**Notes from Minneapolis Downtown Council’s 2025 Plan**

**East Town Development Group Meeting**

**Tuesday, January 16, 2018, 9:00-10:00 a.m.**

**Padilla, 1101 West River Parkway, 3rd Floor Falls Conference Room**

**DOWNLOAD PRESENTATIONS HERE:**

[**https://www.dropbox.com/s/npfw3t3s7n59vu2/Autonomous%20Vehicles%2C%20Land%20Use%2C%20and%20Streets%20%281%29.pptx?dl=0**](https://www.dropbox.com/s/npfw3t3s7n59vu2/Autonomous%20Vehicles%2C%20Land%20Use%2C%20and%20Streets%20%281%29.pptx?dl=0)

[**https://www.dropbox.com/s/wsftnnmsfa7i9s7/ETBP%20presentation%20011618.pdf?dl=0**](https://www.dropbox.com/s/wsftnnmsfa7i9s7/ETBP%20presentation%20011618.pdf?dl=0)

1. **Welcome, Announcements, and Introductions**Dan Collison, Director of Downtown Partnerships for the Minneapolis Downtown Council/Downtown Improvement District and Executive Director for East Town Business Partnership, welcomed the audience to the January 2018 East Town Development Group meeting and thanked Padilla for hosting as they have done on many past occasions. He noted as an organizing group for the 2025 Plan, there continues to be significant catalytic projects on the horizon in East Town, e.g., the East End (<https://eastendmpls.com/>) and Ironclad (<http://ironcladmn.com/>) mixed-use projects under construction on Washington Avenue, and now with today’s topic on the new City of Minneapolis Office Building we’re recognizing a whole new center of downtown that’s being redefined as further exemplified by the following meeting topics:

* *Tuesday, March 20th*: Thrivent Financial will bring forward more design elements for its new downtown headquarters to be constructed on the last undeveloped full block immediately to the east of the 625 Building across 5th Avenue South.
* *Tuesday, May 15th*: The Minneapolis Park and Recreation Board’s Water Works ([https://www.minneapolisparks.org/  
  park\_care\_\_improvements/park\_projects/current\_projects/water\_works/](https://www.minneapolisparks.org/park_care__improvements/park_projects/current_projects/water_works/)) project team will provide an update on this RiverFirst signature project overlooking St. Anthony Falls and the Stone Arch Bridge.  
    
  Collison added the Friends of the Lock & Dam’s Falls Initiative – a coalition of 20+ neighborhood, heritage, parks, business, and programming organizations who have formally endorsed the vision for a visitor center and interpretive center on the Lock – continues to move forward. It is still at a high level stage of developing guiding principles and recommendations for programming, connections to the river, and water access. He will schedule a team update on this regional destination initiative in the near future.

Collison reminded the audience there’s a digital bookshelf for the ETDG at <http://www.easttowndevelopment.com/> that contains projects, news, resources, and meeting notes. And another digital bookshelf was more recently launched focusing on the two corridors considered critical for development opportunities, i.e., Park and Portland Avenues (<http://www.parkportlandprojectmpls.com/>) that will interact with the County, City and Thrivent Financial developments.   
  
The audience was then asked to introduce themselves:  
  
Lauren Altschuler, Augurian  
Tim Briggs, Padilla  
Peter Brown, Peter Hendee Brown  
John Campobasso, Kraus-Anderson  
Raymond Dehn, Minnesota House of Representatives, District 59B  
Mike Dwyer, NRG Energy  
Tom Fisher, Minnesota Design Center   
Chris Fleck, North Central University  
Michael Grief, Metro Transit, Transit Oriented Development  
Shawn Gaither, DLR Group  
Michael Krantz, Metro Transit Office of Transit Oriented Development  
Janice Linster, DLR Group  
Brian Maupin, Allied Parking  
Ben Nason, Guaranty Commercial Title  
Robin Mooney, Allsteel Architectural Products  
Mark Ruff, City of Minneapolis   
Cathy Schmidt, Surfacequest  
Kirsten Spreck, Thrivent Financial  
Carletta Sweet, Downtown Minneapolis Neighborhood Association

1. **The Future of Autonomous Vehicles**Collison sees a direct connection between autonomous vehicles and the City’s new office building because there will be a net loss of approximately 700 parking stalls as a result of this development and, as we ramp up to Super Bowl, there is the skyrocketing cost to park in ramps. The sheer economics of what it will mean to find parking is becoming an important reality, not only in East Town but in the North Loop, and why he reached out to Tom Fisher, Director of the Minnesota Design Center (<http://arch.design.umn.edu/directory/fishert/>) to find out what’s happening in autonomous vehicles. He’ll forward Fisher’s 1-page synopsis of his presentation prepared for the City’s Comp Plan.  
     
   Fisher advised autonomous vehicles is happening quickly, e.g., and General Motors is working toward an all-electric, zero-emissions future (<https://www.wired.com/story/general-motors-electric-cars-plan-gm/>) and Ford will have 40 hybrid vehicles by 2022 (<https://www.theguardian.com/environment/2018/jan/15/ford-to-invest-11bn-and-have-40-hybrid-and-fully-electric-vehicles-by-2022>). He became involved mainly from the land use point of view and there being a lot of concern about equity issues, i.e., how is this going to be fair for people. Driving is one of the most common jobs in American and there will be a fair amount of displacement of workers which has to be taken into account. There’s a quarter of our population that lacks mobility if you include children, the elderly and people with disability, but this transition will dramatically drop the cost of mobility. Google’s model provides free trips if you’re willing to watch scrolling advertising. The idea of families struggling to get transportation transitioning from can we afford a car to a free trip as long as somebody has a smartphone to call for the vehicle is quite a change. There’s a lot of interest in this; he was in DC last week speaking with the Department of Transportation and the Federal Highway Administration and Washington is taking this very seriously.  
     
   Using a slide presentation (<https://minnesota.uli.org/wp-content/uploads/sites/31/2018/01/Tom-Fisher-–-Our-Shared-Autonomous-Future.pdf>), Fisher displayed photos of St. Paul depicting how transportation flipped from horses in the 1900s to cars in the 1920s, slowed down a bit by War World I in an economy moving much slower than ours today. We will go through the same flip for probably the same reason, i.e., insurance. One hundred years ago horses were expensive, dangerous and dirty creatures and cars came along that were cheaper, cleaner and safer. As any insurance company knows, you shrink the base of the high risk users and the rates go up. Eventually you couldn’t afford a horse and then they were banned off the streets. We will go through the same process, i.e., as autonomous vehicles become available for a much lower price and much safer, we’ll find those who are still driving become the high risk pool that will continue to shrink and their insurance rates will continue to go up. The shift will not be gradual; it will be fairly dramatic.  
     
   The interesting implications are the land use opportunities, i.e., research shows the ability to handle the same throughput of people on one pass lane in each direction with periodic drop off lanes that can be shared with bikes or buses, leaving a lot of space for green infrastructure and other kinds of activities such as work or recreation space. One of the challenges is pedestrians, i.e., now people are afraid to walk in the street but when you know a vehicle isn’t going to hit you and jaywalking becomes prevalent, you may have to signalize for pedestrians rather than for cars. Behavioral change on the part of the pedestrian will probably have to become part of this scenario. Land use opportunities won’t just happen on city streets, there will be all those opportunities on private driveways and garages when cars are no longer owned but called up whenever they’re needed. Suburbs will also go through this change transitioning from a typical multilane, signalized intersection with a lot of surface parking lot to where a lot of the surface parking is no longer needed. Data presented at the Smart Cities Week® conference in DC this past October (<https://www.smartcitiesweek.com/2017-Washington/>), showed on average 30% of the land use in cities is used for surface parking so we may see within a decade the freeing up of a tremendous amount of land. The question is what can cities do to incentivize property owners who have these large surface parking lots that they will eventually find fewer and fewer people using and begin wondering what else can they do with it. The challenge for the public sector is how to incentivize it for affordable housing or green infrastructure or other kinds of opportunities. The MIT group has begun to look at what that might look like in terms of greater density of buildings, land use and access.  
     
   Fisher then discussed the tax revenue implications for this transition to an electrified fleet. It will be a hit to municipal finance because there’s a fair amount of revenue from parking meters, parking tickets, and gas taxes. As in the case with the transition from horses to cars, this new technology allows us to take another animal (i.e., people who are dangerous) out of our transportation system and replace it with a cheaper, cleaner and safer system.  
     
   There have been conversations in DC about how the electrical grid is going to handle this because we’re going to ramp up the demand for electricity. Those working on vehicles are looking at a couple models: vehicles covered in solar film so that they are charging themselves; and an electrified strip in the road so as the vehicle moves down the road it’s constantly being charged.   
     
   As we have found from Airbnb, Uber and Lyft, these new sharing economy models are successful because they are squeezing out the excess capacity that we have for the 20th century economy. Uber and Lyft realized there were a lot of empty seats in cars being driven around which can be a source of revenue for the owner of the vehicle. We’re starting to look the same way at infrastructure; we have way too much of it. The opportunity and challenge is to have a conversation about how do we switch from this excess infrastructure, which we can’t afford to maintain now, and re-envision it into something else, à la Milwaukee Avenue as a model.   
     
   The value in this new mobility transformation is not so much about parking space, but curb or drop off space. The new measure of demand will be how much drop off/curb space and how to handle it during peak demand. Mercedes Benz is looking at developing vehicles that don’t just take you to your office but becomes your office. This has implications beyond roads and parking lots, it has implications for what the office environment and residences will be. Displaying images of parking ramps by Arrowstreet (<http://www.arrowstreet.com/>), Fisher noted a direction Boston is moving toward is requiring every parking ramp have a second use designed into it; however, this would require a higher upfront cost. The main parking demand for these mobility systems and services would be in the middle of the night when there would be less demand. Based on Google research, they found cars start to redistribute themselves based on knowledge of the habits and patterns of users.  
     
   Other things occurring include the world’s first 3D-printed car by Strati (<http://bgr.com/2014/09/14/local-motors-strati-3d-printed-car/>) and the fact that car companies realize they have to move to a goods producing business to a service business; they can’t compete with someone who can hit the print button on a 3D printer and produce a vehicle. Along with RedEye (<https://3dprintingindustry.com/news/redeye-on-demand-emerging-manufacturer-of-the-year-2899/>), we gave the greatest 3D printing capacity of any city in the country so why aren’t we recognizing that this is a huge new business and economic opportunity (i.e., 3D printing of goods that were once mass produced) for our region?  
     
   Fisher then displayed images of Green 4th Street in the Towerside Innovation District (<http://towersidemsp.org/>) designed by Tom Oslund and Julie Snow, one of the first streets in our area to be envisioned as an autonomous vehicle ready street where the street becomes a multiuse space. He further explained that autonomous vehicles have LiDAR (LIght Detection And Ranging) and RADAR (RAdio Detection And Ranging) technology which has been used in aerospace for decades, a well established technology that is coming into automotives. Conservatively, he predicts this transition where driving will be banned in our cities and suburbs will occur within the next 20 years.  
     
   Thereafter, he entertained questions from the audience.
2. **New City of Minneapolis Office Building**  
     
   Peter Brown recalled when he was a Fellow at the Minnesota Design Center a few years ago and while having lunch with its Director, Tom Fisher, had asked him what his personal mission will be for MDC. When Fisher announced he is all about the future, Brown expressed mild annoyance because he’s an on-the-ground implementation incrementalist mostly living in the current day. Fisher clarified he meant the next 10 years, i.e., future trends that are coming now. So what Fisher talked about and what they’re going to talk about is how to plan for the future. Fisher talked about it in terms of land use, and they’ll talk about it in terms of workforce, workspace, and turning a 100 year building into a long-lived asset.   
     
   Brown introduced himself as a consultant to the City of Minneapolis (<http://www.peterhendeebrown.com/>) who has worked on this project for the past 6 months and then introduced his colleague, Mark Ruff, CFO and Director of the Finance and Property Services Department at the City of Minneapolis ([http://www.ci.minneapolis.mn.us/news/  
   employees/WCMSP-205369](http://www.ci.minneapolis.mn.us/news/employees/WCMSP-205369)) who has been running the project, interfacing with the elected officials and all the department heads. Brown explained they are before this group to introduce this project which is just getting underway, its goals and objectives, design, schedule, and community engagement phase.  
     
   Ruff declared he’d be one of the first people to give up his car even though he grew up in North Dakota and added it’s always interesting to think about cities as we intersect with these changes because we tend to lump local governments under one mindset. We as a city think about infrastructure and why cities get started – primarily for health and welfare reasons at a basic level – and counties aren’t much different and their pace of change is as slow as cities if not slower. Part of the parking discussions they’ve had and what you’ll hear from Thrivent Financial is it is very important to the County and moderately important the City depending on which part you talk to. Personally, his household owns two electric vehicles – he drives the first Chevy Volt in Minnesota and his wife bought one last fall. The issue before Tesla and the Volt came out was where are we going to charging stations downtown; not it’s how can we get charging stations in every neighborhood. Even thinking about that in a subset of planning and thoughts about what’s the right thing to do is a microcosm in some of these discussions. He has faith in the human spirit to adjust and they might be slow but they’re going to make it, event from a city financial perspective. Parking revenue may go down but maybe big contracts with Google, et.al. may sustain them for a while. They’ve been seeing a significant decrease in parking tickets over the last 4 years due to the parking app. Ruff values Fisher’s perspective and believes he’s spot on a number of issues, e.g., his reference to the work of Joe Minicozzi of Urban3 (<http://www.urban-three.com/joeminicozzi>).   
     
   Ruff has heard Minicozzi speak a number of times and the City’s Long Range Planning Department, as part of the Comp Plan, is talking with Minicozzi and others like him who argue there is too much infrastructure. Ruff doesn’t believe we have in Minneapolis. Instead he thinks, and probably a number of people including those recently elected to leadership positions at the City, we don’t have enough density and why this discussion is about how we make the City a more dense experience in all the good ways.   
     
   Using a slide presentation, Ruff provided background information on the project and displayed a map of and described all City owned and leased facilities in downtown:

* Six owned: City Hall with Hennepin County, Public Service Center, City of Lakes, Community Services Building, MPD First Precinct, Fire Station #1; and
* Three leased: Crown Roller Mill (the expiration for which is up in September 2020), Flour Exchange, Towle Building

These dispersed facilities are confusing for people who are either new to or doing business with the City. Since 1999, the City has been exploring ways to consolidate its services and departments into a new building that would complement City Hall, and reduce their overall real estate footprint and costs associated with the maintenance and renovation.  
  
In 2014, the City Council’s Executive Committee hired Jones Lang LaSalle to help strategically analyze 13 viable real estate options, after which they settled on the 1.5-acre, 1,300-stall Government Center Ramp at 415 South 5th Street due to its proximity to City Hall. After evaluating other options in pursuit of a true government center square, they then entered into discussions with InterPark Opus who owns the adjacent 1-acre site on 4th Avenue South between 5th and 6th Streets in order to swap parcels. InterPark was agreeable and the City entered into a $6.5 million purchase agreement which closed last month which will result in a net loss of 900 parking stalls. A contract to demolish the swapped ramp, approved by the City Council, is scheduled for June 18, 2018, followed by construction through August 2020.  
  
The City doesn’t do these types of complex projects on a regular basis. They’re used to public work projects, not trying to bring 8 different departments together to make it a much more welcoming, navigable environment where citizens do business with the City.   
  
Ruff then described the project team, strategic concept, purpose and objectives, and schedule. All of the votes by the City Council on this project over the last 3 years, in terms of hiring and endorsement of site, have been unanimous; an indication to Ruff that doing nothing is really not an option. The City would either have to put tens of millions of dollars into retrofitting and continuing to lease in buildings that are undersized for an urban scale or build new which is dependent upon how much they can afford. As a larger strategy, they are planning to swap out debt service that is expiring for some of their other major infrastructure and replace it with the debt service for this project. In terms of enhancements that people may be looking for in terms of quality size, will be dependent upon the new City Council’s priorities, i.e., affordable housing, race and equity, police and community relations, and whether it wants to put in additional cash.  
  
Brown described the community engagement process that began in October 2017, and the public meeting and feedback received on December 11th at the Mill City Museum. The next public meeting will be on Tuesday, February 20th at the Mill City Museum and he encouraged the audience to attend or send their comments to [COBinfo@msrdesign.com](mailto:COBinfo@msrdesign.com). And for those interested in the public art that will be selected and installed into this project to contact Mary Altman, the City’s Public Art Administrator at [mary.altman@minneapolismn.gov](mailto:mary.altman@minneapolismn.gov).   
  
Thereafter, Brown and Ruff entertained questions from the audience. For more information, visit <http://www.minneapolismn.gov/cped/officebuilding>.

1. **Closing Remarks**

Collison thanked Fisher, Brown and Ruff for their presentations, Padilla for hosting, and the audience’s attendance and participation.