



MAYOR AND COUNCIL COMMUNICATION

DATE: 10/15/2013

REGULAR

ITEM #: 15

AGENDA ITEM: Met Council 2040 Growth Forecast Discussion

SUBMITTED BY: Kyle Klatt, Planning Director

THROUGH: Dean A. Zuleger, City Administrator

REVIEWED BY: Nick Johnson, City Planner

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item.....Staff
- Report/PresentationStaff
- Questions from Council to Staff..... Mayor Facilitates
- Public Input, if Appropriate..... Mayor Facilitates
- Call for Motion..... Mayor & City Council
- Discussion Mayor & City Council
- Action on Motion Mayor Facilitates

PUBLIC POLICY STATEMENT

In preparation for next spring’s adoption of Thrive MSP 2040 and the beginning of decennial Comprehensive Plan updates, the Metropolitan Council has developed preliminary local forecasts of population and employment to 2040. This is the beginning of the process to determine the population and household projections that will be used for the City’s next Comprehensive Plan Update. With the release of these forecast numbers, the City intends to continue working with the Met Council towards an overall reduction of the population, household, and employment projections specified in the Memorandum of Understanding (MOU) between the City and the Met Council, with the ultimate goal of eventually eliminating the MOU as regulatory document.

FISCAL IMPACT: None at present – the Wastewater Inefficiency Fees that are included as part of the MOU would require the City to make payments to the Met Council if the development targets specified in the agreement are not met.

SUMMARY AND ACTION REQUESTED:

The City Council is being asked to review proposed population, household, and employment projections for Lake Elmo that have been prepared in response to recent conversations with the Met Council concerning the Thrive MSP 2040 process. With the release of preliminary 2040 forecast numbers for Lake Elmo, the timing is appropriate for the City to propose a new set of growth targets for the community that are much more consistent with the expected level of development in the community and the help the City Council achieve its stated goal of easing the Met Council REC unit mandates and to extend the deadlines for development out until 2040. Planning Staff has recently met with Mayor Pearson and Council Member Smith to begin the process of creating a credible 2040 forecast for the City of Lake Elmo, with the intent of:

- Understanding the real growth potential of the community in the next 27 years using primarily a single family residential philosophy.
- Determining how this growth relates to sewer REC units.
- Allowing enough growth to provide enough cash flow to support ancillary efforts like downtown development.
- Ensuring that the population forecast will be viewed as credible by the Met Council and provide a sufficient level of development to permit the eventual elimination of the MOU.

The projections that have been proposed as a result of this meeting are included below as part of this memorandum.

At this time, Staff is seeking conformation from the City Council that the proposed forecast numbers may be presented to the Met Council for consideration as a first step towards revising or eliminating the MOU. With the City Council’s support, Staff will be submitting a letter to the Met Council with the proposed updated numbers for Lake Elmo. The suggested motion for this action is as follows:

“Motion to authorize Staff to present the proposed 2040 forecast numbers to the Met Council”

PROPOSED FORECAST:

Using the goals noted above, the following numbers are being proposed to replace the projections included in the Comprehensive Plan and Memorandum of Understanding (both of which were updated earlier this year). These numbers would be presented as a minimum commitment on the part of the City.

	PROPOSED	EXISTING MOU
MOU Projections		
2040 Total Population	18,000	24,000
2040 REC Units	5,000	6,600
 New Housing Units		
Rural Development Areas	720	1,407
Village Planning Area	1,250	900
I-94 Corridor	2,600	3,300
 Commercial REC Units		
I-94 Corridor	500	1,400

Please note that it is very difficult (if not impossible) to predict the number future housing units and commercial REC units within the Village due to the mixed-use zoning that will be used for the central portions of the Village Planning Area. Rather than attempting to guess at the commercial/housing nature of future development and the amount of existing units will be lost due to redeveloped in the future, Staff is proposing to establish a baseline REC count of 2.5 units per acre for all land outside of the greenbelt in the Village. This allows the City to use a general number for planning purposes while allowing flexibility to plan for various forms of development. The number used in the existing MOU does not take into account any future housing development within the mixed use development area within the Village, nor

does it take into account any future commercial development in the Village (this is why the existing MOU number is smaller than the proposed unit count).

In moving ahead with a proposal to revise or eliminate the MOU, the City's ultimate goal is the elimination of any numbers that are otherwise not required to be included in the Comprehensive Plan. This would allow the City to focus on attracting appropriate development that is consistent with the overall objectives of the Comprehensive Plan rather than having to worry about whether or not an arbitrary housing or commercial REC number is being met. The projected REC counts are important for planning purposes, but typically are only reported as part the wastewater plan and generally do not serve as targets for growth and development.

The assumptions and rationale that led to these numbers include in the above table are as follows:

- That the City should be planning for residential densities of 2.5 units per acre throughout all of the areas that guided for public sanitary sewer service. This is seen as the minimum level of housing development that is needed to help support the needed public infrastructure on City-wide basis. This also correlates with the housing demand that is anticipated in Lake Elmo.
- That the household and population growth in the rural development areas should be set at a level that anticipates a low to moderate level of growth consistent with the City's 2010 rural development review and analysis.
- That the overall projections should reflect a reduced amount of housing in all three of the City's future development areas (Village Area, I-94 Corridor, and rural development areas) rather than reducing the household numbers in only one or two of these areas. Although it does not appear to the case, the proposed Village unit count does represent a decrease from the current plan following the methodology described above.
- That previous projections for commercial development areas were overly aggressive and could only be achieved through the creation of large employment centers. The City prefers to focus on developing appropriate land uses within the commercial areas rather than concentrating on employment numbers and REC unit counts.

The numbers as proposed have also been drafted in order to account for the following variables, which will be very difficult to project with any degree of certainty in the future:

- How much of the Village Planning Area will develop for commercial or mixed use development compared to housing alone.
- What the average household size will be in 2040 given current population trends and the City's desire to accommodate senior housing options.
- Other factors that may shift more of the City's planned REC units into commercial or mixed-use development.
- How much development is likely to occur in the City's rural development areas. Under the City's current comprehensive plan, many of the City's 10-20 acre parcels would need to be redeveloped as OP or OP-2 development in order to achieve the housing unit projections. The proposed rural development number of 720 would greatly reduce this pressure

STAFF RECCOMENDATION:

Based upon the above background information and Staff report, it is recommended that the City Council authorize the drafting and submission of a letter to the Met Council with the proposed updated projections for Lake Elmo by undertaking the following action:

“Motion to authorize Staff to present the proposed 2040 forecast numbers to the Met Council”