Penn Avenue C Line:
Economic Development Strategies

MURP Capstone Paper

In Partial Fulfillment of the Master of Urban and Regional Planning Degree Requirements
The Hubert H. Humphrey School of Public Affairs
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List of Abbreviations

**ABRT** - Arterial Bus Rapid Transit
**BRT** - Bus Rapid Transit
**CPED** - Community Planning and Economic Development (a department within the City of Minneapolis)
**MUL** - Minneapolis Urban League
**NAZ** - Northside Achievement Zone
**LRT** - Light Rail Transit
**TOD** - Transit Oriented Development
**TIF** - Tax Increment Financing
**MCCD** - Metropolitan Consortium of Community Developers
**MULTE** - Multiple-Unit Limited Tax Exemption
**PPS** - Project for Public Spaces
**UROC** - University Research and Outreach-Engagement Center
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Executive Summary
Executive Summary

In 2017 the Penn Avenue corridor will welcome the C Line, a new type of transit in the region called Arterial Bus Rapid Transit (ABRT). The opening of the C Line in North Minneapolis gives Hennepin County, the City of Minneapolis, and local organizations a unique opportunity to focus their economic development energies around this significant transit investment. This opportunity is especially significant for North Minneapolis as the area has historically lacked sustained public and private investment. By focusing this economic development effort around the C Line, Hennepin County is attempting to mitigate against the barriers to development that have prevailed in the area for decades.

In order to understand how to best mitigate against these barriers and capitalize on the development potential of the C Line, Hennepin County through the Penn Avenue Community Works partnered with the PA 8081 Economic Development course at the Humphrey School of Public Affairs to complete a detailed capstone project. The goals of this capstone project were to identify the best practices used in peer cities to spur economic development around similar transit lines and develop context-specific recommendations for the C Line that will leverage the greatest level of economic development. The attached report is the product of that partnership.

The subsequent recommendations all stem from a Vision of a more attractive, easy, and equitable development landscape in North Minneapolis. This new development Vision, created by the capstone students with existing development barriers in mind, will enable the multitude of community-driven visions to come to fruition.

Analysis of peer systems through background research and interviews with peer city staff and analysis of Transit-Oriented Development (TOD) specific research from around the United States show that contrary to common beliefs within the planning industry, government intervention and TOD-supportive policies are more important than the kind of transit mode for spurring economic development. This finding indicates that a paradigm shift is necessary in the minds of government officials with regards to the relationship between economic development and transit mode. High quality transit lines, including the C Line, are effective at fostering economic development when government entities use TOD-supportive policies and economic development strategies to catalyze the development.

Adhering to this paradigm shift, context specific recommendations covering a wide range of issues were developed for the Penn Avenue corridor. These recommendations fall into five specific categories: Physical Improvements, Developer Incentives, Business Supportive Policies, Placemaking & Identity Enhancements, and Additional TOD Supportive Policies. The utilization of these policies, specifically those identified as High Priority, will significantly boost the potential for the C Line to catalyze economic development in North Minneapolis.
Many local government officials and stakeholders believe that economic growth is slower in North Minneapolis as compared to the rest of the city because of the area’s high crime rates, high unemployment and underemployment, low incomes, and disjointed vacant parcels of developable land. The 2008 economic recession affected the stagnant housing market in North Minneapolis particularly hard, and several North Minneapolis neighborhoods are still recovering from the blight and major devastation caused by the 2011 tornado.

Despite these hurdles, there are several strengths associated with North Minneapolis that can be leveraged to spur economic development. North Minneapolis is in close proximity to downtown Minneapolis, and the C Line will help connect many North Minneapolis transit riders to those jobs downtown. There is a strong sense of community in North Minneapolis that is demonstrated by the many active organizations working to help improve conditions in North Minneapolis neighborhoods. Indeed, several local entrepreneurs have already expressed interest in developing open parcels of land along the Penn Avenue corridor, and multiple large-scale development projects are already underway.

Current conditions in North Minneapolis offer several opportunities to spur greater economic growth. Numerous vacant parcels are located in highly developable areas and there is the potential for public-private partnerships throughout the Penn Avenue corridor. In conjunction with the large infrastructure investment and improved transit services of the C Line, development incentives and other governmental programs must act as a catalyst for economic growth and development. The area has the potential to become a regionally significant, attractive, and unique corridor given the proper stimuli.
Stakeholders

There are many stakeholders involved in the economic development potential of the C Line and the relationships between these stakeholders are just as varied. The governmental agencies of Hennepin County, Metro Transit, and the City of Minneapolis have a thorough history of working together on projects, but many of the lesser-known stakeholders in the corridor may not have that same precedent. Hennepin County, through the Penn Avenue Community Works, has done an extensive and sustained outreach effort with many of the neighborhood groups to get the word out to the public and the other lesser-known stakeholders about the C Line and upcoming roadway improvements.

Developers and substantial property owners of the corridor today will be critical to development success in the future. These stakeholders will need to be engaged continually in order to determine if the proper steps towards achieving an easier development landscape are being taken. The following projects are setting precedent for future developments:

- Building Blocks, MN: Developer of the Commons at Penn Avenue, a mixed-used affordable housing development at the Golden Valley Road node.
- Rose Development, LLC: Developer of the Broadway Flats, a mixed-use, mixed-income housing development at the West Broadway node in conjunction with Lupe Development Partners.

Key businesses in the corridor, institutional stakeholders such as the Minneapolis Urban League (MUL) and the Northside Achievement Zone (NAZ), and all people who live, work, play, visit and worship in the corridor are considered stakeholders and will need to be engaged. All corridor stakeholders will have to work together in order to effectively spur development along the C Line. This list of stakeholders is not exhaustive, but it identifies the key players associated with development along a North Minneapolis transitway.
What is the C Line?

**Description of the Service**
The C Line is a new type of high-frequency transit called Arterial Bus Rapid Transit (ABRT) coming to the Penn Avenue corridor. ABRT is a package of transit enhancements that adds up to a faster trip and an improved experience. Just like LRT, C Line buses will run frequently and stop only at key intersections. Riders pay their fare at the station so that boarding occurs more smoothly. Enhanced stations feature real-time departure and arrival information, ticketing machines, lighting, security cameras, emergency phones, maps, and transit wayfinding. The vehicles themselves are specialized for the ABRT service. The C Line buses are unique and recognizable with wider aisles and additional doors so more people can get on and off easily. More information about the line including a route map can be found in Figure 2.

**History**
The C Line will connect downtown Minneapolis with Brooklyn Center via Olson Memorial Highway and Penn Avenue. At one time, light rail transit was considered for the C Line alignment. However, a dedicated transit right-of-way is unfeasible along Penn Avenue due to the narrow road widths. Because LRT necessitates a dedicated right-of-way, the planned Bottineau line alignment does not follow Penn Avenue. Instead, the C Line was chosen for Penn Avenue because it is a similar enhanced transit service that doesn’t require a dedicated lane.

Unfortunately, some stakeholders see the C Line as a consolation prize in this transit transaction. However, the C Line is a substantial improvement that can be done in the near term with no direct costs to residents. Ultimately, the C Line will improve the transit experience for North Minneapolis residents without large property impacts.

**Developer Perspective**
Because many residents in the Penn Avenue corridor are transit dependent, developers believe that this improved transit service along Penn Avenue is more beneficial than potential improvements in other less transit dependent parts of the city. There is little doubt from the city or the developer perspective on the permanency of a $30 million infrastructure project.

While the Route 19, pictured above, will continue to service the Penn Avenue Corridor, the C Line will provide many benefits to transit users. These include specialized vehicles, enhanced security, train-like features, and enhanced stations with more amenities.
Enhanced stations

A superior bus service is coming to Penn Avenue

Figure 2. What is the C Line?

Limited stop service
Easy payment

More green lights
...means faster travel speeds

...gets you there sooner
The Penn Avenue corridor neighborhoods are brimming with potential while also having some significant challenges. In general, the neighborhoods are less affluent today than the rest of the City of Minneapolis. Only three of the ten have median household incomes greater than the overall city median of $48,881. With the exception of Bryn Mawr, all of the neighborhoods have unemployment rates greater than the city average of 9.5%. Poverty is prevalent; six of the ten neighborhoods have poverty rates greater than the city average of 22.5%. Transit dependency varies somewhat throughout the corridor, but generally increases from north to south. More information can be found in Figure 3: Neighborhood Profiles Map on the next page.

The neighborhoods along the corridor have a very diverse racial profile (see Table 1 below). Both Near North and Willard Hay are greater than 50% Black or African American and several others are greater than 40%. Shingle Creek and Near North both have large Asian populations, while Harrison and Webber – Camden have significant Hispanic populations. The only neighborhood along the corridor where there is not much diversity is Bryn Mawr, where the population is 86% White.

Crime rates are high throughout the Penn Avenue corridor neighborhoods. Seven of the ten have crime rates higher than the city average of 61 per 1,000 residents (Part 1 crimes in 2014). Jordan and Near North both have crime rates over 100. Shingle Creek, Bryn Mawr, and Victory have the lowest crime rates in the corridor. Specific data for each neighborhood can be found in Table 1 below.

<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>2014 Part 1 Crime Rate per 1,000 Residents</th>
<th>2012 Racial Makeup</th>
<th>White</th>
<th>Black</th>
<th>Asian</th>
<th>Hispanic</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bryn Mawr</td>
<td>37</td>
<td></td>
<td>86.0%</td>
<td>5.8%</td>
<td>1.6%</td>
<td>0.9%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Cleveland</td>
<td>65</td>
<td></td>
<td>63.1%</td>
<td>25.8%</td>
<td>0.0%</td>
<td>6.8%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Folwell</td>
<td>90</td>
<td></td>
<td>29.5%</td>
<td>39.9%</td>
<td>17.1%</td>
<td>6.8%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Harrison</td>
<td>71</td>
<td></td>
<td>34.2%</td>
<td>45.0%</td>
<td>3.9%</td>
<td>10.4%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Jordan</td>
<td>106</td>
<td></td>
<td>15.6%</td>
<td>47.2%</td>
<td>18.6%</td>
<td>7.9%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Near North</td>
<td>119</td>
<td></td>
<td>13.6%</td>
<td>53.1%</td>
<td>21.1%</td>
<td>8.2%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Shingle Creek</td>
<td>32</td>
<td></td>
<td>45.0%</td>
<td>22.4%</td>
<td>20.7%</td>
<td>4.7%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Victory</td>
<td>40</td>
<td></td>
<td>61.8%</td>
<td>22.5%</td>
<td>1.5%</td>
<td>6.4%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Webber - Camden</td>
<td>72</td>
<td></td>
<td>36.2%</td>
<td>37.7%</td>
<td>9.4%</td>
<td>9.1%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Willard Hay</td>
<td>63</td>
<td></td>
<td>18.1%</td>
<td>61.6%</td>
<td>13.1%</td>
<td>3.0%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Minneapolis</td>
<td>61</td>
<td></td>
<td>62.2%</td>
<td>17.3%</td>
<td>5.5%</td>
<td>9.9%</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

Crime data retrieved from City of Minneapolis Police Department.
Race data retrieved from Minnesota Compass (www.mncompass.org).

Table 1. Corridor Neighborhood Information
Figure 3. Neighborhood Profiles Map

Shingle Creek
- Unemployment: 11.2%
- Poverty Rate: 10.9%
- Transit Dependent: 2.0%

Webber - Camden
- Unemployment: 18.9%
- Poverty Rate: 27.5%
- Transit Dependent: 13.0%

Victory
- Unemployment: 10.3%
- Poverty Rate: 11.5%
- Transit Dependent: 7.4%

Folwell
- Unemployment: 16.4%
- Poverty Rate: 33.7%
- Transit Dependent: 17.1%

Cleveland
- Unemployment: 10.1%
- Poverty Rate: 5.6%
- Transit Dependent: 8.7%

Willard Hay
- Unemployment: 13.5%
- Poverty Rate: 36.8%
- Transit Dependent: 13.7%

Harrison
- Unemployment: 27.8%
- Poverty Rate: 38.4%
- Transit Dependent: 22.5%

Bryn Mawr
- Unemployment: 2.1%
- Poverty Rate: 2.0%
- Transit Dependent: 8.0%

Jordan
- Unemployment: 32.1%
- Poverty Rate: 35.5%
- Transit Dependent: 13.8%

Near North
- Unemployment: 24.4%
- Poverty Rate: 43.2%
- Transit Dependent: 20.8%

*Project Corridor*

Median Household Income (2012 Dollars)
- $24,509 - $33,899
- $33,899 - $44,457
- $44,457 - $59,829
- $59,829 - $90,764
Penn Avenue Market Profiles

The market potential of North Minneapolis has been partially misunderstood by many developers. It is often stated that North Minneapolis residents lack spending power to sufficiently support new businesses. However, analysis of the spending potential index as well as the market spending surplus and leakage of the area shows that not only is this idea false, but the area currently has a shortage of businesses across a variety of industries which forces residents to travel to other neighborhoods to make purchases.

Market Surplus/Leakage
In 2010, using information from the ESRI Business Analyst Online tool, CPED released 65 market profiles which utilize a one-mile radius for the trade/market area around neighborhood commercial nodes. Four of the nodes selected for this analysis are along Penn Avenue N and are: West Broadway Ave N, Plymouth Ave N, Lowry Ave N, and 44th Ave N. The information contained in the Market Profiles released by CPED include estimates of the 2010 rates of industry surplus and leakage. Industry surplus and leakage analyzes the amount of money spent by residents living in the area on different industries compared to the amount of money spent within the area on the same industries. If more money is spent in the area on an industry than the local residents spend, then there is a surplus. Conversely, if less money is spent on an industry than the local residents spend, there is market leakage; this means that local residents travel outside their neighborhood to make such purchases.

In Table 2 (pg. 14), industries with leakage are shown in pink and industries with a surplus are shown in white. Comparing the market surplus/leakage conditions of the four nodes along Penn Ave N to the intersection of Lowry Ave NE & University Ave NE, there is a striking difference. All five different kinds of food and beverage industries have some degree of market leakage along Penn Ave N while only one industry, Specialty Food Stores, has market leakage at Lowry Ave NE & University Ave NE. (A table including all industries is included in Appendix A for further study.)

Market Spending Potential Indexes
The CPED Market Profiles also contained Market Spending Potential rates which compare the spending by local residents on different kinds of goods to the national average, which is set at 100. If the Market Spending Potential of an area is below 100, this means that local residents spend less than the national average on that particular good. As seen in Table 3 (pg. 14), the Market Spending Potential around three of the four nodes along Penn Ave N are higher on average than the Lowry Ave NE & University Ave NE node. This means that the residents within a 1 mile radius of these three nodes (W. Broadway Ave N, Lowry Ave N, and 44th Ave N) have the ability to spend more than their counterparts who live around the Lowry Ave NE & University Ave NE node.

Both the Market Spending Potential indexes and the Market Surplus/Leakage rates indicate that the Penn Ave N corridor is underserved by businesses across a wide range of industries and Penn Ave N residents have more spending potential than is commonly attributed to them.
Table 2. Market Surplus/Leakage in the Restaurant/Food Service industry in 1-mile radius around four major nodes along Penn Avenue in North Minneapolis compared to one major node in Northeast Minneapolis.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Penn Avenue Corridor</th>
<th>Northeast Minneapolis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>West Broadway</td>
<td>Plymouth</td>
</tr>
<tr>
<td>Special Food Services</td>
<td>-100</td>
<td>-8</td>
</tr>
<tr>
<td>Drinking Places - Alcoholic Beverages</td>
<td>-100</td>
<td>-100</td>
</tr>
<tr>
<td>Full-Service Restaurants</td>
<td>-46</td>
<td>-40</td>
</tr>
<tr>
<td>Specialty Food Stores</td>
<td>-39</td>
<td>-7</td>
</tr>
<tr>
<td>Limited-Service Eating Places</td>
<td>-16</td>
<td>-26</td>
</tr>
</tbody>
</table>

Leakage highlighted with
(Data taken from CPED Market Profiles (2010), http://www.minneapolisman.gov/cped/ba/cped_market_profiles)

Table 3. Spending Potential Index within 1-mile radius around four major nodes along Penn Avenue in North Minneapolis compared to one major node in Northeast Minneapolis.

<table>
<thead>
<tr>
<th>Category</th>
<th>Penn Avenue Corridor</th>
<th>Northeast Minneapolis</th>
</tr>
</thead>
<tbody>
<tr>
<td>(National Average = 100)</td>
<td>West Broadway</td>
<td>Plymouth</td>
</tr>
<tr>
<td>Apparel and Services</td>
<td>58</td>
<td>56</td>
</tr>
<tr>
<td>Computers and Accessories</td>
<td>79</td>
<td>75</td>
</tr>
<tr>
<td>Education</td>
<td>85</td>
<td>82</td>
</tr>
<tr>
<td>Entertainment/Recreation</td>
<td>80</td>
<td>75</td>
</tr>
<tr>
<td>Food at Home</td>
<td>83</td>
<td>81</td>
</tr>
<tr>
<td>Food Away From Home</td>
<td>83</td>
<td>80</td>
</tr>
<tr>
<td>Health Care</td>
<td>80</td>
<td>75</td>
</tr>
<tr>
<td>Household Furnishing and Equipment</td>
<td>68</td>
<td>63</td>
</tr>
<tr>
<td>Investment</td>
<td>60</td>
<td>56</td>
</tr>
<tr>
<td>Retail Goods</td>
<td>76</td>
<td>72</td>
</tr>
<tr>
<td>Shelter</td>
<td>79</td>
<td>76</td>
</tr>
<tr>
<td>TV/Video/Sound Equipment</td>
<td>84</td>
<td>81</td>
</tr>
<tr>
<td>Travel</td>
<td>73</td>
<td>68</td>
</tr>
<tr>
<td>Vehicle Maintenance and Repairs</td>
<td>80</td>
<td>76</td>
</tr>
<tr>
<td>Average</td>
<td>76</td>
<td>73</td>
</tr>
</tbody>
</table>

3 Lowest Spending Potential Indexes at each node
(Data taken from CPED Market Profiles (2010), http://www.minneapolisman.gov/cped/ba/cped_market_profiles)
Existing Barriers to Development

A handful of barriers to development covering a broad array of topics were identified through interviews with local officials, developers, and business association staff members.

**Hindered Rent Potential**
A prime issue for developers to consider when creating a new development project is potential rent rates. As a result of the unemployment and underemployment rates along the Penn Avenue corridor, developers are concerned about the strength of the rental market. These concerns include being unable to maintain sufficient occupancy rates for market rate housing and commercial space. This concern is twofold for commercial spaces as a common perception among developers is that local residents would be unable to adequately support a new business along the corridor. As detailed in the Market Potential section of this report (pages 13-14), this perception is largely untrue as residents along the corridor must travel outside their community to purchase a majority of goods. The presence of a new retail store along the corridor would capitalize on this market leakage.

**Complicated Grant Funding**
Developers noted the workforce housing development barrier of needing to obtain various grant funds from many different agencies. With differing timelines and requirements, the process to organize and obtain sufficient funding from these grants and loans can reach a degree of complexity which is intimidating and daunting to developers unaccustomed to this process (i.e., for-profit developers). Additionally, timeline stipulations of the various grants may not align with community interests; a developer may be forced to forfeit a grant they were previously awarded if they cannot secure all the necessary project funding within a certain amount of time.

**High Crime Rates**
Crime rates of an area are usually a concern for developers as this factor is important when individuals decide where to reside. The presence of higher-than-average crime rates along the Penn Avenue corridor is a significant barrier to development as it often requires higher rates of return on investments located in higher crime areas, a requirement which is deemed improbable due to the lower income rates in the area. Compounding these facts is the current physical condition of several commercial and residential properties along the corridor, which are in a state which requires repair and maintenance. These buildings are often termed as “blighted” and act as barriers to development through their poor aesthetic qualities, detrimental effect on proximate property values, and attraction of higher crime rates.

**Vacant and Disjointed Parcels**
Although vacant land is often a strong precursor to development, in the case of the Penn Avenue corridor much of the existing vacant parcels are disjointed, as evidenced in Appendix B. This makes site assembly difficult as property acquisitions are often required in order to make a site large enough for a traditional development project. In lieu of site assembly, these parcels often remain vacant which detracts from the pedestrian environment and from the overall desirability of the area to developers.

**Mismatch between Urban Form Requirements and Market Potential**
A common barrier to development which was cited by developers was the City’s lack of leniency in regards to urban form for developers to create projects which match the market realities of the area. An example of this is the Aldi development at Penn and Lowry. The developer believed the market was strong enough for only a single-story development, but was required by the zoning code to construct two stories. To date the top story has remained largely vacant. (Note: This barrier to development is commonly cited by developers in cities across the country and was not identified as something unique to the Penn Avenue corridor.)
Vision

North Minneapolis residents have developed several comprehensive visions for the kind of neighborhood and development they desire along the Penn Avenue corridor. These visions were developed through many extensive public engagement efforts and thus are largely representative of the North Minneapolis community. Due to the presence of the aforementioned barriers to development, these community-driven visions have struggled to come to fruition. While it is outside of the scope and intent of this project to create a new community-driven vision for the future of North Minneapolis, this project will instead be guided by a new vision of the development landscape which removes the barriers to development and thus clears the way for the community-driven vision to become a reality. As such the community-driven visions were used as the guiding principles when creating recommendations to eliminate barriers to development and thus create a better development landscape along the Penn Avenue corridor.

A synopsis of the community driven visions that have been developed heretofore is included in the following sections. This synopsis represents an understanding of the community vision as a whole and was used as the guiding principles for creating a vision for the development landscape. Each category contained in the development landscape vision is specifically focused on removing or addressing the existing barriers to development.

Community-Driven Vision

Many previous North Minneapolis planning efforts have generated community-driven visions that vary in scope and purpose, and the visions in each highlighted similar overarching themes which directly apply to the Penn Avenue corridor. Due to their importance to the community and frequent identification, these overarching themes constitute the core of the overall community-driven vision. (A longer synopsis may be found in Appendix C).

Common Themes in the Community-Driven Visions

- Promote Health & Safety
- Establish Attractive Public Spaces
- Foster Economic Vitality
- Create Opportunities for Local Residents and Businesses
- Recognize the Importance of Quality Transit

By adhering to these themes which represent the values of the community, it is possible to recreate Penn Avenue and rejuvenate North Minneapolis. Converting the Penn Avenue corridor into a safe and inviting pedestrian environment can help bolster the existing sense of community while also promoting a healthier lifestyle. Incorporating a variety of new businesses and attractive destinations along the Penn Avenue corridor will also help bring a diverse array of new job opportunities for North Minneapolis residents and increase C Line ridership.

Development Landscape Vision

This vision calls for a North Minneapolis development landscape that is more attractive to developers, where local entrepreneurs are empowered, and where existing barriers to development are eliminated. The following categories fuse the overarching themes from the community-driven vision with the project team’s vision for the future of the Penn Avenue development landscape.

Development is Equitable, Unique, and Numerous

North Minneapolis is abundant with development potential. Penn Avenue has become an iconic destination in Minneapolis as an eclectic area supporting many lifestyles, cultures, and interests. The C Line enhances this reputation by continually bringing people to and from the various Penn Avenue destinations. Developers are excited to capitalize on this unique setting. Upcoming projects along Penn Avenue are compatible with the C Line station area plans created by the neighborhoods through the Penn Avenue Community Works. Individual developers have a plethora of upcoming projects along Penn Avenue. Many of the new developments are partnerships between seasoned developers from throughout the Twin Cities and create space for local entrepreneurs. Obtaining funding for new projects is a straightforward process unique to North Minneapolis.
**Enhanced Public Realm**
Developers are enticed by the well-maintained and attractive building facades, clean-cut streetscapes, and healthy greenery. Formerly blighted buildings are rejuvenated and attractive. Pedestrians and all travelers feel safe, move easily throughout the corridor, and enjoy the stimulating, walkable environment. The newly constructed C Line stations are integrated with the improved streetscape to catalyze the development of an exciting urban environment along the Penn Avenue corridor.

**A Desirable Place in the City**
North Minneapolis is considered a safe and desirable place to live, and many housing and retail developers are exploring their options in North Minneapolis. With increased safety, lower crime rates, and convenient connections to the C Line and other transit, the Penn Avenue corridor is a popular place to start small businesses. The increased business activity creates job opportunities for local residents, thus increasing the buying power of the neighborhood.

**Appropriate Parcel Arrangement**
Parcels that make up potential development sites are arranged in a manner that meets market demand. Parcel rearrangement includes the combination of small, disjointed parcels to create larger more attractive locations and is considered beneficial to the Penn Avenue corridor. Additionally, the community embraces the single, vacant parcels by converting them into temporary community assets such as playgrounds or community gardens which still allow for redevelopment in the future. The changes on these separated parcels are compatible with and enhanced by the adjacent residential uses.

**Responsible Land-Owners are the Norm**
Absentee landlords that minimize upkeep of facades and other infrastructure are a thing of the past. Many formerly blighted properties have been rehabilitated and given new life. This rejuvenation has attracted much new development, which continues to encourage property owners to maintain their structures to higher standards and make the neighborhood more attractive. The Penn Avenue corridor is an aesthetically pleasant place to visit and live.

**Opportunities for the Entrepreneurial Community**
The Penn Avenue corridor in North Minneapolis promotes its advantages and opportunities to potential new developers and entrepreneurs, and highlights strategies to develop along the corridor in accordance with the community’s long-term vision. The Penn Avenue corridor attracts diverse entrepreneurs with fresh ideas, creativity, and innovation. Networking opportunities and mentoring help connect local entrepreneurs to available resources. Following the leadership of Ancestry Books’ Chaun Webster and Verna Wong, diverse new entrepreneurs utilize a combination of available grant funding and crowdsourced funds, such as Kickstarter, to launch new businesses along the C Line.

**Streamlined Systems Assist Developers and Local Entrepreneurs**
Potential North Minneapolis developers and entrepreneurs receive assistance in navigating the range of paperwork required for grant applications and financing mechanisms. The atmosphere promotes business and is free of overly-complex administrative procedures. The support is centrally located in an office staffed with a “navigator” who provides insight and assistance to small businesses.

**The Development Landscape Vision is aimed at improving development conditions on the Penn Avenue Corridor in order to further the Common Community-Driven Vision Themes.**
Figure 4. The Development Landscape Vision aims to pave the way towards the achievement of the Community-Driven Visions.
Research & Analysis
In an effort to identify best practices for catalyzing economic development in conjunction with ABRT, peer ABRT systems as well as relevant research was analyzed. Peer systems were evaluated through background research and telephone interviews with staff members of the respective agencies. At the core of this effort, the strategies and techniques not only from successful systems but also from systems which heretofore have generated minimal rates of economic development were identified. Additionally, the relevant research analyzed focused on best practices from around the country for generating TOD around transit investments, both mode-neutral and mode-specific. From this relevant research and peer system evaluation recommendations which will both boost economic development and avoid pitfalls experienced by peer systems were created. The findings from this research effort, detailed below, highlight a key theme: Government intervention is more important than mode in fostering economic development.

<table>
<thead>
<tr>
<th>Location</th>
<th>System</th>
<th>Type</th>
<th>TOD Investment (Millions)</th>
<th>Strategies Utilized</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Government Influence</td>
</tr>
<tr>
<td>Portland</td>
<td>MAX</td>
<td>LRT</td>
<td>$6,600</td>
<td>✓</td>
</tr>
<tr>
<td>Cleveland</td>
<td>Healthline</td>
<td>BRT</td>
<td>$5,800</td>
<td>✓</td>
</tr>
<tr>
<td>Kansas City</td>
<td>MAX</td>
<td>BRT</td>
<td>$5,280</td>
<td>✓</td>
</tr>
<tr>
<td>Portland</td>
<td>Streetcar</td>
<td></td>
<td>$3,000</td>
<td>✓</td>
</tr>
<tr>
<td>Phoenix</td>
<td>Metro</td>
<td>LRT</td>
<td>$2,820</td>
<td>✓</td>
</tr>
<tr>
<td>Denver</td>
<td>TheRide</td>
<td>LRT</td>
<td>$2,550</td>
<td>✓</td>
</tr>
<tr>
<td>Ottawa</td>
<td>O-Train</td>
<td>LRT</td>
<td>$1,000</td>
<td>✓</td>
</tr>
<tr>
<td>Charlotte</td>
<td>Lynx</td>
<td>LRT</td>
<td>$810.20</td>
<td>✓</td>
</tr>
<tr>
<td>Boston</td>
<td>Silver Line</td>
<td>BRT</td>
<td>$650</td>
<td>✓</td>
</tr>
<tr>
<td>Pittsburgh</td>
<td>T</td>
<td>LRT</td>
<td>Nominal</td>
<td>✓</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>MAX</td>
<td>BRT</td>
<td>Nominal</td>
<td>✓</td>
</tr>
<tr>
<td>Twin Cities</td>
<td>METRO</td>
<td>LRT</td>
<td>NA</td>
<td>✓</td>
</tr>
<tr>
<td>El Paso</td>
<td>Brio</td>
<td>BRT</td>
<td>NA</td>
<td>✓</td>
</tr>
<tr>
<td>Seattle</td>
<td>RapidRide</td>
<td>BRT</td>
<td>NA</td>
<td>✓</td>
</tr>
<tr>
<td>Pittsburgh</td>
<td></td>
<td>BRT</td>
<td>$903</td>
<td>✓</td>
</tr>
<tr>
<td>Eugene-Springfield</td>
<td>EmX</td>
<td>BRT</td>
<td>$100</td>
<td>✓</td>
</tr>
<tr>
<td>Grand Rapids</td>
<td>Silver Line</td>
<td>BRT</td>
<td>NA</td>
<td>✓</td>
</tr>
<tr>
<td>Nashville</td>
<td>BRT Lite</td>
<td>BRT</td>
<td>NA</td>
<td>✓</td>
</tr>
<tr>
<td>Tampa</td>
<td>MetroRapid</td>
<td>BRT</td>
<td>NA</td>
<td>✓</td>
</tr>
</tbody>
</table>

Table 4. Peer Systems Evaluation

The table above shows the importance of government influence and TOD supportive policies in fostering economic development. Research and Analysis of peer systems shows that governmental intervention was a larger determining factor than type of mode in spurring economic development.
The Mode Neutral Concept

Light Rail is commonly perceived to automatically spur economic development in the United States. In contrast, many Bus Rapid Transit and ABRT lines are assumed to have minimal effects on the local land development market. However, a study conducted by the Institute for Transportation and Development Policy found that the largest predictor of private investment along a transitway was the degree of governmental intervention with TOD supportive policies and that mode was relatively insignificant in determining the level of TOD around the transit line.1

The general perception regarding a mode’s influence on development potential actually does align with the findings of the ITDP report because governments have historically used more TOD supportive policies surrounding LRT Lines than BRT Lines. Likely due to the high costs and diverse goals of LRT projects, local governments are often under pressure to ensure that a new LRT project can both increase accessibility and foster TOD. Along LRT Lines, local governments commonly create media hype and excitement on opening day, provide incentives for developers to invest along the line, and focus public dollars into reconstructing proximate public infrastructure, most commonly the streetscape. Through these direct government interventions, agencies are able to spur economic development around LRT lines although it is often the LRT line itself which is given credit for having spurred development.

There are examples across the county that reiterate that transit-oriented development is mode neutral. The Green Line (LRT) in the Twin Cities received an extensive amount of governmental intervention, and although the line is extremely new, development is strong. The “T” in Pittsburgh and the “O-Train” in Ottawa (both are LRT Lines) had weak governmental interventions and subsequently, economic development is essentially non-existent. When government interventions and TOD supportive policies have been used to spur economic development around BRT lines, the return on investment has been as high as $114.54 in TOD investments for every $1 spent on constructing the line.2 This is the highest level of TOD investment for every $1 spent in the United States, and it occurred around the Cleveland HealthLine BRT system.

For a transit line to successfully spur economic development governmental agencies must champion TOD supportive policies and the transit line itself; mode specific policies such as only conducting station area planning surrounding LRT stations, not BRT stations, no longer need to be the norm. It is particularly important for planners and persons of influence along the Penn Avenue corridor to embrace this idea. A significant portion of the C Line routing was at one time considered for Light Rail. However, limited right-of-way along the Corridor made Light Rail unfeasible without significant property takings. This physical condition, that the road is too narrow for a train, should not preclude any governmental agency, including the County, from instituting policies that will induce development. As such, many of the following recommendations are derived from modes other than comparable ABRT systems; many recommendations are an application of policies which were already successful at generating TOD along the Blue and Green Lines in the Twin Cities and other national LRT Lines.

Around the country, BRT systems have been shown to generate more TOD investment per dollar of transit investment compared to LRT systems.
Recommendations
Recommendations

Action is necessary in order to make the development landscape vision a reality. Because land development is complicated, the actions required to realize this vision are varied and include numerous entities. Many of the proposed actions induce development by affecting a development’s bottom line while others address the existing barriers to development. All of the following recommended actions hinge upon two ideas:

Governmental interventions (or lack thereof) will play the largest role in determining whether a transit line will spur economic development; and

The C Line, and Arterial Bus Rapid Transit (ABRT) in general, needs to receive the same government support as Light Rail Transit (LRT) in order to achieve comparable economic development outcomes.

These recommendations were generated following interviews with local stakeholders, transit officials and city officials in peer cities, and synthesis of available research into best practices. In addition to these local actors, officials at transit agencies and city governments where an Arterial BRT or BRT system was implemented were also interviewed. These interviews helped to guide further research into the best practices from around the country for generating economic development around BRT lines as well as into the unique development needs present along the Penn Avenue Corridor. Pulling from all these available resources, the following recommendations seek to apply the best practices from around the country in a context sensitive way to the Penn Avenue Corridor in order advance the most effective and politically feasible strategies. Summary tables detailing implementation and funding strategies for each recommendation can be found on pages 42-43.

Furthermore, these recommendations have been prioritized based upon their Costs & Benefits, Readiness, Proven Effectiveness, and Extended Impacts. Details on prioritization scores for each recommendation can be found on page 44. The highest priority recommendations include Prioritizing the Roadway Construction, Increasing Lighting throughout the Corridor, and commencing a Community-Initiated Fundraising Pilot Program. These recommendations are given high priority because they scored well in all four measures. Marketing the Penn Avenue Corridor, Activating Vacant Parcels, and Incorporating Public Art all scored lower because they suffered from either a low Cost & Benefit ratio or have not been proven as effective as the other strategies.

Top: Governor Mark Dayton pictured with Dean Rose, a partner in the Broadway Flats development. Bottom: The Capri Theater has long been a landmark in North Minneapolis. Opposite Page: Cleveland neighborhood residents participating in playground construction at Lucy Laney School on Penn Avenue
Physical Improvements

The physical and aesthetic qualities of a corridor contribute significantly to attracting or deterring new development. According to a study by the Breakthrough Technologies Institute, streetscape improvements are critical to the success of attracting economic development along a BRT corridor and is particularly vital when using the BRT investment for revitalization purposes. The upcoming streetscape and roadway improvements planned by Hennepin County present a good opportunity to catalyze economic development in a significant way while improving the aesthetics of the entire corridor. Similar investments have been key in bringing outside investments to transit corridors. Two prominent examples are Cleveland’s Healthline BRT and Charlotte’s Lynx LRT corridor. In addition to burying utilities, the City of Cleveland significantly improved the streetscape by adding street infrastructure, shade trees, local art, and other urban amenities. Charlotte has facilitated corridor development by constructing high-quality sidewalks, new light fixtures, and street furniture. These enhancements provided the cities with another mechanism to show their long-term commitment to transit, which benefits the interest of developers and the general public.

All of the following recommendations are based upon the assumption that these vital roadway and streetscape improvements, stipulated in Option 1A, will be implemented in the coming years by Hennepin County. While the implementation of the following recommendations will help create a corridor that is more enticing to developers and further improve the development landscape, the failure to institute these recommendations will allow the current physical and aesthetic qualities of the corridor to continue to deter development. As it is the goal of the Penn Avenue Community Works project to take proactive steps to encourage development in conjunction with the C Line, it is of the utmost importance that the physical and aesthetic character of the corridor undergo a positive transformation.

Recommendation 1.1: Integrate the roadway and station construction
Type: Policy
Priority: High
In order to reduce the overall time that the corridor is under construction the County, the City, and Metro Transit would ideally coordinate their construction projects. This would help limit the disruption of normal activities along the corridor. While this strategy of coordination would have minimal effect on the development landscape, it would slow momentum for development in the corridor due to multiple public infrastructure projects. However, given the scheduling and funding realities of coordinating two large scale public infrastructure projects it is likely that a phased approach to construction will be necessary.

Recommendation 1.2: Prioritize roadway construction by development potential
Type: Policy
Priority: High
In order to leverage the upcoming Penn Avenue streetscape and roadway improvements most effectively, it is important to place priority on portions of the corridor with the best development potential, current transit ridership, existing pedestrian environment, and scheduling around coming infrastructure projects. Ridership numbers are detailed in Appendix D. Development potential was ranked based on current or planned developments and the availability of proximate developable parcels. The pedestrian environment was evaluated following an audit of the corridor. The phasing recommendations are shown in Figure 5.

Phase 1: Golden Valley Road to Lowry – Hennepin County should capitalize on the opportunity to boost development between Golden Valley Road and Lowry Avenue because this area has the highest transit ridership rates, best development potential, strongest pedestrian environment, and does not conflict with coming infrastructure projects.

Phase 2: Lowry to 47th – This segment has lower transit ridership than the rest of the corridor but benefits from the presence of two key nodes, Penn & Lowry and Penn & 44th. Additionally, the timing of this phase, summer of 2018, will align with the development of the northern parcels at Penn &
Lowry. This segment was prioritized over the southern portion because it does not conflict with upcoming infrastructure projects.

*Phase 3: Golden Valley Road to Olson Highway* – Although this segment has the second highest transit ridership in the corridor, the upcoming Blue Line Extension project will result in the extensive reconstruction of the Penn Ave & Olson Highway intersection in 2019. It is in the best interest of all parties to coordinate both projects to eliminate unnecessary construction costs and time losses.
**Recommendation 1.3: Increase lighting throughout the corridor**

*Type: Funding*

*Priority: High*

Public safety in North Minneapolis is a common issue cited by the neighborhoods, police forces, and developers alike. High quality lighting can improve both perceived and actual safety. There is a significant opportunity to increase both the quality and quantity of lighting along the corridor, particularly at the pedestrian-scale. The fixtures along West Broadway, shown below, are good examples of pedestrian-scale lighting that adds character to a corridor. Providing a uniform pedestrian-scale lighting scheme throughout the Corridor will have many positive outcomes such as a greater sense of place and increased sense of safety.

---

**Playgrounds** - North Minneapolis has historically lacked large amounts of open space and green space for children to play. By taking advantage of available funding for playgrounds through organizations like KaBOOM!, who offer grant funding up to $15,000 to construct playgrounds in disadvantaged areas, the County, City, or a community organization could construct a safe, attractive, and welcoming playground which would benefit neighborhood children and their families.

**Parcels along Penn Avenue which would be strong candidates for either a community garden or playground are:**

- 1600 Penn Ave N
- 1426 Penn Ave N
- 2700 Penn Ave N
- 2712 Penn Ave N - 2800 Penn Ave N
- 2717 Penn Ave N - 2721 Penn Ave N
- 2733 Penn Ave N

---

**Recommendation 1.4: Activate Vacant Parcels**

*Type: Funding*

*Priority: Low*

Activating vacant parcels will provide community assets while removing a deterrent to development. The following ideas will enable the community to create these assets and attract development. More information about vacant parcels is shown in Table 5.

**Community Gardens** - A community garden has already taken root in one vacant parcel along Penn Ave (3354 Penn Ave N). Providing more space for residents to grow their own food could greatly benefit the community. Additionally, these spaces can provide educational and recreational opportunities for nearby schools.

**Matching for Opportunity, Vitality, and Entrepreneurship (M.O.V.E.) Pilot Program**

The M.O.V.E. Pilot Program could be used to activate many of the single parcels throughout the corridor that are too small for large-scale developments. Public art, community gardens, pocket parks, or small-scale local businesses could all exist in these spaces with the help of the County to match funds (up to $25,000) generated through community-initiated fundraising ventures. For example, the Seattle Neighborhood Matching Fund program was created in 1988 to provide neighborhood groups with City resources for community-driven projects that enhance their own neighborhoods. Since 1988, the Fund has awarded more than $49 million to over 4,000 projects throughout Seattle.
Below: These six vacant adjacent parcels located along the Penn Ave corridor present an opportunity for a temporary community asset such as a community garden or neighborhood playground.

<table>
<thead>
<tr>
<th>Property Address</th>
<th>Assessed Market Value</th>
<th>Ownership</th>
<th>Zoning</th>
<th>Current Land Use</th>
<th>Parcel Area (Acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1600 Penn Ave N</td>
<td>$0</td>
<td>Public (MPLS Housing Authority)</td>
<td>R1A/Single Family District</td>
<td>Vacant Land</td>
<td>0.14</td>
</tr>
<tr>
<td>1426 Penn Ave N</td>
<td>$0</td>
<td>Public (Hennepin Cty)</td>
<td>R1A/Single Family District</td>
<td>Multi-Family Residential</td>
<td>0.12</td>
</tr>
<tr>
<td>2700 Penn Ave N</td>
<td>$0</td>
<td>Public (CPED)</td>
<td>R1A/Single Family District</td>
<td>Vacant Land</td>
<td>0.12</td>
</tr>
<tr>
<td>2712 - 2800 Penn Ave N</td>
<td>$0</td>
<td>Public (CPED)</td>
<td>R1A/Single Family District</td>
<td>Vacant Land</td>
<td>0.6</td>
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<tr>
<td>2717 - 2721 Penn Ave N</td>
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<td>R1A/Single Family District</td>
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<td>0.24</td>
</tr>
<tr>
<td>2733 Penn Ave N</td>
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<td>Public (CPED)</td>
<td>R1A/Single Family District</td>
<td>Vacant Land</td>
<td>0.23</td>
</tr>
</tbody>
</table>

Table 5. Vacant publicly owned parcels which are strong candidates for temporary community assets
Developer Incentives

The community-driven vision imagines a thriving and vibrant Penn Avenue corridor with new commercial and residential developments primarily at key nodes. It is integral to the community-driven vision coming to fruition that proper strategies are implemented by local governmental agencies to entice development along the Penn Avenue corridor. By implementing the following recommendations, the City and the County can improve the development landscape along the Penn Avenue corridor and leverage the potential of the C Line to create economic development. The current conditions are inadequate to fully leverage the economic development potential of the C Line and without the utilization of the following recommendations, the Penn Avenue corridor will not receive the full benefits which may accompany the C Line.

Recommendation 2.1: Pedestrian Overlay

2.1.1: Apply the Pedestrian Overlay to Key Nodes
Type: Policy
Priority: High
The existing Pedestrian Overlay has the potential to spur quality pedestrian-oriented development primarily through lowered parking requirements. The City should apply this overlay to key nodes along the Penn Avenue corridor in order to help encourage development. The Penn Avenue nodes at Lowry, Golden Valley Road, and Plymouth would greatly benefit from the design guidelines stipulated in the Pedestrian Overlay because they have high pedestrian traffic and strong development potential. Pedestrian and TOD friendly overlay districts have been used successfully by cities such as Boston, Cleveland, and Phoenix to spur development around transit lines.5

2.1.2: Further reduce the Pedestrian Overlay parking minimum
Type: Policy
Priority: High
The existing Pedestrian Overlay should be revised and expanded in order to lower the parking minimum required for new developments, both commercial and residential, from 75% to 50% of the minimum specified in Chapter 541, Off-Street Parking and Loading. Reduction of parking minimums has worked well in other jurisdictions at inducing development as it lowers the overall cost of constructing a new buildings and thus makes development in the area more attractive.6

According to the Penn Avenue Vision and Implementation Framework (pg. 2-3), the only location along the Penn Avenue Corridor with a potential for parking shortages is the intersection of Penn Ave and Plymouth Ave. This specific parking problem is addressed in Recommendation 2.2 on the following page which recommends a partnership between the County and NorthPoint Health and Wellness Center, Inc. to construct a structured parking facility upon County owned land. On-street parking is available throughout a majority of the corridor as well as a majority of intersecting roadways and as such, a reduced parking minimum for new nonresidential developments would likely not be detrimental to the availability of parking space throughout the corridor.

Developers of market-rate housing note that parking is one of, if not the, most expensive and spatially-demanding aspects of any project. Two local developers stated that the amount of parking for a building often dictates the character of the development. Reducing parking minimums is attractive to developers because it gives them the greatest degree of site layout freedom while eliminating one of the most expensive elements of a project.
2.1.3: Activate potential of Pedestrian Overlay
Type: Policy
Priority: High

Vacant and dilapidated buildings significantly detract from the pedestrian environment, aesthetics, and character of a neighborhood. The presence of these buildings counteracts efforts to increase pedestrian activity and acts as a barrier to development. These buildings are especially harmful in areas designated with the Pedestrian Overlay District as places where pedestrian activity and pedestrian friendly development are encouraged. In order to combat property speculation and help to limit the time a building is on the Vacant Building Registry, the City should create additional special assessments for commercial and mixed-use properties which are both currently on the Vacant Building Registry and within the boundaries of a Pedestrian Overlay district. This additional special assessment will act as an added incentive for property owners to modify the condition or ownership of these nuisance buildings and allow for more pedestrian friendly buildings/facades to take their place, thus enhancing the pedestrian environment and furthering the goals of the Pedestrian Overlay. Additionally, by applying these additional special assessments only to commercial and mixed-use buildings, residential property owners will not be affected. A map of buildings which would be effected by this recommendation is included in Figure 6 on page 32.

Furthermore, a recent Pittsburgh study identified targeted large scale removal of “nuisance properties” as a catalyst for reduced crime rates in a high crime area.7

Recommendation 2.2: Tax Increment Financing (TIF)
Type: Policy
Priority: High

Tax Increment Financing is a mechanism utilized by many cities around the country, including Minneapolis, to assist redevelopment efforts while also fostering economic development. TIF was recently used successfully in North Minneapolis for both the Broadway Flats and DC Group developments. These developments would likely not have occurred but-for the availability of gap financing through TIF districts. The City and County should continue to utilize this tool when appropriate for future developments along the Penn Avenue corridor.

Portland, Denver, Cleveland, and Pittsburgh have all used TIF to some degree in order to help finance urban development projects and public infrastructure improvements around their respective transit lines. This financing mechanism is often more attractive to developers due to the fact that TIF generated funds must be spent within the TIF district, thus giving more assurance to developers that the area will be well maintained for years to come.8

In addition to standard TIF financing schemes, which utilize local project-generated property taxes, redevelopment projects may also benefit from an expanded TIF structure which capitalizes on project-generated state revenues. Variations of this approach have been used to successfully generate economic development in Kansas City, MO; Allentown, PA; and Bowling Green, KY. Kansas City, MO used this approach in their CBD and around portions of the Kansas City MAX BRT line. This expanded TIF structure would require a policy change at the state level.
Figure 6. Example of buildings that will be affected by Recommendation 2.1.3
Recommendation 2.3: Conduct Site Assembly and Renovation

Type: Funding  
Priority: Medium  
The County should assemble potential development sites along Penn Avenue in close coordination with the City and sell these sites to developers for reduced prices as long as they follow certain development guidelines laid out by the City/County. This has been used successfully in El Paso, TX; Denver, CO; Charlotte, NC; Cleveland, OH; Boston, MA; Seattle, WA; and is currently being pursued in the Las Vegas, NV area.

Site Assembly Opportunity: 2341 - 2301 Penn Ave
This portion of the W. Broadway/Penn intersection changed significantly following the 2011 tornado. The result has been the demolition of multiple residential buildings and the deterioration of a key commercial building on the corner of W. Broadway and Penn Ave. Presently, the city and county own four of the ten parcels with the other six being owned by three private property owners. Although the City was previously unable to purchase four parcels (2341 - 2327 Penn Ave N) from the property owner, efforts to purchase these parcels will likely benefit from the additional special assessment for buildings on the Vacant Building Registry that fall under the Pedestrian Overlay District (Recommendation 2.1.3). Additionally, the City should pursue the acquisition of 2315 Penn Ave N and 2307 Penn Ave N in order to assemble a large developable parcel at this key node.

Site Renovation Opportunity: Penn & Plymouth
There is an opportunity to “renovate” sites currently owned by the County or City so as to create a better private sector development opportunity. The surface parking lot owned by Hennepin County in the northeast quadrant of the Penn and Plymouth intersection is a prime location for a partnership between the County and NorthPoint Health and Wellness Center. The availability of parking at this node has historically been a problem and parking currently occupies more than 79,000 square feet around this node. By working with the center to prepare the site, the construction of a mixed-use structured parking facility for employees and patients of the center will be possible. This will help ensure the presence of this anchor institution, create new retail or office space, and eliminate the need for proximate surface parking lots. With this need eliminated, the City can open the surface parking lot at the southwestern quadrant of the Plymouth and Penn intersection to development. This two pronged approach to spurring development at this key node will result a better utilization of land. (More information on these sites is available in the Table 6.)

Below: SE Quadrant at Plymouth Ave N. and Penn Ave N. Intersection
Above: 2341 - 2301 Penn Avenue N. is a strong candidate for Site Assembly.

### Potential Penn and Broadway Site Assembly

<table>
<thead>
<tr>
<th>Property Address</th>
<th>Assessed Market Value</th>
<th>Ownership</th>
<th>Zoning</th>
<th>Current Land Use</th>
<th>Parcel Area</th>
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</thead>
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<td>C1/OR2/PO</td>
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<td>0.49</td>
</tr>
<tr>
<td>2315 Penn Ave N</td>
<td>$59,500</td>
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<td>Single Family Detached</td>
<td>0.12</td>
</tr>
<tr>
<td>2307 Penn Ave N</td>
<td>$51,500</td>
<td>Private</td>
<td>R4/Multiple Family District</td>
<td>Single Family Detached</td>
<td>0.11</td>
</tr>
<tr>
<td>2301 Penn Ave N</td>
<td>$0</td>
<td>Public (CPED)</td>
<td>R4/Multiple Family District</td>
<td>Vacant Land</td>
<td>0.13</td>
</tr>
<tr>
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<td>R4/Multiple Family District</td>
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<tr>
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<tr>
<td>2323 Penn Ave N</td>
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<td>Public &amp; Private</td>
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</tr>
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</table>

Table 6. Site Assembly Opportunity Property Information
Recommendation 2.3: Market the Penn Avenue Corridor to local, regional, and national developers

*Type: Funding
Priority: Low*

It is important for developers, both big and small, to fully understand the strengths and benefits that North Minneapolis has to offer in order for them to see the potential that exists along the Penn Avenue corridor. Similar to the GrowNorth Program for businesses, the County and the City should institute a C Line Development Symposium to market North Minneapolis to developers more effectively and highlight specific grants available. In addition, the Symposium will showcase the strong market potential of key nodes along Penn Ave (W. Broadway, Lowry Ave, 44th Ave, and Plymouth Ave). In addition to hosting local meetings, staff should also extend their reach by presenting at regional and national developer conferences.

The Metro Transit TOD Office has compiled information about available grants that promote TOD from a wide variety of sources. One of those sources, the LCA TOD Grant (Figure 6), offers funding for developments around certain transitways, including much of the C Line route as shown below. The County should actively disseminate this information to eligible parties in conjunction with information regarding County specific programs, such as the Hennepin County Strategic Acquisition Fund and the Transit-Oriented Development Bond Program.

The City of Cleveland used a similar strategy as part of their effort to attract businesses and developments along the Healthline. By branding the corridor as the “Health-Tech” area, the City was better suited to market the area to businesses in the Healthcare and Technology industries and help guide them towards possible funding opportunities to relocate along the corridor.

![Figure 7. Map from Metro Transit TOD Office highlighting areas eligible for LCA TOD grants. The Penn Ave corridor is circled in black. (Source: http://giswebsite.metc.state.mn.us/mapgallery/pdfs/LCA_TOD/LCATOD_map.pdf)](image-url)
Business Supportive Policies

In order for the Penn Avenue corridor to experience meaningful economic development, the construction of new developments must be accompanied by support for businesses and entrepreneurs. The presence of small businesses helps create a thriving corridor both in terms of being a destination as well as helping to boost the economic vitality of the neighborhood and thus furthering the community-driven vision. To this end, both the City and the County have created multiple programs which are aimed at assisting current businesses and fostering new businesses. However, these assistance programs are not meeting their full potential because small business owners may be unaware of their existence or intimidated by their complexity. Furthermore, when entrepreneurs are unaware of these programs they may resort to unique and unconventional methods of funding. The following recommendations intend to promote existing County and City business assistance programs while creating an additional resource for entrepreneurs who embrace unique and unconventional funding methods. By increasing knowledge of City and County business assistance programs, more businesses will be able to occupy new commercial spaces created along Penn Avenue following development. Additionally, the creation of a dynamic funding program which embraces unique and unconventional funding methods will provide greater access for local entrepreneurs to start their own businesses along the Penn Avenue corridor.

Recommendation 3.1: Matching for Opportunity, Vitality, and Entrepreneurship (M.O.V.E.) Pilot Program
Type: Policy
Priority: High

The establishment of Ancestry Books by Chaun Webster and Verna Wong is a good example of the potential of crowdsourcing to fund community-lead initiatives. When Chaun Webster and Verna Wong wanted to start Ancestry Books in 2013, the funding options they were aware of were very limited. In order to build capital for their new business they started a Kickstarter campaign to crowdsource funding from the community. Following this successful 13-day Kickstarter campaign Webster and Wong were able to raise $10,000. This success allowed them to secure grant funding and subsequently open Ancestry Books in June 2014.

While crowdsourcing helped Mr. Webster and Ms. Wong establish Ancestry Books, this is not always a feasible option to fund local businesses. When local community members bring forward an idea, such as a business plan, that is in line with the neighborhood plan, the County should consider matching the community-initiated local funds, up to $25,000. This local-match program would be a prime candidate to begin as a pilot program with the hope of eventually becoming a full-fledged funding program. Given the proper funding, this program will expedite and provide an agile funding opportunity for equitable, locally driven businesses. This same program could also be used to activate many of the vacant parcels too small for traditional developments and for placemaking strategies, as indicated earlier in the description of the Seattle Neighborhood Matching Fund.

Recommendation 3.2: Utilize the Minneapolis: Business Made Simple program
Type: Policy
Priority: Medium

The Minneapolis: Business Made Simple initiative announced by Mayor Hodges in her April 2015 State of the City address will help streamline the process for small businesses and developers throughout Minneapolis. The features of this program will make the business ownership and development process simplified, expedited, and coordinated. This program should be utilized by the County and promoted extensively along the Penn Avenue Corridor to help existing businesses to flourish and new developments to occur. Some highlights of the program which are particularly relevant to the Penn Avenue Corridor include:

- The development of a simple checklist that will help small businesses understand and navigate City processes
- A new “navigator” position within the City that will help small business understand all the opportunities available to them
• A comprehensive guide for developers on design elements the City is looking for in building projects
• A shortened timeline for the City approvals processes

Recommendation 3.3: Promote an abundance of existing programs
Type: Policy
Priority: Medium

In conjunction with the Minneapolis: Business Made Simple program, the County should further promote the following existing programs and pursue the creation of an additional pilot program.

Open to Business: The Open to Business program is a regional program provided by the Metropolitan Consortium of Community Developers (MCCD). Through Open to Business, MCCD provides assistance in both business advising and lending.

- Advising: Open to Business Advising offers free, one-on-one, confidential business consulting to local entrepreneurs in the process of growing or starting their business. Using some of the most sophisticated business resources available, advisors assist in making strategic business decisions, provide technical assistance, and collaborate in identifying borrowing needs and financing options.10

- Lending: Open to Business Lending provides guidance through the loan application process and loan products to existing and potential businesses. The guidance includes the preparation of business plans, financial projections, and loan applications materials. Open to Business also provides financial products such as loans for new and emerging businesses, loans for second stage and growing businesses, and gap and acquisition financing for real estate.11

Economic Gardening: Economic Gardening is a free program for eligible, for-profit, privately held companies in Hennepin County. The program provides a tailored online portal of classes to help meet specific needs. Past participants have received assistance in identifying and prioritizing sales leads, refining business models, and using social media to connect with customers and create a buzz about products or services. This same program has been deployed across the country with outstanding results.12

Green Line Specific Programs: Many business development and improvement programs instituted in conjunction with the construction and opening of the Green Line can be applied to the C Line. Many businesses along the Green Line were able to take advantage of Corridor of Opportunity Grants for a wide range of business needs. These grants included Small Business Expansion Funds and Small Business Creation Funds. The University Avenue Business Preparation Collaborative (U7), a program which stemmed from the Neighborhood Development Center, provided loans that covered profit losses due to construction, facade improvements, efficiency upgrades, or business expansions. Big Daddy’s Barbeque on University Avenue utilized the City of St. Paul’s Ready for Rail Forgivable Loan, marketing expertise, and business counseling through U7 to thrive during and after construction of the Green Line.13 The County should work with Corridors of Opportunity to apply these programs to the Penn Ave Corridor.

Above: Ron Whyte, co-owner of Big Daddy’s BBQ along the Green Line in Saint Paul, is one of many business owners who utilized programs available through U7.
Placemaking and Identity Enhancements

A sense of place can attract developers and people at large to a specific area. While the C Line will improve accessibility for many residents in North Minneapolis, without focused and concerted effort by the numerous governmental agencies involved in the project, it will not inherently create a sense of place. Governmental agencies must use placemaking techniques, such as public art exhibits and wayfinding signage, in order to help create a sense of place around C Line stations. Doing so will both further the community-driven visions, which identify the creation of a sense of place as a priority, and help improve the development landscape along the corridor. Neglecting to initiate placemaking strategies will result in diluted effectiveness of other TOD supportive strategies.

Recommendation 4.1: Brand key nodes
Type: Funding
Priority: Medium
Many nodes along the corridor vary in character. These differences should be highlighted through the creation of node specific branding. For instance, key nodes along the corridor, such as Penn and Broadway, can generate a unique sense of place through the use of different pavers, planters, public art, or signage. The specifics behind the branding strategies themselves should be formed by the neighborhood associations and business organizations with the assistance of Hennepin County.

Recommendation 4.2: Install Pedestrian Oriented Wayfinding
Type: Funding
Priority: Medium
Providing information about local destinations to pedestrians who may be new to the area can help make the area more attractive and welcoming upon arrival. The presence of pedestrian oriented wayfinding signage at key nodes (Penn & Broadway and Penn & Lowry) will help promote pedestrian activity in conjunction with other pedestrian focused efforts. These wayfinding signs can include historical, commercial, and community destinations such as the Capri Theater and Theodore Wirth Parkway.

Recommendation 4.3: Incorporate Public Art
Type: Funding
Priority: Low
Either Hennepin County or Metro Transit should hold a public art competition which will select a statue or sculpture for each C Line station with a prize of $1,000 for the artists whose pieces are selected. This effort would likely benefit from a partnership with a local organization such as Juxtaposition Arts, based in North Minneapolis. The unveiling of the winners should correspond with the opening of the C Line in order to help create media attention and interest around the C Line.

Left: Branding of key nodes through pavers, planters, public art, or signage such as those at the Lowry Ave node can help add to the sense of place of an area.
Recommendation 4.4: Adhere to Guiding Placemaking Principles
Type: Policy
Priority: Low
Hennepin County should adhere to the 10 Qualities of a Great Street identified by the Project for Public Spaces (See Appendix E) during all placemaking initiatives. Project for Public Spaces is recognized as an expert in the field of placemaking and by adhering to these guiding principles, Hennepin County will be able to help create a truly vibrant and unique sense of place along Penn Ave corridor.

Recommendation 4.5: Generate excitement for the C Line
Type: Funding
Priority: Low
The County should partner with North Minneapolis neighborhood organizations to organize fun and exciting events centered on the opening of the C Line, similar to the events surrounding the opening of the Green Line in June 2014. Additionally, the County, City, and Metro Transit should increase the volume of press releases about the C Line in order to boost the media attention on this ABRT line prior to its opening.
Additional TOD Supportive Policies

In addition to the specific and focused recommendations detailed above, the Penn Avenue corridor could also benefit from the following strategies. All the following strategies have been used successfully in cities across the country to catalyze economic development around transit lines. As it is outside of the scope of this project to develop specific framework for these large-scale strategies, the benefits of these strategies and examples of their successful implementation are expanded upon below. The County and City should further investigate the potential for these strategies to be implemented as they would provide a significant catalyst to develop along the Penn Avenue corridor.

**Recommendation 5.1: Corridor-wide Zoning Changes**
Type: Policy  
Priority: High
As Hennepin County and the City of Minneapolis progress further into the process of completing a corridor wide zoning study, it is important to consider the benefits of “up-zoning”, increasing Floor-Area-Ratios, along the Penn Avenue Corridor. This strategy has been used by Curitiba, Brazil and Portland, OR to successfully focus development around transit lines.15

**Recommendation 5.2: Station Area Planning**
Type: Policy  
Priority: High
Station area planning can often act as a catalyst for TOD investments. These nonbinding planning documents can better focus community and government visions as well as identify specific changes to the zoning code which can help promote development. Charlotte, North Carolina conducted extensive station area planning around the Lynx LRT line which resulted in a new TOD zoning district stipulating the desired development forms, parking requirements, and densities. These efforts have resulted in over $800 million of private investments around the Lynx LRT line.16

**Recommendation 5.3: Tax Abatements**
Type: Policy  
Priority: Medium
Tax abatement programs act as large incentives to developers by providing them relief from property taxes for a designated number of years in exchange for constructing new developments in designated areas. The County could create a Tax Abatement Program similar to the Multiple-Unit Limited Tax Exemption (MULTE) program used by the City of Portland which allows for up to 10 years of property tax abatement for the residential portion of new developments within a quarter-mile radius of Portland MAX light-rail stations. Under the MULTE program, property owners must continue to pay property taxes on the assessed value of the land and any commercial portion of the property.17 This program could help to offset lower rates of achievable rent in North Minneapolis.

As shown in Table 7, on page 41, these recommendations have a clear and direct connection to the Development Landscape Vision presented earlier. Each Development Landscape Vision topic has multiple recommendations that will work to achieve that Vision if implemented. All of the high priority recommendations directly lead to at least three of the Development Landscape Vision topics.
<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Visions</th>
<th></th>
<th></th>
<th></th>
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<td></td>
<td>Development is Equitable, Unique, and Prevalent</td>
<td>Enhanced Public Realm</td>
<td>A Desirable Place in the City</td>
<td>Appropriate Parcel Arrangement</td>
<td>Responsible Land Owners</td>
<td>Opportunities for Entrepreneurs</td>
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<td>Prioritize Roadway Construction by Development Potential</td>
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<td>✓</td>
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<td>Increase Lighting throughout the Corridor</td>
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<td>✓</td>
<td>✓</td>
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<td>Activate Vacant Parcels</td>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apply the Pedestrian Overlay to Key Nodes</td>
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<td>✓</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Further Reduce the Pedestrian Overlay Parking Minimum</td>
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<td>✓</td>
<td></td>
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<td></td>
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<tr>
<td>Activate Potential of Pedestrian Overlay</td>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Conduct Site Assembly and Renovation</td>
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<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Market the Penn Avenue Corridor to Local, Regional, and National Developers</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td><strong>Business Incentives</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community-Initiated Fundraising Venture Matching Pilot Program</td>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
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<tr>
<td>Utilize Minneapolis Business Made Simple Program</td>
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<td>Brand Key Nodes</td>
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<td>✓</td>
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<td></td>
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<tr>
<td>Install Pedestrian Oriented Wayfinding</td>
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</tr>
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<td>Incorporate Public Art</td>
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<td></td>
<td></td>
<td></td>
</tr>
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<td>Adhere to Guiding Placemaking Principles</td>
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<td>✓</td>
<td>✓</td>
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<tr>
<td>Generate Excitement for the C Line</td>
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<td><strong>Additional TOD Supportive Recommendations</strong></td>
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<tr>
<td>Corridor-Wide Zoning Changes</td>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Station Area Planning</td>
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<td>✓</td>
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<td>Tax Increment Financing</td>
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<td>✓</td>
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<td>Tax Abatements</td>
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</tr>
</tbody>
</table>

*Table 7. Recommendations and Vision Relationship*
### Penn Avenue Economic Development Strategies

<table>
<thead>
<tr>
<th>Number</th>
<th>Recommendation</th>
<th>Type</th>
<th>Priority</th>
<th>Target Year</th>
<th>Responsible Party</th>
<th>Funding</th>
<th>Measurement &amp; Success Indicators</th>
</tr>
</thead>
</table>
| 1.1 & 1.2 | Prioritize Roadway Construction by Development Potential                          | Policy   | High     | 2020        | Hennepin County                     | N/A                                                                     | Phase 1 constructed in Summer 2017  
Phase 2 constructed in Summer 2018  
Phase 3 constructed in Summer 2019                                                                 |
| 1.3      | Increase Lighting throughout the Corridor                                         | Funding  | High     | 2019        | Hennepin County                     | Capital Improvements - Hennepin County or LCA - TOD Grant (Met Council) | New pedestrian oriented lighting constructed through entire corridor in conjunction with the roadway reconstruction phasing |
| 1.4      | Activate Vacant Parcels                                                          | Funding  | Low      | 2017        | Hennepin County Community Works & City of Minneapolis | Kaboom!  
Matching-crowdsourcing funds Hennepin County - Community Works | 20% of Vacant Publicly owned properties utilized for temporary community assets by the end of 2017 |
| 2.1.1    | Apply the Pedestrian Overlay at Key Nodes                                        | Policy   | High     | 2016        | City of Minneapolis                 | N/A                                                                     | Pedestrian Overlay applied to Penn & Lowry, Golden Valley Road, and Plymouth by 2016                                                                         |
| 2.1.2    | Further Reduce Pedestrian Overlay/Parking Minimum                                 | Policy   | High     | 2016        | City of Minneapolis                 | N/A                                                                     | Parking minimum for Pedestrian Overlay reduced from 75% to 50% by 2016                                                                                     |
| 2.1.3    | Activate Potential of Pedestrian Overlay                                         | Policy   | High     | 2015        | City of Minneapolis                 | City of Minneapolis - Problem Properties Unit | Pedestrian overlay is applied to key nodes by the end of 2015                                                                                                 |
| 2.2      | Tax Increment Financing                                                          | Policy   | High     | 2017        | City of Minneapolis & Hennepin County | Hennepin County Housing and Redevelopment Authority or City of Minneapolis CPED | TIF District in place along the entire Penn Avenue Corridor                                                                                                   |
| 2.3      | Conduct Site Assembly and Renovation                                             | Funding  | Medium   | 2016        | City of Minneapolis & Hennepin County | Hennepin County Strategic Acquisition Fund or Redevelopment Grant Program - DEED | Mixed-use development at 2341 2301 Penn Avenue North and mixed-use parking structure at Penn & Plymouth by 2018                                           |
| 2.4      | Market the Penn Avenue Corridor to Local, Regional, and National Developers      | Funding  | Low      | 2017        | TOD Office of Metro Transit & Hennepin County Community Works | Hennepin County Community Works and Metro Transit TOD Office | By 2018 host a C Line Development Symposium to promote the corridor locally, regionally, and nationally |

**Table 8. Penn Avenue Economic Development Strategies by Category**
<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Type</th>
<th>Priority</th>
<th>Target Year</th>
<th>Responsible Party</th>
<th>Funding</th>
<th>Measurement &amp; Success Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 M.O.V.E. Program</td>
<td>Policy</td>
<td>High</td>
<td>2017</td>
<td>Hennepin County</td>
<td>Hennepin County Community Works</td>
<td>Community-Initiated Fundraising Venture Matching Pilot Program started and promoted by Hennepin County by 2017</td>
</tr>
<tr>
<td>3.2 Utilize Minneapolis: Business Made Simple Program</td>
<td>Policy</td>
<td>Medium</td>
<td>N/A</td>
<td>City of Minneapolis &amp; Hennepin County</td>
<td>N/A</td>
<td>City of Minneapolis and Hennepin County actively promote Business Made Simple to eligible entities</td>
</tr>
<tr>
<td>3.3 Promote Abundance of Existing Programs</td>
<td>Policy</td>
<td>Medium</td>
<td>N/A</td>
<td>City of Minneapolis &amp; Hennepin County</td>
<td>N/A</td>
<td>City of Minneapolis and Hennepin County actively promote existing programs and grants to eligible entities</td>
</tr>
<tr>
<td>4.1 Brand Key Nodes</td>
<td>Funding</td>
<td>Medium</td>
<td>2019</td>
<td>Hennepin County</td>
<td>LCDA - Met Council</td>
<td>Key nodes are uniquely branded in conjunction with the roadway reconstruction phasing</td>
</tr>
<tr>
<td>4.2 Install Pedestrian Oriented Wayfinding</td>
<td>Funding</td>
<td>Medium</td>
<td>2018</td>
<td>Hennepin County</td>
<td>Hennepin County Community Works</td>
<td>Penn &amp; Lowry as well as Penn &amp; Broadway have wayfinding signage by 2018</td>
</tr>
<tr>
<td>4.3 Incorporate Public Art</td>
<td>Funding</td>
<td>Low</td>
<td>2017</td>
<td>City of Minneapolis or Hennepin County</td>
<td>Hennepin County or Public Works or City of Minneapolis - General Fund</td>
<td>All C Line stations have corresponding public art installations by the opening date of the C Line</td>
</tr>
<tr>
<td>4.4 Adhere to Guiding Placemaking Principles</td>
<td>Policy</td>
<td>Low</td>
<td>N/A</td>
<td>Hennepin County</td>
<td>N/A</td>
<td>Placemaking principles are adhered to during all phases of placemaking initiatives</td>
</tr>
<tr>
<td>4.5 Generate Excitement for the C Line</td>
<td>Funding</td>
<td>Low</td>
<td>2016</td>
<td>Hennepin County</td>
<td>Hennepin County Community Works (2016 Budget)</td>
<td>Hennepin County engages in a year long marketing strategy involving no fewer than 5 press releases and culminating in an opening day corridor wide event.</td>
</tr>
<tr>
<td>5.1 Corridor-Wide Zoning Changes</td>
<td>Policy</td>
<td>High</td>
<td></td>
<td>City of Minneapolis &amp; Hennepin County</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.2 Station-Area Planning</td>
<td>Policy</td>
<td>High</td>
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<td>City of Minneapolis &amp; Hennepin County</td>
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<td></td>
</tr>
<tr>
<td>5.3 Tax Abatements</td>
<td>Policy</td>
<td>Medium</td>
<td></td>
<td>City of Minneapolis &amp; Hennepin County</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 9. Penn Avenue Economic Development Strategies by Category (Continued)
Recommendation Prioritization

**Priority Determination**
The higher the score in each category, the higher priority the recommendation receives. The Cost & Benefit measure is defined as the ratio of economic development that could occur due to the recommendation as compared to the cost to implement the recommendation; the higher the benefits are relative to the associated costs, the higher the score. The Readiness measure is based on how soon or easily the recommendation could be implemented; easily implemented recommendations receive a higher score in this category. The Extended Impact measure is based on how long the results will last in the community; the longer the length of the impact, the higher the score. The Proven Effectiveness measure shows whether or not the recommendation has been used to spur economic development in the past; the higher the score, the more commonly or effectively it has been used.

**Table 10. Recommendations Prioritization Matrix**

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Cost/Benefit</th>
<th>Readiness</th>
<th>Proven Effectiveness</th>
<th>Extended Impact</th>
<th>Total</th>
<th>Priority</th>
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</thead>
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<td>Prioritize Roadway Construction</td>
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<td>4</td>
<td>4</td>
<td>4</td>
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<td>Increase Lighting Throughout the Corridor</td>
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<td>4</td>
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<td>Community-Initiated Fundraising Pilot</td>
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<td>Pedestrian Overlay</td>
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<td>Tax Increment Financing</td>
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<td>4</td>
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<td>High</td>
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<tr>
<td>Station Area Planning</td>
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<td>4</td>
<td>3</td>
<td>3</td>
<td>14</td>
<td>High</td>
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<tr>
<td>Corridor-Wide Zoning Changes</td>
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<td>4</td>
<td>3</td>
<td>3</td>
<td>13</td>
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<td>Install Pedestrian Oriented Wayfinding</td>
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<td>Conduct Site Assembly and Renovation</td>
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<td>Promote Abundance of Existing Programs</td>
<td>3</td>
<td>4</td>
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<td>Utilize Minneapolis: Business Made Simple Prograr</td>
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<td>Brand Key Nodes</td>
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<td>Generate Excitement for the C Line</td>
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<td>Adhere to Guiding Placemaking Principles</td>
<td>4</td>
<td>2</td>
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<td>2</td>
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<td>Market the Penn Avenue Corridor</td>
<td>3</td>
<td>2</td>
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<td>Activate Vacant Parcels</td>
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<tr>
<td>Incorporate Public Art</td>
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<td>1</td>
<td>1</td>
<td>2</td>
<td>6</td>
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Table 10. Recommendations Prioritization Matrix
While all recommendations need to be translated into action items, some recommendations will occur sooner than others. Some of the recommendations, such as Activating Vacant Parcels and the modifications to the Pedestrian Overlay, can commence immediately; others will have to wait while more intricate details are worked out. However, the timing of all recommendations should be informed by the roadway construction; approximately half are occurring before the roadway construction while the remaining half occur in conjunction or immediately following. Ultimately it is important that the corridor has clear funding and policy changes that enhance the C Line investment and spark development throughout the corridor.

Table 11. Recommendations Timeline
The opening of the C Line in North Minneapolis gives Hennepin County, the City of Minneapolis, and local organizations a unique opportunity to focus their economic development energies around this significant transit investment. By focusing their efforts around the C Line, Hennepin County is attempting to mitigate barriers to development that have prevailed in North Minneapolis for decades.

The recommendations outlined in this report stem from a Vision of a more attractive, easy, and equitable development landscape in North Minneapolis. This new development Vision will help enable the community-driven visions to come to fruition.

Analysis of peer systems, interviews with peer city staff, and analysis of TOD-specific research from around the United States show that government intervention and TOD-supportive policies are more important than the kind of transit mode for spurring economic development. A paradigm shift is necessary in the minds of government officials with regards to the relationship between economic development and transit mode. High quality transit lines, including the C Line, are effective at fostering economic development when government entities use TOD-supportive policies and economic development strategies to catalyze the development.

Adhering to this paradigm shift, five context-specific recommendations were developed for the Penn Avenue corridor, including Physical Recommendations, Developer Incentives, Business Supportive Policies, Placemaking & Identity Recommendations, and Additional TOD-Supportive Policies. The implementation of these policies in a timely fashion, specifically those identified as High Priority, will significantly boost economic and land development around the C Line in North Minneapolis.

The time for action is now. Failure to implement these policies and spur economic development will result in a continuation of the status quo; this includes severe economic and educational disparities for Northside residents as compared to the rest of the city and an increase in governmental mistrust. By following the recommendations provided herein, Hennepin County can change this status quo and spur economic development alongside the C Line. A suite of policies for catalyzing economic development can transform North Minneapolis into a vibrant area with a growing market and fulfill the wishes of the community.
Works Cited

1. ITDP - More Development for Your Transit Dollar. Pg. 73
2. ITDP - More Investment For Your Transit Dollar. Pg. 6
5. ITDP - More Development for Your Transit Dollar. Pg. 78
6. ITDP - More Development for Your Transit Dollar. Pg. 76
7. ELDI Crime Study, 2015
8. ITDP - More Development for Your Transit Dollar. Pg. 85
15. ITDP - More Development for Your Transit Dollar. Pg. 75
16. ITDP - More Development for Your Transit Dollar. Pg. 73
17. https://www.portlandoregon.gov/phb/61191
## Appendix A
### Market Leakage Details

<table>
<thead>
<tr>
<th>Industry</th>
<th>Penn Avenue Corridor</th>
<th>Northeast Minneapolis</th>
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<tr>
<td></td>
<td>West Broadway</td>
<td>Plymouth</td>
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<tr>
<td>Home Furnishings Stores</td>
<td>-100</td>
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<tr>
<td>Special Food Services</td>
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<tr>
<td>Jewelry, Luggage and Leather Goods Stores</td>
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<tr>
<td>Drinking Places - Alcoholic Beverages</td>
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<td>Other Miscellaneous Store Retailers</td>
<td>-69.1</td>
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<tr>
<td>Sporting Goods/Hobby/Musical Instrument Stores</td>
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<td>Building Material and Supplies Dealers</td>
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<td>Electronics and Appliance Stores</td>
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<td>Lawn/Garden Equipment and Supplies Stores</td>
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<td>Clothing Stores</td>
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<td>Full-Service Restaurants</td>
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<td>Specialty Food Stores</td>
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<td>Department Stores Excluding Leased Depts.</td>
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<tr>
<td>Furniture Stores</td>
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<td>Gasolines Stations</td>
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<td>Other General Merchandise Stores</td>
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<td>Limited-Service Eating Places</td>
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<td>Book, Periodical and Music Stores</td>
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<td>Shoe Stores</td>
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<td>Auto Parts, Accessories and Tire Stores</td>
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<td>24.3</td>
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<td>Office Supplies, Stationary and Gift Stores</td>
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<td>Used Merchandise Stores</td>
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<td>Grocery Stores</td>
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<td>Beer, Wine, and Liquor Stores</td>
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<td>Health and Personal Care Stores</td>
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<td>Florists</td>
<td>62.4</td>
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*Average Surplus/(-Leakage)*

-27.3    -25.2    -51.3    -60.4    6.2

Leakage highlighted with

5 Highest Leakage Values at Each Node

(Data taken from CPED Market Profiles (2010), http://www.minneapolismn.gov/cped/ba/cped_market_profiles)
Appendix B
Vacant and Publicly Owned Parcels

Penn Ave Corridor Vacant Buildings
Olson Highway to Golden Valley Road
(Page 1 of 4)
Penn Ave Corridor Vacant Buildings
Golden Valley Road to Lowry Avenue
(Page 2 of 4)
Penn Ave Corridor Vacant Building
Lowry Avenue to Dowling Avenue
(Page 3 of 4)
<table>
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<th>Title</th>
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<th>Document Type</th>
<th>Key Takeaway</th>
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<td>Bryn Mawr Neighborhood Land Use Plan</td>
<td>2005</td>
<td>Plan</td>
<td>Community engagement process offers insight into neighborhood vision.</td>
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<tr>
<td>Bus Transit Oriented Development— Strengths and Challenges Relative to Rail</td>
<td>2006</td>
<td>Study</td>
<td>Comparison of relative strengths and weaknesses of bus TOD and rail TOD.</td>
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<tr>
<td>Developing the Next Frontier: Capitalizing on Bus Rapid Transit to Build Community</td>
<td>2011</td>
<td>Report</td>
<td>Analysis of peer BRT systems and recommendations for fostering economic development around the Seattle RapidRide ABRT.</td>
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<tr>
<td>ITDP More Development for your Transit Dollar: An Analysis of 21 North American Transit Corridors</td>
<td>2013</td>
<td>Report</td>
<td>Evaluates 21 mass transit corridors in the United States, including a wide variety of modes, for their ability to spur development. The report found that transit investments alone, regardless of their mode or quality, are not enough to spur development.</td>
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<tr>
<td>Lowry Avenue Strategic Plan</td>
<td>2010</td>
<td>Plan</td>
<td>Community engagement process offers insight into neighborhood vision.</td>
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<td>Penn Avenue Community Works: Neighborhood Revitalization Strategies and Theories</td>
<td>2013</td>
<td>Report</td>
<td>Exploration of current conditions in the Penn Avenue corridor, including community demographics, the current planning landscape, corridor investment strategies, and equitable development.</td>
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<td>Penn Avenue Vision and Implementation Framework: Inventory and Analysis</td>
<td>2014</td>
<td>Report</td>
<td>Inventory analysis and long-term implementation framework for the Penn Avenue corridor.</td>
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<td>Penn-West Broadway Transit-Oriented Development Study</td>
<td>2006</td>
<td>Study</td>
<td>Potential for transit-oriented development within a quarter mile of one key proposed station area, Penn and West Broadway.</td>
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<tr>
<td>West Broadway Alive: A Revitalization Plan for North Minneapolis’s Main Street</td>
<td>2008</td>
<td>Plan</td>
<td>Community engagement process offers insight into neighborhood vision.</td>
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Appendix D
Route 19 Ridership Details

Route 19 Ridership at Station Locations
March 2014 ACP Data

Route 19 Ridership Between Stations
March 2014 APC Data
Appendix E
10 Qualities of a Great Street

The Project for Public Spaces (PPS) has identified ten qualities that contribute to the success of great streets. The Penn Avenue Community Works should incorporate these characteristics as they proceed with roadway design for Option 1A. More information on the ten qualities can be found at Project for Public Spaces website: www.pps.org

• Attractions & Destinations
• Identity & Image
• Active Edge Uses
• Amenities
• Management
• Seasonal Strategies
• Diverse User Groups
• Traffic, Transit & the Pedestrian
• Blending of Uses and Modes
• Neighborhood Preservation
# Appendix F
## Interviews Conducted

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<td>Latisha Birkeland</td>
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<td>Charles Carlson</td>
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<td>Kristin Cisowski</td>
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<td>Gary Cunningham</td>
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<td>Dan Eernissee</td>
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<td>Steve Feinbaum</td>
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<td>Lucy Galbraith</td>
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<td>Lashaun Graves</td>
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<td>Erin Heelan</td>
<td>West Broadway Coalition</td>
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<td>Grover Jones</td>
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<td>Troy Kester</td>
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<td>Carol Lansing</td>
<td>Faegre Baker Daniels</td>
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<td>Shontrill Lowe</td>
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<td>Iric Nathanson</td>
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<td>Noel Nixon</td>
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<td>Daniel Oberpriller</td>
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<td>Perrin Palistran</td>
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<td>Sarah Jo Peterson</td>
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<td>Chaun Webster</td>
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<td>Kevin Wisselink</td>
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Penn Avenue C Line
Economic Development Strategies

Project completed in conjunction with Humphrey School of Public Affairs - PA 8081
by
Jenna Campbell, Paul Frank, Cole Peiffer, Michael Peterka, and Anna Potter