



## **Request for City Council Committee Action from the Department of Community Planning and Economic Development – Planning Division**

**Date:** June 28, 2012

**To:** Council Member Robert Lilligren, Chair, Committee of the Whole  
Council Member Elizabeth Glidden, Intergovernmental Relations Sub-Committee  
Members of the Committee

**Referral to:** Committee of the Whole and Intergovernmental Relations Subcommittee  
Community Development Committee

**Subject:** Best Practices for Development in Stadium Area

**Recommendation:** Receive and File

**Previous Directives:**

- On May 25, 2012, the City Council directed staff to prepare a report to the Committee of the Whole/Intergovernmental Relations Subcommittee and Community Development Committee regarding potential changes in state law and city ordinance, if any, that would better support economic development around the new Vikings stadium. Further, directed staff to report on nationwide best practices regarding promotion of new development around new stadium facilities. First report should be made no later than June 29, 2012. Reports should also be referred to the appropriate implementation committee or committees when established.
- On June 5, 2012, the Community Development Committee postponed an action on the above referred item.

**Department Information**

Prepared by: Beth Elliott, Principal City Planner (612-673-2442) Approved by: Jeremy Hanson Willis, CPED Director (612-673-2785) Presenters in Committee: Jason Wittenberg, Interim Planning Director (612-673-2297)
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**Community Impact**

- Neighborhood Notification: NA
- City Goals: Jobs & Economic Vitality; Livable Communities, Healthy Lives; Eco-Focused; and A City That Works
- Comprehensive Plan: See below
- Zoning Code: See below

## Supporting Information

On May 14, 2012, Governor Dayton signed a bill authorizing construction of a new National Football League stadium. The stadium will be sited in an area of Downtown with great potential for change. While currently dominated by surface parking lots, the stadium will be within four blocks of the concentrated office core, the Mill District and Mississippi River, an established residential neighborhood in Elliot Park, and the University of Minnesota. In addition, the area features excellent transportation connections and is part of a light rail transit station area that will serve as a point of connection between the Green Line (Central/SW) and Blue Line (Hiawatha).

The development potential in this area is "off the charts," but there has been very little new development activity on parcels within the immediate vicinity of the Metrodome. This LRT station area is perfectly situated to accommodate a wide variety of housing types and job opportunities and create amenities that could tie to the nearby entertainment uses, the Mississippi River, and nearby green spaces such as Gold Medal Park, West River Parkway and Elliot Park.

The City and its partners have already taken a number of steps to prepare for development on the east side of Downtown.

### Recent Efforts

The area surrounding the proposed Vikings Stadium has been included in a variety of planning initiatives, including:

- City-Adopted Plans:
  - *Downtown East/North Loop Master Plan*
  - *Historic Mills District Master Plan and Update*
  - *Elliot Park Neighborhood Master Plan*
- Downtown Council: *Intersections: Downtown 2025 Plan*
- East Downtown Council: *Downtown East and Elliot Park: Economic Development and Revitalization Analysis*
- Elliot Park Neighborhood, Inc.: *Downtown East/Elliot Park DEEP 2100 Initiative*

Each of these efforts is complementary in calling for intense, mixed-use development that is transit-oriented and takes advantage of the nearby amenities. An improved public realm is also identified as critical to the success of this neighborhood, including enhancing the north-south connections from the Mill District through the Elliot Park neighborhood. Illustrations from the *Downtown East/North Loop Master Plan* are attached.

The City Council approved a rezoning study in the summer of 2011 that supports these development goals with no minimum parking requirements, no limit on housing density or floor area ratio, a wide variety of allowed uses, and a height of ten stories (or no height limit, closer to the downtown core). If these policies are realized with development that maximizes the zoning potential, Minneapolis could see a completely new mixed-use district that takes advantage of the already existing pedestrian, bicycle and transit opportunities.

### Development Barriers

One of the City-adopted plans, the *Downtown East/North Loop Master Plan*, particularly highlights the issue "megastructures." In this case, the plan looked at the Metrodome and HCMC in order to mitigate the large feel of these structures in an urban environment. The main goal is to better weave these types of buildings into the rest of the Downtown fabric by creating more humane public space and streetscapes surrounding them in order to provide a greater sense of comfort for pedestrians. These areas should feel like gateways

rather than barriers, so it is important to maintain and create strong connections in all directions.

Surface parking has proven to be a major obstacle to new development in this area. The City has prohibited new and expanded commercial surface parking lots in Downtown since 1999 but lacks tools to turn these properties over to higher and better uses. Barriers to development on the parking lots include a low property tax rate, high revenue, and inflated expectations of land value. Anecdotal evidence suggests that existing parking lot owners believe their properties are worth a great deal more than market value because of speculation on a potential stadium and proximity to high-value properties in the office core.

## Next Steps

A variety of analyses will occur concurrently to evaluate not only the stadium design but also opportunities for development in the area that will benefit the community 365 days a year. While CPED will collaborate with many partners to work toward the success of this district in the coming years, steps in the short-term include the following:

### ***Implementation Committee***

The Stadium Implementation Committee will have an important role in making recommendations on stadium design, land use and urban design issues around the stadium, and public infrastructure. The committee will likely develop design principles for the stadium and its surrounding environment and evaluate plans to be consistent with these principles.

### ***Parking Lot Study***

CPED-Planning has received a grant through the Metropolitan Council to conduct the East Downtown Parking Lot Study. This parking lot study will be beneficial in taking the City from theoretical ideas about why the market has not yet developed here to factual financial data. This information will provide the needed tools to understand the implications of surface parking on property owners, interested developers, and the City and can serve as a model for station areas throughout the region with underutilized sites. Some questions that should be answered include:

- What would be a prototypical revenue and expense statement for a surface lot in East Downtown?
- Are there existing City regulatory tools or incentives that could be used to encourage development of surface lots?
- What interim opportunities exist for improving the lots?
- Are there options for adjusting assessed value to be more responsive to development potential or improvements versus existing use? What are the pros and cons?
- What tools are available to build beyond what the market will provide to reach the zoning potential on these sites?
- What are the factors in perceived versus real land value?
- What impact will a new Vikings Stadium and Central Corridor LRT have on parking lot operations and revenue?

A consultant will be hired to complete this study with a signed contract likely in September. The study is estimated to be completed in spring of 2013.

## ***Best Practices***

The City Council has specifically requested nationwide best practices regarding promotion of new development around stadium facilities. Much of the available research focuses on economic development around ballparks, which generally have a smaller footprint and lower seating capacity. One source in particular, a book called *City Baseball Magic* by Philip Bess, contains relevant information for Minneapolis to consider. A Lake Forest College economist is quoted as saying:

If an urban stadium is being planned, the plan should be expanded to incorporate ancillary development . . . While stadium “trickle-down” benefits to the neighborhood represent an important component of the orthodox stadium rationale, it is rarely represented as more than a vague promise. A stadium is not usually enough of a significant development to anchor an area’s economy alone. Rather, in considering the revitalization of an urban neighborhood, a number of potential economic anchors should be developed simultaneously . . . Commercial ventures require [pedestrian] traffic. The stadium can provide infusions of people, but residential development incorporated with commercial development will ensure a balanced, non-seasonal clientele for businesses in the stadium neighborhood. Surrounding the ballpark with a parking lot is not only a poor use of valuable urban real estate . . . but [also] minimizes the exposure of stadium traffic to other area commercial activities. A channeling of fans through carefully planned commercial corridors could help maximize secondary activity.

One of the main points is to design commercial space that feels safe and convenient to pedestrians, which will then counteract the tendency of fans to leave the stadium area immediately after the game. The location for Target Field, for example, provides a secure and welcome pedestrian environment and many things to see and do after a game. East Downtown has a prevalence of surface parking near the transit station and stadium site, but there are fun and interesting areas within a 4-block walk (the Mill District and Seven Corners, for example). The challenge, however, is that people are currently required to walk past these paved, auto-focused sites in order to arrive at a location that would hold their interest. If the City were to focus on these “carefully planned commercial corridors,” it would not only be consistent with our own policies but be in line with current thinking about stadium area design.

A Minneapolis Planning Department report from 1996, entitled *Analysis of Potential Sites for a Baseball Only Ballpark for Downtown Minneapolis*, also includes transferable information for a football stadium. The report noted two distinct approaches to economic activity related to a new stadium. One approach is to capture revenue within a very stadium complex with a very large footprint. As an alternative, a conscious effort can be made to ensure that potential economic benefits are distributed throughout a larger district.

CPED is currently in the process of evaluating relatively recent, downtown stadium facilities and their environs in these cities: Denver, Seattle, and Indianapolis.

### *Sports Authority Field at Mile High - Denver*

Sports Authority Field at Mile High Stadium was built in 2001 just west of downtown Denver and is owned and operated by the Denver Metropolitan Football Stadium District (MFSD). The MFSD commissioned public art works on the west and east sides of the facility that were paid for through proceeds from sold seats in the old Mile High Stadium and a brick paver program. The linear greenway leading to the stadium from the south is called Sports Legends Mall and is used for pre-game events as well as year-round festivals and other entertainment activities. The stadium is easily accessible from many forms of

transportation and includes a dedicated transit station along the Central Light Rail Corridor. As shown below, however, large parking lots dominate much of the immediate environment.

One of the most controversial stadium discussions revolved around proposed new signage in 2011 as a follow-up to the recent purchase of naming rights by Sports Authority. The proposal included large signs on all four sides of the facility with a large illuminated sign facing upwards rather than being backlight like previous signage. The neighborhood successfully lobbied against the proposal.



### *CenturyLink Field - Seattle*

CenturyLink Field in Seattle was built in 2002 and is located within one mile of the Central Business District and bordered by historic Pioneer Square, International District, and Industrial District neighborhoods. The stadium was designed by Ellerbe Becket and is owned and operated by the Washington State Public Stadium Authority. The team owner's company created a \$6 million mitigation fund for the nearby neighborhoods. The stadium has 2,000 parking spaces in its parking garage, 8,400 more in surrounding lots, and is accessible by mass transit. The stadium design includes a 13-story tower at the north end that features a vertically oriented scoreboard, bleacher seating at its base, and complements the Seattle skyline. A 325,000 square foot Exhibition Hall was also built as part of the stadium complex and opens to the public three hours before games to function as a large tailgating party venue.

Stadium Place, a mixed-use development project, began construction in December 2011 in much of the stadium's north parking lot. The developer is required to replace the 500 lost parking spaces and turn over parking revenue to the Public Stadium Authority. The full development will eventually include 1.5 million square feet and the first phase will include a

retail and parking ramp podium with two residential towers above of 10 and 25 stories. This first phase will have 500 rental units. The second phase of development will include a 20-story condo tower, office tower, parking garage, and hotel.



### *Lucas Oil Stadium - Indianapolis*

Lucas Oil Stadium in Indianapolis is one of the newest NFL stadiums, opening in 2008 and hosting the 2012 Super Bowl. It is owned and operated by the Indiana Stadium and Convention Building Authority. It sits on the southern edge of downtown in an area that was dominated by industrial uses and surface parking. The stadium itself takes up two large city blocks while its parking, landscaping, and entrance features sit on an additional four to five blocks. The angled configuration of the building itself creates disparate green spaces that, individually, are not large enough to provide good programming. The area around the stadium contains 40,000 parking spots within a 10-block area. Some reviews point to the lack of connections to the vibrant sections of downtown directly to the north of the stadium. This year the City will be linking Lucas Oil Stadium with the Indianapolis Cultural Trail, a prominent bicycle and pedestrian system that connects to downtown cultural destinations and serves as the hub for the central Indiana greenway system. The stadium's parking lot on the south side separates it from an older residential neighborhood called Babe Denny. Arriving by foot from the south of the stadium is challenging due to the large parking lot while entrances on the west, east, and north are right next to wide sidewalks and designed to be inviting.

During stadium construction, property owners particularly to the south speculated on the high value it would bring to spur development. A \$480 million project called Legends District SoDo was proposed to add 500 hotel rooms, 200 condos, a 3,400-seat theater, and 175,000 square feet of retail. The economic downturn then hit and the developer decided to sell the over 6-acre site rather than downsize to better fit market realities.



Staff will continue to explore best practices and “lessons learned” from these cities and others, including making contacts with officials from other communities. Working with the stadium architects and all stakeholders, our hope is that East Downtown will become a model of economic development that other city’s will hope to replicate!

LEGEND

- HAWTHA LRT (UNDER CONSTRUCTION)
- TRANSIT STATIONS
- PROPOSED RAIL TRANSIT LINES
- 1/4 MILE RADIUS TO LRT STATION
- PROPOSED OPEN SPACE
- CIVIC
- HOSPITAL
- OFFICE
- MIXED USE - OFFICE / COMMERCIAL
- MIXED USE - RESIDENTIAL
- RESIDENTIAL
- LIGHT INDUSTRIAL
- PARKING UTILITY
- CULTURAL/ENTERTAINMENT
- L** LOW - 1 TO 4 FLOORS
- M** MEDIUM - 5 TO 13 FLOORS
- H** HIGH - 14 FLOORS AND TALLER
- EXISTING DOWNTOWN CORE
- BOUNDARY FOR EXPANSION OF DOWNTOWN CORE

*NOTE: This is a land use map, not a redevelopment plan. Proposed changes in land use indicate what is necessary in order to realize the goals of this master plan. Land use categories are a planning tool. They are not synonymous with, nor should they be confused with, property ownership, occupants, or building types.*



LEGEND

- PROPOSED OPEN SPACE
- CIVIC
- HOSPITAL
- CHURCH
- OFFICE
- MIXED USE (OFFICE / COMMERCIAL PRIMARY USE)
- MIXED USE (RESIDENTIAL PRIMARY USE)
- RESIDENTIAL
- LIGHT INDUSTRIAL
- PARKING / UTILITY
- CULTURAL / ENTERTAINMENT / RECREATION

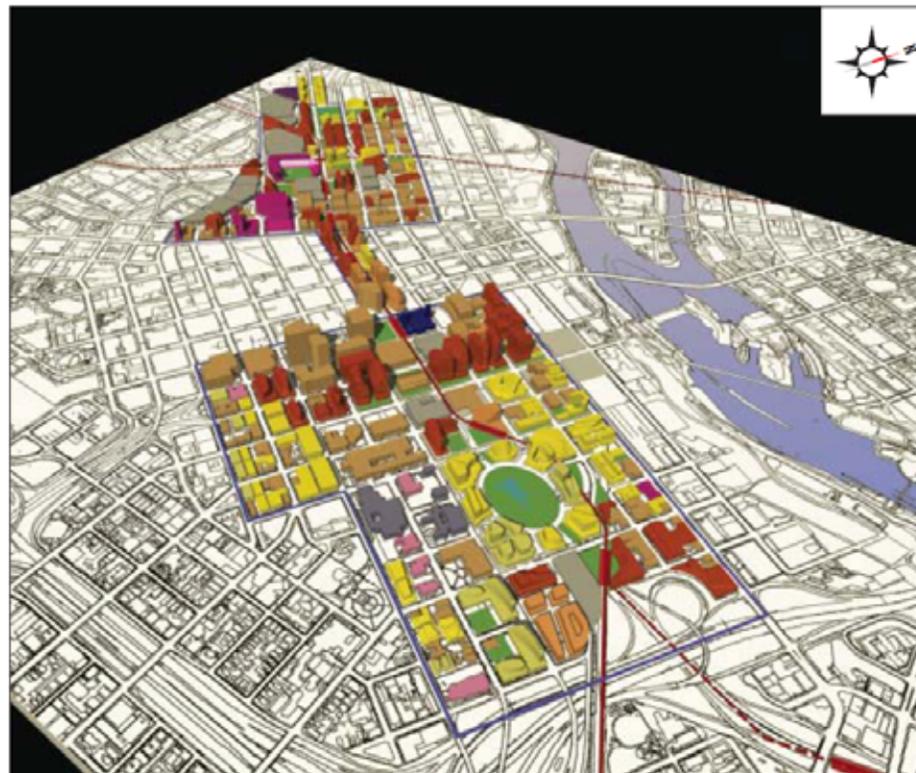


Figure 5.42 Massing Model of Project Area: Looking Northwest from above I-35 / I-94 Commons

GOAL: Creation of more humane spaces surrounding the Metrodome and HCMC, resulting in a more definitive "district," greater pedestrian comfort and activation of the public realm.

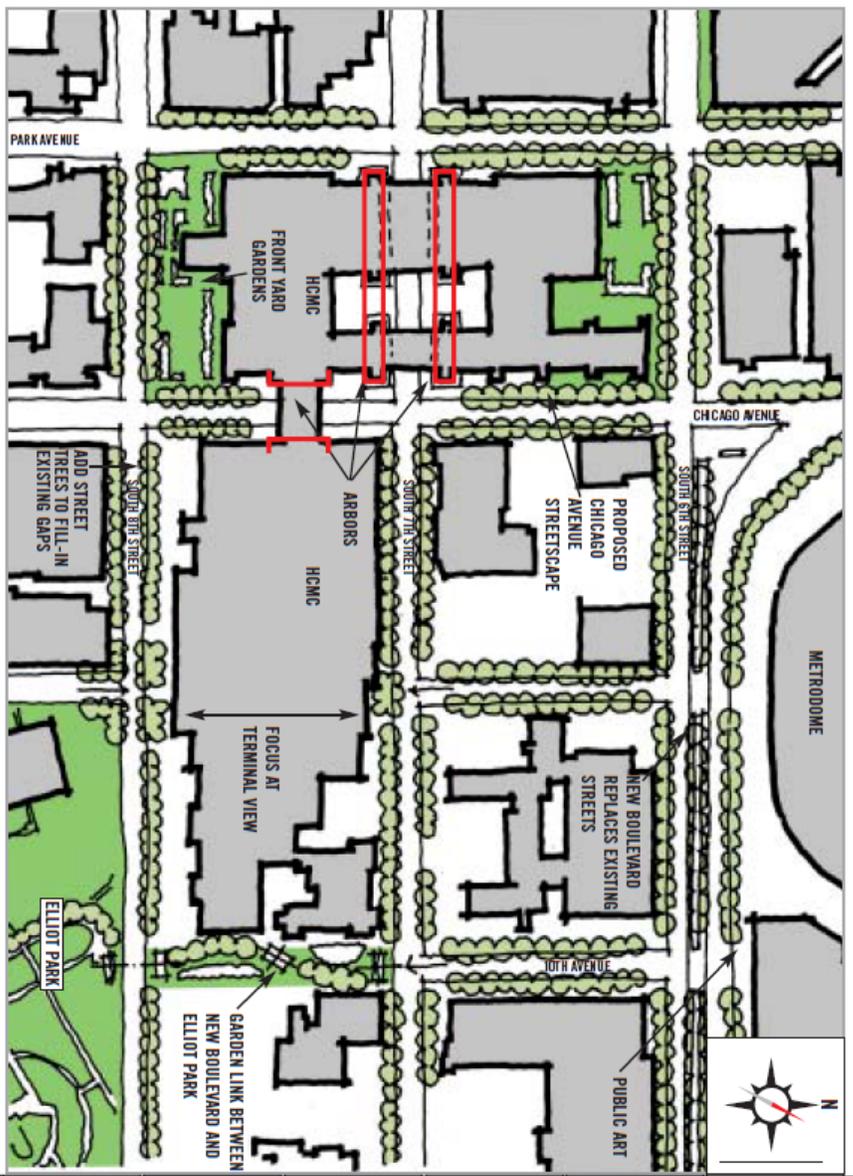


Figure 5.19 Revising the Physical Impact of Local Megastuctures – Plan