

Community Development Committee

For the Metropolitan Council meeting of April 28, 2021

Subject: City of Lake Elmo West Lake Elmo MUSA Planning Area Comprehensive Plan Amendment, Review File 22215-5

Proposed Action

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

1. Authorize the City of Lake Elmo to place its comprehensive plan amendment into effect.
2. Revise the City's forecasts and sewer-serviced forecasts upward in 2030 and 2040 as shown in Tables 1 and 2 in the Review Record.
3. Revise the *Thrive MSP 2040* Community Designation of the subject area from Rural Residential to Emerging Suburban Edge for the area shown in Figure 2 of the Review Record.
4. Revise the City's affordable housing need allocation for 2021 -2030 to 1,040 units.
5. Find that the amendment renders the City's comprehensive plan inconsistent with the Council's housing policy and that the City is therefore ineligible to participate in Livable Communities Act programs.
6. Require the City to submit a copy of the Wastewater Intercommunity Flow Agreement between Cities of Lake Elmo and Oakdale to the Metropolitan Council Environmental Services once it has been executed.
7. Advise the City:
 - a. That to be consistent with Council housing policy, the City needs to increase the inventory of land guided to support the development of low- and moderate-income housing for the 2021-2030 decade by at least 15 units by guiding enough residential acres with sufficient minimum densities.
 - b. To implement the advisory comments in the Review Record for Parks, Forecasts, and Land Use.

Summary of Committee Discussion/Questions

Senior Planner Raya Esmaeili presented the staff's report to the Committee. No representatives from the City of Lake Elmo were in attendance. Councilmember Johnson inquired about the impact of this development on the Lake Elmo Phalen-Keller Regional Trail Search Corridor. Esmaeili responded that as a search corridor, the exact alignment of this trail is flexible and yet to be determined. When Washington County, the regional park implementing agency, starts the master planning process for this Search Corridor, local jurisdictions and other stakeholders will be involved in the process, which will consider the surrounding area and acquisition options.

The Community Development Committee unanimously recommended approval of the proposed action at its meeting on April 19, 2021.

Community Development Committee

Meeting date: April 19, 2021

For the Metropolitan Council meeting of April 28, 2021

Subject: City of Lake Elmo West Lake Elmo MUSA Planning Area Comprehensive Plan Amendment, Review File 22215-5

District(s), Member(s): District 12, Francisco J. Gonzalez

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

Staff Prepared/Presented: Raya Esmaeili, Senior Planner (651-602-1616)
Angela R. Torres, Local Planning Assistance Manager (651-602-1566)

Division/Department: Community Development / Regional Planning

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 - b. To implement the advisory comments in the Review Record for Parks, Forecasts, and Land Use.

Background

The City submitted the West Lake Elmo MUSA Planning Area comprehensive plan amendment on February 9, 2021. The amendment proposes a change to the Metropolitan Urban Service Area (MUSA) boundary and reguides 77 acres from Rural Area Development (RAD) to Business Park (BP). The amendment site is located at the southeast corner of Ideal Avenue and 34th Street North. It is part of a 180-acre property acquired by the City through the 3M settlement. The purpose of the amendment is to accommodate a potential office warehouse development. The request requires a change to the Community Designation from Rural Residential to Emerging Suburban Edge. This is the City's fourth amendment to its 2040 Comprehensive Plan.

Rationale

The proposed amendment conforms to regional system plans, is consistent with Council policies with the exception of housing policies, and is compatible with the plans of other local communities and school districts.

Thrive Lens Analysis

The proposed amendment is reviewed against the land use policies in *Thrive MSP2040*. 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 opposition.

REVIEW RECORD

City of Lake Elmo

West Lake Elmo MUSA Planning Area Comprehensive Plan Amendment

Review File No. 22215-5, Business Item No. 2021-88

BACKGROUND

The City of Lake Elmo (City) is located in central Washington County, bordered by Pine Springs, Grant, and Stillwater to the north, Oakdale to the west, Woodbury and Afton to the south, and West Lakeland Township, Baytown Township, Stillwater Township, and Oak Park Heights to the east.

Thrive MSP 2040 (Thrive) designates Lake Elmo with “Emerging Suburban Edge” and “Rural Residential” community designations. The Council forecasts from 2018 to 2040 that the City will grow from 10,521 to 22,300 population and 3,619 to 8,200 households. The Council also forecasts that between 2010 and 2040, the City’s employment will increase from 1,914 to 3,800 jobs.

The Metropolitan Council reviewed the City of Lake Elmo 2040 Comprehensive Plan ([Business Item 2019-271 JT](#), Review File No. 22215-1) on October 23, 2019. This is the fourth comprehensive plan amendment since the 2040 Plan was reviewed.

REQUEST SUMMARY

The amendment proposes a change to the MUSA boundary and reguides 77 acres from Rural Area Development (RAD) to Business Park (BP). The amendment site is located at the southeast corner of Ideal Avenue and 34th Street North. It is part of a 180-acre property acquired by the City through the 3M settlement. The purpose of the amendment is to accommodate a potential office warehouse development. The request also includes a forecast change to reflect the changes from past amendments.

OVERVIEW

Conformance with Regional Systems

The 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 the *Thrive MSP 2040*, water resources management, and Council forecasts, with revisions. The amendment is not consistent with the *2040 Housing Policy Plan*.

Compatibility with Plans of Adjacent Jurisdictions

The amendment will not have an impact on adjacent communities, school districts, or watershed districts, and is compatible with the plans of those districts.

PREVIOUS COUNCIL ACTIONS

- The Council acted on the City’s 2040 Plan on October 23, 2019 (Review File No. 22215-1, [Business Item No. 2019-271 JT](#)).

- The Heritage Farms comprehensive plan amendment re-guided 50 acres from Rural Area Development to Rural Single Family Sewered and was administratively reviewed by the Council on March 11, 2020 (Review File No. 22215-2).
- The Applewood Pointe comprehensive plan amendment re-guided 11.7 acres from Business Park to Mixed Use Business Park and was acted on by the Council on August 12, 2020 (Review File No. 22215-3, [Business Item No. 2020-214](#)).
- The Pott and Weir Properties comprehensive plan amendment added approximately 26.9 gross acres to the MUSA and re-guided these acres from Rural Area Development to Village Low Density Residential. This amendment was acted on by the Council on October 28, 2020 (Review File No. 22215-4, [Business Item No. 2020-266](#)).

ISSUES

- I. Does the amendment conform to the regional system plans?
- II. Is the amendment consistent with *Thrive MSP2040* 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.

Regional Parks

Reviewer: Colin Kelly, Community Development (CD) – Regional Parks (651-602-1361)

The proposed amendment conforms to the *2040 Regional Parks Policy Plan*. Lake Elmo Park Reserve is approximately 0.4 mile to the southeast (see Figure 1). The amendment acknowledges the proximity to the Park Reserve. The proposed changes are not likely to have an adverse impact on Lake Elmo Park Reserve. The Lake Elmo Park Reserve to Phalen-Keller Regional Park Regional Trail Search Corridor is also in the vicinity of the proposed change, generally travelling east-west along 34th Street North/County Road 14. However, with the status as a regional trail search corridor, a master plan has not yet been adopted by the Metropolitan Council.

Advisory Comments

Council staff recommend that the City coordinate with Washington County, the regional park implementing agency for the future Lake Elmo Park Reserve to Phalen-Keller Regional Park Regional Trail, prior to any development in this area.

Wastewater Service

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

The proposed amendment conforms to the *2040 Water Resources Policy Plan*. While the amendment location is not in the current or Long-Term Wastewater Service Area (LTWSA), the existing Metropolitan Disposal System does have adequate capacity to provide service at this location for the proposed guided land use.

The cities of Lake Elmo and Oakdale are currently studying the feasibility of Oakdale providing sanitary sewer service to the area to allow for sewered development on the site.

Advisory Comments

A copy of the Wastewater Intercommunity Flow Agreement between Cities of Lake Elmo and Oakdale needs to be forwarded to the Metropolitan Council Environmental Services, once it has been executed.

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 discusses that the amendment will impact the 2030 and 2040 employment forecast, as well as a staging change for the two previous amendments, Heritage Farms and Pott and Wier sites impacting the 2030 households and population forecasts. The amendment increases the commercial/industrial land supply. However, the Council does not expect that the land will be fully developed and absorbed in all places. Therefore, the City and Council staff have agreed on increasing the City’s employment forecast by 800 jobs, understanding that the site might accommodate 1,060 jobs if it was fully developed and absorbed. Consequently, 800 jobs will be added to the 2030 and 2040 sewer-serviced (Metro Plant) and communitywide forecasts and 117 households and 324 population added to only the 2030 sewer-serviced (Eagles Point) and communitywide forecasts.

The revised City’s forecasts (tables 9.2 and 9.5 of the Plan) are shown in Tables 1 and 2 below, with revisions underlined.

Table 1. City of Lake Elmo Forecasts

	Census	Council’ Current Forecasts			City Proposed Forecasts		
	2010	2020	2030	2040	2020	2030	2040
Population	26,911	11,020	18,000	22,300	11,020	<u>18,330</u>	22,300
Households	9,116	3,800	6,500	8,200	3,800	<u>6,620</u>	8,200
Employment	6,753	2,900	3,350	3,800	2,900	<u>4,150</u>	<u>4,600</u>

Table 2. City of Lake Elmo sewer-serviced forecast: summary of Eagles Point and Metro Plant amounts

	Census	Council’ Current Forecasts			City Proposed Forecasts		
	2010	2020	2030	2040	2020	2030	2040
Population	0	4,518	10,686	14,847	4,518	<u>11,010</u>	14,847
Households	0	1,558	3,858	5,458	1,558	<u>3,975</u>	5,458
Employment	623	2,338	2,788	3,238	2,338	<u>3,588</u>	<u>4,038</u>

The Council will approve the forecast revisions simultaneously with action on the amendment.

Additionally, the Council is revising the Affordable Housing Need calculation for the City of Lake Elmo, in accordance with the forecast increase. The revised 2021-2030 Affordable Housing Need for the City is 1,040 affordable units with 55 units at 30% of Area Median Income (AMI), 366 units at 31-50% of AMI, and 619 units at 51-80% of AMI.

Advisory Comments

Council staff understand and acknowledge that the actual 2020 counts, published by Minnesota Department of Employment and Economic Development (DEED), are substantially less than what was previously forecasted, due to pandemic business closures in 2nd Quarter 2020. The Council is not revising 2020 forecasts at this time.

Thrive MSP 2040 and Land Use

Reviewer: Raya Esmaeili, CD – Local Planning Assistance (651-602-1616)

Thrive MSP2040 identifies the City as Emerging Suburban Edge and Rural Residential. The amendment proposes a change to the MUSA boundary and reguides 77 acres from Rural Area Development (RAD) to Business Park (BP). The amendment site is located at the southeast corner of Ideal Avenue and 34th Street North (Figure 1). It is part of a 180-acre property acquired by the City through the 3M settlement. The purpose of the amendment is to accommodate a potential office warehouse development. There is no residential component proposed as part of this amendment and currently no proposed project associated with the site.

The amendment also proposes to expand the MUSA line to include this area. As mentioned in the wastewater section, the site will be served through the City of Oakdale for sewer service. The site is located within the Rural Residential part of the City and as stated in Thrive (p. 108), the Rural Residential community designation precludes the provision of wastewater services. In order for this area to be added to the MUSA, the community designation needs to be changed to accommodate extension of regional services. Council staff recommend revising the community designation of the subject properties to Emerging Suburban Edge (see Figure 2).

Advisory Comments

The City should note that a mandatory EAW may be required prior to any development on the site. The EAW threshold for the construction of a new or expansion of an existing warehousing or light industrial facility in the City is equal to or more than 300,000 square feet ([Minn. Stat. § 4410.4300, Subp. 14](#)). The City will need to consider the planned development of the larger area, that includes additional parcels north of 34th Street North, in determining if the cumulative impact of the entire area meets the threshold for an EAW ([Minn. Stat. §4410.4300, Subp. 1](#)). Alternatively, the City may also consider using the Alternative Urban Areawide Review (AUAR) process if it anticipates the area to be developed in multiple projects.

Housing

Reviewer: Hilary Lovelace, CD - Housing (651-602-1555)

The amendment changes the 2030 forecasts, as discussed in the forecasts section above. Consequently, the City's share of the region's affordable housing need for 2021-2030 increases to 1,040 units (from 971 units), as housing need is calculated as a percentage of housing growth in the 2021-2030 decade. Due to this change, the City's 2040 Plan is no longer consistent with the Council's *Housing Policy Plan* (HPP). As of this amendment, the Plan will be guiding about 150 acres of higher density residential land such that at least 1,025 units could be built (Figure 5).

Communities found inconsistent with the Council's HPP may not participate in Livable Communities Act (LCA) programs. Lake Elmo is not a current participant in LCA and did not participate in the 2011-2020 decade. In order to become consistent with the Council's HPP, the City may consider options to accommodate an additional 15 units at densities that accommodate opportunities for affordable housing. For example, reguiding two additional acres to a land use with a minimum allowable density range of eight units per acre would resolve the inconsistency with the HPP.

Advisory Comments

To be consistent with Council housing policy, the City needs to increase the inventory of land guided to support the development of low- and moderate-income housing for the 2021-2030 decade by at least 15 units by guiding enough residential acres with sufficient minimum densities.

Please be advised that communities inconsistent with the Council's HPP are not eligible to participate in Livable Communities Act (LCA) grant programs.

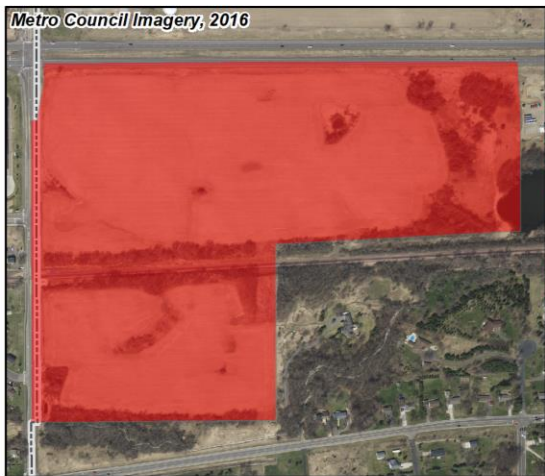
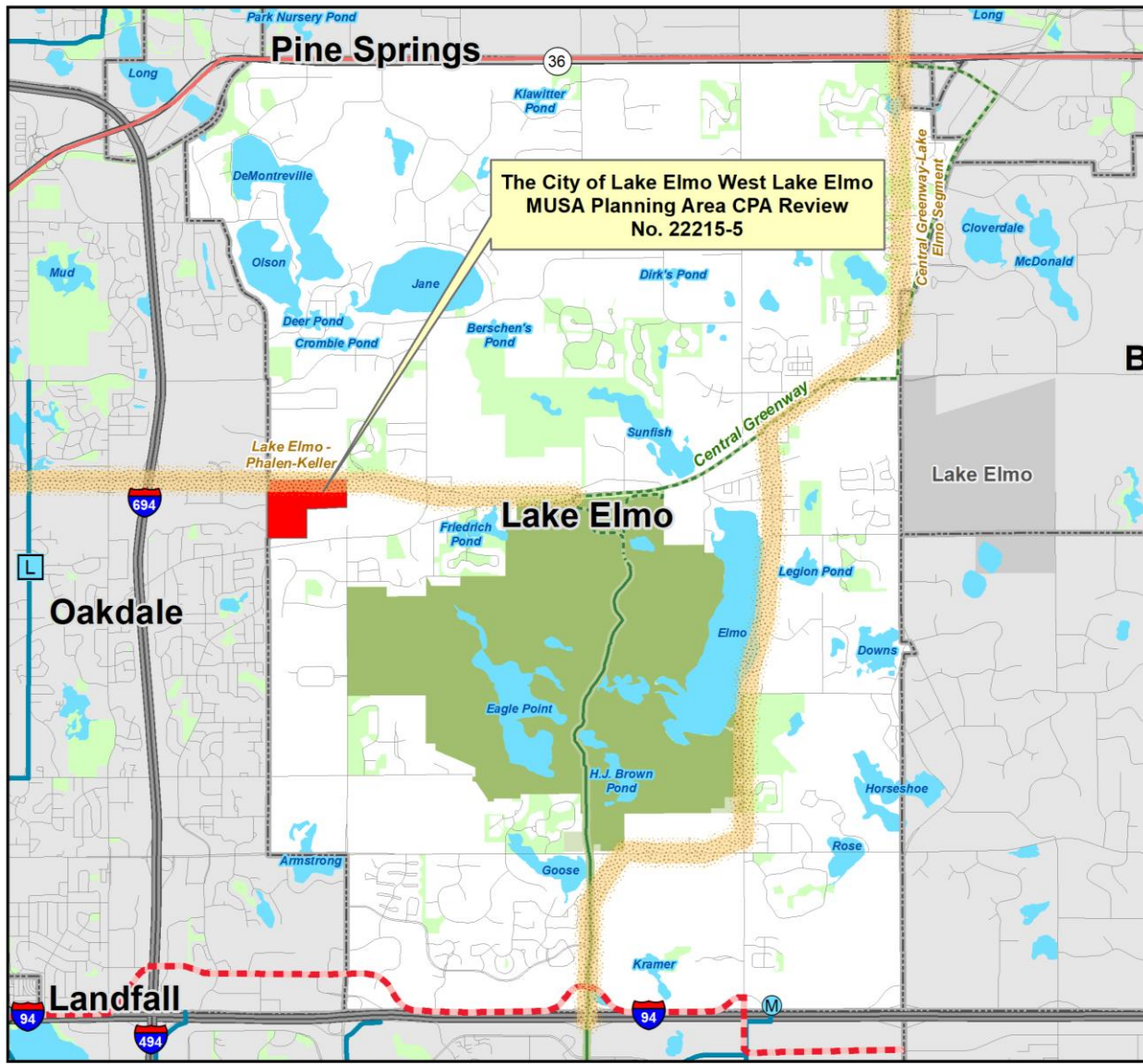
Compatibility with Plans of Adjacent Governmental Units and Plans of Affected Special Districts and School Districts

The proposed amendment 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.

ATTACHMENTS

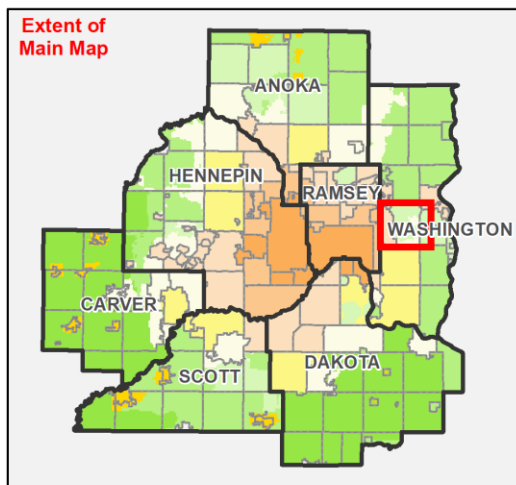
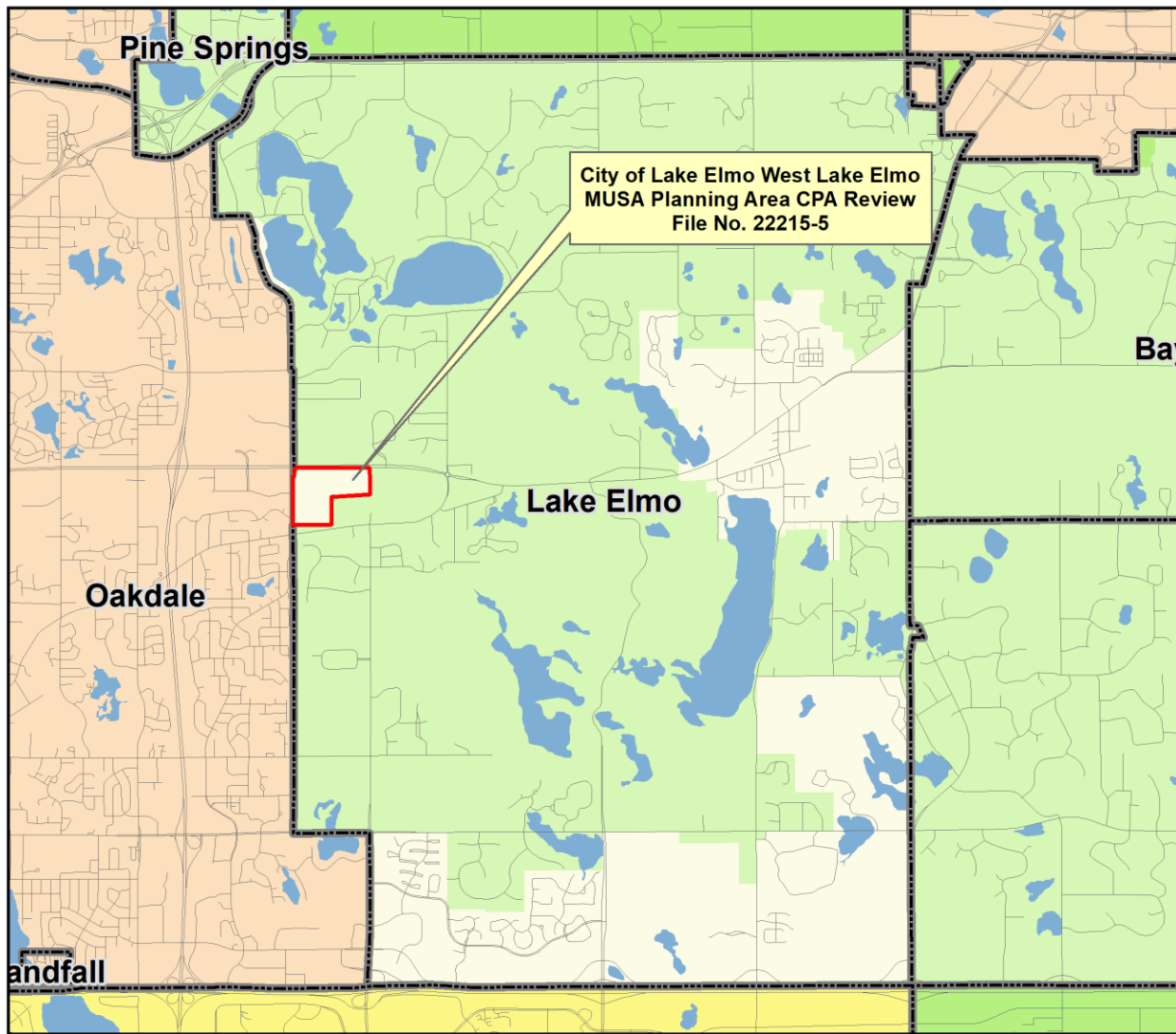
- Figure 1: Location Map Showing Regional Systems
- Figure 2: Location Map Showing Revised Community Designations
- Figure 3: Current Land Use Guiding
- Figure 4: Proposed Land Use Guiding
- Figure 5: Land Guided for Affordable Housing

Figure 1. Location Map Showing Regional Systems



- Regional Systems**
- Regional Transitways
 - Existing
 - Planned Current Revenue Scenario
 - Planned Current Revenue Scenario - CTIB Phase 1 Projects
 - Potential Increased Revenue Scenario
 - Wastewater Treatment
 - Meters
 - Lift Stations
 - MCES Treatment Plants
 - Regional Highway System
 - Interstates
 - US Highways
 - State Highways
 - County Roads
 - Ncompass Street Centerlines
 - Regional Parks
 - Existing (Open to Public)
 - In Master Plan (Not Open to Public)
 - Planned Units
 - Planned Regional Trails
 - Airports
 - Regional Trail Search Corridors
 - Regional Trails
 - Existing (Open to Public)
 - Existing (Not Open to Public)
 - Planned
 - Other Parks, Preserves, Refuges and Natru

Figure 2. Location Map Showing Revised Community Designations



ThriveMSP 2040 Community Designations

- Agricultural
- Rural Residential
- Diversified Rural
- Rural Center
- Emerging Suburban Edge
- Suburban Edge
- Suburban
- Urban
- Urban Center
- Ncompass Street Centerlines

Figure 3. Current Land Use Guiding

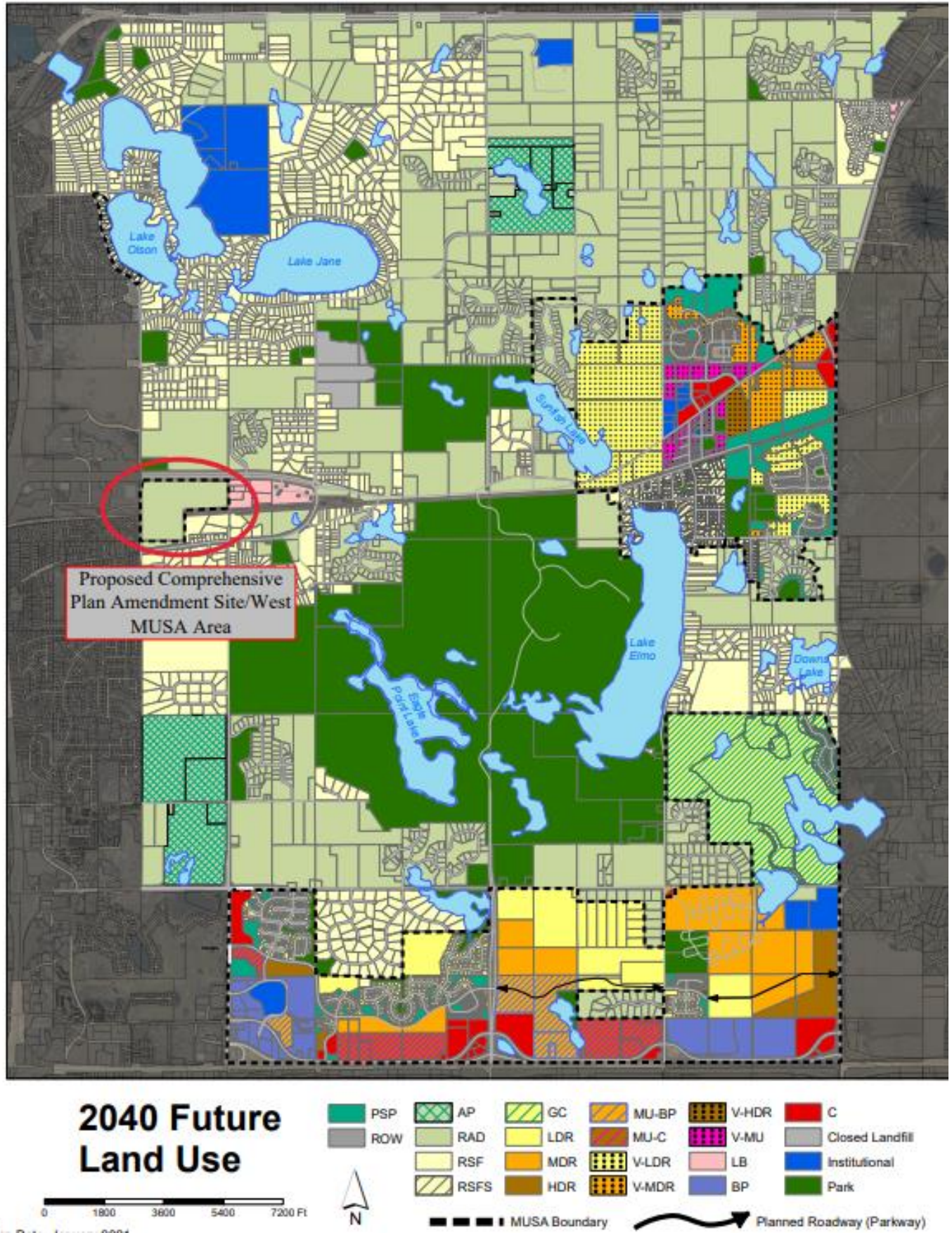
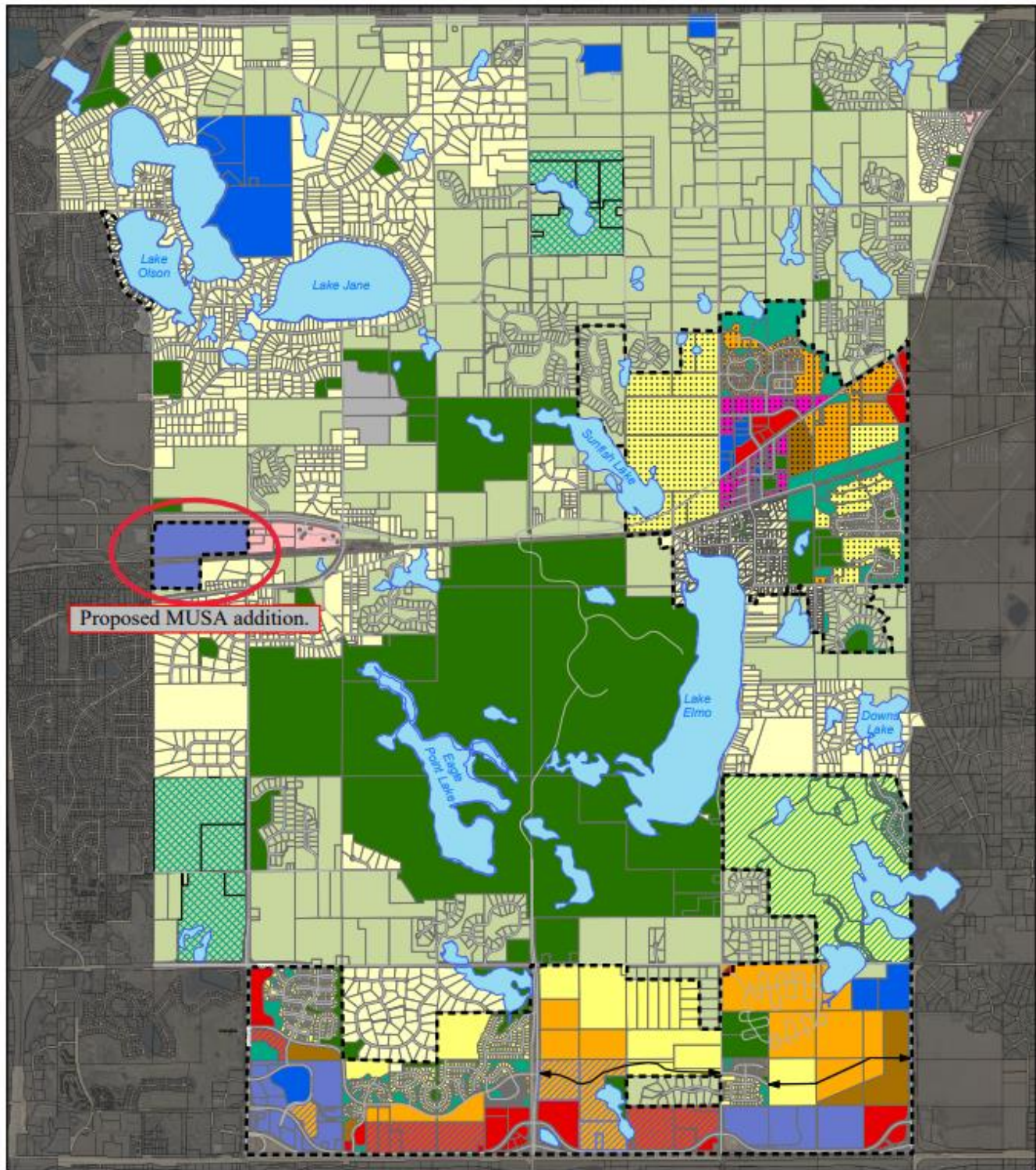


Figure 4. Proposed Land Use Guiding



2040 Future Land Use

0 1800 3600 5400 7200 Ft

ap Date: January 2021

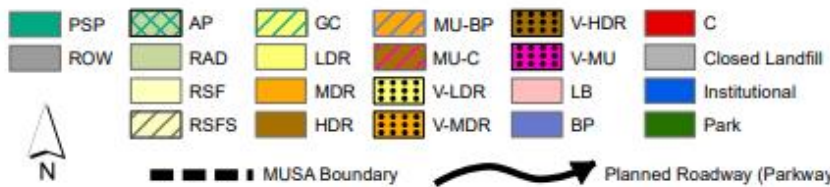


Figure 5. Land Guided for Affordable Housing

2021-2030 share of regional need for Affordable Housing: **1040 units**
 2021-2030 total regional need for Affordable Housing: **37,900 units**

	Available Acres	×	Minimum Density <i>(units per acre)</i>	×	Expected % Residential <i>(if mixed use)</i>	=	Minimum Units Possible
High Density Residential	72.00		8.01		100%		577
Village High Density Residential	19.00		8.01		100%		153
Mixed Use Commercial	59.00		10.00		50%		295
Total	150						1,025

Sufficient/(insufficient) units possible against share of regional need: **-15**

Affordable units built since 2021: **0**

Sufficient/(insufficient) units possible adjusted for affordable units built: **(15)**

Number of Comp Plan Amendments approved since Comp Plan Update: **0**

