

Metro Cities News July 21, 2017

2017 Municipal License and Permit Fee Survey

Results of the 2017 Municipal License and Permit Fee Survey are now available for viewing! Metro Cities members should have recently received from Springsted, Inc. (our survey partner) an email with a second set of login credentials to view and export the results. *This is different than the login information used to input data.* Non-members can purchase access to view the results using this <u>form</u>.

If your city has not yet updated the survey information for 2017, please consider doing so now! Strong participation by cities in the survey ensures a valuable, comprehensive product and minimizes the time you need to spend analyzing and benchmarking your fees against other comparable entities. The more cities that update this data, the more useful it will be!

The link to login can be found on our homepage, or click here.

If you have not yet received login credentials, or if you have questions, please contact Kimberly at <u>kimberly@metrocitiesmn.org</u>. If you have questions specifically regarding data entry, please contact Springsted at <u>e-solutions@springsted.com</u>.

Metropolitan Council Committee Approves MCES Rates and Charges

The Metropolitan Council Environment Committee approved the Council's Environment Services (MCES) budget and 2018 Wastewater (MWC) rates at their meeting this week.

The MCES budget will be \$280.9 million for 2018. Revenue sources for the budget come from Municipal Wastewater Charges, the Sewer Availability Charge (SAC), and Industrial Waste Charges. Overall, the MCES wastewater charge is set to increase by 3.7%. Individual cities' rates will vary depending on their share of the region's wastewater flow.

SAC fees will be held flat, as they have been for the last several years. The Industrial Strength Charge will be increased by 6.8% and the industrial permit fee will increase to 3.7%. Overall costs for MCES have increased 3.1%. MCES staff stated they have a goal of keeping rate increases under 4% annually. These rates are the same as the preliminary rates released in May.

The Met Council is scheduled to adopt the rate and budget at its July 26th meeting. Click <u>here to</u> view the power point used in the MCES presentation to the Environment Committee.

Metropolitan Council Committee Reviews Trends in Comp Plan Amendments

Metropolitan Council planning staff reviewed processes for comprehensive plan amendments with the Community Development committee this week. The review was spurred by interest from Met Councilmembers on the re-guiding of land by cities through comp plan amendments.

The review covered a range of data from comp plan amendments (CPAs) submitted from 2010-2016. Comp plan amendments are submitted by cities when they propose changes to land use designated in their comprehensive plans. Changes can include conformance with system statements, changes in use, down guiding and up guiding of land (related to density), infrastructure (such as changes to the regional sewer system), small area changes and administrative changes.

473 CPAs were submitted during this six-year period, by 104 communities. The most common amendments are changes in land use. Communities designated suburban and emerging suburban edge submitted the most CPAs (57%). These cities tend to have more transitions, with sewered and un-sewered land.

Responding to interest by members in affordable housing production, staff analyzed total housing unit construction supported by CPAs. A total of 15,868 new housing units were supported, representing 22% of the region's total housing construction from 2010-2016. 1,744 units were affordable, 2,930 new senior units were supported by CPAs, 1,273 of them affordable units. Staff explained that CPAs did not lead to the loss of existing affordable units but rather re-guided land with no existing housing or re-guided an underutilized parcel of land.

The breakdown of CPA-supported new housing units by community designation showed suburban and suburban edge communities building the most with 5,396 and 4,914 new units respectively from 2010-2015.

7,210 housing units across a range of housing types and affordability levels were supported by CPAs. 1251 units were affordable (at up to 80 percent AMI), 5,959 units were market rate and 2,031 were senior units.

More CPAs were submitted to support the up guiding of land than down guiding. Additionally, up guiding CPAs affected 40% more acreage than down guiding. 56 CPAs were for up guiding, meaning land guided for residential was re-guided from lower density to medium or high density. 54 CPAs supported re-guiding residential land from higher density to lower allowed density. Staff explained these down guiding CPAs were in response to the market in emerging suburban edge communities from 2011-2013.

Staff noted comprehensive plans can set the stage for affordable housing but production of affordable units requires resources. Based on Councilmember interest in the analysis, staff offered to provide annual updates on these trends in future years.

Contact Charlie Vander Aarde at 651-215-4001 or <u>charlie@metrocitiesmn.org</u> with any questions.

Transit Fare Increase Discussed

The Metropolitan Council has held two recent meetings to discuss possible fare increases, where Council staff presented a transportation financial update and fare increase scenarios.

A staff presentation noted that while the 2017 Legislature provided \$70 million to address the Metro Transit funding deficit for 2018/19, a \$110 million deficit is projected in the 2020/21 budget. Staff stated that a 25-cent fare increase and service reduction would reduce the deficit to \$62.9 million. These forecasts assume that Motor Vehicle Sales Tax (MVST) revenues will meet projections and that there are no changes to future state general fund appropriations by the Legislature.

Council staff also presented data on the fiscal impacts of 25-cent, 50-cent and varying combinations of base and peak level fare increases. Changes to Metro Mobility, including a 50-cent increase to base fares, were also presented.

Metro Transit has not increased fares since 2008. The current farebox recovery ratio is 24%. A 25-cent increase would increase the that ratio to 27%. Metro Transit has used a 30% fare box

recovery ratio as its goal. Members debated whether this should continue to be the recovery goal.

The Met Council Transportation Committee will consider whether to increase fares at its Monday, July 24th meeting. The full Council is scheduled to consider a fare increase on Wednesday, July 26th. Any Council approved change to transit fares would go into effect October 1, 2017.

To view the presentations presented to the Met Council, click here and here.

DEED Broadband Grants Due September 11

Cities planning to apply for funds from the state's broadband development grant program must do so by September 11, 2017. Cities must contact broadband providers in the proposed project area by July 31 to comply with the pre-application portion of the process (or at least six weeks before the application is filed, if you file before September 11).

The Border-to-Border Broadband Development Grant Program funds the expansion of broadband service to areas of Minnesota that are unserved or underserved. An unserved area is an area of Minnesota in which households or businesses lack access to wire-line broadband service at speeds that meet the FCC threshold of 25 megabits per second download and 3 megabits per second upload. An underserved area is an area of Minnesota in which households or businesses do receive service above the FCC threshold but lack access to wire-line broadband service at speeds 100 megabits per second download and 20 megabits per second upload.

The program was funded with \$20 million during the 2017 legislative session. The grants can provide up to 50 percent of project development costs, and the maximum grant amount is \$5 million. Metro Cities advocates for continued metro eligibility for the funds. Grant information and the application can be found on the <u>Office of Broadband Development website</u>.

Metro Cities News is emailed periodically to all Metro Cities member mayors, councilmembers, city managers and administrators to keep officials abreast of important metro city issues. This information is also intended to be shared with city staff.

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