

Penn and American Phase II nearly ready to break ground

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Finance & Commerce
September 2, 2013



Phase II, shown in the foreground, includes housing and a 108-room extended-stay hotel, a 200-seat restaurant and around 9,000 square feet of retail or office space. The second building will house a 28,600 square-foot grocery store. (Submitted rendering)

An ambitious multi-building and mixed-use development in Bloomington is maybe a month from final approval and groundbreaking.

United Properties and Kimley-Horn and Associates submitted [plans](#) for the Penn and American Phase II project, which includes a hotel, restaurant, retail and a grocery store, to Bloomington city officials in late July. Those plans will be considered for the first time in September.

The city's Housing and Redevelopment Authority owns the plot of land at 8001 Penn Ave. S. — at the southeast quadrant of Penn and American Boulevard West — and wants to transfer the land to the two companies. Doug Grout, head of the city's HRA, said negotiations for the land sale are ongoing, but said the authority expects to receive some TIF financing as part of the deal.

Grout spoke highly of the project Thursday. "We think it's terrific," he said. "The development is just really impressive."

The proposed project includes two buildings, according to an emailed statement from Keith Ulstad, United's senior vice president of retail.

The first will include a 108-room extended-stay hotel with about 63,000 square feet of floor space, a 200-seat restaurant and around 9,000 square feet of retail or office space. The other building, spread out over one story, will be a 28,600 square-foot grocery store. United and the city both declined to say which businesses could occupy the space.

According to Ulstad, the company hopes to break ground in October and complete the buildings by fall 2014.

United Properties and Kimley-Horn submitted development plans for 8001 Penn Avenue South in Bloomington in late July. The companies expect to develop a five-story mixed use building and a grocery store on the site, which would sit north across from the 234-unit Genessee apartment and townhome complex. (Staff photo: Bill Klotz)

The development would sit north across West 80½ Street from the recently-opened 234-unit [Genessee](#) apartment and townhome complex at 8055 Penn Ave. S. The complex, a joint effort between United and StuartCo, was considered the first phase of development at the intersection of Penn and American Boulevard, just south of Interstate 494 and west of I-35W.



Kimley-Horn will perform land preparation for the project, which senior project manager Thomas Lincoln said is about the company's fifth project in the area.

"It's been a fantastic project for us," Lincoln said. "We've really enjoyed working with United Properties."

City officials say they are excited to see development interest in the area, which they refer to as the [Penn-American District](#). Planners consider the district one of the top three contributing areas to Bloomington's future growth.

"We see the [Phase II] project as a demonstration for the vision for the Penn-America area, setting the tone for what we hope is significant future redevelopment in the district," said Glen Markegard, city planning manager.

Markegard said other properties in the area are also receiving considerable interest. He said that a "national developer" recently told the city that Penn-American has "a lot of potential," and added the city considers several lots in the district "ripe for development." Markegard declined to cite specific examples.

The area has also been deemed a "transit improvement area," mostly because of an eventual stop on the planned Orange Line Bus Rapid Transit project. The Orange Line would run about 16 miles from downtown Minneapolis to the Burnsville Transit Station. That project, budgeted at roughly \$160 million, is expected to be under construction by 2016 with service by 2019.

Grout said the advent of the Orange Line has been a strong selling point for development along American Boulevard. A bus stop would be either inside of or adjacent to the Penn-American district.

"Transit is absolutely essential to what we're looking to do, both from a residential and retail standpoint," he said.

The development plan was set to go before the Bloomington Planning Commission Sept. 5, but city staff has already recommended more time to review the plans before a public hearing Sept. 26. If approved then, the project would go to the Bloomington City Council, likely Oct. 7.

"The feedback we've received from the surrounding area has been positive," Markegard said. "The proposed grocer would serve as excellent amenity to the district, and we hope to attract even more multifamily residential [development] to the area."