

Self-Storage Analysis

Over the past three years, Bloomington has experienced an increase in the construction of self-storage facilities. Three self-storage facilities have opened since 2018 and another was recently approved for development. The addition of these four facilities doubles Bloomington's previous supply of storage units. Given the nature of self-storage as a low-employment, low-activity use, there are concerns that Bloomington is absorbing a disproportionate share of the region's self-storage demand.

To address these concerns, the Bloomington City Council enacted a one-year moratorium on self-storage facilities to evaluate the issues and explore appropriate zoning controls.

Executive Summary

The recent spike in new self-storage facilities locally has raised questions about market supply and demand. A 2018 Colliers International article suggested that the self-storage market in Bloomington was becoming oversaturated. However, it's difficult to isolate Bloomington in the regional context. The metro area has experienced a significant increase in self-storage supply in the last five years, but the inventory per capita remains below similar metro areas (see Table 1 below). Other studies have suggested that self-storage is 'recession proof,' and that the use is needed for those looking to downsize. Given Bloomington's location and level of connectivity to the greater region, the demand for self-storage is likely to continue.

Table 1: Metro Regions with High Supply Risk

10 Metros: Highest Supply Risk	5-Year SQFT per Capita Chg.	Inventory per Capita (SQFT)
Denver	33.3%	10.6
Minneapolis	26.9%	5.8
New York	26.4%	3.4
Washington, D.C.	24.5%	5.4
Northern NJ	24.1%	4.9
Nashville	23.7%	7.2
Portland	22.7%	6.4
Austin	22.5%	9.6
Boston	22.2%	5.5
Southeast FL	22.1%	7.3
United States	14.9%	5.0

[2020 Marcus Millchap Self-Storage Investment Forecast]

Self-storage is a beneficial service and fitting use in certain locations in the City. However, they have characteristics similar to warehouses with low levels of employment that make them inappropriate in areas planned for high-intensity uses. Many of the new facilities are more visually appealing than older facilities, but their taller height and extensive illumination can create negative impacts in some locations. Appropriate standards can help to mitigate these impacts and restrict new facilities to suitable areas of the City.

This study describes a variety of potential strategies to address the issues. The strategies generally follow two approaches: 1) standards that address the external impacts or performance of self-storage facilities (such as requiring dimmed lighting after certain hours); and 2) standards that limit where new self-storage facilities can be located.

Staff recommends a combination of location restrictions. New self-storage facilities would be prohibited in areas where they are inconsistent with or present significant negative impacts to existing or planned uses. These include properties adjacent to Lyndale Avenue, transit station areas, and properties designated as protected industrial. Staff also recommends establishing a buffer of 500 feet from properties zoned and used residentially.

This approach would reduce properties in the I-2 and I-3 zoning districts that could be used for self-storage to areas that would be less negatively impacted by a new self-storage facility.

Staff welcomes feedback on this approach. The remainder of this study provides greater detail about potential strategies to address some of the issues associated with self-storage, while understanding that self-storage also provides a service to residents and businesses.

What are the Issues?

This study focuses on three over-arching issues associated with self-storage facilities: market saturation, low-activity use, and impacts on adjacent land uses.

Market saturation: Bloomington currently has eight operating self-storage facilities and another (U-Haul) was recently approved. Together they provide 6,489 storage units, which is relatively high per capita compared to other suburbs south of downtown Minneapolis. Nationwide, the demand for self-storage remains high. In the past five years, the Twin Cities region has experienced a significant increase in self-storage construction. Similarly, Bloomington's supply has drastically increased with 3,104 new units, a 92 percent increase, since the previous self-storage developments in 2008. While demand is high today, staff has concerns about the lasting demand for these facilities and their limited potential for reuse in the long-term.

Low-activity use: While self-storage facilities offer a beneficial service, they have low employment and low activity levels. The lower activity of self-storage facilities can detract from nearby commercial uses where activity and synergy between uses is desired. As a result, cities – including Bloomington - often restrict self-storage facilities to industrial districts. However, fully-developed cities like Bloomington also seek to preserve their industrial base by protecting the supply of industrially zoned properties to ensure a balanced mix of land uses is maintained

Benefits of Self-storage

This report highlights concerns with self-storage, but recognizes there are also benefits.

Compared to self-storage facilities from the 1980s, new facilities are more attractive, multi-story (occupy less land), and increasingly digital (some offer pick-up and drop-off).

Self-storage facilities often make use of vacant or underused sites that might otherwise remain empty.

They also offer higher tax revenue per sq. ft. of land area than many alternative uses.

citywide. Furthermore, traditional industrial uses often provide high levels of employment with higher wages.

Impacts on adjacent uses: Negative impacts of self-storage facilities are most pronounced where they are located adjacent to or across the street from residential uses. Because many offer all-day access, self-storage facilities can bring customers to areas of the City that are not accustomed to visitors at certain times of day. The design of many newer facilities can create nuisances too. Many are multi-story, blocky structures that incorporate extensive, all-night lighting to enhance security, which is difficult to screen from nearby residents.

Scope and Magnitude of the Issues

A. Market Saturation

Supply. Bloomington has nine self-storage facilities that provide about 7.6 square feet of self-storage space per capita and around 650,000 SF of rentable space, which is significantly higher than neighboring cities. Industry metrics for peak demand vary widely depending on region and city size. Studies suggest typical demand to be in the range of 2.5-12 square feet per capita, with higher demand in central cities and lower demand in rural areas. Only one neighboring city, St. Louis Park, offers a greater square feet per capita rate than Bloomington (8.4 compared to 7.6).

Table 2: Self-storage Amounts Per Capita

	Number of Self-Storage Facilities	Rentable Square Feet (estimated)	Square Feet per Capita (estimated)
St Louis Park	6	407,000	8.4
Bloomington	9	650,000	7.6
Burnsville	7	460,000	7.5
Eagan	6	355,000	5.3
Apple Valley	5	273,000	5.3
Shakopee	5	187,000	4.6
Savage	3	140,000	4.6
Edina	3	232,000	4.5
Eden Prairie	4	251,000	3.9
Richfield	1	68,000	1.9

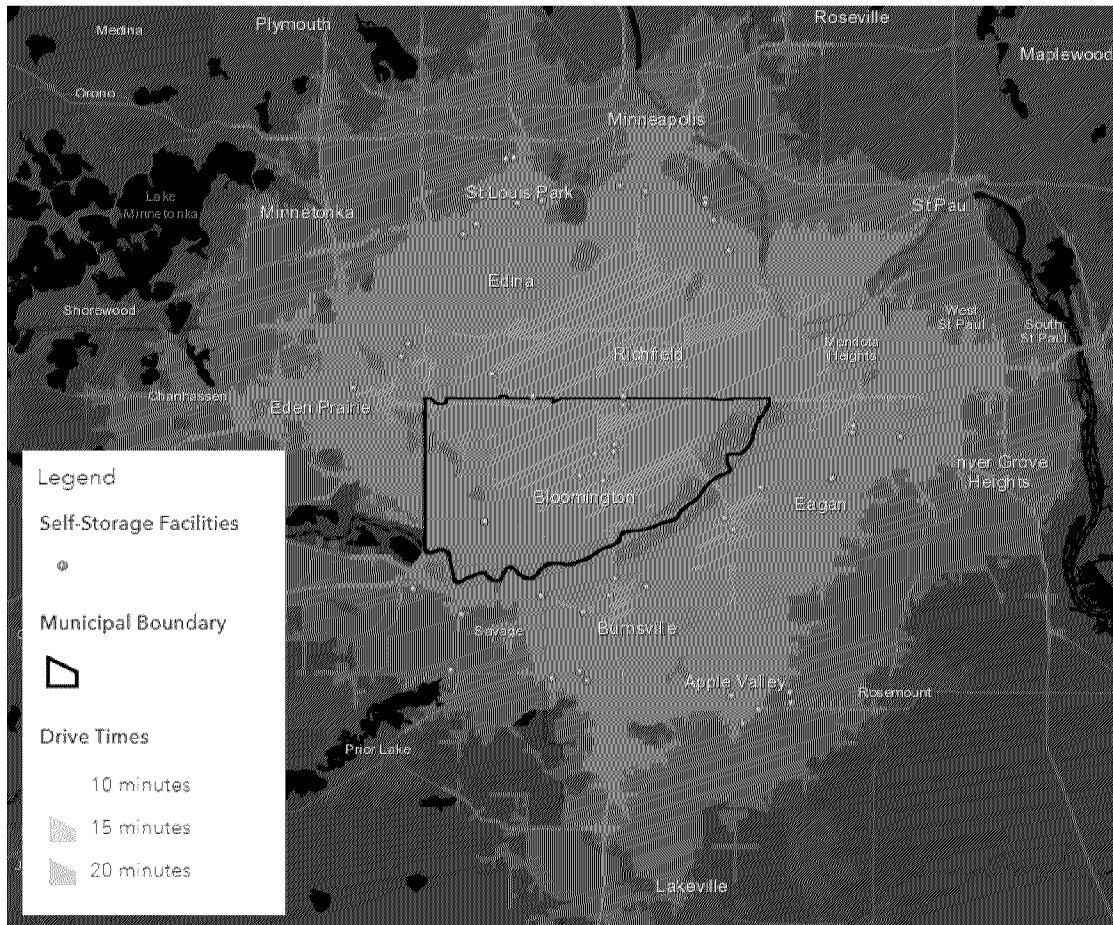
Source: Estimate calculated from Assessing data & Google maps, June 2020

According to the Self-Storage Association, around 10 percent of U.S. households rented a self-storage facility in the past year. In Bloomington, there are enough self-storage units for 18 percent of its households. The supply indicates that Bloomington's self-storage facilities serve customers beyond its own populace.

Demand. Market studies shows continued strong demand for self-storage facilities in the Twin Cities metro area. Self-storage customers in a suburban context are generally willing to drive 20 to 30 minutes to a storage unit. This means Bloomington serves a market extending west to Chanhassen, north to

downtown Minneapolis, east to South St. Paul, and south to Lakeville. Bloomington's connectivity to freeways and proximity to a large population base make it a desirable location for self-storage facilities.

Figure 1: Market Area Drive Times & Existing Self-Storage Facilities



*10, 15, and 20 minute drive times measured from intersection of Lyndale Avenue & American Boulevard
Source: ESRI Community Analyst & Google Maps*

Demand is highest among aging retirees looking to downsize their living area (but retain their belongings) and younger renters in smaller living units that have not settled into a permanent location. Bloomington has a high proportion of its population between ages 20 to 34 and 55 to 75 that fits these categories. Compared to neighboring cities, Bloomington's proportion of people in these age groups compared to its total population is second only to St. Louis Park, which has a disproportionately large younger population. With continued economic growth in the region there are more people moving, which bolsters the self-storage market.

Table 3: Typical Demographics of Market Demand (2018)

	# of People Aged 20-34	% People Aged 20-34	# of People Aged 55-75	% of People Aged Age 55- 75	Combined Total #	% of Total
Bloomington	16,209	19%	21,893	26%	38,102	45%
Burnsville	13,374	22%	13,669	22%	27,043	44%
Eagan	12,466	19%	13,353	20%	25,819	39%
Eden Prairie	11,203	18%	14,492	23%	25,695	40%
St Louis Park	14,963	31%	9,062	19%	24,025	50%
Apple Valley	9,377	18%	11,904	23%	21,281	41%
Edina	6,834	13%	12,524	24%	19,358	38%
Richfield	9,085	25%	6,822	19%	15,907	44%
Shakopee	8,291	21%	5,621	14%	13,912	34%
Savage	5,498	18%	5,250	17%	10,748	35%

Source: 2018 American Community Survey (ACS)

Opportunity. While some forecasts indicate the Minneapolis region may be reaching over-saturation, the region's inventory is similar to other regions' square feet per capita. Like Bloomington, many cities restrict self-storage facilities to industrially zoned sites. However, many adjacent cities contain relatively little industrial land. In Richfield, there are no industrially zoned properties. Edina's industrially zoned properties equate to roughly one quarter of Bloomington's total. Most of south Minneapolis' industrial zoning is located along Hiawatha Avenue. Eden Prairie has a fair amount of industrially zoned land, but self-storage facilities are only allowed in one zoning district which results in fewer properties generally available for self-storage. Many of these cities have relatively large populations of age groups that dominate demand for self-storage facilities, however, they have relatively few properties where a self-storage facility could be built. This limited supply of land available for self-storage facilities could be a major factor driving demand in Bloomington.

The opportunity for new self-storage facilities in Bloomington is dependent on available land with regulations and characteristics that are favorable for self-storage facilities. In Bloomington, self-storage facilities are currently allowed as a conditional use in the I-1, I-2, and I-3 industrial zoning districts. Table 3 shows the amount of land within each of these districts.

Table 4: I-1, I-2, and I-3 Zoning Districts

	I-1 District	I-2 District	I-3 District	Total
# Tax parcels	6	67	257	330
# Existing self-storage facilities	1	3	5	9
Land Area (acres)	23	290	376	689

Source: City of Bloomington Zoning, 2020

The I-3 zoning district offers the most opportunity for self-storage facilities with 376 acres divided among 257 tax parcels. Many of these parcels are too small to accommodate a self-storage facility, but could be combined in certain situations. The I-2 zoning district also offers some potential for new facilities. There is limited opportunity in the I-1 zoning district since there are few parcels, and two are already occupied by a self-storage facility.

B. Low-activity Use

Self-storage facilities are considered low-activity uses because they have few employees, customers generally arrive by motor vehicle, and as a type of warehouse, they often occupy large amounts of space and consist of buildings with few ground level windows or doors, generating little, if any pedestrian activity.

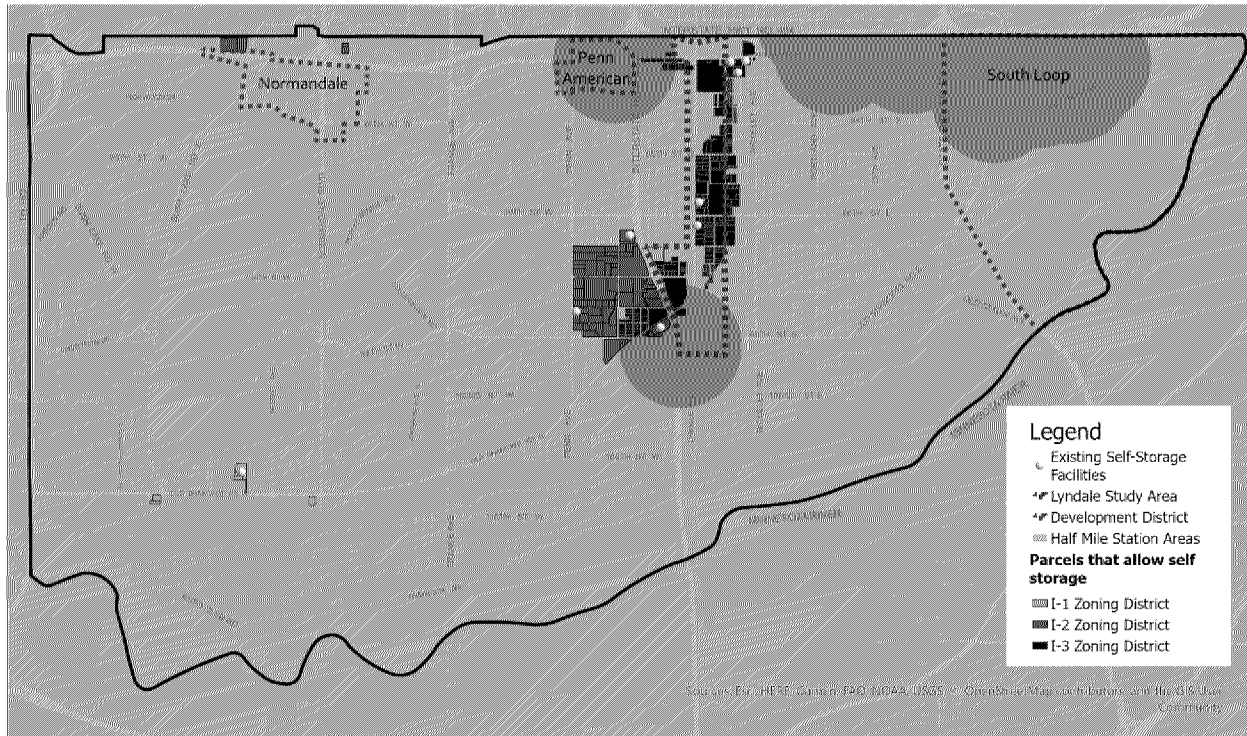
Employment. Self-storage facilities average fewer than five employees per facility, which is significantly less than most industrial uses. Self-storage facilities in the region offer an average weekly wage of \$643 according to the 2019 annual average provided by the Minnesota Department of Employment and Economic Development, whereas other types of industrial uses often offer living wages to their employees. The number and value of jobs is greater with traditional production, distribution, and repair types of industrial uses. The recent industrial zoning study identified industrial properties to protect and others that the city would consider rezoning in conjunction with a redevelopment proposal. The purpose of protection is primarily to retain industrially zoned land for traditional industrial uses that often have a higher number of employees making living wages.

Transit Areas. Self-storage companies prefer to locate in areas that are highly visible and readily accessible to freeways. These sometimes overlap with areas in Bloomington that are well-served by transit. Figure 2 shows areas within one half mile of existing or future light rail transit (LRT) or bus rapid transit (BRT) stations. To leverage these public transit investments, Bloomington has intentionally planned these areas to foster transit-supportive and pedestrian-oriented commercial-retail environments. There are 60 parcels located within one-half mile of a transit station where currently zoning would allow self-storage facilities. Low-activity uses, like self-storage facilities, do not contribute to fostering pedestrian activity levels that are desired in these areas and don't align with the goals of the City's Comprehensive Plan.

Development Districts. Similar to the transit areas, the City has three formally recognized development districts: Normandale, Penn American, and South Loop. These are planned for increased intensity of uses that would not be conducive to new self-storage uses. Additionally, the Lyndale Avenue corridor is under current study to identify strategies to catalyze redevelopment in a manner that "retrofits" the corridor from an auto-oriented environment to a mixed use, transit-supportive corridor. This area is shown with dashed red lines in Figure 2. The zoning in the three development districts prohibits self-

storage facilities and no self-storage facilities are located in those districts. However, a significant portion of the Lyndale Retrofit study area is zoned I-3, which allows self-storage uses. There are two existing facilities in the Lyndale Avenue study area (U-Haul is not yet open, but recently received building permit approval), and five facilities are located nearby.

Figure 2: Development Districts, Lyndale Area, and Transit Stations



Protected Industrial Areas. Analysis conducted as part of the 2019 update to the industrial zoning districts identified areas of the City where industrial zoning should be “protected” to encourage traditional industrial uses, and “transitional” areas where the City would consider rezoning on a case-by-case basis to accommodate non-industrial uses.

This analysis included an obsolescence study that evaluated where existing industrial uses remain viable, and where existing industrial buildings are transitioning to non-industrial uses such as retail and commercial services. The obsolescence study looked at seven factors: zoning, existing land use, parcel size, ceiling clear height, total assessed value, floor area ratio, and effective age of buildings. This study helped to inform policy to guide future zoning and redevelopment by designating some industrial parcels as ‘protected’ and other parcels are ‘transitional’. These are described in the *2040 Comprehensive Plan* as follows:

- **Protected industrial area** – These include properties where existing industrial uses remain viable. Properties in this area should remain zoned for industrial use and rezoning to non-industrial districts should be avoided.
- **Transitional area** – These areas include an existing mix of uses and should remain zoned and guided industrial. However, the City would be open to consider market driven guide plan and

zoning changes depending on the proposed land use, relationship to surrounding land uses, and consistency with the comprehensive plan.

Figure 6 on page 14 illustrates properties designated as protected industrial. Industrially zoned properties that are not protected are considered transitional.

Self-storage facilities are not traditional industrial uses, but cities often allow them in industrial districts since they have a warehouse appearance and are a low activity use. However, they should be discouraged in protected industrial areas so that they don't occupy sites that could be used by a more productive industrial use.

C. Impacts on Adjacent Uses

Self-storage facilities are a relatively low-impact use compared to other, more traditional industrial uses such as auto repair or manufacturing. However, they have unique characteristics that make them incompatible near residential uses. The primary impacts include: all-day access, lighting, and height, which mostly relates to the newer multi-story facility designs.

All-day access. While this is a convenience to customers, it can be a nuisance for surrounding properties. Early morning or late evening hours of operation could bring traffic, noise, and customers to areas that are not accustomed to visitors at certain times of day.

Lighting. While Bloomington's lighting standards reflect industry best practices, they focus on exterior lighting. Many "state of the art" self-storage facilities are designed with partial glass facades illuminated from within that showcase storage units. Since many newer model self-storage buildings are 3-4 stories in height, the façade becomes a 40-foot wall that is illuminated all night. This can create a nuisance for nearby residents.

Height. The Bloomington zoning code requires that self-storage facilities consist of multi-story buildings (min. FAR 1.25). The height of these facilities in combination with all-night lighting makes it difficult to effectively screen these facilities from nearby residential areas.

Around 70 percent of industrially zoned parcels that allow self-storage, including seven existing self-storage facilities, are located within 500 feet of properties zoned and used residentially.

Existing Standards

Self-storage facilities are allowed as a conditional use in the I-1, I-2, and I-3 industrial zoning districts.

Existing development standards include provisions for:

- Site design
 - Architectural design
 - Landscaping
 - Life safety, and
 - Operational requirements
- (see Code Section 21.302.16)

During the 2019 industrial zoning update, a minimum floor area ratio (FAR) requirement of 1.25 and a maximum FAR of 2.0 were added to the self-storage performance standards.

Table 5. Industrially zoned properties located near properties zoned and used residentially

	I-1 District	I-2 District	I-3 District	Total
# Existing self-storage facilities	1	3	5	9
# Parcels in district	6	67	257	330
# Parcels within 500 ft of residential	6	34	191	231

Source: City of Bloomington Zoning, 2020

Of the three zoning districts that allow self-storage, the I-3 zoning district is most exposed to nearby residential as shown in Table 5. Half of the parcels zoned I-2 are near residential uses, especially along Penn Avenue. All of the tax parcels zoned I-1 are within 500 ft of a residential property, but there are few parcels in this zoning district.

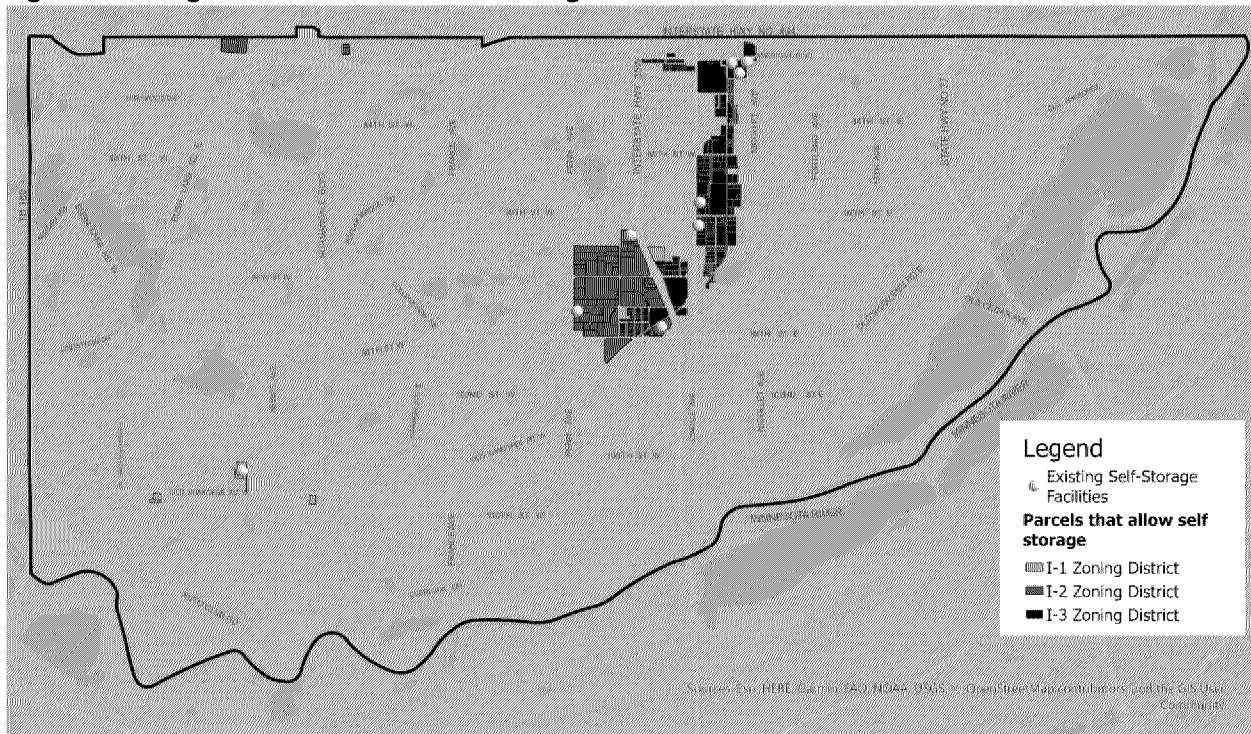
Strategies

The following strategies are organized according to the issues listed above. This list is not exhaustive, but is intended to offer a range of options that address the issues.

A. To address Market Saturation

Some of the strategies below reduce the number of zoning districts that would allow self-storage facilities. Other strategies limit the overall amount or density of self-storage.

One way to limit the number of sites available for new self-storage facilities is to reduce the number of zoning districts that allow self-storage. This strategy is used by other cities, such as St. Louis Park and Brooklyn Park. Bloomington currently allows self-storage in three zoning districts (I-1, I-2, and I-3). This option would reduce that number to one or two zoning districts.

Figure 3. Zoning Districts that Allow Self-Storage

Source: City of Bloomington, 2020

1. **Limit to I-1:** There are only six tax parcels zoned I-1, and two of them are already occupied by a self-storage facility. Many of these parcels are located some distance from development districts, and all are located outside of LRT and BRT station areas. Only one parcel is located in the Lyndale study area, but it is not adjacent to Lyndale Avenue. The benefit to this approach is that it greatly restricts opportunities for future self-storage facilities without completely prohibiting the use. Therefore, a greater amount of industrially zoned areas would be reserved for traditional production, distribution, and repair types of industrial uses that typically offer higher pay and a greater number of jobs.

Proposed Action: This strategy would significantly limit where new facilities could locate, but the I-1 District is more exposed to some residential uses with higher densities. Given this undesirable trade-off, staff recommends some of the other strategies that more effectively address multiple issues.

2. **Limit to I-2:** The I-2 zoning district is well suited for self-storage facilities in the City. It has fewer parcels that are adjacent to residential uses, and it contains larger parcels that could host new facilities. This district is also located outside of all development districts, including the Lyndale Retrofit Area, and most of the station areas. However, many of the I-2 parcels are designated protected industrial.

Proposed Action: Staff supports preserving protected industrial areas for traditional industrial uses and would recommend limiting new self-storage facilities to parcels zoned I-2 that are not designated as protected industrial.

3. **Limit to I-3:** The I-3 zoning district is mostly located along the east side of the Lyndale Avenue corridor where there are five existing self-storage facilities. There are only 11 properties designated as “protected industrial” in the I-3 district compared to 56 properties in the I-2 district. Limiting new self-storage facilities to the I-3 district would reduce the potential for new self-storage facilities in areas with a lot of properties identified as protected industrial. Certain locations along Lyndale might be suitable for self-storage if they are outside of the key commercial nodes and meet certain urban design and performance standards that contribute to the desired character and pedestrian-friendly environment.

In some locations, self-storage facilities could serve as a good transition and provide a buffer from high intensity industrial to commercial or residential uses. There are many properties zoned I-3 located adjacent to residential. With appropriate standards to address lighting and other design factors, a self-storage facility could be less impactful to residential than other uses allowed in the I-3 district, such as auto repair.

Proposed Action: New self-storage facilities in the I-3 district could conflict with plans for transforming Lyndale Avenue into a higher-intensity, mixed use and pedestrian-oriented corridor. Staff recommends allowing self-storage facilities in some of the parcels zoned I-3, but not in those adjacent to residential uses and Lyndale Avenue. Staff also recommends limiting self-storage to parcels that are not designated as protected industrial.

4. **Establish a Maximum Amount of Self-Storage.** Limiting the amount of self-storage proportional to the total number of residents is similar to how the City limits licenses for medical marijuana distribution facilities and pawn shops. Medical marijuana facilities are restricted to 1 license per 100,000 residents, and pawnshops are restricted to 1 license per 50,000 residents. Some market studies estimate that a population of 40,000 or more within three miles is needed to support a self-storage facility. Another market study speculates that demand for self-storage in cities averages 8-12 square feet of self-storage space per capita. Bloomington is just under this amount with 7.6 sq. ft. per capita.

Proposed Action: Determining an exact quota on self-storage would require additional analysis or a market study to better understand demand dynamics in the City. Despite the issues associated with self-storage facilities, they provide a valuable service to residents and businesses. Given the challenges of identifying the “right” threshold, staff recommends allowing self-storage, but only in areas where the impacts to surrounding uses are minimal.

5. **Require separation from other self-storage facilities.** Some cities require that self-storage facilities be located at least 1,000 ft away from one another. Typically, these facilities self-locate some distance from one another in order to capture different market areas. However, the City has three self-storage facilities less than 1,000 ft apart near American Boulevard. The two

facilities along Lyndale Avenue are also within 1,000 ft of one another. When multiple self-storage facilities are located close together, the effect of their low intensity is exacerbated in areas planned for higher intensity uses. While new self-storage facilities would continue to be allowed in the I-1, I-2, and I-3 zoning districts, which include parcels in protected industrial and along Lyndale Ave, locations where new facilities could be built would be very limited in order to maintain 1,000 feet between existing and new facilities.

Proposed Action: While this strategy would guard against a concentration of facilities in certain locations of the City, it does not adequately address impacts to surrounding properties or the potential to detract from areas planned for higher intensity uses. Staff is convinced that spacing is a major issue on its own and if considered, should be coupled with strategies that protect sensitive uses and areas intended for higher intensity.

Figure 4. Separation of Existing Self-Storage Facilities (1000 ft)



Source: City of Bloomington, 2020

- Require Future Reuse Plans.** This strategy would require a developer requesting a self-storage facility to provide a plan that details how the facility could be converted to an office or warehouse, for instance, if the storage use became obsolete. One tactic could be to require a plan showing that the site could accommodate the parking requirement if converted to an office (one space per 285 sq. ft. of gross floor area) or a warehouse (one space per 1,000 sq. ft. of gross floor area) instead of one space per 50 self-storage units. This would provide some assurance that the property could accommodate a different use and help to reduce some of the barriers to potential conversion of self-storage to another use. However, this requirement

would be a significant barrier for any new self-storage facility in the City due to the higher parking requirements of uses that might convert a self-storage facility.

Proposed Action: While this strategy would help to address some of staff's concerns about the long-term demand for self-storage, it does not fully address the issues outlined in this report. Conversions of self-storage facilities into a different use are not common and would likely be very expensive. There are likely many barriers, such as providing utilities and windows that would hinder a conversion from self-storage to an office or warehouse. We anticipate reuse of a self-storage site is likely to include demolition of the self-storage building. Staff does not recommend this approach.

B. To address Low Intensity Use

Self-storage facilities are considered low intensity uses because they employ few individuals, generate little pedestrian activity, and are predominantly auto-oriented. While they are low impact compared to other industrial uses, their auto-oriented characteristics make them unsuitable for commercial areas envisioned for high levels of activity in pedestrian-friendly environments. While they generate high tax revenues (see attached comparative tax study), there are areas where the City may want to restrict self-storage facilities so they don't occupy sites envisioned for higher intensity uses, such as traditional industrial, mixed use commercial areas, and multi-family uses, especially in transit station areas.

Several approaches to restricting or managing self-storage facilities in areas planned for high-intensity uses are described below.

1. **Prohibit in existing and planned station areas.** Under this approach, self-storage facilities would be prohibited within one-half mile of an existing or planned LRT or BRT station. Ideally, parcels in transit station areas should support uses that employ a large number of people to take advantage of enhanced access to places of employment provided by higher-frequency transit. Eight parcels zoned I-2 are located within the 98th Street BRT station area, but they are located in the outer portion of the one-half mile radius around the station and are on the other side of I-35W – a major barrier. There are 52 parcels zoned I-3 located within the 98th Street and Knox Avenue BRT station areas. Some of these parcels are located across the freeway from the transit station, and are less accessible by foot or bicycle. There are sidewalk connections across the freeway now and it's possible these areas could become more accessible over time with street improvements.

Proposed Action: Staff recommends including this strategy to ensure areas planned for higher-intensity, transit-supported development are preserved for higher intensity uses that are better served by transit.

Figure 5. Existing and Planned Transit Station Areas

Source: City of Bloomington, 2020

2. **Prohibit in protected industrial areas.** Most of the protected industrial areas are in the I-2 zoning district (41 parcels), and several are in the I-3 district (26 parcels). This strategy would directly address the issue of low intensity in industrial areas. Many protected industrial properties support longstanding industrial employers and supported uses. The City also wants to preserve these industrial areas in order to maintain its balance of land uses.

Proposed Action: Staff recommends this strategy. Protected industrial parcels are identified in the Comprehensive Plan, and are intended to preserve adequate land area for higher intensity industrial uses.

Figure 6. Protected Industrial Areas (hatched)

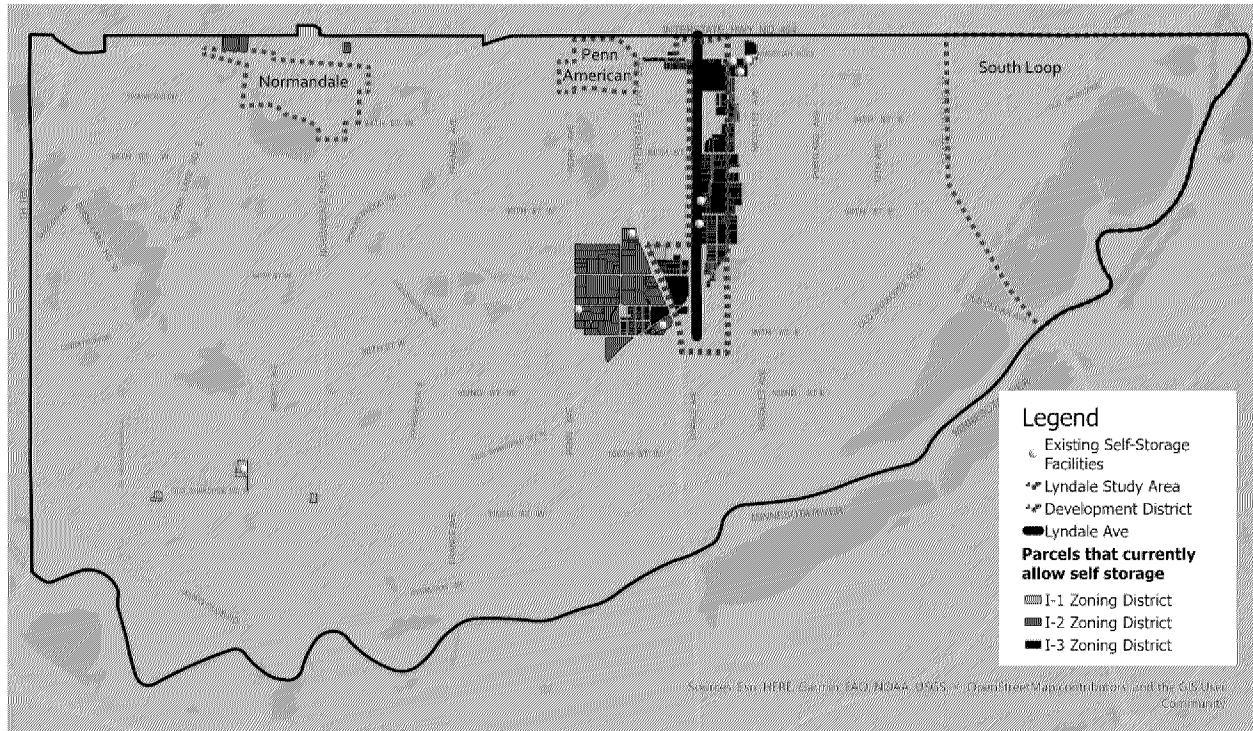
Source: City of Bloomington, 2020

- Prohibit in the Lyndale Avenue Retrofit Area.** The Lyndale Avenue Retrofit study defines strategies to transform the corridor into a mixed use, pedestrian-oriented environment. The draft vision states, “Lyndale Avenue is a dynamic, walkable boulevard that connects a series of vibrant and distinctive neighborhoods along one, cohesive corridor...” There are already five self-storage facilities in and around this area. In the long-term, self-storage facilities could detract from the development potential of this area by occupying sites that may otherwise be used as multi-family residential or mixed-use. Furthermore, the Lyndale Avenue study may recommend rezoning of some of the industrially zoned parcels. Rezoning, if done proactively by the City, could result in prohibiting new self-storage facilities in the corridor. On the other hand, the City may rely on the private sector to initiate rezoning, which could occur incrementally over many years if done in response to private redevelopment proposals.

Proposed Action: Staff recommends a modified version of this strategy that would prohibit self-storage only on parcels that are adjacent to Lyndale Avenue. Some parcels in the area that don’t directly front on Lyndale Avenue could be a good fit for future self-storage facilities because they are surrounded by industrial uses, provided they are not designated as protected industrial. A prohibition of self-storage only along Lyndale Avenue generally aligns with the

study vision, while allowing self-storage on older industrial properties that are ripe for redevelopment.

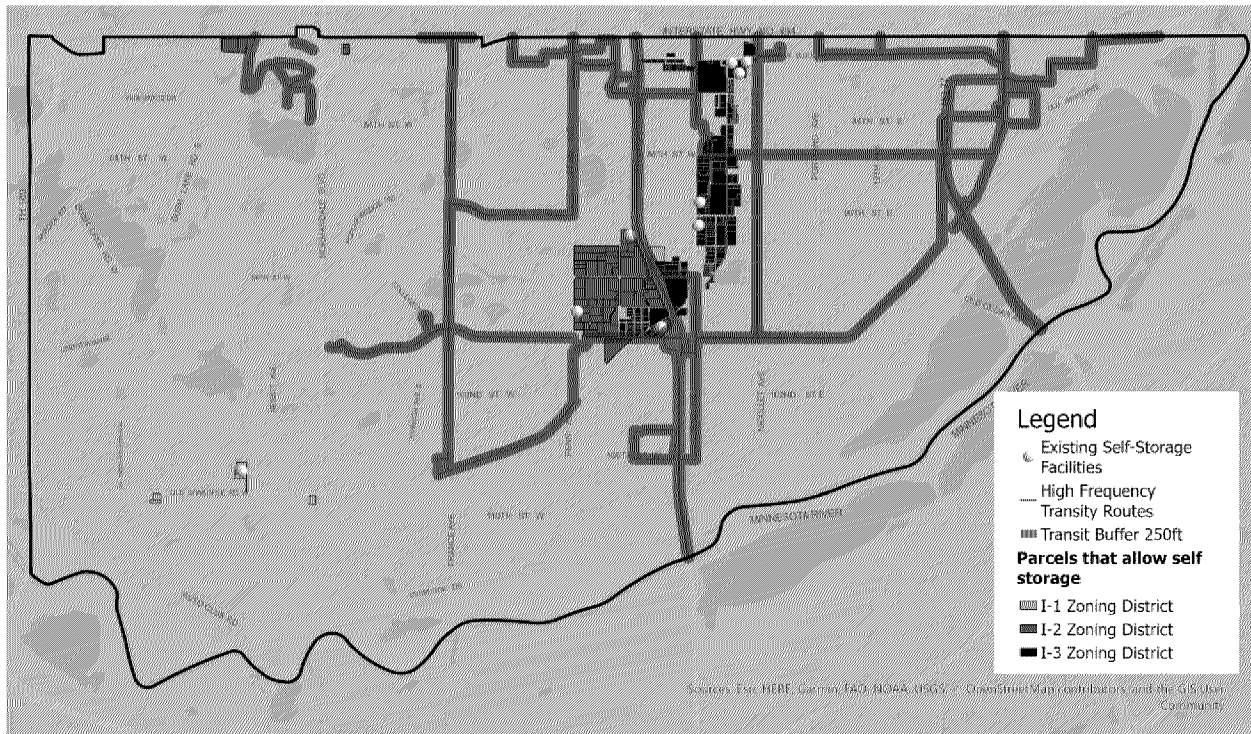
Figure 7. Development Districts and Lyndale Avenue Study Area



Source: City of Bloomington, 2020

4. **Prohibit near high frequency transit routes.** Some cities require that self-storage facilities be located at least 250 ft away from busy transit routes. Using the Opportunity Housing Ordinance as a model, high frequency transit routes can be defined as routes where the amount of time between arrivals is 60 minutes or less on weekdays during work hours. The argument for prohibiting storage facilities in these areas is similar to prohibiting self-storage facilities in transit station areas. Since self-storage facilities are largely auto-oriented, it is highly unlikely that storage facility customers arrive by transit. The commercial and industrial areas adjacent to high frequency transit routes are often zoned for high employment businesses whose employees and/or customers can benefit from convenient access to transit.

Proposed Action: Staff does not believe this strategy is as effectively targeted as others proposed. A prohibition of self-storage facilities in transit station areas, development districts, and along Lyndale Avenue better addresses the issue of low intensity use. Furthermore, high frequency transit routes (red areas in Figure 8) pass through areas of lower intensity and the buffer would only apply to a handful of industrially zoned parcels where self-storage facilities are allowed.

Figure 8. High Frequency Transit Route Buffer (250 ft)

Source: City of Bloomington, 2020

5. **Require enhanced design standards.** Self-storage facilities are already required to meet stricter exterior materials standards than other industrial uses. The standards are similar to those required of commercial buildings. However, a few standards could be enhanced. The City could require street-facing entryways, and that a certain percentage of windows be located on the ground level portions of street-facing façades (ie, 15%). Alternatively, the City could require that 50% of a street-facing façade consist of enhancements including windows, wall designs, display boxes, or permanent art in accord with the City's commercial building standards (Section 21.301.03 Structure Design). These performance standards could be required for all new self-storage facilities, or they could be required only if a facility is located in a certain area.

Proposed Action: Staff does not recommend this strategy. Enhanced design standards are primarily intended for areas planned for higher intensity development. With the recommended strategies to prohibit self-storage in transit station areas and along Lyndale Avenue, the strategy to require enhanced design standards is not necessary. Self-storage facilities are already subject to enhanced façade standards, such as building articulation. Any new facility would likely be near other industrial uses, which are not subject to these enhanced design standards.

C. To address Impacts on Adjacent Uses

The highest impacts from self-storage typically occur when they are adjacent to residential properties. A couple standards are suggested below to address issues of lighting and height of building. The lighting issue is unique to self-storage facilities, but the height issue is not.

The code already contains many existing performance and architectural design standards for self-storage facilities. Many of the new self-storage buildings are subject to higher design standards than older, existing industrial buildings.

1. **Lighting Restrictions.** Many new self-storage facilities are designed with glass facades lit from within that create an illuminated wall to showcase storage units, and may be 3-5 stories in height. Restricting lighting can help reduce the impact on nearby properties, particularly residential uses. There are several ways that lighting can be managed or restricted.
 - a. **Motion Detectors.** Recent self-storage facility proposals adjacent to residential have included conditions of approval requiring motion sensor lighting during night hours. Codifying this requirement for motion sensor lighting between 10pm – 6am would help address concerns when self-storage facilities have windows that face residential properties (ie, within 300-500 ft). However, having lights turn on and off throughout the night could itself be a nuisance.
 - b. **Dimming.** This would involve requiring light levels to be dimmed during certain hours (e.g., between 10 pm and 6 am).
 - c. **Hours Restrictions.** Upper level interior lights visible to residential could be prohibited during overnight hours.

Proposed Action: Staff does not recommend this strategy. Some of these standards are better applied on a case by case basis during the Conditional Use Permit review process. Restrictions on operating hours might be most effective in reducing lighting impacts, but this level of regulation may not be necessary in all locations.

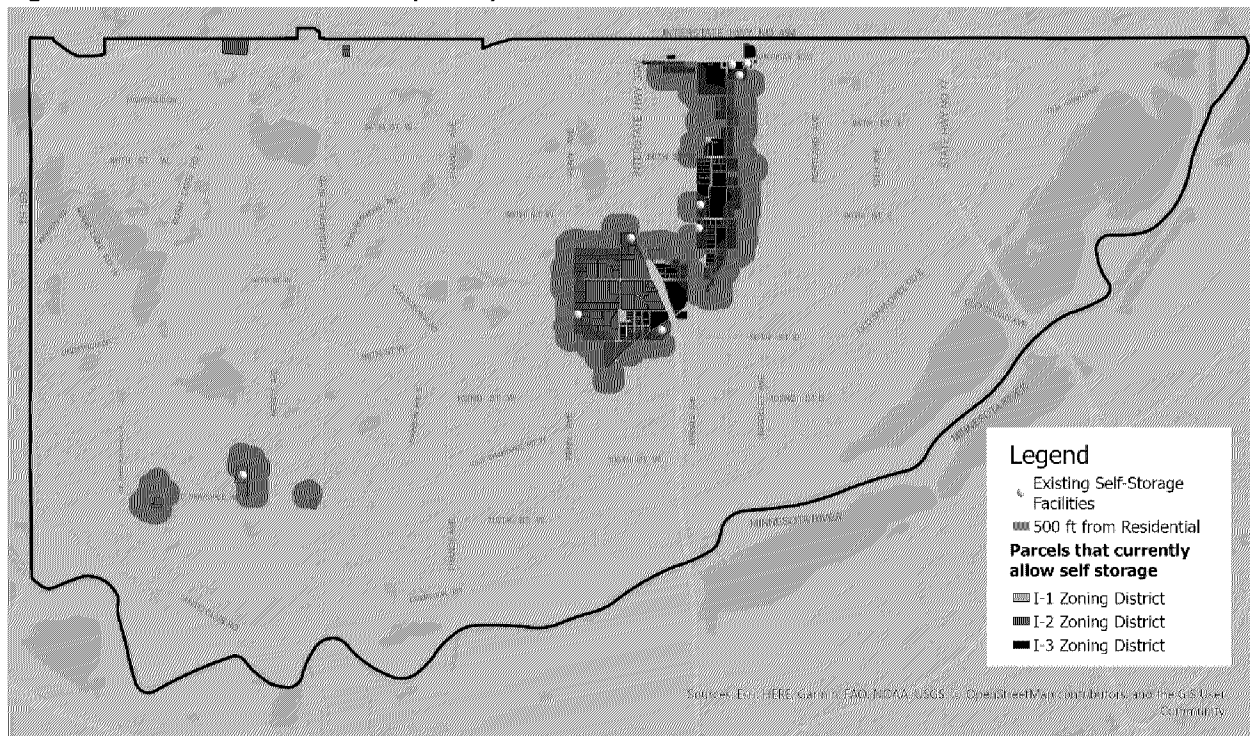
2. **Limit Height/Bulk of Building.** During the 2019 industrial zoning update, a minimum floor to area ratio (FAR) requirement of 1.25 and a maximum FAR of 2.0 were added to the self-storage performance standards. This minimum FAR effectively requires that new self-storage buildings be multi-story. Part of the intent was to require that new facilities make efficient use of land and not result in sprawling, one-story complexes. The newer, multi-story facilities also tend to be more attractively designed than one-story buildings. This FAR might result in taller buildings than desired in some areas. Approaches to soften impacts related to height include: height step backs within 100 ft of residential (as currently required to minimize shadowing); or simply restrict maximum height on parcels adjacent to residential.

Proposed Action: A height restriction could conflict with the minimum FAR standard. Lighting, rather than height, appears to be the primary issue when self-storage facilities are located near residential. This strategy alone would not sufficiently address lighting. Staff does not recommend this strategy.

3. **Expand Distance Requirement from Residential.** This strategy suggests that new self-storage facilities be set back at least 500 ft from properties that are zoned and used residentially. This would increase the distance requirement of existing standards, which require that all buildings on industrially zoned properties (including self-storage facilities) be setback 100 ft from abutting properties zoned and used residential. By increasing the setback from residential uses, this strategy aims to minimize the lighting and height impacts of self-storage facilities. Increased distance reduces impacts of height on adjacent properties, provides additional space for enhanced screening, and reduces the intensity of lighting. However, this approach could also reduce the number of properties designated as transitional industrial, where self-storage may be more acceptable, and increase demand for new self-storage facilities in protected industrial areas, which are typically more distant from residential.

Proposed Action: Staff recommends this strategy to increase the setback of self-storage facilities near residential uses. Implementation of this strategy in addition to the strategy to prohibit self-storage in protected industrial areas would still allow opportunities for new storage facilities on parcels zoned I-2 or I-3.

Figure 9. Buffer from Residential (500 ft)



Summary of Strategies

As shown in the matrix below, some of the individual strategies address several of the key issues. Additionally, some strategies address the issues more effectively than others. This is represented by the color coded labels below.

Table 6. Issues Addressed by Strategy

Strategy	Issues		
	Market Saturation	Low Intensity Use	Impacts on adjacent properties
A1. Limit to I-1			
A2. Limit to I-2			
A3. Limit to I-3			
A4. Establish max amount allowed			
A5. Require distance from other self-storage facilities			
A6. Require plan for reuse			
B1. Prohibit in transit station areas			
B2. Prohibit in protected industrial			
B3. Prohibit in Lyndale Avenue study area			
B4. Prohibit near high frequency transit routes			
B5. Require enhanced design standards			
C1. Lighting and hours of operation requirements			
C2. Height limitation			
C3. Expand setback from residential			

Degree to which the strategy directly addresses the issue

Most

Somewhat

Minor

None

Staff Recommendation

Staff believes a combination of strategies is needed to effectively address all of the issues as follows:

Recommended Strategy	Rationale
Prohibit within one half mile of existing and planned LRT and BRT stations	Ensures property in close proximity to high frequency transit service is preserved for higher intensity uses.
Prohibit in parcels abutting Lyndale Ave	The Lyndale Ave Retrofit study envisions transforming this corridor from a predominantly auto-oriented area to an area with higher-intensity nodes that support more pedestrian activity and a broader mix of uses.
Prohibit in parcels designated as protected industrial in the Comprehensive Plan	Preserves protected industrial areas for traditional industrial uses, which generally support higher numbers of living wage jobs.
Prohibit within 500 ft of parcels zoned and used residentially	Alleviates lighting and height issues that have been concerns in the past from nearby residences.

These recommended areas to prohibit self-storage facilities are shown in red in Figure 10 below.

Figure 10. Areas Recommended to Prohibit Self-Storage



Source: City of Bloomington, 2020

Together, these strategies effectively address issues of market saturation, low activity, and impacts to adjacent uses. Compared to one of the strategies that would limit the number of zoning districts that allow self-storage, these recommended strategies more directly target the issues. Areas that would allow self-storage are significantly reduced (shown in Figure 11), but there are still feasible locations for a new facility.

Figure 11 on the following page shows areas in the I-1, I-2, and I-3 zoning districts that would allow self-storage after the application of these strategies.

Figure 11. Areas Recommended to Allow Self-Storage Facilities



Source: City of Bloomington, 2020

Table 7. Remaining Parcels that would Allow Self-Storage

	I-1 District	I-2 District	I-3 District	Total
Total Parcels	6	67	257	330
Remaining Parcels that would Allow Self-Storage	0	15	73	88

Under this recommendation, zero parcels zoned I-1, 15 parcels zoned I-2, and 73 parcels zoned I-3 would allow a new self-storage facility. However, some of the remaining areas that would allow self-storage are located on small fragments of tax parcels, such as those along Penn Avenue, and would realistically preclude new self-storage facilities given minimum building size and structure setback requirements. New self-storage facilities would be more likely to locate to the north of I-494 in the I-2

zoning district or in some of the remaining I-3 parcels that are surrounded by industrially zoned properties. Staff believes that these remaining areas allow sufficient opportunity for new self-storage facilities.

One variable that could alter this approach is that the Lyndale Avenue Retrofit study could recommend that some industrially zoned properties be rezoned. If properties are rezoned and become used residentially, then that would expand the area that would prohibit new self-storage facilities. However, no rezonings are currently proposed, and the City could consider amending this strategy at a future date as needed.

This would result in seven of the nine existing self-storage facilities becoming legally non-conforming uses. Legally non-conforming uses are allowed to continue to operate and maintain their existing structure, but they are not allowed to expand their site or floor area devoted to the use. They are also not permitted to increase their parking or outdoor storage area. Seven of the self-storage facilities in the City were constructed in the last 20 years, so it is unlikely many of these facilities would intend to expand in the short-term. Additionally, existing facilities may favor this approach since it would limit opportunities for new competition. Staff intends to send a mailing to industrial property owners and self-storage facilities upon receiving guidance from the City Council.