



Chapter 11

Implementation

Implementation is essential to convert *Aspire Eden Prairie 2040* into physical change and action within the City of Eden Prairie. This chapter provides the tools and strategies to assist with achieving the City's long-term vision and applying recommendations to meet the specific goals and objectives of the plan.

Chapters 3 through 8 of this document include specific implementation strategies aimed at assisting the City in achieving the plan's recommendations and policies. Successful implementation of *Aspire Eden Prairie 2040* over the years will require a variety of actions and initiatives, ranging from regulatory, administrative, capital improvements, general policy, and more. Several tools already exist with the City's controls and programs, but may require review and amendments to effectively implement the new Comprehensive Plan, including but limited to the Zoning Ordinance, Subdivision Ordinance, and the Capital Improvement Plan (CIP).

After adoption of the new Comprehensive Plan, the next level of implementation strategy is the development and administration of the ordinances and regulations that carry out the plan's goals and policies. The City of Eden Prairie possesses an established set of ordinances, plans, and programs that should serve as efficient and effective tools for implementing the goals and policies found in this document.

This chapter includes four core elements: (1) Official Controls, (2) Administration, (3) Funding Sources, and (4) Capital Improvement Program. These four areas of focus provide a comprehensive approach to ensuring that all plan recommendations can be tied to specific actions, strategies, and policies, many in coordination with other City implementation and planning initiatives.

Official Controls

Implementing *Aspire Eden Prairie 2040* will require a wide range of implementation actions, collectively aimed at realizing the Plan's recommendations. Zoning and other development regulations are a powerful tool for implementing the Plan. Regulatory controls are municipal ordinances that direct the land use and physical development of properties within the City limits. They seek to promote the health, safety, and general welfare of Eden Prairie residents by minimizing nuisances, reducing hazards, and optimizing land use compatibilities, while guiding the character of the built environment in a manner reflective of the community's aspirations.

This section provides a framework for a zoning and regulatory strategy aimed at implementing *Aspire Eden Prairie 2040*. The guidelines and recommendations outlined in this section are based on Plan recommendations that can be at least partially realized through the implementation of zoning amendments and other regulatory actions related to water supply and private sewage systems.

Regulatory changes are intended to enhance the visual appearance and image of the community and advance the public welfare through the resulting benefits to the economy, character, and quality of life in the City of Eden Prairie. By using the recommendations and guidance contained in this section, the City will be well-positioned to establish the regulatory controls necessary to ensure an attractive physical environment, accommodate contemporary development practices, promote compatibility with established residential areas, and enhance the economic viability and strength of the entire community.

Chapter 11 of the Eden Prairie City Code is the Zoning Ordinance, which includes standards and regulations for land use, environmental protection, tree preservation, and aesthetic character. The Zoning Ordinance and Zoning Map will be amended, as necessary, to reflect the new policies adopted by the City as a part of this Comprehensive Plan. Chapter 12 of the Eden Prairie City Code is the Subdivision Ordinance. This section describes the procedures, submission requirements, and design standards for the subdivision and platting of land within the City. It includes regulations for roadway design, utility installation, drainage, and dedication of parks and open spaces as part of new subdivisions. Chapter 3, Municipal and Public Utilities – Rules and Regulations, Rates, Charges and Collections, and Chapter 10, Construction Permits and Regulations, both provide regulations for water and sewage access. These chapters provide regulations and standards for individual sewage treatment systems (ISTS), access to the City's water supply, and other items.

Upon adoption of the Comprehensive Plan, a comprehensive update to the zoning, subdivision, and sign ordinances should be completed to ensure that all regulatory controls align with the vision set forth in the Plan. This must be completed within nine months of adoption.

Review of Official Controls

Although this section identifies several recommended actions related to zoning and regulatory controls and procedures, adoption of Aspire Eden Prairie 2040 should be followed by a detailed and thorough review and update of the City's various development controls including the zoning ordinance and subdivision ordinance. It is essential that all development controls be consistent with and complement the Plan's vision, goals, objectives, and strategies.

The Comprehensive Plan strives to address economic development, growth and investment, sense of place and community character, transportation and parking, and much more. Many of these items, especially those that have a physical or use-related component, are directly impacted by the City's regulatory controls. By using the Comprehensive Plan to direct zoning and regulatory amendments, the City will begin to effectively implement key plan recommendations. Areas of Plan recommendations that can be at least partially addressed through zoning and development regulations include aligning zoning with the Land Use Plan, prioritizing infill development, residential design guidelines, parkway trees and landscaping, creating pedestrian environments, and many more.

The *Eden Prairie Zoning Code* is a regulatory document that dictates land use and guides development within the City. Last revised in 2018, the code dictates how land can be used and established standards for development to ensure quality investment that adheres to long-term policy and contributes to quality of life. While essential to planning, the zoning code is also a valuable resource for property owners and developers seeking to invest within the community. The regulations establish 33 zoning districts, including districts for residential, office, commercial, town center, transit-oriented development, industrial, public, golf course, airport office, airport commercial, and parks and open space uses.

Residential Districts	Minimum Zone Area (Acreage/ Sq. Ft.)	Minimum Lot Size	Minimum Lot Width-Depth		Minimum Lot Width at Right-of-way Line	Minimum Yard-Setback				Gross Site Area Per Dwelling Unit Sq. Ft. Or Acres	Group Usable Open Space Per Dwelling Unit Sq. Ft.	Max Floor Area Ratio (FAR)	Maximum Height of Main Structure (Ft.)
			Width Ft.	Depth Ft.		Front Ft.	One Side Ft.	Both Sides Ft.	Rear Ft.				
Rural	10 Acres	10 Acres	300	300	300	50	50	150	50	10 Acres	N/A	N/A	40
R1-44	44,000	44,000	100	150	100	30	15	30	30	44,000	Park Ded.	N/A	40
R1-22	22,000	22,000	90	125	90	30	15	30	25	22,000	Park Ded.	N/A	40
R1-13.5	13,500	13,500	85*	100	85	30	10	25	20	13,500	Park Ded.	N/A	40
R1-9.5	9,500	9,500	70*	100	70	30	(See Subd. 2 Item 8)	(See Subd. 2 Item 8)	20	9,500	Park Ded.	N/A	40
RM-6.5	13,000	3,000	24	100	24	30	10	20	20	6,500	Park Ded. Plus 1000 Sq. Ft./Unit	N/A	40
RM-2.5	25,000	25,000	150	150	150	35	25	50	30	2,500	Park Ded. Plus 600 Sq. Ft./Unit	N/A	45

Residential Districts

The zoning code establishes seven residential zoning districts including, Rural, R1-44, R1-22, R1-13.5, RM-6.5, and RM-2.5. These districts are intended to accommodate a variety of residential uses including single-family detached, single-family attached, and multi-family developments at a range of densities and scales. The table below details the dimensional standards for each district.

Future Land Use Compatibility Review

Several areas, particularly in the southern portion of the City have been identified in the Land Use Plan as Low Density Residential. The Low Density Residential land use would most likely correlate with the R1-44 zoning district which requires a minimum lot size of just over an acre, a minimum lot width of 100 feet, a minimum lot depth of 150 feet, and setbacks of 30 feet. Many of these areas identified in the Land Use Plan as Low Density Residential are currently zoned Rural. The Rural zoning district requires a minimum lot size of 10 acres, a minimum lot width of 300 feet, a minimum lot depth of 300 feet, and setbacks of 50 feet. The vision established in the Land Use Plan for these areas could be accomplished by rezoning these parcels to the RS-44 zoning district.

In addition to opportunities to up-zone properties, the Land Use Plan identifies areas where lower densities are desired. Several areas that are currently zoned RM-2.5 are identified in the Future Land Use Plan as Medium High Density Residential land uses. This vision would best be accomplished by rezoning these parcels from RM-2.5 to RM-6.5. This would decrease the residential density from 2,500 square feet per dwelling unit to 6,500 square feet per dwelling unit.

Office/ Commer- cial/ Indus- trial/Dist.	Minimum Lot Size			Minimum Lot Width At Right- of-way	Minimum Yard-Setback				Site Area Per Dwelling Unit Sq. Ft. Or Acres	Max. Floor Area Ratio (Far)	Maximum Base Area Ratio (Bar)*	Height Of Main Structure (Ft.)
	Area S.f. Of Acres	Width Ft.	Depth Ft.		Front Ft.	One Side Ft.	Both Sides Ft.	Rear Ft.				
OFC	20,000	100	100	100	35	20	50	20	Dwelling Not Permitted	0.3 - 1 Story 0.5-Multi Story	0.3	30
N-COM	2 Acres	200	200	200	35	20	40	10	Dwelling Not Permitted	0.2 - 1 Story 0.4-Multi Story	0.2	30
C-COM	5 Acres	300	300	300	35	20	40	10	Dwelling Not Permitted	0.2 - 1 Story 0.4-Multi Story	0.2	30
C-HWY	20,000	100	130	100	35	20	40	10	Dwelling Not Permitted	0.3 - 1 Story 0.4-Multi Story	0.3	40
C-REG-SER	10,000	80	100	80	35	20	40	10	Dwelling Not Permitted	0.2 - 1 Story 0.4-Multi Story	0.2	40
GC	75 Acres	100	300	100	35	20	40	10	Dwelling Not Permitted	0.3 - 1 Story 0.5-Multi Story	0.3	30
A-C	2 Acres	200	200	200	35	20	40	10	Dwelling Not Permitted	0.2 - 1 Story 0.4 - 2 Story	0.2	30
A-OFC	20,000	100	100	100	35	20	50	20	Dwelling Not Permitted	0.3 - 1 Story 0.5- Multi Story	0.3	30

Office & Commercial Districts

The zoning code establishes six office and commercial districts including, OFC, N-Com, C-Com, C-Reg, C-Reg-Ser, and C-Hwy. These districts are intended to accommodate a variety of office, commercial retail, and commercial service uses at a range of densities and scales. The table below details the dimensional standards for each district.

Future Land Use Plan Compatibility Review

The Future Land Use Plan identifies Eden Prairie Center and its outlots as well as the Michaels, HomeGoods, and other commercial uses south of Castle Moor Drive east of Columbine Road, north of Fountain Place, and west of Flying Cloud Drive as the Mixed Use land use designation. This change in land use reflects the community's vision of better integrating this area with the existing Town Center area further south. This area is currently zoned C-REG and C-REG-SER. Similarly, the Future Land Use Plan identifies the area west of Flying Cloud Drive, north of Regional Center Road, east of Prairie Center Drive, and south of Eden Road as the Town Center Land Use. This area is also currently zoned C-REG and C-REG-SER.

In order to realize the vision, set forth in the future land use plan in both of these areas, several amendments to the zoning of this area would be necessary including:

- Permit residential dwelling units.
- Decrease minimum zone area and lot size requirements.
- Eliminate front yard setback requirements.
- Decrease side yard setback requirements.
- Decrease off-street parking and loading requirements.
- Increase floor area ratio maximums. These changes could be accomplished by rezoning the parcels to an appropriate Town Center District and Transit-Oriented Development District respectively.

Additionally, many parcels throughout the City that are currently zoned OFC are identified in the Land Use Plan as the Industrial Flex Tech Use. The OFC zoning district permits business and professional offices and accessory uses, supporting commercial sales and services, and public infrastructure and utilities. In order to realize the vision of the Land Use Plan, the City should consider expanding the list of permitted uses in the OFC district to include limited light industrial uses like small manufacturing, warehousing, and distributing. It is recommended that these additional uses be permitted conditionally with the intent and purpose of promoting and supporting heavy employment in existing employment-focused areas of the City and on the condition of adherence to appropriate design guidelines.

Standard	TC-MU		TC-R		TC-C	
Lot Size	None		None		None	
Lot Width	50 ft min		50 ft min		50 ft min	
Lot Depth	100 ft min		100 ft min		100 ft min	
Front Yard Setback (ft)	0 min	10 max	10 min	20 max	0 min	15 max
Side Yard Setback (ft)	0 min		10 min		5 min	
Rear Yard Setback (ft)	0 min		20 min		10 min	
Building Height ¹ (# of floors)	4 min	6 max	4 min	10 max	1 min	3 max
Building Footprint Coverage	50% min	75% max	40% min	60% max	30% min	50% max
Floor Area Ratio (FAR) ¹	2.25 max		2.25 max		0.5 max	
Building Street Frontage	75% min		60% min		50% min	
Impervious Surface Coverage	90% max		75% max		75% max	
Ground Floor Height	12 ft min		None		12 ft min	
Street Façade Building Stepback	8 ft min (above 4 floors)		8 ft min (above 6 floors)		N/A	
Street Façade Building Breaks ³	20% min		15% min		15% min	
Street Level Frontage Transparency	60% min		20% min		40% min	
Usable Open Space	5%		10%		N/A	

Town Center Districts

The zoning code establishes three Town Center districts including, TC-MU, TC-R, and TC-C. TC-MU requires high intensity vertical mixed use buildings with ground floor retail that front main streets. TC-R allows a mix of stacked housing types including high-rise and mid-rise residential. TC-C allows a mix of lower intensity commercial uses. All new development in the Town Center districts is subject to the Town Center Design Guidelines. The table below details the dimensional standards for each district.

Transit-Oriented Development Districts

The zoning code establishes three transit-oriented development districts including, TOD-MU, TOD-R, and TOD-E. These districts are intended to provide for development of attractive, compact, pedestrian friendly, high-density, environmentally and economically sustainable, transit-oriented areas which allow for a complementary mix of land uses. These districts are regulated with a form-based code. The table below details the dimensional standards for each district.

Office/ Commer- cial/ Indus- trial/Dist.	Minimum Lot Size			Minimum Lot Width At Right- of-way	Minimum Yard-Setback				Site Area Per Dwelling Unit Sq. Ft. Or Acres	Max. Floor Area Ratio (Far)	Maximum Base Area Ratio (Bar)*	Height Of Main Structure (Ft.)
	Area S.f. Of Acres	Width Ft.	Depth Ft.		Front Ft.	One Side Ft.	Both Sides Ft.	Rear Ft.				
C-REG	50 acres	N/A	N/A	N/A	80	80	160	60	Dwelling Not Permitted	0.2 - 1 Story 0.5-Multi Story	0.2	40
I-2 PARK	2 acres	200	300	200	50	20	40	25	Dwelling Not Permitted	0.3 - 1 Story 0.5-Multi Story	0.3	40
I-5 PARK	5 acres	300	300	300	75	30	60	25	Dwelling Not Permitted	0.3 - 1 Story 0.5-Multi Story	0.3	40
I-GEN	5 acres	300	300	300	75	30	60	50	Dwelling Not Permitted	0.3 - 1 Story 0.5-Multi Story	0.3	40
PUB	N/A	N/A	N/A	N/A	50	50	150	50	Dwelling Not Permitted	N/A	N/A	30
P-PARK AND OPEN SPACE *perimeter setback	N/A	N/A	N/A	N/A	35*	25*	50*	50*	Dwelling Not Permitted except for existing Historic Sites	N/A	N/A	30

Industrial Districts

The zoning code establishes three industrial districts including, I-2, I-5, and I-Gen. These districts are intended to accommodate a variety of industrial uses from light to heavy manufacturing at a range of scales and densities. These districts work to isolate and screen residential areas from potential negative impacts associated with noxious, industrial uses. The table below details the dimensional standards for each district.

Future Land Use Plan Compatibility Review

Several parcels currently zoned I-2 or I-5 are identified in the Land Use Plan as office uses. Although the zoning districts permit office uses as of right, the lot size requirements are more than four times to 10 times larger than those in the OFC district. Should the City desire higher density office development in these areas, the rezoning of these parcels to the OFC district should be considered.

Public District

The zoning code establishes the public district to provide a procedure for the orderly establishment of public facilities, expansion of their operations, or change in the use of lands owned by governmental agencies or entities that operate places of worship, cemeteries, private schools, and community centers as defined by City Code and for the identification of drainage ways and flood plains.

Golf Course District

The zoning code establishes the golf course district to provide for golf, golf holes, practice ranges and greens, tennis courts, club houses, swimming pools, maintenance and storage buildings, pump houses and wells, shelter houses, cart paths, irrigation facilities, croquet, lawn bowling, platform tennis, cross country skiing, snow shoeing, ice skating, and other passive recreational activities with non-motorized use, provided however golf carts are permitted. The term “golf course” does not include permanent or temporary residential use or transient hotel use.

Park and Open Space District

The zoning code establishes the park and open space district to promote, preserve, and protect publicly owned parks and open space through conservation and appropriate compatible development; provide opportunities for active and passive indoor and outdoor recreation and leisure activities integral to the overall quality of life; protect natural resources including grassland, forest, wetlands, and other features; enhance property values; and further the purposes of the *City’s Parks and Open Space System Plan*.

Subdivision Regulations

Chapter 12 of the City's municipal code is dedicated to subdivision regulations. The purpose of the chapter is to establish requirements and conditions to the subdivision of land and standards for the review and approval of applications. The chapter allows for both administrative approval and council approval under varying circumstances. Additionally, the chapter established design standards including, conformance with the comprehensive plan, street dimensions and materials, intersections, sidewalks and trails, water supply, sewage disposal, drainage, easements, street names, and lots. Additionally, the chapter established parkland dedication requirements as well as required site improvements.

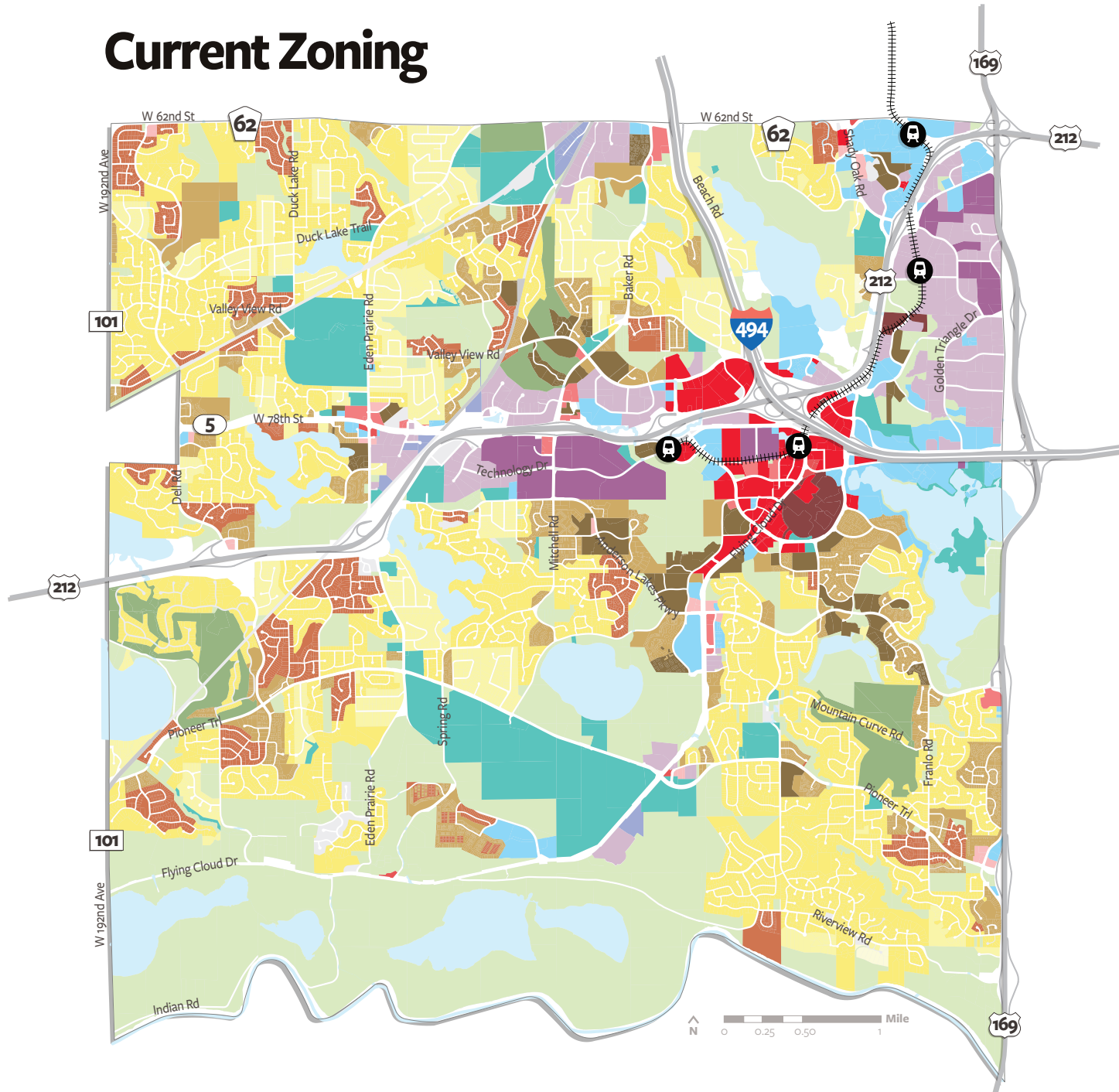
In order to be as compatible and complimentary to the Comprehensive Plan as possible, the City should consider revising the chapter to include measures that would ensure that new subdivisions be as walkable as possible. Revisions could include the addition of block length maximums and connectivity index requirements.

Water Supply & Private Sewer Systems

Section 10.04 of the Eden Prairie municipal code addresses individual water supply. The City has adopted by reference the Water Well Construction Code adopted by the Minnesota State Board of Health as amended from time to time.

Water supply and sewage treatments is addressed in Section 11.50.15. This subdivision of the code addresses sanitary restrictions, water supply and sewage treatment, and septic tank and soil absorption systems. Private sewer systems are also addressed in Section 11.50.08(D)(3) and are required to be setback from the ordinary high-water level in accordance with established minimums for varying classes of public water. Nonconforming sewage treatment systems are addressed in 11.50.16(D).

Current Zoning



Zoning Districts

- | | | |
|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------|
| ■ Rural | ■ (OFC) Office | ■ (I-2) Industrial |
| ■ (R1-44) One Family - 44,00 SF. Min. | ■ (N-COM) Neighborhood Commercial | ■ (I-5) Industrial Park |
| ■ (R1-22) One Family - 22,000 SF. Min. | ■ (C-COM) Community Commercial | ■ (I-GEN) General Industrial |
| ■ (R1-13.5) One Family - 13,500 SF. Min. | ■ (C-HWY) Highway Commercial | ■ (PUB) Public |
| ■ (R1-9.5) One Family - 9,500 SF. Min. | ■ (C-REG-SER) Regional Service Commercial | ■ Right-of-Way |
| ■ (RM-6.5) Multi-Family - 6.7 U.P.A. Max. | ■ (C-REG) Regional Commercial | |
| ■ (RM-2.5) Multi-Family - 17.5 U.P.A. Max. | ■ (GC) Golf Course | |

Administration & Follow-Up

A comprehensive plan should be used daily, functioning as the official policy guide for land use, development, and community improvement in Eden Prairie. It should act as a “go-to” document to assist City staff, the City Council, and other boards and commissions, providing direction for the review and evaluation of future projects, development proposals, and initiatives. In addition, the City should encourage service providers and partner organizations to utilize the plan when establishing goals and analyzing future development, new facilities, infrastructure extensions, and programming.

Use the Plan Frequently

To ensure daily usage and further educate the community about Aspire Eden Prairie 2040, the City should:

- Make copies of the plan document available online.
- Explain to the public the plan and its relationship to public and private development projects, and other proposals as appropriate.
- Assist the City Council and other boards and commissions in the day-to-day administration, interpretation, and application of the plan.
- Provide a plan “orientation” for new staff, officials, and board members that highlights key takeaways and major goals of Aspire Eden Prairie 2040 that are essential to local policies and initiatives.
- Maintain a list of current possible amendments, issues, or needs that may be the subject of change, addition, or deletion from the plan.

Develop and Maintain Partnerships

The City of Eden Prairie should be the primary lead for plan implementation, coordinating administrative actions and public improvement projects as identified within the Comprehensive Plan. The success of implementation will be reliant on developing and maintaining partnerships with the numerous stakeholders throughout Eden Prairie, including public agencies, neighborhood groups, adjacent municipalities, the local business community, foundations, and the private sector. Given the breadth and scope of the plan, these organizations will be essential to assisting the City in reaching the established goals and vision for the future of Eden Prairie.

Per the recommendations of the plan, the City should identify specific organizations and agencies to assist with implementation and explore opportunities for potential partnerships and collaborations. This should include open and regular communication with other governmental and service districts such as Eden Prairie Schools, Hennepin County, the Minnesota Department of Transportation (MnDOT), and utilities companies. This should include discussion following adoption of the plan regarding what goals and recommendations are most likely to affect partner agencies. Further, the City should encourage property owners and developers to undertake improvements and new construction that conforms to the directives of the plan.

Maintain Public Communication

The Comprehensive Plan was supported by an outreach process intended to gather public input and foster a sense of stewardship and excitement for the plan. Through outreach events, public workshops, online surveys, interactive mapping tools, and other media, residents and stakeholders were able to get involved and stay informed of the Plan's development. Public participation throughout the planning process helps communicate the importance of planning and provide individuals with a clear understanding of ongoing efforts to better their community and improve overall quality of life.

The outreach process should serve as a foundation for continued communication with members of the public throughout the implementation process. The City should ensure that major recommendations and the overall vision for Eden Prairie, as defined within the Plan, are conveyed to the entire community. This should be supported by regular updates, coverage of major milestones, and additional opportunities for residents to voice their opinion. In addition, the City should maintain avenues by which residents and stakeholders can communicate with City staff and receive information about planning and development efforts. This should include methods for residents to voice questions and concerns that are then reviewed and addressed in a timely manner.

Update Regularly

Noting the City's dedication to thoughtful planning, Aspire Eden Prairie 2040 should not exist as a static document, but rather as the center of a continuous planning process. Following adoption of the Plan, the community will continue to move forward, change, and evolve. As such, it should be updated on a regular basis to respond to these changes, addressing shifts in community aspirations and demographic trends, as well as new and unexpected issues as they arise. The City should regularly initiate a systematic review and analysis of the Comprehensive Plan.

In general, a full review should be completed at least every two to three years. Best practice, however, should be reviewed annually. This process should coincide with preparation of the City's annual budget and Capital Improvement Program (CIP), enabling recommendations and projects from the plan to be considered as part of upcoming commitments for that fiscal year. Establishing a routine for review of the Plan will ensure the document remains relevant to the needs and desires of the Eden Prairie community.

Review Supporting Documents

It is important to review the City's supporting documents such as the Strategic Plan for Housing and Economic Development or the Community Development Department Annual Report to ensure they are cohesive with the goals and objectives set out in the updated Comprehensive Plan. The Strategic Plan for Housing and Economic Development for example organizes economic development projects by ranking project priority, timing, funding source, project focus, and current status. Such documents provide a benchmark for the progress of community development projects as well as outline regulatory and financial implementation strategies.

Funding Sources

The following are opportunities for funding projects and strategies outlined in Aspire Eden Prairie 2040. This is not a comprehensive list but instead a basis for potential sources differentiated by project type, such as economic development, housing, and transportation.

Economic Development Funding Sources

The following highlights funding options for boosting and enhancing economic development throughout Eden Prairie. These funding sources may assist in bolstering job growth, rehabilitating housing, improving facades, and beautifying the City's streetscapes.

- The City dedicates 85 percent of its CDBG funding for the First Time Buyer Program, Housing Land Trust, and Housing Rehabilitation Loan Program. CDBG funded projects must provide rents affordable to people with an income that is 80 percent of AMI. The City requires rental housing to be affordable to people with incomes below 50 percent or 60 percent of AMI and CDBG funded homeownership and housing rehab requires affordability for incomes below 80 percent of AMI.
- The City administers Housing Revenue Bonds to help property owners finance improvements to multifamily developments with moderate and low-income families and seniors.

- Hennepin County administers Affordable Housing Incentive Fund (AHIF) program which provides loans for rehab or construction of affordable housing.
- Metro Council administers Local Housing Incentive Account (LHIA), which provides loans to purchase property for affordable housing and administers Livable Communities Demonstration Account (LCDA), Transit-Oriented Development (TOD) grants, and Corridors of Opportunity Local Implementation Capacity grants, which favor affordable housing projects.
- Minnesota Housing Finance Agency (MHFA) administers Low Income Housing Tax Credits (LIHTC) program which provides incentives for developers to include affordable housing in projects.

The following are additional economic development funding sources ranked at both State and Local levels:

State Level

Minnesota Department of Employment and Economic Development (DEED)

The Economic Development Division uses various DEED grant programs, such as: the Minnesota Investment Fund (MIF), which provides financing to help add new workers and retain high-quality jobs; the Transportation Economic Development (TED) Program, which is available to communities for highway improvement and public infrastructure projects that create jobs and sustain economic development; and the Innovative Business Development Public Infrastructure (BDPI) program, which focuses on job creation and retention through the growth of new innovative businesses and organizations by providing grants for up to 50 percent of the capital cost of the public infrastructure necessary to expand or retain jobs.

Minnesota Investment Fund

Local units of government are awarded Minnesota Investment Funds to provide loans to assist in expanding businesses. These funds aim at increasing the work force of industrial, manufacturing, and technology-related industries to retain high-quality jobs, increase the local and state tax base, and improve the state's overall economic vitality. Government units may receive no more than one award per state fiscal year. Projects eligible for funding must have at least 50 percent of their total project costs privately financed through owner equity and other lending sources. It is important to note that most applications selected for funding have at least 70 percent of their projects privately financed.

Small Cities Development Program (SCDP)

The SCDP provides funding for housing, public infrastructure, and commercial rehabilitation projects. Grant funding is divided into three categories: (1) Housing Grants, in which local governments will lend funds for rehabilitating local housing stock of owner-occupied, rental, single-family, or multiple-family housing; (2) Public Facility Grants for wastewater treatment projects, such as collection systems, treatment plants, wells, water towers, and distribution systems; (3) and Comprehensive Grants, which may fund housing and public facility projects, or economic development projects in which funding is directed to building, rehabilitation related to façade improvements, code violations, and health and safety issues. The maximum grant award for a Single Purpose project is \$600,000, and the maximum grant award for a comprehensive project is \$1.4 million.

Special Assessments

The state legislature grants cities the authority to levy special assessments on properties through the Minnesota Statutes Chapter 429. Special assessments are taxes levied on properties to provide funding for improvement projects that will directly benefit that property and its property owners. Special assessments are applied only to those properties which will benefit from a project, rather than an established area. Assessments can be initiated by property owners, legislative bodies, or local administrations, at which point the cost of the project and the potential benefit to adjacent properties is assessed. Total costs of the project are apportioned to all properties within the assessment and paid through special tax bills.

Local Level

Economic Development Fund

The City's Economic Development Fund was created in the early 1990's to support projects that help create and retain jobs, improve the local tax base, support redevelopment efforts, or otherwise enhance the quality of life in the community. The fund is capitalized through the sale of various city-owned surplus properties over the last 20 years.

Open to Business

The Open to Business program, provided by the Metropolitan Consortium of Community Developers (MCCD), is a small business technical assistance program. Open to Business provides services that promote economic development, create and retain jobs, and cultivate entrepreneurs. Through Open to Business, the MCCD provides advice and counseling to clients to assist them in achieving their entrepreneurial goals. In addition, the MCCD provides small business loans for emerging entrepreneurs that face challenges in accessing the commercial banking system.

Tax Increment Financing (TIF)

TIF funding is used to help fund the redevelopment of areas within a community which qualify as blighted, in need of conservation, or an area of economic development. TIF dollars can typically be used for infrastructure, streetscaping, public improvements, land assemblage, and offsetting the costs of development.

Since TIF was authorized by the State in 1979, the City of Eden Prairie has established 21 TIF District project areas. The funds gathered from these districts go into the Tax Increment Development Fund, which is part of the Capital Project Funds, used by the City for projects such as transportation improvements and rent reduction to create affordable housing units.

TIF utilizes future property tax revenues generated within a designated area or district, to pay for improvements and further incentivize continued reinvestment. As the Equalized Assessed Value (EAV) of properties within a TIF district increases, the incremental growth in property tax over the base year that the TIF was established is reinvested in that area. Local officials may then issue bonds to undertake other financial obligations based on the increase in new revenue.

Taxes generated from the increased assessed value of an improved property are used to help finance the improved property over a specific period. Projects financed with TIF must provide rents affordable to persons with incomes below 50 percent of the AMI on 20 percent of the total units or below 60 percent of AMI on 40 percent of the total units.

TIF Pooled Redevelopment & Economic Development & Admin Funds

A portion of tax increment funds can be pooled to be applied outside of the TIF district for other projects. In redevelopment districts, 25 percent of the tax increment can be pooled while 20 percent can be pooled in economic development districts. The funds can be used for infrastructure improvements that benefit the TIF Redevelopment or Economic Development region. A small percentage of the tax increment from projects is also allocated to administrative expenses.

Tax Abatement

Tax abatement is a tax reduction tool that can be used to attract businesses and revitalize the local economy. It also can be used to incentivize the purchase or enhancement of residential properties. The City allows a certain percentage of the property tax to be reduced temporarily under the condition that the property is developed. The tax abatement amount often decreases over the set number of years. After the abatement period expires, the owner resumes paying the property tax in accordance with its current market value. This results in the property owner initially saving a significant amount through reduced taxes, while the City benefits through the subsequent increase in property value, increased tax base, and added jobs in the case of an expanded business.

Payment in Lieu of Taxes (PILT)

Payment in Lieu of Taxes (PILT) is a tool similar to tax abatement and may be used in coordination with abatements. The City can use PILT to reduce the property tax burden of a desired business for a pre-determined period. In this instance, the City and property owners will agree to the annual payment of a set fee in place of property taxes. Payments are generally made in the form of a fixed sum, but they may also be paid as a percentage of the income generated by a property.

In addition, PILT can be a means of reducing the fiscal impact on the City of a nonprofit, institutional use, or other non-taxpaying entity. PILT programs that are currently in operation include:

- Consolidated Conservation Areas (Con-Con Land), in which payment is made by the Department of Natural Resources (DNR) to the county equal to 50 percent of the income received from land (e.g., timber sales) in the county during the past fiscal year.
- Excess real estate acquired for trunk highway purposes, in which payment is made by MnDOT equal to 30 percent of the rent received on the leasing of excess real estate within the county that was acquired for trunk highway purposes.
- Property acquired by the state or local government for rental properties, in which payment is made by the state (e.g., DNR or MnDOT) or by a local unit of government to the county in an amount equal to 30 percent of the annual rent received.
- Housing and Redevelopment Authority (HRA) low income housing projects, in which payment is made by a HRA to the county in an amount equal to 5 percent of the shelter rentals of the low-income housing project collected during the preceding calendar year.
- Natural resources land, in which payment helps to offset the expenses incurred by counties and towns in support of natural resources lands.

Housing Funding Sources

The following are grants, loans, and incentives available in the City of Eden Prairie for housing projects. Most work to promote the generation of affordable housing options from a federal, state, county, and local level.

Federal Level

Created by the Department of Housing and Urban Development (HUD) in 1974, the Community Development Block Grant Program provides annual entitlements to cities based on a population, age of housing, and poverty level formula. Cities have the flexibility to use these funds in a variety of ways to address issues affecting low to moderate income persons. Eden Prairie dedicates 85 percent of its funding for housing related activities: First Time Home Buyer Program, Community Land Trust, and Housing Rehabilitation Loan Program. CDBG financed projects must provide rents that are affordable to persons with income below 80 percent of AMI. For rental housing, the City of Eden Prairie requires that rents be affordable to persons with incomes below 50 percent or 60 percent of AMI. For homeownership and housing rehab which use CDBG funds, the City requires incomes below 80 percent of AMI.

State Level

The Metropolitan Council administers the Local Housing Incentive Account (LHIA) which provides grants for the acquisition and construction of affordable housing. The Metropolitan Council also administers the Livable Communities Demonstration Account (LCDA) and Transit-Oriented Development (TOD) grants, both of which prioritize projects with affordable housing. In addition, the Minnesota Housing Finance Agency (MHFA) administers the Low-Income Housing Tax Credit (LIHTC) program and offers deferred financing options that provide incentives for developers of affordable housing.

County Level

Hennepin County administers the Affordable Housing Incentive Fund (AHIF) program which provides loans for rehab or construction of affordable housing.

Local Level

The City administers Housing Revenue Bonds to help Eden Prairie property owners finance improvements to multifamily developments with moderate and low-income families and seniors. The City collects a percentage fee for this service.

Like TIF Pooled Redevelopment & Economic Development & Admin Funds, the City also uses TIF Pooled Housing & Admin Funds. Existing TIF Housing Districts often include provisions for a percentage of the tax increment funds to be pooled for future affordable housing projects. These funds can be used to help finance new affordable housing development or improvements to existing units as long as income limits are met by the residents. These funds can support City programs such as the First Time Homebuyer and Housing Rehab Programs. A small percentage of the tax increment from projects is also allocated to administrative expenses. These TIF Admin funds can be used for attorney and consultant costs of preparing documents such as TIF extensions to preserve affordability.

Transportation & Infrastructure Funding Sources

The following highlights Local, State, and Federal funding sources that are applicable to the City of Eden Prairie's transportation and infrastructure plans and projects. These programs may be available to help offset some or all of the cost of road and infrastructure improvements.

Federal Level

Fixing American's Surface Transportation (FAST) Act

The FAST Act, a five-year transportation reauthorization bill, was established in December 2015 as a replacement for the Moving Ahead for Progress in the 21st Century (MAP-21) Act. The FAST Act, which is implemented and administered by the Federal Highway Administration (FHWA), aims to improve infrastructure, provide long-term certainty and increased flexibility for states and local governments, streamline project approval processes, and encourage innovation to make the surface transportation system safer and more efficient. It authorizes \$305 billion through 2020 for highway and motor vehicle safety; motor carrier safety; rail, public transportation, and hazardous materials safety; and technology, research, and statistics programs. The City should monitor the FAST Act as application occurs to determine the full extent of funding changes and implementation.

Safe Routes to School (SRTS)

The SRTS program has provided funding for the planning, design, and construction of infrastructure related projects that will substantially improve the ability of students to walk and bike to school, including:

- Sidewalk improvements.
- Traffic calming and speed reduction improvements.
- Pedestrian and bicycle-crossing improvements;
- On-street bicycle facilities.
- Off-street bicycle and pedestrian facilities.
- Secure bicycle parking facilities.
- Traffic diversion improvements in the vicinity of schools.

State Level

Implementation Funding Program (IMP)

The IMP, which is a subgroup of the State Research Program (SRP), applies research results in a measurable manner to further the implementation of MnDOT's investments. Funding from this program may be used for procuring equipment, materials, or services using state bidding or contract procedures.

Local Road Research Board (LRRB)

The LRRB program supports the research interest of local engineers. Funding is set at one-half of one percent of the state allocation, and administration is performed by MnDOT's Research Services Section (RSS).

Research Implementation Committee (RIC)

The RIC is a subgroup of the LRRB, with many similar operations. The RIC allocates \$220,000 annually from the LRRB budget for funding the application of research projects.

Sidewalk Improvement District (SID)

Under Minnesota state law, a city may establish, by ordinance, a sidewalk improvement district to pay all or part of the cost of sidewalk construction and repair by apportioning the cost throughout the property in the district on a “direct or indirect benefit basis. The council may establish districts in order to provide all areas with safe pedestrian walkways to and from schools, school bus stops, public transportation facilities, and other neighborhood and community services.

The total cost may be apportioned and assessed to all property in the district on a uniform basis as to each classification of property. An indirect benefit assessment may involve all property in the district without regard to location of sidewalks. A direct benefit may be assessed to abutting property for the additional cost of an extra sidewalk width. Assessments may be spread over a five-year period, but there is no provision in the statute for issuing obligations initially, to finance the cost, nor is any procedure prescribed for making the assessments.

State Aid for Local Transportation (SALT)

SALT works with local governments to assist in maintaining a safe and effective roadway network. Funds are determined by the Legislature and distributed through MnDOT for the maintenance and construction of highways and roadways. SALT also provides supportive staff that manages the state aid system and provides technical assistance in bridge design, construction and maintenance, grant authorization for bridge construction, and the coordination of local federally funded projects.

Transportation Revolving Loan Fund (TRLF)

When traditional funding sources for transportation projects are not available, the Transportation Revolving Loan Fund serves as an alternative financing tool. Established through the State Infrastructure Bank Program’s directives in 1997, the TRLF is used to support transportation projects through a low-interest loan. As the loan is repaid, the funds are returned to the TRLF. Eligible projects include predesign studies; acquisition of right-of-way; road and bridge maintenance, repair, improvement or construction; enhancement items; rail and airport safety projects; drainage and safety structures; and transit capital purchases.

Local Level

Cooperative Program for Transportation Research Studies (COPTRS)

This program aims to foster cooperation in sciences and engineering to solve transportation challenges and aid in technological advancements and innovative research. Funding is provided by legislative action.

Parks & Open Space Funding Sources

The following highlights State and Federal funding sources that the City of Eden Prairie could use to enhance and expand its parks, open space, and recreational facilities.

Federal Level

Recreational Trails Program

The federal “Recreational Trails Program” (RTP), was created through the National Recreational Trail Fund Act (NRTFA) as part of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and reauthorized by the MAP-21. This program provides funding assistance for acquisition, development, rehabilitation, and maintenance of both motorized and non-motorized recreation trails. By law, 30 percent of each States’ RTP funding must be earmarked for motorized trail projects, 30 percent for non-motorized trail projects and the remaining 40 percent for multi-use (diversified) motorized and non-motorized trails or a combination of either. The RTP program can provide up to 80 percent federal funding on approved projects and requires a minimum 20 percent non-federal funding match.

Land & Water Conservation Fund (LWCF)

Land and Water Conservation Fund grants are available to municipalities, counties, and school districts to be used for outdoor recreation projects. Grants require a 50 percent match and funding varies by year, most recently having a \$75,000 maximum amount per project. All funded projects are taken under perpetuity by the National Park Service and must be used only for outdoor recreational purposes. Examples of common projects funded by LWCF grants include:

- Playgrounds
- Ball fields
- Pools and water parks
- Archery and shooting ranges
- Camping facilities
- Picnic areas
- Golf courses
- Boating and fishing facilities

Outdoor Recreation Grant Program

The Outdoor Recreation Grant Program increases and enhances outdoor recreation facilities in local and community parks throughout the state using Land and Water Conservation Funds and a portion of the Outdoor Heritage Fund. Project must have a total cost of at least \$10,000 and go towards supporting a primary recreation facility. Grants are reimbursed based up to 50 percent of the total eligible costs, where a maximum award is \$100,000. Cities, counties, townships and tribes are eligible to apply.

Flood Hazard Mitigation Grant Assistance

The Flood Hazard Mitigation Grant Assistance program provides technical and financial assistance to local governmental units for conducting floods damage reduction studies and for planning and implementing flood damage reduction measures; for example, eligible projects can include flood plain restoration, development of flood-warning systems and relocations, among others. 50 percent of total eligible project costs up to \$150,000 are awarded assistance on a competitive grant basis. Eligible applicants include cities, counties, watershed districts and watershed management organizations, and the program is administered by the Department of Natural Resources.

Recreational Trails Program (RTP)

The Recreational Trails Program is federally funded through the Federal Highway Administration (FHWA), with the aim of promoting motorized and non-motorized recreational trails. Grants are available to local and state governments, school districts, for-profit and non-profit organizations, and businesses. Projects require a minimum match of 25 percent of cash or in-kind costs. Costs must be incurred and paid for before reimbursement. The minimum grant request is \$1,000 and the maximum award is \$150,000, with a maximum request per piece of equipment at \$75,000. Purchases at or above \$75,000 require a 50 percent match. Eligible projects must be open to the public and can include:

- Constructing new recreational trails with minimum impact to the natural environment.
- Environmental awareness and safety education programs related to trail usage.
- Maintaining or renovating existing trails.
- Motorized and non-motorized trail projects.
- Developing or renovating trailheads or trail amenities.
- Acquiring land of recreational trails.
- Purchasing or leasing trail maintenance equipment.

State Level

Conservation Partners Legacy (CPL) Grant Program

The CPL grant program funds projects which restore, enhance or protect forests, wetlands, prairies and wildlife habitat. Funding for the program is from the Outdoor Heritage Fund, which is derived from a portion of Minnesota State sales tax. The Minnesota Department of Natural Resources administers this matching, competitive grant program to projects ranging from \$5,000-\$400,000 to local government entities and other nonprofit organizations.

Reinvest in Minnesota (RIM) Critical Habitat Match Program

Private individual and groups may apply for the RIM match program to help fund the acquisition and development of critical habitats by having land donations matched from a special state fund administered by the Minnesota Department of Natural Resources.

Cross Country Ski Trail GIA Program

The GIA program supports the maintenance and grooming of cross-country ski trails. Local units of government are eligible grantees. Funding for this program comes from the Great Minnesota Ski Pass revenue.

Local Trail Connections Program

The Local Trail Connections program provides reimbursement grants to local units of government to fill in small gaps between destinations and residential areas, and the program is supported by the "In Lieu Of" lottery proceeds. Eligible projects include acquisition of and development of trails, but must result in a trail linkage that is immediately available for use by the general public. Eligible applicants include counties, cities and townships, and grant requests can range from \$5,000-\$150,000 consisting of up to 75 percent of the total eligible project costs with a minimum 25 percent non-state cash match. The Minnesota Department of Natural Resources administers this program.

Capital Improvements Program

The City of Eden Prairie currently utilizes a Capital Improvements Program (CIP) to manage capital expenditures on improvements and additions to parks, streets and public facilities. It includes information on the capital budget, proposed public facility improvements over a ten-year period, the estimated cost of those improvements and the proposed method for financing them. The most recent CIP was adopted in 2016 and sets forth a budget for the years 2017 to 2026.

Relationship Between CIP and the Comprehensive Plan

The CIP is intended to complement *Aspire Eden Prairie 2040* to ensure infrastructure can be provided to meet the goals of this plan, with a clear definition of needs and priorities to assist in annual budget development. Comprehensive planning influences the programming of capital improvements, and, as noted above, state law reinforces that link by authorizing the governing body of the municipality (City Council) to annually prepare a CIP to support and implement comprehensive plan recommendations. The City's current procedure is to approve a ten-year CIP in even-numbered years.

The City also provides a strong connection between the comprehensive plan and capital improvements in the form of short-range implementation strategies. In addition to *Aspire Eden Prairie 2040*, several other planning documents provide implementation recommendations that link the future vision of the community to relatively short-term actions.

Capital Improvement Policy

Per the City's most-recent annual budget document, its capital improvement policy includes the following core elements:

- The City will maintain a ten-year CIP for all projects over \$25,000 and will update the plan every two years.
- A strong pay-as-you-go program is maintained. The City uses current resources to pay for project whenever feasible.
- One-time revenues are used for one-time expenses. This helps to ensure the City does not have long-term commitments without an outgoing funding source.
- The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues. Where the issuance of long-term debt is required, it will pay back the bonds within a period not to exceed the expected useful life of the project.
- The City will maintain a sound relationship with all bond rating agencies and will keep them informed about current capital projects. The City has the highest rating possible of AAA from Moody's investor services and AAA from Standard and Poor's.
- Liquor profits are a dedicated funding source of the CIP.

Process

Priority rankings do not necessarily correspond to funding sequence. For example, a road-widening project that is ranked lower than a park project may be funded first, since the road project has access to a restricted revenue source, while the park project may have to compete for funding from other revenue sources. A project's funding depends on many factors — not only its merit, but also its location, cost, funding source, and logistics.