

City of Bloomington, MN Social Bond Framework

July 2024



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1. INTRODUCTION TO THE CITY

Overview

Bloomington, Minnesota is an urban center in the Twin Cities metro area and a vibrant community for both residents and businesses. As the fourth largest city in Minnesota, Bloomington is a vibrant metropolitan hub of approximately 90,000 residents and 3,500 businesses. As July 1, 2022 according to the U.S. Census Bureau, Bloomington is a city of approximately 87,800 people, while the Minnesota Metropolitan Council estimated the population at 91,330.¹

A home rule charter was adopted in November 1960. The City is a Council-Manager form of municipal government. The City Council, which includes a mayor, elected at large, two councilmembers, elected at large and four Councilmembers elected by four separate districts. The City Council exercises the legislative power of the City of Bloomington and determines all City policies.

The City Council appoints a professional City Manager, who is responsible to the Council for the administration of all City business. The Council also appoints advisory boards and commissions.

Bloomington has a strong employment market and is one of the key drivers of the Minneapolis-St. Paul regional economy with industries including healthcare, hospitality, technology, and manufacturing. Home to Mall of America, Bloomington is also a major tourist destination for the upper Midwest. The City has achieved 99 percent of its original development capacity. To provide visual and physical relief from continuous urban development, one-third of the city is designated for public parks and conservation. Bloomington is also home to award-winning schools and colleges. Significant redevelopment is occurring in Bloomington's South Loop District, an urban center at the crossroads of the metro area's transportation network.

Community-based Strategic Plan: Bloomington. Tomorrow. Together.

In 2021, the City embarked on a new strategic planning effort, one that involved the community in planning Bloomington's future. The initiative "Bloomington. Tomorrow. Together." engaged residents in helping the City Council design a new strategic plan. City staff worked in partnership with members of the community at every stage of the process, from community cafes and surveys to understand Bloomington's strengths and challenges; through creation of a mission statement and strategic objectives by a core planning team; to identifying strategies and measurements for success by action and measurement teams.

The difference between this and previous strategic planning processes was that the community was involved in nearly every step of the process. As a result, the community's voice is reflected in the final product. The "Bloomington. Tomorrow. Together." strategic plan was adopted by the City Council on April 25, 2022. The plan will guide the City's work through 2027.

In 2023, the City launched a [Strategic Plan Dashboard](#) that demonstrates progress across the three priority areas. We will continuously monitor and measure to see how we are progressing toward accomplishment of these objectives.



Our mission is to cultivate an enduring and remarkable community where people want to be.

Strategic Priorities



A connected, welcoming community

1. More connected neighbors
2. More welcomed by city
3. More valued community



A healthy community

1. Improved environment
2. Improved human health
3. Improved safety/security



A community with equitable economic growth

1. More equitably distributed
2. Expanded business diversity
3. More equitable job growth

Office of Racial Equity, Inclusion, and Belonging

The City's commitment to racial equity and inclusion is longstanding and has evolved over the years. The City began dedicated efforts to focus on equity beginning in 2015 when the City participated in the Government Alliance on Racial Equity convening. In September of 2016, the City adopted a strategic plan in which three of the six strategic priorities were focused on advancing inclusion & equity. These priorities included having a more diverse workforce, more diversity in the City's advisory boards and commissions, and more diverse program participation. In December of 2017, the City Council adopted a Racial Equity Vision Statement that reads: "The City of Bloomington will act courageously to advance racial equity. We will be a vibrant, safe, and healthy place where people of all races thrive."

The City hired its first racial equity coordinator in 2019 and adopted the Racial Equity Business Plan (REBP) in 2020. The racial equity business plan charts the path for an expansion of the City's racial equity work in the years to come. The racial equity business plan identifies goals and outcomes in four distinct areas: hiring, training, services, and community engagement. The City strives to have a workforce that mirrors the community served, provide training to its employees that develops racial equity as a competency, ensure equitable outcomes in the design and delivery of services, and authentically engage the community in the design and implementation of City projects.

As a part of the REBP, the City created racial equity action teams (REATs) in each division of the City. REATs are staff-led teams that provide accountability and capacity-building to ensure staff has a shared understanding of why we lead with race, how we advance the work, and how we measure success.

In 2020, the City Council declared racism a public health crisis. Thereafter, the City convened a Racial Equity Strategic Planning Committee (RESPEC) to identify the most impactful policies and practices the City, in collaboration with partners, would work on to begin reducing racial disparities in key areas, including economic stability, education, health and health care, neighborhood and built environment,

and social and community. The RESPC proposed investing in public health, supporting small businesses by developing a business resource center, developing new homeownership initiatives, expanding public safety mental health services, and more collaboration with the school district. The City Council unanimously approved the proposal in 2021.

In 2022, the City formalized the [Office of Racial Equity, Inclusion and Belonging \(OREIB\)](#), hired an Equity and Inclusion Program specialist to support the implementation of the RESPC and REBP, and created the new role of Chief Equity and Inclusion Officer. In establishing this new office, the City seeks to solidify ongoing efforts and ensure this work is sustainable.

In late 2023, the City of Bloomington ranked first among peer cities in the Center for Economic Inclusion's first public-sector Racial Equity Dividends Index, an analytical tool meant to help organizations build racially equitable workplaces. The City scored in the 95th percentile among all organizations included in the report. Bloomington was listed as a high-scoring government in the following categories: Leadership, budgets and finance, public safety and public policy. The Center for Economic Inclusion equips public- and private-sector leaders and employers with the knowledge and tools to build, scale and institutionalize anti-racist workplaces. Through purposeful, research-driven action, CEI's mission is to close racial wealth gaps and build racially equitable and inclusive regional economies.

The City continues to make progress on the Council's strategic priority of advancing equity and inclusion. The current strategic plan (BTT) includes an objective that by 2030, the City will achieve significant improvement in indices measuring equitable economic growth. These metrics are included in the following three objectives:



1. Economic growth is more equitably distributed
2. Expanded diversity in business ownership
3. Equitable job growth

Below are the specific initiatives included in the stated objectives:

- Develop Business Location Service
- Create a Toolkit for Aging Commercial Nodes
- Develop a Front Door Revitalization Program
- Establish a Small Business Center
- Formalize a Business Relocation Policy
- Create a Comprehensive Workforce Bloomington Framework
- Develop Equitable + Livable Wage Strategy

Sustainability

The City continues to make progress on the Council's strategic priority of advancing a healthy community. The current strategic plan (BTT) includes an objective that by 2030, the City will achieve significant improvement in indices measuring a healthy community. These metrics are included in the following three objectives:



1. Improved environmental health
2. Improved human health
3. Increased safety and security

Below are the specific initiatives included “Improved environmental health”:

- Implement Energy Action Plan strategies and other initiatives that work toward reaching carbon neutrality by 2050
- Implement Solid Waste Reduction Strategies
- Execute Highest Priorities in Natural Resource Management Plan
- Administer Storm-Water Pollution Reduction Program

Climate Resolutions

- [Resolution in Support of the Paris Agreement](#) -In Aug 2017 Council passed a resolution supporting the Paris Agreement. This included a commitment to join other U.S. cities in adopting/working towards achieving at a minimum the goals of the Paris Agreement. The Paris Agreement goals include limiting global temperature increase to less than 2 degrees Celsius, with an expectation that this goal would be reduced to 1.5 degrees in the future. Recent scientific research indicates that to achieve the goal of limiting temperature increase to 1.5 degrees Celsius, carbon emissions must be halved by 2030 and reach net zero global emissions by 2050.
- [Resolution Declaring a Climate Emergency in Bloomington](#)- In January 2022 Council passed a resolution declaring a climate emergency in Bloomington. That resolution referenced the Paris Agreement in the second to last “WHEREAS”.

Energy Action Plan

- [Bloomington Energy Action Plan](#)- In May 2018 Council Adopted the City’s Energy Action plan which was the first plan to identify goals to reduce greenhouse gas emissions from the energy sector. The Energy Action Team was an appointed committee approved by Council made up of businesses, residents, City staff, the School District and local orgs. Three members of the Sustainability Commission also served on the Energy Action Team.

Minnesota Green Step City Program

- City staff have worked since 2017 to lead the City forward in the [Minnesota Green Step City program](#). Bloomington reached the final Step 5 in June 2023.

Sustainability Commission

The Sustainability Commission advises the Bloomington City Council, City staff, and the community on policies, practices, procedures, and proposals that relate to the sustainable use and management of environmental resources that include air, water, energy, land and ecological resources, and waste. The Commission helps to ensure that such resources will be sustained and continue to provide for a high quality of life for present and future generations.

Municipal Bond Markets & Racial Equity Technical Assistance Program

The City of Bloomington was proud to participate in the inaugural cohort of the Municipal Bond Markets & Racial Equity Technical Assistance Program, launched in 2023 by the Public Finance Initiative in partnership with the PFM Group Consulting LLC’s Center for Budget Equity & Innovation, PFM Financial Advisors LLC, the Government Alliance on Race & Equity. The program is supported by the Robert Wood Johnson Foundation

2. PURPOSE OF THE FRAMEWORK

The purpose of the City of Bloomington Social Bond Framework is to document certain processes and commitments relating to the proposed issuance of the Series 2024A Social Bonds. The City believes that the proposed "Social Bond" designation of the Series 2024 Social Bonds is aligned with the generally accepted *Social Bond Principles: Voluntary Process Guidelines for Issuing Social Bonds June 2023* (the "Social Bond Principles"),² which are published by the International Capital Market Association ("ICMA"). The City is issuing the Series 2024A Social Bonds to fund an initiative detailed under the "Connected, Welcoming Community" priority of the City's community-based Strategic Plan, "Bloomington. Tomorrow. Together." (BTT), detailed in the Introductory discussion above. This Framework is solely related to the Series 2024A Social Bonds.

The City continues to make progress on the Council's strategic priority of a connected, welcoming community. The strategic plan (BTT) includes an objective that by 2030, the City will prioritize physical and relational connections between residents, the community, and City staff, demonstrated in the following three objectives:



1. People can connect with their neighbors
2. People are welcomed by the City into the community
3. Residents are valued by the community

The top initiative under "people can connect with their neighbors" is to implement high priorities in the Park System Master Plan, detailed extensively in this document under 3.1 Use of Proceeds.

3. SOCIAL BOND FRAMEWORK

This Framework has been developed to correspond with the four pillars of the Social Bond Principles:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

3.1 Use of Proceeds

As more fully described below and in accordance with the Approving Resolution, the net proceeds of the Series 2024A Social Bonds are expected to be used for the purpose of providing funds to pay, or to be applied or contributed toward, all or a portion of the cost of:

- (i) the construction, reconstruction, renovation, repair, improvement, critical capital maintenance and equipping of parks and recreational facilities, including, but not limited to recreational and related public improvements and the cost of compliance with the Americans with Disabilities Act of 1990 for such facilities and improvements and
- (ii) the acquisition, construction, reconstruction, renovation, repair, planning, design, improvement, critical capital maintenance and equipping of sidewalks, pathways, trails, parking lots and hard surface maintenance, and park and playground improvements, and the cost of compliance with the Americans with Disabilities Act of 1990 for such facilities and improvements.

The Series 2024A Social Bonds will be secured and payable from the City's general obligation bond levy, which is an annual ad valorem tax sufficient in amount to pay the principal of and interest on the Series 2024A Social Bonds and any other general obligation bonds previously issued or to be issued by the City.

The City believes that the proposed use of the 2024A Social Bonds proceeds aligns with the following eligible social project categories outlined in the Social Bond Principles:

- affordable basic infrastructure,³ and
- access to essential services⁴

In addition, according to "High-Level Mapping to the Sustainable Development Goals"⁵ published by ICMA, the City believes that the Social Bond designation relating to the Series 2024A Social Bonds reflects use of proceeds consistent with:

- Sustainable Development Goal 10: Reduced Inequalities, and
- Sustainable Development Goal 11: Sustainable Cities and Communities

Park System Master Plan (PSMP) Overview

The City plans the proceeds to fund various projects managed through the City's Parks and Recreation Department. The City of Bloomington initiated the process of developing a new Park System Master Plan in November 2019. With extensive and invaluable assistance from consultants, City staff and most importantly, the community, the plan is now complete. On August 30, 2021, the Bloomington City Council formally adopted the Park System Master Plan.

The process was purposeful and robust, capturing the voices of Bloomington residents while completing several studies to understand how Bloomington can provide new park amenities and experiences. Natural resources, trails, new park amenities and equity are priority themes that will be addressed.

The [Park System Master Plan \(PSMP\)](#) is a road map for planning and completing park improvements and guiding capital investments to ensure the park system serves the needs of the community today and in the future. The PSMP process incorporates:

- Local and national park and recreation trends
- Community demographics
- Facility needs
- Current and future programming needs
- Maintenance
- Long term sustainability
- Equity and inclusion
- Information gathered from the community

The extensive community engagement process between November 2019 and June 2021, which included a statistically valid survey, stakeholder interviews, listening sessions, conversations with residents and staff, and online interactive engagement via project bloom! and the City's Let's Talk Bloomington site, has shaped the final Plan. Through studies and analysis, we learned the following:

- Our parks are substantially similar
- Our parks have outdated amenities
- Our parks do not match current resident demographics and recreation needs
- New facilities and amenities are needed for current residents and to attract new residents.

The process toward advancing equity in parks and recreation specifically has started at the staff level, primarily through community engagement and relationship building with residents. This includes reaching out to those that historically have not been engaged in these types of processes and seeking answers to questions surrounding access, design, programming, and dollars allocated to the City's parks.

Bloomington Parks and Recreation is dedicated to making the parks ethnically and culturally diverse as well as equitable, inclusive, and relevant. It is the City's priority to build relationships with the community and break down barriers that are inhibiting residents from visiting the parks. Parks and Recreation is committed to continually seeking ways to better deliver park and recreation services, programming, and community events that connect people across cultures to the parks and one another.

Park System Master Plan (PSMP) Equity Prioritization Tool

Individual parks throughout the City have different levels of need based on the characteristics of the neighborhoods surrounding them, the population dynamics around the park, and the condition of the facilities inside the park. Analyzing these conditions and using the results to develop an Equity Prioritization Tool has been done by cities throughout the country and Bloomington leaned on the Minneapolis and Milwaukee models to inform their own. The goal of these equity prioritization tools is to quantifiably evaluate individual parks and ensure investments are equitably distributed. These tools provide staff with a quantifiable and transparent method to propose capital improvements to parks based on their needs related to equity.

The projects at Bryant Park and Tretbaugh Park will receive most of the Social Bonds proceeds. A more detailed description of the equity prioritization tool is available in [section 3 of the PSMP](#), starting on pg. 162 of the document.

The City's PSMP helps examine these issues through both a citywide lens to understand the City's overall needs, and a neighborhood lens to focus on areas of the City that have different needs and wants based on City infrastructure, demographics, and history. The PSMP outlines the City's approach to equity prioritization, and evaluates criteria based on three categories of characteristics groups, including neighborhood characteristics (e.g., income, poverty rate, race, crime, etc.), population characteristics (e.g., number of people using public space), and conditions characteristics, which ranks the condition of facilities.

Each of these characteristics is then scored and weighted according to the City's equity prioritization tool, with the highest-ranking scores given to those projects that prioritize capital improvement based on equity. This process and calculation will be regularly evaluated to account for demographic changes, conditional assessment changes, and any other new information received by staff. This score can be used as a quantifiable number in the City's current CIP planning process and will be weighed against other City priorities to determine its overall priority.

3.2 Process for Project Evaluation and Selection Process

The City's overall Capital Improvement Plan prioritization process and the Park Systems Master Plan were used during the project selection and approval process. On June 26, 2023, staff presented 30% designs and cost estimates for Bryant and Tretbaugh Parks and City Council authorized staff to enter into a professional service agreement to continue progress on the projects. On April 15, 2024, City Council will be provided authorization to bid projects and authorization of the sale of Charter Bonds.

To better understand the condition and usability of the City's parks and recreation amenities, Bloomington contracted with a GIS/Esri consultant to closely examine and inventory the existing conditions of each park and recreation facility and/or amenity for quality, sustainability, and equity. In addition, Bloomington was part of the first cohort of the Public Finance Initiative (PFI) on Municipal Bonding and Racial Equity. Within the PFI process, another GIS/Esri Equity Data Tool was added to better understand the equity components of these parks and recreation improvements. (See "Park Equity" graphics on pgs. 9 and 10) The City believes that everyone, regardless of age, background, race or zip code, deserves safe access to quality parks and recreational facilities and amenities.

The sections below describe the projects to be funded by the Social Bonds.

Bryant Park (1001 West 85th Street)

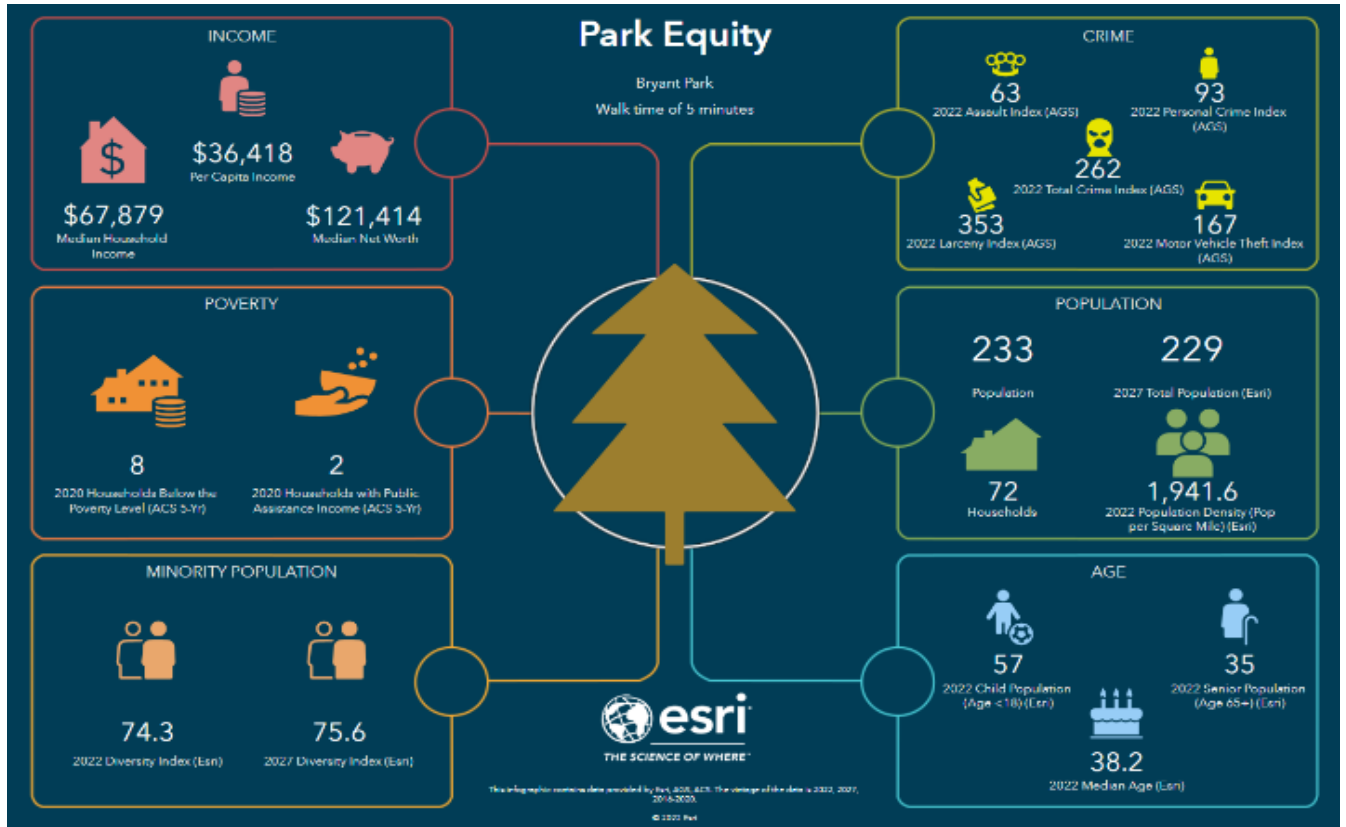
Inclusive playgrounds are designed to provide universal access and sensory-rich environments that enable children to develop physically, socially and emotionally. They are engaging places that provide the appropriate level of challenge for all kids and offers opportunities to succeed. Bloomington does not currently have any inclusive playgrounds. Most communities of Bloomington's size have 1-2 fully inclusive playgrounds.

An inclusive playground will be added as part of the Bryant Park renovation project. The final playground design was presented to City Council in April 2024. Community can see the design and provide comments or seek clarification on the design and elements.

Background: The Parks Master Plan, approved August 2020, identified the need for an inclusive playground in Bloomington. Bryant Park was identified as the location for this new playground. Engagement on Bryant Park began in 2022 and continues. Engagement specifically on the inclusive playground elements began in 2023.

Initial engagement sought to understand how community utilized the park and what general elements were of interest. In the fall of 2023, the team shared two potential inclusive playground designs with the community. They were asked to review both designs and provide input to allow the design team to come up with one final design. The below infographic shows social and economic indicators for the community within a five-minute walk of the park. Those indicators are well below Bloomington medians and reflect the City's commitment to equity in serving community residents.

In April 2024 a single, final design was presented to Council following a third opportunity for the community to ask clarifying questions about the design. This design is reflective of significant community input to date. Limited modifications can be made at this stage of design.



Graphic: Park Equity at Bryant Park

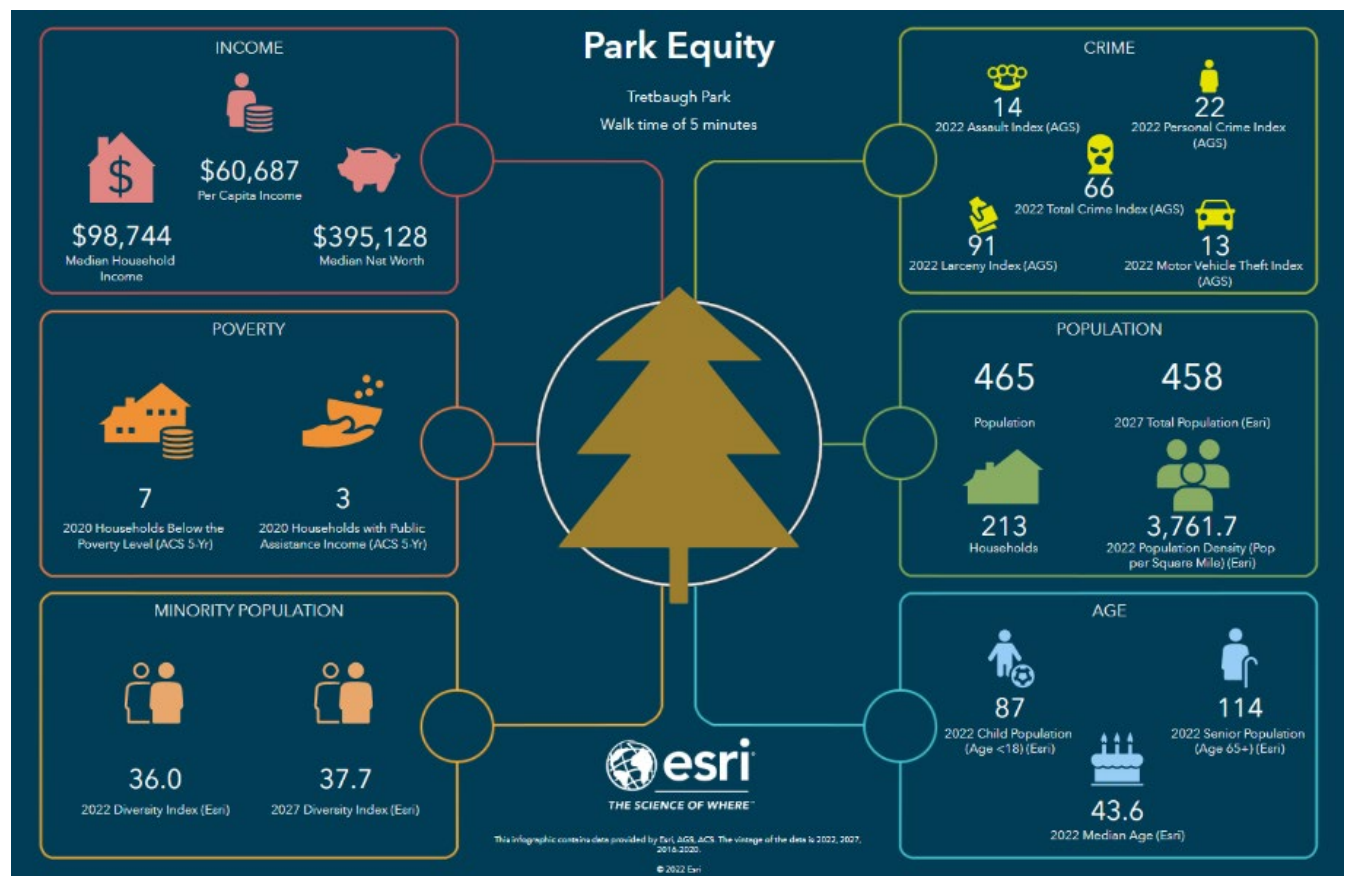


Graphic: Planned Construction at Bryant Park



Tretbaugh Park (3701 West 90th Street)

The Tretbaugh Park Renovation Project is the first of its kind bike skills park in Bloomington. The 2019 Park System Master Plan included significant community engagement which identified the desire for mountain bike facilities. Tretbaugh Park was chosen due to the decommissioning of ice rinks at that site. The infographic below highlights community characteristics within a five-minute walk of the park, however given its central location within the City, and connection to Bloomington’s trail network the park is targeted for widespread use in the community. Through further community engagement in 2022 and 2023 we heard the desire for a facility that provides opportunities for children and adults of all abilities and the desire for all-wheels, not exclusive to mountain bikes. The proposed project, a map of which can be seen below, includes a paved, all-wheel pump track with a natural surface mountain bike course to provide skill building opportunities. In partnership with City Engineering staff, the connecting sidewalk will be improved and a safe pedestrian crossing to the neighborhood will be provided.



Graphic: Park Equity at Tretbaugh Park

Bike Skills Course Views



HELP BLOOMINGTON PARKS GROW
bloom!

TRETBAUGH PARK OVERHEAD VIEW

ECR ENVIRONMENTAL
CONSULTING
CONFLUENCE
February 2024

Graphic: Planned Construction at Tretbaugh Park

3.3 Management of Proceeds

2024A Social Bonds proceeds will be specifically directed to pay the costs of pre-design, design, construction, property acquisition, and other related expenses necessary for the 2024A Social Bonds Projects. A portion of the proceeds will also be used to pay the cost of issuance and underwriters' fees related to the issuance of the Bonds.

The City's Finance Department is responsible for managing the proceeds of the bonds, which will be deposited into a subaccount of a separate capital improvement fund. Funds on deposit in the Project Fund will be invested in permitted investments per the City Investment Policy, available for review in the City's [Financial Management Policies](#), as allowed under Minnesota Statutes [Chapter 118A](#).

The City reasonably expects to spend all proceeds within three years. Allocation of proceeds will be tracked and reported within the annual comprehensive financial report and on the City's Investors website.

3.4 Reporting

The City will provide voluntary annual reports on expenditure of 2024A Bond proceeds until all proceeds have been spent. It is expected that all proceeds will be spent within three years. These reports may also include information on project construction progress and the performance of the parks. These reports will be made available on the City's investor website: bloomingtonmn.gov/investors.

4. SECOND PARTY OPINION

The City has engaged Kestrel 360, Inc., an Approved Verifier accredited by the Climate Bonds Initiative, to conduct an independent external review of the projects to evaluate conformance with the Social Bond Principles established by the International Capital Market Association (ICMA). The [Second Party Opinion](#) provides, among other things, that the Bonds are impactful, net zero aligned, conform with the four core components of the Social Bond Principles, and qualify for Social Bonds designation.

Sources:

- 1 Sources: [U.S. Census Bureau QuickFacts: United States; Bloomington city, Minnesota.; Annual Population Estimates - Metropolitan Council \(metrocouncil.org\)](#)
- 2 A copy of the Social Bond Principles is currently available at: [Social-Bond-Principles-SBP-June-2023-220623.pdf \(icmagroup.org\)](#)
- 3 According to the Social Bond Principles, examples of access to essential services include health, education and vocational training, healthcare, financing, and financial services.
- 4 According to the Social Bond Principles, examples of socioeconomic advancement and empowerment include equitable access to and control over assets, services, resources, and opportunities; equitable participation and integration into the market and society, including reduction of income inequality.
- 5 A copy of the High-Level Mapping to the Sustainable Development Goals is currently available at [Green-Social-and-Sustainability-Bonds-A-High-Level-Mapping-to-the-Sustainable-Development-Goals-June-2023-220623.pdf \(icmagroup.org\)](#)

City of Bloomington Links:

- [Strategic Plan Dashboard](#) (Bloomington. Tomorrow. Together.)
- [Office of Racial Equity, Inclusion and Belonging \(OREIB\)](#)
- [Sustainability](#)
- [Park System Master Plan \(PSMP\)](#)
- [PSMP Equity Prioritization tool](#)
- [Financial Management Policies](#)