

Council Inquiries: August 23, 2011 City Council Work Session

Please see the following pages for responses to each inquiry.

1. Contact the LMC and Metro Cities, do they do a study?
2. Comprehensive Sewer and Water Study, what are the costs/timelines/benefits?
3. Follow up on erosion control what are the laws and regulations?
4. Development Fee Chart: City staff would like to further develop a breakdown of development and building fees into a concise document.
5. City staff would like to identify a list of existing development fees/charges that could be considered for either reduction or elimination to be brought back to the Council.
6. Developer Open House/Survey/Focus Group/Pizza

1. Contact the LMC and Metro Cities, do they do a study?

The LMC does not do such a study beyond their normal activities. They would be willing to take the request to their board.

Metro Cities does do a survey that is bi annual. It is known as a "Rates and Fees" survey. They did complete a survey this spring. You need to be a member of the association to be involved with the survey (\$7,500). The City of Ramsey is not part of Metro Cities. Attached to this case are the results of the 2011 study, please see "Metro Cities Survey Results."

NOTE: the Metro Cities survey is heavily focused on administrative fees. The development costs questions are not based on development scenarios like the Ramsey survey. Therefore, the Metro Cities questions are not answered in an apples-to-apples basis. Finally, the Ramsey survey covered many development costs that were not covered in the Metro Cities survey.

2. Comprehensive Sewer and Water Study, what are the costs/timelines/benefits?

The purpose of a comprehensive sewer and water plan is to provide the city with necessary information regarding the city's sewer/water systems, water supply, water storage and sewer/water transportation. We can use this information to establish priorities, plan, fund and implement future sewer/water system improvements. Specifically regarding the development costs study, this information will help the city make policy decisions as we continue reviewing the development process.

One important note to make, in regards to the 2004 comprehensive sewer/water studies, is that the population (i.e. demand) projections are off from reality. The 2004 plan projected a total city population of nearly 35,000 in 2010. Therefore, many of the recommendations from the 2004 study need to be adjusted.

The last time the City of Ramsey completed a comprehensive sewer/water study it took about three months. The cost is about \$25,000-\$35,000 per utility (one for water and one for sewer).

3. Follow up on erosion control what are the laws and regulations?

Concerns: (A) Are we sure that the \$100 administrative fee and the \$1,500 erosion control escrow are justified? (B) Is there a state law?

- A. The \$100 administrative fee covers the cost of finance department to administer the erosion control escrow.

The \$1,500 escrow is used as leverage by the City of Ramsey to encourage builders/property owners to abide by erosion control standards. Without the escrow, the city reserves no means to enforce compliance to erosion control standards. These funds are only used to correct a deficiency if the builder/property owner refuses to take action on their own following notification.

- B. There are laws that the City of Ramsey is responsible to abide by (unfunded mandates) in regards to surface water discharge (and thus erosion control) under the National Pollutant Discharge Elimination System (NPDES) enforced by the Minnesota Pollution Control Agency (MPCA) and Environmental Protection Agency (EPA).

The City of Ramsey is issued a Municipal Separate Storm Sewer System (MS4) permit from these agencies to discharge storm water into our rivers and lakes. In order to comply with standards set by these agencies (and adopted by Council), the City of Ramsey must prevent run off from construction sites (i.e. a new single family home) by means of erosion control practices.

The City of Ramsey is liable for non-compliance with these regulations as the local enforcement agency. Therefore, not enforcing these regulations may result in the City of Ramsey losing their MS4 permit and possibly incurring fines/ charges/ administrative penalties. The MPCA does not charge anything for the City's MS4 permit, however, it is anticipated that this will change in the near future with an estimated fee of approximately \$1,000.

Finally, there is also a \$400 fee for a NPDES permit on every individual project that disturbs more than one acre (road construction, development, etc.), which goes directly to the state.

Staff input: Staff believes that \$100 administrative fee could be absorbed in the overall building permit fee (base building permit fee). Doing so could result in use of general funds, should the expenditures exceed what is collected (plan review, inspections, enforcement, overhead, etc.).

Staff believes that it is important to keep an erosion escrow (and the encompassing ordinance), as it makes it the responsibility of the individual performing the work to handle their own erosion control requirements instead of making the responsibility of all that live within the City.

4. Development Fee Chart: City staff would like to further develop a breakdown of development and building fees into a concise document.

Attached to this case is chart that breaks down every development fee in the City of Ramsey. The chart includes a description, rationalization and methodology for determining each fee.

5. City staff would like to identify a list of existing development fees/charges that could be considered for either reduction or elimination to be brought back to the Council.

Attached to this case is list of development fees/charges that staff has identified for reduction or elimination.

Also attached to this case is an example of what the proposed changes would look like. The included example references the 120 unit single family home development used in the development costs study (i.e. scenario 1)

6. Developer Open House/Survey/Focus Group/Pizza

Proposed date: Tuesday December 6, 11:00am to 1:00pm—Lake Itasca Room.