



# Request for Council Action

Originator <b>Community Development</b>	Item <b>Adopt Penn American District Plan</b>	# <b>5.4A</b>	
Agenda Section <b>HEARING/PUBLIC INPUT Ordinances</b>	By <b>JEF</b>	Approved	Date <b>January 27, 2014</b>

**Description**

Case 10001B-13

## GENERAL INFORMATION

The Penn American District Plan (PADP) will provide a framework for development and public infrastructure investments in the Penn American District over the next several decades. The District Plan recommends specific strategies and investments that the City, Bloomington Housing and Redevelopment Authority (HRA), and private developers can implement to foster redevelopment and achieve the long-term vision to make the District:

*A vibrant, attractive, mixed use, high density activity center that serves as an amenity for the surrounding neighborhoods and the city as a whole.*

The Penn American District is bound by I-494 on the north, I-35W on the east, W. 82<sup>nd</sup> Street on the south, and Penn and Russell Avenues on the west. It encompasses about 160 acres, most of which were developed 30 to 50 years ago. Existing development is dominated by retail uses, with several auto dealerships, some offices and high density housing. Recent and pending developments contain a mix of residential, retail, office, and hotel uses.

The PADP is one of three district plans developed by the City to provide a focused means to implement key goals identified in Bloomington’s strategic and comprehensive planning processes. After adoption, the PADP will be formally incorporated into the Bloomington Comprehensive Plan.

## BACKGROUND

Work on the PADP commenced in 2007 when the Bloomington HRA purchased the two auto dealerships located in the southeast quadrant of the Penn/American Boulevard intersection and hired a consulting team to create a vision for redevelopment. During initial PADP concept development, numerous meetings were held with a project Task Force, District property owners and stakeholders, and City officials and commissioners to obtain input on redevelopment concepts, density, and zoning alternatives.

**Council Action**

Motion by \_\_\_\_\_ Second by \_\_\_\_\_ to \_\_\_\_\_  
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**Ongoing Redevelopment:** Concurrent with development of the District vision, redevelopment proposals for the former auto dealership sites have been reviewed by the City. This site was rezoned in 2008 to accommodate Phase 1 of the so-called “Penn American development” that included the Genesee Apartments and supportive retail/service uses. The final development plan for Phase 2, that is proposed to include a hotel and grocery store, was approved by City Council in October, 2013. These projects exemplify the development vision for the District and have laid the foundation for transforming its character.

## **PLAN VISION AND CONCEPT HIGHLIGHTS**

With its favorable location in the region, the Penn American area developed as a retail shopping hub more than 40 years ago during the first phase of suburban growth in the Twin Cities. Shifts in the economy and changing market preferences, along with the prevalence of aging buildings and large amounts of land devoted to parking in the District, present significant opportunities for redevelopment.

The purpose of this District Plan is to help the District meet its potential by defining a clear vision to guide redevelopment and investments in public infrastructure. Key elements of the Penn American vision include:

- Adding new, pedestrian-friendly streets and creating smaller development blocks as redevelopment occurs.
- Increasing development intensity and diversifying the mix of land uses.
- Improving the quality and character of buildings and public spaces.
- Increasing mobility through targeted improvements to roads, bikeways, and sidewalks.
- Leveraging the proposed substantial investments in transit and transportation infrastructure.

## **KEY RECOMMENDATIONS**

Section 6 of the draft plan - the Implementation Plan - describes specific public infrastructure improvements and zoning amendments recommended to achieve the plan vision.

**Infrastructure Improvements:** These include improvements to roads, utility systems, and parks and trails. Implementation of these improvements will occur:

- In conjunction with scheduled public infrastructure improvement projects (i.e., as part of the City’s Capital Improvement Plan);
- In conjunction with private development projects; or
- As part of a project initiated by another public agency (e.g., Metro Transit)

**Zoning Amendments:** Zoning amendments are proposed for most of the parcels in the District. Over the last few years, zoning amendments were implemented for about a third of the district. These are all located south of American Boulevard, between Penn and Knox Avenues. Amendments on the remaining parcels will proceed after the District Plan is adopted.

The purpose of the zoning amendments is to:

- Reflect the District Plan vision; and
- To apply the new commercial zoning districts.

It is anticipated that zoning amendments on the remaining parcels will commence in early 2014.

## REVIEW PROCESS

Since work began on the Penn American District Plan in 2007, numerous meetings have been held. A project Task Force was created to develop the initial concept plan. During development of the District vision, meetings were held with District property owners and stakeholders and City officials and commissions. Discussion at these meetings primarily focused on alternative development densities and street patterns. Input from these meetings provided the foundation of the final concept plan. More recent meetings with the Planning Commission and City Council have provided direction on a number of proposed zoning recommendations to achieve the vision concept.

Two public open houses have been conducted. The first occurred in the early stages of concept plan development in 2009 and the other occurred recently, on October 23, 2013. The purpose of the open houses was to provide an opportunity for interested citizens to learn more about the plan and provide input on proposed recommendations. Approximately 40 people attended the recent open house, including many area residents and some commercial property owners. A copy of the attendance sheet and the comments received are attached to this staff report.

In addition, over the past few months staff reached out to owners of property proposed for rezoning and, when desired by the landowner, met with all those interested in discussing the implications of proposed zoning amendments. To date, staff has met with the following property owners: Kraus-Anderson (owners of Southtown Shopping Center, Lucky 13, Mitsubishi); Lupient (Chevrolet); Luther (Infiniti, Kia, Fiat); Walser (Chrysler/Jeep); and Southtown Office Park. Staff has also spoken by telephone with the other property owners, who did not request a face-to-face meeting, including: Wedding Day Jewelers; Southpoint Office Center; and Knox Landing apartments. The owners of Jiffy Lube never responded to an initial email sent to all property owners regarding the rezoning and invitation to discuss with staff.

The draft plan has also been reviewed by numerous city staff from key departments, including: Public Works (traffic, streets, stormwater management); Utilities (sewer, water); Parks, Community Development, and the Housing and Redevelopment Authority.

**Public Hearing Process:** A public hearing was held before the Planning Commission on November 7, 2013. At the hearing, four individuals spoke. The Planning Commission recommended approval of the PADP as presented. On December 2, 2013, the City Council reviewed the PADP and continued the public hearing until their meeting on January 27, 2014. Letters have been received from four property owners commenting on the plan and are included in the Enclosures. A public hearing has been scheduled for January 27, 2014. At the meeting, staff will conduct a brief overview presentation of the PADP and key recommendations.

**Public Outreach:** Outreach efforts related to the public hearing include: official notice in Sun Current; notice sent to all property owners within, and within 500 feet of the Penn American district (292); E-subscribe notices sent to those on the “planning commission” list (853) and the “planning and development news” list (847); in addition, a project webpage was created on the City’s website that provides information about past and planned activity specific to the Penn American District Plan ([www.ci.bloomington.mn.us](http://www.ci.bloomington.mn.us), key words: Penn American District Plan).

## CHRONOLOGY

City Council Study Meeting

May 14, 2007 – Kickoff workshop

City Council Study Meeting	September 24, 2007 – Concept plan update
Task Force Kickoff	October 11, 2007
Planning Commission Study Meeting	October 18, 2007 – Concept plan update
Stakeholder Meeting	November 7, 2007
Planning Commission Study Meeting	November 15, 2007 – Concept plan update
City Council Meeting	January 14, 2008 – Phase 1 rezoning (United Properties)
City Council Meeting	February 1, 2008 – Commercial area renewal overview
City Council Study Meeting	June 30, 2008 – Status update
<b>Public Open House</b>	November 18, 2009 – Input on land use vision
Planning Commission Study Meeting	January 14, 2010 – Status update
City Council Study Meeting	October 22, 2012 –Overview of transit improvements
City Council Study Meeting	January 7, 2013 – Discuss Phase 2 zoning alternatives
City Council Study Meeting	March 4, 2013 - Discuss Phase 2 zoning alternatives
City Council Study Meeting	May 20, 2013 – Status update
City Council Meeting	July 15, 2013 – Phase 2 rezoning (multiple properties)
Planning Commission Study Meeting	July 18, 2013 – Status update and zoning overview
City Council Study Meeting	August 5, 2013 – Status update and discuss zoning recommendations
<b>Public Open House</b>	October 23, 2013 – Input on Penn American District Plan
Planning Commission Action	November 7, 2013 – Recommended approval of the draft Penn American District Plan
City Council Action:	December 2, 2013 – Continued to January 27, 2014
City Council Study Meeting:	January 6, 2014 – Background information for new City Council members.
City Council Agenda:	January 27, 2014 – Public hearing scheduled

## **DEADLINE FOR AGENCY ACTION**

The applicant has waived the agency action deadline.

## **STAFF CONTACT**

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## **RECOMMENDED CITY COUNCIL ACTION**

The Planning Commission and staff recommend approval of the Penn American District Plan (provided in the Enclosures).

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