




TRENDING NOW:
LOOKING FOR OPPORTUNITY
IN THE DATA

An aerial photograph of a cityscape, featuring a prominent glass skyscraper on the right and a curved road in the foreground. The entire image is overlaid with a uniform orange tint. The text is centered in the upper half of the image.

“Our mistrust of the future
makes it hard to give up the past.”

- Chuck Palahniuk, American novelist and journalist

Mayor and Council,

This report was developed as a resource for two layers of strategic planning the City of Bloomington will be doing. The first is for use as a resource and reference point for the City Council's strategic planning retreat on April 19 and 20. The second is to be a resource for public input and for preparing a 20-year City vision that will be part of the City's 2018 Comprehensive Plan Update. A similar vision statement, Imagine Bloomington 2025, was prepared as part of Bloomington's 2008 comprehensive plan update.

The report begins by looking back to 1970 and 2010 Census data and using the 40 years between to illustrate the direction and magnitude of change that the community has assimilated. It's instructive to reflect on how Bloomington is not the same community it was in 1970 (except for the I-494/I-35W interchange, of course).

Another effect of looking back 40 years is that it makes it easier to envision the year 2040. What changes is the city likely to encounter and how will we need to adjust for them starting now? Bloomington's strength has been the long game. The community has understood trends, set ambitious goals and worked steadily over decades to achieve them. One notable example was the tax base goal established in the early 1960s to have a real estate tax base that is half residential and half commercial/industrial. Bloomington has achieved this goal after five decades of consistent pursuit.

This report also includes some key facts about the organization's operations such as a summary of the services the City provides, who are our customers and who is our competition?

Anyone who thinks about the future or who is a student of history knows that there are influences that cities cannot control, but also cannot ignore because they create future opportunities and threats. The report concludes with a list and capsule description of some of Bloomington's opportunity and threat making trends.

Preparing for the 20-year vision is different in several dimensions from the Council's strategic planning process. The time frame is 20 years vs. 4 years for strategic planning. The 20-year vision will have considerable public input; the strategic plan has none. The 20-year vision will have a broader, less specific view that explains the assumptions and strategic theme behind the chapters of the comprehensive plan; the strategic plan is tightly focused on implementation during the next four years.

The Council and staff will be jointly developing the strategic plan in the next couple of months. It will be specific and to the point, expressed in one or two pages. As the 20-year vision is developed, the City will have numerous touch points on the public input that is being received and the way the vision is described. But it will be best if both the City Council and staff allow the vision to be the community's vision.

Jamie Verbrugge
City Manager



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I. BLOOMINGTON BY THE NUMBERS *THE DATA STORY*

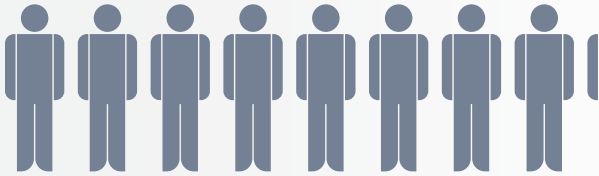


Who we were in 1970 is not who we are today

While little change has occurred in the overall population size of the city, there have been significant changes in the characteristics of our population and housing.

Bloomington's total population is not much different today than it was in 1970.

1970 Population • Bloomington



81,971 • Bloomington

2010 Population • Bloomington



82,893 • Bloomington • 1% increase

1970 Population • Metro*



1,813,647 • Metro*

2010 Population • Metro*



2,849,567 • Metro* • 57% increase

However, our number of jobs has more than doubled.

1970 Employment • Bloomington



40,030 • Bloomington

2010 Employment • Bloomington



88,928 • Bloomington • 122% increase

1970 Employment • Metro*



779,000 • Metro*

2010 Employment • Metro*



1,583,150 • Metro* • 103% increase

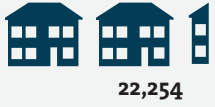
* Metro area data included five counties (Hennepin, Ramsey, Dakota, Washington and Anoka) in 1970 and seven in 2010 (Hennepin, Ramsey, Dakota, Washington, Anoka, Scott and Carver).

CITY OF BLOOMINGTON, MINNESOTA

While our total population has stayed nearly the same, the number of housing units in the City increased by 69 percent between 1970 and 2010.

1970 Housing units

Bloomington



Metro*



2010 Housing units

Bloomington



Metro*



The seemingly divergent trends of population and housing units are explained by the City's average household size dropping by half since 1970.

1970 Household size

Bloomington

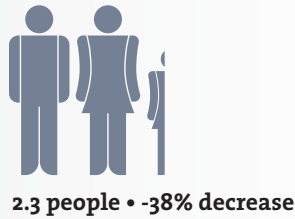


Metro*



2010 Household size

Bloomington



Metro*



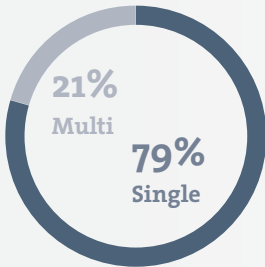
* Metro area data included five counties (Hennepin, Ramsey, Dakota, Washington and Anoka) in 1970 and seven in 2010 (Hennepin, Ramsey, Dakota, Washington, Anoka, Scott and Carver).

Single-family units still dominate; however, the percentage of multi-family units has increased.

1970 Single/Multi-family

2010 Single/Multi-family

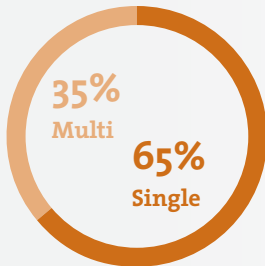
Bloomington



Bloomington



Metro*



Metro*



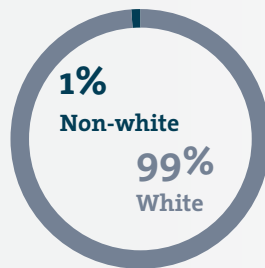
Two massive demographic changes impacting Bloomington: a diversifying population and an aging population. We are a much more diverse community now than in 1970.

The percentage of Bloomington's non-white population is 20 times what it was in 1970.

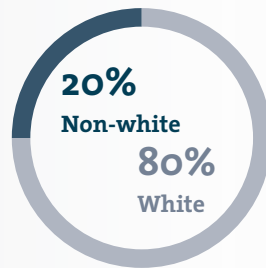
1970 Diversity

2010 Diversity

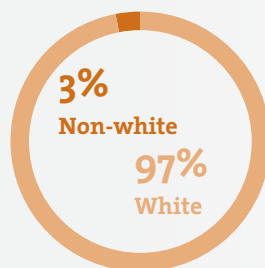
Bloomington



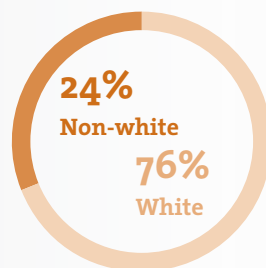
Bloomington



Metro*



Metro*



* Metro area data included five counties (Hennepin, Ramsey, Dakota, Washington and Anoka) in 1970 and seven in 2010 (Hennepin, Ramsey, Dakota, Washington, Anoka, Scott and Carver).

Our diversity is even more pronounced among our youngest residents.

36%

of residents under age 18 are not white.

48%

of the Bloomington kindergarteners in 2015 are not white.

We are an older community.

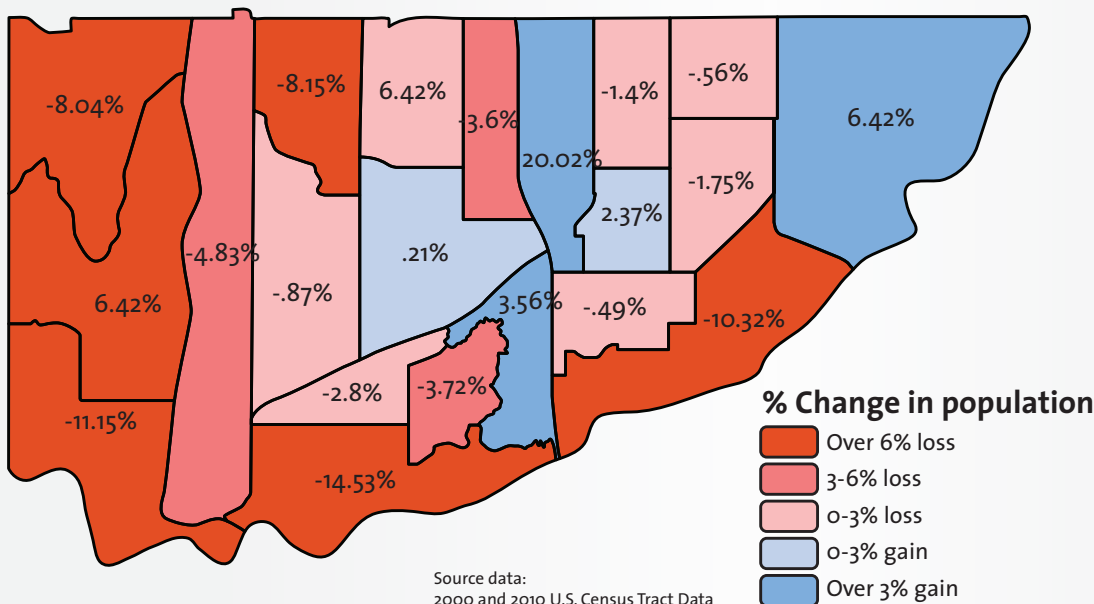
- Our median age has almost doubled.
- There are many fewer children and more older adults.

	Bloomington			Metro*		
	Median age	% Under 18	% Over 65	Median age	% Under 18	% Over 65
1970	23	43%	3%	26	36%	9%
2010	42	20%	18%	36	25%	11%
Multiplier	1.8	-	-	1.4	-	-

Since 2000, population has increased in the central portion of the city and the South Loop. The increase is likely driven by new housing developments and young families buying properties in these areas.

Population has sharply decreased in the western part of the city since 2000, ranging from 8 to 15 percent population losses. This is likely driven by children moving out of their parents' houses and those parents aging in place.

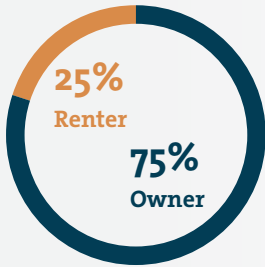
City of Bloomington change in population between 2000 and 2010



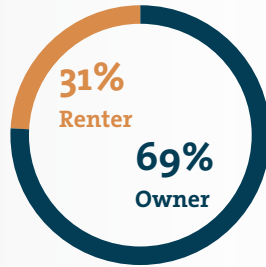
* Metro area data included five counties (Hennepin, Ramsey, Dakota, Washington and Anoka) in 1970 and seven in 2010 (Hennepin, Ramsey, Dakota, Washington, Anoka, Scott and Carver).

A majority of Bloomington residents own their homes; however the percentage of renters has increased.

1970 Owner/Renter



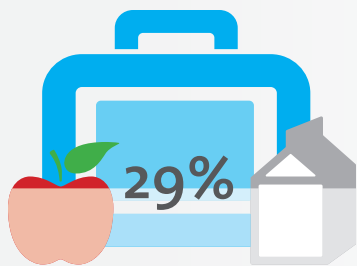
2010 Owner/Renter



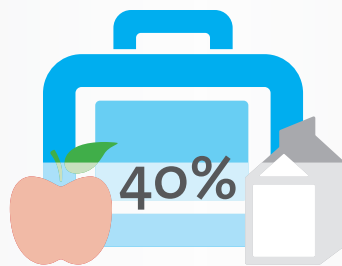
The portion of the Bloomington population within 185% of the federal poverty definition has been increasing. In 2014 it was 20.51% and in 2009 it was 16.70%. Most of this increase is seen in the northeast corner of the city and the census tracts directly east of I-35W.

Students qualifying for free and reduced lunch have steadily increased from 29 percent in 2006-07 school year to 40 percent in the 2015-16 school year.

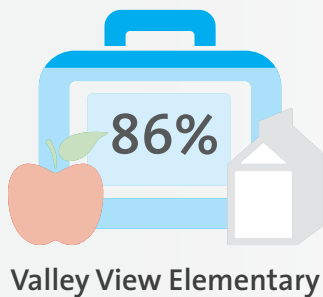
2006-07 Eligible



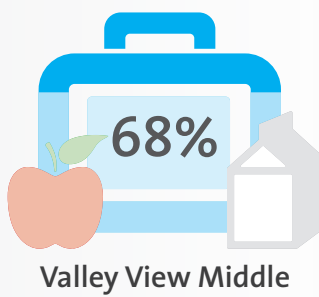
2015-16 Eligible



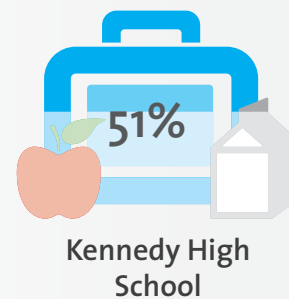
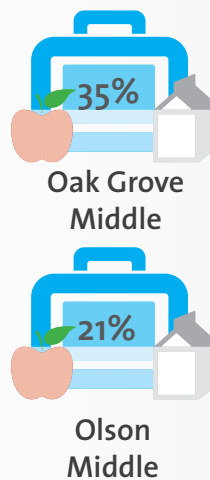
Individual school percentage comparison 2015-16 school year



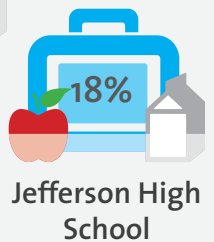
Eighty-six percent of Valley View Elementary students qualify for free and reduced lunch.



Sixty-eight percent of Valley View Middle students qualify for free and reduced lunch compared to 35 percent at Oak Grove and 21 percent and Olson Middle Schools.

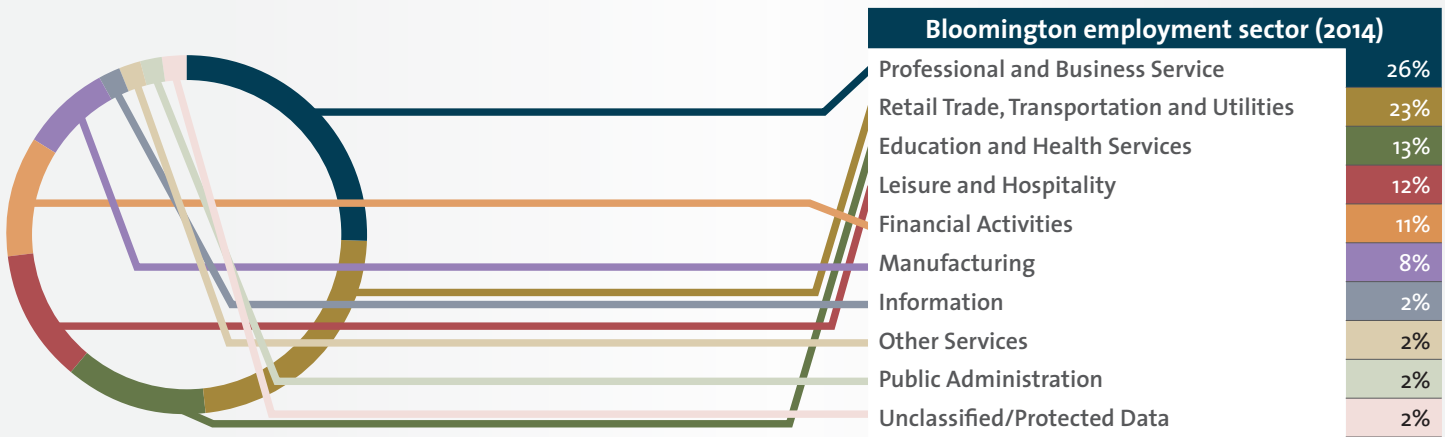


Fifty-one percent of Kennedy High School students qualify for free and reduced lunch compared to 18 percent at Jefferson High School.

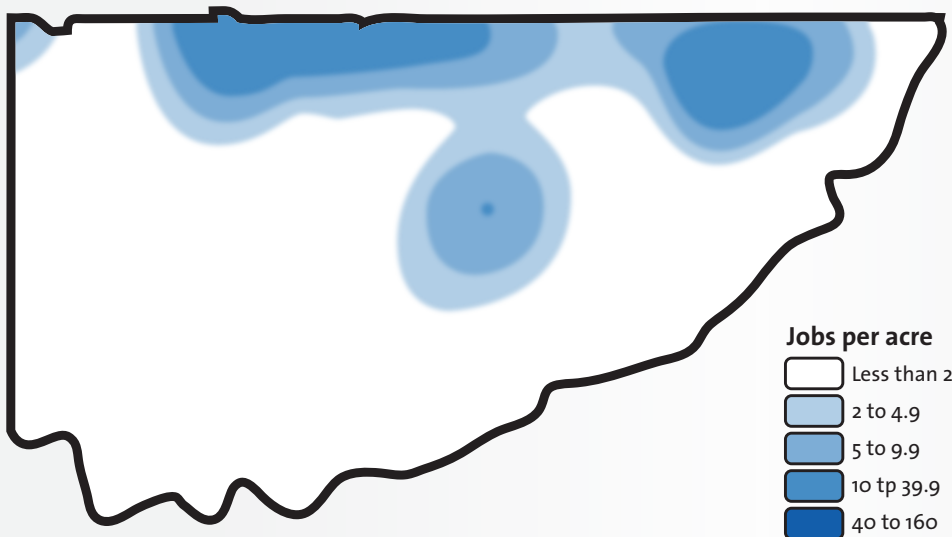


The City's largest employment sectors are professional and business services, and retail trade, transportation and utilities.

Bloomington Employment Sector (2014)



Bloomington has significant concentrations of jobs along the I-494 corridor, in the South Loop District, and at the intersection of I-35W and 94th Street. These concentrations are among the densest in the region with many locations having 10 to 40 jobs per acre.



Bloomington is home to several regional job clusters:

- **Information and technology:** This includes industries involved in the wholesale of computers and software, software publishing, telecommunications, data processing and hosting, and the design and management of information systems. Polar Semiconductor, Cypress Semiconductor and Seagate are Minnesota's largest semiconductor manufacturers.
- **Headquarters and advanced business services:** In addition to corporate headquarters, this industry group is comprised of industries such as legal, accounting, design, and marketing services, consulting, architecture and engineering, and employment services, and similar support services.
- **Finance and insurance:** This includes banks and creditors, securities and commodities, electronic wholesale markets, funds, trusts and insurance firms.
- **Advanced manufacturing:** This includes producers, manufacturers and wholesalers of machinery and equipment, as well as natural gas and electric power utilities and petroleum products manufacturers and wholesalers. This cluster does not include medical devices and controls.

- **Retail:** Mall of America is outperforming other locations in year-to-year retail and restaurant sales admissions at Nickelodeon Universe and the Sea Life Minnesota aquarium.
- **Hospitality:** Bloomington has 9,575 hotel rooms and 240 restaurants.

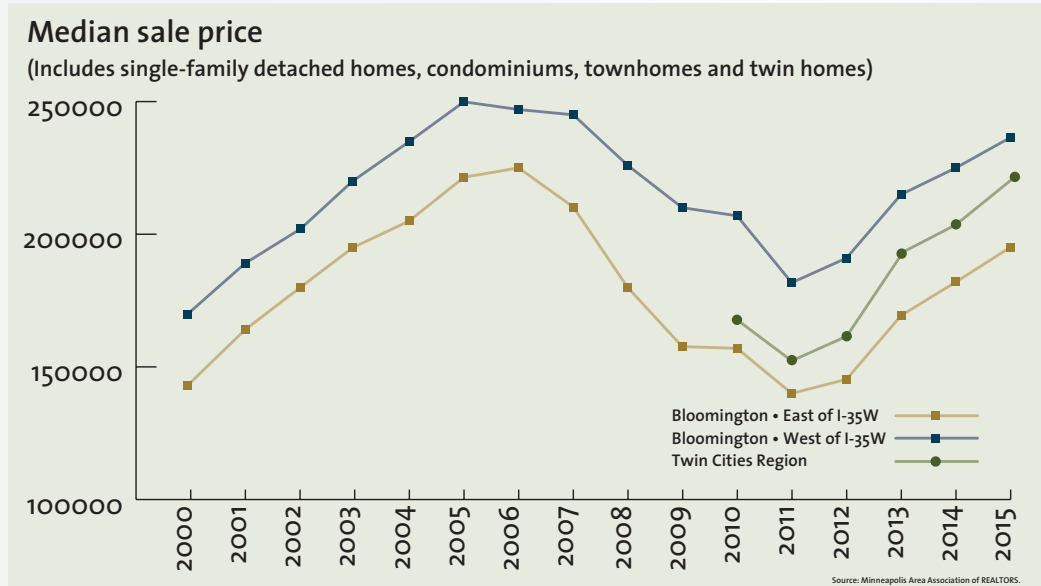
In spite of the strengths of our regional job concentrations, Bloomington lost approximately 16,000 jobs between 2000 and 2014.

	Jobs in 2000	Jobs in 2014
Minneapolis	308,127	308,358
Saint Paul	188,124	177,010
Bloomington	104,548	88,474

Job information source: <http://www.metrocouncil.org/getattachment/9778ef1c-9c29-44e4-9cf7-43f30b8c58e9/>.aspx

Geographic differences

While housing demand is fairly consistent across the city, the demographics east and west of I-35W are notably different.



Median values are lower east of I-35W.

Homes for sale east of I-35W move fast. Of the closed sales in 2015, homes on the east side of Bloomington were on the market for 57 cumulative days and homes on the west side of Bloomington were on the market for 66 cumulative days.

Bloomington - East of I-35W

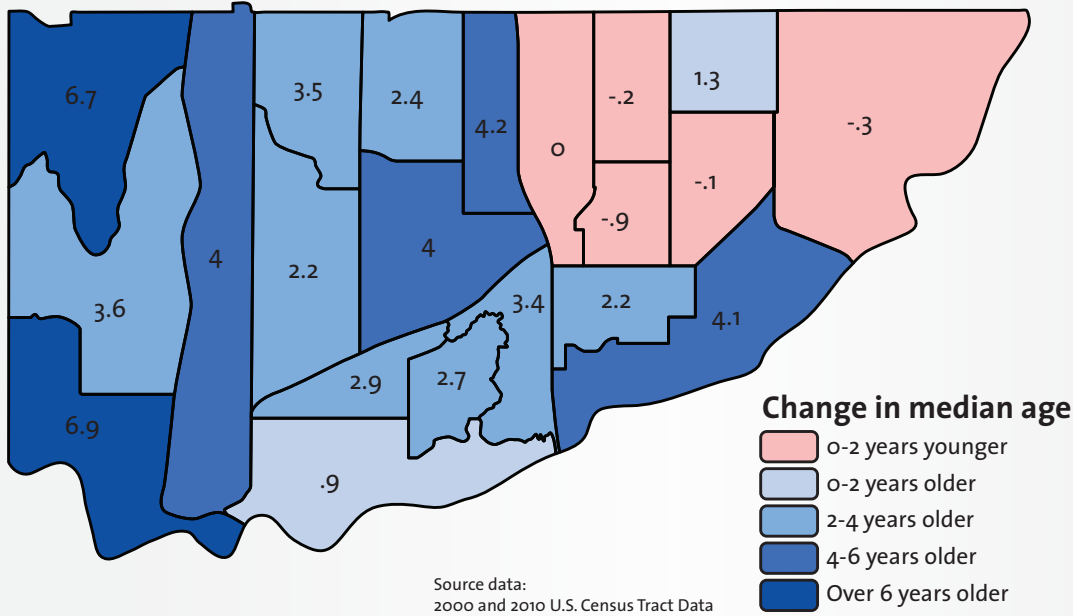
Median Sale Price	
CITY OF BLOOMINGTON MINNESOTA	
2000	\$143,000
2001	\$164,000
2002	\$180,000
2003	\$194,900
2004	\$205,000
2005	\$221,450
2006	\$225,000
2007	\$210,250
2008	\$180,000
2009	\$157,625
2010	\$157,000
2011	\$140,000
2012	\$145,300
2013	\$169,350
2014	\$182,000
2015	\$198,000

Bloomington - West of I-35W

Median Sale Price	
CITY OF BLOOMINGTON MINNESOTA	
2000	\$169,900
2001	\$189,000
2002	\$202,000
2003	\$220,000
2004	\$234,900
2005	\$249,900
2006	\$247,000
2007	\$245,000
2008	\$226,000
2009	\$210,000
2010	\$206,950
2011	\$181,725
2012	\$191,000
2013	\$215,000
2014	\$225,000
2015	\$235,000

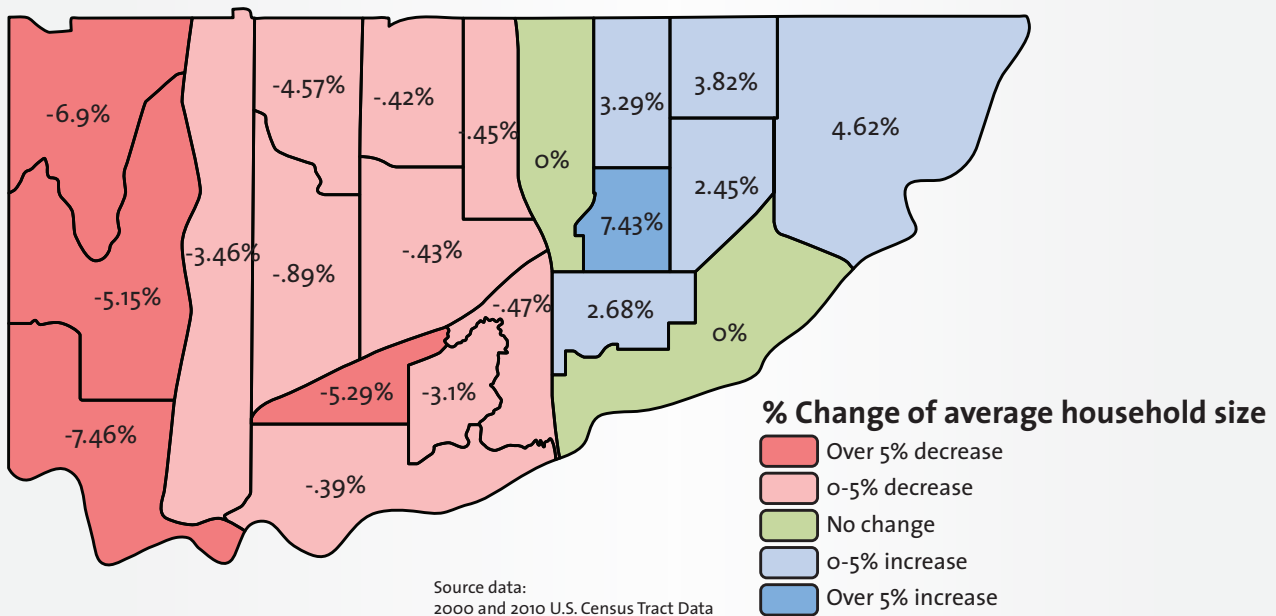
Bloomington residents on the east side are getting younger and Bloomington residents on the west side are getting older.

City of Bloomington change in median age 2000-2010



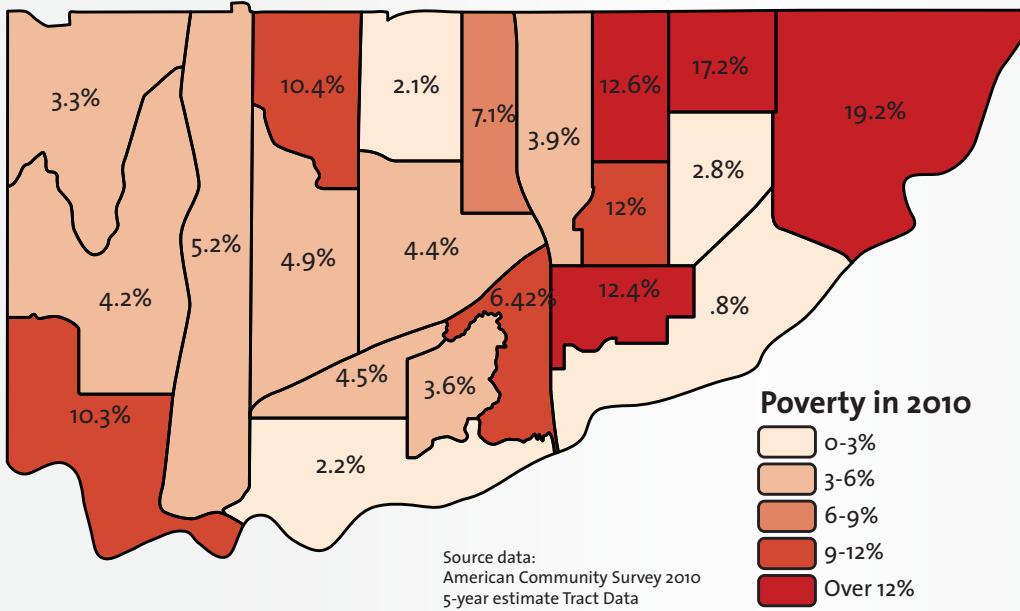
Average household size is increasing in Bloomington east of I-35W and decreasing in Bloomington west of I-35W.

City of Bloomington percent change of average household size 2000-2010



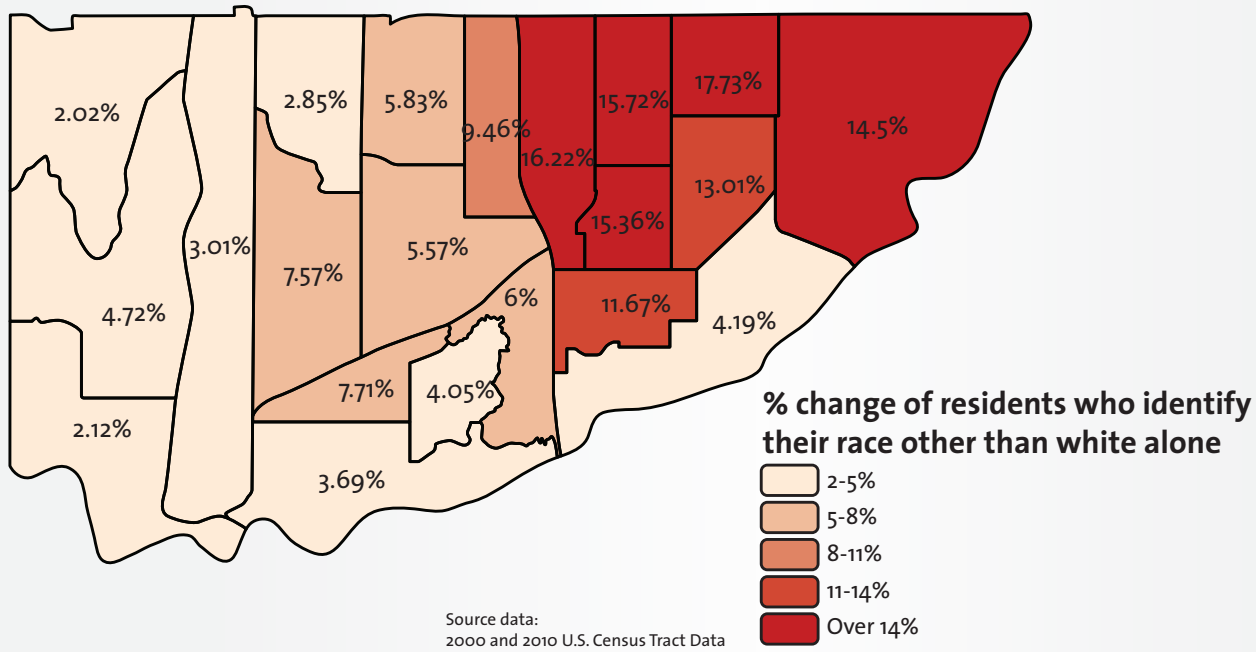
Low income households are concentrated in the northeast part of Bloomington

City of Bloomington poverty in 2010



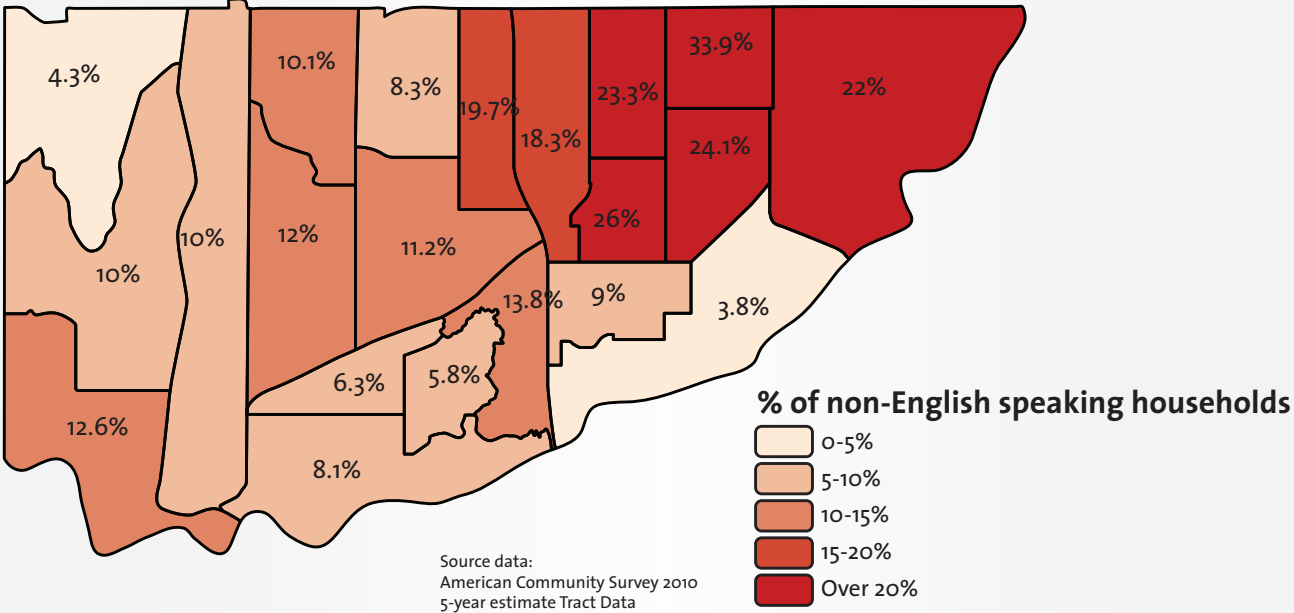
Bloomington's non-white population is concentrated east of I-35W and north of Old Shakopee Road.

City of Bloomington percent change of residents who identify their race other than white alone 2000-2010



The number of households where English is not the primary language is increasing across the city. These households are concentrated east of Penn Avenue and north of Old Shakopee Road.

City of Bloomington households whose primary language is not English in 2010



CITY OF BLOOMINGTON, MINNESOTA

The following are tabular data shown graphically on previous pages.

City of Bloomington Population and Employment, page 6.

	Bloomington		Metro*	
	Population	Employment	Population	Employment
1970	81,971	40,030	1,813,647	779,000
2010	82,893	88,892	2,849,569	1,583,150
% Change	1%	122%	57%	103%
Multiplier	1	2.2	1.6	2

City of Bloomington Housing Units, page 7.

	Bloomington	Metro*
	Housing units	
1970	22,254	576,890
2010	37,641	1,140,100
% Change	69%	97%
Multiplier	1.7	1.9

City of Bloomington Household Size, page 7.

	Bloomington	Metro*
	Average HH size	
1970	3.7	3.2
2010	2.3	2.5
% Change	-38%	-22%
Multiplier	0.6	0.8

City of Bloomington Single-family/Multi-family Housing Units, page 8.

	Bloomington		Metro*	
	Single-family	Multi-family	Single-family	Multi-family
1970	79%	21%	65%	35%
2010	70%	30%	60%	40%

City of Bloomington Diversity, page 8.

	Bloomington		Metro*	
	% White	% Race other than white	% White	% Race other than white
1970	99%	1%	97%	3%
2010	80%	20%	76%	24%

City of Bloomington Owner/Renter, page 10.

	Owner occupied	Renter occupied
	1970	75%
2010	69%	31%

* Metro area data included five counties (Hennepin, Ramsey, Dakota, Washington and Anoka) in 1970 and seven in 2010 (Hennepin, Ramsey, Dakota, Washington, Anoka, Scott and Carver).

II. CITY SERVICES OVERVIEW



CITY OF BLOOMINGTON, MINNESOTA

This diagram from the 2016 budget preparation process summarizes groups of services provided by the City and each group's annual cost in thousands of dollars.

Tier I		Tier II		Tier III	
PUBLIC SAFETY AND INFRASTRUCTURE (IN THOUSANDS)		COMMUNITY SAFETY, PLANNING, PREVENTION AND MAINTENANCE		QUALITY OF LIFE	
Police Patrol (including EMS)	\$19,723	Parks Maintenance	\$4,256	General Recreation	\$3,670
PMP	10,590	Environmental Health	2,813	Public Health	4,113
Street Maintenance	6,756	Street and Traffic Lights	2,572	Aquatics	1,455
Capital/Debt	4,798	Human Services	2,351	Cultural & Special Events	718
Police Investigation	4,426	Engineering	1,874	Center for Arts	833
Fire Suppression	3,504	Community Planning	1,417	Strategic Priorities	535
Building and Inspections	2,731	Fire Prevention	944		
Fire Pension	500	Crime Prevention	705		
Bomb Squad	75	Emergency Preparedness	276		
SERVICES NOT RANKED DURING THE 2016 BUDGET PROCESS					
Water	\$13,302	Ice Garden	\$1,438	Cemetery	\$455
Wastewater	12,284	Legal	1,391	City Council	444
Solid Waste	6,579	City Clerk	1,163	Creative Placemaking	400
Storm Water	4,107	Finance	1,073	South Loop Revolving Development	180
Golf	1,907	Motor Vehicle Licensing	841	Commissions	125
Communications/Cable TV	1,896	Human Resources	658		
Assessing	1,770	City Manager	622		
Total \$132,345 (thousands)					

The expenditure information above is for all funds except internal service funds, capital projects funds, and general fund contingency and estimated unspent line items. The amounts listed above are just the budgeted expenditures and do not include any revenues related to these activities.

III. CUSTOMERS, STAKEHOLDERS, PARTNERS AND COMPETITORS



Customers

The City's primary customers are residents of Bloomington since they receive a majority of the services the City delivers. Secondary customer groups are Bloomington businesses and visitors.

Stakeholders

Key stakeholders are employees, residents and businesses located in Bloomington. There are numerous stakeholder subgroups (e.g. neighborhoods, hotels, interest groups) with differing priorities.

Partners

Key partners include the Greater Minneapolis/Bloomington Chamber of Commerce, Bloomington Convention and Visitors Bureau, the Metropolitan Council, Metro Transit, the Metropolitan Airports Commission, Hennepin County, the Minnesota Departments of Transportation and Health, the Minnesota Valley National Wildlife Refuge, and the Three Rivers Park District. The City collaborates with neighboring cities, the Bloomington Independent School District and Normandale College. The City is a member of several common interest groups such as the I-494 Corridor Commission and Municipal Legislative Commission.



The City contracts with Greater MSP to promote economic development and business growth through strategies and programs designed to increase the region's competitive position, encourage high quality growth, recruit, retain and develop businesses.

Bloomington is a member of the Green Step Cities/Regional Indicators Initiative to collect community sustainability data for energy and water use, vehicle travel, solid waste and carbon dioxide emissions.

The City Council and representatives of the City Manager's Office regularly confer with these key partners in order to identify mutually beneficial opportunities.

Competitors

Bloomington competes nationally for business creation, relocation and retention—specifically with the Atlanta, Austin, Boston, Chicago, Dallas-Ft. Worth, Denver, Phoenix, Pittsburgh, Portland, San Francisco and Seattle metropolitan areas. Bloomington is an investor in Greater MSP and partners with the Minnesota Department of Employment and Economic Development to recruit, retain and develop businesses and entrepreneurs. Greater MSP targets companies in the headquarters and business services, health and life sciences, food and water solutions, advanced manufacturing and technology, and financial services industries.

Competition for meeting and leisure travel visitors is also at the regional and national levels. Bloomington contracts with the Bloomington Convention & Visitor's Bureau (Destination Bloomington) to market to these customers.

People working in the Minneapolis-Saint Paul region will likely also choose to reside here. So, competition for residents is predominantly with Minneapolis, Saint Paul and the surrounding urban suburbs. Bloomington offers residents the value proposition of good transportation access, competitive housing prices, excellent schools, a full range of municipal services, expansive parks and open space, quality arts and cultural programs, low property taxes and a safe and stable community. Research indicates that potential buyers and Realtors underestimate the strength of these community assets, so creating a more realistic understanding of Bloomington's advantages is a marketing opportunity.



V. REGIONAL AND NATIONAL LIFESTYLE TRENDS



Urban Growth

Suburban markets have a path to remain successful

Recently residents and office users have disproportionately flowed to core city locations. A number of suburban markets now appear comparatively inexpensive and have characteristics that will serve them well. “Edge city” locations that combine office, retail, and residential areas (urb-burbs) will continue to compete successfully—especially those that have sufficient density to support live/work/play interactions, and a combination of transit and walkability. In contrast, there is not much demand from either users or investors for plain-vanilla, highway-dependent office parks or other commodity real estate. A property that doesn’t appeal to either millennials or baby boomers is in trouble. Some suburbs can reposition themselves for success, but it’s a select set.



Bloomington is an urb-burb, at an inflection point between suburban and urban styles

Most of Bloomington’s new development is occurring in the three development districts along I-494. The three district plans and zoning include provisions to support transit, encourage mixed use development and make the districts walkable by reducing block sizes, investing in placemaking and public realm design including pedestrian and bike routes and moving parking from the front of buildings to structured parking.

Smaller homes close to employers are back in style

Demographic changes favor smaller homes located close to job centers. In the 1950s, families with children made up more than half of all households. According to the 2010 Census, among the nation’s 50 largest cities, Minneapolis-Saint Paul has the fifth highest rate of people living alone (40.3 percent of households) and the fourth highest



rate of unrelated people living together as roommates or unmarried couples (15.7 percent of households). This creates opportunities for older, smaller Bloomington homes and apartments to be remodeled to appeal to young adults establishing their careers.

Transit-oriented neighborhoods will have higher property values and grow faster

Data from other U.S. cities indicates that combining a location in the fully developed area with higher density and transit reduces vehicle miles traveled (VMT) by up to 20 percent. Reducing VMT and reducing people's auto ownership reduces energy use and emissions. These efficiencies add to market demand for development.

Target community amenities to millennials, seniors and families with school-aged children

Bloomington residents today and in the future have different needs and expectations than the residents in the 1960s and 1970s when much of the city's buildings and infrastructure were constructed. Walkable neighborhoods, housing with new types of amenities and transit are equally appealing to today's senior and millennial populations.

Development that incorporates these desirable features can be described as "urban village redevelopment." In most metropolitan areas, about 10 percent of the housing is located in walkable urban places. Research suggests that about one in three homeowners prefer to live in these types of places. Pent-up demand for urban living is evident in housing prices. Walkable urban housing carries a significant price premium. Per square foot, urban residential space sells for a 40 percent to 200 percent premium over traditional suburban homes. These price premiums also prevail in suburban walkable centers that have a mix of residential and commercial development.



Revitalization

For the last decade, 80 percent of Bloomington’s new development has been in three development districts

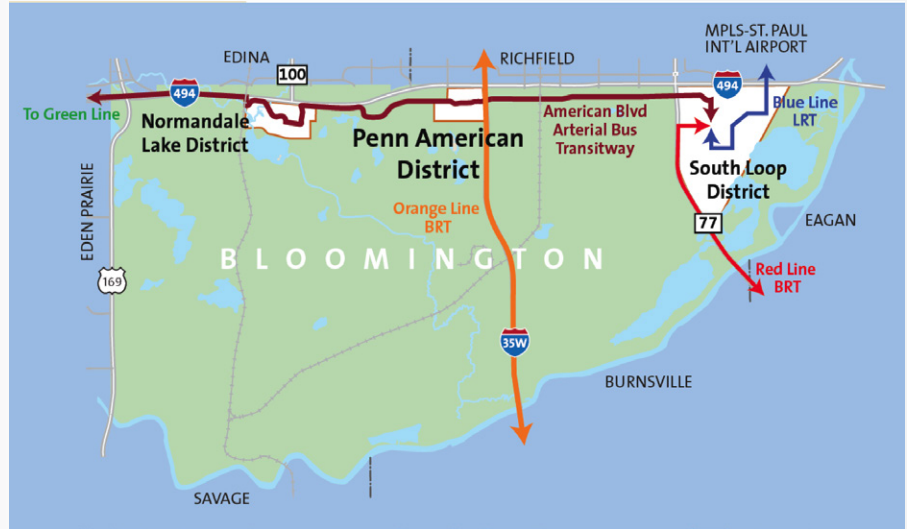
The City’s focused redevelopment strategy is succeeding. The 2008 Comprehensive Plan called for strategically funneling growth and development to the City’s three development districts: Normandale Lake, Penn American and South Loop. Over the past decade this strategy has come to life with most of Bloomington’s new residential and commercial development locating within these districts.

District plans called for walkable, higher density developments served by excellent transit. In the last decade, more than \$100 million of public improvements has been made in the three districts to attract and implement the mixed-use, transit-oriented redevelopment envisioned in the Normandale Lake, Penn American and South Loop District plans.

Since 2005, 80 percent of Bloomington’s new residential and commercial/industrial development has been concentrated in the South Loop (43 percent); Normandale Lake (27 percent) and Penn American Districts (10 percent.) The portion of Bloomington’s new development located in South Loop is projected to increase to about 60 percent.

The market for neighborhood commercial centers continues to change

In the 1970s, neighborhood centers were residents’ primary shopping location for food, hardware, hair care and drugstore items. In the last 40 years, residents purchasing behavior has shifted to larger stores located along regional highways and to the internet. This has reduced the demand for retail space in neighborhood centers. Out of 19 neighborhood centers in Bloomington, one-third have redeveloped and are relatively healthy and



two-thirds are struggling with vacancies and tenants that appeal to a smaller segment of residents.

Housing stock is getting old, but the bones are good

Seventy-nine percent of Bloomington's single family houses and 82 percent of its multi-family dwellings were built in the 50s, 60s and 70s. For a number of reasons, including Bloomington's robust economy, City services, school quality and plentiful open spaces, housing values are high and owners have continued to reinvest in their properties. The City and HRA provide home improvement loans for owners with incomes lower than the regional median. Inspections ensure that owner-occupied and rental dwellings are maintained to code minimums and nuisance enforcement keeps up neighborhood appearance. The HRA has made more than \$15 million in home improvement loans to 1,100 income eligible households (about 5 percent of the city's single-family housing stock).

Ingredients that Support a Prosperous, Healthy Community

Educated, innovative employees and entrepreneurs

Employees and entrepreneurs are mobile, attracted by community assets, lifestyle and value for money. Greater MSP's labor force has grown about 2.0 percent per year for last five years (almost twice the national average) and is expected to keep on growing until 2030. NerdWallet named this region the fourth best place for young entrepreneurs and also ranked it highly among the best cities for female entrepreneurs.

New technologies are restructuring occupations

New technologies are changing the skills required in the workplace, placing a



greater premium on proficiency. Automation and other technologies increasingly perform routine work at all skill levels. Globalization is expanding employer access to workers across the globe. Local labor demand is shifting toward higher skills and specific skill sets in non-portable occupations.

There is a growing mismatch between jobs and training . . .

Nationally, two-thirds of employers reported having positions for which they often cannot find qualified applicants. In Minnesota, nearly half of manufacturers had positions that were unfilled due to a lack of qualified applicants. One in eight employers reports having at least 10 percent of their jobs unfilled. By 2018, 70 percent of Minnesota jobs will require postsecondary education. The national average is 63 percent. Minnesota will be tied for first place among states in the percentage of jobs requiring some postsecondary education.

. . . and a worker shortage across all skill levels

While we worried about the jobless recovery, longer-term labor market trends were moving in exactly the opposite direction. Retirements will accelerate, while the peak of millennial labor force entrants has already passed. Within a few years the talk will be about labor shortages. That trend reshapes things in remarkable ways. The notion that “jobs are chasing people” will become the labor market’s primary theme. What now applies particularly to people with talent, knowledge, and skill will soon become a widening search for workers across the entire occupational spectrum. A global search for talent is underway, and the United States, Minnesota and Bloomington need to prepare for it.

Affordable/work force housing is needed

Workforce housing is affordable to workers with incomes at or below those of teachers and public safety employees. While part of Bloomington’s existing housing is affordable, as the city grows, it is important that a portion of the new housing be affordable for employees whose incomes are less than the metro region’s median income. The community is stronger when teachers, police officers, retail and hospitality employees who work here can afford to live here. Affordable housing in great neighborhoods will help both the public and private sectors to recruit employees as that becomes increasingly difficult.





Open space and conservation areas

One-third of Bloomington’s land area is set aside for parks and open space. Hyland/Bush Lake Park and the Minnesota Valley National Wildlife Refuge are just beginning to realize their recreation potentials. Bloomington is emerging as a hub of State and regional bike trails and has potential to become a leading outdoor recreation destination.

Compact neighborhoods

Compact neighborhoods thrive because people find them convenient and more pleasant. Market studies show that 25 to 30 percent of potential home buyers prefer sustainable neighborhoods, and this trend is expected to strengthen as the population ages. Compact neighborhoods reduce public and private costs for utility infrastructure. Cumulatively, compact development could save up to 10 percent of development costs and reduce local government service costs by 10 percent.

Arts and cultural resources

Minneapolis-Saint Paul is undisputedly one of the world’s cultural capitals. The region supports many art museums and numerous performance and visual artists. Bloomington’s theater and arts experiences are the highest quality and are accessible to all. The City and Artistry are gaining recognition for their successful creative placemaking partnership.

Healthy lifestyle choices

The City and its partners including Blue Cross and Blue Shield of Minnesota, HealthPartners and the Minnesota Department of Health have been pursuing healthy living objectives for years. According to the American Fitness Index, the region leads the country in health and fitness. RealAge ranks the region as a top 5 place for staying young and number 1 among the 40 largest metro regions for being relaxed (measured by stress factors like length of commutes, exercise frequency, access to health care and overall health). Minnesota is especially low in occupational fatalities, premature deaths and sick days – all of which are good news for employers. Our hospitals routinely score among the best and safest in the nation.

These benefits are not equally distributed and available to all residents. Groups that experience the greatest disparities in health outcomes also experience the greatest inequities in social and economic conditions. Health disparities need to be recognized and addressed as we move into the future.



**BlueCross BlueShield
of Minnesota**

An independent licensee of the Blue Cross and Blue Shield Association



HealthPartners®



**Minnesota
Department of Health**

Seniors as a community asset

Far from being a burden on the economy, older people are net contributors. The baby boomer generation is the best educated, healthiest and fittest group of older people this country has ever seen. This generation is now approaching retirement and cities and organizations should ask, “How can we use their skills?” There is great potential to ask seniors to use their time and talents as a form of social glue. With better health, longer life spans, and net worth that is recovering from the battering it experienced during the Great Recession, boomers are staying in the workforce longer.

A decade ago, the expectation was that resort and retirement communities, mostly in the Sunbelt, were going to be “hot properties.” The Urban Land Institute’s Emerging Trends survey reports that boomers are trending away from golf course retirement; they are creating multiple markets, frequently in their home towns. Bloomington has seen this in the sales of senior independent living options.



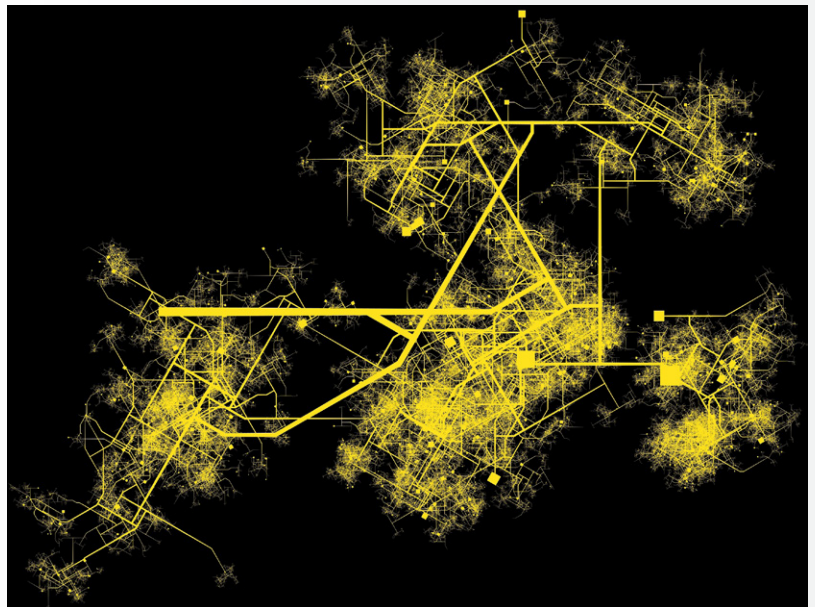
VI. RESILIENCE



Climate change and terrorism will be the most significant resource issues facing Bloomington

Resilience is the ability to absorb disturbances, to be changed and then to reorganize and still retain the same basic structure and ways of functioning. It includes the ability to learn from the disturbance. A resilient system is forgiving of external shocks. High probability external shocks here include natural and man-made threats, including withstanding more frequent and severe storms. Both the probability and the cost of damages from these external shocks is increasing.

Five critical infrastructure and resource sectors are electric energy, gas and oil energy, water, communications and transportation. Interconnections among the five infrastructure sectors makes them all vulnerable to failure in one sector. In general, a dollar spent on preparedness and increasing resilience accounts for roughly four dollars saved in recovery. Bloomington will benefit from increased preparation for emergency response.

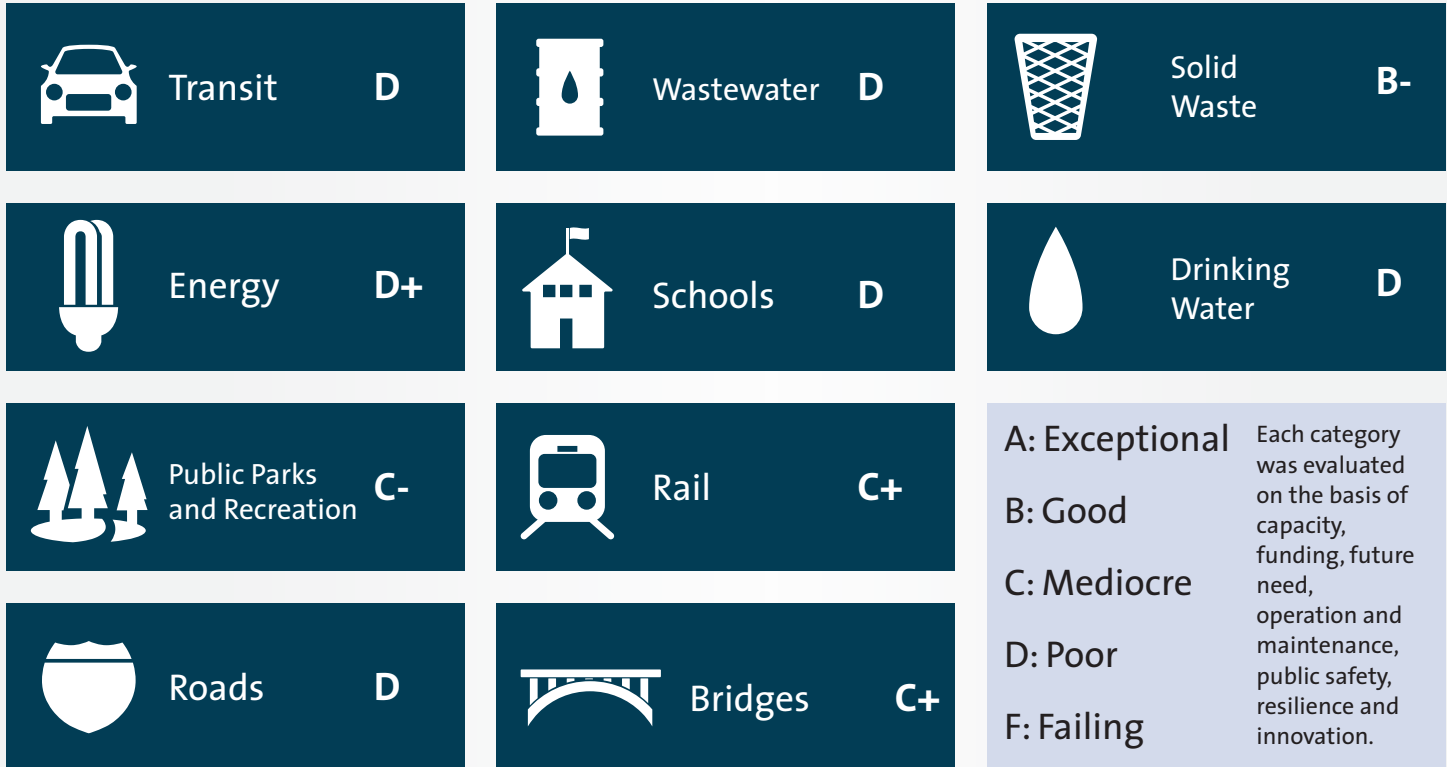


VII. INFRASTRUCTURE MAINTENANCE & REPLACEMENT



Not a report card you would want to show your parents

Every four years, the American Society for Civil Engineers grades the condition of America's infrastructure. For years, infrastructure grades have continued to decline and illustrate local, state and the nation's underinvestment in infrastructure. The cost of deteriorating infrastructure is paid by drivers stuck in traffic (\$120 billion per year in fuel and lost time), business in additional costs (\$27 billion in additional freight costs), everyone who relies on electricity during outages (\$18 to \$33 billion) and water main breaks and sewer collapses.



Source: American Society for Civil Engineers, 2013

The good news is that the City and region are doing better than the national grades in several subject areas.

Responding to these trends, Bloomington has been systematically addressing local infrastructure maintenance. While we are in a better infrastructure investment position than we were 20 years ago, the City's infrastructure rehabilitation needs continue to increase with age. Much of the infrastructure we rely on is managed by other government agencies. Our infrastructure future is integrally tied to other partners at the Federal, State and regional levels.

- Five of the City's six fire stations were built in the 1960s and early 1970s.
- Seventy-four percent of the City's sewer pipes and 71 percent of our water mains are at least 45 years-old.
- Of the 38 park buildings, 24 (63 percent) were built in the 1960s and 70s. Three have been remodeled and 21 (55 percent) will need repairs or replacement in the next decade.
- There are 340 centerline miles of City streets in Bloomington. The average Pavement Condition Index (PCI) is 73 – a solid score. Ten percent (30-35 miles) of streets are considered to be in the reconstruction range (PCI of 1-35).
- There are 38 miles of City asphalt trails; 23 percent (9 miles) are in the reconstruction range (PCI of 1-35).

Transportation

Traffic congestion in the short term and new vehicle technology (self-driving cars) in the medium term

Traffic congestion in the metro region is bad and getting worse. This is especially true of the oldest interstate highway segments such as I-35W and I-494 in Bloomington. One hope for relief is that technology (including self-driving cars and trucks), the ways people work and transportation network companies may be able to reduce vehicle miles traveled, squeeze additional capacity from existing highways, and improve the overall usability and availability of transportation options. New vehicle technology will first yield safety benefits, followed by highway and parking efficiency benefits and lower transportation costs for households in the longer term.

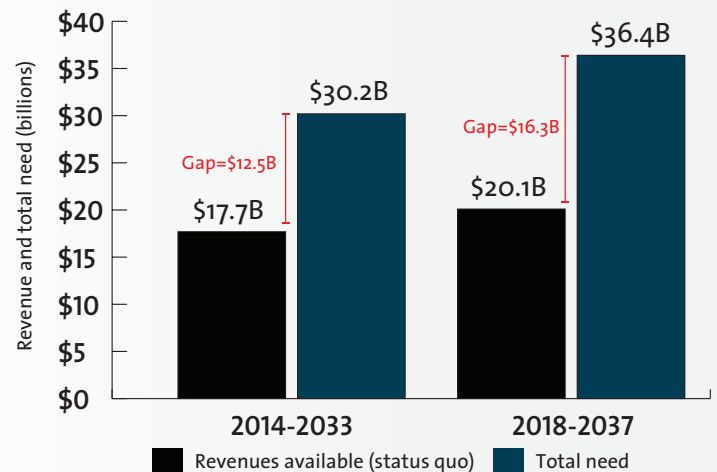
There's not enough money to repair the road ahead

In the early 1990s, Bloomington developed a Pavement Management Program to plan for and fund local street needs. In 2015 this same level of planning and funding was extended to our trail and path system. While our local street future is positive, our County and State partners project significant funding gaps. Based on currently anticipated revenues, MnDOT projects that the vast majority of future transportation funding will need to be spent on pavement maintenance activities leaving nothing for system upgrades like the I-35W/I-494 interchange.

The list of important deferred regional highway projects in Bloomington illustrates the size of Minnesota's highway improvement deficit. These overdue Bloomington projects include rebuilding the I-35W/I-494 interchange, replacing the 12th Avenue bridge over I-494, replacing the Portland/I-494 interchange with a single-point urban interchange, adding a westbound ramp at the I-494/Bush Lake Road interchange, replacing the closed 86th Street bridge over I-35W and replacing the I-35W bridge over the Minnesota River. The graph at right shows that only 55 to 60 percent of Minnesota's future transportation projects are funded.



MnDOT Funding Projections



Additional transit service

Proposed additional transit service such as the Orange Line BRT, Riverview Corridor from Mall of America to St. Paul and a BRT line from Mall of America to the Southwest Line in Eden Prairie and Chicago-Fremont BRT will be very important for Bloomington’s redevelopment along I-494 and supporting Bloomington’s vision for walkable transit-oriented redevelopment. While critically important to these specific locations and customer groups, transit is not expected to carry more than 10 percent of the total person trips in Bloomington. Access will continue to rely on infrastructure for individual vehicles, whether these vehicles are operated by drivers or are self-driving. One significant city challenge will be to balance design for pedestrians, bikes and transit users with design for vehicles.

MSP Airport will grow

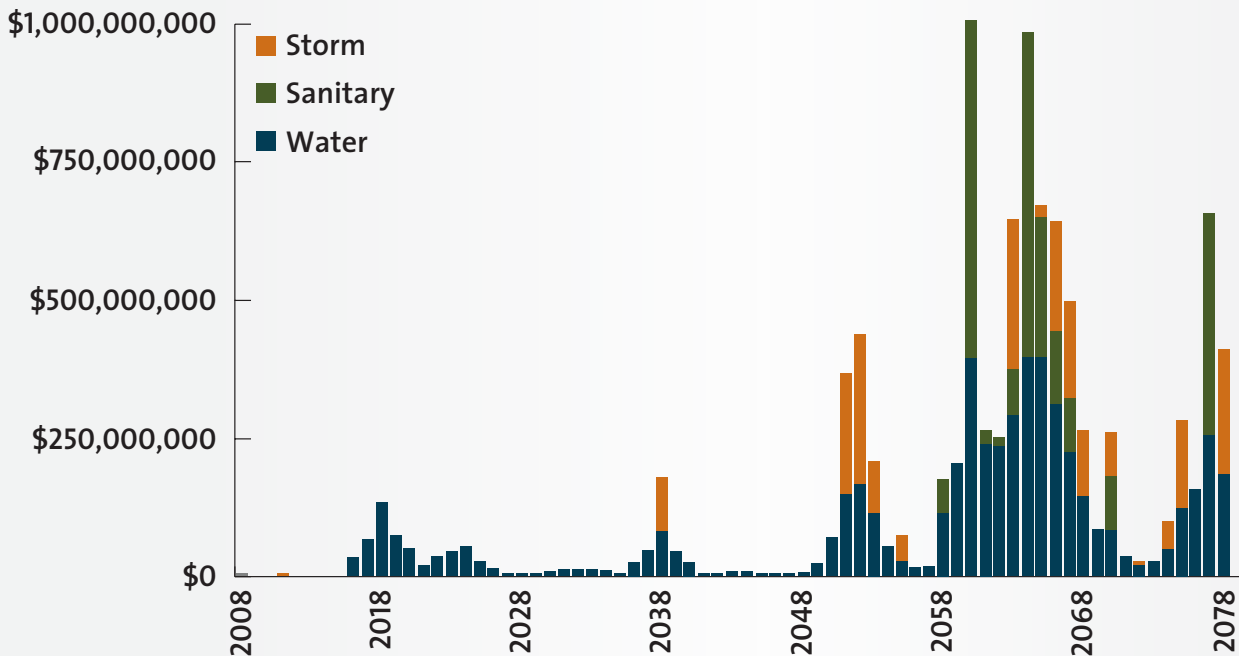
The top 50 airports now account for more than 80 percent of all U.S. passenger departures. As one of these hub airports, MSP had 16.3 million passenger departures in 2010. FAA and MAC project that departures will grow 28 percent to 20.9 million in 2020 and to 27.3 million in 2030. Both landside and airside infrastructure is needed to accommodate this growth. Federal and local funding for these improvements is just as uncertain as other transportation funding.

Utilities

There’s a maintenance mountain on the horizon

Most of Bloomington’s water and sewer infrastructure was installed in the 1950s and early 1960s. It will be approaching the end of its serviceable life over the next few decades. The City has an asset management program to maximize service life and minimize program costs of our water and sewer infrastructure. The program projects significant rate increases to protect this important municipal infrastructure.

Bloomington Water, Wastewater and Storm Water Infrastructure Replacement Value

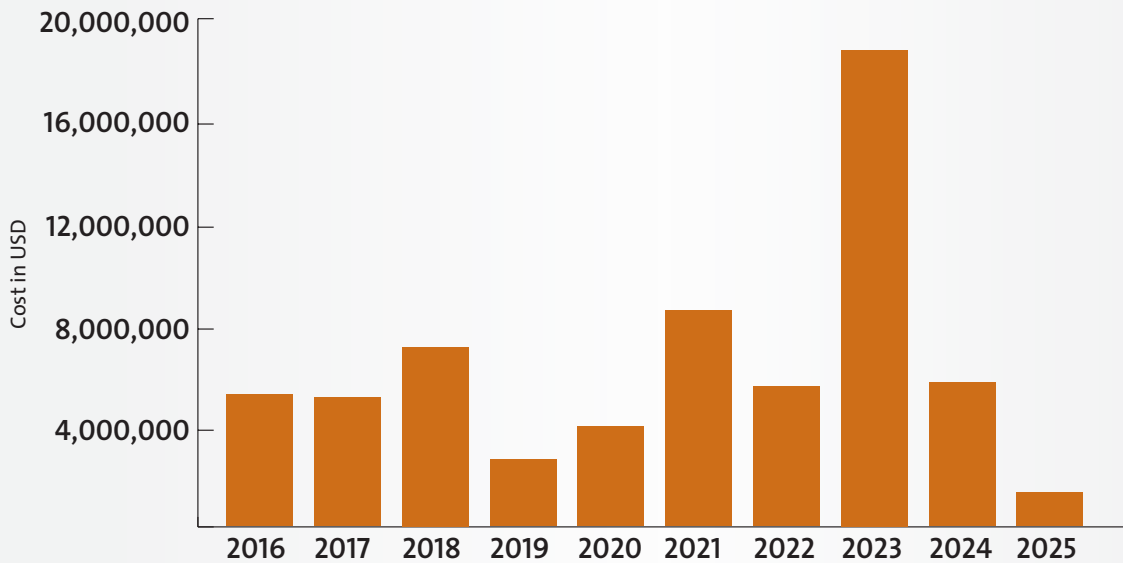


Replacement timetable is based on EPA estimated life per asset type adjust for inflation

Parks and City Buildings

Like Bloomington’s utility infrastructure, many City buildings and parks were constructed in the 1950s and 1960s and have reached the end of their service life. Funding for these facilities has been primarily for operations and little has been set aside for upgrades and replacement. A recent inventory and condition survey of City facilities estimates building condition and improvement needs. A similar inventory is in progress for parks. The graph below estimates the cost to maintain existing buildings. The projection does not include funding for new facilities or costs associated with upgrades or expansion of existing structures.

City of Bloomington Funding Needs



Source: VFA Software

Funding shortfall for park maintenance

The City’s draft 2016 – 2035 CIP identifies \$89.5 million in recommended park improvements over the next 20 years, not including an additional \$55 million for a community center and park acquisition. This averages \$4.5 million per year that is needed for park maintenance and improvement. Just \$200,000 per year in park dedication revenue is projected to cover these costs, leaving a shortfall of about \$4.3 million per year.

VIII. COMMUNICATION AND TECHNOLOGY



There has been a rapid change in how people access services and information about the City.

Telecommunications technology allows for real-time, two-way engagement. Whether online, using a mobile device or through video, people communicate, engage, find information and do business online more than ever. Cities must respond with flexible, broad-ranging choices for communication, keep up-to-date with the most current technology and monitor changes in how people obtain information.

The internet of things multiplies the amount of data cities can collect and analyze. This could enable cities to be more proactive and effective in communicating to stakeholders about things that really matter to them. Delivery of government services is changing, and cities need to be flexible and thoughtful about embracing the change. As more services are supplied digitally, government needs to ensure that everyone is able to participate equally. Demographics also influence decisions about how best to deliver messages. The City should consider its aging population and non-English speaking residents as it tries to be inclusive and reach diverse audiences.

Accessing information through video continues to increase. Video content is an important component of current and future City communications. The focus has shifted toward meeting audiences online with visual content. Organizations are investing in training and technology to distribute media using the Internet. Today's technology allows consumers to watch shows without a cable connection or even a television.

Stakeholders want more engagement

Internet use is the norm in Bloomington, with most people connected and conducting business online. Many residents want the option of receiving interactive content from their government. Residents' and employees' expectations are shifting toward 24/7 content delivery via the Web, social media such as Facebook and Twitter. Web-based technologies such as social media have become central to many people's lives.

New platforms are changing the traditional citizen engagement model. Social media and other applications have provided a way for cities to connect with their audiences as a growing number of residents are looking for more engagement from their government. This growth will continue.

Online transactions are becoming the norm and the City will need to make online transactions more broadly available to meet users' expectations and make the organization more efficient and its operations more cost-effective.

