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May 29, 2014

Charles Carlson  
Senior Manager  
BRT/Small Starts  
Metro Transit  
1810 East Franklin Avenue  
Minneapolis, MN 55454

Christina Morrison  
BRT Project Office  
Metro Transit  
1810 East Franklin Avenue  
Minneapolis, MN 55454

Re: Metro Transit Orange Line Comment Letter  
Our File #36,977-0

Dear Mr. Carlson and Ms. Morrison:

We represent Kraus-Anderson, Inc. ("Kraus-Anderson") regarding the proposed Metro Transit Orange Line BRT project (the "Orange Line"). Kraus-Anderson manages the Southtown Shopping Center ("Southtown") in the City of Bloomington, which would be bisected by the proposed Knox Avenue alignment. We are writing to express serious concerns regarding the proposed alignment as described in the Orange Line BRT Project Plan Update, dated April 2014 (the "Project Plan"), and we strongly encourage Metro Transit to pursue an alternative route.

#### Economic Damages

The proposed Knox Avenue alignment will require a broad right-of-way through the Southtown property, effectively splitting the property into two disconnected sections. Running the right-of-way directly through the Southtown Complex would leave portions of the property east of the proposed right-of-way with limited access. Maintaining viable development on the economic remnants that would result would be difficult, if not impossible. The damages of a partial taking go well beyond the loss of the land itself. There would likely be a loss in value to the remaining improvements, temporary construction related damages, or the improvements may become obsolete depending on the scope and nature of the taking. Moreover, approving the proposed alignment would discourage any future investment or upkeep in the existing properties because of the looming threat of construction that would be years in the future. The Knox Avenue alignment would create

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irreparable damage to the Southtown complex, and leave the remainder of the property as an uneconomic remnant.

### Incomplete Analysis of Impacts

The Metropolitan Council has not fully analyzed all costs associated with the Knox Avenue alignment. The Project Plan glosses over the tremendous negative impact that would be associated with constructing an underpass below Interstate 494, one of the busiest and most congested roadways in the state. There is no mention of the significant engineering or costs that would be required to construct the underpass, let alone millions, in economic productivity for the entire metropolitan region that would occur if traffic on Interstate 494 was delayed or rerouted for any duration. The Project Plan also fails to adequately consider the extent of mitigative measures that would be necessary to relocate and rebuild existing infrastructure that would be damaged or displaced due to the proposed alignment. There is also no mention of the economic impact or costs that will be borne by the Metropolitan Council in effecting the taking of such a large right-of-way. As discussed above, even absent a complete taking, the economic damages to business and property owners will be substantial.

### Unrealistic Projections

The Project Plan makes much of the fact that the City of Bloomington (the "City") is engaged in concurrent land use planning. The City's Penn American Plan, establishes ambitious and unrealistic expectations for development in the area that ignore the reality of projected market conditions. No economic study has been conducted to support the overly-ambitious plans of the City for transit oriented development. Much like the Penn American Plan, the proposed Knox Avenue alignment is based on overly-optimistic expectations of what the future development of Southtown will look like, and any redevelopment is 10-20 years in the future. While Kraus-Anderson is hopeful about the development potential of Southtown, the Knox Avenue alignment would have a detrimental impact in the near term and pursuing this alignment will only serve to create uncertainty and economic stagnation.

We urge Metro Transit to review and consider alternative alignments that will not create economic remnants as a result of splitting Southtown, and that are based in realistic projections of costs and future development.

Please do not hesitate to contact me with any questions. Thank you.

Sincerely,



William C. Griffith, for  
Larkin Hoffman Daly & Lindgren Ltd.

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cc: Ken Vinje, Kraus-Anderson, Inc.

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