



Request for City Council Committee Action from the Department of Community Planning and Economic Development

Date: July 30, 2015

To: Honorable Lisa Bender, Chair Zoning and Planning

Referral to: Honorable Kevin Reich, Chair Transportation & Public Works Committee

Honorable Lisa Goodman, Chair Community Development & Regulatory
Services Committee

Subject: Innovation District – Draft City Council Resolutions

Recommendation:

Approve the resolutions creating an Innovation District designation, and supporting
the redevelopment of the University Avenue Innovation District

Previous Directives:

None

Department Information:

Prepared by: Haila Maze, CPED (612-673-2098)

Approved by: _____
D. Craig Taylor, Director of Community Planning and Economic Development

Approved by: _____
Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: Kjersti Monson, Haila Maze

Financial Impact:

- None

Community Impact:

- City Goals: Satisfies city goals including:
 - Living Well: Minneapolis is safe and livable and has an active and connected way of life.
 - A hub of economic activity and innovation: Businesses – big and small – start, move, stay and grow here
 - A City that Works: City government runs well and connects to the community it serves.

Overview:

Attached are two draft City Council resolutions, one to create the concept of an Innovation District for the City, and the other to designate the first one of these districts (with an accompanying map).

The Innovation District concept has been developed through the ongoing planning efforts in the area around University Avenue SE, centering on the Prospect Park LRT Station Area but including other adjacent areas as well. In collaboration with the City's planning efforts in this area, a number of community partners have formed the Prospect North Partnership, which is working together to support redevelopment in the context of a sustainable and innovative district. As part of this ongoing process, the Prospect North Partnership has identified that designating an innovation district would assist in establishing an identity and standards for the redevelopment of the area.

Council Member Cam Gordon's office has taken the lead in bringing forward these two resolutions in support of this intent. The overall goals are to provide a working definition for this concept, and to generally speak toward how the City can work in this area to assist with the implementation of innovative concepts.

This resolution does not allocate additional City resources to an Innovation District, identify potential districts beyond the University Avenue one, or change any regulations impacting this area. Some conversations about these items are ongoing, but they haven't occurred to date. At this point, the resolutions just create a definition for the overall framework for these potential changes.

Purpose and Intent:

The intent in developing an Innovation District designation is to acknowledge and plan for locations that would benefit from a district approach to redevelopment and supporting regional systems. Redevelopment in Minneapolis often takes place on an individual site basis, making it difficult to achieve district-level outcomes. The Innovation District structure provides a framework for those goals, and the collaboration needed to achieve them.

The Innovation District title is based deliberately on an emerging national model for urban redevelopment. As defined by the Brookings Institution in a recent report entitled "The Rise of Innovation Districts: A New Geography of Innovation":

A new complementary urban model is now emerging, giving rise to what we and others are calling "innovation districts." These districts, by our definition, are geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators and accelerators. They are also physically compact, transit-accessible, and technically-wired and offer mixed-use housing, office, and retail.

Innovation districts are the manifestation of mega-trends altering the location preferences of people and firms and, in the process, re-conceiving the very link between economy shaping, place making and social networking. Our most creative institutions, firms and workers crave proximity so that ideas and knowledge can be transferred more quickly and seamlessly. Our "open innovation" economy rewards collaboration, transforming how buildings and entire districts are designed and spatially arrayed. Our diverse population demands more and better choices of where to live, work and play, fueling demand for more walkable neighborhoods where housing, jobs and amenities intermix.

The innovation district idea here, as it is currently conceived, has emerged over the past couple years of discussion among stakeholders in the Prospect North/University Avenue area. There has been a tremendous amount of involvement at all levels (neighborhood, city, county, regional – public and private) in planning for that future of that area. The unique convergence of opportunities around the new Green Line LRT, the University of Minnesota's main campus and their Biodiscovery Zone, and underutilized industrial land in the area led to an exploration of concepts of how to define this opportunity and move forward with implementation.

The innovation district location was the site of past City planning for bioscience business development, but due to the recession and other factors related to infrastructure planning, those early ideas did not move forward. The concept today is much broader than that, leveraging the more recent trends of businesses seeking to locate near walkability and transit; the rise of innovation districts as R&D moves away from siloed campuses and into amenitized urban districts, consideration of "next city" concepts for district systems and sustainability, and the continuing evolution of public private partnership as a strategy for delivering enhanced urban places.

The development of these resolutions acknowledges that the complicated work of developing an innovation district may require additional resources and tools that are not currently in place. The resolutions set the stage for decisions to allocate these, in support of redevelopment goals.

Other Related Actions:

The boundary of the University Avenue Innovation District (shown on the attached map) intentionally crosses into the City of St. Paul. This is the result of ongoing involvement by St. Paul in the discussion, and in their interest in the innovation district concept. St. Paul Council Member Stark, along with various St. Paul staff, have been at the table to represent their issues and interests, including joint action on designation of a district. The City of St. Paul will be considering adopting its own resolution in support of the Innovation District concept, on a similar timeline to the Minneapolis review process. The joint action of the two cities to adopt resolutions and commit to innovation in this area elevates the district to a place of regional significance.

The Minneapolis Planning Commission reviewed the draft resolutions at their Committee of the Whole meeting on June 18, 2015. While the Planning Commission does not typically take formal action on draft City Council resolutions, they agreed to submit a letter to City Council in support of the innovation district resolutions. This letter is attached.

Future Related Actions:

The resolutions will designate this as the first innovation district in Minneapolis. Its creation will open the door to identifying others in the future, elsewhere in the city.

At this point, the adoption of the two resolutions would not require specific implementation steps. However, in the future they could be used to support a number of additional actions listed in the resolutions, including but not limited to support for additional staff time, funding, regulatory changes, capital project prioritization, economic development assistance, or other assistance.

While these requests may be supported by these resolutions, they will also need to be evaluated on their own merits and in the context of other competing priorities for resources.

Attachments:

- Resolution of the City of Minneapolis Creating an Innovation District Designation
- Resolution of the City of Minneapolis Supporting the Redevelopment of the University Avenue Innovation District
- Map of proposed University Avenue Innovation District
- Letter from Minneapolis Planning Commission in support of resolutions

DRAFT 5/11/15

Resolution of the City of Minneapolis

Creating an Innovation District Designation

By Gordon

Whereas, a number of currently underdeveloped areas in Minneapolis are expected to redevelop as integrated, coordinated districts; and,

Whereas, some redevelopment areas will benefit from a district approach to characteristics including but not limited to stormwater, energy, parking, placemaking, green space, and marketing; and,

Whereas, some district systems, including but not limited to energy, parking, stormwater management and waste management, will benefit from innovative approaches not commonly used in standalone development; and,

Whereas, some redevelopment areas will only achieve their maximum potential – the number and quality of jobs, housing units, tax base increase and more – with a district approach, and with the active participation of the City of Minneapolis; and,

Whereas, some redevelopment areas have or will form stakeholder collaborations, including property owners, developers, nearby residents and businesses, government, nonprofits, academia and major institutions, which will help organize development and manage district systems long-term; and,

Whereas, the redevelopment of districts is often prompted by infrastructure improvements such as transit and streets; and,

Whereas, high technology startups and similar businesses benefit from proximity to each other and to major academic institutions; and,

Whereas, a district approach to redevelopment is likely to increase the quality and integration of design; and,

Whereas, areas near major institutions such as the University of Minnesota stand to benefit from synergistic development; and,

Whereas, some redevelopment areas may involve multiple jurisdictions, including but not limited to Hennepin County, the City of Saint Paul and other neighboring cities; and,

Whereas, “Innovation Districts” have been created in more than eighty cities around the world for the purposes of job and housing development;

Now, Therefore, Be it Resolved by the City Council of the City of Minneapolis,

The City of Minneapolis will identify and designate Innovation Districts in appropriate redevelopment areas. An Innovation District is an economic development tool that utilizes partnerships with higher education institutions, businesses, and government to fuel job growth and redevelopment in targeted locations, based on the premise that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas and people. This designation can be used for the purposes of planning, fundraising, and marketing, and potentially for innovative pilot projects and district systems.

To be appropriate for an Innovation District designation, a redevelopment area should incorporate some or all of the following characteristics:

- Size of 50 acres or larger,
- District approach to systems such as energy, stormwater management, parking, and green space,
- Connected to nearby major institutions,
- Expected mix of housing, employment and support services,
- Multiple governmental jurisdictions,
- Significant potential benefit to district approach over the existing conditions and what market forces alone would likely deliver,
- Adopted City redevelopment plans,
- Existing formal collaborations pushing to create the district,
- Possibility of benefitting from regional and state investments and programs.

Be it Further Resolved that the City of Minneapolis will consider investments and partnerships related to Innovation Districts including, but not limited to:

- Appropriate City staff participation in planning, organizing, strategizing for and implementing the area's redevelopment,
- Investments at city standard level in basic infrastructure through the capital improvement plan, with the understanding that this may leverage other sources of funding for more innovative elements of public realm and district systems,
- Technical analysis on a case by case basis in relation to staff workloads and financial commitments, with the understanding that any staff resources or financial commitments that are more than incidental will be brought to the City Council for consideration,
- Support for funding for redevelopment opportunities including housing, business development, infrastructure, and greenspace, particularly those that provide or support affordable housing and/or job creation,
- Communication about the opportunities in this area to a broader audience, to attract input, support, and investment,
- Support for using available City funding mechanisms
- Willingness to change City policies and practices to allow for experimentation and innovation consistent with City goals and the expressed priorities of the district, with the understanding that any specific regulatory or policy changes will be brought to the City Council for consideration,
- Collaboration with other units of government as needed and appropriate.

Be it Further Resolved that the City of Minneapolis will develop a definition of Innovation Districts to include in the City's Comprehensive Plan update.

DRAFT 5/27/15

Resolution of the City of Minneapolis

Supporting the Redevelopment of the University Avenue Innovation District

By Gordon

Whereas, the City of Minneapolis has supported the development and completion of the Central Corridor Light Rail Transit project, known as the Green Line; and

Whereas, the City of Minneapolis is involved in an ongoing partnership with the City of St. Paul on the completion of the Green Line, and on planning for development along the corridor; and

Whereas, the Prospect Park light rail station area represents one of the biggest opportunities for growth along the Green Line in Minneapolis, including growth in population, employment, and tax base; and

Whereas, the Southeast Minneapolis Industrial (SEMI) area adjacent to the Prospect Park station has been guided by the City for redevelopment as a job-intensive innovation district focusing on bioscience and related industries, capitalizing on its close proximity to the University of Minnesota; and

Whereas, this area also stands to benefit from MnDRIVE, an initiative to strengthen Minnesota's discovery, research, and innovation economy; and

Whereas, the City Council adopted the *Stadium Village University Avenue Station Area Plan* in 2012, supporting the redevelopment of the immediate Prospect Park station area with high density mixed use, and the adjacent SEMI area with office and light industrial development; and

Whereas, the Prospect Park station area contains TIF districts that lie within the University Research Park Subzone, and that have excess tax increment that could be used to fund infrastructure and other improvements needed to support job-related development; and

Whereas, the University of Minnesota has a strategic vision to work with its surrounding communities to leverage its capacity as a major research university to spur innovative projects and build stronger, safer and more vibrant communities around it's edges; and

Whereas, the City of Minneapolis is working in partnership with the City of St. Paul in this area to address shared cross-border issues and opportunities; and

Whereas, a number of community partners have formed the Prospect North Partnership, which is working together to support redevelopment in the context of a sustainable and innovative district.

Whereas, the Prospect North Partnership has identified that designating an innovation district would assist in establishing an identity and standards for the redevelopment of the area, and CPED staff have agreed with this recommendation as a means to forwarding City goals for economic development,

Now, Therefore, Be It Resolved by the City Council of the City of Minneapolis:

That the area defined by the attached map be designated as the University Avenue Innovation District. An innovation district is an economic development tool that utilizes partnerships with higher education institutions, businesses, and government to fuel job growth and redevelopment in targeted locations, based on the premise that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas and people. This designation can be used for the purposes of planning, fundraising, and marketing – and potentially for innovative pilot projects and district systems.

Be it further resolved that the City Council supports redevelopment of the University Avenue Innovation District area as a high priority for the City of Minneapolis, by directing staff and resources to:

1. Encourage ongoing CPED and other appropriate City staff participation in the Prospect North Partnership with planning, organizing, strategizing for and implementing the area's redevelopment.
2. Consider investments at city standard level in basic infrastructure through the capital improvement plan, with the understanding that this may leverage other sources of funding for more innovative elements of public realm and district systems.
3. Consider requests from Prospect North Partnership for technical analysis, to review or explore issues in-depth, on a case by case basis in relation to staff workloads and financial commitments. Any staff resources or financial commitments that are more than incidental shall be brought to the City Council for consideration.
4. Support funding for redevelopment opportunities including housing, business development, infrastructure, and greenspace, particularly those that provide or support affordable housing and/or job creation.
5. Communicate about the opportunities in this area to a broader audience, to attract input, support, and potentially investment.
6. Investigate the feasibility of using some or all of the pooled TIF funds for the construction of other public infrastructure necessary to support development of the innovation district.
7. Consider changes to city policies and practices to allow for experimentation and innovation consistent with City goals and the expressed priorities of the district. Any specific regulatory or policy changes shall be brought to the City Council for consideration.
8. Work with the City of Saint Paul on shared issues including, but not limited to, infrastructure connectivity, formation of a cohesive district identity and brand, and alignment of investments in economic development.



Prospect North Innovation District

Draft Boundary - 4/6/15



MEMORANDUM

TO: City Council Members
FROM: Matthew Brown, President 
Minneapolis City Planning Commission
DATE: July 23, 2015
SUBJECT: Innovation District – Draft City Council Resolutions

The City Planning Commission discussed the draft Innovation District resolutions being considered by City Council at its June 18, 2015 Committee of the Whole meeting.

Per standard City practice, no formal action is required of the Planning Commission on pending City Council resolutions. However, to interest in and support for this action, the Planning Commission submits these comments for consideration:

- The overall scope of the Innovation District concept appears to be consistent with the Comprehensive Plan, including around topics of land use, transportation, environment, economic development, and urban design.
- The scope of the University Avenue Innovation District concept is consistent with and helps to implement the City adopted small area plan for the area, the *Stadium Village University Avenue Station Area Plan*, which was approved by the City in 2012.
- The Planning Commission looks forward to future participation in the review and approval of elements within the Innovation District framework, including individual development projects, capital improvements, and potential policy and/or regulatory changes.
- With the City's comprehensive plan update moving forward over the next few years, we anticipate more discussion on how this concept could be compatible with our incorporated within the next comprehensive plan.

We appreciate the partnership of the City Council in working to support the development of great, innovative, vibrant, urban places within our city.