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## NOTICE OF MEETING

The City of Lake Elmo  
Planning Commission will conduct a meeting on  
**Monday, November 10, 2014 at 7:00 p.m.**

## AGENDA

1. Pledge of Allegiance
2. Approve Agenda
3. Approve Minutes
  - a. October 13, 2014
  - b. October 27, 2014
4. Public Hearing - None
5. Business Item
  - a. LAKE ELMO REDEVELOPMENT PROJECT NO. 1: The Planning Commission will be considering an Economic Development Plan for Redevelopment Project No. 1 (Village Area). The Commission will be reviewing the plan for consistency with the Comprehensive Plan.
6. Updates
  - a. City Council Updates
    - i. October 21, 2014 meeting: None
    - ii. November 5, 2015 meeting: Rural Area Inventory and Analysis comments
  - b. Staff Updates
    - i. Upcoming Meetings:
      - November 24, 2014
      - December 8, 2014
  - c. Commission Concerns
7. Adjourn



**City of Lake Elmo  
Planning Commission/City Council Workshop  
Minutes of October 13, 2014**

Chairman Williams called to order the meeting of the Lake Elmo Planning Commission at 7:00 p.m.

**COMMISSIONERS PRESENT:** Williams, Dodson, Kreimer, Larson, Lundgren, Dorschner and Haggard

**COMMISSIONERS ABSENT:** None

City Council Members Present: Smith, Reeves, Nelson, Bloyer and Mayor Pearson

**STAFF PRESENT:** Community Development Director Klatt, City Planner Johnson, City Administrator Zuleger and Planning Intern Casey Riley

**Approve Agenda:**

The agenda was accepted as presented.

**Approve Minutes:** September 8, 2014

There was clarification of a number of items in the minutes and corrections of typographical errors.

M/S/P: Dodson/Kreimer move to approve the minutes of September 22<sup>nd</sup> as amended;

***Vote: 7-0, motion carried unanimously.***

**Business Items:** Land Use Development Update/Comprehensive Plan Discussion

Klatt began his presentation by describing the materials that were provided to the Planning Commission. He gave a brief overview of the Met Council Thrive 2040 Process. Klatt discussed the elimination of the MOU and described the steps to achieve the elimination. He highlighted the fact that the City is no longer subject to wastewater inefficiency fees, which would have totaled \$1,000,000 in 2015 had the MOU not been eliminated. As the MOU has been retired, the City is no longer subject to growth mandated with penalties.

Klatt started to further describe the Met Council regional planning process, noting that the City's next required decennial update to its Comprehensive Plan is in 2018. The

System Statement, identifying the regional expectations of the City's land use plan, will be released in the fall of 2015.

Dodson asked about how regional plans are reviewed by other jurisdictions. Klatt noted that the pertinent organizations are reviewing the plans that they affect them, for instance the watershed district would review the surface water plan.

Johnson stated that the Met Council has a regional plan that is reviewed by all jurisdictions. If there is a major change to a plan, the appropriate agency has to sign off on it.

Larson described all the layers of the planning process, such as the Lake Elmo Airport. He talked about the number of households needed to maintain a viable downtown. In addition, the City needs to be thoughtful in providing enough parks and recreation for newly developing areas.

Williams asked about the number of total households as it relates to the number of persons per household. Council member Smith added that the persons per household number is important to Lake Elmo's ultimate population projections. The 2030 plan used 2.75 persons per household, while the 2040 plan is using 2.5 persons per household. Smith also stated that using ranges makes it much more difficult to manage growth. Smith stated that based on what we have already approved, we really don't need to use all 1000 acres along I-94 to meet our requirement.

There was a general discussion about REC units and the future population obligations for Lake Elmo.

Klatt provided a summary of Lake Elmo obligations. The City will need to plan for a 24,000 population until the 2015 system statement is released. The City has also taken several actions to functionally rebalance the land use plan to reduce numbers when possible.

Haggard asked if we wanted to use the 2040 plan, would 10 months be enough time to look at it. Klatt responded that if there is concern, then the City should use our staging plan. Smith stated that if we are looking at allowing more development in the rural areas on smaller parcels, that should be factored into population as well.

Klatt provided an overview of all the current residential development projects that have received some level of approval from the City. In addition, staff provided estimates of likely future development according to the current land use plan.

Dodson asked if the City identified the area near Manning Ave for high density housing. Klatt noted that the plan was City-driven.

There was a general discussion about the Inwood development.

There was a discussion about the Village Planning Area, specifically the mixed-use area.

Moving forward, Klatt presented the City's staging plan. He highlighted the Stage 1, 2 and 3 areas in the I-94 Corridor. Williams asked to what level of discretion the City has to refuse a proposed development in the Stage 3 area. Klatt noted that the City could deny a project through the use of the Staging Plan. Williams asked about Moratoriums/Interim Ordinances. Klatt explained the state rules surrounding interim ordinances.

Haggard stated that she thought the village was going to be developed before the I-94 corridor was fully built out. Klatt stated that the Village was part of the stage I planning.

Smith stated that she feels we should not have moved into phase II for only 50 homes as it was not necessary until we completed more of phase I.

Klatt further described the functional rebalancing efforts undertaken since the plan has been adopted. These efforts have resulted in a reduction of nearly 500 housing units.

Kyle wrapped up with some concluding thoughts. He provided the staff's recommendations related to rebalancing efforts in advance of the next Comp Plan update which included rebalancing along I94 as part of transit planning and continuing to discuss the rural planning areas.

Discussion of Gateway Corridor and how a transit hub might impact zoning. If a hub goes in the higher density most likely would go closer to the hub.

Williams thanked the staff for the information provided. He noted surprise that the City is still subject to the 2030 Land use plan. He noted that the developments that have been approved thus far have tracked fairly close to the minimum density levels, which is good.

Bloyer stated that he would like to see the rural areas built out at 2.5 acres per unit.

Smith stated that we need to slow down the pace of development. We have already approved almost 2000 units of the previously mandated 4000 units if we include Gonyea West and that is just too many in too short of a time. We need to slow down and have thoughtful growth.

There was a discussion about growth and moving into Stage 2 and water. The City chose to open up that area by running water to Hunter's Crossing.

Mayor asked what suggestions the Planning Commission has in dealing with development.



Larson spoke about providing public amenities for the new and existing residents.

Haggard noted her support for buildout of the Stage 1 areas before pushing into the Stage 2 and 3 areas.

Dorschner noted that the Planning Commission has methodically reviewed development proposals. He noted that a viable downtown requires populations and development in the Village Area. Businesses require rooftops.

Dodson noted that the proposed transit line will make the higher density residential more likely to occur. It makes sense to locate higher density land use adjacent to a transit stop. Dodson noted his concern about the number of homes on private community septic systems. Finally, he noted that the City's lack of commercial land is troubling given the cost of services for residential development.

Smith spoke about the guidance of the Comp Plan with regards to the buffering around rural planning areas. Pearson

Kreimer noted that the City should be looking at the 2040 population forecast starting in the Spring of 2014. Kreimer noted that a lower density threshold should be considered in the I-94 Corridor. Kreimer would like to see the low end of the range to be 1.5 units in the I-94 Corridor.

Larson noted that the City should look at development a little outside the box.

Williams noted that he is concerned about the numbers. There seems to be inconsistencies in the plan. 1200 additional homes from the rural areas would be required. Williams noted that the high density housing will be a shock to existing residents.

Haggard asked what the correct number should be for population. Would the Council be ok with residential development over 20,500. Bloyer noted that he would prefer growth in the rural area as opposed to additional growth in the urban areas.

Zuleger shared his recommendation for additional rebalancing or changes to the land uses. He suggested that the land adjacent to Manning Ave would be better served as Business Park. In addition, the land south of 5<sup>th</sup> Street in Stage 1 is more likely to develop commercially. Staff has done some analysis showing that the likely population is closer to 18,000 to 19,000. Klatt noted that with the elimination of the MOU, the City will be able to plan for the best land uses as opposed to only thinking about the numbers.

Larson noted that he would like to maintain the sense of the rural area as best as possible. The City should protect what is different and unique.

Mayor spoke about the rural development areas, specifically 2.5 acre lots.

Williams noted that he would like the City to explore single family design standards. There was a discussion about which direction to go with design standards. The Council asked the Commission to think about it.

## **Updates and Concerns**

### *Council Updates*

1. Hammes Final Plat passed.
2. Hammes Estates Developers Agreement passed.
3. Hunter's Crossing Developers Agreement passed.

### *Staff Updates*

1. Upcoming Meetings
  - a. October 14, 2014 – Downtown Summit 6:30 – 9:30 pm at Christ Lutheran Church to look at economic development issues, market study and planning issues that affect downtown.
  - b. October 27, 2014
  - c. November 10, 2014

*Commission Concerns – None*

Meeting adjourned at 10:23pm

Respectfully submitted,

Joan Ziertman  
Planning Program Assistant



**City of Lake Elmo  
Planning Commission Meeting  
Minutes of October 27, 2014**

Chairman Williams called to order the meeting of the Lake Elmo Planning Commission at 7:00 p.m.

**COMMISSIONERS PRESENT:** Williams, Dodson, Kreimer, Larson, Lundgren, Dorschner and Haggard

**COMMISSIONERS ABSENT:** None

**STAFF PRESENT:** Community Development Director Klatt and Planning Intern Casey Riley

**Approve Agenda:**

The agenda was accepted as presented.

**Approve Minutes:** October 13, 2014

M/S/P: Haggard/Dorschner move to postpone the minutes; ***Vote: 7-0, motion carried unanimously.***

**Business Item:** Rural Area Analysis Presentation

Planning Intern Riley presented a summary of a report concerning the City's rural development areas, and noted that the report is divided up into 3 different sections: research related to growth, a rural lot inventory and 4 hypothetical growth scenarios. She highlighted two main points that were supported by the report: 1) new development is always more cost effective when infrastructure is close, and 2) low density development is more land intensive and can change the look and feel of the community. She noted that open land and farm land generates revenues for a City in excess of the costs necessary to service this land. For each dollar of revenue collected for agricultural land only \$0.27 is spent. For every dollar in revenue for residential land \$1.07 is spent.

Riley explained the various land use categories used in the report. High density development, which would not be seen in Lake Elmo, large lot, low-density, urbanized and working land. Klatt stated that typically the large expenditures in communities, whether it is in urban or suburban areas, are public safety, roads and schools. Maintaining roads and public safety represent the highest per capita costs on average. He noted that there are storm water impacts and water quality impacts with growth.

There was a discussion regarding the average value of a 2.5 acre lot and what that would be. Williams thought that the value of the homes should be included in the report if we are comparing to expenditures.

Klatt summarized the City's zoning history and Comprehensive Plan history with the Commission. He noted that the City's forecast for growth through 2040 has been lowered, and that this would provide the City with more flexibility for development in the City's rural areas. From a staff perspective, there are more options to choose from. He stated that one of the major issues that will limit development in rural areas is the need for adequate access to new home sites. Larger, undeveloped parcels are generally located on collector roads and development along these roads will likely not be able to comply with City, County, and State access spacing guidelines. Staff is concerned that as the rural areas change and become more developed that the character of these areas will also change.

Klatt pointed out that studies have shown that a residential home is next to or with access to larger open space tends to have a higher market value than similar homes that do not have access to open space.

Klatt presented several questions that the Planning Commission might want to explore, including: What is the City's intent with the rural character? How does open space play into that? Does it need to be commonly owned or can it be owned privately? How does access management play into growth? Should the City be encouraging new well or septic systems? Are higher density uses reasonable in rural areas? How does agriculture factor into Lake Elmo's future? Do we want to preserve that into the future? Does the City want to allow rural estates in the City? Do we want to allow some kind of hybrid zoning? Should the City move to be more restrictive in zoning in these areas?

Klatt stated that Staff is looking for feedback from the Planning Commission on how to move forward with any suggested changes to the City's rural development areas.

The Commission requested information concerning the point at which growth does not pay for itself. Klatt stated that most Cities have a broader mix of commercial and residential to offset each other. Kreimer wants to better understand the shared septic systems and their future viability. He is wondering if there are problems with other shared septic systems. Dodson stated that in Farms of Lake Elmo, the HOA has to have some level of knowledge in order to maintain the system. He noted that the design of their system was faulty and it caused the system to shut down. Dodson also stated that there is a problem with having HOA's managing these complicated systems. The Planning Commission has concerns with shared septic due to cost, management and maintenance.

Dodson does not think we should be doing anything at this point. There is no pressure to do something different out there. With the added cost for roads and such, it does

not make sense. Other members of the Commission were interested in seeing the possibility of expanding the use of the Residential Estates land use classification.

#### **Business Item: Design Standards Discussion**

Williams stated that he had recently addressed the City Council to ask for clarification concerning the Council's position on residential design standards. Williams requested that the Planning Commission clarify whether or not the City should proceed with any kind of design standards for single family detached housing. Haggard said that in the Comprehensive Plan, it does suggest that we have design standards and expect high standards. She also feels that if it is a PUD, we have the right to put in design standards on a case by case basis. Klatt stated at the Preliminary Plat stage, the developer can submit information concerning design, and that the Planning Commission can accept or reject what they submit. Klatt stated that they will be bringing forward form based codes which will relate more to the mixed use portions of the City. Williams stated that we do currently have two design standards that apply to garages. Kreimer thinks that the Developers should submit examples of what they intend to build. Dodson stated that without a tool to deny something submitted, we could be stuck with them. Most of the Commission does not feel that design standards are necessary unless it is a PUD.

#### **Updates and Concerns**

##### *Council Updates*

None

##### *Staff Updates*

1. Upcoming Meetings
  - a. November 10, 2014
  - b. November 24, 2014

##### *Commission Concerns*

Dodson asked if there was any economic plan for commercial development. He questioned where the City was going to promote commercial development and how the City would entice businesses to come here. Williams stated the Comp Plan does allow for commercial along I-94 and the within the Old Village, and noted that there has not been any cost benefit analysis done regarding this. Klatt stated at the next meeting, the Commission will be presented with an Economic Development Plan for the Village.

Meeting adjourned at 9:40 pm

Respectfully submitted,

Joan Ziertman  
Planning Program Assistant



PLANNING  
COMMISSION  
DATE: 11/10/14  
AGENDA ITEM: 5A

ITEM: Redevelopment Plan No. 1 proposed by the Lake Elmo  
Economic Development Authority

SUBMITTED BY: Beckie Gumatz, Deputy Clerk

REVIEWED BY: Dean Zuleger, City Administrator

### **SUMMARY AND ACTION REQUESTED:**

The Planning Commission is being asked to provide written comment to the EDA and City Council on the proposed Redevelopment Plan. The EDA is specifically asking the Planning Commission if the Redevelopment Plan is consistent with the Comprehensive Plan for development of the City of Lake Elmo as a whole.

### **GENERAL INFORMATION**

*Applicant:* Lake Elmo Economic Development Authority.

*Request:* Find that the Redevelopment Plan for the Downtown Redevelopment Project is consistent with the plans for development of the City of Lake Elmo as a whole.

*History:* The Lake Elmo Economic Development Authority held a meeting in which it requested that the Lake Elmo City Council hold a public hearing and adopt the Redevelopment Plan. Prior to the public hearing at the November 18th City Council Meeting, the EDA is seeking an opinion from the Planning Commission.

*Deadline for Action:* Tonight. This item will be going to the City Council for approval at the meeting on November 18, 2014. The Redevelopment Plan will also be up for approval by the Economic Development Authority at its meeting on November 20, 2014.

*Applicable Regulations:* Comprehensive Plan

### **REQUEST DETAILS**

The City Council and Economic Development Authority have discussed the concept of the use of tax increment financing (TIF) to assist with paying for project costs related to the redevelopment of the downtown area. The TIF authority that exists in Minnesota Statutes 469.174 through 469.174 (the "TIF Act") must be used in conjunction with the underlying development and redevelopment powers that exist in the statutes. When the City Council adopted the enabling resolution for establishing the EDA, the Council granted the full complement of development powers that exist for an EDA. The EDA's development powers allow the EDA to pursue economic development objectives, such as the redevelopment of the downtown area.

In order to exercise many of its powers, the EDA needs to adopt a plan. Certain powers can only be used within the boundaries of different types of areas, as defined by statute. To allow the EDA to exercise many of the powers, the EDA is considering the establishment of Redevelopment Project 1 (pursuant to Minnesota Statutes 469.001 to 469.047).

The Lake Elmo Economic Development Authority is requesting a written opinion from the Planning Commission on whether or not the Redevelopment Plan is consistent with the City of Lake Elmo's Comprehensive Plan.

The Lake Elmo City Council will be holding a Public Hearing at its meeting on November 18, 2014 and will discuss approving a Resolution approving the Redevelopment Plan. Following approval by the City Council, the Lake Elmo EDA will be approving the Redevelopment Plan at its meeting on November 20, 2014.

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## **REVIEW AND ANALYSIS**

The City has found that there is a need for development within the City and the Redevelopment Project Area to provide employment opportunities, to improve the local tax base, and to improve the general economy of the City and the State. The establishment of a Redevelopment Plan is the first step of the redevelopment of the downtown area. The Redevelopment Plan will specify the area in which the City and the Economic Development Authority will look to establish TIF district(s) in the future. The TIF district(s) will allow the City to use different methods of financing to redevelop the downtown area.

The City has also found that there is a need to take positive and aggressive steps for the future of its "Downtown Area". Age of buildings, under utilized land area, and other symptoms of a downtown in need of a strategy for redevelopment are evident. There are some improvements already going on/planned for 2015 for the downtown area, such as the redoing of Lake Elmo Avenue. This will give the City the opportunity to possibly bury power lines and revamp the streetscape of downtown.

The establishment of the Project Area in the City is necessary and in the best interests of the City and its residents and is necessary to give the City and the Economic Development Authority the ability to meet certain public purpose objectives that would not be obtainable in the foreseeable future without intervention by the Economic Development Authority in the normal development process.

The EDA intends, to the extent permitted by law, to accomplish the following objectives through the implementation of the Redevelopment Plan:

- a) Provide for the acquisition of land and construction and financing of building(s), site improvements, and/or public utilities in the Project Area which are necessary for the orderly and beneficial development of the Project Area and adjacent areas of the City.
- b) Promote and secure the prompt and unified development of certain property in the Project Area, which property is not now in productive use or in its highest and best use, with a minimum adverse impact on the environment, and thereby promote and secure the desirable development of other land in the City.
- c) Promote and secure additional employment opportunities within the Project Area and the City for residents of the City and the surrounding area, thereby improving living standards and reducing unemployment and the loss of skilled and unskilled labor and other human resources in the City.
- d) Secure the increase of assessed values of property subject to taxation by the City, School, County, and other taxing jurisdictions in order to better enable such entities to pay for governmental services and programs that they are required to provide.



- e) Promote the concentration of new unified development consisting of desirable manufacturing, industrial, housing and other appropriate development in the Project Area so as to maintain the area in a manner compatible with its accessibility and prominence in the City.
- f) Encourage the expansion and improvement of local business, economic activity and development and housing development, whenever possible.
- g) Create a desirable and unique character within the Project Area through quality land use alternatives and design quality in new buildings.

The EDA will perform or cause to be performed, to the extent permitted by law, all project activities pursuant to the Enabling Act, the Tax Increment Act, and other applicable state laws. Possible project activities are included in the Redevelopment Plan.

The Redevelopment Plan will be updated and amended to incorporate tax increment financing districts as proposed and established.

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### **RECCOMENDATION:**

Staff recommends that the Planning Commission find that the Redevelopment Plan for the Downtown Redevelopment Project is consistent with the plans for development of the City of Lake Elmo as a whole.

Suggested motion:

***“Move that the Redevelopment Plan for the Downtown Redevelopment Project is consistent with the Comprehensive Plan for development of the City of Lake Elmo as a whole”***

### **ATTACHMENTS:**

1. Redevelopment Plan for Redevelopment Project No. 1
2. Redevelopment Project No. 1 Map

### **ORDER OF BUSINESS:**

- Introduction.....City Administrator
- Report by Staff.....City Administrator
- Questions from the Commission..... Chair & Commission Members
- Discussion by the Commission.....Chair & Commission Members
- Action by the Commission..... Chair & Commission Members

**CITY OF LAKE ELMO, MINNESOTA**  
**REDEVELOPMENT PLAN FOR**  
**REDEVELOPMENT PROJECT NO. 1**  
**(DOWNTOWN REDEVELOPMENT PROJECT)**

**DRAFT FOR PUBLIC HEARING**

**PUBLIC HEARING: \_\_\_\_\_, 2014**

**PLAN APPROVED: \_\_\_\_\_, 2014**



**NORTHLAND STRATEGIES**  
**Special Projects Group**

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Member NASD and SIPC

## TABLE OF CONTENTS

<b>ARTICLE I – INTRODUCTION AND DEFINITIONS .....</b>	<b>1</b>
Section 1.01    Introduction .....	1
Section 1.02    Definitions .....	1
Section 1.03    Plan Preparation .....	2
<b>ARTICLE II - STATEMENT OF PUBLIC PURPOSE AND AUTHORITY .....</b>	<b>3</b>
Section 2.01    Enabling Act; Statutory Authority .....	3
Section 2.02    Statement of Need and Finding of Public Purpose .....	3
Section 2.03    Boundaries of Project Area.....	4
<b>ARTICLE III - REDEVELOPMENT PLAN .....</b>	<b>5</b>
Section 3.01    Statement of Objectives .....	5
Section 3.02    Development Activities .....	6
Section 3.03    Payment of Public Costs.....	6
Section 3.04    Environmental Controls; Land Use Regulations .....	6
Section 3.05    Park and Open Space To Be Created .....	6
Section 3.06    Proposed Reuse of Property .....	6
Section 3.07    Administration and Maintenance of Project Area.....	7
Section 3.08    Relocation .....	7
Section 3.09    Amendments.....	7
Section 3.10    Findings and Declaration .....	7

## **ARTICLE I – INTRODUCTION AND DEFINITIONS**

### **SECTION 1.01 INTRODUCTION**

The City of Lake Elmo is preparing plans for the redevelopment of the City's Downtown Area. This document contains the Redevelopment Plan for achieving the objectives of Redevelopment Project No. 1 through the future establishment of tax increment financing plans and use of tax increment financing districts.

The Redevelopment Plan will be updated and amended to incorporate tax increment financing districts as proposed and established.

### **SECTION 1.02 DEFINITIONS**

For the purposes of this document, the terms below have the meanings given in this section, unless the context in which they are used indicates a different meaning:

The terms defined below, for purposes hereof, and for purposes of any Tax Increment Financing Districts and Plans which may be now or hereafter established and approved within the Redevelopment Project, shall have the following respective meanings, unless the context specifically requires otherwise. As in Minnesota Statutes, Section 469.058, the term "development" includes redevelopment, and the term "developing" includes redeveloping.:

1. "Authority" means Economic Development Authority of the City of Lake Elmo, established pursuant to the Enabling Act and City Resolution No. 2013-05.
2. "City" means the City of Lake Elmo, Minnesota.
3. "City Council" means the City Council of the City.
4. "County" means Washington County, Minnesota.
5. "Developer" means a party undertaking construction or renovation in a Tax Increment Financing District.
6. "Economic Development District" means Project Area which the Authority has designated as an Economic Development District, pursuant to Minnesota Statutes, Section 469.090 through 469.108, inclusive, as amended.
7. "Enabling Act" means (1) the Minnesota Municipal Housing and Redevelopment Act codified as Minnesota Statutes, Sections 469.001 through 469.047, and (2) the Economic Development Authority Act codified as Minnesota Statutes, Section 469.090 to 469.1082, including all powers provided or referenced therein, and as the same may be amended or supplemented.
8. "Project Area" means the real property within the City constituting the Redevelopment Project and the Economic Development District as currently depicted and described in the attached Article II.
9. "Public Costs" means the public redevelopment costs of the Redevelopment Project.
10. "Redevelopment Plan" means the Redevelopment Plan for the Redevelopment Project (this document), as the same may, from time to time, be amended or supplemented.
11. "Redevelopment Project" means Redevelopment Project No. 1 of the Authority, as the same may, from time to time, be amended or supplemented.
12. "School District" means Independent School District No. 834, Minnesota.
13. "State" means the State of Minnesota.

14. "TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive as amended.
15. "TIF District" means a Tax Increment Financing District within the Redevelopment Project, as may be proposed and established in the future, from time to time.
16. "TIF Plan" means a future tax increment financing plan for a TIF District within the Redevelopment Project, as may be proposed and adopted in the future, from time to time.

### **SECTION 1.03 PLAN PREPARATION**

This document was prepared for the City by Northland Securities, Inc. Project data was provided by City Staff.

## **ARTICLE II - STATEMENT OF PUBLIC PURPOSE AND AUTHORITY**

### **SECTION 2.01 ENABLING ACT; STATUTORY AUTHORITY**

Pursuant to the Enabling Act, the City was authorized to establish an economic development authority that has the same powers as an economic development authority under Minnesota Statutes, Section 469.090 to 469.1082, or other law, as well as the powers of a municipal housing and redevelopment authority established under Minnesota Statutes, Section 469.001 to 469.047, or other law. In addition the Enabling Act authorized the City, upon establishment of such an economic development authority, to exercise all the powers relating to an economic development authority granted to a city by Minnesota Statutes, Section 469.090 to 469.108, or other law, and all the powers relating to a housing and redevelopment authority granted to a city by Minnesota Statutes, Section 469.001 to 469.047, or other law.

Pursuant to Resolution No. 2013-05 as adopted by the Council on February 5, 2013, the City thereby established the Authority as the entity authorized by the Enabling Act.

It is the intention of the City, notwithstanding the enumeration of specific goals and objectives in the Redevelopment Plan, that the City and Authority shall have and enjoy with respect to the Redevelopment Project the full range of powers and duties conferred upon the Authority pursuant to the Enabling Act, the Tax Increment Act, and such other legal authority as the Authority may have or enjoy from time to time.

Funding for the necessary activities and improvements within the Redevelopment Project shall be accomplished through tax increment financing in accordance with the TIF Act, and, if necessary and appropriate, the use of the City's statutory ability to issue and sell general obligation improvement bonds of the City.

### **SECTION 2.02 STATEMENT OF NEED AND FINDING OF PUBLIC PURPOSE**

The City finds that there is a need for development within the City and the Redevelopment Project to provide employment opportunities, to improve the local tax base, and to improve the general economy of the City and the State.

The City finds that there is a need for the City to take positive and aggressive steps for the future of its "Downtown Area". Age of buildings, under utilized land area, and other symptoms of a downtown in need of a strategy for redevelopment are evident. And, with the leadership of the Mayor and City Council members, the members of the Authority, as well as city staff and local citizens, Lake Elmo has begun the difficult task of trying to fit appropriate resources with redevelopment opportunities. In doing so, the Council has found that there are opportunities for the Downtown Area with such bold steps as using tax increment financing, the vacation of streets, and open invitations to existing businesses and plans for invitations to those from within the greater metropolitan region.

The City finds that in many cases such marginal property cannot be developed without public participation and assistance in forms including property acquisition and/or write down, proper planning, the financing of land assembly in the work of clearance or development, and the making and/or financing of various other public and private improvements necessary for development. In cases where the development of marginal and other property cannot be done by private enterprise alone, the City believes it to be in the public interest to consider the exercise of its powers, to advance and spend public money, and to provide the means and impetus for such development.

The City finds that in certain cases property within the Project Area would or may not be available for development without the specific financial aid to be sought, that the Redevelopment Plan will afford maximum opportunity, consistent with the needs of the

City as a whole, for the development of the Project Area by private enterprise, and that the Redevelopment Plan conforms to the general plan for the development of the City as a whole.

The City also finds that the welfare of the City and the State requires the active promotion, attraction, encouragement, and development of economically sound industry and commerce through governmental action for the purpose of preventing the emergence of blighted and marginal lands and areas of chronic unemployment. It shall also be the policy of the Authority to facilitate and encourage such action as may be necessary to prevent the economic deterioration of such areas to the point where the process can be reversed only by total redevelopment. Through the use of the powers conferred on the City pursuant to the Enabling Act, promoting economic development may prevent the occurrence of conditions requiring redevelopment and prevent the emergence of blight, marginal land, and substantial and persistent unemployment.

The Redevelopment Plan shall also include the goals (1) of providing an impetus for residential development desirable or necessary to accommodate increased population within the City and (2) of helping to achieve affordable housing goals, including through payment or reimbursement of certain infrastructure or other costs of the housing developments.

### **SECTION 2.03 BOUNDARIES OF PROJECT AREA**

The area within the Project Area is described in Figure 2-1. The Project Area shall also include all adjacent roadways, rights-of-way and other areas wherein will be installed or upgraded the various public improvements necessary for and part of the overall project. The City finds that the Project Area, together with the objectives which the City seeks to accomplish or encourage with respect to such property, constitutes a “redevelopment project” and a “redevelopment plan” within the meaning of Minnesota Statutes, Section 469.002, Subdivisions 14 and 16, and constitutes an “economic development district” under Minnesota Statutes, 469.090 through 469.108, inclusive, as amended.

### **FIGURE 2.1 REDEVELOPMENT PROJECT NO. 1 MAP**

[INSERT MAP HERE]

## **ARTICLE III - REDEVELOPMENT PLAN**

### **SECTION 3.01 STATEMENT OF OBJECTIVES**

Redevelopment of the City's Downtown Area involves innovation, understanding, and communication with all sectors of the City, working together toward common, and well defined goals and objectives. The City, through its planning efforts has found that there is a need for redevelopment in the Downtown Area of the City, to encourage, ensure, and facilitate orderly development by the private sector of under-utilized, inappropriately utilized and unused land within the Development District. In addition, the City, through the implementation of this Development Program, seeks to remove any environmental conditions that are or may be barriers to any efforts by the private sector to develop or redevelop within the Development District.

The establishment of the Project Area in the City pursuant to the Enabling Act is necessary and in the best interests of the City and its residents and is necessary to give the City and the Authority the ability to meet certain public purpose objectives that would not be obtainable in the foreseeable future without intervention by the Authority in the normal development process.

The Authority intends, to the extent permitted by law, to accomplish the following objectives through the implementation of the Redevelopment Plan:

- (a) Provide for the acquisition of land and construction and financing of building(s), site improvements, and/or public utilities in the Project Area which are necessary for the orderly and beneficial development of the Project Area and adjacent areas of the City.
- (b) Promote and secure the prompt and unified development of certain property in the Project Area, which property is not now in productive use or in its highest and best use, with a minimum adverse impact on the environment, and thereby promote and secure the desirable development of other land in the City.
- (c) Promote and secure additional employment opportunities within the Project Area and the City for residents of the City and the surrounding area, thereby improving living standards and reducing unemployment and the loss of skilled and unskilled labor and other human resources in the City.
- (d) Secure the increase of assessed values of property subject to taxation by the City, School, County, and other taxing jurisdictions in order to better enable such entities to pay for governmental services and programs that they are required to provide.
- (e) Promote the concentration of new unified development consisting of desirable manufacturing, industrial, housing and other appropriate development in the Project Area so as to maintain the area in a manner compatible with its accessibility and prominence in the City.
- (f) Encourage the expansion and improvement of local business, economic activity and development and housing development, whenever possible.
- (g) Create a desirable and unique character within the Project Area through quality land use alternatives and design quality in new buildings.



### **SECTION 3.02 DEVELOPMENT ACTIVITIES**

The Authority will perform or cause to be performed, to the extent permitted by law, all project activities pursuant to the Enabling Act, the Tax Increment Act and other applicable state laws, and in doing so anticipates that the following may, but are not required, to be undertaken by the Authority:

- (a) The making of studies, planning, and other formal and informal activities relating to the Redevelopment Plan.
- (b) The implementation and administration of the Redevelopment Plan.
- (c) The rezoning of land within the Project Area.
- (d) The acquisition of property, or interests in property, by purchase or condemnation, which acquisition is consistent with the objectives of the Redevelopment Plan,
- (e) The preparation of property for use and development in accordance with applicable Land Use Regulations and the Development Agreement, including demolition of structures, clearance of sites, placement of fill and grading.
- (f) The resale of property to private parties.
- (g) The construction or reconstruction of improvements described in Section 4.7 hereof.
- (h) The issuance of Tax Increment Bonds to finance the Public Costs of the Redevelopment Plan, and the use of Tax Increments or other funds available to the City and the Authority to pay or finance the Public Costs of the Redevelopment Plan incurred or to be incurred by it.
- (i) The use of Tax Increments to pay debt service on the Tax Increment Bonds or otherwise pay or reimburse with interest the Public Costs of the Redevelopment Plan.

### **SECTION 3.03 PAYMENT OF PUBLIC COSTS**

It is anticipated that the Public Costs of the Redevelopment Plan will be paid primarily from proceeds of Tax Increment Bonds or from Tax Increments. The Authority reserves the right to utilize other available sources of revenue, including but not limited to lease payments, special assessments and user charges, which the Authority may apply to pay a portion of the Public Costs.

### **SECTION 3.04 ENVIRONMENTAL CONTROLS; LAND USE REGULATIONS**

All municipal actions, public improvements and private development shall be carried out in a manner consistent with existing environmental controls and all applicable Land Use Regulations.

### **SECTION 3.05 PARK AND OPEN SPACE TO BE CREATED**

Park and open space within the Project Area if created will be created in accordance with the zoning and platting ordinances of the City.

### **SECTION 3.06 PROPOSED REUSE OF PROPERTY**

The Redevelopment Plan contemplates that the Authority may acquire property and reconvey the same to another entity. Prior to formal consideration of the acquisition of any property, the Authority will require the execution of a binding development agreement with respect thereto and evidence that Tax Increments or other funds will be available to repay the Public Costs associated with the proposed acquisition. It is the intent of the Authority to negotiate the

acquisition of property whenever possible. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any Development Agreement to which the Authority is a party.

### **SECTION 3.07 ADMINISTRATION AND MAINTENANCE OF PROJECT AREA**

Maintenance and operation of the Project Area will be the responsibility of the city administrator who shall serve as administrator of the Project Area. Each year the administrator will submit to the Authority the maintenance and operation budget for the following year.

The administrator will administer the Project Area pursuant to the Enabling Act; provided, however, that such powers may only be exercised at the direction of the Authority. No action taken by the administrator pursuant to the above-mentioned powers shall be effective without authorization by the Authority.

### **SECTION 3.08 RELOCATION**

Any person or business that is displaced as a result of the Redevelopment Plan will be relocated in accordance with Minnesota Statutes, Section 117.50 to 117.56. The City and the Authority accepts its responsibility for providing for relocation assistance when applicable.

### **SECTION 3.09 AMENDMENTS**

The Authority reserves the right to alter and amend the Redevelopment Plan and the Tax Increment Financing Plan, subject to the provisions of state law regulating such action. The City and the Authority specifically reserves the right to enlarge or reduce the size of the Project Area and the Tax Increment District, the Redevelopment Plan and the Public Costs of the Redevelopment Plan and the amount of Tax Increment Bonds to be issued to finance such cost by following the procedures specified in Minnesota Statutes, Section 469.175, Subdivision 4.

### **SECTION 3.10 FINDINGS AND DECLARATION**

The Authority makes the following findings:

- (a) The land in the Project Area would not be made available for redevelopment without the financial aid sought.
- (b) The Redevelopment Plan for the Project Area in the City will afford maximum opportunity consistent with the needs of the locality as a whole, for the redevelopment of the area by private enterprise.
- (c) The Redevelopment Plan conforms to the general plan for development of the City as a whole.



