



**Town Board Executive
Meeting Supplement
October 26, 2018**

Supplemental Information:

- 9.a. White Bear Township Pavement Management Program:
 - a. Franchise Fees

Town Clerk Memo /
Vadnais Heights Franchise Fee Fact Sheet

- 13.a. Code Enforcement Officer / Building Inspector Items:
 - a. 2105 Stillwater Street

Anonymous Correspondence

Added Agenda Items:

- 16.a Arbor Drive Stop Sign Request
- 16.b Accounting Clerk/Administrative Secretary Position



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Supplemental Information:

Agenda Number: 9.a.

Subject: White Bear Township Pavement Management
Program:
a. Franchise Fees

Documentation: Town Clerk Memo /
Vadnais Heights Franchise Fee Fact Sheet

Action / Motion for Consideration:

Discuss

MEMORANDUM

TO: TOWN BOARD
FROM: WILLIAM SHORT
DATE: OCTOBER 24, 2018

SUBJECT: FRANCHISE FEES

Per the Town Board's request, I contacted representatives of Xcel Energy and Connexus Energy regarding the Township's interest in establishing a franchise fee for their utilities' use of public rights-of way.

- Colette Jurek, Xcel Energy - Manager, Community Relations/Economic Development and White Bear Township resident
- Bruce Saylor, Connexus Energy - Principal, Community & Economic Development.

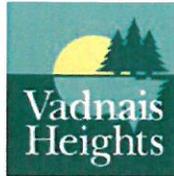
Colette indicated that she has worked closely with cities and townships for many years to help them implement franchise fees and is looking forward to helping us as well. The following summarizes her comments:

1. Other Communities. Colette maintains a schedule of other municipal franchise fees in the area (fee schedule and uses). She said that she would collect and update that schedule and get it back to me within 2 to 3 weeks. She noted that franchise fees raised in one community can differ substantially from other communities as a function of land use and types of industries.
2. Estimate. For purposes of discussion, Colette will prepare a report on what a 1% franchise fee on electric and gas would generate in franchise fees for the Township.
3. Flat Fee vs. Percentage. Colette mentioned that starting in 2000, Xcel Energy started expressing their preference for flat fees over percentage.
4. Cooperation. Colette will cooperate with Bruce from Connexus in preparation of the report.
5. 90 Day Review. Colette mentioned that it takes a minimum of 90 days from the date of application for Public Utility Commission review and utility company implementation.

Bruce Saylor, Connexus, said that he is quite familiar with franchise fees and will be glad to work with the Township and Xcel in implementing them.

Kevin P. Watson
City Administrator

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The City of Vadnais Heights
800 East County Road E
Vadnais Heights, MN 55127

Proposed Franchise Fee Fact Sheet

Challenge: The City wishes to identify a long-term funding solution to continue with annual street repair.

History: City established in 1957 but greatest growth occurred in 1980's and 1990's, 30-40 years ago.

Current Practice: City growth has slowed and the City infrastructure has aged. The City had to identify other resources to fund City Streets. City streets were traditionally paid for by tax levy, but City Council soon began to utilize savings and pooled TIF resources in an effort to maintain lower levy increases over the years. With other capital projects spending down savings, the City was left with the pooled TIF funding source or raising the levy significantly. Two years ago, the City levied \$50,000 for City streets, but not for the upcoming 2018 budget.

City Street Program & Costs: Street repair needs and costs continue to rise. City has 36 miles of streets with a majority of streets constructed in 1980's and 1990's. With expected life of 30 years, City should be repairing about 1.2 miles per year AT A MINIMUM. Current repair rate is 75% of ideal rate of repair.

<u>Year</u>	<u>Assessed Cost</u>	<u>City Cost</u>	<u>Total Project Cost</u>	<u>Length Improved</u>
2011	\$96,000	\$95,000	\$191,000	3631 feet=0.68 miles
2012	\$145,000	\$180,000	\$325,000	5000 feet=0.94 miles
2013	\$175,800	\$224,000	\$399,800	6250 feet=1.18 miles
2014	\$221,500	\$322,700	\$544,200	5500 feet=1.04 miles
2015	\$260,000	\$335,000	\$595,000	3100 feet=0.59 miles
2016	\$250,000	\$230,000	\$480,000	4330 feet=0.82 miles
2017	\$283,000	\$352,800	\$635,800	5117 feet=0.97 miles



Before



After

Pooled TIF: Pooled TIF dollars should be invested in projects to revitalize our community. Some would argue that maintaining city streets helps to maintain the vitality of the community. Others believe these dollars could have greater impact on the tax base if they assisted the business community in reinvesting in our City or attracting new businesses to Vadnais Heights. Currently there is between \$2-3M left in this fund balance. City staff estimates between 5-6 years are left before these dollars are exhausted, if spent at current rate.

What is a Franchise Fee: Under Minnesota Statute (216B.36), cities can impose a fee on utility companies that use the public rights-of-way to deliver service. The City can determine the amount, structure and use of collected franchise fees. Generally, they are structured in two ways: a flat rate per utility account OR a percentage of consumption used by each utility account. The City is recommending the “flat rate” fee, rather than one based on consumption – which would vary each month. Xcel and Connexus have not opposed our effort to implement this fee as they consider these fees a local government decision.

Why Franchise Fees: Franchise fees help cities cover increasing costs of providing important services – such as maintaining aging facilities and infrastructure – without raising property taxes. These fees are also more equally distributed than property taxes, and would be paid by ALL utility customers – even those who do not currently pay property taxes. These fees will be dedicated to streets maintenance and segregated into a separate fund.

Proposed fee and Customer breakdown:

Customer Class (Electric)	Proposed Fee (per month)	Connexus* Breakdown	Xcel Breakdown
Residential	\$2	95%	86%
Small C&I: Non-Demand	\$3	5% for all small	12% for all small
Small C&I: Demand	\$13		
Large C&I	\$60	0%	1%
Government	\$0		
Street Lighting	\$0		
Irrigation	\$0		

*Reminder Connexus only provides electric to Vadnais Heights. Xcel provides both electric and gas within city limits.

Customer Class (Gas)	Proposed Fee (per month)	Xcel Breakdown
Residential	\$1.25	93%
Commercial Firm: Non-Demand	\$3.50	7% for all Commercial
Commercial Firm: Demand	\$30	
Small Interruptible	\$0	
Medium & Large Interruptible	\$60	
Firm Transportation	\$0	
Interruptible Transportation	\$0	

Proposed rate would accrue about \$296,826, approximately our current street funding allotment.

Proportionate: Xcel and Connexus request businesses and residents pay the same proportion of their overall bill. The City will oblige this request. Exhibit below details that percent revenue which is an effective comparison for the portion of the overall bill. Xcel and Connexus have different billing models and this explains the difference in percentages in order to charge the same fixed rate for like customers.

	Connexus Electric	Xcel Electric	Xcel Gas
Percentage of Revenue	1.6%	1.6%	2.3%

Benefits of Franchise Fees: When comparing franchise fees as a revenue source to property taxes, some advantages include:

- Cover a wider base than property taxes
- Will diversify the City’s revenue sources
- Reliable sources of revenue to budget for.
- A flat-rate fee is easy to administer and eliminates the ups and downs of summer/winter extremes.
- The City Council will be considering a policy amendment to current assessment policy that would reduce the commercial obligation from 100% paid by property owners, to 50% paid by property owners and the City.

Other like cities have franchise fees: Many cities in the State of Minnesota have franchise fees. Xcel has over 70 cities with some type of franchise fees. Connexus has 11 franchise fees with cities in their service area. Some near us include White Bear Lake, Shoreview, Little Canada, Maplewood, and New Brighton.



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Supplemental Information:

Agenda Number: 13.a

Code Enforcement Officer/Building Inspector Items:

Subject: 2105 Stillwater Street

Documentation: Anonymous Correspondence

Action / Motion for Consideration:

Building Inspector Report / Discuss

To: WHITE BEAR TOWNSHIP & OWNER OF 2105 STILLWATER ST. WHITE BEAR
TOWNSHIP, MN
Subject: 2105 STILLWATER ST.

RECEIVED

OCT 19 2018

TOWN OF WHITE BEAR

Clean up 2105 Stillwater St.

We as neighbors want this property cleaned up & old non licensed, nonfunctioning vehicles removed from the property. The property has been vacant for nearly 10 years & is an eye sore to our community. It's not fair. We as good neighbors take pride in maintaining our own properties and we believe others have the responsibility to do the same. We have been waiting years for this property to be cleaned up, we have been more than patient!

Please help us take care of this issue. It's not fair to us as neighbors to have look at this mess every day. Our property values are most likely affected by this unkempt property. It's time to make a move and get rid of the problem. Earlier this spring the property was deemed unsafe for human occupancy. We are not sure why this problem has not been taken care of by now. It time to clean it up.



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Added Agenda Item:

Agenda Number: 16.a

Subject: Arbor Drive Stop Sign Request

Documentation: SEH Correspondence

Action / Motion for Consideration:

Report at Meeting / Discuss



Building a Better World
for All of Us®

MEMORANDUM

TO: Bill Short
White Bear Township

FROM: Thomas A. Sohrweide, PE, PTOE

DATE: October 18, 2018

RE: Arbor Drive Stop Sign Request
SEH No. WHBRT

At your request we have reviewed a stop sign request for eastbound Arbor Drive at Hillaire Road. We understand that the request is over concern of an eastbound driver not being able to stop for a child in the Arbor Drive roadway east of Hillaire Road.

In our review of this request we have reviewed the traffic volume and speed data collected by Ramsey County Sheriff's Department and conducted a field review to measure the sight distance available.

Arbor Drive is a 2 lane roadway with no curb and gutter or shoulder and a 30 mph speed limit. Arbor Drive is relatively flat to the west of the t-intersection with Hillaire Road with a downgrade from Hillaire Road to the east. There is no intersection control at this time.

The traffic volume data reveals that eastbound Arbor Drive serves approximately 85 vehicles per day. This traffic volume is very low and combined with the location of this roadway is indicative of the traffic being local to this immediate area. During the week that data was collected, there were a total of 3 eastbound trucks that were larger than a pickup truck.

The traffic speed data revealed an 85th percentile speed of 25.33 mph. This is the speed that is generally recognized as reasonable for the roadway and fits the relatively narrow and vegetation bordered road character. During the week of data collection, there were 9 eastbound passenger cars traveling between 31 and 37 mph.

During our field review, we measured the stopping sight distance available for eastbound drivers at Hillaire Road. Stopping sight distance is the minimum length that should be provided at any point on any roadway to enable a vehicle traveling at the design speed to stop before reaching a stationary object in its path.

In computing and measuring stopping sight distances, the height of the driver's eye is defined as 3.5 feet above the pavement for passenger cars and 7.6 feet above the pavement for trucks while the height of the object the driver needs to see is 2.0 feet.

Stopping sight distance for a 30 mph roadway is 200 feet, increasing to 205 feet on a 3% downgrade. These standards are based on passenger vehicles and are not calculated separately for trucks due to the higher driver eye height for trucks, allowing those drivers to see substantially farther beyond vertical sight obstructions, such as this hill. Our measurements found stopping sight distance to range from 193 to 205 feet.

Engineers | Architects | Planners | Scientists

Short Elliott Hendrickson Inc., 3535 Vadnais Center Drive, St. Paul, MN 55110-5196

SEH is 100% employee-owned | sehinc.com | 651.490.2000 | 800.325.2055 | 888.908.8166 fax

Based on the measured sight distance being at or slightly below the design standard, we recommend consideration of warning or control signing to mitigate the marginal stopping sight distance. We recommend the following options for consideration:

1. Install a "Hill Blocks View" warning sign with a 20 mph speed advisory for eastbound Arbor Drive traffic. This is a standard sign in the Minnesota Manual on Uniform Traffic Control Devices and specifically intended for this situation. For 20 mph, the stopping sight distance is 115 feet on a flat grade and 116 feet on a 3% downgrade. For 25 mph, the stopping sight distance is 155 and 158 feet respectively. Our recommendation is to use the 20 mph sign for more impact due to the existing 25.33 mph 85th percentile speed.
2. Install a "Stop" sign for eastbound Arbor Drive traffic. Stopping one thru leg of a t-intersection is not a normal driver expectation and therefore consideration should be given to an all-way stop. This would also provide consistency with the all-way stop which exists to the west at the offset t-intersection of Arbor Drive and Lakewood Avenue and would accommodate the limited intersection sight distance for Hillaire Road drivers.

Both of the above are intended to control vehicle speeds to allow the available sight distance to be adequate. However, due to the very local nature of the traffic present, it's likely that not much change will occur relative to vehicle speeds. The greatest impact will be to drivers that are unfamiliar with the road, as they will have a greater tendency to see and obey the signing that is present.

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Added Agenda Item:

Agenda Number:

16.b

Subject:

Accounting Clerk/Administrative Secretary Position

Documentation:

None

Action / Motion for Consideration:

Report at Meeting / Discuss