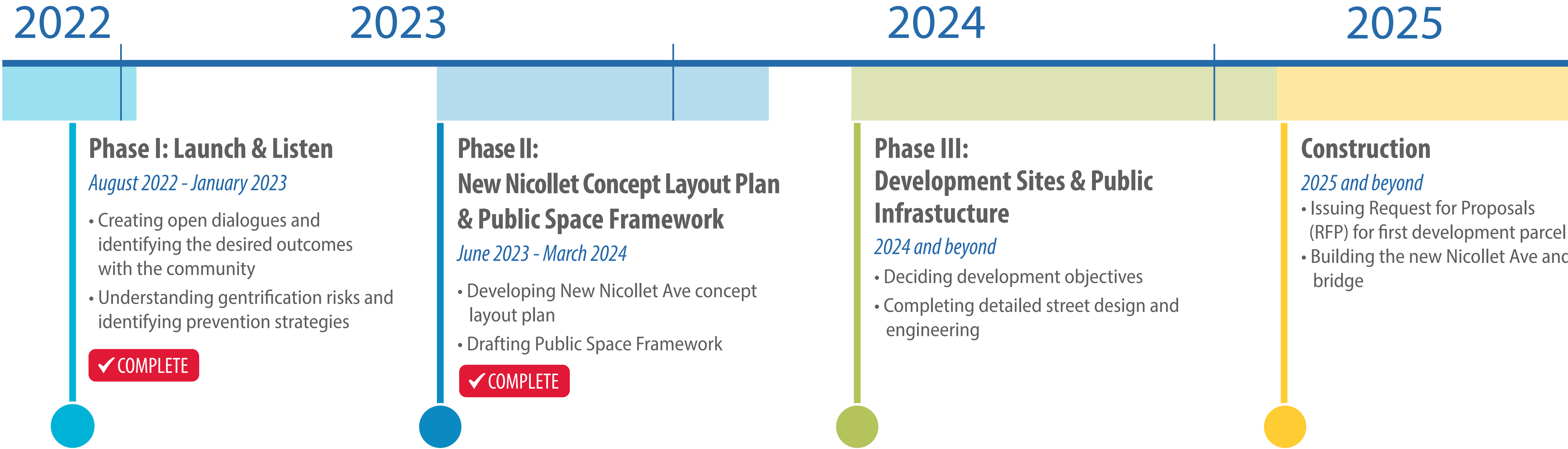


# Project Timeline



**Phase I: Launch & Listen**

*August 2022 - January 2023*

- Creating open dialogues and identifying the desired outcomes with the community
- Understanding gentrification risks and identifying prevention strategies

✓ COMPLETE

**Phase II: New Nicollet Concept Layout Plan & Public Space Framework**

*June 2023 - March 2024*

- Developing New Nicollet Ave concept layout plan
- Drafting Public Space Framework

✓ COMPLETE

**Phase III: Development Sites & Public Infrastructure**

*2024 and beyond*

- Deciding development objectives
- Completing detailed street design and engineering

**Construction**

*2025 and beyond*

- Issuing Request for Proposals (RFP) for first development parcel
- Building the new Nicollet Ave and bridge



For reasonable accommodations or alternative formats please contact (Community Planning and Economic Development, Rebecca Parrell, rebecca.parrell@minneapolismn.gov). People who are deaf or hard of hearing can use a relay service to call 311 at 612-673-3000. TTY users call 612-263-6850. Para ayuda, llame al 311. Rau kev pab hu 311. Hadii aad caawimaad u baahantahay wac 311.

Last updated September 25, 2024 11:57 AM



# Phase III - Development Plan Introduction

*Phase I* of the project gathered community input on general priorities for the site and established broad project goals.

*Phase II* decided on the concept layout of the New Nicollet Avenue and locations and types of public spaces on the rest of the site.

*Phase III* of the project is looking at what kind of development the community and the City would like to see on the site. Phase three includes:

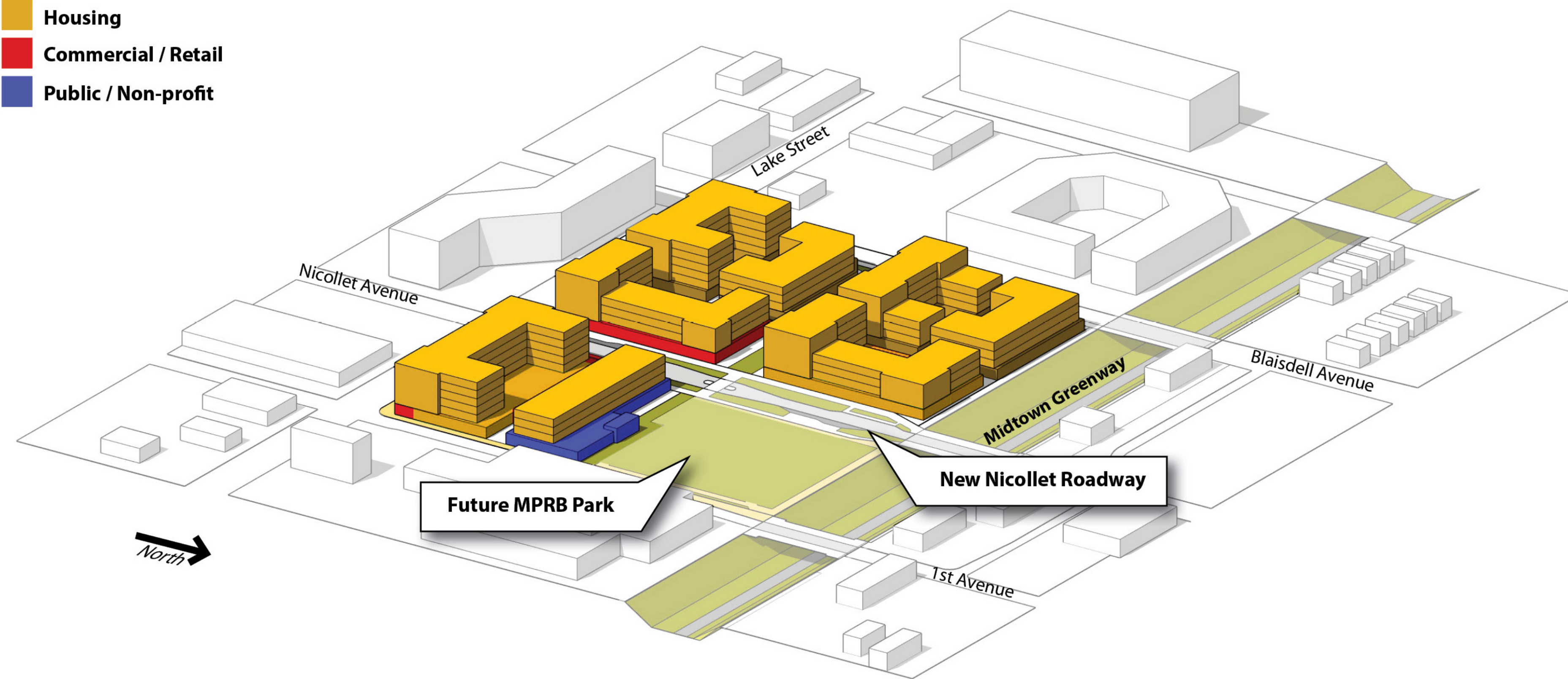
- *A detailed market study*
- *Development objectives*
- *A proposed development plan and implementation strategy*



# Base Development Scenario

*What can be done on the site today with little help or funding, based on the current site and market conditions?*

- Housing
- Commercial / Retail
- Public / Non-profit



Current market conditions offer a limited range of possible outcomes and project options. While many of these outcomes provide things the community needs and wants, extra features like tall buildings, better public spaces, or certain types of stores may need more public funding or support.

The City has some tools and resources to help encourage certain types of buildings and uses. We are asking for help prioritizing different 'reach elements' beyond the base scenario. This will help staff know how to focus extra investment and programs.



## Base Development Scenario Characteristics

- *Approximately 600-800 housing units*
- *4-7 story buildings*
- *~50% subsidized affordable vs. market rate apartments*
- *100% rental apartments*
- *Some retail at the intersection of Lake & Nicollet*
- *~10,000 square feet of community-based indoor space*
- *~3,000 square feet of parks & recreation indoor space*

# Reach Elements

The City is considering “reach” elements that go above and beyond the Base Development Scenario. “Reach” elements would need additional government tools, resources, or incentives to be successful.

The City has some tools and resources to help encourage certain types of buildings and uses. The goal of this phase of engagement is to identify the top priorities for “reach” elements. We want them to reflect the community’s needs and preferences.

**Subsidy**  
\$-\$\$\$\$

**Degree of Difficulty**  
🚀 - 🚀🚀🚀🚀

**Implementation**  
Near-term  
Medium-term  
Long-term

Each reach element receives a score on three measures of implementation: Amount of public subsidy, degree of difficulty, and time to implement.

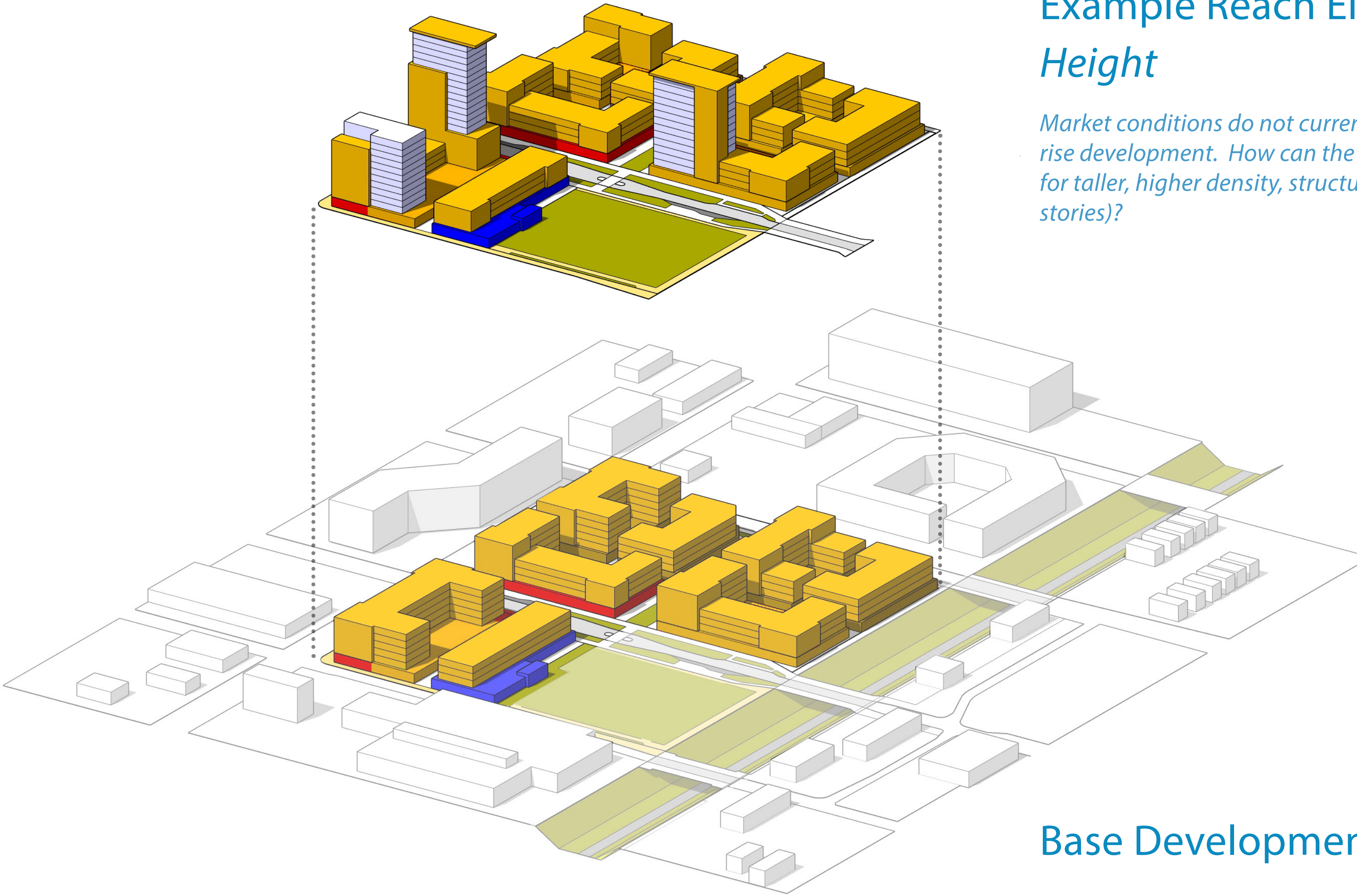
**Subsidy** is a measure of:  
The financial assistance required on the part of the City to make something happen. It represents the financial gap between what the market can deliver and what the public wants.

**Degree of difficulty** is a measure of:

- The amount of coordination required of the city and the private market.
- Site constraints that may complicate project implementation.
- The political will to achieve a certain outcome.

**Implementation** is a measure of:  
How long it may take to see a particular reach element be built.

- Long-term elements are 20 years or more.
- Medium term elements are 10-20 years away.
- Short term element are likely to occur within 5-10 years.



## Example Reach Element - Height

Market conditions do not currently support high-rise development. How can the site be developed for taller, higher density, structures (8 or more stories)?

Base Development Scenario

# Reach Element - Height

How can the site support high-rise development?

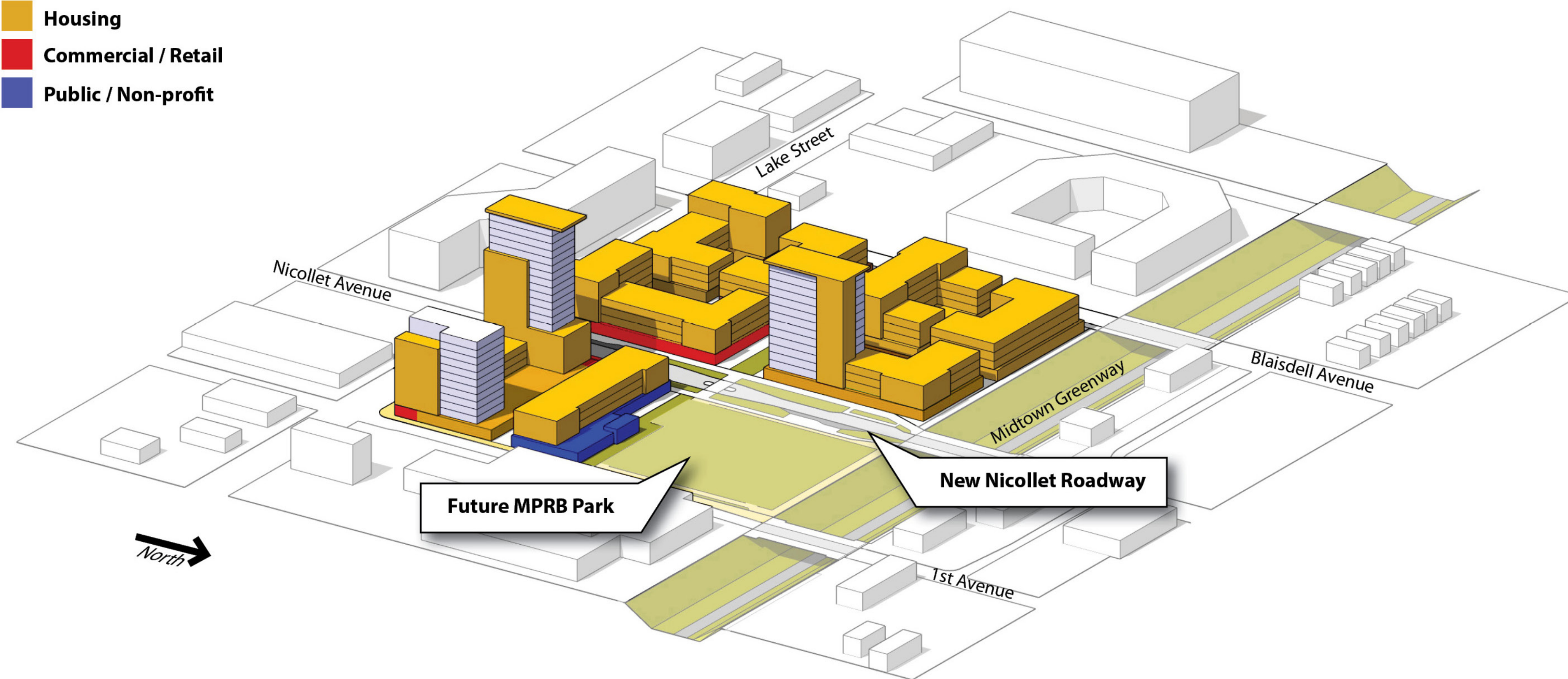
## Context

The 2040 plan supports development up to 20 stories on the project site. Buildings taller than 6 stories are more expensive to build, which means rent prices would be higher and affordable housing is much less likely to be included. Since the site's zoning allows for taller buildings, how could the City plan the site to maximize the potential for density?

## Considerations

- Taller buildings are likely to be market-rate residential.
- Developers are more likely to build taller buildings on the site after other buildings and amenities are already built.
- A tower will most likely be developed on the highest value land on Nicollet Avenue, near the park, or along the Greenway.
- Developers will need financial help to build taller buildings on the site.

- Housing
- Commercial / Retail
- Public / Non-profit



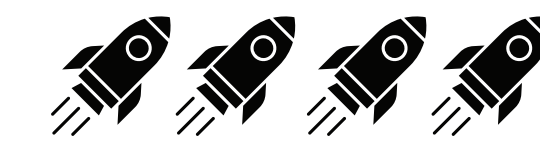
## Example Strategies:

- Incentivize architectural diversity.
- Phase over many years to achieve greater project height / density.
- Retain larger development sites to accommodate design flexibility.
- Subsidize projects that utilize taller construction types.

## Subsidy

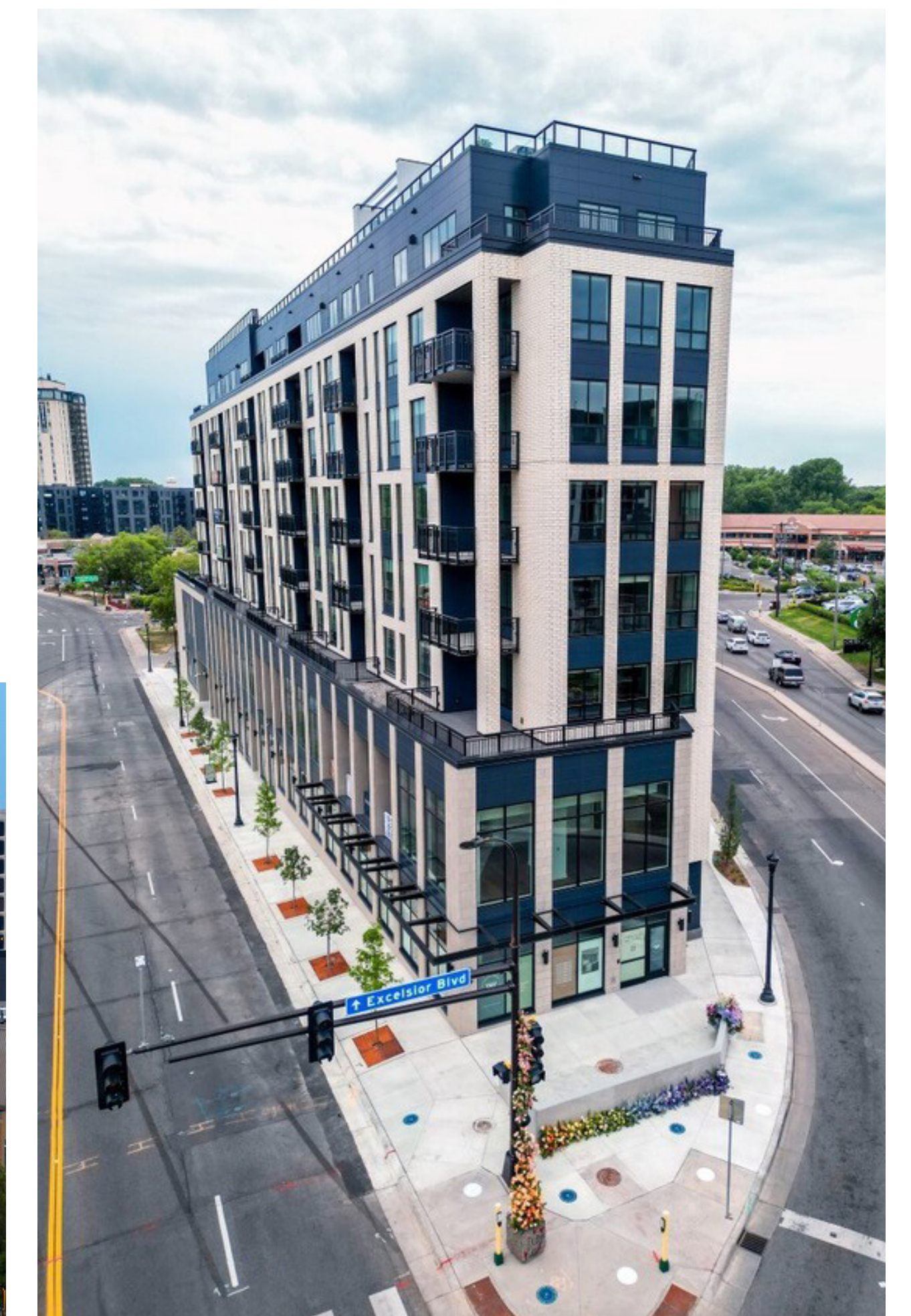
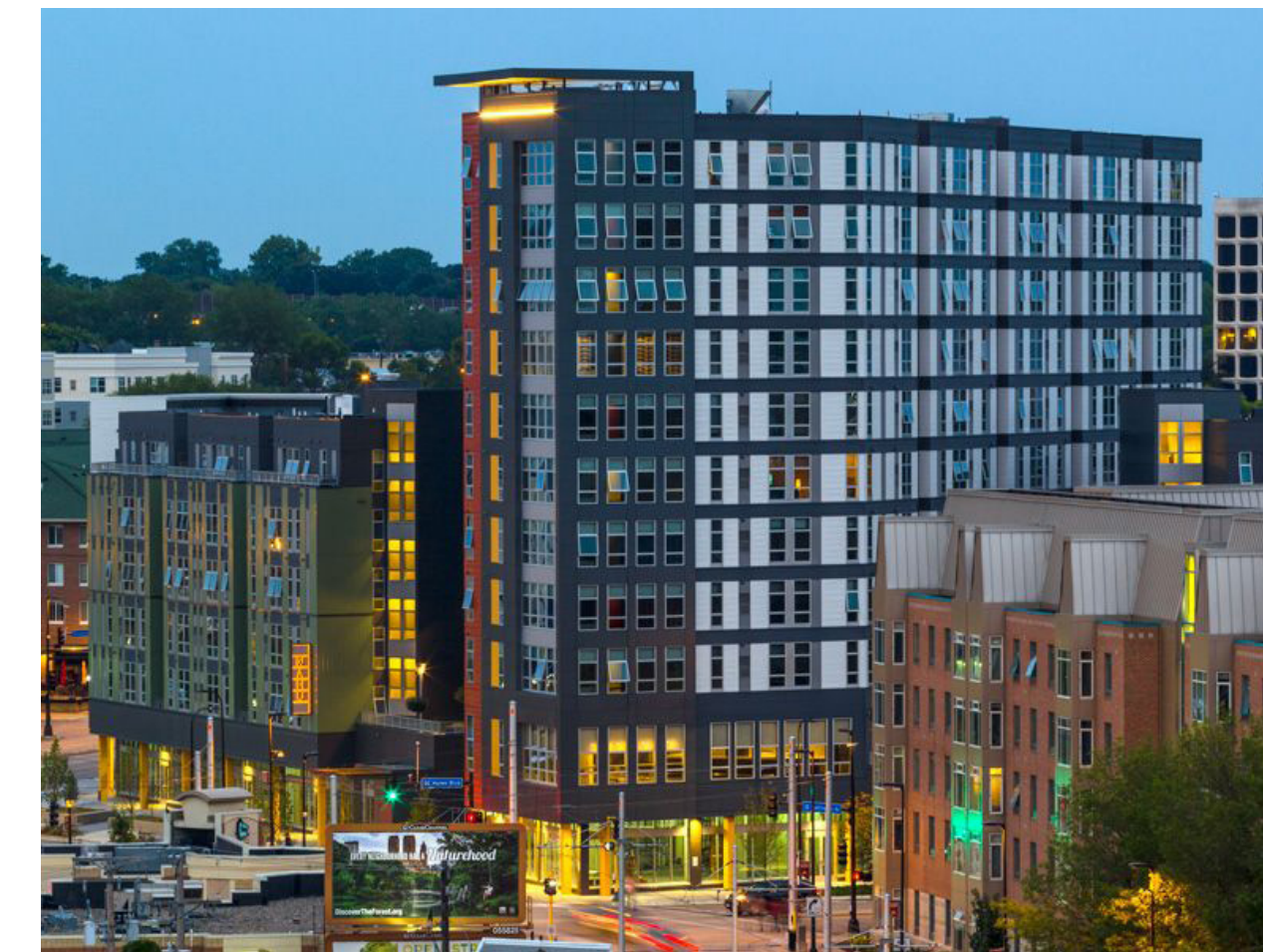
\$\$\$\$

## Degree of Difficulty



## Implementation

Long-term



# Reach Element - Expanded Retail Offerings

How can the site be arranged and regulated to ensure maximum amount of retail success?

## Context

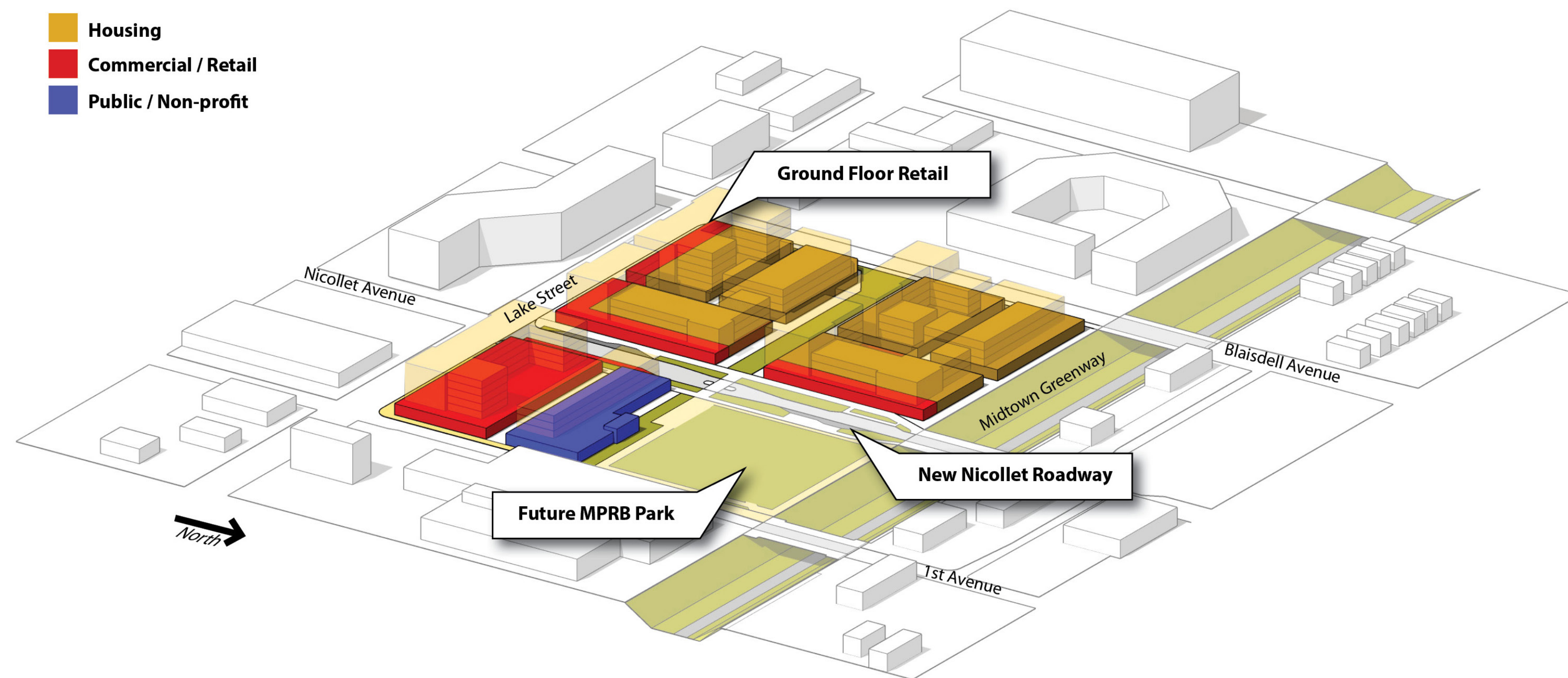
Minneapolis has ambitious goals for ground floor retail space in this part of the city. The minimum amount of required retail space on the site is likely more than the area can support. The market study suggests that the site's zoning requires more retail than the area needs. The City may need to consider:

- how much retail this area needs
- how to focus investments
- how to arrange the site to support the success of retail both now and in the future

## Considerations

- The areas around the site currently offer a diverse mix of retail with a high level of vacancy at around 22%.
- An analysis of spending patterns found that the neighborhoods around the site have enough retail, except for grocery stores.
- More than 75% of retail space available in the area is more than 50 years old.

- Housing
- Commercial / Retail
- Public / Non-profit



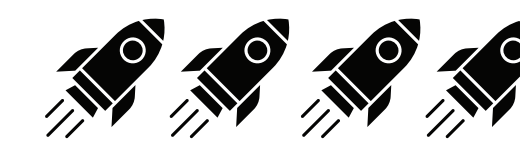
## Example Strategies:

- Subsidize / incentivize lower retail rents
- Create flexibility in retail space design
- Implement retail-serving short-term parking solutions (i.e. surface parking)

## Subsidy

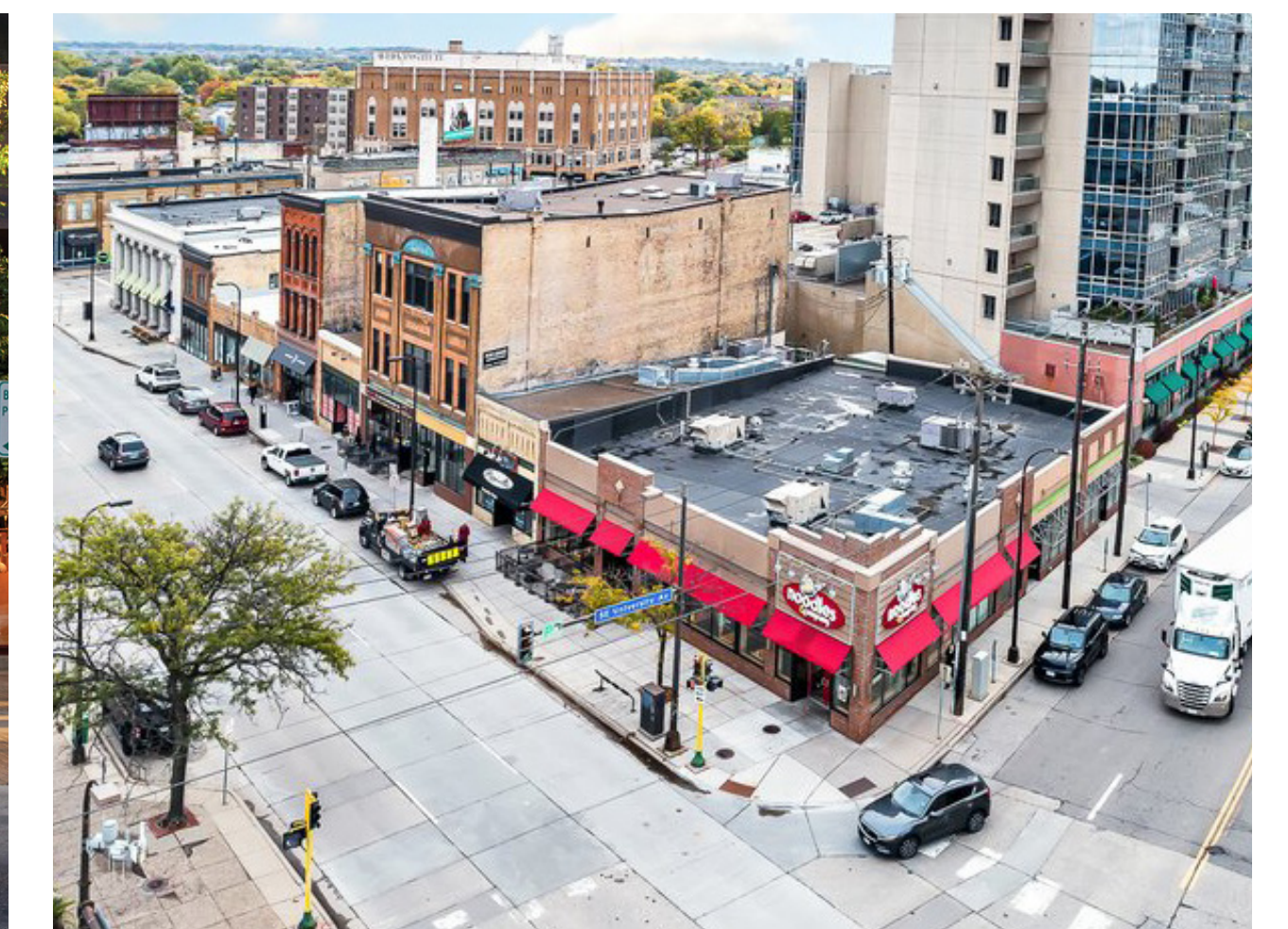
\$\$\$\$

## Degree of Difficulty



## Implementation

Long-term



# Reach Element - More Public Space

How can the site be developed to deliver the maximum amount of public space?

## Context

The Public Space Framework established public spaces on the project site, including a new public park and a mid-block walking and biking connection. To make these spaces successful, the City may need to:

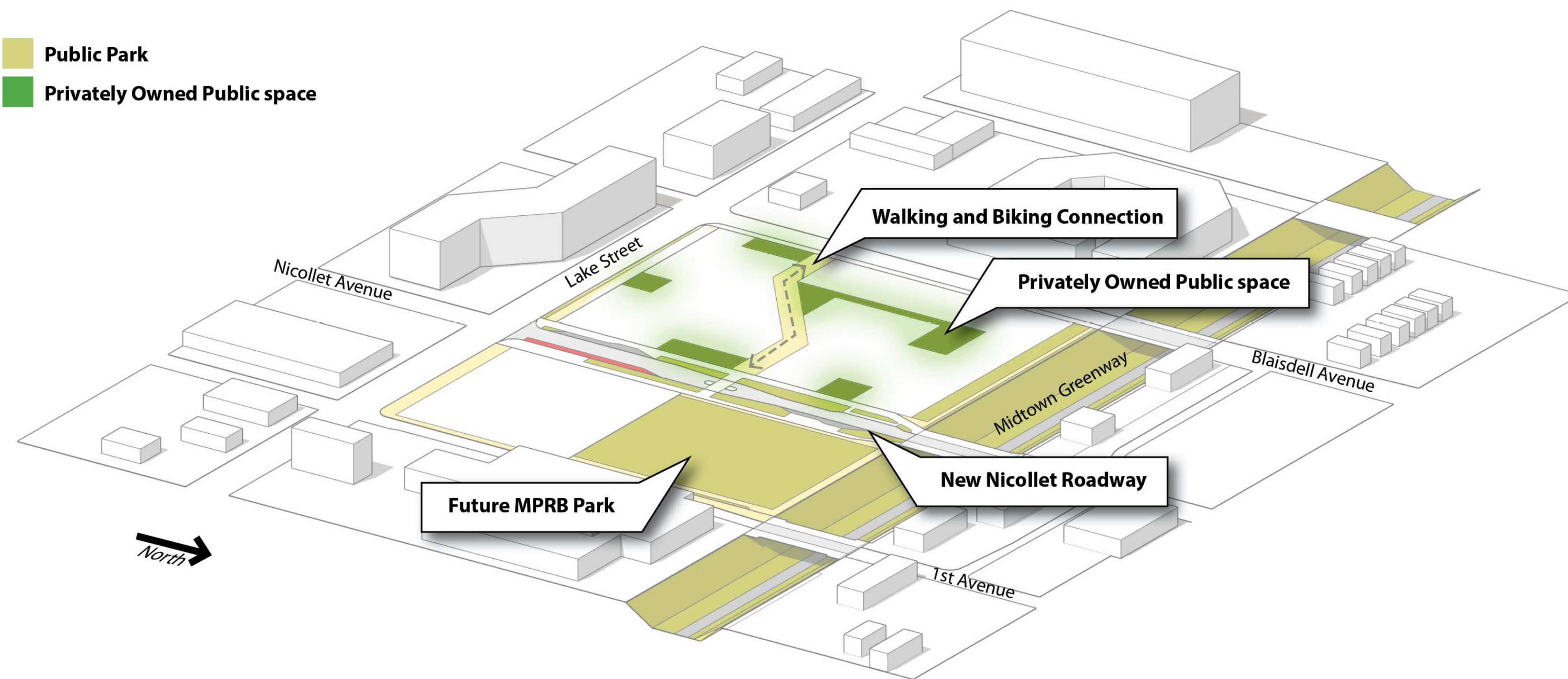
- use extra funding
- keep ownership of some of the spaces
- manage certain aspects of the public space program in the long term

The City could also require developers to build public spaces with specific guidance and / or financial assistance from the City.

## Considerations

- A long-term maintenance plan would need to be established for the mid-block connection, and any additional publicly accessible open space.
- Vehicle access roads may need to be established for smaller parcels, especially if there are no vehicle access points on Nicollet or Lake Street.

- Public Park
- Privately Owned Public space



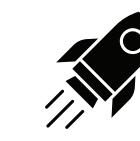
## Example Strategies:

- Retain a master development team to develop the entire western block and implement the mid-block walking and biking connection.
- Incentivize developers to include publicly accessible open space on private property.
- City retains ownership of mid-block connection to coordinate maintenance and access.

## Subsidy

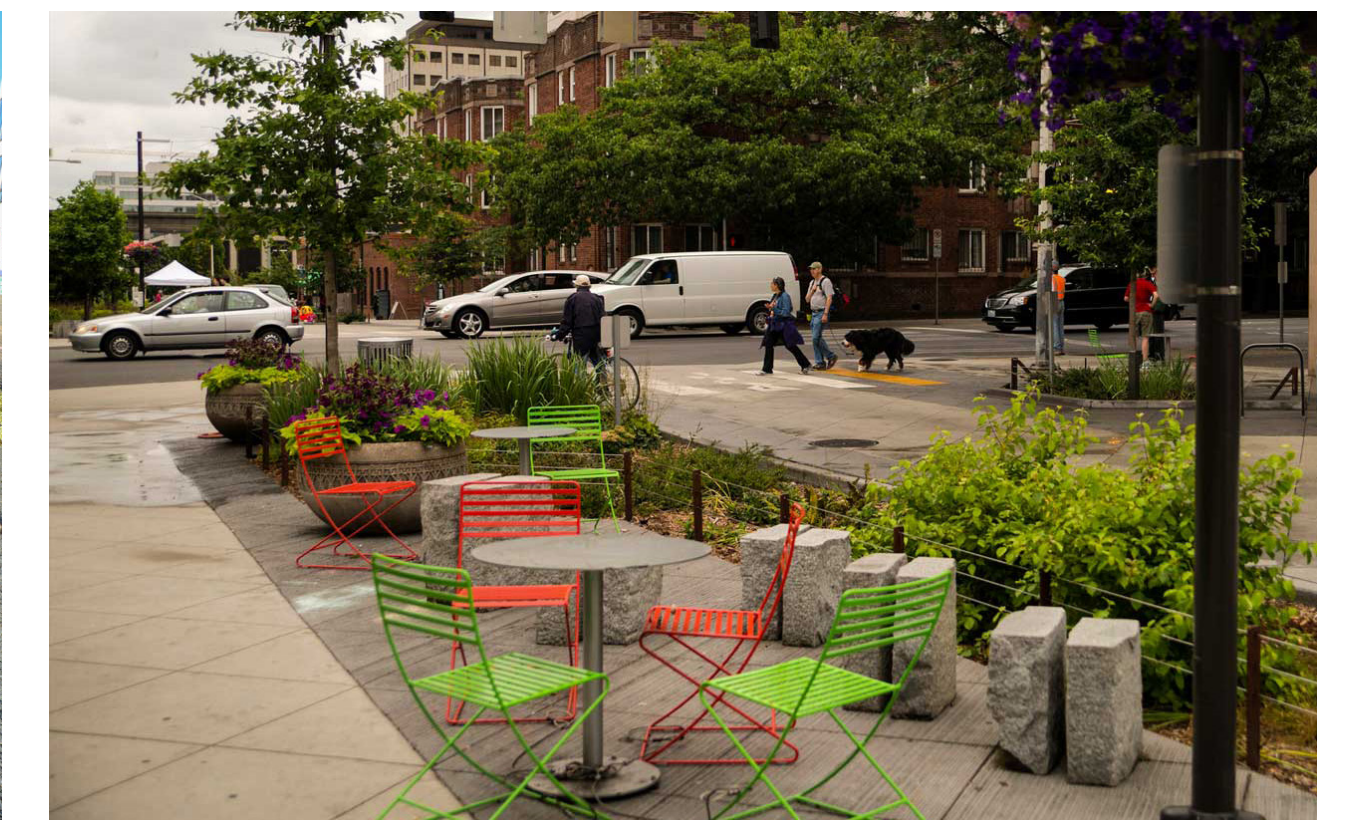


## Degree of Difficulty



## Implementation

**Short-term**



# Reach Element - Expanded Housing Diversity

How can the site offer a range of housing options, including affordable ownership, and supportive housing?

## Context

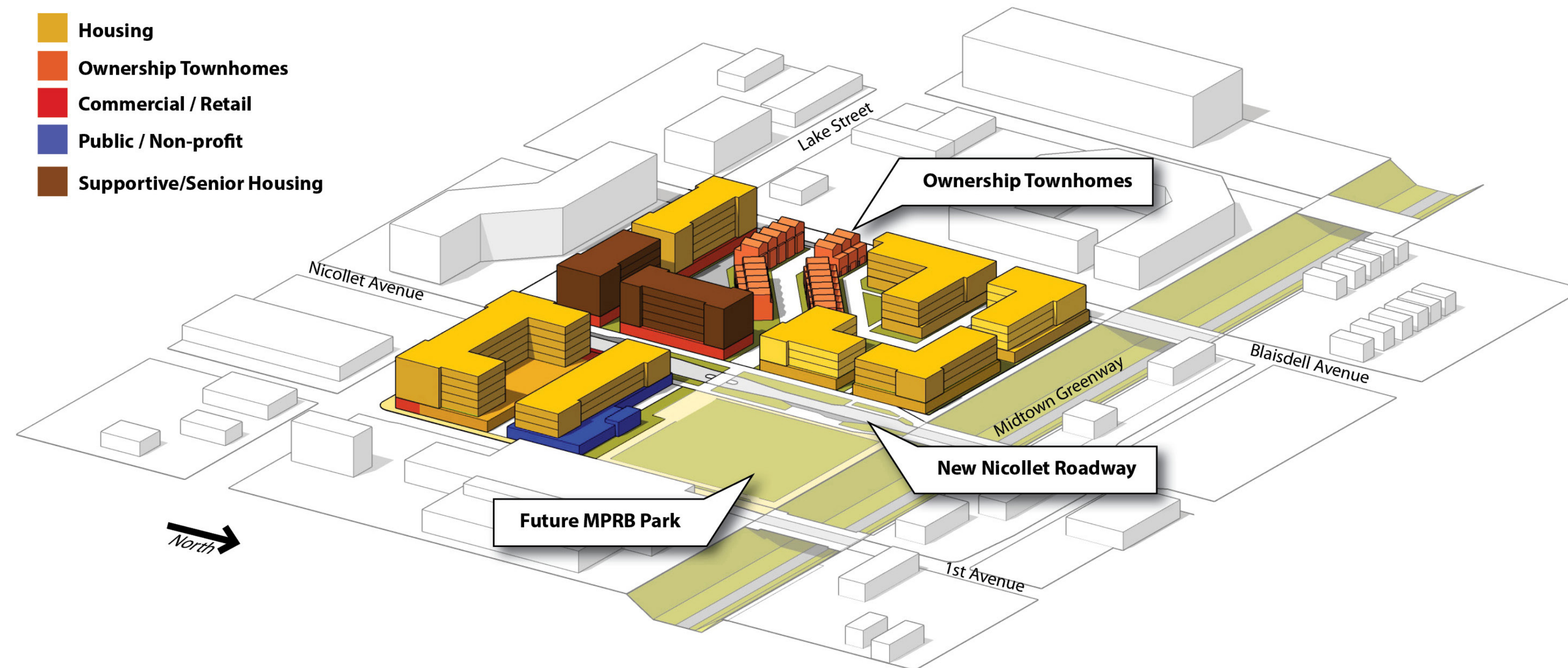
The City has well-established programs for affordable housing investment. All housing projects on the site will need to include affordable units - at least 20% of rental units, and 10% of ownership units, will need to be affordable. In previous phases of engagement, the community expressed a desire for more types of affordable housing on the site, including:

- Deeply affordable housing (50% AMI and below)
- Supportive housing for people experiencing homelessness
- Affordable homes that people can own

The City could explore unique ways to fund and incentivize more diverse types of subsidized affordable housing.

## Considerations

- Affordable home ownership options are most likely to occur in the form of attached townhomes. Local models exist for implementing this type of housing in Minneapolis.
- Subsidized affordable housing may take a long time to develop due to competition for funding sources.
- Subsidized affordable projects tend to be small to medium sized or around 100 units or less.



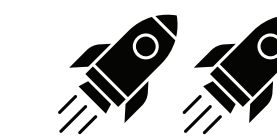
## Example Strategies:

- Include affordable townhomes on the site along the proposed mid-block connection as part of a Planned Unit Development.
- Subsidize deeply affordable housing units within a market rate development.
- Partner with a local service provider to provide supportive housing for people experiencing homelessness.

## Subsidy

\$\$\$

## Degree of Difficulty



## Implementation

Medium-term





# Reach Element - Office Uses

How can the site maximize the diversity of uses, including office, daytime service-based uses, and other non-residential program elements to enhance the full-time activation of the site?

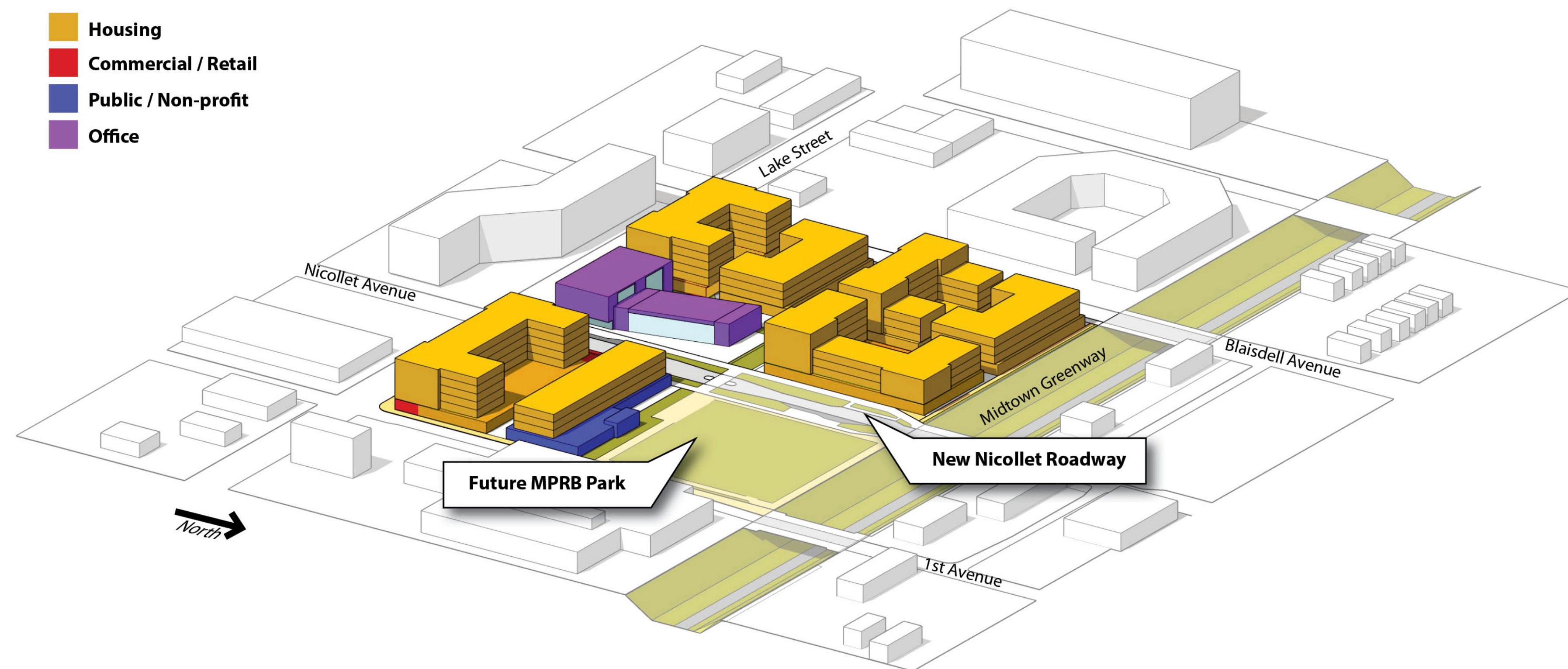
## Context

The market study suggests that there is not much of a need for employment-based uses such as offices in the project area. There is a slightly better opportunity for medical office and services. The City may be able to incentivize the implementation of non-residential uses. This could help to create a more active site during daytime hours and add a diversity of activity beyond typical development.

## Considerations

- Interest and opportunity exist for locating non-profit social service based uses on the site. These uses may help to activate public spaces in unique ways.
- Community service providers could use space in a larger mixed use building next to the new public park.
- The market opportunity for new office space is highly limited in the post-COVID economic context.
- The City has limited ability to compel any one kind of use to locate on the site. A vision that include a wide range of uses may take a long time to realize.

- Housing
- Commercial / Retail
- Public / Non-profit
- Office



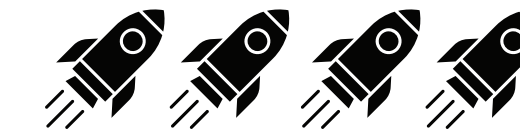
## Example Strategies:

- Require the inclusion of medical service or other employment uses.
- Revise regulation on the site to allow office uses as a ground floor use.

## Subsidy

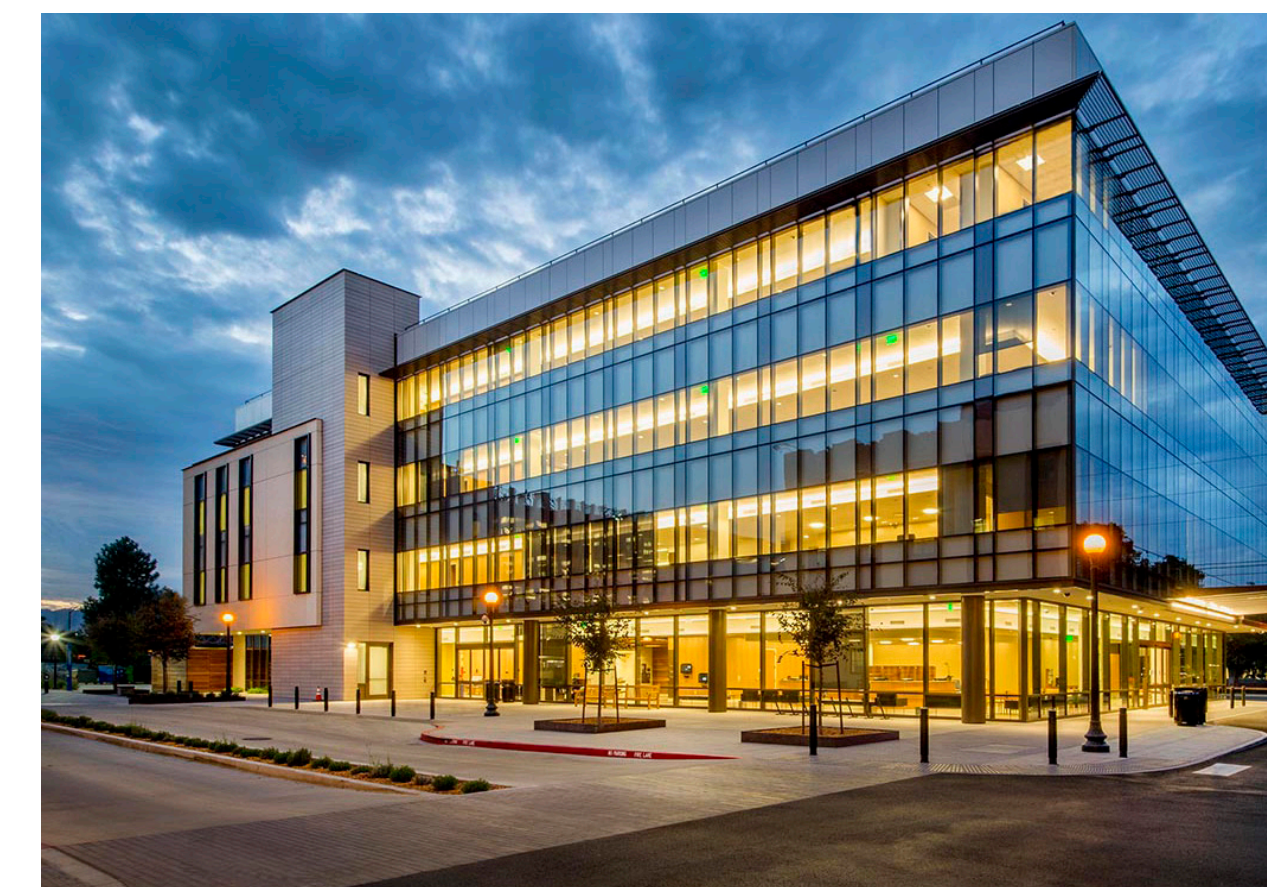


## Degree of Difficulty



## Implementation

**Long-term**



# Reach Element - Attract a Grocer

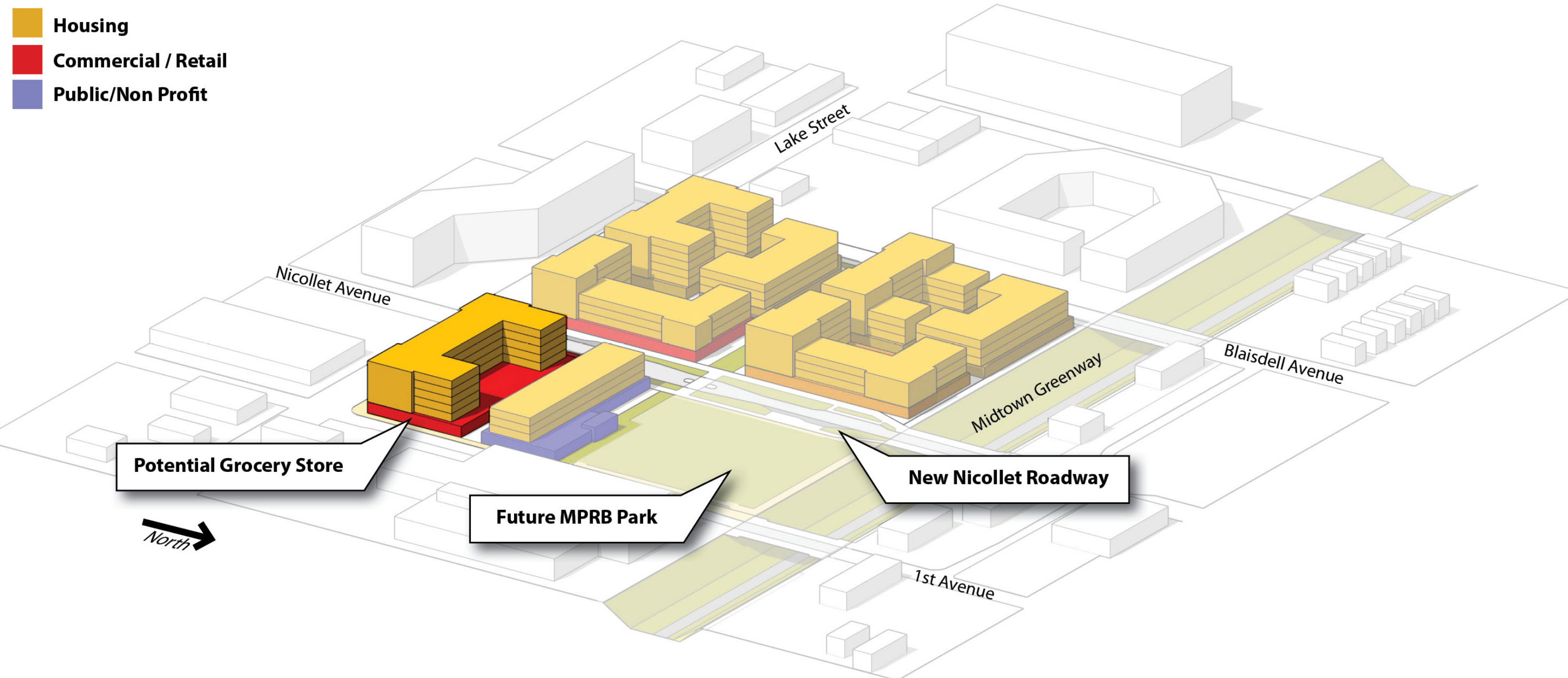
What site conditions, financial incentives, and design considerations are needed to attract a grocery store as part of a larger mixed-use project on the site?

## Context

During earlier engagement, the City heard that the community needs a grocery store to replace access to daily goods. A grocery store is likely to be a catalyst for other retail in the area. A grocery store would bring more shoppers to the area, support other commercial businesses, and promote all-day activity. Market analysis suggests that a grocery store would be successful here, given the site's distance from other stores.

## Considerations

- Grocery will desire to be at the corner of Lake Street and Nicollet Avenue with visibility to both.
- A grocery store will have highly specific needs for service vehicle access to and/or from Nicollet Avenue.
- Because there is limited on-street parking, a grocery store will need some surface parking near the entrance.



## Example Strategies:

- Encourage developers that have a history of working with urban format grocery stores to respond to requests for proposal. Work proactively to secure site conditions that meet a grocer's needs.
- Consider larger development sites for an urban format grocer.
- Consider incentives or financial tools to incentivize a grocer to locate here.

## Subsidy

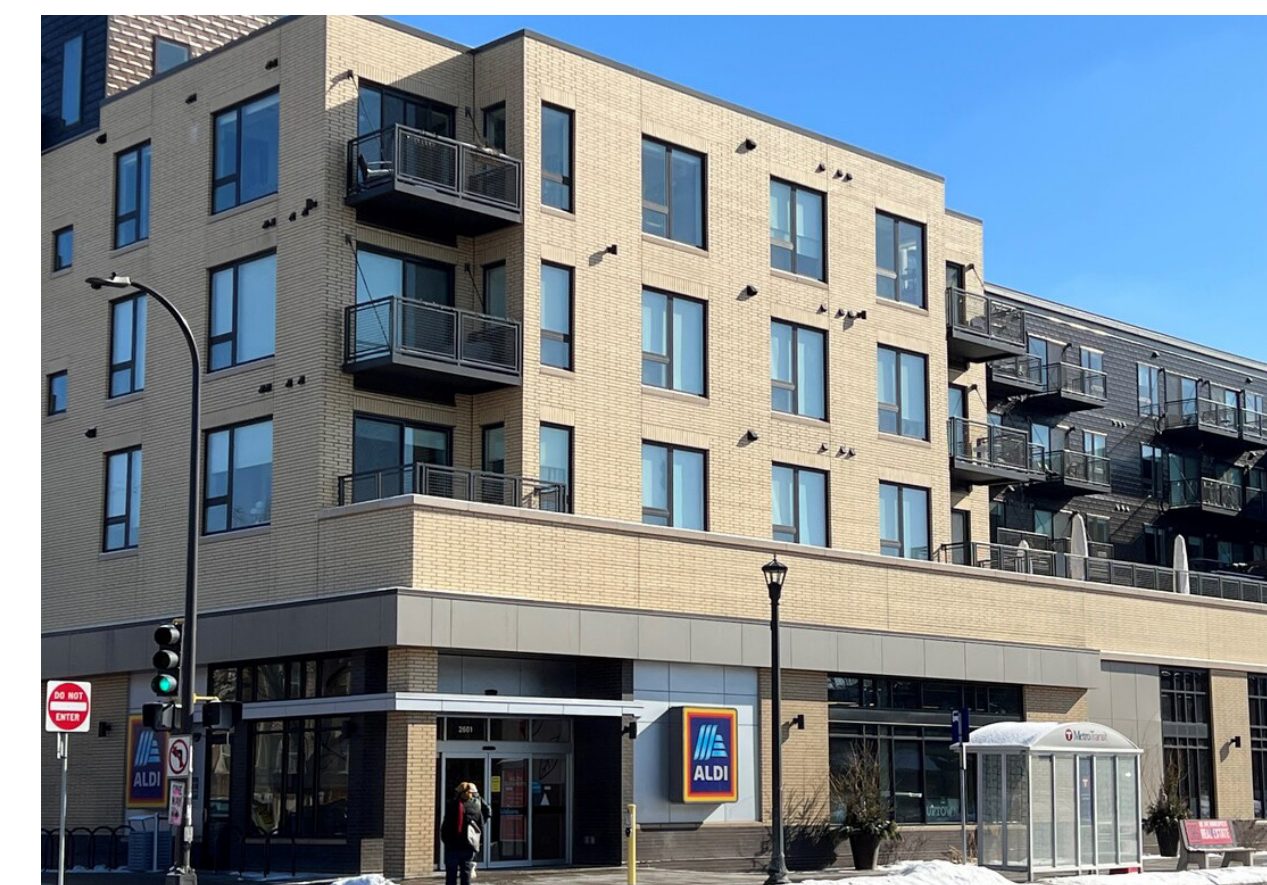
\$\$\$

## Degree of Difficulty



## Implementation

Near-term



# Reach Element - More Small Businesses

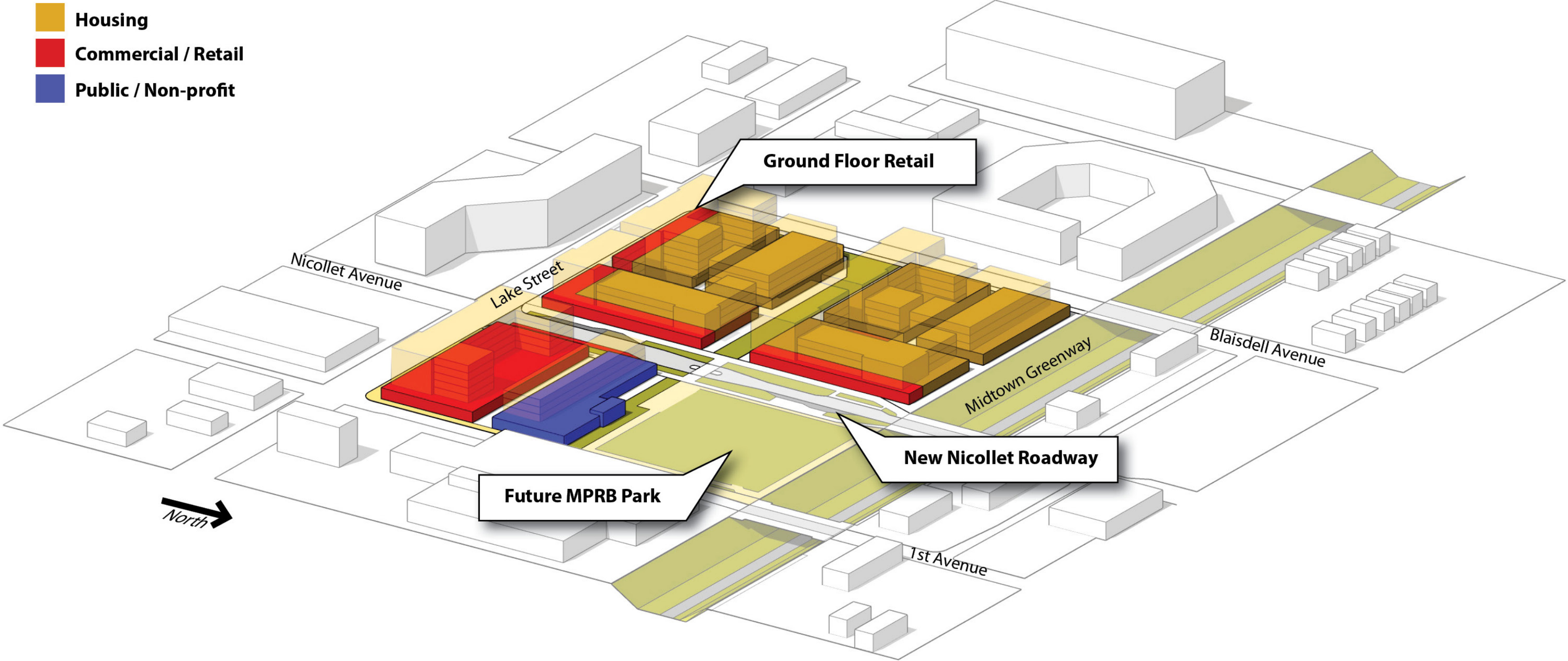
How can the site's retail offerings favor small local businesses and support entrepreneurial growth?

**Context**

Lake Street is a thriving commercial corridor with a long history of creating and sustaining small businesses. These businesses serve local community everyday needs. They celebrate the rich and diverse heritage of South Minneapolis. The site is located at the intersection of two of the city's most important commercial corridors. How can the site leverage its location, future development, and the city's resources to help grow a new generation of small businesses? How can the site help build a local economy that is authentic and creates wealth within the community?

**Considerations**

- There is a limited market opportunity for new retail on the site. Market analysis suggests that existing small businesses and stores in the area are meeting community needs -- except for grocery and daily goods.
- Retail space in new buildings have higher rents than space in older commercial buildings like the ones that exist along much of Lake Street and Nicollet Avenue.



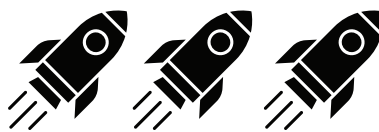
**Example Strategies:**

- Work with local small businesses and entrepreneurs near the site. Make sure the design and developer plans meet their needs for inclusion and growth as the site is developed.
- Directly subsidize retail rents for small businesses.
- Require small tenant spaces in development agreements.

**Subsidy**

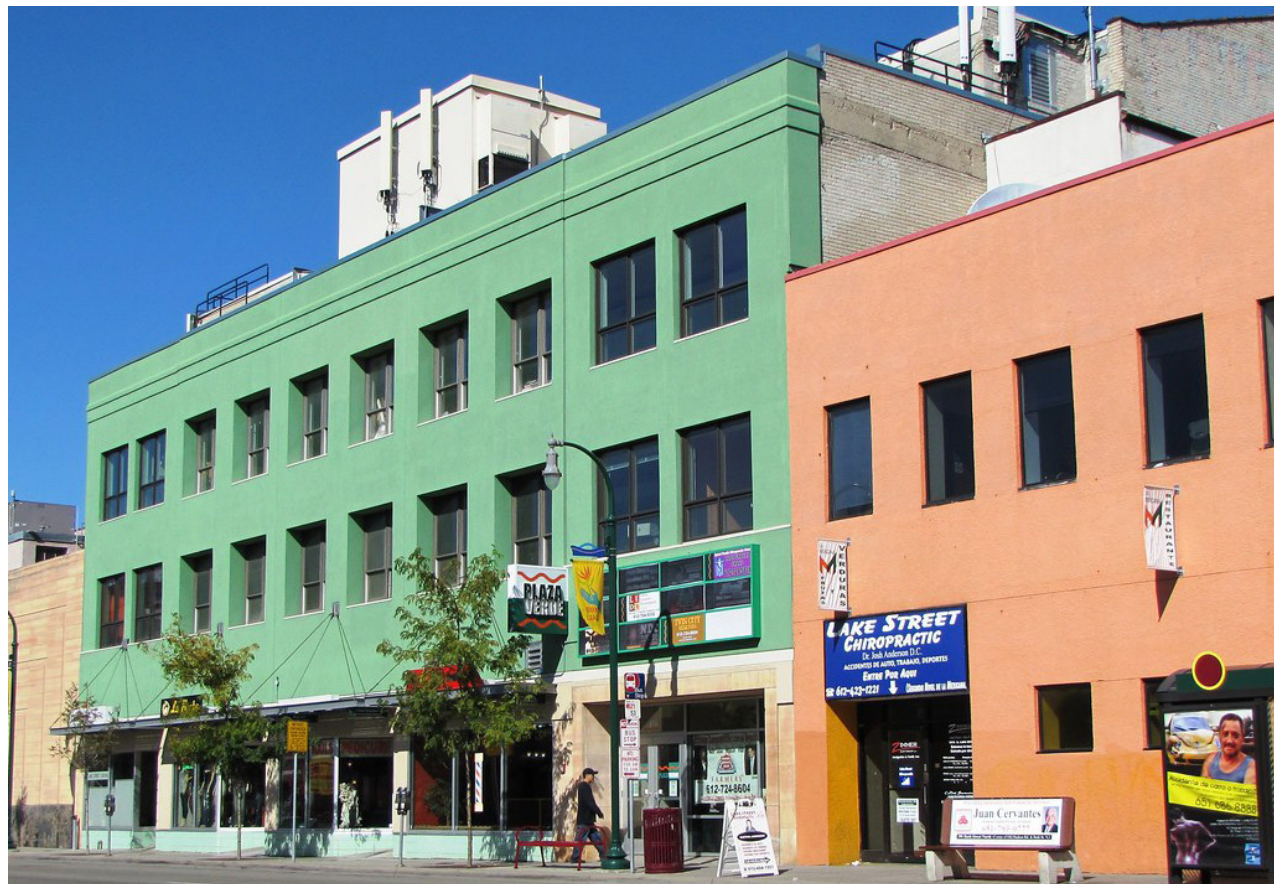
\$\$\$

**Degree of Difficulty**



**Implementation**

**Near-term**



# Reach Element - Sustainability

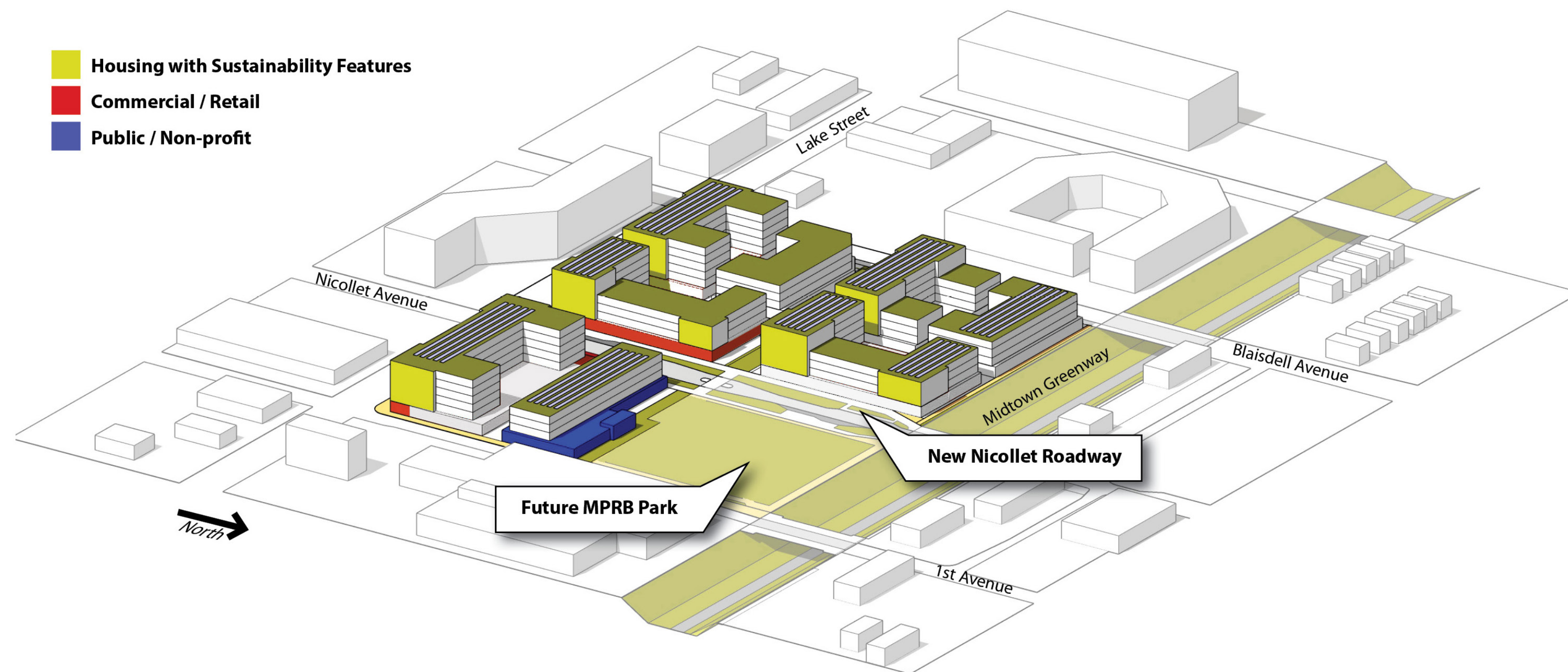
How can the site achieve sustainability goals that go above and beyond the standard requirements?

## Context

The City is planning to transform the New Nicollet site from a big box store and parking lot to a mixed-use, walkable community. This presents an opportunity to include more sustainable urban design practices. Future projects will need to meet certain minimum requirements. The City could pursue or require measures that go above and beyond those standards.

## Considerations

- All multifamily projects that receive funding from the Affordable Housing Trust fund will be required to meet the Minnesota Enterprise Green Communities Criteria. These criteria require projects to implement a minimum number of sustainable design strategies.
- Programs like LEED accreditation or the WELL building standard are not typically required.
- Some developments may need to include green stormwater systems to meet environmental standards.
- The street design will meet or exceed City of Minneapolis sustainability standards for stormwater management.



## Example Strategies:

- Design the site layout and property boundaries to be energy efficient.
- Help fund shared private stormwater management systems on site.
- Require LEED certification for new projects.

## Subsidy

\$-\$\$\$

## Degree of Difficulty



## Implementation

Near-term

