

City Hall • Phone 952-927-8861

Fax 952-826-0389 • www.CityofEdina.com



Date: April 22, 2015

To: Planning Commission

From: Cary Teague, Community Development Director

Re: Pentagon Park – Development Update (Scott Tankenoff)

Scott Tankenoff, Hillcrest Development will be giving the Commission and update on the status of the Pentagon Park redevelopment project.

This project is 43 acres in size and located on 77th Street, south of the old Fred Richards Golf Course. The project received preliminary rezoning approval in March of 2014. For reference, attached is the Planning Commission Staff report and minutes from both the Planning Commission and City Council review of the project.

Final Rezoning to PUD is anticipated for the east and west side of the project. For each phase of development, Mr. Tankenoff will go through a sketch plan process, prior to obtaining site plan approvals.



PLANNING COMMISSION STAFF REPORT

Originator Cary Teague Community Development Director	Meeting Date February 26, 2014	Agenda # VI.B.
---	--	--------------------------

INFORMATION/BACKGROUND

Project Description

Pentagon Revival is proposing to redevelop Pentagon Park along 77th Street. (See the Pentagon Tower & Pentagon Quad sites on page A1.) The total site area is 43 acres in size; and would likely redevelop over the next 2-15 years. (See the applicant narrative and proposed plans on pages A6–A47.)

Proposed uses include office, medical, retail, restaurants, a hotel and potentially housing. No housing is anticipated at this time, however, that use is currently allowed on the property, and should remain as a potential future land use.

The following is a breakdown of the anticipated land uses at this time:

- Office – 1,420,000 square feet.
- Retail – 40,000 square feet.
- Hotel – 250,000 square feet (375-425 rooms)
- Parking structures – 6,400 parking stalls.
- Housing (would likely replace some of the office if built.)

The likely first phase of development of the project would be the Pentagon Tower site, which would include office buildings, a hotel, limited retail and parking structures. Future redevelopment phases of the "Pentagon Quad" site north of 77th Street would likely occur from the west side to the east. Future housing would then likely occur on the east end of the Quad sites.

To accommodate redevelopment of this property, the following is requested:

- Preliminary Rezoning from MDD-6, Mixed Development District to PUD, Planned Unit Development; and
- An Overall Development Plan.

This "preliminary" review is the first step of a multi-step process of City review. Should these "preliminary" requests be approved by the City Council; the next step would be a Final Development Plan for Phase 1, Final Rezoning, and formal adoption of a Zoning Ordinance Amendment rezoning this site to PUD, Planned Unit Development, including zoning regulations and land use requirements.

Prior to final approval of any future phase, the applicant would bring forward a sketch plan review to both the Planning Commission and City Council to seek direction and guidance prior to a formal application.

The PUD, Planned Unit Development District is being requested to allow greater flexibility of land uses and setbacks in exchange for enhanced amenities; greater pedestrian connections; high quality architecture, and depending on the future use of Fred Richards Golf Course, potential greater connection and integration of public space. As shown on page A29, there are six primary principles requested to achieve the PUD:

1. Green Streets.
2. Integrated storm water as a project amenity.
3. Pedestrian Connections.
4. Connections to all the parcels.
5. Multimodal Connections; transit, bike, pedestrian.
6. Shared parking.

The applicant is pledging high quality architecture for all buildings, including the parking structures, and sustainable design principles. (See applicant narrative and plans on pages A6–A47.)

In 2008, this site was rezoned to the current MDD-6 Zoning designation. The site was approved for 1,881,134 square feet of total development; 50% was to be residential and 50% was to be non-residential. The applicant is essentially requesting the same amount of square footage, 1,777,560 square feet, but requests that the uses not be restricted by percentage.

SUPPORTING INFORMATION

Surrounding Land Uses

- Northerly: Fred Richards golf course; zoned and guided as a park.
Easterly: Office and light industrial uses; zoned and guided for industrial use.
Southerly: Office and light industrial uses; zoned and guided for industrial use.
Westerly: Highway 100.

Existing Site Features

The subject property is 43 acres in size, and contains 17 office buildings that total 660,500 square feet of office space. (See pages A3–A5.)

Planning

Guide Plan designation: OR, Office Residential
Zoning: MDD-6, Mixed Development District

Site Circulation/Connection

Access to the site is off 77th Street which has direct freeway access on and off Highway 100. The applicant is proposing a re-construction of 77th Street when the total build out of the overall development reaches 80-85%. (See the street re-construction renderings on pages A43.) Additionally, new “Green Streets” would be built to make better connections and circulation in and around the development. Improved connections would also be made to the Fred Richards Golf Course. (See pages A44–A47.)

The applicant is proposing to provide transit shelters along 77th to promote transit ridership.

Pedestrian/Bike Connections

Connections would be made to the regional trail to promote alternate means of transportation to get to the development. Bicycle facilities, dedicated showers and bike lockers would be provided throughout the development. Sidewalks would be created throughout the development and along streets. Safe crosswalks across streets would be created.

Traffic & Parking Study

The proposed project would generate traffic volumes that are within the parameters of the Alternative Urban Area-wide Review (AUAR) that has been done in this area. A traffic study was conducted by WSB, which concludes that the following roadway improvements are expected to be necessary into the future to accommodate the redevelopment of the Pentagon Towers and Pentagon Quads sites:

1. 2020 No-Build:
 - a. Addition of a northbound dual right-turn lane at 77th Street and TH 100 Southbound Ramp.
 - b. Improved signal timing at 77th Street and Computer Avenue.

2. 2020 Build:
 - a. Addition of a northbound dual right-turn lane at 77th Street and TH 100 Southbound Ramp.
 - b. Addition of a westbound right-turn lane at 77th Street and TH 100 Northbound Ramp.
 - c. Addition of a northbound dual left turn lane, southbound left turn lane and eastbound right turn lane at 77th Street and Computer Drive.
 - d. Addition of a northbound through lane at France Avenue and Minnesota Street.
 - e. Addition of a northbound left turn lane, eastbound right turn lane and signal timing improvements at 77th Street and Burgundy Place.

3. 2030 No-Build:
 - a. 2020 No-Build Improvements.
 - b. Addition of an eastbound and westbound right-turn lane at 77th Street and TH 100 Northbound Ramp.
 - c. Addition of a northbound and southbound left turn lane at 77th Street and Computer Drive.
 - d. Addition of a northbound through lane at France Avenue and Minnesota Drive.
 - e. Addition of a southbound through lane at France Avenue and 76th Street.

4. 2030 Build:
 - a. 2020 Build improvements.
 - b. Addition of an eastbound and westbound third lane on 77th Street from Industrial Boulevard through Computer Drive.
 - c. Addition of a southbound through lane at France Avenue and 76th Street.
 - d. Addition of an eastbound and westbound dual left turn lane at France Avenue and Minnesota Street.
 - e. Addition of a southbound left turn lane at 77th Street and Minnesota Street.
 - f. Addition of an eastbound right turn lane at 77th Street and Parklawn Avenue.

Traffic will be analyzed at each phase of development to determine when these improvements would be required.

Parking

A shared parking strategy is intended to reduce large surface parking lots; additionally, parking is intended to be shared with the Fred Richards golf course site, no matter the future use of that property.

Parking for a Mixed Development District is based on the square footage of the buildings. Non-residential uses require one space per 300 square feet. Therefore, the 1,777,560 square feet of non-residential uses would require 5,425 stalls. The applicant is proposing 6,400 stalls. Part of the overage of parking space anticipated is due to the sharing of use with the public property to the north. The applicant does not wish to create more parking than needed. Each phase of development would examine closely the need for parking. The parking study done by WSB concluded that the proposed uses would generate the need for 5596 parking spaces. (See page A70.)

Green Space/Landscaping

There is very little green space and no storm water retention areas on the site as it exists today. The applicant is pledging to significantly increase landscaping, green space and storm water retention ponding within the development. (See the proposed plans on pages A33–A35.) As a condition of approval on a preliminary basis a minimum of a 20% should be achieved at final build out. Individual landscaping would be reviewed at the time of Final Development Plan review for each phase of development.

The previously approved overall development plan for this site included a 20% increase in green space alone.

Grading/Drainage/Utilities

There is not specific grading, drainage or utility plan to review at this time. The city engineer has reviewed the proposed plans and found them to be generally acceptable subject to the comments and conditions outlined on the attached page A106. A developer's agreement would be required for the construction of the proposed sidewalks, public water main, sewer and any other public improvements.

Any approvals of this project would be subject to review and approval of the Nine Mile Creek Watershed District, as they are the City's review authority over the grading of the site. A more detailed review would be done at Final Development Plan with each phase.

The idea of integrated storm water, and using storm water as an amenity, similar to Centennial Lakes, is a good one. The soils in this area are very poor; creating on-site storm water retention areas would benefit the site and the area. The applicant is proposing to connect the north and south sites with a surface water course if possible, and re-use storm water for irrigation and other uses.

Building/Building Material

While there are no specifics proposed at this time, the applicant is proposing to build all buildings and parking ramps to a high architectural standard. Parking ramps are to be integrated into the architecture of the development.

The applicant has indicated that podium height and sustainable building practice would be used. The applicant plans to bring forward sketch plans for each phase of development to gain input on architecture as well as site planning.

Staff recommends very specific requirements for future building architecture as a condition of preliminary approval of the project. The following conditions are recommended to ensure quality building and podium height:

- *New buildings shall utilize the podium height concept, as defined in the Edina Comprehensive Plan, if and where appropriate.*
- *Attempts shall be made to meet an energy savings goal of 15% over state energy code guidelines. Building designs shall be similar to and reasonably consistent with LEED standards.*
- *All buildings must be constructed of high quality materials and architecture. Building materials shall be of, but not limited to high quality brick, stone, precast concrete, and glass building. No building shall contain aluminum or metal siding as the primary finish material.*
- *All parking structures shall be designed to be integrated into and complement the architecture of newly constructed buildings. Shared parking strategies will be employed, where applicable.*

Signage

The underlying zoning of the property would be MDD-6, therefore, would be subject to signage requirements of that zoning district. Staff would recommend a full signage plan be submitted as part of the Final Development Plan with the first phase of development. Plans should specifically include location and size of pylon signs, and way finding signage. Specific signage regulations would be incorporated into the PUD Zoning District including way finding signage.

Preliminary Rezoning – PUD (Planned Unit Development)

Below are the Code requirements and considerations for PUD. The applicant has pledged to include many of the goals and standards for a PUD. Those include: sustainable design, living streets concept, improved pedestrian connections, high architectural standards, podium height, pedestrian oriented

design, creative storm water management, integration of public space, podium height, enhanced landscaping and green space.

Per Section 36-253, the purpose and intent of the Planned Unit Development (PUD) District is to provide comprehensive procedures and standards intended to allow more creativity and flexibility in site plan design than would be possible under a conventional zoning district. The decision to zone property to PUD is a public policy decision for the city council to make in its legislative capacity. The purpose and intent of a PUD is to include most or all of the following:

- a. provide for the establishment of PUD (planned unit development) zoning districts in appropriate settings and situations to create or maintain a development pattern that is consistent with the City's Comprehensive Plan;**
- b. promote a more creative and efficient approach to land use within the City, while at the same time protecting and promoting the health, safety, comfort, aesthetics, economic viability, and general welfare of the City;**
- c. provide for variations to the strict application of the land use regulations in order to improve site design and operation, while at the same time incorporate design elements that exceed the City's standards to offset the effect of any variations. Desired design elements may include: sustainable design, greater utilization of new technologies in building design, special construction materials, landscaping, lighting, storm water management, pedestrian oriented design, and podium height at a street or transition to residential neighborhoods, parks or other sensitive uses;**
- d. ensure high quality of design and design compatible with surrounding land uses, including both existing and planned;**
- e. maintain or improve the efficiency of public streets and utilities;**
- f. preserve and enhance site characteristics including natural features, wetland protection, trees, open space, scenic views, and screening;**
- g. allow for mixing of land uses within a development;**
- h. encourage a variety of housing types including affordable housing; and**
- i. ensure the establishment of appropriate transitions between differing land uses.**

The purpose of this PUD is to ensure that the principles proposed by the applicant and the goals of the City, are carried out throughout the life of the development. Those goals and principles include: Green Streets; integrated

storm water as a project amenity; multimodal connections including, transit, bike, and pedestrian; high quality architecture; mixed use; shared parking; podium height; sustainable design; enhanced landscaping & green space.

Applicability/Criteria

- a. Uses. All permitted uses, permitted accessory uses, conditional uses, and uses allowed by administrative permit contained in the various zoning districts defined in Section 850 of this Title shall be treated as potentially allowable uses within a PUD district, provided they would be allowable on the site under the Comprehensive Plan. Property currently zoned R-1, R-2 and PRD-1 shall not be eligible for a PUD.**
- b. Eligibility Standards. To be eligible for a PUD district, all development should be in compliance with the following:**
 - i. where the site of a proposed PUD is designated for more than one (1) land use in the Comprehensive Plan, the City may require that the PUD include all the land uses so designated or such combination of the designated uses as the City Council shall deem appropriate to achieve the purposes of this ordinance and the Comprehensive Plan;**
 - ii. any PUD which involves a single land use type or housing type may be permitted provided that it is otherwise consistent with the objectives of this ordinance and the Comprehensive Plan;**
 - iii. permitted densities may be specifically stated in the appropriate planned development designation and shall be in general conformance with the Comprehensive Plan; and**
 - iv. the setback regulation, building coverage and floor area ratio of the most closely related conventional zoning district shall be considered presumptively appropriate, but may be departed from to accomplish the purpose and intent described in #1 above.**

As highlighted above, the City may require housing to be incorporated into the development to achieve the purpose of the MDD-6 zoning and the Comprehensive Plan which calls for housing within the development. The applicant has indicated that housing may be a possibility in future, but does not anticipate it in the short term.

The following page shows a compliance table demonstrating how the proposed new building would comply with the underlying MDD-6 Zoning Ordinance Standards. Should the City decide to rezone this site to PUD, the proposed setbacks, height of the building and number of parking stalls would become the standards for the lots. Please note that a few City Standards are not met under conventional zoning, when reviewing the general overall site plan. However, by

relaxing these standards, the purpose and intent, as described above would be met.

Compliance Table

	City Standard (MDD-6)	Proposed - PUD
Setbacks - Buildings		
Front Setback	35 feet + ½ foot for each foot the building height exceeds minimum setback	*35 feet (77th Street - 12 story buildings) *35 feet (Viking Drive - 12 story buildings)
Rear	35 feet + ½ foot for each foot the building height exceeds minimum setback	50 feet
Side	No interior side setback required	No setback
Setbacks - Parking Structures		
Front/street	20 feet or the height of the structure	35 feet
Building Height	4 stories north of 77 th Street 12 stories south of 77 th Street	*5 stories 12 stories (Heights over 12 stories would require a Comprehensive Plan amendment)
Parking lot and drive aisle setback	20 feet (street)	20 feet
Building Coverage	30%	30%
Maximum Floor Area Ratio (FAR)	50% - Non-residential Uses 50% - Residential Uses 1,881,134 square foot site	*1,777,560 s.f. total proposed non-residential (includes, Burgundy Place, Walsh Title & a 250,000 s.f. hotel)
Parking Stalls – Mixed Development District	Non Residential: 1,777,560 s.f./300 = 5,425 stalls required	6,400 spaces suggested at this time
Minimum Lot Size	43 acres	43 acres

*** Would require a variance under the current code**

The most significant change proposed is replacing the residential square footage with non-residential square footage. Within the context of the Alternative Urban Areawide Review (AUAR), the proposal would shift from Scenario 2, to closer to Scenario 3. (See pages A83 & A103, of the attached AUAR.) Please note on page A83, the square footage proposed, does not exceed the maximum square footage contemplated in the AUAR.

PRIMARY ISSUES/STAFF RECOMMENDATION

Primary Issue

- **Is the PUD Zoning District appropriate for the site?**

Yes. Staff believes the proposal meets the purpose and intent of the PUD, and therefore, would be appropriate for this development site for the following reasons:

1. The proposed uses are consistent with the Comprehensive Plan and the existing MDD-6 Zoning of the site. The only real change proposed, compared to the previously approved development plan for the site, is replacing the residential square footage with non-residential square footage. Within the context of the Alternative Urban Areawide Review (AUAR), the proposal would shift from Scenario 2, to closer to Scenario 3, which does not exceed the maximum square footage contemplated in the AUAR. (See pages A83 & A103, of the attached AUAR.)
2. The project would encourage multimodality as follows: transit shelters on 77th Street; links to the regional trail, promotion of biking through bike facilities within each new building; creation of complete streets; establishing sidewalk connections between uses and buildings; creation of a recreational system that promotes walking, health and wellness.
3. Improved transportation system. The applicant proposes to upgrade 77th Street and provide better street connections into and throughout the development including better access to the Fred Richards golf course land. (See pages A34–A35.) “Green Streets” would be created. (See page A43–A47.)
4. Parking would be shared. The applicant proposes to construct parking ramps for the purpose of shared parking throughout the development, including shared parking with the public land to the north.
5. Storm water management would become a project amenity. Similar to the Centennial Lakes concept, storm water retention would be incorporated into the development to become an amenity.
6. Provision of high architectural standards. The applicant has agreed to building architecture, including parking ramps that would be of very high quality. The applicant has also agreed to achieve a goal of the Comprehensive Plan, which is to incorporate podium height into the development. Sustainable building design similar or consistent with LEED standards is also anticipated.

7. The proposed project would generate traffic volumes that are within the parameters of the Alternative Urban Area-wide Review (AUAR) that has been done in this area. A traffic study was conducted by WSB and Associates for the Development. (See the attached study on pages A54–A80.) The study concludes that some roadway improvements are expected to be necessary into the future to accommodate the redevelopment of the Pentagon Towers and Pentagon Quads sites.
8. The PUD Zoning would give the City of Edina greater discretion in ensuring that the above mentioned principles are incorporated into the overall development in the future.
9. The proposed project would meet the following goals and policies of the Comprehensive Plan:
 - a. Design public open and green linkages that bring both amenity and positive image to neighborhoods, corridors, and business precincts.
 - b. Design public streets to serve not only vehicles but also pedestrians, people with mobility aids, and bicycles, balancing the spatial needs of existing and future users within the right-of-way. Address both mobility and recreational needs and opportunities.
 - c. Create walkable streets that foster an active public life; streets that are energized by their proximity to a vibrant mix of activity-generating uses.
 - d. Preserve and make accessible natural areas and features as part of a comprehensive open space network.
 - e. Within larger redevelopment sites, promote a fine-grained and interconnected network of local streets and paths, encouraging pedestrian circulation and providing a choice of access points.
 - f. Encourage infill/redevelopment opportunities that optimize use of city infrastructure and that complement area, neighborhood, and/or corridor context and character.
 - g. Podium Height. Where it is appropriate, the applicant has committed to the podium height concept, defined in the Edina Comprehensive Plan as follows: The “podium” is that part of the building that abuts the street, or that provides the required transition to residential neighborhoods, parks, and other sensitive uses. The podium height concept is intended to create a consistent street wall envelope and a comfortable pedestrian environment.

Staff Recommendation

Preliminary Rezoning to PUD & Overall Development Plan

Recommend that the City Council approve the Preliminary Rezoning from MDD-6, Mixed Development to PUD, Planned Unit Development District and an Overall Development Plan for the subject property.

Approval is based on the following findings:

1. The proposed land uses are consistent with the Comprehensive Plan.
2. The proposal would meet the purpose and intent of the PUD. The site is guided in the Comprehensive Plan as "Office Residential," which is seen as a transitional area between higher intensity districts and residential districts. Primary uses include: offices, housing, limited service uses, limited industrial, parks and open space. Vertical mixed uses are encouraged.
3. The proposal would create a more efficient and creative use of the property. Better vehicle and pedestrian connections would be created; enhanced green space and ponding would be created; a mixture of land use is envisioned; there would be improved architecture and sustainability; shared parking would be created, including with the public use to the north.
4. The proposed project would meet the following goals and policies of the Comprehensive Plan:
 - a. Design public open and green linkages that bring both amenity and positive image to neighborhoods, corridors, and business precincts.
 - b. Design public streets to serve not only vehicles but also pedestrians, people with mobility aids, and bicycles, balancing the spatial needs of existing and future users within the right-of-way. Address both mobility and recreational needs and opportunities.
 - c. Create walkable streets that foster an active public life; streets that are energized by their proximity to a vibrant mix of activity-generating uses.
 - d. Preserve and make accessible natural areas and features as part of a comprehensive open space network.

- e. Within larger redevelopment sites, promote a fine-grained and interconnected network of local streets and paths, encouraging pedestrian circulation and providing a choice of access points.
- f. Encourage infill/redevelopment opportunities that optimize use of city infrastructure and that complement area, neighborhood, and/or corridor context and character.
- g. Podium Height. Where it is appropriate, the applicant has committed to the podium height concept, defined in the Edina Comprehensive Plan as follows: The “podium” is that part of the building that abuts the street, or that provides the required transition to residential neighborhoods, parks, and other sensitive uses. The podium height concept is intended to create a consistent street wall envelope and a comfortable pedestrian environment.

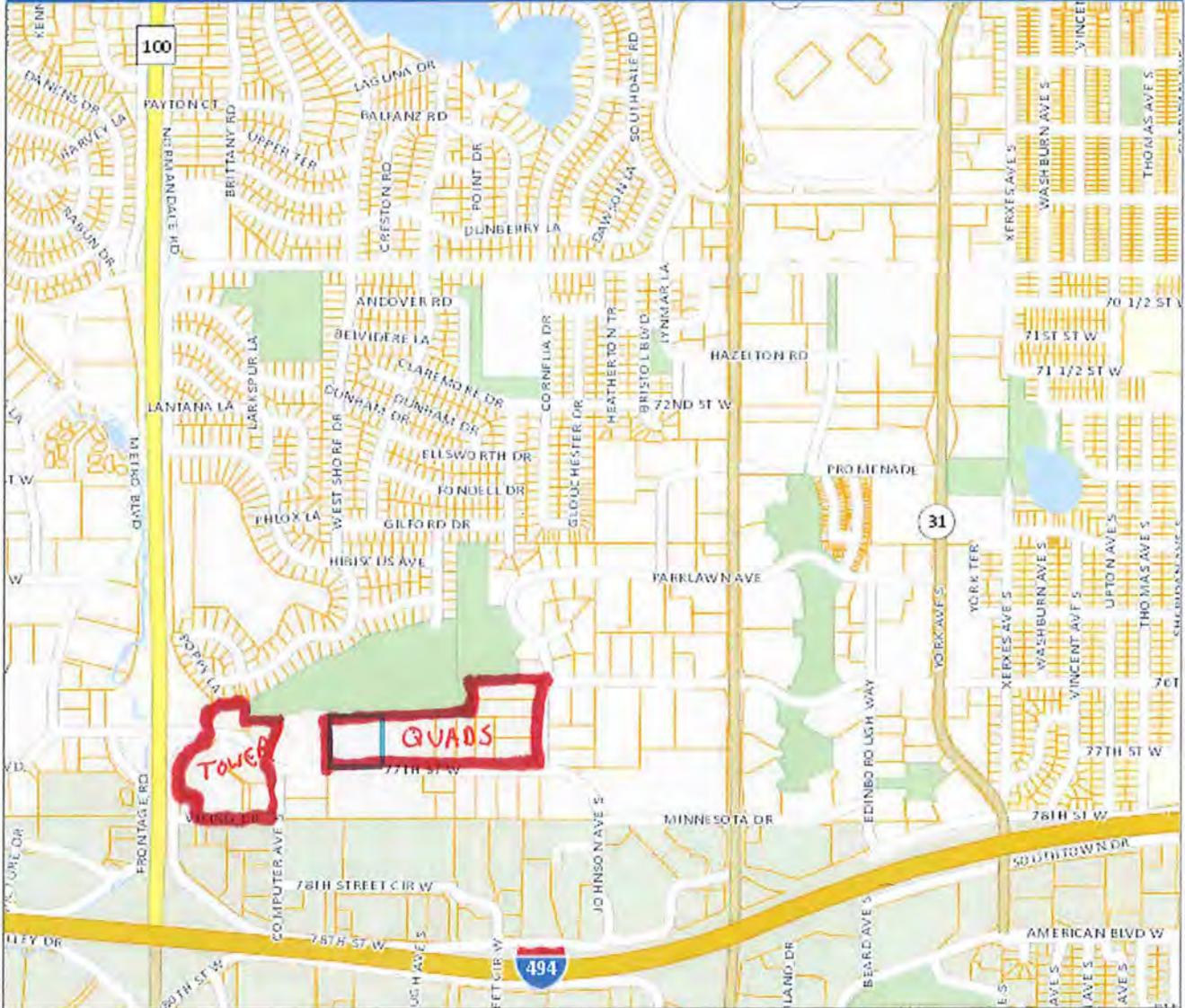
Approval is subject to the following Conditions:

1. Final Development Plans must be generally consistent with the Preliminary/ Overall Development Plans dated January 22, 2014.
2. The Final Landscape Plan must meet all minimum landscaping requirements per Section 850.04 of the Zoning Ordinance.
3. The Final Lighting Plan must meet all minimum landscaping requirements per Section 850.04 of the Zoning Ordinance.
4. Submittal of a sign plan with Final Development Plan application for each phase of the overall development. Each signage plan submittal should include monument sign locations and size, way finding signage, and wall signage. Signage shall be consistent throughout the PUD.
5. The 77th Street Improvements must be completed by the applicant/land owner when 100,000 square feet of development has been constructed. The 77th Street improvements must be consistent with the plans date stamped January 22, 2014, and are subject to review and approval of city staff before construction.
6. The Parkway and Green Streets, as shown on the Preliminary/Overall Development Plan, date stamped January 22, 2014, must be built by the applicant/land owner upon 80-85% build-out of the overall development.
7. Final Develop Plans must create a recreational system that promotes walking, health and wellness.

8. Connections shall be made from the property south of 77th Street to the property north of 77th Street through or adjacent to the "Walsh Title" site and Fred Richards golf course.
9. Pedestrian connections must also be made between buildings, along 77th Street, to Burgundy Place, to the anticipated Regional Trail, and to the new Green Streets, the installation of which are conditioned on factors, including without limitation, the future use of Fred Richards.
10. All crosswalks shall be marked with duraprint stamping to clearly identify the pedestrian crossing.
11. Where applicable and required pursuant to the Final Development Plan, all public utility, public roadway and public sidewalk easements shall be granted or dedicated to the City upon Final Development Plan approval for each phase.
12. Bike storage and bike shower facilities shall be provided within the development. Bike racks will be provided throughout the development.
13. A majority of the storm water retention will be developed as an amenity and integrated into the overall development.
14. Overall, the development must include at least a 20% of green space/storm water retention in the aggregate.
15. Any Park Dedication fees due under Section 32 of the City code shall be collected at the time of the issuance of a building permit for any portion of the property that is re-platted.
16. New buildings shall utilize the podium height concept, as defined in the Edina Comprehensive Plan, if and where appropriate.
17. Attempts shall be made to meet an energy savings goal of 15% over state energy code guidelines. Building designs shall be similar to and reasonably consistent with LEED standards.
18. All buildings must be constructed of high quality materials and architecture. Building materials shall be of, but not limited to high quality brick, stone, precast concrete, and glass building. No building shall contain aluminum or metal siding as the primary finish material.
19. All parking structures shall be designed to be integrated into and complement the architecture of newly constructed buildings. Shared parking strategies will be employed, where applicable.

20. Public art shall be incorporated into the development.
21. Final Rezoning is subject to a Zoning Ordinance Amendment creating the PUD, Planned Unit Development for this site. Final PUD Zoning must meet the criteria required for a PUD.
22. Compliance with the issues/conditions outlined in the director of engineering's memo dated January 22, 2014.

Deadline for a city decision: May 21, 2013



Parcel ID:

Owner Name: Pentagon North Llc

Parcel Address:

Property Type: Commercial-Non Preferred

Home-stead:

Parcel Area:

A-T-B:

Market Total:

Tax Total:

Sale Price:

Sale Date:

Sale Code:

Map Scale: 1" ≈ 1600 ft.

Print Date: 2/20/2014

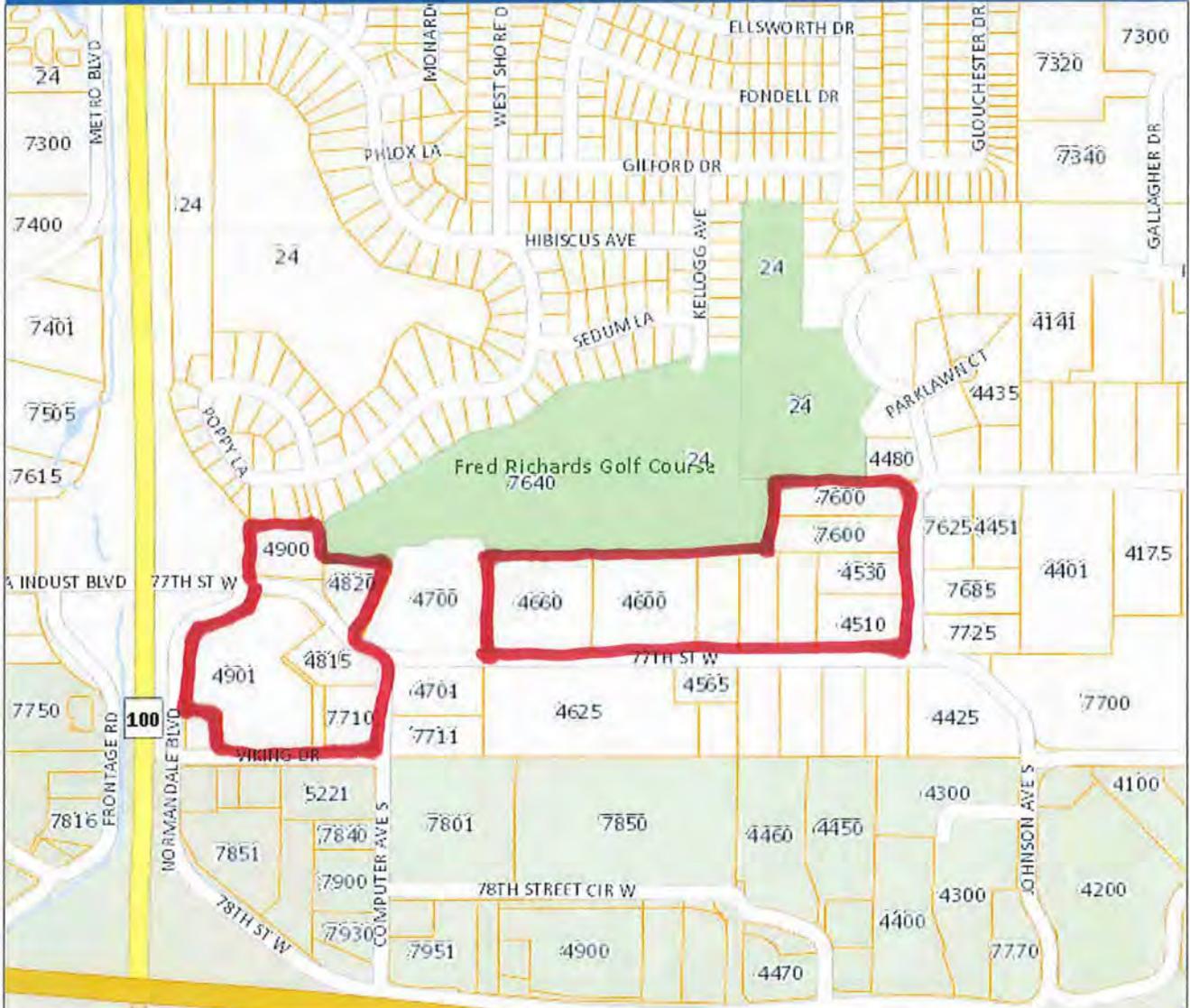


This map is a compilation of data from various sources and is furnished "AS IS" with no representation or warranty expressed or implied, including fitness of any particular purpose, merchantability, or the accuracy and completeness of the information shown.

COPYRIGHT © HENNEPIN COUNTY 2014

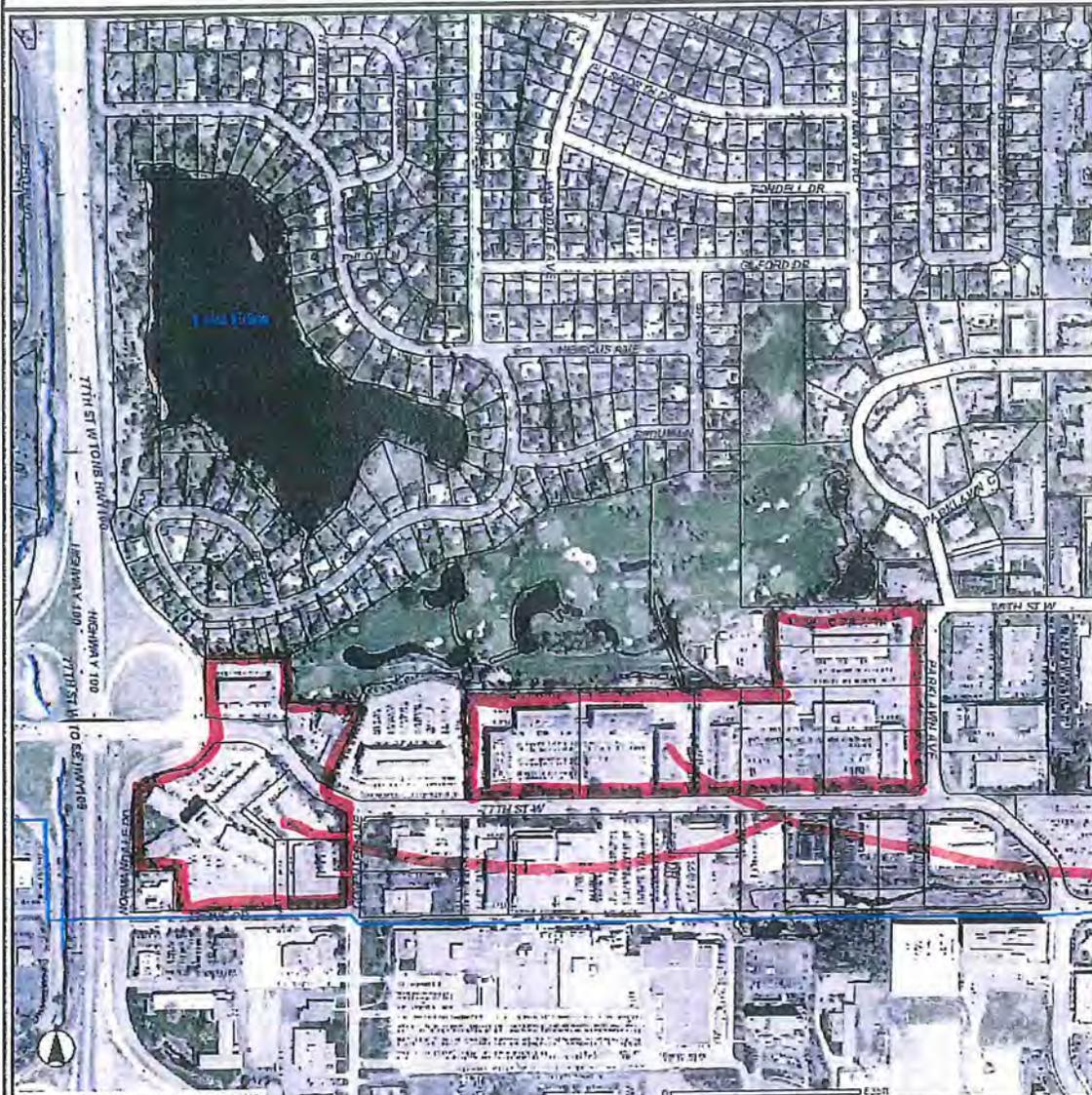


AI



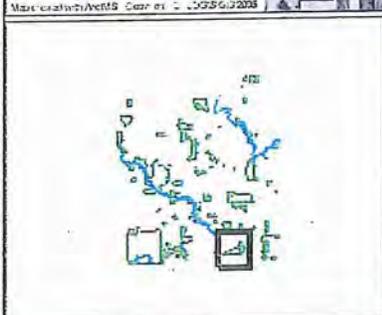
Parcel ID:	A-T-B:	Map Scale: 1" ≈ 800 ft.	
Owner Name:	Market Total:	Print Date: 2/20/2014	
Parcel Address:	Tax Total:	<p>This map is a compilation of data from various sources and is furnished "AS IS" with no representation or warranty expressed or implied, including fitness of any particular purpose, merchantability, or the accuracy and completeness of the information shown.</p> <p>COPYRIGHT © HENNEPIN COUNTY 2014</p> <p> Tilink Green!</p>	
Property Type:	Sale Price:		
Home-stead:	Sale Date:		
Parcel Area:	Sale Code:		

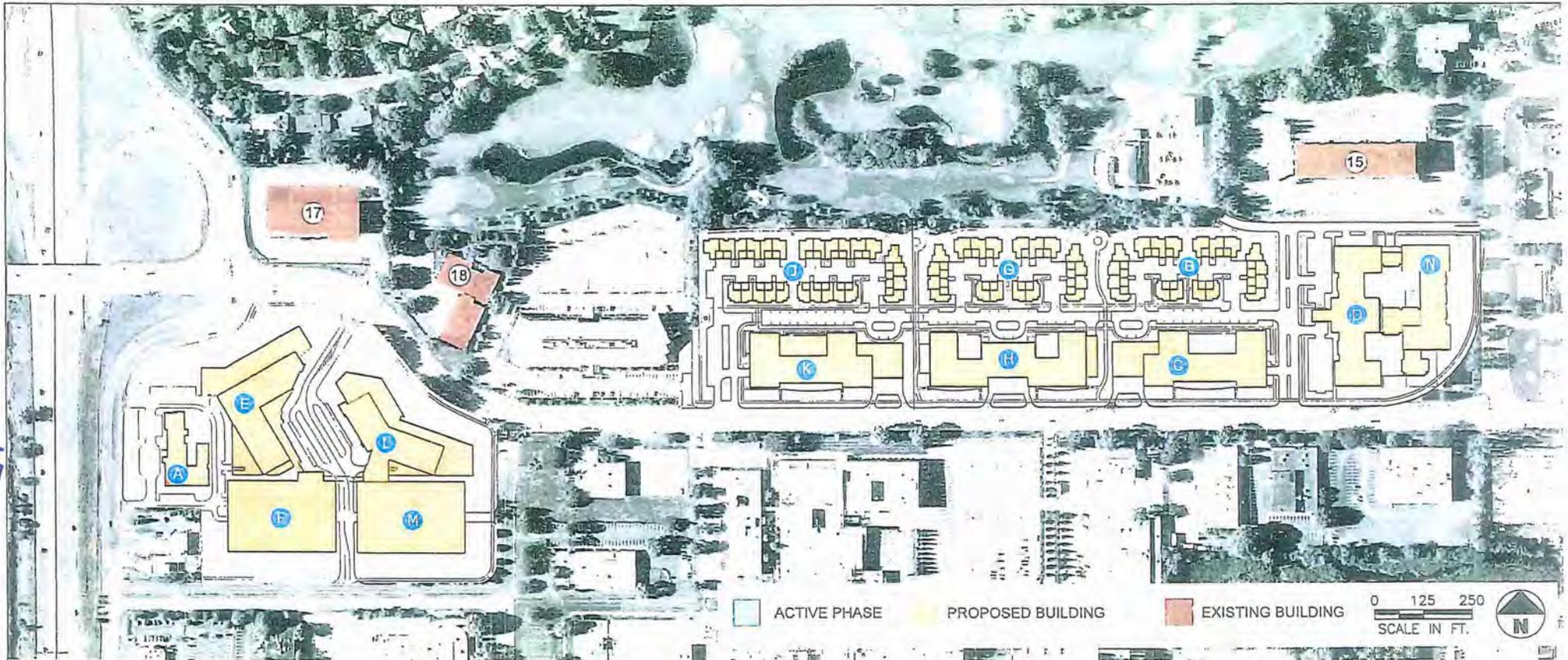
City of Edina



- Legend
- Highlighted Featur
 - Street Name Labe
 - City Limits
 - Creeks
 - Lake Names
 - Parcels
 - 2006 Aerial Photo

SUBJECT
SITE





A5

OVERALL DEVELOPMENT PLAN (EXISTING)

- 15 7600 PARKLAWN
85,632 gsf
- 17 BURGUNDY PLACE
36 UNITS (MIXED USE)
16,560 gsf
- 18 WALSH TITLE
21,000 gsf (OFFICE)

- A A- LOFT HOTEL
80,000 gsf
150 ROOMS
- B TOWNHOME 1
18 UNITS
- C INDEPENDENT LIVING 1
122 UNITS
- D ASSISTED LIVING 1
103 UNITS
- E WEST BUILDING (4-10 STORIES)
377,375 gsf (OFFICE)
- F WEST PARKING
6 LEVELS
1,200 STALLS
- G TOWNHOME 2
18 UNITS
- H INDEPENDENT LIVING 2
122 UNITS
- J TOWNHOME 3
26 UNITS
- K INDEPENDENT LIVING 3
122 UNITS
- L EAST BUILDING (4-11 STORIES)
360,000 gsf
- M EAST PARKING
6 LEVELS
1,200 STALLS
- N ASSISTED LIVING 2
103 UNITS

Pentagon Park Narrative

Background

When constructed in the 1960's, Pentagon Park was a state-of-the-art office complex located on approximately 42 prime acres in the northeast quadrant of Interstate I-494 and Highway 100 (Exhibit 2). It featured 8 three story buildings and one four story building surrounded by surface parking north of W. 77th Street ("North Parcel") and a "tower" of six stories in the southwest parcel surrounded by randomly placed one story office buildings with surface parking lots between ("South Parcel"). The complex – like Southdale, the innovative 1950's era indoor shopping mall – was designed to accommodate the emerging car culture that was sweeping the country.

Unlike Southdale, which was originally conceived to be a more complete mixed-use development, Pentagon Park was always intended to be office-focused and auto-centric. Access to the campus or getting to a restaurant for lunch was virtually impossible without a car.

Today, the moribund buildings of Pentagon Park sit amidst a sea of surface parking lots, testament to changing times and tastes (Exhibit 6). Pentagon Revival, the development entity, has "stabilized" some of the buildings, attracting new tenants but the office park has outlived its useful life and the Applicant intends to completely re-imagine and rebuild on the site.

The Applicant's affiliates own or control all of the property described in the Application which includes the parcels identified as the "North Parcel", "South Parcel", "Walsh Title" and 7710 Computer Avenue (collectively, the "Property").

Context (Exhibits 3 and 4)

Immediately north of the North Parcel is Fred Richards Golf Course, an approximately 42-acre City-owned and operated facility which is separated from Pentagon Park (Exhibit 5). The City is in the process of evaluating the use of the Fred Richards land as a golf course and determining whether it should remain a golf course or be "repurposed" to another public use. North of the golf course is the Lake Edina neighborhood, which comprises single family houses, many of which surround the small lake. To the east of Pentagon Park is a district that includes a mix of business and multi-family housing. To the south, along West 77th Street, are a variety of businesses, the largest of which is Seagate Technology.

The Nine Mile Creek Regional Trail will be constructed in 2015 and is proposed to be located along the northern property line of Pentagon Park. The exact configuration of the Regional Trail is not final. Depending on the future disposition of the golf course, the Regional Trail could shift north onto City property.

The south/west portion of Pentagon Park is bounded by W. 77th to the north, Computer Avenue to the east, Viking Drive to the south and Normandale Road and Highway 100 to the west. A variety of businesses are located in the surrounding area.

The Applicant

The Applicant's membership includes Hillcrest Development, LLLP ("Hillcrest"). Hillcrest's Managing General Partner Scott Tankenoff is the face of the Applicants development team. Scott has been the Managing Partner of Hillcrest since 1990. Hillcrest was founded in 1948 and is now a third generation company specializing in commercial renovation to suit its clients' facility needs for office, hi-tech, biotechnology-medical research, light assembly, warehousing, manufacturing, and other commercial purposes.

Membership in the Applicant is also owned by an affiliate of Mark Raunenhorst. Mark has decades of development and construction expertise in most sectors of real estate development, including, office, retail and multi-family residential.

All of Hillcrest's projects (over eighty to date) have been fully designed, developed, built, leased, managed, and owned by Hillcrest. Hillcrest has its own internal construction, leasing, and management groups. Hillcrest has enjoyed success in its business and renovation projects due to its hands-on approach toward redevelopment. Hillcrest's in-house development team consists of experienced construction, design, leasing, management, operations, and accounting personnel. This "hands-on" approach streamlines the efficiency of the projects and provides for a quicker occupancy for Hillcrest's clients.

Membership in the Applicant is also owned by an affiliate of Mark Raunenhorst. Mark has decades of development and construction expertise in multiple sectors of real estate development, including, office, retail and multi-family residential.

The Application

The Applicant is seeking approval of the land uses, maximum densities and maximum building heights for the project. The Exhibits that accompany the Application illustrate several aspects of the Applicant's proposal. Specifically, the Applicant requests:

- a. Land Use.
 - i. Hotel, office and retail on the South Parcel.
 - ii. Office and retail on the North Parcel, Walsh Title and 7710 Computer Avenue Parcels.
 - iii. Potential multi-family residential on the Property.
- b. Densities.
 - i. 425 room hotel.
 - ii. 1,400,000 square feet of office.
 - iii. 40,000 square feet of retail.

c. Height (Exhibit 15)

- i. 12 stories on the South Parcel and 7710 Computer Avenue Parcel.
- ii. In the future, the Applicant may request a Comprehensive Guide Plan amendment for a hotel of over 12 stories in the location on the west side of the South Parcel, identified on Exhibit 15.
- iii. 2 stories on the Walsh Title Parcel.
- iv. 4 and 5 stories on the North Parcel.

(Exhibits 13 and 14)

In response to the unknown future use of Fred Richards, the Applicant will present multiple options with respect to the configuration of stormwater and green space amenities.

As discussed with the City Staff and presented at Sketch Plan review before the Planning Commission and City Council, the Property needs to be rezoned to a Planned Unit Development in order to achieve the requisite density and land. Accordingly, the Applicant has filed these applications for the Property to be rezoned to a Planned Unit Development (“PUD”) and for Preliminary Development Plan approval.

The proposed redevelopment of the Property is a unique opportunity. The redevelopment of the Property will do to the northeast quadrant of Interstate I-494 and Highway 100 what Centennial Lakes did for the southeastern portion of the City and what Normandale Lakes has done for the City of Bloomington. The unique opportunity and aspect of the Applicant’s requests include substantial and procedural characteristics that include, with limitation:

1. The fact that the redevelopment of PUD is very different than the previous Planned Unit Development zoning districts that have been approved and adopted by the City, for several reasons, including, without limitation:
 - a. While the current improvements are in severe blighted condition, the buildings could be stabilized if the PUD is not approved.
 - b. Stabilization would prevent redevelopment of the Property for another generation, and would cause for a massive lost opportunity, especially with the potential change in the use of Fred Richards.
 - c. The size of the Property and proposed multi-phased project.

JAN 22 2014

AS

- d. The long term use of Fred Richards is unknown and a PUD will provide flexibilities to respond to change in use of the golf course, allowing for the integration of Pentagon Park into a repurposed Fred Richards.
2. The proposed land uses, densities and building heights are either consistent with or less intense than what the Comprehensive Guide Plan, City Code and AUAR (updated in the summer in 2013) allow or anticipate. The requested density is less than alternatives in the AUAR and is close to the total gross square footage approved in the failed Gateway Plan approved by the City in 2008.
3. Because of the unique characteristics of the PUD request including the multi-phased development and the Applicants need to terminate leases or relocate tenants in the current office tower on the North Parcel prior to March 31st; the Applications for rezoning and Preliminary Development Plan do not contain architectural renditions, landscaping plans, drainage/grading plans or the other detailed plans called for in the City's form application submittal checklist. The details will not be available until Final Development Plan approval is requested by the Applicant when each phase is ripe for development. At each final stage, the Applicant will appear before the City Council and Planning Commission at sketch plan and Final approval, in addition to the Applicant's communication with City Staff, Planning Commissioners and elected officials.
4. While at the Sketch Plan meeting before the Planning Commission, certain commissioners requested additional detail on the Applicant's plan, including the relationship between pedestrians and the buildings on the North Parcel, the Applicant is not able to present more detail because the users and market factors are unknown. This is a market driven project. Certainty and time efficiency is necessary for success in today's market: which is a different paradigm then previous market conditions.
5. As discussed in this Narrative and illustrated in the Exhibits, Pentagon Park as a PUD will satisfy the PUD requirements of the City Code, because, as the Applicant has represented, the project will:
 - a. Create a development that is consistent with the Comprehensive Guide Plan;
 - b. Promote creative and efficient approach to land use;

JAN 27 2014

- c. Provide variations to the strict compliance of the Code in order to improve design and to incorporate design elements that exceed City Standards to offset the effect of the Code deviation;
 - d. Include sustainable design, greater utilization of new technologies in building design, special construction materials, landscaping, lighting, storm water management, pedestrian-orientated design and podium height at a street or transition to residential neighborhoods and parks;
 - e. Ensure a high quality of design;
 - f. Maintain or improve the efficiency of public streets;
 - g. Preserve and enhance site characteristics; and
 - h. Allow for mixing of land uses.
6. The Applicant requires preliminary approval of the PUD and the Preliminary Development Plan by March 18th (which is the last City Council meeting in March), so the Applicant has certainty on the uses, height and densities that will be allowed for the project. The Applicant is willing to proceed to move or terminate the existing tenants based on preliminary approvals, even though the PUD ordinance and Final Development plans will not be approved until the Applicant has submitted for Final Development approval, for each phase.
 7. The risk/reward of granting preliminary approval without submittal of detailed plans (including architectural plans) are properly weighted, because the Applicant bears more risk than the City; and, notwithstanding the lack of 'architectural' detail, the Applicant is willing to include items in the preliminary approval that include, without limitation, the following (which line up in large part with the 6 disciplines that the Council members, staff, Planning commission and neighbors have requested and are discussed in detail below):
 - a. A higher % of green space (including water/ponding areas) than what is required by code.
 - b. Storm water management (a majority) to be an amenity.

JAN 22 2014

- c. Storm water retention and clarification/treatment to current standards.
 - d. Encourage bicycle and pedestrian transit; we need to provide more than an outside bike rack and one stall shower at Pentagon Park.
 - e. Provide upgraded transit shelters (two at a minimum).
 - f. 77th Street upgraded consistent with November 6, 2013 plans and details, once 100,000 square feet or more of new development is in process or completed.
 - g. 76th Parkway and green streets (north/south) once 80-85% of Pentagon Park's new development construction is in process or completed.
 - h. Upgrade Parklawn once 80-85% of Pentagon Park's new development construction is in process or completed.
 - i. Design similar/consistent with LEED standards; TBD (needs more study and understanding).
 - j. Consideration of solar, especially on buildings north of 77th Street.
 - k. Upgrade streets; upgrade pedestrian access around south parcel once construction on the South parcel is 80-85% in process or completed.
8. The Preliminary Approval will have more than sufficient project detail, procedural conditions, goals and standards to guide and define what is required in the Final Development Plan for each phase. Architectural details would have to be reviewed and approved under the current MDD-6 category in any event: a PUD provides commercial densities to enable meaningful redevelopment of the Property to be feasible.

The Vision

The Applicant proposes to transform the Pentagon Park project area in phases, into a state-of-the-art development with an emphasis on office use. Other uses, including a hotel, restaurants and convenience retail, are all planned for the project. Housing will also be considered. The final mix of uses will depend on market demands.

The Applicant has: (i) held two neighborhood community open houses; (ii) conducted a series of interviews, meetings and presentations with City Staff and elected officials; (iii) appeared at

numerous joint City Council and Planning Commission workshops; (iv) appeared at multiple Rotary meetings and Chamber of Commerce events; and (v) presented the project at Sketch Plan review before the Planning Commission in December 2013 and to the City Council on January 7, 2014. These were productive and informative sessions that led the Applicant to identify various issues (Exhibit 7) and to develop an overall goal of integrating green infrastructure throughout the site, resulting in improved connectivity and porosity and linking transit, open space and the broader community to Pentagon Park (Exhibit 12). An additional **six primary principles** (Exhibits 7 and 8) were developed through intake and discussions over many months of meetings with Council members, City Staff, neighbors and professionals, all of which will be integrated into any future plan of the site:

Establish Green Streets (Exhibits 22 – 26) – The project will include a familiar pattern of streets and blocks as opposed to the current superblock design. The green streets will serve multiple needs, with the following goals:

- Allow access into and out of the district, parking structures and to the City-owned property.
- Provide “front door addresses” for businesses and other uses.
- Integrate space for stormwater management.
- Include on-street, parallel parking, to help reduce dependence on surface parking lots.
- Provide continuous sidewalks for pedestrians on both sides of streets.
- Include additional amenities, such as street trees, pedestrian-scale lighting, landscaping.

Develop Integrated Stormwater (Exhibits 9 - 10 and Exhibits 16 – 21) – Stormwater currently sheet drains off the Pentagon Park site without clarification/treatment, or any substantive retention, burdening city infrastructure on 77th Street and negatively impacting adjacent water bodies in the Fred Richards Golf Course area. The new development proposes to properly manage all stormwater on-site or in conjunction with a change in use of the Fred Richards with the following goals:

- Celebrate water creatively as an amenity (Exhibit 9), and integrate it into the overall Master Plan.
- Connect the northern and southern sites with a surface water course.
- Provide “urban” infiltration basins (in lieu of standard basins) and/or “treatment trains” to cleanse water and allow it to penetrate and recharge the groundwater system.
- Capture and re-use stormwater for irrigation and other potential uses.
- Use the stormwater system as a focus for recreation throughout the site.

Create a Pedestrian Friendly 77th (Exhibit 22) – W. 77th Street is currently a five lane arterial road, with a continuous center lane used to turn both north and south into businesses at numerous locations. Currently, there is an inadequate 4’ sidewalk immediately behind the curb on the south side and no sidewalk on the north side. There is a lack of access to transit

stops along 77th and poor connections to business for pedestrians or bicyclists. The City right-of-way only extends from curb to curb. The new development proposes the following:

- Work with private land owners (e.g. Pentagon Park, Seagate, and other businesses) to gain easements for gracious pedestrian sidewalks, enclosed transit shelters, street trees and pedestrian-scale lighting on both sides of 77th.
- Connect to Green Streets (to the north) and consolidate and align business access roads (to the south) to allow for development of a landscaped center median with left turn lanes at new intersections.
- Provide safe and clearly defined crosswalks at green streets/business access roads, with pedestrian “refuge” areas in the center median.
- Identify one significant intersection of the redevelopment site to potentially receive a traffic signal.
- Provide two 11’ through-traffic lanes in each direction to retain current street capacity for through traffic.

Provide Key Connections (Exhibits 10, 14 and 16 – 21) – Presently, the south/west site – also called the “Tower Site” is an isolated island in the district and completely disconnected from the north/east site. Roads and fences further isolate Pentagon Park from its immediate and more distant neighbors. Links to transit do not meet current accessibility standards. The project will include the following:

- If the golf course on Fred Richards is decommissioned and transformed to a multi-purpose public space, the Applicant will pursue connections between the Tower Site and the North Parcel with a new bridge and underpass(Exhibit 10) beneath W. 77th, with enough clearance to allow bikes, pedestrians and a water channel to all pass beneath.
- Provide one connection to the new regional trail at the 77th underpass to the south/west site and another near the east end of the site to 77th to allow safe and easy access to improved transit shelters.
- Integrate the North Parcel with Fred Richards, by extending “green streets” south through the new development to 77th (Exhibit 25) .
- Provide sidewalks, safe crosswalks and other pedestrian-friendly facilities within the site to promote walking within the development, to transit and to other nearby places.

Promote Multimodality (Exhibits 12 and 22 – 26) – At present, Pentagon Park and the surrounding district still rely heavily on car use. With all the issues related to favoring the car – oil dependency and the cost of gas, air pollution and ensuing climate change, social equity, etc. – this development will strive to promote multimodal access to the site, promoting easy access to the public . The proposal recommends the following:

- Provide safe access to transit shelters on 77th, and make them comfortable and inviting.

JAN 22 2014

- Link the regional trail to and through the new development to connect with transit to promote bicycle use as a serious form of transportation as well as a recreational one.
- Provide state-of-the-art bicycle facilities, including a repair facility, dedicated spots for shower and inside bike lockers.
- Create “complete streets” within the new development by calming traffic and providing safe and inviting sidewalks throughout.
- Establish sidewalk connections to adjacent land uses to reduce dependence on the car and encourage walking.
- Develop a recreational system both that promotes walking, health and wellness.

Institute Shared Parking Strategies (Exhibit 11) – Currently, Pentagon Park is characterized by large surface parking lots, single-use facilities that consume vast amounts of land and sat empty at many times even during the heyday of the office park. This development aims to reduce surface parking lots using a multi-pronged strategy for parking. The following are recommended:

- Invest in parking structures that are integrated into and serve the architecture of newly constructed buildings on the Property to the extent possible.
- Locate at least one parking structure in close proximity to the Fred Richards site for events that may take place there.
- Provide on-street parallel parking on all internal streets, including “bay parking” on the parkway street.
- Provide one level of below-grade parking beneath buildings (one level is feasible).

A number of concept diagrams were developed to illustrate how these principles could be translated onto the Pentagon park site and illustrate potential redevelopment scenarios (Exhibits 16,17,19-21). Based upon feedback provided by Staff, Community, Planning Commission and Council a hybrid concept was developed (Exhibit 18) that reflected additional public comments. Although, the details of the redevelopment will change depending upon market forces, it reinforced the strong community interest in the site and the redevelopment process. It was clear a strategic process was needed to achieve the results all stakeholders desired.

Planned Unit Development (PUD)

The creation of a Planned Unit Development District is appropriate for a site of this size and potential. The Mayor, Council and Planning Commission, in addition to the Applicant and Staff, are in agreement that this project offers unique opportunities that exceed normal City standards for the current zoning classification (MDD-6).

In addition, the land use, height and density requests of the Applicant are either consistent with or less intense than requirements described in the Guide Plan, Code and AUAR.

A two-step planning process is required to achieve the redevelopment goals the community has identified and the quality of development the Applicant envisions (Exhibit 1). The redevelopment of approximately 42 acres will take a number of years to achieve and flexibility is needed to capitalize on opportunities as the market forces change over time. The two-step approach envisions a preliminary PUD approval (step-one) which will set the overall land use, height and density requirements for the site and allow the Applicant to begin to market the overall concept of the Pentagon park redevelopment to potential tenants. The second-step will bring forward individual site development proposals for final PUD approval, allowing the City to review detailed project features at a sketch plan level and at a final development level. This provides the City with final approval of any projects to be constructed at Pentagon Park.

As summarized above, the Preliminary PUD approval being sought in this submittal focuses on three primary aspects: land-use, density and height (Exhibits 13-15).

South Parcel and 7710 Computer Avenue

The South parcel or "Tower Site" envisions approximately 500,000 gross square feet(GSF) of office use in multiple buildings that do not exceed 12 stories in height, approximately 25,000 GSF of service retail and restaurants to support proposed uses and the surrounding community and an approximately 375-425 room hotel that may exceed 12 stories depending upon the proposed hotel operator. The Applicant seeks approval of a 12 story concept in the Preliminary PUD approval, but may seek approval for additional stories at the time of Final approval if the hotel concept warrants consideration beyond the Preliminary PUD approval.

Parking ramps to accommodate approximately 1,400 vehicles to support the density and use envisioned on the South Parcel.

Walsh Title Parcel

Directly north of the South Parcel is the existing Walsh Title site. This is a remnant parcel from the historic Pentagon Park campus and provides a key connection point to link the South Parcel to the future regional trail and to Fred Richards. A two story of approximately 20,000 GSF Retail/Medical/Office use is envisioned for this site that supports surrounding uses and enriches the connection between the south parcel and the northern public green space. A combination of underground and surface parking is likely to support the proposed uses on this parcel.

North Parcel

The North Parcel situated between 77th Street and the southern edge of the Fred Richards site envisions approximately 900,000 GSF of office uses and approximately 15,000 GSF of retail. A residential component could potentially be included in the North Parcel if the market demand exists. A stepped approach to height is envisioned, transitioning from 5 stories adjacent to 77th Street to a maximum of 4 stories along Fred Richards to relate to the public open space and neighborhood to the north.

Four parking ramps accommodating at total of 3,600 vehicles are proposed to support the density of use envisioned on the North Parcel. The potential to share this parking with the

community to support uses on red Richards is a possibility as the vision for that site crystalizes over the next year.

Although, the redevelopment of Pentagon Park will be driven by market demand and the details of a final PUD plan will come at a later date, the Applicant envisions a master Preliminary Development Plan that is:

Sustainable – The redevelopment will strive to promote sustainability in every sense of the word, including creating a well connected, multi-modal project that encourages other means of movement than the car, employs active and passive solar energy systems, harvests, manages and re-uses rainwater on-site, promotes energy-efficient architecture and landscape, etc. This project has the potential to be a model for mixed-use office development. Consideration will be given to creating a LEED-ND (Neighborhood Design) project.

Innovative – The project will focus on innovation at all levels. The Preliminary Development Plan will propose integration of systems using district-wide strategies, including parking, management of water, circulation, heating and cooling. All systems will be addressed in concert. The synergies between systems can also extend to the adjacent City-owned property to further capture opportunities for innovation.

Contextual – The project will create a new paradigm for the Pentagon Park district, establishing a more familiar pattern of streets and blocks (may be of varying sizes). In essence, this new development will set the tone for the future of the district – more porous and more transit, bicycle and pedestrian friendly.

Adaptable – Cities typically consist of a framework of streets and blocks within which a variety of land uses can coexist and evolve over time. This project proposes to establish that framework and encourage all building to have adaptability as a key design criterion.

Incremental – It is also important to create a place that can evolve comfortably over time. This project will take many years to complete, but it needs to feel like a welcoming place early in the process. A well crafted public realm with well-conceived green and blue infrastructure will be critical to its success.

Efficient – Because this project will be designed from scratch, efficiencies in everything from road design, utilities layout, stormwater management, parking locations and synergies, to accommodations for increased transit service, can all be conceived during the final PUD planning process, resulting in a more cohesive and innovative development.

Aesthetically Pleasing – It is critical that the design of all facets of Pentagon Park, from architecture, landscape and infrastructure be aesthetically pleasing while functioning seamlessly together. With top-tier amenities and aesthetics, the project

January 22, 2014

will set itself apart from the competition, much like Centennial Lakes and 50th and France have in the past.

Health / Safety / Comfort – The project will promote walking, bicycling and transit use that makes them attractive, safe, and viable alternatives to the car. The design will create “complete streets” that serve all users equally, calming the car and providing the necessary infrastructure for safe walking and cycling. In addition, the design will provide recreational walking trails that connect to the regional trail and nearby streets to encourage walking over the noon hour or before and after work.

Economically Viable – By providing the innovative features that have been discussed in this narrative, the renewed Pentagon Park will create a buzz and attract businesses that might otherwise look elsewhere. Cool and livable environments have become requisite in today’s competitive workplace; providing the perks will translate to a stronger bottom line.

Podium Height – Edina has spent a great deal of time considering the impact of building height on the public realm. This redevelopment will honor that work by establishing appropriate podium heights in relation to setbacks from the street. It is important to remember that the best street envelopes are well-defined by architecture and landscape; the project guidelines need to find the sweet spot where buildings don’t overwhelm pedestrians but still provide a strong and attractive edge that defines a better public realm.

The Comprehensive Guide Plan challenges the City in its mission to

guide the development and redevelopment of lands, all in a manner that sustains and improved the uncommonly high quality of life enjoyed by our residents and businesses.

It is a once in a generation opportunity to be presented with an application for approximately 42 acres by an Applicant that not only currently owns or controls all of the Property, but understands the importance of the City’s mission statement and the relationship to a potentially re-purposed Fred Richards.

JAN 22 2014
CITY OF EDINA

**PLANNED UNIT DEVELOPMENT AND DEVELOPMENT PLAN APPROVAL
KEY DISCUSSION POINTS**

DATED January 22, 2014

The following are some key discussion points regarding the PUD and Preliminary Development Plan Applications:

1. The redevelopment of Pentagon Park is very different than the 5 or so other PUD's that have been approved and adopted by the City, because:
 - a. While the current improvements are in severe blighted condition, they can be stabilized if the PUD or TIF is not approved.
 - b. Stabilization would prevent the redevelopment of Pentagon Park for another generation, and would cause for a massive lost opportunity, especially with the potential change in the use of the FRED.
 - c. The size of the Project.
 - d. Phased re-development over a long period of time.
 - e. We do not know the long term use of the FRED.
2. The proposal in our Applications is a result of over a year of intake, including many meetings with Staff and elected officials and the Sketch Plan meetings before the PC and Council.
3. What we are asking for with respect to use, density and height is either consistent with or less intense than what the Guide Plan, Code and AUAR allow or anticipate. We are willing to keep residential as an alternative with office and retail. The density is less than alternatives in the AUAR and is close to the total square footage that the Kaminsky plan included. Regarding height, we are willing to build 4 and 5 story buildings on the North Parcel when the Code allows for 12. As we discussed, we need 12 stories for the South Parcel with the understanding that we also want the opportunity to discuss a hotel building of over 12 stories as per our plans we have shown.
4. Because of the unique characteristics of this PUD request as compared to others, and our need to terminate or move existing tenants prior to March 18, 2014, our Preliminary PUD and Preliminary Development Plan will not contain architectural, landscaping, drainage/grading or other details. The details will not be fleshed out until the final development plan approval is requested on each phase. At each final stage, we will appear

January 22, 2014

before Council at sketch plan and final approval, in addition to consistent communication with City Staff, Planning Commissioners and elected officials.

5. While we understand that certain PC members asked to see more detail, especially the relationship between pedestrians and the buildings on the North Parcels, we are not prepared to present more detail because we do not know who our users are or what the market will bear. We have and can continue to refine the detail improvements on 77th and the street scape, in order to illustrate that we are committed to make the Project much more pedestrian friendly and we have shown our commitment to tie the Project into the FRED if the use of the FRED changes.
6. This Project fits into a PUD much more than the existing PUDs because, as we have represented, the City will be receiving many, if not all of the following (taken from the general PUD ordinance):
 - a. Creates a development that is consistent with the Comprehensive Guide Plan.
 - b. Promotes creative and efficient approach to land use.
 - c. Provides variations to the strict compliance of the Code in order to improve design and to incorporate design elements that exceed City Standards to offset the effect of the Code deviation. The design elements include, sustainable design, greater utilization of new technologies in building design, special construction materials, landscaping, lighting, storm water management, pedestrian-orientated design and podium height at a street or transition to residential neighborhoods and parks.
 - d. Ensures a high quality of design.
 - e. Maintains or improves the efficiency of public streets.
 - f. Preserves and enhances site characteristics.
 - g. Allows for mixing of land uses.
7. We agree to (i) appear before the Council every four months for update on redevelopment activity or when requested, in addition to the appearances required as part of the Application process; (ii) appear before the Planning Commission for updates as requested; and (iii) appear for sketch plan review in front of the Planning Commission and City Council when we seek final approval for each phase of the redevelopment.

8. We need the Preliminary Approval at the March 18th City Council meeting, so we know the uses, height and densities that will be allowed for the Project. We are willing to proceed ahead with moving/terminating our tenants based on the Preliminary Approval, even though the approvals are not final, until we have submitted for final development approval and a PUD Ordinance has been adopted.

9. The risk/reward is properly weighted, because we really have more risk than the City, and, notwithstanding the lack of 'architectural' detail, we are willing to include items that include, without limitation the following(which line up in large part with the 6 disciplines that the Council members, staff, Planning commission and neighbors have requested):
 - a. A higher % of green space (including water/ponding areas) than what is required by code.
 - b. Storm water management (a majority) to be an amenity.
 - c. Storm water retention and clarification/treatment to current standards.
 - d. Encourage bicycle and pedestrian transit; we need to provide more than an outside bike rack and one stall shower at Pentagon Park.
 - e. Provide upgraded transit shelters (two at a minimum).
 - f. 77th Street upgraded consistent with November 6, 2013 plans and details, once 100,000 square feet or more of new development is in process or completed.
 - g. 76th Parkway and green streets (north/south) once 80-85% of Pentagon Park's new development construction is in process or completed.
 - h. Upgrade Parklawn once 80-85% of Pentagon Park's new development construction is in process or completed.
 - i. Design similar/consistent with LEED standards; TBD (needs more study and understanding).
 - j. Consideration of solar, especially on buildings north of 77th Street.
 - k. Upgrade streets; upgrade pedestrian access around south parcel once construction on the South parcel is 80-85% in process or completed.

January 22, 2014

10. The Preliminary Approval will have more than sufficient project detail, procedural conditions and goals and standards to guide and define what is required in the Final Development Plan for each phase. The architectural detail would have to be reviewed and approved under the current MDD-6 category in any event.

STEP 1

March 31, 2014

PRELIMINARY APPROVAL

- Land Use
- Densities
- Building Height

STEP 2

Timeline = Market Driven

FINAL APPROVAL

- Infrastructures
- Architectural Massing & Articulation
- Building Materials
- Setbacks
- Landscape
- Parking & Access
- Streetscape

A22



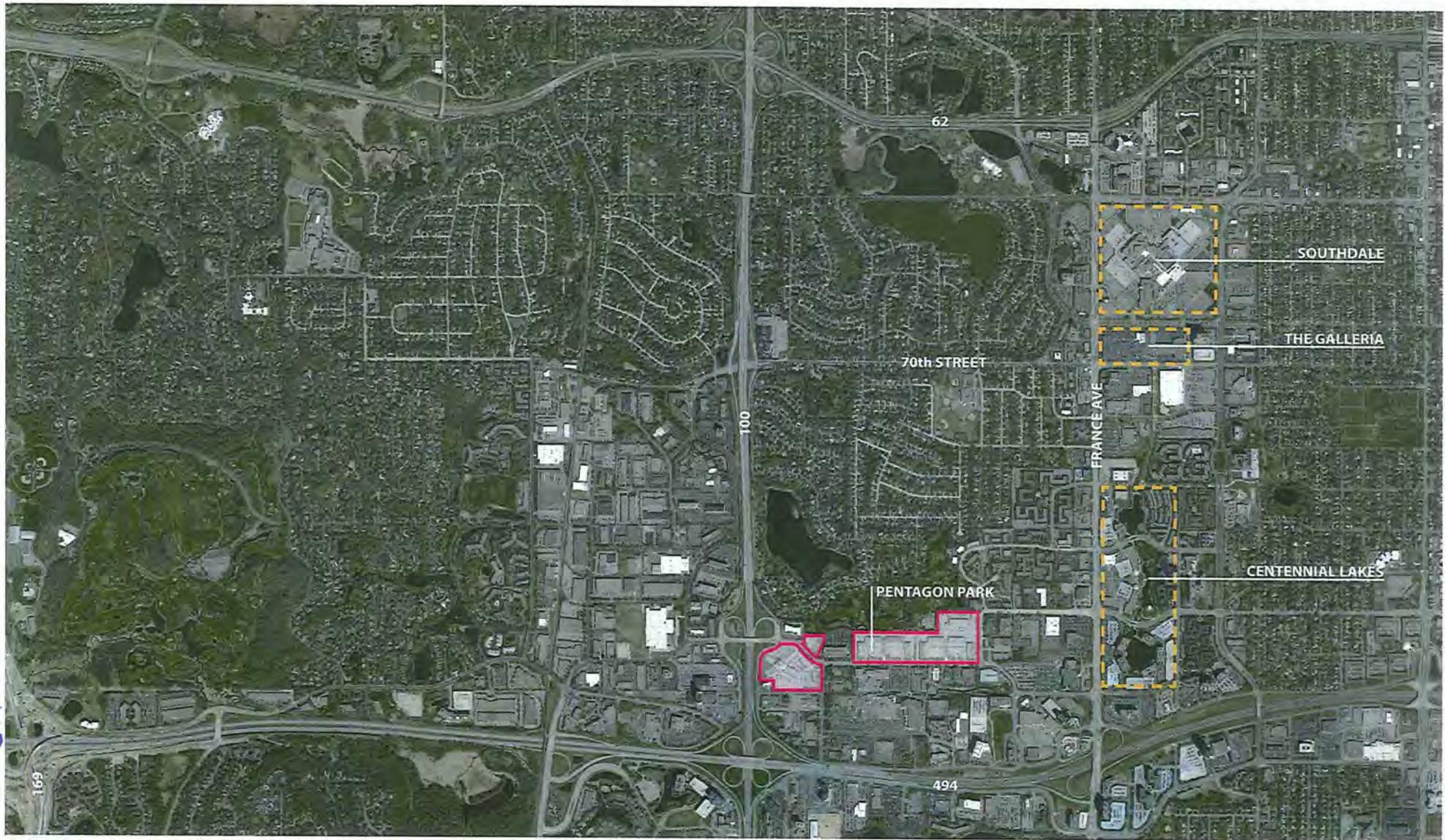


EXHIBIT 2
DAMON **FARBER** ASSOCIATES
BOB CLOSE STUDIO, LLC

AREA CONTEXT
EDINA, MN - DECEMBER 9, 2013

PENTAGON PARK





ACE

EXHIBIT 3

DAMON **FARBER** ASSOCIATES
BOB CLOSE STUDIO, LLC

EXISTING CONDITIONS
EDINA, MN - DECEMBER 9, 2013

PENTAGON PARK





EXHIBIT 4
DAMON **FARBER** ASSOCIATES
BOB CLOSE STUDIO, LLC

EXISTING CONDITIONS
EDINA, MN - DECEMBER 9, 2013

PENTAGON PARK



A&S

1 LOOKING SE TOWARDS PENTAGON PARK FROM FRED RICHARDS GOLF COURSE



2 LOOKING SOUTH TOWARDS PENTAGON PARK FROM FRED RICHARDS GOLF COURSE



3 LOOKING SW TOWARDS PENTAGON PARK FROM FRED RICHARDS GOLF COURSE, FAR EAST SIDE OF PROPERTY



IMAGE LOCATIONS



EXHIBIT 5
DAMON **FARBER** ASSOCIATES
BOB CLOSE STUDIO, LLC

EXISTING CONDITIONS
EDINA, MN - DECEMBER 9, 2013

PENTAGON PARK



WEST PROPERTY BOUNDARY



EXISTING PEDESTRIAN SPACE



EXISTING SEAM - NE CORNER OF PROPERTY



77TH STREET LOOKING EAST TOWARD PENTAGON PARK



EXISTING PARKING LOT



EXISTING SEAM - NORTH SIDE OF PROPERTY



EXHIBIT 6
DAMON FARBER ASSOCIATES
BOB CLOSE STUDIO, LLC

EXISTING CONDITIONS PENTAGON PARK
EDINA, MN - DECEMBER 9, 2013



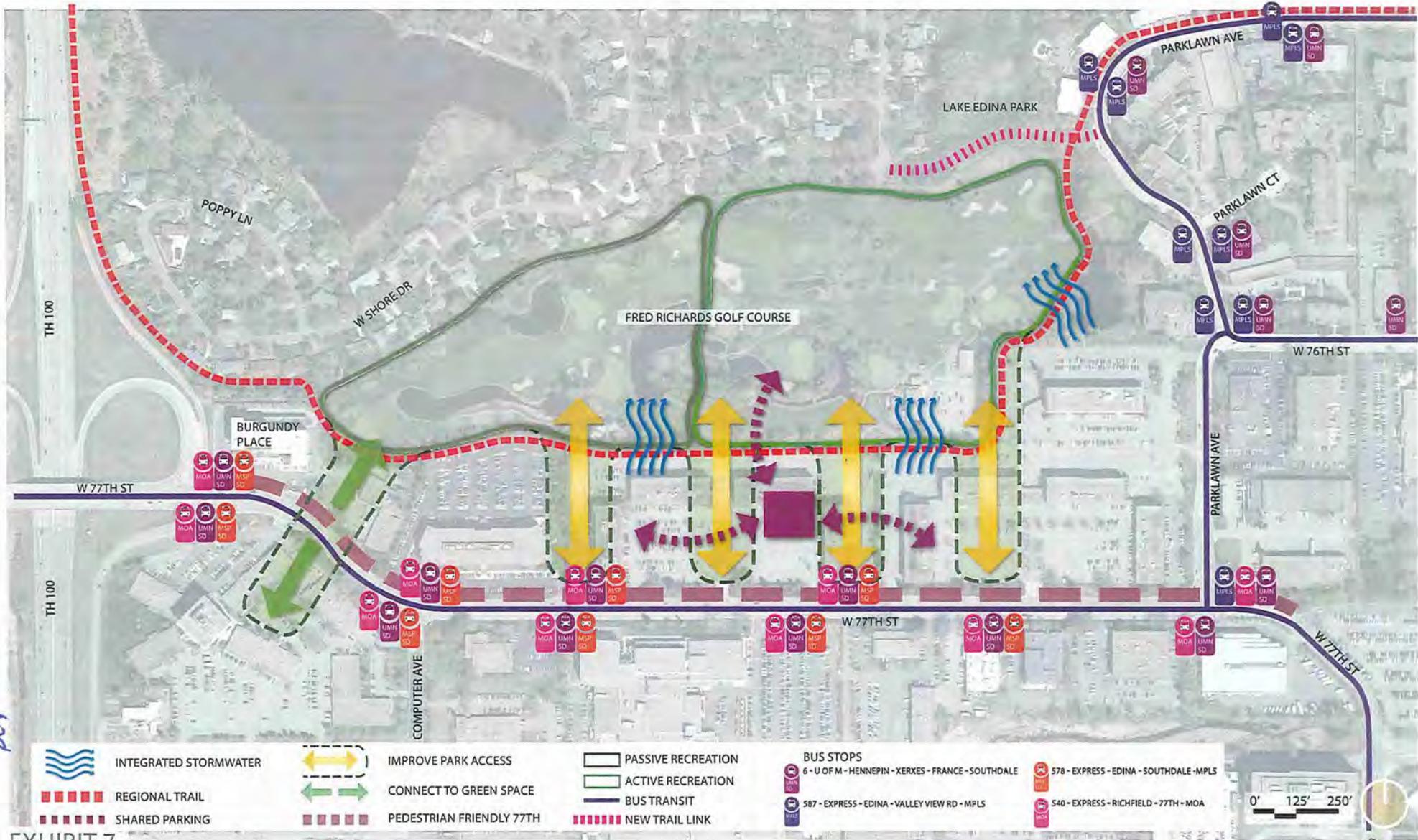


EXHIBIT 7
 DAMON **FARBER** ASSOCIATES
 BOB CLOSE STUDIO, LLC

ISSUES **PENTAGON PARK**
 EDINA, MN - DECEMBER 9, 2013



kar



GREEN STREETS



A24



INTEGRATED STORMWATER



PEDESTRIAN FRIENDLY 77TH



CONNECT WEST TO EAST



MULTIMODAL CONNECTIONS



SHARED PARKING





A30

EXHIBIT 9
DAMON FARBER ASSOCIATES
BOB CLOSE STUDIO, LLC

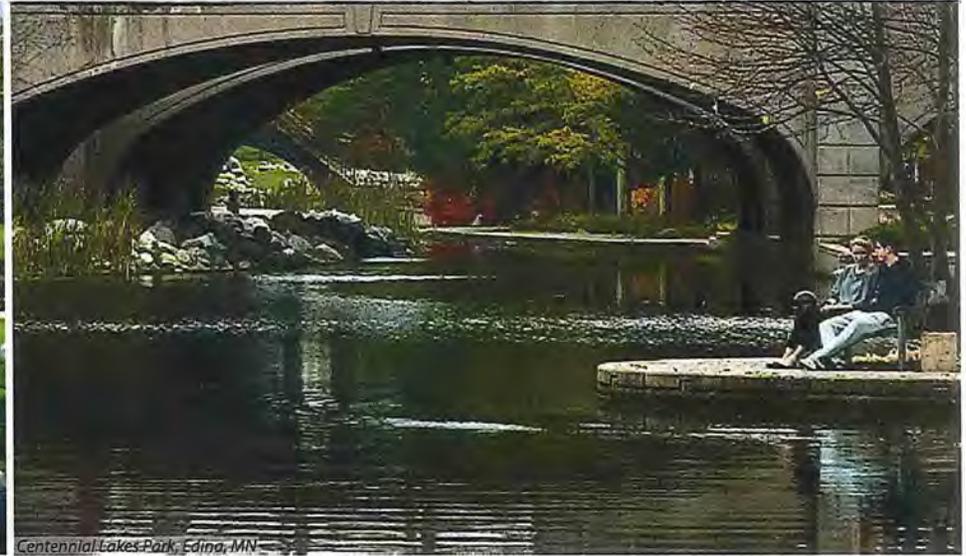
STORMWATER MANAGEMENT
EDINA, MN - DECEMBER 13, 2013

PENTAGON PARK





Centennial Lakes Park, Edina, MN



Centennial Lakes Park, Edina, MN

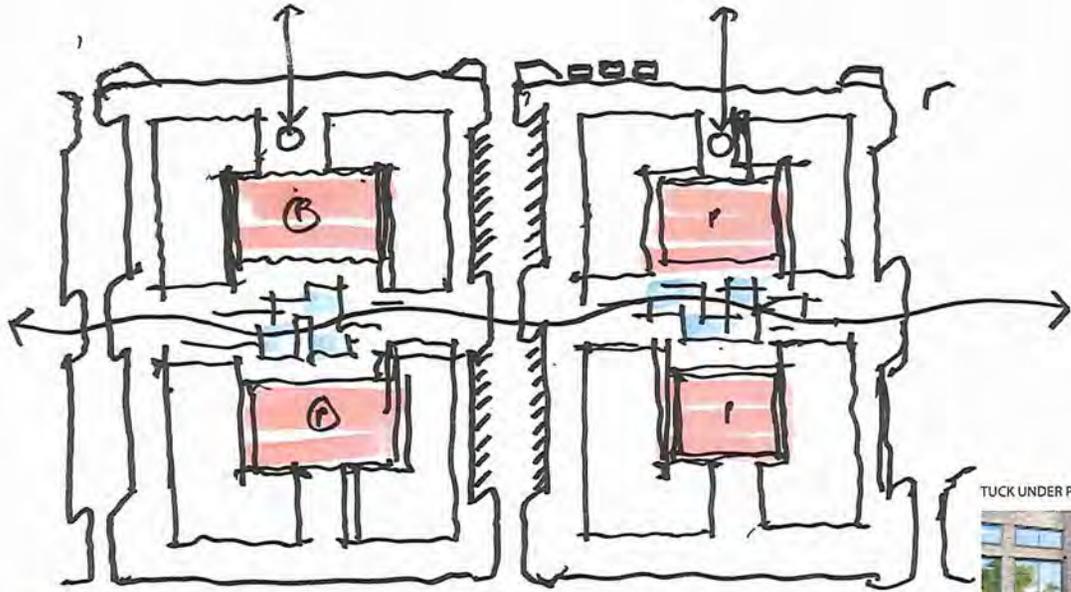
A31

EXHIBIT 10
DAMON **FARBER** ASSOCIATES
BOB CLOSE STUDIO, LLC

77TH AVENUE BRIDGE
EDINA, MN - DECEMBER 13, 2013

PENTAGON PARK





THREE PRONGED APPROACH TO PARKING:

1. Below-grade (1 level)
2. "Embedded" deck (maintain great addresses at perimeter)
3. Street Parking
 - Parallel
 - Diagonal
 - Parking Bays

K32

TUCK UNDER PARKING



TUCK UNDER PARKING



STREET PARKING - PARKING BAYS AT FRED RICHARDS



STREET PARKING - DIAGONAL



STREET PARKING - DIAGONAL



STREET PARKING - PARALLEL



STREET PARKING - PARALLEL



STREET PARKING - PARALLEL

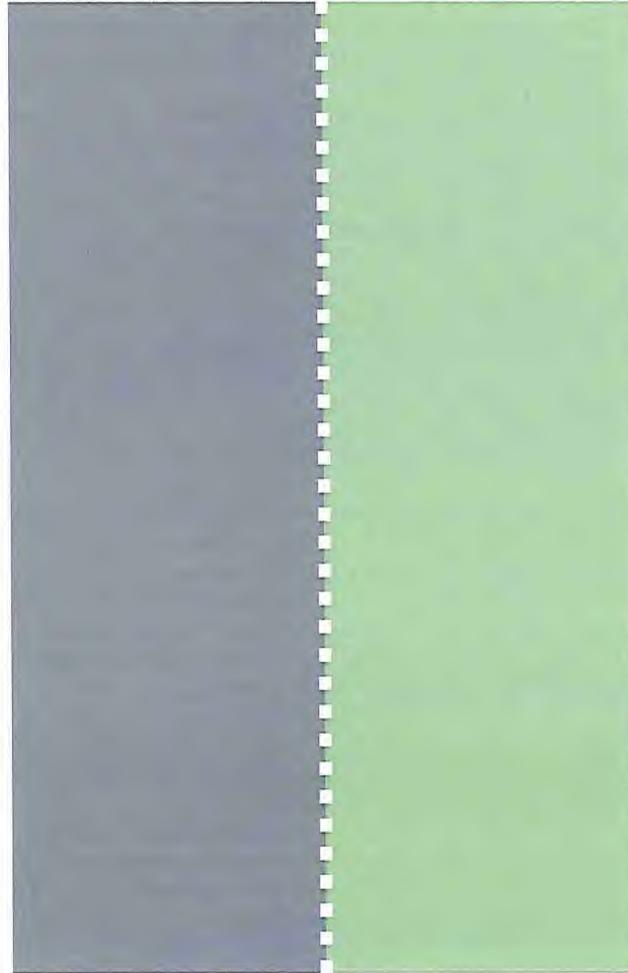


EXHIBIT 11
 DAMON FARBER ASSOCIATES
 BOB CLOSE STUDIO, LLC

EXISTING



EXISTING RELATIONSHIP



GOAL

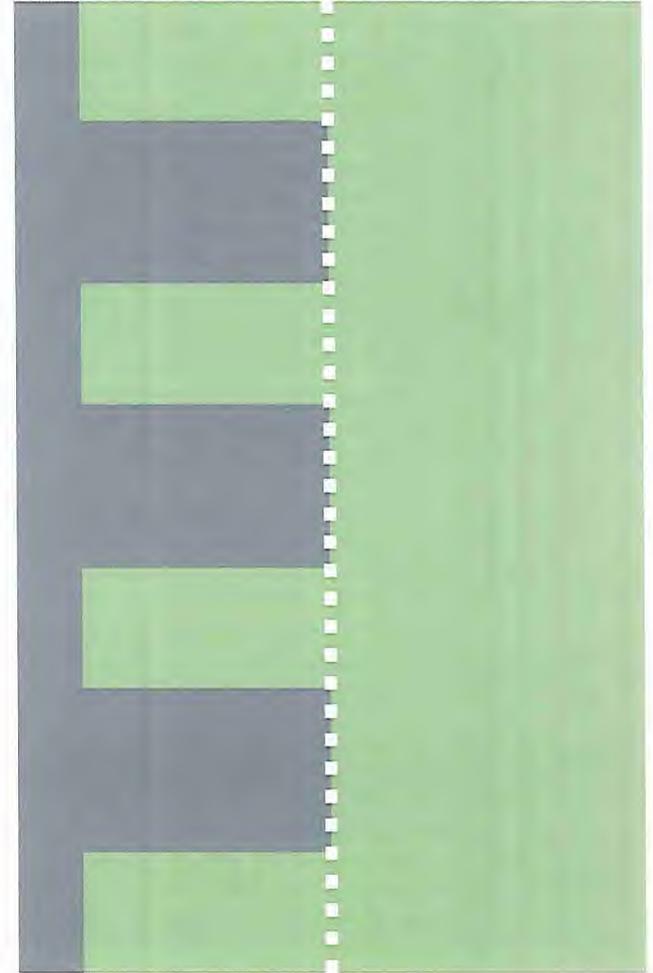


EXHIBIT 12
 DAMON **FARBER** ASSOCIATES
 BOB CLOSE STUDIO, LLC



UNLOCKING THE POTENTIAL
 EDINA, MN - DECEMBER 9, 2013

PENTAGON PARK



Key Statistics

Land Use

South Parcel: Hotel - 375 - 425 Rooms
 Office - 500,000 GSF
 Retail - 25,000 GSF
 North Parcel: Office - 900,000 GSF
 Retail - 15,000 GSF
 Walsh Tile: Retail/Medical/Office - 20,000 GSF

Structured Parking

A 1,400 STALLS
 B 1,400 STALLS
 C 800 STALLS
 D 800 STALLS
 E 800 STALLS
 F 1,200 STALLS

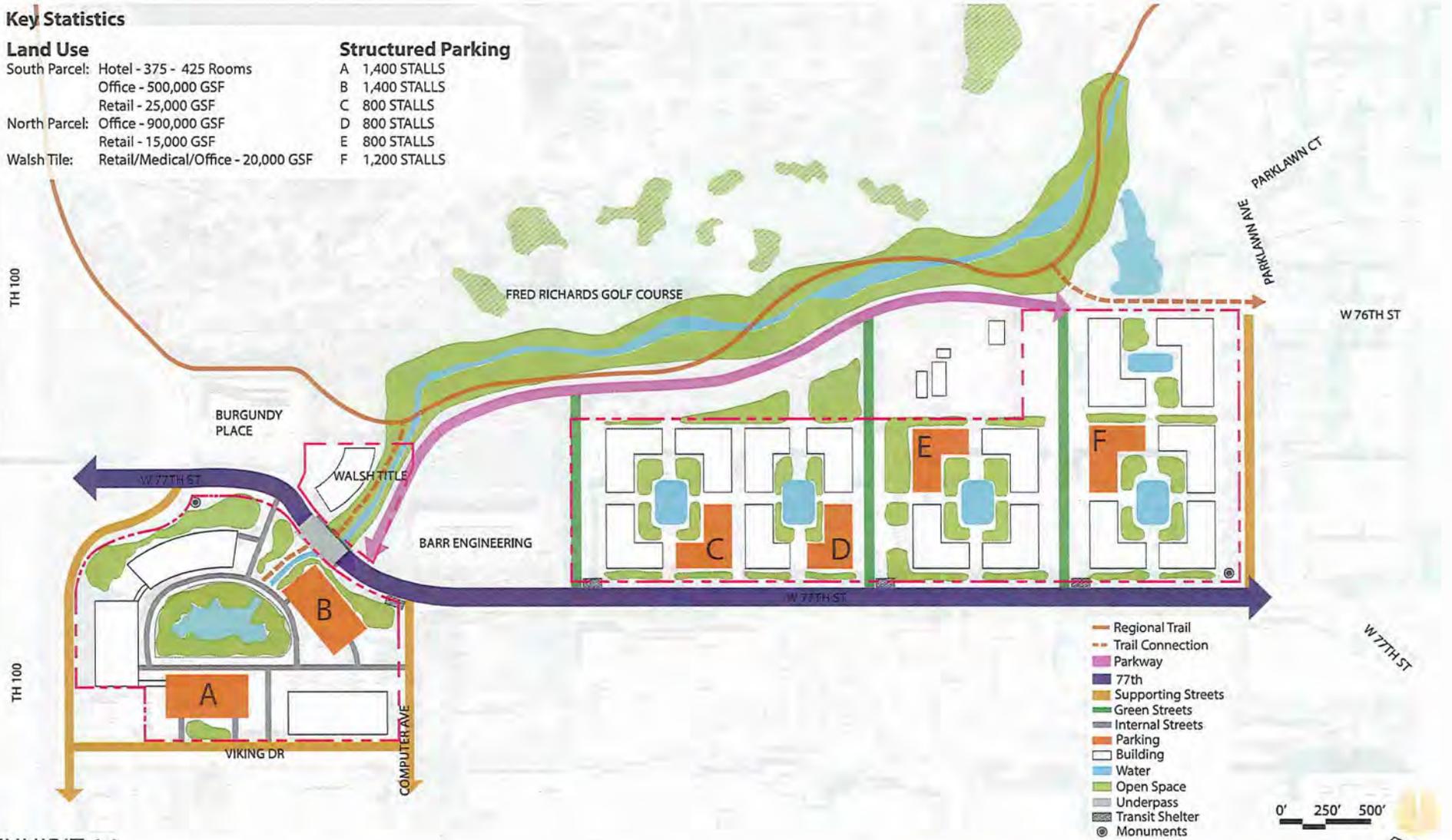


EXHIBIT 14
 DAMON FARBER ASSOCIATES
 BOB CLOSE STUDIO, LLC

PRELIMINARY PLANNING COMMISSION TIF DIAGRAM OPTION 2
 EDINA, MN - DECEMBER 13, 2013

PENTAGON PARK



Key Statistics

Land Use

South Parcel: Hotel - 375 - 425 Rooms
 Office - 500,000 GSF
 Retail - 25,000 GSF
 North Parcel: Office - 900,000 GSF
 Retail - 15,000 GSF
 Retail/Medical/Office - 20,000 GSF

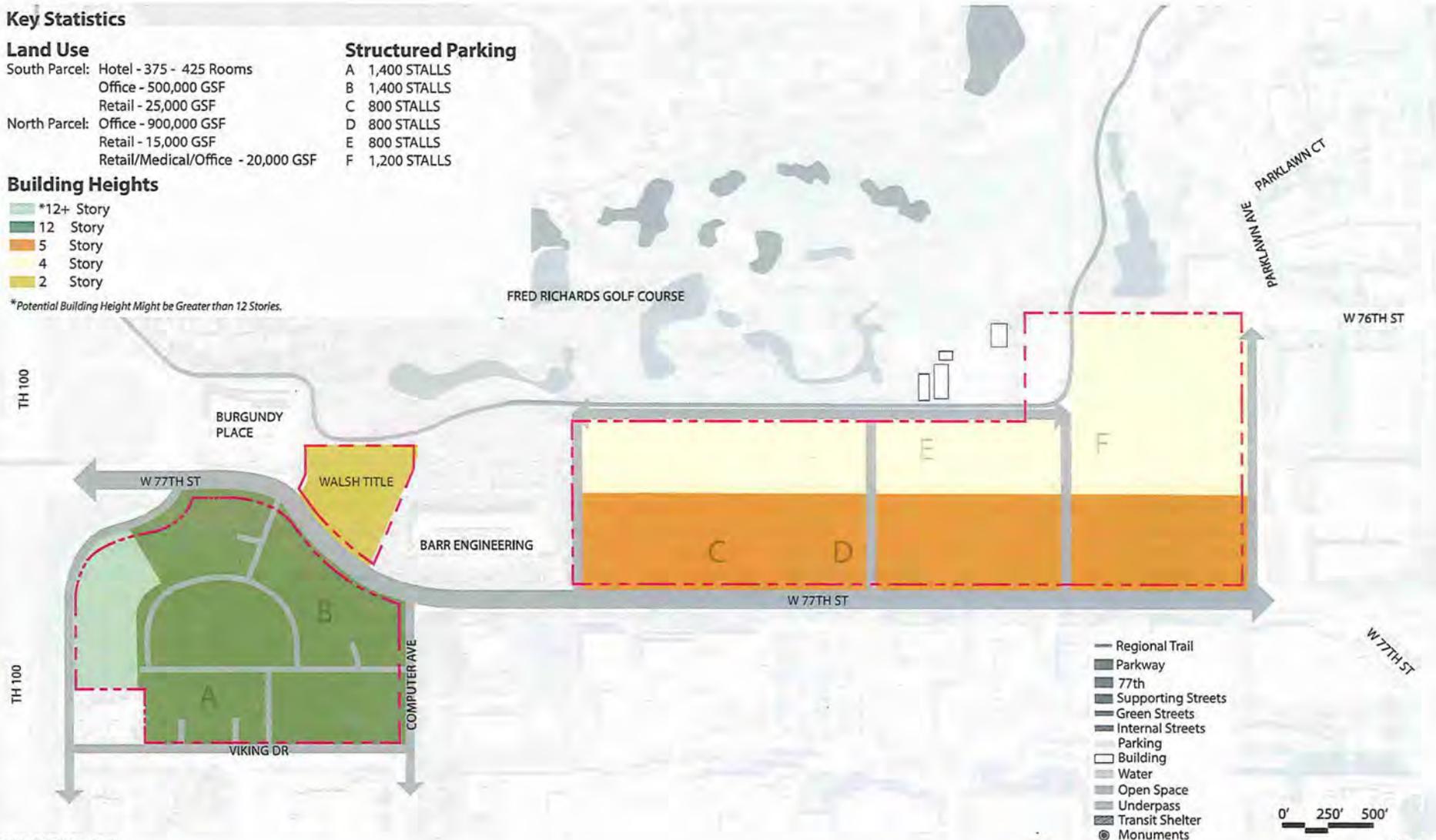
Structured Parking

A 1,400 STALLS
 B 1,400 STALLS
 C 800 STALLS
 D 800 STALLS
 E 800 STALLS
 F 1,200 STALLS

Building Heights

- *12+ Story
- 12 Story
- 5 Story
- 4 Story
- 2 Story

*Potential Building Height Might be Greater than 12 Stories.



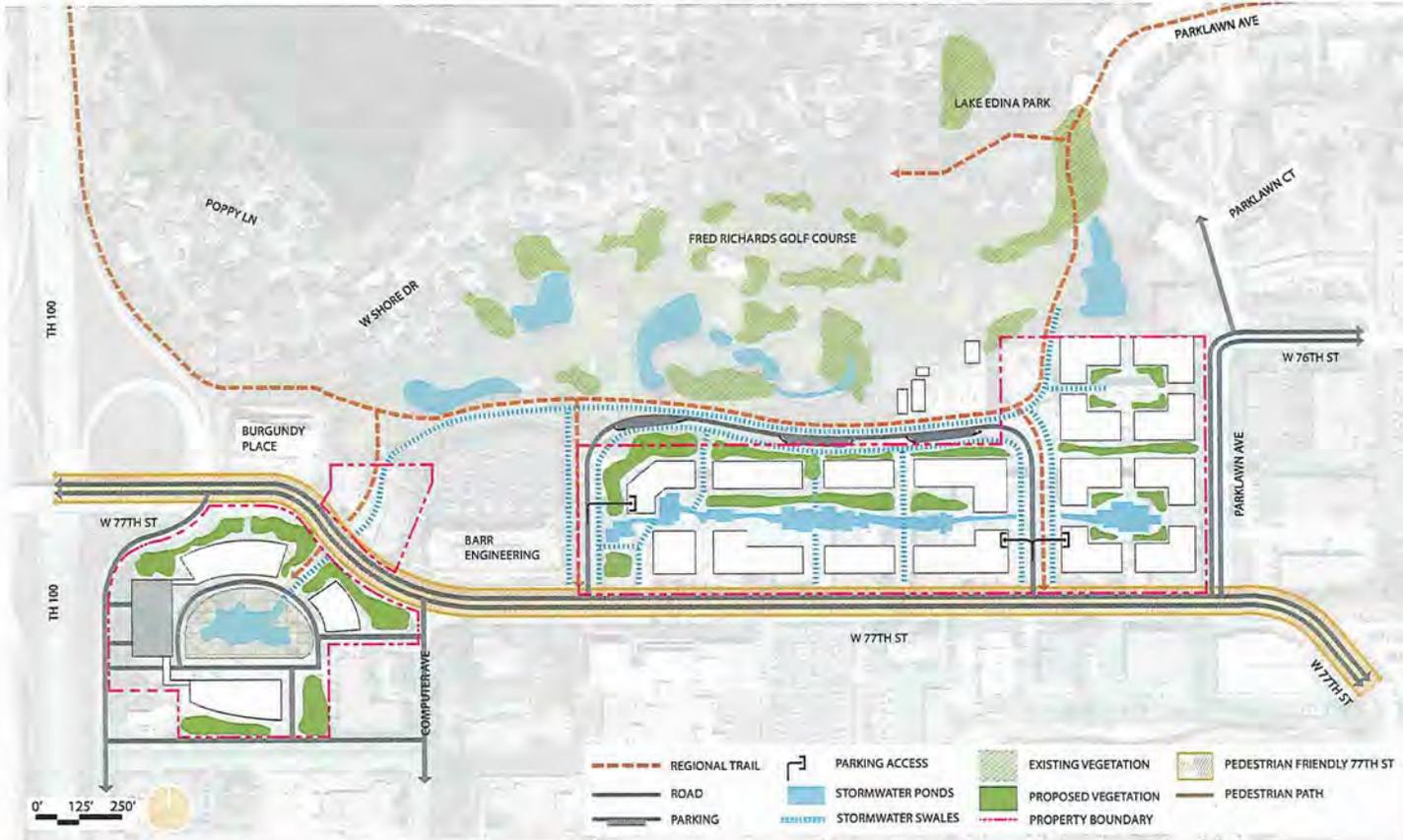
A36

EXHIBIT 15
 DAMON FARBER ASSOCIATES
 BOB CLOSE STUDIO, LLC

BUILDING HEIGHTS
 EDINA, MN - DECEMBER 13, 2013

PENTAGON PARK





DOCKSIDE GREEN CONCEPT

- A continuous linear stormwater amenity connects the development parcels
- A two-way parkway with parking bays provides a loop around the development, connecting from W 77th St
- 'Natural vegetation' is planted adjacent to stormwater ponds and buildings
- A regional trail is located north of the site, with three connections from trail to W 77th St
- W 77th St to be pedestrian friendly with trees, stormwater management, and improved sidewalks
- Multiple parking strategies - below-grade, on-street and architecturally integrated with buildings

BIRDSEYE OF DOCKSIDE GREEN LOCATED IN VICTORIA, BRITISH COLUMBIA



DOCKSIDE GREEN STORMWATER & PEDESTRIAN BRIDGE



LUSH VEGETATION AT DOCKSIDE GREEN



STORMWATER AMENITY INTEGRATES BUILDINGS AND CIRCULATION



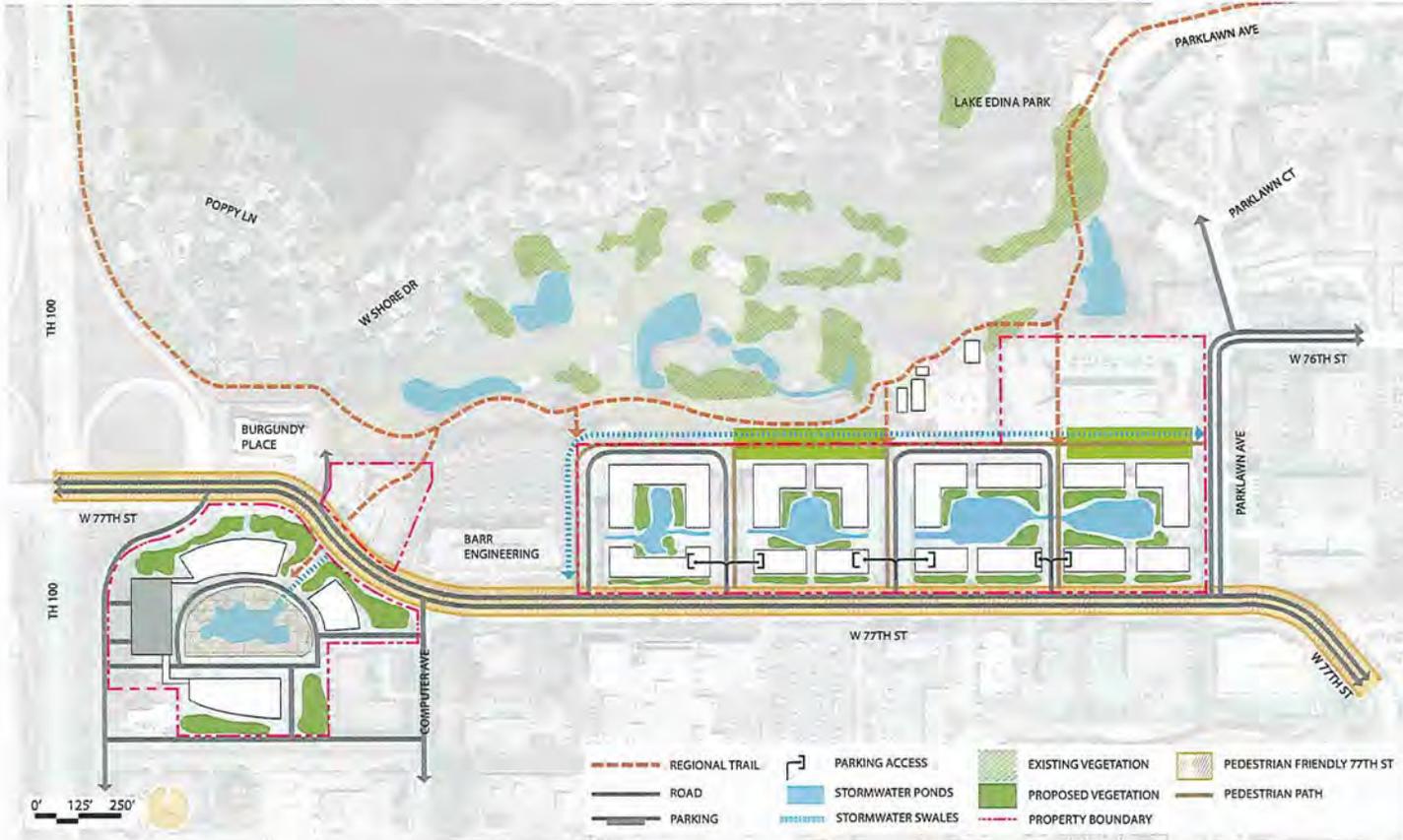
EXHIBIT 16

DAMON **FARBER** ASSOCIATES
BOB CLOSE STUDIO, LLC

CONCEPT DIAGRAMS
EDINA, MN - DECEMBER 9, 2013

PENTAGON PARK





THE UPPER LANDING CONCEPT

- Two road loops off of W 77th St - providing connectivity without through traffic
- Small stormwater ponds are located on the interior of the development buildings
- Public parking is located between the trail and development
- Flexibility in block size (market-driven)
- A regional trail is located north of the site between the park and development
- W 77th St to be pedestrian friendly with trees, stormwater management, and improved sidewalks
- Multiple parking strategies - below-grade, on-street and architecturally integrated with buildings

AERIAL OF THE UPPER LANDING IN ST PAUL, MN



STORMWATER SWALE BETWEEN THE UPPER LANDING AND TRAILS



ROADWAY ADJACENT TO THE UPPER LANDING



LOOP STREETS ALTERNATE WITH STORMWATER FEATURES



PATHWAY BETWEEN BUILDINGS



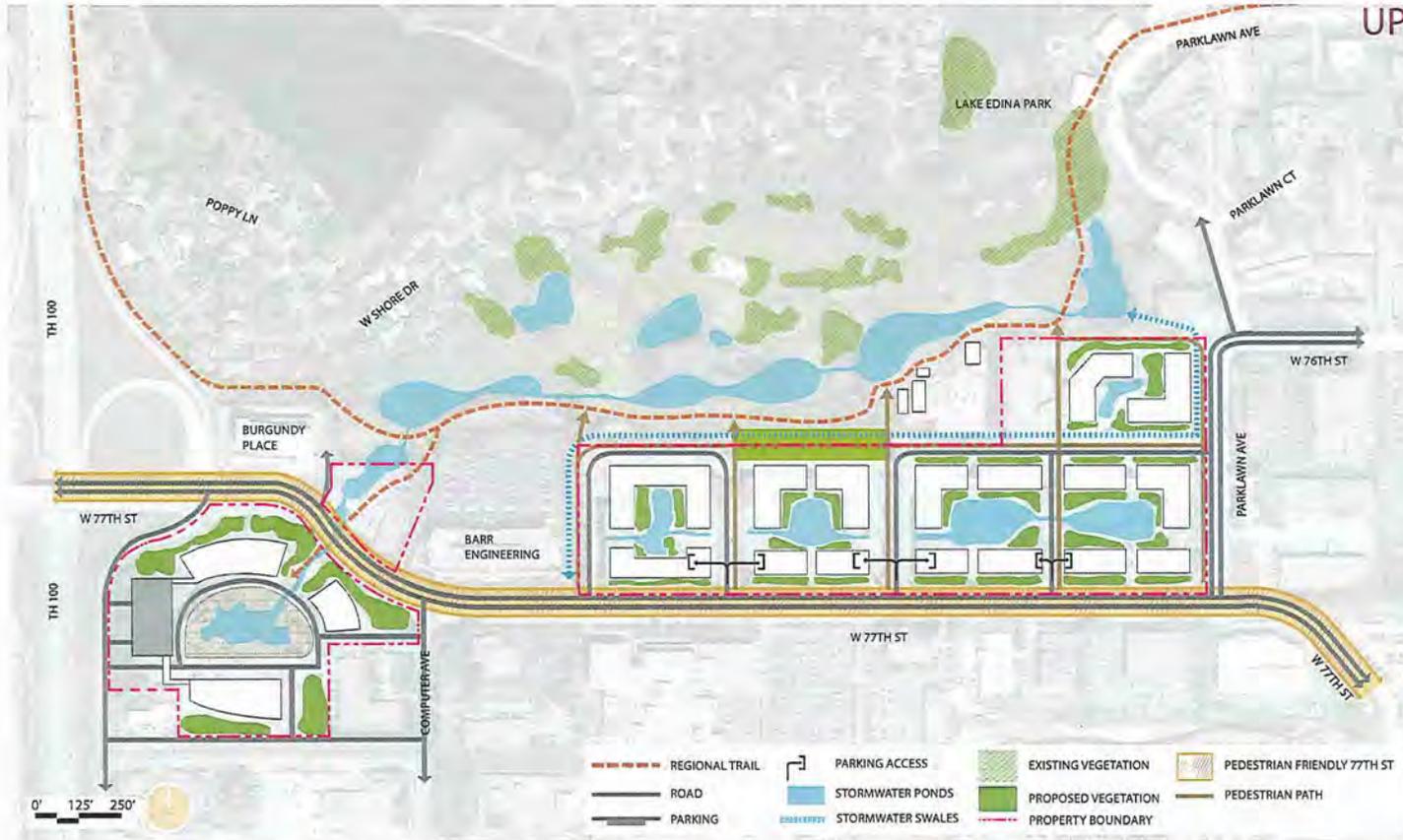
EXHIBIT 17
 DAMON **FARBER** ASSOCIATES
 BOB CLOSE STUDIO, LLC

CONCEPT DIAGRAMS
 EDINA, MN - DECEMBER 9, 2013

PENTAGON PARK



UPPER LANDING HYBRID CONCEPT



- Two road loops off of W 77th St - providing connectivity without through traffic
- Small stormwater ponds are located on the interior of the development buildings
- Public parking is located between the trail and development
- Flexibility in block size (market-driven)
- A regional trail is located north of the site between the park and development
- W 77th St to be pedestrian friendly with trees, stormwater management, and improved sidewalks
- Multiple parking strategies - below-grade, on-street parking bays on loop roads and architecturally integrated with buildings

AERIAL OF THE UPPER LANDING IN ST PAUL, MN



STORMWATER SWALE BETWEEN THE UPPER LANDING AND TRAILS



ROADWAY ADJACENT TO THE UPPER LANDING



LOOP STREETS ALTERNATE WITH STORMWATER FEATURES



PATHWAY BETWEEN BUILDINGS



EXHIBIT 18
 DAMON **FARBER** ASSOCIATES
 BOB CLOSE STUDIO, LLC

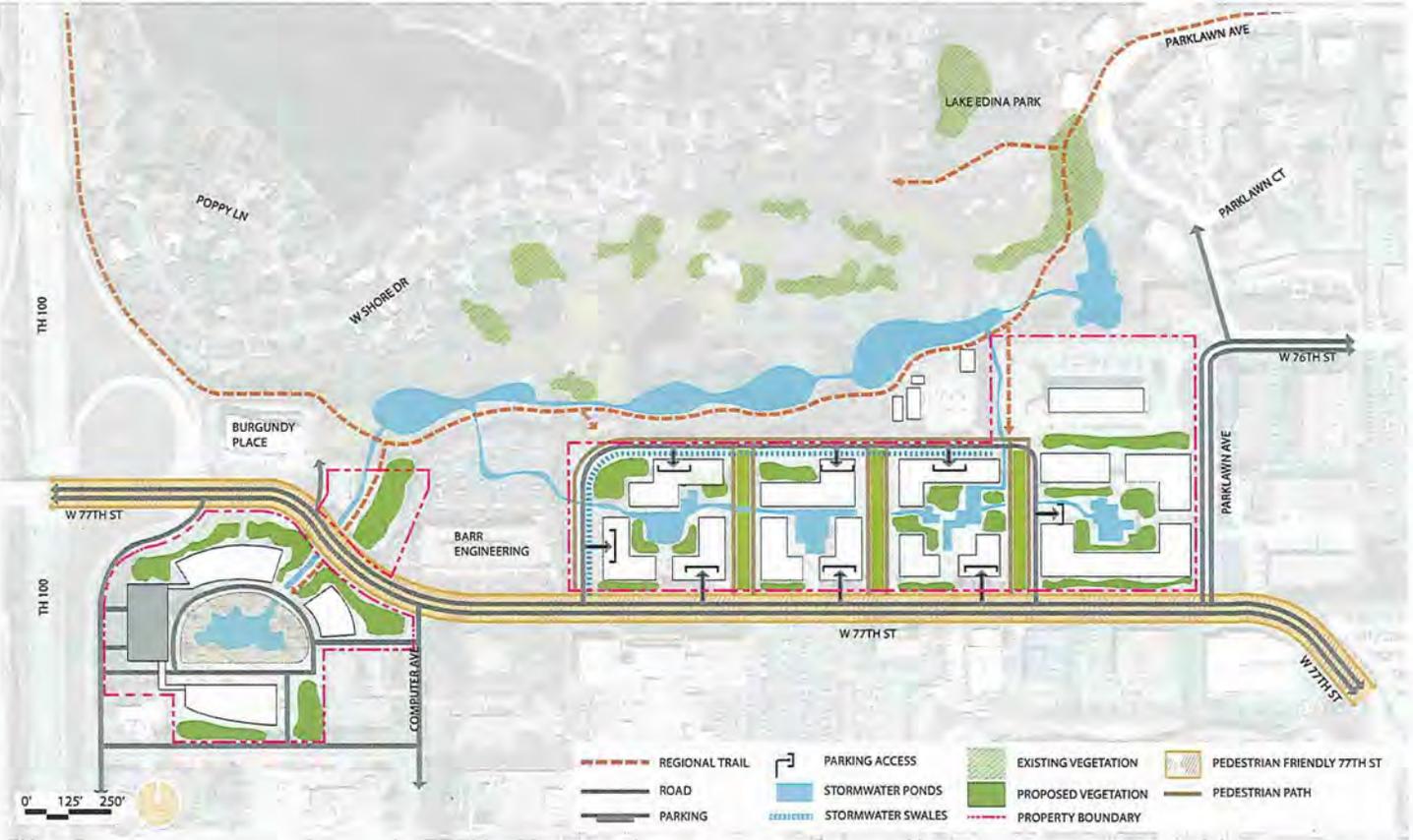
CONCEPT DIAGRAMS
 EDINA, MN - DECEMBER 9, 2013

PENTAGON PARK



CHAIN OF LAKES CONCEPT

- Multiple shared amenities
- A parkway is located north of site, increasing connectivity
- Multiple water bodies are located north of the site, separating the neighborhood from the development
- Small stormwater ponds are located on the interior of the development and manage water in concert with larger ponds to the north
- Flexibility in block size (market-driven)
- A regional trail is located north of the site between the park and development
- W 77th St to be pedestrian friendly with trees, stormwater management, and improved sidewalks
- Multiple parking strategies - below-grade, on-street and architecturally integrated with buildings



AERIAL OF THE CHAIN OF LAKES



WETLAND AREA ADJACENT TO LAKE CALHOUN



TWO-WAY PARKWAY WITH PARKING BAYS ADJACENT OF LAKE CALHOUN



STORMWATER SWALE ADJACENT TO PATH



STORMWATER SWALE BETWEEN PATHS



EXHIBIT 19
 DAMON **FARBER** ASSOCIATES
 BOB CLOSE STUDIO, LLC

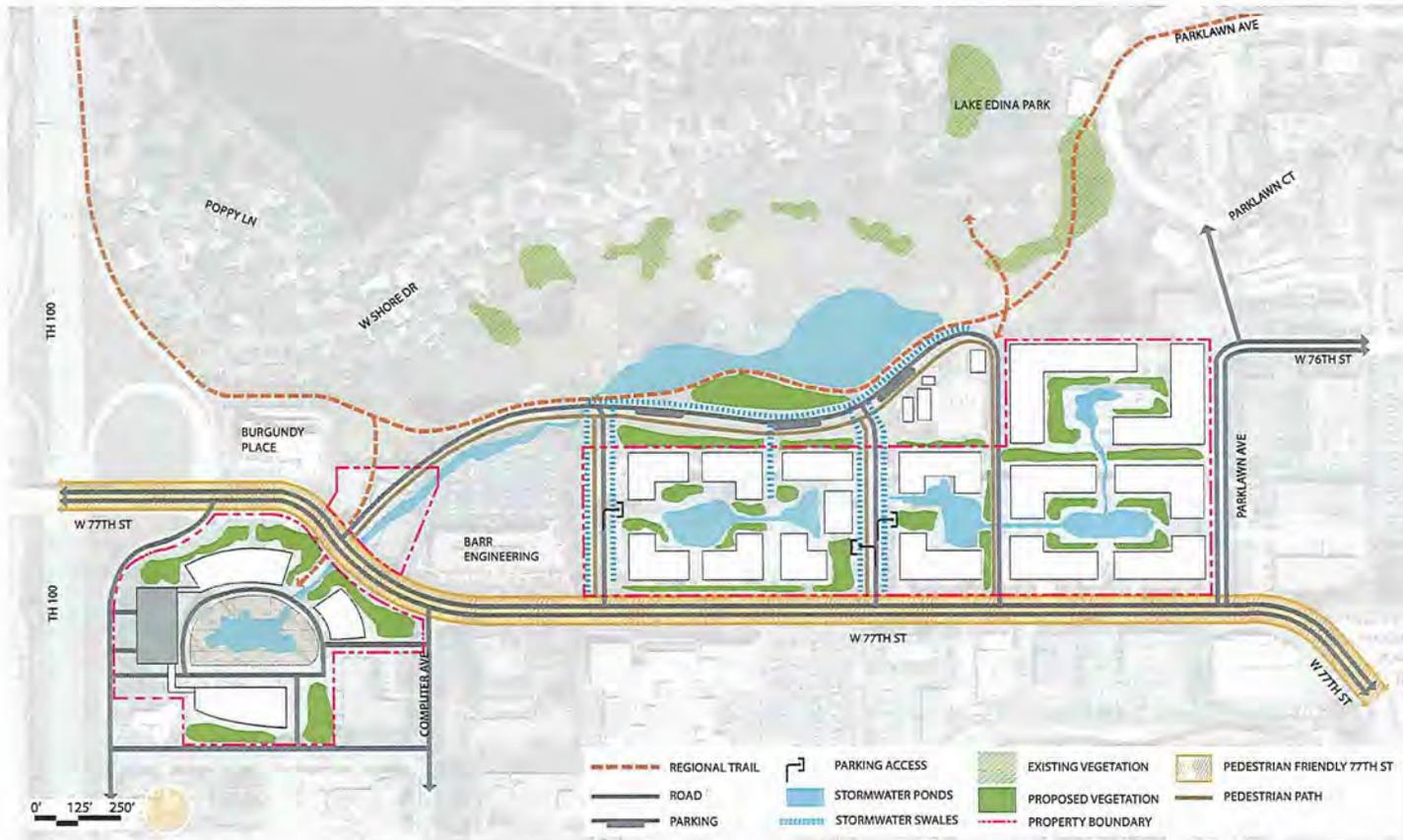
CONCEPT DIAGRAMS
 EDINA, MN - DECEMBER 9, 2013

PENTAGON PARK



CENTENNIAL LAKES CONCEPT

- A central water feature is located north of the site separating the neighborhood from the development
- Stormwater ponds are natural amenities within the development
- A parkway provides public access and bay parking to the park
- A flexible grid of streets (market driven) with parallel parking connects W 77th St to the parkway north of the site
- A regional trail is located north of the site, with two connections from trail to W 77th St
- W 77th St to be pedestrian friendly with trees, stormwater management, and improved sidewalks
- Multiple parking strategies - below-grade, on-street and architecturally integrated with buildings



AERIAL OF LAKE NOKOMIS



ONE-WAY LOOP WITH PARKING BAYS



NATURAL VEGETATION



CENTENNIAL LAKES



STORMWATER LINKS TO DEVELOPMENT



EXHIBIT 20
 DAMON **FARBER** ASSOCIATES
 BOB CLOSE STUDIO, LLC

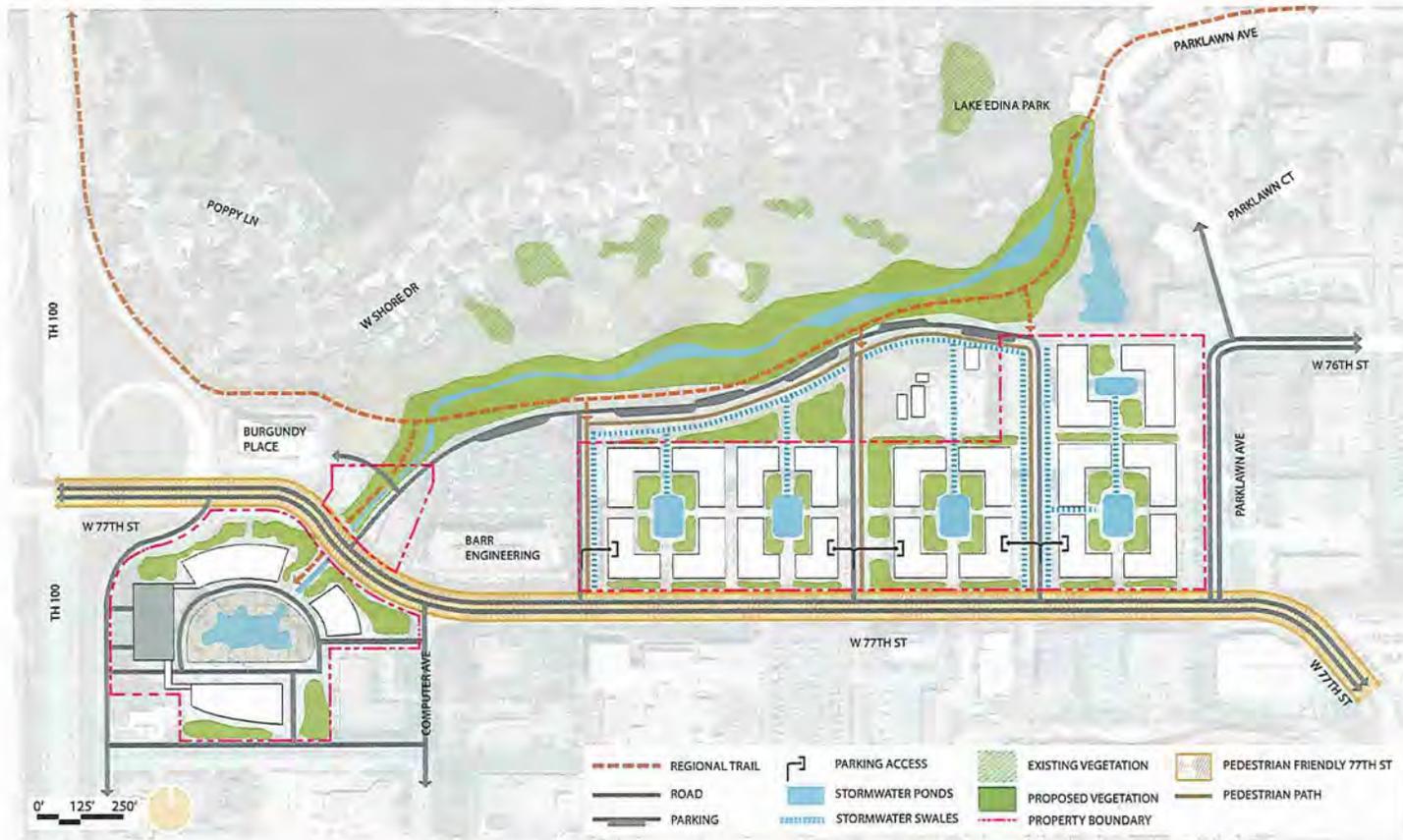
CONCEPT DIAGRAMS
 EDINA, MN - DECEMBER 9, 2013

PENTAGON PARK



MINNEHAHA CREEK CONCEPT

- A naturalized corridor with vegetation and a spine of water is located north of the site separating the neighborhood from the development
- Small stormwater ponds are located on the interior of the development buildings
- A parkway with parking bays is located between the naturalized corridor and new development
- A flexible grid of streets (market driven) with parallel parking connects W 77th St to the parkway north of the site
- A regional trail is located north of the site, with two connections from trail to W 77th St
- W 77th St to be pedestrian friendly with trees, stormwater management, and improved sidewalks
- Multiple parking strategies - below-grade, on-street and architecturally integrated with buildings



MINNEHAHA CREEK THROUGH EDINA COUNTRY CLUB DISTRICT



COLORPLAST US HEADQUARTERS IN MINNEAPOLIS



PEDESTRIAN PATH OVER MINNEHAHA CREEK



PARKWAY ALONG MINNEHAHA CREEK



PATH ADJACENT TO PARKWAY



PATH ADJACENT TO PARKWAY



EXHIBIT 21
 DAMON FARBER ASSOCIATES
 BOB CLOSE STUDIO, LLC

CONCEPT DIAGRAMS
 EDINA, MN - DECEMBER 9, 2013

PENTAGON PARK

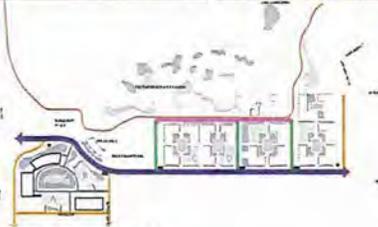


77TH CONCEPT PLAN

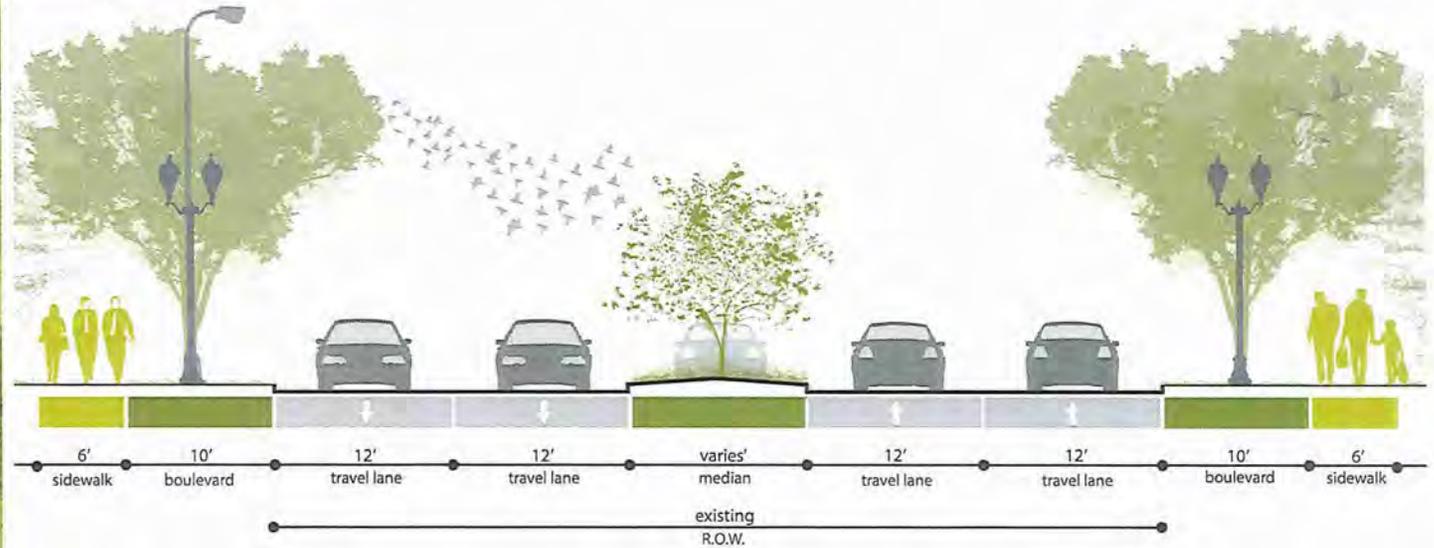


KEY ELEMENTS

- Center median with small accent trees
- Left turn lanes
- Boulevard/sidewalks
- Decorative lighting
- Shade trees
- Transit shelters
- Street lights
- Pedestrian lights



77TH CONCEPT SECTION



443

EXHIBIT 22
DAMON FARBER ASSOCIATES
BOB CLOSE STUDIO, LLC

ROADWAY TYPES
EDINA, MN - DECEMBER 13, 2013

PENTAGON PARK

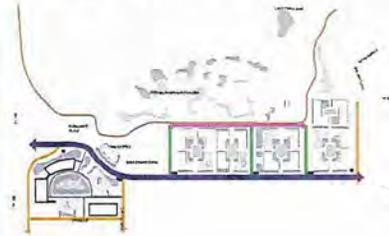


PARKWAY CONCEPT PLAN



KEY ELEMENTS

- Decorative lighting
- Street trees
- 6' sidewalk with 10' boulevard
- One lane of traffic in each direction
- Parking bays for parking



PARKWAY CONCEPT SECTION

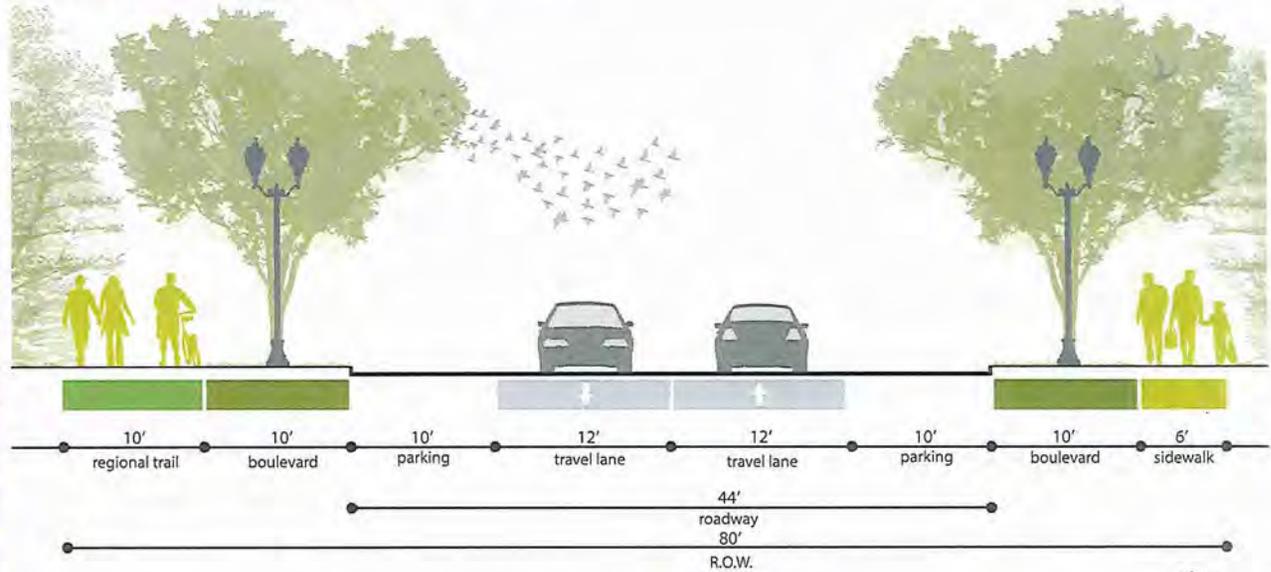


EXHIBIT 23
 DAMON **FARBER** ASSOCIATES
 BOB CLOSE STUDIO, LLC

ROADWAY TYPES
 EDINA, MN - DECEMBER 13, 2013

PENTAGON PARK



A44

SUPPORTING STREET CONCEPT PLAN

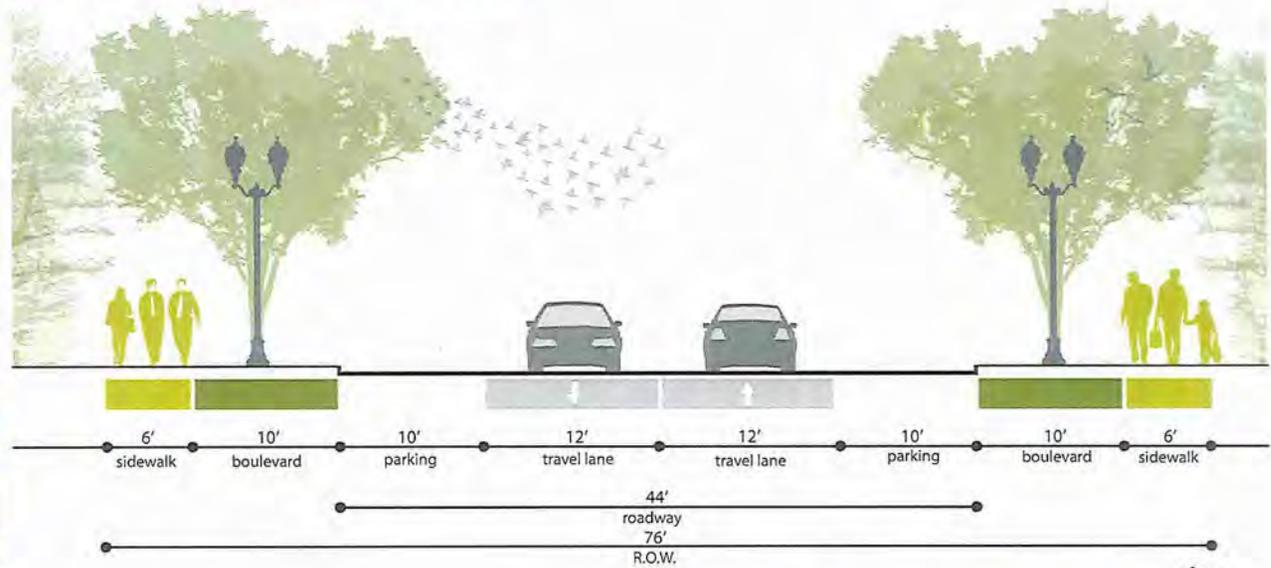


KEY ELEMENTS

- Parallel parking
- 10' boulevards/6' sidewalks
- Decorative lighting
- Street trees



SUPPORTING STREET CONCEPT SECTION



AKS

EXHIBIT 24
DAMON FARBER ASSOCIATES
BOB CLOSE STUDIO, LLC

ROADWAY TYPES
EDINA, MN - DECEMBER 13, 2013

PENTAGON PARK



GREEN STREET CONCEPT PLAN

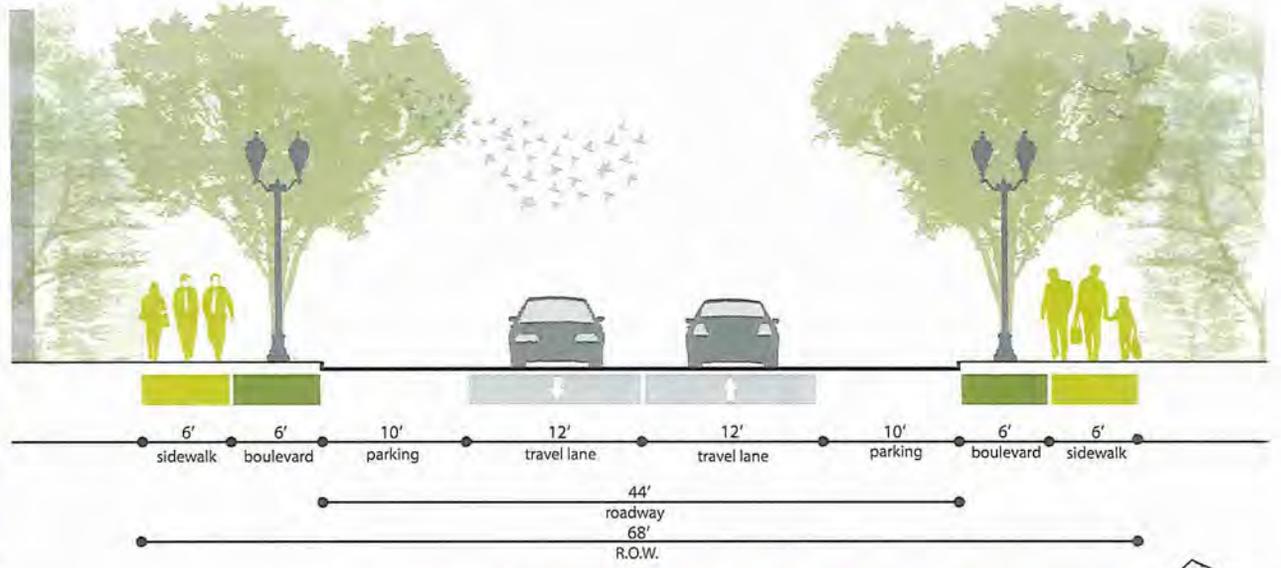


KEY ELEMENTS

- Parallel parking
- 6' boulevards/6' sidewalks
- Decorative lighting
- Street trees



GREEN STREET CONCEPT SECTION



ATG

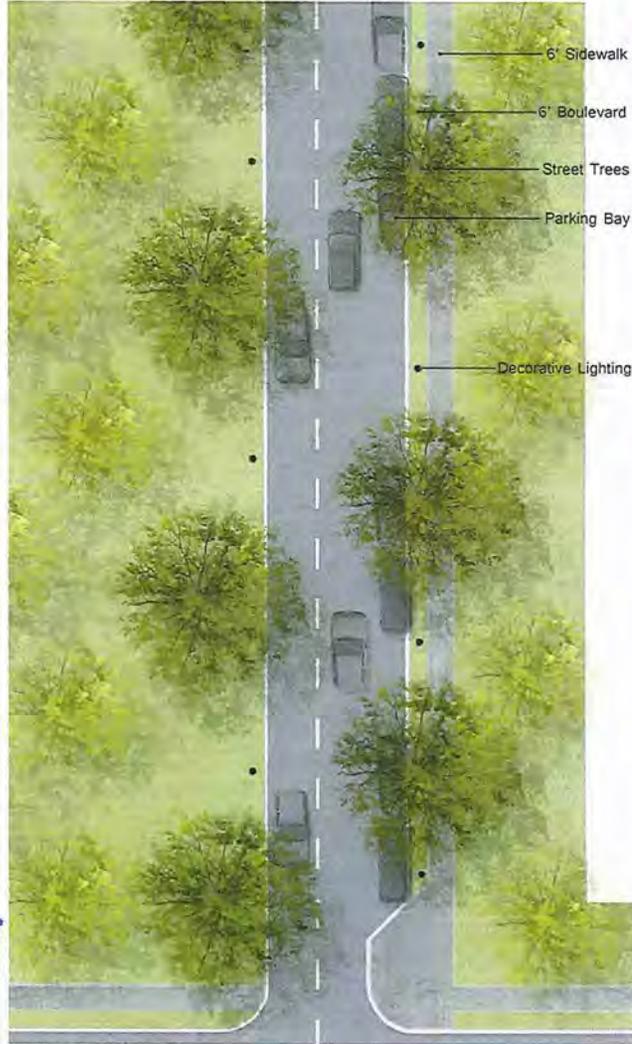
EXHIBIT 25
 DAMON **FARBER** ASSOCIATES
 BOB CLOSE STUDIO, LLC

ROADWAY TYPES
 EDINA, MN - DECEMBER 13, 2013

PENTAGON PARK

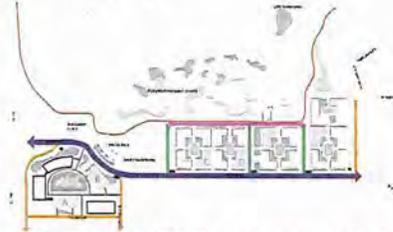


INTERNAL STREET CONCEPT PLAN

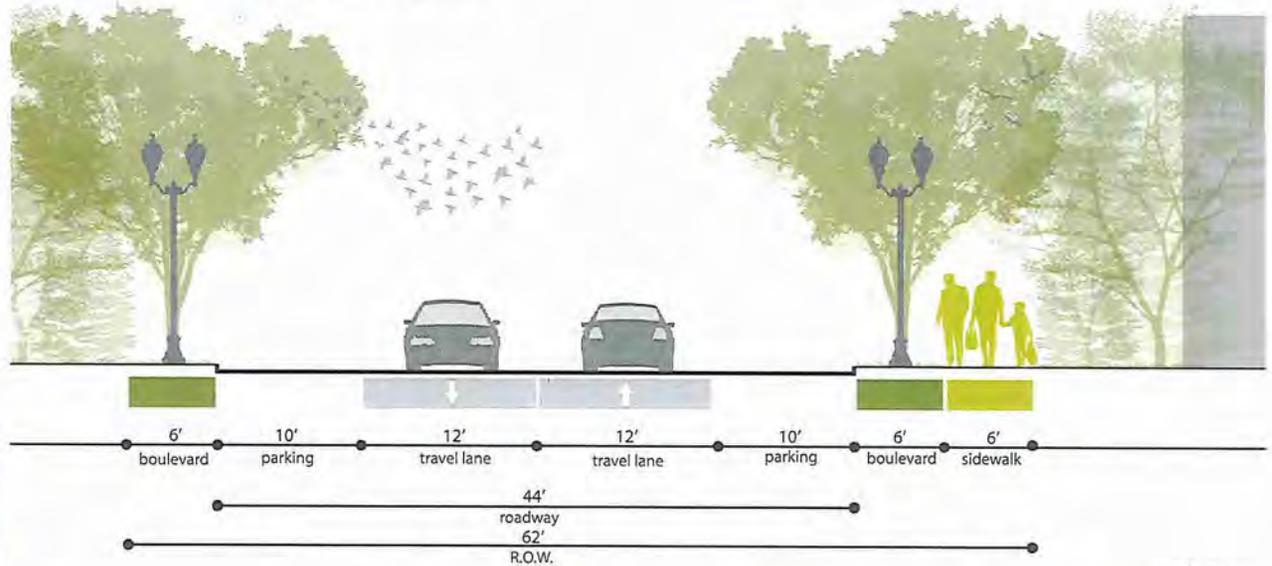


KEY ELEMENTS

- Boulevard
- Sidewalks
- Decorative lighting
- Shade trees
- Parking bays



INTERNAL STREET CONCEPT SECTION



A47

EXHIBIT 26
 DAMON **FARBER** ASSOCIATES
 BOB CLOSE STUDIO, LLC

ROADWAY TYPES
 EDINA, MN - DECEMBER 13, 2013

PENTAGON PARK



P.C.
2/26/2014

Commissioner Grabel stated that he has no problem with the proposed lot division or variance. Grabel said in his opinion a number of the lots on this block are out of character with the neighborhood. Grabel said if one looks at an aerial they can certainly see how the lots are laid out. Continuing, Grabel said if the Commission was to approve the lot division with variance it may avoid a teardown situation. Grabel said allowing the construction of a 2-stall garage (required by ordinance) to be built, in his opinion wouldn't compromise the neighborhood character and the neighbors have indicated their support for the project.

Commissioner Forrest said her concern was with practical difficulties pointing out the subject owners are choosing to do this. Continuing, Forrest said the recent changes to the ordinance were done to ensure adequate spacing between homes. Forrest added that livability is important and the increase in garage space is important; however, changing a lot line to accomplish this has its own issues. Forrest concluded that she agrees that the front yard setback situation is difficult with the adjoining houses forcing deep setback requirements.

Commissioner Platteter questioned the lot split, adding he understands the front yard setback situation.

Commissioner Fischer said this is an unusual situation, acknowledging the recent change in the Code. Fischer said in this instance neighbors got together to resolve an issue. Although the lot division may not be standard; it works and is supported by both property owners. Fischer further noted that the front yard setback situation is what it is, the lots to the south create a situation whereby nothing could be done to this house without a front yard setback variance.

Commissioner Forrest wondered if the Commission was comfortable allowing for the creation of two unusual lot line configurations. Commissioners agreed that the jog is different; however, as previously mentioned by the applicant the rear yard situation on this block is unique with deep lots and ample rear yard area.

A discussion ensued with Commissioners agreeing that this situation was unique and that they can support the request as submitted by the applicant.

Motion

Commissioner Grabel moved variance and lot division approval based on the following:

1. The lot division creates lots that are consistent with the size of lots in the neighborhood;
2. The unusual placement of homes to the south created the need for a front yard setback variance. The variance was not self-imposed; and
3. The City of Edina requires two stall garages;

Commissioner Scherer seconded the motion. All voted aye; motion carried.

B. Preliminary Rezoning. Pentagon Revival. Pentagon Office Park, Edina, MN

Planner Presentation

Planner Teague informed the Commission the Pentagon Revival is proposing to redevelop Pentagon Park along 77th Street. The total site area is 43 acres in size; and would likely redevelop over the next 2-15

years. Teague explained the proposed uses of the site include office, medical, retail, restaurants, a hotel and potentially housing. No housing is anticipated at this time, however, that use is currently allowed on the property, and should remain as a potential future land use.

Teague delivered a power point presentation highlight the project.

Planner Teague concluded his presentation that staff recommends the City Council approve the Preliminary Rezoning from MDD-6, Mixed Development to PUD, Planned Unit Development District and an Overall Development Plan for the subject property based on the following findings:

1. The proposed land uses are consistent with the Comprehensive Plan.
2. The proposal would meet the purpose and intent of the PUD. The site is guided in the Comprehensive Plan as “Office Residential,” which is seen as a transitional area between higher intensity districts and residential districts. Primary uses include: offices, housing, limited service uses, limited industrial, parks and open space. Vertical mixed uses are encouraged.
3. The proposal would create a more efficient and creative use of the property. Better vehicle and pedestrian connections would be created; enhanced green space and ponding would be created; a mixture of land use is envisioned; there would be improved architecture and sustainability; shared parking would be created, including with the public use to the north.
4. The proposed project would meet the following goals and policies of the Comprehensive Plan:
 - a. Design public open and green linkages that bring both amenity and positive image to neighborhoods, corridors, and business precincts.
 - b. Design public streets to serve not only vehicles but also pedestrians, people with mobility aids, and bicycles, balancing the spatial needs of existing and future users within the right-of-way. Address both mobility and recreational needs and opportunities.
 - c. Create walkable streets that foster an active public life; streets that are energized by their proximity to a vibrant mix of activity-generating uses.
 - d. Preserve and make accessible natural areas and features as part of a comprehensive open space network.
 - e. Within larger redevelopment sites, promote a fine-grained and interconnected network of local streets and paths, encouraging pedestrian circulation and providing a choice of access points.
 - f. Encourage infill/redevelopment opportunities that optimize use of city infrastructure and that complement area, neighborhood, and/or corridor context and character.
 - g. Podium Height. Where it is appropriate, the applicant has committed to the podium height concept, defined in the Edina Comprehensive Plan as follows: The “podium” is that part of the building that abuts the street, or that provides the required transition to residential neighborhoods, parks, and other sensitive uses. The podium height concept is intended to create a consistent street wall envelope and a comfortable pedestrian environment.

Approval is also subject to the following Conditions:

1. Final Development Plans must be generally consistent with the Preliminary/ Overall Development Plans dated January 22, 2014.
2. The Final Landscape Plan must meet all minimum landscaping requirements per Section 850.04 of the Zoning Ordinance.
3. The Final Lighting Plan must meet all minimum landscaping requirements per Section 850.04 of the Zoning Ordinance.
4. Submittal of a sign plan with Final Development Plan application for each phase of the overall development. Each signage plan submittal should include monument sign locations and size, way finding signage, and wall signage. Signage shall be consistent throughout the PUD.
5. The 77th Street Improvements must be completed by the applicant/land owner when 100,000 square feet of development has been constructed. The 77th Street improvements must be consistent with the plans date stamped January 22, 2014, and are subject to review and approval of city staff before construction.
6. The Parkway and Green Streets, as shown on the Preliminary/Overall Development Plan, date stamped January 22, 2014, must be built by the applicant/land owner upon 80-85% build-out of the overall development.
7. Final Develop Plans must create a recreational system that promotes walking, health and wellness.
8. Connections shall be made from the property south of 77th Street to the property north of 77th Street through or adjacent to the "Walsh Title" site and Fred Richards's golf course.
9. Pedestrian connections must also be made between buildings, along 77th Street, to Burgundy Place, to the anticipated Regional Trail, and to the new Green Streets, the installation of which are conditioned on factors, including without limitation, the future use of Fred Richards.
10. All crosswalks shall be marked with duraprint stamping to clearly identify the pedestrian crossing.
11. Where applicable and required pursuant to the Final Development Plan, all public utility, public roadway and public sidewalk easements shall be granted or dedicated to the City upon Final Development Plan approval for each phase.
12. Bike storage and bike shower facilities shall be provided within the development. Bike racks will be provided throughout the development.
13. A majority of the storm water retention will be developed as an amenity and integrated into the overall development.
14. Overall, the development must include at least a 20% of green space/storm water retention in the aggregate.
15. Any Park Dedication fees due under Section 32 of the City code shall be collected at the time of the issuance of a building permit for any portion of the property that is re-platted.
16. New buildings shall utilize the podium height concept, as defined in the Edina Comprehensive Plan, if and where appropriate.
17. Attempts shall be made to meet an energy savings goal of 15% over state energy code guidelines. Building designs shall be similar to and reasonably consistent with LEED standards.

18. All buildings must be constructed of high quality materials and architecture. Building materials shall be of, but not limited to high quality brick, stone, precast concrete, and glass building. No building shall contain aluminum or metal siding as the primary finish material.
19. All parking structures shall be designed to be integrated into and complement the architecture of newly constructed buildings. Shared parking strategies will be employed, where applicable.
20. Public art shall be incorporated into the development.
21. Final Rezoning is subject to a Zoning Ordinance Amendment creating the PUD, Planned Unit Development for this site. Final PUD Zoning must meet the criteria required for a PUD.
22. Compliance with the issues/conditions outlined in the director of engineering's memo dated January 22, 2014.

Appearing for the Applicant

Scott Takenoff, manager Hillcrest Partners, Tom Whitlock, Damon Farber and Bob Close of Bob Close Studio

Discussion

Commissioner Platteter noted the references to green streets and pointed out the City now uses the term Living Streets. Continuing, Platteter said he observed in the preliminary plans there was no mention of housing and questioned if preliminary plans were approved would that negate housing in the future. Planner Teague responded the request is for commercial with the applicant expressing the intent to add housing if appropriate; however, if the Commission is uncomfortable with any aspect of the application; such as no housing the Commission can recommend denial of requested preliminary rezoning and development plan. Platteter also commented that the plans presented aren't very detailed. Planner Teague and Commissioners agreed with that statement.

Commissioner Grabiell said in his opinion approval of this phase of the development would allow the applicant to begin the process but with flexibility to detail. He noted the applicant has indicated the build-out of this project would take years and if the Commission approves preliminary with conditions it allows flexibility during the phasing process. Grabiell pointed out much is market driven, reiterating the Commission should provide some flexibility.

Applicant Presentation

Scott Takenoff said in the request for preliminary rezoning from MDD-6 to PUD and development plan approval he believes this proposal would be the largest redevelopment project since Centennial Lakes. Takenoff said this unique 42 acre property and its redevelopment doesn't happen often. Takenoff acknowledged the Commission's desire for housing; however, added that at this time he can't promise housing would be built.

Takenoff pointed out the redevelopment of this area will occur in phases over a number of years and with each new phase of the redevelopment Hillcrest would come before both the Commission and Council with sketch plans before final phase approvals. Takenoff also acknowledged that this project is a complex project that requires certainty before proceeding. Continuing, Takenoff stressed that Hillcrest is very good at figuring out what to do with decaying properties. Takenoff further stressed that their redevelopment has no bearing on the City's decision on what happens with Fred Richards. Takenoff

said Hillcrest does not control the destiny of Fred Richards and regardless of what the City determines appropriate for Fred Richards Hillcrest will proceed with redevelopment plans.

Takenoff continued his presentation and concluded that Hillcrest Partners needs to appear before the City Council at their March 18th meeting for preliminary approval before they can begin the process. Takenoff said this date is critical because of tenant considerations. Takenoff reiterated their need for certainty. Takenoff introduced Tom Whitlock and Bob Close to further explain the project.

Tom Whitlock and Bob Close presented a slide show highlighting the multi-phase Pentagon Revival PUD project:

- AUAR updated September 2013.
- TIF approved February 2014
- Be a better neighbor
- Increase in greenspace
- Storm water management to be an amenity
- Storm water retention and treatment to current standards
- Flexible framework
- Living streets
- Connectivity. Provide key connections
- Promote Multimodality
- Commitment to high quality architecture
- Design consistent with LEED standards
- Sustainability
- Economically viable. The proposal will improve property values
- Podium height – this redevelopment will honor the work done by the City establishing podium heights

Takenoff, Whitlock and Close thanked the Commission for their time.

Discussion

Chair Staunton asked Mr. Takenoff the reason behind his “hurried” need for “certainty”; and “certainty” about what. Takenoff said certainty provides Hillcrest with time and money getting to the second step of the process. He explained in order to attract users and get them to commit to the site the site needs to be shovel ready. Takenoff explained that many users don’t have the time for overly long approval processes. He said they want to see a site readied for the next phase. Continuing, Takenoff said what Hillcrest needs from the Commission at this time are the allowed uses, building height and density. Product design would come after the site has been approved for use, height and density in the aggregate. Takenoff reiterated this is a unique one owner site; unlike Grandview. Concluding, Takenoff said at this point Hillcrest is at a critical juncture to either move forward with the vision or pivot back. Takenoff explained Hillcrest has leases that need to be honored and there are time constraints. Takenoff did note that the other road is renovation which continues to be acceptable and has worked thus far.

Chair Staunton commented that it occurs to him that the Commission is being asked to approve the “container” indicating how high, how dense and the extent of the use. Staunton said it is difficult to get ones head around the staging and phasing of this project in final terms when the details the Commission usually sees aren’t provided. Mr. Takenoff agreed that the final stages will be done a piece at a time, adding some can be tied together but for the most part it will be parcel by parcel.

Commissioner Carr stated she understands the "vision" piece of this project; however, wondered if the PUD could remain open ended with regard to use. She noted the schematic development plan options show no housing. Teague agreed.

Chair Staunton opened the public hearing.

Public Testimony

Lori Severson, Chamber of Commerce informed the Commission the Chamber has issued a Resolution of support for the proposed project. Ms. Severson said drafting a Resolution of support wasn't done lightly, adding the Chamber put much thought into the Resolution. Severson concluded that the Chamber has received a number of calls in support of the revitalization of the Pentagon Park area.

John Marker addressed the Commission and stated that he fully supports the revitalization of this area. Marker stated in his opinion this area has become an eyesore and doesn't live up to Edina standards. Marker said he is excited about this project, concluding it would be a shame to miss this opportunity.

Peter Fitzgerald, 5217 Kellogg told the Commission in his opinion the City needs to support this project, adding this area has been neglected for far too long.

Chair Staunton asked if anyone else would like to speak to the issue; being none, Commissioner Grabel moved to close the public hearing. Commissioner Potts seconded the motion. All voted aye; motion to close the public hearing approved.

Continuing Discussion

Chair Staunton said in his opinion what continues as a threshold question is the procedural weirdness of this project. He said the question is if the Commission is OK deviating from our original stance of requiring more detailed plans and stated conditions of approval. Staunton said he wants assurances that with approval of this request the City is afforded balance and protection.

Commissioner Grabel stated he support this process. He pointed out flexibility is needed in a project of this magnitude especially when the redevelopment is proposed to take place over years not months. Grabel further stated that although the plans are less detailed than previous plans the Commission has approved this request is different because it is a one owner project being redeveloped over many years. Concluding, Grabel said in this instance he believes flexibility and certainty is required in order for the applicant to proceed; noting he can't think of another way to do this. Grabel did acknowledge the housing element isn't firm in this submission; however, the developer has indicated if the market is favorable housing would be constructed.

Commissioner Schroeder said the Planning Commission recommended that the City adopt a PUD process, adding the reason was to create a better site specific development process and through that process the City also attains its vision.

Chair Staunton acknowledged the unusual size of this project and its proximity to public property and the future trail development proposed by Three Rivers. He also added he recognizes with a project of this magnitude there is an advantage for the applicant not having every detail cast in stone; however this raises concerns for the City. Staunton reiterated the unknown future of Fred Richards plays a part in the process and the length of the build out (it will be years) is also part of the equation. Concluding

Staunton pointed out the underlying MDD-6 zoning in a sense was adopted because at that time there was no PUD option and the City wanted to ensure flexibility with these parcels.

Commissioner Forrest said her concern is with what's binding and what isn't binding noting that the City needs assurances that whatever is stipulated is binding. Forrest stated in her opinion the City needs a commitment to building height, density, FAR, and land use; and by land use she means housing.

Mr. Takenoff reiterated that housing in this redevelopment project may not happen; however they are committed to it. Takenoff said he believes there will be opportunity for housing-he just doesn't know where and when. Takenoff commented that he speaks with many Edina residents that have expressed to him the desire for differing housing options within the City. Takenoff said one aspect he is pretty sure of is if there is housing it won't be for-sale senior housing. Takenoff acknowledged the process can appear to be risky and challenging for both the City and Hillcrest.

Commissioner Platteter stated he understands completely that it is difficult to commit to housing; however he believes there may be another way to craft the PUD because now it appears like housing is a "no" in the preliminary.

Commissioner Grabiell said in his opinion if approved the City isn't saying "no" to housing. What the City is approving is a starting point. Grabiell reiterated that the Commission doesn't know what the market will look like five or ten years from now so to condition approval on a specific percentage or number of housing units would be difficult.

Commissioner Forrest said what's important to keep in mind is if this proposal is in line with the land use guide. Chair Staunton stated that's a good point and asked Planner Teague if a preliminary rezoning to commercial would comply with the Comprehensive Plan designation. Planner Teague responded in the affirmative, adding this property is guided as office/residential and the use of the property today is strictly office; not residential. It's not guided mixed use

Mr. Takenoff reiterated that at this time he would be uncomfortable in agreeing to housing. He said at this point he is just being honest and at this time housing is not viable. Takenoff stated he won't promise the City something he may not be able to deliver.

A discussion ensued with Commissioners expressing their hesitancy in approving a preliminary rezoning and development plan that doesn't include housing and without more detailed plans. It was further noted that there is the option to vote against the proposal as submitted. Commissioners reiterated their desire for housing and acknowledged that in the end because of the scope of this project the City will be entering into a long term relationship and partnership with the applicant. Commissioners did suggest that a statement be added indicating where appropriate housing would be included; however it was acknowledged that statement may be too general. Commissioners did state with a PUD rezoning the applicant needs to be aware that the City expects things in return. Approval should not create missed opportunities to ensure that the site has measureable metrics during the process.

Commissioner Grabiell moved to recommend preliminary rezoning from MDD-6, Mixed Development District to PUD, Planned Unit Development; and an Overall Development Plan subject to staff findings and subject to staff conditions. Commissioner Fischer seconded a motion.

A discussion ensued on how the City can ensure that the conditions for approval are met. Of concern were the recommendations of creating a recreational system that promotes walking, health and wellness

and the incorporation of public art. It was noted that these measures could be completed through alignment with the approved TIF. Further discussion also noted that the City continues to reserve the right to "drill down" plans at final approval to achieve the goals outlined in the findings and conditions.

Commissioner Schroeder offered an amendment recommending that a recreational system that promotes walking, health and wellness be implemented in alignment with the TIF Plan through a development agreement between the City and the Developer.

Chair Grabel and Commissioner Fischer accepted that amendment.

Chair Staunton called for the vote; Ayes, Scherer, Schroeder, Fischer, Potts, Carr, Forrest, Grabel, Staunton. Abstain, Platteter. Motion to approve carried.

C. Tree Preservation Ordinance

Presentation

Planner Teague reminded the Commission they tabled this issue at their last meeting requesting minor revisions to the Ordinance. Teague stated the revisions were made. He also noted that at the last meeting the Commission requested that additional information on staffing be supplied for the enforcement of the proposed Ordinance.

Commissioner Scherer asked Planner Teague if he knows the cost of a certified tree inventory and who the enforcement officer would be.

Planner Teague said at this time he doesn't know what the cost would be for a certified tree inventory and discussions continue on who would enforce the ordinance.

Chair Staunton opened the public hearing.

Public Testimony

John Crabtree, 5408 Oaklawn Avenue said that while he understands the proposed ordinance he wonders if the City is requiring more trees than can be sustained on one lot. Crabtree also questioned how far the City is willing to go if someone doesn't comply with the new ordinance. Concluding, Crabtree said one must always be careful of unintended consequences.

Chair Staunton asked if anyone else would like to speak to the issue; being none Commissioner Scherer moved to close the public hearing. Commissioner Fischer seconded the motion. All voted aye; motion carried.

Discussion

A discussion ensued with Commissioners noting that the proposed ordinance could create difficulties in areas where trees need to be removed without penalty (i.e. utilities). Commissioner Platteter said the Commission could ask the City to work with the utility companies on tree removal or preservation in utility easement areas.

Minutes/Edina City Council/March 18, 2014

- Survey date stamped February 10, 2014
- Landscape plans and elevation date stamped February 10, 2014
- Building plans and elevations date stamped February 10, 2014

~~IV.H. Authorization to Utilize Metro ECSU Cooperative Purchasing Agency – Purchase of Artificial Turf for the Sports Dome and Pamela Park Projects~~

~~IV.I. Receive Report from Community Advisory Team – Redevelopment Strategy for Grandview Public Works Site~~

~~IV.J. Adopt Resolution No. 2014-28, Declaring Hazardous Building, 4100 Parklawn Avenue~~

~~IV.K. Resolution No. 2014-32, Resolution of Appreciation to Metropolitan Airport Commission for Recent Work Regarding Airport Noise~~

~~Rollcall:~~

~~Ayes: Bennett, Brindle, Sprague, Swenson, Hovland~~

~~Motion carried.~~

ITEMS REMOVED FROM THE CONSENT AGENDA

IV.A. AMENDED REGULAR AND WORK SESSION MEETING MINUTES OF MARCH 4, 2014 – APPROVED

Mayor Hovland made a motion, seconded by Member Bennett, to approve regular meeting minutes of March 4, 2014, as amended on Page 5, to change “Ron Ousky” to “Daniel Ousky.”

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

Member Bennett made a motion, seconded by Member Swenson, to approve the amended work session meeting minutes of March 4, 2014, correcting the spelling of “Jay Abdo.”

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

IV.K. RESOLUTION NO. 2014-32, RESOLUTION OF APPRECIATION TO METROPOLITAN AIRPORT COMMISSION FOR RECENT WORK REGARDING AIRPORT NOISE – ADOPTED

At the request of Member Sprague, Mayor Hovland read Resolution No. 2014-32 into the record. Member Swenson introduced and moved adoption of Resolution No. 2014-32, Resolution of Appreciation to Metropolitan Airport Commission for Recent Work Regarding Airport Noise. Member Sprague seconded the motion.

Rollcall:

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

V. SPECIAL RECOGNITIONS AND PRESENTATIONS

V.A. SPEAK UP EDINA MONTHLY REPORT – RECEIVED

Communications Coordinator Gilgenbach presented a summary of February opinions, both pros and cons, collected through Speak Up, Edina relating to intoxicating liquor license sales ratios of liquor to food. Mr. Gilgenbach answered questions of the Council relating to an infraction clause. The Council indicated it found no problem with the current food to liquor ratio and suggested an April discussion on Sunday liquor sales.

VI. PUBLIC HEARINGS HELD – Affidavits of Notice presented and ordered placed on file.

VI.A. PRELIMINARY REZONING FROM MDD-6 TO PUD AND OVERALL DEVELOPMENT PLAN, PENTAGON REVIVAL, RESOLUTION 2014-29 ADOPTED

Community Development Director Presentation

Community Development Director Teague presented the proposal of Pentagon Revival to redevelop Pentagon Park along 77th Street, a 43-acre site, over the next 2 to 15 years. The first phase would be the Pentagon Tower site and include office buildings, a hotel, limited retail, and parking structures. Future

redevelopment phases of the Pentagon Quad site north of 77th Street would likely occur from the west to the east with possible housing on the east end of the Quad sites. Mr. Teague explained that to accommodate this request, preliminary rezoning from MDD-6, Mixed Development District, to PUD, Planned Unit Development, and an overall Development Plan were needed. He presented project components and nine PUD goals as contained within the draft resolution. The unanimous recommendation of staff and the Planning Commission was for approval of the preliminary rezoning and overall development plan.

The Council acknowledged the high level of sustainability proposed with this project. Mr. Teague stated the plan indicates 12+ stories but anything over 12 stories would require a Comprehensive Plan amendment as well as rezoning. The Council supported a revision to the graphic to emphasize that no building shall exceed 12 stories in height and a revision to conditions of approval to require bicycle racks within each phase of the project. It was noted that Condition 10 should be corrected to reflect "pedestrian crossings."

Mr. Teague answered questions of the Council relating to the process for rezoning of the entire site and incorporation of conditions to assure each phase of the project must abide by these conditions. The Council asked about the balance of power between the City as the regulating agency and the developer as the property owner should the property be sold. Attorney Knutson advised that the new property owner would enjoy the same ability as the original property owner because rezoning runs with the property.

Mr. Teague stated the Council could add a condition to require sketch plan approval for each phase of the development. The Council indicated support for this additional condition. Mr. Teague indicated the preliminary rezoning was consistent with the City's Comprehensive Plan and the revision from the previously approved plans exchange residential square footage with non-residential square footage. He reviewed the assurances provided to the City with a rezoning to PUD compared to the current zoning of MDD-6.

Proponent Presentation

Scott Tankenoff, Pentagon Revival President, described the proponent's work over the past year to develop project plans and requested the Council's approval of the Pentagon Park preliminary PUD and plan. He indicated this proposal resulted in \$500 million of private improvements and public infrastructure to unlock the potential of Pentagon Park, noting it was consistent with the City's Comprehensive Plan. Mr. Tankenoff thanked the Council for its consideration and trust placed in the proponent.

Mayor Hovland opened the public hearing at 7:54 p.m.

Public Testimony

Jane Prince, Weinblatt & Associates, 5874 Blackshire Path, Inver Grove Heights, representing the Save the Fred Organization, addressed the Council.

Laura Schleck, 7408 Kellogg Avenue, addressed the Council.

Lori Syverson, Edina Chamber of Commerce President, addressed the Council.

Wade Heirigs, 4529 Gilford Drive, addressed the Council.

John Stang, 4525 Sedum Lane, addressed the Council.

Peter Fitzgerald, 5217 Kellogg Avenue, addressed the Council.

Felicity Hanson, 7457 West Shore Drive, addressed the Council.

Minutes/Edina City Council/March 18, 2014

Nickolis Hunzelman, 7461 West Shore Drive, addressed the Council.

Tom Terwilliger, 7421 Kellogg Avenue, addressed the Council.

Member Swenson made a motion, seconded by Member Brindle, to close the public hearing.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

Mr. Teague addressed issues raised during public testimony relating to level of detail submitted during this preliminary stage and during the first development phase. It was noted that all submittals have to meet the conditions contained in the draft resolution. With regard to building height and need to screen rooftop mechanicals, Mr. Teague advised of requirements for rooftop screening and that building height was measured from existing grade. It was acknowledged that the developer was requesting a building height of five stories in an area where the Comprehensive Plan would allow a building height of 12 stories, resulting in a lesser impact than would be allowed by the Comprehensive Plan.

Member Sprague read a prepared statement in response to allegations made in a letter dated March 17, 2014, from Jane Prince and accompanying affidavits. Attorney Knutson indicated he had reviewed the affidavits and allegations and, in his legal opinion, there was no conflict of interest to prevent Member Sprague from participating in either the discussion and/or decision.

The Council again reviewed the site plan, noting that no part of Fred Richards Golf Course was included. The Council discussed the conditions of the draft resolution. The Council agreed the proposed project would result in a legacy project that, over time, would benefit the community overall and enhance the neighborhood. **Member Swenson introduced and moved adoption of Resolution No. 2014-29, Approving Preliminary Rezoning from MDD-6, Mixed Development District to PUD, Planned Unit Development, and Overall Development Plan for Pentagon Park, revising Exhibit 15 (building heights diagram) to indicate "12 stories" rather than "12+ stories," and subject to the following conditions:**

1. Final Development Plans must be generally consistent with the Preliminary/Overall Development Plans dated January 22, 2014; Option 1 is the Overall Development Plan. Exhibit 14 (Option 2) is not approved. Exhibit 15 is approved but shall not include the "12+ Story" category.
2. The Final Landscape Plan must meet all minimum landscaping requirements per Section 850.04 of the Zoning Ordinance.
3. The Final Lighting Plan must meet all minimum landscaping requirements per Section 850.04 of the Zoning Ordinance.
4. Submittal of a sign plan with Final Development Plan application for each phase of the overall development. Each signage plan submittal should include monument sign locations and size, way finding signage, and wall signage. Signage shall be consistent throughout the PUD.
5. The 77th Street Improvements must be completed by the applicant/landowner when 100,000 square feet of development has been constructed. The 77th Street improvements must be consistent with the plans date stamped January 22, 2014, and are subject to review and approval of City staff before construction.
6. The Parkway and Living Streets, as shown on the Preliminary/Overall Development Plan, date stamped January 22, 2014, must be built.
7. Final Development Plans must create a recreational system that promotes walking, health and wellness.
8. Connections shall be made from the property south of 77th Street to the property north of 77th Street through or adjacent to the "Walsh Title" site and Fred Richards Golf Course.
9. Pedestrian connections must also be made between buildings, along 77th Street, to Burgundy Place, to the anticipated Regional Trail, and to the new Living Streets, the design of which is conditioned on factors, including without limitation, the future use of Fred Richards.

10. All crosswalks shall be marked with "duraprint" type stamping, or whatever is the City standard at the time of installation, to clearly identify the pedestrian crossings.
11. Where applicable and required pursuant to the Final Development Plan, all public utility, public roadway and public sidewalk easements shall be granted or dedicated to the City upon Final Development Plan approval for each phase.
12. Bike storage and bike shower facilities shall be provided within the development. Bike racks shall be provided within each phase of the development.
13. A majority of the storm water retention shall be developed as an amenity and integrated into the overall development.
14. Overall, the development must include at least 20% of green space/storm water retention in the aggregate.
15. Any Park Dedication fees due under Section 32 of the City Code shall be collected at the time of the issuance of a building permit for any portion of the property that is re-platted.
16. New buildings shall utilize the podium height concept, as defined in the Edina Comprehensive Plan, where appropriate.
17. Attempts shall be made to meet an energy savings goal of 15% over State energy code guidelines. Building designs shall be similar to and reasonably consistent with LEED standards.
18. All buildings must be constructed of high quality materials and architecture. Building materials shall be of, but not limited to high quality brick, stone, precast concrete, and glass building. No building shall contain aluminum or metal siding as the primary finish material.
19. All parking structures shall be designed to be integrated into and complement the architecture of newly constructed buildings. Shared parking strategies shall be employed, where applicable.
20. Public art shall be incorporated within each phase of development.
21. Final Rezoning is subject to a Zoning Ordinance Amendment creating the PUD, Planned Unit Development, for this site. Final PUD Zoning must meet the criteria required for a PUD.
22. Compliance with the issues/conditions outlined in the Director of Engineering's memo dated January 22, 2014.
23. Sketch plan review shall be required for each phase of the development.

Member Bennett seconded the motion.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

VII. COMMUNITY COMMENT

No one appeared to comment.

VIII. REPORTS / RECOMMENDATIONS

VIII.D. PENTAGON PARK REDEVELOPMENT – PREPARATION OF REDEVELOPMENT AGREEMENT – AUTHORIZED

Economic Development Manager Neuendorf explained that the owner of Pentagon Park approached the City to request financial assistance to achieve its long-term redevelopment goals and to remediate poor soils and hazardous abatement, resulting in extraordinary costs. Mr. Neuendorf presented the structure of the proposed assistance, noting the greatest risk would be borne by the developer and his investors with very little risk/exposure to the City. The proposed terms anticipated that a Tax Increment Financing (TIF) note would be pledged to the developer upon initiation of each phase of the project. Upon successful completion of each phase, the City would make payments on the TIF note from incremental property taxes generated by the new buildings.

Nick Anhut, Ehlers & Associates, advised that the proposed interest rate of 5-6% was the same as being seen for comparable projects within the metro area.

Mr. Neuendorf explained the public improvements would meet City development standards; however, the City would not issue debt for those improvements, as the developer would be responsible for those costs.

Minutes/Edina City Council/March 18, 2014

He described safeguards and default provisions within the Term Sheet as well as the three-year look-back period whereby the City would only reimburse for reasonable costs.

Jay Lindgren, Dorsey & Whitney, addressed the variety of ways TIF could be used to encourage redevelopment and advised that the lowest-risk method was a pay-as-you-go note since it created a very low/no risk to the City. He explained the “but for” test required prior to consideration of TIF assistance.

Mr. Neuendorf answered questions of the Council related to stormwater runoff, parking, and eligible costs. The Council directed staff to assure the language of the Redevelopment Agreement and supporting documentation unthine Fred Richards Golf Course from Pentagon Park. **Member Brindle made a motion, seconded by Member Bennett, authorizing the preparation of a Redevelopment Agreement for the Pentagon Park Redevelopment for future consideration by the City Council and Edina Housing and Redevelopment Authority.**

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland
Motion carried.

VIII.A. CONSIDERATION OF CITIZENS’ PETITION FOR ENVIRONMENTAL ASSESSMENT WORKSHEET (EAW) FOR CONVERSION OF THE FRED RICHARDS GOLF COURSE IN EDINA – RESOLUTION 2014-30 ADOPTED

Mr. Teague reviewed that the Minnesota Environmental Quality Board (EQB) received a petition requesting preparation of an Environmental Assessment Worksheet (EAW) for the conversion of the Fred Richards Golf Course. He advised that the EQB determined that the City was the appropriate governmental unit to determine the need for an EAW. Mr. Teague indicated staff believed the closing of a golf course was not a “project” as defined in Minnesota Rules 4410.0200, Subd. 65, because the closure would not “result in the physical manipulation of the environment, directly, or indirectly.” Staff recommended adoption of the draft resolution denying the request for an EAW. Attorney Knutson indicated he had reviewed all documentation submitted, worked with staff to draft this resolution, and also supported adoption. **Member Swenson introduced and moved adoption of Resolution No. 2014-30, Concerning a Petition for an Environmental Assessment Worksheet for the Fred Richards Golf Course.** Member Bennett seconded the motion.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland
Motion carried.

VIII.B. GOLF COURSE OPERATIONS STUDY ACCEPTED – FRED RICHARDS GOLF COURSE CLOSING APPROVED – FRED RICHARDS GOLF COURSE & BRAEMAR GOLF COURSE MASTER PLANS APPROVED – DRIVING RANGE AND EXECUTIVE COURSE PROJECTS APPROVED

Mr. Neal stated this discussion started at the Council’s March 4, 2014, meeting during which a public hearing was also held. He referenced the staff report that consolidated and addressed public testimony. Mr. Neal stated since the March 4, 2014, Council meeting, additional meetings and discussions were held; however, staff’s position had not changed from its recommendation to close Fred Richards.

Parks & Recreation Director Kattreh presented the staff report, staff’s additional research, and answers to the 18 questions raised during the March 4, 2014, Council meeting. Ms. Kattreh described proposed golf course updates to make it easier and more fun, customer service improvements, and additional programming for all ages. She indicated staff’s proforma was very conservative and explained how golfers and leagues would be accommodated and engaged during the update of Braemar Golf Course. Ms. Kattreh answered questions of the Council.

The Council considered whether to use 2014 for Master Planning golfing operations and soft close Fred Richards in 2015. In that way, golfers could use the Fred Richards while Braemar was undergoing improvements. **Member Swenson made a motion, seconded by Member Bennett, accepting the recommendation of staff and the Park Board to close Fred Richards at the end of the 2014 season.**