
2 Strategic Assessment

In order to gain a full understanding of Osseo's redevelopment issues, challenges and opportunities, a strategic assessment was conducted, which included reviewing recent planning studies and current plans, interviewing city staff in Osseo and adjacent communities, and analyzing relevant community data. A significant amount of planning work related to Osseo and its environs has been completed over the past few years.

Recent Planning Studies

The following planning studies and current plans were gathered, reviewed and summarized to identify current findings, policies and directions:

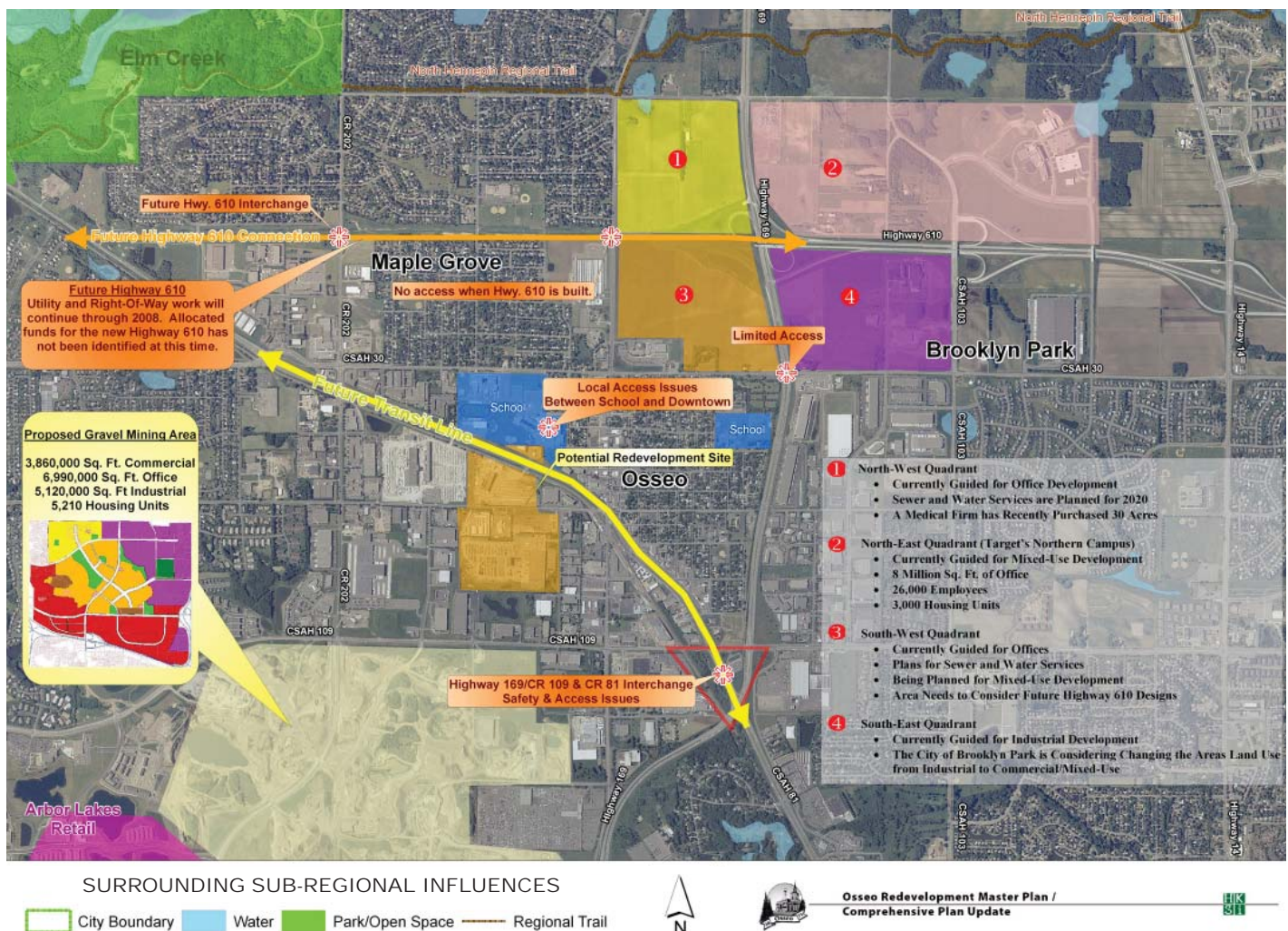
- Osseo Business Association Final Report (May 2006) – Small Business Institute Student Team (University of St. Thomas) and Osseo Business Association
- A Market Potential Analysis for Redevelopment in Osseo (December 2004)– Maxfield Research Inc., Hoisington Koegler Group Inc. and Meyer, Mohaddes Associates Inc.
- Northwest Corridor Development Approach (December 2003) - Design Center for American Urban Landscape (University of Minnesota)
- Second Generation Watershed Management Plan (2003) – Shingle Creek and West Mississippi River Watershed Management Commission
- Smart Growth Market Analysis for the Northwest Corridor (March 2002) – Anton, Lubov & Associates, URS Corporation, and Daniel E. Hunt
- Northwest Corridor Busway Study: Concept Design Report (November 2002) – IBI Group in association with Hoisington Koegler Group Inc., Enviroscience Inc., Benshoof and Associates Inc., and Bonz/REA Inc.
- Neighborhood Redevelopment Plan, Blocks #3-6 (August 2002) – Loucks Associates
- Northwest Corridor Planning & Design Framework (January 2002) – Design Center for American Urban Landscape (University of Minnesota)
- Architectural Design Guidelines for Osseo Business Districts (Spring 2000) – City of Osseo
- First Tier Trails, Greenways, and Parks Master Plan (1998) – SRF Consulting Group, Inc.

In addition, we reviewed the following plans from adjacent communities, Hennepin County and MnDOT that will have a significant impact on Osseo:

- CSAH 81 (Bottineau Boulevard) Roadway and Busway Preliminary Layout
- Maple Grove’s Gravel Mining Area Land Use Plan
- Target Corporation’s Northern Campus Conceptual Master Plan
- Brooklyn Park’s Land Use Plan for the Hwy 610 Corridor and Northern Developing Area
- State Highway 610 in Maple Grove Project Plan

Community Context

Osseo is a small town, a mere one square mile in area, and contains most of the elements of a traditional freestanding small town, even though it is now completely surrounded by the large suburban communities of Maple Grove and Brooklyn Park. This redevelopment study considers the entire city of Osseo but focuses primarily on redevelopment in the downtown area, including some adjacent residential areas, as well as the commercial and industrial areas along County Road 81/Bottineau Boulevard and Jefferson Highway.



Osseo is situated between major undeveloped areas in Maple Grove & Brooklyn Park. The 2,000-acre Gravel Mining Area in Maple Grove is southwest of Osseo, which is planned for development of approximately 4 million sq. ft. of commercial, 7 million sq. ft. of office, 5 million sq. ft. of industrial, and 5,000 housing units. In Brooklyn Park, the area directly north of Osseo surrounding the new interchange of Highway 169 and Highway 610 is largely undeveloped. Target's plans for a Northern Campus alone project 8 million sq. ft. of office, 2 million sq. ft. of retail, and 3,000 housing units. Competition from surrounding new commercial and residential development will continue to impact Osseo's downtown. However, these developments will also bring a significant increase in population within Osseo's primary market area, which will increase the demand for goods and services and provide a tremendous opportunity for redevelopment in Osseo.

Osseo is situated between several planned regional transportation improvements. These improvements include:

- Fixing the Devil's Triangle traffic congestion and road intersections by bridging Highway 169 over County Road 81 and 85th Avenue;
- Extending Highway 610 west to I-94;
- Reconstruction of County Road 81 (Bottineau Blvd);
- Construction of the future Bottineau Boulevard Transit Line along County Road 81 from Osseo into Minneapolis.

Figure 2.1 shows more detailed information regarding surrounding development and transportation plans

Existing Conditions

Land Use & Zoning

Existing land uses in downtown Osseo consist of commercial, civic, single-family residential, multi-family residential, park, and vacant uses. Downtown Osseo contains approximately 75 commercial businesses and approximately 250,000 square feet of commercial space consisting of the following types of commercial uses:

- 20% neighborhood retail or 50,000 sq. ft.
- 20% specialty retail or 50,000 sq. ft.
- 50% service or 125,000 sq. ft. (includes professional/office and personal services)
- 10% auto-related or 25,000 sq. ft

In general, the blocks adjacent to County Road 81 east of Central Avenue are commercial uses with one multi-family residential development on the north side and two industrial uses on the south side. The north side of County Road 81 contains approximately 115,000 square feet of commercial space and 25 businesses. The small area adjacent to County Road 81 west of Central Avenue is split up between multi-family residential, commercial, vacant and public/institutional uses. See Figure 2.2 - Existing Land Use Map.

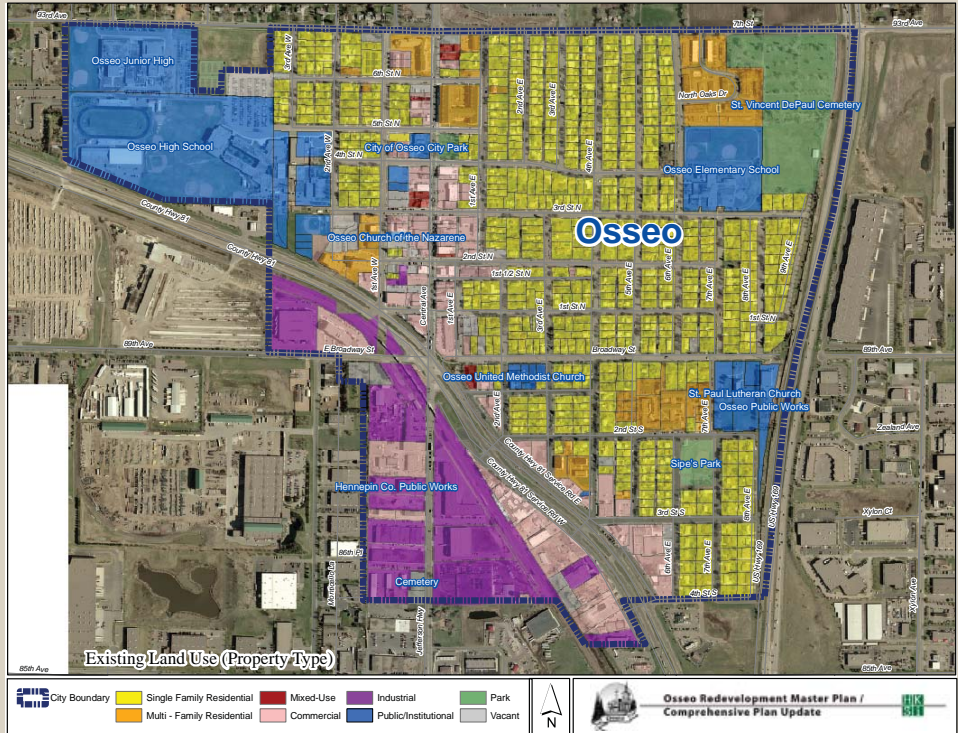


Figure 2.2 Existing Land Use

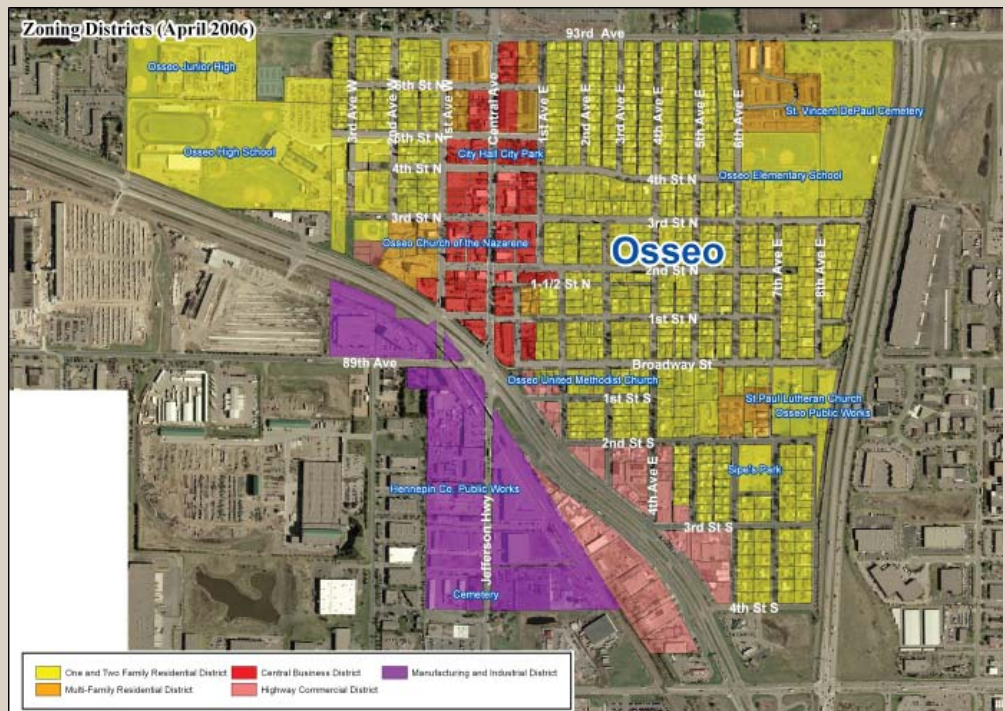


Figure 2.3 Existing Zoning

The current Zoning Map places most of the blocks directly adjacent to Central Avenue in the Central Business District (CBD) with the following exceptions: portions of the blocks between 5th St & 7th St are placed in the Multi-family Residential District (R-2), portions of the blocks east of Central Avenue between Broadway St & 1-1/2 St are placed in the Multi-Family (R-2) and One/Two-Family Residential District (R-1). In general, the blocks adjacent to County Road 81 east of Central Avenue are placed in the Highway Commercial District (C-2) and the entire area south of County Road 81 & the railroad line is placed in the Manufacturing & Industrial District (M). The small area adjacent to County Road 81 west of Central Avenue is split between three (3) zoning districts: CBD, C-2 and R-2. See Figure 2.3 - Existing Zoning.

Buildings

The existing commercial buildings on Central Avenue are primarily one-story buildings with a few two-story buildings. With the exception of the grocery store, the relatively new medical building, and the gas stations, most buildings are built up to the sidewalk, typical of traditional downtown “Main Street” buildings. The commercial buildings along Central Avenue consist of a few remaining turn-of-the-century buildings, but otherwise represent a mix of time periods. No buildings have a local, state or national historic building designation. Most of the buildings are in fair condition although some are most likely not up to current commercial property standards.

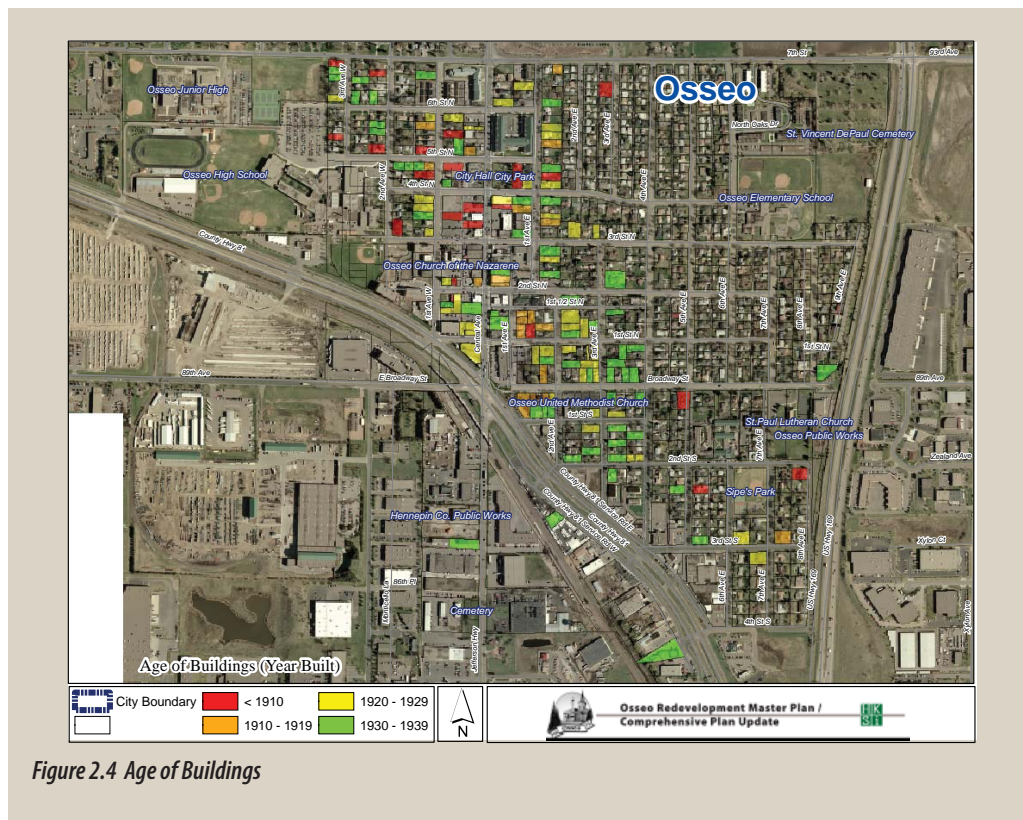


Figure 2.4 Age of Buildings

Many buildings along County Road 81, other than recent redevelopment projects, are outdated and/or in fair to poor condition, particularly south of County Road 81.

Osseo's housing stock consists of some turn-of-the-century era houses with historic character but a large share of existing houses were built right after World War II from the 1940s to 1960s. There are a few new single-family detached homes that have replaced substandard houses. Higher density senior housing developments have been built recently. The limited number of rental apartment buildings were built in the 1960s & 1970s and appear to need some reinvestment. See Figure 2.4 - Age of Buildings.

Transportation

Osseo is faced with a number of significant transportation challenges. The community's street system was established long ago on a typical grid system with blocks being generally 300 feet by 300 feet. This grid street system worked well over time until regional growth

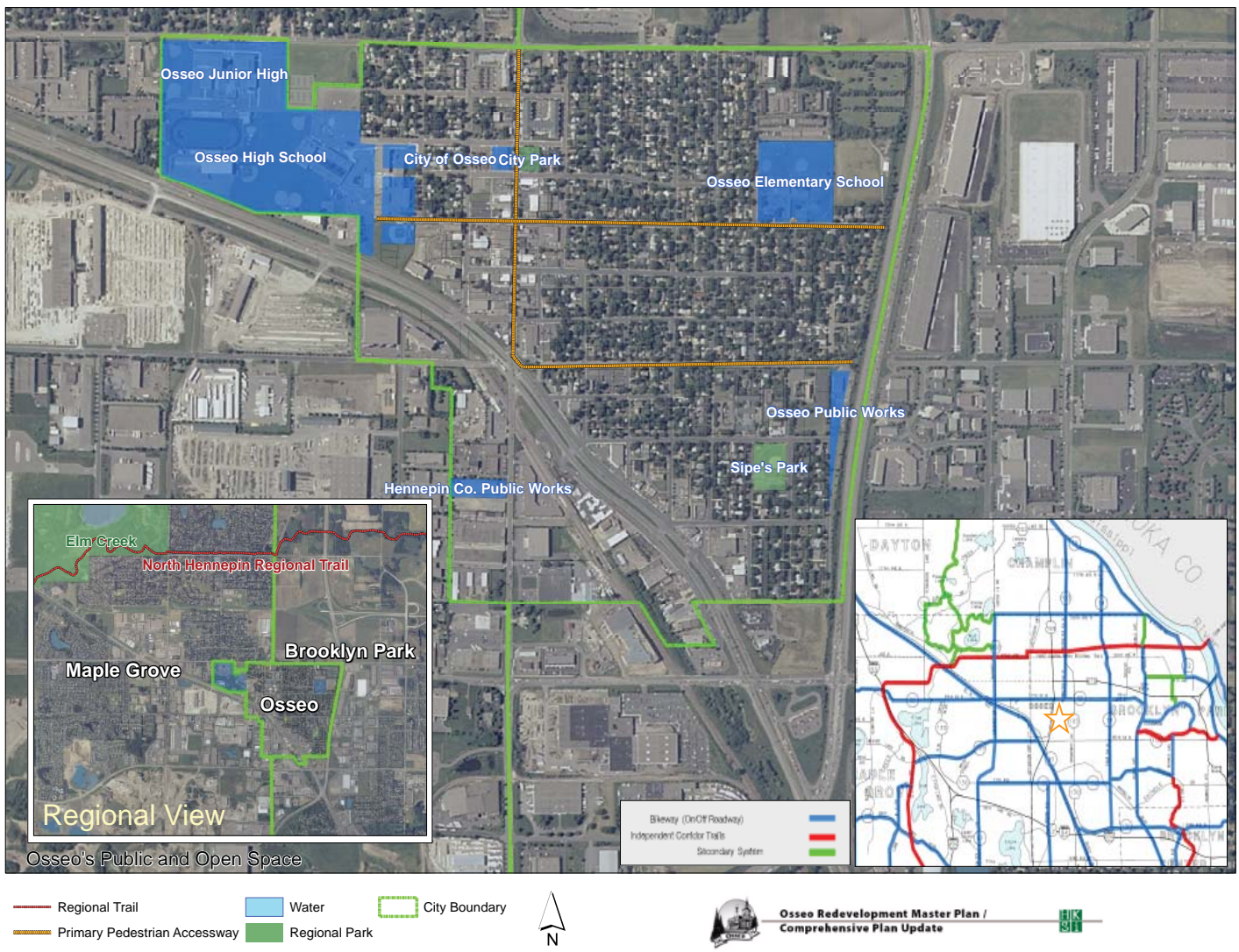


Figure 2.1 - Surrounding Sub-Regional Influences

put greater pressure on the regional roadway system to the point that local street access in Osseo began to be limited. This trend will continue as evidenced by recent preliminary plans for County Road 81 which propose to reduce local access from Country Road 81 to only a few points.

Key roadways in Osseo include the following:

<i>Road Name</i>	<i>Functional Class</i>
County Road 81/Bottineau Blvd	Minor Arterial
State Highway 169	Principal Arterial
County Road 30/93rd Ave	Minor Arterial
Central Avenue	Collector
Jefferson Highway	Collector
Country Road 109/85th Ave	Minor Arterial

The Redevelopment Master Plan is impacted most heavily by planned improvements to County Road 81 and Highway 169, including improvement of County Road 81’s intersection with Highway 169 (Devil’s Triangle) to separate grades. Traffic through Downtown Osseo is a blessing and a curse. It is a blessing because traffic supports commercial development. However, much of the traffic on Central appears to be commuter traffic traveling through Osseo and not necessarily interested in “convenience” type shopping. The limited quantity of parking along Central Avenue in its current configuration does not lend well to convenience shopping.

Planned improvements to CR 81 will have significant traffic movement impacts on the City, including reduced access points, safer intersections and added traffic signalization potentially. The reconstruction of CR 81 also presents a valuable opportunity to beautify the corridor significantly, including the addition of curb and gutter, landscaped boulevards/ medians and pedestrian trails. The Redevelopment Master Plan will provide a land use and development vision for the corridor that will ultimately inform the design character for the improvements to CR 81.

Parking

All parking in downtown is accommodated by on-street parking and individual businesses’ off-street surface parking lots. Even though Central Avenue is a Collector Street, on-street parking exists on this street. Some side streets off of Central Avenue allow diagonal parking on one side. There continues to be a perception that downtown has insufficient parking capacity to support and attract businesses. There are no public parking facilities other than two surface parking lots behind City Hall and one lot across from the post office.

Institutional, Civic & Recreational Features

Osseo has a wealth of civic functions centrally located in the city, including City Hall, Fire Department, Senior Center, Police Department, Community Center, County Library, and Post Office. Some of these functions are not located in ideal facilities and would benefit from upgrading as Osseo redevelops downtown and adds more residents, particularly the library, police, and post office.

There are just two public parks in the City: Boerboom Park across from City Hall and Sipe's Park in the southeast corner. The City's current 2020 Comprehensive Plan recommends the addition of a park south of County Road 81. Osseo has three (3) schools within its boundaries: Osseo Senior High School and Junior High School in its northwest corner and Osseo Elementary School in its northeast corner. The school campuses provide outdoor recreational areas and the Osseo Ice Arena.

Three churches are located within Osseo: St. Paul Lutheran Church, Osseo United Methodist Church, and Osseo Church of the Nazarene. St. Vincent de Paul Church, which used to be located in Osseo, moved to a new building just across 93rd Avenue in Brooklyn Park. The church's cemetery is located in the northwest corner of Osseo.

Osseo has a sidewalk system throughout downtown and into adjacent residential neighborhoods; however, the sidewalk system does not extend to all streets. The City's current 2020 Comprehensive Plan designates Central Avenue, 3rd Street North and Broadway Street as Primary Pedestrian Accessways. This limited pedestrian-way plan does not create any pedestrian loops, does not extend into all neighborhoods, and doesn't define the features desired for a pedestrian accessway. A county bike trail exists on the north side of County Road 81 west of Central Avenue. The city does not have any bike trails or lanes.

Natural Features

Osseo lacks any significant natural features within its borders, although there is a remnant creek bed in the northeast corner of the city that appears to be the "headwaters" for Maple Brook, which drains east through Brooklyn Park to the Mississippi River. There could be an opportunity to create some kind of natural open space linked to Maple Brook, which is currently defined as a County Ditch, since it is located on public/semi-public land (cemetery and elementary school).

Access to regional natural open space areas include the North Hennepin Regional Trail, which is approximately one mile north of Osseo via Jefferson Highway, and Elm Creek Park Reserve, which is 2-3 miles northwest of the city.

Public Infrastructure Systems

Infrastructure systems in Osseo include stormwater management, sanitary sewer and public water systems. All of these systems are older systems and will require maintenance

and upgrades at some point in time. Stormwater is of particular concern because of recent flooding problems west of Central Avenue generally between 2nd Street North and 5th Street North. Flooding is a result of stormwater runoff and inadequate capacity in stormwater systems down stream. Sanitary sewer is collected by a local sewer system. The system generally has sufficient capacity today, but some areas in the community suffer from being older systems. Future redevelopment will put a strain on existing systems and warrant upgrades. Public water is supplied through an agreement with Maple Grove. The local distribution system provides water to individual properties. Existing water towers are currently empty. Future redevelopment will require upgrades to the existing system.

Jurisdictions

The City of Osseo has jurisdiction over development in the city as well as local public rights-of-way, including Central Avenue which was turned back to the City from Hennepin County. Osseo is literally surrounded by highways with MnDOT having jurisdiction over Highway 169, while Hennepin County has jurisdiction over County Road 81 and 93rd Avenue. Independent School District #279 has jurisdiction over the three schools located in the City, including Osseo Senior High, Osseo Junior High and Osseo Elementary.

Market Potential Analysis for Redevelopment

This study, which was completed in December 2004, assessed the market potential for housing, retail and office development in Osseo short-term (2004-2010) and long-term (2010-2020), recommended some specific redevelopment opportunity sites, and identified potential strategies for pursuing the redevelopment opportunities. Since significant household and employment growth is projected for the portions of Maple Grove and Brooklyn Park that are close to Osseo, there will be significant increase in the potential customer base for Osseo businesses. Osseo is faced with a tremendous opportunity to capture this increased demand through redevelopment of underutilized properties and improvement/expansion of its commercial spaces. In addition, the demand for housing in Osseo should also increase because people generally want to live close to where they work and there is a growing trend in people interested in living in maintenance-free housing in downtown environments with walkable access to shopping, services and recreation.

The study's estimated increase in market demand is as follows:

Development Type	Current	Demand
Overall Retail	365,000 sq. ft.	90,500 sq. ft.
Downtown Neighborhood Retail	50,000 sq. ft.	33,500 sq. ft.
Downtown Specialty Retail	50,000 sq. ft.	57,000 sq. ft.
Downtown Office/Services	125,000 sq. ft.	25,000 – 70,000 sq. ft.
Highway & Auto-Oriented Retail	140,000 sq. ft.	--
Overall Housing	1,035 units	525 units
Multi-family owned units	--	300 units
Multi-family rental units	--	175 units
Senior housing units	--	50 units

Key Findings of Redevelopment Strategic Assessment

An assessment of the City's existing conditions, recent studies, current plans and input from City Staff and developers resulted in the following key findings:

- > *Development Market is an Important Driver of Redevelopment Potential*
 - 2004 Market Study identified short-term and long-term redevelopment opportunities
 - Public investment often needed to accelerate private investment
 - Residential market has weakened substantially recently
- > *Existing Public Infrastructure Needs to be Upgraded*
 - Sanitary sewer system is currently near maximum capacity usage
 - Water system is in need of upgrading, particularly additional or larger pipes
 - Stormwater system cannot adequately handle runoff in area west of downtown causing flooded streets and properties; limited space for stormwater ponding in downtown Osseo
 - Street improvements
- > *Developers' Preferred Scale of Redevelopment*
 - Financial requirements of redevelopment projects
 - Full-block redevelopment
 - Multiple-story buildings (3 or 4 stories)
- > *Mixed-Use Development is More Complex*
 - Requires special types of developers with mixed-use project experience
 - Unique ownership (condominium) and legal concerns
 - Financing options are more limited
 - Horizontal/adjacent mixed-use development is easier than mixed-use buildings
- > *Preservation of Important Existing Buildings and/or Uses*
 - Encouraging preservation of Osseo "character" buildings and structures
 - Accommodating essential downtown uses, such as grocery store, pharmacy, drive-thru bank, post office, etc.
- > *Limited Resources for Redevelopment*
 - Limited amount of vacant land
 - Small and declining tax base
 - Limited staff time available
 - Competing public infrastructure reinvestment needs

This Redevelopment Master Plan is intended to provide a future, long-term and conceptual redevelopment vision that addresses these key issues in order to support the community's redevelopment efforts.