



# Upper Harbor Terminal Redevelopment Study Minneapolis, Minnesota



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# EXECUTIVE SUMMARY

## Project Overview

The Upper Harbor Terminal (UHT) is a 48-acre industrial property on the Mississippi River between Lowry Avenue and the Camden Bridge in North Minneapolis. It is owned by the City of Minneapolis and has been operated as a barge shipping terminal since 1968. Like many urban riverfronts, this stretch of the Mississippi River has been used for industrial purposes since the beginning of the city's history; first with intensive lumber milling and later with a mix of industrial uses that has evolved to what is seen today. Over the last twenty five years, there has been a growing trend to transform industrial riverfronts into public places of community gathering.

The *Above the Falls (ATF) Master Plan*, adopted by the City in 2001, offers a land use vision for the area (including the UHT site) that is dramatically different than today's uses. The ATF Plan suggests that the Upper Harbor Terminal and surrounding areas be transformed into a combination of ecological and recreational open space, riverfront parkway, residential housing and some retail/commercial uses.

Friends of the Mississippi River along with American Rivers and a team of consultants have partnered with the City of Minneapolis to conduct the Upper Harbor Terminal Redevelopment Study. The study suggests how transformation of the UHT site could be done using innovative urban design and ecological principles as the basis for future redevelopment of the property. **The study does not address the broad questions of pros, cons and implications of closing the terminal operation, nor does it include any significant reconsideration of the ATF Master Plan vision, principles and premises.** The study is organized to:

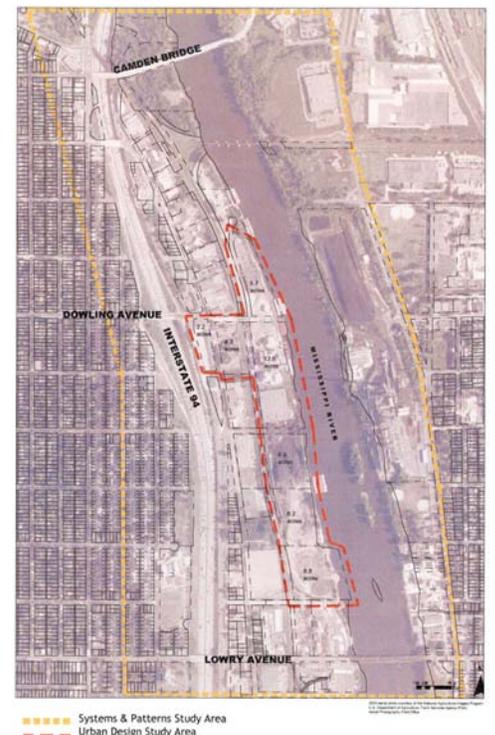
1. Serve as a vehicle for continued community dialogue about the site's future;
2. Develop compelling redevelopment and restoration alternatives for the UHT property that are more detailed than the vision expressed in the *Above the Falls Master Plan*;
3. Analyze redevelopment and restoration alternatives in the context of current market and financial forces to determine redevelopment feasibility;
4. Act as a useful resource in ongoing policy discussions about the future of the UHT property;



*The UHT site as it exists today*



*Historic photo of the UHT site as lumber mill yard*



*UHT Redevelopment Study Area*

5. Serve as a model for environmentally sensitive approaches to using and enjoying an urban riverfront.

The planning process was organized around extensive public involvement that used community workshops and a design charrette to generate and evaluate approaches and alternative ideas.

### Analysis

Analysis of market forces, transportation, infrastructure and historic considerations has been conducted in order to establish a foundation of knowledge about the opportunities, constraints and parameters of an urban design study for the Upper Harbor Terminal area.

### Redevelopment Alternatives

Exploration and creation of urban design alternatives for the Upper Harbor Terminal was organized around an interactive public process to:

1. learn about the forces impacting possible redevelopment and restoration of the UHT site and its surroundings;
2. determine community values surrounding the future of the UHT area;
3. create concepts that explore a range of ideas and approaches that address and wrestle with those forces and values.

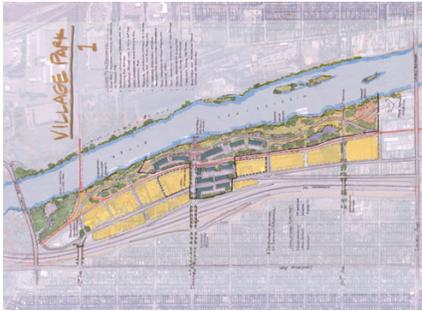
Three concept alternatives for redevelopment and restoration of the UHT area were prepared during an intensive 3-day design “charrette” held in early March, 2004. The three alternatives explore a range of options that generally fall along a continuum of more open space/less developed land to less open space/more developed land. In many regards the three alternatives are quite similar to one another. This is mainly because the study is intended to explore redevelopment alternatives for the UHT area within the land use vision of housing and open space established by the *Above the Falls Master Plan*.

While the three alternatives have distinct features, many of the design features suggested in a single alternative are actually interchangeable with any of the three concepts. Those reviewing the concepts and this report are encouraged to distinguish the alternatives by their salient differences identified in the comparison chart on the following page and assume that many of the specific design features could work with any of the alternatives.

Two potential issues that also might arise when and if plan implementation proceeds deserve consideration:

1. Market Niche: The proposed programs target generally high price

Comparing the Concept Alternatives



ALTERNATIVE 1 - VILLAGE PARK



ALTERNATIVE 2 - ECO PARK



ALTERNATIVE 3 - URBAN PARK

Table 3-1 Development Alternative Comparison

Comparison Features	#1 - Village Park	#2 - Eco Park	#3 - Urban Park
<b>land use</b>			
development	19 acres	8 acres	21 acres
riverfront open space	24 acres	35 acres	22 acres
dredge material storage	5 acres	5 acres	5 acres
<b>development program</b>			
total # of housing units	424	319	416
for-sale units	287	160	291
rental units	137	159	125
retail/commercial space	24,000 sq. ft.	19,000 sq. ft.	27,000 sq. ft.
<b>net density</b>	22	40	22
<b>finances</b>			
estimated market value	\$106 m	\$56 m	\$107 m
annual tax capacity	\$1.1 m	\$600,000	\$1.1 m
core public capital costs*	\$22 m	\$23 m	\$22.5 m
private land proceeds	\$4m	\$2m	\$4.5m
<b>salient concept differences</b>	some linear, river-oriented housing. narrower open space corr.	widest open space corridor. no development between railroad & river. highest density development.	most extensive linear, river-oriented housing. narrower open space corr.

\* see page 38 for definition of "core" costs

tiers. This is appropriate for two reasons. First, the regional market shows indications that a well-designed project with ample recreational amenities and proximity to urban amenities can support prices in the proposed ranges.

Second, absent substantial subsidies, the costs of new construction push prices toward the high-end market tiers. While the work of this study has not included detailed financial feasibility analyses, rough calculations indicate that even with high price points, the proposed projects will face challenges in generating acceptable returns. As such challenges arise, developers may seek relief (through public financial participation) from development cost burdens such as structured or underground parking, land costs, etc. The public costs contained in this study do not include these potential additional costs. Furthermore, the cost estimates in this study assume market rate housing development. If affordable housing is to be included in future UHT development, those costs would be in addition to the estimates in this study.

2. Timing Issues: Our assumption is that actual private development will not proceed until 2006 or 2007 at the very earliest. Developers' plans will rest in part on their understanding of the future vision for the UHT area. Future tenants' decisions will be driven in large part by the actual presence of at least some of the currently envisioned amenity and infrastructure enhancements. Therefore, private developers will require strong assurances regarding the design and timing of future physical improvements before they would be willing to invest substantial time, effort or money in a project on the UHT site.

It is estimated that the proposed alternatives will generate more traffic than what currently exists at the Upper Harbor Terminal. Impacts from this increase in traffic volume are expected to be minimal since the existing reserve capacity of the roadway infrastructure coupled with a range of transit, pedestrian and bikeway options should satisfactorily meet the future demand, regardless of redevelopment alternative. Refinements to the signal timing and intersection geometrics should be evaluated once a preferred development alternative has been determined. Similarly, once an alternative is chosen, the functional designations of the remaining roadways should be reevaluated and lane widths should be reduced appropriate to the adjacent development patterns. Pedestrian and bicycle enhancements will vary by alternative and should be incorporated into the design criteria for the chosen alternative.

Due to the current industrial land use of the area, major trunk sanitary sewers,

storm sewers, and water mains run either through or very near the site. In general, these utilities offer adequate and cost effective service to any of the redevelopment alternatives prepared. There are few, if any, utilities that will be in conflict with the redevelopment alternatives. Those that might need relocation are small and the cost to do so would be relatively minor. This study assumes that any roads and utilities within the redevelopment site will be privately built and maintained. Finally, the age and condition of the utilities within the study area are somewhat unknown. Further field investigation would be necessary to make this determination.

The preliminary TIF analysis completed as part of the planning process shows that TIF can be an important financial resource for the implementation of redevelopment in UHT. Further preparation for the actual use of TIF should not wait until redevelopment is eminent. Continued investigations should occur in the near term to better facilitate public participation in redevelopment.

### Findings

There are three overarching messages that the UHT Redevelopment Study wishes to emphasize:

- Land use transformation and housing redevelopment of the Upper Harbor Terminal site is complex but it has market viability and no insurmountable physical obstacles to redevelopment were discovered through the study.
- Strong collaboration between the City of Minneapolis and Minneapolis Park & Recreation Board will be pivotal for this complex redevelopment to occur.
- Because of the pioneering nature of housing redevelopment on the Upper Harbor Terminal, a redevelopment project will need significant up-front investment in core infrastructure and amenities to succeed.

### Next Steps

The following next steps suggested for the redevelopment effort assume that a decision has been made to continue exploring the redevelopment option regardless of any definitive decision whether to close the terminal operation. The steps are by no means a complete listing of tasks needing to be done in preparation for this complex redevelopment. They are, however, tasks that will provide opportunities for making progressively more finite stages of decisions, gauge the relative difficulties that will inevitably be faced in redevelopment and provide essential information prior to soliciting development proposals.

**1. Formalize discussions about the project between the City of Minneapolis and the Minneapolis Park & Recreation Board:**

Without the commitment of both of these parties to redevelop the UHT property, redevelopment will either not proceed or it will proceed in a way that compromises community values for the project. The parties are encouraged to negotiate a “term sheet” that outlines the logistics of each party’s responsibility in the effort, including the terms of land conveyance between the City and Park Board.

- **Outcomes:** “term sheet” outlining each party’s responsibilities  
“go/no-go” decision on near-term redevelopment

**2. Complete a cultural resources assessment** to determine the historical significance of the UHT and Holcim sites, their eligibility for the National Register of Historic Places and local historic designation, and potential mitigation options.

- **Outcome:** understand impact of potential historical significance on redevelopment potential and vice versa

**3. Conduct a “blight analysis” to determine TIF eligibility:** This item includes a strategic determination about the extent of a possible TIF project area as well as an in-field blight analysis.

- **Outcome:** determine TIF eligibility

**4. Prepare an engineering study** of existing sanitary and water services in the study area and to analyze stormwater mitigation.

- **Outcome:** determine extent of utility capital costs

**5. Prepare a phasing plan and link likely funding sources with capital project costs** and evaluate the likelihood of those funds being available. This would also include preparing a phasing plan that will break both the park and infrastructure costs into appropriate phases allowing the City and the Park Board to identify those costs and begin to integrate them into their respective Capital Improvement Programs.

- **Outcome:** understand financial gaps

**6. Negotiate the acquisition of private properties north of the UHT site.** This item will require significant capital expenditure prior to securing a redevelopment project but control of these properties is important in establishing the future amenity package for the development.

- **Outcome:** control of all property needed for redevelopment plan

**7. Talk to Mn/DOT about plans for I-94** to gain a mutual understanding about planned and envisioned capital improvements.

- **Outcome:** plant a seed with the agency about an expanded vision for bridging I-94

**8. Conduct contamination and geotechnical testing:** An updated and more in depth understanding of the soils on the site will be needed to determine potential remediation costs as well as to satisfy developability questions in the minds of potential development partners. These tests should be conducted after a more precise nature and location of future development has been determined.

- **Outcome:** anticipate contamination remediation costs

Completion of these items will provide an added level of detail about the feasibility of the project as well as provide the basic assurances to the development community that the City is committed to redevelopment of the UHT site and development has a very reasonable chance to succeed.

# Chapter One

## INTRODUCTION

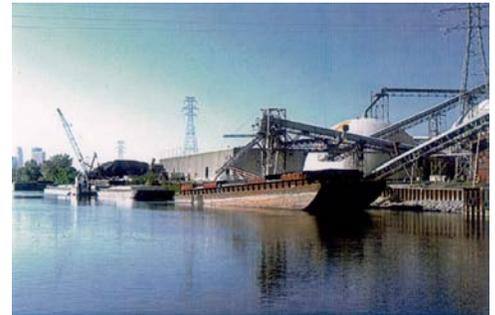
### The Site

The Upper Harbor Terminal (UHT) is a 48-acre industrial property on the Mississippi River between Lowry Avenue and the Camden Bridge in North Minneapolis. It is owned by the City of Minneapolis and has been operated as a barge shipping terminal since 1968. The property is linear in nature with roughly 3/4 of a mile of riverfront at its eastern edge. A CP Rail line currently used for one to two rail trips per day delineates most of the property's western border although roughly 7 acres of the site is west of the rail line along Dowling Avenue. Dowling Avenue offers primary roadway access to the site although 33rd Avenue North touches the southern boundary of the site. An overhead electrical transmission line parallels the River through the middle of the southern half mile of the site before it crosses the River to connect with the Xcel power plant.

There is little that is natural or environmentally pristine about the UHT property. It has, in many ways, an intimidating and awesome character with massive storage structures, loading and conveyance machinery and outdoor piles of shipping products. Most of the property's shoreline consists of a sheer seawall that allows close access by barges. Much of the grounds are paved with concrete.

Like many urban riverfronts, this stretch of the Mississippi River has been used for industrial purposes since the beginning of the city's history; first with intensive lumber milling and later with a mix of industrial uses that have evolved to what is seen today. The construction of Interstate 94 several decades ago has solidified the area's industrial character by creating a linear pocket of industry isolated from surrounding residential neighborhoods. Examples of uses surrounding the site are cold storage, shingle and cement products manufacture and directly across the River, a coal-fired power plant.

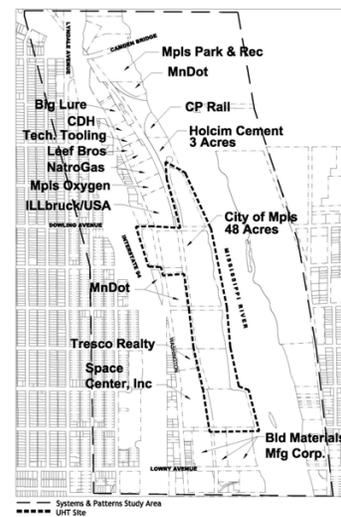
Most of the UHT site is located within the state-designated Mississippi River Critical Area and the Mississippi National River and Recreation Area (MNRRA), a unit of the National Park Service. Both designations recognize the natural and historic significance of this riverfront area.



*The UHT site as it exists today*



*Historic photo of the UHT site as lumber mill yard*



*Land ownership in the project area.*



within the next several years. The combination of these issues has led to policy discussions about whether and when to close the facility and the viability of redevelopment should the facility close.

Friends of the Mississippi River along with American Rivers and a team of consultants have partnered with the City of Minneapolis to conduct the Upper Harbor Terminal Redevelopment Study. The study suggests how transformation of the UHT site could be done using innovative urban design and ecological principles as the basis for future redevelopment of the property.

The study investigates the redevelopment potential for the property when and if the City of Minneapolis decides to close the terminal and redevelop the property for other purposes. The study explores urban design alternatives that build upon the foundation established by the *Above the Falls Master Plan* (including the basic land use mixture and parkway configuration shown in the *ATF Master Plan*) and evaluates the feasibility and potential timing of these alternatives.

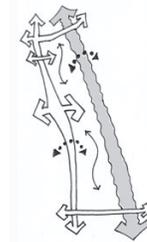
**The study does not address the broad questions of pros, cons and implications of closing the terminal operation, nor does it include any significant reconsideration of the *ATF Master Plan* vision, principles and premises.** The study is organized to:

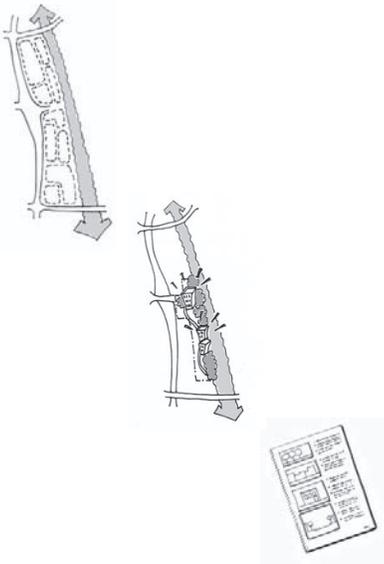
1. Serve as a vehicle for continued community dialogue about the site's future;
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3. Analyze redevelopment and restoration alternatives in the context of current market and financial forces to determine redevelopment feasibility;
4. Act as a useful resource in ongoing policy discussions about the future of the UHT property;
5. Serve as a model for environmentally sensitive approaches to using and enjoying an urban riverfront.

### Urban Design Focus

The UHT study focuses on four aspects or “scales” of urban design.

**Urban Systems** explore opportunities for connections (grey and green infrastructure, transportation, trails, etc.) between the UHT site and its surrounding area. This view will extend south of Lowry Avenue, west of I-94, north of Webber Park and into the Mississippi River channel.





**Development Patterns** rely heavily on the *Above the Falls Master Plan* for guidance and will explore the future land use of the UHT site and surrounding area. This view will be limited to Lowry Avenue, I-94, Camden Bridge and the river's western bank.

**Design Concepts** explore site design alternatives for the UHT property plus the possibility of some key contiguous parcels. Concepts will explore building placement, public spaces, environmental restoration, recreation, natural systems, circulation, infrastructure needs, etc.

**Design Character** suggests architectural character, building/street relationships, respect for historical context, the role of public space, etc.

### The Planning Process

In the most basic terms, there were essentially three groups involved in conducting the Upper Harbor Terminal Redevelopment Study.

- The design team was responsible for conducting the process, preparing alternatives and analyzing the feasibility of alternatives. This group consisted of Friends of the Mississippi River, American Rivers and a team of consultants with specialties in urban design, market analysis, transportation, civil engineering and stormwater systems.
- Technical Advisory Committees including the Upper River Technical Advisory Committee (URTAC), the Upper Harbor Terminal Technical Advisory Committee (UHTTAC), and a City of Minneapolis Staff Steering Committee had review and oversight of the process and consisted of a spectrum of staff members from the City of Minneapolis, the Minneapolis Park & Recreation Board (MPRB), Hennepin County, Mississippi Watershed Management Organization (MWMO), Metropolitan Council and other public organizations with interests in the project.
- The general public with special emphasis on the Above the Falls Citizens Advisory Committee (AFCAC) was invited to participate in workshops, a design charrette and an open house to establish a framework for preparation of alternatives, to evaluate alternatives for modification by the design team and to provide feedback on the outcomes of the process.

The planning process was organized around extensive public involvement that used community workshops and a design charrette to generate and evaluate approaches and alternative ideas.

Early in the process, two community workshops were held to gain an

understanding of the spectrum of community feelings and values about the site's future prior to design team preparation of concepts. On February 12 a Scoping Workshop was attended by 60 people and on February 24 a Community Design Workshop was attended by 32 people. Participants in the workshops represented a broad spectrum of community members and stakeholders. Summaries of input received from the two workshops are included in the appendices of this report.

The community workshops were followed on March 2-4 by an intensive three-day design charrette where over 60 people participated. The charrette was an intensive process of brainstorming/developing/evaluating conceptual ideas in an integrated setting between the design team, project stakeholders and the general public. The workdays of the charrette were spent by design team members, technical advisory committee members and project stakeholders learning important information and getting ideas on paper. The evenings were spent in open house settings reviewing what was prepared with visitors from the general public and gaining their feedback. Results of the design charrette are included as an appendix to this report.

Project findings were presented at a public open house hosted by AFCAC on June 22 and attended by 35 people, 11 of whom were members of the AFCAC. Feedback gathered at the open house is included as an appendix of this report.

Through the length of the project, members of the design team met with the Above the Falls CAC, the Upper Harbor Terminal TAC, and the Upper River TAC to discuss the analysis, process and findings of the project. A Steering Committee of Department Heads from the City, Park Board and Watershed Management Organization also met periodically to stay apprised of the project and oversee the work of the TAC members.

Opportunities for public involvement were widely publicized. Postcard invitations to key stakeholders, press releases, local and metro newspaper articles and web invitations were used to spread the word. Announcements for the workshops appeared in the *Northeaster and North News*, and the *Camden News* included longer stories about the study before and after the workshops. The June 23rd *Star Tribune* Metro Section also included a story on the project. Press releases and follow-up phone calls were also made to the *Star Tribune*, *Pioneer Press* and *City Pages*. All announcements and project updates were sent to an e-mail stakeholder list of about 200 people. The announcements were also included in multiple e-mail newsletters and list-serves. The e-mail list continued to grow throughout the process as more people got involved or heard about the study.



## Chapter Two

# ASPECTS OF ANALYSIS

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Analysis of market forces, transportation, infrastructure and historic considerations has been conducted in order to establish a foundation of knowledge about the opportunities, constraints and parameters of an urban design study for the Upper Harbor Terminal area.

### Market Forces

This section presents market impressions and defines the market challenges that UHT redevelopment would face. These impressions focus on one primary question: **Within a near-term time frame, what market dynamics and considerations shape the potential for redevelopment of the Upper Harbor Terminal?** It is important to note that the urban design concepts suggested later in this redevelopment study offer solutions that attempt to account for the challenges outlined in this section. The market impressions are:

- 1. The Site's immediate surroundings currently offer relatively low household growth prospects and a lower-income profile.*

A "primary trade area" surrounding the site comprises zip codes 55411 and 55412, which extends to the Mississippi River on the east, Plymouth Avenue and Highway 55 on the south, the Minneapolis city limit on the west, and 47th Avenue N. on the north. Within this area, the number of households is expected to continue a gradual decline over the next five years.

A larger, "secondary trade area" comprises nine zip codes encompassing North Minneapolis (including zip codes 55413, 55418 -- the east bank of the Mississippi River north of Hennepin Avenue) as well as parts of Golden Valley, Crystal, Robbinsdale (zip code 55422), Brooklyn Center (zip codes 55429, 55430), Fridley and Columbia Heights (zip codes 55421, 55432). This area is expected to maintain a stable household base.

In comparison, households in the overall Hennepin County market are expected to increase at an average annual rate of 0.5 percent over the next five years.

**Table 6-1 Household Growth 2000-2008**

	<u>2000</u>	<u>2003</u>	<u>2008</u>	2003-08 Change	
				<u>Avg. #</u>	<u>Avg. Ann. %</u>
Primary Trade Area	18,114	17,724	17,272	(90)	-0.5%
Secondary Trade Area	91,141	91,141	91,386	49	0.1%
Hennepin County	456,129	463,694	475,585	2,378	0.5%

Source: Claritas, Inc.

Within the primary trade area, median household income is estimated at approximately \$37,800. This is significantly lower than the corresponding figures for the Secondary trade area (\$45,800) and Hennepin County (\$59,300).

**Table 6-2 Median Household Incomes**

Primary Trade Area	\$37,726
Secondary Trade Area	\$45,802
Hennepin County	\$59,269

Source: Claritas, Inc.

2. *Under current conditions, the site offers few opportunities for new commercial development.*

The UHT site is industrial and offers no recent precedent for commercial (retail or office) development. Given the current projections for flat to negative household growth, as well as the lower income profiles in the surrounding areas, the site is not likely to attract interest from commercial developers or tenants.

3. *Current conditions at the site present formidable marketing challenges for new residential development.*

The site's riverfront setting along with suggested open space creation would provide amenities in support of residential development. However, without creation of added amenities, the prospect for residential development faces the following hurdles:

- Adjacent industry that emphasizes heavy and impactful uses (e.g., cement, fuel storage, repairs, etc., as opposed to new distribution facilities or technology-driven industrial uses);
- Distance from nearby commercial centers: the site does not currently offer convenient access to retail centers, entertainment venues, or major employment locations;
- Isolation from residential neighborhoods: I-94 presents a substantial barrier that separates the Upper Harbor Terminal

area from the residential neighborhoods to the west. As such, the area is physically and visually confined to a linear strip between the river and the highway, with few residential uses and no recent developments.

4. *There is no directly comparable precedent in the metro area for successful residential development.*

Since the mid-1990s, high-end residential development projects along the Mississippi River have proven successful and highly profitable for developers. For the most part these have offered:

- Upscale and unique loft configurations with historic features;
- Proximity to downtown Minneapolis in the warehouse district, which has gained wide recognition as a unique urban district for housing, restaurants/nightlife, arts, offices, and industry. Riverfront housing projects in Saint Paul have featured similar attributes.

These successful projects, however, do not offer comparable market indicators for residential development on the UHT site. Two issues distinguish the UHT site from these projects:

- The UHT site lies more than 2 miles north of the Minneapolis warehouse district, beyond walking distance of either downtown or any commercial/entertainment amenities, cultural amenities or major employment centers;
- The UHT site is set amid heavy industrial uses, removed from any other residential neighborhoods or residential development projects.

Other recent residential developments in the Twin Cities area occupy locations that are comparable in some respects to the UHT site however none that are known to this author are directly comparable. Each of the projects discussed below benefit from additional amenities, settings or circumstances that have helped attract developers and residents:

### *Riverview Condominiums*

Located 1.5 miles south of the UHT site on West River Road north of Broadway Avenue, this project's location offers the closest comparison to the UHT site but has close links to the Minneapolis warehouse district and riverfront parks. The project envisions up to five phases of townhomes, condos and apartments. Prices of the first phase townhomes range from roughly \$350,000 to \$660,000. Most buyers have come from the Hennepin County suburbs.

*Upper Landing (Centex, David Bernard)*

St. Paul's Upper Landing development is a mixed-use project situated on formerly industrial land on the Mississippi River approximately one-half mile from downtown St. Paul. Long-range plans envision approximately 600 new dwelling units and 23,000 square feet of retail within a seven-block area.

*Emerald Gardens*

This project is located at the western border of St. Paul, adjacent to Minneapolis's Prospect Park neighborhood. The surroundings include industrial (including a lumber yard) as well as residential uses, with office and retail uses nearby along University Avenue. Phase I comprises 108 units in two multi-family buildings priced from roughly \$175,000 to \$350,000.

**Table 6-3 Overview: Comparable Projects**

Project	Location Comparisons			Dwelling Units	Price Range	Avg. sales/ mo. (prelim. estimate)
	General Character	Adjacent Amenities	Nearby Services			
Riverview	Industrial	Riverfront park	Warehouse District	29 Future phases: 200+ du	\$300- \$660,000	1
Emerald Gardens	Industrial/ Residential		University Ave.	108 Future phases: 108 du	\$200- \$340,000	5.5
Upper Landing/Centex	Residential (formerly industrial)	Riverfront park	1/2 mile to St. Paul CBD	30 Part of 600-du nbhd	\$400- \$550,000	3
Upper Landing/David Bernard	Residential (formerly industrial)	Riverfront park	1/2 mile to St. Paul CBD	53 Part of 600-du nbhd	\$400- \$600,000	4

5. *While the rental apartment and condominium markets should be strong over a long-term time frame, both currently present formidable market challenges.*

Given the overall economic growth prospects in the Twin Cities metropolitan area, rental and condominium markets are likely to offer demand over a long-term time frame. Within a shorter (e.g., five-year) period, however, these markets present risks for potential developments on the UHT site:

- **Weakening Apartment Market:** The local apartment market shows signs of weakness. In the metro area, overall vacancy rates have increased from 5.2 percent at year-end 2002 to 7.6 percent at year-end 2003. While average monthly rents have not decreased, managers offer rent concessions at most apartment projects.

**Table 6-4 Local and Regional Apartment Market Performance Indicators: 3rd Quarter 2003**

	Average Rent			Overall	Overall Vacancy
	1 BR	2 BR	3 BR		
North Minneapolis	\$590	\$793	\$1,062	\$704	6.4%
1-Year Change	-3.1%	3.5%	6.4%	4.1%	-0.3%
Downtown Minneapolis	\$983	\$1,533	\$2,095	\$1,039	6.9%
1-Year Change	41.6%	18.3%	36.2%	6.6%	0.1%
Minneapolis	\$763	\$1,073	\$1,334	\$816	5.8%
1-Year Change	1.6%	4.9%	15.7%	3.4%	1.6%
Metro Area	\$735	\$922	\$1,218	\$845	7% *
1-Year Change	0.1%	0.5%	-0.4%	0.6%	1.8%

\* Increased to 7.6% at yr-end 2003.

Source: GVA Marquette Advisors

- Condominium Absorption: Outside of the Minneapolis warehouse district, the condo market has delivered uneven performance. In particular, unit absorption at Riverview Homes -- the project site most comparable to the UHT site - has been relatively slow. While this performance may improve as adjacent park improvements progress and as the area is recognized as a residential location, it draws into question the near-term development prospects for the UHT site.
  - Competitive Supply: In addition to currently active projects, condominium developments in their planning stages will offer an ample supply of additional competitive units. Among riverfront projects, these include future phases of the River view and Upper Landing projects, prospective projects in and around downtown Minneapolis and Saint Paul, new offerings at the renovated Grain Belt Brewery complex on the east side of the Mississippi, and the planned Island Station project to the west of the Upper Landing site. Each of these will build upon earlier redevelopment activities. Additional condominium and apartment projects throughout Minneapolis and St. Paul will offer further competition; most if not all of these projects will occupy more established residential locations than the UHT site can offer.
6. *The UHT site can eventually offer attractive development opportunities. Within a short-term time frame, however, developers are not likely to proceed without the benefits of three key elements:*

**Vision:** A clearly articulated vision and a clear understanding of the project's place in the vision is required to give developers an understanding of future physical conditions on the site and its surroundings.

**Commitment:** A firm public commitment to the long-term development vision is required to give developers needed assurances that necessary improvements, amenities and surrounding uses will occur. Even where various parties commit to such visions, sufficient levels of assurance may require the actual completion of new amenities before a development can successfully attract new residents.

**Critical mass:** Where developments target visionary changes to a site or neighborhood, such projects often require developers to absorb losses in initial phases in order to derive profit rewards in subsequent phases. Multiple-phased projects require a critical mass, with enough land to define a community. Smaller projects occupying single blocks or other smaller areas will not offer sufficient future rewards to justify short-term risks.

## Transportation Analysis

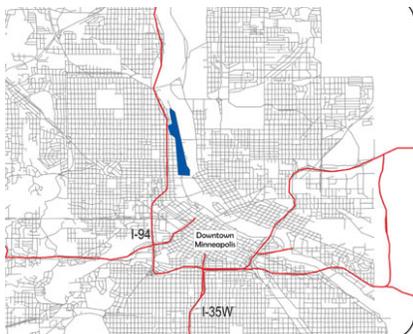


Figure 6-1 Study Area Location

The Upper Harbor Terminal site is situated north of Lowry Avenue, south of the Camden Bridge and between I-94 and the Mississippi River. Figure 6-1 illustrates the general location of the Upper Harbor Terminal site in the north Minneapolis area. The *Above the Falls Master Plan* adopted by the City of Minneapolis suggests broad but significant land use changes for the Upper Harbor Terminal site over the next five to fifteen years.

The transportation analysis section has focused on exploring opportunities and identifying constraints that may influence design of alternatives for the Upper Harbor Terminal area. Available transportation data and characteristics were compiled and have been summarized. Observed transportation-related opportunities and constraints are also included.

### STUDY AREA ROADWAYS

First Street North and Dowling Avenue North currently provide direct access to the Upper Harbor Terminal. First Street is a minor two-lane north south roadway that tees into Dowling Avenue and functions more as a low level access drive to properties adjacent to the Upper Harbor Terminal. Dowling Avenue has an interchange with I-94. Figure 6-2 illustrates the street system in the study area.

Second Street North and Washington Avenue North, both of which run parallel to I-94 and the Mississippi River, provide circulation to the study area. Lowry Avenue, at the southern limits of the project study area, provides a Mississippi River crossing to the east. Only Dowling and Lowry Avenues provide access across I-94. Lowry Avenue provides the only river crossing immediately accessible to the study site. The next closest river crossing is about four blocks to the north of the site at Camden Avenue North.

Existing traffic volume (Year 2000 Average Annual Daily Traffic) data for study area roadways was obtained from the City of Minneapolis. Lowry Avenue carries approximately 14,700 AADT, Second Street carries an AADT of 5,300, and Washington Avenue accommodates approximately 2,700 AADT. I-94, in this general area, has an AADT of 120,000. One predominant characteristic of the area was noted to be the number of semi-tractor/trailer trucks on the street network in this area.

Forecast traffic volumes for the Year 2020 were included in the *Above the*

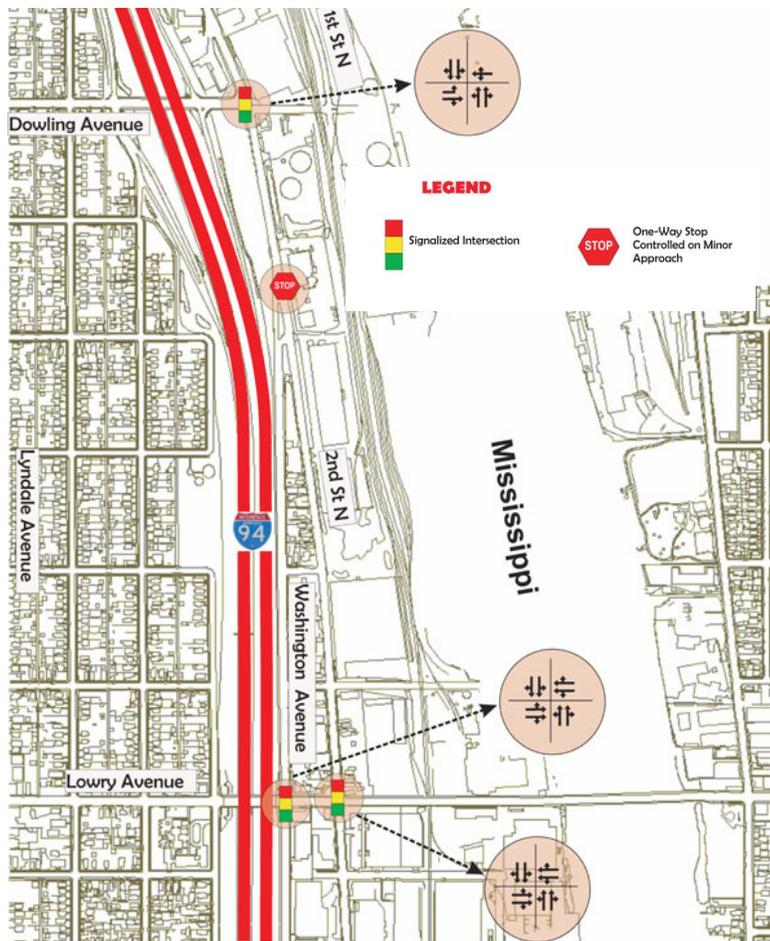


Figure 6-2 Study Area Street System and Intersection

Falls Master Plan and have been included in Figure 6-3 for comparison purposes. The projected volumes are exhibiting an estimated annual growth rate of just under two percent per year.

Figure 6-3 1995/1996 Average Annual Daily Traffic Volume and 2020 Forecasted Traffic Volume; source: Above the Falls Master Plan: A Master Plan for the Upper River in Minneapolis

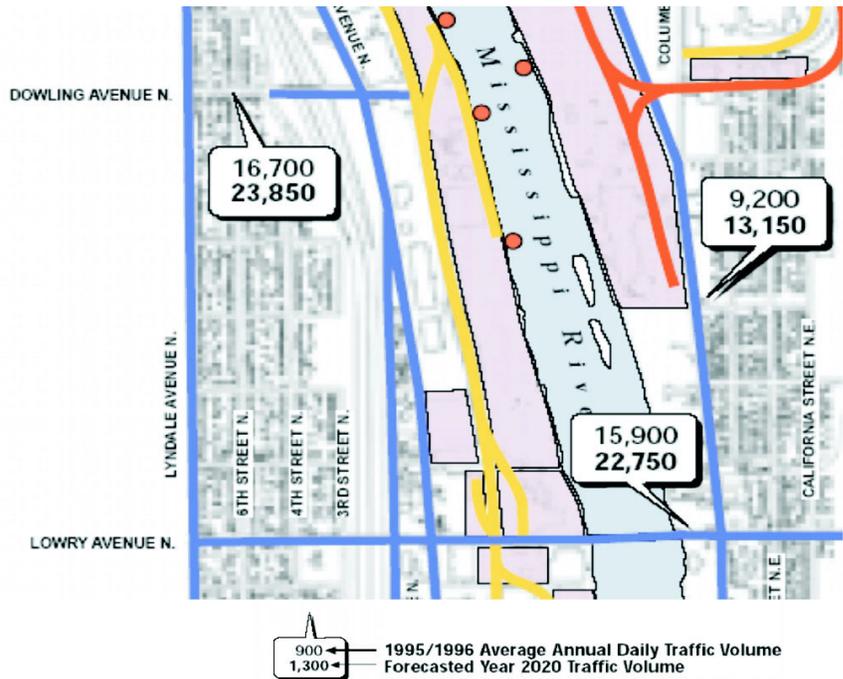


Figure 6-4 Street Classification; source: Metropolitan Council

The functional classifications of roadways within the study area range from Principal Arterials (I-94) to B-Minor Arterials/Collectors. Lowry Avenue, Second Street and Washington Avenue are all classified as B-Minor Arterial or Collector facilities. Lyndale Avenue North, to the west of I-94, is an A-Minor Reliever Arterial. Figure 6-4 shows the functional classifications given to the study area roadways. As arterials or collectors, these streets are intended to provide more than just local access. The B-Minor Arterials and Collectors are intended to move traffic between neighborhoods in the city and to provide connectivity over longer distances. The A-Minor and Principal Arterials are intended to move regional traffic.

**TRUCK AND RAIL ROUTES**

The industrial nature of the Upper Harbor Terminal area means that the study area is currently the focus of frequent truck and rail traffic. Figure 6-5 illustrates the truck and rail routes within the project area. The CP Rail mainline traverses the northern edge of the study area (see yellow line on Figure 6-5 that crosses the river) and carries an average of 14 trains per day to the outstate area. Direct rail service is currently provided in the study area on spurs and sidings. Truck routes are designated on Second Street and Washington Avenue in the study area and on Dowling, Lowry

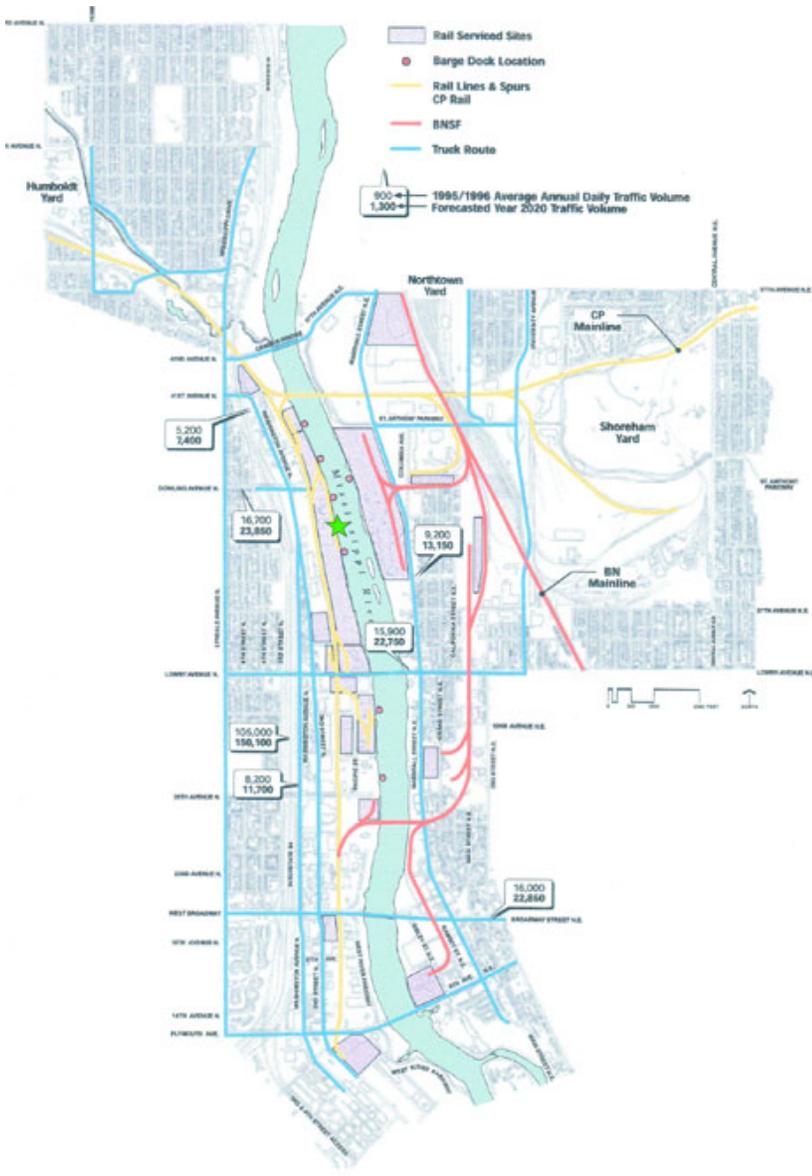


Figure 6-5 Truck and Rail Routes; source: Above the Falls Master Plan: A Master Plan for the Upper River in Minneapolis

and Lyndale Avenues adjacent to the study area. The Lowry Avenue Corridor Study indicated that truck traffic to and from the main rail yards on the east side of the river north of Lowry Avenue would continue to operate on Lowry Avenue. Accordingly, truck traffic would be expected on streets adjacent to the study area, even after the industrial uses redevelop in the project area.

**PROPOSED BIKE LANES AND RECREATION TRAILS**

A proposed recreational trail that runs parallel to the Mississippi River is

included in the Minneapolis Bikeways Plan. Also, proposed on-street bike lanes have been shown along Second Street. Figure 6-6 shows the Five Year Bike Plan for the City of Minneapolis.

**TRANSIT SERVICE - EXISTING AND PROPOSED**



Figure 6-6 5-Year Bikeway Plan; source: City of Minneapolis Bikeways Master Plan

Metro Transit provides public transit service in the study area via route 32, which serves the southern portion of the Upper Harbor Terminal study area along Lowry Avenue. While transit routes operate in the vicinity of the Upper Harbor Terminal study area, as shown in Figure 6-7, none of the routes except for the 32 provide direct access to the site.

A plan to improve transit service is underway in the NW Metro Transit Restructuring Study being conducted by Metro Transit. It is anticipated that recommendations for service improvements will be implemented in 2006.

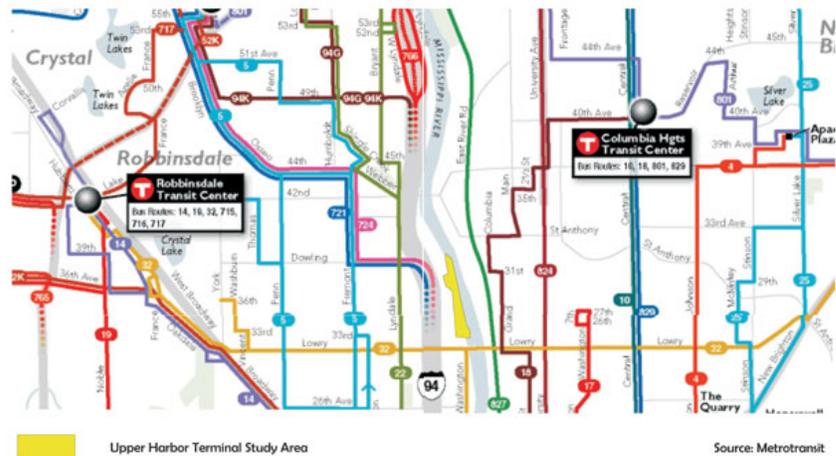


Figure 6-7 Transit Route Map; source: Metro Transit

**OPPORTUNITIES AND CONSTRAINTS**

From a transportation perspective, there are several things that represent constraints to redeveloping the Upper Harbor Terminal site.

- First, the active Canadian Pacific (CP) rail line with two tracks bisecting the site presents both a noise and safety concern. The lines have a siding on the west of First Street that presently serves Holcim, which has a gated access on the rail spur. If Holcim remains in operation, rail car delivery will continue as well.
- Second, depending upon how the transition of nearby land uses proceeds, there may continue to be fairly heavy truck traffic. The proximity of Lowry Avenue to I-94 interchanges at Dowling and West Broadway facilitates a fairly convenient truck travel pattern without infringing on residential areas.

Along this line, if the site is redeveloped to maximize recreational opportunities, there is a potential for modal conflicts between bicyclists and pedestrians and trucks and cars. Off-road trails will help alleviate the problem by separating the non-motorized modes from the roadways providing truck access to industrial uses.

Opportunities for transportation service for the site are also found in some of the items mentioned in the discussion of constraints. The interchange at Dowling and I-94 similarly provides convenient access to the regional highway network for any potential user of the site, whether recreational or residential. The rail corridor, if one day needed, could provide some type of commuter service to downtown or beyond.

The terrain of the site presents minor transportation constraints as it drops in elevation from west to east. Most level areas are in a north-south orientation extending parallel with the Mississippi River bluff. This constraint can be overcome with such features as terraced or even underground parking should residential use be the preferred land use.

However, the terrain, as well as the presence of the I-94 freeway, will continue to block east-west connectivity to the site and the predominant movement pattern in the site will be north-south. Future designs need to take this limitation into consideration, particularly given the linear nature of the site.

Future bikeway plans provide for bike routes that will directly serve the study area and link it to the larger city-wide bike system. However, transit service is only marginally available to the site and will need to be addressed as part of any redevelopment planning for the site.



*Site terrain presents minor constraints.*



*Canadian Pacific Rail Line*



*I-94 Crossing at Lowry and Washington*

## Infrastructure/Stormwater Analysis

### **STORM SEWER**

Three trunk storm sewers run through the Upper Harbor Terminal site and discharge into the Mississippi River. They provide drainage for about 670 acres of residential housing to the west of the site. The most northerly trunk storm sewer runs down Dowling Avenue and ranges in size from 60-inch diameter to 84-inch diameter. The drainage area to this sewer is approximately 300 acres. The two other trunk storm sewers act together to provide drainage for about 370 acres. A 48-inch storm sewer discharges to the river at about 34th Avenue and a 36-inch storm sewer discharges at 33rd Avenue.

Due to the depth of these trunk storm sewers, it is only practical to provide storm water treatment for the runoff directly from the site and not from any significant off-site areas.

Several small storm sewer systems exist within the site to provide local drainage. These would likely be removed as part of any future redevelopment of the site and new storm sewers, ponding, swales, and other Best Management Practices would be installed.

### **SANITARY SEWER**

A 54-inch MCES sanitary sewer interceptor runs north-south through the site along the railroad tracks. Metropolitan Council Environmental Services will be evaluating this interceptor within the year to see if it should be put on a capital improvement plan for future repairs/replacement. If any development is to take place in the area it should be acknowledged that the pipe is of considerable age and may need repair work. The interceptor could be relocated or rerouted, but the cost would be associated with the development and require ample easement for access and repairs.

The sanitary sewer service lines from the terminal buildings tie directly into the MCES interceptor.

City sanitary sewer runs the full length of Washington Avenue and 2nd Avenue. These sewers were once part of a combined sanitary/storm sewer system that has since been separated. The capacity of this system, along with the MCES interceptor, will be sufficient for future redevelopment of the site.

### **ELECTRICAL TRANSMISSION LINE**

An overhead transmission line with a minimum of 30 feet of clearance crosses the river from the Xcel Riverside plant onto the UHT site at 37th Avenue. It then runs south, parallel to the river and about 150 feet from the shore. Five steel towers on the UHT site support the line.

### **WATER MAIN**

A 36-inch diameter water main runs down 2nd Street North and Washington Avenue (north of 36th Avenue). Water service to the terminal site is provided by an 8-inch main at 36th Avenue and a 12-inch main at Dowling Avenue. A 12-inch and 8-inch water main runs parallel to the MCES interceptor within the site between 36th Avenue and approximately 39th Avenue. The 36-inch water main is located mostly outside the site boundary and should create little if any conflicts with future development. If the 12-inch and 8-inch mains are in conflict with future development, they can be abandoned or relocated relatively easily.

The 36-inch water main should have sufficient capacity to serve future development of the site.

### **NATURAL GAS LINES**

No distribution gas mains run through the site. A 16 inch main does end at Lowry Avenue running south of Second Street North. Several small diameter gas lines run through the site providing gas service to the terminal buildings. If necessary, these gas service lines could be easily abandoned or relocated.

The 16-inch gas main is close to the south end of the site and would likely be adequate for providing gas service for future development.

### **SEA WALLS**

Three short seawalls of approximately 300 feet each exist along the shoreline of the site. They are constructed of sheet pile and/or sunken barges, and are located along docking facilities.

### **FIBER OPTICS**

The existence of fiber optic lines is unknown at this time. Often times fiber optic lines are installed within railroad right-of-ways.

## **Eligibility for National Register of Historic Places and Local Historic Designation**

### **NATIONAL REGISTER OF HISTORIC PLACES**

#### **BACKGROUND**

In May 2003, Hess, Roise and Company completed an architectural/historical survey report related to a proposed hydroelectric development at the Lower Saint Anthony Falls lock. The lower and upper Saint Anthony locks and dams were included in the area surveyed, as was the pool created by the lower lock and dam. The survey area also included the Mississippi River downstream to just beyond the Northern Pacific Railroad Bridge.<sup>1</sup>

The purpose of the survey was to identify properties eligible for the National Register of Historic Places. The National Register is administered by the

National Park Service, which is part of the U.S. Department of the Interior. It is overseen locally by the State Historic Preservation Office (SHPO), which is housed at the Minnesota Historical Society in Saint Paul. The National Register consists of properties "significant in American history, architecture, archeology, engineering, and culture." To be considered significant, a property must meet one or more of the following criteria:

Criterion A: be associated with events important to broad patterns of history;

Criterion B: have a significant association with the life of an important person;

Criterion C: represent a type, period, or method of construction; or be the work of a master; or express high artistic values; or

Criterion D: yield, or be likely to yield, information important in prehistory or history.

Typically, above-ground properties merit National Register designation based on the first three criteria; Criterion D is usually applied to archaeological sites. Properties can achieve significance on a local, state, or national level. A property may be individually eligible for listing in the National Register, or eligible as a contributing component of a historic district. In addition to significance, a property must maintain physical integrity to be considered for the National Register, and must usually be over fifty years old. Criteria Consideration G, however, allows the listing of "a property achieving significance within the past 50 years if it is of exceptional importance."<sup>2</sup>

To evaluate the National Register potential of the Lower Saint Anthony Lock and Dam, it was necessary to look at the historic context in which the facility evolved. The upper and lower locks, as well as the Upper Harbor Terminal, were conceived and developed as components of a larger plan to push navigation above the Falls of Saint Anthony—a dream that civic leaders in Minneapolis pursued for more than a century. Construction of the lower lock and dam began in 1950; after many delays, it was completed in 1956. The channel up to the site of the upper lock and dam was excavated between 1958 and 1960. Work on the upper lock began 1959 and was not quite finished when the first traffic passed through it in the summer of 1963. The upper river officially opened to navigation in September of that year.

After considering the significance of this accomplishment, the Hess Roise report concluded:

From today's perspective, the Upper Mississippi Harbor Development appears to meet two National Register criteria. Given the design and construction challenges that were surmounted to extend the nine-foot channel 4.6 miles

upriver from the previous head of navigation, the project qualifies under Criterion C in the area of Engineering. As the culmination of the century-old dream of bringing river traffic above Saint Anthony Falls, where adequate land was available to make Minneapolis the true head of navigation on the Mississippi River, the project qualifies under Criterion A in the areas of Commerce, Maritime History, and/or Transportation.

Plans and initial construction were well underway more than fifty years ago, and the project's overall significance appears to be exceptional. The report added that "the integrity of the Upper Mississippi Harbor Development included within the APE [the Area of Potential Effects; in other words, the survey area] remains good, despite some modifications. (Analysis of the entire development is beyond the scope of the present report.)"<sup>3</sup> Hence, the Upper Harbor Terminal should be considered potentially eligible, subject to further evaluation.

### ASSESSING NATIONAL REGISTER ELIGIBILITY

National Register designation is, for the most part, honorary. A private property owner can severely alter-or even demolish-a designated property using private funds (unless restricted by local heritage preservation regulations); the property is then "delisted" (removed from the National Register). If redevelopment plans for the Upper Harbor Terminal will not involve federal funds or licensing, it will not be necessary to determine whether the property is eligible for the National Register. Should a National Register assessment be desired, however, additional research on the property must be conducted in primary and secondary sources such as building permits, city council minutes, property records, newspapers, and local histories. Aerial and other photographs, plat books and maps, and oral histories might also provide valuable information. Fieldwork will examine existing condition so that the physical integrity of the property in relation to its historical evolution can be assessed. The entire Upper Mississippi Harbor Development-from the former head of navigation just upriver from the Washington Avenue Bridge to the current head of navigation-would need to be included in the evaluation because the Upper Harbor Terminal has more potential for National Register eligibility as a component of a historic district than as an individual property.

Findings from the research and fieldwork should be incorporated into a determination of eligibility (DOE) report. The report should include a physical description of the property, information on the property's history, a narrative overview of any contexts in which it might be significant, and a site plan, photographs, and other illustrations as appropriate. Based on the findings from the research and fieldwork, the report will recommend whether or not the property meets any National Register criteria. Upon reviewing

the report, the National Register historian at the SHPO will make the determination of eligibility.

If the property is eligible for the National Register, it must be formally nominated to be listed in the register. Information gathered for the DOE report can be used for the nomination, but additional research and fieldwork will likely be needed to complete the nomination form. The nomination is presented to the State Review Board, which meets three or four times a year. If approved by the board, the nomination is sent to National Register staff in Washington, D.C., for a final review. After passing this review, the Keeper of the National Register officially lists the property.

### **THE SECTION 106 PROCESS**

Section 106 of the National Historic Preservation Act requires federal agencies to take into account the effects that federally funded or licensed projects might have on historic properties. Properties are considered "historic" if they qualify for the National Register. Compliance with Section 106 is overseen by an independent federal agency, the Advisory Council on Historic Preservation, and administered locally by the SHPO.

If federal funds will be used to redevelop the Upper Harbor Terminal or if the redevelopment will require a federal permit, the project will be subject to Section 106 review. The Section 106 process has several steps:

- **Initiating the Process:** The federal agency responsible for authorizing the funding or permit must first establish whether or not the proposed project could affect historic properties. If not, the Section 106 process is finished. If historic properties could be affected, however, the federal agency must contact the Advisory Council, SHPO, and other potentially interested parties, such as the Minneapolis Heritage Preservation Commission and American Indian tribes that might have a current or historic association with the area. The agency must also identify ways to involve the public in the Section 106 process.
- **Establishing the APE:** The area that might be affected by a proposed project—the Area of Potential Effects (APE)—must be delineated. Advisory Council regulations (36 CFR Part 800) define a project's APE as "the geographic area or areas within which an undertaking may directly or indirectly cause changes in the character or use of historic properties." A project might have more than one APE, depending on the resources involved and the nature of the project. For example, the APE for archaeological resources for the Upper Harbor Terminal might coincide with the boundaries of the property; for above-ground resources, such as buildings and landscapes, the

APE might extend to any areas within eyesight of the property.

- **Identification:** Sometimes all of the historic resources within the APE are known. More often, however, it is necessary to survey the APE to identify potential National Register properties. Surveys should be conducted by professionals who meet the Secretary of the Interior's Professional Qualifications Standards for history, architectural history, and archaeology (available at [http://www.cr.nps.gov/local-law/arch\\_stnds\\_9.htm](http://www.cr.nps.gov/local-law/arch_stnds_9.htm)). Often, a reconnaissance-level survey is undertaken first to eliminate areas and properties that are unlikely to meet National Register criteria. An intensive-level survey is then completed for areas and properties that have National Register potential. Surveys involve research to find information on specific properties and on the overall historic context of the APE, and fieldwork to physically assess the APE. A survey is, in essence, a large-scale DOE study. If no historic properties are found in the APE, the Section 106 process is concluded.
- **Assessment of Effects, Resolution of Adverse Effects:** If historic properties are found in the APE, the effects of the project on these properties must be evaluated. If any effects might be "adverse" (in other words, might alter the characteristics that qualify the property for the National Register), the federal agency must consult with the SHPO and other interested parties to attempt to avoid, minimize, or mitigate the adverse effects. The conclusions from this consultation are outlined in a Memorandum of Agreement or Programmatic Agreement, which the federal agency must implement. Sometimes, rehabilitation projects can avoid adverse effects by conforming to the Secretary of the Interior's Standards for the Treatment of Historic Properties (see [http://www.cr.nps.gov/local-law/arch\\_stnds\\_8\\_2.htm](http://www.cr.nps.gov/local-law/arch_stnds_8_2.htm)). If the Upper Harbor Terminal were determined to be historic and plans called for its demolition, some form of mitigation might be required, such as documenting the property for the Historic American Buildings Survey or the Historic American Engineering Record (HABS/HAER) or incorporating interpretation of the property's history into a new development on the site.

### **OTHER ENVIRONMENTAL REGULATIONS**

In addition to Section 106, the project must be reviewed under Section 4(f) of the Department of Transportation Act of 1966 if federal transportation funds are involved. Section 4(f) requires projects to avoid harming historic properties unless there is no "feasible and prudent" alternative. Historic properties are also among the environmental concerns covered by the

National Environmental Policy Act. These federal reviews tend to parallel the Section 106 process. The same is true for the Minnesota environmental review program administered by the Minnesota Environmental Quality Board (EQB). The destruction of an "historical place" under a project subject to EQB review makes the preparation of an Environmental Assessment Worksheet mandatory. Finally, the site may be eligible for local historic designation in addition to potential eligibility for the National Register.

### ENDNOTES

<sup>1</sup> Charlene Roise and Penny Petersen, "Lower Saint Anthony Falls Hydroelectric Project Architectural/Historical Survey, Minneapolis, Hennepin County, FERC No. 11877/SHPO No. 2002-0670," May 2003, prepared by Hess, Roise and Company, available at the State Historic Preservation Office, Minnesota Historical Society, Saint Paul.

<sup>2</sup> Rebecca H. Shrimpton, ed., *How to Apply the National Register Criteria for Evaluation*, 1990, revised for the internet 2002, available at <http://www.cr.nps.gov/nr/publications/bulletins/nrb15/>. Further guidance is provided by Marcella Sherfy and W. Ray Luce, *Guidelines for Evaluating and Nominating Properties that Have Achieved Significance within the Past Fifty Years*, 1979, revised 1998, available at <http://www.cr.nps.gov/nr/publications/bulletins/nrb22/index.htm>.

<sup>1</sup> Roise and Petersen, 10.

### LOCAL HISTORIC DESIGNATION

The Minneapolis Heritage Preservation Commission (HPC) was established in 1972. Among the purposes of the Commission, the HPC is charged with identifying historic resources and making recommendations to the City Council on designation of properties as landmarks and historic districts, to develop design guidelines for designated properties, to review alterations to designated properties and property under interim protection, and to decide on application for demolition of historic resources.

The designation criteria that are used by the City for local historic designation are similar to but slightly different than the criteria used by the National Register of Historic Places. To be considered eligible for local historic designation the property must meet one or more of the following criteria:

- (1) The property is associated with significant events or with periods that exemplify broad patterns of cultural, political or social history.
- (2) The property is associated with the lives of significant persons or groups.

- (3) The property contains or is associated with the distinctive elements of city identity.
- (4) The property embodies the distinctive characteristics of an architectural or engineering type or style, or method of construction.
- (5) The property exemplifies a landscape design or development patterns distinguished by innovation, rarity, uniqueness or quality of design or detail.
- (6) The property exemplifies works of master builders, engineers, designers, artists, craftsmen or architects.
- (7) The property has yielded, or may be likely to yield, information important in prehistory or history.

Unlike the National Register, local designation criteria do not include any 50-year requirement related to the age of the improvements. Properties that are eligible for the National Register of Historic Places tend to also meet one or more local criteria. Criteria 1 and 4 would appear on initial examination to have the most application to the UHT and Holcim sites. This means the Upper Harbor Terminal and Holcim sites (or particular improvements on the sites) also may be eligible for local historic designation by the City of Minneapolis. Any request for the demolition or substantial demolition of a property will trigger the need to assess the historical significance of the affected property. If the property is locally designated or is determined to be an historic resource eligible for historic designation, the Heritage Preservation Commission is required to review the application for demolition. If a property is designated as a landmark, is part of an historic district designated by the City of Minneapolis or is a nominated property under interim protection, any alteration or minor alteration to the property shall require the approval of the Heritage Preservation Commission (HPC). If a property is historically designated or is determined to be an historic resource, a demolition permit shall not be issued by the City without the review and approval of the HPC following a public hearing. If the HPC determines that the property is an historic resource, the Commission has two options. The Commission may deny the demolition permit and commence a designation study of the property, or shall approve the demolition permit based on the following criteria:

- Before approving the demolition of a property determined to be an historic resource, the Commission shall make findings that the demolition is necessary to correct an unsafe or dangerous condition on the property, or that there are no reasonable alternatives to the demolition. In determining whether reasonable alternatives exist, the Commission shall consider, but not be limited to, the significance

of the property, the integrity of the property and the economic value or usefulness of the existing structure, including its current use, costs of renovation and feasible alternative uses. The Commission may delay a final decision for a reasonable period of time to allow parties interested in preserving the historic resource a reasonable opportunity to act to protect it.

If the HPC approves the demolition of an historic resource, a landmark, property in an historic district, or a nominated property under interim protection, the Commission may require a mitigation plan as a condition of approval for the demolition. Such plan may include the documentation of the property by measured drawings, photographic recording, historical research or other means appropriate to the significance of the property. Such plan also may include the salvage and preservation of specified building materials, architectural details, ornaments, fixtures and similar items for use in restoration elsewhere.

If the HPC commences a designation study for an historic resource, the Commission will also evoke interim protection for the property to protect the property from destruction or inappropriate alteration during the designation process. Interim protection shall be in effect from the date of the Commission's decision to commence a designation study of a nominated property until the City Council makes a decision regarding the designation of the property, or for twelve (12) months, whichever comes first. Interim protection may be extended for such additional periods as the Commission may deem appropriate and necessary to protect the designation process, not exceeding a total additional period of eighteen (18) months.

During the interim protection period, no alteration or minor alteration of the nominated property is allowed except where authorized by a certificate of appropriateness approved by the HPC or a certificate of no change approved by the City's preservation staff.

Any alteration of a landmark, property in an historic district or property under interim protection shall require the approval of the HPC. Minor alteration of a landmark, property in an historic district or property under interim protection shall require the approval by the City's preservation staff. The HPC and City staff shall review the proposed changes to the property for their compliance with the adopted guidelines for the property, or the Secretary of the Interior's Standards for Rehabilitation if there are no adopted guidelines for the property.

## Chapter Three

# URBAN DESIGN CONCEPTS

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Exploration and creation of urban design alternatives for the Upper Harbor Terminal was organized around an interactive public process to:

1. learn about the forces impacting possible redevelopment and restoration of the UHT site and its surroundings;
2. determine community values surrounding the future of the UHT area;
3. create concepts that explore a range of ideas and approaches that address and wrestle with those forces and values.

### Guiding Principles

Guiding principles are the communication link or glue between the spectrum of community values and the urban design concepts. They provide the foundation for creation of the concepts but also act as the long-term community “memory” of why we believe the way we do about redevelopment of the UHT. The guiding principles listed below suggest the values heard through the planning process and form the foundation for the urban design concepts described later in this chapter.

#### GENERAL PRINCIPLES

- Use Above the Falls Master Plan and MNRRA Comprehensive Management Plan as guides for land use and site design
- Ecological, recreational, and economic goals are mutually beneficial
- Think at a larger scale than UHT site
- Balance redevelopment with river restoration
- Respect state Critical Area law requirements
- Seek a river edge, open space, and development that are distinctive and reflect unique site characteristics

### **COMMUNITY CONNECTION PRINCIPLES**

- Reconnect and integrate neighborhoods with the river
- Connect with parks and trails to the north and south
- Enhance public accessibility – bike, walk, play
- Provide a focal attraction point where people can gather and enjoy the river
- Ensure new residential neighborhood has a welcoming community feel

### **“GREEN” DESIGN PRINCIPLES**

- Treat the river as a dynamic ecological system
- Restore river’s ecological functions and values
- Maximize natural and passive landscapes within open space
- Use nonstructural approaches to manage stormwater and stabilize riverbanks
- Limit hardscapes and impervious surfaces

### **PRIVATE REDEVELOPMENT**

- Increase tax base
- Work within market parameters
- Create recreational and open space amenities and trail linkages to enhance private development opportunities
- Support primary residential use with limited retail
- Provide a mix of housing types and costs, with no high-rises

## **Design Alternatives**

Three concept alternatives for redevelopment and restoration of the UHT area were prepared during an intensive 3-day design “charrette” held in early March, 2004. The charrette process allowed for design concepts to be prepared in an interactive, high-energy environment that allows stakeholders, the community and the professional consultants to work hand-in-hand in preparing and rapidly revising design ideas.

### **COMMONALITIES BETWEEN THE ALTERNATIVES**

The three alternatives explore a range of options that generally fall along a continuum of more open space/less developed land to less open space/more developed land. In many regards the three alternatives are quite similar to one another. This is mainly because the study is intended to explore redevelopment alternatives for the UHT area within the land use

vision of housing and open space established by the Above the Falls Master Plan. The primary common elements between the alternatives are:

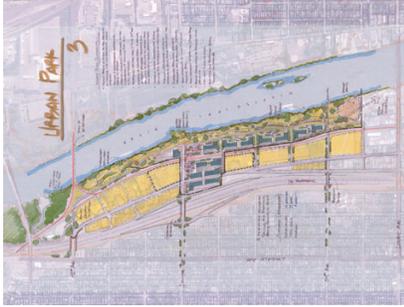
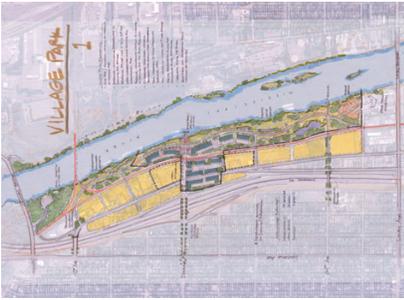
- The site limits are the same in each concept and include the City-owned UHT parcel and a band of riverfront parcels north of the UHT extending to the North Mississippi Regional Park. Those parcels include the Holcim cement property (with the permission of Holcim) and properties owned by Canadian Pacific Railroad then available for sale.
- All suggest continuous public riverfront and open space development of the riverfront corridor to include a linear parkway and trails, ecologically sensitive habitat and riverbank restoration.
- All suggest innovative stormwater treatment and infiltration systems on the development sites and in the riverfront open space to treat and infiltrate 100% of the stormwater generated on the property.
- All suggest redevelopment that is based on a limited range of medium-density housing types and a relatively small amount of retail space.
- All of the alternatives suggest a focus on community connections (human and ecological) along the River and perpendicular to the river including enhanced pedestrian connections across I-94.
- All suggest that Washington and Dowling Avenues within the study area should be reconstructed with a high level of streetscape amenity.
- All accommodate a dredge material storage site at the southern end of the UHT property in order to meet the City's commitment to the Corps of Engineers to provide such a site as long as commercial navigation continues in this pool of river.

### **INTERCHANGEABLE FEATURES**

While the three alternatives have distinct features, many of the design features suggested in a single alternative are actually interchangeable with any of the three concepts. Those reviewing the concepts and this report are encouraged to distinguish the alternatives by their salient differences identified in the comparison chart that follows and assume that many of the specific design features could work with any of the alternatives.

Many of these interchangeable features are intriguing, yet will need careful evaluation before they could be pursued.

Comparing the Concept Alternatives



ALTERNATIVE 1 - VILLAGE PARK

ALTERNATIVE 2 - ECO PARK

ALTERNATIVE 3 - URBAN PARK

Table 3-1 Development Alternative Comparison

Comparison Features	#1 - Village Park	#2 - Eco Park	#3 - Urban Park
<b>land use</b>			
development	19 acres	8 acres	21 acres
riverfront open space	24 acres	35 acres	22 acres
dredge material storage	5 acres	5 acres	5 acres
<b>development program</b>			
total # of housing units	424	319	416
for-sale units	287	160	291
rental units	137	159	125
retail/commercial space	24,000 sq. ft.	19,000 sq. ft.	27,000 sq. ft.
<b>net density</b>	22	40	22

finances			
estimated market value	\$106 m	\$56 m	\$107 m
annual tax capacity	\$1.1 m	\$600,000	\$1.1 m
core public capital costs*	\$22 m	\$23 m	\$22.5 m
private land proceeds	\$4m	\$2m	\$4.5m

**salient concept differences**

some linear, river-oriented housing. narrower open space corr.	widest open space corridor. no development between railroad & river. highest density development.	most extensive linear, river-oriented housing. narrower open space corr.
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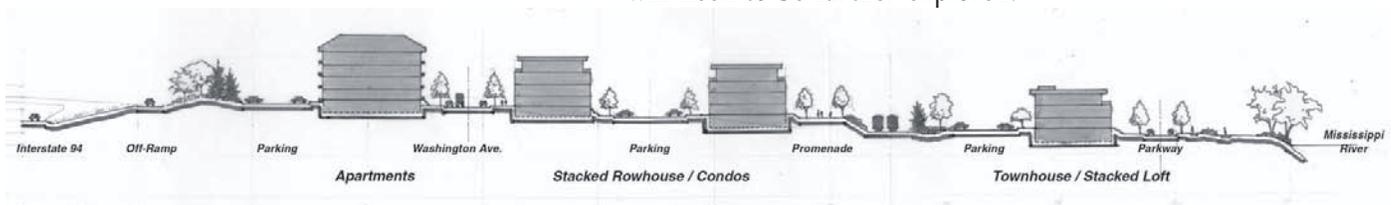
\* see page 38 for definition of "core" costs

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### ALTERNATIVE 1 “VILLAGE PARK”

Alternative 1 “Village Park” focuses housing and some mixed-use redevelopment in the broadest part of the UHT site at Dowling and Washington Avenues and suggests some (less than Alt. 3) linear housing focused toward the River. A broad corridor along the River is dedicated to ecological restoration and riverfront parkway. The plan elements of Village Park include:

- 424 housing units at a net density of 22 units/acre and 24,000 sf of retail/commercial space at an estimated market value of roughly \$106 million
- Roughly \$18 million in “core” net public capital costs
- 24 acres of riverfront open space
- Rose Bee / Excursion Landing at terminus of Dowling Ave.
- Enhanced landscaping / streetscape on Dowling Ave. bridge.
- Pedestrian bridge over I-94 at 34<sup>th</sup> Ave.
- Urban streetscape along Dowling and Washington Ave.
- Potential commercial location at intersection of Dowling Ave. and the extended Minneapolis parkway
- Integrated rainwater gardens throughout for storm water treatment.
- Trail connection to North Mississippi Regional Park
- Trail connection across the CP railroad bridge
- Habitat restoration along the Mississippi River shoreline
- Overlooks along the river
- Bike paths and pedestrian trails along the parkway
- An area for dredge materials in the site’s southernmost portion.
- The feasibility of suggested rail line crossings at 34th & 36th Avenues will need to be further explored.



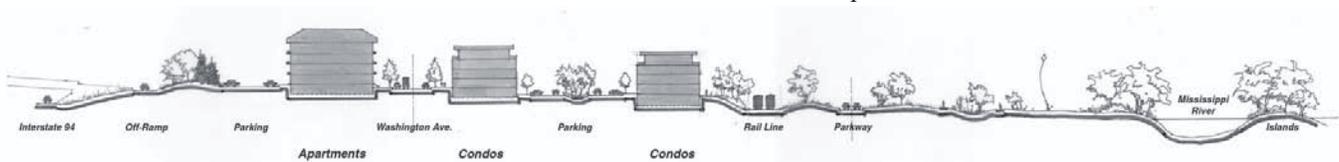
Section across the Village Park concept from I-94 on the left to the Mississippi River on the right.



### ALTERNATIVE 2 “Eco Park”

Alternative 2 “Eco Park” suggests the broadest riverfront ecological corridor. This alternative includes housing and some mixed-use redevelopment at Dowling and Washington Avenues with no linear housing focused on the River as suggested in Alternatives 1 and 3. The plan elements of Eco Park include:

- 319 housing units at a net density of 40 units/acre and 19,000 sf of retail/commercial space at an estimated market value of roughly \$56 million
- Roughly \$21 million in “core” net public capital costs
- 35 acres of riverfront open space
- Restored islands in the river at the terminus of Dowling Ave.
- Bridge connection to and overlook on new islands.
- Expanded terrace/decking across the Dowling Ave. bridge.
- Pedestrian bridge over I-94 at 34<sup>th</sup> Ave.
- Unique streetscape along Dowling Ave. of native plantings and plaza areas.
- Potential commercial locations stretching south along Washington Ave.
- Integrated rainwater gardens throughout for storm water treatment.
- Trail connection to North Mississippi Regional Park
- Trail connection across the CP railroad bridge
- Habitat restoration along the Mississippi River shoreline
- Environmental restoration of oak savanna on a wide section of park space to the east of the railroad tracks to the river.
- Overlooks along the river
- Bike paths and pedestrian trails along the parkway
- An area for dredge materials in the site’s southernmost portion.
- The feasibility of suggested rail line crossings at several blocks will need to be further explored.



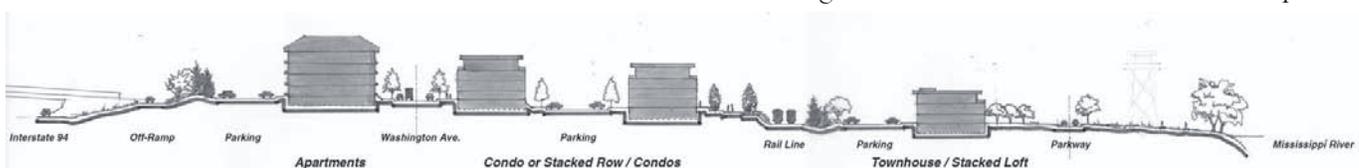
Section across the Eco Park concept from I-94 on the left to the Mississippi River on the right.



### ALTERNATIVE 3 “URBAN PARK”

Alternative 3 “Urban Park” suggests the greatest amount of land area dedicated to redevelopment with housing and some mixed-use redevelopment again at Dowling and Washington Avenues and linear housing focused toward the River along as much of the site as can physically be accommodated while still restoring an ecological corridor and including a riverfront parkway. The plan elements of Urban Park include:

- 416 housing units at a net density of 22 units/acre and 27,000 sf of retail/commercial space at a development value of roughly \$107 million
- Roughly \$18 million in “core” net public capital costs
- 22 acres of riverfront open space
- Moored barge in river at the terminus of Dowling Ave. with reclaimed native habitat
- A neighborhood gathering space on barge
- Gateway elements/features at the intersection of Dowling Ave. and I-94 off ramps
- Pedestrian bridge over I-94 at 34<sup>th</sup> Ave.
- Cascade Park – a series of highly designed terraces and spillways to provide a urban park and effectively treat storm water
- Dowling Ave. streetscape reflective of Cascade Park
- Potential commercial locations stretching south along Washington Ave.
- Integrated rainwater gardens for storm water treatment
- Trail connection to North Mississippi Regional Park
- Trail connection across the CP railroad bridge
- Restored habitat along the Mississippi River shoreline
- Environmental restoration of oak savanna on a wide section of park space to the east of the railroad tracks to the river
- Overlooks along the river
- Bike paths and pedestrian trails along the parkway
- An area for dredge materials in the site’s southernmost portion.



*Section across the Urban Park concept from I-94 on the left to the Mississippi River on the right.*



### Public Costs

The tables that follow contain the estimated costs of public actions related to each of the three redevelopment alternatives. The tables are organized with blocks of costs as described below and assign costs to three categories: those related to redevelopment, those related to the riverfront park and those related to the non-UHT properties north of the UHT site shown as open space in the concept alternatives.

The public cost tables identify land sale proceeds assuming the city were to sell the property to a private redeveloper and the Minneapolis Park & Recreation Board. Land sale to the Park Board is only one possible scenario. The issue of land sale proceeds will likely prove to be a pivotal and political one in accomplishing successful redevelopment of the UHT property.

#### **LAND ACQUISITION/SALE**

The UHT site is owned by the City. The "negative" figures represent income to the City from the sale of land to one or more private developers and (depending upon negotiations with the Park Board as to the land transaction) sale of land to the Park Board. Project costs are also suggested for acquisition of additional lands for open space north of the UHT site.

#### **DEMOLITION/CLEARANCE**

Site improvements will be necessary to prepare for development. The estimated cost includes additional expense for potential soil remediation, administration and testing, and general contingency. Costs for sea wall removal and bank reconfiguration are also included in the estimates.

#### **CORE INFRASTRUCTURE**

Items listed as "core" infrastructure represent the required basic public improvements needed for redevelopment in the area. The estimates include design, administration and contingency cost factors.

#### **CORE AMENITIES**

These improvements cover items like streetscape, park and parkway investments. Total estimated costs include design/admin. and contingency. They are labelled as "core" costs because they are viewed as essential to marketplace success of proposed redevelopment.

#### **POSSIBLE AMENITY ENHANCEMENTS (SEPARATED ON TABLE 3-5)**

The concept alternatives identify several features that are determined not to be critical to redevelopment of the UHT site but are important representations of community values. This à la carte list of features could be built with any of the three concepts and so are listed on a separate table.

Table 3-2 Anticipated Public Costs Associated With Redevelopment  
 Concept 1 - Village Park

Item	Description	Quantity	Unit	Unit Cost	UHT Redevelopment Items	UHT Riverfront Park Items	Park Extension Items
<b>1 Land Acquisition / Sale</b>							
1.1	UHT site - future development	19	AC	\$ 215,000	\$ (4,085,000)		
1.2	UHT site - future park	24	AC	\$ 215,000	\$ (5,160,000)	\$ 5,160,000	
1.3	Park exten. property N of UHT	1	LS	\$ 1,800,000			\$ 1,800,000
				Subtotal	\$ (9,245,000)	\$ 5,160,000	\$ 1,800,000
	due diligence	2%			\$ 184,900	\$ 103,200	\$ 36,000
	contingency	15%			\$ 1,386,750	\$ 774,000	\$ 270,000
				<b>Land Acquisition Subtotal</b>	<b>\$ (7,673,350)</b>	<b>\$ 6,037,200</b>	<b>\$ 2,106,000</b>
<b>2 Demolition / Clearance</b>							
2.1	UHT site	1	LS	\$ 2,500,000	\$ 2,500,000		
2.2	Park extension property	1	LS	\$ 1,000,000			\$ 1,000,000
				Subtotal	\$ 2,500,000	\$ -	\$ 1,000,000
	soil remediation contingency	25%			\$ 625,000	\$ -	\$ 250,000
	admin / testing	5%			\$ 125,000	\$ -	\$ 50,000
	contingency	15%			\$ 375,000	\$ -	\$ 150,000
				<b>Demolition Subtotal</b>	<b>\$ 3,625,000</b>	<b>\$ -</b>	<b>\$ 1,450,000</b>
<b>3 Core Infrastructure</b>							
3.1	Dowling Ave reconstruction	950	LF	\$ 600	\$ 570,000		
3.2	Washington Ave reconstruction	700	LF	\$ 800	\$ 560,000		
3.3	Utility undergrounding	1	LS	\$ 400,000	\$ 400,000		
3.4	Utility service stubs	1	LS	\$ 300,000	\$ 300,000		
3.5	Riverfront rainwater gardens	1	LS	\$ 380,000	\$ 380,000		
				Subtotal	\$ 2,210,000	\$ -	\$ -
	design / admin	25%			\$ 552,500	\$ -	\$ -
	contingency	15%			\$ 331,500	\$ -	\$ -
				<b>Core Infrastructure Subtotal</b>	<b>\$ 3,094,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>4 Core Amenities</b>							
4.1	Dowling Ave streetscape	1900	LF	\$ 240	\$ 456,000		
4.2	Washington Ave streetscape	1400	LF	\$ 240	\$ 336,000		
4.3	Village Plaza	1	LS	\$ 650,000	\$ 650,000		
4.4	Riverbank restor'n - UHT site	4500	LF	\$ 300		\$ 1,350,000	
4.5	Riverbank restor'n - park exten.	1100	LF	\$ 300			\$ 330,000
4.6	Park development - UHT site	22	Ac	\$ 24,000		\$ 528,000	
4.7	Park development - park exten	8	Ac	\$ 24,000			\$ 192,000
4.8	Parkway-UHT site	4500	LF	\$ 220		\$ 990,000	
4.9	Parkway - park extension	1800	LF	\$ 220			\$ 396,000
4.91	Trails - UHT site	4500	LF	\$ 240		\$ 1,080,000	
4.92	Trails - park extension	1800	LF	\$ 240			\$ 432,000
				Subtotal	\$ 1,442,000	\$ 3,948,000	\$ 1,350,000
	design / admin	25%			\$ 360,500	\$ 987,000	\$ 337,500
	contingency	15%			\$ 216,300	\$ 592,200	\$ 202,500
				<b>Core Amenity Subtotal</b>	<b>\$ 2,018,800</b>	<b>\$ 5,527,200</b>	<b>\$ 1,890,000</b>
<b>Source Totals</b>					<b>\$ 1,064,450</b>	<b>\$ 11,564,400</b>	<b>\$ 5,446,000</b>
<b>Grand Total</b>					<b>\$ 18,074,850</b>		

## Urban Design Concepts

**Table 3-3 Anticipated Public Costs Associated With Redevelopment  
Concept 2 - Eco Park**

Item	Description	Quantity	Unit	Unit Cost	UHT Redevelopment Items	UHT Riverfront Park Items	Park Extension Items
<b>1 Land Acquisition / Sale</b>							
1.1	UHT site - future development	8	AC	\$ 215,000	\$ (1,720,000)		
1.2	UHT site - future park	35	AC	\$ 215,000	\$ (7,525,000)	\$ 7,525,000	
1.3	Park exten. property N of UHT	1	LS	\$ 1,800,000			\$ 1,800,000
	Subtotal				\$ (9,245,000)	\$ 7,525,000	\$ 1,800,000
	due diligence	2%			\$ 184,900	\$ 150,500	\$ 36,000
	contingency	15%			\$ 1,386,750	\$ 1,128,750	\$ 270,000
	<b>Land Acquisition Subtotal</b>				<b>\$ (7,673,350)</b>	<b>\$ 8,804,250</b>	<b>\$ 2,106,000</b>
<b>2 Demolition / Clearance</b>							
2.1	UHT site	1	LS	\$ 2,500,000	\$ 2,500,000		
2.2	Park extension property	1	LS	\$ 1,000,000			\$ 1,000,000
	Subtotal				\$ 2,500,000	\$ -	\$ 1,000,000
	soil remediation contingency	25%			\$ 625,000	\$ -	\$ 250,000
	admin / testing	5%			\$ 125,000	\$ -	\$ 50,000
	contingency	15%			\$ 375,000	\$ -	\$ 150,000
	<b>Demolition Subtotal</b>				<b>\$ 3,625,000</b>	<b>\$ -</b>	<b>\$ 1,450,000</b>
<b>3 Core Infrastructure</b>							
3.1	Dowling Ave reconstruction	950	LF	\$ 600	\$ 570,000		
3.2	Washington Ave reconstruction	700	LF	\$ 800	\$ 560,000		
3.3	Utility undergrounding	1	LS	\$ 400,000	\$ 400,000		
3.4	Utility service stubs	1	LS	\$ 150,000	\$ 150,000		
3.5	Riverfront rainwater gardens	1	LS	\$ 320,000	\$ 320,000		
	Subtotal				\$ 2,000,000	\$ -	\$ -
	design / admin	25%			\$ 500,000	\$ -	\$ -
	contingency	15%			\$ 300,000	\$ -	\$ -
	<b>Core Infrastructure Subtotal</b>				<b>\$ 2,800,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>4 Core Amenities</b>							
4.1	Dowling Ave streetscape	1900	LF	\$ 240	\$ 456,000		
4.2	Washington Ave streetscape	1400	LF	\$ 240	\$ 336,000		
4.3	Eco Plaza	1	LS	\$ 650,000	\$ 650,000		
4.4	Riverbank restor'n - UHT site	4500	LF	\$ 300		\$ 1,350,000	
4.5	Riverbank restor'n - park exten.	1100	LF	\$ 300			\$ 330,000
4.6	Park development - UHT site	33	Ac	\$ 24,000		\$ 792,000	
4.7	Park development - park exten	8	Ac	\$ 24,000			\$ 192,000
4.8	Parkway-UHT site	4500	LF	\$ 220		\$ 990,000	
4.9	Parkway - park extension	1800	LF	\$ 220			\$ 396,000
4.91	Trails - UHT site	4500	LF	\$ 240		\$ 1,080,000	
4.92	Trails - park extension	1800	LF	\$ 240			\$ 432,000
	Subtotal				\$ 1,442,000	\$ 4,212,000	\$ 1,350,000
	design / admin	25%			\$ 360,500	\$ 1,053,000	\$ 337,500
	contingency	15%			\$ 216,300	\$ 631,800	\$ 202,500
	<b>Core Amenity Subtotal</b>				<b>\$ 2,018,800</b>	<b>\$ 5,896,800</b>	<b>\$ 1,890,000</b>
<b>Source Totals</b>					<b>\$ 770,450</b>	<b>\$ 14,701,050</b>	<b>\$ 5,446,000</b>
<b>Grand Total</b>					<b>\$ 20,917,500</b>		

Table 3-4 Anticipated Public Costs Associated With Redevelopment  
 Concept 3 - Urban Park

Item	Description	Quantity	Unit	Unit Cost	UHT Redevelopment Items	UHT Riverfront Park Items	Park Extension Items
<b>1</b>	<b>Land Acquisition / Sale</b>						
1.1	UHT site - future development	21	AC	\$ 215,000	\$ (4,515,000)		
1.2	UHT site - future park	22	AC	\$ 215,000	\$ (4,730,000)	\$ 4,730,000	
1.3	Park exten. property N of UHT	1	LS	\$ 1,800,000			\$ 1,800,000
				Subtotal	\$ (9,245,000)	\$ 4,730,000	\$ 1,800,000
	due diligence	2%			\$ 184,900	\$ 94,600	\$ 36,000
	contingency	15%			\$ 1,386,750	\$ 709,500	\$ 270,000
				<b>Land Acquisition Subtotal</b>	<b>\$ (7,673,350)</b>	<b>\$ 5,534,100</b>	<b>\$ 2,106,000</b>
<b>2</b>	<b>Demolition / Clearance</b>						
2.1	UHT site	1	LS	\$ 2,500,000	\$ 2,500,000		
2.2	Park extension property	1	LS	\$ 1,000,000			\$ 1,000,000
				Subtotal	\$ 2,500,000	\$ -	\$ 1,000,000
	soil remediation contingency	25%			\$ 625,000	\$ -	\$ 250,000
	admin / testing	5%			\$ 125,000	\$ -	\$ 50,000
	contingency	15%			\$ 375,000	\$ -	\$ 150,000
				<b>Demolition Subtotal</b>	<b>\$ 3,625,000</b>	<b>\$ -</b>	<b>\$ 1,450,000</b>
<b>3</b>	<b>Core Infrastructure</b>						
3.1	Dowling Ave reconstruction	950	LF	\$ 600	\$ 570,000		
3.2	Washington Ave reconstruction	700	LF	\$ 800	\$ 560,000		
3.3	Utility undergrounding	1	LS	\$ 400,000	\$ 400,000		
3.4	Utility service stubs	1	LS	\$ 500,000	\$ 500,000		
3.5	Riverfront rainwater gardens	1	LS	\$ 410,000	\$ 410,000		
				Subtotal	\$ 2,440,000	\$ -	\$ -
	design / admin	25%			\$ 610,000	\$ -	\$ -
	contingency	15%			\$ 366,000	\$ -	\$ -
				<b>Core Infrastructure Subtotal</b>	<b>\$ 3,416,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>4</b>	<b>Core Amenities</b>						
4.1	Dowling Ave streetscape	1900	LF	\$ 240	\$ 456,000		
4.2	Washington Ave streetscape	1400	LF	\$ 240	\$ 336,000		
4.3	Cascade Park	1	LS	\$ 650,000	\$ 650,000		
4.4	Riverbank restor'n - UHT site	4500	LF	\$ 300		\$ 1,350,000	
4.5	Riverbank restor'n - park exten.	1100	LF	\$ 300			\$ 330,000
4.6	Park development - UHT site	22	Ac	\$ 24,000		\$ 528,000	
4.7	Park development - park exten	8	Ac	\$ 24,000			\$ 192,000
4.8	Parkway-UHT site	4500	LF	\$ 220		\$ 990,000	
4.9	Parkway - park extension	1800	LF	\$ 220			\$ 396,000
4.91	Trails - UHT site	4500	LF	\$ 240		\$ 1,080,000	
4.92	Trails - park extension	1800	LF	\$ 240			\$ 432,000
				Subtotal	\$ 1,442,000	\$ 3,948,000	\$ 1,350,000
	design / admin	25%			\$ 360,500	\$ 987,000	\$ 337,500
	contingency	15%			\$ 216,300	\$ 592,200	\$ 202,500
				<b>Core Amenity Subtotal</b>	<b>\$ 2,018,800</b>	<b>\$ 5,527,200</b>	<b>\$ 1,890,000</b>
<b>Source Totals</b>					<b>\$ 1,386,450</b>	<b>\$ 11,061,300</b>	<b>\$ 5,446,000</b>
<b>Grand Total</b>					<b>\$ 17,893,750</b>		

Table 3-5 Anticipated Public Capital Costs Associated with Redevelopment À La Carte Amenity Enhancements That Could Apply to Any of the Alternatives

Item	Description	Quantity	Unit	Unit Cost	Amount
1	Dowling overpass enhance	1	LS	\$ 800,000	\$ 800,000
2	34th or 35th Ave ped bridge	1	LS	\$ 7,000,000	\$ 7,000,000
3	Trail on CP Rail bridge	1	LS	\$ 2,000,000	\$ 2,000,000
4	Rose Bee boat landing	1	LS	\$ 750,000	\$ 750,000
5	River Islands w/ ped bridge	1	LS	\$ 2,500,000	\$ 2,500,000
6	Moored barge	1	LS	\$ 500,000	\$ 500,000

## Development Program

All three urban design concepts suggest redevelopment based on housing with a small amount of retail included as a neighborhood amenity element.

The cross-sections below illustrate the various housing typologies envisioned for all of the alternatives: apartments, stacked row houses/condominiums and townhomes/stacked lofts.

The tables on the following pages provide details about the three development program including unit types, estimated market values, tax capacities and net Tax Increment that could be anticipated from the alternative assuming TIF is used as a financing tool.

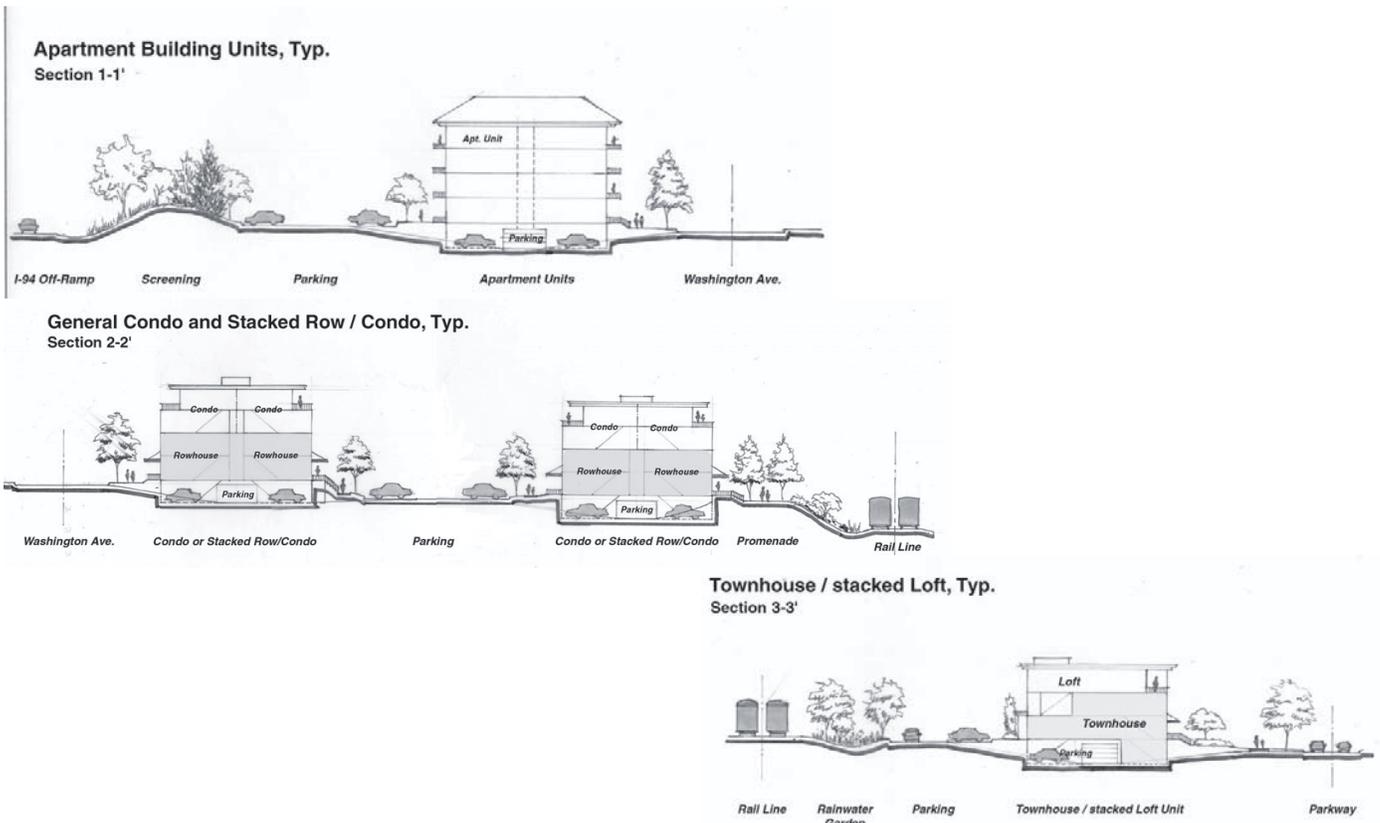




Table 3-7 Eco Park Development Program and Market Value

**Eco Park**  
**2**

Unit Type	Average Value / Rent	Range Value / Rent	West of Tracks	Approximate Footprint (Sq. Ft.)	Average Unit Size (Sq. Ft.)	# of Floors	Approximate Total Square Feet	Approximate Number of Units	Estimated Market Value
Apartment	\$1,250	\$1000-\$1500 (1BR - 2 BR)	BLDG. A	24,500	1,200	4	98,000	80 <sup>4</sup>	\$ 7,200,000 <sup>1</sup>
Apartment	\$1,250	\$1000-\$1500 (1BR - 2 BR)	BLDG. B	23,800	1,200	4	95,200	79	\$ 7,110,000 <sup>1</sup>
Condo (2-phase bldg)	\$275,000	\$225-\$325 (Condo)	BLDG. C	36,800	1,700	4	143,200	74 <sup>5</sup>	\$ 19,332,500 <sup>2</sup>
Condo (2-phase bldg)	\$275,000	\$225-\$325 (Condo)	BLDG. D	36,500	1,700	4	146,000	86	\$ 22,487,500 <sup>2</sup>
<b>Residential Totals</b>				<b>120,600</b>			<b>482,400</b>	<b>319</b>	
								<b>6.6</b>	<b>Units / Ac. Gross Density</b>
								<b>40</b>	<b>Units / Ac. Net Density</b>

<sup>1</sup> EMV of rental housing calculated using 6 times annual average rent  
<sup>2</sup> EMV of owned housing calculated using 95% of average value  
<sup>3</sup> EMV of commercial/office calculated using \$40/sf  
<sup>4</sup> First floor retail on Washington and Dowling  
<sup>5</sup> First floor retail on Washington and Dowling + Second floor neighborhood office  
<sup>6</sup> EMV of base value of TIF District based on sale price of land to developer  
 EMV converted to tax capacity using overall value ratio for project

Retail SF	3,000	Office SF	0
	8,000	# of Deduct Units	2
	\$ 1,720,000	# of Deduct Units	10

**Total Projected EMV \$ 56,870,000**

**Estimated Funding Capacity**

Total projected valuation (EMV)	\$56,870,000
Total projected taxable value (tax capacity)	611,175
Estimated base value of TIF District	(18,485) <sup>6</sup>
Captured value for TIF	592,690
Applicable tax rate	147%
Estimated annual tax increment	\$871,255
Deduct: City administration (10%)	(\$87,125)
Deduct: State Auditor's fee (0.36%)	(\$3,137)
Net tax increment for project	\$780,993
Present value parameters	
Rate	7.00%
Years	20
Projected total supportable expense	\$8,273,849
Capitalization (months)	36
Finance expense	2.00%
<b>Net funding for project costs</b>	<b>\$6,370,869</b>

Table 3-7 Urban Park Development Program and Market Value

**Urban Park**  
3

Unit Type	Average Value / Rent	Range Value / Rent	West of Tracks	Approximate Footprint (Sq. Ft.)	Average Unit Size (Sq. Ft.)	# of Floors	Approximate Total Square Feet	Approximate Number of Units	Estimated Market Value
Apartment	\$1,250	\$1,000-\$1,500 (1BR - 2 BR)	BLDG. A	21,500	1,200	4	86,000	70 <sup>4</sup>	\$ 6,300,000 <sup>1</sup>
Apartment	\$1,250	\$1,000-\$1,500 (1BR - 2 BR)	BLDG. B	16,500	1,200	4	66,000	55	\$ 4,950,000 <sup>1</sup>
Stacked Row/Condo	\$300,000	\$225-\$375 (Condo) - \$250-\$375 (Rowhouse)	BLDG. C	15,000	1,700	4	60,000	35	\$ 9,975,000 <sup>2</sup>
Stacked Row/Condo	\$300,000	\$225-\$375 (Condo) - \$250-\$375 (Rowhouse)	BLDG. D	21,000	1,700	4	84,000	49	\$ 13,965,000 <sup>2</sup>
Stacked Row/Condo	\$300,000	\$225-\$375 (Condo) - \$250-\$375 (Rowhouse)	BLDG. E	15,000	1,700	4	60,000	35	\$ 9,975,000 <sup>2</sup>
Stacked Row/Condo	\$300,000	\$225-\$375 (Condo) - \$250-\$375 (Rowhouse)	BLDG. F	18,500	1,700	4	74,000	44	\$ 12,540,000 <sup>2</sup>
				107,500			430,000	288	UNITS WEST OF TRACKS
<b>Unit Type</b>			<b>East of Tracks</b>						
Townhouse/stacked Loft	\$400,000	\$350-\$500 (Townhome) - \$250-\$375 (loft)	BLDG. G	18,000	2,700	3	54,000	20	\$ 7,600,000 <sup>2</sup>
Townhouse/stacked Loft	\$400,000	\$350-\$500 (Townhome) - \$250-\$375 (loft)	BLDG. H	16,500	2,700	3	49,500	18	\$ 6,840,000 <sup>2</sup>
Townhouse/stacked Loft	\$400,000	\$350-\$500 (Townhome) - \$250-\$375 (loft)	BLDG. I	16,500	2,700	3	49,500	18	\$ 6,840,000 <sup>2</sup>
Townhouse/stacked Loft	\$400,000	\$350-\$500 (Townhome) - \$250-\$375 (loft)	BLDG. J	16,500	2,700	3	49,500	18	\$ 6,840,000 <sup>2</sup>
Townhouse/stacked Loft	\$400,000	\$350-\$500 (Townhome) - \$250-\$375 (loft)	BLDG. K	16,500	2,700	3	49,500	18	\$ 6,840,000 <sup>2</sup>
Townhouse/stacked Loft	\$400,000	\$350-\$500 (Townhome) - \$250-\$375 (loft)	BLDG. L	16,500	2,700	3	49,500	18	\$ 6,840,000 <sup>2</sup>
Townhouse/stacked Loft	\$400,000	\$350-\$500 (Townhome) - \$250-\$375 (loft)	BLDG. M	16,500	2,700	3	49,500	18	\$ 6,840,000 <sup>2</sup>
				117,000			351,000	128	UNITS EAST OF TRACKS
<b>Residential Totals</b>				<b>224,500</b>			<b>781,000</b>	<b>416</b>	
								<b>8.8</b>	<b>Units / Ac. Gross Density</b>
								<b>22</b>	<b>Units / Ac. Net Density</b>

1 EMV of rental housing calculated using 6 times annual average rent  
 2 EMV of owned housing calculated using 95% of average value  
 3 EMV of commercial/office calculated using \$40/sf  
 4 First floor retail on Washington  
 5 First floor retail on Dowling & Parkway + Second floor neighborhood office  
 6 EMV of base value of TIF District based on sale price of land to developer  
 EMV converted to tax capacity using overall value ratio for project

**Estimated Funding Capacity**

Total projected valuation (EMV)	\$107,425,000
Total projected taxable value (tax capacity)	1,112,275
Estimated base value of TIF District	(46,748) <sup>6</sup>
Captured value for TIF	1,065,527
Applicable tax rate	147%
Estimated annual tax increment	\$1,566,324
Deduct: City administration (10%)	(\$156,632)
Deduct: State Auditor's fee (0.36%)	(\$5,639)
Net tax increment for project	\$1,404,053

Present value parameters	
Rate	7.00%
Years	20
Projected total supportable expense	\$14,874,560
Capitalization (months)	36
Finance expense	2.00%

**\$11,453,411**

**Total Projected EMV \$ 107,425,000**



## Chapter Four

### FEASIBILITY

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As mentioned early in this report, one of the primary reasons for conducting the Upper Harbor Terminal Redevelopment Study is to provide sound information that will assist the City of Minneapolis with making informed policy decisions about the site's future (redevelopment according to the vision established in the Above the Falls Plan or continued operation as a barge terminal or an alternative future). This report obviously offers alternatives and study information about only the redevelopment option. This chapter discusses the critical topics necessary to determine feasibility of the redevelopment alternatives prepared.

#### Market Feasibility

The Market Feasibility section discusses the feasibility of redevelopment alternatives in regard to market forces. This discussion builds from the market analysis presented in Chapter Two and a reaction to the way in which the redevelopment alternatives incorporate identified market forces.

In general, the proposed development programs suggested in all three of the redevelopment alternatives offer legitimate and realistic responses to the market challenges faced by housing redevelopment on the UHT site. The alternatives feature an appropriate mix of rental apartments and condominiums oriented to an array of visual and recreational amenities; the proposed programs are of appropriate volumes, character, and values and offer the potential to attract interest from qualified developers.

Aside from this general finding, we offer two comments to identify potential issues that might arise when and if plan implementation proceeds:

1. **Market Niche:** The proposed programs target generally high price tiers. This is appropriate for two reasons. First, the regional market shows indications that a well-designed project with ample recreational amenities and proximity to urban amenities can support prices in the proposed ranges.

Second, absent substantial subsidies, the costs of new construction push prices toward the high-end market tiers. While the work of

this study has not included detailed financial feasibility analyses, rough calculations indicate that even with high price points, the proposed projects will face challenges in generating acceptable returns. As such challenges arise, developers may seek relief (through public financial participation) from development cost burdens such as structured or underground parking, land costs, etc. The public costs contained in this study do not include these potential additional costs. Furthermore, the cost estimates in this study assume market rate housing development. If affordable housing is to be included in future UHT development, those costs would be in addition to the estimates in this study.

2. **Timing Issues:** Our assumption is that actual private development will not proceed until 2006 or 2007 at the very earliest. Developers' plans will rest in part on their understanding of the future vision for the UHT area. Future tenants' decisions will be driven in large part by the actual presence of core infrastructure and amenities described in Chapter 3. Therefore, private developers will require strong assurances regarding the design and timing of future physical improvements before they would be willing to invest substantial time, effort or money in a project on the UHT site.

## Transportation Feasibility

This section builds from the transportation analysis reviewed in Chapter 2 and summarizes the transportation issues associated with the redevelopment alternatives. In general, redevelopment of the UHT area will significantly alter the land uses thus affecting the type and magnitude of vehicular and pedestrian trips originating and ending in the study site.

### TRIP GENERATION

Trip generation estimates indicate that the redevelopment alternatives will result in new daily gross trips in the range of around 2,400 to 3,500 trips depending on the alternative. Peak hour estimates indicate a trip range of around 400 to 500 trips in the P.M. peak hour depending on the alternative. Table 4-1 shows the trips generated by the proposed redevelopment alternatives.

The proposed concept plans include some mixed use (condominiums over retail, office space), which would reduce the numbers of total trips leaving the site since some of the trips shown in Table 4-1 would be made between uses on the site. However, the internal trip capture rate is expected to be low due to the limited amount and location of the proposed uses.

It is also important to note that Table 4-1 identifies the gross number of

trips generated by proposed development and does not take into account the elimination of trips currently generated by existing industrial uses. Therefore, the net change in trips would be lower than the numbers identified in Table 4-1.

Table 4-1 - Trip Generation Summary Table

Village Park	Land use	Sq.Ft	DU	ITE CODE	AM PEAK			PM PEAK			Daily
					Total	In	Out	Total	In	Out	Total
	Condos			424	230	160	27	133	203	136	67
Retail	15000			820	52	32	20	180	86	94	644
Office	9000			710	27	24	3	89	15	74	99
<b>Total</b>					<b>239</b>	<b>83</b>	<b>156</b>	<b>472</b>	<b>237</b>	<b>235</b>	<b>3228</b>

Eco Park	Land use	Sq.Ft	DU	ITE CODE	AM PEAK			PM PEAK			Daily
					Total	In	Out	Total	In	Out	Total
	Condos			319	230	128	22	106	160	107	53
Retail	11000			820	43	26	17	146	70	76	472
Office	8000			710	25	22	3	88	15	73	88
<b>Total</b>					<b>196</b>	<b>70</b>	<b>126</b>	<b>394</b>	<b>192</b>	<b>202</b>	<b>2429</b>

Urban Park	Land use	Sq.Ft	DU	ITE CODE	AM PEAK			PM PEAK			Daily
					Total	In	Out	Total	In	Out	Total
	Condos			460	230	171	29	142	217	145	72
Retail	17000			820	56	34	22	195	94	101	730
Office	10000			710	30	26	4	91	15	76	110
<b>Total</b>					<b>257</b>	<b>89</b>	<b>168</b>	<b>503</b>	<b>254</b>	<b>249</b>	<b>3536</b>

**STREET SYSTEM**

The existing lane geometry at various intersections in the study area has reserve capacity that could be used effectively to accommodate the new trips generated by the proposed redevelopment, however, the design of any streets and trails that cross the rail line must be carefully designed to avoid conflicts and maximize sightlines. Multiple access points along 2nd Street serving the site should distribute the site traffic and relieve pressure on the intersection of Dowling Avenue/2nd Street North. A change in the lane pattern on Dowling Avenue at the 2nd Street North intersection should also be considered. The west leg of this intersection on Dowling Avenue is currently striped for a single shared lane and has parking on the north side. Consideration should be given to modifying and enhancing this intersection when Dowling Avenue is rebuilt as part of the proposed concepts.

The current street system is built to accommodate semi-trailer trucks and industrial goods movement, which means that lane widths at various locations in the study area are overly wide for the proposed development patterns

and should be narrowed as part of redevelopment implementation. Consideration should be given to using 11 feet as the standard lane width for Washington Avenue, 2nd Street and Dowling Avenue near the study area, which are classified as B Minor Arterials/Collectors. With the removal of the industrial uses in the Upper Harbor Terminal, the regional significance of these streets is reduced. Recognizing that there could be significant financial barriers, consideration should be given to removing the regional designation from some of these streets as part of redevelopment to allow for more flexibility in roadway design.

### **PEDESTRIAN, BIKE AND TRANSIT SYSTEM**

The pedestrian environment and bicycle facilities should also be enhanced as part of the redevelopment plan. The City of Minneapolis Bikeway Master Plan indicates several bike lanes (programmed as well as planned) near the study area. Stronger pedestrian linkages would enhance accessibility to the site apart from complementing the proposed land uses. Land bridges and landscaped crossings would provide effective connections to the neighborhoods across I-94 and would minimize the effect of the freeway from the standpoint of connectivity, but will need careful evaluation.

The proximity of the site to Downtown Minneapolis should not be ignored. There is the potential to link the study area to Downtown via transit service. Currently, Metro Transit has limited bus service to the area. Metro Transit is, however, in the process of completing the Sector 8 Planning Study, which includes North Minneapolis. Consideration should be given to connecting the study area to the rest of the region using transit service. The existing rail spurs and tracks in the study area also have the potential to provide transit connections in various forms like Light Rail Transit (LRT) or self-propelled commuter rail (DMU) cars.

### **TRANSPORTATION CONCLUSION**

It is estimated that the proposed alternatives will generate more traffic than what currently exists at the Upper Harbor Terminal. Impacts from this increase in traffic volume are expected to be minimal since the existing reserve capacity of the roadway infrastructure coupled with a range of transit, pedestrian and bikeway options should satisfactorily meet the future demand, regardless of redevelopment alternative. Refinements to the signal timing and intersection geometrics should be evaluated once a preferred development alternative has been determined. Similarly, once an alternative is chosen, the functional designations of the remaining roadways should be reevaluated and lane widths should be reduced appropriate to the adjacent development patterns. Pedestrian and bicycle enhancements will vary by alternative and should be incorporated into the design criteria for the chosen alternative.

## Infrastructure Feasibility

This section presents general conclusions about the ability of existing utilities (water, sanitary sewer, and storm sewer) to serve the redevelopment alternatives suggested for the Upper Harbor Terminal (UHT). In addition, the general concept and approach for innovative storm water management is described.

Due to the current industrial land use of the area, major trunk sanitary sewers, storm sewers, and water mains run either through or very near the site. In general, these utilities offer adequate and cost effective service to any of the redevelopment alternatives prepared.

The other consideration, besides capacity, is whether or not a utility will be in conflict with future development, and if so, will it be cost prohibitive to relocate it. There are few, if any, utilities that will be in conflict with the redevelopment alternatives. Those that might need relocation are small and the cost to do so would be relatively minor. Furthermore, this study assumes that utility improvements within the development site will be privately built and maintained.

The age and condition of the utilities within the study area are somewhat unknown. Even though they may be of adequate size and in the proper location, they may be deteriorated to the point they need rehabilitation or even replacement. Further field investigation would be necessary to make this determination.

### **WATER MAINS**

The numerous medium to large water mains in and around the site will provide sufficient water service and fire protection for the redevelopment alternatives. A 36-inch water main is located mostly outside the site boundary and is within an existing road right-of-way. There should be no need to relocate this main. 12-inch and 8-inch mains located within the site boundary could be in conflict with future development but they can be abandoned or relocated cost effectively.

### **SANITARY SEWER**

A 54-inch MCES sanitary sewer interceptor runs north-south through the site along the railroad tracks. Metropolitan Council Environmental Services will be evaluating this interceptor within the year to see if it should be put on a capital improvement plan for future repairs/replacement. If any development is to take place in the area it should be acknowledged that the pipe is of considerable age and may need repair work. The existing railroad tracks and easement remain at their current location in the three concept

alternatives and therefore it is not necessary to relocate the interceptor. If plans change, the interceptor could be relocated or rerouted but the cost would be high and would likely be charged to the development. Any relocation would require an ample easement for access and repairs.

The capacity of City sanitary sewer, along with the MCES interceptor, will be sufficient for future redevelopment of the site.

The sanitary sewer service lines from the terminal buildings tie directly into the MCES interceptor. New sewer service lines for the development could either tie into the existing city sewer system or into the interceptor. This will allow for very cost effective sewer service for the development.

### **NATURAL GAS LINES**

A 16-inch gas main is close to the south end of the site and would likely be adequate for providing gas service for future redevelopment.

### **STORM SEWER**

The storm water from 670 acres flows through the Upper Harbor Terminal site and discharges directly into the Mississippi River with little or no treatment. There has been an interest during this planning process to treat some of this "off site" storm water as part of the UHT redevelopment. This idea was evaluated and determined to be unfeasible mainly because the existing storm sewers are too deep to outlet the water to the surface and route it through an on-site treatment system. It has been determined that it is only practical to provide storm water treatment for the direct runoff from the site and not from any significant off-site areas. The non-conventional storm water approach for the UHT is described in detail below.

Several small storm sewer systems exist within the site to provide local drainage. These would likely be removed as part of any future redevelopment of the site and new storm sewers, ponding, swales, and other Best Management Practices would be installed. The cost for removal of existing storm sewers and the installation of new storm sewers will be typical of any new development.

## **Natural Systems**

### **STORM WATER MANAGEMENT APPROACH AND COST**

The site is envisioned to be a demonstration of how to effectively treat storm water with a treatment system that adds character and interest to a riverfront neighborhood. Instead of using the typical catch basins, pipes, and ponds, storm water will be drained and filtered/infiltrated through a mostly above ground conveyance and treatment system. The goal is to

reduce the volume of runoff by means of infiltration to the point where small storms produce no runoff leaving the site. This can be done with a series of infiltration basins constructed next to all roads, parking lots and buildings (impervious surfaces). It is most effective to infiltrate runoff as close to its source as possible. This will require many small basins next to impervious surfaces throughout the development. Large storms will also be treated but there will be an overflow conveyance system to carry the excess runoff to the river. An interesting and diverse array of plants and landscape features make this type of system an added amenity to the neighborhood while also providing excellent treatment of storm water before it discharges to the Mississippi River. This approach is a celebration of the storm event in the same vein as a child floating a tiny boat down a channel after a rainstorm.

In addition to the system described above, the development vision would reduce the area of impervious surfaces. In an urban setting, the vast majority of storm water comes from impervious surfaces. If the area of imperviousness can be reduced, the amount of polluted storm water will be reduced. There are many ways to reduce impervious surfaces such as narrow streets, pervious pavements, shared parking, and green roofs.

### Financial Feasibility

Redevelopment occurs only if it is financially feasible. Initial investigations suggests that public financial participation is needed to offset the additional costs of redevelopment and to attract the desired private investment. This section outlines the fiscal issues that will influence the implementation of UHT redevelopment. The section discusses the following topics:

- Maintenance costs of public improvements.
- Use of tax increment financing.
- Timing considerations
- Anticipated development project values

#### **MAINTENANCE COSTS**

All three concept alternatives suggest the creation and development of a large amount of public land and infrastructure. The long-term maintenance of these improvements on the part of the city and the MPRB will be essential for neighborhood success and is a significant factor in financial feasibility. Further identification and strategies for funding maintenance will be critical.

#### **USE OF TIF**

It is anticipated that tax increment financing (TIF) will provide the primary

funding source for City costs associated with UHT. The use of TIF is governed by a complex set of statutes. Several statutory factors, in particular, influence the application of TIF for redevelopment of UHT.

### **DISTRICT CRITERIA**

The establishment of a new "redevelopment" TIF district requires two existing conditions on the property to be included in the District:

- Parcels representing at least 70% of the proposed District are improved (are occupied by buildings, streets, rail yard, utilities, paved or gravel parking lots, or other similar structures).
- More than 50% of the buildings meet the criteria for "structurally substandard."
- These conditions must be reasonably distributed throughout the District.

It must be noted that the specific investigations needed to make these findings have not been performed as part of this planning process.

Whether the site meets these criteria can be established prior to the actual establishment of the District (see Minnesota Statutes, Section 469.174, Subd. 10d). Subject to the procedure requirements of this statute, buildings could be demolished up to three years before certification of the TIF District.

### **BASE VALUE**

When a TIF District is established, the current value forms the Original Tax Capacity (base) value. The property taxes attributable to this value are not captured for the purposes of generating tax increment. If a TIF district is established while a property is in public ownership, an appropriate base value will be established at the time of land transfer to a tax-paying entity. The analysis contained in this report assumes a base value equivalent to the sale price of land to private developers.

### **LIMITS ON USE**

State Law contains several provisions that constrain the use of tax increment financing to support public actions. Our interpretation of these limitations is:

- At least 90% of the tax increment revenues must be used to pay for "correcting conditions that allow designation of redevelopment districts" (see Minnesota Statutes, Section 469.176, Subd. 4j). The redevelopment activities listed in the statute include acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient

size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary to development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. Other activities can be financed provided that a link to redevelopment is established.

- There are limitations placed on the funding of enhanced public improvements (i.e. - streetscape) that are located outside of the TIF District (see Minnesota Statutes, Section 469.176, Subd. 4g).
- Tax increments cannot be used to finance a commons area used as a public park (see Minnesota Statutes, Section 469.176, Subd. 4l). Care will be needed in allocating costs between redevelopment and park purposes to maximize the funding capacity of TIF.
- State Law restricts the amount of tax increment that can be spent outside of the boundaries of the District (pooling). In a redevelopment district, not more than 25% of all tax increment can be spent on a combination of administrative expense and outside of District items.

### **TIMING CONSIDERATIONS**

Timing is an important element in the successful implementation of redevelopment plans for UHT. The following list highlights some key timing considerations:

- State Law sets a variety of time factors on the use of TIF. An important factor for the UHT is the five year rule (see Minnesota Statutes, Section 469.1763, Subd. 3). In simple terms, this rule creates a five-year window for spending or obligating the use of tax increments. The rule increases the importance of careful coordination between the timing of development and the establishment (certification) of the District.
- The implementation process seeks to have public investments occur in conjunction with private development. This coordination minimizes the timing gap between public expenditures and the receipt of revenues (land sale and tax increment) from development. It is possible, however, that preparation of this site for redevelopment (demolition, clearance, public improvements) will be needed to attract developers to this area. These actions make the new setting for Upper Harbor Terminal a real place and not just a paper plan. In practical terms, these actions also reduce the time lag between development agreement and construction.
- There is a two-and-a-half year lag between construction and the

receipt of tax increment revenues. Construction that is completed in 2004 becomes the basis for Estimated Market Value set on January 2, 2005. This value is used to calculate taxes payable in 2006, with the first half of the tax increment being received around July, 2006.

- It is unlikely that all redevelopment will occur at the same time. The phasing of development influences the creation of new property value and the flow of tax increment revenues.
- Careful consideration must be given to the timing of establishing a TIF district. The process will be a balancing act between preserving the authority to use TIF while avoiding potential limitations of statutory time constraints.
- If tax-exempt bonds are part of the finance plan, federal regulations impose timing limitations on the reimbursement of past expenditures with bond proceeds. These regulations become a factor if the City uses other funds for initial site development/improvement and seeks to restore these funds with a future tax-exempt bond issue.

### **ANTICIPATED PROJECT VALUES/ TIF FUNDING CAPACITY**

The development program tables in Chapter 3 identify anticipated property values generated from each redevelopment alternative and the preliminary analysis of funding capacity provided by tax increment financing. That analysis uses the following methodology and assumptions:

- The development program (type and amount of development) is described for each redevelopment alternative.
- Property values for the development are estimated.
- All of the new value from buildings is assumed to be captured by the TIF District.
- The Estimated Market Value is converted to tax capacity at the rate of 1%, the current rate for residential homestead property. (Non-homestead and commercial property will produce higher tax capacity values.)
- The annual tax increment revenue at full build out is calculated using a tax rate of 147%.
- The funding capacity is determined by calculating the present value of the tax increment over 20 years at an interest rate of 7.50%. The 20 year period provides some flexibility for growing into the full value.
- The "net funding" calculation subtracts estimated costs for finance expense and capitalized interest.

The table below summarizes the bottom line results of this analysis as also identified in Chapter 3.

**Table 4-2 - Tax Increment Financing Analysis and Comparison**

Concept	Market Value (EMV)	Annual Increment	Net Funding
Village Park	\$106,200,000	\$1,058,289	\$11,375,614
Eco Park	\$56,870,000	\$592,690	\$6,370,869
Urban Park	\$107,425,000	\$1,065,527	\$11,453,411

**CONCLUSIONS**

The preliminary TIF analysis completed as part of the planning process shows that TIF can be an important financial resource for the implementation of redevelopment in UHT. Further preparation for the actual use of TIF should not wait until redevelopment is eminent. Continued investigations should occur in the near term to better facilitate public participation in redevelopment. These next steps include:

- TIF district criteria. The ability to meet the statutory criteria for the establishment of a redevelopment district is a key to the use of TIF. Additional investigation would focus on the presence of improved parcels and structurally substandard buildings.
- Preservation of criteria. The establishment of a TIF district must be coordinated with development activity in UHT. Determining the buildings needed to meet the statutory criteria allows the City to preserve the ability to use TIF. Without a proactive approach, the demolition of structures prior to redevelopment could impair future actions to create a district.
- TIF district configuration. The exploration of redevelopment criteria leads to options for TIF district boundaries. The configuration of the district determines the parcels that will produce tax increment revenues and the limitations on where the revenues can be spent.
- Continued analysis. The analysis in this report is based on assumptions about private redevelopment and the property tax system. It is likely that these factors will change over time. Continued updating and refinement of the TIF analysis provides more accurate information on the capacity to fund public actions.

**Other Potential Funding Sources**

Tax increment financing is not the only means of funding public actions in UHT. This section highlights other potential funding sources. It is important

to note that we have learned from various public finding sources that they would be unlikely to cover the cost of the MPRB acquiring the UHT from the City because they are viewed as highly entwined, if not the same entity.

### **CITY SOURCES**

#### **TAX ABATEMENT**

Tax abatement acts like a simpler and less powerful version of tax increment financing. With TIF, the City controls the majority of property tax revenue from new development. Under the abatement statute (Minnesota Statutes, Sections 469.1812 through 469.1815), the City, County and School District have independent authority to grant an abatement. Abatement in Minnesota works more like a rebate than an abatement. The City (and other units abating taxes) adds a tax levy equal to the amount of taxes to be abated. The revenue from the abatement levy can be returned to the property owner or retained and used to finance development activities. Tax abatement can be used to finance the key redevelopment actions in the project area: land acquisition, site preparation and public improvements. State Law sets limitations on the amount, duration and use of tax abatement.

#### **SPECIAL ASSESSMENTS**

Public improvements are often financed using the power to levy special assessments (Minnesota Statutes Chapter 429). A special assessment is a means for benefiting properties to pay for all or part of the costs associated with improvements and to spread the impact over a period of years. From a City perspective, this authority provides an important means of raising capital. Special assessments can be used to finance all of the public improvements contemplated in UHT, including park development, streets, sidewalks, water, sanitary sewer, storm water, street lighting, streetscape, and public parking.

#### **SPECIAL SERVICE DISTRICT**

A special service district is a tool for financing the construction and maintenance of public improvements within a defined area. Minnesota Statutes, Sections 428A.01 through 428A.10 govern the creation and use of special service districts. A special service district provides a means to levy taxes (service charges) and provide improvements and service to a commercial area.

The service charge applies solely to non-residential property. State Law limits the application of a service charge to only property that is classified for property taxation and used for commercial, industrial, or public utility purposes, or is vacant land zoned or designated on a land use plan for commercial or industrial use. Other types of property may be part of the service district, but may not be subject to the service charge.

A special service district has several applications for UHT. The district can provide an alternative means of financing the construction of any of the public improvements discussed previously with special assessments. The service district approach avoids the benefits test imposed by special assessments; the test for the district is that the amount of service charges imposed must be reasonably related to the special services provided. The costs of parking or streetscape improvements, for example, may be better spread across a district than through assessments to individual properties.

An important use of the special service district is the maintenance of public improvements. Some of the improvements described in the plan require a level of maintenance above the typical public improvement. Items such as banners and planted materials must be maintained and replaced. Higher levels of cleaning and snow removal may be needed. Without a special service district, these costs are typically borne through the General Fund of the City.

### **HOUSING IMPROVEMENT AREA**

The City has the power to establish a special taxing district to make improvements in areas of owner-occupied housing (Minnesota Statutes, Sections 428A.11 through 428A.21). The housing improvement area is similar in concept to the special service district. It is a special taxing district that can be used to finance a variety of improvements. There is an important administrative difference with the housing improvement area. The City has the ability to assign the procedures for imposing "fees" and administering the area to an other "authority", such as the HRA or EDA.

A housing improvement area is a defined collection of parcels. The area may cover a single subdivision or a broader redevelopment area. The city has the power to levy a "fee" on the housing units in the area. This fee may work like a property tax or may be spread using another approach determined by the city. The fee can be collected through the property tax system.

The statute allows each city to define the nature of housing improvements. This tool can be used to finance any form of public improvement, including streetscape, parking and trails. A housing improvement area can also be used for private improvements that are part of new or existing housing developments.

### **PARK DEDICATION**

Minneapolis has not historically utilized park dedication fees to fund parks since most of the city's parks have been established for generations. However it may be worth considering establishing either a city-wide or a more limited special park dedication district within which private

developers are required to commit either land or cash on a one-time basis for park acquisition. These requirements can be tailored to apply only to market rate or higher value units.

### **FEDERAL SOURCES**

#### **ARMY CORPS OF ENGINEERS - ENVIRONMENTAL MANAGEMENT PROGRAM (EMP)**

The EMP is intended to ensure the coordinated development and enhancement of the Upper Mississippi River system, with primary emphasis on habitat rehabilitation and enhancement projects and long-term resource monitoring. The habitat project component includes dredging backwater areas and channels, constructing dikes, creating and stabilizing islands, and controlling side channel flows and water levels.

The authorized annual EMP funding is \$33,520,000. The fiscal year 2004 appropriation is \$19 million. The fiscal year 2005 President's budget amount is \$28 million. Project design and construction costs are 65% Federal and 35% non-Federal funding. Operation and maintenance costs are not eligible. Island creation, shoreland restoration and instream habitat structure would be fundable components of the design under this program.

#### **LAND AND WATER CONSERVATION FUND (LAWCON)**

The Land and Water Conservation Fund program provides matching grants to States and local governments for the acquisition and development of public outdoor recreation areas and facilities. The program is intended to create and maintain a nationwide legacy of high quality recreation areas and facilities and to stimulate non-federal investments in the protection and maintenance of recreation resources across the United States.

These appropriations require a congressional sponsor. Minneapolis has been successful attracting LAWCON funds in the past, most recently for the acquisition of the Riverview Supper Club property.

#### **NATIONAL PARK SERVICE - MISSISSIPPI NATIONAL RIVER AND RECREATION AREA (MNRRA)**

This local unit of the National Park Service known as "MNRRA" is currently establishing a process by which they can distribute \$1.9 million in funds received from restitution payments from Ashland Inc. While approval of the City's Critical Area plan will not be required for eligibility, it will be a factor in the ranking. At this time, specific guidelines or priority uses for the funds have not yet been established by MNRRA.

#### **TRANSPORTATION ENHANCEMENT FUNDS (TEA)**

Federal TEA funds have become a regular source of funding for innovative transportation projects like trails, pedestrian bridges and multi-modal transportation facilities. As of this writing Congress has not yet re-authorized TEA.

A SHPO Section 106 review is required in order to obtain federal sources through any of the above funds.

### **STATE SOURCES**

#### **METRO GREENWAYS - MN DNR**

The goal of this unique program of the MN DNR is to protect and restore a network of ecologically functioning lands within the Twin Cities metropolitan area. Funds are available for both acquisition and restoration. By virtue of the Upper Harbor Terminal's location on the Mississippi River, Metro Greenways funds could be used for land acquisition, native landscape restoration and shoreland stabilization and planting. This program encourages but does not require matching funds.

#### **OUTDOOR RECREATION GRANT - MN DNR**

This program funds park acquisition and development including trails, picnic shelters, boat access and fishing piers. Land proposed for development must be owned by the applicant or part of an acquisition project. A local match of 50% is required.

#### **MUNICIPAL STATE AID (MSA)**

Minneapolis receives MSA funds from the state for construction and maintenance of local streets that constitute part of the regional roadway system. Both Dowling and Washington Avenues in the project area are MSA-designated streets. Consideration could also be given to designating a proposed parkway as MSA. While this is a reliable sources of street funding, there are required design parameters such as greater street widths that can make designated streets higher speed and less pedestrian-friendly.

#### **METRO WILDLIFE CORRIDORS PARTNERSHIP**

This innovative partnership of 13 non-profit organizations and DNR programs aims to focus funding resources in twelve ecologically significant corridors in the metro area. One of these corridors is the Upper Mississippi River (#5) and includes the Upper Harbor Terminal. Funded by the Legislative Commission on MN Resources the project has a current appropriation of \$4.85 million with 25% of that being earmarked for restoration of native landscapes and 75% for land acquisition. Projects are determined by the individual partner organizations which include:

- Friends of the Mississippi River
- The Trust for Public Land
- Great River Greening
- DNR Metro Greenways

### **CLEAN WATER PARTNERSHIP/319 GRANT PROGRAMS - MN POLLUTION CONTROL AGENCY**

The MPCA uses both of these grant programs to support the efforts of local units of government and citizens to address nonpoint (runoff) sources of pollution. The programs provide financial and technical assistance for the study of water bodies experiencing pollution problems, development of action plans to address the problems, and implementation of the plans to fix the problems. Projects funded by both programs are led by local coalitions of those concerned about water quality in the area. The local applicant must match the grants awarded under both of these programs on a one-to-one basis.

These funds could be used to implement some of the innovative stormwater management components of the design concepts especially if those components could serve as a regional demonstration of alternative stormwater management.

### **REGIONAL SOURCES**

#### **METROPOLITAN COUNCIL - REGIONAL PARKS CAPITAL IMPROVEMENT PLAN**

The MPRB is one of ten regional parks agencies eligible for funding, 60% of which is funded by the state through the Legislative Commission on Minnesota Resources (LCMR), with 40% funded through Metropolitan Council bonding. Depending on the total amount available and the ranking of various projects, Minneapolis typically receives between \$2 and \$4 million per biennium in capital funding for its regional parks. The Upper Harbor Terminal project would need to be prioritized along with other Minneapolis regional parks needs to receive these funds.

In 2002 the Metropolitan Council approved the *Above the Falls Master Plan*, with the exception of “those lands currently used for commercial navigation purposes.” The effect of this is that the MPRB would need to request that the Metropolitan Council (which is made up of new members since 2002) revise the regional parks master plan to include the Upper Harbor Terminal and the Holcim sites before regional parks funds could be used.

If the regional parks master plan can be successfully amended, the City-owned Upper Harbor Terminal property would be eligible for park development and improvement capital costs but is not eligible for acquisition funds because it would be considered an intra-city transfer. The Holcim property, because it is not city-owned could be eligible for acquisition funds.

#### **METROPOLITAN COUNCIL - REGIONAL PARKS EMERGENCY ACQUISITION FUND**

Approximately \$3 million is currently available in this fund. The Metropolitan Council requires at least a 60% local match which could be funded through the regular Regional Parks Capital Improvement Plan. These

funds are available on a first come first serve basis between the ten regional parks agencies.

Again, use of these funds would require the regional parks master plan to be amended as described above and Upper Harbor Terminal property would not be eligible for acquisition funds because it would be considered an intra-city transfer. The Holcim property, because it is not city-owned could be eligible for these funds.

**MISSISSIPPI WATERSHED MANAGEMENT ORGANIZATION (MWMO)**

The MWMO has been a funding partner of the Upper Harbor Terminal Redevelopment Study and would likely be a funding partner for both land acquisition and stormwater management costs of the project.

**REGIONAL DEVELOPMENT GRANTS**

Programs like Metropolitan Council's Livable Communities grants and Hennepin Community Works' Transit Oriented Development (TOD) grants offer funds to projects that make transit options a central feature of a dense, walkable, mixed-use urban environment. The UHT redevelopment alternatives certainly demonstrate the principles sought for these grants.

**OTHER SOURCES**

**PRIVATE FOUNDATIONS AND INDIVIDUALS**

While not a common way to fund park land acquisition or improvement, many communities have solicited grants from private foundations to create parks. Numerous innovative methods have been used to involve members of the public in fundraising for park improvement. In Saint Paul, for instance, the city sold personalized paving stones with donor names or memorials along Harriet Island's riverwalk to raise funds for the park's rehabilitation.



## Chapter Five

# FINDINGS

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This chapter is a succinct compilation and weighted overview of the findings discussed in greater detail in Chapter Four.

### Overarching Messages

There are three overarching messages that the UHT Redevelopment Study wishes to emphasize:

- Land use transformation and housing redevelopment of the Upper Harbor Terminal site is complex but it has market viability and no insurmountable physical obstacles to redevelopment were discovered through the study.
- Strong collaboration between the City of Minneapolis and Minneapolis Park & Recreation Board will be pivotal for this complex redevelopment to occur.
- Because of the pioneering nature of housing redevelopment on the Upper Harbor Terminal, a redevelopment project will need significant up-front investment in core infrastructure and amenities to succeed.

### Other Findings

1. Dowling and Washington Avenues will need to be reconstructed, along with streetscape, within the development area to establish the urban neighborhood environment.
2. Riverfront enhancements with park, parkway and trails will be needed to establish the open space and recreational amenity.
3. Retail and office commercial uses are desired and suggested as part of the project, but accomplishing retail in this location will be a market challenge and may require special accommodations/subsidy.

4. To address housing absorption rates, we expect that development of the site would be conducted in multiple phases with a six to ten year build-out.
5. The development of upper-bracket housing oriented toward the river, like that suggested in concepts 1 and 3, should be considered within an early phase of development to enhance the market for more moderate-value, higher density housing west of the rail line.
6. Based on preliminary planning, it appears that the site may qualify as a redevelopment tax increment financing (TIF) district. Further study is needed to verify the findings required to establish a district at this location.
7. The timing of necessary public investments in infrastructure and amenities is a significant financial issue. The project will likely have multiple phases over several years, which suggests that most of the public investments will need to occur before the capture of TIF.
8. The most fiscally challenging concept elements to accomplish but, according to the community values communicated during the process, some of the most important are those elements that enhance the connection between the riverfront and existing neighborhoods west of I-94. Continued and long-term grass-roots support of these elements will be critical for their implementation.

## Chapter Six

### NEXT STEPS

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There are a number of important steps that can be taken in preparation for redevelopment of the Upper Harbor Terminal. But before steps toward redevelopment can occur, the City must continue the important debate and ultimately make the difficult policy decision about whether or not to close the barge terminal operation and when.

As mentioned earlier, this redevelopment study is partially intended to inform one option in the policy discussions - the feasibility of site redevelopment according to the Above Falls Master Plan. The other primary options that have been discussed outside of this study are to invest in and continue to operate the barge terminal or to operate a scaled-down terminal and redevelop a portion of the UHT site with compatible industrial uses.

The following next steps suggested for the redevelopment effort assume that a decision has been made to continue exploring the redevelopment option regardless of any definitive decision whether to close the terminal operation. The steps are by no means a complete listing of tasks needing to be done in preparation for this complex redevelopment. They are, however, tasks that will provide opportunities for making progressively more finite stages of decisions, gauge the relative difficulties that will inevitably be faced in redevelopment and provide essential information prior to soliciting development proposals.

#### **1. Formalize discussions about the project between the City of Minneapolis and the Minneapolis Park & Recreation Board:**

Without the commitment of both of these parties to redevelop the UHT property, redevelopment will either not proceed or it will proceed in a way that compromises community values for the project. The parties are encouraged to negotiate a “term sheet” that outlines the logistics of each party’s responsibility in the effort, including the terms of land conveyance between the City and Park Board.

- **Outcomes:** “term sheet” outlining each party’s responsibilities  
“go/no-go” decision on near-term redevelopment

**2. Complete a cultural resources assessment** to determine the historical significance of the UHT and Holcim sites, their eligibility for the National Register of Historic Places and local historic designation, and potential mitigation options.

- **Outcome:** understand impact of potential historical significance on redevelopment potential and vice versa

**3. Conduct a “blight analysis” to determine TIF eligibility:** This item includes a strategic determination about the extent of a possible TIF project area as well as an in-field blight analysis.

- **Outcome:** determine TIF eligibility

**4. Prepare an engineering study** of existing sanitary and water services in the study area and to analyze storm water mitigation.

- **Outcome:** determine extent of utility capital costs

**5. Prepare a phasing plan and link likely funding sources with capital project costs** and evaluate the likelihood of those funds being available. This would also include preparing a phasing plan that will break both the park and infrastructure costs into appropriate phases allowing the City and the Park Board to identify those costs and begin to integrate them into their respective Capital Improvement Programs.

- **Outcome:** understand financial gaps

**6. Negotiate the acquisition of private properties north of the UHT site.** This item will require significant capital expenditure prior to securing a redevelopment project but control of these properties is important in establishing the future amenity package for the development.

- **Outcome:** control of all property needed for redevelopment plan

**7. Talk to Mn/DOT about plans for I-94** to gain a mutual understanding about planned and envisioned capital improvements.

- **Outcome:** plant a seed with the agency about an expanded vision for bridging I-94

**8. Conduct contamination and geotechnical testing:** An updated and more in depth understanding of the soils on the site will be needed to determine potential remediation costs as well as to satisfy developability questions in the minds of potential development partners. These tests should be conducted after a more precise nature and location of future development has been determined.

- **Outcome:** anticipate contamination remediation costs

**Next Steps**

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Completion of these items will provide an added level of detail about the feasibility of the project as well as provide the basic assurances to the development community that the City is committed to redevelopment of the UHT site and development has a very reasonable chance to succeed.

## Appendix A

### FEBRUARY 12TH, 2004 SCOPING WORKSHOP

The UHT Community Scoping Workshop on February 12<sup>th</sup> was attended by approximately 60 people. Participants represented a broad spectrum of community members and stakeholders, including local residents, business owners, property owners, neighborhood organizations, environmental organizations, the City of Minneapolis (staff and elected officials), Minneapolis Park and Recreation Board (staff and elected officials), Hennepin County, the Minnesota DNR and the Army Corps of Engineers.

Mayor R. T. Rybak and Third Ward Council Member Don Samuels kicked off the workshop with a brief introduction to the project. The Mayor spoke about the enormous opportunity at hand to reshape this key riverfront area, and of the importance of connecting neighborhoods to the river. CM Samuels spoke about the need for a new approach to the river, one in which people embrace the river, rather than avoiding it, and where people from diverse backgrounds can gather and come together.

Betsy Otto from American Rivers gave a short presentation on incorporating ecological design principles into riverfront development and introduced the American Rivers publication, *River of Renewal – A Vision for Reconnecting Communities to a Living Upper Mississippi River*.

Bruce Chamberlain of Hoisington Koegler Group, inc. presented background on the Above the Falls Plan and information about the context of the UHT site (history, ecology, infrastructure, adjacent land uses, challenges to site transformation, etc.)

Workshop participants were then organized into small groups and asked to discuss specific questions, develop a list of responses, and then come to group consensus about the top three replies to each question. Individuals were allowed to write down a “minority” response if so strongly desired. Responses given at the scoping workshop are listed below, grouped by question and then organized into unifying themes for each of the following questions.

1. How does the UHT site, as it exists today, impact your quality of life and the life of the community?

2. If the UHT site is transformed, what are your hopes for the site? If the UHT site is transformed, what might be your concerns?
3. Using your imagination, describe the qualities (Character) you would like to see in the UHT's future

## 1.) IMPACT - How does the UHT site, as it exists today, impact your quality of life and the life of the community?

### ENVIRONMENTAL

#### CONSENSUS RESPONSES:

- Its ugly & noisy
- It is ugly
- Real & perceived environmental impact
- No environmental benefit
- Environmentally degraded
- Pollution source
- We think the usage generates pollution

#### MINORITY RESPONSES:

- Negative environmental impact, water quality impacted by runoff , no river access
- Banks of river is dirty for recreational purpose

### RIVER ACCESS

#### CONSENSUS RESPONSES:

- Separates N. Mpls. from river
- Separates people from the river
- Barrier – prevents community access to the river
- Barrier to river & communities
- Public can't access river there (but can elsewhere)
- River not part of community life

#### MINORITY RESPONSES:

- Safety is an issue as far as using river-access
- Park access is cut off from downtown & N. Mississippi

### ECONOMIC

#### CONSENSUS RESPONSES:

- Property value impacts

- Source of Employment
- Net local economic drain
- Lost economic opportunity
- Economic activity

**MINORITY RESPONSES:**

- River Services brings valuable jobs to neighborhood residents and millions of dollars of commerce to the 3<sup>rd</sup> ward.
- Money loser for city?
- Economically city loses money on Terminal - loss of locks if barge traffic decreases?

**OTHER**

**CONSENSUS RESPONSES:**

- Central storage for bulk materials

**MINORITY RESPONSES:**

- Economic and environmental benefit of being part of a global transportation system

**2a.) HOPES – If the UHT site is transformed, what are your hopes for the site?**

**GREEN**

**CONSENSUS RESPONSES:**

- Limited hardscapes
- Clean & repair past abuses of river
- Green amenity
- Integrate env. & housing & green
- More green space along river, keep access & parking free.
- Health of river

**MINORITY RESPONSES:**

- More green space as habitat restoration,
  1. Control of runoff,
  2. More shoreline restoration than previous hi-density housing projects,
  3. More housing that is affordable for neighborhood residents,
  4. No h-rise,
  5. No green & geese

## **CONNECTIONS**

### **CONSENSUS RESPONSES:**

- Reconnect community to/along river
- More access –reconnect to river
- Connect with integrate with downtown
- Enhance access-ability – run, bike & walk to river
- Reconnect neighborhoods to river
- Public access

## **ECONOMIC**

### **CONSENSUS RESPONSES:**

- Enhanced tax base
- More tax base for city
- Mixed income property development with enough tax base to pay for redevelopment
- Loss of jobs/commerce, parkland should be more than grass & geese –restore riparian habitat

## **HOUSING TYPES**

### **CONSENSUS RESPONSES:**

- Is housing the right answer? What kind? Density? No gentrification, no high-rises
- A mix of housing styles & costs

## **PUBLIC SPACES**

### **CONSENSUS RESPONSES:**

- A focal attraction point – int'l market square or amphitheater
- Attractive destination for community gathering

## **OTHER**

### **CONSENSUS RESPONSES:**

- Neighborhood unique to Minneapolis & Mississippi River
- To find another site for dredge disposal

### **MINORITY RESPONSES:**

- Hope that the navigation channel remains open, Hope the city can find a way to integrate the industrial with the community

## 2b.) CONCERNS-If the UHT site is transformed, what might be your concerns?

### LAND USE/HOUSING TYPES CONFLICTS

#### CONSENSUS RESPONSES:

- Strip malls & suburban architecture trap
- Housing compatibility, housing style, size etc.
- Don't create new barrier/be exclusive
- Green space will wind up as a narrow strip that doesn't accommodate & ruins the view from the river
- Could become isolated enclave
- Not finding right balance development vs. green space
- Mixed affordable housing
- Impact on commercial industrial neighbors
- Over development – limited views, too dense, too tall, too much concrete
- Respect height & setback requirements
- Do not want high rises or high-density housing
- Would try to emulate South. Mpls. Neighborhoods along river – need more density (more people more safety)

#### MINORITY RESPONSES:

- Wouldn't want to see another high-end condo-TH development. Have a mixed income, mixed use development
- No buildings over 1 story

### ECONOMIC

#### CONSENSUS RESPONSES:

- Potential to lose commercial river navigation
- Loss of jobs & barge shipping
- Developer subsidy cost
- Market feasibility?

#### MINORITY RESPONSES:

- Loss of jobs, commerce & gentrification
- Cost of premeditating the contamination and who/how it will be paid for.
- The navigation use of the area will be eliminated. Concerns that industry is being chased out of the city

## **OTHER**

### **CONSENSUS RESPONSES:**

- Conflicting interest impasse
- Traffic – housing density must be site appropriate
- Parks & trails system too small

### **MINORITY RESPONSES:**

- Parkland –100% only
- Equal access for all people (cost, wheel-chair friendly, all ages)

## **3.) QUALITIES - Using your imagination, describe the qualities (Character) you would like to see in the UHT's future**

## **URBAN DESIGN/AESTHETICS**

### **CONSENSUS RESPONSES:**

- Elements of traditional urban design
- Pavilion, like in Stillwater
- Urban oasis
- Aesthetically pleasing architecture
- Low-mid rise scale
- Low rise
- Harmonious & integrated
- Warm, welcoming & open (inviting)
- Unique design with fun history

## **ENVIRONMENTAL/HISTORIC**

### **CONSENSUS RESPONSES:**

- Education about wildlife, environment, & history
- Harmonious – river w/community. Regardless of land use (inc. currant), access for multi-uses. Could we have a tourist attraction to working river?
- 100% open – semi-forested greenspace & natural animal habitat
- Restore habitat using native species
- A clean river
- River of healing
- More nature & trees along river front with easy public access

- Reforestation – afforestation
- Improve ecological function

## **CONNECTIONS**

### **CONSENSUS RESPONSES:**

- Connect the Mill City and the North Mississippi regional Park via one pathway
- Attention to / sculpted with terrain
- Transit links to downtown
- Cohesive tie to the North Mississippi Regional Park

## **OTHER**

### **CONSENSUS RESPONSES:**

- This process is designed presuming a particular outcome & is therefore flawed
- Better/longer citizen participation; go where the people are
- Congregate all river dependent industries onto this site in a beautiful industrial park
- Tax revenue - Producing clean businesses with jobs
- User friendly regional attraction

### **MINORITY RESPONSES:**

- If Olympics come to Minneapolis, use area along river for Olympic village



**Appendix B**  
FEBRUARY 24TH, 2004 COMMUNITY DESIGN  
WORKSHOP RESULTS

# Appendix B

Figure B-1 - Scoping Workshop Summary 1

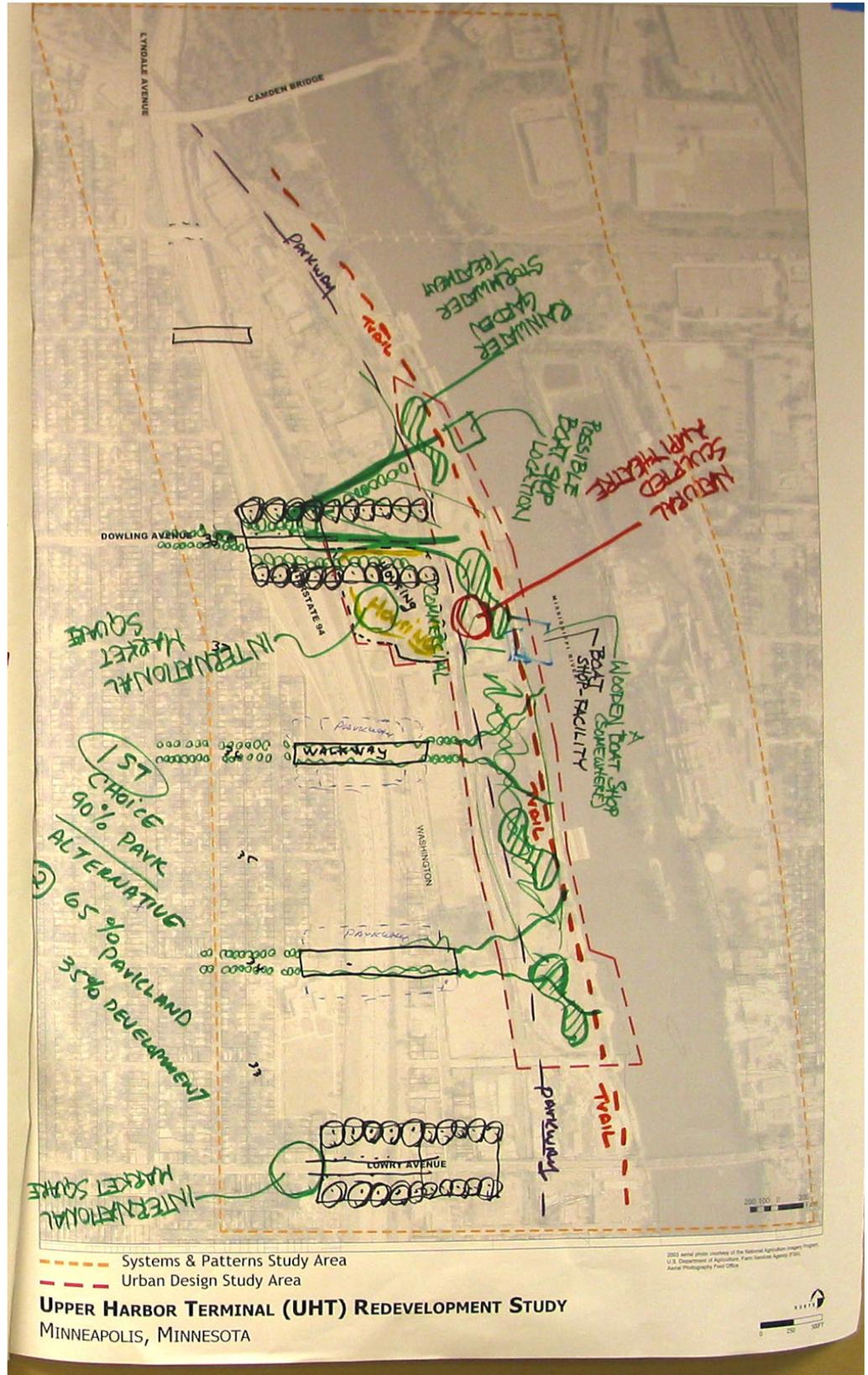


Figure B-2 - Scoping Workshop Summary 2

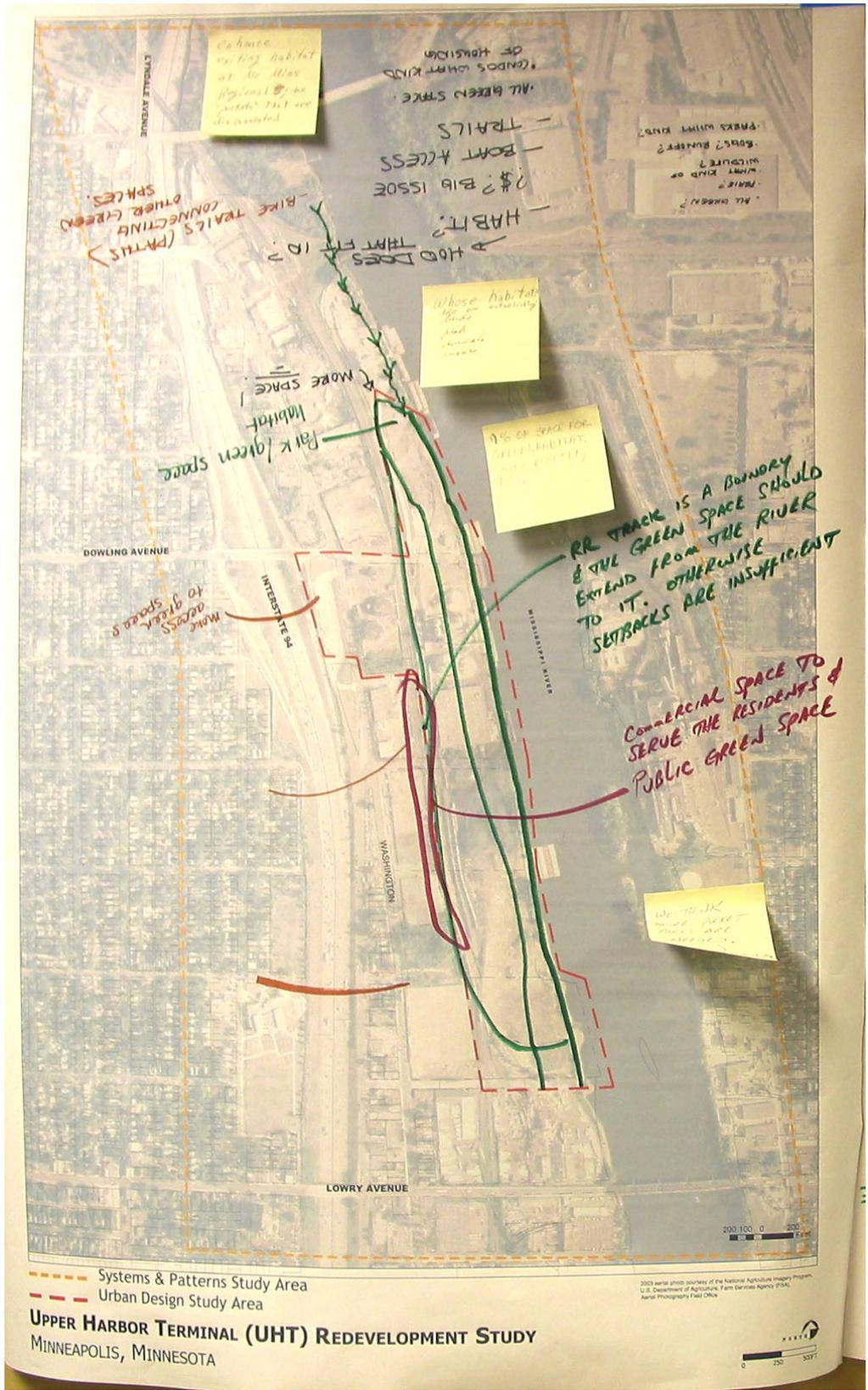


Figure B-3 - Scoping Workshop Summary 3



# Appendix C

## MARCH 2ND - 4TH, 2004 DESIGN CHARRETTE RESULTS

### Design Charrette

Locations: Urban League, 2100 Plymouth Ave. n. Mpls.

Dates: March 2 – 4th, 2004

#### **SUMMARY AGENDA:**

##### **TUESDAY, MARCH 2<sup>ND</sup>**

Welcome and Orientation

Expert presentations

Project team debriefing – produce analysis drawings, see fig C-1

##### **WEDNESDAY, MARCH 3**

Stakeholders and Project Team work on concepts

5-6:30pm Public Open House

- Visual listening exercise – input on desirable development, see fig. C-2 through C-6
- Feedback on concept alternatives

##### **THURSDAY, MARCH 4**

Project Team Studio Session

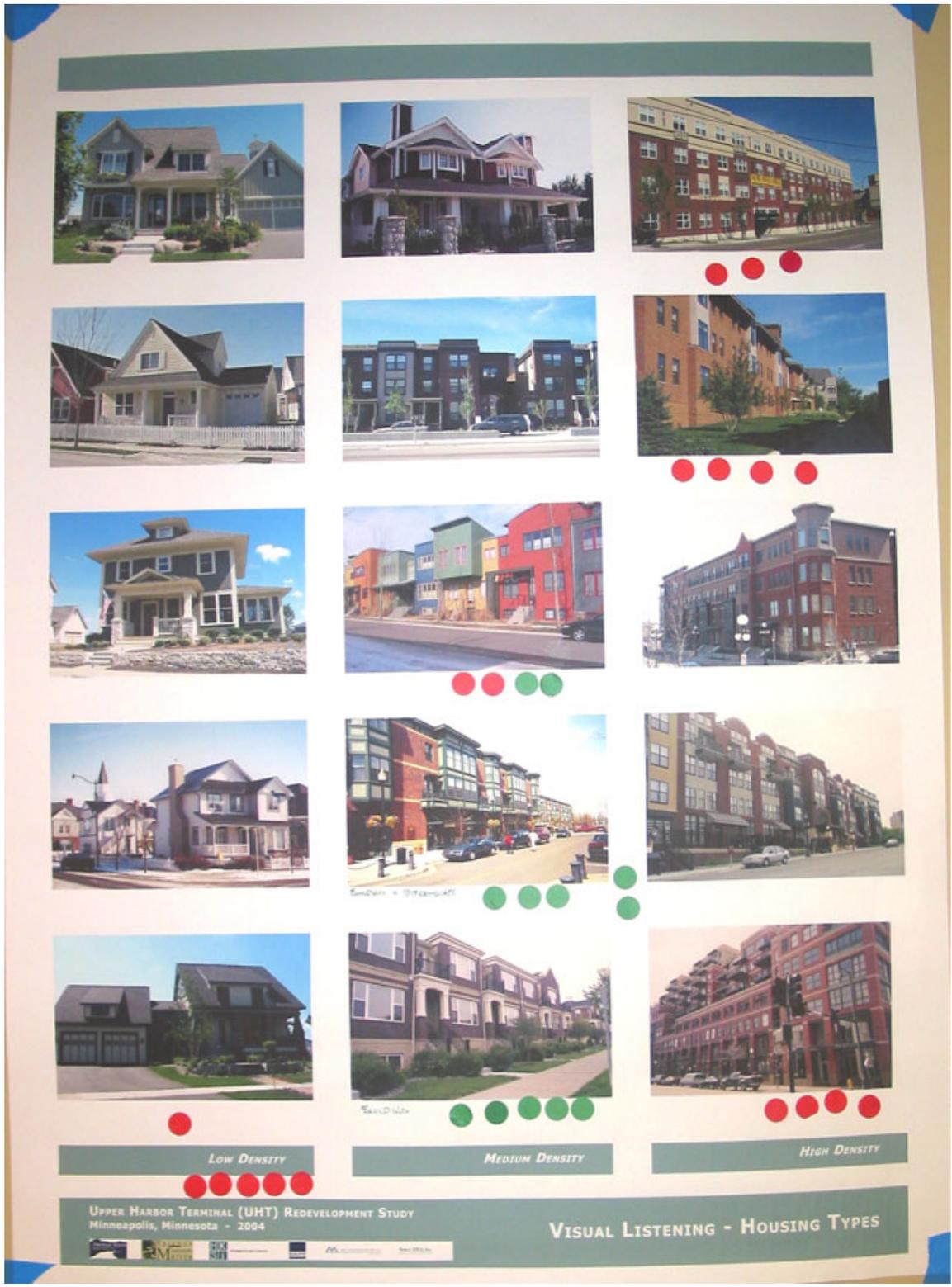
- Refine concept plans
- Create typology sketch boards, see fig C-7 through C-11

5 – 7pm Public Open House

- Feedback on refined concepts



Figure C-2 Visual Listening-Housing Types



UPPER HARBOR TERMINAL (UHT) REDEVELOPMENT STUDY  
Minneapolis, Minnesota - 2004

VISUAL LISTENING - HOUSING TYPES

# Appendix C

Figure C-3 Visual Listening-Open Space

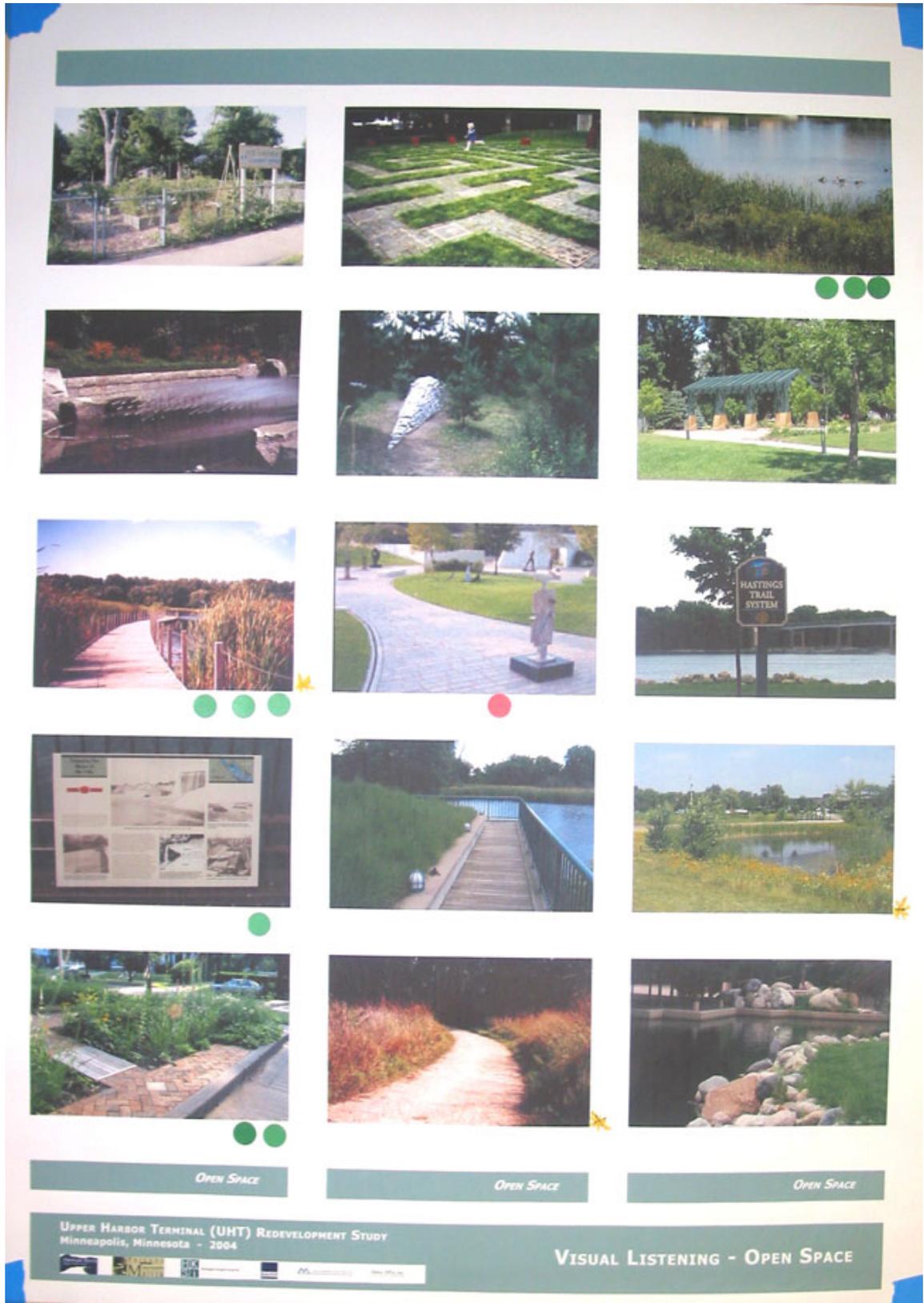
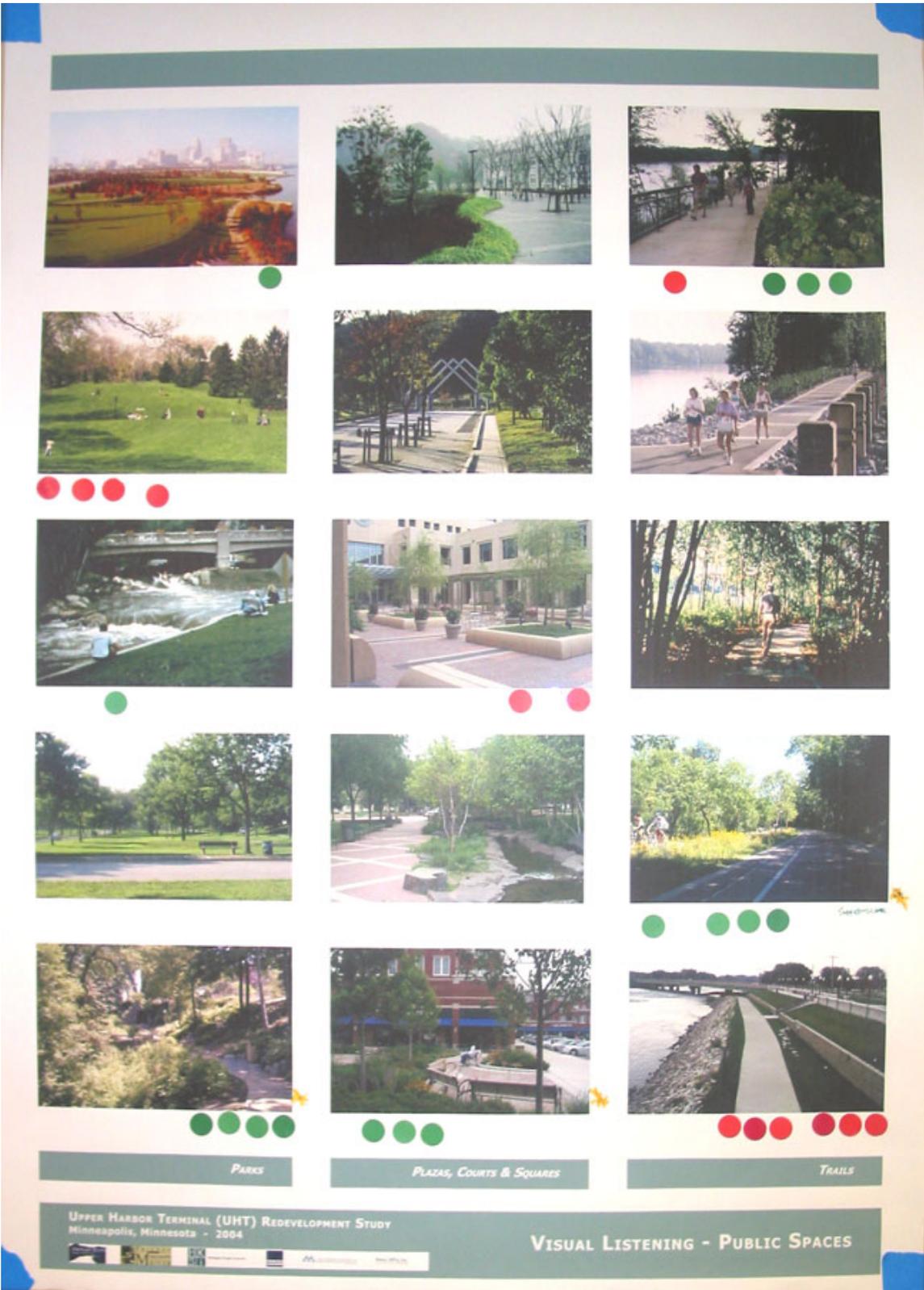


Figure C-4 Visual Listening-Public Spaces



# Appendix C

Figure C-5 Visual Listening- Streetscapes

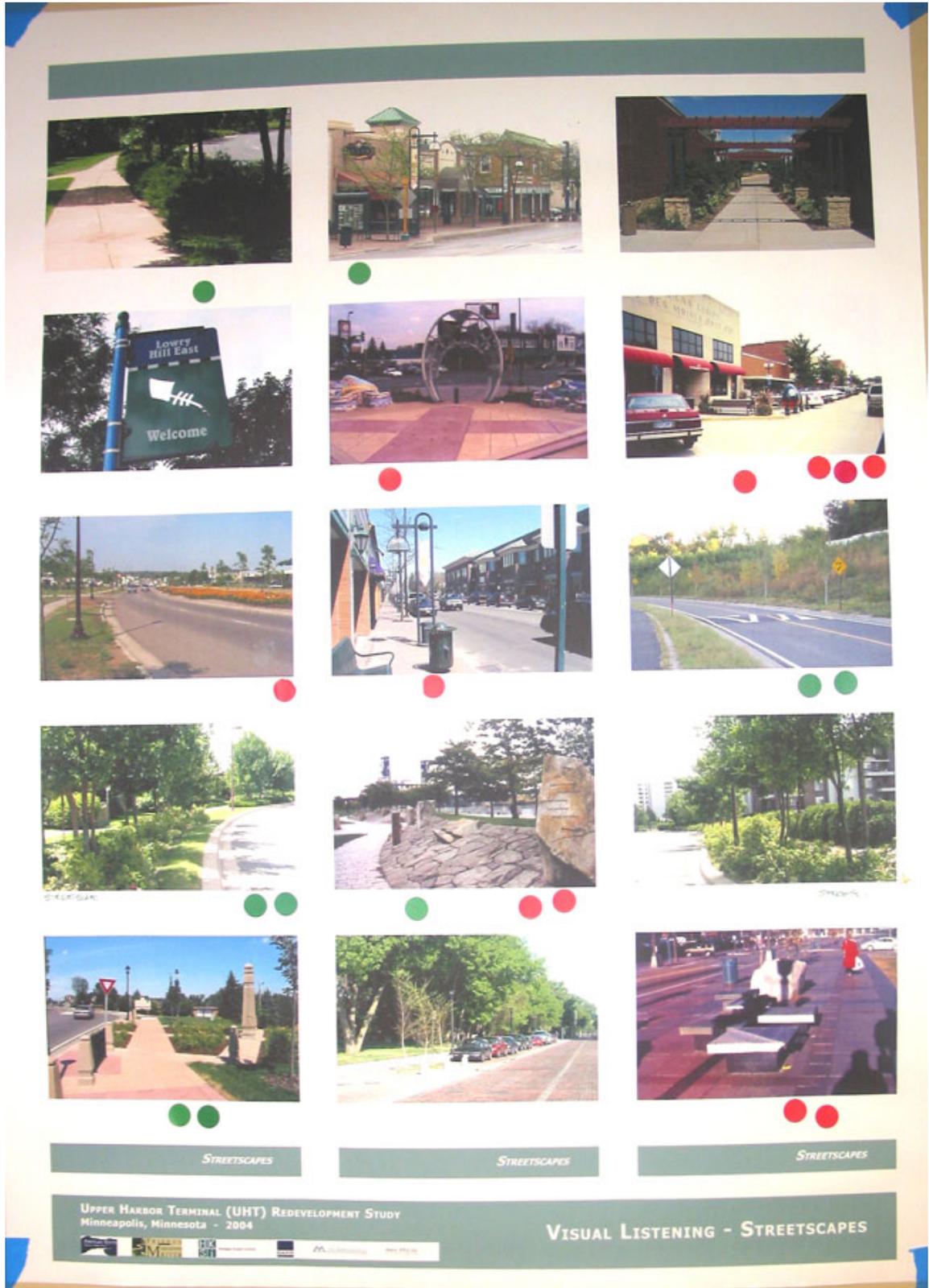
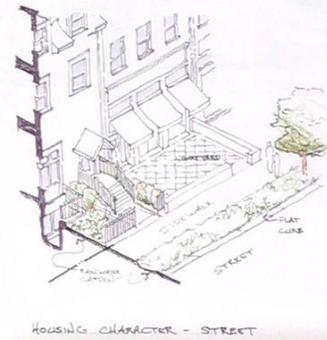
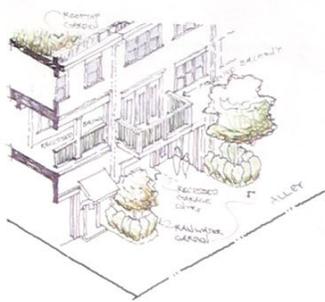


Figure C-6 Visual Listening-Waterfront



Figure C-7  
Typology Sketches-  
Buildings



UPPER HARBOR TERMINAL (UHT) REDEVELOPMENT STUDY  
Minneapolis, Minnesota - 2004



Figure C-8 Typology Sketches-Open Space Upland and Stormwater



UPPER HARBOR TERMINAL (UHT) REDEVELOPMENT STUDY  
Minneapolis, Minnesota - 2004

OPEN SPACE - UPLAND & STORMWATER

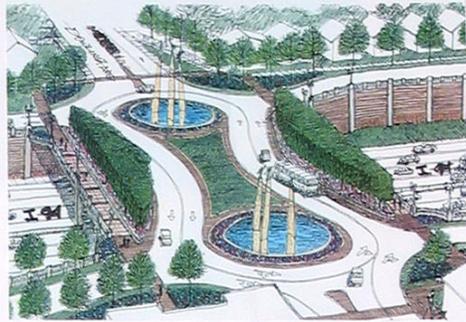
Figure C-9 Typology  
Sketches-Open  
Space Recreation  
and Shoreline  
Opportunities



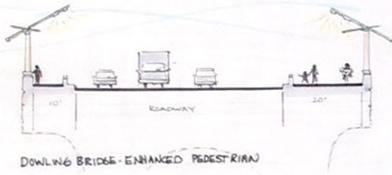
Figure C-10  
Typology Sketches  
Streets



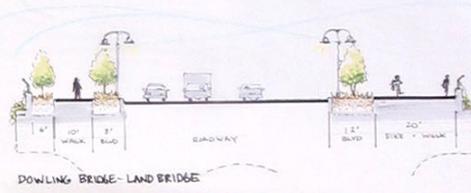
EXISTING DOWLING



EXAMPLE LAND BRIDGE - PROPOSED I 94/DOWLING



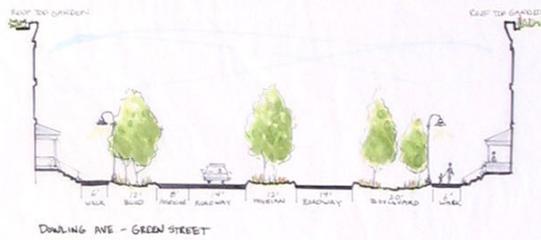
DOWLING BRIDGE - ENHANCED PEDESTRIAN



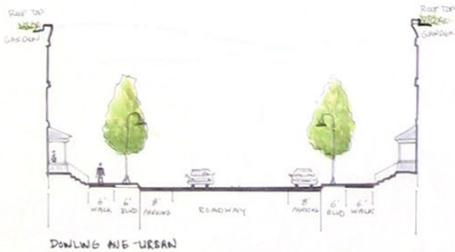
DOWLING BRIDGE - LAND BRIDGE



EXAMPLE PLANTED BOULEVARD



DOWLING AVE - GREEN STREET

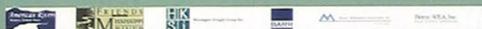


DOWLING AVE - URBAN



EXAMPLE HOUSING

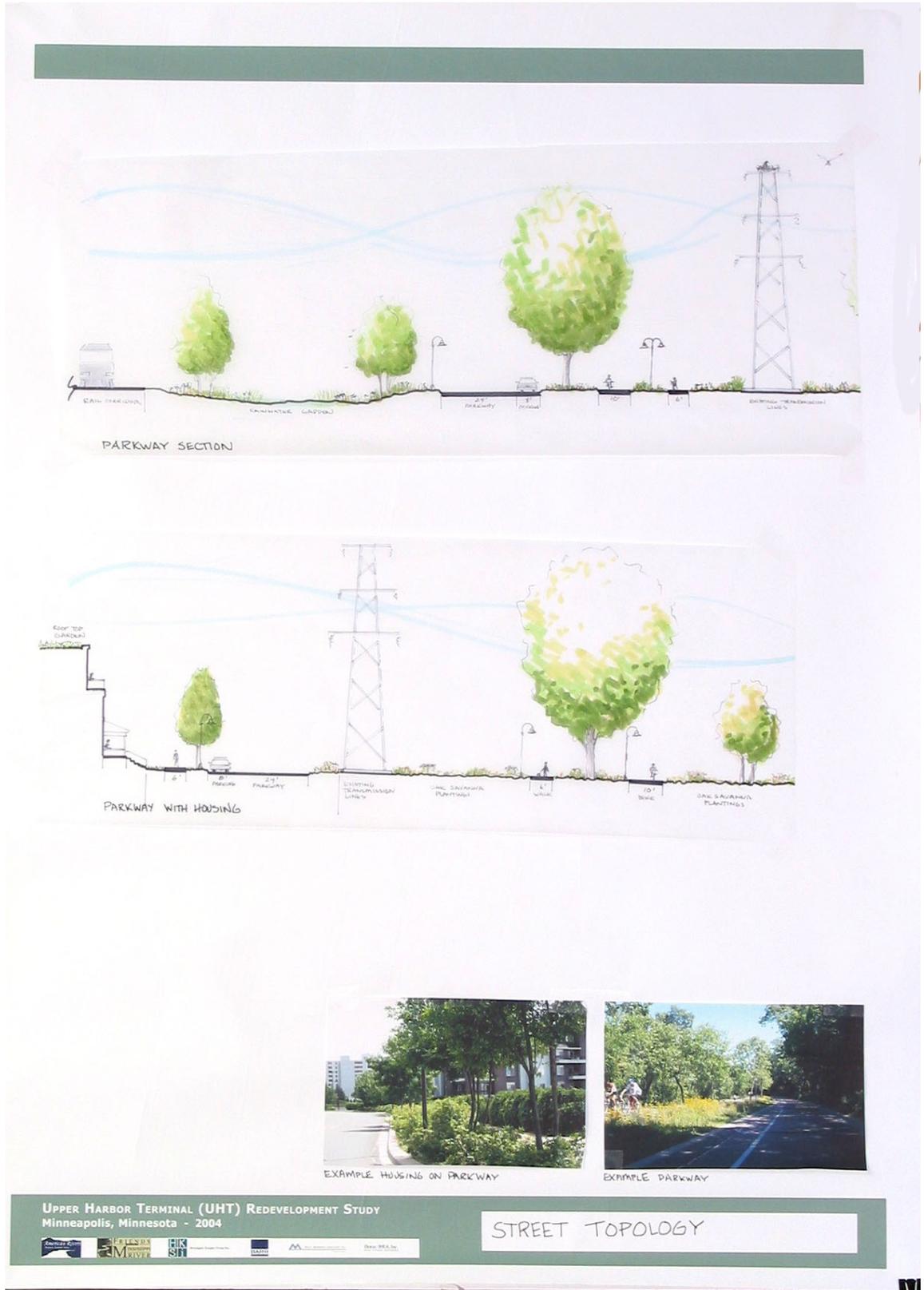
UPPER HARBOR TERMINAL (UHT) REDEVELOPMENT STUDY  
Minneapolis, Minnesota - 2004



STREET TYPOLOGY

# Appendix C

Figure C-11  
Typology Sketches  
Streets



## Appendix D

### JUNE 22ND, 2004 PUBLIC OPEN HOUSE

A public meeting was held prior to the Above the Falls Citizen Advisory Committee on June 22, 2004 to present the findings of the feasibility analysis to AFCAC members and other interested stakeholders. Approximately 35 people attended, 11 of them from the AFCAC. Participants were given the opportunity to “vote” for their preferred alternative and up to five amenities. The results are summarized below.

#### Design Alternatives

Each participant was given one dot to place next to their preferred alternative

Alternative 1 “Village Park”	0
Alternative 2 “Eco Park”	9
Alternative 3 “Urban Park”	7

#### Park and Development Amenities (interchangeable between plans)

Each participant was given five dots to place next to priority amenities

Rose Bee tug boat and excursion landing	1
Moored barge in river with reclaimed native habitat and/or gathering space.	1
Restored off-shore islands with a bridge or ferry connection	3
Oak savanna restoration/natural areas	8
Canoe launch, small boat storage/rental	3
Boat Building program/facility (Urban Boatbuilders)	5
Fishing piers/observation platforms	2
Picnic and barbeque area	3
Trail connection to North Mississippi Regional Park	7
Trail connection across the CP railroad bridge	5
Public art and interpretive signage to celebrate the river’s ecology and industrial history	1
Cascade Park– a series of highly designed terraces and spillways to treat storm water and provide an urban park/plaza at Dowling.	5
Enhanced landscaping / streetscape on Dowling Ave. bridge.	1
Expand terrace / decking across the Dowling Ave. bridge.	8
Pedestrian bridge over I-94 at 34 <sup>th</sup> Ave.	7
Commercial/retail at intersection of Dowling Ave. and river parkway	8
Recognize potential commercial locations south along Washington Ave.	0
Gateway elements/features at intersection of Dowling Ave. and I-94 off ramps.	1

