



Minnesota

THE WAREHOUSE DISTRICT

Minneapolis, MN



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ON THE COVER: The Warehouse District in downtown
Minneapolis, Minnesota. (ULI)



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About the Urban Land Institute

The Urban Land Institute is a global, member-driven organization comprising more than 49,000 real estate and urban development professionals dedicated to advancing the Institute's mission of shaping the future of the built environment for transformative impact in communities worldwide. ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific region, with members in 81 countries. ULI's extraordinary impact on land use decision-making is based on its members' sharing expertise on a variety of factors affecting the built environment, including urbanization, demographic and population changes, new economic drivers, technology advancements, and environmental concerns. Peer-to-peer learning is achieved through the knowledge shared by members at thousands of convenings each year that reinforce ULI's position as a global authority on land use and real estate. Drawing on its members' work, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

More information is available at uli.org. Follow ULI on [Twitter](#), [Facebook](#), [LinkedIn](#), and [Instagram](#).

About ULI Minnesota

ULI Minnesota was founded in 2001 to serve the Minneapolis-Saint Paul region and the state of Minnesota. Our members are involved in all aspects of the development and city planning process – private, public, and non-profit. Membership in ULI Minnesota includes the research and resources of the oldest and largest network of cross-disciplinary real estate and land use experts in the world.

We are led by our local membership and work to engage public and private sector leaders to foster collaboration, share knowledge, and influence meaningful strategic action in the responsible use of land to create and sustain thriving communities. The mission of ULI Minnesota is made possible by the generous contributions of time and talent made daily by our membership.

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ULI Advisory Services: National and Global Programs

Since 1947, the ULI Advisory Services program has assembled well over 700 ULI-member teams to help sponsors find creative, practical solutions for complex land use challenges. A wide variety of public, private, and nonprofit organizations have contracted for ULI's advisory services. National and international panelists are specifically recruited to form a panel of independent and objective volunteer ULI member experts with the skills needed to address the identified land use challenge. The program is designed to help break through obstacles, jump-start conversations, and solve tough challenges that need an outside, independent perspective. Three- and five-day engagements are offered to ensure thorough consideration of relevant topics.

An additional national offering is the project analysis session (PAS) offered at ULI's Fall and Spring Meetings, through which specific land use challenges are evaluated by a panel of volunteer experts selected from ULI's membership. This is a conversational format that lends itself to an open exchange of ideas among diverse industry practitioners with distinct points of view. From the streamlined two-hour session to the "deeper dive" eight-hour session, this intimate conversational format encourages creative thinking and problem solving.

Learn more at americas.uli.org/programs/advisory-services.

Technical Assistance Program (TAP)

Urban Land Institute harnesses its members' technical expertise to help communities solve complex land use, development, and redevelopment challenges. Technical Assistance Panels (TAPs) provide expert, multidisciplinary, unbiased advice to local governments, public agencies, and nonprofit organizations facing complex land use and real estate issues. Drawing from its professional membership base, ULI offers objective and responsible guidance on various land use and real estate issues ranging from site-specific projects to public policy questions.

ULI Advisory Services identify creative, practical solutions for complex land use and development challenges.

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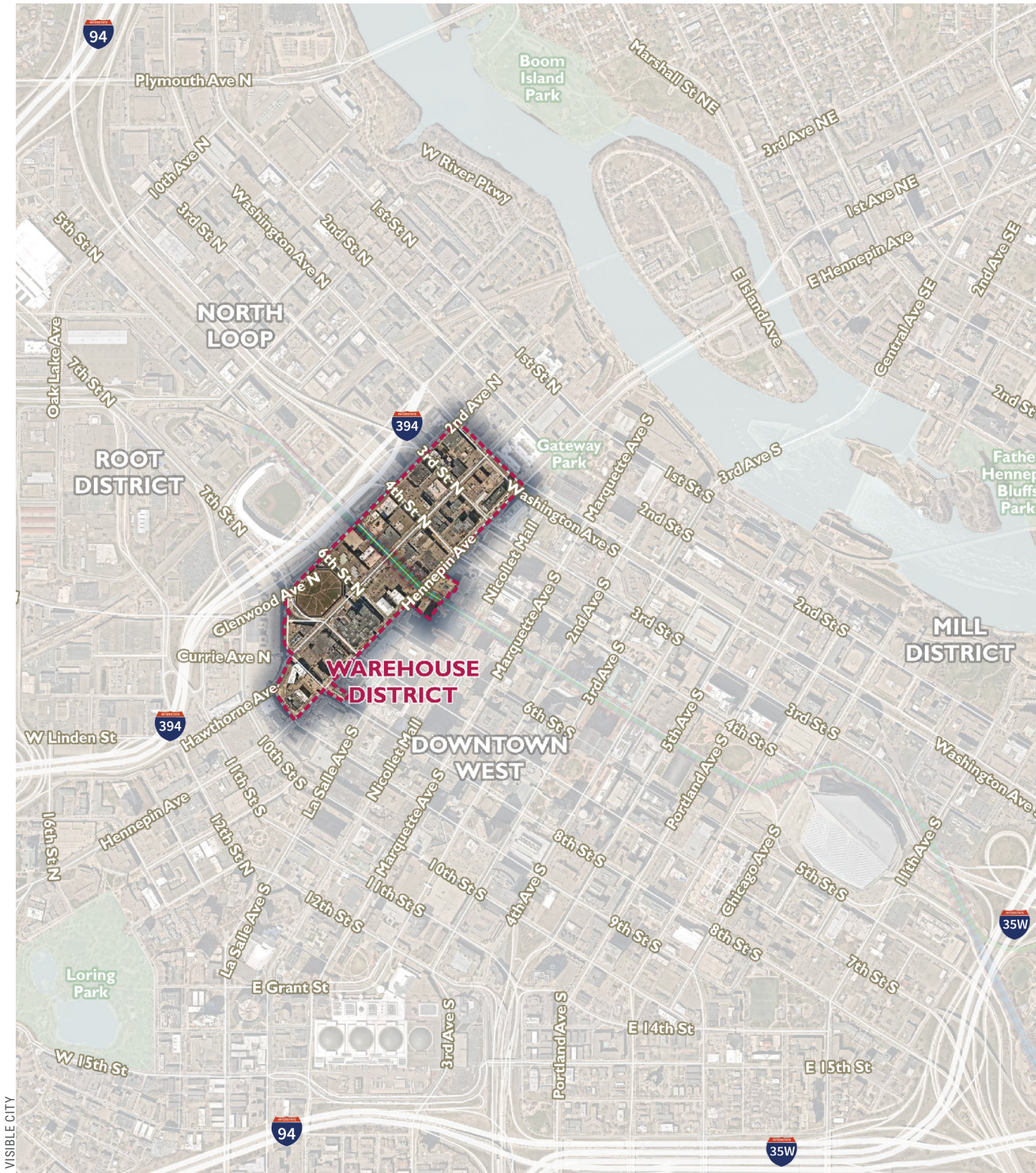


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Iconic historic buildings line the streets of the Warehouse District in downtown Minneapolis.

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The study area, marked by the dashed line, forms the core of the Warehouse District in downtown Minneapolis.

EXECUTIVE SUMMARY

Once a vibrant center for commerce and warehousing goods, the Warehouse District in downtown Minneapolis is today an area of particular concern and interest for civic leaders. Historic buildings dot the landscape, providing ample space yet requiring significant investment to convert to modern uses. Surface parking lots, providing easy vehicular access across the district, interrupt the urban fabric and are often sites of concern for criminal activity. Community amenities, including theaters and sporting venues, are in the district, yet connections to and between these regional attractions are unclear and uninspired.

Turning to the Urban Land Institute Minneapolis district council (ULI) and its technical assistance panel program, the City of Minneapolis (the city) and its Community Planning and Economic Development (CPED) and Public Works (PW) Departments asked ULI and its real estate industry member leaders to provide recommendations for catalyzing development across the Warehouse District (the district) and activating the district further.

As the panel considered the next chapter for the Warehouse District, it set forth a set of six guiding principles that should serve as north stars for work in the area:

- 1. Shift mindset to focus on amplifying strengths rather than focusing on the challenges.
- 2. Amplify regional attractors to the concept that the district is the center for fun.

- 3. Celebrate the authentic and rich history of the Warehouse District.
- 4. Strengthen connections to the surrounding neighborhoods.
- 5. Support the health and vitality of the district by adding more housing opportunities—particularly attainable options for the district’s workforce.
- 6. Engage the city’s artists and businesses to create authentic connections to this central entertainment district to support connections with the broader community.

Recommendations

In detailing its recommendations, the panel identified the initiatives that should be pursued in the next 12 months, those that can be tackled within the next three years, and the longer-term interventions that will require planning today for realization in the years to come.

Near-term Interventions

Work in the district should start with additional focus on programming and operations, which leverage existing assets, can be modified over time, and should be delivered collaboratively with the community. The following near-term priorities should support programming in the district:

- 1. Designate an entity with reliable funding and distinct oversight with responsibility for the success of the district.
- 2. Create a Nighttime Economy Director or lead position within city government who will focus singularly on the needs of the district’s (and downtown’s) nighttime economy.



Alleys in the district provide interesting and compelling opportunities for activation.

3. Expand funding for Warehouse District Live.
4. Create funding for alley activations.
5. Prototype container businesses—*e.g.*, Pod Markets—in surface lots and underutilized spaces to activate space and encourage more economic activity in the district.
6. Activate storefronts with local businesses and community activities; establish a welcome center for the district.
7. Establish a district brand identity and begin marketing efforts to elevate the district, its businesses, and events.
8. Undertake a parking study to determine utilization and economics. This will serve as the foundation for a district parking plan in the medium term. The panel heard from the two most successful developers in this area that this would be a huge economic boost to residential conversions.
9. Design and building interventions in the near-term should include piloting the closure of 1st Avenue N on a regular basis to inform the redesign of the streetscape to better support the entertainment district functions.

Financial resources and tools to support this work can be found at the federal, state, and local level. In addition to public sources, the impressive array of institutional and anchor institutions surrounding the district could be tapped for financial support of district activation and public realm improvements.

Mid-term Recommendations

Leveraging the successes of the near-term interventions and pivoting, changing, and/or expanding as necessary, the mid-term interventions should focus on the following:

- Expanding existing large scale festivals into the area (Luminary, Great Northern, etc.).
- Programming interior spaces like the ABC ramps and private buildings with events, local merchants, and community uses.
- Hosting regular winter activations paired with sporting and cultural events also taking place in the area.
- Creating a permanent welcome center focused on the Warehouse District footprint that could offer ticket

purchases, restaurant reservations, and assistance finding activities and locations within the district.

Policy measures should include the establishment of a framework for a formal entertainment district for the area. Asset analysis, data collection, and tax equity analysis will help support the pursuit of financial resources for the programming interventions. Additionally, policy measures to encourage the provision of workforce housing in the district should be pursued.

The design and built environment plays an important role in the success of the district. Efforts to improve the pedestrian experience, including activating ground-floor spaces, improving lighting, and converting public spaces into active uses will encourage residents, employees, and visitors to explore, dine, and play across the district.

Long-term Recommendations

As most of the recommendations posed by the panel focus on important near- and mid-term interventions, work in the long term is generally focused on strengthening what is in place and has proven successful. Additional policy work, however, will strengthen workforce housing delivery in the district and should be a focus into the future. Additional financial capacity-building, in the form of building relationships with lenders with a focus on community building, should be considered for the long-term health and vitality of the district.

As to the design/built environment, long-term work should focus on the conversion of surface parking lots into a more active/productive use, the formation of gateways at key entries to the district, and creating and strengthening connections to/from the surrounding neighborhoods.

The Warehouse District is located in the center of some of Minneapolis’s most valuable and desirable community assets, including the central business district, the residential areas of the North Loop and Mill District, and theatrical and sporting venues. This strategic location and the historic building stock position the area for renewed energy and future success. Planning work today, strong cross-sectoral partnerships, and a suite of financial tools and resources can help the Warehouse District evolve into a treasured entertainment district, a connected community, and a place where everyone can feel safe, energized, and a part of something that is authentically Minneapolis.

INTRODUCTION AND SCOPE

The Warehouse District in downtown Minneapolis is full of beautiful historic brick and timber buildings, unique businesses, and individual and organizational boosters who are interested in seeing this area of downtown come alive once again. Known historically for its creative offices, clubs, and nightlife, the Warehouse District has gone rather quiet in recent years with the emptying out of much of the district's office space. The creative office users (advertising agencies, architects, design studios, etc.) responsible for the much of the original warehouse to office conversions have de-camped in recent years, leaving over one million square feet of office vacancy. A few remaining office users dot the landscape, a small group of long-established retail (restaurant/entertainment) operations remain, hoping for a renaissance, and a number of arts organizations occupy district theaters. Building vacancy is an issue and the Warehouse District has experienced some of the highest incidences of crime in the city. These are issues quite similar to those faced by many downtown districts across the United States, and the change in how businesses operate in an increasing hybrid work environment will continue to shape downtowns in the years to come.

Understanding the nexus of these factors, the City of Minneapolis and its Community Planning and Economic Development and Public Works departments, together with several interested/invested business owners, turned to ULI for guidance in bringing life—in the form of entertainment and additional multifamily residential opportunities—back to the district.

ULI, leveraging its trusted technical assistance panel (TAP) program convened a group of real estate professionals with the expertise needed to address this challenge as posed by the city. With expertise in the areas of real estate development, architecture, urban planning, finance, and the arts, the TAP panel reviewed the briefing materials provided by the city, toured the Warehouse District with civic leaders, and interviewed community stakeholders, ultimately arriving at a series of recommendations the city and civic leaders can consider in discussions regarding the future of the district.

Downtown and District Data

In a presentation given to the TAP panel, representatives of analytics firm [Visible City](#) provided important context about real estate market conditions in the Warehouse District submarket. In recent years extending prior to the COVID-19 pandemic, Warehouse District leasing and sale data have indicated less robust performance than adjacent downtown

submarkets including the North Loop and the Mill District, which offer mixes of uses currently less weighted toward office. However, the concentrated office district of Downtown West is exhibiting the same market losses many downtown office zones are experiencing due to reduced demand for space and services. Broadly, Visible City shared the following observations:

Leasing

- Extending to 2013, office leasing has been challenging in the Warehouse District, with an average 30-45 months on the market for space; while in 2017-2019 the market tightened substantially, the slower pace observed today is comparable to that of ten years ago.
- In the Warehouse District, listed office vacancy is 18.5 percent; the last year has yielded both a modest decline in listed office vacancy from a year ago (previously 19.1 percent), and small but positive absorption of 9,100 square feet of office space.
- In comparison, downtown-wide listed office vacancy is somewhat lower (17.2 percent), but the broader downtown market also experienced a net negative absorption of 500,000 square feet over the past 12 months.

Valuation

- The limited market sale data in the Warehouse District indicates a per foot office valuation of \$154, down from \$167 one year prior, and less than a downtown-wide value of \$193.
- Office capitalization rates for Warehouse District property offered on the market is 8.14%, an increase from 7.59% one year ago, and 100 basis points higher than the downtown-wide cap rate.

Activity

- Foot traffic downtown is 81 percent of 2019 figures and vehicular traffic is 82 percent of 2019 levels. Scooter and bike traffic shows that the Warehouse District is an integrated part of downtown with people regularly traveling to and from the area as a factor of their broader downtown trips. These mobility patterns suggest a shared perception of the Warehouse District as not just adjacent to the rest of downtown, but a district inseparable from the whole.
- Owners of downtown office property pay 14.9 percent of property taxes payable citywide. Of these property taxes paid citywide, 1.4 percent (\$15.3 Million in 2023) comes from the Warehouse District, a slight increase from 2019.

District Context

Situated at the north end of the downtown Minneapolis core, the portion of the Warehouse District called out for this study includes roughly 13 blocks. Bound by Hennepin Avenue, Washington Avenue, 2nd Avenue North, and 9th Street, the study area is surrounded by significant land uses such as Interstate 394, large public parking garages (Ramps A, B, and C), and the Target Center. The Minneapolis Convention Center is a few blocks south, the Mississippi River is a few blocks northeast, and professional sports teams have venues within the district. The city’s North Loop, directly north of the interstate and thus north of the district, is in the midst of a redevelopment boom, attracting businesses and new residents.

The district is full of historic 19th century brick and timber buildings once used as Midwestern warehouses for East Coast enterprises. As warehouses operations wound down over the decades, other businesses moved in. Buildings have been converted to office use, night clubs and other entertainment operations, and retail. Some residential conversions have also been successful in the area, but the district’s residential population remains generally small.

Insights from Stakeholder Interviews

During the TAP process, the panel interviewed over 50 stakeholders, including city professional staff, elected officials, building owners and managers, developers, brokers, lenders, business owners, representatives from community organizations, and entertainment and hospitality industry contacts. The following themes emerged.

- **Great building stock.** The Warehouse District is full of great buildings prime for conversion to a new use.
- **Built for warehousing, many district buildings feature stone walls at the street level.** The first floors of many of the buildings are large and visually impermeable, which creates a challenging environment for retail operations or other uses that could visually enliven the streetscape.
- **Strong Downtown Improvement District.** The city’s Downtown Improvement District (DID) is working well and supporting the business and programmatic activities downtown.
- **Alleys = opportunities.** The district’s alleys could be areas for further activity and programming.
- **Need welcoming spaces.** Public spaces across the district need to be welcoming to all populations.
- **Warehouse District Live was successful.** This May–October series was a hit and should be enhanced/expanded.
- **Programming is critical.** Programming is important to the district—promoting economic activity in the area and bringing more people to the district—and should be included in future plans.

Questions for the Panel

1. If the Warehouse District is to be a vibrant entertainment district with a significant residential component, what is needed to enhance livability and ensure public safety for those living, working, and playing there? What risks or barriers exist in creating a dynamic, mixed-use, livable, entertainment district? What are strategies that can mitigate these risks?
2. What interventions within the next three years can be implemented that would achieve a more vibrant Warehouse District? What physical infrastructure, financial and policy strategies are needed to enable a more vibrant and attractive street and living environment? How can private sector investment be leveraged?
3. What tools exist (e.g., regulatory, financial) to facilitate the revitalization of the Warehouse District? What do other partners need to bring to the table?
4. How can the City ensure a diverse mix of housing types as new housing is built and converted from other uses?

- **Safety is a challenge.** Safety and security, both real and perceived, is an issue in this part of downtown.
 - **More activation and housing needed.** Further activation and more housing will bring more people to the district, which typically results in an environment less vulnerable to violent crime.
 - **Long-term stagnation.** The area was struggling before the COVID-19 pandemic.
 - **The district lacks a vision or identity.** It is not clear to residents or visitors what the district wants to be or what its reputation should be.
 - **Leverage surface parking lots.** Surface parking lots represent both a challenge, interrupting the streetscape and vibrancy of the block, and an opportunity for new development or programming and activation. Additionally, 7,500 publicly owned structured skyway-connected parking spaces appear to be significantly underutilized.
 - **More green space.** Green space is lacking in the district. Hardscapes predominate.
 - **Connections missing.** The district contains a wonderful variety of amenities—performance venues, sporting arenas, and more—yet the connections to and from those amenities are lacking.
 - **Need wayfinding.** More wayfinding is needed to help visitors navigate between district destinations.
 - **Capital markets unsupportive of new development.** Financial pressures on the real estate industry, particularly noted by the current state of the capital markets, make projects difficult to finance and are limiting new development.
 - **Doing business downtown is expensive.** The cost of doing business downtown is high, which creates a barrier to entry for any but the most well-resourced companies and individuals.
- Equipped with the insights from the stakeholders and the perspectives gained throughout the site tour, the panel deliberated and arrived at a set of guiding principles and recommendations for the future of the district.



Surface parking lots are scattered across the district and could be put to a more productive use.

GUIDING PRINCIPLES

The foundation of the Warehouse District is solid—beautiful historic buildings in close proximity to the Central Business District and community amenities bolstered by good transit access. There are, however six key factors that will need to be addressed and embraced as the city moves forward with catalyzing real estate, community, and economic development in this area.

- 1. A mindset shift is required.** The city, its agencies, and Minneapolis residents are aware of the negative connotations associated with the district. Attention and energy should be directed to and focused on elevating and amplifying the positive experiences that can be found within the district and across its geography. Warehouse District Live is a great example of this type of positive infusion.
- 2. Amplify regional attractors.** The district is situated in the middle of impressive, inclusive regional amenities, live music venues and late-night cabarets, and a large variety of creative offerings. From downtown restaurants and theaters to the Target Center and sporting venues, the district is and should be recognized as the center for fun.
- 3. The district has good bones.** The buildings that characterize this historic district are solid and well-constructed. There is a rich history represented by these old warehouses, a history that should be embraced, curated further, and amplified for residents and visitors alike. While other cities have to create identities for development areas, the Minneapolis Warehouse District has a rich history that should be celebrated.
- 4. Enhance neighborhood connections.** In addition to its proximity to other amenities, the district is also close to residential neighborhoods like North Loop, Mill District, and Downtown East. Connections to these neighborhoods should be strengthened to encourage more active flow of residents to and from the district.
- 5. Housing is an important anchor.** The mass and scale of the district's buildings would support additional conversions to residential uses. Adding more housing opportunities—particularly attainable options for the district's workforce—will further support the health and vitality of the area. (It is likely that housing will play a supportive role in development in the area—it would not likely be the leading catalyst.)
- 6. Create authentic connections.** Leveraging and amplifying the district's rich history will lead to more authentic connections between the broader community and the district. By also engaging the region's artists and businesses to create their own meaningful connections to this central entertainment district, those community connections will be even further strengthened, helping the district to come alive.



The Warehouse District has much to offer the city's residents and visitors and those positive attributes should be amplified.

NEAR-TERM RECOMMENDATIONS

While real estate development and building redevelopment takes time, there are a host of actions and interventions, many of which can be launched quickly and at relatively low cost, the city and partners can take in the next 12 months to actively support and begin to catalyze additional investment in and activation of the Warehouse District. Many of these near-term recommendations and activations will bring more people to the district, further supporting public safety efforts with more eyes on the street.

Programming and Operations

Programming in the district should take the form of small, discrete events on up to large, multifaceted productions like Warehouse District Live. Work can start now and begin to have very positive near-term impacts. Programming takes an asset-based approach, leveraging what is already in place, to then iterate and improve over time, creating ongoing impact, pivoting quickly as needed, and finding success along the way.

Programming works best when it is collaborative and community-led. A collaborative foundation supports buy-in and ownership of the process and its eventual success across partnering organizations. Programming should be multifaceted to appeal to a broad population and holistic to support a range of experiences. All of these factors support and improve the overall public experience, encouraging repeat visits and broadened community awareness (word-of-mouth publicity supporting formal advertising and public relations efforts). Each of these factors also supports public safety within the environment and support the security of those participating. More people participating means more people watching and holding one another accountable for one another's safety.

Priority 1: Designate a District-focused Entity

To best support activation and programming across the district, the city should designate a new entity or a division within an existing entity like the DID to lead and manage the service and drive success of the entertainment district. This could be within the city or a partner organization. Equipped with a dedicated budget, staff, and oversight/board, this highly-focused entity should be charged with the following key tasks.

- **Create and manage district branding and marketing.** As emphasized in Priority #7, it will be important to create an identity that is unique and authentic to the district and use that branding in entity-led marketing efforts to elevate the visibility of the district and its programs.
- **Host events and programming.** Host events and programming directly for the district and oversee or support events that are hosted by outside organizations and partners.
- **Staff an ambassador program.** Employ staff to be present on the streets of the district, engaging with the public and providing support, directions, and information as needed. This can build on the existing work of the DID.
- **Manage assets and public spaces.** Public spaces and public assets in the district will benefit from the focused care and attention that an entity charged with the district's success can bring.
- **Advocate for public policies supportive of the district.** In addition to being a champion for the present-day district, the entity should also consider and advocate for public policies that will continue to support the success of the district into the future.

Priority 2: Hire a Nighttime Economy Director

Although most cities focus their economic development and community support efforts on daytime businesses, those open from 9-5, and daytime populations, there is an important nighttime economy that deserves attention and

Case Study: Warehouse District Live

In the summer of 2023, the city, in partnership with the Minneapolis DID, closed 1st Avenue N to vehicular traffic on Friday and Saturday nights, creating a unique pedestrian zone where residents and visitors were invited and encouraged to gather, eat, dance, and play. This public gathering space, and the people it attracted, created a safe and fun environment in downtown Minneapolis, contributing to an 80 percent decrease in gun violence within a half-mile radius.



TONY NELSON



TONY NELSON



TONY NELSON

Case Study: The Alley Project

Starting in 2022, the Minneapolis DID contracted with Modern Day Me to transform an alley at 9th Avenue and Hennepin into an activated and welcoming community space. Students, artists, and Helping Hand Companies transformed the alley into a centerpiece for vibrant and welcoming community events, games, yoga, and more.



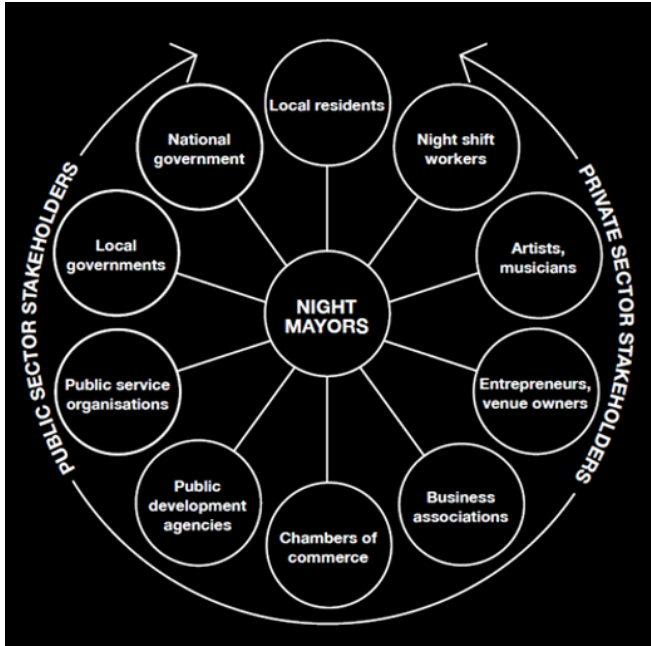
THE ALLEY PROJECT



THE ALLEY PROJECT



THE ALLEY PROJECT



This diagram depicts the various sectors that can be more fully represented and connected via a nighttime mayor.

similar support. Cities across the United States and around globe are hiring staff—a nighttime economy director—to focus on the needs of their nighttime economies. By creating and filling a new position within the City Coordinator’s office focused on operations, businesses, and experiences after 5 pm, a great many of the businesses within the Warehouse District would benefit from focused representation as would other businesses citywide. Additionally, the employees of these nighttime operations would similarly benefit from focused representation, particularly in matters of transit access.

Priority 3: Expand Warehouse District Live

Throughout the stakeholder interviews, the panel was made aware of the success of Warehouse District Live. This city-sponsored event series, produced by the Minneapolis DID, featured summer, weekend-evening activations that hinged upon the participation of a number of community partners. From food trucks to pop-up basketball courts to concerts and dance, 1st Avenue N was closed to traffic and turned over to the people well into the late night. This constant activation attracted individuals of all ages and backgrounds and encouraged the type of community gathering that results in community pride and fewer instances of violent crime. The city is strongly encouraged to continue and

The Night-time Mayor

The concept of a nighttime mayor originated in the Netherlands, where Amsterdam appointed its first “nachtburgemeester” in 2014. Since then, the position has gained popularity in cities around the world, including in the United States. The role of a nighttime mayor is to serve as a liaison between nightlife businesses and government agencies and to help develop a city’s nightlife by ensuring safety, fostering cultural vibrancy, and driving economic development during the nighttime hours. The position is not meant to have regulatory or enforcement authority, but rather to serve as a bridge builder between nightlife businesses and government agencies. The job postings tend to garner a mix of skepticism and enthusiasm about what it means for a city to take a more active interest in its nightlife industry. The position requires a person who can speak the language of both the nightlife industry and city hall.

[A recent article from Harvard Graduate School of Design](#) explains that the position of a nighttime mayor is gaining popularity in American cities, with New York City, Pittsburgh, Orlando, and Washington, D.C., all having their own versions of the office of nightlife. The article also highlights that the role of a nighttime mayor is to ensure that the city’s nightlife is safe, vibrant, and economically successful.

even expand Warehouse District Live into the future, increasing programming throughout the year to include winter activities. This can build on the events successfully executed when Minneapolis hosted the Super Bowl.

Priority 4: Expand Alley Activation

There are additional opportunities to create safe and engaging community gathering spaces and events across the district. The Alley Project turned a vacant alley into a beautiful, artful, and vibrant space for events. Key aspects of alley activations could include:

- Engaging local stakeholders to identify the next project location—or series of locations—and gather community organizations that may want to partner on an aspect of the work.



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Shipping containers can be converted into turn-key micro-retail or cafe locations.

- Art, both art on display and opportunities to create art, can help draw people to a space and enliven the environment.
- Greening the space—adding potted plants and other landscaping aspects—can soften the edges of the alley’s concrete corridor and add more life to the area.
- The alley can also serve as performance space, inspiring artists to create something unique for the environment or adapt something to the unique space, drawing audiences in to watch the final performance.

Other activations, particularly those designed to engage people during the colder months like skating rinks, can enliven the streets, alleys, and corners of the district.

Priority 5: Implement Micro Pods

Public spaces and surface parking lots can become prime locations for temporary activation through retail and hospitality pop-ups. Using small shipping containers or other portable buildings, the city can provide opportunities for local vendors and community service providers to expand to new locations, test new products or services,



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The panel took a walking tour of the Warehouse District led by Erin Fitzgerald of JLL and Ben Shardlow of the DID.



UDZIGN / SHUTTERSTOCK.COM

Well-lit and active first floor spaces support a more engaging and interesting pedestrian experience in the district.

and/or build a new customer base in these expanded locations. The pods, while generally temporary, can stimulate local economy, drive foot traffic, and raise awareness of neighborhood gems. Not meant to detract from the activation of storefronts, the pods can help activate empty parking lots that might otherwise attract crime.

Priority 6: Activate storefronts with local businesses and a welcome center

Many of the buildings in the district have vacant first floors or feature uses that do not engage with the street. Retail, restaurant, or other active first-floor uses, visible to the outside through open and lit windows, add to the pedestrian experience outside the building and make walking around the district a pleasure. There are innovative building owners who are moving away from more traditional lease arrangements to more flexible license agreements and others are shifting to providing more generic, but flexible space rather than funding expensive bespoke buildouts. The city is encouraged to actively work with local businesses and initiatives such as [Chameleon Shops](#) to connect them with building owners who may be interested in a more active first floor. Additionally, first floors could work well as space for artists' studios or even co-working space for budding entrepreneurs and the city could help connect new building owners to brokers and potential alternative tenants. Unused spaces could also be used to pilot a Warehouse District welcome center.

Priority 7: Establish and implement a district brand and ongoing marketing effort

A district-wide brand identity should be created to build on and support the earlier priorities. A corresponding brand standards document will guide partners in leveraging the district's visual identity in their own marketing efforts. Additional marketing activities should include creating an engaging district website, establishing a robust social media presence, and crafting a supportive public relations and media strategy. An event calendar should also be created, using district branding and highlighting all of the events and programs across the neighborhood. Finally, branded signage and district wayfinding would be an added benefit in the

district, reinforcing the visual identity and helping visitors navigate and connect to important amenities and landmarks.

Supportive Policy Updates

In pursuit of the near-term interventions contemplated across the Warehouse District, the city is encouraged to pursue the following new policies or update existing policies.

- **Empower a Nighttime Economy Director.** The nighttime economy director position will need to be created/budgeted within city government and powers granted to the position.
- **Enforce requirements for surface lots.** The surface lots that dot the district streetscape are subject to regulatory requirements that need to be implemented and then enforced to support a safe and secure environment for district employees, residents, and guests.
- **Center local participation.** The city should identify the spectrum of district stakeholders, including the Heritage Preservation Committee (HPC), mayor, nighttime economy director, police department, council members, DID, city staff, Hennepin Theater Trust, anchor businesses, and public/visitors/users to center local participation in the work.
- **Support enhancements.** The city can support environmental enhancements (e.g., streetscape and landscape improvements) by streamlining approval processes.
- **Expand open container areas.** The Warehouse District is home to a number of entertainment venues. By designating the district as a Designated Open Refreshment Area ("DORA" open container zone), the city will be supporting the entertainment venues and intentional fun vibe the district is working to create.
- **Empower a district entity.** The DID or a sub-set of the DID should be granted authority as a district-focused entity, complete with the corresponding authority and responsibilities.
- **Consider noise variances.** With the ongoing entertainment across the district, and with efforts to attract additional amenities, the city is encouraged to regularly review the noise variance.

- **Implement Agent of Change policies.** The district has been known as an entertainment destination. To more fully embrace that identity while still providing opportunities for additional residential and commercial residents and tenants, the city should implement an Agent of Change policy, which will encourage the newest additions to the district to embrace the current nature of the district (*i.e.*, new residents may not file noise complaints knowing that they have moved into an entertainment district).
- **Promote a safe and fun district.** To support the goals of the district as a fun and safe place to visit, work, and live, the city will need to review historic district guidelines for streetscape improvements to ensure the guidelines will continue to support entertainment activities, large gatherings, and flexible programming. To ensure a safe and hospitable environment for new and existing residents, the city should consider all of its fixed facilities that serve fire, public, and life safety. The perception of public safety is crucial to the long-term success of this district.

Finance – Sources and Uses

While some of the interventions posed by the panel can be managed through existing budgetary sources, there are additional resources that the city should explore to further support district development and activation

- **Explore a reallocation of the Downtown Minneapolis Liquor and Entertainment Tax.** Presently the Liquor and Entertainment Tax is levied on businesses across the district. Though the tax remains in place today, the initial goals for the funds have been met. The district is not benefiting from these tax proceeds, and surrounding areas (*e.g.*, North Loop) remain untaxed, providing a proximate and less expensive night out on the town. If the tax is to remain in place, the allocation should be shifted to benefit the district from which the funds are collected.
- **Engage with anchor businesses partners.** The Warehouse District is full of anchor businesses that generate significant income and activity in the area, including Target, Lifetime Fitness, sports teams (Twins, Lynx, and Timberwolves), US Bank, the Mayo Clinic, and

Jacks Links. These institutions, along with additional private property owners in the district, have a vested interest in the health and economic vitality of the area and should be approached as potential financial partners in the activation work contemplated here.

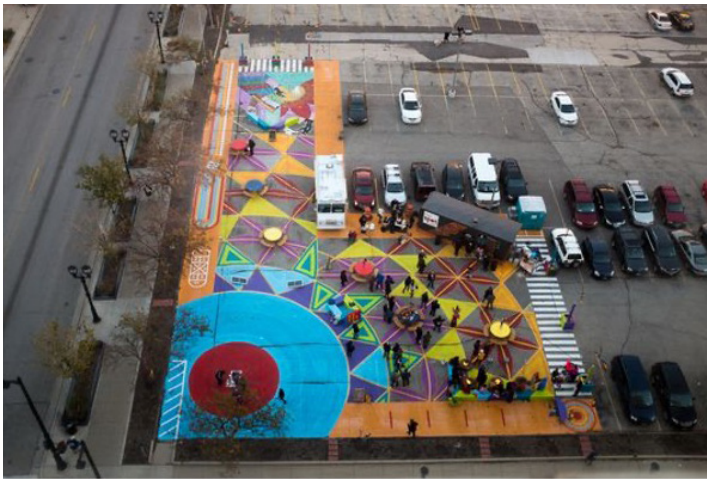
- **Explore a [Minnesota Department of Employment and Economic Development \(DEED\) Redevelopment Grant](#).** DEED grants can support the district by funding pre-development of blighted sites. With a local 50 percent match, half of a eligible costs (such as infrastructure and hazardous materials investigation) can be covered by these grants.
- **Consider [community development finance institution \(CDFI\) partners](#).** Businesses looking for funding to support ground floor operations might be able to access CDFI funding, which is frequently used for community-focused endeavors or leveraged by entities operating in traditionally underserved areas.
- **Leverage facade improvement grants.** While relatively small, at \$5,000-10,000, façade improvement grants match local funding and can jump-start needed first-floor building improvements.
- **Explore private owner resources.** The federal and state Historic Tax Credit program (HTC), the federal 2022 Inflation Reduction Act (IRA), state Angel Investment Tax Credit (ITC), and Property Assessed Clean Energy (PACE) program might also provide additional financial resources to close the financing gap in development or redevelopment projects.

With funding, the following actions and activations can become a reality for the district:

- **Warehouse District Live 2.0.** Taking the Warehouse District Live concept and expanding it—geographically, programmatically, and with additional dates—will take additional funding. It is a proven concept that serves the community well.
- **Nightlife resources.** Supporting current and future nightlife in the district will require financial support and outreach.
- **Office of the Night-time Economy Director.** This new staff position will need to be funded by the city.
- **Façade improvement grants.** Façade improvement grants, although small, can be directed towards existing buildings in the district.

Agent of Change

The Agent of Change principle, often used in the United Kingdom and enshrined in its National Planning Policy Framework, seeks to protect existing and lawful noise generating operations from proposals for new noise-sensitive developments, particularly residential accommodation.

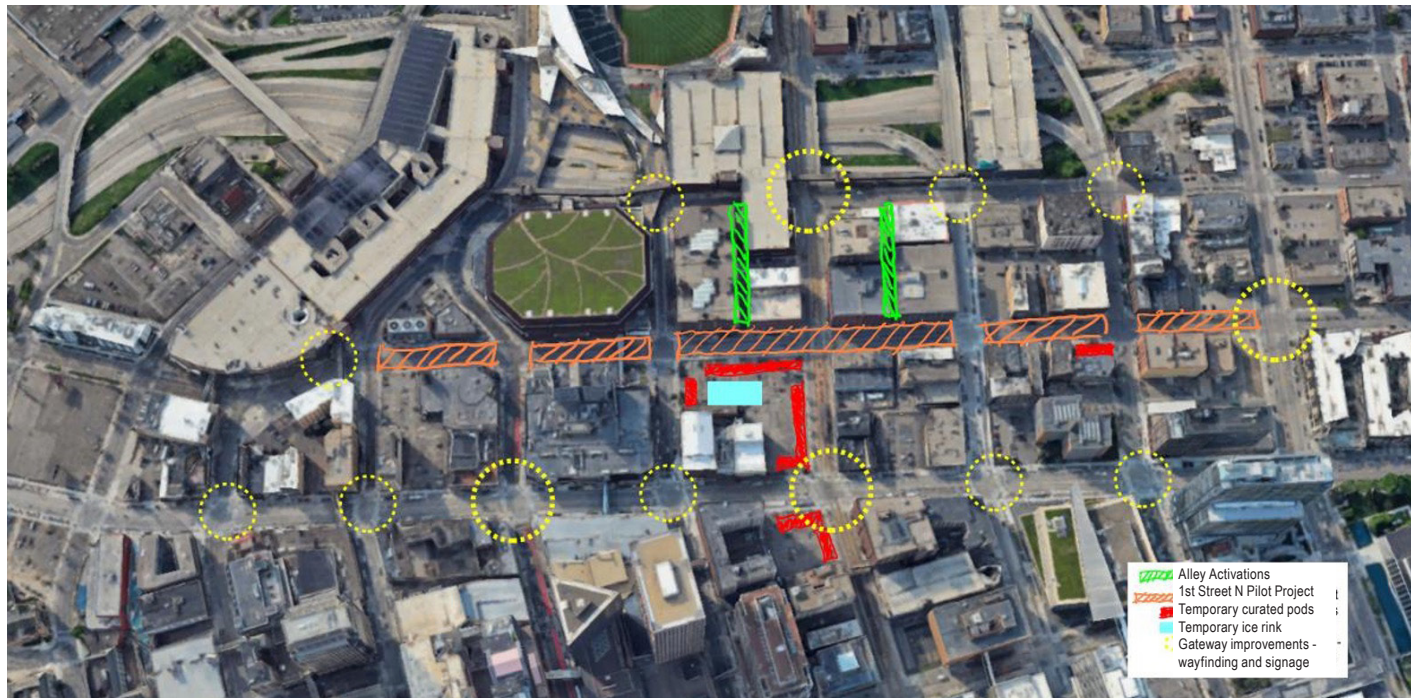


PROJECT FOR PUBLIC SPACES [HTTPS://WWW.PPS.ORG/](https://www.pps.org/)
ARTICLE/FROM-PARKING-LOT-TO-HOT-SPOT-IN-MILWAUKEE



YOUNG SWEET MING / SHUTTERSTOCK.COM

(upper left) Colorful pavement paint can create engaging and welcoming gathering spaces. (upper right) Alleys can turn into additional gathering spaces for the community.



GOOGLE EARTH/TAP PANEL

Gateway improvements, alley activations, and temporary pod installations surround a newly piloted 1st Avenue N closure.

- **City staff capacity and resources.** City staff may be called upon to provide additional support and guidance on private owner resources such as the HTC, IRA, ITC, and PACE programs and may require additional funding to support the additional staff time.

Design/Built Environment Interventions

Work in the built environment can spur/support additional activation and bolster the programmatic interventions suggested by the panel.

- **Create a sense of arrival.** Using wayfinding, signage, monuments, and other placemaking actions can help define the district’s primary and secondary gateways and create a sense of arrival into this special downtown district. There are partners in the area who are interested in supporting this work, which should be coordinated with the planning efforts underway by the Hennepin Theater Trust.
- **Create a visual identity.** Planning for wayfinding and signage will need to take place at a district level and could/should be incorporated into additional historic plaques to celebrate the rich history of the area. Further, art installations can support the sense of place, reinforce the visual identity, and create engaging connection points across the district and between amenities.
- **Plan for pods in surface parking lots.** District planning for surface parking lot activation can leverage temporary curated retail and service pods. This planning should take place at a district level, ensuring a viable and complementary mix of uses.
- **Activate alleys.** Again planned at the district scale, additional alleys should be considered for activation, providing welcoming, warm, and lit connections along the streetscape and filling in otherwise vacant gaps.
- **Install incremental public enhancements.** The public spaces across the district are prime locations for additional enhancements to the streetscape. Additional art installations, shade trees, and bike racks would be

(above right) The surface parking lot across from the Butler Square building today. (right) The panel’s rendering of a reimagined surface parking lot at Butler Square featuring pods that front the street and engage with those passing by.

welcome as buildings and concrete currently dominate the neighborhood.

- **Pilot a closure of 1st Avenue N.** Taking the closure of 1st Avenue N further, beyond the Warehouse District Live nights, the city should consider piloting a closure of 1st Avenue N on an ongoing basis to then incorporate the learnings, reduce friction and costs of activations/ events, and inform the future redesign of 1st Avenue N. The area should easily convert for events throughout the year, without the erection of barricades or bollards.
- **Geofenced rideshare zone.** As people turn more frequently to ridesharing options like Uber and Lyft, the city should consider implementing a geofenced zone in the district to track and better support this ubiquitous transportation option.
- **Install temporary lighting.** In pursuit of a district with “no dark alleys” and a greater sense of safety and security, the city is encouraged to install temporary lighting that can be controlled and dimmed in areas lacking activation. As businesses enter the area, and install their own exterior lighting, the temporary options can come down.



GOOGLE EARTH



TAP PANEL

MID-TERM RECOMMENDATIONS (1-3 YRS)

In addition to the host of recommendations the panel suggests for the near-term, there are also actions the city can take within the next three years that will continue to support additional development and activation across the district. These actions again fall into the four primary categories of programming and operations, policy matters, financing pursuits, and the design/built environment and will be further informed by the success of the near-term interventions.

Programming and Operations

With an eye toward what worked well in the first 12 months and how initiatives can be expanded and/or improved, the city should continue to implement programming and manage operations based on the successes and lessons from early years, bringing the following design improvements to life.

- **Expand festival footprints.** The success of the city's existing large-scale festivals—such as Loppet and Great Northern—could be further leveraged by expanding their reach and programmed activities into the Warehouse District.
- **Program interior spaces.** Throughout the district, there are a number of public and private spaces that could become inviting places for activation. The first floor of the ABC ramps, where people are already coming and going, and first floors of private buildings could come alive with programmed events, local merchants in pop-up shops, or even community uses like dance or yoga classes. These spaces are protected from the weather and could be a welcome complement to other outdoor programmed activities in the winter.
- **Pair winter activations with other events.** In addition to pairing with interior space activation, downtown's winter activities—like an ice skating rink—would be a welcome complement to the city's sporting and cultural events, encouraging fans, theater goers, and other visitors to linger downtown and enjoy more of the district.
- **Open a welcome center.** The Warehouse District lacks a welcome center. Building on the panel's idea of a

temporary welcome center in a pod in the early days, a permanent welcome center should be placed in the district. Located here, an amenity like this would be a wonderful way to draw visitors in, help them purchase tickets to events, and encourage further exploration of all of the entertainment and cultural amenities in and around the neighborhood.

Policy Matters

To support the vibrancy of the district into the future, the city should create a policy framework that supports its entertainment district characteristics.

- **Create special signage regulations.** Working within the HPC and zoning regulations, the city is encouraged to create special signage regulations for the area. Other entertainment districts could provide guidance around signage examples.
- **Address sound attenuation.** As an entertainment district, the Warehouse District will require special attention to ensure that the sounds coming out of the area are managed and do not increase beyond a stated and posted acceptable level.
- **Expand closing times.** Across the area, businesses must all close at 2:00 am, flooding the area with patrons leaving at the same time. Closing times should be expanded and staggered to allow for additional events, post-event meals and drinks, and a more manageable flow of people leaving establishments. The City of Montreal has found success in eliminating closing times, allowing businesses and patrons to decide when it is time to go home.

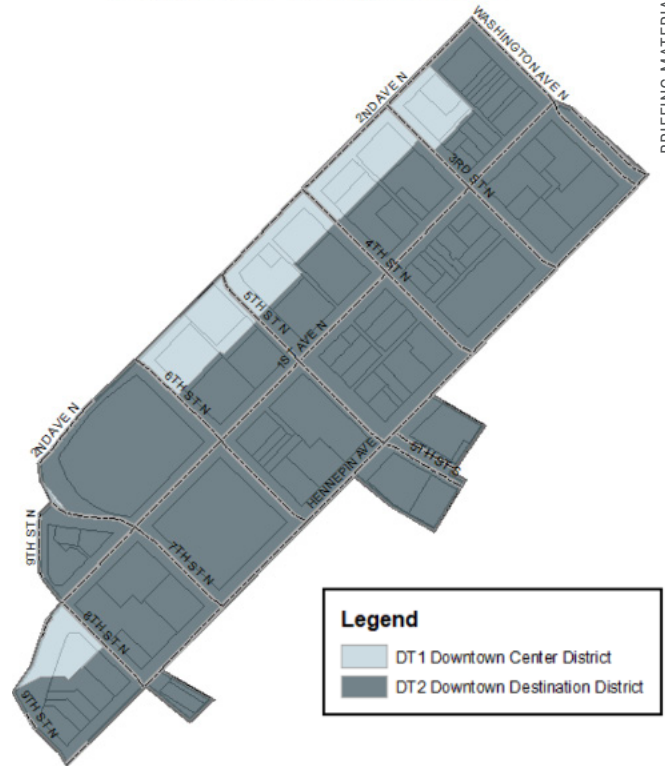
- **Zone for entertainment.** The city should allow for activations/events by right to encourage the type of programming and vibrant activities that will support the area’s entertainment district reputation. Securing city permitting for events today is both a time and resource-intensive process.
- **Support temporary active uses.** The use of temporary activations across the district should continue, both outside—in alleys and in pods on surface lots—and particularly on the first level of buildings to continue to build awareness and understanding of the area as a vibrant walkable shopping and entertainment district.
- **Monitor public safety and infrastructure needs.** Infrastructure and public safety across the district will require ongoing assessment, using mobility asset analysis and data collection, to ensure that streets, sidewalks, lighting, etc. are in good working order and are keeping up with the needs of an increasingly active entertainment district.
- **Encourage workforce housing.** Stakeholders noted difficulties their employees face in finding housing in or near the district. As housing units are considered and added to the district, the city should take steps to encourage workforce housing that better supports and actually prioritizes housing for those working in the entertainment industry.
- **Conduct tax equity analysis.** The current Minneapolis Entertainment, Liquor and Restaurant taxes and boundaries need to be reviewed and updated with an eye toward using the tax proceed to benefit the area subject to the tax. The city is also encouraged to consider using vacant land valuation as the tax basis versus the improved value.

Financing Pursuits

To assist the city with financing the recommendations and improvements contemplated here, the panel shared the following resources.

- **Explore conversion programs.** There may be opportunities to pursue a tax credit program to support the conversion of district buildings into new uses.

Downtown Zoning Districts



BRIEFING MATERIALS

The zoning in the Warehouse District supports the area’s “destination” character and should work well as the area is amplified as an entertainment district.

While federal and state lawmakers are considering, but have yet to pass, a program of this nature, the City of Minneapolis could fund something similar to the program seen in the [City of Calgary](#). Additional resources for building conversions may be found through the [Minneapolis Renaissance Coalition](#) and in the recently published [Commercial to Residential Conversions: A Federal Resource Guide](#).

- **Consider using the Livable Community Demonstration Account.** This Metropolitan Council program funds projects that increase access to housing, jobs, services, and transit, which could be particularly helpful for this section of the city.
- **Leverage tax abatement.** In the city’s toolbox is the ability to grant an abatement of property tax. Limited to a fixed period of time (e.g., ten or twenty years), tax abatement can help a developer close the financing gap by limiting a set of taxing obligations. The [City of Boston](#) has a program that could be used as a model.

- **Consider MnDOT participation.** The location of the ABC ramps in the area might open the door to potential participation and funding support from MnDOT specifically relating to possible ramp modifications that could support new economic activity in the area.
- **Leverage tax increment funding.** For new ground-up development, it might be possible to create a tax increment financing (TIF) district to help fund related improvements, particularly infrastructure improvements in the area, and modification of TIF policy, to allow for more qualifying costs, should be considered. Rochester, as part of the DMC, and Duluth, in 2023, have both found success with this approach. Separately, the City of Boston has leveraged tax abatement to subsidize conversion, renovation, and renewal, which could be worth exploring here.
- **Use energy-efficiency incentives.** The recent federal Inflation Reduction Act provides a host of [funding opportunities](#) for projects installing qualifying energy-efficient products and systems.
- **Consider green bank funding.** The State of Minnesota is putting in place today mechanisms to establish a [MN Climate Innovation Finance Authority](#). Also called a “green bank,” this funding authority is anticipated to be in place by Summer of 2024 and will “accelerate the adoption of proven clean energy technology and greenhouse gas reduction projects to expand access to untapped markets and to bring benefits to historically underserved communities.”
- **Nurture partnerships.** The financial relationships and partnerships developed with area anchor institutions should be nurtured as public realm improvements will continue well past the first year of improvements. The Minnesota Twins, Timberwolves, Lifetime Fitness, and Target are likely partners that should have an interest in supporting work in and improvements across the district.
- **Explore state bonding.** For projects like a new skyway connection in the district, state bonding could be used and should be added to the mix.

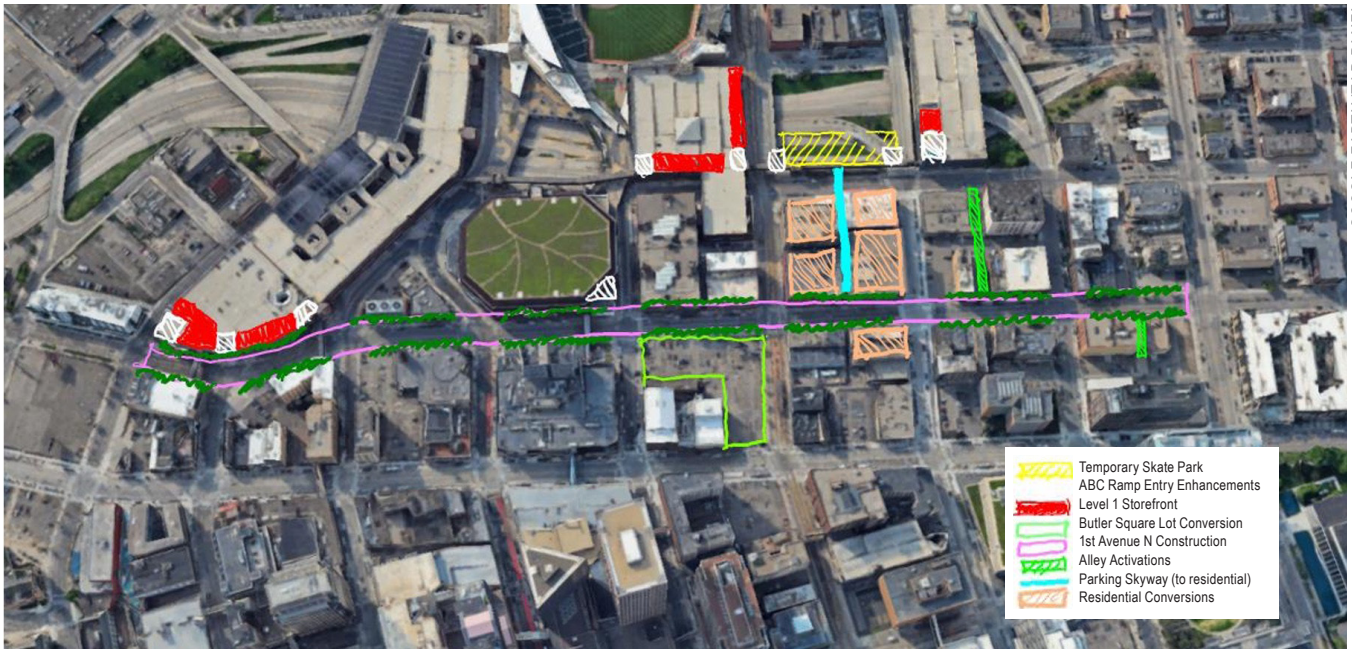


SHEVCHENKO ANDREY / SHUTTERSTOCK.COM

In addition to providing shade and softer edges, green infrastructure will help reduce the amount of stormwater runoff entering the city's water management systems.

With proper funding, the following actions should be prioritized.

- **Support building conversions.** With the seismic shift in office building use and occupation, the city should pay close attention to and support potential vacant office to residential conversions as well as continue efforts to attract interest in building reuse and redevelopment within the district.
- **Support 1st Avenue N businesses.** The present and anticipated construction along 1st Avenue N will likely create challenges to the businesses lining the corridor. The city should commit to the corridor's activation and provide additional support to the corridor's businesses during construction to ensure viability.
- **Pursue green infrastructure.** Additional infrastructure improvements in the district should be as “green” as possible, *e.g.*, native plantings and bioswales can help reduce stormwater runoff and reduce the urban heat island effect. Not only will these green improvements be more sustainable over time, they will also help to soften the hard edges in the district created by the predominance of concrete, stone, and brick.
- **Pursue a new ABC ramp skyway link.** The ABC ramps provide proximate parking resources for the district and should be leveraged in as many other ways as possible. To that end, the surrounding four buildings could make use of the ramps to provide parking for residents when



GOOGLE EARTH/TAP PANEL

Mid-term interventions could include enhancements to the ground levels of the ramps, a conversion of the Butler Square parking lot, construction and streetscape improvements along 1st Avenue N, and a new skyway to support surrounding residential conversions.

those proximate buildings convert to residential use. The city should be a supportive partner in this work.

- Conduct a district-wide parking study.** Parking in the district is a stranded asset with 7,500 known underutilized spaces in the ABC ramps alone. This excess capacity, combined with capacity in private ramps, could provide the district with the means to supply parking for new residential development without the added \$60,000 expense per space for the new housing units, potentially reducing per/unit costs by as much as 20 percent. A district parking strategy could improve parking utilization by developing additional complementary uses, which will drive up revenue/value in existing assets, has the potential to reduce crime and blight, and can create opportunities to intensify the use of surface parking lots through increased demand or development.

Design/Built Environment

The city should also consider leading in several areas of improvements to the built environment.

- Continue 1st Avenue N improvements.** Following the piloted closure of 1st Avenue N, the city should consider further modifications to the streetscape,



GOOGLE EARTH



TAP PANEL

(middle) The C Ramp provides parking but does little to engage with life on the sidewalk. (bottom) The panel's rendering of a reimagined ramp with an activated first floor.

including the creation of a convertible plaza, which could serve as a semi-permanent gathering space and location for a new pedestrian mall, further supporting pedestrian improvements and walkability across the district and supporting the ongoing improvements to and expansion of Warehouse District Live.

- **Consider Butler Square lot conversion.** As the success of Warehouse District Live builds and residents and visitors turn to the Butler Square surface parking lot for this public use, the city should continue conversations with the property owner around the future of the lot. The conversion of the parking lot into a park or public plaza, featuring formally planned public space and landscaping, would be a welcome element in the heart of the district.
- **Consider installing a temporary skate park.** The panel heard from several stakeholders that a skate park was desired downtown, but not in the heart of the district. During the tour, a site near the ABC ramps was called out as a potential skate park location, and the Midwest Skateboarding Alliance is pursuing this location as [The Downtown Breakroom](#).
- **Leverage crowd screening technology.** As events grow and more people are attracted to the district, mass crowd screening tools such as [ZeroEyes](#) can help detect the presence of firearms in a crowd while still maintaining personal privacy concerns.

Case Study: Skate Park

The skate park at Highland Bridge’s Gateway Park opened in summer of 2022 to the public. The concept was borne out of the desires of community youth to have a uniquely designed skate park in the neighborhood. The City of Saint Paul Parks and Recreation contracted with Spohn Ranch to design a horizontal skate park concept that provides a unique boarding experience culminating in a skate bowl at the north end of the park. Ryan Companies installed the park as part of the infrastructure budget for Highland Bridge. The uniqueness of the skate park at Highland Bridge has attracted visitors from across the Twin Cities. [Gateway Park](#)



CITY OF SAINT PAUL



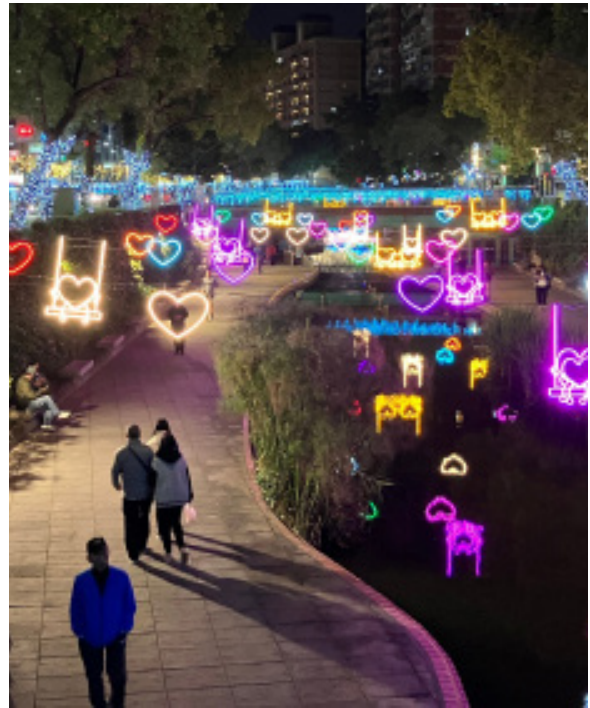
Unused space next to the interstate and below this skyway could be an interesting site for a temporary skate park.



J.A. DUNBAR / SHUTTERSTOCK.COM

The functional hardscape of an interstate underpass can be transformed into a skate park with limited additional construction.

- **Install additional lighting.** Using LED dimmable lighting, the city can help further improve safety in the district.
- **Pursue ramp improvements.** The entryways of the ramps should be enhanced to be more public-facing, safer, and welcoming. Additionally, the first floor space closest to the street should be enhanced to provide temporary, and potentially permanent space for commercial enterprise or other public activation.
- **Support façade improvements.** The city should encourage building owners across the district to update and improve their building façades to provide a more pedestrian friendly and engaging experience. (Promote the façade improvement grant program.)
- **Issue request for proposals for development.** Issue an RFP for development of a housing project that would flank the plaza/park/skatepark and be bounded by 4th and 5th Streets between 2nd and 3rd Avenues. (see sketch on page 30)



CHANG1979/ SHUTTERSTOCK.COM

Lighting, trees, and pavers completely transform this street section into an inviting and engaging plaza.



PATRICIA ELAINE THOMAS /SHUTTERSTOCK.COM



ALENA ZHARAVA/SHUTTERSTOCK.COM

These parking ramps use lighting, screening, and colorful open areas to help guide visitors to stairwells, parking levels, and entrances. The lighting and open nature of the structure also increases users feelings of safety while walking to/from their vehicle.

LONGER-TERM RECOMMENDATIONS (4+ YRS)

While most of the recommendations the panel delivered should be addressed and implemented in the early years, there are additional steps the city can take to support longer-term improvements across the district. Some recommendations will take years to implement, yet work initiated today can set the stage for effective implementation in the future.

Policy

One of the most important policy steps the city can take to support the long-term viability of the district is to be intentional about spurring the development of workforce housing in the district for the employees working in this entertainment zone. Market rate housing will also play an important role, but market rate options should not push out critical attainable options for the district's workforce.

Finance

Improvements over the long term would be well supported by financial institutions interested and invested in the long-term health and viability of the community. Cultivating community development corporation and CDFI capacity focused on this geography is important.

Design/Built Environment

The following long-term opportunities will support further activation and development in the district.

- **Activate surface parking lots.** The surface parking lots in the district represent a long-term development opportunity for new building construction.
- **Design for connectivity.** Connectivity to and through the district will require intentional design at the district's borders and gateways.
- **Build gateways.** Signaling the district entrance points—for pedestrians, bicyclists, and vehicles—can take place over time and should align with the brand identity established for the district.
- **Activate rooftops.** The rooftops in the area could also be interesting points of activation and engagement once street-level activity is well underway. Public access points will need to be considered, however, if the spaces are designed for public enjoyment.
- **Extend the built environment between 2nd and 3rd avenues.** Capping the interstate between the B and C ramps and extending the built environment over the interstate will help to better connect the district with the North Loop beyond and begin to integrate the area designated for the skate park.
- **Promote east-west and north-south connections.** As the district develops further, the connections to the surrounding neighborhoods become more important and 5th Street could play a critical role in supporting east-west connections and connections to the stadiums. Turning 5th Street into a promenade would serve this purpose well.

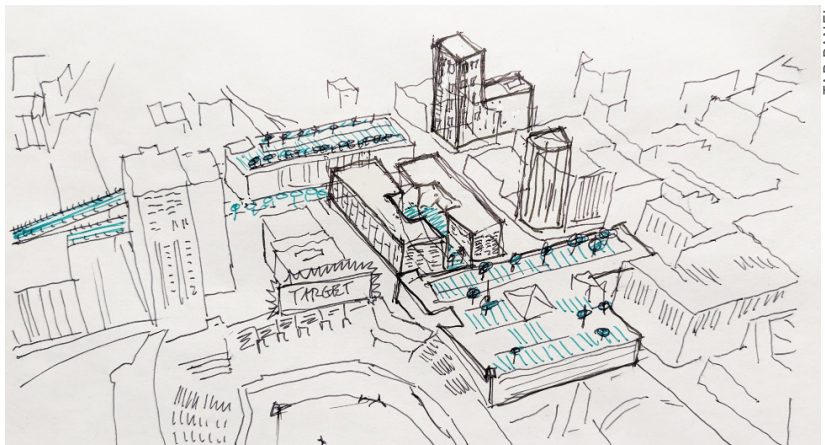


GOOGLE EARTH/TAP PANEL

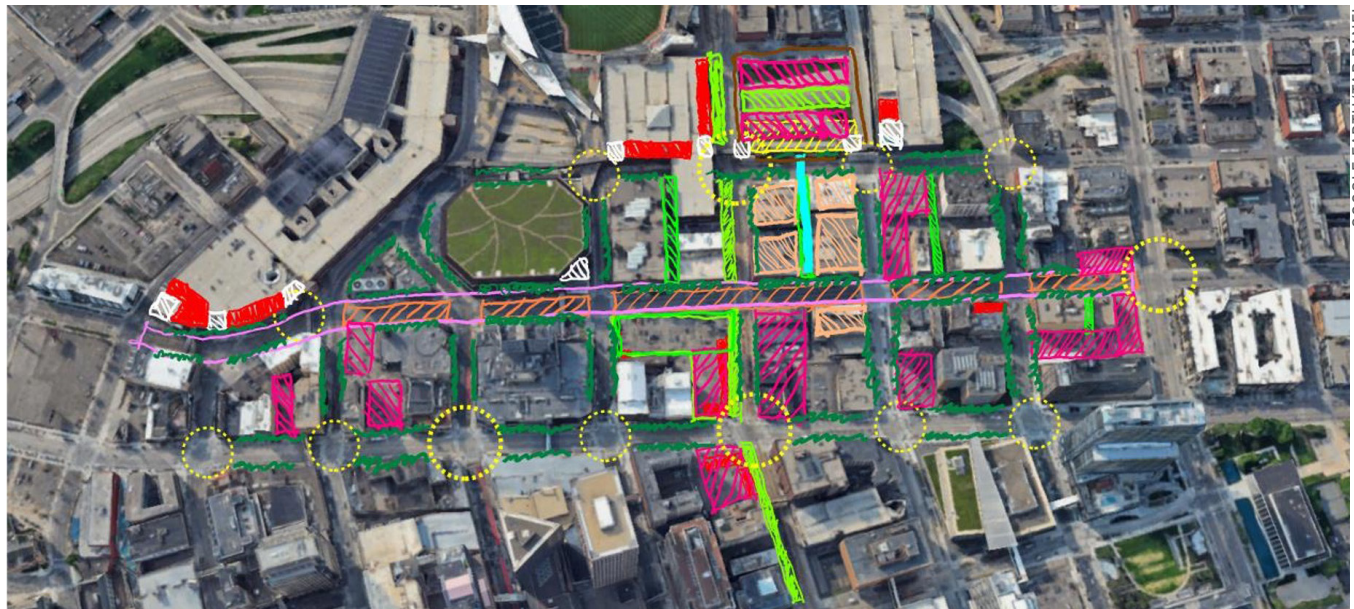
(top) The longer-term interventions will require additional urban planning for the public realm, in-depth discussions with property owners about the development of private parcels, and time to consider the best manner for extending 2nd and 3rd avenues.

(right) The panel sketched what a newly activated district, with the Butler Square building in the center, could look like.

(bottom) With the gateways in place, the surface lots and streetscapes activated, and additional north-south connections defined and improved, the Warehouse District once again becomes a lively and engaging section of downtown.



TAP PANEL



GOOGLE EARTH/TAP PANEL

CONCLUSION

The Warehouse District in Minneapolis's downtown is ready for its next chapter. Known primarily as the place to go for night clubs, music, and entertainment, the district can again come alive across more hours of the day and night, shining extra bright in the evening and nighttime hours. The buildings, many historic and well-built, are ready for new uses. The streets, alleys, and sidewalks connect people but can also become centers of additional vibrancy and activity.

The recommendations set forth by the panel, grouped into programming and operations, policy, finance, and design and building recommendations can and should be tackled over time. This work will be an all-hands effort. By identifying and working with local and regional partners, the public sector can lead the charge, setting forth a vision for the district that will embrace and elevate the assets in place while identifying a path forward for new development, street-level activations, and events.

District improvements should leverage the authenticity of the area's history while infusing the streets and buildings

with the energy and activity that so many visitors seek. Surrounded by cultural and sporting amenities, the Warehouse District can be the next fun stop on an evening out downtown. It can also be home, particularly for the workforce employed by district businesses, ensuring they have every opportunity to find attainable housing.

With planning, political will, and willing partners, the city can spur additional real estate, economic, and community development and activate the district once again.

Go have fun and play!



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	Near-term (NOW)	Mid-term (1-3 yrs)	Long-term (4+)
Design/Built Environment	Plan for wayfinding	Launch 1st Avenue N reconstruction with plaza	Begin public realm improvements
	Plan for signage and historic plaques	Launch pedestrian improvements	Address 5th Street Promenade for east-west connections
	Activate surface lots with temporary pods	Convert the Butler Square lot into new use	Activate surface lots
	Launch incremental public enhancements (art, trees, bike racks)	Build skyway to parking for residential conversions	Design intentional connections at gateways and district borders
	Pilot closures of 1st Ave N	Design WDL 3.0, including redesign of 1st Avenue N	Build gateways
	Geofence rideshare zone	Enhance ABC ramp entries	Move 1st Avenue N to pedestrian use only
	Install temporary lighting	Plan/RFP for 4th-5th/2nd-3rd	Activate rooftops
	Define gateways (primary and secondary)	Pursue mass crowd screening (e.g., zeroeyes.com)	Extend 2nd and 3rd avenues
	Build skate park	Increase lighting	
		Expand façade program, build out ramp ground floors	
Operations & Programming	Designate district entity for operations	Expand large festivals (like Loppet and Great Northern) to this district	Continue innovative programming and evaluate ongoing experiences and successes
	Begin branding initiative	Create heated winter areas in alleys	
	Bring food trucks to surface lots	Rollout branded identity for district	
	Expand WDL (2.0 expanded frequency, footprint)	Create DID subdistrict	
	Identify attractors	Incentivize local businesses expansion to the district	
	Pilot projects (e.g., skating rink)	Establish permanent welcome center	
	Open temporary welcome center, include TKTS at site	Activate ABC ramps on/along first levels	
	Curate temporary retail and service pods	Maintain/support skate park	
	Activate additional alleys		
	Activate storefronts		
Policy	Identify stakeholders, form coalition	Create policy framework for entertainment district	Spur development of intentional workforce housing for district employees
	Establish nighttime economy director position, supports	Create permanent city position for nighttime economy director	
	Conduct a district-wide parking study	Implement district parking plan	
	Enforce regulatory requirements for surface parking lots	Revise signage regulations for district	
	Identify funding for environmental enhancements	Expand closing times for district businesses	
	Expand DORA (open container zone) to district	Allow for temporary active use at first level	
	Expand DID authority		
	Implement Agent of Change policies		
Financial Tools	Reframe, reallocate alcohol tax	Conduct tax equity analysis for the district (e.g., taxing of vacant land)	Establish Community Development Corporation
	Increase or re-fund façade grants	Pursue/support conversion tax credit	
	Increase WDL budget + private support	Pursue/support tax abatement	
	Identify funding for nightlife resources	Approach MnDOT for funding participation for ramp modifications	
	Identify funding for storefront activation	Pursue TIF for new construction improvements	
	Identify CDFI to increase district funding	Use IRA for energy initiatives	
	Help building owners access Historic Tax Credits	Leverage green bank opportunities	
		Encourage more financial participation by anchor institutions for public realm improvements	

ABOUT THE PANEL



John Breitinger
 Panel Co-chair
 Development Advisory
 Practice Leader
 Cushman & Wakefield

John Breitinger is a seasoned real estate professional with 40 years of experience in all aspects of real estate investment and development. He has a particular passion for the ways that the built environment supports investors, occupiers and communities. He understands the special challenges of keeping real estate assets aligned with the changing needs of these stakeholders. His career has spanned multiple market cycles. He believes that change creates opportunity. He is a strategic thinker and a strong leader who enjoys building teams to work across disciplines to deliver value to diverse stakeholders. He currently oversees Cushman & Wakefield's Minnesota-based Real Estate Development Advisory practice, which delivers solutions to maximize the value of real estate assets that are out of synch with operating or investment strategies and in need of (re)development or repositioning. The team specializes in working with property owners and communities who are not in the real estate business to help them harvest stranded value using a disciplined approach focused on simplifying the unique challenges of the development process. Since its inception, this team has contributed to more than \$2.5 billion in development projects.



Taylor Smrikarova
 Panel Co-chair
 Real Estate Development Director
 Redesign, Inc

Taylor's work is focused on the intersection of real estate development, architecture, urban-focused design and community orientation. She believes that the development process itself adds beauty in creating occupiable art. Prior to joining Redesign, Taylor worked in mixed-use development at The Excelsior Group, in both commercial real estate and architecture at THOR Companies, and office renovations at RSP Architects. She also worked in residential architecture at Nelson Architects (in Washington D.C.), commercial mortgages at Capital One (in Maryland), and assisted homeowners during the Home Affordable Refinance Program (HARP) after the 2008 crisis while at Dorner Law & Title Services (in Boston, MA). Taylor holds a Bachelor of Science in Architecture from Northeastern University and a Master of Real Estate Development from the University of Maryland. She currently holds several board seats including Board Member of Commonbond Housing, Project Committee of Commonbond Housing, City of Minneapolis Zoning Board of Adjustments, Board Member of City of Lakes Land Trust, Project Committee of City of Lakes Land Trust, and member of the ULI Minnesota Management Committee.



Chad Burke
Principal
GBBN

Chad is a Principal and Director of Mixed-Use projects for GBBN Architects. Clients rely on Chad's experience to guide them through the planning, development, and construction phases of a diverse range of multi-family, commercial, workplace, and social not-for-profit projects that have lasting impact on their communities.

His recent work includes Terrex Development and the University of Cincinnati's Digital Futures Building, Hillrom's Innovation Center addition and renovation, Willkommen Affordable Housing, and the Union Central Trust Tower renovation. Chad received his BArch from the University of Kentucky, and MArch from Harvard University's Graduate School of Design.



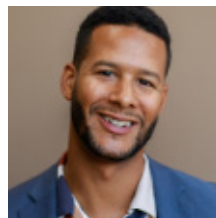
Ned Dodington
Director of Development
Greystar

Ned Dodington, AIA is a Director of Development for Greystar, responsible for sourcing, capitalizing, and executing all multifamily, student housing, active adult, single family rental, and industrial projects throughout the northern Midwest region. During his time at Greystar he has been responsible for the delivery of over two thousand units and nearly \$1BN in total capital across Houston, Denver, and the Twin Cities markets. Prior to joining Greystar in 2016, Ned was a Project Architect in Gensler's Houston mix-use studio and has worked on large-scale corporate, student, and interiors projects. His private research-based practice focuses on Bio-inclusive design and his work has been published in peer-reviewed journals and online, and he has spoken broadly about Bio-inclusive architecture and design at major North American universities. Ned is a licensed architect in Texas and Minnesota, and actively engaged in ULI and AIA.



Meghan Elliott
Principal and Founder
Jillpine, New History &
RevitalizeMN

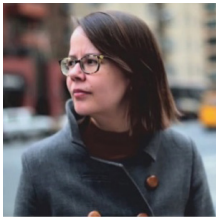
Meghan Elliott has dedicated her career to historic building redevelopment. She is Principal and Founder of Jillpine, New History, and RevitalizeMN. Jillpine is a real estate development company for high-potential historic properties. As Principal, Meghan recently finished the conversion of the historic St. Louis County Jail in Duluth, Minnesota into 33 units of mixed-income housing. Meghan is also President of New History, a Minnesota-based consulting practice that she started in 2011. New History works with clients throughout the Upper Midwest, including regional and national real estate developers, cities, counties, architecture firms, and educational institutions, among others, to increase the use of historic buildings and sites. The integrated team includes historians, licensed design professionals, and project planners for historic building redevelopment — all with a depth of experience in the regulatory, financial, and physical framework of historic preservation. Finally, Meghan co-founded RevitalizeMN in 2020 to advocate for the extension of the Minnesota state historic tax credit, and to bring awareness to the important role of building reuse for economic development, sustainability, housing, and heritage.



Jared Hanks
Creative Director and Owner
Modern Day Me

Jared D. Hanks is the inspiration behind Modern Day Me. A consummate solution creator and idea generator, Jared is passionate about facilitating connections among clients, creatives, and community partners. It is at this intersection where we find true collaboration and shared purpose. He began his career working in the public schools and facilitating youth leadership development. From there, Jared served as Head of Business Development for Juxtaposition Arts, a teen-staffed art center in North Minneapolis. His keen ability to connect a diverse array of needs with creative solutions led him to launch Helping Hand Companies, which pro-

vides opportunities for urban youth to deliver labor and landscaping services in the community. Jared draws inspiration from the reflections of Nina Simone, the spirit of Malcolm X, and the creative inspiration of Jean-Michel Basquiat. And he lives his life according to his own thesis. "I don't want to be a Modern Day Martin or Malcolm or Jobs. I want to be a Modern Day Me."



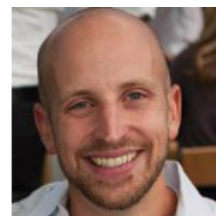
Catherine Malmberg
Director of Public Infrastructure & Strategic Development
Destination Medical Center

Catherine Malmberg has worked as a real estate developer on mixed-use, transit-oriented, urban infill developments with a focus on a triple bottom line investment approach that incorporates environmental, social, and economic goals. Design excellence, resiliency planning, and innovation are common threads in her past projects in New York, Boston-Cambridge, DC, Houston, Seattle and Atlanta metro areas. Currently she is based in Minneapolis, where she runs her own practice (Malmberg Projects) as well as serving as the Director of Public Infrastructure and Strategic Development for the Destination Medical Center (DMC EDA) in Rochester, MN. Destination Medical Center is a public-private partnership designed to leverage the growth of Mayo Clinic and other businesses and institutions within Rochester to create economic opportunity for the local community, region, and state. DMC is a 20-year, \$5.6 billion plan designed to position Rochester as the world's premier City for Health. She is also an affiliate practitioner at the University of Minnesota's Minnesota Design Center, where her teaching and research interests include citizen participation in the built environment, project prototyping as a market catalyst, and the intersection of urbanism, behavioral economics and health. She holds an AB in History & Literature from Harvard and a M.Arch from Princeton University.



Raheem Manning
Night-time Economy Director
City of Philadelphia

Raheem is a Philadelphia-based business development professional with years of experience spanning entrepreneurship, civic engagement, marketing, and advertising along with arts and culture advocacy roles. As the City's first Night Time Economy Director, Raheem serves with the Philadelphia Department of Commerce, Office of Business Development & Workforce Solutions. In this newly created role, Manning leads public engagement efforts to develop a strategic governance plan and advocate for policies that support the City's attraction and retention of companies within its night-time economy. Previously, Raheem served as the Co-Chair of the City's Arts and Culture Task Force, coordinating with City leadership and legislators to advocate for effective changes that strengthened Philadelphia's night-time economy. Manning conducted community-based research with stakeholders to prepare recommendations that support Philadelphia's arts, culture, and nightlife sectors. His work collaboratively resulted in almost \$3 million in direct grant funding to over 1500 individual artists and 60 small and medium-sized art and culture organizations. Philadelphia's Night-Time Economy Director role is an implemented recommendation from the Arts and Culture Task Force. Raheem earned a Bachelor of Arts from Clark Atlanta University, Masters in Business Administration from Thomas Jefferson University, and holds certification in International Business from East China Normal University.



Max Musicant
Founder and Principal
The Musicant Group

Max Musicant is the Founder and Principal of The Musicant Group, an award-winning placemaking firm dedicated to transforming underutilized spaces into great places where people want to be. The firm has pioneered a holistic approach to the creation of place that integrates design, events, and management systems all through the lens of the user experience. Since its inception in 2012, The Musicant

Group has transformed places as varied as Class A office buildings to front yards, from urban main streets to suburban strip malls, from block parties to bus stops. Through these and other projects the firm has demonstrated that community and commercial interests all benefit from more humane, inviting, and lively places for people. Max holds an M.B.A. from the Yale School of Management and a B.A. from the University of Wisconsin – Madison.



Gabe Philibert
Founder and President
Lova Management Group

Over the past 23 years, Gabe Philibert has spent his professional career in the banking and finance industry, with a focus on commercial real estate. During his career, Gabe has collectively underwrote, managed, and closed over \$2 billion worth of commercial real estate transactions. Gabe's most recent leadership role was with Bell Bank as a Senior Vice President of Community Development, where he was focused on business development and community engagement with numerous BIPOC entrepreneurs, businesses, and community organizations.

Prior to his community development role, Gabe served as the Commercial Real Estate Team Leader for Bell Bank's East Region, where he worked alongside Bell's East Region CRE banking team to grow Bell's client portfolio with local, regional, and national commercial real estate firms.

Gabe also worked at U.S. Bank in the Commercial Real Estate Finance division in Minneapolis, working closely with a team managing regional and national development and investment client relationships. Gabe currently serves on the Wallin Education Partners Alumni Board and serves as the Vice Chair of ULI Minnesota's Management Committee.



Neil Reardon
Partner, Vice President
Esg | Architecture & Design

Neil has been engaged in ULI Minnesota leadership for five years. A valued Partner and Project Manager at ESG for office, retail, mixed-use, multifamily residential, and multi-use master plan developments, Neil guides his clients' projects from conception through completion with the highest level of efficiency, expertise and business acumen. He also delivers buildings on budget and on schedule, while addressing functionality for owners and users. Neil continually introduces new construction types, materials, and aesthetics into projects in balance with client needs and expectations. He interacts with clients at a high level, really getting to know their business in order to create a dynamic vision for their projects. From handling meetings and approvals to creating clean and clear documents, Neil helps to deliver stellar projects efficiently and effectively. In city building, Neil works to create balanced, built urban environments by working with clients on his projects to continually improve the pedestrian and building-user experience.



Robyne Robinson
Principal
five x five Public Art Consultants

Robyne Robinson is one of the Twin Cities' best-known personalities. An Emmy award-winning news broadcaster, she was the first African American prime time anchor in Minnesota, and the first to be inducted into the Minnesota Broadcasting Hall of Fame. Her unwavering support of communities of color, LGBTQIA, women's issues as well as the arts have made an indelible impact on media coverage in the Twin Cities. Robyne is currently Principal Consultant for five X five Public Art Consultants, working with clients such as the Minnesota Historical Society, Alliance Architects and Minneapolis-St. Paul International Airport, where she also helped create millions of dollars in commissions for the state's visual and performing artists for six years as Art Director. Robyne was recently on the Selection Committee for

the Crown Our Prince Project, a 100-foot mural in Downtown Minneapolis by Miami artist Heiro Viegas honoring the music icon. She's currently leading public art projects in Minneapolis reflecting social justice and healing following the execution of George Floyd by former police officers. Robyne has served as a Public Art Coordinator for city of Carlsbad, California and is Public Art Planner for the City of Albuquerque, New Mexico — coordinating artist workshops, installations and managing more than 1,800 works in the city's collection.



John Slack
Associate Principal, Urban
Design Practice Leader & Senior
Landscape Architect
Perkins & Will

Having traveled to every US state except Alaska with his military family,

John grew fascinated by how people use urban spaces, and how buildings interface with them. As an urban designer and landscape architect, John's work is influenced by his love for nature, art, and design, as well as his Japanese culture, which was bestowed upon him by his mother. His admiration for the minimalistic characteristics of historic Japanese sites is reflected in his design process, where he carefully considers how to scale back a design. With rigor and dedication, he seeks to simplify and clarify. A long-term mentor with ULI and city volunteer, John seeks to serve his broader community and believes in the strength of the relationships to get things accomplished. He knows he's successfully engaged his audience when he starts to see a shift in their mindset - from 'we can't' to 'I hadn't considered that before.'



Carl Atiya Swanson
Executive Director
National Independent Venue
Foundation

Carl Atiya Swanson is a creative with an MBA, a third-culture kid, and a practical optimist. Carl is founder of

Cast Consulting, LLC, a firm focusing on strategy and creative work to spark change in the culture and community sectors. He has served as the Executive Director of the National Independent Venue Foundation, working to support the independent live entertainment community, and as the Associate Director at Springboard for the Arts, a national leader in artists resources and artist-led community development. Carl is a writer, artist, and theatermaker, a 2019 Cultural Innovator Fellow with the Salzburg Global Seminar, and has served on the boards of the Catalyst Music Twin Cities, Young Nonprofit Professionals Network - Twin Cities, and Dissonance, advocating for mental health and wellness in creativity. Carl holds a BA in Studio Art from the University of Southern California and an MBA from the University of St. Thomas Opus College of Business.



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APPENDIX A: ANALYTIC CONTENT

As part of the preparation for this Technical Assistance Panel, ULI Minnesota commissioned an independent analysis from Visible City, a firm with expertise in data analytics, to provide research to gauge the magnitude of a series of variables to Minneapolis' underlying public finance.

Analytic Content for Warehouse District TAP by Visible Cities, [linked here](#).





Minnesota

Analytic Content for Warehouse District TAP
November, 2023



Behavioral Data

Through partnership with  Placer.ai



Market Data

Leasing, occupancy, property value, property tax



Demography

Age, income, race and ethnicity, education



Comparable Cities

Similar communities: Conditions and responses

Downtown Minneapolis Context

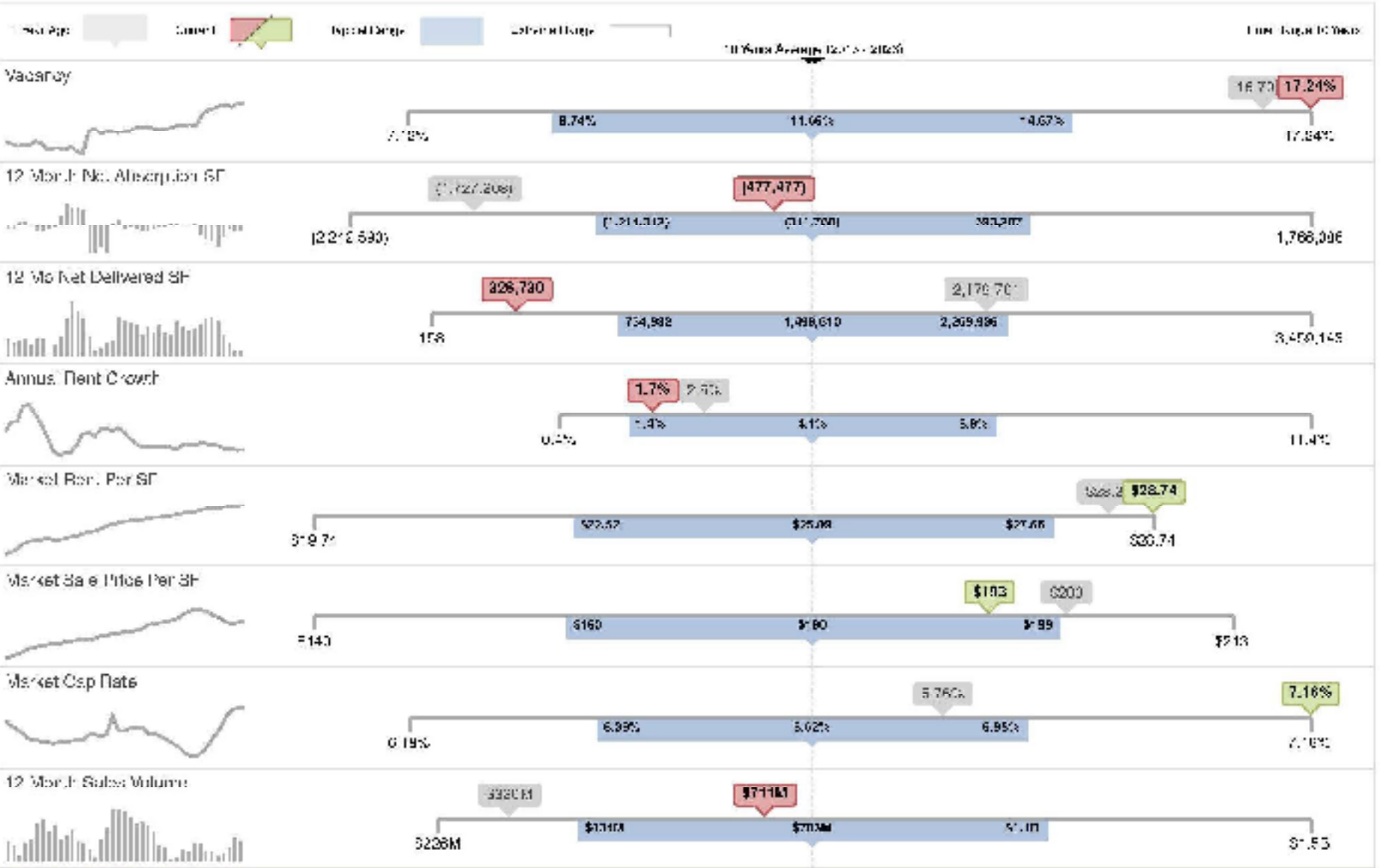


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»»» Downtown Context: Real Estate Market Condition

Key Performance Indicators



»»» Downtown Context: Aggregated Travel Behavior

Index	Metric	DTMPLS Rank
University of Toronto School of Cities Count of unique visitors vs. 2019	56%	64 of 66
Placer.ai Dining and grocery foot traffic vs. 2019	81%	-
Inrix Vehicular trips downtown vs. 2019	82%	10 of 22
Inrix January-July 2023 vehicular trips chg	7%	8 of 22

Activity Measure: Scooter and E-Bike Destinations

DOWNTOWN MINNEAPOLIS
Scooter Trip Ends • 2023



Data source: iStock - County of Hennepin & GoogleMap

Warehouse District Overview



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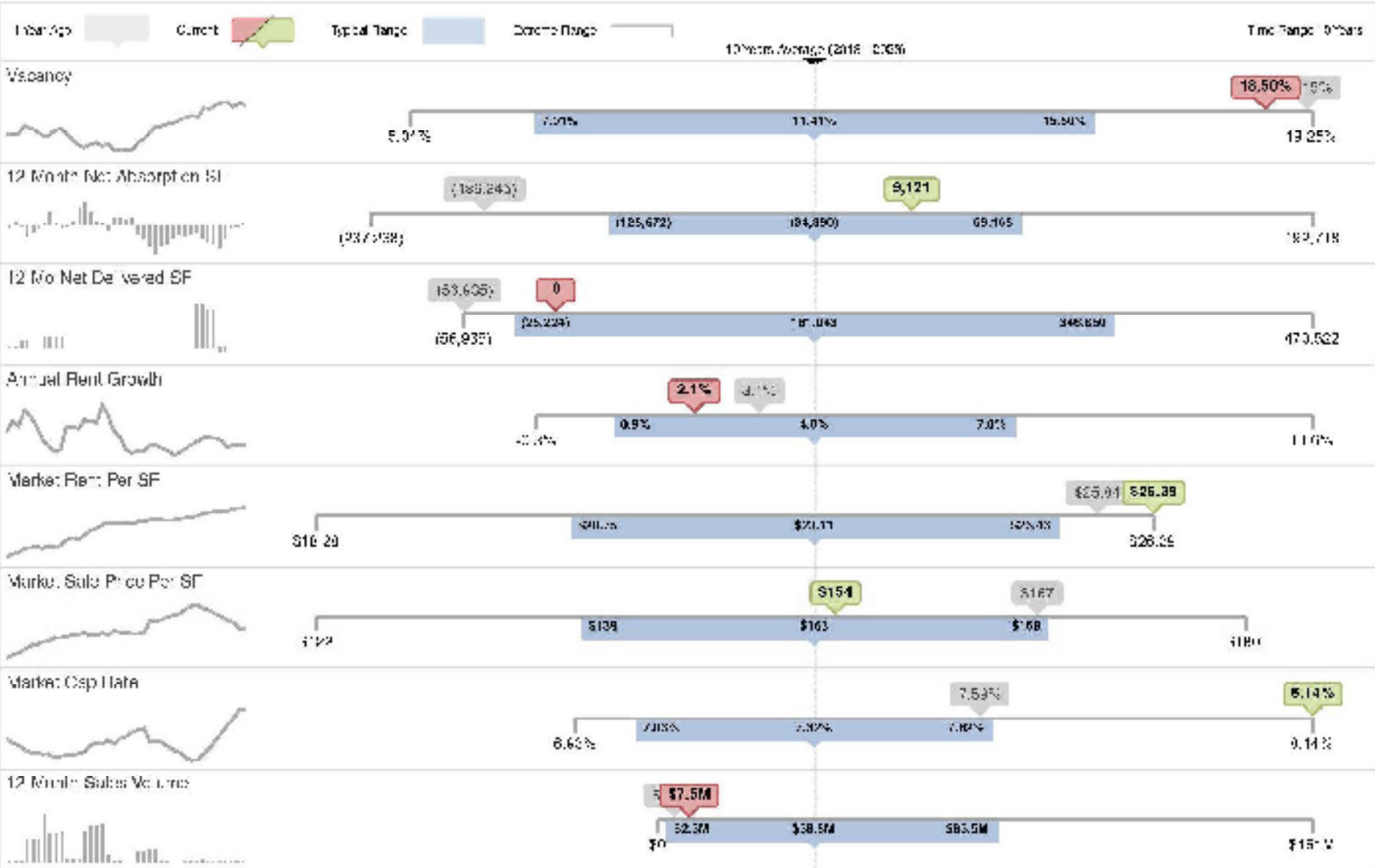


Warehouse District Geography



Warehouse District Real Estate Market Condition

Key Performance Indicators





Warehouse District Market Inventory

Element	Value
Current Office Square Footage	2,957,959
Available Office Square Footage	1,052,991
Available Office as Percent of Current Total	36%
Current Specialty/Entertainment Square Footage	953,783
Hotel Rooms	462
Current Residential Units	744
Residential Units Under Construction	48
Planned Residential Units	432

Source: JLL, CoStar

Warehouse District Context: Leasing Activity

Months On Market



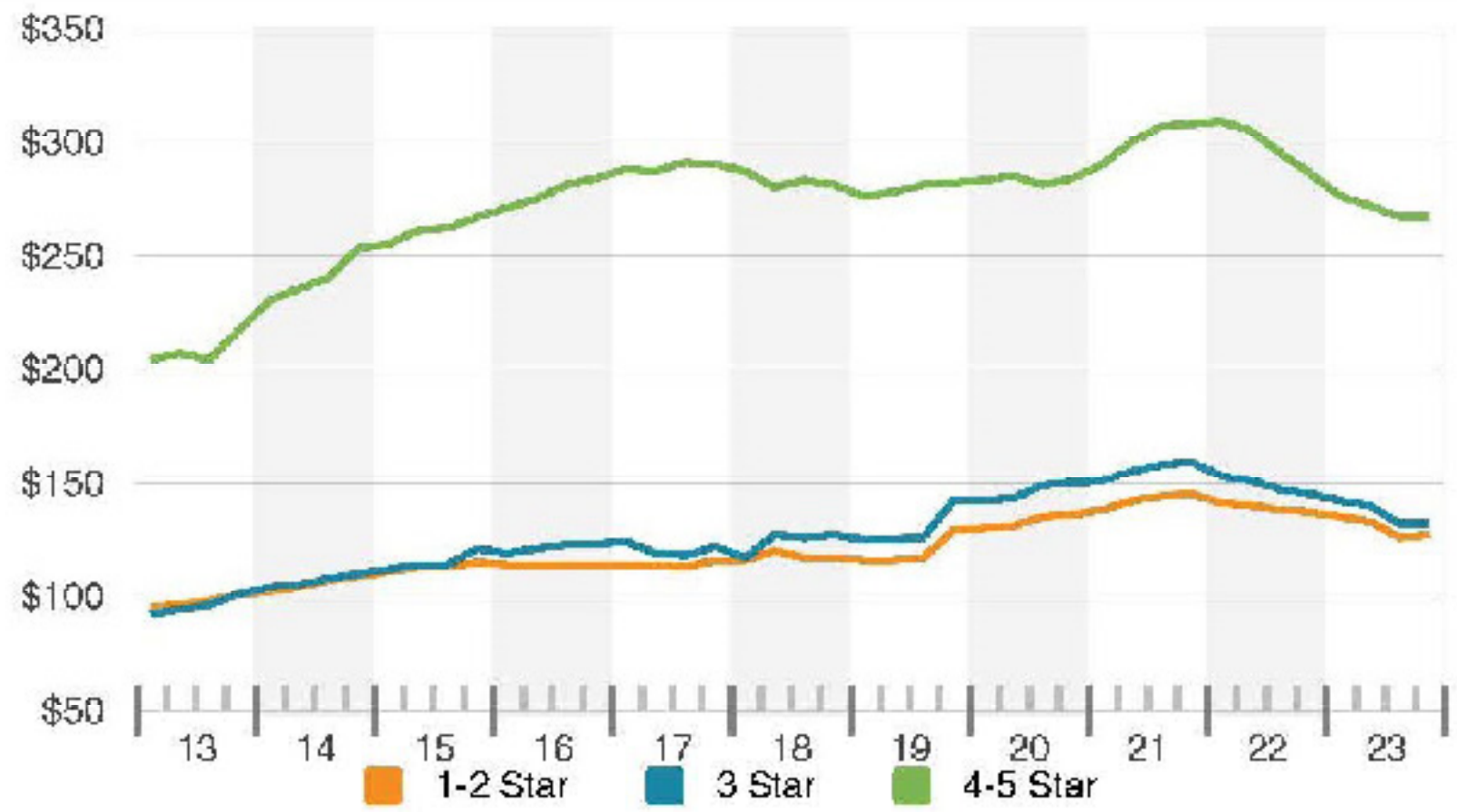
Warehouse District Context: Leasing Activity

Available SF Total & Sublet Share %

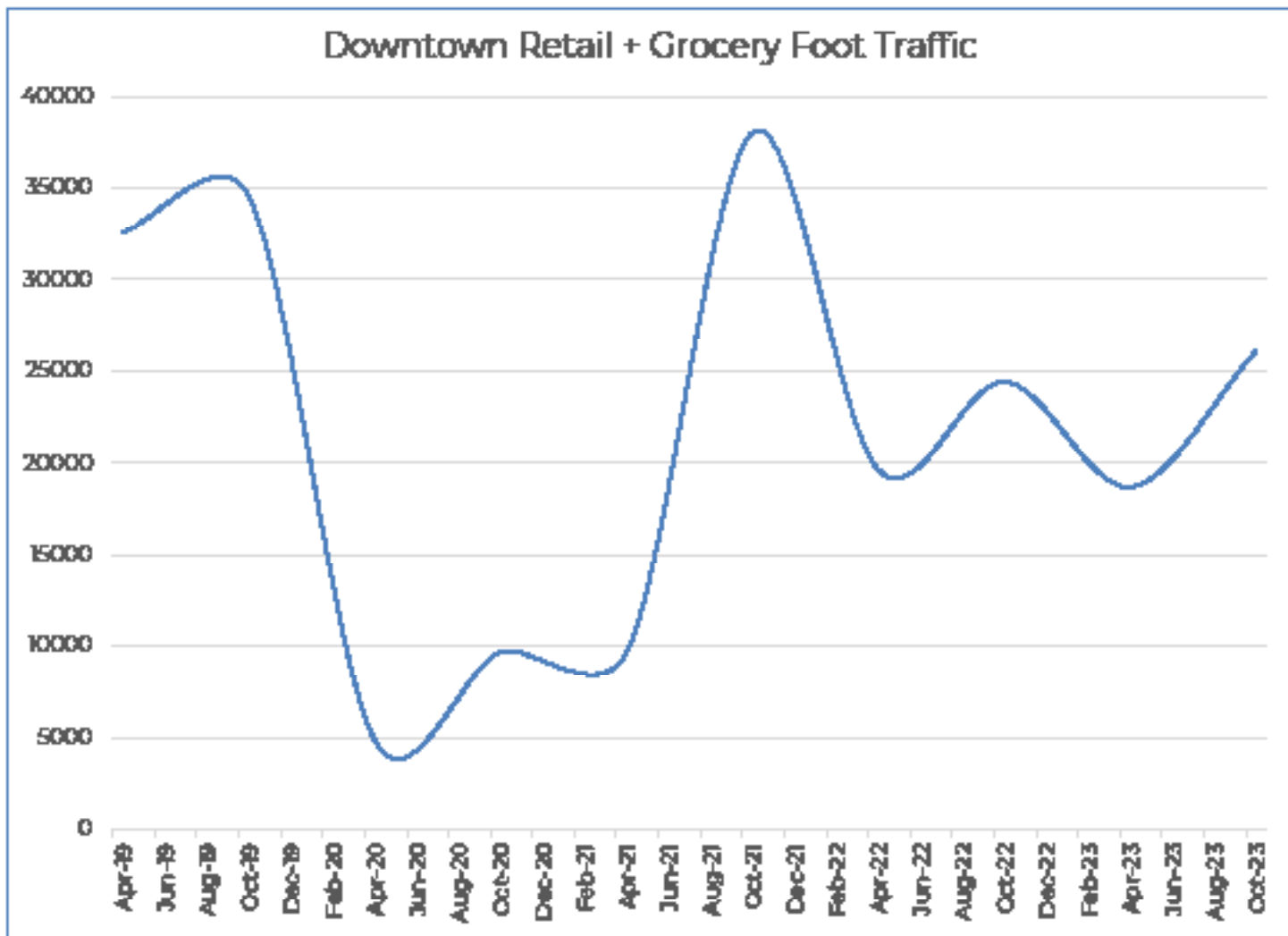


Warehouse District Context: Valuation Trends

Market Sale Price Per SF By Star Rating

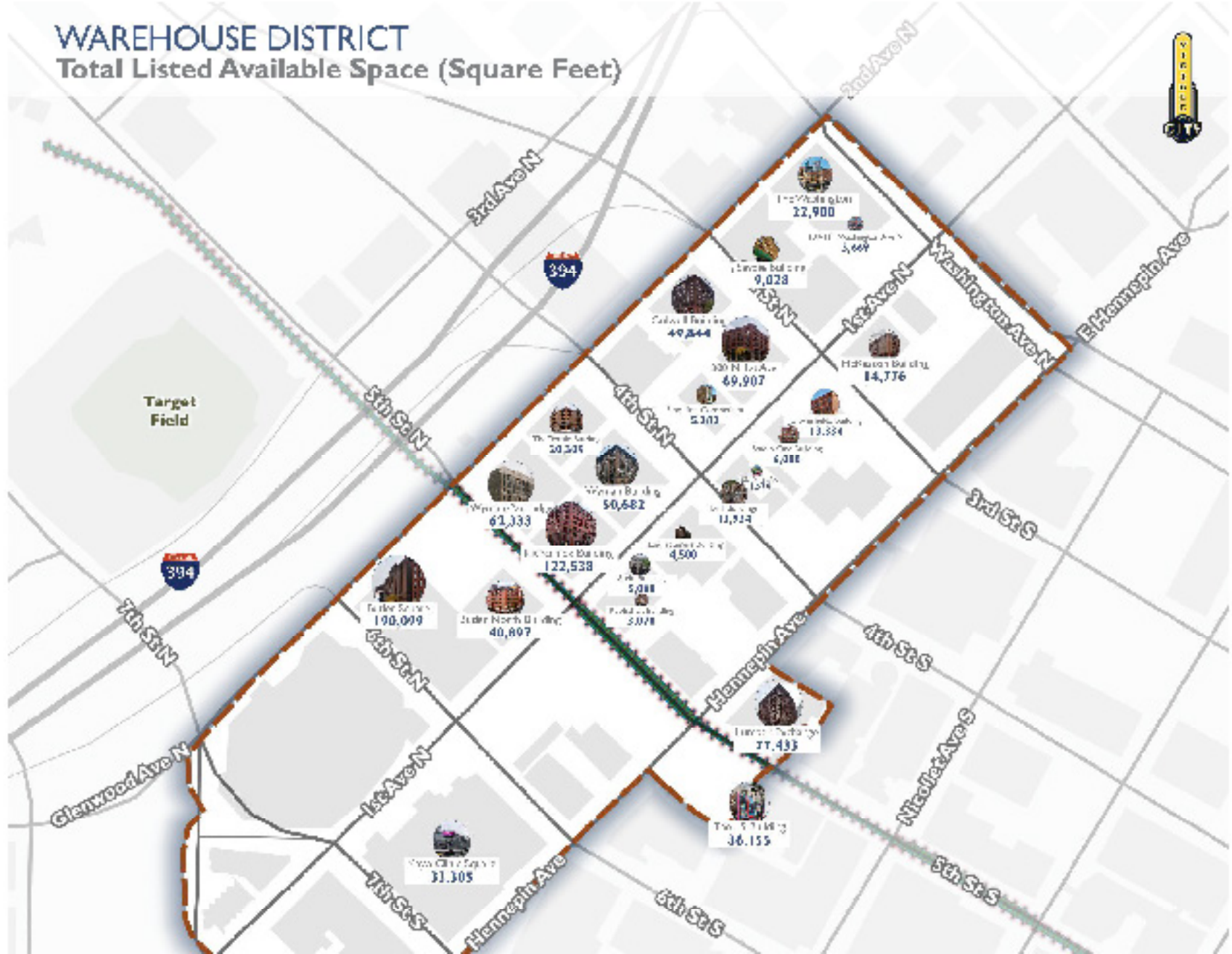


Downtown Grocery + Retail Foot Traffic Trend



Warehouse District: Total Listed Available Space

WAREHOUSE DISTRICT Total Listed Available Space (Square Feet)





Property Tax Revenues: Downtown, Warehouse District, Citywide

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Share of Minneapolis Property Taxes Paid: Total

DOWNTOWN MINNEAPOLIS
Property Taxes Payable, 2010–2023



Data source: City of Minneapolis, Public Open Data

Share of Minneapolis Property Taxes Paid: Office

DOWNTOWN MINNEAPOLIS
Office | Property Taxes Payable, 2020–2023



Change in Taxes Payable by Office Parcel 2020–2023		DOWNTOWN MINNEAPOLIS TOTAL EST SHARE OF CITYWIDE* TAXES PAID: 19.1% (2020) 17.5% (2023)
■ -\$245K – -\$125K ■ -\$55K – \$0 ■ \$5K – \$20K	■ -\$35K – -\$5K ■ \$0 – \$5K ■ \$20K – \$1.8M	
<small> *Percent of all Minneapolis tax parcels, all use types †Percent of all Minneapolis tax parcels, all use types </small>		

Data source: Hennepin County, City of Minneapolis, City of St. Paul

Share of Minneapolis Property Taxes Paid: Total

WAREHOUSE DISTRICT
Property Taxes Payable, 2020-2023



Data source: Finance & Control, City of Minneapolis & OpenStreetMap

Share of Minneapolis Property Taxes Paid: Office

WAREHOUSE DISTRICT
Office | Property Taxes Payable, 2020-2023



Change in Taxes Payable by Office Parcel, 2020-2023

- Orange: -\$197K - -\$30K
- Yellow: -\$30K - -\$5K
- Light Green: -\$5K - \$0
- Dark Green: \$0 - \$45K

*Parcel with Land Use: Office, Warehouse, or Office Building
Based On: Warehouse & Office Store & Office

WAREHOUSE DISTRICT
TOTAL EST SHARE OF CITYWIDE TAXES PAID:

0.8% (2020)
0.6% (2023)

*Percent of all Minneapolis tax parcels, all use types

Location Study: Butler Square

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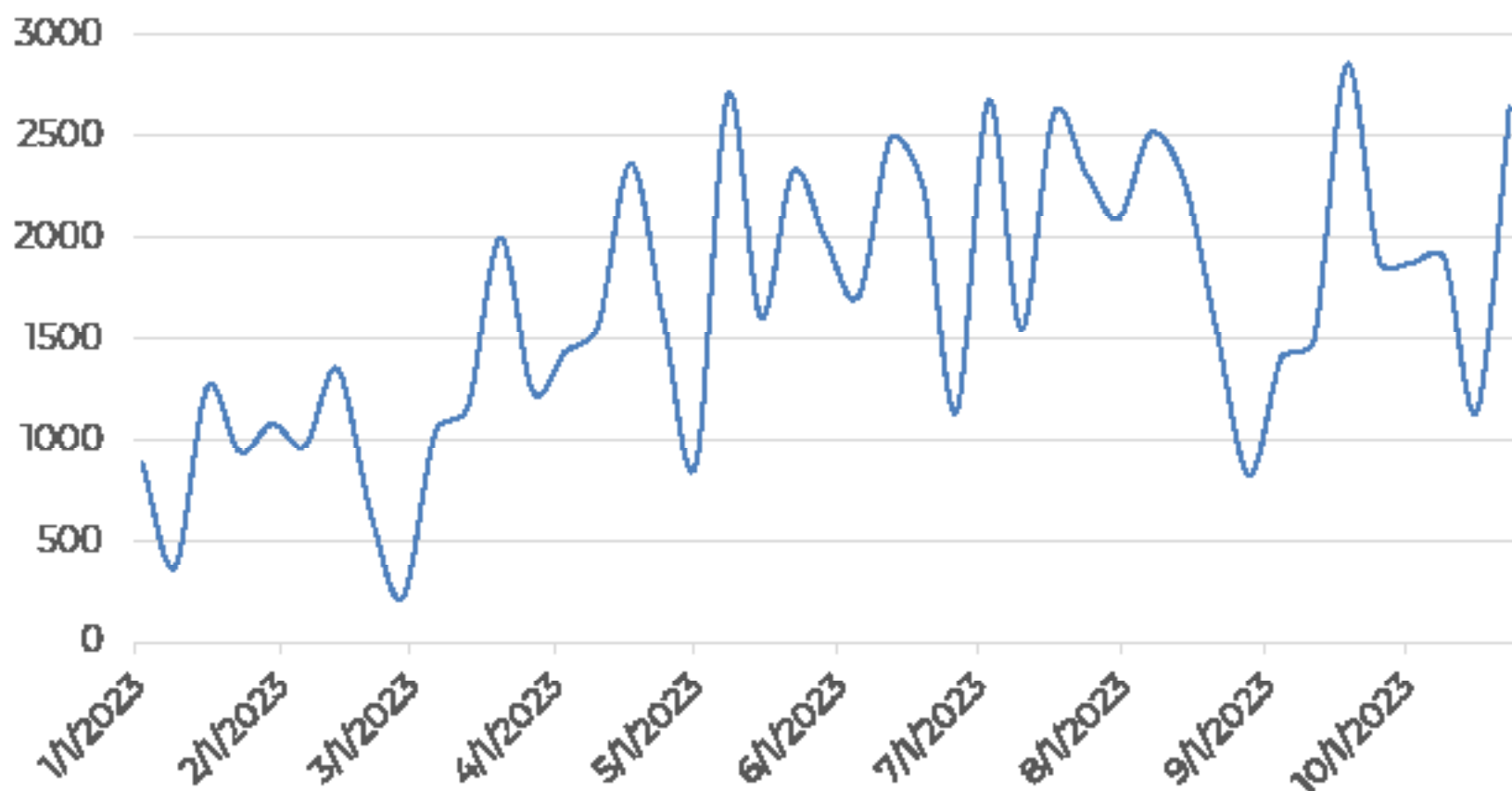




Butler Square Summary

- 70.9K Visits
- 48.5K Visitors
- Peak: 2,857 Visitors During the Week of July, 18th

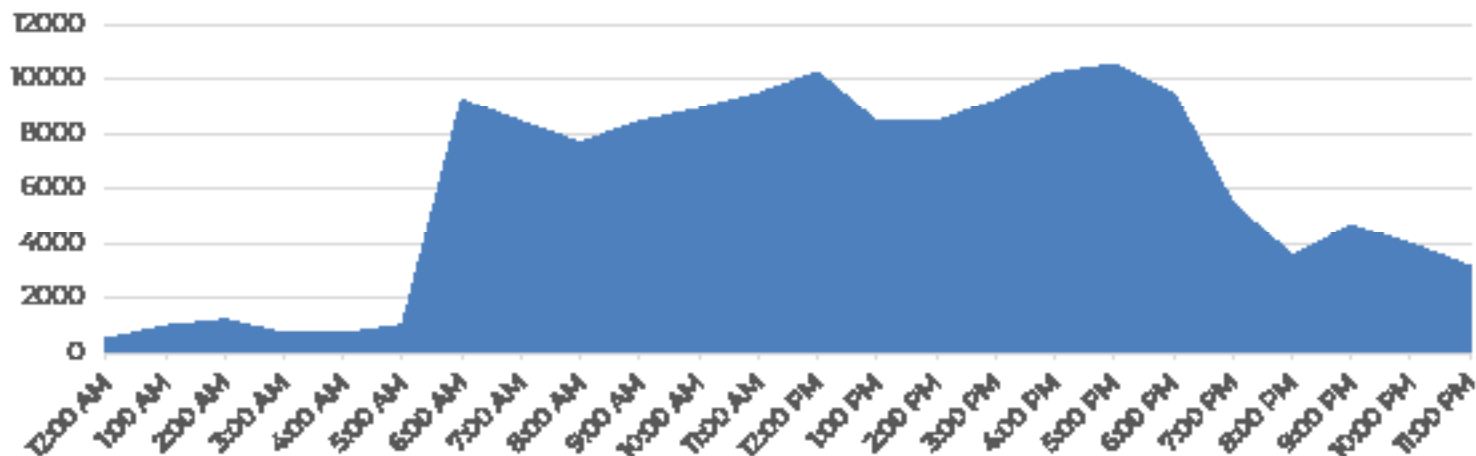
Butler Square Foot Traffic - 2023 YTD



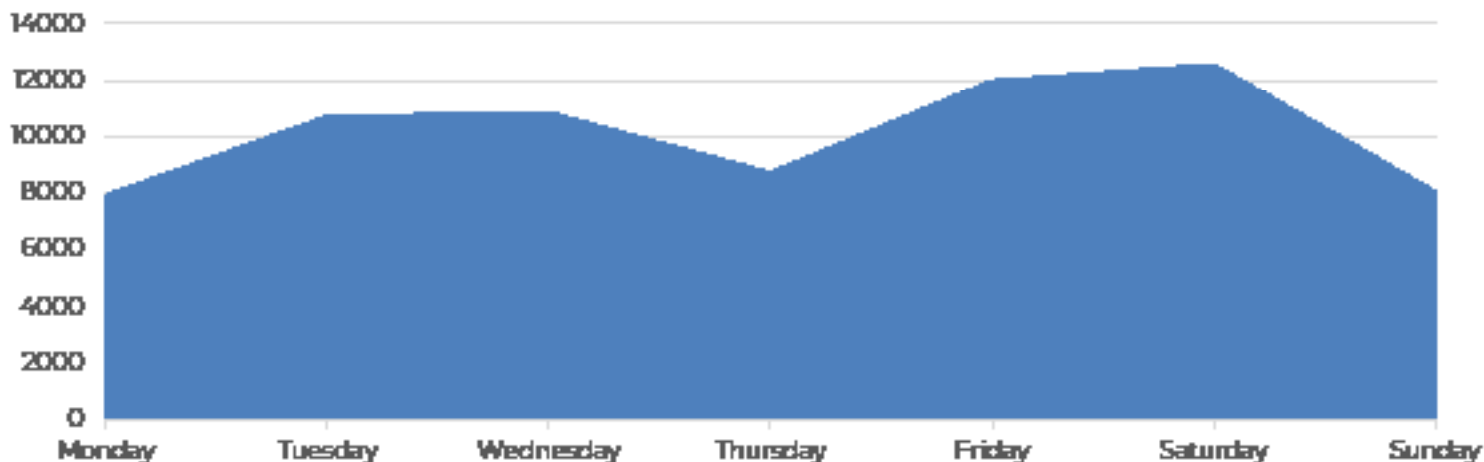


Butler Square Visit Trends

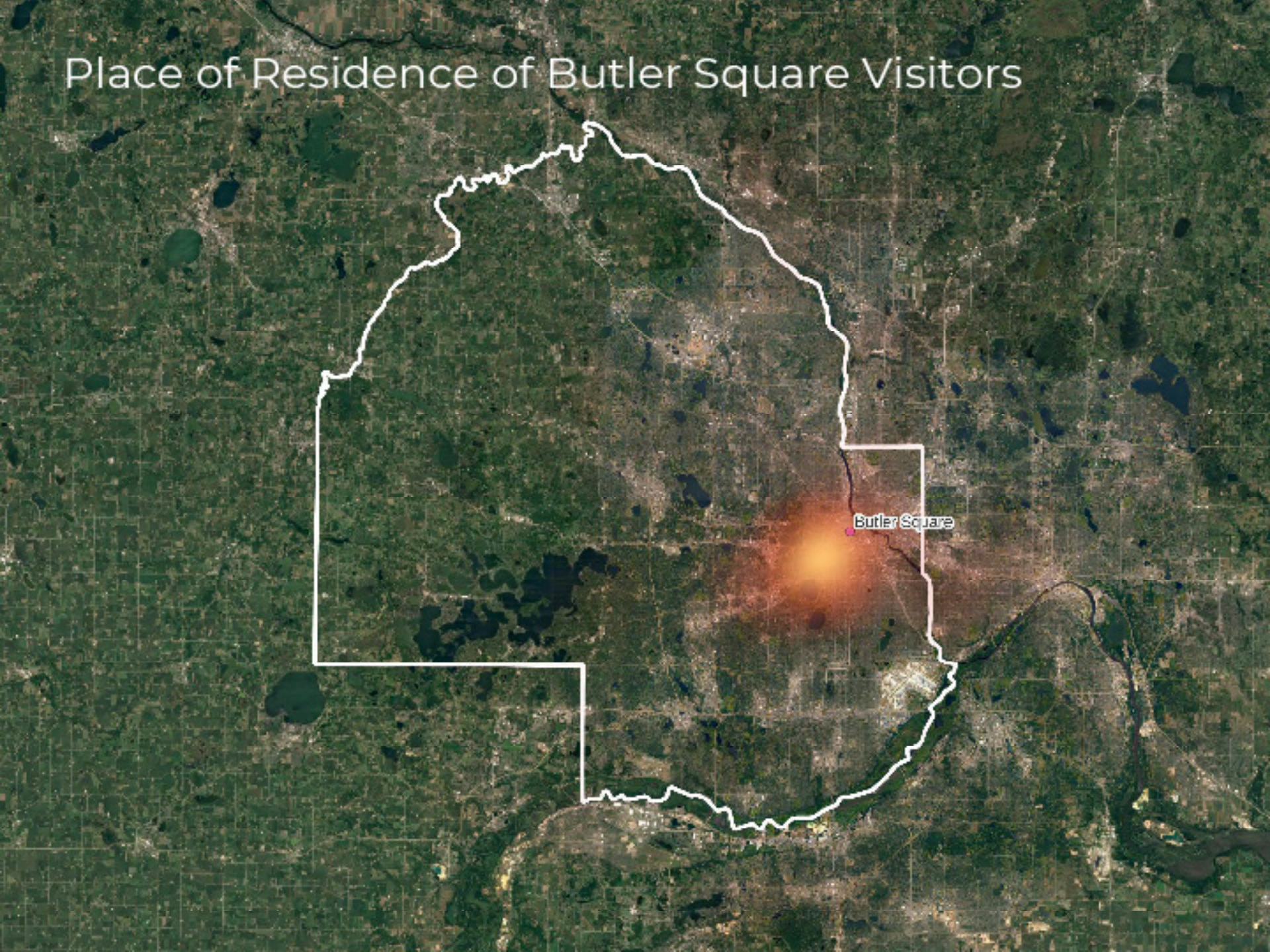
Time of Day



Day of Week



Place of Residence of Butler Square Visitors

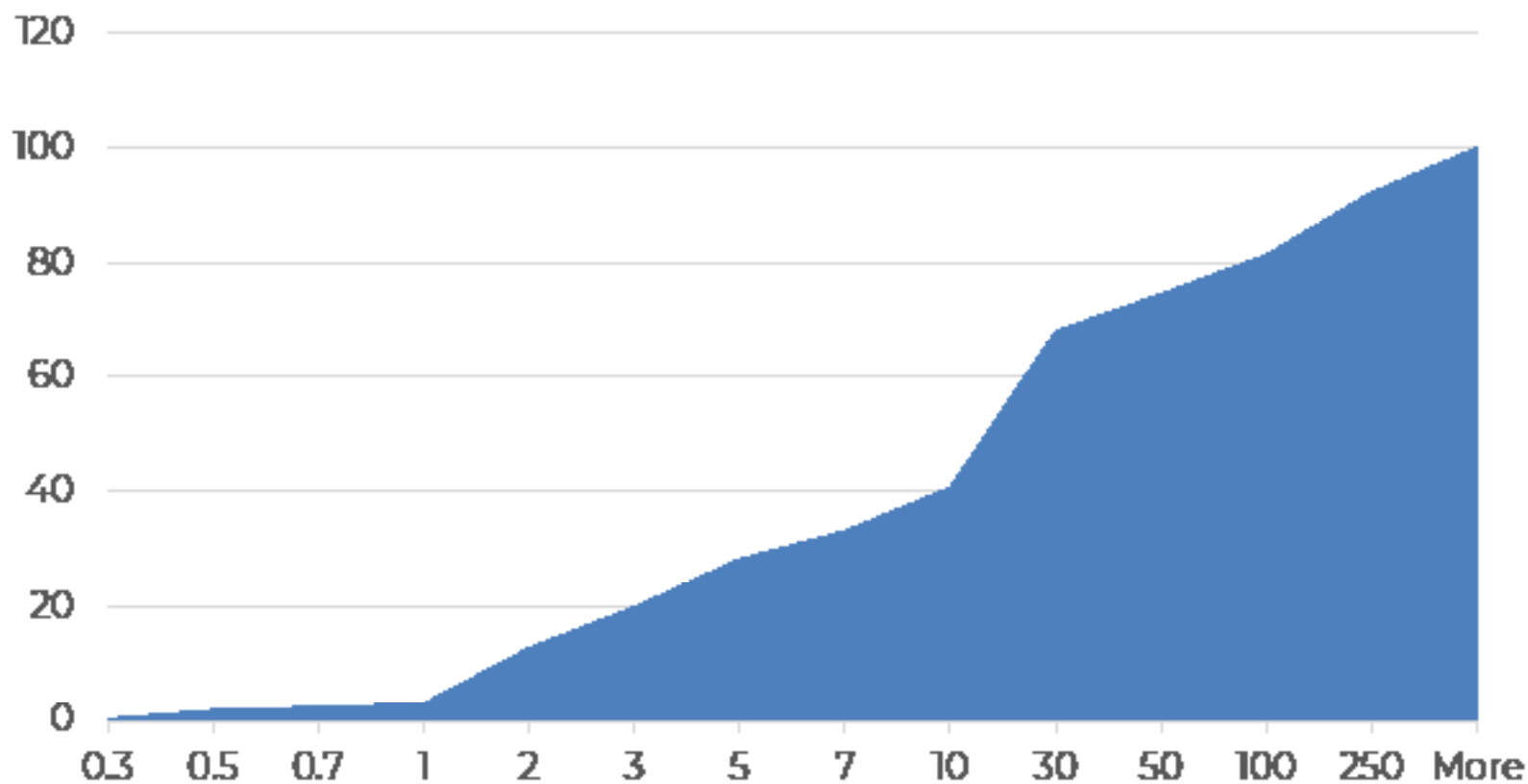




Butler Square Visitor Journey

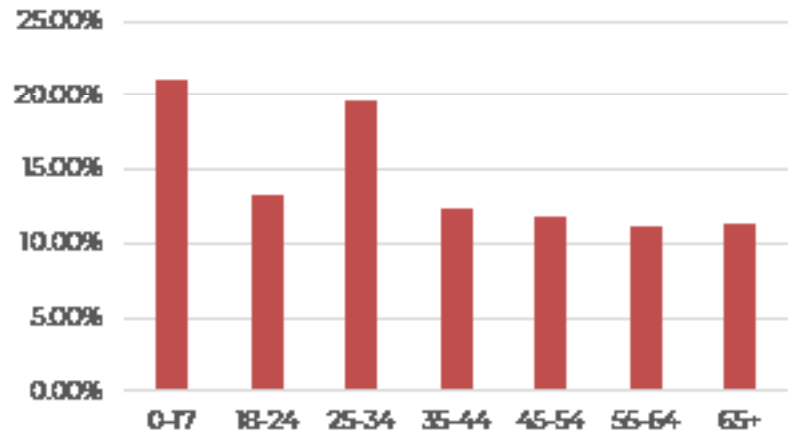
- 48.9% from Home (23.2% Returning)
- 10.2% from Leisure (27.5% Returning)
- 17.2% to Target Center

Visitor Travel Miles

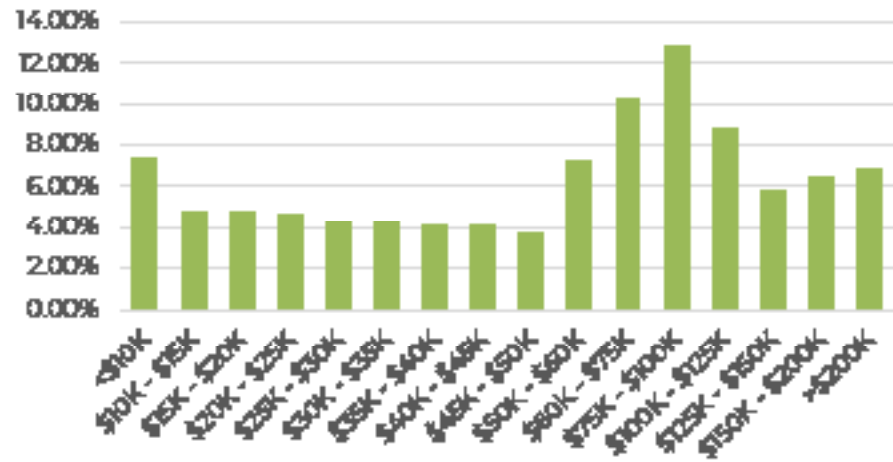


Butler Square Visitor Demographics

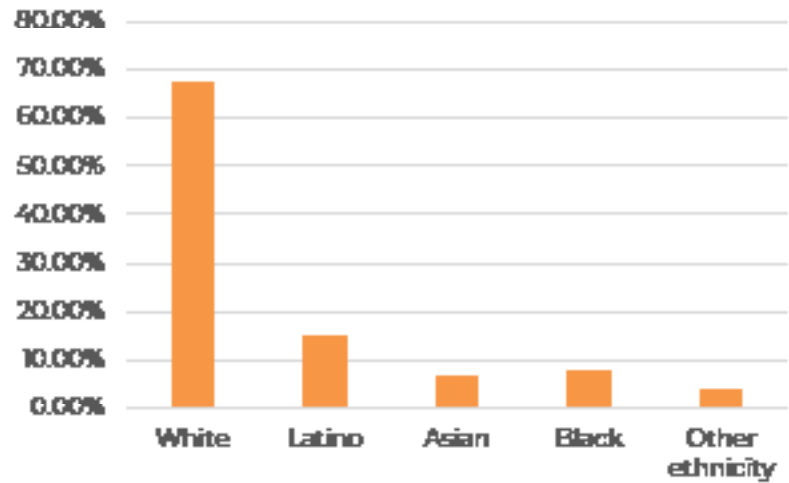
Age (Median = 32.4)



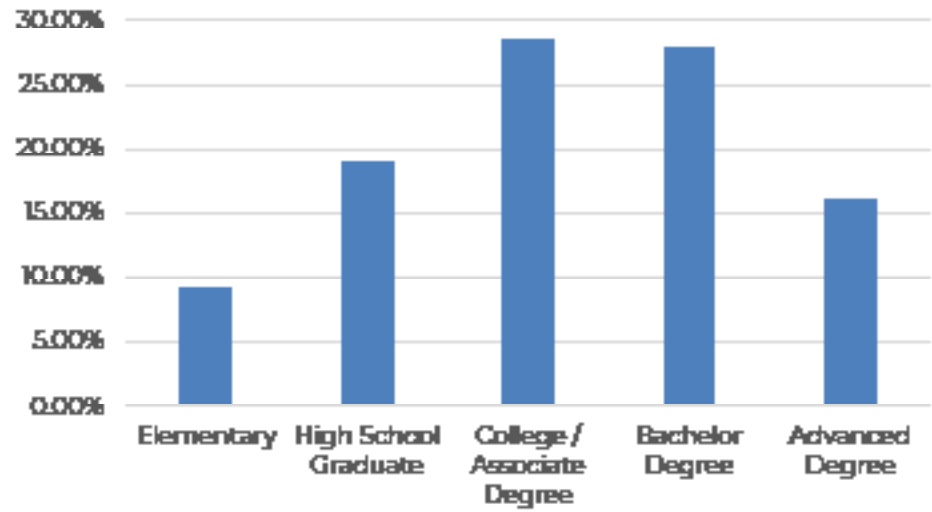
Household Income (Median = \$61,200)



Ethnicity



Education Level





Location Study: Lumber Exchange

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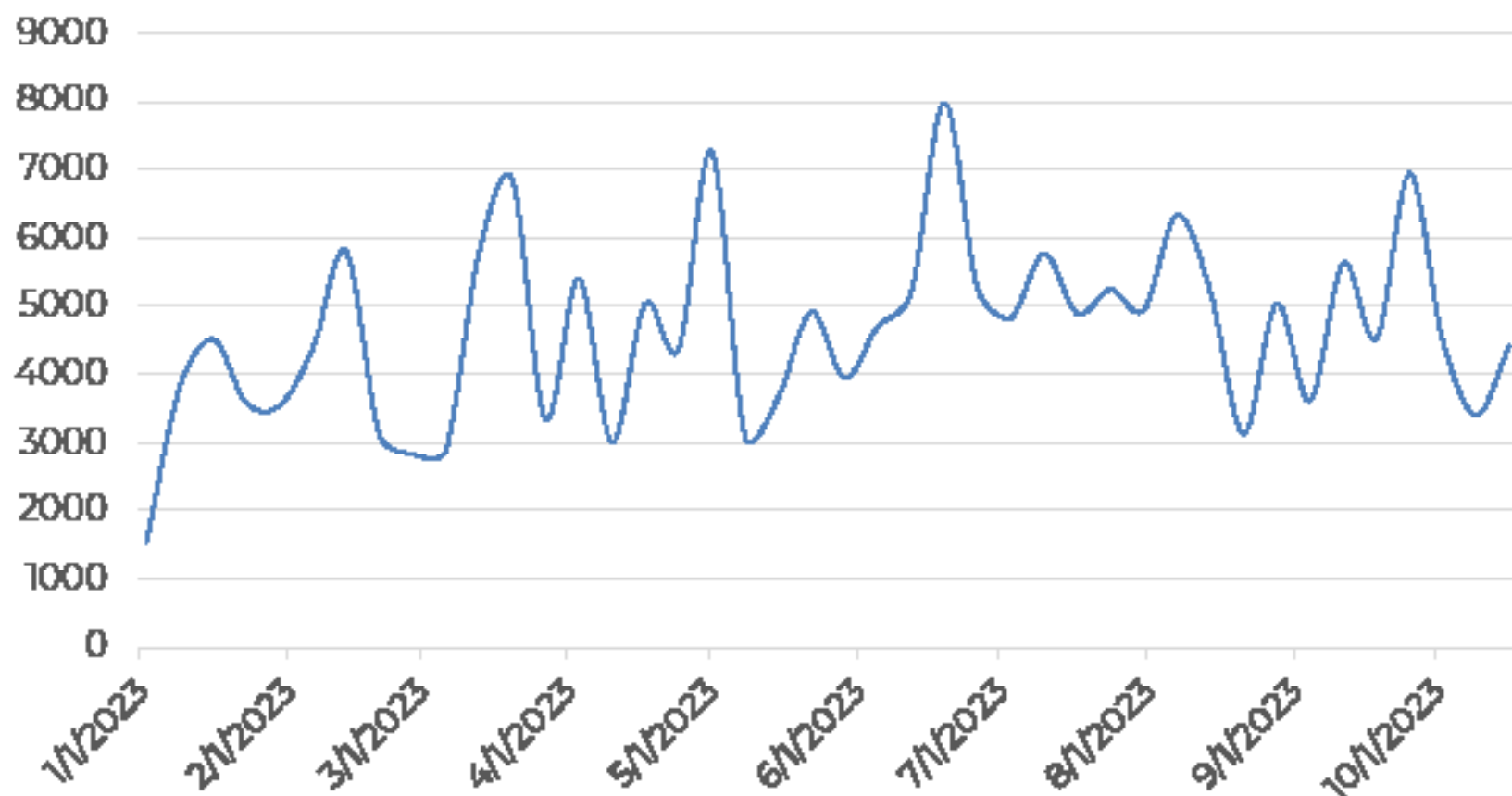




Lumber Exchange Summary

- **195.6K Visits**
- **119.2K Visitors**
- **Peak: 7,264 Visitors During the Week of June, 19th**

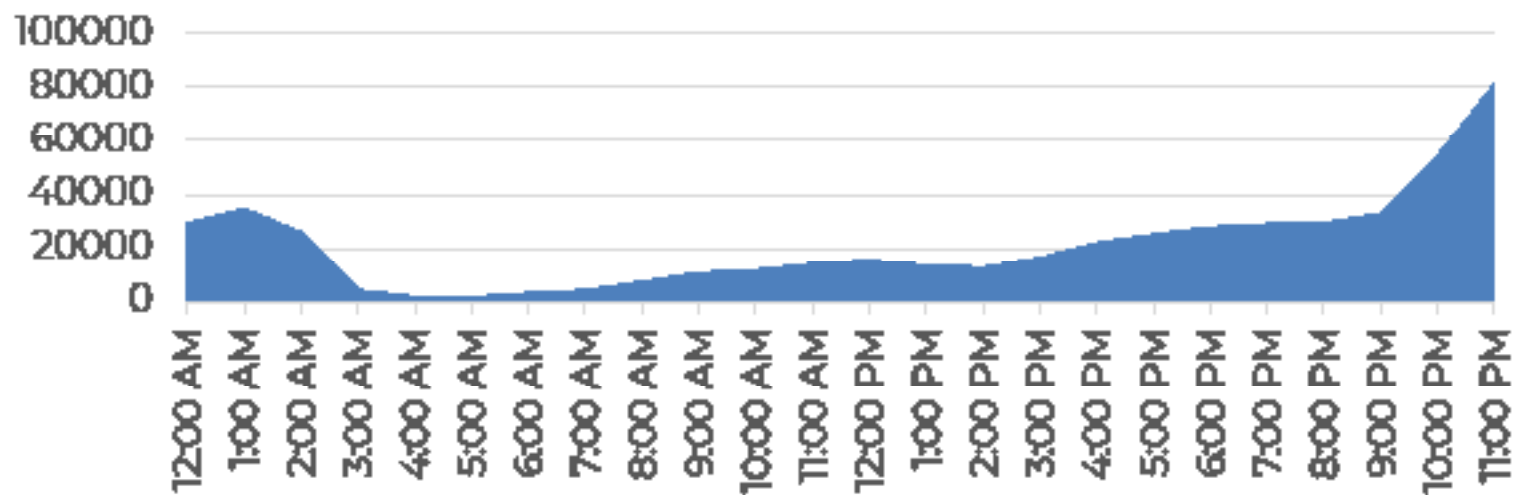
Lumber Exchange Foot Traffic - 2023 YTD



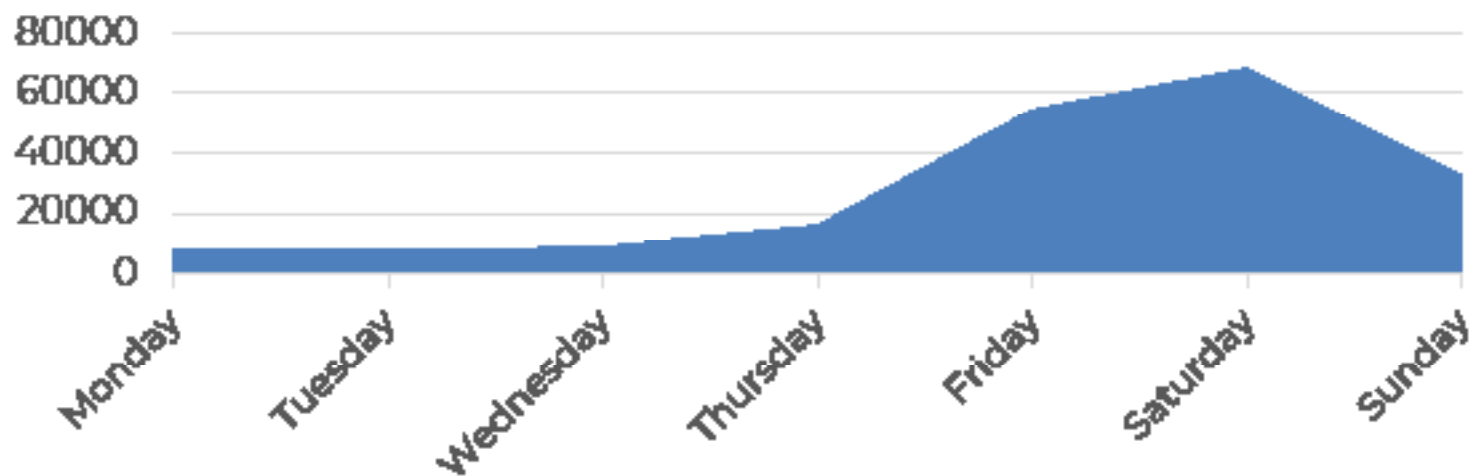


Lumber Exchange Visit Trends

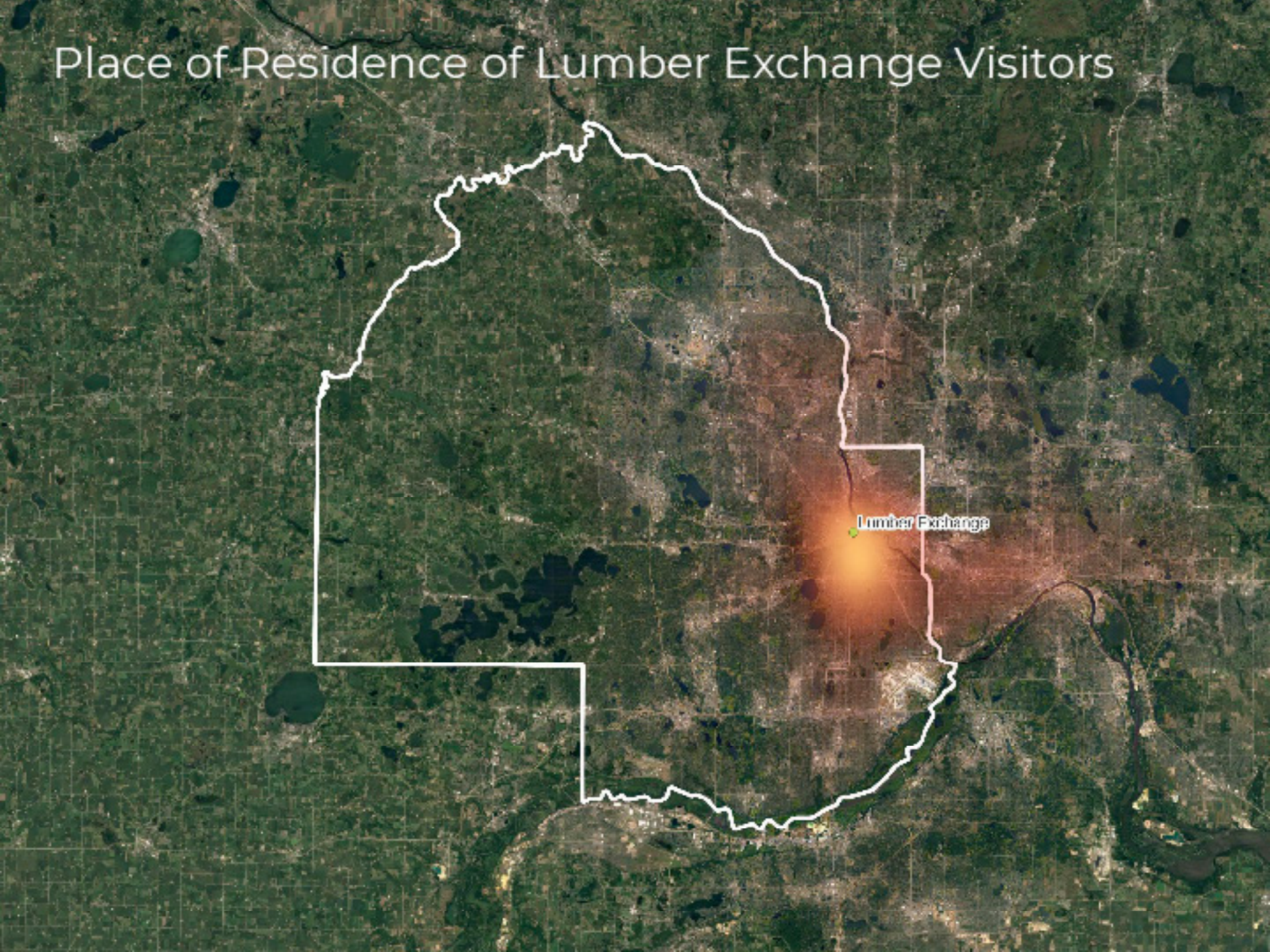
Time of Day



Day of Week



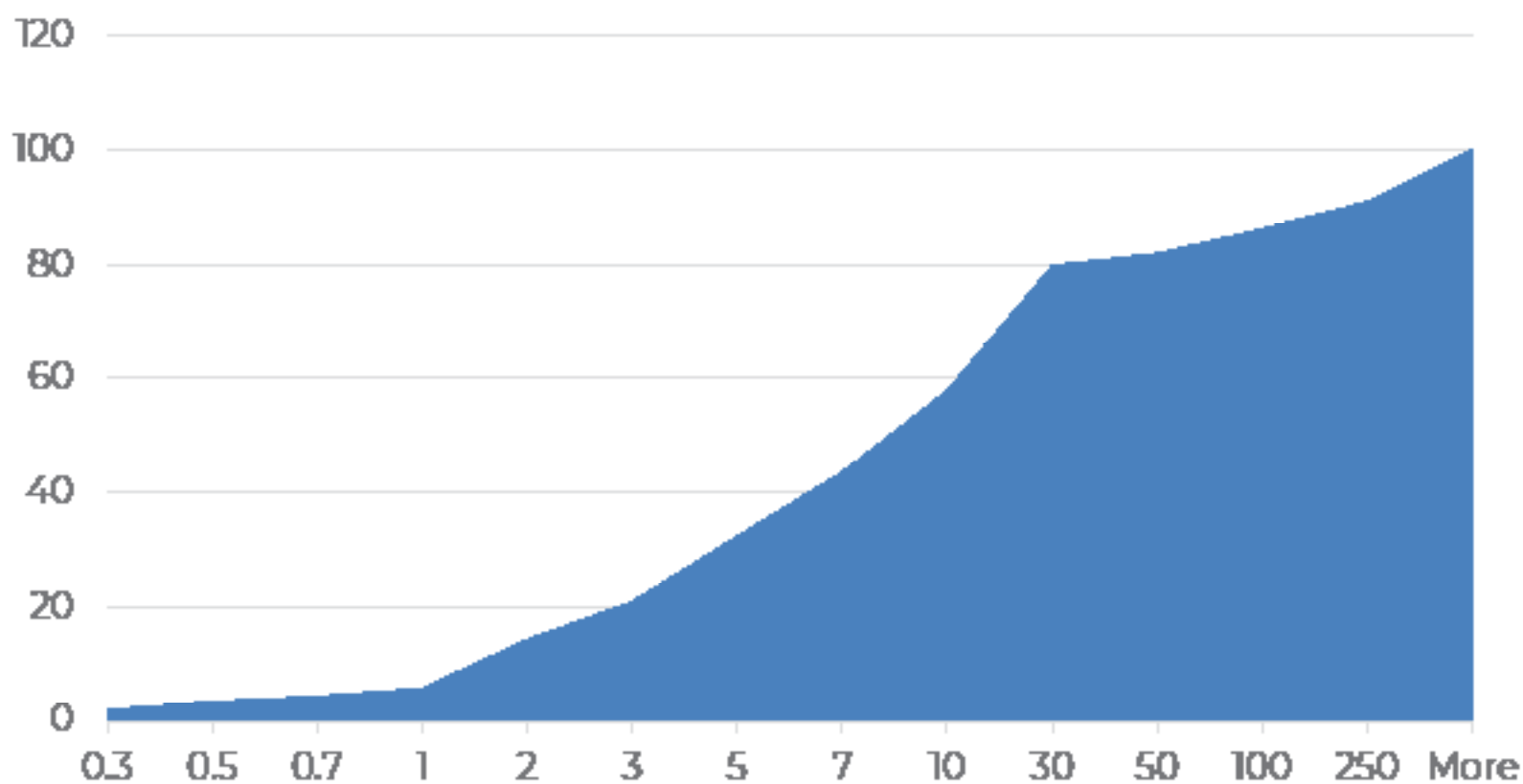
Place of Residence of Lumber Exchange Visitors



Visitor Journey

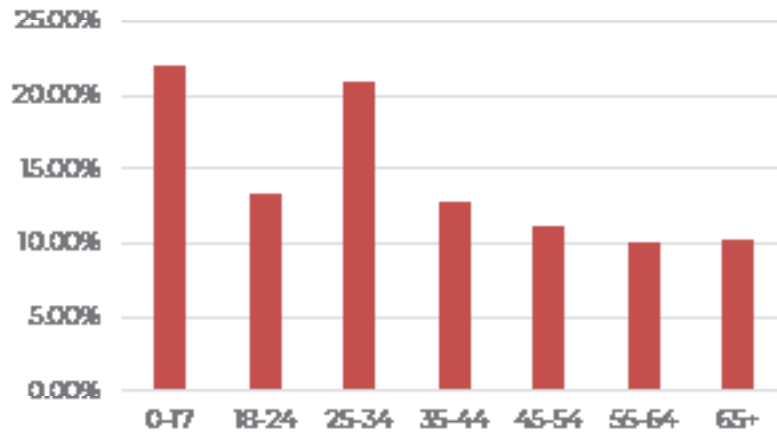
- 38.7% from Home (*41% Returning*)
- 15.3% from Leisure (*18.8% Returning*)
- 7 % to Gay 90's

Visitor Travel Miles

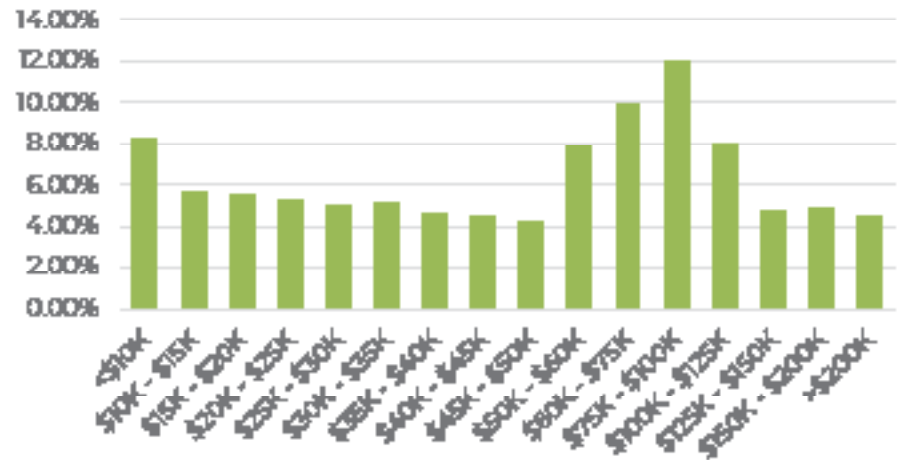


Visitor Demographics

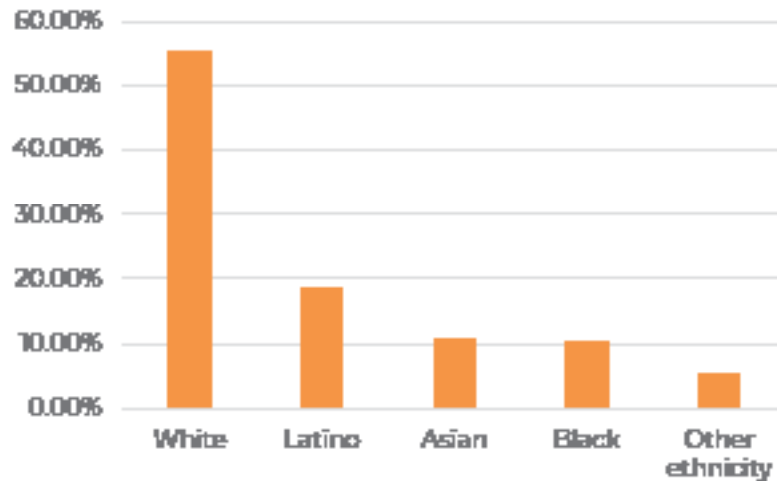
Age (Median = 31.4)



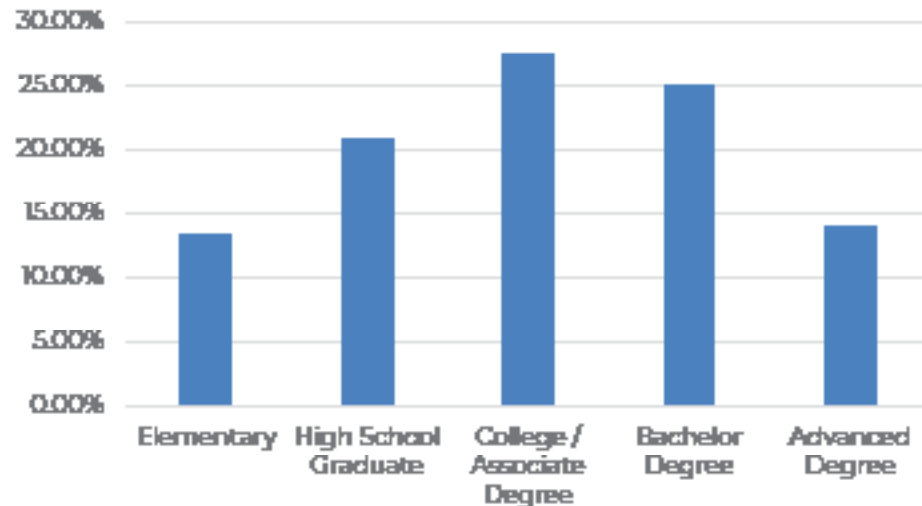
Household Income (Median = \$72,300)



Ethnicity



Education Level





Comparable Cities: Conditions and Responses

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Comparable Cities: San Francisco, CA

Policy Response

Transfer Tax Waiver for Conversion

Description

Would waive the City's transfer tax (up to 6.00% on transactions over \$25 million) on office to residential conversions

Policy Status

Placed on March 2024 ballot

Policy Category

Direct Subsidy

Downtown Population

44,173

Downtown Jobs

271,458

Downtown Vehicle Volume vs. 2019

-41%

Downtown Transit Rides vs. 2019

-45%

2023 YTD Change in Downtown Trips

-1%

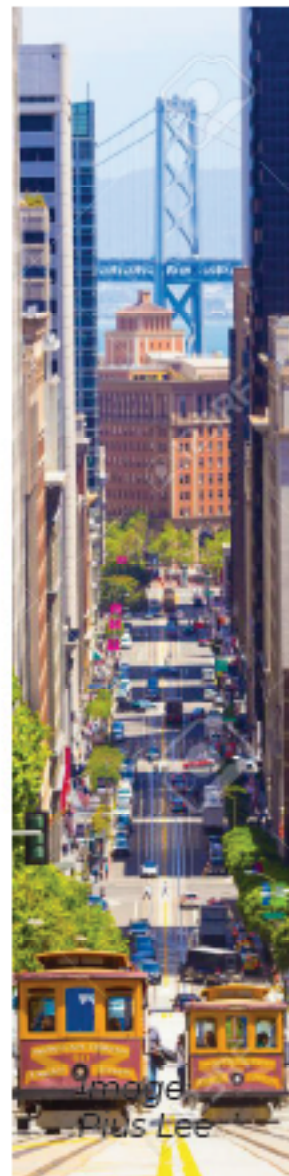


Image by Plus Lee



Policy Response

Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization Ordinance

Description

Allows relaxed requirements, and grants a potential density bonus for office to residential conversions applied for before 12/31/28

Policy Status

In Place

Policy Category

Process Simplification

Downtown Population 44,173

Downtown Jobs 271,458

Downtown Vehicle Volume vs. 2019 -41%

Downtown Transit Rides vs. 2019 -45%

2023 YTD Change in Downtown Trips -1%

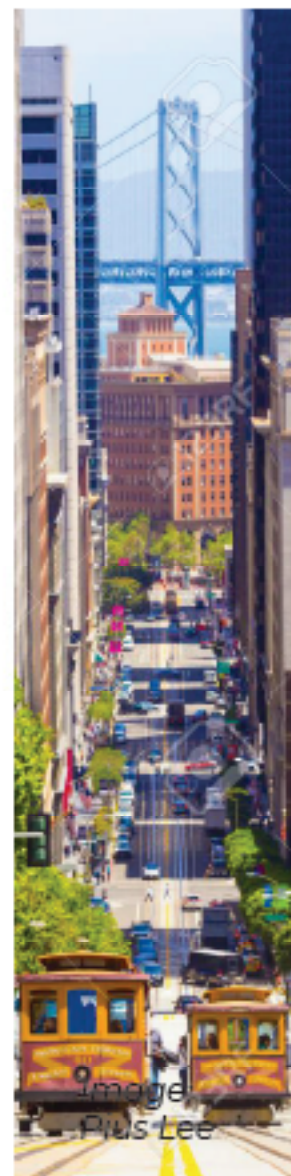


Image by Plus Lee

Policy Response

Upper Downtown Adaptive Reuse Pilot Program

Description

Downtown properties more than 30 years old and 50%+ vacant are eligible for expedited approvals and additional city project management, for office-to-residential conversions.

Policy Status

In Place

Policy Category

Process Simplification

Downtown Population

Downtown Jobs

Downtown Vehicle Volume vs. 2019

-2%

Downtown Transit Rides vs. 2019

-40%

2023 YTD Change in Downtown Trips

-4%



Image:
Getty

Policy Response

Downtown Res. Conversion Incentive Pilot Program

Description

Owners of office in plan area may receive property tax abatement up to 75% of market value for up to 29 years, if application is submitted by June 2024 and construction commenced by July 2025.

Policy Status

In Place

Policy Category

Value Capture

Downtown Population

Downtown Jobs

Downtown Vehicle Volume vs. 2019 -13%

Downtown Transit Rides vs. 2019

2023 YTD Change in Downtown Trips -4%





Comparable Cities: Los Angeles, CA

Policy Response

Citywide Adaptive Reuse Ordinance

Description

Expands a previous Adaptive Reuse Ordinance from downtown to citywide, and by relaxing specific physical unit requirements, and qualifying structures 15+ years old by right.

Policy Status

Recently Revised; In Place

Policy Category

Process Simplification; Broader Eligibility

Downtown Population	77,616
Downtown Jobs	315,955
Downtown Vehicle Volume vs. 2019	-28%
Downtown Transit Rides vs. 2019	-28%
2023 YTD Change in Downtown Trips	3%



Policy Response

LaSalle Street Reimagined

Description

City has invested \$550 million toward office to multifamily conversions; working with five developer teams, goal is to convert 1,600 units from 2.3 million square feet of office

Policy Status

In Place

Policy Category

Direct Subsidy

Downtown Population

Downtown Jobs

Downtown Vehicle Volume vs. 2019

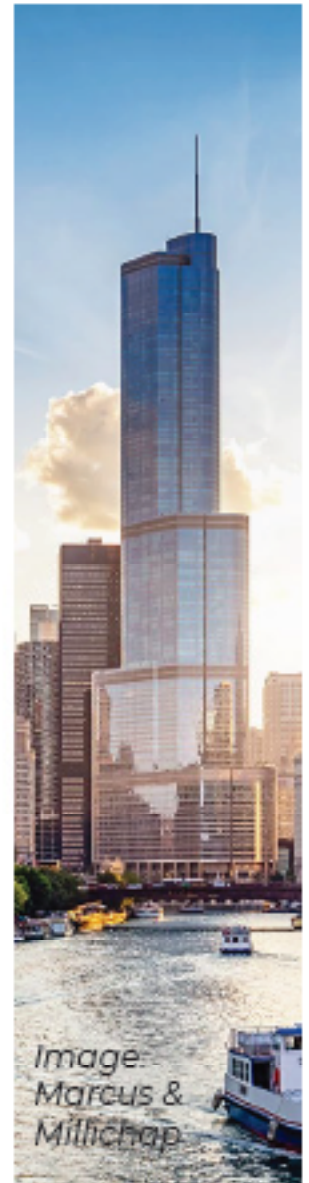
-20%

Downtown Transit Rides vs. 2019

-43%

2023 YTD Change in Downtown Trips

-1%



Comparable Cities: Calgary, AB

Policy Response

Downtown Calgary Development Incentive Program

Description

Supports office space conversions to residential units, hotels, schools and performing arts venues with \$75 per square foot of existing space, up to \$15 million.

Policy Status

In Place (Currently Paused for Funding)

Policy Category

Direct Subsidy

Downtown Population

14,784

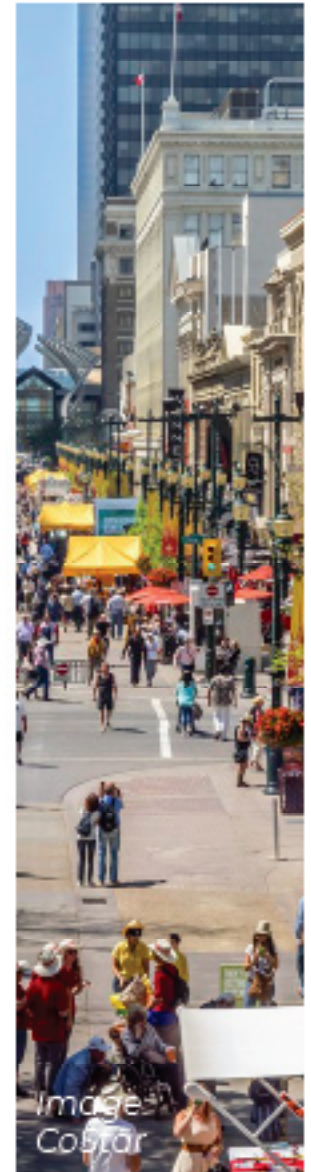
Downtown Jobs

97,895

Downtown Vehicle Volume vs. 2019

Downtown Transit Rides vs. 2019

2023 YTD Change in Downtown Trips



Policy Response

Downtown Office Demolition Incentive Program

Description

Supports the demolition of end of life office buildings that are unsuitable for office conversions, with a grant of up to 50% of demolition costs up to \$15 per square foot and a total of \$3 million per property.

Policy Status

In Place

Policy Category

Direct Subsidy

Downtown Population

14,784

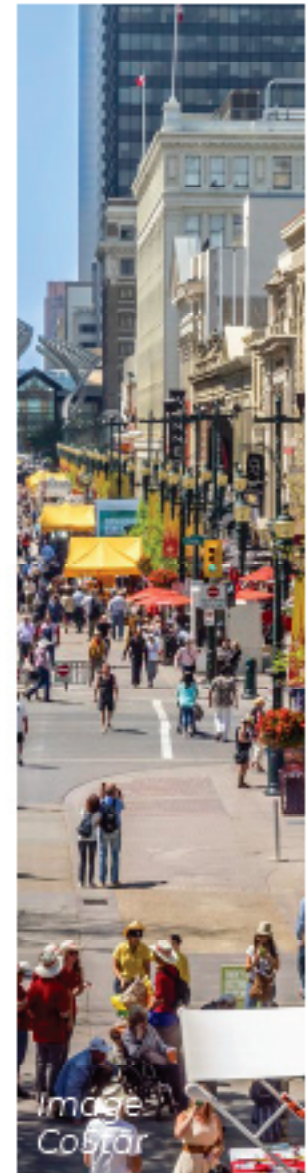
Downtown Jobs

97,895

Downtown Vehicle Volume vs. 2019

Downtown Transit Rides vs. 2019

2023 YTD Change in Downtown Trips



Policy Response

Downtown Office Demolition Incentive Program

Description

Supports the demolition of end of life office buildings that are unsuitable for office conversions, with a grant of up to 50% of demolition costs up to \$15 per square foot and a total of \$3 million per property.

Policy Status

In Place

Policy Category

Direct Subsidy

Downtown Population

14,784

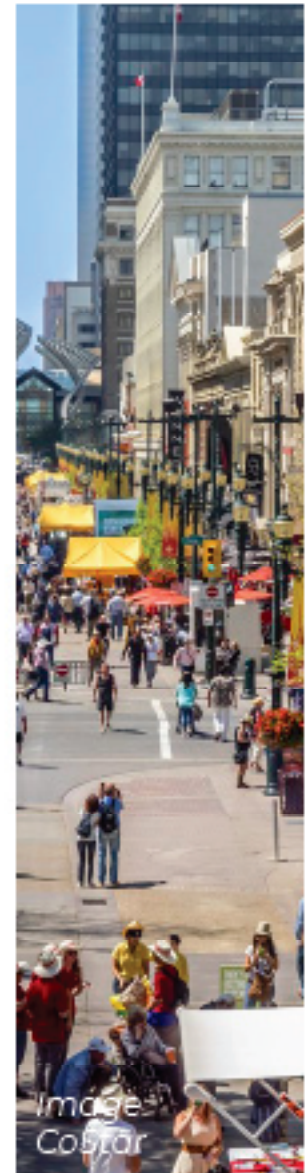
Downtown Jobs

97,895

Downtown Vehicle Volume vs. 2019

Downtown Transit Rides vs. 2019

2023 YTD Change in Downtown Trips



Policy Response

Downtown Post-Secondary Institution Incentive

Description

Provides incentives of \$50 per square foot for office space conversions to post-secondary institutions to establish a greater presence downtown, up to \$15 million per project.

Policy Status

In Place

Policy Category

Direct Subsidy

Downtown Population

14,784

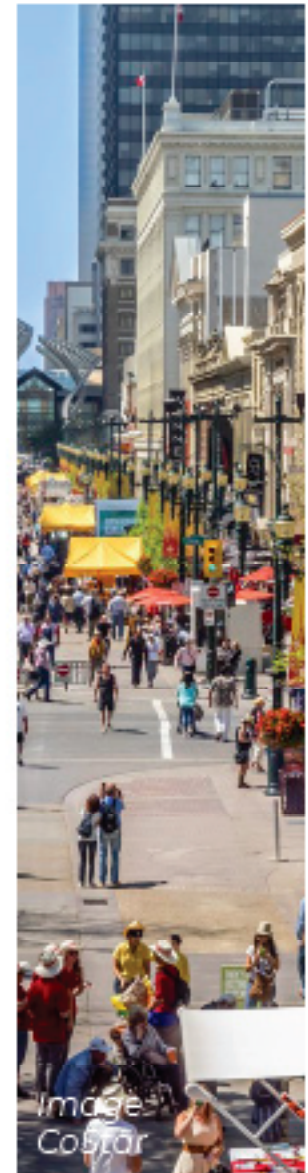
Downtown Jobs

97,895

Downtown Vehicle Volume vs. 2019

Downtown Transit Rides vs. 2019

2023 YTD Change in Downtown Trips



Market Conditions

- The Warehouse District challenges predate Covid;
- Office use trends have compounded these – both in use of Warehouse District buildings and diminished value of proximity to downtown office core;
- Buildings are relatively lightly leveraged but clearly underutilized;

Identity

- District has unclear identity – many people think of the Warehouse District as larger and extending into North Loop;



Design

- **Parcels and blocks often facing inactive infrastructure (ABC ramps, Hawthorne ramp, Target Center, I-394 corridor);**

Economic Significance

- **Supporting downtown's contribution to city vitality and tax base is a priority of growing urgency; given its performance in recent years, the Warehouse District is a discrete, high-opportunity zone for progress.**



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MITREBOX

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PARKING



Warehouse District: Total Listed Available Space

WAREHOUSE DISTRICT Total Listed Available Space (Square Feet)



Data sources: Hennepin County, CoStar. Photos are from ULI Virtual Tour StoryMap unless otherwise noted.

APPENDIX B: ADDITIONAL RESOURCES

LINK: [Commercial to Residential Conversions: A Guidebook to Available Federal Resources](#)

From the Minneapolis Renaissance Coalition: Public Incentive Recommendations, 11-21-23

In the wake of unprecedented challenges, Minneapolis finds itself at a crossroads, grappling with a downtown that has lost its vibrancy. There's a glaring issue with the office landscape, and while other cities are swiftly adapting, Minneapolis faces a steeper uphill climb – particularly in the aftermath of George Floyd with the resulting crime issues and lack of confidence in our government. To breathe life back into its core, the city must urgently invest in initiatives that not only rebuild but reimagine its downtown, ensuring Minneapolis becomes a beacon for investors seeking fertile ground for growth.

The key lies in bold, market-friendly programs that resonate on a national scale. Minneapolis must shed its struggling image and embrace a proactive, pro-development stance that showcases a government willing to do what it takes to usher in people and investments. We must act urgently, as the macro market remains exceptionally challenging for the foreseeable future.

We are in a fierce competition for limited investments with cities nationwide, and the clock is ticking. By making impactful changes now and harnessing national exposure, we can capture the attention of investors while positioning Minneapolis as a prime destination for growth. It's not just a matter of economic survival; it's a call to action to reclaim our city's core.

Goal: Provide incentives to get underutilized office buildings converted, especially to housing, but to any other productive use and drive the opening of retail and entertainment establishments.

1. Following are our recommendations in order of importance:

- **Conversion Tax Credit**

Request: Support the [Rethos plan](#) on asking the State to add a 30% conversion credit as a short-term expansion of the 20% State Historic Tax Credit. Minneapolis should join forces with St. Paul and other cities on this request to have further influence at the state level in our coalition.

Program: Based on framework of MN State Historic Rehabilitation Tax Credit.

Program Duration: July 1, 2024 – June 30, 2030

Tax Credit Percentage: 30%

Fee: Equal to 1% of tax credits claimed

Eligibility: Non-residential property. Conversion of space within a building to any other commercial use. Placed in service at least 15 years prior to start of conversion. The project must be a "substantial rehabilitation" as defined in 47(c)(1)(C) of the Internal Revenue Code.

- **TIF**

Request: Special legislation to change TIF for a period of time to allow different uses of eligible costs to include infrastructure for conversions. Waive or suspend the inclusionary housing requirement for 60 months. Expand the availability of TIF to maximize state and federal credits. Consider pooling TIF.

Program: Amend Minnesota's TIF Act to provide for use of TIF specifically to support adaptive re-use and conversion in downtown areas, allowing TIF to be used for building construction in addition to infrastructure and site costs. Consider reestablishing the [Compact Development TIF District](#), previously in state law, as a way to expedite this change.

- **Bonding Bill**

Request: Expand State Bonding to include grants for storefront businesses. Incentivize retail and entertainment businesses open to the public and therefore "public good", to open fast.

Program: Grant: One-time grant to cover start-up and build-out costs. Declining over 5 years. Year 1: \$100/SF (per square foot). Year 2: \$75/SF. Years 3-5: \$50/SF.

Eligibility: Retail, hospitality, entertainment concepts on 1st floor, basement, skyway (exceptions made for upper floors if open to the public). Tenants commit to 10 year leases.

- **Entertainment Tax**

Request: Accelerate the opening of new retail and entertainment establishments, keep existing establishments open and increase the tax base.

Program: Reduce taxes within the retail and entertainment tax district from 3% to 1.5% and expand the district to include all downtown neighborhoods, including the North Loop. Eliminate entertainment tax for venues under 1,000 people to encourage smaller arts venues.

Eligibility: All retail and entertainment establishments in downtown's 5 neighborhoods.

- **Lending Tools**

Request: Loan program and lending options for Minority- and Women-Owned Businesses (ie. development companies and commercial real estate investment companies buying and redeveloping commercial properties).

Program: Provide Mezzanine Loans (10-15% LTV) at 5% interest for 5 years. Build on existing programs.

Eligibility: For existing office buildings only. Loan programs are needed for all due to lack of market financing, but wanting to provide special assistance to minorities to achieve DEI goals and open up potential funding sources.

CONTINUED:**From the Minneapolis Renaissance Coalition: Public Incentive Recommendations, 11-21-23**

- **Minnesota Loan Guarantee Program**

Request: We would like to see the existing program extended to passive real estate investment.

Program: Part of a federal [SBA program](#) providing guarantees to enrolled lenders 75-85% of principal on loans to eligible businesses. It can be used for working capital, equipment, inventory, construction, renovation, or tenant improvements

Eligibility: Commercial real estate investors and developers in Minneapolis looking to buy, renovate, re-tenant or convert existing buildings.

- **Downtown Office Demolition Incentive Program**

Request: Support the demolition of end-of-life office buildings that are unsuitable for conversions.

Program: Grant: up to 50% of demolition costs, up to \$15 per square foot and a total of \$3 million per property.

Eligibility: Based on [Calgary's program](#). Developers must have redevelopment plan that goes into effect immediately.

- **Tax Abatement**

Request: Consider a special Tax Abatement Zone to spur investment in specific geographic areas.

Program: Follow The Michigan Renaissance Zone Act, Public Act 376 of 1996 in Macomb County, City of Warren.

Eligibility: The tax abatement would apply to any change of use from office. Focus on hardest hit areas in a specific geographic boundary (ie. The Warehouse / Theater District, Or, 2nd Avenue North to 5th Ave South and Washington Avenue to 12th Street and/or Uptown).

- **Conservation Improvement Program (CIP)**

Request: We would like to see a dedicated portion of funds for commercial property energy improvement projects or renovations only.

Program: Existing program where the revenue comes from a fee on your utility bill. Utilities provide a rebate for conservation improvement projects.

2. Get to yes on projects faster. Following are process recommendations to help incentivize building conversions and the opening of retail and entertainment establishments. Other cities are offering process expediency. The City should preserve health and safety while taking an urgent, expedited pro-business approach. We recommend the following for a 60-month period to incentivize private sector investment faster.

- Open TIF support to less than the current 20% inclusionary housing threshold on redevelopments to support the City's goals on office conversions.
- Waive or reduce land use application fees and building permit fees.
- Waive or reduce SAC and WAC fees.
- Work with HPC to loosen Historic District guidelines, (ie. allow for things like street level window openings for bars, restaurants and music establishments to create greater activation of buildings specifically in the Warehouse District).



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