

METROPOLITAN COUNCIL
390 North Robert Street, St. Paul, Minnesota 55101

REGULAR MEETING OF THE COMMUNITY DEVELOPMENT COMMITTEE
Monday, April 7, 2008

Committee Members Present: Chair, Natalie Steffen; Richard Aguilar; Sherry Broecker, Georgeanne Hilker; Tony Pistilli, Kris Sanda

CALL TO ORDER

A quorum being present, Committee Chair Steffen called the regular meeting of the Council's Community Development Committee to order at 4:00 p.m. on Monday, April 7, 2008.

APPROVAL OF AGENDA AND MINUTES

It was moved by Sanda, seconded by Broecker to approve the agenda. **The motion carried.**

It was moved by Broecker, seconded by Sanda to approve the minutes of the March 17, 2008 regular meeting of the Community Development Committee. **The motion carried.**

BUSINESS

2008-67 - CPA for 940-Acre MUSA Expansion Along Hwy. 52/55, Inver Grove Heights. Patrick Boylan, senior planner, reported that Inver Grove Heights is located in Dakota County along the Mississippi River, bordered by Sunfish Lake to the north, Eagan to the west and Rosemount to the south. In 2000, the City had 29,751 residents, 11,257 households and 7,018 jobs. By 2030, the City is expected to have 44,200 residents, 18,000 households, and 12,100 jobs. The Council's *2030 Regional Development Framework* identifies the City as both *Developing* (north) and *Rural Residential* (south). The Metropolitan Council reviewed the City's 2020 Comprehensive Plan (Review No. 16750-3) on March 25, 1999. Since then, the City has submitted more than 35 plan amendments to the Council for review. Boylan stated that area is identified as industrial and is to remain industrial. The proposed CPA expands the metropolitan urban service area (MUSA) to include 940.63 acres located south of Trunk Highway 52 to the City's southern boundary, and the City proposes no land use changes. Boylan noted that Tom Link, community development director, city of Inver Grove Heights, was in the audience and available to answer further questions.

Chair Steffen asked what the City has done so far to address inflow and infiltration. Boylan responded that he did not know the specifics of how the City has addressed this issue so far, but that the point made by Environmental Services staff was that like other communities, Inver Grove Heights needed to address I/I in their 2030 Comp Plan. Boylan further explained that Council staff believes that there is capacity in the existing wastewater system to accommodate the MUSA expansion. Sanda asked if the guidelines found in the staff report were used for all sewer service expansions. Boylan replied that the MUSA Guidelines found in the staff report are used in analysis for all proposed MUSA expansions.

Sanda moved, seconded by Broecker, that the Metropolitan Council:

1. Allow the City of Inver Grove Heights to put the comprehensive plan amendment (CPA) into effect.
2. Require the City to address the following as a part of the 2008 Comprehensive Plan Update.
 - a. Describe activities to identify and reduce sources of excessive inflow and infiltration.
 - b. Include the 2005 Systems Statement sanitary sewer flows and flow forecasts.
3. Acknowledge that the CPA does not change the City's 2005 System Statement forecasts.

The motion carried.

2008-90 - City of Lakeville 155-Unit Senior Housing 5.29 Acre CPA. Patrick Boylan, senior planner, stated that the City of Lakeville is located in Dakota County, surrounded by the cities of Burnsville, Apple Valley, Rosemount, Empire Township, Farmington, Eureka Township, New Market Township, Credit River Township, and the City of Savage. The *2030 Regional Development Framework* identifies Lakeville as a "Developing" area community. In 2000, the City had 43,128 residents, 13,609 households and 9,885 jobs.

By 2030, the City is expected to have 88,800 residents, 33,500 households, and 14,400 jobs. The proposed CPA changes the land use of 5.29 acres from Low Density Residential to High Density Residential for the development of a 155-unit senior housing facility. There were no further questions from the committee.

Hilker moved, seconded by Broecker, that the Metropolitan Council:

1. Allow the City of Lakeville to put the comprehensive plan amendment (CPA) into effect.
2. Acknowledge that the CPA does not change the City's 2005 System Statement forecasts.

The motion carried.

2008-72 - Request for Reimbursement Consideration on Development Costs at Silverwood Park Special Recreation Feature, Three Rivers Park District. Arne Stefferud, planning analyst, provided an overview about the recommendations regarding Silverwood Park Special Recreation Feature approved by the Metropolitan Council on September 13, 2006. In compliance with recommendation 3, the Park District briefed the Commission at their April 1 meeting regarding updated park development capital costs. The Park District has also asked that the Metropolitan Council consider reimbursing \$12,056,000 in future regional parks capital improvement programs for construction of the park's phase one development. Stefferud explained that Park Policy Strategy 2(f) requires regional park implementing agencies to seek Metropolitan Council approval of a capital project the park agency wants to finance with its own funds and seek reimbursement for a Council grant through a future regional parks capital improvement program. He noted that Council approval of a project does not guarantee that the park agency will be reimbursed in the future. Stefferud also provided a funding overview and noted that the Park District's final design and construction costs are consistent with the conceptual plan and estimated costs in the development master plan the Metropolitan Council previously approved.

Stefferd introduced Three Rivers Park District staff including Tom McDowell, who discussed the Silverwood Park final design, and Boe Carlson, who provided a programmatic update and detail about the development of this project. The Committee asked Council staff whether any of the phase one development costs included purely artistic components such as sculptures which were not eligible for regional recreation open space capital improvement funds. Staff replied that, no artistic components were part of the costs submitted for phase one construction. As noted, those costs would not be eligible for regional recreation open space capital improvement funds.

The Committee asked about the public review of the park's master plan—specifically regarding neighboring residents who may be affected by programming at the park from any performances at the amphitheatre. Three Rivers Park District staff replied that the Salvation Army Camp--which was the previous user of this land--hosted high school band camps and that residents south of Silver Lake could hear that since sound travels further over water. But, those residents supported the construction of an amphitheatre as part of the park. The Park District staff also stated that programming at the amphitheatre would be for small scale events and would be linked to environmental education.

The Committee also asked about the Park District's ability to attract youth from many ethnic/racial backgrounds for the park's programming. Park District staff said that their research on park use by different ethnic groups indicated that these groups were using their other parks for traditional outdoor recreation activities—picnicking, walking, etc. in the same proportion as whites. However, these groups were not participating in formalized classes/programs as much. But, since the environmental education programming of this park was based on art and music, and because art and music are present in all ethnic groups they felt that these groups would participate in the programs offered at this park.

Sanda moved, seconded by Broecker, that the Metropolitan Council:

Consider reimbursing Three Rivers Park District up to \$12,056,000 for construction at Silverwood Park Special Recreation Feature as shown in **Attachment 2** in future regional parks capital improvement programs. However, the Council does not under any circumstances represent or guarantee that reimbursement will be granted, and expenditure of local funds never entitles a park agency to reimbursement.

The motion carried.

2008-73 - Request to Broaden Scope of Acquisition Grant SG-05-83 to Match Federal Trail Grant for Rice Creek North Regional Trail and Rice Creek Chain of Lakes Park Reserve, Anoka County. Arne Stefferud, planning analyst, reported that the Metropolitan Council granted Anoka County \$800,000 from its 2004-05 regional parks capital improvement program to acquire 610 acres from the St. Paul Water Utility for Rice Creek Chain of Lakes Park Reserve (Grant SG-05-83) in 2005. There is \$524,895 remaining in the grant which expires on June 30, 2008. He explained that the county has submitted a request for the Metropolitan Council to:

- 1) Amend grant SG-05-83 by expanding its scope to allow the balance of the grant to be used for partially matching a \$1,050,000 Federal Transportation Enhancement grant to construct a section of the Rice Creek North Regional Trail that would link Rice Creek Chain of Lakes Park Reserve to Central Anoka County Regional Trail. A total of \$2,334,000 of match must be provided to keep the Federal grant. Anoka County has asked for a 2008 State bond appropriation to finance the remaining match needed for this trail project. If those State bonds are not appropriated, the County requests that the balance in grant SG-05-83 be used to acquire more land for Rice Creek Chain of Lakes Park Reserve.
- 2) Extend the duration of grant SG-05-83 from June 30, 2008 to June 30, 2010. This aligns the timeline of this grant with the Federal trail grant, or provides time for the County to obtain land from other willing sellers.

There were no questions from the committee.

Hilker moved, seconded by Broecker, that the Metropolitan Council:

Authorize a change in scope of Grant SG-05-83 that allows the balance in the grant to be used to partially fund the match to a \$1,050,000 Federal Transportation Enhancement grant for constructing a portion of Rice Creek North Regional Trail, or to acquire additional land for Rice Creek Chain of Lakes Park Reserve and to extend the duration of the grant to June 30, 2010.

The motion carried.

2008-75 - Request for Acquisition Opportunity Grant to Partially Finance Butler Family Trust Parcel in Empire Wetlands Regional Park, Dakota County. Arne Stefferud, planning analyst, reported that Dakota County has negotiated the purchase of the 816-acre Butler Trust parcel which encompasses all of the 456-acre Empire Wetlands Regional Park plus 360 acres for an adjacent State wildlife refuge. The County has asked for a \$1.7 million Park Acquisition Opportunity Fund grant that would be matched with \$566,666 of County funds that are not eligible for reimbursement consideration under "Option 2: Revised Rules" for distributing grants from the Park Acquisition Opportunity Fund. Stefferud explained the "Option 1" and "Option 2: Revised Rules" for distributing grants from the Fund. Park agencies cannot request reimbursement consideration from the Council's regional parks capital improvement program for the 25% match if the match was financed with park agency funds. Dakota County has requested a grant under the "Option 2" rules to maximize the amount it can receive. The \$1.7 million grant finances 14% of the cost to acquire the land.

Stefferud provided a funding overview and stated that the purchase price of the 456 acre regional park portion of the 816 acre parcel is \$11.94 million. In addition, he explained the revenue sources proposed to finance the purchase price of the 456 acre regional park. The County is putting up \$566,666 as a non-reimbursable match to the Council's grant. However the County's contribution of \$566,666 is only 4.75% of the \$11.94 million needed to acquire the land. Twenty-five percent of the \$11.94 million cost is \$2,985,000. If the County has to solely finance the \$2,873,334 due on September 30, its total contribution would be \$3,440,000. Therefore, the only amount the Council would consider reimbursing the County in a future regional parks CIP would be \$455,000. Because the Council's grant is capped at \$1.7 million, the maximum cost for an acquisition under these rules is \$2,267,000. In that case, 75% is financed with the \$1.7 million Council grant and the remaining 25% is financed by the park agency. When acquisition costs exceed \$2,267,000, the share the park agency has to provide in dollars and percent of total costs exceeds 25%. The Option 2: Revised Rule allows the additional local match above 25% of the total cost to be eligible for reimbursement consideration from the Metro Council.

Stefferd reported that a policy question was raised as follows: When the total cost of acquisition exceeds \$2,267,000, should the 25% local non-reimbursable match be applied to the total acquisition cost, or should the local match that is not reimbursable be capped at \$567,000 –which is the 25% match to the Council’s maximum \$1.7 million grant? Stefferud reported that staff met with Chair Peter Bell and Regional Administrator Tom Weaver regarding what amount of the Dakota County match to the Metropolitan Council’s grant should be ineligible for regional parks CIP reimbursement consideration under the Option 2: Revised Rules. He stated that they directed staff to request the Council to defer action on recommendation 2 of this memorandum to provide time to analyze the implications of the rule and propose any changes to it that would apply to this acquisition grant. Stefferud concluded by noting that the Metropolitan Parks and Open Space Commission reviewed this request at its April 1, 2008, meeting and unanimously recommended approval.

The Committee asked what amount of land should be acquired in the Metropolitan Council’s *2030 Regional Parks Policy Plan* and if it was fiscally possible to acquire and manage this additional land. Council staff replied that the *2030 Regional Parks Policy Plan* was developed in consultation with the 10 regional park implementing agencies. The plan called for acquiring about 17,000 more acres for a total system acreage of 70,000. The acquisition of this land would occur between the time the plan was adopted in June 2005 to 2030. Analysis of the fiscal impact of this effort was done as part of the park plan. That analysis concluded that acquiring this additional land was fiscally possible because it would occur over a long time frame in step with the projected growth of the region.

Hilker moved, seconded by Pistilli, that the Metropolitan Council:

1. Authorize a grant of \$1.7 million comprised of \$1,020,000 of Environment and Natural Resources Trust Fund revenue and \$680,000 of Metropolitan Council bonds from the State Acquisition Grant Account in the Park Acquisition Opportunity Fund. The grant must be matched with \$566,666 of Dakota County funds to partially finance a portion of the 456-acre Empire Wetlands Regional Park as part of the Butler Trust Parcel shown on Attachment 2.

Defer action on Recommendation 2 below at this time to consider a clarification to the 25% net cost match requirement under “Option 2: Revised Rules” for a Park Acquisition Opportunity Fund grant.

2. Notify Dakota County, that if the County has to solely finance the \$2,873,334 due on September 30, 2008 for the remainder of the Empire Wetlands Regional Park acquisition from the Butler Trust, its total contribution would be \$3,440,000 for the park or 28.8% of the \$11.94 million purchase price. Therefore, the amount the Metropolitan Council would consider reimbursing the County in a future regional parks CIP would be \$455,000 to be consistent with the 25% net cost match requirement under “Option 2: Revised Rules” for a Park Acquisition Opportunity Fund grant. However, the Council does not under any circumstances represent or guarantee that reimbursement will be granted, and expenditure of local funds never entitles a park agency to reimbursement.

The motion carried.

2008-76 - Request for Reimbursement Consideration Authorization to Acquire 30 Acre Inholding Parcel in Spring Lake Park Reserve, Dakota County. Arne Stefferud, planning analyst, stated that Dakota County has negotiated the purchase of two lots totaling 30 acres including a house and outbuildings within the boundary of Spring Lake Park Reserve (referred to as the Wicker property). The cost to purchase the property and to finance related costs for the appraisal and other items is \$1,443,500, and the closing is scheduled for May 8. Since the County is seeking the maximum Park Acquisition Opportunity Fund grant for the Butler Trust parcel (agenda item 2008-75) the County must finance this acquisition entirely with its own funds. It therefore has asked the Metropolitan Council to consider reimbursing the County \$1,443,500 for this acquisition in future regional parks capital improvement programs. Stefferud explained that Park Policy Strategy 2(f) requires regional park implementing agencies to seek Metropolitan Council approval of a capital project the park agency wants to finance with its own funds. He noted that Council approval of a project does not guarantee that the park agency will be reimbursed in the future.

Stefferd reported that Dakota County has negotiated the purchase of two lots totaling 30 acres including a house and outbuildings within the boundary of Spring Lake Park Reserve (referred to as the Wicker property) for a purchase price of \$1.4 million. He noted that the 4-bedroom, 3.5 bath home plus a heated workshop building, a 4-stall horse barn and other outbuildings are in excellent condition and that the market value of the house and outbuildings is \$401,000—thus, the value of the land is \$999,000. Stefferud stated the County also anticipates additional grant eligible costs related to the purchase of the property to be up to \$43,500 (e.g., appraisal, property tax equivalency payment, closing costs). Therefore, the total cost to purchase the property is \$1,443,500.

Stefferd expressed that Dakota County staff have analyzed the re-use of the house and outbuildings and also consulted with the Nininger Township Board. There is no park or other public use for which the buildings could be used; consequently, an analysis to relocate and sell the buildings was considered. The cost to move the house is estimated to be \$42,000 if the move is near its present location. Dakota County staff have suggested that the house be relocated to another part of the park and then sold with 3 acres of park land. The proceeds of the sale would be used to partially or fully recoup the costs to acquire the Wicker property and the buildings which would reduce the amount the Metropolitan Council would need to consider reimbursing the county via the regional parks CIP. Stefferud also stated that in addition to the Wicker property, there are two other inholdings of 9-acres each just west of the Wicker property which also include large homes that are in excellent condition. When these other inholdings become available for purchase in the future, it makes sense to also relocate and sell these homes with 3-acre lots to offset the cost of their initial acquisition. Stefferud stated that the county will incur costs for subdividing park land into three 3-acre lots. It is estimated that the cost to relocate these houses, subdivide land into 3-acre lots, and sell the lots and houses is \$203,000 per house. That cost is in addition to the cost to acquire these homes on their original lots. Stefferud concluded by providing an overview regarding the net effect of this relocation plan.

The Committee asked whether the County could succeed in meeting the conditions in the second recommendation in light of the current slump in the housing market. Dakota County Parks Director, Steve Sullivan, replied that the County had analyzed this idea and concluded that it could work. They estimated that the County would net about \$300,000 from the sale of the 3-acre lot and relocated buildings. However, the Nininger Township Board would have to approve the new plat for the 3-acre lot, and the Minnesota Department of Finance would have to approve the sale of the 3-acre lot if that lot had originally been acquired with State bond proceeds. County staff were checking on that detail.

The Committee asked if the Minnesota Department of Finance had approved the sale of other State bond financed property. Council staff replied that they had when the proceeds from the sale were used to replace what had been originally acquired. In this case, the proceeds from the sale of the 3-acre lot with the relocated buildings would be used to offset the County's initial costs of acquiring the 30-acre Wicker parcels and associated buildings. A net gain of 27 acres of park land would result too.

The Committee also asked if a decision on this matter could be deferred to the April 21st meeting. Council staff replied that it could, but that the Metropolitan Council would need to make a decision on it at its April 23rd meeting in order for the County's costs to be eligible for reimbursement consideration by the Council under the reimbursement requirements in the *2030 Regional Parks Policy Plan*. The County was scheduled to purchase the property on May 8th.

Aguilar moved, seconded by Pistilli, that the Metropolitan Council:

1. Allow up to \$1,443,500 of costs incurred by Dakota County for acquiring the Wicker property in Spring Lake Park Reserve to be eligible for reimbursement consideration in future regional parks capital improvement programs under the conditions stated in Recommendation 2. However, the Council does not under any circumstances represent or guarantee that reimbursement will be granted, and expenditure of local funds never entitles a park agency to reimbursement.
2. Requests Dakota County to attempt to recoup its costs, and thus reduce the Council's reimbursement amount in Recommendation 1, of acquiring the Wicker parcels by relocating the structures on the original Wicker property to a new 3-acre parcel of park land in Spring Lake Park Reserve and selling the buildings and 3-acre parcel under the following conditions:

- a. The 3-acre parcel is at the edge of the park's current boundary
- b. The 3-acre parcel is adjacent to other houses or land zoned for housing and have road access
- c. Residential use of the 3-acre parcel should not adversely affect other recreational uses of Spring Lake Park Reserve
- d. Residential use of the 3-acre parcel should not adversely affect natural resources in Spring Lake Park Reserve.
- e. Dakota County seeks approval from the Metropolitan Council to release any regional park restrictive covenant on the 3-acre parcel and requests approval from the State of Minnesota to sell the 3-acre parcel if the parcel was initially acquired with State bond proceeds.
- f. Proceeds from the sale of the 3-acre parcel and structures on it must be used to recoup subdivision and related sale expenses, plus expenses in acquiring the original 30-acre Wicker property and related buildings.
- g. The County shall report to the Metropolitan Council the County's costs in implementing this acquisition, relocation and sale plus the revenue it received from the sale. If the sale of the 3-acre parcel and related buildings generates more revenue than costs to acquire the original 30-acre Wicker property and its buildings, the additional revenue must be used to acquire more regional park land in Dakota County.

The motion carried. (Broecker and Sanda voted "No.")

Announcement – Chair Steffen announced that Metropolitan Council staff, Judd Schetnan, had asked her to let Council Members know that their confirmation hearing scheduled on Wednesday, April 9, had been postponed.

2008-3SW - 2008 Annual Livable Communities Fund Distribution Plan. Paul Burns, livable communities manager, provided an overview of the 2008 Annual Livable Communities Fund Distribution Plan. He reported that staff has conducted further investigation into standards for project distances from transit investments as part of the effort to implement changes to the LCDA program recommended by the LCDA Work Group. Burns noted that the Plan sets out the funding amounts, timetables and funding criteria for the Tax Base Revitalization Account (TBRA), the Livable Communities Demonstration Account (LCDA) and the Local Housing Incentives Account (LHIA). He reported that two changes were needed to the wording in the plan:

On page 9, under Section 7 of the TBRA account description, the last sentence has a typographical error. The sentence should be corrected to read: "...For purposes of the 2008 application, a living wage is ~~\$1.50~~ **\$12.50** per hour/\$26,000 per year..." (strikeout and underlining in bold type added to show the change)

The other change is on page 19, under 13 A of the LCDA account description, Project Evaluation Process, Land Use Criteria, should be revised to read: "...Develop land uses linked to the local and regional transportation systems 0-8 10 points – 0-3 points: Location within on-half mile of a transitway in the 2030 Transitway System – Northstar, Northwest, Cedar Avenue, I-35W, Central, Red Rock, Rush Line, Southwest, I-394, Hiawatha; or within one-half mile of a ~~fixed route transit corridor~~ **local bus route**; or within one-half mile of a park-and-ride facility on an express commuter bus or express bus route..." (strikeout and underlining in bold type added to show the change)

Burns also identified changes that are being proposed for the TBRA and future changes to the LCDA account criteria made since the Committee's last meeting, when he had given an informational presentation on the Fund Distribution Plan.

Chair Steffen expressed concern that the LCDA scoring system changes regarding proposals' relationship to transit do not give enough credit for projects proposed in the less developed parts of the region. Burns explained that the proposed language does address the relationship to all current transit and future transit routes identified in Council transit plans.

Sanda moved, seconded by Broecker, that the Metropolitan Council:

Approve the 2008 Livable Communities Fund Distribution Plan.

The motion carried. (Pistilli voted "No" and the Chair "Abstained.")

INFORMATION

There were no information items.

ADJOURNMENT

The next meeting of the Community Development Committee is Monday, April 21, 2008 at 4:00 p.m. in Chambers.

Business completed, the meeting adjourned at 5:40 p.m.

Respectfully submitted,

Diane Jadwinski
Recording Secretary