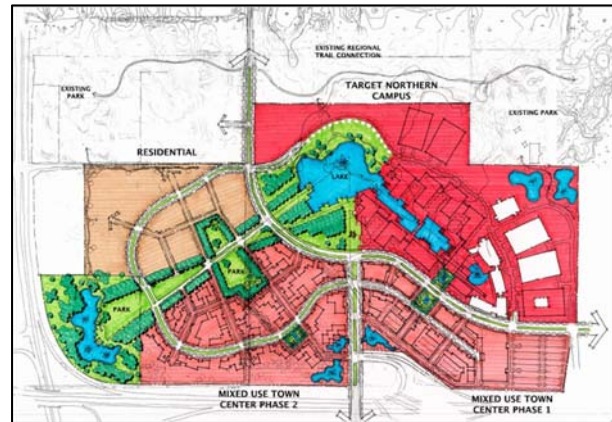




Economic Development Division 2006 Year-End Summary

Brooklyn Park had an extraordinarily successful 2006, firmly staking its position as a proven regional leader. Brooklyn Park ranked second in housing starts in the Twin Cities metropolitan area with 405 residential permits and fifth in the region with 419 residential units. The most notable cornerstone was the approval of a Contract for Development with Target Corporation for a major expansion of the existing Target Northern Corporate Campus.

Other significant developments include the opening of the first phase of the Park Place Promenade commercial retail center anchored by Cub Foods, a host of new business expansions, and the creation of the Neighborhood Action Program to improve distressed neighborhoods. Additionally, the Economic Development Authority was the proud recipient of the TwinWest's 2006 Bravo! Award.



This report highlights these and other 2006 accomplishments that contributed to the continuing transformation of Brooklyn Park's economic environment.

Village Creek Redevelopment

The Beard Group and Ryland Homes – Progress continued on the Beard Group's and Ryland Homes' mixed-use development project. Major improvements to Shingle Creek, as well as the addition of two new roads in the development were major highlights. In addition, Ryland Homes completed construction of 45 new for-sale townhouse units, well ahead of the anticipated schedule.



Shingle Creek Improvements

Shingle Creek between Brooklyn Boulevard and Regent Avenue was completely transformed in 2006, creating a new park amenity for the Village Creek area. In addition to adding $\frac{3}{4}$ mile of new trails connecting the area, the creek improvements included new landscaping, plazas, pedestrian bridges, a play area, erosion control, and improved storm water management.

Welcome Avenue/Village Creek Parkway – In conjunction with the Shingle Creek improvements, the EDA constructed two new streets to serve the redevelopment area. Welcome Avenue will serve as the "main street" of Village Creek and connect with the new Village Creek parkway along Shingle Creek.



Hennepin County Funding – In 2005, Hennepin County designated \$4 million in its Capital Projects Budget to help fund public capital expenditures in the Zane Avenue Corridor. In 2006, the EDA approved an agreement to direct \$2 million of this allocation to help fund the Shingle Creek improvements and construction of Welcome Avenue and Village Creek Parkway.



Smile Center – The Brooklyn Park EDA purchased a blighted property at 7532 Brooklyn Boulevard in 2004. The Smile Center (dental clinic) entered into an agreement to purchase the property from the EDA in 2006 and committed to construct a 4,800 square foot dental clinic, anticipated to begin in spring 2007.

Business Retention, Expansion, and Recruitment

Target Northern Campus – The Brooklyn Park City Council and EDA approved a Contract for Development with Target Corporation in June for a major expansion of Target’s existing corporate campus at the northeast corner of Highways 169 and 610. Target envisions a large development with a mix of uses that include:



- 8 million square feet of office for over 26,000 employees
- 2 million square feet of retail/commercial
- 3,000 units of housing to include workforce housing

Total investment is estimated at \$1.75 billion, with construction phased over the next 10 to 15 years. Target has also committed to provide a new public park, land for a water tower and a new county library, and space for a new police substation.

Continuing growth on its Northern Campus, in 2006 Target completed construction of a 245,000 square foot office building accommodating an additional 1,000 employees.

Park Place Promenade – Construction continues on the 420,000 square foot Park Place Promenade commercial retail center located in the Town Center area at Zane and Highway 610. Cub Foods, which anchors the project, opened in August.



Construction on the five multi-tenant buildings at Zane Avenue and Oak Grove Parkway progressed, allowing retailers to open in 2006: Caribou Coffee, Chan's Chinese Restaurant, Great Clips, Ike's Wine & Spirits, Jimmy John's, Nails Touch, National Karate, Sammy's Pizza, Sprint, and Totally Tan.

Other confirmed tenants in the multi-tenant buildings are Brooklyn Park Chiropractic, Fitness 19,

Inches-A-Weigh, Play It Again Sports, and Taj Salon & Spa. Also locating as stand-alone users in the project and planning to construct in 2007 are:

- LA Fitness
- M & I Bank
- TopLine Federal Credit Union

610 Business Park – Ryan Companies moved forward on completing construction in the 610 Business Park. One 78,600 square foot office/showroom building was constructed at the corner of 93rd Avenue North and Winnetka Avenue North and another 78,000 square foot building is planned for future construction.



Duke – The Duke Crosstown 12 building at 7601 Setzler Avenue North secured another tenant, InterNet. InterNet, who produces plastic netting, mesh and tubes, occupies 72,000 square feet of the 324,000 square foot building. The company has 35 employees. The Crosstown 12 building is the facility Duke constructed in 2005 on a speculative basis; with this lease, the facility is now nearly full. InterNet joined Creative Carton and Zomax. The Duke Crosstown North Business Park secured a number of new tenants over 2006, including Extra Innings and Minnesota Tile and Stone.

PDL Biopharma – PDL BioPharma is now operating in full production mode. The total number of employees at their Brooklyn Park location exceeds 300. Representatives from PDL have also presented plans for its expansion over the next several years.

CIMA Labs – CIMA Labs, 7325 Aspen Lane North, finalized approval to allow for expansion. The completed expansion will allow additional interior build out of their research and development facility and add about twenty employees to the site, bringing the total number of employees to 110.

Squid Ink – Squid Ink, a growing company that specializes in the manufacture of superior quality inks and ink jet printing equipment for the packaging industry, submitted plans for the rehabilitation of the building located at 7041 Boone Avenue North. The company purchased the building in September and plans on occupying the space in summer 2007 following significant exterior and interior renovations. It will be home to sixty employees to start with plans to grow that number to ninety within a couple of years.



Integra Group – The Integra Group, a medical research company, completed significant construction and expanded its operations to a Brooklyn Park second location at 4129 85th Avenue North. The company also has office facilities in the Quadrant Building.

Watson's – In early 2006, Watson's moved into the recently vacated Levitz Furniture store at 7007 Lakeland Avenue.

ABRA Autobody and Glass – A grand opening was held 8216 Lakeland Avenue after ABRA Autobody and Glass completed a significant renovation and an addition at the site.



O'Reilly Auto Parts – O'Reilly Auto Parts purchased the vacant 243,000 square foot distribution center at 6610 West Broadway in 2006. The building is being renovated and the project will bring new jobs to the community. The plan includes landscaping, lighting and interior renovations.

Sweet Basil – An Asian cuisine restaurant located in the final tenant bay at the retail center located at 9310 Zane Avenue North.



West Broadway/Brooklyn Boulevard Retail Area – Significant revitalization in this area is underway including a fully remodeled Rainbow Fresh grocery store that opened at 8020 Brooklyn Boulevard in April. Fazoli's sold its restaurant at 8016 Brooklyn Boulevard and the new owner reopened the remodeled facility as an Arby's in May. Following the opening of Rainbow, the property owners continued improvements by constructing a new EFIS façade and signage to the balance of the Park Square retail center. The owners of Starlite Center at the southwest quadrant of West Broadway and Brooklyn Boulevard also completed exterior renovations to Cub Foods and the balance of the center.

Gold's Gym – Gold's Gym has secured the former Lifetime Fitness space at Northwinds Plaza and will be open for business in early 2007 following the completion a number of interior improvements.

2901 85th Avenue North – The Brooklyn Park EDA sold a 4.5 acre property at 2901 85th Avenue to the Rome Companies in May. Horwitz Mechanical, an existing Brooklyn Park business, is set to be a primary occupant. The remainder of the property is currently being marketed by the Rome Companies to other potential users.

Northland Circle office building – Construction is underway on a 24,000 square foot three-story Class A office building with underground parking located at 7077 Northland Circle. Staff coordinated with the adjacent hotel (then the Sleep Inn) on securing a shared parking arrangement between the two properties.



TwinWest Bravo! Award – TwinWest's annual *Bravo!* Award was presented to the EDA at the Brooklyn Park State of the City program in February. The award is given annually to a TwinWest community member who demonstrates outstanding commitment to TwinWest and to the community in which they operate.

Marketing Plan – Staff worked with a marketing professional to complete a comprehensive economic development marketing strategy. A number of the strategies suggested have begun to be implemented, including advertising in trade publications, and staff anticipates the implementation of additional elements in 2007. Additionally, a newly redesigned website was launched in 2006.

Twin Cities Community Capital Fund (TCCCF) – Brooklyn Park originally joined TCCCF, a non-profit business loan fund, in 2005. During 2006, Brooklyn Park’s membership was increased to \$80,000 in order to facilitate a gap loan to Printing Arts, Inc. in the amount of nearly \$800,000. Printing Arts, Inc. is located at 8801 Wyoming Avenue North.

Brooklyn Park Development Corporation (BPDC) – The BPDC continued to promote its loan guarantee and the programs. A banker’s luncheon was held in January and new brochures were created. A mailing of the new brochures to Brooklyn Park businesses was completed in the spring. A new program to offset the impact of the Water Access Charge to new restaurants was established with Sammy’s Pizza taking advantage of the new offering.

Small Business Entrepreneur Training and Financing Partnership – The partnership continued in 2006. These partnerships are with organizations that have a history of effectively training entrepreneurs and small business owners, as well as providing financing opportunities.

Housing / Neighborhood Development

Neighborhood Action Program (NAP) – The City of Brooklyn Park initiated in 2006 a new multi-agency collaborative effort to address rising crime and livability issues in single-family residential neighborhoods. The Neighborhood Action Program (NAP) brings together agencies that do not typically interact to strategically focus all possible resources to reduce crime and increase neighborhood stability. The Economic Development Division is determining how to best invest housing resources to address problem properties to improve neighborhoods.

Scattered Site Acquisition and Rehabilitation – This program’s recent activity has been in the 83rd Circle North and 84th Avenue North neighborhoods. Formerly blighted rental properties were fully rehabilitated and twin homes will now provide affordable home ownership opportunities. Funding



for this program was through Community Development Block Grants (CDBG), Minnesota Housing, the EDA and federal HOME grants. During the rehab phase, staff promoted home improvement loans to residents thereby spurring investment and stabilizing the housing stock of the neighborhood. A strong alliance of residents has formed as a result of City involvement in the neighborhood.

Home Remodeler’s Fair – This annual event is sponsored by Brooklyn Park and seven other northwest suburbs. Attendance once again exceeded 2,000 residents. Many in attendance took advantage of the free consultation with an architect. Inspired residents were supplied with creative solutions to home improvements, connected with contractors and building officials and were provided resources to secure home improvement loans.

“Great Results 2006” Brooklyn Park Real Estate Forum – The 14th annual Real Estate Forum was held at Edinburg USA with nearly 150 real estate agents in attendance. Special guest speaker Mike Opat, Hennepin County Commissioner, provided information relating city housing and county transportation issues.

Stable Neighborhoods Action Plan (SNAP) – In 2006 the EDA began implementation of SNAP by establishing new policies to proceed with apartment redevelopment. The EDA adopted a Relocation Assistance Policy and Relocation Assistance Appeal Policy to address the potential displacement of residents as a result of redevelopment. In addition, the EDA adopted a Replacement Housing Policy that provides a mechanism to replace affordable housing that might be lost if units are demolished.

Summer Blossom – Annually the city recognizes and rewards citizens and businesses for their attractive gardens and landscaping. Nominations were received from neighbors, contractors or the gardeners themselves. The city’s eighth annual program received over twenty nominations and culminated in an awards ceremony during the August 28, 2006 Council Meeting. Grand winners received \$150 gift card and an engraved Summer Blossom Paver.



Minnesota Housing Finance Agency Performance Award

Pilot Project – Minnesota Housing selected Brooklyn Park as one of three recipients statewide of a competitive grant process to launch innovative housing initiatives. The funding is to design creative models to address challenges that face many cities. Brooklyn Park intends to use the funding to implement the recommendations of the Stable Neighborhoods Action Plan (SNAP) report.



Investment Owner’s Program – Building on the partnership with the Minnesota Multi Housing Association (MHA), the Investment Owner’s Program was rolled out in 2006. Part of this program has included the distribution of over 105 Investment Owner Guides, a useful resource binder for rental property owners. Another program aspect was the Investment Owner Seminar Series, a training on successful rental management, held in spring 2006. With this program’s success MHA plans to introduce it in other cities statewide.

Policies

During 2006, a number of policy updates were completed and new policies to guide development activities were also implemented:

- Updated the Business Subsidy Policy
- Updated the Greenfield Commercial / Industrial Development Incentive Policy
- Established a Developer Fee Policy
- Established a Relocation Assistance Policy and a Relocation Assistance Appeal Policy
- Established a Replacement Housing Policy
- EDA levy approved to fund development