

# National Economic Advisory Panel on the Redevelopment of the Upper Mississippi River

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for BRW, Inc.

## Introduction

On November 4, 1998 a panel of nationally respected economic consultants reinforced an emerging vision for the heavily industrialized upper Mississippi River corridor. The panel consisted of Don Hunter, President of Hunter Interests Incorporated of Annapolis, Maryland; John Sherwood, Senior Associate of The Sherwood Consultancy, also of Annapolis, Maryland; Cynthia Whiteford, of the Trust for Public Land in Minneapolis; and Don Hunt, President, BRW Inc. of Denver, Colorado.<sup>(1)</sup>

The panel met with local consultants and officials<sup>(2)</sup> to offer their perspectives on long-term redevelopment of the upper Mississippi River corridor.<sup>(3)</sup> The panelists' views support plans for an economically and environmentally healthier river corridor. The panelists also endorsed ideas that would provide more opportunities for people to connect with the river in a variety of ways including recreation and residency. While many of the panelists' conclusions were well received by the elected officials, others were not.

Although panel members represented different areas of expertise, they came to several consistent conclusions. They recommended that the closure of the Upper Harbor Terminal (UHT) be a part of the long-range plan for the area. They urged that there be a plan to maximize recreation especially along the water's edge - however, not to the exclusion of light industry. The panelists said that all waterfront businesses should be moved to the river's edge. They also recommended that the old-line heavy industries that are not particularly good for the health of the river be moved out of the area, and that the area be transitioned to light industry. Each of the panelists acknowledged the importance of public access to the river; getting people closer to the water will build constituencies and economic support. Finally, the panelists said that the public agencies need to show the wider community official commitment to a plan, whether it be through public policy, land acquisition, or commitment to a project.

## **Panelists' Site Evaluation Process**

### **Background**

The upper Mississippi River and the surrounding land has historically been the home of heavy industry, manufacturing, and power production. River and railroads brought raw materials in and took finished products out. But times changed with the growth of highways and trucking. The industrial use of riverfront land is no longer the highest and best use. A master plan based on a contemporary vision is being developed by an interdisciplinary team of consultants.<sup>4</sup> While the plan currently consists of three potential approaches, all three feature green space and trails along the water's edge, with strong neighborhoods and light industry nearby.

The panel of economic consultants was convened by the consulting team as part of the planning process. The panelists were asked to provide their own insights about the planning area for elected officials.

### **Evaluation of the site involved three days of tours and discussions.**

The whole process took three days. However, before their arrival the panelists were provided with extensive background information on the study area, including the three plans. Background information included economic conditions of the area, existing land use, and analysis of existing transportation and environmental conditions.

On the first day of their visit, the panelists were briefed on the area, toured the site, and had discussions with the designers and Technical Advisory Committee (TAC) for the project. The TAC consists of representatives from the county, city, and park board. On the second day, the panel heard from local economists and had more discussions with the designers and TAC. The panel members then met to shape their views. On the third day, the panelists shared their views with officials.

Each panel member was impressed with the amount of research, information gathering, planning, and analysis that had already been completed. They used this information to background themselves. They did not comment directly on the three planning options that had been developed, but used them as a guide. "We were given flexibility from the consultant team to question anything they had done," said Sherwood.

### **Main Topics Covered in the Meeting Between the Panel and Officials**

Major topics discussed at the meeting between the panel and the officials included the closure of the Upper Harbor Terminal (UHT); the future of heavy and light industries; the possibilities for new residential high-rises; and redevelopment of the Riverside Supper Club site on the west side of the river. They talked about neighborhood revitalization on the east side of the river, and a possible commercial node at the Grain Belt Brewery site. They also discussed the addition of green space throughout the area, and the future prospects of recreational boating.

## Panelists' Views

### 1. Closing the UHT and the Possible Closure of the Locks

The most imposing issue and the only specific issue that the panel was asked to comment on was whether the Upper Harbor Terminal (UHT), which is city-owned, should be closed. The UHT provides subsidized barge transportation for many of the bulk-handling, old-line ~~in~~ ~~the~~ ~~area~~. All of the members of the panel agreed that ~~it~~ ~~would~~ ~~close~~ and that the process "should be done in a planned, thoughtful way, rather than waiting to hit a crisis," as Whiteford said. "The trend in the business is away from barge, waterborne transportation." Hunter stated, "The number of users has been declining every year." The panel suggested that the local economists were a bit optimistic ~~in~~ ~~the~~ ~~estimates~~ ~~of~~ ~~the~~ ~~money~~ ~~that~~ ~~would~~ ~~be~~ ~~generated~~ ~~by~~ ~~the~~ ~~UHT~~. Three panel members suggested that with the closure of ~~the~~ ~~locks~~, the Corps of Engineers would probably close the locks. In order for the federal government to continue subsidizing the locks, a minimum amount of "goods" must be moved through annually. Whiteford said that even now the locks were barely moving enough material. "It is very cyclical and very unpredictable," she said. "Whatever they can grab at the moment, they will move it to stay open. It is an artificial situation," said Whiteford.

### Not a Problem if Corps Stops Dredging the River

The Corps of Engineers currently dredges the river. Whiteford said that the river would slowly fill in if the dredging is stopped, but that it was a natural process anyway. Sherwood mentioned that although there would be some silting in of the river, there would also be environmental benefits as heavy metals would no longer be stirred up from the bottom.

### City agencies should focus on the UHT, not the locks.

Don Hunt was the only consultant who did not believe that the locks would close with the closure of the UHT. "This is a public work that was built and owned by the Corps of Engineers, it is part of their livelihood. I don't see them closing the locks. They will come up with every justification they can to keep those locks open - forever. This is an investment that has been made," he said. Hunt also indicated that there was some confusion over the UHT situation. "I think the way to view this is not to find out what the government wants. The city should take the lead. What the city wants and what is best for Minneapolis is what should be done," he said. "I agree that the eventual abandonment of the UHT is what is key here. The city has the UHT in their power. It is the linchpin in changing the character of the river front in that west bank area. That is what should drive the city's decision making and strategy," he said. He also said that once the UHT is closed and the city is no longer propping up traffic in the upper harbor. It will hurt the locks. He added that the city could take the political route and lobby congress. However he made it clear that "the city should not focus on the locks, but focus on the UHT. The city should take care of what it can, because it has a lot of control. To

wait for the Corps of Engineers to make a decision is totally the wrong strategy in terms of changing land use on the riverfront."

### **Loss of the Bulk-handling Industries on the West Side**

John Sherwood mentioned that there were several things working against the bulk handling businesses on the west bank. He said that purely from an economic viewpoint, these businesses will have a difficult time surviving in an urban setting. "They are there for the subsidized transportation. Without that, it makes no sense for them to stay in the area," said Sherwood. Whiteford also brought up the environmental implications of having these businesses on the river. "They are storing materials that are economically bad for the environment," she said. "They have piles of salt and dredge right on the river. Many of the heavy industry businesses are not the type of businesses you want to have next to a river," Whiteford said.

### **Ideas on How to Phase Out Bulk Handling Industries**

There was much discussion on how and when to close the terminal, as well as how to encourage inappropriate old-line industry off the water. Although the panel did not have time to come to a decision on this issue, they agreed that the public agencies needed to plan for alternative uses for the UHT area. The panel said that they needed to plan for the eventual closing of the UHT, possibly the locks, and the closure of the bulk handling businesses. The panel indicated that the businesses affected should also be notified of the land-use plan, and be given time to react. Some of the panel members mentioned that this could be done by phasing in the plan over time, and by **creating restrictions on non-conforming** uses after a specified period. According to Hunter, "Public policy along with market force should change this area into clean industry that is more compatible with other river uses," He suggested that public agencies "encourage trends from a public policy point of view." Sherwood mentioned that "When a community wants to see a major land-use change and businesses are legal, the public entity needs to step in and put some money on the table to help these businesses relocate."

The members said that as this was a long-term process, businesses would not be forced out quickly. Once the terminal closes, in time many businesses may want to move anyway because economically it will not be a good location. Whiteford said "It is better for the city to spend money to move those businesses out, than to continue subsidizing the UHT. Subsidizing will put you in the same position year after year, and you are subsidizing uses that are not appropriate for the river."

## **Public Policy Recognition that the UHT Will Close Down**

The panel agreed with Hunter when he said that there must be public policy recognition of the future of the terminal. Whiteford stated, "Let's do this in a planned, thoughtful way, work with the Corps, work with businesses and again, have a plan on what to do with the UHT once it becomes available."

## **2. Improved Green Space and Public Access**

Panel members all agreed that green space and public access to the river were important and would provide an economic boost to the area. "It is easy to justify green space on the basis of economics - it is an amenity and it attracts," said Whiteford. Properties adjacent to green space will increase in value, she said. Whiteford believes that both businesses and residents are attracted to parks and green space. "Parks and green space bring back people's feeling that they do not have to run to the suburbs for big lawns. They can find these amenities in their own neighborhoods. They have a reason to stay," she said, "Green space can be used for community revitalization."

Hunt said "Minneapolis has demonstrated over and over again that in areas that have fallen by the wayside in terms of land-use, the absolute best thing you can do on any water area is to create a greenbelt along the water. In this case along the river. It could be narrow or wide, but it should be all public." Hunter commented that "There is a strong argument from a lot of different segments that public access to more green space, such as parks on the water is a good thing. In the past the public has been denied access due to industrial uses of the water's edge. Right there is a societal planning value."

The panel viewed green space and public access as a social justice issue. Whiteford brought up some of the local issues as well. "The north side of Minneapolis does not have the green areas and access to lakes and water that the south side does. When you look at the greenway as a loop around the river, you create a lake," she said. She also mentioned that you cannot ignore the regional significance of the area. "It hooks into the regional system, right now there is a gap." Hunter made the point that the locations and amount of land that was to be converted to green space should be determined through economic tests.

## **A Continuous Green Corridor Along the River's Edge**

Panel members were in agreement that there needed to be green space along the river's edge. "We felt that the river's edge on the west side should be open space as much as possible. We picked up on an extension of the kind of River's edge you see down near Broadway Street," Whiteford said. She added that this green space is important to the environmental health of the river. "Get the contaminating industries off of the river, clean up the land next to it, and let it perform its natural function of being a filter," she said. Water quality is important for our drinking water as well as future recreational uses, Whiteford explained. According to Whiteford, a green buffer zone along the river, with the proper vegetative cover would help prevent bank erosion and act as an important habitat corridor.

### **3. Light industry in the corridor should be preserved and encouraged.**

#### **Current light industrial area provides a good tax-base in a good location.**

Even after considering the societal justification and environmental implications of adding green space, the panel members did not la's the expense of Me light industrial businesses office parks, and manufacturing-already on the west side. Hunter was "impressed with the viability of that district." He had expected t more old-line industry due to the availability of waterborne transportation from years ago. Hunt agreed. "Reinforce the light industrial use," he said. "Some of the older industries can go, but the newer businesses are really terrific. It is the kind of use and location that is desperately needed around every downtown area. It makes the downtown healthier to have that back-office use in such close proximity," he said. Hunter said, "Those are jobs, that is a tax-base, and there is a market for it out there. There is a market to upgrade and modernize some of the older industries and there are examples that this has already been done. The planning process should continue to perpetuate that industrial district and plan for its further upgrading and viability, recognizing the reality of the market forces driving it. At the same time, convert older properties along the water's edge to open space. The two can go hand in hand."

#### **Light industry will help keep jobs in the city.**

Hunt also said that encouraging light industry and office parks will help to keep jobs in the city. "It is a great employment generator for the city. These are the kind of jobs that will end up in the suburbs if the city does not have a place for that kind of use," he said. Sherwood remarked that the nearby, non-waterfront businesses were "viable and economically important to the community, new investment was occurring, good things were occurring and they should remain and not be converted to residential or open-space." He also said that these businesses provided jobs for people living in the area, they were important tax-ratable to the economy of the area, and they were not dependent on waterfront access. Sherwood mentioned that "the water edge businesses dependent on barge traffic will disappear. We have an important re-use for the riverfront land for park and open space, people oriented space, he said. We do not have a viable reuse for the interior land. Therefore let's make sure that the businesses that are there now continue to be there. Preserving the water's edge will help them continue to be stronger."

#### **Consider infrastructure improvements to support and attract businesses.**

Hunter said that the public agencies could support the viability of this industrial district by upgrading some of the infrastructure. He believes this will reassure the private market that the public agencies are supportive and thus they will be more willing to clean-up old sights. This will make the property more valuable, provide a higher tax base, and more jobs on the real estate, said Hunter.

## **4. Potential Future Uses of the UHT**

### **Regional Park**

The panel members had different ideas for the future use of the Upper Harbor Terminal. All of their suggestions did entail getting people down to the river. Whiteford suggested a regional park as a destination. "Greenway is nice," she said, "but you really need nodes and things for the public to do as they go along the river. You should connect spaces as well as have a throughway. The UHT is really the best opportunity for a really large piece of land, and turning it into green space would not be taking anything out of the tax base."

### **Luxury High-Rise Residential Buildings**

The other panel members said that having a luxury, high-rise residential building at the UHT site would work well. They also recommended interspersing a few more residential high-rises along the west bank. Hunt recognized that "it is difficult to get residential areas on the west side because the strip of land is so narrow between 1-94 and the river. However some specialized housing, such as a point tower, could work." Hunter said "There is a market force in Minneapolis for city living. There is a small demand for a cosmopolitan lifestyle for young professionals and empty-nesters who want to live in the downtown area." Hunter also said that the market would grow in the future. "Water views are an element of value that right now are not being realized," he said. Hunt said that the dweller must be willing to live in a high-rise tower and not be worried about the lack of neighborhoods nearby. He said that if the tower offers some amenities such as a health club, and the occupants can get out on the river front and run or walk, they will have all that they need. Other types of housing such as townhouses would not work well, he said, due simply to the nature of the surrounding area. He remarked that the best locations for such residences would be those that provide the best views of the river.

Sherwood agreed that an open river's edge on the west side would create opportunity for new residential areas. "The best kind, because of the river, are high-amenity, upper income developments. They would be a good tax-ratable, they would get people there. It would make the area more friendly because people would live there and be around." All of them agreed that the development should be limited to one to three buildings. "One to three high-rise luxury towers rising out of a public park environment, is very compatible to a light industrial, light manufacturing district," said Hunter. "The open space must be done right so that you can use major arteries to get to the residences," he said. Hunter mentioned that this would create tax flows to help offset the costs of additional parks and green space. He agreed with Sherwood that it could also bring people to the parks and add additional comfort and security to the area. He mentioned that there are examples of these types of residential areas in other cities that have been very successful and in demand.

Whiteford said that the industries and residences should not be directly on the river but should have river views and access. "People will do a lot to get near water. You

can't develop along the lakes anymore - the river is the next really attractive amenity in the twin cities. As attention is given to the river it will be very sought after," she said.

## **5. No Radical Changes for the East Side of the River**

### **Support stable neighborhoods on the east side.**

The panel members agreed that much less redevelopment would need to occur on the east side of the river. "I was impressed with the east side neighborhoods," remarked Sherwood. The panel agreed that the neighborhoods for the most part were stable, intact, good communities. "The planning programs currently being pursued by the city and other agencies help to stabilize and preserve those neighborhoods," said Sherwood. "It is important to have these programs active in those neighborhoods, to preserve their viability in the future." Hunt said that "The slow-go Minneapolis neighborhood reinvestment approach is appropriate in these areas. An investment in schools, community facilities, neighborhood parks, housing redevelopment the neighborhood building blocks-is a good way to go."

### **A solution for Marshall Street traffic should cause a minimum of disruption to surrounding neighborhoods.**

Marshall Street was the biggest problem with the east side of the river. The truck traffic and traffic in general that use Marshall (which runs parallel with the river) cuts down on people's access to the river, and creates a lot of noise for these neighborhoods. A lot of ideas were put forward, however the panel could not solve the problem in the available time. The one thing they did agree on was that the solution should be chosen carefully on the basis of causing minimum disruption to the existing neighborhoods. "It would be nice if Marshall was more like a parkway," Hunter said. He said that a little disruption to the neighborhoods could be viewed as positive, allowing for upgrading and adding to the existing neighborhoods, as long as the impacts of the change were researched carefully. A solution could also add more public open space with views to the water and perhaps more commercial growth to serve the community, Hunter said.

According to Whiteford, it is important to make sure that the neighborhoods there do not become gentrified and low income pushed out.. "It has to be part of a larger well thought out process of planning," she said, "thinking forward about the impact on neighborhoods."

### **Increasing public access to the river should be a top priority.**

Whiteford said that access to the river on both sides should be a top priority. People do not have to be on the river but they must have safe, easy, obvious access. She said that right now because of industry and other barriers, people cannot easily get to the river, or even to the parks already in existence. "When a community really feels connected to the river, when there is ownership, people moving back and forth, more demand for

river activities and trails, it really starts to roll," she said. She said it was important to provide nodes or public areas in order to begin building a constituency for the future plans for the river. "Start the education process," she said. "It is important to the revitalization and stability of existing communities. Give them the tools to keep them strong."

Hunter said that access to the river on the east side will not change radically due in part to the topography of the area. He said it would be useful to expand areas where the water can be viewed by car. "Being able to drive and still view the water and have a relationship to it will allow people feel it is theirs, and making sure it is a safe and comfortable place to be is the type of planning objective that should be included," he said.

### **Purchase available waterfront land.**

Panel members agreed that public agencies needed to take advantage of any opportunities to purchase waterfront property and increase open space—even if the property does not connect up at the time of purchase. Whiteford recommended land banking it for future use. "If they wait to buy it, the land will probably just get more expensive," she said.

## **6. Ideas on Commercial Development**

### **Leasing of Public Land for Commercial Use**

Another idea brought forward in the discussion was the leasing of public land for private commercial uses. Hunt commented that the Park Board has always had a consistent policy of keeping private uses out of the parks. There maybe some food concessions, but that the Park Board seemed reluctant to put in a restaurant or residential buildings on park land. When this is done, it blurs what is private with what is public, he said. "The Park Board wants a strong demarcation of what is public and that is one of the reasons the *Minneapolis* Park system is great." On the other side, Hunt recognizes that leasing public land allows for alternative revenue streams to help support the parks.

### **Commercial Node at the Grain Belt Brewery Site**

The panel also offered some ideas on a conference center or a commercial node at the empty Grain Belt Brewery buildings located on the east side. "In order to start a redevelopment project of this scale," Hunt said, "you need to take an initial step that is very strong. On the west side it would be abandoning the UHT and turning a large portion into parks and redevelopment. On the east side, if you are looking for something major, it would almost have to be the Grain Belt site." Hunt acknowledged that there had been many failed attempts to redevelop the area, but he felt that if you had the right conference center developer and commitment by the city, you could make it happen. He said that the panel did not have enough time to determine whether the buildings would be suitable for a conference center, however he feels strongly that something should be developed there. "The city does not have a strong enough commitment to that site," he said. Hunt said that

developing the Grain Belt area would create more energy on the east side than anything else that could be done.

Hunter said a commercial node at the Grain Belt site would be excellent. "Because of the location, views, and the nature of the real estate-what is already there and its future potential-it should be a high priority project," he said. He remarked that past projects have failed because they were not developed well or did not have enough investment. He said that a serious public planning process must be pursued that looks hard at economic feasibility and market analysis. The only uses that should be pursued should be shown to be market feasible. "Lead with economic feasibility rather than physical planning and wild ideas," he said.

Sherwood viewed the brewery property as an anchor for the east side. "It would tie the east side to the downtown and the community as a whole," he said. Both Sherwood and Hunter see a commercial node as having city-wide (possibly regional) attraction value. Sherwood said that a regional attraction would define the south end of the east side of the river. "It would be an indication of real investment on the east side in what are very attractive buildings," he said. Both agreed that there would have to be some access and parking problems resolved first.

Whiteford mentioned that until the riverfront is more vibrant development may not work. Nothing else is there to attract people to the area, she said. She said it could be a nice historic area with a green space trail near the river, but it must be a destination attraction to really work well. "It has potential if it is integrated into a bigger plan. Sitting by itself it is going to be a problem forever," she said. "Focus on the waterfront around it. Do not develop it in isolation."

Sherwood added that the economic advantages to the project included generating jobs, increasing the tax base and decreasing a potentially poor situation by putting the buildings back into operation.

### **A Conference Center/Hotel at the Riverside Supper Club Site on the West Side**

Another idea that arose during discussions was adding a conference center and small hotel at the Riverside Supper Club site on the west side of the river. Sherwood said that, similar to the brewery property anchoring the east side, the conference center could act as an anchor for the west side. Both could also be community focal points, said Sherwood. In general he likes the idea of a conference center, but said that it would have to have the hotel component to work well. Hunter also said that there should be a small, high quality European style hotel associated with the center. The conference center should be hi-tech and oriented towards the business community, he said. He indicated that it is a good location because it is close to downtown, has a relationship to the water, and will coexist well with the nearby industrial, water edge green space, and residential uses further north. Hunter also recommended a feasibility study for this area before adding it to the plan.

**There's no real potential for a marina;  
yet there are possibilities for recreational boating.**

No one on the panel saw much potential for a marina on this section of the river. Hunter mentioned that with the closure of the locks, a limited summer season and cost constraints, a marina would not be worth it. Although Hunt agreed that there is no real demand for a marina, he also said that recreational boating is not dependent on the locks. Contrary to the opinion of several officials, Hunt said that if the locks were closed it would not kill recreational boating on this part of the river. Hunt and Whiteford both mentioned that most recreational boaters do not like to use the locks because it takes so much time. During the meeting an experienced boater said that going through the locks is something you only do once. Hunt said there were probably many points on the river to put a boat in and that it was a long stretch from Coon Rapids to the upper lock, with plenty of room to do some boating without going further downstream. He also suggested that there could be some docking for a stop at a restaurant. He mentioned Lord Fletcher's in Minnetonka as being a good model. Even with more amenities added, Hunt still felt that "recreational use of the water will not be anything significant." And the other panel members agreed.

Sherwood said that each of the pools above and below the locks would support some matter of recreational boating, but that more research was needed. All of them agreed that there would be an increase in human powered recreational boating such as canoeing and kayaking. They could see adding canoe landings on concessions and as additional park attractions. This will be especially true once the river is cleaned up, Whiteford added.

### **7. The Panelists' Final Suggestions**

Each member of the panel had some final suggestions to offer to the city agencies in their planning for redevelopment. Hunt said that the public agencies ought to, number one, close the UHT. Second, they should commit themselves to building a continuous river front park on both sides of the river. Third, Hunt recommended continuing with light industry and conversion of old-line industry into new on the west side. Fourth, he said the agencies need to make a stronger commitment to reusing the Grain Belt site and pair it up with smaller neighborhood reinvestment projects. Hunt also recognized that "on the west side of the river, you can get right down by the river and that is very unusual along\_ any stretch of the Mississippi River in Minneapolis. It is unique and allows for more direct contact with the views of the water. This provides a different kind of recreational experience than anywhere else." The commitment to the continuous river front park should be the driver behind the redevelopment project, he said. "Commitment to the riverfront park, closing the terminal, acquiring land and starting to get continuity to the parks is the most important thing in making the redevelopment plan successful," Hunt said.

Hunter said that, first, there needs to be public policy recognition of the future closing of the UHT and a plan for alternative uses. Second, he said there needs to be public policy recognition and planning for the industrial changes from old-line to new line industries. Third, he recommended immediate feasibility studies for the redevelopment of

the Grain Belt Brewery property, and for a conference and hotel at the Riverside Supper Club location.

Whiteford said that it was important to view the area as a part of a regional system, to provide amenities to the north side of Minneapolis as they have been provided to the south side. She said there should be a greenway along the whole length of the river, on both sides. She recommended that the community agencies offer the community access to the river and start gaining support for the master plan. "The use of green space for economic development and attracting the type of businesses you want into a community can be successful if it is done well," said Whiteford. She recommended that the agencies begin acquiring strategic property so that people know that they are committed to the plan.

Sherwood said that the plans should reflect the closing of the bulk-handling industrial operations on the west side of the river. He also suggested that the water edge should become green space to the greatest extent possible. He indicated that the light industrial businesses and office parks in the area should be preserved, however, off of the water's edge. He also felt that a continuation and intensification of neighborhood revitalization work should continue on the east side, recognizing that Marshall is an unresolved problem. His final recommendation is to take advantage of opportunities that arise. Buy any land that becomes available on the east side. Also research the opportunities for development such as the Brewery, the conference center and the residential high rises.

## **Officials' Reactions**

### **Officials have mixed opinions about closing the UHT.**

The elected officials were impressed and agreed with many but not all of the recommendations brought forth by the panel. The biggest point of disagreement between the panel and the elected officials was on the issue of the Upper Harbor Terminal shutdown. City Councilperson Paul Ostrow was the only one in total agreement with the panel on this issue. "We should be proactive and we ought to be closing the UHT," he said. "We ought to support closing the locks too. It doesn't make a lot of sense to keep the UHT and the locks going for a minimal amount of barge traffic," he said. He did state that he would be willing to listen to other views on the issue. He also said that the agencies should do their best to assist businesses with relocation and should provide advanced notice of the plan. "That is the reason we should make this decision now, so that we can do this appropriately and provide some warning. The worst thing we can do is tiptoe around the issue. That would be unfair," he said. "We ought to be proactive and aggressive rather than waiting for it to be forced upon us," Ostrow concluded.

Given the information that was presented, and the amount of land occupied by the UHT, County Commissioner Mike Opat "was not surprised and not hostile to the idea of closing the UHT." He said it was reasonable, considering the amount of land is being used for the UHT. He also cited the evolution of rail and truck transportation which made much of the activity going on at the UHT obsolete. Opat agreed that businesses should be warned of the plans. "The panel was very careful to talk about this being done

over a number of years, possibly a decade or more. That seemed thoughtful," he said. He liked that the panel mentioned that it may not be a decision by the government but driven instead by the marketplace.

Although at first she thought it sounded good, Councilperson Lisa McDonald was more skeptical about the closure of the UHT. As a result of her own research, she now has more concerns. "First it needs to be weighed in against what it would cost in terms of the businesses the city will lose. Secondly the panel indicated that the Corps of Engineers would more than likely close down the locks. Other information I have read does not support this, if anything the Corps would continue to operate the locks," she said. She also wanted to see another option of possibly having a private entity take over the UHT. McDonald felt there were additional implications that were not considered at the meeting. She wondered what the direct cost to the city would be over the loss in businesses. Also because barge transportation is so cheap, she wondered what added costs the businesses would have to cover.

More concerned with the closure of the locks than the UHT, Councilperson Barbara Johnson said "The Corps will make the final decision on whether the locks and dampen and without some input from them, we are making a decision in a one-sided way. In the absence of their presence at the table, telling us their plans for the locks, we are involved in a planning process that is spinning its wheels." Park Commissioner Vivian Mason also had mixed feelings on the closure of the UHT. "Everybody likes the idea of having as much green space as possible," she said, "but everybody also feels that the locks have served a purpose and they hate to see a complete loss of the industry with the closing of the locks." She also mentioned that there was a suggestion made that the Park Board take control of the locks so they could still be used for recreational purposes. She said that many people were struck by this idea. She indicated that there was not agreement in what businesses should be moved off the river. Some of the officials thought it would be a shame to lose some of the industries that used the water for transport. "Everybody wanted as much green space as possible, to have it as park-like as possible. But they also recognized that there would be ways to incorporate industry and business into the park system," she said.

County Commissioner Mark Stenglein is not sure that closing the UHT is a good idea, even within twenty to twenty-five years because the businesses currently there are dependent on it. It could possibly happen in fifty years, he said. He said the panel was too short-sighted in estimating the amount of time it will take to move the old-line industries off of the water. Even more firm in his belief that closing the UHT was not a good idea, Park Board member John Stenglein said, "The Corps of Engineers is suggesting that the locks will be able to go up the river, so in a sense you are suggesting a dead river." Diedzic is also concerned with the loss of taxes that would occur should these businesses leave the river. "NSP pays twelve million in property taxes. Where would Minneapolis ever get that much money to replace that loss, where would the jobs come from." He also said the plan would take a lot longer than twenty or twenty-five years to implement. "It will take seventy-five to one hundred years to do what they want to do," he said, "because of money and the opposition that will come forward."

### **Officials are in agreement about additional green space.**

Most of the officials agreed with the panel's ideas about the addition of green space. Opat said he was happy to hear their ideas. "The riverbank itself should be reserved for the public's use," he said. "The river should be public domain, corporations and residential developments should not have exclusive river front access." He also said that the green corridor along the river did not have to be a mile deep. Mason agreed with him and offered an example of the effectiveness of a narrow green corridor along the length of a river. "My son lives in New York on the East River," she said. "They have a very narrow green space along the entire length where he lives. There is light industry and even some heavy industry as you go north, but you always have this green buffer. Even though it is narrow, it provides a nice space for people to walk, run and walk their dogs, there are even a few play areas," Mason said. Johnson said, "I am not a fan of green space to the exclusion of everything else on the river, so I thought their ideas were in the moderate range and something I would be interested in."

Ostrow liked the idea of using the green space to tie the northern part of the river to the rest of the Minneapolis park system. "For my own constituents, the opportunity to go from northeast Minneapolis, perhaps along the parkways, to get on the river and bike all the way down the Mississippi connecting with the chain of lakes, would be a wonderful amenity," he said. "It would really connect northeast Minneapolis with the river in a way we have not had before," he said. Ostrow felt that "having continuous access to the river is one of the most important parts of the proposal."

There was no need to reinvent the green space project, according to McDonald. "We already have an example of that in St. Paul. Ninety-eight percent of the businesses have agreed to a landscaping plan that allows public access along the river at regular intervals. They have already pioneered it in St. Paul, we can just plunk it down right here," she said. Diedzic and Stenglein were also less enthusiastic about the panelists' ideas. Diedzic said that creating a green corridor that was a quarter of a mile wide was too big. It would take some housing and possibly businesses along the river, he said. Stenglein said that eventually more green space would appear as the old-line businesses disappeared. He remarked that it was not something that could be done in the short-term. Stenglein said that more greening could take place possibly within fifty years, in harmony with the old-line industries moving out.

### **Officials agreed with supporting light industry and office parks.**

Officials agreed, for the most part, with the panelists' suggestion to support and encourage the light industry and office parks already on the river. Opat said, "Light industrial, low-noise, low pollution office parks should have a spot near the river. It diversifies the tax-base and brings jobs to the city." He also said improving infrastructure in the area was a good idea if it would help the businesses. Ostrow also said that the jobs created by the light industry were important. "We need to increase rather than decrease the number of jobs in the area. We actually have a shortage of good living wage jobs. Some of the light industrial type uses are going to be better for job creation than what is along the river now." He also suggested that seeking some assistance in the form of bonding from the state legislature would help in enhancing this area. "The more we can generate in

terms of long-term tax revenue the better," he said. The other officials agreed that boosting light industry and office parks was a good idea. They did not think this area should be turned into park land or housing exclusively.

Diedzic did not want to see light industry grow at the expense of the heavy industries already on the river. "I don't believe that light industry uses barges, so you are saying let's close this river down to transportation. If that happens you can bet that the railroads will up their prices considerably," he said.

### **Most officials liked the idea of high-rise residential buildings.**

Many of the officials were open to the idea of a few residential, high-rise buildings along the west bank, including at the UHT site, should it be closed. "I like the idea and I think it would provide the kind of housing that would be attractive to people who may want to move back to the city, such as retirees," said Mason. Johnson and Steinglein were also enthusiastic about the idea. Ostrow had some concerns because he said these residences will have the same problem as having residences along the lakes. "It defeats the purpose because the buildings themselves obstruct the view of the river," he said. He indicated that it might work if they were not high-rises, but only three story, fixed income housing. McDonald felt it was a bad idea at the UHT because of the NSP plant across the river. "It is a little short sighted to put a residential area in across the street from that facility," she said. She said it maybe possible to build something in places that were already residential in nature.

### **Some officials would consider a regional park at the UHT.**

Some of the officials were open to putting a regional park on the UHT site, but most needed more information on the cost and where that money could be generated. Mason commented that "A regional park is a good idea in that area. It provides more areas of interest and for interpretation than many other parts of the river. Also with the plans at the mill ruins, it could all be tied in quite nicely."

### **Officials agreed with continuing revitalization of the east side neighborhoods, improving Marshall Street, and adding green space and public access to the river.**

The elected officials present at the discussions on Marshall Street and the east side neighborhoods were in agreement with the panelists' findings. "There really need to be some traffic changes made on that side of the river," said Mason. "Currently there are big trucks and heavy vehicles using neighborhood streets. They need to have better access on streets built for that. They need to find a way to get the truck traffic onto the big throughways with just a few feeder streets going into the neighborhoods," she said. She also said that everyone would like to see more green spaces and corridors as a buffer between the river and the residences and businesses on the east side.

Johnson commented that "they have the beginnings of a nice string of step-in parks where you go a distance on your bike, or walking and you come to a small park. Just expanding on this would make the most sense." Opat, Johnson and Deidzic agreed with Mason and Johnson that neighborhoods needed to continue to be revitalized, river access improved, and the Marshall street problem investigated. Deidzic also commented that the agencies did not always take advantage of buying available land on the east side. He said, "If you want to be able to buy up some of this property, you have to have the money available."

**Officials want to see the Grain Belt Brewery site developed,  
but are less enthusiastic about the Riverside Supper Club location..**

Most of the officials were interested in the development of the Grain Belt Brewery site. Some commented on the Riverside Supper Club location also, but did not seem as interested in this site. Everyone had their own ideas on problems that might occur and how to make the sites successful. "The Grain Belt is an under utilized asset, sitting there waiting for the right development to come along. Maybe a conference center would work there," said Stenglein. Opat commented that "Very novel approaches should be pursued at both sites." He said that a commercial node with access to the river was a great idea.

Ostrow remarked that a commercial node at the Grain Belt site could work, but it depended on what was done with residential use. He said substantial housing would have to be put in if the project was to be successful. He also mentioned that he was involved in some work on Central Avenue, which is about a mile and a half away from the brewery site. He said that they were creating a major commercial center there for the northeast Minneapolis. He had some concerns about competition. "Something unique and focused on that neighborhood would be fine. A major commercial node may compete with what we are trying to do on Central Avenue. An entertainment venue might be ideal because it would be consistent with what we are trying to do in terms of commercial revitalization. It would not compete with our project, but would supplement it. It would bring more people to the northeast," he said. Ostrow also said that the unique buildings would make it attractive as an entertainment venue.

McDonald said it would be fine to put in a commercial node at the brewery site, as long as you provided a buffer between it and family residences. She suggested some transitional housing south of the site. She also said that the developers needed to be, sensitive to the historic nature of the buildings. Johnson said "I see some things at the Grain Belt site that could really maximize your exposure to the river. This is a better site for a commercial development than the Supper Club site. It is a landmark, people already know where it is." The biggest concern Deidzic had with the area was the high crime rate. He was also concerned about trying another conference center. It was tried three years ago and it failed, he said.

**Some officials are interested in  
leasing public land for commercial use.**

Opat mentioned that he was interested in the idea of leasing public land to commercial interests. "It has never happened here, in fact there has been an aversion to it in Minneapolis. There is nothing on any of the lakes," he said. He said it is an interesting idea that deserves more study. Mason said "The Park Board does support the idea of leasing public land for private entities. It depends on what the proposal is and what the benefits to the Park Board would be. The Park Board is continually trying to find new sources of revenue, so it is really quite open to the idea." She provided a few current examples including a parking area on Lake Calhoun that is leased to a private entity.

**Most officials agreed that a marina is a bad idea,  
but would like to see more docks.**

Most of the elected officials agreed with the panel that a year-round marina for the upper stretch of the river would not be a good idea. However, there was quite a bit of support for more human-powered types of boating. Many of the officials also supported the idea of creating more docks that could be used on a daily basis, so people could get out of their boats and enjoy amenities along the river. "A marina is not very realistic," said Ostrow. When he used to boat with his father they never boated north of the locks. He said that the amount of hassle was too great. "The strength would be canoeing and kayaking, those kind of river uses are very appealing to people," he said. He mentioned that closing the locks could help enhance recreational boating in that part of the river. "It creates a unique part of the river where you do not have big boat traffic," he said. He also likes the idea of tying it into a regional system. "I am hopeful there would be a lot of support city-wide for this because the southsiders realize that the northsiders have been short changed in terms of parks and recreational areas," he said. "My job is to make the case to the people that even though the river is as much as three miles away from them, they can still have a connection with it. That the river really is an amenity for the entire northern part of the city not just the neighborhoods immediately next to it."

Opat, Stenglein and Diedzic agree that a marina is not a good idea. However, Diedzic did mention he would like to see more docks along the river, also citing Lord Fletcher's in Minnetonka as an example. Mason would also like to see some boat docking areas at residences and businesses along the river.

Johnson and McDonald felt that the marina issue depended on what would happen with the locks. "I am not willing to let go of the marina idea until a decision is made about the locks. It is a shame that Minneapolis does not have what St. Paul does, a place to dock your boat and get out and walk around on the river," Johnson said. McDonald mentioned that other cities like Baltimore made a marina work well for them. She also supported the idea of public docking even if it did not involve a year-round marina.

## Officials' Final Comments

The public officials shared some of their conclusions and ideas following their meeting with the panel. Diedzic said that the panel was knowledgeable in regard to the economy and what would work; however he said at times they were off-base. He remarked that the city had already tried some of their suggestions and that they had failed. Steinglen said that the plan's timeline was too short. He said that the most effective plan would involve "Shoring up the upper part of the river, by the terminal, and let the blight in the middle\_ slowly get eaten away by the good stuff on both ends."

Mason remarked that "The experts did a good job of presenting the idea that you could have green corridors and better access to the river without taking over everything. This also allows the plan to be implemented in stages." She indicated that this has not been communicated as effectively at other meetings she has attended on the upper river redevelopment.

Johnson was most excited about the idea of more river front housing on the west side of the river. "Minneapolis has a great market for river front housing," she said. "We are working on a development now on the river and there is a two hundred person waiting list for a townhouse. Let's build more. People want to see some upscale housing along the river," Johnson explained.

Opat would like to see better information on the number of jobs that are on the river. "I am not so sure there are as few jobs on the river as they are saying. They are using census data that is eight years old or older and drawing their conclusion from that now," he said. He said that the panel was "a good group of people. I like the fact that they spent some time thinking about the area and that they brought a business perspective to it-not just a green space perspective."

McDonald was most concerned about the UHT issue, She said that it needs to be thought through better. "I would like to see some statistical analysis on it. I am disappointed that they assumed that congress would close the locks, which is directly opposite to what I have been reading. This is something I would like resolved," she said.

In agreement with the panel, Ostrow said that the public agencies did need to do something strategic and official to get the people committed to the plan. "I don't know what would be dramatic enough to get people committed to it, but you really need some kind of spark," he said. He also strongly agreed with closing the UHT. "In talking through this, I have become more and more convinced about closing the UHT," he said. He does recognize that it will be a tricky issue. And he recognizes that some *questions* will need to be answered, such as how to deal with existing land uses knowing that long-term, certain industries will be gone. The other question he is concerned with is how to deal fairly with these industries in the interim. "I think it is going to be important to educate the legislators, to update the congressmen about it, this is another area that needs to be explored. But we do need the backing of Congress financially," he said.

## Conclusion

Most of the general recommendations made by the panel were well received by officials, even if there was some disagreement over the details. They all agreed that maximizing green space, especially along the river was a good idea, as long as it was not at the expense of the light industry and residences. They agreed that light industry on the west bank should be enhanced. They agreed that some type of residential buildings along the west bank was a sound idea. Regarding the east bank, they agreed that neighborhood revitalization should continue. They also liked the idea of developing more park land and providing access to the river on both sides. Developing the Grain Belt Brewery buildings was received enthusiastically, though there was some difference of opinion on what to put there and other concerns for its success. There was a lot of agreement in providing some type of docking for the upper river, although there was little support for a year round marina. The only recommendation that was received with trepidation, was the closing of the Upper Harbor Terminal.

Although a couple of the officials agreed enthusiastically with closing the terminal, many more had mixed feelings, and some were clearly against it. This was not only because of the loss of the locks, though that did affect opinion, but there was also concern for the bulk-handling industries on the river. Officials do not yet share a common vision for the upper river. Some were very reluctant to see a loss of the old-line industry on the river and felt that the river could be improved without pushing these businesses out. Some of them also believed that the greening of the upper river and the closing of the bulk-handling industries would take much longer than twenty or twenty-five years. Based on the disparity over this key issue, the public agencies must unite in a shared vision for the upper Mississippi River corridor before any plan can go forward.

## Footnotes

### 1. Qualifications of the Panel

John Sherwood is the Senior Associate of The Sherwood Consultancy in Annapolis, Maryland. He has experience as a real estate and commercial development economist. He also has a background in waterfront revitalization, development and planning, historic preservation and development economics. He has a national reputation working with groups of planning and development professionals and has experience with vital working waterfronts.

Don Hunter is the President of Hunter Interests Incorporated, also in Annapolis, Maryland. Hunter Interests is a group of urban economists and financial analysts. The company also has a real estate and development division. Mr. Hunter has thirty years of experience in this area. Hunter follows general trends in industry, housing and development.

Representing the Trust for Public Land was Cynthia Whiteford, who has headed the Trust's Minneapolis office for the last three and a half years. Whiteford has a proven

track record as an economic consultant for other projects similar to this one. "We look at green space from many different perspectives including economic development and community revitalization. We see the benefit of green space for these activities," Whiteford said. Whiteford also said that she brought a local, neighborhood perspective to the panel. "We know the communities, we live here, I was able to bring what the communities were asking for into the discussion," Whiteford stated.

The final member of the panel was Don Hunt, the President of BRW, and a one-time resident of Minneapolis. Currently he is located in Denver, Colorado.

## **2. Officials Who Attended the November 4, 1998 Meeting**

Elected officials who attended the meeting included City Councilpersons Johnson, Ostrow, McDonald and Biernat, County Commissioners Opat and Stenglein, and Park Commissioners Diedzic and Mason.

## **3. Study Area Definition**

The redevelopment study area that the panel was asked to comment on includes the area known as the "Upper River": the Mississippi River corridor in the City of Minneapolis north of Plymouth Avenue North and 8th Avenue Northeast. The boundary to the west is 1-94, and the eastern boundary is the Burlington Northern railway line that parallels California Street NE and the public right-of-way of Main Street NE. The northern boundaries are the city limits at 53rd Avenue North and 37th Avenue NE.

## **4. Consulting Firms Developing Master Plan**

The consulting firms BRW, Inc., Wallace Roberts & Todd, Robbin Sotir & Associates, Dames & Moore, the McComb Group, Ltd., James Miller Investment Realty Co., and Paul Anton & Associates were hired by the Minneapolis Park & Recreation Board, the City of Minneapolis, the Minneapolis Community Development Agency and Hennepin County to develop a master plan for the upper Mississippi River corridor.