

# Business Item

Land Use Advisory Committee



**LUAC Meeting Date:** January 15, 2026

**Community Development Committee Meeting:** Feb. 2, 2026

**Metropolitan Council Meeting:** Feb. 11, 2026

## Business Item : 2026-19

Metropolitan Urban Service Area (MUSA) Implementation Guidelines Update

**District(s), Member(s):** All

**Policy/Legal Reference:** Minn. Stat. § 473.854

Imagine 2050, Land Use Objective 1, Policy 2, Action 2.2

**Staff Prepared/Presented:** MacKenzie Young-Walters, Senior Planner, Local Planning Assistance (651-602-1373)

**Division/Department:** Community Development / Regional Planning

### Proposed Action

That the Metropolitan Council adopt the 2026 MUSA Implementation Guidelines as shown in Attachment 1, replacing the current Metropolitan Urban Service Area (MUSA) Implementation Guidelines.

### 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.

### Committee and Local Government Engagement

In the development of the updated Guidelines, Council staff have engaged the Council's standing and advisory committees as well as the Regional Planning Advisory Group, comprised of local government staff from across the region, and held a Local Government Focus Group. Summaries of those engagements have informed this update and are described below.

## *Land Use Advisory Committee*

This item appeared as an information item on the November 20, 2025, Land Use Advisory Committee (LUAC) agenda. The LUAC was supportive of the proposed changes. The LUAC asked if there were concerns that an initial phase of a development would be constructed but that subsequent phases would not be developed as proposed. Staff respond that this concern is one of the reasons that cities are not allowed to average density across land uses and that the proposed language requires a comprehensive plan amendment if the development is subsequently amended to no longer be consistent with the comprehensive plan.

The LUAC noted instances of cities needing to step in and maintain privately owned stormwater ponds. Staff indicated that concerns around the standard of maintenance for these facilities was one of the factors that led to the differing treatment between publicly and privately owned stormwater ponds in the proposed MUSA Implementation Guidelines.

Finally, the LUAC requested clarification on how areas not currently planned for growth would be treated if they became the subject of a development proposal. Staff replied that a comprehensive plan amendment would be used to assign a land use and bring the site into the appropriate MUSA staging period, with the relevant sections of the MUSA Implementation Guidelines being used to ensure consistency with regional policy.

## *Community Development 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.

## *Regional Planning Advisory Group*

The proposed changes were presented to members of the Regional Planning Advisory Group on December 2, 2025. Members asked several clarifying questions regarding the differing treatment of roadways where the right of way is obtained by easement versus by plat and if sewer easements over larger municipal lines could be deducted under the proposed policy. Staff responded that all local and collector roadways should be included in density calculations for greenfield developments, while acknowledging that in practice right of way granted by plat is typically not considered to be part of the development by cities and developers.

Staff also noted that only easements over regional sewer infrastructure can be deducted as city owned easements, even those over larger diameter pipes, are part of the local infrastructure.

Finally, participants asked for clarification on why the Council does not permit net density to be averaged within a development. Staff explained that state law requires land use maps and zoning maps to be consistent, and that adopting zoning that allows for densities or product types not



permitted by an area's established land use creates an inconsistency.

### *Local Government Focus Group*

The proposed changes were discussed with a focus group on November 12, 2025 and on December 19th. 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. Participants did not object to the proposed policy but stressed the need for a definition for infill development, noting that there is not a single accepted definition within the planning field and that there could be cases where a city and the Council disagree on if a development is or is not infill. Staff agreed with their concern and have included a proposed definition in the proposed Update to the MUSA guidelines.

Participants also noted that they have not historically included right of way that was previously platted when determining the net density of greenfield developments and that they were concerned that needing to research the history of parcels to determine original ownership would significantly increase the cost and time of developments. They clarified that county owned right of way is often completely omitted from development calculations, especially when it was dedicated by plat rather than easement. Staff indicated that the proposed treatment of local and collector right of way for greenfield developments was not changing, and that while local and collector right of ways serving the development in question need to be included, there was not the expectation that cities would do an historical analysis of existing platted road right of way to determine if it had been included in density calculations at the time of dedication.

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 it does not geographically align with the comprehensive plan's future land use map. They believe that if the PUD governing a development is consistent with the density and type of uses established by the development's land uses, the zoning is consistent with the comprehensive plan. They expressed concern that requiring a geographic alignment of the zoning and land use maps leads to a proliferation of minor comprehensive plan amendments that can slow or even prevent development. Council staff acknowledge their concern, especially as it related to the super majority vote required for a comprehensive plan amendment; however, the Council's position is 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 or which allows product types not permitted by the guided land use for an area does require a comprehensive plan amendment.

### ***Update Process***

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-serviced 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 best management practices (BMP)s.
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 a land inefficiency surcharge. The Council has been directed to manage the growth and development of the region in an orderly and economical manner, which also relates to land use. 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.

This proposal would establish a framework for the Council to evaluate the costs of inefficient land use and development patterns on the regional system. This surcharge is separate and distinct from the Sewer Availability Charge (SAC) and would only be considered in cases where the Council was directed by another entity to extend sanitary sewer to a city or area with a development pattern inconsistent with regional policy and which cannot reasonably be expected to meet regional policy. The intent of the land inefficiency surcharge is both to offset the additional costs to study and plan for extending service as well as account for the regional impacts of inefficient land uses, including but not limited to the need to plan for growth to be accommodated in other communities, the additional costs to extend urban services when needed to bypass low-density neighborhoods, and limiting land availability within proximity to existing urban services, among other impacts.

Due to the complexity, unique nature, and rarity of these cases and their impacts on the region and regional systems, this provision allows the Council to conduct analysis to determine the appropriateness, scale, and amount of any land inefficiency surcharge that may be warranted. It is anticipated that mandated connections to the regional system triggering this provision would be very uncommon.

## 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 January 13, 2025, the Environmental Committee will review and advise on the proposed updates. As this meeting will occur after the publication deadline for this report, staff will relay the feedback received from the Environmental Committee as part of their presentation on this item at the Land Use Advisory Committee.

## Imagine 2050 lens analysis

On February 12, 2025, the Council adopted Imagine 2050. As part of its implementation of Imagine 2050, the proposed programmatic updates aim to advance the core responsibilities for the Council in the Metropolitan Land Planning Act as well as Imagine 2050 regional goals and adopted Land Use policies. The 2026 MUSA Implementation Guidelines update specifically carries out the direction identified in the Land Use Policy chapter of Imagine 2050, Objective 1, Policy 2, Action 2.2.

## Funding

This is an existing program update and the changes proposed do not include direct funding.

## Attachments

Attachment 1: 2026 Metropolitan Urban Service Area (MUSA) Implementation Guidelines

Attachment 2: MUSA Implementation Guidelines 2023

