



City of Blaine Anoka County, Minnesota

Blaine City Hall
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Legislation Details (With Text)

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| File #: | WS 21-19 | Version: | 1 | Name: | Consider Support for Legislation of Infrastructure, Development Fees |
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| Title: | CONSIDER SUPPORT FOR LEGISLATION ALLOWING CITIES TO CHARGE INFRASTRUCTURE AND DEVELOPMENT FEES | | | | |
| Sponsors: | Michelle Wolfe | | | | |
| Indexes: | | | | | |
| Code sections: | | | | | |
| Attachments: | 1. HF 527, 2. Model Resolution Infrastructure Accountability | | | | |

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------|-----------|--------|
| 2/17/2021 | 1 | City Council Workshop | Discussed | |

WORKSHOP ITEM *Michelle Wolfe, City Manager*

CONSIDER SUPPORT FOR LEGISLATION ALLOWING CITIES TO CHARGE INFRASTRUCTURE AND DEVELOPMENT FEES

At the first Council meeting in 2021, the Council approved the city's 2021 Legislative Priorities. The establishment of the priorities serves to identify those legislative issues that are of the highest importance to Blaine as well as provide a guide for the City's lobbyist, Lockridge Grindal Nauen (LGN), as to where to focus their advocacy efforts.

Blaine's 2021 Legislative Priority 7 (of 9) is to "Oppose Efforts to Mandate Reduction in Development and Building Fees". The goals for this priority are to:

- Monitor and report any legislative proposals that contain mandated fee reductions; develop city position; and share with local delegation and legislative leadership
- Work in conjunction/partnership with LMC and Metro Cities; assist with data gathering and letters of support as needed by these organizations

With respect to this priority, bills have been introduced in both the House and Senate "Authorizing municipalities to charge a street impact fee". A copy of the proposed House bill, HF 527, is attached.

The impetus for this legislation is the 2018 Minnesota Supreme Court decision in *Harstad v. City of Woodbury* that cities do not have the statutory authority necessary to impose a fee for future street improvements when approving residential development. The League of Minnesota

Cities (LMC) notes that “Cities need a clear and lawful path forward to support development while protecting the interest of current taxpayers.”

Typically, when a subdivision is proposed to the City, a primary consideration is how this new development will connect with the rest of the community through new city streets, or how the added capacity will impact existing streets. While the new development may create additional demand, legal interpretation of current law (as evidenced in the *Harstad* decision) does not allow for cities to collect fees from developers to help pay for future infrastructure investments.

LMC has drafted a model resolution supporting legislation that would allow cities to collect infrastructure development fees to fund municipal street improvements as a necessary component of growth. Per LMC, under current law, cities do not have authority to do this, and without legislative action, cities that want to grow must rely on property taxes to pay for development-related infrastructure.

Staff is requesting Council to review the attached model resolution and indicate if there is support to bring the resolution forward for formal adoption at an upcoming Council meeting.