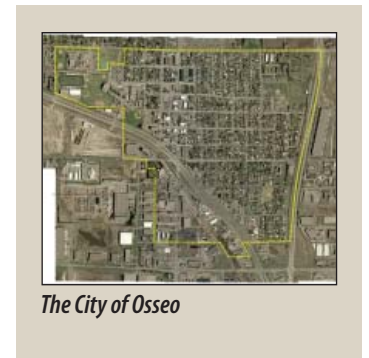

I Introduction: Purpose & Background

Osseo is an authentic small town within the Twin Cities metro area that still has a traditional commercial Main Street of small local businesses, a grid street system, residential neighborhoods mainly comprised of a diverse mix of older single-family detached homes, civic facilities located on Main Street, and schools covering all grade levels. Originally settled in 1852 and incorporated into a city in 1875, it is one of the oldest communities in the Twin Cities metro area. Historically, Osseo was a freestanding rural community with a railroad running through it and, later, a state highway. As the Twin Cities metro area has expanded dramatically, Osseo has become completely surrounded by the large and growing suburban communities of Maple Grove and Brooklyn Park. Interestingly, as Osseo has become surrounded by new development in suburban communities, its traditional small town character has become increasingly unique and one of the community's strongest assets. In fact, many growing suburban communities are trying to build new town centers that have many of the same qualities that downtown Osseo has always had.



Growing Need for a Community Redevelopment Plan

As metro communities surrounding Osseo have grown, new development has taken place right next door to Osseo, and as the community's buildings and infrastructure have continued to age, the community has experienced increasing deterioration and disinvestment. In particular, large new retail developments have been built in nearby communities recently, and more are planned, which increases competition for downtown Osseo businesses. In spite of the fact that both the private and public sectors have made significant investments into existing buildings and redevelopment projects, the City has seen a substantial increase in commercial building vacancies over the past few years. In addition, there seems to be an increasing trend toward the rental of single-family detached homes which has caused some residents to be concerned about a potential increase in deterioration of the City's residential buildings and properties.

To address these significant issues, the City recognizes that it needs a long-term future vision for the community that will guide and prioritize public redevelopment and reinvestment initiatives.

Osseo's Recent Redevelopment Experience

Osseo initiated its redevelopment efforts in the 1990s, including creation of the Economic Development Authority (EDA) in 1995, the redevelopment of substandard homes with





Redevelopment has already been taking place on various sites throughout the city.

new housing, and commercial redevelopment. Since 1992, commercial redevelopment projects have brought many new businesses to the community, including North Memorial Medical Clinic, Rose Distribution, North Country Sports, Main Street Pharmacy/First Avenue Commons, Bell Tower Offices/Commerce Center, Heinens, Calico Barn, NAPA, and the commercial businesses of the Realife of Osseo development. Housing redevelopment projects have brought new housing choices into the community, including senior housing, condominiums, townhomes and new single-family detached homes. Although the City has experience with redevelopment, the City has never had a formal Redevelopment Master Plan that establishes a long-term vision for redevelopment and provides a guide for the community's redevelopment efforts.

Redevelopment Master Plan Project

The City took some initial steps toward the creation of a Redevelopment Master Plan over the past two years. A Market Potential Analysis for Redevelopment was completed in December 2004 and assessed the market potential for housing, retail and office development in Osseo short-term (2004-2010) and long-term (2010-2020). The study recommended some specific redevelopment opportunity sites, and identified potential strategies for pursuing the redevelopment opportunities. In 2006, the Osseo Business Association worked with a Small Business Institute Team from the University of St. Thomas to conduct a business owner survey and other types of business analyses to create a strategic marketing plan for business development in Osseo.

As part of Osseo's 2006 Strategic Plan, the City Council established the top goals for the year, with one being the creation of a Redevelopment Master Plan. The primary purposes for a Redevelopment Master Plan are to articulate a future vision for the community, provide a framework for the City's redevelopment efforts, and identify some priority "catalyst" projects for revitalizing key areas of the City. After securing significant financial assistance from Hennepin County, the City hired the planning consultant firm of Hoisington Koegler Group Inc. in Spring 2006 to lead the project to create a Redevelopment Master Plan for the community. Hoisington Koegler Group worked with City Staff, County Staff and a Redevelopment Task Force during the 9-month planning process. The Redevelopment Task Force, which was appointed by the City Council, represented a broad cross-section of the community, including residents, business owners, City Council members, Planning Commissioners, EDA members, Heritage Preservation Commissioners, and Osseo Community Foundation members. The Task Force, which met monthly for the duration of the project, was intended to serve as a conduit to the community and a source of guidance to the Staff/Consultant team.

Planning Process

The Redevelopment Master Plan planning process consisted of five major phases:

- Phase 1 – Organize the Effort
- Phase 2 – Conduct a Strategic Assessment and Establish a Future Vision
- Phase 3 – Explore What is Possible by Creating Multiple Redevelopment Concepts
- Phase 4 – Converge On and Assemble a Preferred Plan
- Phase 5 – Seek Public Review and City Approval

Osseo residents and business owners were invited to play a vital role in the project's planning process. Three Community Open Houses were held during the planning process to gain community input regarding key decisions points:

- July 19, 2006 – Establishing a Community Vision & Guiding Principles
- September 13, 2006 – Exploring Three (3) Alternative Redevelopment Concepts
- December 13, 2006 – Converging on a Preferred Redevelopment Plan

In order to gauge market support and developer interest in the proposed redevelopment concepts for Osseo, three key developers were consulted that each have solid experience with mixed-use redevelopment in small town downtown environments that are relevant for Osseo's downtown redevelopment challenges:

- The Cornerstone Group (projects in Hopkins, Richfield)
- MetroPlains Development (projects in Elk River, Mound)
- The Beard Group (projects in Robbinsdale, Brooklyn Park, Hopkins, Circle Pines)

This Redevelopment Master Plan document was presented to, reviewed by and approved by the City's various governmental bodies as follows:

- January 25, 2007 – Redevelopment Task Force
- February 1, 2007 – Joint Meeting with the Redevelopment Task Force, Planning Commission, Economic Development Authority and City Council
- February 20, 2007 – Planning Commission
- March 5, 2007 – Economic Development Authority
- March 12 & 26, 2007 – City Council

The public was invited to offer its input at each of these meetings with a formal public hearing held at the February 20, 2007 Planning Commission meeting.

Please keep in mind that the findings regarding Osseo's existing conditions, increasing competition from new development in surrounding communities, the Market Potential



This master plan, based on market analysis, exploration of redevelopment concepts, developers' insights and public input, will guide future redevelopment efforts.

Analysis, other recent planning studies, our conversations with developers active in downtown redevelopment, and the community's concerns and desires have guided the assessment and exploration of redevelopment possibilities for Osseo. Nonetheless, redevelopment is inherently unpredictable and opportunistic, which requires that the City keep an open mind and continually revisit the Redevelopment Master Plan to make sure it is in step with ever-changing market and fiscal realities.