

## MEMORANDUM

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**TO:** City Planning Commission, Committee of the Whole  
**FROM:** [Haila Maze](#), Principal Planner, (612) 673-2098  
**DATE:** June 18, 2015  
**SUBJECT:** Innovation District – Draft City Council Resolutions

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### Background and Overview

Attached are two draft City Council resolutions, one to create the concept of an Innovation District for the City, and the other to designate the first one of these districts (with an accompanying map). While it is not standard procedure to bring City Council resolutions to Planning Commission Committee of the Whole, this one builds upon recent planning in the area – and may lead to future actions for Planning Commission regarding additional policy guidance or regulatory controls.

The Innovation District concept has been developed through the ongoing planning efforts in the area around University Avenue SE, centering on the Prospect Park LRT Station Area but including other adjacent areas as well. Working in collaboration with the City’s planning efforts in this area, a number of community partners have formed the Prospect North Partnership, which is working together to support redevelopment in the context of a sustainable and innovative district. As part of this ongoing process, the Prospect North Partnership has identified that designating an innovation district would assist in establishing an identity and standards for the redevelopment of the area.

Council Member Cam Gordon’s office has taken the lead in bringing forward these two resolutions in support of this intent. The overall goals are to provide a working definition for this concept, and to generally speak toward how the City can work in this area to assist with the implementation of innovative concepts.

This resolution does not allocate additional City resources to an Innovation District, identify potential districts beyond the University Avenue one, or change any regulations impacting this area. Some conversations about these items are ongoing, but they haven’t occurred to date. At this point, the resolutions just create a definition for the overall framework for these potential changes.

### Proposed Actions

These items are being brought before the Planning Commission as a discussion item only. It is proposed that it will also be jointly reviewed by the Zoning and Planning, Transportation and Public Works, and Community Development and Regulatory Services committees of City Council, prior to City Council action.

**Attachments**

- Resolution of the City of Minneapolis Creating an Innovation District Designation
- Resolution of the City of Minneapolis Supporting the Redevelopment of the University Avenue Innovation District
- Map of proposed University Avenue Innovation District

DRAFT 5/11/15

Resolution of the City of Minneapolis

### **Creating an Innovation District Designation**

By Gordon

Whereas, a number of currently underdeveloped areas in Minneapolis are expected to redevelop as integrated, coordinated districts; and,

Whereas, some redevelopment areas will benefit from a district approach to characteristics including but not limited to stormwater, energy, parking, placemaking, green space, and marketing; and,

Whereas, some district systems, including but not limited to energy, parking, stormwater management and waste management, will benefit from innovative approaches not commonly used in standalone development; and,

Whereas, some redevelopment areas will only achieve their maximum potential – the number and quality of jobs, housing units, tax base increase and more – with a district approach, and with the active participation of the City of Minneapolis; and,

Whereas, some redevelopment areas have or will form stakeholder collaborations, including property owners, developers, nearby residents and businesses, government, nonprofits, academia and major institutions, which will help organize development and manage district systems long-term; and,

Whereas, the redevelopment of districts is often prompted by infrastructure improvements such as transit and streets; and,

Whereas, high technology startups and similar businesses benefit from proximity to each other and to major academic institutions; and,

Whereas, a district approach to redevelopment is likely to increase the quality and integration of design; and,

Whereas, areas near major institutions such as the University of Minnesota stand to benefit from synergistic development; and,

Whereas, some redevelopment areas may involve multiple jurisdictions, including but not limited to Hennepin County, the City of Saint Paul and other neighboring cities; and,

Whereas, “Innovation Districts” have been created in more than eighty cities around the world for the purposes of job and housing development;

**Now, Therefore, Be it Resolved by the City Council of the City of Minneapolis,**

The City of Minneapolis will identify and designate Innovation Districts in appropriate redevelopment areas. An Innovation District is an economic development tool that utilizes partnerships with higher education institutions, businesses, and government to fuel job growth and redevelopment in targeted locations, based on the premise that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas and people. This designation can be used for the purposes of planning, fundraising, and marketing, and potentially for innovative pilot projects and district systems.

To be appropriate for an Innovation District designation, a redevelopment area should incorporate some or all of the following characteristics:

- Size of 50 acres or larger,
- District approach to systems such as energy, stormwater management, parking, and green space,
- Connected to nearby major institutions,
- Expected mix of housing, employment and support services,
- Multiple governmental jurisdictions,
- Significant potential benefit to district approach over the existing conditions and what market forces alone would likely deliver,
- Adopted City redevelopment plans,
- Existing formal collaborations pushing to create the district,
- Possibility of benefitting from regional and state investments and programs.

**Be it Further Resolved** that the City of Minneapolis will consider investments and partnerships related to Innovation Districts including, but not limited to:

- Appropriate City staff participation in planning, organizing, strategizing for and implementing the area's redevelopment,
- Investments at city standard level in basic infrastructure through the capital improvement plan, with the understanding that this may leverage other sources of funding for more innovative elements of public realm and district systems,
- Technical analysis on a case by case basis in relation to staff workloads and financial commitments, with the understanding that any staff resources or financial commitments that are more than incidental will be brought to the City Council for consideration,
- Support for funding for redevelopment opportunities including housing, business development, infrastructure, and greenspace, particularly those that provide or support affordable housing and/or job creation,
- Communication about the opportunities in this area to a broader audience, to attract input, support, and investment,
- Support for using available City funding mechanisms
- Willingness to change City policies and practices to allow for experimentation and innovation consistent with City goals and the expressed priorities of the district, with the understanding that any specific regulatory or policy changes will be brought to the City Council for consideration,
- Collaboration with other units of government as needed and appropriate.

**Be it Further Resolved** that the City of Minneapolis will develop a definition of Innovation Districts to include in the City's Comprehensive Plan update.

DRAFT 5/27/15

Resolution of the City of Minneapolis

**Supporting the Redevelopment of the University Avenue Innovation District**

By Gordon

Whereas, the City of Minneapolis has supported the development and completion of the Central Corridor Light Rail Transit project, known as the Green Line; and

Whereas, the City of Minneapolis is involved in an ongoing partnership with the City of St. Paul on the completion of the Green Line, and on planning for development along the corridor; and

Whereas, the Prospect Park light rail station area represents one of the biggest opportunities for growth along the Green Line in Minneapolis, including growth in population, employment, and tax base; and

Whereas, the Southeast Minneapolis Industrial (SEMI) area adjacent to the Prospect Park station has been guided by the City for redevelopment as a job-intensive innovation district focusing on bioscience and related industries, capitalizing on its close proximity to the University of Minnesota; and

Whereas, this area also stands to benefit from MnDRIVE, an initiative to strengthen Minnesota's discovery, research, and innovation economy; and

Whereas, the City Council adopted the *Stadium Village University Avenue Station Area Plan* in 2012, supporting the redevelopment of the immediate Prospect Park station area with high density mixed use, and the adjacent SEMI area with office and light industrial development; and

Whereas, the Prospect Park station area contains TIF districts that lie within the University Research Park Subzone, and that have excess tax increment that could be used to fund infrastructure and other improvements needed to support job-related development; and

Whereas, the University of Minnesota has a strategic vision to work with its surrounding communities to leverage its capacity as a major research university to spur innovative projects and build stronger, safer and more vibrant communities around its edges; and

Whereas, the City of Minneapolis is working in partnership with the City of St. Paul in this area to address shared cross-border issues and opportunities; and

Whereas, a number of community partners have formed the Prospect North Partnership, which is working together to support redevelopment in the context of a sustainable and innovative district.

Whereas, the Prospect North Partnership has identified that designating an innovation district would assist in establishing an identity and standards for the redevelopment of the area, and CPED staff have agreed with this recommendation as a means to forwarding City goals for economic development,

**Now, Therefore, Be It Resolved by the City Council of the City of Minneapolis:**

That the area defined by the attached map be designated as the University Avenue Innovation District. An innovation district is an economic development tool that utilizes partnerships with higher education institutions, businesses, and government to fuel job growth and redevelopment in targeted locations, based on the premise that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas and people. This designation can be used for the purposes of planning, fundraising, and marketing – and potentially for innovative pilot projects and district systems.

Be it further resolved that the City Council supports redevelopment of the University Avenue Innovation District area as a high priority for the City of Minneapolis, by directing staff and resources to:

1. Encourage ongoing CPED and other appropriate City staff participation in the Prospect North Partnership with planning, organizing, strategizing for and implementing the area's redevelopment.
2. Consider investments at city standard level in basic infrastructure through the capital improvement plan, with the understanding that this may leverage other sources of funding for more innovative elements of public realm and district systems.
3. Consider requests from Prospect North Partnership for technical analysis, to review or explore issues in-depth, on a case by case basis in relation to staff workloads and financial commitments. Any staff resources or financial commitments that are more than incidental shall be brought to the City Council for consideration.
4. Support funding for redevelopment opportunities including housing, business development, infrastructure, and greenspace, particularly those that provide or support affordable housing and/or job creation.
5. Communicate about the opportunities in this area to a broader audience, to attract input, support, and potentially investment.
6. Investigate the feasibility of using some or all of the pooled TIF funds for the construction of other public infrastructure necessary to support development of the innovation district.
7. Consider changes to city policies and practices to allow for experimentation and innovation consistent with City goals and the expressed priorities of the district. Any specific regulatory or policy changes shall be brought to the City Council for consideration.
8. Work with the City of Saint Paul on shared issues including, but not limited to, infrastructure connectivity, formation of a cohesive district identity and brand, and alignment of investments in economic development.



# Prospect North Innovation District

Draft Boundary - 4/6/15

