



CITY OF
BLOOMINGTON
MINNESOTA

Franchise Fees

Components of the
Pavement Management Program (PMP)

“To implement changes in funding for the Pavement Management Program (PMP); committing to maintaining a sustainable and consistent funding source for PMP Street Overlays and Trails”

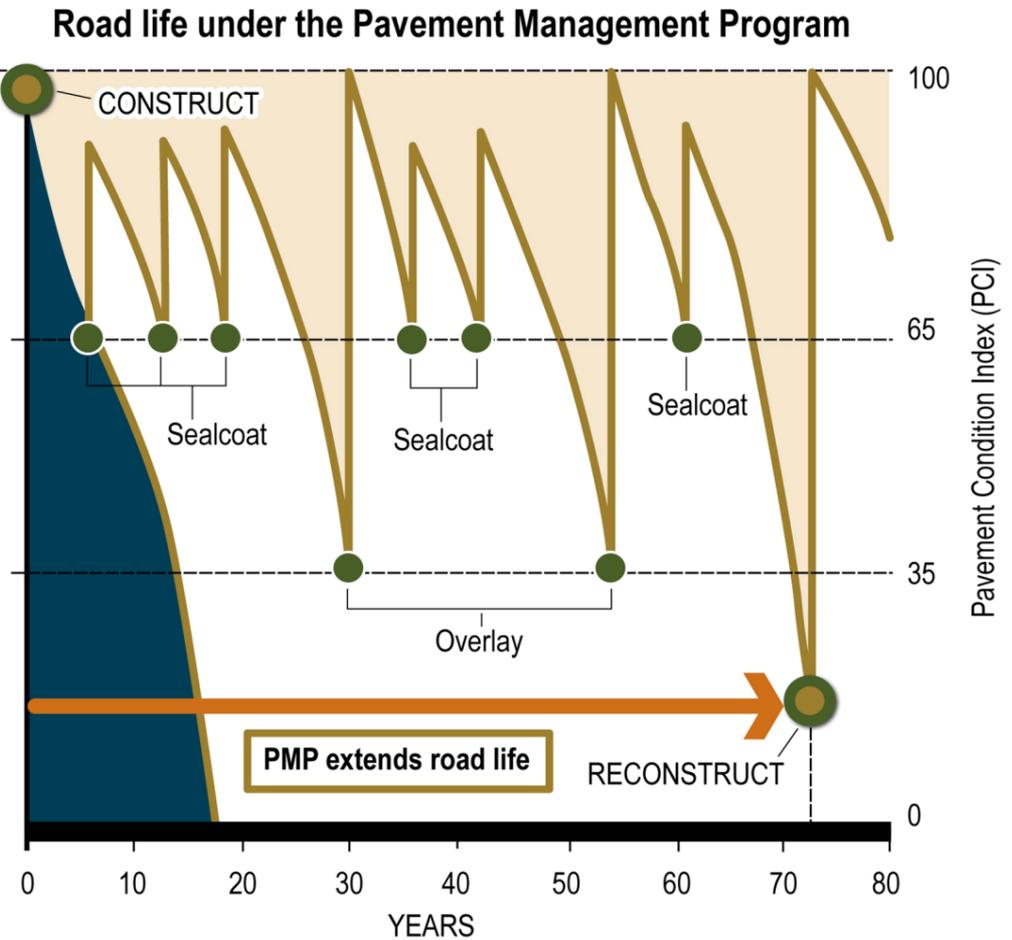
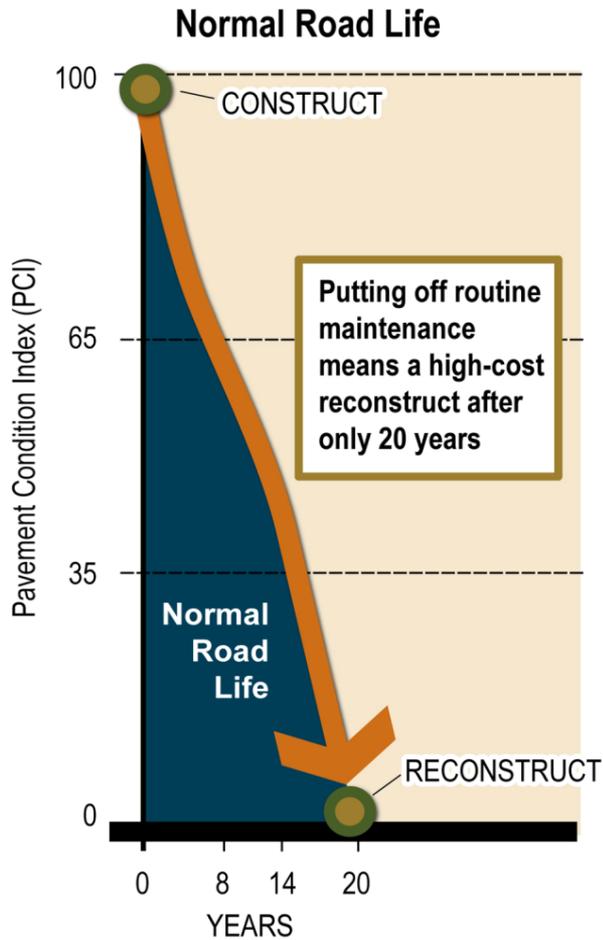


Total Street and Trail Miles

- 341 miles of street
- 38 miles of asphalt trails
 - 25 miles in City right of way
 - 13 miles of Park Trails



Pavement Life Cycle



PMP Funding Sources

- Reconstruct
 - Property Tax Levy and Assessments
- Overlay
 - Existing: City's Property Tax Levy and Infrastructure Replacement Fund (MSA Maintenance)
 - Proposed: Franchise fees and Infrastructure Replacement Fund (MSA Maintenance)
- Sealcoat
 - City's General Fund/Property Tax Levy
- Trail Construction/Maintenance
 - Existing: No consistent funding
 - Proposed: Franchise fees



The right action at the right time...

- Prolongs pavement life
- Keeps City's infrastructure in good condition
- Maintains or increases property values
- Reduces the overall cost



PMP Trail Construction and Maintenance

- 38 miles of asphalt trails
 - 25 miles in City right of way
 - 13 miles of Park Trails

Latest PCI –

0-35.99 = 9 miles

36-65.99 = 7 miles

66-100 = 22 miles

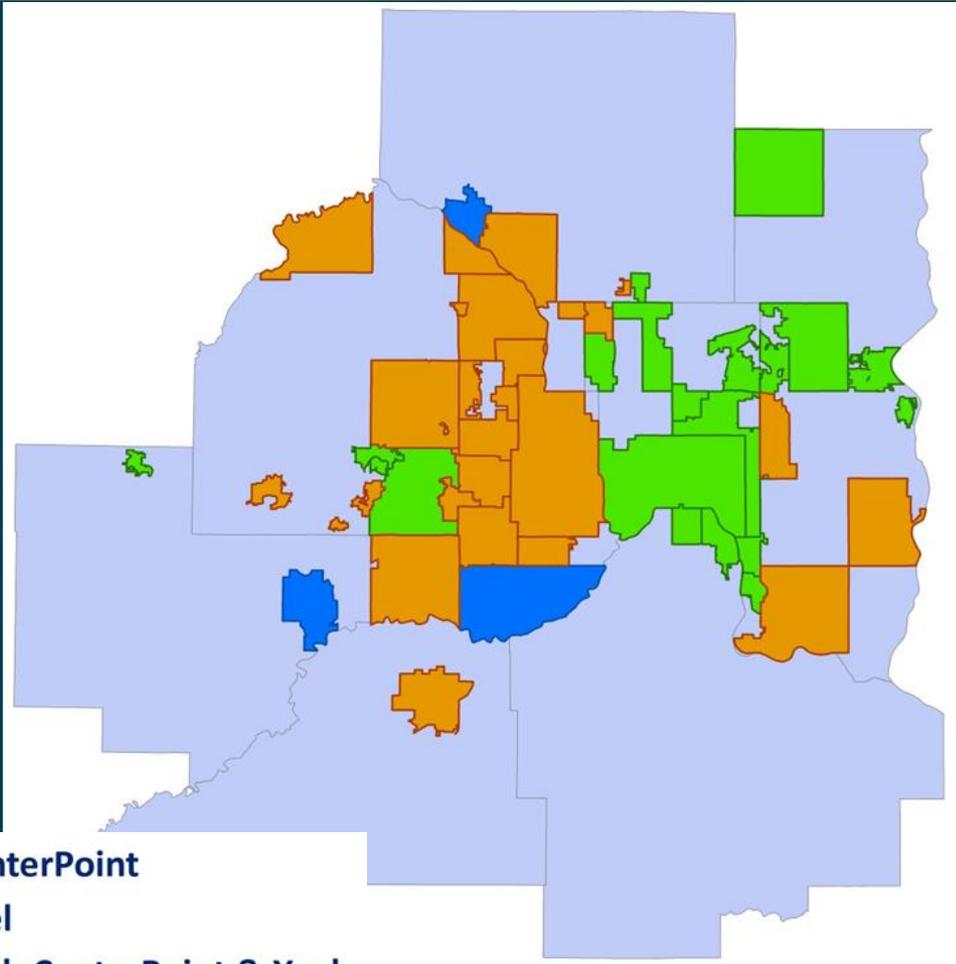
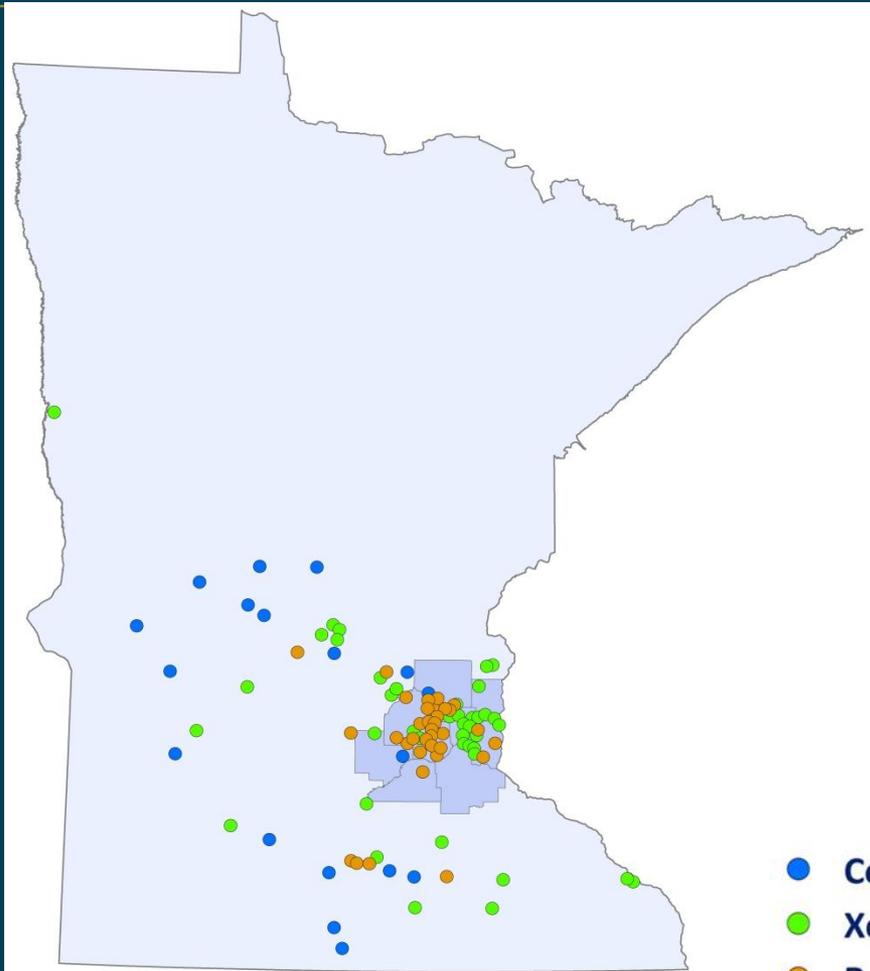


Combined PMP Overlay and Trail Needs

Year	Street Overlay	Park Trails	ROW Trails	Total Needs
2016	1,053,947	-	500,000	1,553,947
2017	1,264,736	600,000	500,000	2,364,736
2018	1,580,921	630,000	500,000	2,710,921
2019	2,055,197	661,500	500,000	3,216,697
2020	2,774,515	694,575	700,000	4,169,090
2021	3,329,419	729,304	700,000	4,758,723
2022	3,662,360	765,769	800,000	5,228,129
2023	3,845,478	804,057	800,000	5,449,535
2024	4,037,752	844,260	660,000	5,542,012
2025	4,158,885	886,473	660,000	5,705,358



Minnesota & 7 County Metro Area



- CenterPoint
- Xcel
- Both CenterPoint & Xcel



Franchise Fee Use in Hennepin County

Location	Franchise Fee Use
Bloomington	Capital Projects Fund - City's Pavement Management Program
Brooklyn Center	Capital Projects Fund - Street reconstruction fund for street projects
Champlin	Capital Projects Fund - Infrastructure Replacement
Eden Prairie	Capital Projects Fund - Pavement Management
Edina	Capital Projects Fund - sidewalks and bike trails
Golden Valley	Capital Projects Fund - street reconstruction fund for street projects (Douglas Drive)
Minneapolis	General Fund - G,E,& C for general use except PEG fees
Minnetonka	Capital Projects Fund - Burial of electric lines and street lighting
New Hope	General Fund - Has had for 15 years, was going to EDA until LGA cuts, now in General fund
Plymouth	Capital Projects Fund - Street reconstruction fund for street projects
Richfield	Capital Projects Fund - Overlay, sealcoating and removal of diseased trees.
Rogers	Capital Projects Fund - City's Pavement Management Program
St. Louis Park	Capital Projects Fund - City's Pavement Management Program



Combined Rates

Location	2015 monthly cost of single-family property taxes (not adjusted for aids)	Monthly cost for single-family water and sewer charges	Solid Waste	Water softened at this city's water treatment plant?	Additional cost for home softening of water	Franchise Fees	Total monthly cost of city property taxes plus water, sewer & softening, and Franchise Fees
Edina	\$97.21	\$38.01	--	No	\$37.95	\$2.90	\$176.07
Eden Prairie	96.29	44.29	--	Yes	--	5.00	145.58
Minneapolis	92.34	70.78	--	Yes	--	14.00	177.12
Maple Grove	84.47	32.06	--	No	37.95	0.00	154.48
Minnetonka	84.41	56.20	--	No	37.95	2.50	181.06
Richfield	75.83	57.02	--	Yes	--	8.20	141.05
Brooklyn Park	74.26	40.96	--	No	37.95	14.00	167.17
Plymouth	73.15	43.70	--	No	37.95	4.00	158.80
Bloomington	\$71.66	\$46.28	-\$9.00	Yes	--	\$7.50	\$116.44



Potential – Xcel

CUSTOMER CLASS	AVERAGE MONTHLY CUSTOMER COUNT- Est.	MONTHLY FLAT FEE	EST. ANNUAL FRANCHISE FEE
Residential	38,114	\$3.75	\$1,715,130
Small C&I – Non-Demand	2,133	\$7.50	\$191,970
Small C&I – Demand	1,178	\$40.00	\$565,440
Large C&I	414	\$115.00	\$571,320
Total	41,839		\$3,043,860

Schedule

December 21, 2015	Public Hearing- Xcel
<i>If approved</i>	
January-March 2016	90 day period for utilities and the Public Utilities Commission (PUC) to process the request and prepare for collection of fees
April 2016	Begin Collection of Franchise Fees

Overall Goal

“To implement changes in funding for the Pavement Management Program (PMP); committing to maintaining a sustainable and consistent funding source for PMP Street Overlays and Trails”





Public Hearings-Xcel

Ordinance - Franchise Agreement
Ordinance – Franchise Fee Rates

Recommendation-Xcel

- For Council to approve the :
 - Ordinance - Franchise Agreement & Publication
 - Ordinance – Franchise Fee Rates & Publication



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Questions?