinvestment over the next 20 years led to a range of neighborhood problems, as community members struggled to better their environment. The revitalization and economic vitality of both downtown Minneapolis and downtown St. Paul has strengthened these two strong anchors of the corridor, and the University of Minnesota continues to expand both teaching and research activities. The access of the corridor to these economic centers has led to community concerns about gentrification and ensuring economic benefits accrue across the existing population.

Central Corridor LRT Project

Much of the recent focus of these concerns has been the Central Corridor LRT process, now in Preliminary Engineering, and planned to begin operation in 2014. This transit investment will enhance the corridor by increasing mobility and spurring investment throughout the diverse corridor. In downtown Minneapolis, the line will follow the Hiawatha Line alignment, with an extension to the planned multi-modal center. The line will then pass through the Cedar-Riverside area and the University of Minnesota campus, crossing over the river with planned stations on both banks. There is still an unresolved issue of how the line will pass through the university campus, with both surface and underground options still under consideration. Continuing east, the line will follow University Avenue all the way to the State Capitol. Along University Avenue, the line will connect several distinct districts, from predominantly industrial areas to areas with a mix of residential and both regional and neighborhood-serving retail. From the capitol complex, the line will turn southeast into downtown St. Paul. The terminus of the line is still being studied, with the potential for the line to terminate in the historic Union Depot. The map on the next page illustrates these subareas.

The Preliminary Engineering phase of the project is expected to take approximately 2 years, with completion in late 2008 or early 2009. At that point, the Metropolitan Council will enter Final Design and apply for Federal funding. Construction on the corridor would begin in 2010 and last until 2013, with operation of the corridor beginning in 2014.



Corridor Planning Efforts

The City of St. Paul has developed a plan outlining the vision for the corridor through a broad inclusive public process. This process has resulted in a clear and compelling strategy for the land use and transportation changes that will be both possible and necessary as a result of LRT. The plan identifies development opportunities as well as needs for affordable housing, parks and open spaces, and neighborhood-serving retail. The plan studies the entire length of the corridor within the City of St. Paul, and is, by necessity, somewhat broad in scope. In order to move towards implementation, the City will need to conduct more focused planning efforts around planned stations to delve into the details of development and design.

The City of Minneapolis is currently conducting a planning effort in the Cedar-Riverside neighborhood. This plan is primarily focused on the multi-modal access and public space needs of the neighborhood, and has less focus on development issues. At the west end of Downtown Minneapolis, there is planning associated with the new Twins stadium. This will have some impact on the LRT project, especially regarding multi-modal station access.

The University of Minnesota is currently planning for the expansion of the campus, including a new stadium and a biotech campus. This planning will have an impact on the transit project, but has less impact on some of the other Central Corridor issues around affordable housing and employment, except in that the expansion of the campus will also increase the employment opportunities the university represents.

The Metropolitan Council is currently engaged in Preliminary Engineering for the corridor. As part of this process, the council has convened a Community Advisory Committee and a Business Advisory Committee and is conducting outreach efforts throughout the corridor. The planning, engineering, and design of the line creates the opportunity for multiple jurisdictions to work closely to think about land use issues and community character. This effort also presents the opportunity to leverage community benefits for the corridor from both the transit investment and development investment, but this opportunity could be lost without close and careful coordination.

Funders Working Group

Beginning in September 2006, a group of foundations with a vested interest in the success of the Central Corridor and the communities it will serve, began informal meetings to collectively learn about the corridor and how their grantmaking might be targeted towards achieving common goals. Members of the working group felt their grantmaking in the corridor was having a beneficial impact on equity issues including affordable housing, community development, business and entrepreneurship, and long-range planning. However, members of the working group also felt there was the opportunity to build on and enhance existing investments to have a greater scale of impact in a shorter time frame. This ambitious effort requires new approaches and models that had not previously been implemented in the corridor as a complement to ongoing activities. For such a large-scale community impact, working group members recognized that there was a need to have a focused and timely strategy—including both funding and programs—to maximize the community benefits of the Central Corridor project.

This Business Plan has been developed to reflect this effort and to serve as the basis for communication among funders, as well as between funders and both current and future grantees.

Working Group Findings on Opportunities and Challenges

Corridor Actors

Existing Actors Have A Strong Stake in Long-Term Change

Many of the individuals and organizations active in the corridor have been working for positive change for a long time. The overall Central Corridor endeavor (LRT, City development plans, CDC activities, and community engagement) will be most effective if existing actors are given a voice, role, and stake in the process.

Potential Opportunity: A grantmaking strategy can help support and direct community resources toward a more coordinated and positive outcome.

Actors in Different Subareas Focused on Different Goals

The different development and demographic contexts and issues along the corridor lead to different approaches by key actors.

- West of the river, in Downtown and Cedar-Riverside, the context is largely built out, so the focus is on public improvements and quality of life issues;
- Around the University of Minnesota campus, the University must address major infrastructure issues associated with the LRT, as well as long-range planning for growth;
- Along University Avenue, from the Prospect Park neighborhood to the State Capitol, communities are attempting to address tensions between housing and retail gentrification and leveraging the LRT investments to spur revitalization; and
- In Downtown Saint Paul, stakeholders are attempting to address the best way for the LRT to support downtown development and long-range multi-modal transportation planning.
- Throughout all areas, making connections to existing uses and creating a sense of place will be a challenge, but there will also be common elements that also cut across the board.

Potential Opportunity: Coordination among actors can help support both the unique and common goals of different subareas and different types of actors.

Coalitions Are Essential to Unite Actors and Expand Capacity

Actors with implementation experience around key issues, especially the CDCs and their role in developing affordable housing, often act at a very fine grain and the fractured nature of these groups limits their ability to make large impacts. This means coalitions are important not only for setting

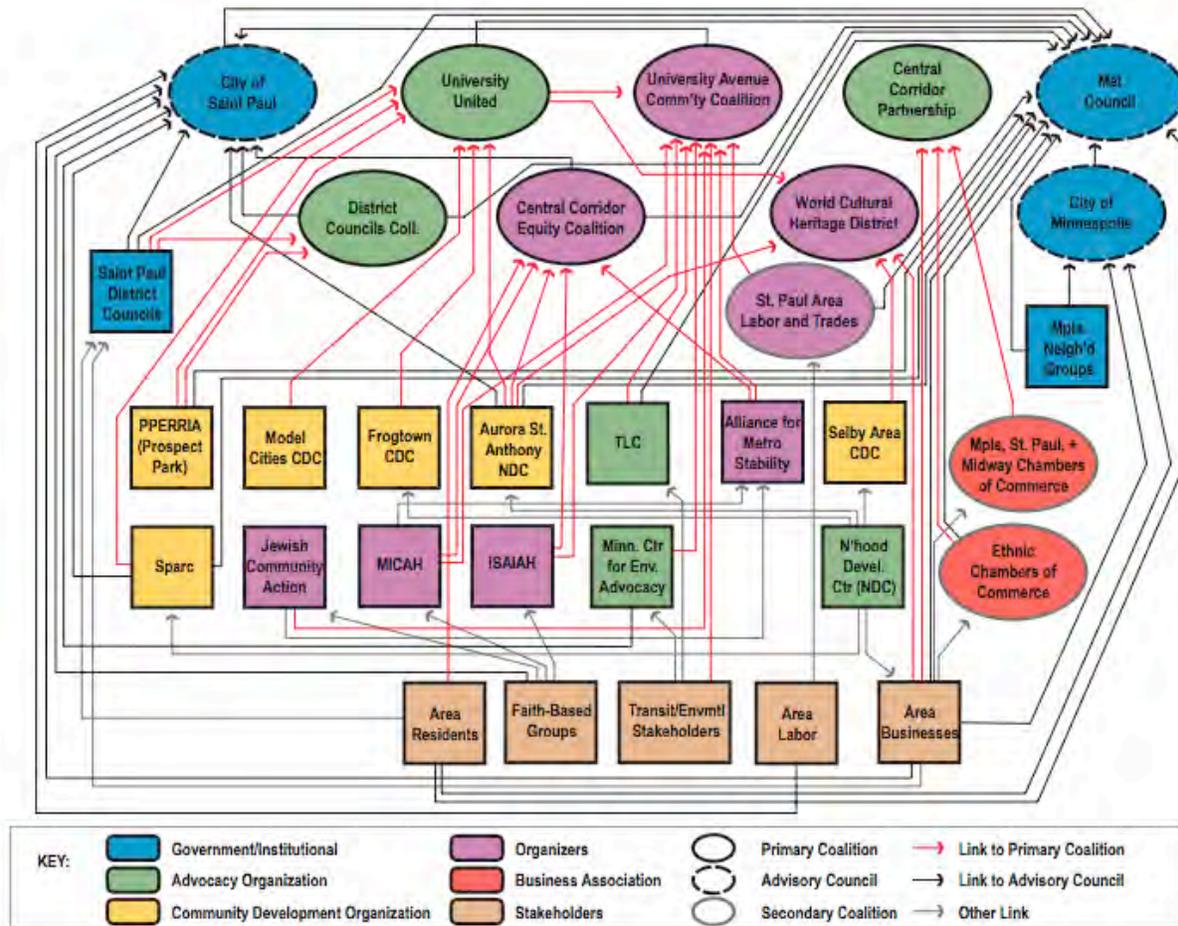
common agendas, but to provide technical expertise at the corridor and project levels. Examples of this are collaboration among several CDCs to implement larger projects like the mixed-use Rondo Community Library and housing, and University United's efforts to bring technical expertise to the corridor through the U-Plan center.

Potential Opportunity: Supporting existing coalitions and the emergence of new ones will help accelerate the scale and speed of impact in the corridor.

Cities and Met Council Have Successfully Brought Actors to the Table

St. Paul has done a good job bringing actors from all perspectives and working on a variety of issues to come to consensus. The Development Strategy reflects the time and energy of City, citizens, and consultants. The Funders Working Group, with links to actors across sectors and scales, can be prepared to facilitate connections among actors and identify opportunities for investment, as well as areas where new or expanded capacity is necessary. The graphic below shows how some of the many actors in the Central Corridor are linked through coalitions, advisory councils, or working links. These connections are somewhat fluid, so this graphic, developed through interviews in December and January, may not be exhaustive.

Potential Opportunity: This effort to bring actors to the table can be supported both within the public agencies and by the activities of the Funders Working Group.

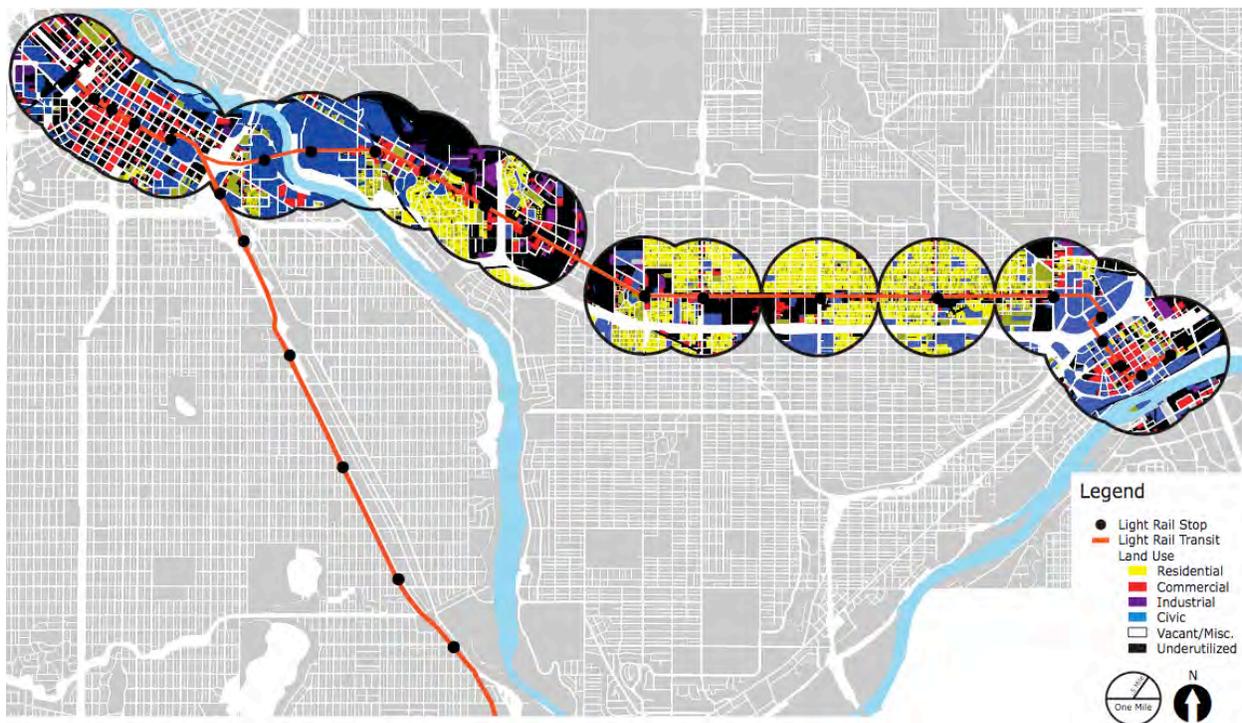


Likely Changes/Impacts

The Corridor Will Change in Different Ways in Different Locations

Development pressures for change will affect different parts of the corridor in different ways. Analysis of the corridor subareas highlights these differences. Preservation of existing affordable housing will be a primary concern in the central part of University Avenue, in the Residential/Destination Commercial and Residential/Local Retail subareas. Others areas, such as the Railyards Industrial subarea, may present opportunities to create new housing centers and integrate mixed-income housing with new development. The map below shows an analysis of underutilized sites, where market redevelopment pressures may be the highest (the black parcels). This analysis identifies commercial and industrial parcels where the assessed value of the buildings and other improvements are less than the value of the underlying land, signaling that they may be prime sites for redevelopment. This analysis does not attempt to identify which properties *should* redevelop, only those that are likely to have the greatest redevelopment pressures.

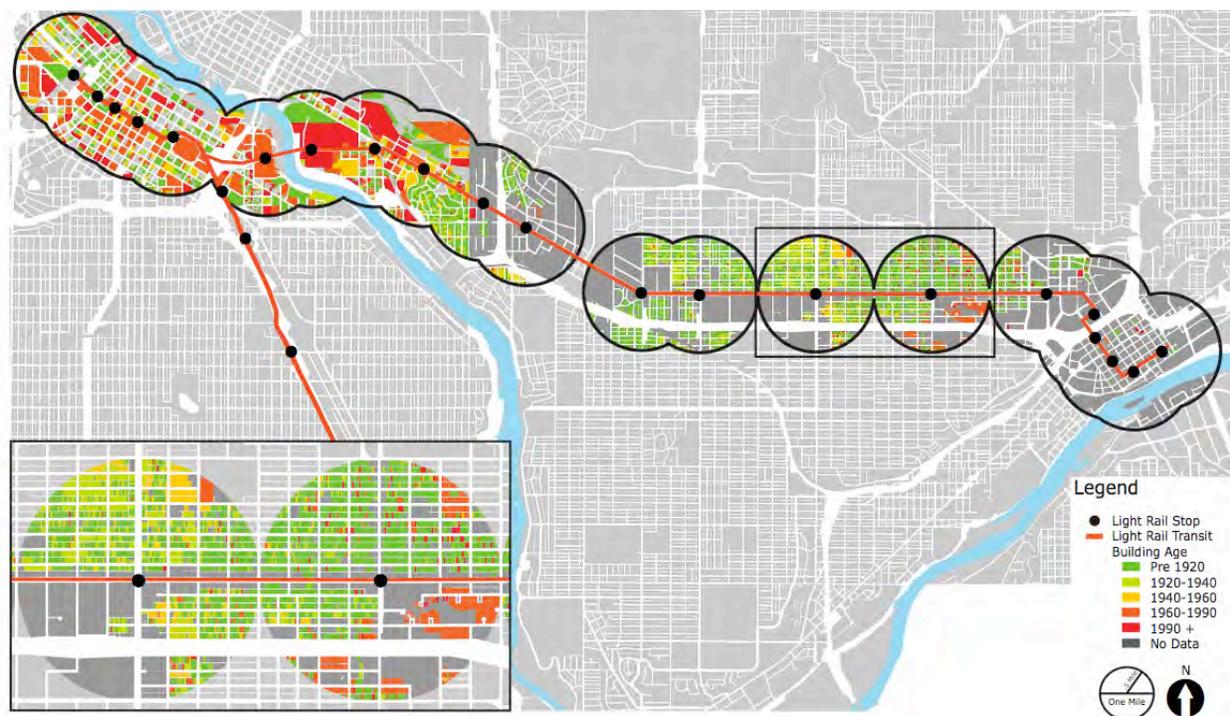
Potential Opportunity: Different areas will attract different types of development projects, supporting the need for continued strengthening of coherent communities from both social fabric and real estate perspectives.



Central Corridor Neighborhoods Are Very Likely to Experience Gentrification Pressures

The neighborhoods along University Avenue in St. Paul have relatively low incomes, a relatively high percentage of ownership housing, and a significant amount of older housing stock (pre-1940's). All of these factors indicate the potential for gentrification pressures and reinvestment in the existing housing stock in the corridor. While the pace of gentrification has been slow to date, this pressure could accelerate quickly as the LRT investment becomes more defined. The CDCs in the corridor have already made this a focus of their activities, and are well positioned to continue and potentially expand these efforts. The map below illustrates the age of existing buildings in the corridor.

Potential Action: In areas where there is little opportunity for new development, affordable housing strategies need to focus on preserving the current stock of affordable housing and preventing displacement of existing households.



Changes in Retail and Office Markets Will Likely Occur with Transit Construction

So far, price pressures have not had a substantial impact on retail uses or the many non-profit offices along the corridor, but this could change once the transit investments are made. Other similar corridors have seen gentrification pressures on retail and office spaces leading up to construction. As with housing, the retail and office markets in the corridor will likely change based on local and subarea market conditions.

Potential Action: Developing a proactive policy approach that anticipates these future changes and sets priorities for the types of retail and employment uses desired in the corridor will be important as transit planning moves forward.

Met Council Must Coordinate Transit Improvements with City Strategies and Other Institutional Actors

Understanding the needs of existing business owners and designing a transit system to support the local land use vision requires careful attention and collaboration. The experience of other transit corridors, including Denver's first light rail line, but also along the Hiawatha Line and in many other places, highlights the need for transit planning to proceed hand in hand with development planning along the corridor. This collaboration along the Central Corridor is of particular importance given the still-healing scars of I-94 in the Rondo Neighborhood. Coordination with the University of Minnesota, and its ongoing planning efforts will also be important in this regard. The corridor has the potential to strengthen the links between the University and the surrounding neighborhoods. At the same time, however, the transit infrastructure should utilize innovative design to strengthen the existing functions of the campus itself.

Potential Action: The Funders Working Group is well positioned to help public agencies with coordination of efforts and to build this capacity for interagency collaboration into the future.

Promising Strategies

Corridor-Wide Strategies Are Necessary to Implement Development Visions

St. Paul has completed the Central Corridor Development Vision and identified a number of implementation steps. Minneapolis is currently developing a plan for Cedar-Riverside and is looking for ways to finance public realm improvements in the downtown. Both cities still have substantial work to do

to implement their respective visions, and many times good plans die because of lack of implementation capacity. Strategies include designating senior city staff responsible for coordinating development around stations (used in Charlotte, NC and in Massachusetts at the state level) including exploring the form and function of various proposals for community design centers in the corridor, or funding a design center to coordinate the City agencies responsible for TOD outcomes, among several.

Potential Action: The final mechanisms for implementation of development visions are still to be determined, and the funders can have a role in framing the strategies that will be most effective and helping to forge implementation partnerships that might not otherwise happen

Multi-Purpose Community Development Funds Can Address Diverse Outcomes

In Seattle, a community development loan fund initiated by the city and transit agency under direct pressure from residents, addresses the multi-faceted needs of the community for (1) construction mitigation, (2) job training and assistance, and (3) community reinvestment. In other cities and regions, loan funds have been established to achieve a variety of goals, with the ability to get in front of real estate speculation and respond flexibly to changing market conditions.

Potential Action: The Funders Working Group can help to leverage funding for the establishment of a fund that could address multiple community development goals.

Not Every Place Will Be Appropriate for Housing-Focused TOD

The cities will need to assess whether and how some areas should transition to TOD uses. The Railyards Industrial subarea in particular, has indications of being a prime location for new investment in TOD housing and retail. However, this area is currently largely industrial land. Any plans for redeveloping this area should be accompanied by an Industrial Lands Strategy at the larger scale to understand how this potential change in use would impact regional productivity.

Potential Action: The Funders Working Group can help support ongoing City efforts and improve coordination and capacity among Central Corridor actors.

Affordable Housing Strategies Must be Flexible to Respond to Changing Needs

The Central Corridor neighborhoods face the prospect of rising costs and gentrification. For this reason, strategies for affordable housing should preserve existing affordable units. However, at the same time, some parts of the corridor are prime opportunities for reinvestment. These areas can be used to leverage greater affordable housing funding if development regulations provide the proper set of incentives to the development community. As the planning and construction of the LRT proceed, these strategies need to be flexible enough to adapt to changing market conditions.

Potential Action: The Funders Working Group can help to connect implementing actors (CDCs and City policy-makers) with national resources and best practices for creating lasting affordability.

Non-Residential Affordability Must Also Respond Flexibly

Aggressive programs targeted at entrepreneurship, business development, and construction mitigation can help sustain locally owned businesses and jobs. Innovative strategies, such as Commercial Land Trusts, can provide good options for long-term affordability of retail and non-profit office space. To our knowledge, this model has not been tested in other TOD corridors, and the Central Corridor, with many small businesses and non-profit offices is in need of this type of strategy.

Potential Action: The Funders Working Group can help to connect implementing actors (CDCs and City policy-makers) with national resources and best practices for non-residential affordability.

Conclusions

Funders Will Not Be Able to Solve Problems Alone

The level of investment necessary to create a loan fund or implement many of the other potential strategies for influencing equitable development in the corridor is greater than the financial capacity of

any one foundation, and quite possibly greater than the capacity of the Funders Working Group as a whole. For this reason, it is important for the funders to define strategies that catalyze still greater investments, provide the tools necessary for implementing new programs, and allow for the types of interagency collaboration that will ensure a diverse, mixed-income transit corridor connecting downtown Minneapolis and St. Paul.

Potential Action: Use strategic investment by Funders Working Group to leverage local resources with other investment.

Funders Can Provide an Important Information Link in Corridor

The Funders Working Group is in a unique position among corridor actors as an independent, yet vested, interest in the success of the corridor. In this way, the working group can help to connect local actors with information and best practices, while continuing to learn and assess progress in the corridor towards achieving equitable development goals.

Potential Action: Continue to use the Funders Working Group as a venue for information sharing and learning, as well as collaborative decision-making.

Collaborative Framework

Working collaboratively, funders invested in the Central Corridor can more effectively exchange information, better inform decision-making and grantmaking by individual funders, leverage outside resources, increase scale of impact, build institutional capacity in the non-profit and government sectors, develop models for success, and produce long-term accountability for community outcomes. A collaborative approach will be able to reinforce and strengthen existing relationships between funders and grantees, as well as the opportunity to create new relationships and partnerships. Within a broader goal of collaboration, there will also need to be ways for funders to engage and participate at different levels based on their organizational goals and objectives.

The Central Corridor Funders Collaborative operates in keeping with the following values:

- Diversity (of Culture, Age, and Means)
- Partnership
- Equity
- Leadership
- Strong Families
- Mobility
- Safety
- Opportunity
- Human Capacity
- Cross-sector cooperation
- Positive Wealth Creation
- Responsible Revitalization
- Respect for Others

These values are reflected in the Mission, Goals, and Principles of the Collaborative.

Mission

The Central Corridor Funders are dedicated to **building on the transformational potential of LRT** for the development of **stable, healthy, walkable, diverse neighborhoods that support and link all families to regional opportunities, reflect community identities, and benefit both existing residents and those still to come.**

Goals

To meet this mission, the Central Corridor Funders will strive to:

- Ensure the **opportunity for affordable living** in the corridor by taking advantage of the access benefits of transit and providing affordable housing in mixed-income communities to connect people to regional opportunities;
- Maximize the **positive community impact of LRT** by integrating the transit investment into the surrounding communities and creating vital transit-oriented districts at stations;
- Expand **local shopping opportunities** through the retention of existing businesses and the attraction of new ones;
- Create **business and employment opportunities** for local residents;
- Make the Central Corridor **safe for all users**, including pedestrians and bicyclists, residents and visitors, young and old;
- Foster the **diversity of the corridor** by supporting and augmenting the existing mix of uses, incomes, and ethnicities, and empowering strong cohesive communities, engagement and involvement in the planning process, and, long-term capacity building; and
- Build **wealth and opportunity** in the corridor by connecting residents with jobs and helping residents and business owners to have an equity stake in the success of the corridor.

Principles

To achieve these goals, the Central Corridor Funders will:

- **Continue and enhance current funding relationships** to augment and expand existing relationships and the efforts already underway in the corridor;
- Build new relationships to **address areas where there are currently gaps**—both geographic and programmatic—while avoiding the duplication of efforts;
- Share information and strategies to foster open and inclusive revitalization;
- **Include as many voices as possible in the development process**, and find ways to include new voices and partners as the corridor grows and changes;
- Maximize the impact of limited resources by **sharing resources and coordinating public investments** whenever possible;
- Partner with public agencies tasked with implementing transit and transit-oriented development in the Central Corridor, as well as the organizations dedicated to the revitalization of the corridor to **make the development process transparent and accountable**;
- Support approaches that encourage **economic investment** in the Central Corridor **by the private, public, and philanthropic sectors**; and
- Encourage actions towards a corridor vision **without taking sides on divisive issues**.

Vehicles for Collaboration and Governance Structure

The ambitious Mission and Goals outlined above demands actions that build upon the transformational potential of the LRT investment and accelerate the scale of grantmaking impact. The members of the Central Corridor Funders must find new ways to work together and engage with potential future funding partners. The vehicles for collaboration are described in detail below along with the diagram at right of the interactions and relationships in the collaborative framework.

Central Corridor Funders Collaborative

Purpose

The Central Corridor Funders Collaborative will play two roles:

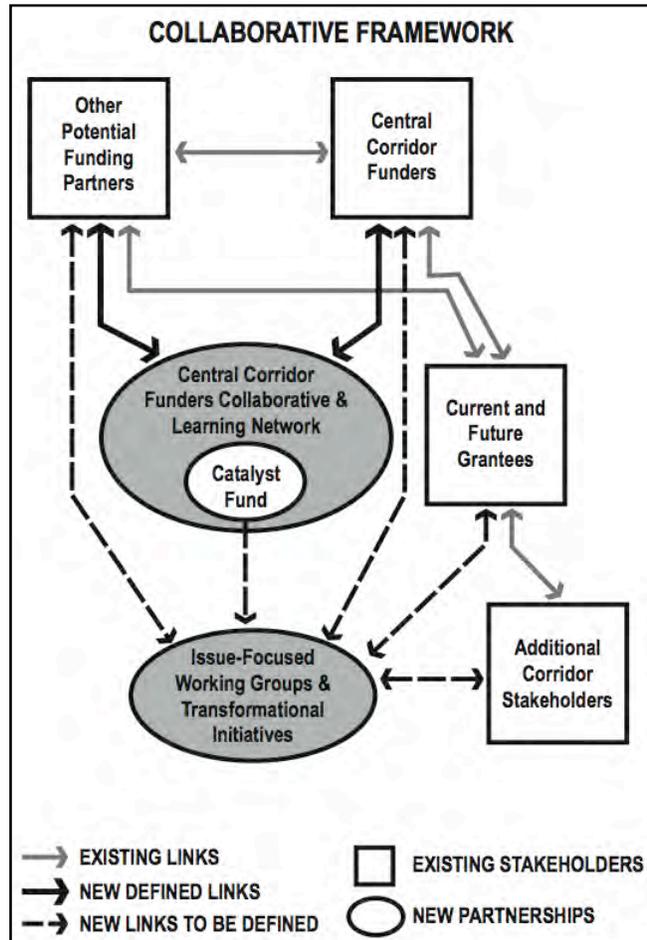
- (1) The Central Corridor Learning Network will help serve an information sharing and education role for funders, and
- (2) The Catalyst Fund will provide a shared grantmaking resource to actors in the corridor.

Both functions of the Collaborative will contribute to the creation of issue-focused Working Groups and Transformational Initiatives that work with current and future grantees, other corridor stakeholders, future funding partners, and the Central Corridor Funders. The Working Groups and Transformational Initiatives will take different forms based on the subject matter. For example, the Central Corridor Funders might take an active role in a Land Acquisition Fund for the corridor, while they might take less of an active role in identifying an appropriate corridor-wide small business strategy and entrepreneurship training program.

Governance Structure

A yearly contribution of \$10,000-\$30,000 per foundation will fund the Collaborative's efforts, including staffing and overhead for the Central Corridor Coordinator role described below. A reduced rate for smaller foundations will ensure broad participation. The funds will be housed within the St. Paul Foundation.

A Steering Committee composed of a subset of the participants will meet monthly to review progress, discuss next steps, and identify ways to draw additional outside resources and leverage grants from the Catalyst Fund. The Steering Committee may also identify common grantmaking opportunities for the Central Corridor funders that are separate from the Catalyst Fund. The Steering Committee will produce an annual report on the use of funds for all participants, in order to bring back the results of the Collaborative to each participating foundation's Board of Directors. In addition, each participating foundation will be encouraged to engage with one or more of the Working Groups described below.



Central Corridor Learning Network

Purpose

The Central Corridor Funding Collaborative & Learning Network will serve an information sharing and education role for funders. The Funding Collaborative & Learning Network will engage on issues important to both funders and corridor actors—such as housing, economic and business development, youth leadership, or health—to identify national best practices, local needs and opportunities, as well as local needs and opportunities. The Central Corridor Coordinator (described in detail below) will be critically important to the success of the Funding Collaborative & Learning Network.

Governance Structure

Participation in the Central Corridor Learning Network will be available to any and all interested foundations. All participating foundations will be asked to designate a point person for involvement in the Learning Network, but participation will be open to all. The Learning Network will have quarterly convenings on various topics of interest or pressing concern in the corridor. The convenings may involve corridor actors, regional actors, and national actors where there are applicable lessons to be learned.

Central Corridor Catalyst Fund

Purpose

The primary function of the Central Corridor Catalyst Fund will be to seed Working Groups and Transformational Initiatives with flexible startup funding. The initiatives funded through this source will address gaps in existing investments, but will not be utilized when there are identifiable implementing actors or existing programs. This function is similar to the role The McKnight Foundation played in seeding the Payne-Lake Community Partners initiative in Minneapolis and St. Paul. The grants from the Catalyst Fund can be both small and large, and can be made available to grantees already receiving funds from the Central Corridor Funders, but only for the creation of new programs or major expansion of existing successful initiatives beyond the current geographic scope and scale.

Governance Structure

The Catalyst Fund will be governed by participating foundations and will address gaps in existing capacity or grantmaking. A recommended minimum initial yearly contribution of \$150,000 will be requested of all participants, with invested foundations encouraged to give the maximize the amount and duration of their contributions. A goal for the Fund is a total of \$1.5 million in annual grantmaking capacity when fully operational. Contributions to the Fund will not include administrative costs, which will be paid for out of the umbrella Central Corridor Funding Collaborative contributions. Each participating foundation, regardless of contribution, will have an equal vote in the funding of grant proposals through a Program Committee. Grants will be made at regularly scheduled Program Committee meetings from solicited proposals consistent with the scale and term of the initiative. The Central Corridor Coordinator (described in detail below) will provide staffing support for the committee. The program Committee will provide a yearly status report to the Collaborative Steering Committee.

Central Corridor Funders Coordinator

Purpose

A key component of this collaborative framework is the identification of a Central Corridor Funders Coordinator who will serve to support the Steering Committee of the Collaborative and the Program Committee of the Catalyst Fund, as well as interacting with the Working Groups and other corridor stakeholders. The Coordinator will be the “eyes and ears” of the Collaborative, helping to engage grantees and other stakeholders, identify potential Transformational Initiatives, and organize briefings to help

educate Collaborative members on progress, opportunities, and needs. The Coordinator will be the glue that binds the endeavor together, and is vital to the success of the collaboration. Defining the details of this position is one of the first items in the Action Plan outlined below.

Governance Structure

The position could be created within one of the participating foundation, potentially the St. Paul Foundation, or created on a contract basis. The position will be funded through the Collaborative membership contributions. An estimated cost for this position is approximately \$100,000/year including salary and benefits.

Working Groups and Transformational Initiatives

Purpose

The Working Groups, described in more detail in the next section, will provide a vehicle for sharing information, identifying needs and opportunities, and establishing Transformational Initiatives. These groups can flexibly respond to those who are interested in participating, and will serve as a venue for engaging existing and potential grantees as well as other corridor stakeholders and potential funders around their areas of interest and expertise. The Working Groups could be seeded by funding through the Catalyst Fund to identify appropriate actions or augment existing organizing efforts by Corridor stakeholders. For some Working Groups, Central Corridor funders may take an active role in identifying needs and opportunities, while for others, corridor actors may be better positioned to take this role. Transformational Initiatives will similarly have the potential for funding through the Catalyst Fund and may take a variety of organizational forms.

Governance Structure

Working Groups will meet on a regularly determined basis (the meeting schedule can vary based on the needs of each group) to share information about grantmaking, key issues, and engage outside stakeholders. Each Working Group will be encouraged to draft a yearly report updating the needs and opportunities to help inform members of the larger collaborative and the Collaborative Steering Committee.

Vehicles of Collaboration Summary

	Funders Collaborative	Learning Network	Catalyst Fund	Funders Coordinator	Working Groups
Purpose	Build upon the transformational potential of the LRT investment and accelerate the scale of grantmaking impact.	Information sharing and education role for funders and corridor actors.	Seed Working Groups and Transformational Initiatives with flexible startup funding to address current funding gaps	(1) Support the Program Committee of the Catalyst Fund. (2) Act as “eyes and ears” of the Collaborative, helping to engage grantees and other stakeholders.	(1) Provide a vehicle for information sharing and education. (2) Engage existing and potential grantees as well as other corridor stakeholders around certain issues (3) Identify potential Transformational Initiatives.
Annual Funding / Costs	\$10,000-\$30,000 for each participating foundation. \$150,000 total funding target. <i>Approx. \$25,000 for support for Learning Network and Catalyst Fund</i>	<i>Approx. \$25,000 in costs for convenings.</i>	\$150,000 min. for each foundation. \$1.5 million funding target <i>No overhead costs.</i>	<i>\$100,000 including salary/benefits</i>	<i>Cost depends on issue/structure</i>
Governance	Monthly Steering Committee meetings.	Quarterly convenings (subjects to be determined by Coordinator and members).	Program Committee to evaluate grant proposals and recommend funding allocations.	Details TBD; could be created within a participating foundation or engaged on a consultant basis.	Details TBD based on issues and expertise.
Reporting	Yearly progress report to members. Two-year strategy overview.	Findings from convenings disseminated to members	Annual report to participants	Briefings to Steering Committee.	Recommended yearly progress report.

Action Plan

The Central Corridor Funders are dedicated to launching this initiative with an ambitious 24-month action plan to set goals for engaging additional potential investors, interacting with current and future grantees, and clarifying internal roles and relationships. This action plan is a starting point; as partnerships emerge, the benchmarks will be adjusted based on relationships with programmatic and funding partners. This action plan envisions long-term involvement on the part of funders, with the next six years, until the planned opening of the LRT line, anticipated to be the most intensive. The Action Plan should be revisited at least every 24 months to review progress, identify priorities, and set actions for the next two years.

6-month Benchmarks (by February 2008)

- Secure initial funding commitments for 1/2 of total 4-year goal (total of \$3 million) for the Central Corridor Catalyst Fund and define the roles and responsibilities of the Program and Fundraising Committees;
- Forge new partnerships with local and national foundations around the Central Corridor Funders Collaborative;
- Refine the job description for the Central Corridor Coordinator, including roles and responsibilities and governance. Advertise and fill the position;
- Identify and organize initial Working Group meetings (a draft list is included in the following section);
- Define priorities for Transformational Initiatives (a draft list is included in the following section) potentially by engaging with potential partners and stakeholders. Potential priority Transformational Initiatives include a Central Corridor Housing Initiative, a Land Acquisition Fund, and funding for Station Area Planning in St. Paul; and
- Develop a communications strategy and articulate strategies and engagement around positive corridor outcomes.

12-month Benchmarks (by August 2008)

- Engage with corridor stakeholders on first Working Group convenings on key issues such as affordable housing, economic development, and transit planning to identify needs and potential Transformational Initiatives;
- Make initial seed grants from the Catalyst Fund in priority Working Groups and Transformational Initiatives; and
- Secure additional funding commitments totaling 1/4 of total 4-year goal (total of \$1.5 million) for the Central Corridor Catalyst Fund.

24-month Benchmarks (by August 2009)

- Develop second year work plan for Funding Collaborative and Catalyst Fund and fine tune action plan as programmatic and funding partnerships emerge;
- Engage in the outcomes of the LRT Preliminary Engineering process to identify ways for the Funders Collaborative to engage in the Final Design and construction process as these are more clearly defined;
- Make a second round of Catalyst Fund grants in critical areas; and

- Make an initial acquisition of strategic property for equitable TOD through the Catalyst Fund or Land Acquisition Fund Transformational Initiative.

Action Plan Timetable

		2007				2008				2009																	
Task		S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A		
Central Corridor Funding Collaborative	Refine Coordinator Job Description and Fill Position																										
	Identify and Organize Working Groups																										
	Forge New Partnerships with local and national funders																										
	Define Priority Transformational Initiatives and Engage Stakeholders																										
	Organize Working Group Convenings on Key Issues																										
	Develop Second Year Working Group Plans and Fine Tune Action Plan																										
Central Corridor Catalyst Fund	Engage in P. E. Outcomes and Identify Ways to Engage in LRT Planning																										
	Secure Initial Funding Commitments																										
	Make Initial Grants for Transformational Initiatives																										
	Secure Additional Funding Commitments																										
	Develop First Year Progress Report and Second Year Action Plan																										
	Second Grant Cycle for Transformational Initiatives																										
Initial Strategic Property Acquisition																											

Notes: Primary Action period
Secondary Action Period

Potential Working Groups and Transformational Initiatives

This Business Plan sets out an ambitious agenda for addressing equitable development in the Central Corridor. Central Corridor Working Groups and Transformational Initiatives will be the venues for sharing information, identifying strategic responses, and implementing new programs to further the equitable development mission of the Central Corridor Funders Collaborative. Some Working Groups may require seed funding from the Catalyst Fund in order to get started, while others may have already established venues that need to be slightly enhanced. Some Transformational Initiatives may require the long-term flexible funding that the Catalyst Fund can provide, while others may not.

The following outline of potential Working Groups and Transformational Initiatives is intended to be illustrative only, and highlights the possibilities of this approach as well as some case studies where these types of Transformational Initiatives have been modeled in the Twin Cities and nationwide. It is unlikely that all of the Working Groups outlined below will be active at the same time. This initial outline can be used to engage with potential implementers, as well as other Central Corridor Funders. Refining this outline, establishing an operating framework for each group, and detailing action items are some of the critical tasks in the first six months of the Funders Collaborative.

Affordable Housing

Affordable housing in the Central Corridor is an issue of central concern to both funders and stakeholders. Many Central Corridor Funders have active, ongoing relationships with implementing groups in the corridor. The Affordable Housing Working Group will provide a venue to identify needs and potential Transformational Initiatives, as well as a venue for engaging with current grantees and forging new relationships.

Draft Affordable Housing Working Group Framework

Issues	Priorities	Actions
<ul style="list-style-type: none"> Sustainable ownership opportunities/acquisition of existing units; Need for asset-building strategies for existing residents; Potential for rising land costs with LRT; Rising housing costs (rental and ownership); and Low-income multi-family rental production needs. 	<ul style="list-style-type: none"> Ability to leverage market interest into new affordable housing production; Connecting residents to ownership opportunities and resources, including readiness counseling and foreclosure prevention support; Maintaining existing affordable units; and Securing land for new affordable housing production. 	<ul style="list-style-type: none"> Quarterly Working Group meetings to share information and progress; Annual Central Corridor Affordable Housing Summit to identify needs and opportunities and best practices from outside of the region.

Central Corridor Housing Initiative

The Central Corridor Housing Initiative would be modeled after the successful East Side Housing Initiative—several Central Corridor groups are already involved in the initiative, so the concept is familiar. The effort would to bring multiple corridor actors to the same table in order to respond to community identified needs and goals. Flexible, long-term funding is key for this effort, meaning that it would be an ideal investment for the Catalyst Fund.

Estimate of Costs: \$500,000 over 2 years for startup costs, \$2 million or more over 4 years to leverage additional outside investments.

Land Trust/Land Acquisition Fund

One of the central issues facing transit corridors around the country is the need to acquire and hold land for affordable housing early in the transit planning process, before market pressures drive the cost of land out of reach of affordable housing developers. A Land Trust model has been used successfully in other transit corridors, and there are several actors in the Central Corridor actively using this mechanism. The Acquisition Fund could be used to secure sites for new construction or to secure existing affordability. Long-term funding and potentially PRI's are important for this type of effort, meaning that it would be an ideal investment for the Catalyst Fund.

Estimate of Costs: \$200,000 over 2 years for startup and planning costs, \$4 million or more over 4 years to leverage outside investments.

Local Economic Development

Current residents and business owners need to be able to benefit from the LRT in terms of local economic development. Central Corridor Funders have ongoing relationships in the corridor with actors working on these issues. The Local Economic Development Working Group will provide a venue to identify how to best bring additional resources to deepen the impact of these and other actors and what new models (e.g. commercial land trusts) might be necessary to expand the scale of impact and expand opportunities for local entrepreneurship and job development.

Draft Local Economic Development Working Group Framework

Issues	Priorities	Actions
<ul style="list-style-type: none"> Real estate speculation has the potential to displace local businesses; Capturing land value increases for local benefits; Mitigating LRT construction impacts; Retaining and expanding non-profit/community organization office space; and Job training and development. 	<ul style="list-style-type: none"> Business and entrepreneurship training and support; Sustainable business ownership models; and Connecting current residents with job opportunities and training. 	<ul style="list-style-type: none"> Quarterly Working Group meetings to share information and progress and identify Transformational Initiatives.

Community Loan Fund

A Multi-purpose Community Loan Fund in Seattle has been successful at having a wide impact on businesses in an LRT corridor similar to the Central Corridor. The fund addresses construction mitigation, job training, and a revolving loan fund for business improvements and development projects. This initiative might be an ideal venue for bringing in outside national foundations, such as Living Cities, to create a pilot program that could be replicated elsewhere. Flexible, long-term funding is key for this effort, meaning that it would be an ideal investment for the Catalyst Fund.

Estimate of Costs: \$400,000 over 2 years for startup costs, long-term funding depends on scope of future activities.

Value Capture/Funding Mechanisms

The public investment in LRT creates real estate value that can be captured for supportive infrastructure and land use investments. Tools for capturing this value are relatively underdeveloped in the Twin Cities compared to transit corridors in other regions. Setting up a model along the Central Corridor could help with future transit corridors in the Twin Cities. To identify and deploy value capture and funding mechanisms will require participation from a range of stakeholders, potentially including state-level policymakers, since many of the barriers are at that level. This would be a relatively straightforward, but requires some additional issue definition, so could be an opportunity for the Catalyst Fund or funding through coordinated efforts by individual funders.

Estimate of Costs: \$100,000 over 2 years with follow-on funding necessary based on outcomes.

Transit and Transportation

The LRT investment will be a driving factor in revitalization efforts, as well as potential impacts to local communities. In addition to LRT planning and design, connections to LRT stations and pedestrian/bicycle improvements in the neighborhoods along the Central Corridor will be critical in maximizing the mobility benefit of the LRT. The Transit and Transportation Working Group will provide a venue for funders to stay up to date on LRT plans and progress and to understand other transportation needs in the corridor. It may be difficult to identify Transformational Initiatives for this Working Group until after Preliminary Engineering for the corridor is complete.

Draft Transit and Transportation Working Group Framework

Issues	Priorities	Actions
<ul style="list-style-type: none">Local access improvements needed to connect to LRT; andLRT project design and integration with neighborhoods will impact other community aspects.	<ul style="list-style-type: none">Supporting Met Council engagement with cities/communities while planning the LRT; andIdentification of access improvements and capital needs and sources for cities.	<ul style="list-style-type: none">Ad hoc Working Group meetings to share information and progress on LRT planning and identify Transformational Initiatives.

Community Development (Organizing/Education/Health)

Beyond issues of housing and economic development, there are substantial needs in terms of developing other aspects of vital neighborhoods that are important to funders. These issues include education and health issues, as well as funding for community organizing that will help current and future residents and business owners engage with the opportunities afforded by the LRT investment. The Community Development Working Group will provide a venue for funders interested in these issues to identify Transformational Initiatives and new program models, as well as learning, communicating and coordinating existing funding relationships.

Draft Community Development Working Group Framework

Issues	Priorities	Actions
<ul style="list-style-type: none"> • Need for community organizing funding; • Support for education improvements; • Healthy neighborhood initiatives; and • Need for dialogue and consensus around Community Benefits 	<ul style="list-style-type: none"> • Creation of community hubs (such as library) to support community life around transit; • Consensus around Community Benefits approach; and • Improvements in education and health. 	<ul style="list-style-type: none"> • Quarterly Working Group meetings to share information and progress; • Annual Central Corridor Community Development Summit to identify needs and opportunities and best practices from outside of the region.

Community Benefits Strategy

Community benefits are a tool for leveraging new development for amenities that serve existing and future residents, including affordable housing, open space, community facilities, labor agreements, and more. Corridor-wide Community Benefits Agreements are an innovative approach to something that can be a divisive subject. Developing a comprehensive Community Benefits Strategy will require the involvement of many stakeholders—public, private, and community-based non-profits—but has the potential to substantially impact the benefits of LRT and associated real estate investments. There are several corridor actors already interested in creating this kind of comprehensive strategy and the funding needs are relatively discreet and short term, so this would be an investment better made as a coordinated effort by individual funders.

Estimate of Costs: \$200,000 over 2 years for organizing and convening stakeholders.

Community Hubs Strategy

Community facilities (schools, libraries, community centers, etc) are needed in station areas to create livable, walkable neighborhoods. Additionally, these facilities in other parts of the country have slowed displacement as a result of gentrification. Identifying locations and strategies for creating and building on existing community hubs in LRT station areas has the potential to influence many other aspects of the corridor. Because the strategies and actions for this initiative are not well defined at this point, this would be an initiative better taken up initially by a Working Group.

Estimate of Costs: TBD.

One Corridor (Encouraging Communication and Collaboration)

The Central Corridor has a multitude of actors who will all contribute to the success of the LRT investment and equitable neighborhood development. Facilitating coordination and collaboration among these actors is a crucial role for the Central Corridor Funders Collaborative. Encouraging corridor-wide thinking and understanding is a key role for funders to play. The One Corridor Working Group will provide a venue for funders interested in these issues to identify Transformational Initiatives and new program models, as well as supporting existing funding relationships.

Draft One Corridor Working Group Framework

Issues	Priorities	Actions
<ul style="list-style-type: none"> • Many government agencies involved in LRT and development planning; • Many actors in corridor makes communication challenging; and • Need for communication among funders to understand progress/identify gaps. 	<ul style="list-style-type: none"> • Convening variety of actors to address key problems • Facilitating outreach efforts by agencies involved in LRT and development. 	<ul style="list-style-type: none"> • Ad hoc Working Group meetings to share information and progress.

Station Area Planning

Follow-on planning in both St. Paul and Minneapolis is required to define the land use vision and implementation tools, identify infrastructure improvement needs, land use regulations, and catalyst development sites. Outcomes from Station Area Planning will also be useful to Working Groups and for defining future Transformational Initiatives. Because the implementing agencies and the request are discreet for this effort, this would be an investment better made as a coordinated effort by individual funders.

Estimate of Costs: \$1,000,000 over 2 years for Station Area Plans in St. Paul.

Community Outreach/Organizing/Education

Long-term positive equitable development outcomes will depend on outreach, organizing, and education about transit, transit-oriented developments, and ways to achieve positive community outcomes through both. This effort is already underway by many actors, but the scale and impact of this endeavor could be strengthened as a Transformational Initiative. The Funding Collaborative can also encourage coordination among actors that may be difficult without outside support. Because this effort is already underway, funders could individually increase support for these activities in a coordinated or this effort could be enhanced and augmented through the Catalyst Fund to fund educational convenings as part of the Central Corridor Learning Network that can engage a range of stakeholders around certain specific issues.

Estimate of Costs: \$300,000 over 4 years over and above existing funding.