

Study Meeting
Monday, May 12, 2014
Bloomington Civic Plaza
1800 West Old Shakopee Road
Bloomington, Minnesota 55431-3027

- 1 **Call to Order** Mayor Winstead called the study meeting to order at 6:04 p.m.

Present: Councilmembers C. Abrams, J. Baloga, T. Busse, A. Carlson, D. Lowman, and J. Oleson.

- 2 **INTRODUCTORY** No items.

- 3 **CONSENT BUSINESS** No items.

- 4 **PUBLIC COMMENT PERIOD** No Public Comment Period during study meetings.

- 5 **HEARINGS/PUBLIC INPUT** No items.

- 6 **ORGANIZATIONAL BUSINESS**

- 6.1 **35W/494 Interchange, Met Transit Orange Line Projects Update**

Requested Action: Receive update and provide comments on the 35W/494 Interchange and the Met Transit Orange Line Projects.

Jim Gates, Deputy Director of Public Works presented this item and introduced Mark Deerling, SEH Project Engineer; John Griffith, MnDOT; and Christina Morrison, Met Transit. He said the Penn American District will benefit will from this Orange Line BRT alignment.

Griffith said they didn't know how Bus Rapid Transit (BRT) was going to operate in the area of American Boulevard so that is why the interchange design is still in the concept phase. They need to break down the interchange work into phases for affordability while trying to accommodate BRT within American Boulevard to the 76th Street area. They can now move forward with a preliminary design. As funding becomes available, a potential project can move forward.

Gates said a Municipal Consent approval will be required of Bloomington and Richfield.

Morrison stated Met Transit's recommendation in November was the Knox Avenue alignment, allows for a sidewalk adjacent or at-grade station. They're looking at the cross section of Knox Avenue, as new right-of-way is needed between American Boulevard and 494. They need to fine-tune the needs of that transitway with regard to pedestrians as well as a potential trail connection.

Morrison said Met Transit is looking at a potential park and ride in the Knox Avenue area. She said a new park and ride has been planned in the 494/35W area for a long time. There will still be parking on the north side of 494 as well as on the south side. More information to come later in 2014. Met Transit staff is working closely with City planners on the Penn American Vision. They just released the Draft Orange Line Update online. It is currently out there for public comment. She requested input on the Bloomington stations and the overall operation of the line.

Deerling said SEH is looking at the access issue involving the interchange with both Bloomington and Richfield. They're trying to keep the footprint as compact as possible. They need to address the new drainage needs and the current drainage deficiencies in the area. They are recommending a turbine with three loops. A prominent feature is the large sweeping loop that takes the northbound traffic to westbound 494. The design addresses the primary move while not over building the intersection. The three loops operate on and off the collector/distributor roads and not mainline 494. It separates the weaving and takes it off the main line. It should operate at a high level of efficiency. They've added some local access back into the interchange (494) on the Lyndale side of the interchange with the ramps on the west side (the exit from eastbound and the entrance to westbound) to make the moves onto 35W from there.

Busse asked if the existing loops will remain or be rebuilt.

Deerling said the ultimate vision would be to rebuild but not in Phase I.

Winstead said getting some of the traffic off the main line will help correct the situation. He doesn't want to see what happened on Hwy. 169 happen here. Build it right the first time so it doesn't need to be redone in 20 years.

Carlson asked if the drainage issues will be addressed in Phase I. He asked if the interchange work and the Orange Line are two separate projects.

Deerling said there will be some drainage improvements with Phase 1. He said the interchange and the Orange Line are two separate projects. In order to implement the turbine movement northbound to westbound, reconstruction will be needed for the bridge at 82nd Street. They'll reconstruct the exit and entrance ramps from northbound 35W, the westbound exit to Penn Avenue, the southbound ramp, along with some reconstruction of the ramp west of Penn Avenue and the frontage road to make everything fit together. He said reconstruction of the ramp and the frontage road adjacent to it will affect three residential properties on the north side of 494 west of Penn Avenue. There will also be some impacts to the Best Buy Park and Ride. He talked about some right-of-way impacts on the east side south of 35W south of 494. He said they haven't met with the property owners yet but they believe it will alleviate the impacts on the east side. He said all of the drainage improvements need to meet the watershed requirements for the interchange will be addressed within the interchange itself. Phase 1 will build the pond portions only for Phase 1. They will later be expanded to meet the full vision layout. They're working with City staff to look at the drainage issues in a broader sense including the American Boulevard and Knox area and at Penn Avenue and 494.

Winstead said he met with one of the major property owners in the area who questioned why the Orange Line couldn't use the existing Humboldt right-of-way as opposed to coming all the way over to Knox. He said this concept shows a part of the existing Humboldt Avenue getting consumed in the new interchange. He asked if there was a possibility of keeping the Orange Line to the easterly portion; and if not why.

Morrison said they held a design workshop with Kraus-Anderson regarding reroute ideas – ways to get from American Boulevard and Knox to Richfield and the Humboldt frontage didn't come out of that workshop. They are considering six reroute ideas and are considering ideas from MnDOT and other agencies. Now they can talk about the feasibility of those six reroutes. It's about the physical path it takes and the design.

Griffith said 82nd Street is the current exit to this area. There will be no new exit ramps to American Boulevard.

Busse asked how this construction will tie into the construction at the Lake Street station, Hwy. 62, and the river bridge to Burnsville. How does it work with timing, coordination, and necessity?

Griffith stated MnDOT is working on the Lake Street station and it's funded. The Lake Street project is going to start in 2017. The Minnesota River Bridge is in preliminary design and it needs to be shelf ready for the 2020-2021 timeframe.

Morrison said they are currently in pre-project development but haven't yet entered the Federal Small Starts process. By mid-2014, they will be applying for Federal Small Starts funding with a scope of project in order to convey it to the Federal Transit Administration as the primary funder. Engineering of the project will occur in 2015-2016. The American Boulevard and Knox stations will need to catch up. Looking at construction in 2016-2019. Looking at opening the Orange Line in late 2019. The Minnesota River bridge could come up after that. They're trying to bring the funding, environmental and design work together.

Busse asked if the Knox Avenue work will come from Orange Line funding or interchange funding.

Morrison replied it will come from Orange Line funding.

Lowman asked if the Orange Line will be built so that it can be converted to Light Rail Transit at some point.

Morrison replied 35W has been considered primarily as a bus corridor ever since 1992 when the original Environmental Impact Statement (EIS) was done for 35W and that it looked at a number of options including light rail. She said a benefit of BRT in this corridor is that it can share the MnPASS managed lane and doesn't require a dedicated lane. She said they wouldn't look long-term to convert it into light rail. It's been primed as a high-capacity bus corridor.

Mark Bernhardson, City Manager said in the 1990's when the EIS was done, Bloomington mediated having LRT in 35W. He said the City of Minneapolis insisted that the LRT be built in 35W first before any lanes were added, which essentially killed it. He said Bloomington suggested they build Hiawatha first, then expand the lanes, and then come back and do the LRT. As a result, he said Hiawatha was built first but LRT in 35W was dead at that point.

Baloga said the project has gone from a full turbine design to a turbine plus three loops and inquired how they got to this point.

Griffith said a full turbine design is much more costly with very little additional benefit due to the low volumes that would be using the additional infrastructure. That is what led them to the partial turbine with three loops.

Baloga asked how the estimated cost of this project compares to the full turbine.

Griffith said a full turbine would cost \$230 million whereby Phase I will cost \$50 million.

Baloga questioned the lanes in each direction on 494.

Griffith stated the original EIS had a larger footprint. In the current concept, there will be three general purpose lanes and one managed lane. There may be more lanes coming into the intersection but not west of the interchange. He said they will start with the preliminary design at the conclusion of the study. They'll get it shelf ready in case there is additional funding. Right now current revenues don't support a \$50 million project. It's not in their 10-year project window but they're trying to find the funding to get it done, as it's a high priority for this area.

Oleson questioned how the traffic amounts were modeled.

Griffith replied their modeling comes from the Met Council; where commuters live and where they work. Regional modeling is based on comprehensive plans. They've projected 20 years out plus an additional 10 years.

Baloga believes what happened on Hwy. 169 was cost driven. That original plan had a full interchange at Anderson Lakes Parkway and Pioneer Trail but those were removed because of the cost overruns on the bridge over the river as was the intersection at 494. He said it was done piecemeal with time extensions so he hopes that doesn't occur here.

Bernhardson said Hwy. 169 was done by the County and they did those intersections at grade because they weren't into interchanges. He said the City requested the County redo the EIS with those separated grades at Anderson Lakes and Pioneer Trail but they said it would cause a 3-4 year delay to do that and to go through the EIS. The County said they had the money and wanted to go ahead and build it. He said Bloomington tried to get the Legislature to come up with an estimated \$25-\$30 million to do those two interchanges at the time but they didn't have the money to do it. He said it was primarily driven by the EIS that was originally done and then it shifted over to MnDOT and the delay they didn't want to affect the bridge getting done.

Baloga said his recollection is that the separated grades were taken out because they would have cost \$10 million (\$5 million for each bridge).

Karl Keel, Public Works Director said ideally the funding for these projects would be in place so they could get scheduled. Here, the preliminary design will be ready in case money becomes available but he can see a scenario whereby similar decisions will need to be made like they were on 169.

Griffith said the turbine design is the right decision and it will handle the future traffic. The question is when do they add the capacity on 494 -- when are the collector/distributor movements separated out of the main line. He said it is driven by funding and in a sense they have done things piecemeal. He said MnDOT doesn't have funding for all of these projects so they have to make tough decisions. He said down the road, they're going to have to come back and separate those ramps with collector/distributor roads.

No Council action was necessary.

**6.2 Alternative
Transportation Plan**

Requested Action: Provide feedback on the Alternative Transportation Plan (ATP) Updates.

Randy Quale, Parks & Recreation Manager introduced the City's consultant on this project Michael McGarvey, SRF Consulting. McGarvey made the following presentation:

- Stakeholder Involvement
- ATP Plan Update: Process and opportunities for public input.
- Values & Preferences of Bloomington Trail Users
- Document Overview: Met Council and Hennepin County are updating their regional plans.
- Project Approach: Ready to initiate formal public involvement beginning with some focus group discussions that will involve some public engagement later in the summer. This will come back to the Planning Commission and the City Council later in the fall.
- Public Process: Online survey will go live next week. Would like to have a bike/walking tour – an opportunity for elected officials and the public to see the intersections and corridors recommended for improvements.
- Project Schedule: Start public involvement and wrap up later this fall. A draft document to be developed later this summer with a final document in the fall.
- Questions and Answers

Winstead reminded Council to keep the overall plan in mind because they need to be comfortable with it.

Busse said it would make sense to do a map on a regional basis. It would be educational for the public to see how the trails are connected. This needs to be viewed regionally. Bloomington doesn't want to miss an opportunity to get across the Minnesota River to Burnsville.

McGarvey said there are many stakeholders involved in this project. He said there are local, regional, and state trails such as the Minnesota River Valley trail located within the city of Bloomington. He said it's very important to make regional connections to the cities of Richfield, Edina and others. They need to integrate with the work the Three Rivers Park District is doing with the new Intercity Regional Trail coming into the east side of Bloomington, the Nine Mile Creek Trail, the Hyland regional trails on the west side of town, and connectivity to the 35W Bridge, the Old Cedar Avenue Bridge, and to US Fish & Wildlife property near the Mall of America.

Oleson asked if the Minnesota Valley River Trail is still in the bonding bill.

McGarvey replied it's in the House bill but not in the Senate.

Abrams said Council needs to be mindful of the asphalt that is already out there and the varying conditions of the various trails. She said the path around Dred Scott is bad, as it's impossible to ride a bicycle on it. She said just because there are a lot of trails on a map doesn't mean they are high grade trails. She commented on the maintenance required to keep trails in good condition. She said the County trail along France Avenue is also in poor condition. It's a matter of quality trails; not just quantity.

Winstead said the County's engagement is key.

Bernhardson said the section from 94th Street to Nine Mile Creek on Normandale Boulevard is included in the Normandale Improvement Project but problems will still exist south of there.

Winstead said the City needs to fix trails and maintain them.

McGarvey stated Section 4 of the ATP includes existing and new facilities.

Quale said there are best practices for maintaining trails that staff will identify in order to provide the best return on the City's investment.

Baloga commented the City is always expanding the park and trail system but he hears from people the City isn't maintaining what it has. He said maintenance of current trails needs to be done before the City aggressively expands the trail system. He doesn't want to add to that future burden.

Abrams asked if there were any statistics regarding the number of weekly users of the trail around Normandale Lake.

Quale said the City's count of walkers around Normandale Lake is approximately 350,000 yearly but it doesn't have counts for other trails.

Lowman said he will send his additional comments to the City Manager.

Baloga requested an electronic copy of this presentation.

No Council action was necessary.

6.3 Strategic Plan Update - Sustainability

Requested Action: Receive presentation on regional indicators and sustainability initiatives and programs.

Larry Lee, Community Development Director introduced Senior Vice President Rick Carter and Becky Alexander of LHB, Inc. Their joint presentation was as follows:

- Sustainability Definition
- Bloomington's Approach
- Methodology
- Sustainability Tables: Adopted in 2013
- Table 3A – 2013 Low Hanging Initiatives: (Implement within the year)
- Table 4 – 2013 Short-term Initiatives: (1-3-year implementation)
- Regional Indicators Initiative: (Carter & Alexander). They represent the ULI Regional Council of Mayors. They've collected data from 22 cities and this is their first report. It's an inventory of energy, potable water, travel, waste, and greenhouse gas emissions from 22 Minnesota cities. A pilot was started in 2010 with the cities of Edina, Falcon Heights, and St. Louis Park to try and measure the best practices.
- Regional Indicators Initiative: Map
- Metrics: Data was collected from 22 cities for four years. 20 cities are listed on the website but not including Bloomington.
- A Common Metric: The energy used in buildings and infrastructure is the dominant use of energy.
- Total Energy Use: BTU's per person per day. It declined from 2008-2010 but increased in 2011.
- The "Check Mark" trend: Factors influencing consumption included weather and economy.
- 5-Year Trends: 22 cities including Bloomington.
- Explore the Data: What has happened over time is valuable information if a change is desired.

- Energy Use: 2008-2012: (pie charts and subgroup averages for 2011)
- Total Potable Water Use
- Water Use – Bloomington (gallons/capita/day for 2012)
- Residential Water Use: (pie charts and subgroup averages for 2011)
- Total Vehicle Miles Traveled: Average of 26.2 miles traveled per person per day in Minnesota.
- Vehicles Miles Traveled Increases at Greater Distances from Central Cities
- So What? (Total greenhouse gas emissions from primary sources)
- Importance of Clean Energy
- Conclusions
- Cities: List [HTTP://regionalindicatorsmn.uli.org/](http://regionalindicatorsmn.uli.org/).

Council comments/inquiries:

Winstead reported this was tracked through the Regional Council of Mayors and they developed the model. This provides benchmarks going forward so the City will know where to focus its efforts.

Oleson commented the City of Edina has initiated a loan program to increase energy conservation and Carter confirmed it's called PACE.

Busse asked what this means in terms of sustainability or financial liability. He said these appear to be the payback type of indicators.

Carter said the question is how to you compare waste or recycling compared to the other metrics. He said it's definitely a small percentage of the emissions pie. He said there is a lot of interconnectedness between these metrics that isn't obvious from the surface. Water creates energy and energy is used to distribute energy. Waste requires energy to collect and move around, which can be offset with certain methods. He said they haven't really come to that conclusion yet.

Winstead stated different actions can save energy so there is a payback.

Carter said there will be a meeting for Greater MSP in a couple of weeks. He said there will be a step 5 at some point for the green step cities.

Lee said the best practices for the green step cities were very basic. They were less advanced than those of Bloomington so that is why the City hasn't participated to date. He said the next step in June will be the governance practices. There will be presentations on sustainability and the key things that make a city great.

No Council action was necessary.

6.4 Minnesota River Valley Master Plan

Requested Action: Receive the presentation and provide feedback and suggestions.

Randy Quale, Parks & Recreation Manager and Planner Julie Farnham made the following presentation:

Minnesota River Valley Master Plan

- Meeting Objectives
- Purpose of the Master Plan
- City Owned Land
- Vision
- Goals: 4 broad/interrelated goals

- Key Principles
- Opportunities – Access: Lots of opportunities – Some exist on City property and some on other property.
- Opportunities – Access: Map of existing trailheads with parking lots. What amenities and features are needed to serve our residents?
- Opportunities – Utilization: Think outside of the box about what could go into these locations. A State Trail is proposed.
- Opportunities – Awareness: City will work with Native American groups to make sure certain types of features are provided along the river.
- Opportunities – Protect & Preserve: Want to maintain at least 80% of river bottom in its natural state and develop 20% of it.
- Key Project Partners: (Farnham)
- Public Engagement Approach: Open house end of June or early July.
- Project Schedule: Wrap up plan at end of the year. Bring back to Council at end of August or September.
- Commission Input: Planning and PARC Commissions are excited about this project.
- Discussion: Does Council think anything is missing from this plan?

Council comments/inquires:

Abrams said the Council won't have the vision until this tract of land and the series of tremendous opportunities can be overlaid with the ATP and the regional network that is being built right now. She said the City needs to be thoughtful on how this will affect others outside of its boundaries. She said the City needs to look at this from a larger context so it can weigh and balance where the best use is before moving forward on it.

Winstead said get it pinned down with the other plans and tie in the regionality.

Farnham said it has significance for a park reserve not only for this side of the river but for other communities. Staff will coordinate all of those efforts.

Regarding the level of activity, Abrams said the Council needs to understand why the Nine Mile Creek path is so beneficial to the community.

Winstead suggested a case study could be done on the Nine Mile Creek path, as it's popular and it has restricted use.

Lowman commented he's excited this process is taking place. He's interested in tying into the native American history in this area. He suggested working this into the ATP from a regional standpoint.

Carlson asked what is currently in front of the Legislature in terms of funding.

Quale replied it's \$2.5 million for a state trail.

Carlson asked if Council will have a sense of what the pros and cons are of any agreements, relationships, the handing over of authority, and how they factor into the Council's vision.

Quale said staff will be talking to US Fish & Wildlife (USFWS) tomorrow regarding the management of some of this.

Farnham said the state trail is a separate project and it will be addressed but there will be some sticky issues regarding the management of it.

Busse commented the ideas for the ATP display information would be helpful here, as more information is better.

Winstead said the City could be setting itself up for getting something along the river bottoms that just sits there and doesn't get maintained.

Oleson said it will be important to have widened pedestrian areas for a quarter or half-mile areas. The City needs to make sure it's also available for Bloomington seniors.

Baloga asked what the City's role will be in granting the State access for that trail if the State approves the bonding.

Bernhardson said the big question about this study is the decision that this is going to be primarily a natural 80/20 area with access. That's the primary thing. He said the primary thing into a natural area becomes the access or the trail. He said then the question is how much is the capital and who will pay for it. He said that is the crossroads of this plan and the ATP. He said jurisdictional issues are opportunities but those decisions should be made within the context of what best achieves what the City is trying to do down there. He said City ownership would give the City the most flexibility. He asked the Council if it agreed with the direction staff is taking with connecting this trail and its access to make it part of a trail network.

Baloga said this is a great opportunity to connect it to the South Loop District Plan (SLDP).

Bernhardson said the biggest barrier in linking this to the SLDP is the USFWL.

Farnham said the Refuge manager has been receptive to increasing opportunities for awareness, access, etc.

Baloga said the City has to involve some of the commercial opportunities that exist to make the links such as the Mall of America, as they can still play a role in helping the City enhance this area.

Abrams said the Convention & Visitors Bureau should be a listed partner.

No Council action was necessary.

6.5 2015 Budget/Tier Rankings

Requested Action: Vote on the 2015 Tiered Services to prioritize tax supported services using Turning Point voter software.

While waiting for some technical difficulties to be worked out, Bernhardson reported on last Saturday's annual curbside pick up between Penn Avenue and Portland Avenue. He said there were 37 trucks out, which resulted in 3 truckloads but they had to shut down and stop collecting due to their maxing out on their motor carrier heavy equipment operational hours. He said some streets were finished up today. That area had a particularly high volume of items at the curb this year.

Lori Economy-Scholler, Chief Financial Officer and Cindy Rollins, Budget Manager asked the Council if they had any questions regarding staff's memo prior to starting the tiered services voting exercise.

Winstead commented the services and level of services Council will be voting on were the consensus of the prior City Council. If this Council wants to go in a new direction, that should be flushed out in this voting exercise.

Economy-Scholler said the citizen survey results will be provided in future iterations to see how they impacted each of these services. They intend to update this to include the preliminary levy in October as the preliminary base.

Bernhardson said taxes will shift from commercial/industrial back to single-family residential in 2015; especially the lower valued homes. He said as home values increase, the exclusion amounts they currently have will diminish.

Winstead said residential taxpayers will be picking up a greater burden of the property taxes in 2015.

Bernhardson said the Mall Phase 1 will come out of the Tax Increment Financing District in 2017 so the next two years will be like going through the rapids but it should smooth out after that. He said this is the first step in the process to rank City services.

Before the voting exercise started, Economy-Scholler reviewed the strategic goals previously set by the City Council.

Rollins explained this exercise is to get a general direction from the City Council on whether or not the monthly cost of service allocated to each department should be increased by 10%, decreased by 10%, or kept relatively the same. Then within each department, Council will be asked to vote on two questions regarding the services within that department: Should the service be in Tier 1, 2 or 3 and secondly, should the monthly cost be increased, decreased or kept the same.

The first question Council voted on was regarding the levy change. The current monthly cost for service is \$67.82/month. A 4% change would increase it to \$72.51/month. Council was asked if they wanted to: Decrease it by 10% or 5%, keep it relatively the same, or increase it by 3% or 6%.

Baloga said he'd like to have those five choices for all of the services listed within each department.

Rollins presented the following departments for Council to vote on whether the monthly cost should be increased by 10%, decreased by 10%, or kept relatively the same. She then presented the services within each department and asked Council to indicate if they should be a Tier 1, 2 or 3 service and secondly, if the associated monthly cost should be increased, decreased, or kept the same.

- Police Department: \$24.54/month
 - Patrol: \$17.24/month
 - Investigations: \$5.02/month
 - Crime Prevention: \$0.68/month
 - Specialized Emergency Response: \$0.62/month (just SWAT; not negotiators).
 - Bomb Squad: \$0.06/month
 - Animal control: \$0.24/month

- Fire Department: \$4.01/month
 - Fire Suppression: \$3.76/month
 - Emergency Preparedness: \$0.22/month
 - Fire Marshal: \$0.03/month

- Community Development : \$4.50/month
 - Fire Prevention: \$0.77/month
 - Environmental Health: \$2.06/month
 - Community Planning: \$1.67/month
 - Commercial Redevelopment Strategy: \$0.03/month
 - Deferred Home Improvement Loans: \$0.88/month

- Community Services: \$13.48/month
 - Park Maintenance: \$4.13/month
 - General Recreation: \$3.11/month
 - Human Services: \$2.51/month
 - Public Health: \$0.82/month
 - Aquatics: \$1.35/month
 - Cultural & Special Events: \$0.71/month
 - Center for the Arts: \$0.85/month
 - Parks Revitalization Plan: \$0.06/month
 - Community Center Study: \$0.10/month

- Public Works: \$14.02/month
 - Street Maintenance: \$7.29/month
 - Traffic & Street Lights: \$2.88/month
 - Pavement Management Program: \$1.47/month
 - Engineering: \$2.38/month
 - Park/Median Maintenance: \$0.35/month

Rollins said any split votes or services where there was no real consensus by the Council will come back for fine-tuning at the next study meeting.

No Council action was necessary.

6.6 Neighborhood Improvement - Housing Improvement Area

Requested Action: Provide feedback on the Housing & Redevelopment Authority's (HRA) neighborhood improvement initiatives with specific attention to Housing Improvement Areas (HIA).

Larry Lee said he wanted the Council to have a context as to what the City is doing regarding the goals for improving residential neighborhoods and preserving the character of low density residential neighborhoods. He said there are already six major programs currently being implemented in this area of preserving neighborhoods and residential areas in neighborhood commercial areas. He said Doug Grout will be talking about the housing improvement area option that the HRA could take up and what they are proposing to do – a pilot program this year. He reported there are approximately 3,000 dwelling units in Bloomington that belong to associations. He said this is an emerging problem area -- associations getting into trouble and not being able to raise the money needed for improvements. He said the City should have a response available.

Doug Grout, HRA Administrator made the following presentation:

- Neighborhood Revitalization Concepts/Challenges: (Homeowners Association in a multi-family environment.)
- Multifamily Common Interest Communities
- Home Improvement Areas: Objectives
- HIA Overview: (Used for roofs, siding, etc. that is not the individual homeowner's responsibility. He discussed the requirements needed to apply for an HIA loan, which is repaid through a property tax assessment.

- Process:
(Fees will cover what it costs the City to provide this. It could cost \$5,000 for the legal work in setting up the HIA District and the Assessment District). If, after the ordinance is approved by the City Council, 45% of the homeowners within an individual association don't want this, they can submit a reverse petition to the City to cancel it.

Lee said the HRA will disperse funds for an association instead of for an individual homeowner.

- Benefits to the Homeowners:
(Repayment term is 5-15 years. It can't exceed the value of the improvement.)

Busse inquired as to size of the loans given out by other cities with HIA's.

Grout replied between \$250,000 and \$1.5 million and they are generally repaid in 10 years.

Baloga asked where the funds would come from.

Grout explained the HRA could use internal funds or it could bond for it.

Bernhardson said this would be an assessment on the individual association members.

- Next Steps:
(Legislature expanded cities' authority to create HIA's. The first step is for the HRA to create a policy that the HRA and the Council is comfortable with.)

Bernhardson asked if a majority of the Council is interested in doing this.

Winstead asked why the City wouldn't want to do this.

Bernhardson said the next step would be policy development.

Baloga said he's lived in two different homeowner associations in Bloomington and finds this shifts the burden of the homeowner's association to the City. He talked about the advantage of this program from a tax standpoint. He said he's assisted a homeowners' association in an attempt to find financing to reside their project.

Grout said Springsted, the City's public finance advisor, said it would behoove the City to do a pilot project. He said the City would choose a program from the six associations.

Winstead said it's obvious which associations are struggling.

Oleson asked if the Council could see some of the associations.

Baloga said 90% of the associations are probably located west of 35W.

Grout said he would plot the associations on a map to see where they are located in Bloomington.

Winstead said the City has \$150,000 million parked in reserves earning next to nothing. He asked if there were funds within the City in reserve that could be used for this, as there is a return to the City in the end. He said there are development funds that will cause the City to get there someday.

Bernhardson said if the concept moves forward, staff could look at the size, the length, etc. to determine from where it would be best to pull those funds.

Carlson said he heard the Springsted presentation at the HRA meeting. He said because the Legislature has extended this for 15 years, it's been proven that this has been a successful program. He said it's petition driven. The City can't impose this on the associations; rather they have to ask for it. He suggested the Council move forward on this full speed ahead and try to get a project going this year. He said the benefit outweighs the risk.

Baloga said he'd like to compare this against the programs the City already has in place.

Lee said with regard to the Deferred Loan Fund, the Council determined they would have an additional \$500,000 per year for a five-year period for a total of \$2.5 million assuming the funding remained available for initiatives for five years.

Baloga asked if there was more demand for those particular funds.

Grout said it declined during the recession but there's been a spike in these requests. He said there might be enough funds to meet the demand this year.

Baloga requested an analysis of which program gives the City the biggest bang for its buck; the Deferred Loan Program or the HIA's.

Abrams said this would provide leverage for the City to have a relationship with the associations.

Baloga said he believes associations will continue to charge an inadequate amount of dues unless they raise their dues in other areas.

Busse said 880 associations don't do this. He asked about the risks involved with such a program.

Grout said the risk is there could be foreclosures and it takes a fair amount of time, effort, and capacity to follow through with this process. He said if 18 associations apply for this, the City will need to determine who gets it.

Lee said many other cities don't have the internal staff capacity to take on something like this without adding more staff.

Oleson said this could end up detracting from the individual home rehab program, which a lot of people aren't aware exists. He suggested maybe the HRA could look at talking to an entire neighborhood.

Lee said the City used to have neighborhood emphasis areas based on housing condition but the City cycled through those neighborhoods twice. He said the neighborhood emphasis was yielding a lower number of applications.

Grout said staff will try different ways to reach people.

Winstead asked if there was a consensus to take this to the next step.

There was Council consensus to have staff submit an HIA policy and procedures to the City Council and the HRA Board for review and approval later this summer.

6.7 Cemetery Strategic Business Plan

Requested Action: Discuss current eligibility requirements, discuss proposed eligibility requirements, direct staff to prepare language for amended ordinance eligibility requirements, if any, and select a date for the tabled public hearing to consider the ordinance amendments.

Janet Lewis, City Clerk and Jim Eiler, Maintenance Superintendent presented the Cemetery Strategic Business Plan. They presented the following slides:

- Vision and Mission
- Current Strategic Business Plan
- Eligibility Requirements Under Current Business Model
- Key Variables for Self Sufficiency and Capacity
- Eligibility Requirements Under the New Business Model: Question to Council is how to achieve the objectives of the new business model.
- Expand Eligibility Requirements

Abrams asked if nursing home residents are considered “residents” and Lewis replied they are.

Baloga said there is no perpetual revenue source and asked how long until the cemetery is full using a self-sufficiency model.

Bernhardson said that would be true if only burial lots were allowed. He said in allowing columbarium, there is an ability to spread out the cemetery for 100 years. He said it’s a self-sufficiency model that could possibly come to an end in 100 years. He said to answer how long before the cemetery is full using a self-sufficiency model depends on how many lots the City can pick up and the demand for cremains. He said it could continue for decades if the City picked up one more lot.

Winstead said the selling of the plots is the revenue generator. He said over time, the cost of maintenance will be higher so there has to be consideration of a pricing model that escalates in a fashion that keeps the costs covered.

Oleson questioned the typical profile of the purchaser of a cemetery deed.

Winstead said it’s a cross-section of people who live in Bloomington.

Lewis asked the Council to use their voting pads. Using a self-sufficiency model, she asked the Council the following question:

Since the cemetery could last for decades, Oleson asked if the plan couldn’t be modified at some point to encourage or only accept cremations.

Bernhardson said these aren’t decisions Council’s will have to live with forever.

Carlson said the City has outdated eligibility requirements and shouldn’t deny anyone the right to be buried next to their loved ones.

Bernhardson suggested the easiest way would be to open it up to anyone who can pay the price and have a price differential based on certain criteria.

Carlson said Bloomington prides itself on hospitality so it should open the cemetery up to everyone.

Lewis said if the eligibility requirements were expanded, the cemetery could see a steady increase in revenue. She presented the following questions to Council to answer using their voting key pads:

- Should non-residents be allowed to have access? (3 choices)
With a self-sufficiency model, if nonresidents are allowed to have access for interment, on what terms should it be? (2 choices)
- With a self-sufficiency model, if a higher rate of non-residents – by approximately how much? (4 choices)
- Skipped the question regarding non-residents.
- Amend eligibility requirement changes for both niches and burial plots? If so, what changes are appropriate? (2 choices)

As the voting results were immediately revealed, Bernhardson said staff will frame up the issues and bring them back to Council based on tonight's exercise.

- Next Steps: Staff will amend the ordinance and bring back the eligibility requirements. Negotiations will continue with one residential property owner for voluntary acquisition of their property and that a closing date will be set.

Lewis said the Bloomington Historical Society has submitted an application to the State Board and is looking to have a small part of Bloomington's cemetery listed as an historic place. She reported it is currently under review by the State, and if approved, it will go to the national board.

No Council action was necessary.

6.8 Auto Dealer Options – Penn American District

Requested Action: Provide direction to staff on the various auto dealer options in the Penn American District while working toward the Council's vision for the District.

Glen Markegard, Planning Manager presented the following slides:

- Penn American Vision Rendering
- Recommended District Zoning (consistent with District vision)
- Consistency of Auto Dealers with Penn American Vision
- Rezoning Creates Use Non-Conformities: (6 auto dealerships and 2 vehicle repair uses in Penn American. None of them could expand.)
- City Council and Planning Commission Direction
(Work toward vision and minimize impacts)
- Dealer Wish List:
(Luther Companies desires to intensify their use within their existing building, to be able to relocate their building, tear one down and build it in a different spot at the same size, and to do small additions also.)
- Options: Nonconforming vs. Conforming
- Option 1: Nonconforming use with minor amendments
- Expansion definition
- Option 2: Nonconforming use with major amendments
- Option 3: Conforming use with no expansion
- Option 4: Conforming use with limited expansion rights
- Option 5: Only high intensity auto sales uses allowed

- Concern with Option 5:
(If bar is set high enough, the dealers would match the District's vision. Maybe it would be setting too high to be realistic for the auto dealerships.
- Floor Area Ratio (FAR)
- FAR: Comparison to C-5 Minimum FAR
- Council Input on Options:
(Does majority of the Council lean towards one of these five options?)

Winstead said Option #4 makes the most sense.

Carlson said Option #1 and #2 are in line with past City Councils but more density is desired. He said allowing small expansions won't help the Council further its goal. He leans towards Option #1 but could be convinced of Option #2 to accommodate some needs on the part of those businesses but can't cross the line between nonconforming with conforming.

Lowman desired to hear more about Option #5. He asked if the number of dealerships can be limited in the area to be developed. He said he could support Option #4 or #5.

Bernhardson said Council is trying not to greatly disadvantage the existing car dealers but doesn't want to see a significant investment that gets them there for several decades.

Carlson said designating them as nonconforming sends a mixed message.

Busse said he's between Option #3 and Option #4.

Abrams said the automobile and transportation industry is constantly changing but it appears the City is trying to freeze assets based on 2014. She said if dealers are moving towards electric cars, they'll need to have the support systems necessary to fix them. She asked if the City is limiting their capacity to break into electric cars, thereby saying the City is all about fossil fuel cars but not about the future. She'd like to believe Bloomington has long-term dealerships that are thinking about the future and about how they can best leverage the other activity the City is trying to make happen.

Bernhardson said if the City says no expansion or limited expansion, they would have to trade off if they wanted to put in an electric service. They would have to reduce their current fossil fuel source or Council could make an exception for an expansion for electric cars.

Markegard said none of these five options would preclude an existing dealership from converting its service area towards repairing electric cars.

Carlson said there is nothing to prevent these dealerships from becoming used car lots.

Markegard said used car lots are only allowed when they're an accessory use.

Lowman said he leans towards Option #5.

Winstead commented the BMW dealership is unique; Bloomington is not downtown San Francisco. He said it's unlikely the market will ever do that.

Carlson said even the BMW dealership is only half of the FAR.

Baloga questioned the FAR of the proposed grocery store in the district.

Markegard replied on its own, the FAR is probably a .4 or .5 range. He said most retail is going to be around .3 to .35 FAR.

Baloga said Bloomington has these businesses and they've been good citizens for years. He said the City's vision is changing but it will take time to change it. He has a problem calling them conforming but also has a problem with not letting them have some opportunity to change the intensity under the old terms or changing the environment of their business. He's between nonconforming with minor amendments (Option #1) and conforming small expansions (Option #4).

Lowman asked if a hotel could be combined with an auto dealership to increase the density.

Markegard replied the floor area on both uses would count towards the ratio.

Winstead said Walser proposed a mixed use at one of their sites but they never made it work.

Carlson supported Option #2 and said the City is putting a process in place to go along with the Council's vision and that dealerships would come to the Council to apply for a Conditional Use Permit (CUP) subject to findings. He said it puts a process in place for the Council to stay true to its vision. He doesn't see this as hamstringing the dealerships but rather as adding an inconvenience for them. He said the City can still stay true and pursue its vision.

Winstead said when auto dealers are put into a nonconformity classification, the City has heard they have a hard time getting financing.

Carlson asked if a CUP shown to a lender wouldn't solve that problem.

Bernhardson said his concern with a CUP is that Council's greatest degree of discretion is with Comprehensive Plans, then the zonings, and that if they can meet the criteria, it's tougher to turn them down.

Carlson said if they meet the standards, they should get a CUP. He said it would be a mild inconvenience for them to retain their nonconforming status.

Markegard said the major finding could be the level of investment; 20-year investment or a minor investment that doesn't prolong the use.

Bernhardson said there isn't a lot of case law regarding the law of nonconformity. He said the objective is to allow them to do some things but not a lot. The question is, "Is the City in a stronger position doing it as a nonconformity or as a conforming use with very limited expansion." He said some would like something that allows for some flexibility in the future as the industry changes. He said some flexibility can be built into that model but not a lot of flexibility.

Lowman said he wants the conformity to fit the intensity, as it forces them to conform to that vision.

Bernhardson said to get to .5+ FAR or greater would require a scrape and start over. They can't add on. He said the only way to achieve .5 or a .75 FAR is to have it as one use in a mixed-use setting; on the ground floor with a parking ramp above where their inventory is parked and the parking lot also serves the hotel and an office or the apartments that sit above it. He doesn't think as a primary use alone, it could be achieved.

Lowman said he's not comfortable with six dealerships in this area. He said Option #5 somewhat gets him to where he wants to go but not quite.

Winstead said the same number of car dealers will remain there into the future until the land value makes sense for them to sell land vs. sell cars. He'd like to see them have the ability to maintain and be viable businesses. He wants the dealerships to be part of this area going forward.

Carlson said the options put in place some additional parameters whereby the Planning Commission and the City Council have a say in how those uses expand. It would allow them to remain and thrive. He still supports #2. He said he doesn't like Option #4 because it's conforming and it gives the dealerships the legal rights to remain there. He said it allows the dealerships to come in and pull a building permit and as long as they pass inspection, they're fine to a certain point.

Bernhardson asked the Council how many wanted to go with a nonconforming approach. The majority support a conforming approach but with limitations for expansion. He said Option #4 allows small expansion but doesn't allow for replacement while Option #5 requires a scrape and rebuild.

Carlson said the Plan rezones the entire area to C-4 and C-5 so it achieves the vision by adopting the Plan. He said the rezonings will be coming. He thinks Option #5 is unattainable and has some serious legal issues with it.

Busse said it's conforming vs. non-conforming.

Winstead said there appears to be a consensus to direct staff to move forward with Option #4 with restrictions.

Bernhardson said staff will work to put it on the best legal base as possible.

7 ADJOURN

Mayor Winstead adjourned the study meeting at 10:51 p.m.

Barbara Clawson
Council Secretary