

TOPICS AND PRESENTERS

[INTRODUCTION: MAYOR JIM HOVLAND, CITY OF EDINA](#)

[EXECUTIVE DIRECTOR'S REPORT: GWENYTH COTE, PRESIDENT, ULI AMERICAS](#)

[GOVERNOR'S TRANSIT PROPOSAL: CHAIR NORA SLAWIK, METROPOLITAN COUNCIL](#)

[BLOOMINGTON OPPORTUNITY HOUSING ORDINANCE: ERIC JOHNSON, COMMUNITY DEVELOPMENT DIRECTOR, CITY OF BLOOMINGTON](#)

[INFRASTRUCTURE AND INVESTMENT POST HARSTAD DECISION: PANEL MODERATED BY JOHN SHARDLOW, SENIOR PRINCIPAL, STANTEC](#)

INTRODUCTION

Mayor Jim Hovland, City of Edina, RCM Co-Chair

Thank you to Mayors Molly Cummings and Peter Lindstrom for their service on the RCM executive committee, congratulations on appointments to the Metropolitan Council.

Mayor Mike Maguire, Eagan, will join Mayor Jim Hovland as RCM co-chair. Mayors Doug Anderson, Lakeville, and Janet Williams, Savage, will join the RCM executive committee.

EXECUTIVE DIRECTOR'S REPORT

Gwyneth Cote, President, ULI Americas

- The RCM has an impressive reputation at the national ULI office, and ULI Americas President Gwyneth Cote looks forward to continuing to learn more about the RCM, ULI Minnesota, and what she can do to drive forward our shared missions.

GOVERNOR'S TRANSIT PROPOSAL

Chair Nora Slawik, Metropolitan Council

- Transit is really just about people and where we need to get. Governor Walz is committed to a transit proposal that adds roads, bridges, and transit to keep the state's people moving.
- The proposal includes 10 new Bus Rapid Transit (BRT) lines; 1 new line every year for the next 10 years. This would mean a 40% service increase in the region's busiest corridors and about 200 new electric buses.
- Every day in the MSP region, people use transit approximately 316,000 times.
- 56% of transit riders in our region have an annual income of \$60,000 and above.
- 54% of riders are under age 34. Reliable transit will be a generational investment.

- This proposal calls for the biggest expansion on local bus service in 30 years.
- Governor Walz is taking a ‘diversify’ approach to fund transit. Currently, transit funding is in a shared bucket with Metro Mobility, but the aging population and increased use of Metro Mobility is causing the budget for this service to eat into funding for other transit.
- In addition to separating Metro Transit from the general transportation budget (saving an estimated \$80 million) the Governor proposes an 8th of a cent regional sales tax in the metro region and adjusting the motor vehicles tax by a 3rd of a cent, in addition to asking the legislature for \$20 million in bonding for the new D Line.
- The region is growing today and won’t be able to accommodate more and more cars. This new proposal will allow people more opportunity to opt out of traffic jams.
- Jonathan Weinhagen, President and CEO, Minneapolis Regional Chamber of Commerce asked mayors to reach out actively in support of budgeting for transit growth before the upcoming May 20 legislative deadline. Local elected leaders are critical: talk to your legislators, write letters in support of transit investment, write op eds to share with community newspapers what this budget would mean for specific communities, and make phone calls, especially to senate republicans. It’s time to make an investment that hasn’t been made the last couple of years.
- Mayor Nora Slawik is doing a 7-county tour, and can come speak to communities, if desired.

BLOOMINGTON OPPORTUNITY HOUSING ORDINANCE: A TEST CASE IN FLEXIBILITY, BALANCE AND COMPROMISE

Eric Johnson, Community Development Director, City of Bloomington

[LINK TO PRESENTATION](#)

- About 2.5 years ago, Bloomington assembled a NOAH working group and background strategies emerged: a 90-day tenant protection ordinance, a fair housing policy, and an opportunity housing ordinance.
- Bloomington also conducted a nexus study specific to their city.
- In developing their ordinance, Bloomington took an approach of analysis and outreach, and aimed to look across the spectrum of private and nonprofit developers with a foundation of listening and learning. They talked with the development community to hear their thoughts on challenges and hurdles related to different affordability requirements.
- The city concluded that all developers are different, with different focuses and approaches to development. They found the most useful incentives across the board to be reduced parking requirements, reduced/waived storage requirements, fee deferrals/reductions, and relaxed requirements for materials/finishes.
- Bloomington’s primary goal was to incentivize the creation of new affordable housing units while furthering market development in Bloomington.
- Some ordinance highlights:
 - Requirements (9% minimum) based on economic study (Nexus Study)
 - Payment in-lieu based \$9.60 on internal square feet only (Nexus Study)
 - Provides flexible compliance options
 - Flexibility/incentives increase with increase in affordability
 - Phase in period – to test, evaluate, and educate
 - Routine evaluation to respond to market changes
 - Rental price levels and economic stability
- For more details, see Eric Johnson’s [presentation slides](#).
- Ultimately, the key to the success of the ordinance was choice: providing developers with a toolbox and allowing them to pick and choose how to proceed. Developers do not have to seek city council approval on the use of tools and incentives. This helps to eliminate unpredictability in working with the city to get permits. The city’s goal was to work in partnership with developers to create viable projects.

- To not stifle private development, the city also offers developers who submit a concept plan within the next 6-month a 24-month window where they would not have to be accountable to the ordinance – a recommendation heard in conversations with developers to provide them more economic stability.
- Some of the private sector feels the city doesn't have the right to do this, but Bloomington believes it is for the benefit of their community and that they do. Some of the private sector has also been exceedingly supportive.

INFRASTRUCTURE AND INVESTMENT POST-HARSTAD DECISION

Panel moderated by John Shardlow, Senior Principal, Stantec

Panelists: Jed Burkett, Loss Control/Land Use Attorney, League of MN Cities

Pat Mascia, Shareholder, Briggs and Morgan

Tammy Omdal, Senior Vice President, Northland Public Finance

- The lack of adequate statutory authority or ability for cities to raise revenue for street improvements is a longstanding issue.
- The [Harstad decision](#) made August 15th, 2018 affects a city's ability to raise revenue for *future* road improvements. This only affects about 10-15 cities. It's a big deal, for a small pool of cities.
- There are currently 2 main ways cities can get revenue to make road improvements in Minnesota: through taxes, and through the local improvement code 429, special assessment (confined to a particular district of a city benefitting from the improvements).
- Subdivision assessment has become one of the most powerful tools cities have to regulate land use in communities, cities can require property owners to turn over property to land for public use without paying for it, this is unique in the subdivision process.
- Two new bills are being introduced today to help cities fund improvements:
 - [The City/County/SCALE legislation, HF 2296](#)
 - [The League legislation is HF 2297](#)
- Cities need to find ways to fund infrastructure improvements, but to avoid developers backing out of a community altogether, cities can consider working to reduce costs for developers in other areas of a project.
- Developers want to know the rules are clear and consistent for everybody: for them and for their competitors across the street, and that there are mechanisms to protect those contributing to the funds to improve infrastructure. If it doesn't pencil out for developers, they will go elsewhere.
- Special assessments may be an opportunity to address funding challenges in growing communities and built-out communities. Why are tools for utilities treated differently than the tools for road improvements? Under the special assessments statute there is the need for nexus, sewer, and water, and funding goes to known improvements, not future improvements.
- A number of communities have found that the cost of updating their stormwater systems would be a couple hundred million dollars or more. Beyond road infrastructure, communities are faced with the challenge of paying for resilient infrastructure, and addressing the serious concern of flooding.
- John Shardlow: Rather than spend a bunch of time, energy, and money arguing, I propose selecting representatives from each [ULI MN Local Product Council](#) to serve on a committee to brainstorm recommendations that address the details of this issue in a way that's mutually beneficial.

ATTENDEES

MAYORS

James Hovland	City of Edina (co-chair)
Molly Cummings	City of Hopkins (co-chair)
Marylee Abrams	City of Maplewood
Kirt Briggs	City of Prior Lake
Anne Burt	City of Woodbury
Kathi Hemken	City of New Hope
Courtney Johnson	City of Carver
Jaci Lindstrom	City of Minnetonka Beach
Peter Lindstrom	City of Falcon Heights
Chris Lund	City of Hamburg
Julie Maas-Kusske	City of Maple Plain
Mike Maguire	City of Eagan
Tim McNeil	City of Dayton
Lisa Whalen	City of Minnetrista
Janet Williams	City of Savage
Gene Winstead	City of Bloomington
Jeff Wosje	City of Plymouth

GUESTS

Karen Barton, St. Louis Park; Jed Burkett, League of MN Cities; Bob Butterbrodt, Wells Fargo; Maria Carillo Perez, St. Louis Park; Bob Engstrom, Robert Engstrom Companies; Nate Fowler, U.S. Representative Angie Craig's Office; Kevin Frazell, League of MN Cities; Emily Goellner, City of Golden Valley; Debbie Goettel, Hennepin County; Tom Harmening, St. Louis Park; Bryan Hartman, City of Bloomington; Stephanie Hawkinson, City of Edina; Dave Higgins, McGough; Michael Huber, Blue Cross Blue Shield MN; Gordon Hughes, ULI Minnesota; Nick Koch, HGA; Sandra Krebsbach, American Technical Education Association; Tony Kuechle, Doran Companies; Brad Larson, City of Savage; Pat Mascia, Briggs and Morgan, PA; Anne Mavity, Minnesota Housing Fund; Justin Miller, City of Lakeville; Tammy Omdal, Northland Public Finance; Dwight Picha, City of Woodbury; Michael Plante, Prior Lake; Ellen Sahli, Family Housing Fund; Eric Searles, City of Woodbury; John Schadl, Metropolitan Council; John Shardlow, Stantec; Leah Solo, Metropolitan Council; Libby Starling; Metropolitan Council; Jonathan Weinhausen, Minneapolis Regional Chamber of Commerce; Alyssa Wetzel-Moore, Minnesota Housing; Jeri Young, ULI Housing Council/US Bank

ULI MINNESOTA

Aubrey Albrecht, Caren Dewar, Gordon Hughes, Rachel Lieberman

NEXT MEETING

Monday, May 13, 2019
11:30 a.m. to 1:30 p.m.
Seattle Room at Dorsey & Whitney, 50 South 6th Street, Minneapolis, MN