



Minneapolis Residential Development Trends 2014 - 2018

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Introduction

Purpose of the Report

Minneapolis is a growing city. According to the Metropolitan Council, the 2018 population estimate for the city is 428,483, an increase of 45,905, or 12%, over the 2010 Census population. And Minneapolis is changing its policies to accommodate this growth. Recognizing its high concentration of frequent transit service, the City has amended its zoning code to allow for reductions in parking requirements near transit and has a clear vision to allow higher density development near transit in its 2040 Comprehensive Plan.

This report looks at trends in specific development characteristics related to transit within the city of Minneapolis for the years 2014-2018, specifically:

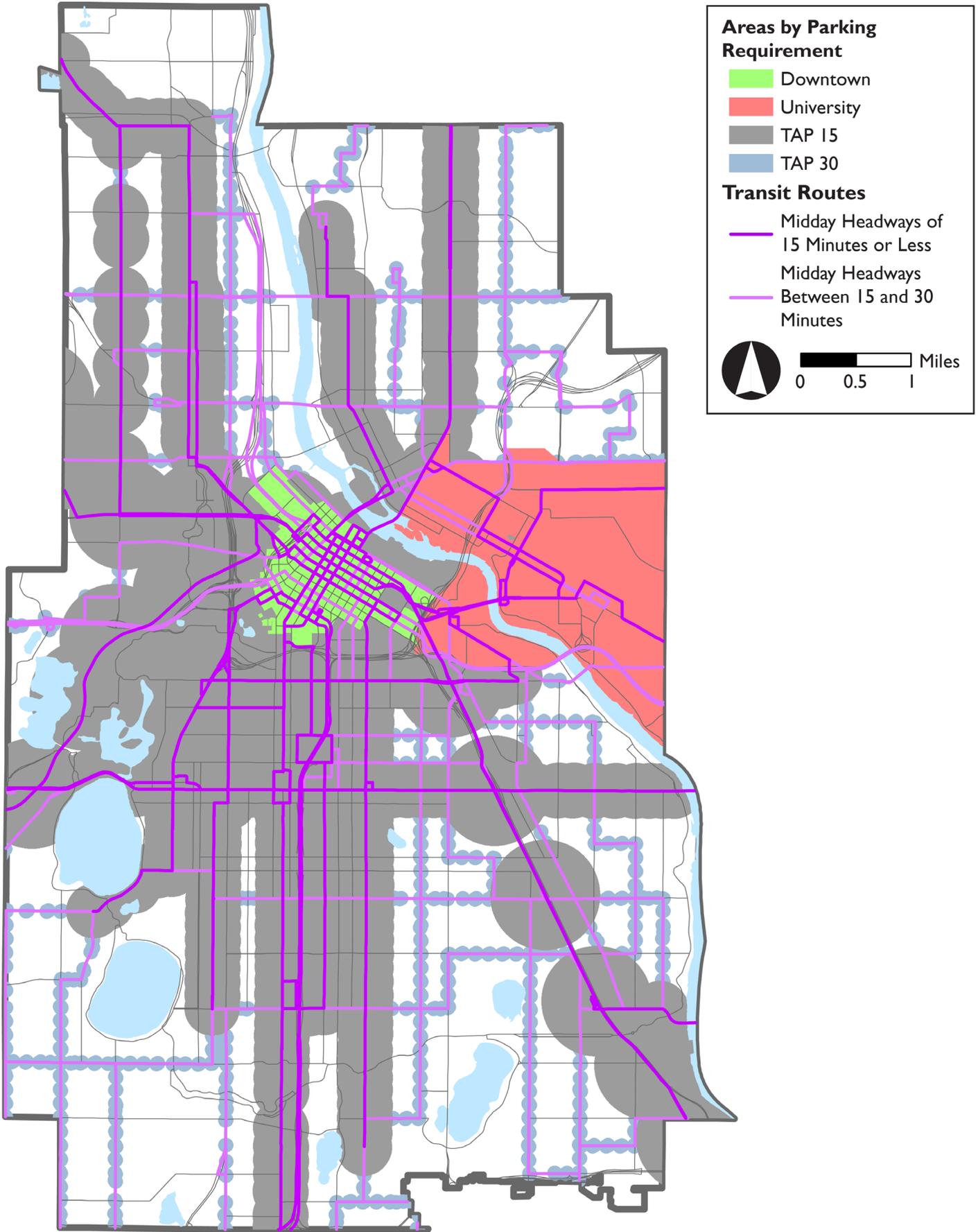
- Parking ratios (parking spaces provided per number of units) for multifamily residential development
- Mixed use development
- Development size (number of units) for multifamily residential development

Minneapolis Parking Requirements

Within the city of Minneapolis, the standard residential parking requirement for new development is one space per unit. For this report, areas within the city where the standard residential parking requirement does not apply is divided into four distinct categories:

1. **Downtown.** Specifically, the Downtown Zoning Districts, which are collectively the B4 Downtown Business District, the B4S Downtown Service District, the B4C Downtown Commercial District, and the B4N Downtown Neighborhood District.
2. **University.** Specifically, the UA University Area Overlay Zoning District.
3. **TAP 15.** Areas within a quarter mile of a bus stop or a half-mile of a rail station with midday headways of 15 minutes or better (Transit Area Parking 15 or TAP 15). Also includes future rail transit stations included in a project that has been approved to enter the Project Development phase by the Federal Transit Administration, which currently includes the METRO Green Line and METRO Blue Line extensions.
4. **TAP 30.** Areas within 350 feet of a bus stop with midday headways between 15 and 30 minutes (Transit Area Parking 30 or TAP 30).

Figure 1 shows where each of the four categories applies throughout the city.



Data Source: City of Minneapolis, Metro Transit

November 2019

Figure 1 - City of Minneapolis, areas by parking requirement

Within the Downtown area, the minimum residential parking requirement for new development is zero. Within the University area, the minimum residential parking requirement is one-half space per bedroom. And within the TAP 15 and TAP 30 areas, which are the result of parking reforms enacted by the City in 2015 commonly known as transit parking incentives, there are authorized reductions from the standard residential parking requirement outlined in the table in Figure 2.¹

Transit Incentive Parking Areas	Authorized reduction from minimum parking requirement (3-50 dwelling units)	Authorized reduction from minimum parking requirement (51 dwelling units or more)
TAP 15	100 percent	50 percent
TAP 30	10 percent	10 percent

Figure 2 - Transit parking incentives, authorized reductions from the minimum parking requirement

Methodology

As there is no existing dataset that tracks the development characteristics in question, data for this report was compiled manually. Staff reports written for the City Planning Commission for all multifamily residential developments of 10 or more units for years 2014-2018 were downloaded. Each staff report was reviewed, and specific development characteristics were entered into a database.

For each map showing where the transit incentive parking reductions apply, schedules for all transit routes within the City of Minneapolis were examined and routes divided into segments according to its midday headway as outlined in the previous section. Buffers were then applied to transit stops along those segments as outlined in the previous section.

¹ The Downtown area also falls within either the TAP 15 or TAP 30 areas, but since the minimum residential parking requirement is already zero, it is treated as its own unique area for this report. The TAP 15 and TAP 30 areas do not apply anywhere in the University area, as the zoning code amendment that enacted the transit parking incentives specifically excluded the UA University Area Overlay District.

Parking Ratio Over Time

From the beginning of 2014 through the end of 2018, the overall trend in average parking ratio of all new developments was decreasing at a rate of 0.105 spaces per unit per year (Figure 3). When the average parking ratio is weighted by the total number of units built, the overall trend was decreasing at a rate of 0.113 spaces per unit per year during the same time period (Figure 4). So if these trends were to continue for another 4 years, the unweighted and weighted average parking ratios would be 0.33 and 0.476 spaces per unit, respectively.

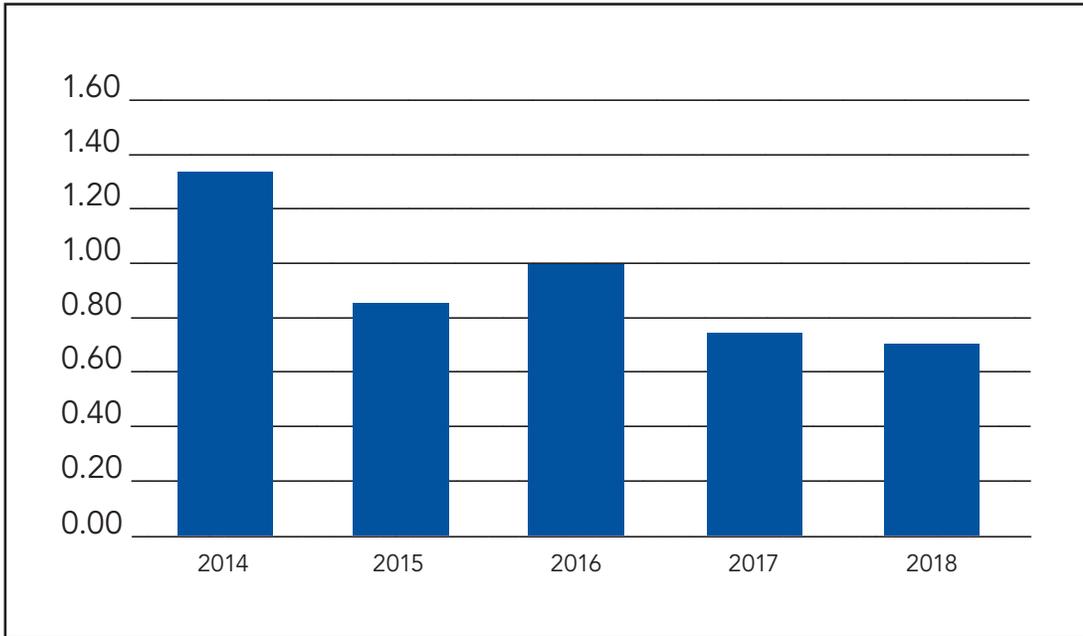


Figure 3 - Average parking ratio by year, 2014-2018

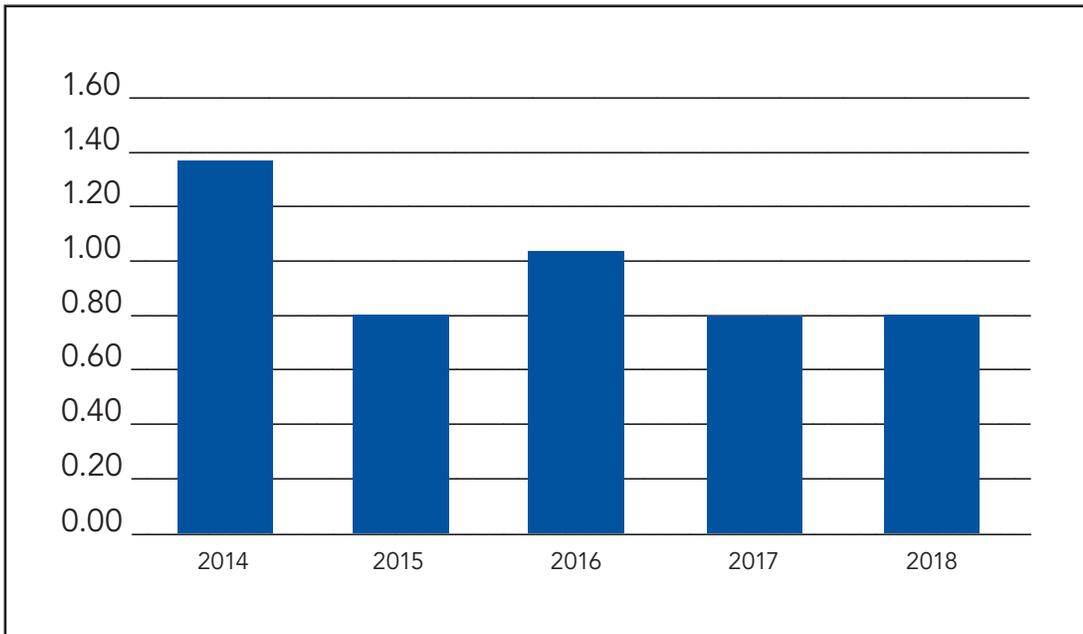


Figure 4 - Average parking ratio by year, weighted by total number of units built, 2014-2018

When broken down by area, average parking ratios have been decreasing across the city from 2014-2018. Figures 5 and 6 show the average parking ratio by area by year and the average parking ratio by area by year weighted by the total number of units built, 2014-2018, respectively.

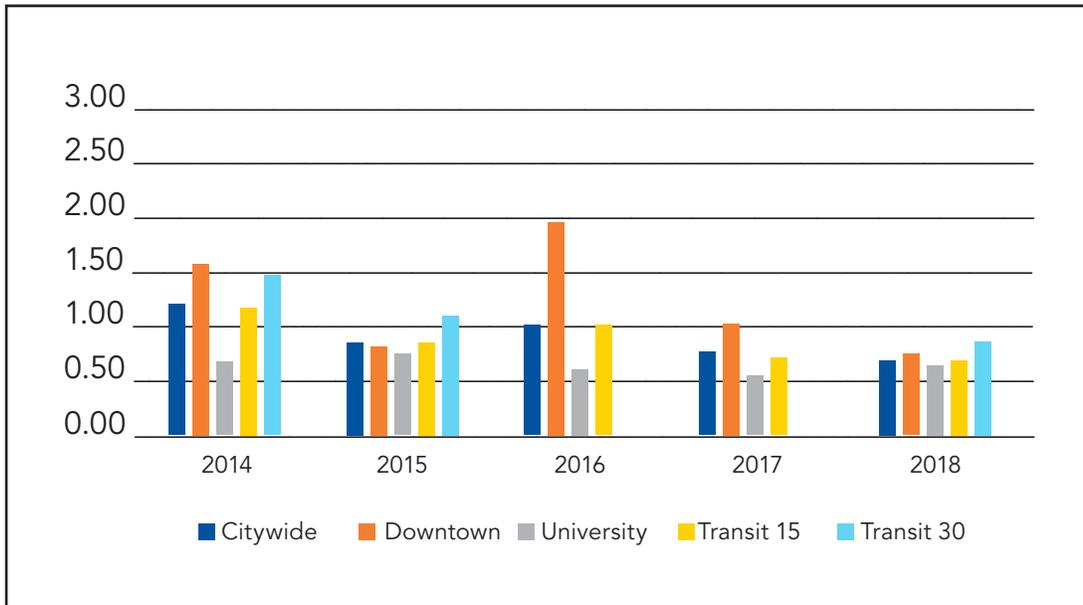


Figure 5 - Average parking ratio by area by year (2014-2018)

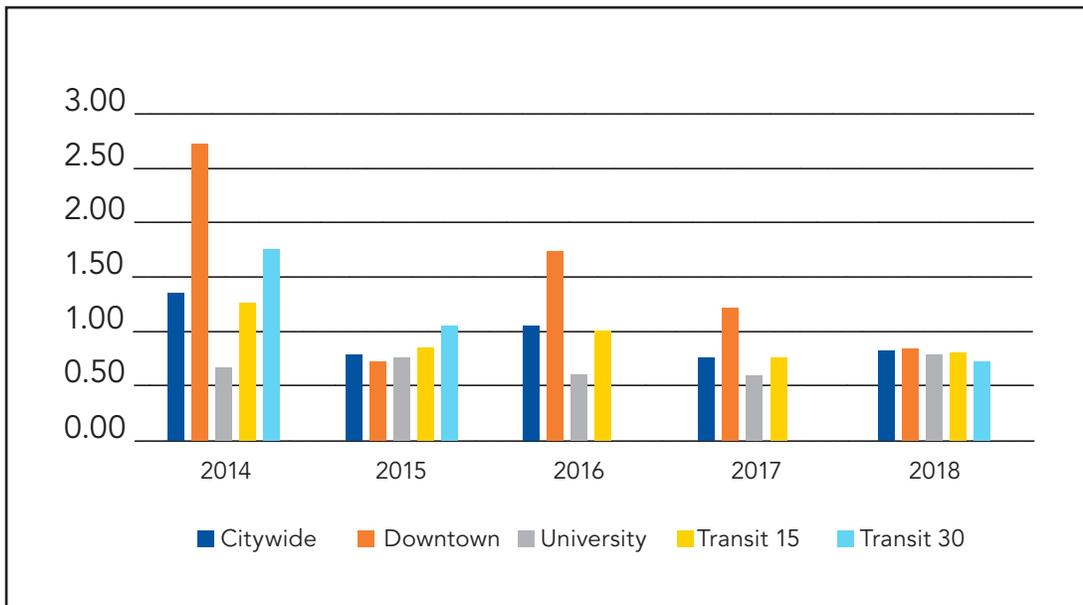
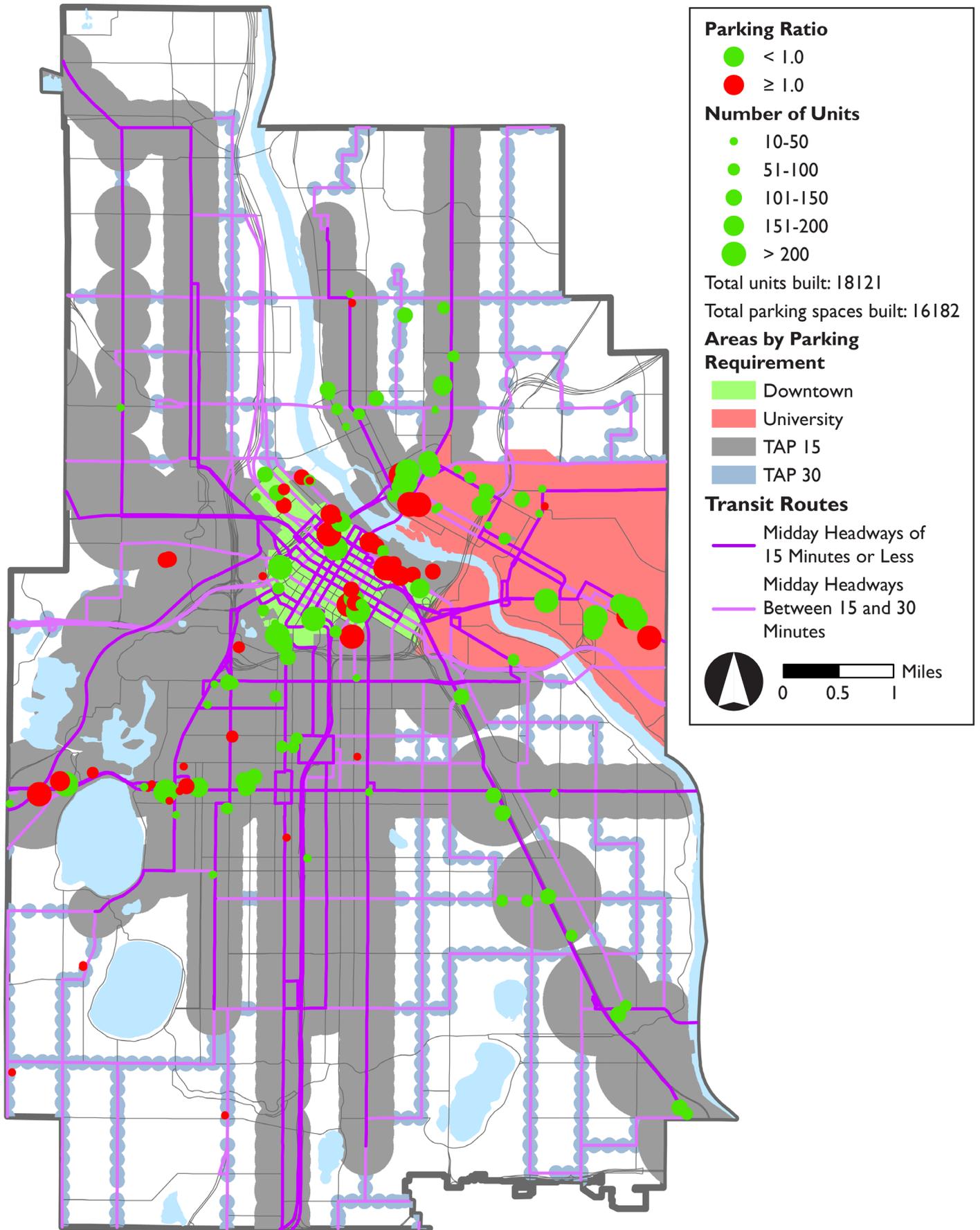


Figure 6 - Average parking ratio by area by year, weighted by total number of units built (2014-2018)

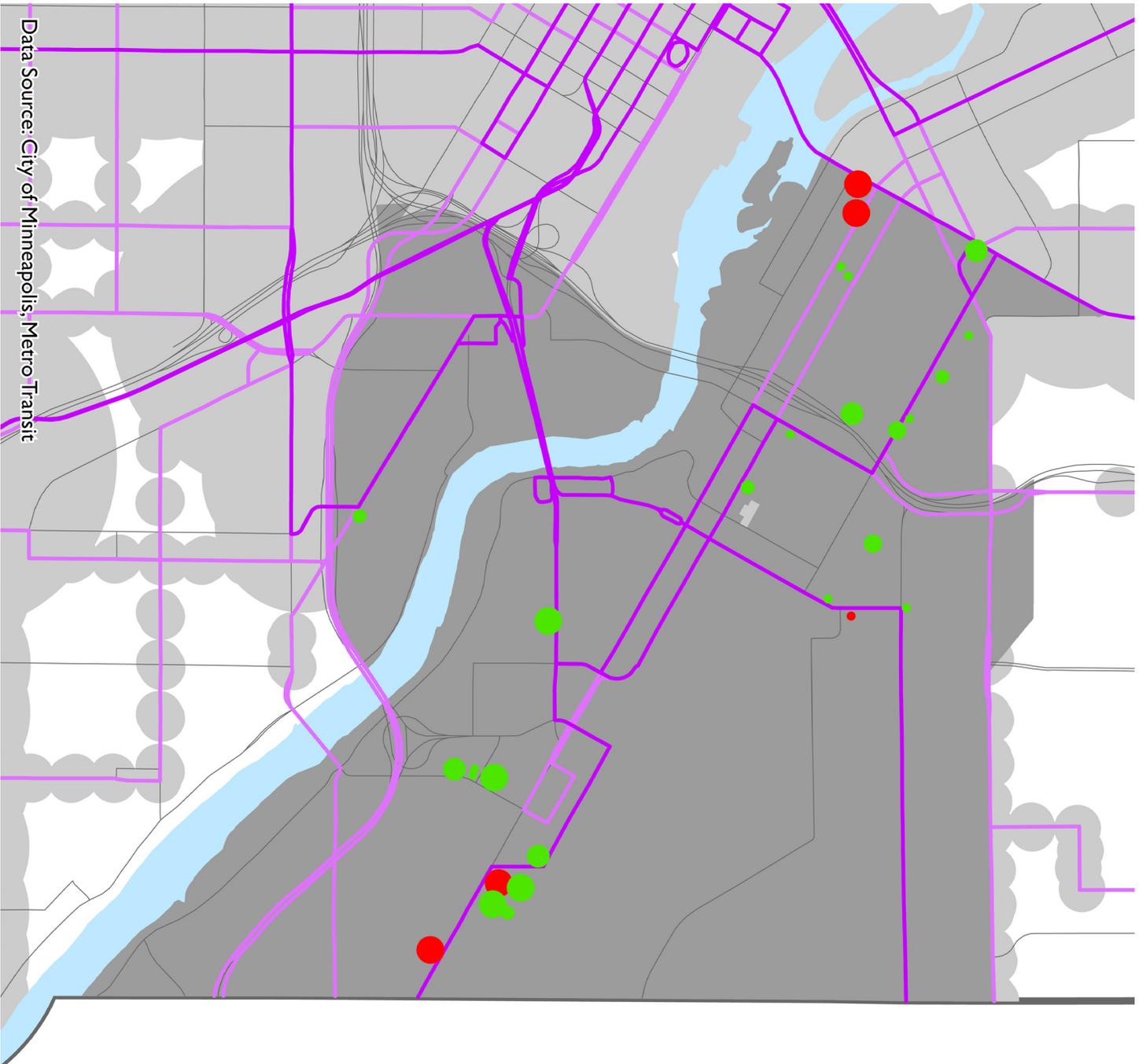
The overall trend in both the Downtown and TAP 15 areas decreased at a rate of 0.138 spaces per unit per year, while the trend in the TAP 30 area decreased at a rate of 0.131 spaces per unit per year. The University area remained more stable, only decreasing at a rate of 0.017 spaces per unit per year. When the average parking ratio by area is weighted by the total number of units built in each area, Downtown saw the biggest decrease at a rate of 0.33 spaces per unit per year. TAP 30, which had the least amount of development, had the second largest decrease at a rate of 0.231 spaces per unit per year, with TAP 15 decreasing at a rate of 0.119 spaces per unit per year. The University area remained even more stable than the unweighted average, only decreasing at a rate of 0.008 spaces per unit per year. Figures 7-11 are maps showing all multifamily residential developments of 10 or more units from 2014-2018 with parking ratio citywide and within each of the four parking areas.



Data Source: City of Minneapolis, Metro Transit

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Figure 7 - Citywide multifamily development of 10+ units 2014-2018



Data Source: City of Minneapolis, Metro Transit

Parking Ratio

- < 1.0
- ≥ 1.0

Number of Units

- 10-50
- 51-100
- 101-150
- 151-200
- > 200

Total units built: 3924
 Total parking spaces built: 2794

Areas by Parking Requirement

- University
- Other

Transit Routes

- Midday Headways of 15 Minutes or Less
- Midday Headways Between 15 and 30 Minutes

0 0.25 0.5 Miles

Figure 9 - University multifamily residential development of 10+ units, 2014-2018

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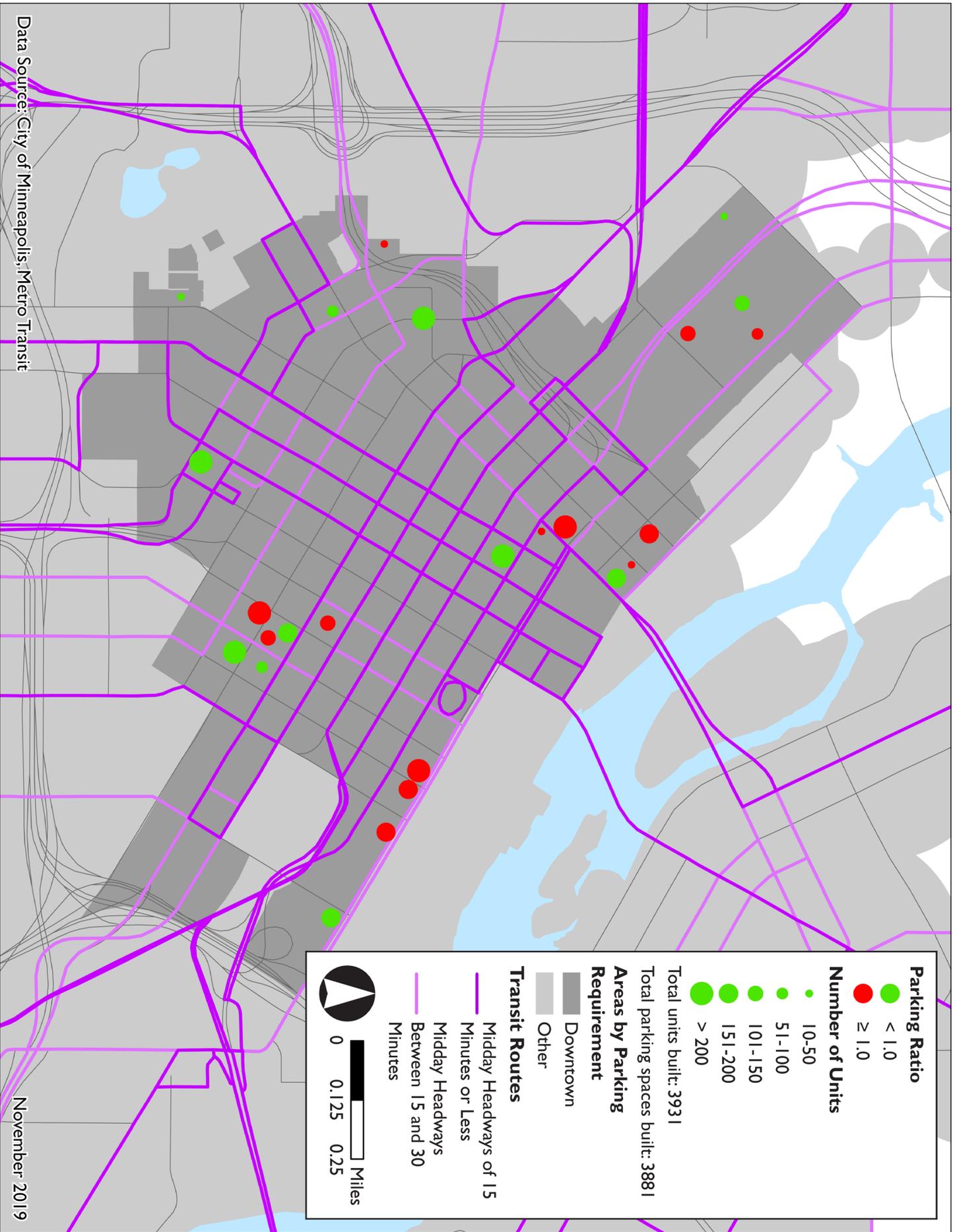
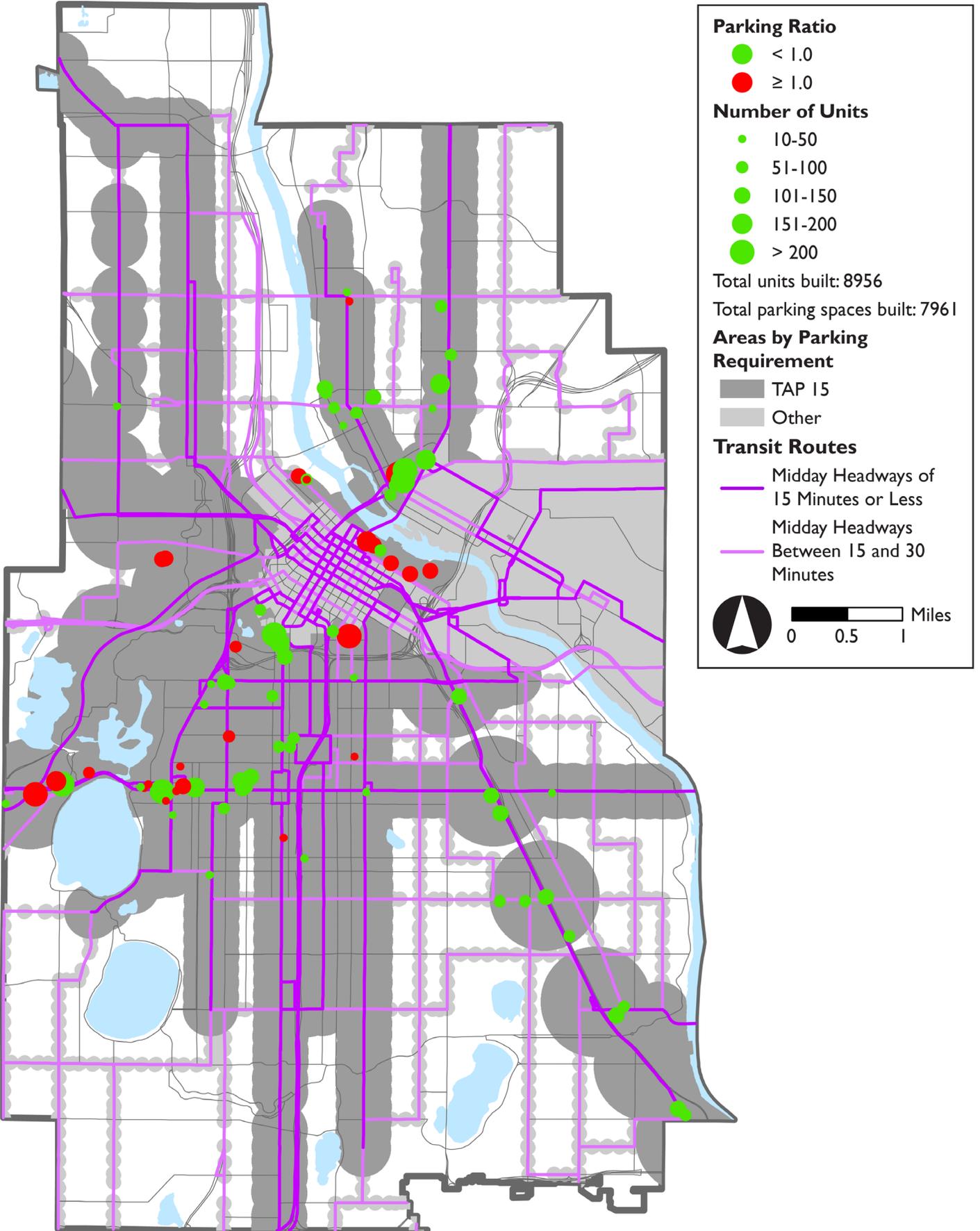


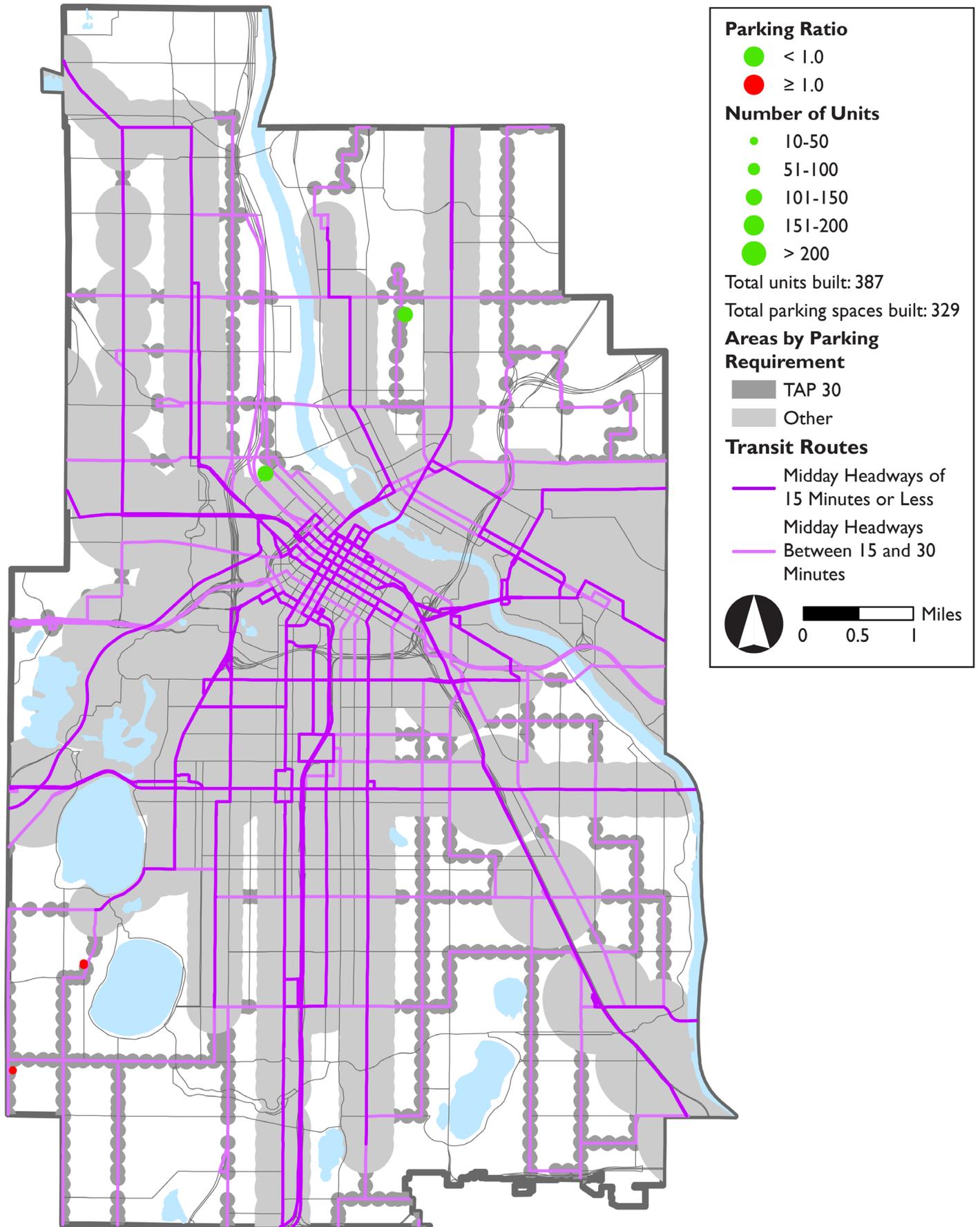
Figure 8 - Downtown multifamily residential development of 10+ units, 2014-2018



Data Source: City of Minneapolis, Metro Transit

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Figure 10 – TAP 15 multifamily residential development of 10+ units, 2014-2018



Data Source: City of Minneapolis, Metro Transit

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Figure 11 – TAP 30 multifamily residential development of 10+ units, 2014-2018

Mixed Use Development

Although the overall trend of mixed-use residential developments as a percentage of all multifamily residential developments has been decreasing (Figure 12), the trend in total square footage of commercial space in mixed use developments has been increasing (Figure 13). One explanation for the decreased share of mixed-use developments could be that due to an increase in amenity spaces for residents on the 1st floor where commercial space otherwise would be. With the exception of 2014, Downtown has seen the largest share of commercial square footage in mixed use developments (Figure 14). In general, Downtown has more non-residents; employees, visitors, etc., to use commercial spaces.

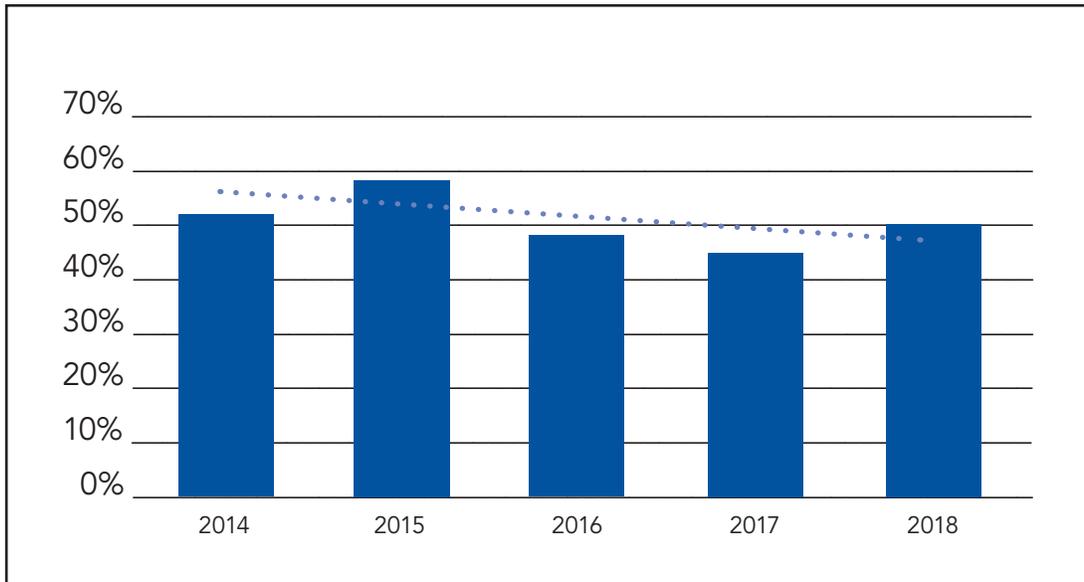


Figure 12 - Mixed Use Developments as a Percentage of Total Developments (2014-2018)

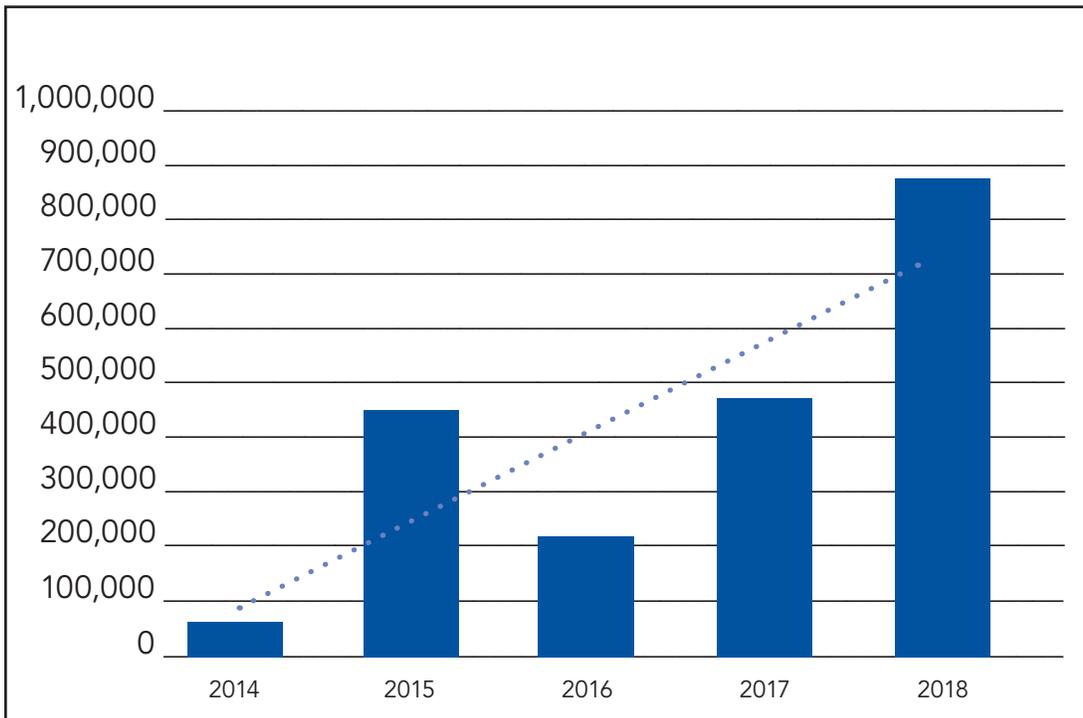


Figure 13 - Total Commercial Square Footage in Mixed Use Developments (2014-2018)

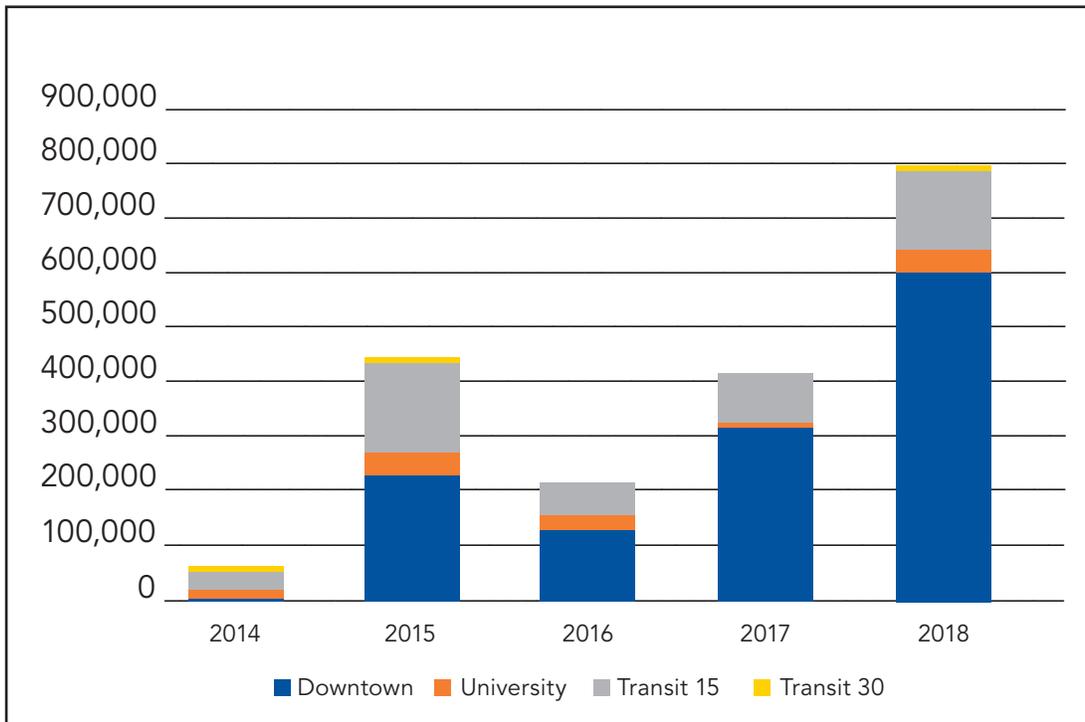


Figure 14 - Total Commercial Square Footage in Mixed Use Developments by Area (2014-2018)

Total Developments & Development Size

The trend in number of residential developments of 10 or more units per year has been increasing at a rate of 9.1 developments per year 2014-2018. Despite the trend of increasing number of developments, the production of smaller developments (10-50 units) has remained stable at 7-8 developments a year, with an exception of 18 developments in 2018 (Figure 15). Development size by number of units has been slowly increasing. The overall trend in size has been increasing at a rate of approximately 5.6 units per year (Figure 16).² If this trend continues for another four years, the average development size in number of units would be 56. Figures 7-11 show all multifamily residential developments of 10 units or more with number of units from 2014-2018, both citywide and by area.

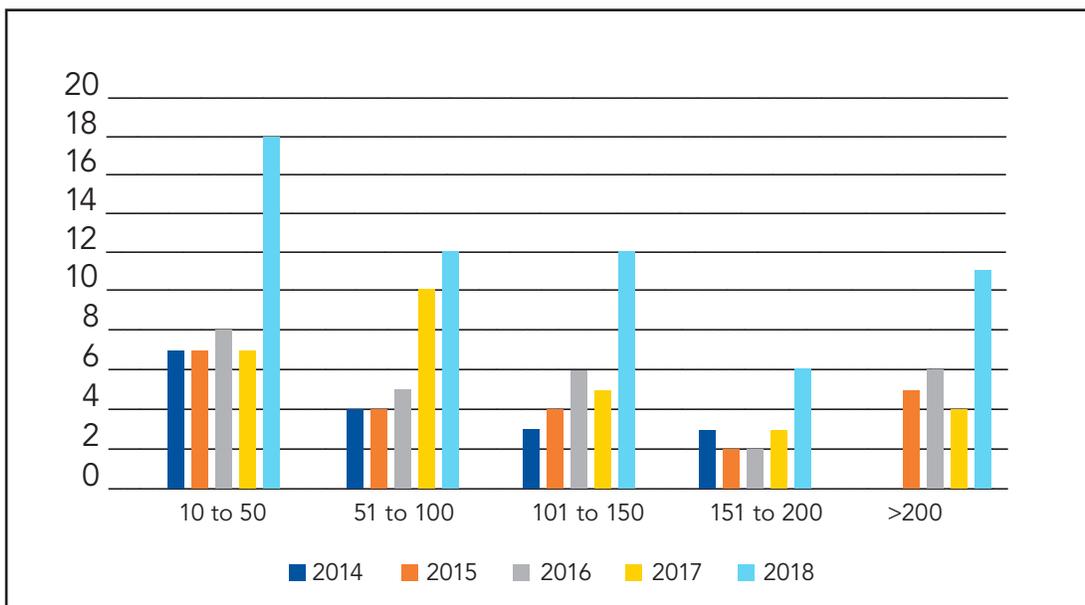


Figure 15 - Total developments by year, grouped by development size in number of units, 2014-2018

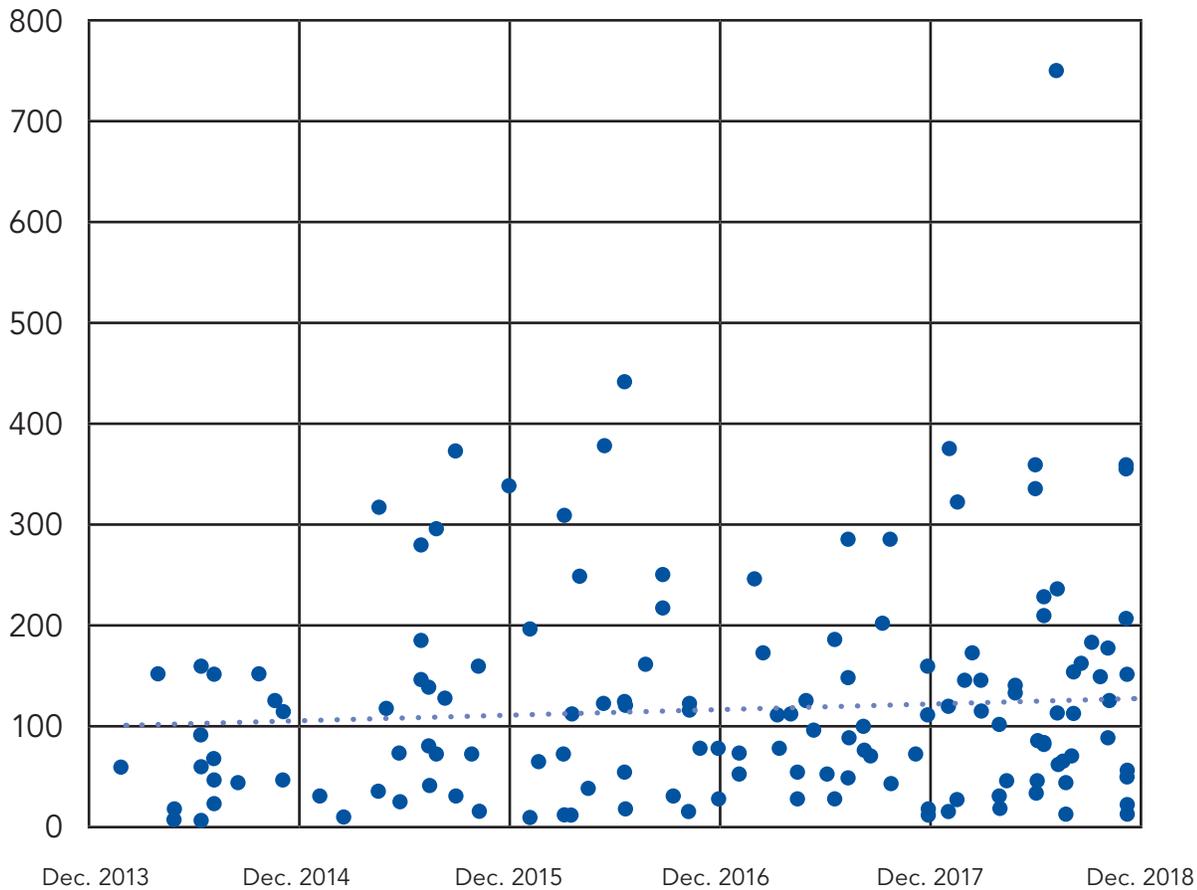


Figure 16 - Development Size by Number of Units Over Time (2014-2018)

² In Figure 16, the development in 2017 with 744 units is Calhoun Towers at 3421 W Lake St, a 4-phase development with the units spread out over all four phases.

Conclusion

Some trends in residential development in the city of Minneapolis are more pronounced than others. When it comes to mixed-use residential development, mixed-use developments as a percentage of all multifamily residential developments has been decreasing, but the total commercial square footage in mixed-use residential developments has been increasing. Total development activity in number of developments per year, as well as development size in number of units per development, has also been slowly increasing.

The most noticeable trend in residential development is in parking ratios. The transit parking incentives that were enacted in 2015 was partly based on the premise that, at least in close proximity to transit where there are more transportation alternatives than owning and driving a car, that minimum parking requirements in the zoning code were forcing developers to build more parking than they wanted to. And if allowed to do so, developers would build less parking with new residential developments. This premise appears to be correct, as the average parking ratio for new developments in the TAP 15 area decreased at a rate of 0.138 spaces per unit per year from 2014 (pre-transit parking incentives) through 2018. The transit parking incentives were considered a first step with regards to parking reform, as with the adoption of Minneapolis 2040, City policy is moving to eliminating minimum parking requirements all together for residential development throughout the entire city.