

**City of Ramsey**  
**Agenda**  
**Special City Council**  
**Monday, February 6, 2012**  
**6:00 p.m.**

**Lake Itasca Room, 7550 Sunwood Drive NW**

- 1. Call to Order**
- 2. Citizen Input**
- 3. Approve Agenda**
- 4. Council Business**
  1. Discuss Updates to the City's Comprehensive Sanitary Sewer and Water Plans
- 5. Mayor/Council/Staff Input**
- 6. Adjournment**

## CC Special Session

4. 1.

**Meeting Date:** 02/06/2012

**By:** Tim Himmer, Engineering/Public Works

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### **Title:**

Discuss Updates to the City's Comprehensive Sanitary Sewer and Water Plans

### **Background:**

On August 23, 2011 staff met with the City Council in work session to review the City's 2011 development cost study. This was a comprehensive review of where the City currently stands in relation to other municipalities with regard to development costs (utility trunk fees, building permit fees, escrows, etc.). During that meeting utility rates were discussed; particularly how those rates are determined. Rates are determined by taking a comprehensive look at the City's utility system, projecting future growth, and then determining the infrastructure needs to support such growth. A plan is then developed that outlines potential timelines and costs for infrastructure improvements. The ultimate costs to construct and maintain that utility system is then evaluated to determine the appropriate funding mechanism to distribute those costs to users. Revisions to those rates are then adjusted annually, with the adoption of the annual rates and charges, and are based on the construction index related to inflation and construction costs.

On November 15, 2011 the topic of comprehensive utility plan updates, and corresponding rate studies, were discussed by the Public Works Committee. This conversation was timely, in that the City Council wanted to understand how updates to these plans may impact adoption of the City's annual rates and charges. The Council wanted to delay action on adopting rates and charges for 2012 until these utility plan updates were completed. Since that time the 2012 rates and charges were adopted by the City Council in December, with the idea that the utility fees could be revised (if necessary) once the studies were updated and the results of the rate study completed. On January 10, 2012 the City Council awarded contracts to Bolton & Menk (in the amount of \$28,000) and Landform (in the amount of \$1,000/month) to undertake this study, which was last completed in 2004.

As stated earlier, the first order of business in advancing these plan updates is to review growth projections, which is the focus of this case. Without first understanding the assumptions related to how the City intends to grow, updates to these plans are extremely difficult. We cannot begin delving into the infrastructure needs of the future (and associated costs) if we do not have clear direction on how you believe the City will grow. Staff is looking for direction on what assumptions should be used to calculate future growth in the City; including:

- Growth and population projections
  - Since we have not realized growth consistent with either the 2030 Comprehensive Plan (average of 455 units/year through 2030) or the 2004 Comprehensive Utility Plans (average of 360 units/year through 2020), any revisions to growth projections would affect the amount of service connections (users) and ultimately rates and fees.
- Density assumptions
  - Understanding where more dense growth will occur assists in developing a plan for appropriately sized and located infrastructure. It allows us to implement a program that will fund capital expenditures only where they are needed, and eliminates the potential for unnecessary extensions and/or oversizing.
- Ultimate service area
  - This may be the most critical decision to be made with respect to ultimate City growth. This information will allow us to evaluate where growth is envisioned in the City, and the timing and sequencing for future development. Do we want to grow in an orderly fashion with progressive stages expanded from existing service areas, or are we open to "leap frog" development where a developer or the City need to expend large amounts of capital to serve a somewhat isolated area that may not support additional future growth?
  - Determining ultimate service area allows for the development of a plan with a known build out scenario, from which costs can be determined and then distributed appropriately to fund the needed

improvements.

- Service to or from adjacent communities

Attached is a memo prepared by Bolton & Menk that discusses each of these assumptions. All of this information will assist us in determining the number of new service connections for each growth area throughout the 20 year study period. We can then evaluate the City's existing infrastructure for deficiencies and needed improvements/extensions to support this growth, and develop a Capital Improvement Program (CIP) to outline the future costs and timing to construct the ultimate system. The CIP then becomes the basis for completing a rate study that will determine how the required improvements will be funded.

This is only the first step in the process; there will be several additional meetings scheduled, at both the staff and Council level, to get a firm understanding of the technical requirements of the system and policy direction related to assumptions and distribution of costs. The Planning Commission will be discussing the topic of future City growth at their regular meeting on February 2, 2012, and their input will be brought forward to the City Council as additional information at the work session discussion.

### **Observations:**

As the first phase of completing these comprehensive plan updates includes future growth of the City, staff wanted to receive direction from the Council on where they see City growth in the future. Future City growth projections are currently outlined in Chapter 4 of the 2030 Comprehensive Plan (attached); including population, households, employment forecasts, and the general assumptions related to these growth patterns. During the development and review process for completing the 2030 Comprehensive Plan Update, concerns were raised by several individuals regarding the forecasts. In essence, the forecasts showed that all future growth outlined on the attached Future Land Use Map could occur by 2030; however, based on current market conditions, it seemed unlikely that this would become a reality. It should also be noted that the City has processed multiple Comprehensive Plan Amendments that have changed the forecasts published in Chapter 4, and staff will present updated information at the meeting.

A few growth assumptions contained within the City's existing 2030 Comprehensive plan deserve discussion:

- Due to the nature of soils in the City (the Anoka sandplain) rural residential development can be supported indefinitely with on-site sewage treatment systems, provided sufficient land is available to accommodate two drain fields. Ultimately, such areas may require public water service.
  - Do you still agree with this assumption? Should there be some investment made for infrastructure expansion to/through these rural areas, or do you still consider these large lot rural areas as a mainstay in the City?
  - Considerations still need to be factored in for ultimate water distribution into these areas in case groundwater supplies become compromised, or future municipal source wells are restricted.
- Northwest Ramsey will not be allowed to connect to Elk River's public utility systems.
- Metropolitan sewers will not be extended northerly through Ramsey to provide services to City of Nowthen.
  - Do we want to revisit these cross-jurisdictional options? Financial considerations may factor into this decision, as extensions into adjacent communities would provide for cost sharing opportunities on infrastructure investment and add additional users to the system, and utilizing adjacent community service would allow for potential future tax base in Ramsey without the capital expenditure of infrastructure.

Staff has had discussions with the Metropolitan Council, who agree amendments will likely be needed to the forecasts, with the City experiencing ultimate build-out of the Future Land Use Map beyond 2030. The Metropolitan Council has begun working on the 2040 Framework, which will provide the City an official opportunity to comment on these forecasts, among other items. It is expected that the Metropolitan Council will begin providing communities with updates on the process in October or November of this year, and the official comment periods will begin in 2013.

### **Recommendation:**

With this case staff is only looking for Council direction on projected growth of the City.

From this information staff and the consultants can evaluate the existing utility systems in an effort to develop a 20 CIP to create future systems that will support the intended growth. This CIP will be the basis for determining the appropriate funding mechanisms to pay for the necessary improvements. We will be coming back to the Council on several occasions throughout the development of these comprehensive utility plans for additional input on such items as capital expenditures, water consumption/conservation, distribution of fees/user rates, etc.

**Funding Source:**

Funding for these comprehensive utility plan updates are being financed through the corresponding City enterprise funds.

**Council Action:**

Provide staff with feedback on City growth assumptions that will serve as the foundation for comprehensive utility plan updates.

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**Attachments**

Chapter 4 of the City's 2030 Comprehensive Plan

2030 Future Land Use Map

Bolton & Menk Assumptions Memo

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**Form Review**

Form Started By: Tim Himmer

Started On: 02/02/2012

Final Approval Date: 02/01/2012

#### **4. ASSUMPTIONS AND PROJECTIONS**

The following is a list of assumptions that were considered when projecting future population, household and employment figures for Ramsey.

1. Due to its location at the edge of the region, the automobile will continue to be the primary means of transit for Ramsey residents.
2. Travel demand by personal automobile will continue to grow faster than Ramsey's population unless there is a significant increase in the cost of gasoline. Traffic volumes will continue to grow no matter how fast or how much the City of Ramsey grows or regardless of whether a new bridge over the Mississippi River is built.
3. Due to the nature of soils in the City (the Anoka sandplain) rural residential development can be supported indefinitely with on-site sewage treatment systems, provided sufficient land is available to accommodate two drain fields. Ultimately, such areas may require public water service.
4. The expansion of the schools that serve Ramsey students will be necessary whether or not urban growth occurs in Ramsey in any significant amount.
5. The public sanitary sewer and water systems have ample capacity and/or expansion capability to accommodate all of the urban development possible in Ramsey.
6. The Metropolitan Council may not support the expansion of rural residential development at densities of less than one unit per 10-acres unless a meaningful system of rural open spaces and more urban housing at higher densities result. More urban density housing will require MUSA expansion.
7. The Metropolitan Council will not compel the City to expand MUSA into rural residential areas where substantial subdivision has already occurred that is not conducive to resubdivision.
8. Northwest Ramsey will not be allowed to connect to Elk River's public utility systems.
9. Metropolitan sewers will not be extended northerly through Ramsey to provide services to City of Nowthen.
10. Urban growth will generally occur in a westerly direction along Highway 10 if MUSA expansion is authorized.
11. Ramsey's persons per household figure currently estimated at 3.1 persons per household in 2000 will likely decline to 3 persons per household or less by 2010. By 2030, the household figure is expected to decline to 2.67 persons per household.

The future growth of Ramsey depends on several factors. It depends on the recent charter amendments, which limit the ability of expanding MUSA, particularly for residential development and the ability to manage congestion levels on Highways 10 and 47 at safe and operable levels. It depends on regional and local pressures and cooperation on deciding whether to build another bridge over the Mississippi River. It also depends on the ability of the community to diversify its employment base by attracting business other than manufacturing. These are only a few factors that impact future growth, all of which are interrelated.

In order to plan for growth in the Twin Cities Metropolitan region, the Metropolitan Council has prepared population, household and employment projections for metropolitan cities. These projections are not requirements imposed on the community; rather they are projections that provide a framework or base to plan. One purpose of the legislation that requires metro communities to submit comprehensive plans to the Metropolitan Council is to allow local governments the opportunity to determine how their community will grow and to tell the Metropolitan Council what regional infrastructure needs will result from the chosen growth plan. After reviewing Ramsey's plan, the Metropolitan Council must evaluate how that plan fits into the regional plan and how regional infrastructure needs are to be met. Tables 4-1 and 4-2 outline the Metropolitan Council projections for the City of Ramsey and provides a comparison of the City's own growth projections based on growth trends, available land supply. The City projections are based on projections completed while analyzing the future growth according to Traffic Analysis Zones (TAZ) and according to the development staging plan as shown in Chapter V. "Land Use".

The 2030 Land Use Plan and accompanying staging plan were developed through a citizen-driven process which culminated in October of 2008 with a day-long land use planning workshop. This citizen process began in January of 2007 with the Ramsey3 process, a unique program in which the citizens of Ramsey were asked to define what they wanted "in their backyard". This process included a public participation effort using the "Open Space Technology" process to allow citizens to develop the agenda for each meeting and guide the direction of discussion without staff or consultant involvement. The outcome of the Ramsey3 process was a series of Vision and Values statements that are presented in Chapter II of this plan. From the Vision and Values, Goal and Strategies were also developed for many of the Comprehensive Plan topics. These Goals are presented within each chapter.

The culmination of the citizen-driven process was a day-long planning workshop during which participants were asked to develop the final 2030 Land Use Plan for the City of Ramsey. Participants were guided through a discussion of available land supply in Ramsey, as well as Metropolitan Council requirements for comprehensive plan updates. Participants then split into groups to work on land use maps. Each group was given chips representing various land use types and densities and groups were asked to develop a land use plan which met all planning requirements while also meeting the Vision and Goals of the community. After discussion of each group's plan, similarities and differences were identified between plans. The design and discussion process was repeated until a consensus on one land use plan was reached. That consensus plan is shown in Chapter V, "Land Use".

*Table 4-1 Metropolitan Council Published Forecasts*

	<b>2000</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>
Population	18,510	31,300	45,000	44,000
Households	5,906	10,900	16,200	16,500
Employment	4,008	6,700	9,100	11,300

*Table 4-2 City of Ramsey Forecasts Pending Approval*

<b>Population</b>	<b>2000</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>
Sewered	7,810	21,522	29,356	36,373
Unsewered	10,700	6,599	6,883	7,088
<b>TOTAL</b>	<b>18,510</b>	<b>28,121</b>	<b>36,239</b>	<b>43,461</b>

<b>Households</b>	<b>2000</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>
Sewered	2,492	7,495	10,568	13,640
Unsewered	3,414	2,298	2,478	2,658
<b>TOTAL</b>	<b>5,906</b>	<b>9,793</b>	<b>13,046</b>	<b>16,298</b>

<b>Employment</b>	<b>2000</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>
Sewered	4,008	6,039	8,621	11,723
Unsewered	0	661	479	215
<b>TOTAL</b>	<b>4,008</b>	<b>6,700</b>	<b>9,100</b>	<b>11,938</b>

Note: Over the 2008-2030 time period, steadily increasing employment density estimates are used for each decade to forecast anticipated increase in employment density as the community grows.

Met Council HH Size      2.87156    2.777778    2.666667

The primary concern regarding growth at the regional level is that land within the Metropolitan area is used efficiently and wisely from the standpoint of maximizing the effective use of regional infrastructure and by making environmentally conscious land use decisions. The ability for growth to occur in the City of Ramsey heavily depends on the regional investment made to the transportation infrastructure that connects Ramsey with the Metropolitan Area. These improvements are not limited to highway improvements, but also investments in transit (the ability to reduce vehicle trips) and economic development (the ability to get jobs closer to homes).

Throughout the planning process, residents and elected and appointed officials have voiced concern with the Metropolitan Council’s growth projections. Particularly in 2008, there was concern that given the weak national and local economy, growth could never meet the original estimates provided in the Metropolitan Council system statement. Throughout the planning process, City staff, elected and appointed officials and planning consultants worked with Metropolitan Council staff and representatives to reach consensus on the planning requirements for Ramsey. Although Ramsey’s final plan shows fewer total households and a lower population than the original system statement (see Tables 4-1 and 4-2), as of the time of this writing, it is the City’s understanding that the final land use plan and corresponding growth projections developed

by the City will ensure the integrity and efficient operation of Metropolitan Council's regional infrastructure.

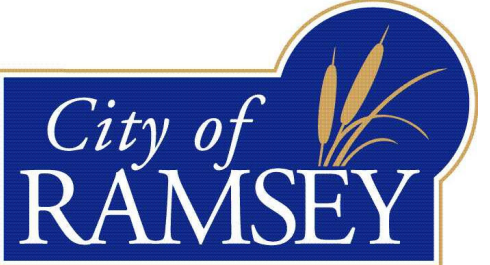
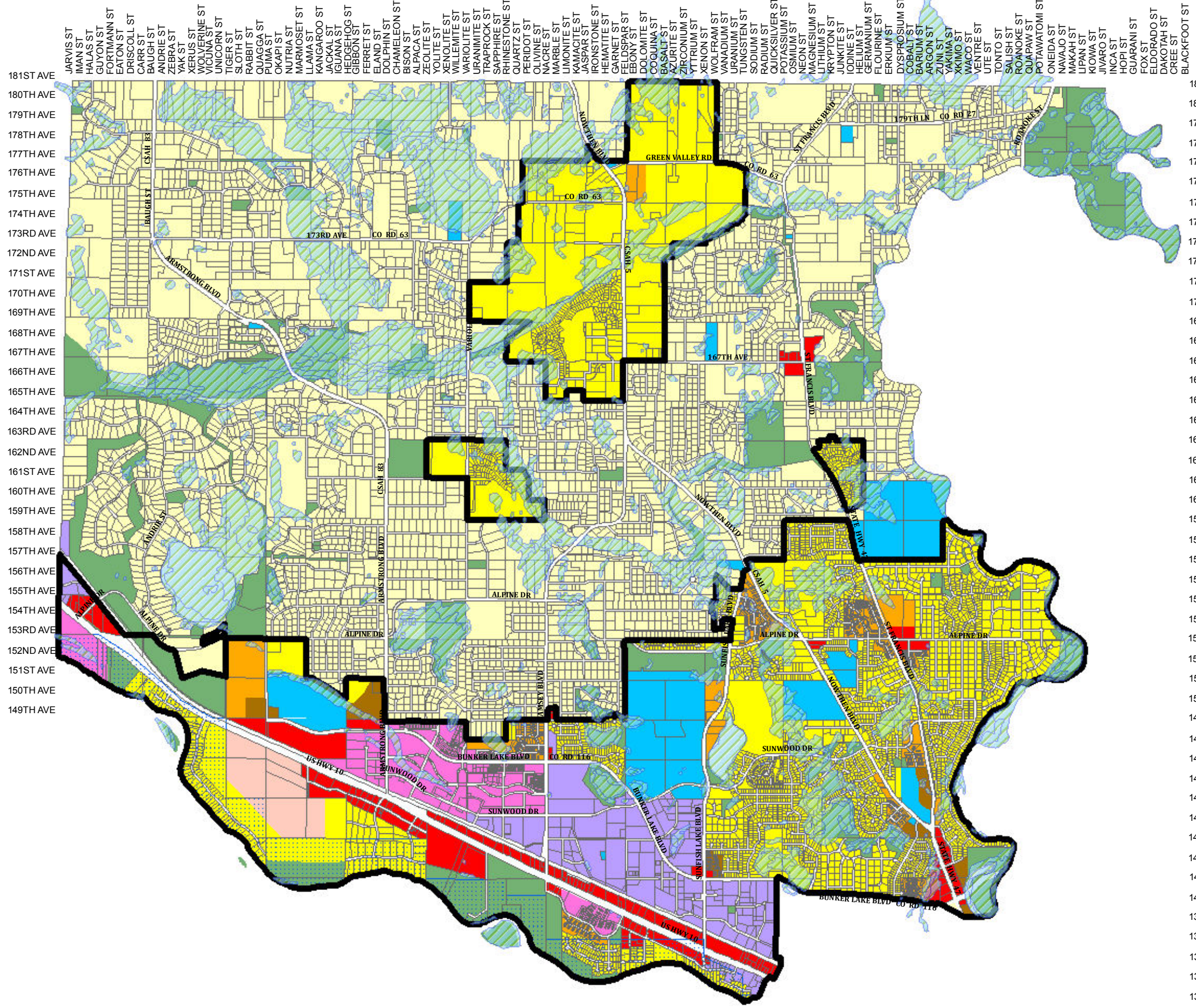
FOOTBALL GREATS

MAMMALS

ROCKS

ELEMENTS

INDIAN TRIBES

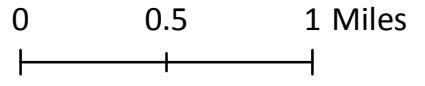


## 2030 Comprehensive Plan Future Land Use Map Amendment 11-02

- NWI
- MUSA
- MRCCA Boundary

### Future Land Use

- LDR
- MDR
- HDR
- Office Park
- Commercial
- MU
- Business Park
- Public
- Rural Developing
- Rural Preserve
- Park



This map has been compiled using information gathered from various governmental offices and other sources and is to be used for reference purposes only. It is neither a legally recorded map nor a survey and is not intended for use as one. The Geographic Information System (GIS) data used to develop this map is not warranted by the City as being error-free.

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## Consulting Engineers & Surveyors

2638 Shadow Lane, Suite 200 • Chaska, MN 55318-1172

Phone (952) 448-8838 • Fax (952) 448-8805

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### MEMORANDUM

**Date:** February 1, 2012

**To:** Tim Himmer, City Engineer

**From:** David Martini *DM*

**Subject:** Water and Sanitary Sewer Study Assumptions

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As a first step needed to move forward with the City's Sanitary Sewer and Water studies, it is necessary to confirm information related to the City's anticipated growth. At the City Council work session on February 6<sup>th</sup>, Bolton & Menk requests that the following information be discussed and confirmed:

- **Growth and population projections** – This discussion is needed to confirm the projected ultimate population of the City that will be served by water and sewer. This information will be used to project the ultimate demands on the water and sewer systems and will be used to determine the needed water and sewer allocations.
- **Density assumptions** – To determine appropriate sizing for facilities serving different locations within the City, it is necessary to confirm the City's density assumptions. This information will be used to ensure that the size and capacity of the infrastructure identified in the studies is adequate to accommodate the projected growth of the City.
- **Ultimate Service Area** – Since the entire City is not planned to be served by water and sewer, it is necessary to confirm the areas that will be provided with service. This information will be used to determine preliminary locations of interceptor pipes, wells, storage facilities, etc. In addition, it is necessary to estimate the timing of development in these areas. This information will be used to determine the number of new service connections or population increases for each growth area throughout the entire study period. This will be necessary for the timing of the CIP as it relates to locating new water towers, wells, lift stations, interceptors, etc.
- **Service to or from adjacent jurisdictions** – Since some of the City's growth is projected to occur near the City limits, the City should consider whether or not it will serve adjacent jurisdictions with water and sewer service in the future. Conversely, the City should consider if it would accept service from an adjacent jurisdiction if it is determined to be the most feasible way to provide service to islands of growth along the City's limits.

To assist the City Council with their discussions, we offer the following factors, which have an impact on the costs and feasibility of expansion of the water and sanitary sewer systems.

Expansion of municipal water and sanitary sewer service can be done most effectively when development occurs in stages progressing outward from areas with existing service. This allows for relatively short extension of mains to service development. The extended mains need to have capacity to service the ultimate MUSA boundary which requires planning and investment in oversizing of facilities.

Less cost effective development is to allow for leap-frog development which requires longer main extensions, some of which pass along or through properties which are not ready to develop and which do not wish to pay trunk and lateral assessments or fees. This requires an investment not only in oversizing but also requires either the City or the developer to carry the costs of the project until connection charges

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and user fees are generated to cover the costs.

Development density has an impact on the feasibility of system expansions because higher density development allows servicing more units with less length of mains thereby lowering the cost per unit. Higher density development helps provide scale economies in water and sewer trunk lines, wells, water towers, and treatment facilities. Major factors that affect density include:

- Type of development – multi-family versus single family
- Single family lot areas, setbacks, etc.
- Undevelopable area such as wetlands
- Area required for parks, storm water basins, etc.

The pace of development also impacts the long term feasibility of extending municipal water and sanitary sewer service. Fast paced development allows recovery of the investment in infrastructure whether it's paying off City assessments and fees or recovery of investment by the developer. This becomes significantly more critical with leap-frog type development with greater investment due to more infrastructure being required earlier in the development process.

Please let me know if you have any questions about this request or the information we have provided.