

4. Economic Development

Minneapolis will grow as the regional center for employment, commerce, industry and tourism, providing opportunities for residents, entrepreneurs and visitors.



The Southeast Minneapolis Industrial Area has benefited from the implementation of the 2001 SEMI Refined Master Plan with new stormwater management facilities, open space and a connected street system supporting a mix of uses and intensity of job growth.

Minneapolis is fortunate to have a robust economy. The city's economy is diversified with strength in numerous business sectors, including health care, finance, retail, and services. Minneapolis is home to a concentration of institutions of higher learning and boasts a correspondingly highly-educated workforce. The city has a vibrant arts community, a concentrated and dynamic Downtown core, and quality transit facilities. The diverse nature of the economy tempers impacts of any economic downturns, provides employment opportunities for all skill and education levels, and meets the retail and service needs of residents and visitors. These strong attributes define a city where people want to work, play, and visit. Minneapolis is committed to building on these strengths to enhance our sustainable economy.

The economic health of Minneapolis is not without its challenges. The K-12 public education system suffers from declining enrollment, low graduation rates, and competition from suburban, private, and charter schools. The perception of public safety citywide is a serious barrier to increased business activity. Like many central cities, Minneapolis faces competition from suburban and exurban areas for business development. National economic and demographic trends point to a shrinking workforce, so Minneapolis will need to be proactive in attracting and retaining a talent pool. Although Minneapolis is developed to its borders, it is still able to accommodate new growth. Opportunities for redevelopment exist, particularly along Commercial Corridors, within Downtown and other Growth Centers, and in Industrial Employment Districts.

Minneapolis recognizes that a healthy, sustainable economy depends on supporting its businesses, the people employed by those businesses, and the places in which businesses are located. The following chapter provides policy framework to grow and protect the health of these features.

Policy 4.1: Support private sector growth to maintain a healthy, diverse economy.

- 4.1.1 Use public development resources and other tools to leverage maximum private sector investment for public benefit.
- 4.1.2 Seek out and implement long-term redevelopment projects that catalyze revitalization and private sector investment.
- 4.1.3 Engage higher education institutions such as the University of Minnesota in research, service, teaching, and development activities.
- 4.1.4 Improve the coordination of economic development activity among units of government, the business community, neighborhood organizations and nonprofit agencies.
- 4.1.5 Continue to streamline City [development review, permitting and licensing](#) to make it easier to develop property in the City of Minneapolis.

Businesses

Healthy businesses are essential to a vibrant destination city. The City of Minneapolis provides both policy and program assistance to a wide range of businesses that make the city their home. The City strives to facilitate assistance to these businesses through a variety of policies, programs, tools and approaches. Coordinating this assistance with the city's land use policies and regulations helps create conditions for business development, growth and retention across all sectors.



Future land use and infrastructure improvements in SEMI.

The City plays a significant role in maintaining and expanding the physical infrastructure that contributes to Minneapolis' competitive advantage in attracting, retaining and growing businesses. An example of increased infrastructure investment is the [Southeast Minneapolis Industrial \(SEMI\) Area](#), a 700 acre rail yard being transformed into a light industrial park. The construction of stormwater management facilities, open space and a reconnected street system will support a new mix of uses north of University Avenue and opportunities for significant job growth in the area.

The City continues to be a leader in developing its technological infrastructure, most recently through its [Wireless Minneapolis](#) initiative. This is an example of a public sector technology investment that will have far-reaching effects on both the business community and city residents.

Not only does Wireless Minneapolis provide wireless internet access citywide, but it also positively impacts public safety, promotes a sustainable city, maximizes economic development opportunities, and addresses disparities in access to technology.



In 2007, Minneapolis was one of the first large cities in the US to go wireless.

The City also plays an important role in helping to remove pollution as a barrier to redevelopment. Through partnerships with the [Minnesota Department of Employment and Economic Development \(DEED\)](#), the [Metropolitan Council](#) and [Hennepin County](#), public investments in pollution remediation have transformed polluted Minneapolis sites into new housing, health clinics, retail buildings and light industrial manufacturing facilities.

Despite the many assets and advantages of the City of Minneapolis, unique challenges exist to operating a business or developing commercial real estate in an urban area. Due to these challenges, the private lending market often limits financing in central cities to offset the perceived higher risk. To counteract this market conservatism, the city has a [number of financing programs for loans to businesses](#) of all types and sizes and real estate development projects, from performing arts centers to factories to cooperative grocery stores.

Policy 4.2: Promote business start-ups, retention and expansion to bolster the existing economic base.



Thriving on Central Avenue in Northeast Minneapolis, Holy Land Deli expanded to another location at the Midtown Global Market and added a hummus production facility.

4.2.1 Promote access to the resources and information necessary for successful operation of healthy businesses.

4.2.2 Continue to link businesses with organizations that provide technical assistance and best practice models within the city.

4.2.3 Continue to assist businesses in identifying appropriate locations within the city.

4.2.4 Assist in site assembly for strategic commercial and industrial properties where appropriate.

4.2.5 Encourage small business opportunities, such as appropriate home occupations and business incubators, in order to promote individual entrepreneurs and business formation.

Policy 4.3: Develop and maintain the city’s technological and information infrastructure to ensure the long-term success and competitiveness of Minneapolis in regional, national and global markets.

4.3.1 Promote the use of best available technology in upgrading communication linkages to the region and the world.

4.3.2 Develop new and innovative means for city government to communicate with businesses.

4.3.3 Develop technological and information infrastructure in order to offer high quality working environments for businesses.

4.3.4 Electronically link schools, libraries and community centers into

telecommunications and information infrastructure.

Policy 4.4: Remove site contamination as a barrier to private investment and redevelopment.

- 4.4.1 Continue to coordinate pollution cleanup and land readying activities in order to provide clean and competitive sites.
- 4.4.2 Encourage federal, state and metropolitan support for pollution cleanup and land readying activities.
- 4.4.3 Establish a priorities hierarchy for contaminated sites that reflects the City’s business plan.



Between 1995 and 2002 the North Washington Jobs Park added seven new job-generating buildings on previously contaminated land.

Policy 4.5: Attract businesses investing in high job density and low impact, light industrial activity to support the existing economic base.

- 4.5.1 Align workforce investments with targeted industrial employers identified and defined in the [Industrial Land Use and Employment Policy Plan](#) as “21st Century” and “Opportunity” industries.
- 4.5.2 Set aside at least half of the city’s available industrial business assistance for targeted industries.
- 4.5.3 Encourage on-site job training among industrial workforce development programs.
- 4.5.4 Maintain and continue to develop strong relationships with the Minneapolis Workforce Investment Board, the [Minnesota Department of Employment and Economic Development](#), the [Minnesota State Colleges and Universities system](#), the [University of Minnesota](#), and the [Minneapolis School District](#).
- 4.5.5 Increase resident employment at existing and new industrial businesses through workforce development.
- 4.5.6 Institute biennial surveys of industrial businesses to ensure city efforts are responsive to current needs and conditions.

People

Human capital is critical to the success of any economy. In order to meet the needs of developing and growing business in the regional economy, the city's labor force must be well educated, appropriately skilled and adequately prepared for emerging

job opportunities. For all residents to enjoy the benefit of economic growth and wealth creation, efforts must focus on preparing a qualified, ready-to-employ resident workforce.



Art Attack at the Northrup King building in Northeast Minneapolis provides artists like Adrienne Grahn an opportunity to open their studios to a broader audience.

The individuals who make up the Minneapolis workforce are at the heart of the city's diverse economy. The spirit and energy that entrepreneurs and artists bring to Minneapolis is paramount to the city's economic success. Historically, artists have played a large role in realizing the hidden potential of many Minneapolis neighborhoods (see Chapter 9: Arts & Culture for more information). Additionally, recent immigrants who open their own businesses have fueled revitalization of areas through

their small business activities. The City provides tools and support to these independent entrepreneurs.

A full spectrum of educational opportunities, from pre-kindergarten to continuing education, allows residents to be prepared for this dynamic economy. Minneapolis is already strong in its post-secondary options, but more attention needs to be paid to preparing Minneapolis children and youth for the workforce and providing opportunities for current workers to gain more skills. Examples of the city's commitment to youth include programs linking middle- and high-school students with summer jobs, as well as putting high school graduates on a career path by getting tuition paid for two years at participating local colleges.

For residents to thrive, they need options available to make the best decisions for their employment. As an urban center, Minneapolis is rich in educational opportunities, transit alternatives, a diverse job base, and housing choices. By assisting to remove barriers to employment, residents can make their own job choices through each stage of their lives.

Policy 4.6 Focus resources and efforts on building and maintaining a skilled and employable workforce.

- 4.6.1 Promote the work readiness of city residents and the development of skills that respond to emerging opportunities with employers that offer good jobs.
- 4.6.2 Create vocational and occupational training for job seekers in collaboration with corporate partners and educational institutions.

4.6.3 Support youth employment, apprenticeship and mentorship initiatives in preparation for city jobs.



Donna, Abdihakim, and Sadiki spent summer break of 2007 working with the Lake Street Council as part of the [Step-Up program](#).



Carrie, a student at Patrick Henry High School, was a Step-Up intern for Carlson Companies in 2007.

Policy 4.7: Focus resources and efforts on connecting residents to good jobs.

- 4.7.1 Continue to link job creation for unemployed and underemployed residents to city assistance programs.
- 4.7.2 Work to inform Minneapolis residents of jobs that are available in the city and throughout the metropolitan region.

Policy 4.8: Continue to pursue the removal of barriers that prevent residents from holding living wage jobs and achieving economic self-sufficiency.

- 4.8.1 Improve the affordability and variety of housing choices for Minneapolis workers.
- 4.8.2 Improve public and alternative transportation that links workers to jobs.
- 4.8.3 Promote a more comprehensive range of child and elder care services.
- 4.8.4 Promote on-site day care as an employment assistance program.
- 4.8.5 Generate more opportunities to retain older workers in the workforce.

Places

Businesses are located in a variety of places throughout the city. These places, whether Downtown, business districts, neighborhoods, or industrial areas, are essential to maintaining a high quality attractive city to businesses and their employees, as well as the surrounding residential areas. The vitality of these places is supported through private sector investments, public and private partnerships, and the city's business finance tools, infrastructure investments, and supportive land use policies.

Business Districts



Cedar Riverside is well-known for its theaters, music venues, destination retailers, and ethnic businesses.

Minneapolis supports commercial growth in areas well served by transit, a good pedestrian environment, and a correspondingly growing residential population. These business districts are fundamental to creating and sustaining a healthy city. Minneapolis business districts provide essential goods, services, gathering places, jobs and entrepreneurial opportunities to Minneapolis residents and workers throughout the city. Many business districts serve as destinations; attracting visitors to sample unique restaurants,

buy specialty goods, or experience the eclectic of a diverse urban environment. The city's [Great Streets](#) initiative is an example of a program that works to enhance the success of commercial corridors and nodes, supporting small businesses and the neighborhoods surrounding them.

Policy 4.9: Focus economic development efforts in strategic locations for continued growth and sustained vitality.

- 4.9.1 Prioritize economic development efforts around designated neighborhood commercial nodes, commercial corridors, activity centers, and growth centers.
- 4.9.2 Support industrial growth and expansion within Industrial



A 10-acre high-intensity industrial site in the Humboldt Industrial Employment District was replaced with Real Estate Recycling, a change that dramatically increased the number of industrial jobs in the area.

Employment Districts.

Industrial Employment Districts

As the industrial sectors grow, it is the responsibility of the City to guide the growth to maximize benefits for both industrial businesses and residents. Industrial Employment Districts (Map 4.2), as identified in the [Industrial Land Use and Employment Policy Plan](#), identify parts of the city as protected areas for prime industrial space. These areas are usually well-served by rail and the interstate systems for easy access, and offer opportunities for business growth with minimal impacts to residential neighborhoods. Within these districts, synergy is encouraged among industrial businesses to help support business efficiencies, job retention, and better utilization of sites.

Policy 4.10: Prioritize Industrial Employment Districts for industrial uses.

- 4.10.1 Secure vacant and underutilized sites within Industrial Employment Districts for industrial uses.
- 4.10.2 Coordinate infrastructure investments with needs of targeted industrial employers.
- 4.10.3 Support the continuation of existing freight rail infrastructure, where consistent with land use policy, that serve Industrial Employment Districts as an alternative system of moving goods, separate from the interstate and truck route system.

Large-Scale Revitalization

Large-scale revitalization efforts require the most assistance by the City but reap impressive benefits. Areas in need of revitalization are usually identified through policy and go through extensive visioning processes with stakeholders from the surrounding area to set goals and priorities. Once an adopted plan is in place, public and private partners proceed with implementation, often spanning multiple years. Implementation may include additional analysis, such as engineering and architectural studies, rezoning studies, and infrastructure improvements to support access or pedestrian amenities as well as private investment and development.

The City has played a major role in the revitalization of the Downtown riverfront. With the direction of an adopted small area plan, the Mill District portion of the riverfront was transformed from an abandoned rail yard and industrial area into a completely new Downtown neighborhood. The street grid was reestablished, industrial pollution was cleaned up, connections were created to the river, park space was allocated, and sites were subdivided to prepare the area for a large amount of new housing and commercial development that would not have been possible without strategic public investments.

Mill District: Before and After



2nd Street South, east of 5th Street in the 1980's. In 1994, the estimated market value of the area was \$25 million



Twelve years later, the estimated market value had jumped to \$334 million

Strategic infrastructure projects can create a sense of place where none existed. Not only are major road infrastructure and cleanup projects important, but they in turn pave the way for consistent pedestrian lighting and landscaping, public gathering spaces, and possible restoration of historic elements of an area. The City will continue to identify parts of the city in need of these improvements – such as Shoreham Yards and the Hiawatha Light Rail Corridor – as future places where people want to live, work, and visit.

Policy 4.11: Attract businesses to the city through strategic infrastructure investments.

- 4.11.1 Enhance and maintain transportation, wastewater, green space, and other physical infrastructure to serve the needs of businesses where appropriate.
- 4.11.2 Promote sustainability practices in the redevelopment of areas, including access to mass transit and the use of green technology.
- 4.11.3 Prioritize strategic infrastructure investments in alignment with small area plans and other adopted policies.



Policy implementation for the Franklin transit station area includes creating new development parcels and increasing pedestrian safety through the reconfiguration of the area's major street network.

Downtown Strength



Downtown Minneapolis is the center of the Upper Midwest economic region.

Downtown is the region's cultural and business center with more than 150,000 employees and 900,000 visitors annually. It is home to world class cultural and entertainment venues, numerous large employers, over 5,000 hotel rooms, and around 30,000 residents. Recent planning ensures that residents, workers, and visitors are served by high quality transit service and expanded commuter bicycle routes. Future planning for Downtown will capitalize on this economic vitality and work towards increasing this status. By promoting and enhancing its unique urban qualities, Downtown Minneapolis can sustain its competitive advantage over its regional and global competitors.

By retaining existing employers and encouraging others to relocate, Downtown will continue to serve as the Upper Midwest's largest employment center. Downtown currently includes 42 percent of the region's Class-A office space, with the majority of the tenant base comprised of financial/insurance firms, law firms, and other professional service providers. Another substantial tenant presence – concentrated along the south end of Nicollet Mall—are Target vendors surrounding the company's downtown offices. The variety of business industries in Downtown strengthens the area's diversity and vitality.

Current projections show that Downtown will absorb approximately 6.6 million square feet of new office development by 2020. The City aspires to increase that absorption rate and reinforce the prominence of Downtown as a desirable and sustainable place to do business for both large employers and business startups. The Downtown office core should develop in a concentrated pattern, supporting Downtown retail and taking advantage of transit facilities and nearby housing. Housing should be encouraged to locate on the periphery of the office core but still in close proximity for convenient access.

A key element of a successful Downtown is also the presence of places to shop. Downtown will need to take more aggressive steps in order to successfully participate in an increasingly competitive and changing metropolitan retail market. Historically, Downtown retail has experienced ups and downs corresponding to fluctuations in the office market. However, the growing presence of a residential population has turned Downtown into more of a 24-hour city, supporting Downtown retail and entertainment attractions. Functional retail, where office workers and downtown residents can shop for daily goods and services, will help Downtown compete with the suburbs for additional employers. Also, creating a destination retail presence along Nicollet Mall can capture the new high-end tier of Downtown residents and visitors.



Nicollet Mall is a fun place to shop and watch people walking by.

While the most appropriate location for prominent retailers is in the office core, Downtown's growing resident population needs neighborhood-serving retail. The Downtown residential population is located in neighborhoods surrounding the urban core. More than distance separates them. The office core, major streets and highway corridors, and difficult pedestrian environments (see Map 4.1 Downtown Districts) impede connectedness. Because of this, Downtown's nearly 14,000 households do not comprise a single market but instead several submarkets. Downtown office workers will most likely continue to be a primary driver for the Downtown retail market, so any new neighborhood-serving retailers will likely position themselves in areas between the office core and residential neighborhoods. The most desirable location for these uses is along the designated Commercial Corridors.

In order to sustain a Downtown that provides entertainment as well as goods and services, it will be important to improve both the number of visitors and residents to the area. Event venues – which attract a mix of local residents, regional residents, regional visitors, convention delegates and out-of-state visitors – play a major role in generating and supporting retail, restaurant, and entertainment businesses. For these reasons, Minneapolis will continue to support the growth of entertainment opportunities in Downtown.

Cultural, entertainment, hospitality and educational opportunities contribute to the success of Downtown. In Downtown it is possible to work during the day, attend evening classes at one of several colleges, go to conventions, shop at a variety of stores, and visit world-renown museums and theaters, professional sports games, restaurants or nightclubs. Downtown is not only a good place to work and shop, it is also a fun and unique place to spend time.

Highlighting Downtown as a great place to work and visit is a high priority for the City. Downtown needs to provide a positive image, offer an attractive and safe environment, and capitalize on its unique qualities as the city center to better attract businesses, shoppers, visitors, and residents. Meeting these challenges will enable Downtown to continue its role as the economic and cultural center for the region.

Policy 4.12: Downtown will continue to be the economic engine of the Upper Midwest region by strengthening its employment core.

- 4.12.1 Retain a concentrated office core (identified as “Commercial” on the Future Land Use map) where residential development as a primary use and expansions of government uses are discouraged.
- 4.12.2 Encourage new office development at premium sites on the north end of Nicollet Mall in addition to other locations within the core.
- 4.12.3 Encourage business retention and expansion programs aimed at supporting major employers in Downtown.
- 4.12.4 Develop a marketing strategy geared toward enticing employers to move into Downtown.
- 4.12.5 Support the continued strength and growth of the Downtown convention and hospitality industry.

Policy 4.13: Downtown will continue to be the most sustainable place to do business in the metro area.

- 4.13.1 Support the development of a variety of businesses of all sizes within Downtown.
- 4.13.2 Encourage existing Downtown buildings to retrofit using sustainable design practices, including energy efficiency, additional green space, and bicycle facilities.
- 4.13.3 Support opportunities for new Downtown development to build to a high standard of sustainability.
- 4.13.4 Increase the pedestrian orientation of the Commercial Corridors connecting to adjacent neighborhoods and cultural amenities.
- 4.13.5 Create inviting public spaces and green corridors within the office core.



This sidewalk area on the Washington Avenue Commercial Corridor is dark and uninviting.

- 4.13.6 Provide efficient transportation options for Downtown users to get around within the district.
- 4.13.7 Continue to support Downtown housing that is affordable for all people who live and work in Downtown.
- 4.13.8 Continue to improve Downtown infrastructure to meet the needs of businesses, residents and visitors.

Policy 4.14: Encourage recruitment and retention of retailers in Downtown that fill a functional need for office workers and residents.

- 4.14.1 Create a marketing strategy to entice functional retailers into locating Downtown.



The Downtown Target headquarters is a two-story model with a visible vertical circulation point, leading employees and shoppers from the street into the skyway system.

- 4.14.2 Encourage neighborhood-serving retailers to locate in areas serving the Downtown residential areas, such as on Commercial Corridors.
- 4.14.3 Promote good urban design principles with new large-scale retailers in Downtown.
- 4.14.4 Create parking strategies for Downtown retailers to make shopping more convenient, such as short-term on-street parking, parking validation programs, and clear signage and directions to available parking facilities.

Policy 4.15: Continue to support the variety of institutional uses Downtown that serve students, visitors, employees, and residents.



Opportunities for education and life-long learning are important to the competitiveness of any economic center. [Minneapolis Community & Technical College](#) and [Metropolitan State University](#) are located on the southern end of the office core.

- 4.15.1 Concentrate government offices and social services to promote functional efficiencies between the various branches and levels of government.
- 4.15.2 Maintain a presence of educational facilities in Downtown – pre-K, K-12, and higher education – to support Minneapolis residents in achieving employment goals.
- 4.15.3 Allow for the physical expansion of medical services in Downtown with designs that effectively integrate them into the surrounding neighborhood.

Policy 4.16 Strengthen Downtown’s position as a regional cultural, entertainment and commercial center that serves Downtown employees, visitors, and residents.

- 4.16.1 Maintain a destination Retail District along Nicollet Mall.
- 4.16.2 Provide a continuous retail presence within the Retail District by requiring active commercial uses on the street level.
- 4.16.3 Support an Entertainment District in Downtown with primarily entertainment uses at the street level.
- 4.16.4 Encourage activities and uses in Downtown for people of all ages.
- 4.16.5 Support development of Downtown Minneapolis as a unique retail, arts, and

cultural destination.

- 4.16.6 Preserve and build upon Downtown's cultural, entertainment and hospitality amenities, such as the convention center, professional sports venues and the Central Riverfront.
- 4.16.7 Improve real and perceived safety issues in Downtown.



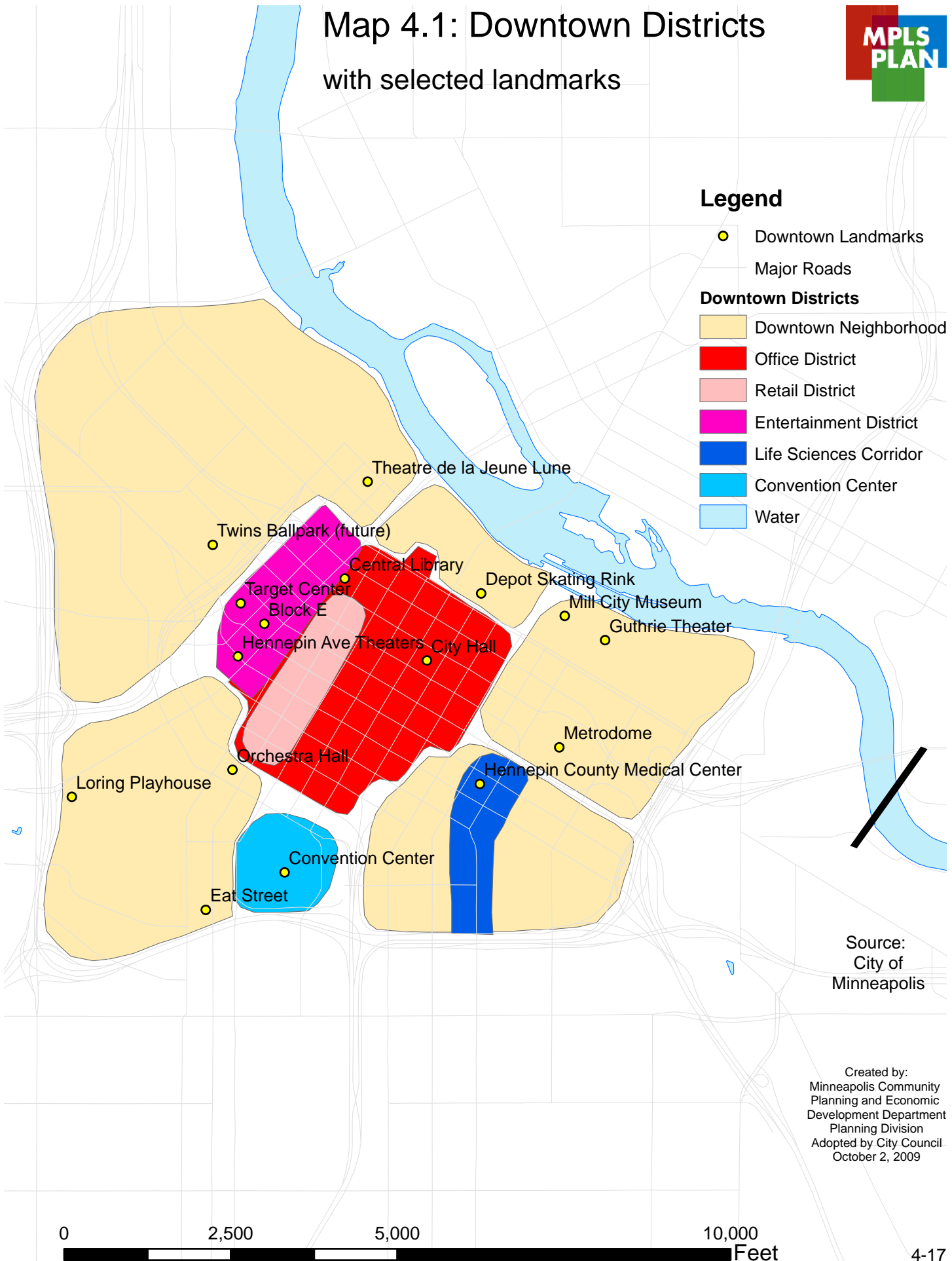
The presence of police walking patrols improves the perception of Downtown safety.

Map 4.1: Downtown Districts with selected landmarks



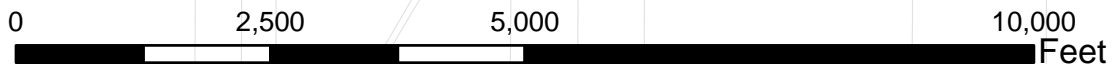
Legend

- Downtown Landmarks
- Major Roads
- Downtown Districts**
- Downtown Neighborhood
- Office District
- Retail District
- Entertainment District
- Life Sciences Corridor
- Convention Center
- Water

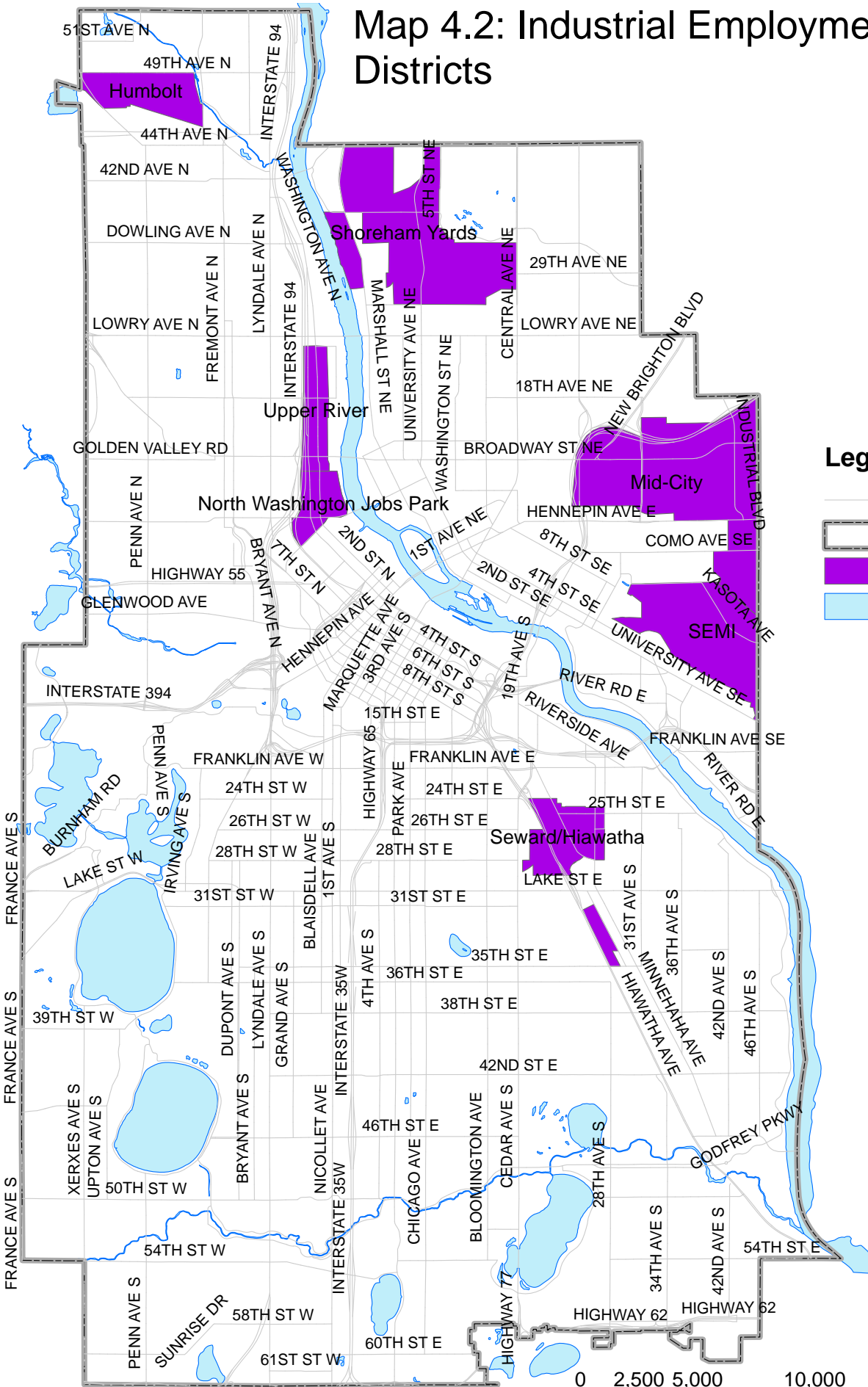


Source:
City of
Minneapolis

Created by:
Minneapolis Community
Planning and Economic
Development Department
Planning Division
Adopted by City Council
October 2, 2009



Map 4.2: Industrial Employment Districts



Legend

- Major Roads
- City Boundary
- Industrial District
- Water



Source:
Metropolitan
Council

Created by:
Minneapolis Community
Planning and Economic
Development Department
Planning Division
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October 2, 2009

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Feet