

**Study Meeting #34**  
**Monday, November 27, 2006, 7:00 p.m.**  
**Bloomington Civic Plaza**  
**1800 West Old Shakopee Road**  
**Bloomington, Minnesota 55431-3027**

**Call to Order**

Mayor Gene Winstead called the meeting to order at 7:05 p.m.

**Roll Call**

*Present:* Mayor Winstead, Councilmembers R. Axtell, S. Elkins, A. Grady, K. Nordstrom, and S. Peterson.

*Absent:* V. Wilcox.

**STUDY ITEM #1**  
**2007 General Fund &**  
**Property Tax Levy**  
**Review**

Lori Economy-Scholler, Chief Financial Officer presented a general overview of the General Fund Budget (“with no payment” of the Market Value Credit) and the draft Truth in Taxation (TNT) presentation, which is scheduled for 6:00 p.m. on Monday, December 4. Following her presentation, Council offered some suggestions for the slide presentation at the TNT public hearing. It was Council consensus to set the 2007 Tax Levy at 4.97% and to set the 2007 General Fund Budget at \$49,690,289.

City Manager Mark Bernhardson inquired if Council had any concerns relating to the changes to the building and inspection permit fees proposed for 2007 as listed below:

1. Adopt State’s Recommended Value Schedule for Building Permits:  
*(Council consensus to adopt as proposed.)*
2. Increase the Minimum Fees for Permits:  
*(Council consensus to adopt as proposed.)*
3. Implement Time-of-Sale Initiative:  
*(Council consensus to adopt as proposed.)*
4. Proposed 2007 Changes to the Food Establishment, Lodging Establishment, and Public Pool License Fees.

Larry Lee, Community Development Director explained that overall, food establishments do not increase the total revenue the City would receive substantially. The bottom line increase for the City as a whole would be approximately 3-5% across all of them, which is more or less what the City would be increasing them year-to-year anyway. He stated Lynn Moore, Environmental Health Manager believes the City’s old approach (based on the number of employees in an establishment) should be reclassified to reflect the State Food Code that the City operates under, which is to charge license fees based on risk instead (Types I – V). For example, the large full service type of restaurant, i.e. Olive Garden would be at a “High” risk level and would pay \$1,000 where a restaurant type with minimal food prep, i.e. a Caribou Coffee would be considered a “Medium-limited” level and would pay \$300. The coffee shops are the establishments that have pushed for this change, as they may have quite a large amount of employees, but the food risk at a Caribou or a Starbucks is quite minimal.

Elkins inquired why the fees appear to be substantially higher in Bloomington compared to other cities for some of the restaurant types.

Lee replied that other cities will probably begin to make a shift to this type of license fee structure but that Bloomington tends to be a trend setter in Hennepin County.

Grady commented that Bloomington seems to have a reputation of being a difficult place to own a restaurant with its high health standards and inquired if this change would make it even more difficult for restaurants to locate here.

**STUDY ITEM #1  
continued**

Lee stated that he hears from restaurants that they believe Bloomington's standards are very good for them, as it protects them. Environmental Health does a good job of working with Bloomington establishments to enforce the Code. Inspectors push for establishments to enforce Code which might be cheaper for them in the long run compared to the cost of dealing with a food borne outbreak in their establishment.

Winstead stated he has heard from the Hospitality Industry that Bloomington sets the bar very high, which some of the more ethnic, start-up or entrepreneurial-type restaurants might have a harder time meeting. He stated there could be some cases where a level of entry or opening for a restaurant could be safe and could pass an inspection but may need some rebuilding in a short period of time.

Lee stated the issue for some might be used equipment versus new equipment and that used equipment might not be able to demonstrate that it has an NSF seal on it.

Bernhardson inquired if the approach and the resulting fees make sense to the Council.

Grady stated her concern is that if restaurant owners have to install the best equipment and a full kitchen that they don't have to have in Richfield, for example, does this make it that much more difficult to own a restaurant in Bloomington.

Lee stated Richfield mimics Bloomington's standards but not necessarily our fees. However, they are looking to copy Bloomington's approach to establishing fees and will likely increase their fee structure. He stated an administrative hearing would be held to get feedback from the industry on the new approach and that taking everything into consideration, the City would see an increase of 3% overall in the total revenue collected from license fees.

Axtell inquired if staff would consider phasing in the new fee approach over a two-year time period rather than creating a one-year adjustment.

Nordstrom inquired who inspects the schools.

Lee replied that the City has been inspecting them but recent Federal legislation now requires they have two inspections per year by the delegated health inspection unit, which increases the City's inspection responsibility. Therefore, the new approach proposes charging schools a license fee. He added that the new fee approach is tied to the 2007 Budget.

*(Council consensus was to direct staff to proceed with conducting an administrative hearing on the new approach and fee schedule to get input from the hospitality industry.)*

**STUDY ITEM #2 –  
Strategic Planning –  
Governance –  
City Manager 2006  
Goal Setting**

City Manager Bernhardson summarized the documents that were provided and discussed by Council at the two previous meetings held on October 9 and 30. He provided Council with a memo summarizing the key directions from Council resulting from the October meetings and distributed the following new documents: City Manager 2006/2007 Goal Setting Work Plan Update (Attachment D), Council/Staff Communications Rules of Procedure Draft (Attachment E), and Council/ Commission/Staff Interface Questionnaire Summary (Attachment F). There was discussion about Bloomington being an employer of choice for some positions but not for all, as the field is very competitive for attorneys, engineers, and the Information Technology group. He requested and received Council feedback based on the following:

- Does the Work Plan meet Council's expectation?

Axtell stated the areas identified are significant and very strategic and are not little projects that only require a couple days of work. As a result, Council needs to have reasonable expectations and that everything scheduled for 2007 may not get done in 2007.

**STUDY ITEM #2  
continued**

It was stated much progress has been made with regard to succession planning and communication-related issues and that customer service is an area that the City should continually work on.

*(Council consensus was that compared to other cities, Bloomington is doing a good job with regard to customer service, which is evidenced by the few number of calls Council members receive.)*

Peterson commented he'd like to see the 24/7 service expansion software implemented by 2007 with a goal that a certain percentage of the residents pay their utility bills on line. It was also stated it might not happen overnight given the demographics in Bloomington, as older residents like to come in and pay in person.

With regard to the communication issue, Council inquired how other cities handle this issue.

Bernhardson replied staff did look at a Burnsville model but they've pulled back from that. It hasn't been an issue for 15 years but as Council listed it as a goal, the Rules of Procedure should probably be reviewed and adopted by Council. He stated all cities struggle with the issue of communications. He indicated a desire to meet with each Council member individually to discuss this and the issue of compensation.

Grady commented that she, Steve Peterson and Mark Thorson have been trying to get the Bloomington Leadership on track but they can't find someone to coordinate the effort. It was stated it might take some compensation to get someone to do it. The idea is that this group not be part of the Chamber or any other organization so it wouldn't be beholden to any particular group.

Council discussed the issue of interviewing commission candidates commenting it would take a lot of time. They liked getting resumes with the applications and suggested something be added to the commission application form requesting resumes be attached. *(Following the discussion, Council consensus was to continue with the commission selection process as it currently exists.)*

*(Additional comments regarding commissions included support for having the Mayor involved in orientation session for new commissioners and that new members should attend a development class. Council also agreed that all commissions should submit a Work Plan.)*

**Study Item #3 –  
2007 Legislative  
Policy Draft**

Bernhardson reviewed the proposed changes for the 2007 Legislative Policies document and briefly touched on the following: Transportation Funding, Commercial Vehicle Noise Generation, Airport Noise Mitigation, Airport Expansion, Community Development Renewal, Mall of America (MOA) Phase II, Workforce Housing, Civil Penalties, Right-of-Way (ROW) Communications, State/Local Governance Relationship, Eminent Domain, Joint Airport Zoning, Freedom to Breathe Legislation, and a Cigarette Tax Levy. He stated the MIRS issue was accidentally deleted but would be included in the final document.

Council commented as follows:

- Include Council's support of any LMC or AMM policies.
- Taxing land and improvements discourages redevelopment so new incentives are needed to entice undeveloped landowners to redevelop. If the Council is interested, LMC or AMM could study the concept to see how it would work in Minnesota.

*(Staff to incorporate Council's comments into the final document.)*

**Study Item #4 –  
2030 Development  
Forecasts**

Larry Lee introduced this item and stated Glen Markegard, Senior Planner had started work on the Comprehensive Plan Update and the Sewering Forecast and would be presenting recently prepared development forecasts out to the year 2030.

Markegard reviewed the following maps and charts provided in the agenda materials:

- Map depicting the location of forecast growth.
- Chart depicting historic and forecast employment data.

**Study Item #4  
continued**

- Table depicting employment data, 1995-2005.
- Chart depicting historic and forecast household data.
- Chart depicting housing unit building permit data, 2000-2005.
- Map depicting the relative location of forecast employment and household growth citywide.

Markegard stated staff chose the aggressive growth scenario using fairly sophisticated projections, as it's hard to get the forecasts increased once the Comp Plan has been submitted and approved. If the forecasts have to be increased on any given project, it makes it more difficult to get regional approval. Some of the forecast figures he presented for Bloomington included the following:

- Employment Forecast: (39,000 new jobs between now and 2030 – a 40% growth or approximately 1500 new jobs per year.)
- Households Forecast Comparison: (4100 new units from 2005-2030 – a 11% growth or 164 units per year.)

Markegard stated the new sewer model will be a useful tool especially when discussing the growth areas, and in particular, the commercial zones.

**Study Item # 5 –  
Normandale Lake  
Area Study**

Larry Lee introduced this item stating Bob Sharlin and Julia Farnham, Planners would be presenting an overview of SRF's work to date and the critical issues identified during the public and Advisory Commission review process regarding the Normandale Lake Area Study. He stated staff requests feedback from Council in preparation for selecting a preferred alternative for 84<sup>th</sup> & Normandale, which is scheduled to occur at the December 4 Council meeting.

Sharlin began by providing background on the plans Council approved in August 1999 for the Norman Pointe I development and the Environmental Impact Statement (EIS) that was initiated by Duke Realty in 2000 to study the extent of any potential impacts related to an entire project (in total four office buildings) that would redevelop all of the Duke Realty property. He described how the traffic study was broken down, the eight different building scenarios that were analyzed, and what the Council approved in 2001, of which Building #2 is just finally under construction.

Farnham continued the discussion by requesting Council think about the following in anticipation of the December 4<sup>th</sup> meeting:

- Which "Build" Alternative does Council want to proceed with along with the "No Build" Alternative? (The Planning Commission and the public support the "No Build" Alternative, which means no intersection improvements.)

Axtell inquired at what point is development stalled if the City doesn't do any improvements right now but waits until it becomes absolutely necessary.

Lee replied it's a policy question for Council – what Level of Service does it want on the local road system and at which point does the City want to invest in the road system or makes a determination the Council won't approve any more development in the area.

Ornstein stated he would provide Council with a confidential analysis regarding the legal ramifications related to development and road improvements in this area.

Axtell stated he struggles with the economic impact of making improvements to fix the problem and doesn't necessarily agree with the SRF traffic numbers.

Peterson stated the County spent \$6 - \$6.5 million on the France and Old Shakopee Road intersection but the 84<sup>th</sup> & Normandale intersection is much bigger.

**Study Item #5  
continued**

Bernhardson stated the City is trying to anticipate what will happen at 84<sup>th</sup> & Normandale, which is different from when the Mall of America Phase I was developed. There the traffic improvements were done prior to the project. So the question is, does Council want to improve the intersection at 84<sup>th</sup> & Normandale from its current Level of Service "F," as it's been a sensitive issue for the last 25 years with the residents in the area between 94<sup>th</sup> & Highwood Drive to 84<sup>th</sup> Street & France Avenue making the most complaints.

Axtell stated he has a concern regarding safety on Normandale Boulevard from 84<sup>th</sup> to 90<sup>th</sup> Street that needs to be addressed.

Elkins inquired about possible grant money that might be available for this intersection which would be awarded in 2008 for construction in 2012.

Charles Honchell, Public Works Director stated the City couldn't submit two projects in the same corridor for funding in the same cycle.

Elkins inquired about the EIS related to the East Bush Lake Road/Highwood Drive slip ramp.

Sharlin replied that came with the upgrading of Bush Lake Road along with the upgrade of the shoulder area, which modified the approach and departure lanes at the intersection of East Bush Lake Road.

Regarding the alternatives, Lee explained SRF designed 10-12, all of which were presented to staff, and the result is one at-grade solution, the best an engineer could design without putting in a structure, and one alternative that is a bridge solution. If Council would like SRF to conduct more studies, it should direct staff to proceed in that direction. Of the "Build" alternatives presented, it was stated the Planning Commission preferred Alternative A be studied further and the Traffic & Transportation Advisory Commission (TTAC) preferred Alternative B be studied further while the Parks, Arts & Recreation Commission (PARC) has not yet reviewed the alternatives.

There was discussion about whether or not the Stanley Avenue/Nine Mile Creek Parkway area should be considered in conjunction with this study and staff indicated they would provide Council with the traffic counts on Stanley Avenue. Also discussed was the need to improve the north/south connection from 84<sup>th</sup> Street to American Boulevard. However, it was stated the Normandale intersection needs to be solved independently of the American Boulevard situation.

Nordstrom suggested fixing the island at 94<sup>th</sup> & Normandale also.

Council expressed a comfort level with the "No Build" and the "Build" alternatives presented to them for consideration.

For clarification, it was stated the Planning Commission supports Alternative A including a pedestrian bridge but TTAC unanimously voted against a pedestrian bridge but supported a grade-separated design with an underpass enhancement for pedestrians. Under Alternative B, pedestrians would be able to cross under Normandale at 84<sup>th</sup> Street. They did request earthen approaches to the pedestrian bridge be used if a pedestrian bridge is included in the project.

Elkins stated a crossing underneath an overpass at the intersection would be safer than Alternative A.

Regarding Council's feedback for staff direction, Bernhardson summarized the following:

- Does Council want SRF to devise and analyze other intersection designs for 84<sup>th</sup> & Normandale? (*Council consensus was no. Go with the ones already identified but keep the others on the back burner and be ready to illustrate how much of a problem they've created.*)

**Study Item #5  
Continued**

- Should the optional road improvements move forward for further study? (*Don't discharge them now but put them in a holding pattern for future redevelopment and move forward with getting back on Stanley and Nine Mile Creek Parkway so it can be addressed in a very timely fashion.*)
- Should a cost/benefit be determined? (*Hold on that for now but analyze the traffic impacts for right-in, right-out to see how much better that flows and start breaking out the traffic flow data.*)

**Adjourn Meeting**

Mayor Winstead adjourned the meeting at 10:57 p.m.

Barbara Clawson  
Council Secretary