

2023 Metropolitan Agencies Committee Members

Name	Title	Organization
Kristy Barnett	Councilmember	Maple Grove
Josh Berg	Councilmember	Elko New Market
Deb Calvert	Councilmember	Minnetonka
Macheal Collins	City Clerk	Burnsville
Jim Dickinson	City Administrator	Andover
Inderia Falana	Government Relations Representative	Minneapolis
Thomas Fletcher	Councilmember	Greenwood
Mike Funk	City Manager	Minnetonka
*Gary Hansen	Councilmember	Eagan
**Alex Hassel	IGR Representative	League of MN Cities
Steven Huser	Government Relations Representative	Minneapolis
Cheryl Jacobson	City Administrator	Mendota Heights
Elizabeth Kautz	Mayor	Burnsville
Gregg Lindberg	City Manager	Burnsville
Amada Marquez Simula	Mayor	Columbia Heights
Deb McMillan	Mayor	Victoria
Hugo McPhee	Assistant City Manager	Burnsville
Alyssa Nelson	Assistant City Manager	Victoria
Loren Olson	Senior Government Relations Representative	Minneapolis
**Hannah Pallmeyer	Government Affairs Liaison	Metropolitan Council
Eric Petersen	IGR Director	St. Paul
Jay Stroebel	City Manager	Brooklyn Park
Michael Sund	Civic Engagement Coordinator	St. Louis Park
Katie Topinka	IGR Director	Minneapolis
Nyle Zikmund	City Administrator	Mounds View

*Committee Chair

**Guest/Non-City Official

July 19, 2023

TO: Metropolitan Agencies Policy Committee Members
FROM: Gary Hansen, Councilmember, City of Eagan
SUBJECT: Meeting Notice and Agenda

Wednesday, July 26, 2023
9:00 am – 11:30 am
***Hybrid Meeting: Lake Superior Room/
LMC Building***
Or
Join Zoom Meeting

♦ Thank you for agreeing to be a policy committee member!

Attached are the materials for the first Metropolitan Agencies Policy Committee meeting. Please take the time to read through the policies before the meeting and come with your ideas and suggestions.

AGENDA

1. Call to order.
2. Introduction of Committee Chair and Members.
3. Policy Committee Process and Protocols. (Patricia Nauman, Executive Director)
4. Policy Committee Memo Review. (Patricia Nauman, Executive Director)
5. 2023 Legislative Policies Review. (Metro Cities Staff)
6. Discussion of policies, potential modifications and ideas for new policies.
7. Discuss new issues for future consideration.
8. Other business.
9. Adjourn. (11:30 am.)

Future Committee Meetings:

Wednesday, August 30, 2023

Wednesday, September 27, 2023

To: Metro Cities Policy Committees
From: Patricia Nauman, Executive Director
Re: Policy Development Process and Protocol

General

Each year, four legislative policy committees meet to recommend Metro Cities' legislative policies. Policies address a comprehensive range of issues of shared significance for metropolitan cities. Policies are then transmitted to the Metro Cities Board of Directors for adoption and forwarded to Metro Cities' membership for final adoption. Policies serve as the foundation for Metro Cities' work at the Legislature, Executive Branch and Metropolitan Council.

Purpose of Legislative Policies

Legislative policies reflect common needs, interests and goals of metropolitan municipalities and are adopted by consensus. General core principles that inform Metro Cities' policies are the need for sufficient local flexibility to address local public needs and services, opposition to state mandates that erode local control, and the need for a strong state and local partnership that recognizes the needs of metropolitan cities and the role they play in ensuring the state's economic and social well-being.

Speakers

Committees often host speakers to provide information on topics of pertinence to a committee and may be suggested by committee members and staff. All speakers must be approved by Metro Cities' Executive Director.

Committee Participation and Voting

Members. Elected or appointed officials and staff of any member city may serve on any committee by indicating interest in email or through the sign-up process provided in advance of the committee process each year.

Members are encouraged to contribute ideas, feedback, and questions during the committee process. All comments and questions should be addressed through the Chair.

City officials and staff may serve on one or more committees but for voting purposes, each city has one vote on policies. Votes are made by acclamation unless a roll call vote is requested.

Guests. Non-members are welcome to attend committees as guests. Non-member attendees may observe meetings and provide general observations but may not vote on policies or raise specific issues for the committee's consideration.

Committee Etiquette

Discussion, feedback, and questions are welcome and should be addressed through the committee chair. Meetings will be held in a hybrid format. Members participating remotely should use the chat or hand raise function to raise a question or comment. Remote participants are asked to name yourself and your city, and to identify yourself when speaking.

July 19, 2023

TO: Metropolitan Agencies Policy Committee Members
FROM: Patricia Nauman, Executive Director
RE: July Policy Committee Memo

Welcome to all returning and new members of the Metropolitan Agencies Policy Committee.

Metropolitan Agencies policies address state legislative issues that affect regional policies, funding, and roles, as well as funding and policies that are set at the regional level. Metro Cities plays a unique role in the local government advocacy community in its representation of metro city interests at the Metropolitan Council.

Last year, the Metropolitan Council was granted statutory authority to use a portion of the municipal wastewater charge for a private property inflow-infiltration (I/I) program. A task force of city staff, Metro Cities and Metropolitan Council MCES staff met four times this spring to consider and recommend parameters for a private property program. Staff will provide further information next week.

This year, bills to modify the governance of the Metropolitan Council were introduced by House and Senate Transportation Chairs, Representative Frank Hornstein and Senator Scott Dibble. The Senate transportation bill included language to make the Council an elected body, and the House transportation bill established a legislative task force to make recommendations for the Council's governance. The task force includes one city official, appointed by Metro Cities. The final transportation bill included the task force language; a task force will meet over the interim and make recommendations to the Legislature in 2024. Staff will provide further information on Wednesday.

This year, legislation that would have required one-size-fits-all, comprehensive and highly specific climate mitigation, and adaptation content for metropolitan cities in their local comprehensive plans advanced through the committee process. Metro Cities worked with the author and bill proponents on compromise language that will allow the Metropolitan Council and city officials to work collaboratively on regional requirements and local implementation, with requirements that are flexible and can accommodate individual city capacities and circumstances.

This year, legislation introduced by Rep. Elkins would impose statewide land use mandates on cities and would place specific requirements on metropolitan cities regarding the timing of developments identified in long range local comprehensive plans. This legislation did not become law. More detailed updates are included under specific policies.

Metro Cities is participating in a regional planning advisory group with several city officials, that will provide input to the Council on planning issues ahead of the next regional development guide, including on the processes and requirements for local comprehensive plans.

We look forward to seeing you next week.

Metropolitan Agencies

4-A Goals and Principles for Regional Governance

The Twin Cities metropolitan region is home to a majority of the state's population and businesses and is poised for significant growth in the next two decades. The metropolitan region faces both challenges and opportunities, the responses to which will determine the region's future success and competitiveness in the state, national and world economies.

The Metropolitan Council was created to manage the growth of the metropolitan region, and cities are responsible for adhering to regional plans as they plan for local growth and service delivery. The region's cities are the Council's primary constituency, with regional and local growth being primarily managed through city comprehensive planning and implementation and the delivery of public services. To function successfully, the Metropolitan Council must be accountable to and work in collaboration with city governments.

The role of the Metropolitan Council is to set broad regional goals and to provide cities with technical assistance and incentives to achieve these goals. City governments are responsible and best suited to provide local zoning, land use planning, development, and service delivery. Any additional roles or responsibilities for the Metropolitan Council should be limited to specific statutory assignments or grants or authorization and should not usurp or conflict with local roles or processes unless such changes have the consent of the region's cities.

Metro Cities supports an economically strong and vibrant region, and the effective, efficient, and equitable provision of regional infrastructure, services, and planning throughout the metropolitan area.

Metro Cities supports the provision of approved regional systems and planning that can be provided more effectively, efficiently, or equitably on a regional level than at the local level by individual local units of government.

The Metropolitan Council must involve cities in the delivery of regional services and planning and be responsive to local perspectives on regional issues and be required to provide opportunities for city participation on Council advisory committees and task forces.

The Metropolitan Council must involve cities at all steps of planning, review and implementation of the regional development guide, policy plans, systems statements, and local comprehensive plan requirements to ensure transparency, balance and Council adherence to its core mission and functions. These processes should allow for stakeholder input before policies and plans are released for comment and finalized. Any additional functions for the Metropolitan Council should not be undertaken unless authorized specifically by state law.

Legislative Update: No applicable updates

4-B Regional Governance Structure

Metro Cities supports the appointment of Metropolitan Council members by the Governor with four-year, staggered terms for members to stabilize ideological shifts and provide for continuity of knowledge on the Council, which is appropriate for a long-range planning body. The appointment of the Metropolitan Council Chair should coincide with the term of the Governor. **Metro Cities supports a nominating committee process that maximizes participation and input by local officials. Metro Cities supports expanding the nominating committee from seven to 13 members, with a majority of a 13-member committee being local elected officials.** Of the local officials appointed to a nominating committee, two thirds should be elected city officials, appointed by Metro Cities.

Consideration should be given to the creation of four separate nominating committees, with committee representation from each quadrant of the region.

Metro Cities supports having the names of recommended nominees or other individuals under consideration for appointment to the Council by the Governor to be made public at least 21 days prior to final selection by the Governor, and a formal public comment period before members are appointed to the Council.

Metro Cities supports the appointment of Metropolitan Council members who have demonstrated the ability to work with cities in a collaborative manner, commit to meet with local government officials regularly and who are responsive to the circumstances and concerns of cities in the district that they represent on the Council. Council members should understand the diversity and the commonalities of the region, and the long-term implications of regional decision-making. A detailed position description outlining the required skills, time commitment and understanding of regional and local issues and concerns should be clearly articulated and posted in advance of the call for nominees. **Metro Cities supports opportunities for local officials to provide input during the decennial legislative redistricting process for the Metropolitan Council and supports transparency in the redistricting process.**

***Legislative Update:** Legislation to have members of the Metropolitan Council be directly elected was included in the Senate transportation bill. The House transportation bill included language establishing a task force to study the governance of the Council; this language was included in the final transportation bill, now law. The new law establishes a legislative task force that includes eight legislators, one county, one city, and one township official, as well as other members. Metro Cities was given appointing authority for the city official on the task force. The task force will make recommendations on regional governance and report to the Legislature in January 2024.*

4-C Comprehensive Analysis and Oversight of Metropolitan Council

A comprehensive analysis of the Metropolitan Council's functions and structure was conducted by a Governor's Blue-Ribbon Committee in 2020. Metro Cities supports specific findings by the committee that recommend four-year staggered terms for Metropolitan Council members with members appointed by the governor, an expanded nominating committee with a majority of local officials on the committee, and the publication of nominees prior to their appointment. These findings are consistent with Metro Cities' legislative policy on regional governance. The metropolitan region will continue to expand while simultaneously facing significant challenges for the effective, efficient, and equitable provision of resources and infrastructure. **Metro Cities supports an objective study of the**

Metropolitan Council's activities and services as well as its geographical jurisdiction to ensure that the Metropolitan Council's services are positioned to be effective and adequate in addressing the future needs of the region. Such work must include the participation of local officials. The Metropolitan Council should also examine its scope of services to determine their benefit and efficiency and be open to alternative methods of delivery to assure that services are provided at high levels of effectiveness for the region.

Metro Cities supports appropriate legislative oversight of the Metropolitan Council to regularly review the Council's activities, and to provide transparency and accountability of its functions and operations.

***Legislative Update:** No applicable updates.*

4-D Funding Regional Services

The Metropolitan Council should continue to fund regional services and activities through a combination of user fees, property taxes, and state and federal grants. The Council should set user fees through an open process that includes public notices and public hearings. User fees should be uniform by type of user and set at a level that supports effective and efficient public services based on commonly accepted industry standards and allows for sufficient reserves to ensure long-term service and fee stability. Fee proceeds should be used to fund regional services or programs for which they are collected.

Metro Cities supports the use of property taxes and user fees to fund regional projects so long as the benefit conferred on the region is proportional to the fee or tax, and the fee or tax is comparable to the benefit cities receive in return.

***Legislative Update:** The Metropolitan Council was authorized by the 2022 Legislature to use a portion of the regional municipal wastewater charge for private property inflow-infiltration mitigation assistance. A recent task force met to recommend parameters for a private property I/I grant program. (See Metro Cities' Inflow-Infiltration policy).*

The omnibus environment bill includes a requirement that the Metropolitan Council report to legislative committees of jurisdiction, average wastewater costs for cities in the metropolitan area, on an annual basis.

4-E Regional Systems

Regional systems are statutorily defined as transportation, aviation, wastewater treatment and recreational open space. The purpose of the regional systems and the Metropolitan Council's authority over them is clearly outlined in state law. The Metropolitan Council must seek a statutory change to alter the focus or expand the reach of any of these systems.

Systems plans prepared by the Metropolitan Council should be specific in terms of size, location, and timing of regional investments to allow for consideration in local comprehensive planning. Systems plans should also clearly state the criteria by which local plans will be judged for consistency with regional systems.

Additional regional systems should be established only if there is a compelling metropolitan problem or concern best addressed through the designation. Common characteristics of the existing regional systems include public ownership of the system and its components and established regional or state

funding sources. These characteristics should be present in any new regional system that might be established. Water supply and housing do not meet necessary established criteria for regional systems. Any proposed additional system must have an established regional or state funding source.

Legislative Update: *No applicable updates.*

4-F Regional Water Supply Planning

The Metropolitan Council is statutorily authorized to carry out planning activities to address water supply needs of the metropolitan area. A Metropolitan Area Water Supply Advisory Committee (MAWSAC) that includes state agency representatives and local officials was established to assist the Council in developing a master water supply plan that includes recommendations for clarifying the roles of local, regional, and state governments, streamlining and consolidating approval processes and recommending future planning and capital investments. The Master Water Supply Plan serves as framework for assisting communities in water supply planning, without usurping local decision-making processes. Many cities also conduct their own analyses for use in water supply planning.

As the Metropolitan Council continues its assessment of the metropolitan region's water supply and water sustainability, it must work cooperatively with local policymakers and local professional staff on an on-going structured basis to ensure a base of information for water supply decision-making that is sound, credible, and verifiable, and considers local information, data, cost-benefit analyses and projections before any policy recommendations are issued.

Metro Cities encourages the Metropolitan Council to consider the inter-relationships of wastewater treatment, storm water management and water supply. Any state and regional regulations and processes should be clearly stated in the Master Water Supply Plan. Further, regional monitoring and data collection benefits should be borne as shared expenses between the regional and local units of government.

Metro Cities supports Metropolitan Council planning activities to address regional water supply needs and water planning activities as prescribed in statute. Metro Cities opposes the insertion of the Metropolitan Council as another regulator in the water supply arena. Further, while Metro Cities supports regionally coordinated efforts to address water supply issues in the metropolitan area, Metro Cities opposes the elevation of water supply to "Regional System" status, or the assumption of Metropolitan Council control and management of municipal water supply infrastructure.

Metro Cities supports the technical advisory committee to the MAWSAC that maximizes participation by municipal officials and helps to ensure sound scientific analyses and models are developed with local expertise and input before legislative solutions are considered.

Metro Cities supports efforts to identify capital funding sources to assist with municipal water supply projects. Any fees or taxes for regional water supply planning activities must be consistent with activities prescribed in Minn. Stat. § 473. 1565, and support activities specifically within the metropolitan region.

Legislative Update: *HF 2310/SF 2438 (Chapter 60) appropriates \$2 million for the Metropolitan Council to develop a plan to ensure communities in the White Bear Lake area have access to sufficient safe drinking water to allow for municipal growth while simultaneously ensuring the sustainability of surface*

water and groundwater. The Council is directed to establish an advisory work group to help develop the plan.

HF 1999/SF 1682 (Chapter 40, the omnibus Legacy bill) includes \$2.25 million for the Metropolitan Council's Water Supply Sustainability Support program, which supports projects that address emerging drinking water supply threats. Chapter 40 also includes \$1.5 million for the Council's Water Demand Reduction Grant Program, which provides grants for projects that encourage implementation of water demand reduction measures by municipalities in the metropolitan area.

The Metropolitan Council is currently in the process of updating the Water Resources Policy Plan, which is updated every 10 years. This process involves data gathering, research, stakeholder engagement at the regional and subregional level, and input from MAWSAC and the Technical Advisory Committee.

4-G Review of Local Comprehensive Plans

Local officials identified concerns with the submission and review processes for 2018 local plans including requests for information beyond what should be necessary for the Metropolitan Council to review local plans for consistency with regional systems, regional requirements that evolved as local plans were prepared and finalized and finding plans to be incomplete or requiring detailed information on items of a local rather than regional nature, among others.

The Metropolitan Council must work with Metro Cities and local officials to address challenges and concerns identified with the 2018 comprehensive planning process and undertake any necessary improvements in advance of the next comprehensive planning cycle. This work should be conducted with opportunities for ongoing input and consultation with local officials as any modifications to the comprehensive planning review processes are considered, including but not limited to a recently established regional planning advisory group that includes Metro Cities and municipal officials. This work shall include reviewing processes for comprehensive plan amendments and identifying areas for improvement.

In reviewing local comprehensive plans and plan amendments, the Metropolitan Council should:

- Recognize that its role is to review and comment, unless it is found that the local plan is more likely than not to have a substantial impact on or contain a substantial departure from one of the four system plans;
- Be aware of statutory time constraints imposed by the Legislature on plan amendments and development applications;
- Provide for immediate effectuation of plan amendments that have no potential for substantial impact on systems plans;
- Require the information needed for the Metropolitan Council to complete its review, but not prescribe additional content or format beyond that which is required by the Metropolitan Land Use Planning Act (LUPA);

- Work in a cooperative and timely manner toward the resolution of outstanding issues. **When a city's local comprehensive plan is deemed incompatible with the Metropolitan Council's systems plans, Metro Cities supports a formal appeal process that includes a peer review. Metro Cities opposes the imposition of sanctions or monetary penalties when a city's local comprehensive plan is deemed incompatible with the Metropolitan Council's systems plans or the plan fails to meet a statutory deadline when the city has made legitimate, good faith efforts to meet Metropolitan Council requirements;**
- Work with affected cities and other organizations such as the Pollution Control Agency, Department of Natural Resources, Department of Health and other stakeholders to identify common ground and resolve conflicts between respective goals for flexible residential development and achieving consistency with the Council's system plans and policies; and
- Require entities, such as private businesses, nonprofits, or local units of government, among others, whose actions could adversely affect a comprehensive plan, to be subject to the same qualifications and/or regulations as the city.

Legislative Update: HF 2887/SF 3157 (Chapter 68) includes language that requires the Metropolitan Council to include climate mitigation and adaptation content in their regional development guide including goals and strategies that meet or exceed the greenhouse gas emissions-reduction goals established by the state and transportation targets established by MnDOT. The Council is directed to work with cities on how that content will be incorporated into local comprehensive plans. The as-introduced version of this legislation was a one-size-fits-all mandate for requirements in local comprehensive plans. The eventual language contained in Chapter 68 allows cities to work collaboratively with the Council on this content, as is the case in other areas of the comprehensive planning process.

HF 2235 – Elkins proposed that fiscal devices and controls be immediately consistent with identified uses in a local plan, which would disallow the staging of developments and many existing land uses. This bill was heard in the House Housing Committee and was referred to the State and Local Government Committee where it did not get a hearing. The companion bill was not heard in the Senate. Metro Cities opposed this legislation.

HF 2235 also included language that states the adoption or amendment of comprehensive plans will not constitute conduct that causes or is likely to cause pollution, impairment, or destruction. The bill language also states that the council's adoption and amendment of the comprehensive development guide and metropolitan system plans, policy plans, and other metropolitan system statements will not constitute conduct that causes or is likely to cause pollution, impairment, or destruction. The bill did not pass.

Metro Cities is participating on a long-range Regional Planning Advisory Committee with city officials. The committee will provide input on any proposed improvements to the local comprehensive planning process, ahead of the next round of plans. Metro Cities will also seek information and feedback through the Met Agencies policy committee and from the association's general membership as potential improvements are identified.

4-H Comprehensive Planning Process

Metro Cities supports examining the comprehensive planning process to make sure that the process is streamlined and efficient and avoids excessive cost burdens or duplicative or unnecessary planning requirements by municipalities in the planning process. Metro Cities supports resources to assist cities in meeting regional goals as part of the comprehensive planning process, including planning grants and technical assistance.

Metro Cities supports funding and other resources from the Metropolitan Council for the preparation of comprehensive plan updates, including grant funding. Grants and other resources should be provided to all eligible communities through a formula that is equitable, and recognizes varying city needs and capacities.

Legislative Update: No applicable updates.

4-I Comprehensive Planning Schedule

Cities are required to submit comprehensive plan updates to the Metropolitan Council every 10 years. A city's comprehensive plan represents a community's vision of how the city should grow and develop or redevelop, ensure adequate housing, provide essential public infrastructure and services, protect natural areas and meet other community objectives.

Metro Cities recognizes the merit of aligning comprehensive plan timelines with the release of census data. However, the comprehensive plan process is expensive, time consuming and labor intensive for cities, and the timing for the submission of comprehensive plans should not be altered solely to better align with census data. If sufficient valid reasons exist for the schedule for the next round of comprehensive plans to be changed or expedited, cities should be provided with financial resources to assist them in preparing the next round of plans.

Metro Cities opposes cities being forced into a state of perpetual planning because of regional and legislative actions. Should changes be made to the comprehensive planning schedule, Metro Cities supports financial and other resources to assist cities in preparing and incorporating policy changes in local planning efforts.

Metro Cities supports a 10-year time frame for comprehensive plan update submissions.

Metro Cities supports the Metropolitan Council's consideration to reduce requirements for 10-year Comprehensive Plan updates for cities under 2,500 residents.

Legislative Update: No applicable updates.

4-J Local Zoning Authority

Local governments are responsible for zoning and local officials should have full authority to approve variances to remain flexible in response to the unique land use needs of their own community. Local zoning decisions, and the implementation of cities' comprehensive plans, should not be conditioned upon the approval of the Metropolitan Council or any other governmental agency.

Metro Cities supports local authority over land use and zoning decisions and opposes the creation of non-local appeals boards with the authority to supersede city zoning decisions, and statutory

modifications that would diminish the ability of cities to set and implement local zoning ordinances and policies.

Legislative Update: HF 2235 – Elkins included language that would impact long-standing municipal authorities for zoning, planning and land-use. Metro Cities opposed this legislation jointly with other city organizations and responded with specific metro area related concerns. This would disallow staging of developments and many existing land uses. This legislation stipulates that only parcels zoned for multifamily housing qualify for a metropolitan city's affordable housing goals under grant programs.

The bill includes a statewide policy that would allow for two-family property as a permitted use in all areas zoned for single-family residential, which can include a duplex or a single-family property with an accessory dwelling unit. The bill would set density requirements in the metropolitan area, which would negate local community characteristics that inform density requirements for the region and would put significant and premature cost obligations on cities and taxpayers. Again, this bill did not become law.

4-K Regional Growth

The most recent regional population forecast prepared by the Metropolitan Council projects a population of 3,746,000 people by 2040 and 4,001,000 by 2050.

Metro Cities recognizes cities' responsibility to plan for sustainable growth patterns that integrate transportation, housing, parks, open space, and economic development that will result in a region better equipped to manage population growth, to provide a high quality of life for a growing and increasingly diverse metropolitan area population and improved environmental health.

In developing local comprehensive plans to fit within a regional framework, adequate state and regional financial resources and incentives and maximum flexibility for local planning decisions are imperative. The regional framework should assist cities in managing growth while being responsive to the individual qualities, characteristics and needs of metropolitan cities, and should encourage sub-regional cooperation and coordination.

In order to accommodate this growth in a manner that preserves the region's high quality of life:

- Natural resource protection will have to be balanced with growth and development/reinvestment;
- Significant new resources will have to be provided for transportation and transit; and
- New households will have to be incorporated into the core cities, first and second-ring suburbs, and developing cities through both development and redevelopment.

In order for regional and local planning to result in the successful implementation of regional policies:

The State of Minnesota must contribute additional financial resources, particularly in the areas of transportation and transit, community reinvestment, affordable housing development, and the preservation of parks and open space. If funding for regional infrastructure is not adequate, cities should not be responsible for meeting the growth forecast set forth by the Metropolitan Council;

- The Metropolitan Council and Legislature must work to pursue levels of state and federal transportation funding that are adequate to meet identified transportation and transit needs in the

metropolitan area;

- The Metropolitan Council must recognize the limitations of its authority and continue to work with cities in a collaborative, incentives-based manner;
- The Metropolitan Council must recognize the various needs and capacities of its many partners, including but not limited to cities, counties, economic development authorities and nonprofit organizations, and its policies must be balanced and flexible in their approach;
- Metropolitan counties, adjacent counties and school districts must be brought more thoroughly into the discussion due to the critical importance of facilities and services such as county roads and public schools in accommodating forecasted growth; and
- Greater recognition must be given to the fact that the “true” metropolitan region extends beyond the traditional seven-county area and the need to work collaboratively with adjacent counties in Minnesota and Wisconsin, and the cities within those counties. The region faces environmental, transportation, and land use issues that cannot be solved by the seven-county metro area alone. **Metro Cities supports an analysis to determine the impacts of Metropolitan Council’s growth management policies and infrastructure investments on the growth and development of the collar counties, and the impacts of growth in the collar counties on the metropolitan area.**

Metro Cities opposes statutory or other regulatory changes that interfere with established regional and local processes to manage growth in the metropolitan region, including regional systems plans, systems statements, and local comprehensive plans. Such changes erode local planning authority as well as the efficient provision of regional infrastructure, disregard established public processes and create different guidelines for communities that may result in financial, environmental, and other impacts on surrounding communities.

Legislative Update: *HF 2887/SF 3157 (Chapter 68) includes investments in state and local transportation needs. The law funds key programs like Corridors of Commerce, which has funded large highway projects in and around the metropolitan region. The law also appropriates millions for the state and local governments to provide the required match for federal transportation dollars made available in the Infrastructure Investment and Jobs Act. There is also funding for technical assistance for local governments interested in applying for federal grants so that the state and region is better able to obtain additional federal dollars.*

Chapter 68 establishes a 0.75% sales tax in the seven-county metropolitan area. 83% of those revenues are directed to the Metropolitan Council for transit purposes (5% of the Council’s portion will be spent by the Transportation Advisory Board on active transportation projects). The remaining 17% of the sales tax revenue is distributed to the seven counties in the region.

Chapter 72, the Bonding bill, includes \$72 million for bus rapid transit in the metropolitan area, \$12 million for the Local Wetlands Replacement Program, \$78.94 million for the Local Road Improvement Program, \$67 million for the Local Bridge Replacement Program, and \$1.5 million for Transportation Economic Development Infrastructure program.

4-L Natural Resource Protection

Metro Cities recognizes the Metropolitan Council's efforts to compile and maintain an inventory and assessment of regionally significant natural resources for providing local communities with additional information and technical assistance. The state and region play significant roles in the protection of natural resources. Any steps taken by the state or Metropolitan Council regarding the protection of natural resources must recognize that:

- The protection of natural resources is significant to a multi-county area that is home to more than 50 percent of the state's population and a travel destination for many more. Given the limited availability of resources and the artificial nature of the metropolitan area's borders, and the numerous entities that are involved in protecting the natural resources of the region and state, neither the region nor individual metropolitan communities would be well served by assuming primary responsibility for financing and protecting these resources;
- The completion of local Natural Resource Inventories and Assessments (NRI/A) is not a regional system nor is it a required component of local comprehensive plans under the Metropolitan Land Use Planning Act;
- The protection of natural resources should be balanced with the need to accommodate growth and development, reinvest in established communities, encourage more affordable housing and provide transportation and transit connections; and
- Decisions about the zoning or land use designations, either within or outside a public park, nature preserve, or other protected area are, and should remain, the responsibility of local units of government.

The Metropolitan Council's role with respect to climate change, as identified in the 2040 regional development guide, should be focused on the stewardship of its internal operations (wastewater, transit) and working collaboratively with local governments to provide information, best practices, technical assistance and incentives around responses to climate change.

Metro Cities urges the Legislature and the Metropolitan Council to provide financial assistance for the preservation of regionally significant natural resources.

Legislative Update: *In December 2022, the Metropolitan Council released its Climate Action Work Plan. The five-year plan directs changes to the Council's internal operations, infrastructure maintenance and planning, research priorities and methods, service delivery, and stakeholder engagement. The Plan makes general commitments to incorporate environmental justice principles in the planning, implementation, and evaluation of climate action work, accelerate emissions reductions from Metropolitan Council operations with the end goal of achieving carbon neutrality, accelerate regional emissions reductions through existing and new partnerships, reduce risks and impacts of climate change hazards to Metropolitan Council facilities and services, and collaborate with partners to advance regional climate adaptation efforts. For each of these commitments, there are specific strategies and performance metrics by which the Metropolitan Council will evaluate progress on the objectives.*

4-M Inflow and Infiltration (I/I)

The Metropolitan Council has identified a majority of sewerred communities in the metropolitan region to be contributing excessive inflow and infiltration (I/I) into the regional wastewater system or to be on the threshold of contributing excessive inflow and infiltration. Inflow and infiltration are terms for the ways that clear water (ground and storm) makes its way into sanitary sewer pipes and gets treated, unnecessarily, at regional wastewater plants. The number of identified communities is subject to change, depending on rain events, and any city in the metropolitan area can be affected.

The Metropolitan Council establishes a surcharge on cities determined to be contributing unacceptable amounts of I/I into the wastewater system. The charge is waived when cities meet certain parameters through local mitigation efforts.

Metro Cities recognizes the importance of controlling I/I because of its potential environmental and public health impacts, because it affects the size, and therefore the cost, of wastewater treatment systems and because excessive I/I in one city can affect development capacity of another. However, there is the potential for cities to incur increasingly exorbitant costs in their ongoing efforts to mitigate excessive I/I. Therefore, managing I/I at a regional as well as local level, is critical to effective mitigation and cost management.

Metro Cities continues to monitor the surcharge program and supports continued reviews of the methodology used to measure excess I/I to ensure that the methodology appropriately normalizes for precipitation variability and the Council's work with cities on community specific issues around I/I.

Metro Cities supports state financial assistance for metro area I/I mitigation through future Clean Water Legacy Act appropriations or similar legislation and encourages the Metropolitan Council to partner in support of such appropriations. Metro Cities also supports resources, including identified best practices, information on model ordinances, public education and outreach, and other tools, to local governments to address inflow/ infiltration mitigation for private properties.

Metro Cities recognizes recommendations made by a 2016 Inflow/Infiltration Task Force that support considering the use of a portion of the regional wastewater charge for private property inflow/infiltration mitigation. Any proposal to utilize the wastewater fee for this purpose must include the opportunity for local officials to review and comment on specific proposals.

Metro Cities supports continued state capital assistance to provide grants to metropolitan cities for mitigating inflow and infiltration problems into municipal wastewater collection systems.

***Legislat ve Update:** The omnibus capital investment bill, now law, includes \$12 million for inflow-infiltration mitigation assistance for cities in the metro area. This legislation was initiated and supported by Metro Cities. The omnibus environment bill, now law, includes policy language to provide for an I/I program that includes affordability criteria for private property I/I work. A recent private property I/I task force of city officials as well as Metro Cities and Metropolitan Council staff and members made recommendations for a private property I/I grant program using the regional wastewater charge. Recommendations included the consideration of equity criteria, that would be determined by local communities. Chapter 60, the omnibus environment bill, establishes an inflow and infiltration program for the metropolitan area that includes affordability criteria taken from federal guidance that differs from existing criteria used by the state that are based on per-connection costs and rate impacts.*

4-N Sewer Availability Charge (SAC)

Metro Cities supports a SAC program that emphasizes equity, transparency, simplification, and lower rates.

Metro Cities supports principles for SAC that include program transparency and simplicity, equity for all served communities and between current and future users, support for cities' sewer fee capacities, administrative reasonableness, and weighing any program uses for specific goals with the impacts to the program's equity, transparency, and simplicity. As such, Metro Cities opposes the use of the SAC mechanism to subsidize and/or incent specific Metropolitan Council goals and objectives. Input from local officials should be sought if the SAC reserve is proposed to be used for any purpose other than debt service, including pay-as-you-go (PAYGO). **Metro Cities opposes increases to the SAC rate while the reserve is projected to exceed the Metropolitan Council's minimum reserve balance, without the express engagement of city officials in the metropolitan area.**

Metro Cities supports modifications that were recommended by local and business officials and adopted by the Metropolitan Council in 2018 to use gross rather than net square feet in making SAC determinations, to combine use categories, to adjust the grandfather credit date and to not require a new SAC determination for business remodels that do not change the use of the property. These changes were intended to simplify the SAC program for users, and to reduce incidents of "surprise" SAC charges.

Metro Cities supports current SAC policy that enhances flexibility in the SAC credit structure for redevelopment purposes and supports continued evaluation of SAC fees to determine if they hinder redevelopment.

Metro Cities supports the Metropolitan Council providing details on how any proposed changes to the SAC rate are determined. Metro Cities supports a periodic review of MCES' customer service policies, to ensure that its processes are responsive and transparent to communities, businesses, and residents. Metro Cities supports continued outreach by MCES to users of the SAC program to promote knowledge and understanding of SAC charges and policies. Any modifications to the SAC program or structure should be considered only with the participation and input of local officials in the metropolitan region.

Metro Cities supports a "growth pays for growth" approach to SAC. If state statutes are modified to establish a "growth pays for growth" method for SAC, the Metropolitan Council should convene a group of local officials to identify any technical changes necessary for implementing the new structure.

Metro Cities supports allowing the Council to utilize a SAC 'transfer' mechanism when the SAC reserve fund is inadequate to meet debt service obligations. Any use of the transfer mechanism must be done so within parameters prescribed by state law and with appropriate notification and processes to allow local official input and should include a timely 'shift back' of any funds that were transferred from the wastewater fund to the SAC reserve fund. Efforts should be made to avoid increasing the municipal wastewater charge in use of the transfer mechanism.

Legislative Update: HF 2235 – Elkins includes language which would require that certain communities be charged a higher level of SAC based on their location in the region. This legislation did not pass.

4-O Funding Regional Parks & Open Space

In the seven-county metropolitan area, regional parks essentially serve as state parks, and the state should continue to provide capital funding for the acquisition, development, and improvement of these parks in a manner that is equitable with funding for state parks. State funding apart from Legacy funds should equal 40 percent of the operating budget for regional parks. Legacy funds for parks and trails should be balanced between the metropolitan region and greater Minnesota. **Metro Cities supports state funding for regional parks and trails that is fair, creates a balance of investment across the state, and meets the needs of the region.**

Legislative Update: HF 2310/SF 2438 (Chapter 60) includes \$9 million in one-time funding to modernize regional parks and trails. The law also provides a \$6 million one-time general fund increase and an ongoing annual \$1.5 million increase in lottery-in-lieu funds for regional parks and trails operations and maintenance (\$28.98 million total for operations and maintenance for the FY 2024-2025 biennium).

HF 1999/SF 1682 (Chapter 40, the omnibus Legacy bill) includes \$54 million from the Parks and Trails fund for the metropolitan regional parks. The 40/40/20 split is maintained.

Chapter 72, the bonding bill, includes \$16.62 million in general obligation bonds for regional parks and trails infrastructure.

4-P Livable Communities

The Livable Communities Act (LCA) under Minn.Stat. 473.25 is administered by the Metropolitan Council and provides a voluntary, incentive-based approach to affordable housing development, tax base revitalization, job growth and preservation, brownfield clean up and mixed-use, transit-friendly development, and redevelopment. **Metro Cities strongly supports the continuation of this approach, which is widely accepted and utilized by cities.** Since its inception in 1995 the LCA program has generated billions of dollars of private and public investment, created thousands of jobs and added thousands of affordable housing units in the region.

Metro Cities monitors the LCA programs on an ongoing basis and supports any necessary program modifications to ensure that the LCA program criteria are flexible and promote the participation of all participating communities, and to ensure all metropolitan area cities are eligible to participate in the Livable Communities Demonstration Account (LCDA).

Metro Cities supports increased funding and flexible eligibility requirements in the LCDA to assist cities with development that may not be exclusively market driven or market proven in the location, in order to support important local development and redevelopment goals. Metro Cities supports the findings of a recent local official working group that identified the need for the Metropolitan Council to expand its outreach to cities on the LCA programs and to continue efforts to ensure that LCA criteria are sufficiently flexible to meet the range of identified program objectives. These efforts should include ongoing opportunities for structured input by Metro Cities and local officials.

Metro Cities supports the statutory goals and criteria established for the Livable Communities Act and opposes any changes to LCA programs that constrain flexibility in statutory goals or program

requirements and criteria. Metro Cities is monitoring 2021 modifications to the LCA program to ensure that program criteria are responsive to local needs within the context of overall LCA objectives.

Metro Cities opposes funding reductions to the Livable Communities Act programs and the transfer or use of these funds for purposes outside of the LCA program.

Metro Cities supports statutory modifications in the LCDA to reflect the linkages among the goals, municipal objectives, and Metropolitan Council system objectives.

Metro Cities supports the use of LCA funds for projects in transit improvement areas, as defined in statute, if funding levels for general LCA programs are adequate to meet program goals and the program remains accessible to participating communities.

Any proposed program modifications should be considered with input by local officials before changes to LCA programs are enacted or implemented. Use of interest earnings from LCA funds should be limited to covering administrative program costs. Remaining interest earnings should be considered part of LCA funds and used to fund grants from established LCA accounts per established funding criteria.

***Legislative Update:** The Metropolitan Council created the Local Housing Incentive Account (LHIA) Affordable Homeownership Pilot program in 2022, and it is available again in 2023. This program provides grants to support affordable homeownership development with the priorities of racial equity and geographic choice.*

The Livable Communities Demonstration Account (LCDA) program has moved pre-development to become an independent program as of 2022. The new eligible activities for LCDA programs for 2023 include general construction and rehab/preservation made available for commercial projects, and solar panels.

4-Q Density

Metro Cities recognizes the need for a density policy, including minimum density requirements, that allows the Metropolitan Council to effectively plan for and deliver cost-efficient regional infrastructure and services. Regional density requirements must recognize that local decisions, needs and priorities vary, and that requirements must be sufficiently flexible to accommodate local circumstances as well as the effect of market trends on local development and redevelopment activity.

The Metropolitan Council asks cities to plan for achieving minimum average net densities across all areas identified for new growth, development, or redevelopment. Because each community is different, how and where density is guided is determined by the local unit of government, regional density requirements should use minimum average net densities and provide flexibility to accommodate individual city circumstances.

Metro Cities opposes parcel-specific density requirements as such requirements are contrary to the need for local flexibility in a regional policy.

Any regional density policy must use local data and local development patterns and must accommodate local physical and land use constraints such as, but not limited to, wetlands, public open space, trees, water bodies and rights-of-way, and any corresponding federal and state regulations imposed on local governments when computing net densities. The Metropolitan Council must coordinate with local

governments in establishing or revising regional density requirements and should ensure that regional density and plat monitoring reports comprehensively reflect local densities and land uses.

Legislative Update: *HF 2235 – Elkins would allow for two-family property as a permitted use in all areas zoned for single-family residential statewide, which can include a duplex or a single-family property with an accessory dwelling unit. Additionally, the legislation would preempt local density setting by imposing one size fits all requirements for cities in the metro area. The bill does not account for local characteristics that inform regionally set density requirements and would put significant and premature cost obligations on cities. Additionally, the language states that only parcels that are zoned for multifamily housing at the guided level of density may qualify towards the city's affordable and life-cycle housing goals. The bill did not pass.*