

GENERAL INFORMATION

Applicant:	City of Bloomington																
Locations:	Specific lots zoned B-2 located near Lyndale Avenue's intersections with W 86 th St and W 98 th Street (see Exhibit A for a map of impacted lots)																
Request:	Consider an ordinance to amend the City's zoning map to rezone multiple lots near Lyndale Avenue's intersections with W 86 th St and W 98 th Street as shown in Exhibit A from General Commercial (B-2) to Commercial Center (B-4)																
Existing Land Use:	86 th Street Node – Gas station, vehicle repair, pawn shop, currency exchange, restaurant, retail, office, and pet services 98 th Street Node – Bank/credit union, restaurant, motor vehicle sales, retail, office, parking lot, and daycare																
Surrounding Land Use and Zoning:	86th Street Node <table><tr><td>North</td><td>Townhomes and single-family dwellings; zoned R-1</td></tr><tr><td>West</td><td>Single and multiple-family dwellings; zoned R-1, R-4</td></tr><tr><td>South</td><td>Multiple-family dwelling; zoned RM-24</td></tr><tr><td>East</td><td>Restaurant, office, industrial, and self-storage; zoned TI</td></tr></table> 98th Street Node <table><tr><td>North</td><td>Rail corridor and multiple-family dwelling; zoned R-1, B-2, and I-3</td></tr><tr><td>West</td><td>I-35W</td></tr><tr><td>South</td><td>Multiple-family dwelling, place of assembly, retail, and restaurant; zoned R-1 and B-4</td></tr><tr><td>East</td><td>Multiple-family dwellings, clinic, and auto repair; zoned RM-24, B-2, and RM-50</td></tr></table>	North	Townhomes and single-family dwellings; zoned R-1	West	Single and multiple-family dwellings; zoned R-1, R-4	South	Multiple-family dwelling; zoned RM-24	East	Restaurant, office, industrial, and self-storage; zoned TI	North	Rail corridor and multiple-family dwelling; zoned R-1, B-2, and I-3	West	I-35W	South	Multiple-family dwelling, place of assembly, retail, and restaurant; zoned R-1 and B-4	East	Multiple-family dwellings, clinic, and auto repair; zoned RM-24, B-2, and RM-50
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Comprehensive Plan Designation:	86 th St Node – General Business (GB) 98 th St Node – Community Commercial (CC) and Public (PUB)																

CHRONOLOGY

Planning Commission:	06/22/2023	Study Item held
City Council:	07/10/2023	Study Item held, initiated rezoning
Planning Commission:	08/17/2023	Public Hearing held, recommended approval (Vote: 6-0)
City Council:	09/18/2023	Public Hearing scheduled

DEADLINE FOR AGENCY ACTION

Applicable Deadline:	Agency Action Deadline waived by Applicant
Newspaper Notification:	Confirmed – (09/07/23 Sun Current – 10-day notice)
Direct Mail Notification:	Confirmed – (500-foot buffer – 10-day notice)

STAFF CONTACT

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PROPOSAL

As recommended in the Lyndale Avenue Suburban Retrofit Plan and included in the 2023 Planning Commission Work Plan, staff is proposing an amendment to the City’s zoning map to rezone a total of 28 parcels located near Lyndale Avenue’s intersections with W 86th St and W 98th St from the B-2 Zoning District to B-4. A map of the parcels under consideration is shown on **Exhibit A**. This proposal does not include changes to existing overlay districts within the area under consideration.

BACKGROUND

The proposal advances the vision of prior City-led initiatives focused on Lyndale Ave. On April 5, 2021, the City adopted the Lyndale Avenue Suburban Retrofit Plan (“Retrofit Plan”). Recognizing Lyndale Avenue as Bloomington’s “main street,” the purpose of the Retrofit Plan is to guide and shape the future of the Lyndale Avenue corridor. It identifies two nodes at major intersections best positioned to catalyze improvements along the corridor: W 86th Street and W 98th Street. Images of both nodes are shown in **Exhibit B**. The Retrofit Plan offers redevelopment concept plans for each node and the actions that the City must take to realize their implementation. For both node areas, the Retrofit Plan identified the B-2 Zoning District as inconsistent with the vision for Lyndale Ave as multi-modal and pedestrian-friendly.

As such, it recommended that the City rezone properties zoned B-2 to B-4, which supports a form of development and urban design more conducive to the Retrofit Plan's vision. Relatedly, the City rezoned multiple parcels on the east side of Lyndale Ave south of W 86th Street to the newly created Transitional Industrial (TI) Zoning District earlier this year ([Case #PL2022-249](#)), an action also guided by the Retrofit Plan. The proposed rezonings in the subject case represent the second phase of rezoning actions directed by the Retrofit Plan.

The proposal also aligns with earlier actions. Prior to the Retrofit Plan, the City adopted the 98th Street Station Area Plan and Comprehensive Plan in 2019. Both plans envision more transit supportive development, mixed uses, and higher densities on parcels around the Lyndale-98th Street intersection. In line with these plans, the City rezoned eight parcels around the intersection in March 2019 from B-2 to B-4. Those specific parcels are identified in **Exhibit C**.

Most recently, the Planning Commission studied the proposal on June 22, 2023, and the City Council on July 10, 2023. Questions during those meetings ranged from the appropriateness of B-4 to the engagement of property owners during the planning process. At both meetings, there was a consensus for staff to continue with the proposal to rezone, and the City Council adopted a resolution formally initiating the rezoning process.

ANALYSIS

Land Use

Land uses vary across the parcels under consideration in this proposal. Properties within the area are listed in **Exhibit D** along with their existing land use and land use guidance per the Bloomington 2040 Comprehensive Plan. Existing land uses are color coded based on conformity with B-4 standards, **GREEN** indicating conformity and **ORANGE** nonconformity. Nonconformity is discussed in a later section of the staff report.

From **Exhibits D and E**, the parcels under consideration are either guided General Business (GB), Community Commercial (CC), or Public (PUB). Per the 2040 Comprehensive Plan, "General Business" includes retail and service uses such as neighborhood supermarkets, small shopping centers, drug stores, restaurants, gas stations, and offices. "Community Commercial" allows all General Business activities plus additional, larger scale service and retail uses. "Public" applies to areas set aside for public uses, which includes parks, schools, fire stations, municipal buildings, libraries, and open space.

Only one parcel in the project area is guided Public, which is located at 9830 Aldrich Ave S and currently hosts a transit station and park-and-ride lot for several bus services and lines. While there are no firm plans for redeveloping that property, ideas for the property's redevelopment explored by Metro Transit include vertical residential development above park-and-ride facilities and some ground floor retail. Once redevelopment plans are proposed, the City of Bloomington should consider reguiding this parcel accordingly.

Other than the Public land use category, Community Commercial and General Business allow residential uses, but only when permitted in the underlying zoning district. Both also have high access

requirements for residential, which means it is most appropriate on land adjacent to arterial or collector roadways. Lyndale Ave and 98th Street are classified as arterial roadways and 86th Street is a collector roadway.

Zoning

All parcels under consideration for this proposal are currently zoned General Commercial (B-2), as shown in **Exhibit F**. Per § 21.204.02 of the Bloomington City Code, the B-2 District is designed to provide for a wide variety of retail and other commercial uses essential to support surrounding neighborhoods. The B-2 District provisions are intended to accomplish two goals: (1) ensure that locations distributed throughout the city are available for needed retail and commercial uses, including auto-oriented uses; and (2) provide flexible building and parking placement standards to serve a variety of use types and parcel sizes.

The proposal considers rezoning those parcels to Neighborhood Commercial Center (B-4). The B-4 District is defined in § 21.204.03, which describes it as designed to provide for neighborhood-scale commercial and residential mixed uses configured in a pedestrian-friendly manner. Its provisions are intended to do the following:

- Promote an attractive streetscape through building placement and design;
- Restrict incompatible uses including gas stations, auto repair and car washes;
- Ensure development is easily accessible by foot or bicycle;
- Reduce the visual impact of parked vehicles by requiring the placement of vehicle parking areas to the side or rear of buildings;
- Create opportunities for residential uses when mixed with commercial uses; and
- Promote a balance of retail, service, dining, medical office, and residential uses which serve and complement surrounding neighborhoods.

Upon comparing these two zoning districts, the B-4 District exhibits characteristics that better align with the vision of the Retrofit Plan than the B-2 District, such as a higher floor area ratio, parking restricted to the side or rear of buildings, prohibition of drive lanes fronting buildings, allowance for residential uses when mixed with commercial, and a maximum streetside setback. These and other standards for the two districts are compared in Table 1 below. If the properties were rezoned to the B-4 District, future expansions or redevelopment would be subject to these standards that are better aligned with the vision of the Retrofit Plan.

Table 1: Comparison of standards for zoning districts B-2 and B-4

Standard	B-2 General Commercial	B-4 Neighborhood Commercial
FAR	Min: N/A Max: 0.5	Min: 0.2 Max: 0.5; 2.0 with residential
Building Floor Area	Min: 3,000 sf (2,000 sf for restaurants)	Min: 4,000 sf
Impervious Surface Area	Max: 90%	Max: 95%

Standard	B-2 General Commercial	B-4 Neighborhood Commercial
Parking Placement Relative to Building	NA	Parking to the side or rear of the building
Window Requirements Along Streets	No	Yes
Site Width	Min: 100 ft; 150 ft for corner sites	Min: 150 ft; 200 ft for corner sites
Site Area	Min: 25,000 sf	Min: 40,000 sf
Setbacks		
Along Public Streets	Min: 35 ft Max: N/A	Min: 10 ft (or width of public easement)
Rear	Min: 15 ft	Min: 15 ft; 30 ft for buildings over 4 stories
Side	Max: 10 ft	Max: 10 ft; 20 ft for buildings over 4 stories
Abutting Residential	Min: 50 ft	Min: 50 ft

Plan Development (PD) Overlay

Five of the 28 parcels under consideration were rezoned to the Planned Development (PD) overlay district when they were developed. The proposed rezoning to B-4 would not remove or alter the PD overlay district. However, if any site redevelops or changes its current building footprint, the new structure must conform to the new B-4 District standards or seek flexibility through the PD amendment process.

Nonconformity

The conformity of lots within the subject area is relevant to this proposal. Some lots under consideration will become nonconforming by reason of their use, lot characteristics, and/or building design. Nonconformity is established on a lot when it does not meet the standards of its zoning district or other standards described in the City Code. Per § 21.504, if that characteristic was established and received all required approvals, then it is deemed a legal nonconformity. According to Minnesota Statute § 462.357, subd. 1e, a legal nonconformity may be continued with any necessary approvals, including through repair, replacement, restoration, maintenance, or improvement, but not including expansion. Therefore, if the proposed rezoning were adopted, the nonconforming uses would be allowed to continue indefinitely but not expand. It should be added that the status of legal nonconformity runs with the land and is not tied to any specific property owner. For example, a legally nonconforming use may continue when transferred from one property owner or operator to another.

Exhibit D shows lots with nonconforming uses highlighted in **ORANGE**; those lots with conforming uses are highlighted in **GREEN**. The status of uses within the area under consideration for the B-2 and B-4 Districts is compared in Table 2 below.

Table 2: Comparison of uses for the B-2 and B-4 Districts

Uses	B-2 General Commercial	B-4 Neighborhood Commercial
Office, general, medical, or dental	Permitted	Permitted
Retail	Permitted	Permitted
Residential	No	Accessory (min non-residential of 0.1 FAR required on site)
Restaurant with drive-though	Conditional	Conditional (single lane drive-through, not street side)
Restaurant without drive-though	Permitted	Permitted
Bank/credit union with or without drive-through	Permitted	Permitted
Daycare	Conditional	Conditional
Vet Clinic	Conditional	Conditional
Car Wash	Conditional	Prohibited
Gas Station	Permitted	Prohibited
Pawn Shop	Conditional	Prohibited
Currency Exchange	Permitted	Prohibited
Auto Repair	Conditional	Prohibited
Auto Dealers (Class I and II)	Prohibited	Prohibited
Auto Dealers in existence prior to January 1, 2010	Permitted	Prohibited

As shown in Table 2, many auto-oriented uses allowed in the B-2 District would be prohibited in B-4. This observation is a key reason why the Retrofit Plan recommended rezoning to promote a pedestrian-friendly, multi-modal Lyndale Ave. As such, maintaining the B-2 zoning of parcels along Lyndale Ave compromises implementation of the Retrofit Plan. In fact, staff have received inquiries from prospective buyers of available B-2 properties along Lyndale Ave asking about developing those auto-oriented uses listed in Table 2. While those types of development conflict with the Retrofit Plan and therefore are not

supported by staff, rezoning those properties would be a valuable step to setting the stage for the type of development the City sees as implementing the Retrofit Plan.

ENGAGEMENT SUMMARY

Engagement for the project kicked off in early May of 2023. Prior to that, staff determined the correct level of participation to be “Consult” based on the engagement spectrum developed by the International Association of Public Participation (IAP2). “Consult” means the City acknowledges concerns about the planning process and its associated activities. It also promises to inform the public of the process and provide feedback about how public input was incorporated into the final product.

In line with that level of participation, staff employed several engagement strategies. One was establishing a Let’s Talk Bloomington page that would provide updates on the progress of the project and host project-related information. In early May, staff sent mailers to property owners within the subject area to notify them of the proposal and advertise upcoming engagement events. On May 11, staff visited each property under consideration to hand out more information and speak with available property owners, representatives, and tenants.

Two open house events were held later in May following mailed notification and in-person site visits. On May 23, staff hosted a virtual open house with zero attendees. The following day, staff held an in-person open house at Civic Plaza with three attendees. Each attendee requested more information about the project but provided no additional commentary. Staff will continue to engage with property owners, businesses, tenants, and other interested parties to answer their questions and provide additional information about the proposed rezoning action.

Staff received emails from several property owners or their representatives. Each had questions about the proposal, but none expressed support or opposition.

PLANNING COMMISSION REVIEW

On August 17, 2023, the Planning Commission considered the proposed rezoning and offered unanimous support (vote: 6-0 with one absence). There were several questions from Planning Commission Members asking about the parameters of legal nonconformities, the potential need for reguiding parcels, and current land uses on specific parcels. One question focused on the amount of rezoning along Lyndale Ave in service of the Retrofit Plan and if more is needed. Staff responded noting there has been some change along Lyndale Ave between the adoption of the Retrofit Plan and now. Two new multifamily developments have been approved: Lyndale Flats at W 94th St and Lyndale Ave, which is now complete, and Oxboro Heights at W 93rd St and Lyndale Ave, which is under construction. Other development opportunities have emerged in that immediate area that would advance the goals of the Retrofit Plan, but they are located on land that is zoned B-2. Developers have asked about these parcels and the possibility of developing them into auto-oriented uses in line with B-2 zoning. After being asked for guidance regarding this issue, the Planning Commission expressed support for staff to explore

additional rezonings separate from the current proposal. Staff is asking for that same guidance from the City Council.

A public hearing was held at the August 17, 2023 Planning Commission meeting, during which a representative of Pawn America, located at 8650 Lyndale Ave S, offered public comment. The representative expressed concern about the impact of the rezoning as their business, a pawn shop, would become legally nonconforming under the B-4 zoning. Pawn shops are a conditional use within the B-2 Zoning District but prohibited in B-4. The representative spoke about the difficulty of contributing to the revitalization of Lyndale Ave if their pawn shop became a legal nonconformity with the rezoning. They requested additional time to meet with staff and city officials to discuss the rezoning and give other businesses an opportunity to offer their perspective. Staff has continued to engage with this property owner since the Planning Commission meeting. Staff anticipates the business will be submitting correspondence with the City Council prior to September 18, 2023, but that correspondence has not yet been received at the time this staff report was finalized. The full details of the Planning Commission discussion and testimony received can be reviewed in the attached Planning Commission meeting minutes.

PUBLIC CORRESPONDENCE

Staff received inquiries from several owners of impacted properties as well as property owners within 500 feet of the impacted area. These inquiries were primarily concerned with specifics of the rezoning and the impact on their property. Almost none expressed opposition or support for the proposed rezoning. The exception to this is Pawn America, which expressed concern during the public hearing at the August 17, 2023 Planning Commission meeting, as noted above. The principal concern was about the status of pawn shops as prohibited within the B-4 District and how the rezoning would make Pawn America (8650 Lyndale Ave S) a legal nonconformity. Staff met with representatives from Pawn America virtually on August 31, 2023 to discuss the proposed rezonings. At the meeting, staff presented several options to the representatives of Pawn America they could consider to address their concerns about the rezoning.

On September 13, 2023, staff received correspondence from Pawn America requesting that the City amend the uses allowed in the B-4 District to include "Pawn shops in existence prior to September 19, 2023" as conditional use under the "Retail Sales and Service" category in § 21.209(d) (use tables). This letter and its attachments are included in the agenda packet for consideration by the City Council. While only a preliminary assessment, staff believes this request does not conflict with the purpose and intent of the B-4 District or the vision of the Lyndale Avenue Suburban Retrofit Plan.

Pawn shop standards were reviewed by the City Council approximately ten years ago. Several standards were amended including a new limitation for pawnbroker licenses of one license per 50,000 residents or fraction thereof. Under this provision, until Bloomington reaches a population of 100,000, only two pawnbroker licenses may be issued. During the standards review and still today, both pawnbroker licenses were within the B-2 Zoning District. The fact that pawn shops are allowed only within the B-2 District was a reflection of the City Council's interest at the time not to have additional pawnbroker locations rather than a concern with pawn shops not fitting with the purpose and intent of other zoning

districts. Pawn America's proposal does not open the door for other pawn shops within the B-4 District. Instead, it retains the legal conforming status of Pawn America after the rezoning, which creates additional flexibility should redevelopment occur. Staff is supportive of moving forward with City-initiated public hearings to consider Pawn America's request.

An effort to amend the City Code to allow pawn shops in the B-4 zoning district can either be privately-initiated (through an application process) or City-initiated at the direction of the City Council. At the Public Hearing on September 18th, staff will seek guidance from the City Council on how to proceed in response to this request. It should be noted that action to modify the status of pawn shops in the B-4 district is not procedurally possible at the September 18th City Council meeting due to the fact that no notice has been published. In addition, the City Code requires the Bloomington Planning Commission to hold a separate public hearing prior to final action. If the City Council directs the preparation of a City-initiated Code amendment, the earliest possible adoption date would be November 13, 2023. Staff sees no need to delay the rezoning in the interim period and recommends that the rezoning ordinance be adopted September 18th.

RECOMMENDATION

The Planning Commission and staff recommend approval of an ordinance amending the City's Official Zoning Map to rezone the properties shown on Exhibit A from B-2 to B-4 through the following motion:

Motion by _____, seconded by _____ to adopt Ordinance No. 2023-_____, AN ORDINANCE AMENDING THE CITY ZONING MAP BY REZONING PROPERTIES SHOWN IN EXHIBIT A FROM B-2 GENERAL COMMERCIAL TO B-4 NEIGHBORHOOD COMMERCIAL.

Staff recommends authorization of the summary publication of the ordinance amending City Code through the following motion:

Motion by _____, seconded by _____ to adopt Resolution No. 2023-_____ authorizing summary publication of Ordinance No. 2023-_____, AN ORDINANCE AMENDING THE CITY ZONING MAP BY REZONING PROPERTIES SHOWN IN EXHIBIT A FROM B-2 GENERAL COMMERCIAL TO B-4 NEIGHBORHOOD COMMERCIAL.

In the event the City Council directs staff to bring forward a City-initiated code amendment as requested by Pawn America, staff recommends the following motion:

Motion by _____, seconded by _____ to direct staff to bring forward a City-initiated city code amendment to change the status of pawn shops in the B-4 District.