

University Avenue District

UPDATE ON THE OPPORTUNITY 10.26.15



THE VISION

University Avenue District

The new century nexus of live, work, learn, research, and engage.

An intentional partnership of developers, businesses, community residents, higher education, non-profit and government agencies fueling job growth, redevelopment and innovation adjacent to the University of Minnesota.

A national model for developing a thriving community.





From Here to There



Boundaries



- Two Cities
- 3 LRT Stations
- 370 Acres

Regional Objectives

- Talent retention and recruitment
- Economic competitiveness and growth
- Equity
- Health
- Vitality
- Connectedness
- Sustainability and resiliency



Objectives Delivered

ECONOMIC DEVELOPMENT

- Property Taxes
- Jobs
- New & Expanded Businesses
- Spending Outputs

ADDED DIMENSIONS

- Focus on arts and sciences
- Healthy design and programming
- Life-long learning community
- Demonstration area for research
- Increased creative vitality index

DEVELOPMENT

- Mixed use – live/work/learn/research/play
- Diversity of people and uses
- Integrated uses
- Historic Structures

PUBLIC REALM

- Green spaces & plazas
- Complete streets & mobility
- Regional connections & adjacencies
- Natural systems
- Community gardens

INTEGRATED DISTRICT SYSTEMS

- District energy
- District stormwater
- District parking
- District Restorative infrastructure
- Eco-District
- Carbon Footprint Reductions

Assets

- University of Minnesota adjacency (multi-billion \$ anchor)
- Significant regional transit and transportation investments
- 3 LRT Stations
- 70+ acres of underdeveloped land
- Important area businesses, old and new
- Regional:
 - Central to Metro Area
 - Between 2 Downtowns
 - 2 City and 2 County opportunity
- Missing link in Minneapolis & St. Paul Grand Rounds
- Neighborhood led vision
- Broad stakeholder support via District partnership



University role

UNIVERSITY

- Support vibrant & safe area
- Continue \$1B++ investment anchoring District's western edge
 - Bio-Discovery District
 - Athletic Campus
 - Joint Venture with United Properties
- Encourage private sector development (keep most property on the tax-rolls)
- Recruit and employ research experts

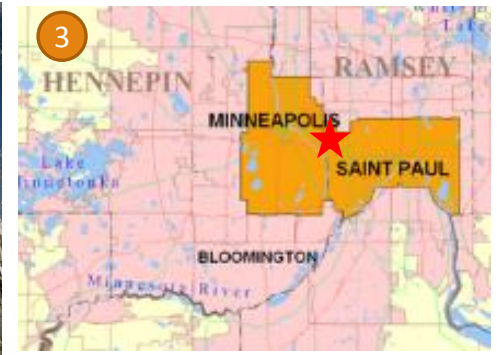
FOUNDATION'S REAL ESTATE

- Provide leadership to private sector to achieve vibrant and safe area
 - Build opportunity awareness
 - Convene
 - Planning support and expertise
 - Advocacy

Under-developed



Strong Existing Assets



(1) University Biomedical Discovery District - Winston and Maxine Wallin Medical Biosciences Building, Center for Magnetic Resonance Research, Microbiology Research Facility and Cancer and Cardiovascular Research Building (pictured) and Lions Research Building and McGuire Translational Research Facility; (2) Athletics Campus – TCF Bank Stadium (pictured) , Williams Arena, Ridder Arena, Mariucci Arena; (3) Central, multi jurisdictional location
(4) Diverse and active community; (5) LRT Green Line; (6) Area Businesses Commercial, Industrial, Entertainment and Cultural, including Surly Brewery (pictured).



Who's Participating

- Aeon
- BlueCross BlueShield of Minnesota
- City of Minneapolis
- City of St. Paul
- CenterPoint Energy
- The Cornerstone Group
- Creative Enterprise Zone Action Committee
- Dorsey & Whitney LLP
- Family Housing Fund & TC Land Bank
- Greater MSP
- Hennepin County
- McKnight Foundation
- Metropolitan Council
- Minneapolis Public Housing Authority
- Mississippi WMO
- Prospect Park 2020 (Community Liaison)
- Prospect Pk Properties (Barnhart Family)
- St. Anthony Park Community Council
- Trust for Public Land
- U of M College of Design
- ULI Minnesota & ULI National
- UMFREA
- United Properties
- University Enterprise Laboratories (UEL)
- The Wall Companies
- Xcel Energy

Staff: ULI Minnesota (Partnership), Kimble Consulting (Implementation)

Implementation:

Integration of District Systems: Street Infrastructure and Access, Public Realm, Green 4th, Energy Heating & Cooling, Parking, Stormwater, Regional and Local Connections

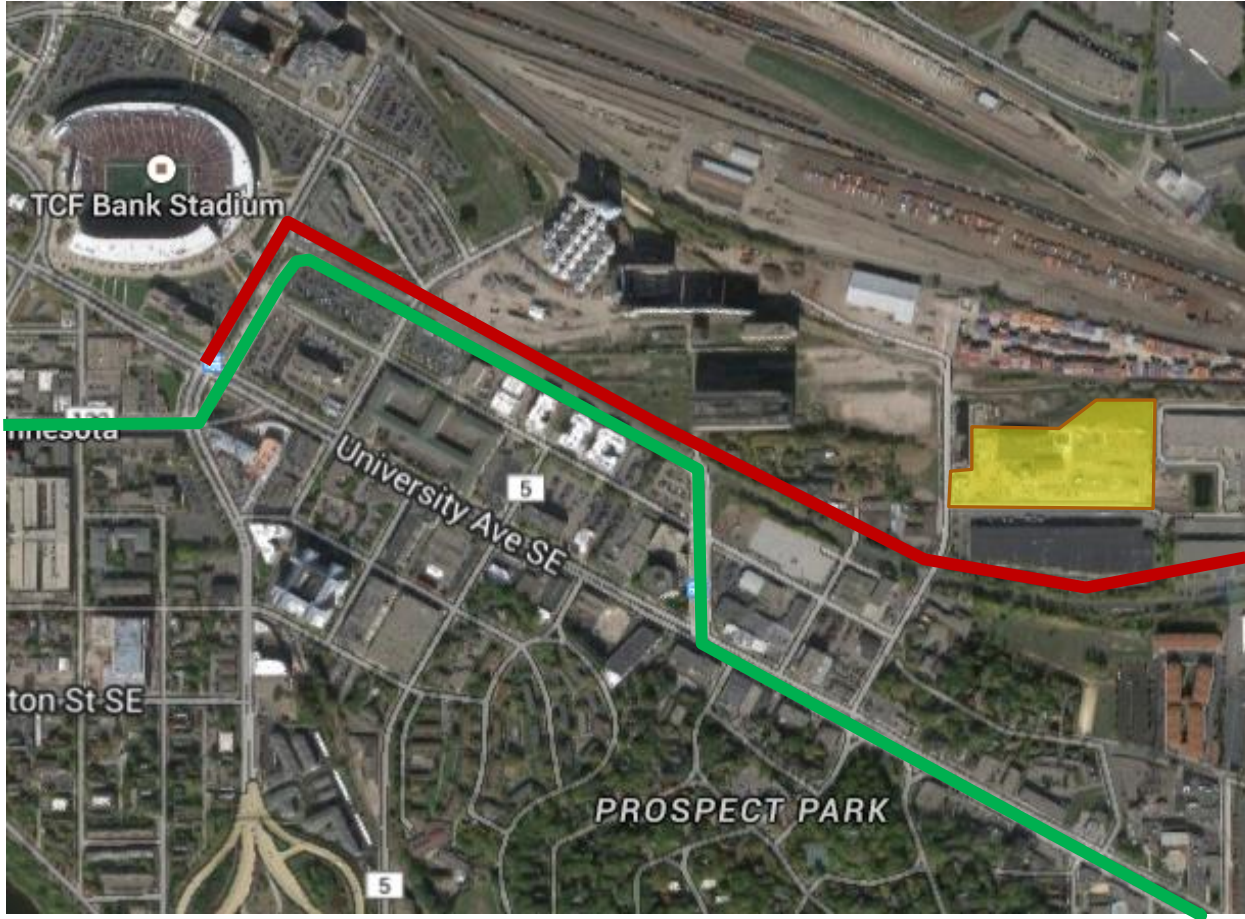


Pants Optional, LLC Surly Destination Brewery

- \$30 million investment
- New ped bike auto and truck traffic
- Significant outdoor space and event center
- Opened December 2014

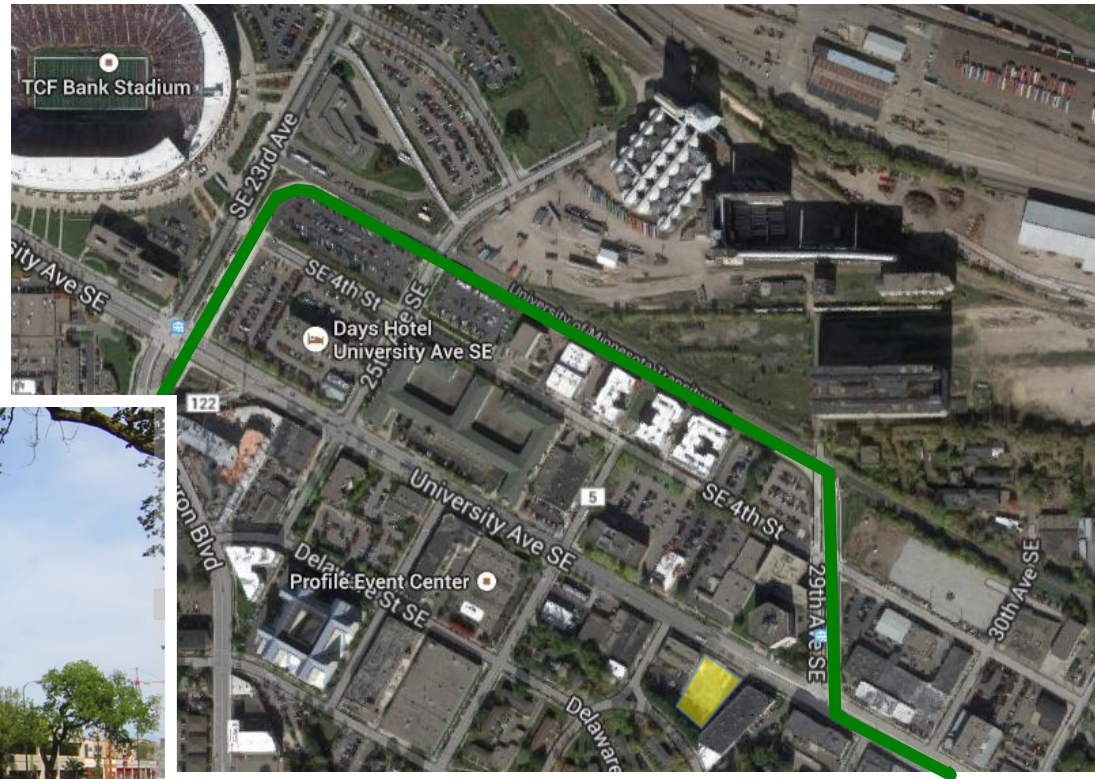


- Comparable breweries = 150K+ visitors a year



Prospect Pk Properties (Barnhart): Hampton Inn (New Concept)

- 117 room hotel
- 5 stories
- Local historic elements
- Opens Q3 2016
- Local operator



Harlem Irving/PP Properties: Prospect Park Station

- 336 market-rate and luxury apts.
- 9,000 SF restaurant/retail
- 30,200 SF grocery
- 71 Surface pkg
- 287 lower level pkg



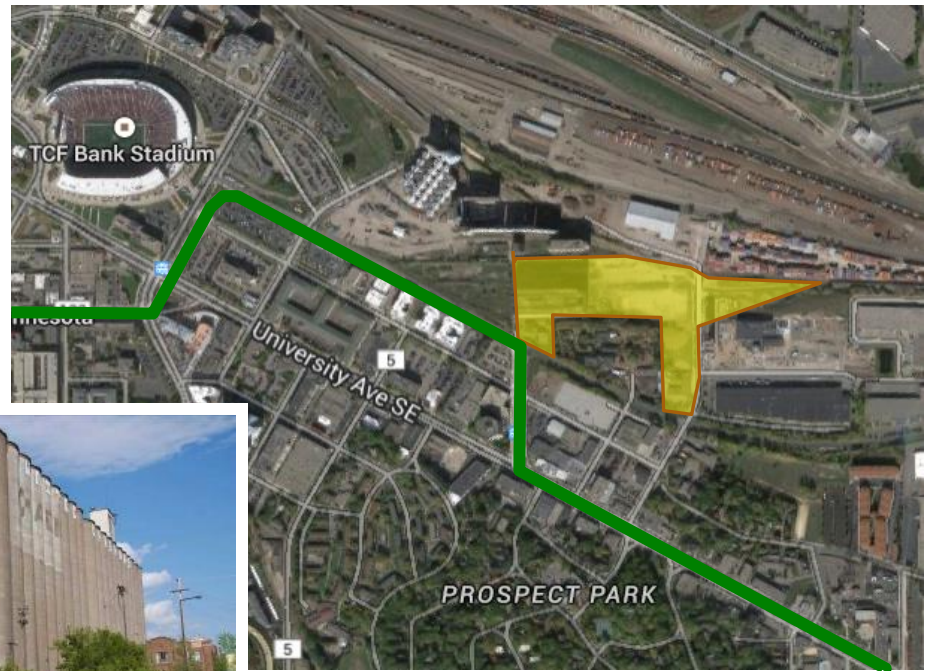
The Cornerstone Group: Prospect North Gardens Phase I

- Approx. 190 senior apartments
- Signature green space
- Connection to LRT
- Independent living focused on creative aging & lifelong learning



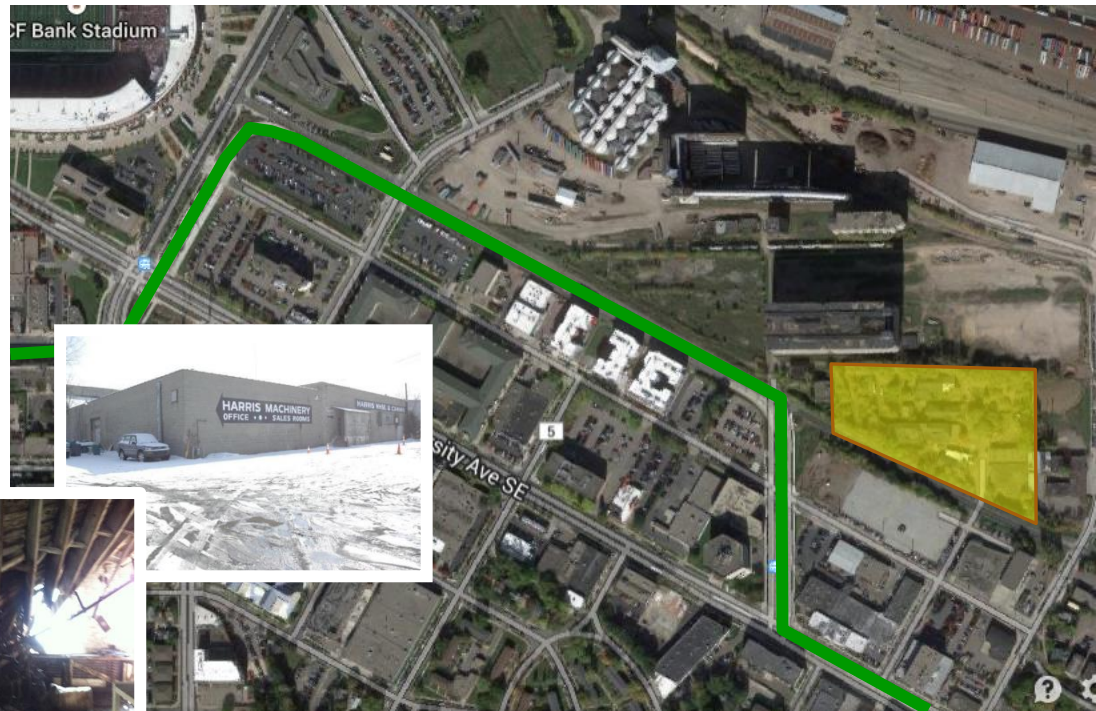
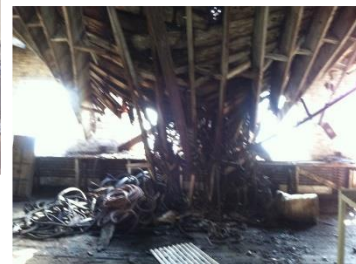
The Wall Companies: Minnesota Innovation Park

- Proximity to U of M & St. Thomas
- 1M SF Office/Lt Manufacturing
- Focus areas
 - Life Science/Biotech/Medtech
 - Sustainable Energy/Green Tech
 - Food Science/Water
 - High Tech/Sensors



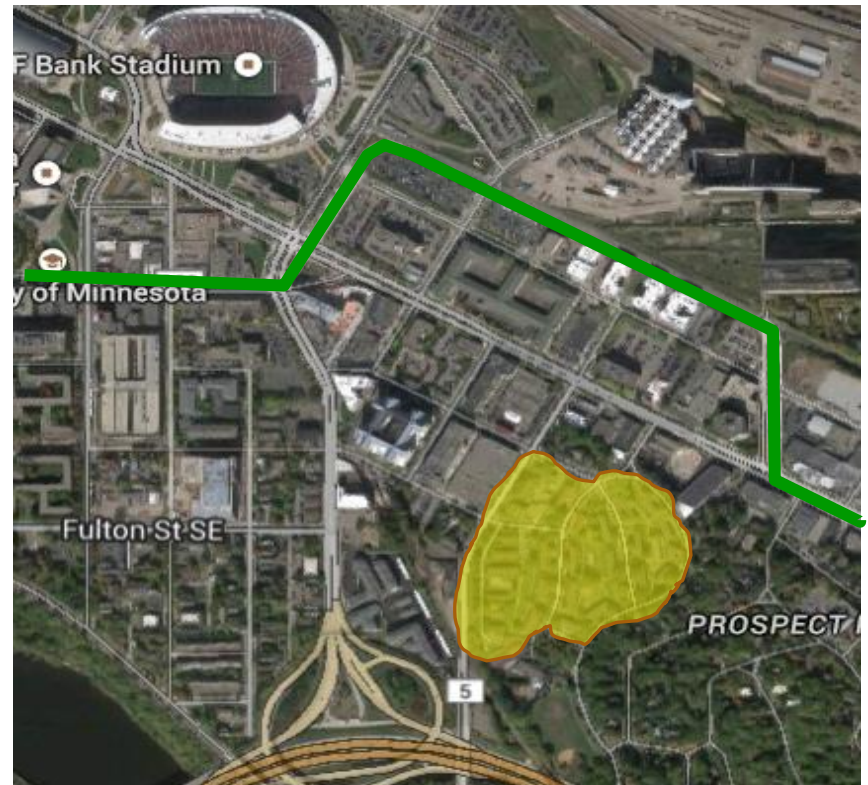
Wall Companies (Harris Site):

- In the heart of area
- Completes Wall site
- Access issues
- Environmental issues
- Structures in distress



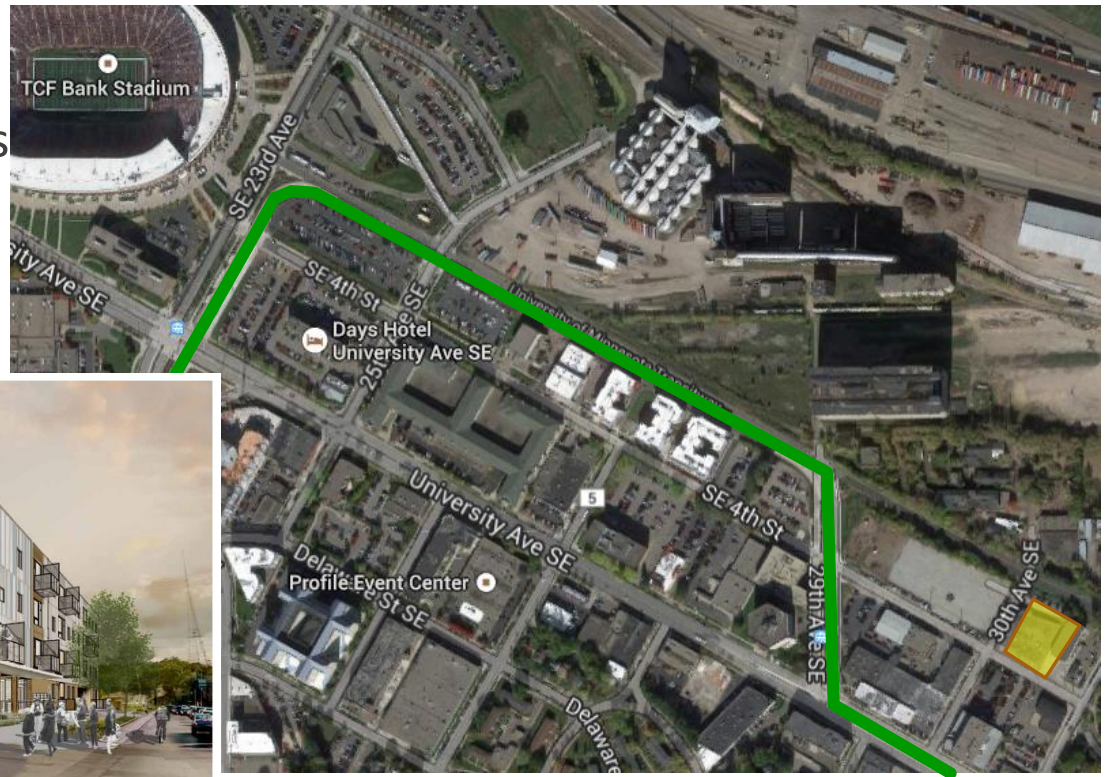
MPHA: Glendale Townhomes

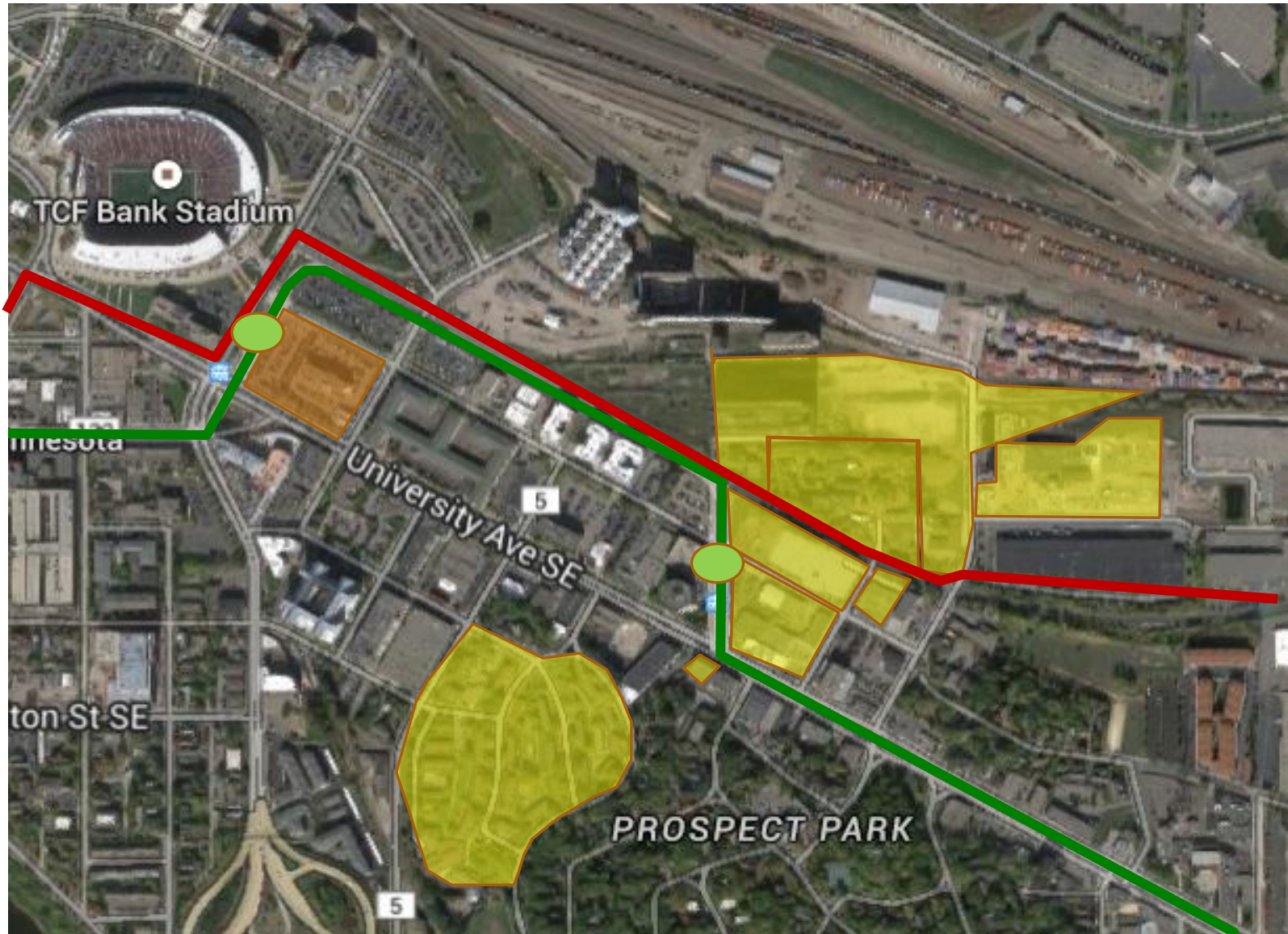
- Public Housing Community
- Community process to chart future
- Ensure access to LRT, trails, bikeways and greenspace
- Potential connection to district systems: Energy, Stormwater, Parking



Aeon

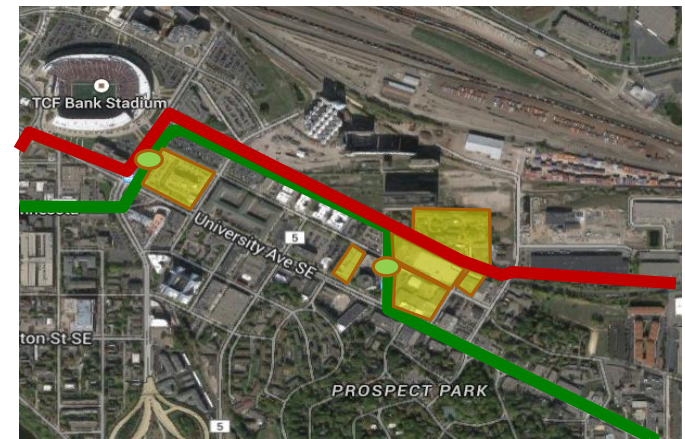
- Former 'Habitat for Humanity' Site
- 0.7 Acres
- 73 Mixed-Income Apts
- Construction 2017





Good to Great Assumptions

- 45 acres: sites most ready for development in core area
(Harlem Irving, Prospect Pk Properties, Wall, Wall/Harris, United Properties, Aeon, Cornerstone, US Post Office, and Bailion)
- Good: Development based on current market
- Great: development with the following:
 - Integrated district systems (energy, parking, stormwater, etc.)
 - Enhanced public realm and street grid
 - Enhanced density



Good to Great Assumptions

45 CORE ACRES	GOOD (Market)	GREAT (District)	DISTRICT IMPACT	
Market Rate Housing Units	767	1,181	414	54%
Affordable Units	114	114	0	0%
Office & Research SF	397,000	1,683,000	1,286,000	324%
Hotel Rooms	365	485	120	33%
Commercial SF	116,000	200,500	84,500	73%
Grocery SF	30,000	30,000	0	0%
Lt. Industrial/O-WH SF	146,000	307,098	161,098	110%
Green space (acres)	0	2.3	2.3	+
Transit ridership	399	918	519	130%
Parking	By project	Shared	-	
Street grid	Existing (minimal)	New streets	-	

Good to Great Economics

45 CORE ACRES	GOOD (Market)	GREAT (District)	DISTRICT IMPACT	
Construction Jobs	3,064	7,218	4,154	136%
Permanent Jobs	5,476	15,496	10,020	183%
Property Tax	\$193.8M	\$486.9M	\$293.1M	151%
Assessable Market Value	\$216.5M	\$560.6M	\$344.1M	158%
Income Tax	\$27.3M	\$79.7M	\$52.4M	192%
Sales Tax	\$19.8M	\$57.3M	\$37.5M	189%
Average Wages/Year (Direct)	\$70,899	\$76,164	\$5,265	7%
Total \$ Impact – County*	\$272.2M	\$799.8M	\$527.5M	194%
Total \$ Impact – MSA*	\$346.5M	\$1,027.6M	\$681.2M	197%
Overall	Limited impact	National model of compelling place-making via integrated development, new technologies and increased tax base <i>The whole is greater than the sum of the parts</i>		
*Increase in economic impact measured by GDP. Analysis by Hickey & Associates and Northland Financial. In-depth analysis and assumptions available upon request.				

Here to there

2015

Planning:

- District Stormwater
- District Energy
- District management
- District parking
- Street grid
- Signature green spaces

2016

- **Phase I 4th St** (rebuild 29th-Malcolm)
- **Phase I district energy** (renewable heating/cooling)
- **Phase I district stormwater system** (MWMO)
- **4th St service district** (or equal) established
- **Initial Private Development begins**

2017

- **Phase II 4th St** (rebuild 29th – Huron)
- **Phase II shared stormwater mgmt** (MWMO)
- **Signature green spaces**

2018

- **Greenway** across University Ave
- **Initial private development opens:** AEON, Cornerstone, Harlem Irving & Prospect Park Properties
- **District parking opens**

2019+

- **Phase II energy system built**
- **Granary Corridor connections built**
- **Co-generation of power**
- **Sustainable fuel source**



Asks

PRIVATE SECTOR

- Increase mixed-use density on site
- Increase design standards
- Coordinated site plans
- Participate in District
 - District parking
 - District energy
 - District management & funding
 - Add on-site District storm-water
 - Resiliency Standards
 - New kinds of & flexible spaces

PUBLIC SECTOR

- Establish District
- Project Manager to support development
- Policies
 - New shared private sector storm-water program
 - Shared public/private sector storm-water (future)
 - Integrated zoning
 - District Parking
- Support
 - Local, regional, state & federal funding applications
 - Traffic studies & management (especially re: area trucking)
 - Public realm
- Install streets, curbs & gutters
 - 4th Street (2016 & 2017)
 - Establish grid north of transit-way
 - Granary Corridor connections

UNIVERSITY

- Transit-way crossing plan
- Participate in District Energy (long term)
- Market District to private research partners
- Continued investment
 - Bio-Discovery District
 - Athletics campus
 - Joint venture site

Picture: Uninspired 4th Street today

Contact

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