



Bloomington Housing and Redevelopment Authority

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November 20, 2014

Mayor and City Council
City of Bloomington
Bloomington Civic Plaza
1800 W. Old Shakopee Road
Bloomington, MN 55431

Re: Penn American District Rezoning

Dear Mayor Winstead and Members of the City Council,

As Commissioners of the Bloomington Housing and Redevelopment Authority (HRA), we are writing this letter to support the final phase of rezoning in the Penn American District. The Penn American District Plan was adopted by the Bloomington City Council in January 2014 on recommendation by the Bloomington Housing and Redevelopment Authority and the Bloomington Planning Commission after years of study and public input. In light of the recent recommendation by the Planning Commission, the HRA Board is concerned that a failure to rezone the remaining properties in the District as recommended within the District Plan will have a negative impact on further development and transit improvements envisioned in the District Plan.

The Penn American District Plan process began over ten years ago and the Bloomington HRA has been involved since the inception. In 2005, United Properties approached the HRA for assistance with a redevelopment project for several vacant parcels along Penn Avenue. This led to the HRA commissioning a team to complete a vision study. The study process involved the public, district businesses and landowners, and other stakeholders. The vision study evolved into the adopted Penn American District Plan.

Several Penn American parcels have already been rezoned to District standards, with some parcel owners voluntarily requesting the change in zoning to comply with the District vision. It is important to note that the proposed rezonings will not impede continued operation of existing facilities or compel businesses to change their current use or activities. Existing uses continue to benefit from the protections for nonconforming uses and characteristics in State Law.

The Penn American District has great potential for higher density development, given its location, freeway access, visibility and traffic volumes. This characteristic of being at one of the metro area's transportation hubs will be enhanced with the planned addition of two Bus Rapid Transit routes (Orange Line and American Boulevard Line).

The first phase of the public/private partnership with United Properties, Stuart Development Corporation and the Bloomington HRA (Genesee Apartments and Townhomes) was completed in 2012. The second phase broke ground in September 2014. The 234-unit Genesee Apartments and Townhomes was the first large scale market rate rental development in Bloomington since the 1990s.

The second phase of the redevelopment includes a Fresh Thyme Farmer's Market grocery (the first in Minnesota), a Red Robin restaurant, a Home2Suites by Hilton hotel (the first in Minnesota), and additional retail. Both phases of this redevelopment project have replaced vacant buildings, increased the building density and floor area ratios (FAR), created underground structured parking, and incorporated pedestrian and transit oriented elements. The total investment in both phases of this project is over \$70 million. The two phase redevelopment has attracted high rents, premium brands, and was leased ahead of schedule. The first two phases are a catalyst for future development in the District, as evidenced by documented developer interest in other District parcels.

The Penn American District Plan is the third district plan proposed and approved by the Bloomington City Council. The District Plan recognizes that the City has limited land for commercial/retail development. Maximizing the utility of these locations by increasing the density, encouraging mixed use development, and improving pedestrian and transit access is critical to Bloomington's economic growth and to improving marketability of surrounding residential neighborhoods.

Metro Transit has determined that the Orange Line BRT, connecting Burnsville to Downtown Minneapolis, will have a transit station and park and ride near American Boulevard and Knox Avenue. Creating a transit station off of Interstate 35W will benefit the businesses and residents of the Penn American District and improve transit service for a significant number of Bloomington residents and employees. The District has been designated as a Transit Improvement Area and the City has received project funding due in part to elements of the District plan as envisioned.

As a District property owner and stakeholder in the District Plan, the Bloomington HRA Board of Commissioners unanimously recommends that the City Council complete the final steps in Plan implementation including rezoning property occupied as recommended within the adopted District Plan. The redevelopment in progress is due to the long range vision of the Penn American District Plan. We need the City Council's action to continue the positive momentum into the future.

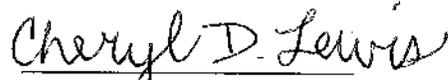
Sincerely,


Mark Thorson, Chair


Steve Mahowald, Vice Chair


Michael Fossum, Secretary


Robert A. Carlson, Commissioner/Council Liaison


Cheryl Lewis, Commissioner


Douglas P. Grout, Administrator