



City of Lake Elmo

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NOTICE OF MEETING

The City of Lake Elmo
Planning Commission will conduct a meeting on
Monday, June 8, 2009, at 7:00 p.m.

AGENDA

1. Pledge of Allegiance
2. Approve Agenda
3. Approve Minutes
 - a. April 22, 2009
 - b. May 11, 2009
4. Public Hearings
 - a. None.
5. Business Items
 - a. Discussion of Economic Development Activity
 - b. Future Meeting Schedule and Long-Range Planning Issues
6. City Council Updates
 - a. May 19, 2009 – Comprehensive Transportation Plan approved
 - b. June 2, 2009 – Hucec Variance at 2931 Jonquil Trl N approved
7. Adjourn

**City of Lake Elmo
Planning Commission Meeting
Minutes of Apr 22, 2009**

Chairman Van Zandt called to order the meeting of the Lake Elmo Planning Commission at 7:00 p.m. COMMISSIONERS PRESENT: Anderson (7:04), Bidon, Britz, Fliflet, Hall, McGinnis, Van Erem, Van Zandt, Ziertman. Absent: Pearson. STAFF PRESENT: Planner Matzek, Planning Director Klatt, and Assistant Engineer Stempski, Bernie Bullert and Sherri Buss with TKDA.

Agenda

M/S/P, Fliflet/ Pearson, to approve the agenda as presented. Vote 9:0.

Minutes – *None.*

Public Hearings – *Comprehensive Local Water Supply and Conservation Plan*

Engineer Stempski identified the schedule for the 2030 Comprehensive Water System Plan Update. He outlined the difference between the existing and proposed water plans as well as some history of the document. Mr. Stempski went through each of the eight plan recommendations.

Commissioner Hall asked if the pressure rating was constant across the whole city.

Mr. Bullert with TKDA said insurance companies do not look out house by house, but instead use the community rating or if the home is on a well.

Commissioner Hall asked if there is an estimate for what the private well ratio to municipal use is and how it will change.

Mr. Bullert said he was not sure of the ratio, but expected more homes to be added to the municipal lines.

Chairman Van Zandt said that a 3M report was sent out identifying that if pumping was accelerated at Well No 1, the contamination could accelerate as well.

Commissioner Bidon asked if the depth of the city wells should be placed deeper as the increase in the use of the water will affect the level of the aquifer over time.

Mr. Bullert said that aquifer levels have been dropping in other areas around the metro.

Planning Director Klatt said that most new developments will be on city water and the well advisory area already requires a much deeper depth already. He said there are a few other in-fill areas where this might be an issue, but at this time we do not have a requirement in place requiring homes to hook up to city water.

THE CHAIRMAN OPENED THE PUBLIC HEARING AT 7:52 P.M.

No one spoke.

THE CHAIRMAN CLOSED THE PUBLIC HEARING AT 7:53 P.M.

M/S/P, Fliflet/ McGinnis, move to recommend approval of the proposed Comprehensive Local Water Supply and Conservation Plan. Vote: 9:0.

Public Hearing – Local Surface Water Management Plan

Ms. Sherri Buss with TKDA identified the plan's purpose, plan contents, process, and next steps.

Commissioner Fliflet asked how stating that the city supports LID techniques would be implemented if the city does not require it.

Engineer Stempski stated that the goal is not to just list goals, but to follow through. For example, in a current street restoration project, rain gardens are being added in appropriate locations to address water runoff.

Commissioner Hall asked if goal number five identifies that the city will control exotic species or would the wording be best to say the city supports efforts to control invasive exotic species.

Ms. Buss stated that would be a positive change to the language.

THE CHAIRMAN OPENED THE PUBLIC HEARING AT 8:34 P.M.

No one spoke.

THE CHAIRMAN CLOSED THE PUBLIC HEARING AT 8:34 P.M.

M/S/P, Bidon/Hall, move to recommend approval of document. Vote: 9:0.

Public Hearing – Solar Access, Aggregate Resources and Historic Preservation

Planner Matzek said that solar access, aggregate resources, and historic preservation are three new topics required to be integrated into the Comprehensive Plan updates.

Commissioner Fliflet asked how it is evaluated if there is conflicting interest such as removing trees for solar access.

Planning Director Klatt stated that it is all a balancing act. When sites are designed, it is important to approved a development that makes sense. He said things do not always line up and a balance needs to be struck.

Commissioner Fliflet asked that language be added to identify that a balance needs to be considered for natural resources.

THE CHAIRMAN OPENED THE PUBLIC HEARING AT 9:48 P.M.

No one spoke.

THE CHAIRMAN CLOSED THE PUBLIC HEARING AT 9:48 P.M.

M/S/P, Hall/Fliflet, move to recommend approval with the addition of language to consider the balance of natural resources. Vote: 9:0.

City Council Updates

Planning Director Klatt said that although the City Council did spend time discussing the draft sign ordinance and made it through the entire document; they tabled it without taking any further action. He said the city hired Owl Engineering, a local firm, to assist in the technical aspects of the Wireless Telecommunication Ordinance update. Mr. Klatt stated that both himself and Planner Matzek would be attending the National Planning Conference the following week.

Planner Matzek said that Commissioner Todd Ptacek has turned in his resignation.

Chairman Van Zandt said he would like to thank Todd Ptacek for his eleven years of service on the commission. He was a tremendous asset to the commission and Mr. Van Zandt was sorry to hear of his decision.

Meeting adjourned 8:55 p.m.

Respectfully submitted,

Kelli Matzek
Planner

**City of Lake Elmo
Planning Commission Meeting
Minutes of May 11, 2009**

Chairman Van Zandt called to order the meeting of the Lake Elmo Planning Commission at 7:00 p.m. COMMISSIONERS PRESENT: Anderson, Bidon, Britz, Fliflet, Hall, Pearson (7:08 p.m.), Van Erem, Van Zandt, Ziertman. Absent: McGinnis and Pearson. STAFF PRESENT: Planning Director Klatt and Planner Matzek.

Agenda

Chairman Van Zandt added Metro Cities Policy Committee and Election of Vice Chair to the agenda.

Minutes – March 23, 2009

M/S/P, Anderson/Ziertman, move to approve minutes as presented. Vote: 5:0.
Abstained: Britz, Fliflet, and Van Erem.

April 13, 2009

M/S/P, Hall/Ziertman, move to approve minutes as presented. Vote: 8:0.

Public Hearing – None. Variance; 2931 Jonquil Trail North

Business Item – Future Land Use Discussion at 400 Keats Avenue

Planning Director Klatt introduced the item as a general idea that is conceptual at this time. He said that no formal action is needed and that this site is planned for residential sewer development between 2020-2030, so a use in the interim is being suggested.

Mr. Brian McGoldrick said that he is proposing to add a performing arts center and an amphitheater at the future golf range site. He stated that most concerts would be under 6,000 people with an average of 3,000 to 5,000. To be successful, the site would need to have an asset year round, which is why an indoor performing arts center would also be requested although staff has said it is not allowed currently by code. He said he has spoke with the Washington County Sheriff regarding traffic, the MN Pollution Control Agency regarding noise, and the Department of Natural Resources regarding wetlands and ponds.

Mr. Greg Schlink said the site design is very basic at this time as they are seeking input from the commission. The building is sited the way it is proposed for the sunlight and to allow the noise to be pointed at I-94.

Planning Director Klatt identified that this use is very different from the sewer housing use proposed in the long-range plans for this site. He said that if Mr. Schlink and Mr. McGoldrick would seek an Interim Use Permit, the zoning text would first need to be amended. An amphitheater could be an interim use as there are more limited improvements to the site whereas an arts center would be a greater investment in the use.

Commissioner Ziertman stated she did not believe an amphitheater would fall under the “outdoor recreation” category as Rockpoint Church had originally proposed an amphitheater which was denied.

Commissioner Fliflet asked if there were plans for management.

Mr. McGoldrick said it would be in private ownership with the intent to make a profit. If everything went well, he would be interested in starting next year.

Chairman Van Zandt asked if they would limit the type of activities on the site as other venues get out of control.

Mr. McGoldrick said that the property owner owns other land within the city to be developed in the future and would like to maintain a positive working relationship with the city. He said it would also be very risky for them to seek an Interim Use Permit for just two years and would like the permit to last longer.

Commissioner Hall asked about how this would affect the required housing units needed in that area to meet the Metropolitan Council projections.

Planning Director Klatt said that it would need further review, but would require a shift in thinking.

Mr. Schlink said that if the concert hall were to stay and the amphitheater were removed, it would only be about five acres of the site and they could master plan around that amenity.

Chairman Van Zandt called for a straw vote to which all thought it could be an amenity to the community.

Commissioner Fliflet asked if the Interim Use Permit code language could be amended to state that if all the conditions are being met, the permit would be renewed.

Informational Item – *Staff Update on National Conference Attendance*

Planning Director Klatt and Planner Matzek provided examples of sessions and site visits made through the national conference and how information they learned could be applied in the future to Lake Elmo.

Informational Item – *Update on Wireless Telecommunication Tower*

Planning Director Klatt stated that the city has hired Owl Engineering to assist in the technical aspect of the Wireless Telecommunication Ordinance update. He said that an open house is being scheduled and asked if June 3rd would work.

Chairman Van Zandt suggested the following week.

Informational Item – *Metro Cities*

Chairman Van Zandt encouraged commissioners to get involved in the small groups and to let him know which one they are applying for.

City Council Updates

Planning Director Klatt said the sign ordinance was tabled and will be brought back to the Council in the future. The City Council asked that the Planning Commission evaluate the economic development in the city and provide recommendations for the future. Mr. Klatt stated that the Village AUAR was adopted and the 2030 Comprehensive plan updates were all approved with the exception of the Transportation Plan which was tabled.

Election of Vice Chair

Chairman Van Zandt nominated Commissioner Fliflet as Vice Chair. Commissioner Ziertman seconded the nomination. Vote: 9:0.

Meeting adjourned at 8:52 p.m.

Respectfully submitted,

Kelli Matzek
Planner

ITEM: Request to Develop Recommendations on City Activities related to Economic Development

SUBMITTED BY: Kyle Klatt, Planning Director

REVIEWED BY: Kelli Matzek, City Planner
Craig Dawson, Interim City Administrator

SUMMARY AND ACTION REQUESTED:

The City Council has asked the Planning Commission to develop recommendations regarding the types of activity the City might begin to undertake in terms of economic development. Specifically, the Council adopted a motion as follows:

- 1) Motion to direct the Planning Commission to identify what activities the City should undertake in terms of economic development and to identify what commercial uses and standards for sustainable commercial development should be permitted in the City.

In order to help the Commission provide a response back to the Council, Staff will be suggesting some of the issues that the City will may need to address in the future related to economic development, but will first provide a brief overview of why economic development could be relevant to Lake Elmo.

BACKGROUND:

The term "economic development" is used to describe many different activities within a city; however, it is often associated with an entity whose mission is the attraction and retention of good jobs within a community. Beyond this basic function, economic development can also be used to describe efforts to improve the business climate in a community, work to enhance the appearance of commercial areas, the undertaking of redevelopment activities, the promotion and marketing of an area or region, and other activities that support business activity. There are many different models that cities and other governmental agencies have used to formalize economic development activities within a community, which often includes the establishment of an economic development authority. From an organizational perspective, an economic development board can be staffed by a separate entity or combined with other functions, and is most commonly associated with a planning or community development department.

The City Council, as part of a recent discussion on economic development, has asked for feedback from the Planning Commission regarding the activities that the City should be undertaking with regards to economic development. This consideration does not necessarily assume that the City should establish an economic development board, although that may be a recommendation from the commission. In reviewing the City's long range planning efforts, there are several planning documents that would be appropriate to reference when discussing economic development, including:

- 1) *The Comprehensive Plan and future land use map.* The City's long range plan for the area south of 10th Street devotes a large area near the intersection of Manning Avenue and Interstate 94 for future use as a business park with an employment density of 40 employees per acre. The Plan also makes reference to the Memo of Understanding between the City and the Metropolitan Council in which the City has agreed to provide sewer service for 14,000 employees within the

community (1,400 total employment REC units). The bulk of these employment REC's would be located within the new business park.

- 2) *The Village Area Master Plan.* One of the guiding principles in the Village Master Plan was the preservation of the existing downtown and the mix of residential and commercial uses that currently exists. The Plan also calls for new mixed-use development and other public/semi public development with the intention of creating a central core around which residential uses would be located. There are many existing businesses within the Village that provide services and jobs for the residents of Lake Elmo.
- 3) *Planned Developments at Eagle Point, Prairie Ridge, and other existing commercial areas.* In addition to Eagle Point Business Park, there are several other existing commercial areas within the City that are zoned for commercial, office parks, or limited commercial development. Within these areas there is either an existing base of office, retail, and other commercial development or there are existing buildings and parcels that have yet to be occupied by a business entity. Future uses within these developments will need to conform to the standards of the City's land use regulations.
- 4) *Agriculture and agricultural sales.* As an element of Lake Elmo's rural character, there are many existing farms and retail agriculture operations that contribute to the overall character of the City. These uses provide services and products (a to a lesser extent jobs) to the residents of Lake Elmo.
- 5) *Non-conforming business uses.* There are several business in the community that are non-conforming with regards to the City's zoning regulations and future land use planning. Many of these sites are slated for redevelopment into a different use at some point in the future.

Many communities have developed a specific section in their comprehensive plans that focus on economic development. For instance, the City of Stillwater has prepared a plan that contains the City's goals and objectives for economic development, describes the economic background of the community (information on employees, the workforce, income and other variables), and a summary of the development tools available to promote the City's objectives. One of the ultimate goals behind the creation of an economic development entity in a community is to help maintain the quality of life in a place while maintaining a diverse and vibrant economy.

RECOMMENDED DISCUSSION TOPICS:

Based partially on the above discussions concerning Lake Elmo's long range plans, the Planning Commission should consider the issues that will need to be addressed in the future that likely fall under the definition of economic development. The intent of the list below is to help the Commission begin thinking about the issues that will need to be considered by the City as it works towards implementation of its Comprehensive Plan. Some of the issues that Staff has identified include the following (please note that these issues are being phrased in a way that provides a response to the Council's initial request for the types of activities the City might begin to undertake; they are staff ideas, not recommendations):

- 1) Creating an economic development plan as a component of the Comprehensive Plan.
- 2) Determining the types of business that will be appropriate for Lake Elmo and that are most compatible with the City's objectives of maintaining its rural character.
- 3) Identifying where commercial activity should take place within the parameters of the future land use plan and where this activity would be most beneficial to the residents of the community.
- 4) Establishing the role that retail will play in the City's business areas, and how to help promote the retention and/or creation of retail activity that will serve the needs of residents.

- 5) Figuring out how to provide services to businesses in the most efficient manner possible.
- 6) Addressing whether or not the City should be actively promoting the community and attracting businesses into the community.
- 7) Maintaining the character of the Village Area, including the mix of residential and commercial uses that presently exist.
- 8) Meeting the needs of the residents that live and employees that work in the City of Lake Elmo, i.e. providing services to support these people.
- 9) Conducting market studies to help determine what types of business activities could be supported by the community.
- 10) Helping the City Council develop an action plan to accomplish the objectives for employment by 2030 as stated in the Comprehensive Plan.
- 11) Promoting the preservation of a rural/agricultural economy and the City's connections to its rural heritage.
- 12) Assisting with efforts to encourage alternative modes of transportation to ensure residents and businesses are not unduly burdened by long commutes and traffic problems.
- 13) Acting as an agent for the acquisition and development of property for public purposes, including the planned community center within the Village area.
- 14) Providing financing options for the City and private entities to accomplish the goals and objectives that have been established for commercial areas.
- 15) Helping the City develop areas with "high density" jobs with an employment base of 40 employees per area in the planned business park at the intersection of Manning Avenue and Interstate 94.
- 16) Working within a revised organizational chart that incorporates the broader function of community development into the City's structure.
- 17) Developing a master plan for the I-94 business park.

The second part of the Council's request of the Planning Commission is to consider what commercial uses and standards for sustainable commercial development should be permitted in the City. Some suggested standards are listed below for discussion by the Commission:

- 1) Projects should follow sustainable development practices:
 - a. Buildings should be designed for long-term use.
 - b. New structures should minimize their environmental footprint.
- 2) New buildings should embrace LEED standards.
- 3) Natural materials should be given preference to alternative designs.
- 4) Buildings should reflect Lake Elmo's rural character.
- 5) Access management should be used to minimize traffic impacts.

- 6) Businesses should be promoted that achieve a high level of employment density.
- 7) Commercial activities should be compatible with surrounding land uses.
- 8) Mixed-use development should be promoted in the Village area.
- 9) Commercial uses and buildings that cater to automobile traffic alone in the Village area should be discouraged.
- 10) Form-based zoning is preferable to standard ordinances that only specify minimum requirements.
- 11) Existing architecture and design should be considered within new development.

The intent of the two lists above is to help the Planning Commission begin to formulate a response to the Council's request and to provide some direction for additional discussion at the meeting. It is expected that there will be ongoing discussions on this topic, and that this matter will likely come back to the Planning Commission before any comments from the Commission are passed on to the City Council.

ADDITIONAL INFORMATION:

- The draft version of Stillwater's draft economic development plan is attached for review by the Planning Commission. There are obvious differences between Stillwater and Lake Elmo, therefore this plan is intended only to give the Commission a better idea of what other communities have been doing with regards to economic development.

RECOMMENDATION:

Staff is recommending that the Planning Commission review the information that has been provided to the Commission and to begin working towards a response to the City Council's request.

ATTACHMENTS:

1. City of Stillwater Economic Development Plan (draft version)

ORDER OF BUSINESS:

- Introduction and Presentation by Staff.....Kyle Klatt, Planning Director
- Questions from the Commission.....Chair & Commission Members
- Planning Commission Discussion.....Chair Facilitates
- Action by the Planning CommissionChair & Commission Members

Chapter 7 - Economic Development

Introduction

The City of Stillwater has made a conscious decision to build its economy by capitalizing on its historical riches and maintaining a high quality of life. Stillwater is a destination location for citizens of the metro area and beyond. This destination status provides a wealth of economic activities that are not normally expected in a community of this size and demographics. Maintaining the city's quality of place allows it to receive additional economic benefit from tourism and attracts residents and businesses that treasure the unique marriage of small town living with high quality. These unique merchants typically are only found in much larger communities or the central cities.

This chapter provides an overview of the employment and economic conditions in Stillwater and describes the districts where economic activity is concentrated. The chapter will then discuss the array of economic development tools and techniques available to the City and provide a list of implementation programs to meet the goals and policies.

Goals and Policies

Local Economy

As the "Birthplace of Minnesota," Stillwater has not only one of the oldest economies in the state, but also one of the most vibrant. The city has consistently exceeded the suburban economic norms for the metro area, particularly in the area of employment. The City of Stillwater worked with citizens to develop economic development goals with supporting objectives, policies and programs. The goals, objectives and programs are the foundation of the plan and define how the City's economy will be protected and enhanced in the future.

Goals

- Goal 1. Increase the tax base and provide opportunities for economic growth for Stillwater and Stillwater area residents.
- Goal 2. Promote and maintain the downtown as a central focus for community, economic and cultural activity.
- Goal 3. Provide new locations for job growth in close proximity to housing and with convenient access.

Objectives

Support business expansion in the downtown commercial district and West Stillwater Business Park area.

Provide local incentives to encourage clean light industrial and office development.

Actively promote the creation of the R & D office park at the appropriate time along TH 36 east of CR 15.

Cooperate with regional and local economic development organizations to promote the local economy.

Work with the Stillwater Area Chamber of Commerce to promote local industries.

Policies

Policy 1. Designate land for commercial and industrial uses properly located with adequate support services to accommodate future forecast and anticipated economic development.

Policy 2. Protect the city's industrial land base for industrial development.

Policy 3. Assist local industries to prosper and grow in the community consistent with the city's needs.

Policy 4. Work with local and regional economic development interests to promote local economic development.

Policy 5. Encourage downtown as a relocation destination for successful businesses.

Programs

Program 1. Designate the Bergmann farm area for a research and development office industrial park as a part of the proposed land use plan.

Program 2. Encourage small locally owned businesses particularly in the Downtown.

Program 3. Promote office and service job locations in and around the Downtown.

Program 4. Encourage a mix of employment, multifamily residential and retail and service activities in and around the West Business Park area.

Program. 5. Use Tax Increment Financing (TIF) to assist major new investment Downtown and in the Stillwater West Business Park.

Tourism

Stillwater's preserved historical sites of the 1800's lumbering era have made the city an attractive destination for tourists. Much of the downtown area is filled with businesses targeted to this tourist trade including historic hotels, inns, museums, riverboats, the Minnesota Zephyr, specialty shops, and a variety of restaurants. Stillwater is also host to many special events that annually draw thousands of tourists to the community including, Lumberjack Days, The Rivertown Art Festival and Music on the Waterfront.

Tourism is a far more important industry in Stillwater than in most other communities. It is estimated that 30% of all business activity in Stillwater and over 50% of business activity in the downtown area is accounted for by tourism. Stillwater's rich history and picturesque location have created an environment where new tourist-related businesses have been able to largely replace any businesses that have left the downtown due to increased retail activity along TH 36. Tourism has allowed the Stillwater downtown to avoid the vacant buildings and physical decline seen in many other traditional downtowns in spite of increased competition from highway-oriented retail.

Stillwater's tourism success does not occur purely on its own. Rather it is a result of coordinated efforts between the private sector, city activities, quasi-public agencies, the community at large, and many others. One of these important advocates is the Greater Stillwater Chamber of Commerce, which represents Stillwater and beyond including Bayport, Lake Elmo, and Oak Park Heights. The mission of the chamber is to "serve, advocate, and promote the interest of businesses while enriching the life of our community."

Since 1891, the St. Croix River Valley has been represented by a Chamber of Commerce. Throughout much of the 1900's, when Stillwater was the major business center in the St. Croix River Valley, the Chamber of Commerce served most of the outlying communities on both sides of the river. The primary service area stretched from Prescott, Wisconsin to Taylors Falls, Minnesota. This wide area became difficult to service from Stillwater. The distant communities grew and prospered, needing their own chambers of commerce. The Greater Stillwater Chamber of Commerce provides business promotion and support services for the four cities and plans numerous special events to promote tourism during the year.

To continue to build upon this success, the following goals, objectives policies and programs are proposed:

Goals

Goal 1. Promote tourism consistent with retaining Stillwater's unique natural resources and historic and architectural character.

Objectives

Maintain Stillwater's historic, cultural and natural resources, community uniqueness.

Support historic preservation efforts,

Support tourism as a major basic city industry.

Support public improvements and maintenance that enhances the attractiveness of Downtown.

Policies

Policy 1. Attract visitors and shoppers to the community.

Policy 2. Support year around activities that enliven the Downtown public and cultural life.

Policy 3. Promote activities which lengthen the time visitors spend in Stillwater.

Policy 4. Reinforce the unique historic character of Downtown.

Policy 5. Maintain public facilities so the Downtown is an attractive place to visit.

Policy 6. Work with the Stillwater Area Chamber of Commerce and Convention and Visitors Bureau in promoting downtown activities and improvements.

Programs

Program 1. Consider establishing incentive programs for rehabilitation of older buildings.

Program 2. Continue to use design review guidelines and processes to ensure that new development and renovation is consistent with the historic character of Downtown.

Program 3. Construct a new public parking ramp Downtown Stillwater for employees and visitors.

Program 4. Support the Downtown Parking Commission as the advisory group for managing Downtown parking.

Economy

The economic health of a community plays a critical role in encouraging and maintaining a high standard of living and a desirable place to live for existing residents, as well as attracting new residents. The city has experienced growth that is forecasted to continue. The following information and tables identify current employment trends and other applicable factors.

Employee and Employers

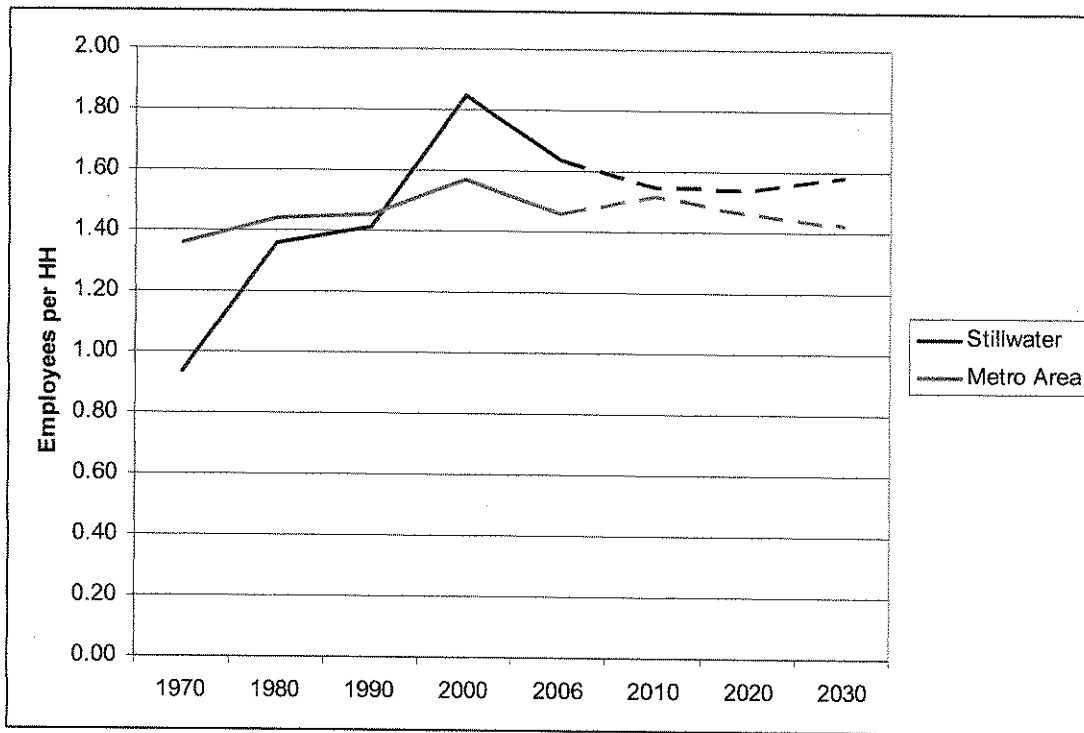
Table 7-1 illustrates the historic and projected employment figures for Stillwater produced by the Metropolitan Council. During the three decades leading up to the year 2000, Stillwater experienced a very rapid employment growth rate, ultimately exceeding the employment per household rate of the metro area and resulting in the need for importing employees. This is a very rare situation for a community in the suburban metro area and illustrates the strength of Stillwater’s own economic engine. The Metropolitan Council is projecting that this superior employment performance will continue throughout the life of this plan.

Table 7-1: Regional Forecasts

	1970	1980	1990	2000	2006	2010	2020	2030
Employment	2,830	5,516	7,040	10,719	11,506	11,600	12,500	13,600
Households	3,035	4,065	4,982	5,797	7,025	7,500	8,100	8,600
Emp/HH	0.93	1.36	1.41	1.85	1.64	1.55	1.54	1.58

Source: Metropolitan Council, Bonestroo

Figure 7-1: Employment Per Household



Source: Metropolitan Council, Bonestroo

Commuting

Table 7-2 identifies the mode of transportation that employees use to access their jobs. Like most communities, the vast majority of residents use private transportation to reach their places of employment. An unusual feature in Stillwater is that more than three times as many residents walk to work as take public transit, an indication of the city's strong live-work tradition.

Table 7-2: Means of Transportation

Means of Transportation	Number of Workers	Percent
Car, truck, or van - drove alone	6,772	84.4%
Car, truck, or van - carpooled	597	7.4%
Worked at home	314	3.9%
Walked	226	2.8%
Public Transportation	69	0.9%
Other means	44	0.5%
Workers 16 and over in 2000	8,022	100%

Source: US Census, 2000

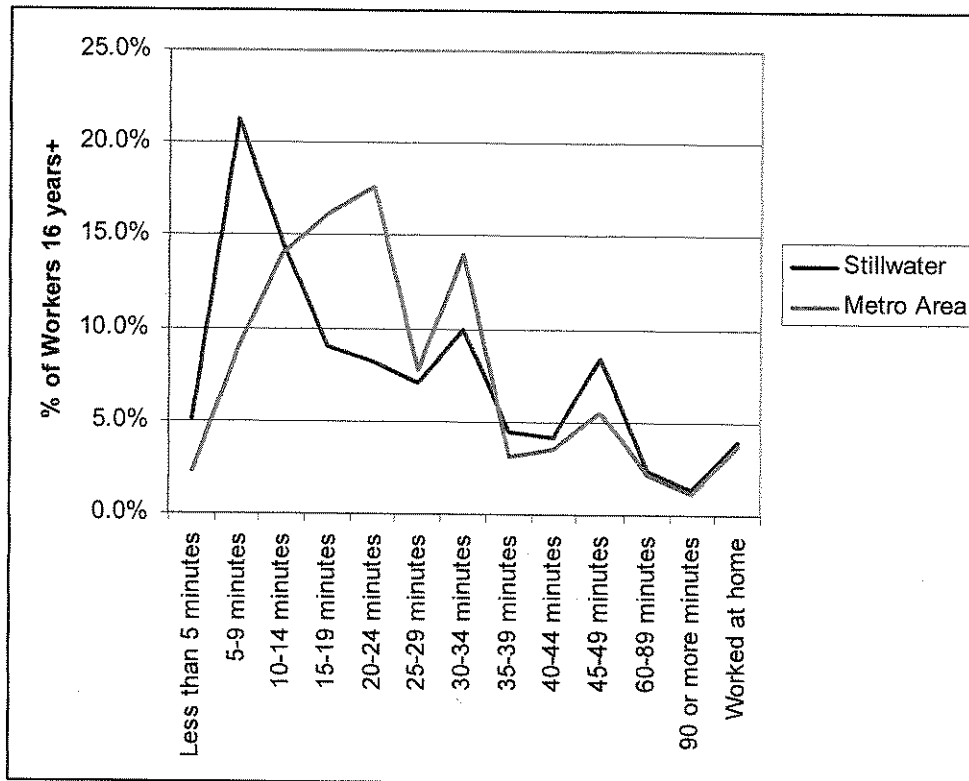
Analysis of commute times (Table 7-3 and Figure 7-2) also points to the strength of Stillwater's live-work economy as the city significantly exceeds metro averages for commute times less than 15 minutes.

Table 7-3: Commute Times

	Stillwater	Metro Area
Less than 5 minutes	5.1%	2.3%
5-9 minutes	21.3%	8.9%
10-14 minutes	14.6%	14.0%
15-19 minutes	9.0%	16.2%
20-24 minutes	8.2%	17.6%
25-29 minutes	7.1%	7.8%
30-34 minutes	10.0%	14.0%
35-39 minutes	4.5%	3.1%
40-44 minutes	4.2%	3.5%
45-49 minutes	8.4%	5.5%
60-89 minutes	2.4%	2.2%
90 or more minutes	1.4%	1.1%
Worked at home	3.9%	3.7%

Source: US Census, 2000

Figure 7-2: Commute Times



Source: US Census, 2000

Major Employers and Industries

There are several major employers within the community as shown in Table 7-4.

Table 7-4: Major Employers

Business	Products/Services	Total Employees
Washington, County of	Executive, Legislative, & Other Govt. Support	970
Stillwater Public Schools-ISD No. 834	Elementary & Secondary Schools	920
UFE Inc.	Resin, Synth. Rubber & Art. Synth. Fibers & Fil. Mfg.	800
Cub Foods	Grocery Stores/Corporate office	550
Lakeview Hospital	General Medical & Surgical Hospitals	457
DiaSorin	Scientific Research & Development Services	250
Target	Department Stores	197
City of Stillwater	Government	115
Gartner Studios	Stationery, invitations, cards, printing	100
WR Medical Electronics	Navig., Meas., Electromedical & Control Instrum	50
Lonnie Lovness	Other Miscellaneous Manufacturing	24
Stillwater Gazette Inc.	Newspaper, Periodical, Book, & Directory Publishers	24

Source: MnPro Community Profile

The 2000 population over age 16 in Stillwater was 11,496, and of that population 8,298 were in the civilian labor force. Of the 8,298 people in the civilian labor force 16, 8,134 were employed. Approximately 98 percent of the civilian labor force population was employed and approximately 71 percent of the population over 16 years of age was employed in 2000. Table 7-5 demonstrates the number of employees per industry. The industries that most heavily employ Stillwater residents include education, health and social services (20.3%), manufacturing (16.3%), retail trade (14.3%) and professional, scientific, management, administrative, and waste management services (9.7%). This mix of industry helps to protect a diversified tax base for the city.

Table 7-5: Number of Employees by Industry

Industry	No. of Employees	Percentage
Educational, health and social services:	1,649	20.3%
Manufacturing	1,327	16.3%
Retail trade	1,167	14.3%
Professional, scientific, management, administrative, waste management services:	788	9.7%
Finance, insurance, real estate and rental and leasing:	652	8.0%
Arts, entertainment, recreation, accommodation and food services:	617	7.6%
Public administration	503	6.2%
Other services (except public administration)	355	4.4%
Transportation and warehousing, and utilities:	331	4.1%
Construction	307	3.8%
Wholesale trade	250	3.1%
Information	179	2.2%
Agriculture, forestry, fishing and hunting, and mining:	9	0.1%
Total Employed Citizens over 16	8,134	100.0%

Source: US Census, 2000

Workforce

The skills and training for the local workforce contributes to the local economy, influences economic development and also suggests potential demands of current residents. In suburban environments, the skills of the local residents are often an underutilized resource, as residents leave the community each day to their employment in other communities. As was illustrated earlier in this chapter, this is not the situation in Stillwater. More of the city's residents are able to utilize their skills within the economic base in the community than is generally seen in other parts of the metropolitan area. When a city's resident skill base and labor needs are more in alignment, as in Stillwater, there are often a number of benefits including reduced commute times, greater involvement/volunteerism within the community and reporting of a high quality of life from residents.

Stillwater's residents are typically highly skilled with 37.5% of the population obtaining a bachelor's degree or higher (Table 7-6). This value exceeds the levels experienced in the remainder of Washington County.

Table 7-6: Educational Attainment

Population 25 years and over	Stillwater		Washington County	
	Population	Percent	Population	Percent
Less than 9th grade	118	1.2	1,982	1.5
9th to 12th grade, no diploma	393	3.9	5,684	4.4
High school graduate (includes equivalency)	2,468	24.5	33,378	26
Some college, no degree	2,690	26.7	33,126	25.8
Associate degree	626	6.2	10,617	8.3
Bachelor's degree	2,730	27.1	30,015	23.4
Graduate or professional degree	1048	10.4	13,413	10.5
Total	10,073	100	128,215	100
Percent high school graduate or higher	(x)	94.9	(x)	94
Percent bachelor's degree or higher	(x)	37.5	(x)	33.9

Source: US Census, 2000

Income

As demonstrated in Table 7-7, the median household income in 2000 in Stillwater was \$57,154 which is 86.2 percent of the Washington County median, 105.3 percent of the Twin Cities Metropolitan Area median, and 121.3 percent of the state median. The detailed breakdown of household income levels is in Table 7-8.

Table 7-7: City and State Median Household Income

Income	Stillwater	Washington County	% of County	Twin Cities	% of TC	State of MN	% of State
Median income	\$57,154	\$66,305	86.2%	\$54,304	105.2%	\$47,111	121.3%

Source: US Census, 2000

Table 7-8: Household Income

Income	Households	Percentage
Less than \$10,000	208	3.6%
\$10,000 to \$14,999	241	4.1%
\$15,000 to \$19,999	276	4.7%
\$20,000 to \$24,999	250	4.3%
\$25,000 to \$29,999	260	4.5%
\$30,000 to \$34,999	278	4.8%
\$35,000 to \$39,999	254	4.4%
\$40,000 to \$44,999	331	5.7%
\$45,000 to \$49,999	351	6.0%
\$50,000 to \$59,999	622	10.7%
\$60,000 to \$74,999	626	10.8%
\$75,000 to \$99,999	1,016	17.5%
\$100,000 to \$124,999	529	9.1%
\$125,000 to \$149,999	265	4.6%
\$150,000 to \$199,999	169	2.9%
\$200,000 or more	145	2.5%
Total	5,821	100%

Source: US Census, 2000

Although the city's household income lagged Washington County's in the 2000 Census, the latest weekly wage information from the Minnesota Department of Employment and Economic Development indicates that Stillwater's employees earn more than employees in the rest of Washington County (Table 7-9) but lag the average in the metro area as a whole.

Table 7-9: Average Weekly Wages (2007)

	Stillwater	Washington County	Metro Area
Average Weekly Wage	\$747	\$739	\$977

Source: Minnesota Department of Employment and Economic Development, 2007

Economic Overview of City

The City's tax base is primarily residential, with commercial contributions from the Downtown Area, and the County Road 5-Highway 36 Commercial Areas. Like many older communities, the City includes a high proportion of public and non-profit entities. Large public employers located within the City include Washington County and Independent School District #834. Stillwater's economy and employment picture is also influenced by the Andersen Window Corp, located in Bayport which employs approximately 3,500 people, 3M Corporation, and other major employers in the East Metro Area.

Recent Economic Development Activities

Most recent new development has occurred in residential areas particularly in the annexation areas and portions of downtown. In 1996 the City approved an Orderly Annexation Agreement with Stillwater Township. This agreement divides the total annexation area into three phases to be annexed between 1996 and 2015. The majority of the development within the annexation area has been residential use. A small area designated is for commercial use at the southeast quadrant of C.S.A.H 12 and C.S.A.H 15 and the Bergmann and Bradshaw properties along Highway 36 between County Road 5 and County Road 15.

Construction has also been continuing on a variety of condominium projects within the downtown. Some of these are purely residential while others like Terra Springs and the Mills on Main, have a combination of residential and commercial.

In 1995, the City created a specific land use designation for a Research and Development Park and it was applied to 84 net acres at the northeast corner of Manning Avenue and Highway 36. This action recognized that the community's economy would be enhanced with the addition of a corporate center, research facility, or educational institution that would bring both high quality building designs and high paying head of household jobs. This key site, with high visibility at a western entrance to the City, was chosen for this important purpose. At present, the site remains available for this type of Class A development and is competing for this sought after type of development with several sites along Highway 36 in other communities.

DEVELOPMENT TOOLS

This portion of the chapter presents items that serve as a focus for city actions. These actions seek to achieve the vision for the future of Stillwater in areas where market forces alone will not be sufficient. State law provides a broad array of powers and tools that may assist the city in these initiatives. The following section provides a brief discussion of the tools currently available to the city.

Overview of Statutory Authority

Every statutory power contains a unique set of authorizations and restrictions. Understanding these provisions is a key to effective use. In some cases, the city may have several options. For

example, public improvements can be financed with special assessments, special service districts, housing improvement areas, tax abatement, and tax increment financing.

Some key sources of statutory authority come from the following:

- *Constructing public improvements and levying special assessments* – Chapter 429
- *Constructing, operating, and maintaining water, sanitary sewer and storm water utility systems* – Section 444.075
- *Creating and using special service districts* – Sections 428A.01 through 428A.101
- *Creating and using housing improvement areas* – Section 428A.11
- *Establishing and using tax increment financing districts* – Sections 469.174 through 469.1791
- *Making and using tax abatement levies* – Sections 469.1812 through 469.1815
- *Powers granted to cities through housing and redevelopment authorities* – Sections 469.001 through 469.047
- *Powers granted to cities through economic development authorities* – Sections 469.090 through 469.1081
- *Lease financing for real and personal property* – Section 465.71

These statutes are available on the Internet at www.revisor.leg.state.mn.us/stats.

Finance Tools

Economic development actions require a framework for financial-decision making. The investment of public dollars to achieve economic development objectives should be guided by several key principles:

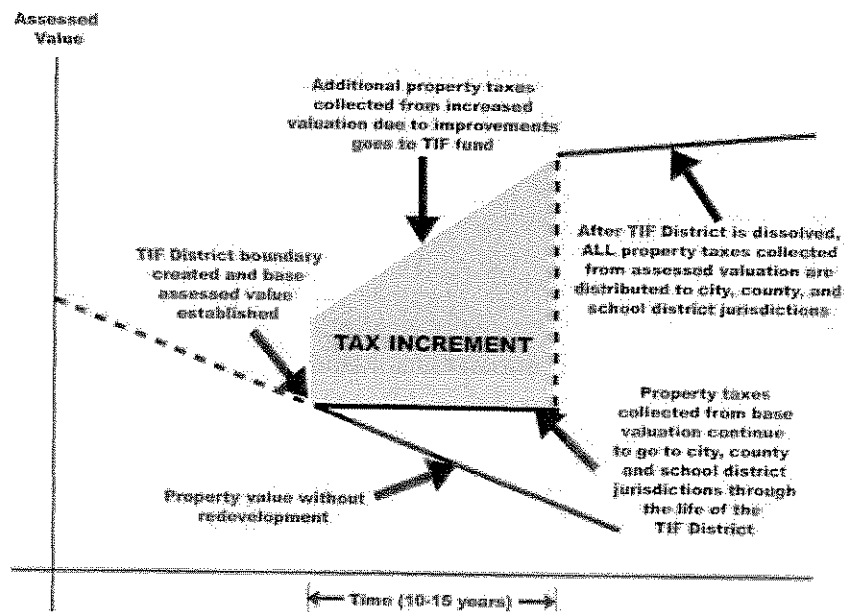
- **Financial resources are limited.** The city has limited funding to apply to economic development initiatives, so the use of resources must be targeted to achieve the greatest effect on the community.
- **Financial decisions require long-term perspective.** The current use of financial resources may reduce monies available in the future. In evaluating short-term opportunities, it is important to question the long-term impact on community development.
- **Public funds should lead to private investment.** While this section focuses on public finance actions, economic development cannot become reality without private investments. The use of public funds should be targeted to actions that encourage private investment in Stillwater.

A complete examination of the tools available to the city is not possible in this document, but providing an overview of the most commonly used finance tools is helpful. This discussion focuses on the highlights of those tools.

Tax Increment Financing

Tax Increment Financing (TIF) is the primary development finance tool available to Minnesota cities. TIF is simple in concept, but complex in its application. Through TIF, the increased property taxes created by new development (or redevelopment) are captured and used to finance activities needed to encourage the development. Only the increased amount of property taxes is captured. The amount of taxes generated by property as it existed (referred to as the "base" condition), continues to be distributed as it previously had been distributed. When the property is redeveloped only the amount of taxes generated over and above the base condition is "captured". This "capturing" is shown graphically below. The challenge in using TIF lies with the complex and ever-changing statutory limitations.

TAX INCREMENT FINANCING DISTRICTS



Uses

Tax Increment Financing can be used to finance all of the important implementation actions facing the City: land acquisition, site preparation, parking, and public improvements. In addition, TIF creates a means to borrow money needed to pay for redevelopment costs. The City can issue general obligation bonds without an election if 20% or more of the debt is supported by tax increment revenues. These bonds are not subject to any debt limit.

Type of TIF Districts

The implementation of the plan may require the creation of one or more new TIF districts. The following overview highlights some of the considerations in creating a TIF district.

The ability to meet the statutory criteria for establishing a district is a key to the use of TIF. Four types of TIF districts have an application to the plan.

- **Redevelopment:** A redevelopment TIF district has two basic criteria. (1) Parcels consisting of 70% of the area of the district are occupied by buildings, streets, utilities, or other improvements. To be occupied, not less than 15% of the parcel's area must be covered by the improvements. And (2), more than 50% of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance (as defined by statute). A redevelopment district may consist of noncontiguous areas, but each area and the entire area must meet these criteria.
- **Renewal and Renovation:** A renewal and renovation TIF district requires similar, but reduced criteria. The following three factors must exist. (1) The same 70% occupied test applies. (2) The minimum amount of structurally substandard buildings drops to 20%. And (3), 30% of the other buildings require substantial renovation or clearance to remove existing conditions such as: inadequate street layout; incompatible uses or land use relationships; overcrowding of buildings on the land; excessive dwelling unit density; obsolete buildings not suitable for improvement or conversion; or other identified hazards to the health, safety, and general well being of the community.
- **Housing:** A housing TIF district is intended to contain a project, or a portion of a project, intended for occupancy, in part, by persons or families of low and moderate income.
- **Economic Development:** Economic development TIF districts focus on industrial development. These districts can be established when the city finds it is necessary to (1) discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; (2) increase employment; or (3) preserve and enhance the tax base of the state. The TIF Act defines specific types of industrial uses that are eligible for the establishment of this form of district. The primary uses are manufacturing, warehousing, research and development, and telemarketing.

Limitations

State Law imposes a variety of restrictions on the use of TIF. Several of these restrictions are particularly relevant to implementation of the Plan.

Use of Tax Increments

The use of tax increment revenues is controlled by both State Law and by local plan. State Law sets forth specific limitations based on the type of TIF district. These limitations generally tie back to the original criteria used for establishing the district. For example, at least 90% of the revenues derived from tax increments from a redevelopment district or renewal and renovation district must be used to finance the cost of correcting conditions that allowed for the designation of the district. This limitation requires careful consideration of the links between individual projects and the community development initiatives. The use of tax increments must also be authorized by a tax increment financing plan adopted by the city.

POOLING

The term pooling refers to the ability to spend money outside of the boundaries of the TIF district. For redevelopment districts, not more than 25% of revenues can be spent on activities outside of the TIF district. The limit is 20% for all other districts. Monies spent on administrative expense

count against this limit. This limit reduces the ability of TIF to pay for area-wide improvements and to use excess revenues to support other development sites.

Timing Constraints

Timing factors must be considered in creating a TIF district. Establishing a district too far in advance of actual development may limit future use. Within 3 years from the date of certification, the city must undertake activity within the district. The statutory criteria of activity includes issuance of bonds in aid of a project, acquisition of property, or the construction of public improvements. Without qualifying activity, no tax increment can be collected from the district. Within 4 years from the date of certification, the city or property owners must take qualifying actions to improve parcels within the district. All parcels not meeting the statutory criteria must be removed (knocked down) from the district. Upon future improvement, any parcel so removed may be returned to the district. After 5 years from the date of certification, the use of tax increment is subject to new restrictions. Generally, tax increment can only be used to satisfy an existing debt and contractual obligations. The geographic area of the TIF district can be reduced, but not enlarged, after 5 years from the date of certification.

Existing TIF Districts in Stillwater:

There are six active TIF Districts in Stillwater as shown on Figure_ Tax Increment Financing Districts and described below:

- TIF District #1, Downtown and Industrial Park Scattered Sites. This redevelopment district was established in 1985 and has a 25 year duration. The increment was issued to fund public improvements in the downtown including storm sewer separation, rebuilding the collapsed sanitary sewer main, street improvements, burying electrical lines, new street lights.
- TIF District #4, Woodland Lake Project. This redevelopment district was established in 1986 and has a 25-year duration. The increment was issued to construct Frontage Road West from Curve Crest Boulevard to Northwestern Avenue; to extend Curve Crest Boulevard from Washington Avenue to County Road 5 and to install stop lights at the intersection of Frontage Road West and Curve Crest Boulevard.
- TIF District #6, Jr. High TIF District #6. This redevelopment district was established in 1993 and has a 25-year duration. The increment was issued to pay for the construction of the public parking lot as part of the redevelopment of the old Stillwater Junior High site into corporate headquarters for CUB Foods.
- TIF District #8, Anchobaypro, Inc. This housing district was established in 2000 and has a 25-year duration. Pay-as-you-go increment was used to aid in financing a portion of tax increment eligible costs for the Long Lake Villas low to moderate income multifamily housing project.
- TIF District #9, Curve Crest Villas. This housing district was established in 2002 and has a 25-year duration. Increment was used to aid in reimbursement of increment eligible costs to the developer. Curve Crest Villa is a low to moderate income multifamily rental project.
- TIF District #10, Scattered Site Housing Projects. This redevelopment district was established in 2004 and has a 25-year duration. Two pay-as-you-go projects funded include Terra Springs and Lofts of Stillwater for reimbursement of tax increment eligible costs.

- TIF District #10 Expansion. The City expanded TIF District #10 to additional properties in the Downtown Area. This redevelopment district expansion will be used to fund a new parking ramp to serve the Downtown.

Tax Abatement

Tax abatement acts like a simpler and less powerful version of TIF. With TIF, the city controls the entire property tax revenue from new development. Under the abatement statute (Minnesota Statutes, Sections 469.1812 through 469.1815), the city, county, and school district have independent authority to grant an abatement.

Uses

Abatement in Minnesota works more like a rebate than an abatement. The city (and other units abating taxes) adds a tax levy equal to the amount of taxes to be abated. The revenue from the abatement levy can be returned to the property owner or retained and used to finance development activities. Tax abatement can be used to finance the key redevelopment actions in the downtown: land acquisition, site preparation, and public improvements.

Tax abatement is perhaps best suited as an incentive for reinvestment in existing property. While TIF deals with only the value from new development, abatement can apply to both new and existing value. This power provides the means to encourage rehabilitation of commercial buildings and housing. The City could agree to abate all or part of the municipal share of taxes to encourage reinvestment tied to the plan.

The statute grants the authority to issue general obligation bonds supported by the collection of abated taxes. The proceeds of the bonds may be used to pay for (1) public improvements that benefit the property, (2) land acquisition, (3) reimbursement to the property owner for improvements to the property, and (4) the costs of issuing the bonds. These bonds can be issued without an election and are not subject to the debt limit.

Limitations

State law places several important limitations on the use of tax abatement:

- In 2003, the State Legislature increased the total taxes abated by a political subdivision in any year to an amount that may not exceed the greater of 10% of the current levy or \$200,000.
- If one political subdivision declines to abate, then the abatement levy can be made for a maximum of 15 years. If the city, county, and school district all abate, then the maximum period drops to 10 years.
- The duration of the abatement can be extended to 20 years if it is for a "qualified business" as defined in the statute. This provision is targeted towards industrial development applications.
- Taxes cannot be abated for property located within a tax increment financing district.

Example Tax Abatement Project

City of Woodbury: I-94 South Frontage Road East of Radio Drive

The City of Woodbury used tax abatement to finance the frontage road, east-bound I-94 access ramp and other roadway enhancements in the Radio Drive/Hudson Road, I-94 region due to increases in population and vehicle traffic. The City felt that such improvements would improve traffic flow on Radio Drive and Woodbury Drive, which are both county roads, as well as provide better access to the freeway system. The City believed that in times of shortage of federal and state financing, tax abatement was the most practical and effective system of improving county roads.

Total Project Cost:	<i>\$6.6 Million</i>
City Tax Abatement Bonds	<i>\$4.8 Million</i>
Project Timeline	<i>July 2007 through October 2008</i>

Special Assessments

Public improvements are often financed using the power to levy special assessments (Minnesota Statutes Chapter 429). A special assessment is a means for benefiting properties to pay for all or part of the costs associated with improvements, and to spread the impact over a period of years. This tool can be applied to both the construction of new improvements and the rehabilitation of existing improvements.

USES

Special assessments can be used to finance all of the public improvements resulting from the plan. Eligible improvements include sanitary sewer, water, storm sewer, streets, sidewalks, street lighting, park, streetscape, and parking.

Special assessments provide a means to borrow money to finance public improvements. Chapter 429 conveys the power to issue general obligation improvement bonds to finance the design and construction of public improvements. Important factors in the use of improvement bonds include:

- A minimum of 20% of the cost of the improvement must be assessed against benefited properties.
- Beyond the 20% threshold, any other legally available source of municipal revenue may be used to pay debt service on improvement bonds.
- Improvements bonds are not subject to any statutory debt limit.
- Improvement bonds may be issued without voter approval.

Limitations

The amount of an assessment cannot exceed the benefit to property as measured by increased market value. There are also practical considerations. In growth areas, cities must decide how to allocate costs between current and future development. Assessment policies must consider how to make this allocation and the financial resources needed to carry future costs until development occurs. For reconstruction, the challenge becomes determining how much benefiting property

owners should pay for enhancing an existing improvement. Within this limitation, several factors will shape the amount of the assessment.

- The amount of the assessment must be 20% or more of the improvement cost to allow the issuance of bonds.
- Local improvement policies and/or decisions made on previous projects often create parameters for assessments. Likewise, assessment decisions should be made with consideration of the potential implications for future similar projects.
- The assessment must strike a balance between equity and feasibility. Properties that benefit from improvements should pay a fair share of the costs. The assessment must be affordable for both the property owner and the city. Reducing the assessment to the property requires the city to allocate other revenues to the project.

Special Service District

A special service district is a tool for financing the construction and maintenance of public improvements within a defined area. Minnesota Statutes, Sections 428A.01 through 428A.10 govern the creation and use of special service districts. This legislation is currently scheduled to sunset in 2009. A special service district provides a means to levy taxes (service charge) and provide improvements and service to a commercial area.

Uses

A special service district can be applied to both commercial and industrial areas. The district can provide an alternative means of financing the construction of any of the public improvements discussed previously with special assessments. The service district approach avoids the benefits test imposed by special assessments; the test for the district is that the amount of service charges imposed must be reasonably related to the special services provided. The costs of parking, streetscape, or storm water improvements, for example, may be better spread across a district than through assessments to individual properties.

An important use of the special service district is the maintenance of public improvements. Some of the improvements described in the plan require a level of maintenance above the typical public improvement. Items such as banners and planted materials must be maintained and replaced. Higher levels of cleaning and snow removal may be needed. Without a special service district, these costs are typically borne through the General Fund of the city or a private group such as a chamber of commerce.

Limitations

The use of a special service district is subject to some important constraints:

- The process to create a special service district and to levy taxes must be initiated by petition of property owners and is subject to owner veto. The use of a special service district requires a collaboration of property owners and the city. There are two separate steps in the process: (1) adoption of an ordinance establishing the service district and (2) adoption of a resolution imposing the service charges. Neither step can be initiated by the city; the city must be petitioned to undertake the processes to create a special service district and to impose service

charges. At a minimum, the petitions must be signed by owners representing 25% of the area that would be included in the district, and 25% of the tax capacity subject to the service charge.

- The actions of the City Council to adopt the ordinance and the resolution are subject to veto of the property owners. To veto the ordinance or the resolution, objections must be filed with the City Clerk within 45 days of initial City Council action to approve. The objections must exceed 35% of area, tax capacity, or individual/business organizations in the proposed district.
- The service charge applies solely to non-residential property. State Law limits the application of a service charge to only property that is classified for property taxation and used for commercial, industrial, or public utility purposes, or is vacant land zoned or designated on a land use plan for commercial or industrial use. Other types of property may be part of the service district, but may not be subject to the service charge.

Several cities of varying sizes have utilized special service districts as a tool to fund streetscape and other types of amenities as illustrated in the chart below. Some of these service districts are no longer running, however the table provides some good ideas of what it can be used for.

<i>City</i>	<i>Services Funded by District</i>
Bloomington	Provide street furniture, sidewalks, plowing, sweeping, irrigation and plants
Crookston	Fund downtown storefront improvements and citywide flood control
Duluth	Provide services related to safety, cleanliness, marketing and physical enhancements to the downtown waterfront district.
Eagan	Provide signage, landscaping, public parking facilities, and promotion of Cedarvale Mall
Lakeville	Provide flowerpots, marketing programs, festivals and events, cleaning, maintenance, signage and public art.
Little Falls	Fund multi-purpose facility for farmer's market and retail promotion
Mankato	Provide and maintain free parking facilities for customers of business district
Mendota Heights	Operate and maintain additional streetlights
Minneapolis	Provide additional decorative lighting, banners, security, cleaning, snow and ice removal and landscaping
New Ulm	Provide free on-street and off-street parking
Roseville	Fund parking lot improvements, landscaping, lighting replacement and improvements
St. Louis Park	Provide general upkeep, snow removal, landscaping, lighting, banners and waste removal
White Bear Lake	Promote and manage district as a shopping or trade area.

Housing Improvement Area

The City has the power to establish a special taxing district to make improvements in areas of owner-occupied housing (Minnesota Statutes, Sections 428A.11 through 428A.21). The housing improvement area is similar in concept to the special service district. It is a special taxing district that can be used to finance a variety of improvements. However, there is an important

administrative difference with the housing improvement area. The City has the ability to assign the procedures for imposing "fees" and administering the area to another "authority," such as the HRA or EDA.

A housing improvement area is a defined collection of parcels. The area may cover a single housing project or a broader area within the downtown.

The city has the power to levy a "fee" on the housing units in the area. This fee may work like a property tax or may be spread using another approach determined by the city. The fee can be collected through the property tax system.

Uses

The statute allows each city to define the nature of housing improvements. This tool can be used to finance any form of public improvement, including streetscape, parking, and trails. A housing improvement area can also be used for private improvements that are part of new or existing housing developments.

Limitations

The city does not have the unilateral power to establish a housing improvement area. The process must be initiated by petition of property owners. In addition, the actions to establish the area and impose the fees are subject to veto by the property owners. These potential complications become moot if the area is set up at the beginning of the development process. Typically, there is a single property owner at this stage of the process. In existing neighborhoods, this tool allows residents to take the initiative to improve local parks.

Utility Revenues

The city operates three municipal utilities: water, sanitary sewer and storm water. The revenues from the operation of these utilities are available to pay for capital improvements in support of community development initiatives. State Law (Minnesota Statutes, Section 444.075) gives the authority to pledge these revenues to general obligation bonds for utility system improvements.

Street State Aid

The city receives state aid for the construction and maintenance of the local streets. This aid can only be used for streets designated for inclusion in the local state aid street system. These revenues can also be pledged to pay debt service on bonds issued for the construction and maintenance of state aid streets (M.S. 162.18).

Street Reconstruction

A relatively new municipal power is the ability to issue bonds to finance street reconstruction projects (M.S. 475.58). To use this authority, the streets to be reconstructed must be part of a "street reconstruction plan" that describes the streets to be reconstructed, the estimated costs, and any planned reconstruction of other city streets over the next five years. The issuance of the bonds must be approved by a vote of all of the members of the governing body following a public hearing. The issuance is subject to a reverse referendum provision. The city must hold an election prior to issuance if petitioned by voters within 30 days of the public hearing. Unlike most municipal debt, these bonds are subject to the debt limit.

Lease Revenue Bonds

Public buildings can be financed through the issuance of lease revenue bonds.

This tool combines two pieces of statutory authority. A housing and redevelopment authority (or EDA using these powers) has the ability to issue revenue bonds to finance projects pursuant to a redevelopment plan. These projects can include the construction of public buildings. Most HRAs do not, however, have sufficient revenues to secure these bonds. A city can provide this revenue through a lease purchase agreement with the HRA. The authority for the lease comes from Minnesota Statutes, Section 465.71.

In considering the use of lease revenue bonds, several factors should be noted:

- The lease is not a long-term, binding obligation in the form of most city bond issues. The lease is subject to a statutory "annual appropriation" pledge. In simple terms, the city council has the right not to appropriate funds to pay the lease in any fiscal year. This action would, however, mean forfeiture of the facilities financed with the lease.
- If the amount of the lease exceeds \$1,000,000, then the obligation is subject to the statutory debt limit. This limit equals 2% of the taxable market value of property in Stillwater.
- A levy by the city, to make payments on lease revenue bonds, qualifies as a special levy under the current levy limit system. A levy to pay debt of another political subdivision is an eligible special levy. Although a HRA is a part of city government, it is technically a political subdivision.

Capital Improvement Bonds

Capital improvement bonds are the newest capital finance power for Minnesota cities. This authority was granted by the State Legislature in 2003. Through this authority, the City can issue bonds to finance the acquisition or betterment of a city hall, a public safety facility, or a public works facility. The statute does not define the precise nature of public safety or public works facilities. This debt authority is subject to several procedural requirements and limitations:

- The bonds must be issued pursuant to an approved capital improvement plan.
- The issuance is subject to a reverse referendum petition.
- The total principal and interest due in any year on all outstanding capital improvement bonds may not equal or exceed 0.05367% of taxable market value of the city.

Implementation

To implement the economic development plan, the city will consider the following implementation measures:

To increase the tax base and provide opportunities for economic growth for Stillwater and Stillwater area residents, the City of Stillwater will:

- Protect the city's industrial land base for industrial development

- Consider using tax increment financing to assist major new investment in the Stillwater West Business Park (Local Economy Program 5)

To promote and maintain the downtown as a central focus for community economic and cultural activity, the City of Stillwater will:

- Consider using tax increment financing to assist major new investment Downtown (Local Economy Program 5)
- Encourage downtown as a relocation destination for successful businesses (Local Economy Policy 5)
- Encourage small locally owned business of particularly in the Downtown (Local Economy Program 2)
- Promote office and service job locations in and around the Downtown (Local Economy Program 3)

To provide new locations for job growth in close proximity to housing and with convenient access, the City of Stillwater will:

- Designate land for commercial and industrial uses properly located with adequate support services to accommodate future forecast and anticipated economic development (Local Economy Policy 1)
- Designate the Bergmann farm area for research and development office industrial park as a part of the proposed land use plan (Local Economy Program 1)
- Encourage a mix of employment, multifamily residential and retail and service activities in and around the West Business Park area (Local Economy Program 4)

To promote tourism consistent with retaining Stillwater's unique natural resources and historic and architectural character, the City of Stillwater will:

- Work with the Stillwater Area Chamber of Commerce and Convention and Visitors Bureau in promoting downtown activities and improvements (Tourism Policy 6)
- Support year around activities that enliven the Downtown public and cultural life (Tourism Policy 2)
- Maintain public facilities so that the Downtown is an attractive place to visit (Tourism Policy 5)
- Consider establishing incentive programs for rehabilitation of older buildings (Tourism Program 1)
- Continue to use design review guidelines and process to ensure new development and renovation is consistent with the historic character of Downtown (Tourism Program 2)

- Construct a new public parking ramp Downtown Stillwater for employees and visitors (Tourism Program 3)
- Support the Downtown Parking Commission as an advisory group for managing the Downtown parking (Tourism Program 4)

Planning Commission
Date: 6/8/09
Business Item
Item: 5b

ITEM: Future Meeting Schedule and Agendas

SUBMITTED BY: Kyle Klatt, Planning Director

REVIEWED BY: Kelli Matzek, City Planner
Craig Dawson, Interim City Administrator

SUMMARY AND ACTION REQUESTED:

The Planning Commission has established a meeting schedule whereby it meets the second Monday of every month and reserves the fourth Monday if needed for a meeting. With the work that is expected for the upcoming update to the Comprehensive Plan and recognizing that the Planning Commission has not taken a lot of time over the past year or so to deal with long-rang planning issues, Staff is recommending that the Commission consider using the second meeting date of each month to set aside time to deal with "bigger picture" planning issues and to devote a certain amount of time to these issues separate from the normal business it is required to conduct.

In the immediate future, Staff would recommend agenda items devoted to:

- The Village master planning process
- Implementation strategies identified in the Comprehensive Plan
- Review of the Village Area AUAR Mitigation Plan
- Future discussions regarding economic development activity
- General planning topics, including ethics, meeting procedures, land use law, and other topics of interest to the Commission

ADDITIONAL INFORMATION:

The meeting schedule that was previously adopted by the Planning Commission for this year is attached for review.

RECOMMENDATION:

At this time, Staff is seeking input from the Planning Commission on the proposed use of a second meeting each month to discuss long range planning issues. If the Commission is agreeable with this proposal, there could be additional discussion regarding meeting topics that may be of interest to the Commission.

ATTACHMENTS:

1. 2008-2009 Meeting Schedule
2. 2009 Planning Commission Work Plan

ORDER OF BUSINESS:

- Introduction and Presentation by Staff.....Kyle Klatt, Planning Director
- Questions from the Commission.....Chair & Commission Members
- Planning Commission Discussion.....Chair Facilitates
- Action by the Planning CommissionChair & Commission Members



CITY OF LAKE ELMO PLANNING COMMISSION

2008-2009 MEETING SCHEDULE

2008

May 28	Wednesday	<i>Due to Monday holiday</i>
June 9	Monday	
July 14	Monday	
August 11	Monday	
September 8	Monday	
October 15	Wednesday	<i>Due to Monday holiday</i>
November 10	Monday	
December 8	Monday	

2009

January 12	Monday	<i>Annual Meeting – Election of Officers</i>
February 9	Monday	
March 9	Monday	
April 13	Monday	
May 11	Monday	
June 8	Monday	
July 13	Monday	

Note: Under special circumstances determined by the planning commission and/or staff, a second planning commission meeting may be held on the fourth Monday of the month.

2009 Planning Commission Work Plan

Prepared by the Lake Elmo Planning Department – Adopted 2/17/09

Status: C – Complete
 IP – In Progress
 Date: Completion Goals (with Monthly Range)
 Admin: Staff Projects/Initiatives
 PL: Priority Level (from 1 to 5 with 1 being the highest priority)

Project and Description	Date (Months)	PL	Status
<u>ZONING INITIATIVES</u>			
Wireless Telecommunications Ordinance			
• Select consultant to provide technical assistance with ordinance revisions	0-3	1	IP
• Revise ordinance based on objectives and work plan adopted by the City Council	3-6	1	
• Rescind tower construction moratorium	6-9	2	
Zoning Map Updates			
• Review of past zoning approvals, incorporate all approved map amendments	3-6	2	
• Prepare new version of official Zoning Map using most recent County GIS data	3-6	2	
• Update Zoning Map to improve consistency with the Comprehensive Plan and Future Land Use Map	9-12	3	
• Establish proper zoning designation for recently annexed Buberl property	9-12	4	
Conditional Use Permit Ordinance			
• Update current regulations to establish specific criteria for different conditionally permitted uses	6-9	3	
• Establish tracking system for all existing conditional uses	3-6	3	IP
Sign Ordinance Revisions			
• Major update to sign code, incorporating previous agricultural and temporary sign updates	0-3	2	IP
Zoning Amendments			
• Review Outdoor Lighting Ordinance to establish appropriate levels of lighting for various uses	6-9	3	
• Final Council action concerning requirements for accessory buildings and setbacks	0-3	2	

Engineering Standards Manual			
• Finalize development manual describing the City's engineering standards for private and public projects	0-3	2	IP
Home Occupation Ordinance			
• Research status and effectiveness of current ordinance	6-9	3	
• Draft updated ordinance to address appropriate home occupation standards for different areas in the community.	9-12	4	
Permit Tracking			
• Establish system for tracking interim uses	9-12	5	
• Establish system for tracking non-conforming uses	9-12	5	
Zoning Ordinance Review			
• Prepare outline of previous work and major areas of agreement	0-3	2	
• Incorporate updates where appropriate as part of Village Area and South 10 th Street zoning changes	6-15	3	
• Incorporate formatting, organization, and smaller amendments into future zoning ordinance updates	6-15	3	

PLANNING INITIATIVES

Village Area Planning			
• Village Area AUAR			
o Complete review of Preliminary AUAR	0-3	1	IP
o Draft and adopt Final AUAR	0-3	1	
• Conduct work session with City Council to discuss future planning within Village Area	0-3	1	
• Prepare amendment to Comprehensive Plan based on selected development scenario from AUAR	6-12	1	
• Adopt amendments to the Zoning Ordinance responsive to the AUAR mitigation plan and Comprehensive Plan	12+	1	
South 10 th Street Area			
• Review Comprehensive Plan and holding zones for South 10 th Street Area for consistency with Village Area updates	6-12+	2	
Comprehensive Plan Updates			
• Monitor individual projects for compliance with the Comprehensive Plan	0-12	3	
• Incorporate major system elements into plan, including water, surface water and transportation	5/29/09	1	IP
Capital Improvement Plan			
• Planning Commission review of Capital Improvement Plan for consistency with the Comprehensive Plan	0-3	2	

Storm Water Management

- Integrate a Surface Water Management Plan as part of the Comprehensive Plan consistent with State Statutes and the local watershed district plans 3-6 1 IP
- Develop an surface water ordinance consistent with the adopted plan 6-9 2 IP
- Bring Lake Elmo into compliance with NPDES requirements and MS4 status 6-9 2 IP

ADMINISTRATIVE INITIATIVES

Building Division (Admin)

- Finalize job description for Building Official; seek applicants to fill vacant position. 3-6 2 IP
- Review internal permit approval process 6-9 3

Permit Tracking Software

- Select and implement tracking and reporting software for planning application, building permits, and code enforcement activity. 0-3 2 IP

Development Review Process (Admin)

- Document system for review and processing of development applications 6-9 3 IP

Code Enforcement (Admin)

- Improve consistency and reporting for code violations and follow-up activities 3-6 2 IP
- Conduct workshop with the City Council to discuss code enforcement policy 0-3 1

Agency Support (Admin)

- Adopt final flood insurance rate maps from FEMA, update Flood Protection Ordinance 9-12 2
- Review Census Bureau mapping updates, respond to other requests in advance of 2010 census 6-9 2

CDBG Cimarron Gas Line Project

- Assist project consultant with administration and implementation of grant project 3-6 3 IP

MnDOT Highway Landscaping Grant

- Provide staff assistance with Highway 5 landscaping project 6-9 3 IP