

EXECUTIVE SUMMARY

City Council Worksession Date: August 11, 2010

AGENDA ITEM:	Update on the UMore Development	AGENDA SECTION: Update
PREPARED BY:	Eric Zweber, Senior Planner	AGENDA NO. 3 a.
ATTACHMENTS:	E-mail from Charles Muscoplat dated July 21; Ancillary Facility Plan revised June 28; Former Proposed Ancillary Operations Site Plan; Draft Proposed Mining Buffer.	APPROVED BY:
RECOMMENDED ACTION: Discussion Only		

SUMMARY

The University of Minnesota is proposing to develop the 5,000 acre UMore property (3,000 acres in Rosemount and 2,000 acres in Empire Township) into a mixed use community of up to 30,000 people. Before the development occurs, the University and their partner Dakota Aggregates are proposing to mine the western 1,600 acres of UMore over a 40 year period (25 years in Rosemount and the final 15 years in Empire). A number of discussions have been occurring between University and City regarding these projects and staff would like to provide the City Council an update on these conversations.

DISCUSSION

Over the past several years, the University of Minnesota has been working on plans for the development of UMore Park. The plans for gravel mining are now becoming public with a public forum held by the University on July 22, 2010. Recently, Charles Muscoplat who is now the President of the UMore Development LLC, summarized the progress to date in the attached letter to the Mayor. Some of the highlights he mentioned included:

- Completion of the Met Council Sewer Interceptor along the north and west boundary
- Master concept plan was developed and approved by the University Regents
- Vermillion Highlands was created
- Robert Street Transit Corridor study incorporated into UMore Park plans
- Completion of a transportation study indentifying the future routes of north-south collectors
- Conceptual agreement on dedication of 27 acres of land to the City for park purposes
- EIS for proposed gravel mining operation and proposed lease with private company. Also proposed a compromise on proposed "ancillary" uses to meet City concerns. Also proposed that 130 acres in the northwest corner of UMore Park be an unmined buffer area.
- Economic marketing study to forecast future residential and commercial buildout of UMore
- Research studies relating to heat pumps, wind energy, and smart grid technologies.

- Assessment of Gopher Ordnance Works cleanup requirements to be initiated.
- Pledge to work with City on joint economic development strategy in the UMore business park.
- Agreed to the City being the RGU for the major AUAR study for UMore Park development options.

Current Issues

The main issue before the City for the remainder of 2010 is the proposed gravel mining. The University proposes to mine gravel from about the western third of the UMore Park property within Rosemount and Empire Township, or about 1600 acres over the next 40 years. Generally, they plan to move from the north end of the property to the south, mining the property in phases of about 45 acres open at any one time. A draft EIS of about 250 pages has been drafted for comment. The University held a public forum on the EIS on July 22nd. Some of the major questions identified by the public as well as staff include:

- 1. Why have gravel mining at all? Unlike a private developer, the University has no ready source of capital for a large development project. The gravel mining lease will provide them the capital to proceed with the kind of energy and environmentally conscious development they envision.
- 2. Why is the University competing with the private development sector? The University plans to actually develop the land through private land developers, not by itself.
- 3. How close will mining be to existing homes? With the 130 acre buffer noted above, the nearest mining would be about 1000 feet away. The machine that actually crunches up the gravel would be about 1.1 miles away from current residents.
- 4. How many trucks will be hauling? At peak operation in a few years, about 1600 trucks per day will be hauling. We are told that most will use 160th street and Highway 52, but more work needs to be done to determine how many will use County Road 42 and Biscayne.
- 5. What kind of buffering will there be? The proposal is to have a minimum of a 10' berm around the perimeter of the site. As gravel mining proceeds, it will occur increasingly below the current grade of the land. More work needs to be done to determine the exact location and what landscaping, if any, will be on the berms or around the ancillary uses.
- 6. What about dust control? The berming and landscaping will help. We are seeking more information on prevailing winds. The EIS identifies several techniques to control dust such as handling aggregate by conveyors whenever possible, using water, and calcium chloride treatments. Agreement needs to be reached on exactly what techniques will be used, and what operational procedures will be in place for high wind days. Dust control will also be maximized by limiting the size of the phases.
- 7. How much noise will there be? The EIS suggests that noise from the site itself will be an issue for a distance of about 900'. Proper setbacks and buffers may help with site noise. The noise from trucks as well as the routing of trucks needs more review to minimize noise for current and future residents.
- 8. Will the trucks cause traffic problems? If the trucks were cars, the studies don't show any big impact. But more work needs to be done on what the impact of a large number of trucks may be at a given intersection, especially along County Road 42 and Biscayne.
- 9. What are the proposed hours of operation? Most of the site would not have 24 hour operations, but there is a request for 24 operations for trucking, dredging and ancillary uses in the south half of the site. No decisions on hours have been made yet.
- 10. How many years will the mining go on? Overall mining may go on for 40 years, according to the University. However, we are told that about 52% of all the gravel is actually in Rosemount, with the rest in Empire Township. If they proceed to move from north to south, the mining in Rosemount could potentially be accomplished in less than 40 years. We will need more clarification on this question.

11. What will the land look like when the mining is done? A 400 acres lake is proposed near 160th street which could be a major amenity. However, we currently have few details about the shape and slope of the land upon completion. We need more information on this also to make sure that future roads and utilities can be accommodated.

Ancillary Facilities

Dakota Aggregates has proposed eight discrete uses on their ancillary operation site plan: aggregate processing, office, recycling yard, asphalt plant, concrete plant, bag plant, maintenance facility, and casting yard. The original plan submitted indicates approximately 188 acres with all eight uses within Rosemount during the entire 40 year operation of the mining. At the June Worksession, the Council discussed that a number of the uses (such as the bag plant and casting yard) are two or three degrees removed from being directly related to the mine itself, that the uses would likely exist 15 years beyond the mining occurring in Rosemount, and that size of the ancillary facilities may reduce or delay the residential development of UMore.

The University and Dakota Aggregates has prepared a revised ancillary facility plan that will ultimately reduce the total area by 48 acres to 140 acres and the total uses in Rosemount to six from the eight originally proposed. The 140 remaining acres contain 27 acres of trees. They maintain their request for the use of the facilities through the life of the mine, approximately 40 years. The two uses removed are the bag plant and the casting yard, two of the uses that are degrees removed from the actually mining operation. As a short term solution, Dakota Aggregates is requesting a ten (10) year term to use a 19 acre casting yard in Rosemount. The stated reason for the short term request is that the UMore property in Empire Twp is currently being used for research and it may take up to ten years for professors to retire to make land available for the casting yard to relocate to.

Dakota Aggregates has provided a grading plan showing the revised ancillary facility which maintains the existing trees on the north side of CSAH 46. Staff still has two concerns with the plan. First, any permit for the ancillary facilities will need to include provisions to allow construction of the Biscayne/Akron north/south collector identified in the Rosemount/Empire/UMore Transportation System Study when that collector is warranted. The need for the collector road would occur prior to all mining and ancillary uses cease. Second, evaluate the berming for both the immediate and ultimate request (i.e. should a full berm be built between the maintenance facility and casting yard and temporary form a screening between the casting yard and Akron Avenue).

Staff is requesting that the Council consider the revised ancillary facility plan for a number of reasons. It is a reduction in size and number of uses including removing the uses that are less dependent on the mine. Cemstone will be investing a concrete tip-up panel building for the concrete operation instead of the more typical outdoor structure cement plant. The ancillary facilities are moved farther from Akron Avenue allowing more options for residential development while the ancillary facilities remain. Additional details need to be worked out but staff believes the changes are more aligned to the City's overall goals for the property.

Reduced Mining along County Road 42

For a number of months, University staff has discussed the removal of a number of acres of land on the south side of County Road 42 from mining. There are two goals for removing this land. First, the removed land provides a buffer between the existing residents in the Enclave and Bloomfield neighborhoods. Second, the removed land will be available sooner for development than if it were to be mined and reclaimed.

The University has provided a draft proposed mining buffer map to show the land removed. The area removed is 130.9 acres in size. Along the part of County Road 42 that runs east-west, the buffer is about 1,400 feet south of County Road 42. This distance was chosen to maintain the existing windrow of trees and building the berm for the mine south of the trees. Along the portion of the County Road 42 to curves just south of the Enclave neighborhood, the buffer is about 750 feet from County Road 42. This proposed buffer would provide a distance of 1,000 feet from the homes in the Enclave neighborhood to the mine and a distance of 1,600 feet from the homes in the Bloomfield neighborhood to the mine.

Process

Approval of gravel mining will require two items: (1) a City ordinance amendment, and (2) an actual permit once an ordinance is in place. A City ordinance will be drafted by staff once some of the questions noted above are better understood and answered.

The ordinance will require an official public hearing with legal notice to be held by the Planning Commission. The City also plans to voluntarily provide mailed notice to neighborhoods closest to the UMore property. The Planning Commission may determine that it needs more than one meeting to review all of the information and issues and take all of the public comments.

The Planning Commission would make a recommendation on an ordinance to the City Council. The Council would not have an official public hearing on the ordinance, but as a matter of practice often allows a reasonable amount of comment on matters before it. A simple majority of three council members will be needed to approve an ordinance.

Once an ordinance is in place, the UMore Development company can apply for an interim use permit, which would be reviewed according to the standards of the ordinance. A public hearing before the Planning Commission is required for an interim use permit also. The City Council would have the final approval on the permit. It is likely that a permit will contain a number of conditions that will be intended to both minimize impact on residents and to help assure that there is no negative impact on any long range City plans.

RECOMMENDATION

This is intended as an update to previous topics discussed with the City Council. No action is required from the Council.

From: Charles Muscoplat [mailto:cmuscop@umn.edu]

Sent: Wednesday, July 21, 2010 12:22 PM

To: Rosemount Mayor

Cc: Lindquist, Kim; Johnson, Dwight; Zweber, Eric; Carla Carlson-1; Larry Laukka

Subject: UMore Park - AUAR

July 21, 2010

Dear Mayor Droste,

With full support of the UMore Development and budget approval of the University of Minnesota Board of Regents, the LLC is prepared by this letter to undertake the Alternative Urban Areawide Review (AUAR) with the City of Rosemount as the Responsible Governmental Unit (RGU). Our goals are to work together to create the full vision of the UMore Park Concept Master Plan (CMP) leading to one of the most creative, sustainable and livable modern communities in Minnesota and a destination community for the region, nation and the world.

We wish to take a moment and show our accomplishments to date leading to this decision:

- 1. The completion of the Metropolitan Council's Empire Waste Water Treatment Sewer Interceptor, which was sized to accommodate UMore Park's eventual projected population of 20,000 to 30,000 residents and accompanying commercial development. The interceptor pipelines extend along the north and western boundaries of the property.
- 2. The Design Workshop Concept Master Plan for a 5,000-acre community for up to 30,000 people. This plan embodied the full scholarship and creativity of the University faculty.
- \cdot This plan was approved and adopted by the University of Minnesota Board of Regents in December 2009.
- 3. The development of the 2,820-acre Vermillion Highlands adjacent to the UMore Park southernmost boundary. Vermillion Highlands, A Research, Recreation and Wildlife Management Area, was established by the Legislature in 2006. In conjunction with the Dakota County Regional Park, the land aggregates to nearly 4,000 acres. The green space will be an amenity to citizens in the region in perpetuity.
- 4. The Robert Street Corridor Transit study's recommendation was adopted to include the termination of this transit line into the heart of UMore Park.
- 5. The Cedar Avenue Transit Way and Park and Ride system was inaugurated and Rosemount was granted a P&R station to be located downtown.
- 6. The Dakota County Transportation Study designated two key north-south collector streets (Blaine and Biscayne) to accommodate UMore Park's long-term interests.

- 7. A 27-acre park land dedication was framed with the City of Rosemount to locate a major community amenity in an area that accommodates UMore Park's long-term development interests as well as the recreational interests of the City and Dakota County Technical College.
- 8. The creation in October 2009 of the UMore Development LLC to manage on behalf of the Board of Regents the full development of UMore Park.
- 9. The full analysis and undertaking of gravel mining at UMore Park. This includes the geotechnical assessment and full EIS process leading to the possible approval by the Regents for gravel mining in 2011.
- 10. Negotiation of potential gravel mining lease for the gravel resources at UMore Park.
- 11. UMore Development LLC has just completed a market research study identifying trends, needs, values, uptake forecasts of the Dakota County real estate market.
- 12. UMore Development LLC has in progress a major study to investigate the potential for green energy ground source heat pumps as the major energy source for conditioning indoor air in all buildings at UMore Park.
- 13. We are initiating smart grid technical and economic (market) analyses for UMore Park. This project is undertaken in conjunction with the Management of Technology program at the University of Minnesota.
- 14. The University of Minnesota is launching an assessment of the magnitude of the clean-up costs for remediating adverse environmental impact at the former Gopher Ordnance Works. The University has pledged up to \$1 million dollars to begin this undertaking with the results anticipated to be available near the end of 2011. We are seeking the input of the City, Township, County and Department of Natural Resources as we consider candidate contractors to pursue this work.
- 15. We wish to jointly pursue with the City an economic development strategy that results in job creation. We hope that this undertaking leads to novel ideas for economic development within and around UMore Park.
- 16. Ancillary Gravel Facilities. We are in the midst of developing an understanding regarding the gravel mining ordinance and the location of the ancillary facilities in Rosemount. It is our intention to make significant changes to our current plan for ancillary uses both as to the types of activities and the quantity of land available for these uses. The following items are proposed to the City;
- a. The University will:
- i. Agree to the designation of Rosemount as RGU for the AUAR for the UMore Park development.
- ii. Under conditions we will discuss, withdraw approximately 80 acres adjacent to homes in the City and in the northwest corner from consideration for active mining and instead designate this land as unmined buffer.

- iii. Undertake a formal jobs and economic development cooperation program between City of Rosemount and UMore Development LLC. The LLC will provide modest funding to initiate this program.
- iv. The University of Minnesota in cooperation with the UMore Development LLC will undertake major GOW assessments with substantial investments up to \$1 million to conduct 'order of magnitude' environmental assessments within the legal GOW boundary.
- v. The UMore Development LLC will negotiate in good faith with the City to jointly resolve the City's storm water runoff challenges.
- b. Dakota Aggregates will:
- i. Locate all bagging activities outside of Rosemount.
- ii. Agree to remove all precast concrete from the City by the 10th year of operation.
- iii. Shrink the ancillary area. More details and maps will be provided at our Thursday July 22 meeting.
- c. City of Rosemount the LLC requests:
- i. Permit concrete (and aggregate processing)/asphalt and supporting functions for 40 years.
- ii. Permit temporary precast concrete permit for 10 years from the date of permit.
- iii. All of above subject to Empire's agreement to permit bagging and precast concrete operations on our timeline.
- iv. Dakota Aggregates to be allowed to keep facilities in place until all the aggregate is removed from the EIS mining area, approximately 40 years.
- 17. Lastly, as you know one of the University's major objectives for UMore Park is to bring the University's strength as a top research and land grant university to the development. To that end the University has established the Office of UMore Park Academic Initiatives within the office of the Sr. Vice President for System Academic Administration. The office will bring research, education and public engagement to the planning and development of the property through faculty and student contributions.

We look forward to meeting at your earliest convenience to begin the AUAR undertaking. We propose to define the land under AUAR study to be the UMore Park land in Rosemount (not including any land in Empire Township) and the land outside of the EIS gravel mining area so there is no confusion about the end use of the land. We estimate the total land in this AUAR to be near 2,200 to 2,300 acres. We will also be prepared to discuss incorporating 80 acres in the northwest corner to allow for a setback for gravel

mining from County Road 42. We look forward to completion of discussions with the City about the division of responsibilities and timelines and proceed to a formal agreement.

Mayor Droste, we are looking forward to continuing our past productive 5 years of progress at UMore Park and further strengthening our long-established relationship with the City of Rosemount.

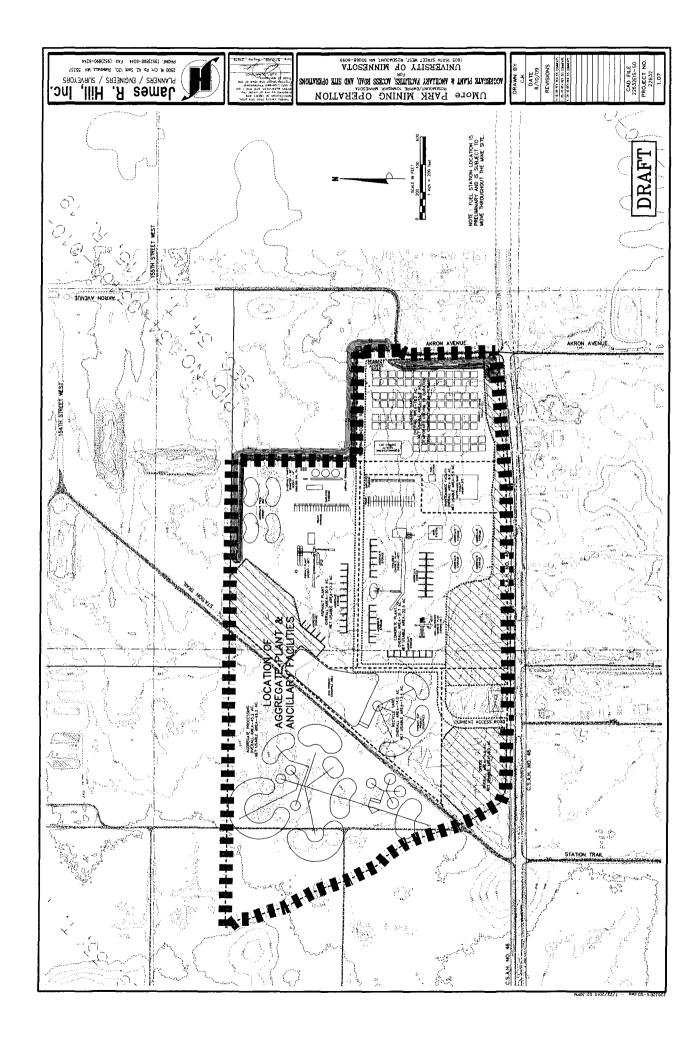
Kind Regards,

Charles Muscoplat

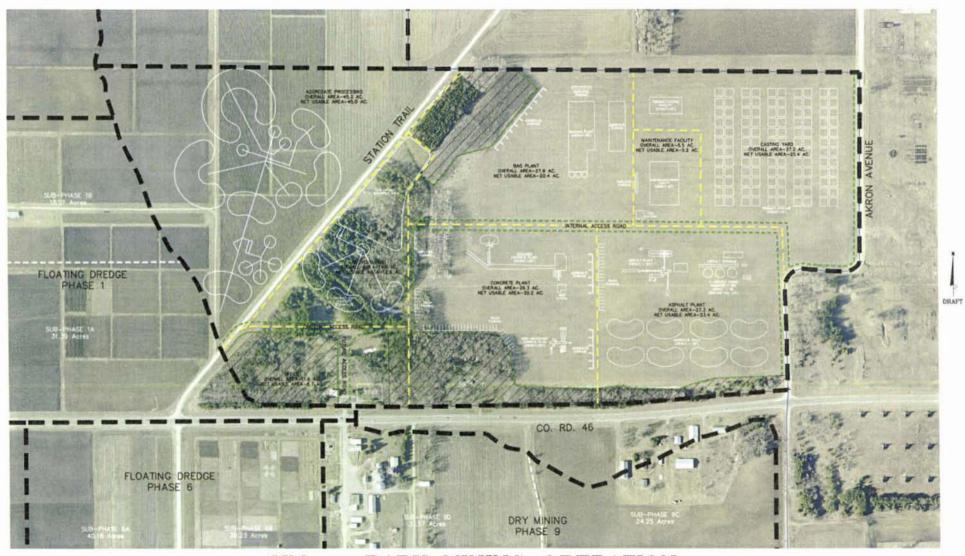
President

Charles Muscoplat, PhD
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FORMER PROPOSED ANCILLARY OPERATION SITE PLAN



UMore PARK MINING OPERATION
ROSEMOUNT, MN
DAKOTA AGGREGATES, LLC

