Call to order

Open forum (15 minutes maximum)

*Each speaker is to keep their comment period to three minutes to allow sufficient time for others. Comments are to be an opportunity to address the Council on items on the agenda. Individuals who wish to address the Council must have registered prior to the meeting.*

1. I-494 Access Reconfiguration Market Impact Evaluation

Adjournment

*Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9738.*
ITEM FOR WORK SESSION:
I-494 Access Reconfiguration Market Impact Evaluation

EXECUTIVE SUMMARY:
As part of the I-494 access reconfiguration between Lyndale and 24th Avenues the City requested that the Minnesota Department of Transportation (MnDOT) assist in helping the City understand how those access changes will impact the businesses along the 77th Street corridor. The City engaged the services of Visible City to conduct a study of potential impacts to the business district along 77th Street between Lyndale and Cedar Avenues. Specifically, key questions to be addressed in the evaluation are:

- At the study area scale, what are the pros and cons of the proposed highway interchange project?
- Based on the industry of businesses operating in the study area, what are the use-specific benefits and costs?
- What are the strongest prospective sub-sectors or uses that may find the study area characteristics most attractive?
- Based on the guided land use for the corridor and feedback from market participants, what is a realistic estimate of near-term real estate growth potential?

At the work session, Jon Commers, Visible City’s Managing Principal, will share his findings and interpretation with the City Council and Planning Commission members as well as address any questions.

DIRECTION NEEDED:
Discussion only.

BACKGROUND INFORMATION:

A. HISTORICAL CONTEXT
   - See Executive Summary

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):
   - MnDOT will be seeking Municipal Consent on the access reconfiguration later in the year.

C. CRITICAL TIMING ISSUES:
   - Consideration of Municipal Consent is anticipated to be before the City Council in the fall of 2019.
D. **FINANCIAL IMPACT:**
   - N/A

E. **LEGAL CONSIDERATION:**
   - N/A

**ALTERNATIVE(S):**
   - N/A

**PRINCIPAL PARTIES EXPECTED AT MEETING:**
Debbie Goettel, Hennepin County Commissioner; and MnDOT Staff
I-494 INTERCHANGE MARKET IMPACT EVALUATION
Presentation to City Council Work Session
June 25, 2019

Jon Commers     discover@visible.city
Carly Anderson   carly@visible.city
Scope of Evaluation

Intensive analysis of project area
  Land Use
  Market
  Access and mobility
  Demography

Review of similar and comparable projects
Outreach to real estate market participants
Interagency check-in meetings
## Evaluation Elements

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Page 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>10</td>
</tr>
<tr>
<td>Access and mobility</td>
<td>16</td>
</tr>
<tr>
<td>Demography</td>
<td>35</td>
</tr>
<tr>
<td>Comparable projects</td>
<td>39</td>
</tr>
<tr>
<td>Market outreach</td>
<td>41</td>
</tr>
</tbody>
</table>
EVALUATION ELEMENT: LAND USE
Please Note: This map provides a general depiction of existing land uses based on Hennepin County Tax Accessor Data (September 2017). Please visit the Hennepin County Tax Accessor Website for current information regarding a property.

Existing Land Use (2017)
- Commercial
- Detached Residential
- Attached Residential
- Mixed Use
- Parks & Recreation
- ROW
- Railroad
- Public/Quasi Public
- Water
- Vacant

2040 Planned Land Use
- Mixed Use
- Neighborhood Commercial
- Low Density Residential
- Right-of-Way (ROW)
- Regional Commercial
- High Density Residential
- Park
- Community Commercial
- Medium Density Residential
- Quasi-Public

Visible City
EVALUATION ELEMENT: MARKET
DIRECT AVAILABLE SPACE FOR LEASE,
JUNE 2019

Available Space (sq. ft.)
- 524 - 10,000
- 10,000 - 25,000
- 25,000 - 60,000
- 60,000 - 100,000
- 100,000 - 140,128

Source: Costar
EVALUATION ELEMENT: ACCESS AND MOBILITY
AVERAGE DAILY BOARDINGS BY BUS STOP, FALL 2018

Number of Passengers
- 0 - 21
- 21 - 67
- 67 - 130
- 130 - 225
- 225 - 306

Sources: Metropolitan Council, NCompass Technologies
AVERAGE DAILY ALIGHTINGS BY BUS STOP, FALL 2018

Number of Passengers
- 0 - 24
- 24 - 57
- 57 - 109
- 109 - 159
- 159 - 236

Sources: Metropolitan Council, NCompass Technologies
RETAIL CASE 1: WHERE VISITORS LIVE, 2018 AVERAGE DAY

Streetlight Index
- 1 - 11
- 11 - 22
- 22 - 32
- 32 - 42
- 42 - 53
- 53 - 63

Source: Streetlight, 2018
RETAIL CASE 1: WHERE VISITORS WORK, 2018 AVERAGE DAY

Streetlight Index
- 1 - 19
- 19 - 36
- 36 - 54
- 54 - 71
- 71 - 89
- 89 - 106

Source: Streetlight, 2018

35W
35E
356
EVALUATION ELEMENT: DEMOGRAPHY
EVALUATION ELEMENT: COMPARABLE PROJECTS
COMPARABLE PROJECTS

- Washington St. Extension
- National Ave./Greenfield Ave. Intersection
- Miller Park Way/National Ave. Intersection
- 70th St./Greenfield Ave. Intersection
EVALUATION ELEMENT: MARKET OUTREACH
## MARKET OUTREACH

### FEEDBACK

Reached out to four primary multifamily operators in the project area, and twelve commercial brokers listing 17 spaces totaling over 300,000 square feet.

<table>
<thead>
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<tbody>
<tr>
<td>“Our residents avoid the highway as much as possible, but the city streets are generally easy to get around.”</td>
<td>“The north/south bus lines are very strong, especially bringing people back and forth to Minneapolis.”</td>
<td>“The idea of an underpass under Cedar is good. That will make the whole area work better, I think.”</td>
</tr>
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<td>“I’d like to see some kind of sound wall for 494. Not a real high one, but the noise and dust is significant.”</td>
<td>“It can be tough to lease at Portland, and I don’t think closing the interchange will help.”</td>
<td>“Most of our residents aren’t drivers. It’s key to stay connected to Metro Transit, Metro Mobility, and bikes also.”</td>
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QUESTIONS AND DISCUSSION