RECOMMENDATIONS
INTRODUCTION

As noted in Chapter 1, the “Bottineau Land Use Planning Framework” (2012) provided a series of recommendations that span the full length of time from 2012 until the line opens in the future. The recommendations were broken into the following categories:

1. **Vision and Concept Plans**
   a. Pre-Planning*
      i. Pre-Planning: Corridor Level*  
         1. Station Area Typology*  
         2. Corridor Vision Recommendations*  
      ii. Pre-Planning: Station Level  
         1. Existing Conditions and Analysis*  
         2. Areas of Change and Stability*
   b. Market Analysis
   c. Station Area Concept Plans  
      i. Opening Day Recommendations  
      ii. Long-Term Vision

2. **Policy Changes**
   a. Station Area Policy Plans
      i. Land use & Development
      ii. Streetscape Plans
   b. Capital Improvement Plans

3. **Implementation Strategies**
   a. Zoning Changes
   b. Infrastructure Investment Framework
   c. Land Assembly
   d. Road, Pedestrian and Bicycle Connections
   e. Parking Management Strategies
   f. Business Support
   g. Development RFPs/Partnerships

4. **Community Engagement***

   In this report, we will expand on the recommendations contained in the Framework study based on the experience that has been gained through this pre-planning process.

1. **VISION AND CONCEPT PLANS**

   **Market Study**

   The Framework identified the debate in the profession regarding whether a market study or market scan approach is the preferred method to provide a basis for station area concept plans. Our recommendation is that this should not be considered an “either/or” decision because they perform different functions.

   When performing early stage market studies on transit corridors, it is possible to project demand for the corridor as a whole or large segments of the corridor, but the early stage demand projection can’t generally be precise enough to give station by station projections due to the nature of transit demand. Because fixed transit is rapid and high frequency, station by station demand can be fluid based on the type of sites available at the station as well as the character and compatibility of other development in the station area.

   Although the corridor level market research is not a direct input into station area planning, it does serve a number of valuable purposes. The first is that it provides a “reality check” on the station area planning and typologies to determine if the total

* Recommendations that have been included in this report. It should be noted that although community engagement is addressed in this report, it is an ongoing process that will be needed throughout the development of the line and TOD.
The amount of all the planned development in station area plans is in line with the total amount of projected corridor growth and supportive of the desired typology.

Without this corridor market study check, station area planning can become overly aspirational or overly conservative as communities become fixated on attractive elevations or examples of stations on other lines that may not have much in common with the subject site. Numerous examples exist of communities preparing high quality aspirational images of station areas, only to find out later that the demand available to implement the plan will take decades to accomplish the vision. The reverse situation can also be problematic. If TOD designs are overly conservative, the demand will not be satisfied resulting in lower ridership and pressure to extend TOD into stable lower density neighborhoods where it was not intended to occur.

**Market Scan**

Whereas, the early stage market study is most effective at the corridor level, the market scan is much more effective at the station area level. The market scan is an important early stage analysis because it not only provides important input into the station area planning process, but also can be an important guide for other activities that should occur long before the station opens. For instance, the market scan may identify infrastructure constraints or other obstacles to development that the community can work to address before it affects the development process. Ownership patterns can be examined and key consolidation sites identified so that private or public parties can begin to put them into larger redevelopment sites supportive of the future vision. Finally, key sites may be identified that need to be protected. For instance, recently in the Stadium Village Station Area Plan (Central Corridor), the development scan identified that only a few areas remained that were suitable to accommodate important retail demand. However, short term student housing demand had put those sites in jeopardy. In response, efforts were undertaken to preserve first floor retail space in those new developments and residential densities were increased to accommodate housing demand while preserving this important retail market function in the TOD area. The results of the market scan can be valuable for property acquisition, development review, capital improvement planning, developing partnerships, creating incentives/disincentives and economic development activities.

![Figure 8.1 - Stadium Village Area Retail Space](image-url)
**Station Area Concept Plans**

The Framework contains a good discussion of the station area concept planning process and we echo its recommendation that station area planning be accomplished prior to the transit line’s Preliminary Engineering (PE) phase. Communities that wait until PE (or after PE) to complete station area planning often find the process to be frustrating. Lost opportunities are often discovered that could have been easily accommodated if they had been identified prior to PE.

The Station Area Concept planning process should include opportunities for input from the Metropolitan Council and Hennepin County so that operational issues can be included in the plan, such as adequate locations and road geometry for feeder buses. Although each community should have control over its own Station Area Planning, it is important that all communities along the corridor maintain effective communication with each other during the process since one community’s plans could impact another’s. An overly aggressive or conservative Station Area Plan can impact others since demand impacts can be fluid along a transit line. This inter-city communication will also provide an added benefit of spreading best practices and innovative ideas so that the corridor vision can be achieved.

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**Figure 8.2 - Stadium Village Illustrative Concept Plan**

Bottineau Transitway Station Area Pre-Planning Study
2. POLICY CHANGES

Station Area Policy Plans

Capital Improvement Plans
The Station Area Planning process should identify the capital improvements that are necessary for the implementation of TOD. Capital improvements should be divided into those items necessary on the opening day of the transit line, those that will be necessary in future years and also those that will be driven by a particular development. Proposed capital improvements outside of the Station Area should be evaluated to ensure that they will not be negatively affected by the increased levels of activity in the Station Area.

- **Expansion of sewer and water capacity to accommodate additional density**
- **Road reconfiguration to serve feeder buses, kiss and rides and the transit line.**
- **Pedestrian upgrades including intersection improvements, pedestrian bridges, etc.**
- **New sidewalks and trails**
- **Structured parking**
- **Public open space, plazas and public art**
- **Pedestrian scale lighting**
- **Undergrounding utilities**
- **Landscaping**
- **Off-site ponding (unless Station Area Plan calls for the use of green roofs, tree trenches, rain gardens, vaults or other urban on-site solutions)**

Included in the cost estimation should be considerations for any required property acquisition and brownfield cleanup. In addition, long term maintenance costs should be considered so that improvements can be properly maintained.

3. IMPLEMENTATION STRATEGIES

Zoning Changes
Most traditional zoning ordinances are ill equipped for creating successful TODs on their own. However, many different zoning tools can be utilized to implement TODs including creation of new transit districts, form based codes, overlay districts, design standards, hybrid zoning, planned unit developments, development by RFP, PUDs, and incentive zoning.

One of the challenges with creating TOD zoning is the issue of phasing. It is important to put new zoning controls in place as early as possible to prevent incompatible new development. However, an overly strict application of TOD principles prior to the start of transit operations can create problems, particularly in the area of parking. Effective TODs reduce the amount of parking provided by uses significantly since a large number of automotive trips are eliminated when transit operations begin. However, prior to the start of transit operations, a use may still need to have a more traditional level of parking since its users have to arrive via automobile.

This short term excess parking need can be accommodated with solutions such as making the excess parking an interim use until a certain period of time after transit operations begin, having the developer demonstrate that there are logical use expansion plans to utilize the excess parking “proof of expansion”, or by having the excess parking need provided in an interim shared public parking lot that then can be turned into a future development site when transit operations are initiated.

Permitted use categories should be reviewed for opportunities to transition to TOD uses with the use of interim uses prior to commencement of transit operations.
Key TOD zoning concepts that should be considered include the following:

**Building Form and Massing**
- Maximum building setbacks or build to lines
- Concentrate building massing at the station and then step down to meet the surrounding neighborhood scale
- Locating buildings to minimize the length of pedestrian travel between high frequency uses
- Setbacks between buildings and the sidewalk should be designed to enhance the pedestrian experience
- Develop guidelines for streetscape improvements on private property. These improvements should include parking lot buffers, clearly defined building entries, streetscape furniture and stormwater management BMPs
- Discourage one story building forms
- Orient building entrances to streets or public plaza areas
- Encourage front porches and balconies
- Loading, garbage handling, utilities and other "back of house" activities should be carefully designed so they are screened and do not disrupt the pedestrian experience
- Minimum Floor Area Ratios and Residential Densities should be considered to encourage property density of activity
- Residential densities should average more than 10 units per acre with higher density portions of the TOD allowing 25+ units per acre
- Articulate building facades to human scale
- Adaptable building forms that allow for easy replacement of uses over time as market conditions change
Land Uses

- Encourage an active mixture of uses within the TOD and within individual buildings.
- Keep commercial activities close to the station including some retail opportunities within 1/8 of a mile of the station.
- Uses should be discouraged in the TOD that do not support transit. Negative TOD uses are generally those uses which are oriented to automobiles, sell large products that require an automobile to transport or aren’t able to be serviced well by transit.

Some examples of uses that should be discouraged include the following:

- Auto service stations, repair shops and car washes
- Auto, truck and heavy equipment sales
- Businesses with drive through service
- Cemeteries
- Convalescent facilities
- Funeral home
- Home Improvement
- Industrial uses (low intensity)
- Large lot single family (lots larger than 10,000 s.f.)
- Large format grocery
- Motels
- Nurseries
- Outdoor storage
- Regional sports fields
- Surface parking
- Warehouse stores
• Transit supportive uses are high pedestrian generators that provide opportunities for multi-link pedestrian trips. Special attention should be paid to developing both peak and off-peak uses so that the station area is active from morning until night (approximately 18 hours per day). Uses which support transit and should be encouraged include the following:

- Bars and taverns
- Cafe
- Coffee shop
- Colleges and universities
- Daycare
- Dry cleaners
- Entertainment
- Financial institutions
- Grocery store
- Health club
- Healthcare, including hospitals
- High school
- Hotels
- Live/work lofts
- Mixed use buildings
- Multi-family residential
- Office
- Personal services
- Public and quasi-public uses
- Restaurants
- Retail sales
- Small lot single family residential (in moderation at the TOD edges)
Corridor Investment Framework

The Corridor Investment Framework is discussed in the 2012 Bottineau Framework document. The purpose of a Corridor Investment Framework is to identify critical challenges and opportunities associated with TOD supportive investments that might otherwise be missed by individual jurisdictions and participants. The framework provides a comprehensive summary of all of the corridor-wide and station-specific investments necessary to fulfill the visions contained in local community-based plans, including everything from underground infrastructure to surface connections to site development. The framework is intended to help establish a coordinated voice in support of future corridor-wide funding needs, clarify strategies for various funding partners, and provide information to support individual jurisdictional funding requests and private investments.

A key component of a Corridor Investment Framework is to assess the cumulative costs associated with implementing all of the needed projects included in a corridor’s station area plans. Such an analysis will help prioritize resources since few regions have the means to invest in multiple projects simultaneously. Moreover, this type of analysis will help mitigate the negative effects of different station areas competing with one another for projects and investment. Along the Central Corridor LRT (Green Line) between Minneapolis and Saint Paul, this analysis revealed a total of over $6 billion worth of public and private investment would be needed to fully realize the plans for 11 station areas.

Land Assembly

In stations where much of the TOD will be the result of redevelopment rather than greenfield development, land assembly can be a challenge. Lots are often small and fragmented. Strategic parcels may be identified that control the redevelopment of other parcels. All of these issues need to be considered during the development of the station area plan implementation phase.

Land assembly can be facilitated by the public sector through direct acquisition of key parcels or through encouraging partnerships among private land owners. Significant public resources may be necessary for cleanup of brownfield properties or to cover the financial gap between the acquisition prices of developed properties where buildings will need to be demolished.

Although surface parking lots are generally discouraged in TOD, they can be used effectively as part of a land assembly strategy where properties are acquired and used for interim public parking needs until such time as they are redeveloped for TOD uses. This facilitates establishing a shared parking culture in the station area while also providing a site that can later be developed by RFP, providing significant public sector input into the development.
Parking Management Strategies

- Reduced need for parking and consider including maximum standards
- Increased opportunities for shared or public parking strategies
- Parking lots should be discouraged between the sidewalk and buildings but should be to the rear and sides of buildings
- Surface parking should be minimized or used as an interim use as a stepping stone to a structured parking in the future when demand warrants it
- Payments in lieu of providing parking
- Fee parking, where appropriate, to discourage automobile use
- Time limited parking or residential parking permits to discourage long term parking overflowing into surrounding neighborhoods
Business Support

During the construction process, there will be times when significant disruption for surrounding businesses may occur. Customers will face more challenges accessing businesses, signage may be difficult to see and some customers may avoid areas altogether. This can create significant strain on local businesses and therefore support programs should be developed to help businesses bridge the period of construction.

Although business support programs won’t need to be put together until about the time of Final Design, discussions should occur earlier with businesses so that they understand the process and can make informed business decisions to prepare for the changes that will occur. The Central Corridor LRT (Green Line) project has implemented a robust business support program involving public, private and non-profit partnerships. Key elements include:

- **Ready for Rail** – This is an information resource for corridor businesses that provides information and key contacts for the key time periods before, during and after construction. This includes not only financial resources but also information regarding effective ways to be heard during the construction process, marketing, and business advocacy.

- **Central Corridor Business Survey** – A survey was conducted about the services and strategies used to mitigate business losses during construction of the Central Corridor LRT. The results of this survey should be useful for guiding future business support efforts in other corridors, including Bottineau.

- **Discover CCLRT** – A “Discover Central Corridor” campaign was conducted by the St. Paul Chamber of Commerce to encourage “buy local” activities. The campaign created common branding and built awareness through social media and traditional marketing tactics.

- **Central Corridor Perks Card** – A special discount card was created for businesses along the corridor.

- **Lunch on the Avenue** – The Midway Chamber of Commerce put together an ongoing lunch series for members every two weeks to provide exposure and bring business activity to affected businesses.

Although commercial development along the Bottineau Corridor varies significantly from what exists along the Central Corridor, a number of stations in the Bottineau Corridor, such as Robbinsdale and Brooklyn Boulevard, for example, may benefit from these types of business support programs.
Inclusive Housing
As mentioned in the Bottineau Framework report, there are significant areas of existing affordable housing along the corridor so efforts in some areas may be less about providing additional affordable housing than they are about providing a range of housing options or managing pressure for displacement of existing affordable housing.

During the Station Area Planning process, communities should consider that being the site of TOD will create opportunities for housing types that may not currently be located in the community. In some instances, they may not even be allowed under current zoning requirements. Communities should have this discussion of additional housing types with policy makers throughout the planning process. It is often beneficial to schedule site visits to other corridors where stakeholders can walk through and directly experience various housing typologies. Developers or property managers will often make themselves available for these tours which can provide valuable insights about what could be improved about processes and lessons learned.
Green Infrastructure

- Green corridors should be developed along streets to provide enhanced amenities while also providing a valuable urban stormwater management.
- Create an urban forest with trees, understory plantings and above ground planting areas.
- Define opportunities for stormwater management and reuse underutilized public ROW space.
Placemaking

- Placemaking should strive to make areas fun and whimsical design elements can be very effective
- Create animated public spaces
- Enclose public spaces with buildings
- Balance public areas for active uses with more quiet and peaceful areas for relaxation
- Consider the impacts of light and shadows
- Design spaces for a wide cross section of the community including the elderly, children and the physically impaired
- Consider personal safety when designing pedestrian routes and public spaces. Adequate visibility maximizes natural surveillance.
- Visible security measures can create increase feelings of insecurity and therefore should be integrated into the design so they are ornamental in nature
- Make sure that public areas are programmed so that they serve as activity centers
- Provide design elements that serve as both aesthetic elements and locations for seating
Public Realm
- Design the public realm to encourage diverse urban experiences and create a high quality and flexible environment for people to gather, congregate, and visit in order to reinforce the sense of community, improve activity levels and increase “eyes on the street”

- Streetscape layouts should be coordinated to maximize ecological, economic and social benefits while creating a contextualized sense of place

- Enhance streets through investment in the public realm. The creation of a TOD provides a unique opportunity to improve the streets and public realm with a distinctive and consistent streetscape palette.

- Allow for safe and comfortable pedestrian and bicycle movements to and from transit stations to the adjacent neighborhoods and key destinations

- Provide wide sidewalks throughout the TOD (8’ minimum) to encourage a robust

Scenario A - South of University Avenue
pedestrian environment

- Upgrade traffic signals or install pedestrian over/underpasses along the edges of the TOD in areas where there are significant conflicts between pedestrians, bicycles and automobiles
- Encourage centralized bicycle parking
- Explore the feasibility of expanding the NICE ride bike share or similar program to the TOD
- Encourage on-street parking to enhance shared parking opportunities and calm

Figure 8.3 - Elements of Good Intersection Design
FINANCIAL STRATEGIES

This section is intended to provide a preliminary assessment of local, state and federal funding options that cities and other stakeholders may consider as they implement TOD. Because there are many factors that could initiate improvements, this list is to serve as a starting point to begin to evaluate potential funding sources as a specific project is programmed for implementation.

A description of grants and funding sources follows:

FUNDING SOURCES

Tax Increment Financing (TIF)

Tax increment financing (TIF) is the primary development finance tool available to Minnesota cities. TIF is simple in concept, but complex in its application. Through tax increment financing, the property taxes created by new development (or redevelopment) are captured and used to finance activities needed to encourage the development. The challenge in using TIF lies with the complex and ever-changing statutory limitations.

Uses

Tax increment financing can be used to finance all of the important implementation actions facing the City: land acquisition, site preparation, parking, and public improvements. In addition, TIF creates a means to borrow money needed to pay for redevelopment costs. The City can issue general obligation bonds without an election of 20% or more of the debt is supported by tax increment revenues. These bonds are not subject to any debt limit.

General Guidelines in the Use of Tax Increment Financing

The use of TIF will comply with all requirements of the Minnesota Tax Increment Financing Act, as amended. Cities will undertake a rigorous analysis to ensure that the proposed project satisfies the “but for” test embodied within the Tax Increment Financing Act.

Tax Abatement

Tax abatement acts like a simpler and less powerful version of tax increment financing. With TIF, the city controls the entire property tax revenue from new development. Under the abatement statute (Minnesota Statutes, Sections 469.1812 through 469.1815), the city, county, and school district have independent authority to grant an abatement.

Uses

Abatement in Minnesota works more like a rebate than an abatement. The city (and other units abating taxes) adds a tax levy equal to the amount of taxes to be abated. The revenue from the abatement levy can be returned to the property owner or retained and used to finance development activities. Tax abatement can be used to finance the key redevelopment actions in the station area: land acquisition, site preparation, and public improvements.

Tax abatement is perhaps best suited as an incentive for reinvestment in existing property. While TIF deals with only the added value from new development, abatement can apply to both new and existing value. This power provides the means to encourage rehabilitation of commercial buildings and housing. The City could agree to abate all or part of the municipal share of taxes to encourage reinvestment tied to the plan.

The statute grants the authority to issue general obligation bonds supported by the collection of abated taxes. The proceeds of the bonds may be used to pay for (1) public improvements that benefit the property, (2) land acquisition, (3) reimbursement to the property owner for improvements to the property, and (4) the costs of issuing the bonds. These bonds can be issued without a referendum and are not subject to the debt limit.

Limitations

State law places several important limitations on the use of tax abatement:

- In 2003, the State Legislature increased the total taxes abated by a political subdivision in any year to an amount that may not exceed the greater of 10% of the current levy or $200,000.
- If one political subdivision declines to abate, then the abatement levy can be made for a maximum of 15 years. If the city, county, and school district all abate, then the maximum period drops to 10 years.
- The duration of the abatement can be extended to 20 years if it is for a “qualified business” as defined in the statute. This provision is targeted towards industrial development applications.
- Taxes cannot be abated for property located within a tax increment financing district.

Special Assessments

Public improvements are often financed using the power to levy special assessments (Minnesota Statutes Chapter 429). A special assessment is a means for benefiting properties to pay for all or part of the costs associated with improvements, and to spread the impact over a period of years. This tool can be applied to both the construction of new improvements and the rehabilitation of existing improvements.

Uses

Special assessments can be used to finance all of the public improvements resulting from the plan. Eligible improvements include sanitary sewer, water, storm sewer, streets, sidewalks, street lighting, park, streetscape, and parking.

Special assessments provide a means to borrow money to finance public improvements. Minnesota Statutes Chapter 429 conveys the power to issue general obligation improvement bonds to finance the design and construction of public improvements. Important factors in the use of improvement bonds include:

- A minimum of 20% of the cost of the improvement must be assessed against benefited properties.
- Beyond the 20% threshold, any other legally available source of municipal revenue may be used to pay debt service on improvement bonds.
- Improvements bonds are not subject to any statutory debt limit.
- Improvement bonds may be issued without voter approval.

Limitations

The amount of an assessment cannot exceed the benefit to property as measured by increased market value. There are also practical considerations. In growth areas, cities must decide how to allocate costs between current and future development. Assessment policies must consider how to make this allocation and the financial resources needed to carry future costs until development occurs. For reconstruction, the challenge becomes determining how much benefiting property owners should pay for enhancing an existing improvement. Within this limitation, several factors will shape the amount of the assessment.

- The amount of the assessment must be 20% or more of the improvement cost to allow the issuance of bonds.
- Local improvement policies and/or decisions made on previous projects often create parameters for assessments. Likewise, assessment decisions should be made with consideration of the potential implications for future similar projects.
- The assessment must strike a balance between equity and feasibility. Properties that benefit from improvements should pay a fair share of the costs. The assessment must be affordable for both the property owner and the city. Reducing the assessment to the property requires the city to allocate other revenues to the project.

MNDOT – Municipal State Aid

Many of the streets in the station areas are part of the Municipal State Aid System. The City receives state aid for the construction and maintenance of the local streets. This aid can only be used for streets designated for inclusion in the local state aid street system. These revenues can also be pledged to pay debt service on bonds issued for the construction and maintenance of state aid streets (M.S. 162.18).

Projects will need to follow MnDOT’s standard State Aid eligibility process and the City’s general practice.

Corridor of Opportunities

Local Implementation Capacity (LIC) grants are intended to provide early support for the development of high density residential and commercial centers designed to maximize access by transit and walking or biking. Funding is focused on the need for development related planning activities.
Metropolitan Council Livable Communities Demonstration Account (LCDA)

LCDA Pre-Development grants - site-specific surface water management

LCDA Development Grants

Grant funds may be used for basic and place making public infrastructure. This includes local public streets: new streets, street realignment, reconstruction of an existing street grid, street extensions or connections. Note that these elements are eligible only when performed on local public streets. County roads are ineligible.

- Street lighting and street signs, when awarded in conjunction with one of the eligible items in Section 1(A) of the LCDA application or to retrofit an existing street grid with these elements
- Permanent public pedestrian features, including sidewalks and benches, when awarded in conjunction with one of the eligible items in Section I-A or to retrofit an existing public local street with these elements

Award limits

Council-established guidelines state that up to 40% of the total funds available in a grant cycle is available to projects located in Minneapolis and/or Saint Paul. The Council reserves the right to consider awarding more than 40% under certain conditions. There are no award limits for individual Development grants. In the past two years, awards have averaged $559,000.

Match requirements

There are no match requirements for LCDA Development grants.

Grant terms

2011 LCDA Development grant terms were three years in length, with the possibility of an administratively-approved two-year extension with the submission of adequate proof of progress.

Federal Surface Transportation Program (STP)

Like the federal TE program, the federal STP program also is administered by Mn/DOT and solicits projects every two years. This competitive program typically favors projects that involve new construction/reconstruction resulting in operational or safety improvements. However, transportation enhancements and construction to accommodate other transportation modes (i.e. walking, biking, streetcars, buses) are also eligible to receive funding under this program. Another eligible project type under the STP program that could be applicable is modification of public sidewalks to comply with American with Disabilities Act (ADA) standards.

The next solicitation for federal STP funds is the summer of 2013. Projects selected for funding would be programmed in 2017 and 2018. Once again, it bears repeating that the STP program is highly competitive and projects selected for funding are typically roadway improvement projects focusing on safety and mobility improvements.

Information available at www.metrocouncil.org/planning/transportation

Total Maximum Daily Load (TMDL) Grants

The TMDL grant program provides grants to assist with stormwater projects necessary to meet waste load reduction requirements under the Clean Water Act. TMDL grants cover 50 percent of eligible costs up to a maximum of $3,000,000.

Transportation Revolving Loan Fund

The Transportation Revolving Loan Fund provides financing to state, local and other government entities for transportation projects approved by the Minnesota Department of Transportation - Transportation Economic Development Program (TED)

Street Reconstruction

A relatively new municipal power is the ability to issue bonds to finance street reconstruction projects (M.S. 475.58). To use this authority, the streets to be reconstructed must be part of a "street reconstruction plan" that describes the streets to be reconstructed, the estimated costs, and any planned reconstruction of other city streets over the next five years. The issuance of the bonds must be approved by a vote of all of the members of the governing body following a public hearing. The issuance is subject to a reverse referendum provision. The city must hold an election prior to issuance if petitioned by voters within 30 days of the public hearing. Unlike most municipal debt, these bonds are subject to the debt limit.
Department of Employment and Economic Development (DEED) Development and Redevelopment Grants and Loans

The Minnesota Department of Employment and Economic Development (DEED) offers a number of different financial and technical resources grants to communities and businesses for the purpose of fostering business growth and addressing revitalization needs. Eligible activities include certain redevelopment projects, streets improvements supporting certain economic development projects, housing and commercial rehabilitation, and cleanup of contaminated sites.

DEED has recently implemented a “one-stop shopping” application for a variety of funding programs intended to foster and promote economic development. The “Business Development/Infrastructure Application” is a process that allows eligible applicants to apply for multiple funding sources through just one application.

Minnesota Transportation Revolving Loan Fund (TRLF)

Minnesota’s TRLF operates in much the same way as a commercial bank, offering loans and other types of financial assistance to eligible borrowers to finance transportation projects. (The term “other financial assistance” means loan guarantees, lines of credit, credit enhancements, equipment financing leases, bond insurance, and other forms of financial assistance.) Project types eligible to be funded through the TRLF include streetscaping and other enhancement items, pre-design studies, acquisition of right-of-way, road and bridge maintenance, repair, improvement, or construction, rail safety projects, signs, guardrails, and protective structures used in connection with these projects.

If a determination is made to pursue TRLF funding, the project sponsors should work with the following organizations to ensure eligibility for funding:

1) Mn/DOT District representatives who oversee the district’s Area Transportation Partnership (ATP); and

2) The Minnesota Public Facilities Authority (PFA) who essentially serves as the “banking authority” for the program.

Utility Revenues

Cities often operate municipal utilities: water, sanitary sewer and storm water. The revenues from the operation of these utilities are available to pay for capital improvements in support of community development initiatives.

State Law (Minnesota Statutes, Section 444.075) gives the authority to pledge these revenues to general obligation bonds for utility system improvements.

Special Service District/ Improvement District

A special service district is a tool for financing the construction and maintenance of public improvements within a defined area. Minnesota Statutes, Sections 428A.01 through 428A.10 govern the creation and use of special service districts. A special service district provides a means to levy taxes (service charge) and provide improvements and service to a commercial area.

Uses

A special service district can be applied to both commercial and industrial areas. The district can provide an alternative means of financing the construction of any of the public improvements discussed previously with special assessments. The service district approach avoids the benefits test imposed by special assessments; the test for the district is that the amount of service charges imposed must be reasonably related to the special services provided. The costs of parking, streetscaping, or storm water improvements, for example, may be better spread across a district than through assessments to individual properties.

An important use of the special service district is the maintenance of public improvements. Some of the improvements described in the plan require a level of maintenance above the typical public improvement. Items such as banners and planted materials must be maintained and replaced. Higher levels of cleaning and snow removal may be needed. Without a special service district, these costs are typically borne through the General Fund of the city or a private group such as a chamber of commerce.

Limitations

The use of a special service district is subject to some important constraints:
The process to create a special service district and to levy taxes must be initiated by petition of property owners and is subject to owner veto. The use of a special service district requires a collaboration of property owners and the city.

There are two separate steps in the process: (1) adoption of an ordinance establishing the service district and (2) adoption of a resolution imposing the service charges. Neither step can be initiated by the city; the city must be petitioned to undertake the processes to create a special service district and to impose service charges. At a minimum, the petitions must be signed by owners representing 25% of the area that would be included in the district, and 25% of the tax capacity subject to the service charge.

The actions of the City Council to adopt the ordinance and the resolution are subject to veto of the property owners. To veto the ordinance or the resolution, objections must be filed with the City Clerk within 45 days of initial City Council action to approve. The objections must exceed 35% of area, tax capacity, or individual/business organizations in the proposed district.

The service charge applies solely to non-residential property. State Law limits the application of a service charge to only property that is classified for property taxation and used for commercial, industrial, or public utility purposes, or is vacant land zoned or designated on a land use plan for commercial or industrial use. Other types of property may be part of the service district, but may not be subject to the service charge.

Housing Improvement Area

The City has the power to establish a special taxing district to make improvements in areas of owner-occupied housing (Minnesota Statutes, Sections 428A.11 through 428A.21). The housing improvement area is similar in concept to the special service district. It is a special taxing district that can be used to finance a variety of improvements. However, there is an important administrative difference with the housing improvement area. The City has the ability to assign the procedures for imposing “fees” and administering the area to another “authority,” such as the HRA or EDA.

A housing improvement area is a defined collection of parcels. The area may cover a single housing project or a broader area within the downtown. The city has the power to levy a “fee” on the housing units in the area. This fee may work like a property tax or may be spread using another approach determined by the city. The fee can be collected through the property tax system.

Uses

The statute allows each city to define the nature of housing improvements. This tool can be used to finance any form of public improvement, including streetscape, parking, and trails. A housing improvement area can also be used for private improvements that are part of new or existing housing developments.

Limitations

The city does not have the unilateral power to establish a housing improvement area. The process must be initiated by petition of property owners. In addition, the actions to establish the area and impose the fees are subject to veto by the property owners. These potential complications become moot if the area is set up at the beginning of the development process. Typically, there is a single property owner at this stage of the process. In existing neighborhoods, this tool allows residents to take the initiative to improve local parks.

Capital Improvement Bonds

Capital improvement bonds are the newest capital finance power for Minnesota cities. This authority was granted by the State Legislature in 2003. Through this authority, the City can issue bonds to finance the acquisition or betterment of a city hall, a public safety facility, or a public works facility. The statute does not define the precise nature of public safety or public works facilities. This debt authority is subject to several procedural requirements and limitations:

- The bonds must be issued pursuant to an approved capital improvements plan.
- The issuance is subject to a reverse referendum petition. The total principal and interest due in any year on all outstanding capital improvement bonds may not equal or exceed 0.05367% of taxable market value of the city.
**MWMO Stormwater Grants - Stewardship Fund Program**

Water pollution comes from many different sources, including our everyday activities. How we care for our yards and grounds, wash and maintain our cars, and even dispose of pet waste can contribute to water pollution in the Mississippi River. The hard surfaces of our driveways, sidewalks, and pathways increase the amount of stormwater entering the storm drains. There are many choices we can make to reduce these harmful impacts on water quality.

Projects funded through the Stewardship Fund Program should achieve the following:

- Improve water quality or improve water and natural resource management. Projects may reduce pollution (both point and non-point source) entering surface and groundwater, prevent flooding, lessen the effects of drought, increase the capacity of the watershed to store water, and/or restore or maintain habitat and native plant communities.

- Build community understanding, knowledge, and initiative related to water and natural resource issues and solutions. Projects should educate and engage people in the watershed regarding watershed issues, resulting in awareness and changed behaviors. Organizations receiving grants will increase their capacity to lead and promote water quality efforts.

- $250,000 is available annually through these grants.

- Planning Grants for up to $10,000 each are available annually to complete planning in order to develop a full application for an Action Grant or significant water quality project with another funder.

- Action Grants for up to $50,000 each are available annually to complete a significant watershed stewardship project.
### Table 8.1 - Additional Funding Sources

<table>
<thead>
<tr>
<th>Program</th>
<th>Source</th>
<th>Focus</th>
<th>Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Star Restoration Program</td>
<td>EPA</td>
<td>Wetland and stream education projects</td>
<td><a href="http://www.epa.gov/owow/wetlands/restore/5star/">http://www.epa.gov/owow/wetlands/restore/5star/</a></td>
</tr>
<tr>
<td>Kodak American Greenway Awards</td>
<td>Various</td>
<td>Greenways, blueways, trails and natural areas</td>
<td><a href="http://www.conservationfund.org/kodak_awards">http://www.conservationfund.org/kodak_awards</a></td>
</tr>
<tr>
<td>Rivers, Trails and Conservation Assistance Program</td>
<td>National Parks Service</td>
<td>Planning assistance for the establishment or preservation of greenways, rivers, trails, watersheds, and open space</td>
<td><a href="http://www.nps.gov/ncrc/programs/rtca/contactus/cu_apply.html">http://www.nps.gov/ncrc/programs/rtca/contactus/cu_apply.html</a></td>
</tr>
<tr>
<td>TIGER III</td>
<td>USDOT</td>
<td>Road, rail, transit and port projects</td>
<td><a href="http://www.dot.gov/tiger/">http://www.dot.gov/tiger/</a></td>
</tr>
<tr>
<td>Fed Brownfields EPA (Various)</td>
<td>EPA</td>
<td>Brownfield assessment, revolving loan, cleanup, planning</td>
<td><a href="http://www.epa.gov/brownfields/grant_info/index.htm">http://www.epa.gov/brownfields/grant_info/index.htm</a></td>
</tr>
<tr>
<td>National Transportation Enhancements Clearinghouse</td>
<td>FHWA</td>
<td>Expand travel choices and enhance the transportation experience by improving the cultural, historic, aesthetic and environmental aspects of transp.</td>
<td><a href="http://www.enhancements.org/Te_basics.asp">http://www.enhancements.org/Te_basics.asp</a></td>
</tr>
<tr>
<td>Smart Growth Grants</td>
<td>EPA</td>
<td>Support activities that improve the quality of development and protect human health and the environment</td>
<td><a href="http://www.epa.gov/smartgrowth/grants/index.htm">http://www.epa.gov/smartgrowth/grants/index.htm</a></td>
</tr>
<tr>
<td>Sustainable Communities Regional Planning Grant</td>
<td>HUD</td>
<td>Improve regional planning efforts to integrate housing and transp.; modernize land use and zoning</td>
<td><a href="http://portal.hud.gov/hudportal/documents/huddoc?id=ascrp01nofa.pdf">http://portal.hud.gov/hudportal/documents/huddoc?id=ascrp01nofa.pdf</a></td>
</tr>
<tr>
<td>Program</td>
<td>Source</td>
<td>Focus</td>
<td>Link</td>
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<tr>
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</tr>
<tr>
<td>Solar Energy Legacy Grants</td>
<td>DNR</td>
<td>Solar energy projects for parks and trails of regional or statewide significance</td>
<td><a href="http://www.dnr.state.mn.us/grants/recreation/se">http://www.dnr.state.mn.us/grants/recreation/se</a> Legacy.html</td>
</tr>
<tr>
<td>TIDB Grants</td>
<td>Met Council</td>
<td>Catalyze Transit Oriented Development in and around light rail transit, commuter rail, and high-frequency bus transit stations</td>
<td><a href="http://www.metrocouncil.org/services/transport/transportation/tidb.html">http://www.metrocouncil.org/services/transport/transportation/tidb.html</a></td>
</tr>
<tr>
<td>Community Forest Bonding Grants</td>
<td>DNR</td>
<td>Planting a diverse Community Forest, Removal and Replacement of Endangered Public Ash Trees, and Replacement of Trees Lost to Storms</td>
<td><a href="http://www.dnr.state.mn.us/grants/forest/communi">http://www.dnr.state.mn.us/grants/forest/communi</a> ty/forest/bonding/index.html</td>
</tr>
<tr>
<td>Federal Recreational Trail</td>
<td>DNR</td>
<td>Motorized and non-motorized trails</td>
<td><a href="http://www.dnr.state.mn.us/grants/recreation/trails">http://www.dnr.state.mn.us/grants/recreation/trails</a>_ regional.html</td>
</tr>
<tr>
<td>Outdoor Recreation</td>
<td>DNR</td>
<td>Local outdoor recreation park facilities</td>
<td><a href="http://www.dnr.state.mn.us/grants/recreation/outdoor">http://www.dnr.state.mn.us/grants/recreation/outdoor</a> recreation.html</td>
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<tr>
<td>Natural and Scenic Area</td>
<td>DNR</td>
<td>Acquisition of natural and scenic areas</td>
<td><a href="http://www.dnr.state.mn.us/grants/recreation/natural">http://www.dnr.state.mn.us/grants/recreation/natural</a> scenic.html</td>
</tr>
<tr>
<td>Local Trails Connections</td>
<td>DNR</td>
<td>Trail connections between people and desirable locations</td>
<td><a href="http://www.dnr.state.mn.us/grants/recreation/tra">http://www.dnr.state.mn.us/grants/recreation/tra</a> il-connections.html</td>
</tr>
<tr>
<td>Regional Trail</td>
<td>DNR</td>
<td>Regionally significant trails</td>
<td><a href="http://www.dnr.state.mn.us/grants/recreation/trails_regional.html">http://www.dnr.state.mn.us/grants/recreation/trails_regional.html</a></td>
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<tr>
<td>LCCMR</td>
<td>LCCMR</td>
<td>Funding recommendations to the state legislature for enhancing Minnesota's natural resources</td>
<td><a href="http://www.lccmr.kellogg.mn/us/process/process_main.html">http://www.lccmr.kellogg.mn/us/process/process_main.html</a></td>
</tr>
<tr>
<td>Highway Safety Improvement Program (HSIP)</td>
<td>DOT</td>
<td>Significant reduction in serious injury on public roads, bikeways and trails</td>
<td><a href="http://www.metrocouncil.org/planning/transporta">http://www.metrocouncil.org/planning/transporta</a> tion/hsip.html</td>
</tr>
<tr>
<td>Contamination Cleanup and Investigation Grant Program</td>
<td>DEED</td>
<td>Brownfield clean up</td>
<td><a href="http://www.politicalminnesota.com/Government/Fina">http://www.politicalminnesota.com/Government/Fina</a> ncial-Assistance/Brownfield-Cleanup-Investigation/Fund ing/Contamination-Cleanup-Investigation-Grant-Program.aspx</td>
</tr>
<tr>
<td>Surface Transportation Program (STP)</td>
<td>Met Council</td>
<td>STP, CMAQ, enhancements, and Bridge Replacement Improvement</td>
<td><a href="http://www.metrocouncil.org/services/transportation/">http://www.metrocouncil.org/services/transportation/</a> surface-transportation.html</td>
</tr>
<tr>
<td>CMAQ</td>
<td>PFA</td>
<td>Assist with the cost of wastewater treatment or stormwater treatment; necessary to meet wastewater requirement</td>
<td><a href="http://www.pollutenvminnesota.com/Government/Public">http://www.pollutenvminnesota.com/Government/Public</a> Assistance/Transportation/Infrastructural-Funds-Programs.aspx</td>
</tr>
<tr>
<td>Transportation Economic Development Program (TED)</td>
<td>DOT</td>
<td>Highway improvement to support economic development</td>
<td><a href="http://www.politicalminnesota.com/Government/Fina">http://www.politicalminnesota.com/Government/Fina</a> ncial-Assistance/Business-Development-Funding/Trans portation-Economic-Development-Program.aspx</td>
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<tr>
<td>Parks and Trails Legacy Grant Program</td>
<td>DNR</td>
<td>Parks and Trails of regional or statewide significance</td>
<td><a href="http://www.dnr.state.mn.us/grants/recreation/at_lea">http://www.dnr.state.mn.us/grants/recreation/at_lea</a> st-2-kil.html</td>
</tr>
<tr>
<td>Parks and Trails Legacy Grant Program</td>
<td>DNR</td>
<td>To support parks and trails of regional or statewide significance.</td>
<td><a href="http://www.dnr.state.mn.us/grants/recreation/at_least-2-kil.html">http://www.dnr.state.mn.us/grants/recreation/at_least-2-kil.html</a></td>
</tr>
<tr>
<td>Local Trail Connections Program</td>
<td>DNR</td>
<td>To provide relatively short trail connections between where people live and desirable locations</td>
<td><a href="http://www.dnr.state.mn.us/grants/recreation/trails_lo">http://www.dnr.state.mn.us/grants/recreation/trails_lo</a> cal.html</td>
</tr>
<tr>
<td>Regional Trail Grant Program</td>
<td>DNR</td>
<td>To promote development of regionally significant trails outside the seven-county metropolitan area.</td>
<td><a href="http://www.politicalminnesota.com/Government/Fina">http://www.politicalminnesota.com/Government/Fina</a> ncial-Assistance/Brownfield-Cleanup-Investigation/Grant-Program.aspx</td>
</tr>
<tr>
<td>Contamination Cleanup and Investigation Grant Program</td>
<td>DEED</td>
<td>Brownfield clean up</td>
<td><a href="http://www.politicalminnesota.com/Government/Fina">http://www.politicalminnesota.com/Government/Fina</a> ncial-Assistance/Brownfield-Cleanup-Investigation/Grant-Program.aspx</td>
</tr>
<tr>
<td>Environmental Assistance Grants</td>
<td>PCA</td>
<td>Landfill abatement, contaminated stormwater pond sediment, composting, greenhouse gas reductions</td>
<td><a href="http://www.metrocouncil.org/planning/transporta">http://www.metrocouncil.org/planning/transporta</a> tion/eda.html</td>
</tr>
<tr>
<td>Surface Water Assessment Grant</td>
<td>PCA</td>
<td>Water monitoring projects that support the state condition monitoring strategy</td>
<td><a href="http://www.metrocouncil.org/planning/transporta">http://www.metrocouncil.org/planning/transporta</a> tion/eda.html</td>
</tr>
<tr>
<td>Metro Bike Share Program</td>
<td>Commerce</td>
<td>North Central Minnesota—downtown</td>
<td>Investigation and clean up costs for LUSTs</td>
</tr>
<tr>
<td>Statewide Health Improvement Program (SHIP)</td>
<td>Health</td>
<td>Projects that reduce obesity and support physical activity in daily routines such as walking, biking or using recreation facilities.</td>
<td><a href="http://www.health.state.mn.us/healthcare/SHIP/">http://www.health.state.mn.us/healthcare/SHIP/</a></td>
</tr>
</tbody>
</table>