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SECTION 1.0: EXECUTIVE SUMMARY

The Central Corridor joining St. Paul and Minneapolis has a history rooted in connections, commerce, and community. As the Twin Cities metropolitan area anticipates population growth over the next twenty years, regional leaders have rightly sought to build upon existing assets to encourage progress, accommodate growth, and promote regional equity. Regional transit service provides a figurative and literal vehicle for achieving those objectives. But lessons from freeway expansion in a previous era of regional transportation growth loom large. Therefore, planning and preparing the corridor for the arrival of Light Rail Transit service (LRT) requires the involvement of communities to ensure readiness and suitability for redevelopment that will enforce transit ridership.

This report highlights a portion of St. Paul’s Midway commercial district in order to evaluate its long-term potential for redevelopment in a form that supports transit service. By building at greater densities, corridor development will maximize the efficiency of the transit system, and the surrounding neighborhoods will benefit from the thrift of improved accessibility and enhanced connection with the region.

The study introduces the framework for Transit Oriented Development (TOD) as it may apply to the study area and identifies obstacles both in physical form and public policy that challenge its suitability. This includes an assessment of the area’s physical composition that ranges from traffic congestion and pollution at the Snelling-University intersection to the existing development pattern of strip center retail on large superblocks. The nature of long-term planning allows us to consider some degree of impermanence for the area’s built environment. While the flexibility to redevelop in a more transit-friendly form over time offers a range of planning solutions to meet the desired TOD outcome, there are myriad conflicts that span community tension, political will, market feasibility, and consumer recognition. The findings diagnosed in this report align with our key recommended actions for addressing...
those conflicts: 1) recognize District Councils Collaborative as the principal community leadership group for TOD advocacy, 2) commission a feasibility study to assess the merits of master planning for the study area, 3) plan proactively by evaluating specific uses for the immediately developable sites (mixed use office/hotel at the Target location and large format retail at the bus barn site), and 4) develop a recognizable brand or image to help visitors identify Midway’s shopping district as a distinct commercial and entertainment destination.

Community participation is a staple of each strategic objective proposed in this report. The input of residents, customers, employees, transit riders, and others will be essential to creating a vision for a transit-enhanced, modern Midway area. We offer a vision and goals for transforming today’s shopping district to a contemporary mixed use environment. Our concept of “Midway Central Station” portrays a regional hub and center of activity that looks beyond stores and parking lots to a vibrant, urban coalescence of homes, jobs, and parks.
SECTION 1.1: GENERAL INTRODUCTION

University Avenue and I-94 are two of the primary connectors between Minneapolis and St. Paul. Both roadways have experienced added pressure as vehicle traffic increases along with the regional growth of the Twin Cities. At an estimated cost of $930 million, light rail transit (LRT) has been proposed as a way to address concerns regarding congestion and automobile dependency, environmental impacts, inequity, and inefficiency within the corridor. The proposed Central Corridor route follows University Avenue for most of the 11 miles between downtown Minneapolis and downtown Saint Paul.

One of the most highly anticipated features of LRT is the hopeful attraction of redevelopment around transit stops in a manner that both contributes to and benefits from ridership of the new transportation option. Transit Oriented Development (TOD) refers to a land use style with specific characteristics designed to meet the needs of transit riders and encourage greater pedestrian activity around transit stops. The Federal Transit Administration (FTA) defines TOD as a pedestrian friendly neighborhood centered on a transit station with a mix of land uses to provide the daily needs of residents and transit riders. TOD projects should have efficient connections to trails, bicycle lanes, and bus lines (TOD Lessons Learned, 2006).
While the FTA definition of TOD is fairly straight-forward, in practice TOD is often difficult to define and even more difficult to measure and compare objectively. There is not a clear understanding of exactly what TOD should look like, what types of land uses should be included, or how it should be financed. This report presents several case studies from across the country and examines how each of them applies to the unique circumstances present along the Central Corridor.

The intersection of University Avenue and Snelling Avenue, a proposed LRT station location, poses significant challenges to the establishment of development that will encourage pedestrian activity and transit ridership. The southeast quadrant of the intersection currently features aging strip malls and large-format retail stores with expansive parking lots on superblocks, creating an unfriendly pedestrian environment. In its current state, the shopping district caters almost exclusively to the needs of automobiles.

This report is organized into three sections. The first section provides an analysis of the current conditions of the Midway shopping district. Interviews with current property owners inform the
discussion regarding the reluctance of current land owners to become engaged in redevelopment consistent with TOD principles.

The second section presents a vision for the Midway area. It is intended to represent how future generations will describe the Midway area after TOD style redevelopment has occurred. It represents the “best case scenario” for the redevelopment process.

Using the vision statement as a guide, the final section of the report presents four goals for the redevelopment of the Midway shopping district along with specific objectives and steps suggesting how the vision can be fully realized.
SECTION 1.2: PURPOSE

The purpose of this report is to identify strategies that the District Councils Collaborative (DCC) can utilize to effectively promote the redevelopment of the Midway area to a mixed use, transit friendly destination. This report will look specifically at the proposed LRT stop located near the intersection of University Avenue and Snelling Avenue. The southeast quadrant of this intersection is referred to in this report as the Midway shopping district, and is considered an area suitable for redevelopment. This report discusses the appropriateness of TOD as a means of enhancing the Midway shopping district and optimizing its situation in the LRT corridor.

The Midway shopping district poses several major challenges to the implementation of TOD. The existing commercial development is incompatible with the vision for a transit-supportive environment. This report discusses long-term strategies to help the Midway shopping district transition toward TOD and advocates for a station area that is transit-supportive with an adequate intensity of uses and a sufficient mix of residents, employees, and visitors. This report also discusses the impacts of automobile traffic in the area, and how future redevelopment can mitigate the negative impacts of automobile congestion.

Figure 2: Traffic Congestion on Snelling Avenue

Despite its comparable size to other major retail centers, there is growing concern that the area is not recognized as a regional shopping center. This report explores strategies to encourage property owners and operators to work together to create an identity for the area. Central to this discussion will be a consideration of the appropriate mix of stores and services will be necessary to attract patrons from other parts of the region, but still remain...
suitable and affordable for the local community.

This report will also consider strategies to ensure that tools, incentives, and guidelines are in place to enable development that is consistent with the TOD vision. Form-driven incentives can encourage TOD through design standards and density bonuses, or diminished parking requirements (including shared parking and parking improvement districts). Financial tools and incentives to allow greater project feasibility are needed to attract investment, as well as financial tools and incentives that will attract and retain local small business operations.

Finally, this report will make general recommendations regarding the “shovel-ready” sites that can be easily redeveloped. The MetroTransit “bus barn” site and the north portion of the parcel owned by Target present two opportunities for catalytic TOD projects.

Figure 3. Aerial View (Looking South) of the existing Midway Shopping Center

Source: http://maps.live.com
SECTION 2.0: DIAGNOSIS INTRODUCTION

The diagnosis is both an assessment of the existing conditions in the Midway shopping district and a survey of available resources and case studies that can be used to help guide its future. The diagnosis starts with a detailed description of the site including its history, land use, and property ownership patterns. A discussion of TOD characteristics then follows.

The third part of the diagnosis includes a thorough SWOT Analysis, followed by a Building vs. Land Analysis. Next, existing sources of public economic development incentives related to the promotion of TOD are reviewed. Finally, a literature review of past planning documents associated with the study area and case studies from around the world are detailed.
SECTION 2.1: SITE DESCRIPTION

The Midway shopping district is located in the heart of Saint Paul, surrounded by traditional neighborhoods of city residential homes. It is easily accessible from across the metropolitan region because of its close proximity to major transportation corridors including I-94, Snelling Avenue, and University Avenue. In a regional context, the Midway shopping district sits on a prime location with potential to become one of the metropolitan region’s most successful retail areas.

Figure 4: Site Map

Source: Ramsey County
The Midway shopping district is composed of 85 acres of land organized into three large urban “superblocks.” The commercial area discussed in this report is the region bounded by Snelling Avenue to the west, Syndicate Avenue to the east, University Avenue to the north, and Saint Anthony Avenue to the south.

Saint Anthony Avenue is a westbound frontage road to I-94, and off-ramps 238 and 239A between Syndicate and Snelling provide direct access to the shopping district from the Interstate. Pascal Street and Hamline Avenue separate the Midway shopping district into three large superblocks, each primarily owned by a different entity. Three bridges across I-94 at Snelling Avenue, Pascal Street, and Hamline Avenue connect the Midway shopping district to the residential neighborhoods to the south. Figure 5 displays the three large blocks composing the Midway shopping district.
The Midway shopping district is best described as a suburban-style strip mall. The buildings are set toward the rear of the lot, only two of the buildings are more than one story tall, and each building is surrounded by expansive surface parking lots. Further, more land is devoted to parking than to the buildings themselves. Few would argue that it is an attractive shopping destination when compared with other regional shopping centers. Low vacancy rates belie the centers’ popularity, as the parking lots are seldom full on an average weekday afternoon.

There is a wide range of retail establishments located within the shopping district. There are nearly a dozen restaurants, a bookstore, a locksmith, two large supermarkets, a Wal-Mart, a SuperTarget, three banks, an office supply store, an optometrist, several hair and beauty salons, a number of tobacco shops, several clothing stores, video rental stores, dollar stores, and various other small convenience shops. Retail tenants include both large format, deep discount retailers and small shops providing the daily needs of nearby residents. Most of the retail in the study area is composed of national chain stores. Only a handful of the businesses are local, independent businesses.

There are nine property owners within the shopping district, although three large property owners control most of the land. Tables 1, 2, and 3 list the property owners, tenants, and parcel attributes for each of the three superblocks, including the year each building was constructed and the value of each parcel.

Figure 6: National Chain on the Site

Source: CLYP Consultants
Figure 7: Western Superblock

Table 1: Western Superblock Property Information

<table>
<thead>
<tr>
<th>Property Owner</th>
<th>Existing Businesses</th>
<th>Year Constructed</th>
<th>Acres</th>
<th>2007 Land Value</th>
<th>2007 Building Value</th>
<th>2007 Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midway Bank</td>
<td>American Bank</td>
<td>1960</td>
<td>1.01</td>
<td>1,760,000</td>
<td>2,112,000</td>
<td>3,872,000</td>
</tr>
<tr>
<td></td>
<td>McDonald’s</td>
<td>1994</td>
<td>0.69</td>
<td>600,400</td>
<td>332,600</td>
<td>933,000</td>
</tr>
<tr>
<td></td>
<td>Perkins</td>
<td>1993</td>
<td>0.21</td>
<td>271,500</td>
<td>570,500</td>
<td>842,000</td>
</tr>
<tr>
<td></td>
<td>Apollo Locksmith, Little Caesars Pizza, Money Centers, Jimmy Johns</td>
<td>1991</td>
<td>0.15</td>
<td>199,400</td>
<td>782,900</td>
<td>982,300</td>
</tr>
<tr>
<td>RK Midway</td>
<td>Vacant Site (Home Depot Proposal Pending)</td>
<td>--</td>
<td>4.79</td>
<td>4,699,200</td>
<td>--</td>
<td>4,699,200</td>
</tr>
<tr>
<td>MetroTransit</td>
<td>Vacant Site (Former “Bus Barn”)</td>
<td>--</td>
<td>9.93</td>
<td>11,246,300</td>
<td>--</td>
<td>11,246,300</td>
</tr>
</tbody>
</table>

Source: Ramsey County
Table 2: Center Superblock Property Information

<table>
<thead>
<tr>
<th>Property Owner</th>
<th>Existing Businesses</th>
<th>Year Constructed</th>
<th>Acres</th>
<th>2007 Land Value</th>
<th>2007 Building Value</th>
<th>2007 Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>DDR MDT Midway Marketplace</td>
<td>Wal-Mart, Subway, Cub Foods, TCF Bank, Dollar Tree, Petsmart, Smoke Shop, Bonfield Pet Hospital, Herberger's Borders Books</td>
<td>1996</td>
<td>7.82</td>
<td>10,219,300</td>
<td>1,780,700</td>
<td>12,000,000</td>
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<tr>
<td></td>
<td></td>
<td>1995</td>
<td>15.76</td>
<td>20,593,600</td>
<td>2,772,600</td>
<td>23,366,200</td>
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<tr>
<td></td>
<td></td>
<td>1998</td>
<td>1.54</td>
<td>2,011,500</td>
<td>2,865,000</td>
<td>4,876,500</td>
</tr>
<tr>
<td>NWM I-94 (City of Saint Paul Western District Police Station under construction)</td>
<td>Leann Chin's, Application Support Center, UPS Store, Mother Nature's, iSpot Clothing, Discount Tire Company</td>
<td>1983</td>
<td>2.42</td>
<td>949,000</td>
<td>569,600</td>
<td>1,518,600</td>
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<tr>
<td>GA &amp; J Properties</td>
<td>Flannery Construction</td>
<td>2006</td>
<td>0.64</td>
<td>216,600</td>
<td>1,033,400</td>
<td>1,250,000</td>
</tr>
<tr>
<td>MNH Property Investments</td>
<td>Hardee's Restaurant</td>
<td>1983</td>
<td>1.15</td>
<td>553,200</td>
<td>162,500</td>
<td>715,700</td>
</tr>
</tbody>
</table>

Source: Ramsey County
Figure 9: Eastern Superblock

Table 3: Eastern Superblock Property Information

<table>
<thead>
<tr>
<th>Property Owner</th>
<th>Existing Businesses</th>
<th>Year Constructed</th>
<th>Acres</th>
<th>2007 Land Value</th>
<th>2007 Building Value</th>
<th>2007 Market Value</th>
</tr>
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<tr>
<td>Target Corporation</td>
<td>Target (Scheduled for Demolition in 2007)</td>
<td>1981</td>
<td>9.04</td>
<td>11,635,200</td>
<td>2,472,000</td>
<td>14,107,200</td>
</tr>
<tr>
<td></td>
<td>SuperTarget (Former Hotel Site)</td>
<td>2007</td>
<td>6.2</td>
<td>5,401,100</td>
<td>1,741,700</td>
<td>7,142,800</td>
</tr>
<tr>
<td>GBD, LLC</td>
<td>Blockbuster Video, Hobbit Travel</td>
<td>1994</td>
<td>0.83</td>
<td>1,084,400</td>
<td>185,800</td>
<td>1,270,200</td>
</tr>
</tbody>
</table>

Source: Ramsey County
Many would argue that the shopping district is an “eyesore”, but its condition cannot be attributed to a lack of new investment. Although one of the strip malls was constructed as early as 1958, the rest of the shopping district is relatively new. Much of the retail space was constructed as late as the 1990s. The shopping center has re-invented itself several times throughout the last 50 years.

Until the 1950s, the area was home to industrial land uses. Before Interstate 94 was constructed, heavy rail access from the south allowed for the easy movement of raw materials and finished goods through the district. Although surrounded by residential neighborhoods, the area was heavily industrial in nature and contained a complex network of heavy rail lines as seen in Figure 10.

*Figure 10: 1940s Aerial Photograph*

Source: Ramsey County
The western block was the first to redevelop. In 1958, the strip mall that still stands today was constructed on roughly two thirds of the western block. Two years later, the building currently occupied by American Bank on the northwest corner of the western block was erected immediately adjacent to the intersection of Snelling and University Avenues. The southern third of the western block was utilized as a bus storage and maintenance center and earned the nickname “bus barn.” Figure 11 displays an aerial photograph from 1974 in which the existing strip mall and American Bank buildings are clearly visible.

Figure 11: 1974 Aerial Photograph

Source: Ramsey County
Between 1981 and 1983, the eastern block and the southeast portion of the center block were redeveloped into their current configuration. Target was constructed in 1981 on the north half of the eastern block, and a 5-story, 197 room Four Points Sheraton Hotel was constructed on the southern half around the same time. Just across Pascal Street, two stand-alone restaurants were constructed. One is currently a Hardee’s Restaurant, and the other has recently been demolished to construct a City of Saint Paul Western District Police Station. Figure 12 shows the existing land uses in 1985.

Figure 12: 1985 Aerial Photograph

Source: Ramsey County
The remaining portions of the center block were redeveloped in the mid 1990s. In addition, several of the outlots in the western and eastern blocks were developed into what is now McDonald’s, Perkins, Hobbit Travel, and Blockbuster Video. Figure 13 displays a 2006 aerial photograph that shows the full development of Midway Marketplace and Wal-Mart in the center block, as well as the demolition of the “bus barn.”

*Figure 13: 2006 Aerial Photograph*

*Source: Ramsey County*
Development activity within the study area continues today. In 2006, a small office building was constructed on the south side of the center block and currently houses Flannery Construction. In addition, the Target Corporation purchased and demolished the 25 year-Four Points Sheraton Hotel and began construction on a new SuperTarget on the south end of the eastern block. The existing Target store is scheduled to be demolished in 2007.

Today, there exist several sites that are prime redevelopment sites. The “bus barn” site and the adjacent parcel owned by the RK Midway could be combined to create a large parcel. University United has led a community effort to encourage development in a mixed use, TOD style. Others argue that since the site has excellent access to the freeway, it should hold a more automobile oriented land use.

In early 2007, Home Depot submitted a proposal to construct a store just east of the “bus barn” site. The site is small relative to Home Depot’s prototypical design, but the plan proposes rooftop parking to economize on space. The proposal has gotten mixed reviews, and is currently being considered by St. Paul staff.

The north end of the eastern block is also a prime location for redevelopment. After the SuperTarget is completed and the old Target is demolished, the north end of the block will no longer be needed for parking. Instead it will provide an exciting redevelopment opportunity with University Avenue frontage.

*Figure 14: Proposed Home Depot Site*
SECTION 2.2: TOD OVERVIEW

Table 4: Summary of the Components of Transit Oriented Development

- Walkable design giving the pedestrian the highest priority
- Train station as the prominent feature of the town center
- A regional node containing a mixture of uses in close proximity including office, residential, retail, and civic uses
- High density, high-quality development within 10-minute walk circle surrounding train station
- Collector support transit systems including trolleys, streetcars, light rail, and buses, etc
- Designed to include the easy use of bicycles and other non-automobile transport modes as daily support transportation systems
- Reduced and managed parking inside a 10-minute walk circle around the train station

Source: www.transitorienteddevelopment.org

Today’s pattern of urban development along University Avenue is a product of several factors, the most influential of which may be transportation. The arrival of light rail transit in the Central Corridor presents a rare opportunity for residents, property owners, and business operators to reconsider the built environment’s shape and its relation to those who live in, visit, and travel through the area. The introduction of rail transit service requires a revised framework for future development and revitalization that sensibly accommodates the needs of riders, drivers, and walkers in the new environment. The presence of light rail will directly affect mobility in the Central Corridor, altering patterns of vehicle and pedestrian traffic. Together these factors influence the communities’ sense of place and vibrancy.

Transit-oriented development (TOD) addresses the specific form of development surrounding transit stations, but also functions within a broader regional framework. By emphasizing compact development through new construction or rehabilitation in unused or underused urban sites, TOD can help to reduce regional expansion pressures that urbanize undeveloped land (greenfields). Coupled with new or existing public transportation service,
TOD’s alternative building pattern can help to reduce automobile dependence.

Figure 15: An Example of TOD near the Hiawatha LRT (Oaks Hiawatha)

The general ingredients for transit-oriented development tend to be consistent in various cases; however the specific formula often varies from one instance to the next. Determining factors may include the predominant land uses (residential, commercial, civic, or other uses), the state of the transportation system (existing or planned), and the economic health of the area (employment, property values, vacancy rates, etc). These factors vary along the University Avenue corridor, but this report addresses the conditions specific to the Midway shopping district at the proposed light rail station near the intersection of Snelling and University Avenues.

The Metropolitan Council’s framework for transit-oriented development has been embraced as the standard for the revitalized Central Corridor. This TOD recipe highlights four key elements: compact design, a mix of uses, pedestrian orientation, and transportation interfaces. Transit-oriented development requires compact design, incorporating street blocks that are sufficiently small to promote quick pedestrian access and convenient walking distances. The compact pattern requires densities that are higher than those typically found outside of most central business districts. A high enough concentration of residential units and/or commercial space is needed in compact areas to ensure that adequate ridership will support the transit service.

Allowing for a mix complementary uses within the area is essential to making the transit-served neighborhood an active and distinct place. While the mix across uses is essential, variability within each category should not be overlooked. The residential sector should include a mix of housing types and, ideally, serve a range of incomes.
Retail uses should blend convenience goods and services, as well as destination shopping and entertainment. Additional commercial activity may include office space for medium to high intensity employment centers, while open public spaces may be reserved for civic uses.

The pedestrian orientation is a design emphasis that ensures access, mobility, aesthetics, and safety that enhances the experience of those navigating the area on foot. TOD’s most prominent examples often subjugate automobile traffic and features to the needs of pedestrians and transit riders. This begins most obviously with design, orientation, scale of streets and sidewalks, and slowing or calming traffic while facilitating connectivity, minimizing points of conflict between walkers and cars, and accommodating pedestrians in predictably adverse weather.

Buildings should give a sense of human scale at the street level, and commercial entrances should be oriented toward the street rather than parking lots. Ease of navigation is critical, allowing for mobility within the developed area and connections to and from neighboring areas. This includes accommodations to coordinate cyclists with vehicle traffic and provide additional facilities as appropriate.

Naturally, the transportation experience is an important piece of TOD’s success. The location and design of transit stations is critical to the development’s success. Adequate parking should be provided as part of a broader parking strategy for the entire development, but should not be a dominant feature. A range of structured, surface, and on-street parking will provide a suitable match to the mix of businesses in the area. The transportation interface might also include a range of transit facilities, bringing together different modes and
means of access for riders who bus, park-and-ride, walk, cycle, or car pool.

The TOD framework embraced by the Metropolitan Council and University United provides guidelines for the form that new infill development may take. Meanwhile, the Midway shopping district embodies a range of factors that challenges the popular model for TOD. The area is characterized by a single dominant use (retail). The heavily-traffic area relies on extensive surface parking to accommodate customers accessing the area via automobiles, while patrons not arriving by car must navigate the rapid and irregular flow of vehicles. The area is currently well served by transit in the form of various bus routes, but the ease and safety of walking and the mix of other transportation options is lacking.

The study area focuses on a commercial area that is dominated by retailers of varying size, most situated in linear, or “strip” plazas. Though retail plazas of this nature are not rare, the concentration of stores and their adjacent surface parking lots are unique for an urban location. The retail area is comprised of two plazas, plus two stand alone stores and several smaller retailers on outlots, all stretching over three blocks of principle corridor frontage, and set back from the street by acres of surface parking.

A large developable area exists between the backside of the Midway Shopping Center and the I-94 frontage road (St. Anthony Avenue). A prominent tract of developable land on University Avenue will also become available as residual property from Target Corporation’s current location. The existing store will be demolished to provide parking as the expanded store is completed.

The shopping district was built out incrementally over time, through an era in which the needs and uses of automobiles generally dictated the form of development.

The next iteration of development in the Midway area will seek to make connections that transcend cars, roads, and parking lots. In order for transit-supportive development to successfully emerge in the Midway shopping district, a framework for consistency in form is required. Concurrently, an awareness of varying interests in property and politics is needed in order to build consensus and positively influence change.
SECTION 2.3: SWOT ANALYSIS

A SWOT Analysis is a tool to help identify and categorize the Strengths, Weaknesses, Opportunities, and Threats related to the study area. The issues identified in this SWOT Analysis are derived from numerous stakeholder interviews, personal observations, and examination of past research. The strengths and weaknesses generally describe the current conditions found in the area, while the opportunities and threats describe the potential future of the area. The entries from each category can be compared and contrasted with entries from the other categories to populate a list of possible action steps. This process will be described in more detail later in this report.

Table 5: SWOT Analysis Summary

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>Diversity of People and Types of Businesses</td>
<td>Existing Zoning Prevents TOD</td>
</tr>
<tr>
<td>Location and Access to Transit and Roadways</td>
<td>Crime and Litter</td>
</tr>
<tr>
<td>Large Employment Base</td>
<td>Auto-Oriented Design</td>
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<tr>
<td>High Community Involvement</td>
<td>Traffic Congestion and Pollution Issues</td>
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<tr>
<td></td>
<td>Lack of Cooperation and Abundance of Franchises</td>
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</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Move Towards TOD and Higher Densities</td>
<td>Continuing the Status Quo</td>
</tr>
<tr>
<td>Branding of the Area as a Regional Shopping Center</td>
<td>Lack of Cooperation among Property Owners</td>
</tr>
<tr>
<td>Diversify Business Mix</td>
<td>Traffic and Pollution Worsens</td>
</tr>
<tr>
<td>Shared Parking and Cooperation</td>
<td></td>
</tr>
</tbody>
</table>
**Strengths**

1. **Diversity of People and Types of Businesses**

   **a. People** - Many different types of people frequent the area to meet their shopping needs. This diversity includes, transit users, nearby residents, commuters, and people of all socio-economic classes. The large nearby student population from institutions such as the University of Minnesota, Hamline University, and Macalester College is noteworthy.

   **b. Business** - This diversity of customers helps to influence the business mix found in the study area. While most of the businesses are franchises, there are many different types of franchises including bookstores, major retailers, and restaurants. For transit dependent individuals, many everyday items can be found within the study area. For instance, this area has three large-scale grocers (Cub Foods and Rainbow Foods, and the future SuperTarget) and a neighborhood-serving Aldi’s grocer in close proximity. Additionally, discount retailers such as Wal-Mart and Target provide inexpensive, everyday merchandise.

2. **Site Location and Access to Major Roadways and Transit**

   **a. Major Roadways** - As the Midway name suggests, the shopping area is located between two major downtowns. The shopping district is situated on large parcels that provide the square footage and the parking space required by large commercial areas. This strategic location is also located along I-94, which provides the access, visibility, and traffic counts necessary to support commercial activities.

   ![Figure 17: I-94 and Snelling Avenue Intersection](Source: CLYP Consultants)

   In addition, University Avenue is a major east-west route, and Snelling Avenue provides the major north-south connection to places such as Hamline University, Macalester College, and the University of Minnesota’s St. Paul Campus. Traffic counts on Snelling...
Avenue between University Avenue and I-94 average 44,000 vehicles per day, while University Avenue carries 25,000 vehicles per day near its intersection with Snelling Avenue.

b. Transit - The University Avenue corridor (bus routes 16 and 50) is one of the most heavily traveled transit corridors in the 7-County Twin Cities Metropolitan Area. Ridership on the Route 16 bus is 16,500 passengers per weekday, while the 50 route adds another 3,400 riders per weekday. The 94 Express bus that runs between downtown St. Paul and downtown Minneapolis carries another 4,000 passengers per weekday. Finally, the 84, 21, 144 and 53 also connect the area to the transit system. Transit riders who do not otherwise have access to businesses such as grocery stores frequent the Midway area due to its transit access.

3. Large Employment Base

a. Jobs - Using Minnesota 3D technology, it is estimated that there are 4,909 private sector jobs residing within the study area itself and a few blocks around its perimeter (A larger area was required than the study area because the Census data does not align perfectly with the study area). These 4,909 workers are grouped into primary industry categories using two digit NAICS (North American Industrial Classification System) Codes. Health Care and Social Assistance (22.2%) is the largest grouping, followed by Retail Trade (20.9%), and Management of Companies and Enterprises (15.4%). These three sectors account for 58.5% of the jobs.

It is surprising that the Health Care and Social Assistance category would have the highest percentage of
workers in an area primarily dominated by retail uses. This NAICS category is comprised of employees in workplaces such as chiropractic offices, hospitals, homes for the elderly, child care services, and community food services. Uses such as these reside primarily just outside the Midway shopping district, but were included in the analysis. For instance, just west of the shopping area is a large medical facility called HealthEast, while just east is the Central Medical building, which has many health care uses such as a dentistry and optometry office. Within the Midway shopping district, only a few workplaces qualify for this category, one of which is Pearle Vision.

The second largest category is Retail Trade. Not surprisingly, the Midway shopping district has nearly triple the percentage of Retail Trade jobs than does the City of St. Paul as a whole and nearly double the percentage of the entire Metro Area.

Table 6: Jobs

<table>
<thead>
<tr>
<th>Primary Industry Type</th>
<th>% of Total Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Study Area</td>
</tr>
<tr>
<td>Agriculture, Forestry, Fishing, and Hunting</td>
<td>0.0%</td>
</tr>
<tr>
<td>Mining</td>
<td>0.0%</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.0%</td>
</tr>
<tr>
<td>Construction</td>
<td>1.4%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1.9%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>0.5%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>20.9%</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>0.0%</td>
</tr>
<tr>
<td>Information</td>
<td>0.0%</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>1.0%</td>
</tr>
<tr>
<td>Real Estate, Rental, and Leasing</td>
<td>3.7%</td>
</tr>
<tr>
<td>Professional, Scientific, and Technical Services</td>
<td>0.0%</td>
</tr>
<tr>
<td>Management of Companies and Enterprises</td>
<td>15.4%</td>
</tr>
<tr>
<td>Admin, Support, Waste Management, Remediation</td>
<td>3.1%</td>
</tr>
<tr>
<td>Educational Services</td>
<td>10.4%</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>22.2%</td>
</tr>
<tr>
<td>Arts, Entertainment, and Recreation</td>
<td>2.5%</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>4.9%</td>
</tr>
<tr>
<td>Other Services (Except Public Administration)</td>
<td>12.1%</td>
</tr>
<tr>
<td>Public Administration</td>
<td>0.0%</td>
</tr>
<tr>
<td>Totals</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Neighborhood 1: Merriam Park-Snell-Lex-Ham Neighborhood
Neighborhood 2: Neighborhood 1 and Hamline-Midway Neighborhood

Source: Minnesota 3D

*CLYP Consultants “TOD in the Midway Shopping District” Page 30*
b. Jobs in Surrounding Area - If the study area is expanded to include the entire Merriam Park-Snell-Lex-Ham neighborhood, then there are 8,886 jobs and 21,749 jobs if one also adds in the Hamline-Midway Neighborhood, which borders the northern side of University Avenue. This large base of jobs is important to note because it impacts traffic congestion and serves as a daytime customer base for the commercial establishments.

c. Job Earnings: While the large number of jobs is positive aspect of Midway shopping district, the income earned from these jobs is also important. Unfortunately, nearly a third of the total jobs in the shopping area pay less than $14,400/year and another 44% pay between $14,400 and $40,800 annually. As shown in Table 7, these percentages are considerably less than the City of St. Paul as a whole or the Metro Area. Also of note is that 37% of workers in the Metro Area make greater than $48,000, while only 24% of the workers in the study area make more than this threshold.

Figure 19: Scope of Employment Analysis

Table 7: Jobs

<table>
<thead>
<tr>
<th>Annual Average Earnings by Job</th>
<th>Study Area</th>
<th>Neighborhood 1</th>
<th>Neighborhood 2</th>
<th>City of St. Paul</th>
<th>Metro Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $14,400</td>
<td>31.6%</td>
<td>32.4%</td>
<td>33.2%</td>
<td>28.7%</td>
<td>26.5%</td>
</tr>
<tr>
<td>$14,400 to $40,800</td>
<td>44.2%</td>
<td>40.8%</td>
<td>42.8%</td>
<td>37.1%</td>
<td>36.5%</td>
</tr>
<tr>
<td>Greater than $40,800</td>
<td>24.2%</td>
<td>27.1%</td>
<td>24.0%</td>
<td>34.2%</td>
<td>37.0%</td>
</tr>
<tr>
<td>Totals</td>
<td>100.0%</td>
<td>100.3%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Neighborhood 1: Merriam Park-Snell-Lex-Ham Neighborhood
Neighborhood 2: Neighborhood 1 and Hamline-Midway Neighborhood

Source: Minnesota 3D
4. High Community Involvement
   a. Many Concerned Stakeholders - This intersection and study area have been given considerable attention with numerous studies throughout the years. Further attention is warranted because the Snelling and University intersection remains the busiest intersections in the State of Minnesota, and subsequently an area with terrible air pollution and little green space.

   In addition, since University Avenue serves as the border between neighborhoods, this adds to the number of stakeholders and complicates the possibility of them all cooperating together. Planning for the proposed Central Corridor LRT has resulted in the formation of more groups, committees, and stakeholders. Finally, residents do not want a repeat of when I-94 was built and decimated the Rondo neighborhood. A strong example of the level of involvement by stakeholders is the lengthy discussions and concessions given by Target during the approval process of their new SuperTarget even though no public subsidy was given for the project.
**Weaknesses** 1. Existing Zoning Prevents TOD

*a. Zoning Code* - The majority of the study area, as shown in Figure 20, is zoned as either B-2 (Community Business District) or B-3 (General Business District). The Metro Transit Bus Barn Site is currently zoned I-1 (Light Industrial District), but this undoubtedly will change if the site is ever sold for development. The regulatory framework associated with these zoning codes is not conducive to the implementation of a TOD environment.

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*Figure 20: Existing Zoning Map*

*Source: City of St. Paul*
b. Parking Requirements - The parking requirements are an element of the zoning code that contributes to the auto-oriented environment prevalent in the study area. The City of St. Paul Planning Staff has acknowledged that the parking requirements need updating and this issue will be studied in the near future. While parking minimums are important to ensure adequate parking for a site, parking maximums also should be set to reduce large surface parking lots that are only full a few days per year.

<table>
<thead>
<tr>
<th>Use</th>
<th>Minimum Parking Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant</td>
<td>1 space for every 175 sf GFA</td>
</tr>
<tr>
<td>Restaurant-Fast Food</td>
<td>1 space for every 110 sf GFA</td>
</tr>
<tr>
<td>General Retail</td>
<td>1 space for every 125 sf GFA</td>
</tr>
<tr>
<td>Multi-use Retail Center</td>
<td>1 space for every 280 sf GFA</td>
</tr>
</tbody>
</table>

GFA: Gross Floor Area

Source: City of St. Paul Zoning Code

c. Property Tax System and Density - As University United suggested in, "Midway Property Tax Report," the existing property tax system favors low-density environments. If property taxes were based solely on land values, this system would encourage property owners to build in higher densities and not construct large surface parking lots.

2. Crime and Litter

a. No Residential Uses - A lack of residential uses in the study area means that there are fewer people watching over its well being (“eyes on the street”). Further, since people only work or shop in the area, they are less likely to take “ownership” of the Midway shopping district. By adding residential uses, especially owner-occupied units, these people will help guard against crime, litter, etc.

b. Crime - Many of the interviews conducted for this project stated that crime was a major weakness of the area. Shoppers are opting instead to shop at places such as Rosedale Center (Roseville) or The Quarry (Northeast Minneapolis).

c. Site Design - The site design also contributes to crime in the area. Crime Prevention through Environmental Design (CPTED) principles examine the physical design of an area to reduce crime and create a sense of safety. CPTED principles include increasing natural surveillance in the area through the strategic placement of windows, thinking about how customers enter and
exit the site, and creating distinctions between public and private space by installing landscaping and fencing. These basic principles are not in play in the study area due to large buildings such as Wal-Mart without windows along University Avenue. The large surface parking lots also create a feeling of desolation for pedestrians.

Figure 21: No Windows or Entrances Along University Avenue

Source: CLYP Consultants

d. Litter - Interviewees stated that litter was another major problem. This concern may be attributed to the many fast food restaurants, few trashcans, large parcels, and lack of coordinated effort among property and business owners. Trash also creates the perception that no one cares about the area, and so the problem tends to create a viscous cycle. Residences north of University Avenue also report trash blowing onto their property from the commercial area.

3. Auto-Oriented Design

a. Suburban Style Development - The main complaint heard by the consultant team was that the Midway shopping district is an example of a suburban style development in an urban area. Suburban style development oftentimes refers to low density, single use buildings, set back substantially from the street with large surface parking lots, and franchise stores that add little character to the neighborhood.

b. Difficult for Pedestrians - Due to the large parcel sizes and building orientations, it is difficult for pedestrians to effectively utilize the shopping area. Crossing University Avenue is extremely difficult as is navigating from the bus stops through the surface parking lots to the storefronts. This task is further complicated when carrying groceries or other merchandise and crossing a number of disjointed surface parking lots and internal roads to reach a destination. Drive-through businesses and a lack of sidewalks suggest that this
area was built for the automobile with little regard for pedestrians.

4. Traffic Congestion and Pollution Issues

a. Excess Traffic - The University Avenue and Snelling Avenue intersection is notorious for being one of the most congested and polluted intersections in the region. As the shopping district is redeveloped, traffic Level of Service (LOS) is likely to decrease. The City of St. Paul completed the 2007 “Snelling University Capacity Study,” which made recommendations on how to improve traffic operations, however, none of the options will help create the TOD-environment hoped for by many stakeholders.

b. Internal Transportation Issues - A 2006 parking study completed by University United, “Parking Supply, Demand, and Requirements on University Avenue”, suggests that there is an overabundance of parking. The northeast corner of the Snelling and University Avenue intersection was studied and currently has only 100 parking stalls compared to the 437 which would be required if these businesses were rebuilt today. Even with this small amount of parking, the surface lots maximum occupancy was only 47%.

On the northwest corner of the intersection, the new CVS drugstore maximum parking usage was only 33%. The large surface parking lots in the study area can be assumed to have even less usage.
c. Pollution - Air pollution is a major concern on the site that was mentioned by many interviewees. In addition, noise pollution from traffic congestion and water pollution from an abundance of impervious surfaces (large building footprints, surface parking lots, and lack of on-site stormwater management ponds) is troublesome. A lack of green space and trees also contributes to these pollution problems.

Finally, industrial and other polluting uses in the area have prompted a number of environmental investigations and clean-ups as reported by the Minnesota Pollution Agency. Figure 25 displays 5 voluntary investigations and clean-up sites within
the Midway shopping district and a number of others in the immediate vicinity. The possible environmental contamination on the Metro Transit site might become a greater issue as the parcel transfers into private ownership and is developed.

Figure 25: Known Polluted Sites in and Around the Midway shopping district

Source: Minnesota Pollution Control Agency and Ramsey County
5. Lack of Cooperation and Abundance of Franchises

a. Distinct Parcels - The study area has three distinct shopping areas with little continuity. Collectively, each of the businesses would be more successful if they worked together on trash clean-up, shared parking, branding, internal road connections, etc. Instead, there seems to be more competition between the property owners. One example of this is the fact that there will soon be three large-scale grocery stores in the study area.

b. Product Mix and Abundance of Franchises - Cooperation could also involve looking into the overall business mix. Interviewees stated that there is currently a lack of entertainment options including movie theaters or independent local shops such as coffee shops.
Opportunities

1. Transition to TOD and Higher Densities
   a. New Developments on Excess Surface Parking Lots - Existing surface parking lots could be locations for new office, commercial, or residential development. Green space or other central gathering spaces are other options that would help transition the area toward TOD. Implementation of the Urban Strategies report will help make the vision of TOD a reality.

b. Build Vertically - Most existing buildings are single-story structures. Taller buildings would be more appropriate in physical scale and economic value at this key intersection in the proposed LRT Station Area.

c. Develop Bus Barn Site - This site is a 10-acre parcel of land next to an Interstate exit. There is currently speculation that a land swap will take place between the owner of the Midway Shopping Center and the Metropolitan Council. This would move Metro Transit activities to Vandalia Street and I-94 and give site control of the valuable parcel in the Midway to the adjacent owner of the Midway Shopping Center.

d. Public Art and Green Space - There are few pieces of public art or patches of green space in the area. Instead, the area is predominantly impervious surfaces. Green space is a must at this point given the air pollution and litter problem. Finally, public art would make the area much more visually appealing.

e. Mixed Use - There are many obvious benefits to mixed use. New office workers and residents expand the customer base for the area, create shared parking opportunities as different uses have different peak hours of business, and add “more eyes on the street” to deter crime. Vertical mixed use buildings also increase the tax base.
for the city in comparison to single-story buildings.

**f. Bike Lanes** - University Avenue and I-94 are the main corridors between downtown Minneapolis and St. Paul. Bikers have easy route between the downtowns. Adding bike lanes in the area and bike parking within the study area will also aid in the creation of a TOD-environment.

**2. Branding of the Area as a Regional Shopping Center**

**a. Placemaking** - Currently there is little reason for someone to explore the area. The addition of LRT will take people off of I-94 or the 94 Express bus and bring them through the shopping area. Creating an interesting environment will encourage people to explore and subsequently spend money in the area. Gateways, decorative lighting, street banners, interesting stores, and green space can all help in placemaking.

**b. Branding of the Area** - Additional advertising and branding would attract more people to the area and remind them of what is available.

**3. Diversify Business Mix**

**a. Entertainment Offerings** -

Entertainment would be a good addition to the portfolio of businesses in Midway. Interviewees noted that they would want businesses such as movie theaters.

**b. LRT Should Attract More Disposable Income to the Area** - The middle class are much more likely to use LRT than bus. This demographic could bring a different atmosphere to the area, enhance its viability, and increase the diversity of the customer base.

**c. Balance Local Shops and Big Box Chains** - Currently the study area is dominated by franchises. A mix of national retailers and local establishments will attract more people to shop at Midway and give customers a
range of shopping options. A business incubator could be established to help start up new local businesses. As the small business customer base expands, the business could transition into market rate leasable spaces. Many interviewees stated that they rarely shop in the area because the predominance of big box retailers. However, there are several small distinct shops to the north side of University Avenue.

d. **Quality Sit-Down Restaurants** - Many stakeholders believe that there is a market demand for a quality sit-down restaurant as a contrast to the many fast food chains.

4. **Shared Parking and Cooperation**  
   
a. **Parking Improvement District** - A parking improvement district could be established. This would tax businesses with the revenues being used to build and operate a shared parking ramp. This would free up other land on the existing surface parking lots for development.

   b. **Business Improvement District** - A business improvement district would also tax businesses with the revenues being used for property clean up, security, etc. The new cooperation between the businesses could be leveraged so that there are further discussions between businesses.

e. **Food-Coop** - There may be market saturation of large-scale national grocers with the addition of SuperTarget. The small, local, co-op may be able to capture a niche in the market that is not currently filled.
**Threats**

1. **Continuing the Status Quo**
   - **a. Big Box Retailers Dominate** - There are many chains wanting to get a foothold in the area including Home Depot and Lowe's. A proper balance of chains and local stores is necessary to ensure variety, character, and diversity.

   - **b. Gentrification** - The growth and development that follows LRT could price the local residents out of the neighborhood, creating a more homogeneous population, and driving existing residents out of their homes. The same process could happen within the business community; the small retailers could be pushed out of business with the higher lease costs in the area. At the same time, the rising property values can also be considered an opportunity for other property owners.

   - **c. Construction Activity Hurts Existing Businesses** - Local businesses do not have the deep financial reserves like big box retailers. During the construction phase of the LRT, it is essential that efforts be made to ensure that customers can still easily access storefronts and that additional assistance is given to small businesses.

   - **d. Lost Potential Customers** - If the Midway shopping district is not improved, people will continue to drive by and not stop leaving a large group of untapped customers. Significant efforts need to be made to give individuals a reason to stop.

2. **Lack of Cooperation among Property Owners**
   - **a. TOD is a Long-Term Process** - Reorientation with a TOD focus will take time and will likely come in phases. Thorough planning and patience will be necessary for businesses to endure the transition as TOD takes shape.

   - **b. Businesses May Disagree with TOD Principles** - National chains often have a standard physical design that each new store follows such as the number of parking spaces. Most national chains desire standardized development prototypes because consistency is often a component of the well-researched customer experience they intend to provide. The Home Depot proposal suggests that large national chains can
be persuaded to change their usual site design if the market still presents a profit making opportunity.

Further, existing businesses in the Midway area may not want to switch to a TOD style for a number of reasons including losing surface parking outside the front door and not wanting the higher lease rates that accompany a new building. Finally, property owners may disagree with TOD and not want to sell or utilize existing surface parking lots for future development.

c. Current Zoning Continues – Under the current zoning code, TOD cannot take place without variances. The patchwork of variances needed to allow area-wide TOD erode the zoning ordinance’s integrity, and comes only at considerable cost to the city and developer. With the release of the Urban Strategies’ recommendations, and City of St. Paul staff and community all wanting a zoning change, a status quo scenario is unlikely. However, the actual implementation of the new zoning could take years to implement and pass through the City of St. Paul’s approval process.

3. Traffic and Pollution

a. Overcrowding of University Avenue - Currently there are four lanes of traffic on University Avenue. Although the street is fairly wide (120 feet), the addition of LRT will greatly reduce the space available for other modes of transportation.

Figure 29: The Existing Width and Transportation Modes on University Avenue

Source: CLYP Consultants

b. Auto-Oriented Design Retains Dominance - Future development in the Midway shopping district will bring more traffic to the area. For instance, the proposed Home Depot will generate significantly more auto trips as their products often need to be hauled by an automobile. If property owners are making significant profits, they will have little incentive to convert their property to TOD.
c. Drive-Throughs Continue - Over 60% of McDonald’s business is drive-through related. McDonald’s will not want to see its customers suffer. As long as they drive, McDonald’s will fight for their drive-through. TOD and auto-oriented drive-throughs are difficult to manage together. Some proper planning and give and take may be necessary to handle the drive-throughs and TOD orientation.

d. Loss of Surface Parking is not Welcomed by Customers - There is concern that a loss of surface parking will result in fewer customers shopping in the Midway shopping district. Many business operators do not believe that their business will be as profitable if surface parking is removed.

e. Air and Noise Pollution - Much of the current air pollution in the Midway can be attributed to vehicle exhaust. If more cars are drawn to the area, the pollution is likely to get worse. Adding green space may help alleviate part of this problem.
**Actions Derived from SWOT Analysis**

After categorizing the main issues, appropriate strategies can be proposed by analyzing different pairs from these 4 categories. For instance, if the strength is a “diversity of business types” and the opportunity is “developing the Metro Transit Bus Barn site”, then an S-O strategy to exploit this combination would be to “develop the property with a diversity of business types”. The strategy employed for each combination differs such that one wants to explore W-O combinations, confront S-T combinations, and avoid W-T combinations.

This exercise is particularly useful for deriving a list of strategies that can guide the creation of an action plan. After comparing enough combinations of strengths, weaknesses, opportunities, and strengths, similarities begin to emerge among the various strategies identified. The most prevalent themes become the key strategies that have the greatest potential to have a positive impact on the area.

The following figure displays only a small portion of the possible combinations to be considered. Even with this limited sample, however, trends can be easily identified among the strategies. These trends are presented here as the key strategies that will help guide the creation of the Action Plan, the final section of this report.
### Key Strategies

1. **Have public art and keep area clean by adding decorative garbage cans**

   The area gives the idea that no one cares much about it. By increasing the visual appeal of the location, this particular issue will be minimized. Public art would give visually improve the area and express the idea that people do care about the center. Adding decorative garbage cans would add to this visual appeal and give incentive for people to throw items away rather than throwing them on the street. Adding recycling containers alongside the garbage cans would also give the idea to customers that Midway is concerned about the environment.
2. **Draw attention away from the major intersection**

   The focal point of the area is the physical intersection of Snelling and University Avenues. Drawing vehicles away from the intersection would solve several problems.

3. **Encourage shared parking to economize space**

   There is presently an excess of parking. Using that extra parking space for office and residential development would create more “eyes on the street” and be a more efficient use of land.

4. **Support education of zoning issues**

   There are many businesses that do not understand TOD and/or support it. By educating them on the benefits of TOD and how the existing regulatory environment can help achieve these TOD goals and still ensure profitability, there may be a higher likelihood that future development or redevelopment would follow these principles.
SECTION 2.4: Building vs. Land Value Analysis

A Building vs. Land Value Analysis identifies the greatest redevelopment opportunity sites in the Midway shopping district. Minneapolis consultants Hoisington Koegler Group performed a similar analysis when determining redevelopment sites near future Southwest Corridor LRT stations in and around Eden Prairie’s “Golden Triangle” industrial and office park. This University Avenue analysis uses Ramsey County property tax data to obtain the 2006 estimated market values for each parcel’s building and land values.

Given the future SuperTarget, the proposed Home Depot, and the eagerness to purchase and develop the Metro Transit “bus barn site”, it can be suggested that there is unmet commercial market demand in the area. A Building vs. Land Value Analysis can identify parcels that are not currently being put to their highest and best use. Characteristics of underutilized properties often include single story buildings and large surface parking lots. The market, as evidenced by the high land value, views this low density as an inefficient use of prime real estate.

Easily redevelopable sites also tend to have a low FAR (Floor Area Ratio). This density ratio compares the total building square footage to the land area. A FAR of 1 would imply a parcel that is entirely covered by a single story building, a parcel where half of it is covered with a 2-story building, etc. The recently implemented Minneapolis Pedestrian Oriented Transit Station Area Overlay Zoning District around the proposed Central Corridor 29th Avenue Station has a minimum FAR of 1 to encourage higher density developments. Urban Strategies also proposes minimum FARs for University Avenue to accomplish this same goal.

A majority of the Midway shopping district in Figure 32 is displayed in red indicating that building values are less than land values. Examples of possible redevelopment opportunities include the McDonald’s, Wal-Mart, Cub Foods, Rainbow Foods, most of the strip malls, and the existing Target. The proposed Home Depot site is currently vacant land, and thus it is
also a prime redevelopment opportunity. The same scenario occurs on the adjacent Metro Transit Bus Barn site, although since the parcel is publicly-owned, it does not show up as a taxable parcel.

Previously there was a 5-story, 197-room, Four Points Sheraton on the future SuperTarget site and this accounts for its building value being greater than its land value. The new SuperTarget with its large surface parking lot will undoubtedly be displayed in red when 2007 property values are released.

There are only a few parcels that are shown to have greater building values than land values. One of these is the 2-story Borders Books and Music store, and another one is the 2-story American Bank building on the corner of Snelling and University Avenues. Further, many of the single family and multiple family residential uses north of the study area also have higher building values than land values.

Figure 32: Building vs. Land Value Analysis of the Midway shopping district

Source: Ramsey County and Gavin Poindexter
### SECTION 2.5: ECONOMIC DEVELOPMENT INCENTIVES

<table>
<thead>
<tr>
<th>Table 9: Summary of Economic Development Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. LRT Related Investment</td>
</tr>
<tr>
<td>2. Tax Increment Financing (TIF)</td>
</tr>
<tr>
<td>3. Tax Abatement</td>
</tr>
<tr>
<td>4. Sales Tax Revitalization (STAR) Program</td>
</tr>
<tr>
<td>5. Planned Developments</td>
</tr>
<tr>
<td>6. Zoning and Bonuses</td>
</tr>
<tr>
<td>7. Shared Parking Agreements</td>
</tr>
<tr>
<td>8. Land Assembly/Land Swaps</td>
</tr>
<tr>
<td>9. Façade Improvement Programs</td>
</tr>
<tr>
<td>10. Affordable Housing Funding</td>
</tr>
<tr>
<td>11. Public Art Funding</td>
</tr>
<tr>
<td>12. Metropolitan Council Livable Communities Demonstration Account</td>
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Source: CLYP Consultants

Developers encounter many additional costs when completing a development that incorporates TOD principles. These costs accumulate from additional land holding costs, higher design standards, increased landscaping and pedestrian improvements costs, and structured or underground parking. This section examines the local incentives currently available that encourage developers to incorporate TOD-principles. The action plan section of this report proposes detailed uses of these funding tools at specific locations within the Midway shopping district.

**1. LRT Related Investment:**

The proposed $900 Million Central Corridor LRT Line is an enormous public investment that serves as an indirect subsidy to property owners along the line. In addition to bringing thousands of additional potential customers past their storefronts, many of these individuals will undoubtedly have higher disposal incomes than the current customer base. Along with the actual line, public investment will include an improved University Avenue and pedestrian realm.
2. Tax Increment Financing (TIF):
The tight budget for the proposed LRT line leaves little room for funding the adornments commonly associated with TOD. Landscaping and other sidewalk improvements may require funding by additional means such as Tax Increment Financing. TIF is an appropriate public subsidy because property values can be expected to increase as a result of the LRT investment, and TIF allows the increased property value to be captured for eligible expenses. Possible uses of TIF funding include environmental remediation, building demolition, streetscape improvements, etc. The funds could also be used to build streets across many of the large parcels that currently exist.

The City of St. Paul Housing and Redevelopment Authority has 24 TIF districts scattered throughout the city, while the Port Authority maintains another 13 districts. TIF has been used along University Avenue for the Carleton Lofts, and Metro Place Apartments, a mixed use development that conforms to TOD principles.

Much of the land within the Midway shopping district is also currently within a TIF district. This includes most of the area in the study area bounded by Snelling Avenue and Hamline Avenue, excluding the Metro Transit Bus Barn Site and the proposed Home Depot Site. This TIF district was enacted in 1991 and will expire in 2015. To date, this district has funded millions of dollars of improvements including significant environmental remediation. The City of St. Paul estimates that the available tax increment for 2007 will be around $1.1 million. Also of note is the Spruce Tree Center which is part of a TIF District until 2013 and whose funds helped to build the attached structured public parking facility.
While TIF districts have been widely used in the past, recent proposals to use TIF have been met with some opposition. A downtown Saint Paul proposal entitled “The Bridges of St. Paul” was highly criticized for proposing the use of TIF. Projects on a smaller scale utilizing TOD principles may not draw the same level of opposition, however, and recent examples of TIF opposition should not discourage its use in the Midway area.

3. Tax Abatement:

Tax abatement is a tool similar to tax increment financing in that it involves property taxes. It allows a property owner to forgo paying all or part of their property taxes for a set number of years. Using this tool requires approval from all property taxing jurisdictions (county, city, school district, etc.). The proposed Target campus in Brooklyn Park, Minnesota is seeking a tax abatement to help fund their development.

4. Sales Tax Revitalization (STAR) Program:

A city sales tax of one-half cent is used to repay the cost of St. Paul’s Civic Center expansion. Remaining funds are used in the Cultural and Neighborhood STAR Programs. The Neighborhood STAR Program funds capital projects in excess of $25,000 for non-profit or government entities and in excess of $50,000 in the case of for-profit businesses. The funds can be used for streetscape improvements, economic development, parks, or for the rehabilitation of commercial buildings.

5. Planned Developments:

Often referred to as Planned Unit Development (PUDs), this is a powerful tool for encouraging development to conform to TOD principles. The use of PUD regulations allows both a change of zoning designations and a greater flexibility in enforcing current zoning regulations in order to achieve a more integrated development.

PUDs are often used in areas like Midway where the current zoning regulations prohibit pedestrian friendly design. PUDs can allow mixed use or cluster development in areas where such development types are not allowed by local zoning ordinances. Both the developer and the city must agree to use PUD, which allows for a much
greater bargaining ability during the planning process by all parties.

Developers often receive greater density, reduced parking requirements, and the ability to provide mixed use buildings. In return, the developers are often required to provide increased public amenities in the form of landscaping, open space, sidewalk furniture, and other adornments.

The use of Planned Developments can help to increase density on a site, reduce parking requirements, improve the pedestrian realm, and reduce setbacks requirements. Since the Midway shopping district contains many large parcels owned by a single entity, PUD could be a useful tool to guide large scale redevelopment.

6. Zoning and Bonuses:

The City of St. Paul designates a Traditional Neighborhood (TN) zoning district. The TN1 and TN2 zoning district allow for a reduction of the minimum parking requirements by 25% if the property has frontage on a transit street. Further, residential properties within one-quarter mile of a transit street must only provide one parking space per dwelling unit.

In the TN3 zoning district, all parking requirements are reduced by two-thirds. Further, on-street parking can be utilized to satisfy this minimum parking requirement.

Downtown business zoning districts (B4 and B5) also provide incentives for greater density. For instance, for every square foot of plaza built, the developer is allowed a floor area bonus of 7 square feet up to total bonus of 15%. Unfortunately, there are no bonuses to promote TOD in the B2 or B3 zoning districts that currently are assigned to parcels in the study area.

7. Shared Parking Agreements:

The City of St. Paul currently allows for shared parking agreements if approved and the applicant pays the $350 permit fee. Loosening of what are considered to be strict standards of approval would further promote TOD. By reducing the parking requirement, it frees up the land for other development, plazas, green space, etc. By creating a more appealing environment or one that is denser, the property owner is likely to experience greater revenue streams.
8. Land Assembly/Land Swaps:

One of the largest barriers to TOD is site assembly since large parcels of land are oftentimes needed to complete the objectives of TOD. With recent state restrictions on eminent domain, it is more difficult for municipalities to assemble land for economic development purposes. The possible land swap between the Metropolitan Council and Midway Shopping Center will give the Midway an 10-acre parcel. The Midway is currently assembling parcels near the intersection of Vandalia and I-94. If the land swap works out, it is possible that the bus barn site could be developed in a transit supportive manner.

9. Façade Improvement Programs:

Façade Improvement Programs or Fix and Paint Programs provide matching funds for exterior renovations of buildings. These types of programs help to rejuvenate worn down storefronts, add vitality to the streetscape, and improve the aesthetics of the area. SPARC currently offers grants for façade improvement as part of the Snelling Avenue Façade Program, funded by the McKnight Foundation. This is related to TOD in the fact that creating an inviting and pedestrian friendly environment is essential to a successful TOD project. It should also be noted that SPARC offers low-interest loans and technical assistance for small or medium sized companies to expand; hopefully this
subsidy would encourage businesses to expand by utilizing TOD principles.

10. Affordable Housing Funding:
   Housing is typically an integral component of TOD. More importantly, mixed income housing that includes affordable units should be part of TOD. Having affordable units near transit can enhance affordability by reducing vehicle expenses for families. There are numerous local, state, and federal subsidies for affordable housing. For instance, the City of St. Paul had nearly $800,000 in federal government Low Income Housing Tax Credits (LIHTC) to award throughout the city in 2006.

11. Public Art Funding:
   Dedicating space for public art in a development and then paying for the actual art can be very expensive to a developer. Yet, public art helps with placemaking and improving the pedestrian experience. Public Arts St. Paul and FORECAST Public Artworks are two St. Paul organizations that give grants for public art. These two organizations can also assist artists in securing additional funding from larger organizations such as the Jerome and McKnight Foundations. For instance FORECAST Public Artworks gave grants ranging from $1,000 to $9,000 last year. One artist will be using his $9,000 grant to paint a mural on University Avenue depicting its transportation history. It should also be noted that both state and federal law attach a percentage of the total transportation investment to public art.

12. Metropolitan Council Livable Communities Demonstration Account:
   This grant program gives funding for development projects that support TOD principles. Its goal is to utilize infrastructure efficiently by linking housing, jobs, and services. A mixed use development in the Midway area would undoubtedly satisfy this goal. Grants range from a couple hundred thousand dollars to over one million dollars. Funds can be used for underground parking, streetscape, green space, pedestrian improvements, etc. In 2003, the Midtown University Village housing development near the proposed Raymond/Carleton Central Corridor LRT Station was awarded $550,000.
SECTION 2.6: REVIEW OF PAST MIDWAY STUDIES

Table 10: Summary of Past Midway Studies

| 1. City of St. Paul Comprehensive Plan |
| 2. University Avenue (Snelling and Lexington) TOD Study |
| 3. Central Corridor Draft Development Strategy |
| 4. Snelling/University Capacity Study |
| 5. The Parking Supply, Demand, and Requirements on University Avenue in St. Paul |
| 6. Potential Housing Sites on University Avenue |
| 7. The Midway: A Vision for and Urban Center |
| 8. University Avenue Business Outreach Survey |

Source: CLYP Consultants

Much of what will be possible in the future is informed by the previous work that has already been done. Various reports have been produced regarding the Midway shopping district.

1. **City of St. Paul Comprehensive Plan**

   St. Paul’s Comprehensive Plan was adopted by the City Council in 2002 and acts as the main vision to guide policy decisions within the city. An update to this document is due to the Metropolitan Council in 2008. Within the St. Paul’s Land Use Plan, the area around the intersection of University and Snelling Avenues is classified to have neighborhood commercial uses that are pedestrian friendly, and be an area for new housing. The majority of the Midway shopping district is also classified as a commercial center.

   A number of the city’s principles of development are applicable to the future of the Midway shopping district. First, development should evoke a sense of place. Next, the city hopes to invest in the public realm and encourage pedestrian and transit friendly environments. Finally, the city will encourage mixed use development.

   University Avenue is considered one St. Paul’s five corridors of growth. It is the city’s vision for University Avenue to serve both the needs of the immediate neighborhood and the entire region. Redevelopment of the current auto-oriented regional centers will be designed with the convenience and safety of pedestrians in mind. University Avenue will have higher densities of...
both households and employment to help support transit networks. Both University Avenue and Snelling Avenue will be major transit routes and the Midway shopping district area will serve as a major place to transfer between routes.

Figure 36: Corridors of Growth

Source: City of St. Paul Comprehensive Plan
2. University Avenue (Snelling and Lexington) TOD Study:

In February, 2004, the Saint Paul City Council adopted the University Avenue TOD Study, which gave specific recommendations regarding the development of TOD around the proposed Snelling Avenue and Lexington Avenue LRT stations. The report considered only one of the three superblocks studied in this report, along with parcels west of Snelling and north of University Avenue.

Two sites were identified as easily developable: the “bus barn” site discussed in length in this report, and what is now a CVS Pharmacy located on the northwest corner of the Snelling/University intersection.

The report conducted a preliminary market analysis to determine the demand for various land uses. Additional retail is recommended between Snelling and Lexington Avenues, although the report states that there is an excess of retail space along other parts of University Avenue.

The demand for housing has risen sharply in recent years, although housing prices remain relatively low within a regional context. Many young families have moved into the area to find more affordable “starter homes.”

Figure 37: Court International Building, University Avenue

Source: Joe Hoover Photography

The market study completed in the year 2000 cited by the report also recommended the placement of big box retail on the bus barn site. The demand for office and residential space in the Midway shopping district is not as high as the demand for additional retail space. At the time of the report, the demand for new housing in the area was not strong enough to be financially feasible, though the demand was expected to increase. As housing along the University Avenue is developed, a minimum density of 50 units/acre is recommended.
Figure 38: Example of 50 units/acre proposed in Berkeley, CA

Source: Panoramic Interests

The report stressed the importance of increasing density in the area, providing affordable housing options, retaining single family homes in the neighborhood, and improving the safety of the area.

A substantial public involvement process yielded several recommendations that are applicable to the redevelopment of the Midway Shopping Center and the “bus barn” site. It may be assumed that the recommendations are general enough to be applied to all of the Midway shopping district.

The public involvement strategy stressed the importance of reinstating an urban grid system that provides a well-defined public space. In addition, the implementation of a traditional grid system will encourage pedestrian activity and provide more opportunities for street frontage development.

The report gives several recommendations regarding the accommodation of big box retail within the shopping district. The public involvement process recommended the need to retain the current large retailers and add additional retailers capable of creating a regional customer base. New big box retail should be placed next to the freeway, preserving the University Avenue frontage lots for mixed use buildings.

Although the report is outdated, it is useful for several reasons. First, it clearly demonstrates the desire of the community for a safer, cleaner, pedestrian oriented shopping destination. The document states the preference of nearby residents, community groups, neighborhood organizations, and elected officials for design guidelines, increased connectivity and planning among superblocks, and the accommodation of large-format retailers within the Midway shopping district.
3. Central Corridor Draft Development Strategy:

The City of Saint Paul hired the Toronto based Urban Strategies, Inc. to prepare a development strategy for the Central Corridor. The report was released in draft form in February 2007. The study performed a detailed analysis of the proposed LRT alignment and gave specific guidelines regarding how, where, and when redevelopment should occur along the new transitway.

The comprehensive report establishes a vision for the corridor and recommends specific steps that will guide the redevelopment process for the next 25-30 years. The development strategy did not limit its focus to aspects of physical redevelopment, however. Social and economic growth strategies are presented as well.

The development strategy envisions an additional 1,000 housing units within the shopping area (400 owner-occupied units and 600 rental units). The plan also recommends 300,000 square feet of office space and 150,000 square feet of retail space to be added to the area within the next 30 years. In addition, a 150 room hotel is proposed as a possible future asset to the community.

The report stresses the importance of a regulatory framework that will guide and enforce the desires of the community throughout the redevelopment process. As the Central Corridor undergoes major changes, significant revisions to the zoning code, comprehensive plan, and development
guidelines, along with the appropriate economic strategies will be needed to ensure that the community vision is attainable.

Figure 41: Public Involvement in the Development Strategy Planning

Source: Urban Strategies, Inc.

The report provides the City of Saint Paul with recommendations regarding high density development, pedestrian and bicycle connectivity, development guidelines, economic incentives, zoning code revisions, and other urban policies. It is anticipated that the document prepared by Urban Strategies will act as a substantial guide as the City updates the comprehensive plan and zoning regulations in preparation for LRT.

4. Snelling/University Capacity Study:

This study was completed in 2006 by SRF Consulting Group for the Saint Paul Public Works Department, Mn/DOT, Ramsey County Public Works, and Ramsey County Rail Authority. This study considers various options for reducing traffic congestion at the intersection of University Avenue and Snelling Avenue. It recognized that this intersection has long been one of the most congested intersections in the metropolitan area.

The task force was composed of members of SRF Consulting and informed by members of Ramsey County, Saint Paul Public Works, MetroTransit, Met Council, and other groups. The group identified 17 alternatives for the intersection, but reduced the available options to be studied in more detail to three.

The first option involves turning University Avenue into a one-way (westbound) street for 2-3 blocks. All eastbound traffic would be re-routed onto Spruce Tree Road and a new road constructed through the Midway shopping mall for several blocks. The second alternative is similar, though the alteration to existing streets is reduced.
Under this option, University would retain two-way traffic, though left-hand turns would be prohibited. Any drivers wishing to make a left hand turn would have to use the newly-created ring road, reducing the number of cars traveling through the University and Snelling intersection. Under both these alternatives, several buildings would need to be taken through the use of eminent domain.

The third option involves a grade separation between University Avenue and Snelling Avenue. The report recommends leaving University Avenue and LRT at ground level and tunneling or bridging Snelling Avenue above/below University Avenue.

All three of these options are drastic changes to what is currently in place. None of the three are particularly friendly to creating a pedestrian-friendly environment. This study has been widely criticized, as all of the plans involve widening streets and encouraging automobile use.

5. The Parking Supply, Demand, and Requirements on University Avenue in St. Paul:

Russ Stark of the Midway Transportation Management Organization (TMO) completed this study in 2006. The Midway TMO hypothesized that there is excess parking in the Midway shopping district.
and commissioned this study to analyze the parking situation. They estimate that only 40%-60% of the parking along University Avenue is used. A case study is considered using the NE corner of University and Snelling to analyze parking options. The report recommends reducing the St. Paul parking requirements by 50% and creating other policies that severely reduce the number of parking spaces in the corridor. Options include special assessments to businesses, municipal parking ramps, and allowing businesses to pay a fee instead of providing parking.

The report also lists areas of the St. Paul Comprehensive Plan that state a desire to reduce single-occupant vehicles in the area and argues that reducing parking is a feasible option. It discusses the “parking subsidies” implicit in parking policies, and the under-taxation of parking lots. The economic impact of parking lots is discussed, as well as the impact of parking lots on pedestrians and bicycles.

Parking lot utilization rates were calculated for various locations throughout the University Avenue corridor including Menards, CVS, Mai Tai, AutoZone, and other locations. The maximum utilization rates observed during peak hours were 59%. The report then considered the NE corner of Snelling and University, noting that there is little parking available there, and even the parking that exists is underused. The northeast corner was cited as a location where shared parking-structured or unstructured- could result in substantial gains by businesses.

Figure 44: Municipal Parking Garage in Sacramento, CA

Source: City of Sacramento
6. Potential Housing Sites on University Avenue:

University United completed this report in 2002. The City of Saint Paul has stated that an additional 10,000 residents could be housed along University Avenue. This number is based on Metropolitan Council projections of population growth over the next 20 years. This report analyzes housing funding opportunities and potential locations. The report recommends the use of TIF districts, HRA funds, Housing Bonds/Tax Credits, and partner funds to supplement developer funding. It also proposes the use of zoning districts TN 1-3 (already adopted by the city). It makes a clear statement that University United desires more housing along University Avenue, including artist and student lofts.

The Midway area is not specifically mentioned as a recommended location for housing, other than an afterthought that the northwest corner of University and Snelling could be a mixed use retail/housing building. This report was obviously written prior to CVS Pharmacy choosing to locate there. This report is useful in stating that University United desires additional housing units along University Avenue.

7. The Midway: A Vision for an Urban Center:

University United completed this report in 2003. Midway is St. Paul’s largest shopping center, yet it is vastly underutilized. Its largest competitor is Rosedale Center, who has recently undertaken a significant addition. Shopping surveys have shown that even area residents prefer to shop at Rosedale than Midway.

This report states a desire for a more unified Midway shopping district. The shopping district is currently configured in separate blocks and is owned by separate entities. A vision to
help Midway compete with Rosedale and retain shoppers from St. Paul is outlined.

The study presents a vision for Midway as a substantially expanded shopping district and housing area. Possible new stores include Sears, a Cineplex, Best Buy, and several other unnamed big box retailers. The study recommends collaboration between all retail owners, structured parking, closing Pascal Street, and tunneling a ramp directly from I-94 into an underground parking structure. However, several of these goals are contrary to the principles of TOD. The report heavily encourages adding additional big box stores to the area, while prohibiting big box retail elsewhere in the community.

This study goes so far as to recommend demolition of all existing structures between Snelling Avenue and Pascal Street, including the bank, McDonald’s, and Perkins.

It also suggests the idea of having auto dealerships showcase specialty cars at the shopping center as part of the re-branding effort. Finally, this report makes no mention of transit or TOD.

8. University Avenue Business Outreach Survey:

Between September and November of 2005, Saint Paul Planning and Economic Development completed a survey of local businesses along University Avenue. The survey split all businesses into two groups, those with University Avenue storefronts, and those located in large office buildings. While the study was focused mainly on independent businesses (as opposed to the chain stores generally found within the Midway shopping district), it is likely that many of the concerns held by business owners will be similar.

Saint Paul staff visited many of the storefront businesses and completed 253 surveys.
Overwhelmingly, the survey respondents showed pride in University Avenue. Ninety-five percent of respondents reported that they are “satisfied” or “very satisfied” doing business on University Ave, and 63% of businesses reported that their customers come from over three miles away. Nearly half (47%) of the respondents reported that they are worried about the impacts of the construction process on their business, while another 27% were concerned about the loss of on-street parking.

The top three concerns cited by business owners along University Avenue were parking (39%), litter/graffiti/vandalism (31%), and robbery or other serious crime (27%). Although the Midway shopping district has an overabundance of parking, many of the business operators are still concerned about the availability of parking in the area.

Respondents were also asked about their general attitude towards LRT. Twenty-eight percent responded favorably, 50% had no opinion, and 17% were opposed to the construction of LRT.

9. Design for Safety Saint Paul:

Design for Safety Saint Paul is a report completed by students from the University of Minnesota College of Architecture and Landscape Architecture that discusses ways in which the built environment can be altered to promote safety. The document discusses design elements tailored to various environments, including regional commercial districts, and gives suggestions regarding how public safety can be enhanced.

The key to promoting public safety is to design environments that encourage pedestrian activity. By implementing design strategies such as
TOD, more people are drawn to the streets and crime is less likely to occur.

Figure 48: Mixed Use Student Housing in Dinkytown

Source: http://maps.live.com
SECTION 2.7: REVIEW OF CASE STUDIES

Overview: Case evidence from other cities that have undergone similar transit-related redevelopment provides an array of examples and best practices for Central Corridor planning. Various features from these examples will inform the vision and outlook for changes to the Midway shopping district. Some cases provide specific models for the character and form of physical development that may occur, while others give insight to policy and planning approaches, business practices and general operations, and community leadership and involvement. Figure 49 summarizes the cases reviewed as part of this study and highlights their implications for the Midway shopping district.

Figure 49: Case Study Summary

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<thead>
<tr>
<th>Planning Approaches</th>
<th>Form of Development</th>
<th>Community Leadership</th>
<th>Business Functions</th>
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<td>Fruitvale Village</td>
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Source: CLYP Consultants
The summary cases considered in this report each offer glimpses into the potential future for the Midway shopping district. From these and other examples, the Midway area can incorporate the lessons and achievements of other planning processes and policy approaches. Of course the elements of some cases may not correlate to the Twin Cities. Critical success of some projects may not translate to commercial success, as market dynamics, environmental conditions and political issues vary dramatically.

**Regional Context:** For instance, the success of station area development throughout Portland’s transit system is widely regarded as a model for transit development. The incentives used in order to encourage a higher-intensity pattern of development work largely because they collectively serve as one element of a broader regional planning framework. The existence of an urban growth boundary for Portland’s metropolitan area limits the spread of growth and concentrates development in urbanized areas. In this construct, the incentives for intensification make density an economic choice of optimization, not necessarily enlightenment.

**Climate:** Other points of departure for the Central Corridor may be more obvious, but no less complex. Variability in climate is such an example. The cases studies cited in this report, as well as much of the general literature, showcase transit-related development in the growing communities of the West, Southwest, and Pacific Northwest. Though any of these regions can argue that environmental constraints and climate influence their planning, the circumstances are markedly different from those of the Twin Cities. This requires a clearer, more localized articulation of what it means, for example, to “enhance the pedestrian experience” in sub-zero wind chills or among piles of snow.

**Timing and Phasing:** Market acceptance of development projects is a repetitive theme in most examples of transit-supportive development. Many projects have struggled with issues of phasing and sequencing through implementation and development of transit-related plans. Fruitvale Village’s Phase I was wholly built out with its signature arcade of ground-level retail
and second-story offices but included only 47 rental units of housing. This proved insufficient to sustain the shops that, for other reasons, were not attracting BART riders either. Though Fruitvale's retail component has struggled early, there is hope as Phase II brings more residents, transit riders, and business patrons to the community. Timing is key for projects like Fruitvale or even St. Paul's Midway, particularly when prospective development is integrated with established communities. Careful consideration must be give to the market's capacity to absorb added space, the sequence in which that mix of uses is added, and the strategies for mitigating business interruption throughout construction.

**Planning Approach:** Excelsior & Grand's wholesale replacement of aging commercial property does not easily translate to the Midway study area in this regard. The commercial success that the Midway area merchants generally enjoy in their current state makes the uncertainly of costly redevelopment an uninviting option. Excelsior & Grand is considered in this study for its success in establishing an urban focal point with a distinct identity. Community and pre-development planning was aided by funds from the Metropolitan Council's Livable Communities Demonstration account, and provides an example of the rewards for early planning efforts and broad partnerships in the revitalization process.

Fruitvale's community planning effort was lead by the Unity Council, which was instrumental in identifying stakeholders and building vital partnerships. The Council was able to shape the station area beyond the proposed transit village, ensuring connections to the surrounding neighborhoods.

Arlington County employs a unique approach to planning contiguous sectors along its Orange Line Metro Rail corridor. The nodal focus on specific station areas remains a key aspect- still very much the essence of transit-oriented development. The broader sector plans address issues of continuity between station areas, as well as the appropriateness of scale relative to neighborhoods along the corridor. Naturally, successful planning and partnerships cannot occur without cooperation and involvement. In the
case of Fruitvale Village or even St. Louis Park’s Excelsior & Grand, community and civic leadership was a driving force. Some projects have benefited from the combination of involved and informed leadership along with the rare luxury of uniform site control. San Diego’s Rio Vista West illustrates successful master planning that may inform the Midway shopping district’s potential for redevelopment (acknowledging, of course, the multitude of property owners). As master developer, CalMat remained committed to a transit-supportive environment, but needed to make the larger retail center functionally conducive to attracting demand from the area’s heavy traffic.

Even though the Calthorpe plan was faithful to the tenets of TOD, the plan was forced to respond to market pressures that required ease of auto access. Even this well-planned enclave could not dissociate itself from the greater Mission Valley’s dominant scale for cars, roads, and parking. In the end, devotees and purists of transit-supportive development may be critical of the modified plan’s shortcomings, but in serving two masters (car and rail), the Rio Vista West project is a suitable model for the Midway study area.
**Fruitvale Village [Oakland, CA]**

The Bay Area Rapid Transit system (BART) serves San Francisco and Oakland, providing connections between the two cities and among the East Bay’s communities. Fruitvale is an ethnic community just south of downtown Oakland. BART runs on elevated rails, roughly parallel to International Boulevard, which is a traditional commercial corridor, a block and a half away. Fruitvale Village is a newly-constructed transit village on a former park and ride facility adjacent to the BART station. The $100 million project was funded with support from the City of Oakland by way of tax increment financing, community development block grants, and prepaid leases. The Federal Transit Administration also contributed $5.7 million to development of the station area.

International Boulevard is similar to Saint Paul’s University Avenue or Minneapolis’ Lake Street- a rich tapestry of ethnic small business serving local residents. While there are no large format retailers adjacent to the BART station, a cluster of stores is situated just blocks away at Fruitvale Station, near an elevated stretch of I-880. The boulevard is a busy automobile thoroughfare, but streetscape improvements in the village area narrow the lanes, slow the traffic, and enhance the pedestrian experience.

*Figure 50: Signage at Fruitvale Village*

Signage throughout and an arch near a central three-way intersections identifies the neighborhood, and a half-block promenade leads walkers from the boulevard toward the new transit village through its central plaza of shops and on to the BART station.

Prior to the transit village’s construction, retail vacancy along an eight block stretch of International
Boulevard was nearly 50%, but today the area is bustling with less than 1% vacancy. While traditional neighborhood commerce has seen a resurgence, shops in the newly-developed center have struggled to attract patrons. Some argue that the juxtaposition of BART parking, new transit village parking, and the new shops are to blame, a shortcoming of physical planning. The community’s Unity Council followed BART’s direction to situate the new center’s parking on the station side, and BART added a multi-level 1,000-car parking structure to the other side of the station. With the newly added structured parking flanking the station, there is little reason for park and riders to enter the new development’s plaza of shops, still only a stone’s throw away.

Beyond the physical situation of shops and parking to the station, the mix of uses in the new development seems irregular. Part of the issue may be attributable to the phasing of development. Fruitvale Village opened with 47 residential units, all loft-style rentals on the floors above ground-level retail and second-story office. A planned second phase calls for 250-450 owner occupied units, adding mass to neighborhood buying power that is more appropriate for the commercial space that was first constructed. In the meantime, several retail spaces sit vacant and others operate with sparse demand in the new plaza. Office space in the center is nearly one-quarter vacant, and the tenants are virtually all social service agencies and non-profit organizations.

Fruitvale’s International Boulevard bears a convincing similarity to Midway’s University Avenue. While the Oakland project illustrates successful revitalization of the boulevard, the newly-developed portion was slightly flawed. The transit authority dictated placement of important features such as parking, which turned out to be problematic for business operations.
**Rio Vista West [San Diego, CA]**

San Diego’s trolley line provides light rail service extending eastward through Mission Valley, a heavily trafficked area of suburban-type office and retail development. Rio Vista West’s design intends to demonstrate an alternative development framework to the otherwise patternless routine of shopping centers and apartment complexes that make up Mission Valley. CalMat Properties, the real estate affiliate of a quarry operator, developed the station area for Rio Vista West on 74 acres of a former sand and gravel quarry. The developer retained Peter Calthorpe to advise and draft a plan that would accommodate the TOD guidelines that San Diego prescribed for the area in 1992. Station area development of the site was challenged by its situation at the edge of the San Diego River. While the river provides as scenic amenity and walking trails to residents and visitors, it also limits the development radius of the station area, reducing the potential for the rooftops needed to support retail development.

![Figure 51: Calthorpe's Rio Vista West Plan](Source: TNDWest)
The reclamation of quarry grounds is a considerable departure from the transit development scenario in Saint Paul; however the Rio Vista West project is notable for its attempt at providing a transit-supportive model that incorporates a large shopping center.

Calthorpe’s plan reluctantly included large-format retail at the developers’ insistence, positioning the auto-centric retailers in a quadrant that was easily accessed from I-805 and the busy Friars Road. His later-scrutinized plan attempted to soften the presence of larger retails and their attendant traffic by providing narrow streets, tree-lined walkways, and shared parking. Connections between the shopping center and residential area presupposed that a principal tenant would be a large grocery/drug store serving nearby residents. The shopping center was built in the first phase with 325,000 square feet of retail space, and the plan for narrow streets was abandoned in favor of more vehicle-accommodating four-lane roads.
Build-out at Rio Vista West was not a complete departure from the original Calthorpe plan. The Promenade Apartments nearest the trolley station followed the proposal for a wide oval of green space, fountains, and palm trees, surrounded by a ring of shops and restaurants. Residents and visitors departing the trolley can traverse the length of the oval through its park-like space or along its promenade of shops toward the shopping center at the north end.

Original plans for Rio Vista West were conceived by Peter Calthorpe, widely recognized as a godfather of smart growth, regionalism, and TOD. Nevertheless, Calthorpe’s plan was forced to concede some aspects of its noble plan to the realities of commercial markets: that some component of big box stores would be necessary in order for the plan to become reality. Though the final build-out eventually proceeded without some of the traffic-calming features and other TOD elements envisioned, Rio Vista West is generally regarded as a good model for its mix and arrangement of land uses.
Excelsior & Grand [St. Louis Park, MN]

Saint Louis Park, a first ring Minneapolis suburb, provides a notable Twin Cities example of urban redevelopment on the template of a suburban commercial corridor. Although the Excelsior & Grand project does not integrate rail transit, the case can be a helpful indicator for transitioning toward a traditional urban form that creates an inviting neighborhood for residents and a distinct destination for visitors. In the case of Saint Louis Park, 15 acres of high density retail, restaurant, and residential establishes a much needed civic focal point in the area.

The popular success of Excelsior & Grand has been met with some exasperations and anxiety. Parking is sometimes scarce, and that is a turn off for patrons whose appeal for urban form has not been wholly reconciled with their suburban expectations. Some nervousness is setting in among locals who fear that the projects commercial success will invite greater density and more crowding.

Excelsior & Grand is enjoying early commercial and critical success. As part of the City’s broader redevelopment plan, the project incorporates nearby park space, shared parking, and significant amounts of housing for a range of income levels. It is notable that the Excelsior & Grand plan evolved from a community vision and planning process that was funded through the Metropolitan Council’s Livable Communities Demonstration Account. The ability to secure grant funding to conduct necessary planning and market feasibility studies surely contributed to the eventual success of St. Louis Park’s redeveloped downtown.
**Virginia Square [Arlington, VA]**

The MetroRail system in the nation’s capital is a subway system that connects the District of Columbia to neighboring communities in Maryland and Northern Virginia. The east-west Orange Line extends from New Carrollton in Maryland, through the center of the District of Columbia, and west across the Potomac River through Arlington and Fairfax counties. The Arlington portion of the corridor includes five underground stations that are aligned with Wilson Boulevard directly above it. Together, the station areas link 21 million square feet of office space, of which 15 million square feet were built since the line began operating in 1980.

The smart growth approach of station area planning confined density specifically to the MetroRail corridors, ensuring that neighboring communities maintained their green space and lower-density atmosphere.

County planning designated the corridor areas as part of the General Land Use Plan (GLUP), then developed sector plans for the 1/4-1/3 mile radius of each Metro station. These early planning steps allowed the county to give detailed guidance on its expectations for station-area development. Planning included the desired public improvements that would be anticipated, where to locate retail, expressions of urban design standards, public infrastructure needs, and streetscape standards (including public space). The sector plans under the GLUP are used as indicators of the county’s willingness to rezone for higher densities. The pre-existing zoning remains in place until a proposal is approved as a special exception site plan. In sum, the station area plans provide developers and residents a framework for the intended future of the station area and direction for how individual parcels should be developed.
Land use regulations help to shape local form, but regional factors have long driven growth in the DC area. The pace of development in the Orange Line corridor has been especially strong, but its traffic growth has been modest. Traffic growth on most arterial streets has been stable to modes, keeping residential streets quiet in neighborhoods along the corridor.

Arlington County officials argue that three elements of planning have helped to maximize the transit investment. For starters, the first ¼ mile around the station is the most important. Sector plans highlight the immediate station area for the most intense concentration of uses. This approach appears to have paid off, as just 8% of the county land generates nearly 33% of county property tax revenue.

All the while, Arlington County’s property taxes are the lowest in Northern Virginia. Second, planning for a mix of uses brings balanced usage to the area. That means not only a range of activities, but activities ranging throughout the day and night, enticing all manner of residents, workers, and visitors to come and go, stay and spend. Finally, if it is not designed to be walkable, it is not transit-oriented. Census figures provided evidence of Arlington County’s success, where workers commuting via public transportation comprise 39% of the Arlington Metro Corridor; that is second to New York City (60%) and just ahead of Boston and San Francisco (32% and 31%, respectively).

The Orange Line corridor illustrates the importance of an overarching planning framework. Arlington’s Wilson Boulevard, much like University Avenue in the Twin Cities, connects a series of neighborhoods. As transit service to St. Paul neighborhoods is expanded with LRT, a land use framework that considers the balance of unique needs between general corridor planning and specific station area development will be necessary. Arlington County’s success along the Orange Line is evident in its transit-appropriate corridor development which seeks to integrate, but not overwhelm established nearby neighborhoods.
**Washingtonian Center**  
*Gaithersburg, MD*

Many city centers have enjoyed a recent repopulating surge, and retailers have followed in a “back to the city” movement of their own. Especially in markets where the suburbs are saturated, retailers are eagerly following young professionals and empty-nesters who have settled in more urban locations. To accommodate this growth, it is expected that much urban infill will occur along transit corridors such as St. Paul’s Central Corridor.

While the availability of land in central city and inner suburban locations is itself an asset, there is often added value in the contiguity of large parcels that typically make up greyfields such as decades-old shopping centers that border on functional obsolescence. Peter Calthorpe argues that “greyfields are the next land resource”. Reclaiming these properties for higher-intensity corridor development constitutes what he calls “ribbon urbanism,” and sections of University Avenue have the potential to serve a similar role.

A parallel trend in retail development and mixed use lifestyle centers may also have implications for the Central Corridor. The vogue of lifestyle centers, dating from the 1980s, tended to target only the most affluent communities and would focus on upscale shops and small boutiques. There was not room in the early model- physically or philosophically- for general merchandisers in large format stores. The customer base characteristic of big-box discounters was not a part of the early lifestyle center’s business model.

![Figure 56: Washingtonian Center](Source: Peterson Companies)

The success of the lifestyle center model has prompted developers to adopt a similar approach to less affluent areas. The attraction of unique shopping destinations, coupled with the steady crowds, has gotten the attention of mainstream retailers.
Figure 57: Washingtonian Center Site Plan

Source: Peterson Companies
Unfortunately, the fit can be awkward, especially since big box stores typically have large parking requirements that are incompatible with the urban style and pedestrian friendly design of lifestyle centers. Integrating a store of over 100,000 square feet into a compact urban streetscape can be challenging, but retailers like Target can point to multiple examples where they have made it work.

The Washingtonian Center in Gaithersburg, Maryland showcases a mix of restaurants, small retailers, a multi-screen movie theater, and hotel surrounding a lake. Adjacent to this entertainment district is a main street of retailers that includes multi-level big boxes for Target, Dick’s Sporting Goods, and Kohl’s with shared structured parking. A central parking garage is partially masked from the street by retailers like Barnes and Noble, Pier One, and a wine shop, while the narrow central street (Grand Corner Avenue) offers on-street parking. The entertainment and retails centers of Washingtonian are bordered by freeways on two sides, surrounded otherwise by apartments, condominiums, and office towers.

Washingtonian Boulevard snakes through the entire development, distributing traffic at roundabouts to feed the retail, hotel, and entertainment centers. Washingtonian Center is not served directly by rail transit, and only a few busses offer regular service. Nevertheless, Washingtonian Center offers a colorful illustration of the potential for an upscale lifestyle center that incorporates entertainment and discount retail.

Three big box stores at Washingtonian Center share multiple parking structures with the entire development. A 2-story Kohl’s store has its own 2-level parking structure, but the Target and Dick’s Sporting Goods share a multilevel garage that is partially masked by smaller storefronts. The design features employed at Washingtonian Center may translate to the Midway bus barn site as a means of sensibly accommodating the parking needs of big box retailers.
Rockville Town Square

[Rockville, MD]

A $350 million redevelopment of the area surrounding an outdated, underperforming shopping center in the Washington, DC area offers evidence of planning success and cooperation in optimizing the potential of a site near transit.

Figure 58: Rockville Town Square site

Source: City of Rockville

The City of Rockville is the seat of Montgomery County, Maryland’s most affluent region on the northern edge of the District of Columbia. Though Rockville’s downtown includes a concentration of office buildings surrounded by residential neighborhoods and served by Washington’s Metro rail system, the downtown area has never reached its potential as a day-and-night activity center. The offices are dominated by civic uses, hosting city and county government, with commercial and retail functions offering convenience services. Metro’s Red Line train operates nearby, parallel to but on the other side of the very congested Rockville Pike (Route 355) with a station just one-fifth of a mile away. Some high density residential housing is situated very near the station, but it is hemmed in between busy roadways, and the area offers little in the way of traditional neighborhood amenities.

In support of the need to revive street life on weeknights and weekends, a 13-screen movie theater opened in downtown Rockville adjacent to the government center. The cinema was developed with new (at that time) stadium seating, was constructed mostly underground to minimize the structural mass at street level, and included street-facing restaurants near the theatre box office. The peak theater times were naturally opposite traditional employment hours, so surrounding underground garages provide ample parking and convenience for movie patrons. Since opening, however, a redevelopment site directly across the street from the theater has provided
surface parking. That site is slated for new construction on the heels of Rockville Town Square’s scheduled Memorial Day (2007) opening.

Two blocks northwest from the movie theater and still within two-fifths of a mile from the Red Line’s Metro station, an aging strip mall sat in a less-trafficked section of downtown. The plaza was well-occupied by twenty-three tenants, including a local discount fresh-foods grocer, a chain drug store, and bank that resigned leases in the new development.

Plans for the “reincarnation of an old downtown” blend retailers, multifamily residences, and offices on 15 acres that will eventually include redevelopment of a total of 60 acres. Construction includes parking for 1,850 cars in three separate garages, over half of which are being provided by the city through issue of general obligation bonds.

Overall, the project will create 644 condos and apartments, 175,000 square feet of retail, a community arts center, and a ¾-acre central plaza to host special events, concerts, and a farmers market. Retailers include previous tenants that were relocated during construction (Magruder’s market, CVS pharmacy, and Chevy Chase Bank). Additional tenants include a SuperFresh grocery, furniture boutique, jeweler, and optician. Restaurants range in ethnic taste from Italian, Lebanese, and Peruvian to sushi, ice cream, and coffee. Incidentally, Gold’s Gym will operate a membership fitness center, and Montgomery County will also build a 100,000 square foot public library.

An added component to Rockville Town Square that promises to be a boost to the city is the 25,000 square foot Rockville Innovation Center. The center will complement three other county business incubators and host up to 45 health care, technology, and bioinformatics startups. Montgomery
County reports that its other three business incubation facilities average 90% occupancy and contribute a total of 340 jobs in new, growing businesses.

The case of Rockville Town Square’s redevelopment parallels the Midway shopping district on several levels: elevating an aging shopping center to higher uses, intensifying the mix of activity in a transit corridor, and unlocking locational value to make a livable downtown neighborhood. In particular, Midway observers will take notice of the public-private partnership that creates shared parking facilities and establishes a parking district for payment and maintenance of the structures. City bonding, facilitated with state grants, funds the construction of strategically-located garages that will provide 1,850 parking spaces for residents, retailers, and others. Through the parking district, commercial properties will pay a flat fee to cover garage costs. Tenants are also paying $1.4 million toward the bill for design and construction. Tenant contributions came as part of advanced planning for construction and also enticed developers of existing and subsequent projects in the area to contribute as well.

Initially the City was reluctant to charge visitors for parking on nights and weekends, needing to attract consumers from nearby regional malls. Learning that the City’s bond rating would improve by realizing the income potential from parking reversed their position and solidified the parking district’s role in managing the facilities. The mix of businesses will also provide a model for redevelopment of Midway. Convenience retail and services such as the drugstore, bank, grocers, and barber shops or salons accommodate routine or impromptu needs. A range of unique restaurants and nightlife locations complements the existing movie theater.
Among the restaurants are familiar brands and unique local chains with a strong regional reputation.
**Cobalt Condominiums**  
**[Minneapolis, MN]**

The Cobalt Condominiums in Northeast Minneapolis is an example of a mid-sized retailer adapting to a mixed use environment. Lunds, a Twin Cities based grocery chain with 21 locations, sits at the ground level of a 10-story residential building. Lunds opened to the public in late 2006, while residential units began occupancy in early 2007.

While not along the Hiawatha LRT line, Cobalt Condominiums does have access to bus transit services. Further, it is located near the intersection of three major Minneapolis roadways: University, Central, and Hennepin Avenues. In addition, the 2-acre site is in close proximity to the University of Minnesota, the Mississippi River, and downtown Minneapolis.

The most striking aspect of the Cobalt Condominiums is the amount of windows found throughout the project, especially on the ground level retail spaces. The windows allow for natural light to fill the retail spaces. Workers and shoppers in the retail spaces can see outside, while those outside are drawn to see what is going on inside the stores. This interaction of inside and outside users makes the retail spaces feel like a part of the greater community.

The ground floor has a total of 23,000 square feet of retail space and includes the Lunds, Caribou Coffee, Prairie Stone Pharmacy, Wight Way Cleaners, and Minneapolis Floral. The types of retail uses are also important as both chain and local stores coexist in the retail environment. Further, these uses provide essential daily goods and services to the community.

Most grocery stores have large surface parking lots that are not friendly to those using transit or walking to the site. At Cobalt Condominiums, there is an attached two level structured parking ramp. A special escalator even hauls carts filled with groceries to the second
level of the parking structure. Further, public street parking in front of the retail entrances provides short-term parking for customers.

Figure 62: Location in Minneapolis Compared to the Hiawatha LRT

Source: CLYP Consultants

It also should be noted that the project employs a distinctive piece of public art at the corner of University and Central Avenues. The public art adds to the pedestrian environment and the uniqueness of the property.

Above the retail spaces sits an additional 9 stories of condos with 107 owner-occupied units. At a density of approximately 53 dwelling units per acre, the housing units add to the viability of the nearby bus services. Further, the residential uses provide a built-in market for the commercial uses and act as an important amenity to the housing portion of the project. Further, the active uses of the ground floor and the residences above provide more “eyes on the street” improving neighborhood safety and the perception of safety. Finally, the commercial uses can create additional job opportunities for the neighborhood.

Cobalt Condominiums is a solid example of a successful mixed use project occurring in the Twin Cities Metropolitan Area. It suggests that larger retailers can be flexible in their store and parking design to meet the needs of pedestrians and transit users. Minneapolis’ regulatory framework encouraged many of the design features such as the limited building setback from the street. This was accomplished because the property falls within a pedestrian-oriented overlay zoning district. No subsidy was needed to complete the project.
**Hi-Lake Shopping Center**  
*Minneapolis, MN*

Located adjacent to the Lake Street/Midtown Hiawatha LRT Station, the Hi-Lake Center became a prime candidate for TOD style redevelopment. The aging suburban style shopping center was originally designed for vehicles with little thought given to transit users. Today, the Hi-Lake Shopping Center shows how infill development can occur on large underutilized surface parking lots to create a more urban environment.

The Hi-Lake Shopping Center is located in Minneapolis at the corner of Lake Street and Hiawatha Avenue. Nearby transit includes bus service on Lake Street and the Hiawatha LRT. Wellington Management, Inc. purchased the nearly 8 acre property in 2004. Besides major façade improvements, pedestrian improvements to the shopping center included increased landscaping and a lit pedestrian path running from Lake Street back to the retail spaces.

Underutilized surface parking lots along Lake Street were developed into a series of three buildings. By developing these areas, a TOD environment began to take shape. The new buildings were built up to the street, but still allowed vehicular traffic to access the site.

The last of these third buildings to be developed is now under construction. Corridor Flats is a four story mixed use building with a 16,500 square foot Aldi Foods occupying the ground floor.

**Figure 63: Corridor Flats**

Aldi is a German company with over 5,000 stores worldwide. If they can be convinced to change their normal building design to accommodate a TOD framework, then it suggests that other similarly sized retailers could also follow suit. Thirty-six owner-occupied units of housing above the discount grocery store will enjoy underground parking and access to the LRT Station which is only steps away.
Hiawatha Commons is a five story building with nearly 15,000 square feet of ground floor retail. There are 80 units of rental housing above the retail space, with 60 of those units being designated as affordable units. While no public subsidy was needed for Corridor Flats, public funding including TIF was used to make Hiawatha Commons a reality. It should be noted that both of the mixed use projects fall under a Pedestrian Oriented Overlay District, which has specific design guidelines for development near a LRT station.

On the opposite side of the Lake Street/Midtown LRT Station is another new mixed use development called Hiawatha Commons. It is located in a suburban style shopping area adjacent a strip mall, Target, and Cub Foods.
**50th and France [Edina/Minneapolis, MN]**

Located on the border of Minneapolis and Edina, the 50th and France business district is an example of strong cooperation among property owners, businesses, and government entities. While more upscale than the Midway area, many lessons can be taken from this case study including its incorporation of entertainment options, pedestrian orientation, multiple story buildings, and the minimal setbacks of buildings from the street.

*Figure 66: 50th and France Avenue*

Source: http://www.5000franceedina.com/

Further, shared parking ramps located within the internal block reduce the need for large surface parking lots. To fund construction of these parking ramps, the City of Edina employed funding sources such as TIF, while the local businesses also contributed through a parking fund.

The 50th and France Business Association handles joint marketing and advertising for the business district. An extensive website was also created to attract visitors, enhance communication among businesses, and market the area to new businesses (www.50thandfrance.com). Government relations, community outreach, crime prevention, and special event planning are also done through the business association. One of the most successful events planned by the business is their annual Edina Art Fair. Other seasonal events include Crazy Dayz, the Pumpkin Festival, and the Community Tree Lighting Ceremony. Finally, a 50th and France gift certificate was created to allow customers could use the money at any number of area’s stores.

*Figure 67: 50th and France Avenue*

Source: City of Minneapolis
**Grand Street [New York, NY]**

Brooklyn’s Grand Street BID provides an example of a successful business improvement district that could be used in the Midway shopping district. In operation since the mid 1980s, the Grand Street BID was originally formed to address issues such as such as capital improvements, graffiti removal, and beautification. It now also helps to brand the area with joint advertising activities.

Maintaining the cleanliness of the business area is of the utmost importance. Pooled funds help to pay for street cleaners and other related services. Special lighting and banners also make Grand Street an attractive area, especially during special events and holiday seasons. The high priority given to the district’s physical appearance has earned it praise from local customers. Trash clean up is one aspect of the Grand Street BID that can be directly applied to the Midway shopping district.

*Figure 68: Grand Street*

*Figure 69: Grand Street Cleaners*

Source: www.grandstbklyn.com
Westown and the Historic Third Ward
[Milwaukee, WI]

Milwaukee has several business improvement districts with two of the most successful being in the Westown and Third Ward areas of the city. Much of the focus of the Westown BID revolves around special event planning, while the Historic Third Ward BID centers on physical appearance.

In the Westown BID activities such as a farmer’s market draw people to the area. This idea could be brought to the Midway shopping district as there are plenty of underutilized surface parking lots available for a farmer’s market. Further, bringing local produce to the area would potentially attract a different customer base than those who currently frequent the large chain grocery stores such as Rainbow Foods.

Figure 70: Westown Activities
Source: www.westown.org/

Milwaukee’s Historic Third Ward BID also plans special events, but its primary focus is on the physical appearance of the area. Participating businesses pay for shared services such as snow and graffiti removal. Maintaining the architectural heritage of the area is also important issue dealt with by the BID. While the Midway shopping district does not have historic buildings like Milwaukee’s Third Ward, this concept could be transferred over to the study area by convincing the BID to consider TOD design concepts.

Finally, the BID helped in the implementation of a prominent gateway. This gateway helps to brand the area and inform visitors that they are entering an official district. The use of gateways within the Midway shopping district is a recommendation detailed within this report’s action plan.

Figure 71: Historic Third Ward Gateway
Source: www.historicthirdward.org/
Old Town Pasadena [Pasadena, CA]

Pasadena, CA, has been widely studied because of its innovative approach to parking demand and supply management to revitalize a run-down shopping district. The historic downtown was once a vibrant commercial center, but a 1929 road widening project required the front 14 feet of the buildings along the roadway to be demolished. Most property owners constructed new façades on the buildings resembling the then-popular Spanish mission style. A few property owners, however, moved the intricate historic façade back 14 feet from the road and re-attached it to the building, an early example of historic preservation. The result was an awkward mixture of the “new” and the “old” that encouraged the shopping district to fall into disrepair until the 1990s.

In the early 1990s, Pasadena city staff recommended increasing the price of parking from $0.25 per hour to $1.00 per hour. Business owners in the area opposed the plan, believing that increasing the cost of parking would result in fewer people shopping in the district.

Business owners feared that shoppers would instead travel to suburban style shopping centers with free parking. To diffuse the opposition, city staff agreed to spend all of the money collected from the increased parking fees on public improvements within a newly created Parking Meter Zone (PMZ). In 1993, additional parking meters were installed and the parking fees throughout the district were increased.

The fears of property owners quickly disappeared when they began to realize that the financial benefits of collecting additional revenue through parking fees easily outweighed any lost business by shoppers seeking free parking. By increasing the cost of
parking, occupancy rates were decreased to approximately 86%, ensuring that there is always a spot available for shoppers willing to pay the parking fee.

Figure 73: Hotel in Old Pasadena

Source: http://www.trails.com

Immediately after the parking meters were installed, the city borrowed $5 million to begin work on the “Old Pasadena Streetscape and Alleyways Project,” which funded the reconstruction and beautification of the sidewalks and alleyways within the shopping district. The money also provided street furniture and historic lighting fixtures. The city worked with the Old Pasadena Business Improvement District to establish the boundaries of the PMZ, and a marketing campaign was established to inform shoppers of how the parking fee money would be used to finance streetscape improvements.

In 2001, the 690 parking meters in the shopping district yielded $1.2 million in net revenue after collection costs. About $448,000 was immediately spent on debt service to pay back the borrowed $5 million, while the rest of the money was used to provide public services in the area such as sidewalk cleaning, litter control, and increased law enforcement patrols, and a marketing and advertisement campaign for local businesses.

Today, Old Pasadena is a popular shopping destination and retailers are willing to pay higher rent to occupy space within the PMZ to receive the additional benefits. The area includes a healthy mix of local retail stores, national retail chains, restaurants, offices, and residential space.

There are several lessons to be learned from Old Pasadena. Midway, like Old Pasadena, has suffered from past development projects that do not respect the historic nature of surrounding buildings. The large shopping centers within the shopping district...
district are out of scale and style with the traditional storefronts that can be found along University Avenue. Although there is currently an overabundance of parking within the shopping center, additional infill development will reduce the parking supply.

The experience of Old Pasadena effectively shows that shoppers are willing to pay parking fees, especially if there is a marketing campaign to inform shoppers of exactly how the parking meter revenue is being spent.

Shoppers in Pasadena were more willing to pay parking fees when they knew that the money would be spent on public infrastructure. Although much of Old Pasadena is composed of historic structures, there has been a significant amount of redevelopment in the area, including simple façade improvements that update older buildings. The success of the PMZ has encouraged new development in a way that enhances the pedestrian environment in the area.
**Depot Office Center**

[Minneapolis, MN]

An addition to their successful revitalization project that restored the historic Milwaukee Road Depot in Minneapolis, CSM Corporation constructed a contemporary mixed use center on a nearby city block. The Depot Office Center demonstrates both horizontal and vertical mix of uses, employs shared parking, and showcases design features that screen structured parking from view.

The project is located between two LRT stops, just four blocks from either. The four-story office building fronts the city block, with convenience retail and an upscale independent restaurant and lounge. The restaurant features a corner patio space with seating and a signature sculpture. Directly behind the office building, the McPhail Center for the Arts is being erected. This will fully enclose the block and shield from view the three-level parking structure situated at the interior of the block. The parking garage is surrounded on two sides by 22 loft condominiums, wrapping the corner and giving the emerging Mill District a neighborhood feel. The parking structure includes deeded, enclosed garage spaces for residents and also serves as a public pay lot. The facility uses self-service payment kiosks, reducing the operating costs by eliminating the need for an attendant on-site. In addition to the public parking, the office building’s footprint includes an underground level of limited access parking for office tenants.
SECTION 2.8: DIAGNOSIS CONCLUSION

The addition of light rail transit to the Central Corridor will bring with it numerous opportunities for redevelopment of underutilized commercial sites.

The development strategies report released by Urban Strategies has carefully set forth a vision for incremental growth and infill development in the Midway shopping district. It should be understood, however, that Urban Strategies has not fully taken into account the complex nature of land ownership and business interests in the Midway shopping district. The extent to which the vision may be transformed into specific plans and implemented depends largely on the desire of individual property owners to adhere to the stated vision.

The preceding study reviewed Midway’s development history and identified the area’s attributes and potential challenges. From the comparisons between the Midway shopping district and relevant case studies, elements of successful approaches and implementation can be referenced as best practices that help reshape Midway’s potential into a coherent vision for future growth.

The work presented in this report diagnoses four principle areas of action which will require attention in achieving a stated vision.

Cooperative redevelopment in the study area will require site assembly of various parcels under diverse ownership and differing interests.

Vision and planning involving these groups and led by the community will be needed in order to position the area for balanced growth and development. This process will address, through advocacy, the fact that today’s regulatory framework is not compatible with the vision.

Effective planning for redevelopment will design for enhanced on-site experience by targeting issues of safety and accessibility. This includes efforts to remedy the area’s traffic congestion, improve mobility and safety within and between shopping centers, and restore the area’s appeal to neighboring residents, walkers, bikers, and other non-auto patrons.
Making the Midway shopping district a recognizable destination will also be a critical component of successful redevelopment. Strategies such as joint marketing, advertising, and shared services can be used to create an identity for the area and build recognition as a distinct destination. Overcoming the area’s relative and perceived disadvantages when compared to other regional shopping centers and malls will help Midway businesses capture the economic impact of local residents and attract customers from nearby areas.

The vision and goals, accompanied by a plan of action that aligns with this report’s diagnosed focus areas, will be instrumental in reshaping Midway’s commercial district as transit expansion enhances the landscape.
SECTION 3.0: VISION INTRODUCTION

Developing a vision is a critical component of the strategic planning process. Without visioning, the effectiveness of future actions may be greatly reduced, and the desires of local residents may not be achieved. A vision is a coherent and ambitious statement of what a community can and should be, and is simultaneously rational and emotional. An effective vision articulates the state of an attractive, achievable, and realistic future and serves as the foundation for strategic action plans. An effective vision sets forth a unique future for a community by celebrating the diversity among the neighborhood residents and building on common beliefs.

In this section, a possible vision is set forth for the Midway shopping district. This sample vision will only become truly meaningful after the local residents have had the opportunity to reshape and endorse it. The vision depicts the year 2040, when the currently obsolete Midway shopping district has been transformed into “Midway Central Station,” a charming, transit-oriented neighborhood. A concise vision statement is presented, followed by a more thorough exposition.

Figure 74: Artists Rendering of San Francisco Transit Village.

Source: http://www.tndwest.com
SECTION 3.1: VISION

Vision Statement:
Midway Central Station is both a vibrant urban neighborhood and a regional hub of commerce, employment, and entertainment. It is a safe, walkable neighborhood connected to the greater metropolitan region through a modern and efficient transit network. Midway Central Station hosts an array of shops, services, eateries, and housing options that provide an exhilarating environment to entice new visitors and accommodate the needs of area workers and local residents.

Located in the heart of the Twin Cities, Midway Central Station sits at the junction of a rich past and a progressive future. An area that has always been busy with the vital commerce and industry of Saint Paul, it offers modern style and comfort in a traditional neighborhood. A perfect complement to the city centers of Minneapolis and Saint Paul, Midway Central Station serves as a “downtown between the downtowns.” It is a premiere location for residents, merchants, and employers seeking a lively atmosphere.

A Vibrant Urban Neighborhood
Retail, office, entertainment, and residential uses fill Midway Central Station with a diverse mix of activities, making it a popular gathering place to work, shop, live and play. It is a relaxing and inviting environment where neighbors connect over a cup of coffee and stroll from shop to shop. The village atmosphere provides a sanctuary for families to spend a sunny afternoon together and couples to enjoy a romantic evening. Tree-lined streets, benches, and plazas with fountains make Midway Central Station an urban oasis and refuge from the hectic pace of daily life.
Transportation Options

Visitors from across the metropolitan region are drawn to the area by the convenience and affordability of frequent light rail and bus service. Once they arrive, visitors are amazed at how pleasant Midway Central Station is to navigate without an automobile. Although still accessible by private automobile, Midway Central Station is designed to ensure the safety, comfort, and convenience of pedestrians, bicyclists, and transit riders. While a majority of trips are made by non-traditional modes of transportation, designated car sharing vehicles also give residents and workers access to an automobile.

Shopping Opportunities

Midway Central Station has a diverse and interesting mix of retail establishments. Independent stores, upscale specialty shops, and large big box retailers peacefully coexist within the thriving economic atmosphere. Healthy competition among retailers results in a lively business environment that facilitates small business growth and creates well-paying job opportunities for local residents. Retail establishments serve both the essential daily needs of the surrounding neighborhood and the specialty needs of the greater Twin Cities area. It is a place where customers can find everything from a cup of coffee to a rare antique.

Midway Central Station is one of the metropolitan region’s most active and thriving economic hubs. Residents from around the region shop in the neighborhood because of the extraordinary variety of shops and the safe, yet exciting environment. The convenient location allows Midway residents to shop locally without traveling great distances to suburban shopping centers.

Figure 75: A Plethora of Shopping Opportunities

Source: www.citvu.com
**Housing Variety**

Although the hallmark of Midway Central Station is its vast selection of retail establishments, the area also includes condominium homes and apartments. People of all income levels call Midway Central Station home. Housing options range from entry-level to upscale and cater to the needs of students, seniors, and workforce residents. Midway Central Station continues the tradition of diverse St. Paul neighborhoods offering high quality living and affordability.

**Safety, Cleanliness, and the Environment**

A sense of community pride and neighborly concern guard against litter, crime, and neglect. Nestled within Midway Central Station are parks and playgrounds where children play without parents worrying for their safety. Flower gardens and well-maintained plazas with fountains continue the practice of great cities providing urban amenities.

Tree-lined streets supply clean air and shade on sunny days. Crystal clear ponds naturally filter stormwater and replenish aquifers to ensure high water quality. The neighborhood also provides ample open space for relaxing, lingering, meeting neighbors, and making new friends.

**A Balance of Diversity**

Midway residents recognize the diverse heritage of Saint Paul’s people as a source of strength. Celebrations of diversity and heritage encourage community wellness, continuity, and cohesiveness. Midway Central Station balances the needs of people from all income levels, occupations, ethnicities, and lifestyle choices, while meeting the needs of future generations.
SECTION 4.0: ACTION PLAN INTRODUCTION

The vision will only become a reality if an effective action plan is developed to guide the transition process. The purpose of the action plan is to translate the stated vision into a concrete process that will yield the desired results. The vision is designed to encourage action, while the action plan is designed to identify specific tasks that will lead to the attainment of the vision.

Four goals are presented in this action plan to guide the Midway shopping district toward the stated vision. Each goal contains several objectives, and each objective can be achieved by following several steps. An outline of the goals and objectives is provided on the next page, and is followed by a more detailed discussion.
ACTION PLAN OUTLINE:

GOAL 1
Midway will evolve into a transit oriented, mixed use neighborhood.
   **Objectives:**
   1.1 Establish zoning regulations that will guide development.
   1.2 Reconnect the shopping district with the surrounding neighborhoods.
   1.3 Establish the Midway shopping district as a center of dynamic living and active transportation.
   1.4 Use market strategies to encourage Transit Oriented Development.

GOAL 2
Future Redevelopment of the Midway shopping district will be guided by a master plan.
   **Objectives:**
   2.1 Commission a professional market feasibility study to evaluate master planning opportunities.
   2.2 Establish a Business Improvement District serving Midway merchants and customers.
   2.3 Create a Parking Improvement District.

GOAL 3
Land that is currently vacant will be utilized in a manner consistent with TOD principles.
   **Objectives:**
   3.1 Work proactively to encourage progressive development patterns.
   3.2 Create land use and form guidelines for the developable Target site.
   3.3 Adopt a concept plan that maximizes the potential for the MetroTransit “bus barn” site.

GOAL 4
Reposition the area’s image to one of a regional shopping district.
   **Objectives:**
   4.1 Add an iconic symbol to the physical landscape.
   4.2 Implement a logo and naming strategy.
   4.3 Develop an exciting advertising campaign.
GOAL 1:
MIDWAY WILL EVOLVE INTO A TRANSIT ORIENTED, MIXED USE NEIGHBORHOOD

DCC needs to play a constructive and proactive role in encouraging the redevelopment of the Midway shopping district. Their redevelopment vision will not become a reality if DCC only reacts to the plans made by other parties. Instead, greater influence can be gained through proactive efforts. DCC should assume a leadership role in advocating for changes in zoning regulations, reconnecting the shopping district with the surrounding neighborhoods, and promoting the shopping district as a center of dynamic living and active transportation.

DCC should craft arguments in favor of transit-supportive development, appealing to a diverse audience. Specifically regarding commercial redevelopment, DCC’s advocacy should speak in terms of market implications for specific property owners.

Objective 1.1: Establish zoning regulations that will guide development.

Steps:
- Identify other stakeholders who have similar objectives and coordinate efforts.
- Raise public awareness of the need for a revised zoning code.
- Use media outlets to build public support.
- Be willing to compromise to achieve progress.

The desire for TOD in the Midway shopping district is not unique to DCC. By aligning with other groups with similar objectives and coordinating efforts, DCC will gain additional influence. A power-interest grid is a useful tool used to demonstrate how the power structure that exists among stakeholders impacts the role of each involved party.
The power-interest grid was created using a stakeholder analysis, which is described in detail in Appendix C. The top, left quadrant of the grid represents stakeholders who have a high interest in the outcome of redevelopment in the area, but have a relatively low amount of decision making power. Stakeholders circled in red may become the biggest allies of DCC.

Double-headed arrows represent the potential coordination and cooperation among interest groups. Groups such as the University United and Transit for Livable Communities share similar redevelopment visions for the area, but independently they have little influence. Focusing on the similarities rather than the differences between stakeholders...
will help build momentum. Although each individual group may not hold significant political influence, the collective body of coordinated efforts will be more effective than each group pursuing individual objectives.

The top, right quadrant represents the groups who have decision making powers. Stakeholders in this quadrant should be the target of the combined efforts of those circled in red. The blue arrows represent the influence DCC should have on decision makers.

DCC can play an important role as a mediator between all of the combined interest groups, coordinating the efforts of the interested parties, and targeting those with decision making power.

While DCC does not directly make decisions regarding land use and zoning decisions, it can encourage the planning commission, city council, mayor, and city staff to quickly enact changes to the zoning code in anticipation of redevelopment.

DCC should seek public support in advocating for a revised zoning code. Elected officials and city staff will be more responsive if there is widespread agreement among the general public that a revised zoning code is needed.

DCC should implement an informational campaign to both educate the public about the benefits of TOD and involve the public in influencing the city to take action.

Citizens should be encouraged to attend planning commission meetings, city council meetings, write letters to the editors of local newspapers, and attend public hearings and open houses to encourage the city council to act.

DCC should ensure that citizens have the information they need to become involved by providing the contact information of staff and elected officials and the dates and times of opportunities for public input.

In addition to involving the public, DCC should pursue media outlets such as local television stations, Minnesota Public Radio, and independent and neighborhood newspapers to raise public support for a revised zoning code.

DCC should use its web page, printed
flyers, email lists, and other resources to get information to the public about how they can influence their elected leaders, and why their involvement is critical. Citizens will be compelled to participate in the process only after they understand that a revised zoning ordinance is the best way to ensure that their vision becomes a reality.

DCC understands that the current zoning code will not result in redevelopment that is consistent with the vision for Midway Central Station. Urban Strategies has produced a Development Strategy for the corridor which includes recommended zoning ordinance changes. The report recommends the implementation of a Transit Opportunity Zone (TOZ) throughout the entire Central Corridor, and four additional overlay zoning districts that will apply to specific sites along the Avenue in addition to the basic TOZ regulations.

The TOZ-Marketplace zoning designation would apply to the Midway Shopping Center and Midway Marketplace, the western and center superblocks in the shopping district, while the TOZ-Urban Village zoning designation would apply to the superblock where Target is located. The recommended zoning designations are tailored to encourage transit oriented development on large parcels. Both TOZ-Marketplace and TOZ-Urban Village recommend the following:

- development shall be a minimum of 2 stories except fronting the Avenue where generally 4 stories will be minimum; up to 15 stories may be allowed where appropriate
- development shall proceed by way of a Small Area Plan or Master Plan
- the conveyance of private land for the creation of public roads, parks, and spaces shall be secured through development negotiations
- development proposals are subject to a Design Review Panel

The TOZ-Marketplace designation has three additional specific guidelines:

- a minimum Floor-Area-Ratio of 1.0 shall apply to all sites
- no surface parking is permitted to front University Avenue
- a phasing plan must accompany all development proposals
detailing how the development will reach minimum density standards.

In addition to the TOZ-Marketplace and TOZ-Urban Village zoning designations, a third zoning designation, TOZ-Station Area will include all parcels within a quarter mile of an LRT station. This zoning designation would apply to much of the western superblock and would take precedence over the TOZ-Marketplace designation.

TOZ Station Areas add additional design guidelines:

- buildings shall generally be a minimum of 4 stories; at major transit intersections they may be up to 10 stories; where appropriate they may be up to 15 stories
- no surface parking lots over 10 stalls shall be permitted
- no drive-through retail, car dealership, or auto repair uses shall be permitted
- a specific build to line shall be established with allowances for additional setbacks to enhance the pedestrian right-of-way

In addition to these guidelines, Urban Strategies has recommended a number of other general guidelines that should guide the redevelopment of the Midway shopping district. DCC should fully endorse the recommendations given in the Urban Strategies report and encourage other stakeholders to adopt it as well. Minor disagreements regarding ordinance specifics among groups that share similar visions for the area should not slow the adoption of revised ordinances.

Unfortunately, adopting a revised zoning ordinance is not a quick process, so an interim zoning ordinance may be a useful tool to prevent undesirable development in the immediate future. Saint Paul PED staff has proposed an interim zoning ordinance that would enforce many aspects of TOD development.

The drawback to interim zoning ordinances, however, is that they are only enforceable for one year. Choosing the appropriate time to adopt the interim zoning ordinance is critical. It may be unwise to prematurely adopt the interim zoning ordinance if it is unlikely that the permanent zoning ordinance will be adopted within one year. Likewise,
waiting to adopt the ordinance may allow undesired development now when it could have been prevented.

Given that the “bus barn” site is not easily developable until the ‘land swap’ with MetroTransit has been completed, and Target is unlikely to immediately pursue the redevelopment of the space near University Avenue, the only development likely to occur in the immediate future is on the site adjacent to the “bus barn” owned by RK Midway, where a Home Depot was recently proposed.

DCC should actively pursue the adoption of an interim zoning ordinance if they believe that permanent zoning ordinances can be adopted within the following year. Pursuing an interim zoning ordinance should not, however, sidetrack DCC from pursuing the adoption of a permanent zoning ordinance.

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Objective 1.2: Reconnect the shopping district with the surrounding neighborhoods.

**Steps:**

- Extend the street network throughout the shopping district.
- Promote design strategies that are consistent with the surrounding neighborhoods.
- Organize the community to demand that the Pascal Avenue Bridge remain in place.

The shopping district should be reconnected with the surrounding neighborhoods by facilitating easy access between the nearby neighborhoods and the shopping center superblocks. By extending the urban street grid throughout the shopping center, the area will become more pedestrian friendly and new development will naturally be oriented toward the streets.

It may not be appropriate, however, to reconnect the street grid in all locations. After redevelopment, the shopping center should act as a regional shopping center, which demands the presence of larger retailers whose buildings may not fit
on a standard city block. By selectively extending the street network, the area can become more pedestrian friendly, while also accommodating larger building footprints.

Figure 77: LRT in Portland

Source: http://www.lighttrailnow.com

The larger blocks should be located toward the south side of the shopping center near I-94, allowing more room for street reconnections and pedestrian activity along University Avenue nearest to the proposed LRT station.

Some of the street extensions can begin immediately without requiring the demolition of any existing structures. DCC should actively promote the ability of additional streets to reduce traffic congestion at the intersection of Snelling Avenue and University Avenue.

The recent Snelling University Traffic Capacity Study determined that significant gains could be achieved by constructing an additional roadway through the Midway Shopping Center parking lot. By modifying this design, the newly constructed roadway could both relieve traffic congestion and promote pedestrian activity. DCC should encourage the immediate construction of a street traveling east from Spruce Tree Drive/Aurora Avenue through the Midway Shopping Center parking lot and extend Simpson Street south through the parking lot to create a new intersection. This is an alternative to the city’s ‘ring road’ proposal.

This proposal is an improvement of the ‘ring road’ proposal for three reasons: 1) By modifying the sweeping curve to become a right angle intersection, vehicles will have to slow down to complete a turn with a smaller radius. 2) A signalized intersection will provide pedestrians with a safer
opportunity to cross the newly constructed street. 3) The right angle anticipates the Midway Shopping Center's eventual redevelopment, allowing Aurora Avenue to be easily extended further east to Pascal Avenue.

The proposed street extensions will simultaneously relieve congestion from the Snelling and University Avenue intersection and draw shoppers into the area. An east-west extension of Aurora Avenue is also proposed on the Target Superblock. Further details of this particular recommendation are documented in this report's third goal.

The City of Saint Paul is also considering the extension of Ayd Mill Road to connect to Interstate 94 along the south side of the shopping district and removing the Pascal Avenue Bridge across Interstate 94. The demolition of the Pascal Avenue Bridge would be detrimental to the ability of the neighborhood south of I-94 to access the shopping center, and would further segregate the shopping center from the surrounding neighborhoods.
Figure 78: Proposed Street Network Extensions

Source: Ramsey County.
Objective 1.3: Establish the Midway shopping district as a center of dynamic living and active transportation.

Steps:
- Encourage housing in redevelopment as the market becomes appropriate.
- Include requirements for bicycle and pedestrian infrastructure in zoning ordinances.
- Ensure that master planning efforts consider the needs of pedestrians and bicyclists in the planning process.

As Midway transitions from a single-use retail center to a mixed use neighborhood, additional housing options must be provided to attract new residents. Locating apartments and condominiums above retail and office buildings is one of the basic principles of TOD and should be incorporated into future redevelopment scenarios. The City of Saint Paul has identified University Avenue as a key location to provide additional housing.

The harsh asphalt landscape that currently exists within the shopping district may not be immediately hospitable to additional housing. Housing may not be marketable until a significant amount of redevelopment has taken place in the shopping district and the streetscape has been somewhat “softened.” Housing will be more successful if it is provided at a time when the market is ready to absorb the additional units. Although housing will eventually play a significant role in transforming the shopping district into a vibrant neighborhood, it may be wise to first pursue redevelopment of retail space, adding housing as the market dictates.

The needs of bicyclists and pedestrians should be included in the zoning ordinance changes. Developers should receive reduced parking requirements in return for providing increased bicycle parking areas. DCC should request that MetroTransit provide high-quality bicycle lockers to allow cyclists the option of securing their bicycles while they are shopping. Further, a significant number of bicycle parking spaces should be provided adjacent to the transit station to provide bicycle parking for those riding the light rail.
Careful attention to the placement and design of buildings and streetscapes will encourage visitors to walk between stores rather than drive. High-quality urban amenities such as sidewalks, shade trees, sidewalk furniture, and public art contribute to a more pleasant pedestrian experience. Encouraging shade trees along the streets will also create consistency between the shopping center and the surrounding neighborhoods.

Throughout the planning process, DCC should encourage bicycle advocacy groups to provide city planners with feedback to ensure that the safety and efficiency of cyclists are being considered. Provisions should be made to encourage cyclists of all skill levels to feel safe and accommodated.

Objective 1.4: Use market strategies to encourage Transit Oriented Development.

Steps:
- Draw on economic arguments to support actions.
- Base actions on the feasibility of projects.
- Include financial arguments in the logic supporting TOD.

To effectively engage in conversations with land owners, developers, and future tenants, DCC must have a sound understanding of the costs of redevelopment and the potential returns that may be gained from redevelopment. In many cases, TOD’s form can be more expensive to construct than suburban style shopping centers. DCC must be able to show that TOD is financially feasible and that the current market will support this type of shopping center.

DCC will often find itself playing the role of advocate throughout the development process. While many different arguments can be crafted in defense of TOD, not all arguments will appeal to every audience. DCC should be
prepared to deliver persuasive arguments that will appeal to those who have the greatest potential to enact change. DCC will be most effective if it is able to craft rhetoric to meet the needs of DCC’s audience.

Linguists are careful to separate emotional arguments from logical arguments, or the *logos* from the *pathos*. *Pathos* arguments, like the vision for Midway Central Station presented in this report, are crafted to appeal to the emotions of the audience. Conversely, *logos* arguments are crafted to appeal to the logic and reason of the audience. Speaking in the most general of terms, businessmen, financial investors, developers, and commercial property owners will be more receptive to *logos* arguments that indicate potential financial gains.

A third category of rhetoric arguments is often referred to as *ethos*, an argument that relies on the credibility and character of the speaker to appeal to the audience. DCC should rely on credible sources to deliver technical information. For example, transportation experts should be commissioned to study traffic circulation, and a professional financial analyst should be commissioned to study the market feasibility of redevelopment options. The credibility of these professionals will add an element of *ethos* to the arguments crafted by DCC.
GOAL 2:
FUTURE REDEVELOPMENT OF THE MIDWAY SHOPPING DISTRICT WILL BE GUIDED BY A MASTER PLAN

The success of any large-scale redevelopment effort in the Midway shopping district will depend heavily on the willingness of property owners to engage in a cooperative planning process. The current lack of spatial coordination between the existing shopping centers is experienced by visitors who struggle to navigate the disjointed maze of retail and service outlets. Instead, an environment that allows for seamless movement from one business to the next would entice shoppers to spend more time and money in the area.

Individual property owners will be best encouraged to explore planned redevelopment when its merits are supported by a financial feasibility study. Additionally, a Business Improvement District (BID) should be established to coordinate and deliver shared services for the planned center, and a Parking Improvement District (PID) created to maintain shared parking facilities.

Objective 2.1: Commission a professional market feasibility study to evaluate master planning opportunities.

Steps:
- Secure funding and retain a consultant.
- Convene property owners and business operators.
- Initiate master planning.

Currently, there is no incentive for property owners to change the existing built environment, nor does the regulatory framework require a change from the status quo for new development. A professionally completed market feasibility study is a critical component needed to convince property owners that alternatives to the current form of development may offer greater profit potential.
It is essential that an independent third party conducts the market and feasibility analysis of redevelopment. By deferring to well-qualified market analysis professionals, the business community can be assured of the resulting study’s objectivity and freedom from bias.

Naturally, such a specialized study will require funding. An interested stakeholder such as DCC could apply for funding through the Metropolitan Council’s Livable Communities Demonstration Act. Funds granted under the same program provided the City of St. Louis Park with resources to initiate the planning process that resulted in redevelopment of its downtown. Formerly a throughway flanked with aging stores and strip plazas, the area has reemerged as the popular Excelsior & Grand development, host to retail, housing, and entertainment.

The importance of Midway’s location and its proximity to a proposed Central Corridor LRT station suggests that it would be a strong candidate for funding. The result of the proposed feasibility study cannot be presupposed, but it can be assumed that the current shopping environment does not maximize revenue for its owners or optimize the potential of the site. This assumption is supported by the large underutilized surface parking lots, harsh pedestrian environment, lack of visibility between the superblocks, and the obvious difficulties in navigating the properties. Further, a cooperatively planned shopping district could recapture much of the consumer spending power that is currently lost by residents traveling elsewhere (Rosedale Center, etc.) to meet their shopping needs.

In anticipation that the feasibility study will identify missed profit opportunities due to the disjointed development pattern, property owners will be more likely to engage in joint planning activities and, ideally, redevelopment under a TOD master plan. Furthermore, the feasibility study will state that cooperation among property owners concerning traffic and pedestrian circulation, building orientation, and
shared services could provide enhanced value to the properties. Due to the fact that many of the existing buildings in the Midway shopping district are becoming structurally obsolete, there are many vacant developable sites, and there is high market demand for goods and services, future construction is almost inevitable. This future construction can either continue the status quo of suburban-style strip malls, or be guided by a master plan that is TOD-friendly. Either way, cooperation among property owners will likely result in increased profitability. Cooperation among property owners does not necessarily imply a TOD environment.

As discussed at length in this report, TOD style development is more expensive than conventional development. The question then becomes how to convince property owners to engage in master planning that embraces TOD. If the zoning code changes documented in Goal 1 are implemented, then an important step toward TOD will be taken. Within the proposed overlay zoning district, density bonuses and parking reductions serve as indirect subsidies to developers.

Other direct public subsidies can also be incorporated so that TOD style development can become financially feasible. The numerous economic development tools described in this report such as the STAR Program, public art funding, and TIF are all appropriate incentives. These economic development tools should be incorporated into the feasibility study so that TOD becomes a realistic option for the property owners.

However, the first step in realizing a TOD environment that spans the three super blocks is getting cooperation among the property owners. Getting the initial attention of the property owners can be best accomplished through a market feasibility study. Indications have already been given of the willingness on the part of some owners to plan jointly for improvements to the area. Development representatives of Target Corporation, in seeking approval of a parking variance for
their new SuperTarget, expressed willingness to consider master planning. Further, RK Midway commissioned a study in 1998 that explored planning options for their property when combined with the MetroTransit bus barn site.

Once the feasibility study establishes a market incentive to working together, a formal master planning process can begin. Since the property owners now stand to profit from master planning, it can be expected that the property owners will directly fund the master planning study.

The master planning process will cover a number of areas from land use planning to the establishment of shared services (business and parking improvement districts) to joint marketing and advertising of the Midway shopping district. These subjects are detailed in various objectives later in the action plan.

While led by the property owners, significant public involvement should also take place. Two of the three major property owners are not from the Twin Cities, so input from local customers and those living and working in the area will be extremely helpful.

**Objective 2.2: Establish a Business Improvement District (BID) serving Midway merchants and customers.**

**Steps:**
- Secure necessary approvals for the formation of a BID.
- Provide shared services that reduce costs to merchants and add value to Midway patrons through the BID.

A Business Improvement District (BID) is a coordinated effort between businesses and property owners that presents tremendous opportunities for the Midway area. Presently, activities such as security, trash removal, and landscaping are done on an individual basis, if at all. By pooling resources and sharing common services, economies of scale can be realized.

In Midway, a BID could provide trash removal and street cleaning. The BID could also coordinate additional aesthetic issues such as street banners, seasonal decorations, simple
SECTION 4.2: GOAL 2

maintenance of public space, advertising, and arranging special events.

Centralized services can also benefit Midway patrons and visitors. The BID may be able to provide value-added services such as home delivery from Midway retailers. Delivery service would be cost prohibitive for most individual retailers to provide and perhaps too time consuming to coordinate. By providing additional value and service, Midway can earn the frequent and loyal patronage of more customers, especially the growing base of transit riders.

As an example, the Ikea located adjacent to the Mall of America offers free product delivery for transit riders, allowing shoppers to utilize transit without worrying about how to transport their items home. The proposed Home Depot and other future large-format retailers in the area should also offer free delivery of bulky items. The ability to coordinate, plan, and share resources through a BID will encourage more businesses to participate in this program, including smaller businesses that may not have the resources to provide home delivery on their own.

The BID can additionally serve as an extension of Midway merchants by representing the area in strategic partnerships. The BID can act as a single entity working to market the area’s businesses collectively. This topic is discussed further in the fourth goal of this action plan.

Objective 2.3: Create a Parking Improvement District (PID).

Steps:

- Secure necessary city approvals for creating the PID.
- Create a Parking Improvement District for Midway merchants.
- Utilize technology that optimizes shared parking effectiveness.

A number of coordinated parking strategies should be employed to create a more TOD-friendly environment and to make more efficient use of existing surface parking lots. Shared parking
agreements between businesses allow them to share the parking stalls needed to satisfy city regulations. This strategy is particularly useful when peak operating hours for businesses do not overlap. Less land devoted to parking implies that this property can be used for more efficient uses such as additional development, public space, stormwater management, or other functions. This results in a more pleasant shopping environment compared to the current expanse of surface lots. The reduction of land committed to parking can provide an attractive amenity of open space or a profit opportunity in developable land.

Similarly, a shared parking facility would accomplish many of the same goals. A PID should be established to allocate costs associated with the maintenance and operation of shared facilities, and tax increment financing (TIF) would be an appropriate vehicle for funding construction. The fully-developed area would also rely on technological enhancements and smart parking strategies to balance customer needs with more efficient parking use. Many newer parking structures incorporate vacancy sensors and indicator lights that direct drivers directly toward open spaces so there is no aimless circling for an open parking space. Some cities such as Minneapolis have installed parking meters that accept stored-value cards rather than requiring coins only, and other cities like Berkeley, CA, use pay & display kiosks which service several spaces.

In addition to TIF funding, increased parking fees can be used to construct and maintain public infrastructure, including municipal parking ramps, streets, and sidewalks. Pasadena, CA, has realized great success by increasing the cost of parking in the historic downtown. Shoppers are willing to pay the increased parking fees because the increased revenue is used to fund public improvements within the Parking Meter Zone (PMZ). As the existing parking areas are redeveloped, the number of parking spots could be reduced while providing additional capital to fund public infrastructure projects.
GOAL 3:
LAND THAT IS CURRENTLY VACANT WILL BE UTILIZED IN A MANNER CONSISTENT WITH TOD PRINCIPLES

The study area includes two prominent sites that are highly suitable for development. The former bus barn site at Snelling and St. Anthony-- ten acres owned by Metro Transit-- offers access to and visibility from automobile traffic on I-94, and serves as a gateway to the Midway area for visitors arriving via Snelling Avenue from the south.

Meanwhile, the surface parking lot of Target’s outgoing store is an inviting site with University Avenue frontage that will become available after Target moves south to its new location.

Both land offerings represent opportunities for signature developments, setting the tone for Midway’s future as a transit-supportive environment that is both a regional attraction and lively urban neighborhood. The placement of the two sites at the southwest and northeast corners of the shopping district provide a unique opportunity for the first new development to ‘frame’ the shopping center and set the stage for future development. By ensuring that the next new construction in the area is consistent with TOD principles, it is more likely that subsequent redevelopment will follow suit. The innovative, new developments at either end of the shopping center will announce to visitors that redevelopment is occurring, and each new structure could become a “gateway to Midway.”

Objective 3.1:
Work proactively to encourage progressive development patterns.

Steps:
- Understand that existing development patterns are legal.
- Engage in informal discussions.
- Build cooperation and reshape policy.

DCC and other community organizations must recognize that there is currently no formal market.
incentive for private developers to embrace the vision of transit oriented development. Similarly, the existing regulatory framework is not conducive to TOD. In many ways, the current zoning ordinances perpetuate the current form. A separate goal in this report recommends advocacy and policy approaches for elevating the discourse.

It is often difficult and costly to simultaneously meet the desires of TOD advocates and still comply with city zoning codes. Constructive dialogue that addresses this bureaucratic impasse should be initiated jointly by community leaders, property owners, business operators, and potential developers. Their cooperative discourse—removed from the current arena of conflict—may be leveraged to influence or reshape the city’s planning policy.

A neighborhood redevelopment effort in Minneapolis offers evidence of cooperative discourse as a means of shaping the area’s future development. The Master Plan for Bassett Creek Valley (BCV), a joint effort of multiple neighborhood associations, illustrates the benefits of proactive, neighborhood-led planning efforts. BCV’s steering committee enlisted the expertise of a private development firm from the outset. The developer’s voice in refining the plan proved invaluable in both effectiveness and time savings. The developer’s representative attended meetings and provided timely on-the-spot advice about plausibility, marketability, and feasibility of community development aspirations.

A concurrent goal in this report prescribes adoption of a master plan for the Midway shopping district. Acknowledging that master planning can be a lengthy and costly process, an immediate and informal discussion that bridges the perceived gap between community vision and commercial practicality is necessary. Conflict mitigation, with or without regulatory support, is essential for the community vision to become a commercial success.
Objective 3.2: Create land use and form guidelines for the developable Target site.

Steps:

- Extend Aurora Avenue to reestablish street pattern.

- Require development that is appropriate for urban blocks with a mix of uses, not just out-lots.

- Reserve part of the site for a future office development with ground level retail/restaurant and the other part for a hotel use.

- Exercise patience; the market will dictate the pace of development.

The newly-developed SuperTarget store replaces the existing Target store that has been in operation since 1984. Target Corporation acquired and demolished the Four Points Hotel just south of the existing store in order to construct a larger facility that will offer a wider product selection that includes grocery items, in addition to its traditional line of general merchandise.

The existing store will be cleared to provide surface parking, and the site plan suggests an alignment of Aurora Avenue along the lot’s north edge. Reestablishing Aurora Avenue would create the opportunity to develop the properties with University Avenue frontage as smaller urban blocks. This step away from the imposing super-blocks of parking toward a traditional street grid of walkable blocks is consistent with TOD principles and appropriate for this premier location. An optimal development scheme will respect this urban pattern of streets and plan for street and sidewalk oriented uses. To simply develop this space as a formless series of outlots would not be entirely compatible with the urban village proposed in this report’s vision.
Figure 79: Target Superblock

Source: Ramsey County
Establishing public streets amid privately controlled property can be costly and complicated. However, creating additional street frontage will unlock value from larger tracks of land. Fortunately, public finance tools such as tax increment financing (TIF) can facilitate the process by making the initial investment and later recouping it through the added value of future development. By funding the construction of streets and associated utilities, the city can create a landscape that welcomes development, investment, and growth that is compatible with the design framework for a transit supportive neighborhood.

A preliminary feasibility analysis concerning a specific proposal for the site is detailed in the appendix of this report. The plan uses TIF for the creation of streets and the construction of an underground parking garage. The site would be developed with separate office and hotel structures over ground floor restaurant and service-oriented retailers.

Interviews and industry reports gathered as part of this study have indicated that current demand for Class A office space in the Midway area is insufficient to support speculative development for future office tenants. Attraction of a major tenant for whom space can be built to suit would be required. Midway’s attraction to office tenants is predominantly limited to Class B space, occupied mostly by social service agencies and non-for-profit organizations that have sought these lower-cost alternatives to higher-rated space in central city locations.

Nevertheless, the Midway area’s convenient location and accessibility, further enhanced with the arrival of light rail transit service,
makes a compelling argument for attracting a single corporate occupant with a medium-size headquarters or regional office. A structure of 125,000 square feet might host 400-450 office employees, bringing new morning and midday demand to neighborhood business. Corporate tenants will also rely on existing businesses for a range of support services, and will add to the commercial dimension of the area. Restaurants and other retail space will provide activity on the ground floor seven days per week and add an exciting mixed use component to the environment.

The Depot Office Center in Minneapolis is an award-winning example of mixed use that can translate to the Midway vision. Depot includes a 4-story office building that fronts Washington Avenue, shielding from view its 3-level parking structure which on other sides is wrapped by 22 loft-style condos. A lively restaurant features a spacious patio where the building sets back from the corner, anchored by a signature sculpture.

An office project at the developable Target site could mimic the Depot Office Center and set a strong precedent for Midway’s TOD standard.

An adjacent hotel would balance office development by providing guestrooms, meeting facilities, and banquet or catering services. Since Target’s acquisition and removal of the Four Points Hotel, Midway has been without a visible and centrally located commercial meeting place.

Figure 81: Minneapolis’ Mixed Use Depot Office Center-office above a restaurant

Source: Depot Office Center

Reestablishing that hospitality use near the Midway shopping district is consistent with the vision for urban vitality and will be a key ingredient of this “downtown between the two downtowns.”
[Note: a basic feasibility assessment and development pro forma for a hypothetical hotel property follows in the appendix of this report]
Objective 3.3: Adopt a concept plan that maximizes the potential for the MetroTransit “bus barn” site.

Steps:

- Acknowledge big box retailers as an ingredient in the formula of a regional shopping area.
- Limit development of new big box retail to the bus barn site.
- DCC should express its non-binding preference for transit-friendly merchandisers.

The consolidated bus barn site is assumed to include the Metro Transit-owned tract of ten acres plus the area controlled by RK Midway that is currently proposed as the site for a home improvement retailer. The situation of this combined area near the expressway offers a rare opportunity for urban infill that can accommodate multiple big box retail outlets.

Figure 82: Metro Transit Bus Barn Site

Source: Ramsey County
Midway shopping district’s plan for future development will rightly consider optimizing the arrangement and composition of uses, but must also evaluate its role as a regional hub of commerce. The exposure to expressway traffic and the central metropolitan location together make the site highly attractive to familiar national brands seeking a presence in St. Paul.

Big box retail is generally perceived to be incompatible with the transit oriented development framework. The business model for this retail segment depends heavily upon volume. For instance, general merchandisers such as Wal-Mart and Target rely on shoppers to buy large volumes of consumer goods that satisfy almost every ordinary need. Other retailers are positioned with a saturation approach, selling a high volume of goods by specializing in a specific retail category such as Best Buy, which offers electronics and appliances. In either case, big box retailers tend to draw customers from a wide geographic trade area. Stores from which shoppers descend with a large volume of goods or just a few bulky items probably do not align with the model for a transit-supportive mix of businesses. Despite this fact, there is no certainty that expanding the presence of big box retail is inappropriate for the Midway shopping district.

Among the principles of TOD and Smart Growth is the important consideration of a regional context. A likely alternative to allowing high-traffic retailers to converge at the Midway shopping district is that they will disperse around or even outside the city. This would result in a possibly worse and certainly less manageable regional traffic scenario of more trips over greater distances to areas with less desirable access. Additionally, there are obvious fiscal benefits to the City of Saint Paul by attracting a concentration of high profile retailers to the area: the creation of jobs, improvement of property tax earnings, and generation of sales tax income.

The physical plan for developing the bus barn site should also consider the life span of its surroundings. Nearby properties that are fully depreciated or
structurally obsolete should not limit plans for future development. A forward-looking plan that balances the larger stores with the greater study area will achieve a phased but integrated development rather than a staggered, piecemeal assemblage.

Case evidence from Washingtonian Center in Gaithersburg, MD shows that carefully planned development can balance multi-story big box stores, shared parking, and village character to form a successful retail center.

The attraction of familiar retail chains extends to a large regional audience. This regional draw extends the trade area of potential patrons for other Midway businesses. Admittedly, this invites a broad customer base that is likely to arrive by car. Planned ingress/egress, parking, and circulation should accommodate these patrons while allowing clear pedestrian connections to explore the interior of the district. Traffic planning, parking accommodations, and streetscaping in this zone will be respectful of its situation as a “Gateway to Midway”, identifying the area and welcoming its less frequent visitors. Accordingly, the draft plan by Urban Strategies implies a cluster of large retailers at the bus barn section of the study area.

The Target site and bus barn site can both be considered “development ready”, but care should be exercised in their planning. The readiness of these parcels for immediate development should not in any way preclude the readiness of the market to absorb potential retail, office, or residential uses that may be proposed. There is certain urgency on the part of neighborhood interests to protect these prominent sites from developing in a use and form that is not consistent with the ideal transit-oriented pattern. At the same time, the current regulatory framework would allow for individual projects to be proposed and approved without adherence to the community’s desire for an intensified mix of uses or integration with the surrounding area. Preserving these marquis sites for timely, market-supported development that is compatible with the community vision will require
stewardship on the part of those who control the sites; documented planning that expresses the vision of the community, and a spirit of cooperation among those groups.
GOAL 4: REPOSITION THE AREA’S IMAGE TO ONE OF A REGIONAL SHOPPING DISTRICT

Presently, the Midway shopping district is not positioned as a regional shopping destination. Instead, its image is one of strip malls, congested streets, and the green tiles of the adjacent Spruce Tree Center. While there are numerous retail choices in and around the Midway shopping district, many customers, even those living in close proximity to the site, opt to travel to a more traditional mall setting such as Rosedale Center.

Repositioning the area will take a coordinated effort among property and business owners, the Midway Chamber of Commerce, City of St. Paul, District Councils Collaborative, and other interested stakeholders. This repositioning can be achieved by completing three main objectives: adding an iconic piece of public art, designing a logo, and implementing an advertising campaign through slogans, coupon books, and target marketing.

Objective 4.1: Add an Iconic Symbol to the Physical Landscape.

Steps:
- *Hold community meeting to generate ideas and reach consensus.*
- *Dedicate specific property.*
- *Seek out and secure funding.*
- *Incorporate imagery into a logo and advertising campaign.*

To bring attention to the area and make it stand out from other shopping areas, an identifiable physical icon is needed. The Midway shopping district currently does not have a distinctive physical feature. For some, the area is no different from any number of suburban strip malls adjacent to an interstate. Since a central public space is a major component of TOD, completing this objective will serve a number of desires.

A landmark physical feature could come in many forms— from a
distinctive fountain or water feature to a significant piece of public art. The Obelisk of Luxor in Paris’ Place de la Concord, the National Mall’s Washington Monument in Washington, D.C., and many other examples around the world suggest that an obelisk is an impressive identifiable feature. While some obelisks celebrate Egyptian culture, this is by no means a pre-requisite for using them.

Figure 83: Obelisk of Luxor in Paris

Source: www.search.com

A Midwest example of an identifiable piece of public art is “The Bean” in Millennium Park. This feature has itself become a major attraction and helps to identify Millennium Park and Chicago.

Figure 84: “The Bean” in Chicago’s Millennium Park

Source: www.yanowhatimean.com/archives/001754.php

Minneapolis’ Sculpture Park at the Walker Art Center features “Spoonbridge and Cherry,” a unique art piece that demonstrates its ability to serve as gathering place. Due to its prominent location with the city skyline as its backdrop, the public icon has come to represent the Twin Cities Metropolitan Region. Further, this icon has been heavily utilized by regional advertisement campaigns. Finally, there is fascination over “Spoonbridge and Cherry” simply because it is the world’s largest spoon and cherry.
Using these prominent examples from around the Twin Cities Metropolitan Region, Midwest, and even the world helps to inform what an appropriate physical icon for the Midway shopping district might be. If an obelisk is chosen, then this art piece could incorporate languages and symbols representing the many cultures of the people living and working along University Avenue.

Another idea is to commission a large globe to be placed in a public outdoor space in the Midway shopping district. This globe would also symbolize the many ethnic groups in the area. It would complement Concordia College Business Professor Bruce Corrie’s idea to brand part of University Avenue as a World Cultural District. The large globe could become a tourist destination and draw people to the site. There might be some thought given to making it the world’s largest globe as this would attract an even larger audience who would hopefully also shop and eat in the area. The current self-proclaimed world’s largest globe resides in Yarmouth, Maine and is an impressive 42 feet in diameter.

Having an identifiable physical feature will also help with designing logos, slogans, and advertising for the area. Funding for this project could come in part from the newly created business improvement district. Financing could also come through Public Arts St. Paul, FORECAST Public Artworks, and the Jerome and McKnight Foundations. Finally, both the City of St. Paul Sales Tax Revitalization (STAR) Program and Metropolitan Council’s Livable Communities Demonstration Account could also be used for financing.
Space within the Midway shopping district would need to be dedicated to accommodate a feature piece. Fortunately, there are many underutilized surface parking lots that could be dedicated for this use. Further, there is a financial incentive to devote space for a main gathering place due to the amenity it adds and the opportunity for new business concepts it provides such as sidewalk cafes.

Many of the difficulties surrounding adding an iconic piece of art will be resolved through the successful master planning described in the second goal. Community input will be essential in generating ideas for an icon that truly represents the area.

**Objective 4.2:** Implement a logo and naming strategy.

**Steps:**
- Use community meetings to generate ideas for a logo.
- Fund through newly established BID.
- Utilize the logo on street banners, garbage cans, and murals.

A branding strategy is needed to help reposition the image of the Midway shopping district as a regional shopping destination. The first step in this process is to establish a logo that represents the area. Many of the Twin Cities' main shopping districts have established a recognizable logo for themselves. This includes identifying the name of the shopping area along with an associated symbol and color(s).

For instance, the Mall of America appropriately picked red, white, and blue along with a star to represent itself. This logo has been effectively used in advertising and above major store entrances. Similarly, Rosedale Center uses the color pink and a rose to identify itself.
The logo should be prominently displayed on signage at main corners, near the proposed LRT Station Area, at locations visible from I-94, and at entrances into the study area. The entrance shown in Figure 88 along University Avenue near its intersection with Albert Street North is one proposed location for new signage incorporating the logo. This logo should also be used on street banners, garbage cans, and street murals.

Funding for the logo should come from the newly established business improvement district with possible additional assistance coming from the Midway Chamber of Commerce. This report does not recommend a specific logo. Rather, a joint community process between the neighborhood, businesses, and property owners should come up with the final colors and design.

The Vision section of this report coins the name Midway Central Station as a way to describe the area. Keeping “Midway” in the name continues the traditional language used to explain this area.
as the halfway point between downtown Minneapolis and St. Paul. “Central Station” is added in order to incorporate transit into the name. The area will be home to a future LRT station and be a major transfer point for many transit riders accessing local bus routes or the district’s many offerings. Midway Central Station also implies a sense of importance as it hopes to be a regional center for employment, shopping, and entertainment. Finally, the use of Midway Central Station furthers the notion that the area will become a “downtown between the downtowns.”

A slogan is another strategy that can market the area as a regional shopping destination. For instance, the slogan for Mall of America is “there’s a place for fun in your life, the Mall of America.” Three possible slogans for the Midway shopping district are listed in Figure 89. The first slogan emphasizes the centrality and relative importance of the area. The second slogan sells the range of activities occurring at the Midway shopping district. Finally, the last slogan speaks to the convenience of the location and its wealth of shopping opportunities.

**Figure 89: Possible Slogans**

**Midway Central Station…**

1. The Twin Cities’ New Downtown between the Two Downtowns.

2. An Exciting Place to Shop, Work, Play, and Call Home.

3. So Convenient to Get Here, So Tough to Leave.

*Source: CLYP Consultants*

Once a feasibility study has shown property owners and business operators that working together can provide mutual financial benefit, they will be more likely to participate in joint activities. The

**Objective 4.3: Develop an exciting advertising campaign.**

**Steps:**

- Create an advertising slogan.

- Develop joint advertising campaigns.

- Establish “Midway Money” debit gift cards.

- Focus marketing on transit riders.
Joint advertising for the Midway shopping district will incorporate the new logo and slogan and draw people to the area where they can satisfy multiple shopping needs in one stop. Funding for the campaign will either come from business improvement district funds or another pool of funds collected from participating businesses.

Joint advertising campaigns require significant coordination and management efforts. Since most of the current stores are franchises, getting them to cooperate may take special effort due to regional and national advertising campaigns planned by each company. However, if enclosed malls and outlet centers can convince large national retailers to participate, it can also be done at the Midway shopping district.

In addition, "Midway Money" should be established as a gift card system that could be used at participating Midway merchants. Instead of giving someone a gift certificate for Target, they could give "Midway Money" knowing that the user has flexibility to use the funds at any store of their choosing. The program would store value on a debit card that would act similarly to any normal debit card, but could only be used at participating retailers. This program has proven to be successful in many retail settings throughout the United States including the Mall of America and 50th and France (Edina and Minneapolis, MN).

Figure 90: Mall of America Visa Gift Card

Source: Mall of America

Coordination of the program, including cooperation with credit card companies, should fall under the direction of the newly established business improvement district. Once a slogan, symbol, and appropriate colors have been decided upon, then these elements should be added to all "Midway Money" gift cards.

Finally, marketing efforts should focus on attracting certain
segments of the population such as transit riders. Minneapolis’ Lake Street Council teamed up with MetroTransit in a program called “21 Hop & Shop.” This program encourages the use of transit by giving various discounts at over 80 participating businesses along Lake Street from Hennepin Avenue to the Mississippi River. The “21” in the program names refers to the 21 bus that provides frequent service along Lake Street. By showing a transit pass or ticket, consumers receive discounts ranging from 15% at La Loma Tamales to $3 off of a haircut at Universal Hair Salon.

By targeting certain demographics such as transit riders, a number of objectives are met. Transit riders can explore businesses in neighborhoods they typically pass over en route to their final destination. Also, the program emphasizes the benefits of using transit, while reducing the amount of vehicles on already congested streets and the need for surface parking.
SECTION 4.5: ACTION PLAN CONCLUSION

All of the recommended goals and objectives are summarized on the next page, along with the major players that will carry out each objective and a timeframe for completion. This summary will serve as a quick reference to guide the future redevelopment of the shopping district. In many instances, DCC does not have decision making power, and is thus not listed as one of the responsible parties. This should not be interpreted to mean that DCC does not play a role in accomplishing the objective. Rather, DCC should play a constructive, supportive, and sometimes advocative role in achieving the objectives.
Figure 91: Outline of Action Plan Objectives

1. Midway will evolve into a transit oriented mixed use neighborhood

<table>
<thead>
<tr>
<th>Objective</th>
<th>Responsible Party</th>
<th>DCC Involved (Y/N)</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Establish zoning regulations that will guide development.</td>
<td>City Staff</td>
<td>Y</td>
<td>12-24 months</td>
</tr>
<tr>
<td>1.2 Reconnect the shopping district with the surrounding neighborhoods.</td>
<td>City Staff</td>
<td>Y</td>
<td>5+ years</td>
</tr>
<tr>
<td>1.3 Establish and maintain the Midway shopping district as a center for dynamic living and active transportation.</td>
<td>City Staff; Developers</td>
<td>Y</td>
<td>20+ years</td>
</tr>
<tr>
<td>1.4 Use market strategies to encourage TOD.</td>
<td>City; Developers</td>
<td>Y</td>
<td>2-10 years</td>
</tr>
</tbody>
</table>

2. Future redevelopment of the Midway shopping district will be guided by a master plan

<table>
<thead>
<tr>
<th>Objective</th>
<th>Actor</th>
<th>DCC Involved (Y/N)</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Commission a professional market feasibility study to evaluate master planning opportunities.</td>
<td>DCC; Property Owners</td>
<td>Y</td>
<td>6-18 months</td>
</tr>
<tr>
<td>2.2 Establish a Business Improvement District serving Midway merchants and customers.</td>
<td>Property Owners; Business Operators</td>
<td>N</td>
<td>1-5 years</td>
</tr>
<tr>
<td>2.3 Create a Parking Improvement District.</td>
<td>Property Owners; Business Operators</td>
<td>N</td>
<td>1-5 years</td>
</tr>
</tbody>
</table>

3. Land that is currently vacant will be utilized in a manner consistent with TOD principles

<table>
<thead>
<tr>
<th>Objective</th>
<th>Actor</th>
<th>DCC Involved (Y/N)</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Work proactively to encourage progressive development patterns.</td>
<td>DCC; Property Owners; City Staff</td>
<td>Y</td>
<td>6 months+</td>
</tr>
<tr>
<td>3.2 Create land use and form guidelines for the developable Target site.</td>
<td>Target; City Staff</td>
<td>Y</td>
<td>6-18 months</td>
</tr>
<tr>
<td>3.3 Adopt a concept plan that maximizes the potential for the MetroTransit “bus barn” site.</td>
<td>Metro Council; City Staff</td>
<td>Y</td>
<td>6-18 months</td>
</tr>
</tbody>
</table>

4. Reposition the area’s image to one of a regional shopping district

<table>
<thead>
<tr>
<th>Objective</th>
<th>Actor</th>
<th>DCC Involved (Y/N)</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Add an iconic symbol to the physical landscape.</td>
<td>BID; DCC; Property Owners</td>
<td>Y</td>
<td>5-10 years</td>
</tr>
<tr>
<td>4.2 Implement a logo and naming strategy.</td>
<td>BID; DCC; Property Owners</td>
<td>Y</td>
<td>5-10 years</td>
</tr>
<tr>
<td>4.3 Develop an exciting advertising campaign.</td>
<td>BID</td>
<td>N</td>
<td>5-10 years</td>
</tr>
</tbody>
</table>

Source: CLYP Consultants
SECTION 4.6: REPORT CONCLUSION

This report presents a plan for action that seeks to position the Midway shopping district for lasting success as a regionally-recognized center of lively commerce and livability. Achieving that vision calls for both a physical transformation, as well as a new consciousness for anticipating change, resolving conflicts, and embracing progressive growth.

The high profile and regional implications of bringing Light Rail Transit to St. Paul provides affected neighborhoods with a prime opportunity to order community objectives in a way that seizes the advantages accruing from the $900 million public investment. This plan recognizes that the infusion of capital and confidence in Midway neighborhoods will not alone build long-term wealth and vitality in the area.

Recommended steps toward redevelopment of Midway’s commercial district are focused on cooperative discourse and coordinated planning. With District Councils Collaborative’s leadership, the vision and readiness of communities eager to add appeal, efficiency, and value can be realized. DCC will help build enduring strength in its communities by shepherding residents, property owners, and business operators to an informed vision that balances their competing interests and ensures lasting prosperity for everyone who will live, invest, and work in the Midway area.
APPENDIX A: HOTEL FEASIBILITY AND PRO FORMA

Development Program & Market Positioning

The Midway area lost a functional, visible, and successful hotel when Target acquired and cleared the Four Points which was located Hamline Avenue facing I-94. The Four Points served as an ideal meeting place because of both its midpoint location between St. Paul and Minneapolis and its quality facilities. The 197-room property also offered 14,000 square feet of meeting space. At 71 square feet per guestroom, the Four Points was able accommodate overnight guest with mid-to large-sized meetings and events, and also have sufficient facilities for local catering functions.

“Local catering” typically categorizes banquet and event functions that do not include overnight guests staying at the hotel. This might include meeting room rental and convention services for professional seminars, trade shows and exhibitions, or social and leisure events such as weddings and reunions. Larger hotels that target group activity might average 100 square feet of event space per guestroom, while limited-service hotels that focus only on providing guestrooms may have no meeting rooms or just a simple boardroom for small gatherings. For upscale full-service hotels, meeting space of 60 square feet per guestroom is typical. This enables hotel sales associates to target larger group meetings and events that will fill more guestrooms and channel revenue toward other hotel operations such as restaurants, lounges, and in-room entertainment.

Figure 92: Residence Inn and Courtyard. Austin, TX

Source: Marriott Development Services

Many hotels are developed with a select service approach that eliminates the overhead of fixed expenses associated with maintaining other departments, facilities, and extra staff.
The select service approach is dominated by brands with a specific formula for construction, design, and service standards that are consistent for all of their locations. Without event space, and often without features like restaurants and lounges, select service hotels do not generate their own demand. They rely on their proximity to specific drivers of demand such as key employment centers and popular attractions.

The Midway area offers central convenience to a mix of stable demand generators, and is now void of suitable supply for travelers and meeting planners. There is adequate need today to back-fill the area’s loss of rooms and space since the closure of the Four Points. Looking forward, the regional growth outlook for the Twin Cities, the forthcoming development of the Central Corridor, and the proposed revitalization of the Midway shopping district further contribute to the merits of new hotel development. Informed by observations of current market conditions, as well as the history and trends of a likely competitive set, this report proposes development of an upscale hotel that is focused on business travel needs and has capacity for small to medium-sized meetings and events. A development program of 166 guest rooms and 9,000 square feet of functional meeting space is appropriate. The hotel can be integrated with other retail uses to form a mixed use development that is consistent with the vision for transit-supportive urban vitality in the Midway area.

Figure 93: Courtyard by Marriott. Hartford, CT

Source: Marriott Development Services

Market Analysis

A sample set of hotels representing both the geographic range and likely product type of potential competitors to a new Midway hotel was compiled. This competitive set includes quality mid-priced and upscale brands in
central St. Paul, Roseville, and eastern Minneapolis. Data provided by Smith Travel Research, a leading hospitality research firm, indicate that Midway areas hotels averaged 68.3% occupancy in 2006 (up 0.4% points). Their corresponding average daily rate (ADR) was $91.62, up 2.7% from the previous year. By comparison, a broader sample of 70 Twin Cities hotels across all product types shows occupancy of 66.3% and ADR at $91.49 (12 month averages through August 2006). Relative to the greater area, Midway -area hotels achieve a slight premium in occupancy and parity in room rates.

A draft of feasibility for the development and operation of a hotel can be sketched using the Smith Travel Research (STR) data, along with some assumptions regarding a prospective development program and industry guidelines for market positioning and operating conditions.

**Basic Feasibility Assessment**

One simple method of feasibility balances hotel pricing with per-room construction costs. In general, a hotel will have reached its stabilized occupancy and room rates within three to four years of its opening or a major renovation. This indicates that a “ramp-up” period of non-recurring promotional costs, discounts, or marketing campaigns would be complete. General pricing of hotels rooms, measured as the average daily rate (ADR), would reflect the per-room total construction
costs in multiples of one thousand. For example, a stabilized hotel’s ADR of $175.00 suggests that total development costs should be less than $175,000 per room. For a hotel of 200 guestrooms, that would translate roughly to a $35 million project. There may be some variability due to the composition of hotels that have added costs associated with meeting space, recreation facilities, or other features, as well as land acquisition costs that differ by location. In this example, a hotel that costs $35 million to build will expect to average at least $175 in rate per room when stabilized. Alternatively, in a market whose demand indicators suggest that it can sustain room rates approaching $175, the developer would need to build at less than $175,000 “per key”.

Using the Smith Travel Research (STR) data for Roseville, St. Paul, and Minneapolis hotels that surround Midway, some parameters can be identified for project feasibility. Average rate for the sample set is reported in 2006 at $91.62. Assuming construction and opening for full-year operations in 2009, a conservatively inflated (4%) market average rate would then be $103.06. When forwarding three more years at the same growth rate to a point at which the new project is stabilized, the market rate becomes $111.47. This suggested baseline rate reflects predictable growth based on the composite average of several hotels.

On average, hotels in the Midway competitive set are 22 years old. Presumably, a newly constructed and strategically positioned hotel under competent management will price at a premium over the market average. Several hotel brands have guidelines for price positioning in their markets, suggesting premiums that reach 115% of their market composite rates. This case presumes a modest premium of 106% on the market average of $111.47, for a stabilized rate of $118.16.
At multiples of 1,000, the per-key threshold for development costs is just over $118,000. For a project of 166 rooms, the target would be around $19,615,000.

Sharing fixed development costs with other on-site projects will enable flexibility in the development program. This can include the addition of profit centers to the hotel itself, as proposed with meeting space and other revenue-generating outlets. Planned development for a mix of uses contiguous to the hotel may also enhance the overall project’s feasibility. Integrating structured or underground parking that can be shared with retailers or restaurants is consistent with the conceptual plan proposed for redevelopment sites in the Midway shopping district.

Figure 97: Summary of 5-Year Hotel Pro Forma

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupancy</td>
<td>60.5%</td>
<td>64.6%</td>
<td>68.0%</td>
<td>71.5%</td>
<td>71.8%</td>
</tr>
<tr>
<td>Average Daily Rate</td>
<td>$110.30</td>
<td>$119.12</td>
<td>$128.48</td>
<td>$135.54</td>
<td>$141.64</td>
</tr>
<tr>
<td>Total Sales (000s)</td>
<td>$5,599</td>
<td>$6,388</td>
<td>$7,181</td>
<td>$7,957</td>
<td>$8,338</td>
</tr>
<tr>
<td>Net Owners Income (000s)</td>
<td>$896</td>
<td>$1,452</td>
<td>$1,935</td>
<td>$2,360</td>
<td>$2,548</td>
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<tr>
<td>Est. Debt Service (000s)</td>
<td>$986</td>
<td>$986</td>
<td>$986</td>
<td>$986</td>
<td>$986</td>
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<tr>
<td>Projected Cash Flow (000s)</td>
<td>-$87</td>
<td>$466</td>
<td>$949</td>
<td>$1,374</td>
<td>$1,562</td>
</tr>
</tbody>
</table>

Source: CLYP Consultants
APPENDIX B: INTERVIEW TRANSCRIPTS

Carol M. Nielsen  
Director or Research & Planning  
Target Corporation  
Interviewed 02/27/07

Carol leads the team that conducts broader planning for Target’s market positioning in metropolitan areas. She indicated that Target’s entry into markets is typically dictated by the quality and desirability of the area, balanced with the size of the opportunity. Although she is not active in site-specific planning and development, Carol indicated that the fundamentals of the Midway market are strong, as evidenced by the current store’s replacement and expansion in the same location. The Midway store is part of a market-wide strategy for upgrading several stores to SuperTargets.

In addressing the application of TOD principles in Target’s retailing format, she mentioned the company’s experience in other markets that are less car dependent such as the New York City boroughs. Target has had very positive experiences with higher density markets where car ownership is low. Stores can accommodate and reposition by altering the merchandise mix (i.e., more “basket-size” items for easier portability).

Paula Goodman Maccabee  
Just Change Consulting  
(Representing RK Midway)  
Interviewed 02/20/07

Paula Maccabee serves as a local representative to RK Midway, owner of the Midway Shopping Center. Paula was reluctant to discuss the Midway Shopping Center or proposed development for the general area. The interview was attempted shortly after news of RK Midway’s controversial development proposal for the Home Depot store become public news. In responding to reactions from several community groups, it seemed that Paula was unclear of this project’s role, relevance, and implications for her client.

The discussion did not yield much practical information to inform this report, however the record of this brief discussion is admitted to demonstrate that confusion persists among property owners and business operators regarding the respective roles of city staff, public agencies, and community interest groups. There was evident frustration, in spite of the interviewer’s careful explanation, that this project would result in another “community hoop to jump through”. Upon emphasizing that the project seeks to identify market-based approaches for feasible redevelopment, there seemed to be greater interest in results of this report.
Russ Stark  
Director, Midway Transportation Management Organization  
Interviewed 02/13/07

Russ mentioned that Customer & Resident Surveys conducted in 2002 may be a little dated, but sentiment is probably generally the same (i.e., home improvement store was a noted a needed service, but Menards has opened since then). Some neighborhood hardware stores remain. Also, some residential turnover has occurred since surveys. Affordability remains an issue, more so as values overall have increased over years, despite recent slow down in pricing increases. Surveys identified that better choice of housing options is needed. Russ interprets this, in part, as a pronounced community value of preserving single family homes adjacent to corridor.

Russ noted that current retail ownership is fractured and the area could benefit by getting the respective shopping center owners working together and talking more. Accessibility to retail is also fractured, as there is no common circulation through the area; each center has its own traffic and parking scheme (no flow, poor safety, low efficiency).

He mentioned that the Midway Shopping Center owner (RK Midway in New York) has not been very vocal or responsive (despite having a local representative in Paula Maccabee). The main plaza is an older structure that could be reconstructed with better position and orientation.

Midway Marketplace is a considerably newer structure (10-11 years old). Its property owner is Developers Diversified, a national real estate developer. They have many similar properties nationwide, but have also demonstrated a capacity for building higher-density lifestyle centers (possibly TOD).

Russ observed that, theoretically, as the value of the land increases, rational property owners will learn to better utilize the open space (higher density, etc).

The current work to date by Urban Strategies envisions more big box along the southern portion of study area (bus barn). As for the traffic impacts of Home Depot plus additional big box stores, the report indicates that the PM peak delay at Snelling & University doubles and reaches a rating of F-minus. He argues that the Urban Strategies scenarios do not adequately integrate the actual traffic implications with the schematics for more large stores.

He also suggests that maybe more traffic is better as it forces people to ride transit, make alternate choices, routes, times, etc. The traffic report suggests an Ayd Mill Road connection and extension, but only serves to move more cars through the area. This will result in more traffic along Concordia and Saint Anthony. In sum, Russ believes that planners need to consider what land uses will minimize the traffic impact.
Larry Olson
VP, MetroPlains Development
Interviewed 02/21/07

Larry Olson is Vice President of MetroPlains Development, owner and operator of Spruce Tree Center at the southwest corner of Snelling and University. Spruce Tree is a highly-identifiable structure in the Midway area, and in spite of criticisms directed at its aesthetic appeal, it provides perhaps the best existing example in the area for TOD mixed use.

In discussing the capacity of Midway to absorb additional office space, Larry indicated that there is too much office vacancy in existing building in downtown St. Paul to justify the creation of more Midway office space. Consequently, office rents have been stagnant for twenty years, with intermittent variations due to supply and demand fluctuations. He noted that there is a glut of Class C space in the area, with gross rents typically around $13.50 per square foot. The profile of tenancy in Midway offices is reflected by the Spruce Tree Center’s occupants. Just half of Spruce Tree’s leased space houses for-profit tenants, while 30% is not-for-profit, and 20% is government. Larry explained that the natural Midway office tenant is an organization that cannot space in higher classifications or premier locations such as central downtowns or preferred suburbs.

Larry specified that the success of retail in Midway represents strategic value for the greater neighborhood. He recognized the Cub Foods store as the chain’s second-most successful store in the Twin Cities. The interest of several retailers in occupying the bus barn site, Target’s expansion project, and general retail profitability that compares favorably to most other areas is all indicative of Midway’s retail strength. Larry added that another advantage of the greater neighborhood is the diversity of food service and retail in close proximity to his Spruce Tree tenants. He is certain that the range of ethnic food options is itself an asset to the area. The multi-racial nature of the area is comfortable, he says, for some, but perhaps keeps others away.

Tim Griffin, AIA, AICP
Saint Paul Riverfront Corporation
Interviewed 02/22/07

Tim Griffin serves as Director of the Saint Paul on the Mississippi Design Center. As part of the Saint Paul Riverfront Corporation, the Design Center was involved in the core downtown development framework prior to the involvement of Urban Strategies in overall corridor design. Also, as part of AIA’s 150th Anniversary, Tim has been involved in the block-by-block workshops addressing opportunities for façade improvements along University Avenue.

Tim believes that using TOD principles as criteria for development is do-able, but the challenge is finding a way to implement those principles. He argues for training of those who are responsible for actual implementation. Implementation will also require evaluation using a combination of metrics that reflect other successful cases. For instance, the adaptation of TOD principles for big box retails will require comparison to other instances where this has been done successfully. Identifying best practices has typically been a qualitative exercise. Tim suggests that more effective comparison will entail performance measures such as profits per square foot.
and rents, as well as measure of form indicative of TOD focus, such as width of sidewalks. This would produce an empirical evaluation of best practices that more clearly associates improved performance with enhanced form.

On the policy side of the argument, Tim asks “where do planners sit in the process?” For TOD implementation to be successful, the gaps between political will and technical acceptance must be identified and addressed. The Snelling/University Traffic Study presents one such gap: the attempt to maintain a level of service in the face of roadway changes that may not be consistent with the preferred TOD principles. Further, Tim mentions that along the corridor, several activity centers such as the University, Regents Hospital, the Capitol, and major retail centers are very much auto-oriented. One of the tensions in TOD planning with regard to such areas is whether to accept the features that are currently in place or to build toward the final condition.

Building toward the final condition revisits the implementation pressures: what are the thresholds defining the stages of implementation (five-year increments or a less balanced but more methodical process?).

**Mark Torkelson**  
**American Bank LRT Representative**  
**Interviewed 2/21/2007**

Mark Torkelson holds a place on the task force to consider the impacts of LRT and is a member of the Midway Chamber of Commerce. He stated that markets always fluctuate up and down, so is less concerned about the impacts of construction on businesses and less excited about the intended economic benefits after it is constructed.

He believes that there is a market for additional retail development within the shopping center, but does not know what kind.

He believes that the drive through is an important part of the banking business. He believes that most of the bank customers will continue driving after LRT is constructed and so has no reason to consider closing the drive through. He does not see a conflict between LRT, TOD, and automobile oriented uses.

He has no comment regarding the proposed roadway changes at University and Snelling Avenues, and was unaware that one of the proposals may require the demolition of the Midway Bank building.

He is not aware of any groups, including Urban Strategies that have recommended redevelopment of the bank site and does not understand why anyone would recommend redevelopment since the property is operating effectively right now.
Donna Drummond  
Planner, City of St. Paul  
Interviewed 02/13/07

She stated that a mix of regulations and incentives are required to move parcels to TOD around the LRT. TIF was utilized in Steve Wellington’s housing developments west of Hwy 280 (Metro Place, Emerald Gardens, etc.) and they may have been used at Carleton Place. Diane Nordquist at the City would know more. TIF would allow new streets to be built across the large parcels and for additional landscaping consistent with TOD. Other possible funding could include:

- LIHTC  
- Housing Revenue Bonds-State  
- STAR-neighborhood STAR-local  
- Historic tax credits

She discussed some zoning characteristics—the recently created TN zoning district reduces parking requirements. In TN3, parking requirements are reduced by 1/3 and in TN2 requirements are reduced by 1/4 if near transit. The City acknowledges that other zoning districts in the City have too high of parking requirements and they are currently studying the issue.

She described the bus barn site. The land swap, which would move the bus barn activities to a site off of I-94 and Vandalia, still has issues. Two or three more adjoining parcels need to be purchased at Vandalia Street. The Met Council wants the City to write a resolution approving a future facility at the new site. The City is hesitant to do this because it is not how site plan approvals are done. When a proposal is made and site control guaranteed, then the City examines the proposal; it would be inappropriate to give permission without going through the normal processes. Contact Dave Gontarek or Brian Lamb.

Edina is an example of a place with a Parking Improvement District. Shared parking would reduce the need for large surface parking lots. Arizona may have other comparable TOD developments to examine.

Shawntera Hardy  
Planner, City of St. Paul  
Interviewed 02/13/07

Shawntera recommended interviewing Dr. Bruce Corrie, a business professor at Concordia College-St. Paul on branding. He has proposed to brand part of University Ave. as a World Cultural District.

She had several comments on drive-throughs. She wondered if there is a place for fast food restaurants and drive-throughs. Proposed zoning for the site would forbid drive-throughs since they are auto-oriented. At the same time, the owner of McDonald’s states that a majority of his business comes from drive-through service. Could a fast food restaurant be orientated in such a way to minimize the negative impacts associated with this use?
She discussed zoning as well. Urban Strategies proposed an interim-zoning district around the LRT to prevent development that is not TOD-friendly. This proposal was similar to a proposal put forth by Brian McMahon of University United earlier this year that subsequently failed. The zoning reverts back to the old zoning districts after 1 year; so new permanent zoning must be implemented during this 1 year period. Shawntera predicted that it would take around 4 months after a proposal is complete to push it through the City’s approval process.

Mark Garner
Senior Economic Development Specialist, City of Minneapolis
Interviewed 02/14/07

The most difficult part about TOD is land assembly. A large parcel is needed to do many of the mixed use projects representative of TOD concepts. The study area has large parcels, which is a benefit.

The Inglewood Mall in “Cinderella City” along Denver’s LRT system is a strong comparison to the big box retailers along University Avenue.

Examining the various tenants’ leases is important in a shopping center environment. This will indicate the viability and timeframe possible for a transition to TOD. Some tenants may be in a contract for another 15 years. If so, there may be provisions within the lease as to rent increases, or moving to a new building. If a shopping center fears that the government will buy their land, they will sign their tenants to long-term leases, thus increasing the sales price of the property. In some cases, a property owner buying out a long-term lease in order to redevelop the property is not feasible. Is there a stipulation in the rent relating to inevitable rate increases for a new structure? Some businesses may not be able to afford the higher rents associated with new construction and TOD design.

For instance, Savers, a tenant in the Hi-Lake Shopping Center (next to the Hiawatha LRT) wrote into the lease that sight lines had to be maintained from Lake St. back to their front door. This precluded the development of outlots in some areas-this type of built-out is consistent with TOD principles. When rents are established, part of that rate depends on traffic counts and the visibility the tenant has. Will the build-out of the street wall cause other rents to fall due to a lack of visibility or will more people be drawn to a TOD environment?

Bryan Bowen
Urban Strategies Consultant to the city of St. Paul
Interviewed 02/15/07

He had examined the proposed traffic mitigation measures for the Snelling and University Avenue intersection, and was not impressed with any of the options. The principles of a ring road or grade separation do not align with TOD principles. The goal should not be to move more traffic through more quickly. There is often a divergence between the thinking of planners trying to do place making and engineers trying to move traffic.
The Midway shopping district’s build-out in the Urban Strategies draft University Avenue Development Strategy area calls for 1,000 to 1,500 new housing units and additional hotel space. More detailed market research from Colliers will come out in about one month in the form of an appendix.

Bowen believes that the timeframe to improve the regulatory environment is tight. Current zoning regulations do not permit a “TOD-type” structure and the parking requirements are way too high adding to the sea of surface parking. The interim zoning district can last 1 year before resorting back to old zoning for parcels. Within this year timeframe, the City of St. Paul will need to add a new zoning code and go through the approval process. This will be no easy task. Urban Strategies likes the TN zoning district currently in place in the City of St. Paul. However, the TN district does not have regulations centered on development near a LRT line. Urban Strategies proposes a TOZ district for area around the LRT line, and specific zoning at various commercial nodes.

Urban Strategies recommended the interim zoning district to be very restrictive and to act a pseudo-moratorium until more permanent regulations could be in place. This would include high minimum FARs, especially in places such as the Midway where there is high market demand. The strict regulations would give the City of St. Paul some negotiating power if a variance was requested.

The Home Depot proposal would have an approximate FAR of 0.8. Bowen thought this proposal looked fairly strong. It was an appropriate place for a big-box retailer (along I-94), had appropriate street frontage, and utilized the roof for almost all of its parking. It was rumored that Home Depot would give free delivery, thus solving the problem of how transit user would get their merchandise home.

Bowen cites several case studies include Sunnyvale, Atlanta as an example of where the street grid was reintroduced and structures built to a “build-to line”. Another possible case study is Eastern Town Center in Ohio. Overall, there are not many comparable to the Midway Shopping Area that Urban Strategies studied. The Urban Strategies report recommends a taller building at the intersection on Snelling Ave. and Univ. Ave. This make the intersection seem smaller because the University Ave is 120 ft wide. Street trees and wider sidewalks can also help with this problem.

Bowen proposes a shared parking facility. He thinks that a PID (Parking Improvement District) is an economic development tool to move toward TOD principles. Businesses would pay into the district. If positioned appropriately, businesses could then better utilize their parcels, which are currently dominated by surface parking lots. TIF is another tool that can be used to add in the street grid. Adding streets makes it more pedestrian-friendly because there are more sidewalks and the sites are not as intimidating to walk across.
Setu Jones  
*University Avenue Central Corridor Task Force Member*  
*Interviewed 02/14/07*

Setu proved to be a wealth of knowledge about University Avenue given his involvement on University Avenue Central Corridor Task Force and his experiences as an area resident. Setu is also a prominent local artist who has commissioned a number of works including ones in Minneapolis’ Heritage Park housing redevelopment. Setu currently works as an Artist in Residence for the City of Minneapolis in their Community Planning and Economic Development Department. His focus in this position is to incorporate public art into public infrastructure, by allocating time and resources for public art early in the planning process.

He stated that public art is a very important part of any major infrastructure project. A small percentage of federal transportation funds are actually allocated for public art, but oftentimes these good intentions result in a painting in someone’s office along the corridor.

Public art is a part of TOD since it helps with placemaking and improving the pedestrian experience. However, dedicating space for public art in a development can be very expensive to a developer. Public Arts St. Paul and FORECAST Public Artworks are two St. Paul organizations that give grants for public art. These two organizations can also assist artists in securing additional funding from larger organizations such as the Jerome and McKnight Foundations.

Linda Windsor  
*Hamline Midway Coalition*  
*Interviewed 02/15/07*

Home Depot  
Linda was not happy with the Home Depot proposal. She thought that the use would generate significantly more automobile trips. Further, the goods available at Home Depot would not be compatible with people walking, biking, or using transit. She did concede that the rooftop parking and building orientation were positive design attributes.

**Strengths of the Study Area:**
- Location (accessibility and visibility)
- Mixture of people
- Transit
- Large nearby student population

**Weaknesses of the Study Area:**
- No cooperation among businesses or landowners
- Cleanliness
- Auto-oriented
- No consistency with circulation and stop signs within the large shopping areas
- Low-paying jobs
- Lack of local, independent businesses
• Safety
• Difficulty in crossing Univ. Ave. forces many nearby residents to shop at Rosedale Mall
• Activity outside of Ramsey County Probations Office (Spruce Tree Center)
• Litter collects in neighborhood
• St. Paul only has 2 movie theaters with 2 screens each
• Too many large scale grocers

Opportunities of the Study Area:
• Nice restaurants with a diversity of offerings
• Public art and green space
• Movie theatre-arts theater
• Need local businesses: pizza place, coffee shop (3 coffee shops by Hamline Univ.),
  laundromat, music store, entertainment, Warner-Stallion, incubator for ethnic businesses
  like Global Market
• Food-coop
• Housing and office uses

Threats of the Study Area:
• More big box retailers
• High end shops that the area cannot afford
• Continued increases in traffic-many more auto trips to be generated by the proposed
  Home Depot
• Air and noise pollution

The Turf Club (northwest of Snelling and Univ. intersection) has a shared parking agreement
with the Spruce Tree Center. Can this be done elsewhere?

• Parking and Andersonville in Chicago
• Snelling Avenue Green Street Initiative (Jonathan Sage-Martenson: SPARC)-Pierce
  Butler to I-94
• Tim Griffin-Façade Improvement Program (got money from McKnight Foundation)
• SABI (Snelling Avenue Business Initiative)

They want to change the name Central Corridor to University Ave Corridor LRT. Also the
naming of the station areas will be important, because this is how people will see the area.

A parking improvement district could create cohesion among businesses and property owners.
The area around the Snelling Avenue and Grand Avenue intersection has successfully
implemented a PID. There has to be enough incentive for people to buy into the concept and it
must be free or have low enough rates so that people do not just park a few blocks away on the
street or other private parking surface lots.
Courtney Henry
Manager of McDonald’s
Interviewed 02/21/2007

Courtney Henry is on the task force, though he is not too interested in the discussions and does not consider himself very informed. He has played mostly an advisory role in creating the draft EIS statement. He believes the planning of LRT should be done by the Met Council, and is comfortable playing a minor role in the process.

He does not believe that the current McDonald’s store fits into a TOD neighborhood, but believes it will still fulfill a community need. He believes consumers will still want McDonald’s and that it is appropriate for McDonald’s to remain in its current location and building, continuing the current business model.

He stated that it is not really an option for McDonald’s to be located anywhere but in a stand-alone structure. He is the local manager, and the franchise owner, but the building and location are controlled by the McDonald’s Corporation. The McDonald’s Corporation has not shown an interest in LRT or TOD and is unlikely to change their business model to fit into TOD style development. McDonald’s occasionally uses “Small-Town Orientation,” an architectural style that allows it to fit into mixed use buildings, but he believes that is unlikely in this location.

He embraces the additional traffic congestion that may result from LRT. He views them as potential customers, and if they are stopped in front of his restaurant, they will be more likely to purchase something. McDonald’s is an “impulse business,” and more congestion will spur more impulse buying.

He said that a lot of his business comes from existing bus users, and that the LRT passengers will also contribute to his business, though he stresses that 70% of his business is drive-through, and he will not support anything that will result in less drive-through business.

He has no reaction to the Urban Strategies development strategy that stated a vision for a different style development where McDonald’s is currently located.

Mr. Henry does not have any plans to try to re-package his business to be more pedestrian friendly. His restaurant is currently the third busiest McDonald’s in Minnesota, largely due to its automobile orientation and high drive-through business.

He has not seen the Snelling/University traffic study report; though he says he is totally against ring roads. He was not aware that one of the proposals would require demolishing the McDonald’s building.

He is not interested in reducing the number of parking spaces in the area. Parking is crucial to his business.

He believes that in certain areas TOD is appropriate, but he does not believe it is appropriate for Midway. He believes it is a mistake to pursue TOD style development in this location. “One
size does not fit all” in regards to building style. He stated that people want McDonald’s, and people want the convenience of drive-throughs. Midway is the best location for those things.

**Allen Lovejoy**  
**St. Paul PED**  
**Interviewed 02/19/2007**

Speaking of the Snelling/University Traffic Study, he still believes that a “do nothing” strategy is an option. He will probably recommend the “do nothing” strategy unless the public demands otherwise. He plans to release the report, allow some time for people to digest the information, and then wait to see if there is large public support for any of the options. If not, he will recommend to “do nothing.”

He stressed that there is a lack of significant north/south routes through St. Paul other than Snelling Avenue, and talked about how the solution to congestion at Snelling/University may be to expand links elsewhere. He stated there are a few options being considered, though nothing substantial has been identified yet.

He does not believe that any of the three considered options are detrimental to TOD, even tunneling Snelling underneath University. Trade-offs are involved in all the plans, and all three of the proposals include both positive and negative impacts. He stated that the three options are not very encouraging for TOD, but neither is a congested Snelling/University, either. The options that call for splitting University could create some useful development opportunities.

He cited 50th and France as an example of an area that created a ring road to help deal with traffic, and believes it was successful. He says it is not ideal, but it is an option that reduced congestion, and people still like it.

He does not believe that any of the decisions made by St. Paul regarding traffic congestion will impact development in the area.

He is aware that some neighborhood interest groups are growing impatient about getting new zoning regulations in place to guide future growth. He praised Brian McMahon of University United for his passion, but believes much of his effort is spent proposing unrealistic alternatives.

He stated that the city council is viewing the Home Depot proposal favorably and that it has gained a lot of political support.

He praised the Urban Strategies report and believes it provides a reasonable and feasible option for the area, especially because it allows for an incremental approach to growth.

In general, retail is a following trend. Retail is hard to manage, and is fickle in nature. A common development phasing trend is housing first, then office, then retail. Often, when retail is constructed first, it has a hard time being successful. It is far more likely to have successful retail if housing and office uses are constructed in the area. The Midway Shopping Center provides some options for housing and office construction.
Public subsidies for retail are unlikely. He called them a “black hole” and said that the City of Saint Paul has had problems in the past.

Speaking of new development, he mentioned that TOD style development is expensive because of more expensive building materials and underground parking structures. Recognizing that the demographics in the area are poor, there may not be a market for retail that could exist in high-cost buildings. He stated that there is a market for big-box stores in the area, and that if all regulations were removed from the area, we would probably see more big-box stores. Eminent domain is not likely in the area for political reasons.

He stated that there is not enough of a market for TOD style development to fill the whole area. Big Box will have to fill the rest. The Urban Strategies report recommends keeping the big box stores next to the freeway to leave space for TOD next to the LRT.

Mayor Coleman has stated that the city wants TOD style development in the area, but there are large budget issues that will prohibit the city from providing financial assistance to any projects.

The Midway shopping center is performing “ok.” He believes the strategy is to keep rents in the oldest strip low enough to keep the storefronts filled while making money off the out-lots. This is why Wal-Mart was constructed in the area.

He stressed that TOD and mixed use can be horizontal, not just vertical. Not every building needs to be mixed use. He stated that he does not believe that the current zoning regulations are prohibiting the development of TOD, and that a developer could build TOD under the current zoning code, but admitted that the zoning regulations could do more to encourage TOD.

**Anne White**
District Council member, Vice-Chair DCC, Task Force member, and member of Citizen’s Advocacy Committee to the Met Council.
Interviewed 02/08/07

She is the director of DCC, and a member of Mayor Coleman’s task force along the Central Corridor to consider land use changes. She stated that there are specific areas along the corridor where single family homes are appropriate, and certain areas where higher densities are appropriate. She is also on the Citizen Advocacy Committee, which informs the Metropolitan Council.

She stated that the current bus riders will continue to be customers of the Midway shopping district, and that there will also be new riders. The shopping center will benefit from many citizens who do not currently ride transit, but will after LRT is constructed. She believes that there will be tension between individuals who want to ride between the two downtowns and those who want to stop along the way. She also stated that there are a lot of transit dependent residents along corridor, so access to LRT is important.
Crime is a growing concern in the Midway area. Throughout the design process, safety will be a key element of the station designs. In addition, an increased police presence in the neighborhood is desired.

She defined TOD as development that is highly pedestrian oriented, and that buildings should have windows along the street. She stated a strong preference for reducing excess parking spaces.

She stated that local businesses will benefit from the addition of LRT to the area. Many businesses want typical suburban style configuration, however. Many businesses demand surface parking in front of the building. McDonald’s, for example, does not want to move and will resist any proposed changes to become more pedestrian friendly. Redevelopment will gradually occur along the corridor, and hopefully into TOD, but this transition will be gradual.

She stated the desire to have all the landowners work together to connect the 3 shopping centers. She also expressed a preference for the area to become more bicycle friendly. There has been a big push to incorporate bicycle lanes into the design, but they will likely be moved to Sherburne Ave. She also stated that bicycle and pedestrian accessibility across I-94 could be improved at Snelling Avenue.

She believes that pollution is a problem in the area. Traffic is also an important issue to consider. She stated that the Snelling/University capacity study is being performed, but that the scope is insufficient to understand the extent of the traffic problems.

She stated that the shopping centers should be connected through a single branding scheme. She expressed a desire for increased entertainment options like a coffee shop or a movie theater. She felt strongly that the 3 shopping centers should be physically connected.

She stated a preference for new stores to enter the market, but stated that they should not be big box stores, but rather smaller stores that would allow the shopping center to achieve a higher density. She believes that there should be more discussion when a lot becomes available for development, not just sold to the first developer. Big box stores may be acceptable, but they need to feature an urban design with parking ramps and increased height, not the typical suburban design.

She stated that drive-through businesses will not immediately be removed from the neighborhood, but that it will require an incremental process. She also stated that easier traffic flow between the three shopping centers is important.

Although redevelopment will provide additional tax revenue to the city through increased sales receipts and increased property values, it will be important to ensure that small and local stores are not priced out of the area.

She described the location of the Midway shopping district as ‘ideal,’ citing its location between the two downtowns, but stated that nearby residents often travel to Rosedale to go shopping.
The biggest obstacle to overcome is the fear of change within the district. She wants the shopping district to become the central shopping center in the Twin Cities. She also stated that the unwillingness of property owners to work together and come to agreements poses the biggest threat to the ideal redevelopment of the area.

**Jason Johnson**  
CVS Store Manager  
Interviewed 02/11/07

He stated that pollution is a problem, but did not believe it was a significant problem in the area. He stated a desire for it to be cleaned up, however.

He stated that there is a significant amount of pedestrian activity along University Avenue, and good bus service. Most of the traffic in the area, however, is pass-through automobile traffic that does not stop at his store.

He does not believe that his customer base will change after LRT is constructed. Most of his customers already walk or ride the bus, and that trend will continue with LRT.

He does not believe that crime is a significant problem in the area.

He is pleased with the amount of parking currently located at the store and has no need for increased spaces, though he is not interested in losing spaces, either. He stressed that much of his business was from those arriving on bicycles, foot, and bus. Although he believes his business will increase after the construction of LRT, he stated that he has plenty of business already.

He believes that the LRT will be successful because of the already large mode share with buses in the area.

He is not concerned about the mix of businesses in the area. He is pleased with the current market composition, and that there is no need for entertainment options in the shopping center.

He believes the current land use patterns in the area are acceptable. The target and bus barn sites will redevelop, but he is not concerned about the form the redevelopment will take.

He would like to see an increased law enforcement presence in the area.
Jessica Treat  
Midway TMO staff, SuperTarget negotiations  
Interviewed 02/11/07

She is the Midway TMO organization director.

She believes that pollution and air quality are significant problems in the area. Traffic is the principal cause of the pollution and she would like to promote alternative forms of transportation (carpool, bus, bike, etc), including the addition of bicycle lanes.

She does not believe that crime is a problem in the area.

She is concerned about the potential client change in the shopping district as redevelopment occurs. She hopes redevelopment will not push out low income residents or ethnic businesses. She believes that the City of Saint Paul should enact policies to protect small businesses.

She believed that University Avenue was designed to move traffic, not to encourage traffic to stop. There is no ‘sense of place’ in the area.

She explained a brief SWOT analysis of the shopping center.

S- Diversity is a strength, as is ideal location, well served by transit
W- Not an urban form (suburb)
O- Under developed, lots of parking area that could be converted, could be lively and vibrant
T- Gentrification, push out people, suburb style big box too, locals do not want to be pushed out

She believes that business could be livelier and oriented towards the street. She also believes that there is a market for housing along University Avenue. She would like ground floor retail with office space above. Buildings should be oriented for everyday shopping. She stated a strong preference for ethnic restaurants in the area.

She believes that redevelopment of the Midway shopping district should result in fewer parking spaces. In addition, the buildings should be moved closer to the street. The new buildings should avoid looking like a strip mall, and should be oriented to encourage alternative forms of transportation.

She believes that the bus barn should be broken up into smaller parcels that will discourage big box retail.
Jonathon Sage-Martinson  
**Executive Director of SPARC (CDC)**  
**Interviewed 02/19/07**

He has been involved in the ‘green street initiative,’ which considered transportation options along Snelling Avenue from I-94 to the Pierce Butler Route. He stated that the two key issues in the area are stormwater management and traffic. Traffic calming is important, and could be a major asset to the area. Establishing a “sense of place” and a sense of safety are critical, as well as determining a parking strategy. He stated a preference for rain gardens and believes that Saint Paul should give them more consideration. Snelling Avenue is a state highway and the intersection of Snelling and University is the busiest intersection in the state. This will force the city, county and state to work together to manage traffic.

He stated that a lot of students are crossing the streets in that area. On street parking and traffic calming need to be better addressed. He believes that adding a bicycle lane to the plans would be difficult because of insufficient space. He believes that wider medians should be considered.

He represents combined neighborhood groups, and Hamline-Midway is also involved in many affairs with his organization.

Jonathon wants to shift from pass-through traffic to more local traffic that will create a thriving local business area.

He believes that the perception of crime scares potential shoppers from the area, particularly Hamline students. Snelling Avenue should be well-lit and should be designed to eliminate ‘hiding spaces.’

Brian Lamb  
**Metro Transit General Manager**  
**Interviewed 03/30/07**

He described the situation of wanting to exchange the bus barn site for another property. Met Council wants to exchange the bus barn site for a suitable garage or LRT shop location by the St. Anthony park area. They have asked the city if they are willing to grant a resolution for a transit facility, (an endorsement). Arcade Management, a subsidiary of RK Midway and RD Development has been proactive in encouraging the transaction. The negotiations are somewhat private between RK Midway and the owners of the other parcel involved in the land swap. The Metropolitan Council has not been in contact with the other private owners.
Mike Madden
Area Resident
Neighborhoods First!
Interviewed 2/20/2007

Mike Madden feels strongly regarding the importance of TOD in the neighborhood. He believes the key to success is introducing the street grid and limiting the footprint size of the buildings. He supports subsidies, tax-increment financing, limitations on property tax increases for existing businesses, and other public financing mechanisms.

He supports big box retail if they are willing to comply with TOD design guidelines, but he does not support the Home Depot proposal because he believes there are better locations for stores like Home Depot. He appreciates their willingness to place parking on the roof, but simply objects to this location for Home Depot.

He does not support any of the proposed solutions in the Snelling/University traffic capacity study, because they all place the needs of automobiles above the needs of pedestrians.

He is an avid bicyclist, and does construction work in his neighborhood. All of his transportation is via bicycle, and he uses a bicycle trailer to carry large items. He would like to see bicycle lanes on University, but doesn’t want to hold up the construction of LRT by demanding them.

He understands that redeveloping the shopping center will undoubtedly result in additional traffic, but he is hopeful that the additional traffic will be made by transit, not automobiles. He knows this might be wishful thinking, but he is optimistic.

He believes all suburban-style shopping centers are a mistake, especially this one. He understands that it is the largest shopping center in St. Paul, and that changing the character could have unintended impacts on the tax base, but is not worried. He is confident that it will work out.

He is prepared to “wait-out” businesses like McDonald’s, which have no immediate intentions of changing their business model. Eventually, they will be torn down and reconstructed as something more pedestrian oriented.

He admits that he is not an economist and does not know what the market is capable of supporting, and also realizes that the demographics of the area are not capable of supporting high-end stores, but he is optimistic that through time, the shopping center will fill with TOD style development.
APPENDIX C: STAKEHOLDER ANALYSIS

A stakeholder analysis was completed to identify all parties who have an interest in the possible redevelopment of the Midway shopping district. The stakeholders were separated into five main categories: business groups, institutional groups, transportation groups, community groups, and retail patrons groups. A Power vs. Interest Grid was also completed to determine the level or interest and power of each stakeholder and to determine possible coalitions.

1. Businesses Groups
   Business groups are parties interested in owning, operating, financing, or constructing businesses, buildings, or land within the Midway shopping district.

   a. Small businesses – Small businesses may be either locally owned, or part of a national chain. They often have fewer resources available to them when compared to larger stores. Many small business owners are concerned about disruption during construction. Many small businesses do not own property, but instead lease space from the owner of the various shopping centers.

   b. Large-format retailers – Large-format retailers often have significant resources to withstand the disruption caused by construction. Often, these types of stores are difficult to incorporate into

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<thead>
<tr>
<th>List of Stakeholders</th>
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<tr>
<td><strong>Business Groups</strong></td>
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<td>Small Businesses</td>
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<tr>
<td>Large Format Retailers</td>
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<td>Property Owners</td>
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<tr>
<td>Potential Developers</td>
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<td>Banks and Financing Firms</td>
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<td>Home Depot</td>
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<td>Media</td>
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<tr>
<td>Midway Chamber of Commerce</td>
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<tr>
<td><strong>Institutional Groups</strong></td>
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<td>City of Saint Paul</td>
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<td>Saint Paul Mayor</td>
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<td>City of Saint Paul City Council and Planning Commission</td>
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<td>City of Saint Paul Staff</td>
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<td>Minneapolis and Hennepin County</td>
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<td>Metropolitan Council</td>
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<td>State of Minnesota</td>
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<td>Federal Transit Administration</td>
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<td>District Councils Collaborative</td>
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<td>University Avenue Central Corridor Task Force</td>
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<td>Citizens Advisory Committee</td>
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<td><strong>Transportation Groups</strong></td>
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<td>Pass-Through Automobile Drivers</td>
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<td><strong>Community Groups</strong></td>
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<td>University United</td>
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<td>Environmental Groups</td>
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<td>Affordable Housing Advocates</td>
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<td>Homeowners</td>
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<td>Renters</td>
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<td>Future Residents</td>
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<td><strong>Retail Customers</strong></td>
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<td>Local Customers</td>
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<td>Rosedale Center Customers</td>
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TOD style development because of their desire for large parking lots. Large-format retailers are often indifferent to LRT and TOD orientation.

Figure 98: Existing Target Parking Lot and Future Development Site

Source: CLYP Consultants

d. **Property Owners** - Property owners ultimately determine the degree to which the area will be redeveloped, and are concerned with protecting and enhancing the value of their property. The promise of light rail may result in increases in property values. Some owners may consider the option to sell as valuations grow. Meanwhile, a stronger business climate that increases lease rates will result in greater potential revenue streams for property owners, but also the possibility that some tenants may not be able to afford the rent increases.

e. **Potential developers** – In general, development proposals have conflicted with the neighborhood’s future vision of the area. The current regulatory framework allows for development patterns that are inconsistent with the community aspirations of a mixed use and transit-supportive environment.

f. **Banks and financing firms** – Lenders may benefit from both the expansion of the community (added residents and businesses) and the strengthening of its economic climate (security of its loans). In most cases, a visionary financial lender will be necessary to complete the vision for TOD in the Midway Area, especially since the common practice of placing parking underground can significantly raise development costs.

g. **Home Depot** – This national home improvement retailer has long sought entry into the Midway market, and a previous development proposal was rejected. A recently submitted store plan responds to major points of contention from the earlier proposal, most notably designing for rooftop parking. Since home improvement products are often bulky and not easy to
carry, it is unlikely that many Home Depot customers will arrive via LRT. Thus, a key concern of Home Depot is to provide sufficient parking.

**h. Media** – The media can be very influential in shaping public opinion about Central Corridor development in general and, specifically, its impact on residents and business owners. While major newspapers and broadcast media reach the widest audiences, neighborhood journals and communications networks also provide vital information links and keep many concerned observers informed. The media is similarly interested in the regional implications of LRT rather than the specific neighborhood impacts of development. Media outlets also tend to have political influence.

**i. Midway Chamber of Commerce** – The Midway Chamber represents 550 businesses and non-profit organizations. Many University Avenue businesses are members, but Midway Chamber’s full membership extends beyond the Central Corridor. With regard to Central Corridor LRT, the Chamber will confront business interruption issues during construction. Moreover, the Chamber works to defend businesses from additional regulations, often perceived as an accompaniment to TOD.

**2. Institutional Groups**

Government entities, and elected officials, and academic research institutions also play a critical role in the Midway area. The government entities ultimately hold all of the decision making power.

**a. City of St. Paul** – The City of St. Paul’s Planning and Economic Development department (PED) impacts land use regulation and zoning ordinances that directly affect the form of development in the study area. Key staff members include Donna Drummond, Allen Lovejoy, and Shawntera Hardy, under direction of Cecile Bed or. PED will inform the Planning Commission and City Council in their respective decisions to approve or deny development proposals. They also favor LRT and its subsequent developments.
b. Chris Coleman, St. Paul Mayor – Mayor Coleman is a strong proponent of LRT and has a considerable amount of influence in the decision making process. Ultimately, however, he does not make land use decisions and can only make recommendations to the city council. Mayor Coleman is eager to enhance the image of the Midway area by attracting investment and jobs.

c. City of Saint Paul City Council and Planning Commission – The City Council and the Planning Commission have decision making power regarding potential redevelopment of the Midway shopping district, although they often depend heavily on the city staff for recommendations. In general, they are strong proponents of LRT and TOD, although several city council members have received criticism for supporting the Home Depot Proposal and failing to enact an interim zoning ordinance.

d. Minneapolis and Hennepin County – Both government entities are critical to both the implementation and operating coordination of LRT service (Hennepin County will fund 5% of initial construction). Minneapolis will encourage transit and pedestrian-friendly land use policies such as the newly adopted Pedestrian Oriented Transit Station Overlay District, recently approved for areas around the proposed 29th Avenue Station in Minneapolis’ Prospect Park/East River Road neighborhood. Neither group has much direct influence regarding land use in the Midway shopping district. The City and County’s recent experiences in developing LRT service with the Hiawatha Line and its eventual coordination with the Central Corridor line warrant their indirect influence in planning techniques and implementation methods. Therefore, Minneapolis and
Hennepin County have some political influence.

e. Ramsey County – Ramsey County and the Ramsey County Rail Authority have significant influence in the process. University Avenue is maintained by Ramsey County and traffic operations are a major concern that must still be addressed. Ramsey County is a strong proponent of LRT, although there have been several significant disagreements between Ramsey County and the Metropolitan Council. Ramsey County proposed an alternative route alignment, and the Metropolitan Council voted to not give the alternative further consideration. Ramsey County will commit 12% of the funds toward the project.

f. Metropolitan Council - The
Metropolitan Council will design much of the LRT, and will become the transit operators through MetroTransit. Metro Transit’s role extends to one of property owner, since it holds the “bus barn” that is targeted for commercial redevelopment. Plans by neighboring property owner RK Midway are exploring the prospect of securing a like-kind site near Vandalia Avenue that can be “swapped” for the bus barn location and allow for a contiguous developable Midway site. In both policy and property, the Metropolitan Council has significant influence.

g. State of Minnesota – The State is expected to approve bonding to contribute one-third of the project’s costs. Without state funding, matching funds from the Federal Transit Administration will not be awarded. Various state agencies such as Mn/DOT also play an important role in the process. Mn/DOT controls operations management and maintenance of Snelling Avenue. There are still many unanswered questions regarding traffic in the area that will need to be addressed.

h. Federal Transit Administration (FTA)
The FTA will fund 50% of the project, and the project will not proceed without their approval. The FTA evaluates projects nationwide using a Cost Effectiveness Index (CEI), a complicated ratio of the estimated capital, operation, and maintenance costs per incremental user benefit.
Currently, the Central Corridor does not meet the required benchmark to secure FTA funding. The proposed light rail must either decrease costs, or increase net user benefits to gain FTA approval and funding.

i. District Councils Collaborative (DCC) – DCC is a collaboration of 11 St. Paul District Councils and 1 Minneapolis Neighborhood Associations for the purpose of providing an opportunity for the neighborhood to help guide the LRT planning process. Specific District Councils impacted directly by this report include the Hamline Midway Coalition, Lexington-Hamline Community Council, Merriam Park Community Council, and the Snelling-Hamline Community Council. DCC has strongly stated a preference for TOD.

j. University Avenue Central Corridor Task Force – The task force was created by the Mayor of Saint Paul to develop recommendations regarding the vision for future development along University Avenue. Although the task force plays only an advisory role in the development process, it is likely that the development strategy adopted by the City of Saint Paul and subsequently added to the comprehensive plan will largely be based on the recommendations of the task force.

Figure 100: Hubert H. Humphrey Institute

Source: CLYP Consultants

k. Citizens Advisory Committee (CAC) – The CAC was appointed by the Metropolitan Council to provide recommendations regarding the design of LRT. Their role is strictly advisory and will likely not have substantial impact on the outcome.

l. University of Minnesota – The University of Minnesota is a significant stakeholder in the planning process, though they have little decision making power. The proposed LRT alignment includes two stations directly serving the Minneapolis campus, and is responsible for a significant portion of the expected LRT ridership. In addition, as the
Metropolitan Council seeks to minimize the cost of LRT, a controversial tunnel underneath a portion of campus is likely to be eliminated from the budget. In addition, the heavy pedestrian traffic on the U of M campus poses one of the largest safety threats along the corridor.

The University of Minnesota also has much to add to the LRT planning process, however. Researchers and scholars at the Hubert H. Humphrey School of Public Affairs and the Department of Civil and Mineral Engineering can provide urban planners and transportation engineers familiar with the latest research regarding LRT.

3. Transportation Group
The transportation group is composed of organizations and informal groups of citizens with concerns regarding the movement of people or goods throughout the metropolitan region.

a. Transit riders – University Avenue is already well served by existing bus service and boasts some of the regions most heavily traveled transit lines. Although the addition of LRT to the corridor is likely to attract new riders, it may also alienate existing transit riders whose needs will not be met by the relatively large distances proposed between LRT stations.

b. Bicyclists – Bicycle riders are concerned about safety while cycling on busy urban streets and advocate for bicycle lanes parking areas within TOD.

c. Local traffic – Local automobile drivers are concerned with accessibility to the shopping center and the additional traffic and congestion that may result from the construction of LRT and redevelopment of the Midway shopping district.

d. Pass-Through Traffic – Automobile drivers who want to travel through the Midway area without stopping are concerned about traffic flow, delay time, and moving quickly through the area. The intersection of University and Snelling Avenues is already one of the most congested intersections in the region, and delay times will undoubtedly increase as a result of the construction of LRT and higher intensity development in the Midway area.
4. Community Groups
Community groups tend to advocate specific interests.

a. University United – University United is an advocacy group strongly promoting TOD and the adoption of a revised zoning code to guide development along the corridor. They helped create DCC and U-Plan and have performed many small-scale research projects regarding the economic and social impacts of LRT on the surrounding neighborhoods.

b. Environmental Groups – Environmental groups, such as the Sierra Club, are often large supporters of LRT, claiming that it will reduce air pollution, reduce foreign and fossil fuel energy dependence, and increase general quality of life. They have very little decision making power, though elected officials may have open ears. Catchphrases such as “environmentally sustainable” or “green infrastructure” are becoming increasingly popular.

c. Affordable housing advocacy groups – Affordable housing advocates encourage the development of affordable housing, and the protection of existing housing units from rising property taxes. They have very little impact on the construction of LRT, though they may play a more significant role in determining the nature of public subsidies provided to housing developers.

d. Neighborhoods First! – Advocacy group promoting TOD and the protection of traditional neighborhoods. They have taken strong positions regarding Ayd Mill Road, TOD, transit service, and traffic control.

e. Homeowners – Nearby homeowners play a significant role in the process. The location of single-family homes has already determined much of the development potential around station areas. Homeowners and local officials alike have clearly stated a desire for very limited redevelopment along residential streets, even in areas located less than one block from proposed stations. Many homeowners are concerned with rising property values, the proposed density of new development, and the conversion of single-family homes into rental units.
f. Renters – Renters in the area are largely concerned with the rising rent prices that may occur after the LRT is in place. They do not have any significant influence in the process.

5. Retail Customers

Any redevelopment that occurs along the Central Corridor, and especially within the Midway shopping district, will be determined by the market conditions and the willingness and ability of local residents to support the new retail establishments. The buying power of local customers is currently spread across several regional retail centers, while local retail stores remain underutilized. As an informal and unorganized group, they have no influence LRT or redevelopment, but by “voting with their feet,” they have extraordinary power.

a. Local customers- Customers of the Midway shopping district have varying levels of purchasing power, and will ultimately determine the type of businesses that can locate here. They are certainly concerned with the business vitality of the area and that there is access to the existing centers through ways other than cars.

b. Rosedale Center – Rosedale Center is often considered Midway’s largest competitor, and has just completed a large expansion project. Many residents
of the Midway area currently shop at Rosedale. Redevelopment of the Midway shopping district hopes to capture Rosedale patrons. While the Rosedale owners and operators play only a spectator role in the LRT planning and redevelopment processes, it is likely that they will increase advertising to compete with a redeveloped Midway.


**Power vs. Interest Grid:**

Each of the stakeholders identified was evaluated with regard to their level of interest in the project and the degree of their influence in the decision making process. The placement of groups on a chart (Figure 104) allows for the easy identification of similar groups, who may be able to share resources.

The Action Plan of this report discusses the potential for groups located near each other to form coalitions and coordinate their efforts to achieve greater results.

![Figure 104: Stakeholder Analysis Power vs. Interest Grid](source)

**Source:** CLYP Consultants
APPENDIX D: BIBLIOGRAPHY


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