

GENERAL INFORMATION

Applicant:	Kraus-Anderson Inc. (owner)
Location:	7803 Penn Avenue
Request:	1) Preliminary development plans for a partial redevelopment of the Southtown Shopping Center located at 7803 Penn Avenue S. to accommodate an approximately 120,000 square foot retail store and a future medical office building development phase; 2) Final development plans for an approximately 120,000 square foot retail store at 7803 Penn Avenue S. along with site modifications; 3) Preliminary plat to subdivide 7803 Penn Avenue S. into four lots to accommodate existing and proposed development; and 4) Platting variance to defer park dedication on future development phases until building permit issuance for that development phase.
Existing Land Use and Zoning:	Retail shopping; zoned C-3(PD) and C-5(PD)
Surrounding Land Use and Zoning:	North – Interstate 494 South – Mixed-Use and restaurants; zoned C-5 and C-5(PD) East – Hospitality and a vacant auto dealership; zoned C-4 West – Retail, restaurants, financial services; zoned CR(PD)
Comprehensive Plan Designation:	Regional Commercial

CHRONOLOGY

Planning Commission	08/15/2024 – Public hearing opened, and then the item was continued to the August 29, 2024 Planning Commission meeting at the request of the applicant.
Planning Commission	08/29/2024 – Public hearing opened, testimony was received, and then the item was continued to the September 5 th meeting due to a lack of quorum.
Planning Commission	09/05/2024 – Recommended City Council approval of preliminary and final development plans, the preliminary plat, and a platting variance to defer park dedication fees.

City Council

09/30/2024 – Public hearing scheduled.

DEADLINE FOR AGENCY ACTION

Application Date:	06/18/2024
60 Days:	08/17/2024
120 Days:	10/16/2024
Applicable Deadline:	10/16/2024 (Extended by City)

STAFF CONTACT

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PROPOSAL

The applicant proposes preliminary and final development plans to build an approximately 120,000 square foot Dick's House of Sport retail building and an 18,000 square foot outdoor athletic field on the north side of the Southtown Shopping Center site along Interstate 494. The retailer would be located to the east of the existing Kohl's store. A future development phase would consist of a four-story medical office building. The demolition of the former Herberger's and Toys R Us building has made way for a partial redevelopment of the Southtown Shopping Center. The applicant would like to begin construction on the partial redevelopment this fall.

Parking areas for roughly the eastern half of the Southtown Shopping Center site would be reconstructed. There is virtually no landscaping on the site today. As part of the Dick's House of Sport phase, the reconstructed parking areas would be brought up to City Code standards with landscaping and lighting improvements. Pedestrian infrastructure would also be added with sidewalks added along Knox Avenue north of American Blvd., which is a private road, sidewalk connections through the parking lot, and a sidewalk connection to the Orange Line Bus Rapid Transit (BRT) and pedestrian tunnel under I-494.

The applicant submitted a preliminary plat that envisions the Southtown property divided into four lots; the entirety of the shopping center is currently one parcel. A future final plat will be needed to complete the division. The existing shopping center is proposed as one lot, Dick's House of Sport a second, the future medical building a third, and the northwest corner of Knox Avenue and American Blvd. a fourth. A platting variance is also proposed to defer park dedication fees until future phases are constructed.

ANALYSIS

Land Use

A majority of the Southtown site is zoned C-3 Freeway Commercial Center. Large-scale, regional shopping centers are an intended use within the C-3 zoning district. Similarly, the Southtown Shopping Center, which originally opened in 1960, is consistent with the Comprehensive Plan's Regional Commercial land use designation.

A roughly three-acre area (an area slightly larger than a downtown Minneapolis block) at the northwest corner of the American Blvd. W. and Knox Avenue intersection is zoned C-5 Freeway Mixed Use. This "split zoning" results from a negotiated development agreement between the property owner and City of Bloomington to assist in implementing the Penn American District Plan. The District Plan calls for greater development intensity than the historical development pattern in and around the Southtown Shopping Center. The district vision for increased development intensity is supported by the Orange Line BRT. The BRT line connects downtown Minneapolis with Burnsville with enhanced bus service along the I-35W corridor. A northbound BRT station is located along Knox Avenue on the applicant's property. The southbound BRT station is located immediately south of American Boulevard W at Knox Avenue.

C-5 requires more intense urban development with several design standards, although the applicant proposes no future development in the C-5-zoned area with this application. This is, at least in part, due to sanitary sewer service capacity issues in the area. Staff has included a recommended condition which maintains the development requirements memorialized in the most recent development agreement.

Code Compliance

Tables 1 and 2 below identify several City Code requirements for development in the C-3 district. Table 1 lists the complying standards and Table 2 identifies where deviations or revisions are required. The C-3 district is a retail-oriented district, which is intended to accommodate large-scale shopping centers like Southtown. Commentary on the preliminary development plan and future development phases follows Tables 1 and 2.

Table 1: City Code Requirements in compliance – C-3 Zoning District

Standard	Code Requirement	Proposed	Compliance
Site Area – minimum	40,000 sq. ft.	1,609,241 sq. ft.	Yes
Minimum building floor area	20,000 sq. ft.	120,000 sq. ft.	Yes
Building setback – minimum	35 ft.	53 ft.	Yes

Standard	Code Requirement	Proposed	Compliance
Parking setback – internal minimum	5 feet – minimum alongside lot lines	Minimum 5 feet	Yes
Parking islands	8 feet minimum width with one tree or more	Trees proposed in all islands; some islands do not meet minimum 8 feet width	Minor revisions required
Drive aisles	24 feet minimum width for 90-degree parking; Institute for Transportation Engineers (ITE) standard for areas not 90 degrees	24 for 90-degree parking and 20 feet for angled and parallel parking	Yes
Trash collection and storage	Interior with interior access	Trash would be located within building with internal access	Yes
Sidewalks	5-feet clear along internal sidewalks with sidewalk connection from street	5-feet clear along internal sidewalks with sidewalk connection from street	Yes
Building articulation	Wall projections or recesses of three or more-foot depth for every 100 linear feet of façade along public streets	Wall recesses and height changes along street facing elevations	Yes
Entrance buffer	10 feet between public entrance and drive lanes	25 feet	Yes
Exterior materials	85 percent of each building elevation clad with permitted primary material (brick, stone, stucco, glass, metal panels)	Glass, brick, metal panels, and EIFS	Minor revisions required

Table 2: City Code Requirements – deviation or revision – C-3 Zoning District

Standard	Code Requirement	Proposed	Compliance
Trees	266 trees	207	Deviation required – comments below
Shrubs	666 shrubs (with a perennial allowance)	628 shrubs (and perennial plantings equivalents)	Deviation required – comments below
Parking lot setback	20 ft.	12 feet	Deviation required – parking “in-line” with adjacent parking along north property boundary

Standard	Code Requirement	Proposed	Compliance
Parking – minimum	1,795 stalls	1,628 stalls	Deviation required
Floor area ratio	0.5 under C-3 district standards 0.4 for Southtown Shopping Center C-3 District area based on previous City Council granted flexibility	0.37 for Southtown Shopping Center C-3 District Area	Deviation required – comments below
Freestanding sign	20-ft. setback	13.25-ft. setback	Revisions required

Preliminary Development Plan (PDP) and Floor Area Ratio (FAR)

Partially redeveloping a large shopping center with strong occupancy and a 1960s development pattern is challenging. New development is further complicated by existing lease obligations while meeting the City’s requirements for greater development intensity. Following the adoption of the Penn American District Plan, the City and applicant negotiated an agreement that established development requirements for the primary Southtown Shopping Center and the northwest corner of the Knox and American intersection. Figure 1 below identifies these two “sub-areas,” which are depicted in Figure 1 below, within the larger Southtown Shopping Center planned development. FAR is a simple calculation of site density:

$$\text{FAR} = \frac{\text{Gross floor area (GFA)}}{\text{Site area}}$$

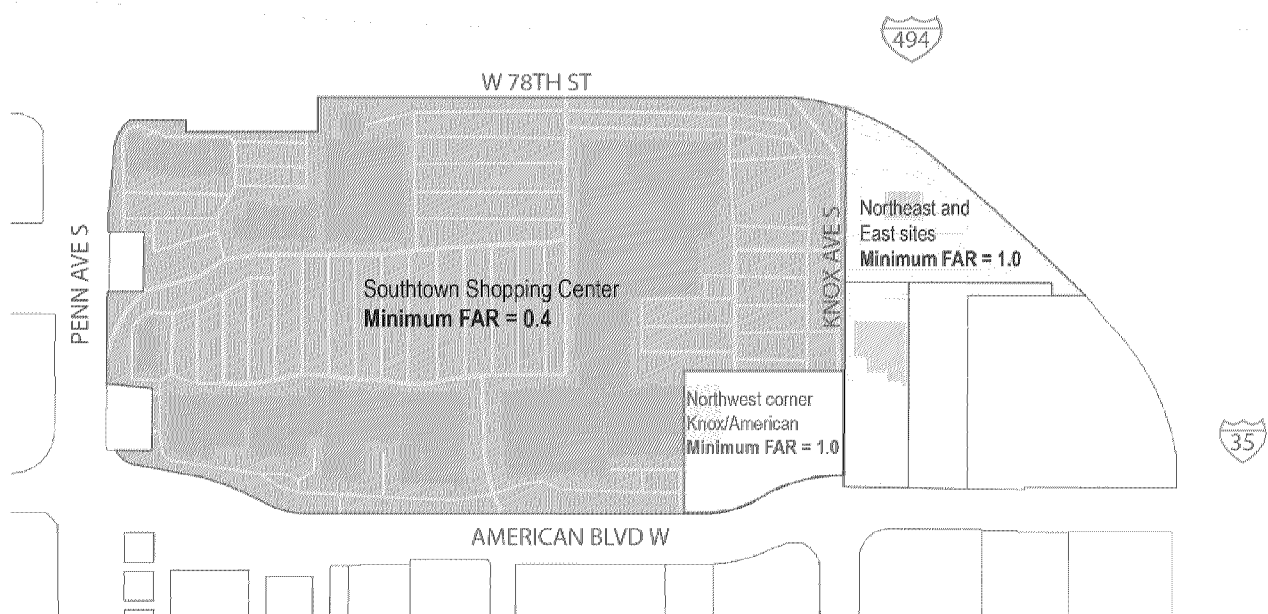
With a significant caveat, staff is supportive of the proposed PDP as it meets the desire of the applicant to bring in Dick’s House of Sport now, but sets the stage for additional future development. The proposed FAR for the main shopping center, identified as “Southtown Shopping Center” in Figure 1, will be approximately 0.37 after completion of the Dick’s and medical office phases. This FAR is 7.5 percent less than the 0.4 requirement established in the existing development agreement.

No future development phase is proposed in the Northwest corner Knox/American sub-area, which is zoned C-5. The minimum FAR in this area is 1.0. While no development is proposed now, intensive development that meets the minimum FAR is critical to implementing the vision established in the Penn American District Plan. Knox and American is a highly visible corner directly adjacent to a BRT station and warrants dense development. While not officially proposed as part of this application, the applicant included a conceptual development that could be implemented on the site. This conceptual phase consists of a six-story, 250-unit mixed use building with an FAR of 1.15. Sanitary sewer capacity is a concern in this area and the City is diligently studying

alternative funding scenarios to meet future sewer demand and allow future growth. While staff is supportive of the proposed preliminary development plan, staff does not support eliminating the minimum 1.0 FAR requirement in the Northwest corner Knox/American sub-area as memorialized in existing development agreements with the applicant.

A third sub-area, “Northeast and East sites,” is not included in the proposed preliminary development plan. This area is also critical in implementing the Penn American District Plan but is being treated as an independent site from Southtown Shopping Center. The applicant had submitted a massing graphic depicting two additional development phases in the Northeast and East sites, although those phases are purely conceptual. Nonetheless, it depicts the dense, pedestrian-friendly, and transit supporting development envisioned in the Penn American District Plan.

Figure 1: Future Southtown Development Intensity



Building and Site Design

The exterior materials proposed for Dick’s House of Sport are a mix of glass, brick, metal panels, and EIFS (exterior insulation and finish system). The Bloomington City Code allows EIFS as a secondary exterior material, which is limited to no more than 15 percent of each building elevation. Code compliance would easily be achieved in this case by converting EIFS surfaces that exceed 15 percent of a given façade to stucco.

The applicant submitted building elevations, but those elevations are a building prototype as opposed to a specific design for the Bloomington location. Building elevation cardinal directions

must be modified to represent the proposed Bloomington building and include percentages of the proposed exterior material mix.

City Code also requires building articulation to add visual interest by breaking up the building plane. The proposed retail building meets the City's massing requirements but, similar to the Kohl's building to the west, would have two building elevations with no windows. One of these elevations is along Interstate 494. Staff will continue to work with the applicant on any changes to the exterior materials.

A unique feature proposed on the site is an approximately 18,000 square foot outdoor athletic field. The outdoor space would be fenced and accessible from inside the building. Application materials portray the field as active space for product testing, open play, fitness, an ice rink, and a variety of events. The space would also be lit at night adding to the site's visual interest.

Landscaping and Lighting

Today, Southtown Shopping Center is severely under-landscaped. There is very little landscaping distributed throughout the parking lot and few mid-row landscaped parking islands to break up long parking stall spans. The proposed plans would add 207 trees and 628 shrubs and perennials. Based on the overall disturbance area of the project, the City Code landscaping requirement for the disturbed area is 266 trees and 666 shrubs. Staff recognizes that a substantial amount of the disturbed area is parking and circulation areas. Further, while the future medical office building site will be disturbed and therefore contributes to the landscaping requirement, it is prudent to minimize the amount of landscaping planted in that area as it would need to be removed when the medical office phase proceeds. Staff suggests providing planned development flexibility to deduct the medical office site from the disturbed area calculation to defer the placement of the 48 trees required for the medical office site to development of that site. Staff does not recommend any planned development flexibility for the 666 shrub/perennial requirement. Additional landscaping is necessary along the proposed building's west foundation.

Staff proposes adding a condition of approval to the Preliminary Development Plan requiring 48 trees to be included in the landscape plan to accompany final development plans for the medical office phase. The landscape yard areas along Interstate 494 depict no landscaping whatsoever, creating an opportunity to address the deficit of 11 trees that would remain after applying the 48-tree deferral for the medical office phase. Staff recommends a condition of approval requiring at least 218 trees be included on the final landscape plan for the Dick's House of Sport phase and allowing any trees short of 266 to be deferred until the medical office phase is constructed.

Exterior lighting design is ongoing, but photometric plans must be approved prior to the issuance of a building permit. Generally, most of the parking lot surface must maintain at least 2.0 footcandles. Pedestrian crossings require additional footcandles so the crossing is easier to differentiate from drive lanes. Parking lot perimeter areas may be reduced to 1.0 footcandles. The main entrances require at least 10 footcandles maintained. Initial and maintained lighting plans must be approved by a certified lighting professional (LC) or a professional electrical engineer (PE).

Access, Circulation, and Parking

Attention was paid to access and circulation as well as the impact modifications to access would have on parking supply. An independent engineering firm conducted a traffic study to analyze how the redevelopment would impact traffic at the site and made recommendations on circulation improvements. More detailed information on the traffic study follows. Access and circulation improvements have parking impacts, although staff believes the proposed parking supply is more than adequate. The proposed parking deviation from City Code is 9.4 percent – this calculation does not consider any internal capture or transit reductions. The future medical office building phase would add structured parking and would meet the medical office Code requirement. Medical office buildings typically exceed City Code parking requirements.

Staff and the applicant would continue to work together on maximizing traffic improvements, while minimizing the reduction in parking stalls. That said, there are often minor modifications that further reduce parking stalls and staff is recommending a condition of approval that would allow up to a 11 percent overall reduction in parking supply without returning to the Planning Commission and City Council for re-approval. This approach would afford staff and applicant more flexibility to modify the plan to improve access and circulation even if there are slight reductions in parking.

Table 3: Parking Analysis

Southtown Development Parking Analysis			
Use	GFA/Seats	Standard	Parking Requirement
Retail	401,263	Retail (460 spaces plus one space per 285 square feet gross floor area over 100,000 square feet)	1,517
Restaurant - indoor seats	807	1 space per 3 indoor seats	269
Restaurant - outdoor seats	52	1 space per 5 outdoor seats	10.4
Total Parking Requirement (stalls)			1,795
Proposed Parking (stalls)			1,628
Deviation from City Code (%)			9.4

Stormwater Management

Stormwater will be managed to meet the City's and Watershed District's requirements for stormwater rate control (quantity), stormwater quality and volume.

The Stormwater Management plan calculations and narrative have been reviewed and appear to meet the City of Bloomington Comprehensive Surface Water Management Plan requirements. A maintenance plan has not yet been provided and will be required to be signed and filed at Hennepin

County. This site is located within the Nine Mile Creek Watershed District, so an additional permit will be required.

Staff has communicated to the applicant that both the City and Nine Mile Creek Watershed District are interested in exploring the possibility to provide additional stormwater management onsite beyond the project requirements. The Nine Mile Creek Watershed District has potential funds available to assist in the additional onsite treatment should the applicant be interested.

Utilities

The development is proposed to be served by City sanitary sewer and water facilities. The development is located in close proximity to a significant trunk waterline that is critical to utility operations and service in the area. The utility plans will need to be designed in a manner that protects this trunk waterline and ensures safe and efficient maintenance in the future.

Adequate fire hydrant coverage must be provided to serve the proposed building. The City Engineer must approve the utility plans before the issuance of a building permit.

The sanitary sewer network located downstream of the site is nearing capacity. Based on projected flow rates provided by the applicant and the current City sanitary sewer network capacity, no additional sanitary sewer capacity is needed in the City system to serve the first phase of development.

Prior to additional phases coming online additional sanitary sewer capacity will be needed to serve this development. Should a citywide or more localized funding approach be adopted in the future to provide the additional sanitary sewer capacity required, all subsequent phases that increase sewer demand would need to participate.

Traffic Analysis

Access to the Southtown Shopping Center site is provided via signalized intersections at Penn Avenue (CSAH 32) & W 79th Street (County), American Boulevard W. and Morgan Avenue (City) and American Boulevard W. and Knox Avenue (City). In addition to the signalized intersections, there are two driveways along American Boulevard W. that provide right-in/right-out access to the site.

Given the estimated trips generated by the proposed development, the property abutting two arterial roadways (Penn Avenue & American Boulevard W), and the traffic issues that have existed with the site, Bolton-Menk was hired to update their traffic study (dated 9/21/21) that was performed as part of a previous redevelopment proposal for the site. The traffic study update analyzed the existing traffic operations for the site, impacts of the I-494 improvement project currently underway as well as changes resulting from the proposed development.

Bolton-Menk provided a detailed analysis of the existing and proposed traffic generated by the site

and the impacts to the adjacent public roadway network, as well as the internal site circulation of Southtown Shopping Center. Recommendations provided in the previous traffic study to address current operational issues, as well as mitigate future issues that may arise from the proposed development were reviewed to determine if they were still applicable to the current development proposal. The traffic analysis also included review to determine if additional recommendations not provided previously were applicable to the current redevelopment proposal.

Following review of the current redevelopment proposal, Bolton – Menk determined that many of the previous recommendations provided in the 9/21/21 traffic study were not warranted at this time. However, the traffic study did recommend some site improvements to improve traffic flow as well as pedestrian access within the site. The study recommendations were as follows:

Extension of internal eastbound traffic lanes from Penn Avenue/W 79th Street Intersection

- Extend the two eastbound through lanes entering the Southtown Shopping Center at the Penn Ave/W 79th St access from Penn Ave to Kohl's. Extending the second lane to the Kohl's pedestrian crossing will improve traffic flow and pedestrian safety. Modified signing and striping and reconstruction of two concrete islands would be required.

Additional pedestrian accommodations on-site

- In addition to pedestrian accommodations currently shown on the submitted plans some additional improvements have been identified. These improvements include additional or revised signage, pedestrian ramps and the installation of raised pedestrian crossing.

Staff will review the traffic impacts associated with future phases of development to determine if previous recommendations should be implemented at that time and/or if additional improvements are warranted. Conditions of approval have been added to ensure that the development includes the recommendations outlined in the traffic study with the exception of the raised pedestrian crossings.

Transit and Transportation Demand Management (TDM)

This redevelopment will require a Tier 2 TDM plan, which allows the property owner to choose from a menu of TDM options. The owner has not yet submitted a Tier 2 TDM checklist. Based on the PDP submitted, the development of the subsequent phases would require the submittal of a Tier 1 TDM plan per the City's TDM Policy.

Fire Prevention and Public Safety

The access and circulation design must meet or exceed the minimum standards for fire prevention and be maintained in accordance with the approved plan including a surface to provide all weather driving capabilities, minimum 20-foot-wide clear access and turning radius to accommodate BFD Ladder 3. Apparatus access roads shall be asphalt or concrete and support a minimum of 80,000 pounds.

The building must be addressed plainly and visible from the street or road using numbers that contrast with the background. The numbers must be a minimum of four inches, be Arabic numbers or alphabetic letters with a minimum stroke width of 0.5 inches.

The applicant must ensure the proposed landscaping plans do not interfere with access to the building. The applicant proposes adequate water supply with a hydrant within 50 feet of the fire department connection and within 150 feet of any exterior wall. The hydrants must be clearly visible from the emergency vehicle access road. Hydrants will be approved by the Utilities and Fire Prevention Divisions.

Knox boxes and annunciator panels will be required at the main entrances and other areas as designated by the Fire Prevention Division. All exterior doors that allow access to the interior of the building(s) should be numbered in a sequential order starting with the main entrance (public entrance) as number 1 and continuing in a clockwise manner. Each separate building will have its own sequence of numbers.

Provide for emergency responder radio coverage throughout the complex and in all structures per the requirements of Appendix P in the 2020 Minnesota State Fire Code.

Any changes made to the current plans, including building location, access roads, water supply and addressing, shall be reviewed by the Fire Marshal to ensure continued compliance with the fire code.

Status of Enforcement Orders

There are no open enforcement orders for the site.

FINDINGS

Required Preliminary Development Plan Findings - Section 21.501.02(d)(1-6):

Required Finding	Finding Outcome/Discussion
(1) The proposed use is not in conflict with the Comprehensive Plan	Finding made – There is no conflict between the proposed development and the Comprehensive Plan. The proposed retail store redevelopment and future commercial and residential development is consistent with the Comprehensive Plan’s Regional Commercial designation.
(2) The proposed use is not in conflict with any adopted District Plan for the area	Finding made – With a condition requiring future development in the C-5 zoned portion of the site to meet C-5 district standards, the proposed multi-phase development is consistent with the Penn American District Plan’s vision for reinvestment in commercial

	development and increased activity along the Orange Line BRT. The final development plan incorporates significant pedestrian enhancements including a sidewalk connection from the Orange Line BRT tunnel.
(3) All deviations from City Code requirements are in the public interest and within the parameters allowed under the Planned Development Overlay Zoning District or have previously received variance approval	Finding made – The proposed deviations would facilitate a development that renews the Southtown Shopping Center. The deviations would not have an adverse impact on the surrounding neighborhood and are in the public interest.
(4) Each phase of the proposed 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	Finding made – The planned development’s two phases are proposed in a manner that is not dependent on subsequent phases.
(5) The proposed 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; and	Finding made – Given the size and characteristics of the proposed Phase I development, an excessive burden is not anticipated on parks, schools, streets, the sanitary sewer system or the water system. Given that Phase II is expected to exceed the capacity of the sanitary sewer system, a condition of approval is proposed linking development with planned sanitary sewer improvements. The proposed development would improve vehicle and pedestrian access and circulation, along with significant improvements to stormwater management.
(6) The proposed development will not be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare	Finding made – The proposed development is not anticipated to be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare. The development incorporates stormwater management improvements where there are none today. Building design, building heights, and site circulation are consistent with Regional Commercial uses within the City of Bloomington.

Required Final Development Plan Findings – Section 21.501.03(e)(1-7)

Required Finding	Finding Outcome/Discussion
(1) The proposed use is not in conflict with the Comprehensive Plan	Finding made – There is no conflict between the proposed development and the Comprehensive Plan. The proposed retail store redevelopment and future commercial and residential development is consistent

	with the Comprehensive Plan's Regional Commercial designation.
(2) The proposed use is not in conflict with any adopted District Plan for the area	Finding made – The proposed Phase I development is consistent with the Penn American District Plan's vision for reinvestment in commercial development and increased activity along the Orange Line BRT. The final development plan incorporates significant pedestrian enhancements including a sidewalk connection from the Orange Line BRT tunnel.
(3) The proposed development is not in conflict with the approved preliminary development plan for the site	Finding made – The final development plan is consistent with the proposed preliminary development plan.
(4) All deviations from City Code requirements are in the public interest and within the parameters allowed under the Planned Development Overlay Zoning District or have previously received variance approval	Finding made – The proposed deviations would facilitate a development that renews the Southtown Shopping Center. The deviations would not have an adverse impact on the surrounding neighborhood and are in the public interest.
(5) The proposed 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	Finding made – The planned development's Phase I, the proposed retail building, is not dependent on subsequent phases.
(6) The proposed 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; and	Finding made – Given the size and characteristics of the proposed Phase I development, an excessive burden is not anticipated on parks, schools, streets, the sanitary sewer system or the water system. The proposed development would improve vehicle and pedestrian access and circulation, along with significant improvements to stormwater management.
(7) The proposed development will not be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare	Finding made – The proposed development is not anticipated to be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare. The development incorporates stormwater management improvements where there are none today. Building design, building heights, and site circulation are consistent with Regional Commercial uses within the City of Bloomington.

Required Preliminary Plat Findings - Section 22.05(d)(1-8):

Required Finding	Finding Outcome/Discussion
(1) The plat is not in conflict with the Comprehensive Plan	Finding made – The plat is not in conflict with the Comprehensive Plan as the proposed lots meet City Code requirements and are sufficient for development permitted in the underlying zoning district.
(2) The plat is not in conflict with any adopted District Plan for the area	Finding made – The proposed plat is not in conflict with the Penn American District Plan
(3) The plat is not in conflict with City Code provisions	Finding made – The proposed plat is not in conflict with provisions of the City Code subject to the proposed rezoning, preliminary development plan, and final development plan.
(4) The plat does not conflict with existing easements	Finding made – The plat is compatible with existing easements.
(5) There is adequate public infrastructure to support the additional development potential created by the plat	Finding made – Except for sanitary sewer, there is adequate public infrastructure to support the development intended for the lots created by the plat. Plans are underway to address sanitary sewer capacity issues.
(6) The plat design mitigates potential negative impacts on the environment, including but not limited to topography; steep slopes; trees; vegetation; naturally occurring lakes, ponds, rivers, and streams; susceptibility of the site to erosion, sedimentation or flooding; drainage; and stormwater storage needs	Finding made – The plat must establish new drainage and utility easements. The proposed development plan will be required to manage erosion, stormwater, and mitigate any potential negative impacts on the environment. There are no environmentally sensitive areas or steep topography.
(7) The plat will not be detrimental to the public health, safety and welfare	Finding made – The development is not anticipated to be detrimental to the public health, safety, or general welfare.
(8) The plat is not in conflict with an approved development plan or plat.	Finding made – The proposed plat would facilitate construction of the proposed development on site and is not in conflict with the proposed development.

Required Platting Variance Findings – Section 22.07(d)(1-5):

Required Finding	Finding Outcome/Discussion
(1) An unusual hardship exists that justifies the platting variance	Finding made – In order to accommodate the retail building, the applicant must adjust lot boundaries. Subdividing land triggers park dedication for the entire development, even though only a portion of the site is

	proposed for redevelopment as Phase I. Paying park dedication up front for several future development phases is an unusual hardship that would serve to stifle multi-phase development.
(2) The unusual hardship is not the result of actions of the applicant	Finding made – Subdividing land to adjust lot boundaries is a routine step in development. The hardship results from the process of how park dedication fees are collected.
(3) The platting variance requested is the minimum variance necessary to address the unusual hardship	Finding made – As proposed by the applicant, the park dedication fees for the future phase will still be paid prior to the issuance of a building permit for future development. The deferment of park dedication fees until prior to building permit is the minimum variance necessary to address the hardship.
(4) The platting variance will not conflict with the purpose and intent of the city code	Finding made – The purpose and intent of the park dedication ordinance is for each development to contribute towards the City’s park system in proportion to the burden that the development will place upon the park system. As proposed, deferral to the issuance of a building permit will not inhibit the collection of park dedication fees prior to when the burden of future development on the park system is realized. Prior to future development being constructed, the required park dedication fee must be collected, thereby contributing to the City’s park system and meeting the intent of the City Code.
(5) The platting variance will not have a substantially detrimental impact on neighboring property owners or the public welfare.	Finding made – A platting variance to defer the payment of park dedication fees until prior to the issuance of a building permit will not have a substantially detrimental impact on neighboring property owners or the public welfare given that park dedication fees will be collected prior to the additional park demands created by each phase.

OUTREACH

Outreach/Notification

- Mailed Notice (10-day notice – 500-foot buffer)
- Newspaper Notice (10-day notice – 08/14/2024 Sun Current)
- Public Hearing Notice Online
- E-Subscribe Group Notification
- Inclusion on Development Map
- Signs on Site

RECOMMENDATION

The Planning Commission and staff recommend approval using the following motions:

Motion by _____, second by _____, to approve preliminary and final development plans for a partial redevelopment of the Southtown Shopping Center, subject to the conditions and Code requirements attached to the staff report.

Motion by _____, second by _____, to approve a preliminary plat to subdivide 7803 Penn Avenue S. into four lots for future redevelopment.

Motion by _____, second by _____, to adopt a resolution approving a platting variance to allow park dedication fees to be paid at the time of building permit issuance.

RECOMMENDED CONDITIONS OF APPROVAL

Case PL202400102

Project Description: Major Revision to Preliminary and Final Development Plans for a partial redevelopment of the Southtown Shopping Center; final development plans for an approximately 120,000 square foot retail anchor; preliminary plat to subdivide to property in the future; and a platting variance to defer park dedication fees.

Address: 7803 Penn Avenue S.

The following conditions of approval are arranged according to when they must be satisfied. In addition to conditions of approval, the use and improvements must also comply with all applicable local, state, and federal codes. Codes to which the applicant should pay particular attention are included below.

Preliminary Development Plan Condition of Approval

1. Ongoing Planned development flexibility regarding floor area ratio is not granted to the portion of the planned development zoned C-5. Future development on the C-5 portion of the planned development must meet a 1.0 minimum floor area ratio standard unless otherwise compliant with the Bloomington City Code or flexibility is granted through the Planned Development process.

Final Development Plan Conditions of Approval

1. Prior to Permit A Site Development Agreement, including all conditions of approval, must be executed by the applicant and the City and must be properly recorded by the applicant with proof of recording provided to the Director of Community Development.
2. Prior to Permit Grading, Drainage, Utility and Erosion Control plans must be approved by the City Engineer.
3. Prior to Permit Access, circulation and parking plans must be approved by the City Engineer.
4. Prior to Permit Storm Water Management Plan must be provided that demonstrates compliance with the City's Comprehensive Surface Water Management Plan. A maintenance plan must be signed by the property owners and must be filed of record with Hennepin County.
5. Prior to Permit An erosion control surety must be provided. See §16.08(b)
6. Prior to Permit A Construction Management Plan must be submitted for review and approval by the City.
7. Prior to Permit Sewer Availability Charges (SAC) must be satisfied.
8. Prior to Permit Parking lot and site security lighting plans must satisfy the minimum requirements. See §21.301.07.
9. Prior to Permit Bicycle parking spaces must be provided and located throughout the site as approved by the City Engineer.
10. Prior to Permit Exterior building materials must be revised to be Code compliant and be approved by the Planning Manager, See §19.63.08
11. Prior to Permit A Nine Mile Creek Watershed District permit must be obtained and a copy submitted to the Engineering Division.

12. Prior to Permit Landscape plan must be revised to include at least 218 trees, Code compliant shrub and perennial plantings, approved by the Planning Manager, and a landscape surety must be filed. See §21.301.15
13. Prior to Permit As recommended by the traffic study, the developer must submit a plan showing the extension of the two eastbound through lanes from the intersection of Penn Ave & W 79th St to the Kohl's entrance for the approval of the City Engineer.
14. Prior to Permit As recommended by the traffic study, the developer must submit a plan showing the additional pedestrian accommodations as described on page 24 of the Southtown Redevelopment Traffic Study Report dated August 15, 2024, excluding the two raised marked crosswalks, for the approval of the City Engineer.
15. Prior to Permit Tier 2 Transportation Demand Management plan must be submitted. See §21.301.09(b)(2)
16. Prior to Permit To ensure sufficient sanitary sewer capacity and to avoid sanitary sewer surcharge, a building permit must not be issued for the Phase II medical office building unless the City Council has accepted a feasibility study and ordered the associated project to increase sanitary sewer capacity sufficient to serve the project phase or the Utilities Administrator has determined that adequate sanitary sewer capacity exists to serve the development phase.
17. Ongoing Signs must be in compliance with the requirements of Chapter 21, Division D of the City Code.
18. Ongoing All rooftop equipment must be fully screened. See §21.301.18
19. Ongoing All trash and recyclable materials must be stored inside the principal building. See §21.301.17
20. Ongoing All construction stockpiling, staging and parking must take place on site and off adjacent public streets and public right-of-way.
21. Ongoing Alterations to utilities must be at the developer's expense.
22. Ongoing A sidewalk must be provided to link the primary entrance of each building on site with the public sidewalk network. See §21.301.04(b)(2)
23. Ongoing Parking flexibility must not exceed a 11 percent deviation without City Council approval.