

**ITEM 2**  
6:10 p.m.

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<b>APPLICANT:</b>	City of Bloomington (study item)
<b>REQUEST:</b>	Discuss the Neighborhood Commercial Centers Study

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**DISCUSSION:**

Markegard presented the following on the Neighborhood Commercial Centers Study:

- Purpose
  - o To assist the HRA and City to prioritize the neighborhood commercial centers for reinvestment and/or redevelopment.
- Schedule
  - o March 8 – HRA study meeting
  - o April 7 – PC study meeting
  - o April 11 – CC study meeting
  - o April to May – Staff analysis
  - o June or July – present findings to HRA, PC and CC
- Last effort
  - o The City’s last effort at evaluating commercial areas was completed at least 15 years ago and was known as the “String of Pearls”
    - This study has a similar purpose, namely to update redevelopment prioritization.
  - o The fifteen String of Pearls areas were grouped into three priorities (A, B and C). Group A included the areas at France and Old Shakopee Road, Oxboro Center near 98<sup>th</sup> and Lyndale, 84<sup>th</sup> and Lyndale, Airport South now known as South Loop, and Penn Avenue from 98<sup>th</sup> to Old Shakopee Road. Significant redevelopment progress has occurred on all of the areas within Group A and the Southtown Area (now known as the Penn American District) within Group C.
- Neighborhood Commercial Areas
  - o 19 neighborhood commercial centers, with retail focus, were identified within Bloomington.
  - o To narrow the list of commercial centers, the following filters were applied:
    - Majority of the area is zoned commercial
    - Areas encompass over 5 acres
    - Exclude areas with regional land uses
    - Exclude the areas within district plans – they are already priorities and will continue to be and have been recipients of development
    - Exclude areas with recent HRA investment as they have already been prioritized
  - o With those filters, nine neighborhood commercial centers remain as candidates. They include: Amsden Ridge, Countryside, Normandale Village, 90<sup>th</sup> Street and Penn, Central Lyndale Avenue from north of 86<sup>th</sup> Street to south of 90<sup>th</sup> Street, Nicollet Avenue and American Boulevard, Nicollet Avenue and Old Shakopee Road, Portland Avenue and American Blvd, Old Cedar Avenue and Old Shakopee Road.
- Reaction: do you agree with the candidate areas? Any additional criteria?
  - o Willette commented on recent redevelopment at 90<sup>th</sup> Street and Penn Avenue as well as Portland Avenue and American Blvd.

- Batterson asked if there is a plan for the retail area at 84<sup>th</sup> Street and Normandale Blvd. Markegard said there is no redevelopment plan at this time. It was filtered out from the study as it is within the Normandale Lake District which is already prioritized.
- Spiess noted the commercial centers candidates cover the entire city. East Bloomington has a diverse community who travel by foot or use the bus. She thinks the commercial centers should reflect the transportation demand in East Bloomington and would like the study to use equity-based criteria.
- Fischer stated the filter narrowed down a good list of candidate areas that need improvement and could benefit from reinvestment.
- Goodrum asked about the recent improvements at Portland Avenue and American Blvd. Is there a benefit or incentive for those centers already improving? Grout said, in the past, they have spent five years intensively analyzing one area and focusing on redevelopment. An alternative to more significant redevelopment would be to provide financial incentives for centers to improve the site. Many commercial centers are aging but still viable.
- Nordstrom noted the importance of the center's proximity to Interstate 494. How do people access the commercial centers? Most neighborhood commercial centers near Interstate 494 are not easily accessed by foot. Most centers are accessed by car. Spiess noted the area at Portland Avenue and American Blvd is heavily used by foot. Grout agreed and said some of the foot traffic is from Richfield.
- Batterson would like to look at 90<sup>th</sup> Street and Penn Avenue and Portland and American Blvd as an example. They could provide a gateway to the City. He is less favorable for the other locations, especially Amsden Center because redevelopment of Highway 169 could impact the center. He said the center could fade into the background and would be difficult to come up with a viable option for redevelopment.

Markegard gave an overview of the draft scoring sheet for ranking. The factors are divided into three categories to assist in ranking the neighborhood commercial areas:

- Need – is there a need for redevelopment?
- Impact – what is the financial impact or “bang for your buck”?
- Challenges – what are the challenges among the centers?

Markegard explained that under each factor are multiple measurement criteria to analyze and score on a 0, 1, 2 scale. Each criterion is also weighted on a three-point scale based on significance. The higher the score means the higher the need and prioritization for reinvestment or redevelopment.

- Need
  - Spiess noted the ranking can be difficult especially if a challenge changes the ranking of the commercial center. Is it worth the staff time and energy to invest in redevelopment when there is an existing challenge? Markegard noted there are listed criteria under the Challenges category that would address that concern directly and discourage prioritization of high challenge areas. An advantage of this approach is the analysis treats every neighborhood commercial center equally. Grout said if an unforeseen challenge determines the outcome of the site, they can move to the next site for analysis.
  - Batterson suggested the Challenges criteria should be ranked first to filter out areas. Markegard said staff originally thought of a tiered ranking system that would filter some areas from further analysis; however, the HRA wanted all of the centers to be analyzed under all factors. Spiess stated the analysis is very subjective and many factors are variable. Markegard said the weighting system provides an opportunity for the struggling center to rise to the top.



- Nordstrom discussed the changing demographic trends. What is the goal? The gateways, transit and quality of life should tie in with the analysis.
- Obsolescence – factors include frequent vacancy, underutilization, age and neighborhood supportive retail mix
  - Batterson noted Nicollet Avenue and American Blvd is obsolete, whereas Portland Avenue and American Blvd is not obsolete. How do you measure obsolescence?
  - Goodrum asked about the difference between neighborhood supportive retail mix and key services. Markegard said key services would bring higher visibility. Some uses are less supportive but how do we analyze a use that is less neighborhood supportive? Grout said there is overlap between key services and Neighborhood Supportive Retail Mix. The idea is do people from a certain radius go to that key service?
  - Nordstrom said labeling and weighting could lead to results that are similar. Is it worth the exercise if the results of the study are similar?
- Nonconformity – factors include use, site, parking and setback non-conformities
  - Spiess agreed with the non-conformity criteria.
  - Fischer said parking is changing all the time.
  - Goodrum suggested less weight because of the many variables with non-conformity. Nordstrom said non-conformity may come up anyway as part of code enforcement and suggested deleting it altogether. Goodrum said a non-conformity criteria allows the commercial center to become code compliant.
- Values – factors including recent investment, assessed value, ratio of land value, value change over time, lease rates, property values
  - Spiess struggled with these criteria. What do low lease rates mean? She is sensitive to the changing demographic. Markegard noted the values criteria directly relate to equity. Grout stated the intent is to allow the center to fit in with the character of the neighborhood.
  - Goodrum liked the recent investment, ratio of land value and value change over time criteria. He did not favor the area median incomes criteria. Markegard said the intent of that measure is from an equity perspective and asked how much weight is appropriate?
  - Fischer did not want to penalize the centers who are making improvement efforts and suggested less weight on recent investment.
- Violations – factors including police calls and orders issued for code violations
  - Planning Commission was comfortable with the criteria.
- Visibility – factors including sphere of influence, traffic counts, provide key service
  - Batterson suggested a “gateway status” ranking in the visibility category with a high weight.
  - Nordstrom noted there are different types of traffic (commercial, truck traffic).
    - Connectivity – factors including robust sidewalk network, good bike/trail access, all day/every day transit service
    - Proximity to similar uses – factors including redundancy
    - Expansion opportunities – factors including affordable nearby land
- Challenges
  - Ownership – factors including complexity of ownership structure, multiple property owners
- Nordstrom said that willingness of the owner could be a barrier.
  - Barriers – factors including level of barriers (easements, utilities, flooding), viable for redevelopment (size), and feasibility
  - Market interest – factors including evidence of market interest
  - Goodrum asked for more information on market demand analysis.

Batterson reiterated the impact weight should be higher. It would be beneficial to do a test run with two centers. Markegard said because the scoring is comparative, it would be important to score all nine commercial centers together so that the scoring could be made relative to the entire group.

Next steps include a study session at City Council on April 11<sup>th</sup>, 2016.

**ITEM 3**  
7:44 p.m.

**APPLICANT:** City of Bloomington

**REQUEST:** Consider approval of draft Planning Commission meeting synopsis  
3/10/16

**ACTIONS OF THE COMMISSION:**

**M/Spiess, S/Willette:** I move to recommend approval of the draft Planning Commission meeting synopsis of 3/10/16.

Motion carried 5-0. Batterson absent.

The meeting adjourned at 7:44 p.m.

**Prepared By:** EO **Reviewed By:** GM, JS

**Approved By Planning Commission:** May 26, 2016