

Appendix 2C

Land Use Redevelopment Area Plans

93 pages

Exhibit A

Redevelopment Plan for Douglas Drive Corridor Redevelopment Project Area

Redevelopment Plan for Douglas Drive Corridor Redevelopment Project Area

Section 1. Introduction

As part of a goal-setting session in 2006 the City Council identified Douglas Drive (CSAH 102) as a primary area of concern for the future of the City. As part of the 2008 update of the Comprehensive Plan, the City again identified the Douglas Drive Corridor from Medicine Lake Road (CSAH 70) to Minnesota Trunk Highway (TH) 55 as a priority for further study. There is significant through traffic from communities to the north and the mixture of land uses along the corridor in Golden Valley adds even more traffic. The volume of traffic combined with limited public right-of-way available for expansion will present challenges to improving this corridor and its public infrastructure. Traffic is heavy along the corridor due to its designation by Hennepin County as a minor arterial corridor. Its mixture of land uses including single-family, multi-family, offices, retail, schools, churches and industrial uses, some of which are blighted, could through redevelopment, become a more vibrant, integrated community.

The initial focus of redevelopment has been on the east side of Douglas Drive between Duluth Street (CR 66) and the Union Pacific Railroad right-of-way. The City desires to look at this area in a comprehensive manner. The existing land use is a mixture of low-and-high density housing, some relatively new and some blighted, as well as office, commercial and industrial uses.

Since the inception of the Douglas Drive Corridor Redevelopment Area, the City has partnered with Hennepin County to reconstruct Douglas Drive from Minnesota Trunk Highway 55 to Medicine Lake Road. This project includes construction of accessible sidewalks on both sides of the roadway for its entire length, dedicated on-street bike lanes, and lane realignments and traffic control improvements to encourage redevelopment opportunities. The new infrastructure is designed to last another 50 years with basic maintenance, and the project is anticipated to be completed in November 2017. Private investments within the project area includes the construction of a new operation facility by Centerpoint Energy, which brings additional employment to the area and maximizes land use, as well as reinvestment in the Douglas Drive Apartments.

South of Golden Valley Road to the Union Pacific Railroad and south of the Union Pacific Railroad to Minnesota Trunk Highway 55 will be an additional focus of redevelopment going forward. The existing land use is primarily industrial and office as well as some single family homes and a residential facility. As an area where redevelopment and change are anticipated, this area offers significant opportunities to improve the Douglas Drive Corridor.

Section 2. Statement of Need and Public Purpose, Statutory Authorization

The Authority finds that there is a need for development within the City and the Project Area in order to provide employment and housing opportunities, to improve the local tax base, and to improve the general economy of the City and the State. The economic security of the people in the City depends upon proper development of property that

meets any one of a number of conditions, including properties whose values are too low to pay for the public services required or rendered and properties whose lack of use or improper use has resulted in stagnant or unproductive land that could otherwise contribute to the public health, safety, and welfare.

The Authority finds that in many cases such property cannot be developed without public participation and assistance in various forms including property acquisition and/or write-down, proper planning, the financing of development costs associated with clearance, grading and soil correction, and the making of various other public and private improvements necessary for development. In cases where the development of property cannot be done by private enterprise alone, the Authority believes it to be in the public interest to consider the exercise of its powers, to advance and spend public money, and to provide the means and impetus for such development.

The Authority finds that in certain cases property within the Project Area would not or may not be available for development without the specific financial aid to be sought, that the Redevelopment Plan will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project Area by private enterprise, and that this Redevelopment Plan Conforms to the general plan for the development of the City as a whole.

It is the intention of the Governing Body, notwithstanding the enumeration of specific goals and objectives in the Redevelopment Plan, that the Authority shall have and enjoy with respect to the Project Area the full range of powers and duties conferred upon the Authority pursuant to the HRA Act, the TIF Act, municipal housing and redevelopment authority laws, and such other legal authority as the Authority may have or enjoy from time to time.

The HRA Act authorizes the Authority to exercise all the powers relating to a housing and redevelopment authority granted under Minnesota Statutes, Sections 469.001 to 469.047, or other law.

Section 3. Background

When Douglas Drive was initially constructed, the surrounding land uses were more rural in nature. Now a number of major employers including Honeywell and Tennant Company have a significant presence in the corridor and the average daily traffic on various sections of the corridor in Golden Valley range from 10,000 to 14,000 vehicle trips per day. The presence of numerous schools (Sandburg School, King of Grace Lutheran School and Perpich School of Performing Arts) and recreational facilities (Sandburg fields, Honeywell Little League field, Seeman and Hampshire Parks, and the Three Rivers Luce Line Trail) in the corridor increase the need for improved safety for non-motorized transportation.

The Three Rivers Park District has constructed a portion of the Luce Line Trail through Golden Valley that provides a bicycle connection to regional amenities such as French Park in Plymouth and Wirth Park in Minneapolis. When the original Douglas Drive Redevelopment Area was established there were no safe north-south connections to this trail for bikers and pedestrians. In order to improve these connections Golden Valley received funding through the Non-Motorized Transportation Act to study this

corridor and plan for future improvements to pedestrian, bicycle and transit connections in this corridor. The Principles for this study are outlined below.

Section 4. Principles

- 1. Improve connectivity and functionality for all transportation modes.** Douglas Drive, which is classified as a county state-aid highway in the Hennepin County Transportation Plan and minor arterial road in the City's Comprehensive Plan, has historically focused on motorized vehicles. Traffic volume has increased significantly over the years as has the need for better, safer pedestrian and non-motorized transportation and transit options. Intersection improvements at Highway 55 / Douglas Drive and other key major and minor intersections within the corridor are critical to safer and improved movement for pedestrians, non-motorized and vehicular traffic in the corridor.
- 2. Enable the corridor to maintain a diverse mix of land uses, including residential, commercial and industrial.** A mix of activities, uses and densities will help to sustain the corridor through changing economic cycles, consumer preferences and housing trends. Clustered and mixed uses can create synergies, increase transit use and enhance the level of pedestrian activity.
- 3. Maximize integration rather than separation of land uses, where appropriate.** Many land uses can benefit from increased integration with one another, including neighborhood-serving retail, multi-family and senior housing, offices, and low-impact services. Non-residential corridor uses should be buffered from adjacent residential neighborhoods.
- 4. Maintain the corridor as an employment center.** Jobs within the corridor help maintain Golden Valley's jobs-housing balance while sustaining commercial enterprises. Retaining 'living wage' jobs should be a priority.
- 5. Improve the visual coherence and attractiveness of the corridor.** Improvements in streetscapes, landscaped areas, open spaces, building aesthetics and parking/service areas all contribute to a more unified and visually appealing environment, with an increased sense of identity. Buildings and other private improvements should make positive contributions to the corridor and the broader public realm, while public improvements should set the standard for private investment.
- 6. Foster neighborhood-serving retail and services.** Multimodal links to commercial development should be enhanced.
- 7. Foster sustainable development and work to establish a balance between urban and natural systems.** Encourage the application of green building and infrastructure techniques. Examples include low-impact development that maintains the natural functions of the land, encourages reduced stormwater runoff and fosters resource conservation and the use of renewable systems in new construction.

Section 5. Goals and Objectives

The current mix of incompatible land uses, minimal building setbacks from a high-traffic road, and the desirability of buffering residential uses from the high volume of traffic make the corridor an ideal candidate for broader redevelopment. A goal of the redevelopment addressed through the Douglas Drive reconstruction in partnership with Hennepin County has been to provide for additional right-of-way, including addressing impediments in the right-of-way (electrical poles, fire hydrants, utility boxes, etc.) that have complicated the infrastructure needs for the area and impeded pedestrian and bike access. Other goals, such as consolidating corridor land uses, require further redevelopment to address.

To achieve its mission of structured redevelopment, this Plan has identified six goals with related objectives to encourage cohesive planning and structured redevelopment within the corridor. It then outlines policies that will help to achieve the goals and objectives.

Goal 1 – Improve vehicle, bicycle and pedestrian transportation.

Objectives

- Improved roadway with added pedestrian and non-motorized transportation facilities
- Complete streets that meet vehicle, bicycle and pedestrian needs
- Reduced impediments in the sidewalks
- Undergrounded utilities
- Consolidated access points onto Douglas Drive

Goal 2 – Redevelop obsolete properties.

Objectives

- Blighted, functionally obsolete, and/or economically unsustainable buildings removed
- New uses compatible with existing uses

Goal 3 – Create jobs and life-cycle housing.

Objectives

- Increased high-paying jobs
- Housing stock that is maintained or improved
- Higher density housing
- Housing for seniors and young families
- Affordable housing
- Commercial uses that serve the community

Goal 4 – Require design that is sustainable and aesthetically pleasing.

Objectives

- Enhanced community identity through features which reflect Golden Valley
- Visually attractive development that complements its surroundings
- Buildings constructed with environmentally sustainable 'green building' practices (Development that meets environmental criteria set forth by Leadership in Energy and Environmental Design (LEED) and the United States Department of Energy).
- Active living criteria included in design

Goal 5 – Protect the environment.

Objectives

- Wetlands that are protected and enhanced
- Land free of soil and wetland contamination
- Arborous environments
- Natural features retained and native vegetation (re)established
- Co-located uses that reduce the amount of auto travel and corresponding air pollution
- Best shoreline management practices implemented along Bassett Creek

Goal 6 – Maintain a regional framework.

Objectives

- Growth compatible with the Metropolitan Council development framework
- Public infrastructure designed in cooperation with Hennepin County, Three Rivers Park District, and the Minnesota Department of Transportation
- Participation in grant programs available through Hennepin County, the Metropolitan Council and other agencies
- A positive relationship with surrounding communities and governmental agencies
- Continued participation in cooperative traffic management strategies
- Improved transit options

Section 6. Policies

Land Use

The City will study planned land uses to determine the need or desirability of individual parcel or area-wide comprehensive plan or zoning amendments to accommodate desired land uses.

The City and HRA will assure that its review processes, zoning, and building regulations will promote desired development projects.

The City will assure that new uses in the redevelopment area are compatible with existing development and the City's land use plan.

The City and HRA will review existing corridor properties to consider their long term viability and/or options for alternative uses.

Land use plans will promote mixed use developments and increased density where appropriate, in keeping with the Metropolitan Council's regional growth strategy.

Financing

The City and HRA will identify criteria to target redevelopment funds such as tax increment financing, tax abatements, Livable Communities, Community Development Block Grants and other funding made available by the legislature or other agencies or governmental units.

The City and HRA will consider providing public assistance to redevelopment projects that serve a substantial public purpose, remove blight, or mitigate contamination.

The City and HRA will consider using land write-downs to subsidize redevelopment projects.

Redevelopment funding will be paired with other funding options such as assessments, based on the Golden Valley Special Assessment Policy.

The City will consider franchise fees and utility surcharges to underwrite the cost of utility and infrastructure upgrades.

Design and Environmental Standards

The City will promote best practices to meet the highest environmental standards.

The City and HRA will identify approaches and/or incentives to promote a corridor beautification program. This program will include both public and private components.

The City will monitor ongoing research on sustainable development initiatives to guide redevelopment and future updates of this plan.

Transportation

The City will work with Metropolitan Transit to monitor transportation needs of area residents and workers and identify ways to improve transportation services including improving transit routes, and working with area businesses to develop transportation management plans.

The City will work with Hennepin County, the State of Minnesota and other agencies to design and seek funding for an improved roadway with added pedestrian and non-motorized transportation facilities that meet city, county and state needs.

Section 7. Redevelopment Area Defined

In 2008-09 the City studied the full length of Douglas Drive from Medicine Lake Road on the north to Trunk Highway 55 on the south. The Douglas Drive Redevelopment Area includes the Douglas Drive street right-of-way and parcels on the east side of the street from Duluth St. to the Union Pacific railroad right-of-way to the south. This is an area that had no pedestrian infrastructure prior to the establishment of the Douglas Drive Redevelopment Area and is centered on a significant area of multifamily housing, making it a focal point for redevelopment. South of the Union Pacific railroad, Douglas Drive has a number of commercial and industrial uses with redevelopment and reuse opportunities, including parcels near the Tennant campus.

The full Douglas Drive Redevelopment Area is identified on Map A. The area is divided into subsections, based on land use.

Area A-1

Area A-1 extends from Duluth Street south to the Canadian Pacific Railroad and is guided Commercial and Office. It has three parcels, with the following land uses: two gas stations and a multi-tenant office.

Area A-2

Area A-2 extends from the Canadian Pacific Railroad south to Golden Valley Road. It is guided for Medium and High Density Residential. Existing land uses range from single family, duplex, and triplex units to three- to five-story rental apartment and

condominium buildings and railroad facilities. The Metropolitan Council has identified this rail corridor for a regional, mixed-use trail on its 2030 Regional Parks System Map.

Area A-3

Area A-3 extends from Golden Valley Road south to the Union Pacific Railroad/Luce Line Trail. It has only one parcel which is guided Industrial. A CenterPoint Energy peaking plant and maintenance center and a CenterPoint Energy operation facility built in 2015 currently occupy this site.

Area A-4

Area A-4 comprises one parcel of nearly eight acres and was developed with an office building in 1979. It is currently owned and occupied by Tennant Company and houses approximately 400 employees. The area is presently guided for Office and zoned Business & Professional Office in a PUD.

Area A-5

Area A-5 is located along Douglas Drive, south of the Union Pacific Railroad to Highway 55. The area includes six parcels developed with commercial and industrial buildings. On the west side of Douglas Drive is a vacant 350,000 square foot office and industrial building siting on approximately 30 acres. The site is currently guided Commercial-Office and zoned Industrial.

On the east side of Douglas Drive are five parcels. Included in these is a self-storage facility, and a bank located along the south and west side of the frontage road, which are guided Commercial and zoned Industrial. On the north and east side of the frontage road are an office building, and two industrial properties with multiple tenants. One property contains multiple buildings. These parcels are guided Industrial and zoned Industrial.

Area A-6

Area A-6 includes six parcels, three of which are owned by Tennant Company as part of a PUD, along with right-of-way remnants and Zane Ave N. The area is located east of Douglas Drive and is bounded by the Canadian Pacific railroad on the west, the Union Pacific Railroad on the north, Highway 100 on the east and Highway 55 on the south. The area is guided Industrial but zoning is a mix of Industrial, Office and Residential. Residential uses include two single family homes and a residential facility.

Section 8. Redevelopment Opportunities

Infrastructure

A main objective of redevelopment is the provision of public infrastructure, including: road improvements that accommodate existing and future development along the corridor while limiting direct access to the road; sidewalk, trail and bicycle facilities in conjunction with the roadway or in the CP Rail corridor that bisects and runs adjacent to the Redevelopment Area; ponding and storm sewer facilities that meet current environmental standards; and water and sanitary sewer upgrades to meet current and future needs.

Area A-1

Proposed land uses for Area A-1 include commercial and office development consistent with its location near the key intersection of Douglas Drive and Duluth Street. The goal of redevelopment would be to provide high-quality uses and reduce the number of access points on both Douglas Drive and Duluth Street.

Area A-2

The focus of Area A-2 would remain residential, but in keeping with the 2009 Comprehensive Plan, higher density housing could replace existing single-family, duplex and triplex housing. The goal of replacement housing would be to provide high-quality life-cycle housing that provides a greater range of housing options for Golden Valley residents and to reduce the number of access points on Douglas Drive.

Area A-3

In Area A-3 the objective has been to maximize CenterPoint's use of the site while keeping access points on Douglas Drive to a minimum. Expanded CenterPoint facilities like the operation facility built in 2015 complement the existing peaking facilities at this site and increase the intensity of land usage, enhance the tax base and bring additional employees to the corridor.

Area A-4

The objective in Area A-4 is to prevent blight and maximize land use at the intersection of Golden Valley Road and Douglas Drive. Area A-4 is approximately eight acres and is adjacent to multi-family and single family uses, as well as office and industrial uses. The 2040 Comprehensive Plan, which is scheduled for adoption in 2018, designates the parcel as Mixed Use.

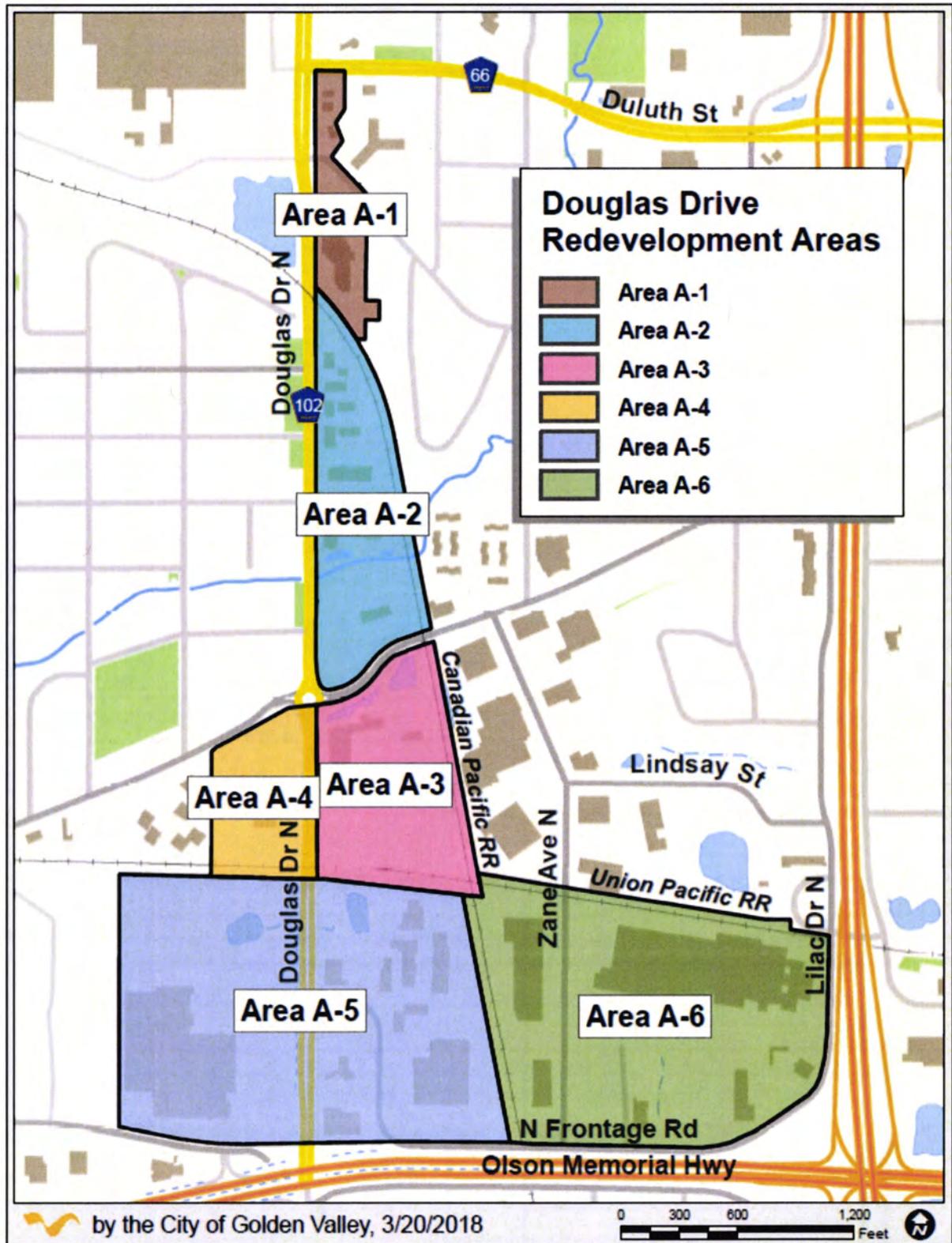
Area A-5

Golden Valley has experienced a significant number of multi-family apartment buildings in recent years, many of which have been built on former commercial or industrial properties. Area A-5 is a commercial and industrial area and should remain as such. However, many of the buildings are dated and do not have modern features required by contemporary users. Therefore, goals for Area A-5 include retaining and adding jobs through building renovation and redevelopment. Commercial amenities, such as restaurant or retail uses, either incorporated into projects or as stand-alone developments, may also be appropriate uses in the area if supported by the marketplace. The 2040 Comprehensive Plan, which is scheduled for adoption in 2018, guides the parcels west of Douglas Drive Light Industrial and those east of Douglas as Mixed Use.

Area A-6

Plans to consolidate the parcels in Area A-6 to expand office and industrial related uses have been proposed but have not advanced. Objectives for this area include the expansion of office and industrial uses, retaining and expanding the number of jobs, eliminating blight, maximizing land use, minimizing incompatible land uses, and enhancing water quality in the Bassett Creek Watershed. To the extent possible, the preservation or addition of high quality trees in the area, along with the removal of invasive or low quality species should be considered as part of any future development. Additionally, continuation of the existing Residential Facility in Area A-6 is expected, and

may include its future expansion. The 2040 Comprehensive Plan, which is scheduled for adoption in 2018, guides all the parcels in Area A-6 as Industrial, although the residential facility is guided Medium Density.



**Redevelopment Plan for
Highway 55 West Redevelopment Area
Golden Valley, Minnesota**

**Golden Valley Housing and Redevelopment Authority Approval: October 9, 2012
Planning Commission Review: November 26, 2012
Approved by the City Council: December 18, 2012**

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Introduction

In the 1970s the City took the initiative to create a mixed-use, walkable downtown centered at the historic village crossroads at Golden Valley Road and Winnetka Avenue. This area has many community resources, including retail destinations, restaurants, the library, the post office, and City Hall. Recently interest has grown in connecting the area west of Boone Avenue to this urban core. The goal is to make better and safer connections for both pedestrians and vehicles and provide better access to transit stops. It is anticipated that public improvements that improve vehicle and pedestrian safety will promote private redevelopment in the area.

Recent rezoning of two parcels at 9220 and 9130 Olson Memorial Highway to high-density housing is the immediate impetus to establish a new *Highway 55 West Renewal and Renovation Area* (Project Area). A developer has proposed the construction of a 142-unit apartment building, adding many new residents to the area and spurring the need to create improved transportation linkages.

This Plan will define the geographic area of proposed improvements, outline existing conditions, identify possible improvements, and set goals and objectives and policies that will guide projects as they are implemented. The proposed Renewal and Renovation Area includes parcels on the north and south side of Golden Valley Road west of Decatur Avenue North to 9400 Golden Valley Road and parcels on the south side of 7th Avenue North between Boone Avenue North and Decatur Avenue North (See Map, page 11).

Background

The Project Area has a wide range of land uses and building types, including 24 parcels and 21 buildings, from 12 to 86 years old. When parcels in the Project Area were originally developed, Golden Valley Road served as the primary east-west arterial roadway in the area, which originally contained farmsteads. In fact, a farmhouse built in 1926 still exists on the north side of Golden Valley Road. Commercial Uses, which included a bowling alley, restaurants and office uses developed over time. Single and multifamily housing now coexist with the commercial uses.

When Olson Memorial Highway (Highway 55) was constructed in the 1960s, some of the existing uses ended up with frontage on both Highway 55 and Golden Valley Road and the local street system was truncated. The unusual shaped lots, highway orientation and truncated local street system create a challenge for development.

The Valley Square Redevelopment Area east of the Project Area has been redeveloped with a mix of uses, but has a more urban pedestrian orientation that helps integrate the uses. The goal of the Project Area is to develop public improvements that will support the current range of land uses and encourage new development, including new high-density residential housing now proposed for the area.

Public Improvements

Public improvements proposed in the area include improvements to the Highway 55 access/exit to Decatur Avenue North, sidewalks and lighting to improve pedestrian safety, burial of overhead electrical lines, addition of regional storm water facilities, and sanitary sewer lining. These improvements are aimed to assist residents from the proposed 142-unit apartment move safely in

the area and to foster further development in the area by creating a safe neighborhood environment. Pedestrian safety will also support walking programs promoted by existing local businesses and connect residents and employees of businesses west of Boone Avenue to transit stops on Wisconsin Avenue or Winnetka Avenue.

Statement of Need and Public Purpose, Statutory Authorization

The Housing and Redevelopment Authority (HRA) finds there is a need for development within the City and the Project Area in order to provide employment and housing opportunities, to improve the local tax base, and to improve the general economy of the City and the State. The economic security of the people in the City depends upon proper development of property that meets any one of a number of conditions, including properties with values too low to pay for the public services required or rendered and properties where lack of use or improper use has resulted in stagnant or unproductive land that could otherwise contribute to the public health, safety, and welfare.

The HRA finds that in many cases, such property cannot be developed without public participation and assistance in various forms, including property acquisition and/or write-down; proper planning; the financing of development costs associated with clearance, grading, and soils correction; and the making of various other public and private improvements necessary for development. In cases where the development of property cannot be done by private enterprise alone, the HRA believes it to be in the public interest to consider the exercise of its powers, to advance and spend public money, and to provide the means and impetus for such development.

The HRA finds that in certain cases, property within the Project Area would or may not be available for development without the specific financial aid to be sought, that the Redevelopment Plan will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project Area by private enterprise, and that the Redevelopment Plan conforms to the general plan for the development of the City as a whole.

Overall Objectives

The HRA seeks to achieve one or more of the following objectives with respect to the Project Area, as the Authority may deem appropriate and necessary:

- promote and secure the prompt development of property within the Project Area, such property which is not now in its most productive use, in a manner consistent with the Comprehensive Plan of the City, thus realizing Comprehensive Plan, land use, and tax base goals
- assist development in the Project Area through the acquisition or write-down of certain interests in property which is not now in productive use or in its highest and best use, to make or defray the cost of soil corrections or site improvements on said property, and to construct or reimburse for the construction of public improvements and other facilities on or for the benefit of said property, thereby promoting and securing the development of other land within the Project Area

- secure the increase and availability of rental housing property for individuals and families of low to moderate income within the Project Area
- secure the increase of industrial and commercial property subject to taxation within the Project Area
- promote and secure additional employment opportunities within the City and to prevent the loss of existing employment opportunities, thereby preventing the loss of valuable human resources
- To provide funding for an ongoing development strategy and to prioritize the use of available resources
- implement and revise from time to time, as may be deemed necessary or desirable, a consolidated and unified Redevelopment Plan and to finance the associated development costs on an area-wide basis
- employ any of the powers of the Authority for the benefit of the Project Area in such cases and upon such terms as the Authority may deem appropriate
- construct or acquire facilities deemed desirable for the development of the Project Area

Itemized Goals and Objectives

To achieve its mission of structured redevelopment, this Plan has identified six goals with related objectives to encourage cohesive planning and structured renewal within the area. It then outlines policies that will help to achieve the goals and objectives.

Goal 1 – Improve vehicle and pedestrian access

Objectives

- Improved access/exit from Highway 55 to Decatur Avenue North
- Added pedestrian and non-motorized transportation facilities
- Improved connections to the Luce Line Regional Trail

Goal 2 – Redevelop obsolete properties

Objectives

- Blighted, functionally obsolete, and/or economically unsustainable buildings removed
- New uses compatible with existing uses
- Maximized development density along Highway 55

Goal 3 – Create jobs and life-cycle housing

Objectives

- Increased high-paying jobs
- Housing stock that is maintained or improved
- Higher density housing

- Affordable, zero crime, housing
- Commercial uses that serve the community

Goal 4 – Require design that is sustainable and aesthetically pleasing

Objectives

- Enhanced community identity through features that reflect Golden Valley
- Visually attractive development that complements its surroundings
- Buildings constructed with environmentally sustainable ‘green building’ practices (development that meets environmental criteria set forth by Leadership in Energy and Environmental Design (LEED) and the United States Department of Energy)
- Active living criteria included in design
- Undergrounded utilities
- Signage and wayfinding features to connect the area to downtown Golden Valley and the Luce Line Trail

Goal 5 – Protect the environment

Objectives

- Wetlands that are protected and enhanced
- Land free of soil and wetland contamination
- Arborous environments
- Natural features retained and native vegetation (re)established

Goal 6 – Maintain a regional framework

Objectives

- Growth compatible with the Metropolitan Council development framework
- Public infrastructure designed in cooperation with Hennepin County and the Minnesota Department of Transportation
- Participation in grant programs available through Hennepin County, the Metropolitan Council and other agencies
- A positive relationship with surrounding communities and governmental agencies
- Continued participation in cooperative traffic management strategies
- Improved transit options

Policies

Land Use

The City will study planned land uses to determine the need or desirability of individual parcel or area-wide comprehensive plan or zoning amendments to accommodate desired land uses.

The City and HRA will assure that its review processes, zoning, and building regulations will promote desired development projects.

The City will assure that new uses in the redevelopment area are compatible with existing development and the City’s Land Use Plan.

The City and HRA will review existing properties in the area to consider their long term viability and/or options for alternative uses.

Land use plans will promote mixed use developments and increased density where appropriate, in keeping with the Metropolitan Council's regional growth strategy.

Financing

The City and HRA will identify criteria to target redevelopment funds such as tax increment financing, tax abatements, Livable Communities, Community Development Block Grants and other funding made available by the Legislature or other agencies or governmental units.

The City and HRA will consider providing public assistance to redevelopment projects that serve a substantial public purpose, remove blight, or mitigate contamination.

The City and HRA will consider using land write-downs to subsidize redevelopment projects.

Redevelopment funding will be paired with other funding options such as assessments, based on the Golden Valley Special Assessment Policy.

The City will consider franchise fees and utility surcharges to underwrite the cost of utility and infrastructure upgrades.

Design and Environmental Standards

The City will promote best practices to meet the highest environmental standards.

The City and HRA will identify approaches and/or incentives to promote a corridor beautification program. This program will include both public and private components.

The City will monitor ongoing research on sustainable development initiatives to guide redevelopment and future updates of this plan.

Transportation

The City will work with Metropolitan Transit to monitor transportation needs of area residents and workers and identify ways to improve transportation services, including improving transit routes and working with area businesses to develop transportation management plans.

Boundaries of the Project Area and Redevelopment Opportunities

The property within the City which constitutes the Project Area includes the property contained within the boundaries described below and is illustrated on the attached map.

Area 1A

South of Golden Valley Road, north of Highway 55, and west of Decatur Avenue North

This area currently contains several small office buildings, the former bowling alley, and Valvoline Rapid Oil Change. This area is very visible from Highway 55. The Tiburon, a six-story, 142-unit apartment building is proposed to be constructed on the site of the former bowling alley and the

adjacent office building, which were recently rezoned to High-Density Residential. The remainder of the Area 1A could remain commercial or move to residential uses.

Area 1B

South of Golden Valley Road and north of Highway 55, where it exits to Highway 169.

This area is located directly north of the Highway 169/Highway 55 interchange and is zoned Commercial. National Camera Exchange is currently located at this site. It has relocated from another site in the Area and may wish to further expand in the future.

Area 2

North of Golden Valley Road from Highway 169, east halfway to Decatur Avenue North

Two office buildings, two single family homes, and a five-building apartment complex (Trentwood, 54 units) are located in this area. Trentwood is zoned medium-density residential and the rest of the parcels are zoned Business and Professional Offices. The easterly office building and single family homes are currently listed for sale. If the parcels are joined and redeveloped, residential or institutional uses on those properties would complement the existing and proposed residential development in the area. Alternately, if redeveloped as Business and Professional Offices, the site would relate to the office use to the west and north.

Area 3

North of Golden Valley Road from Decatur Avenue North, west to the mid-block

This area includes Red Lobster Restaurant and two fast food restaurants and is zoned Commercial. While this area is appropriate for continued long-term commercial and retail use, it may develop more densely in the future if the current uses end.

Golden Valley Road serves as the frontage road for Highway 55 in this area. The road currently ends at Decatur Avenue North, with frontage road signage directing drivers north on Decatur Avenue and east on 7th Avenue. It may be beneficial to realign the frontage road in this area to provide a continuous roadway and eliminate confusing turning movements. The current access to Highway 55 at Decatur does not provide standard, safe vehicular movement.

Area 4

North of Highway 55 west of Boone Avenue North, south of 7th Avenue, and east of Decatur Avenue North

This area contains two restaurants, an automotive service shop, and a vacant parcel, all of which are zoned Commercial. With its highway visibility and proximity to the Boone Avenue/Highway 55 intersection, this area could redevelop into more intense uses, particularly if a number of the parcels are consolidated.

Definitions

The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"Authority" means the Housing and Redevelopment Authority of the City of Golden Valley.

"City" means the City of Golden Valley, Minnesota, also referred to as a "Municipality".

"City Council" means the City Council of the City.

"County" means Hennepin County, Minnesota.

"Governing Body" means the Board of Commissioners of the Authority.

"HRA Act" means the Minnesota Municipal Housing and Redevelopment Act, Minnesota Statutes, Sections 469.001 through 469.047, both inclusive.

"Land Use Regulations" means all federal, state and local laws, rules, regulations, ordinances and plans relating to or governing the use or development of land in the Project Area, including but not limited to environmental, platting, zoning and building code laws, regulations and ordinances.

"Project Area" means the geographic area of the Highway 55 West Redevelopment Project Area.

"Public Costs" means the costs of land acquisition, public and site improvements, repayment of debt service on tax increment bonds, and other eligible costs as set forth in the Redevelopment Plan and Tax Increment Financing Plan(s).

"Redevelopment Plan" means the Redevelopment Plan for the Project Area.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes, Sections 469.174 through 469.179, both inclusive.

"TIF District" means any tax increment financing district presently established or to be established in the future in the Project Area.

"TIF Plan" means the respective tax increment financing plan for each TIF district located within the Project Area.

Administration of Redevelopment Project

Maintenance and Operations

Maintenance and operation of the Project Area will be the responsibility of the HRA Director, who shall serve as administrator of the Project Area. Each year the administrator will submit to the Governing Body the maintenance and operation budget for the following year.

The administrator will administer the Redevelopment Plan pursuant to the provisions of the HRA Act, provided, however, that such powers may only be exercised at the direction of the Governing Body. No action taken by the administrator pursuant to the above-mentioned powers shall be effective without authorization by the Governing Body.

Payment of Public Costs

It is anticipated that the Public Costs of the Project Area will be paid primarily from tax increments or proceeds of tax increment bonds. Such costs are identified in the TIF Plan(s) for the corresponding TIF District(s) located within the Project Area. The Authority reserves the right to

use other sources of revenue legally applicable to the Project Area to pay for such Public Costs including, but not limited to, special assessments, federal or state funds, and investment income.

Property Acquisition and Proposed Reuse

The HRA may acquire property, or appropriate interest therein, within the Project Area as it deems necessary or desirable to assist in the implementation of the Redevelopment Plan.

The Redevelopment Plan contemplates that the HRA may acquire property and reconvey the same to another entity. Prior to formal consideration of the acquisition of any property, the Governing Body will require the execution of a binding development agreement with respect thereto and evidence that tax increments or other funds will be available to repay the Public Costs associated with the proposed acquisition. It is the intent of the HRA to negotiate the acquisition of property whenever possible. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any development agreement to which the HRA is a party.

Relocation

Any person or business that is displaced as a result of the Redevelopment Plan will be relocated in accordance with the provisions of the HRA Act and other applicable state law.

Environmental Controls; Land Use Regulations

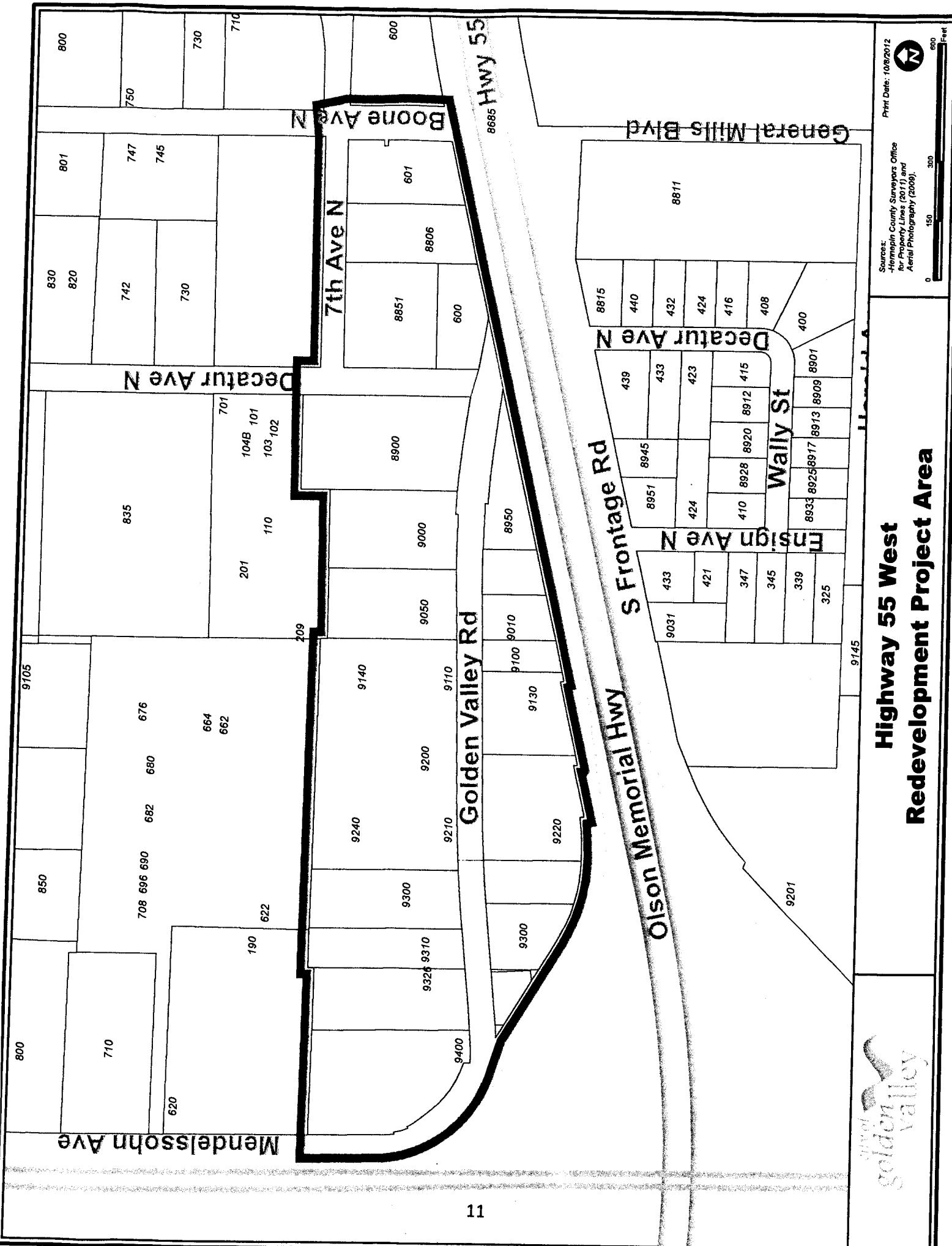
All HRA actions, public improvements, and private development shall be carried out in a manner consistent with existing environmental controls and all applicable Land Use Regulations.

Park and Open Space to be Created

Park and open space created within the Project Area will be done so in accordance with the zoning and platting ordinances of the City.

Amendments

The HRA reserves the right to alter and amend the Redevelopment Plan subject to the provisions of state law regulating such action.



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JAN 1910

Highway 55 West Redevelopment Project Area

Sources:
-Hennepin County Surveyors Office
for Property Lines (2011) and
Aerial Photography (2009).

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Attachment A

I-394 Corridor Redevelopment Plan (Amended and Expanded Golden Hills Redevelopment Plan)

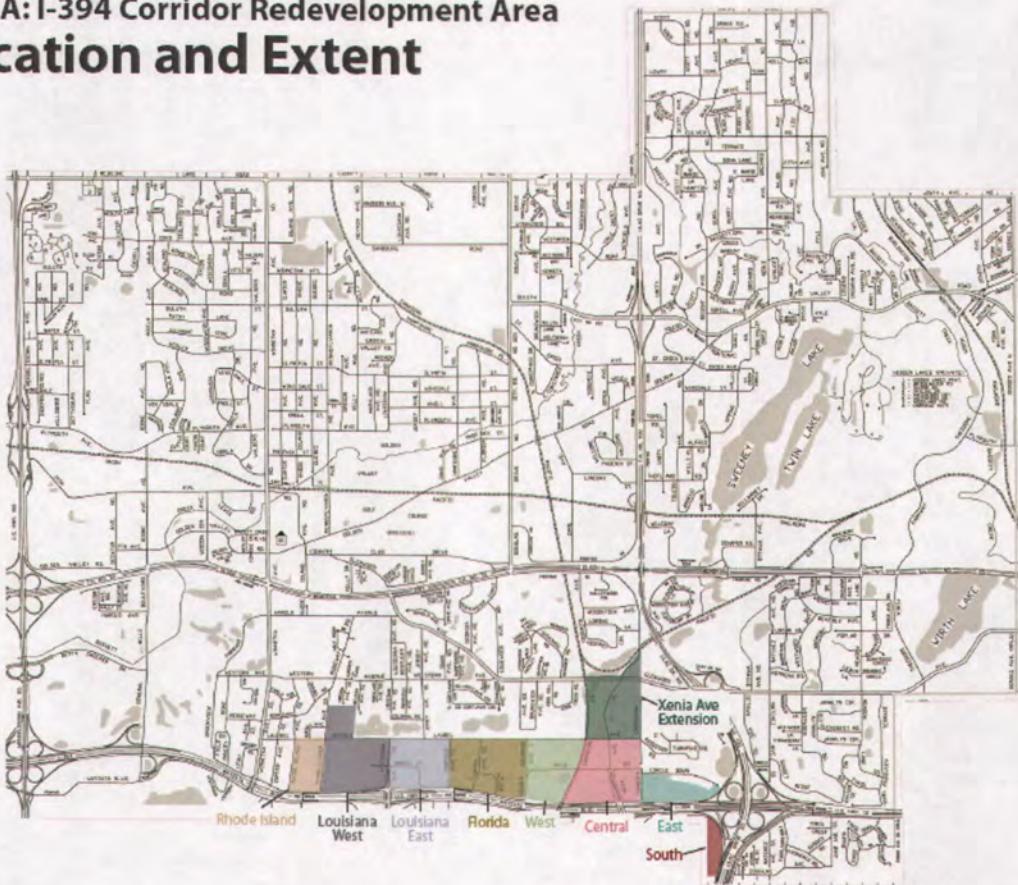
Section 1. Introduction

In 1984 the City adopted the Golden Hills Redevelopment Plan. The Project Area originally covered 93.72 acres of commercial and industrial properties centered near the anticipated intersection of Xenia Avenue and the to-be-constructed I-394. It is now expanded to include 272.19 acres and renamed the I-394 Corridor Redevelopment Plan. All areas in the expanded area are designated in Maps A and B and in individual maps detailing each subdistrict.

The original redevelopment area had a westerly boundary of Colorado Avenue and a northerly boundary on Laurel Avenue. (Includes Areas designated South, East, Central and West.) In 1999 the Project Area was expanded to take in property north of Laurel Avenue along a corridor that extended Xenia Avenue northward and incorporated the new Davis Community Center. (Added the area designated Xenia Avenue Extension.)

In 2007 the City completed the I-394 Corridor Study, which included most of the Golden Hills Redevelopment Area and the largely industrial property extending west to Rhode Island Avenue South. The amended Plan expands the amended Golden Hills Redevelopment Project Area to include parts of the I-394 Corridor Study Area and renames the Plan to reflect this addition. (Adds areas designated Florida, Louisiana East, Louisiana West, and Rhode Island.)

Map A: I-394 Corridor Redevelopment Area Location and Extent



Section 2. Statement of Need and Public Purpose, Statutory Authorization

The Authority finds that there is a need for development within the City and the Project Area in order to provide employment and housing opportunities, to improve the local tax base, and to improve the general economy of the City and the State. The economic security of the people in the City depends upon proper development of property that meets any one of a number of conditions, including properties whose values are too low to pay for the public services required or rendered and properties whose lack of use or improper use has resulted in stagnant or unproductive land that could otherwise contribute to the public health, safety, and welfare.

The Authority finds that in many cases such property cannot be developed without public participation and assistance in various forms including property acquisition and/or write-down, proper planning, the financing of development costs associated with clearance, grading and soils correction, and the making of various other public and private improvements necessary for development. In cases where the development of property cannot be done by private enterprise alone, the Authority believes it to be in the public interest to consider the exercise of its powers, to advance and spend public money, and to provide the means and impetus for such development.

The Authority finds that in certain cases property within the Project Area would or may not be available for development without the specific financial aid to be sought, that the Redevelopment Plan will afford maximum opportunity, consistent with the needs of the City

as a whole, for the development of the Project Area by private enterprise, and that this Redevelopment Plan conforms to the general plan for the development of the City as a whole.

It is the intention of the Governing Body, notwithstanding the enumeration of specific goals and objectives in the Redevelopment Plan, that the Authority shall have and enjoy with respect to the Project Area the full range of powers and duties conferred upon the Authority pursuant to the Housing and Redevelopment Authority (HRA) Act, the Tax Increment Financing (TIF) Act, municipal housing and redevelopment authority laws, and such other legal authority as the Authority may have or enjoy from time to time.

The HRA Act authorizes the Authority to exercise all the powers relating to a housing and redevelopment authority granted under Minnesota Statutes, Sections 469.001 to 469.047, or other law.

Section 3. Background

One of the reasons for establishing the Golden Hills redevelopment area was to provide a means for addressing issues and opportunities arising in connection with plans to upgrade old Trunk Highway 12 (now I-394) to interstate highway status.

The City's first step was to enact a construction moratorium along the entire Highway 12 corridor from September 1979 to September 1980 while waiting for the final I-394 design plans. Following a period of background research and documentation, Golden Valley's 1982 comprehensive plan update identified part of the highway corridor as a "study area" due to "signs of deterioration within the area and potential for redevelopment in conjunction with anticipated upgrading of Highway 12 to I-394." Another moratorium from April 1984 to April 1985 allowed the HRA to establish the Golden Hills redevelopment area, Golden Hills Tax Increment Financing district, and related plan documents for both.

The original Golden Hills Redevelopment Plan examined then-existing land use conditions, determined appropriate long-term land use categories, and established more specific redevelopment uses that corresponded to the land use categories.

The original Golden Hills plan anticipated programming of redevelopment activities over a period of five to ten years. A real estate market decline in the late 1980s and circulation disruptions while the new interstate highway was under construction significantly slowed redevelopment.

The need for improved north/south access into and through Golden Hills to accommodate and facilitate the full extent of redevelopment activity contemplated in the plan was the impetus for adding the Xenia Avenue Extension Area to the Project Area in 1999. The existence of excess railroad right-of-way located just north of the Golden Hills Central Area offered an opportunity to provide improved access to the redeveloped areas.

The I-394 Corridor Study area was identified as susceptible to land use change due to its location along I-394, its proximity to other major freeways, and its direct access to Downtown Minneapolis. Based on Study recommendations the City Council, effective December 1, 2008, adopted the new I-394 Mixed Use Zoning District. The City Council also re-guided the Comprehensive Plan to incorporate this change in land use. As this area has significant development in place, the change in land use will only happen through redevelopment.

Section 4. Guiding Principles

As part of the I-394 Study process, guiding principals were adopted and approved. The principles are concise statements that establish the direction and intention of the study. They were adopted by the City Council in December 2005. These principles have been modified for the Golden Hills Redevelopment Plan to guide future redevelopment along the I-394 Corridor.

- 1. Enable the corridor to evolve toward a diverse mix of land uses, including residential as well as commercial and industrial.** A mix of activities, uses, and densities will help sustain the corridor through changing economic cycles, consumer preferences, and housing trends. Mixed uses can create synergies and increase the level of pedestrian activity. Active uses (such as retail) at ground floor level can help to create activity after working hours. At the same time, the corridor should complement, not compete with, the Hwy 55/Winnetka district, the City's civic downtown.
- 2. Maximize integration rather than separation of land uses, where appropriate.** Many land uses can benefit from increased integration with one another, including neighborhood-serving retail, multi-family and senior housing, offices, and low-impact services. Existing non-conforming land uses, such as auto-oriented commercial or industrial uses, can benefit from integration with newly permitted uses. Redevelopment is subject to design guidelines, as specified by the Zoning District.
- 3. Maintain the corridor as an employment center.** Jobs within the corridor help maintain Golden Valley's jobs-housing balance while sustaining commercial enterprises. Fostering 'living wage' jobs should be a priority in redevelopment projects.
- 4. Improve the visual coherence and attractiveness of the corridor.** Improvements in streetscapes, landscaped areas, open spaces, building aesthetics, and parking/service areas all contribute to a more unified and visually appealing environment, with an increased sense of identity. Buildings and other private improvements should make positive contributions to the district and the broader public realm, while public improvements should set the standard for private investment.
- 5. Improve connectivity for all modes.** The development of I-394 and subsequent road realignments have resulted in a discontinuous and confusing circulation system. Improvements in east-west vehicular circulation and north-south pedestrian circulation are most needed; however, roadways should be designed to be attractive and safe for all modes of travel. Xenia Avenue, Golden Hills Drive, Turners Crossroad, Louisiana Avenue, and Laurel Avenue are to be preserved as primary arterial traffic corridors.
- 6. Foster neighborhood-serving retail and services.** Commercial development should include a variety of small independent businesses and larger enterprises that serve City residents, supplementing and broadening the current mix of commercial uses.
- 7. Maintain or improve the functioning of intersections and highway interchanges.** The functioning of the I-394 interchanges at Xenia and Louisiana Aves, and other key intersections within the corridor, is critical to maintaining commercial viability and neighborhood quality of life. New development must be carefully planned, evaluated, and designed so that interchanges and intersections continue to function at an adequate level.
- 8. Foster sustainable development and work to establish a balance between urban and natural systems.** Encourage the application of green building and infrastructure techniques. Examples include low-impact development that maintains the natural functions

of the land, reduces storm water runoff, and fosters resource conservation and the use of renewable systems in new construction.

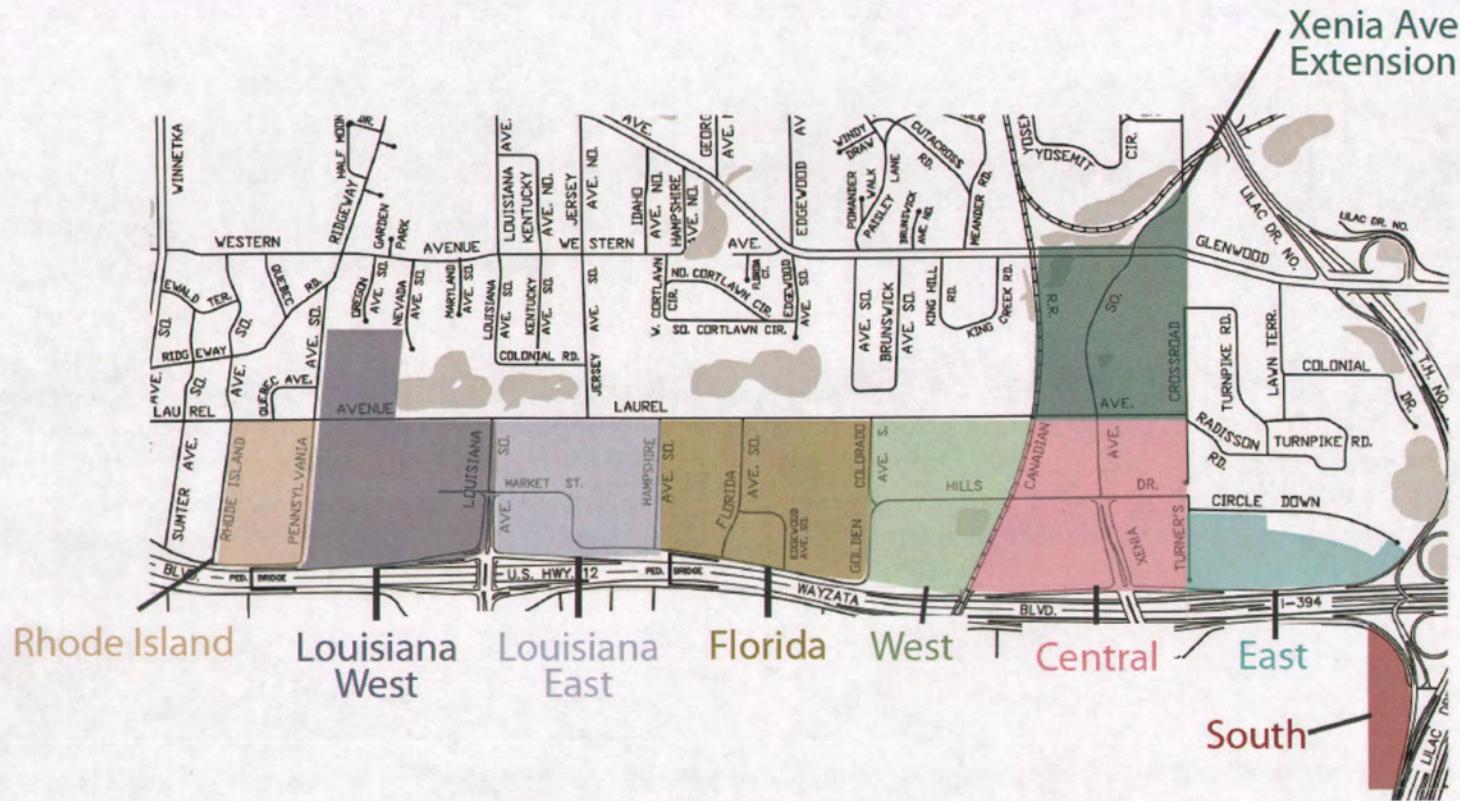
9. Implementing and facilitating all modes of transportation. In recent years, traffic congestion on Interstate 394 has become increasingly worse. New development along the corridor must emphasize the usage of mass transportation, car pooling, and non-motorized transportation. In addition, aspects of active living must be considered in developments.

Section 5. Redevelopment Plan Components

The I-394 Corridor Redevelopment Project Area is divided for planning purposes into nine sub-areas (Exhibit B), five from the Golden Hills Redevelopment Plan and four new ones. Included in the originally-established boundaries are the West Area, the Central Area, the East Area, and the South Area. The Xenia Avenue Extension Area was added in 1999. The four new areas are the Florida Avenue, Louisiana East, Louisiana West and the Rhode Island Areas. The following pages describe each sub-area in turn, outlining land use characteristics and summarizing planned and completed redevelopment activities. A substantial amount of additional documentation on initial property conditions can be found in the original Golden Hills plan and in other records maintained by the HRA.

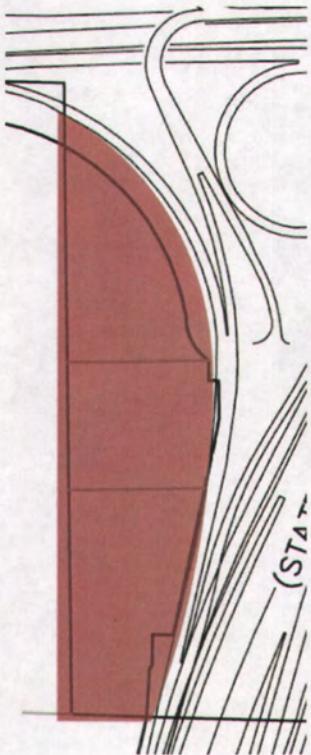
Section 6. Methods of Financing

The City and its Housing and Redevelopment Authority plan to use tax abatement, tax-increment financing, public improvement financing and/or the sale of bonds to support projects within the Redevelopment Area. New financial plans will be created as necessary and will be approved as part of a specific project.



Map B: I-394 Corridor Redevelopment Area Subdistricts

Map C: South Area



Land Use

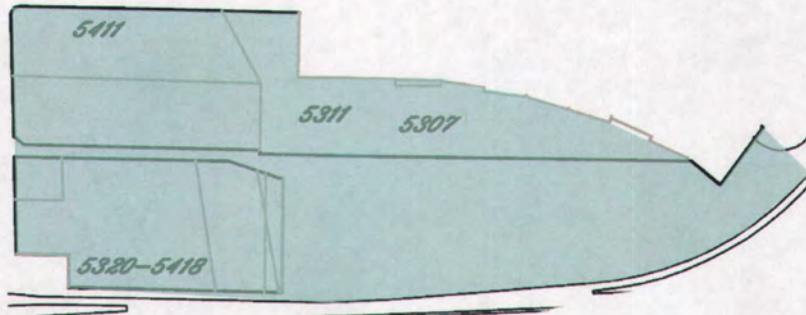
This sub-area constitutes one end of a large redevelopment site that spans the Golden Valley/St. Louis Park city limits. The property owner's long-range plans include expansion of its office park. The buildings in this sub-area have been demolished and the property owner/developer has proposed the construction of a parking deck to support the office uses.

Boundaries and Size

Bounded on the west and south by the city limits and on the east and north by the Highway 100/I-394 interchange.

Approximately 7.1 acres in size.

Map D: East Area



Land Use

There has been little redevelopment activity in this sub-area to date. Some private redevelopment has occurred. In 2001, the nursing home at the southeast corner of Circle Down and Turners Crossroad was converted to office use and in 2004, portions of the Golden Hills Shopping Center were demolished. The remaining portion of the shopping center is now fully occupied by restaurant uses. A vacant 4.5 acre site east of the shopping center is owned by MnDOT. It has been declared excess property and is available for redevelopment.

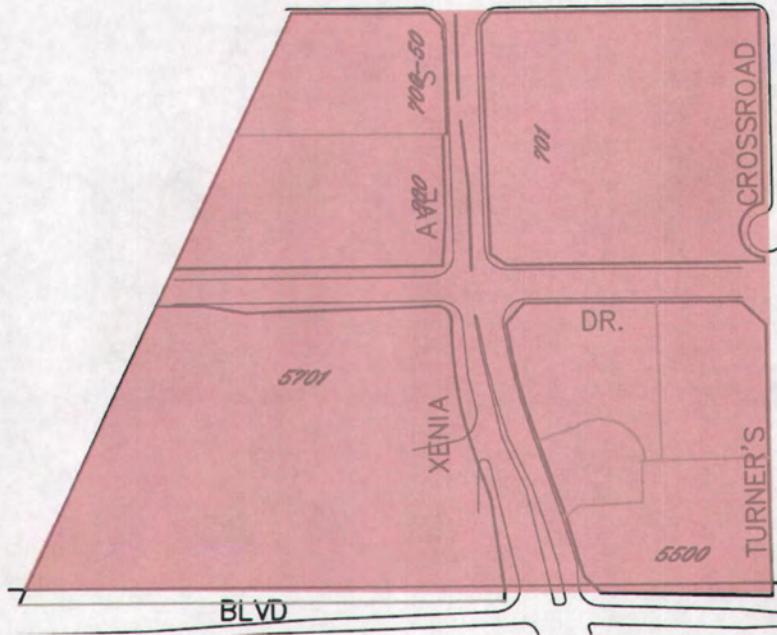
Since the construction of Interstate 394, traffic and roadway alignment in this area has been an issue. In the future, traffic movement in the area could be evaluated to see if alternative roadway alignments could improve neighborhood circulation and access.

Boundaries and Size

Bounded on the west by Turners Crossroad, on the south by the city limits/I-394 fence line, on the east by the Highway 100/I-394 interchange, and on the north by the south boundary of a row of single family lots lining the south side of Circle Down.

Approximately 13.97 acres in size.

Map E: Central Area



Land Use

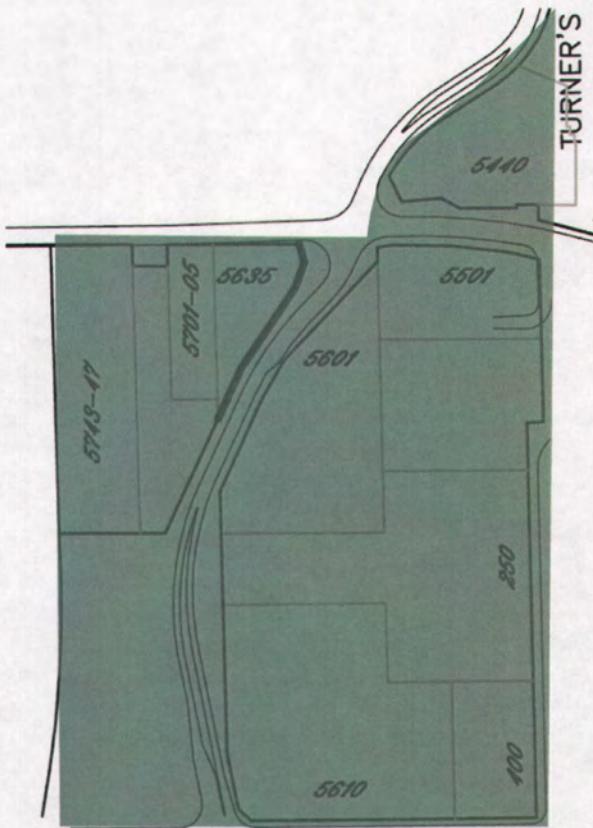
This sub-area includes the Colonnade office tower (409,000 sq. ft.) The Golden Hills business center (190,758 sq. ft.) and the Allianz world headquarters (600,000 sq. ft.). Sites available for redevelopment include a 2 acre site adjacent to the Colonnade, zoned through PUD for a 250 unit suite-hotel. At the northwest corner of Xenia and Golden Hills Drive, two blighted buildings have been proposed for removal and replacement with 230,000 sq. ft. of office with 15,000 sq. ft. of retail and a parking deck.

Boundaries and Size

Bounded on the west by the Soo Line railroad, on the south by the adjusted city limits/I-394 fence line, on the east by Turners Crossroad, and on the north by Laurel Avenue.

Approximately 42.7 acres in size.

Map F: Xenia Avenue Extension Area



Land Use

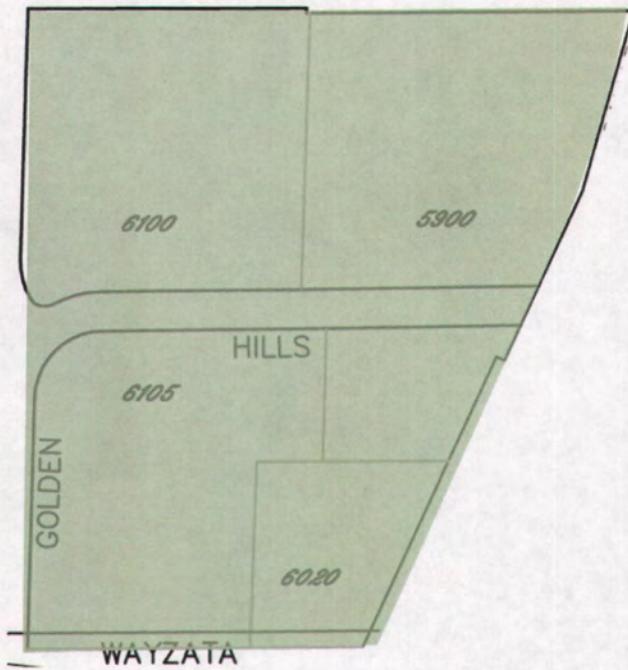
This new sub-area of Golden Hills, as its name implies, provided for the extension of Xenia Avenue northward from Laurel Avenue to a new terminus at Turners Crossroad north of Glenwood Avenue. The street extension alleviated a hazardous intersection at Glenwood Avenue and Turners Crossroad and simplified the poorly-defined north/south access route between the Central Area and the rest of Golden Valley.

Boundaries and Size

Bounded on the west by a westerly branch of the Soo Line Railroad, on the south by Laurel Avenue, on the east by Turners Crossroad, and on the north by Glenwood Avenue and an easterly branch of the Soo Line Railroad.

Approximately 38.3 acres in size.

Map G: West Area



Land Use

This sub-area has been redeveloped to include a 109 unit Holiday Inn Express hotel and 253,549 sq. ft. of office warehouse space. Under the new I-394 Mixed Use Zoning District these parcels could be developed to incorporate a wide range of uses, including:

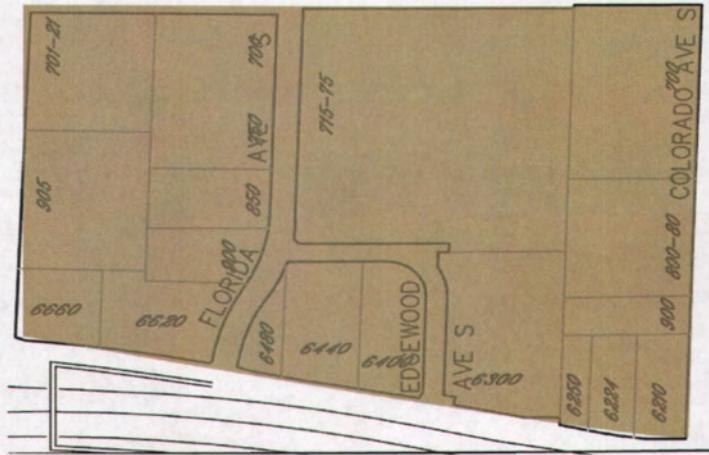
- Multiple Family Residential
- Elderly and Handicapped Housing
- Commercial
- Medical Clinics
- Institutional

Boundaries and Size

Bounded on the west by Colorado Avenue, on the south by the adjusted city limits/I-394 fence line, on the east by the Soo Line railroad, and on the north by Laurel Avenue.

Approximately 31.7 acres in size.

Map H: Florida Avenue Area



Land Use

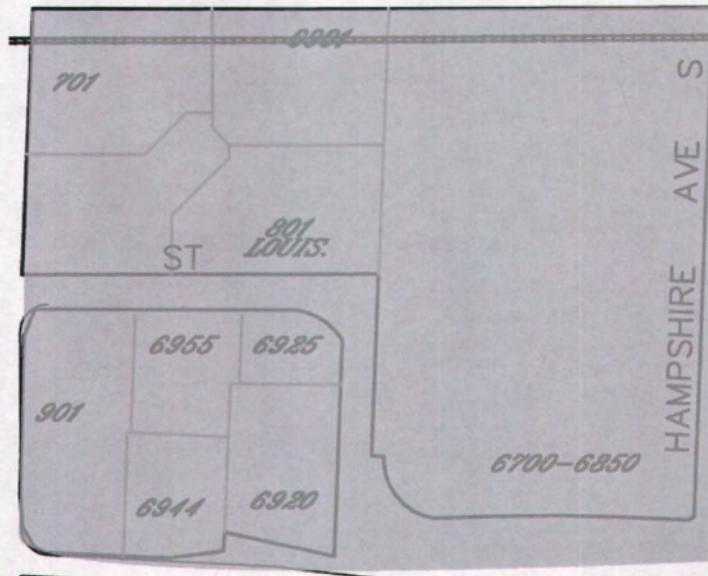
This sub-area currently includes office, light manufacturing, and restaurant uses. It is focused around Florida Avenue, and is guided to have mixed-use development. More intense land uses would be preferred along the southerly section of the area, adjacent to Wayzata Boulevard.

Boundaries and Size

Bounded on the west by Hampshire Avenue South, on the south by Wayzata Boulevard, on the east by Colorado Avenue South, and on the north by Laurel Avenue.

Approximately 40.2 acres in size.

Map I: Louisiana East Area



Land Use

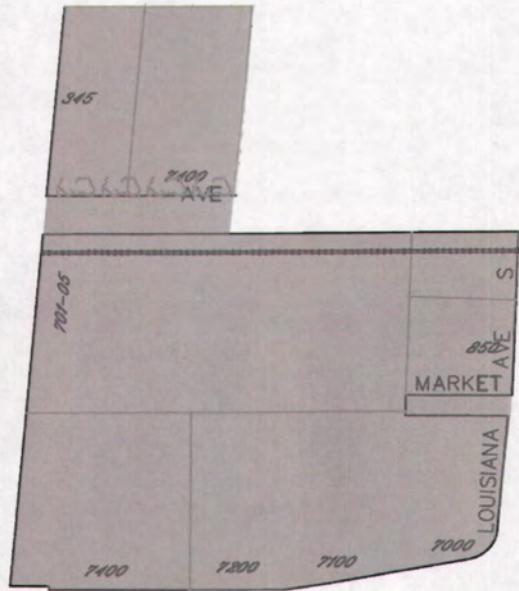
This sub-area includes office, retail, light industrial, automotive service, and restaurant uses. This area is guided to have mixed use development. More intense land uses would be preferred along the southerly section of the area, adjacent to Wayzata Boulevard. The area includes the easterly section of the Louisiana Avenue interchange with Interstate 394.

Boundaries and Size

Bounded on the west by Louisiana Avenue South, on the south by Wayzata Boulevard and Interstate 394, on the east by Hampshire Avenue South, and on the north by Laurel Avenue.

Approximately 27.9 acres in size.

Map J: Louisiana West Area



Land Use

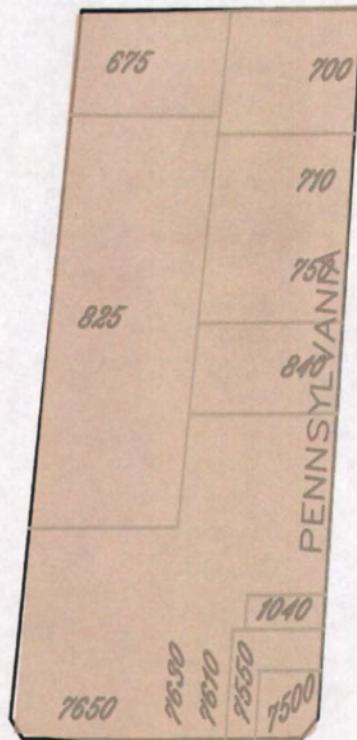
This sub-area includes office, light industrial, automotive sales and service, and restaurant uses. This area is guided to have mixed use development. More intense land uses would be preferred along the southerly section of the area, adjacent to Wayzata Boulevard, and along the eastern section of the area, adjacent to Louisiana Avenue.

Boundaries and Size

Bounded on the west by Pennsylvania Avenue South, on the south by Wayzata Boulevard and Interstate 394, on the east by Louisiana Avenue South, and on the north by Laurel Avenue, with the addition of two parcels north of Laurel Avenue, east of Pennsylvania Avenue South and west of the West Ring Pond. Also includes the two parcels north of Laurel Avenue and east of Pennsylvania Avenue.

Approximately 39.46 acres in size.

Map K: Rhode Island Area



Land Use

This sub-area includes office, light industrial, and automotive-related uses. The area is guided to have mixed use development. The area is directly adjacent to a single family residential neighborhood. Therefore, less intense land uses are desired for this location.

Boundaries and Size

Bounded on the west by Rhode Island Avenue South, on the south by Wayzata Boulevard, on the east by Pennsylvania Avenue South, and on the north by Laurel Avenue.

Approximately 16.8 acres in size.

Section 6. Land Use

Traditionally, the I-394 Corridor has been comprised of primarily industrial, commercial, and office uses. The transition of the corridor to mixed uses requires that individual land uses work to complement one another and enhance the cohesiveness of the area. Standards have been developed for individual land uses to increase their ability to coexist among other land use designations within the corridor.

1. Housing

Housing, in a variety of configurations (multi-story multifamily buildings, the upper floors of mixed-use buildings, attached single-family units such as townhouses) and including rental and owner-occupied (condominium or cooperative), will be incorporated in the Project Area. An emphasis on lifecycle housing will be emphasized in the corridor.

Current Development: A limited amount of housing currently exists within the Amended Golden Hills Redevelopment Area.

2. Commercial retail and service uses

The Project Area will include commercial retail and other service uses that are integrated into mixed or multi-use developments, gradually moving away from the current pattern of small free-standing convenience retail. A grocery store is also encouraged as a medium-sized freestanding retail facility that would meet neighborhood needs.

Current Development: Commercial uses within the proposed I-394 Redevelopment Area currently include fast-food and casual dining restaurants, big-box retailers, a gas station, auto dealerships, and several independent retailers and service providers.

3. Business and professional office uses.

Office uses often have significant traffic impacts. The I-394 Mixed Use Zoning District will typically require traffic analyses and subsequent traffic management plans to minimize traffic congestion.

Current Development: Several large-scale office buildings exist in the Project Area. They are typically part of a Planned Unit Development (PUD). Professional offices also currently exist as components of existing business operations.

4. Open space. The development plan does not identify any sites for new public parks or plazas, but large developments would be encouraged to provide improved open space as part of their composition. Plazas and open space available to the public will be encouraged in private developments. Enhanced streetscape treatments along major streets will also enhance the area's appearance.

Current Development: No public open space exists in the proposed I-394 Redevelopment Area. However, the Laurel Avenue Greenbelt exists to the north of the area, and serves as an important buffer between the Project Area, and the less intense land uses in the R-1 Residential Zoning District.

5. Existing industrial uses. No industrial uses are planned for the Project Area.

Current Development: A number of large industrial facilities, automotive sales and service facilities are located in the Project Area.

These uses could remain in the area indefinitely, but the City will consider redevelopment or reuse proposals for sites that may be ready for more intense and market-responsive uses.

Section 7. Goals, Objectives, and Policies

To achieve its mission of structured redevelopment, the Golden Hills Redevelopment Plan has instituted goals, objectives, and policies. These items, listed below, encourage cohesive planning and structured redevelopment within the Project Area.

Goal 1 – Community Enhancement

Objectives

- Increased jobs and tax base.
- Visually attractive development.
- Recognizable features which reflect Golden Valley and enhance community identity.
- Job and tax-based growth at environmentally sustainable levels.

Policies

The City will study planned land uses in the Project Area after all zoning changes are in place, to determine the need or desirability of area-wide plan amendments accommodating altered land use demand.

Goal 2 – High Quality Development

Objectives

- High quality new developments that are visually attractive and respect their surroundings.
- Development that meets environmental criteria set forth by Leadership in Energy and Environmental Design (LEED) and the United States Department of Energy.
- Use of environmentally sustainable ‘green building’ practices when possible.
- Development that meets criteria for active living.

Policies

The City will assure that its review processes, zoning, and building regulations are designed to promote desired development projects.

The City will establish a list of qualifying criteria to serve as a selection standard for targeting Community Development Block Grant or other redevelopment funds.

The City will review existing properties to consider their long term viability and/or options for alternative use.

The City will consider various approaches and/or incentives to promote a Project Area beautification program. This program could include public and private components.

Goal 3 – Redevelopment of Obsolete Properties

Objectives

- Redevelopment of parcels that are blighted, functionally obsolete, economically unsustainable, or incompatible with adjacent uses.

Policies

The City will assure that new uses in the redevelopment area are compatible with existing development and the City's land use plan.

The City may consider providing public subsidy to those redevelopment projects that serve a substantial public purpose, remove blight, or mitigate contamination.

Goal 4 – Protection of the Environment

Objectives

- Preserve and enhance wetlands
- Prevent and correct soil and wetland contamination
- Preserve and cultivate arborous environments
- Restore native vegetation where appropriate
- Maintain existing natural features
- Reduce light in the night sky
- Co-locate higher density uses with commercial services to reduce the amount of auto travel and corresponding air pollution

Policies

The City will remain a leader in urban environmental protection by promoting area parks and open space, and setting development standards that uphold environmental guidelines.

The City will continue to explore Sustainable Development research, for possible incorporation into future updates of this plan.

Goal 5 – Maintain a Regional Framework

Objectives

- Implement Metropolitan Council growth and development policies when appropriate.
- Take advantage of State and County funding.
- Maintain a positive relationship with surrounding communities and governmental agencies.
- Continue to support traffic management plans.

Policies

Accommodate mixed use developments and increase land use density where appropriate in accordance with the Metro Council's regional growth strategy.

Monitor need for additional transit opportunities and encourage the development of local and regional transit opportunities within the Project Area.

I-394 Corridor Redevelopment Plan

Appendix: Redevelopment Area Property Identification (PID) Numbers – March 2012

PID	Address	2012 TMV	2012 Use	Year Constructed
SOUTH AREA				
3002924310003	5075 Wayzata Blvd	1,554,000	Duke/Vacant/Parking Lot	
3002924310002	1400 State Hwy No 100 S	1,405,000	Duke/Vacant/Parking Lot	
3002924310035	1500 State Hwy No 100 S	1,769,000	Duke/Vacant/Parking Lot	
EAST AREA				
3002924230047	5411 Circle Down	1,305,000	1 Story Office	1957
3002924230002	1201 Turners Crossroad S	Exempt Use 086	HRA (Vacant)	
3002924230003	5426 Wayzata Blvd	Exempt Use 082	MnDOT/Vacant	
3002924230058	MnDOT Parcel	Exempt Use 082	MnDOT/Vacant	
3002924230063	5410 Wayzata Blvd	2,984,000	Restaurant/Catering	1985?
3002924240016		MnDOT Parcel	SF Residential Vacant	
3002924240017		MnDOT Parcel	SF Residential Vacant	
3002924230050	5311 Circle Down	Exempt Use X99	Multi Family	1962
3002924230057	5307 Circle Down	909,000	Multi Family	1962
3002924240016		MnDOT Parcel	SF Residential – Vacant	
3002924240017		MnDOT Parcel	SF Residential – Vacant	
CENTRAL AREA				
0411721240027	5500 Wayzata Blvd	6,150,000	Parking Ramp	1987
0411721240028	5500 Wayzata Blvd	35,363,000	Colonnade	1988
0411721240024	700 Xenia Ave S	1,573,000	Vacant Lot	
0411721240025	800 Xenia Ave S	2,247,000	Vacant Lot	
0411721240029	28 Address Pending	873,000	Colonnade Entrance	
0411721240030	28 Address Pending	1,582,000	Vacant	
0411721240032	701 Xenia Ave S	24,799,000	Golden Hills Office	1999
0411721240038	5701 & 5709 Golden Hills Dr	64,127,000	Allianz	2000
WEST AREA				
0411721230050	28 Address Pending	SOO Line Railroad		
0411721230052	6105 Golden Hills Dr	7,070,000	1 Story Office/Warehouse	1999
0411721230053	6100 Golden Hills Dr	6,638,000	1 Story Office/Warehouse	1999
0411721230054	5900 Golden Hills Dr	7,648,000	1 Story Office/Warehouse	1995
0411721230055	6020 Wayzata Blvd	4,772,000	Hotel	1995
0411721230056	28 Address Unassigned	Exempt Code 086	Pond	
0411721240037	28 Address Pending	Exempt Code X98		

XENIA AVE EXTENSION AREA				
3311821340053	5430 Glenwood Ave	Exempt Use 030	Davis Community Center	
0411721210002	5501 Glenwood Ave	Exempt Use 060	Church	1962
0411721210003	5501 Glenwood Ave	Exempt Use 060	Church	1956
0411721210035	250 Turners Crossroad S	13,533,000	Multi Family	2004
0411721210023	400 Turners Crossroad S	Exempt Use 086	Fire Station	
0411721210004	5601 Glenwood Ave	1,503,000	Multi Family	1964
0411721210005	5635 Glenwood Ave	339,000	SF Residential	1949
0411721210007	5701 Glenwood Ave	188,000	R2 Residential	1938
0411721210006	5745, 5747 Glenwood Ave	997,000	Multi Family	1963
0411721210033	28 Address Unassigned	Exempt Use X98	Pond	
0411721210008	5743 Glenwood Ave	498,600	Multi Family	1963
0411721210024	5610 Laurel Ave	4,705,000	Multi Family	1979
FLORIDA AVE AREA				
0411721230036	700 Colorado Ave S	2,050,000	Bell Mfg. – Industrial	1979
0411721230003	800 Colorado Ave S	1,645,000	Ron-Vik	1961
0411721230004	900 Colorado Ave S	810,000		1959
0411721230005	6250 Wayzata Blvd	711,000		1966
0411721230057	6210 Wayzata Blvd	1,593,000	Venture Bank	1962 & 2011
0511721140024	715-765 Florida Ave S	6,000,000.00		1970
0511721140002	6300 Wayzata Blvd	3,090,000	Super 8 Motel	1980
0511721140023	6400 Wayzata Blvd	1,200,000	Restaurant – JJ's	1981
0511721140022	6440 Wayzata Blvd	2,060,000	Restaurant – Osaka	1980
0511721140010	6480 Wayzata Blvd	590,000		1958
0511721140025	700-730 Florida Ave S	2,050,000	PRISM/	1960
0511721140015	850 Florida Ave S	765,000	3 rd Lair Skate Park	1958
0511721140016	900 Florida Ave S	1,233,000	Collision Center	1965
0511721140026	6620 Wayzata Blvd	1,550,000	Restaurant – Taco Bell	1998
0511721140005	705, 715, 719, 721 Hampshire Ave S	2,238,000		1970
0511721140019	905 Hampshire Ave S	2,099,000	Borton Volvo	1999
0511721140008	6660 Wayzata Blvd	1,000,000	Restaurant – Burger King	1973

LOUISIANA EAST AREA				
0511721130023	6800 Wayzata Blvd	10,591,000	Menards	2012
0511721130017	6901 Laurel Ave	2,034,000	Boulevard Collision	1993
0511721130018	801 Louisiana Ave S	1,820,000	Jim Lupient – Auto	1994
0511721130016	701 Louisiana Ave S	1,227,000	Jim Lupient – Auto	1995
0511721130015	751 Louisiana Ave S	1,283,000	Jim Lupient – Parking Lot	
0511721130022	6925 Market St	673,000	Jiffy Lube	1995
0511721130011	6920 Wayzata Blvd	1,500,000	Restaurant - Perkins	1962
0511721130020	6955 Market St	1,198,000	SuperAmerica	1995
0511721130021	6944 Wayzata Blvd	1,367,000	Car X Auto Service	1995
0511721130019	901 Louisiana Ave S	1,860,000	Mermaid Car Wash	1995
LOUISIANA WEST AREA				
0511721240007	28 Address Pending	910,000	Lupient – Parking Lot	
0511721240008	850 Louisiana Ave S	2,059,000	Benihana	1980
0511721240009	7100/7200 Wayzata Blvd	9,600,000	Lupient – Auto	1967
0511721240001	7400 Wayzata Blvd	5,588,000	Morries Cadillac	1965
0511721240002	701 Pennsylvania Ave S	8,087,000	Liberty Diversified	1996
0511721240074	345 Pennsylvania Ave S	Exempt Use 060	Warehouse	1959
0511721240075	7400 Laurel Ave	Exempt Use 070	Workabilities	1981
RHODE ISLAND AREA				
0511721230054	700 Pennsylvania Ave S	526,000		1961
0511721230001	710 & 750 Pennsylvania Ave S	1,360,000	Lupient – Auto	1971
0511721230055	840 Pennsylvania Ave S	815,000	Industrial – Weavewood	1962
0511721230058	1040 Pennsylvania Ave S	135,000	Qwest	1950
0511721230004	7600 Wayzata Blvd, Includes: 900, 904 and 1000 Pennsylvania Ave S, 7610, 7630 and 7650 Wayzata Blvd	3,106,000		1960
0511721230057	7550 Wayzata Blvd	283,000	Neptune Society	1961
0511721230059	7500 Wayzata Blvd	229,000	Life Save Fire Protection	1968
0511721230002	675 Rhode Island Ave S	1,020,000	General Label	1960
0511721230003	825 Rhode Island Ave S	1,325,000	Norcostco	1959

NORTH WIRTH PARKWAY REDEVELOPMENT PLAN

ORIGINALLY ADOPTED IN 1978

- HRA Approval Date (No Resolution): September 18, 1978
- City Council Approval Date (Resolution #128): October 16, 1978

LAST AMENDED IN 1997

- HRA Initial Approval Date (Resolution 97-5): February 18, 1997
- City Council Approval Date (Resolution 97-35): March 18, 1997
- HRA Final Approval Date (Resolution 97-9): May 13, 1997

NORTH WIRTH PARKWAY REDEVELOPMENT PLAN

Part I: OVERVIEW

Area Location and Boundaries

The North Wirth Parkway redevelopment area (Exhibit A) is considered to be one of Golden Valley's "gateway" locations. Fronting on the north side of Olson Memorial Highway (Highway 55) and extending a full mile from the edge of Wirth Park to Highway 100, it establishes the character of the City in the eyes of many travelers coming west out of Minneapolis. In contrast to its length, North Wirth is only about a quarter-mile in width, extending from the highway to the Chicago Northwestern railroad tracks. The area includes about 108 acres of land.

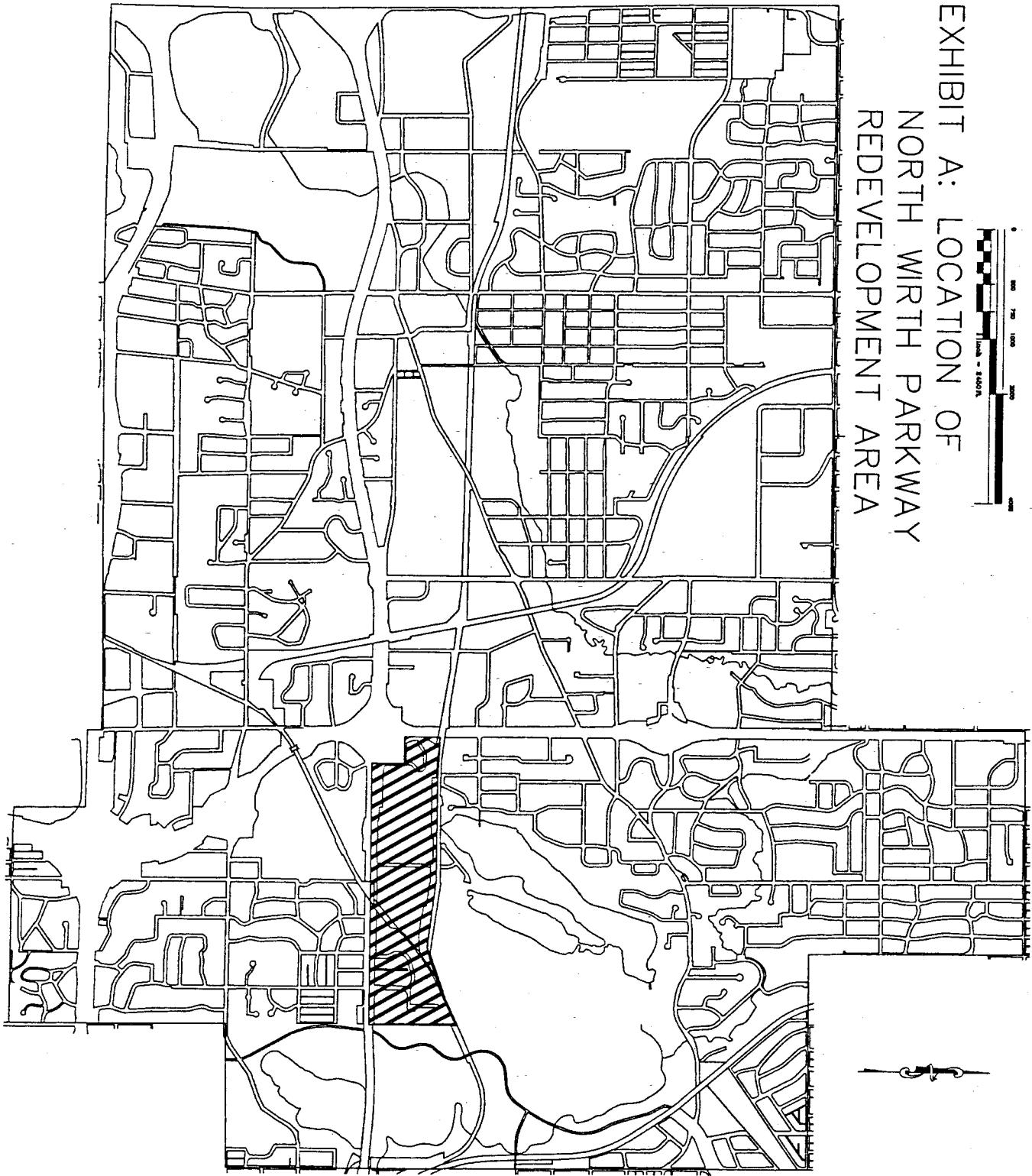
Evolution of North Wirth Planning

As early as 1973, the triangle of land known today as North Wirth's East Area (bounded by Wirth Park, Olson Memorial Highway, and the Soo Line Railroad tracks) was singled out in Golden Valley's comprehensive plan as "an area in need of renewal". Two of this area's most visible businesses were a 1940's-style drive-in restaurant that closed in 1971 and a gun/bait shop. Neither met zoning code requirements. In the mid-1970's, owners of both came to the City for permission to expand or otherwise alter the use of the properties, which would have required significant variances to legitimize existing conditions. The Council confronted the issue of community image head-on. Giving the businesses a new lease on life appeared contrary to Golden Valley's best interests, but leaving them to deteriorate in place was no longer an acceptable alternative. The North Wirth Parkway redevelopment area was created as a solution to the problem.

The original North Wirth Parkway Redevelopment Plan was adopted by a recently established Golden Valley Housing and Redevelopment Authority (HRA) on September 18, 1978. At that time, it covered only the triangular area previously identified as being in need of renewal. In addition to accommodating expansion of facilities owned by the railroad company and an existing paper plant, the plan contemplated construction of a 100,000 square foot office development and a 21,000 square foot convenience retail center.

CITY OF GOLDEN VALLEY

EXHIBIT A: LOCATION OF
NORTH WIRTH PARKWAY
REDEVELOPMENT AREA



The first amendment to the plan was adopted on April 9, 1979. The most significant changes were the elimination of the proposed commercial center and the near doubling of the proposed office development to 190,000 square feet. A proposed Highway 55 traffic signal was also shifted from Indiana Avenue to Meadow Lane, and other traffic circulation details were modified.

The second plan amendment was adopted on March 9, 1982. With it, the HRA again increased the amount of office space to be included in the area, this time to 290,000 square feet. The scope of the increase required that construction of a parking ramp be added to the plan as well.

The third amendment to the North Wirth Parkway Redevelopment Plan was adopted on February 16, 1988. It enlarged the redevelopment area to its present size and established redevelopment concepts for the newly added territory, which was divided into the Central Area and the West Area of North Wirth Parkway. The original area was renamed as the East Area. A "basis for certification" section of the plan was deleted and replaced by a more generic "finding" statement. The original list of objectives was completely rewritten and increased from five statements to 18.

The plan for the Central Area called for either restaurant/hotel or restaurant/office redevelopment at Highway 55 and Ottawa Avenue as well as more effective use of land occupied by existing businesses and excess railroad right-of-way. For the West Area, complete redevelopment with medium to high density residential uses was preferred, though limited convenience-type retail uses were also contemplated for part of the area. In both areas, extensive highway access and frontage road improvements were a top priority.

Rather than expanding the railroad facilities, the revised East Area plan contemplated complete removal of all railroad uses except for basic trackage, with replacement by light industrial uses for the most part. A second office complex was planned along the highway frontage directly west of the first office development, where previous versions of the plan had called for retention or expansion of existing industrial or railroad uses. The paper company expansion was left in the plan, but was reoriented to the north of the existing site rather than to the east as in earlier plan versions.

The North Wirth Parkway Redevelopment Plan contained in these pages marks the fourth amendment since the creation of North Wirth back in 1978. It reflects the HRA's attempt to maximize available and expected tax increments in order to best position the North Wirth area for continued improvement through private investment after the district is ended.

Environmental Remediation

One area to be addressed in this amendment is environmental investigation and remediation which must be done to redevelop the property and comply with federal and state requirements. In 1991 the railroad property (mostly in the East Area) purchased for redevelopment was discovered to have significant contamination. In 1993 a Central Area combined site composed of the former White House restaurant land and the land platted as the Schaper Natural Area was placed on the State Superfund Permanent List of Priorities. The contamination is considered a blight, to be cleaned up to create developable parcels and to avoid migration to adjoining property through surface or ground water.

Financing of Activities

North Wirth's East Area is a tax increment financing (TIF) district. That designation allows Golden Valley's HRA to finance redevelopment activities throughout the redevelopment area from taxes generated by "captured" increases in taxable value. The taxable valuation of a TIF district is "frozen" when the district is created. Taxes on this base valuation continue to be collected and distributed among the various taxing jurisdictions as usual.

As redevelopment activities generate increased valuation for properties within the district, taxes on the amount of valuation over and above the base valuation are distributed directly to the HRA on an annual basis. These moneys, known as tax increment, are used to finance redevelopment activities throughout the redevelopment area. When the district expires these moneys will be distributed to the various taxing jurisdictions.

Of course, this is a much simplified explanation of TIF, but it conveys the general idea of how the Golden Valley HRA is able to finance the improvement of the North Wirth area. More detailed financial information is provided in Part III of this plan. More information on the creation and administration of TIF districts can be found in Minnesota Statutes 469.174 - 469.179.

Findings in Support of Redevelopment

In order to use the redevelopment powers authorized for local HRA's under state law, a city must first make certain "findings" with regard to the area proposed for redevelopment. Findings for the original North Wirth Parkway area were adopted by City Council Resolution #128 on October 16, 1978. Findings for the expanded area were adopted by City Council Resolution #88-15 on February 16, 1988. There are minor variations in wording between the two resolutions, but they consist of the same basic points, identified as follows:

- The North Wirth Parkway area is found to be a blighted area within the meaning of applicable state statutes;
- The redevelopment program outlined in the North Wirth Parkway plan is necessary to eliminate and prevent the spread of blight;
- The affected area is subject to conditions preventing private development and would not be available for redevelopment without governmental assistance and financial aid;
- The plan for the area maximizes opportunities for redevelopment by private enterprise consistent with the needs of the City as a whole;
- The plan is sufficiently complete to indicate its relationship to the City's objectives regarding appropriate land uses, and to indicate the general redevelopment land uses and standards for the area;
- There is a feasible method for the relocation of households that may be displaced by redevelopment efforts, and adequate replacement housing and other relocation benefits will be provided to such households by the HRA in accordance with applicable federal and state regulations; and
- The objectives and purposes of the North Wirth Parkway plan are consistent with the general land use proposals and planning objectives established by the City of Golden Valley in its comprehensive plan.

Redevelopment Goals and Objectives

There have been changes in details and wording of statements over the years, but the basic aims of the North Wirth Redevelopment Plan have remained fairly constant throughout all of its amended versions. Specific redevelopment uses and activities are identified in Part II of this plan. Broader goals and objectives are as follows:

Goal Remediation of blighting conditions to stimulate appropriate private redevelopment efforts.

Objectives

- Acquire and demolish dilapidated, deteriorated, or vacant buildings for which rehabilitation is deemed unfeasible.
- Acquire and demolish obsolete buildings or buildings with substantial code deficiencies for which modernization is deemed unfeasible.
- Acquire and demolish facilities with substantial nonconformities in parking/loading areas, landscaped yard areas, percentage of lot coverage, or other aspects of zoning or land use.
- Investigate and correct areas of contaminated soil or groundwater.
- Identify and implement strategies as necessary to reduce the likelihood of future environmental degradation through intentional dumping or unintentional spills or leaks.

Goal Strengthening of area tax base through coordination of redevelopment activities.

Objectives

- Assemble small lots or poorly configured unplatting parcels of land into new development sites of suitable size and configuration to meet modern zoning standards and land use demands.
- Promote expansion or redevelopment of uses on currently under-used parcels that have potential for greater contribution to the economic welfare of the community.
- Evaluate and facilitate reasonable development of vacant land encumbered by steep slopes, poor soils, excessive wetness, or other development-inhibiting natural conditions.
- Identify appropriate uses for targeted redevelopment sites, seek qualified developers, and ensure successful redevelopment outcomes via negotiated development agreements.

- Development in this area will occur with an emphasis on protection of wetlands and other natural resources.

Goal Improvement of public infrastructure to encourage more effective use of available land.

Objectives

- Assist MnDOT as necessary with expedited reconstruction of the frontage road system for Highways 55 and 100, and with signalization of improved access points.
- Reconstruct or augment the internal street system as necessary to provide efficient access and to accommodate large-scale development.
- Provide and/or upgrade storm water detention, drainage, and filtering facilities.

Provisions For Plan Amendment

The North Wirth Parkway Redevelopment Plan may be amended from time to time as required for adjustment to changing conditions. Approval of any such amendment must be undertaken in accordance with applicable provisions of state law.

Where the HRA determines that a change in the Plan is necessary, and further determines that such change does not alter or affect overall redevelopment area boundaries, nor does it depart substantially from the general land uses established in the Plan, such change shall not constitute an amendment to the approved North Wirth Parkway Redevelopmownt Plan and shall not require City Council approval.

Part II: REDEVELOPMENT PLAN COMPONENTS

As indicated in Part I of this plan, North Wirth is divided for planning purposes into three sub-areas: the East Area, the Central Area, and the West Area (Exhibit B). The following pages present a summary of land use characteristics and planned and completed redevelopment activities for each sub-area.

East Area

Among the three sub-areas, the East Area displayed the least advantageous initial land use characteristics. Ten years older than the other two parts of North Wirth, it has also been the focus of the most extensive redevelopment activity over the years. Even with time out for remediation of significant soil and groundwater contamination, most targeted redevelopment projects have been completed or are well in hand. (Exhibit C)

Boundaries and Size

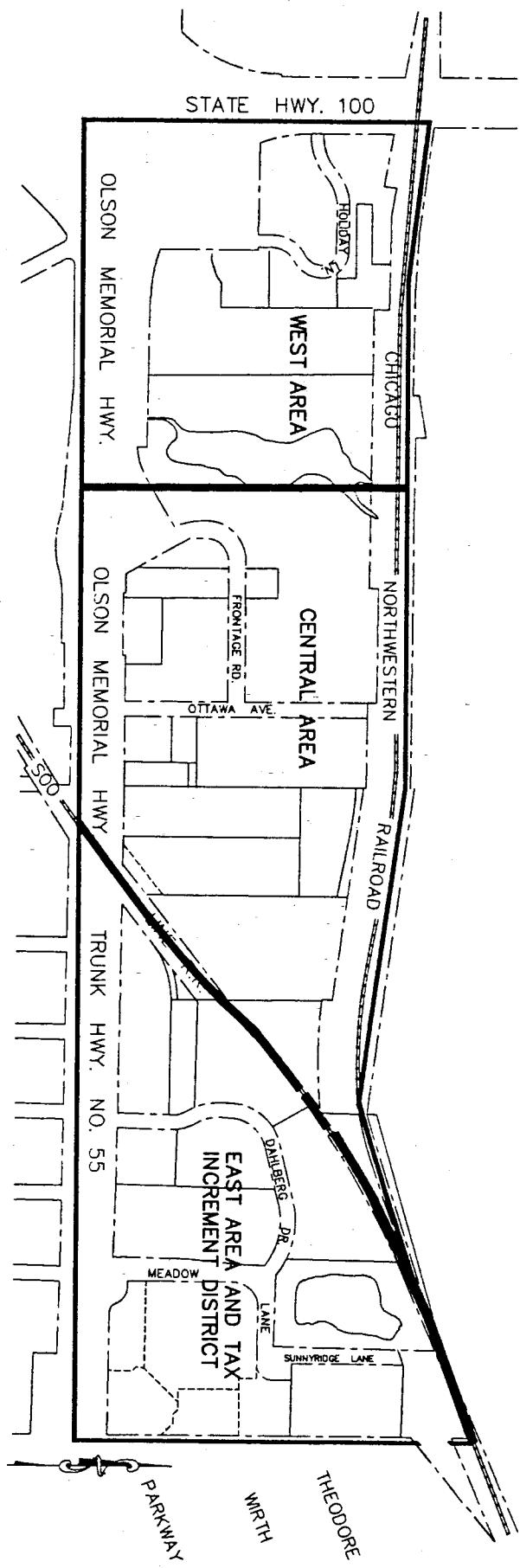
Triangular area bounded on east by Wirth Park, on south by Olson Memorial Highway (Hwy. 55), and on northwest by railroad tracks. Also known as "original" North Wirth Parkway area.

Approximately 38 acres in size.

Initial Land Use Characteristics (1978)

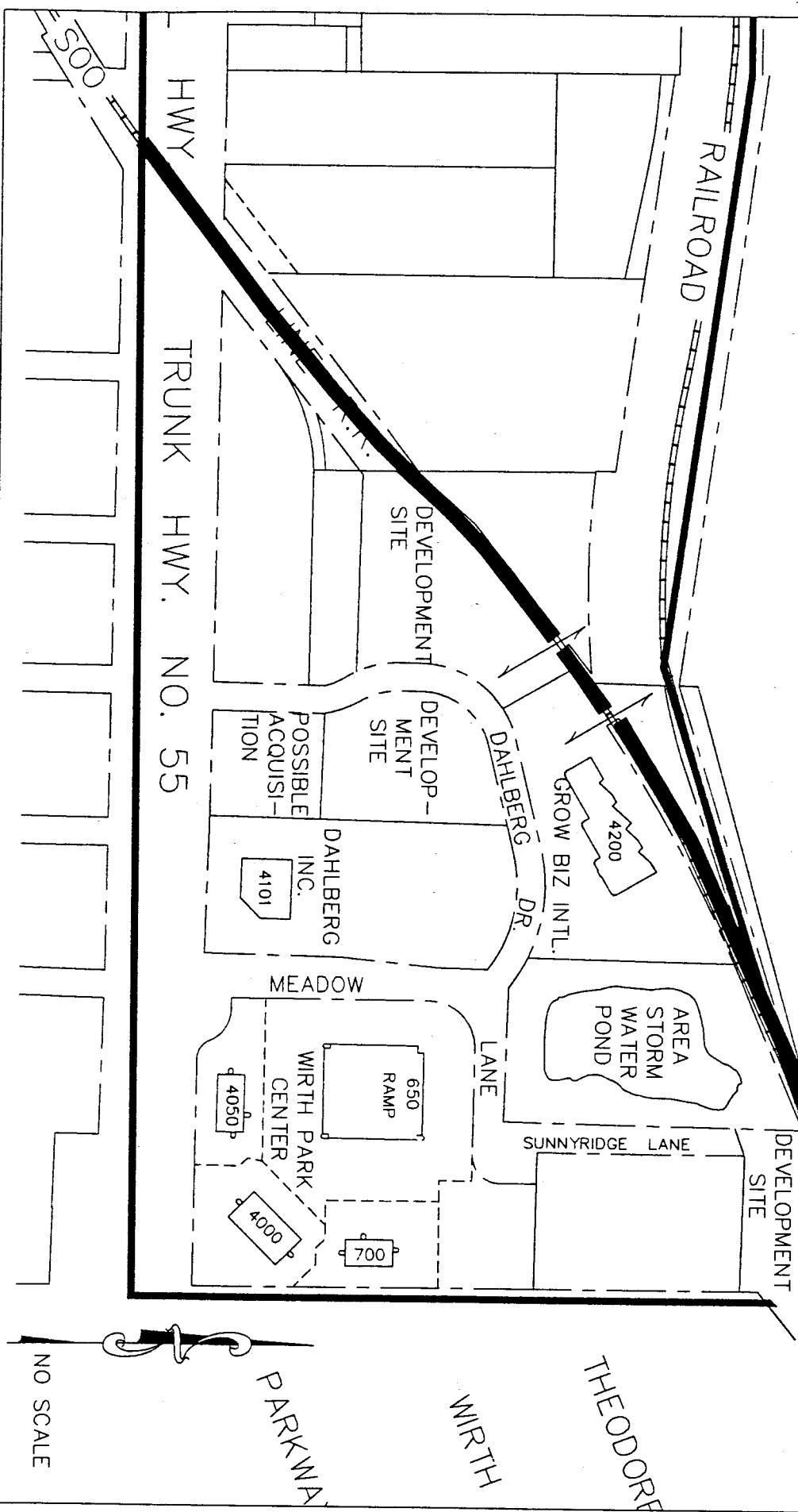
- Unplanned intermixing of small scale residential, commercial, and industrial uses near park and highway, with Hennepin County Animal Humane Society, a major box manufacturer, and encroaching railroad uses extending southeasterly from the railroad tracks.
- Most of area platted in small (40 to 50 feet wide) residential lots dating back to 1915.
- Many vacant lots under widely dispersed ownership.
- Widespread zoning nonconformities, including businesses in residential structures, inadequate on-site parking, inadequate or nonexistent landscaped areas, and structures too big for sites.
- Increasing building code violations and structural decline.
- Inadequate and hazardous access to and from highway.
- No curbs, gutters, or sidewalks on internal streets; pavement nonexistent or deteriorated; many street and alley segments vacated for railroad yard use.

EXHIBIT B: NORTH WIRTH PARKWAY AND SUB-AREAS



NO SCALE

EXHIBIT C: EAST AREA AND TAX INCREMENT DISTRICT



Planned Characteristics

Mix of large scale office, office/warehouse, and light industrial uses, with office development preferred adjacent to highway. Animal Humane Society to remain in place. Due to prohibitive cost of acquisition, box manufacturer to remain in place with site improvements as feasible.

Activities Completed to Date

- Buyout and removal of all residential uses and all railroad uses except basic trackage.
- Construction of redesigned internal street system.
- Construction and signalization of redesigned highway access.
- Construction of local storm water ponding facility.
- Remediation of soil and groundwater pollution generated by former uses.
- Development of Wirth Park Center -- 260,000 square foot office complex in three buildings, with associated parking ramp (can accommodate approximately 40,000 square feet of additional office space through vertical expansion of tallest office building and parking ramp).
- Development of Dahlberg, Incorporated -- 87,700 square foot corporate headquarters and hearing aid manufacturing facility.
- Development of Grow Biz International -- 47,500 square foot office, warehouse, and training center for company specializing in purchase/resale of various popular commodities.

Current Action Plan Components

- Development of one remaining site east of Dahlberg Drive, including necessary soil corrections.
- Development of one remaining site west of Dahlberg Drive, including necessary soil corrections.
- Development of one remaining site north of Animal Humane Society.
- Potential acquisition and demolition of one remaining older building (Juhl Brokerage) on highway side of easterly development site, with accompanying relocation of existing business.

Central Area

Central Area redevelopment plans have been the least ambitious of the three, with few targeted redevelopment sites. Activities have been slowed by three factors: the need to wait for MnDOT to complete necessary highway frontage road and access improvements, the discovery of previously unsuspected soil and groundwater contamination, and legal problems arising in connection with one of the proposed redevelopment sites. (Exhibit D)

Boundaries and Size

Area bounded on north and east by railroad tracks, on south by Olson Memorial Highway (Hwy. 55), and on west by property line between City-owned open space area and Valley Village Apartments excess land.

Approximately 43 acres in size.

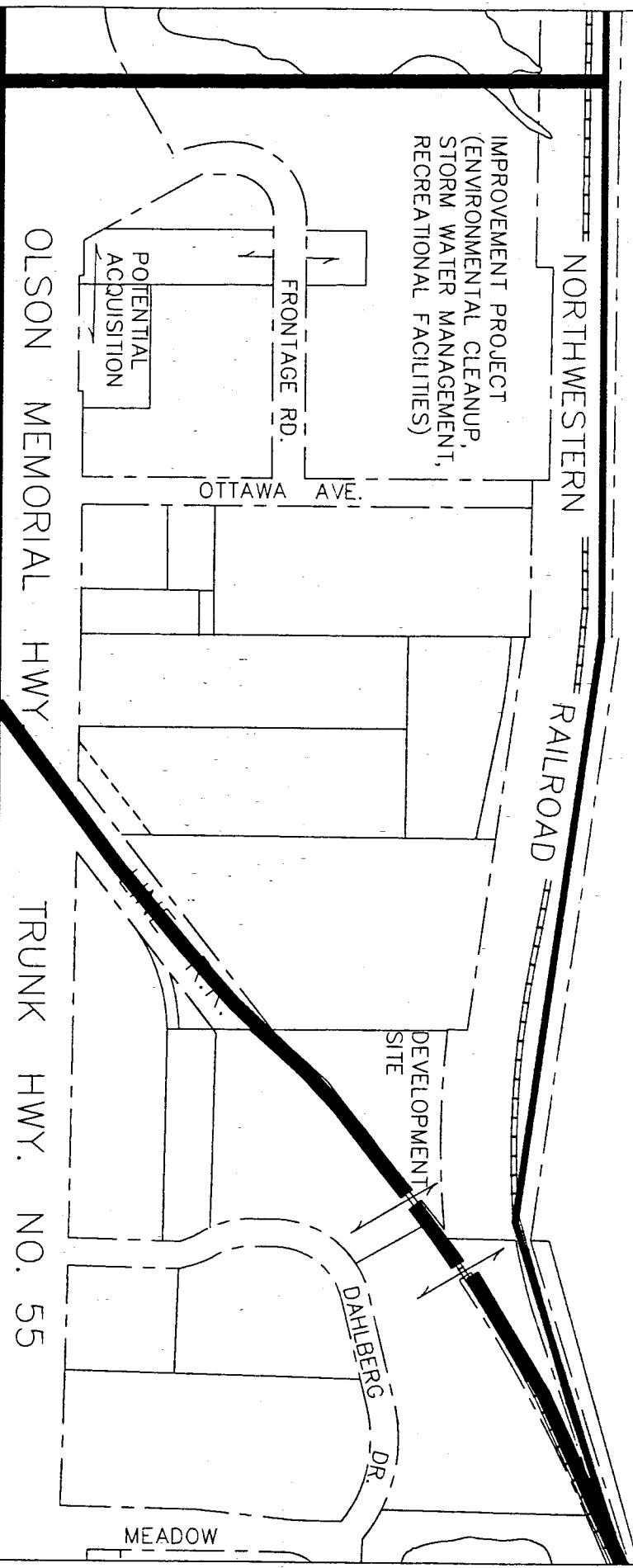
Original Land Use Characteristics (1988)

- Mix of industrial, office, showroom, and hospitality/service uses, not always appropriately zoned.
- Highly visible vacant and deteriorating restaurant building fronting on highway, on a site partially filled with construction debris, later determined to include contamination.
- Excess railroad right-of-way sitting vacant in northeasterly angle between tracks, with difficult topography and no street access to accommodate sale and development.
- Moderate zoning nonconformities, including inadequate on-site parking and inadequate or nonexistent landscaped areas.
- Most of area never platted, some parcels with no direct street access, several parcels of ample size but with poor configuration for optimized site use.
- Poorly located frontage road with hazardous access to and from highway.
- Approximately 15 acres of City-owned permanent open space in westerly half of area, providing a natural surface water management area at the westernmost edge, portions of which were filled in with construction debris; site of illegal dumping over the years.

Planned Characteristics

Same basic mix of industrial, office, and hospitality/service uses, with open space at west end. Most existing buildings to remain in place, with site improvements as feasible. Productive re-use of excess railroad right-of-way and former restaurant property, and augmented use of permanent open space.

EXHIBIT D: CENTRAL AREA



NO SCALE

Activities Completed to Date

- Construction of redesigned highway frontage road and signalization of access.
- Acquisition of excess railroad right-of-way, platting and provision of street access through linkage to East Area development site.
- City-ordered demolition of deteriorated former restaurant building.
- Environmental studies and commencement of remediation activities for soil and groundwater contamination found on City-owned open space and former restaurant site.
- Commissioning of study for proposed lighted ball fields and related storm water management improvements on City-owned open space.

Current Action Plan Components

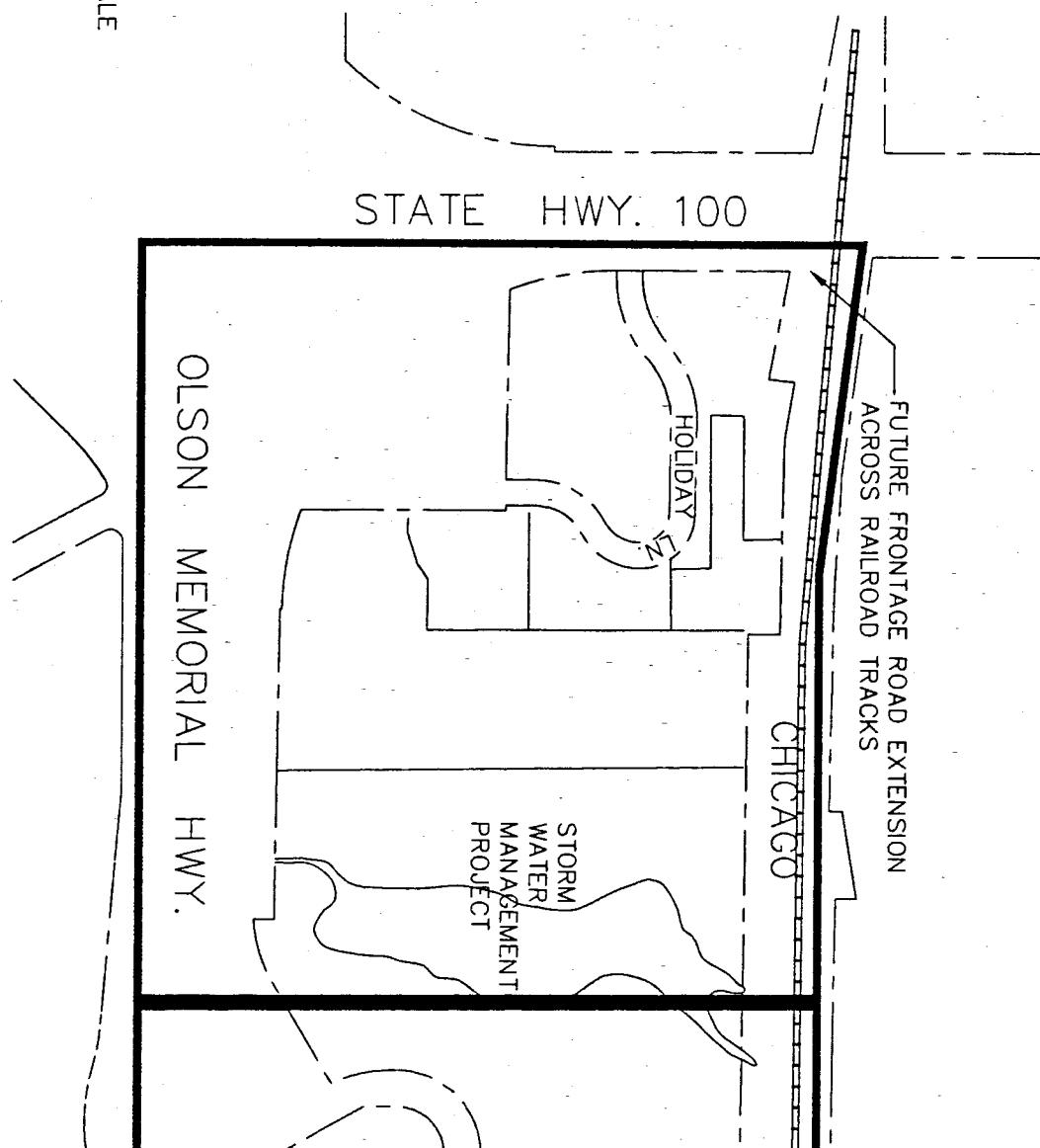
- Completion of clean-up activities on City-owned property .
- Coordination of platting for relocated frontage road segment and various parcels of land affected by it, including City-owned property and tax-forfeit former restaurant property
- Acquisition of former restaurant site, currently a tax-forfeited property, for completion of environmental clean-up and ultimate redevelopment in combination with small portion of City-owned property "orphaned" by construction of new frontage road.
- Establishment of lighted ball fields, trail, tot lot and other park facilities on City-owned open space, and upgrading of area to be retained for storm water management.
- Development of former excess railroad right-of-way site which is part of an East Area lot.

West Area

West Area redevelopment plans have experienced the least progress of the three. There is some uncertainty about the redevelopment potential of the westernmost end of the area due to the lack of final design plans for Highway 100 expansion and associated frontage road reconstruction. In the late 1980's, a proposal for complete area redevelopment with high density luxury apartments fell through due to poor market conditions, which have only recently begun to improve again. (Exhibit E)

EXHIBIT E: WEST AREA

NO SCALE



Boundaries and Size

Area bounded on south and west by Highways 55 and 100, on north by railroad tracks, and on east by property line between Valley Village Apartments excess land and City-owned open space area.

Approximately 27 acres in size.

Original Land Use Characteristics (1988)

- Aging, low density apartment development (111 units on 16 acres -- three unplatteed parcels, two of them mostly vacant, wet and low), restaurant, General Motors employee training facility, and part of an old motel converted for small office uses (remainder of motel buildings demolished several years earlier, with bulk of site left vacant).
- Widespread zoning nonconformities, including inadequate on-site parking and inadequate or nonexistent landscaped areas.
- All parcels except two in apartment site small and/or with difficult to develop configurations.
- Hazardous access to and from both highways.

Planned Characteristics

Medium to high density residential use, which may involve more efficient redevelopment of existing apartment site. Possibility of limited office or convenience/service facilities along either highway frontage.

Activities Completed to Date

- Construction of redesigned Highway 55 portion of frontage road; closing of hazardous access points on both highways, with traffic channeled to new signalized access in Central Area.

Current Action Plan Components

- Support of and assistance with MnDOT efforts in final design and construction of Highway 100 frontage road.
- Support of and assistance with MnDOT efforts to consolidate and dispose of any remnant parcels created by additional right-of-way acquisitions for Highway 100 frontage road.
- Extension of storm water management improvements as identified for Central Area.

Part III: FINANCIAL PLAN

Costs incurred by the Golden Valley HRA in its North Wirth redevelopment activities fall into several categories. These include land acquisition, building demolition, business and household relocation, environmental remediation, public improvements such as streets and utilities, and administrative costs.

The HRA is committed to only use tax increment proceeds to finance these expenditures. The tax increment district comprising all of the East Area is the source of funding for the whole redevelopment area.

In most cases the proceeds of tax increment bonds will be used to finance these redevelopment expenditures. The debt service on the bonds will be repaid by the tax increment generated by the district. Tax increment not needed for debt service can be used to directly finance redevelopment expenditures.

Exhibit F is an analysis of the projected cash flow in the district based on projects which are currently being planned for the area as of the date of this amendment. Other projects are likely to come up in the future, especially in the Central Area. The district is in excellent financial position and should be able to finance these projects.

**City of Golden Valley - HRA - Tax Increment
District Projections**

EXHIBIT F

North With Tax Increment Fund:

	1997	1998	1999	2000	2001
<u>Projected Cash Balance @ 1/1</u>					
	\$4,500,000	\$2,246,565	\$2,707,205	\$3,179,450	\$3,840,120
<u>Plus:</u>					
	1,225,000	1,225,000	1,225,000	1,225,000	1,225,000
<u>Estimated Tax Increment</u>					
<u>Less:</u>					
<u>Trans. to Cap. Proj. Funds:</u>					
Central Area Balfields (Incl. Environmental Cleanup & Wetland Mitigation)					
	(2,730,000)				
<u>Debt Service:</u>					
	(748,435)	(764,360)	(752,755)	(564,330)	(534,820)
<u>1995 Taxable Tax Incr. Ref. Bonds (5.81%)</u>					
	\$2,246,565	\$2,707,205	\$3,179,450	\$3,840,120	\$4,530,300
<u>Projected Cash Bal. @ 12/31</u>					
	\$2,365,000	\$1,715,000	\$1,040,000	\$520,000	\$0
<u>Bonds Outstanding @ 12/31</u>					

VALLEY SQUARE REDEVELOPMENT PLAN

ORIGINALLY ADOPTED ON JULY 10, 1978

**Revised May 14, 1979
Revised April 6, 1982
Revised August 10, 1982
Revised May 7, 1991**

LAST AMENDED IN 1997 (Area B only)

-- HRA Approval Date (Resolution 97-11): October 14, 1997
-- City Council Approval Date (Resolution 97-82): November 18, 1997



Policy on Plan Revision

This redevelopment plan will require many years to implement completely and will have a major impact on the community during that period. In order to assure that this plan remains consistent with changing community needs and objectives, further review must be provided.

The redevelopment plan may be modified at any time before or after the lease or sale of the project area or any parts contained therein, provided that modification shall be accomplished in accordance with the requirements of applicable law.

VALLEY SQUARE REDEVELOPMENT PLAN

Part I: OVERVIEW

Introduction

Located in West Central Golden Valley (Exhibit 1), the Valley Square area was the site of some of the earliest business development in the City. A primary impetus in the creation of the Valley Square Redevelopment Area and TIF District was the desire to revitalize this aging business area, centering on Winnetka Avenue north of Highway 55. With the main City offices also located in the area, the intent has been to establish a full-service, mixed-use district that will provide a renewed sense of focus for a community divided by two school districts, three major highways, three railroads, and three metropolitan districts.

The Valley Square Commission was appointed in 1976, after a decade of periodic studies and recommendations had failed to result in any significant upgrading of the area. The Commission was charged with producing a coordinated study of land use, traffic, and physical appearance issues within the Valley Square area, including recommendations for improvements. A draft report was completed and submitted to the City Council in January of 1978. Following an approval process that incorporated formal and informal reviews by local residents and business owners, various local interest groups, the Planning Commission, the HRA, and the City Council, the Valley Square Redevelopment Plan was adopted in July of 1978. It has been revised several times.

Redevelopment Area Boundaries

Historically, the limits of the Valley Square area tended to depend on who was looking at it, and for what reason. With the adoption of the Redevelopment Plan in 1978, an official Tax Increment District was created for financing purposes, and was certified by the State Auditor's Office. The boundaries of the Tax Increment District then became the permanent boundaries of the Valley Square Redevelopment Area (Exhibit 2). A set of subareas identifies locations within the Redevelopment Area where specific projects are planned or have now been completed. The various subareas will be discussed in Part II of this Plan.

EXHIBIT 1:
VALLEY SQUARE LOCATION MAP

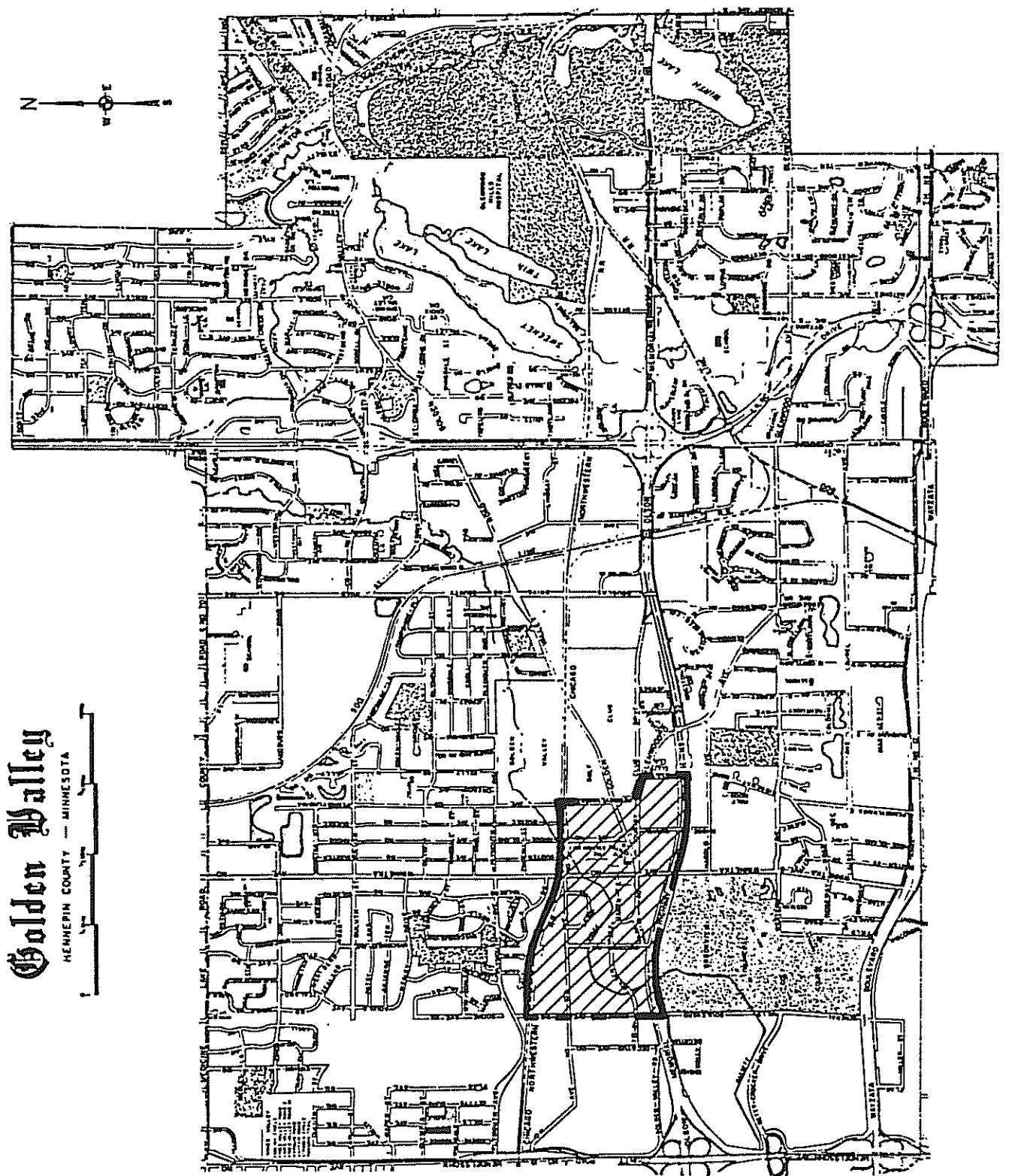
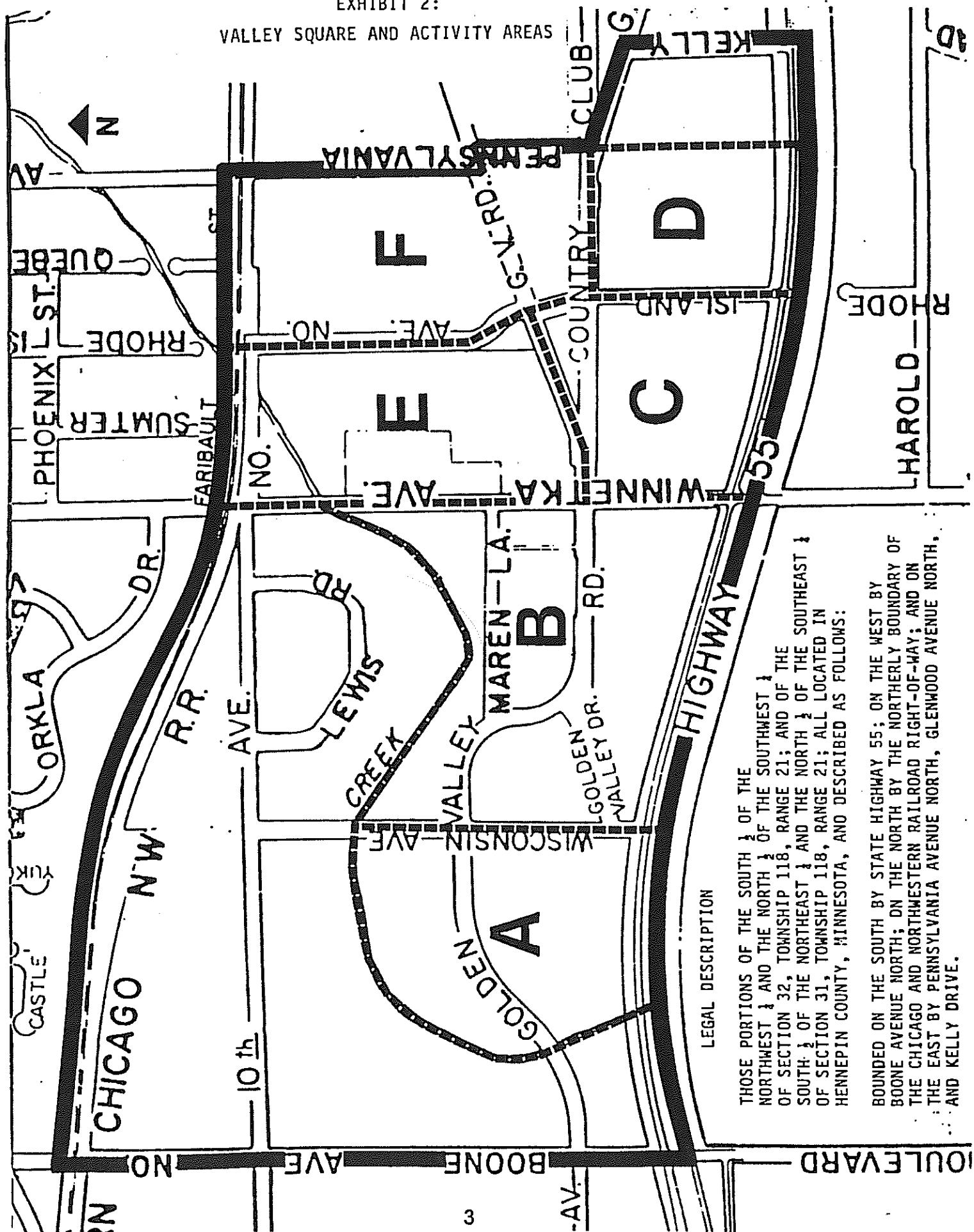


EXHIBIT 2:
VALLEY SQUARE AND ACTIVITY AREAS



LEGAL DESCRIPTION

THOSE PORTIONS OF THE SOUTH $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SECTION 32, TOWNSHIP 118, RANGE 21; AND OF THE SOUTH $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ AND THE NORTH $\frac{1}{4}$ OF THE SOUTHEAST $\frac{1}{4}$ OF SECTION 31, TOWNSHIP 118, RANGE 21; ALL LOCATED IN HENNEPIN COUNTY, MINNESOTA, AND DESCRIBED AS FOLLOWS:

BOUNDED ON THE SOUTH BY STATE HIGHWAY 55; ON THE WEST BY BOONE AVENUE NORTH; ON THE NORTH BY THE NORTHERLY BOUNDARY OF THE CHICAGO AND NORTHWESTERN RAILROAD RIGHT-OF-WAY; AND ON THE EAST BY PENNSYLVANIA AVENUE NORTH, GLENWOOD AVENUE NORTH, AND KELLY DRIVE.

Justification for Redevelopment Area

State law requires that certain findings be made regarding blight and deteriorating conditions in areas to be certified as Tax Increment Districts. The findings for Valley Square were established by resolution of the City Council in 1978 (Resolution #96; July 17, 1978). Initially formulated during the redevelopment planning process, the findings cover seven bases as follows:

- 1. Blighting Conditions** – the Valley Square area exhibits clear symptoms of blight in the form of
 - A. undeveloped or underdeveloped parcels that fail to contribute to the local tax base to their full potential;
 - B. obsolete, unattractive, and/or worn out structures, site layouts, and amenities;
 - C. unnecessary clutter such as above-ground utilities, a profusion of signs, poorly screened outdoor service or delivery areas, and poorly maintained or nonexistent green areas;
 - D. a multitude of vehicular and pedestrian circulation hazards; and
 - E. an adverse image in the eyes of residents, the local business community, and realtors.
- 2. Need for Immediate Intervention** – without prompt action as recommended by the redevelopment plan, the area may deteriorate beyond any hope of saving.
- 3. Need for Government Intervention** – the area has already deteriorated beyond the point where the private sector can be relied upon to turn it around without government assistance.
- 4. Support for Private Redevelopment Efforts** – the redevelopment plan is designed to foster optimum conditions for private participation in redevelopment efforts.
- 5. Adequacy of the Redevelopment Plan** – the redevelopment plan adequately defines development goals and standards for the area, and provides sufficient guidance as to appropriate land uses.
- 6. Availability of Relocation Options** – the City has reviewed available resources and guarantees to follow all applicable federal or state guidelines and requirements regarding the relocation of displaced residents and businesses.
- 7. Consistency with Comprehensive Plan** – the goals, objectives, and general intent of the redevelopment plan are in conformance with the City's currently adopted Comprehensive Plan.

These findings show that the Valley Square area is in need of a government-assisted redevelopment program, and that the City of Golden Valley has laid the groundwork to properly direct such a program.

Redevelopment Goals and Objectives

To direct the course of redevelopment in the Valley Square area, the City has established a set of broad, philosophical goals for the area as a whole, and three sets of more narrowly focused goals and objectives relating to certain development aspects of the area.

Overall Goals

1. Stimulate and coordinate an aggressive revitalization effort that no single business, developer, or government agency has the capacity to undertake.
2. Establish a unified commercial and civic center that is a distinctive source of identity for Golden Valley.
3. Strengthen and increase the tax base of the area.
4. Reverse deteriorating conditions by providing opportunities for private investment and reinvestment.
5. Provide for the orderly physical and economic growth of the area through controlled development and redevelopment.
6. Work toward a land use pattern within the project area which results in more functional and complementary relationships.

Infrastructure Goals And Objectives

1. Maximize trade area accessibility and circulation safety by creating a more organized traffic pattern.
 - A. Identify, and augment as necessary, an arterial and collector street system servicing the area.
 - B. Identify and correct traffic safety hazards.
 - C. Provide for safe and convenient pedestrian movement.
2. Upgrade the appearance and amenity-level of public rights-of-way.
 - A. Provide pedestrian-oriented benches, litter containers, attractive lighting, and plantings.
 - B. Relocate utilities through underground construction.

Land Use Goals And Objectives

1. Create an atmosphere conducive to increased levels of economic activity.
 - A. Replace old deteriorating structures with new development, or rehabilitate structurally sound buildings.
 - B. Remove and relocate conflicting or non-complementary uses.
 - C. Encourage participation by owners and tenants in private renovation of existing commercial buildings.
2. Promote redevelopment that is diversified, but coordinated.
 - A. Increase the amount of office space.
 - B. Provide the commercial core with support from high-density housing.
 - C. Encourage new development to be organized in a planned environment.

Social Goals And Objectives

1. Create a community focus and sense of area identity.
 - A. Improve the physical appearance of the government center and its environs.
 - B. Improve the physical appearance of the commercial core.
2. Minimize potential hardships in the acquisition and relocation of conflicting or non-complementary uses.
3. Achieve a balance in the variety of commercial businesses and services to satisfy the needs of the neighboring residents and larger market area.

Specific action plan components, whether already completed or still in the planning stages, will be discussed in Part II of this Plan.

Part II: REDEVELOPMENT PLAN COMPONENTS

Initially, the Valley Square Redevelopment Plan was organized into phases of development that bore a general relation to geographic location within the Valley Square area, but were not specifically location-based. Over time, it has been discovered that redevelopment activities are easier to stage and to track based on geographic subareas within the overall district. Therefore, this revision of the plan, which summarizes activities completed to-date as well as outlining future redevelopment components, will deal with development staging within each subarea identified back in Part I of the plan (Exhibit 2, page 3).

At this time, the most critical element of the plan is considered to be the Winnetka Avenue Improvement Project, and the coordination of Area C redevelopment with that project. Previously, Area C redevelopment was expected to precede and act as a trigger for the street improvements. However, a reanalysis of the situation, including such elements as the local and regional redevelopment climate, traffic congestion occurring in the area, and the financial prospects for the City and the County, has caused the City to reorder its priorities. In the following pages, the "Winnetka Avenue Overlay Area" has its own summary of activities, and cross-references are made within the summaries for other areas as appropriate.

Area "A"

Location:

Bounded on the north and west by the curve of Bassett Creek; on the south by Highway 55; on the east by Wisconsin Avenue.

Overall size – 17 acres

1978 Characteristics:

Large portion of the area occupied by Reiss Greenhouse, a commercial grower; also included two single-family homes occupied by Reiss family; no other uses.

Plan Characteristics:

Improved traffic circulation; high-density residential development along creek, large office site fronting on Highway 55.

Redevelopment Activities Completed to-Date:

- ◆ Acquisition and clearance of all property in area
- ◆ Extension of Wisconsin Avenue northward to intersect 10th Avenue
- ◆ Opening of Wisconsin Avenue access onto Highway 55

- ◆ Realignment of Golden Valley Road from location adjacent to highway to a more northerly, curving route across area, subdividing the site into two parcels identified as "A-1" and "A-2"
- ◆ Construction of 3-story, 122 unit apartment complex, mostly market rate but including low-income set-aside, on A-2 site adjacent to Bassett Creek
- ◆ Bassett Creek walking path

Current Action Plan Components:

- ◆ Preparation for and attraction of large-scale development, preferably office, to the A-1 site

Area "B"

Location:

North of Highway 55, extending up to Bassett Creek; West of Winnetka Avenue, extending to Wisconsin Avenue.

Overall size – 29 acres

1978 Characteristics:

Mid-size commercial strip center with three outlying buildings on Highway 55; two small-size commercial strip centers on Winnetka Avenue; supermarket and other small commercial operations; two single-family homes along Creek.

Plan Characteristics:

Improved traffic circulation; generally mixed uses with emphasis on commercial and residential uses.

Redevelopment Activities Completed to-Date:

- ◆ Acquisition and removal of two houses
- ◆ Acquisition and removal of Hennepin Co-op building (business relocated within Valley Square, on Lewis Road) for street realignment purposes
- ◆ Acquisition and removal of former Jerry's NewMarket building
Vacation of Vermont Avenue adjacent to street realignment
- ◆ Realignment of Golden Valley Road to a more northerly location, beginning just west of supermarket and continuing through Area A
- ◆ Former Golden Valley Road alignment west of Vermont Street alignment closed to through traffic but retained for local access and to protect underlying utilities

Current Action Plan Components:

- ◆ Mixed use redevelopment of sites cleared for Winnetka Avenue improvement (see Winnetka Avenue Overlay Area) and additional land acquired between Golden Valley Road and Bassett Creek
- ◆ Acquisition of vacant lot from Marquette Bank of Golden Valley adjacent to Bassett Creek and Wisconsin Avenue
- ◆ Bassett Creek amenities

Area "C"

Location:

North of Highway 55, extending up to Golden Valley Road, East of Winnetka Avenue, extending to Rhode Island Avenue.

Overall size – 11 acres

1978 Characteristics:

Mid-size commercial strip center on Highway 55; Dahlberg, Inc. (hearing aid manufacturer), small office building, and assorted small commercial operations to the north of strip center; two single-family homes on Rhode Island; triangle of vacant publicly owned land between Golden Valley Road and Country Club Drive.

Plan Characteristics:

Improved traffic circulation; unified, mixed-use development over entire site; high-density residential component desirable but not mandatory.

Redevelopment Activities Completed to-Date:

- ◆ Both residences acquired and removed
- ◆ Gas station at Winnetka and Golden Valley Road acquired and leased out pending future removal
- ◆ Small office building acquired and temporarily being used by the Golden Valley Public Safety Department Drug Task Force pending completion of improvements to the Public Safety Building, located in the Government Center Block
- ◆ Dahlberg, Inc. acquired (business relocated to North Wirth Redevelopment District)
- ◆ All other miscellaneous small properties acquired, with leases to be continued pending future removal

Current Action Plan Components:

- ◆ Acquisition of commercial strip center (Krelitz property); HRA plans to acquire property in 1991 even without a development agreement
- ◆ Coordination of redevelopment site with Winnetka Avenue improvement (see Winnetka Avenue Overlay Area)
- ◆ Vacation of Country Club Drive to improve configuration of redevelopment site (underground utilities must be preserved)
- ◆ Establishment of large-scale, mixed use development to fill area
- ◆ Widening of Rhode Island Avenue at approach to Highway 55

Area "D"

Location:

West half of block bounded by Highway 55, Rhode Island Avenue, Country Club Drive, Glenwood Avenue, and Kelly Drive.

Overall size – 7 acres

1978 Characteristics:

Trevilla Nursing Home, largest land use; gas station at Rhode Island and Highway 55 with adjacent wet area to east; five single-family residences along Rhode Island.

Plan Characteristics:

Area to be shared by Trevilla Nursing Home and mid-size office development

Redevelopment Activities Completed to-Date:

- ◆ Acquisition and removal of all five residences
- ◆ Acquisition and removal of gas station
- ◆ Drainage improved
- ◆ Construction of 81,000 sq.ft. Valley Square Corporate Center

Current Action Plan Components:

- ◆ None; public sector redevelopment activity in Area D is considered substantially complete

Area "E"

Location:

North of Golden Valley Road, between Winnetka and Rhode Island Avenues; also known as the Government Center Block.

Overall size – 16 acres

1978 Characteristics:

Golden Valley City offices on most of block; public library and post office along Winnetka; McDonald's and another small commercial building also along Winnetka; original block was wider, with row of single family residences along Rhode Island, but street relocation marks current boundary with all residences counted in Area F (see below).

Plan Characteristics:

City offices in a campus setting; Library and McDonald's to be only other uses.

Redevelopment Activities Completed to-Date:

- ◆ Construction of new street segment along northern boundary, connecting Rhode Island to Winnetka
- ◆ Acquisition and removal of small commercial building
- ◆ Reconfiguration and redevelopment of McDonald's operation
- ◆ Reconfiguration of City parking areas and access, and partial landscaping of campus area

Current Action Plan Components:

- ◆ Completion of landscaping, including a walkway between City offices and library
- ◆ Redevelopment of post office site after taking for Winnetka Avenue improvement (see Winnetka Avenue Overlay Area); relocation of post office within Valley Square preferred but not mandatory

Area "F"

Location:

North of Country Club Drive, between Pennsylvania and Winnetka Avenues.

Overall size – 17 acres

1978 Characteristics:

Calvary Lutheran Church; 19 single-family residences along both sides of former Rhode Island Avenue alignment; small office building south of Golden Valley Road at Pennsylvania

Plan Characteristics:

Calvary Lutheran Church, including associated out-buildings, and high density residential north of Golden Valley Road; mixed office uses south of Golden Valley Road.

Redevelopment Activities Completed to-Date:

- ◆ Acquisition and removal of all residences along old Rhode Island
- ◆ Construction of realigned Rhode Island Avenue
- ◆ Construction of high-rise senior housing complex including 80 subsidized rental units and 120 market-rate co-op units
- ◆ Construction of small, multi-tenant office building adjacent to existing office building

Current Action Plan Components:

- ◆ None; public sector redevelopment activity in Area F is considered substantially complete

Winnetka Avenue Overlay Area

Location:

Winnetka Avenue right-of-way and abutting properties on east and west, extending from just north of Orkla Drive on north to Harold Avenue on south (Exhibit 3).

Note: In order to provide the full improvements as necessary within the Valley Square Area, this overlay area must extend slightly beyond the Valley Square boundaries on its north and south ends.

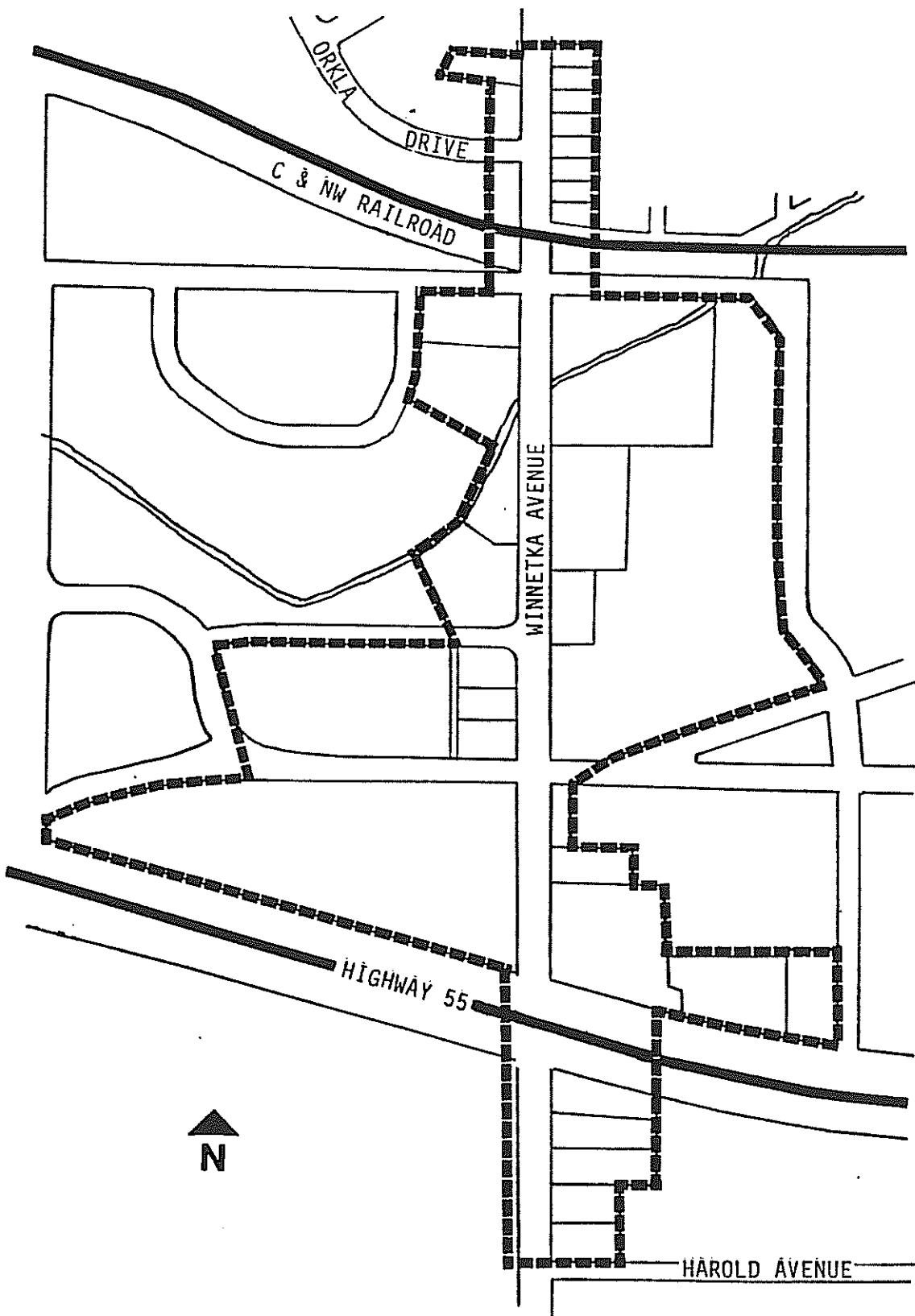
1978 Characteristics:

Lack of capacity at peak periods, inadequate channelization, proliferation of driveways, and high accident rate.

Plan Characteristics:

Added lanes for improved channelization, reduction and coordination of driveways, center median.

EXHIBIT 3:
WINNETKA AVENUE OVERLAY AREA



Redevelopment Activities completed to-Date:

- ◆ Redevelopment activities in Area E (Government Center Block) have reduced the number of driveways accessing onto Winnetka Avenue, have created better spacing between remaining driveways, and have reserved necessary right-of-way expansion area across all but the post office property
- ◆ Two of the affected properties in Area C have been purchased and are being leased out to businesses that will vacate as the actual construction period approaches

Current Action Plan Components:

- ◆ Acquisition of additional right-of-way across 12 residential and 5 business properties
- ◆ Acquisition and potential removal of 2 residential and 7 business properties that may no longer remain viable due to road widening needs (in some instances, simple right-of-way acquisition may still be possible)

PART III: FINANCE PLAN

The objective of the Finance Plan for the Valley Square Redevelopment Area and Tax Increment District is to indicate the ability of the City to finance public redevelopment activities as described in Part II of this report. Since the inception of the Valley Square Redevelopment Plan in 1978, much has been done and the City is well on its way to completing its planned activities before the tax increment finance funding source ends in 2001.

The public improvements that have already been completed in Valley Square, including the rerouting of Golden Valley Road, Rhode Island Avenue, Wisconsin Avenue, and the clearing and sale of land in Areas A, D and E for private development, have all been financed by previous bond issues now being paid back by tax increment financing (Exhibit 4); projections clearly indicate that the City can continue to meet its obligation on these bond payments.

Projects Remaining to be Financed

There are two planned activities for which the City must sell bonds before the Tax Increment Finance District ends in 2001. These two activities are key to the original intent of the Valley Square Redevelopment Plan. Since these two projects are costly, the only way they can be financed is through the issuance of bonds. Unless these bonds are issued within the next two years, the projects may become financially infeasible. The projects are:

A. Upgrading of Winnetka Avenue from Harold Avenue on the south to Orkla Avenue on the north

The upgrading of Winnetka Avenue (Co. Rd. 156) has been a key element of the Valley Square Redevelopment Plan since 1978. The road now has four narrow lanes without turn lanes. Intersection improvements are needed at both Golden Valley Road and 10th Avenue. In addition, the road carries over 20,000 vehicles per day. This section of Winnetka Avenue has a very high accident rate in comparison to other Hennepin County Roads.

The City and County plan is to upgrade Winnetka Avenue in 1992. The upgrading will include wider lanes, turn lanes, a center median, sidewalks, streetscape features and new traffic signals and intersection improvements at Golden Valley Road and 10th Avenue. The upgraded road will reduce accidents, carry the traffic more smoothly, and generally enhance the area.

Recommended Financing

The upgrading of Winnetka Avenue is a joint project with Hennepin County. Since it is a County road, the County is the lead agency. Both the County

and City Capital Improvement Plans call for upgrading in 1992. In order to fund the project, the County has asked for significant City participation including 50% of the construction costs and 100% of the right-of-way acquisition needed to widen the roadway. The City plans to fund its share by the issuance in 1991 of \$4,000,000 of tax exempt, general obligation tax increment bonds. These funds will be used to acquire the necessary right-of-way during late 1991 and early 1992. In 1992, the City anticipates the need to issue another \$2,000,000 in tax exempt, general obligation tax increment bonds to pay for the City's share of the construction. Both bond issues would run until the year 2001 when the Tax Increment Financing District expires.

B. Area C Land Acquisition

As described in Part II, the City plans to redevelop the entire Area C block. The City has yet to negotiate a private development agreement for its redevelopment. However, it is anticipated that a developer will soon come forward.

The City, through the HRA, plans to complete the acquisition of all parcels in Area C. Currently, the HRA owns five parcels on the block. The Valley Plaza Shopping Center and adjacent property owned by Phillip Krelitz are the only parcels left in the area for which the HRA has not negotiated a purchase agreement.

The HRA is going ahead with the acquisitions in Area C without a developer in order to better influence and control the development of this Area, which is the key development area in the Valley Square Redevelopment Plan due to its prime location at the NE corner of Winnetka and TH 55. Since the Valley Square Tax Increment Fund has the funding available, the City believes it is in its best interest to go ahead with the acquisition of all parcels in Area C before the ability to finance the project ends in 2001.

Recommended Financing

The City has programmed the financing of the acquisition of the remaining parcels in Area C partly through available excess increment in the Valley Square Tax Increment Fund. The acquisitions of the M&I building at \$230,000 and the Down in the Valley building at \$185,000 in the Spring of 1991 were financed in this manner.

The acquisition, including relocation and demolition, of the Valley Plaza Shopping Center is estimated to cost \$4,500,000 for budgetary purposes. Fifty percent (50%) or \$2,250,000 is to be paid from available excess increment in the Valley Square Tax Increment Fund and the remaining 50% by the issuance of a short term, (two-year), \$2,250,000 general obligation tax increment bond issue. This issue will be a tax-exempt issue.

Financial Projections

The financial projections for the Valley Square Increment Fund are shown on Exhibit 4, including the funding of the two proposed projects described above. The projections indicate that the City is able to finance these new and past obligations.

The projections shown are conservative in several ways. First, they do not include as revenue any interest earnings. Second, the interest rate used for future bond issues is higher than the City will probably pay due to the City's Aa-1 bond rating and market conditions. Third, the City has not indicated any proceeds from the sale of land that the HRA owns or will own in Area A-1, B or C. Fourth, the City has not indicated any tax increment proceeds from the future development that is sure to take place in these areas.

The future projects outlined in this plan, upgrading of Winnetka Avenue and Area C land acquisition, are essentially the last major projects that will be needed in the Valley Square Redevelopment Area in order to provide for all of the future redevelopment anticipated for this area.

CITY OF GOLDEN VALLEY - HRA - TAX INCREMENT DISTRICT PROJECTIONS

Exhibit 4

Valley Square Tax Increment Fund:

	1991	1992	1993	1994	1995	1996	1997	1998- 2001	2002- 2006
Projected Cash Balance at 1/1	\$3,450,000	\$2,006,200	\$1,440,500	\$ 800,400	\$ 618,400	\$ 487,445	\$ 400,945	\$ 372,330	\$1,265,760
Plus: Estimated Tax Increment* Transfer from HRA Capital Project Fund(5)	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	8,400,000	4,372,955
	300,000								

Less:

Transfer to HRA Capital Project Fund - Purchase of Area C Property: M&I Auto Parts(1) Down in the Valley(1)	(230,000)
Krelitz Shopping Center - Downpayment(1)(2)	(2,250,000)
Transfer to HRA Capital Project Fund - Government Center Block Site Improvement(3)	(150,000)

Debt Service:

1980 Tax Increment Bonds (8.6%)	(195,300)	(198,200)	(200,400)	(201,900)	(207,355)	(216,550)	(214,560)	(433,875)
1987 Tax Increment Refunding Bonds (5.94%)	(833,500)	(842,500)	(844,700)	(850,100)	(853,600)	(859,950)	(864,055)	(3,472,695)
1991 Tax Increment Bonds - Wimpetka Avenue Project (Est. 8.0%)(4)	(320,000)	(320,000)	(320,000)	(320,000)	(320,000)	(780,000)	(740,000)	(2,400,000)
1991 Tax Increment Bonds - Balance of Krelitz Shopping Center Cost (Est. 8.0%)(2)	(1,305,000)	(1,215,000)						
1992 Tax Increment Bonds - Wimpetka Avenue Project (Est. 8.0%)(8)			(160,000)	(410,000)	(390,000)	(370,000)	(350,000)	(1,200,000)
Projected Cash Balance at 12/31	\$ 2,006,200	\$1,440,500	\$ 800,400	\$ 618,400	\$ 487,445	\$ 400,945	\$ 372,330	\$1,265,760
Bonds Outstanding at 12/31	\$16,105,000	\$16,505,000	\$14,875,000	\$13,585,000	\$12,255,000	\$10,875,000	\$ 9,455,000	\$3,770,000

*1991 Increment Used for All Years.

Notes:

- (1) Includes purchase price, demolition and relocation.
- (2) Appraised at \$3,110,000. Total cost expected between appraised value and a higher number. \$4,500,000 used for budgetary purposes (does not reflect actual value) to be financed with a 50% down payment and the balance financed with proceeds of a two-year bond issue.
- (3) See Project B#2 in 1991-1995 CIP.
- (4) Estimated size of bond issue is \$4,000,000.
- (5) Excess bond proceeds from Area A project.
- (6) \$1,385M of 1980 Bonds outstanding on 2/1/90 callable at par.
- (7) \$6,540M of 1987 Bonds outstanding on 2/1/97 callable at par.
- (8) Estimated size of bond issue is \$2,000,000.

**Redevelopment Plan
for
Winnetka & Medicine Lake Road
Redevelopment Project**

**Location:
Southeast Quadrant of
Winnetka Avenue and Medicine Lake Road
Golden Valley, Minnesota**

REVIEW AND APPROVAL DATES

Golden Valley HRA Approval: July 14, 2015
Planning Commission Review:
Approved by the City Council:

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Introduction

In the 1960's the area southeast of the intersection of Medicine Lake Road and Winnetka Avenue North was developed with a variety low density commercial and industrial oriented uses. Overtime, development patterns in the region have become more urban in form, real estate markets have changed and development patterns have resulted in flooding in the area. Recently, encouraged by interest from the private sector, the City of Golden Valley has taken the initiative to re-guide and rezoned many of the parcels to accommodate new, higher density residential land uses and address the flooding issues in the area.

This document serves as the **Redevelopment Plan** for the area, to be known as the *Winnetka & Medicine Lake Road Redevelopment Project*. It defines the geographic area of proposed improvements, outlines existing conditions, discusses anticipated redevelopment, and sets goals, objectives and policies that will guide projects as they are implemented.

Project Area Boundaries

The Redevelopment Plan **Project Area** extends from Medicine Lake Road south to 23rd Ave North and from Winnetka Avenue east to the Canadian Pacific Railroad tracks. Parcels containing DeCola Ponds A, B and C are also included in the Project Area. The map in Exhibit A illustrates the boundaries of Project Area which includes private parcels and public lands and rights of way. The Project Area matches the boundaries of a proposed tax increment financing redevelopment project area where up to twenty five percent of the TIF proceeds could be spent, most likely for infrastructure improvements.

Background

The Project Area was originally low lands. Aerial photographs from 1945 show wetlands and agricultural land uses. The area began to develop in the 1960's with low density commercial and industrial uses. Wetlands were filled and portions of the area remained low. Overtime, the existing development has trended towards obsolesce, and investment in the buildings has diminished. A recent study by LHB Inc. found a number of buildings to be "substandard" under Minnesota TIF statutes. Currently the area includes a small auto repair shop, two restaurants (a walk-up and a sit down style), a multi-tenant building owned by the local VFW club, a small car wash, a newly developed drug store, a vacant industrial building, and self-storage facility. The east side of the Project Area includes a multi-family housing development and Pennsylvania Park, which includes two flood storage ponds. To the south, is an additional pond and a single family neighborhood.

Flooding in the area is common, although it is not in a federally mapped flood plain. A study is currently nearing completion that will document the cause of the flooding and identify specific measures to reduce the flooding in the area by creating more flood storage. A proposed multi-family development project provides an opportunity to construct and fund additional flood storage in the area.

Redevelopment Opportunities

In early 2015, a developer proposed redeveloping four parcels within the Project Area with townhomes and a large apartment building. If completed, the redevelopment would utilize approximately fifty percent of the land within the Project Area. Other redevelopment opportunities may emerge over time on small individual parcels or a combination of parcels within the Project Area.

Public Improvements

Public improvements proposed for the Project Area include the development of additional flood storage to reduce flooding in the DeCola Ponds sub-watershed area and ensure that the Medicine Lake Road and Winnetka Avenue intersection remain passable to emergency vehicles during a flood event. Flood storage may include the construction of underground vaults, the creation of new open storage or the expansion of existing open storage, and the construction of conveyance swale or pipe to move water at a controlled rate through the area. Additionally, removal of some portions of Rhode Island Avenue North may occur to reduce storm water runoff and provide flood storage and conveyance. Finally, trail connections in the area, particularly from redeveloped areas to existing parkland.

Statement of Need and Public Purpose, Statutory Authorization

The Housing and Redevelopment Authority (HRA) finds there is a need for development within the City and the Project Area in order to provide housing opportunities, to improve the local tax base, address public infrastructure needs, and to improve the general economy of the City and the State. The economic security of residents depends upon proper development of property that meets any one of a number of conditions, including properties with values too low to pay for the public services required or rendered and properties where lack of use or improper use has resulted in stagnant or unproductive land that could otherwise contribute to the public health, safety, and welfare.

The HRA finds that in many cases, such property cannot be developed without public participation and assistance in various forms, including property acquisition and/or write-down; proper planning; the financing of development costs associated with clearance, grading, and soils correction; and various other public and private improvements necessary for development. In cases where the development of property cannot be done by private enterprise alone, the HRA believes it to be in the public interest to consider the exercise of its powers, to advance and spend public money, and to provide the means and impetus for such development.

The HRA finds that in certain cases, property within the Project Area would or may not be available for development without the specific financial aid to be sought, that the Redevelopment Plan will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project Area by private enterprise, and that the Redevelopment Plan conforms to the general plan for the development of the City as a whole.

Statement of Objectives

The HRA seeks to achieve one or more of the following objectives with respect to the Project Area, as the Authority may deem appropriate and necessary:

- Promote and secure the prompt development of property within the Project Area, such property which is not now in its most productive use, in a manner consistent with the Comprehensive Plan of the City, thus realizing Comprehensive Plan land use, and tax base goals.
- Assist development in the Project Area through the acquisition or write-down of certain interest in property which is not now in productive use or in its highest and best use, to make or defray the cost of soil corrections or site improvements on said property, and to construct or reimburse for the construction of public improvements and other facilities on or for the benefit of said property and the public, thereby promoting and securing the development of other land within the Project Area.
- Secure the increase and availability of rental housing property for individuals and families of low to moderate income within the Project Area.
- Secure the increase of industrial and commercial property subject to taxation within the Project Area.
- Promote and secure additional employment opportunities within the City and to prevent the loss of existing employment opportunities, thereby preventing the loss of valuable human resources.
- To provide funding for an ongoing development strategy and to prioritize the use of available resources.
- Implement and revise from time to time, as may be deemed necessary or desirable, a consolidated and unified Redevelopment Plan and to finance the associated development costs on an area-wide basis.
- Employ any of the powers of the Authority for the benefit of the Project Area in such cases and upon such terms as the Authority may deem appropriate.
- Construct or acquire facilities deemed desirable for the development of the Project Area.

Itemized Goals and Objectives

To achieve its mission of structured redevelopment, this Plan has identified the following goals with related objectives for this Project Area to encourage cohesive planning and structured renewal within the area. It then outlines policies that will help to achieve the goals and objectives.

Goal 1 – Redevelop obsolete properties

Objectives:

- Redevelop blighted, functionally obsolete and/or economically unsustainable buildings.
- Establish new uses compatible with existing uses.
- Spur reinvestment in the broader area through new development and an expanded market.

Goal 2 – Create additional flood storage in the DeCola Ponds sub-watershed

Objectives:

- Use redevelopment to create and fund the construction of additional flood storage in the Project Area.
- Ensure new development, at a minimum, does not reduce existing flood storage.
- Minimize the impact of flooding on private properties and structures.

Goal 3 – Expand housing opportunities

Objectives:

- Increase housing choices and options within Golden Valley.
- Promote quality, sustainable and green construction and development.
- Require amenities as part of new development that improve quality of life for residents.

Goal 4 – Protect the environment

Objectives:

- Ensure wetlands are protected and enhanced.
- Reduce or eliminate soil and wetland contamination.
- Preserve quality vegetation and reduce or eliminate invasive or disease-susceptible species.

Goal 5 – Maintain a regional framework

Objectives:

- Plan for growth compatible with the Metropolitan Council development framework.
- Design public infrastructure in cooperation with other public agencies.
- Participate in grant programs available through Hennepin County, the Metropolitan Council and other agencies.
- Develop and maintain positive relationships with surrounding communities and governmental agencies.
- Continue participation in cooperative traffic management strategies.
- Improve transit options.

Policies

Land Use

The City will study planned land uses to determine the need or desirability of individual parcels or area-wide comprehensive plan or zoning amendments to accommodate desired land uses.

The City and HRA will assure that its review processes, zoning and building regulations will promote desired development projects.

The City will assure that new uses in the redevelopment area are compatible with existing development and the City's Land Use Plan.

The City and HRA will review existing properties in the area to consider their long term viability and/or options for alternative uses.

Land use plans will promote mixed use developments and increased density where appropriate, in keeping with the Metropolitan Council's regional growth strategy.

Financing

The City and HRA will identify criteria to target redevelopment funds such as tax increment financing, tax abatements, Livable Communities, Community Development Block Grants, Hennepin County and other funding made available by the Legislature, other agencies or governmental units.

The City and HRA will consider providing public assistance to redevelopment projects that serve a substantial public purpose, remove blight, or mitigate contamination.

The City and HRA will consider using land write-downs to subsidize redevelopment projects.

Redevelopment funding will be paired with other funding options such as assessments based on the Golden Valley Special Assessment Policy.

The City will consider franchise fees and utility surcharges to underwrite the cost of utility and infrastructure upgrades.

Design and Environmental Standards

The City will promote best practices to meet the highest environmental standards.

The City and HRA will identify approaches and/or incentives to promote a corridor beautification program. This program will include both public and private components.

The City will monitor ongoing research on sustainable development initiatives to guide redevelopment and future updates of this plan.

Transportation

The City will work with Metro Transit to monitor transportation needs of area residents and workers and to identify ways to improve transportation services, including improving transit routes and working with area businesses to develop transportation management plans.

Definitions

The terms defined in the section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"Authority" means the Housing and Redevelopment Authority of the City of Golden Valley.

"City" means the City of Golden Valley, Minnesota, also referred to as a "Municipality".

"City Council" means the City Council of the City.

"County" means Hennepin County, Minnesota.

"Governing Body" means the Board of Commissioners of the Authority.

"HRA Act" means the Minnesota Municipal Housing and Redevelopment Act, Minnesota Statutes, Sections 469.001 through 469.047, both inclusive.

"Land Use Regulations" means all federal, state and local laws, rules, regulations, ordinances and plans relating to or governing the use or development of land in the Project Area, including but not limited to environmental, platting, zoning and building code laws, regulations and ordinances.

"Project Area" means the geographic area of the Highway 55 West Redevelopment Project Area.

"Public Costs" means the costs of land acquisition, public and site improvements, repayment of debt service on tax increment bonds, and other eligible costs as set forth in the Redevelopment Plan and Tax Increment Financing Plan(s).

"Redevelopment Plan" means the Redevelopment Plan for the Project Area.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes, Section 469.174 through 469.179, both inclusive.

"TIF District" means any tax increment financing district presently established or to be established in the future in the Project Area.

"TIF Plan" means the respective tax increment financing plan for each TIF district located within the Project Area.

Administration of Redevelopment Project

Maintenance and Operations

Maintenance and operation of the Project Area will be the responsibility of the HRA Director, who shall serve as administrator of the Project Area. Each year the administrator will submit to the Governing Body the maintenance and operation budget for the following year.

The administrator will administer the Redevelopment Plan pursuant to the provision of the HRA Act, provided, that such powers may only be exercised at the direction of the Governing Body. No action taken by the administrator pursuant to the above-mentioned powers shall be effective without authorization by the Governing Body.

Payment of Public Costs

It is anticipated that the Public Costs of the Project Area will be paid primarily from tax increments or proceeds of tax increment bonds. Such costs are identified in the TIF Plan(s) for the corresponding TIF District(s) located within the Project Area. The Authority reserves the right to use other sources of revenue legally applicable to the Project Area to pay for such Public Costs including, but not limited to, special assessments, federal or state funds, and investment income.

Property Acquisition and Proposed Reuse

The HRA may acquire property or appropriate interest therein within the Project Area as it deems necessary or desirable to assist in the implementation of the Redevelopment Plan.

The Redevelopment Plan contemplates that the HRA may acquire property and reconvey the same to another entity. Prior to formal consideration of the acquisition of any property, the Governing Body will require the execution of a binding development agreement with respect thereto and evidence that tax increments or other funds will be available to repay the Public Costs associated with the proposed acquisition. It is the intent of the HRA to negotiate the acquisition of property whenever possible. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any development agreement to which the HRA is a party.

Relocation

Any person or business that is displaced as a result of the Redevelopment Plan will be relocated in accordance with the provisions of the HRA Act and other applicable law.

Environmental Controls; Land Use Regulations

All HRA actions, public improvements, and private development shall be carried out in a manner consistent with existing environmental controls and all applicable Land Use Regulations.

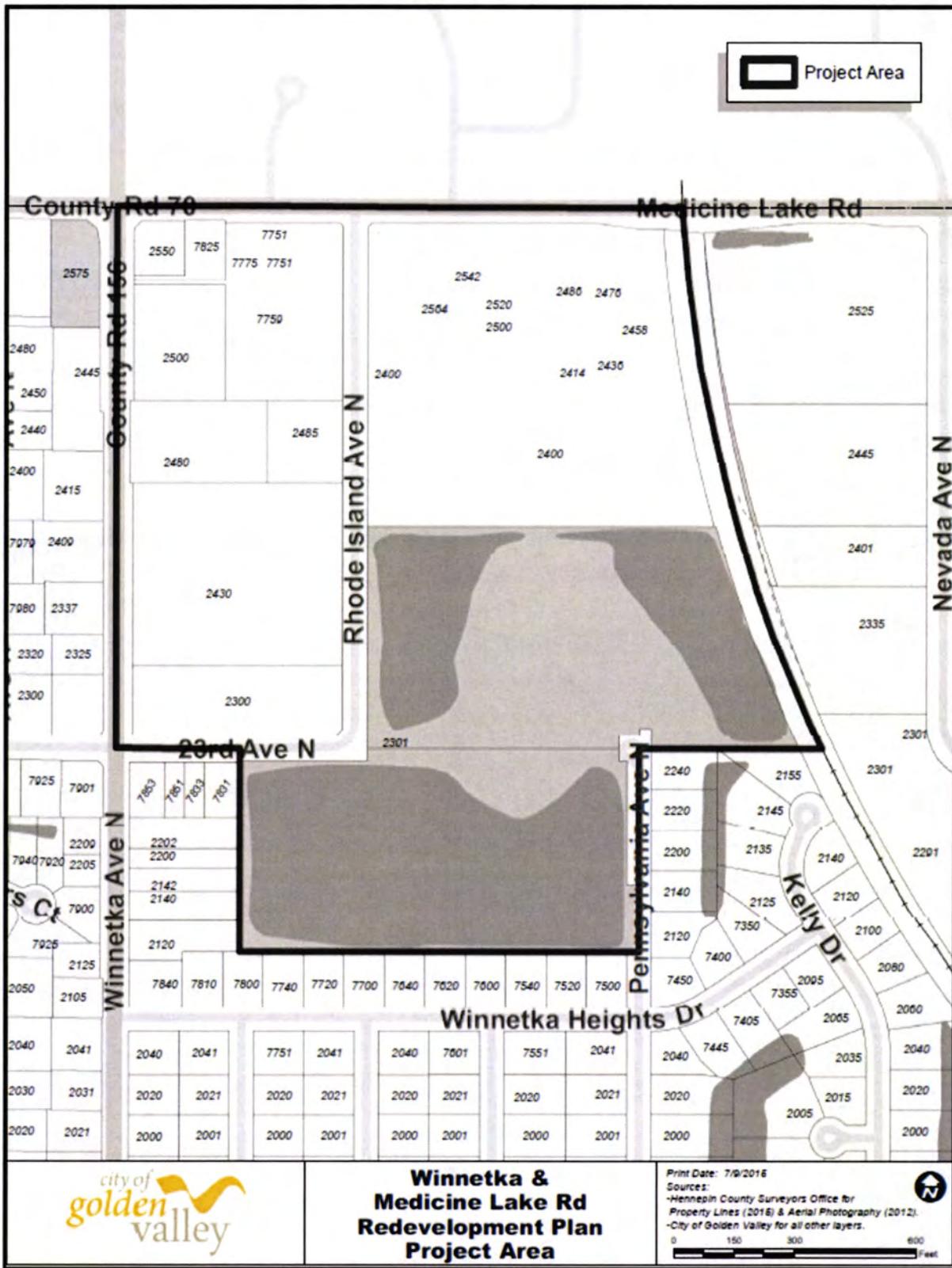
Park and Open Space to be Created

Park and open space created within the Project Area will be done so in accordance with the zoning and platting ordinances of the City.

Amendments

The HRA reserves the right to alter and amend the Redevelopment Plan subject to the provisions of state law regulating such action.

Exhibit A
Redevelopment Plan Project Area



Winnetka & Medicine Lake Road Redevelopment Plan Project Area Parcels

PID #	BLDG#	STREET NAME	CITY	ZIP
2911821220001	2550	WINNETKA AVE N	GOLDEN VALLEY	55427
2911821220002	7825	MEDICINE LAKE RD	GOLDEN VALLEY	55427
2911821220005				
2911821220006	2400	RHODE ISLAND AVE N	GOLDEN VALLEY	55427
2911821220012	2480	WINNETKA AVE N	GOLDEN VALLEY	55427
2911821220014	2430	WINNETKA AVE N	GOLDEN VALLEY	55427
2911821220015	2485	RHODE ISLAND AVE N	GOLDEN VALLEY	55427
2911821220017	2300	WINNETKA AVE N	GOLDEN VALLEY	55427
2911821220018	7751	MEDICINE LAKE RD	GOLDEN VALLEY	55427
2911821220019	2500	WINNETKA AVE N	GOLDEN VALLEY	55427
2911821230002				