

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

REGULAR MEETING OF THE COMMUNITY DEVELOPMENT COMMITTEE
Monday, July 21, 2008

Committee Members Present: Natalie Steffen, Chair; Richard Aguilar; Polly Bowles; Sherry Broecker; Georgeanne Hilker; Brian McDaniel; Annette Meeks, Vice-Chair; Tony Pistilli and Kris Sanda

CALL TO ORDER

A quorum being present, Chair Steffen called the regular meeting of the Council's Community Development Committee to order at 4:00 p.m. on Monday, July 21, 2008.

APPROVAL OF AGENDA AND MINUTES

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

It was moved by McDaniel, seconded by Broecker, to approve the minutes of the June 16, 2008 regular meeting of the Community Development Committee. **The motion carried.**

ANNOUNCEMENT

Guy Peterson, Director, Community Development, informed members that the August 4 CDC meeting would likely be canceled. He explained that cancellation meeting notices are not mailed until closer to the meeting date to allow time to respond if unexpected business items arise between now and then.

BUSINESS

2008-169 – City of Bloomington CPA for the “Normandale Lakes District Plan.” Denise Engen, senior planner, stated that the CPA was received for review on June 6 and it adds the Normandale Lake District Plan into the city's comprehensive plan. Within the plan, a 178 acre area is being reguided, and that district is located at the NW and NE quadrants of the intersection of Normandale Boulevard and West 84th Street. Engen explained that the CPA does not change the city's forecasts. Staff found that the proposed CPA conforms to regional systems plans, is consistent with Council policies and is compatible with the plans of other local communities, school districts and other jurisdictions. She noted that the city sent out the notice of the amendment to other communities on April 8, nine responses were received, and all nine indicated that the amendment did not have an impact on their jurisdiction. Engen then summarized the proposed actions before members today, walked them through a map, and distributed an aerial picture of the area being discussed that was submitted by the city. She provided an overview of the major land use changes to the plan.

Chair Steffen asked for an explanation regarding what the difference is between regional commercial, community commercial and general business. Engen responded and also noted that Julie Farnham, city staff, was in the audience and was available to address further questions. Steffen then inquired about the consistency to the 2030 Regional Park Plan and the reference to needing to notify the Metropolitan Council. She asked if this was a relatively small piece of regional park that is being taken and whether there was a covenant on it. Engen responded, and Randy Quale, Park and Recreation manager, City of Bloomington, addressed the covenant question. Jan Youngquist, senior planner, parks & open space, stated that she did the review and clarified the requirements in the Regional Parks Policy Plan. Kris Sanda asked for an overview about the water situation in Bloomington, and Engen provided a wastewater summary. There were no further questions from the committee.

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

1. Adopt the attached review record and allows the City of Bloomington to put the Normandale Lake District Plan comprehensive plan amendment (CPA) into effect.
2. Find that the comprehensive plan amendment (CPA) does not change the City's forecasts.

3. Request that prior to undertaking the roadway project, the City of Bloomington Parks Department determine whether a restrictive covenant has been recorded against the property and notify the Metropolitan Council how much regional parkland is being transferred for road right-of-way.
4. Inform the City that corrected flow projections, based on current flow levels, will be expected to be included in the City's 2008 Comprehensive Plan Update.
5. Remind the City to describe activities to identify and reduce sources of excessive inflow and infiltration as a part of the 2008 Comprehensive Plan Update.

The motion carried.

ANNOUNCEMENT

Chair Steffen introduced new Council Member Polly Bowles who just joined the meeting, welcomed her to the Community Development Committee, and provided a brief overview about Bowles background -- including her past service to the Metropolitan Council.

2008-155SW – Central Corridor CPA – City of St. Paul. Denise Engen, senior planner, explained that the CPA, which was received on May 28, takes the Central Corridor Development Strategy document and incorporates it as a chapter to the city's comprehensive plan. She noted that it reguides the land in the entire Central Corridor study area that is in the corporate limits of St. Paul and does not change the city's forecast. Chair Steffen expressed that this amends the comprehensive plan into what has been discussed, approved, and put forward on the Central Corridor. Engen further commented that this is the city's strategy on handling development as it occurs in the station areas and along the Central Corridor. There were no further questions from the committee.

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

1. Adopts the attached review record and allows the City of St. Paul to put the comprehensive plan amendment (CPA) into effect.
2. Remind the City to describe activities to identify and reduce sources of excessive inflow and infiltration as a part of the 2008 Comprehensive Plan Update.
3. Remind the City that in order to meet its System Statement and statutory planning requirements, its comprehensive plan update must plan to the year 2030.
4. Remind the City that, if zoning ordinances or other official controls conflict with the plan amendment, the City will need to amend those ordinances and official controls within nine months as required by Minnesota Statutes, section 473.865.

The motion carried.

2008-124 – Flexible Residential Development Ordinance Guidelines for Diversified Rural Area. Phyllis Hanson, manager, local planning assistance, stated that this was a follow-up discussion concerning the implementation in the diversified rural area and provided a brief history about the questions that had arisen regarding implementation. A committee, which met from September to December in 2007, was formed to further discuss the implementation in the diversified rural. The committee suggested some actions, and the Community Development Committee acted on those recommendations on April 21. In the study of the Flexible Development Ordinances, there was an assessment done of the diversified rural ordinances including clusters, density bonuses, open space design, urban reserve and anything that would alter or impact any type of development that would be inconsistent with the Metropolitan Council's one unit per ten acres policy. Hanson provided an overview about the 51 communities involved, identified those in the Long-Term Service Area, and highlighted the number of communities who already have flexible development ordinances in place.

Hanson further reported that the results of this study show many of the communities have implemented ordinances that are inconsistent with the Council's density policy for the Diversified Rural Area and that may also preclude future urban development and extension of urban services. She then provided an overview about stakeholder meetings that have been held since April 21. A follow-up meeting was held on July 10 with Minnesota Pollution Control Agency, Department of Natural Resources and Metro Cities—organizations that want to partner with the Council as it looks at preserving future urbanization as well as future natural resources. Also, the diversified rural communities that had not been part of the diversified rural study group were invited to a stakeholders meeting to discuss the proposed ordinance guidelines. Hanson stated the establishment of parameters or guidelines are being looked at that communities could use in terms of implementing their ordinances if they choose to deviate from the Council's policy of one unit per ten acres. These proposed guidelines would only impact those communities in the Long-Term Service Area that choose to deviate from Council policy. If such ordinances are submitted for review, it would be requested that the guidelines include a purpose of preserving the land for future development (look at land characteristics required for future urbanization.)

Chair Steffen expressed that Community Development Committee members were inadvertently provided with an early version of the proposed actions which were reworked following her meeting with staff and legal counsel last week.

Broecker moved, and Hilker seconded the motion, to table further discussion so that staff could distribute the current version of the document that contains the language about the reworked proposed actions. **The motion carried.**

Chair Steffen indicated that the committee would come back to this item later during this meeting and called for the presentation of the next Business Item **2008-170 - Request for CIP Reimbursement Consideration for Costs to Remove Home From Inholding Parcel at Hyland-Bush-Anderson Lakes Park Preserve, City of Bloomington.**

After the presentation and completion of the above business item, Chair Steffen invited committee members to continue the tabled discussion on **2008-124 – Flexible Residential Development Ordinance Guidelines for Diversified Rural Area.**

Hanson revisited the current proposed actions contained in the revised business item and walked committee members through each of them. Chair Steffen explained the language changes recommended for the proposed actions and briefly discussed the deletion of the word "contiguous" from the previous version in keeping with the Council's new policy. Pistilli asked for an explanation regarding the elimination of the word "contiguous," and Chair Steffen and staff indicated that inclusion of this word could be confusing because expansion of the MUSA that previously required that land be contiguous is no longer a requirement of securing MUSA. Discussion followed.

Hilker asked what the city of Hugo's reaction to this plan was. Hanson stated that the city of Hugo attended a stakeholders meeting on July 9, and they do have concerns with this. She acknowledged that there are some communities that the Council needs to continue to work with to define the urban service area. Hanson explained that Hugo may be a city that will actually require a one-in-one negotiation or communication. She also stated that another city that staff is working closely with in defining the urban service area was the former Burns Township, the new community in NowThen. Hilker also questioned whether the city of Hugo understood that this would be an ongoing discussion. Hanson noted that she believed Hugo understood that staff will continue to work with them. Hanson also expressed that when Hugo submits their comprehensive plan, staff will work closely with them on how they define their service area and what the Council thinks is appropriate for the area of the community outside their Long-Term Service Area. Pistilli revisited the use of the word "contiguous" in the proposed recommendations being eliminated. Chair Steffen responded, and Hanson also reclarified the issue for members. Sanda thanked Chair Steffen, the committee and staff for their hard work regarding this issue.

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

1. Adopt the following guidelines to be used by Diversified Rural Area communities with a Long-Term Wastewater Service Area (*2030 Water Resources Management Policy Plan*) designation if they choose to implement flexible residential development ordinances:
 - a. Provide a purpose within the ordinance that describes the need to reserve land resources for efficient future urbanization when appropriate infrastructure is available to support that development.

- b. Describe the characteristics of the land required for future urbanization and seek to preserve tracts of land in a size and configuration capable of supporting future development (for example, non-hydric soils, location in relation to existing development, etc.).
 - c. Allow no more than 25% of the developable land in a project to be developed. For the purposes of future urbanization, larger future urbanization parcels should be reserved, limiting the cluster to a development area that covers a minority of the area.
 - d. Require that the parcel(s) set aside for future urbanization be covered by a temporary development agreement or deed restriction, rather than a permanent conservation easement or other permanent restriction.
 - e. Provide for the rezoning of the future urbanization parcel to a residential zoning classification at densities consistent with Council policy at such time that urban services are available to the parcel.
 - f. Encourage the use of community wastewater treatment systems to serve the temporary cluster and to allow for smaller lot sizes within the development.
2. Direct staff:
- a. to distribute a handout detailing the flexible residential development ordinance guidelines to all affected communities and to work with communities as they develop their individual ordinances; and
 - b. to amend the *Local Planning Handbook* to include the flexible residential development ordinance guidelines and an explanation of the Council's action on this topic.

The motion carried.

2008-170 – Request for CIP Reimbursement Consideration for Costs to Remove Home From Inholding Parcel at Hyland-Bush-Anderson Lakes Park Preserve, City of Bloomington. Arne Stefferud, planning analyst-parks, stated that the city of Bloomington requests that the Metropolitan Council consider reimbursing the city in a future regional parks CIP for removing a house in an inholding parcel at Hyland-Bush-Anderson Lakes Park Reserve. He provided the background on this issue, explained that the city of Bloomington took possession of a lot and a house at 6101 West 84th Street that it acquired in 1977 under a life estate agreement, and the seller has since passed away. Stefferud stated that the estimated cost to remove the home which is in poor condition and to restore the site is \$44,157. He explained the reasons why the request to reimburse Bloomington is consistent with Council policy. Stefferud noted that the *2030 Park Policy Plan's* policy on CIP reimbursement consideration (Strategy 2f) requires the park agency to obtain approval from the Metropolitan Council for spending its own funds on a capital project, and in advance of spending its own funds on the project. Stefferud stated that the costs for a trail and fishing pier are not included in this request for reimbursement consideration. The City intends to work with Three Rivers Park District on preparing and submitting an updated master plan for the park reserve in 2009 that includes updated acquisition and development plans and associated cost estimates for the park. New development proposed in the updated plan is not eligible for Regional Parks CIP funding until the Metropolitan Council has reviewed and approved the updated plan.

McDaniel asked if there was anything of value in the property, such as copper piping, that the Council would be able to salvage to offset costs. Randy Quale, Bloomington Parks and Recreation manager, responded that an inspection of the property has been conducted. He indicated the house is very old, has no value in relocation and, during tear down and removal, if there is any precious metals discovered, advantage would be taken of recycling.

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

1. Consider reimbursing the City of Bloomington up to \$44,157 for expenses related to the removal of a structure and site restoration of the inholding parcel located at 6101 West 84th Street as part of Hyland-Bush-Anderson Lakes Park Reserve in a future regional parks capital improvement program. 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. Request the City of Bloomington and Three Rivers Park District to prepare and submit to the Metropolitan Council an updated master plan for Hyland-Bush-Anderson Lakes Park Reserve in 2009, and inform the City and Park District that new development proposed in the updated plan is not eligible for Regional Parks CIP funding until the Metropolitan Council has reviewed and approved the plan.

The motion carried.

Next, Chair Steffen returned to the tabled Business Item **2008-124 - Flexible Residential Development Ordinance Guidelines for Diversified Rural Area** and noted that the correct document had been distributed to committee members.

INFORMATION

Plat Monitoring Report. Lisa Barajas, planner, local planning assistance, presented background information about the results of the Plat Monitoring Program for 2007. She stated that the objective of the Plat Monitoring Program is to provide an annual report to the Metropolitan Council on sewer residential development in some *Developing* communities, including the average density, the mix of new sewer residential development, number of units platted, and the amount of land developed. Participating communities complete an annual summary worksheet and submit copies of plats approved during the calendar year. It was explained that this report also provides information about urban sewer residential plats approved in 2007 including acres platted, units approved, and resulting net density for twenty-five of the forty-five *Developing* communities, including Andover, Blaine, Brooklyn Park, Chanhassen, Cottage Grove, Eagan, Eden Prairie, Empire Township, Farmington, Hugo, Inver Grove Heights, Lakeville, Lino Lakes, Maple Grove, Medina, Minnetrista, Ramsey, Rogers, Rosemount, Savage, Shakopee, Victoria, Waconia, and Woodbury. Barajas stated that this report analyzes the data of 83 plats resulting in 3,028 housing units in 2007 and also shows the trends for all the participating communities since the inception of the program, including year-to-year density and housing mix comparisons. She stated that the average net density equals 3.7 units per acre across the 25 communities being monitored which is an increase in density since 2006.

Chair Steffen referred to the second paragraph of the second page of the information item and asked for clarification about the three participant communities not platting any new units in 2007. Barajas stated that the three communities referred to did not meet the three units per acre for the plats that were approved in 2007 alone. She indicated that, overall, on page three under density issues, there are only four communities (Victoria, Minnetrista, Brooklyn Park and Empire Township) that actually don't meet three units per acre across the whole of the data that is available for them. There were no further questions or comments about the plat monitoring report.

2007 Population and Household Estimates. Libby Starling, research manager, presented findings about the Council's 2007 Population and Household Estimates. Under state statute, the Council has developed annual population and household estimates for the cities and counties of the region since 1971; as the official population estimates, these estimates are used to allocate local government aid and local street aid. Starling stated that population reached 2.85 million in April 2007, up 8 percent since 2000; households reached 1.12 million, up 10 percent since 2000. She explained that the Council's methodology relies on changes to the housing stock since the 2000 Census, looking at construction and demolition, occupancy rates, and persons per household. Starling noted that new this year were methodology workshops for city staff and enhanced information about intermediate estimates and data inputs provided to cities; 13 cities requested changes in their population estimates, ultimately leading to a 0.07 percent increase. Communities gaining the most population were Shakopee, Blaine, Woodbury, and Lakeville; communities growing the fastest were Carver, Rogers, Hugo, and Belle Plaine.

Starling reported that population grew significantly faster in the developing and the rural areas (19 and 22 percent) compared to the central cities and developed area (1 percent since 2000 each). Thirty percent of net change in housing units occurred in the central cities and core although, because of higher vacancy rates, those areas have seen only 9 percent of the region's net change in population. Starling explained that the Census Bureau also conducts annual population and household estimates although, comparing the methodologies, the Metropolitan Council's uses more reliable information and is likely to produce more accurate estimates. It was also noted that demographic changes (an aging population) have led to a declining average household size. Discussion followed.

Pistilli questioned the impact of rising energy prices on the data. Starling stated that qualitative conversations are happening across the country that are hypothesizing that changes in energy prices will influence the desirability of housing development farther from employment centers relative to housing development closer to employment centers. Aguilar asked about foreclosure data, and Starling responded that that U.S. Postal Service administrative data depict which households truly are occupied as the letter carriers are delivering mail. Foreclosures that have resulted in vacancies are being incorporated into that information. She stated that it was important to note that there is not a direct correlation between foreclosure and vacancy. McDaniel stated that since local government aid is a statewide program, he asked if the seven-county metro area use the Council's estimates and federal estimates throughout the state. Starling stated that the Council's estimates are considered the official state government population estimates for the seven-county metro area. She added that the other 80 counties are estimated by the State Demographer's Office, and those are considered the official state government estimates for the remainder of the state. Starling noted that the Council and the Demographer's Office are in collaboration on communities such as Dayton, New Prague, and Northfield to ensure uniformity.

McDaniel expressed concern that redistricting is based on the Census numbers and he found it curious that different numbers are used for all of these issues. Starling responded that redistricting numbers are based on the decennial Census and, because the decennial Census makes an effort to contact every household and every non-household that can be identified, the Council considers the decennial Census the best possible information available. She explained what the Council and the Demographer's Office are doing during the intervening years. Aguilar asked if the Council or State Demographer's Office compiled data on minority home ownership. Starling indicated that there are data on minority home ownership coming out of the decennial Census and the American Community Survey which is the Census Bureau's intervening data source.

LUAC Report on Rural Best Practices. John Kari, planning analyst, and Deb Detrick, research analyst, provided an overview and invited Tony Pistilli, Chair, LUAC, to make any comments. Pistilli shared that the Framework identifies five planning issues that formed the basis for developing a best practices review including: 1) cluster development, 2) natural resource protection, 3) on-site sewer system management/ISTS, 4) rural transportation service levels and access management, and 5) conflicts around growth and development.

Kari provided further detail about the process and noted that selecting best practices involved reviewing resources, looking at state and local examples, and emphasizing newer and user-friendly resources. Seven main resources were featured, are accessible on the web and can be adapted to local needs. The publications include: 1) Under Construction, 2) The Economic Value of Open Space, 3) Tools and Techniques, 4) When a Factory Farm Comes to Town, 5) Onsite Sewage Treatment Program, 6) Partners in Access Management, and 7) Model Access Management Plan. He noted that not all the resources will be used uniformly but they can be used as a guide to assist communities with thinking through issues. Kari also expressed that this is not necessarily an endorsement of the tools, but there is the ability of local governments to adapt and use these tools to fit their local experience. Discussion followed.

Chair Steffen asked if what cities have in terms of on-site sewer reporting was looked at. Kari explained more of the planning end was researched; something the cities could use as a tool—especially where cities do not have a lot of staff. Steffen also asked if legislation about the connection between the metro area and Greater Minnesota, such as for county roads, was looked at. Kari responded that legislation was not researched since the focus was to research existing tools that communities could access. Hilker asked if the information under tools and policies for rural areas and open space was consistent with the Council's flexible residential development ordinance guidelines. Kari responded, that to his understanding, it was all internally consistent. Steffen pointed out that there is a consistency in policy but that there are external changes that are occurring that could make it inconsistent.

Kari noted that the committee stressed that a caveat be added stating that these tools may not be applicable in all communities but that they can be adapted to their local needs. McDaniel added a cautionary comment that the land stewardship project publication, in some past dealings he has had, have a particular point of view. Kari stated that when looking for resources, he called out to local communities and asked what kind of resources they use or have used to address the issue of development proposals that are inconsistent with what is wanted in the community. Pistilli thanked staff for their hard work and encouraged members who have cities or communities in rural areas to communicate to them

that these tools are available. He further invited Community Development committee members to suggest topics that he could bring to the Land Use Advisory Committee. Hilker suggested that LUAC take a look at the energy issue.

ADJOURNMENT

Chair Steffen reminded members that if the August 4 Community Development Committee is canceled, the next regular meeting of the CDC would be Monday, August 18, 2008, at 4:00 p.m. in the Council Chambers.

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

Respectfully submitted,

Diane Jadwinski
Recording Secretary