



City of Blaine

City Council Workshop

September 8, 2025 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

AGENDA

NOTICE OF WORKSHOP MEETING

In accordance with the provisions of Section 3.01 of the Blaine City Charter, a Council Workshop meeting is scheduled for the following purpose:

1. Call to Order

2. Roll Call

3. New Business

3.1. 2025-204 Metropolitan Council Representative Peter Lindstrom
Sponsors: Erik Thorvig, Interim City Manager/Community Development Director

3.2. 2025-205 Forestry Update
Sponsors: Nick Fleischhacker, Public Works Director

3.3. 2025-206 Public Works Sidewalk and Trail Plowing
Sponsors: Nick Fleischhacker, Public Works Director

3.4. 2025-207 Utility Franchise Fees
Sponsors: Erik Thorvig, Interim City Manager/Community Development Director, Jason Zimmerman, Finance Director

4. Other Business

5. Adjournment



City of Blaine Staff Report

File Number: 2025-204

Agenda Date

September 8, 2025

Status

In Control

City Council

File Type

Workshop Item

New Business - Erik Thorvig, Interim City Manager/Community Development Director

Agenda Item # 3.1

Metropolitan Council Representative Peter Lindstrom

Background

Metropolitan Council Member, Peter Lindstrom, will be in attendance to update the city council on activities occurring at the Metropolitan Council that impact Blaine and answer questions. Mr. Lindstrom attended a workshop several years ago to provide similar updates.

Staff Recommendation

Questions for Council

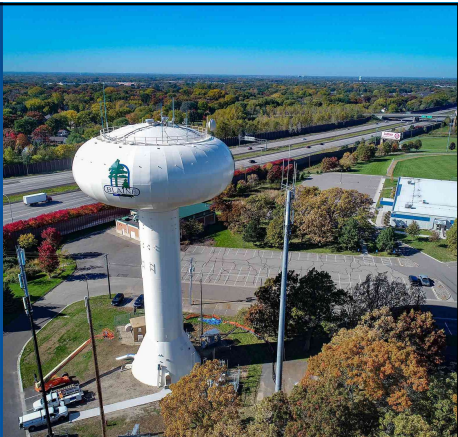
Attachment List

1. Presentation

Serving a Thriving Region

Peter Lindstrom
Metropolitan Council Member, District 10

September 8, 2025




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Metropolitan Council – Our History



- Created in 1967 as a “regional solution to regional problems,” like:
 - Water quality concerns and wastewater treatment;
 - Sprawl into sensitive natural areas and uncoordinated planning and economic development; and
 - Fiscal inequality between local governments, which threatened essential service delivery.
- At the time, Governor Harold LeVander shared that the “Council was created to do a job which has proved too big for any single community.”
- Over the 58 years since the Council was created, we have taken on additional regional policy and service delivery responsibilities.

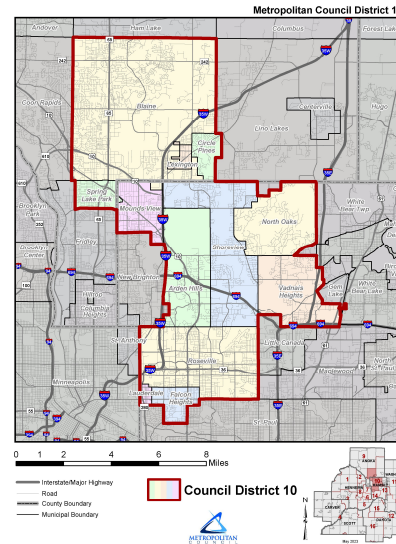
Metropolitan Council
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Metropolitan Council District 10



- Council Member for District 10
- Committee assignments
 - Community Development Committee
 - Environment Committee
- Council's representative at:
 - Regional Council of Mayors
 - Environmental Quality Board

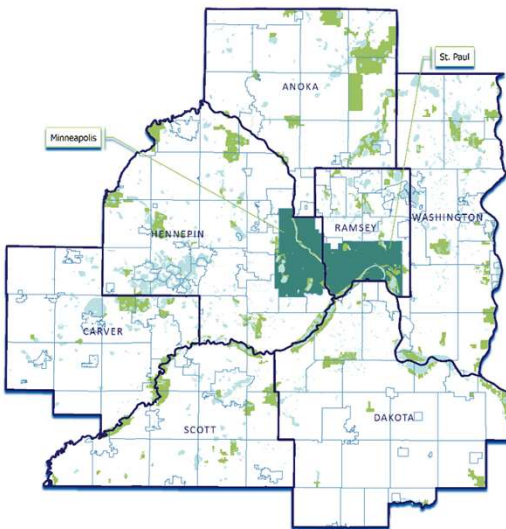


Metropolitan Council

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Twin Cities Metropolitan Region



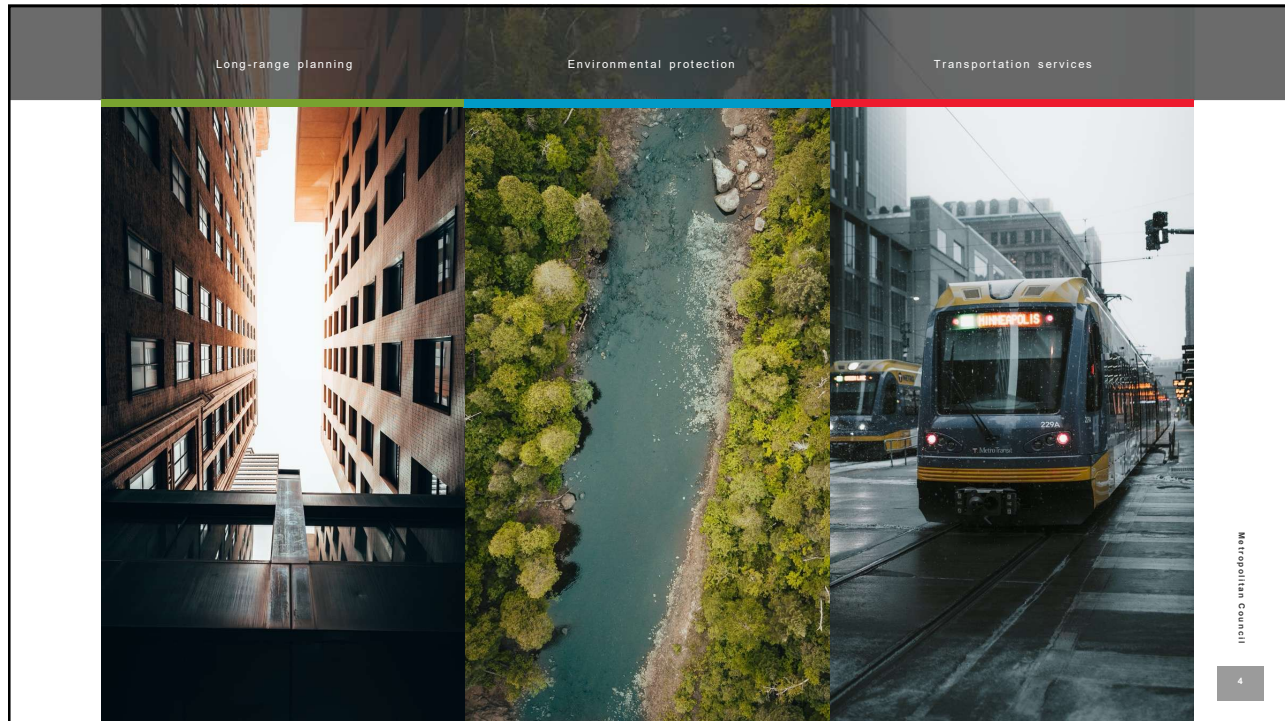
Fast Facts

- 7 Counties
- 181 Cities and Townships
- People from 11 federally recognized Tribal Nations and many other Native communities
- About 3.25 million people (2024 estimate)
- Projected growth of +610,000 people by 2050

Metropolitan Council

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MN Statute Requires a Regional Development Guide

The Metropolitan Council shall prepare and adopt, after appropriate study and such public hearings as may be necessary, **a comprehensive development guide** for the metropolitan area.....
(Metropolitan Land Planning Act: Minn. Stat. 473.145)

- Every 10 years, the Council
 - Prepares system plans for parks, water resources and transportation
 - Adopt policy plans for Housing and Water Supply policy plans
- Council is also responsible for reviewing local comprehensive plans and providing technical assistance to communities as they work through their local comprehensive planning process.



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2050 Regional Planning Vision

Our Region is Equitable, Inclusive, and Welcoming

Our quality of life is high by national standards but not all communities share in this. We envision a future where inequities and injustices have been eliminated and all residents and newcomers feel welcome, included, and empowered.

Our Communities are Healthy, Safe, and Vibrant

The wellbeing of our region depends on the strength and inclusiveness of our economy as well as the quality, safety, and reliability of our public infrastructure and services. We envision a future where all our region's residents can live healthy, productive, and rewarding lives with a sense of security, agency, and wellbeing.

We Lead on Addressing Climate Change

Our region leads on the critical issue of climate change. We envision a future where we have eliminated or mitigated greenhouse gas emissions and have adapted to ensure that our communities and systems are resilient.

We Protect and Restore Natural Systems

Our region has world class parks and abundant natural resources. We envision a future where natural systems are increasingly protected, integrated, and restored to ensure a high quality of life for our growing region.



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Community Development: Livable Communities Act Funding



- The Met Council's Livable Communities Act program is providing \$28.65M to projects across the metro in 2025.
- Since 2021, we have provided over \$100K to projects in Blaine:
 - Manufactured Home Replacement Need and Feasibility Assessment: \$56,500.
 - Floodplain Policy & Program Development: \$50,000

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Regional Parks: Many Adventures Close to Home

- 56 regional parks and park reserves
- 8 special recreation features
- Nearly 55,000 acres open for public use
- Regional trails totaling nearly 400 miles
- 63.3 million visits in 2019, millions more than the Mall of America
- By 2040, we plan to expand the regional parks system to nearly 70,000 acres and 1,100 miles of trails



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Water: Collection and Treatment



- Whenever someone in the Twin Cities region takes a shower, flushes a toilet, or runs a washing machine, it likely reaches a Met Council treatment facility through the extensive network of local and regional sanitary sewer pipes.
- We own, operate, and maintain the Twin Cities metro regional wastewater collection and treatment system, which includes:
 - 635 miles of regional sanitary sewers
 - 230 metering stations
 - 60 lift stations
 - 9 wastewater treatment facilities

Metropolitan Council

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Transportation: Responsibilities

Planning

- Serves as the region's federally required **Metropolitan Planning Organization**
- Performs long-range **transportation system planning**
- Shorter term federal transportation funds programming with the **Transportation Advisory Board**

Transit Operations

- Provide, contract for, and coordinate **metropolitan transit operations**
- Provide financial assistance to other **regional transit providers**

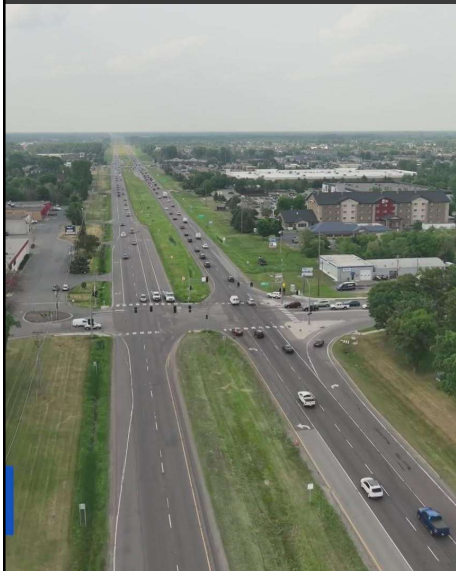


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Transportation: Planning and Funding



- In 2024 we awarded \$264 million of federal funding to 59 projects across the region, and \$19 million of funding for active transportation projects, including:
 - \$10M for TH65 at Bunker Lake Boulevard grade separation / interchange.
- Between 2014 and 2022, we awarded an additional \$20 million to projects in Blaine:
 - \$10M for TH65 at 99 Ave NE grade separation / interchange 2020.
 - \$10M for TH65 at 105 and 109 Aves grade separation / interchange 2022.

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About Metro Transit

AREA SERVED

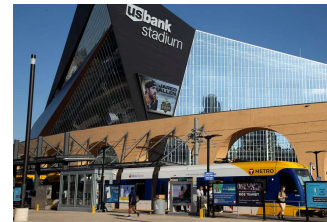
7+
COUNTIES

90
CITIES



900 SQ. MILES

- Division of the Metropolitan Council
- Largest regional transit provider
- Met Council transportation services
 - Metro Mobility
 - Contracted service
 - Planning
 - Allocates federal funding



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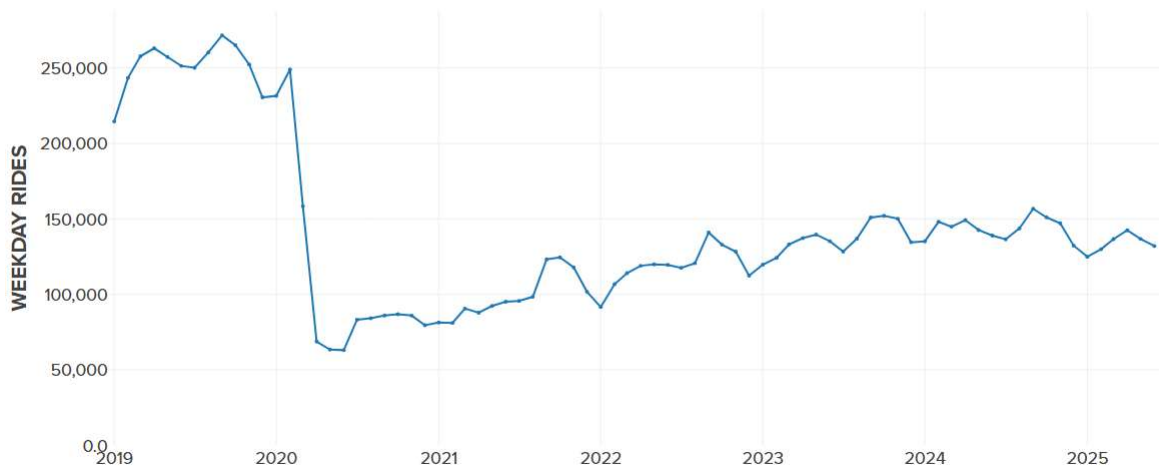
Total Met Council Ridership

Q2 2024 Total: 25.6 Million

Q2 2025 Total: 23.8 Million

Total System Ridership

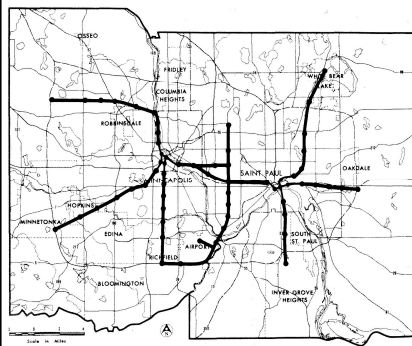
Average Weekday from Jan 02, 2019 to Jun 30, 2025



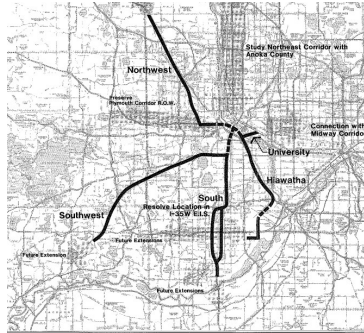
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Transitway Plans Over the Decades



1969
MTC



HCRRA
Comprehensive
LRT System Plan
FIG 20
LR
1988 County Regional Rail Plans
(LRT)

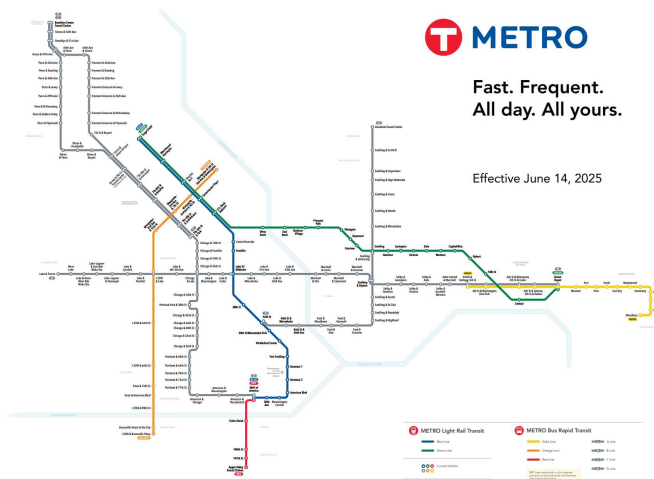


OPERATIONAL TRANSITWAYS
PLANNED EXPANSION
FUTURE TRANSITWAYS
2014
CTIB

Metropolitan Council

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Current METRO Transitway Network



T METRO

Fast. Frequent.
All day. All yours.

Effective June 14, 2025

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Recent Progress and What's Next

Recent Accomplishments

- Opened the Gold Line and the B Line BRT
- Expansion of Micro Transit around the metro.
- Major Investments in our wastewater treatment system.

Upcoming Activities

- Supporting local governments in implementing the Imagine 2050 regional development guide.
- Finalizing planning and beginning construction, in collaboration with MnDOT, on the Metro F Line BRT
- Continuing to implement the Metro Transit Safety and Security Action Plan in collaboration with our partners.

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Personal Investment = Regional Benefits

- Ride with us for your next travel outing
- Engage in local and regional planning opportunities
- Participate in park or waterway clean-ups
- Let's stay connected! Invite us to your next gathering



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Questions?

Peter Lindstrom
Council Member, Metropolitan Council
Peter.Lindstrom@metc.state.mn.us

Merritt Clapp-Smith
Sector Representative
Merritt.Clapp-Smith@metc.state.mn.us

Elias Montesa
Community Relations Specialist
Elias.Montesa@metc.state.mn.us



Metropolitan Council

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City of Blaine Staff Report

File Number: 2025-205

Agenda Date	Status
September 8, 2025	
In Control	File Type
City Council	Workshop Item

New Business - Kristofer Paulseth, City Forester

Agenda Item # 3.2

Forestry Update

Background

Staff will present the following Forestry update topics:

- Diseased and Hazard tree program
- Staffing
- Tree Inventory
- Tree Replacement
- Maintenance of Urban Forest
- Resident Consultations/Education

Staff Recommendation

Questions for Council

Questions that staff will ask the City Council for feedback:

- The city's involvement in the enforcement of private hazard trees?
- The process involved and possibilities of hiring forestry staff?
- Increase funding for public hazardous trees?

Attachment List

1. Forestry Update



Forestry Update

Kris Paulseth- City Forester



Forestry Priorities

- Diseased and Hazard tree program
- Staffing
- Tree Inventory
- Tree Replacement
- Maintenance of Urban Forest
- Resident Consultations/Education



Diseased and Hazard trees

- 1200 estimated boulevard Ash
- Number of Ash in Parks and public property is unknown
- \$1000 estimated average cost to remove, stump, and restore per tree
- With a removal budget of \$150,000, 150 trees will be removed per year
- 1200 boulevard trees would take 8 years
- Can offset with in house removals, forestry staff
- Apply for grants
- Dead Ash on private property is a big issue



Forestry Staff

- Dedicated, trained staff to remove public diseased and hazard trees
- Maintenance of current public trees- pruning, mulching, protection
- Re-planting for lost canopy
- Proactive tree care rather than reactive



Tree Inventory

- Knowing the state of your community's urban forest program is essential for effectively and equitably growing and maintaining the urban forest in your community
- Tree inventories gather data such as **size, species, and location**, which are vital pieces of information for assessing and maintaining a thriving urban forest. Tree inventory data allows urban foresters to track each tree and document its health, maintenance needs, potential safety risks, and more. This information can be used to help prioritize, analyze, execute, and justify future urban forestry projects.
- Cartegraph
- Contract or hire seasonal staff
- New technologies, Lidar



Planting

- Replace lost canopy from diseased trees, tree sale
- Species diversity- increase resiliency
- Re-plant on boulevard –control what species are planted, location



Urban Forest Maintenance

- Take care of the resources we have left
- Proactive maintenance- provide longer healthier living trees, cost savings(15 years)
- Not “set it and forget it” strategy
- Remove disease and hazard trees, public and private
- Trained arborists, structural pruning
- Upcoming pests and diseases



Resident Consultation

Great service to offer residents

Educating the public

Use social media to push important timely information



Grants

- MN DNR- Conservation Partners Legacy, Expedited Conservation Project
- Board of Water and Soil Resources
- Department of Agriculture
- Met Council- current grant
- MN DNR- ReLeaf Grant , Community Tree Planting Grant



October 2023 ReLeaf Grant Update

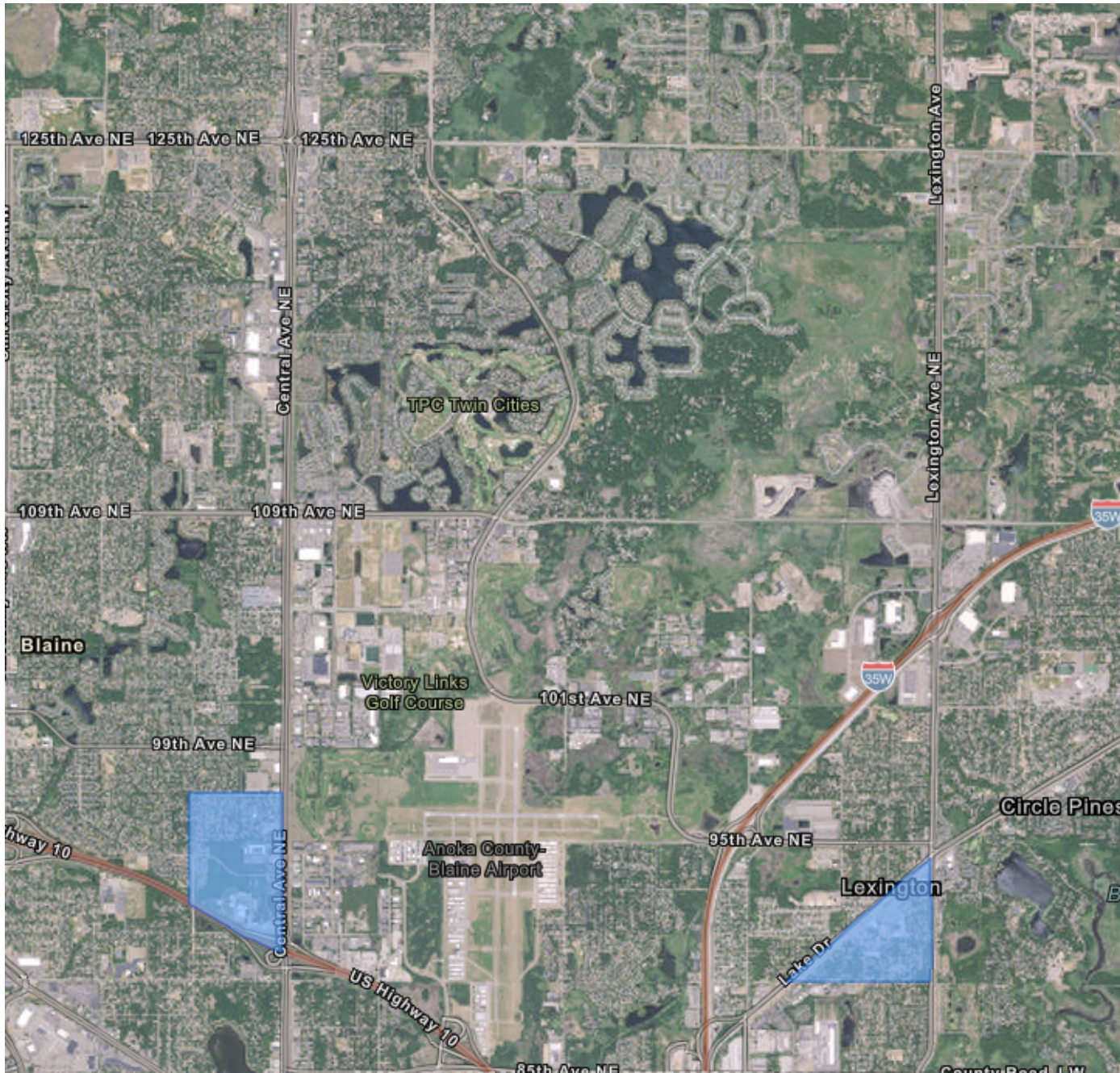
Thank you to those who submitted a grant application. The final list of awardees can be found on our [past and current grant page](#). Application Highlights:

- More than \$33.1 million was requested, with \$6.8 million available.
- There were 151 applicants from all across the state.
- 82% of projects will assist in areas of environmental justice concern.

The ReLeaf Grant Program is one step toward achieving climate-resilient communities identified in the Minnesota Climate Action Framework by planting and maintaining a diverse and sustainable community tree canopy. The Framework's goal is to achieve 30% overall tree canopy cover in communities across Minnesota by the year 2030 and 40% by 2050.

If your community did not receive funding this year, grant applications open again in late 2025, and you are strongly encouraged to apply. Check back for updated application information on our [community forestry grants page](#).

Grant overview





Conservation Partners Legacy (CPL) Grant Cycle Comparison Chart

	Statewide (Traditional)	Metro	New Applicant	Expedited Conservation Projects (ECP)
Grant Amounts	\$5,000-\$500,000	\$5,000-\$500,000	\$5,000-\$500,000	\$5,000-\$50,000
Eligible Activities	Restoration, Enhancement, or Acquisition	Restoration, Enhancement, or Acquisition	Restoration, Enhancement, or Acquisition. Applicant must not have received any previous CPL or OHF funds	Restoration or Enhancement only. Projects must be on the ECP Activity List .
Eligible Lands	Public lands or waters. Private lands protected by a permanent conservation easement.	Public lands or waters. Private lands protected by a permanent conservation easement.	Public lands or waters. Private lands protected by a permanent conservation easement.	Public lands or waters only.
Funding Rounds	1 or 2 depending on available funding.	1 or 2 depending on available funding.	1 round total.	Up to 5 depending on available funding.
Review Process	Internal and external reviewers. 6-month review process.	Internal and external reviewers. 6-month review process.	Internal and external reviewers. 6-month review process.	Internal reviewers. 2-month review process.



Current Activities

- Carrs Tree Service-removing Blvd trees, 100 so far
- Tree Crew- Blvd tree removals, stump removals, storm response, right-of way clearance
- Tree inspections/resident consults
- Met Council grant

Questions?





City of Blaine Staff Report

File Number: 2025-206

Agenda Date	Status
September 8, 2025	
In Control	File Type
City Council	Workshop Item

New Business - Nick Fleischhacker, Public Works Director

Agenda Item # 3.3

Public Works Sidewalk and Trail Plowing

Background

In the past, this item has come up for discussion relating to the cost and process of the city plowing the sidewalks and trails. Sec. 70-2 of the City Code states that for the duty of the owner or occupant of the abutting property: (B)(1) "No owner or occupant of any property, in front of which or adjacent to which a sidewalk has been constructed for the use of the public, shall allow snow to remain upon the sidewalk longer than 48 hours after the snow has ceased to fall thereon." Historically, the city has removed snow from sidewalks which is in conflict of the city ordinance.

Staff will present the cost of equipment and labor, and what processes Public Works currently utilizes to get sidewalks and trails plowed during and after a snow event.

Staff Recommendation

Questions for Council

Questions that staff will ask the Council for feedback:

1. Should the City of Blaine continue the practice of removing snow from sidewalks?
2. Who should be responsible for snow removal if the sidewalk/trails get filled back in by the city's or the county's plow trucks?
3. What would happen after Public Works clears the snow off a sidewalk at one home and subsequently pushes wind rows of snow into a neighbor's driveway that has already been plowed?

4. What would happen if the sidewalk was located at the back of a property? Is the resident still responsible? (example(s): 99th Ave between Hwy 65 and Cloverleaf Pkwy and Polk St, between Jackson St and Hwy 10)

Attachment List

1. Current Code Sec. 70-2 Sidewalk Snow Removal
2. Sidewalk and Trail Presentation Final

Sec. 70-2. Sidewalk snow removal.

- (a) *Definitions.* The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Owner means any person having a property interest in the land that abuts the street right-of-way.

Sidewalk means that portion of street or highway right-of-way which is improved for pedestrian use, and which is adjacent to the side yard or front yard of the property.

- (b) *Duty of owner or occupant of abutting property.*

(1) No owner or occupant of any property, in front of which or adjacent to which, a sidewalk has been constructed for use of the public, shall allow snow to remain upon the sidewalk longer than 48 hours after the snow has ceased to fall thereon.

(2) Certain sidewalk areas may be exempted from this requirement by the decision of the city manager where circumstances, such as size of the boulevard or plowing of adjacent streets by state or local units of government, make it difficult for the adjacent property owner to keep the sidewalk free from snow.

- (c) *Removal by city at property owner's or occupant's expense.* Any snow which is not removed in accordance with this section shall be removed by the city at the expense of the owner or occupant of the abutting property. The public works director shall keep a record of the costs and time of such work done.

- (d) *Recovery of city's expenses.* The cost of removal of snow by the city shall be billed to the property owner. Failure to pay such bill, when due, will result in the costs, plus a delinquency charge of 15 percent, being certified to the county auditor with taxes against the property abutting for collection as other taxes are collected.

- (e) *Nonliability of city.* No claim shall be made against the city because of failure of the owner to comply with this section.

(Code 1980, § 17-2; Ord. No. 83-783, 2-3-1983; Ord. No. 13-2264, 6-6-2013)

Public Works Sidewalk And Trail Plowing

Nick Fleischhacker and Pat Parenteau





Sec. 70-2. - Sidewalk snow removal



(a)

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(b)

Duty of owner or occupant of abutting property.

(1)

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(2)

Certain sidewalk areas may be exempted from this requirement by the decision of the city manager where circumstances, such as size of the boulevard or plowing of adjacent streets by state or local units of government, make it difficult for the adjacent property owner to keep the sidewalk free from snow.

(c)

Removal by city at property owner's or occupant's expense. Any snow which is not removed in accordance with this section shall be removed by the city at the expense of the owner or occupant of the abutting property. The public works director shall keep a record of the costs and time of such work done.

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(e)

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(Code 1980, § 17-2; Ord. No. 83-783, 2-3-1983; Ord. No. 13-2264, 6-6-2013)

Sidewalk Equipment = Trackless MT-7 with “V” Plow and Ribbon Blower



Sidewalk Equipment Overview



Trackless Articulating All-Wheel Drive Tractor	\$199,222
Ribbon Style Snow Blower + “V” Plow	(\$32,716 + \$5,299)
Total for Each Trackless	\$237,237
Total for 6 Sidewalk Machines Currently in Use =	\$1,432,422

Plow Width = 48”	Machine Width = 48”	Sidewalk Width = 70”
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Why Trackless Machines?



Ergonomic design

- This helps keep the operator as comfortable and free from fatigue as possible.

All-Wheel Drive and Articulated Steering

- A robust piece of equipment can make the turns easily with less sod damage than other types of equipment.

Versatile Machines

- Can be used in the summer months for milling sidewalks, mowing along trails and behind guard rails.
- Additional optional attachments available so they can be used the most effective way all year long.

Labor Costs for an 8-Hour Event: Sidewalks



Regular Pay:	5 FTE's (40 Hours Total)	\$46.53/hour	= \$1,861.00
Overtime Pay:	5 FTE's (40 Hours Total)	\$69.80/hour	= \$2,792.00

- Note: There could be any combination of regular and overtime hours.
- Note: We normally do the routes a second time, due to drifting, and snow being plowed back in by our city plow trucks or the county plow trucks.

Trail Equipment = Bobcat Toolcat with “V” Plow and Ribbon Blower



Trail Equipment Overview



Bobcat Toolcat	\$89,446
V-Plow and Snowblower	(\$4,869 + \$6,970)
Total for each Bobcat Toolcat	\$101,285
Total for 2 Trail Machines Currently in Use =	\$202,570

Plow Width = 68"	Machine Width = 60"	Trail Width = 112"
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Sidewalk and Trail Plowing: The Process



- We plow 109 miles of sidewalks and 46 miles of trails safely and efficiently.
- Sidewalks and trails now get plowed at the same time as streets during full-plow events—previously, they were done after streets were fully cleared.
- This change was made due to increased resident requests.
- Plowing starts when snow reaches 2 inches.
- With full staffing and no equipment issues, 2 inches of snow can be cleared in approximately 8 hours.
- Heavier snow or drifting can increase this time by 50% or more.
- When snow blowers are needed, routes can take up to 3 times longer due to slower equipment.

Considerations for the City continuing responsibility for Sidewalk Snow Plowing



Benefits:

- Ensures all sidewalks are consistently plowed across the city.
- Sidewalks become safer and more accessible more quickly.
- Allows the city to return and address problem areas caused by drifting snow or blockages from larger plow trucks at intersections and crosswalks.
- Enables crews to clear around fire hydrants, storm drains, electrical boxes, and cul-de-sacs—especially important during heavy snowfall seasons.

Challenges:

- Requires a significant amount of equipment and staffing to complete effectively.
- High capital and maintenance costs associated with specialized equipment.
- Increased urgency and expectations to complete the work quickly and efficiently.

Considerations for Residents being responsible for Sidewalk Snow Removal



Potential Benefits:

- May reduce the need for city-owned equipment and associated costs.
- Could result in lower overtime requirements for city staff.

Potential Challenges:

- Increased complaints to Public Works about unplowed sidewalks.
- Public Works staff would need to inspect sidewalks to identify non-compliance.
- The city would still need to deploy equipment, like Trackless machines, to address areas where snow hasn't been cleared, which could be difficult once snow becomes packed or turns to ice.
- Additional burden on Code Enforcement to manage violations and enforce compliance.

Questions for Council



- Does the Council want to amend the existing ordinance or follow the current one (70-2)?
- Who would be responsible for snow removal if the sidewalk/trails get filled back in by the city's or the county's plow trucks?
- What would happen after Public Works clears the snow off a sidewalk at one home and subsequently pushes wind rows of snow into a neighbor's driveway that has already been plowed?
- What would happen if the sidewalk is located at the back of a property? Is the resident still responsible? (Example(s): 99th Ave, between Hwy 65 and Cloverleaf Pkwy. and Polk St, between Jackson St and Hwy 10.)

9700 Block on Polk Street



600 block of 99th Ave



Questions?





City of Blaine Staff Report

File Number: 2025-207

Agenda Date	Status
September 8, 2025	
In Control	File Type
City Council	Workshop Item

New Business - Erik Thorvig, Interim City Manager/Community Development Director, Jason Zimmerman, Finance Director

Agenda Item # 3.4

Utility Franchise Fees

Background

Earlier this year, the city council was presented with information on alternative revenue sources to reduce the burden on property taxpayers in the city of Blaine. One of the options discussed was utility franchise fees. The council directed staff to explore franchise fees further.

The interim city manager and finance director met with all gas and electric utility providers in Blaine. They include CenterPoint Energy (gas), Xcel Energy (gas and electric), Connexus (electric) and Centennial Utilities (gas). The purpose of the meetings was to inform the utility companies about Blaine's potential desire to establish franchise fees, discuss the process for establishing said fee, and obtain data from the utility companies.

Utility providers, like those for gas and electricity, are required by Minnesota law to deliver services that are safe, adequate, and efficient. To do this, they often need to use public areas like roads and sidewalks, which are known as public rights-of-way.

Because cities are responsible for managing these rights-of-way, they often create franchise agreements with utility companies. A franchise agreement is a contract that gives a utility company the right to install, maintain, and repair its equipment within a city's public grounds or rights-of-way. In Minnesota, cities have broad authority under state law to negotiate these agreements, which are formalized as ordinances.

Per [Appendix C](#) "Franchises" of Blaine's City Code of Ordinances, five separate franchise agreements are currently in effect for natural gas and electric utility distribution, each with a 20-year term:

- [Article I](#). - Natural Gas Franchise (Minnegasco Company): Established by Ordinance 21-2478 on August 16, 2021

- [Article II](#). - Natural Gas Franchise (City of Circle Pines): Established by Ordinance 18-2401 on March 15, 2021
- [Article IV](#). - Natural Gas Franchise (Northern States Power Company): Established by Ordinance 98-1710 on May 21, 1998 (Expired)
- [Article V](#). - Electric Distribution System and Transmission Lines (Anoka Electric Cooperative): Established by Ordinance 98-1698 on March 5, 1998 (Expired)
- [Article VI](#). - Electric Distribution System and Transmission Lines (Northern States Power Company): Established by Ordinance 98-1699 on March 5, 1998 (Expired)

In order to continue the delivery of these utility services and ensure uniform provisions, staff have begun the process of meeting with providers to review existing agreements in preparation for renegotiating with Northern States Power Company (Xcel Energy) and Anoka Electric Cooperative (Connexus Energy). In order to establish a franchise fee, current agreements need to be in place with all utility providers.

Per [Minnesota Statute 216B.36](#), a city may impose a franchise fee on a gas or electric utility for the use of the public right-of-way by adopting an ordinance that establishes fee terms, including structure, collection, schedule and effective dates. Historically, the City has not imposed its authority to collect franchise fees related to these utility services, although the concept was informally presented at the [January 13, 2025, City Council Workshop](#) and in subsequent budgetary discussions.

There is no cap on the fee rate and the fees can be used for any public purpose. Cities have the option of imposing a flat fee (e.g., \$3 per month) or a percentage fee (e.g., 3 percent) based on utility usage. These fees can vary between residential customers and various commercial customer types. While a flat fee is constant from month-to-month, a percentage-based fee varies seasonally.

When comparing franchise fees as a revenue source to property taxes, advantages include:

- Local control of processes and fee structure.
- Wider base than property taxes.
- Inclusion of tax-exempt properties.
- Diversification of the city's revenue sources.
- Reliable source of revenue.
- New construction would contribute immediately, which would eliminate the one-to-two-year lag for the City to receive property taxes for property owners receiving municipal services.

Some disadvantages of franchise fees include:

- Unlike cable franchise fees paid only by subscribers, everyone must pay since gas and electricity are essential services.
- Significant administrative time is required to establish franchise fees and implement them concurrently.
- Potential resistance from utility providers to implement fees proposed by the city.

The table below provides a comparison of how several similarly sized cities utilize their utility franchise fees:

City	Electric Franchise Fee	Gas Franchise Fee
Apple Valley	Yes	Yes
Bloomington	Yes	Yes
Brooklyn Park	Yes	Yes
Burnsville	Yes	Yes
Coon Rapids	Yes	Yes
Eagan	Yes	Yes
Eden Prairie	Yes	Yes
Edina	Yes	Yes
Lakeville	Yes	Yes
Maple Grove	No	No
Minnetonka	Yes	Yes
Plymouth	Yes	Yes
St. Louis Park	Yes	Yes
Woodbury	Yes	Yes

If the council directs staff to continue working on establishing franchise fees, the goal would be to have franchise agreements and fees in place sometime in 2026. The process for establishing fees requires approval by each utility's public utility commission or board of directors. Significant communication by the utility companies to rate payers is also necessary. The city has started the process early enough that implementation is feasible in 2026 and revenue projections available for 2027 budget discussions. While the council isn't limited to how the funds are used, cities typically allocate them to specific capital improvements, such as roads and/or parks.

Staff Recommendation

Questions for Council

- 1.) Is Council interested in continuing the process of establishing franchise fees?
- 2.) Does Council have feedback on a flat rate fee model versus percentage based model?

Attachment List

None

