

LAKE ELMO PLANNING COMMISSION MINUTES

APPROVED

JANUARY 26, 1988

Chairman DeLapp called the Planning Commission meeting to order at 7:35 p.m. in the City Council chambers. Present: DeLapp, Williams, Hunt, Johnson, Simpson, Kunde, Stevens. Absent: Bucheck, Haacke, Johnston, Eves

1. Agenda

Add: 8. Discussion on Sign Ordinance, 9. Adjourn

M/S/P Stevens/Hunt - to approve the January 26, 1988 Planning Commission meeting agenda as amended. (Motion carried 7-0).

2. Minutes: December 14, 1987

M/S/P Williams/Hunt - to table the December 14, 1987 Planning Commission meeting minutes for further discussion on Chapter III, Future Land Use Section of the 1986 Comprehensive Plan. (Motion carried 5-0-2<Abstain: Johnson, Hunt>).

Minutes: January 11, 1988

M/S/P Williams/Hunt - to approve the January 11, 1988 Planning Commission meeting minutes as amended. (Motion carried 6-0-1<Abstain: Simpson>).

3. New Planning Commission Members and Planning Books and Information; Marge Williams

Commissionmember Marge Williams reported that Ann Bucheck had gone to the Washington County Planning Agency and gathered books that would be informative to the Planning Commission. After reading several of these books, Marge suggested purchasing 10 copies of Job Description of the Planning Commission Member for each member at a total cost of less than \$150. Other books will be purchased to go into a library that will be set up for information that is needed by the Planning Commission members.

Marge proposed that the Commission set up an in-service training program for new planning commissioners. A packet would be made up with job descriptions, how comprehensive plans are written and to include whatever else that is needed to help inform them. Marge has talked to Afton and found out they hold three meetings a year for in-service training.

M/S/P Stevens/Hunt - to direct Marge Williams to set up a sub-committee to develop an in-service training program for new Planning Commission members which should include having access to planning books. (Motion carried 7-0).

4. Section 32/33 Alternate Financing--
T.I.F. General Overview
Lee Hunt and Dave Johnson

Dave Johnson reported on Tax Increment Financing after talking to several people from the Hubert Humphrey Institute. Dave also talked

to Don Slater, who did not feel confident to come in and discuss this with the Commission, but gave Dave the name of Douglas Hartman as an alternate source of information.

Dave explained that tax increment financing is a tool used by cities to finance certain types of real estate development costs. The primary purposes of TIF are to attract private investment that will: 1) redevelop blighted areas, 2) provide housing for low and moderate income individuals and families, or 3) result in increase employment opportunities and tax base. Most cities finance these costs by issuing tax-exempt bonds, and the tax increments from the resulting development are used to make annual principal and interest payments on the bonds. While TIF does not change the amount of taxes paid by a developer, it does change the distribution of these taxes. Instead of being shared by the city, county, and school district, tax increment typically go to the city to pay development costs. In theory, the various taxing jurisdiction will later benefit from TIF because it induces new developments that would not have occurred without this financing tool.

The Minnesota Tax Increment Financing Act of 1979 must be used to establish a tax increment district and its financing plan. According to the act, districts may be one of three types: (1) a redevelopment district (25 years), which is designed to induce development on blighted land; (2) an economic development district, (7-8 years), designed to increase cities' tax base and employment as well as to discourage Minnesota businesses from moving to other states and (3) a housing district, which is intended to encourage housing development for low and moderate income individuals and families.

Johnson explained that at times, TIF has been used in ways that are inconsistent with the basic intent behind TIF. Major problems of tax increment financing are listed in "Executive Summary" pamphlet Johnson had received. Two of the problems listed were:

--In some instances cities have established tax increment district that intentionally capture taxes from development that is already occurring rather than induce new development. This practice prevents other taxing jurisdictions from collecting taxes they would otherwise receive.

--Cities are pooling tax increments among districts or establishing large project areas in which tax increments can be spent. These practices enable a city to spend excess tax increments from an existing district rather than decertifying the district. This weakens the statutory restrictions on the use of excess increments that apply to districts established after August 1, 1979.

In addition, there is the question of whether tax increment financing results in an excess public investment in development activities. To the extent that cities use tax increment financing to induce retail and commercial development, TIF may only succeed in shifting where that development occurs within the state. A subsidized development that brings more jobs and tax base to one city may ultimately result in few jobs and decreased tax base elsewhere in the metropolitan area.

Johnson has talked to the Lake Elmo Bank and Maplewood State Bank and it appears to him that you will not find anybody that will loan money unless you have a specific project/site in mind.

In order to have knowledgable people come in and put on a TIF seminar, Lee Hunt found you needed to be pay between \$200-\$800. Lee had talked to Wayne Vasilis, Community Development Specialist, Washington County, and he distributed pamphlets on Tax Increment Financing.

Information ~~distributed~~ available:

Tax Increment Financing
Funding Commercial Development with Future Tax Receipts
May 1984
Dept. of Energy & Economic Dev., Commercial Development Div.
in cooperation with League of MN Cities

Tax Increment Financing
American Planning Association

Financing Infrastructure to Support Community Growth
by Douglas R. Porter, Richard B. Peiser
Dev. Comp Series

Public Incentives and Financing Techniques for Codevelopment
by Gary E. Stout, Joseph E. Vitt

Lee explained there were 38 states that have TIF and Minnesota allows TIF on new development, in general. He found that the trend seems to be limiting TIF rather than broaden it because it is difficult to determine financial gains or losses and requires lots of up front work to be done--if not, a City gets burned badly. TIF is for larger cities and larger staff. Types of information that would be needed: Land inventory--developable land and what would it support, what soil would support building, what type of development--how dense, what type of services are needed. Hunt felt we should compare the overall result in regard to what happens to that land for revenue if we develop it commercially, or R1 which includes sewer, RR without sewer or RE zoning. TIF is done when it is for the good of the City. Hunt suggested a review from City Attorney Knaak of changes that have occurred recently with TIF.

Dave Johnson stated that if we do decide to develop, then TIF is the only realistic way to go about it. In order to reduce our risk by spreading this over a 7-8 year period, it has to be site specific. Hunt felt the risk was high to Lake Elmo based on the budget. Another problem he sees is the cost to put in sewer is a very high risk to the City and low for the developer. Hunt would not be in favor to do TIF based on our current Comprehensive Plan.

There are such Individual Development Revenue Bonds where the city issues bonds and the developer is fully responsible for payment of the bond. The legislature is closing loopholes down. A follow-up on case studies to see if finance has been affective would cost money and it

was suggested the City share the cost of this study. Hunt has talked to City Council members who would not support the study at this time. The Commission suggested bringing someone in to talk to them.

Marge Williams talked about "impact fees" which local governments are forcing the person who benefits, pays--this is the way of the '80s.

Chairman DeLapp talked with Mayor Hudalla, Bev Peterson who reiterated what Mattson has stated--only TIF approval on a site specific proposal. Johnson agreed that it had to be project/site specific and it enhances the neighborhood was the only way of lending city support because of the risk.

Marge Williams explained the difference between Oakdale and Lake Elmo is that Oakdale is interested in developing every inch of their land and Lake Elmo is not interested. This would change the focus and philosophy of Lake Elmo.

The consensus of the Planning Commission was to look at it on an individual basis--to have the developer come in with a specific project/site proposal--in order to examine the risk to the City. Therefore, the following motion was made.

M/S/P Williams/Hunt - to recommend to the City Council that the Planning Commission could not approve or recommend TIF; but recognizes alternate ways of financing for the developer who has a project and site specific that would enhance the neighborhood. (Motion carried 7-0).

Chairman DeLapp handed out copies of the petition for detachment of certain lands from the City of Lake Elmo and annexation of the same to the City of Lake Elmo submitted by Attorney Lyle Eckberg representing Harvey and Evelyn Brockman; Meriwn and Eileen Campbell, Joseph and Dorothy Brockman and Robert and Luella Fraser.

Oakdale wants Section 32, but it cannot go to Oakdale unless there is a 4-1 vote, DeLapp stated. Marge found out in a booklet that this property can only be annexed as property is developed. Annexation is always toward the more developed areas. Oakdale may have TIF in place to develop a parcel rather than Lake Elmo.

Tom Simpson expressed his feelings with diversity in one town is desirable but incompatible in another such as in Section 32. He is more in favor of them going to Oakdale.

Marge Williams asked if the City was prepared for very high services and changes in our schools.

Johnson felt we were unique by being on the corner of two freeways and has a chance to put commercial in and get three times as much tax money.

Williams responded that there was a different economy in 1988 than in 1984 and 1985. Companies are not out looking to expand and gave the example of the Woodbury Mall which is having difficulty finding anchor stores.

Marge Williams and Lee Hunt recommended that the Lake Elmo Planning Commission meet with the City Council to discuss what information they have learned so far in regard to the annexation to Oakdale. Chairman DeLapp will discuss making this a City Council agenda item with the Mayor in advance so he could lead the discussion and ask questions.

Three Section 32 property owners were in the audience and asked by Chairman DeLapp if they had anything to say. They had nothing to add, but felt the discussion was very interesting.

Chairman DeLapp also handed out a notice of a public information meeting being held on February 2, 1988 at 7:00 p.m. to learn about the I-494 Access Improvement Study being conducted by the City of Woodbury. Included in these street improvements may be the construction of an interchange on I-494 near Tamarack Road, the construction of an interchange on I-494 near the Woodbury/Maplewood City limits, and the extension of Bielenberg Drive into Lake Elmo and the extension of Weir Drive into Oakdale.

5. Comprehensive Plan Work Committees Format--
Marge Williams

Marge Williams had met with Lucy Thompson of the Metro Council on February 1st, 1988 to discuss the 29 pages of the 1986 Comprehensive Plan that was submitted for their approval. Marge found the plan did not have any meat to it because the appendices should be the body of the documents and not inserted as Appendixes. Basically, the City Administrator did not follow the Metro Council format, but became inovative and came up with his own format. Consequently, the plan became confusing and unreadable.

The Comprehensive Plan should have Inventory, Analysis, Policy Plan, Implementation Plan and Conclusion. A copy of Minnetonka's Table of Contents was handed out as an example.

Marge suggested that a committee be formed to work on the 1986 Comprehensive Plan in order to change it to correspond to the recommended format by the Metropolitan Council. This committee will meet on Saturdays.

M/S/P Williams/Hunt - to suggest a work committee meet on Saturdays to work on the 1986 Comprehensive Plan in order to make it more consistent with the recommended format by the Metro Council. (Motion carried 7-0).

6. R.E. (Residential Estates)
Natural Features & Resource Assessment

Chairman DeLapp submitted a draft on Residential Estates zoning--one family residential zoning for the Planning Commission's review.

The Commission had a problem with permitting a guesthouse as a permitted accessory structure because of the potential of it becoming a rental unit. Part (B) should now read:

B. Accessory Uses and Structures:

- 1) Uses and structures which are customarily accessory and clearly incidental and subordinate to permitted uses and structures.
- 2) Garages, carports, screenhouses, conservatories, playhouses, swimming pools, tennis courts, hobby shops and storage buildings as allowed by code for private use only.

There was discussion on the requirement of having a minimum of 700 trees on the 2-1/2 acres. Commissioners felt it was too directive and question it being in the zoning ordinance and asked if the number of trees were enforceable. DeLapp felt the Parks Commission could check on the number of trees because he wouldn't leave it up to the Building Official. Ed Stevens felt we should not dictate the number of trees--what if they wanted lilac bushes--we should leave some room for individuality. Suggestions were made for a tree overlay district or some landscape guidelines be formed. This requirement of 700 trees was deleted. Also under 8) Special Requirements (a) and (b) were eliminated which dealt with trees that must be properly cared for and replaced if damaged or dead and a wooded protective buffer should be required inside the front setback.

Other changes under 8) Special Requirements were:

(d) A maximum of 1 accessory building totalling 1000 square feet is permitted for 2 1/2 acres. A maximum of 2 accessory buildings totalling 1500 square feet if permitted for 5 acres.

(e) The size of the principal structure may not exceed 6000 (replacing 4000) square feet on one level.

These changes will be made and Residential Estates zoning will be brought back for review at the February 9th, 1988 Planning Commission meeting.

7. Parks & Open Space
Ed Stevens

This item will be discussed at the February 9th meeting.

8. Sign Ordinance discussion

This item will be discussed at the February 9th meeting.

M/S/P Simpson/Johnson - to adjourn the Planning Commission meeting at 10:56 p.m. The next Planning Commission meeting will be held on Tuesday, February 9th at 7:30 p.m. (Motion carried 7-0).