



West Broadway Transit Study

Market Conditions and Planning Context Review

8/11/2015

DRAFT Prepared by the
SRF Consulting Group Team
for







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Executive Summary

HR&A Advisors and Tangible Consulting, as part of the SRF Consulting team, have prepared this economic development analysis in support of the West Broadway Transit Study. Economic development potential is a key consideration in the evaluation of alternative alignments for new transit service along the West Broadway Transit Corridor. The corridor is divided into the following submarkets based upon the boundaries of existing neighborhoods and current market conditions:

- North Loop
- North Washington Jobs Park
- West Broadway
- Central Robbinsdale
- Golden Valley Road

In order to understand the potential impact of new transit service along the corridor, it is important to first establish baseline planning goals and socioeconomic and real estate conditions for each of the submarkets within the corridor. Accordingly, this report has three sections:

1. *Introduction to Study Area Submarkets*: Identifies the boundaries and physical character of each submarket studied;
2. *Submarket Planning Goals*: Presents consolidated planning goals for neighborhoods along the West Broadway Transit Corridor derived from previous planning efforts;
3. *Existing Socioeconomic and Real Estate Conditions*: Evaluates existing socioeconomic and real estate conditions within the Corridor that could be impacted by the provision of new transit service.

Key Findings, by Submarket

North Loop Submarket

- The population in the North Loop has a low unemployment rate (1.9%) and high median household income (\$67,000), compared to an unemployment rate of 8.1% and \$49,000 median household income for the entire corridor. Even though the North Loop is the closest submarket to Downtown and has access to the METRO Blue Line light rail at Target Field, 87% of households have access to at least one vehicle.¹ Given the area's proximity to Downtown Minneapolis, additional transit investment within the North Loop would provide a new amenity, making it an even more attractive place for young professionals to live.
- In the North Loop, residential rents for new development average \$2.20 per square foot. Mixed-use residential and retail development has been occurring at a rapid pace. The area is likely to reach complete build out within the next 15 to 20 years, with or without transit investment.

¹ ESRI Business Analyst



North Washington Jobs Park Submarket

- Since there is only one residential development within a half mile of the proposed alignment, there are very few residents within this submarket who would stand to benefit from transit improvements. However, the submarket contains nearly 2,500 primary jobs, making employees commuting to the area the primary beneficiaries of new transit access.²
- Currently, there is little demand for new industrial or office construction in Minneapolis as a whole, and the North Washington area in particular. The existence of industrial uses, such as scrap yards, open-air industrial activities, and industries with outdoor storage materials in parts of the submarket is a deterrent to new commercial investment because of visual impacts, and the likely need for site remediation. There has been limited new construction in the area, with three new developments coming online since 2008, all of which were built-to-suit commercial projects. For example, the Coloplast Corporation Headquarters, which was completed in 2009, was a built-to-suit opportunity that was located in the area because the site was owned by a company Coloplast acquired, and Coloplast appreciated the riverfront location.
- Although there has been little commercial development in the past five years, it is possible the North Washington submarket will generate more interest for office development as the North Loop reaches full build out and demand for office space spills over into the North Washington submarket.

West Broadway Submarket

- The West Broadway submarket has the highest population of the submarkets along the corridor (14,500), and its population is the most economically challenged, with the highest rate of unemployment (15.9%) and the lowest median household income (\$30,000) of any submarket within the study area. The poverty rate in the West Broadway submarket (36%) is nearly triple that of Hennepin County as a whole (13%), and 26% of West Broadway households lack access to cars.³ The introduction of an enhanced transit service could help better connect these residents to existing and new job opportunities; many residents in the West Broadway submarket commute to Downtown Minneapolis, Downtown St. Paul, Golden Valley, and Bloomington for work, all of which would potentially become more accessible with better transit service including efficient connections to the broader transit system.
- The West Broadway submarket has seen limited new residential or commercial development since the onset of the Great Recession, and the development that has taken place depends heavily on public subsidy or direct investment. Today, the upper end of residential rents in the area averages \$1.40 per square foot. In the intermediate term, this submarket is likely to continue to attract publicly-subsidized affordable housing, as market-rate development is not financially feasible and would require major interventions to change development dynamics.

² Longitudinal Employer-Household Dynamics, U.S. Census

³ ESRI Business Analyst



Central Robbinsdale Submarket

- The Central Robbinsdale submarket has the second highest population along the Corridor (9,600), and fares better than the Corridor as a whole according to several economic indicators. The submarket's median household income of \$54,000 is higher than the Corridor's at \$49,000 median household income, and it has the lowest poverty rate of any submarket along the Corridor at 10%.⁴ While only 15% of Central Robbinsdale residents lack access to a vehicle, improved transit service could provide a crucial amenity to residents that do rely on transit, especially given the submarket's longer distance to Downtown Minneapolis when compared to other submarkets.
- Average residential rents for new development are \$1.70 per square foot. Reflecting the built-out character of the area, the Central Robbinsdale submarket has seen limited new development over the past 15 years, a portion of which has been affordable. Pipeline development includes the Clare Terrace apartments, which is a supportive, affordable housing development for people living with HIV/AIDS. However, average rents in the submarket are higher than those prevailing in the West Broadway submarket, indicating a healthier residential real estate market. With new restaurants and retail businesses contributing to Robbinsdale's ongoing downtown growth, as well as the extension of the METRO Blue Line, an increase in residential demand that drives a moderate increase in the pace of infill residential development in the area is probable.

Golden Valley Road Submarket

- The Golden Valley Road submarket encompasses small portions of the City of Minneapolis and the City of Golden Valley. The submarket has a population of 5,240, with a relatively high median household income of \$67,438 compared to the corridor median income of \$49,000. The area consists of primarily institutional uses and single-family homes. With 6.2 people per acre, the population density is the lowest of the submarkets, excluding the North Washington submarket.⁵ The low population density, coupled with high private vehicle access – only 8% of households do not have access to a car – makes transit less essential to economic development outcomes compared to the other submarkets.
- The area is built out according to existing zoning. The City of Golden Valley recently participated in station area planning for its METRO Blue Line LRT Station at Golden Valley Road and elected not to change land use designations in this area. Since there are no plans to change land use or zoning policy in this area, there is little development potential whether or not transit investment occurs.

⁴ ESRI Business Analyst

⁵ ESRI Business Analyst

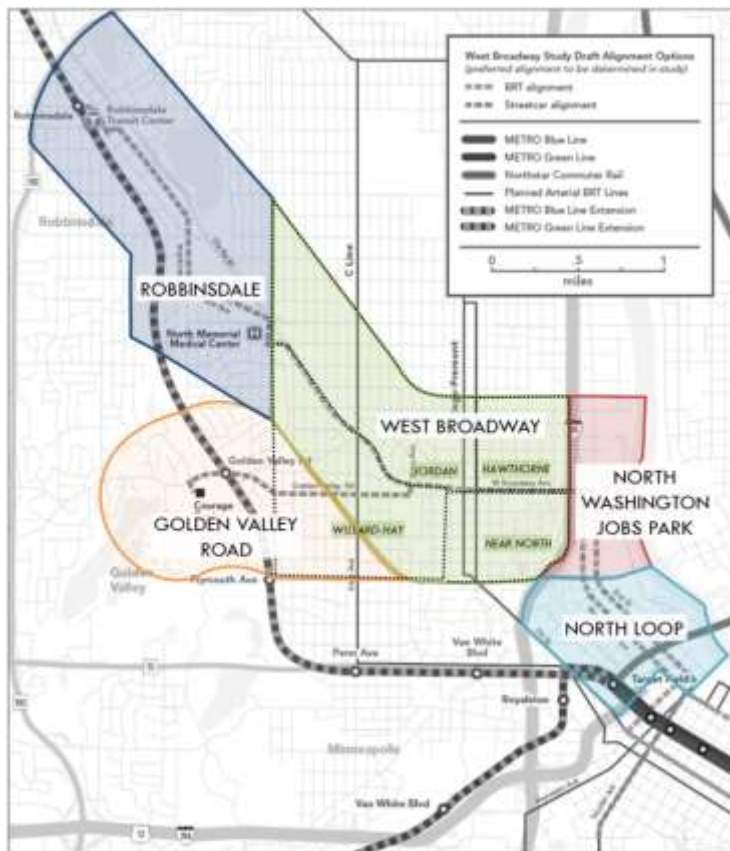


1. Introduction to Study Area Submarkets

This report reviews planning goals for submarkets along the West Broadway Transit Corridor and examines existing demographic, economic, and real estate market conditions along the corridor. This existing conditions analysis is intended to update data contained within prior studies of the corridor. The submarkets within the Corridor are defined to include *all parcels within a half mile of the alternative alignments*. The considered alignments pass through five submarkets: the North Loop, the North Washington Jobs Park, West Broadway, Golden Valley Road, and Central Robbinsdale. These submarkets were defined based on existing neighborhood boundaries and current market conditions.

The transit modes under consideration for the corridor are streetcar and arterial bus rapid transit (BRT), each operating in mixed traffic. Arterial BRT and streetcar will run on either Washington Avenue or Second Street through the North Loop and North Washington Jobs Park, and then continue on West Broadway to North Memorial Medical Center. The streetcar alignment would terminate at North Memorial, while arterial BRT would extend to the planned METRO Blue Line LRT Station in downtown Robbinsdale. In June 2015, a decision was made to eliminate consideration of the Golden Valley Road spur. **Figure 1** highlights the West Broadway Transit Corridor and each of its submarkets.

Figure 1. Study Area Submarkets



Source: HR&A



This study examines demographic indicators, economic data, and real estate market dynamics within one half mile of the proposed corridor, as residents within this area will be best positioned to take advantage of the new transit service. It should be noted, however, impacts to real estate values and development potential within the corridor will likely be greatest within one-quarter mile of the alignment, as has frequently been found in past studies of streetcar and bus rapid transit. This study utilizes data from a variety of sources, including the United States Census, ESRI Business Analyst, CoStar, and conversations with local developers.

North Loop Submarket

The North Loop is the southernmost neighborhood along the West Broadway Corridor and is adjacent to Downtown Minneapolis. The submarket is defined as the area bounded between the Mississippi River and 7th Street, south of Plymouth Avenue and North of Hennepin Avenue. The North Loop, which encompasses the majority of the Warehouse District, has experienced significant multifamily residential development coming out of the Great Recession. This multifamily development includes both warehouse renovations and new construction, which have attracted predominantly young professionals and empty nesters. Washington Avenue serves as the primary retail corridor in the neighborhood. Given its downtown access and large young professional population, the area is less auto-dependent as residents are able to walk and bike to jobs downtown.

Figure 2. North Loop



Source: ESRI Business Analyst, HR&A

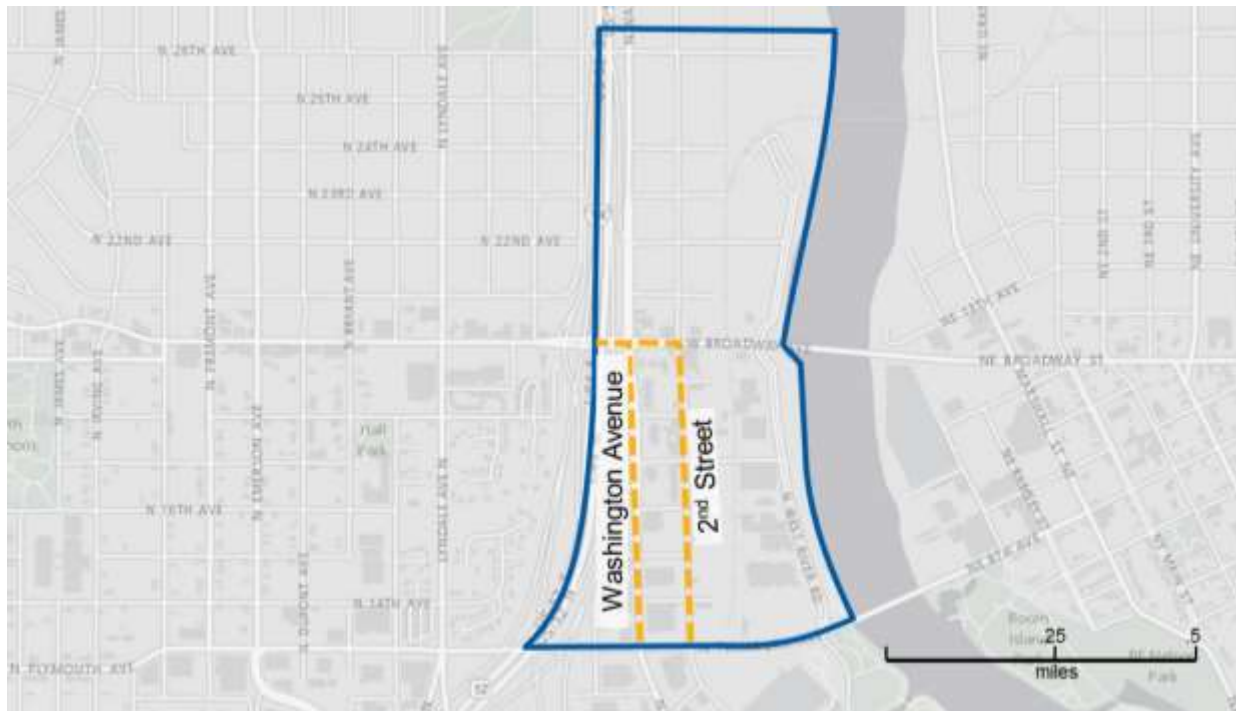
North Washington Jobs Park Submarket

For the purposes of this study, The North Washington Jobs Park is defined as the area between the Mississippi River and Interstate 94, south of 27th Avenue and North of Plymouth Avenue. The North



Washington Jobs Park is primarily comprised of light and heavy industrial uses, with some office and auto-oriented retail. The most recent major development in the area is the build-to-suit Coloplast Corporation Headquarters, developed by NorthMarq Properties. The only residential uses within the submarket are the River View Townhomes, which are located north of West Broadway and were built in 2004.

Figure 3. North Washington Jobs Park



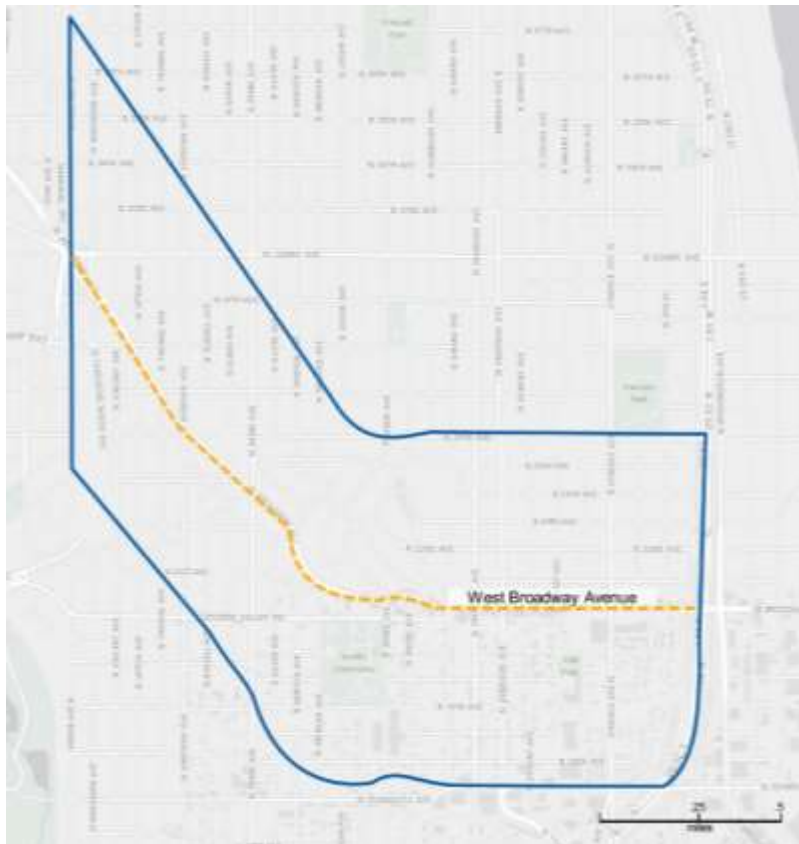
Source: ESRI Business Analyst, HR&A

West Broadway Submarket

West Broadway Avenue in Minneapolis intersects four neighborhoods: Jordan, Hawthorne, Willard-Hay, and Near North. Since these neighborhoods have similar economic conditions and demographics within the West Broadway Transit Corridor, this study evaluates the area as a single submarket. The submarket is defined as the area within a half mile of West Broadway Avenue, west of Interstate 94 and east of Xerxes Avenue, or the boundary of the City of Minneapolis. This segment of the corridor is primarily auto-oriented; most areas have large surface parking lots fronting strip-style and big-box retail, although some blocks feature street-facing retail. Off of the major commercial corridors, the area consists primarily of single-family homes and some small multifamily apartments. The neighborhoods comprising the West Broadway submarket face significant socioeconomic challenges compared to other neighborhoods in Minneapolis and the Twin Cities. The area's challenging economic conditions have been compounded in recent years by a handful of community-wide set-backs, including a tornado in 2011 and a fire that destroyed several properties on West Broadway Avenue in April 2015.



Figure 4. West Broadway Corridor



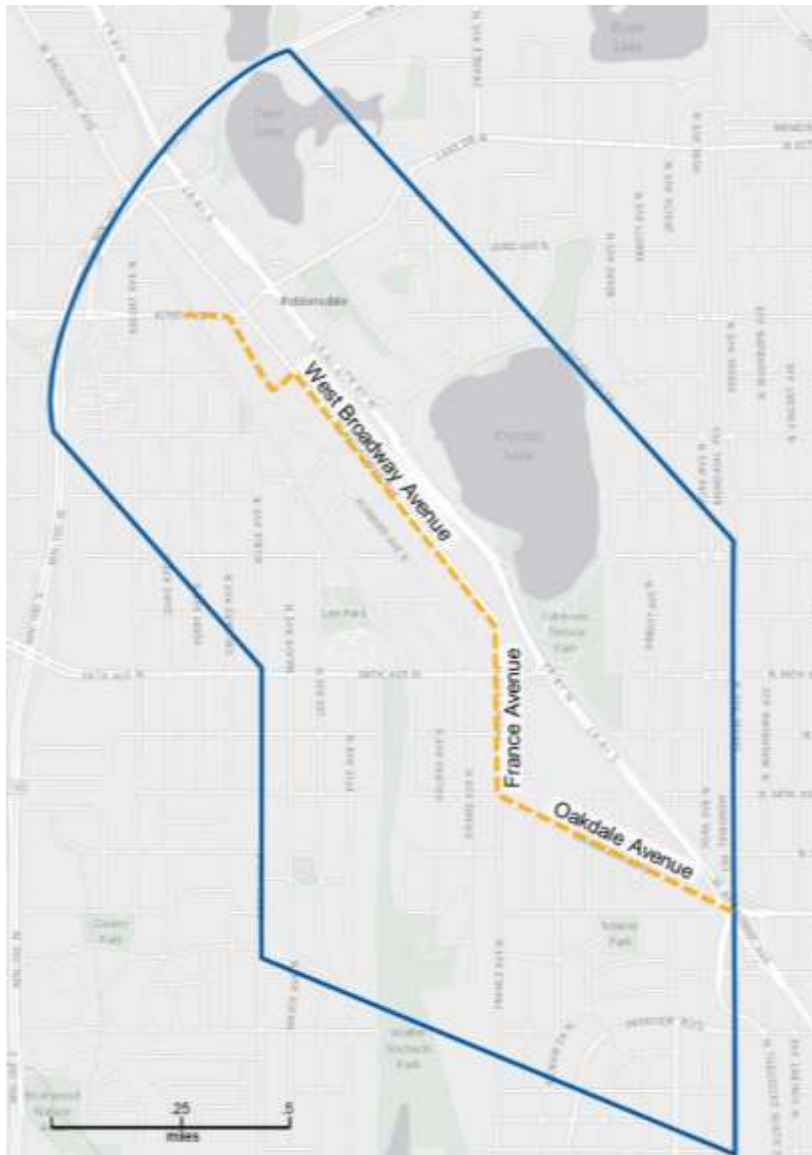
Source: ESRI Business Analyst, HR&A

Central Robbinsdale Submarket

The arterial BRT alternative would extend through Robbinsdale along West Broadway, connecting to North Memorial Medical Center, the Robbinsdale Transit Center, and the Robbinsdale METRO Blue Line LRT Station. The Central Robbinsdale submarket is defined as the area within a half mile of the alignment, which follows Oakdale Avenue, France Avenue, and then connects back to West Broadway Avenue further north. The submarket is bounded by the City of Robbinsdale border on the east at Xerxes Avenue and Highway 100 to the Northwest. This area of Robbinsdale contains retail and some multifamily residential along West Broadway, with single family homes located beyond the primary corridor. The northern portion of the corridor includes Downtown Robbinsdale, which features street-facing retail, while further south, along France Avenue, is the Terrace Mall, an underperforming mall, a portion of which has been repurposed as the Humphrey Cancer Center.



Figure 5. Central Robbinsdale



Source: ESRI Business Analyst, HR&A

Golden Valley Road Submarket

Another alternative alignment no longer under active consideration would have extended the transit to the City of Golden Valley, connecting to the METRO Blue Line at Golden Valley Road and terminating at the Courage Center. This submarket is defined as the area within a half mile of Golden Valley Road that is not accounted for by the West Broadway Submarket. This portion of the City of Golden Valley is auto-oriented and comprised of single-family homes on large lots. Other uses along this portion of the corridor include the Theodor Wirth Park and Golf Course as well as institutional uses. A portion of this spur is located within the City of Minneapolis.



Figure 6. Golden Valley Road Submarket



Source: ESRI Business Analyst, HR&A



2. Submarket Planning Goals

There is a wide assortment of existing planning and analytical material that bears on the development potential of the West Broadway Transit Corridor. The SRF Consulting Team reviewed eight recent plans for neighborhoods along different segments of the corridor. This review focused on two primary types of information contained within the plans:

- **Planning Goals**, what is the desired and permitted build out in terms of land use and density in different parts of the corridor according to plan objectives and illustrated land use and zoning maps?
- **Market Data and Findings**, what information do these plans offer regarding the market feasibility of introducing different types of real estate uses on the Corridor? While information from previously completed plans and studies contributes to framing market opportunities and challenges, it must be recognized that hard data from historic plans and studies become outdated relatively quickly.

The following plans and reports are reviewed:

North Loop Submarket

- *North Loop Small Area Plan* (2010)

North Washington Jobs Park Submarket

- *Above the Falls Master Plan Update* (2013)

West Broadway Submarket

- *Penn Avenue & West Broadway Avenue Transit-Oriented Development Design Guidelines* (2006)
- *North Minneapolis Strategy*⁶ (2007)
- *West Broadway Alive!* (2008)
- *Penn Avenue Vision and Implementation Framework* (in process)

Central Robbinsdale Submarket

- *Robbinsdale 2030 Comprehensive Plan*
- *METRO Blue Line Extension: Phase II Station Area Plan* (in process)

⁶ Not a city-adopted policy document.



Golden Valley Road Submarket

- *METRO Blue Line Extension: Phase I Station Area Plan*

Summary of Plan Findings

The following summarizes the goals and primary market findings of the plans in each of the submarkets. A more extensive summary of these plans can be found in Appendix A.

North Loop Submarket

Planning Goals

The **North Loop Small Area Plan** is a 20-year outlook for the area intended to guide land use and development. The vast majority of the North Loop neighborhood is designated for mixed-use development. The North Loop Small Area Plan also offers guidance concerning desired development intensity. The plan established three development intensity districts – A, B, and C – that support development intensities between two and six (District A) or two and ten (District B) stories in much of the neighborhood, except for parcels adjacent to a nearby transit station (District C), which are permitted to be greater than ten stories. Retail, services, and entertainment businesses are encouraged along Washington Avenue. Other goals stated in the plan include increasing street connectivity and enhancing the public realm for pedestrians across the neighborhood.

Relevant Market Data and Findings

Market analysis focused on the “Lower North Loop,” which is the part of the North Loop neighborhood southwest of 7th Street North. This area is not near the potential transit alignments that are the subject of this study.

North Washington Jobs Park Submarket

Planning Goals

The **Above the Falls Master Plan Update** provided development guidance for the Minneapolis upper riverfront. The North Washington district itself is represented by two subareas – with properties within both subareas designated for a mix of office and industrial uses, “with particular policy support for high intensity, job generating uses.” The plan incorporated some of the visionary park and public realm enhancements that came out of the RiverFirst process and made adjustments to previous land use and development guidance.

Relevant Market Data and Findings

Market research conducted as part of this planning effort found that redevelopment of older industrial property is unlikely where existing facilities remain economically viable. Residential development is unlikely in the short-term given the area’s relatively weak residential market conditions, combined with potential additional costs for environmental remediation. Office development is challenging as well,



because the area is disconnected from the region's transit network and existing office clusters. Built-to-suit office development may be the most realistic path.

West Broadway Submarket

Planning Goals

The goals of the **West Broadway Alive!** plan were to provide land use and development guidance, as well as a range of revitalization strategies. The plan specified development intensity according to Neighborhood, Urban, or Transit Scale, and showed that Urban Scale and Transit Scale densities were considered appropriate for the majority of the West Broadway frontage, while Neighborhood Scale development was appropriate in the blocks immediately off the corridor. The plan offered a development intensity map calling for the highest density development between Bryant Avenue and the Mississippi River and at the Penn Avenue business node. The plan identified the intersection of West Broadway and Lyndale Avenues as a destination retail district with high-density mixed-use redevelopment encouraged in this area. In the blocks from Bryant Avenue to Fremont Avenue, the plan emphasized infill development, strengthening the business mix, and introducing a public plaza.

The **Penn Avenue and West Broadway Transit-Oriented Development Design Guidelines** document was developed at a time when bus rapid transit seemed poised to serve a similar part of the metro area that is now planned for light rail service. The design guidelines document was a guide for the form of the new development, focusing on urban design and architectural principles for the area. The design guidelines supported mixed-use development with street level retail and height beyond 3 to 4 stories where feasible.

The **North Minneapolis Strategy** focuses on strengthening the commercial business environment across commercial categories in North Minneapolis. The document provides a retail strategy, as well as a strategy for other commercial uses, encompassing office, industrial, and employment components. The study saw retail potential for West Broadway because of its, "highway access, traffic counts, large parcels, current zoning, supermarket anchor, etc." The report was skeptical about the prospects for office development in North Minneapolis, but judged that professional offices (including medical) and offices for neighborhood business entrepreneurs were possible.

The purpose of the **Penn Avenue Vision and Implementation Framework** is to identify physical and economic development interventions that will leverage the anticipated investment in Arterial Bus Rapid Transit along Penn Avenue. This Framework affirms the land use and development guidance of the **West Broadway Alive!** plan.

Relevant Market Data and Findings

Neither the **Penn Avenue and West Broadway Transit-Oriented Development Design Guidelines** nor the **West Broadway Alive!** plan included market information.



While the **North Minneapolis Strategy** focused on business development strategy, with sensitivity to market conditions, it did not present detailed market information.

The **Penn Avenue Vision and Implementation Framework** includes relevant data on market and economic development potential. A retail analysis identifies significant leakage of neighborhood expenditures in General Merchandise Stores, Lawn and Garden Stores, Building Materials/Supplies, Specialty Food, and Full-Service Restaurants, meaning spending by residents in these retail categories is occurring outside the district. A pro forma analysis evaluated the financial viability of a prototypical 60-unit multifamily housing development, with underground parking, and found an estimated financial gap of \$65,000 to \$80,000 per unit. Residential rents at the West Broadway and Penn intersection were estimated at \$1.42 per square foot.

Central Robbinsdale Submarket

Planning Goals

The purpose of the **Robbinsdale 2030 Comprehensive Plan** is to articulate a vision for the future of Robbinsdale. The vision statement of the plan includes a focus on Robbinsdale's downtown, describing it as, "a hub" for a mix of uses including residential, retail and offices. The plan's Guiding Principles include the goal to increase density in Downtown Robbinsdale through redevelopment and zoning. The Plan offers parcel specific land use guidance in its Future Land Use map, with the West Broadway frontage through downtown guided almost entirely for high density residential or mixed-use, and The Terrace Mall area also guided as mixed-use.

The purpose of the **METRO Blue Line Extension: Phase II Station Area Plan** is to establish policy and development guidance for the areas around seven of the future METRO Blue Line Extension stations. The 42nd Avenue stop is located in Robbinsdale. Station area plans include public realm improvements, as well as land use and development guidance. This planning is in its early stages and public engagement has begun.

Relevant Market Data and Findings

The plan does not include market data or relevant findings.

Golden Valley Road Submarket

Planning Goals

The purpose of the **METRO Blue Line Extension: Phase I Station Area Plan** is to establish policy and development guidance for the areas around future METRO Blue Line Extension stations. Station area plans include recommended public realm recommendations that improve connectivity to the stations and attractiveness to new development. Development guidance is offered for the Golden Valley Road station area in the draft final plan. The Future Land Use Map shows that there is opportunity and potential future support for higher density residential development at certain sites near the future station, but the plan does not recommend City policy changes to support such development.



Development guidance for the Minneapolis portion of Golden Valley Road offers support for medium density residential development east of Vincent Avenue.

Relevant Market Data and Findings

The study has completed an interim report titled, “Metro Blue Line Extension (Bottineau LRT): Place Based Economic Development and Market Analysis.” The purpose of the market analysis work was, “to provide stakeholders with a realistic understanding of the types of real estate ... that are likely to be feasible within the four station areas over the coming two decades.” This report indicates that expected residential rents are not high enough to support development costs without public support. Because there has also been almost no market rate development in North Minneapolis, there is a high level of uncertainty about what rents to expect in a new project. Office development was not found to be promising with the potential exception of owner-occupied development.



3. Existing Socioeconomic and Real Estate Conditions

Demographics and Employment

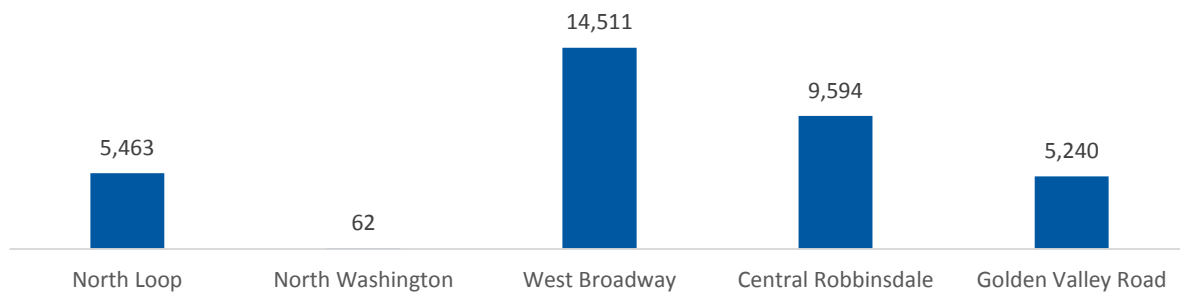
Demographic Indicators

The neighborhoods throughout the corridor vary greatly in terms of population, household size, incomes, and employment characteristics. Establishing baseline indicators of these characteristics provides information about the populations that would be served by new transit within each portion of the alignment and helps to understand the relative benefits of serving each of the submarkets.

Population: The total population along the corridor is an important baseline measure of the population that will be directly impacted by transit investment. The West Broadway Transit Corridor has 35,000 total residents living within one-half mile of its potential alignments, which is 3% of Hennepin County's total population. As the West Broadway portion of the corridor encompasses the largest geographic area and is densely populated, it has a much larger population than the other areas. The Central Robbinsdale submarket has 83 percent more residents than does the Golden Valley Road submarket.

Within the North Washington Jobs Park submarket, there is only one residential development. Due to this small sample size, HR&A did not include detailed analysis of demographic information for the North Washington Jobs Park area.

Figure 7. Total Population within Half Mile of Transit Corridor by Submarket, 2015



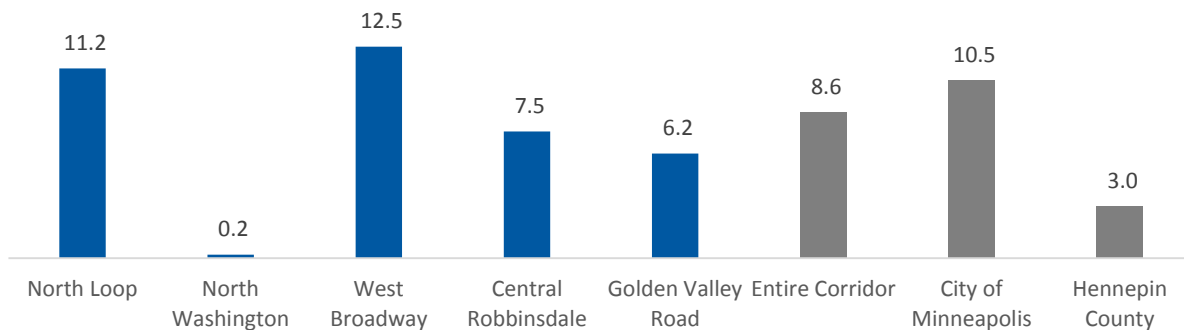
Source: ESRI Business Analyst, HR&A

Population Density: Population density is another important metric for determining the impact of transit; the higher the density, the larger the potential for transit ridership. **Figure 8** presents the population density (residents per acre of land) of each of the submarkets along with comparisons to the City of Minneapolis and Hennepin County. Overall, the corridor's population density is higher than that of Hennepin County (3.0) but lower than the overall population density of the City of Minneapolis (10.5). Within the corridor, population density varies by submarket. Although the North Loop contains more large multifamily developments than the West Broadway area, the North Loop is not fully built out and contains several large surface parking lots as well as office space. As such, the West Broadway segment has a slightly higher population density than the North Loop, with 12.5 people per acre versus 11.2



people per acre in the North Loop. The Golden Valley Road submarket’s residential density is relatively high because the portion of the segment within Minneapolis is densely developed with residential uses. The land within the Golden Valley Road submarket is either parkland, institutional, or zoned R-1, which has a minimum residential lot size of 10,000 square feet or approximately one-quarter acre.

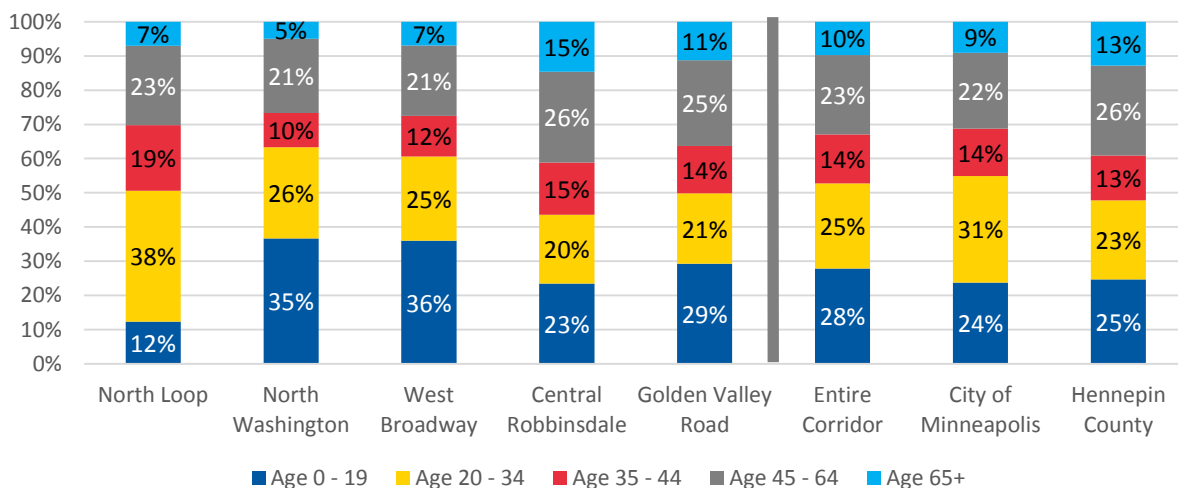
Figure 8. Population Density by Submarket (Residents per Acre), 2015



Source: ESRI Business Analyst, HR&A

Age Profile: Within the corridor, 25% of the population is between the age of 20 and 34, which is a slightly higher proportion than that of Hennepin County (23%) and lower than that of the City of Minneapolis (31%). The age of the residents living within a half mile of the alignment varies by submarket. Thirty-eight percent of those living in the North Loop are between the ages of 20 and 34, while 36% of those living in West Broadway are 19 or younger (compared with 25% County-wide). The Central Robbinsdale submarket also has many families as well as a larger senior population; 15% of its population is over the age of 65 (compared with 13% County-wide).

Figure 9. Age Cohorts by Submarket, 2015

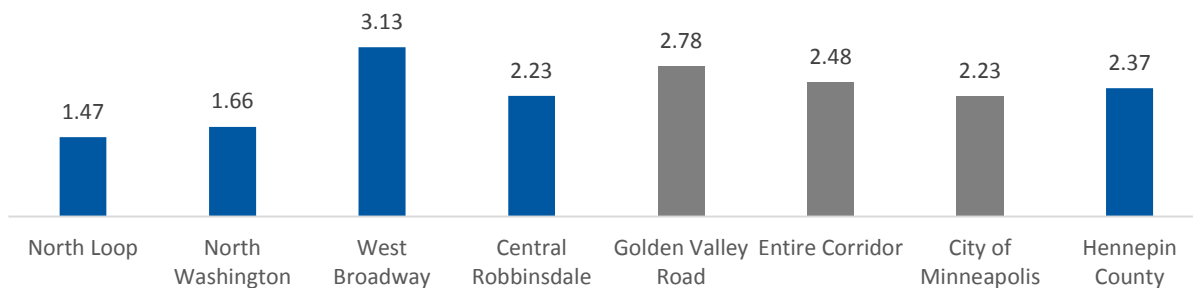


Source: ESRI Business Analyst, HR&A



Household Size: On average, households within the corridor contain more people than households in Hennepin County (2.37) and the City of Minneapolis (2.23). Average household size also varies greatly by submarket. As the North Loop is comprised primarily of young professionals and empty nesters, it has small household sizes. The West Broadway and Golden Valley Road submarkets are home to more families with children, leading to higher average household sizes. Developers indicated that Robbinsdale is increasingly becoming a place for young people to locate, as it provides more affordable housing options than areas in Minneapolis like the North Loop or Uptown. The Central Robbinsdale submarket also has many people over age 65, contributing to its small household sizes.

Figure 10. Average Household Size by Submarket, 2015



Source: ESRI Business Analyst, HR&A

Race and Ethnicity: As shown in **Figure 11**, the population living within a half mile of the alignment is significantly more diverse than the overall population of Hennepin County and the City of Minneapolis; 54% of the corridor population is non-white, while only 27% and 38% of the population of Hennepin County and the City of Minneapolis is non-white, respectively. The vast majority of the population in the North Loop and Central Robbinsdale submarket is white, 72% and 73%, respectively. By contrast, in the West Broadway submarket over half of the population is black and 15% of the population is Asian. Over 85% of the City of Golden Valley is white; however, only 42% of the population within the Golden Valley Road submarket is white.

Figure 11. Race and Ethnicity by Submarket, 2015

	Non-White Population	White	Black	Asian	Hispanic
North Loop	28%	72%	16%	6%	4%
West Broadway	80%	20%	51%	16%	8%
Central Robbinsdale	27%	73%	16%	4%	5%
Golden Valley Road	58%	42%	40%	9%	6%
Entire Corridor	54%	46%	34%	10%	6%
City of Minneapolis	38%	62%	19%	6%	10%
Hennepin County	27%	73%	12%	7%	7%

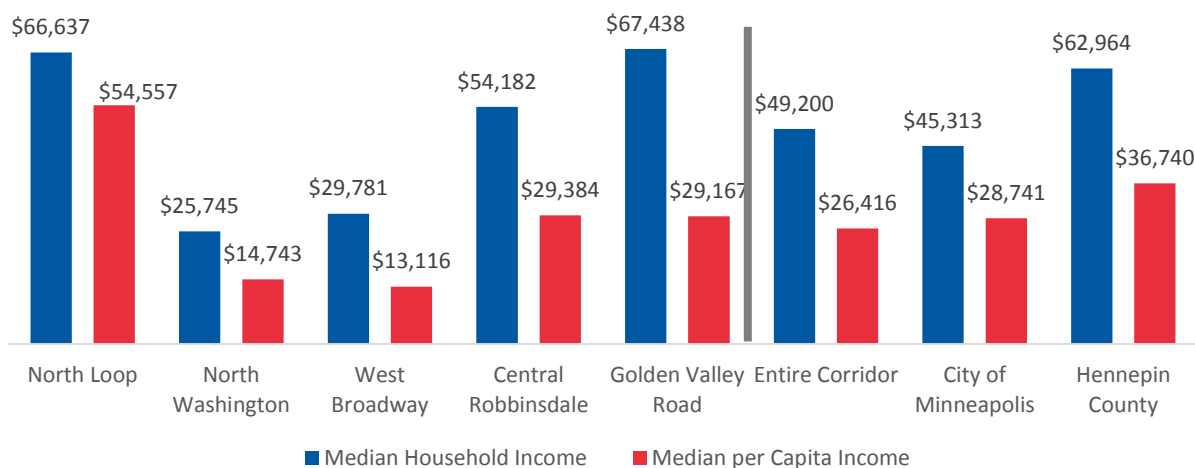
Source: ESRI Business Analyst, HR&A



Economic Indicators of Residents

Income: Income can be an important indicator of need for transit, as lower household incomes can indicate a greater need for and dependency upon public transit. As shown in **Figure 12**, the median household income within the corridor (\$49,200) is significantly less than the median household income of Hennepin County (\$62,964), but slightly higher than the median household income for the City of Minneapolis (\$45,313). Median household income and median per capita income varies greatly throughout the corridor, with the lowest earning households and individuals located within the West Broadway submarket. The median annual income of all West Broadway corridor households is \$29,781. At \$13,116, the per capita income in the West Broadway submarket is less than half of the per capita income in the City of Minneapolis and in Hennepin County. The highest earning households and individuals in the corridor are located in the North Loop, with a median household income of \$66,637. The North Loop and Golden Valley Road submarket are the only submarkets within the corridor where median household incomes exceed those of Hennepin County. The North Loop’s high per capita income relative to household income is an indication of the large number of single young professionals living there. Note that the median household income for the City of Golden Valley is \$81,541 per year, which is higher than the median household income of the Golden Valley Road submarket.

Figure 12. Median Household Income and Median per Capita Income by Submarket, 2015

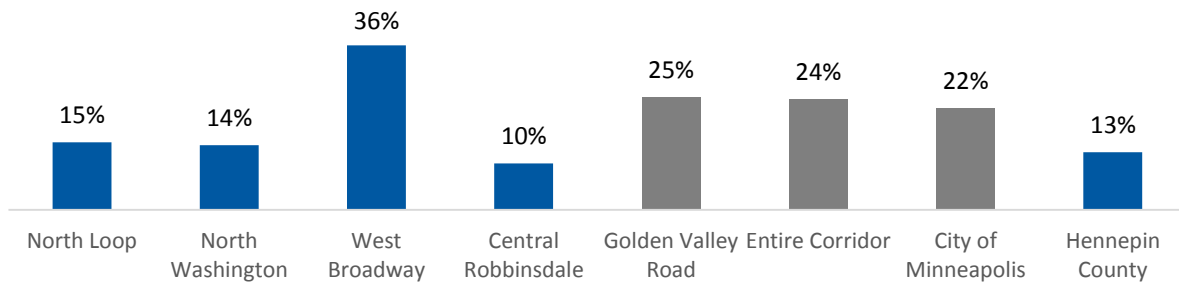


Source: ESRI Business Analyst, HR&A

Poverty: A desire to bring economic development to West Broadway is a motivating factor in the decision to introduce new transit. Transit can enhance economic opportunity by improving access to jobs. As shown in **Figure 13**, the corridor-wide poverty level of 24% is higher than the City and County as a whole, despite only 15% of the population in the North Loop and 10% in the Central Robbinsdale submarket living below the poverty line, respectively. Nearly 36% of the population within the West Broadway submarket lives below the poverty line. The portion of the population living below the poverty within the Golden Valley Road submarket is also very high, due to the portion of the transit alignment spur within Minneapolis.



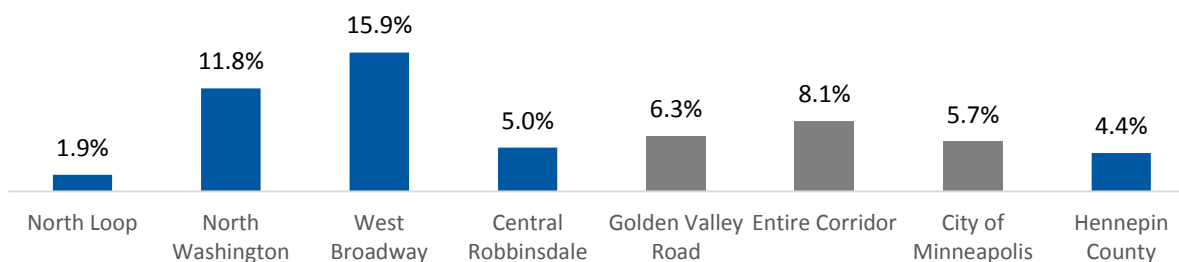
Figure 13. Percentage of Population below the Poverty Line by Submarket, 2009-2013, ACS Estimate



Source: ESRI Business Analyst, HR&A

Unemployment: High unemployment rates contribute to high poverty. As discussed above, transit can help to mitigate unemployment through enhanced connectivity and better access to new jobs. The corridor as a whole has a relatively high unemployment rate. As shown in **Figure 14**, eight percent of the population living within the corridor is unemployed while only 5.7% and 4.4% of the work force living within the City of Minneapolis and Hennepin County, respectively, are unemployed. Unemployment levels vary greatly among the submarkets. Only 1.9% of the population in the North Loop is unemployed, which is significantly less than the rate for the City of Minneapolis and Hennepin County. Meanwhile, nearly 16% of the population living in West Broadway is unemployed. Unemployment for the portion of the Golden Valley Road submarket is slightly higher than the average for the City of Golden Valley. Unemployment in the Central Robbinsdale submarket is on par with unemployment rates in the City of Minneapolis and only slightly higher than the rate in Hennepin County.

Figure 14. Percentage of Population 16+ that is Unemployed by Submarket, 2015



Source: ESRI Business Analyst, HR&A

Job Destinations: Transit can create connections to jobs within the corridor, as well as outside the corridor through new and improved transfers. Very few people who live within the corridor also work within the corridor. Of those who live with a half mile of the corridor and are employed, 94%, or 12,202 people, work outside of the corridor. As shown in **Figure 15**, their primary destinations for work include Downtown Minneapolis, St. Paul, Bloomington, and other areas of Golden Valley. Many of these employment destinations are not proximate to the corridor. While most of these destinations can be accessed via public transit, several destinations require transfers, travel times are very long, and service is sporadic.



Figure 15. Top Job Locations for Residents within the Corridor, 2011

	Number of Residents Commuting to this Area	Percentage of Employed Corridor Residents
Downtown Minneapolis	1899	15%
St. Paul	910	7%
Golden Valley	583	4%
Bloomington	549	4%
Plymouth	492	4%
St. Louis Park	461	4%
Edina	415	3%

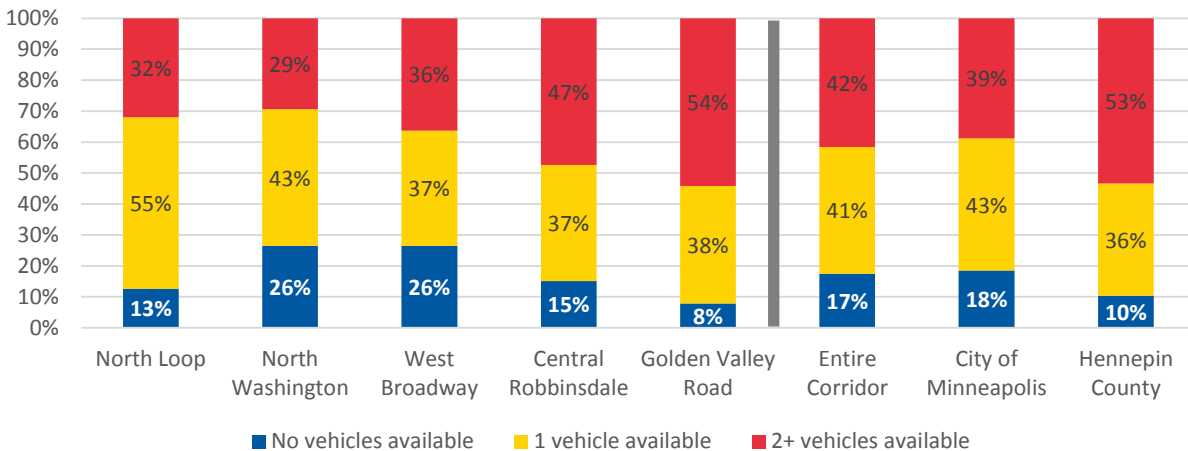
Source: Longitudinal Employer-Household Dynamics, U.S. Census

Transit-Dependency: Today, there are households located within the corridor that do not have access to cars and therefore depend upon transit. Improving transit in the area could help corridor residents better access their existing jobs outside the corridor, or help connect residents with new jobs that were previously inaccessible due to a lack of a car and insufficient transit options. Seventeen percent of households in the corridor do not have access to a car, while only 10% of households in Hennepin County do not have access to a car. The City of Minneapolis has a slightly higher rate, with 18% of households that do not have access to a car. Residents along different portions of the corridor have a range of dependency on existing public transit, as shown in **Figure 16**. Today, only 13% of households that live in the North Loop do not have access to a car⁷ despite the area being centrally located and walkable to Downtown jobs, while 87% of households have access to either one or two cars. At the other end of this spectrum, 26% of West Broadway households do not have access to a car. Given that only 6% of all residents within the corridor who are employed work within the corridor, there are many residents, particularly in West Broadway and the Central Robbinsdale submarket, who are dependent upon transit in order to access employment. Although the Route 14 Bus serves this area, service is infrequent and the time to traverse the corridor is very long.

⁷ This statistic quantifies, by household, the number of vehicles that are kept at home for use by the members of the household, regardless of vehicle ownership status.



Figure 16. Occupied Housing Units, by Vehicles Available by Submarket, 2009-2013 ACS Estimate



Source: ESRI Business Analyst, HR&A

Jobs within the Corridor

Within one half mile of the alignment, including both the Central Robbinsdale submarket and Golden Valley Road submarket alignment spurs, there are 23,051 primary jobs.⁸ Figure 17 shows the general location of these primary jobs. The largest two nodes of employment are:

- North Memorial Medical Center in Robbinsdale;
- Tech start-ups, creative industries, and retail businesses in the North Loop.

Other employment nodes within the corridor include:

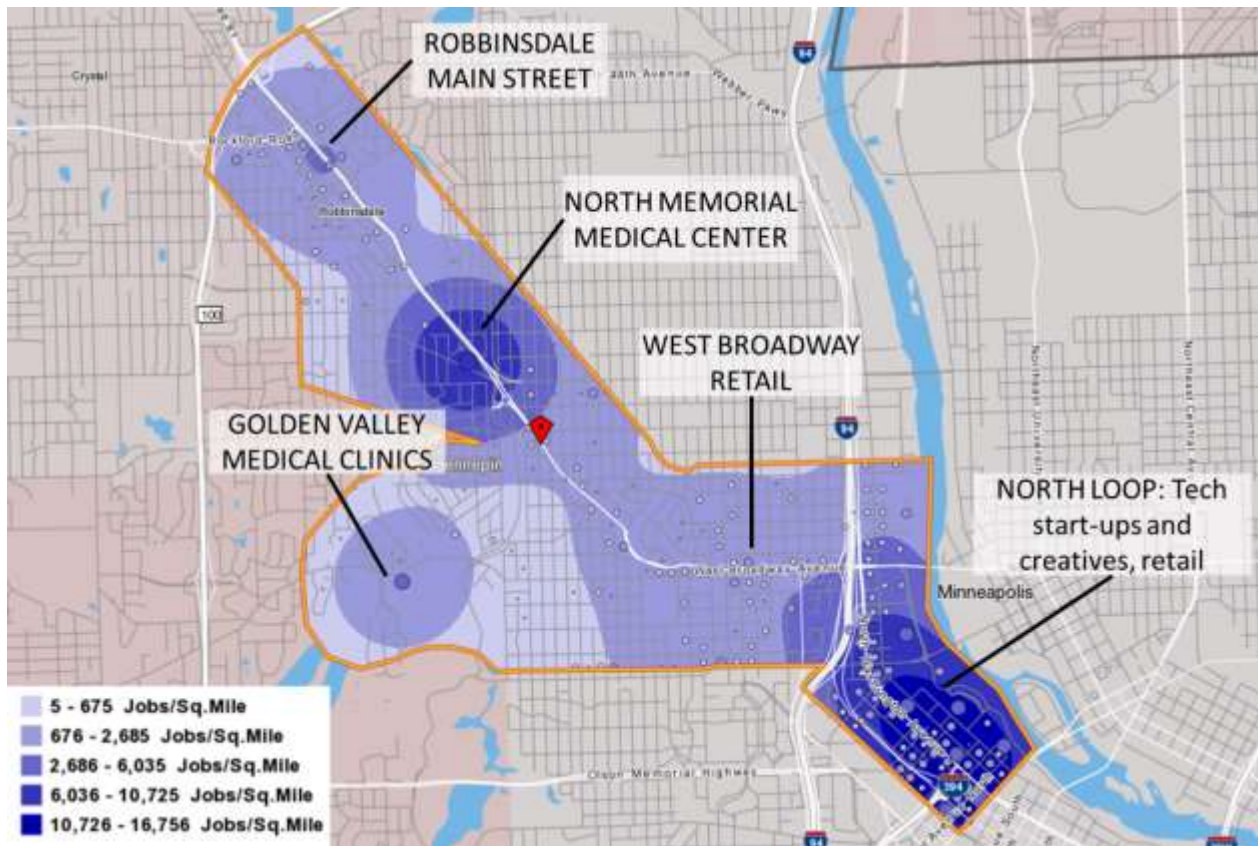
- Retail establishments along West Broadway in Minneapolis and Robbinsdale;
- Medical clinics in Golden Valley, including the Minneapolis Clinic of Neurology and the Courage Kenny Rehabilitation Institute;
- Industrial jobs in the North Washington Jobs Park.

Top industries for employment in this area are healthcare and social assistance (26.2% of jobs); professional, scientific, and technical services (14.4% of jobs); and finance and insurance (7.2% of jobs).

⁸ Longitudinal Employer-Household Dynamics, U.S. Census. Primary jobs count only one job per employee.



Figure 17. Density of Jobs within .25 Miles of the Alignment, 2011



Source: Longitudinal Employer-Household Dynamics, U.S. Census

Of the residents within one half mile of the corridor, only 6%, or 774 people, currently work within one half mile of the corridor. To fill the existing 23,100 jobs, nearly 22,300 people commute into the corridor.

Key Socioeconomic Implications of New Transit

Given the West Broadway's diverse socioeconomic conditions, transit investment along the corridor will likely have different impacts.

North Loop

The North Loop has the lowest unemployment rate of the submarkets along the corridor, and is also relatively wealthy in terms of median household income as well as per capita income. Transit investment would provide a new amenity in this area, potentially making it an even more attractive place for young professionals to live and enhancing its status as a regional nightlife destination. This new transit amenity may inspire some households to decrease their car ownership rates and commute to jobs using transit.



West Broadway

The population living within the West Broadway area is the most impoverished along the corridor, with high rates of unemployment and lower levels of automobile access. Transit investment would help to connect these residents to employment centers either along the corridor or along other transitways, possibly decreasing unemployment in the area and increasing household incomes. Improved travel times could also improve residents' quality of life by creating more leisure time or time to acquire new skills. Because West Broadway is the most densely populated portion of the corridor and has the highest population, more people stand to benefit from transit improvements than in any other submarket.

Robbinsdale

Although Robbinsdale has not struggled as much economically as West Broadway, the Central Robbinsdale submarket could benefit from improved transit access through an increase in access to jobs, particularly to Downtown Minneapolis, the North Loop, and North Memorial Hospital, the major job hubs in the area. The accessibility benefits offered by the METRO Blue Line extension will benefit local residents and businesses, which could be further augmented by enhanced service along the West Broadway.

Golden Valley Road

Very little of the City of Golden Valley is within the corridor. The land that falls within the Golden Valley Road submarket is primarily institutional uses, parks, and single-family homes. The benefits of transit for this population will likely be small because so few people live in this area. Furthermore, given household car access rates in this area, very few people are dependent on transit to access their jobs.

Real Estate Market Conditions

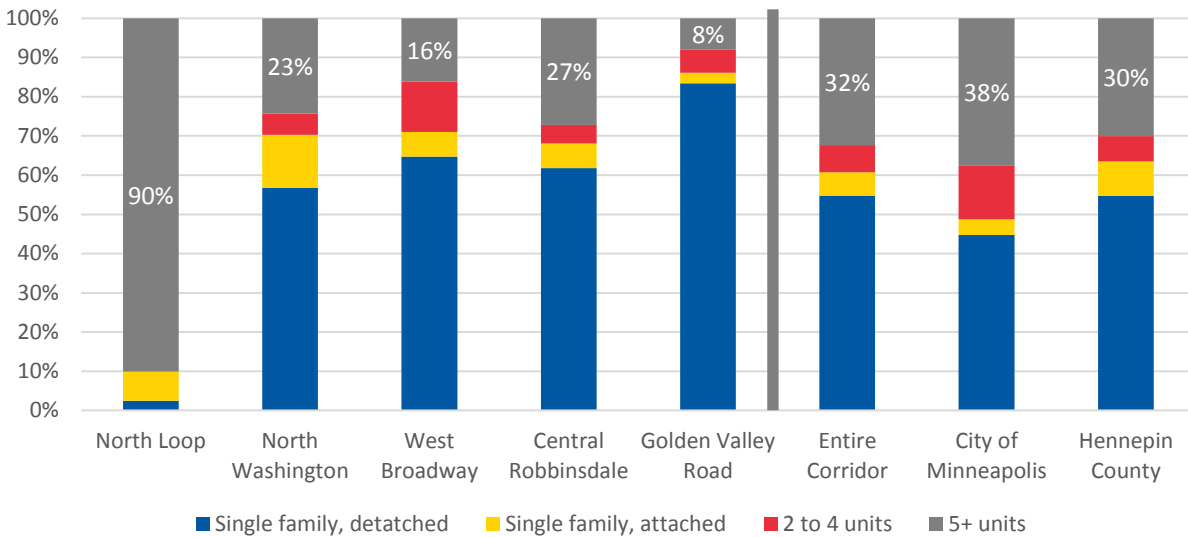
This section examines existing real estate market conditions within the submarkets. With the exception of the North Washington Jobs Park, which consists primarily of industrial and commercial uses, all of the other submarkets in the corridor are primarily residential. The North Loop has seen rapid new, luxury development while the limited development that has occurred in West Broadway has primarily been regulated affordable housing that is dependent on various forms of public subsidy. The following section describes the current conditions for residential, office, and retail land uses.

Residential

Existing residential building stock varies throughout the submarkets. Ninety percent of residential units in the North Loop are in multifamily buildings that contain five or more units, which is much denser than the housing stock in City of Minneapolis as a whole. On the other end of the spectrum is the Golden Valley Road submarket; 83% of housing units are single-family detached units. In the Central Robbinsdale submarket, 32% of all residential units are in multi-family buildings. Although the West Broadway submarket is characterized by a large portion of single-family homes, because the area is densely built-out with relatively high household sizes, this submarket has the highest population density.



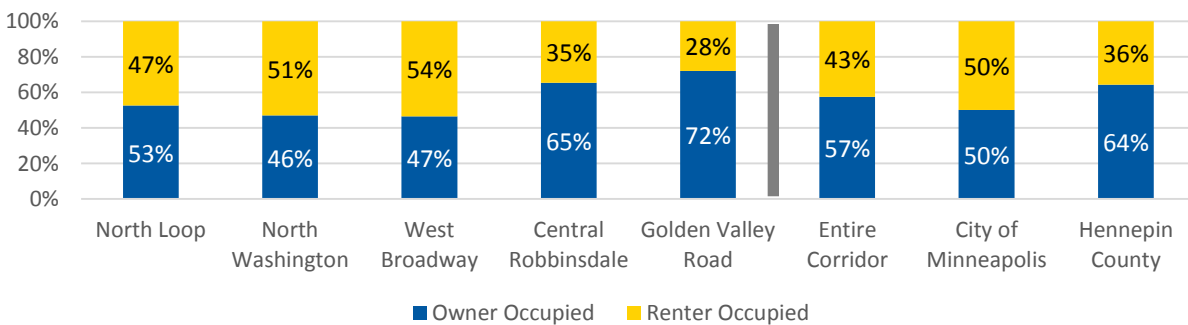
Figure 18. Housing Units in Structure by Submarket, 2009-2013, ACS Estimate



Source: ESRI Business Analyst, HR&A

Housing tenure varies less among the submarkets than other demographic and real estate indicators. The West Broadway submarket contains the highest concentration of rental occupied units, with 54% of all occupied units being rented, while the Golden Valley Road submarket has the smallest concentration of rental housing units (28%). To the extent new transit creates wealth-building opportunities for current residents, the portions of the corridor with higher owner-occupied rates will benefit more.

Figure 19. Occupied Housing Units by Tenure by Submarket, 2009-2013, ACS Estimate



Source: ESRI Business Analyst, HR&A

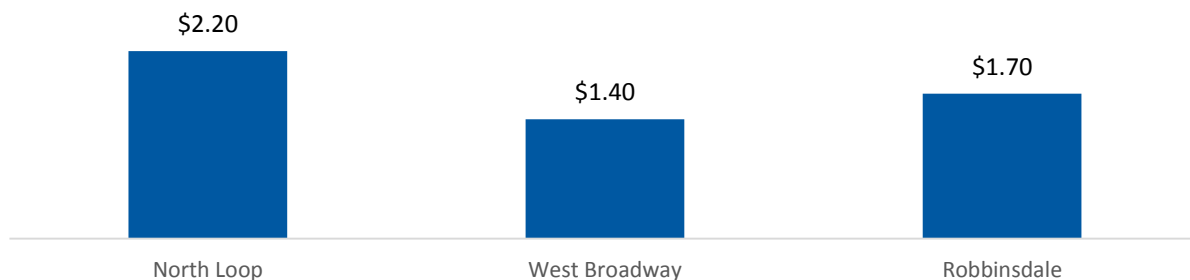
As shown in Figure 20, the North Loop has had the most new residential construction since 2000, with 40% of its housing stock having been built since 2000. More established neighborhoods, like West Broadway, the Central Robbinsdale submarket, and the Golden Valley Road submarket, have seen limited new residential construction. In fact, 52% of the housing stock in the West Broadway submarket was built before 1939.

**Figure 20. Housing Units and Year Built by Submarket, 2009-2013, ACS Estimate**

	Total Housing Units	Percentage of Housing Units Built since 2000
North Loop	2,765	42%
West Broadway	5,279	10%
Central Robbinsdale	4,323	5%
Golden Valley Road	2,067	5%
Entire Corridor	14,536	14%
City of Minneapolis	181,196	7%
Hennepin County	510,246	10%

Source: ESRI Business Analyst, HR&A

Residential market conditions vary greatly among the submarkets. As shown in **Figure 21**, the North Loop commands the highest rents per square foot of the submarkets examined, at \$2.20 per square foot. In West Broadway, regulated rents of \$1.40 per square foot correspond to 60% of area median income, and according to developers, push the upper limits of what is truly affordable to the local population.⁹

Figure 21. Average Monthly Rents for New Construction, per Square Foot, by Submarket, 2015

Source: HR&A, Local developers

North Loop

As shown above, the North Loop has the strongest market for multifamily residential development and has seen the most new residential development in recent years. The strength of the North Loop market is due, in part, to its proximity to downtown, the METRO Blue Line, streetscaping and placemaking investments, and a growing nightlife scene. These projects consist of a mix of both new construction and rehabilitation of former warehouses. Recent and pipeline developments include:

⁹ Regulated rents are rents for subsidized or affordable housing that are restricted by the terms of a housing program (e.g. low income housing tax credits). Regulated rents are tied to area median income and do not vary with localized changes in market conditions.



- 222 Hennepin, a 286-unit rental building that includes a Whole Foods in the ground floor, completed in 2013;
- 729 Washington Avenue, a proposed 50-unit rental building with approximately 10,000 square feet of ground floor retail;
- 602 First Street, a proposed 24-unit condominium that would not include retail.

The vast majority of housing in the North Loop is multifamily. Overall rents in the North Loop, which average \$2.03 per square foot per month, are sufficient to support the cost of new construction. Some developers interviewed indicated that there may now be a market in the North Loop for a greater variety in unit typologies as the area's demographics continues to change. Specifically, developers discussed the potential market for larger units to accommodate families and empty-nesters who otherwise do not want to downsize.

Although the majority of development and proposed development has been market rate in the North Loop, some projects have received some minimal levels of public subsidy. For example, 222 Hennepin received funds for site remediation and the removal of contaminants from an existing building prior to its demolition.

Developers interviewed for this study indicate that while the North Loop still has development potential and land available, it will likely reach full build-out within the next 15 years.

West Broadway

West Broadway's residential market is comprised primarily of single-family homes. Nearly 20% of all housing units are vacant, and there has been little new construction since 2000. Many factors have contributed to a weak residential market; developers indicate crime, either real or perceived, is a large factor in the lack of development. Proposed and recently completed developments are all regulated affordable, with the highest income band supported being 60% of area median income. These developments include:

- West Broadway Crescent, a 54-unit affordable apartment building completed in 2014;
- Broadway Flats, a proposed 103-unit affordable apartment building with 19,000 square feet of ground floor retail.

Overall, residential rents in West Broadway, which average \$1.40 per square foot per month for new construction, do not cover the cost of new construction. Instead, the limited new development that is occurring has depended upon a variety of public subsidies, including affordable housing tax credits, site contamination clean-up grants, and transit-oriented development funding from the Metropolitan Council and Hennepin County. Given these conditions, current land values in the area are very low.

Central Robbinsdale

While the Central Robbinsdale submarket has seen little residential development since 2000, residential rents average \$1.70 per square foot per month, which are on the border of what is necessary to cover the costs for new construction assuming a development site without significant site costs. Although



some new development has had affordable components, developers indicate that there is emerging demand for market rate multifamily development. Some developers active in the market believe Robbinsdale is becoming a place where young professionals are locating who otherwise cannot afford to live in the North Loop or other parts of urban Minneapolis with high prices. Gap financing has come in the form of affordable housing tax credits, various Metropolitan Council livable community grants, and tax increment financing.

Golden Valley Road

Although the City of Golden Valley has a relatively strong residential market, and has seen new multifamily residential development in recent years, development has not occurred near the proposed alignment. The Golden Valley Road submarket contains single-family detached homes, parkland, and some institutions.

New market-rate multifamily development in Golden Valley, west of the corridor, supports rents in the range of \$1.95 - \$2.10 per square foot per month. However, current zoning does not permit multifamily development within the transit corridor, and there is little support to increase development densities. This is also a lack of land available for development, making further residential development unlikely to occur in this portion of the corridor.



Example Residential Development



222 HENNEPIN

BROADWAY FLATS

WEST BROADWAY CRESCENT

BROADWAY COURT

Neighborhood

North Loop

West Broadway

West Broadway

Robbinsdale

Developer

Ryan Companies & The Excelsior Group LLC

Lupe Development

CommonBond Communities

The Beard Group, Inc.

Total Project Cost

\$70 million

\$24 million

\$11.4 million

\$8.5 million

Completion Date

2013

TBD

2014

2000

Residential Units

286 units

103 units

54 units

57 units

Affordability Levels

100% market-rate

40% of units at 50% AMI;
60% of units at 60% AMI

60% AMI

Senior apartments, market-rate

Retail

40,000 SF

19,000 SF

0 SF

7,000 SF

Sources of Funding & Financing

- Metropolitan Council TBRA
- DEED

- City of Minneapolis, HRB-HUD
- CPED TIF, AHTF
- Hennepin County TOD; AHIF
- Metropolitan Council LCDA, LCDA TOD
- MHFA, LHIA
- DEED
- 4% LIHTC

- CPED AHTF
- Hennepin County TOD; AHIF
- Metropolitan Council LHIA, LCDA TOD
- MHFA
- DEED
- 4% LIHTC

- Robbinsdale Economic Development Authority Bonds



Retail

The West Broadway corridor contains a mix of retail typologies. This section briefly describes the retail character within the relevant submarkets.

North Loop

The North Loop contains ground-floor retail in mixed-use buildings, where annual asking retail rents average \$26 per square foot. The majority of retail in the North Loop is located on Washington Avenue and consists of local restaurants and bars that make the area a nightlife destination in Minneapolis.

North Washington

North Washington contains limited retail, all of which is auto-oriented and along West Broadway. Retailers are primarily locally-owned restaurants. Average annual asking rents in this area are \$9 per square foot.

West Broadway

West Broadway contains two retail typologies which are interspersed along West Broadway Avenue.

- Mixed-use ground floor: Tenants in these spaces tend to be small, local businesses.
- Auto-oriented: Retailers include Cub Foods, CVS, national chain fast-food restaurants, and banks.

Average annual asking rents for retail space along West Broadway are \$11 per square foot.

Central Robbinsdale

Central Robbinsdale contains two types of retail:

- Single-story “Main Street” retail: Much of the retail in Robbinsdale is in stand-alone structures, as opposed to mixed-use buildings found elsewhere in the corridor. This area contains a mix of national and local businesses, as well as a mix of restaurant and retail tenants. Downtown Robbinsdale has been noted for its growing “foodie” scene as new, local restaurants have opened.
- Auto-oriented and The Terrace Mall: The mall has been losing tenants in recent years, and a portion of the mall has been converted into a health center. Auto-oriented retail also includes Robin Center, off of Bottineau Boulevard.

Asking annual rents in Central Robbinsdale average \$12 per square foot.

Golden Valley

Golden Valley does not contain retail within the West Broadway corridor. Outside of the corridor, west of Highway 100, is big-box, strip-mall style retail. This retail is approximately one mile outside of the study area.



Office

As in other major cities, there has been limited recent office development in Minneapolis. However, within the corridor, there are approximately six proposed office developments, all within the North Loop. The North Loop’s momentum owes to its growing technology start-up ecosystem, with companies and creative industries locating in renovated buildings.

Outside of the North Loop, there has been limited new development, primarily focused in the North Washington Jobs Park submarket and all of which has been built-to-suit. One of the major office developments within the corridor was the build-to-suit North American headquarters for the Coloplast Corporation in 2009. The corporation chose the location in the North Washington Jobs Park because it had purchased the company that was previously located on the site and appreciated the riverfront views available. Also in 2009, Standard

Heating and Air Conditioning completed construction of a new facility in the area. LifeSource, a non-profit, completed its new office headquarters in the North Washington Jobs Park in 2014. More recently, DC Group has nearly completed its headquarters expansion on a parcel they already occupy.

During this period, there was one new office development in the West Broadway submarket. In 2012, the new Minneapolis School District Headquarters on West Broadway was completed. This building houses approximately 600 employees that were previously housed in four separate buildings located throughout Minneapolis. The building also houses adult basic education classes and employee training programs, which bring the total daily users of the building to 1,000.¹⁰

Although the corridor has seen little new commercial development, if office demand increases in the Twin Cities, the North Washington area could be a location for new development because of its proximity to downtown and the river. However, current heavy industrial uses in portions of the neighborhood may make redevelopment of sites difficult due to likely high clean-up costs and nuisance issues.



COLOPLAST CORPORATION

Neighborhood	North Washington Jobs Park
Developer	NorthMarq Properties
Total Project Cost	\$40 million
Completion Date	2008-2009
Retail	None
Sources of Funding & Financing	<ul style="list-style-type: none"> • CPED TIF • Hennepin County ERF • Metropolitan Council TBRA • DEED

¹⁰ “New Minneapolis School District Headquarters Shine Bright,” May 28, 2015. <<http://www.startribune.com/new-mpls-school-district-headquarters-shine-bright/155170295/>>.



Key Implications for Baseline Development Scenario

One of the primary goals of the West Broadway Transit study is for a new transit line to spur economic development. As described above, the submarkets within the corridor have vastly different real estate market contexts, and these inform the baseline future development scenario for the corridor. While the North Loop has seen significant growth, the other portions of the corridor have experienced limited market-rate development.

North Loop

In the North Loop, residential development has occurred at a rapid pace. It is probable the North Loop will be fully developed within 15 to 20 years, if not sooner. Although market rate development is feasible, many recent projects have also received subsidy to help cover costs for contamination clean-up or historic preservation of buildings. Such subsidies will likely continue to be used on a site-by-site basis, depending upon historic landmark status or contamination.

While the majority of development has been residential with ground-floor restaurant and bar-oriented retail, there are recent plans for new commercial office development. Hines and United Properties both have plans to develop speculative office buildings of seven and ten stories, respectively.

North Washington Jobs Park

Currently, there is little demand for new industrial or office construction in Minneapolis as a whole, and this extends to the North Washington Jobs Park. As highlighted by the Coloplast Corporation's headquarters, new development in this area is driven by one-off built-to-suit owner-occupied commercial opportunities.

However, as growth in the North Loop continues and the area reaches full-build out, it is possible the North Washington area will generate more interest due to sheer proximity to the North Loop and Downtown. However, this is not likely to occur on a wide scale in the near-term due to the incumbent noxious industrial uses and continuing availability of land in the North Loop, particularly to the west towards 7th Street.

West Broadway

Development in North Minneapolis has been a City and community priority for many years; the West Broadway Alive! Plan envisions urban infill development occurring along the West Broadway Avenue. However, given current market conditions, market-rate residential development has not been feasible in the area to date. The little development that is taking place in West Broadway depends heavily on public subsidy.

Developers indicate that unless there are significant changes to the neighborhood, such as public investment in streetscaping or the location of a few significant subsidized office developments that begin to change public perceptions of the area, development will continue to be limited to affordable housing in the near to intermediate term. However, one developer stated that the West Broadway affordable housing market may also be becoming saturated because the demand for units in this area at 60% of AMI is limited (i.e. there is a limited supply of households seeking housing in West Broadway that



can afford to pay up to 60% of AMI for housing; more households could afford to enter the market at heavier levels of subsidy).

Central Robbinsdale

Central Robbinsdale has experienced some new multifamily development, a portion of which has been regulated affordable housing. As described above, some developers see Robbinsdale as a new destination for young professionals seeking an alternative to the North Loop and other urban locations in Minneapolis. As Downtown Robbinsdale continues to become established as an attractive walkable district, there may be a modest increase in residential demand that drives an uptick in the pace of residential development in the area. With market-rate product on the borderline of financial-feasibility in Central Robbinsdale, continuing public subsidies will be important to spur redevelopment in the near-to intermediate term. The redevelopment of the Terrace Mall into a mixed-use commercial and residential center represents a longer-term opportunity for the submarket.

Golden Valley Road

The Golden Valley Road submarket is built out according to existing zoning. Because there is little desire to change land-uses in this area, and there is a lack of remaining development sites, there is very little development potential within this portion of the corridor whether or not enhanced transit is implemented.

Next Steps

Transit investment can be an important factor in facilitating new development because it creates new and enhances existing connections, is new infrastructure that is attractive to development, and can be paired with place-making efforts and amenities to draw residents and businesses to an area. This amenity can boost demand for residential, retail, and office space through rent increases and/or value premiums for land. Some demand factors could result in an increase in new development activity and/or adaptive reuse or reinvestment in existing buildings. New development and reinvestment in the area will likely attract new residents and commercial tenants.

Given the differences in current market conditions in the submarkets, transit investment will likely have different effects on real estate within the different submarkets. An analysis of transit's impact on economic development will be included in the team's next deliverable.



4. Appendix A: Detailed Review of Previous Plans

North Loop

North Loop Small Area Plan (2010)

The purpose of the North Loop Small Area Plan is to, “guide land use and development in the North Loop neighborhood for the next 20 years.” It offers guidance with respect to increasing street and pedestrian connectivity across the neighborhood and the development intensity that is desired in different parts of the neighborhood. It provides recommendations for public realm improvements and offers development guidelines for private development.

Recommended Land Use and Development Buildout

The vast majority of the North Loop neighborhood, between the I-94 Viaduct and the Mississippi River, is designated for mixed-use development. The notable exception is a triangle of property at the northern part of the neighborhood, between 10th Avenue North and Plymouth Avenue, which is designated industrial. Class A office development is discouraged, so that it does not compete with the downtown core, however other types of office development are considered desirable.

Consistent with Washington Avenue’s designation as a Commercial Corridor in the City’s comprehensive plan, retail, services, and entertainment businesses are encouraged along Washington Avenue, serving both the neighborhood and a destination market. The plan suggests that retail not on Washington Avenue should be service-oriented and accessory to the primary use on the site. The Future Land Use map from the plan illustrates desired land use for different parts of the North Loop neighborhood.

The North Loop Small Area Plan also offers guidance concerning desired development intensity. It established three development intensity districts—Development Intensity Districts A, B, and C. These districts support development densities as follows:

- **District A.** Appropriate building types include residential, commercial, or industrial buildings of two to six stories. In commercial areas, buildings may include commercial businesses on the ground floor.
- **District B.** Appropriate building types include housing, commercial, and industrial structures of two to ten stories. This type is generally consistent with the bulk and height of historic warehouse structures in the neighborhood.
- **District C.** Appropriate building types include a mix of uses with commercial businesses on the ground floor. They are greater than ten stories and geared toward a nearby transit station.

The plan suggests that increased development intensity/height may be warranted in some cases. It offers a set of urban design considerations that may support an application for increased development intensity.



Market Information

A market analysis was conducted by W-ZHA as part of the North Loop Small Area Plan. It was focused, however, on the “Lower North Loop,” which is the part of the North Loop neighborhood southwest of 7th Street North. This area is not near the potential transit alignments that are the subject of this study.

Other Information

There are street connections between 2nd Street and Washington Avenue at 1st, 2nd, 3rd, 5th and 10th Avenues North. The Plan sets a goal of remediating the lack of connections between 5th and 10th Avenues with a new pedestrian connection between Washington Avenue and 2nd Street at 8th Avenue North. There is no timeline or implementation strategy associated with this goal.

North Washington Jobs Park

Above The Falls Master Plan Update (2013)

The purpose of the Above the Falls Master Plan Update was to update the development guidance for the Minneapolis upper riverfront. It incorporated some of the visionary park and public realm enhancements that came out of the RiverFirst process and made adjustments to the land use and development guidance of the plan it modified (Above the Falls, 2000) in response to increased sensitivity by City policymakers to the importance of preserving industrial land.

Recommended Land Use and Development Buildout

The Plan divides the upper riverfront into a set of subareas, offering guidance for each. The North Washington district itself is represented by two of the subareas—that is, Subarea 1 comprised of land between the Mississippi River and the railroad spur and Subarea 2 comprised of land between the railroad spur and Interstate 94.

Properties in Subarea 1 front on West River Road North. These properties are in the Industrial Employment District. The plan supports a mix of office and industrial uses in this area, “with particular policy support for high intensity, job generating uses.” It explicitly calls out the opportunity for further office development, noting, “due to proximity to the riverfront and the higher amenity associated with this location, it is anticipated that higher value, multi-story office development may be possible here.”

In Subarea 2, properties front on Washington Avenue or 2nd Street North. It again supports a mix of, “office and industrial uses, with particular policy support for high intensity, job generating uses.”

Two additional subareas are discussed below, although they are located north of the North Washington district.



Subarea 3 is situated between Interstate 94 and the Mississippi River, and encompasses a full block of property on the north and south sides of West Broadway. Only one of these blocks is outside of the Industrial Employment District—the Broadway Pizza site on the north side of West Broadway at West River Road. The summary of land use guidance in Subarea 3 is as follows:

“This area is guided for high density mixed use development, including commercial, industrial, and/or office. The area along the riverfront (east of the rail line) may be suitable for residential as well – the area west of this is not, because it is located within the adjacent Industrial Employment District. This could be a potential office headquarters location, or similar use.”

Subarea 4 includes the Minneapolis Park and Recreation Board headquarters site, and property to its north. It is not in the Industrial Employment District. Redevelopment in this area could include higher value, multi-story residential or office development.

Properties in Subareas 1 through 3 are industrially zoned, and the maximum floor area ratio of new development that is allowed by existing zoning is 2.7. Property in Subarea 4 is zoned I1 and C3A, both of which allow for a maximum floor area ratio of 2.7.

Market Information

Market research conducted as part of this planning effort yielded the conclusion that existing industrial properties had stable value as well-located but older industrial space. Redevelopment of this older industrial property as new industrial facilities is unlikely to occur where existing facilities remain economically viable.

Higher density residential redevelopment is possible because of the potentially greater value differential—with river access and park amenities available. However, the area faces many challenges. A critical mass of land must be assembled so that the new neighborhood is not isolated in an otherwise industrial environment. There are likely to be additional costs for environmental remediation.

Office development is challenging as well. The land within the vicinity of the freeway entrances at Dowling and West Broadway has characteristics of interest to office users, but it is disconnected from the region’s transit network and in locations not associated with existing office clusters. While it may be possible to interest an owner developer to these locations, these locations are not likely to attract speculative office development.

Market research supports the idea that there may be some potential for owner occupant office development along West Broadway and on the riverfront properties, and the potential for multifamily residential development at the Broadway Pizza site and Minneapolis Park and Recreation Board properties.



West Broadway

Penn Avenue & West Broadway Avenue Transit-Oriented Development Design Guidelines (2006)

The Penn Avenue & West Broadway Transit-Oriented Development Design Guidelines document was developed at a time when Bus Rapid Transit seemed poised to serve a similar part of the Metro area that is now planned for light rail service via the METRO Blue Line Extension. Had it been constructed, Bus Rapid Transit would have traveled along West Broadway rather than staying in the rail trench to Olson Memorial Highway, as the METRO Blue Line Extension will.

Construction of the Bus Rapid Transit station at Penn Avenue and West Broadway was at one time scheduled in late 2006 as a community investment that would have preceded the construction of the rest of the line.

Interest existed in leveraging this transit investment with new development at the Penn Avenue and West Broadway intersection. The Design Guidelines document was developed to guide the form of the new development, specifying urban design and architectural principles that the development should reflect.

Recommended Land Use and Development Buildout

The design guidelines supported mixed-use development with street level retail. It proposed that development, “should strive to substantially increase density.” Height beyond 3 to 4 stories was to be considered where feasible.

Market Information

The Design Guidelines document did not include market information.

North Minneapolis Strategy (2007)

This detailed strategy document focuses on strengthening the commercial business environment across the range of commercial categories in North Minneapolis. MJB Consulting produced a retail strategy and Phillips Price Shapiro & Associates produced a strategy encompassing office, industrial, and employment components. It is important to note, however, that this was not an adopted City policy.

Recommended Land Use and Development Buildout

The study provided information relative to retail formats that could be supported and specified national retailers that might be good fits for retail areas in North Minneapolis. It noted that mixed-use development with ground floor retail, an urban format identified as preferable in a number of approved plans, faces challenges because of the cost to construct new retail space. Retail development was possible only where cross-subsidy or public gap financing is available. However, a more conventional shopping center layout, with parking in front, might,



“stand a better chance of maximizing the site’s retail potential. On the supply side most retailers considering this market will demand it. Certain chains have indeed accepted ‘New Urbanist’ designs elsewhere, but these cases tend to be limited to high-grossing downtowns or other business districts where tenant demand is extremely high and available space is very limited. The Northside is in a far weaker bargaining position, and developers cannot necessarily afford to be so demanding. And on the demand side, consumers who are already anxious about crime would prefer the perceived safety of parking in a lot with visibility to both the store and the street. On a related note, suburban commuters might feel more comfortable with the strip-mall configuration and the element of familiarity that it brings.”

The study saw retail potential for West Broadway because of its, “highway access, traffic counts, large parcels, current zoning, supermarket anchor, etc.” To brand the West Broadway district as a “Community Business District,” the community and public sector were advised to embrace “larger ‘anchor’ stores, which the district lacks in comparison-goods categories.” Sit down restaurants were also identified as a need.

The study saw opportunity for pad development at the existing shopping centers. West Broadway and Penn was not seen as having potential for being another robust retail area, given its proximity to the stronger retail area at both West Broadway and Lyndale, and at Penn and Lowry.

The report was skeptical about the prospects for office development in North Minneapolis, observing:

- Land supply is not present, in the form of large parcels;
- It is not “sitting in the part of the region that is driving the office market many residents in the West Broadway submarket commute to Downtown Minneapolis, Downtown St. Paul, Golden Valley, and Bloomington for work”;
- Supportive retail and restaurant amenities for office users are scarce.

Despite these observations, the study judged that professional offices (including medical) and offices for neighborhood business entrepreneurs were possible.

Market Information

The document focused on business development strategy, with sensitivity to market conditions, but did not present detailed market information.

West Broadway Alive! (2008)

The goals of the *West Broadway Alive!* plan were to provide land use and development guidance and propose a range of revitalization strategies for the West Broadway corridor. It offered a range of proposed themes and elements to unify the corridor and make it distinctive. The plan gained broad support among policymakers and community participants.



Recommended Land Use and Development Buildout

The West Broadway Alive! plan identified the area between Interstate 94 and Fremont Avenue as the Commercial Core of West Broadway. Within this area, the intersection of West Broadway and Lyndale was designated to continue to serve as the destination district, with its proximity to the freeway and existing big box retailers. High density redevelopment was encouraged in this area.

In the blocks from Bryant Avenue to Fremont Avenue, which include Hawthorn Crossings and a set of contiguous older storefronts, the plan emphasized infill development, strengthening the business mix, and introducing a public plaza element.

Additional retail on West Broadway was not encouraged except at the Penn and West Broadway node.

Higher density office development was contemplated on West Broadway between the Interstate and the Mississippi River.

The plan was specific concerning development intensity and offered a development intensity map showing the highest density development between Bryant Avenue and the Mississippi River and at the Penn Avenue business node. The medium density designation on the map, termed “Urban Scale” was supportive of three- to five-story development. The highest density category, or “Transit Scale” density, was supportive of taller buildings. The map showed that Urban Scale and Transit Scale density were considered appropriate for the great majority of the West Broadway frontage.

Market Information

The document did not present detailed market information.

Penn Avenue Vision and Implementation Framework (Concurrent)

The purpose of the Penn Avenue Vision and Implementation Framework is to identify physical and economic development interventions that will leverage the anticipated investment in Arterial Bus Rapid Transit along Penn Avenue. The study is in process, but the evaluation and analysis of the market and development context for development along Penn Avenue has been completed. Much of this is documented in the interim report, *Penn Avenue Vision and Implementation Framework: Inventory and Analysis*.

This information has specific relevance for the West Broadway and Penn intersection, and the Golden Valley Road and Penn intersection. It has more general relevance for understanding the market and development context for the Minneapolis section of West Broadway and Golden Valley Road in general.



Recommended Land Use and Development Buildout

The *Penn Avenue Vision and Implementation Framework* does not modify the policy objectives for development at the Penn and West Broadway node. It affirms the land use and development guidance of the *West Broadway Alive!* plan.

Market Information

The document offers a list of projects underway in the Penn Avenue corridor. This includes:

- Broadway Flats (NW quadrant, Penn and West Broadway, planned)
- West Broadway Crescent (West Broadway Avenue southeast of Logan Ave, completed)
- The Commons at Penn Avenue (Penn and Golden Valley Road, under construction)

The Inventory and Analysis document includes a retail analysis that identified significant leakage of neighborhood expenditures in certain retail categories, including General Merchandise Stores (94.9%), Lawn and Garden Stores (77.1%), Building Materials/Supplies (76.7%), Specialty Food (63.5%), and Full-Service Restaurants (42.3%). This implies the opportunity to attract additional retail establishments to the area.

A subsequent project memo focused on Economic Development, Housing, and Financial Strategies. Among other things, this memo included documentation of a pro forma analysis, which evaluated the financial viability of a prototypical 60-unit multifamily housing development, with underground parking. It found an estimated financial gap (subsidy needed) of \$65,000 to \$80,000 per unit. Rents at the West Broadway and Penn intersection were estimated at \$1.42 per square foot.

Robbinsdale

Robbinsdale 2030 Comprehensive Plan

The purpose of the Robbinsdale 2030 Comprehensive Plan is to articulate a vision for the future of Robbinsdale.

Recommended Land Use and Development Buildout

The Robbinsdale vision statement includes a focus on its downtown, describing it as, “a hub for activity with a mix of interdependent uses including housing, restaurants, offices, retail and service commercial, and public facilities.” Its Guiding Principles include the goal to increase density in Downtown Robbinsdale “through redevelopment, zoning, and other efforts.”

The plan’s vision also references the Terrace Mall and North Memorial campuses, envisioning them fitting in with the surrounding areas with improvements, “that have allowed for better relationships and connections between land uses.”



The Plan offers parcel specific land use guidance in its Future Land Use map. The West Broadway frontage through downtown is guided almost entirely for high density residential or mixed-use. The Terrace Mall area is also guided as mixed-use. Properties along Oakdale Avenue and France Avenue are guided low density residential. High density residential is defined as having a minimum density of 12 dwelling units per acre. Property designated mixed-use is associated with different density levels in the plan. At the Terrace Mall site and on West Broadway north of 41st Avenue, the desired density is 12 dwelling units per acre or more. Along West Broadway south of 41st Avenue, property designated Mixed Use should have a density of 8 to 12 units per acre.

Market Information

The document does not present detailed market information.

METRO Blue Line Extension: Phase II Station Area Plan (In Process)

The purpose of the METRO Blue Line Extension: Phase II Station Area Plan is to establish policy and development guidance for the areas around seven of the future METRO Blue Line Extension stations:

1. 42nd Avenue in Robbinsdale
2. Bass Lake Road in Crystal
3. 63rd Avenue in Brooklyn Park
4. Brooklyn Boulevard in Brooklyn Park
5. 85th Avenue in Brooklyn Park
6. 93rd Avenue in Brooklyn Park
7. Oak Grove Parkway in Brooklyn Park

Station area plans include recommended public realm improvements that improve connectivity to the stations and improve the attractiveness of the area to new development. They also include land use and development guidance for the areas around the stations—often including recommended development intensity and strategies for implementing the recommended improvements.

The planning process for the 42nd Avenue station area is in its early stages. Public engagement has begun, with two meetings of the Community Working Group, and one meeting for the public, as of mid-July.

A preliminary “Station area analysis” document is available for the 42nd Avenue Station from the project website. It provides high-level information concerning existing demographic and market conditions, public ownership, property values, and existing/proposed land use.

Market Information

Additional market research will inform concept plans for the station area, but is not yet available.



Golden Valley

METRO Blue Line Extension: Phase I Station Area Plan (In Process)

The purpose of the METRO Blue Line Extension: Phase I Station Area Plan is to establish policy and development guidance for the areas around four of the future METRO Blue Line Extension stations:

1. Van White Memorial Boulevard and Olson Memorial Highway
2. Penn Avenue North and Olson Memorial Highway
3. Plymouth Avenue and Theodore Wirth Parkway
4. Golden Valley Road and Theodore Wirth Parkway

Station area plans include recommended public realm improvements that improve connectivity to the stations and improve attractiveness to new development. They include land use and development guidance for the areas around the stations, including recommended development intensity, and strategies for implementing the recommended improvements.

The study is in process, but a first draft of the plan has been completed. Market analysis and developer interviews were also completed, with findings documented in an interim report titled, “Metro Blue Line Extension (Bottineau LRT): Place Based Economic Development and Market Analysis.”

This information has specific relevance for the Golden Valley Road and Theodore Wirth Parkway intersection but its market and development findings have general relevance for understanding the market and development context for the Minneapolis section of West Broadway and Golden Valley Road in general.

Recommended Land Use and Development Buildout

Development guidance is offered for the Golden Valley Road station area in the draft final plan. The Future Land Use Map shows that there is opportunity and potential future support for higher density residential development at certain sites near the future station. However, it does not recommend City policy changes to support such development.

The development guidance for the Minneapolis portion of Golden Valley Road offers support for medium density residential development along Golden Valley Road east of Vincent Avenue.

Market Information

The purpose of the market analysis work was, “to provide stakeholders with a realistic understanding of the types of real estate ... that are likely to be feasible within the four station areas over the coming two decades.”

The analysis indicates that expected residential rents are not high enough to support development costs without public support. This issue is compounded by the almost complete absence of recent market rate



projects in North Minneapolis. This means that there is a high level of uncertainty about what rents to expect in a new project. This uncertainty compounds the financial gap for developers because it means that either expected rents need to be estimated very conservatively or high contingency costs need to be built into the pro forma.

Developer interviews yielded additional information on expected market rate rents for multifamily development. Developers interviewed thought \$1.40 to \$1.50 per square foot should be expected at the Van White station. The relatively few market rate rental units at Heritage Park are renting for around \$1.30 per square foot. Most developers stated that rents in excess of \$2.00 per square foot are generally necessary to make a market-rate project work.

Office development was evaluated and found to not be promising with the potential exceptions of owner-occupied development by a medical office user or a satellite facility of an education institution, such as a two-year technical or community college.