

Cedar Riverside Small Area Plan

Economic Development Strategy

Prepared for:

City of Minneapolis
Department of Community Planning and Development

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I. Summary of Key Findings from the Market and Economic Development Analysis

Cedar Riverside enjoys a number of remarkable assets and advantages including 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.

The neighborhood includes approximately 3,000 households, and the median household income is approximately one-third that of the City of Minneapolis. 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. 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 prepared by ZHA, Inc. conservatively estimates that \$3 million in additional buying power may be available, primarily associated with the 3,000 employees who work year-round at Fairview University Hospital.

II. Vision

Cedar Riverside's business districts are vibrant, reflecting strong connections between the neighborhood and its key economic assets:

- Large institutions significant in the regional and national economy
 - University of Minnesota, including major graduate schools in public affairs, law and business;
 - Fairview University Hospital and adjacent health care operations
 - Augsburg College
- Stations on two major light rail corridors (Hiawatha and future Central Corridor) and excellent bus service
- Proximity to downtown Minneapolis and the emerging arts corridor along Washington Avenue
- Location on I-35W and I-94
- Arts related schools and programs at the University of Minnesota (West Bank), together with the long history and largest concentration of theater, arts and performance venues in the Twin Cities
- A successful collection of destination businesses in the active lifestyle, nature/outdoors, folk art and music traditions
- A 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

The neighborhood, which was cut off from downtown and other neighborhoods by the construction of two interstates and the “Washington Avenue trench,” preserves its identity but is reconnected visually, physically, socially and economically with downtown, the University’s East and West Bank, Seward neighborhood, Franklin Avenue, and the Mississippi River. Internal connections are intentionally created and strengthened.

Institutions create a conscious interface with the city and neighborhood, providing a convenient, functional, pleasant and safe environment for employees, students and visitors.

Economic vitality is supported by transportation, transit, parking and public realm improvements.

The City, institutions and businesses make the most of the transit, pedestrian and bicycle oriented environment created by key neighborhood assets, including:

- high density housing
- access to light rail service
- a large student population, and
- concentrated employment opportunities in close proximity.

The City, County, Met Council, Cedar Riverside businesses and institutions maximize their potential for bringing employees, students and visitors to the area via the two light rail corridors, attracting and retaining light rail transit riders through well-planned and maintained station areas, excellent Metro Transit service, circulator transit services, clear and effective way-finding systems, pedestrian and bicycle amenities, and related improvements.

Cedar Riverside is at the confluence of the two major interstates in the Minneapolis-St. Paul MSA. Major institutions in the area, together with destination businesses, theaters and performance venues draw a large number of visitors from throughout the region and the world. The automobile continues to bring many visitors and employees to the area. They are welcomed by an atmosphere of hospitality with excellent way-finding and visitor-friendly parking, designed and operated to accommodate the “parking surges” associated with event-oriented venues.

The housing mix in the neighborhood diversifies and reflects a broader socio-economic spectrum, strengthening the buying power of the neighborhood.

The neighborhood’s business districts meet the daily convenience needs of area residents, students, and employees and successfully build on the neighborhood’s history in four additional market segments: outdoor/active lifestyle; folk music/folk arts; ethnic/immigrant; and theater/music/arts and entertainment.

The Cedar Riverside area includes 4 distinct commercial districts, each reflecting unique competitive advantages.

Seven Corners Market Niche

Seven Corners serves as theater, arts, dining destination and link between the University and downtown. It is a location where people meet near downtown, near the University, just off the Interstate, and near the Central Corridor light rail station. West Bank theater, music

and arts activity is integrated with arts and cultural activity on Washington Avenue west of I-35W (i.e. Guthrie, the Mill City Museum and the Loft Literary Center).

Cedar Riverside Market Niche

The high visibility intersection of Cedar and Riverside includes restaurants, coffee shops, and businesses focused on attracting students, faculty and staff from nearby institutions. There is a successful collection of destination retailers and service businesses oriented 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 have access to convenience goods and services at local businesses including a pharmacy, bank, coffee shops, and restaurants.

South Cedar Market Niche

South Cedar builds on its proximity to Riverside Plaza and The Cedars by emphasizing ethnic businesses meeting the culturally unique, daily needs of the area's diverse population. Successful ethnic businesses reach out to attract destination shoppers as well as students, faculty, staff and visitors. Organizations that support recent immigrants and facilitate their successful adaptation to the Twin Cities generate traffic and are located in appropriate office locations.

Successful bars, music and entertainment venues on South Cedar continue the area's long standing tradition as regional center for music and entertainment.

Riverside Avenue Market Niche

Riverside Avenue businesses meet the needs of employees, students and visitors to area institutions including "fast but fresh" restaurants, coffee shops, and other employee/visitor oriented convenience goods and services. Institutions 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 continue to be met by businesses such as the North Country Coop and locally oriented restaurants and bars. Businesses with visibility and ready access to I-94, like Bruegger's and Starbucks serve as meeting places for residents from throughout the metro area as well as employees, visitors and residents.

Vision - Sub Area Markets

Seven Corners

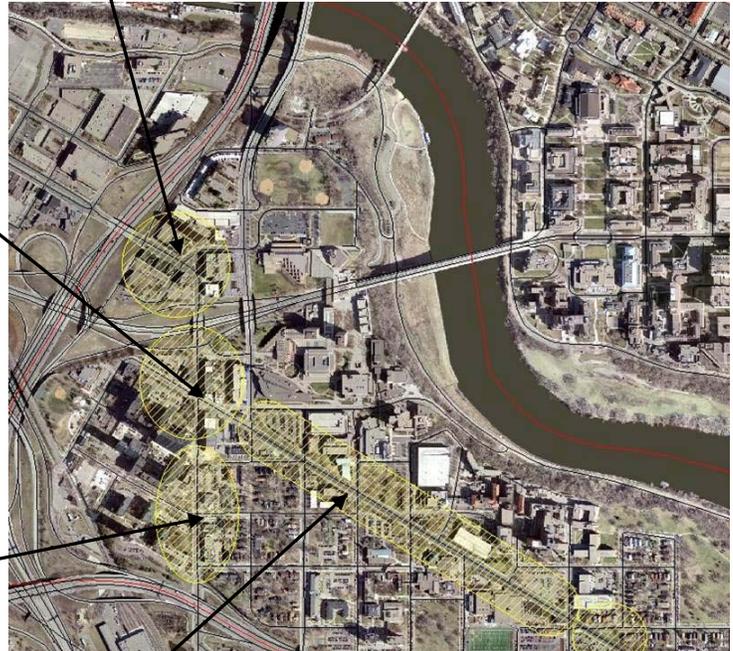
- Destination for arts, theater and dining
- “Meeting place” near downtown, University, light rail & I-35W
- Washington Ave. links the University of MN and downtown
- Washington Ave. links Seven Corners theater/arts district with Guthrie, The Loft
- Strong, positive interface with Central Corridor light rail station

Cedar Riverside

- High visibility intersection with positive image
- Attracts buying power of students, faculty & employees
- Successful collection of destination businesses – outdoor/active lifestyle; folk art & music
- Neighborhood goods & services (bank, pharmacy, etc.)
- Successful, positive interface with both light rail stations

South Cedar

- Ethnic oriented goods & services meeting the needs of area residents
- Music, bars & entertainment
- Positive interface with light rail



Riverside Avenue

- Restaurants, coffeeshops, convenience goods & services to meet needs of residents, employees, students & visitors to area institutions
- Businesses oriented to Riverside traffic & I-94 (e.g. Bruegger’s, gas/c-store, Starbucks & others)
- Excellent transit service linking institutions with light rail
- Bicycle lanes (painted, on-street) provide a clearly-defined path for bicycle access to neighborhood attractions

II. Implementation Strategies

The following implementation strategies are provided 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. The strategies in sequential order are:

1. **Organization:** Create an organization focused on commercial corridor revitalization in the Cedar Riverside neighborhood with committed, capable *leadership* from 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. **Economic restructuring:** 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 design and appearance of public realm improvements, facades and other features, as well as focusing marketing and promotional efforts.
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.

The final section – **Sub-area Strategies** – identifies and organizes many of the elements described above with more specific application to the four sub-areas of the neighborhood.

1. Organization

Create an organization focused on commercial corridor revitalization in the Cedar Riverside neighborhood with committed, capable leadership from the public and private sector.

Overview: To successfully achieve the shared vision for economic revitalization of Cedar Riverside, the active engagement of public and private sector *leadership* is essential.

Year 1

Establish a private non-profit organization involving high-level leadership from the major institutions, the City of Minneapolis, Hennepin County, property owners, business owners, representatives of arts/cultural/business organizations and residents. Develop a budget and funding plan for the organization and secure funding for at least 3 years. Seek and acquire competent staff and/or consulting leadership for the organization. Actively communicate with all stakeholders. Identify ways to partner with existing organizations and efforts as appropriate. Begin implementation of the strategies identified in this plan.

The organization will provide a vision, strategic guidance, leadership capacity and resources. Four sub-area working groups will be actively engaged with day to day revitalization activities as described later in this strategy.

Year 2/Ongoing

Continue implementation of the strategic plan; measure progress and impact. Actively communicate with all stakeholders. Revise and update strategic plan based on experience, changing circumstances and opportunities.

2. Crime and Safety

Bring together institutional, business, public and private resources to aggressively address crime and safety issues in the commercial areas.

Overview: The perception of safety is critical to the economic vitality of Cedar Riverside. Residents, students, employees, business owners and visitors must feel safe at all times. This is a high priority initiative near term (Year 1-3). Early successful implementation of crime/safety initiatives will pave the way for success in other areas and allow the crime and safety strategy to become a mid-priority maintenance function in later years.

Year 1: Partner with, support and expand existing efforts to address crime and safety with an emphasis on crime/safety challenges facing the commercial corridors. Residents have been engaged in crime and safety initiatives. It's important to emphasize the involvement of business and property owners and partnerships with police and security at area institutions in activities designed to prevent, report and solve crimes related to the commercial corridors. Educate businesses, property owners and appropriate institutional representatives about Crime Prevention Through Environmental Design (CPTED) and integrate CPTED principles into plans for improving design and appearance of the businesses and commercial corridors.

Year 2/ongoing: Implement CPTED initiatives. Continue partnership (police, institutional security, business & property owners) activities designed to prevent, report and solve crimes affecting the commercial corridors. Measure progress and impact; refine strategies based on effectiveness and impact.

3. Economic Restructuring

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 design and appearance of public realm improvements, facades and other features, as well as focusing marketing and promotional efforts.

Overview: Active engagement of property owners and business owners is critical to successful economic restructuring. Healthy, successful businesses are able to support rent levels sufficient to enable property owners to maintain and improve properties – avoiding a cycle of deterioration and blight. Property owners who share a common vision for the economic niche of an area and actively participate in creating a successful commercial area can

- create a strategic business mix for the commercial node or area;
- work with business owners to define and refine an understanding of the target market;

- create an appropriate physical environment;
- participate in branding, marketing and promotional activities to enhance the business vitality of the district.

Defining an area’s market niche is the foundation for tenant selection, marketing and promotional activities, and the image of an area as communicated through its design and appearance.

Year 1: Create four sub-area working groups involving business and property owners to

- refine the economic vision for each sub-area;
- identify a strategic business mix for the sub-area (near-term and/or long-term); if appropriate, begin recruiting target businesses;
- prepare additional physical development plans and/or design guidelines as needed to support the market vision;
- develop branding, marketing and promotional strategies;
- identify tools and resources needed to successfully implement sub-area revitalization strategies (economic restructuring, physical revitalization; marketing; crime and safety) ;
- begin implementation of sub-area strategies.

Year 2/on-going: Sub-area working groups continue implementation; begin measuring progress and impact; refine and update strategy/tactics

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.

Overview: Physical design and appearance – how the area functions and looks – are critical to its economic success. Strong positive connections between the commercial districts and the institutions, light rail transit, housing, downtown, the freeways and parking will create more vibrant commercial districts. The appearance of the commercial districts should be a reflection of the market niches targeted for the neighborhood and/or subareas (theater, arts, entertainment, folk arts and music, outdoor/active lifestyle) rather than a more generic streetscape.

The elements in this section are covered more extensively elsewhere in the Cedar Riverside Small Area Plan. A brief overview of each element of design and appearance and its relationship to economic revitalization of Cedar Riverside is presented below; the reader is referred to other areas of the plan for further insight and detail.

Reconnecting: Construction of the interstate system and the “Washington Avenue trench” cut the Cedar Riverside neighborhood off from downtown and adjacent neighborhoods in the late 1960s. In numerous places throughout the neighborhood the internal road network was vacated. For several decades the design of the institutional campuses and buildings was internally focused, primarily automobile oriented and had little or no relationship to the neighborhood or the commercial corridors. Together these forces have created places that are

cut off physically, socially and economically. To create a safe, economically vibrant area, a key focus/theme for all physical planning should be reconnecting.

Parking and Way-finding: Many businesses, organizations and institutions in the Cedar Riverside neighborhood attract visitors – regional, national and international – on a regular basis. Many of these visitors are attending a lecture or a performance at one of many venues in the area including facilities such as Augsburg, the Humphrey Institute, Carlson School of Business, Law School, Cedar Cultural Center, Tedd Mann Concert Hall, Mixed Blood Theater, the Southern Theater, and Theater in the Round. In addition, Fairview-University Hospital and the related health care complex draw numerous patients and visitors to the area from throughout the region. Way-finding and parking in the area should be clear, safe, reflect an atmosphere of hospitality and be designed to accommodate the surges in parking associated with events.

Transportation, transit: The Cedar Riverside area enjoys incredible transportation and transit access. It is accessible from both I-94 and I-35 and is also the only location outside of downtown Minneapolis that will soon be served by light rail on both the Hiawatha and Central transit corridors. Excellent bus service to the University of Minnesota-West Bank Campus as well as to and through the neighborhood with routes linking south Minneapolis and downtown again reinforces this neighborhood as a place with outstanding transit service, and a neighborhood which can make the most of transit-oriented design as the neighborhood evolves and changes. The high volume of visitors to the institutions as well as the event-oriented venues highlights the need for an atmosphere of hospitality with excellent way-finding.

Public Realm Improvements: Public realm improvements should strengthen the physical, social and economic connections between places and people within and beyond the neighborhood. They should reduce crime/increase safety, create a sense of hospitality for visitors and support pedestrian, bicycle and transit use.

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.

Overview: Marketing and promotion activities will be executed primarily on a sub-area basis. Effective branding, marketing and promotional activities will be based on the economic vision for the sub-areas as refined by sub-area business and property owners and the phase of revitalization. Some areas may be ready to increase outreach to students or employees with coupons and advertising; other areas may need to reach out to developers or businesses to address physical development or business mix challenges.

Year 1: Sub-areas clarify the market niche and brand; define target audiences appropriate at this phase of the revitalization effort (e.g. developers, students, employees); define messages and tactics to reach the target audiences; begin implementation.

Year 2: Continue implementation; measure progress and impact; revise strategy as needed in response to changing circumstances and effectiveness.

6. Opportunity Sites

Stimulate commercial district revitalization by supporting redevelopment and/or renovation at key locations.

Overview: Opportunity sites are highlighted because of their potential to act as catalysts for economic revitalization. They are chosen based on visibility, strategic location relative to other assets, especially transit, underutilization of property and public ownership/control. The timing of specific redevelopment projects is dependent upon ever-changing market conditions, the interests of business and property owners and developers, community priorities, leadership commitment, organizational capacity, and a number of other variables. Recent changes along Washington Avenue west of I-35W create some momentum for revitalization of the Seven Corners Area.

Construction of the Central Corridor Light Rail Station along Washington somewhere between Cedar Avenue and the Mississippi River is likely to stimulate interest among developers in property within $\frac{1}{4}$ to $\frac{1}{2}$ mile of the station. Redevelopment/revitalization of the Opportunity Sites to coincide with the opening of the new light rail station is likely to have a synergistic effect – heightening interest in the area and stimulating the private market.

Seven Corners – South side of Washington Avenue, west of Cedar Avenue: A number of buildings with vacant storefronts line Washington Avenue on the south side. A large parking area and apartments are located behind these properties. Some viable businesses exist amid the vacant storefronts on the south side. Business and cultural activity on the north side of Washington (Southern Theater and Town Hall Brewery) is healthier. Revitalization of the historic properties on the south side of Washington Avenue would strengthen the entire Seven Corners area. The tract of land behind these properties is large and offers development potential.

Seven Corners – Theater in the Round Area: Station area design for the Central Avenue Corridor Transit Station could help strengthen the connection between the Seven Corners sub-area and the Cedar Riverside sub-area. The station area location and design are unknown at this time, however it would be regrettable to lose a theater in a theater district. Public realm improvements in this area should support a strong pedestrian connection between the light rail transit station and Seven Corners.

Cedar Riverside – Parking Lot A (west of Cedar along 4th St. South): This city-owned site can serve as a catalyst to increasing a sense of activity and safety between Cedar and 15th Ave So. and can serve as a bridge between the Hiawatha light rail station as well strengthening the perception of safety for a potential development on the Fine property along 15th Ave So. and the Cedar Riverside intersection.

The alignment of the Central Corridor Light Rail Transit and location of the station should inform redevelopment site planning for Lot A. Current market conditions offer limited redevelopment options for Lot A. Construction of student or tax credit housing, with sufficient parking and replacement of existing parking is marginally viable and would require a patient

investor – one focused on appreciation over time rather than developer fees or income. Construction of the Central Corridor LRT is likely to be a catalyst to stronger market conditions in area and may create opportunities to diversify the income mix of the area. While waiting for market conditions to improve in the area, the city should consider actions such as well publicized security cameras, a parking lot attendant after dark and/or increased patrols to reduce crime and improve safety.

South Cedar – Public housing site: The vacant frontage on the west side of Cedar Avenue south of 6th Ave S. offers potential as a site for mixed use infill development and public parking. Currently retail/mixed use properties are located on the east side of Cedar across from the public housing site. Retail is typically more successful if there is a coherent district feeling, with additional retail located across the street.

Former Dania Hall Site: This city-owned site is located on the east side of Cedar just north of the former 5th Street South. Under current market conditions, only a small, single-story retail building or a three- to four-story mixed use property with student housing upstairs show potential financial feasibility. The location of student housing in this area would begin strengthening the currently limited connection between students and the Cedar-Riverside business district. The market analysis found that incorporating the mid-block City-owned parking lots (east of the former Dania Hall) into the development site does not increase the market feasibility for redevelopment of the site.

Sub Area Strategies

Seven Corners

- Create an intentional connection between the University and downtown
- Strengthen the connection between 7 Corners and downtown with pedestrian and bicycle improvements to the Washington Avenue Bridge over I-35W
- Create a connection between the Cedar Riverside Arts District (largest and oldest concentration of theaters in the Twin Cities) and the Guthrie, the Loft Literary Center/Open Book, and the emerging Washington Avenue arts and entertainment district
- Support revitalization of the block across from the Southern Theater, with a focus on theater and the arts as a bridge between the University and Washington Avenue
- Create a strong visual and physical connection to the Central Corridor light rail station for pedestrians and bicycles
- Rebuild the connection between 7 Corners and Cedar Riverside over the “Washington Avenue trench” via pedestrian and bicycle improvements along Cedar Avenue, integrating these efforts with Central Corridor Light Rail and Cedar Avenue bus transit improvements
- Improve parking hospitality (i.e., meters that take credit cards, better lighting, parking lot attendants, uniform system for validating parking) & way-finding for visitors
- Maintain and enhance the connection between students and the business district
- Enhance streetscape

- Create a vertical or visual connection with the Mississippi using the ingenuity of 7 Corners artists, architects, area institutions, and community members

Cedar Riverside

- Enhance appearance of the intersection of Cedar and Riverside Avenues
- Enhance streetscape
- Enhance physical appearance of area businesses to attract visitors, students, faculty and staff from area institutions, and downtown residents and employees.
- Strengthen marketing activities to draw additional disposable income from students, employees and visitors to area businesses
- Improve parking hospitality & way finding for visitors
- Improve the pedestrian experience along Cedar and Riverside as well as crossing Cedar Avenue and crossing Riverside Avenue at the primary intersection and other locations
- Create strong visual and physical connections for pedestrians and bicyclists between Cedar Riverside and both light rail stations (Hiawatha & Central Corridor)
- Rebuild the connection with 7 Corners over the Washington Ave “trench”
- Encourage businesses and housing options that will draw students, faculty and staff into the area as residents and customers

South Cedar

- Visually and functionally create an identity of South Cedar as an ethnic marketplace
- Recognize the long history and current role of Cedar Riverside as a location that supports recent immigrants
- Recognize Cedar Riverside’s long history and current role as a venue for music, theater and entertainment
- Explore opportunities to reduce tension between establishments serving alcohol and the large Muslim population residing in the area
- Strengthen retail south of 6th Street South by creating retail activity on both sides of Cedar (land owned by the Minneapolis Public Housing Authority)

Riverside Avenue

- Provide a human scale environment that encourages students, employees and visitors to walk, bicycle, shop, dine and use the area’s transit amenities
- Construct mixed use development along Riverside Avenue that meets the needs of employees, students, residents and visitors for dining and convenience goods and services
- Strengthen institutional commitments to create positive, human scale connections with Riverside Avenue
- Incorporate pedestrian and bicycle amenities to encourage employees, students and visitors to use light rail and bus service
- Encourage development of overlooks of the Mississippi River along the ridgeline behind Fairview University Hospital and a trail link to Riverside Park to provide employees, visitors and residents with access to open space and opportunities for exercise.

Appendix ___:

Technical Memorandum: Parking

Cedar Riverside Small Area Plan - Economic Development Strategy

- Lot A
- South Cedar

Background

As part of the Economic Development Strategy for the Small Area Plan, Minneapolis Community Planning and Economic Development (CPED) asked the consulting team lead by Economic Development Services to provide a brief analysis of parking and its relationship to business and economic development, with an emphasis on that portion of the neighborhood nearest to the intersection of Cedar and Riverside.

An analysis of parking in the neighborhood, *Cedar-Riverside Neighborhood Parking Study* was prepared by Andrea Petersen in the summer of 2006; this document provided an analysis of existing conditions and issues. Because the City of Minneapolis has adopted a general policy of selling parking lots and structures, the consulting team consisting of Economic Development Services, Wenck Associates, Inc. and ZHA, Inc. were asked to analyze development options for Lot A, including an analysis of parking. In addition, the consulting team was asked to review parking conditions along south Cedar and provide recommendations to guide the city as part of the small area plan.

Lot A

Existing Conditions

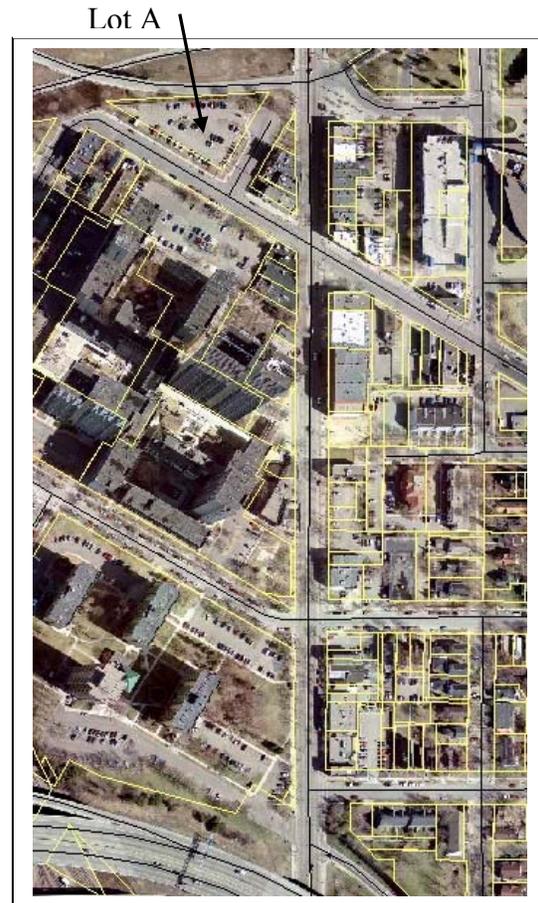
Under existing conditions, Lot A is a surface parking lot with 96 total spaces available. The property is triangle shaped with sides of 388 feet, 324 feet, and 218 feet. The right-of-way for 16th Avenue S. is 76 feet, which includes space for an alley behind the existing buildings on Cedar Avenue.

As described in the *Cedar-Riverside Neighborhood Parking Study*, by Andrea Petersen and dated August 17, 2006, existing usage of Lot A varies depending on the time of day and day of week. Information from this report indicates that Lot A is often below capacity between 7:00 a.m. and 6:00 p.m. and often fills closer to capacity on Thursday and Friday evenings. A quick survey of parking usage at 12:00 p.m. on March 9, 2007 showed that 46 of the 96 parking spaces were being used at that time.

Redevelopment Conditions

Redevelopment of the Lot A property could also include part of the 76 foot right-of-way for 16th Avenue S. Maintaining approximately 30 feet of right-of-way would allow for an alley to service the existing buildings on Cedar Avenue. Including the additional right-of-way space into the Lot A property would increase the lengths of the triangle sides to 444 feet, 368 feet, and 250 feet.

Based on the size of the property and early market studies, a redevelopment scenario was created. This scenario consists of 76 apartment units and approximately 10,000 square feet of ground floor retail. The number of parking spaces needed for these uses based on typical market parking demand is 97 for the apartments and 40 for the retail. The 97 spaces for the apartments include 55 underground spaces that would be constructed under the apartment building and would not be part of an above ground structure. We have also assumed that the existing public supply of 96 spaces would also be included in the total supply. Therefore, the total above ground parking spaces needed for this scenario is 178, or 97 plus 40 plus 96 less 55.



City of Minneapolis code requires 1 parking space for each apartment unit and one parking space for each 300 square feet of general retail less 4,000 square feet from the total gross floor area. Therefore, City code would require 76 parking spaces for the apartments and 20 spaces for the retail (10,000 less 4,000 divided by 300).

Based on the shape of the property, we have estimated the size and shape of a parking structure that could possibly be placed on the property. The current land use scenario assumes that the parking structure would be placed in southwest to northeast alignment, perpendicular to 4th Street. Based on this assumption, a parking structure with approximately 60 spaces per level could fit. Therefore, three levels of parking would be required to meet the market demand of 178 spaces. Due to the shape of the property, the parking ramp and the apartment building would share the same footprint for a portion of the building, resulting in a structure taller than three stories in some areas.

Analysis of Redevelopment Potential

Market studies prepared for the Cedar Riverside Small Area Plan showed some near term housing development potential for two market segments: 1) tax credit multi-family housing, and 2) student housing. These two scenarios were considered for Lot A. An assumption in both of these scenarios was that the current 96 surface lot parking spaces would be replaced with 96 structured parking spaces.

The analysis by ZHA, Inc. concluded that, “In the immediate future, the proposed 76-unit market rate apartment complex would not be likely to attract sufficient rent to support developer profits and land purchase. Under a tax credit market subsidy scenario, wherein the developer would receive capital infusions for affordable units, the proposed complex could generate some residual value for land purchase, but would still not fund construction of above-ground parking structures.” ZHA indicated that while the project would not work for a developer oriented to short-term profit, it may be possible for the tax credit project to attract an investor oriented to a long-term return based on appreciation of the property over time.

According to ZHA, “Alternative development scenarios involving student housing would generate values sufficient to fund structured parking construction – for the parking spaces needed for the housing project – but the parking-intensive nature of student housing would offset most of this gain by substantially increasing the parking requirement. A student housing option with 65 units could fund basement parking (55 spaces) plus about 1.8 additional structured spaces/unit, this would however cut into the parking supply in the ramp, leaving only 20-25 truly public parking spaces.”

To fund the 71-76 structured parking stalls needed to replace the 96 surface public spaces available on Lot A, the city could consider the use of tax increment finance at a rate of approximately \$20,000 per stall for capital costs plus soft costs associated with TIF. In its policy consideration of this option, the council could take into consideration the number of years of increment the project would require, as well as the role this site could play in:

- drawing students into the Cedar Riverside commercial district,
- increasing activity and safety along 4th St., and
- strengthening the perception of safety along a route to the Hiawatha Light Rail Station.

Lot A Recommendations

Current market conditions do not support redevelopment of the site without some type of subsidy (competitively secured tax credits for housing, TIF subsidy of replacement parking, etc.) However, redevelopment of the site has the potential to serve as a catalyst to revitalization of the neighborhood, particularly if the design incorporates Crime Prevention Through Environmental Design Principles and creates spaces that strengthen the connection between the Cedar-Riverside intersection and the Hiawatha Corridor Light Rail Station.

The Economic Development Strategy section of the Cedar Riverside Small Area Plan points out that the area draws visitors from throughout the Upper Midwest to the numerous theater and performance venues in the neighborhood. Managers of the performance venues stressed the

importance of a perception of safety in the area to their continued success. The perception of crime and concerns about safety in Lot A should be addressed at a minimum with some improvements in design, appearance, and operations. Consideration should be given to having a lot attendant and/or increased police patrol particularly after dark. Excellent wayfinding systems for drivers and pedestrians and an attitude of hospitality should be expressed through the parking system, including Lot A.

Parking Along South Cedar

Existing Conditions

As described in the *Cedar-Riverside Neighborhood Parking Study*, parking along Cedar Avenue south of Riverside consists of a privately owned lot for public use at 5th Street and Cedar Avenue, the Riverside Plaza and Cedar Towers lots and ramps for residents only, on-street parking meters, on-street free parking, and on-street critical parking.

This section of South Cedar is a long stretch with limited east/west access. The limited east/west movements take you to areas that do not have convenient parking. To the west of Cedar is the large land mass of Cedar Riverside Plaza. To the east is the large residential area with critical parking restrictions. However, private parking is critical to businesses and properties along south Cedar.

Recommendations

We encourage shared private parking to ensure the vitality and success of businesses along south Cedar. Steps should be taken to ensure the quantity of available parking is not reduced. If retail and mixed use development occurs on the Minneapolis Public Housing site on the west side of south Cedar, it should include parking.