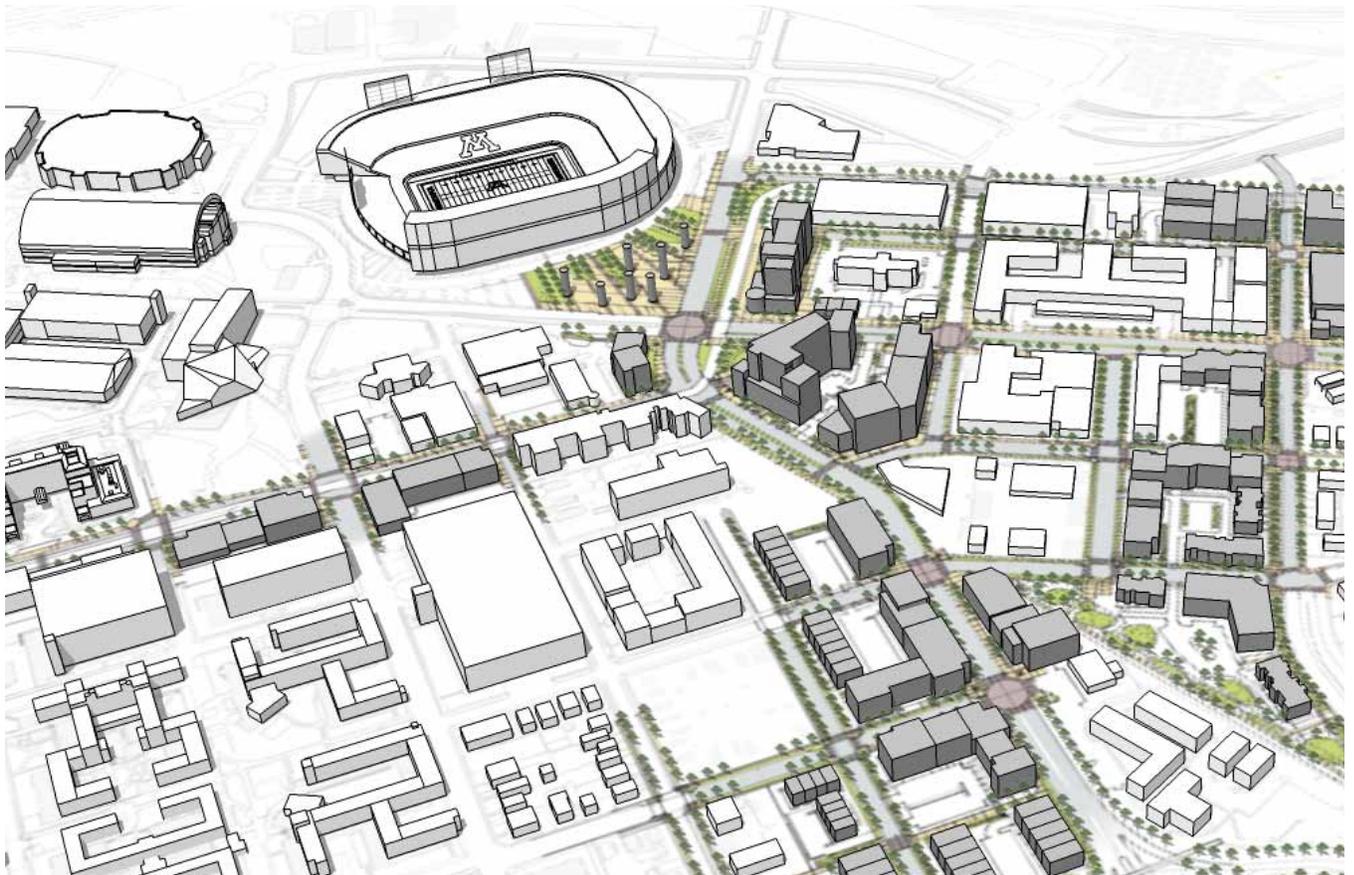


CITY OF MINNEAPOLIS

Stadium Village Station Area Development Issues and Opportunities



Prepared for Hennepin County, City of Minneapolis, University of Minnesota
August 2011

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Introduction

The main body of work for the Stadium Village Market Study was to determine what market forces are likely to be seeking to locate in the Stadium Village area. The market forces analysis is contained in another report. This section is the second part of this study which is to determine whether there are redevelopment sites available that may be able to absorb some of this latent demand and identify issues and opportunities associated with these redevelopment focus areas.

Not every parcel is a likely redevelopment site. Many parcels in this area are developed at a level of intensity that makes them far too expensive to acquire and redevelop in a profitable manner. Others may have attributes that make them unattractive for certain types of development.

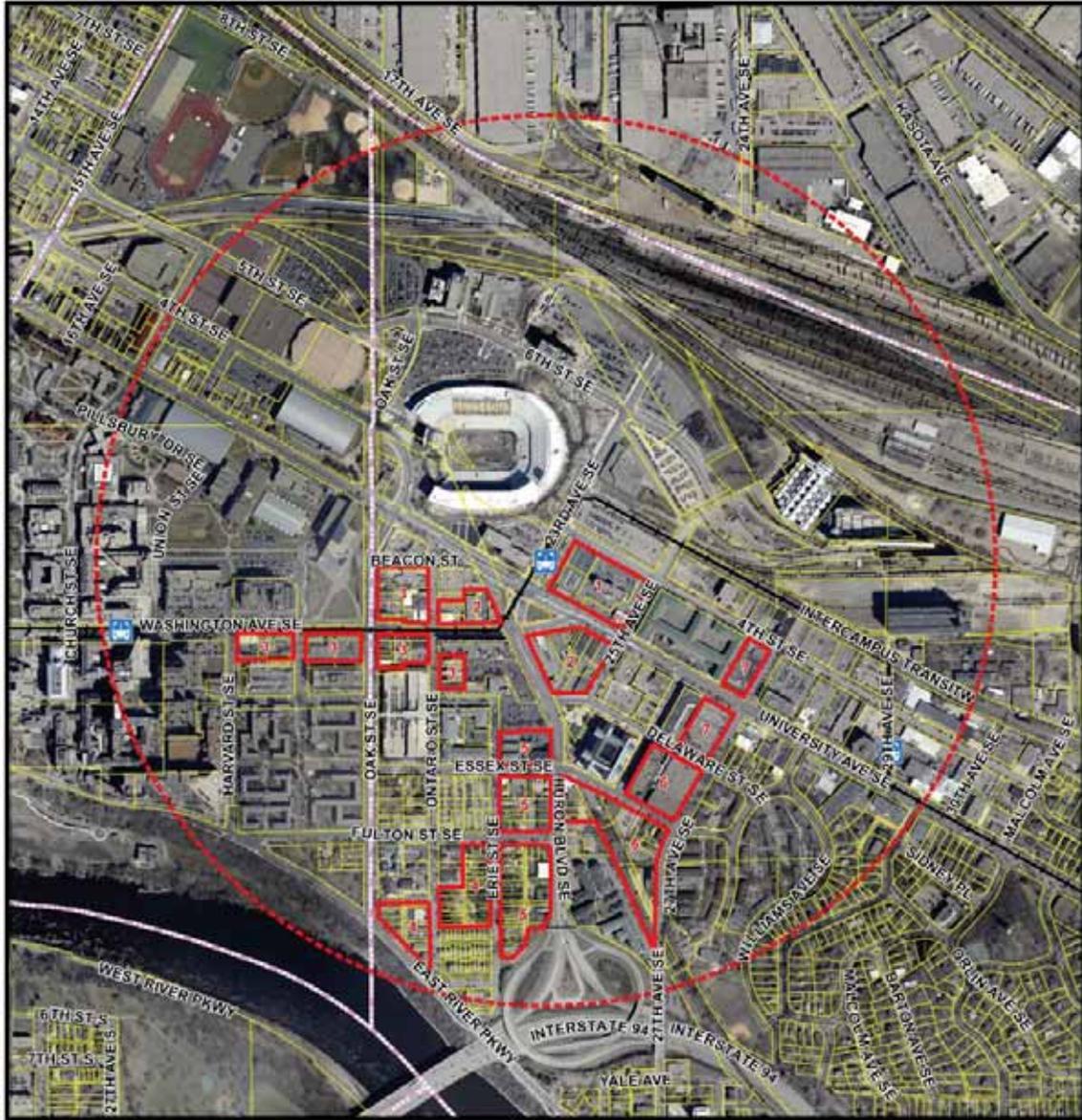
Retail uses, in particular, can be difficult to site, due to their demanding locational needs. Retail is highly competitive and seeks locations that have high pedestrian/vehicular traffic, exceptional visibility, convenient access and adequate parking. Given the limited amount of retail suitable sites in the study area, it may be advantageous to review current zoning code mixed use/retail incentives to ensure they have adequate financial impact to entice student housing developers to include retail in their developments. In addition, where feasible, public uses such as structured parking should be located on sites that do not have prime retail viability or they should include retail in their design. Other uses such as student housing, offices or structured parking have much more flexible site requirements and therefore can be successful on a wide range of sites throughout the study area. Incentives for these uses would largely be expected to encourage sufficient intensity of development to provide for an efficient use of limited land area.

To identify the redevelopment Focus Areas, Stantec used a multi-step process to screen properties using geographic information systems (GIS), stakeholder interviews and field surveys. The results of this screening process resulted in the identification of seven Focus Areas (Figure 1) that appeared to contain similar issues and opportunities. Some of the GIS components of this screening process included analysis of building ages (Figure 2), ownership patterns (Figure 3) planned infrastructure improvements (Figure 4) and other factors such as property valuation, natural features and land/building ratios. This GIS work was then supplemented by sending Stantec staff with experience in real estate development site selection into the area to physically view every property in Stadium Village.

It should be noted that property in the Stadium Village area is generally in high demand and therefore vacancy is rare due to its unique location in proximity to the University of Minnesota. This high level of demand means that almost all redevelopment would necessitate the discontinuance or relocation of a use that is already viable on the redevelopment site.

This study does not address the policy issue of whether it is more desirable to maintain existing uses or redevelop sites into new uses. Focus Areas should not be considered priority redevelopment sites or threatened properties. The goal of this analysis was to identify sites where there appeared to be conditions that might make developers view the redevelopment potential as positive and therefore result in redevelopment pressure. Knowing where development pressures are located can help policymakers understand where there may be opportunities that need to be nurtured to ensure they reach their full potential or if the existing conditions are to be preserved, where steps may need to be taken before it is acquired for redevelopment.

Figure 1: Stadium Village Focus Areas



Stadium Village Planning Area

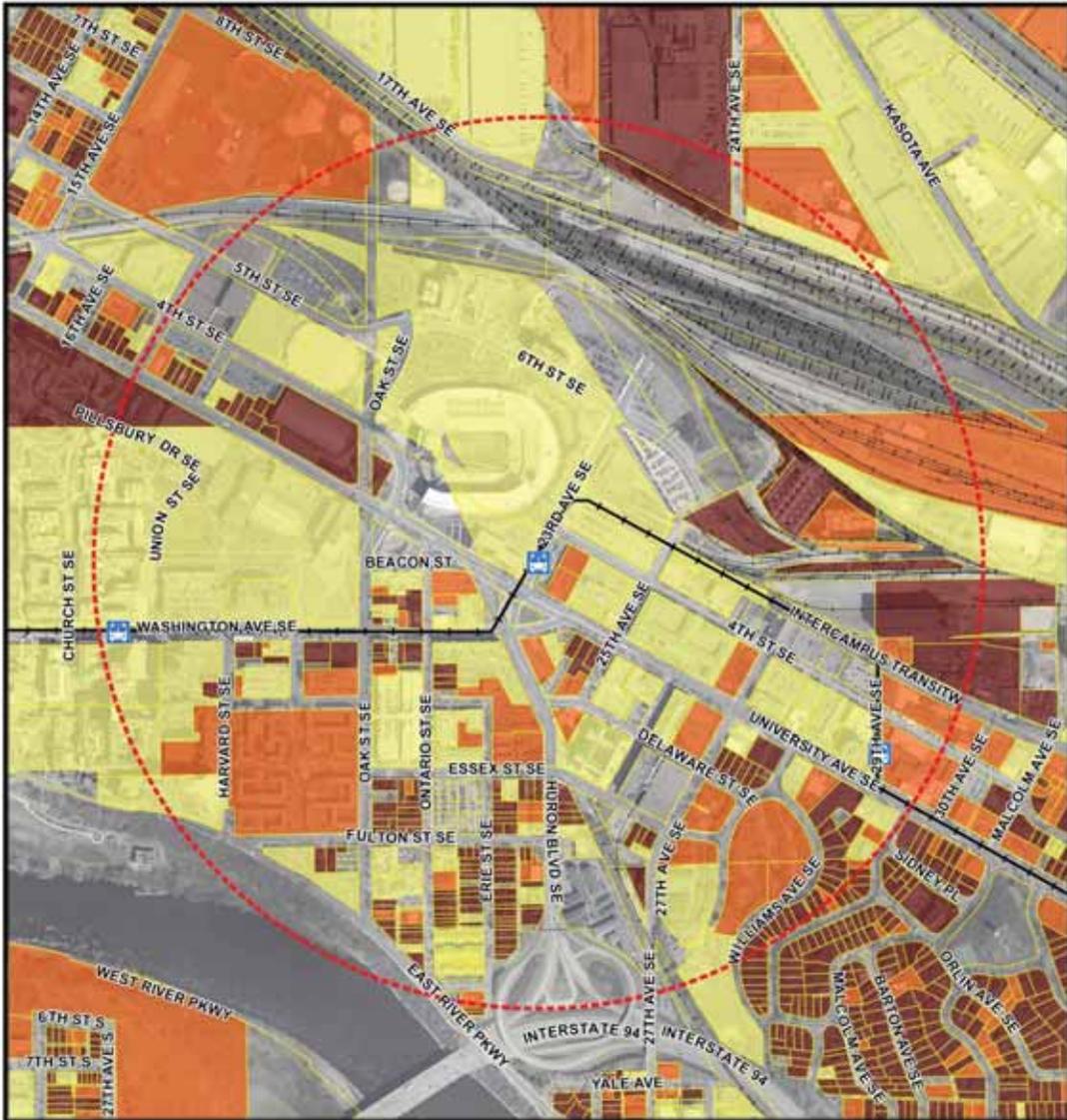
Redevelopment is generally a complex process and there is often a role the public can take to facilitate development and ensure the redevelopment reaches its full potential. These actions can vary from minor actions such as facilitating discussions between stakeholders up to and including actively participating in development activities.

Although most of the redevelopment in Stadium Village will likely occur without extensive public involvement due to the attractive market fundamentals, there may situations where one or more of the following tools will need to be utilized to achieve the full potential of a site.

- Land banking/site acquisition
- Financial assistance (TIF, tax credits, tax abatement, etc.)
- Site clearing
- Assistance with helping industrial users relocate to industrial parks
- Revising zoning requirements
- Environmental studies and/or remediation
- Shared parking
- Trail and sidewalk construction
- Parks and open space development
- Streetscape upgrades

Successful Transit Oriented Development (TOD) includes a variety of attributes such as close proximity to amenities, density of activity, an interesting and attractive setting, a feeling of security, and convenient access via walking and biking. When redevelopment occurs near stations, it is important to ensure that convenient access through such sites, serving more distant properties is adequately planned and protected. By carefully planning convenient access (minimizing traveled time and maximizing the experience), the effective zone of TOD may be increased.

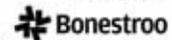
Figure 2: Building Age



Stadium Village Planning Area Building Age

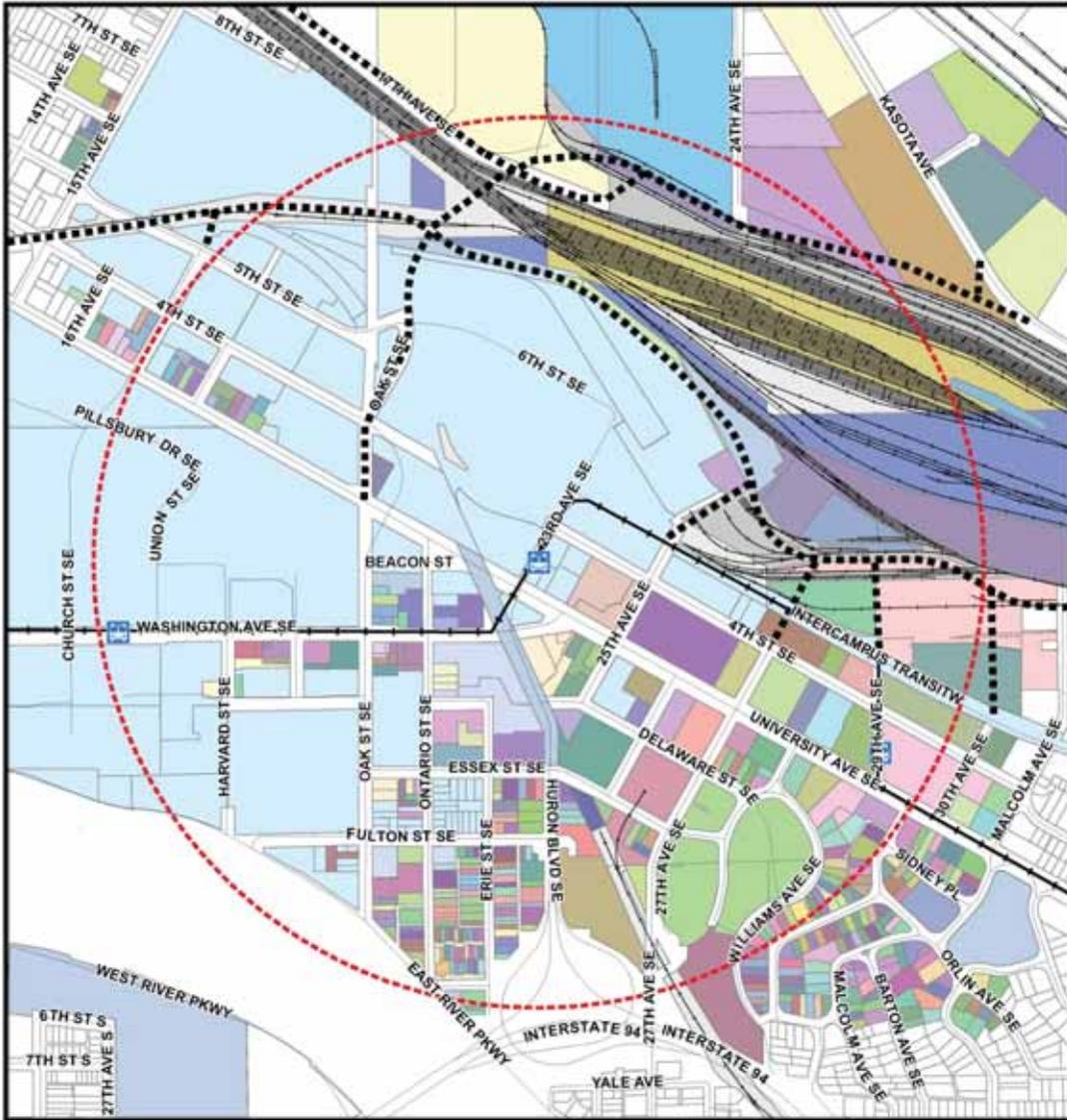


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Figure 3: Property Ownership



Stadium Village Planning Area Ownership Patterns

(Change in color represents separate ownership)



-  Central Corridor LRT Stations
-  Half Mile from Stadium Village Station
-  Central Corridor LRT line
-  Future Road Alignments

March 23, 2011



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Figure 4: Potential Infrastructure Improvements



Stadium Village Planning Area Potential Infrastructure Improvements



Area 1

Figure 5: Area 1 - Background



- Overall Size: 3.67 acres contained on 1 block
- Largest Site: 3.67 acres
- Key Forces: Located at key University Avenue & Huron Boulevard intersection
 - Site includes the LRT Station area
 - Well positioned to capitalize on sports related spin offs
 - Best positioned site for Biomedical Research District spin offs

Figure 6: Area 1 - Zoning



OR2: *High Density Office-Residence District* (Max. Height 4 stories/56 feet; Max. FAR 2.5; 700 s.f. lot area per unit)

C3A: *Community Activity Center District* (Commercial uses < 8,000 s.f.; drive through prohibited; allows residential uses @ 400 s.f. lot area per unit)

I1: *Light Industrial District* (Low impact industrial uses; some commercial businesses allowed including restaurant, hotel, and nightclub; Max. Height 4 stories/56 feet)

AREA 1 DEVELOPMENT POTENTIAL

Area 1 is the block that contains the Stadium Village station site and is therefore a key hub for setting the character for redevelopment in the Stadium Village study area. The western 1/3 of Area 1 is in public ownership for the transit station and related facilities. The other 2/3 of Area 1 is occupied by a hotel and restaurant.

The areas in private ownership are zoned C3A: Community Activity District, which allows pedestrian oriented, mixed use development (Figure 6). The public lots have I1 and OR2 designations, although it is anticipated that these designations could be subject to change in the future since they relate more to the uses that formerly occupied the site rather than the types of development that are frequently mentioned as possibilities for the station area.

With the exception of the periodic games at TCF Stadium, this Focus Area has had less intensity for student activity than many of the other Focus Areas. This is likely due both to the distance to the academic core but also due to the fact that until recently, this Focus Area was on the outskirts of the University influence area and was dominated by uses such as remote surface

Figure 7: Area 1 - Valuation



parking and railroad infrastructure that was not a very inviting atmosphere. With the substantial redevelopment of these areas for the TCF Stadium and the Biomedical Research District, new market forces are in play in this Focus Area.

Figure 7 illustrates the total assessed value of each property on a per s.f. of lot area basis (the lots with a value of \$0 are in public ownership). Although the two remaining uses on the site are both significant uses, the valuation per square foot does not automatically price these parcels out of the redevelopment market in comparison to some other areas where valuation per square foot can be well over \$150 per square foot. This low level of valuation is not an indicator of the quality of the use, but rather an indicator of how much of the lot area is occupied by surface parking.

The ownership pattern in this Focus Area (Figure 8) is attractive for redevelopment since the entire 3.67 acre Focus Area is controlled by only three parties and one of them is a public entity and the names of the other two imply there may be some cooperation or overlap between the two private ownership groups.

Although we have used the term “redevelopment” on this Focus Area, it appears that the real opportunity is probably an intensification of the uses rather than a demolition and rebuild scenario, largely due to the scale of the hotel operation. This intensification could come from an expansion of the hotel or from additional supportive development such as wrapping key blockfaces with retail development or similar techniques.

This potential for in-fill seems to present a potentially compelling opportunity for some discussions to occur between the various stakeholders (which could include some joint detailed design) to see if there are win-win scenarios available. Both public and private ownerships seem to have interests that if combined in a creative manner could allow this site to be maximized and approach the prominent position it seems to have the potential to achieve.

A key to this intensification concept is the opportunity to more efficiently provide for the large number of private parking spaces by integrating some of them into a shared public/private deck scenario. This parking deck could possibly be extended along 4th Street (or even crossing 4th Street to include the University lot north of 4th) which would utilize lot areas with a lower quality location and free up more opportunities for construction of buildings along the primary faces of 23rd Avenue and University Avenue. This kind of public/private partnership for parking is fairly common for hotel properties and provides a greater utilization of parking because hotels and restaurants have different peak parking times than most other commercial uses.

Integrating the parking of these uses could provide additional benefits such as the following:

- Providing a direct connection to the LRT station for hotel patrons
- Encouraging reinvestment or expansion in the hotel
- Providing convenient station parking access points off of 25th Avenue or 4th Street where it will minimize traffic conflicts between vehicles, pedestrians and the LRT
- If parking crosses 4th Street, the developable land it frees up in Focus Area 1 could be more valuable due to its many locational advantages whereas the block north of 4th Street is more constrained due to poor visibility, narrow lot configuration and access constraints on the west and north due to transit corridors

Figure 9 shows existing utilities in the area. As discussed above, the opportunity exists to potentially utilize the area above or on 4th Street SE from 23rd Avenue SE to 25th Avenue SE. If the best solution results in vacating this right-of-way, then realignment of existing sanitary sewer and storm sewer may be required depending on the site design.

In addition, a number of trail and sidewalk connections are planned for this area.

Figure 8: Area 1 - Property Ownership

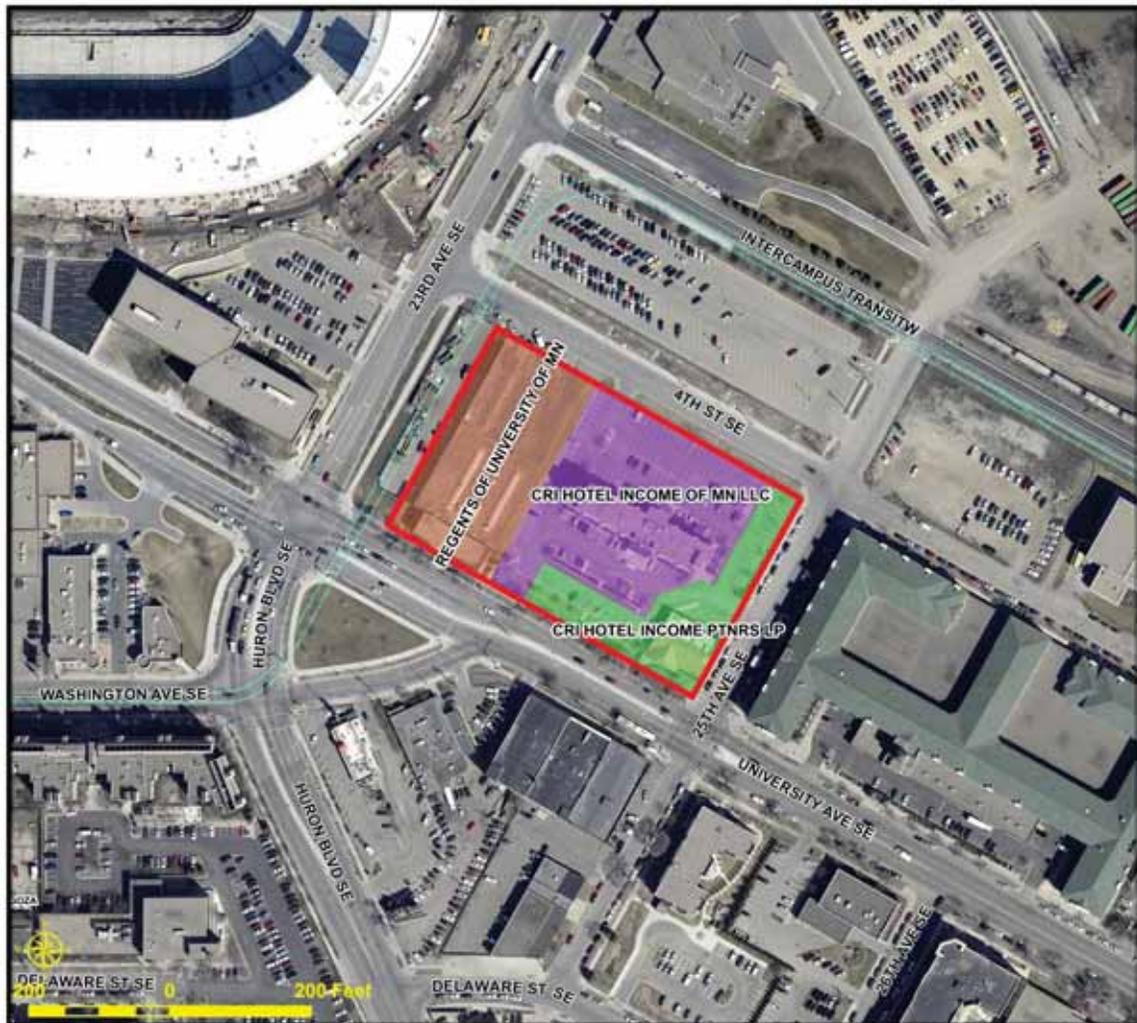
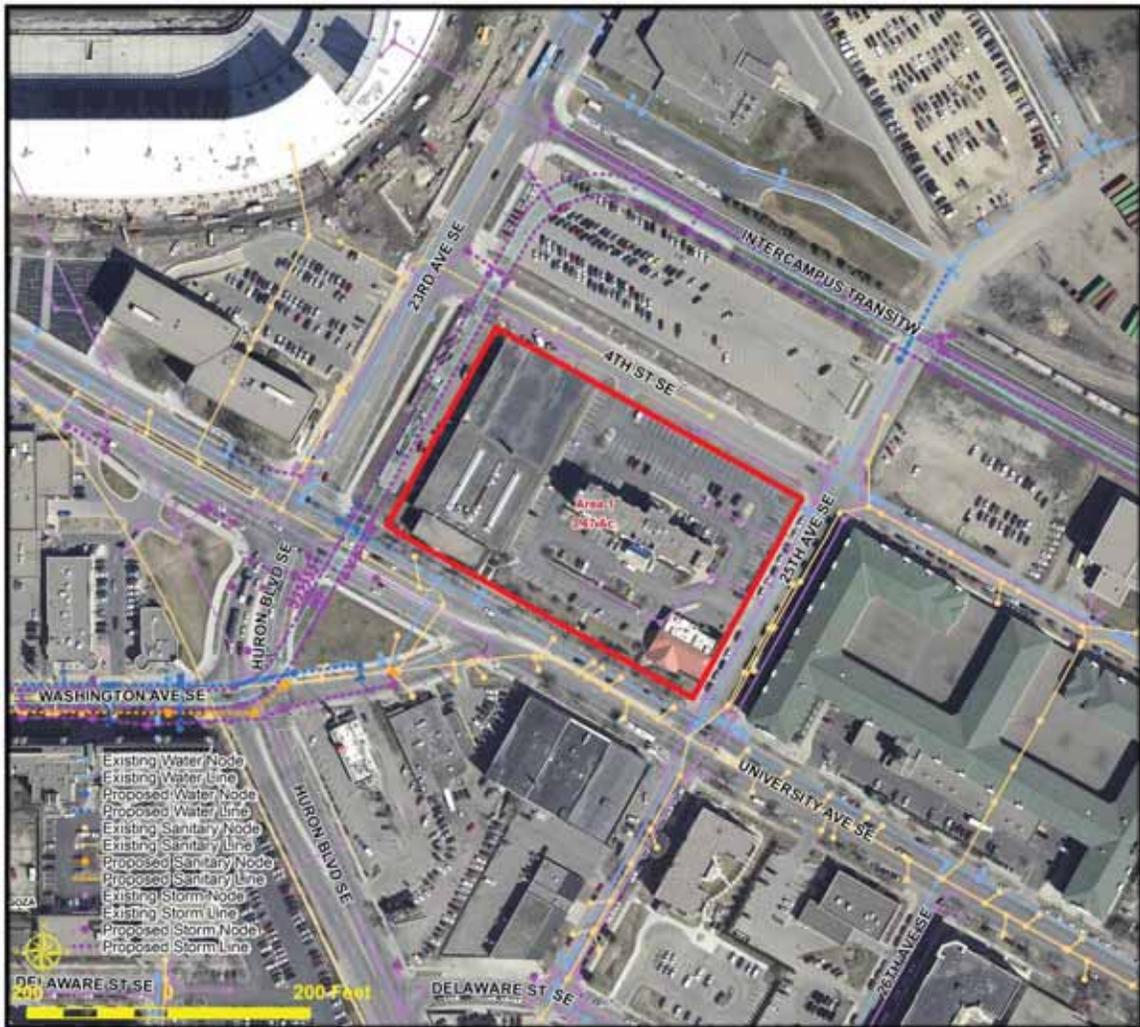


Figure 9: Area 1 - Utilities



Area 2

Figure 10: Area 2 - Background



Overall Size: 4.64 acres contained on 2 blocks

Largest Site: 2.99 acres

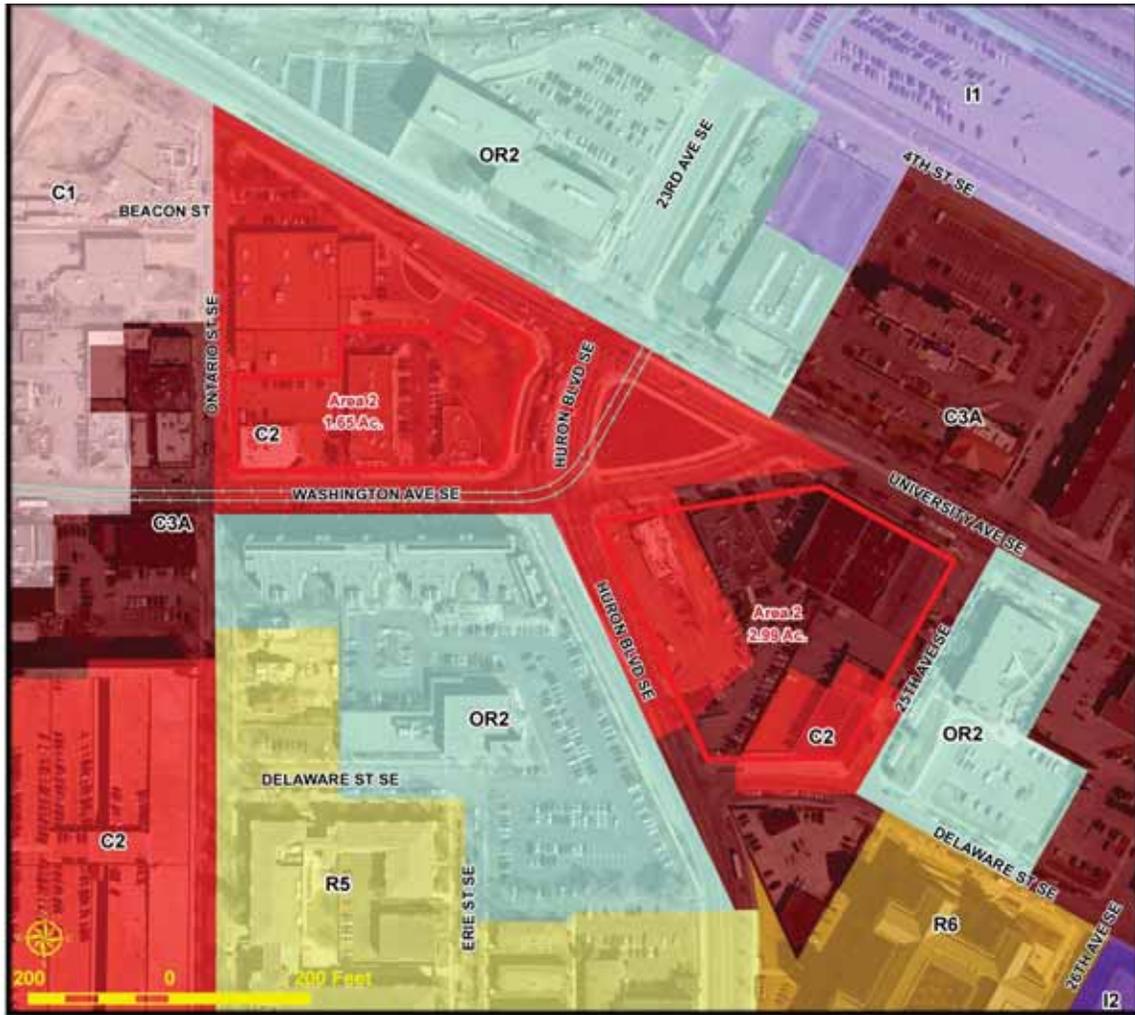
Key Forces: Located at key University Avenue & Huron Boulevard intersection

Site in close proximity to the LRT Station

Well positioned to capitalize on sports related and Biomedical Research District spin offs

Area has legacy easement/utility issues due to intersection reconfigurations

Figure 11: Area 2 - Zoning



- C2:** *Neighborhood Corridor Commercial District* (Commercial uses < 30,000 s.f.; drive through permitted; Max. FAR 1.7; allows residential uses @ 700 s.f. lot area per unit)
- C3A:** *Community Activity Center District* (Commercial uses < 8,000 s.f.; drive through prohibited; allows residential uses @ 400 s.f. lot area per unit)

AREA 2 DEVELOPMENT POTENTIAL

Area 2 consists of portions of two irregularly shaped blocks that front on the key points where Huron Boulevard, Washington Avenue, 23rd Avenue, University Avenue and the LRT intersect. The intersections of these key transportation corridors have been modified over time and are irregular due to the need to accommodate the changes in the grid street system that occur at this location. Over time, fragments of former right of way have remained which pulls development away from the intersection. Overall, this area can be challenging for both motorists and pedestrians.

These properties (along with the SW corner of Area 1, the University's future plaza area in the NW corner of the intersection and the excess right of way north of Washington Avenue and east of Huron Boulevard) are located at such a key location that they should likely undergo some detailed design planning to establish an architectural framework that will assist both the public and private sectors and enable the area to reach its full potential as a key eastern gateway to the University and become a regional landmark. Building massing will be key to properly frame the intersection and create the character that will encourage a unique, compact, vibrant district.

The zoning pattern in this area is largely C2, Neighborhood Corridor Commercial which is a lower intensity retail designation with an orientation towards automobiles. The development that has occurred within this district includes uses such as strip retail and a drive through restaurant. The remainder of the Focus Area is zoned C3A, Community Activity Center which is more of an intense, mixed use, pedestrian oriented zoning designation than C2.

Figure 12 illustrates the total assessed value of each property on a per s.f. of lot area basis. This identifies which properties are likely to be the most affordable for redevelopment based on their intensity of development. Because of the amount of surface parking relative to building size associated with auto oriented retail, many of the parcels have attractive valuations for redevelopment purposes.

This Focus Area also is characterized by a large number of small lots which can make property acquisition challenging. However, some consolidation of ownership has occurred which will facilitate development intensification (Figure 13). The key catalyst site for this Focus Area is the property owned by Robert Andrews et al. due to its key visibility fronting Washington Avenue, University Avenue and the LRT station area; the size of the holdings and the lack of intensity of existing development on the parcels. Ideally, additional parcels on this block would be added in a redevelopment concept. This block could be redeveloped into a key, highly visible project that would help frame the large intersection along with the TCF Stadium and the LRT station site and set a key gateway image for Stadium Village that would help overcome some of the constraints created by the intersection issues.

The remnant parcel north of Washington Avenue and East of Huron Boulevard has little viability for redevelopment, but could be a key amenity parcel for creating gateway identity and could be the subject of more detailed design. The remnant parcel to the west of Huron likely will achieve its highest and best redevelopment use if combined with an adjacent parcel. (I think it is important to state ownership of these remnants, whether on the ownership map or written here. It appears that the City and the U own them. Should we also state that public design and construction, in coordination with private vision, could be appropriate for one or both of these

public spaces in order to catalyze redevelopment? In addition, a sustainable storm water facility may be incorporated into these areas.)

The parcels in this Focus Area could be attractive for both retail and residential uses. Ideally, some significant portion of any redevelopment would include retail space to accommodate some of the unmet need for retail in the study area in addition to upper story residential uses.

Figure 14 shows existing utilities in the area. Prior to development of the remnant parcel west of Huron, existing storm sewer and sanitary sewer may need to be relocated or dealt with in some manner.

A number of trail and sidewalk connections are planned for this area. It should also be noted that some properties in this Focus area have a higher probability of soil or groundwater contamination.

Figure 12: Area 2 - Valuation



Figure 13: Area 2 - Property Ownership

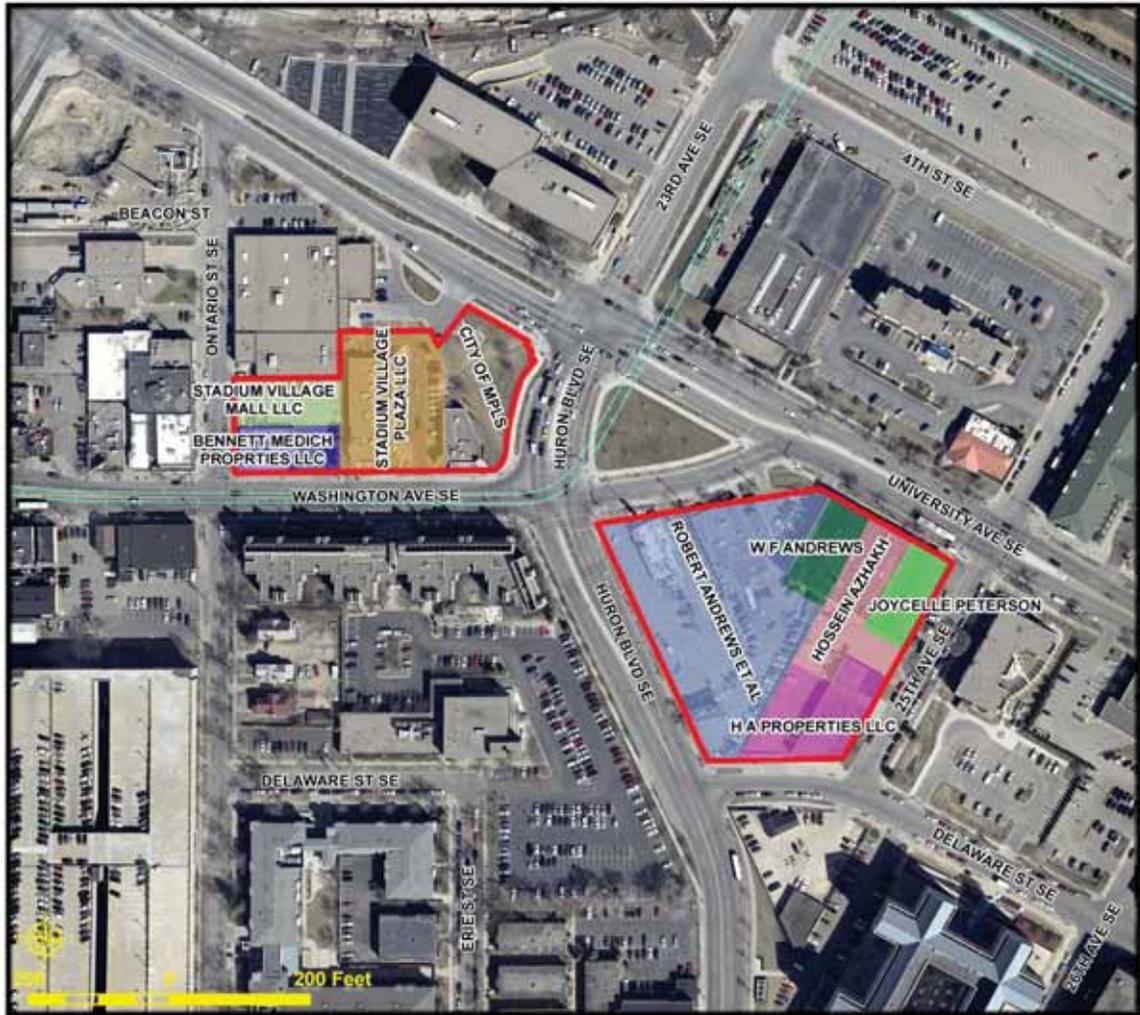
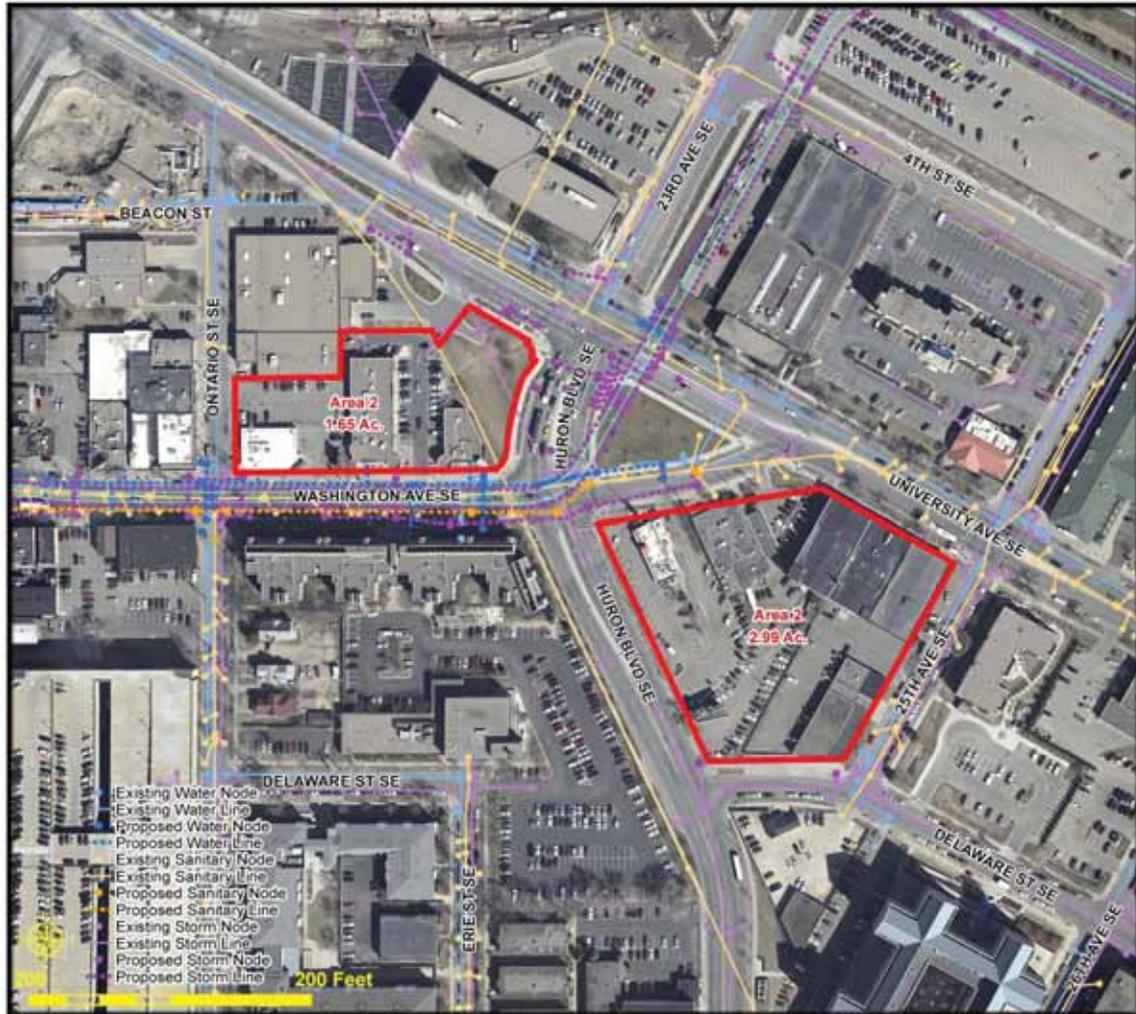
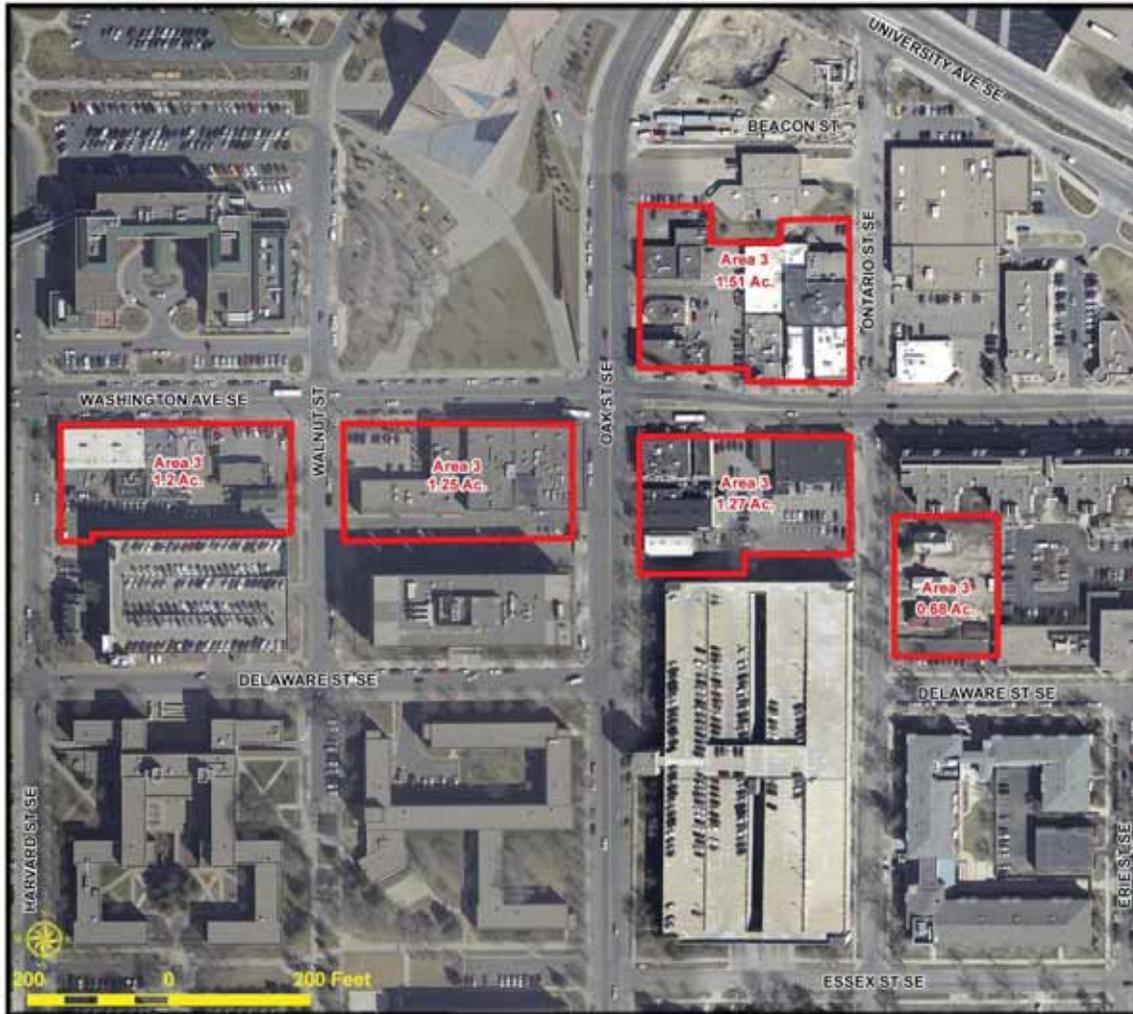


Figure 14: Area 2 - Utilities



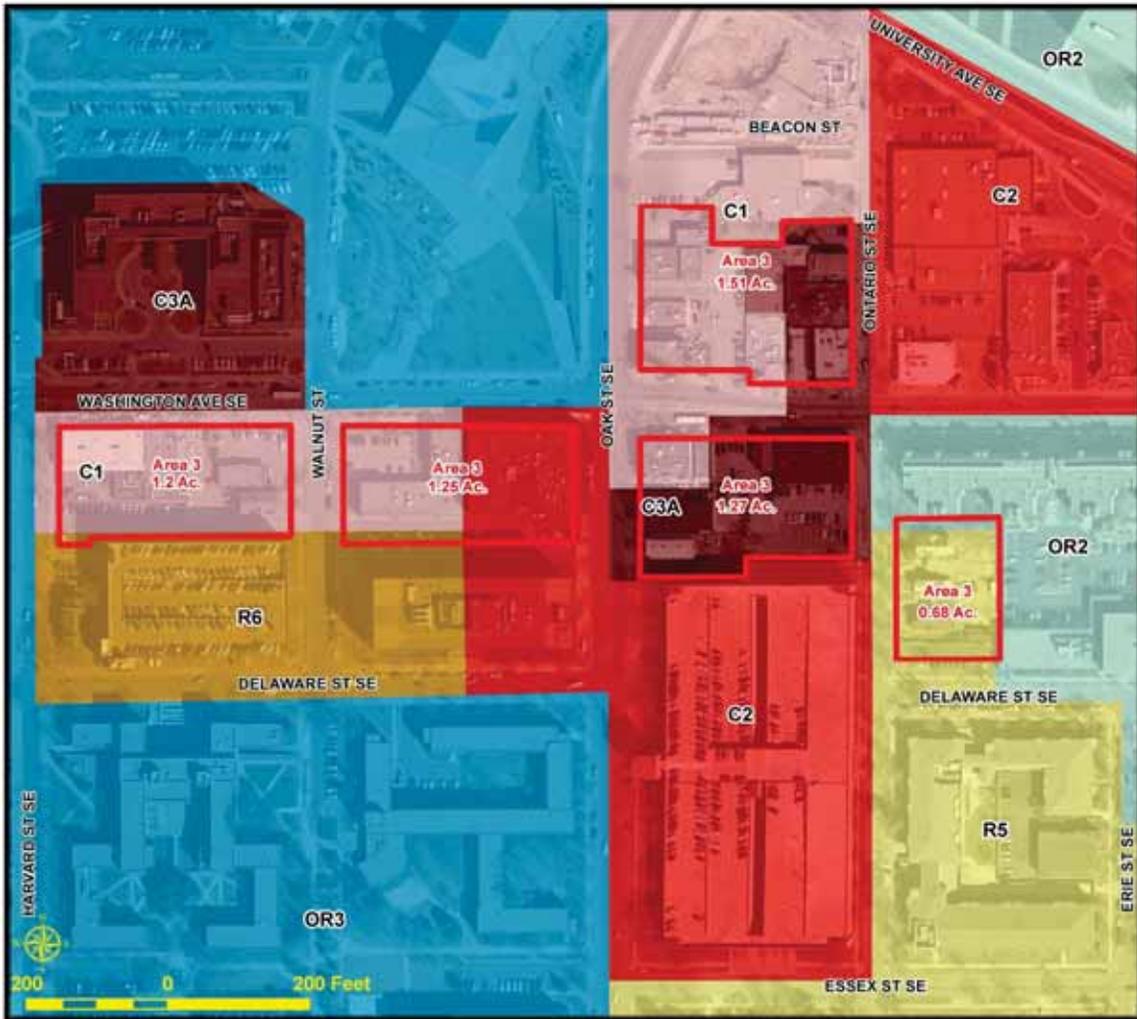
Area 3

Figure 15: Area 3 - Background



- Overall Size: 5.9 acres contained on 5 blocks
- Largest Site: 1.5 acres
- Key Forces:
 - Proximity to “Superblock” dormitory area
 - LRT on Washington Avenue creating traffic modifications
 - Proximity to large U of M structured parking lots
 - Proximity to hospital
 - Proximity to campus academic core

Figure 16: Area 3 - Zoning



- C1:** *Neighborhood Commercial District* (Commercial uses < 8,000 s.f./lots < 20,000 s.f.; drive through prohibited; Max. FAR 1.7; allows residential uses @ 700 s.f. lot area per unit)
- C2:** *Neighborhood Corridor Commercial District* (Commercial uses < 30,000 s.f.; drive through permitted; Max. FAR 1.7; allows residential uses @ 700 s.f. lot area per unit)
- C3A:** *Community Activity Center District* (Commercial uses < 8,000 s.f.; drive through prohibited; allows residential uses @ 400 s.f. lot area per unit)

AREA 3 DEVELOPMENT POTENTIAL

Area 3 is characterized by a large number of intense forces focused in a small area including large scale student housing, hospital operations, retail and transit. The Focus Area is dominated by small retail establishments in 1 – 3 story buildings that benefit from the large amount of pedestrian activity, but this intensity of activity has the potential to inconvenience vehicular customers, particularly along Washington Avenue. Two large structured parking facilities are in close proximity to the focus areas. Additional parking could possibly be created by constructing structured parking behind the hotel on the north side of Washington Avenue.

Figure 17 illustrates the total assessed value of each property on a per s.f. of lot area basis. This identifies which properties are likely to be the most affordable for redevelopment based on their intensity of development. The two areas that stand out are along Washington Avenue (between Harvard Street and Walnut Street) and the east side of the block between Oak Street and Ontario Street. This latter location is now undergoing redevelopment. The block between Walnut Street and Oak Street is likely too expensive and high quality for tear down redevelopment, but was included because there may be opportunities for expansion or significant rehabilitation efforts.

With the exception of the 0.68 acre site on the east end of the Focus Area, all of these lots have viability for retail development. The 0.68 acre site does not appear to have retail characteristics and may be more appropriate for multi-family residential uses or additional parking.

Although the retail traffic in this area is heavily oriented to pedestrians, there is still automobile oriented traffic which faces some parking and access challenges. There is structured parking nearby, but there is a lack of on-street parking and of course, access is restricted from the west on Washington Avenue. Opportunities for creating or more efficiently using high frequency parking areas could improve the retail viability for the area, although it should be recognized that the dominant retail demand is likely created by pedestrians who are unaffected by parking. This issue will be discussed more fully in the parking study.

This Focus Area also is characterized by a large number of small lots which can make property acquisition challenging. However, some consolidation of ownership has occurred which will facilitate development intensification (Figure 18). The one area which seems to be suffering the most from the fragmented ownership pattern is the block north of Washington Avenue. The west side of this block in particular has several uses that, although apparently successful, could likely absorb more intensity than is currently on-site. A shared parking strategy could facilitate some collaboration between uses and lead to more intensification.

There is a patchwork of zoning districts in the area that may need to be reevaluated to ensure that they are still the most appropriate for the current conditions and the long range plans for the area. For instance, some of the areas that have retail locational advantages along Washington Avenue and Oak Street are zoned C1-Neighborhood Commercial which is a low intensity district designed to protect adjacent residential uses. The C1 areas along Washington and Oak are significantly less intense than the adjacent uses which could present an opportunity for absorbing some of the area's market demand while increasing the compatibility with the surrounding area.

In our focus interviews, one concern in this area was that there is a lot of conflict between students crossing Washington Avenue and hospital traffic trying to move through the area at class change periods. Although there are options for relocating pedestrians via over/underpasses, these solutions would be difficult, expensive and often do not change student

behavior. In addition, relocating student away from the street level could be extremely disruptive to retail uses that are almost fully dependent on street level pedestrian activity.

An alternative may be to look at opportunities to reduce the amount of hospital traffic using Washington Avenue. Without having a full understanding of the complexities of hospital operations, one possibility for consideration is Fulton Street SE/E. River Parkway which would provide a fairly direct route between the hospital and the regional connections at Huron Boulevard while greatly reducing the potential for conflict with pedestrians and LRT operations. This could be accomplished through the use of extensive hospital directional signage leading to and from key routes such as I-94 and University Avenue.

Figure 19 shows existing utilities in the area. Analysis of the location of existing utilities did not result in the identification of opportunities for increasing the amount of available land for redevelopment or general land efficiencies which could be gained.

Figure 17: Area 3 - Valuation

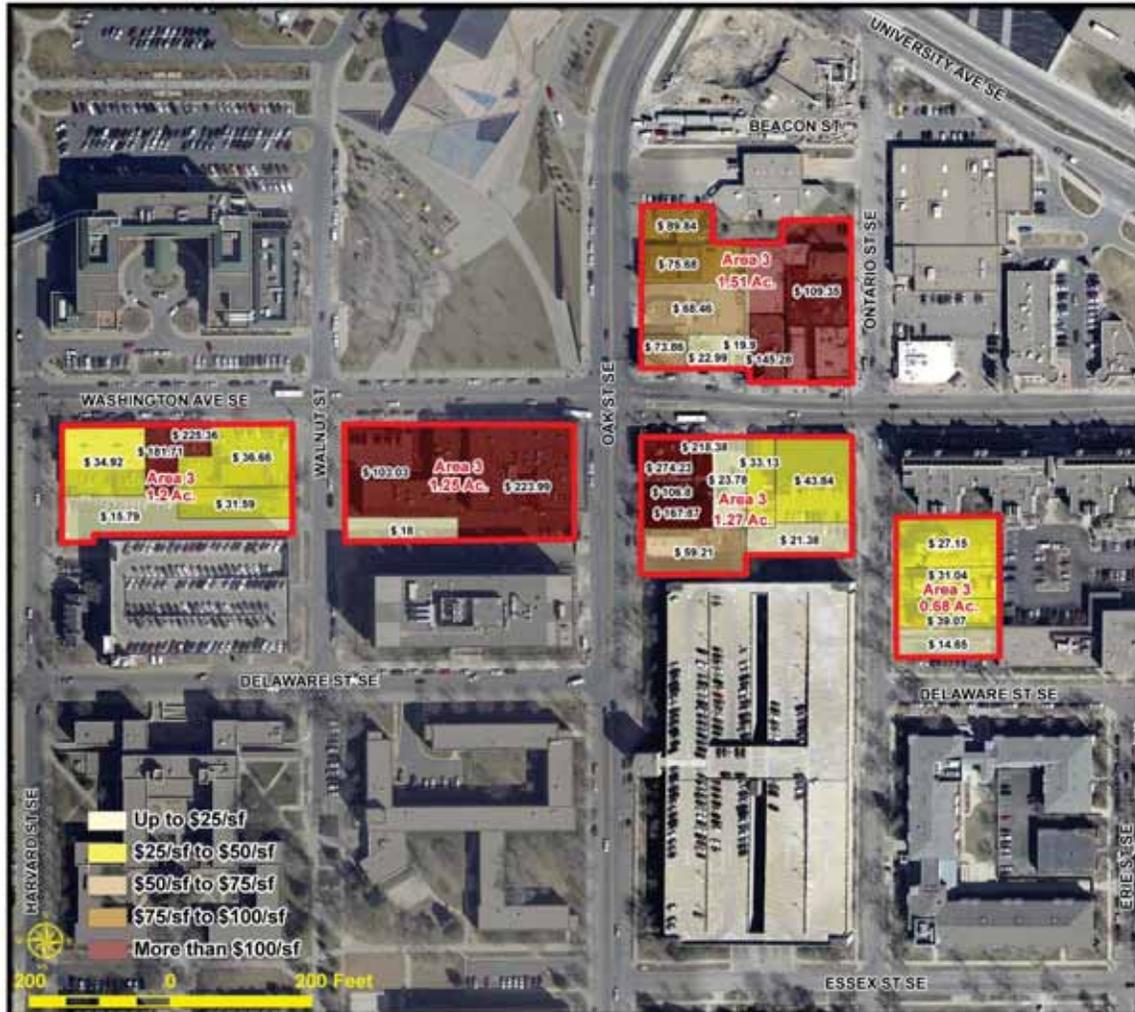
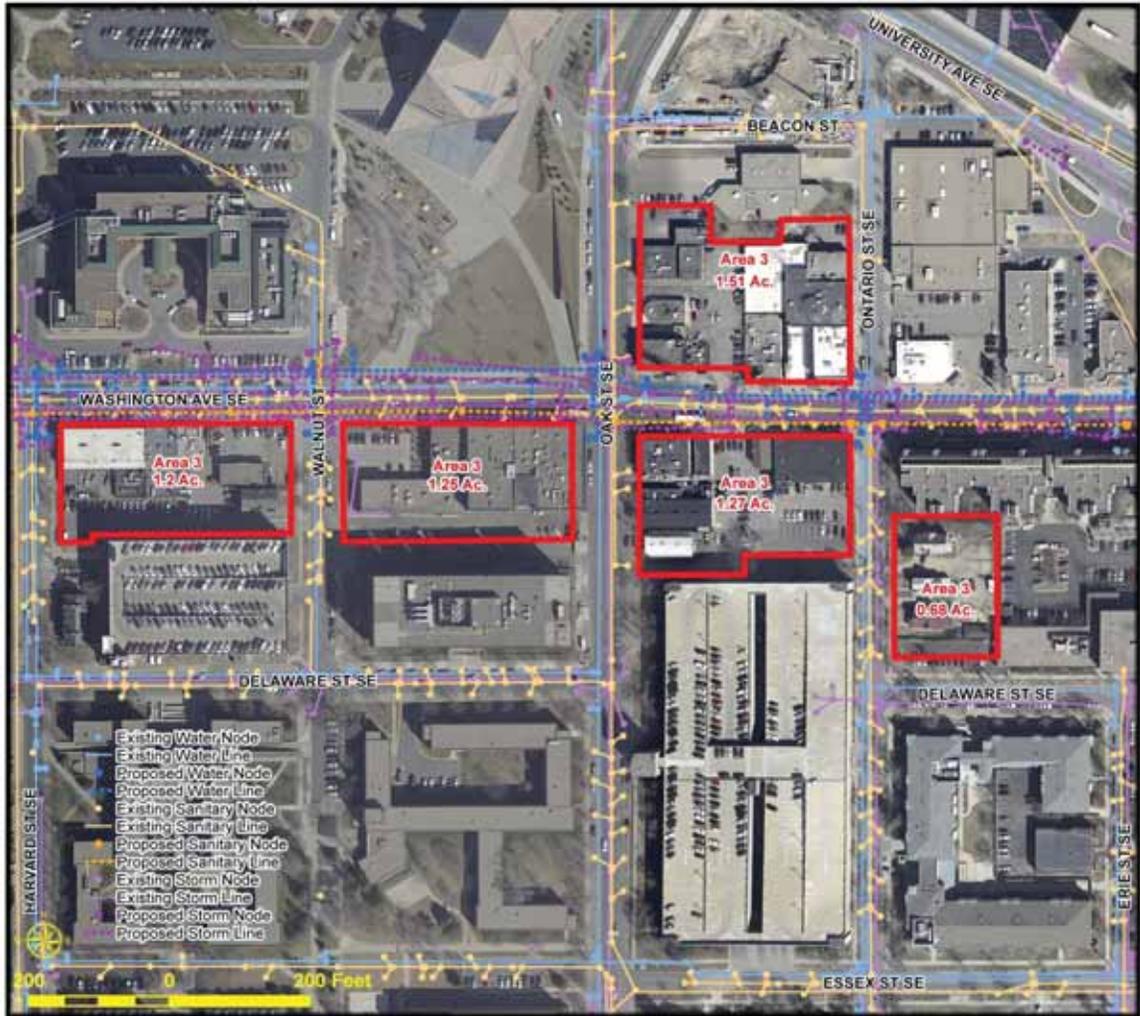


Figure 18: Area 3 - Property Ownership



Figure 19: Area 3 - Utilities



Area 4

Figure 20: Area 4 - Background



Overall Size: 4.16 acres contained on 2 blocks

Largest Site: 2.5 acres

Key Forces: Proximity to "Superblock" dormitory area

Part of last significant single family enclave west of Huron

Proximity to Mississippi River Valley and East River Parkway

Proximity to I-94 access

Figure 21: Area 4 - Zoning



R5: Multi-Family District (Max. Height 4 stories/56 feet; Max. FAR 2.0; 700 s.f. lot area per unit)

AREA 4 DEVELOPMENT POTENTIAL

Area 4 is part of the area commonly referred to as the Motley Neighborhood. The Motley Neighborhood is an area that was originally developed as single family homes but the number of single family homes has been reduced over the years through redevelopment of more intense uses. Area 4 represents a pocket of those lower intensity uses that still remains in Motley south of Fulton Street and West of Erie Street.

The Focus Area does not have any locational attributes, such as visibility and traffic counts that would seem to make the area attractive for non-residential development. The exception to this could be University related non-residential development which does not necessarily need visibility or traffic counts. However, it should be noted that the University has generally focused its expansion efforts north of Fulton Street. The area does have attractive residential attributes such as proximity to the University, hospital and residential dormitory complex referred to as the Superblock; convenient access to regional highways and its adjacency to the natural resource amenities of the river. The area west of Ontario Street is particularly attractive for residential redevelopment that is oriented towards the river amenity and may not necessarily have a student focus.

The zoning in this Focus Area is R5 Multi-Family, District which allows mid-size apartment projects of up to four stories in height. Several examples of R5 development can be seen immediately north and west of this Focus Area. It is anticipated that the R5 zoning coupled with the property valuation of the lots in the Focus Area (Figure 22) will encourage more conversion of single family homes to more intense uses in the future. *Again, it is important to note that this report is only examining the development pressures, not whether or not this conversion is a desirable outcome, which is a policy decision.*

The largest redevelopment challenge for developers in this area is the fragmented ownership pattern and the strong desire of many single family homeowners to remain in their homes given the attractiveness of this location for residential uses. This site acquisition challenge means that it is likely that most redevelopment in this area will be smaller-in-scale, multi-family projects, involving just a few lots rather than a large apartment complex. These smaller scale, student apartments can be challenging because they are generally not large enough to allow on-site management and sites are small enough that development occurs at minimum setbacks which can reduce the potential for sensitive buffering.

The ownership map indicates a substantial portion of the properties are owned by business entities which could indicate that this consolidation process is continuing. Given the current ownership patterns, if a developer sought to attempt a larger project acquisition, the catalyst parcels would likely be the Theta Tau and Eagle Crossing parcels due to their sizes and adjacency.

Figure 24 shows existing utilities in the area. Vacation of alley right-of-way in this area may be an opportunity to expand the utilization of redeveloped property. If vacation of alley right-of-way between Ontario and Erie south of Fulton occurs in the future, existing storm sewer may need to be relocated or dealt with in some manner.

No known infrastructure projects are planned for this area (see Figure 24).

Figure 22: Area 4 - Valuation



Figure 23: Area 4 - Property Ownership



Figure 24: Area 4 - Utilities



Area 5

Figure 25: Area 5 - Background



Overall Size: 7.53 acres contained on 3 blocks

Largest Site: 3.88 acres

- Key Forces:
- Proximity to I-94 access
 - Proximity to Mississippi River Valley
 - Visibility from I-94

Figure 26: Area 5 - Zoning



R5: *Multi-Family District* (Max. Height 4 stories/56 feet; Max. FAR 2.0; 700 s.f. lot area per unit)

AREA 5 DEVELOPMENT POTENTIAL

Area 5 consists of the blocks on the east end of the Motley Neighborhood that are adjacent to Huron Boulevard. This area is dominated by mid-sized apartment buildings with limited examples of small, multi-building apartment complexes. There is a concentration of single family homes that front on Erie Street and are immediately adjacent to the single family homes in Focus Area 4. They were included in Area 5 rather than Area 4 because they also face additional redevelopment forces related to the proximity to Huron Boulevard. *However, it should be understood that in the existing development condition, the single family homes relate to the Area 4 single family homes so all of the same qualifications stated in Area 4 regarding whether or not it is desirable to redevelop these single family homes, also applies to Area 5.* The majority of the housing in this Focus Area is several decades old.

The increased density of housing in this Focus Area makes property acquisition more expensive than in the immediately adjacent Focus Area 4. However, given the complexity of site assembly in both Focus Areas, some developers could focus on Focus Area 5 because of the relative simplicity of acquiring larger parcels in common ownership from aging multi-family property owners.

The valuation of these aging multi-family properties is high enough that there could also be development pressure to increase allowable densities so that this higher land acquisition cost can be spread over a larger number of apartment units.

At this time there does not seem to be any evidence of speculative acquisition under way. No one seems to have acquired multiple adjacent properties, with the exception of those areas that are related apartments in a single apartment complex.

Although we did not examine the interiors of any the apartment complexes in this Focus Area, the exteriors imply that substantial rehabilitation and upgrade has probably not occurred in several of these multi-family structures. Therefore, another form of redevelopment that may be seen in this area could be substantial rehabilitation and upgrade of the existing apartment units in this Focus Area. This could have a positive benefit for the pro forma returns on investment (ROI) because the buildings would not be completely destroyed and therefore construction costs should be substantially reduced.

In tight rental housing markets like we have seen in recent years in the University area, landlords often have very little incentive to undertake substantial rehabilitation of units because they will still lease out the building. Only when there is the possibility of units remaining vacant for an entire academic rental season will landlords have sufficient financial incentive to undertake major rehabilitation efforts. With the flurry of new student apartment units coming on-line, vacancy may not be as rare as it has been in this area. Aging apartments in more remote corners of the University influence area would be expected to feel any vacancy strains first. The current units in this focus area appear to fall into that vulnerable category.

Figure 29 shows existing utilities in the area. No potential utility or street realignments were identified which would result in an increase in property for redevelopment.

The property north of Essex in this Focus Area has been previously identified as a property with a high probability of having soil and/or groundwater contamination.

Figure 27: Area 5 - Valuation



Figure 28: Area 5 - Property Ownership

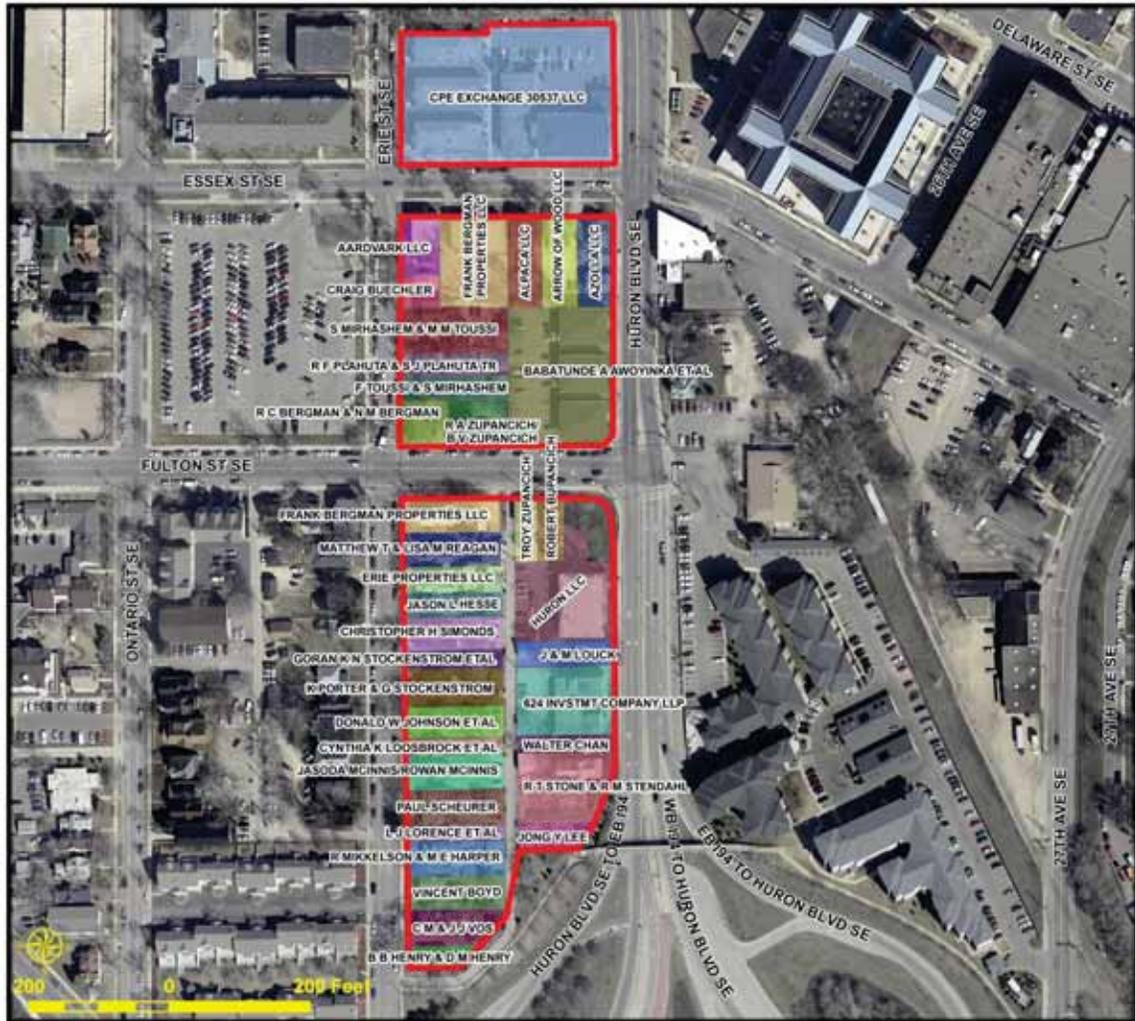


Figure 29: Area 5 - Utilities



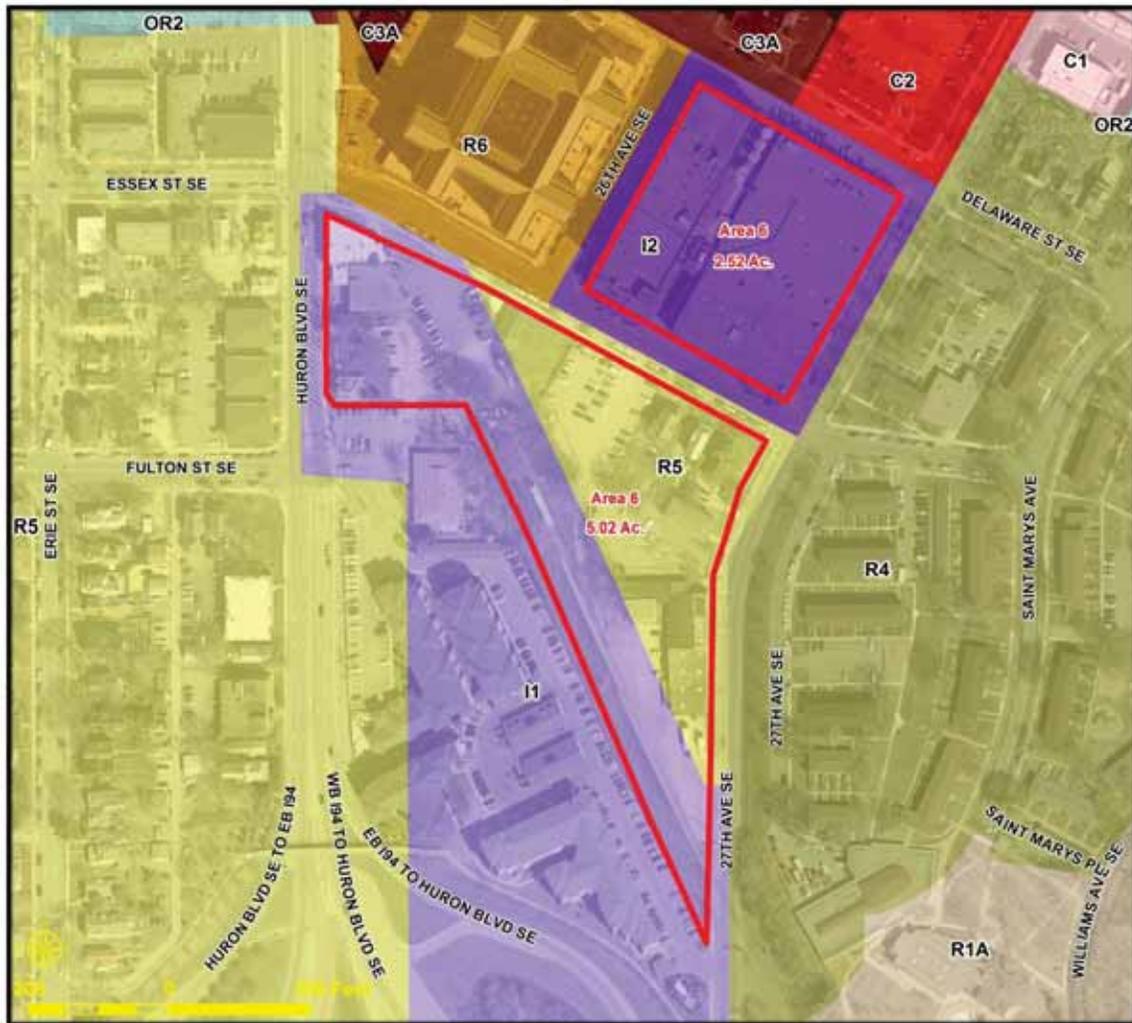
Area 6

Figure 30: Area 6 - Background



- Overall Size: 7.54 acres contained on 2 blocks
- Largest Site: 5.02 acres
- Key Forces:
 - Last significant active industrial use in immediate area
 - Proximity to I-94 access
 - East side of Huron Boulevard
 - Proximity to Prospect Park neighborhood
 - Railroad right of way
 - Limited visibility

Figure 31: Area 6 - Zoning



- R5: Multi-Family District** (Max. Height 4 stories/56 feet; Max. FAR 2.0; 700 s.f. lot area per unit)
- I1: Light Industrial District** (Low impact industrial uses; some commercial businesses allowed including restaurant, hotel, and nightclub; Max. Height 4 stories/56 feet)
- I2: Medium Industrial District** (Medium industrial uses which may have an adverse effect on surrounding properties; including restaurant, hotel, and nightclub; Max. Height 4 stories/56 feet)

AREA 6 DEVELOPMENT POTENTIAL

Area 6 is one of the last remnants of the Stadium Village's history as an industrial center. The area includes an active rail spur, a medium industrial use and areas with unpaved surfaces that contrast with the high density housing that has been redeveloped around this last industrial enclave. The rail spur comes in at an angle to the street system which results in lot configurations that are highly irregular which can make redevelopment more difficult although if parcels can be acquired together, this is also the area with the largest potential development sites.

The portion of the Focus Area south of Essex Street is five acres in size which is an extraordinarily large potential site for the Stadium Village study area. The area north of Essex is over 2.5 acres, which is also very large for Stadium Village study area. Developments that have a large footprint may not have many alternatives besides Area 6.

With the exception of two lots that front on Huron Boulevard, there are no significant lots with retail visibility.

At the center of this industrial enclave are four low to mid-density residential structures.

Evidence of the eclectic mixture of uses extends to the zoning for the area which consists of I-1, Light Industrial, I-2, Medium Density Industrial and R-5, Multi-Family District. Most of the residential units are constructed within the I-1 District (Figure 31).

Property valuation in this area is low with more than half of the land area valued at less than \$25 per s.f. (Figure 32). This low valuation would suggest that the area could be attractive for redevelopment from a financial perspective. Areas immediately adjacent to this Focus Area have redeveloped with intensity that resulted in significantly higher valuation levels.

There is one multi-family property with valuation of over \$100 per s.f. within the area. This parcel's central location could limit the ability to redevelop some of the surrounding properties to their full potential. However, even at \$105 per s.f., this property could be part of a larger redevelopment since it is relatively small and therefore won't have as large an impact on the redevelopment pro forma as it would if it were a large parcel.

In addition to having a large number of irregularly shaped lots, this area's redevelopment potential is also limited by the ownership pattern (Figure 33). There is one large property owner but all of the other lots appear to be have scattered ownership patterns, making land acquisition difficult. It may be beneficial to work with the property owners to determine if there are land swaps that could be negotiated which would make the site work better for all parties, both now and in a redevelopment scenario.

The Curwood Minnesota LLC parcels are the key catalyst parcels for any large scale redevelopment efforts in this Focus Area for a number of reasons, including their size, the key location and shape of the parcel south of Essex St and the fact that the Soo Line parcel can not be acquired until the rail spur becomes inactive.

Although no direct contact was made with the large industrial use on the Curwood property, it appears that the property is being maintained and experiencing reinvestment, so there may be very little incentive for the business to relocate without some sort of outside assistance. The

Curwood property is one of the better maintained properties in the Focus Area. Even the old building on the western half of the lot has some architectural character and may be suitable for rehabilitation rather than demolition in a redevelopment scenario.

Figure 34 shows existing utilities in the area. No potential utility or street realignments were identified which would result in an increase in property for redevelopment.

There are plans by various agencies to add a bikeway and streetscape improvements along 27th Avenue SE through this Focus Area. A trail is also planned along Essex Street SE to connect the Prospect Park neighborhood to the Stadium Village LRT station and other nearby amenities.

The property north of Essex in this Focus Area has been previously identified as a property with a high probability of having soil and/or groundwater contamination.

Vacation of railroad right-of-way in this area may be an opportunity to expand the utilization of redeveloped property.

Figure 32: Area 6 - Valuation



Figure 33: Area 6 - Property Ownership



Figure 34: Area 6 - Utilities



Area 7

Figure 35: Area 7 - Background



Overall Size: 2.45 acres contained on 2 blocks

Largest Site: 1.41 acres

Key Forces: University Avenue access and visibility

Distance from both LRT stations

Proximity to Prospect Park neighborhood

Figure 36: Area 7 - Zoning



- C2:** *Neighborhood Corridor Commercial District* (Commercial uses < 30,000 s.f.; drive through permitted; Max. FAR 1.7; allows residential uses @ 700 s.f. lot area per unit)
- I1:** *Light Industrial District* (Low impact industrial uses; some commercial businesses allowed including restaurant, hotel, and nightclub; Max. Height 4 stories/56 feet)

AREA 7 DEVELOPMENT POTENTIAL

Area 7 consists of two active businesses on either side of University Avenue along the informal border between the Stadium Village and Prospect Park areas. Both businesses appear to be active and reinvesting in their properties.

A high proportion of the lot areas are covered by building area. Normally, lots that are heavily covered by buildings can be difficult to redevelop due to the increased acquisition costs. However, this may not be the case for these two parcels.

This area was chosen as a Focus Area for five main reasons:

1. The sites are located on University Avenue which has good traffic counts and retail visibility. This will likely increase the amount a potential new use would be willing to pay for the site.
2. Each property is over one acre in size which eliminates the difficulty of trying to put together properties that are under different ownerships in order to create a site of adequate size (Figure 35 & Figure 38).
3. The sites are not dependent on any other properties for access or other key development inputs so a new use would have a high degree of control over the redevelopment.
4. Even though the sites are almost fully covered by buildings, the buildings are low level, one story structures which results in a per s.f. land value of less than \$40 (Figure 37).
5. Surrounding properties are generally compatible with redevelopment from a condition and use perspective.

If these sites were to redevelop, they would likely be oriented more to University Avenue than the LRT since the LRT shifts to the north and these parcels are the furthest distance from each LRT station. In addition, these parcels are far away from the core campus area, so any redevelopment may compete more with parcels around the 29th Avenue station than those closer to the core campus.

Redevelopment uses could include retail, housing, hospitality, office or a combination of these uses in a mixed use building.

The zoning on these properties (I1 and C2) may not be supportive of the overall vision for the Stadium Village area, which has focused more on denser, mixed use, office, retail and residential uses with a transit orientation. I1 is an industrial use district. C2 is a district that is able to support retail and office uses. However, the C2 district has a relatively low maximum FAR and allows drive through uses which may not be compatible with the overall community vision for this area.

Figure 39 shows existing utilities in the area. No potential utility or street realignments were identified which would result in an increase in property for redevelopment.

There are plans by various agencies to add a bikeway and streetscape improvements along 27th Avenue SE through this Focus Area. A sidewalk is planned along 4th Street SE. Street improvements are planned for 27th Avenue SE from University Avenue SE north to future Granary Road.

Multiple properties in the vicinity (perhaps including properties in this Focus Area) have been previously identified as having a high probability of having soil and/or groundwater contamination.

Figure 37: Area 7 - Valuation



Figure 38: Property Ownership



Figure 39: Area 7 - Utilities

