

CITY OF BLOOMINGTON
Division of City Planning
REPORT TO THE PLANNING COMMISSION
July 24, 2008

Item 1

GENERAL INFORMATION

Applicant: Target Corporation
(Case 10790ABCDEF-08)

Location: 5401 and 5501 West Old Shakopee Road and 10800 Normandale Boulevard

Request: 1) Amend the Comprehensive Land Use Plan from Industrial to Community Commercial for 246,710 square feet of retail, service station and restaurant uses (Case 10790A-08);

2) Rezone from I-1(PD) Industrial (Planned Development), IP Industrial Park and IP(PD) Industrial Park (Planned Development) to B-2(PD) General Commercial (Planned Development) for 246,710 square feet of retail, service station and restaurant uses (Case 10790B-08);

3) Preliminary and Final Development Plan for 246,710 square feet of retail, service station and restaurant uses (Case 10790CD-08);

4) Conditional use permit for up to four restaurants of 21,200 square feet, including drive-through services (Case 10790E-08); and

5) Preliminary and Final Plat of Worldwide 4th Addition (Subdivide two lots into five lots) (Case 10790F-08)

PROPOSAL

The applicant requests six approvals to permit redevelopment of three existing office warehouse buildings into a 246,710 square foot retail and service development. The primary occupant would be a 178,598 square foot SuperTarget retail facility on the property's southern portion. Seven additional retail commercial buildings ranging from 5,112 square feet to 14,900 square feet would front Old Shakopee Road and Normandale Boulevard. The application includes a request for up to four restaurants totaling 21,200 square feet. The Holiday station store would remain unchanged, although it would become part of the proposed Planned Development.

The SuperTarget would face east toward Normandale Boulevard and be setback 65 feet from the west property line, 650 feet from Normandale Boulevard and 520 feet from Old Shakopee Road. Two customer entrances would be evenly spaced along the building's front. Truck docks are proposed on the building's southwest corner with access from West 110th Street. A financial institution and a restaurant with drive through services are proposed between the SuperTarget and Normandale Boulevard. Four retail buildings would front Old Shakopee Road and one would be located at the corner of Old Shakopee Road and Normandale Boulevard. With the exception of the corner of Old Shakopee Road and Normandale Boulevard, all the parking is located internal to the site and not between the building and the public street.

Primary access would be from the existing Holiday warehouse access at Old Shakopee Road, the existing right in/right out access on the east side of the Holiday Station store, a new signal controlled access on Normandale Boulevard approximately 550 feet south of Old Shakopee Road and 110th Street via Nesbitt Avenue at the southwest corner of the site. A total of 1,318 parking spaces are provided. A storm water rate and quality control pond is located on the south corner of the property.

Proposed exterior building materials for all eight buildings include a mix of brick, decorative masonry units, Exterior Insulation and Finish Systems (EFIS) and metal panels. The SuperTarget would be 28 to 32 feet high and the other structures range from 21 feet to 36 feet in height.

ANALYSIS

The proposed land use changes include removing 484,241 square feet of office/warehouse uses and construction of 246,710 square feet of retail/service uses. This request requires City review on two levels. The first involves changing the land use vision for the area along Old Shakopee Road from the industrial use envisioned in the past and current adopted land use plans. The requested amendment involves a change in thinking about the City's future and the nature of land use relationships in the southwest part of Bloomington. The Comprehensive Plan's Land Use Element reflects the future physical framework and City image: what the community wishes to become, how it can be achieved, and how that image and character reflects community preferences. A Comprehensive Land Use Plan amendment requires approval by both the City Council and the Metropolitan Council before the change is effective.

The second review level analyzes the physical site development using specific City Code standards, criteria and established professional practices. The proposed plan is straightforward in its character, features, and form. The physical development pattern and related issues is similar to other retail developments along the Interstate 494 / American Boulevard corridor. The reviews must insure the underlying development details for the grading, drainage, utilities, erosion control, landscaping, buildings, traffic, circulation and parking are complete, consistent, compatible, and will work in an acceptable manner.

In summary, staff evaluation and recommendation includes review at two levels: 1) Land Use Plan changes and the effect on the City's Comprehensive Plan; and 2) A detailed review of the proposed development and how it relates to the findings and performance standards for site plans.

Land Use Guide Plan Amendment

Background

The subject property and its recommended land use has been the subject of several studies and plans dating back to 1962. The City of Bloomington Economic Study (1962) and the Study of the Western Industrial Park Expansion in 1966 (studies attached) provided the foundation for the Western Area Plan, adopted on August 10, 1970. This Plan included the all land area bound by Interstate 494, France Avenue, West 98th Street, Normandale Boulevard, the Minnesota River and Highway 169. When adopted, the Western Area Plan included a proposal for extending West 98th

Street through Hyland Park. Three neighborhood centers were proposed on the west side of Hyland Park. These centers were specifically designated to provide neighborhood services “and be limited to a maximum floor area of 60,000 square feet” (Page 16). The development goal was to provide attractive and convenient retail commercial development to meet the day to day needs of future residents (Page 17).

The Western Area Plan (1970) reviewed the industrial and non-retail commercial land areas. A majority of these uses were located along West Old Shakopee Road and Interstate 494. The Development Goals and Policies for the office and industrial land uses included:

- Provide for and encourage more nonresidential (office and industrial) development.
- Encourage optimum utilization of land now designated for nonresidential use before expanding its limits.
- Encourage the optimum use of the land and reduce the possibility of future traffic congestion by establishing well defined use districts based on function.
- Discourage retail commercial uses from locating within the area except as accessory to the principal uses of land.

The last goal discourages retail commercial uses and was an extension of a City-wide planning principle of locating retail uses with a regional customer draw along highways serving regional trips such as I-494 and I-35W. This principle serves to separate trips to regional retail uses from the City’s residential neighborhoods and to minimize cut-through traffic.

The 1970 Western Area Plan provided well-balanced traffic options through and around Hyland Park. On December 8, 1975, the City Council adopted an amendment to the Western Area Plan. The most significant change was, as the result of a referendum ballot, vacating all street rights-of-way through Hyland Park Reserve. Removing the 98th Street extension from the plan channeled east-west traffic around Hyland Park to Old Shakopee Road and West 84th Street. These streets are separated by more than three miles. Careful land use planning practices and street design are required to assure these primary east/west arterials are maintained with a reasonable level of service. In addition, the revised Western Area Plan eliminated one of the three commercial centers previously proposed West of Hyland Park and reduced the overall development intensity by 30 percent solely due to traffic circulation limitations. Subsequently the City of Eden Prairie approved a commercial center at TH169 and Bloomington Ferry Road that also serves Western Area residents.

The City’s most recent Comprehensive Plan was comprehensively updated and adopted by the Bloomington City Council on April 16, 2001. The plan contains the City’s vision of desired and allowed land uses in context of neighboring uses and the community as a whole. A component of the Comprehensive Plan, the Land Use Guide Plan, designates planned long term land uses. The land uses recommended in the Guide Plan may or may not be consistent with a property’s current use.

The property included in the Target Corporation application was first designated by Bloomington’s Land Use Guide Plan as Industrial in 1970 and has been consistently designated as Industrial through today. In order to ensure it remains viable, the Comprehensive Plan and its vision may be amended, both by developer applications such as this and through City-initiated reviews. The City holds a high degree of discretion regarding decisions on whether or not to amend the

Comprehensive Plan. Typically, an amendment occurs when there is a change to the community vision necessitated by either significant external change(s) to those factors upon which the Plan is based or when an unanticipated development opportunity is presented that would be of significant benefit to the community and consistent with the City's goals and objectives. In evaluating whether to change its vision for the future, the City should consider:

- Has there been a change of such magnitude in those external factors forming the foundation and rationale for the current land use guild plan designation that would make this property better suited for a Community Commercial land use than for the Industrial land use envisioned by the Comprehensive Plan?
- Is the applicant's proposed use of the property as a 246,710 square foot shopping center with a single regional tenant occupying 187,000 square feet (staff and the applicant disputes whether SuperTarget is a big box retailer) an unanticipated development opportunity that would better serve the needs of the surrounding residents, businesses, and the community and would be consistent with and satisfy the goals and objectives of the Comprehensive Plan?

Bloomington's Comprehensive Plan 2000 distinguishes among retail commercial land uses based upon the market area served. This approach is common in long range planning both in the Twin Cities metropolitan area and nationwide. The City of Bloomington Comprehensive Land Use Plan establishes three retail land use designations. They are:

General Business -- This category allows a wide range of commercial uses suitable for the relatively small, shallow parcels of the City's neighborhood commercial nodes. Typical development includes retail and service uses such as neighborhood supermarkets (20,000 sq. ft. and below), small shopping centers (100,000 sq. ft. and below), drug stores, restaurants (10,000 sq. ft. and below), and gas stations. Office uses are allowed within this designation when integrated with a commercial use or as a stand-alone use. Residential uses are allowed within this designation only when fully integrated with a general business land use and allowed in the underlying zoning district. Access requirements for this category are moderate to high, so land should only be designated for this category when in close proximity to arterial or collector streets. This category excludes larger scale retail and service uses that require larger parcel sizes or freeway visibility, such as hotels and motels, "big box" retail, medium and large shopping centers, hospitals, automobile rental, and automobile sales.

Community Commercial -- This category allows all "General Business" activities plus additional, larger scale service and retail uses that require larger parcel sizes such as supermarkets and restaurants of any size, medium sized shopping centers (up to 250,000 sq. ft.), and theaters. Hotels and motels are allowed within the Community Commercial designation only within one mile of a freeway interchange. Office uses are allowed within this designation when integrated with a commercial use or as a stand alone use. Residential uses are allowed within this designation only when fully integrated with a commercial land use and allowed in the underlying zoning district. Access requirements for this category are high, so land should only be designated for this category when adjacent to arterial or collector streets. This category excludes regionally oriented retail and service uses that demand easy access from the freeway system such as large shopping centers, "big box" retail, hospitals, or automobile sales.

Regional Commercial -- This category allows all “General Business” and “Community Commercial” activities plus additional service and retail uses such as hotels and motels, “big box” retail, large shopping centers, hospitals, and automobile sales that demand easy access from the freeway system. Office uses are allowed within this designation when integrated with a commercial use or as a stand alone use. Residential uses are allowed within this designation only when fully integrated with a commercial land use and allowed in the underlying zoning district. Access requirements of regional commercial uses are very high, so land should only be designated for this category when it is in close proximity to freeways and adjacent to arterial or collector streets.

Certain areas designated for retail uses are only suited for neighborhood-oriented commercial uses (typically smaller businesses that attract primarily local traffic). These areas are designated as General Business. Other areas may be better suited to community-oriented uses, which support the Community Commercial designation. The regionally-oriented commercial locations are designated Regional Commercial based on various factors such as separation or buffers from surrounding residential areas, large parcel sizes, nearby access to the regional transportation system, and access to transit. When the existing designations were assigned in the 1970s and affirmed in the Comprehensive Plan 2000, consideration was given to general access and land use organization principles and the existing pattern in the neighborhood, community or regional patterns.

Regional / Community Uses

The applicant requests assignment of the Community Commercial designation to this site. However, the Community Commercial land use category is inconsistent with the applicant’s proposal because the category excludes “big box” retail. The applicant contends a store offering a variety of goods under a single roof is basically an urban village shopping center without walls utilizing a centralized checkout system as opposed to a “big box” retailer. Using this line of reasoning defeats the intent of the Comprehensive Plan. The applicant’s definition of “big box” only includes those uses generally termed as “category killers” or stores selling a single type of goods.

“Big box” is not specifically defined in the Comprehensive Plan, although the Bloomington City Code does limit individual tenants to 80,000 square feet in the requested zoning district (B-2). A literature search found a variety of definitions for “big box” retailers. The size threshold in these definitions was uniformly 100,000 square feet or lower. Merriam-Webster’s Dictionary defines “big box” as “of, relating to, or being a large chain store having a boxlike structure”. The National Center for Policy Analysis defines a “big box” retailer as “any free-standing store greater than 50,000 square feet and most big-box stores now range in size from 90,000 to 200,000 square feet.” In the spring of 2004, the Public Law Research Institute of the University of California Hastings College of Law in *California Responses to Supercenter Development A Survey of Ordinances, Cases and Elections* wrote:

There is no single definition of “big box” retail, but most definitions tend to focus on the square footage of retail outlets rather than the items sold inside the stores. For example, the state of California defines “big box” retail as a “store of greater than 75,000 square feet of gross buildable area that will generate sales or use tax.”¹ The

¹ *California A.B. 178 § 1(f)(1) (Ca. 1999)*

Maryland Department of Planning defines “big box” retail facilities as “large, industrial-style buildings or stores with footprints that generally range from 20,000 square feet to 200,000 square feet.”² In October 2003, the City of Los Angeles commissioned a study to identify potential impacts of “big box” retailers in the city’s neighborhoods (“the Rodino report”). The Rodino report defined “big box” stores as “[a]ny large store format that is larger than a specified threshold of square footage in size. Generally this threshold ranges from as low as 60,000 sq. ft. to 130,000 sq. ft.”³

The application for a 178,598 square foot SuperTarget is “big box” retail by any of these definitions.

The Western Area Plan recommended that community centers provide neighborhood/community services and “be limited to a maximum floor area of 60,000 square feet”. (Page 16) Uses larger than 60,000 square feet were considered regional uses. Recently, the City Council, after significant discussion, placed the following language in the B-2 zoning district: “To ensure that retail uses in the B-2 District are not regionally oriented, single tenant retail buildings or individual retail tenant spaces must not exceed 80,000 square feet in total floor area.” Therefore, staff contends that individual users of greater than 80,000 square feet are “big box” retailers not allowed in the Community Commercial designation. Uses larger than 80,000 square feet are Regional Commercial uses.

Staff concludes a Regional Commercial designation would be the land use designation consistent with the applicant’s proposal. The Regional Commercial Land Use description is very clear that land should only be designated for Regional Commercial uses when in close proximity to freeways and adjacent to arterial or collector streets. The proposed SuperTarget site is 2.25 miles from the nearest freeway interchange. Over 95 percent of Bloomington is closer to a freeway than the proposed SuperTarget site.

Staff believes that past practices, policies and actions by the City Council clearly categorize “big box” retail as regional uses and that by size, any single store retail use over 80,000 square feet is a regional use. Bloomington’s land use strategy has consistently been to locate regional uses near freeway interchanges. This approach minimizes regional trips on local Bloomington streets. This site is not located in an area appropriate for a regional use and the Community Commercial designation would not be appropriate for the proposed development. There is not a shortage of Bloomington sites that would be suitable for a development similar to the one proposed.

Land Use Balance

Since the 1970s, the City’s Comprehensive Plans promoted a broad and diverse land use mix. Planning for a mix of uses maximizes the ability to develop and maintain a stable tax base, provides a wide range of employment opportunities, protects the City against excessive economic impact resulting from downturns in individual business sectors and allows for cost effective infrastructure provision including streets, storm water and sanitary sewers.

² Theodis L. Perry, *Managing Maryland’s Growth: “Big-Box” Retail Development*, MARYLAND DEPT. OF PLANNING, Oct. 2001

³ RODINO ASSOCIATES, *Final Report on Research for Big Box Retail/Superstore Ordinance*, Oct.

28, 2003 This report was prepared for the City of Los Angeles, Industrial and Commercial Development Division. *Id.* at 1.

Land use balance refers to the amount of land use provided to meet the neighborhood, community and regional needs. The service area within 1.5 miles of the applicant's property includes two Community Commercial shopping centers and four General Business centers containing a total of 578,137 square feet of retail space on 58.32 acres. (See Table 1) The Target proposal is 25.79 (net) acres and 246,710 square feet of retail space excluding the Holiday station store land and building. The proposal represents over a 42 percent increase in retail floor area supply in the immediate market area.

The existing retail centers have been consistently designated for retail use on Bloomington's Land Use Guide Plan. One of the shopping centers (The Point) is a redeveloped (and expanded) center and Bloomdale is vacant and approved for redevelopment. The increase in retail shopping space as proposed would increase available retail floor area in excess of 40 percent and 44 percent in land area designated for retail uses. Several of the centers have vacancies and have experienced difficulty in finding tenants. Increasing the space devoted to retail uses is likely to result in empty retail space in the southwest part of Bloomington.

TABLE 1: SHOPPING CENTERS WITHIN 1.5 MILES OF 5501 OLD SHAKOPEE ROAD

Center	Location	Land Area	Center Size
Valley West	France / Old Shakopee Road	22 Acres	260,707 SF
Normandale Village	Normandale Blvd./ 98 th Street	18.81 Acres	154,186 SF
Southport Center	France / Old Shakopee	4.22 Acres	51,432 SF
Country Side Center	Bloomington Ferry Road / Old Shakopee Rd	4.55 Acres	28,544 SF
The Point	France / Old Shakopee Rd	2.95 Acres	36,540 SF
Bloomdale	France / Old Shakopee Rd	5.79 Acres	46,728 SF
EXISTING TOTAL		58.32 Acres	578,137 SF
PROPOSED (Net)		25.79 Acres	246,710 SF
Change		44 % increase	42.6% increase
PROPOSED TOTAL		84.11 Acres	824,827 SF

In 2001, the City of Bloomington engaged McComb Group, Ltd. to prepare a retail use market evaluation in conjunction with the France and Old Shakopee Study. The study considered the area bounded by Interstate 35W on the east, Minnesota River on the south, 169 on the west and 84th street on the north. The study found that "the area has too much shopping center type space and not enough space to accommodate free standing stores or office buildings to house future tenants." The report recognized a void for such uses as restaurants without liquor, gas stations, auto repair, daycare, banks, optical stores and other small neighborhood services. (Study attached)

Although the McComb study was prepared in 2001, the underlying retail conditions have not changed markedly. There has been no increase in population or households to warrant a substantial increase in retail space and the existing retail space has not been completely absorbed. The City has made significant public investments to facilitate redevelopment and improve the appearance and function of the France and Old Shakopee node. Creating an additional retail node is contrary to the past and future public infrastructure investments.

Given the information above, there appears to be either an existing balance in retail supply in the area or an over-supply of retail space as opposed to the substantial increase proposed by the applicant.

Industrial Erosion/Preservation

Having a complete community with diverse employment opportunities not overly impacted by market cycles requires a land use mix and distribution that includes industrial land uses with multiple modes available for transporting goods. Converting a large portion of the Western Industrial Area from Industrial to Community Commercial reduces land that would otherwise be available for industrial use/reuse. Moreover, it sets a precedent for changing the land use designation of other industrial sites in the Old Shakopee Corridors for redevelopment to non-industrial land uses.

Bloomington has been forward thinking in guiding and zoning a large area in western Bloomington having railroad access for industrial land uses in advance of market interest and resisting applications to amend the guiding and zoning to non-industrial land uses.

The Western Industrial Area is now built out and the strategy has proved beneficial for Bloomington. With fuel costs increasing, industries are looking again to rail as a cheaper and more sustainable method of moving freight. Rail use by Bloomington businesses is increasing. (See Figure 1) Access to rail transportation is an important factor for prospective industrial users. Bloomington has a limited supply of industrial land with railroad access. That supply includes the proposed SuperTarget site. Sustainable land use practices suggest retaining such Industrial designated sites for the continued vitality of the City and region.

Industrial Lands Policy and Future Growth and Development

The property in question and the recommended Industrial land use has been the subject of several studies and plans dating back to the 1962. The City of Bloomington Economic Study (1962) and the Study of the Western Industrial Park Expansion in 1966 (studies attached) provided a foundation for the Western Area Plan, adopted on August 10, 1970. Industrial land use and development based on various Comprehensive and Area Plans have established a diverse and balanced citywide land use mix. Land use diversity and balance is important to ensure that the City will not be overly impacted by market cycles.

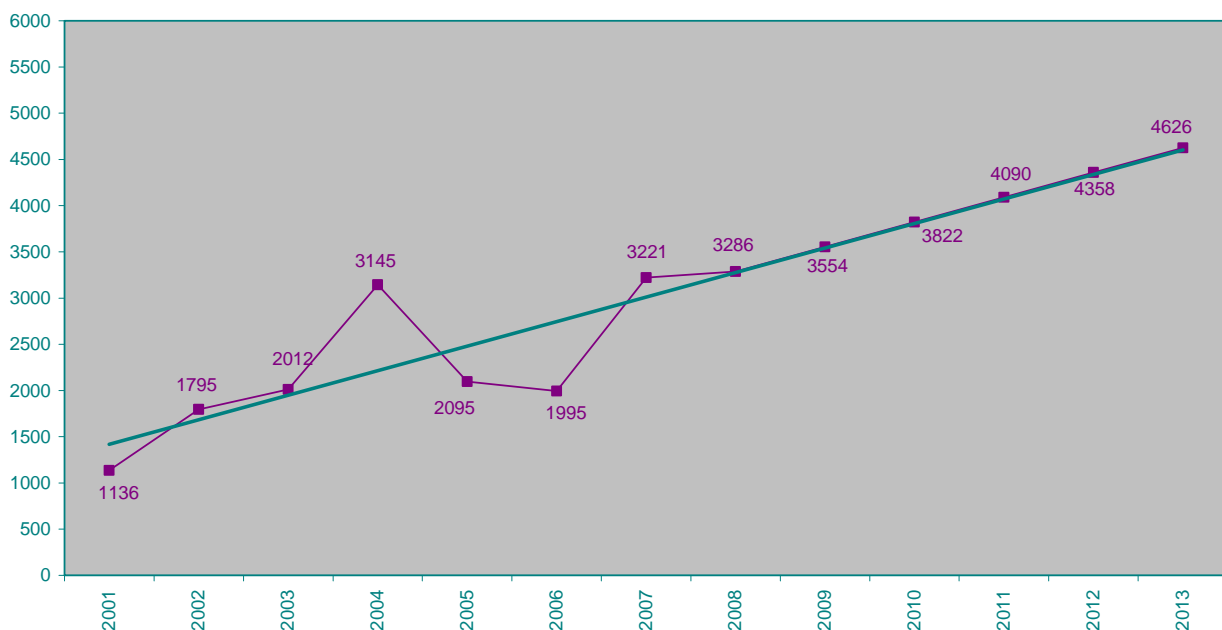
Industrial land use and development in western Bloomington has grown in a deliberate and planned manner. In the last ten years industrial growth and development has resulted in over 1.1 million square feet of new industrial development. This development includes several success stories that lead the way in industrial development in the City. For example, Quality Bicycle Products energy efficient building is already exceeding year 2030 goals for energy use intensity (i.e., a reduction of 50% from traditional building energy usage). Another example is Sick Optics, a German firm, which is a leader in the field of optical scanning devices that built a facility in the Western Industrial Area in 1997 and made the commitment to expand rather than to relocate from Bloomington.

In the last 10 years, there has been 888,441 square feet of industrial development in the Western Industrial area. In the past 15 years 1,730,342 square feet of industrial development has been added. These developments have taken advantage of available land resources suitable for development and unique location factors supported by both private and public investments in infrastructure and facilities. As shown in Figure 1, the use of rail as a primary transportation option continues to increase. This property has outstanding access to rail services.

Bloomington has reached the end of vacant land for industrial development in the Western Industrial area. Developments are attracted to the land in the western Bloomington's industrial area for many reasons including:

- Roadway and highway access to the metropolitan system
- The availability of multi-modal transportation operations with the combination of rail service and road infrastructure. As shown in Figure 1, demand for rail services continues to increase.
- Separation from non-industrial land uses that avoids land use conflicts.
- Land suitability factors (including soils and topography) that are well suited for industrial building construction and infrastructure improvements. Also, the area is positioned to take advantage south facing building placements that are a factor in future solar energy options.
- Availability of water and sanitary utility services and electrical and natural gas services.

FIGURE 1: RAIL CAR USAGE PER YEAR IN BLOOMINGTON – 2001 to 2013 PROJECTION



SOURCE: Duane Jenkins, Progressive Rail Inc., July 3, 2008

In the current context and in planning for the future, maintaining industrial land in the Western Industrial Area is critically important because it:

- Provides certainty and predictability for existing companies to stay and grow and the infrastructure necessary to attract new industrial businesses.
- Allows for a healthy and safe environment for industrial and manufacturing operations and activities.
- Provides opportunities for well paid jobs.
- Creates an economic diversity that is complementary and supportive of industrial and commercial uses within the City.
- Provides a basis to position the City for future regional and global industrial opportunities

Maintaining the Bloomington Industrial land use base is important to providing certainty and predictability for existing industrial businesses as well as to attract new industrial users. Land use uncertainty, fostered by land use changes and rezoning, may impact the viability of the surrounding industrial uses by varying land and operational costs in a manner that inhibits existing firms from growing and discourages new firms and businesses from locating here. Incremental Comprehensive Plan amendments and rezonings could discourage new industrial opportunities and contribute to the erosion of a solid and productive industrial land use base.

As previously stated, there has been significant growth in the Industrial area. The subject property is intentionally left unused because the applicant selected redevelopment as opposed to occupying the land and building for its designated use.

Service to Businesses/Land Use Synergy

In addition to encouraging land uses that serve residents, Bloomington looks to encourage land uses that will have a positive effect on existing business and/or create desired spin-off development. Changing the Comprehensive Plan to allow retail uses on the subject parcels would not likely have a positive impact on surrounding land uses. Retail shopping centers often attract both like and mutually supportive uses, such as other retail uses. More retail uses would add to negative land use and traffic impacts as those associated with this proposal.

Comprehensive Plan Guidance

The Bloomington Comprehensive Plan includes policies that conflict with the proposed Guide Plan amendment and rezoning.

- The Comprehensive Plan states that access requirements for regional commercial uses (such as SuperTarget) are very high and that land should only be guided to allow them “in close proximity to freeways” (Page 2.15). The purposes of this policy is to minimize traffic interior to the city. The proposed SuperTarget is a regional commercial use and is not proposed in close proximity to a freeway.
- The Comprehensive Plan states that the Community Commercial designation (proposed by the applicant) “excludes regionally oriented retail and service uses that demand easy access from the freeway system” (Page 2.15). The proposed SuperTarget is a regionally oriented retail and service use.

- The Comprehensive Plan specifically excludes “big box” retail uses from the Community Commercial designation (Page 2.15). As discussed above, the proposed SuperTarget is “big box” retail under any definition.
- The Comprehensive Plan states that “unrelated commercial and residential uses should be discouraged in industrial areas so they do not interfere with industrial activities” (Page 2.15). The proposed SuperTarget is an unrelated commercial use.
- The Comprehensive Plan’s Policy Objective 2.1 reads “Avoid redevelopment that overtaxes existing infrastructure” (Page 2.25). As discussed in the Engineering Division’s staff report on traffic issues, the proposal would overtax the existing roadway infrastructure.
- The Comprehensive Plan calls for coordinating transportation and land use decisions (Page 2.24). The applicant proposes to place 246,710 square feet of retail in a location with minimal transit service. Transit access to retail is very important. Other retail development of a similar size in Bloomington has better transit service. From a transit perspective, this site is a poor location for a large retail use.

Conclusion – The proposed application is in conflict with Bloomington’s Comprehensive Plan and is not in Bloomington’s best interests.

- The proposed application would move away from the land use balance that the City has fostered over the years by adding a major new retail node in an area already served by two existing large retail nodes, both of which have been facing vacant space. Adding 246,710 square feet of additional retail at this location without corresponding growth in the retail customer base will place significant pressure on the existing retail nodes. To avoid blight and regain land use balance, some of the land currently zoned and guided for retail use in the area may need to be redeveloped to non-retail uses. Such redevelopment typically requires public financial assistance.
- The proposed application would erode Bloomington’s Industrial land use base at a time when many cities are protecting or expanding their Industrial base. Retaining an Industrial land use base is critical to maintaining a diversified local economy that can withstand economic cycles. Bloomington’s diverse economy and land uses have been key in the City’s financial strength exemplified by its AAA bond ratings. Of further concern is that proposed redevelopment would one of the few large industrial sites in Bloomington with to rail access.
- The proposed application would overtax Bloomington’s roads as evidenced by the City’s consulting traffic engineer’s analysis.

Rezoning, Preliminary and Final Development Plan

Staff recommends denial of the Comprehensive Land Use Plan Amendment. If the Planning Commission and the City Council concur with staffs’ recommendation, the rezoning must be denied as the B-2 Zoning District would be in conflict with the Industrial land use designation. However, should the Planning Commission recommend and the City Council approve the Comprehensive Land Use Plan Amendment, the following information is applicable for the rezoning and Preliminary and Final Development Plans. The analysis should review the public benefit provided and whether the applicant’s plans minimize the impacts on adjoining parcels and provide for the future transportation needs benefiting the use and the general public.

An analysis of the proposed redevelopment is related to two fundamental questions:

- Is the rezoning and preliminary and final development plan for retail center consistent with the Comprehensive Plan and Zoning?
- Is the preliminary and final development plan a viable or functional project with regard to site characteristics and existing surrounding development if there is a change in the Comprehensive Plan to allow for retail development?

Rezoning

The property rezoning from I-1(PD), Industrial (Planned Development), IP Industrial Park and IP Industrial Park (Planned Development) to B-2(PD) General Commercial (Planned Development) is to allow retail commercial use of the property. The rezoning is dependent upon approval of the Comprehensive Land Use Plan amendment from Industrial land use designation to Community Commercial. Rezoning to a Planned Development overlay is also required for City Code deviations.

The B-2 General Commercial District is intended to provide for a wide variety of commercial uses essential to support surrounding neighborhoods. The B-2 Zone permits small to mid-sized retail shopping establishments to meet neighborhood needs and is not intended to meet regional needs. The City Code establishes retail floor area restrictions in the B-2 Zoning District to ensure that established retail uses are not regionally oriented. By Code, single tenant buildings or individual tenant spaces must not exceed 80,000 square feet in floor area. The applicant proposes a single retail shopping user of 178,598 square feet or more than two times the maximum permitted by the B-2 District.

The Planned Development Overlay District's purpose is to promote creative and efficient use of land by providing design flexibility in the primary zoning district provisions to enhance the public benefit. The planned development provisions are intended to:

- (1) Protect natural features in private, common or public open space,
- (2) Improve the efficiency of public streets and utilities,
- (3) Provide transitions in land use in keeping with the character of adjacent land use, or
- (4) Improve the arrangement of structures, facilities and amenities on a site for both private and public benefit.

Additionally, the Planned Development Overlay District prohibits approval of a preliminary or final development plan where the total area of a planned development:

- (1) the maximum structure coverage of a lot by more than fifty percent of the applicable district provision;
- (2) the maximum density or floor area ratio by more than twenty percent of the applicable district provision;
- (3) Reduces minimum lot area and lot width by more than twenty-five percent of the applicable district provision;

While these standards do not restrict increases of the minimum floor area for a single user in the B-2 Zoning District, the standards for deviation consistently range from 25 percent to 50 percent of a particular standard.

Staff concludes the proposed increase of the City Code tenant size restriction for a single user by 223 percent far exceeds the purpose and intent of the Planned Development Overlay District and the intended flexibility allowed in an overlay district. Therefore, staff cannot recommend the increase in floor area for a single user of 178,598 square feet.

Site Arrangement

The proposed 25.79 acre redevelopment (26.01 acres minus 0.22 for additional rights-of-way) and 2.3 acre Holiday station store are bordered by the railroad to the south, Old Shakopee Road to the north, Normandale Boulevard to the east and the office/warehouse to the west. The proposed building locations are affected by the access restrictions and the need to provide surface parking sufficient to accommodate retail parking demand. The SuperTarget is proposed on the southwest portion of the site facing east. A total of 638 front field parking spaces are proposed for SuperTarget and an additional 188 spaces are north and south of SuperTarget.

North of the proposed SuperTarget and south of Old Shakopee Road, the applicant proposes four buildings totaling 42,500 square feet in a “U” shaped design. The northern two building would have two “fronts” with pedestrian access along Old Shakopee Road and a 247 space parking lot on the south. There would be no parking or access between the buildings and Old Shakopee Road for Lots 1 and 2.

Three buildings are proposed along the east side of the development. South of the newly created entrance is a full service bank with three drive-through lanes and an ATM. North of the newly created entrance, a stand-alone drive through restaurant and a 14,900 square foot retail building is proposed. These structures are designed with front field parking along Normandale Boulevard and Old Shakopee Road. The placement of parking between the building and the street along one street frontage is not consistent with the overall design of the center. Staff recommends the applicant redesign the northeast corner consistent with the center’s parking field design.

The applicant is not proposing any changes to the Holiday Station Store. The store was constructed in 1989 and is not consistent with the proposed urban village. The applicant proposes maintaining both access points at Old Shakopee Road as well as the three proposed access points to the west. Today, traffic conflicts are minimized by the low volume uses and the higher volume station store. The applicant should provide alternatives for improving of the station store’s site design to be compatible with the proposed development.

The proposed dimensional requirements for development in the B-2 zone are shown in Table 2. There are several internal lot lines in the proposed development. Because this is a Planned Development, the setbacks in Table 2 are stated in relation to the exterior property lines for the development only.

Table 2: Dimensional Requirements for the Proposed Development (B-2)

Setback Location	Required	Proposed
Old Shakopee Road	35 feet	47 feet
Normandale Boulevard	35 feet	102 feet
South - Rear yard adjacent to a railroad	15 feet	29 – 168 feet
West - Side Yard	10 feet	40-65 feet
Parking - Along a Street	20 feet	21 feet or more
Parking - Side Yard	5 feet	5 Feet or more
Building floor area minimum per building	3,000 SF	5,100 SF and more
Building floor area maximum – property	250,000 SF	246,710 SF
Building floor area maximum – single user	80,000 SF	178,598 SF

The development, as proposed, maximizes building, storm water pond and surface parking coverage on the site. The applicant has requested a reduction of the required setbacks from the internal property line as part of the Planned Development Overlay District flexibility.

Access, Circulation and Parking

Primary site access would be at a newly created signalized access approximately 550 feet south of Old Shakopee Road. Secondary accesses include the existing locations on the east and west side of the Holiday Station Store and access to West 110th Street at the southwest corner of the site.

The interior circulation pattern includes circulation drives allowing movement to rows of perpendicular parking in the main customer parking area and access drives on the rear and sides of the proposed structures. Interior circulation is designed with 27 foot wide aisles to allow truck access and circulation.

The proposed parking layout is appropriately orientated to building entrances. The applicant proposes 1,292 (1,318 minus 26 for cart corals) on-site parking spaces to serve the 246,710 square foot center or 5.1 spaces per 1,000 square feet for gross floor area. The City Code calculates the parking for restaurants different than that of a retail facility. The applicant does not specify the number of seats for the restaurants. The required parking for the proposed 225,510 square feet retail facilities would be 901 parking spaces. There is ample parking to meet the requirements of the City Code.

Primary delivery service is at the southwest corner of the SuperTarget building. The service area contains four truck bays and a trash compactor. Sufficient truck maneuvering area is provided. Staff is concerned with the location of the loading docks and trash compactor on the south side of the building given its adjacency to single family residential uses. The applicant proposes a screen wall to the east to screen the industrial use but minimal screening on the south to screen the residential uses. To minimize the impacts on the residential properties, staff recommends the applicant relocate the truck docks to the rear or north side of the building. This modification would mitigate service activity impacts on the residential units to the south.

A large retail project should emphasize walkability both in function and in form. The proposed pedestrian/bike system is grossly inadequate for sustainable non-motor vehicle movements. The majority of bike/pedestrian trip generators are north of Old Shakopee Road and east of Normandale Boulevard. Little or no improvement is proposed to facilitate the already existing pedestrian crossing distance across Old Shakopee Road. In several locations in the plan, the sidewalks are placed in a manner that increases distance or crossings in order to minimize disruption to vehicle movements. The building entrances are located to serve the parking lots rather than to serve or encourage pedestrian traffic. Established entrances of both the street and internal sides of all building including an entrance on the north side of the SuperTarget would enhance pedestrian options. The sidewalks are in medians and not constructed to create an aesthetically inviting environment for pedestrian traffic. Significant modifications to the sidewalk system would be necessary to meet the sidewalk standards in the City Code.

TRAFFIC

There are several issues related to the traffic as a result of the proposed development. The City of Bloomington hired a consultant to review the traffic study provided by the applicant. (Study attached) Staff concluded the following after an analysis of the two studies.

- The intersection at Normandale Boulevard and West Old Shakopee Road will go from an overall Level of Service (LOS) D to a LOS F with this development. Queues on the east and south approaches would extend to the railroad crossing and exceed the left turn storage length proposed on all approaches.
- The Westwood traffic model does not take into account the impact of railroad operations on their proposed signal at the entrance of the Super Target site or the traffic signal at West Old Shakopee Road and Normandale Boulevard, nor does the traffic study include the current trend of increasing rail traffic along this railroad corridor. Figure 1 shows the increase in rail service in the Western Industrial Area.
- The Westwood analysis assumes 17% more PM peak hour trips on West 110th Street and 12% more PM peak hour trips on Nesbitt Avenue. This will impact quality of life factors for the residents that live along those streets.
- The Westwood model assumes that 5% of the trips to the site will utilize an existing access easement with the neighboring property to the west. This cross access easement must be renegotiated and revised. The intent of the original access easement was with a warehouse, which is assumed to generate 97% less trips. In addition, the location of the proposed cross access is in a different location than is described on the easement.
- Creation of a high volume, signalized intersection (Super Target Access and Normandale Boulevard) in close proximity to the skewed railroad crossing of Normandale Boulevard increases crash potential at this location.
- Extension of the median and northbound traffic queues on the Normandale Boulevard south approach will negatively impact access to the single family homes and Montessori School driveways east of the site.
- Additional traffic at West Old Shakopee Road and Old Shakopee Circle will increase delays for traffic on Old Shakopee Circle (delays exceed model ability to analyze).
- Increased traffic on West Old Shakopee Road and the use of the eastern Holiday Gas Station driveway will increase crash and operational conflict potential between

eastbound West Old Shakopee Road traffic and driveway traffic attempting to use left turn lanes to Normandale Boulevard.

- Weekend daily site generated traffic is expected to be higher than projected weekday daily site generated traffic. Since existing weekend traffic volumes are lower than weekday traffic, the percent increase in weekend traffic volumes is expected to be greater than weekday traffic volumes.
- This proposed Comprehensive Plan change may influence additional intensification of land uses in the area where the existing transportation infrastructure is not adequate to accommodate such changes.

The Traffic and Transportation Advisory Commission (TTAC) reviewed the project on July 10, 2008. The City Engineer recommended denial of the proposal due to traffic concerns. The TTAC raised several concerns with regard to traffic and the applicant expressed that there are alternatives they would review to address the issues discussed. The TTAC continued its consideration of the item to August 14 to allow the applicant the opportunity to revise the plan. The TTAC staff report and minutes are attached.

Utility Services

Existing water and sanitary sewer lines in Old Shakopee Road and Normandale Boulevard would provide services to the site. The applicant proposes three separate water system connections to serve the development. These systems are not integrated or looped to assure uninterrupted service. Staff recommends that the applicant be required through a condition of approval to loop the water system to serve all structures as approved by the City Engineer. According to the Department of Public Works, a National Pollutant Discharge Elimination System (NPDES) permit from the Minnesota Pollution Control Agency and approval from the Lower Minnesota Watershed District will be required for the project.

With regard to storm water management, the applicant proposes a storm water retention pond in the southwest corner of the property. The proposed retention pond is intended to control storm water rate and quality. The applicant has provided drainage calculations for review by the City Drainage Engineer. Additional comments by the City of Bloomington Public Works Department are attached to the staff report.

Landscaping, Screening and Lighting

The applicant has submitted a landscaping plan and a parking lot lighting photometric plan. The landscape requirements are based on the total developable land area. The landscape plan establishes the gross land area for the development as 25.24 acres of development. The Planned Development includes 28.09 acres (25.79 for the proposed development and 2.307 for the Holiday Station Store). The landscaping plan will require revisions and additional landscaping to meet the City Code.

The applicant proposes a majority of the required over story trees adjacent to the residential uses. There is land area adequate to increase planting material variety to provide increased year round screening from the residential properties. The landscape plan should emphasize increased visual buffers between the residential properties and the development.

The applicant proposes landscaping the 20-foot landscaped yard area along Normandale Boulevard and Old Shakopee Road in compliance with the City Code. The provision of a landscaped yard is supplemented by landscaped parking islands and deciduous and evergreen tree plantings. The City Code requires landscaped parking islands to be provided mid-row at intervals not to exceed 200 feet for interior parking rows and 300 feet for perimeter parking rows. The application is deficient in this requirement in several locations.

The applicant has submitted wall elevations which provided parapet walls for roof top screening. The plans are in compliance with Section 19.52.01 requiring said screening.

The lighting photometric plan takes into consideration the provision of lighting for vehicular and pedestrian movements while controlling glare or lighting hot spots. The proposed lighting will consist of 25 foot high poles and building mounted wall-pak luminaires using metal halide lights. The applicant proposes allowing light sources with 36,000 mean initial lumens for the entire site. All lighting within 300 feet of a residential development is limited to 30,000 lumens. The plan submitted exceeds the City Code required minimum lighting levels and the applicant could consider a reduction of the light source to a 320 watt lamp thereby meeting the City Code requirements when adjacent to residential while potentially meeting the City Code.

The highest projected lighting level is 10 foot-candles with a minimum projected lighting level of 2.0 foot-candles. The minimum lighting levels are located around the perimeter of the site. The applicant has not submitted light level information with regard to the building entrance and exits, although they have requested flexibility in the Planned Development for levels in these areas. The City Council recently revised and decreased the requirements for entrances and staff does not support an additional reduction be permitted as part of the development.

The applicant has submitted energy code calculations which are not consistent with the development plans. The applicant shall provide corrected calculations and shall comply with the energy code for the development.

Building Architecture and Exterior Building Materials

As a planned development, there should be some uniformity or continuity in the design and architecture of the buildings. As previously mentioned, the new construction is designed with materials and design standards which are significantly different than the Holiday station store. The applicant should incorporate changes to assure the Holiday store is more consistent in design with the development.

Architecture and site design considerations were topics of pre-submission meetings between the applicant and City staff. This is a large structure that would have a significant visual impact for the area. The applicant proposes a variety of materials which are not consistent with the City Code. Section 21.301.03 of the City Code prohibits walls to have a blank façade of greater than 20 feet in length, recesses or projection where building facades exceed 200 feet to promote a consistent relationship in architectural style, color and materials, appropriate use of windows and entrance buffers. The applicant seeks Planned Development flexibility from many of the design requirements. The majority of this development is the significant SuperTarget prototype store.

While this may be appropriate design for a regional center in a location adjacent to freeway, the number of Code deviations sought by the applicant are in excess of what staff can support.

FINDINGS

The Planning Commission and the City Council shall find the following prior to the approval of preliminary development plans or final development building plans:

- (A) The planned development is not in conflict with the Comprehensive Plan.
- As discussed above, the proposal is in conflict with several policies in the Comprehensive Plan. Staff recommends denial of the Comprehensive Land Use Plan Amendment to allow for Community Commercial uses at this location. If the Planning Commission and the City Council concur with staff, the proposed planned development would also be in direct conflict with the Comprehensive Plan's Land Use Guide Plan.
- (B) The planned development is not in conflict with any adopted district plan.
- There is no adopted district plan in place for this area.
- (C) The planned development is not in conflict with the intent of the primary zoning district.
- The planned development is in conflict with the primary zoning district's (B-2) floor area restrictions. Specifically, the proposed SuperTarget exceeds the 80,000 square feet allowed for a single tenant space by over two times that permitted.
- (D) The planned development is not in conflict with other applicable provisions of the City Code, subject to the provisions of Section 19.38(c).
- The proposed planned development is in conflict with numerous applicable provisions of the City Code. The applicant requests flexibility on those provisions.
- (E) The planned development or unit thereof is of sufficient size, composition, and arrangement that its construction, marketing, and operation is feasible as a complete unit without dependence upon any subsequent unit.
- The planned development is of sufficient size, composition, and arrangement that its construction, marketing, and operation is feasible as a complete unit without dependence upon any subsequent unit.
- (F) The planned development will not create an excessive burden on parks, schools, streets, and other public facilities and utilities which serve or are proposed to serve the planned development.

- As proposed, the planned development will create an excessive burden on streets.
- (G) The planned development will not have an undue and adverse impact on the reasonable enjoyment of neighborhood property.
- The planned development will have an undue and adverse impact on the reasonable enjoyment of neighboring residential property. As a result of the planned development, several dwellings will now have limited access to their property. The increased traffic, noise and potential for “cut-through” traffic will also have an adverse impact on the near by properties.
- (H) That any variation from strict application of the primary zoning district provisions in the planned development are not in conflict with the intent of the Planned Development Overlay District and are justified by the design of the proposed development.
- The intent of the Planned Development Overlay District is in part to “improve the arrangement of structures, facilities and amenities on a site for **both private and public benefit**” (emphasis added). While the significant variations proposed to City Code requirements would have a private benefit, there is not a corresponding public benefit. Therefore the variations are in conflict with the intent of the Planned Development Overlay District.

RECOMMENDATION

In Case 10790A-08, Staff recommends denial of a Comprehensive Plan Amendment from Industrial to Community Commercial for the SuperTarget development at 5401 and 5501 West Old Shakopee Road and 10800 Normandale Boulevard for the reasons outlined in the staff report.

In Case 10790B-08, Staff recommends denial of the rezoning from I-1(PD), Industrial (Planned Development), IP Industrial Park and IP Industrial Park(Planned Development) to B-2(PD) General Commercial (Planned Development) for 246,710 square feet of retail, service station and restaurant uses at 5401 and 5501 West Old Shakopee Road and 10800 Normandale Boulevard for failure to make findings A, B, C, F, G, and H.

In Case 10790CDE-08, Staff recommends denial of a Preliminary and Final Development Plan for 246,710 square feet of retail, service station and a Conditional Use Permit for up to four restaurants of 21,200 square feet, including drive-through services Industrial to Community Commercial for the SuperTarget development at 5401 and 5501 West Old Shakopee Road and 10800 Normandale Boulevard as the proposed development is in conflicts with the Comprehensive Plan or City Code.

In Case 10790F-08, Staff recommends denial of the Preliminary and Final Plat of Worldwide 4th Addition (Subdivide two lots into five lots) at 5401 and 5501 West Old Shakopee Road and 10800 Normandale Boulevard as the plat does not meet the minimum lot frontage requirements without a Planned Development.

planning\pc\reports\reports2008\s10790ABCDEF-08.doc