Community Development Committee

Meeting date: September 16, 2019

Environment Committee

Meeting date: September 24, 2019

For the Metropolitan Council meeting of October 9, 2019

Subject: City of Tonka Bay 2040 Comprehensive Plan and Comprehensive Sewer Plan, Review File 21869-1

District(s), Member(s): District 3, Christopher Ferguson

Policy/Legal Reference: Metropolitan Land Planning Act (Minn. Stat. § 473.175), Minn. Stat. § 473.513

Staff Prepared/Presented:	Jake Reilly, Senior Planner (651-602-1822) Angela R. Torres, Local Planning Assistance Manager (651-602-1566) Kyle Colvin, Engineering Programs, Manager (651-602-1151)
Division/Department:	Community Development / Regional Planning Environmental Services / Technical Services

Proposed Action

That the Metropolitan Council adopt the attached Advisory Comments and Review Record and take the following actions:

Recommendations of the Community Development Committee

- 1. Authorize the City of Tonka Bay to place its 2040 Comprehensive Plan into effect.
- 2. Advise the City to implement the advisory comments in the Review Record for Forecasts, Water Resources, Surface Water Management, and Land Use.

Recommendations of the Environment Committee

- 1. Approve the City of Tonka Bay's Comprehensive Sewer Plan.
- 2. Require the City to submit to the Council a copy of the final adopted Ordinance that requires the disconnection of any identified prohibited discharges to the sanitary sewer system.



Advisory Comments

The following Advisory Comments are part of the Council action authorizing the City of Tonka Bay to implement its 2040 Comprehensive Plan (Plan).

Community Development Committee

- 1. As stated in the Local Planning Handbook, the City must take the following steps:
 - a. Adopt the Plan in final form after considering the Council's review recommendations as contained in the body of this report.
 - b. Submit one hard copy and one electronic copy of the Plan to the Council. The electronic copy must be submitted as one unified file.
 - c. Submit to the Council a copy of the City Council resolution evidencing final adoption of the Plan.
- 2. The *Local Planning Handbook* also states that local governments must formally adopt their comprehensive plans within nine months after the Council's final action. If the Council has recommended changes to the Plan, local governments should incorporate those recommended changes into the Plan or respond to the Council before "final adoption" of the comprehensive plan by the governing body of the local governmental unit. (Minn. Stat. § 473.858, subd. 3)
- 3. Local governments must adopt official controls as identified in their 2040 comprehensive plans and must submit copies of the official controls to the Council within 30 days after the official controls are adopted. (Minn. Stat. § 473.865, subd. 1)
- 4. Local governmental units cannot adopt any official controls or fiscal devices that conflict with their comprehensive plans or which permit activities in conflict with the Council's metropolitan system plans (Minn. Stat. §§ 473.864, subd. 2; 473.865, subd. 2). If official controls conflict with comprehensive plans, the official controls must be amended within 9 months following amendments to comprehensive plans (Minn. Stat. § 473.865, subd. 3).

Environment Committee

- The Council-approved Comprehensive Sewer Plan becomes effective only after the Plan receives final approval from the local governmental unit's governing body. After the Plan receives final approval from the City and the Comprehensive Sewer Plan becomes effective, the City may implement its Plan to alter, expand, or improve its sewage disposal system consistent with the Council-approved Comprehensive Sewer Plan.
- 2. A copy of the City Council resolution adopting its 2040 comprehensive plan, including its Comprehensive Sewer Plan, must be submitted to the Council.

Background

The City of Tonka Bay is located in south-central Hennepin County. It is surrounded by the communities of Minnetonka Beach, Orono, Excelsior, and Shorewood.

The City submitted its 2040 Comprehensive Plan (Plan) to the Council for review to meet the Metropolitan Land Planning Act requirements (Minn. Stat. §§ 473.851 to 473.871) and the Council's 2015 System Statement requirements.

Review Authority & Rationale

Minn. Stat. § 473.175 directs the Metropolitan Council to review a local government's comprehensive plan and provide a written statement to the local government regarding the Plan's:

- Conformance with metropolitan system plans
- Consistency with the adopted plans and policies of the Council
- **Compatibility** with the plans of adjacent governmental units and plans of affected special districts and school districts

By resolution, the Council may require a local government to modify its comprehensive plan if the Council determines that "the plan is more likely than not to have a substantial impact on or contain a substantial departure from metropolitan system plans" (Minn. Stat. § 473.175, subd. 1).

Each local government unit shall adopt a policy plan for the collection, treatment, and disposal of sewage for which the local government unit is responsible, coordinated with the Metropolitan Council's plan, and may revise the same as often as it deems necessary (Minn. Stat. § 473.513).

Review Standard	Review Area	Plan Status
Conformance	Regional system plan for Parks	Conforms
Conformance	Regional system plan for Transportation, including Aviation	Conforms
Conformance	Water Resources (Wastewater Services and Surface Water Management)	Conforms
Consistency with Council Policy	Thrive MSP 2040 and Land Use	Consistent
Consistency with Council Policy	Forecasts	Consistent
Consistency with Council Policy	2040 Housing Policy Plan	Consistent
Consistency with Council Policy	Water Supply	Consistent
Consistency with Council Policy	Community and Subsurface Sewage Treatment Systems (SSTS)	Consistent
Compatibility	Compatible with the plans of adjacent and affected governmental districts	Compatible

The attached Review Record details the Council's assessment of the Plan's conformance, consistency, and compatibility, and is summarized below.

Thrive Lens Analysis

The proposed 2040 comprehensive plan is reviewed against the land use policies in *Thrive MSP 2040*. To achieve the outcomes identified in Thrive, the metropolitan development guide defines the Land Use Policy for the region and includes strategies for local governments and the Council to implement. These policies and strategies are interrelated and, taken together, serve to achieve the outcomes identified in Thrive.

Funding

None.

Known Support / Opposition There is no known local opposition to the 2040 comprehensive plan.

REVIEW RECORD

City of Tonka Bay 2040 Comprehensive Plan

Review File No. 21869-1, Business Item No. 2019-251 JT

The following Review Record documents how the proposed Plan meets the requirements of the Metropolitan Land Planning Act and conforms to regional system plans, is consistent with regional policies, and is compatible with the plans of adjacent and affected jurisdictions.

Conformance with Regional Systems

The Council reviews plans to determine conformance with metropolitan system plans. The Council has reviewed the City's Plan and finds that it conforms to the Council's regional system plans for Regional Parks, Transportation (including Aviation), and Water Resources.

Regional Parks and Trails

Reviewer: Colin Kelly, Community Development (CD) - Regional Parks (651-602-1361) The Plan conforms to the *2040 Regional Parks Policy Plan* (RPPP) for the Regional Parks System element. Three Rivers Park District is the park implementing agency for Regional Parks System components in Tonka Bay, for which the Plan accurately describes the Regional Parks System components. Regional Trails located within the City include the Lake Minnetonka LRT Regional Trail and the Mid-Lake (formerly known as Lake Independence Extension) Regional Trail Search Corridor (Figure 1). There are no state or federal lands within the City.

Regional Transportation, Transit, and Aviation

Reviewer: Russ Owen, Metropolitan Transportation Services (MTS) (651-602-1724)

Transportation

The Comprehensive Plan conforms to the 2040 Transportation Policy Plan (TPP) adopted in 2015. It accurately reflects transportation system components of the TPP. The Plan is also consistent with Council policies regarding community roles, the needs of non-automobile transportation, access to job concentrations, and the needs of freight.

Roadways

The Plan conforms to the Highways system element of the TPP. The Plan accurately accounts for the metropolitan highway system of principal arterials, of which the city has none.

The Plan accurately reflects the regional functional classification map of A-minor arterials, and has delineated major and minor collectors.

The Plan identifies all the required characteristics of the community's roadways, including existing and future functional class, right-of-way preservation needs, and existing and forecasted traffic volumes for principal and A-minor arterials. Forecasting is consistent with regional methodology. The Plan also includes guidelines on how access will be managed A-minor arterials.

Transit

The Plan conforms to the Transit system element of the TPP. It shows the location of existing transit routes and facilities and acknowledges the city is within Transit Market Areas IV and Emerging Market Area III.



The Plan is consistent with the policies of the Transit system element of the TPP. The Plan addresses community roles related to its Community Designation of Suburban, as well as the opportunities and challenges related to its Transit Market Areas.

Aviation

The Plan conforms to Aviation system element of the TPP. The Plan includes policies that protect regional airspace from obstructions, addresses seaplane use, and describes how off-site air navigation aids will be protected.

Bicycling and Walking

The Plan is consistent with the Bicycling and Pedestrian chapter of the TPP. The Plan identifies existing and future segments of, and connections to, the Regional Bicycle Transportation Network (RBTN) and regional trails. The Plan shows the Tier 1 priority corridor the RBTN.

The Plan is also consistent with Bicycle and Pedestrian policies of the TPP by planning for local pedestrian and bicycle connections to transit, regional trails, regional job concentrations, and other regional destinations as identified on the RBTN map.

Freight

The Plan is consistent with Freight policies of the TPP. The Plan identifies the needs of freight movement in and through the City, including accessibility to freight facilities. There are no freight issues.

Transportation Analysis Zones (TAZs)

The Plan conforms to the TPP regarding TAZ allocations. The City's TAZ allocations for employment, households, and population appropriately sum to the Council's citywide forecast totals for all forecast years.

The City's planned land uses and areas identified for development and redevelopment can accommodate the TAZ forecasted allocations in the Plan, and at densities consistent with the City's Thrive community designation of Suburban.

Water Resources

Wastewater Service

Reviewer: Kyle Colvin, Environmental Services (ES) – Engineering Programs, (651-602-1151) The Plan conforms to the *2040 Water Resources Policy Plan* (WRPP). The Plan represents the City's guide for future growth and development through the year 2040. It includes growth forecasts that are consistent with the Council's forecasts for population, households, and employment.

Current wastewater treatment services are provided to the City by Metropolitan Council Environmental Services. All wastewater generated within the City is conveyed through Council Interceptors 7017, and 6-TB-661. All flow is treated at the Council's Blue Lake Wastewater Treatment Plant in Shakopee. The Plan projects that the City will have 760 sewered households and 300 sewered employees by 2040. The Metropolitan Disposal System with its scheduled improvements has or will have adequate capacity to serve the City's growth forecasts.

The Plan provides sanitary flow projections in 5-year increments. The rationale for the projections is given in the Plan and determined appropriate for planning local services. The Council is committing to provide the level of wastewater service based on the sewered forecasts as stated in the sewer element of the Plan.

The Land Use Plan reflects an overall minimum residential sewered density that is consistent with Council policy for future sewered residential growth for Suburban communities

The Plan defines the City's goals, policies, and strategies for preventing and reducing excessive inflow and infiltration (I/I) in the local municipal (city) and private sanitary sewer systems; including a summary of activities and programs intended to mitigate I/I from both public and private property sources.

The Plan describes the requirements and standards for minimizing I/I and references City Ordinance 824 (Section 01) that prohibits the connection of clear water sources to the sanitary sewer system. The Plan also states that the City will pursue an additional Ordinance within 6-months of Plan adoption that would require the disconnection of such connections once discovered. The City has an annual I/I mitigation program that includes televised inspection of the public collection system that results in identified I/I mitigation work including, manhole rehabilitation and cover replacement, pipelining, pipe replacement, joint sealing, and service lateral sealing on vacant properties. These inspections also support and provide documentation for follow-up sump pump inspections, service lateral inspection, and service lateral repair or replacement work.

The Plan describes the sources, extent, and significance of existing inflow and infiltration within the entire wastewater collection system and provides a description of an implementation plan for preventing and eliminating excessive I/I from entering both the municipal and private property sewer systems. The Plan states that approximately 23% of the City's total average flow is attributable to I/I, and approximately 45% of the City's peak, wet weather, monthly flow is from I/I. The Plan states that approximately 40% of the homes within the City were built prior to 1970 when clay tile services were standard and that many of these homes are located in close proximity to shoreline of Lake Minnetonka. The City suspects that the majority of I/I is entering the collection system in these areas. The Plan identifies a planned \$75,000 to \$80,000 per year spending in its City's Capital Improvement Plan through 2021 for I/I mitigation work including lining of up to three private laterals per year.

Sewer Element Comments

The Sewer Element of the Plan has been reviewed against the requirements for Comprehensive Sewer Plans for Suburban communities. It was found to be complete and consistent with Council polices. Upon adoption of the Plan by the City, the action of the Council to approve the Sewer Plan becomes effective. At that time, the City may implement its Plan to alter, expand, or improve its sewage disposal system consistent with the approved Sewer Plan. A copy of the City Council Resolution adopting its Plan needs to be submitted to the Council for its records.

Advisory Comment

Once the ordinance is approved, the City shall submit to the Council a copy of the final adopted Ordinance that requires the disconnection of any identified prohibited discharges to the sanitary sewer system.

Surface Water Management

Reviewer: Jim Larsen, CD – Local Planning Assistance (651-602-1159)

The Plan is consistent with Council policy requirements and in conformance with the WRPP for local surface water management. The Plan satisfies the requirements for 2040 comprehensive plans. Tonka Bay is located within the oversight boundaries of the Minnehaha Creek Watershed District (Watershed District). Tonka Bay submitted a draft Local Water Management Plan (LWMP) update to the Council in conjunction with its Preliminary Plan submission in February 2018 and a revised draft with the formal Plan submission in December 2018. Council Water Resources staff reviewed and commented on the revised draft LWMP to the City and Watershed District in a letter dated January 11, 2019. The Watershed District approved the LWMP on June 25, 2019. The Plan incorporates the City's most recent draft LWMP as Chapter 11.

Advisory Comment

We request that the City provide to the Council the date that the City adopts the final LWMP. We also request that the City provide the Council with a copy of the final adopted LWMP that will be included in the Plan document that the City adopts, if it differs from the version contained in the June 4, 2019 Plan submittal.

Consistency with Council Policies

The Council reviews plans to evaluate their apparent consistency with the adopted plans of the Council. Council staff have reviewed the City's Plan and find that it is consistent with the Council's policies, as detailed below.

Forecasts

Reviewer: Paul Hanson, CD – Research (651-602-1642) The Plan is consistent with Council forecasts. The Plan includes the Council forecasts for the City in Chapter 2 (Plan Table 4). For reference, Council forecasts are shown in Table 1 below.

	Census	Estimated	Council Forecasts		
	2010	2017	2020	2030	2040
Population	1,475	1,526	1,790	1,850	1,880
Households	586	607	720	750	760
Employment	298	243	240	270	300

Table 1 City of Tonka Bay Forecasts

All forecasts tables throughout the Plan are consistent and the City has enough land guided to accommodate future household growth.

Advisory Comment

The Plan identifies nearly 18 acres of new developable land or redevelopment opportunities which is sufficient to accommodate the anticipated 2040 forecasts. However, the staging of this development/redevelopment does not identify enough land to support the City's 2030 forecast. The City may wish to consider earlier or additional development/redevelopment opportunities than those outlined in the Plan to meet potential housing demand by 2030.

Thrive MSP 2040 and Land Use

Reviewer: Jake Reilly, CD – Local Planning Assistance (651-602-1822)

The Plan is consistent with *Thrive MSP 2040* and its land use policies. The Plan acknowledges the *Thrive* community designation of Suburban (Figure 2). *Thrive* describes Suburban communities as those that saw their primary era of development during the 1980s and early 1990s as Baby Boomers formed families and entered their prime earning years, and typically have automobile-oriented development patterns at significantly lower densities than in previous eras.

Suburban communities are expected to plan for forecasted population and household growth at overall average densities of at least five units per acre, and target opportunities for more intensive development near regional transit investments at densities and in a manner articulated in the TPP. Plans are also required to identify areas for redevelopment, particularly areas that are well-served by transportation options and nearby amenities and that contribute to better proximity between jobs and housing.

The existing land uses in Tonka Bay are primarily residential, as shown in Figure 3, with about three percent 3% of the land area used for commercial uses. The Plan's vision and goals focus on conserving and improving the natural resources in the City, which include many bays between Upper and Lower Lake Minnetonka.

The Plan is consistent with land use and residential density policies for the Suburban community designation. Thrive calls for Suburban communities to plan for forecasted population and household growth at overall average densities of at least 5 units per acre in sewered areas. The Plan identifies nearly 18 acres of land for development/redevelopment at an average density of 5.12 units per acre (see Table 2).

	2018-2040 Change				
	Density				
Category	Min	Max	Net Acres	Min Units	Max Units
Low Density	2.2	3.6	5	11	18
Medium Density	5.4	15	8.63	47	129
Mixed Use*	8	20	8.69	34	86
	TO	TALS	17.98	92	233
	Overall Density		5.12	12	

Table 2. Planned Residential Density, City of Tonka Bay

*50% residential

As illustrated in Figure 4, the City has identified several areas for development and redevelopment, located primarily along Manitou Road, which runs north-south through the City. The Plan anticipates development densities that are higher than the existing density based on the value of the land around the lake and the need for higher densities in order to incentivize redevelopment and full build out of new, planned mixed use areas in the City.

Advisory Comments

Council staff recommend that City staff revise Table 6: Residential Development Potential in the Plan to reflect the numbers in this report's Table 2, above, in order to avoid overcounting housing units.

Housing

Reviewer: Tara Beard, CD – Housing (651-602-1051)

The Plan is consistent with the 2040 Housing Policy Plan. Tonka Bay is a small community that is actually a peninsula of bays on Lake Minnetonka. In the 1980s and 1990s, the City saw significant new residential development that subdivided great estates of the past. Housing stock was and remains primarily single family; only 2% of its housing is multi-family. The Plan notes that most of its growth will come from the redevelopment of a single site, the Tonka Village shopping center.

The Plan notes a housing supply of approximately 673 units. While roughly 17% of those units are affordable to households earning 80% of the Area Median Income (AMI) or less (or \$68,000 for a family of four), affordable options decrease to 1% for households earning 30% AMI or less (or \$27,100). About 16% of Tonka Bay households earning 80% AMI or less are currently housing cost burdened. The Plan notes that a lack of subsidized housing and cost burdened households are existing needs for the City.

The Plan acknowledges the City's share of the region's need for affordable housing in the 2021-2030 decade, which upon concurrent adoption of the forecast change in this report is 14 units. With 9 acres of land guided for higher density residential development in that time period (see Figure 6), the Plan sufficiently promotes the availability of land to support that share.

The Plan addresses its existing and future housing needs in its implementation plan, which includes the policies, programs, and other tools that the City could consider using to meet those needs. Tools the City will consider include providing effective referrals to residents in need of housing services, supporting Homes Within Reach and Community Land Trust units, applications to Hennepin County's Affordable Housing Incentive Fund, and applications to Minnesota Housing's consolidated Request for

Proposals. The City is unlikely to use tools such as creating a local Housing and Redevelopment or Economic Development Authority, Tax Increment Financing, or issuing housing revenue bonds to address its housing needs.

Water Supply

Reviewer: Lanya Ross, ES – Water Supply Planning (651-602-1803)

The Plan is consistent with WRPP policies related to water supply, including the policy on sustainable water supplies, the policy on assessing and protecting regional water resources, and the policy on water conservation and reuse. The City prepared a Local Water Supply Plan in 2019 that was submitted to both the MN Department of Natural Resources and Metropolitan Council and reviewed under separate cover.

Community and Subsurface Sewage Treatment Systems (SSTS)

Reviewer: Jim Larsen, CD – Local Planning Assistance (651-602-1159) The Plan indicates that Tonka Bay is entirely served by the local sanitary sewer collection system which directs flow into the MCES interceptor system for ultimate treatment at the Blue Lake Wastewater Treatment Plant in Shakopee. There are no public or privately-owned Community Wastewater Treatment Systems or individual SSTS in operation in the City.

Special Resource Protection

Solar Access Protection

Reviewer: Cameran Bailey, CD – Local Planning Assistance (651-602-1212) The Plan is consistent with statutory requirements (Minn. Stat. 473.859) and Council policy regarding planning for the protection and development of access to direct sunlight for solar energy systems as

required by the Metropolitan Land Planning Act (MLPA). The Plan includes the required solar planning elements.

Aggregate Resource Protection

Reviewer: Jim Larsen, CD – Local Planning Assistance (651-602-1159)

The Plan indicates, consistent with the Council's aggregate resources inventory information contained in *Minnesota Geological Survey Information Circular 46*, that there are no viable aggregate resource deposits within the fully developed City.

Historic Preservation

Reviewer: Jake Reilly, CD – Local Planning Assistance (651-602-1822)

The Plan addresses historic preservation as required by the Metropolitan Land Planning Act, under the Historic Preservation section of the Plan. The Plan indicates that the City will continue to focus its historic preservation efforts on protecting Lake Minnetonka and work with appropriate authorities as new development occurs.

Plan Implementation

Reviewer: Jake Reilly, CD – Local Planning Assistance (651-602-1822)

The Plan includes a description of and schedule for any necessary changes to the capital improvement program, the zoning code, the subdivision code, and the housing implementation program.

The Plan, with supplemental materials, describes the official controls and fiscal devices that the City will employ to implement the Plan. Specific implementation strategies are contained in individual chapters of the Plan, with capital improvements planning detailed in Chapter 12: Implementation.

Compatibility with Plans of Adjacent Governmental Units and Plans of Affected Special Districts and School Districts

The proposed Plan is compatible with the plans of adjacent jurisdictions. No compatibility issues with plans of adjacent governmental units and plans of affected special districts and school districts were identified.

Documents Submitted for Review

In response to the 2015 System Statement, the City submitted the following documents for review:

- February 12, 2018: Tonka Bay 2040 Preliminary Plan
- December 28, 2018: Tonka Bay 2040 Comprehensive Plan
- March 1, 2019: Water Supply Plan
- June 4, 2019: Revisions to forecasts, housing, implementation, land use, wastewater, water supply and environment
- July 9, 2019: Revisions to transportation, housing, implementation, and forecasts

Attachments

- Figure 1: Location Map with Regional Systems
- Figure 2: Thrive MSP 2040 Community Designations
- Figure 3: Existing Land Use
- Figure 4: 2040 Planned Land Use
- Figure 5: Land Guided for Affordable Housing





Figure 2. Thrive MSP 2040 Community Designations



Figure 3. Existing Land Use



Figure 4. 2040 Planned Land Use



20				
	Available Acres	Minimum Density (units per acre)	Expected % Residential (if mixed use)	Minimum = Units Possible
Mixed Use	4.35	8	50%	18
Total	4			18

2021-2030 share of regional need for Affordable Housing:

14 units

Figure 5. Land Guided for Affordable Housing

Sufficient/(insufficient) units possible against share of regional need: 4

- Affordable units built since 2021: **0**
- Sufficient/(insufficient) units possible adjusted for affordable units built: 4
- Number of Comp Plan Amendments approved since Comp Plan Update: 0

