

## 7. Economic Development Plan

### Market Overview

Cedar Riverside enjoys a number of remarkable assets and advantages such as transportation and transit access, proximity to downtown and the Mississippi River, a well-established arts and entertainment district, successful destination retailers, and three major institutions that draw students, employees and visitors to the area. These factors contribute to the continued success of its unique and diverse business mix.

The neighborhood is home to approximately 3,000 households. However, the median household income is approximately one-third that of the City of Minneapolis as a whole. Consequently, the buying power of the neighborhood residents is insufficient to sustain healthy commercial corridors along Washington/Cedar and Riverside or attract a broad range of new businesses by itself. To succeed, businesses must capture not only the buying power of area residents, but also students, employees and visitors associated with area institutions, as well as customers from throughout the metropolitan area who are drawn to destination-oriented businesses, theater, dining, and entertainment venues.

Approximately 5,900 people are employed at the West Bank Campus of the University of Minnesota, Fairview University Hospital and Augsburg College. Many of these employees possess disposable incomes substantially higher than the area's residents. The market analysis summarized in Chapter 3 conservatively estimates that \$3 million in additional buying power may be available annually, primarily associated with the 3,000 employees who work year-round at Fairview University Hospital.

While abundant assets exist to perpetuate the future health of the market in the neighborhood, some challenges do stand in the way of realizing its full potential. A disconnected street grid makes driving, walking, and biking to area businesses confusing. The lack of physical connections also makes wayfinding to businesses and parking facilities difficult for visitors. Additionally, the neighborhood experiences both real and perceived safety issues. Crime does occur in Cedar Riverside but not at the level many non-residents speculate. Chapters 6 and 8 describe in more detail changes that can make a big difference to the physical environment for both safety and connectivity.

### Economic Development Strategy

The City hired Economic Development Services to work with the community throughout the planning process to devise an economic development strategy for Cedar Riverside. Overall, the neighborhood has a tremendous amount of business, location, transit, and other assets. These assets will be the key to achieving a strong economic development vision that includes:

- Strong connections between the neighborhood and its key economic assets (i.e. U of M, Augsburg, and Fairview Hospital)
- A successful collection of destination businesses in the active lifestyle, nature/outdoors, folk art and music traditions
- A business mix that attracts the large concentration of students, faculty, employees, visitors and residents that together create significant buying power
- A long heritage and continuing role as a place for recent immigrants and ethnically-oriented businesses in all parts of the neighborhood
- Increased connections between the neighborhood's concentration of theater, dance, arts and entertainment, downtown Minneapolis, and the emerging arts corridor along Washington Avenue
- Economic vitality supported by transportation, transit, parking and public realm improvements
- The housing mix in the neighborhood diversifies and reflects a broader socioeconomic spectrum, strengthening the buying power of the neighborhood

As described in Chapter 6 Land Use and Design, both Cedar and Riverside Avenues are recommended to be designated Commercial Corridors. Additionally, the existing Activity Center is proposed to have a boundary that encompasses the Seven Corners and properties along Cedar Avenue almost to the freeway. Among many things, the Commercial Corridor and Activity Center designations recognize the current commercial vitality of the neighborhood. They emphasize pedestrian-friendly design of private property and the public realm, a mix of land uses that offer activity throughout the day and evening, and good transit options. Just like other business districts in the City with the Activity Center designation, there will always be a need for mitigation of negative impacts on surrounding areas and district-wide parking strategies. These issues are discussed more extensively in the Land Use and Design Plan and Transportation Plan chapters.



*This map shows the three locations where publicly-accessible parking should be a part of any future redevelopment.*

In order to create vital and active commercial areas, the plan proposes striking a balance between providing enough parking for the businesses and residents while perpetuating transit use, biking, and walking. The City of Minneapolis currently owns three surface parking lots in Cedar Riverside and other large parking facilities are owned and primarily used by each of the institutions. While the City will continue to work with the institutions and businesses on the most efficient and effective use of their existing parking, the City can dramatically affect the business environment with future decisions on its own parking sites.

This plan proposes that the three large public parking areas in the neighborhood – Lot A on 4<sup>th</sup> Street and 16<sup>th</sup> Avenue, Seven Corners Ramp,



*The economic development analysis looked at the distinct commercial areas in the neighborhood as well as how to create better cohesiveness among them.*



*Cedar-Riverside intersection looking northeast*

and the surface lot and ramp behind Midwest Mountaineering – continue to have parking available to the public if they are redeveloped in the future. This policy direction recognizes the need to maintain district parking facilities in an Activity Center while encouraging further use of transit, walking, and biking. For more information on parking, see the Land Use and Design Plan and Transportation Plan chapters.

The Cedar Riverside neighborhood includes four distinct commercial areas, each reflecting unique competitive advantages. This plan proposes to build on those unique qualities while developing better connections among the distinct areas so they comprise a larger Cedar Riverside cohesive style. Possibly using Nicollet Avenue’s Eat Street in South Minneapolis as a model, neighborhood commercial should have a consistent look and feel with specific sub-areas building on their own characters. The vision for each area is described below.

### **Seven Corners Market Niche**

The immediate impression of Seven Corners is that of a small town plaza. The area is home to a diverse mix of theaters, restaurants, a large hotel, and a growing residential population. It will continue to serve as a theater, arts, and dining destination while linking the neighborhood to Downtown. Seven Corners will be better recognized as a prime location to meet near Downtown, near the University, just off the Interstate, and near the future Central Corridor light rail station. West Bank theater, music and arts activity will be integrated with arts and cultural activity on Washington Avenue west of I-35W.

### **Cedar-Riverside Market Niche**

The high visibility intersection of Cedar and Riverside will include restaurants, coffee shops, and businesses focused on attracting students, faculty and staff from nearby institutions, as well as serving the needs of local residents. There will be a successful collection of destination retailers and service businesses oriented primarily to the active lifestyle, outdoor/nature, folk music and folk arts customer built upon the regional draw of Midwest Mountaineering, Cedar Cultural Center, Depth of Field (fabric & yarn), the bicycle stores and other destination businesses. Neighborhood residents will have access to convenience goods and services at local businesses including a pharmacy, bank, coffee shops, and restaurants.

### **South Cedar Market Niche**

South Cedar will continue to build on its proximity to Riverside Plaza and The Cedars by primarily emphasizing ethnic businesses meeting the culturally unique, daily needs of the area’s diverse residential population. While this does not mean immigrant businesses will not enhance other commercial areas in the neighborhood, a concentration on this corridor will help to create more identity as a culturally unique place to visit and shop. Successful ethnic businesses will reach out to attract destination shoppers as well as students, faculty, staff and visitors. Organizations that support recent immigrants and facilitate their successful transition to life in the Twin Cities



*Businesses along South Cedar*



*The Oren Gateway Center at Augsburg is a good example of new development on Riverside that serves both the college and neighborhood.*

can generate more traffic and will be located in appropriate office locations. Successful bars, music and entertainment venues on South Cedar will continue the area’s long standing tradition as a regional center for music and entertainment while mitigating negative impacts on nearby residents.

As referred to in the Land Use and Design Plan, the businesses along South Cedar will benefit from additional retail, services, and parking on the west side of the street. If the vacant strip of Minneapolis Public Housing Authority (MPHA) property fronting on Cedar were to be redeveloped with a mix of uses, Cedar Avenue will be able to reclaim more of the neighborhood-scale retail characteristics it exhibited prior to Cedar Riverside experiencing large-scale redevelopment in the 1960s and 1970s. This is an opportunity for a creative and well-designed development with potential for shared parking among MPHA residents and nearby businesses if feasible.

### **Riverside Avenue Market Niche**

Riverside Avenue businesses will meet the needs of employees, students and visitors to area institutions including restaurants, coffee shops, and other employee/visitor oriented convenience goods and services. Institutions will create a human-scale interface with Riverside Avenue, where a pedestrian, bicycle and transit friendly environment with public realm improvements attracts employees, students, residents, and visitors to walk, eat, shop and socialize. The needs of neighborhood residents will be better met by locally oriented businesses. Businesses with visibility and ready access to I-94, like Bruegger’s and Starbucks, will serve as meeting places for residents from throughout the metro area as well as employees, visitors and neighborhood residents.

## **Implementation Overview**

Implementation of these economic development strategies will be a multi-year endeavor. Because a healthy economy also depends on a good land use mix, housing choices, perceptions of personal safety, effective and safe physical infrastructure, and a well-designed environment, the implementation of recommendations within other plan chapters will be necessary incremental steps to achieving economic revitalization.

The following implementation strategies have been proposed by Economic Development Services and are meant to guide the key stakeholders – property and business owners, area institutions, the city and county, arts organizations, and area residents – as they work together to achieve the vision. The implementation strategies are presented in *sequential* order, starting with strategies that create the foundation on which others are built. While this is the ideal order for economic revitalization, no two areas are alike and therefore implementation strategies should be prepared for as opportunities arise. The strategies in sequential order are:

1. **Initiation by business community:** Coordinated focus from the business community, including commercial property owners, on

commercial corridor revitalization in the Cedar Riverside neighborhood with committed partners in the public and private sector.

2. **Crime and safety:** Bring together institutional, business, public and private resources to aggressively address crime and safety issues in the commercial areas.
3. **Clear economic vision:** Engage property owners and business owners in refining the market niche for the four sub-areas of Cedar Riverside as a foundation for shaping the business mix through more strategic leasing, guiding the design and appearance of public realm improvements, facades and other features, as well as focusing marketing and promotional efforts. Continue to support small business owners.
4. **Design and appearance:** Strengthen connections between the commercial districts and the institutions, light rail transit, housing, downtown, freeways, and parking. Create an environment that inspires people to walk, bike, shop and visit the area.
5. **Marketing and promotion:** Implement marketing and promotional strategies to enable the sub-areas to attract businesses, developers and/or customers consistent with the sub-area market niches.
6. **Opportunity sites:** Stimulate commercial district revitalization by supporting redevelopment and/or renovation at key locations. (While this is a 6<sup>th</sup> element, it should not be considered 6<sup>th</sup> in sequential order. Market conditions, property owners and developer interest will substantially impact the time frame for redevelopment of opportunity sites.)

More detail on implementation steps for this chapter can be found in Chapter 9.

## Recommendations

### General

1. Make it easier for visitors (auto, bike, pedestrian) to find their way throughout the neighborhood through improved wayfinding signage to major destinations.
2. Maintain the current level of public parking wherever possible, particularly on sites identified for parking on the Future Land Use Map.
3. Promote parking hospitality.
  - a. Provide wayfinding signage to public parking facilities.
  - b. Improve the validation system to include more area businesses, understandable directions, better marketing, and prominent signs in participating storefronts.

- c. Encourage the presence of parking attendants, particularly in publicly-owned lots, as needed to ensure adequate safety and surveillance.
  - d. Promote the use of shared parking among area businesses by better utilizing parking lots that sit empty during certain parts of the day.
4. Create strong visual and physical connections for pedestrians and bicyclists to existing and future LRT stations.
    - a. Improve wayfinding signage and lighting from major walking and biking routes, including 6<sup>th</sup> Street, Riverside Avenue, Cedar Avenue, and Washington Avenue.
    - b. Improve the perception of safety through environmental design and other methods.
  5. Improve the pedestrian environment through enhanced streetscape, lighting, and active ground-floor uses, with attention paid to safety and security.
  6. Improve the cohesiveness, both visually and physically, of the commercial areas through a shared style emblematic of Cedar Riverside.

### **Seven Corners**

1. Support business and arts growth that preserves a harmonious relationship with the existing diverse community of theaters, restaurants, retail, and residential.
2. Create visual and physical connections between the Cedar Riverside Arts District and Downtown arts and cultural uses including the Guthrie, Mill City Museum, Loft/Open Book, and MacPhail Center for Music.
  - a. Ensure that the implementation efforts of the City's "Washington Boulevard" initiative include Seven Corners.
  - b. Install wayfinding signage from I-35W to cultural amenities both east and west of the freeway.
  - c. Improve the pedestrian environment on the Washington Ave bridge over I-35W.
3. Create strong, positive interface with the future Central Corridor light rail station.
  - a. Any new development along the Washington Ave trench should have a transit-oriented design.
  - b. Install a gateway feature at Cedar Avenue bridge over the trench.

- c. Encourage good pedestrian and bicycle connections between the LRT station and surrounding development.
4. Rebuild connections between Seven Corners and the Cedar-Riverside intersection over the Washington Avenue trench via pedestrian and bicycle improvements to Cedar Avenue.

### ***Cedar-Riverside***

1. Continue to support a successful collection of destination businesses (e.g. outdoor/active lifestyle, folk art, and music) through strategic leasing and marketing efforts.
2. Enhance the physical appearance of businesses in the immediate area in order to attract more residents, students, faculty, staff from area institutions, and downtown employees.
  - a. Improve business storefronts, especially visibility into and out of stores, to encourage safety and cleanliness.
  - b. Improve aesthetics and pedestrian safety at the intersection of Cedar and Riverside.

### ***South Cedar***

1. Visually and functionally create an identity as an ethnic marketplace with goods and services from diverse communities.
2. Maintain the current music and entertainment scene while minimizing negative impacts on surrounding areas.
3. Enhance the physical appearance of businesses and structures in a manner that perpetuates the historical character of the corridor.
4. Work with MPHA and other partners to evaluate the feasibility of commercial development along the vacant piece of their property.

### ***Riverside Avenue***

1. Provide a human-scale environment that encourages students, employees, residents, and visitors to walk, bicycle, shop, dine, and use the area's transit amenities.
  - a. Place active uses on the ground floor at the street.
  - b. Provide entrances at the street and ample ground floor windows.
2. Encourage uses that meet the needs of both institutional users and area residents, including restaurants, coffee shops, and convenience goods and services.