

City of Ramsey
Agenda
City Council Work Session
Tuesday December 7, 2010
5:30 pm
Lake Itasca Room 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Topics for Discussion**
 - a. Review Legislative Agenda for 2011
 - b. Review Proposals for *Ramsey Resident* Advertising
 - c. Lease Property Management
 - d. Consider Acquisition of Necessary Right-of-Way for the Potential Future Extension of Variolite Street
- 3. Future Topics for Discussion - *See Attached Calendar***
- 4. Mayor/Council/Staff Input**
- 5. Adjournment**

CC Work Session

Item #: 2. a.

Date: 12/07/2010

By: Kathy Schmitz
Administrative Services

Information

Title:

Review Legislative Agenda for 2011

Background:

This item was forwarded from the November 23, 2010 Work Session.

The purpose of this topic report is to discuss the legislative agenda for the 2011 session. Staff has invited Senator Jungbauer to the meeting to provide his perspective on the coming session and to discuss some of the City's legislative initiatives.

Observations:

The following items are proposed for consideration in the City's 2011 legislative agenda:

1. COR Tax increment financing district modifications. Several modifications of the COR TIF district are desirable for the successful implementation of the district. These modifications include a technical modification of the boundary description, an expansion of the eligible activities to be more consistent with an economic development district (as opposed to redevelopment), inclusion of recently constructed projects as increment, and possible modifications to fiscal disparities as it applies to this district.
2. Revisions to the state open meeting law to allow Cities that are acting as developers to close a meeting to discuss the development and management of real estate projects.
3. Ramsey Rail station funding of \$3.08 million in state bonding and/or transit appropriations.
4. Armstrong interchange funding of \$5+ million in state bonding.
5. Street improvement districts (see page 36 of attached Metro Cities document) would be a key component of the City's efforts to reconstruct and maintain its streets infrastructure.
6. Possible other: Sales tax on local government (p.5 attached), administrative fines (p.10), selection of Metropolitan Council member (p.26), and others as discussed.

Council Action:

Consider legislative priorities based upon discussion.

Attachments

metro cities

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	12/02/2010 03:18 PM
Form Started By: Kathy Schmitz		Started On: 12/02/2010
Final Approval Date: 12/02/2010		

DRAFT



Legislative Policies

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Municipal Revenue & Taxation (I)

I-A State and Local Fiscal Relationship

Metro Cities supports a strong state and local fiscal relationship that emphasizes adequacy, equitability and accountability for public resources, and effective communication between the state, its cities, and the public about the roles and responsibilities of state and local governments. Metro Cities believes that the state and local relationship is in decline, as expressed through continued reductions in state aids and credits, and increasingly unpredictable levels of those aids and credits. The diminishment of the state and local partnership has forced the funding of city services to be disproportionately reliant on the property tax and has placed an undue burden on city cash flows. Increasingly, cities are also bearing more of the responsibility for the costs for services that have historically been the responsibility of the state.

Metro Cities supports a state and local fiscal relationship that affirms the goal of all citizens receiving adequate levels of basic public services at relatively similar levels of taxation, that compensates cities for service costs created by non-taxpaying users of city services, that reduces tax burden disparities among communities, and that assists cities with high needs and relatively low fiscal capacities.

Metro Cities supports a strong state and local fiscal partnership that emphasizes the following principles:

- Strong financial stewardship and accountability for public resources that emphasizes maximizing efficiencies in service delivery and effective communication between the state and local units of government, and to the public, about state and local roles and responsibilities;
- Certainty and predictability in revenue sources including the property tax and local government aids;
- Adequate revenue sources available to cities that allow the needs of cities to be met, mandates to be funded, and that maintain our state's economic vitality and competitiveness;
- Recognition that a 'one size fits all' system that limits cities to the property tax as the major non-state aid revenue source does not fit all and to permit access to other tax and revenue sources that are not currently accessible as well as oppose reductions or limitations on the use of various license, development, or other general fees to pay for related services;

I-B Levy Limits

Metro Cities strongly opposes levy limits. Levy limits undermine local budgeting processes, planned growth, and the relationship between locally elected officials and their residents

by allowing the state to decide the appropriate level of local taxation and services, despite varying local conditions and circumstances.

I-C Restrictions on Local Government Budgets

Metro Cities opposes the imposition of artificial mechanisms such as valuation freezes, payroll freezes, reverse referenda, super majority requirements for levy, or other limitations to the local government budget and taxing process.

I-D Local Government Aid (LGA)

The LGA program, originally enacted in 1971, was created with the goals of providing property tax relief, and ensuring a sufficient level of revenues for local government needs. Metro Cities supports Local Government Aid (LGA), the only form of general purpose state aid to Minnesota cities, as a means of ensuring that all cities are able to provide basic public services without over-burdening the property tax.

In response to the state's budget deficits, LGA has been continually reduced. These reductions have fallen disproportionately on metropolitan area communities. Overall, reductions to local government aids and credits have been greater on a percentage basis than reductions made to other areas of the state budget. The level of reductions and unallotments and the unreliability of funding from year to year undermine the goals of the LGA program. Metro Cities strongly opposes the continued reductions of Local Government Aid for the purpose of balancing state budget deficits.

Metro Cities supports the restoration of LGA, adequate funding of the LGA program and the continuation of LGA to those cities whose public service needs and costs exceed their ability to pay.

I-E Local Government Aid Reform

Metro Cities supports reforming the LGA program and distribution formula to address geographic disparities, the issue of volatility, and the needs of metro area cities not addressed through the current formula and distribution.

As a result of modifications and reductions to LGA, aids to metro area cities have been reduced on a per capita basis by almost 50%. Metro Cities supported the formula modifications and LGA increase in 2008. However, the LGA formula continues to be geographically disparate and volatile, and the level of funding inadequate to support the goals of the LGA program.

Metro Cities supported the establishment of the LGA study group, passed by the 2008 Legislature, to conduct an analysis of the LGA program that includes an examination of existing geographic disparities in the distribution of Local Government Aid, an analysis of current need and capacity factors and consideration of alternative factors, an analysis of

the formula used to calculate aid for small cities, volatility in the local government aid distribution and the impact of including the unique needs of rapidly growing cities on the LGA formula. Metro Cities supported the extension of the study group to December, 2012. Metro Cities further supports having the study group consider the LGA program in the context of the overall state and local fiscal relationship.

I-F State Property Tax Relief Programs

Metro Cities supports state funded property tax relief programs that are paid directly to homestead property taxpayers such as the circuit breaker and enhanced targeting for special circumstances. Metro Cities supports the update of the Department of Revenue's "Voss" database to link income and property values, and the consideration of income relative to property taxes paid in determining eligibility for state property tax relief programs.

Metro Cities supports an analysis of the State's property tax relief programs to determine their effectiveness and equity in providing property tax relief to individuals and families across the state.

I-G Market Value Homestead Credit

Metro Cities supports the Market Value Homestead Credit Program, a state aid to individual homestead property taxpayers, as a direct credit to the taxpayer, rather than a reimbursement to local units of government. The current MVHC reimbursement structure undermines accountability in a number of ways, most directly by enabling the state to reduce or even eliminate the reimbursement to local units of government while preserving the benefit of the credit to the homeowner.

In response to the state's budget deficit, MVHC payments to local governments have been continually reduced and unallotted, resulting in an unreliability in the reimbursement, and a shift of the state's property tax relief program onto cities. Metro Cities opposes state funding reductions to the current Market Value Homestead Credit Program for the purpose of balancing state budget deficits, as these reductions shift the burden for funding a state mandated program onto local governments.

If the state reduces funding for the program, there should be a corresponding reduction in the credit received by the taxpayer.

I-H Property Valuation Limits/Limited Market Value

Metro Cities strongly opposes the use of artificial limits in valuing property at market for taxation purposes, since such limitations shift tax burdens to other classes of property and create disparities between properties of equal value.

I-I Fiscal Disparity Fund Distribution

Metro Cities supported the passage of 2010 legislation to conduct an analysis of the Fiscal Disparities Program. The study will be conducted by the Commissioner of Revenue and is due February 1, 2012. The study shall analyze the benefits of economic growth across the region, the program's impact on tax rates across the region, the impact of homestead property tax burdens across jurisdictions, and the relationship between the impacts of the program and overburden on jurisdictions with properties that provide regional benefits. Metro Cities supports the continuation of the fiscal disparities program unless an appropriate replacement is developed. Metro Cities opposes the use of fiscal disparities to fund social or physical metropolitan programs since it results in a metropolitan-wide property tax increase hidden from the public.

I-J Constitutional Tax and Expenditure Limits

Metro Cities strongly opposes including tax and expenditure limits in the state constitution. This would eliminate any flexibility on the part of the Legislature or local governments to respond to unanticipated critical needs, emergencies, or fluctuating economic situations. When services such as education, public safety and health care require increased funding beyond the overall limit, experiences in at least one other state indicate that other publicly funded services receive less than adequate resources. Constitutional limits result in a reduced base during times of economic downturn and the inability to recover to previous service levels when economic prosperity returns.

I-K State Property Tax

The 2001 Property Tax Reform Act shifted general education funding to the state, and funded it, in part, with a new state property tax on commercial/industrial and cabin property. The statute governing the state levy was subsequently amended so that the levy is no longer dedicated to education, and the levy is automatically adjusted by the rate of inflation as measured by the implicit price deflator.

Since cities' only source of general funds is the property tax, Metro Cities strongly opposes extension of a state-levied property tax to additional classes of property. Metro Cities supports efforts to have the state provide information on the property tax statement regarding the state property tax.

I-L Class Rate Tax System

Metro Cities opposes elimination of the class rate tax system, or applying future levy increases to market value, since this would further complicate the property tax system.

I-M Personal Property Taxation: Electric Utility

The Minnesota Department of Revenue has revised its regulations for calculating the taxable market value of electric and natural gas utility property. This affects property taxes paid by investor-owned utilities (IOUs) not only to the state, but also to local governments. Provisions in the previous regulations, such as depreciation limits and prescribed weights for the cost and income approaches to value, helped to preserve the taxable value of this property over the many decades it is in service.

IOUs enjoy a guaranteed rate of return on their capital investments, but host cities experience the costs of environmental damage, nuisance and lost economic development as the result of this property. IOUs argued that their property is over-valued and that depreciation limits should be removed. However, changes to the utility property valuation rules will drastically reduce the taxable market value that helps compensate host cities for hosting base load electric generation facilities.

Metro Cities opposes changes to the utility property valuation rules that result in a significant decline in the taxable market value of utility property. Metro Cities supports state appropriated aid to cities to keep them financially whole and to compensate for the economic and environmental costs of hosting base load electric generation facilities, rather than through increases in property class rates or other mechanisms.

I-N Sales Tax on Local Government Purchases

State law currently requires local governments, with the exception of public schools, nursing homes, hospitals and public libraries, to pay sales tax. The law exempts certain local government units from some specific purchases such as ambulance vehicles and equipment, road and bridge maintenance, emergency rescue vehicles, and others. Metro Cities supports a reinstatement of the sales tax exemption for all local government purchases, since such charges represent a double tax upon our citizens.

I-O City Revenue Stability and Fund Balance

Metro Cities opposes state attempts to control or restrict city fund balances. These funds are necessary to maintain fiscal viability, meet unexpected or emergency resource needs, purchase capital goods and infrastructure, provide adequate cash flow and maintain high level bond ratings.

I-P Public Employees' Retirement Association (PERA)

Metro Cities supports employees and cities sharing equally in the cost of necessary contribution increases, the standard for the PERA General Plan, and a 60% employer/40% employee split, the standard for the PERA Police and Fire Plan. Metro Cities also supports state assistance to local governments to cover any additional contribution burdens placed on cities over and above contribution increases required by employees. Cities should

receive sufficient notice of these increases so that they may take them into account for budgeting purposes.

In 2010, pension stabilization legislation was enacted to begin addressing the funding deficiency in the PERA pension plans. The modifications will increase employer contributions by \$16 million annually, but the overall legislative package, including a reduction in the annual retiree adjustment, an increase in vesting to five years, and a reduction in interest rates on refunds will reduce the unfunded liability in the plans by \$300 million annually.

To help ensure the fiscal health of the PERA system, Metro cities supports the legislative changes made in 2010, and opposes benefit improvements for active employees or retirees until the financial health of the PERA General Plan and PERA Police and Fire Plan are restored.

Metro Cities supports modifications to help align PERA contributions and costs, and reduce the need for additional contribution increase, including a modification of PERA eligibility guidelines to account for temporary, seasonal and part time employment situations, the use of pro-rated service credit, and a comprehensive review of exclusions to simplify eligibility guidelines.

Metro Cities will monitor legislative proposals, plan design changes and the joint study of the state's public pension plans and when necessary and appropriate, respond in a manner that supports this policy and provides for the fair treatment of employees and the protection of municipalities' interests.

I-Q Aggregate Mining Fee

In order to provide an incentive for the extraction of local aggregate resources prior to urbanized development, and in order to help offset the negative impacts of aggregate mining on local communities, the state should authorize cities and townships to collect a per ton host community fee from the operators of aggregate mines with the fee proceeds to be deposited in the municipality's general fund.

The 2008 Legislature adopted an Aggregate Resource Preservation Act as an incentive for the extraction of local aggregate resources prior to urbanized development, as well as a modified tax structure that requires 42.5% of the aggregate tax to be distributed to host cities and townships. Metro Cities supports legislative efforts to assist aggregate host cities in offsetting the negative impacts of aggregate mining on local communities. Metro Cities would prefer that cities and townships be allowed to collect a per ton host community fee from the operators of aggregate mines with the fee proceeds to be deposited in the municipality's general fund. The Legislature may wish to consider an examination of the negative impacts of aggregate mining on cities adjacent to host cities.

I-R State Program Revenue Sources

Metro Cities opposes any attempt by the state to finance programs of statewide value and significance with local revenue sources such as municipal utilities or property tax mechanisms. These local revenue sources are created to finance local government services. Statewide programs, such as the Clean Water Legacy Act, serve important state goals and objectives, and should be financed through traditional state revenue sources such as the income or sales tax.

I-S Post Employment Benefits

Metro Cities supported 2008 statutory changes that allow local governments to establish trusts from which to fund post-employment health and life insurance benefits for public employees, with participation by cities on a strictly voluntary basis, in recognition that cities have differing local needs and circumstances. Cities should also retain the ability to determine the level of post employment benefits to be provided to employees.

I-T Health Care Insurance Programs

Metro Cities supports legislative efforts to control health insurance costs, but opposes actions that undermine local flexibility to manage rising insurance costs. Metro Cities encourages a full examination of the rising costs of health care and the impacts on city employers and employees. Metro Cities also supports a study of the fiscal impacts to both cities and retirees of pooling retirees separately from active employees.

I-U State Budget Stability

For the last several years, the State has experienced budget deficits and increased volatility in state revenues. To address state budget shortfalls, the Legislature and Governor have focused their efforts on reductions in expenditures, shifting of costs to other units of government, school payment delays, and drawing down the state budget reserve. Many of these options will not be available to address future state budget shortfalls and the Legislature and Governor must seek solutions that achieve structural budget balance.

In 2007, the Legislature and Governor created the State Budget Trends Study Commission to study the implications of state demographic trends on the state's tax base and revenue collections, as well as trends in spending for state programs. The Commission was charged with examining the state budget with regard to budget stability and flexibility and making recommendations for state tax and budget changes that include changes in the tax base, mix of tax types, state and local finance relationships, entitlements and the budget structure. The Commission identified several major demographic and fiscal trends and recommendations to address achieving balance in state revenues and expenditures and managing state budget volatility.

Metro Cities strongly supports changes to the state's revenue system that enhance and improve stability, flexibility and adequacy in the system. Such changes should focus on changes that reduce the volatility of state revenues and improve the long term balance of state revenues and expenditures. Metro Cities supports a statutory budget reserve ceiling that is adequate to manage risks and fluctuations in the state's tax system and a cash flow reserve account of sufficient size so that the state can avoid short term borrowing to manage cash flow fluctuations.

Metro Cities also supports an examination of the property tax system and the relationships between state and local tax bases, with an emphasis on recent state budget cuts and their impact on property taxes.

I-V Online Travel Companies and Taxes

Metro Cities opposes legislation that allows online travel companies a tax exemption that terminates obligations to pay hotel taxes to state and local governments, or otherwise restricts legal actions by states and localities.

GENERAL LEGISLATION (II)

II-A Mandates, Zoning & Local Authority

Metro Cities opposes statutory changes which erode local control and authority or create mandated additional tasks requiring new or added local costs without a corresponding state appropriation or funding mechanism. Metro Cities believes that zoning issues should be made at the local level. Metro Cities supports legislation that gives local officials greater authority and discretion to approve variances to remain flexible in response to the unique land use needs of their own community. New unfunded mandates potentially cause increased property taxes which impede cities ability to fund traditional service needs. To allow for greater collaboration and flexibility in providing local services, Metro Cities also encourages the removal of barriers or hurdles to cooperation and coordination between cities and other units of government or entities.

II-B City Enterprise Activities

Metro Cities supports cities having the authority to establish city enterprise operations in response to community needs, local preferences, state mandates or to ensure residents' quality of life. Creation of an enterprise operation allows a city to provide the desired service while maintaining financial and management control. The state should refrain from infringing on this ability to provide and control services for the benefit of community residents.

II-C Firearms on City Property

Cities should be allowed to prohibit handguns in city-owned buildings, facilities and parks. This would allow locally elected officials to determine whether to allow permit-holders to bring guns into municipal buildings, liquor stores, city council chambers and city sponsored youth activities. It is not Metro Cities' intention for cities to have the authority to prohibit legal weapons in parking lots, on city streets or city sidewalks.

II-D 911 Telephone Tax

Public safety answering points (PSAPs) must be able to continue to rely on state 911 revenues to pay for upgrades and modifications to local 911 systems, maintenance and operational support, and dispatcher training. State funding should also support the technology and training needed to provide the number and location of wireless and voice over internet protocol (VoIP) calls to 911 on computer screens and transmit that data to police, fire and first responders.

II-E 800 MHz Radio System

Metro Cities supports the work of the Metropolitan Emergency Services Board (previously the Metropolitan Radio Board) in implementing and maintaining the 800 MHz radio system, as long as cities are not forced to modify their current systems or become a part of the 800 MHz Radio System until they so choose. Metro Cities further urges the Legislature to provide cities with the financial means to obtain required infrastructure and subscriber equipment (portable and mobile radios) as well as provide funding for operating costs, since the prime purpose of this system is to allow public safety agencies and other units of government the ability to communicate effectively.

II-F Building Codes

In spite of the serious downturn in the construction economy, thousands of new housing units have been constructed annually in the metro area, and when the economy rebounds, building will resume. Structural and water intrusion problems have surfaced in many houses and commercial buildings built in the last 20 years. These problems have resulted in dissatisfied homeowners and conflicts between the state, builders and cities.

Metro Cities supports an equitable distribution of fees from the newly created Construction Code Fund, with proportional distribution based on the area of enforcement where the fees were received. Metro Cities further supports a joint effort by the state, cities and builders to collectively identify appropriate uses for the fund, including education, analysis of new materials and construction techniques, building code updating, building inspector training, development of performance standards and identification of construction "best practices." Metro Cities does not support legislative solutions that fail to recognize the interrelationships between builders, state building codes and cities.

II-G Administrative Fines

Traditional methods of citation, enforcement and prosecution have met with increasing costs to local units of government. The use of administrative fines is a tool to moderate those costs. Metro Cities supported expansion of the 2009 administrative fine authority to allow cities to issue administrative fines for defined local traffic offenses. While the expanded authority is a welcome enhancement, further compromise language is necessary to enhance the workability of the authority. Metro Cities continues to support cities' authority to use administrative fines for regulatory ordinances, such as building codes, zoning codes, health codes, and public safety and nuisance ordinances. Metro Cities supports the use of city administrative fines, at a minimum, for regulatory matters that are not duplicative of misdemeanor or higher level state traffic and criminal offenses. Metro Cities also endorses a fair hearing process before a disinterested third party.

II-H Residential Care Facilities

Sufficient funding and oversight is needed to ensure that residents living in residential care facilities have appropriate care and supervision, and that neighborhoods are not disproportionately impacted by high concentrations of residential care facilities. Under current law, operators of certain residential care facilities are not required to notify cities when they intend to purchase single-family housing for this purpose. Cities do not have the authority to regulate the locations of group homes and residential care facilities. Cities have reasonable concerns about high concentrations of these facilities in residential neighborhoods, and additional traffic and service deliveries surrounding these facilities when they are grouped closely together. Municipalities recognize and support the services residential care facilities provide. However, cities also have an interest in preserving balance between group homes and other uses in residential neighborhoods.

Providers applying to operate residential care facilities should be required to notify the city when applying for licensure so as to be informed of local ordinance requirements as a part of the application process. Licensing agencies should be required to notify the city of properties receiving licensure to be operated as residential care facilities. Cities should have statutory authority to require licensed agencies and licensed providers that operate residential care facilities to notify the city of properties being operated as residential care facilities. The Legislature should also require the establishment of non-concentration standards not unlike those available to the core cities for residential care facilities to prevent clustering and require the appropriate county agencies to enforce these rules.

II-I Annexation

The 2006 Legislature created the Municipal Boundary Adjustment Task Force to study and make recommendations on what, if any, changes should be made to the law governing municipal boundary adjustments. The task force was charged with developing recommendations regarding best practices annexation training for city and township officials to better communicate and jointly plan potential annexations. The report from the Municipal Boundary Adjustment Task Force to study and make recommendations on what, if any, changes should be made to the law governing municipal boundary adjustments was published in February of 2009. While the task force was able to define the differences between cities and townships on the issue of annexation, no significant advancements were made in creating best practices. Metro Cities supports continued legislative investigations into developing recommendations regarding best practices annexation training for city and township officials to better communicate and jointly plan potential annexations. Further, Metro Cities supports substantive changes to the state's annexation law that will lead to better land-use planning, energy conservation, greater environmental protection, fairer tax bases, and fewer conflicts between townships and cities. Metro Cities also supports technical annexation changes that have been agreed to by cities and townships.

II-J Housing Ordinance Enforcement

In 2008, the Minnesota State Supreme Court ruled in *Morris v. Sax* that certain provisions of the city of Morris' rental housing code were invalid because there were subjects dealt with under the state building code and the city was attempting to regulate these areas "differently from the state building code." Minnesota Statutes section 16B.6s subdivision 1 states:

"The state building code applies statewide and supersedes the building code of any municipality. A municipality must not by ordinance or through development agreement require building code provisions regulating components or systems of any residential structure that are different from any provision of the state building code."

Metro Cities supports the ability of cities to enforce all housing codes passed by a local municipality to maintain its housing stock.

II – K Statewide Funding Sources for Local Issues with Regional Impact

In recognition of the fact that many issues faced by cities with significant local costs have impacts that reach beyond municipal boundaries, Metro Cities supports the availability of statewide funding sources to address local issues that have regional or statewide significance including, but not limited to, the implementation of a metropolitan area groundwater monitoring network, emerald ash borer eradication and the cleanup of storm-water retention ponds. Metro Cities opposes the requirement of enacting ordinances more restrictive than state law in exchange for access to these funds.

II – L Synthetic Marijuana Regulation

In the absence of statewide regulation of synthetic marijuana some cities have begun investigating the ability to ban the product through the passage and enforcement of a local ordinance. Metro Cities believes the state should enforce a statewide ban on synthetic marijuana and should regulate it as a schedule 1 drug.

HOUSING & ECONOMIC DEVELOPMENT (III)

Introduction

While the provision of housing is predominantly a private sector, market-driven activity, all levels of government – federal, state and local – have a role to play in facilitating the production and preservation of affordable housing in Minnesota.

Metro Cities' housing policies recognize and support the intergovernmental nature of this issue – including participation from federal, state, regional and local governments. Cities are responsible for much of the ground-level housing policy in Minnesota – including land-use planning, building code enforcement, and often times the packaging of financial incentives. However, the State and Metropolitan Council must also play a major role by empowering local units of government and providing a variety of funding programs and tools.

III-A City Role in Housing

In the state of Minnesota, the provision of housing is predominantly a private sector, market-driven activity. However, all cities facilitate the development of housing via responsibilities in the areas of land-use planning, zoning ordinances and subdivision regulations. Many cities take on a significant administrative burden in order to play an additional role by providing financial incentives and regulatory relief, participating in state and regional housing programs and supporting either local or countywide Housing and Redevelopment Authorities. Cities are also responsible for ensuring the health and safety of local residents and the structural soundness and livability of the local housing stock via building permits and inspections.

Metro Cities strongly opposes any effort to reduce, alter or interfere with cities' authority to carry out these functions in a locally determined manner.

III-B City Role in Affordable and Life Cycle Housing

Metro Cities' supports both affordable housing and housing that is appropriate for people at all stages of life. A variety of housing opportunities are important to the economic and social well being of individual communities and the region. Cities can facilitate the production and preservation of affordable and lifecycle housing by:

- Applying for funding from applicable grant and loan programs;
- Working with developers and local residents to blend affordable housing into new and existing neighborhoods;

- Expediting review processes;
- Working to reduce locally imposed development costs; and
- Using available regulatory mechanisms to shape housing communities.

III-C Inclusionary Housing

Metro Cities supports the location of affordable housing in residential and mixed-use neighborhoods throughout a city. However, Metro Cities does not support passage of a mandatory inclusionary housing law that would require a certain percentage of units in all new housing developments to be affordable to households at a particular income level because these units can't be produced without a deep developer subsidy or cross-subsidization from the other houses in the development.

While Metro Cities believes there are cost savings to be achieved through regulatory reform, density bonuses, and fee waivers, Metro Cities does not believe a mandatory inclusionary housing approach can achieve the desired levels of affordability solely through these steps. The Metropolitan Council, in creating its affordable housing targets, must recognize both the opportunities and financial limitations of cities. The Council should partner with cities to facilitate the creation of affordable housing through direct financial assistance and/or advocating for additional resources through the Minnesota Housing Finance Agency.

III- D Metropolitan Council Housing Targets

In advance of the 2008 Comprehensive Plan deadline and in response to projected growth in the Metro Area, the Metropolitan Council created a methodology to determine how many affordable housing units would be needed and where those units should go. From that process, each metro area city was assigned an affordable housing "target". Further, Met Council Comprehensive Plan guidance instructs cities to guide sufficient land to accommodate the "targets".

Metro Cities supports the creation of a variety of housing opportunities for people. However, providing affordable and lifecycle housing is a shared responsibility between the private sector and government at all levels, including the federal government, state government and Metropolitan Council. Land economics, construction costs and infrastructure needs create barriers to the creation of affordable housing that cities cannot overcome without assistance.

Therefore, Metro Cities supports a Metropolitan Council affordable housing policy that recognizes the following tenets:

- The Council's housing policies characterize individual city housing numbers as targets or a range of needs in the community.

- Cities need significant financial assistance from the federal and state government, as well as the Metropolitan Council, in order to make progress toward creating additional affordable housing;
- Public transit infrastructure and the provision of affordable housing are connected. The allocation of affordable housing goals should reflect the actual level of resources available for transit infrastructure and operations. The Council should provide and advocate for resources for public transit infrastructure in order to enhance opportunities for affordable housing;
- Absent significant resources to assist cities, the Met Council will not hold cities responsible if the goals can't be met, and the Met Council will reassess biennially the targets or goals to recognize the deficiency;
- The formula, and the methodology used to create it, should be routinely evaluated to determine if market conditions have changed or if underlying conditions should prompt readjustment of the formula;
- The formula should continue to reflect the balance and breadth of existing affordable housing stocks; and
- The Council should engage in a "post" project analysis in order to measure the effectiveness of that project.

III-E State Role in Affordable Housing

Primarily through the programs of the Minnesota Housing Finance Agency (MHFA) the state establishes general direction and prioritization of housing issues. Further MHFA should collaborate with the Department of Employment and Economic Development (DEED) in order to connect affordable housing and economic development goals. The state financially supports a variety of housing types including homeless shelters, transitional housing, supportive housing, senior housing, and family housing. The state must continue to be an active partner in addressing lifecycle and affordable housing issues.

Metro Cities supports:

- Increase funding, including state general funds and, possibly, alternate sources of revenue, for programs that support lifecycle, affordable housing, foreclosure mitigation, senior, transitional and emergency housing. The state should consider establishing a non-competitive program to create a pipeline to match city-subsidized affordable housing projects;
- Support housing programs that assist housing development throughout the low-to-moderate income range;

- As a means of reconciling affordable housing with community development goals, Metro Cities supports housing programs designed to develop market rate housing in census block grants with high concentrations of poverty, where the private market might not otherwise invest;
- Continue the policy of using MHFA's investment earnings for housing programs;
- Metro Cities will monitor the debate regarding bonding allocation and tax credit programs to ensure city input into state legislation involving distribution of tax credits and tax exempt bonding;
- Provide exemptions from, or reductions to sales, use and transaction taxes applied to the development and production of affordable housing;
- Consider providing state tax credits to incent cross-subsidized affordable units in a market rate development project. This incentive could be used in conjunction with city, regional, or other state incentives; and
- Consider the use of state bond proceeds and other appropriations for land banking and land trusts.

III-F Federal Role in Affordable Housing

Metro Cities encourages the federal government to maintain and increase current levels of funding for affordable housing. Federal investment in affordable housing will increase the supply of affordable and life cycle housing as well as increase the inter-jurisdictional collaboration between the two levels of government. Federal funding plays a critical role in aiding states and local governments in their efforts to maintain and increase affordable housing throughout the state. Metro Cities strongly encourages the following:

- To preserve and increase funding for the Community Development Block Grant Program and the federal HOME program, which are catalysts for creating more affordable housing;
- To create and implement a more streamlined procedural method for local units of government to participate and access federal funding and services dealing with grants, loans, and tax incentive programs for economic and community development efforts;
- To preserve resources to sustain existing public housing throughout the Metro Area;
- To commit resources to Section 8 funding. It is a flexible, cost effective, and successful program that has helped nearly two million families find housing through promotion of self-sufficiency and stability; and

- To support federal funding to provide short-term assistance for HRAs in order to facilitate the sale of tax-exempt bonds.

III-G Vacant and Boarded Properties

There has been an epidemic of mortgage foreclosures in the state, and the number of foreclosures continues to increase as more homeowners cannot afford to pay their existing mortgages, and as many homeowners find themselves “underwater” in their mortgages, with the result that some homeowners are choosing to walk away from their homes rather than paying more than the home’s value. As the economy continues to be challenged, and recovery is expected to be slow, foreclosure levels are expected to continue to rise over the next couple of years.

While mortgage foreclosures are responsible for a significant portion of vacant and boarded properties, they are not the only cause. Abandoned residential and commercial properties can be devastating to communities when the presence of vacant buildings results in reduced property values and increased crime. The additional public safety and code enforcement costs of managing vacant properties are a financial strain on cities.

Metro Cities supports solutions to vacant and boarded properties that recognize three things: (1) Prevention is more cost effective than a cure. (2) The causes of this problem are many and varied, thus the solutions must be as well. (3) It is not simply a “city” problem so cities must not be expected to bear the bulk of the burden of mitigation.

Further, Metro Cities supports some specific proposals:

- Improvement of the redemption process to provide increased notification to renters, strengthen the ability of homeowners to retain their properties, and reduce the amount of time a property is vacant;
- Expedite the tax forfeiture process;
- Improve the cost assignment process to ensure that cities can recoup their costs of managing vacant properties;
- Improve ability of cities to recoup the increased public safety and enforcement costs related to vacant properties;
- Increase financial tools for neighborhood recovery efforts, including tax increment financing;
- Identification of the various causes of vacant and boarded properties;

- Provide tools that allow cities to acquire vacant and boarded properties before deterioration and vandalism result in unsalvageable structures, including increases eminent domain flexibility; and
- Registration of vacant and boarded properties, if this is deemed to be an effective approach to dealing with the problem.

III-H Economic Development and Redevelopment

The economic viability of the Metro Area is enhanced by a broad array of economic development tools that create infrastructure, recycle previously developed property, provide incentives for business development and support technological advances. It should be the goal of the State to champion development by providing enough sustainable funding to assure competitiveness in a global marketplace. The State of Minnesota should recognize cities as the primary unit of government responsible for the implementation of economic development, redevelopment policies and land use controls. State assistance to cities for development is required in two broad areas: (1) Economic Development – direct business assistance; and (2) Redevelopment/Development – real estate development. They are not mutually exclusive—some projects require a boost on both counts.

III-H (1) Economic Development

For purposes of this section, economic development is defined as a form of development that contains direct business assistance with the goal of sustainable job creation, job retention or to nurture new or retain existing industry in the state. The measure of return on investment of public business subsidies should include the impact (positive or negative) of “spin-off development” or business development that is ancillary and supportive of the primary business. Metro Cities supports;

- Continued competitive funding for the Minnesota Investment Fund;
- Continued funding for the Urban Initiative Program and other state programs to support minority business start-ups;
- Continued support for the Bioscience partnerships between cities, companies and University of Minnesota;
- Development of green opportunities for green job development and related innovation and entrepreneurship; and
- Economic tools that facilitate job growth without relying solely on the growth of property tax base;
- The Regional Competitiveness Project, a collaboration of the Regional Council of Mayors and the Business and Workforce investment Boards (DEED) with the goal of

implementing a regional economic and workforce development competitiveness strategy for short and long-term economic growth

- The Itasca Project, an employer led project to drive regional efforts to keep the Twin Cities economy and quality of life competitive with other regions; and
- The Metro Business Plan initiative, a pilot project designed to highlight the emergence of metropolitan areas as the dominant source of economic and cultural power in modern America.

III-H (2) Redevelopment

Redevelopment involves the development of land that requires “predevelopment.” The goal of redevelopment is to facilitate the development of “pre-used” land, thereby leveling the playing field between green field and brown field sites so that a private sector entity can rationally choose to locate on land that has already been used. The benefits of redevelopment include a decrease in Vehicle Miles Traveled (VMTs), more efficient use of new or existing public infrastructure (including public transit), ameliorated city costs due to public safety and code enforcement, and other public goods that result when land is reused rather than abandoned and compact development is encouraged.

Metro Cities supports:

- Increased funding and flexibility in the Metropolitan Council’s Livable Communities Programs. Metro Cities strongly opposes funding reductions, transfers of Livable Communities Program funds to other program areas and constraints on eligibility and program requirements. Metro Cities supports allowing a maximum levy amount for this program, as provided for under Minnesota Statutes;
- Increased, flexible and sustained funding for the Contamination Cleanup and Investigation Grant Program, administered by DEED;
- New financing and regulatory tools to nurture Transit Oriented Development, including funding for Transit Improvement Areas (TIAS) as defined in state statute, as well as increased flexibility in the use of TIF for this purpose;
- Increased and sustained general fund and state bond funds for the Redevelopment Grant Program, administered by DEED, dedicated to Metropolitan Area projects.
- The evaluation of SAC fees to determine if they hinder redevelopment;
- Allowing for cities to “bank” SAC credits to use elsewhere within city;
- Expansion of existing tools or development of new funding mechanisms to correct unstable soils; and

- Extension of the sunset of the state income tax credit for preservation of historic properties.

III-I Tax Increment Financing

Tax Increment Financing (TIF) has been and continues to be the primary tool available for local communities to assist economic development, redevelopment and housing. Over time, several statutory changes have made this critical tool increasingly difficult to use, while recent property tax reform has resulted in a decreased state financial stake in city TIF decisions. At the same time that TIF has become more restrictive and difficult to use, federal and state development and redevelopment resources have been steadily shrinking. The 2006 eminent domain changes will make redevelopment significantly more expensive in some cases, and impossible in others. The cumulative impact of TIF restrictions, shrinking federal and state redevelopment resources, and changes to eminent domain laws will restrict a city's ability to address problem properties and will accelerate the decline of developed cities in the Metropolitan Area. With huge state and federal budget deficits, the only source of revenue available to accomplish the scope of redevelopment necessary is the value created by the redevelopment itself, or the "increment." Without the use of the increment development will either not occur or is unlikely to be optimal.

Metro Cities urges the Legislature to:

- Extend the sunsets for the TIF provisions in the 2010 "Jobs" bill to fully realize the construction potential as the economy moves toward recovery, and as the lending market becomes more compatible with commencing construction projects;
- Not adopt any statutory language that would further constrain or directly or indirectly reduce the effectiveness of TIF;
- Incorporate the Soils Correction District criteria into the Redevelopment District criteria so that a Redevelopment District can be comprised of blighted and contaminated parcels in addition to railroad property;
- Expand the flexibility of TIF to support a broader range of redevelopment projects;
- Increase the ability to pool increments from other districts to support projects;
- Continue to monitor the impacts of tax reform on TIF districts and if warranted provide cities with additional authority to pay for possible TIF shortfalls.
- Allow for the creation of transit zones and transit related TIF districts in order to shape development around transit stations but not for construction or maintenance of the public transit itself;

- Allow TIF eligibility expansion to innovative technological products, recognizing that not only physical items create economic value;
- Support changes to TIF law that will facilitate the development of “regional projects:”
- Shift TIF redevelopment policy away from a focus on “blight” and “substandard” to “functionally obsolete” or a focus on long range planning for a particular community, reduction in green house gases or other criteria more relevant to current needs.
- Encourage DEED to do an extensive cost-benefit analysis related to redevelopment, including an analysis of the various funding mechanisms, and an analysis of where the cost burden falls with each of the options compared the to the distribution of the benefits of the redevelopment project.
- Support TIF for neighborhood recovery efforts in the wake of the foreclosure crisis;
- Consider creating an inter-disciplinary TIF team to review local exception TIF proposals, using established criteria, and make recommendations to the legislature on their passage; and
- Metro Cities encourages the State Auditor to continue to work toward a more efficient and streamlined reporting process.

III-J Eminent Domain

Eminent domain law changes made by the 2006 Legislature resulted in a significant philosophical and legal shift in Minnesota. Whereas prior to 2006, Minnesota law provided extensive deference to local governments, statutory changes enacted in 2006 provide significantly greater deference to property owners. Eminent domain actions for traditional public uses such as streets, parks or sewers will cost more. And except for the most extreme cases of blight or contamination, eminent domain for redevelopment purposes will be nearly impossible at any cost.

The proper operation and long term economic vitality of our cities is dependent on the ability of a city, its citizens and its businesses to continually reinvest and reinvent. Reinvestment and reinvention strategies can occasionally conflict with the priorities of individual residents or business owners. Eminent domain is a critical tool in the reinvestment and reinvention process and without it; our cities will be allowed to deteriorate to unprecedented levels before the public will be able to react. Metro Cities strongly encourages the Governor and Legislature to revisit the 2006 eminent domain changes to allow local governments to redevelopment problems before those conditions become financially impossible to address. Specifically, the Legislature should:

- Clarify contamination standards;

- Develop different standards for redevelopment to include obsolete structures or to reflect the deterioration conditions that currently exist in the Metro Area;
- Allow for the assembly of multiple parcels for redevelopment projects;
- Provide for the ability to acquire land from “holdouts” who will now view a publicly funded project as an opportunity for personal gain at taxpayer expense;
- Modify the public purpose definition under Chapter 117 to allow cities to more expediently address properties that are vacant or abandoned in areas with high levels of foreclosures, so as to address neighborhood stabilization and recovery
- Review the new compensation and relocation provisions to determine whether they are reasonable and if they are fair to individuals and the public; and
- Allow for modifications to the effective date language in the 2006 legislation in order to accommodate delays in project schedules that are beyond the control of the acquiring authority.

III-K This Old House/This Old Shop

Metro Cities supports the reenactment of the “This Old House” law, which allowed owners of older homestead property to defer an increase in their tax capacity resulting from repairs or improvements to the home. In particular, “This Old House”, or a similar program, should be reauthorized as an incentive for re-occupying and homesteading foreclosed or vacant homes.

Metro Cities also supports passage of similar legislation for owners of older commercial/industrial property that make improvements that increase the property’s market value by at least 12%.

III-L Business Subsidy Policy

Without a thorough study, the Legislature should not make any substantive changes to the Business Subsidy Act during the next legislative session, but should look to technical changes that would stream line both state and local processes and procedures. The legislature should distinguish between development subsidies and redevelopment activities. In addition, in order to ensure cohesive and comprehensive regulations, the legislature should limit regulation of business subsidies to the Business Subsidy Act.

Metro Cities supports additional “Jobs” legislation that includes tools to help facilitate further economic development and job creation.

III-M Internet Technology

Where many traditional economic development tools have focused on managing the costs and availability of traditional infrastructure—roads, rail, utilities, etc.—the new economy is increasingly dependent on reliable, redundant, cost effective, high bandwidth telecommunications capabilities. While the United States was once a leader among “wired” economies, its position has slipped dramatically as other countries have facilitated investments in fiber-optic deployment (fiber to the premises), commitments to true high speed internet capacity (100 mb to 1 gb) and improved networks (Internet 2). Recognizing that there is a policy debate regarding the role of government versus private telecommunications companies in implementing the next generation of internet capability, bringing about such capabilities is increasingly important to insure that U.S. companies in general and Minnesota companies in particular can compete effectively in the global economy.

Metro Cities endorses comprehensive and regional strategies to stimulate the implementation of high speed, reliable and cost effective internet service that is available throughout the state. Further, Metro Cities supports a change to allow a city, or group of cities, to own and operate a telephone switch by a simple majority vote in a referendum.

III-N City Role in Environmental Protection and Sustainable Development

Historically, cities have played a major role in environmental protection, particularly in water quality. Through the construction and operation of wastewater treatment and storm water management systems, cities are a leader in protecting the surface water of the state. In recent years, increased emphasis has been placed on protecting ground water and removing impairments from storm water. In addition, there is increased emphasis on city participation in controlling our carbon footprint and in promoting green development.

Metro Cities supports public and private environmental protection efforts to reduce greenhouse gas emissions and to further protect surface and ground water. Metro Cities also supports “green” design and construction techniques to the extent that those techniques have been thoroughly tested and are truly environmentally beneficial, economically sustainable, and represent sound building practices. Metro Cities supports additional, feasible environmental protection with adequate funding and incentives to comply.

Green jobs represent employment and entrepreneurial opportunities that are part of the green economy, as defined in Minnesota statute 116.437J1, including the four industry sectors of green products, renewable energy, green services and environmental conservation. Minnesota’s green jobs policies, strategies and investments need to lead to high quality jobs with good wages and benefits, meeting current wage and labor laws.

III-O Impaired Waters

Metro Cities supports continued development of the metropolitan area in a manner that is responsive to the market, but is cognizant of the need to protect the water resources of the state and metro area. Metro Cities supports the goals of the Clean Water Act and efforts at both the federal and state level to implement it. Metro Cities supports continued funding of the framework passed in the 2009 Legacy legislation for clean water to improve the region's ability to respond to market demands for development and redevelopment, including dedicated funding for:

- Surface water impairment assessments;
- TMDL development;
- Storm water construction grants; and
- Wastewater construction grants.

Metropolitan Agencies (IV)

IV-A Purpose of Metropolitan Governance

The statutorily-defined Twin Cities metropolitan region is made up of 193 cities and townships covering over 3,000 square miles in seven counties. The effective and efficient delivery of certain public services and the continued economic growth of this region is enhanced by the existence of a regional entity to provide coordination and facilitate cooperation.

Therefore, Metro Cities supports the continued existence of a metropolitan governance system for the purpose of:

- Facilitating long-term region-wide planning with the cooperation and consideration of the affected local units of government; and
- Planning for and providing those public services that are needed by the region, but cannot be effectively and efficiently provided by local governments or the state.
- With or without the Metropolitan Council as it exists today, the region needs some entity to perform these functions. However, the Twin Cities' metropolitan Governance structure should not be granted, nor should it assume, general local government or state agency powers.

IV-B Roles and Responsibilities of the Metropolitan Council

The primary responsibilities of the Metropolitan Council are to:

- Plan for the orderly and economical development of the metropolitan area by preparing a comprehensive development guide that includes long-range comprehensive policy plans for the transportation/aviation, wastewater treatment and recreational open space systems.
- Review local comprehensive plans for compatibility with the plans of neighboring communities, consistency with Metropolitan Council policies and conformity with metropolitan system plans.
- Provide specific regional services and administer select regional grant programs as assigned by state or federal law.
- Provide technical assistance, research and information to local units of government.

Overall, it is the Metropolitan Council's role, through the regional development guide and its accompanying policy plans, to set broad regional goals and then provide cities with

technical assistance and incentives to achieve those goals. Local governments are ultimately responsible for zoning, land use planning and development decisions within their borders.

Any additional responsibilities taken on by, or authority granted to the Metropolitan Council should be limited to a specific statutory assignment, or grant.

- Metro Cities supports a comprehensive analysis of the Metropolitan Council's current authority and governance structure, activities, services and geographical jurisdiction. The analysis should include participation by local officials.

IV-C Selection of Metropolitan Council Members

Elected?

Members of the Metropolitan Council should be selected via an open process that includes an opportunity for local governments and other stakeholders to provide meaningful input. Council members should understand and be responsive to the districts they represent while also serving the best interests of the region. Metropolitan Council members should serve fixed, staggered terms.

IV-D Funding Regional Services

The Metropolitan Council should continue to fund its regional services and activities through a combination of user fees, property taxes, and state and federal grants.

- The Metropolitan Council should set user fees via an open process that includes public notices and public hearings. User fees should be uniform by type of user and set at a level that supports effective and efficient public services based on commonly accepted industry standards, and allows for sufficient reserves to ensure long-term service and fee stability. Metro Cities supports the use of user fees and property taxes to fund regional projects so long as the benefit conferred on the region is proportional to the fee or tax, and the fee or tax is comparable to the benefit cities receive in return.
- Metro Cities supports user fees for regional projects so long as the fees are not used to coerce a particular response from cities.
- Fee proceeds should be used to fund regional services or programs for which they are collected.

IV-E Regional Systems

Regional systems are currently defined in statute as transportation (with aviation), wastewater treatment and recreational open space. The purpose of these regional systems and the Metropolitan Council's authority for them is clearly outlined in state statute. In order to alter the focus or expand the reach of any of these systems, the Metropolitan Council must seek a statutory change.

The system plans/statements prepared by the Metropolitan Council for these regional systems should be specific in terms of the size, location and timing of regional investments in order to allow for consideration in local comprehensive planning. System plans should clearly state the criteria by which local plans will be judged for consistency and the criteria that will be used to find that a local plan is more likely than not to have a substantial impact on or contain a substantial departure from metropolitan system plans.

Additional regional systems should only be established if there is a compelling metropolitan problem or concern that can best be addressed through the designation. Common characteristics of the four existing regional systems include public ownership of the system and its components and an established regional or state funding source. These characteristics should be present in any new regional system that might be established. Water supply does not meet these criteria.

IV-F Review of Local Comprehensive Plans

In reviewing local comprehensive plans and plan amendments, the Metropolitan Council should:

- Recognize that its role is to review and comment, unless it is found that the local plan is more likely than not to have a substantial impact on or contain a substantial departure from one of the four system plans;
- Be aware of the statutory time constraints imposed by the Legislature on plan amendments and development applications;
- Provide for immediate effectuation of plan amendments that have no potential for substantial impact on systems plans;
- Require the information needed for the Metropolitan Council to complete its review, but not prescribe additional content or format beyond that which is required by the Metropolitan Land Use Planning Act (LUPA);
- When a city's local comprehensive plan is deemed incompatible with the Met Council's systems plans, Metro Cities supports a formal appeals process that includes a peer review and encourages cities and the Met Council to work in a cooperative and timely fashion toward the resolution of outstanding issues. Metro Cities opposes the imposition of sanctions or monetary penalties when a city's local comprehensive plan is deemed incompatible with the Met Council's systems plans or the plan fails to meet a statutory deadline when the city has made legitimate efforts to meet Met Council requirements.
- Concerning 'flexible' residential development and achieving consistency with the Metropolitan Council's system plans and policies, Metro Cities supports the

Metropolitan Council working with affected cities and other organizations such as the Pollution Control Agency, Department of Natural Resources, and other relevant stakeholders to identify common ground as well as potential conflicts between respective goals for flexible development.

IV-G Local Zoning Authority

Local governments are responsible for zoning and local officials should have full authority to approve variances to remain flexible in response to the unique land use needs of their own community. Local zoning decisions, which are the implementation of cities' comprehensive plans, should not be conditioned upon the approval of the Metropolitan Council or any other governmental agency. Metro Cities strongly opposes the creation of any appeals boards with the authority to supersede city zoning decisions.

IV-H Regional Growth

The most recent regional population forecasts projects a population of 3,608,000 people by 2030. The number represents a nearly 37% increase in the population since the 2000 census.

Metro Cities recognizes cities' responsibility in planning for sustainable growth patterns that integrate transportation, housing, parks, open space and economic development will result in a region better equipped to manage population growth, to provide a high quality of life for a growing and increasingly diverse metropolitan area population and improved environmental health.

In developing local comprehensive plans to fit within a regional framework, adequate state and regional financial resources and incentives, and maximum flexibility around local planning decisions, are imperative. The regional framework should assist cities in managing growth while being responsive to the individual qualities, characteristics and needs of metropolitan cities, and should encourage sub-regional cooperation and coordination.

In order to accommodate this growth in a manner that preserves the region's high quality of life:

- Natural resource protection will have to be balanced with growth and development/reinvestment;
- Significant new resources will have to be provided for transportation and transit;
- New households will have to be incorporated into the core cities, first and second-ring suburbs, and developing cities through both development and redevelopment.

- In order for regional and local planning to result in the successful implementation of regional policies:
- The State of Minnesota must contribute additional financial resources, particularly in the areas of transportation and transit, reinvestment, affordable housing development, and the preservation of parks and open space. If funding for regional infrastructure is not adequate, cities should not be responsible for meeting the growth forecast set forth by the Metropolitan Council.
- The Metropolitan Council must work to pursue levels of state and federal transportation funding that are adequate to meet identified transportation and transit needs in the metropolitan area.
- The Metropolitan Council must recognize the limitations of its authority and continue to work with cities in a collaborative, incentives-based manner, and
- Metropolitan counties, including the collar counties and school districts, must be brought more thoroughly into the discussion due to the critical importance of facilities and services such as county roads and public schools in accommodating forecasted growth.
- Greater recognition must be given to the fact that the "true" metropolitan region extends beyond the traditional seven-county area and to the need to work collaboratively with the twelve adjacent counties in Minnesota and Wisconsin, and the cities within those counties. The region faces environmental, transportation, and land-use issues that cannot be solved by the seven-county metro area alone. Metro Cities supports an analysis to determine the impacts of Metropolitan Council's growth management policies and infrastructure investments on the growth and development of the collar counties, and the impacts of growth in the collar counties on the metropolitan area.

IV-I Comprehensive Planning Schedule

Cities are required to submit comprehensive plan updates to the Metropolitan Council every 10 years, the most recent of which was due in 2008.

Any future changes to the schedule for local comprehensive planning should be accompanied by the statutory establishment of a complementary schedule for regional planning. This schedule should:

- (1) protect cities from being forced into a state of perpetual planning in response to regional actions; and;
- (2) ensure sufficient time for cities to understand and incorporate regional policies into their local planning efforts.

Metro Cities recognizes that there is merit in aligning comprehensive plan timelines with the release of census data. However, the comprehensive plan process is expensive, time consuming and labor intensive for cities, and the timing for the submission of comprehensive plans should not be altered solely to better align with census data. If sufficient valid reasons exist for the schedule for the next round of comprehensive plans to be changed or expedited, cities should be provided with financial resources to assist them in preparing the next round of plans. Metro Cities encourages the Council to review its comprehensive planning process to make sure that the process is streamlined and efficient, so as to assist in alleviating excessive cost burdens or duplicative or unnecessary planning requirements by municipalities in the comprehensive planning process.

Metro Cities supports a 10-year time frame for comprehensive plan submissions.

IV-J Natural Resource Protection

Metro Cities supports the Metropolitan Council's efforts to compile and maintain an inventory and assessment of regionally significant natural resources for the purpose of providing local communities with additional information and technical assistance. The state has a significant role to play in the protection of natural resources. However, any additional steps taken by the state or the Metropolitan Council regarding the protection of natural resources must recognize that:

- The protection of natural resources is significant to a multi-county area that is home to more than 50 percent of the state's population and a travel destination for many more. Given the limited availability of resources and the artificial nature of the metropolitan area's borders, neither the region nor individual metropolitan communities would be well served by assuming primary responsibility for financing and protecting these resources. Metro Cities urges the state and/or the Metropolitan Council to provide financial assistance for the preservation of regionally significant natural resources.
- The completion of local Natural Resource Inventories and Assessments (NRI/A) is not a regional system nor is it a required component of local comprehensive plans under the Metropolitan Land Use Planning Act.
- The protection of natural resources will have to be balanced with the need to accommodate growth and development, reinvest in established communities, encourage more affordable housing and provide transportation and transit connections.
- Decisions about the zoning or land-use designations either within or outside a public park, nature preserve or other protected area are, and should remain, the responsibility of local units of government

IV-K Inflow and Infiltration (I/I)

The Metropolitan Council's Water Resources Management Plan established an I/I surcharge in 2007 on cities that are determined to be contributing unacceptable amounts of storm water to the MCES wastewater treatment system. Since the inception of the surcharge program, 46 cities have been identified as excessive I/I contributors. This number is subject to change, depending on rain events, and any city in the metropolitan area could be affected.

While Metro Cities recognizes the importance of controlling I/I because it affects the size, and therefore the cost, of wastewater treatment systems and because excessive I/I in one city can affect development capacity of another city that lies down pipe, we are concerned about the potential for cities to incur increasingly exorbitant costs, and decreasing benefits, in their on-going efforts to mitigate excessive I/I.

Metro Cities supports the recommendations of the 2010 I/I Demand Charge Task Force for a second phase, on-going surcharge program to address I/I mitigation in the region. Metro Cities further supports adjustments to the flow methodology used to measure excess I/I that allow for the normalizing of precipitation variability. Metro Cities also encourages the Council to work with cities on community-specific issues that fall outside the scope of the task force report and recommendations.

Metro Cities continues to monitor the surcharge program, and encourages the Metropolitan Council to support state financial assistance for Metro Area I/I mitigation through future Clean Water Legacy Act appropriations or similar legislation.

Metro Cities supports continued state capital assistance to provide grants to metro area cities for the purpose of mitigating inflow and infiltration problems into municipal wastewater collection systems.

IV-L Water Supply

The 2005 Legislature authorized the Metropolitan Council to carry out planning activities to address the water supply needs of the Metro Area, and to establish a Water Supply Advisory Committee. Its work includes analyzing technical water supply/use data, the development of a master metro area water supply plan, recommendations for clarifying roles of local, regional and state governments and streamlining and consolidating approval processes, and recommendations for funding future planning and capital investments.

The advisory committee completed work on a Master Water Supply Plan in March 2010. The plan is a framework for assisting and guiding communities in their water supply planning, without usurping local decision making processes. As the plan is implemented, many cities will conduct their own analyses for use in water supply planning. Local studies should be given equal weight in regional water supply planning.

In addition to the Metropolitan Council, there are currently at least five state agencies with water related jurisdiction. There are also several federal agencies involved in water issues. Metro Cities supports the Metropolitan Council activities associated with clarifying local, regional and state water supply roles. Metro Cities encourages the Metropolitan Council to consider the inter-relationships of wastewater treatment, storm water management and water supply. Metro Cities also supports on-going analytical work that will help streamline and consolidate the myriad and often conflicting water supply permitting processes. Any state and regional regulations and processes should be explicit in the Water Supply Plan. Further, regional monitoring and data collection benefits should be borne as shared expenses between the regional and local units of government. Metro Cities further supports efforts to identify capital funding sources to assist with municipal water supply projects.

The 2010 Legislature expanded the membership of the Advisory Committee to include four officials from the collar counties, and extended the Advisory Committee to December, 2012. The extension of the committee, which includes five metro area municipal officials, will allow the committee to continue to play a strong role in the development and direction of water supply planning activities as the Master Plan is further developed and refined with additional information and data as they become available.

Metro Cities opposes the insertion of the Metropolitan Council as another regulator in the water supply arena. Metro Cities further opposes the elevation of water supply to "Regional System" status, or the assumption of Met Council control and management of municipal water supply infrastructure. At this time, we oppose any regional taxes or fees for water supply planning.

IV-M Service Availability Charge (SAC)

Metro Cities supports a SAC program that emphasizes equity, simplification and lower rates. The Met Council adopted changes to its SAC program that were implemented in January, 2010. Under the new changes, when a redeveloping property's new use requires lower wastewater capacity than what was used in the prior seven years, SAC credits are limited to the amount needed on the site for the new use. A property developing at the same or lesser wastewater demand will not incur SAC nor get credits.

Metro Cities supported modifications to SAC rules adopted by the Metropolitan Council in 2008 that allow for a voluntary transfer of SAC credits from one metro city to another and from one site to another within a city, for projects that, without the credits, would mean that a business would move its operations out of state, under specific conditions. Metro Cities supported this change with the understanding that these transfers will be limited to economic development projects with statewide significance and as such are likely to occur only in rare circumstances.

Because of the economic recession, SAC revenues are in a steep decline. As a result, the Metropolitan Council adopted changes, phased in over three years, to the SAC program

capacity methodology in 2009, and sought SAC “shift” legislation in 2010 to allow the Council flexibility to temporarily reduce the SAC transfer, and shift the amount to the Municipal Wastewater Charge when financially necessary. While Metro Cities recognizes the Council’s need for flexibility to maintain the solvency of the regional wastewater system, we advocated for amendments to assure the new law would not be overly permissive and would allow for a comprehensive analysis of the SAC program. The amendments included a sunset of the legislation, a ‘shift back’ mechanism to the Municipal Wastewater Charge when the SAC fund is solvent, and a precise trigger that puts the process for any reduction in place. All were included in the final legislation that passed into law.

In the summer of 2009, Metro Cities recommended the establishment of a task force to comprehensively examine the SAC financing structure and provide recommendations on SAC financing for the long term. The Metropolitan Council established a SAC Task Force in December, 2009. The task force is recommending a “growth pays for growth” approach for the SAC program, as well as changes to the commercial criteria on which SAC is based, with the aim of assuring fairness and equity in the SAC program. Metro Cities supports this approach.

IV-N Funding Regional Parks & Open Space

In the seven-county metropolitan area, regional parks essentially serve the role of state parks. Therefore, the state should continue to provide capital funding for the acquisition, development and improvement of these parks. State funding should equal 40 percent of the operating budget for regional parks.

IV-O Livable Communities

The Livable Communities Act (LCA) is operated by the Metropolitan Council and provides a voluntary, incentive-based approach to affordable housing development, brown field clean up and mixed-use, transit-friendly development and redevelopment. Metro Cities strongly supports the continuation of this approach, which has been widely accepted and is fully utilized by local communities. Since its inception in 1995, the LCA program has generated billions of dollars of private and public investment, created thousands of jobs and added thousands of affordable housing units in the region.

Metro Cities supports increased funding and flexible eligibility requirements in the livable communities demonstration account in order to assist communities with development that may not be exclusively market driven or market proven in their particular location and in order to support important development and redevelopment goals. Metro Cities opposes changes to this program that constrain flexibility around program requirements and criteria.

Metro Cities supports statutory modifications in the Livable Communities Demonstration Account Program to reflect the linkages among the LCDA and municipal objectives and

goals and Met Council systems objectives and goals. Metro Cities also supports statutory changes to assure that all metropolitan area cities are eligible to participate in the LCDA program.

Metro Cities strongly opposes funding reductions to the Livable Communities Program and the transfer or use of these funds for other program areas.

Use of interest earnings from LCA funds should be limited to covering the costs of administering the program. Remaining interest earnings not used for program administration should be considered part of the LCA funds and used to fund grant requests from the established LCA accounts, according to established funding criteria.

IV-P Density

Metro Cities supports a reasonable Met Council density policy that bases density projections on actual development patterns, is flexible, and accommodates cities at various development stages. Any Met Council density policy must take into account the impacts of market trends on city development and redevelopment activities.

TRANSPORTATION (V)

V-A Transportation and Transit Funding

Metro Cities supported passage of the 2008 Transportation Finance bill. This legislation allows for necessary resources for MnDOT, the county road system and the MSA road system, and will help make up for the lack of state resources over the last twenty years. Metro Cities was proud to be part of the effort to secure this base level funding.

However, the resources contained in the transportation finance bill represent only half of the need in our counties, cities and state. Metro Cities recognizes the need for additional transportation funding statewide, and will continue to advocate for additional resources to maintain our transportation infrastructure. In addition, cities still lack the authority to use additional tools for city street improvements; such resources continue to be restricted to property taxes and special assessments. It is imperative that alternative authority be granted to municipalities for this purpose to relieve the burden on the property tax system.

V-B Regional Transit System

The Twin Cities Metropolitan Area needs a multi-modal regional transit system that serves both commuters and the transit dependent. The transit system should be composed of a mix of HOV lanes, Bus Rapid Transit, express and regular route bus service, exclusive transit ways, light rail transit and commuter rail corridors designed to connect residential, employment, retail and entertainment centers. The system should be regularly monitored and adjusted to ensure that routes of service correspond to the region's changing travel patterns.

Metro Cities strongly supported the ¼ cent sales tax which was passed by the 2008 Legislature. This tax will be levied in the Metropolitan Area and dedicated to transit. The sales tax represents a commitment to investment in our region's transit ways. It will be important to direct these revenues purposefully, and to avoid subsidizing areas of transit funding that are the responsibility of the Legislature and Metropolitan Council. Metro Cities is opposed to legislative or Metropolitan Council directives that constrain the ability of metropolitan transit providers to provide a full range of transit services, including reverse commute routes, suburb-to-suburb routes, transit hub feeder services or new, experimental services that may show a low rate of operating cost recovery from the fare box.

V-C Transit Operating Subsidies

The Twin Cities metropolitan area is served by a regional transit system that is expanding to include rail transit and dedicated bus ways. Any operating subsidies necessary to support this system should come from a regional or statewide funding source. The property taxpayers of individual cities and counties should not be singled out to fund the

operation of specific transit lines or routes of service within this regional system. The Metropolitan Council must find a stable and growing revenue source to fund the operating budget for Metro Transit. MVST revenue projections have not been reliable and as a result the Met Council is continuing to operate at a funding deficit. The ¼ cent sales tax will be used, in part, to fund operating costs on designated transit ways in the Metropolitan Area. It is critical that this tax not be allocated in ways that allow the Legislature or Met Council to abrogate their responsibilities for funding operating costs for the metropolitan transit system.

V-D Street Improvement Districts

Metro Cities supports the authority of local units of government to establish street improvement districts. Street improvement districts allow for cities in developed and developing areas to fund new construction as well as reconstruction and maintenance efforts.

The street improvement district is designed to allow cities, through the use of a fair and objective fee structure, to create a district or districts within the city where fees will be raised but must also be spent. Street improvement districts would also aid cities under 5,000, giving them an alternative to the property tax system and special assessments.

Metro Cities also supports the further investigation of implementation of the Center for Transportation Studies' research on value capture. The research identifies additional tools for the legislature to explore offering to cities as options to finance transportation improvements.

V-E Highway Turnbacks & Funding

Metro Cities supports jurisdictional reassignment or turnback of roads on a phased basis using functional classifications and other appropriate criteria subject to a corresponding mechanism for adequate funding of roadway improvements and continued maintenance. Metro Cities does not support the wholesale turnback of county roads without the total cost being reimbursed to the city in a timely manner.

Cities do not have the financial capacity, other than significant property tax increases, to absorb the additional roadway responsibilities without new funding sources. The existing municipal turnback fund is not adequate based on contemplated turnbacks. The 2008 transportation finance bill will add approximately \$6 million to the Metro Turnback Fund, bringing the fund up to \$20 million, which falls short of the \$100 million needed.

Metro Cities supports additional funding for municipalities that are assuming the role of maintenance and upkeep on city streets that maintain a level of traffic consistent with state highways. Cities should be compensated for providing a service that traditionally has been borne by the state. The state has abrogated its responsibility for maintaining major roads

throughout the state by requiring, through omission, that cities bear the burden of maintenance on major state roads.

V-F "3C" Transportation Planning Process: Elected Officials' Role

Metro Cities supports continuation of the Transportation Advisory Board (TAB), with a majority of locally elected officials as members and participating in the process. The TAB was developed to meet federal requirements, designating the Metropolitan Council as the organization that is responsible for a continuous, comprehensive and cooperative (3C) transportation planning process to allocate federal funds among metropolitan area projects. This process requirement was reinforced by the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA), the 1998 Transportation Efficiency Act for the 21st Century (TEA21) and the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

V-G Photo Enforcement of Traffic Laws

Cities should be allowed to enforce traffic laws and promote public safety on Minnesota's streets and highways through the use of photo enforcement technology.

V-H Airport Noise Mitigation

Metro Cities supports noise abatement programs and expenditures designed to minimize the impacts of Metropolitan Airports Commission (MAC) operated facilities on neighboring communities. The MAC should determine the design and geographic reach of these programs only after a thorough public input process that considers the priorities and concerns of impacted cities and their residents. The MAC and the state should seek long-term solutions to fund the full mitigation package as adopted in 1996 for all homes in the 64-60 DNL impact area. Noise abatement efforts should be paid for by fees and charges collected from airport users, as well as state and federal funds. Furthermore, unless mitigation funding is provided, Metro Cities opposes any legislation that requires a property owner to disclose those properties that lie within 64-60 DNL noise contours.

Acknowledging that the communities closest to MSP and reliever airports are significantly impacted by noise, traffic, and other numerous expansion-related issues,

Metro Cities supports the broad goal of providing MSP-impacted communities greater representation on the MAC. Metro Cities wants to encourage continued communication between the MAC commissioners and the cities they represent. Balancing the needs of MAC, the business community and airport host cities and their residents requires open communication, planning and coordination. Cities must be viewed as partners with the MAC in resolving the differences that arise out of airport projects and the development of adjacent parcels. Regular contact between the MAC and cities throughout the project proposal process will enhance communication and problem solving.

V-I Cities Under 5,000 Population

Cities under 5,000 in population do not directly receive any non-property tax funds for collector and arterial streets. Current CSAH distributions to metropolitan counties are inadequate to provide for the needs of smaller cities in the metropolitan area. Criteria, such as the number of average daily trips, should be established in a small city local road improvement program for funding qualification and a distribution method devised. Possible funding sources include the five-percent set-aside account in the Highway User Tax Distribution Fund, modification to county municipal accounts, street improvement districts, and/or state general funds.

V-J County State Aid Highway (CSAH) Distribution Formula

Even with the additional resources provided by the Legislature through the transportation finance bill, significant needs remain in the metro area CSAH system. The additional revenue for the CSAH system will result in more projects being completed faster, however, greater pressure is being placed on municipalities to participate in cost sharing activities, encumbering an already over-burdened local funding system. When the alternative is not building or maintaining roads, cities bear not only the costs of their local systems but also pay upward of fifty percent of county road projects. Metro Cities supports special or additional funding for cities that have burdens of additional cost participation in county road projects.

Although only 10% of the CSAH roads are in the metro area, they account for nearly 50% of the vehicle miles traveled. The new CSAH formula passed by the Legislature will better account for needs in the Metropolitan Area, and the new formula is a first step in providing additional resources for the Metropolitan Area.

V-K Municipal Input/Consent for Trunk Highways and County Roads

Minnesota Statutes direct the Minnesota Department of Transportation (MnDOT) to submit detailed plans with city cost estimates at a point one and a half to two years prior to bid letting, at which time public hearings are held for citizen/business/municipal input. If MnDOT does not concur with requested changes, it may appeal. Currently, that process would take a maximum of three and a half months and the results of the appeals board are binding on both the city and MnDOT.

Metro Cities opposes any changes to the current statute that would allow MnDOT to disregard the appeals board ruling for state trunk highways. The result of such a change would significantly minimize MnDOT's desire or need to negotiate in good faith with a city for appropriate project access and alignment, and it would make the public hearing and appeals process meaningless.

Metro Cities opposes elimination of the county road municipal consent and appeal process for the same reasons we oppose changing the process as it applies to MnDOT trunk highway projects.

V-L Plat Authority

Metro Cities supports current law granting counties review and comment authority for access and drainage issues for city plats abutting county roads. Metro Cities opposes any statutory change that would grant the county veto power or that would shorten the 120-day review and permit process time.

V-M City Speed Limit Control

Metro Cities supports a reduction in the state-wide default speed limit from 30 to 25 mph on local residential roads. Metro Cities supports design standards that result in slower speeds on local roads. In the event of a uniform speed limit reduction, Metro Cities supports increased state funding for education and enforcement.

V-N Speed Limits Surrounding City Parks and Schools

At cities' or counties' discretion, Metro Cities supports a year round reduction of speed limits within 500 feet of any city or county parks as well as schools.

V-O MnDOT Maintenance Budget

With the passage of the transportation finance bill, much of MNDOT's maintenance budget has been restored. However, it is likely that local units of government will continue be asked to maintain state-owned infrastructure. Metro Cities' supports MnDOT alleviating cities of the State's responsibilities with the additional resources provided to MnDOT this year through the Transportation Finance bill. We also support funding that allows the State to maintain its own infrastructure.

V-P Transit Taxing District

Metro Cities supports a stable revenue source to fund both the capital and operating costs for transit at the Metropolitan Council. The transit taxing district, which funds the capital cost of transit service in the Metropolitan Area through the property tax system, is inequitable. Because the boundaries of the transit taxing district do not correspond with any rational service line, cities in the taxing district or out of the taxing district are contributing unequally to the transit service in the Metropolitan Area. This inequity should be corrected. However, Metro Cities does not support the expansion of the transit taxing district without a corresponding increase in the service. To do so would add another burden to property tax payers without a corresponding benefit.

V-Q Complete Streets

Metro Cities supports options in state design guidelines for streets that would give cities greater flexibility to:

- safely accommodate all modes of travel
- address storm water needs
- ensure livability in the appropriate context for each city.

Metro Cities opposes state imposed mandates that would increase street infrastructure improvement costs in locations and instances where providing access for alternative modes including cycling and walking are deemed unnecessary or inappropriate as determined by local jurisdictions.

COMMITTEE ROSTERS (VI)

Housing & Economic Development

Anne Norris (Chair), City Manager, Crystal

Gene Abbott, Councilmember, Savage
Bonnie Balach, Consultant, Minneapolis
Karl Batalden, Housing Spec./Assoc. Planning, Woodbury
Cecile Bedor, Planning & Econ Development, St. Paul
Mitch Berg, Administrator, Bayport
Gino Businaro, Councilmember, Chaska
Ultan Duggan, Councilmember, Mendota Heights
Rick Getschow, City Manager, Hopkins
Amber Greves, Councilmember, Minnetonka
Bryan Hartman, Program Manager, Bloomington
Brian Heck, Admr.-Clerk, Shorewood
Lee Helgen, Councilmember, St. Paul
Jon Hohenstein, Comm. Dev. Dir., Eagan
Schawn Johnson, Asst. to the City Mgr., New Brighton
Dean Johnston, Mayor, Lake Elmo
Steve Lampi, Mayor, Brooklyn Park
R. Michael Leek, Comm. Dev. Dir., Shakopee
Patty Lilledahl, Dir. of business Development & Finance, St. Paul
Lorrie Louder, Dir. Of Bus & IGR, St. Paul Port Authority
Bruce Nordquist, Comm. Dev. Dir., Apple Valley
Tammy Omdal, Deputy City Manager/CFO, Burnsville
Samantha Orduno, Administrator, Dayton
Jennifer Pelletier, Planning Commission, Lake Elmo
Terence Quigley, Councilmember, Shoreview
Melissa Reed, Gov't Relations Rep., Minneapolis
Mark Sather, City Manager, White Bear Lake
Robert Schreier, Dir. of Commun. Dev., Brooklyn Park
Mary Sherry, Councilmember, Burnsville
Bob Streetar, Comm. Dev. Dir., Oakdale
Wendy Underwood, Gov't Rel Rep., St. Paul
Tony Wagner, Councilmember, Minnetonka
Craig Waldron, Administrator, Oakdale
Brad Wiersum, Councilmember, Minnetonka
Pierre Willette, Government Relations Rep., Minneapolis
Julie Wischnack, Comm. Dev. Dir., Minnetonka

Metropolitan Agencies

Chuck Haas (Chair), Councilmember, Hugo
Susan Arntz, Administrator, Waconia
David Beaudet, Mayor, Oak Park Heights
Bob Bruton, Councilmember, North St. Paul
Holly Dahl, Mayor, Lakeville
Ultan Duggan, Councilmember, Mendota Heights
Sarah Erickson, Gov't Relations Rep., St. Paul
Cheryl Fischer, Mayor, Minnetrista
Elizabeth Glidden, Councilmember, Minneapolis
Tom Goodwin, Councilmember, Apple Valley
Brian Heck, Admr.-Clerk, Shorewood
Schawn Johnson, Asst. to the City Manager, New Brighton
Dean Johnston, Mayor, Lake Elmo
Dan Kealey, Councilmember, Burnsville
Matt Kline, Water Operator, Lakeland
Thomas Link, Comm. Dev. Dir., Inver Grove Heights
Lorrie Louder, Dir. Of Business & IGR Affairs, St. Paul Port Authority
Tim McNeil, Councilmember, Dayton
Tammy Omdal, Deputy City Manager/CFO, Burnsville
Judd Schetnan, Dir. Of Gov't Affairs, Metropolitan Council
Terry Schneider, Mayor, Minnetonka
Anne Smith, Councilmember, Lake Elmo
Ady Wickstrom, Councilmember, Shoreview
Pierre Willette, Govt. Relations Rep., Minneapolis

Municipal Revenue & Taxation

Marcia Glick (Chair), City Manager, Robbinsdale
Clark Arneson, City Manager, Blaine
Patrick Born, Chief Financial Officer, Minneapolis
Tom Burt, City Manager, Golden Valley
Scott Cordes, Budget Manager, St. Paul
Charlie Crichton, Councilmember, Burnsville
Holly Dahl, Mayor, Lakeville
Jim Dickinson, Administrator, Andover
Lori Economy-Scholler, Chief Financial Officer, Bloomington
Danna Elling Schultz, Councilmember, Hastings
Jerilyn Erickson, Finance Director, Prior Lake
Sarah Erickson, Gov't Relations Rep., St. Paul
Jerry Faust, Mayor, St. Anthony Village

Susan Iverson, Finance Dir./Treas., Arden Hills
Marvin Johnson, Mayor, Independence
Jim Keinath, Administrator, Circle Pines
Merrill King, Finance Director, Minnetonka
Tom Lawell, Administrator, Apple Valley
Julie Linnihan, Finance Dir., Dayton
Dean Lotter, City Manager, New Brighton
Kristi Luger, City Manager, Excelsior
Mary McComber, Councilmember, Oak Park Heights
Steve Mielke, Administrator, Lakeville
Tammy Omdal, Deputy City Manager/CFO, Burnsville
Samantha Orduno, Administrator, Dayton
Calvin Portner, Admin. Services Director, Plymouth
Don Rambow, Finance Dir., White Bear Lake
Gene Ranieri, IGR Director, Minneapolis
Melissa Reed, Gov't Relations Rep., Minneapolis
Robin Roland, Finance Dir., Cottage Grove
Ryan Schroeder, Administrator, Cottage Grove
Erin Stwora, Assistant to City Administrator, Dayton
Dick Woodruff, Councilmember, Shorewood
Wally Wysopal, City Manager, North St. Paul

Transportation & General Government

Mary McComber (Chair), Councilmember, Oak Park Heights

Dick Allendorf, Councilmember, Minnetonka
Doug Anderson (Chair), Mayor, Dayton
Susan Arntz, Administrator, Waconia
Frank Boyles, City Manager, Prior Lake
Bob Bruton, Councilmember, North St. Paul
Scott Cordes, Financial Services, St. Paul
Steve DeLapp, Councilmember, Lake Elmo
Ultan Duggan, Councilmember, Mendota Heights
Steve Elkins, Councilmember, Bloomington
Danna Elling Schultz, Councilmember, Hastings
Sarah Erickson, Gov't. Rel. Rep., St. Paul
Warren Erickson, Councilmember, Prior Lake
Mike Funk, Administrator, Minnestrista
Mary Hamann-Roland, Mayor, Apple Valley
Bill Hargis, Mayor, Woodbury
Tom Harmening, City Manager, St. Louis Park
Greg Hoag, Public Works Dir., Arden Hills
Steve Lampi, Mayor, Brooklyn Park
R. Michael Leek, Comm. Develop. Dir, Shakopee

Linda Loomis, Mayor, Golden Valley
Dean Lotter, City Manager, New Brighton
Scott Lund, Mayor, Fridley
Mark McNeill, Administrator, Shakopee
Mike Mornson, City Manager, St. Anthony Village
Bud Osmundson, Dir. of Public Works/City Engineer, Burnsville
Will Rossbach, Councilmember, Maplewood
Russ Stark, Councilmember, St. Paul
Dick Swanson, Councilmember, Blaine
Jon Wertjes, Director of Transportation Services, Minneapolis
Ady Wickstrom, Councilmember, Shoreview
Pierre Willette, Gov't Relations Rep., Minneapolis

Date: 12/07/2010

By: Amy Dietl
Administrative Services

Information

Title:

Review Proposals for *Ramsey Resident* Advertising

Background:

On August 25, 2009, Council approved the proposal provided by Scott Robinson with Youth First Marketing to sell advertising in the *Ramsey Resident* newsletter to help offset the cost of production. In addition to approving the proposal, Council directed staff to revisit this topic after the first year of producing the newsletter with advertisements.

One year has passed since the first edition of the *Ramsey Resident* was published with advertisements; therefore, staff would like to present four different proposals for advertising in the newsletter.

The first option is to continue service with Scott Robinson, dba Wheels of Thunder under a revised agreement, which is attached. Due to the fact that the Youth First Marketing payments to the City are nearly \$10,000 in arrears, Mr. Robinson is amenable to having the contract modified to have 100% of advertising revenue go directly to the City until the account is made current. After the account is current, the City would split the revenue it receives for advertising 50/50 with Mr. Robinson. Under the new contract, advertisers will make payments directly to the City and the City will disburse the 50% share to the marketing firm. This will give the City better control than it has under the current contract.

Staff also solicited proposals from ECM Publishers, Inc., Prime Advertising, and Tidbits and these proposals are attached for Council review.

Council Action:

Based on discussion.

Attachments

Scott Robinson dba Wheels of Thunder

Scott Robinson Spreadsheet

ECM Publishers, Inc.

Prime Advertising

Tidbits

Form Review

Inbox

Kurt Ulrich

Form Started By: Amy Dietl

Final Approval Date: 12/02/2010

Reviewed By

Kurt Ulrich

Date

12/02/2010 02:34 PM

Started On: 12/02/2010

AGREEMENT
BETWEEN CITY OF RAMSEY
AND
SCOTT ROBINSON AND JOHN AMUNDSON, dba
WHEELS OF THUNDER

Dated: December ____, 2010

This Agreement is made and entered into between the City of Ramsey, a Minnesota municipal corporation (the "City") and Youth First Marketing LLC, a Minnesota limited liability company ("Youth First.") and Scott Robinson and John Amundson, dba Wheels of Thunder.

WHEREAS the City and Youth First Marketing LLC, a Minnesota limited liability company ("Youth First") entered into a contract dated October ____, 2009 (the "09 Contract"). The purpose of the 09 Contract was for Youth First to provide sales services for the selling of print advertising in the City's newsletter known as the Ramsey Resident; and

WHEREAS, Youth First is no longer able to provide the sale services as contemplated in the 09 Contract; and

WHEREAS, Youth First, pursuant to the terms of the 09 Contract, is delinquent in its payments to the City in the amount of \$ _____ as of November 30, 2010; and

WHEREAS, Wheels of Thunder desires to and is capable of providing the necessary sales services required by the City as described in the terms and conditions stated below; and

WHEREAS, Wheels of Thunder is willing to assume all obligations and liabilities of Wheels of Thunder pursuant to the terms and conditions of the 09 Contract.; and

WHEREAS, the City requires sales services to be provided for the selling of print advertising in the City's newsletter known as the Ramsey Resident.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein the parties agree as follows:

1. TERM

1.1 Term.

This Agreement shall be in effect from the date of execution by the parties, and shall continue until terminated as provided herein.

2. WHEELS OF THUNDER'S OBLIGATIONS

2.1 General Description. Wheels of Thunder shall provide the following services generally described as:

Sell advertising space for publication in the City's bi-monthly publication known as the Ramsey Resident.

- 2.2 Wheels of Thunder shall compile all ads, complete the necessary copy and graphics and then forward the fully completed ad to the City. The City will be responsible for cutting and pasting the individual advertisements into the Ramsey Resident.
- 2.3 Wheels of Thunder will advertise the Ramsey Resident advertising space for sale on its web site, including the relevant price list.
- 2.4 Wheels of Thunder through its staff will represent the City and the Ramsey Resident in a professional, business-like manner at all times.
- 2.5 Wheels of Thunder shall provide the City with a current advertising rate schedule and keep the same current during the term of this Agreement listing the advertising rate charged for ad placement in the Ramsey Resident. The City may in its discretion amend the said rate schedule.

3. CITY OBLIGATIONS.

- 3.1 The City will display Wheels of Thunder on its web site and provide a link to Wheels of Thunder's web site for Ramsey Resident advertisement sales.
- 3.2 The City through its staff will, at all times, refer to Wheels of Thunder in a professional, business-like manner.

4. CONSIDERATION

- 4.1 For its sales services Wheels of Thunder shall receive fifty percent (50%) of all advertising revenue received by it for advertisements it sells in the Ramsey Resident.
- 4.2 Wheels of Thunder will require each of its advertising customers to make their advertising payment payable directly to the City.
- 4.3 All payments for sales services will be paid by the City within 30 days of the date the City receives the payment from the respective advertisers.

5. COMPLIANCE WITH LAWS/STANDARDS

- 5.1 General. Wheels of Thunder shall abide by all Federal, State or local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to this Agreement
- 5.2 Licenses. Wheels of Thunder shall procure, at its own expense, all licenses, permits or other rights required for the provision of services contemplated by this Agreement.

5.3 Minnesota Law to Govern. This Agreement shall be governed by the construed in accordance with the substantive and procedural laws of the State of Minnesota. All proceedings related to this Agreement shall be venued in the State of Minnesota.

6. INDEPEDNDENT CONTRACTOR STATUS

Wheels of Thunder is an independent contractor and nothing herein contained shall be construed to create the relationship of employer and employee between City and Wheels of Thunder. Wheels of Thunder shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide the sales services. Wheels of Thunder acknowledges and agrees that it employees are not entitled to receive any of the benefits received by City employees and said employees are not eligible for workers' or unemployment compensation benefits. Wheels of Thunder also acknowledges and agrees that no withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due Wheels of Thunder and that it is Wheels of Thunder's sole obligation to comply with the applicable provisions of all Federal and State tax laws.

7. INDEMNIFICATION

Any and all claims that arise or may arise against Wheels of Thunder, its agents, servants or employees as a consequence of any act or omission on the part of Wheels of Thunder or its agents, servants, employees while engaged in the performance of the Agreement shall in no way be the obligation or responsibility of the City. Wheels of Thunder shall indemnify, hold harmless and defend the City, its officers and employees against any and all liability, loss, costs, damages, expenses, claims or actions, including attorneys' fees which the City, its officers or employees may hereafter sustain, incur or be required to pay, arising out of or by reason of any negligent or willful act or omission of Wheels of Thunder, its agents, servants or employees, in the execution, performance, or failure to adequately perform Wheels of Thunder's obligations pursuant to this Agreement.

8. INSURANCE

8.1 General Terms. In order to protect itself and to protect the City under the indemnity provisions set forth above Wheels of Thunder shall, at Wheels of Thunder's expense, procure and maintain policies of insurance covering the term of this Agreement, as set forth below. Such policies of insurance shall apply to the extent of, but not as a limitation upon or in satisfaction of, the indemnity provisions herein. All retentions and deductibles under such policies of insurance shall be paid by Wheels of Thunder. Each such policy of insurance shall contain a clause providing that such policy shall not be cancelled by the issuing insurance company without at least 10 days written notice to the City of intent to cancel.

8.2 Coverage. The policies of insurance to be obtained by Wheels of Thunder pursuant to this section shall be purchased from a licensed carrier and shall include the following:

A) General Liability

A single or combined limit, occurrence-based comprehensive general liability insurance policy which shall include a broad form comprehensive liability endorsement and an Agreemental endorsement, which shall include the following coverages at a minimum:

See attached Certificate of Liability Insurance, which provides for required coverage attached as Exhibit A.

B) Automobile Liability

A single or combined limit automobile liability insurance policy for all owned, non-owned and hired vehicles, if any, used in the provision of services under this Agreement, which shall include the following coverages at a minimum:

See attached Certificate of Liability Insurance, which provides for required coverage attached as Exhibit A.

C) Workers' Compensation

See attached Certificate of Liability Insurance, which provides for required coverage attached as Exhibit A.

8.3 Failure to Provide Proof of Insurance. The City may withhold payments or immediately terminate this Agreement for failure of Wheels of Thunder to furnish proof of insurance coverage or to comply with the insurance requirements as stated above.

8.4 Nonwaiver. Nothing in this Agreement shall constitute a waiver by the City of any statutory limits or exceptions on liability.

9. TERMINATION

9.1 With or Without Cause. This Agreement may be terminated with or without cause, by either party upon thirty (30) days written notice.

9.2 Notice of Termination. Notice of Termination shall be made by certified mail or personal delivery to the authorized agent of the party. Notice of Termination is deemed effective upon delivery to the address of the party.

9.3 Effect of Termination. Termination of this Agreement shall not discharge any liability, responsibility or right of any party which arises from the performance of or failure to adequately perform the terms of this Agreement prior to the effective date of termination.

10. AGREEMENT RIGHTS/REMEDIES

10.1 Rights Cumulative. All remedies available to either party under the terms of this Agreement or by law are cumulative and may be exercised concurrently or

separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

10.2 Waiver. Waiver for any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this Agreement shall not be construed to be modification for the terms of this Agreement unless stated to be such in writing and signed by authorized representatives of the City and Wheels of Thunder.

11. ASSUMPTION

Wheels of Thunder hereby assumes and agrees to pay all sums now or hereafter owed to the City in accordance with all the terms and conditions of the 09 Contract. Said payments will be made by Wheels of Thunder waiving its consideration defined in Section 4 herein until all amounts due to the City have been paid in full.

12. MODIFICATIONS

Any alterations, variations, modifications, or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing, and signed by authorized representatives of the City and Wheels of Thunder.

13. MERGER

13.1 Final Agreement. This Agreement is the final expression of the agreement of the parties and the complete and exclusive statement of the terms agreed upon, and shall supersede all prior negotiations, understandings or agreements. There are not representations, warranties, or stipulations, either oral or written, not herein contained.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date indicated below.

SCOTT ROBINSON AND JOHN AMUNDSON, DBA WHEELS OF THUNDER

CITY OF RAMSEY

Scott Robinson

By: _____
Its Mayor

John Amundson

By: _____
Its City Administrator

Dated: _____

Dated: _____

ASSIGNMENT

Youth First Marketing, LLC hereby assigns to Scott Robinson and John Amundson, dba Wheels of Thunder all of its rights, title, interest and obligations in and to that certain Agreement dated October ____, 2009 by and between the City of Ramsey and Youth First Marketing, LLC.

Youth First Marketing LLC, a Minnesota limited liability company

By: _____
Scott Robinson, Its President

DRAFT

Edition	Ad Size	# Sold	Price	Total	Allocation of Money Collected	Amount Paid to City	Difference	Printing Costs
Nov/Dec 2009	1/8 page	7	\$299	\$2,093				
no invoices	1/4 page	5	\$485	\$2,425				
	1/2 page	0	\$850	0				
	full page	2	\$1,375	\$2,750				
				<u>\$7,268</u>	\$3634 <i>City of Ramsey (50%)</i>	\$3,181	(\$453.00)	\$4,912.19
					\$3379.62 <i>YFM (50% minus 7%)</i>			
					\$254.38 <i>Youth First Comm. of Promise (7%)</i>			
Jan/Feb 2010	1/8 page	12	\$299	\$3,219				
missing 1 invoice	1/4 page	7	\$485	\$3,020				
	1/2 page	1	\$850	\$850				
	full page	1	\$1,375	\$1,250				
				<u>\$8,339</u>	\$4169.50 <i>City of Ramsey (50%)</i>	\$3,150	(\$1,019.50)	\$5,009.81
					\$3877.63 <i>YFM (50% minus 7%)</i>			
					\$291.87 <i>Youth First Comm. of Promise (7%)</i>			
March/April 2010	1/8 page	9	\$299	\$2,419				
	1/4 page	9	\$485	\$4,170				
	1/2 page	0	\$850	\$0				
	full page	0	\$1,375	\$0				
				<u>\$6,589</u>	\$3,294.50 <i>City of Ramsey (50%)</i>	\$2,700	(\$594.50)	\$4,693.53
					\$3,063.88 <i>YFM (50% minus 7%)</i>			
					\$230.62 <i>Youth First Comm. of Promise (7%)</i>			
May/June 2010	1/8 page	9	\$299	\$2,518				
missing 2 invoices	1/4 page	5	\$485	\$2,315				
	1/2 page	0	\$850	\$0				
	full page	0	\$1,375	\$0				
				<u>\$4,833</u>	\$2,416.50 <i>City of Ramsey (50%)</i>	\$2,585	\$168.50	\$4,690.44
					\$2,247.34 <i>YFM (50% minus 7%)</i>			
					\$169.16 <i>Youth First Comm. of Promise (7%)</i>			

July/Aug 2010	1/8 page	9	\$299	\$2,394					
	1/4 page	6	\$485	\$2,775					
	1/2 page	0	\$850	\$0					
	full page	0	\$1,375	\$0					
				<u>\$5,169</u>					
					\$2584.50	City of Ramsey (50%)	not paid yet	(\$2,584.50)	\$5,754.97
					\$2,403.58	YFM (50% minus 7%)			
					\$180.92	Youth First Comm. of Promise (7%)			

Sept/Oct 2010	1/8 page	6	\$299	\$1,894.00					
	1/4 page	6	\$485	\$2,825.00					
	1/2 page	0	\$850	\$0.00					
	full page	0	\$1,375	\$0.00					
				<u>\$4,719</u>					
					\$2359.50	City of Ramsey (50%)	not paid yet	(\$2,359.50)	\$4,594.62
					\$2,194.36	YFM (50% minus 7%)			
					\$165.14	Youth First Comm. of Promise (7%)			

Nov/Dec 2010	1/8 page	6	\$299	\$1,595.00					
	1/4 page	5	\$485	\$2,375.00					
	1/2 page	0	\$850	\$0.00					
	full page	0	\$1,375	\$0.00					
				<u>\$3,970</u>					
					\$1,985	City of Ramsey (50%)	not paid yet	(\$1,985.00)	
					\$1,846.05	YFM (50% minus 7%)			
					\$138.95	Youth First Comm. of Promise (7%)			

Total Owed by YFM (\$8,827.50)

Amy Dietl

From: Brian Ploeger [brian.ploeger@ecm-inc.com]
Sent: Wednesday, November 17, 2010 11:29 AM
To: Amy Dietl
Subject: Ramsey newsletter letter of interest

Letter of interest for City of Ramsey newsletter

ECM Publishers, Inc. would like to express our interest in partnering with the City of Ramsey to sell advertising, print and distribute the City's newsletter. We are a locally-owned multi-media company with our corporate office in Coon Rapids. We own 26 community newspaper and shopper publications throughout Minnesota, a large printing plant in Princeton and distribution facilities in Coon Rapids, Burnsville and New Richmond, Wisconsin. You may be familiar with our local publications the Anoka County Union and Anoka County Shopper. We pride ourselves on our commitment to local news, quality printing, on-time distribution and our involvement in the communities we serve.

We feel we can provide opportunities for the City to generate advertising revenue to support your newsletter and provide quality printing and distribution options. We currently deliver to the majority of households in Ramsey and are confident we can provide the City with cost-effective solutions to produce a quality newsletter.

We have always valued our relationship with the City of Ramsey and look forward to discussing specifics on this new opportunity. We are confident we can work together to develop solutions to fit the City's newsletter requirements.

Brian Ploeger

Sales Manager



Proposal for The City of Ramsey Newsletter

Friday, October 29, 2010

Prime Advertising & Design's marketing and design team is excited to offer the following proposal for the City of Ramsey Newsletter Project.

Our goal is to provide a turn-key, money-saving solution for the City of Ramsey and make it easier to provide your residents and businesses a comprehensive and informative newsletter and to help promote the economic growth of the current business community and attract new businesses. By having Prime design, print and mail your newsletter, your staff will have time to focus on other projects.

Prime Advertising & Design will custom graphic design and print your new full-color Newsletter. The format will be a magazine style that is 8.25" x 10.75" finished size. The City of Ramsey will have full editorial control of City information and Prime's marketing consultants will have the opportunity to secure and manage all advertising space. The ad space will include 1/8 page and 1/4 page ads which will be discreetly placed at the lower part of the pages to provide a reader-friendly format.

Prime's Responsibilities:

Advertising Sales:

Our Team of Marketing Consultants will work with local businesses to on advertising opportunities and design. The City of Ramsey will receive a donation of \$50 for every ad placed.

Accounting and Receivables:

Our Accounting Department will handle all accounting and receivable functions of the project.

Graphic Design of Newsletter Layout:

A Professional Graphic Designer will be assigned to your project.

Full-Color Format, (4) -11" x 17", Trims and Folds to 8.25" x 10.75"

Printing & Design:

Quarterly 16 - Page Newsletter Printed on 70# Matte Text White – 4/4 Full-Color, Two Sides, with Bleeds, Folds to 8.25" x 10.75", Collated, Saddle Stitched

(Advertising on 4 pages with a combination of 1/4 and 1/8 page ads)

City information to fill 70% of the newsletter space, advertising to fill the remaining 30%

Printing Cost for 9,000 Qty..... \$2,932.60

Graphic Design of each Newsletter: \$1,200.00*

*City to provide all articles & content electronically in Microsoft Word format



Approximate Mailing Costs:

Mail prep services, delivered to Post Office Qty 8,605:..... \$ 312.50
POSTAGE is approximately 8,605 X .142:.....\$1,221.91
Total Cost to City for Mailing & Postage Services:.....\$1,534.41

Printing, Design, & Mailing Cost for each issue:

Printing (based on 9,000 qty):..... \$2,932.60
Design: \$1,200.00
Mailing:..... \$1,534.41

Total Cost: \$5,667.01

Final copy provided in PDF format and as a Digital Edition that is usable by the City for posting on the City website and on MyPrimeGuide.com in the Ramsey City section.

Pricing for printing and mailing costs are subject to change. All pricing will be reviewed quarterly.

Quarterly vs. Bi-Monthly Costs:

Approximate Annual Total Cost (quarterly):..... \$22,668.04
Approximate Annual Total Cost (bi-monthly): \$34,002.06

*Prices do not include donation of advertising costs.

Potential Advertising Revenue (Minimum & Maximum):

30% advertising space will allow for 17 - 1/4 page advertisements or 34 - 1/8 page advertisements

Based on a complete sellout of advertising space at \$50.00 donation per ad, the maximum donation would equal \$1,700.00, the minimum would be \$850.00.

17 1/4 ads @ \$449 = City Revenue Portion = \$ 850.00
34 1/8 ads @ \$299 = City Revenue Portion = \$1,700.00

Approved by: _____ Date: _____



Falcon Prince Publishing



City of Ramsey Administrator

City of Ramsey Council

Re: Interest in Advertising Sales and management for City of Ramsey Newsletter.

Dear City Administrator and City Council

It was brought to my attention by councilman McGlone that you may be looking to contract a service for generating advertising sales for the "City of Ramsey Resident". This is a letter to express my interest in providing that service.

Community newsletters unlike other print media have withstood the onslaught of immediate online information. I believe it is because they provide that physical and emotional connection to a resident's community that cannot be found in the instantaneous world of the internet.

What residents obtain from community newsletters is unique only to them as residents and fulfills their ongoing community informational needs. This dynamic provides a very describable and saleable consumer venue to offer to businesses for their marketing needs.

I have spoken to and met with the staff involved with your newsletter and feel it presents and excellent additional product line for my advertising sales business. I am quite confident that I will be able to generate revenue enough not only to support your paper but expect short term growth could even sustain a profit for the city. My motivation comes from a long background in print media sales so I am excited about being able to present this to businesses as an effective way to reach the citizen consumers in your city.

- Following is a brief view of my company and its qualifications

Falcon Prince Publishing

Established in 1996 under Falcon Prince Inc.

14 years in publishing the paper Tidbits® of the North Metro, subscribed to and licensed under Tidbits® Media Inc. Montgomery, Alabama.

Well recognized by many Anoka County and northern Twin City businesses for knowledgeable and dependable expertise in advertising sales, consulting, and design. Long standing member of the Anoka Area Chamber of Commerce, and Metro North Chamber of Commerce.

References: Peter Turuok-director Anoka Area Chamber "763-421-7130 // Lori Higgins
director Metro North Chamber 763-783-3553 / Rick, Pre- press Northstar Media AKA
Star Press, Cambridge Minnesota. 763 - 689-1182 / Tim Bingaman - Circulation
Verification Council 1-800-262-6392

- Existing systems for production, communications, client tracking, billing & follow-up.

Software

Adobe Indesign Suite
MS Office Suite, Publisher
Quickbooks Pro.

Online services subscribed to

Constant Contact
Ad builder
Issuu
Send Out Cards

Available Subcontracted Services used

Beyond Design
J Elwell Design
C Haubich Design
Print Central
Bromley Printing

- Initial methodology for generating ad sales through FP Publishing.

Review and contact current and past newsletter advertisers.

Determine business types for optimum target model in and out of city of Ramsey area
Utilize current and past customer data from Falcon Prince Publishing to match target
model.

Further research target model businesses through available search sources

Mass E mail to data base of new product offering.

Develop and link to newsletter information page in current web site www.realbits.com

- Overview of current design and goals.

Optimize ad to editorial ratio to reach net income goals.

Addition of more product line for consideration

Restaurant Page
Home Services Page
Spiritual Services Page
City of Ramsey web site links to participating advertiser websites
Business card page
Inserts.

Editorial additions for discussion

Added value by offering advertisers either business bio's Resident help editorial section. (Health Tips, Recipes, Home repair tips
Ramsey and Anoka County Historical Notes
Resident announcements (birth, wedding etc

- Schedule for starting and workup period.

Available for immediate start in preparation for the first 2011 issue deadline of Dec. 8th.

2 week workup period for developing promo material, contacting current and past advertisers and researching data sources for new.

2 weeks final sales

1 week final ad design and proof for deadline.

I hope this information about my services and qualifications meets your satisfaction and look forward to your affirmative reply.

Respectfully,
Dean Prince

Falcon Prince Inc.
3053 Rodeo Drive
Blaine, Mn. 55449
763-792-1125
dean@realbits.com

Tidbits of the North Metro
1633 Co Hwy 10
Spring Lake Park, Mn. 55449
www.realbits.com

CC Work Session

Item #: 2. c.

Date: 12/07/2010**By:** Kurt Ulrich
Administrative Services

Information**Title:**

Lease Property Management

Background:

In June of 2009, the City reviewed its property management agreement with Premier Commercial Properties and removed 6701 Hwy 10 (the Youth First Building) and 6101 Hwy 10 (Ralph's Gun and Pawn property) from the list of managed properties. Currently, the sole property under management by Premier Commercial Properties is the property 6745 Hwy 10 (Midwest Car Care). The monthly fee for this service (see attached agreement) is \$400 per month.

Observations:

The property management fee of \$400 per month may be paid from rent receipts per the agreement with the Metropolitan Council under the Right-of-way Acquisition Loan Fund (RALF) program, while City staff time to manage the property is not reimbursable. However, contracted time (e.g., plumber, electrician, HVAC, etc.) is a reimbursable expense.

Based upon our experience with the property and the fact that it is currently fully leased, staff believes that the City could pick-up the management of the property at 6745 Hwy 10 with a nominal impact to existing staff and cancel the Premier Commercial Properties contract. This would be an additional expenditure of staff time by the City, but would likely result in more monies flowing back into the RALF fund.

A 60-day notification is required to terminate the contract with Premier Commercial properties.

Recommendation:

Consider termination of the property management contract with Premier Commercial Properties for the property at 6745 Highway 10.

Council Action:

Based upon discussion.

AttachmentsLease Management Background Info**Form Review****Inbox**

Kurt Ulrich (Originator)
Form Started By: Kurt Ulrich
Final Approval Date: 12/02/2010

Reviewed By

Kurt Ulrich

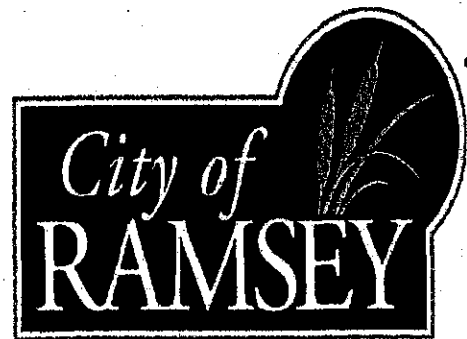
Date

12/02/2010 03:03 PM
Started On: 12/02/2010 02:37 PM

CITY COUNCIL WORK SESSION

Topic Report: Lease Property Management

By: Sean M. Sullivan, Economic Development
Coordinator



Background:

On December 13, 2005, the City Council approved the original property management agreement with Premier Commercial Properties to manage the property located at 6701 Hwy 10 (Former NAU Insurance). On June 27, 2006 the City Council updated the agreement to its current form and added the properties located at 6101 Hwy 10 (Ralph's Gun and Pawn) and 6745 Hwy 10 (Midwest Car Care). The rate was dropped from \$600.00 per parcel to its current rates ranging from \$200.00 to \$400.00 per parcel, or \$1000.00 per month. Payments are made from available lease revenue to Premier Commercial Properties to manage these three properties. It should be noted that any additional lease revenue over the city administrative costs (property management included) is returned to the RALF program.

The Property Manager is responsible for keeping the properties leased, and in good working order. The manager also serves as the contact to the tenants for repairs necessary to the property and tenant disputes. Other duties and responsibilities of the property manager are defined in the Management Agreement dated July 28th, 2006.

On March 24, 2009 the status of the Property Management Agreement for Highway 10 Right-of-Way Acquisition Loan Fund (RALF) was discussed. That discussion prompted additional questions as to the tax implications of utilizing RALF, and what property management services were being rendered by Premier Commercial Properties. A tax summary is attached showing what each property generates in taxes and an approximation on what the City ultimately receives from the tax distribution. Staff has also completed a matrix that summarizes the activity reports for Premier Commercial Properties from February of 2006 to the present. The City property manager also has all of the properties listed with: Costar Showcase, MNCAR, Loopnet, GoFish and the Premier Commercial Properties website. Marty Fisher, from Premier Commercial Properties will also be present to answer any questions the City Council may have in regards to what the City is receiving for services under the property management agreement.

Action Statement:

Based on discussion.

Reviewed by:

Community Development Director
City Administrator

A handwritten signature in black ink, appearing to be "S. Sullivan", is written over a horizontal line.

CCWS: 06/23/2009

Attachments:

Copy of Current Property Management Agreement dated 7/28/06
Tax Summary
Activity Report Summary

MANAGEMENT AGREEMENT

AGREEMENT made as of the 28th day of July, 2006, by and between the City of Ramsey, a Minnesota Municipal Corporation ("Owner") and Premier Commercial Properties, Inc., a Minnesota Corporation ("Manager").

RECITALS

WHEREAS, Owner is the holder of fee simple title to each of the properties described on Exhibit A attached hereto and incorporated herein (such properties being individually referred to as "Property" and collectively referred to as "Properties"), and desires to engage Manager to manage and operate the same; and

WHEREAS, Manager desires to manage and operate the Properties for and on behalf of Owner on the terms, and subject to the conditions hereinafter set forth.

IN CONSIDERATION of the mutual promises and covenants contained herein, Owner and Manager agree as follows:

ARTICLE I.

APPOINTMENT; PROPERTIES

1.1. Appointment. Owner hereby designates and appoints Manager to act as the managing agent with respect to each Property identified on Exhibit A hereto, and hereby delegates to the Manager the power, authority and responsibility hereinafter described.

1.2. Identification of Properties. The list of Properties may be amended at any time during the continuance of this agreement for the purpose of including additional Properties within the Agreement upon the written consent of Owner and Manager.

ARTICLE II.

MANAGEMENT; BUDGET

2.1. Management. Manager shall use its best efforts to manage the Premises in a commercially reasonable manner and collect the rents and other income therefrom in a timely manner.

2.2. Employees. The Manager shall cause to be employed at all times a sufficient number of capable employees to properly, adequately, safely and economically manage, operate, maintain, and account for each Property. All matters pertaining to the employment,

supervision, compensation, promotion and discharge of such employees are the responsibility of the Manager.

2.3. Budget. On or before sixty (60) days prior to the end of each calendar year, and annually thereafter, Manager shall submit to Owner a proposed budget on Owner's form of proposed expenditures for the following fiscal year for each property showing all items for which expenditure shall be made, including but not limited to, such items as the number and type of employees and their salaries. Except as set forth in the following sentence, each Property budget shall, in each case, be approved in writing by Owner (an "Approved Budget") before the same shall become effective, and when so approved, no lease proposal at less than the rate specified in such schedule shall be made by Manager except with the prior written consent of Owner. Notwithstanding the foregoing to the contrary, if Owner fails to object or otherwise respond in writing within thirty (30) days after receipt of a proposed budget from Manager, such proposed budget shall be deemed to be approved, as Manager requires approval of the budget at least thirty (30) days prior to the commencement of the next following year in order to meet its obligations hereunder.

2.4. Budget Modifications. Manager shall, at such times as it deems appropriate or as Owner requests, submit to Owner for its review and approval proposed modifications to the Annual Budget and the Annual Leasing Plan and comparisons of the Approved Budget to operations for the year to date.

2.5. Enforcement of Leases. Manager shall, subject to Owner's prior written consent and in the name of and at the expense of Owner, institute any and all legal actions or proceedings necessary for the collection of rent or other income from the Premises or to remove any unauthorized tenant or person from the Premises. Manager shall have the authority, without Owner's prior written approval except as hereinafter provided, to enforce all leases, including, without limitation, the sending of default notices, provided that Manager shall obtain the approval of Owner prior to instituting any legal action, and prior to terminating any lease and report to Owner, on a monthly basis, any lease delinquency. Manager shall submit to Owner promptly upon receipt any notice of landlord default received from any tenant.

2.6. Repairs, Maintenance and Capital Improvements. Manager shall use its commercially reasonable efforts to keep each Property in good order and repair, and shall purchase or arrange for the purchase of all inventories, provisions, supplies and operating equipment which are reasonably necessary to maintain and operate each Property. The Approved Budgets shall constitute an authorization for Manager to expend monies for repairs, maintenance and capital improvements projects as provided therein. All repairs, maintenance and capital improvement projects in excess of the funds allocated therefor in the Approved Budget shall be contracted by Manager only after securing Owner's approval, except (i) with regard to emergency maintenance or repairs which shall be handled in the commercially reasonable discretion of Manager, (ii) with regard to the provision of essential services to the

tenants of each Property, such as common area utilities and snow removal and (iii) to the extent Manager has theretofore achieved savings within the Approved Budget for such Property on other line items. Manager shall give prompt notice of any such emergency repairs to Owner for which reasonable funds were not provided in the applicable Approved Budget.

2.7. Service and Utility Contracts. Manager shall, at Owner's expense, make contracts for electricity, gas, steam, fuel, water, telephone, window cleaning, landscaping, snow removal, vermin extermination and other services as may be required for the efficient operation of the Premises, all in accordance with the Approved Budget, or otherwise as approved by the Owner.

2.8. Monthly Account Statements. On or before the twentieth (20th) day of each calendar month, Manager shall remit to Owner's account any funds on hand not reasonably expected to be needed for operation and management of each Property in accordance with the Approved Budget for such Property. On or before the twentieth (20th) day of each calendar month, Manager shall submit to Owner as to each Property a detailed monthly statement of receipts and disbursements for the previous calendar month in form and content acceptable to Owner. Each such monthly statement shall include a statement of income and expense, a detailed expense report, a cash collection analysis, a schedule of security deposit activity, a statement of receipts and disbursements, and a summary of the leasing activity relating to such Property, or otherwise as necessary for the performance of Manager's obligations hereunder.

2.9. Advances by Manager. Owner shall reimburse Manager promptly for any monies which Manager may advance at Owner's request for the account of Owner. Nothing herein contained, however, shall be construed to obligate Manager to make any such advances.

2.10. Property Management Accounts. Manager shall maintain an operating account for each Property in a bank selected by Manager and approved by Owner (a "Property Management Account"). If required by applicable law, all security deposits collected by Manager from tenants of each Property shall be deposited in a separate account in a bank approved by Owner and shall be separated from the applicable Property Management Account. Manager's employees who handle or are responsible for Owner's monies shall be covered by a fidelity bond or Employee Dishonesty Insurance. The amount of said bond or insurance and the issuer thereof to be approved by Owner, in its reasonable discretion, but in no event shall the face amount of such coverage exceed \$500,000. Each account shall provide that funds deposited therein may be withdrawn by Manager, unless and until otherwise directed by the Owner in writing.

2.11. Reimbursement of Expenses. Except as otherwise expressly provided herein, Manager shall be reimbursed by Owner for all reasonable expenses, fees, charges, outlays, salaries and other costs paid or incurred by Manager hereunder to the extent the same are either included within the Approved Budget for each Property or are otherwise authorized by Owner.

As an example, and not by way of limitation, such costs and expenses shall include postage, delivery charges, long distance telephone calls and mileage directly related to the management and operation of the Property.

2.12. Taxes; Mortgages. Manager shall, if so requested, obtain and verify bills for real estate and personal property taxes, improvement assessments and other like charges which are or may become liens against each Property and recommend payment or appeal as Owner in its best judgment may determine. In the event Owner elects to make payments for such taxes, assessments or charges directly, Manager shall forward such bills to Owner for payment by Owner in such time to permit Owner to avoid penalty for late payment or to permit Owner to take advantage of available discounts, if any. Manager shall not make any payment on account of any ground lease, mortgage, deed of trust or other security instrument, if any, affecting any Property unless specifically authorized to do so by Owner in writing.

2.13. Property Maintenance Records. Manager shall keep full and detailed records covering the maintenance and management of the Premises. Said records shall be the property of Owner. Owner and Owner's accountants at all times shall have access to such records as well as to all other books and records of Manager in connection with the maintenance and management of the Premises. Owner shall endeavor in good faith to provide Manager reasonable advance notice of Owner's intent to inspect or review any such records.

2.14. Compliance With Laws. Both Owner and Manager shall, in good faith seek to comply with all statutes, ordinances, orders, rules, regulations and other laws of federal, state, county and municipal authorities (collectively, "Applicable Laws") in good faith seek to and with any direction of any public officer or officers acting pursuant to law, relating to each Property. If either party receives notice of any violation of any Applicable Laws, such party shall provide timely written notice of such violation to the other party.

ARTICLE III.

INDEMNIFICATION; INSURANCE

3.1. Manager's Insurance. Manager shall secure and maintain worker's compensation insurance with respect to all employees of Manager, as required under state law. Manager shall furnish to Owner satisfactory evidence of the foregoing insurance to Owner upon request.

3.2. Owner's Insurance. With respect to each Property, Owner will maintain and keep in force, fire and extended coverage insurance and, if applicable, boiler and machinery insurance, on a replacement cost basis. Owner, at its own expense, shall also obtain and keep in force comprehensive general liability insurance insuring against loss, damage or injury to property or persons which might arise out of the occupancy, management, operation, leasing or maintenance of each Property, with reasonable liability limits as shall be negotiated between

Manager and Owner. Manager will be named as additional insured on all liability policies. Owner shall provide Manager with copies of certificates of insurance on all insurance hereinabove required.

3.3. Waiver of Subrogation. Manager and Owner shall endeavor in good faith to obtain waivers of subrogation from their respective insurers and shall, if such waiver is available, provide reasonable evidence thereof to the other party. If such waiver is not available, such party shall advise the other party thereof in writing.

3.4. Indemnification of Owner. Manager agrees to hold and save Owner free and harmless from any and all liabilities, damages, claims, causes of action, or costs or other expenses, including without limitation reasonable attorneys' fees, paid or incurred by Owner as a direct and proximate result of negligent acts, omissions, or intentional misconduct of Manager, its employees or agents. In connection with any such claim asserted against Owner, its agents, or employees, Manager shall defend such party with legal counsel reasonable acceptable to Owner.

3.5. Indemnification of Manager. Owner agrees to hold and save Manager free and harmless from any and all liabilities, damages, claims, causes of action, or costs or other expenses, including without limitation reasonable attorneys' fees, paid or incurred by Manager, the conduct of its agents and employees, within the scope of this Agreement in its capacity as property manager hereunder, except for (i) claims based on the negligent acts, omissions, or intentional misconduct of Manager, its agents or employees or (ii) acts of Manager, its agents or employees, outside the scope of Manager's duties hereunder. In connection with any such claim against Manager, its agents or employees, Owner shall defend such party with legal counsel reasonably acceptable to Manager.

ARTICLE IV.

COMPENSATION

4.1. Property Management Fees. In addition to other amounts payable hereunder, Owner agrees to pay Manager each calendar month during the term hereof, a property management fee as set forth as Exhibit B attached hereto and made a part hereof, for all management services provided pursuant to the terms of this Agreement.

4.2. Operating Funds. In addition to the fees described in Section 4.1, Owner shall provide funds to Manager in order to pay any and all related operating expenses with respect to the premises on a current basis, in accordance with the Approved Budget or otherwise as authorized hereunder, including without limitation the applicable cost.

4.3. Extraordinary Services. If Manager is requested or required to perform extraordinary services not customarily a part of the usual services performed by managers of similar properties, it is agreed by the parties hereto that Manager shall receive additional compensation therefor in an equitable amount to be agreed upon between parties in good faith. Such extraordinary services would include, without limitation, assisting in the refinancing of Property and providing construction design or space planning services. If the parties cannot agree on the amount of such additional compensation, said matter shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association.

4.4. Compensation Review. It is the intention of both Owner and Manager that Manager receive fair and reasonable compensation for the performance of its management duties specified herein. Accordingly, Owner and Manager agree to review the schedule of compensation of Manager set forth on Exhibit B hereto upon written request of either party, given by either party not more often than once every two (2) calendar years during the term hereof. If applicable, Owner and Manager agree to negotiate in good faith a revised compensation schedule in the event that the compensation paid to Manager by Owner hereunder either materially exceeds or is materially less than compensation currently being paid to other property managers of similar reputation and quality for similar services within the geographical area in which Property is located. If Owner and Manager cannot reasonably agree on a revised compensation schedule within thirty (30) days after written notice of request for such compensation review by either party, any remaining disputes shall be settled by arbitration in accordance with the rules established by the American Arbitration Association. Such arbitration shall be held within the city in which the Property in question is located.

ARTICLE V.

TERM

5.1. Term. This Agreement shall commence on the 1st day of December, 2005 and shall continue in full force and effect on a month to month basis thereafter, until the same shall have been terminated in accordance with the provisions of this Article V.

5.2. Termination. Either party may terminate this Agreement without cause, upon 60 days written notice to the other party.

5.3. Final Accounting. Upon termination of this Agreement for any reason or the withdrawal of any Property, Manager shall deliver to Owner the following with respect to each Property or with respect to the Property withdrawn, as the case may be:

- (a) a final accounting, reflecting the balance of income and expenses on each such Property as of the date of termination or withdrawal to be delivered within thirty (30) days after such termination or withdrawal;

(b) any balance or monies of Owner or tenant security deposits, or both, held by Manager with respect to each such Property to be delivered immediately upon such termination or withdrawal; and

(c) all records, contracts, leases, receipts for deposits, unpaid bills and other papers or documents which pertain to each such Property to be delivered immediately upon such termination or withdrawal.

Upon such termination or withdrawal, Owner will assume responsibility for payment of all approved or authorized unpaid bills.

ARTICLE VI.

MISCELLANEOUS

6.1. Notices. All notices, demands, consents and reports provided for in this Agreement shall be in writing and shall be given to the Owner or Manager at the address set forth below or at such other address as they individually may specify thereafter in writing.

OWNER: City of Ramsey

ATTENTION: Sean Sullivan
Economic Development Coordinator
15153 Nowthen Blvd NW, Ramsey, MN 55303

MANAGER: Premier Commercial Properties, Inc.
6897 139th Lane NW
Ramsey, MN 55303
Attention: Marty Fisher
(763) 862-2005

Such notices or other communications may be mailed by United States registered or certified mail, return receipt requested postage prepaid and may be deposited in a United States Post Office or a depository for the receipt of mail regularly maintained by the post office. Such notices, demands, consents and reports may also be delivered by hand, or by any other method or means permitted by law. For purposes of this Agreement, notices will be deemed to have been "given" upon personal delivery thereof or forty-eight (48) hours after having been deposited in the United States mail as provided above.

6.2. No Assignment. This Agreement and all rights hereunder, shall not be assignable by either party hereto without the written consent of the other.

6.3. Amendments. Except as otherwise herein provided, any and all amendments, additions or deletions to this Agreement shall be null and void unless approved by Owner and Manager in writing.

6.4. Headings. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

6.5. Representations. Manager represents and warrants that it is fully qualified and licensed, to the extent required by law, to manage real estate and perform all obligations assumed by Manager hereunder. Owner represents and warrants to Manager that it has full right and authority to enter into this Agreement with Manager with respect to each Property listed on Exhibit A hereto.

6.6. Attorneys Fees; Costs. In the event of litigation arising out of a breach or alleged breach of this Agreement by either Owner or Manager, the prevailing party (i.e., the party whose position is substantially upheld) shall be entitled to reimbursement for all costs incurred in connection therewith, including reasonable attorney's fees.

6.7. Applicable Law. This Agreement shall be construed, as to each Property, in accordance with and governed in all respects by the laws of the state where such Property is located. If any provision of this Agreement shall be prohibited or held invalid under such law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or any other provisions of this Agreement.

6.8. Complete Agreement. This Agreement and the Exhibits attached hereto and made a part hereof, supersedes and takes the place of any and all previous management agreements entered into between the parties hereto relating to the Properties covered by this Agreement, and constitutes the entire agreement between the parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement and have affixed their seals hereunto.

OWNER:

City of Ramsey

By: [Signature]

Its: Mayor

Date: 7/28/06

MANAGER:

Premier Commercial Properties, Inc.

By: [Signature]

Its: Chief Mgr

Date: 7/28/06

EXHIBIT A

List of Properties

- 1) Lot 3, Block 1, Deal Industrial Park
6701 Highway 10 NE, Ramsey, MN 55303
NAU Building
 - A 28,360 square foot retail property

- 2) Lots 3 and 4, Block 1, GUY Addition, Anoka County, Minnesota
6107 Hwy 10 NW, Ramsey, MN 55303
Ralph's Gun and Pawn
 - A 3,808 square foot retail property

- 3) Lot 2, Block 1, Deal Industrial Park, Anoka County Minnesota
6745 Hwy 10 NW, Ramsey, MN 55303
Anchor's Away Building
 - A 17,132 square foot retail property

Additional properties may be added from time to time as the City acquires additional properties.

EXHIBIT B

I. Property Management Fees

- 1) Lot 3, Block 1, Deal Industrial Park
6701 Highway 10 NE, Ramsey, MN 55303
NAU Building

- A 28,360 square foot retail property

Five percent (5%) of Gross receipts with a monthly minimum of \$400.00 each month

- 2) Lots 3 and 4, Block 1, GUY Addition, Anoka County, Minnesota
6107 Hwy 10 NW, Ramsey, MN 55303
Ralph's Gun and Pawn

- A 3,808 square foot retail property

Five percent (5%) of Gross receipts with a monthly minimum of \$200.00 each month.

- 3) Lot 2, Block 1, Deal Industrial Park, Anoka County Minnesota
6745 Hwy 10 NW, Ramsey, MN 55303
Anchor's Away Building

- A 17,132 square foot retail property

~~Five percent (5%) of Gross receipts with a monthly minimum of \$400.00 each month~~

In the event that this Agreement commences on a day other than the first day of the month, then the minimum fee shall be prorated for such partial first month.

Property Tax Summary

Parcel ID	Address	Common Name	Tax Assessed			Estimated	Estimated	
			Value	Total Tax	Local Tax	FD Tax	City %	
34-32-25-12-0009	6701 Hwy 10 NW	NAU Building	796,000	\$ 24,194.44	\$ 9,419.27	\$ 6,081.22	40%	\$ 6,200.20 Actual
34-32-25-12-0009	6701 Hwy 10 NW	NAU Building	1,175,500	\$ 36,257.59	\$ 14,131.75	\$ 9,124.14	40%	\$ 9,302.36 Estimate
34-32-25-12-0008	6745 W Hwy 10 NW	Midwest Car Care	900,700	\$ 27,522.70	\$ 10,718.64	\$ 6,921.64	40%	\$ 7,056.11 Actual
34-32-25-31-0028	6101 Hwy 10 NW	Ralph's Gun	278,900	\$ 9,028.38	\$ 4,268.19	\$ 1,935.88	40%	\$ 2,481.63 Actual
35-32-25-31-0027	6101 Hwy 10 NW	Ralph's Gun	105,100	\$ 3,894.13	\$ 1,858.38	\$ 842.75	40%	\$ 1,080.45 Actual
Total Tax Generation		\$	64,639.65					
Potential Tax Generation		\$	76,702.80					
Actual City Tax Revenue		\$	16,818.39					
Potential Tax Revenue		\$	19,920.55					

Summary of Activity Reports for Premier Commercial Properties Property Management (February 2006 to June 2009)

Property	Outside Property Maintenance	Walkthrus Building Maintenance	Showed Space	Signs	Meeting with Tenant	Meeting with City	Tenant Lease Negotiation	General Inquiries/ Prospecting
6701 Hwy 10	16	92	21	3	19	10	15	15
6745 Hwy 10	11	26	3		29	8	17	14
6101 Hwy 10	7	12	8	2		6		5

* A copy of the activity reports are avaiable upon request.

REC'D APR 12 2010



13100
5-11-10

INVOICE

DATE: 3/31/2010

INVOICE #: 2353

Premier Commercial Properties, Inc
A Real Estate Services Company

6897 139th Lane NW
Ramsey, MN 55303

Phone 763.862.2005 Fax 763.862.1925

Vendor # 107978
9410 10315 615.53 41001

Date Rec'd: 4/14 Total Due 615.53
 Reviewed By: [Signature]
 Dept Approval: [Signature]

Bill To:
 City of Ramsey
 Attn: Accounts Payable
 7550 Sunwood Drive NW
 Ramsey, MN 55303

DESCRIPTION	AMOUNT
Management Fee-6745 Highway 10, Ramsey, MN 55303	400.00
Light bulbs purchased from VOSS LIGHTING	215.53

Make all checks payable to: Premier Commercial Properties, Inc.
If you have any questions concerning this invoice, please contact Marty Fisher.

Total \$615.53

Balance Due \$615.53



INVOICE

DATE: 8/31/2009*

INVOICE #: 2087

Premier Commercial Properties, Inc
A Real Estate Services Company

6897 139th Lane NW
 Ramsey, MN 55303

Phone 763.862.2005 Fax 763.862.1925

Bill To:

City of Ramsey
 Attn: Sean Sullivan
 7550 Sunwood Drive NW
 Ramsey, MN 55303

DESCRIPTION	AMOUNT
Management Fee-6701 Highway 10, Ramsey, MN 55303	400.00
Home Depot Reimbursement - Toilet repair	7.50
Apache Lock & Key Reimbursement - latchguards on doors	112.15
Johnstone Supply Reimbursement - filters	51.42
Vendor # <u>946-6365</u> 422 00 <u>571.07</u> 107978	
Date Rec'd: <u>10/16</u> Total Due: <u>571.07</u>	
Reviewed By: <u>[Signature]</u>	
Dept Approval: <u>[Signature]</u>	

Total \$571.07

Balance Due \$571.07

Make all checks payable to: Premier Commercial Properties, Inc.
 If you have any questions concerning this invoice, please contact Marty Fisher.

Date: 12/07/2010**By:** Tim Himmer
Engineering/Public Works

Information**Title:**

Consider Acquisition of Necessary Right-of-Way for the Potential Future Extension of Variolite Street

Background:

Over the past several years staff has been contacted on numerous occasions by a few property owners that currently reside along the City streets that would serve as the future alignment of a north-south local collector road through the center of the City and connecting to the COR. They are interested in any information about development and preservation of this corridor, as it has recently been discussed by the Council as the Variolite Street extension, and they continue to request a status update for the project.

This topic has been discussed several times over the past year at the Public Works Committee, Finance Committee, and City Council in work session; all of which determined that while the City should be preserving the corridor as part of its long range transportation goals, we should not be actively advancing this project until the need is there; based upon traffic and/or development pressure. It was also discussed that we should not be purchasing any property for this project until a funding source, alignment, and schedule are developed.

During the initial review period staff was directed to investigate a process that would initiate the preparation of a right of way plan for State Aid submittal and consideration. Such a plan would determine the proposed alignment and feasibility of constructing the roadway extension; and once approved by MnDOT would result in a funding source for future acquisitions along this corridor. Many alignment scenarios were considered by the various committees but they were ultimately narrowed down to a few potential options (see attached).

A public open house was held on August 12, 2010 to introduce the residents of the area with the project, provide them with background information, communicate the long range transportation goals of the City, listen to their thoughts and ideas, and gather feedback on the various alignment options. Over 100 citizens attended the meeting; with 53 people signing the attendance sheet, and 22 comment cards and/or e-mail responses received.

At Council work session on September 14, 2010 Council directed staff to keep the project in the City's Comprehensive Plan but to move the alignment consistent with that shown in the Capital Improvement Program (CIP), such that it follows the existing right-of-way to the extent feasible (see attached minutes, and comprehensive plan & CIP maps). Since that meeting one resident has continued with their request for the City to acquire their property. They feel that there may still be an opportunity to proceed with property acquisition from willing sellers at this time and requests the Council consider a process that may take advantage of the current economic condition to preserve this corridor, because (as their letter states) they were "approached by a City Councilman and told that the City would not be opposed to purchasing individual properties at this time." Staff is looking for some clarification and/or consensus from the Council on this matter. They also have concerns about disclosure issues should they choose to list their property for sale, and what impacts that would have on the marketability of their property (see attached correspondence).

Regardless of the alignment option chosen for the ultimate project this property would be impacted. Based upon previous direction, with regard to the Variolite Street extension, it seems premature to be considering property acquisition at this time unless an alternative funding source can be secured. Without a pre-approved right of way plan at the state level acquisition of land cannot commence utilizing State Aid funds, and reimbursement for such acquisitions that the City undertakes in advance of that approval are non-reimbursible.

Council Action:

Based upon discussion

Fiscal Impact

Budgeted Y/N:

Budgeted Year:

Fund:

Funding:

Funding for this project, including acquisitions, has always been listed in the CIP as coming from the City's State Aid account. At this time it is undetermined what the actual cost of this acquisition would be, as the appropriate appraisal process would need to be followed consistent with state statutes. In reviewing County tax records the 2011 estimated market value is \$205,000.

Attachments

[East alignment](#)

[West alignment](#)

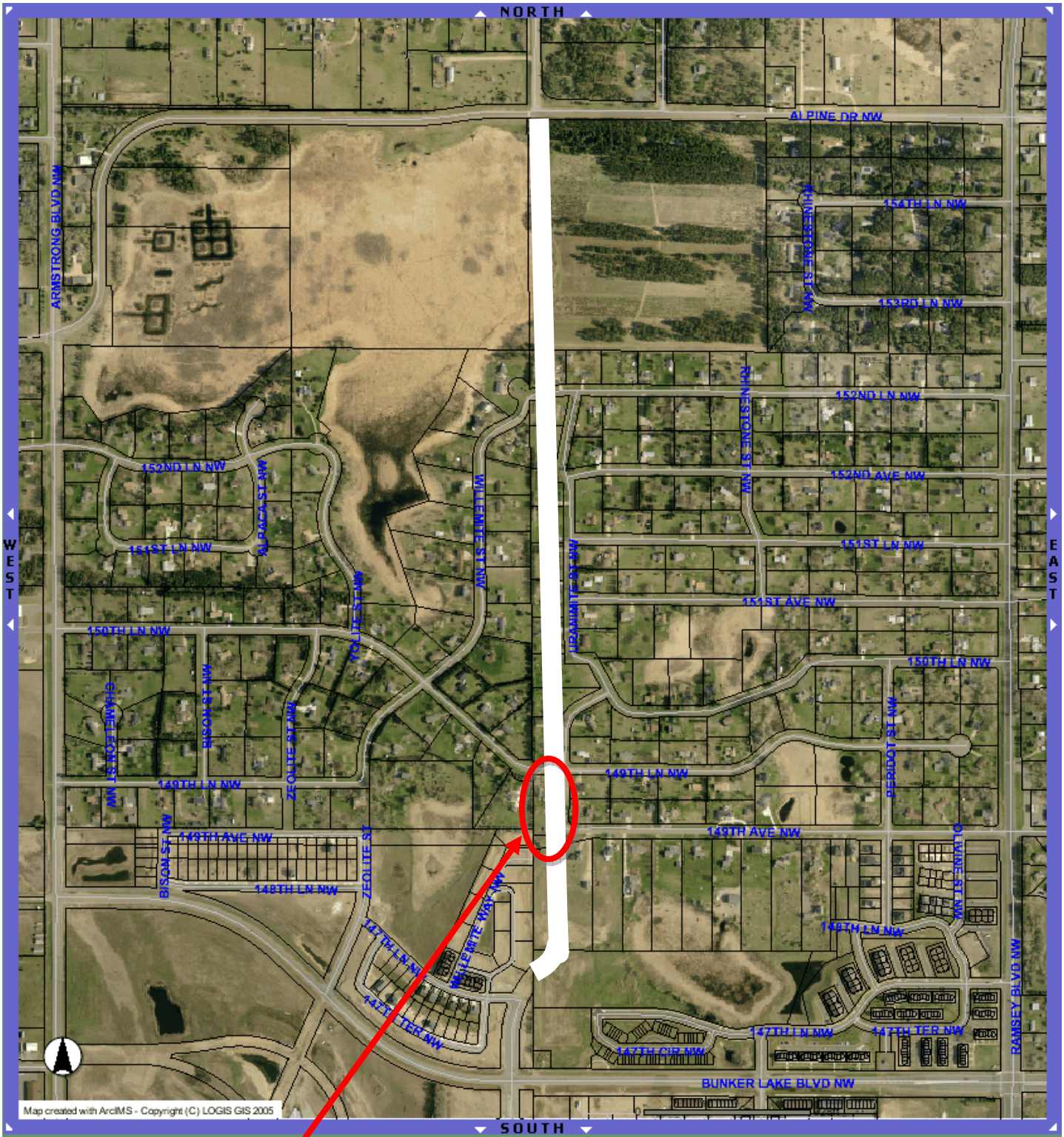
[Work session minutes](#)

[Comp. plan & CIP maps](#)

[Property owner correspondence](#)

Form Review

Inbox	Reviewed By	Date
Brian Olson	Brian Olson	12/02/2010 11:03 AM
Tim Himmer (Originator)	Tim Himmer	12/02/2010 12:44 PM
Brian Olson	Brian Olson	12/02/2010 01:25 PM
Kurt Ulrich	Kurt Ulrich	12/02/2010 02:34 PM
Form Started By: Tim Himmer		Started On: 11/29/2010 12:23 PM
Final Approval Date: 12/02/2010		



EAST ALIGNMENT

Property in question



WEST ALIGNMENT

Property in question

Councilmember Look noted if traffic drastically increased, that would cause a problem on Variolite also.

Councilmember Dehen arrived at 5:49 p.m.

Councilmember Elvig stated his main concern was the decrease in property values for the homeowners. He asked if the City wanted to ghost plat this at this time.

Councilmember Wise recommended if the City was going to ghost plat this, to shift the road to the north for minimal impact to the residents.

Councilmember Look stated he was in favor of striking this, as the City did not know if the road would ever be put in and the impact from the Peterson development. He indicated he did not like lines on maps. He did not believe this served a purpose at this time. City Engineer Himmer responded if the line was taken off the map, any of the properties could propose to subdivide.

Councilmember Elvig requested staff look at an alternative route that would go to the north that would have less impact on the residents or property value and encourage the opportunity to look at that as a connection.

Councilmember Dehen stated the reality was there was needed transportation and people wanted corridors for transportation. He noted eventually the corridors had to be established and plan for the future as to where roads would go, even if the decision were not popular.

Mayor Ramsey agreed the City should move the line slightly north. City Engineer Himmer noted not only property impacts needed to be considered, but also environmental impacts had to be considered which might make this proposal too expensive to complete.

It was Council's consensus to move the road to north of the tree line.

2) Consider Extension of Variolite Street from Alpine Drive to Bunker Lake Boulevard

City Engineer Himmer presented the staff report.

Mayor Ramsey stated this workshop would not allow time for public comments, but he was in favor of holding another open house, if necessary.

Councilmember Wise stated development had a way of finding the best use for the properties that could be developed and when lines were put on a map it was a "taking" and he believed this was an infringement on property rights. He stated he was in favor of taking this completely out of the plan. He agreed the cost was excessive also.

Councilmember Elvig also believed there had to be some plan there, but he recommended this not be moved forward.

Councilmember Jeffrey agreed that putting lines through property would decrease property values, but if the City was not ready to do this project, then the line should be taken off the map, even though some day the line might be put back.

Councilmember Look stated if the tree farm were to be developed at some point, people would want the City to purchase it because it was a City resource. He indicated this was a road of connectivity and it had a specific purpose. He indicated even if all of the property owners were willing to sell and there was a funding source, he still would not support it. He indicated the City had substantial roads that had to be addressed first. He believed this was an insurmountable task the City was trying to accomplish and he did not want to see any new roads at this point.

Councilmember McGlone stated the City was not doing anything that was not common to City practice. He stated he did not want roads taken off of maps. He stated he wanted to plan ahead.

Councilmember Wise stated by pulling this off of the map was planning for the future by having a development that came in to be different than what the City was looking at today.

Councilmember Dehen stated it was important to get the roads in and wherever a road is put in, it would affect people. He stated he had no interest in proceeding with this road, but to pull it back now would create uncertainty for the future.

It was Council's consensus that the original line on the map in the 2030 Comprehensive Plan should be moved to align with the right of way as much as possible and there would be no houses acquired.

3) Update on City Project #09-25, Dysprosium Street Reconstruction

Moved to the regular Council meeting.

4) Discuss Agenda Process Software

Moved to the regular Council meeting.

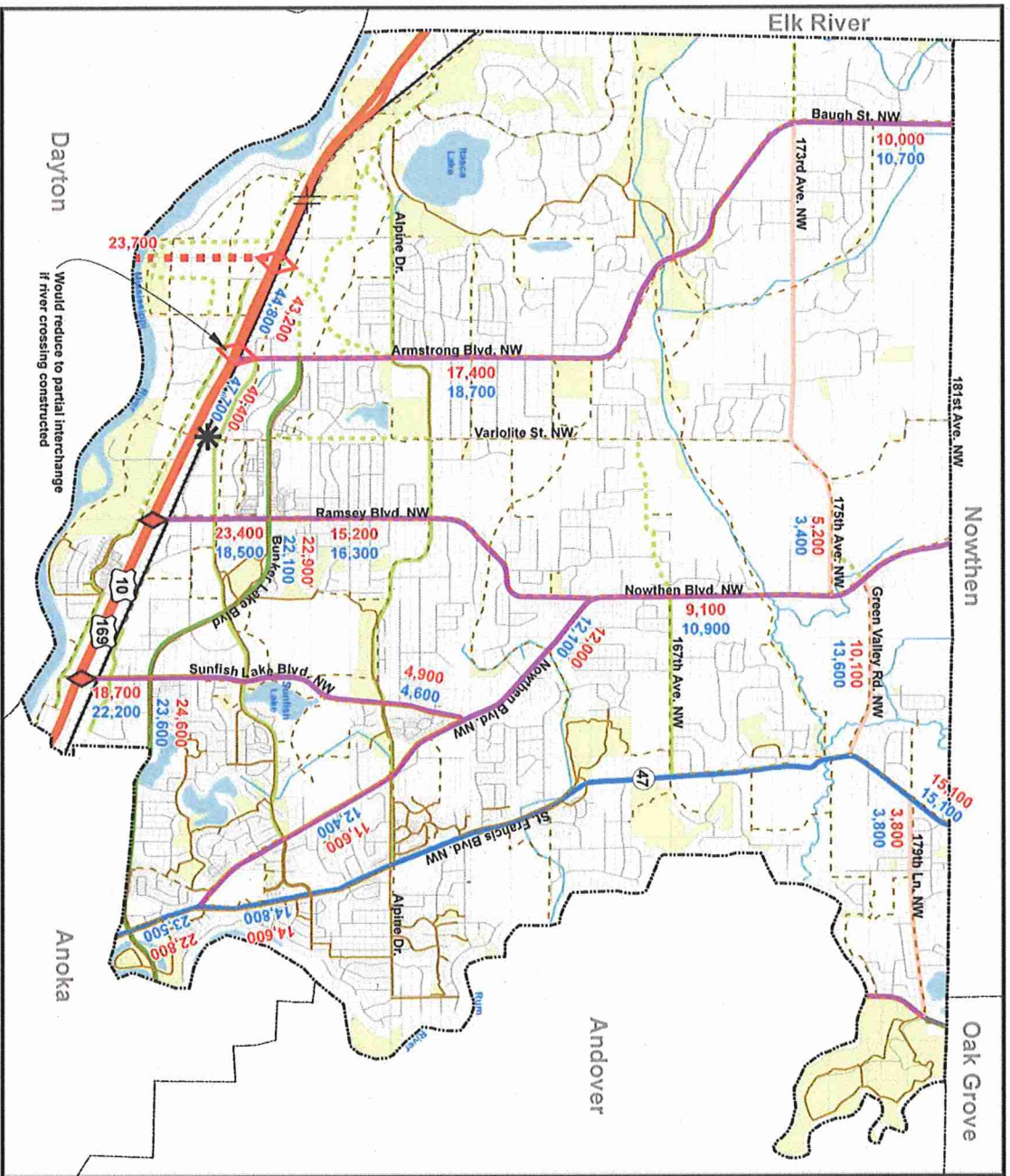
MAYOR, COUNCIL AND STAFF INPUT

None

ADJOURNMENT

The Work Session of the City Council was adjourned at 6:56 p.m.

Figure 6-2 Planned Transportation System



**City of Ramsey
2030 Comprehensive Plan
Planned Transportation System**

- 1,200 2030 ADT with Future River Crossing
- 1,200 2030 ADT without Future River Crossing
- Existing Principal Arterial
- Existing A Minor Expander
- Existing A Minor Reliever
- Existing A Minor Collector
- Existing B Minor Connector
- Existing B Minor Arterial
- Existing Major Collector
- Existing Minor Collector
- Existing Local Roads
- Existing Trails
- Future Minor Collector
- Potential Bridge Corridor
- Proposed Trails
- Proposed Interchange
- Proposed Interchange
- Proposed Commuter Rail Station
- Proposed Overpass
- Park
- Northstar Commuter Rail
- Water

0.6 Miles

0.6 Miles

July 14, 2009

BONESTROO

1429.42387091.GIS\mapserver\future_trans_class.mxd

Capital Improvement Program
City of Ramsey, Minnesota

2010 thru 2014

Department Street Improvements

Contact Unassigned

Project # 04-STR-018
Project Name Variolite Street (Alpine Dr. to Ramsey Town Ctr.)



Tim Himmer

Subject: FW: Variolite

From: William Goodrich [mailto:bgood@anokalaw.com]
Sent: Thursday, September 30, 2010 5:30 PM
To: Kurt Ulrich; Tim Himmer
Cc: Brian Olson; Diana Lund
Subject: RE: Variolite

I discussed this issue with Tim this am and since then have done some additional research on this issue.

The standard Minnesota Purchase Agreement form does provide for disclosure if there is pending or authorized public improvement project which is to be specially assessed. Also, the Purchase Agreement form requires the Seller to disclose any notices from any governmental authority concerning any eminent domain, condemnation special taxing district or rezoning proceedings.

In addition, Minn. Stat. 513.55 requires Residential Sellers to disclose any material facts of which seller are aware that could adversely and significantly affect: (1) an ordinary buyer's use and enjoyment of the property; or (2) any intended use of the property of which the seller is aware. I assume that a buyer could argue that the comprehensive plan transportation road designation, if know by the seller should be disclosed. To date there is no case law on this specific issue.

Contrasted with the above statutory disclosure requirement, is the City's statutory obligation to prepare and develop a comprehensive plan per Minn. Stat. 873.859 and specifically subd. 3 which requires a transportation plan "...describing, designating and scheduling the location, extent, function and capacity of existing and proposed local public and private transportation services and facilities;"

Based on the above, it is unclear to me if a Seller needs to disclose the comprehensive plan designation to a potential buyer and the effect of such a disclosure. I could contact the League of Cities for their insight on this issue.

What is clear to me however is that the City should not be giving legal advice to Sellers/Buyers on what their legal disclosure obligations are. They should be advised to contact their respective advisors for such advice.

Let me know if you want me to research this matter in further detail.

William K. Goodrich
RANDALL and GOODRICH, P.L.c.
2140 Fourth Avenue North
Anoka, MN 55303
Phone: (763) 421-5424
Fax: (763) 421-4213
E-mail: bgood@anokalaw.com

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From: Tim Himmer
Sent: Tuesday, September 21, 2010 12:50 PM
To: 'Bill Goodrich'

Cc: Brian Olson; Kurt Ulrich
Subject: FW: Variolite
Importance: High

Bill

See e-mail below. Can you please investigate the notion of whether disclosure would be required for a "line on the map" scenario. Thanks.

We may want to consider placing this matter on a future Finance Committee meeting to see if there is any appetite out there for advancing the acquisitions from willing sellers?

Tim Himmer
City Engineer
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303
(763) 433-9893
thimmer@ci.ramsey.mn.us

From: Dan Lindau [mailto:dlindau@sifcompls.net]
Sent: Tuesday, September 21, 2010 12:24 PM
To: Tim Himmer; Brian Olson
Cc: Thatcher, Teresa M
Subject: Variolite
Importance: High

Tim,

I received your voice mail yesterday. Just so Terri and I understand where this process is at today:

1. The Variolite extension project has ceased all discussion and has been placed on hold.
2. There is no activity for moving forward on the Environmental Mapping.
3. There is no activity for moving forward on the Right of way Mapping.
4. There is no activity for the advancement of alignment.
5. You have been instructed to leave the line on the cities planning map.

We among many other residents are absolutely and completely frustrated with the City of Ramsey's management and communication of this Variolite Extension Project! Dating back to the summer of 2005 when the post card was sent out to residents informing the affected communities residents of this project it has been in discussion and some sort of planning to date or I should say was in planning until last weeks meeting. Terri has been in contact and has had many discussions with Brian Olsen and yourself for more than five years now. Terri was told that the project would be completed by 2009. Well it is now 2010, still no definite answer to our many questions as to when and if the plan for the road will now or ever be completed. It has now been squashed by the City the City Council, etc., I am sure the media's involvement orchestrated by Matt Long and the Hanson Tree farm has scarred all the powers to be off. Not a surprise. Maybe it is time for some new media coverage and that being media coverage for those residents that have been sequestered and limited in marketing their properties due to this extension project since 2001/2002 when it was put on the map. I have heard it brought up in these meetings with the City and the City Council responding to the resident that are and have been concerned with selling their properties. Not being able to market their properties due to discloser concerns seller to buyer, due to this project being on the map and in numerous council meetings, work sessions, etc. The City and City Council has stated to the residents that they do not have to disclose this to a potential buyer. Let me tell you that the City and the City Council is WRONG. If a seller has any knowledge of such activities or planning

it is the sellers responsibility to disclose this to any potential buyer. The seller would be civilly liable for the home if sold and this wasn't disclosed. Today, no one in the city of Ramsey's alignment of this project could sell there home as there is no buyer having this disclosed to them would ever make an offer on a home that is in the sights of the city for a road to go through and potential immanent domain situation. We as resident have been waiting for years to see this extension project come to fruition, negotiate the sales of our homes and move on. Again, we have waited for years, unable to market our homes fairly and adequately due to this plan that now has been stopped, put on hold or what ever limbo the city wishes to call it. The bottom line is we as residents that still remain in this alignment that is documented within the cities plan remain in the same position we have been in for the past years. We CANNOT market our homes fairly.

We have approached the city on numerous occasions offering to negotiate and sell our homes to the city. Today, we are all still held hostage and cannot fairly sell our homes. After last weeks meeting Terri was headed out the door, more than adequately frustrated and was approached by a City Councilman and was told that the city would not be opposed to purchasing individual properties at this time. We obviously have been proactive in approaching the city on this purchase and are interested in negotiating and equitable closure to both us and the city. I would like to suggest that we schedule very soon a meeting to have such conversations. We want to seek a fair conclusion to this. It would not be our intentions to seek other avenues to create a fair environment in selling our house on the open market, but obviously will do what we have to in order to bring fairness to our situation. As we are all aware legal council is expensive and time consuming, but when it is the only option it will be exercised. Please contact us to set up a meeting to discuss and plan our and the City's future in this matter.

Dan and Terri

Dan Lindau
Quality Manager
SIFCO Minneapolis
Turbine Component Services
763-231-2643