Community Development Committee

Meeting date: May 3, 2021

For the Metropolitan Council meeting of May 12, 2021

Subject: City of Greenfield Agricultural Preserves Comprehensive Plan Amendment, Review File

21991-2

District(s), Member(s): District 1, Judy Johnson

Policy/Legal Reference: Metropolitan Land Planning Act (Minn. Stat. § 473.175) **Staff Prepared/Presented:** Freya Thamman, Planning Analyst (651-602-1750)

Angela R. Torres, Local Planning Assistance Manager (651-602-1566)

Division/Department: Community Development / Regional Planning

Proposed Action

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

- 1. Authorize the City of Greenfield to place its comprehensive plan amendment into effect.
- 2. Find that the amendment does not change the City's forecasts.
- 3. Strongly encourage the City to support the purpose and intent of the Metropolitan Agricultural Preserves Program, to protect locally important agricultural areas, support existing agricultural uses as primary long-term land uses in the comprehensive plan in order to manage growth in a manner that protects farmland and the regional agricultural economy.
- 4. Advise the City to implement the advisory comments in the Review Record for land use.

Background

The City of Greenfield submitted the Agricultural Preserves comprehensive plan amendment proposing removal of Agriculture Preserve as a land use category and modifying maps to remove the Agricultural Preserve land use overlay. The amendment affects all properties in the City currently enrolled in the Metropolitan Agricultural Preserves Program (Program), which is 770 acres. This change results in land no longer being identified for long-term agricultural use with a maximum density not to exceed more than one unit per 40 acres.

The Metropolitan Agricultural Preserves Program is authorized by Minnesota Statutes, Chapter 473H. According to Minn. Stat. § 473H.08, subds.2 and 3, enrollment in the Program can be terminated or expired by the landowner or by the authority (the City).

This amendment reflects expiration initiated by the City for all properties enrolled in the Program, with exception of one (Parcel 28-119-24-41-0001, 7375 Rebecca Park Trail), which has an expiration date of October 28, 2022. City-initiated expiration process includes amending the comprehensive plan, then expiration which shall be at least eight years from the City's date of notice.

The amendment indicates the purpose of this amendment is to enable property owners to more freely consider development potential or to participate in public improvements associated with development when such improvements benefit the adjacent property or result in more efficient development patterns.

The amendment's Resolution indicates that the Metropolitan Agriculture Preserves Program provides a reduction in property taxes and protection from certain development related special assessments. It also indicates that removing



the Agricultural Preserve land use category will also remove a barrier to the orderly and efficient development of future rural residential subdivisions.

This is the City's first amendment to its 2040 Comprehensive Plan.

Rationale

The proposed amendment conforms to regional system plans, is consistent with Council policies with the exception of the policies for agricultural lands and is generally compatible with the plans of adjacent jurisdictions, with concerns noted (Figures 5 and 6).

Thrive MSP 2040 (Thrive) policies for agricultural lands include supporting enrollment in the Metropolitan Agricultural Preserves Program to preserve prime agricultural soils and as a long-term land use that supports economic opportunities for farmers and promotes local food production.

Thrive Lens Analysis

The proposed amendment 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

As indicated in the submittal materials, the City received a petition of property owners that were not in favor of the proposed amendment. This petition, submitted to the City by Mr. Thomas, included approximately 30 signatures.

The submittal indicated that the City contacted property owners with land in Agricultural Preserves. The submittal indicated that generally half of the property owners were opposed to the amendment, while the other half were either neutral, already planning on expiring their property, or favorable to the amendment.

The City's Planning Commission did not recommend approval of the amendment, with a vote of two in favor and three opposed. The City Council's Resolution for this amendment passed with vote of four in favor, one opposed.

The amendment was provided for review by adjacent jurisdictions with no comments or concerns identified by adjacent communities within Hennepin County. Comments were provided by Hennepin County and Franklin Township, which is an adjacent jurisdiction in Wright County (Figures 5 and 6).

REVIEW RECORD

City of Greenfield

Agricultural Preserves Comprehensive Plan Amendment

Review File No. 21991-2, Business Item No. 2021-102

BACKGROUND

The City of Greenfield is located on the western border of Hennepin County, surrounded by the communities of Corcoran, Medina, and Independence to the south and east, as well as Hanover, Rockford, Rockford Township and Franklin Township to the north and west in Wright County.

Thrive MSP 2040 (Thrive) designates Greenfield with "Emerging Suburban Edge" and "Diversified Rural" community designations. The Council forecasts from 2020 to 2040 that the City will grow from 3,030 to 3,880 population and 1,100 to 1,600 households. The Council also forecasts that between 2020 and 2040, the City's employment will increase from 750 to 900 jobs.

The Metropolitan Council reviewed the City of Greenfield 2040 Comprehensive Plan (<u>Business Item</u> <u>2019-254 JT</u>, Review File No. 21991-1) on October 9, 2019. This is the first comprehensive plan amendment since the 2040 Plan was reviewed.

Metropolitan Agricultural Preserves Program

Minnesota Statutes § 473H established the Metropolitan Agricultural Preserves Program (Program) in 1980 to encourage and preserve areas planned and zoned for long-term agricultural use within the seven-county metropolitan area. It establishes a local and regional planning process to designate agricultural areas as a long-term land use.

The purpose of the statute is to encourage the use of agricultural lands for the production of food and other agricultural products. The Program provides incentive to maintain viable, productive farm operations in the metropolitan area through a special tax classification that results in reduced property taxes. As identified in §473H.01, Subd.2, the purpose of the Program also includes providing protection from the imposition of unnecessary special assessments.

Properties that are 40 acres or more in size with planned long-term agricultural use are eligible for the Program. Land remains in the Program, with a restrictive covenant, for at least eight years. This time was set to protect agricultural land from development pressure.

Land ceases to be eligible for designation as agricultural preserve when the comprehensive plan and zoning for the land have been amended so that it is no longer planned for long-term agricultural use, permitting more than one unit per 40 acres (§ 473H.04, Subd.2). The authority (the City) certifies by resolution and maps which lands are no longer eligible.

Expiration from the Program can be initiated by the landowner, the local authority, or a state agency or governmental unit (§ 473H.08, Subd.2-4). Expiration is typically initiated by the landowner. Although expiration is initiated, the property remains in the Program for eight years from the date of notice of expiration.

In 2019, a provision to the statute was added that provided a new early termination option for landowners. Under the new provision, landowners can apply for early termination out of the Agricultural

Preserves status with majority vote approval from the local authority. In Greenfield, no landowner is known to have applied for early termination.

Role of the Metropolitan Council with the Agricultural Preserves Program

Annual Metropolitan Agricultural Preserves Program Report

The Metropolitan Council monitors the land in the Metropolitan Agricultural Preserves Program and prepares annual reports to the Minnesota Legislature summarizing participation in the Program and maintains maps illustrating lands within the region that are enrolled in the Program, as outlined in Minn. Stats. § 473H,04, subd.3 and § 473H,06, subd.5. The most recent report, 2019 Agricultural Preserves Program Annual Report, was presented to the Community Development Committee (CDC) on August 3, 2020. (https://metrocouncil.org/Communities/Publications-And-Resources/ANNUAL-REPORTS/2019-Metropolitan-Agricultural-Preserves-Report.aspx).

Comprehensive Plans

Minn. Stat. Chap. § 473H directs the local authority (City) to implement the Program and its requirements, the application process, and the Program restrictions. For land in the Program, a community is expected to plan accordingly in their local comprehensive plans. The Council reviews comprehensive plans to ensure that lands enrolled in the Program are mapped and protected at a maximum density of 1 unit per 40 acres as required for eligibility.

REQUEST SUMMARY

The amendment proposes to remove Agriculture Preserve as a land use category and modifies maps to remove the Agricultural Preserve land use overlay. The amendment affects all properties in the City currently enrolled in the Metropolitan Agricultural Preserves Program, which is approximately 770 acres. The Metropolitan Agricultural Preserves Program is authorized by Minn. Stat. Chap. 473H. According to Minn. Stat. § 473H.08, subd.2 and subd. 3, enrollment in the Program can be terminated or expired by the landowner or by the authority (the City).

The submittal indicates that the purpose of the amendment is to enable property owners to more freely consider development potential or to participate in public improvements associated with development when such improvements benefit the adjacent property or result in more efficient development patterns.

OVERVIEW

Conformance with Regional SystemsThe amendment conforms to the Regional System Plans for Parks,
Transportation (including Aviation), and Wastewater, with no substantial impact on, or departure from, these plans.

Consistency with
Council Policies

The amendment is consistent with *Thrive MSP 2040* except for policies encouraging the preservation of agricultural lands, with the *Housing Policy Plan*, with water resources management, and is consistent with Council

Compatibility with Plans of Adjacent Jurisdictions were provided opportunity to review and comment on the proposed comprehensive plan amendment. Comment letters were provided by two jurisdictions: Hennepin County and Franklin Township, which is in Wright County (see Figures 5 and 6).

PREVIOUS COUNCIL ACTIONS

forecasts.

 The Council authorized the 2040 Comprehensive Plan on October 9, 2019 (<u>Business Item</u> 2019-254 JT, Review File No. 21991-1).

ISSUES

- Does the amendment conform to the regional system plans?
- II. Is the amendment consistent with *Thrive MSP 2040* and other Council policies?
- III. Does the amendment change the City's forecasts?
- IV. Is the amendment compatible with the plans of adjacent local governmental units and affected jurisdictions?

ISSUES ANALYSIS AND FINDINGS

Conformance with Regional Systems

The amendment conforms to the regional system plan for Regional Parks, Transportation, and Wastewater, with no substantial impact on, or departure from, these system plans. Additional review comments are included below.

Wastewater Service

Reviewer: Roger Janzig, Environmental Services (ES) – Engineering Programs (roger.janzig@metc.state.mn.us)

The amendment conforms to the 2040 Water Resources Policy Plan. The amendment states that the 770 acres currently guided for Agriculture Preserve will be served by sub-surface sewage treatment systems (SSTS); and therefore, does not represent an impact to the Regional Wastewater System.

The amendment area is not part of the Long-Term Service Area of the Regional Wastewater System (Figure 5). No additional regional wastewater service is contemplated for the City in this planning period. The City operates its own municipal wastewater treatment plant, which serves existing and planned development generally located in the southwestern portion of the community.

Consistency with Council Policy

The amendment is consistent with Council policies for forecasts, land use, housing, sub-surface sewage treatment systems, and water supply. Additional review comments are detailed below.

Forecasts

Reviewer: Todd Graham, CD – Research (651-602-1322)

The City offers that the amendment does not affect the communitywide forecast. Council staff find that potential housing capacity is slightly increased. The amendment area could have 12-18 housing units (farmsteads) with the Agricultural Preserve designation. The amendment allows this land to remain agricultural or to be subdivided as five-acre (or larger) lots. At the most, the 770 acres could accommodate 154 housing units. No community-total forecast adjustment is recommended.

Thrive MSP 2040 and Land Use

Reviewer: Freya Thamman, CD – Local Planning Assistance (651-602-1750)

The proposed amendment is inconsistent with agricultural policies in *Thrive MSP 2040* (Thrive). Thrive identifies the City as an Emerging Suburban Edge and Diversified Rural community. With the exception of 80 acres, the area included in the proposed amendment is in the Diversified Rural community designation (Figure 2).

Diversified Rural communities are home to a variety of farm and non-farmland uses including very large-lot residential, clustered housing, hobby farms and agricultural uses. Frequently, large portions of communities in the Diversified Rural area also contain prime agricultural soils. Although these communities are not designated as Agricultural communities in Thrive, the Council supports the preservation of agricultural land in these areas. The Council encourages local governments to promote and preserve agricultural land and reduce development pressures on the se lands.

The proposed amendment is inconsistent with Thrive policies supporting the use of the Metropolitan Agricultural Preserves Program to preserve prime agricultural soils and as a long-term land use. In addition, the request is inconsistent with policies that supports economic opportunities for farmers and promotes local food production.

Amendment

The amendment proposes to remove Agriculture Preserve as a land use category and modify maps to remove the Agriculture Preserve overlay. The amendment affects all properties enrolled in the Program, which is 770 acres (approximately 5% of Greenfield's land area), see Figure 2. By statute (Minn. Stat. §473H.08, subd. 3), enrollment in the Metropolitan Agricultural Preserves Program can be terminated or expired by the City, which is being initiated with this proposed amendment.

The amendment also includes proposed text changes, which describe the City's intentions related to the Program.

- The text includes a table (Table 3-2), which identifies parcels currently enrolled in the Program. Table 3-2 indicates (PID 28-119-24-41-0001, 7375 Rebecca Park Trail) expires from the Program on October 28, 2022 and is the only landowner-initiated expiration.
- The text indicates removal of all lands enrolled in the Metropolitan Agricultural Preserves
 Program by 2028, or sooner, upon request. However, please note, this date may change based
 on the notification process identified in Minn. Stat. § 473H.08, subd.3. The statute indicates that
 expiration is based on date of notice and shall be at least eight years from the date of that
 notice.

The amendment's future land use map (Figure 4) shows that the areas currently enrolled in the Metropolitan Agricultural Preserves Program, with City-initiated expiration, would be guided as Rural Residential. This change results in land no longer being identified for long-term agricultural use with a maximum density of more than one unit per 40 acres after the land has expired from the Program.

Based on the City's historic development pattern and previous comprehensive plan approvals, the Plan's Rural Residential area has a maximum density of one unit per five gross acres; however, properties are required to maintain enough buildable land to accommodate the construction of permitted structures, including primary and secondary septic systems or community systems in the case of cluster housing. The City's 2040 Plan indicates that clustering of development is encouraged to preserve existing natural resources, including wetlands, prairie, woodlands, habitat corridors, and viewsheds.

The City has its own local wastewater treatment plant and no additional regional wastewater service is contemplated for Greenfield in this planning period. As indicated above, the proposed amendment conforms to regional system plans and does not result in a substantial impact on or departure from regional system plans. As shown in Figure 3, the City has planned future land uses at higher densities within the service area of its municipal wastewater treatment facility. Except for the one property that has already initiated expiration from the Program, the remainder of the affected parcels are outside of the 2040 wastewater service area and are scattered across the community (see hatched parcels on Figure 3, and red parcels on Figure 2). Prior to this proposed amendment, the City's 2040 Plan identified sufficient land to support its forecasted growth, as the Council found in its review of the Plan (Business Item 2019-254, Review File No.21991-1). As such, it is unclear to Council staff what additional development pressures would necessitate the termination of long-term agricultural use for the identified properties.

Advisory Comments

• To support the intent and purpose of the Metropolitan Agricultural Preserves Program (Minn. Stat.§ 473H.01, subd.2) which includes protection from special assessments, the City is strongly

- encouraged to consider allowing eligible agricultural parcels to continue their participation in the Program, consistent with Council policy.
- As also indicated in the adjacent jurisdiction letter from Hennepin County (Figure 5), the City is encouraged to evaluate alternate options, including evaluation of individual decertification in coordination with the landowner as development proceeds.
- The amendment text discusses removal of all lands enrolled in the Metropolitan Agricultural Preserves Program by 2028, or sooner, if requested. Please refer to Minn. Stat. § 473H.08, subd.3 regarding the required notification process and specific date eight years following that notification.
- The amendment removes Agriculture Preserve as a land use category and modifies maps to remove the Agriculture Preserve overlay. However, for consistency with Chapter 473H, these areas remain enrolled in the Program, with its associated criteria and zoning, for a period of eight years from the date of notification.
- There is a point of clarification on the amendment's highlighted text in the submitted amendment materials, which describes the City's intentions related to the Metropolitan Agricultural Preserves Preservation Program. Although there is a note on the page that indicates the need to replace the highlighted text, the annotation indicates that the previous text has already been changed to identify the revisions, which is understood to be the intent and consistent with § 473.859, Subd.2d.

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

The proposed amendment was provided for review to adjacent jurisdictions. Comments were provided by Hennepin County as well as Franklin Township, which is in Wright County. The Hennepin County and Franklin Township comment letters of concern regarding this amendment are included as Figure 5 and Figure 6, respectively.

Comments were not provided by other adjacent or affected jurisdictions.

ATTACHMENTS

Figure 1: Location Map Showing Regional Systems

Figure 2: Location Map Showing Community Designations

Figure 3: Current Future Land Use Map
Figure 4: Proposed Future Land Use Map
Figure 5: Long-Term Sewer Service Area
Figure 5: Comment Letter: Hennepin County

Figure 6: Comment Letter: Franklin Township, Wright County

Figure 1. Location Map Showing Regional Systems

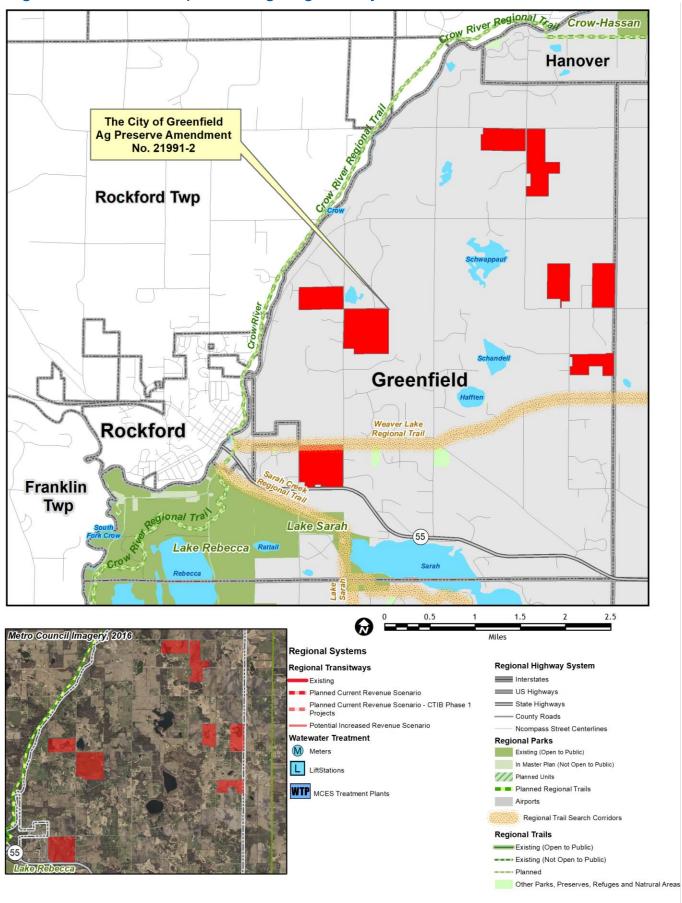


Figure 2. Location Map Showing Community Designations

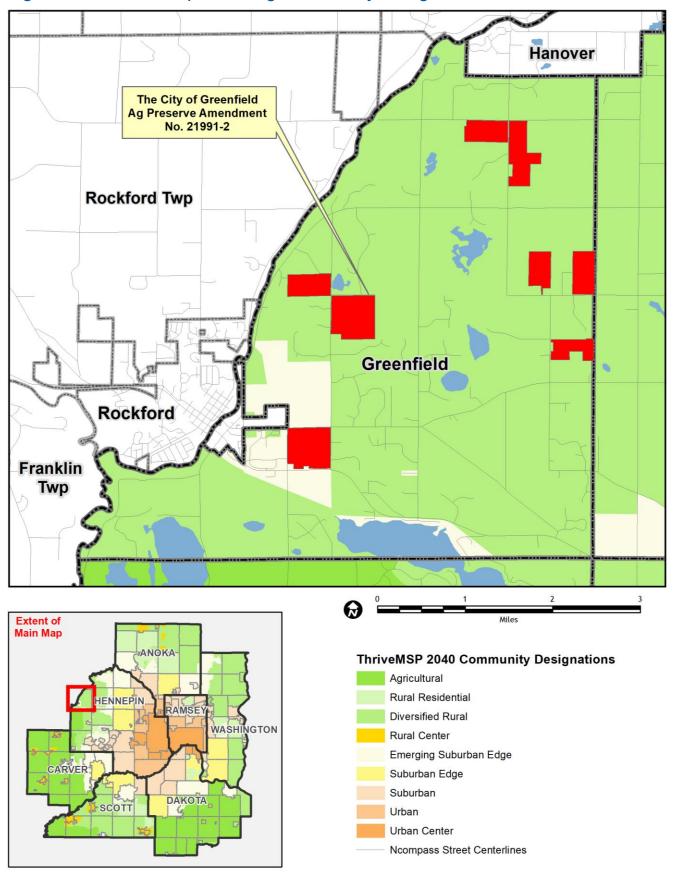


Figure 3. Current Future Land Use Map

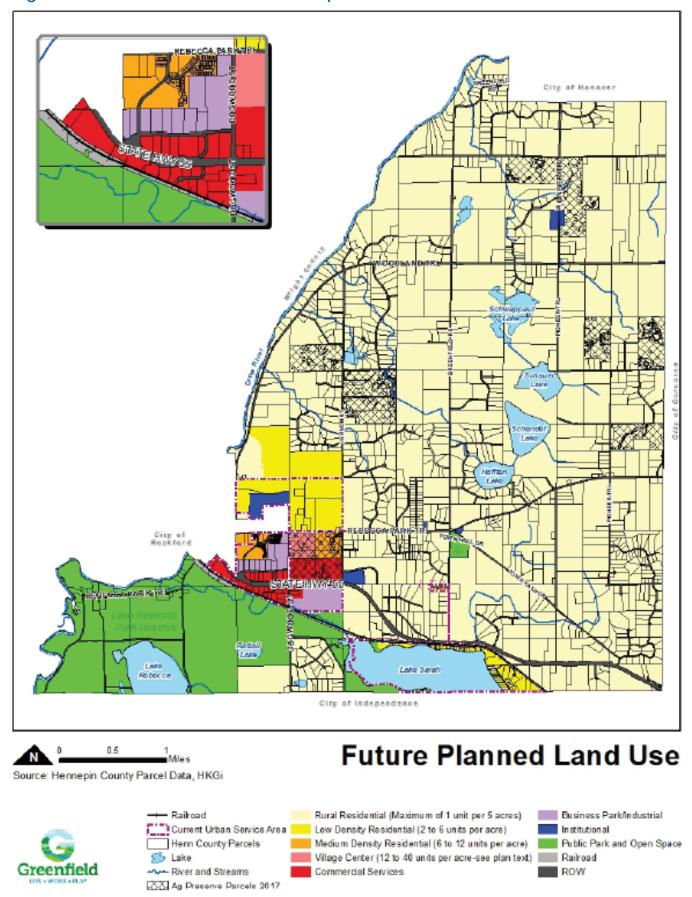


Figure 4. Proposed Future Land Use Map

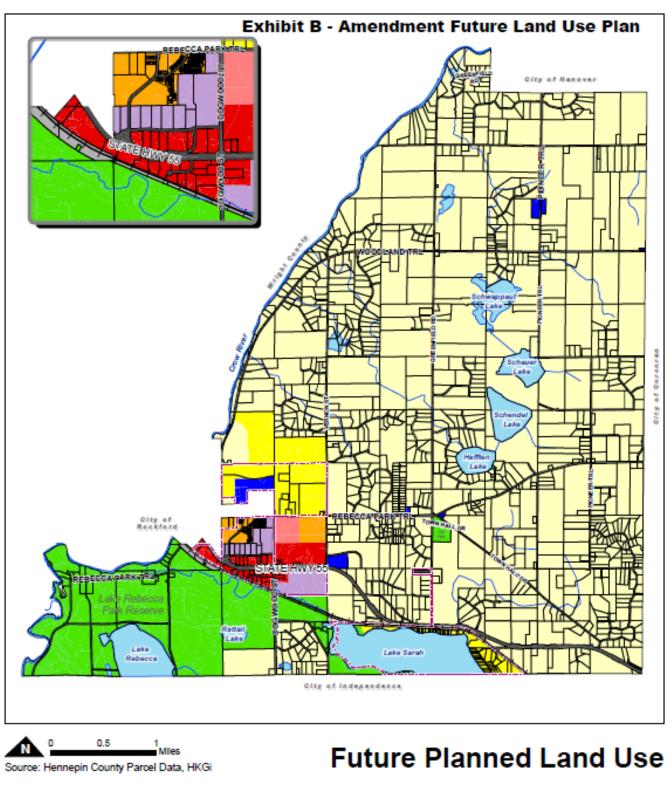
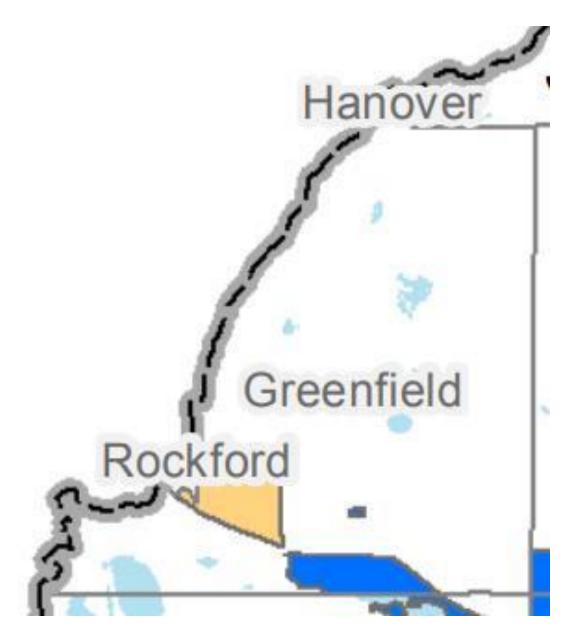




Figure 5. Long-Term Service Area of the Regional Wastewater System



The amendment area is not in the Long-Term Service Area of the Regional Wastewater System.

As shown in *the 2040 Water Resources Policy Plan (Appendix F)*, only a small portion of Greenfield is in the Long-Term Sewer Service Area (blue). Greenfield has a limited amount of regional sewer service, 60 households, allocated on Lake Sarah. It is the only part of the City with existing regional wastewater service. No additional regional wastewater service is contemplated for Greenfield in the planning period.

The area in beige is the service area for the City's local wastewater treatment plant; white represents areas that are not in the Long-Term Service Area.

Figure 6. Comment Letter: Hennepin County (Page 1 of 2)

November 3, 2020

Attn: Brad Schieb City of Greenfield 7738 Commerce Circle Greenfield, MN 55373

RE: Greenfield Proposed Comprehensive Plan Amendment

Dear Brad,

On September 4th, Hennepin County Environment and Energy (the county's Soil and Water Conservation District) received notification that the City of Greenfield is considering an amendment to its Comprehensive Plan to remove the Agricultural Preserve land use designation from its city comprehensive plan. As noted in the email notification, the change is expected to immediately impact the farming operations of seven farmers across eleven parcels with approximately 770 enrolled acres.

Based on City Council minutes and conversations with city staff and area farmers, we understand city staff put effort into alerting affected farmers, gathered feedback, and assisted farmers in identifying alternate agricultural protection programs for affected farmers to enroll in, namely Green Acres. We thank city staff for this effort. Despite this, we do not believe this action is in the best interest of Greenfield farmers and residents or in alignment of our objectives as a Soil and Water Conservation District.

According to MN Statute 473H.16, the Metropolitan Agricultural Preserve program requires farmers to operate parcels under Agricultural Preserves consistent with "sound soil and water conservation management practices" which do not result "in wind or water erosion in excess of the soil loss tolerance for each soil type". We are charged to work with our local farmers to cost-efficiently improve their operation's impact on the environment while maintaining production. An immediate decertification of all enrolled acres could subject these lands to less protection in the future, both immediately and long-term.

The Metropolitan Agricultural Preserve program was developed to provide farmers with protections from tax and assessment increases in areas where development is encroaching. These covenants are sought by farmers and established to equitably tax the agricultural landowner adjacent to or nearing development similarly to one living miles away. Once approved, these businesses depend on the certainty provided by these covenants to project business expenses and run a profitable farm enterprise. At a time when farm revenues are significantly impacted by low commodity prices and international trade wars, taking local action to remove certainty around fixed costs of land ownership seems unnecessary. Furthermore, in the interest of fairness, a unilateral removal of this program across the city would disincentivize farming in the city, versus similar operations across county lines.

Hennepin County Environment and Energy 701 Fourth Ave S., Suite 700, Minneapolis, MN 55415 612-348-3777 | hennepin.us/environment



Figure 6. Comment Letter: Hennepin County (Page 2 of 2)

Moreover, this program is not interchangeable with other agricultural land use protection programs, such as Green Acres. Although both programs solely consider agricultural land use when establishing tax value, Metropolitan Agricultural Preserve exempts landowners from additional taxes such as special assessments, which are more common near developing lands. Understandably, this complicates city planning in and near parcels enrolled in the Metropolitan Agricultural Preserve program, but that should not warrant the wholesale removal of the program across the entire city geography. Instead, we would encourage individual decertification (as desired by the city and with cooperation of the landowner) of those parcels nearing development, consistent with MN Statute 473H.08 Subd. 2.

Lastly, we recognize that, according to MN Statute 473H.08 Subd. 3, the city holds the right to initiate expiration of the Agricultural Preserve land use designation by amending their comprehensive plan and zoning the land for some other use than long-term agriculture, and are therefore within their jurisdictional rights to take this action. This letter is drafted with the sole intent to encourage the city to pursue their goals instead through work with individual farmers to decertify parcels, only where appropriate.

We understand the city's long-term vision is for city-wide commercial and residential development and support the city in pursing that vision. We do not believe that vision should be achieved through decisions with lasting effects that exclude farming as a viable business in the community. As stated on page 1-1 of Hennepin County's 2040 Comprehensive Plan, "the diversity of land and communities in Hennepin County makes us unique, as well as a great place to live and work. We have a high-density downtown, growing suburbs, and rural areas where farms, lakes, and open spaces prevail. Residents have a wide variety of choices in housing, transportation, and lifestyle." We encourage the city to develop zoning and plans that embrace the city, watershed, county and Metropolitan Council visions while still considering the rural characteristics and the importance that agriculture plays in successful community development.

Sincerely,

Karen Galles

Land and Water Unit Supervisor 612-348-2027 (office) | 612-235-0712 (mobile)

Karen.Galles@hennepin.us

Figure 7. Comment Letter: Franklin Township, Wright County

October 6, 2020

Metropolitan Council 390 Robert Street North St. Paul, Minnesota 55101

Dear Council Members:

"GREEN FIELD"-- how ironic that Greenfield wants to do away with the Agricultural Preserve land use designation.

It is agricultural land that will keep Greenfield green and help slowdown suburban sprawl. Eliminating this land use designation is also a smack in the face to farmers and landowners who are voluntarily committing to keeping green and open spaces in the metropolitan area. Once these spaces are gone, they are gone forever.

Farmers and larger acreage land owners need the Agricultural Preserve land use designation to help prevent ambitious cities and governments from forcing them out of business by forcing assessments on to these parcels, effectively forcing them to give up farming. Agricultural Preserve land use designation keeps cities from short sighted plans that will force farmers out of business and off their land.

Franklin Township strongly urges the Metropolitan Council to DENY Greenfield's request to do away with Agricultural Preserve land designation. If ever there is to be a greenbelt around the Metropolitan area, these Agriculture Preserve lands will play a key role in the overall planning possibilities for the greater Metropolitan area. It is for the greater good that the Met Council should deny this request.

Finally, it should be pointed out that by allowing this to happen, the Metropolitan Council sets precedent so other cities will continue to follow down the same path. By denying this change in land use classification, the Council sends a signal that these requests are not automatically approved and will be considered on a case by case basis.

Once again, the Town of Franklin strongly urges the Metropolitan Council to DENY this change.

Respectfully,
Town of Franklin,
John Czanstokowski, Chairman

William McMullen, Vice Chairman

Scott Neumann, Supervisor

cc: City of Greenfield HKGi, Planning, Landscape Architecture, **URBAN** design, Minneapolis, MN