



Port Authority AGENDA

**PORT AUTHORITY MEETING
TUESDAY, JULY 15, 2025
COUNCIL CHAMBERS
BLOOMINGTON CIVIC PLAZA
1800 W. OLD SHAKOPEE RD.
BLOOMINGTON, MN 55431
5:15 PM**

ANNOUNCEMENT

Some Port Authority members and presenters may participate electronically as permitted by Minnesota Statutes. Members of the public may attend in person or watch on the City's YouTube channel: [blm.mn/YouTube](https://www.bloomingtonmn.gov/YouTube).

CALL TO ORDER

The Port Authority Commission requests attendees silence their cell phones during the meeting. A paper copy of the full agenda packet is available for viewing in the 3-ring binder at the entrance of Council Chambers.

1. APPROVAL OF MINUTES

- 1.1 Approval of Port Authority Meeting Minutes

2. NEW BUSINESS

- 2.1 Bloom in Bloomington Intern Introductions
- 2.2 Metropolitan Council Livable Communities Transit-Oriented Development Grant Resolution of Support
- 2.3 Carbon31 Refinance - Agreement Changes Outline
- 2.4 Prevailing Wage Update

3. ADMINISTRATOR UPDATES

- 3.1 Administrator Updates

4. RECESS

Port will take a brief recess to transition to an interactive retreat in another part of the Council Chamber.

The purpose of the interactive retreat discussion is to develop the Port Authority mission statement.

Because the commissioners will be leaving the dais and will not be seated at microphones and working in small groups and in facilitated conversations, this portion of the meeting will not be livestreamed. Members of the public present in Council Chambers may stay and observe the retreat.

5. INTERACTIVE RETREAT

Facilitated discussion developing the Port mission statement.

- 5.1 Port Authority Mission Statement Workshop

ADJOURNMENT

BloomingtonMN.gov: A yearly meeting schedule, agendas, and the official minutes once approved are available. If you require a reasonable accommodation, please call 952-563-8733 (MN Relay 711) as soon as possible, but no later than 9:00 a.m. one business day before the meeting day.

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



Commission Agenda Item

Originator Port Authority	Item 1.1 Approval of Port Authority Meeting Minutes
Agenda Section APPROVAL OF MINUTES	Date July 15, 2025

Requested Action:

Motion by _____, second by _____ to approve the minutes of the June 17, 2025 Port Authority Commission meeting.

Description:

Attached for Port Authority Commission approval, are the draft minutes of the meeting held June 17, 2025.

Attachments:

[2025 June 17 PA Unapproved Minutes](#)



**Port Authority Meeting
UNAPPROVED MINUTES**

Port Authority Commission Meeting
Tuesday, June 17, 2025
5:15p.m.
Council Chambers
Bloomington Civic Plaza
1800 West Old Shakopee Road
Bloomington, MN 55431

[CLICK HERE FOR MEETING VIDEO](#)

CALL TO ORDER

President Erickson called the Port Authority Commission meeting to order at 5:15p.m.

Commission Members Present:

- Erickson
- Busse
- Hunt
- Keller
- Lunz
- Peterson (arrived 5:17pm)
- Nelson (arrived 5:19pm)

Staff Present:

- Holly Masek, Port Authority Administrator
- Barb Wolff, Assistant Port Authority Administrator
- Kevin Knase, Assistant Port Authority Administrator
- Lori Economy-Scholler, Chief Financial Officer
- Melissa Manderschied

APPROVAL OF MINUTES

Item 1.1

**Approval of Port Authority
Meeting Minutes**

M/Busse, S/Hunt: to approve the minutes of the May 20, 2025 Port Authority Commission meeting.

Motion carried 4-0. (Keller abstained, Peterson & Nelson hadn't yet arrived when vote was taken.)

ORGANIZATIONAL BUSINESS

Item 2.1

**Approve Agreement and
Appointment for Bond Counsel,
Termination of Interim Bond
Counsel Agreement**

M/Hunt, S/Keller: to name Kutak Rock as the Port Authority's Bond Counsel and to approve the related agreement with Kutak Rock LLP and the termination of the related interim agreement with Kutak Rock for the same services.

Motion carried 6-0. (Nelson had not yet arrived when vote was taken.)

Item 2.2

**External Auditor's Report on 2024
Annual Financial Report**

Andy Hering, Audit Partner from Redpath & Co. presented the 2024 Annual Financial Report.

M/Hunt, S/Peterson: to accept the Port Authority's Annual Comprehensive Financial Report for calendar year 2024.

Motion carried 7-0.

NEW BUSINESS

Item 3.1

Elevate Hennepin Update

Barb Wolff presented information about the Elevate Hennepin Program services used by Bloomington businesses. Brandon Bell, Principal Planning Analyst with Hennepin County, stood for questions. (Presentation begins at minute 20:30 of the meeting video.)

Item 3.2
Resolutions Approving 2025 State
Legislation Requiring Local
Approval

Kevin Knase presented background and summaries of the two Resolutions required as a result of the special legislation.

1. Ramada Property Tax Exemption The Port Authority of the city of Bloomington acquired three properties, collectively known as the Ramada Property site, in May 2016. The Ramada Property was purchased for the public purpose of economic development and Minn. Stat. section 272.02, subdivision 39 exempts the property from property tax for a period of 9 years. Attracting development to the site has been challenging due to the holding of this site for a potential World Expo, and more recently climbing interest rates and construction costs. Without this legislation, the tax exemption would have ended this year (2025). The State Legislature authorized a 6-year extension of the economic development public purpose exemption for this site. The long-term vision continues to be development of the property consistent with the South Loop District Plan. The deadline for staff to file an application for exemption with the assessor is June 30, 2025 in order to maintain the property tax exemption.

2. Spending Plan TIF Extension and Flexibility The Mall of America has been working to secure private financing for the Mystery Cove water park project. Due to a challenging development environment, additional time is needed to finalize financing agreements. The legislation grants a 2-year extension to December 31, 2027 to the construction and expenditure deadlines for tax increment financing approved under the temporary authority granted in the City's adopted spending plan. Additionally, the City may amend its spending plan to authorize the changes in this legislation, which would occur in a future action.

M/Busse, S/Lunz: to approve RESOLUTION NO. 04- BPA- 25, a resolution approving Laws of Minnesota 2025, 1st Special Session, Chapter 13 (HF 9), Article 2, Section 17, authorizing the City of Bloomington to file an application for property tax exemption for certain property owned by the Port Authority of the City of Bloomington; and to authorize related actions consistent with the intent of the Resolution.

Motion carried 7-0.

M/Busse, S/Peterson: to approve RESOLUTION NO. 05- BPA- 25, a resolution approving Laws of Minnesota 2025, 1st Special Session, Chapter 13 (HF 9), Article 5, Section 6, authorizing the City of Bloomington to amend its spending plan to spend, loan, or invest transferred increment, as authorized under section 469.176, subdivision 4n, through December 31, 2027; and to authorize related actions consistent with the intent of the Resolution.

Motion carried 7-0.

Item 3.3
Ramada Property Purchase
Agreement Termination

Kevin Knase presented the history of the Purchase Agreement. The agreement was approved at the May 20th Port Authority and June 2nd City Council meetings. The 9 year economic development exemption period per Minn. Stat. section 272.02, subdivision 39 was ending this year and the Port and City were evaluating use of the property, which resulted in the execution of the purchase agreement. During its Special Legislative Session on June 9th, 2025, the State Legislature authorized a 6-year extension of the economic development public purpose exemption for this site until 2031. Staff recommends terminating the purchase agreement and filing for the extension of the exemption period to maintain the property for economic development purposes. The City Council will be considering this same item on June 30th.

M/Nelson, S/Busse: to approve a termination of purchase agreement executed by the Port Authority and City of Bloomington for the Former Ramada/Thunderbird Hotel Site and authorization to execute all related and necessary documents required.

Motion carried 7-0.

Item 3.4
Bloomington Central Station
Grocery – Amende and Restated
Recapture Agreement Update

Kevin Knase provided history regarding the Amended and Restated Recapture Agreement which was approved by the Port Authority Commission at its May 20, 2025, meeting, with an amendment introduced by Commissioner Lunz regarding language referencing a function the President of the Appraisal Institute does not provide. Port staff and McGough collaborated to revise the language to clarify which entity would appoint an appraiser under such circumstances. In addition, McGough requested a minor modification to the "Reporting" section upon this further review. This change clarifies how the grocery business will report gross sales for the purpose of calculating percentage rent. The revision aligns with both the Grocery tenant lease and the Recapture Agreement. However, because this change was not included in the version approved on May 20, 2025 the agreement must return to the Commission for further approval.

M/Peterson, S/Lunz: to approve the AMENDED AND RESTATED RECAPTURE AGREEMENT with BCS4 Multifamily, LLC as substantially set forth in this agenda item.

Motion carried 7-0.

ADMINISTRATOR UPDATES
Item 4.1

Brief general updates provided by Port Authority Administrator.

- Masek reiterated the legislative updates sent to the commissioners previously via email
- Masek reminded the commissioners that the annual budget discussion is fast approaching. Also, the Port's funds (levy vs. other funds) will be renamed in the near future.
- The Port contribution of up to \$90,000 for the Hatch Bloomington award has been reduced to \$50,000 because Stearns Bank is contributing \$40,000.

ADJOURNMENT

President Erickson adjourned the meeting at 6:30pm.



Commission Agenda Item

Originator Community Development	Item 2.1 Bloom in Bloomington Intern Introductions
Agenda Section NEW BUSINESS	Date July 15, 2025

Requested Action:

Information only.

Item presented by: Warsan Artan

Description:

Warsan Artan, Bloom Program Facilitator, will provide a brief update on the 2025 Bloom in Bloomington Internship Program, a youth workforce development program currently in its third year of operation.

Several Bloom in Bloomington interns will have an opportunity to share their experiences in the program.

The following interns will be present:

- Holland Juell, Bloom in Bloomington Intern, Port Authority
- Cameron McNish, Bloom in Bloomington Intern, Bloomington Public Schools' IT Department
- Ammar Elmustafa, Bloom in Bloomington Intern, Community Outreach & Engagement Division (COED)



Commission Agenda Item

Originator Port Authority	Item 2.2 Metropolitan Council Livable Communities Transit-Oriented Development Grant Resolution of Support
Agenda Section NEW BUSINESS	Date July 15, 2025

Requested Action:

Motion by ____, second by ____, to adopt Resolution No. ____BPA-25, a resolution authorizing the application and execution of a grant agreement for the Livable Communities and Demonstration Account Transit-Oriented Development Funding.

Description:

The Port Authority is requested to approve a resolution to authorize entering into a grant agreement for a Metropolitan Council Livable Communities Demonstration Account grant. The grant would support Kraus-Anderson's planned redevelopment project at Southtown.

Background

The Metropolitan Council provides the opportunity for grant funding through the Livable Communities Grant programs, including the Transit-Oriented Development (TOD) program, which is the subject of the item. The TOD program provides funding for moderate- to higher-density projects located within easy walking distance of a major transit stop. Grants can be used for environment sustainability, project site work, improving connections, design, among other uses.

The Port Authority intends to apply for funds to support Kraus-Anderson's development of approximately 130 units of rental housing on the former auto dealership site at Southtown. The development would be directly adjacent to the Metro Orange Line BRT stop at Knox Avenue and American Boulevard. The funds would be used for underground storm water and other utilities as well as project site improvements and landscaping. As part of the grant application the Port Authority must provide a resolution of support. Attached is a resolution of support that would fulfill that requirement for the application.

Attachments:

[Resolution](#)

RESOLUTION NO. ____-BPA-25

**RESOLUTION AUTHORIZING AN APPLICATION AND
AUTHORIZING THE EXECUTION OF GRANT AGREEMENT FOR THE
LIVABLE COMMUNITIES TRANSIT ORIENTED DEVELOPMENT
FUNDING**

WHEREAS, the City of Bloomington, Minnesota ("City") is a participant in the Livable Communities Act's Livable Communities Development Account Program for 2025 as determined by the Metropolitan Council, and therefore the Port Authority of the City of Bloomington (the "Authority") is eligible to apply for Livable Communities Demonstration Account funds ("LCDA Funds"); and

WHEREAS, the Authority has a project ("Project") that meets the Demonstration Account's purposes and criteria and is consistent with and promotes the purposes of the Metropolitan Livable Communities Act Transit Oriented Development Funds and the policies of the Metropolitan Council's adopted metropolitan development guide; and

WHEREAS, the project is the Kraus-Anderson's Southtown rental housing development project on the former auto-dealership parcel at 1750 American Blvd W.; and

WHEREAS, the Authority has the institutional, managerial, and financial capability to ensure adequate project administration; and

WHEREAS, the Authority certifies that it will comply with all applicable laws and regulations as stated in the grant agreement; and

WHEREAS, the Authority agrees to act as legal sponsor for the project contained in the grant application submitted on or before August 11, 2025; and

WHEREAS, the Authority acknowledges Livable Communities Demonstration Account grants are intended to fund projects or project components that can serve as models, examples or prototypes for development or redevelopment projects elsewhere in the region, and therefore represents that the proposed project or key components of the proposed project can be replicated in other metropolitan-area communities; and

WHEREAS, only a limited amount of grant funding is available through the Metropolitan Council's Livable Communities Demonstration Account during each funding cycle and the Metropolitan Council has determined it is appropriate to allocate those scarce grant funds only to eligible projects that would not occur without the availability of Demonstration Account grant funding.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE BLOOMINGTON PORT AUTHORITY, that based upon the foregoing,

1. The Port Authority finds that it is in the best interests of the Port Authority's development goals and priorities for the proposed Project to occur.
2. The Port Authority finds that the project components for which the Livable Communities Demonstration Account funding is sought will not occur solely through private or other public investment within the reasonably foreseeable future; and will occur within three years after a grant award only if Livable Communities Demonstration Account Transit Oriented Development funding is made available for the Project at this time.
3. The Port Authority represents that the Authority has undertaken reasonable and good faith efforts to procure funding for the Project component for which Livable Communities Demonstration Account funding is sought but was not able to find or secure from other sources funding that is necessary for Project component completion within three years and states that this representation is based on the following reasons and supporting facts:
 - a. LCDA Funds is an essential funding source for the Kraus-Anderson rental housing development Project as outlined in the application.
 - b. The requested elements may not be of the quality or demonstration value, without an award of LCDA funds.
4. That the Port Authority Board of Commissioners authorizes its Port Administrator to submit, on behalf of the Authority, an application for

Metropolitan Council Livable Communities Demonstration Account grant funds for the Project components identified in the application.

5. That upon approval of the application by Metropolitan Council, the Authority may enter into agreements with the Metropolitan Council for the above referenced Project.
6. That the Port Authority Administrator, or designee, are hereby authorized to execute such related agreements as are necessary to implement the Projects on behalf of the Authority.

Passed and adopted this ____ day of _____, 2025.

Port Authority President

ATTEST:

Secretary to the Port Authority

Reviewed by Port Counsel



Commission Agenda Item

Originator Community Development	Item 2.3 Carbon31 Refinance - Agreement Changes Outline
Agenda Section NEW BUSINESS	Date July 15, 2025

Requested Action:

Discussion Only

Description:

McGough is hoping to refinance the construction loan on Carbon31 now that the property is constructed and leasing is stabilized. Their intention is to refinance with Fannie Mae due to favorable loan terms. However, Fannie Mae's guidelines do not allow for inclusion of TIF income as collateral nor for financial subordination of their existing TIF loan with Bridgewater Bank. To be able to use the TIF income as collateral to generate loan proceeds that are necessary for the refinancing, the creation of a separate, newly-formed entity would be required.

McGough is proposing the creation of BCS4 TIF, LLC, which would be assigned the existing Tax Increment Financing (TIF) agreements. The current property-owning entity, BCS4 Multifamily, LLC, would remain in place and continue owning and operating the property as well as the debtor for the Fannie Mae loan. Both entities would be held under the same parent company, BCS4 Parent, LLC. This restructuring would allow the refinancing to move forward while addressing lender requirements and does not change the nature or intent of the existing agreements with the City.

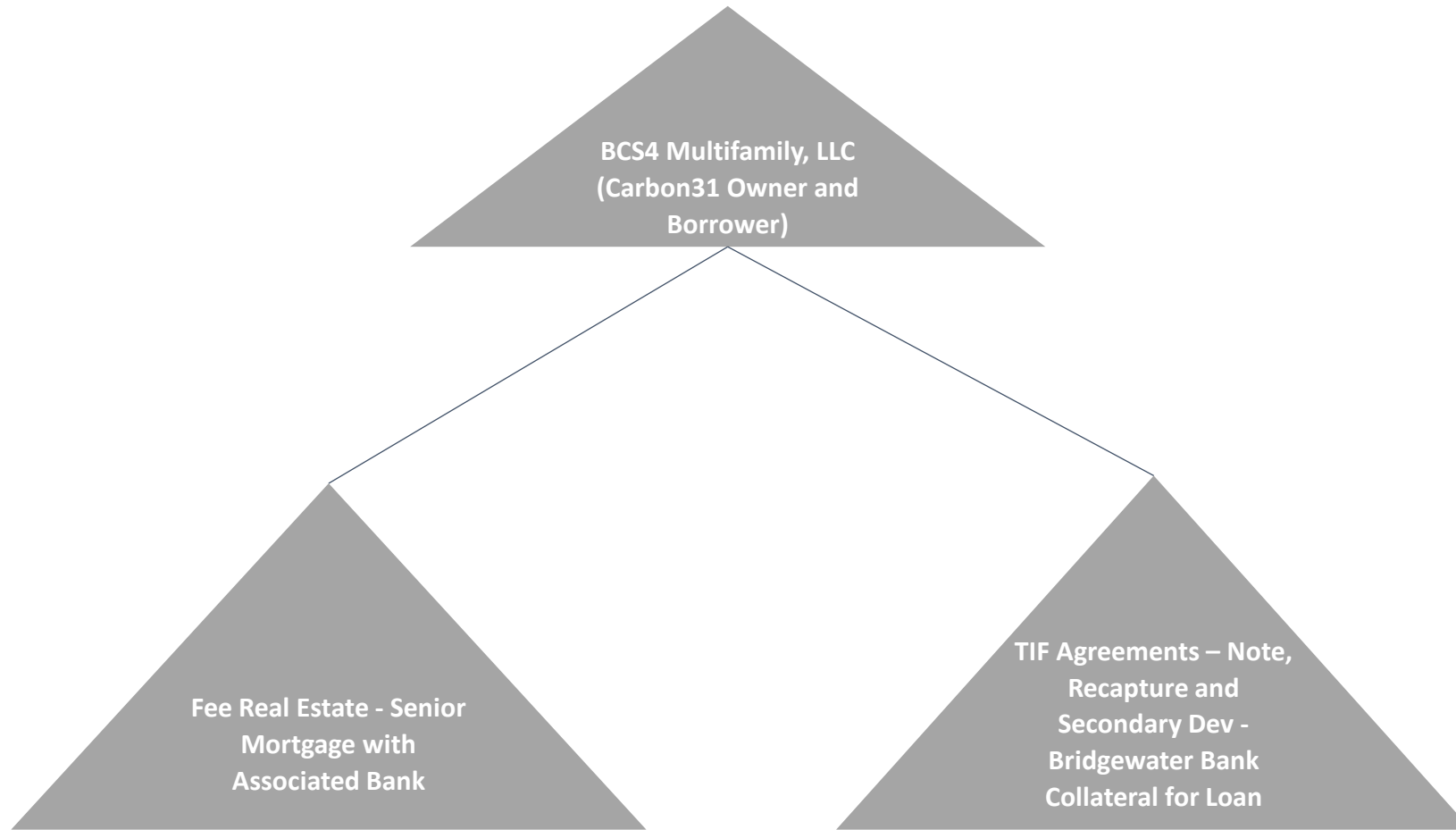
In order to proceed with financial due diligence steps required with Fannie Mae, McGough would like to learn if there are any concerns with proceeding with creation of entities and a refinance in this manner. If supportive, staff would work with McGough and our respective legal teams to finalize amendments to the applicable TIF documents. These amendments would be brought before the Port Authority for approval in a future meeting.

An outline of the proposed structure is included.

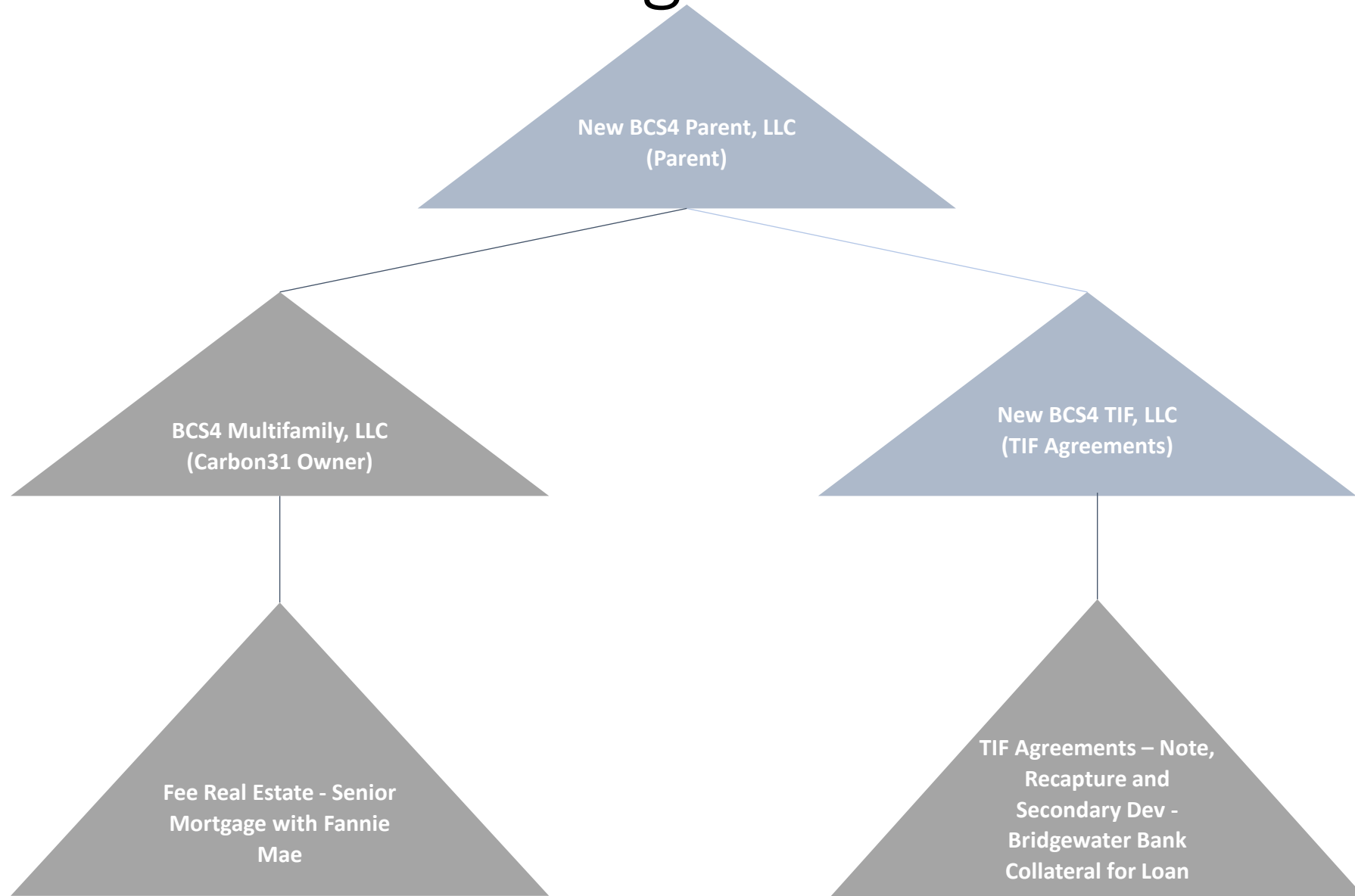
Attachments:

[BCS4 Multifamily LLC Org Chart Proposed.pdf](#)

Current Carbon31 Org Chart



Proposed Carbon31 Org Chart





Board Agenda Item

Originator Port Authority	Item 2.4 Prevailing Wage Update
Agenda Section NEW BUSINESS	Date July 15, 2025

Requested Action:

Discussion only

Description:

On June 17, 2024, the Bloomington City Council passed a local prevailing wage ordinance affecting certain city-funded construction projects. Over the past year, the Community Development Department and legal staff identified several administrative and policy adjustments that would remove barriers and ease implementation of the ordinance. These recommendations were presented for discussion at the June 30, 2025 City Council meeting, and that presentation is attached to this report. Staff will update the Port Authority on the recommended changes which were presented at the June 30th meeting before a formal action item is presented to Council later this summer.

Attachments:

[Memo](#)

[Letter from Enclave Developer \(6-18-25\)](#)

[Presentation - Council June 30th Meeting](#)



DATE: June 24, 2025

TO: Mayor and City Council

FROM: Kim Berggren, Community Development Director
Holly Masek, Port Authority Administrator
Sarah Abe, Housing and Redevelopment Authority Administrator

CC: Interim City Managers
City Attorney

RE: Recommended Changes to the Prevailing Wage Ordinance

Background

On June 17, 2024, the Bloomington City Council passed a local prevailing wage ordinance affecting certain city-funded construction projects. Prevailing wage requires that employees working on city-funded construction projects be paid wage rates that are comparable to wages paid for similar work in the area where the project is located. Effective as of June 27, 2024, Bloomington's ordinance stipulates that prevailing wages must be paid on City funded construction projects when the estimated total cost of the project exceeds \$175,000, regardless of the dollar amount of funding provided by the City. This ordinance applies also to projects with funding from the Port Authority and Housing and Redevelopment Authority (HRA).

Prevailing wage intersects with Federal and State regulations. The Bloomington City Ordinance utilizes State prevailing wage rates, and a wage decision is required from the Minnesota Department of Labor and Industry (DOLI) for each project. Davis Bacon is a federal law that regulates prevailing wage on federally funded projects.

The administrative modifications recommended in Section 1 below align the City of Bloomington's ordinance more closely with various Federal and State requirements. City staff also looked to the City of St. Paul for guidance as they have had a prevailing wage ordinance for many years. In Section 2, Staff is proposing policy modifications for Council consideration.

Recommendations

Section 1. Administrative. The recommendations below are administrative adjustments that give more clarity and certainty to enforcement of the ordinance. The City's legal team administers this ordinance for the city and supports these administrative recommendations.

1. Add exemptions for housing development projects in accordance with federal Davis Bacon law. Currently under Davis Bacon, housing projects under 8 units are exempt from prevailing wage. Because small residential projects are exempt from State and Federal prevailing wage, DOLI will not issue a wage decision for these projects, impacting the City's ability to implement the ordinance. The City of St. Paul, which the Bloomington ordinance is modelled on, follows this approach and has clarifying language in its ordinance to this effect. Draft language has been developed.
2. Clarify that pass-through funds and conduit bonds are exempt from this ordinance. The City often acts as a pass-through entity for funding from other agencies for projects. These are not City funds and only utilize the City as an intermediary. Adding language would clarify that prevailing wage does not apply in these cases. However, if a project is funded through a Federal or State source that requires prevailing wage, that requirement remains.
3. Authorize rulemaking. This authorization would allow staff to implement rules around administering the prevailing wage ordinance that comply with the general framework. This allows the City to adapt more quickly to the changing legal environment around prevailing wage. For example, it would be helpful to adopt administrative rules that incorporate the FAQs. This approach has been used before to smooth administration of a new ordinance and is part of the City's Earned Sick and Safe Time ordinance.

Section 2. Policy. These recommendations are material changes to the ordinance.

1. Allow the City Council to waive prevailing wage requirements when there are unique situations. Because prevailing wage is required by ordinance, there is no ability for the City Council to make exceptions under special or extreme conditions on a case-by-case basis. Adding this language would allow the Council to consider waiving the requirements for a project if the Council determines it is in the public interest to do so. A similar finding of "in the public interest" is used for vacations of the public way. Examples of situations where this could apply include:
 - a. Multiple previous development attempts have failed.

- b. A site is undevelopable due to certain conditions (e.g. soil conditions) that must be addressed independently of any specific project.
- c. Requiring prevailing wage would create an additional financing gap that would significantly increase City subsidy.

Unique situation current example: Enclave Companies is requesting a waiver of its prevailing wage compliance for its proposed mixed use (apartment/commercial) development at 3901 Minnesota Drive. Enclave discovered the site has significant soil remediation needs (estimated at \$5.5 - 7.1M). This site is the subject of multiple failed development attempts – most notably the Drury Hotel. Enclave engaged the City about potential subsidy for remediation. Based upon staff analysis, the project may be feasible with a Soils Condition TIF district, which are used in rare occasions where soil remediation needs are substantial. If the City were to apply its prevailing wage requirements to the construction phase of the project this would add an additional \$6.7M in project costs per Enclave's estimation, making the project financially infeasible because there would not be enough Tax Increment Financing generated on the site to support the development gap. Enclave hopes to break ground in 2026. Enclave has provided with City with a letter with additional information about prevailing wage impacts to a similar project for comparison.

- 2. As an alternative to exempting 8 units (Administrative adjustment, Section 1, #1 above), the Council could consider a policy change and exempt housing developments of 20 units or less. The 20-unit exemption is recommended by development staff and responds to conversations with various small developers. It supports the goal of developing missing middle housing by reducing barriers to small developer participation on development projects. While the City process is to use a tool called an LCP Tracker to reduce the administrative burden on small contractors, the administrative and reporting requirements of prevailing wage are reported to be barriers to contracting with the local businesses that are more likely to contract for smaller projects.

Next steps

If the Council is supportive of one or more of these recommendations, staff will consult with various stakeholders and bring a formal ordinance amendment proposal for consideration later this summer.



6/18/25

Brian Bochman

Sr. Developer

Enclave Development, LLC

300 23rd Ave E, Suite 300

West Fargo, ND 58078

Subject: Explanation of Additional Costs Associated with Prevailing Wage Requirements for 3901 Minnesota Drive, Bloomington, MN

Dear Brian,

I am writing to clarify the cost implications associated with applying prevailing wage requirements to the 3901 Minnesota Drive project in Bloomington, MN. In general, prevailing wage requirements add to project costs for a company with a merit shop structure in the following ways:

1. Higher direct labor costs (including fringe benefits)
2. Increased payroll taxes and insurance premiums (based on higher wage levels)
3. Additional administrative burden
4. Reduced scheduling flexibility (ex., limits staggered shifts, cross-utilization of trades, etc.)
5. Limited subcontractor pool and associated bidding impacts.

The typical impact of these factors on total construction costs is historically 20% (+/-5%). Variability is dependent on timing, competitiveness of the bidding market, intensity of labor on a specific product type, labor availability, completeness of construction documents and other factors. Since the 3901 Minnesota Drive project is only in the conceptual stage, it has not been bid out or tested against the subcontractor market and thus does not have a detailed analysis, but I can offer a comparison to a recent project similar in size and scope.

In January of 2025, Enclave Construction bid out a 293-unit project in Shoreview, MN. Reaching out to over 130 subcontractors for bids, receiving a response rate over 55%, and getting at least 3 bids for each trade, we consider this a successful bid event. Following this bid event, an analysis was done to evaluate this project for union participation and associated wage levels for internal and temporary labor. While it is understood that union labor and prevailing wage requirements are not synonymous, they are substantially similar in the Twin Cities and thus reflect an accurate approximation of the cost impact to the project. The result was a 16% burden on the total construction cost.



Based on these recent results, it is prudent to assume that the historical impact of 20% (+/-5%) is valid and representative of current conditions, and that the 3901 Minnesota Drive project would not be possible with prevailing wage applied to the entirety of the project or it would require additional significant subsidy to make the project viable. Please feel free to reach out with any questions.

Sincerely,

A handwritten signature in black ink that reads "Mike Ernst". The signature is written in a cursive, flowing style.

Mike Ernst
President of Construction
Enclave Construction, LLC

Bloomington's Prevailing Wage Ordinance Discussion

Sarah Abe, Housing and Redevelopment Authority Administrator

City Council

June 30, 2025

Background

- Bloomington's prevailing wage ordinance was adopted June 17, 2024
- Requires prevailing wages to be paid when the total project cost exceeds \$175,000, regardless of the amount of City funding
- One year in, staff request direction from the City Council on a few administrative elements and policy interpretations

Administrative Adjustments

1. Add exemptions for housing development projects in accordance with federal Davis Bacon law
 - a. Exempts projects under 8 units
2. Clarify that pass-through funds and conduit bonds are exempt from this ordinance (no City funding)
3. Authorization for administrative rulemaking
 - a. Ex. When wage rates should be updated on multi-year projects

Policy Considerations

1. Allow City Council/HRA/Port Authority to waive prevailing wage requirements when there are unique situations and/or extreme financial burden
 - Possible Test: Council determination that it is in the public interest
 - Ex: Drury site
2. Exempt housing developments of 20 units or less
 - Lifts administration for small projects
 - Aligns with Missing Middle Housing framework

Example: Drury site (3901 Minnesota Drive)

- This site has had 3 proposals since 2017
- Enclave proposed a cash-flowing development project
- Recently, site was determined to have extensive pollution cleanup estimated at \$5.5-7.1M
- Ordinance amendment: Council could apply prevailing wage to only the soil remediation phase of the project



Drury site (3901 Minnesota Drive)

- Developer asserts that prevailing wage ordinance adds \$6.7M to total project costs (in addition to soils costs)
- Developer asserts that subsidy needed increases to approx. \$13.8M
- Total amount exceeds TIF estimates

Cost	Development Gap	Potential Source
Soil Remediation	\$5.5-\$7.1M	TIF
Prevailing Wage	\$6.7M	N/A - exceeds TIF estimated
Total	\$13.8M	



RENDERING - FRANCE & MINNESOTA DR



CONCEPTUAL RENDERING

Enclave - 3901 MINNESOTA DRIVE APARTMENTS



Any Questions?

Guided Discussion

1. Administrative Amendments

1. Exempt housing projects under 8 units
2. Clarify pass-through and conduit bond funding is exempt
3. Authorize rulemaking

2. Policy Amendment

1. Waive requirements in extreme situations
2. Exempt housing projects of 20 units or less

Next Steps

- Request feedback from stakeholders
 - Unions
 - Developers
 - Community members
 - Port Authority & HRA
- Public Hearing on Ordinance Amendments
 - Anticipated in August



Commission Agenda Item

Originator Port Authority	Item 3.1 Administrator Updates
Agenda Section ADMINISTRATOR UPDATES	Date July 15, 2025

Requested Action:

Informational only

Description:

Brief general updates provided by Port Authority Administrator.



Commission Agenda Item

Originator Port Authority	Item 5.1 Port Authority Mission Statement Workshop
Agenda Section INTERACTIVE RETREAT	Date July 15, 2025

Requested Action:

No action. Workshop and discussion.

Description:

Port Authority Commissioners will engage in a facilitated workshop to develop a new mission statement for the Port Authority of the City of Bloomington. The final statement is intended to be adopted at a future meeting.

Emily Larson, Community Outreach & Engagement Coordinator, will lead the session.

Background

The Port Authority of the City of Bloomington was created in the 1980s to facilitate the redevelopment of the former Metropolitan Stadium into Mall of America. For several decades to follow, the Port's work focused on real estate development and redevelopment within that area. In 2010, the Port's authority expanded to cover the entirety of Industrial Development District 1 (Airport South), now more commonly known as South Loop, still focused primarily on real estate projects.

In 2023, the Port expanded its work citywide to help the City achieve its *Bloomington. Tomorrow. Together.* strategic priority of "equitable economic development." The Port began incorporating additional economic development services, such as small business assistance, into its work. In 2025, the Port Authority adopted a five-year [Economic Development Strategic Plan](#) to provide a framework to economic development efforts moving forward.

The Port Authority is now undergoing a process to create a mission statement that captures the expanded responsibilities of the Port.