

# Information Item

Land Use Advisory Committee



Meeting Date: November 20, 2025

## Topic

Metropolitan Urban Service Area (MUSA) Implementation Guidelines Update

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Minn. Stat. § 473.854 Imagine 2050, Land Use Objective 1, Policy 2, Action 2.2
<b>Staff Prepared/Presented:</b>	MacKenzie Young-Walters, Senior Planner, Local Planning Assistance (651-602-1373)
<b>Division/Department:</b>	Community Development / Regional Planning

## Summary of Comments

### **CDC Committee**

This item appeared as an information item on the November 3, 2025, Community Development Committee (CDC) agenda. The CDC was largely supportive of the proposed changes, especially appreciating the increased flexibility, clarity, and transparency of the updated guidelines. The CDC asked if there were areas of flexibility that cities have requested that are not included and staff responded that elements like infrastructure directly serving the development (i.e. all local roads) or open space under private ownership were examples of flexibility that was requested but is not being proposed for consideration. Staff emphasized that the guidelines consistently draw distinctions between public and private as well as city-wide and development-specific benefits.

The CDC requested that staff clarify how situations would be resolved where there was not agreement between a city and the Council over a MUSA expansion. Staff described how cities would be able to demonstrate need, swap out areas, and clarified that known developments were considered to have met the demonstrated need criteria.

Finally, the CDC requested that the Environmental Committee provide input on the proposed land use inefficiency surcharge. They indicated a need for additional information to fully evaluate the proposal. Staff clarified that this policy did not create a specific charge but only sets up the ability for the Council to do so in the future if the situation is merited. In all cases any charge would be based on studies and the unique circumstances involved with the connection. Staff also stated that this was not an add-on to the Sewer Availability Charge (SAC) but was related to the inefficient use of land that occurs when areas are not developed consistent with Council policy. This item will appear before the Environmental Committee on December 9, 2025, for additional discussion.

### **Local Government Focus Group**

The proposed changes were discussed at a focus group on November 12, 2025. The focus group was comprised of planners from Blaine, Hugo, Victoria, Andover, Norwood Young-America, Elko New Market, Woodbury, Rosemount, Medina, Plymouth, and Corcoran. The group asked several clarifying questions regarding how expansion requests would be evaluated but generally were

comfortable with the proposed process.

There was a robust discussion around areas that were proposed for exclusion from density calculations. Specifically, members felt strongly that all stormwater ponds should be excluded regardless of ownership. Their position centered around requirements for ponds as infrastructure that cannot be removed or redeveloped. Since cities would ultimately be responsible for maintaining the infrastructure if the private owner was negligent, they did not believe that ownership is relevant to the pond's impact on the density of the development. That is to say, the same acreage is rendered undevelopable regardless of if the city or a private entity owns the easement. Staff maintains that throughout the proposed guidelines a distinction is made between public and private ownership, and that public ownership ensures appropriate maintenance and ensures that ponds do not become co-mingled with private amenities.

There was also extensive discussion around the provision allowing for the exclusion of local and collector right of way from infill developments. While there were no objections to the policy, it generated a conversation on how, in practice, the different ways of granting road right of way impact whether it is included in a development's plat/area calculations. Staff confirmed that for greenfield development only arterial right of way is excluded, and acknowledged that due to the different mechanisms in which right of way was historically granted there are cases where road right of way that should have theoretically been included in density calculations was omitted. These updates will not have retroactive actions associated with them.

Finally, participants indicated that the Council's current practice of not allowing density to be averaged within a development does not align with how cities review and approve developments. They noted that they use planned unit developments and density transfers to create neighborhoods that fall within an area's overall density range, even if portions of it do not directly align with the comprehensive plan's future land use map. They expressed concern that requiring strict alignment leads to a proliferation of minor comprehensive plan amendments that can slow or even prevent development. Staff responded that since land use maps and zoning maps both have geographic components and need to be consistent, approving zoning that falls outside the density range of the guided land use for an area does require a comprehensive plan amendment. Staff committed to holding a second meeting with the group to further discuss these issues and will conduct that meeting prior to this item returning for a recommendation.

## Background

Local comprehensive plans for communities with regional wastewater service must identify the timing and staging of lands available for urban development through the planning horizon in 10-year stages. In many cases, communities also identify areas planned for longer-term urbanization, described as urban reserve areas or long-term service areas. Any areas planned to accommodate regional forecasted growth are expected to ultimately achieve a minimum net residential density based on the jurisdiction's community designation when wastewater services become available. These policy expectations are defined in Imagine 2050.

To ensure an adequate supply of developable land to accommodate future regional growth, the Council continues to monitor the region's land supply. Through local comprehensive plans and plan amendments, the Council tracks the designation of guided land uses, ensures consistency with minimum density policies in sewered areas, and plans for areas with current or future regional service needs (i.e. MUSA). In addition, the Council continues to administer the Plat Monitoring Program, which tracks and reports annually on density trends of residential development in communities primarily designated as Suburban Edge although also the program also includes some Rural Center and Suburban communities.

In October of 2004, the Council adopted the initial "Guidelines for Evaluating Plan Amendments Proposing Changes to Metropolitan Urban Service Area (MUSA) Timing Staging." In early 2007, the Metropolitan Council and Metro Cities' staff discussed the guidelines relative to the density calculation and amended them for use in the 2008 comprehensive plan reviews. The Council revised these implementation guidelines in 2017 to reflect the policies of Thrive 2040 and in 2023 to provide additional clarity. With the adoption of Imagine 2050 and its associated MUSA policies,

the Metropolitan Council again needs to update the MUSA Implementation Guidelines to reflect the policies and priorities adopted in Imagine 2050.

This update focuses on integrating Imagine 2050's policies into a clear and transparent process for evaluating development within the MUSA, providing some flexibility for communities as they grow over time, and ensuring that the practices and procedures related to comprehensive plans and plan amendments are clear. The Land Use Policy chapter of Imagine 2050 outlines specific direction in Objective 1, Policy 2, Action 2.2 as follows:

1. Requests must meet system conformance requirements and maintain consistency with regional policies and goals.
2. Proposed additions must demonstrate a need for additional land supply, including the need for a change to adopted forecasts. The Metropolitan Council will review requests to ensure a 20-year rolling land supply considering both regional and local market demand.
3. For local governments already served by regional wastewater services, planned sewer-served densities must be consistent with regional density policy for the applicable community designation, including existing planned densities and the planned densities for the new area to be served.
4. Any previous conditions related to Metropolitan Council authorization of a comprehensive plan or plan amendments must be fulfilled and program participation (Plat Monitoring Program, building permit survey, etc.) must be current and complete.
5. Past performance must meet density expectations. The Metropolitan Council will consider a shorter look-back period for performance and/or measure performance against rules in place at the time.
6. When calculating land capacity, the following will be excluded: publicly protected areas, water bodies, wetlands, steep slopes, areas with limited depth to bedrock, depth to water table, and areas protected by public ownership/easement.

In addition to codifying these criteria, the updates to the MUSA Implementation Guidelines will explicitly address how phased developments and sewer extension permits are evaluated for consistency by the Metropolitan Council. The goal of incorporating these elements is to create a resource that clearly conveys to our local partners how the Metropolitan Council calculates density and what they need to do to demonstrate consistency with regional policy.

## Changes from 2023 Guidelines

Many of the changes between the current guidelines and the proposed guidelines are either clarifications of existing policy or are additions in response to the Imagine 2050 policies listed above. Substantive changes are described below.

### ***Plat Monitoring***

Provisions relating to the Plat Monitoring Program were updated to reflect the proposed shorter lookback period for the Program and to clearly state how it will be used to determine consistency with regional density policy. Staff's analysis shows that most Plat Monitoring Program participants will have additional flexibility under the proposed revisions.

### ***New Areas Excluded from Density Calculations***

The MUSA Implementation Guidelines incorporate new policy direction from Imagine 2050, clarify policy implementation, add flexibility for communities, and consolidate the Council's density policy in one location. The changes result in increased flexibility for communities in how they can structure their developments and in what areas can be excluded from net density calculations. Specifically, the following are now eligible to be netted out:

1. Areas where there is insufficient depth to bedrock or water table.
2. Publicly owned and maintained stormwater BMPs.
3. Publicly owned conservation/preservation easements.
4. Existing local and collector right of way (for infill developments only)

These additions have been requested by communities to recognize development constraints that are largely outside of their control, as a way of incentivizing the protection of natural systems and open spaces, and to mitigate the challenges associated with infill development, all in alignment with the overall goals of Imagine 2050. In all cases, the Metropolitan Council differentiates between private and public amenities and only permits publicly owned features to be deducted from density calculations. The proposed updates require elements that predominately/exclusively benefit the development in question be included in the net density calculations, but allows for features benefiting the region or community as a whole to be excluded.

These updates also propose allowing pre-existing local and collector right of way to be deducted from the net density calculations for infill developments. This proposal recognizes the unique challenges that can be encountered when a city attempts to redevelop an area with an existing street grid that can constrain site layout. These challenges often emerge when developed cities attempt to build “missing middle” housing in established neighborhoods; the proposed flexibility should reduce the barriers that these proposals can encounter.

### ***Determining Consistency with Regional Policy***

The guidelines have been updated to clarify what documentation the Metropolitan Council uses to evaluate different requests for consistency with regional policy. The most significant change is that the Metropolitan Council is proposing using preliminary rather than final plats to review projects with multiple phases/stages for consistency with Council policy. This change is being proposed in recognition of the fact that cities review development proposals for consistency with their comprehensive plan at the project level rather than at the phase level. This means that a project that in total falls within the density range stated in the City’s land use plan may have an individual phase that falls outside of the range, so long as the project is consistent. Aligning our level of review with our local partners will ensure that any consistency issues raised by the Council are the result of a true misalignment between the development and the land use plan, rather than from where a developer chooses to break up a project’s phases.

While this will give cities additional flexibility in how they configure lots within a guided land use, it will not allow for cities to average out density between land uses within a project. For projects with multiple land uses, each phase will still need to independently meet the requirements of its respective land use.

### ***Demonstrating Need***

The guidelines have been updated to incorporate Imagine 2050’s requirement that proposed additions to the MUSA demonstrate the need for additional land supply. The guidelines clarify how cities can demonstrate a need for additional land supply, and the various factors the Metropolitan Council will consider in approving requests to expand the MUSA. The Metropolitan Council recognizes that the presence or absence of Orderly Annexation Agreements can impact where the MUSA line is and proposes guidelines to ensure that communities can expand in a manner consistent with their forecasted growth.

### ***Failing Subsurface Treatment Systems (SSTS)***

The existing policy language around failing SSTSs has largely been carried forward. An additional provision is proposed to clarify how the Metropolitan Council would accommodate service extension to a city or area with a development pattern inconsistent with regional policy if the Council were to be directed to provide such services. In these cases, the proposal requires that the connecting area meet regional policy to the maximum extent practicable and states that the area could be subject to an inefficiency surcharge. The intent of this approach is to ensure that areas which have developed in a manner consistent with Council policy do not subsidize areas which have developed in a manner inconsistent with Council policy.

### **Updated Guidelines**

Below is the text of the proposed MUSA Implementation Guidelines. The 2023 MUSA Implementation Guidelines are included as an attachment for reference.

## 2025 MUSA Implementation Guidelines

1. The city's planned overall net residential density for areas planned to accommodate forecasted growth within the relevant staging period(s), including the new area to be served, must be consistent with regional density policy for the applicable community designation.
  - a. For cities enrolled in the Plat Monitoring Program, the Council will calculate net residential density by combining the average net density of the city's last 10 years of actual platting or the average net density of the city's last 10 plats, if fewer than 10 plats have been recorded in the last 10 years, and the lowest allowable density on land identified to support forecasted growth for the relevant staging period. Cities may elect not to have their plat monitoring program data included in the calculations.
  - b. For cities not enrolled in the Plat Monitoring Program, the Council will calculate net residential density using the lowest allowable density on land identified to support forecasted growth for the relevant staging period(s).
2. The following will not be included in the city's planned overall net residential density calculations:
  - a. Lots that have failing individual sub-surface sewage treatment systems (SSTS) and no on-site alternative SSTS locations. The city shall provide documentation from a licensed SSTS inspector confirming the failure of the existing system and the existing conditions on the site that prohibit the installation of a new SSTS. Failing communal systems are not covered by this policy and will be included in density calculations.
  - b. Acreage that is undevelopable due to:
    - i. State or local ordinances which prohibit development (i.e. steep slopes, wetlands, wetland buffers, waterbodies, etc.)
    - ii. Insufficient depth to bedrock or water table.
    - iii. The presence of publicly owned and properly maintained stormwater BMP facilities that do not encroach upon or modify an existing natural resource. Facilities owned and maintained by homeowners associations and other private entities are not covered by this policy and will be included in density calculations. Drainage and utility easements along lot lines are not covered by this policy and will be included in density calculations.
    - iv. The presence of publicly owned parks and open space. Parks and open spaces owned by homeowners associations and other private entities are not covered by this policy and will be included in density calculations.
    - v. The presence of arterial right of way. Right of way for local and collector streets is not covered by this policy and will be included in density calculations.
    - vi. The presence of Council sewer easements, gas pipeline, and high voltage transmission line easements. Drainage and utility easements along lot lines are not covered by this policy and will be included in density calculations.
    - vii. The presence of publicly held conservation/preservation easements. Conservation/preservation easements held by homeowners associations and other private entities are not covered by this policy and will be included in density calculations.
3. MUSA Expansion Requests
  - a. MUSA expansion requests will only be approved for cities that meet Guideline 1 above and that have fulfilled all previous conditions relating to the Council authorization of a comprehensive plan or comprehensive plan amendments and city participation in Council programs (Plat Monitoring Program, building permit survey, etc.) must be current and complete.
  - b. When a MUSA expansion request is associated with a known development, an approved preliminary plat may be used to determine the areas eligible for exclusion

for planned overall net residential density calculations under 2.b above. Environmental Reviews (AUARs, EAWs, etc.) as well as concept plans, ghost plats, and other similar exhibits may not be used.

- i. If this area is subsequently replatted or the final plat results in a net residential density no longer in conformance and consistent with regional policies and goals, a sewer permit will not be issued for the development until the city amends its comprehensive plan to remedy the conformance/consistency issue.
  - c. When a MUSA expansion request is not associated with a known development with an approved preliminary plat, the city's Future Land Use Map and relevant available data will be used to determine the areas eligible for exclusion from planned overall net residential density calculations under 2.b above.
  - d. MUSA expansion requests not associated with a known development or failing SSTS must demonstrate the need for additional land supply. This can be done through demonstrating a need to amend adopted forecasts or by demonstrating that additional land is needed to maintain a 20-year rolling land supply considering both regional and local market demand.
    - i. If a city cannot demonstrate the need for additional land supply, the city may propose removing acreage in other areas from the MUSA such that there is no net increase to MUSA in the current planning horizon, or another solution mutually agreed upon by the Council and city.
  - e. MUSA expansion into areas governed by Orderly Annexation Agreements and identified for accommodating forecasted growth during the relevant staging period will be considered to have demonstrated a need for additional land supply.
  - f. MUSA expansion into area areas annexed by a city but not governed by Orderly Annexation Agreements must demonstrate a need for additional land supply unless:
    - i. The city's forecasted growth includes an assumption of annexing adjacent lands not governed by Orderly Annexation Agreements during the relevant staging period; or,
    - ii. The annexation is associated with a known development.
  - g. When a MUSA expansion request is necessary as a result of requirements by another regulatory agency, the local government requesting the MUSA expansion may be required to pay for studies, infrastructure, and costs associated with MUSA expansion. In cases where the average net density of planned future growth combined with the average net density of the new area to be served cannot meet regional density policy, an inefficiency surcharge may be added to sewer connections within the jurisdiction to offset the density shortfall.
4. Sewer Extensions within the MUSA
  - a. Sewer Extension Permits will only be issued for developments that are consistent with regional density policy and the authorized local comprehensive plan.
  - b. To be found consistent with the authorized local comprehensive plan the net residential density must fall within the density range listed for the land use. If a development has multiple land uses, the net residential density within each individual land use must fall within the planned density range identified in the comprehensive plan. Net residential density may not be averaged within the development.
    - i. Net residential density will be determined by excluding undevelopable acreage described in 2.b above. In cases of redevelopment, where the development is in an area with an existing street grid, existing local and collector right of way can also be removed from the calculations.
    - ii. If a development has a single phase/stage the final plat will be used to calculate net residential density.
    - iii. If a development has multiple phases/stages, the approved preliminary plat

will be used to calculate net residential density. Environmental Reviews (AUARs, EAWs, etc.) as well as concept plans, ghost plats, Planned Unit Development Ordinances, and other similar exhibits may not be used. If this area is subsequently replatted or the final plat for a phase results in a net residential density no longer in conformance and consistent with regional policies and goals, a sewer permit will not be issued for the development until the city amends its Comprehensive Plan to remedy the conformance/consistency issue.

- c. To be found consistent with the authorized local comprehensive plan the product types and allowable uses within the development must be consistent with those specified for the guided land use in the city's comprehensive plan.

## **Next Steps**

Staff have tracked and integrated substantial feedback from local governments received through the policy development of Imagine 2050 and ongoing engagement is planned with the Focus Group of local governments that provided much of the feedback on areas of flexibility and on the Plat Monitoring Program updates.

On December 2, 2025, the standing committee of the Regional Planning Advisory Group coordinated with Metro Cities will review and advise on the proposed updates. This group consists not only of Metro Cities staff, but nearly 20 local government planning and community development staff from communities across the region.

On December 9, 2025, the Environmental Committee will review and advise on the proposed updates.

This item will return as a Business Item at the January 15, 2026, LUAC meeting.

Based on feedback received from local government partners, recommendations from the LUAC, and direction from CDC members, staff will make necessary refinements for additional consideration by the CDC in early 2026.

## **Attachments**

MUSA Implementation Guidelines 2023

