



Section 3

DEVELOPMENT FRAMEWORK

3.1 The Big Picture

This section summarizes the factors that underlie the vision for future development in South Loop described in the *Signature Elements, Section 3.2, pages 3.13 - 3.36*, and *Framework Plans, Section 3.3, pages 3.37 - 3.86*.

3.1.1 Why is the South Loop Important to Bloomington?

- Represents two-thirds of the City's forecast residential and commercial development potential.
- Allows City to maximize benefits from substantial federal and regional public investment in the airport, in highways, in transit, and in a national wildlife refuge.
- City investment in public infrastructure such as utilities, streets, open space and landscape is more efficient when it serves more people.
- Adds to the City's housing choices and neighborhood variety.
- Serves as a catalyst for improved transit and recreational trail access throughout Bloomington.
- Enhances the City's financial strength by growing the tax base.

3.1.2 Trends that will Help South Loop

Trends observed in the region, across the nation, and internationally indicate that the vision for South Loop – as a walkable, mixed use, urban neighborhood – is not only viable, but will play an important role in ensuring Bloomington remains a top choice for new businesses and residents.

- **People are seeking high density, walkable neighborhoods:** Research suggests that about one in three homeowners prefer to live in high density, walkable districts inside and outside of downtown areas. Yet only about 10 percent of housing is located in such places, resulting in pent up demand.
- **Consumers prefer smaller homes close to job centers:** Demographic changes – particularly the increase in people living alone – is reflected in increased demand for smaller



South Loop's development potential makes Bloomington a top choice for new commerce.



Credit: Minneapolis-St. Paul International Airport

The Minneapolis-St. Paul (MSP) International Airport that is directly north of the District provides access to national and international destinations.



Credit: Big Stock Photo

homes. Young adults establishing their careers tend to prefer to live near where they work.

- **Transit-oriented districts will develop faster:** Work places and residents located within walking distance to transit allow people to significantly reduce vehicle use and associated costs. These efficiencies add to market demand for locations with convenient transit services.

- **MSP International Airport will grow:** The Metropolitan Airports Commission (MAC) projects that departures at MSP will grow 28 percent by 2020 and up to 67 percent by 2030. Convenient access to a major airport offering direct connections to national and international destinations will become increasingly important for businesses and employees involved in the global marketplace.

- **The Twin Cities region attracts young professionals:** In 2011 Forbes ranked the Twin Cities metro area #10 among metropolitan regions most attractive to young professionals (24 to 34 years old, holding a Bachelor's or graduate degree). These young professionals

have shown a preference for more efficient living patterns and transportation systems providing a range of options from bicycle paths and sidewalks to convenient transit services.

- **Economic clusters will be development engines:** Bloomington's semiconductor, hospitality and retail clusters, already located in South Loop, are currently expanding or planned to grow. The health care industry also has a strong presence in South Loop as the headquarters for Health Partners, which may attract new development in emerging medical technology industries.

- **Successful growth strategies will consider the environment:** Businesses in and near compact neighborhoods thrive because these areas offer conveniences, variety, and amenities that attract people. Market studies show that 25 to 30 percent of potential home buyers prefer these sustainable neighborhoods. This trend is expected to strengthen as the population ages.

3.1.3 Strategic Priorities

The following strategic priorities form the core of the *South Loop District Plan* vision. Setting priorities acknowledges that choices must be made to maximize allocation of limited staff and funding resources.

1. Foster Sustainable Development

Making South Loop a model of sustainability is central to the vision for the District. With the Minnesota Valley National Wildlife Refuge

(MVNWR) defining its east and south edge, South Loop enjoys convenient access to an extensive natural area and nature-based recreation. This interface also carries a responsibility to protect those resources and minimize development impacts.

Site design, building performance, and public infrastructure must reflect best practices in low impact, energy-efficient, and sustainable development. Sustainability can also be an important factor in attracting businesses as well as residents.

2. Establish Lindau Link as a Distinctive Place Connecting MOA and BCS

South Loop is anchored by two significant developments: Mall of America (MOA) and Bloomington Central Station (BCS). Physically and visually connecting these two development anchors and creating a core concentration of development between them is critical to making South Loop feel and function like a cohesive district. Lindau Link will be designed with a distinct physical character, creating a strong sense of place in South Loop. It will serve as a major pedestrian and transit corridor through the heart of South Loop and also help disperse vehicular traffic.

3. Make South Loop Smaller

South Loop north of 86th Street has mostly developed with large buildings and associated surface parking lots, which often occupy full blocks of land. The result is a typical suburban landscape lacking a sense of pedestrian scale and amenities. One of the aims of the *South Loop District Plan* is to encourage mixed use development within a fine-grained network of pedestrian-friendly, walkable streets. Streets with active storefronts and pedestrian amenities create a more comfortable and inviting environment for walking and gathering.

4. Strategic Investments

It will take many years for South Loop to fully develop. Given the evolving development environment, it is increasingly important to make strategic public investment commitments that create shared value. In South Loop, priority should be given to physical improvements that incent development along Lindau Link and complete key concepts described by the Signature Elements, describe in **Section 3.2**.

It is also essential to invest in opportunities that leverage other public and private investments in South Loop.

5. Enhance Neighborhood Livability

South Loop is intended as much as a place to live, as it is a place to work and enjoy leisure activities. Much of the south half of the District consists of an established residential neighborhood envisioned to remain intact. New residential neighborhoods are proposed in the northeast portion of South Loop. Whether a neighborhood is new or old, well-maintained and safe public facilities are essential to livability. Sidewalks, bike paths, and parks are amenities that make neighborhoods attractive and more livable. South Loop residents enjoy convenient access to the MVNWR and excellent transit service. Maintaining and improving upon these assets is an on-going objective.





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3.1.4 Growth Projections and Demographics

South Loop is projected to accommodate two-thirds (66 percent) of Bloomington’s forecast growth in population, housing, and employment through 2050. While this translates into a significant amount of new development, historical development patterns in the District and emerging development trends indicate that the projected development is attainable.

Key Findings

- Transforming the development pattern from typical suburban to a more vibrant, compact and urban pattern is key to making South Loop a premiere location for new, mixed use development in the Twin Cities region. However, this will require creative development tools and strategic public investments in public amenities and infrastructure.
- Proximity to Minneapolis-St. Paul (MSP) International Airport makes South Loop a unique location to attract development that is reliant on convenient access to air travel.
- Two major developments anchor South Loop: Mall of America (MOA) and Bloomington Central Station (BCS). Concentrating future development along a new, pedestrian-friendly street (Lindau Link) will physically connect these two anchors, establish a concentration of activity, and create a strong identity for South Loop.
- Creating new work places will drive development in South Loop. While the District is not currently considered a Class-A office location within the region, strategic public realm enhancements and opportunities for transit-oriented development will establish South Loop as a new high-amenity office location.
- The MOA functions as a major retail destination, regionally and nationally. New retail/commercial development will primarily be aimed at serving South Loop residents and employees.
- South Loop comprises the region’s second-largest concentration of hotel rooms, behind downtown Minneapolis. New office development in South Loop will generate opportunities for additional growth in lodging.
- Redevelopment sites near the intersection of 34th Avenue and American Boulevard present opportunities for new residential development to establish a transit-oriented neighborhood centered around the American Boulevard LRT station. This new residential neighborhood may lead the District’s transformation for the first decade.
- Between 2010 and 2030 the District is projected to add 1,700 new dwellings. This is clearly an achievable goal as it represents less than one percent of the approximate 310,000 new dwellings projected to be added in the Metro Area during the same period.

Development Projections

The South Loop District’s full development horizon extends out forty years to 2050. This long time frame was chosen in light of the ample land available for redevelopment and the anticipated slow economic recovery. Projections were also compiled for 2030 to illustrate mid-term development forecasts and to reflect the planning horizon for the City’s *Comprehensive Plan* and the Metropolitan Council’s *Regional Development Framework*.

Table 3.1, below, indicates the amount of development projected in South Loop by land use type. **Table 3.2, page 3.6,** projects the magnitude of development change for the two development phases: 2030 and 2050. It was assumed most new development, including all new residential development, will be located north of 86th Street. The area south of 86th Street is expected to remain as a stable, mostly single-family neighborhood.

The future development projections also considered the following factors and assumptions:

- Projections include proposed future development approved by the City Council, including: MOA expansion, BCS master plan, and Polar Semiconductor-Phase III.

- Future development amounts on sites without previously approved development plans were calculated on a parcel specific basis using the City’s “Forecast Tracker” model.
- Future development, particularly office, was assumed to be more compact with smaller, more efficient buildings and sites to reduce costs and conserve energy. A basic office development model of 200,000 square feet was assumed to be typical.
- Higher density development will be located to leverage investments in existing development and infrastructure. This is represented by the L-shaped area encompassing Lindau Link and the area around the American Boulevard LRT station.
- Existing airport zoning development limitations (uses, height, etc.) are assumed to remain in place through 2050.
- Given the amount of retail development in MOA (existing and planned expansion), it was assumed that other new retail would be limited to small amounts of convenience retail and commercial service uses supporting specific office, hotel, and/or residential development.



Table 3.1 South Loop District Development by Land Use Type

	Office and Office/Tech in s.f.	Retail in s.f.	Hotel in s.f.	Hotel Rooms	Residential Units
2010	3,174,000	4,575,000	1,596,300	2,884	1,166
2030	5,598,000	6,595,000	2,267,300	4,876	2,956
2050	8,574,000	8,125,000	2,890,440	6,216	4,102

Source: City of Bloomington, 2009.





Table 3.2 Change in South Loop Development, 2030 and 2050

Change	Office and Office/Tech in s.f.	Retail in s.f.	Hotel in s.f.	Hotel Rooms	Residential Units
2010 - 2030	+ 2,424,000 (+ 76%)	+ 2,020,000 (+ 44%)	+ 671,000 (+ 42%)	+ 1,992 (+ 69%)	+ 1,790 (+ 153%)
2030 - 2050	+ 2,976,000	+ 1,530,000	+ 623,140	+ 1,340	+ 1,146
Total 2010 - 2050	+ 5,400,000 (+ 170%)	+ 3,550,000 (+ 77%)	+ 1,294,140 (+ 81%)	+ 3,332 (+ 115%)	+ 2,936 (+ 252%)

Source: City of Bloomington, 2009.

As shown above, office development is projected to more than triple over the next 40 years, making South

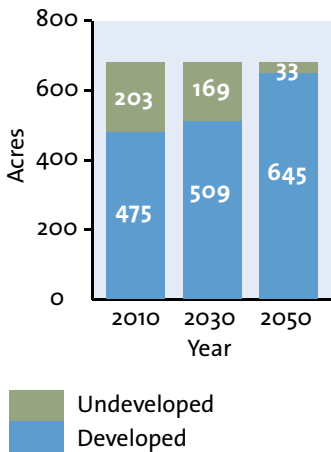
Loop a vital office center in the metropolitan region.

South Loop Development Pattern and Distribution

Figure 3.1, below, illustrates the breakdown of developed floor area for the three main types of development in South Loop. Currently, retail uses represent the majority (49 percent) of development in South Loop. Office and office/tech development represents about 34 percent of current development, but is projected to grow more than any other land use type. By 2050, office and office tech development is projected to represent 44 percent of all development.

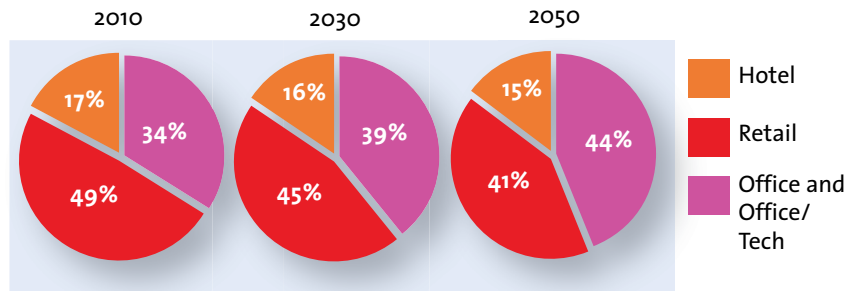
Currently, undeveloped land accounts for about 30 percent (203 acres) of the total developable area (678 acres) of South Loop north of 86th Street. By 2030, about 75 percent (509 acres) of South Loop will be developed and vacant land will comprise about 25 percent (162 acres). By 2050, most of South Loop will be developed; however, about 5 percent (33 acres) comprises the Runway Protection Zone and will remain undeveloped. See Figure 3.2, left sidebar.

Figure 3.2 Comparison of Developed and Undeveloped Land North of 86th Street, 2010-2050



Note: Total 678 acres, excluding existing and future roads.
Source: City of Bloomington, 2009.

Figure 3.1 Comparison of Floor Area by Development Type, 2010-2050



Note: Only land area north of 86th Street included in tabulation.
Source: City of Bloomington, 2009.

Demographic Projections

Like the development projections, future demographics for South Loop were projected for the near-term (2030) and full-term (2050) development phases. Existing demographic numbers were derived from the Minnesota Department of Employment and Economic Development (MnDEED) and the 2010 U.S. Census. The housing unit counts include the existing dwellings located south of 86th Street, however all new housing units will be located north of 86th Street.

Demographic assumptions

- Housing unit counts reflect planned/approved units or estimated units based on current density parameters.
- By 2030, 10-15 percent of new housing units should be affordable to home-owners earning 60 percent of the metro area median income

and renters earning 50 percent of the metro area median income.

- Household counts assumed vacancy rates of 1.9 percent for single family (SF) and 4.3 percent for multi-family (MF).
- Population counts assumed occupancy of 2.62 person/DU in SF and 1.65 persons/DU in MF.
- Projections assumed the following employee rates per square foot of development:

- Office = 0.0033/s.f.
- Retail = 0.0025/s.f.
- Hotel = 0.4/room
- Office/Tech = 0.00172/s.f.

Table 3.3, below, summarizes demographic projections for South Loop from 2010 through 2050. **Table 3.4, below,** illustrates the magnitude of change anticipated during each development phase.



Table 3.3 South Loop Demographics, 2010 to 2050

	Population	Households	Housing Units	Employment (Jobs)
Existing (2010)	2,025	1,044	1,166	30,946
2030	4,852	2,758	2,956	44,793
2050	6,739	3,856	4,102	58,976

Source: City of Bloomington, 2009, MnDEED and 2010 U.S. Census.

Table 3.4 South Loop Demographic Change, 2010 to 2050

Change	Population	Households	Housing Units	Employment (Jobs)
2010 - 2030	+ 2,827	+ 1,714	+ 1,790 (180 - 270 Affordable Units)	+ 13,847
2030 - 2050	+ 1,887	+ 1,098	+ 1,146 (114 - 170 Affordable Units)	+ 14,183
Total 2010 - 2050	+ 4,714 (+ 233%)	+ 2,812 (+ 269%)	+ 2,936 (294 - 440 Affordable Units) (+ 154%)	+ 28,030 (+ 91%)

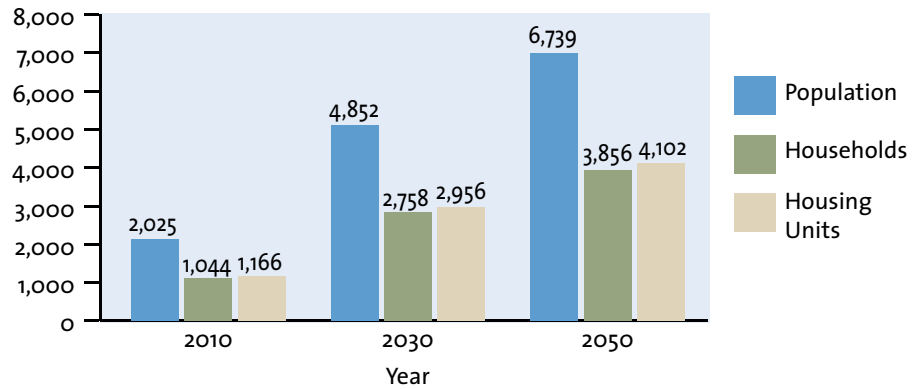
Source: City of Bloomington, 2009.



These projections underscore the significance South Loop will have in Bloomington's growth over the next several decades. The large increase in population (233 percent) is attributed in part to the fact that relatively few people currently live north of 86th

Street, where all new residential development in South Loop is planned to be located. **Figure 3.3, below**, illustrates projected growth in population, households, and housing units through 2050.

Figure 3.3
South Loop Population and Housing Growth, 2010-2050



Source: City of Bloomington, 2009.

Projected changes in employment are shown by industry type in **Tables 3.5 and 3.6, below**. This comparison clearly illustrates that the office and retail sectors will continue to be the primary employers in South

Loop. It is also apparent that, while currently, retail jobs dominate; by 2050 office related jobs are projected to be the primary type of employment in South Loop.

Table 3.5 South Loop District Employment by Industry Type (Jobs)

	Office and Office/Tech	Retail	Hotel
Existing	12,973	16,327	1,646
2030	21,680	20,667	2,446
2050	32,042	23,997	2,937

Source: City of Bloomington, 2009.

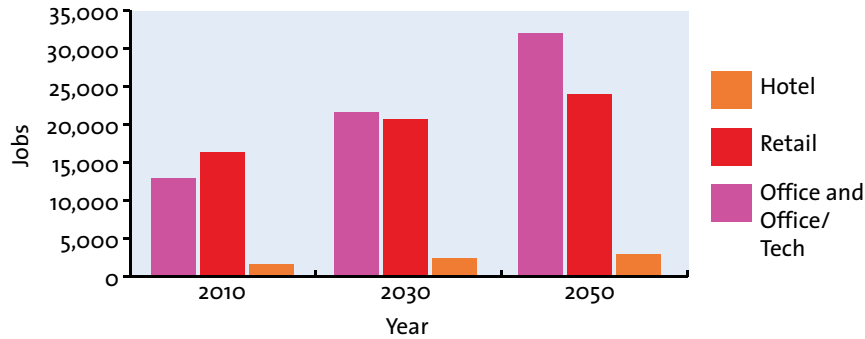
Table 3.6 South Loop District Employment Change (Jobs)

Change	Office and Office/Tech	Retail	Hotel
2010 - 2030	+ 8,707	+ 4,340	+ 800
2030 - 2050	+ 10,362	+ 3,330	+ 491
Total 2010 - 2050	+ 19,069 (+ 147%)	+ 7,670 (+ 47%)	+ 1,291 (+ 78%)

Source: City of Bloomington, 2009.

Figure 3.4, below, depicts employment changes projected for South Loop between 2010 and 2050.

Figure 3.4
Employment Change by Land Use Type, 2010-2050



Source: City of Bloomington, 2009.

Demographic Projections in Context of the Region

The South Loop District is anticipated to account for two-thirds of Bloomington’s forecast growth between 2010 to 2050. As such, the District plays a key role in defining the city’s place in the region. Data

in Tables 3.7 through 3.10, below and on the following page, describe the demographic characteristics of South Loop in context of Bloomington, Hennepin County, and the 7-County Metro Region.

Table 3.7
South Loop District and Bloomington Data, 2010 and 2030

	Population		Households		Employment (Jobs)	
	2010	2030	2010	2030	2010	2030
South Loop	2,025	4,852	1,044	2,758	30,946	44,793
Bloomington	82,893	88,953	35,905	39,531	88,928	113,118
South Loop as % of Bloomington	2.4%	5.5%	2.9%	7.0%	34.8%	39.6%

Source: City of Bloomington, 2009, MnDEED, 2010 U.S. Census.

Table 3.8 Population Growth, 2010 and 2030

Area	Population		Growth	
	2010	2030	Total Growth	% Increase
South Loop	2,025	4,852	2,827	139.6%
Bloomington	82,893	88,953	6,060	7.3%
Hennepin County	1,152,425	1,397,310	244,885	21.2%
Metro Area*	2,849,567	3,608,000	758,433	26.6%

Source: City of Bloomington and Metropolitan Council, 2012.

* Metro Area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties.





Table 3.9 Household Growth, 2010 and 2030

Area	Households		Growth	
	2010	2030	Total Growth	% Increase
South Loop	1,044	2,758	1,714	164.2%
Bloomington	35,905	39,531	3,626	10.1%
Hennepin County	475,913	594,465	118,552	24.9%
Metro Area*	1,117,749	1,492,000	374,251	33.5%

Source: City of Bloomington and Metropolitan Council, 2012.

Table 3.10 Employment Growth, 2010 and 2030

Area	Employment (Jobs)		Growth	
	2010	2030	Total Growth	% Increase
South Loop	30,946	44,793	13,847	44.7%
Bloomington	88,928	113,118	24,190	27.2%
Hennepin County	948,430	1,136,260	187,830	19.8%
Metro Area*	1,816,000	2,126,000	310,000	17.1%

Source: City of Bloomington and Metropolitan Council, 2012.

The comparative data in **Tables 3.9 and 3.10**, above, suggest that while projected development in South Loop is ambitious, it is also reasonably attainable in context of anticipated regional growth through 2030.

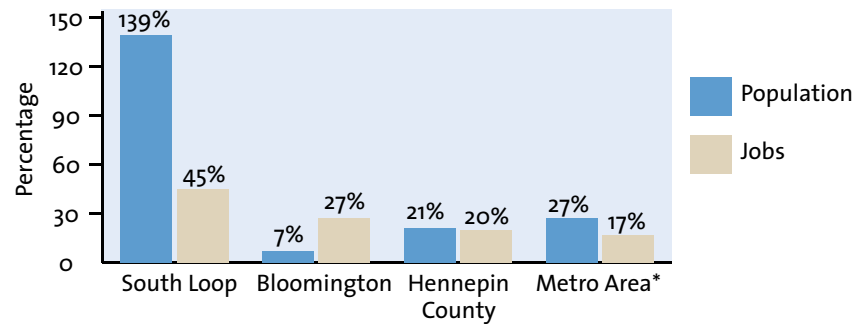
To meet the 2030 projections, South Loop will need to capture:

- 0.5 percent (1,700 out of 374,000) of total new housing units projected for the metro region; and

- 4.5 percent (13,800 out of 310,000) of total additional jobs projected for the metro region.

Given the small size of South Loop relative to the Metro Area, the magnitude of growth in South Loop is best illustrated by comparing the growth rates of Bloomington, Hennepin County, and the rest of the 7-County Metro Area. As shown in **Figure 3.5**, below, the growth rate

Figure 3.5 Population and Employment Growth Rates, 2010-2030



Source: City of Bloomington, 2009.

* The Metro Area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties.

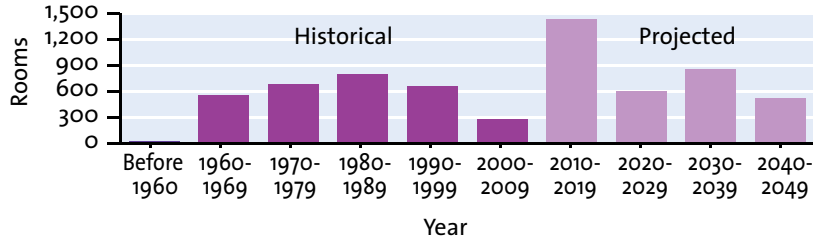
of population and jobs in South Loop exceeds the rates for the City, County, and Metro Region during the period 2010 to 2030.

Historical growth patterns, shown in **Figures 3.6 through 3.9**, below, also

suggest the amount of development projected in South Loop is attainable, particularly in light of national development trends that show pent up demand for high density, transit-oriented, walkable districts outside of downtowns.

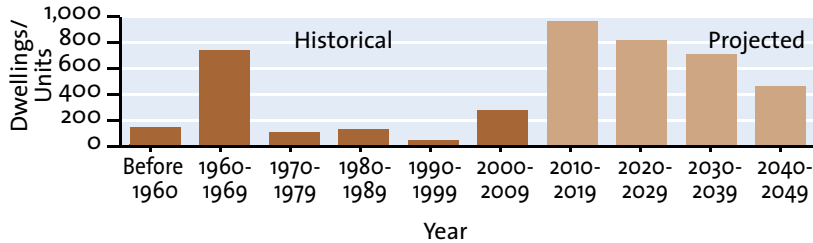


Figure 3.6
Historical and Projected Growth Patterns for Hotel Development



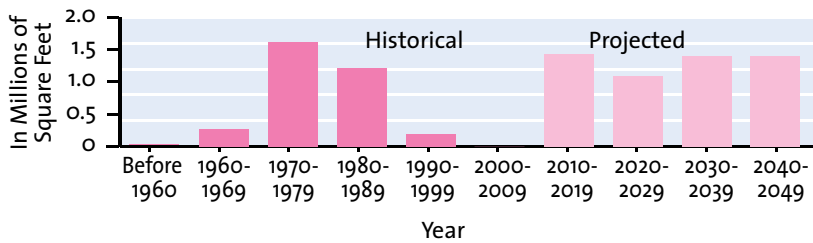
Source: City of Bloomington, 2009.

Figure 3.7
Historical and Projected Growth Patterns for Residential Development



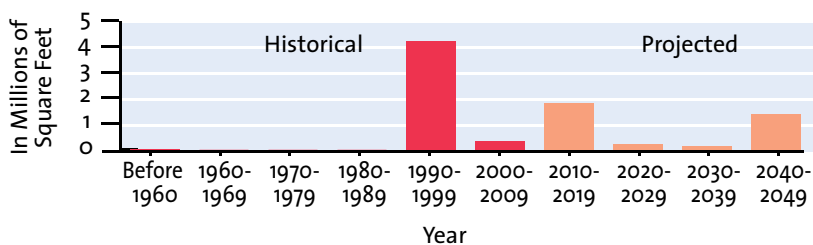
Source: City of Bloomington, 2009.

Figure 3.8
Historical and Projected Growth Patterns for Office Development



Source: City of Bloomington, 2009.

Figure 3.9
Historical and Projected Growth Patterns for Retail Development



Source: City of Bloomington, 2009.



Walkable districts around the U.S. have successfully attracted a disproportionate share of their region's new commercial and residential growth.

South Loop has several competitive advantages that will foster transit-oriented development and attract new development, including:

- Four LRT stations and excellent bus service, including Bus Rapid Transit (BRT) and rapid bus service, with convenient connections to downtown Minneapolis, St. Paul, and the region.
- Most of South Loop north of 86th Street is within a quarter mile of an LRT station. This is commonly accepted as a distance people will walk to use transit.
- Connections to the metro area regional trails system via the intercity and Nine Mile regional trails and proposed Minnesota Valley State Trail.

- Proximity to MSP International Airport, which is planned to expand to accommodate a projected 67 percent increase in departures by 2030. Good regional and international transportation access is critical in the global marketplace.

Transforming South Loop into a walkable, higher density district is key to meeting the 2030 and 2050 development projections. The following sections of this plan, particularly the *Signature Elements, Section 3.2, pages 3.13 - 3.36*, and *Framework Plans, Section 3.3, pages 3.37 - 3.86*, describe strategic public investments that will be critical to this transformation.