



TOWERSIDE

THE MSP INNOVATION DISTRICT

UPDATE ON THE OPPORTUNITY 11.01.16



THE VISION



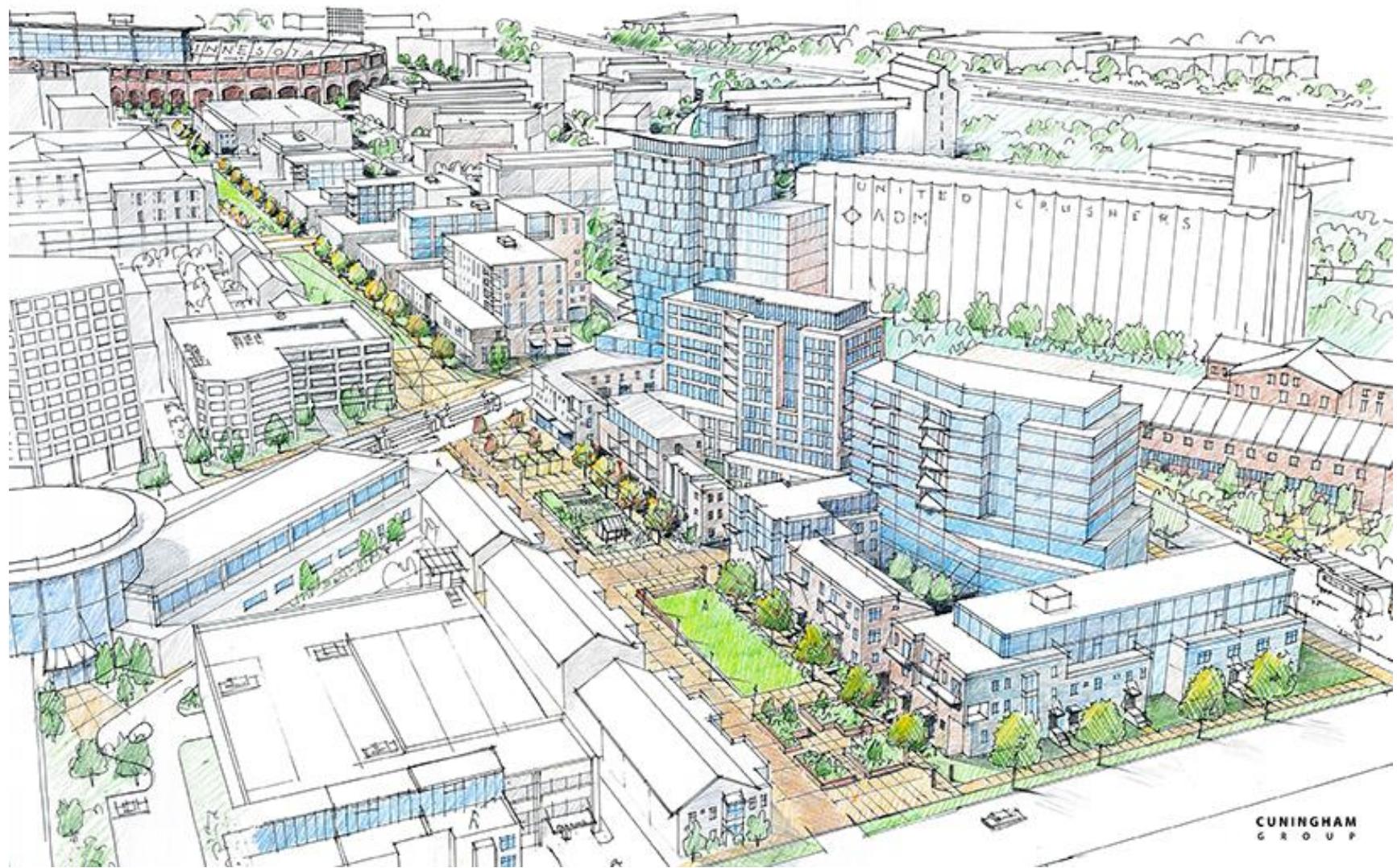
TOWERSIDE
THE MSP INNOVATION DISTRICT

The new century nexus of live, work, learn, research, and engage.

An intentional partnership of developers, businesses, community residents, higher education, non-profit and government agencies fueling job growth, redevelopment and innovation adjacent to the University of Minnesota.

A national model for developing a thriving community.







From Here to There





Boundaries





Regional Objectives

- Talent retention and recruitment
- Economic competitiveness and growth
- Equity
- Health
- Vitality
- Connectedness
- Sustainability and resiliency





Objectives Delivered

ECONOMIC DEVELOPMENT

- Property Taxes
- Jobs
- New & Expanded Businesses
- Spending Outputs

ADDED DIMENSIONS

- Focus on arts and sciences
- Healthy design and programming
- Life-long learning community
- Demonstration area for research
- Increased creative vitality index

DEVELOPMENT

- Mixed use – live/work/learn/research/play
- Diversity of people and uses
- Integrated uses
- Historic Structures

PUBLIC REALM

- Green spaces & plazas
- Complete streets & mobility
- Regional connections & adjacencies
- Natural systems
- Community gardens

INTEGRATED DISTRICT SYSTEMS

- Eco District
- District energy
- District stormwater
- District parking
- District Restorative infrastructure
- Carbon Footprint Reductions



Assets

- University of Minnesota adjacency (multi-billion \$ anchor)
- Significant regional transit and transportation investments
- 3 LRT Stations
- 70+ acres of underdeveloped land
- Important area businesses, old and new
- Regional:
 - Central to Metro Area
 - Between 2 Downtowns
 - 2 City and 2 County opportunity
- Missing link in Minneapolis & St. Paul Grand Rounds
- Neighborhood led vision
- Broad stakeholder support via District partnership





University role

UNIVERSITY

- Support vibrant & safe area
- Continue \$1B++ investment anchoring District's western edge
 - Bio-Discovery District
 - Athletic Campus
 - Joint Venture with United Properties
- Encourage private sector development (keep most property on the tax-rolls)
- Leverage research stature to corporate investment in area
- Recruit and employ research experts

FOUNDATION'S REAL ESTATE

- Provide leadership to private sector to achieve vibrant and safe area
 - Build opportunity awareness
 - Convene
 - Planning support and expertise
 - Advocacy



Under-developed





Strong Existing Assets



1



2



3

(1) University Biomedical Discovery District - Winston and Maxine Wallin Medical Biosciences Building, Center for Magnetic Resonance Research, Microbiology Research Facility and Cancer and Cardiovascular Research Building (pictured) and Lions Research Building and McGuire Translational Research Facility; (2) Athletics Campus – TCF Bank Stadium (pictured) , Williams Arena, Ridder Arena, Mariucci Arena; (3) Central, multi jurisdictional location (4) Diverse and active community; (5) LRT Green Line; (6) Area Businesses Commercial, Industrial, Entertainment and Cultural, including Surly Brewery (pictured); (7) 25+ private, public and non-profit stakeholders in partnership to plan, implement and achieve District objectives.



4



5



6

25+
Partners

7



Who's Participating

- Aeon
- BlueCross BlueShield of Minnesota
- City of Minneapolis
- City of St. Paul
- CenterPoint Energy
- Central Funders Collaborative
- The Cornerstone Group
- Creative Enterprise Zone Action Committee
- Dorsey & Whitney LLP
- Ever-Green Energy
- Family Housing Fund & TC Land Bank
- Greater MSP
- Harlem Irving
- Hennepin County
- McKnight Foundation
- Metropolitan Design Center
- Metropolitan Council
- Minneapolis Park and Recreation Board
- Minneapolis Public Housing Authority
- Mississippi WMO
- Prospect Park 2020 (Community Liaison)
- Prospect Park Association
- Prospect Park Properties (Barnhart Family)
- Surly Brewing
- St. Anthony Park Community Council
- Trust for Public Land
- U of M College of Design
- ULI Minnesota & ULI National
- University of Minnesota
- UMFREA
- United Properties
- University Enterprise Laboratories (UEL)
- The Wall Companies
- Xcel Energy

Staff: UMFREA (Partnership) Kimble Consulting (Implementation)

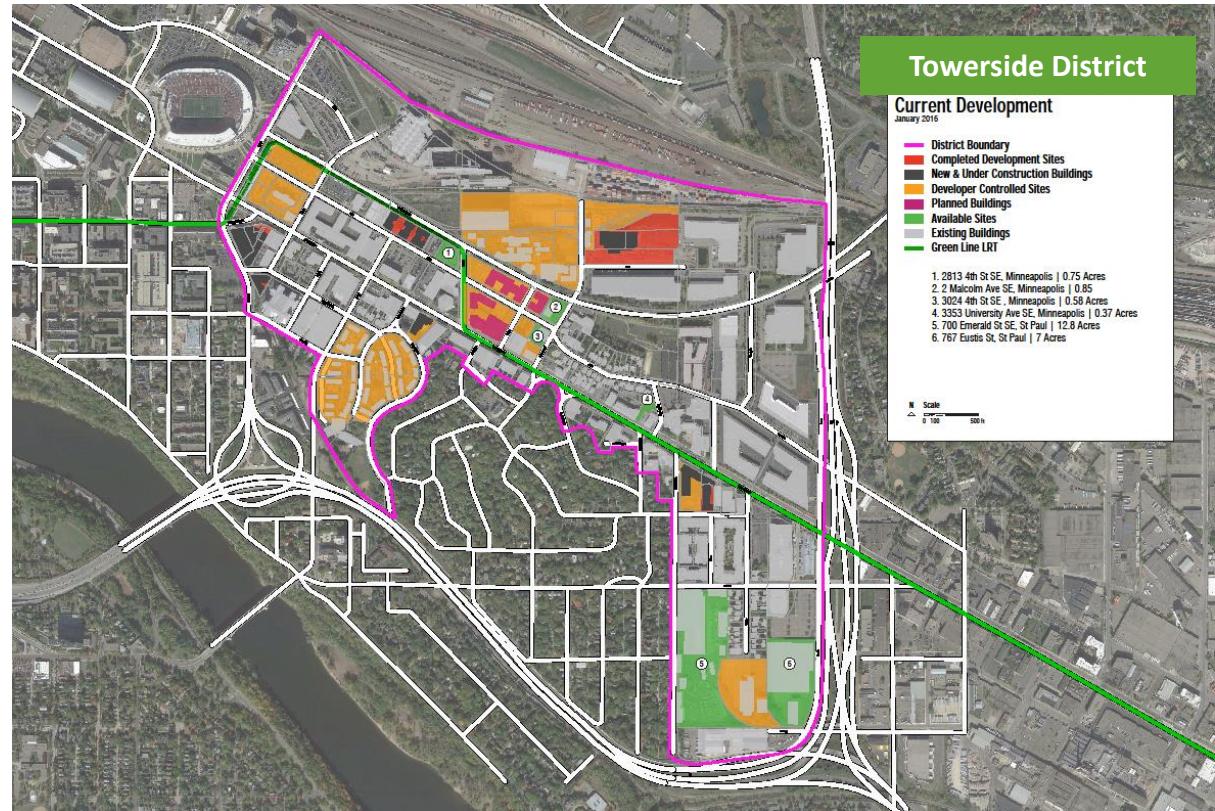


Implementation:

Infrastructure/Access/Public Realm

Integrated systems:

- Green 4th Street
- Shared Stormwater
- Signature Greenspace
- Energy
- Transportation
- Parking





Green Fourth Street



- Enhanced Streetscape by Snow Krelich
- Green 2.3 acre 'back yard' to District
- Backbone of Green network
- Connects 29th LRT to TCF Bank Stadium
- Connects social and signature green spaces
- Innovative Storm-water features
- Pedestrian & Bike primary



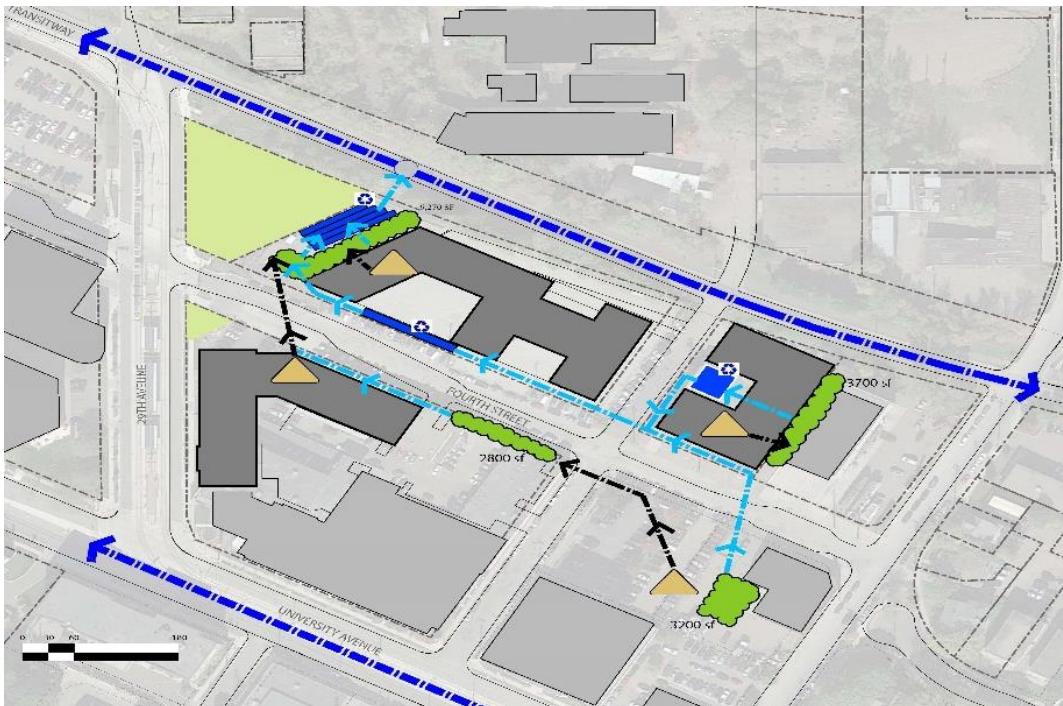
Signature Green Space

- Privately Owned Public Space “POPS”
- Extension of Green Line plaza
- Part of area grouping of parks
- Integrated with District Systems
- Innovation Welcome
- Accessible to All





District Stormwater



- Private Shared System
- Water Re-Use
- Funding by Private Developers and MWMO
- Part of the Signature Greenspace
- Phase I: Construction 2016



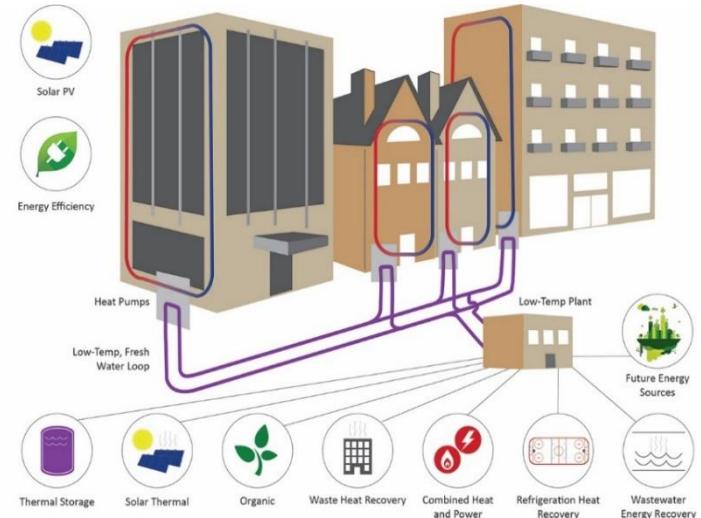
MISSISSIPPI
LANDMARKS
ORGANIZATION

LHB



District Energy

- Phase I: heating & cooling
- Renewable source: sanitary sewer
- More renewables over time
- Reduced Construction Cost (Developer)
- Reduced footprint for HVAC (Landlord)
- Reduced energy costs (Landlord/Tenant)
- Reduced emissions (up to 40%)
- Financeable in capital markets



Sustainable Resilient Innovative



District Transportation & Parking

Met Council Parking Study (Summer 2016)

- Location of reservoirs
- Phasing
- Ownership and management models
- New and flexible structures
- Estimated project cost
- Mobility (parking alternative) options

Area Wide Traffic Study (Late 2016)

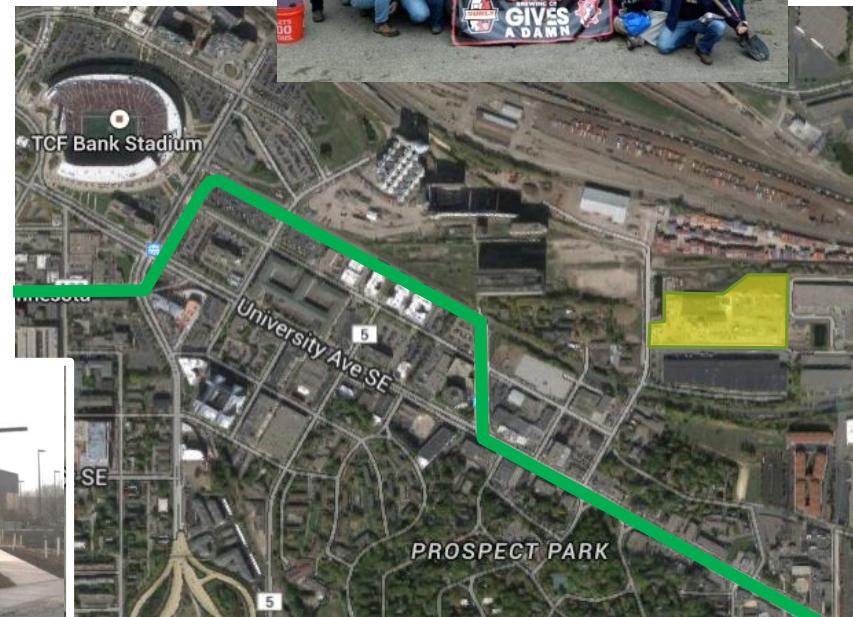
- U of M lead, participation by Cities & PNP
- Big picture – all modes
- Issues
 - Trucks (Quantity and access w/LRT constraints)
 - U of M Transit-way
 - Existing and Growth Capacity
 - Circulation





Pants Optional, LLC Surly Destination Brewery

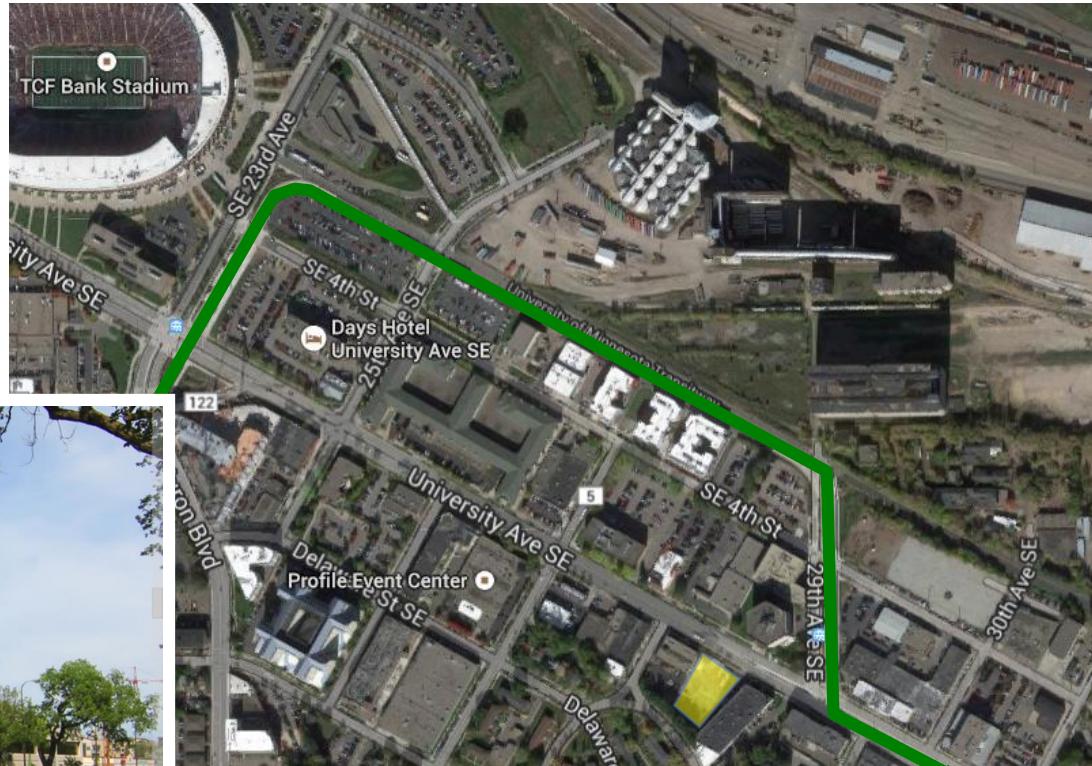
- \$30+ million investment opened 2014
- Heavy ped, bike, auto and truck traffic
- Significant outdoor space/event center
- Opened December 2014
- 100,000+ visitors annually
- 2016 expansion, doubling production





Prospect Park Properties (Barnhart): Hampton Inn

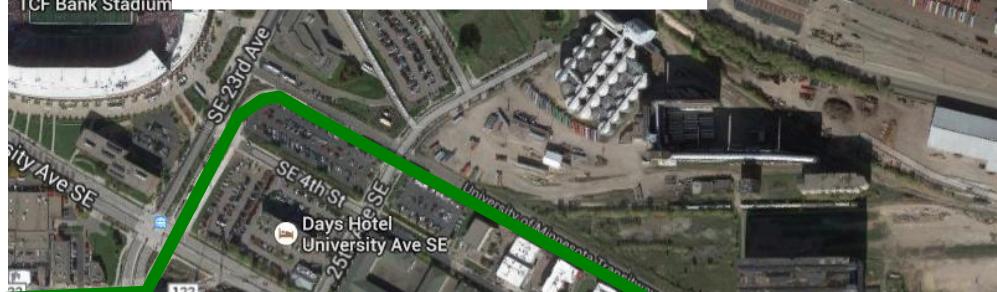
- 2812 University Ave. SE
- 117-room hotel
- 5 stories
- Opened 2016
- Local operator





Harlem Irving: The Rise

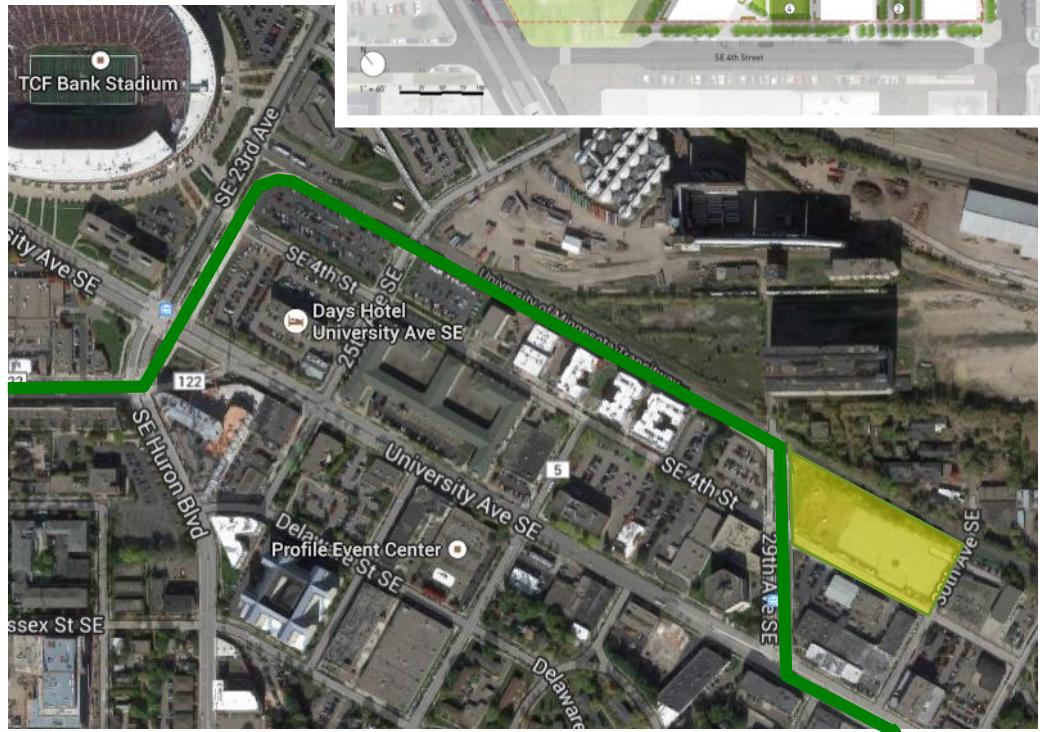
- 2929 University Ave. SE
- 30k sf grocery & 9k other retail
- 336 market-rate and luxury apts.
- 71 surface, 287 structured pkg
- Construction Underway
- Completion in 2018



Prospect Park Development Co. (Barnhart)



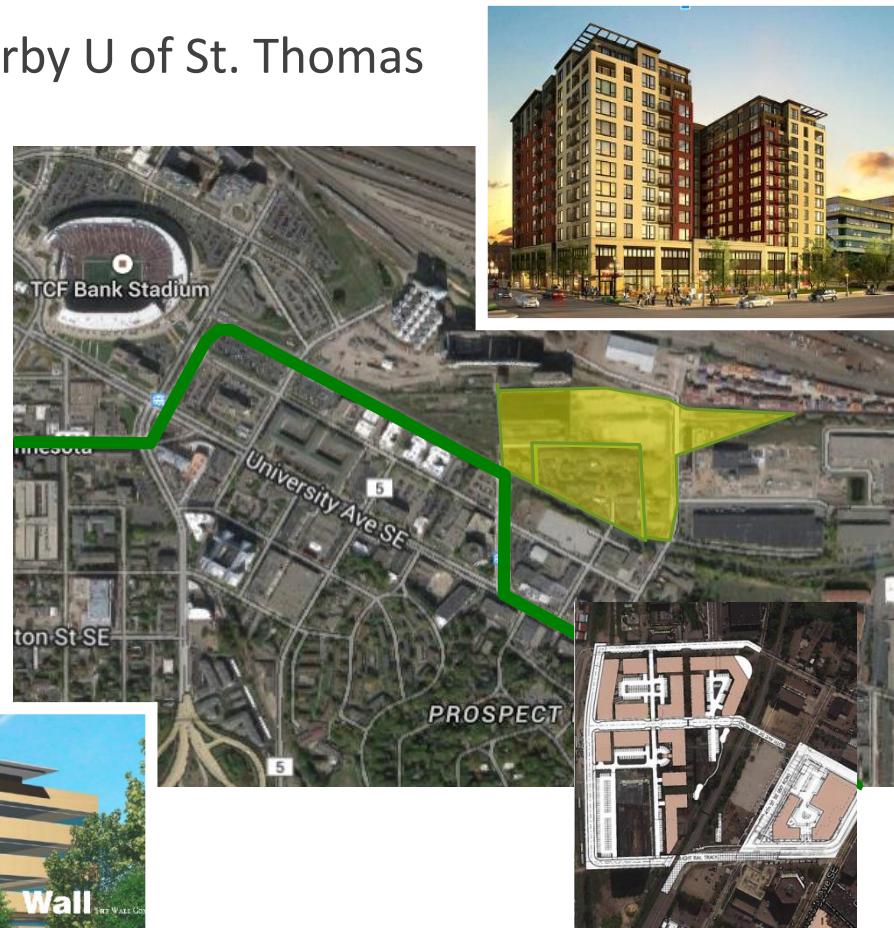
- 2901 4th Street SE
- Approx. 177 market rate and 63 affordable apartments
- Connection to LRT
- Integration with Green 4th St. and signature greenspace



The Wall Companies: Mixed-Use



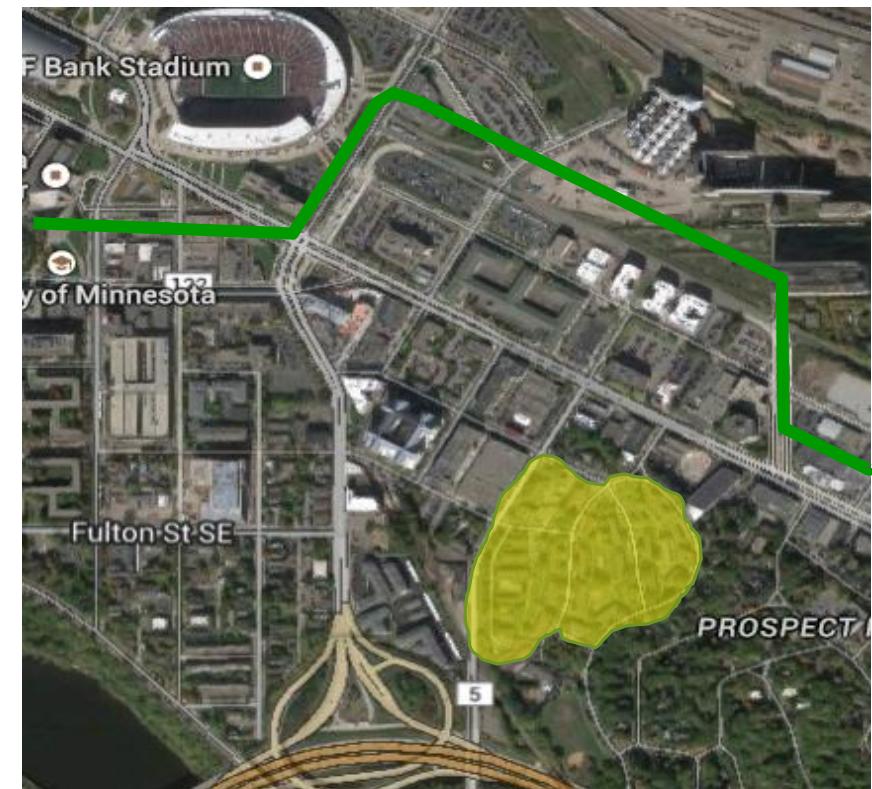
- 20 acres adjacent to U of M and nearby U of St. Thomas
- 700+ new housing units
- 3-400,000 SF commercial
- New innovative district zoning
- Transit-orientated development
- Signature greenspace component
- Expanded street grid/access needed





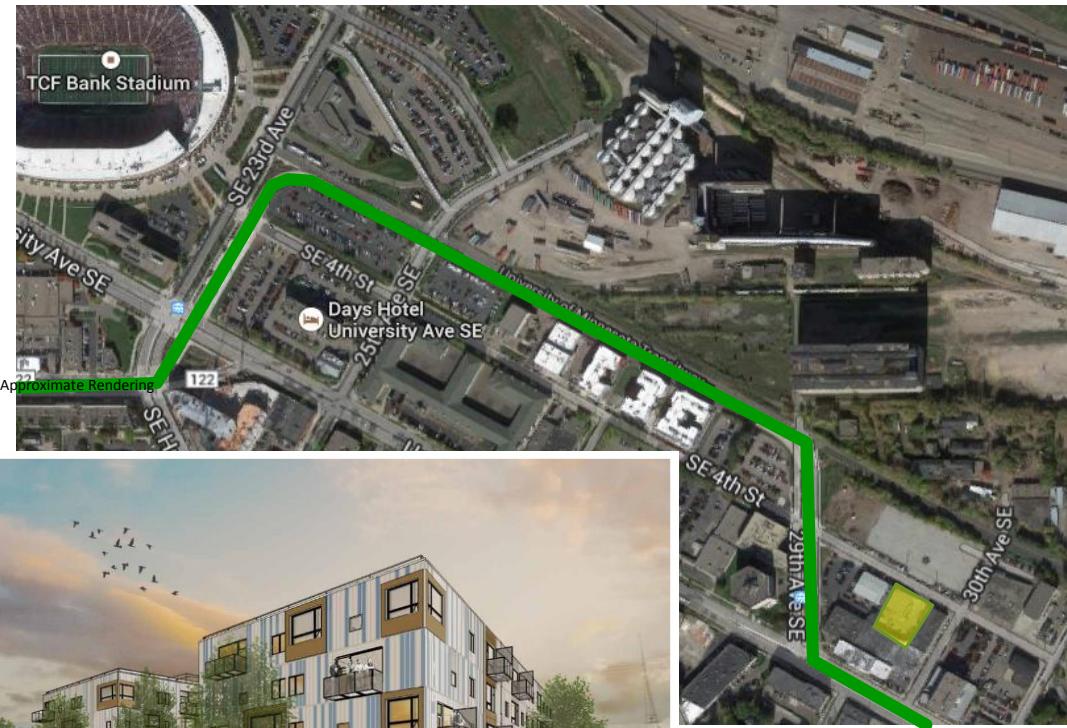
MPHA: Glendale Townhomes

- Public Housing Community
- Community process to chart future
- Ensure connection to LRT, trails, bikeways and greenspace
- Potential connection to District Energy, Stormwater, Parking





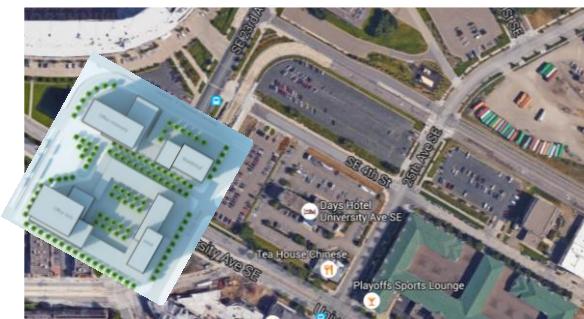
- 3001 4th Street SE
- Former 'Habitat for Humanity' Site
- 0.7 acres
- 70 Affordable mixed-income apts.
- 7 homeless households
- Construction 2017





JV Site: United Properties & University of Minnesota

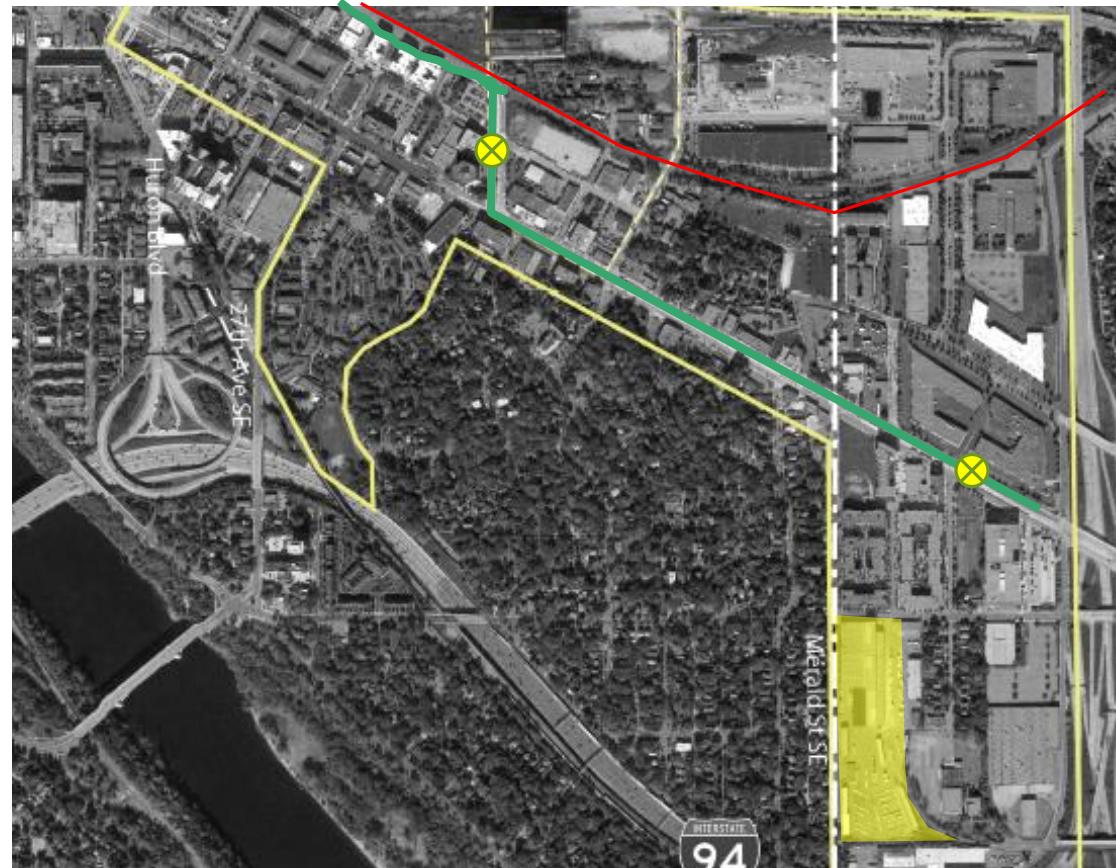
- 2301 University Ave. SE
- 6 acre site
- Mixed use:
 - Residential
 - Hotel
 - Office
 - Innovation





Dominium (former Weyerhaeuser site)

- Affordable and Market Rate
- Senior Housing component
- 620+ units





Flaherty & Collins: 2700 University

- 248 mixed income units
- Transit Oriented
- LEED Certified
- Completion Nov. 2016
- 3,000 sq. ft. commercial





Sunrise Bank HQ

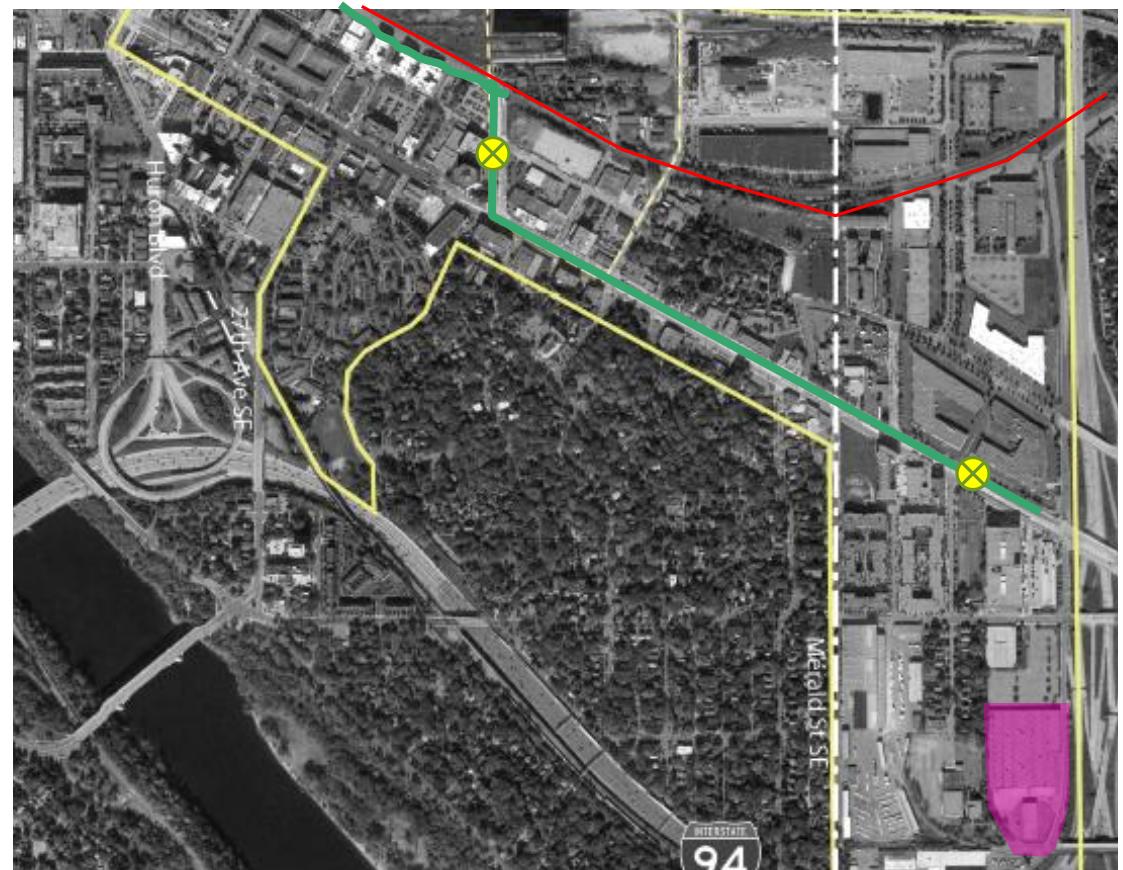
- 5.9 acre office/warehouse site
- 57,000 sq. ft. new HQ
- Additional existing office building retained
- Under construction





CASE Redevelopment

- Hotel
- Residential

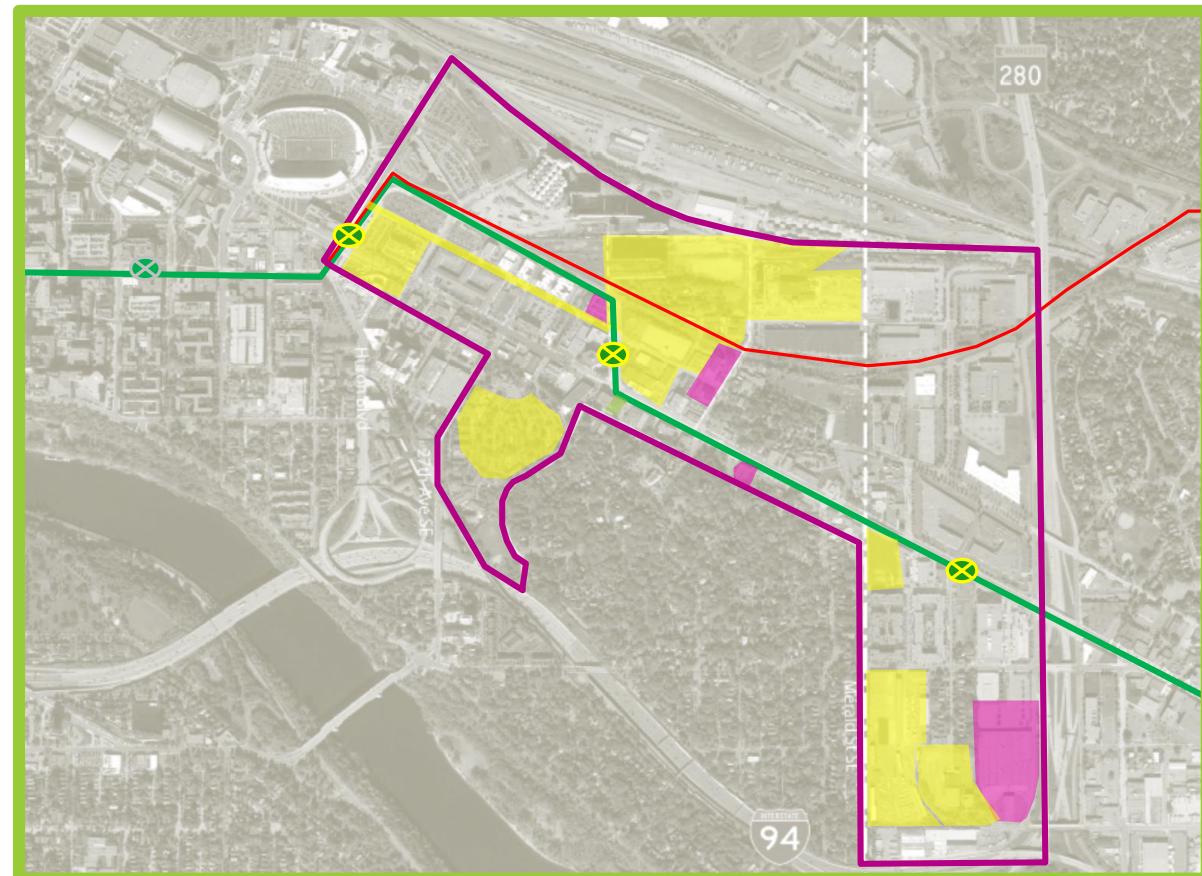




Momentum is Real

Recent, Current, & Near term Development

Actively Marketing





Good to Great Assumptions

- 45 acres: sites most ready for development in core area
(Harlem Irving, Prospect Pk. Properties, Wall, United Properties, Aeon, Cornerstone, US Post Office, and Baillon)
- Good: Development based on current market
- Great: development with the following:
 - Integrated district systems (energy, parking, stormwater, etc.)
 - Enhanced public realm and street grid
 - Enhanced density





Good to Great Assumptions

45 CORE ACRES	GOOD (Market)	GREAT (District)	DISTRICT IMPACT	
Market Rate Housing Units	767	1,181	414	54%
Affordable Units	114	114	0	0%
Office & Research SF	397,000	1,683,000	1,286,000	324%
Hotel Rooms	365	485	120	33%
Commercial SF	116,000	200,500	84,500	73%
Grocery SF	30,000	30,000	0	0%
Lt. Industrial/O-WH SF	146,000	307,098	161,098	110%
Green space (acres)	0	2.3	2.3	+
Transit ridership	399	918	519	130%
Parking	By project	Shared	-	
Street grid	Existing (minimal)	New streets	-	



Good to Great Economics

45 CORE ACRES	GOOD (Market)	GREAT (District)	DISTRICT IMPACT	
Construction Jobs	3,064	7,218	4,154	136%
Permanent Jobs	5,476	15,496	10,020	183%
Property Tax	\$193.8M	\$486.9M	\$293.1M	151%
Assessable Market Value	\$216.5M	\$560.6M	\$344.1M	158%
Income Tax	\$27.3M	\$79.7M	\$52.4M	192%
Sales Tax	\$19.8M	\$57.3M	\$37.5M	189%
Average Wages/Year (Direct)	\$70,899	\$76,164	\$5,265	7%
Total \$ Impact – County*	\$272.2M	\$799.8M	\$527.5M	194%
Total \$ Impact – MSA*	\$346.5M	\$1,027.6M	\$681.2M	197%
Overall	Limited impact	National model of compelling place-making via integrated development, new technologies and increased tax base <i>The whole is greater than the sum of the parts</i>		

*Increase in economic impact measured by GDP. Analysis by Hickey & Associates and Northland Financial.



Here to there

2015

Planning:

- District Stormwater
- District Energy
- District Management
- District Parking
- Street grid
- Signature green spaces
- Dual City Designation

2016

- **Green 4th St** (Designed, Maintenance Dist. Established)
- **District Energy** (Pre – eng. funding)
- **Phase I District Stormwater** (MWMO) constructed
- **West Core** (Private Development begins)
- **East Core** (Workgroup Established and private development underway))
- **Signature Green Space** (“POPS” established)

2017

- **Green 4th St** (build 25th – Malcolm)
- **Phase II District Stormwater** (MWMO) planned
- **Signature green space** (land acquired, community engagement for Program)
- **District Energy** (Preliminary Engineering)
- Other Private Developments begin
- Towerside legal entity established
- Street Grid plans established

2018

- **Greenway** across University Ave
- **Development opens:** AEON, Harlem Irving’s “The Rise”
- District Energy Phase I opens
- East Core Public Public Realm construction starts
- West Core Park Construction starts
- **Signature green space developed**

2019+

- **Phase II District Energy** planned
- **Granary Corridor** and additional access roads built
- **Planning for CHP**
- **Phase I District Parking** opens





Asks

PRIVATE SECTOR	PUBLIC SECTOR	UNIVERSITY
<ul style="list-style-type: none">▪ Increase mixed-use density on site▪ Increase design standards▪ Sustainability & Resiliency Standards▪ New kinds of mixed-use & flexible space▪ Coordinated site plans▪ Participate in District<ul style="list-style-type: none">▪ District Stormwater▪ District Parking▪ District Energy▪ Service District for maintenance	<ul style="list-style-type: none">▪ Establish District▪ Project Manager to support development▪ Policies<ul style="list-style-type: none">▪ New shared private sector storm-water program▪ Shared public/private sector storm-water (future)▪ Integrated zoning▪ District Parking▪ Support<ul style="list-style-type: none">▪ Local, regional, state & federal funding applications▪ Traffic studies & management (grid expansion, trucking mgmt.)▪ Public realm▪ Install streets, curbs & gutters<ul style="list-style-type: none">▪ 4th Street (2016 & 2017)▪ Establish grid north of transit-way▪ Granary Corridor connections▪ Use of affluent sewer (district energy)	<ul style="list-style-type: none">▪ Transit-way crossing plan▪ Participate in District Energy (long term)▪ Market District to private research partners▪ Continued investment<ul style="list-style-type: none">▪ Bio-Discovery District▪ Athletics campus▪ Joint venture site



Contact

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