



## Request for Council Action

**TO:** Mayor and City Council

**THROUGH:** Joint Committee  
Tim Murray, City Administrator

**FROM:** Mark DuChene, City Engineer

**MEETING DATE:** March 10, 2020

**SUBJECT:** Resolution 2020-038 Supporting Infrastructure  
Accountability Legislation

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### **Background:**

The Infrastructure Accountability Bill (HF2296/SF2442 and HF2297/SF2443)

With the 2020 MN Legislature now in session there are a number of bills that have been introduced that could impact current and future funding for City streets. The League of Minnesota Cities (LMC) is seeking City's to submit supporting resolutions for the passage of an infrastructure accountability bill that would specifically grant Cities the option to implement street impact fees for generating revenue from development to help pay for offsite street improvements. (More information can be found here: <https://www.lmc.org/news-publications/news/all/infrastructure-accountability-resolution/>)

Recently the Minnesota Supreme Court found 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 development. For example, a case where a large traffic generating development comes in and, due to the increase in traffic, a road or intersection not part of or adjacent to the actual development needs improvements (such as a signal system, turn lanes, etc.). The proposed bills would allow Cities to use such impact fees if the City so chooses but would not require Cities to use said fees. If such legislation passed each individual City would have to develop criteria and fee amounts based on their situation. The proposed legislation simply grants Cities the authority to implement such fees which currently that authority does not exist.

**Recommendation:**

This item was discussed at the Faribault City Council Joint Committee meeting on March 5, 2020 and there was general consensus for moving forward with Council considering the attached resolution which City Staff also supports. The recommendation is to approve Resolution 2020-038

**Attachments:**

- Resolution 2020-038

## **CITY OF FARIBAULT**

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### **RESOLUTION #2020-038**

#### **SUPPORTING INFRASTRUCTURE ACCOUNTABILITY LEGISLATION**

**WHEREAS**, populations in Minnesota cities are growing statewide; and

**WHEREAS**, the development and construction associated with that growth are driving the need for road improvements, street oversizing, street redesign, and street reconstruction; and

**WHEREAS**, municipal authority does not exist for infrastructure development fees; and

**WHEREAS**, city streets are one of the four major types of infrastructure local government is responsible to provide and to protect public safety and health, and city streets represent a separate but integral piece of the network of roads supporting movement of people and goods; and

**WHEREAS**, existing funding mechanisms, such as Municipal State Aid (MSA), property taxes, and special assessments have limited applications, leaving cities under-equipped to address growing needs; and

**WHEREAS**, neighborhood streets are constructed according to city standards by developers; and

**WHEREAS**, funding sources for larger streets and intersections to support new developments have historically come from infrastructure development fees; and

**WHEREAS**, the Minnesota Supreme Court found in *Harstad v. City of Woodbury* that no statutory authority existed for these infrastructure development fees; and

**WHEREAS**, cities should not be forced to make current residents and businesses pay for costs of growth through local taxes but rather by those that are responsible for the growth; and

**WHEREAS**, cities are finding it difficult to develop adequate funding systems to support needed infrastructure development related to growth

while complying with existing state statutes; and

**WHEREAS**, cities need flexible policies and greater resources in order to meet growing demands for street improvements.

**NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FARIBAULT**, that this Council supports legislation that would authorize cities to collect infrastructure development fees to fund municipal street improvements as a necessary component of growth.

**Date Adopted:** March 10, 2020

**Faribault City Council**

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**Kevin F. Voracek, Mayor**

**ATTEST:**

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**Mark W. DuChene, Deputy City Administrator**