



**PARTNERING TO CREATE THE VISION**

**GRANDVIEW DISTRICT REDEVELOPMENT**

11 AUGUST 2014





11 August 2014

Bill Neuendorf, Economic Development Manager  
City of Edina  
4801 West 50th Street  
Edina, MN 55424

Dear Mr. Neuendorf:

The GrandView Phase 1 redevelopment is about creating a vibrant, integrated, transit-oriented community and a dynamic place to live, work, shop and play. We believe as partners we can make this development an example of how public/private partnerships can work to create a civic amenity

We have formed a very strong development team led by Kraus-Anderson Realty(KA) as the lead developer. We are proposing a design team comprised ESG Architects with whom we have a tremendous history in the development such noted projects as St. Louis Park's Excelsior & Grand Project.

Our KA development team has extensive experience working with the City of Edina and mixed use projects. KA also has a strong relationship with Jerry's Foods, and they will be a collaborative partner. We bring to this project extensive experience working on high-intensity sites and how to add value to the quality urban development at an economical rate.

Our team is very interested in proposing on this project and in creating a civic anchor born out of extensive public input and collaboration with your community.

I will serve as the primary contact for our development team. We look forward to meeting with you and the Edina City Council this exciting project.

Sincerely,

KRAUS-ANDERSON REALTY COMPANY

Mike Korsh, CPM  
Vice President of Real Estate Development  
Kraus-Anderson Realty Company  
4210 W. Old Shakopee Rd,  
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Mike.Korsh@krausanderson.com



- **249 Projects completed in Edina, Minnesota**
- **Over \$300 Million worth of development/construction in Edina**
- **Currently constructing the 71 France Project**
- **Currently constructing the One Southdale Apartments**
- **Strong relationship with Jerry's Foods**



## KRAUS-ANDERSON DEVELOPMENT TEAM

Kraus-Anderson is pleased to present our GrandView Phase 1 Redevelopment Development Team. Our collaborative team represents all core capabilities necessary to successfully implement Edina’s goal of creating vibrant mixed-use development near Vernon Avenue, Eden Avenue and the 100 corridor. Our team has been put together based on our long-term trusted relationships.

Kraus-Anderson (KA) will lead the team in overseeing and coordinating the financing, specific uses, city entitlement, design, development and project management. KA will also provide comprehensive preconstruction assistance, value engineering, site evaluation analysis, and all construction services, beginning in the early planning stages of the project.

Included on the team is Bob Cunningham of Melrose Company, one of two principals involved in developing Excelsior & Grand, one of the metro area’s most successful mixed use projects.

The philosophy of our 400+ person business is to always keeps the customer in mind so our work is cost effective and adds value to their business.

ESG Architects will be the architect for the residential component of this project. ESG believes housing is a forceful driver of new development and will remain so as long as our population continues to grow. But our lifestyles evolve and our sensibilities toward land development change. This creates new demands for new residential paradigms. Many people now wish to live in walkable communities.

The Kraus-Anderson team will be responsible for creating and implementing the overall marketing strategy and project identity, as well as designing and constructing the concept envisioned by the City and the public input process envisioned in the development framework.

### Collective Attributes of the Kraus-Anderson Development Team

- Extensive portfolio of projects completed together
- Large scale mixed-use and hospitality development experience
- Experience with commercial facilities and lifestyle/mixed use centers
- Exceptional company reputations
- Capacity to address future task needs
- Single point of contact for the development, design, and construction services required
- Exceptional experience working with the City of Edina
- A partnering relationship with Jerry’s Foods, a major stakeholder of the overall development

Our development teams profiles follow on the next page.



**Mike Korsh, CPM**  
Kraus Anderson, Vice President of  
Real Estate Development  
Principal-in-Charge, Development

Mike is responsible for managing all aspects of Kraus-Anderson Real Estate's new development projects. He has over 16 years of diversified experience in the real estate industry. Kraus-Anderson Realty Company has developed over 600,000 square feet of office and retail property over the past 5 years.

Prior to joining KA, Mike was a property manager at United Properties where he managed in excess of one million square feet of office property.

#### Relevant Experience

- 430 Oak Grove Apartments, Minneapolis, MN
- Southtown Campus, Bloomington, MN
- State Farm Site Redevelopment, Woodbury, MN
- Wood Lake Medical Office Building
- Trails of Orono Senior Housing
- Market Street Station - Chanhassen
- Valley West
- 4200 W. Old Shakopee Road, Bloomington, MN



**Douglas Jandro**  
Kraus Anderson, Vice President  
Project Director

Doug has worked with Kraus-Anderson for more than 30 years in executive positions in Business Development and Project Management. Doug brings to KA national experience in development, financing, client strategic analysis and critical leadership teaming with local and state government. During his extensive career, he has managed the development of over 14 million square feet of commercial and industrial projects.

#### Relevant Experience

- Excelsior & Grand, St. Louis Park, MN
- Calhoun Square Redevelopment, Minneapolis, MN
- Chaska Commons, Chaska MN
- Arlington Hills Community Center, St. Paul, MN
- Bielenberg Sports Center, City of Woodbury, Woodbury, MN
- 7 & 41 Crossing, Chanhassen, MN
- Target Stores, various locations in IA, MN, PA, ND and MO
- Project Executive on Jerry's Foods Enterprises projects, which include extensive predevelopment services



**Bob Cunningham**  
Melrose Company, Principal

Bob has developed various freestanding retail, industrial and office projects with experience working on public/private partnerships, TIF districts, Metropolitan Council, MPCA, MnDot, and numerous municipalities. With over 30 years of real estate experience, Bob is a former principal at TOLD Development Company. He was one of two principals in charge of the development of Excelsior & Grand in St. Louis Park, MN. Considered to be a revolutionary project with a score of 92/100, Excelsior & Grand earned the 'Walkers Paradise' award from Walkscore.com. The project received the first LEED Neighborhood designations in the country.

#### Relevant Experience

- Excelsior & Grand, St. Louis Park, MN
- Niketown, Seattle, WA
- Sega Gameworks (first store), Seattle, WA
- Cineplex Odeon, first multi-screen multi-floor theaters in the country, Seattle, WA
- Trader Joe's development, St. Louis Park, MN
- The Shops at Wedgwood, Maple Grove, MN



**David Graham**  
ESG, Principal  
Residential, Urban Mixed Use

David Graham has cultivated a city-building practice dedicated to urban revitalization. His practice is based on urban-planning principles that marry modern architecture's spirit and invention with a profound understanding of history, urban evolution, and context. He has designed more than 50 mixed-use infill buildings and more than 45 urban-redevelopment master plans that reinvigorate the urban realm through a creative mix of land uses, residential density, transit options, sustainability, and afford-ability.

#### Relevant Experience

- Midtown Lofts, Minneapolis, MN
- 301 Kenwood Parkway, Minneapolis, MN
- The Edgewater, Minneapolis, MN
- St. Anthony Mills Affordable Residential, Minneapolis, MN
- Nic on Fifth, Minneapolis, MN
- International Market Square Lofts, Minneapolis, MN
- Heritage Park, Minneapolis, MN

## STATEMENT OF INTEREST

## OUR INTEREST IN THIS OPPORTUNITY

Kraus-Anderson is very interested in being the team that implements the GrandView Phase 1 Redevelopment Development Team. Our collaborative team represents all core capabilities necessary to successfully implement Edina's goal of creating vibrant mixed-use development.

As we reviewed the GrandView District Development District Framework ('Framework') in detail, we were energized and excited by the presentation, concept and the words it contained. We respect the active participation of the community and the thousands of hours of input from staff, volunteers and consultants that pre-date any involvement from our team.

We are certain that our collaborative approach, by working with the community moving forward, we can move the Framework from the broad directions it contains to detailed solutions - all the while keeping an eye on financial feasibility.

As a team we understand and have implemented elsewhere many of the key concepts contained in the Framework. We understand sustainable practices and have seasoned LEED professionals on the team. We've created high quality, integrated developments featuring a number of housing types. We've created neighborhoods where none existed, and we've added to the fabric of existing neighborhoods, like GrandView District. Together the team has created, in a public/private partnership, park and other public spaces.

However, it is important to note that, while we draw on our past experience, we are clear in the importance of the unique opportunity presented at the Public Works site. The inclusion of the concept of form based zoning shows the Framework is truly forward looking.

We believe that with the right partners a public/private partnership can truly produce synergistic results. The work already in place creates a clear vision. We are convinced that together we can achieve the vision.

## YOUR VISION USING OURS

We believe that community members and their considered involvement, especially when guided collaboratively by able staff and consultants, can literally change the landscape of a town. The GrandView District Development Framework looks to change the landscape of Edina. We embrace the work of the community members, staff and consultants. And by embracing their work, we share the vision of just what the GrandView District can become.

As developers we are implementers of change. Often, when we approach a project, the community isn't ready for change.

However, Edina has clearly created a vision of change for the GrandView District. And the change is complete and well thought through. Changes in roadways and changes in pedestrian and bicycle environments. A complete change of adding residential to Arcadia Avenue where none has existed before. Change that runs well beyond just the changes contemplated for the Public Works site.

We are ready to work with the community to provide the bricks and mortar solution to the Public works site while incorporating the vision. We can provide the spark that will contribute to change throughout the GrandView District. We welcome the challenge and opportunity to help create change.

## DEVELOPMENT AS A CATALYST FOR PRIVATE DEVELOPMENT

As is evidenced by the complete and thorough planning that has occurred for the GrandView District, it is an area in transition. Some of the present uses are recognized as being consistent with the plan while many are not. The re-development of the former public works site is a crucial step in the future of the entire district. While there are some residential uses found within the GrandView district (notably along Eden/Vernon Avenues) there are none along Arcadia Avenue.

The successful re-development of the public works site will include a substantial residential component, establishing a residential presence along Arcadia. A successful development logically encourages further re-development.

While there may be some passage of time before transitions of use are completed, due to financial feasibility, lease constraints, and other reasons, a lively residential component and a feature civic component will remove any doubt that the notion can be re-created on adjacent and neighboring parcels.

The inclusion of a civic and residential component along Arcadia Avenue will

help cement the vision of a live/work/play environment for the GrandView District. And as the largest re-development parcel in the district, it is crucial that it's done right.

**Kraus-Anderson has extensive experience working in the public sector markets. We have completed over \$1.8 Billion of public sector work over the last five years that involve K-12, Metropolitan Airports Commission, Community Centers, Performing Arts Centers and Athletic Facilities.**





## Excelsior & Grand St. Louis Park, MN

Excelsior & Grand is a mixed-use development that includes 87,000 sf of commercial space, a town center gathering area, on-street parking, inconspicuous mid-block parking garages, and a police substation. Most of the project's 660 living units, a mix of condominium and rental apartments, are arranged in three stories above ground-floor commercial space. Much of the housing wraps around shared courtyards. Lobbies of the parking garages provide indoor areas where people can wait for buses.

The success of Excelsior & Grand in St. Louis Park is a result of strong partnerships and civic engagement. Built in multiple phases, the project received the Merit Award from the MN Chapter of the American Planning Association for "Outstanding Planning and Urban Design." Additionally, the project

was awarded the nation's first LEED for Neighborhood Development certification.

Civic uses include a public park, known as the Town Green, which bisects the entire project. This was shaped by extensive public involvement with one half being actively landscaped and one-half being lightly landscaped and available for public functions such as farmers markets and park related functions. Public uses include a police sub-station integral to the project, public event restrooms, bus shelters integral to the project and public parking ramps.

Indeed, the entire Excelsior & Grand project was a public/private partnership. Long before any developer was involved, the city identified a community shortcoming – no central community focal point. Ideas were discussed, and finally the area that become Excelsior & Grand become a focus. The city owned a substantial portion of the land already.



Then began the acquisition of the balance of the site. The city held open houses, received grant money to refine design and ideas, conducted design charrettes, and only then got the development community involved.

The developer was chosen through an interview process. Their responsibility was to execute the vision the community held. There was flexibility in that framework allowing for a financially feasible outcome. This was a very successful formula.

### PUBLIC INPUT

The entire Excelsior & Grand (EG) project was a public/private partnership in every sense of the word and the outcome of a great amount of public input and participation. .

For GrandView, the City of Edina has already hosted extensive public participation prior to the involvement of any developer as did the City of St. Louis Park for what became Excelsior & Grand. A list of wants and

non-negotiable needs were developed, and were respected throughout the design and development process. Throughout the development process, numerous public meetings and presentations were held with public input helping drive innumerable decisions. Further, as the design developed, the public was re-invited to participate in many design elements, including, crucially, the Town Green.

Weekly meetings with staff, monthly meetings and working sessions of the planning commission and city council allowed dialog resulting in no surprises for either the city or the developer.

E&G is a transit oriented, pedestrian friendly environment, by design. Links to regional bicycle trails are integral as is traffic calming devices. Excelsior & Grand was the first recipient in the nation for the LEED Neighborhood Design certification – five years after the completion of the project.

**City Place Development  
(Former State Farm Site)**  
Woodbury, MN

Florida-based developer Elion Partners partnered with Kraus-Anderson for the redevelopment of the 100-acre State Farm insurance site in Woodbury. The City Council approved plans that allow the site to be repositioned as a mixed-use development, featuring an array of amenities that will bring the vision of a work/play/live environment to life.

The new 700,000-square-foot development will complement the existing 400,000 s.f. office and features 100,000 square feet of new office buildings and 160,000 square feet of retail, anchored by a 45,000-square-foot, and a high-end grocery store.

**PUBLIC INPUT**

KA and Elion Partners worked on multiple test fits for potential tenants to meet the City zoning restrictions and economic development goals. More than thirty percent of the site will be left of open green space as an amenity to the development as well as the larger community.





**430 Oak Grove**  
Minneapolis, MN

430 Oak Grove is a project that is owned and managed by Kraus-Anderson. KA originally built the building for Northwestern National Life Insurance in 1923. In 2011, KA purchased the building and managed all aspects of the redevelopment. KA managed the acquisition, historic designation, City and State entitlements, procurement of grants (asbestos abatement), hiring of ESG Architects as the design team, market studies, feasibility analysis, construction budgeting, financing options and procurement, rentals, etc.

The redeveloped property has 72 units, a rooftop patio for enjoying the views of downtown and Loring Park equipped with gas burning grills, fireplace, fire pit and other amenities.

**PUBLIC INPUT**

This project involved public (neighborhood) input and approval, City of Minneapolis approval, funding from Federal, State and



City of Minneapolis, Grants from DEED, MPCA, and City of Minneapolis for infrastructure improvement. Also involved working with Metro Transit. We also collaborated with adjacent Women’s Club.



**Arlington Hills Community Center**  
St. Paul, MN

Arlington Hills Community Center is a 40,000 s.f. project for all ages to promote civic literacy, active lifestyles, learning and teamwork. The center is composed of library, recreation, community meeting rooms, common space and a Town Square Plaza for events.

**PUBLIC INPUT**

A six year planning effort preceded construction to bridge the gap in one of the oldest and youngest neighborhoods in St. Paul. KA work with the design team and city to master plan the facility. The project is noted as a catalyst for investment in the neighborhood and support services for the region according to the City Parks & Recreation Department.



**Sanford Center**  
Bemidji, MN

The Bemidji City Council selected Kraus-Anderson as construction manager for the new Sanford Center. In addition to Bemidji State University’s hockey programs, the Event Center provides a venue for a full range of regional spectator, convention, and exhibition events, including touring shows, concerts, conventions, trade shows, and festivals.

The \$48,million 185,000 s.f. event center includes the arena, convention center, and support areas. The arena has a capacity of 4,000 persons for BSU hockey and 6,000 seats for concerts. The convention center is comprised of 10,000 s.f. of dividable ballroom space and 4,000 s.f. of meeting rooms. The facility also has an outdoor plaza area adjacent to the building.



**Bielenberg Sports Center**  
City of Woodbury  
Woodbury, MN

The \$18 million expansion project includes the removal of the 55,000 s.f. air dome field house, which will be replaced with a new 90,000 s.f. conventional construction field house. The new structure will have a 40 foot clear height from the floor to underside of the roof structure. The one-story lobby will be demolished with only the stair, elevator, and second floor lobby components remaining. A new larger two-story lobby addition will be constructed, which will link both the ice sheets with the new field house. An outdoor recreational rink is also proposed with this project, located along the east side of the lobby addition, between ice sheet 2 and the new field house.



**Maslowski Wellness and Research Center - City of Wadena**  
Wadena, MN

52,500 s.f., two-story \$12 million Wellness Center which includes: gymnasium, indoor swimming pool, therapy pool, fitness center, racquetball courts, and community meeting spaces. This Wellness Center is an approach to centralizing and sharing community recreational resources by replacing the Wadena Community Center and City Swimming Pool in a single structure that shares an adjacent site to the new Wadena-Deer Creek Middle/High School, which was also destroyed by the tornado. Kraus-Anderson rebuilt the school, which opened September 4, 2012.



**Wacouta Commons Mixed Use Development**  
St. Paul, MN

Housing/revitalization project in downtown St. Paul. This project includes retail in the multi-phase development. The Commons covers 5 city blocks and comprises more than 500 residents in a range of housing options, including apartments, condominiums and

senior housing. Kraus-Anderson joined the team early and provided budgeting, value engineering and scheduling throughout with the City of St. Paul and the development partners



### Calhoun Square Redevelopment Minneapolis, MN

Calhoun Square underwent a major redevelopment that included demolition of portions of the existing structures, renovation and expansion of retail and restaurant venues.

Key concepts in the redevelopment were creation of a compelling street presence, a variety of storefront setbacks to create sidewalk plazas and other streetscape opportunities, and creation of a festive public space on vacated Girard Avenue for events such as farmer's market, arts and crafts fairs, and

musical performance. Calhoun Square now includes 66,000 sf of retail space, and 52,000 sf of restaurants and cafés. Future phases call for residential and office developments.

This project received three MN Shopping Center Association STARR awards in 2011, including Best Redevelopment.



### Southtown Campus Bloomington, MN

Opened in 1960 and later receiving seven major expansions and renovations, the shopping center currently contains 535,135 sf in a blend of national and specialty tenants.

At the junction of Interstate 35W and 494, the office complex responds to its prominent location along the two interstates. It provides 300,000 sf of office space, and parking for 2,150 cars. A proposed restaurant provides an additional amenity to the site, and its adjacency to the Southtown Shopping center makes the site more appealing to tenants. The Southtown Shopping Center was realigned to provide synergy with the proposed office building development.

Currently, we are:

- Working with the City of Bloomington to rezone the property and include mixed use and higher density opportunities
- Working with Metro Transit to incorporate the new Orange Bus Line through the property
- Working with MNDOT on the re-configuration of the I-494/ I-35W cloverleaf interchange

## PRELIMINARY WORK PLAN

Once selected, first of all we plan to respect the collaborative process set forth within the RFI documentation. Within that context, and within Stage 2, we anticipate the following activities:

- Review all geotechnical, environmental, survey, zoning, and other documentation available or pre-existing conditions regarding the site.
- Meet with staff and key stakeholders to understand, via dialog (rather than reports), the vision and expected outcome.
- Conduct public 'open houses' to gather information, thoughts and feedback. This would be coordinated with staff.
- Determine what additional information must be obtained.
- Determine what additional team members/consultants must be engaged.
- Generate pricing models based upon existing vision. Begin generating alternatives as necessary.
- Begin discussions with staff on public components, private components and how they overlap.

- Begin discussions with staff on TIF, Met Council grants, and other public sources of funds relative to requirements and timing for applications.
- Understand/establish timing on roadway improvements and other infrastructure.
- Understand opportunities and issues dealing with railroad for GrandView Drive bridge concept.
- Begin discussions with staff on value of land of private component.

Given the timing set forth in the RFI, this would be conducted during the first eight weeks following the selection of the team. This will be a busy time! The general intent is to identify what steps need to be taken in Stage 3. What do we have, what needs to be done, what is missing, what gaps exist, etc.

### First 60 Days

- Review Existing Studies
- Meet Stakeholders
- Keep Process Open to the Public
- Determine Additional Needs
- Generate Preliminary Pricing Models
- Public/Private Spaces
- Financing Discussions
- Infrastructure Timing and Financing
- Railroad
- Land Value

### Day 60 - Day 120

- Commence Contract Documents for Pricing and Construction for Spring Start
- Refine Plans
- Refine Pricing
- Identify Sources, Uses of Funds
- Development Agreement
- General Timing



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