

City of Ramsey
Agenda
City Council Work Session
Tuesday, October 22, 2019
5:30 pm
Lake Itasca Room, 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Topics for Discussion**
 1. Review Revised Draft of the Updated Resident Information Card for Council Chambers
 2. Receive Update on Zoning Code Enforcement Cases
 3. Review Current Development Fees, Sureties and Permit Fees
- 3. Topics for Future Discussion**
 1. Review Future Topics/Calendar
- 4. Mayor/Council/Staff Input**
- 5. Adjournment**

Meeting Date: 10/22/2019

Information

Title:

Review Revised Draft of the Updated Resident Information Card for Council Chambers

Purpose/Background:

Purpose: The purpose of this case is to review the revised draft of the resident information card based on discussion from the October 8, 2019 work session.

Previously, it was noted that the comment card language does not exactly mirror what the City's Charter states relating to citizen input. The Charter states the following: "During any of its public meetings, the council shall not prohibit, but may place reasonable restrictions upon citizens' comments and questions"

Based on the discussion that occurred on October 8th, the proposed draft language is an attempt to:

- 1) List the Charter language at the top of the card
- 2) Remove redundancy
- 3) Explain the process of the consent agenda
- 4) Place a cap on the time allowed for citizen input to 3 minutes
- 5) Add language concerning citizen input on agenda items to state input will be taken upon approval of the Mayor or the majority of the Council.

Comment Card Purpose: Comment cards in the back of the Council Chambers welcomes the audience to the Council meeting and describes what the Citizen Input portion of the meeting is as well as what the Consent Agenda is. There is space for written comment as well as guidelines for addressing the Council.

Timeframe:

Approximately 15 minutes.

Funding Source:

There will be a cost to printing new cards; however, the cost should be fairly minimal.

Responsible Party(ies):

Colleen Lasher, Administrative Services Director

Outcome:

To reach a consensus on the comment card language with regard to addressing the Council.

Attachments

Current Comment Card

Draft Comment Card

Form Review

Inbox

Jo Thieling

Reviewed By

Jo Thieling

Date

10/17/2019 04:46 PM

Kurt Ulrich
Form Started By: Colleen Lasher
Final Approval Date: 10/17/2019

Kurt Ulrich

10/17/2019 04:47 PM
Started On: 10/09/2019 08:28 AM

Side A

Citizen Input

The Council shall not prohibit, but may place reasonable restrictions upon citizens' comments and questions and citizen input shall be provided for at the beginning of each Council meeting.

Persons attending a City Council meeting may address the Council during the Citizen Input portion of the agenda.

- This is a time to address items not listed on the regular agenda.
- Please sign in before the meeting to present an issue or concern to the Council.
- Please limit comments to three minutes or less.
 - Please note, consent agenda cases are generally not discussed by the Council, if input is desired, please bring this to the Council's attention during Citizen Input.

Consent Agenda

All items listed under the Consent Agenda are considered to be routine by the City Council and will be enacted by one motion, without discussion. If citizen input regarding a consent agenda item is desired, residents should raise this point during Citizen Input

Upon approval of the Council, an item may be removed from the Consent Agenda and considered on the regular agenda.

Side B

Guidelines for addressing the council

At the appropriate time, citizens are encouraged to express their opinion during Council meetings. To keep the agenda moving smoothly, the Council uses these guidelines:

- Comments concerning agenda items will be heard only upon approval of the Mayor or a majority of the Council. Comments regarding items not on the agenda may be made at the Citizen's Input section of the agenda.
- ~~Sign-in sheets are used for items when extensive public participation is anticipated.~~
- All remarks will be made from the podium and addressed to the Council as a whole.
- Remarks will be limited to a maximum of three minutes per speaker.
- Show respect for each other's opinions, use respectful language, and keep emotions in check.
- Large groups are encouraged to express their views through a single spokesperson rather than individually.
- If a person does not wish to speak, a written statement can be submitted on this section of the a comment card.
- The Council reserves the right to limit the length of presentations.

Meeting Date: 10/22/2019

Information

Title:

Receive Update on Zoning Code Enforcement Cases

Purpose/Background:

The purpose of this case is to provide a broad overview of Zoning Code Enforcement Cases (home occupations, accessory structures, etc.) for 2019. Staff has a few topics and cases needing policy direction from the City Council before taking next steps. A more detailed update will be provided at the meeting.

Timeframe:

30 minutes

Funding Source:

This case is being handled as part of normal Staff duties.

Responsible Party(ies):

Community Development Director

Outcome:

The desired outcome of this case is to receive a broad update on zoning code enforcement activities as well as provide policy direction on several topics and cases.

Attachments

No file(s) attached.

Form Review

Inbox

Kurt Ulrich

Form Started By: Tim Gladhill

Final Approval Date: 10/17/2019

Reviewed By

Kurt Ulrich

Date

10/17/2019 03:46 PM

Started On: 10/14/2019 01:14 PM

Meeting Date: 10/22/2019

Information

Title:

Review Current Development Fees, Sureties and Permit Fees

Purpose/Background:

The purpose of this case is to review a broad overview of development related fees as well as to seek direction from the City Council if it desires to do a deeper dive study on any component discussed in this case. It can be very time consuming to do a full development fee analysis, as each community accounts for infrastructure needs slightly different.

- Assessed versus Fee?
- Per Unit or Acreage?
- Based on Market Value?

Generally speaking, Staff believes that overall, our fees fall within the median range when looking at the total development costs. There are a number of factors that influence the range of total development costs from community to community.

- Desired amenities/quality of life
- Availability of existing infrastructure/development pattern
- Proximity to downtowns and metropolitan area

Due to the complexity of this case and the various multipage documents/plans, Staff has not attached each impacted system plan here. Depending on the focus of tonight's scoping meeting, detailed plans will be included with future discussions.

DEVELOPMENT FEES

Park Dedication and Trail Development Fees

The City has a plan for park expansion to keep up with forecasted growth in households, population and employment. The quality of our parks and open space system appears to rank high on our biannual citizen survey. This expansion is largely funded by Park Dedication and Trail Development Fees. Currently, the cost of the planned expansion of the Park and Trail System outpaces the forecasted revenue from these fees.

The City's Park Dedication Fee is generally within median range of peer communities. There is a significant difference between developed and developing communities. Developed Communities often have lower Park Dedication Fees, however struggle with long-term maintenance and replacement of existing parks. For example, several years ago Coon Rapids passed a Park Bond Referendum in the amount of \$17M to replace and update several recreation facilities in that community.

A Trail Development Fee is less common, but is collected by a number of communities. Staff does note that the quality of our robust trail system ranks high on feedback from our community.

When looking at our Park Dedication and Trail Development Fee together, the rate appears to be on the high end of median in order to achieve our desired plan/vision/quality of life.

Water and Sanitary Sewer Trunk Fees

These trunk fees are largely variable based on development patterns when attempting to compare to other

communities. Communities with lower densities and less connections per linear foot of pipe are likely to pay a higher per unit (residential) or per acre (commercial). The City has been consistently updating Comprehensive Water and Sewer Plans every 5 years to ensure that our fees are as close to median as possible. Funding is a balance of Development Fees paid by Developers based on new demand created as well as quarterly user fees paid by end user.

Due to our development pattern, our sewer and water fees appear to be slightly to the high end of median, but within median when comparing other developing communities with similar development patterns.

Stormwater Management Fees

The City has certain stormwater maintenance obligations on long range plans. This system ensures that residents and business owners do not generally experience unexpected flooding issues on their property. This fee pays for the construction of regional stormwater infrastructure that conveys rainfall runoff to area water bodies with acceptable water quality.

Cash In Lieu of Tree Preservation

The City instituted this fee within the past few years and it has only been collected once. The intent of this fee is to provide an option for Developers that are clearing an entire site of significant trees with little to no replacement on the new Landscape Plan. The City's Tree Preservation Ordinance was first adopted approximately 15-20 years ago in response to community feedback on wholesale clearcutting in a major residential neighborhood. It was updated within the past 5 years. The Tree Preservation Ordinance only kicks in at a certain threshold, and standard landscape requirements count towards the replacement requirement. As stated above, this only kicks in with major tree removal with little to no replacement on site.

This fee is seldom collected and somewhat unique to Ramsey. There are other communities that do similar fees, but not an extremely common fee.

SURETIES/FINANCIAL GUARANTEE

The City requires a financial guarantee to ensure the timely completion of required improvements, both public and private. This has been an important tool for local municipalities to ensure projects are not left incomplete. This is extremely common for public improvements, and receives little objection from Developers. This is common for private improvements as well, but to a much lesser amount. The City requires that this surety is in the form of cash or Letter of Credit.

Public Improvements

City Code requires a surety in the amount of 125% of the Engineer's Estimate. This provides a contingency as is commonplace with most capital improvement projects. Staff does not recommend any changes to this requirement, other than to tighten up the reduction/release process.

The need for tighter policies became evident during the mid-2000s recession. There were a number of projects with public improvements that were left incomplete with no remaining financial guarantee. This had an impact on the General Fund and other City Funds in order to complete public improvements.

Private Improvements

City Code requires a surety in the amount of 150% of the Engineer's Estimate for private improvements for commercial and industrial projects, including apartments. The City has discretion to identify which improvements are required by City Code and does not need to collect based on the entire project. The City has routinely exercised this discretion to ensure that the City is not collecting a surety larger than what is needed. Common issues with completion include, but are not limited to, paving, curbing, grading/erosion control and landscaping. Unlike public improvements, the City is not likely to step into a project and complete private improvements. Of key importance,

the City is obligated to ensure proper erosion control during construction or in the event of a project default. The surety also allows the City to clean up nuisances created by an uncompleted, defaulted project.

Based on administration of several recent projects, Staff recommends that the surety amount be reduced to 25% of the Engineer's Estimate and held through a 1-Year Warranty Period after final completion. The warranty is already a requirement of any project. A majority of Developers do not object to the current obligation, but do note that other local municipalities have a lower rate. Staff does recommend that a surety should continue to be required, but is supportive of a lower amount.

PERMIT FEES

The structure of collection of Building Permit Fees is required by the Minnesota State Building Code. For the most part, fees must be based on the value of the project. There are a few exceptions that allow flat rate fees. In the past, the Department of Labor of Industry, who administers the State Building Code, has expressed concern that Ramsey has too many flat rate fees and should be doing more based on valuation.

The amount collected based on this structure is up to the local municipality. Over the past 3 years, the City has been reducing Building Permit Rates (on average approximately 10%). At the same time, the City has been adding needed resources to keep up with work demand. With recent technology enhancements, the City has right-sized our permit fees. Our fees appear to be within the median range of peer communities.

DEVELOPER FEEDBACK

Staff has reached out to a few Developers with experience in other communities for specific feedback on our general rates and charges.

Developer A - Medium Density Residential Developer

I see City of Ramsey Development Fees to be about \$9,000 per lot. That is right in the middle of what we see. Peer Community A (Developed Community) is less than half. Peer Community B (Nearby Developing Community) is almost double.

In my opinion, I don't have too much concern about the amount of the City Fee under the following circumstances:

- The fees are easy to find
- The fees don't change while we are under contract for the land
- The fees don't go up dramatically from year to year
- There is a clear nexus from the fees paid to the services delivered

Developer B - Single Family Residential Builder (Local/Regional)

The Park and Trail Fee (combined) is the highest of all the neighborhoods we develop (metro edge communities) at approximately \$5,000. Ostego reduced their Park Fee significantly from \$4,057 per unit to \$1,986 per unit.

Developer C - Single-Family Residential Builder (National) - Captured from University of Minnesota Ramsey RCP Partnership

The City of Ramsey does have competitive fees when compared to other cities where we develop, which spread across the Twin Cities Metro. Two of those cities that are closest to Ramsey are Anoka and Otsego. Anoka is largely developed with few opportunities for large tracts of undeveloped land. Because of this, the land that is being developed is closer to established infrastructure and utilities, lowering the cost of trunk fees, staff processing costs, etc. Ramsey, on the other hand, does have more undeveloped land further outside the city center. As a result, Ramsey and Otsego's general trunk and application fees are higher to support the long-term maintenance to the new infrastructure.

Numbers wise, Ramsey falls about in the middle of Otsego and Anoka's fees. The same can be said when comparing all 2017 community fees - Ramsey's fees are about the median. While there are a lot of influencing factors out of city control, it is important to be aware of how they compare to others so that they can adjust accordingly to maintain that competitive edge.

Note - this comment was reiterated by another Staff Member in this organization during a recent land sale discussion.

Timeframe:

30 Minutes

Funding Source:

This case is being handled as part of normal Staff duties.

Responsible Party(ies):

Community Development Director

Parks and Assistant Public Works Superintendent (Park Dedication and Trail Development Fees)

Finance Director (Format of Surety/Financial Guarantee)

City Engineer (Water, Sanitary Sewer and Stormwater Fees; Need for Sureties for Public Improvements)

Outcome:

The desired outcome of this case is to receive a broad overview of development related fees as well as provide direction as to scope of any deeper dive study desired by the City Council.

Attachments

[2019 Residential Fees](#)

[2019 Commercial and Industrial Fees](#)

[2019 Permit Fees](#)

[2019 Valuation Fee Schedule](#)

[LMC Development Fee Infographic](#)

[LMC Development Fee FAQ](#)

[LMC Development Fee Key Messages](#)

[Developer B Fee Comparison](#)

[Peer Community Park Dedication Comparison](#)

[Letter of Credit Requirements](#)

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Tim Gladhill	10/17/2019 11:49 AM
Tim Gladhill (Originator)	Tim Gladhill	10/17/2019 11:50 AM
Diana Lund	Diana Lund	10/17/2019 12:04 PM
Tim Gladhill (Originator)	Tim Gladhill	10/17/2019 12:40 PM
Diana Lund	Diana Lund	10/17/2019 12:42 PM
Kurt Ulrich	Kurt Ulrich	10/17/2019 03:48 PM
Form Started By: Tim Gladhill		Started On: 10/14/2019 01:15 PM
Final Approval Date: 10/17/2019		

City of Ramsey

2019 Residential Development Fee Calculator

	Units	Unit Type	Unit Price	Total	Notes
Park Dedication and Trail Development					
Park Dedication					
0-12 Units per acre; or	<input type="text"/>	per unit	\$3,500		\$0
12-19 Units per acre; or	<input type="text"/>	per unit	\$2,775		\$0 7.5% Density Bonus
20+ Units per acre; or	<input type="text"/>	per unit	\$2,550		\$0 15% Density Bonus
Assisted Living	<input type="text"/>	per acre	\$5,100		\$0
Trail Development	<input type="text"/>	per unit	\$1,500		\$0
Subtotal Park and Trail Development					\$0
Water and Sewer Fees					
Water Trunk (Connection)	<input type="text"/>	per unit	\$1,807		\$0
Sanitary Sewer Trunk (Connection)	<input type="text"/>	per unit	\$1,213		\$0
Subtotal Water and Sewer Fees					\$0
Stormwater Management Fees					
Stormwater Management	<input type="text"/>	per unit	\$487		\$0
Subtotal Stormwater Management					\$0
GRAND TOTAL FOR DEVELOPMENT FEES					\$0
Sureties and Inspection Fees					
Performance Surety (returned when complete)	<input type="text"/>	cost of improvement	125%		\$0 Cash or Letter of Credit
Engineering Inspection Fee	<input type="text"/>	cost of improvement	5%		\$0 Cash Escrow
Sewer Accessibility Charges (SAC) & Water Accessibility Charges (WAC) - Collected with Building Permit					
Accessibility Charge (WAC)	<input type="text"/>	per SAC Unit	\$1,299		\$0 Collected with Building Permit
Accessibility Charge (SAC)	<input type="text"/>	per SAC Unit	\$2,485		\$0 Collected with Building Permit
GRAND TOTAL FOR SAC & WAC					\$0

City of Ramsey

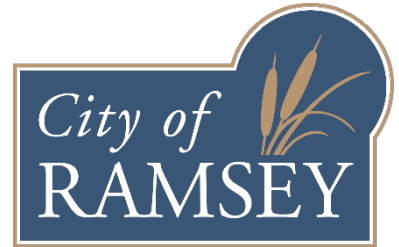
2019 Commercial/Industrial Development Fee Calculator

	Units	Unit Type	Unit Price	Total	Notes
Park Dedication and Trail Development					
Park Dedication					
Commercial	<input type="text"/>	per acre	\$5,100		\$0
Industrial	<input type="text"/>	per acre	\$4,375		\$0
Trail Development	<input type="text"/>	per acre	\$1,300		\$0
Subtotal Park and Trail Development					\$0
Water and Sewer Fees					
Water Trunk (Connection)	<input type="text"/>	per acre	\$6,601		\$0
Sanitary Sewer Trunk (Connection)	<input type="text"/>	per acre	\$3,652		\$0
Subtotal Water and Sewer Fees					\$0
Stormwater Management Fees					
Stormwater Management	<input type="text"/>	per acre	\$4,855		\$0
Subtotal Stormwater Management					\$0
Sureties and Inspection Fees - Calculated at time of Site Plan Review					
Performance Surety (returned when complete)	<input type="text"/>	cost of improvement	125%		\$0 Cash or Letter of Credit
Engineering Inspection Fee	<input type="text"/>	cost of improvement	5%		\$0 Cash Escrow
GRAND TOTAL FOR DEVELOPMENT FEES					\$0
Sewer Accessibility Charges (SAC) & Water Accessibility Charges (WAC) - Calculated and Collected with Building Permit					
Accessibility Charge (WAC)	<input type="text"/>	per SAC Unit	\$1,331		\$0 Collected with Building Permit
Accessibility Charge (SAC)*	<input type="text"/>	per SAC Unit	\$2,485		\$0 Collected with Building Permit
GRAND TOTAL FOR SAC & WAC					\$0

* Subject to Metropolitan Council Environmental Services rates

2019 RATES

7550 Sunwood Drive NW
 Ramsey, Minnesota 55303
 City Hall: 763-427-1410
 Building and Inspections: 763-433-9850
 Fax: 763-433-9848
www.cityoframsey.com/permits
permits@cityoframsey.com



Type	Description	Fee
Building	add a \$1.00 State Surcharge per fixed fee permit	
	Basement Finish	\$ 158.00
	Deck	\$ 50.00
	Demo	\$ 50.00
	Fireplace	\$ 25.00
	Roofing	\$ 75.00
	Siding	\$ 75.00
	Windows	\$ 75.00
	Swimming Pool	\$ 100.00
Plumbing	add a \$1.00 State Surcharge per fixed fee permit	
	Gas Line	\$ 50.00
	Lawn Irrigation Residential	\$ 25.00
	Lawn Irrigation Commercial	\$ 50.00
	New Residential Construction	\$ 100.00
	Remodel/Addition Residential	\$ 100.00
	New Commercial Construction	\$ 250.00
	Remodel/Addition Commercial	\$ 100.00
	Water Heater	\$ 50.00
	Water Softener	\$ 50.00
Mechanical	add a \$1.00 State Surcharge per fixed fee permit	
	Air Conditioner	\$ 50.00
	Air Conditioner & Furnace Combo	\$ 50.00
	Furnace	\$ 50.00
	Gas Line	\$ 50.00
	New Residential Construction	\$ 150.00
	Remodel/Addition Residential	\$ 100.00
	New Commercial Construction	\$ 150.00
	Remodel/Addition Commercial	\$ 75.00

Sewer & Water	add a \$1.00 State Surcharge per fixed fee permit	
	Sewer Residential	\$ 25.00
	Sewer Commercial — 2% of job/MINIMUM	\$ 258.00
	SAC - Per Unit	\$ 2,485.00
	Water Res.	\$ 25.00
	Water Commercial — 2% of job/MINIMUM	\$ 258.00
	WAC - Per Unit	\$ 1,331.00
Septic	add a \$1.00 State Surcharge per fixed fee permit, no surcharge for pumping permits.	
	Pumping	\$ 15.00
	Residential Install	\$ 125.00
	Commercial Install	\$ 250.00
Zoning		
	Fence Under 7 Feet Tall	\$ 10.00
	Accessory Structure Up to 200 sq. ft.	\$ 25.00
	Swimming Pool Up to 5,000 gallons	\$ 25.00
Water Meter	add \$140.00 per water meter, for inspection and water turn on.	
	5/8" Water Meter	\$ 275.00
	5/8" Water Meter Sales Tax	\$ 19.59
	1" Water Meter	\$ 439.00
	1" Water Meter Sales Tax	\$ 31.28
	1 1/2" Water Meter	\$ 839.00
	1 1/2" Water Meter Sales Tax	\$ 59.78
	2" Water Meter (Irrigation)	\$ 1,039.00
	2" Water Meter (Irrigation) Sales Tax	\$ 74.03
	2" Compound Water Meter	\$ 2,286.00
	2" Compound Water Meter Sales Tax	\$ 162.88
	3" Compound Water Meter	\$ 3,004.00
	3" Compound Water Meter Sales Tax	\$ 214.04
	4" Compound Water Meter	\$ 3,818.00
	4" Compound Water Meter Sales Tax	\$ 272.03

For a complete listing of 2019 Rates and Charges please visit the City of Ramsey Website at:
www.cityoframsey.com

City of Ramsey 2019 Building Permit Valuation Fee Schedule

Valuation Range	Base Fee	Additional Amount	Basis (for each additional basis point)
\$1.00 to \$500.00	\$26.00	\$0.00	
\$500.00 to \$2,000.00	\$26.00	\$4.00	\$100
\$2,001.00 to \$25,000.00	\$75.00	\$15.00	\$1,000
\$25,001.00 to \$50,000.00	\$420.00	\$11.00	\$1,000
\$50,001.00 to \$100,000.00	\$690.00	\$9.00	\$1,000
\$100,001.00 to \$500,000.00	\$1,080.00	\$7.00	\$1,000
\$500,001.00 to \$1,000,000.00	\$3,500.00	\$6.00	\$1,000
\$1,000,001.00 and above	\$6,000.00	\$5.00	\$1,000



Four Kinds of City Development Fees

www.lmc.org/development

1. Safety/Inspection

These costs are related to the review and inspection of development in accordance with state and local standards to ensure the safety and well-being of residents.

Examples: Engineering, plan review, building permit fees

3. Utilities

These fees provide for services like water and sewer for residents in the new development. They cover the costs of the new connection or increased capacity.

Examples: Sewer/water connection fees, water availability charges (WAC), sewer availability charges (SAC)

2. Infrastructure

Construction of public streets, sidewalks, curbs, and drainage are needed to support new development. These fees are used instead of charging special assessments or increasing property taxes for existing property owners.

Examples: Infrastructure, street improvement, stormwater fees

4. Park and Recreation

These fees may be required of a developer instead of dedicating private land for public park and recreation purposes. Use of these fees reflects a community's goals to protect the environment and improve quality of life.

Examples: Park dedication, tree preservation, trail fees

**Your LMC Resource
Contact Aisia Davis**
Research Attorney
(651) 281-1271 or
(800) 925-1122
adavis@lmc.org

Contact Irene Kao
IGR Counsel
(651) 281-1260 or
(800) 925-1122
ikao@lmc.org

**Contact Daniel
Lightfoot**
IGR Representative
(651) 281-1295 or
(800) 925-1122
dlightfoot@lmc.org

Cities help developers transform unimproved land into safe and enjoyable housing for new residents!





DEVELOPMENT FEES AND CITIES Q&A

CITIES WORK WITH DEVELOPERS TO ENSURE NEW DEVELOPMENTS AND IMPROVEMENTS ARE SAFE AND CONSISTENT WITH COMMUNITY GOALS.

Published January 2019

Question: Why are developers required to work with cities?

Answer: When developers approach cities to subdivide land (make smaller parcels out of a larger tract), developers must follow the land use rules (the city's zoning laws and "subdivision ordinance") established by the city for the benefit of its residents. Cities work with developers to ensure improvements like new streets, sidewalks, trails, sewer, water lines, and stormwater systems are safe and in good working condition, and the project is consistent with the standards of existing properties.

Question: What do fees pay for?

Answer: Development fees cover the city's costs related to the review, approval, and inspection of the development. City review of a proposed subdivision application may involve significant staff time as well as the services of planners, attorneys, engineers, and other professionals who are often contract consultants. Cities are authorized in state law to seek reimbursement for these costs.

Question: How do residents benefit? What's in it for them?

Answer: The review and inspection are completed to protect residents and property owners. For example, future residents of the development can be confident that the grading of lots and design of the stormwater system will work together to prevent flooding in an extreme rain event that could occur after a developer has completed the structure and sold the property. In addition, the city (i.e. taxpayers) "own" improvements to things like streets and sewers, and benefit from the work being done correctly.

This process also ensures that the development meets the city's health, safety, and welfare standards, which are described in city ordinances. Common charges include sanitary sewer and water hook-up and access charges, which provide for services like plumbing and clean drinking water. In addition, cities have authority to require developers to dedicate a reasonable portion of land within the development to public use for such resident needs as streets, utilities, and park areas.

Question: How would a city pay for these projects without developer fees?

Answer: Cities could choose to incorporate the development-related costs into their budget, which could be done by increasing property taxes for existing property owners. Cities could also choose to do the improvements themselves and recoup the costs through special assessments from the new property owners. Or cities could choose to not finance the development costs, which would halt the development.

Question: *Why not use special assessments?*

Answer: While this is an option, there are some significant risks to cities. For example, if the city installs the public improvements but the developer doesn't finish the project or the subdivided lots do not sell and sit empty, the city will face delays in recovering their costs and could be forced to charge taxpayers for the bill.

Question: *How are fees calculated?*

Answer: Cities set fees to cover costs incurred by reviewing, investigating, and administering an application. State law requires that these fees must be fair, reasonable, and have a connection (nexus) to the actual cost of the service for which the fee is imposed. In addition, the need must be roughly proportional to the size and proposed use of the development. For example, in a five-house subdivision, it may be reasonable to require dedication of land for a small public playground, but not multiple acres for a community park. Some fees are required to be based on the appraised value of the land. On request, a city must explain the basis of its fees.

Question: *Why are regulations and fees for developers so different from city to city?*

Answer: Subdivision regulations vary from city to city because each city has different development and planning goals, which are tailored to the unique attributes of their community. For example, one city may value preservation of agricultural space, while another city values the creation of affordable housing. Some fees are required to be based on the appraised value of the land, which is an additional reason why they can be different from city to city and even from neighborhood to neighborhood.

Cities can require a written contract known as a "development agreement." Development agreements are negotiated between the city and developer and detail the fees and specifications of the project. This give-and-take can ultimately reflect the unique characteristics of the project and can provide flexibility in fees and requirements. Regardless, statutory cities are not allowed to require a cash fee for the construction of future road improvements as part of a development agreement.

Question: *What happens to money collected after the project is complete?*

Answer: If there is any leftover money, those funds are returned when all required conditions of the development are met.

For more information, visit www.lmc.org/development.



Cities and Residential Development Fees

This information can help you discuss how development fees and expenses work in your city.

Published August 2019

The Issue

- Development in a community should pay for development. Related public infrastructure necessary for homes within a new residential development should be funded by developers, not by existing property tax payers who already reside in the community.
- Cities have a responsibility for the health, welfare, and safety of residents, and for providing essential neighborhood infrastructure—safe streets, water and sewer service, and utilities.
- The existing funding mechanism for public infrastructure development includes city collections of developer fees. Those fees cover the city's costs related to the review, approval, and inspection of the development—cities charge these fees on a cost recovery basis.
- Developers are not coerced into a fee agreement with the city. Instead, they negotiate and enter into development agreements with cities that outlines what is paid for to support the development.

Misleading Housing Affordability Reports

- A recent report distributed by a developers' advocacy organization called the Housing Affordability Institute and titled "Priced Out: The True Cost of Minnesota's Broken Housing Market" paints an incomplete and inaccurate picture of the role that development fees play in housing development costs for consumers.
- The report examined 10 cities selected by the authors, approximately 1% of all cities in the state.
- Though the report focuses on city fees, the largest cost variables for building a home remain labor and materials at 48-55% (dictated by the developer) followed by land costs. City costs are not explicitly listed as significant cost variables in the report.
- The report is muddy and misleading when it comes to defining a fee. In one published example cited by the authors, costs for a pool that a developer chose to build is inaccurately portrayed as a city fee.

- Calculations included in the report failed to account for in-and-out monies that were returned to developers as escrows or credits and would reduce the net total fees charged to them.
- The report makes references to affordably-priced homes, but half of its data is based on construction of 4-bedroom, 3-bathroom, 3-car garage, 2,500 square-foot homes—hardly a typical Minnesota home, particularly for first-time homeowners.
- In another report, the Housing Affordability Institute failed to share that the state requires “Building permit fees shall be based on valuation.” The value of the home varies from community to community.
- The report cherry-picked data by failing to include available information on development-related expenses readily reported on the DLI annual report. With inclusion of these numbers, the data does not support the advocacy organization’s narrative.

For more information, visit www.lmc.org/development.

2019 City Fee Comparisons

Blaine		Per Lot total
City Fee - Trunk		
Sewer/upland acre	\$ 6,103.00	
Park dedication	\$ 4,449.00	
		\$ 6,807.00
Otsego		
Water	\$ 1,781.00	
Sewer	\$ 2,552.00	
Park	\$ 1,968.00	
		\$ 6,301.00
St Michael		
water	\$ 953.00	
sewer	\$ 2,397.00	
storm	\$ 2,876.00	
park	\$ 3,200.00	\$ 9,426.00
Ramsey		
water	\$ 1,807.00	
sewer	\$ 1,213.00	
storm	\$ 487.00	
Park	\$ 3,500.00	
Trail	\$ 1,500.00	\$ 8,507.00

City	2017 Residential (Per Unit)	2018 Residential (Per Unit)	2017 Commercial	2018 Commercial
Andover	\$3,038	\$3,319	\$9,106 / Acre	\$9,957 / Acre
Apple Valley	\$1,935	\$1,935	\$1,272 / 1,000 Sq. Ft.	\$1,272 / 1,000 Sq. Ft.
Blaine	\$4,320	\$4,320	\$8,704 / Acre	\$8,704 / Acre
Bloomington	\$5,700	\$5,700	\$585 / 1,000 Sq. Ft.	\$585 / 1,000 Sq. Ft.
Brooklyn Center	\$0	\$0	\$0 / Acre	\$0 / Acre
Brooklyn Park	\$4,600	\$4,600	\$8,000 / Acre	\$8,000 / Acre
Burnsville	\$2,717	\$2,717	\$17,500 / Acre	\$17,500 / Acre
Chanhausen	\$5,800	\$5,800	\$12,500 / Acre	\$12,500 / Acre
Champlin	\$4,370	\$4,370	\$8,323 / Acre	\$8,323 / Acre
Cottage Grove	\$3,400	\$3,400	\$6,000 / Acre	\$6,000/ Acre
Eagan	\$3,579	\$3,579	\$939 / 1,000 Sq. Ft.	\$939 / 1,000 Sq. Ft.
Eden Prairie	\$6,500	\$6,500	\$11,500 / Acre	\$11,500 / Acre
Falcon Heights	8%	8%	10% FMV	10% FMV
Fridley	\$1,500	\$1,500	\$1,000 / Acre	\$.023/sf of land
Golden Valley	6%	6%	6% FMV	6% FMV
Inver Grove Hights	\$2,850	\$2,850	\$7,000 / Acre	\$7,000 / Acre
Lakeville	\$3,895	Low Density: \$4090, Medium Density: \$2,783, High Density: \$2,134	\$7,693 / Acre	\$7,693 / Acre
Little Canada	\$3,500	\$3,500	7% FMV	7% FMV
Maple Grove	\$4,290	\$4,262	\$11,000 / Acre	\$11,000 / Acre
Maplewood	\$3,540	\$3,540	9% FMV	9% FMV
Moundsview	10%	10%	10% FMV	10% FMV
Oakdale	\$2,886	\$2,886	Retail \$467, Office: \$534 / 1,000 Sq. Ft.	Retail \$467, Office: \$534 / 1,000 Sq. Ft.
Plymouth	\$8,000	\$8,000	\$8,000 / Acre	\$8,000 / Acre
Richfield	\$0	\$0	\$0 / Acre	\$0 / Acre
Roseville	\$4,000	\$4,000	10% FMV	10% FMV
Shakopee	\$5340	\$5340	\$9,500 / Acre	\$9,500 / Acre
Shoreview	4%	4%	10% FMV	10% FMV
St. Louis Park	\$1,500	\$1,500	5% FMV	5% FMV
Woodbury	\$3,500	\$3,500	\$6,000 / Acre	\$6,000 / Acre
AVERAGE	\$3,559	\$3,492		

Letter of Credit Information

For developers choosing to utilize a Letter of Credit to satisfy financial surety obligations, Letters of Credit must meet the following obligations:

1. The attached sample form is preferred by the City. Variations from this sample may cause a delay in the acceptance of the LOC by the City. Delay in acceptance may cause a delay in the approval process for your project.
2. The LOC must be drawn on a bank. The LOC must be from a state or federally chartered bank or savings and loan association, insured by the Federal Deposit Insurance Corporation, that has an office in the state of Minnesota or a subsidiary of such bank or savings association with an office in the state of Minnesota. LOC's for less than \$25,000 must also include a provision allowing for drawing on the LOC without presenting or sending the original LOC. If a LOC is drawn on, it will be returned to the originating bank after funds are received.
3. The bank must submit a copy of their latest call report along with the LOC.
4. The bank the LOC is drawn on should have assets of at least \$25 million.
5. The LOC must be for a minimum term of one (1) year.
6. The LOC must contain a provision allowing for drawing on the LOC if it is not renewed, or replaced, by sixty (60) days prior to its maturity.
7. The LOC and any financial information must be received by the City not less than seven (7) days prior to the City Council taking action on the request.
8. The City reserves the right to request additional financial information it deems appropriate from the bank providing the LOC. The City reserves the right to not accept a particular LOC.
9. Questions concerning the requirements outlined or the format required should be directed to Diana J. Lund, Finance Director, City of Ramsey, 7550 Sunwood Drive N.W., Ramsey, MN 55303, telephone (763) 433-9847.

Sample Letter of Credit

Bank Letterhead

Date

Irrevocable Letter of Credit No. _____

To: City of Ramsey
7550 Sunwood Drive N.W.
Ramsey, MN 55303

Gentlemen:

We hereby establish in favor of the City of Ramsey this Irrevocable Letter of Credit Number _____ for the account of (name and address of developer) for (name of development/project) in an aggregate amount of (amount of the letter of credit).

This LETTER OF CREDIT shall be deemed automatically renewed without modification for one (1) year from (one year after date of letter of credit) or any extended expiration date unless sixty (60) days or more prior to such date we shall notify you by registered or certified mail that we elect not to extend this LETTER OF CREDIT for any such additional period.

Partial drawings permitted.

Each draft drawn under this Letter of credit must:

Be signed on behalf of the City;

Bear on its face the clause "drawn under (name of the bank) Letter of Credit Number _____ dated _____"; and

Be accompanied by a certification signed on behalf of the City of Ramsey that either (i) (name of developer) has failed to comply with the terms of the grading permit, or (ii) (name of developer) has failed to comply with the terms of the developers agreement, or (iii) this Letter of Credit will expire within sixty (60) days and this Letter of Credit has not been renewed or replaced as required.

The original of this Letter of Credit is NOT required to be presented to draw upon this Letter of Credit.

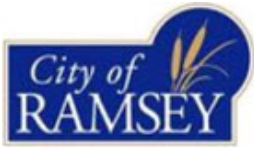
We hereby engage with drawers and/or bona fide holders that drafts drawn and negotiated in conformity with the terms of this credit will be duly honored upon presentation.

Except as otherwise stated herein, this Letter of Credit shall be governed by the most recent version of the Uniform Customs and Practice for Documentary Credits (2007 Revision*), International Chamber of Commerce Publication No. 600.

Bank Name

By: _____
Name and title of appropriate bank officer

*Must be most recent version



Our Mission: To work together to responsibly grow our community, and to provide quality, cost-effective, and efficient government services.

CC Work Session

3.1.

Meeting Date: 10/22/2019

By: Katie Schmidt, Administrative Services

Information

Title:

Review Future Topics/Calendar

Purpose/Background:

Attached is the current list of future topics for work session discussion. Items are drawn from Council requests at meetings, or are related to topics that have been identified in the City's strategic plan. Tentative dates have been assigned.

Recommendation:

N/A

Action:

For Council review - no formal action necessary.

Attachments

Future Topics

Form Review

Inbox

Kurt Ulrich

Form Started By: Katie Schmidt

Final Approval Date: 10/17/2019

Reviewed By

Kurt Ulrich

Date

10/17/2019 03:58 PM

Started On: 10/17/2019 01:36 PM

City Council Future Topics – Work Session

(Draft)

Date	Topics for Discussion – Council Action
11-26-19	Discussion with Youth First
12-10-19	Discuss Historic Town Hall – Ulrich
2020	Joint Meeting with the Council and Commissions & Other Cities
Date	Topics for Discussion – Policy
11-12-19	Police Dept. Presentation – Drug Task Force Update (trends, statistics, and activity) (Present First)
12-10-19	Council Committee Assignments Process
12-10-19	Discuss Section 2-156 of the City Code re Residency Requirement for Boards and Commissions, including the EDA. <div style="margin-left: 40px;"> Sec. 2-156. - Appointment of members, terms of office and removal. (a) <i>Voting members and residence requirement.</i> At least two-thirds of the members of each board or commission shall be residents of the city. Members shall represent a broad range of interest in functions of the city. </div>
2020	Discuss Balance of Planned Retail and Multifamily Housing and Interim Options - Gladhill
2020	Intersection Control Evaluation for Spot Improvements on Armstrong -- Westby
Date	Topics for Discussion – Planning and Budget
11-12-19	Review the results of the all-staff survey 30 Minutes -- Lasher
11-12-19	Discuss the CIP - Lund
11-26-19	Discuss the 2020 Budget - Lund
Jan. 2020	Trail Maintenance Policy – Westby
Jan 2020	Stormwater Pond Maintenance Policy -Westby
TBD	Accounting of City Engineering Staff Time for City Projects - Westby