

The plan for the Bassett Creek Valley calls for significant change. The Valley will transform from a relatively isolated and obsolete industrial area with pockets of residential and office uses to a vibrant urban village of retail, office, residential, industrial, civic and recreational uses that fit like a glove with the adjacent neighborhoods. The scale of change is ambitious yet feasible over the 25-year life of the plan. Highlights of the plan include:

- **Preservation of existing homes:** There is a small and somewhat isolated pocket of homes in the western portion of the Valley. The plan respects this area by suggesting the rehabilitation of existing residential structures; new infill of similar building scale on vacant and dilapidated properties; and calling for new, adjacent residential development of similar scale and density to strengthen neighborhood qualities.
- **Preservation of views:** Some of the greatest assets of the Valley are views of Bryn Mawr Meadows and the downtown skyline. Proposed redevelopment has been carefully situated and scaled to preserve existing views, capture new ones and create compelling gateways into downtown Minneapolis.
- **Redevelopment with a diverse but integrated mix of uses:** With the exception of a few architectural assets such as the International Market Square, the existing residences just mentioned and an electrical substation that is not feasible to move, the plan calls for wholesale redevelopment of the Valley. What is proposed is a mix of uses that crescendos residential intensity from surrounding neighborhoods toward downtown, concentrates retail at the Van White & Glenwood intersection, expands on the market base created by IMS, builds impressive amounts of office where there is the greatest direct freeway and transit access in Linden Yards and concentrates industry around the existing substation.
- **A network of vital public space:** The plan affords a great deal of attention to interconnected and diverse public spaces. The front door of every home, store, office and warehouse is directly connected to comfortable pedestrian streetscapes that, in-turn, link with parks, trails, transit and open space. This system of public, highly pedestrian spaces and facilities will provide the crucial “amenity framework” for high-quality redevelopment.
- **Restoration of Bassett Creek:** Restoration of the degraded and channelized Bassett Creek is the Valley’s symbol of rebirth and is well as vital to establishing an open space amenity.
- **A range of housing prices and lifestyle alternatives:** Housing types envisioned for the Valley range from single family homes to highrise apartments and condos. The Valley is envisioned as a place of age and cultural diversity that celebrates the family. The plan is committed to creating a community in which people of all ages, ethnicities and incomes want and have the opportunity to live.
- **Support for transit alternatives:** Transit and commuter trails will play a significant role in redevelopment of the Valley. If the Southwest Transitway places a station in the Valley, it will open a host of opportunities such as reverse commuting from downtown, less need to develop costly parking and less concern about traffic congestion.
- **Better connecting North and South Minneapolis:** Redevelopment of the Valley will fill with people and energy what is today a no-man’s land between north and south. Van White Memorial Boulevard along with office and residential development will create the physical and perceived connections needed to bridge this historic divide.
- **Support for diverse employment:** The plan suggests a focus on creating diverse employment opportunities including living wage jobs, job training, minority employment opportunities and an environment that supports neighborhood employment.



Envisioning a new Bassett Creek Valley



Land Use Summary

Housing Units	Office	Retail	Light Industrial	Civic	New Open Space
2,600 - 6,100 dwelling units	2,000,000 - 4,600,000 square feet	250,000 - 500,000 square feet	120,000 square feet	90,000 square feet	40 acres

Legend

- # Block
- Green Street
- Trails
- Walking Trail
- SW Transitway
- Auto Bridge
- Land Bridge

Land Use

- Lower Density Residential (10-29 DU/Acre)
- Medium Density Residential (30-110 DU/Acre)
- Mixed Use: Office/Retail/Housing (40-75 DU/Acre)
- Mixed Use: Office/Housing (45-150 DU/Acre)
- Mixed Use: Office/Housing Reserve
- Office
- Office Reserve
- Office / Light Industrial
- Civic Uses
- Park and Open Space
- Neighborhood Park
- Plaza
- Water

Figure 4.1 Future Development Scenario



Land Use Typology (Figure 4.2)

Lower Density Residential

- 10-29 units per acre
- 2-3 Story buildings
- Garage parking
- Housing types: Single family detached, single family attached, mansion homes, townhomes, rowhouses, carriage house units.



Medium Density Residential

- 30 -110 units per acre
- 2-8 story buildings
- Surface and underground parking
- Housing Types: townhome, stacked townhome, apartments



Mixed Use: Housing / Office /Retail

- 40 -75 units per acre
- 26,000 - 54,000 SF of retail/office
- 85 jobs per acre (estimated)
- 3-7 story buildings with 1-2 floors of office or retail with housing above
- Structured and underground parking



Mixed Use: Housing / Office

- 45 -150 units per acre
- 25,000-150,000 SF of office
- 225 jobs per acre (estimated)
- 6-25 story buildings
- Structured parking



Office

- 60,000-250,000 sf per acre of office
- 300 jobs per acre (estimated)
- 6-25 story buildings
- Structured parking



Office / Light Industrial

- 15,000 sf per acre of development
- 50 jobs per acre (estimated)
- 1-2 story buildings
- Surface parking



Civic

- Transit station and/ or other civic use. Alternately Mixed Use: Housing/Office/ Retail



Park and Open Space

- Encompasses active and passive park areas





The Vision for Bassett Creek Valley in the context of downtown Minneapolis.



A new mixed-use district at the Glenwood / Van White Memorial Boulevard intersection.



Proposed residential neighborhood overlooking the restored Bassett Creek Commons.

LAND USE

The Future Development Scenario, shown in Figure 4.1, illustrates patterns of open space and built areas and forms the visionary basis for the Valley's future. The development scenario uses accepted land use categories, however, density ranges and building scales are unique to this plan. Figure 4.2, *Land Use Typology*, summarizes the categories. Chapter 6 of this report contains the Future Land Use Map, which translates Figure 4.1 into the conventional land use categories used by the City of Minneapolis.

Figure 4.2 identifies ranges of density for each land use type. It is the desire of the ROC to reach the upper limits of these ranges while recognizing there are traffic and market limitations that will need to be overcome. This topic is discussed further in Chapter 5.

For purposes of discussing land use, Bassett Creek Valley has been divided into districts as illustrated in Figure 4.3 and outlined in Figure 4.4. Following is a description by district.



Figure 4.4 (below) Summary of Proposed Redevelopment by District

Figure 4.3 (right) Redevelopment Districts
(Note: Phasing is discussed in Chapter 6.)

District	Low Density Residential	Medium Density Residential	Mixed Use - (Office/Housing)		Mixed Use - (Retail/Office/Housing)			Office/ Light Industrial	Office	Civic	Park and Open Space
	units	units	units	square feet	units	square feet (office)	square feet (retail)	square feet	square feet	square feet	acres
Glenwood	8 - 24	41 - 150	44 - 59	24,500 - 49,000	622 - 1,167	202,280 - 420,120	202,280 - 420,120	-	-	-	2.13
Linden Yards West	-	-	887 - 1,664	831,750 - 1,663,500	-	-	-	-	-	-	5.74
Linden Yards East	-	-	-	-	-	-	-	-	717,300 - 1,992,500	92,250	2.38
Van White	-	334 - 1,225	194 - 259	108,000 - 216,000	-	-	-	-	-	-	2.84
Industry	-	-	-	-	-	-	-	119,400	-	-	-
Mixed Use	-	-	-	-	128 - 241	41,730 - 86,670	41,730 - 86,670	-	139,800 - 233,000	-	-
Residential	70 - 202	305 - 1,117	-	-	-	-	-	-	-	-	-
Retain / Infill - Residential	-	-	-	-	-	-	-	-	-	-	0.45
Retain / Infill - IMS	-	-	-	-	-	-	-	-	-	-	-
Creek	-	-	-	-	-	-	-	-	-	-	24.93
Total Units or Square Feet	78 - 226	680 - 2,492	1,125 - 1,982	964,250 - 1,928,500	750 - 1,408	244,010 - 506,790	244,010 - 506,790	119,400	857,100 - 2,225,500	92,250	38.47

Glenwood Avenue Districts

(Glenwood, International Market Square, and Mixed Use Districts)

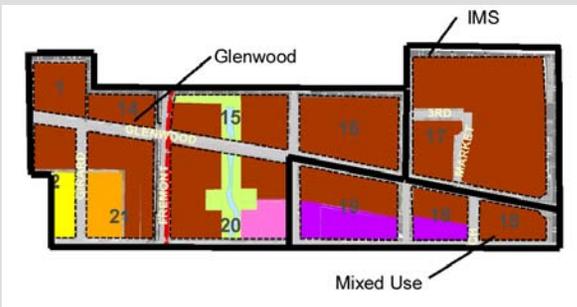
As the primary neighborhood gateway to downtown Minneapolis, Glenwood Avenue is envisioned as a vibrant commercial corridor. Land uses along Glenwood are envisioned as a vertical mix of uses: housing/office/retail. Retail and office are envisioned for the first one to two floors with housing above. Buildings will range from 3-7 stories and will frame existing Downtown views. Retail uses are envisioned as neighborhood service retail near the intersection of Glenwood and Van White and regional destination uses building off of IMS extending to the east. Office and mixed-use office/housing uses front portions of 2nd Avenue as a transition to the adjacent industry district. Office buildings would be 5-6 stories, in keeping with adjacent mixed-use buildings with which they share the block. The western portion of this area encompasses a small amount of the new residential neighborhood suggested for the western portion of the Valley. This area also contains a mid-block greenway corridor that creates an open space amenity between Bassett Creek Commons and Heritage Park.



A redeveloped Glenwood Avenue looking east



View of retained residential neighborhood looking east.



Glenwood Avenue, International Market Square, and Mixed Use Districts

Residential Neighborhood Districts

(Residential and Residential Retain/Infill Districts)

This area is envisioned as a traditional, family-oriented residential neighborhood. The residential retain/infill district suggests rehabilitation of existing residential structures with new infill of similar building scale on vacant and dilapidated properties. Full redevelopment of lower and medium density residential uses are suggested for the residential district with densities increasing toward the east and south. This pattern preserves skyline views and offers new open space views and access to Bassett Creek



Residential and Residential Retain/Infill Districts

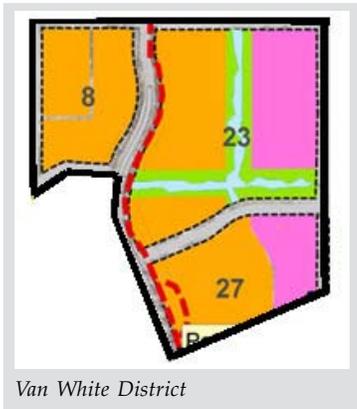
Commons. Residential development adjacent to the Commons is organized around “Green Streets” that will provide strong pedestrian and neighborhood links between the Commons and new and existing neighborhoods to the north. Green streets are described in detail in the Design Guideline Appendix.

Van White District

This district takes advantage of future Van White Memorial Boulevard as an address for significant residential development. Van White plus Bassett Creek Commons and a greenway corridor to Heritage Park create vital and appealing amenities for future residential development in this district. The eastern portion of the district transitions to an office/housing mixed use before giving way to pure office and industrial uses adjacent to the district.

The greenway corridor extending through this district will provide a vital open space amenity for the adjacent development. It will also provide an opportunity to restore a portion of the historic alignment of Bassett Creek or at least stormwater retention ponds that mimic flow of the creek. Character of the greenway is described further in the Design Guideline Appendix.

Van White Memorial Boulevard may provide an important link to a future transit station. In this case, new housing oriented to the boulevard will take on increased importance as a transit-oriented development as well as a pedestrian link to the station.



Creek District

This district contains Bassett Creek Commons discussed in the Natural Features and Parks section of this chapter.

Linden Yards Districts

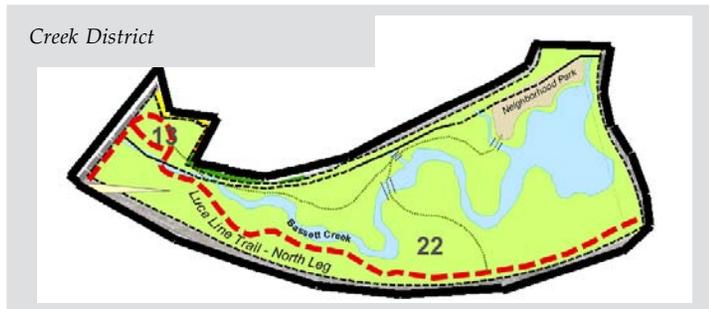
(Linden Yards East and Linden Yards West Districts)

Linden Yards offers some of the greatest opportunities as well as challenges in redevelopment of the Valley. The challenges revolve around access limitations and adjacency to freeways and rail lines. The opportunities include views to downtown and Bryn Mawr Meadows, the potential for significantly enhanced access, adjacency to Cedar Lake Trail and a possible future transit station.

Currently, the area is being used for Minneapolis Public Works outdoor storage and concrete crushing operations. The site has been a natural location for these industrial uses because it has only one point of access (from Linden Avenue). I-394 forms the southern boundary and is elevated several stories above the area, effectively creating a tall and unappealing neighbor to redevelopment. To the north, Linden Yards is cut off from roadway access by the Burlington Northern Santa Fe rail line.

Three things will change the redevelopment environment for Linden Yards. First, Van White Memorial Boulevard with direct access to I-394 will cross the site and provide a point of access to the north where none exists today. Second, the Southwest Transitway has identified this area as one of two possible routes for a new transit corridor that, if chosen, would place a station east of Van White Memorial Boulevard. Third, the City of Minneapolis has approved a policy to relocate public works operations in the next several years. These activities will transform the site into a prime redevelopment opportunity and the earliest redevelopment priority for Bassett Creek Valley.

Development in Linden Yards is proposed to be the highest intensity anywhere in the Valley. This level of intensity will allow building heights that rise well above the freeway to overcome



visual and noise conflicts without impacting views from adjacent neighborhoods. Greater intensity will also help pay for more challenging redevelopment elsewhere in the Valley as well as proposed access enhancements from the north across the rail line.

Linden Yards East District

The Linden Yards East district is suggested as a mix of office (with buildings up to 25 stories), civic and office reserve uses. The predominance of office space will take advantage of freeway access and will not be negatively impacted by adjacent industrial and office uses to the north as housing would. This master plan identifies a possible new bridge across the rail line from the north to create an alternative access to the district. Depending on the intensity of development, this bridge may not be necessary from a traffic standpoint but it may provide access alternatives important to the marketing and function of office redevelopment. Civic uses close to Van White Memorial Boulevard will probably be in conjunction with a future transit station. The north end is designated as office reserve to permit development when market forces are favorable, recognizing that this may not be until after initial development in this district.

Linden Yards West District

Since the western half of Linden Yards can take advantage of views and access to Bryn Mawr Meadows, a mix of housing and office uses (with buildings up to 25 stories) is suggested. Residential uses here can offer dramatic views to downtown and Bryn Mawr Meadows.

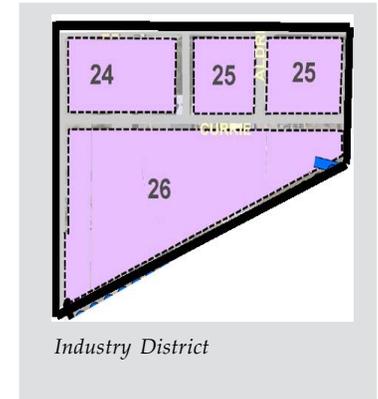
To enhance the connection to the park, a pedestrian bridge over the rail line is suggested. This will offer strong recreational links for new residents, a possible shared parking option for park users, and a bikeway connection between Cedar Lake Trail and the Luce Line Trail. The south end of the district is designated as mixed use: office/housing reserve to permit development when market forces are favorable, recognizing that this may not be until after initial development in this district.

Industry District

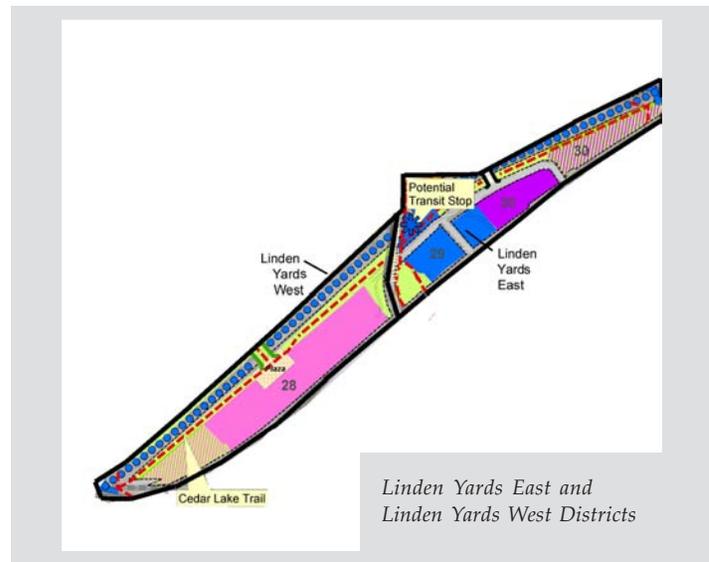
This district is envisioned as a contemporary industrial park that serves warehousing, light manufacturing, research & development and front office uses. This area could serve redevelopment opportunities for some of the industrial users currently in the Valley, such as the Minneapolis School bus garage and Leef Brothers as well as new industrial operations. This area contains an Excel Energy substation which is expected to remain for the foreseeable future.

Option for a Farmers' Market

There has been discussion in recent years to relocate the Minneapolis Farmers' Market. While there are significant policy and operational issues associated with this discussion, Bassett Creek Valley could offer a unique opportunity to expand and diversify the market and provide stronger access and community presence. If the political decision is made to consider moving the



Industry District



market, Bassett Creek Valley should be strongly considered. Although this plan does not suggest specific market design, review of market types are outlined in the Farmers' Market Appendix of this plan.

PARKING

The need for parking has been carefully considered in the planning process for Bassett Creek Valley. For better or worse, development patterns in America are driven by our use of cars. In order to accomplish the urban densities suggested in this plan as well as accommodate today's driving habits, structured parking has been assumed for most redevelopment in the Valley. The two exceptions to structured parking are lower density residential areas where traditional garage parking would be used and in industrial areas where surface lot parking would be the norm due to financial practicalities. For the rest of the redevelopment scenarios, a combination of under-building parking for residential uses and parking structures for retail and office uses has been assumed. Parking quantity needs for redevelopment has been calculated into the financial modeling conducted for redevelopment and reviewed in Chapter 5.

Because build-out of the master plan is expected to take approximately 25 years, there is a chance that our parking demand will diminish as a result of greater use of transit. If this occurs, it will have positive effects on the development pattern that can be accomplished in the Valley as well as the financial feasibility of redevelopment.

OPEN SPACE

There are tremendous open space assets already existing in the Valley including the Cedar Lake Trail, Bryn Mawr Meadows and the Luce Line Trail. This master plan suggests the creation of a significant amount of new open space in Bassett Creek Valley.

Along with existing assets, these new spaces offer diverse recreational and habitat restoration opportunities to meet the needs and values of the future population in the Valley. It is expected that open spaces, more than any other aspect of redevelopment, will define the future of the Valley and will become the treasures of the Valley's future. From a practical standpoint, the open spaces will become primary features around which redevelopment investments are marketed.

Bryn Mawr Meadows

Today, Bryn Mawr Meadows is a 51-acre, active regional park featuring multiple ball fields and diverse recreational facilities. In the past several years, the Minneapolis Park & Recreation Board has considered modifying the recreational use of the park. This is a sensitive topic and any changes need to be considered in the context of meaningful neighborhood participation.

This plan envisions use of Bryn Mawr Meadows much as it is today, with open ball fields but without high fences or the addition of high intensity lights. The plan, however, suggests two fundamental modifications to the park. First is collaboration with adjacent development in Linden Yards to create shared office/recreational parking in Linden Yards that would be under a raised plaza and link to Bryn Mawr Meadows via a broad, inviting pedestrian bridge across the rail line. This reorientation of visitor access would relieve some parking conflicts on existing residential streets and would move the center of community park functions away from quiet residential neighborhoods. The second modification to Bryn Mawr Meadows would be to buffer community park functions from the existing residential neighborhood with a linear neighborhood park along Morgan Avenue. The neighborhood park area would be non-programmed with a playground, general turf play area, picnic facilities and trees.



Bassett Creek Commons will feature a restored Bassett Creek

Bassett Creek Commons

The largest new open space suggested by the plan is the 25-acre Bassett Creek Commons, located along the historic alignment of Bassett Creek from Cedar Lake Road to Van White Memorial Boulevard. Suggested for the Commons is reestablishment of a meandering Bassett Creek, habitat restoration, trails and a small neighborhood park for the new nearby residents that are physically separated from Bryn Mawr Meadows by a rail line. The Commons is situated so that it will establish views of Downtown Minneapolis for park users and the adjacent neighborhood. Walkers, bikers and picnickers will enjoy some of the best downtown views in the City.

Adjacent residential areas will be strongly linked to Bassett Creek Commons by “Green Streets” that extend from the Commons northward into the neighborhood. These pedestrian streets extend a park-like character into the neighborhood and provide strong pedestrian links and open space views to the Commons.

Suggesting that the Commons become a passive open space is a strategic decision; there are several compelling reasons why a passive use is vital to the future success of Bassett Creek Valley. First, this plan suggests a balance of recreational opportunities within the Valley. Bryn Mawr Meadows provides active park uses for those interested in outdoor athletics and play. The Commons will provide vital nature areas for trail users and those interested in an urban leisure experience. Second, Bassett Creek Valley will contain diverse housing types for a range of family structures, ages and stages in life. While active parks are important for younger people participating in organized sports, passive parks are used and enjoyed by people of all ages. It is the hope that the Commons, with its creek and trails, will join the ranks of some of the most treasured natural spaces in the City such as Minnehaha Parkway and the Mississippi River. Third, this space will serve important ecological functions within the urban environment. It is envisioned that a restored Bassett Creek will be buffered by

restored habitat and stormwater infiltration areas. The enhanced creek and naturalized landscape will provide habitat for urban wildlife. Last and most importantly, the planning process leading up to this master plan suggests tremendous public support for a passive, public natural area along the banks of Bassett Creek.

Greenway Corridor

A linear greenway illustrated in Figure 4.5 that mimics or recreates Bassett Creek will connect the Commons with Heritage Park. The greenway will act as a mid-block unifying amenity and open space relief as well as stormwater infiltration and treatment area. The greenway might not accommodate continuous pedestrian trails or walkways due to street crossings but it can provide continuous stormwater or creek flow. The greenway offers opportunities for green plazas adjacent to residential uses and possibly cafe seating adjacent to retail locations. Plaza approaches to the greenway are described in more detail in the Design Guidelines Appendix.

Other Parks and Plazas

Two small neighborhood pocket parks are suggested for the Residential District. These parks are intended to serve area residents and could contain a small plaza, play area or garden.

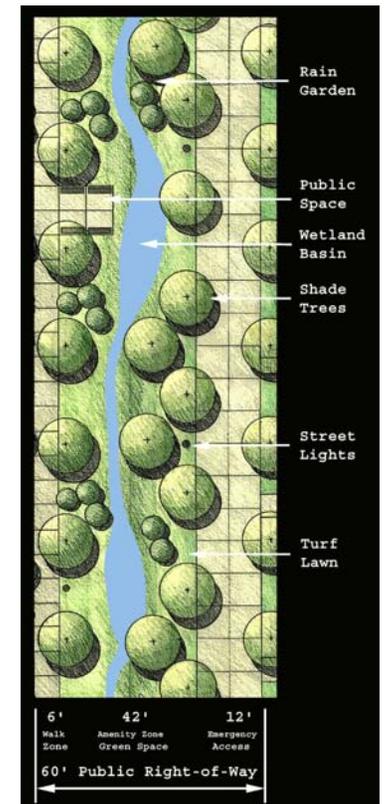
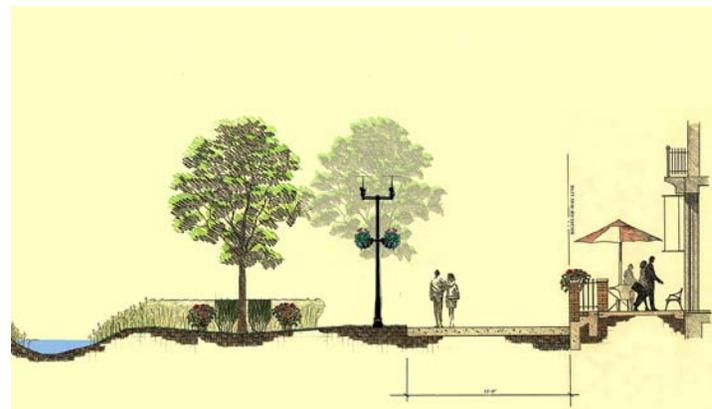


Figure 4.5 Greenway corridor, plan and section

Trails

Trails serve two equally important functions within the Valley. The first is recreational and the second is to support bicycle commuting as a viable alternative to automobile travel. This plan calls for trail connections to two important regional trails, the Luce Line Trail and Cedar Lake Trail. It also suggests a new trail along Van White Memorial Boulevard. Trail routes were determined with the strategy of creating links while eliminating the need for at-grade street crossings.

Luce Line Trail

Currently, the Luce Line Trail enters the Valley from the west at the bridge over Bassett Creek on Cedar Lake Road and then travels through Bryn Mawr Meadows to connect to the Cedar Lake Trail. This plan suggests realigning the trail east along two legs. One would link with Van White Memorial Boulevard through Bassett Creek Commons. Another would link with the Cedar Lake Trail at a raised plaza in Linden Yards West through Bryn Mawr Meadows and via the proposed pedestrian bridge.

Cedar Lake Trail

Today Cedar Lake Trail travels adjacent to I-394 along the southern edge of Linden Yards. In planning for the possibility of the Southwest Transitway extending through Linden Yards, the City and Hennepin County have determined that the trail would shift location to be adjacent to the transit line as illustrated in Figure 4.1. This alignment allows for fewer street crossings, especially with new roadway access needed to redevelop Linden Yards.

This plan suggests that Cedar Lake Trail rise in elevation in the Linden Yards West district to meet the raised plaza and link to the Luce Line Trail over the pedestrian bridge. This trail linkage will further enhance the important links between open spaces and recreational amenities throughout the Valley.

Van White Trail

A new regional trail is also being designed with Van White Memorial Boulevard. This trail will connect Bassett Creek Valley

to Heritage Park and institutional destinations such as the Walker Art Center and Minneapolis Sculpture Garden.

STREET SYSTEM

The street network shown in Figure 4.1, Future Development Scenario, has several alterations to the existing street system including Van White Memorial Boulevard, creation of green streets north of Bassett Creek Commons, bridge connections to Linden Yards and reestablishment of the urban street grid in the eastern industrial area of the Valley. These street system changes are suggested in order to improve traffic circulation and pedestrian flow within the Valley and improve connectivity beyond the Valley.

In addition to streets themselves, the plan suggests a higher level of streetscape improvement than is typically seen in the City of Minneapolis (e.g., decorative street lights in residential areas, street furniture in retail zones). This will achieve one of the primary principles of redeveloping the Valley: creating high-quality public spaces that promote pedestrian activity and community gathering. Quality of the streetscape environment in the form of pedestrian comfort and security and aesthetic value can make or break this activity. See the Design Guidelines Appendix for streetscape standards.

Perhaps the most significant change in the street system in the Valley is the construction of Van White Memorial Boulevard to connect Dunwoody Boulevard to Highway 55 and beyond. This new boulevard will create an important link between north and south Minneapolis and will be one of the primary catalysts for change in Bassett Creek Valley.

The area of the Valley east of Van White Memorial Boulevard and north of the BN rail line has experienced alteration and removal of the urban street grid over time. In order to reestablish important street and pedestrian links in this area, the Future Development Scenario illustrates several new and realigned

streets. Dupont Avenue is proposed to be extended southward from its current terminus at Currie Avenue to link with a bridge over the BN rail line to provide additional access to Linden Yards. Bryant Avenue is suggested to be realigned (replacing Colfax Avenue) from Glenwood Avenue to Currie Avenue to create a fully-aligned intersection at Bryant & Glenwood. And, a new east/west street connection is proposed from Dupont Avenue to Van White Memorial Boulevard.

While the street system alterations identified in the preceding paragraph are proposed, it is also recognized that infrastructure changes like this can be logistically difficult and expensive to accomplish. Therefore, this plan acknowledges that modifications to Bryant, Colfax and Dupont Avenues as well as added bridge crossing of the BN rail line will be challenging and would need to be financially and logistically supported by redevelopment as it occurs in that particular area. Possible street alterations discussed above are identified in Figure 4.6.

The other portion of the Valley with significant street changes is the Linden Yards area. Here, an internal street network is suggested to accommodate future development. Internal circulation would extend under Van White Memorial Boulevard to link Linden Yards East and West. The internal network would link with Linden Avenue in two intersection locations that do not currently exist and, as already discussed, would possibly link with a bridge over the rail line on the Dupont alignment if a bridge proves feasible.

Four types of streets are proposed for the Valley: residential streets, commercial streets, office/industrial streets and green streets. General definitions of street types along with envisioned streetscape improvements are included below Appendix C, Design Guidelines, provides much greater detail about street and streetscape design.



Figure 4.6 Proposed street modifications/additions identified in the Future Development Scenario.

Legend

-  Proposed Street
-  Proposed Green Street
-  Proposed Bridge
-  Proposed Street Removal

Residential Streets

Residential streets are the largest segment of streets in the study area. These streets are traditional in character with opposing drive lanes, parallel parking, turf boulevards, sidewalks, street lights and street trees.

Commercial Streets

Commercial streets in mixed-use and retail areas are similar to residential streets except they have much more intensive streetscape elements and wider street cross sections.

Office Industrial Streets

Office/industrial streets are wider to accommodate truck traffic. They include parallel parking, grass or paved boulevards, sidewalks, street lights and street trees.

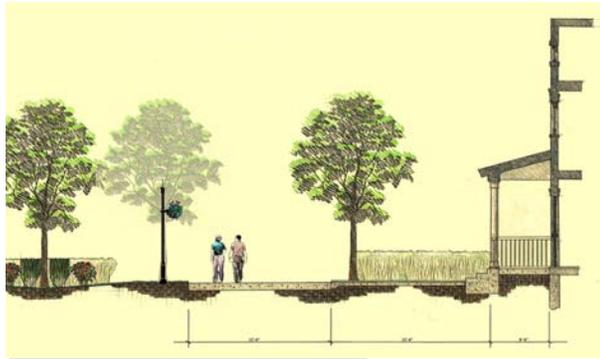


Figure 4.7 Section of a green street.

Green Streets

Green Streets (Figure 4.7) are proposed on Irving and Humboldt Avenues between Currie and Bassett Creek Commons and a segment along the Commons near Cedar Lake Road. Green Streets provide sidewalks, turf areas, landscaping and stormwater infiltration. Green Streets are not intended for vehicle traffic although they are designed to accommodate emergency vehicles.

TRANSIT SYSTEM

Transit and commuter trails will play a significant role in the pace, character and intensity of redevelopment in Bassett Creek Valley. If the Southwest Transitway extends through the Valley with a station at Van White Memorial Boulevard, it will open a host of opportunities. The Southwest line, along with existing bus service and commuter trails and the possibility of a local transit circulator from the Valley to downtown, could open opportunities such as:

- Reverse commuting from downtown to Bassett Creek Valley employment.
- Less need for office parking in the Valley and thus lower development cost and land consumption.
- Less concern about traffic congestion allowing for greater development intensity.
- Greater package of amenities for the Valley with strong transit links to downtown and other destinations.

HOUSING AND EMPLOYMENT

Redevelopment within Bassett Creek Valley presents an unparalleled opportunity to create a new urban community with strong connections to existing Minneapolis neighborhoods. These

opportunities provide increased access to retail services, parks and green spaces, and to a variety of housing and employment opportunities. While interrelated, housing and employment warrant special consideration so that investors and developers involved in redeveloping the Valley have a sense of the community's expectations regarding these issues.

As the redevelopment process continues, the ROC will continue to serve in a manner that ensures redevelopment meets the objectives of the plan and community vision on which they are based. Central to this vision are goals for providing for affordable housing and living wage jobs within the project area. These elements will allow for current residents to stay in the area and create new opportunities to enhance the diverse mix of people living and working in the Valley.

While the ROC acknowledges that factors, including changes in markets, policies and public subsidies may over time impact the ability to achieve the goals set forth below, the following section outlines desired housing and workforce targets that attempt to achieve the vision. The ROC also acknowledges that these are goals for the Bassett Creek Valley as a whole, and not intended as a project-by-project objective.

In order to more appropriately identify shared values and beliefs, terms used in this section are presented in the sidebar on the next page as a basis for further discussion regarding affordable housing and workforce development.

Housing: Creating a Sustainable Community

Throughout the planning process, emphasis has been on creating an area in which people will want to live and work. To be a successful and vibrant community, the area housing goals must address housing needs for all stages of life and for all income levels and family sizes. A mix of rental and ownership opportunities, at a full spectrum of income levels, is proposed as

part of this master plan.

With these goals, the community envisioned can provide for the following types of residents:

- Families of varying sizes and incomes who want to and can afford to live in the Valley.
- Young singles who can find housing close to education, employment and entertainment opportunities.
- Seniors who can remain living in the area while receiving the support they need.
- Grown children who can afford to purchase homes in the area.

The community should not only be a place where the children's doctors can live but where their day care providers, school bus drivers and teachers also live. It should be a community with a variety of retail services—and where those who pack the groceries, do the dry-cleaning and restock the videos can also live.

Housing Targets and Goals:

The ROC would like to see up to 40 percent of new housing units be designated as "rental" units, with a minimum of 60 percent designated as "owner-occupied" units. Further, one-half (50 percent) of the new rental housing units shall be affordable to low and moderate income families. Of the affordable housing units, the ROC proposes:

- 10% are built for very low income families
(annual income = \$23,100 for a family of four in 2005 dollars).
- 20% are affordable to low income families
(annual income = \$38,500 for a family of four in 2005 dollars).
- 20% are affordable to moderate income families
(annual income = \$58,000 for a family of four in 2005 dollars).

HOUSING AND EMPLOYMENT PLAN TERMS

Gentrification: A change process where increased interest and/or redevelopment results in the inability of those who have historically occupied or revitalized a community from being able to do either.

The master plan does not support the displacement of existing residents. Rather, it aims to establish a diverse housing mix that will support a range of residents at various stages of life and income levels.

Renaissance: A change process where increased interest and/or growth results in financially viable and sustainable housing, commercial and open space development of previously underutilized land, buildings, outdoor storage, surface parking lots, Superfund sites and deteriorated natural amenities. Attributes include environmental enhancements, increased proportion and accessibility of green space and increased safety, as well as increased perception of safety and a realization of the importance of aesthetics in daily life.

The master plan is committed to development that serves to create a renaissance resulting in the improved quality of life for those who live and work in the community.

Life Cycle Housing: Housing that reflects diversity of incomes, household sizes and life stages.

The master plan suggests a housing mix that reflects the varied needs of people, family sizes and incomes.

Living Wage Jobs: Jobs that produce a wage adequate to support a household in the community in which it is located.

The master plan intends for redevelopment to provide long term benefits to the people within the community.

Affordable Housing: Housing that costs its occupants no more than 30% of their gross income.

MMI: Median income of the Twin Cities metropolitan area. Established annually by HUD and adjusted for household size.

Moderate Income Housing: Housing affordable to households earning less than 80% MMI.

Low Income Housing: Housing affordable to households earning less than 50% MMI.

Very Low Income Housing: Housing affordable to households earning less than 30% MMI.

One-half (50 percent) of the 3,000 new owner-occupied units shall be affordable to low and moderate income families. Of these housing units, the ROC proposes:

- 20% are affordable to low income families
(annual income = \$38,100 for a family of four in 2005 dollars).
- 20% are available to moderate income families
(annual income = \$58,000 for a family of four in 2005 dollars).

The remaining housing units, both rental and owner-occupied, shall be at market rate.

Workforce: Opportunities to Serve Our Communities

Redevelopment provides exceptional opportunities to add the young, the unemployed or the underemployed to the workforce. Programs should be made available so that these populations are able to take full advantage of the economic opportunities created by redevelopment of the Valley. It is the recommendation of ROC that the City and involved developers support programs that strengthen the connections between redevelopment activities and educational, training and job placement resources.

Workforce redevelopment objectives should create a “continuum” of both training and work opportunities throughout and after construction. Creative linkages between developers and the community will result in opportunities for both developers and for those within the community.

Workforce Targets and Goals:

The master plan encourages private contractors to pursue opportunities to employ the skilled and unskilled during construction phases of redevelopment. Permanent jobs will be added to the workforce as businesses and industry take advantage of redeveloped sites, and preference shall be for those who are able to demonstrate these positions are made available to the local community. There will also be excellent possibilities

to help some to become entrepreneurs. Those who foster these possibilities and incubator-type entities will garner community support.

Construction Goals:

Rewarding entities who are committed to the following goals will assure that opportunities for training and employment persist throughout development. Construction goals should:

- Create early partnerships with existing organizations to increase participation of those under-represented in the trades.
- Require employment of local area residents.
- Exceed City Civil Rights and Affirmative Action Construction goals by 50%.
- Exceed current city-mandated hiring goals, which are as follows: Women = 4%, Skilled = 8%, Unskilled = 16%.
- Exceed City Small and Underutilized Business (SUB) goals by 20%.
- Request the City Public Works and Utility Departments adopt these construction goals.

Permanent Employment Goals:

Potential employers moving into the Bassett Creek Valley will be evaluated and prioritized based on their ability to create:

- Living-wage jobs for local residents.
- Educational and advancement opportunities for those within the community.
- Partnerships with educational and training institutions within the community.

The ROC will continue to be an integral part of redevelopment

oversight in the Bassett Creek Valley, committed to upholding the goals outlined in this plan. They will help ensure that affordable housing is not segregated in small and isolated pockets within the Valley and that workforce goals will take advantage of the opportunities presented by redevelopment.

The ROC acknowledges that factors, such as changes in markets, policies and public subsidies, may over time impact the ability to achieve the goals set forth above and that these are goals established for the Valley as a whole, not as project-by-project objectives.

While targets and goals included in this chapter for affordable housing and workforce initiatives are recognized as being aggressive, they shall remain an ideal to strive for throughout the redevelopment process. Financial feasibility for meeting these goals are in part outlined in this master plan. It should be noted, however, that additional funding opportunities may be needed in order to fully achieve these goals.

Sustainable Development

The City of Minneapolis recently adopted sustainable development guidelines that promote practices like reduced energy consumption, pedestrian-friendly streets, light pollution reduction and innovative stormwater practices. This master plan embraces and incorporates these guidelines and suggests that the Valley can act as a national model for an even higher level of innovation.

Because they are often viewed as extras and because redevelopment is usually a tremendous challenge in its own right, it will be easy to put aside sustainability objectives. However, this master plan encourages that the envelope of sustainability be pushed in the development process as much as possible. This master plan also recognizes the financial challenges raised by many of the strategies and the need to balance the array of

demands on redevelopment. Some of the primary ways sustainable development can be addressed include:

LEED building certification: Through the Leadership in Energy and Environmental Design (LEED) program, the U.S. Green Building Council certifies buildings for energy efficiency, waste reduction, use of recycled materials and other sustainable construction practices. As referenced in the Design Guidelines Appendix, this master plan suggests that new buildings and site improvements in Bassett Creek Valley should be LEED Certified.

Dark-sky friendly lighting: The International Dark-sky Association (IDA) is dedicated to reducing light pollution and reducing energy consumption of outdoor lighting. The IDA administers a certification program for lighting products that meet restrictive standards in light pollution. As referenced in the Design Guidelines Appendix, this master plan suggests that outdoor lighting in both public and private spaces in Bassett Creek Valley should be “dark-sky friendly.”

Innovative stormwater practices: The Design Guidelines Appendix suggests innovative approaches to stormwater infiltration and treatment that include rainwater gardens, pervious pavement, rooftop gardens and native vegetation buffers. The ROC believes the City can be a leader in these practices by incorporating pervious pavements into streets and streetscapes and by approaching stormwater on a regional basis. In addition, private redevelopment should be expected to treat and infiltrate up to a 10-year rainfall event on-site. Accomplishing this objective in an urban setting will lead to the use of innovative techniques.

Energy generation: Although an aggressive goal, this master plan suggests a deliberate and strategic approach to energy generation in the Valley through techniques such as solar panels, wind generation, geothermal heat exchange and hydrogen power generation. Minneapolis is home to the Green Institute, a leader in community-oriented energy systems. They could be a tremendous partner in creating an energy generation strategy.

Design Guidelines – Building / Street interface



- Building uses support sidewalk life
- Many human scale building elements
- Plenty of display window
- Outdoor seating provided



- Multi-use buildings support additional life on the sidewalk
- Plenty of display window
- Building entries visible from sidewalk
- Merchandise on sidewalk display

Design Guidelines – Essential streetscape components



- Continuous canopy of street trees
- Pedestrian scaled lighting
- Awnings can create sidewalk roof
- Special pavement materials
- Plenty of sidewalk width



- Street trees
- Pedestrian scaled lighting
- On-street parking creates safer pedestrian environment
- Plenty of seating and site furnishings

DESIGN GUIDELINES

Design guidelines have been prepared for Bassett Creek Valley to suggest street and streetscape design, building placement and the transition zone between public streets and building facades. This urban design approach to guidelines allows for much more flexibility and creative expression than would be offered through architectural guidelines that would direct building character and features. The design guidelines also address environmental guidelines such as stormwater management, heat island effect, sustainable design and light pollution. The design guidelines are included as an Appendix to the master plan so they can be used as an independent tool through the development process. Themes addressed in the design guidelines include establishing comfortable, safe and vibrant streets, creating an urban character, environmental sustainability, balancing auto and pedestrian spaces and attention to building frontages.

In the 10 year Transportation Action Plan under development, the City of Minneapolis is creating a very similar framework for classifying street types and prescribing dimensional guidelines for them. This plan recognizes that the classification system and design guidelines in the 10 Year Transportation Action Plan must guide street design city-wide. This plan's design guidelines are advanced in the hope that they inform City decisions about how to classify streets in Bassett Creek Valley within the Action Plan and what design features are recommended for those streets.

Figure 4.8 Design guidelines direct streetscape design, building placement and the transition zone between public streets and building facades.

The Bassett Creek Valley master plan does more than just determine land use types and development character. It also tests the proposed vision against several forces in order to understand feasibility and project impacts.

Feasibility testing builds a realistic understanding of the opportunities and constraints posed by redevelopment. It suggests what barriers exist in today's environment and what steps are needed to overcome them. The results of the testing and analysis have been used to shape the plan and create viable strategies that will take the plan from concept to reality.

This chapter summarizes the analysis conducted in five key topics helpful in understanding the feasibility and impacts of the master plan. Those topics include traffic analysis, infrastructure analysis, market research, financial feasibility and view analysis.

TRAFFIC ANALYSIS

Traffic analysis for Bassett Creek Valley was conducted at two scales. Broad-scale analysis was conducted for the entire project area in order to determine the magnitude of traffic impacts posed by redevelopment, to inform general roadway design needs and to determine development density thresholds that may be implied by traffic projections. Detailed analysis was conducted for Linden Yards to determine two important questions relating to internal lane needs under the Van White Memorial Boulevard bridge and the need for additional access points to Linden Yards (bridge access from north over rail line). Technical memos providing full details regarding traffic analysis are included as Appendix E.

Project Area Traffic

In analyzing project area traffic, allowable density ranges identified in the land use plan were applied. Subsequently, traffic analysis was completed as an iterative process starting at the highest limit of land use density allowed within the land use plan

and then lessened in density until traffic volumes were within a comfortable range for the existing and proposed roadway network.

The project area traffic analysis determined that given today's driving habits and norms, transit use and alternative forms of transportation, the roadway network in and around Bassett Creek Valley will reach capacity at a level of land use density within the range proposed by the land use plan but below the highest density limit. The comfortable traffic capacity and its related land use density was then translated into one of the three financial analysis scenarios discussed later in this chapter (labeled "Scenario 1 - Accounting for Current Market & Traffic Constraints").

For many reasons, the ROC wishes to maximize redevelopment densities within the range allowed by the proposed land use plan. Traffic analysis for the full study area points out the importance of continued improvement in the transit system and the positive impact better transit will have on congestion and higher development densities in Bassett Creek Valley. Some specific strategies to reduce traffic constraints are discussed toward the end of this chapter.

Linden Yards Traffic

In addition to general traffic analysis conducted for the full Bassett Creek Valley project area, a more detailed traffic study for Linden Yards East and West (parcels 28, 29 and 30 in Figure 4.1) has been completed. Because Linden Yards has limited access points, this additional analysis helps identify whether proposed development will create significant traffic "pinch points" and what recommendations can be made to overcome them if necessary.

The study includes a comparison analysis of two access alternatives: one without a new bridged access to Linden Yards from the north along the Dupont Avenue alignment and one with a new bridge.

Based on traffic analysis for Linden Yards, the following comments are offered:

- Under both access scenarios (bridge & no bridge), operation analysis results indicate that all key intersections will operate at an overall acceptable level during the peak hours with the assumed traffic controls and geometric intersection layouts (see Appendix E).
- Careful consideration should be taken when determining driveway connections from Linden Avenue to an internal site circulation spine. Any site access points to the circulation spine should provide dedicated turn lanes and vehicle storage lengths into their respective site developments.
- The primary (westerly) site access road from Linden Avenue (see Figure 4.1) should be constructed as a four-lane roadway.
- Based on traffic analysis, redevelopment of Linden Yards without an added bridge access to the north will be feasible using the land use scenario identified in the financial analysis as “Scenario 1 - Accounting for Current Market & Traffic Constraints”). However, successful redevelopment of Linden Yards will depend on access alternatives and overcoming a possible market perception that the site is too isolated, a perception that could be resolved with a bridge to the north. Also, development density at the higher end of the land use range will require greater access flexibility.
- It is recommended that the internal circulation spine be constructed as a two-lane roadway (with appropriate turn lanes at the intersections). However, space for a four-lane circulation spine under the Van White Memorial Boulevard bridge should be preserved to allow for future flexibility in development density and land use patterns. Preservation of this right-of-way would allow for future roadway, trail or transit expansion.

INFRASTRUCTURE ANALYSIS

Needs for public infrastructure related to proposed redevelopment have been studied as part of the feasibility analysis. These needs address streets, sanitary sewer, watermains, soil considerations, private utilities and respective reconstruction costs. A technical memo included as Appendix F identifies greater detail regarding infrastructure needs.

Age, quality and anticipated longevity of street and utility infrastructure in Bassett Creek Valley have been analyzed and translated into reconstruction costs used by the financial analysis.

Analysis indicates that existing utility systems have adequate capacity to accommodate proposed redevelopment. However, many of the underground utilities are aged and in need of replacement. Therefore it is assumed that due to age and logistics, redevelopment will be the catalyst for staged reconstruction of all existing streets and utilities in the Valley as well as undergrounding of overhead utilities.

A full spectrum of street and utility infrastructure costs have been estimated and identified in the financial analysis as a street cost per lineal foot. These lineal foot estimated costs assumed 2006 construction year dollars and were based on results of similar projects bid out to area contractors over the past several years. Estimates for streets/infrastructure costs are:

- Residential Street: \$545
- Commercial/Industrial Street: \$605

These costs include full street construction, typical storm and sanitary sewers, watermains, service connections and utility undergrounding. Also included is a 20% contingency for constructing utilities on pile foundation and 35% administrative and engineering cost coverage.

Cost estimates above and those used in the financial analysis assume competitive construction through private contractors. Historically, however, Minneapolis has completed street and utility work with in-house crews at a significant increase in cost and time to completion. If the City builds its own streets and utilities in Bassett Creek Valley, cost estimates identified above are likely to low.

Because Bassett Creek Valley is such a large redevelopment effort and because it is so financially challenging, it is hoped that the City will offer flexibility regarding private or public sector reconstruction of streets and utilities.

MARKET RESEARCH

A market study (see Appendix G) was completed for Bassett Creek Valley in February 2005. With information like housing buyer interests, market assets/constraints of the Valley and current market trends, the study was very helpful in the development of general approaches to plan alternatives.

However, market studies are snapshots in time and many quantifiable aspects of the February 2005 study are already out of date (e.g. the condo market has slowed and the office market has strengthened since that time). Since redevelopment of Bassett Creek Valley will occur over decades, it will experience numerous market cycles making market studies for each individual project very important, but also making market study to address the entire plan unrealistic.

As a result, a more subjective, long-range view has been used in determining market forces in regard to land use and financial analysis. The primary market considerations used are norms in residential and commercial space absorption; trends toward more compact, higher-density residential living; transit-oriented development, housing and employment mix; the demand for lifestyle amenities neighborhood connectivity; and the greater acceptance of taller buildings.

FINANCIAL FEASIBILITY

To conduct financial analysis, the Bassett Creek Valley project area is separated into two broad phases and divided into subdistricts (see Figure 5.1). Projected costs are assigned to their respective district. The development pattern depicted in the land use plan is quantified at three levels of density; all within the range identified in the land use plan. For each of the three density scenarios, the analysis estimates the cost of investments needed to undertake the proposed development and the generation of revenues derived from the development. The result is an indication of financial gap or surplus.

The financial analysis assumes that there are numerous investments and expenditures needed to accomplish the master plan. It also assumes several sources of revenue resulting from redevelopment including tax increment financing, sale of land for development and limited grants. Given the cost and revenue parameters, analysis explores feasibility at the three levels of density discussed earlier. The assumptions used in the analysis will undoubtedly change as redevelopment in Bassett Creek Valley moves from concept to project, but the analysis helps identify degrees of magnitude in either the positive or negative financial picture.

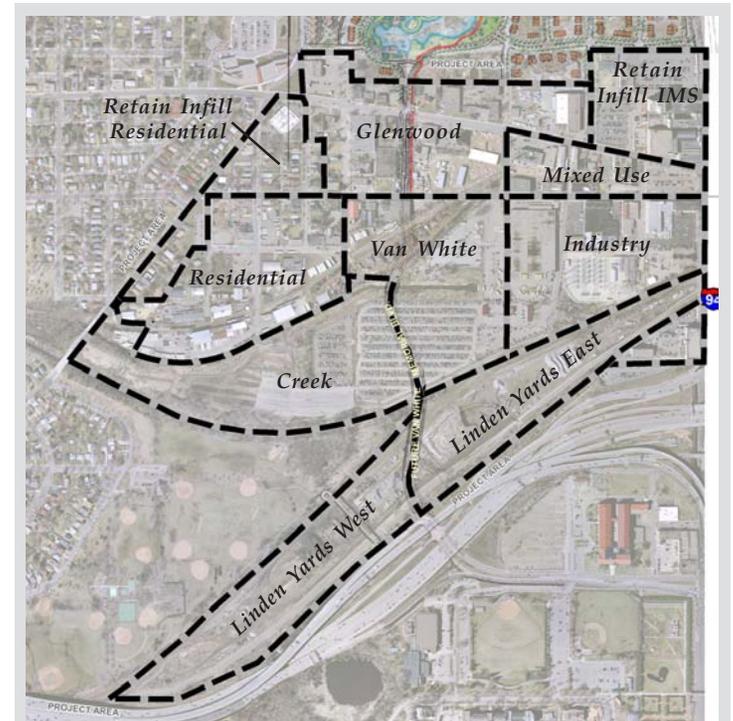


Figure 5.1 Map of Districts for Financial Analysis

The analysis estimates and compares the costs of investments needed to undertake the proposed development and the availability of revenues to offset these costs and is based on a series of assumptions using the best available information.

Costs of Redevelopment

The financial feasibility analysis assumes that the following activities must be addressed to undertake the master plan for the Valley:

- Acquisition of land to provide sites for redevelopment (incl. City-owned facilities and Public Works operations).
- Demolition and clearance of existing structures.
- Remediation of existing site pollution.
- Correction of inadequate soil conditions and preparation of sites for development.
- Construction and reconstruction of municipal utilities systems in support of the desired development pattern.
- Construction of streetscape and other enhancements to the public realm.
- Construction of parking facilities needed to support the proposed type and density of development.

This section explains the assumptions used for each of the costs:

Land Acquisition: Appraisals of property were not performed as a part of this planning process. Without this information, it was necessary to find another measure of property costs. The best available source came from the property tax system. The analysis uses property taxes payable in 2005 as the estimated market value (EMV) of parcels proposed for redevelopment. EMV alone understates the realistic cost of acquisition. The acquisition expense used in the financial analysis is the EMV multiplied by 3 (300% of EMV). This amount accounts for both acquisition and relocation of existing occupants. Based on past experience, the 300% factor provides a reasonable, yet conservative, approach.

A comparable approach was used for sites where property is

owned by the City of Minneapolis. As tax-exempt land, Estimated Market Value does not provide a direct proxy for potential acquisition. Instead, the analysis assumes that the value of city-owned land is comparable to other nearby land values. The average EMV for private properties in the vicinity of the impound lot is \$3.20 per square foot. As with other property acquisition, 300% of assumed EMV is used to calculate public land acquisition.

Relocation of City-owned Facilities and Public Works Operations:

Assumed relocation of City-owned facilities and Public Works operations is embedded into the land acquisition cost of redevelopment (300% of EMV). It is recognized that there are currently unknown but anticipated significant costs associated with the transition of these facilities out of BCV. Redevelopment should be utilized to pay these transition costs.

Demolition: Demolition expense is based on existing building size and the estimated demolition cost per square foot. These costs are allocated based on the parcels included in each redevelopment "district".

Remediation: The costs of correcting site pollution reflect both the current understanding of contamination and the implications of proposed development. A range of cleanup costs have been estimated for each district. The upper end of the range is used for the analysis.

Site Preparation: Site preparation costs are based on three factors: location, existing soil conditions and the proposed development. The analysis estimates the costs associated with excavation, piling and other activities needed to create a site that can support the proposed development.

Affordable Housing: Both City and Neighborhood policies seek to create affordable housing in Bassett Creek Valley. The financial analysis assumes a contribution of \$10,000 per unit toward 20% of proposed housing units. This amount is not, by any means, intended to fill all affordable housing subsidy needs but instead

act as gap financing in relation to other affordable housing sources. It should be noted that affordable housing goals identified in Chapter 4 reach as high as 50% affordable units.

Public Realm: It is assumed that the public realm will be reconstructed along with adjacent redevelopment. Though the infrastructure analysis completed as part of this master plan suggests that sewer and water infrastructure in the Valley has adequate capacity for the master plan's proposed redevelopment, most of the infrastructure is approaching 100 years old. The financial model takes a conservative approach to reconstruction of streets and infrastructure by assuming all of the streets and underground infrastructure will need to be rebuilt in conjunction with redevelopment. Other public costs including street reconstruction, streetscaping, parks and open space, creek restoration and two bridges over the SW LRT have been estimated and assigned to appropriate development districts. This approach allows the plan to account for all reasonably anticipated costs associated with redevelopment. Using redevelopment as a finance mechanism benefits the neighborhoods and the City by minimizing the need for general taxes or special assessments.

Parking: Structured Parking (ramps and under-building) will be needed to serve much of the development proposed in the plan. The financial analysis assumes that site preparation needed for development also creates a foundation for structured parking facilities where they are anticipated. Under this assumption, where parking is assumed, the analysis only earmarks a portion (\$5,000) of the total cost of each parking space (the rest would be covered by the development as a matter of course). Land uses where structured parking is specifically not assumed include low-density residential, industrial and civic. All other categories assume an element of structured parking.

Redevelopment Revenues

The analysis relies on three sources of revenue to offset costs:

- Tax increment financing.
- Sale of land for development.
- Grants for remediation.

The following assumptions were used to estimate the revenues produced by the master plan.

Quantity of Development: The analysis converts land use into specific quantities of development based on area programmed for redevelopment and assumed densities. The tables in Figures 5.3, 5.5 and 5.6 explain the assumptions for density and parking used in the analysis and also summarize the number of housing units and square footage projected to occur based on three redevelopment scenarios. These scenarios are further explained on page 5-7.

Tax Increment Financing: Tax increment financing (TIF) allows the City to capture a portion of the property tax revenue from new development and use these monies to pay for the costs of redevelopment.

Property Values: A key set of assumptions deals with property values. These values determine the taxes paid and tax increment potential of redevelopment.

- The Original (base) Tax Capacity value is the 2005 property valuation. GIS parcel data was used to identify values.
- The tax capacity value of property after redevelopment was calculated based on assumptions of the quantity of development and the resulting property values. Figure 5.2 shows the value assumptions, which are based on consultation with market consultants, Ryan Companies and other developers. Estimated Market Value (EMV) is the value established by the assessor to calculate property

taxes (for this analysis, it is set at 90% of development value). The actual tax generated is called tax capacity. The tax capacity value equals the EMV multiplied by a percentage factor set by the Legislature. The tax capacity for owned housing equals 1% of EMV for the first \$500,000 of EMV. For commercial-industrial property, tax capacity is 1.5% of the first \$150,000 of EMV and 2% on the remaining value. The total tax capacity in a district represents the value per unit times the projected number of units.

- The Captured Tax Capacity value equals the total value after redevelopment minus the Original Tax Capacity.

Annual Tax Increment: Only the amount of tax capacity value in excess of what exists today can be captured and used for TIF. The Captured Tax Capacity value multiplied by the applicable local tax rate yields the annual tax increment. According to the City of Minneapolis, the applicable tax rate for 2005 is 132%.

Funding Capacity: The analysis assumes that all of the districts will be established as one or more tax increment financing districts. [The planning process has not included any specific analysis of property conditions related to the criteria for establishing a TIF district.] The estimated funding capacity from TIF represents the present value of the tax increment revenue collected over a 25-year period (maximum allowed by State Law) and discounted at a rate of 7.00%. The analysis accounts for assumed phasing of development within a redevelopment district.

City Policies: This analysis recognizes that current City policies require the creation of affordable housing units to receive the projected financial assistance. The analysis is not designed to show how the redevelopment will comply with these policies. However, the analysis does suggest financial contribution toward affordable housing as identified earlier.

Land Sale Revenue: A number of steps will be taken as part of the redevelopment effort to create sites ready for development.

Existing parcels will be assembled. Existing structures will be removed. Pollution and soil conditions will be corrected. The public realm will be enhanced. In creating a site ready for development, it is appropriate to allocate revenue from the sale of the property toward these development costs. If property is assembled by a public body, this amount represents money realized from the sale of land. If the property is assembled by a private party, this revenue represents the developer's contribution toward these costs. Figure 5.2 contains assumptions used for revenue from the sale of land.

Remediation Grants: The correction of site pollution is the only element of the master plan with existing sources of funding from other levels of government. The analysis assumes that all estimated remediation costs will be supported with grants or other outside funding. This funding could include a hazardous substance subdistrict. The subdistrict is a special form of TIF district that allows capture of existing (original) values to create increment revenue to pay for eligible site clean up.

Approach to Analysis

Financial gap analysis has been conducted to provide feasibility “snapshots” of the proposed land use plan at three levels of density, all within density ranges proposed by the master plan. The framework for the analysis focuses on the following questions:

- What costs of redevelopment and public infrastructure/amenities must be covered?
- How do varying levels of development within the proposed range of density suggested by the land use plan impact redevelopment costs and revenues?
- How can the analysis inform and guide strategic investments that promote greater financial feasibility and higher levels of development intensity?

As mentioned earlier, for the sake of financial analysis, the development pattern depicted in the land use plan is quantified

at three levels of density, all within the range identified in the land use plan. Those three levels are:

Scenario 1 - Accounting for Current Market & Traffic Constraints: Explores the financial implications of a mid-range level of land use density that, based on market and traffic constraints, would maximize today’s development potential.

Scenario 2 - Lowest Land Use Intensities: Explores the lowest land use densities (across the board) identified in the land use plan outlined in Chapter 4. This scenario is less intense than what is believed to be the current development potential.

Scenario 3 - Highest Land Use Intensities: Explores the highest land use densities (across the board) identified in the land use plan. This scenario is believed to be more intensive than what current development constraints would allow.

Results of Analysis

The results of the financial analysis are summarized by the tables and charts in Figures 5.3 through 5.8 on the following pages. The results of financial analysis indicate several things:

- Implementation needs to be coordinated to allow stronger "districts" to help support districts with gaps.
- Building (across the project area) to the lowest development density proposed in the land use plan will not be feasible even with the deletion of significant infrastructure and amenity costs.
- Assuming current market forces, phase 1 is, as a whole, financially feasible. However, phase 2 will face financial hurdles unless barriers to greater density (such as reduced use of automobiles) are lessened.
- Building to the highest development density proposed in the land use plan offers very positive financial feasibility

although current market and traffic barriers will need to be lessened in order to realistically reach this intensity of development.

- Revenue “sharing” needs to occur across district boundaries in order to allow financially stronger districts to support weaker ones.

The BCV Redevelopment Oversight Committee is committed to working with the City of Minneapolis to lessen barriers to higher density within the range of density proposed by this plan. The ROC also recognizes that many of these efforts will take time to accomplish, making the range of densities proposed by the plan a necessary component of flexibility for future development.

The ROC is also committed to the inclusion of affordable housing along with redevelopment of the Valley. The financial analysis contributes toward affordable housing goals. To the extent possible, the ROC advocates using financial surpluses in tax increment finance as projects are developed to increase the contribution to affordable housing toward reaching the goals identified in Chapter 4.

Type of Development	Average Unit Size	Development Value	EMV Per Unit	Base Land Sale
Low density residential	1,800	405,000	364,500	25,000
Medium density residential	1,500	337,500	303,750	25,000
High density residential	1,200	270,000	243,000	20,000
Retail		85	77	7.50
Mixed use Housing	1,200	270,000	243,000	25,000
Office/retail		150	135	8.00
Light Industrial		75	68	2.50
Office		139	125	8.00
Civic		100	90	8.00

Figure 5.2 Valuation and Land Sale Assumptions

SCENARIO ACCOUNTING FOR CURRENT MARKET AND TRAFFIC CONSTRAINTS
Summary of Land Use Assumptions (Figure 5.3)

Land Use		Residential Density	Unit Size (SF)	Bldg SF/acre	Residential Parking (space per DU)	Non-Residential Parking (space per 1,000 SF)
Low Density Residential		12	1,800		NA	
Medium Density Residential		60	1,500		1.5	
Mixed Use - Category 1/2 (Office/Housing)	Housing 1	45	1,200		1.5	
	Housing 2	80	1,200		1.5	
	Office 1			25,000		4
	Office 2			75,000		4
Mixed Use - Category 3 (Retail/Office/Housing)	Housing	45	1,200		1.5	
	Office			13,000		4
	Retail			13,000		4
Light Industrial				15,000		NA
Office	Office 1			60,000		4
	Office 2			90,000		4
Civic				25,000		0

Notes:

- Unit counts and commercial square footages reflect only land earmarked in Figure 5.X for acquisition and redevelopment.
- Figure 4.x identifies land use density ranges in the land use plan. This financial scenario explores one set of densities within the allowable range.

District	Low Density Residential	Medium Density Residential	Mixed Use - (Office/Housing)		Mixed Use - (Retail/Office/Housing)			Office / Light Industrial	Office	Civic	Park and Open Space
	12 Dwelling Units/Acre	60 Dwelling Units/Acre	45 or 80 Dwelling Units/Acre	Office 25,000 or 75,000 SF/Acre	45 Dwelling Units/Acre	Office 13,000 SF/Acre	Retail 13,000 SF/Acre	15,000 SF/Acre	60,000 or 90,000 SF/Acre	25,000 SF/Acre	
	units	units	units	square feet	units	square feet	square feet	square feet	square feet	square feet	acres
Phase 1 - Glenwood	10	82	44	24,500	700	202,280	202,280	-	-	-	2.13
Phase 1 - Linden Yards West	-	-	887	831,750	-	-	-	-	-	-	5.74
Phase 1 - Linden Yards East	-	-	-	-	-	-	-	-	717,300	92,250	2.38
Phase 2 - Van White	-	668	194	108,000	-	-	-	-	-	-	2.84
Phase 2 - Industry	-	-	-	-	-	-	-	119,400	-	-	-
Phase 2 - Mixed Use	-	-	-	-	144	41,730	41,730	-	139,800	-	-
Phase 2 - Residential	84	609	-	-	-	-	-	-	-	-	-
Retain / Infill - Residential	-	-	-	-	-	-	-	-	-	-	0.45
Retain / Infill - IM S	-	-	-	-	-	-	-	-	-	-	-
Creek	-	-	-	-	-	-	-	-	-	-	24.93
Total Units or Square Feet	94	1,359	1,125	964,250	844	244,010	244,010	119,400	857,100	92,250	38.47

Notes:

- Where multiple densities are identified in a category, the higher density is used only in Linden Yards.
- Unit counts and commercial square footages reflect only land earmarked in Figure 5.X for acquisition and redevelopment.
- Figure 4.x identifies land use density ranges in the land use plan;
- This financial scenario explores one set of densities within the allowable range.

	Scenario Total
	Dwelling Units 3,422
	Retail Square Footage 244,010
	Office Square Footage 2,065,360
	Office/Light Industrial Square Footage 119,400
	Civic Square Footage 92,250
	Park/Open Space Acres 38.47

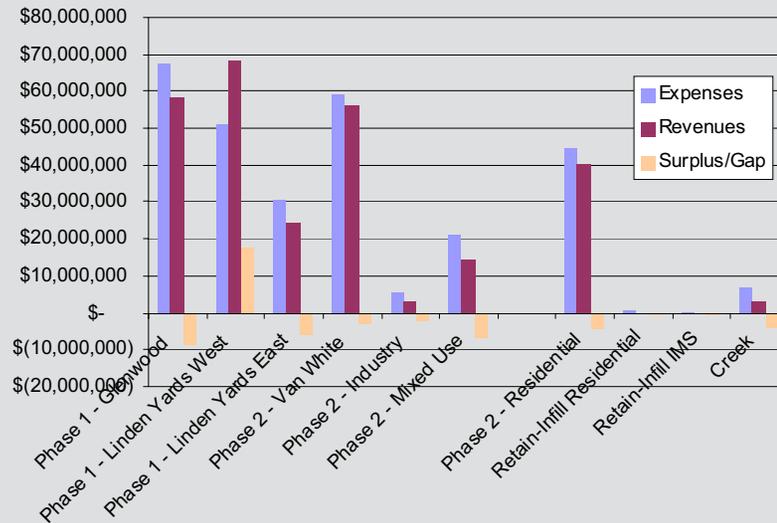
SCENARIO ACCOUNTING FOR CURRENT MARKET AND TRAFFIC CONSTRAINTS

Financial Analysis Summary (Figure 5.4)

District	Phase One			Phase Two						
	Glenwood	Linden Yards West	Linden Yards East	Van White	Industry	Mixed Use	Residential	Retain-Infill Residential	Retain-Infill IMS	Creek
Expenditures										
Land acquisition	29,432,400	4,637,572	3,332,863	23,797,481	-	10,201,800	20,767,200	-	-	-
Parking Replacement	-	-	-	-	-	-	-	-	-	-
Demolition	712,986	-	-	455,608	-	589,941	246,521	-	-	17,335
Remediation	1,274,722	322,054	482,668	7,978,786	1,414,132	595,831	3,773,031	-	-	1,660,310
Extra Ordinary Site Preparation	13,517,420	15,171,120	7,173,000	13,023,050	791,157	2,818,140	9,786,585	-	-	-
Affordable Housing	1,672,000	1,774,000	-	1,724,000	-	288,000	1,386,000	-	-	-
Streetscape	2,412,403	179,540	-	1,294,708	1,025,949	1,188,603	1,450,002	646,358	471,729	-
Parking	14,776,200	23,287,500	14,346,000	8,625,000	-	5,545,200	4,570,000	-	-	-
Public Costs	3,730,100	5,574,000	5,238,000	2,386,533	2,157,690	-	2,819,131	45,000	-	5,493,000
Total Expenditures	67,528,232	50,945,785	30,572,531	59,285,165	5,388,928	21,227,515	44,798,471	691,358	471,729	7,170,645
Revenues										
Sale of land for development	24,332,480	28,829,000	5,738,400	22,414,000	298,500	5,386,080	17,325,000	-	-	-
TIF	32,824,824	39,234,436	18,294,166	25,712,643	1,684,391	8,186,712	19,391,629	-	-	-
Remediation "grants"	1,274,722	322,054	482,668	7,978,786	1,414,132	595,831	3,773,031	-	-	1,660,310
Other	-	-	-	-	-	-	-	-	-	1,500,000
Total Revenues	58,432,025	68,385,489	24,515,234	56,105,429	3,397,022	14,168,623	40,489,660	-	-	3,160,310
Surplus/(Gap)	(9,096,206)	17,439,704	(6,057,297)	(3,179,736)	(1,991,905)	(7,058,892)	(4,308,810)	(691,358)	(471,729)	(4,010,335)

Phase One Surplus 2,286,201

Phase Two Gap (21,712,766)



SCENARIO LOWEST LAND USE INTENSITIES
Summary of Land Use Assumptions (Figure 5.5)

Land Use		Residential Density	Unit Size (SF)	Bldg SF/acre	Residential Parking (space per DU)	Non-Residential Parking (space per 1,000 SF)
Low Density Residential		10	1,800		NA	
Medium Density Residential		30	1,500		1.5	
Mixed Use - Category 1/2 (Office/Housing)	Housing 1	45	1,200		1.5	
	Housing 2	80	1,200		1.5	
	Office 1			25,000		4
	Office 2			75,000		4
Mixed Use - Category 3 (Retail/Office/Housing)	Housing	40	1,200		1.5	
	Office			13,000		4
	Retail			13,000		4
Light Industrial				15,000		NA
Office	Office 1			60,000		4
	Office 2			90,000		4
Civic				25,000		0

Notes:

- Unit counts and commercial square footages reflect only land earmarked in Figure 5.X for acquisition and redevelopment.
- Figure 4.x identifies land use density ranges in the land use plan. This financial scenario explores one set of densities within the allowable range.

District	Low Density Residential	Medium Density Residential	Mixed Use - (Office/Housing)		Mixed Use - (Retail/Office/Housing)			Office / Light Industrial	Office	Civic	Park and Open Space
	10 Dwelling Units/Acre	30 Dwelling Units/Acre	45 or 80 Dwelling Units/Acre	Office 25,000 or 75,000 SF/Acre	40 Dwelling Units/Acre	Office 13,000 SF/Acre	Retail 13,000 SF/Acre	15,000 SF/Acre	60,000 or 90,000 SF/Acre	25,000 SF/Acre	
	units	units	units	square feet	units	square feet	square feet	square feet	square feet	square feet	acres
Phase 1 - Glenwood	8	41	44	24,500	622	202,280	202,280	-	-	-	2.13
Phase 1 - Linden Yards West	-	-	887	831,750	-	-	-	-	-	-	5.74
Phase 1 - Linden Yards East	-	-	-	-	-	-	-	-	717,300	92,250	2.38
Phase 2 - Van White	-	334	194	108,000	-	-	-	-	-	-	2.84
Phase 2 - Industry	-	-	-	-	-	-	-	119,400	-	-	-
Phase 2 - Mixed Use	-	-	-	-	128	41,730	41,730	-	139,800	-	-
Phase 2 - Residential	70	305	-	-	-	-	-	-	-	-	-
Retain / Infill - Residential	-	-	-	-	-	-	-	-	-	-	0.45
Retain / Infill - IM S	-	-	-	-	-	-	-	-	-	-	-
Creek	-	-	-	-	-	-	-	-	-	-	24.93
Total Units or Square Feet	78	680	1,125	964,250	750	244,010	244,010	119,400	857,100	92,250	38.47

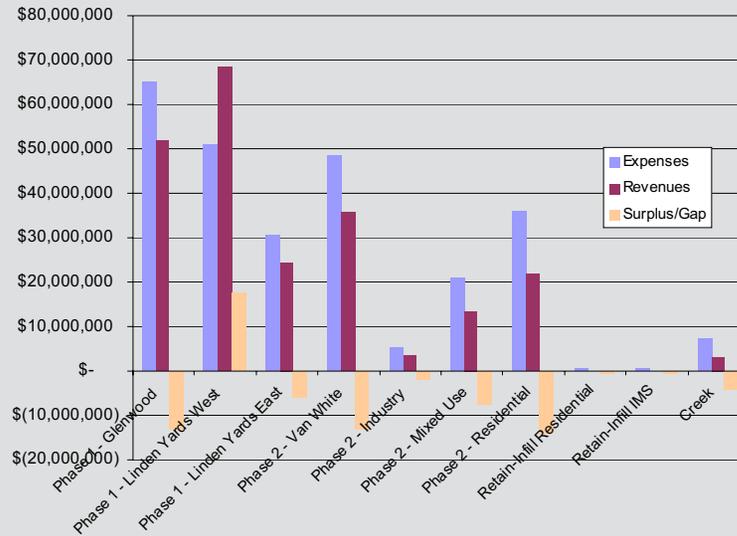
Notes:

- Where multiple densities are identified in a category, the higher density is used only in Linden Yards.
- Unit counts and commercial square footages reflect only land earmarked in Figure 5.X for acquisition and redevelopment.
- Figure 4.x identifies land use density ranges in the land use plan. This financial scenario explores one set of densities within the allowable range.

	Scenario Total
Dwelling Units	2,633
Retail Square Footage	244,010
Office Square Footage	2,065,360
Office / Light Industrial Square Footage	119,400
Civic Square Footage	92,250
Park/Open Space Acres	38.47

SCENARIO **LOWEST LAND USE INTENSITIES**
Financial Analysis Summary (Figure 5.6)

District	Phase One			Phase Two						
	Glenwood	Linden Yards West	Linden Yards East	Van White	Industry	Mixed Use	Residential	Retain-Infill Residential	Retain-Infill IMS	Creek
Expenditures										
Land acquisition	29,432,400	4,637,572	3,332,863	23,797,481	-	10,201,800	20,767,200	-	-	-
Parking Replacement	-	-	-	-	-	-	-	-	-	-
Demolition	712,986	-	-	455,608	-	589,941	246,521	-	-	17,335
Remediation	1,245,052	322,054	482,668	5,238,069	1,414,132	595,831	2,397,401	-	-	1,660,310
Extra Ordinary Site Preparation	12,173,000	15,171,120	7,173,000	8,172,500	791,157	2,745,402	5,193,047	-	-	-
Affordable Housing	1,430,000	1,774,000	-	1,056,000	-	256,000	750,000	-	-	-
Streetscape	2,412,403	179,540	-	1,294,708	1,025,949	1,188,603	1,450,002	646,358	471,729	-
Parking	13,886,200	23,287,500	14,346,000	6,120,000	-	5,425,200	2,290,000	-	-	-
Public Costs	3,730,100	5,574,000	5,238,000	2,386,533	2,157,690	-	2,819,131	45,000	-	5,493,000
Total Expenditures	65,022,142	50,945,785	30,572,531	48,520,899	5,388,928	21,002,777	35,913,303	691,358	471,729	7,170,645
Revenues										
Sale of land for development	21,307,480	28,829,000	5,738,400	14,064,000	298,500	4,986,080	9,375,000	-	-	-
TIF	29,412,675	39,234,436	18,294,166	16,188,137	1,684,391	7,839,543	10,213,876	-	-	-
Remediation "grants"	1,245,052	322,054	482,668	5,238,069	1,414,132	595,831	2,397,401	-	-	1,660,310
Other	-	-	-	-	-	-	-	-	-	1,500,000
Total Revenues	51,965,207	68,385,489	24,515,234	35,490,207	3,397,022	13,421,454	21,986,278	-	-	3,160,310
Surplus/(Gap)	(13,056,935)	17,439,704	(6,057,297)	(13,030,692)	(1,991,905)	(7,581,323)	(13,927,026)	(691,358)	(471,729)	(4,010,335)
	Phase One Gap (1,674,528)			Phase Two Gap (41,704,367)						



SCENARIO HIGHEST LAND USE INTENSITIES
Summary of Land Use Assumptions (Figure 5.7)

Land Use	Residential Density	Unit Size (SF)	Bldg SF/acre	Residential Parking (space per DU)	Non-Residential Parking (space per 1,000 SF)
Low Density Residential	29	1,800		NA	
Medium Density Residential	110	1,500		1.5	
Mixed Use - Category 1/2 (Office/Housing)	Housing 1	60	1,200		1.5
	Housing 2	150	1,200		1.5
	Office 1			50,000	4
	Office 2			150,000	4
Mixed Use - Category 3 (Retail/Office/Housing)	Housing	75	1,200		1.5
	Office			27,000	4
	Retail			27,000	4
Light Industrial			15,000		NA
Office	Office 1			100,000	4
	Office 2			250,000	4
Civic			25,000		0

Notes:

- Unit counts and commercial square footages reflect only land earmarked in Figure 5.X for acquisition and redevelopment.
- Figure 4.x identifies land use density ranges in the land use plan. This financial scenario explores one set of densities within the allowable range.

District	Low Density Residential	Medium Density Residential	Mixed Use - (Office/Housing)		Mixed Use - (Retail/Office/Housing)			Office / Light Industrial	Office	Civic	Park and Open Space
	29 Dwelling Units/Acre	110 Dwelling Units/Acre	60 or 150 Dwelling Units/Acre	Office 50,000 or 150,000 SF/Acre	75 Dwelling Units/Acre	Office 27,000 SF/Acre	Retail 27,000 SF/Acre	15,000 SF/Acre	100,000 or 250,000 SF/Acre	25,000 SF/Acre	
	units	units	units	square feet	units	square feet	square feet	square feet	square feet	square feet	acres
Phase 1 - Glenwood	24	150	59	49,000	1,167	420,120	420,120	-	-	-	2.13
Phase 1 - Linden Yards West	-	-	1,664	1,663,500	-	-	-	-	-	-	5.74
Phase 1 - Linden Yards East	-	-	-	-	-	-	-	-	1,992,500	92,250	2.38
Phase 2 - Van White	-	1,225	259	216,000	-	-	-	-	-	-	2.84
Phase 2 - Industry	-	-	-	-	-	-	-	119,400	-	-	-
Phase 2 - Mixed Use	-	-	-	-	241	86,670	86,670	-	233,000	-	-
Phase 2 - Residential	202	1,117	-	-	-	-	-	-	-	-	-
Retain / Infill - Residential	-	-	-	-	-	-	-	-	-	-	0.45
Retain / Infill - IM S	-	-	-	-	-	-	-	-	-	-	-
Creek	-	-	-	-	-	-	-	-	-	-	24.93
Total Units or Square Feet	226	2,492	1,982	1,928,500	1,408	506,790	506,790	119,400	2,225,500	92,250	38.47

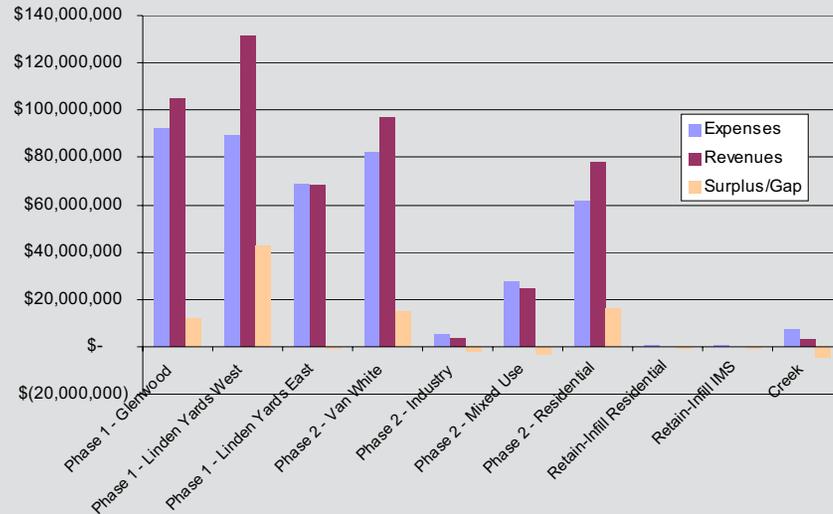
Notes:

- Where multiple densities are identified in a category, the higher density is used only in Linden Yards.
- Unit counts and commercial square footages reflect only land earmarked in Figure 5.X for acquisition and redevelopment.
- Figure 4.x identifies land use density ranges in the land use plan. This financial scenario explores one set of densities within the allowable range.

	Scenario Total
Dwelling Units	6,108
Retail Square Footage	506,790
Office Square Footage	4,154,000
Office/Light Industrial Square Footage	119,400
Civic Square Footage	92,250
Park/Open Space Acres	38.47

SCENARIO HIGHEST LAND USE INTENSITIES
Financial Analysis Summary (Figure 5.8)

District	Phase One			Phase Two						
	Genwood	Linden Yards West	Linden Yards East	Van White	Industry	Mixed Use	Residential	Retain-Infill Residential	Retain-Infill IMS	Creek
Expenditures										
Land acquisition	29,432,400	4,637,572	3,332,863	23,797,481	-	10,201,800	20,767,200	-	-	-
Parking Replacement	-	-	-	-	-	-	-	-	-	-
Demolition	712,986	-	-	455,608	-	589,941	246,521	-	-	17,335
Remediation	1,490,907	322,054	482,668	12,517,921	1,414,132	595,831	6,449,783	-	-	1,660,310
Extra Ordinary Site Preparation	23,915,040	29,277,600	19,925,000	22,915,450	791,157	4,619,212	18,466,643	-	-	-
Affordable Housing	2,800,000	3,328,000	-	2,968,000	-	482,000	2,638,000	-	-	-
Streetscape	2,412,403	179,540	-	1,294,708	1,025,949	1,188,603	1,450,002	646,358	471,729	-
Parking	28,104,800	45,750,000	39,850,000	15,452,500	-	9,934,300	8,380,000	-	-	-
Public Costs	3,730,100	5,574,000	5,238,000	2,386,533	2,157,690	-	2,819,131	45,000	-	5,493,000
Total Expenditures	92,598,637	89,068,765	68,828,531	81,788,200	5,388,928	27,611,687	61,217,281	691,358	471,729	7,170,645
Revenues										
Sale of land for development	42,113,920	54,908,000	15,940,000	38,828,000	298,500	9,275,720	32,975,000	-	-	-
TIF	61,187,870	76,542,469	51,634,528	45,660,641	1,684,391	14,932,395	38,094,314	-	-	-
Remediation "grants"	1,490,907	322,054	482,668	12,517,921	1,414,132	595,831	6,449,783	-	-	1,660,310
Other	-	-	-	-	-	-	-	-	-	1,500,000
Total Revenues	104,792,697	131,772,523	68,057,196	97,006,562	3,397,022	24,803,946	77,519,097	-	-	3,160,310
Surplus/(Gap)	12,194,060	42,703,757	(771,334)	15,218,361	(1,991,905)	(2,807,741)	16,301,816	(691,358)	(471,729)	(4,010,335)
Phase One Surplus 54,126,483			Phase Two Surplus 21,547,109							

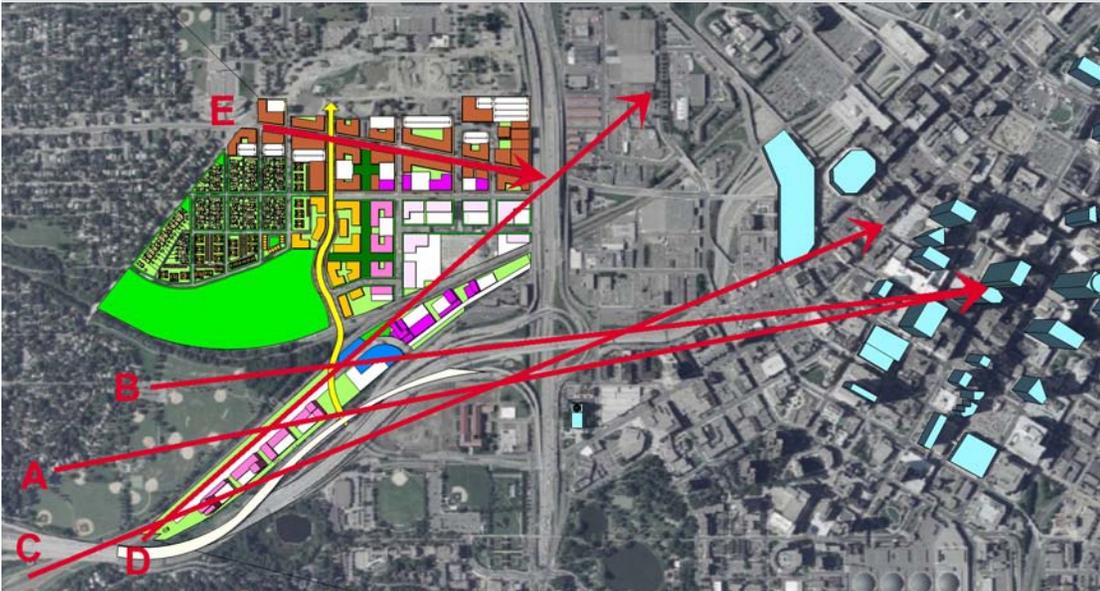


VIEW ANALYSIS

A guiding principle for redevelopment set forth by the ROC is to preserve and enhance views of the skyline, area landmarks and open space within the Valley. To test whether the master plan's proposed redevelopment obstructs existing downtown views, before and after photo simulations of key view corridors have been created. Key viewsheds studied are: views to downtown from I-394, from Bryn Mawr Meadows, and from Cedar Lake Trail

(Figure 5.9). The study informed master plan decisions about where taller buildings would be appropriate in the Valley. Surprisingly, the study revealed that buildings of substantial height in Linden Yards would not obstruct Downtown views from Bryn Mawr Meadows or I-394. In fact, the view of downtown from I-394 occurs west of the project area and buildings that would rise above freeway level in Linden Yards could act as a new western gateway to downtown.

Figure 5.9 View Corridor Analysis



Perspective lines used to conduct the view analysis.



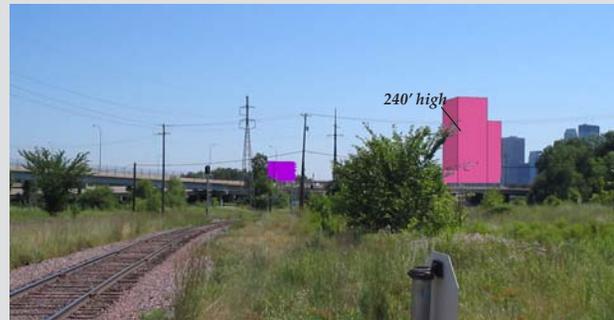
View A, from Bryn Mawr Meadows fields shows that new proposed development in Linden Yards will add to the downtown view by providing foreground buildings.



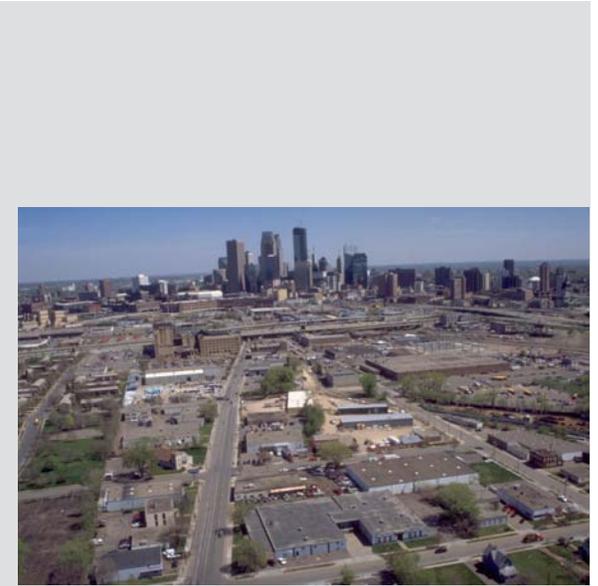
View B. From the Bryn Mawr Meadows parking area. Mature trees obscure the Downtown skyline.



View C. Linden Yards from I-394. New buildings will signify change in the Valley and act as a gateway to Downtown.



View D. Cedar Lake Trail (current location). Downtown Minneapolis is not visible from the trail.



View E. Aerial view looking down Glenwood Avenue

IMPLEMENTING THE PLAN

Implementing the master plan for Bassett Creek Valley is not a single step. Achieving the vision established in this plan involves a series of interrelated actions spanning a number of years. This chapter provides a guide for actions and investments required to implement the master plan for Bassett Creek Valley and realize a legacy for Minneapolis.

KEYS TO IMPLEMENTATION

Several factors will be key to successfully realizing the vision set forth by the community and the ROC within this master plan. These keys apply regardless of the actual form and timing of redevelopment:

- **Commitment.** Commitment to the plan and patience go hand-in-hand. This plan does not simply seek to attract new development to Bassett Creek Valley; it seeks to move the area toward a vision for the future. There is a difference. Commitment to the plan means the willingness to actively promote public and private investments that achieve the vision, and to deter developments that do not meet the objectives of the plan. Not all of these decisions will be easy.
- **Comprehensiveness.** The master plan for Bassett Creek Valley is a comprehensive framework for guiding public and private investments for a 230-acre area. The master plan boundary was set by the 1998 City Council and has been strategically located to take advantage of forces that influence reinvestment in the Valley. This comprehensive scope of the master plan is a key to future success of the Valley. Study of a smaller area risks missing opportunities or lacking consideration of constraints.

Viewed in its entirety, undertaking the plan may seem to be an overwhelming task. Implementing the plan, however, is not a

single step but a series of actions that will span more than two decades. It would have been easier to focus on a smaller area with more immediate development issues but then the question of “what is planned next door?” would constantly be asked. This master plan answers that question to the extent where “next door” is not expected to change for a long, long time.

- **Public Financial Partnership.** Removal of the physical and economic barriers to redevelopment in Bassett Creek Valley requires public finance assistance. The financial analysis conducted in the planning process clearly demonstrated that public financial participation is an essential part of redevelopment. Private investment will not be sufficient to pay for all costs associated with redevelopment. A strong public/private partnership is required to make redevelopment financially feasible and promote the desired development. The need established in this plan does not make public financial assistance an entitlement. Continued planning will define and ratify the nature of assistance for each step of implementation. This approach ensures that public monies are used to achieve desired public outcomes and not simply make development more affordable (or profitable) for the developer.
- **Strategic Investments.** If financial support for the plan was unlimited, the need for strategic decisions would be less important. With limited funds, every expenditure is crucial. It is not possible to immediately undertake all of the initiatives described in this plan. Needs and opportunities not contemplated in the plan may arise in the future. Every investment must be evaluated for its impact on achieving the vision for the future of Bassett Creek Valley.
- **Financial Planning.** The ability to make strategic investments relies on the continued evolution of financial planning. Implementing the plan cannot be viewed as a series of independent projects but rather a series of interrelated actions.

Some public improvements serve a broader area and not a single project. Revenues will come from multiple projects. Some public investments will be required prior to private redevelopment. The ability to coordinate public actions with the revenues from private development will be key to the success of the plan. Failure to consider the implementation relationships between elements of the plan will lead to missed opportunities and increased risk for the City.

ROLES & RESPONSIBILITIES

Implementing this plan will fall to many entities that share a vision for the future of Bassett Creek Valley. A clear understanding of implementation roles and responsibilities promotes the effective use of limited resources.

The Community & the ROC

Acting as the “keeper of the vision” for Bassett Creek Valley has been assigned by the City Council to the BCV Redevelopment Oversight Committee (see Roles and Responsibilities of the ROC in the Credits & Acknowledgements Section). The ROC will act as the redevelopment voice for Bassett Creek Valley speaking on behalf of the Harrison and Bryn Mawr Neighborhoods in interpreting the vision outlined in this master plan. While the redevelopment of Bassett Creek Valley is important to the City of Minneapolis, it is one of many important issues. It is the ROC that will keep the momentum of redevelopment moving in a direction envisioned by the Bryn Mawr and Harrison Neighborhoods and adopted by the City.

Implementation of the plan envisions that the community will continue to work together through the ROC. Several factors make the ROC an important player in the successful implementation of the plan:

- The ROC provides a framework for coordinating efforts of the community. With limited resources, it is essential that

the community work in unison to undertake redevelopment.

- The ROC offers a singular focus on the plan. Redevelopment in Bassett Creek Valley would be the only responsibility of the ROC.
- The knowledge and experience gained from the planning process allows ROC members to efficiently and effectively take steps needed to implement the plan.

Steps to be taken by the community through the ROC to promote the implementation of this plan include:

- Work to ensure that redevelopment initiatives in Bassett Creek Valley are a recognized priority for City Council members representing the area.
- Create an annual redevelopment “action plan” to monitor progress toward implementation. This action plan would outline key steps to occur during the year, including descriptions of actions, responsible parties and funding. It forces the parties to not only consider what needs to be done in the coming year, but also why identified steps were not taken in the prior year.
- Provide guidance to the City to ensure that proposed development projects and public improvements are consistent with the plan.
- Work with property owners to promote the maintenance and revitalization of existing buildings.

City of Minneapolis

The ultimate responsibility for implementing the plan rests with the City of Minneapolis. The Planning Commission and the City Council will provide direction on staff resources, development project review and public investment.

Managing redevelopment in Bassett Creek Valley will primarily fall to the Department of Community Planning and Economic Development (CPED) and the Department of Public Works.

The lead role in managing implementation for the City falls to CPED. The actions to be taken by CPED to implement the plan include:

- Application of land use controls to guide private development.
- Review of development plans and proposals.
- Coordination of planning for capital improvements needed to facilitate redevelopment.
- Creation of plans to finance for public redevelopment investments.

The Public Works Department leads the design of public infrastructure improvements needed to support redevelopment in Bassett Creek Valley. Public Works is also responsible for the City impound lot and the Recycling Center at Linden Yards. Public Works is a key player in planning for the future of these facilities.

The Park and Recreation Board is responsible for planning, building and maintaining parks in Bassett Creek Valley.

Ryan Companies

The role of Ryan Companies in the planning process creates a significant advantage for the implementation of redevelopment of the Bassett Creek Valley. Ryan Companies was invited by the ROC and agreed to partner with the ROC in development of this Master Plan. In the process of creating the Master Plan, Ryan Companies has come to know the communities of the Bassett Creek Valley, has opened channels of communication with them, and both recognizes and upholds their vision. Ryan Companies' intimate knowledge of the Master Plan permits them, as the master developer for the city-owned land within the Valley, to immediately begin work on implementing it. They are also ideally suited to act as liaison to other developers for facets of the redevelopment work which are not specialties of Ryan Companies.

CONTROLLING LAND USE

The initial focus of implementation will be on actions needed to establish the master plan as the official guide for development in Bassett Creek Valley. These procedural steps in implementation involve the adoption of key policy documents and updated development controls. A summary of implementation actions related to land use controls appears in Figure 6.4 at the end of this chapter.

Approve the Master Plan

The first implementation step is City Council action to approve this master plan. City Council approval sets the stage for subsequent actions.

The City of Minneapolis has approved numerous master plans for many parts of the City, the 2000 Bassett Creek Valley Master Plan is one of them. Master plans are used to inform subsequent planning efforts such as comprehensive plans, zoning and allocation of resources. The current master plan is seen as a revision and a refinement of the 2000 plan.

Amend Land Use Controls

Plan approval is the trigger for taking other actions needed to guide land use in Bassett Creek Valley in accordance with this master plan. Land use controls not only promote the desired development outcomes, they also prevent development that is not consistent with the plan.

Comprehensive Plan

Step one is to update the City's Comprehensive Plan with a new "Future Land Use Map", Figure 6.1 and "Comprehensive Plan Designations", Figure 6.2, consistent with the vision of this master plan. Amending the Comprehensive Plan creates the foundation for all other implementation actions. Consistency with the Comprehensive Plan is a statutory requirement for zoning regulations, capital improvements and redevelopment projects.

Figure 6.1 Future Land Use Map

Legend

- Low-Density Housing
- Medium-Density Housing
- High-Density Housing
- Commercial
- Commercial–Mixed Use Preferred
- Light/Medium Industrial
- Parks, Open Space

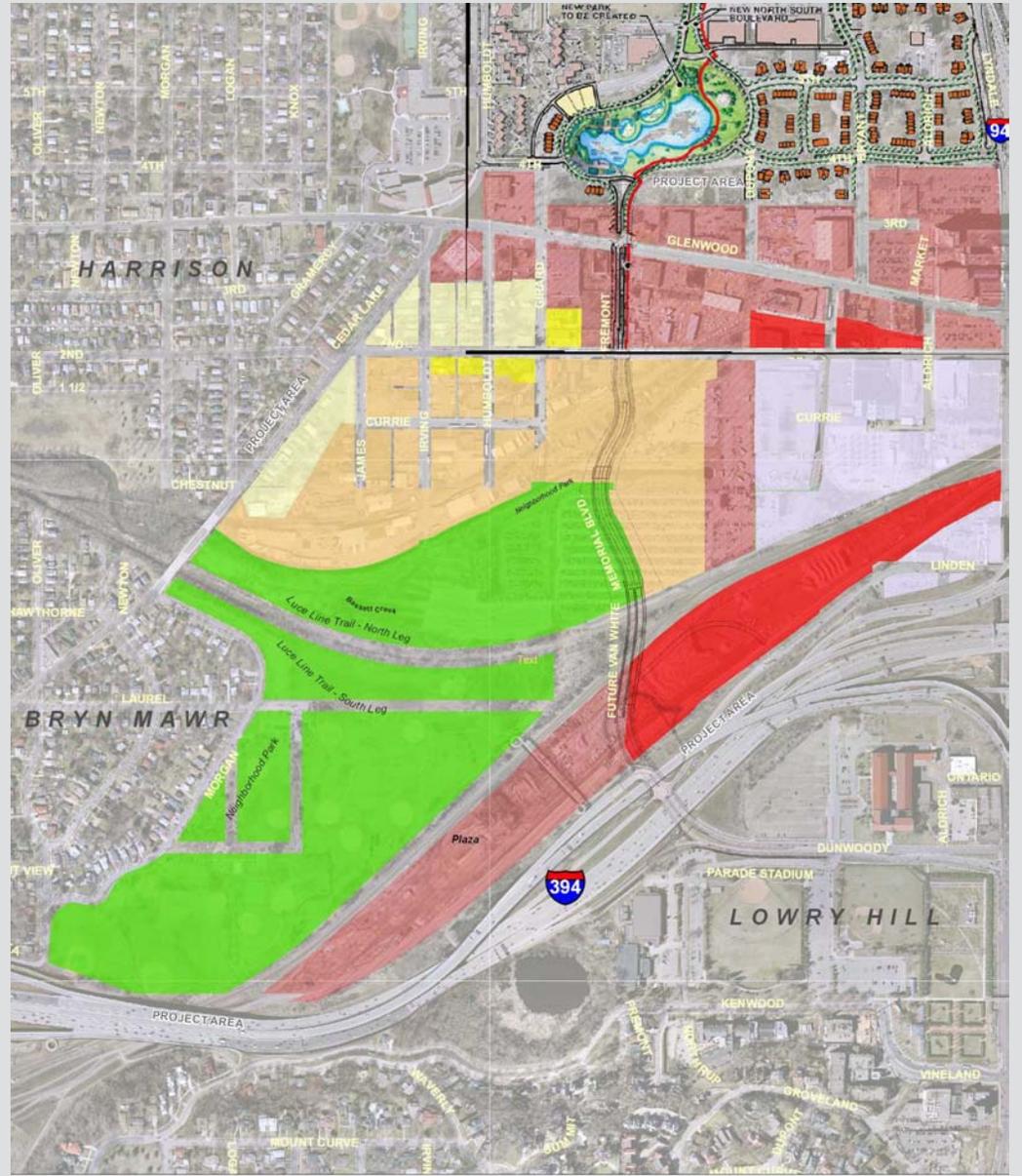
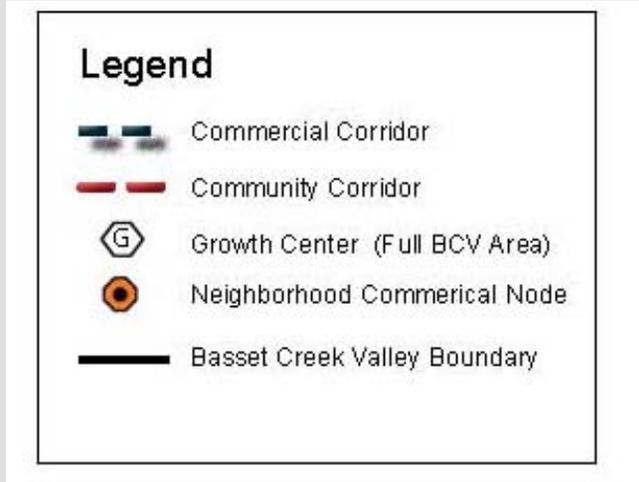
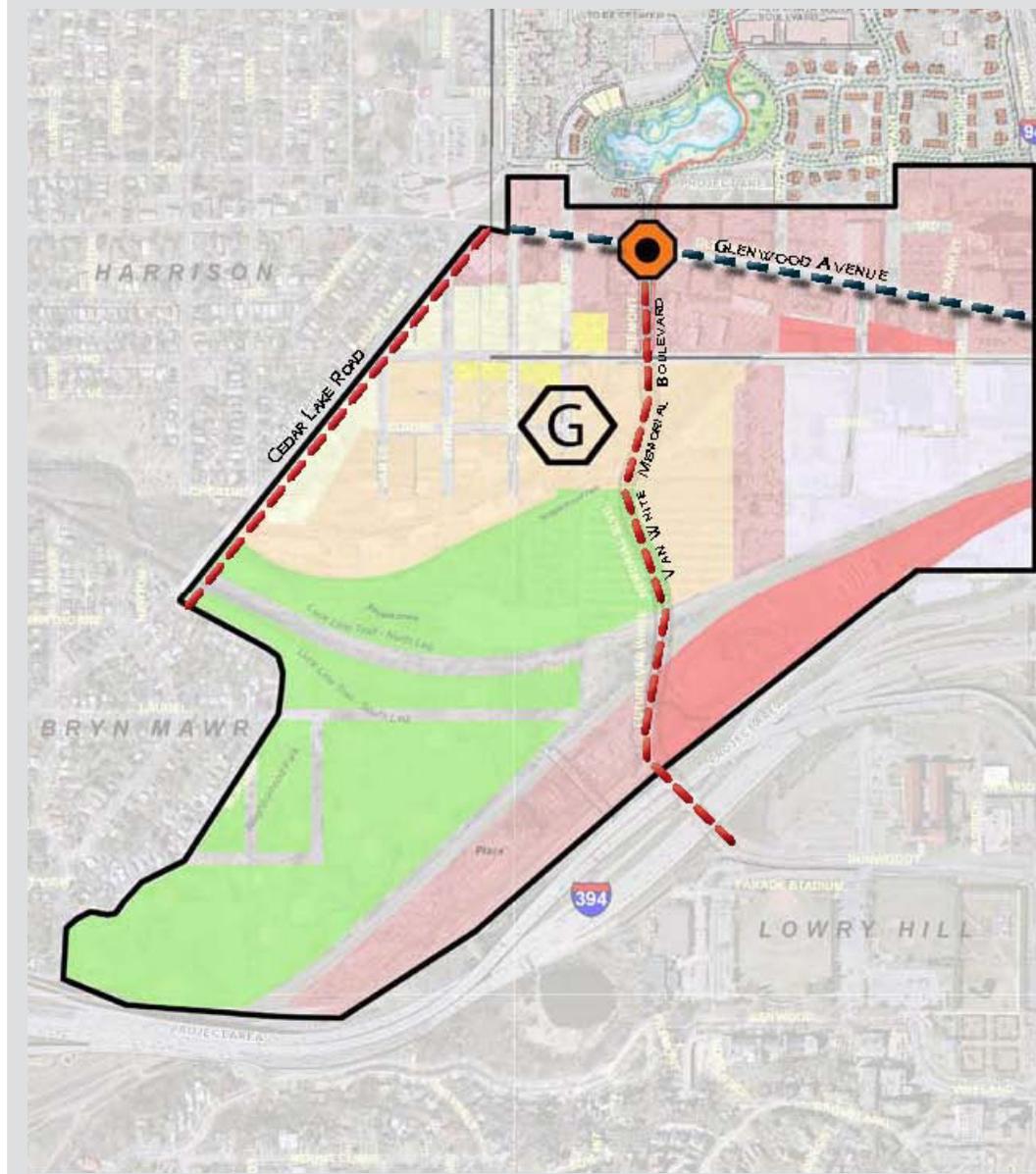


Figure 6.2 Comprehensive Plan Designations



Zoning Regulations

More direct control of development comes from zoning regulations. Existing regulations will require modification to conform with this plan. Part of the necessary modification is enabling, allowing the type and form of development proposed in this master plan. Other regulation changes are restrictive, forming a barrier for private investment that is inconsistent with the plan.

C

The Zoning Compatibility Analysis began with a review of the existing zoning in the project area. As shown in Figure 6.1, much of the study area is currently zoned I2 – Medium Industrial, along with residential, commercial and office zoning districts within the study area. In addition, the Industrial Living Overlay District encompasses the International Market Square area.

The purpose statements from each of the general zoning districts



limited residential and retail uses where compatible with adjacent land uses.

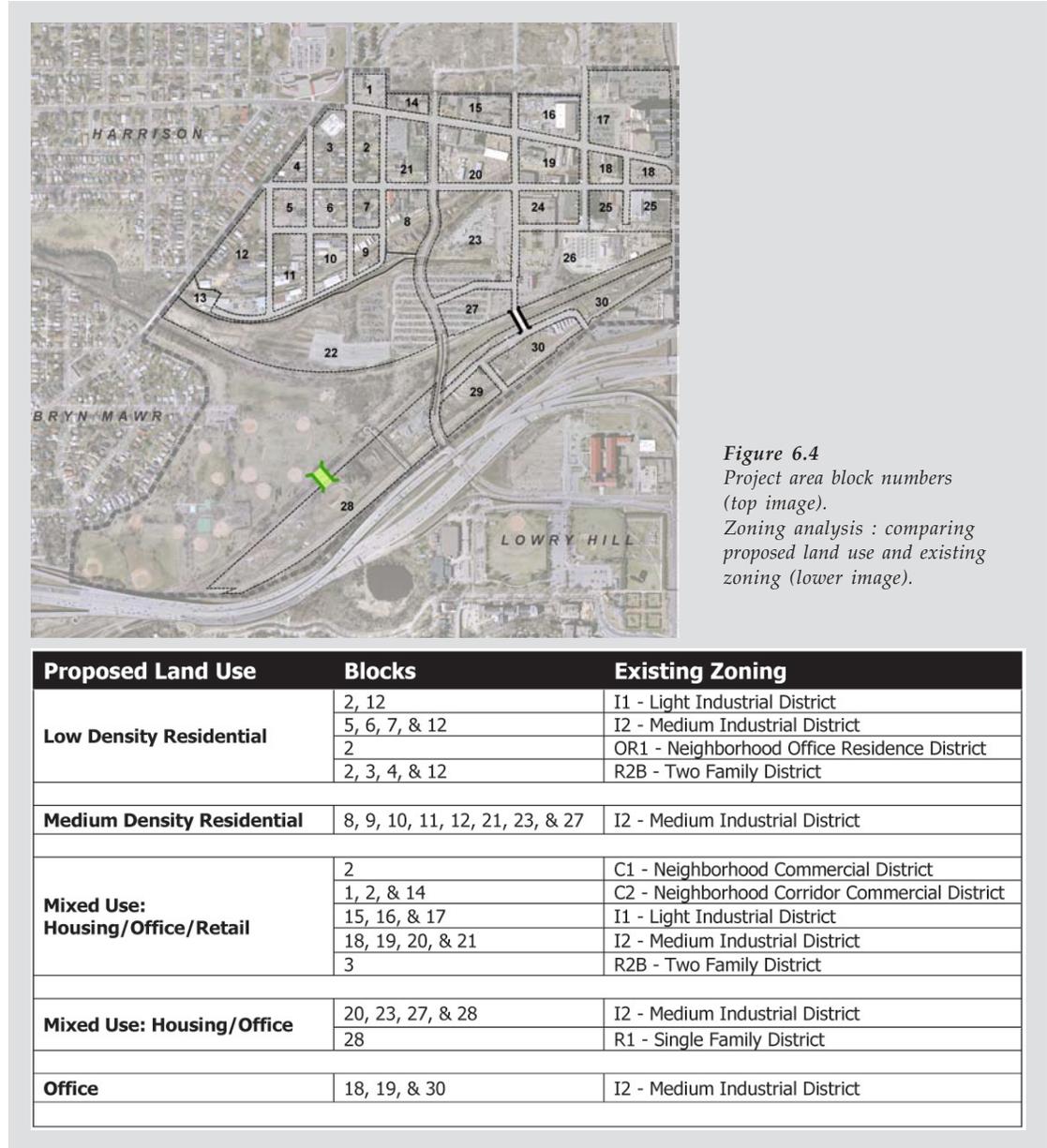
F
The comparison of existing zoning to the proposed Land Use Plan (see Figure 4.1) identified zoning changes which will likely be needed to accommodate development in five land use categories: Lower Density Residential, Medium Density Residential, Mixed Use Office/Retail/Housing, Mixed Use Office/Housing and Office. Zoning changes will not be needed for office/light industrial development. Figure 6.2 illustrates some level of incompatibility between existing zoning and proposed land uses.

The analysis suggests that it may be beneficial to zone some parts of the project area as PO - Pedestrian Oriented Overlay District. This overlay district works to preserve and encourage pedestrian character of commercial areas. It also promotes street life and activity by regulating building orientation and design, as well as accessory parking facilities. It also may prohibit certain high impact and automobile-oriented uses.

The Zoning Compatibility Analysis indicates that some zoning changes are likely needed in order to implement the Land Use Plan. Detailed analysis and formal recommendation of any zoning changes will be handled by the City of Minneapolis along with adoption of this master plan.

Design Guidelines

Design guidelines serve as a communication tool between the ROC, the City, property owners and developers. Aspects of the design guidelines could be incorporated into a pedestrian overlay zoning district for portions of the Valley. In any case, design guidelines should become a standard tool in evaluating proposed development. Design guidelines for Bassett Creek Valley appear in the appendix of this plan.



Other Tools

State law gives the City several other tools that can play a role in guiding development and undertaking necessary redevelopment actions.

Growth Center Designation

There are three areas of Minneapolis with the special designation of "growth center," including downtown Minneapolis, the University of Minnesota/SEMI area and the South Phillips neighborhood. The Minneapolis Plan defines growth centers as areas well-served by transit with superior amenities, a range of housing types and attractive employment opportunities. The designation suggests that these areas are high-quality, mixed-use "magnets" for redevelopment investment. This master plan has been prepared to include a set of ingredients indicative of the growth center designation suggesting that Bassett Creek Valley should be designated as the fourth growth center in Minneapolis.

Commercial Corridor

This plan suggests that Glenwood Avenue should be designated as a "commercial corridor" from Cedar Lake Road to Lyndale Avenue. Commercial corridors are designed for more intensive development and higher traffic streets with traditional storefront character, exactly the type of mixed-use redevelopment proposed for Glenwood Avenue.

Redevelopment Plan Designation

Key redevelopment powers come to the City through the HRA Act (Minnesota Statutes, Sections 469.001 through 469.047). In many cases, use of these statutory powers must occur pursuant to a "redevelopment plan".

The City may designate and adopt this master plan as a "redevelopment plan" pursuant to state law. The statutory authority to adopt a redevelopment plan comes from Minnesota Statutes, Sections 469.027 and 469.028. In a related step, the Bassett Creek Valley, as described in Chapter 1, can be designated

as the "project area" for the purposes of a redevelopment plan.

The step of designating the master plan as a statutory redevelopment plan is intended solely to lay the groundwork for accessing municipal powers when, and if, needed for future projects. It establishes that the City contemplated use of these powers from outset.

In adopting this plan as a redevelopment plan, the City determines that achieving the objectives set forth in the plan will benefit the City. The desired outcome is to encourage private development in a manner and form consistent with this plan, which provides a framework to guide private development and public actions. Public actions will be directed at uses that achieve the public objectives of this plan and encourage private investment in properties within the project area.

STRATEGIES FOR REDEVELOPMENT

Implementation of the master plan is not a single action, but a series of steps. These steps will be taken over time in phases. Initial focus should be on several implementation initiatives that lay the foundation for change. Part of this strategy becomes the effective use of finance tools available to the City.

Phasing

To act as a basis for analyzing implementation issues and to focus in on first steps needed to begin redevelopment, a phasing plan has been created (see Figure 6.3). The phasing plan builds from other known investments, it responds to financial evaluation and site readiness, and it represents continued movement toward impound lot relocation.

It is anticipated that full redevelopment of Bassett Creek Valley will take roughly 25 years to accomplish assuming a relatively stable real estate marketplace. The phasing plan suggests two phases, each spanning roughly 12 years and three areas

suggested as retain/infill areas.

Phase 1: There are two districts suggested for phase 1 redevelopment totaling roughly 57 acres. They are the Glenwood Avenue/Van White Memorial Boulevard intersection area and Linden Yards. Redevelopment here will provide the most financial and market feasibility and the strongest catalysts for phase 2 redevelopment.

Phase 2: Phase 2 is a large, 103-acre area in the center of the Valley that will need market stimulation and financial infusion of phase 1 projects before they “ripen” for redevelopment.

Retain/Infill: There are three areas of the Valley labeled in the phasing plan as “retain/infill”. These areas are not suggested for active pursuit of redevelopment because of quality of development at IMS; the desire to retain existing housing stock near Cedar Lake Road; and the inability to redevelop the Xcel Energy Substation and CenterPoint Energy facility. These areas will certainly evolve over time and will take advantage of surrounding investments in order to realize new investments themselves.

Implementation Initiatives

Implementation of the master plan for Bassett Creek Valley spans many years and has many complex activities. It will likely be more than twenty years before the vision for the Valley is fully realized. There are, however, many actions to be taken in the near term - the next one to five years. These actions (identified in Figure 6.4) are critical to redevelopment success in the Valley.

The initial focus of implementation will be on actions needed to establish the master plan as the official guide for development in Bassett Creek Valley. The first implementation step is City Council adoption of the master plan. City Council approval sets the stage for all subsequent public actions and the confidence needed for private redevelopment activities.

During the early years of Bassett Creek Valley redevelopment, there are several critical actions that can be taken to reduce development constraints, allow for greater investment in public amenities and enhance the creation of a sustainable neighborhood. Since the financial analysis suggests that phase 1 redevelopment has solid financial footing, the time taken to build out phase 1 can be used to set the stage for a phase 2 with enhanced financial and neighborhood opportunities. Suggested activities to enhance project success include:

- Strategically stage development so that it builds market momentum and early projects act as positive demonstrations of great things to come in the Valley (the phasing plan identified in Figure 6.3 is the first step in this activity).
- Build high-quality streetscapes, parks, natural areas and pedestrian links because these amenities will drive future market interest.
- Work with developers to implement innovative Traffic Demand Management techniques in their commercial developments to lessen traffic congestion.
- Devise a short-trip public transit circulator system between Bassett Creek Valley, Heritage Park, North Loop Village (Twins stadium), Walker Art Center and downtown Minneapolis to enhance the feasibility of transit commuting and allow for the cross-use of existing parking facilities.
- Create convenient, safe linkages between various trail routes for bike commuting.

Phase 1 activities identified in Figure 6.3 are further described below.

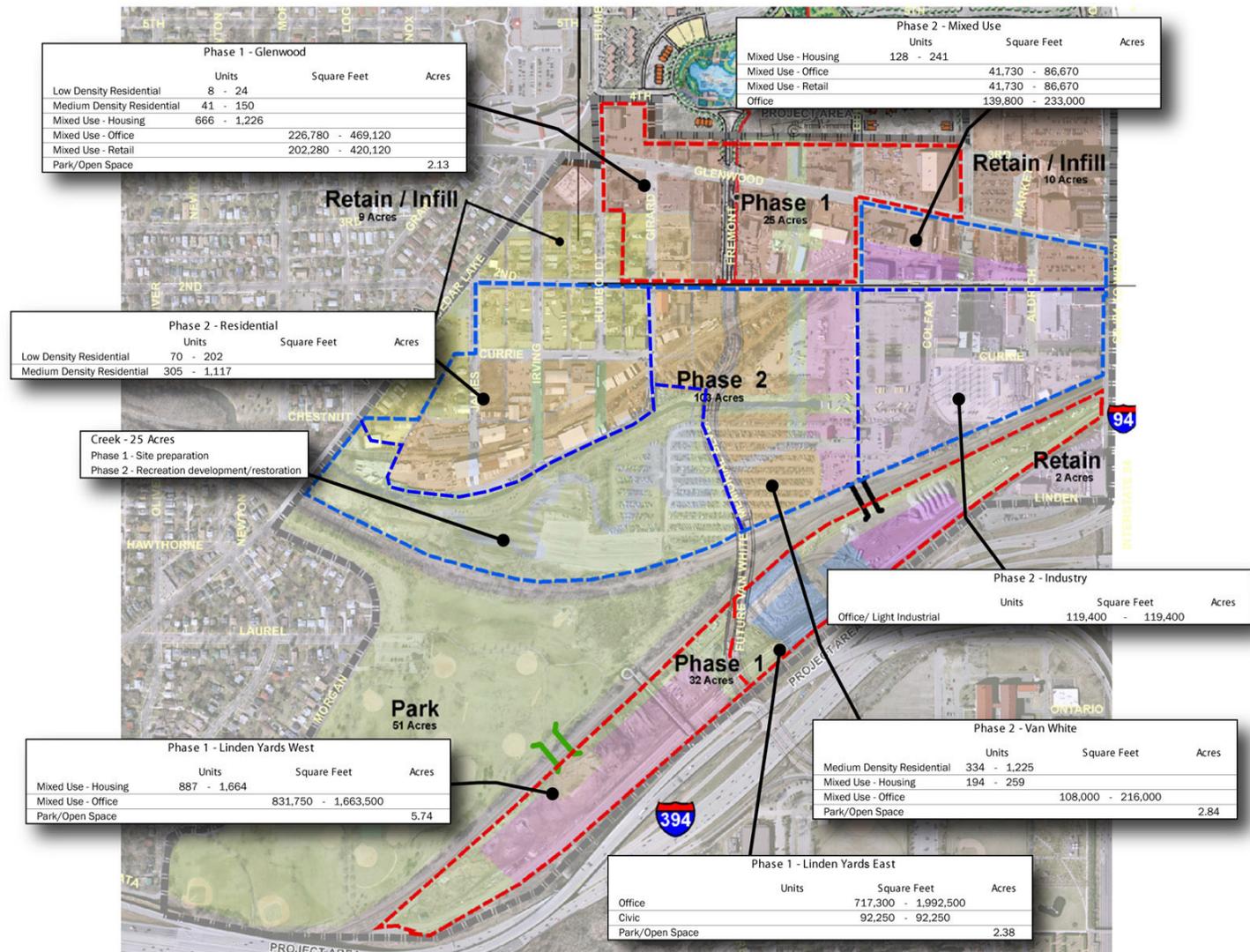


Figure 6.5 Redevelopment Phasing

Redevelopment of Linden Yards West & East

Of any location in the Valley, the master plan suggests the greatest intensity of development (with buildings up to 25 stories) in the Linden Yards area adjacent to I-394. Linden Yards is ideally suited to more intensive development. It has the most direct freeway access. Tall buildings will not negatively impact skyline or green-space views from neighborhoods north or south of I-394. The land is 3 to 5 stories below the grade of adjacent I-394 allowing for lower stories of parking and upper stories of office and housing above the freeway elevation. Because of taller buildings, 13 of Linden Yard's 32 acres can be dedicated to open space. Finally, development intensity in Linden Yards is essential to generating financial resources that achieve the challenging but necessary acquisition, demolition, infrastructure and amenity investments in other parts of the Valley.

The master plan recognizes that a feasible alternative for the replacement of the existing Impound Lot and public works operations in Linden Yards are essential. The property sale price used in the financial model for these areas is purposely set at 300% of the estimated land market value to provide some degree of relocation compensation. The City of Minneapolis has already prepared a study calling for the eventual abandonment of public works operations in Linden Yards. In addition, this planning process has brought out creative strategies that blend new impound operations with private redevelopment on or near the impound lot. It should be an expectation of the City that redevelopment of the eastern portion of Linden Yards be coupled with a long-term solution for the impound operation.

This initiative is likely to be the first project because of its readiness and positive financial implications. Redevelopment in Linden Yards West will include tower-style office and housing. Stormwater management will be completely accommodated on site. It is anticipated that Van White Memorial Boulevard and Linden Avenue improvements will be completed prior to

redevelopment. From a financial perspective, tax increment financing will be needed to offset extraordinary site costs and needed infrastructure. The tax increment from this project will also generate "seed money" for more financially challenged redevelopment in Phase 2. Redevelopment of Linden Yards West ties to:

- Relocation of Cedar Lake Trail.
- Land bridge to Bryn Mawr Meadows.
- Shared/ structured parking for Bryn Mawr Meadows.
- Park revitalization of Bryn Mawr Meadows.

Redevelopment in Linden Yards East is similar to Linden Yards West. The plan calls for tower-style office use with full on-site stormwater accommodation. In addition, three acres of the site should be reserved for a transit station area and associated civic uses. The transit area could also be developed as a mixed-use housing/office development that supports transit facilities. The ability to undertake this initiative is tied to the funded relocation of current public works uses and the long-term solution for the impound lot. From a financial perspective, tax increment financing will be needed to offset extraordinary site costs and needed infrastructure. This initiative ties to the relocation of Cedar Lake Trail.

Establishment of Bassett Creek Commons

Bassett Creek Commons is planned as a new 25-acre habitat and creek restoration area with a loop trail network and a small neighborhood park facility (described in Chapter 4). Establishment of the Commons could stretch across both phases of redevelopment with environmental clean-up and habitat restoration occurring during Phase 1 and development of recreational facilities occurring in Phase 2.

Financing both the capital and maintenance costs of the Commons will be challenging and will likely require tools not typically used in Minneapolis. This plan suggests exploring the feasibility of

numerous financing tools including grant opportunities, establishment of park dedication fees on new development and the creation of a housing improvement district. Establishing the Commons as a private development activity with permanent public use easements along with adjacent redevelopment is also worthy of exploration. These alternatives will no doubt require policy discussions between the City, the Park and Recreation Board and the ROC. Given the trend in park and open space funding, creative solutions like these will be required to successfully establish and maintain the Commons.

Glenwood Avenue Commercial Node Redevelopment

This node is envisioned as the "downtown" district of Bassett Creek Valley. Completion of the improvements to Van White Memorial

Boulevard will be a catalyst for redevelopment. Redevelopment will include the dedication of a public greenway corridor. TIF will be needed to offset the costs of redevelopment. Redevelopment will include surrounding street and streetscape construction and greenway improvements.

Financing the Redevelopment

Detailed financial analysis was performed as part of the redevelopment planning process. (The approach and results of the analysis can be found in Chapter 5 - Plan Feasibility.) The analysis should not be viewed as the definitive plan of finance for redevelopment. Instead, the analysis provides a framework for undertaking the redevelopment plan for Bassett Creek Valley. The analysis relies on a broad range of variables. While the analysis used the best available information, many of the key variables involve assumptions about the nature of future development. The information that follows highlights the key tools currently available to finance implementation of the master plan. A summary of implementation actions related to finance programs and policies appears in Figure 6.5 at the end of this chapter.

Tax Increment Financing

The investigations conducted through the planning process clearly show that private development, acting alone, will not support the investments called for in this master plan. The costs of redevelopment are too great to allow new development projects to be financially feasible. The situation poses the classic "but for" situation in State law governing tax increment financing. "But for" the use of TIF, the development as proposed would not occur. It is clear that the desired redevelopment will not take place without the removal of physical and economic barriers by the City. Tax increment financing is the only tool with the capacity to accomplish these objectives.

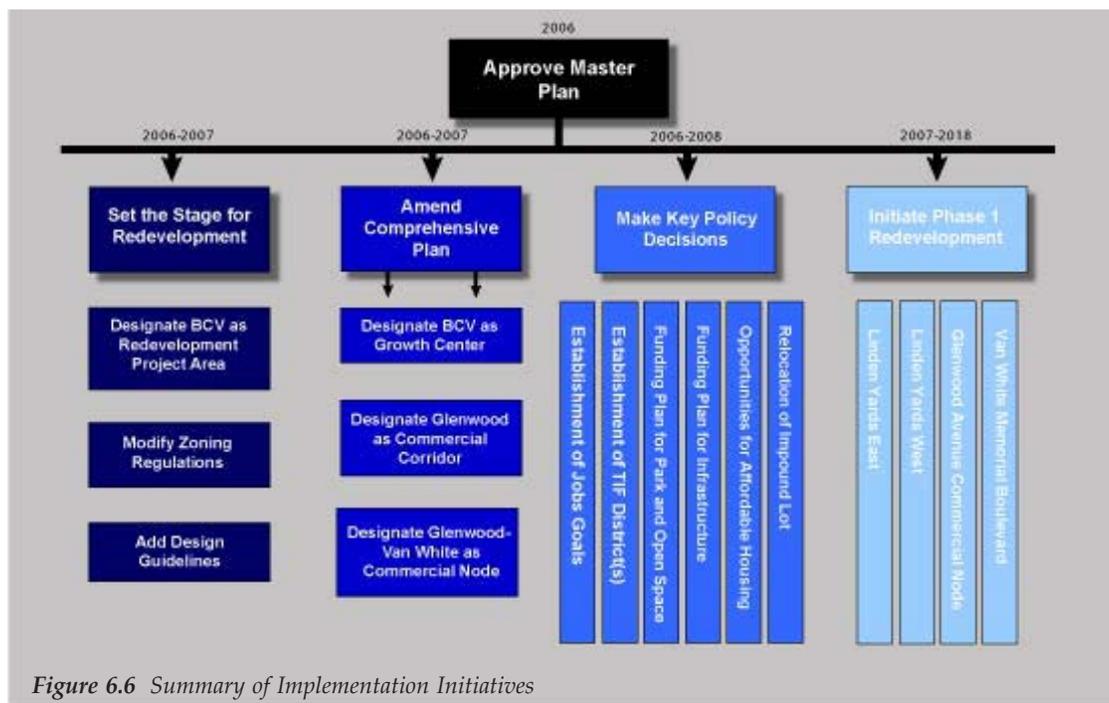


Figure 6.6 Summary of Implementation Initiatives

As with other elements of the master plan, projections for the use of TIF are both comprehensive and conservative. The plan seeks to provide a clear understanding of what might be required with the goal of reducing public financial commitments as the plan is implemented. The result can be found in other large redevelopment settings. As redevelopment begins to transform an area, market forces improve. As the potential income from rents and sales grow, private development can carry more costs of redevelopment.

This master plan assumes that all of the redevelopment projects will be included in TIF districts. In simplest terms, TIF allows the City to capture the property taxes from redevelopment and use these monies to pay for the investments required to undertake the development. Financial analysis conducted through the planning process clearly shows that private development will not alone support the investments required for implementing the master plan. The costs of redevelopment are too great to consider new development projects to be financially feasible.

This plan does not offer a primer on the use of TIF. However, the City is familiar with the intricacies of TIF from its use on other redevelopment projects. Instead, implementation of the plan requires attention to the key issues that influence the use of TIF:

- **Project Area.** TIF relies on two types of areas. The "project area" is a broader area with common development goals. The "tax increment financing district" is the specific parcels from which tax increment is collected. The project area is important because it defines where tax increments can be used (see discussion of "Pooling" that follows). The project area defined for this master plan should also be designated as the project area for the purpose of establishing TIF districts.
- **District Criteria.** The plan assumes that the TIF districts in Bassett Creek Valley will be classified as "redevelopment" under

state law. The establishment of a redevelopment TIF district relies on three basic criteria (Minnesota Statutes Section 469.174, Subd. 10):

1. Parcels consisting of 70% of the area of the TIF district are occupied by buildings, streets, utilities, or other improvements.
2. More than 50% of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.
3. These conditions are reasonably distributed throughout the district.

The presence of improved parcels should not pose a constraint. The majority of the redevelopment sites in Bassett Creek Valley include properties that meet these criteria. The existence and distribution of structurally substandard buildings has not been studied. The inspection of buildings and the related analysis of identified deficiencies are typically used to determine the ability to meet these statutory criteria. This work is not included in the current master planning process for Bassett Creek Valley.

The City should immediately undertake an analysis of buildings in the "Phase 1" portion of the project area. This information is essential to decision making about the use of TIF. There is little doubt that some buildings in the project area will be found structurally substandard. The location of these buildings will influence the configuration of TIF districts. The analysis should include all parcels in the project area where redevelopment is desired. Conducting this analysis removes one step needed to undertake redevelopment. The City can offer potential developers certainty about the ability to create TIF districts.

- **Pooling.** The financial analysis shows that some aspects of the redevelopment plan are financially feasible (estimated revenues exceed expenditures) while some projects must close a financial gap before they occur. Ideally, projects that produce

financial surpluses should be used to support those with gaps. This distribution of financial recourses can occur if the projects are located within the same TIF district. If not, then State law limits the flow of funds between TIF districts.

The need to carefully plan the boundaries of the project area and TIF districts is tied to the issue of pooling. The term refers to the statutory limitation on spending tax increment beyond the boundaries of the TIF district. Items to be funded by TIF must be located within the TIF district or be an amount that falls within pooling limits. For redevelopment TIF districts, not more than 25% of tax increment may be spent outside of the district. The actual application of pooling limits is often more restrictive. Administrative expenses of the TIF district count against the 25% maximum. The amount of revenue available to support eligible costs outside of the district may fall in the 15% to 20% range.

- **Time Constraints.** In a perfect world, the City would establish a TIF district and wait for redevelopment. Current State law makes this approach a risky proposition. TIF districts are subject to several time limitations. The most important of these limitations is the five-year rule.

After five years from the date of certification of the TIF district, the use of tax increment is subject to new restrictions. Generally, tax increment can only be used to satisfy existing debt and contractual obligations after this date. This rule creates a five year window to make commitments for the use of TIF. Additionally, the geographic area of the TIF district can be reduced, but not enlarged, after five years from the date of certification. Therefore, if a TIF district is established without a specific plan for development, there should be reasonable certainty that development will occur within five years.

The City has the ability to decertify all or part of a district and create a new one. This action sets a new five year clock.

There is a risk that the conditions used to establish the original district will not be present in the future.

- **Use Limits.** Several specific statutory limitations will influence the use of tax increments on implementation of the plan.

State law requires that at least 90% of revenues from a redevelopment TIF district be used to finance "the cost of correcting conditions that allow designation" of the district. The majority of redevelopment and public improvement expenditures in this plan meet this criteria. Several important limitations must be noted:

- Tax increments cannot be used for "a commons area used as a public park". The plan takes a conservative position and assumes that this limitation precludes using TIF for proposed open space improvements. The statute does not define the term "public park". The City may wish to explore this issue with appropriate legal counsel.
- Tax increments cannot be used for public facilities used for "social, recreational, or conference" purposes. As with parks, the statute does not define these terms.
- Special rules apply to public improvements, equipment, or other items located outside of the TIF district. Tax increments cannot be used for these costs if their purpose is primarily decorative or aesthetic. If the items serve a functional purpose, tax increments can be used unless "their cost is increased by more than 100 percent as a result of the selection of materials, design, or type as compared with more commonly used materials, designs, or types for similar improvements, equipment or items". To avoid this restriction, the right-of-way of street to be improved should be included within the boundaries of a TIF district.

Other Public Finance Tools

Although the planning process focused on tax increment financing,

it is likely that other public finance tools will be needed to make redevelopment investments in Bassett Creek Valley. This section highlights potential tools and their application. Additional investigations will be undertaken as finance plans are prepared by specific public improvement and redevelopment projects.

T A

The name "tax abatement" is misleading. No taxes are abated using this tool. In reality, tax abatement functions similar to TIF (see Minnesota Statutes Sections 469.1812 to 469.1815). Each taxing jurisdiction (city, county, school district) has the ability to levy a property tax equivalent to taxes paid by a parcel of property. The proceeds of this levy can be used to finance any of the public improvements and other redevelopment activities discussed in this plan. Since tax abatement cannot be used for property in a TIF district, the best opportunity for this tool lies with locations that do not qualify for a TIF district.

S S

A special service district has the capacity to finance the construction and maintenance of the public improvements in Bassett Creek Valley. In simplest terms, a special service district is a special taxing district. It allows the City to collect money to support services and improvements in commercial areas.

The general statutory authority (Minnesota Statutes, Chapter 428A) contains few limits on the potential uses of special service districts. The nature of the improvements that can be funded with a special service district are not defined (or limited) by statute. The special service district cannot be used to finance services that the City provides through the general fund throughout Minneapolis, unless the services are provided at a higher level. The statute does not impose any other limitation on the nature of services.

Potential applications of special service districts for

implementation of this master plan include:

- Construction and maintenance of streetscape.
- Construction and maintenance of the village green and other public open space.
- Construction of sidewalks, trails, bridges and other improvements to enhance pedestrian movement.
- Construction and maintenance of public parking facilities.

Other services and improvements can be undertaken and financed by a special service district if authorized by the enabling ordinance.

A

A housing improvement area is very similar to a special service district. This type of taxing district can finance improvements to areas of owner-occupied housing. At this point, the statute does not allow use for rental housing. A mixed-use development requires a "layered" approach, using both special service district and housing improvement area.

P

State law governing subdivision regulations (Minnesota Statutes, Section 462.358) authorizes the City to require that a reasonable portion of the property be dedicated to the public or preserved for conservation purposes or for public use as parks and recreational facilities. The City may also elect to receive payment in lieu of dedication. This tool could be used to acquire the additional land needed for parks, trails and open space in Bassett Creek Valley.

The City of Minneapolis does not currently use this statutory authority. It is hoped that this plan provides incentive for an evaluation of the implications of establishing park dedication policies. Such policies need to be adopted before the initial redevelopment project.