



**MAYOR & COUNCIL COMMUNICATION**

**DATE:** May 19, 2015  
**REGULAR**  
**ITEM #** 24

**AGENDA ITEM:** Future Growth Strategy/Phasing Plan Policy

**SUBMITTED BY:** Kyle Klatt, Community Development Director

**THROUGH:** Dean Zuleger, City Administrator

**REVIEWED BY:** Nick Johnson, City Planner

**SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item .....Community Development Director
- Report/Presentation.....Community Development Director
- Questions from Council to Staff..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

**POLICY RECCOMENDER:** As a follow-up to the previous Council meeting, Staff has prepared a draft policy document concerning the City’s Staging Plan for consideration by the Council. This a draft document and intended for discussion purposes only at this time.

**FISCAL IMPACT:** TBD – the document includes a requirement that public risk be evaluated prior to accelerating development in later stages.

**SUMMARY AND ACTION REQUESTED:** The City Council is being asked to review a draft policy document concerning the City’s Land Use Staging Plan. This document has been prepared in response to the City Council’s discussion at its May 5, 2015 meeting. As the document has not undergone any internal or external review, Staff is not seeking formal approval of the policy document at this time, and is instead seeking Council input in order to further refine the draft.

No specific motion is requested for this time; and feedback or direction from the Council will be incorporated into a future draft.

**LEGISLATIVE HISTORY/PLANNING COMMISSION REPORT:** The Planning Commission reviewed the Staging Plan that was adopted as part of the Comprehensive Plan. The Commission has not conducted any further review of the Staging Plan since the adoption of the Land Use Plan.

**BACKGROUND INFORMATION (SWOT):**

- |                      |   |
|----------------------|---|
| <b>Strengths</b>     | <ul style="list-style-type: none"><li>• A Staging Plan policy document will help clarify the City's review of future development projects that may be proposed in Stage 2 or 3 development areas.</li></ul>         |
| <b>Weaknesses</b>    | <ul style="list-style-type: none"><li>• Major revisions to the Staging Plan will need to be considered as an amendment to the Comprehensive Plan</li></ul>  |
| <b>Opportunities</b> | <ul style="list-style-type: none"><li>• A policy document would help ensure that Staff, developers, and land owners on the same page moving forward concerning the timing of development within the City.</li></ul> |
| <b>Threats</b>       | <ul style="list-style-type: none"><li>• None</li></ul>  |

**RECOMMENDATION:** Staff is not making any formal recommendation at this time, and is instead seeking Council input on this matter before making any further revisions to the document.

**ATTACHMENTS:**

1. Growth and Staging Plan Policy Document – DRAFT
2. Development Outlook – May 2015
3. Lake Elmo Staging Plan (from Comprehensive Plan)

## **City of Lake Elmo**

### **Growth and Staging Plan Policy Document - DRAFT**

**Prepared by the Lake Elmo Planning Department**

**Reviewed and Approved by the City Council \_\_\_\_\_**

#### **Introduction and Summary**

The City of Lake Elmo adopted a revised Land Use Plan as part of the 2012 update to the City's Comprehensive Plan. This plan included a section on development staging that also addressed the City's commitments under the terms of the Memorandum of Understanding (MOU) with the Met Council. With the recent termination of the MOU and approval of several public improvement and private development projects within the City, the City Council would like to clarify the purpose and intent of the Staging Plan, and to provide clarification concerning the implementation of this plan that was not addressed in the Land Use Plan. This policy document is not intended to replace or amend any existing provisions already adopted as part of the City's Comprehensive Plan.

#### **Purpose and Intent**

In order to help the City plan for and manage growth, the Lake Elmo Land Use Plan identifies three primary objectives for the staging plan as follows:

- Identify a logical pattern for future growth based on the amount of land planned for new development and the availability of infrastructure to serve this development
- Give the City additional control over the timing and location of new development to coincide with the City's ability to provide the required services.
- Provide additional opportunities and an official mechanism for the City to be able to plan, budget, and set goals for future development.

One of the tools that was created in order to help accomplish these objectives was a Staging Plan Map for the I-94 corridor planning area. This map identified three distinct phases for future growth and development, but did not link any of these phases to a specific time frame. The plan notes that the City will monitor growth by assessing market conditions, land capacity, and the availability of public infrastructure in order to determine when development may occur in stages subsequent to the first stage. It further includes criterion under which the City would consider allowing development in later stages, including the availability of infrastructure to serve new development and a commitment from developers to pay a proportionate share of the costs to extend services to new areas.

#### **Development Activity**

Since the adoption of an updated Land Use Plan, the City has taken action on several land use requests that have extended public services into planned sewer development areas. This activity has included the following projects:

- Constructing sewer and water trunk lines to service development within the Stage 1 planning area.

- Extending a sanitary sewer force main from the I-94 corridor to the Village Planning Area. A part of this project included the construction of a gravity sewer line along the southernmost extension of this project.
- Installing a water trunk line along Lake Elmo Avenue from the Village Planning area to 5<sup>th</sup> Street.
- Negotiating the location for a future water tower along Inwood Avenue that will service the western portion of the I-94 corridor.
- Approving plans for the construction of the several segments of the 5<sup>th</sup> Street minor collector road as part of private development projects.
- Constructing sanitary sewer service along 39<sup>th</sup> Street and south to the railroad right-of-way in the Village Planning Area.
- Working with Washington County on a comprehensive plan for road, sewer, water, and streetscape improvements along Lake Elmo Avenue and other streets in the Village Planning Area.

These public improvement projects, along with supporting private infrastructure investments, have made public services available to most of the Stage 1 planning area and the extreme eastern-most parcels within the Stage 2 planning area.

### **Policies**

With the completion of the public and private development projects listed above and the approval of nearly 2,000 new sewered housing units at a concept level or above, the City Council has indicated that it would like to establish clear policies for managing growth under the terms of the City's approved Comprehensive Plan, including the Staging Plan. The City has also been notified that Lake Elmo's population and household forecasts for 2040 will be lowered from the numbers adopted as part the Comprehensive Plan. These policies are therefore intended to: 1) help the City begin addressing the reduced population forecast numbers that will be adopted as part of the Metropolitan Council 2015 Systems Statement; and 2) help ensure that future growth and development occur in a manner that does not overburden the public or lead to inefficient use of public improvement expenditures.

With these objectives in mind, the City hereby adopts the following policies concerning growth and Staging as specified in the Lake Elmo Comprehensive Plan:

- 1) Adhere to the Staging Plan as adopted in the Land Use Plan.
  - a. Council approval will be required prior to the acceptance of any residential land use applications for development activity within the Stage 3 development area or for any parcels within the Stage 2 development area that are not directly adjacent to Lake Elmo Avenue.
  - b. Commercial development projects may be allowed to commence within any Stage provided the project is able to address the "adequate public facilities" provisions as lists below.
- 2) Clarify the circumstances under which the City will consider accelerating development in Stage 2 or Stage 3.
  - a. Commercial development proposals that are able to demonstrate the availability of adequate public facilities may proceed provided the application materials address this issue.

- b. Adequate Public Facilities is defined as follows: *[Include Definition]*
  - c. In considering accelerating development to later stages, the development will be evaluated to assess the public risk from the project. In this case, a public risk will be considered a public cost that is not off-set by a reasonable percentage of taxes or other revenues (including, but not limited to, city exactions, dedications, development or other fees or charges, permits, utility connections, impact fees, etc) that are attributable to the development. Public costs shall include costs incurred or that might reasonably be expected to be incurred in the foreseeable future. (City-wide capital expenditures not solely attributable to the development will not be considered as part of this analysis because the financing of these costs is spread across the entire tax base and paid for by hook-up charges, user fees and similar means)
- 3) Define the level of activity that will allow development to occur in later stages.
- a. For new development to be allowed beyond Stage 1 or any subsequent stages, at least 65% of the residential lots within the entire development stage must be platted as part of a final plat and must have either a structure constructed on them or a building permit issued for the construction of a structure on these lots.
- 4) Prepare an Interim Comprehensive Plan amendment in advance of the release of the 2015 Systems Statement.
- a. The amendment will address the following:
    - i. Reducing the City's population and household forecasts to match the 2015 Systems Statement.
    - ii. Considering land use changes along the corridor, and specifically reducing the amount of land guided for HDR, expanding the BP land area, and concentrating MDR and HDR areas around development nodes.
    - iii. Revising or eliminating the MOU targets included in the previous plan.
    - iv. Updating the Staging Plan to reflect current conditions and the revised population and household forecasts.
- 5) Consider adoption of an adequate public facilities ordinance to more clearly require compliance with these policies.

Other Strategies

# Lake Elmo Development Status - May 15, 2015

Developer	Area	Total Units	Concept	Preliminary	Final	Dev Ag
Lennar	194	310			X	X
Hunters Crossing	194	51			X	X
Hammes	194	163			X	X
Easton Village	OV	217			X	X
Boulder Ponds	194	162			X	X
Village Preserve	OV	91			X	
Inwood (Hagen) (PUD)	194	539		X		
Village Park Preserve	OV	104		X		
Wildflower (PUD)	OV	145		X		
Lennar LE Avenue	194	48	X			
Landucci (Goetschel Farm)	OP	49	X			
Hidden Meadows (Rockpoint)	OP	33		X		
<b>Totals</b>		<b>1912</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>5</b>

<b>194 Units in Pipeline</b>	<b>1273</b>
<b>OV Units in Pipeline</b>	<b>557</b>
<b>OP Units in Pipeline</b>	<b>82</b>
<b>Population Calculation</b>	<b>1919 X 2.5 = 4780</b>
<b>Current Approximate Population</b>	<b>8100</b>
<b>Total by 2025</b>	<b>12880</b>

<b>Met Council 2040 Population Forecast</b>	<b>18,200</b>
Minus 2025 Population Based on 100% Buildout	12,880
<b>Total Available Population Growth for 2040</b>	<b>5320</b>
<b>Total Available Homes for Development (5320/2.5)</b>	<b>2128</b>

Financial Forecasting	
SACs + Connection = 1832 X \$4000 =	\$7,328,000
WACS+Connections = 1912 X \$4000 =	\$7,648,000
Estimated Home Value X \$350,000 =	\$669,200,000
Additional Tax Base (x.002)	\$1,338,000.00

Comprehensive Plan. The City will also be adopting zoning district standards within the urban residential development areas that will allow the clustering of housing on smaller lots in exchange for the preservation of open space within new developments.

### Staging Plan

While **Table 3-C** provides a projected schedule for the construction of new residential and non-residential developments, the City has also adopted a general staging plan within the City's urban growth areas to help ensure that the City is able to deliver the required municipal services and public infrastructure that will be needed to support new development. The infrastructure needed to serve these developing areas is substantial and the staging plan will provide a mechanism for the City to manage this growth and to be able to adequately prepare for the City's future infrastructure needs. The objectives of the staging plan are to:

- Identify a logical pattern for future growth based on the amount of land planned for new development and the availability of infrastructure to serve this development
- Give the City additional control over the timing and location of new development to coincide with the City's ability to provide the required services.

Provide additional opportunities and an official mechanism for the City to be able to plan, budget, and set goals for future development.

The Staging Plan is document as part of **Map 3-4**, and identifies three separate stages for future development without a specific time period attached to these phases. Instead, growth is expected to occur at the rate documented in **Table 3-C**, with each of the stages being developed in the order depicted on the map and further described as follows:

- Stage I: New sewered development located west of Keats Avenue that will connect to the MCES WONE interceptor.
- Stage II: New sewered development located west of Manning Avenue and south of the Forest residential subdivision that will connect to the MCES Cottage Grove Ravine regional interceptor.
- Stage III: All remaining new sewered development south of 10<sup>th</sup> Street that will connect to the MCES Cottage Grove Ravine regional interceptor.

The City will monitor growth by assessing market conditions, land capacity, and the availability of public infrastructure in order to determine when development may occur in stages subsequent to the first stage. The acceleration of a development in any of the latter stages may be permitted by the City provided it is demonstrated that adequate public infrastructure exists to support this development. The availability of infrastructure and any necessary utility extensions and transportation improvements needed to support new development will be considered in deciding whether or not to open up the next staging area to development. In order to accelerate the development of latter stages, there must be a commitment that the development will pay its proportionate share of the infrastructure costs to extend services to any new development.

Map 3-4



# I-94 Corridor Development Staging Plan - Lake Elmo, MN

City of Lake Elmo  
7-19-2012  
Data Source:  
Washington County, MN



Stage 1  
Stage 2  
Stage 3





To help ensure that public facilities needed to support new development meet or exceed an acceptable level of service, the City will consider adoption of an adequate facilities ordinance. The primary goals of this ordinance are to: 1) avoid sprawling or leapfrog development that would result in an inefficient use of the City's infrastructure and services, and 2) give priority to development opportunities that do not require the construction of significant extensions of public infrastructure. When developers build on parcels that are not contiguous to areas served by existing infrastructure, there is an expectation that the developer will pay for the added costs to serve non-contiguous development. Non-contiguous development will not be allowed if it would negatively impact the City's financial stability and capacity.

### **Implementation**

The following tasks will be completed by the City to facilitate the implementation of the land use plan.

#### **Zoning Code Update**

Planned development within the Old Village and south of 10<sup>th</sup> Street will introduce development styles and patterns new to the community that cannot be achieved by existing zoning classifications. The zoning code will need to be updated to include new residential, commercial and Business Park districts as needed to ensure the City's vision can be successfully carried out.

- *Creation of Design Standards*

As a supplement to the new zoning districts, the City will pursue the creation and adoption of specific design standards for areas of new development. Design standards go beyond standard zoning requirements such as area and width to specify required building materials, building articulation, architectural standards, etc. Adoption of design standards sets an overall policy for what development should look like to guide the quality of the built environment towards the community's established vision.

- *Form Based Code*

Within the Old Village area, the City will consider implementation of a form based code in lieu of standard Euclidian zoning districts. Under a form based code, requirements focus primarily on the built environment and its relation to the public realm rather than on the separation of uses. Form based codes are regulatory, not advisory like typical design standards. Specific standards for public spaces and building forms are adopted directly into code and mandate that future construction achieve the established community vision.

#### **Internal Process Evaluation**

A review of procedures for all application types will be undertaken by the City to ensure internal processes are optimized for quick turn-around and minimal delays whenever possible.

#### **Cooperation with Other Government Agencies**

The City will reach out to neighboring communities and reviewing agencies to proactively address issues that may impact future development.