

## Webster Avenue Area Plan

June 2021



**Prepared by:** The City of North Mankato

Community Development and Administration

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## I. INTRODUCTION

Webster Avenue serves as a gateway to the City of North Mankato, providing access to a thriving commercial/industrial zone, regional recreation amenities, and residential neighborhoods in Lower North Mankato. Businesses surrounding Webster Avenue rely on connections to US Trunk Highway 169 as many are oriented around the sale or maintenance of heavy truck components and/or send and receive numerous deliveries daily. Webster Avenue has direct access to Highway 169 which is close to Highway 14, providing vital regional connectivity. A major study of Highway 169 was underway during the development of this plan that provided recommendations for treatments to the Highway 169/Webster Avenue intersection to promote long-term functionality of the highway. The City of North Mankato developed this study for Webster Avenue to guide redevelopment and revitalization of the area. This study:

- Examines existing industrial, commercial, recreational, and residential uses surrounding Webster Avenue and identifies redevelopment and revitalization opportunities
- Outlines a shared vision for the future of the area surrounding Webster Avenue by the city, citizens, businesses, and property owners
- Provides a framework for investment and regulatory policies along Webster Avenue consistent with city goals.

## II. STUDY AREA

The study area includes Webster Avenue from Lake Street in the west to River Drive, just east of the Highway 169 intersection, as illustrated in **Figure 1**. The area surrounding Webster Avenue contains a diverse mix of uses that all rely on proximity to Highway 169 for the movement of goods, provision of services, and access to regional destinations such as Spring Lake Park and its new swim facility. Businesses in the study area have been established for many years and are beginning to show their age. Participants in the public process agreed that opportunities for revitalization exist and have suggested the City of North Mankato should work with businesses to encourage and incentivize change.

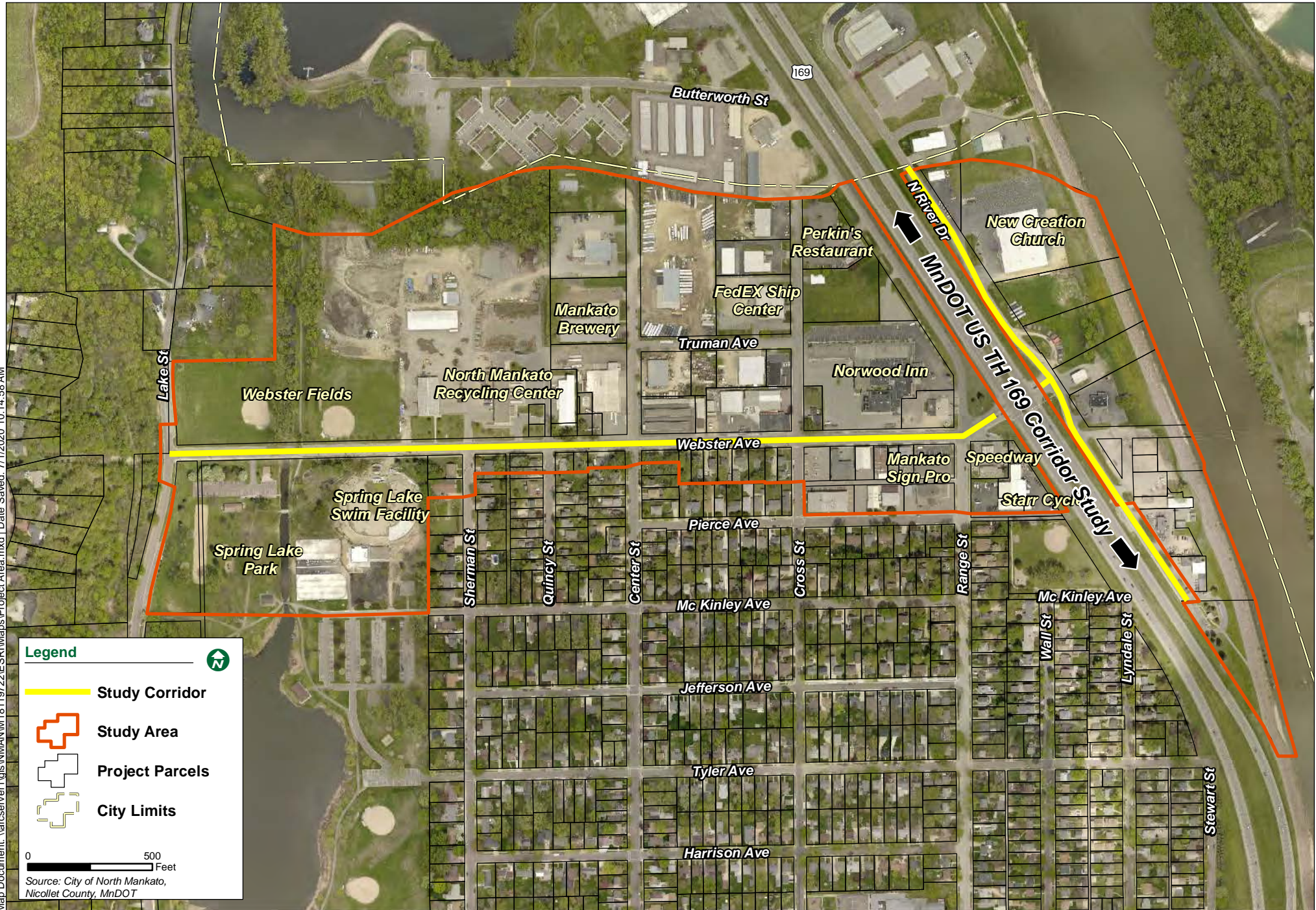
The city and area stakeholders recognize Webster Avenue's importance as a major gateway to the community with great potential. Opportunities exist for new development on vacant lots as well as redevelopment of underutilized properties. The area has served as a strong business presence in the community for decades and the city has interest in continuing that trend.

## III. PUBLIC ENGAGEMENT

### A. STEERING COMMITTEE

A Steering Committee was assembled early in this process consisting of key property and business owners in the study area. This group reviewed the draft plan throughout the process and provided input and direction on next steps. The Steering Committee met four times at key points during the process.









## B. VISIONING MEETINGS

Two visioning meetings were held in early-December 2019 to solicit feedback from business/property owners and residents along the roadway regarding their vision for the future of Webster Avenue. Fifteen people attended the meetings including several business/property owners, residents, and North Mankato staff and elected officials. A full meeting summary can be seen in **Appendix A**.

## C. TARGETED STAKEHOLDER MEETINGS

Various stakeholder meetings were held to solicit input from business and property owners on and around Webster. The study team met with 11 businesses and property owners to discuss their vision for the future of their property/business as well as Webster Avenue as a whole. Most businesses have been on location for many years and are doing very well. Partnerships among businesses have developed as they share clients and services. A full summary of Stakeholder meetings is included in **Appendix A**.

## D. OPEN HOUSE

Two virtual public open house meetings were held on May 18th and 19th, 2021 to solicit feedback from North Mankato citizens on the Draft Webster Avenue Plan. There were approximately 35 attendees including area residents and business/property owners, elected officials, Steering Committee members, and city staff on the calls. City staff presented the Draft Webster Avenue Area Plan to the groups and facilitated discussion while documenting feedback.

On May 5th, two weeks prior to the meetings, the plan, associated materials, and opportunity to provide written comment were made available to the public via the city's website. The public was notified of the event and available materials through the city's website, social media outlets, the Mankato Free Press (newspaper of record), and KEYC News via television and streaming. In all, the city received 18 written comments through the website. A full summary of input received from the open house is included in **Appendix A**.

## E. INTERVIEWS WITH INDUSTRY PROFESSIONALS

Several interviews with area real estate experts were conducted as part of the Market Analysis to gather their opinions on opportunities in the study area.

# IV. GUIDING PRINCIPLES

A series of Guiding Principles were drafted to ensure this study delivers on city and area stakeholder goals, including:

- Recognize Webster as a business district in North Mankato that is a key gateway to regional amenities;
- Recognize Webster as home to long-standing commercial/industrial businesses that are providing needed services to the region;
- Ensure efficient freight access along Webster Avenue to support current and future freight-dependent businesses;
- Support pedestrian connections along and across Webster Avenue to area park and trail facilities (Spring Lake Park and Swim Facility, Mankato Brewery, Wheeler Park, Hiniker Park/Pond, Highway 14 Trail, etc.);

- Consider how additional housing opportunities can be provided along the roadway;
- Create an inviting streetscape along Webster Avenue;
- Strengthen Webster Avenue stakeholder partnerships to achieve common goals;
- Strengthen area hospitality to support expanded regional amenities in the study area;
- Protect and support businesses west and east of Highway 169; and
- Emphasize the importance of an at-grade, full-access Highway 169/Webster Avenue intersection in response to the Highway 169 Corridor Study process.

## V. VISION

Feedback from visioning meetings held in early December 2019 was used to generate a vision for Webster Avenue. Some participants at those meetings wanted to see major redevelopment in the area including an indoor recreational facility on the western end of the roadway and redevelopment of the Norwood Inn into a new anchor commercial business to draw visitors. Others wished to see the area remain much as it is today with only improvements for truck movements along Webster Avenue. All agreed that accommodating heavy trucks is necessary along the roadway given many of the businesses are focused on the trucking industry and/or send/receive many shipments via heavy truck per day. Participants also agreed that some level of revitalization and redevelopment is necessary to improve area aesthetics.

During the meetings, participants were asked to provide up to three words that describe their view of Webster Avenue today. The following word cloud displays the results. **Note:** the larger the word in the word cloud, the more that word was entered by the group.



Similarly, participants were asked to provide up to three words that describe their vision for Webster Avenue in the future. The following word cloud displays the results





Input from these meetings served as a basis for developing the following vision for Webster Avenue:

*“Webster Avenue is a diverse area offering a strong and supportive business environment with regional connectivity, destination recreational resources, and hospitality to meet the needs of both area citizens and those visiting North Mankato.”*

## VI. HOW TO USE THIS STUDY

This study will help the city prioritize future projects. It describes the goals and long-term plan for Webster Ave and surrounding area to inform the development community of opportunities. It also provides an understanding of what the city hopes to achieve within the study area. Finally, the study aims to better equip existing businesses to collaborate together towards a common vision.

## VII. WEBSTER AVENUE HISTORY

Webster Avenue has evolved from a lightly populated, very low-density area on the northern end of North Mankato to a largely built-out area with a diverse mix of uses along a major US highway. Aerial photographs from the late 1940's show a sparsely developed, gravel Webster Avenue with nearly two dozen houses to the south, and a mostly undeveloped north. The Minnesota River still occupied the border between North Mankato and Mankato at this time.

In 1969 the Spring Lake Park pool was built, with commercial and industrial development following thanks to the newly created access to Highway 169. Some of the earlier development included the Best Western Hotel and 4 Seasons Truck Wash on the north, and Larkstur and Anderson Crane on the south. Today, almost the entire area north of Webster is developed, as is the south side. Housing now fills the southern blocks along Webster from Cross St and Spring Lake Park. Most of the businesses in the area have been there for decades, are family-owned, and have plans to pass to the next generation. This serves as proof of how successful this location has been in sustaining itself as a strong business district through the years.

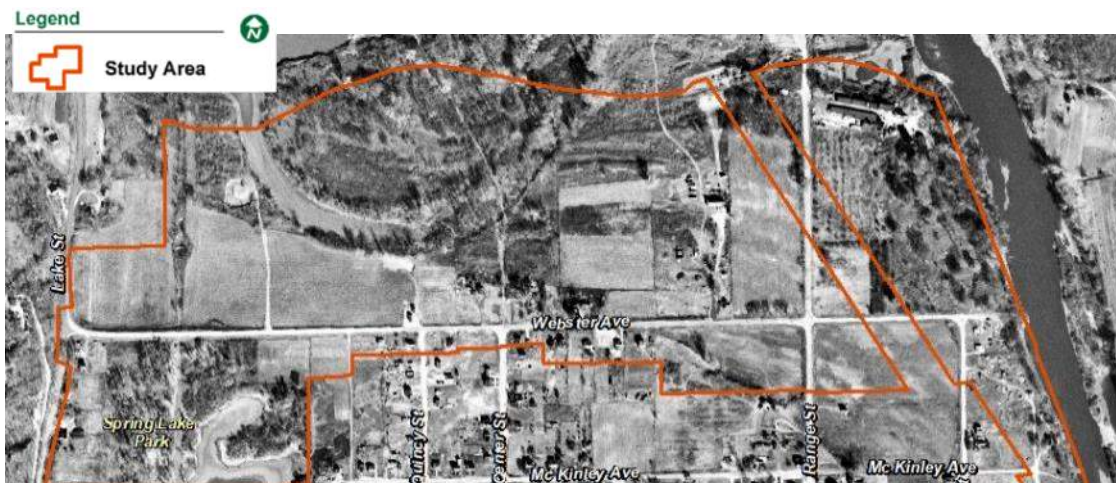


Figure 2. Webster Avenue – 1949 (Source: U.S.G.S)



Figure 3. Webster Avenue – 1971 (Source: U.S.G.S)



Figure 4. Webster Avenue – 2019 (Source: Nicollet County)



## VIII. EXISTING CONDITIONS

An existing conditions review was necessary to understand current roadway functionality and area redevelopment opportunities. A market analysis was performed to supplement the existing conditions review by providing an in depth look into the types and extent of development the area could support, while also considering potential impacts closure or alteration of the Webster Ave/Highway 169 might have on the economic vitality of the area. Anticipated development north of the study area within Mankato city limits will also impact redevelopment patterns anticipated in the study area. Potential redevelopment considerations include multi-family housing, additional retail and entertainment uses, industrial expansion, and increased hospitality. The following sections, along with **Figure 5** below, describes existing conditions within the study area. The full Market Analysis is included in **Appendix C**.

### A. Land Use

Various uses occupy Webster Avenue including regional destinations with great access to Highway 169, Highway 14, and both downtown North Mankato and downtown Mankato. The study area includes light industrial, general commercial, low-density residential, public/institutional, and park/open space zones. Land uses north of Webster Avenue are primarily industrial, and oriented heavily around trucking, shipping, and vehicle repairs. As a result, these businesses have developed a strong interrelated business model, relying on one another for services and sharing clients. The remaining uses on the north side of Webster include small-scale commercial, a restaurant, a hotel, and public park space. Much of the land use on the south side of Webster is low-density single-family residential, with some light industrial nearer Highway 169. Webster Ave terminates at Lake Street in the west where Spring Lake Park and swim facility provides a major recreational destination.

Through this process, the city has identified that businesses in the area have relationships and share customers. However, the Market Analysis suggests that the business environment doesn't foster "chaining" together different but complementary activities for patrons, leaving little reason for them to spend any time in the district. For instance, patrons are unlikely to stop at other businesses in the same way one might go to a retail store and after go to a nearby restaurant. The findings of the Market Analysis agree with public input received, suggesting the area lacks aesthetics and property improvements that would make this a desirable destination. Businesses have not invested in properties.

One participant in the public process expressed a preference to convert the light industrial and commercial portion of the study area north of Webster Avenue to single-family residential and asked city staff if that was an option. City staff stated that the area is guided by the Comprehensive Plan to accommodate industrial and commercial uses which should remain given access to Highways 169 and 14. The city relies on industrial and commercial uses in this location to serve the local economy and provide needed tax base. The industrial and commercial uses have functioned here since the street's inception. The city has guided additional single-family residential in Upper North Mankato and will continue to look for opportunities there.

The area does have some draw. The Mankato Brewery's tap room and the recreational facilities at Spring Lake Park remain regional destinations in the study area.

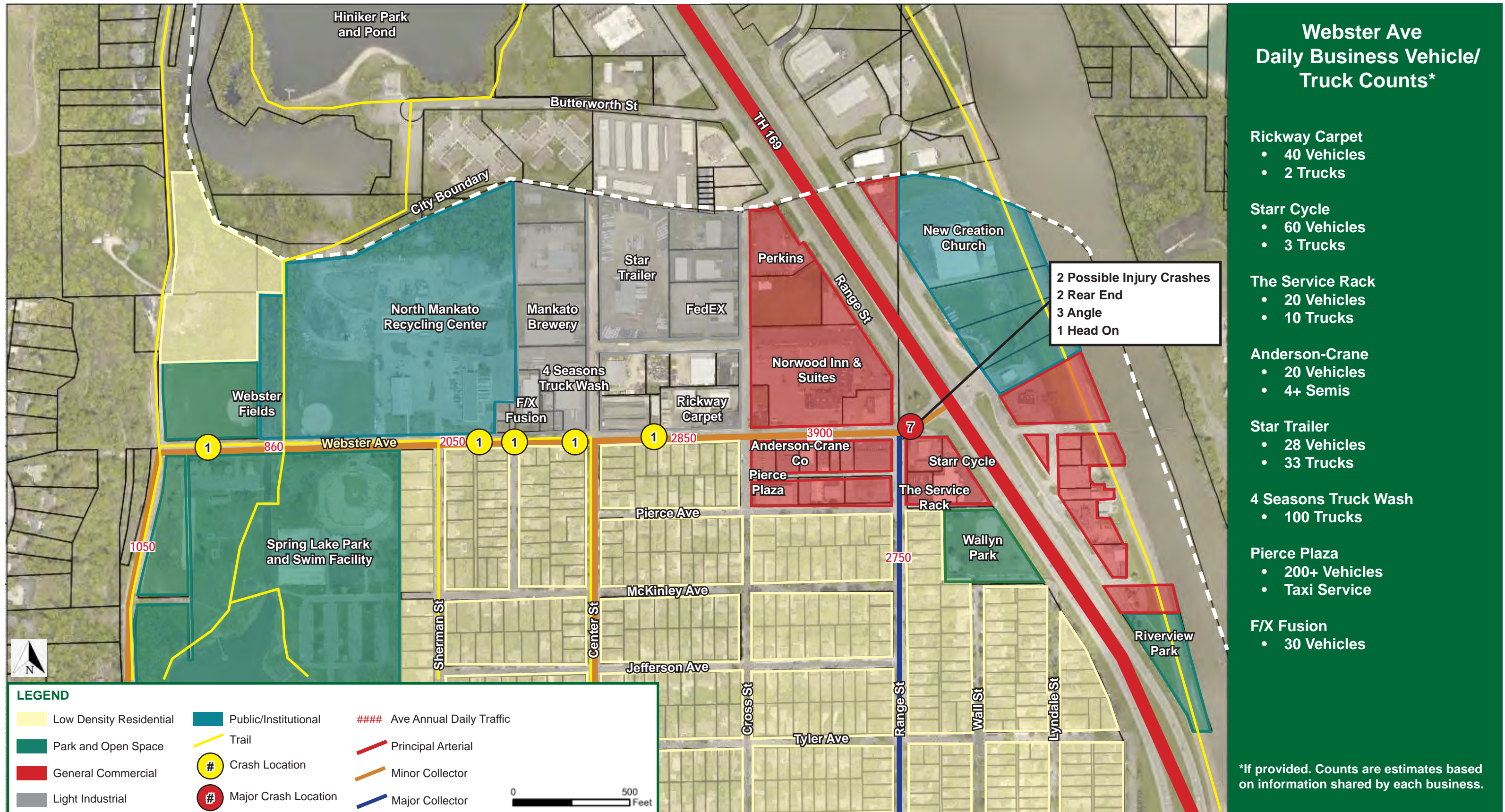
### B. Transportation

Webster Avenue accommodates a mix of vehicular traffic from heavy truck traffic to passenger vehicles and provides connections to many uses. The roadway can be











characterized as having low traffic volumes and minimal safety issues, except for crash concerns at its intersection with Range Street. Traffic does back up along Webster Avenue from the Highway 169 intersection which blocks access to businesses and the Webster Avenue/Range Street intersection.

Improvements to Webster Avenue should begin with improvements addressing capacity of the Webster Avenue intersections with Range Street and Highway 169 but should also include ADA compliance upgrades to existing sidewalks, wayfinding signage for heavy truck traffic, better integration of the North Mankato recreational trail system, and possibly implementation of public art and other streetscaping amenities. The following are existing transportation characteristics along the roadway:

## 1. Functional Classification

Roadways are classified in how they channelize travel within a network. Each road segment is predetermined to serve a different function prior to its design. This means street widths, speed, and intersection controls are all designed to ensure the roadway serves a certain function in the system. Arterial roadways are typically designed to accommodate the longest trips and have the least number of access points and traffic controls that impede mobility. Collector roadways provide connectivity from local streets to arterial roadways and provide circulation in urban environments.

Webster Avenue is a minor collector roadway that connects Highway 169, a principal arterial, to Lake Street, another minor collector roadway. Center Street is a minor collector intersecting Webster Avenue providing a connection to Belgrade Avenue in the south and connections to Mankato. Range Street is a major collector roadway connecting Webster Avenue to the Central Business District on Belgrade Avenue.

## 2. Access

There are 37 access locations on Webster Avenue including four primary accesses, three secondary accesses, and 30 private accesses. Both primary and secondary access counts fall well below MAPO's recommendations for 9 to 19 accesses per mile. Concerns with the extent and location of accesses along Webster Avenue have not been raised other than the Webster Avenue/Range Street intersection. Traffic entering Highway 169 tends to back up into the Webster Avenue/Range Street intersection, causing backups on Range Street and blocking patrons from entering and exiting the Speedway gas station. Removing access to Webster Avenue from the Speedway gas station would remove one stream of traffic entering and exiting the street at this intersection and may contribute to improved traffic flow. Project staff spoke with Speedway representatives who suggested they do not oppose closing access to Webster Avenue while diverting access to Range Street with some improvements to the property access on that street.

The importance of the Webster Avenue/Highway 169 intersection access has been raised several times throughout this process. Several participants in the public process have expressed concerns with potential closure of that intersection and how that could be detrimental to the vitality of businesses in the area. Each street within the industrial district feeds to Webster which channels traffic to and from Highway 169 and most feel the success of this area is highly dependent on maintaining full, at grade access as exists today.



### 3. Safety

Thirteen crashes have occurred along Webster Avenue according to 2015-2019 MnDOT data. There were only three possible injury crashes and no fatalities. Seven of the 13 occurred at the Webster Avenue/Range Street intersection. An intersection safety screening was completed at this intersection for six of the seven crashes to understand the significance of occurrences and whether or not concerns are warranted. One crash was removed from the analysis as the operator was inebriated and the crash was not related to intersection geometrics and/or operations. The screening observed crash severity, crash rate, and fatal and serious injury rate at the intersection.

The observed crash rate is the number of crashes per million entering vehicles (MEV). The critical rate is a statistical comparison based on similar intersections statewide. An observed crash rate greater than the critical rate indicates that the intersection operates outside the expected, normal range. The critical index reports the magnitude of this difference.

The observed total crash rate for this period is 0.70 per MEV; this is 1.1 times the critical rate indicating the intersection operates above the expected, normal range. This makes this intersection a candidate for further study. It is recommended that an intersection control evaluation (ICE) study be performed to further analyze the intersection and identify potential improvements. The intersection safety screening is included in **Appendix B**.



**Figure 6. Crash occurrences at the Webster Avenue/Range Street intersection.**

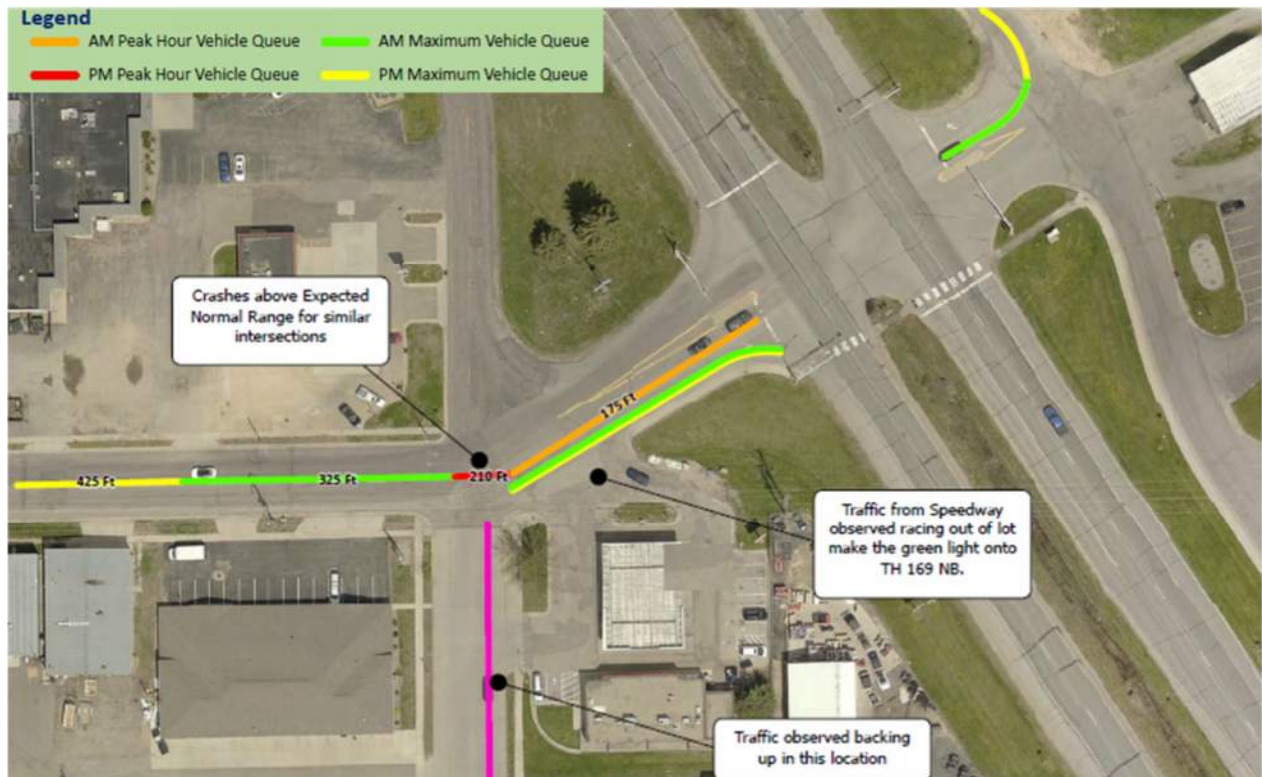
### 4. Traffic Volumes

Traffic volumes are generally low along Webster Avenue with most of the traffic occurring between Range Street and Highway 169. Average Annual Daily Traffic (AADT) volumes range from 3,900 vehicles per day in this section to 860 vehicles per day between Lake Street and Sherman Street. Available AADT data show 950 vehicles per day on Center Street and 2,750 on Range Street just south of Webster Avenue. As mentioned, participants in the public process have observed congestion at the Range Street/Webster Avenue intersection during peak traffic times. A future ICE study focused on this intersection may assist with identifying options for effectively and safely accommodating existing and future traffic levels at this intersection.

*The intersection exhibits a critical rate higher than expected, normal range supporting the need for further analysis to identify potential improvements.*

## 5. Traffic Back-Ups

The Highway 169 Corridor Study identified existing and no-build conditions for the intersection of the highway with Webster Avenue. The report shows traffic backing up along Webster Avenue from Highway 169, through its intersection with Range Street during AM and PM peak traffic periods. This concurs with reports from stakeholders and observed conditions from staff suggesting there are back-ups in this location during peak times. **Figure 7** illustrates traffic back-ups identified in the study.



**Figure 7. AM and PM Peak Hour Traffic Back-Ups along Webster Avenue. Source: Highway 169 Corridor Study - MAP.**

Some back-ups are anticipated to increase by the 2040 planning horizon which supports the need for improvements to the area. These conditions, combined with the city's stance on maintaining full access at the Highway 169/Webster Avenue intersection and concerns from area businesses, have spurred the city to take a closer look at possible improvements along Webster Avenue. Improvement concepts developed by the city are in **Section XII**.

## 6. Pedestrian and Bicycle Accessibility

Webster Avenue must also accommodate pedestrian and bicycle traffic with area recreation including Spring Lake Park and connections to the Highway 14 Trail and other on-street bicycle facilities. Sidewalks are on both sides of the roadway from Highway 169 to Cross Street where it terminates on the north but continues south through to Lake Street. There is a midblock crossing from between Lake Street and Sherman Street which connects trails passing through Spring Lake Park to a trail traveling between the Webster Ballfields, north to Hiniker Pond.

Several on-street bicycle facilities traverse the area including Webster Avenue from Center Street west to Lake Street where sharrows are used to indicate shared lanes between vehicles and bicyclists. On-street facilities exist on Center Street, Sherman Street, and on Lake Street where there is a connection to the Highway 14 trail to the north. The Draft Trails System Plan from the Comprehensive Plan Update is included in **Appendix E** and shows the city's plans for area pedestrian and bicycle connections.

Many in the public process suggested that any major improvements to pedestrian/bicycle facilities and/or streetscaping should be focused on the portion of the roadway west of Sherman Street. Existing facilities exhibit ADA deficiencies in sidewalk and pedestrian ramps including intersections at Range, Cross, Quincy, and Sherman, as well as a sidewalk bordering the Norwood property (Figure 9).



**Figure 8. Existing Sidewalk along the north side of Webster Avenue looking west from the Range Street intersection. Source: Google Maps.**



**Figure 9. Instances of ADA Non-Compliance along Webster Avenue. Source: city of North Mankato ADA Transition Plan (2019).**

*Features in red are non-compliant pedestrian ramps and sidewalk while features in green are compliant.*



## IX. FUTURE LAND USE & CITY GOALS

The city has guided future land use as mixed general commercial and light industrial in the study area, with a need to infill vacant lots. Existing businesses are strong, and present opportunities exist to leverage their success towards further growth in the area's economic output and functionality.

### A. RELEVANT CITY GOALS

- Strengthen the local economy with new commercial and light industrial uses
- Promote Infill Development
- Strengthen area amenities, particularly parks and recreation spaces
- Improve streetscaping and mobility infrastructure

In efforts to establish a vision for Webster's future that is supportive of these city-wide goals, this study answers the following questions:

- What are specific city and Public goals for the future of Webster Ave, and adjacent land?
- What frameworks can be developed to improve area character and function?
- What impacts may exist from different development opportunities?
- What properties may be candidates for near- and long-term redevelopment, including vacant properties and/or properties that are available for sale?

## X. REDEVELOPMENT FOCUS AREAS

The existing district operates well with current mix of industrial and commercial uses. However, a broader vision for the future should be examined that considers revitalization and redevelopment. As a major gateway into the community with regional connectivity and destination recreational facilities, opportunities exist for this location to be much more.

A small few in the public process have expressed a desire for the area to remain unchanged and for the city to focus redevelopment initiatives on other locations in the community. However, the city believes a strategy is needed for the future of Webster Avenue to strengthen and guide the area to becoming an even greater community asset in the future. It is the city's stance that "do nothing" is not in the best interest of the community. The following text and **Figure 10** outline strategies for redevelopment and revitalization for the area.

### 1.0 Park and Recreational Uses

The Market Analysis identifies recreational offerings in and around the study area as a draw for users from the region and beyond, suggesting they support a critical mass of visitors that would take advantage of services located in the study area. In that light, the following strategies were developed:

*1.1 Continue improvements to Webster Ball Fields and Spring Lake Park, based on the city's Parks Plan and Comprehensive Plan.*

The Webster Ball Fields and Spring Lake Park present an opportunity to further enhance destination recreational offerings in North Mankato. Based on guidance from the city's Parks Plan and Comprehensive Plan, the city should assess and add additional amenities and infrastructure













# WEBSTER AVE REVITALIZATION

- **Strengthen Area Commercial and Light Industrial Uses**
- **Promote Infill Development**
- **Continue Strengthening Webster Ave Amenities as a Destination for Entertainment and Recreation**
- **Pursue Streetscaping and Mobility Enhancements Throughout the Area**

## LEGEND

-  Recreation Use Improvements
-  Connectivity + Access Enhancements
-  Commercial & Industrial Overlay
-  Reenvisioned Hotel
-  Revitalization Priority Property
-  Streetscaping and Wayfinding Enhancements
-  Existing Trail
-  Future Trail

## FOCUS AREA 1.0

### Park & Recreational Uses

- 1.1** Continue improvements to Webster Ball Fields and Spring Lake Park, based on the City's Parks Plan and Comprehensive Plan.
- 1.2** Continue commitment to Spring Lake Park enhancements.
- 1.3** Support and prioritize connectivity to the Park and trail system from surrounding residential areas.
- 1.4** Enhance connections between North Mankato and Mankato recreational amenities.

**Approximate Acres: 62.7**

## FOCUS AREA 2.0

### Commercial & Light Industrial (C&I)

- 2.1** Establish a new mixed-use zoning district to accommodate complimentary commercial and light industrial uses.
- 2.1.A** Continue studying feasibility and long-range redevelopment opportunities of the Public Works Yard, including multi-family housing and commercial uses.
- 2.2** Work with new and existing businesses towards revitalizing existing properties, while guiding new development to vacant lots.
- 2.3** Utilize economic incentives through the Port Authority to promote redevelopment in the area.
- 2.3** Consider adopting Design Guidelines that guide the design of new development and facade improvements.

**Approximate Acres: 53.1**

**Priority Acres: 23.7**

## FOCUS AREA 3.0

### Hospitality & Destinations

- 3.1** Engage in dialog with the Norwood Hotel on the future of the property.
- 3.2** Consider improvements to the hotel building based on a long-term, vision, including facade improvements and/or publicly-available amenities.
- 3.3** Continue working with Mankato Brewery, area land owners, and potential new businesses to foster a mixed-use industrial entertainment district.

**Approximate Acres: 6.4**

## FOCUS AREA 4.0

### Transportation Improvements

- 4.1** Improved streetscaping, pedestrian and bicycle facilities, and wayfinding for all users including a gateway structure.
- 4.2** Review parking needs and placement for those accessing Spring Lake Park and Webster Ballfield amenities.
- 4.3** Comply with City Resolution 53.19 towards maintaining an at-grade, full-access intersection at the intersections of TH 169 and Webster Ave.
- 4.4** Work with Speedway to consider alternative site access designs to minimize driver conflicts and enhance parking lot functionality.
- 4.5** Perform an Intersection Control Evaluation at the Webster Ave/Range Street intersection to identify potential safety improvements.
- 4.6** Add off-street trail facilities along Webster Avenue and Range Street (north of Webster Avenue).







to support continued usage. Improvements include a potential off-street trail and new and/or updated sidewalk facilities.

### *1.2 Continue commitment to Spring Lake Park enhancements*

As recreation demands increase in North Mankato, the city should continue its commitment to growing Spring Lake Park and Swim Facility's regional attraction and amenities. These enhancements should be mindful of planned improvements at Caswell Park and seek to support rather than compete with Caswell.

### *1.3 Support and prioritize connectivity to the park and trail system from surrounding residential areas.*

North Mankato has expressed goals of building upon and growing its recreation offerings. The 2015 Parks Master Plan and city Comprehensive Plan both note that, while the city is well served by existing park facilities, improvements should be made as population growth continues. Accessibility to these resources should be prioritized to ensure continued access from both surrounding residential areas and the larger region.

### *1.4 Enhance connections between North Mankato and Mankato recreational amenities.*

Participants in the public process expressed a desire for enhanced connections between Spring Lake Park/Webster Ball Fields and Hiniker Pond. Ideas included improving trail facilities and potentially enhancing the area with supporting restaurants and establishments or other uses such as a food truck hub.

## **2.0 Commercial and Light Industrial**

Market experts interviewed as part of the Market Analysis included commercial real estate brokers, developers, commercial real estate lenders, community development experts, and study area property owners. Feedback from these groups suggests the study area is a good location with good access and strong traffic counts. They identified the recycling center as a good opportunity for redevelopment. They also suggested low property values mean low rates for redevelopment.

However, there were challenges to development potential including (but not limited to) uncertainty of the Highway 169 access, the area having a "tired" appearance, low incentive for property investment by existing owners, and the study area not being a primary retail area. The city of Mankato is facing similar challenges just north of the Webster Avenue Study area and has developed the Riverside North AreaWide Plan to identify redevelopment opportunities which will undoubtedly strengthen initiatives pursued along Webster Avenue.

Considering interview feedback from the Market Analysis, the observed need for area revitalization, and efforts to redevelop and revitalize Mankato properties north of the Webster Avenue Study area, the following strategies have been developed for commercial and light industrial redevelopment:

### *2.1 Establish a new mixed-use zoning district to accommodate complimentary commercial and light industrial uses.*

Existing light industrial and commercial uses make Webster an economically strong district and this strong economy should be leveraged towards continued growth. The city should apply a mixed-use zoning designation to the district that permits complimentary light industrial and commercial uses to be interspersed. This zoning should be mindful of adjacent residential uses, while supporting flexible and dynamic long-term district viability.

*2.1.A Continue studying feasibility and long-range development opportunities of the Public Works Yard, including multi-family housing and commercial uses.*

Many of the facilities on the city's Public Works Yard have exceeded their useful life and are in need of reconstruction. The site is also situated on top of an old landfill which will undoubtedly require removal if redevelopment is pursued. However, few properties in the city have potential to accommodate the Public Works Yard use the way the existing site can. Site attributes such as its position in Lower North and ample room for expansion make this site an optimal candidate to continue functioning as a Public Works Yard for the long-term. With this in mind, the city is in the process of creating a site plan for a future Public Works Yard in this location.

Recognizing the redevelopment potential of the Public Works Yard, the city has also considered ideas for new uses such as multi-family housing and commercial/mixed use as new housing and jobs could capitalize on easy access to Highway 169, and be supported by efforts to raise the profile of area attractions. However, given the presence of the landfill and the value of the site as a Public Works Yard, any proposals for site redevelopment to a non-public use would be required to finance relocation of a public works yard at a site suitable for such use in the community.

Some confusion has surfaced over the mention of potential multi-family housing considerations and the city's efforts to limit the number of single-family home conversions to duplex/triplex rental properties through the North Mankato city Code § 151.18 Rental Density Ordinance. Some have questioned, "How the city can consider multi-family housing in an area where rental licenses are limited?"

city Code § 151.18 pertains only to R-A, R-1, R1-S, and R-2 zoning districts and not to R-3 or R-4 districts that would accommodate multi-family uses. The main purpose of the rental density ordinance is to protect against the overwhelming conversion of single-family starter homes of Lower North Mankato to duplexes or triplexes. A study conducted by city staff found that research shows an influx of single-family conversion to duplexes or triplexes can result in negative impacts to adjacent single-family homes, increased police calls to the area, and increased lack of maintenance of homes due to renters not having the same "stake" in a property that a homeowner has. The Webster Avenue corridor planning area can support multi-family dwelling units without negatively impacting single-family neighborhoods. The rental density ordinance and its purposes ensure housing opportunities for all residents as does the recommendation for possible multi-family dwellings along the corridor.

Some in the public process suggested the site should be converted to a park use. However, this would not be the highest and best use of the property given proximity to other recreational amenities, the site's functionality as a Public Works Yard, and potential to successfully accommodate industrial, commercial, and/or residential uses.

Nevertheless, any future development analysis of the Public Works Yard site must assess and mitigate known and unknown environmental contaminants or degradation in coordination with the Minnesota Pollution Control Agency and other agencies.

*2.2 Work with new and existing businesses towards revitalizing existing light industrial properties/buildings while guiding new development to vacant lots.*

To grow its tax base and promote infill development, the city should coordinate opportunities for revitalizing existing buildings, look for incentives, and attract new commercial and light industrial uses along Webster Avenue. Leveraging the current mix of complementary businesses, the city should pursue similar uses that support the continued vitality and growth of the area. Towards this end, the city should explore the creation of a new mixed-used zoning district that would allow for the creation of complimentary commercial and light industrial development.

Incentives for revitalization may include Opportunity Zones. Opportunity Zones are a community development program established by Congress in the Tax Cut and Jobs Act of 2017 to encourage long-term investments in low-income and urban communities nationwide. Census Tract 4806, which contains the study area, is considered a Low-Income Community that could qualify as an Opportunity Zone, but was overlooked in the past for designation. Ideally, property owners in the study area should be able to receive benefits offered through Opportunity Zone designation.

At the time of this study, the City of North Mankato was working with Greater Mankato Growth to appeal to Congress to expand the reach of the Opportunity Zone designation to potentially include Census Tract 4806. The entire area from the Highway 14/Highway 169 interchange to the Veteran's Memorial Bridge is enveloped by low-income census tracts eligible for Opportunity Zone designation, however, only the Mankato portion actually is. A comprehensive corridor improvement plan is difficult to develop when there are advantages for investment into the Mankato stretch, but not the North Mankato stretch. If designation is unachievable, the city should research and pursue incentives that provide similar benefits while also continuing to pursue Opportunity Zone status.

Visioning sessions and area analysis identified priority properties that could support new development or revitalization of existing structures:

- Vacant lot on Cross Street just north of Norwood Inn
- Vacant lot at 1040 N River Drive
- Several properties at the SE corner of Webster and Cross
- Public Works facility at N Center St
- Public Works Yard and North Mankato Recycling Facility
- Norwood Inn

While revitalization of existing buildings and potential redevelopment are both high priorities for the city, however the city is not forcing relocation of business or rehabilitation of structures. The city values and supports the current business environment and investment. The plan calls for potential redevelopment of several areas and the city will work with interested businesses who desire to redevelop/revitalize properties.

### *2.3 Utilize economic incentives through the Port Authority to promote redevelopment in the area.*

Attracting new development and redevelopment should be supported with economic incentives, particularly those of the Port Authority. Through a strategic and careful use of these tools, the city hopes to further grow and develop a robust Webster District. The city should adopt and make available programs such as the Commercial Grant and Loan Fund as described in section XIII. Funding Strategies and attached in **Appendix F** that offer assistance for revitalization.

### *2.4 Consider adopting Design Guidelines that guide the design of new development and façade improvements.*



The repeated call for aesthetic improvements in the area had some in the public process asking if design guidelines could be established for the area. Design guidelines were developed for Belgrade Avenue and have proven to be a tool for encouraging developers to construct well-designed, cohesive buildings.

### **3.0 Re-envisioned Hospitality on Webster Ave**

Area experts suggest the Norwood Inn has potential. This location is also considered iconic in the area stemming from the days it served as a Best Western and was frequented by residents and visitors alike for its conference/function accommodations. However, the building is in need of renovation to remain viable. Other hotels in the area exhibit similar characteristics and are also in need of renovation.

At the time of this study, the Norwood Inn went under contract to serve as workforce housing for approximately 150-200 employees of a pork processing plant in Windom, MN. The City of North Mankato entered into a two-year agreement with company ownership to house the workforce while housing could be constructed closer to the processing plant. The city anticipates that this agreement will be a catalyst for site renovation or redevelopment at the end of the two-year period. The following strategies have been developed to respond to hospitality needs in the area:

*3.1 Engage in discussions with site owners on the future of the hotel site, and possible role(s) it may play towards hospitality for the area and region.*

The Norwood Inn & Suites sits at a critical gateway and transition point for ushering people into Webster Ave from Highway 169. The hotel carries a significant footprint on a large property, much of which is currently pavement and/or parking. As such, the city is in pursuit of viable options for the role(s) the hotel could play within the future.

Some in the public process suggested the site should be converted to a park use. However, this would not be the highest and best use of the property given proximity to Highways 169 and 14 and high potential to successfully accommodate industrial, commercial, and/or residential uses.

*3.2 Consider improvements to the hotel building based on a long-term vision including building renovation with publicly available amenities or full site redevelopment.*

To remain viable, the existing hotel structure will require renovation to enhance aesthetics and functionality of the building and to protect the health and safety of its patrons. Depending on the future state of the building, full site redevelopment may be the ultimate solution.

The city's position is that the Norwood Inn site will be revitalized in one of three ways:

1. The hotel facility is revitalized and refranchised as a hospitality use
2. The buildings are razed and a new hospitality use approved by the Port Authority is constructed onsite.
3. The buildings are razed and other commercial/retail uses approved by the Port Authority are constructed onsite. Potential future uses suggested by citizens include restaurants, recreation-type facilities, conference center, and various other commercial/retail.

*3.2 Continue working with Mankato Brewery to support efforts of creating a regional destination.*

As the Webster District grows, the city of Mankato will work to support the Mankato Brewery as a regional destination in which to draw both visitors and future development. The brewery provides

a unique experience within the District, and should be leveraged to encourage continued amenities, development, and investment.

#### **4.0 Transportation Improvements**

In addition to the above focus areas, a series of general district-wide improvements should be pursued with the intent of elevating accessibility and aesthetics along and around Webster Avenue.

##### *4.1 Improved streetscaping, pedestrian and bicycle facilities, and wayfinding for all users including a structure marking Webster as a gateway into North Mankato.*

Many types of users rely on Webster Avenue including pedestrians/bicyclists and vehicle traffic including heavy trucks. While many have suggested that truck traffic is problematic on Webster, many of the businesses in the study area are focused on the sales and service of heavy trucks and rely heavily on truck traffic whether to service the trucks or to receive deliveries of supplies to there location.

Conversely, Webster provides a vital connection between regional recreational facilities including Spring Lake Park, Webster Ballfields, Bluff Valley Trail, the Rex McBeth Trail, Hiniker Pond and associated trails, among others.

The city should pursue improvements to Webster Avenue beginning with improvements addressing capacity of the Webster Avenue intersection with Range Street and Highway 169, but should also include streetscaping and pedestrian facility improvements such as a structure marking Webster as a gateway into the city, ADA compliance upgrades to existing sidewalks, wayfinding signage for heavy truck traffic, better integration of the North Mankato recreational trail system, screening/fencing around the public works yard, and possibly implementation of public art and other streetscaping amenities. Traffic calming should also be a goal of streetscaping to ensure a safer environment for all users in response to requests from citizens.

##### *4.2 Review parking needs and placement for those accessing Spring Lake Park and Webster Ballfield amenities.*

Some have suggested there is a need for additional parking to accommodate those utilizing Spring Lake Park/Swim Facility and Webster Ballfields. The city should consider utilizing a portion of the Public Works Yard as a public parking lot to accommodate increased parking needs in the future. The city will look to integrate this into a future site plan for the Public Works Yard.

##### *4.3 Comply with city Resolution 53.19 towards maintaining an at-grade, full-access intersection at the intersections of Highway 169 and Webster Ave.*

##### *4.4 Work with Speedway to consider alternative site access designs to minimize driver conflicts and enhance parking lot functionality.*

##### *4.5 Perform and Intersection Control Evaluation (ICE) study at the Webster Avenue/Range Street intersection to identify potential safety improvements.*

##### *4.6 Add an off-street trail facility along Webster Avenue and Range Street (north of Webster Avenue).*

## **XI. CONNECTION TO OTHER AREA PLANS**

### **A. Riverside North Area Wide Plan**

Webster Avenue Area Plan | 2021

Connection to other area plans

During development of the Webster Avenue Area Plan, the city of Mankato was developing the Riverside North Area Wide Plan, just north of the study area. This plan looks at various potential land use scenarios that may be suitable for vacant or blighted locations along Highway 169 between Webster Avenue and the Highway 14 interchange. At the time, Mankato had developed three redevelopment concepts for properties between Butterworth Street and Lind Street. Scenarios show potential options for new multi-family residential, commercial, and “Live/Work” Makers Space. Redevelopment options were created around a new River Lane intersection with Highway 169 and a new Hiniker Parkway alignment.

While Mankato options were conceptual during this process, they show that that both cities recognize the opportunity for revitalization along Highway 169 in this location and were actively trying to plan for the future. the area has potential to support significant multi-family residential and retail uses west of Highway 169 and some commercial and office east of Highway 169. This development will undoubtedly have impacts on redevelopment surrounding Webster Avenue. **Figure 11** depicts redevelopment identified in the Highway 169 Small Area Plan.



**Figure 11. City of Mankato Riverside North Area Wide Plan redevelopment sites.**

#### B. U.S. Highway 169 Corridor Study

As mentioned, this plan was developed in preparation for the Highway 169 Corridor Study running concurrent with this effort to establish and communicate the City of North Mankato’s desire for an improved district and dependence on full access at the Webster Avenue/Highway 169 intersection. The City of North Mankato has supported its position to protect full access at the intersection by adopting Resolution No. 53-19 authorizing North Mankato’s Local consent for the Mankato/North Mankato Area Planning Organization to undertake a Corridor Study of Highway 169 from Lake Street northwest to State Highway 60



and also providing conditions of that local consent. This resolution states that previous business engagement efforts show that area businesses believe that both north and southbound access from Webster Avenue to Highway 169 is critical to the success of their businesses and planning efforts which would restrict turning movements on or off of Highway 169 at Webster Avenue are not supported. The resolution also states that full access at Webster Avenue is critical for both transportation and emergency response in Lower North Mankato. The resolution applies conditions supporting the corridor study if it includes maintaining a full access intersection at Webster Avenue that is supported by the City of North Mankato. The full resolution is included in **Appendix D**.

## XII. INTERSECTION IMPROVEMENT CONCEPTS

### A. Concepts

As mentioned, the City of North Mankato has adopted Resolution No. 53.19 supporting full access at the Webster Avenue/Highway 169 intersection in the future (*See goal 4.3 in Section X. above*). In addition, the city recognizes the need to improve the functionality of the Webster Avenue/Range Street intersection. While the Highway 169 Corridor Study will closely examine

alternatives for the Highway 169/Webster Avenue intersection, the study will likely not evaluate the Webster Avenue/Range Street intersection. Using information provided through the public process and from the Highway 169 Corridor Study, the city has developed concepts of

potential intersection improvements to gain an understanding of potential for geometric fit and function of different traffic control options. It should be noted that these alternatives are conceptual and actual intersection and roadway improvements will require further evaluation and engineering.

Of course, the first thing to consider is a “No-Build” scenario where nothing happens and Webster Avenue intersections with Range Street and Highway 169 remain as they are (**Figure 12**). The Highway 169 Corridor Study – Existing Conditions Report analyzed the Webster Avenue/Highway 169 intersection and found that it currently operates at overall Level of Service (LOS) B meaning it is operating well within its capacity. 2045 forecasts show

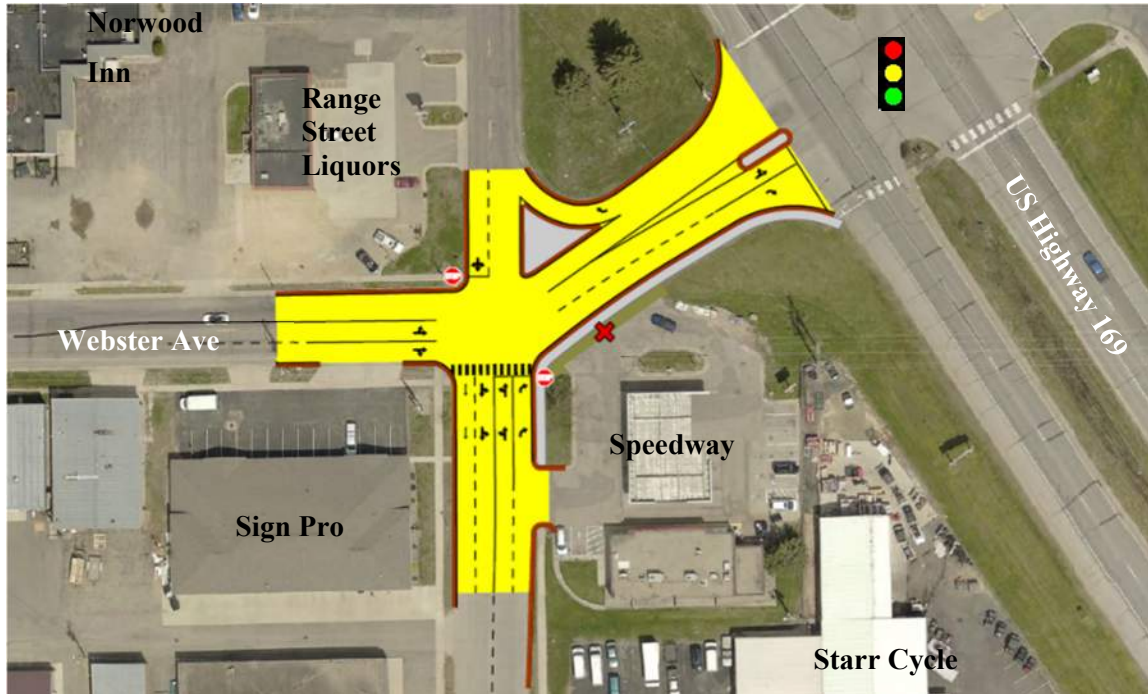


**Figure 12. Webster Avenue at its intersections with Range Street and Highway 169 remaining a signalized intersection as it is today. This would be a “No-Build” option.**

it will remain at LOS B into the future. Twenty-nine crashes occurred at the intersection over a five-year period from 2015 to 2019 which is within normal range for similar intersections statewide. This data indicates the intersection functions well and is anticipated to continue to function well in the future. However, observed vehicle backups along Webster Avenue from the Webster Avenue/Highway 169 intersection pose issues to local traffic circulation warranting the consideration of improvements that would alleviate these backups.

The following provide some alternatives for potential improvements:

1. Alternative 1 – Traffic Signal on Highway 169



**Figure 13. Alternative 1 - Traffic Signal on Highway 169.**

Alternative 1 (**Figure 13**) responds to observed traffic back-ups along Range Street and Webster Avenue during peak hour traffic, as well as access conflicts with the Speedway gas station. This includes the following:

- a) *Closing the Webster Avenue access at Speedway.*

This will prevent traffic from racing onto Webster Avenue from Speedway to make the northbound traffic light on Highway 169; this movement is a last-minute decision by drivers to make the light and has potential to contribute to crashes at the intersection. Access closure will also prevent traffic from stopping on Webster Avenue westbound while waiting to turn left into the Speedway parking lot which can cause traffic to back up near the Webster Avenue/Highway 169 intersection.

- b) *Additional Lanes on the South Leg of the Webster Avenue/Range Street Intersection.*

Having a thru/left-turn lane and a dedicated right-turn lane onto Webster Avenue from Range allows for more vehicle storage closer to the intersection

where traffic has been observed backing up. This should increase opportunities for traffic entering the Speedway gas station from Range Street. The additional southbound thru/left-turn lane provides traffic accessing the Speedway from Range Street an opportunity to wait to enter while thru traffic can still pass by in the adjacent thru-lane.

*c) Additional Eastbound Lane on West Leg of Webster Avenue/Range Street intersection.*

An additional eastbound lane on Webster Avenue at the Webster Avenue/Range Street intersection could allow traffic approaching the Highway 169/Webster Avenue intersection and early opportunity to transition to the appropriate lane. Vehicles turning right onto Highway 169 will have more opportunity to bypass backed up, thru or left-turning traffic.

*d) Northbound Channelized Right-Turn onto Range Street from Webster Avenue.*

The addition of a concrete island in the northeast quadrant of the Webster Avenue/Range Street intersection helps to define the intersection, channeling westbound vehicles into lanes more appropriately on Webster Avenue while easing the intersection skew for vehicles turning northbound onto Range Street via the channelized right-turn movement.

2. Alternative 2 – Traffic Signal on Highway 169 with NB Dual Lefts

Alternative 2 (**Figure 14**) provides many of the improvements found in Alternative 1. Additional improvements respond more to backups stemming from the Highway 169 intersection and include:

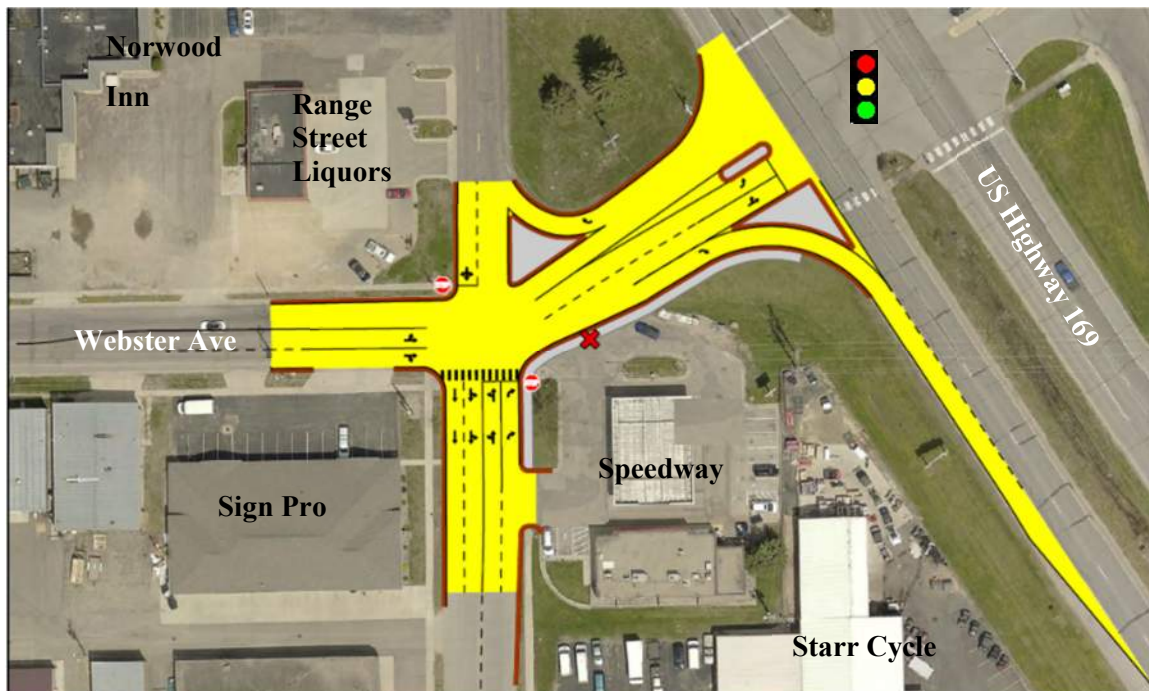
*a) Dedicated Left-Turn Lane with Thru/Left-Turn Lane.*

Traffic backups stem from vehicles waiting at the traffic signal to access Highway 169 northbound or N. River Drive across the highway. Providing a dedicated left-turn lane along with a thru/left-turn lane allows for vehicle storage at the intersection to potentially decrease backups to the Range Street intersection.

*b) Channelized Right to Southbound Highway 169 with Acceleration Lane.*

Traffic entering southbound Highway 169 from Webster Avenue would have a dedicated right-turn lane with the ability to merge into Highway 169 traffic reducing vehicle queuing at the intersection for southbound traffic.





**Figure 14. Alternative 2 - Traffic Signal on Highway 169 with NB Dual Lefts.**

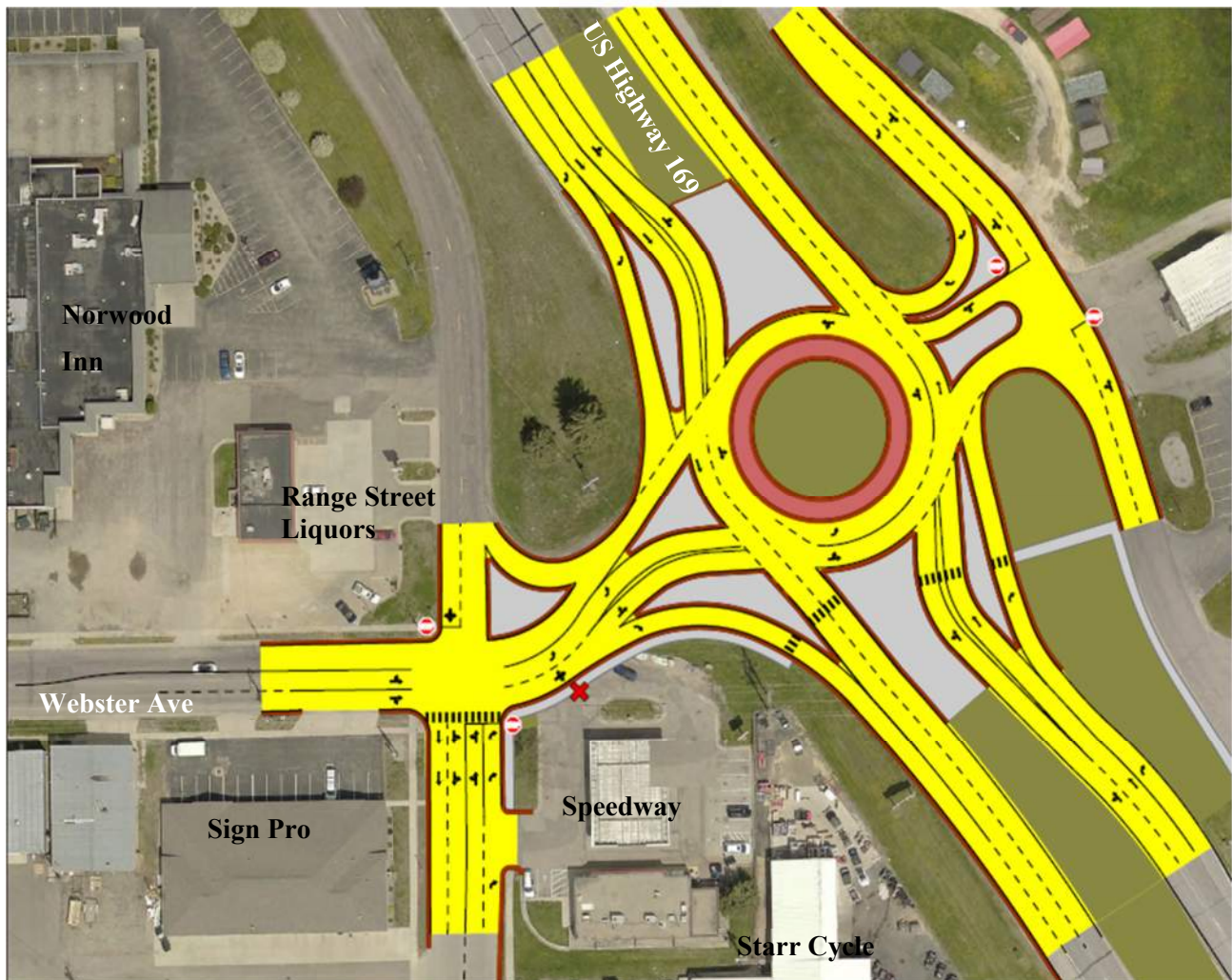
c) *Alternative 3 – Roundabout on Highway 169*

Alternative 3 (**Figure 15**) was developed to understand the geometric fit for a roundabout on Highway 169 as an option for maintaining full access at Webster Avenue while increasing safety and reducing vehicle delay. Guidance from MnDOT’s Office of Traffic, Safety, and Technology<sup>1</sup> suggests that “the largest benefit of multi-lane roundabouts appears to be the high volumes that can flow thru them. Multi-lane roundabouts reduce congestion and reduce delay.” According to MnDOT, multi-lane roundabouts can operate at 40,000 to 50,000 entering vehicles per day. Existing volumes on Highway 169 near Webster Avenue range from 22,500 vehicles per day to 26,500 vehicles per day. The Highway 169 Corridor Study forecasts this range to increase to 27,500 to 33,500 by the year 2040, which is well within the capacity threshold of a multilane roundabout.<sup>2</sup> This roundabout is modelled after the existing roundabout on TH 22 in Mankato, located on a segment carrying nearly 19,300 vehicles per day per MnDOT’s 2017 Average Annual Daily Traffic volumes data.<sup>3</sup> The city views a roundabout as an appealing option for maintaining full access to this important

<sup>1</sup> Minnesota Department of Transportation, Office of Traffic, Safety and Technology. (2016). *Examining Multi-Lane Roundabouts in Minnesota*. Retrieved from [https://fhwaapps.fhwa.dot.gov/hsipp/Attachments/418776ff-1da5-4bc5-bad4-5669d5ada21a\\_Multi-Lane\\_Roundabouts\\_Minnesota\\_2016.pdf](https://fhwaapps.fhwa.dot.gov/hsipp/Attachments/418776ff-1da5-4bc5-bad4-5669d5ada21a_Multi-Lane_Roundabouts_Minnesota_2016.pdf)

<sup>2</sup> Mankato/North Mankato Area Planning Organization (MAPO). (2020). *Highway 169 Corridor Study; Final Existing Conditions & No-Build Conditions Report*. Retrieved from [https://71100515-3935-4716-b51b-2a9f4268f5bc.filesusr.com/ugd/3831f9\\_53b9cd7a97814e5bb2bbdf10544e6edc.pdf](https://71100515-3935-4716-b51b-2a9f4268f5bc.filesusr.com/ugd/3831f9_53b9cd7a97814e5bb2bbdf10544e6edc.pdf)

<sup>3</sup> Minnesota Department of Transportation. (2016). *Traffic Mapping Application*. Retrieved from <https://mndot.maps.arcgis.com/apps/webappviewer/index.html?id=7b3be07daed84e7fa170a91059ce63b>



**Figure 15. Roundabout on Highway 169.**

gateway to the community as opposed to any options that would grade-separate the intersection. As mentioned, grade-separation would likely pose a detriment to existing businesses. Improvements include:

- d) *Dual Northbound Lanes from Webster Avenue onto Highway 169.*

A roundabout would keep traffic flowing, reducing backups on Webster Avenue, with two lanes available for northbound traffic. The Webster Avenue/Range Street intersection improvements are carried over from Alternatives 1 & 2.

- e) *Channelized Right to Southbound Highway 169 with Acceleration Lane.*

Traffic entering southbound Highway 169 from Webster Avenue would have a dedicated right-turn lane with the ability to merge into Highway 169 traffic reducing vehicle queuing at the intersection for southbound traffic.

- f) *Channelized Right to Northbound Highway 169 from N. River Dr.*

Traffic entering Highway 169 northbound from N. River Dr. would have a dedicated right turn lane.

*g) Decreased Delay.*

Vehicles may benefit from decreased delays at the roundabout.

Something not considered in the concepts that should be mentioned is the property containing Sign Pro, the Purple Zebra, and Skrien Chiropractic Clinic has two access locations from Webster Avenue, one of which is quite close to the Range Street/Webster Avenue intersection. This close proximity to the intersection is not desirable and has potential to contribute to congestion and delay as vehicles wait in thru-traffic lanes to access the property. City staff have considered improvements to the site that would consolidate the two accesses into one that is shifted to the west, away from the intersection. This would also mean aligning access to the Range Street Liquor on the north side of the street with the newly consolidated access on the Sign Pro property. City staff have discussed with property owners of the Sign Pro property who have stated that no access issues exist currently, but they are willing to consider access improvements in the future. City staff will monitor access in this area moving forward and will work with property owners to address access issues that arise.

**B. Steering Committee Reaction to Concepts Proposed**

city staff presented these intersection improvement concepts to the Webster Avenue Area Study Steering Committee in March of 2021. Additionally, preliminary improvements from the Highway 169 Corridor Study were presented to the group. Options presented from the Corridor Study include maintaining a signalized intersection, adding a roundabout, or adding a Reduced Conflict U-Turn Intersection (RCUT). The Steering Committee expressed support for options that would allow the intersection to remain signalized and/or conversion of the intersection to a roundabout, stating a preference for the roundabout presented in this plan over that provided in the corridor study. The Committee is not supportive of closing access to the north leg of the Webster Avenue/Range Street intersection as is shown in the corridor study roundabout concept. The Committee did not support a RCUT intersection.

Other considerations were given to combining the Lind Street/Highway 169 intersection with the Webster Avenue/Highway 169 intersection into one intersection in a central location and, alternatively, constructing a grade-separated interchange at Webster Avenue. Neither of these options were supported by the Steering Committee.

Based on feedback from the Steering Committee and the findings of this study, the traffic signal and roundabout options presented for the Webster Avenue/Highway 169 intersection are the recommended options and alternatives should be dismissed from further review.



### **XIII. FUNDING STRATEGIES**

#### **Short Term Funding Strategies**

A number of tools for financing redevelopment and public infrastructure for redevelopment are available to the City of North Mankato. Success in identifying and utilizing available funding sources will contribute greatly to the success of achieving North Mankato's redevelopment objectives. Part of North Mankato's approach to financing redevelopment should include constant monitoring of federal, state, county, and private foundation and non-profit sources for grants that can be applied to public and private costs for redevelopment activity. The primary financial tools available for redevelopment at this time include:

#### **Tax Increment Financing (TIF):**

TIF can provide assistance for land write-down, public infrastructure and/or site improvements. Redevelopment TIF Districts are established based on blight and functional obsolescence criteria and may be 25 years in length. Public hearings are required by the governmental unit for review and approval of a TIF District budget and spending plan as well as a Development Agreement.

#### **Tax Abatement:**

Tax Abatement can be established to operate in a fashion similar to TIF, but with potentially more flexibility in the use of funds. The state statute establishing tax abatement allows political subdivisions to grant an abatement of the taxes they impose to be used for increasing or preserving tax base, providing employment, acquiring or constructing public facilities, redeveloping blighted areas, or financing or providing public infrastructure. Revenue from abated taxes is used to fund bonds for improvements in a fashion similar to the typical use of TIF revenue, but without the stricter use limitations applied to TIF districts. Tax Abatement may be applied for periods up to 15 years for the purposes outlined above. The City of North Mankato could request that other political subdivisions such as the County or School District also abate taxes within a district established by the city, but the other jurisdictions are not obligated to do so. Tax abatement cannot be applied within an active TIF District. North Mankato would need to establish a policy for the utilization of Tax Abatement to finance redevelopment activities.

#### **Opportunity Zones:**

Opportunity Zones are a community development program established by Congress in the Tax Cut and Jobs Act of 2017 to encourage long-term investments in low-income and urban communities nationwide. Census Tract 4806, which contains the study area, is considered a Low-Income Community that could qualify as an Opportunity Zone if the program is expanded in the future.

#### **USDA Rural Development Community Facilities Grant and Loan Program:**

These funds are used to assist communities with population less than 20,000 in developing/redeveloping essential public facilities and/or infrastructure. Grants require other funding sources to be involved; the grant amount is based on a community's economic capacity & economic distress data. Loans generally carry favorable interest rates and long payback periods of 25 to 30 years. Applications must be submitted to the USDA staff/offices. The USDA staff will work closely with applicants via a pre- 67 application process to ensure that projects meet the eligibility guidelines and the goals and risks are understood by the involved parties.

#### Minnesota DEED Redevelopment Grant Program:

Grant funding can be used in Downtown Redevelopment efforts/projects for land acquisition, demolition, infrastructure and other redevelopment project related improvements. The Grant dollars may total up to 50 percent of the costs for the eligible items. A Redevelopment Grant application must be submitted to the Minnesota Department of Employment and Economic Development (DEED) per the application schedule/deadline.

#### Community Development Block Grant Entitlement Program:

The Community Development Block Grant (CDBG) Entitlement Program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 et seq.

This is an annual allocation of funds from the HUD entitlement program which could be used in the CBD.

#### Minnesota Legacy Grants:

In 2008, Minnesota voters passed constitutional amendment dedicating an additional 3/8 of one percent of sales and use tax to Clean Water, Wildlife, Cultural Heritage and Natural Areas for a 25-year period beginning July 1, 2009. These funds may provide a source of funding for parks and trail connections and arts and cultural projects associated with North Mankato's Webster Avenue revitalization effort. In 2011, \$10.5 million was available for Arts and Cultural Heritage – this represents about 20% of the total funding available each year.

Applications are submitted through different state agencies based on funding category. Agencies involved include the MN Department of Natural Resources, MN Historical Society and MN Arts Board.

#### Small Business Administration 'SBA 504' Loans:

The Small Business Administration provides direct loans to qualifying for-profit businesses for fixed assets (land, building and equipment) for 40% of total project costs. They require 10% equity, 50% loan participation from a private lender as well as job creation. SBA 504 loans provide an attractive option for small businesses seeking to own their own facility. Benefits include a low down payment (10%), longer term (20 years for loans that consist primarily of real estate); and a fixed interest rate, at a low rate (currently less than 5%).

#### Small Business Administration Loan Guarantee 'SBA 7A':

The Small Business Administration encourages private lenders to lend to small businesses by providing a loan guarantee which reduces the lenders exposure if there is a default. These loans can be used for equipment purchases and/or working capital; the bank completes the application steps with the borrower and makes the loan to the borrower.

## Commercial Grant and Loan Funds:

Many communities involved in revitalization establish revolving loan funds to support façade improvements and/or renovation activities related to bringing older buildings up to current building code standards. Examples of this approach include:

- Façade improvement loan programs which may carry no/low interest rate and be subordinated to bank and may require a matching contribution from a bank or the business or property owner. They may be structured to provide an incentive for property owners to freshen up the exterior appearance in accordance with design guidelines.
- Loan funds targeted to code related building renovation (e.g. electrical, mechanical, handicap access, etc.) In all other respects they are structured similar to the façade improvement loans.

The Port Authority and North Mankato city Council would need to establish a policy for the utilization of designated loan funds to assist in financing building renovations. Staff recommends adopting the Commercial Grant and Loan Fund as outlined in **Appendix F** in this study.

## Long-Term Funding Strategies

### Business or Area Association Membership

Webster Avenue business, and property owners, including cultural and educational institutions, banks and government agencies, would pay a fee to fund program activities and events. Fees can be calculated on a sliding scale based on size of business or level of membership.

### Special Service District (SSD):

SSDs (known in some states as Business Improvement Districts or Special Improvement Areas) are a tool for improving, managing, and maintaining a commercial district. Businesses pay for these services through service charges, which may be collected as part of property tax collection or other means. Several dozen such districts have been established, although no comprehensive survey of results is available.

The advantages and disadvantages of this approach can be summarized as:

#### Advantages:

- Steady revenue stream for a variety of area improvements, revenue should also be sufficient to provide dedicated staff support.
- Flexibility in use of funds, including for operating expenses. Organizing process can build support for improvements.

#### Disadvantages:

- Organizing process requires gaining support of property owners, not business tenants, and this group may be more difficult to reach.
- Organizing process can result in opposition from some property owners who view the district service charge as a 'tax.'
- Establishment process requires time and effort, as well as a strong city commitment to establish and help manage the district.



## Appendix A: Public Engagment

## Appendix A.1: Visioning Meeting Summary

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## Summary of Meetings

### Purpose:

The purpose of the Webster Avenue Study Stakeholder Visioning Meetings was to solicit feedback from business/property owners and residents along the corridor regarding their vision for the future of Webster Avenue and understand current issues and opportunities. Two meetings were held in early December.

### Attendees:

Fifteen people attended two meetings including business/property owners, residents, and North Mankato elected officials.

Businesses represented:

- Sign Pro
- Starr Cycle
- Star Trailer Sales
- Agri-Realty
- 4 Seasons Truck Wash
- Reliance Electric
- Security Storage Systems

North Mankato City Council and Planning Commission Members:

- Jim Whitlock
- Sandra Oachs
- Stephanie Stoffel

### Meeting Formats and Major Comment Themes:

At the December 3<sup>rd</sup> meeting, 11 participants were placed in two groups to facilitate discussion. A presentation began at the beginning of the meeting that utilized Poll Everywhere, an interactive tool that solicits feedback from groups through smart phones responses and display answers immediately on the presentation screen. The feedback received during the two meetings were combined and the results can be seen at the end of this summary document.

The following is a summary of the presentation:

- Introductions
- Purpose of the Webster Avenue Area Study
- Guiding Principles
- Area Context
- Visioning
- Next Steps

Each table had a large aerial image of the planning area to reference and write concerns on through the duration of the meeting.

After generating ideas for the future of Webster Avenue through the presentation, participants were asked to speak among small groups and answer questions to facilitate discussion. Groups were then asked to report small group answers to the larger group. The following themes resulted:

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*A Vision for Webster Avenue*



- Redevelopment – Consider a destination business near 169 (Norwood)
- Consider a park or indoor recreational facility/community center on the recycling center property; big opportunity
- Housing options should not be considered; high density residential is not a good fit
- Consider a winery near brewery
- Consider traffic calming/streetscaping near Spring Lake Park
- Accommodating trucks is necessary for the area but consider rerouting from Webster Ave
- The Webster/Range intersection is awkward and congested
- Keep trails on sides streets, not necessary on Webster especially with truck traffic
- Anchor business to replace the Norwood Inn
- Park (Spring Lake) draws people

The December 4<sup>th</sup> meeting only had four participants and took on a less formal approach where all in attendance gathered at one table and had discussion. The following themes resulted:

- Consider revitalizing buildings
- Some believe industrial areas are functioning well but expressed a desire to see some revitalization.
- Don't reroute trucks from Webster
- Consider a truck stop
- Consider wayfinding for trucks to find businesses; trucks often see residential and worry they're in the wrong location
- Consider better traffic control at the Range intersection

#### **Audience Polling Results:**

The following questions and answers reflect the results of participant feedback from the December 3<sup>rd</sup> meeting during audience polling as part of the presentation.

1. Does Webster Avenue need a business association?
  - Yes = 80%
  - No = 20%

2. What words would you use to describe Webster Avenue today?



3. What word describes your vision for the future of the Webster Avenue Area?



4. What describes your vision for sidewalk and trail connections to and from Webster Avenue?

- New restaurant on Webster
- Limited to none. Commercial is focus.
- need new sidewalks down the whole avenue
- Lighting city art
- Accessible but not intrusive to existing transportation needs
- Connecting to safe routes to schools, parks and other area trails.
- Trail connections to park
- Easy access, connecting with spring lake
- Entertaining from existing trails.
- Improved lighting
- Need bike lanes.

- Large and a lot!
  - Connection to pool and area trails
  - Bike trails would be nice
5. What opportunities do you see surrounding Webster Avenue today (i.e. redevelopment, enhanced ped/bike facilities, etc)?
- Hotels
  - New businesses
  - Bridge to east side of 169 and across the Minnesota River
  - Increase/expand commercial activity
  - ranger/webster corner business expansion
  - Refreshed
  - More business variety
  - Need stop signs at Webster and Sherman corner on Webster side.
  - Restaurants.
  - Small town feel business development
  - New retailers
  - Business growth.
  - Improved landscaping
  - Enhanced entertainment
  - Redevelopment of existing buildings
  - Pedestrian friendly
  - More pedestrian and child friendly.
  - Redevelopment
6. What beautification/place-building amenities would you like to see integrated into the streetscape along Webster Avenue?
- City art
  - sitting benches
  - Benches, shady areas with picnic tables, better lighting, included in art walk
  - Signage to area attractions
  - Lighting and corner nodes
  - Water fountains
  - hotels
  - lighting
  - Wider sidewalks
  - Matching lights to what we have on commerce
  - Boulevards with better lighting



## Appendix A.2: Stakeholder Meetings Summary

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## **Summary of Meetings**

### **Purpose:**

The purpose of the Webster Avenue Study Targeted Stakeholder Meetings was to solicit feedback from business/property owners along the corridor regarding their vision for the future of Webster Avenue, understand current issues and opportunities, future business plans, and area redevelopment and revitalization potential.

### **Meetings/Discussions**

We spoke with twelve business/property owners on and around Webster Avenue listed below

- Sign Pro
- Star Trailer Sales
- Starr Cycle/Service Rack
- Speedway
- Wayne's Auto Body
- Four Seasons Truck Wash
- Anderson-Crane
- Larkstur
- Rickway Carpet Property Owner
- Pierce Plaza
- Mankato Brewery
- FX Fusion

### **Meeting Format**

We held one-on-one meetings with each business/property owner. Each meeting began by addressing the purpose for the stakeholder meetings followed by an outline of the study area and the major themes that resulted from the public visioning meetings. We guided discussion with the following questions:

1. What is your vision for the future of Webster Avenue area?
2. What are challenges with the current state of Webster pertaining to your business/property?
3. What is your short/long-term vision for your property?
4. Are you interested in improving your property?

### **Major Comment Themes**

From these discussions, several themes emerged:

- Age and history of Webster Avenue businesses
  - Many of the businesses we met with have been operating for over 40 years, most as the original occupants of their buildings. This has provided a wealth of knowledge and

experience, both within their respective business field and about the area and how it functions.

- Business and property ownership transition
  - The age of these businesses means most have recently transitioned, or are planning to transition, to the next generation soon. 4 Season Truck Wash is now operated by the second generation of family members and Star Trailer Sales is transitioning to the third. Most businesses stated they are doing well in the Webster area are thriving and planning to continue into the distant future.
- Cross business relationships
  - Many of the businesses have existed for some time and close business relationships have evolved between compatible businesses. Star Trailer Sales and 4 Seasons Truck Wash have an overlapping customer base, Service Rack services delivery trucks from the nearby FedEx facility, Anderson-Crane and Larkstur are direct competitors, but sometimes work together and share clients.
- Individual and area aesthetic improvements
  - The age of the Webster area and the nature of the industrial/commercial uses has resulted in an area that could benefit from aesthetic improvements to buildings in the area. Businesses acknowledged this and generally support revitalization efforts to improve the look and character of Webster Avenue. Some suggested they would only support revitalization of their buildings and properties if provided funding for improvements.
- Wayfinding signage improvements
  - Many businesses expressed the need for wayfinding signage to assist trucks with finding their businesses. Trucks often enter Webster Avenue and see residences on the south side which confuses them to thinking they are in the wrong location. Coordinated wayfinding signage on USTH 169 and Webster Ave could remove confusion.
- Flourishing Norwood site
  - All businesses agreed that the Norwood property needs to be revitalized, heavily renovated, or completely redeveloped to restore that site as the gateway use it once was and to maintain the economic vitality of the overall Webster area. The proposed redeveloped uses of the site include continued hospitality, mixed-use retail/commercial/residential uses, or a truck stop.
- Direct TH169 access
  - Businesses expressed heavy reliance on Webster Avenue access to USTH 169 for the servicing of trucks, sales of trailers and parts to trucking customers, and shipments and deliveries by truck as the basis for their businesses. As such, most respondents agree that sustained direct access is vital to the continuation of their businesses and that loss of access would result in detrimental effects, including possible business closure.

### **Other Comments**

Several participants approved of the recent improvements to the pool facilities of Spring Lake Park as an amenity to the Webster area and North Mankato as a whole. When asked about improving pedestrian access on the north side of Webster Avenue, many business owners were concerned about potential



safety conflicts between pedestrians and truck traffic.

Some businesses proposed converting the Public Works Yard into a mixed-use commercial/retail/residential development to add to the business environment along Webster and serve area residential and Spring Lake Park and Swim Facility patrons. Some thought a complimentary use to the Spring Lake facilities would be to construct an area indoor recreational facility on the Public Works Yard, however, if such a facility is constructed, the aims to locate that near the Caswell Park Complex in Upper North Mankato.

## Appendix A.3: Public Open House Meeting Summary

## **Webster Avenue Area Plan**

### **Open House Summary**

May 2021

Two virtual public open house meetings were held on May 18<sup>th</sup> and 19<sup>th</sup> for City staff to solicit feedback from North Mankato citizens on the Draft Webster Avenue Plan. There were approximately 35 attendees including area residents and business/property owners, elected officials, Steering Committee members, and City staff on the calls. City staff presented the Draft Webster Avenue Area Plan to the groups and facilitated discussion while documenting feedback.

On May 5<sup>th</sup>, two weeks prior to the meetings, the plan, associated materials, and opportunity to provide written comment were made available to the public via the City's website. The public was notified of the event and available materials through the City's website, social media outlets, the Mankato Free Press (newspaper of record), and KEYC News via television and streaming. In all, the city received 18 written comments through the website.

The following provides a summary of verbal comments received during the open house meetings as they pertain to the Plan's strategies for revitalization of the Webster Ave study area, followed by additional comments received through the website comment option.

#### **Meeting Discussion Summary**

##### **Focus Area 1.0 – Park and Recreation Uses**

- *Additional Park Amenities.*
  - Many suggested additional park amenities in the area would be great. However, some suggested the Public Works Yard and/or the Norwood Inn would be good park locations. City staff has concluded that these locations are not candidates for future park uses based on the property's proximity to Spring Lake Park and other recreational amenities. Staff welcomes City Council deliberation regarding this in light of staff's review and public comment gathered at the meetings.
- *Trail Addition.*
  - *Some would like to see a bicycle trail added to Webster Avenue. A proposed trail from Lake Street to N. River Drive over Highway 169.*
  - The Highway 169 corridor study is exploring safer pedestrian/bicycle crossings of Highway 169 currently. The plan calls for a proposed trail along Webster Avenue.

## **Focus Area 2.0 – Commercial & Light Industrial (C&I)**

- *Area Aesthetics.*
  - Many have suggested through the planning process that the industrial portion of the study area lacks aesthetic appeal, and the area could benefit from aesthetic improvements to buildings.
  - One participant inquired if “form-based codes” were being considered, suggesting that one poorly designed building could change the course of the entire study area. Form-based codes allow a city to regulate the physical appearance of buildings, including form, mass, and scale. City staff stated that form-based codes are not being considered, nor are design guidelines for the area. However, the city is interested in working with businesses to incentivize building façade improvements in the form of a Commercial Grant and Loan Fund option, which would support façade improvements and/or renovation activities related to bringing older buildings up to current building code standards. These improvements can also be negotiated during Tax Increment Financing (TIF) application and approval processes.
  - Some have stated that piles of stone and rock on the Public Works Yard property are aesthetically unappealing. The city is working on plans for site redevelopment and will consider onsite storage solutions for that in the future.
  - Many suggested better lighting on Webster Avenue along with enhanced streetscaping to incorporate trails and public art. The city and the plans support street lighting and enhancements and the placement of art along the corridor.
- *Existing Business Environment.*
  - City staff suggested that the existing business environment in the study area is strong, and businesses are doing well. However, Strategy 2.2 recommends that the City work with existing businesses and property owners to revitalize properties. One participant asked if this means businesses will be forced to relocate or rehabilitate properties. One participant also stated that businesses do not want to relocate.  
City staff explained that the city doesn’t want to force anyone out of the area and supports and values the current business environment and investment. The plan calls for potential redevelopment of several areas and the city will work with interested businesses who desire to redevelop properties.
- *Residential Use Potential.*
  - Some residents from the study area oppose multi-family development. One questioned why the city would want residential uses here at all given they remove three houses to accommodate FX Fusion on the north side of the street. One suggested that multi-family housing would bring in “unsavory characters” and that the city should explore other options for the study area. Another stated



that the neighborhood residents will not support multi-family given perceptions of safety issues. Another was concerned with impacts multi-family may have on schools with a potential influx of students they will bring.

- City staff responded by stating that multi-family isn't the only use being considered for redevelopment in the study area and that the city needs to explore all options. The findings of the Market Area Analysis suggest the area could support multi-family housing options that would provide young and old with optimal housing options. City staff also explained that multi-family residential could be incorporated into a mixed-use development where the first floor provides commercial retail and amenities while subsequent floors would be apartments.
- One asked, "how can the city have multi-family housing in an area where rental licenses are limited?" City staff responded by stating that the rental density ordinance pertains only to R-A, R-1, R1-S, and R-2 zoning districts and not to R-3 or R-4 districts that would accommodate multi-family uses. Staff stated that the main purpose of the rental density ordinance is to protect against the overwhelming conversion of single-family starter homes of Lower North Mankato to duplexes or triplexes. A study conducted by city staff found that research shows an influx of single-family conversion to duplexes or triplexes can result in negative impacts to adjacent single-family homes, increased police calls to the area, and increased lack of maintenance of homes due to renters not having the same "stake" in a property that a homeowner has. The Webster Avenue corridor planning area can support multi-family dwelling units without negatively impacting single-family neighborhoods. The rental density ordinance and its purposes ensure housing opportunities for all residents as does the recommendation for possible multi-family dwellings along the corridor.
- One participant expressed a preference to convert the light industrial and commercial portion of the study area north of Webster Avenue to single-family residential and asked City staff if that was an option. City staff suggested the area is guided by the Comprehensive Plan to accommodate present industrial and commercial uses and should remain given access to Highways 169 and 14. Staff further explained that the city relies on industrial and commercial uses to serve the local economy and provide needed tax base. The industrial and commercial uses have functioned here since the street's inception. Many of the businesses here today have been here for 30-40 years and are still family-owned and operated. The city has guided additional single-family residential in Upper North Mankato and will continue to look for opportunities.

- *Public Works Yard Redevelopment.*
  - Participants were concerned with the potential for the Public Works yard to redevelop into multi-family housing. City staff state that, while the city will explore all options, this will likely remain the Public Works site. The city has been exploring options for redevelopment with the MN Pollution Control Agency (MPCA) to understand mitigation of a former landfill that previously occupied the site and remains under the soil. Some supported the Public Works use while others thought it should be converted to a park to continue the recreational uses in the area. City staff believe the site will remain a public use for Public Works long-term, unless a development proposal can finance relocation of a public works yard at a site suitable for such use in the community.
- *General Redevelopment.*
  - One participant suggested the properties east of Highway 169 along N. River Drive were the best bet for redevelopment and would like the City to consider a second downtown concept there. City staff support the redevelopment of this area if desired by property owners.

### **Focus Area 3.0 – Hospitality and Destinations**

- *Hospitality.*
  - Two participants were dismayed with the city's agreement with Hy-Life Foods to host migrant workers at the Norwood Inn. While the reasoning for this is well documented, these participants expressed frustration with the city's decision stating the public had no say in the process and that migrant workers are walking by their house and "staring at them and taking video of them" making them feel frightened. City staff responded to this by stating the decision to enter into agreement with Hy-Life Foods was made after careful consideration of a viable future for the property and high potential for redevelopment/revitalization of the property when the agreement has run its course.
  - One participant suggested future uses for the Norwood Inn could include health care options, office space, office rental or incubator space, makerspace, or park space with electric vehicle charging stations. City staff reiterated future plans for the property are either reuse as a hospitality site, demolition and redevelopment including a hospitality property, or total site redevelopment by a developer.
- *Enhanced Connections with Mankato Amenities.*
  - One participant favored the idea of coordinating redevelopment with Mankato for an enhanced Hiniker Pond area with supporting restaurants and establishments. One suggestion was incorporating a food truck hub in the study area as a destination. City staff supports greater connection between regional recreational facilities between Spring Lake Park and Hiniker Pond and can add

this to the plan if the Council desires. If a food truck hub proposal is submitted to the city, it will be considered.

- Participants want more coordination between Mankato and North Mankato planning efforts. City staff articulated both Mankato and north Mankato are coordinating in their planning efforts in this area through both the Webster Avenue Area Plan process and the Highway 169 Corridor Study process.

#### **Focus Area 4.0 – Transportation Improvements**

- *Local Traffic Concerns.*
  - Some participants were concerned with potential increased traffic redevelopment in the study area could bring. Some raised concerns that more traffic poses a greater risk to those crossing the recreational trail from Spring Lake Park to the Webster Ball Fields questioning if the city would want this increased risk. City staff mentioned a combination of increased speed enforcement in combination with traffic calming measures incorporated into the streetscape could assist with deterring speeding traffic through this area. Participants did not believe increased enforcement alone would be enough.
  - Some comments were received from these same participants regarding traffic along Lake Street stemming from Lind Street. Two participants residing on Lake Street would like the city to consider closing Lind Street access to Lake Street to prevent speeding traffic from passing through there. These issues will be considered in subsequent years when Lind Street is closed during Highway 14/169 interchange improvements.
- *Highway 169/Webster Avenue Intersection Concepts.*
  - Most participants agreed that the roundabout option for the Highway 169/Webster Avenue intersection was the most preferred among those presented.

#### **Website Comment Form Submission Summary**

The following is a summary of responses to three questions posed to the public through the City Website:

1. What issues do you encounter on Webster Avenue?

While some suggested they encounter no issues on Webster Avenue, others felt differently.

Concerns include:

- a. Parking on Webster by the ballfields.
- b. Lack of space for biking, walking, running combined with narrow sidewalks and ADA issues on existing facilities.
- c. Truck traffic should be more controlled or diverted from the street for safety reasons. Trucks block traffic for extended periods. Staff believes Webster Avenue is a unique combination of industrial and residential. Truck traffic will always be a part of Webster

Avenue similar to other locations in the city such as Commerce Drive. If and when Webster Avenue is reconstructed or improved, additional safety features will be considered.

- d. Lack of parking for the Swim Facility.
- e. Traffic and congestion at the Webster Avenue/Highway 169 intersection.
- 2. What types of development do you envision surrounding Webster Avenue in the next 5, 10, and/or 20 years?
  - a. Some opposed mixed-use or apartment buildings, supporting only retail options.
  - b. Two suggest leaving Webster alone and investing in Belgrade and Commerce instead.
  - c. Some would like more entertainment attractions added to the area suggesting many restaurants and/or recreation-type businesses such as Grand Slam along with a venue that could hold regional/state-wide/national conferences, weddings, proms - something that is more upscale.
  - d. Some participants would like to see expansion of parks and nature areas for children.
  - e. Some desire highway commercial and multi-family residential in the study area.
  - f. One participant suggested fixing up the Norwood Inn property and potentially adding a flower conservatory to tie parks together.
  - g. One participant stated Webster is uninviting and needs better retail services and amenities to serve Lower North residents.
  - h. One suggested a parking ramp for Spring Lake Park, revitalization of the stream through the park, and revitalization of the ballfields.
  - i. One suggested an over or underpass for pedestrians/bicyclists over Highway 169.
  - j. One wishes to remove storage facilities from Webster and would like to incorporate more trees and natural environment to the area. They also believe the city should use more environmentally sound construction methods and take initiative to capture methane from the Public Works Yard rather than venting to the atmosphere.
- 3. Do you have any general comments on the plan or its recommendations?
  - a. One suggested reuse of existing buildings but no new construction. New businesses will cause the pool to lose business because no one wants to swim around a busy area for safety reasons.
  - b. One suggested every effort should be made to prevent pass through traffic along Lake Street to Upper North and all traffic should be diverted to the highway. They suggested speed bumps should be added to manage traffic speed. They also suggested keeping Lower North family-focused opposing more renters.
  - c. Some would like more single-family homes in this area as there are not enough and multi-family will detract from the appeal of Lower North and the result would be a mass exodus of individuals from Lower North and increased crime in the area. They suggested many of their neighbors are considering moving due to migrant housing.
  - d. One stated they don't like the current plan as they just bought a house here and don't want anything to change.
  - e. While one participant submitted a comment opposing roundabouts, others suggest it's a great idea and seems great.
  - f. One participant would like a sidewalk added to Range Street from Webster Avenue to Lind Street.



**Attachment 1 – Webster Avenue Area Plan Open House #1 Google Jamboard Illustrating Comments Taken During Meeting**





# Study

What does this mean to the existing businesses facing Webster? Are they going to be forced to relocate or forced to "rehabilitate?"

I think it's important to partner with Mankato for an overall plan that is coordinated and makes sense.

Increasing rentals for younger residents but North Mankato has strict rental quotas in the areas that have been traditionally provided lower rents. This doesn't seem like a coordinated effort to attract younger residents who can't pay rents for luxury

If you're going to "reclaim" this area, just turn into more park.





I thought the reason the three houses that were moved out of where FX Fusion is located, were to have the north side of Webster Ave be only industrial.

Businesses, don't want to relocate.

Could you please clarify why adding more single family homes is not an option for this/surrounding area? Option to re-zone? Can we also consider more parks - a main draw to this area already?

This is your best bet for actual redevelopment, getting better buildings etc... I'm thinking a second downtown concept.

## Legend

-  Study Corridor
-  Study Area
-  Project Parcels
-  City Limits

0 500 Feet

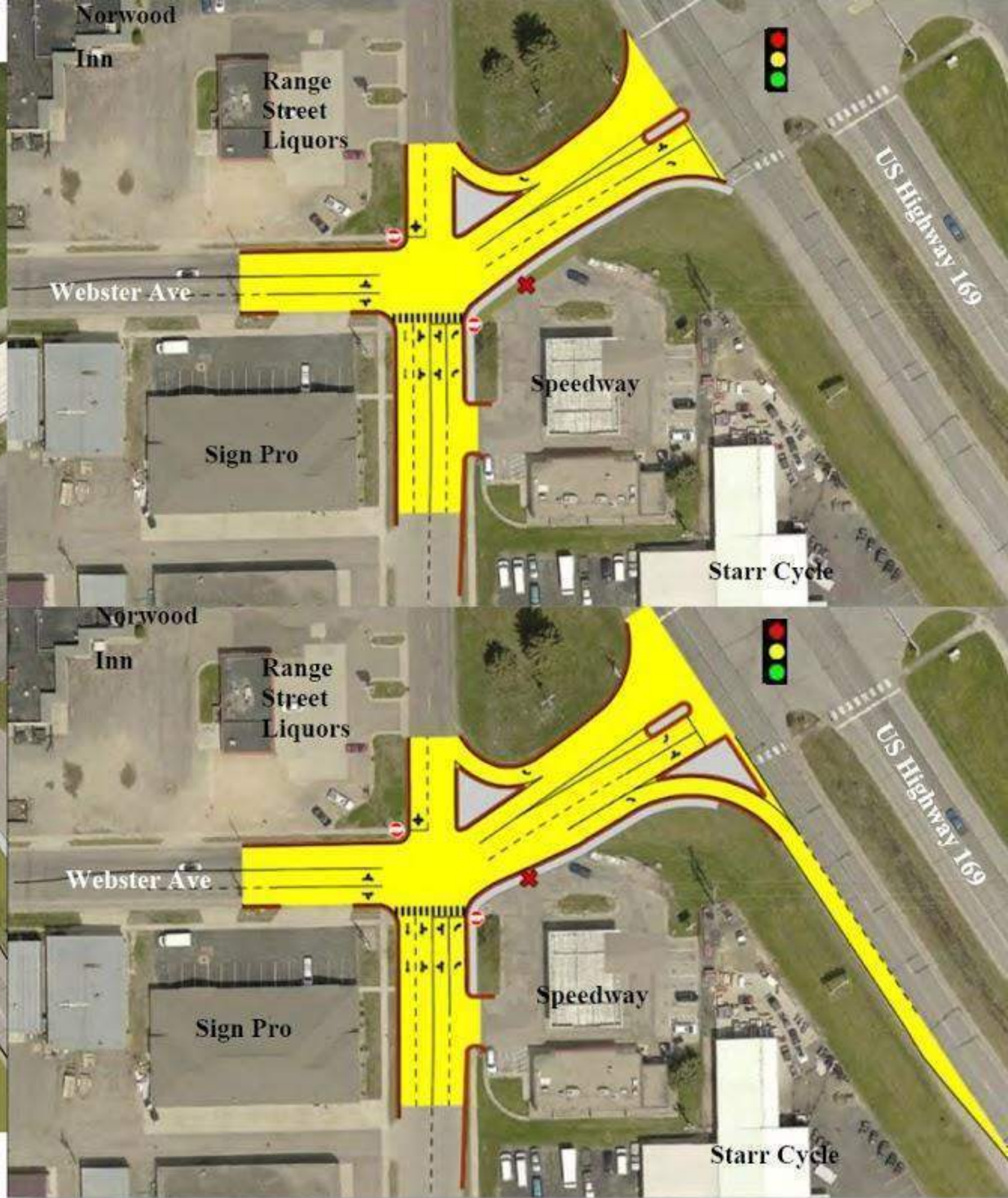
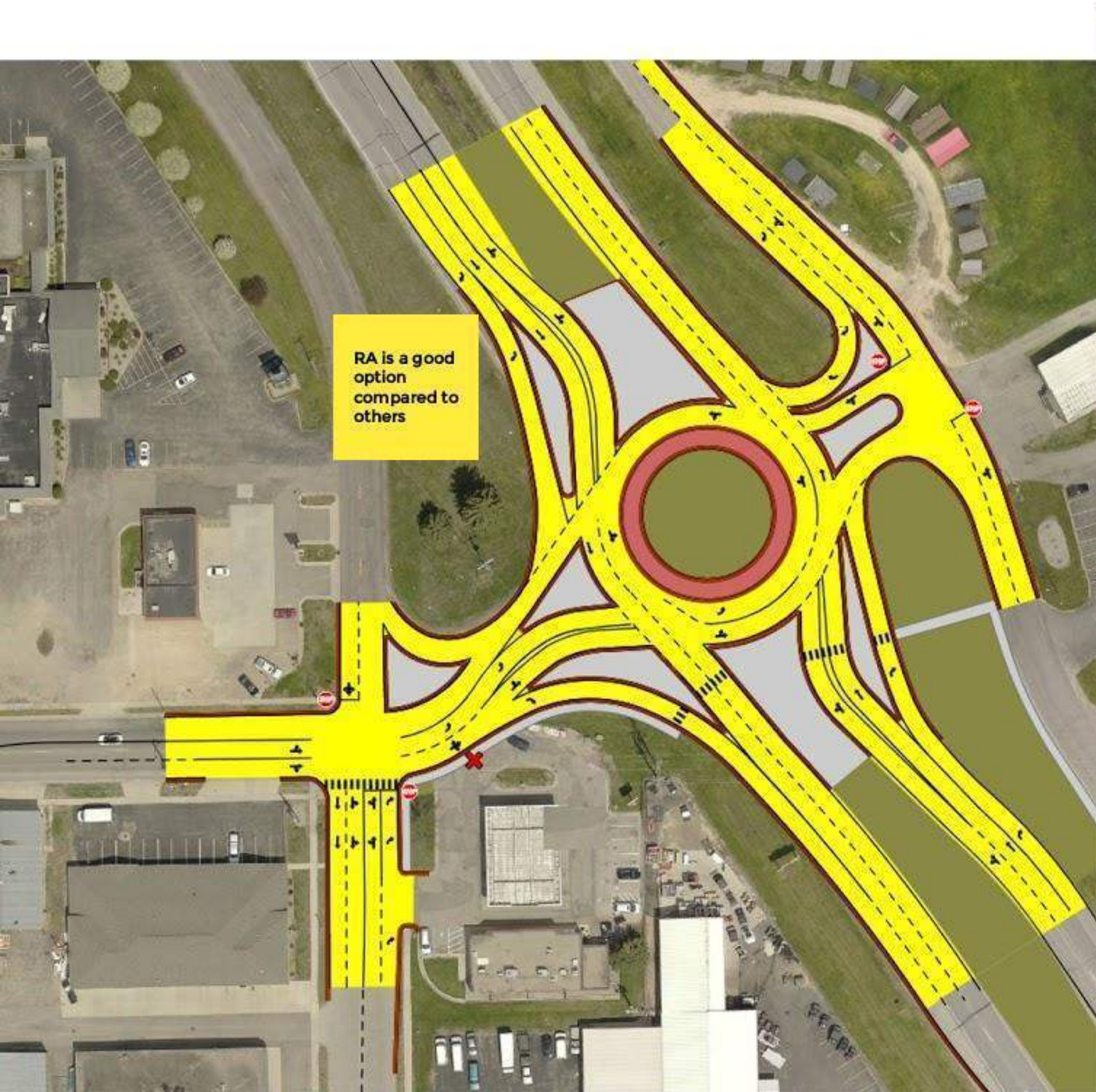
Source: City of North Mankato, Nicollet County, MnDOT















**Attachment 2 – Responses to Website Form Submission**

(Available Upon Request)

## Appendix B: Webster Avenue/Range Street Intersection Safety Screening



# Intersection Safety Screening

Intersection: Webster Avenue and Range Street



Crash Data, 2015-2019.

Crashes by Crash Severity	
Fatal	0
Incapacitating Injury	0
Non-incapacitating Injury	0
Possible Injury	2
Property Damage	4
Total Crashes	6

Intersection Characteristics	
Entering Volume	4,700
Traffic Control	Thru / stop
Environment	Urban
Speed Limit	30 mph

Annual crash cost = \$39,280

## Statewide Comparison

Urban Thru / Stop

Total Crash Rate	
Observed	0.70
Statewide Average	0.18
Critical Rate	0.62
<b>Critical Index</b>	<b>1.13</b>

Fatal & Serious Injury Crash Rate	
Observed	0.00
Statewide Average	0.33
Critical Rate	8.65
<b>Critical Index</b>	<b>0.00</b>

The observed crash rate is the number of crashes per million entering vehicles (MEV). The critical rate is a statistical comparison based on similar intersections statewide. An observed crash rate greater than the critical rate indicates that the intersection operates outside the expected, normal range. The critical index reports the magnitude of this difference.

The observed total crash rate for this period is 0.70 per MEV; this is 1.1 times the critical rate. If crashes were reduced by 0 over five years, this intersection would perform within normal range.

The observed fatal and serious injury crash rate for this period is 0.00 per 100 MEV; this is 100% below the critical rate. The intersection operates within the normal range.



Intersection	Traffic Control	Total Crashes (2015-2019)	ADT	Crash Severity					Crash Rate			Fatal & Serious Injury Rate		
				F	A	B	C	PDO	Int. Rate	Statewide Average	Critical Rate	Int. Rate	Statewide Average	Critical Rate
Webster Avenue and Range	TWSC	6	4,700	0	0	0	2	4	0.70	0.18	0.62	0.00	0.33	8.65

Crash Type			
Angle Crashes	Rear End Crashes	Head on	Other
3	1	1	1

# Definition of Codes Used in Toolkit

## Categories

### Signalized : LO volume, LO speed

TCD	7
SL	$\leq 45$
adt*	$\leq 15,000$

### Signalized : LO volume, HI speed

TCD	7
SL	$> 45$
adt*	$\leq 15,000$

### Signalized : HI volume, LO speed

TCD	7
SL	$\leq 45$
adt*	$> 15,000$

### Signalized : HI volume, HI speed

TCD	7
SL	$> 45$
adt*	$> 15,000$

### Unsignalized : Urban Thru-Stop

TCD	3 or 5
GEN	1 or 2

### Unsignalized : Rural Thru-Stop

TCD	3 or 5
GEN	4

### Unsignalized : All-Stop

TCD	4 or 6
-----	--------

### Unsignalized : Other

TCD	1, 2, or 8
-----	------------

## Intersection Codes

### TCD = Traffic Control Device

- 1 None
- 2 Thru / yield
- 3 Thru / stop
- 4 All stop
- 5 Flashers, amber/red
- 6 Flashers, red/red
- 7 Signals
- 8 Other

### GEN = Environment

- 1 Urban
- 2 Suburban
- 3 City bypass (not for interstate system)
- 4 Rural

### SL = Posted Speed Limit

### adt\* = ADT of Highest Volume Leg

Volume is compared for all legs of the intersection. The leg with the greatest ADT is reported as adt\*. This measure informs intersections where the volumes are greatly skewed.



# System Averages, 2015 Intersection Toolkit

## Three Years of Crash Data

		CR	SR	FR	FAR
Signals	Low Volume, Low Speed	0.52	0.72	0.12	0.44
	Low Volume, High Speed	0.40	0.55	0.06	0.31
	High Volume, Low Speed	0.72	1.00	0.12	0.78
	High Volume, High Speed	0.47	0.65	0.13	0.53
No Signals	Urban Thru/Stop	0.19	0.27	0.10	0.36
	Rural Thru/Stop	0.26	0.42	0.51	1.06
	All Way Stop	0.34	0.50	0.12	0.72
	Other	0.14	0.19	0.08	0.16

## Five Years of Crash Data

		CR	SR	FR	FAR
Signals	Low Volume, Low Speed	0.52	0.71	0.09	0.42
	Low Volume, High Speed	0.40	0.55	0.06	0.32
	High Volume, Low Speed	0.70	0.97	0.12	0.76
	High Volume, High Speed	0.45	0.63	0.11	0.48
No Signals	Urban Thru/Stop	0.18	0.26	0.09	0.33
	Rural Thru/Stop	0.25	0.41	0.45	1.05
	All Way Stop	0.35	0.50	0.14	0.57
	Other	0.16	0.21	0.05	0.17

## Ten Years of Crash Data

		CR	SR	FR	FAR
Signals	Low Volume, Low Speed	0.54	0.76	0.11	0.62
	Low Volume, High Speed	0.45	0.64	0.12	0.57
	High Volume, Low Speed	0.71	1.00	0.16	0.82
	High Volume, High Speed	0.46	0.65	0.12	0.51
No Signals	Urban Thru/Stop	0.19	0.28	0.09	0.35
	Rural Thru/Stop	0.27	0.43	0.46	1.14
	All Way Stop	0.35	0.51	0.18	0.60
	Other	0.15	0.21	0.04	0.20

## Appendix C: Market Area Analysis

## Memo

**Date:** 10.9.2020

**To:** Matt Lassonde, City of North Mankato

**From:** Jay Demma

**Re:** Webster Avenue Area Plan Market Assessment

## Webster Avenue Area Plan – Market Assessment

This memo evaluates the current and future market conditions impacting the potential for new development in the Webster Avenue Area Plan study area, which is located in the City of North Mankato, Minnesota.

The Webster Avenue area serves as a gateway to the City of North Mankato, providing access to a commercial/industrial district, regional recreation, and residential neighborhoods in Lower North Mankato. After a period of initial development in the 1960s and 1970s, the area has continued to evolve but nevertheless remains an important gateway.

After 50+ years since being first developed, the City is taking a close look at how the Webster Avenue area can be improved to best take advantage of its continuing role as a gateway district. As a result, the City is working with stakeholders to develop a plan for the Webster Avenue Area that will guide redevelopment and revitalization.

As part of this planning process, many questions have emerged regarding the role and importance of market dynamics on the future of the Webster Avenue Area. The purpose of the memo, therefore, is to provide community stakeholders with a better understanding of the current and future forces influencing the demand for residential, retail, and industrial uses in this important location of the City.

The memo is organized into several sections that address various factors that influence the market dynamics of the Webster Avenue area, which are as follows:

- Analysis of site and locational attributes that influence market opportunities within the Webster Avenue study area
- Analysis of the socio-economic conditions in the Webster Avenue trade area
- Interviews with local real estate experts regarding the market position and opportunities within the Webster Avenue area
- Market trends related to residential, hospitality, retail, and industrial land uses
- Key market findings and conclusions

### Site Analysis

Strong site factors are an essential foundation to real estate development success. Understanding of these factors can help to optimize the short- and long-term development vision for the Webster Avenue Plan Area.

Date: 10.9.2020

Re: Webster Avenue Area Plan  
Market Assessment

### Study Area Land Uses

The Webster Avenue study area consists of a wide variety of uses. Highway oriented businesses are concentrated along Highway 169 and include a hotel and conference center, freestanding restaurants, a gas station/convenience store, a liquor store, a place of worship, a motorcycle dealership, and a used car dealership.

Along Webster Avenue, land uses are much more varied and consist of smaller industrial and office buildings, the North Mankato Recycling Center, single-family residences (south side of Webster), the Spring Lake Park and Swim Facility, and Webster Fields. The eastern end of Webster Avenue is more densely developed than the western end.

North of Webster Avenue along Center, Truman, and Cross streets, the land uses are predominantly industrial with many properties containing outdoor storage. The North Mankato Brewery is located in this area and has become an important regional destination as many visitors are drawn to the brewery's tap room.

Many of the small businesses in the study area deal with trucking and industrial vehicle and equipment maintenance. Therefore, it is common for many businesses to share customers and thus benefit from being located close to one another. Although a number of businesses enjoy this locational benefit, it generally does not extend to the other businesses in the study area in the same manner as most other commercial/business districts. For example, retail districts contain traditional retail stores as well as restaurants and entertainment options in which visitors can easily extend their time in the district by "chaining" together different but complementary activities.

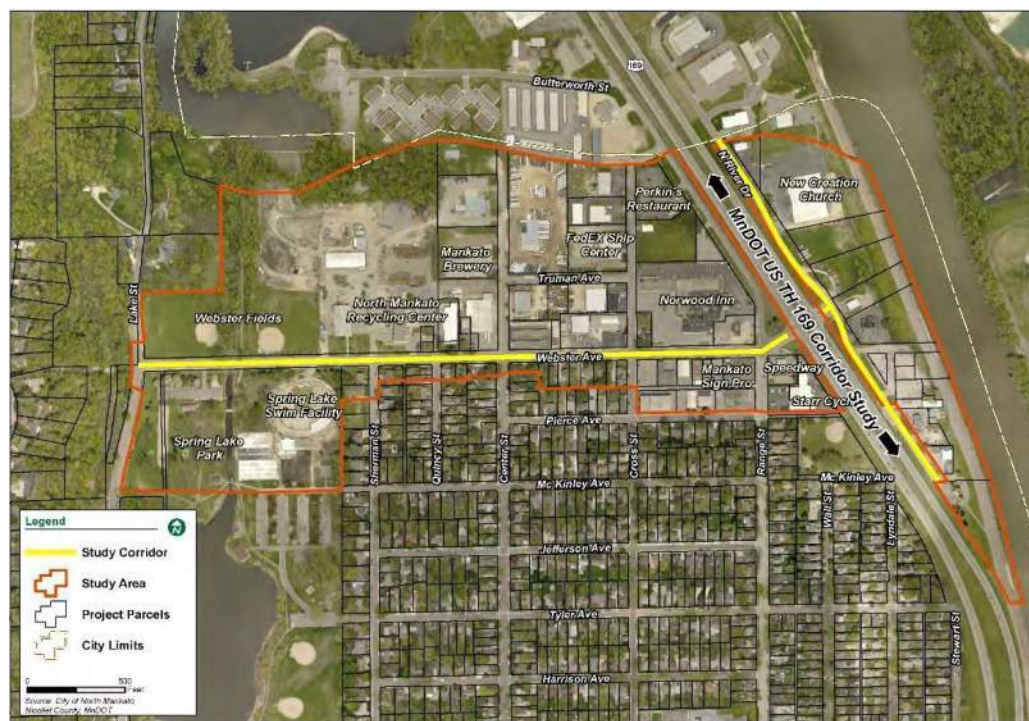


Figure 1: Webster Avenue Plan Study Area



**Date:** 10.9.2020

**Re:** Webster Avenue Area Plan  
Market Assessment

### ***Study Area Character***

The intersection of Highway 169 and Webster Avenue is a primary gateway into North Mankato for travelers arriving from the north. However, there are very few cues, if any, that indicate this area is an actual gateway. The Norwood Inn, due to its size and visibility from Highway 169, is likely the de facto landmark for the area. However, the facility is over 40 years old and, despite renovations that are now several years old, no longer has the curb presence that promotes the area as a gateway.

Many of the businesses throughout the study area are located on smaller lots, are family owned, and have been located there for many years. Although several businesses have made significant upgrades and investments in their properties in recent years, many have not due to financial necessity, limited desire to expand or grow their operations, or do not believe major investments to their properties will change their business's performance. This is evident from the lack of business signage on many buildings, the number of unimproved parking or storage areas (i.e., gravel lots), and the overall building quality and appearance.

### ***Proximity to Parks, Trails, and Other Natural Amenities***

The Webster Avenue study area includes or is proximate to numerous natural and recreational amenities that draw users from throughout the North Mankato-Mankato region and beyond. These amenities include the following:

- Spring Lake Swim Center
- Spring Lake Park
- Webster Ballfields
- Minnesota River/Rex Macbeth River Trail
- Hiniker Park
- Bluff Park
- Kiwanis Recreation Area
- Riverfront Park

This number of amenities suggests that there is a critical mass of visitors that would take advantage of support services located in the study area.

### ***Access - Regional***

The Webster Avenue study area has excellent motor vehicle access to and from the entire metropolitan region via US Highways 169 and 14 (Figure 2). In particular, the study area has direct access to Highway 169, which connects it to downtown North Mankato (1 min) and downtown Mankato (3 min) to the south and provides direct access to the Twin Cities metropolitan area (70 min) to the north. Furthermore, less than a mile north of the study area, Highway 169 has an interchange with US Highway 14, which provides access to the growing employment and shopping districts in western North Mankato (6 min) and eastern Mankato (8 min).

At the time of this study, MnDOT and MAPO (Mankato/North Mankato Area Planning Organization) had begun coordinating on a corridor study for Highway 169 from Lake Street (just north of Highway 14) to Highway 60. Findings from this study may result in changes to Highway 169 that could alter access to Webster Avenue.

From a market standpoint, direct at-grade access to Highway 169 is critical to the economic vitality of the study area. If access were to be completely eliminated at Webster Avenue this

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would have dire consequences on existing businesses because customers would need to use alternative access points to and from Highway 169, which would require longer and more confusing routes to and from area businesses.

In addition, even if access was maintained through the construction of a controlled-access interchange at Webster Ave, this may also cause significant impact on study area businesses and property owners. First, the interchange would require substantially more land, which would likely result in the razing of existing buildings and the elimination of businesses. Second, the interchange would likely be grade separated, which would reduce the visibility of several properties along Highway 169 and thus impact the type of uses that could be supported.

In addition to the road network, the Webster Avenue study area is connected to the broader metro region via the Rex Macbeth River Trail. The Rex Macbeth River Trail is a multi-use trail that runs along the west side of the Minnesota River and connects the Webster Ave study area to the Kiwanis Recreation Area to the north and Downtown Mankato to the south.



Figure 2: Travel Times to Major Regional Employment/Commercial Districts

### **Access – Local**

The intersection of Highway 169 and Webster Avenue provides excellent local access to study area businesses, housing, and recreation. The intersection is fully signalized with dedicated left turn lanes from Highway 169 onto both Webster Avenue and North River Drive. There are existing frontage roads along both sides of Highway 169 in the study, which provide convenient access to businesses with frontage facing Highway 169. If MnDOT eliminates access to Highway 169 at Webster Avenue, or doesn't maintain an at-grade, full intersection access, this will have a significant impact on businesses dependent on convenient highway accessibility.

South of Webster Avenue, several north-south residential streets provide direct access to Belgrade Avenue. Although these streets are not appropriate for truck or commercial traffic, they do provide convenient access to Webster Avenue for the Lower North Mankato neighborhood.

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Connectivity to the study area from the west is poor due to the river bluff. As a result, there is no direct connection to upper North Mankato, which limits the ability of households in this growing part of the city to access businesses in the study area.

### **Traffic Volumes**

Traffic volumes along Highway 169 through the study area are some of the highest in the region ranging between 23,000 and 27,000 vehicles per day. These traffic volumes are desirable to businesses looking to attract commuters, destination-oriented customers, and local customers. In addition to Highway 169's strong traffic volumes, most of the properties with frontage facing Highway 169 in the study area are highly visible from the highway. This enhances the ability of highway facing businesses to capture customers travelling along Highway 169.

Webster Avenue, which provides access to businesses and residences beyond Highway 169 has traffic volumes that range from 1,000 vehicles at its west end to nearly 5,000 vehicles per day at Range Street.

### **Proximity to Competitive Employment and Retail Districts**

The Webster Avenue study area has approximately 300 jobs distributed across a number of industry sectors. Although the study area would be characterized as an employment district, it is smaller than the region's principal employment districts. Figure 3 shows the location of the region's major employment districts broken down by number of jobs by sector. These are the areas within the region that most businesses are likely to consider when thinking about a new location for their operations. Similarly, these are also the areas many households factor into their relocation decisions because of proximity to employment and retail opportunities.

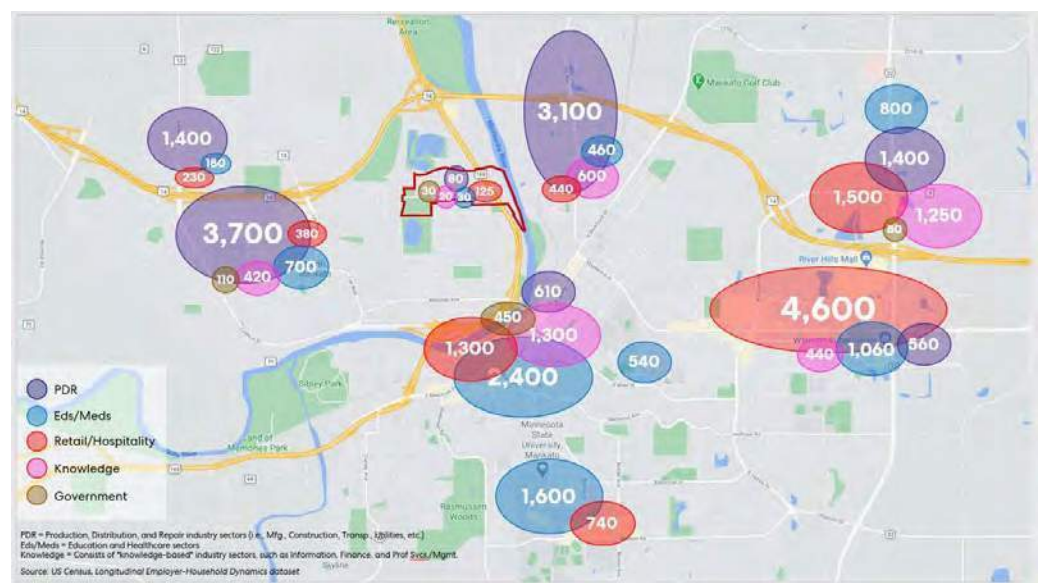


Figure 3: Number of Jobs by Sector in Prominent Employment Districts

For example, the Commerce Drive area and the area around the Highway 14 and 3<sup>rd</sup> Avenue interchange have a high concentration of industrial jobs. Although the study area would likely



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not compete with these areas for large industrial users, households may find the study area an attractive location because of their proximity to these employment areas.

Also consider the case of downtown Mankato. It is less than a 5-minute commute to the study area, yet it also has the region's highest concentration of education/healthcare and "knowledge" jobs (i.e., information, finance, professional services, etc.). Therefore, persons who work downtown may find the study area a desirable location to live. At the same time, the study area may also be attractive to knowledge or education/healthcare operations that want to be in or near downtown Mankato, but cannot find desirable space and/or affordable rents.

## Socio-Economic Analysis

This section examines regional and state demographic and economic trends. Long-term changes in demographic and economic trends can signal ways in which the market will likely respond to future demand for housing, retail, services, and other real estate uses.

### Trade Area Definition

Given the central location of the Webster Avenue study area within the region and its excellent highway access, the geographic area (or trade area) with which potential customers would come from extends well beyond the cities of North Mankato and Mankato. Therefore, for purposes of measuring relevant demographic and economic data, the trade area is defined as Nicollet and Blue Earth counties (Figure 4), which is also the same definition the US Census uses to define the metropolitan region of Mankato-North Mankato.

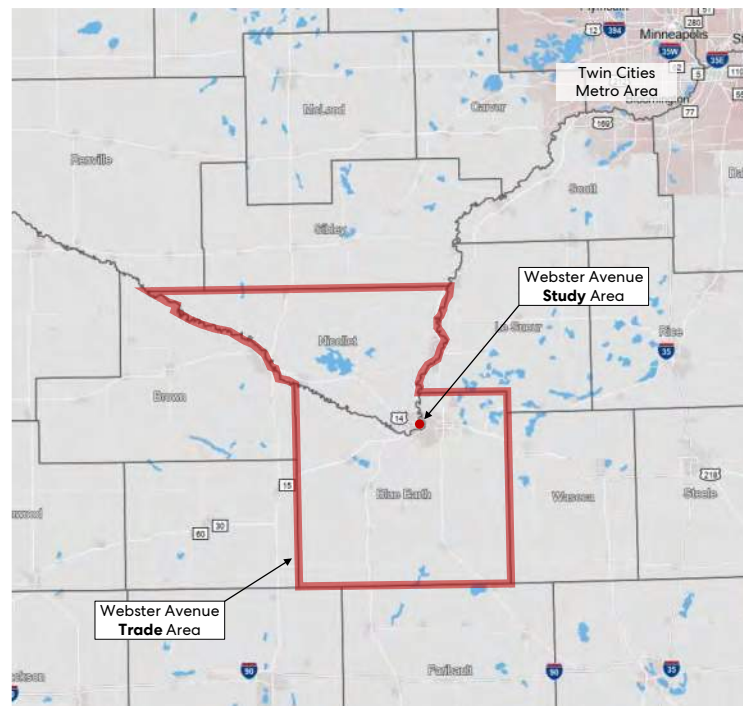


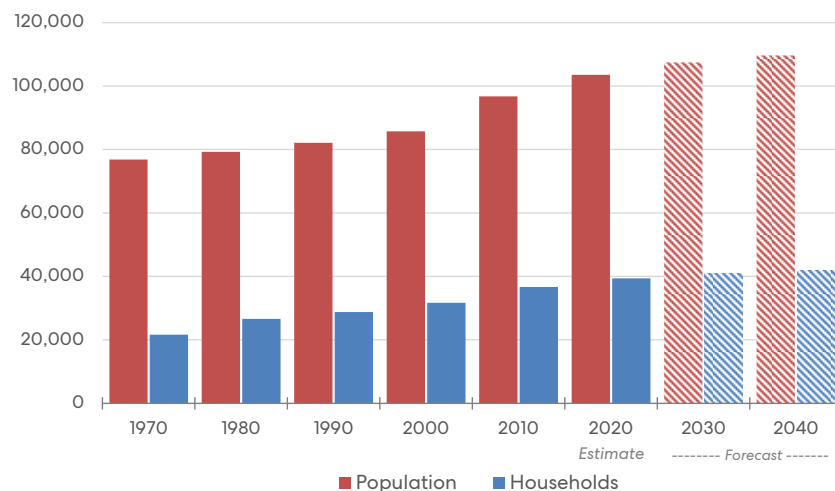
Figure 4: Webster Avenue Plan Trade Area

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### Population Growth Trends

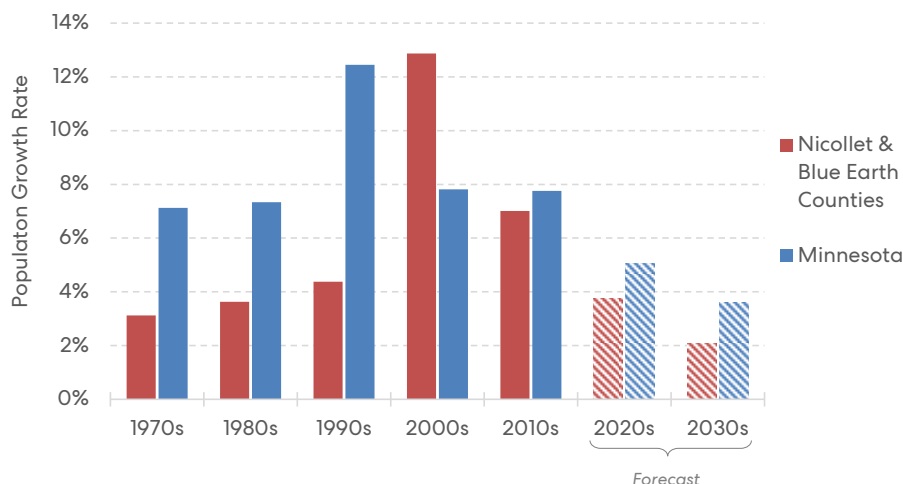
The Webster Avenue Trade Area, which consists of both Nicollet and Blue Earth Counties, has an estimated 2020 population of approximately 103,000 people and a household base of 39,000 (Figure 5). Since 2000, the Trade Area has added roughly 18,000 people, which was a significant increase over the period from 1980 to 2000, in which the Trade Area grew by only 6,500 people. Based on projections from the Minnesota Demographic Center, the population of the Trade Area is expected to add 6,100 people between 2020 and 2040.

The population growth that occurred in the Trade Area over the last two decades represents a sharp difference from the historic pattern (Figure 6). In particular, the 2000s saw a growth rate of nearly 13%, which was well above the statewide growth rate of about 8%. For all other recent decades, though, the Trade Area had a growth rate below the statewide rate; sometimes well below as was the case in the 1990s.



Sources: US Census; Minnesota Demographic Center; Perkins and Will

Figure 5: Trade Area Population and Household Growth Trends 1970-2040



Sources: US Census; Minnesota Demographic Center; Perkins and Will

Figure 6: Population Growth Rate by Decade 1970-2040

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### Age Distribution of the Population

Although overall population and household growth is a key indicator for determining future market demand, breaking down the age distribution of the population provides a lot more understanding of how that growth will influence various market sectors.

Figure 7 show the recent and forecasted change in the median age of the population for both the State of Minnesota and the Trade Area. For both geographies, the trend has been and will continue to be one in which the median age is increasing rapidly. In particular, the Trade Area is expected to see its median age increase from just over 35 in 2020 to nearly 44 by 2040.

Figure 8 illustrates why the median age will increase so significantly in the coming decades. Persons age 75 or older will account for the majority of population growth during this period. Meanwhile, persons under age 35 will experience a substantial net decline in population.

An aging population has an impact on the demand for housing, goods, and services, but also on the ability of businesses to attract and retain talented workers.

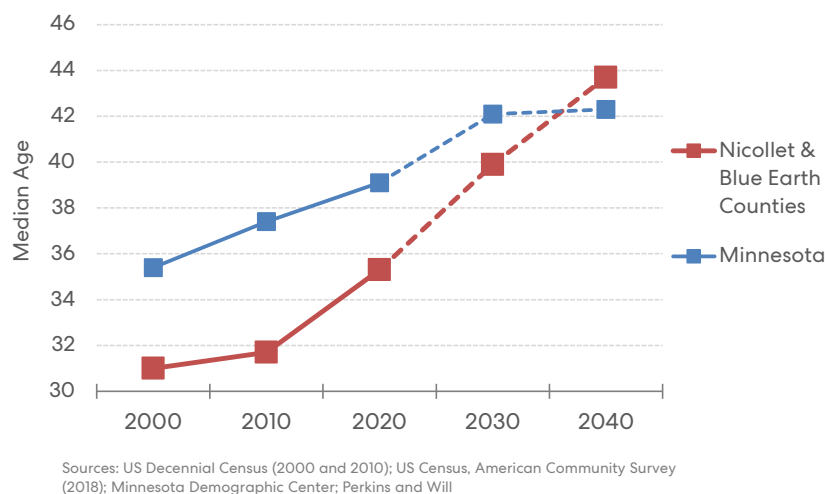


Figure 7: Change in Median Age 2000-2040

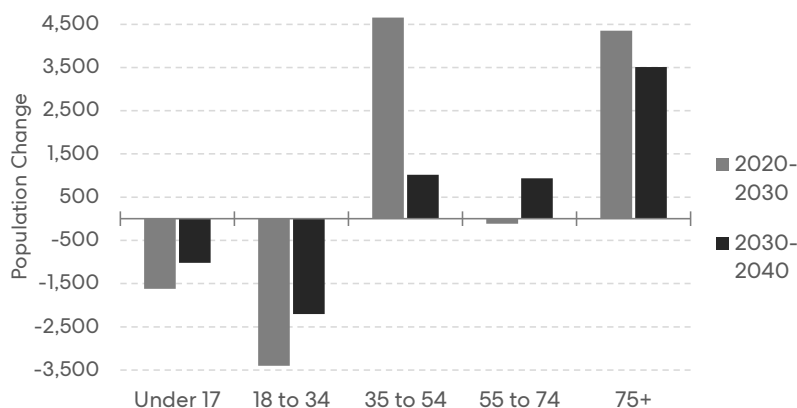


Figure 8: Forecasted Trade Area Population Change by Age Group 2020-2040

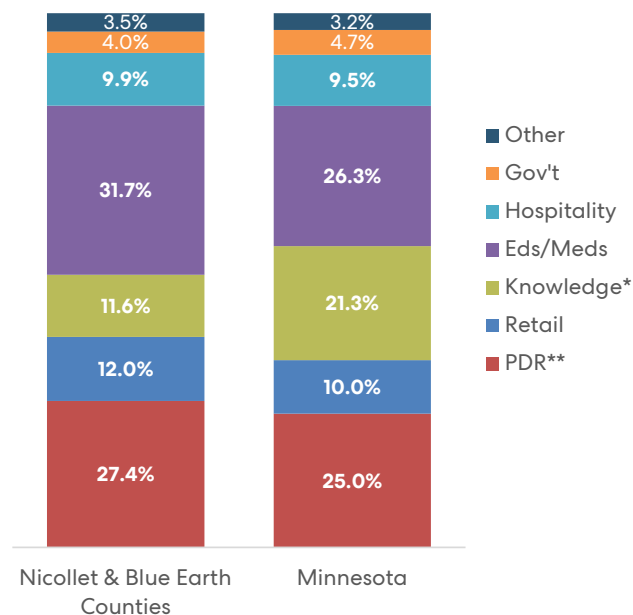
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## Employment Trends

Figure 9 shows the distribution of jobs by industry sector for the Trade Area and the State of Minnesota. Compared to the State, the Trade Area has a higher percentage of jobs in the education and healthcare sector (i.e., “Eds/Meds”) as well as the collection of sectors known as PDR or Production, Distribution, and Repair (i.e., manufacturing, construction, utilities, warehousing, and transportation sectors). The presence of Minnesota State University, Mankato helps account for the larger proportion of jobs in Eds/Meds. The prominence of the Taylor Corporation helps anchor the region as a center for PDR jobs.

Most of the other industry sectors in the Trade Area have a similar proportion to the State of Minnesota, which reflects a well-diversified economy. The one exception is the group of industry sectors collectively known as “Knowledge,” which includes the information, financial services, and professional services sectors. The Knowledge sectors only account for 12% of jobs in the Trade Area, yet statewide they account for 21% of jobs. This is not uncommon in many of the State’s regional population centers, such as North-Mankato, because Knowledge jobs tend to gravitate toward very large metropolitan areas, such as the Twin Cities.

Since 2015, the Trade Area has seen job growth in six of the eight industry categories that outpaced the Statewide job growth rate (Figure 10). In particular, the Trade Area had much higher rate of growth in the PDR, hospitality, and Government sectors. Conversely, the Knowledge and retail sectors had a lower rate of job growth compared to the State.



\* Knowledge = Consists of “knowledge-based” industry sectors, such as Information, Finance, and Professional Services/Management

\*\* PDR = Production, Distribution, and Repair industry sectors (i.e., Manufacturing, Construction, Transportation, Utilities, etc.)

Source: MN DEED, Quarterly Census of Employment and Wages (QCEW)

Figure 9: Distribution of Jobs by Major Industry Sector 2020



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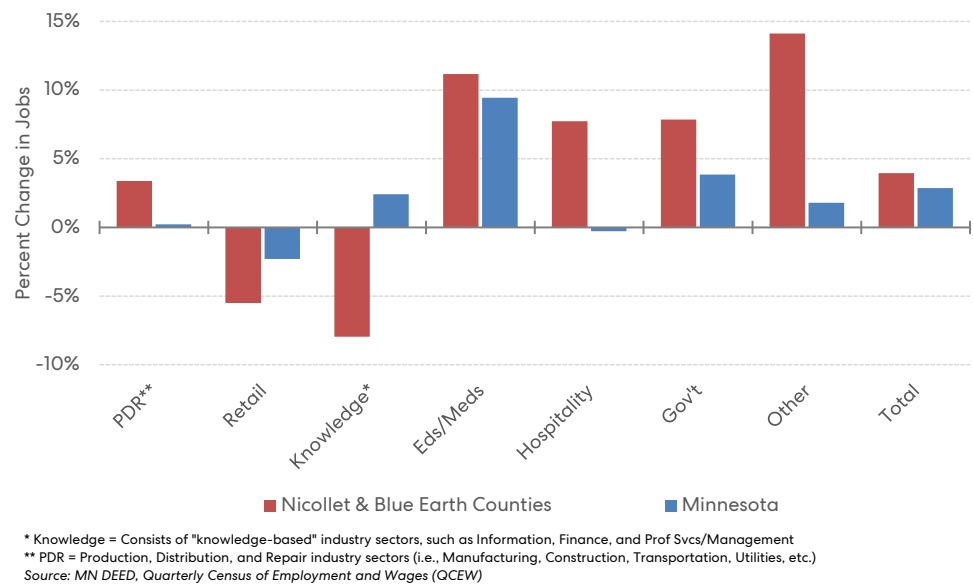


Figure 10: Job Growth by Major Industry Sector 2015 to 2020

## Expert Interviews

Previous sections of this report presented quantitative data on the local and regional market for residential, retail, and office uses. In order to augment this data with more qualitative data, interviews with real estate experts familiar with the study area were conducted to gather their opinions and perspectives on the opportunities and barriers to future change in the study area.

The interviewees included commercial real estate brokers, developers, commercial real estate lenders, community development experts, and study area property owners. The following are summaries of comments by discussion topic.

Study area strengths regarding development potential:

- Good location/access
- Strong traffic counts
- Recycling center site is a good opportunity
- Water is a tremendous opportunity [i.e., proximity to the Minnesota River, Spring Lake Park, and Hiniker Park]
- Gateway area
- Low rates [i.e., property values]

Study area challenges regarding development potential:

- Numerous smaller lots makes it challenging to assemble land
- Uncertainty regarding future access to Highway 169
- "Tired" appearance of many properties
- Many long-established businesses have little incentive to improve their properties

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- Orientation of many buildings not conducive to take advantage of existing highway access or area amenities
- Other business districts in the region are better positioned for development [i.e., supply of shovel-ready sites, clear vision for growth, etc.]
- The study area is currently not a primary retail area

Current market conditions in the North Mankato-Mankato region:

- Office market is currently challenging; recent development of Class A buildings in downtown Mankato has created vacancies in other Class B and C office buildings.
- The hospitality market [i.e., lodging] was “hot” 9-12 months ago, but is currently very cool. Recent hotel development has captured pent-up demand. At the same time, COVID-19 has caused a sharp drop in hotel demand [although a new hotel is being constructed along Commerce Drive in Upper North Mankato].
- Retail has been challenging for a number of years due to overbuilding [e.g., the region is still dealing with several vacant big-box stores].
- Industrial market has been strong for a number of years, but there are several business/industrial parks in the region with plenty of marketable sites. However, there is an emerging need for flex space that can accommodate a mix of industrial and office space.
- Housing has been very strong maybe even “gang busters”, but some slow down seen among the multifamily submarket due to recent development.

Other relevant comments and observations:

- The Norwood Inn has the bones to be a good facility. It is a good location and has a lot of great amenities, especially conference facilities. However, the current owners are not interested in selling because their current business model is cash flowing even though the property has not been adequately maintained to attract new business.
- Views of the Minnesota River would be attractive for multifamily housing. However, there is not enough space between the levee and the frontage for an adequate buffer.
- Commercial development is changing. Livability and vitality are now crucial for attracting and retaining workers, shoppers, and visitors. The study area would benefit from being better connected to Belgrade Avenue and downtown Mankato.

## **Market Trends**

### ***Housing***

Housing has been the strongest real estate market in recent years, and this is true in the North Mankato-Mankato region as well. Figure 11 shows the number of housing units permitted each year in the trade area since 1980. Over the last 40 years, the region has experienced two significant periods of housing development, which occurred during the early to mid-2000s and the mid-2010s.

The 2010s growth period is characterized by a higher proportion of multifamily development compared to the historical average. This was primarily the result of two factors: 1) strong employment growth in the Trade Area that attracted younger workers into the region; and 2) the aging of the Millennial generation into their young adult years and the need to form their

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own households. The Millennial generation, those born roughly between 1980 and 2000, replaced the Baby Boom as the nation's largest generational cohort and thus have had an oversized impact on a variety of markets including housing.

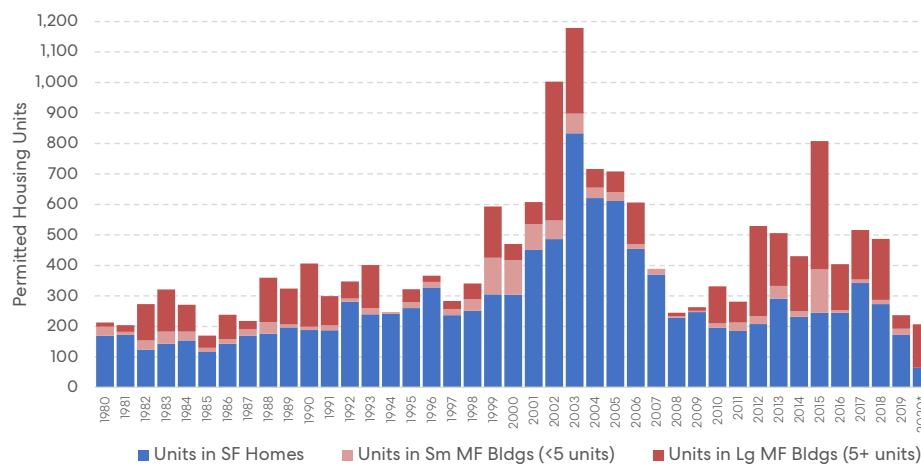


Figure 11: North Mankato Housing Permits by Type 1980-2020

A good example of the strength of the multifamily market in recent years is the Park Place Townhomes, which are located immediately north of the Webster Avenue study area. These townhomes were developed in the early 2010s and experienced rapid absorption. Rents have consistently risen since initial absorption and are now approximately \$900 per month for a one-bedroom unit and over \$1,200 per month for a three-bedroom unit.

Although the number of newly developed multifamily units has slowed somewhat in the last couple of years, the local market has remained relatively healthy and has avoided becoming overbuilt. According to CoStar, a national commercial real estate database, overall vacancy for multifamily apartments in the region is still below 5%, which is generally agreed to be a good indicator of a healthy market.

Although demand for Millennial-occupied apartments will likely decrease in coming years as these households form families and likely seek single-family housing, demand for senior housing is currently strong and will only get stronger as the Baby Boom generation becomes mostly retired and looks to downsize from single-family homes into condominiums, apartments, and assisted living facilities.

### Retail

Bricks-and-mortar retail market is facing some very strong headwinds. Consumers are rapidly embracing e-commerce as a primary means to acquire both essential and non-essential goods. As a result, many of the nation's largest retailers, such as Target and Walmart, are now investing heavily in their e-commerce operations at the expense of developing traditional big-box stores. Although this trend has been emerging for many years, the current COVID-19 pandemic has clearly hastened this trend (Figure 12).

The embracing of e-commerce by long-established retailers also means that retail districts dependent on anchor stores, such as Target and Walmart, are now experiencing less customer traffic, which impacts smaller chains and independent stores.

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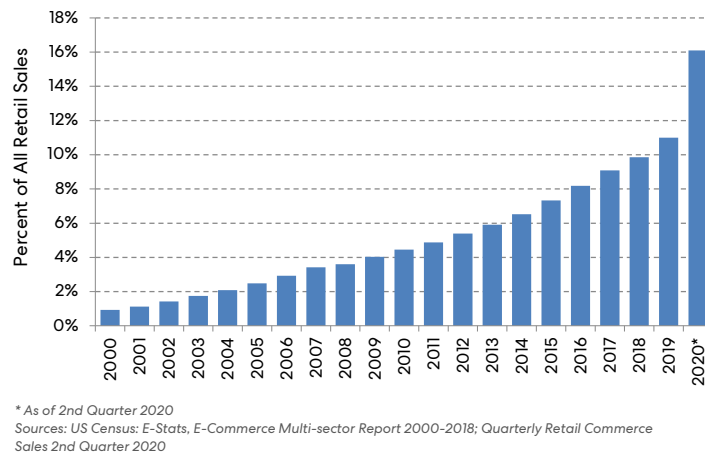


Figure 12: Growth in US e-Commerce Retail Sales 2000-2020

Another major headwind for traditional retailers is an aging population. The Baby Boomers, which have historically been the nation's largest generation, have always had an outsized impact on any market that they age into (positive) or out of (negative). In the case of retail, many store concepts of the last 50 years emerged primarily to serve a young and maturing Baby Boom generation. However, Baby Boomers are now aging out of their consumption years and into a period of life where healthcare is the dominant household expense. The net effect of this is an overall reduced demand for retail goods and services.

In the Trade Area, these headwinds can be seen in the form of several empty big boxes and the inability of a secondary retail district to emerge on the west side of the metro area despite healthy household growth.

Counterbalancing these retail headwinds is what is known as experiential retail. These are retail environments in which the shopping experience is much more than a simple transaction that meets one's basic needs. They are environments that are associated with pleasurable activities that often include dining, entertainment, and the arts, as well as physical spaces (both public and private) that are inviting, safe, and stimulating. An example of this is a pedestrian-oriented downtown district that has successfully mixed traditional retailers with other uses and activities.

Although experiential retail districts have a built-in advantage to compete with e-commerce – they promote socialization – they also require a high-level of neighborhood and public realm amenities, which then increase property values and store rents, and ultimately lead to environments that also exclude those unable to afford many of the available goods and services.

### Office

Office market trends point to less demand for office space even if the number of office workers grows. This is due to a downward trend in the amount of space needed per worker that is the result of changing work habits in the digital era. However, during the COVID-19 pandemic, this trend is reversing somewhat as employers try to accommodate social distancing. Nevertheless, an increase in telecommuting, also hastened by COVID-19, is demonstrating to many employers that they can effectively rely on a home-based workforce and thus not have to pay for expensive workspace.



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Locally, the office market exhibited some strength during the mid-2010s when vacancies were low. This necessitated the development of two large Class A office buildings, which have increased vacancies in the region's Class B and C office properties. Part of the challenge in the local office market is the overall level of demand for space. The region does not have a high percentage of jobs in industry sectors that typically use office space (e.g., Information, Finance, Insurance, Real Estate, Professional Services, etc.). Therefore, the need for additional office space tends to take many years before new development can be supported. Furthermore, it doesn't take a lot of additional square footage to be added to the market before it has an impact on existing properties.

Another trend related to the office market is the migration away from suburban campus-like office buildings/parks and toward mixed-use districts, such as downtowns, that have the amenities (e.g., dining, shopping, entertainment, recreation, etc.) that can help attract and retain employees. This is heightened for businesses that want to attract younger workers in sectors like technology, design, and management.

### ***Industrial***

The industrial market has been booming nationally as e-commerce has fueled the need for distribution centers in every metro area and regional center. In the Trade Area, there are several active industrial/business parks with excellent highway access that have significant land available to meet the needs of most industrial users.

The study area mostly consists of lots smaller than 3 acres in size. Most industrial users are looking for a minimum of 3 acres and ideally 5 acres or more. This would likely require assembly of several adjacent lots, which would take time, be more expensive than purchasing one large parcel, and also require demolition of existing uses.

### **Mankato Highway 169 Small Area Study**

Immediately north of the Webster Avenue study area, the City of Mankato is preparing a small area plan for the southwest and southeast quadrants of the Highway 169 and Highway 14 interchange. At the time of this market assessment, the City of Mankato had published a draft plan for this area but had yet to finalize and approve the plan. Figure 13 displays the area included in the plan relative to the Webster Avenue Plan area.

The purpose of the plan is to create a vision for how the properties in this small area can be better positioned for investment and/or redevelopment in response to an ongoing MnDOT corridor study that is evaluating how best to reconstruct portions of the Highway 169/Highway 14 interchange. Final design of the interchange has yet to be determined. Regardless of its final design, though, it is known that reconstruction of the interchange will require a full or partial closure of the Highway 169/Lind Street intersection, which will significantly impact access to this study area.

The plan focuses on three potential redevelopment areas based on the assumption that the Highway 169/Lind Street intersection would be fully closed, yet access to the study area sites would remain with a new fully signalized intersection at either River Lane and Highway 169 or Butterworth Street and Highway 169.

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Figure 13: Highway 169 Small Area Plan Boundary Relative to the Webster Avenue Plan Boundary

### Market Context

The plan authors concluded that the study area would be potentially attractive for both commercial and residential development. Commercial developers would be attracted to the area's high visibility along two major highways (Highway 14 and Highway 169) and its central location within the region. Residential developers would be attracted to the area's proximity to multiple recreational amenities and convenient access to employment districts in downtown Mankato or along Highway 14.

The plan authors felt that each of the three focus areas were strong enough to support redevelopment. Multiple concepts were developed for each focus area based on its overall size, visibility, and access. For example, four development concepts – ranging from a residential-dominant version to a commercial-dominant version -- were envisioned for the largest focus area (15+ acres), which is a former industrial site on the north side of Lind Street.

In total, the plan suggests that the study area could support: a) over 300 units of housing; b) a 120-room hotel; c) 15,000-30,000 square feet of smaller-scale highway-oriented retail; d) up to 200,000 square feet of big-box retail; e) roughly 100,000 square feet of office space; and f) up to 7,500 square feet of flexible industrial space (e.g., maker space).

The redevelopment concepts represent a wide range of uses and possibilities. This is because the timing of development remains a significant unknown given the uncertainty of exactly how and when the design of the Highway 169 and Highway 14 interchange will move forward.

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Nevertheless, the plan suggests that there is long-term demand for a variety of uses in the study area.

It is important to note, though, that some of the development concepts presented in the plan are much more optimistic than others. For example, one of the concepts includes a 100,000 square foot office building. Although the study area is objectively a good location for an office building (i.e., excellent visibility from Highways 169 and 14), the market demand in both the short- and long-term is marginal, especially for an office building of that size. As noted previously in this analysis, new office development in the trade area over the past 3-5 years has likely absorbed many years' worth of demand.

Another example of an aggressive market forecast is the concept showing a 150,000 square foot big-box retail building. Not only are the market indicators weak (i.e., there are several vacant big-box buildings in the trade area and retail is being battered by the dual blows of COVID-19 and e-commerce competition), but the study area doesn't have the space available to evolve into a major retail destination driven by big-box retailers. In other words, big-box retailers like to be near other big-box retailers and the study area does not have the space to accommodate other big-box buildings other than the one site shown as a development concept.

Although some of the concepts shown in the plan may be overly optimistic, it is clear that new public and private investments in the study area will attract new development over time. The study area is too well situated within the region to not be attractive to developers.

## Conclusions

The Webster Avenue study area has a number of fundamentals that are quite strong and would be the basis for supporting future development. These include the study area's central location within region, convenient access to local highways, proximity to downtown Mankato (and Belgrade Avenue), and its plethora of recreational opportunities that already draw numerous visitors from throughout the region.

At the same time, the study area has a number of challenges that would need to be overcome or addressed in order to stimulate reinvestment and/or new development. Most important is the hodge-podge nature of the existing buildings and the businesses that occupy them. There is very little that connects these businesses to one another, either physically or economically, that contributes to a sense of place that would make the study area distinct within the region. In other words, the study area isn't known for anything in particular.

The following are market-driven conclusions to consider integrating into the Webster Avenue Plan:

1. **Focus on the housing market.** In the near-term, it is unlikely that developers will come forward with proposals for new office, retail, industrial, or hospitality uses. However, if sites become available further west in the study area closer to the existing residential area and recreational amenities, there is a strong likelihood that a multifamily housing developer might come forward. The upside of supporting any new housing development is that the location would attract both younger and older renters. Younger renters would like the access to nearby jobs, recreational amenities, and downtown Mankato. Older renters would also be drawn to the study area's recreational amenities, but also its transit service and its more centralized location

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closer to medical services and social support systems (e.g., family, senior centers, churches, etc.).

2. **Be prepared to consider new real estate typologies for the study area.** In the long term, as the study area begins to evolve away from its hodge-podge character through new public and private investment, opportunities for flex space could emerge. The study area cannot compete against existing industrial/business parks because there is not enough acreage for the types of users who are drawn to those developments. However, there are niche types of tech companies or small-scale specialty light manufacturers that do not need or want huge acreage, but instead want a more mixed-use neighborhood with amenities like brewery tap rooms, trails, parks, housing within walking distance and connections to other nearby neighborhoods.
3. **Consider incentives that would help study area business and property owners to improve their signage and/or building facades.** This is a proven low-cost technique that often catalyzes additional investment. Not only do business and property owners many times invest above and beyond the incentive, the improvements made can help draw greater attention to the study area and potentially attract outside investors.
4. **Work to remove the uncertainty regarding future access to Highway 169.** There is a long-standing perception among the real estate community that the Webster Avenue intersection with Highway 169 could at some point in the future be closed, which would negatively impact existing businesses and affect the type of future land uses that would be feasible in the study area. As a result, some in the real estate community have shied away from considering investment in the study area due to this uncertainty. Clearly some of this longstanding uncertainty will be eliminated when the MnDOT/MAPO Highway 169 Corridor Study is complete. Nevertheless, regardless of the Corridor Study's ultimate recommendation for the intersection, it will be essential to reinforce within the real estate community the future plan for the intersection.  
  
This is important because the real estate community sees value in the study's area location for a variety of reasons. Most reasons, understandably, are due to its high degree of access and visibility to Highway 169. However, the real estate community also sees value in the study area even if it loses its advantageous highway access. For example, housing and other uses less dependent on direct highway access would gravitate to this area as well due to its central location within the region and plethora of recreational amenities. Although maintaining highway access may be a preferred goal, it should be understood that removing uncertainty (whether the ultimate decision is favored or not) will likely unlock future investment.
5. **Develop a plan for the Norwood Inn.** The site of the Norwood Inn is arguably the most prominent site in the study area because it anchors the intersection with Highway 169 and Webster Avenue, and it is a landmark structure. However, it was cited by many real estate experts as being a major barrier. The challenge is that the existing owners have no incentive to improve the property. Therefore, unless something changes, the property will indefinitely affect perceptions of the entire study area.



Appendix D: City Resolution No. 53.19  
Providing Conditions of Local Consent on  
the Corridor Study of Highway 169

**RESOLUTION AUTHORIZING NORTH MANKATO'S LOCAL CONSENT FOR THE MANKATO/NORTH MANKATO AREA PLANNING ORGANIZATION TO UNDERTAKE A CORRIDOR STUDY OF HIGHWAY 169 FROM LAKE STREET NORTHWEST TO STATE HIGHWAY 60 AND ALSO PROVIDING CONDITIONS OF THAT LOCAL CONSENT**

**WHEREAS**, in 1996, area governments decided that an area transportation plan was needed. This resulted in a coordinated effort to produce the Mankato Area Transportation & Planning Study (MATAPS); and

**WHEREAS**, an update of MATAPS was completed in 2003 and 2012; and

**WHEREAS**, a reoccurring component of MATAPS was Highway 169 corridor improvements; and

**WHEREAS**, the Mankato/North Mankato Area Planning Organization Policy Board (MAPO) budgeted funds for the Highway 169 Corridor Study from Lake Street Northwest to State Highway 60 to be completed in 2019; and

**WHEREAS**, proceeding with corridor studies requires a resolution of consent from local governments included in the study; and

**WHEREAS**, a critical intersection along the Highway 169 Corridor is at Webster Avenue where many North Mankato businesses rely on unrestricted access and turning movements on and off Highway 169; and

**WHEREAS**, in 2017, the City of North Mankato held business engagement meetings with area businesses to discuss the importance of the Highway 169 and Webster Avenue intersection; and

**WHEREAS**, it was evident that all participating area businesses believe that both north and southbound access from Webster Avenue to Highway 169 is critical to the success of their businesses, and do not support any planning efforts which would restrict turning movements on or off of Highway 169 at Webster Avenue; and

**WHEREAS**, the official position of the City of North Mankato is Webster Avenue shall remain open as a full access intersection with no restriction on turning movements and this has been North Mankato's position for over twenty years; and

**WHEREAS**, Webster Avenue is a critical full access intersection for both transportation and emergency response in Lower North Mankato; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, AS FOLLOWS:**

1. The North Mankato City Council supports the inclusion of a Highway 169 Corridor Study in the 2019 MAPO work plan subject to the following condition:

a. The study will include maintaining a full access intersection at Webster Avenue that is supported by the City of North Mankato.

2. If the study includes an option for relocating the Webster Avenue intersection, North Mankato's support for the recommendations is conditioned on the following:

a. All existing businesses in the corridor are provided with an economically viable and safe access.

b. Any new proposed location of the Webster Avenue intersection must remain within the boundaries (present or expanded) of the City of North Mankato.

c. Any new proposed location for the Webster Avenue intersection must include an area that is economically viable and feasible for redevelopment and reinvestment.

d. Any new proposed location of the Webster Avenue intersection will include a safe outlet for residents in Lower North Mankato, and that access point must be within the municipal boundaries (present or expanded) of North Mankato.

3. An oversight committee be established for the project, including one staff member from the City of North Mankato, one staff member from the City of Mankato, and one staff member from the Minnesota Department of Transportation. This committee will be responsible for issuing, receiving proposals, interviewing prospective firms, recommending firms for selection to the MPO board, managing the corridor study, and approving its recommendations to the Policy Board and respective jurisdictions.

This resolution shall become effective immediately upon passage and without publication.

Adopted by the City Council this 1<sup>st</sup> day of July 2019

  
\_\_\_\_\_  
Mayor

ATTEST:

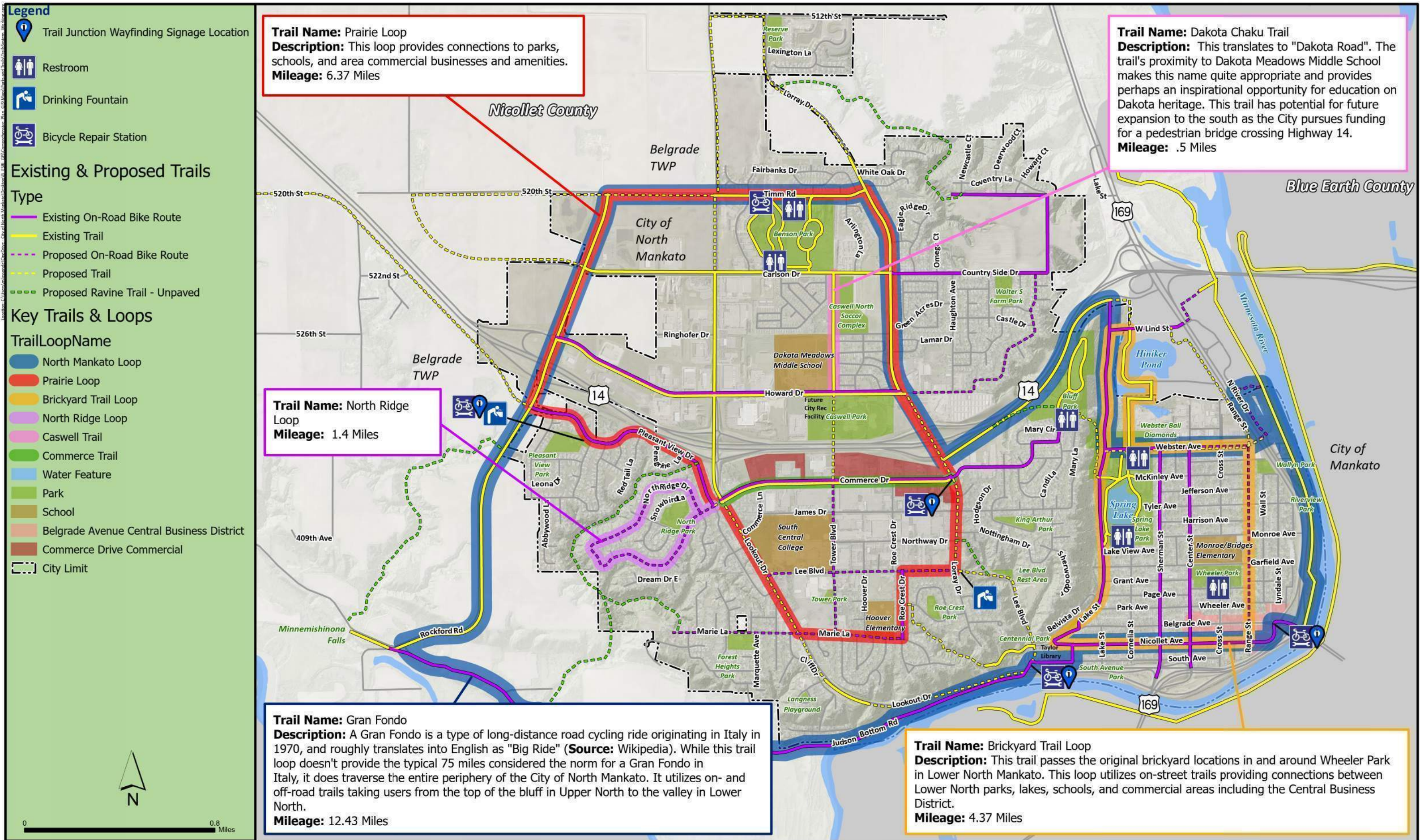
  
\_\_\_\_\_  
City Clerk

## Appendix E: Draft Trail System Plan from Comprehensive Plan Update











## Appendix F: Commercial Grant and Loan Fund

## RESOLUTION PROVIDING FOR THE CREATION OF A REDEVELOPMENT DEFERRED LOAN PROGRAM IN THE BUSINESS DISTRICTS IN THE CITY OF NORTH MANKATO

WHEREAS, revitalization of the North Mankato Business Districts has been identified as a priority within the North Mankato Comprehensive Plan and the Belgrade Avenue Master Plan; and

WHEREAS, to achieve the revitalization goals set forth in the Comprehensive Plan and the Belgrade Avenue Master Plan, the North Mankato City Council and Port Authority Commission seek to create a public and private funding program available to property owners within all business districts; and

WHEREAS, funding for the program will be allocated from the Port Authority General Fund and Port Authority Local Revolving Loan Fund

NOW, THEREFORE, BE IT RESOLVED BY THE NORTH MANKATO PORT AUTHORITY COMMISSION that a deferred loan program is created as follows:

For the following improvements, the North Mankato Port Authority will grant a deferred loan for 30% of the total costs of the improvements, not to exceed \$25,000:

- Plumbing, electrical and HVAC improvements
- Roof replacement
- Water and sewer services
- Signage
- Interior remodeling
- Rehabilitation of second level housing units
- Parking lot replacement

For the following improvements, the North Mankato Port Authority will grant a deferred loan for 50% of the total cost of the improvements, not to exceed \$25,000:

- Doors and windows
- Awnings
- Conversion of residential dwellings to businesses
- Tuck pointing or exterior rehabilitation

Any deferred loan granted by the Port Authority carries no interest and no periodic payment, but is secured by a Repayment Agreement and a lien against the property. Any deferred loan must be repaid in the event the property is sold within five (5) years from the date of the Repayment



Agreement. Repayment will be pro-rated over the five year term with 20% of the loan being forgiven for each year completed in the repayment term.

Property owners within the Central Business District may be eligible for additional loan opportunities from the Port Authority's Federal Revolving Loan (RLF) Program in compliance with the established program guidelines.