

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

THIRD AND FINAL READING OF AN ORDINANCE AMENDING CITY CODE TITLE 3, CHAPTER 4, SECTIONS 3-4-2-2 and 3-4-2-3 and 10-3-8 ADJUSTING DEVELOPMENT FEES FOR 2018

Meeting Date: December 11, 2017
Item Type: Regular Agenda
Contact: Kristi Smith, Finance Director
Prepared by: Kristi Smith, Finance Director
Reviewed by: Scott Thureen, PW Director
Allan Hunting, City Planner
Tom Link, CD Director

Fiscal/FTE Impact:
 None
 Amount included in current budget
 Budget amendment requested
 FTE included in current complement
 New FTE requested – N/A
 Other

PURPOSE/ACTION REQUESTED The Council held the public hearing on November 13, 2017 and is asked to consider the third and final reading of an ordinance to amend the City Code to adjust the fees and charges associated with development activities. This includes water and sanitary sewer connection fees, and fees associated with planning activities (such as rezoning, variance, conditional use permits, etc.).

SUMMARY Minnesota State Statues 462.353 sets forth the requirements with respect to a municipality’s authority to prescribe fees associated with planning activities.

While Statute 462 does not speak to building permit fees or water or sanitary sewer connection fees, the City Attorney’s advice is to set forth the fees in the Code given the scope of development that is anticipated to take place over the next several years in the northwest area.

Staff proposes changes to the fees that address water and sanitary sewer connection fees, etc. The water and sewer connection fees are proposed to increase between 3.5% and 5%. These proposed fees are based on financial projections supplied in Ehlers and Associates May 2016 Update.

A copy of the first reading is available on the website and has been posted on social media. A copy has also been provided to River Heights Chamber of Commerce.

The proposed changes are reflected on the attached.

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE 3, CHAPTER 4, SECTION 3-4-2-2 AND SECTION 3-4-2-3 AND SECTION 3-4-3 AND TITLE 10, CHAPTER 3, SECTION 10-3-8 B OF THE INVER GROVE HEIGHTS CITY CODE RELATING TO FEES

The City Council of Inver Grove Heights does hereby ordain as follows:

Section 1. Amendment No. 1. Inver Grove Heights City Code Title 3, Chapter 4, Section 3-4-2-2 is hereby amended in its entirety to read as follows:

3-4-2-2: WATER, SANITARY SEWER AND STORM WATER SYSTEMS CONNECTION FEES:

A. Purpose and Intent. Minn. Stat. § 444.075, subd 3. and IGH City Code Title 8 allows the City to impose just and equitable charges for connection to the City water utility system to pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment, the maintenance, operation and use of the facilities, and of obtaining and complying with permits required by law.

Minn. Stat. § 444.075, subd. 3. and IGH City Code Title 8 allows the City to impose just and equitable charges for connection to the City sanitary sewer utility system to pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment, the maintenance, operation and use of the facilities, and of obtaining and complying with permits required by law.

Minn. Stat. § 444.075, subd. 3. and IGH City Code Title 8 allows the City to impose just and equitable charges for connection to the City storm sewer utility system to pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment, the maintenance, operation and use of the facilities, and of obtaining and complying with permits required by law.

The City has installed water, sewer, and storm sewer improvements in the Northwest Area without assessing the costs against benefitting properties. The City intends to recover its costs through the collection of utility system connection fees.

The purpose and intent of this Title 3, Chapter 4, Section 3-4-2-2 is to impose connection fees for the water utility system and the sanitary sewer utility system and the storm water sewer utility system, also known as the storm water system.

B. Definitions. For purposes of this Title 3, Chapter 4, Section 3-4-2-2, the following terms shall have the following meanings:

Northwest Area means that certain geographic area within the City of Inver Grove Heights defined, established and referred to as the Northwest Area Overlay District pursuant to the City's zoning regulations.

Net Developable Area means the number of acres within a property remaining after excluding those portions that are either: a) encumbered by right of way for arterial roads as defined in the Inver Grove Heights Comprehensive Plan; or b) lying below the ordinary high water level of public waters as identified in the Shoreland Overlay District; or c) lying within the boundaries of wetlands delineated according to the Minnesota Wetland Conservation Act; or d) bluffs in Shoreland Overlay Districts abutting public waters; or e) land to be dedicated to the City of Inver Grove Heights for public park/recreation area purposes. Net Developable Area does

not include outlots within a plat that are intended to be replatted at a later date into developable lots.

Gross Acres means the total acres within a plat, subdivision or parcel. Gross Acres do not include outlots within a plat that are intended to be replatted at a later date into developable lots.

SAC Unit means a unit as determined by the Metropolitan Council Environmental Services according to the Metropolitan Council Service Availability Charge Manual.

C. Connection Fees For Water Utility System For Land Outside of Northwest Area. The following connection fees for the water utility system are hereby imposed and required to be paid with respect to land outside of the Northwest Area that is within the Metropolitan Urban Service Area (MUSA).

Fees Payable At Time of Plat

The following fee must be paid when the property is subdivided or the property is platted or a building permit is obtained or when connection is made to the municipal water system, whichever occurs first. The fee is not payable if the property has been previously specially assessed on an area basis for a trunk water line.

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| Water Plat Connection Fee | \$ 1,260 <u>1,300</u> multiplied by a density factor of 3.5 multiplied by Gross Acres |
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Fees Payable At Time of Building Permit

The following fees must be paid by the landowner when a building permit is obtained or when connection is made to the municipal water system, whichever occurs first.

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|---|---|
| Water Building Permit Connection Unit Fee | \$ 840 <u>870</u> per SAC Unit |
| Water Treatment Plant Fee | \$ 730 <u>760</u> per SAC Unit |
| Water Core Connection Fee (based on water service size) | |
| 1 inch | \$ 1,750 <u>1,810</u> |
| 1 ½ inch | \$ 3,920 <u>4,060</u> |
| 2 inch | \$ 6,960 <u>7,200</u> |
| 3 inch | \$ 16,480 <u>17,060</u> |
| 4 inch | \$ 27,830 <u>28,800</u> |
| 6 inch (or larger) | \$ 65,230 <u>67,510</u> |

D. Connection Fees For Sanitary Sewer Utility System For Land Outside of Northwest Area. The following connection fees for the sanitary sewer utility system are hereby imposed and required to be paid with respect to land outside of the Northwest Area that is within the Metropolitan Urban Service Area (MUSA).

Fees Payable At Time of Plat

The following fee must be paid when the property is subdivided or the property is platted or a building permit is obtained or connection is made to the municipal sanitary sewer system, whichever occurs first. The fee is not payable if the property has been previously specially assessed on an area basis for a trunk sanitary sewer line.

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| Sanitary Sewer Plat Connection Fee | \$ 1,260 <u>1,300</u> multiplied by a density factor of 3.5 multiplied by Gross Acres |
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Fees Payable At Time of Building Permit

The following fees must be paid by the landowner when a building permit is obtained or when connection is made to the municipal sanitary sewer system, whichever occurs first. The B-Line special connection charge only applies to that area of the City served by the B-Line sanitary system; for properties in the B-Line area, the B-Line special connection charge is payable in addition to the other fees set forth below.

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| M.C.E.S. SAC Unit Fee | \$2,485 per SAC Unit |
| Sanitary Sewer Building Permit Connection Unit Fee | \$450 <u>470</u> per SAC Unit |
| B-Line Special Connection Charge | \$1,180 <u>1,220</u> per SAC Unit (applicable only to B-Line Area) |
| Sewer Core Connection Fee (based on building sewer service size) | |
| 4 inch | \$560 <u>580</u> |
| 6 inch | \$950 <u>980</u> |
| 8 inch | \$1,680 <u>1,740</u> |
| 10 inch | \$2,630 <u>2,720</u> |
| 12 inch | \$3,790 <u>3,920</u> |

E. Connection Fees For Water Utility System For Northwest Area. The following connection fees for the water utility system are hereby imposed and required to be paid with respect to land within the Northwest Area.

Fees Payable At Time of Plat (Northwest Area)

The following fees must be paid when the property is subdivided or the property is platted or a building permit is obtained or when connection is made to the municipal water system, whichever occurs first. The fee is not payable if the property is being platted as an agricultural planned unit development with no connection to the municipal water system.

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| Water Plat Connection Fee (Northwest Area) | |
| In the R-1 and R-2 Zoning Districts | \$1,170 <u>1,210</u> multiplied by a density factor of 2.0 multiplied by the Net Developable Area |
| In the R-3A Zoning District | \$1,170 <u>1,210</u> multiplied by a density factor of 4.0 multiplied by the Net Developable Area |
| In the R-3B Zoning District | \$1,170 <u>1,210</u> multiplied by a density factor of 6.5 multiplied by the Net Developable Area |
| In the R-3C Zoning District | \$1,170 <u>1,210</u> multiplied by a density factor of 12.0 multiplied by the Net Developable Area |
| In the B-1 and Office Park Zoning Districts | The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building |

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| | <p>area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 2,400 square feet to arrive at density units. Then multiply the density units by <u>\$1,1701,210.</u></p> |
| In the B-2, B-3 and B-4 Zoning Districts | <p>The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 3,000 square feet to arrive at density units. Then multiply the density units by <u>\$1,1701,210.</u></p> |
| In the I-1 and I-2 and Industrial – Office Park Zoning Districts | <p>The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 7,000 square feet to arrive at density units. Then multiply the density units by <u>\$1,1701,210.</u></p> |
| In the P-Institutional Zoning Districts | <p>The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 2,400 square feet to arrive at density units. Then multiply the density units by <u>\$1,1701,210.</u></p> |
| In the Mixed Use – Residential and in | <p>The fee shall be calculated with</p> |

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| the Mixed Use - Commercial Zoning Districts | respect to each pro-ratable area component of the mixed use development using the appropriate fee calculations set forth above in relation to the respective land use of the component. The respective fees for each component shall then be added to compute the total fee. |
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Fees Payable At Time of Building Permit (Northwest Area)

The following fees must be paid by the landowner when a building permit is obtained or when connection is made to the municipal water system, whichever occurs first.

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| Water Building Permit Connection Unit Fee (Northwest Area) | \$3,220 <u>3,330</u> per SAC Unit |
| Water Treatment Plant Fee (Northwest Area) | \$690 <u>710</u> per SAC Unit |
| Water Core Connection Fee (based on water service size) (Northwest Area) | |
| 1 inch | \$1,700 <u>1,760</u> |
| 1 ½ inch | \$3,820 <u>3,950</u> |
| 2 inch | \$6,780 <u>7,020</u> |
| 3 inch | \$15,250 <u>15,780</u> |
| 4 inch | \$27,130 <u>28,080</u> |
| 6 inch (or larger) | \$63,590 <u>65,820</u> |

F. Connection Fees For Sanitary Sewer Utility System For Northwest Area.

The following connection fees for the sanitary sewer utility system are hereby imposed and required to be paid with respect to land within the Northwest Area:

Fees Payable At Time of Plat (Northwest Area)

The following fee must be paid when the property is subdivided or the property is platted or a building permit is obtained or when connection is made to the municipal sanitary sewer system, whichever occurs first. The fee is not payable if the property is being platted as an agricultural planned unit development with no connection to the municipal water system.

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| Sanitary Sewer Plat Connection Fee (Northwest Area) | |
| In the R-1 and R-2 Zoning Districts | \$1,920 <u>2,020</u> multiplied by a density factor of 2.0 multiplied by the Net Developable Area |
| In the R-3A Zoning District | \$1,920 <u>2,020</u> multiplied by a density factor of 4.0 multiplied by the Net Developable Area |
| In the R-3B Zoning District | \$1,920 <u>2,020</u> multiplied by a density factor of 6.5 multiplied by the Net Developable Area |
| In the R-3C Zoning District | \$1,920 <u>2,020</u> multiplied by a density factor of 12.0 multiplied by the Net Developable Area |
| In the B-1 and Office Park Zoning | The fee shall be calculated as |

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| Districts | follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 2,400 square feet to arrive at density units. Then multiply the density units by <u>\$1,9202,020.</u> |
| In the B-2, B-3 and B-4 Zoning Districts | The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 3,000 square feet to arrive at density units. Then multiply the density units by <u>\$1,9202,020.</u> |
| In the I-1 and I-2 and Industrial – Office Park Zoning Districts | The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 7,000 square feet to arrive at density units. Then multiply the density units by <u>\$1,9202,020.</u> |
| In the P-Institutional Zoning Districts | The fee shall be calculated as follows. First, multiply the Net Developable Area by 43,560 to express in square feet. Then multiply the square footage by 0.25 (the minimum Floor Area Ratio – FAR required by the Northwest Area Overlay District). The result is the minimum building |

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| | area required by the Northwest Area Overlay District. Divide the minimum building area by the density factor of 2,400 square feet to arrive at density units. Then multiply the density units by <u>\$1,9202,020</u> . |
| In the Mixed Use – Residential and in the Mixed Use - Commercial Zoning Districts | The fee shall be calculated with respect to each pro-ratable area component of the mixed use development using the appropriate fee calculations set forth above in relation to the respective land use of the component. The respective fees for each component shall then be added to compute the total fee. |

Fees Paid At Time of Building Permit (Northwest Area)

The following fees must be paid by the landowner when a building permit is obtained or when connection is made to the municipal sanitary sewer system, whichever occurs first.

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| M.C.E.S. SAC Unit Fee (Northwest Area) | \$2,485 per SAC Unit |
| Sanitary Sewer Building Permit Connection Unit Fee (Northwest Area) | <u>\$5,2905,550</u> per SAC Unit |
| Sewer Core Connection Fee (based on building sewer service size) | |
| 4 inch | <u>\$550570</u> |
| 6 inch | <u>\$930960</u> |
| 8 inch | <u>\$1,6501,710</u> |
| 10 inch | <u>\$2,5902,680</u> |
| 12 inch | <u>\$3,7403,840</u> |

G. Connection Fees For Storm Water Sewer Utility System For Northwest

Area. The following connection fees for the storm water sewer utility system also known as the storm water system are hereby imposed and required to be paid with respect to land within the Northwest Area:

Fees Payable At Time of Plat (Northwest Area)

The following fees must be paid by the landowner when the property is subdivided or the property is platted or a building permit is obtained, whichever occurs first.

The fees are not payable for outlots if the property is being platted as an agricultural planned unit development.

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| Storm Water Plat Connection Fee (Northwest Area) | |
| In the R-1 and R-2 and R-3A Zoning Districts | <u>\$12,58013,210</u> per acre multiplied by the Net Developable Area |
| In the R-3B and R-3C Zoning Districts | <u>\$12,88013,520</u> per acre multiplied by the Net Developable Area |
| In the B-1 and Office Park Zoning Districts | <u>\$14,45015,170</u> per acre multiplied by the Net Developable Area |

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| In the B-2, B-3 and B-4 Zoning Districts | \$ 14,060 <u>14,760</u> per acre multiplied by the Net Developable Area |
| In the I-1, I-2 and I-Office Park Zoning Districts | \$ 13,670 <u>14,350</u> per acre multiplied by the Net Developable Area |
| In the P-Institutional Zoning District | \$ 12,880 <u>13,520</u> per acre multiplied by the Net Developable Area |
| In the Mixed Use - Residential Zoning District | \$ 12,880 <u>13,520</u> per acre multiplied by the Net Developable Area |
| In the Mixed Use - Commercial Zoning District | \$ 13,670 <u>14,350</u> per acre multiplied by the Net Developable Area |

H. Outlots. With respect to calculating the fees payable at the time of platting, the acreage within the outlots that are intended to be replatted into buildable lots at a later date shall not be included within the calculations. When the acreage within the outlots are subsequently replatted into buildable lots, the fees for such acreage shall then be paid at the time of the replat.

Section 2. Amendment No. 2. Inver Grove Heights City Code Title 3, Chapter 4, Section 3-4-2-3 is hereby amended in its entirety to read as follows:

3-4-2-3: SANITARY SEWER AND WATER TRUNK AREA ASSESSMENTS: With respect to special assessments under Chapter 429 of the Minnesota Statutes, the assessments rolls for sanitary sewer and water trunk lines shall initially be calculated using the following per acre assessment amounts for trunk line area benefit.

\$~~4,390~~4,540 per acre for water trunk line area benefit

\$~~4,390~~4,540 per acre for sanitary sewer trunk line area benefit

The Council may adjust the assessment roll and special assessments after public hearing pursuant to Minn. Stat. § 429.061 and the Council shall determine the final assessment roll and special assessments by resolution.

Section 3. Amendment No. 4. Inver Grove Heights City Code Title 3, Chapter 4, Section 10-3-8 is hereby amended to read as follows:

B. Fee Amounts and Escrow Deposit: The city may require that applicants deposit in escrow with the city, together with the application filing fees, the sums required by the city toward prepayment of the attorney, planning and engineering costs. The prepayment amounts shall be a credit toward the fees for the attorney, planning and engineering and other professional consultant fees to be reimbursed by the applicant. All such fees, if not paid by the escrow, shall be paid by the applicant within sixty (60) days of final action on the matter by the city council. If such fees are less than the escrowed amount, such escrow will be returned to the applicant within sixty (60) days of the final action on the matter by the city council. The following escrow amounts shall be deposited, together with land use approval applications: (Ord. 1098, 11-8-2004)

| TYPE OF LAND USE APPROVAL | BASE FEE | GIS FEE | ESCROW |
|--|----------|---------|---------|
| Conditional Use Permit, single family residential | \$250 | | \$0 |
| Conditional Use Permit, Impervious surface single family residential | \$250 | | \$1,500 |
| Conditional Use Permit, other | \$500 | | \$3,000 |
| Conditional Use Permit, other – amendment | \$150 | | \$1,000 |
| Comprehensive Plan Amendment | \$500 | \$50 | \$2,500 |
| Comprehensive Plan Amendment - minor | \$200 | | \$250 |
| Zoning Code Amendment | \$500 | | \$500 |

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|--|---------------------|------------|---------|
| Zoning Code Amendment – minor | \$100 | | \$250 |
| Rezoning | \$500 | \$50 | \$500 |
| Variance - Residential | \$200 | | \$0 |
| Variance - Commercial | \$200 | | |
| Planned Unit Development Preliminary | \$1,000 + plat fees | | \$5,000 |
| Final | \$500 | | \$3,000 |
| Planned Unit Development Amendment | \$250 | | \$1,000 |
| Determination of Substantially Similar Use | \$200 | | \$200 |
| Major Site Plan Review | \$500 | | \$3,000 |
| Preliminary Plat | \$250/+ \$5 per lot | | \$3,000 |
| Final Plat – single family | \$350 | \$25/lot | \$3,000 |
| Final Plat - other | \$200 | \$100/acre | \$3,000 |
| Waiver of Plat | \$300 | \$25 | |
| Administrative Subdivision | \$100 | \$25/lot | |
| Street Easement Vacation | \$150 | \$50 | \$500 |
| Street Dedication | \$150 | \$50 | |
| Wetland Conservation Act Certification | \$75 | | |
| Wetland Replacement Plan | \$200 | \$100/acre | \$2,500 |
| Northwest Area Sketch Plan Review | | | \$1,000 |
| Northwest Area Environmental Studies Fee | \$80/gross acre | | |
| Abstract Fee | \$46 | | |
| Interim Use Permit | \$500 | | \$1,250 |
| Non Conforming Use Certificate | \$500 | | \$1,250 |

(Ord. 1180, 12-10-2007)

Section 4. Effective Date. This Ordinance shall be in full force and effect on January 1, ~~2017~~2018 and after its passage and publication according to law.

Passed this ~~11~~¹²th day of December, 201~~6~~⁷.

George Tourville, Mayor

ATTEST:

Michelle Tesser, City Clerk