



DOWNTOWN MINNEAPOLIS: A PEER CITY ANALYSIS

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Introduction

This report, prepared by the Minneapolis Planning Methods Group, is pointed towards a comprehensive analysis of existing conditions, opportunities and constraints, and current issues and policies within downtown Minneapolis, Minnesota. The focus of the report is on the components that comprise a truly livable city and what elements of downtown Minneapolis support a live, work, and play urban center for the twenty-first-century.

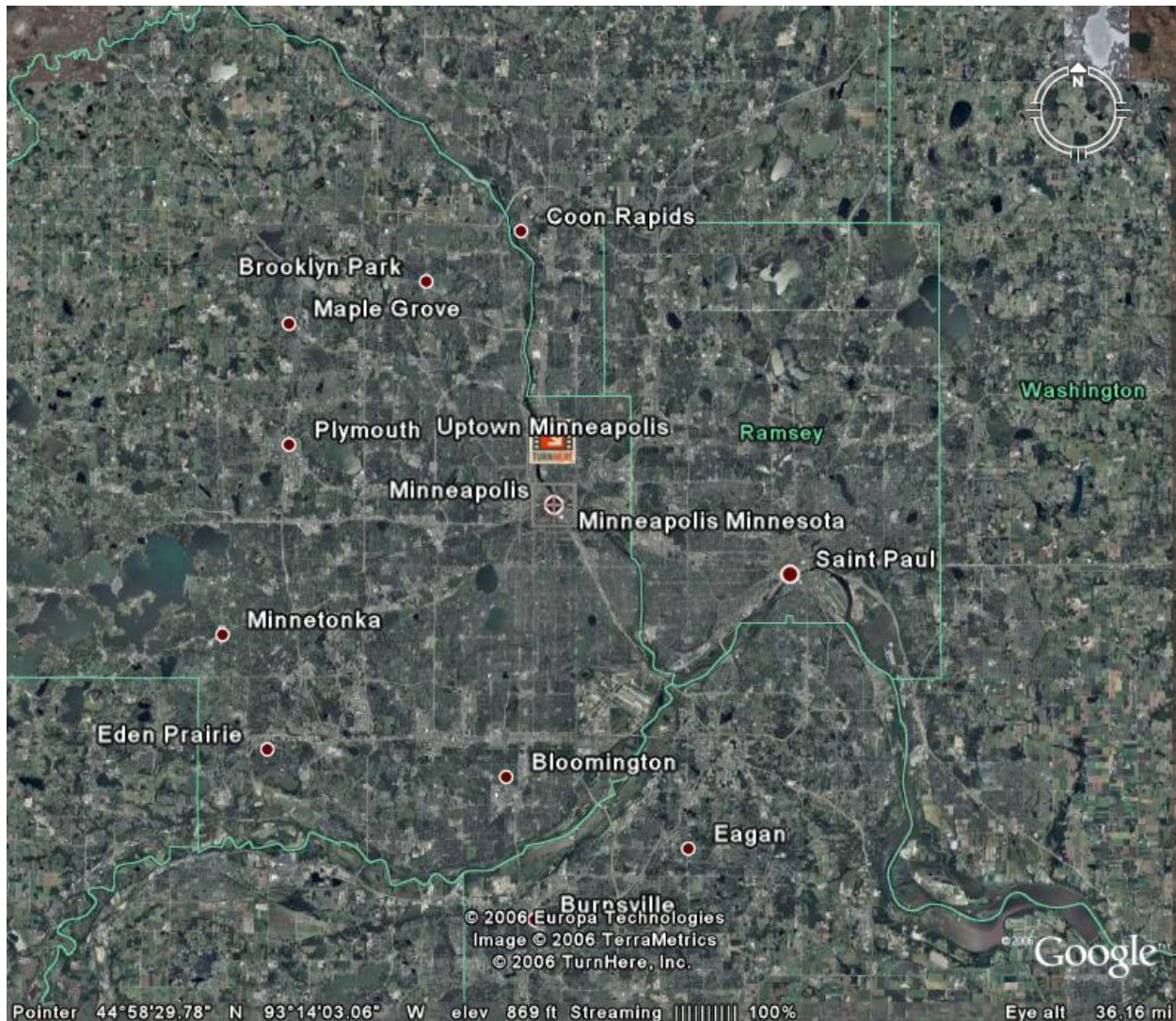
The research included is intended to gather accurate information and knowledge about Downtown Minneapolis and the region to help inform and assist the Downtown Denver Partnership in planning decisions for the development and re-development efforts in Downtown Denver.

Resurgence in a downtown residency has led to new, sometimes complex problems for city planners and downtown organizations. Until recently many city centers were vacated by downtown residents and left in various forms of disarray. Cities began to label this all-to-common phenomenon as “urban blight”. This condition eventually motivated drastic regulatory urban renewal methodologies. In effect, the central city became subject to unnecessary scrapings in many urban regions during the 1950s up until the 1980s. Today, these cities are building up their infrastructure to accommodate mixed land uses including housing, retail, and public space within the downtown core. Commercial space and jobs are moving out to the fringes and downtowns are experiencing a mushrooming residential population.

Development in downtown Minneapolis has changed dramatically over the last ten years. Like many cities, Minneapolis has seen a residential boom of folks who value city living over the suburbs and the associated commute. The Minneapolis Planning Department estimates the current residential downtown population will continue to grow and with this influx to the downtown area, improvements in infrastructure, transportation, and goods and service providers are required to meet the needs of the residents and workers in the downtown area (Elliott).

AREAS OF ANALYSIS

Downtown Definition and Characteristics



Aerial Photo of the Minneapolis Regional Area

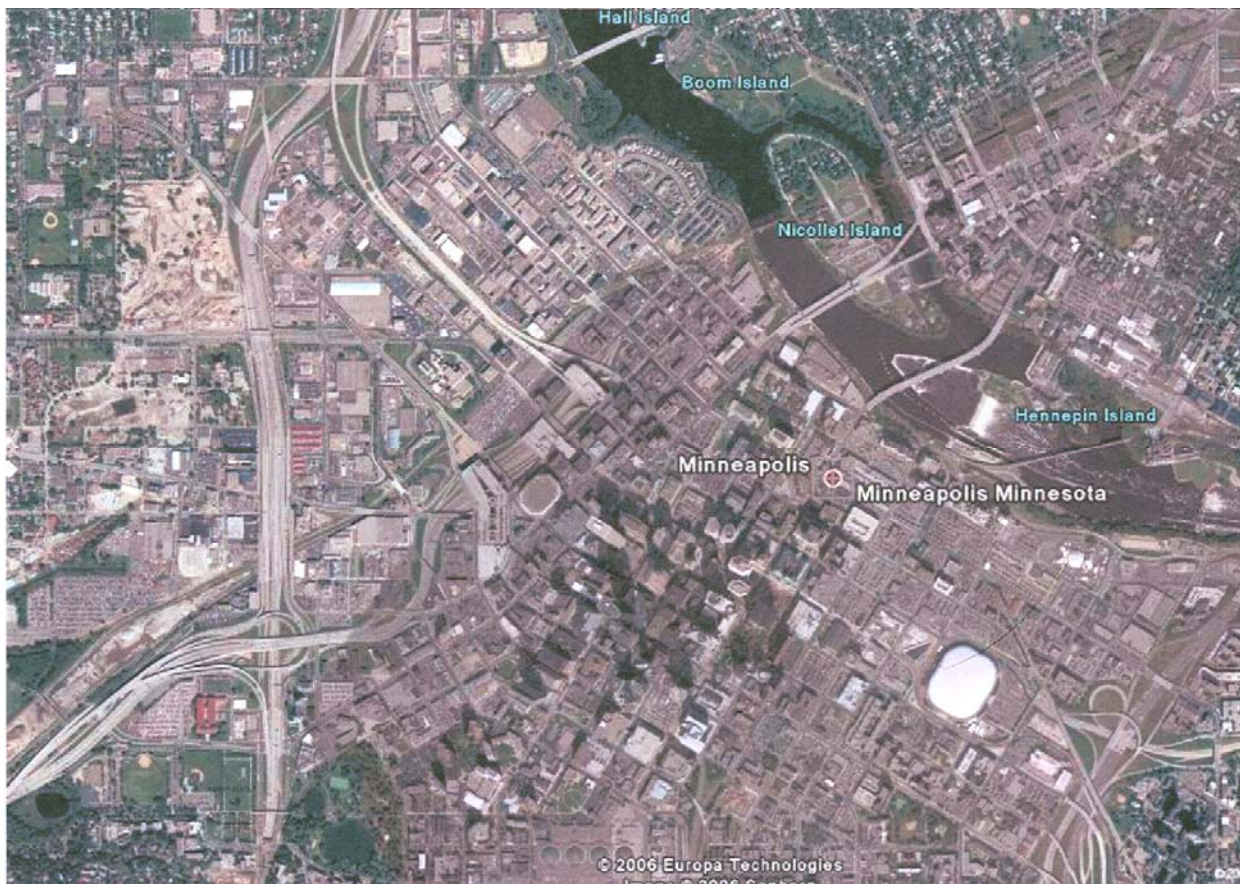
Location

The city of Minneapolis is located in the southeastern Minnesota in a rapidly growing metropolitan area, known as Minneapolis–St. Paul (or the twin cities). Minneapolis and St. Paul are situated only eight miles apart, with Minneapolis being considered the more cosmopolitan of the two. The city center is 1,791 acres comprised of five distinct neighborhoods within its boundaries. Downtown Minneapolis-downtown core is a beautiful part of the city with the

Mississippi River rushing through its heart. This part of the city consists of soaring skyscrapers, thriving retail, numerous parks, and an electric urban energy. Currently there is a relatively high standard of living in this section of the metropolitan area.

There are several challenges that current and future residents of downtown Minneapolis must face and city planners must take a lead role in addressing these in order to sustain quality of life and plan for the expected rate of growth. Some of the challenges associated with this growth include:

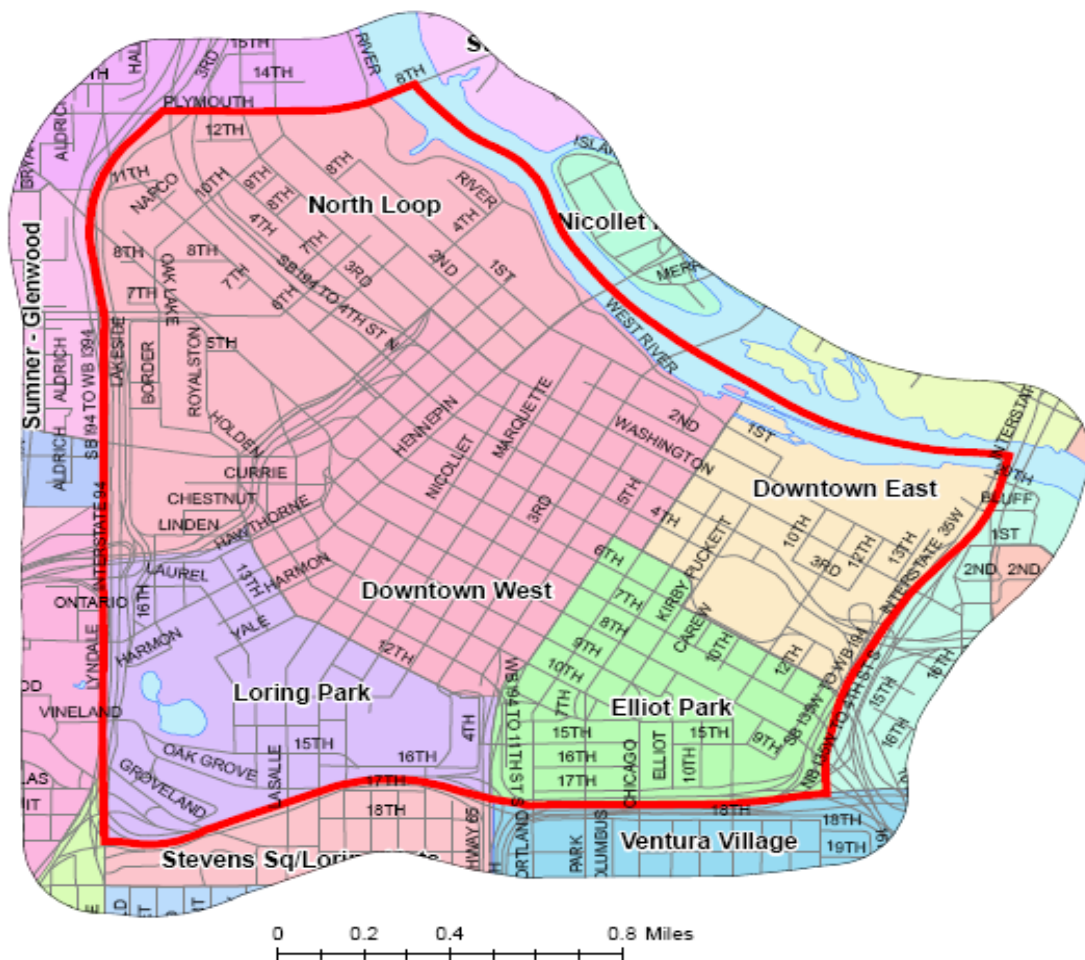
- Increasing land consumption with a subsequent loss of open space
- Increasing traffic congestion
- Decreasing funding availability for new infrastructure projects
- Decreasing air and water quality



Aerial Photo of the Minneapolis Downtown Area

Boundaries

Different organizations have defined Minneapolis downtown’s boundaries differently depending on their purposes and uses (Hess). Our focus will be the official downtown boundary map as defined by the Minneapolis Planning Department (MPD). Currently, an expansion is proposed to these boundaries to cope with growing development and population in these communities. The downtown boundary is currently considered the area within the freeway ring of I-35W, I-94 on the South, Southeast, and west sides and Plymouth Avenue on the north side and the Mississippi river on the East/Northeast side. The downtown map defined by MPD and the census tract 2000 map are slightly different for the fact that the census tract 2000 added the Steven Square neighborhood. This analysis will concentrate on the downtown map as defined by the MPD.



Minneapolis Central Business District (CBD)

Source: Minneapolis Planning Department.

The criteria the MPD currently uses to define the downtown area is based on commercial, service and office densities. According to MPD, there are currently three Downtown district designations.

These are:

1. B4, The Downtown Business District
2. B4S, The Downtown Service District
3. B4C, The Downtown Commercial District

According to the current Master plan for Downtown Minneapolis, the existing B4 Downtown Business District (more commonly referred to as "The Downtown Core") is the area intended for the highest density retail and office uses within Downtown Minneapolis. As such, we will focus on the B4 Downtown Business District. The B4 district is subdivided into two sub-districts; B4-1 and B4-2. B4-1 allows for building floor area ratio (FAR) of eight (8). B4-2 allows for FAR to equal a maximum of sixteen (16). The B4-1 sub-district surrounds portions of the northern, eastern, and southern edges of the B4-2 district. The lower FAR allows for a transition in building heights from the higher intensity center of the Core out toward the surrounding, lower density parts of downtown (Minneapolis Master Plan).

Characteristics

There are five main sub-communities within the larger area of 'downtown Minneapolis' each with very disparate identities and roles. The districts are: North Loop, Elliot Park, Loring Park, West Downtown and East Downtown.

North Loop sometimes referred to as the Warehouse District is one of the fastest growing neighborhoods in downtown Minneapolis. It is bounded on one side by highway 94 through 12th Street to 3rd Street and over to Washington and Hennepin Avenues. It is also bordered by the Mississippi River to the north down via Plymouth Avenue to Interstate 394.

The North Loop sub district has always played an important role in Minneapolis' history. At the turn of the nineteenth-century, the North Loop hosted extensive transit opportunities for farmers involved with the grain milling industry. A vibrant commercial activity existed stimulated by the production, sales and distribution of grain related products. In the 1970's and 80's while some

other areas of Minneapolis fell into disrepair, the North Loop has slowly reinvented itself through the adaptive reuse of the old grain warehouses. Subsequently, newer buildings have attempted to replicate the style of the old warehouses with the creation of artist lofts, the lofts were soon followed by other uses such as entertainment venues, specialty retail, a wide variety of sophisticated fine dining, award-winning arts shows, and the Tony-award winning *Theatre de la Jeune Lune*. There are also a number of efforts underway to increase the quality of life in the neighborhood, such as slowing traffic through the conversion to one way streets, intensifying the downtown bus network, and offering a price reduction in transit fares.

Loring Park is a neighborhood within the downtown that has struggled throughout its history. Geographically, the area is bound by Interstate highway 94 to the south, Highway 65 to the east, Interstate 394 and 12th street to the northeast, and by West Lyndale North, Lyndale South and Hennepin avenues to the west. During the early 1900's Loring Park was a prestigious neighborhood. At this time, cars were something of a new and trendy luxury and Loring Park boasted the highest concentration of auto dealerships in the nation. There were also a vast number of mansions, row houses and 'apartment hotels' serving the needs of business travelers and wealthy residents.

The Loring Park neighborhood changed dramatically by the end of the Second World War. With the construction of new highways on the perimeter of the downtown area, many of the well to do families (almost half of the total population) and the neighborhood's financial resources moved out. The attributes of this area would appear to have a lot to offer downtown residents, a beautiful park with a large water feature, but the neighborhood never really fully recovered from the departure of the wealthy inhabitants. Today, the median income of the neighborhood is still about \$9,000 less than the average for the city as a whole. The number of residents living here with incomes below the poverty line has increased slightly over the last twenty years, the revitalization of this neighborhood remains a challenge for planners and for the local community.

The Elliot Park neighborhood lies between Loring Park and the downtown core. It is bordered by Interstate 94 and 35 to the south, Highway 55 to the east, 5th street to the northeast, 5th Avenue to the northwest and 4th Avenue South to the west. This neighborhood has suffered a

similar troubled past as the Loring Park neighborhood. Elliott Park was a wealthy close knit community at the turn of the century, but has subsequently turned into one of Minneapolis's poorest, most transient, dense and fragmented part of the city core. Again, as a result of the invasive highway construction that occurred after the Second World War. Finding methods for this neighborhood to rebound from economic and social disintegration is challenging. However, some positive change is apparent, a new medical center and small university, North Central University, have re-located to the area. With many key components for revitalization in place, Elliot Park is changing and plans are to promote future growth to this area.

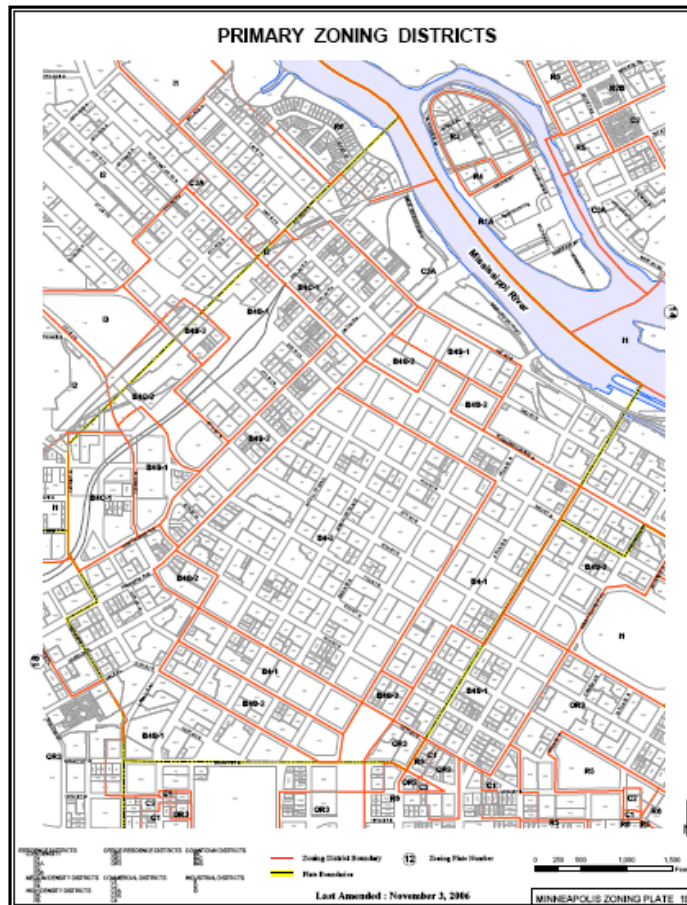
West Downtown, otherwise known as Downtown West, is described by many as the inner heart of the downtown area, based on the neighborhood's location, density, and the diversity of land use. According to the City of MPD, West Downtown is bordered on the North by the Mississippi River and runs down along Portland Avenue, 5th Street, to 3rd Avenue, Washington Avenue and Hennepin Avenue. This area is one of the most geographically connected to all other areas of downtown with several bus and light rail stops within its boundaries.

Historically, the waterfront location was a place for commerce and culture evolving around port activities. Today, this sense of vitality continues. This area contains the 'bulk of office building space' of both Minneapolis and St Paul combined. There are a numerous restaurants, hotels, cultural establishments (libraries, music halls, ice skating rink, YWCA and YMCA), schools, retail particularly the Nicollet Mall, and many corporate headquarters.

East Downtown, across the way from its western counterpart is also framed by the Mississippi Rive to the north, 5th Street in the south and Portland Avenue in the west, but distinctly cut off at Interstate 35W to the east. This area is not as densely built out or as economically thriving as West Downtown. While there are a number of cultural establishments (the Metrodome, museums, new theaters), commercial uses and even residential uses, there are a number of vacant parcels. This area has in its history witnessed periods of socially instability. In 1999, for example, 69% of the population lived below the poverty line and while this number has dropped to 52%, it is still three times as much as the percentage of Minneapolis as a whole. The East Downtown area certainly presents a challenge for city planners, community businesses and downtown residents.

Zoning

Discussion pertaining to zoning mechanisms in the Minneapolis downtown core must begin with a reference to the macrocosm zoning map developed and implemented by the City's Department of Community Planning and Economic Development. In the zoning map, is evidence of nine separately designated zones; B41, B42, B4C1, B4C2, B4S1, B4S2, C3A and OR3. These zones are scattered in symmetrical pairs surrounding the largest single one, B42. The most recurring zone is the B4S2 with eight separate incidences; the next most frequently occurring zones are B41, B4C1, B4C2 and B4S1. The following is an account of each of these tools, with designated land use, height, bulk, and density.



Minneapolis Primary Zoning District.

The conglomerate area classified as B41 and B42 is otherwise known as the 'downtown business district' and especially caters to business of citywide and regional significance.

Although this zone technically allows for mixed use development (including housing, civic and entertainment uses), the blocks encapsulated have been chosen by the planning department to cultivate the highest density of office and retail uses.

Some uses are allowed under conditional restrictions. Production, processing and storage are conditionally allowed in these B41 and B42, but the facilities must be between 1,200 to 4,000 square feet of gross floor area. It should be noted that some uses are specifically restricted, like second hand car sales, fuel sales, and outdoor advertising.

The B4S zone immediately surrounds the B4 area and is more clearly described as the 'downtown service district'. This zone was established to support the B4 zone. Zone B4S allows land uses here that are prohibited in the B4 zone. An example is the allowance of production, processing and storage uses, allowing up to 4,000 square feet of gross floor area. Additionally, other means of supplementing the B4 uses include deliberately encouraging complementary business services like hotel and restaurant uses. There are two aspects to the B4S zone, the B4S1 and B4S2 allowing more variations in building height and bulk. B4S1 allows a maximum floor to area ratio of eight for all hotels and other residential structures, but only four for all other structures. B4S2 simply promotes an FAR of eight for all structures.

The B4C zone flanks the B4S zone to the east and to the west. This zone reaches to the furthest North and South borders of the CBD. The emphasis in this area is away from office use and toward general commercial and even light industrial uses. The maximum FAR is four. Again, the restrictions for production, processing and storage are eased incrementally. This kind of use is limited to 30,000 square feet of gross floor area.

C3A zoning district covers the waterfront on the northern most part of the Central business District. The official purpose and designation is for a Community Activity Center District. The City of Minneapolis established this district to accommodate entertainment and tourism activities on a neighborhood scale. There is a wide range of land uses in this area; small retail and commercial, institutional, civic, parking, residential uses, and limited public services and utilities. The regulations for this zone are complex with an attempted of residential and commercial restrictions.

For residential, single family lots and community residential facilities housing six or fewer persons, must be over 5,000 square feet with a minimum width of 40 feet. Multifamily units must be a minimum of 400 square feet. All residential structures are allowed a maximum height of 35 feet or 2 ½ stories. Commercial units face similar area and height restrictions to a certain extent. Additionally, all buildings of this general designation must abide by one height restriction. The maximum allowable height is 56 feet or 4 stories. Any retail structure cannot exhibit a gross floor area of over 4,000 square feet, with some exceptions. No structure can have a floor to area ratio greater than 2 and seven tenths. Regulation regarding production, processing are as stringent as seen in the B4 zone, being limited to 1,200 square feet of gross floor ratio.

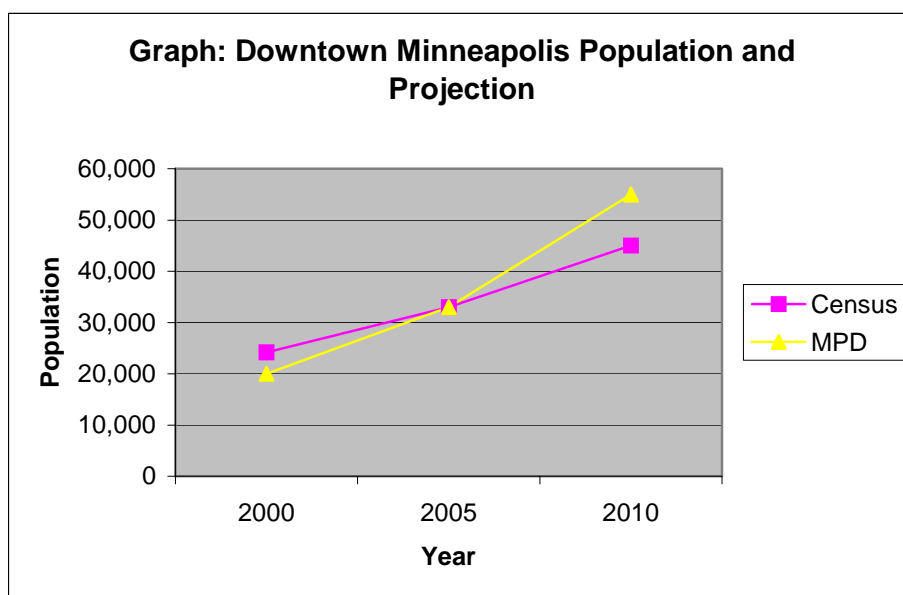
The City has restricted certain uses for commercial development. All drive-thru and outside speakers are completely prohibited. No business is to be conducted in this zone between the hours of 1:00am and 6:00am. Additionally, any fast food restaurants must be located in storefront buildings with no significant changes made to the exterior of the structure. Zoning also prohibits freestanding signs to sidewalks and if part of a shopping center with interior access to individual uses, freestanding signs shall be prohibited'. No second hand sales of any kind are permitted with exceptions. Second had sales is allowed for clothing and retail accessories and related establishments.

The OR3 zone, or Institutional Office Residence District, exists as the smallest zone in the CBD. The City of Minneapolis' goal creating this district was partly to effect a transition across various density levels throughout the city and leading into the CBD. In the OR3 zone is a mix of the B4 style of high-density business, commercial and residential, in addition to smaller scale services and commercial uses.

There are eleven overlay districts in the downtown area. Some of the overlay districts are Downtown Housing Overlay District, Downtown Living Overlay District, Industrial Living Overlay District, Linden Hills Overlay District, Pedestrian Oriented Overlay District and the Transitional Parking Overlay District.

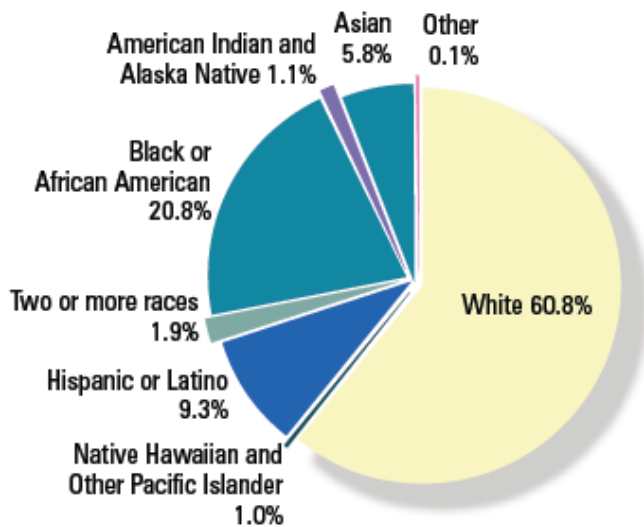
Population

The downtown residential population has increased in the last decade as new condominiums are completed and warehouses are converted to loft-style housing. Considering the number of new condominiums in development, the downtown district could reach above 40,000 by 2010. Still, the people living downtown are greatly outnumbered by commuters, who bring the daytime population up to about 165,000 each weekday.



Source: Census tract 2000 and Minneapolis Planning Department (MPD)

Since 2000, Minneapolis' downtown population has increased from approximately 20,000 in 2000 to around 33,000 in 2005. This represents a 40% increase in population in the downtown area over a five-year period. This increasing trend is forecasted to continue and by the year 2010, the population in downtown is estimated to double. The population in Minneapolis continues to diversify, with the proportion of non-white residents increasing from 37% in 2000 to 39% in 2004. The majority of the population is white approximately 61% in 2004 down from 65% in 2000.



Downtown Minneapolis Population by ethnicity (2004)

There are two major factors that affect population changes in downtown Minneapolis. First, there are several internal factors that attract people into the downtown area. People are attracted to the downtown area for better jobs, retail, commercial and business opportunities. The growth and development since 2000, has given rise to an increase in the labor market as well as new development and improvement projects. Recently, the downtown and riverfront developments have attracted more people with a desire to live in a vibrant urban environment.

Furthermore, in terms of policy and plan, one of the eight city comprehensive plan goals is to develop and market downtown as a place to live, work, play and do business. Although the downtown has significant office space, more and more residential development is trying to accommodate this desire to live an urban life style. Access to public transport services, housing and recreation, a vibrant art scene, and the numerous cultural and historic attractions make downtown Minneapolis an attractive place to live, work, play and do business.

Planners still need to problem solve for external factors contributing to population change in Downtown Minneapolis. Career change and career opportunities in the downtown area attract young people who tend to migrate more often in search of a better economic stability, and most importantly a better quality of life. These various internal and external factors will continue to

push and pull the population in the downtown area. Quality of life can draw a more urban, dense population and Minneapolis is moving development in its planning to accommodate downtown resident's requirements.

Transportation

According to the Minneapolis Transportation Plan, the big picture of Minneapolis transportation considers different factors such as economic development, neighborhood preservation, urban design and environmental quality. The downtown Minneapolis Transportation Management Organization (TMO), Metro Transit, Public Works Department are major public agencies in Transportation Management for the downtown area. They put a significant emphasis on alternatives such as walking, bicycling and transit since these alternatives often work best in the city. The automobile plays an important and essential part of the downtown population. The Policies of the Minneapolis Plan reflect a desire to balance the impact of the automobile with the needs of a sustainable urban environment, including promotion of alternatives like transit and bicycling.

The City's program also includes pedestrian support and safety. Downtown Minneapolis residents are becoming more interested in the installation of pedestrian level lighting around their neighborhoods, as concern over security and aesthetics become more focused on conditions on neighborhood streets after nightfall. The City's program is based on responding to neighborhood petitions for lighting installation, with an accompanying assessment for the light fixtures and installation.

The City's comprehensive plan, the Minneapolis Plan, is to guide and support Transit Oriented Development (TOD) around the downtown neighborhoods. This movement established a new land use designation called Transit Station Area (TSA). Importantly, planning principals are articulated for these areas, including density/land use mix, urban design principles, pedestrian/bicycle/bus connections and parking.



Minneapolis Downtown Metro Transit.

According to a newsletter by Gill (2006) Skyways, which lead from second or third floors of buildings to the corresponding levels in other buildings across the street, are a blessing in an area where it is insufferably cold for months on end, yet equally hot from before the summer to autumn. Skyways in downtown Minneapolis keep the elements at bay year round. Due to skyways, downtown workers can travel from parking spot to job in office attire, without need of protective layers of snow boots or umbrellas (Lesheim). Because they can stay in the skyways, out-of-town visitors staying at downtown hotels can visit the Convention Center and many of the restaurants and shops, without leaving the comfort zone. With the benefits of the skyways comes a certain dependency. Skyways open and close at hours based on the needs of the owners of buildings on either end of each skyway.



Minneapolis Skyway to Target Center.

Development

The overriding trend in downtown Minneapolis for the past 30 years has been similar to that of many mid-western cities: boom and bust times in the midst of revitalization efforts. Minneapolis, however, has shown sustained, if inconsistent, progress to that end.

Minneapolis has its roots as a French colony, dating back to the mid 1600's. Having grown up through the centuries, Minneapolis was in a unique position to embrace its own growth with a framework not enjoyed by all other cities throughout the Midwest. The downtown core was developed as first a residential and commercial area, never completely eliminating this mix of uses as many cities sought to do. After the invention and embrace of automobile travel, Minneapolis street cars were burned and the city decentralized. However, the neighborhoods remained intact, albeit troubled. All of this is important to cast a backdrop against which the current revitalization efforts should be observed. It is also important to note that Minneapolis' historical roots and development provided a major opportunity to embrace its lost urbanity.

The Minneapolis Downtown Council was helpful in providing most of the information in following data sets. These are designed to show trends taking place in each market sector over the last eight years. There are, however, slight discrepancies between the City of Minneapolis and the Downtown Council estimates. For the purpose of consistency, the Downtown Council numbers are used here.

Table I: Minneapolis CBD Commercial Retail									
	1998	1999	2000	2001	2002	2003	2004	2005	2006
Vacancy Rate		14.0%	15.1%	11.6%	10.9%	13.9%	16.0%	18.0%	18.0%
Average Rental Rate (\$/S)F							\$31.00	\$24.96	\$13.35

Source: Minneapolis Downtown Business Council

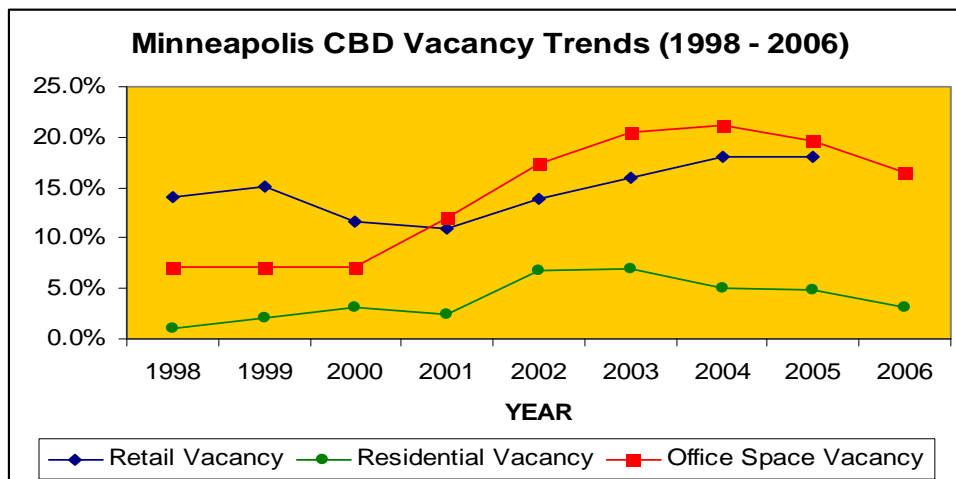
Table II: Minneapolis CBD Residential									
	1998	1999	2000	2001	2002	2003	2004	2005	2006
Vacancy Rate	1.0%	2.1%	3.1%	2.5%	6.8%	6.9%	5.1%	4.9%	3.1%
Average Rental Rate (\$/SF)	\$1.13	\$1.14	\$1.17	\$1.03	\$1.07	\$1.09	\$1.12	\$1.13	\$1.15

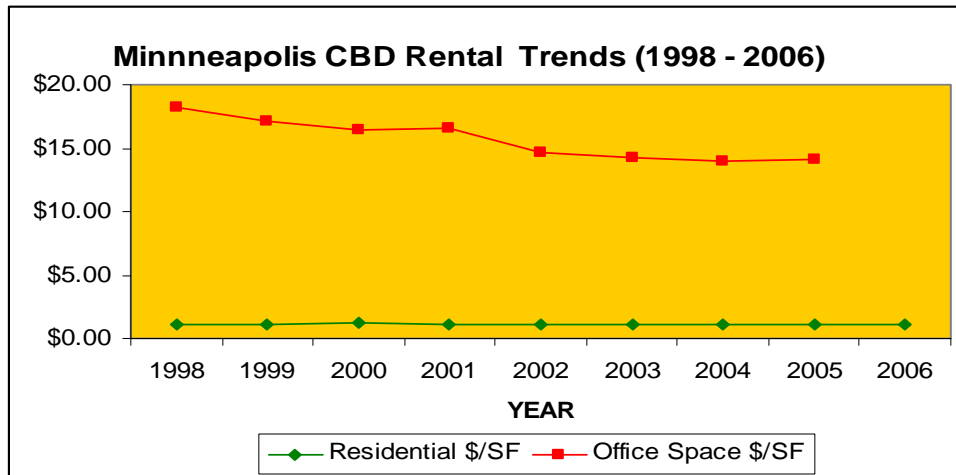
Source: Minneapolis Downtown Business Council

Table III: Minneapolis CBD Commercial Office									
	1998	1999	2000	2001	2002	2003	2004	2005	2006
Vacancy Rate	7.1%	7.1%	7.2%	11.9%	17.4%	20.4%	21.2%	19.6%	16.5%
Average Rental Rate (\$/SF)	\$18.23	\$17.12	\$16.46	\$16.60	\$14.65	\$14.27	\$14.02	\$14.16	

Source: Minneapolis Downtown Business Council

Seen graphically, these data sets begin to show broad changes occurring in the Minneapolis CBD market place throughout the past decade. We see vacancy rates, in particular, experiencing a large up-swing from 2000 to 2004 and subsequent down-swing from 2004 to 2006.





It is harder to gain insight into market trends, looking solely at rental rates. Residential rental price per square foot remains fairly stable, hovering around \$1.00. However, we notice a dip and subsequent slight rise over the past three years. In addition, commercial office space and retail rental rates appear to be lowering across the board.

According to late 2005 statistics, the downtown Minneapolis boasted \$1.3 Billion in current and proposed residential and commercial development. This signifies a city on the move and with many of the tools in place to make growth a reality.

In recent years, initiatives to bring residents back to the downtown core have given way to the addition of numerous affordable and market-rate housing projects. Many times, these have come in the form of re-adaptive use of existing structures, specifically warehouses. The city estimates the current total number of housing units to be 14,700. They also project another 8,000 units in various stages of construction. Minneapolis has seen such a favorable response to these initiatives that they estimate the population has increased by one-third since the 2000 census. This equates to just over 33,000 permanent residents.

Business development within the city of Minneapolis has had tremendous success as well. Minneapolis / St. Paul is recognized the regional center for the Midwest. Of the commercial office space available in the metro area, approximately 37% (or 26 Million SF) is located in downtown Minneapolis. The city prides itself on being home to many large corporate

headquarter. These include: Target Corp, Wells Fargo, US Bancorp, Xcel Energy, and Ameriprise Financial.

Retail

An explosion in the downtown population (both residential and employee) has fueled a response in the retail market as well. While many experts agree that suburban Minneapolis has been saturated with retail in its immediate past, the recent upsurge in downtown residency has increased demand for urban retail. The data listed in Table 1 above corroborate this fact. The retail space shortage in the early twenty-first century drove up rental rates initially. However, as the vacancy rates rose, rental prices dropped. Simple law of supply and demand. What we can assume is that with the recent development of retail projects (such as Nicollet Pedestrian Mall), supply rose to meet the demand and a market equilibrium was reached.

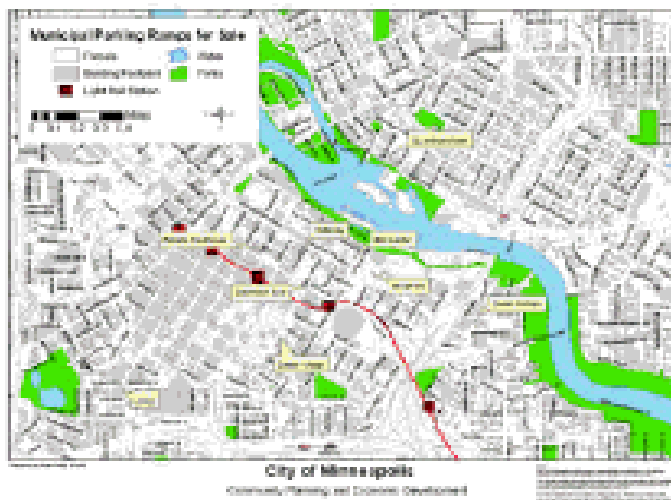
Parking

According to the website for the Minneapolis Chamber of Commerce, there are 65,000 parking spaces in downtown Minneapolis with 24,500 of these spaces owned by the City. The Minneapolis Municipal Parking System is comprised of 24 parking ramps and 9 lots under the direction of the City of Minneapolis Public Works Department. The revenue collected goes into a Parking Fund for operations and maintenance of the ramps. The City has recently issued an RFP to sell nine of their ramps with seven located in the downtown city core (Elliott).

There is also a system of 6,800 on-street parking meters located throughout the City. The purpose of the parking meter system and regulations is to make it easy for people to find parking when they come downtown to conduct business, eat, or shop. To improve on short-term parking options, Minneapolis changed its parking rules and enforcement in 2003. Minneapolis downtown parking policies made it illegal to re-feed the meter and continue parking at that meter after the time limit has expired.

Vehicles displaying disability parking permits or plates may park free at one, two and four hour parking meters for a maximum of four hours excluding rush hour, snow emergencies and hooded meter restrictions. In addition, these vehicles qualify for reduced monthly parking rates at the entire City operated Municipal Parking Ramps and other select downtown locations.

The zoning regulations govern and specify the uses allowed and development standards for each zoning district. The City currently has progressive parking regulations for the downtown districts shown in the Downtown Parking Overlay official zoning map. “The purpose of the overlay map is to preserve significant and useful buildings and to protect the unique character of the downtown area and the mixed-use downtown neighborhoods by restricting the establishment or expansion of surface parking lots.” The zoning map specifically prohibits the expansion of any existing commercial parking lot and the conversion of any accessory parking lot to commercial with certain conditional uses, “the parking lot shall be located on the same zoning lot as the principal use served and the number of parking spaces shall not exceed one hundred fifty percent of the minimum required spaces.”



The Metropolitan Council, responsible for regional transportation, recently applied for federal funding to build the eleven-mile, \$930 million Central Corridor line to connect downtown Minneapolis with downtown St. Paul. This project is expected to be completed in 2014. An article on November 19, 2006 in the Minneapolis Star Tribune speaks about wanted changes in city zoning and regulations on parking issues in regards to new transit line developments expected to prosper in the next few years as the City expands its transit lines.

A newly formed task force is studying future growth as a result of a new transportation corridor. “The Central Corridor Task Force will discuss tonight a proposal by University United to

temporarily change the City's zoning code and encourage transit-oriented development along the line: multi-level mixed-use buildings that go up rather than out, with limited parking to encourage walking and the use of mass transit. This type of project must have higher-density zoning with reduced parking.” The department of community planning and development plans to conduct a complete overhaul of citywide parking regulations in 2007 (Elliott).

Policies and Politics

Minneapolis is a city known for its liberal politics and community activism and is a stronghold for the Democratic Party (Smith 88). Minneapolis is a home-rule city with a mayor-council form of government. The city charter is the constitution governing the municipal government. The charter lays out the powers to city government approved by the citizens and how their city is structured. The charter defines which officials are elected; their term limits, duties, powers and responsibilities, and establishes the authority for city departments.

Minneapolis has other government entities that oversee actions in the city, but City Council holds the most power. The mayor has power to appoint certain individuals, such as the chief of police, but must coordinate all activities with Council. The City partners with several joint ventures in which it retains an ongoing financial interest and responsibility. One of these joint ventures is the Minneapolis Neighborhood Revitalization Board. Other groups in the city include relationships with other agencies and authorities such as the Minneapolis Park and Recreation Board, Minneapolis Public Library's Board of Trustees, the Public Housing Authority, and the Board of Estimate and Taxation. These councils tend to be semi-independent, and some even have the power to levy their own taxes and fees.

The current mayor of Minneapolis, elected by popular vote in 2001, is R.T. Rybak. Together, the mayor with council forms a strong and cohesive local government creating and maintaining ethical policies and programs, setting priorities regarding the City's development resources on housing and job creation. The Minneapolis City Council is composed of thirteen single member districts, called wards.

In 2003, the department of Community Planning and Economic Development was created to integrate the City's planning and development functions. The purpose of this agency is to

provide policy analysis, planning and programmatic support to sustain and improve the residential, economic, and aesthetic environment of the city. The agency works in partnership with the public, neighborhood-based groups, the business community, developers and other agencies and city departments. Ultimately, the department of Community Planning and Economic Development is to provide efficient and effective programs to support the city's planning and development goals.

The department functions as the asset management team for the city providing real estate services, including acquisition, disposition, leasing and management of properties related to city operations. Another key function is to facilitate the city's public engagement and citizen participation functions, including maintaining relationships with neighborhood organizations, business associations, and other public, private and non-profit community groups.

Prior to being elected Mayor, Rybak was a private business consultant and served as director of the Minneapolis Downtown Council. The Downtown Council is a nonprofit, which represents 400 businesses in downtown Minneapolis, as mentioned in previous paragraphs. Two of Rybak's achievements as director were to retain small businesses in the downtown area and bring the Farmer's Market to Nicollet Mall. The Office of the Mayor continues to partner with the Downtown Council to meet combined objectives for the downtown area. Mayor Rybak spearheaded ethics reform for the City by assembling an Ethics Task Force to examine the City's ethics code and to study best practices in ethics law from across the country. As a result, a new code was developed and unanimously passed the Council in early 2003. The code included new policies on conflicts of interest, financial disclosure, nepotism and ethics enforcement mechanisms. Today the Mayor and Council continue to examine how city government can be improved and streamlined.

Health and environmental issues have gained importance over the years. Many cleanup projects have taken place, and industrial activities have been scaled back or modified within the city. In 2005, the City amended its Comprehensive Plan and adopted various indicators that strengthen its commitment to sustainability. A ban on smoking in all bars, bowling alleys and restaurants went into effect in March 2005.



“The quality of life in Minneapolis is linked to the health and well-being of our community. A sustainable community is resilient to change and has a vision for the future. To become sustainable, the city faces complex challenges that require a coordinated approach for integrating the “three Es” – Environment, Economy and Equity – of sustainability into City operations.”-Rybak

The City of Minneapolis has eight city goals and the Mayor’s vision to re-weave the urban fabric: “Minneapolis is growing again. We should celebrate this feat, but remember that we are not just here to grow the city but to weave it together, to restore the fabric that differentiates a great city from just another housing development or office park or shopping center. The New Minneapolis will not be about just housing, or jobs or transportation in isolation. The New Minneapolis will be organic, an integrated collection of sustainable urban villages with quality jobs and stores within walking distance of our homes. Where transit supports our commercial corridors and the economy grows because we are stewards of the greatest natural environment of any city in America. To reweave the urban fabric we have to govern beyond the silos that often isolate our work. If we do it right we can create a way of life in Minneapolis unmatched by any other city in America.”

Another governing power in the downtown area is the Metropolitan Council. The Council is, essentially the regional planning agency serving a seven-county regional area. The seventeen-member Council has members who represent a geographic district and one member serving as chair at large. All members are appointed by the governor and then confirmed by the state senate. “The mission of the Metropolitan Council is to develop, in cooperation with local communities, a comprehensive regional planning framework, focusing on transportation, wastewater, parks and aviation systems, which guide the efficient growth of the metropolitan area.” The Council operates all transit and wastewater services for the communities and administers housing and other grant programs. The Council's operating budget receives revenue from transit user fees, wastewater treatment charges, state and federal funds, and a metropolitan-wide property tax. A member of the Metropolitan Council works with the Downtown Council to incorporate urban goals and needs into the regional plan.

The Minneapolis Downtown Council is a non-profit business organization that exists for the betterment of downtown Minneapolis. They are similar to many downtown business improvement districts in their maintenance of the CBD. The Council is responsible for keeping streets clean, maintaining the expansive skyway system, tracking Minneapolis business policy, and general improvement. However, Minneapolis Downtown Council takes the improvement district concept one-step further in sponsoring numerous, large events. Director Michael McLaughlin boasts that the council holds events 250 days out of the year to attract visitors to downtown Minneapolis. The largest of these, “Hollidazzle”, may attract 30,000-40,000 people to the downtown area on several given nights during the holiday season.

Minneapolis has been named one of the top twenty green cities in the nation by The Green Guide, a publication of the Green Guide Institute. Things that brought Minneapolis this honor are its policies “dedicating 15% of city land to parks, a public transportation system that allows 23% of its population to commute without a car and being one of the most affordable cities in the nation.”

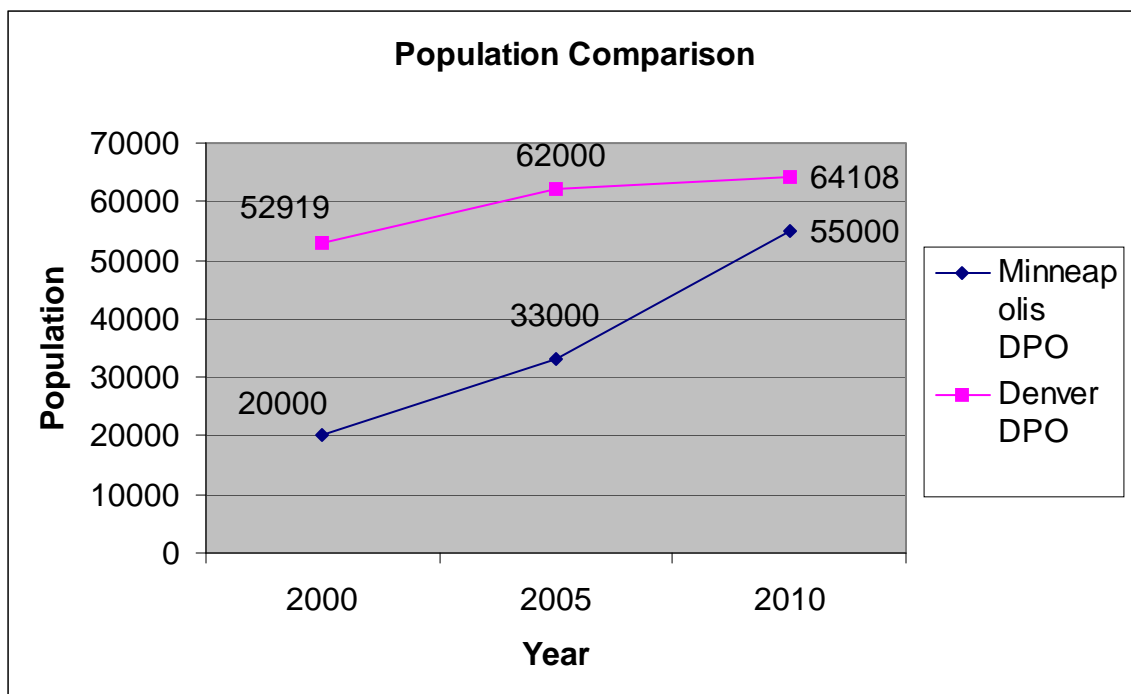


Downtown Park and Public Art

Compare/Contrast to Downtown Denver

Minneapolis and Denver are surprisingly similar in size, political landscape, revitalization efforts and recent growth. A list of the major similarities between these two great cities follows:

- Downtown Denver has more population than that of Downtown Minneapolis. In 2005, the population of Downtown Denver almost doubles that of Downtown Minneapolis.



- Denver and Minneapolis attempt to make downtown “a place to live, work, play, and do business.”
- Strong emphasis on public transit creating mix of uses, everything in close proximity, creating livable communities, transit oriented urban environment to reduce car mobilization.
- Similar population composition with White population as majority.
- Emphasis on urban infill projects such as river (Platte and Mississippi) waterfront and residential development projects.
- Earnest attempt to attract high skilled labor.

- Emphasis on higher education and tourism to boost its economy.
- Highest rents and property values in downtown areas.
- Highest wages in CBD of Minneapolis up to and average of approximately \$60,000 of annualized wage (2003).
- Blossoming of the downtown fringe.
- The lodging sector will achieve the highest growth rates, driven in part by an infusion of increased convention activity.
- Residential development will play a prominent role, nearly keeping pace or surpassing office growth rates.
- Retail development opportunities will face significant constraints, with opportunities limited to specific niches.

The national trend towards cities becoming a more compact, high density, vibrant and transit oriented urban environment, is influencing planning and development in downtown Minneapolis and downtown Denver. This trend to live downtown is helping planners cope with major problems such as: urban sprawl, peak oil prices, and sustainable policies and practices due to global warming.

Summary

In short, the city of Minneapolis proves to be a great peer city to Denver. While both cities have definite strengths and challenges, both cities appear to be on similar paths. A quick list of downtown Minneapolis highlights follow:

- Unprecedented growth over the past ten years.
- 33,000 downtown residents.
- Land Area = 1,791 Acres.
- 65,000 downtown parking spaces.
- 1.3 Billion in current development (various stages).
- Regional center for commercial, financial, and cultural activities.
- Open space or parks required every six city blocks.

- Home-Rule local governmental system.
- Events sponsored 250 days per year.
- Skyway system for pedestrian comfort.
- Affinity for contemporary architectural design in public structures.
- Minneapolis leads Denver in sustainability initiatives.

Minneapolis' mayor developed a green action plan in September of 2003. Denver's Mayor in July of 2006. Downtown Denver business and residents need to partner with the City in developing mandates for recycling in the downtown core and the City needs to start servicing Downtown Denver in all waste matters and make recycling a city ordinance.

As we have indicated and others have validated, Minneapolis is truly a city on the rise. It remains to be seen whether the current market, demand, and economy will sustain such growth as Minneapolis has seen in the last decade. However, if this growth should slow, we perceive Minneapolis to have a great framework in order to sustain their goal of having a city in which to “live, work, play, and do business” for many years to come.

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