

10 Implementation

Introduction

The Richfield Comprehensive Plan sets a number of standards and directions for the community to be attained over the next ten to twenty years. Goals, policies and initiatives referenced throughout the plan can be implemented through a series of public and private actions.

The Comprehensive Plan will be implemented in a number of ways. On a daily basis, the document is used by city staff to help frame recommendations to the City Council as well as Richfield's other advisory commissions. It is used by residents and developers to understand the City's intentions for the use of land, the provision of housing, infrastructure needs and planned park and open space improvements.

Major sections of this plan contain specific implementation recommendations. Examples include:

- Land Use Chapter – Expand connectivity by creating pedestrian and bike friendly routes between residential neighborhoods and retail and employment areas. (page 4-13)

- Housing – Explore the creation of homeowners' associations for meeting routine needs such as yard maintenance and snow removal, thereby allowing elderly residents to remain in their current homes. (page 5-14)
- Transportation – Add a pedestrian/bike path to the new 76th Street bridge over I-35W. (page 6-39)
- Parks – In Heredia Park, add a landscaped plaza and covered shelter. (page 7-15)

Given the diversity represented in the types of recommendations identified above, this implementation section is organized to provide a general framework depicting implementation roles and responsibilities, official controls, finance tools and continued citizen participation.

Implementation Roles and Responsibilities

Implementation by the City will involve:

City Council

Richfield's Mayor and City Council members are the final authority in the implementation process. The Council approves all municipal plans, ordinances and programs. They also earmark funds and have the ability to execute funding agreements with federal, state and regional agencies.

The City Council works closely with key advisory commissions in implementing the goals and policies contained in the Comprehensive Plan. The Mayor and Council members also have frequent contacts with local residents and businesspersons allowing them to represent the opinions of constituents in the ongoing direction of the city.

The Mayor and Council annually approve the City's Capital Improvement Plan (CIP). The CIP process is used to identify annual project needs and priorities for project coordination as well as for financial planning. The CIP process provides for public discussion of short-range City improvements. The 2010-2013 CIP can be found in Appendix 10A of this section.

Planning Commission

Richfield's Planning Commission is charged with guiding orderly and compatible development of the community. As such, they play a key role in all development and redevelopment decisions. It is

important that the Commission's role be closely coordinated with the City Council to foster continuity between what the Comprehensive Plan's goals and policies are trying to achieve and what is actually allowed or promoted in the City's ordinances and programs.

By ordinance, the Planning Commission maintains the Comprehensive Plan for Richfield. They are the primary entity that directed the assembly of this plan and they are charged with any and all future modifications and amendments that may be proposed. The work of the Planning Commission doesn't stop with the plan's adoption. It is the role of the Commission to ensure that the City's ordinances are in conformance with the goals and policies of the Plan. Conformance may require periodic updates of the Zoning Code as well as other sections of the City Code. On an ongoing basis, it is the Commission's responsibility to review all new development and redevelopment proposals including subdivisions, lot splits, rezonings and variances for their conformance with the Comprehensive Plan.

Housing and Redevelopment Authority (HRA)

The Richfield Housing and Redevelopment Authority (HRA) was created in 1975 to assure the long-term vitality of Richfield's residential and commercial property. It uses federal, state and local funds to create

and administer programs that encourage investment in Richfield.

The HRA has implemented a number of programs to build new and to remodel existing homes. The HRA programs are described in the housing section of this Plan. The HRA also encourages investment in the City's commercial areas using tax increment financing and other funding tools. The HRA acquires and removes dilapidated commercial buildings and then works with private developers to construct new retail and office space. The HRA also supports and encourages the upgrading and remodeling of commercial properties through a variety of tools and funding mechanisms.

Community Services Commission

The Community Services Commission is an advisory group, appointed by the City Council to discuss and provide feedback on City issues relating to recreation, parks, public works and any other issues as directed. The CSC provides guidance to staff, discusses issues with others active in the community, and/or formally recommends a course of action to the City Council. The CSC also appoints the Board of Directors to the Friends of Wood Lake (FOWL), a fund-raising organization for the Wood Lake Nature Center.

Issues brought to the CSC for review will typically originate from one of two City departments: Recreation Services and Public Works. The Recreation Services Department includes the Community Center, Wood Lake Nature Center, Outdoor Swimming Pool, Adventure Gardens Mini-Golf and the Ice Arena. It is also the department that administers recreation programs and services for all ages and for people with disabilities, park improvement projects and special recreation projects. Issues raised by the Public Works Department may include park maintenance, street maintenance, water and wastewater maintenance, transportation and forestry issues.

Transportation Committee

The City Council created a Transportation Committee in 2003 to provide advice on various transportation policy issues. At the present time, the Committee is involved in the review of proposed improvements to I-494 and I-35W. Of particular concern to the Committee will be the amount of access provided to the freeways in Richfield and the amount of right-of-way needed to upgrade the freeway network.

Official Controls

The City's official controls include ordinances, fiscal devices and public programs that are established to

carry out the Comprehensive Plan's land use, housing, transportation, public infrastructure, parks & open space goals and policies. The City's Ordinances, as established in the City Code, are the primary tools for implementing the Comprehensive Plan's goals and policies. Of particular note and relevance to the Comprehensive Plan is Chapter V of the Code which addresses planning and land use and Appendix B which contains the Zoning Code. These regulations include subdivision regulations to guide the division or re-division of land, guide street design and ensure the provision of utilities and adequate park land throughout the City; planned unit development regulations to allow for greater design flexibility and efficient land use; as well as shoreland and surface water regulations that ensure the protection of our natural resources. A current zoning map and a table describing current zoning districts are provided in Appendix 10B. Following approval of the Comprehensive Plan Update, the City will create additional airport overlay regulations related to building standards for residential dwellings within the airport noise contour areas and take steps to address any other inconsistencies between the Comprehensive Plan and the current zoning ordinance.

State law requires that zoning regulations be in compliance with the Comprehensive Plan. Following an update or amendment to the Comprehensive

Plan, the City has nine (9) months to review and amend its Zoning Code to bring it into compliance with the modified Plan. The City of Richfield has determined that the creation of nonconforming single-family homes/uses should be avoided except in areas that are targeted for redevelopment, as determined by the existence of a redevelopment document or plan. Single-family properties that are not within one of these designated redevelopment areas shall be deemed "transitional low-density" areas and rezoning will be deferred until multiple lots have been assembled and redevelopment as defined by the Comprehensive Plan becomes feasible.

The current ordinances are generally consistent with the Comprehensive Plan. The updated land use categories and designations that are adopted as part of the 2008 Comprehensive Plan update may suggest a need for amending at least one portion of the City's Zoning Code, that portion related to mixed-use.

The 2008 Comprehensive Plan establishes a new mixed use area encompassing the Lakes at Lyndale (66th and Lyndale) and the Hub Shopping Center located at 66th and Nicollet. As a part of the I-494 corridor study completed by the City in 2005, Richfield established three mixed use zoning categories (City Code: 537.01). The Mixed Use Regional and Mixed Use Community categories need to be reviewed to assess their application to the new mixed use area.

As Richfield moves toward more mixed use development in the future, it may be advisable to consider a zoning approach that is more building- or form-based in lieu of the City’s current land use categories which are more function-based.

Finance Tools

Overview

State Law provides a broad array of powers and tools that may assist the City of Richfield in financing public infrastructure and facilities. These tools are subject to the empowering statutes that must be referenced prior to actual use.

Every statutory power contains a unique set of authorizations and restrictions. Richfield will need to carefully consider which tools and techniques are applicable to various types of desired improvements. For example, public improvements can be financed with special assessments, special service districts, housing improvement areas, tax abatement and tax increment financing. To evaluate the use of potential statutory powers, Richfield needs to consider the following questions.

- Who can use the powers? Most municipal powers are granted directly to the city. In these cases, the Richfield City Council can act without the involvement of any other body. Some development

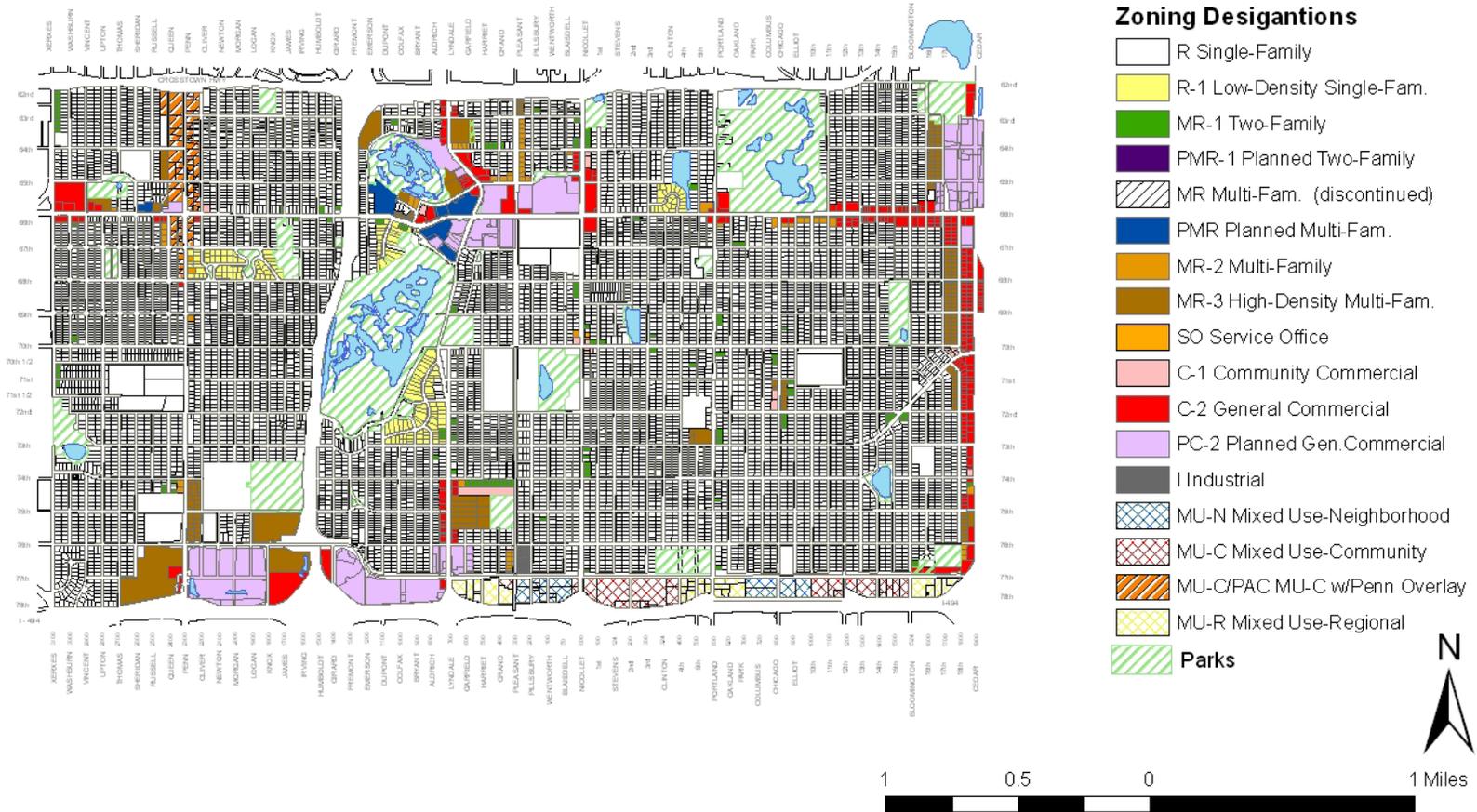
Table 10.1 Zoning Districts

Zoning Districts		Min. lot size (sq.ft.)	Average Density (u/a)
R	Single-Family Res.	6,700	6.5
R-1	Low Denisty Single-Family	10,000	4.4
MR	Multi-Family Res. (discontinued)	N/A	N/A
MR-1	Two-Family Res.	10,000	8.7
MR-2	Med. Density Res.	15,000	17.4
MR-3	High Denisty Res.	60,000	21.8
SO	Service Office	8,000	N/A
C-1	Neighborhood Business	8,000	N/A
C-2	General Commercial	9,000	N/A
MU-R	Mixed-Use Regional	none	Varies
MU-C	Mixed-Use Community	none	Varies
MU-N	Mixed-Use Neighborhood	none	Varies
I	Industrial	10,000	N/A
PUD	Planned Unit Development	43,560	Varies

Figure 10.1 Zoning

City of Richfield

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powers reside solely with another entity, such as the Housing and Redevelopment Authority.

- How do the powers function? Every municipal development power carries certain requirements and implications for its use. For example, tax increment financing involves a complex set of statutory requirements. Property owners must petition to start the process for establishing a special service district. Tax abatement discussions should involve the county. Important issues that shape decisions on finding and using the right tools to implement a plan.
- Does the power provide funding capacity? Many statutes provide access to revenues and debt that can be used to finance implementation initiatives. Several questions can help guide the evaluation of the funding capacity in a given statute:
 - a. What revenues are authorized?
 - b. How can the revenues be used?
 - c. Can the city issue the bonds as “general obligations,” achieving the lowest interest rates?
 - d. Do the bonds count against the city’s debt limit?
 - e. What approvals are needed to authorize use of these powers?

Some key sources of statutory authority come from the following:

- Constructing public improvements and levying

special assessments - Chapter 429.

- Constructing, operating, and maintaining water, sanitary sewer and storm water utility systems - Section 444.075.
- Creating and using special service districts - Sections 428A.01 through 428A.101.
- Creating and using housing improvement areas - Sections 428A.11 through 428A.21.
- Establishing and using tax increment financing districts - Sections 469.174 through 469.1791.
- Making and using tax abatement levies - Sections 469.1812 through 469.1815.
- Powers granted to cities through housing and redevelopment authorities - Sections 469.001 through 469.047.
- Powers granted to cities through economic development authorities - Sections 469.090 through 469.1081.
- Lease financing for real and personal property - Section 465.71.

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 a wide range of public improvements. 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. 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 bond. Improvements bonds are not subject to any statutory debt limit.
- Improvement bonds may be issued without voter approval.

Limitations

Careful consideration must be given to setting the amount of the assessment. From a legal perspective, the amount of an assessment cannot exceed the benefit to property as measured by increased market value. There are also practical considerations. 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.

Utility Revenues

Richfield operates three 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.

Street State Aid

Richfield 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).

Street Reconstruction

Richfield has 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 the City Council 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.

Storm Sewer Improvement District

Cities have the authority to establish storm sewer improvement districts to acquire, construct, reconstruct, extend, maintain, and otherwise improve storm sewer systems and related facilities within the district (Minnesota Statutes, Sections 444.16 to 444.21). The boundaries of the district are defined by ordinance. The city may levy a tax on property in the district to pay for these activities. The city may also issue general obligation bonds supported by this tax. The bonds are not subject to a referendum or to the debt limit.

Tax Increment Financing

Tax increment financing (TIF) is the primary development finance tool available to Minnesota cities (Minnesota Statutes, Sections 469.174 through 469.179) and it has been used by Richfield on a number of occasions over the past ten years. 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. These complexities make it impractical to provide a thorough explanation of tax increment financing as part of this plan. Instead, this section highlights the

use of TIF as it relates to the implementation of the plan.

Uses

Tax increment financing can be used to finance all of the important implementation actions that may face 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 if 20% or more of the debt is supported by tax increment revenues. These bonds are not subject to any debt limit.

Limitations

State Law imposes a variety of restrictions on the use of TIF. Several of these restrictions are particularly relevant to implementation of the Plan.

Use of Tax Increments. The use of tax increment revenues is controlled by both State Law and by local plan. State Law sets forth specific limitations based on the type of TIF district. These limitations generally tie back to the original criteria used for establishing the district. For example, at least 90% of the revenues derived from tax increments from a redevelopment district or renewal and renovation district must be

used to finance the cost of correcting conditions that allowed for the designation of the district. This limitation requires careful consideration of the links between individual projects and the community development initiatives. The use of tax increment must also be authorized by a tax increment financing plan adopted by the city.

Pooling. The term pooling refers to the ability to spend money outside of the boundaries of the TIF district. For redevelopment districts, not more than 25% of revenues can be spent on activities outside of the TIF district. The limit is 20% for all other districts. Monies spent on administrative expense count against this limit. This limit reduces the ability of TIF to pay for area-wide improvements and to use excess revenues to support other development sites.

Timing Constraints. Timing factors must be considered in creating a TIF district. Establishing a district too far in advance of actual development may limit future use. Within 3 years from the date of certification, the city must undertake activity within the district. The statutory criteria of activity includes issuance of bonds in aid of a project, acquisition of property or the construction of public improvements. Without qualifying activity, no tax increment can be collected from the district. Within 4 years from the

date of certification, the city or property owners must take qualifying actions to improve parcels within the district. All parcels not meeting these statutory criteria must be removed (knocked down) from the district. Upon future improvement, any parcels removed may be returned to the district. After 5 years from the date of certification, the use of tax increment is subject to new restrictions. Generally, tax increment can only be used to satisfy existing debt and contractual obligations. The geographic area of the TIF district can be reduced, but not enlarged, after 5 years from the date of certification.

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 downtown: 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 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 an election and are not subject to the debt limit.

Special Service 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, streetscape, 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.

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

Cities have 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.

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.

Lease Revenue Bonds

Public buildings can be financed through the issuance of lease revenue bonds. This tool combines two pieces of statutory authority. The Richfield Housing and Redevelopment Authority has the ability to issue revenue bonds to finance projects pursuant to a redevelopment plan. These projects can include the construction of public buildings. Most HRA's do not, however, have sufficient revenues to secure these bonds. A city can provide this revenue through a lease purchase agreement with the HRA. The authority for the lease comes from Minnesota Statutes, Section 465.71.

In considering the use of lease revenue bonds, several factors should be noted:

- The lease is not a long-term, binding obligation in the form of most city bond issues. The lease is subject to a statutory "annual appropriation" pledge. In simple terms, the city council has the right not to appropriate funds to pay the lease in any fiscal year. This action would, however, mean forfeiture of the facilities financed with the lease.

- If the amount of the lease exceeds \$1,000,000, then the obligation is subject to the statutory debt limit. This limit equals 2% of the taxable market value of property in the city.
- A levy by the city to make payments on lease revenue bonds qualifies as a special levy under the current levy limit system. A levy to pay debt of another political subdivision is an eligible special levy. Although a HRA is a part of city government, it is technically a political subdivision.

Capital Improvement Bonds

Capital improvement bonds are a relatively new capital finance power for Minnesota cities. 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 percent of taxable market value of the city.

Citizen Participation

Citizen participation in the local planning process is a key element in the continued implementation of the Comprehensive Plan. Open communication should characterize the relationship between city government and local citizens. The expression of public opinion and its subsequent consideration in decision-making are essential ingredients in implementing all public policy issues including the Comprehensive Plan.

Citizen participation was a component of the preparation and adoption of this Comprehensive Plan. Six public open houses and a public hearing were held during 2007 and 2008 to seek citizen participation in establishing the community's long-term vision, guiding principles and feedback on redevelopment scenarios. Additionally, a number of newsletters were prepared and sent to every Richfield household. The City's website was also used as a conduit for updated information during the planning process and as a means to actively receive community input. Information about this plan and its subsequent amendments can be found on www.ci.richfield.org.

The implementation of the Comprehensive Plan also requires a strong citizen participation effort. The community will need to continually re-evaluate the Comprehensive Plan to ensure that it accurately portrays the community's goals for the future.

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Appendix 10A

Capital Improvement Budget and Plan 2010-2013

(see separate document)

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