

Gas Franchise Fee
Open House Meeting Summary
12/16/2014

A total of 9 people attended the meeting with 7 attendees taking a position on this issue (3 in favor and 4 opposed). The following summary of questions and answers were taken:

- If we are currently designing 10 miles of road and we start doing 12 miles of road will engineering be charging time and a half for engineering design on the extra 2 miles?
 - No.
- I live on a county road what benefit do I get from this?
 - This is a good question. You live on a County Road however you still use the local street system. Also, typically if you live on a County Road you are not assessed similar to those living on local City streets.
- How does the gas franchise fee apply to apartments?
 - It would apply similarly to how the electric bill is paid. The rate for such apartments will be reviewed to understand an average per unit cost.
- Can Maplewood add a special sales tax for road work?
 - The City could increase property taxes for roadwork however it would not necessarily be a dedicated funding source. The franchise fee option makes it very transparent on the money in and money out and it would be fully dedicated to street repairs.
- The City should just invest in lottery tickets.
 - Thank you for the comment.
- How much of the fee would Xcel keep and how much would Maplewood actual get?
 - The City would get the entire amount. It is a pass through.
- Will the presentation be available on the City website?
 - Yes. After the notes and summary information are completed.
- Maybe the state wide gas tax might help or the Move MN group.
 - Perhaps. But the City still needs to move forward with this option if local street repair is a priority.
- If the fee for a resident is \$2.50 after they add taxes residents will be looking at a fee more like \$3.00.
 - No. This is a pass through and is not subject to additional taxes.
- Could the City bill residents and business directly?
 - There would be a substantial cost for that as the City currently outsources its billing functions.
- In favor of a sunset date.
 - Thank you for the comment.

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- Since businesses use the roads more can they pay a greater share to help reduce the \$2.50 per month for residential?
 - This could be explored however businesses do pay reasonable share with the current revenue scenario.
- What about seniors or those on fixed income. Can there be a waiver or rebate program?
 - This could be explored however the administration of a number of applications may become cumbersome. This is something that could be further defined in a franchise fee ordinance upon moving forward.
- If this were to move forward the City should publish reports on what projects the fee helps to complete each year and how much was spent.
 - Yes. This is a very good comment and the City could complete an annual report regarding projects implemented as a direct result of the franchise fee revenue.
- How does the fee affect assessments on projects?
 - It will not affect the current assessment policy. The franchise fee is additional revenue, not a substitute.
- Is there a way to charge people who park in church parking lots?
 - There is no easy or cost effective way to do this.
- Can the City charge or make MnDOT help pay for fixing the roads that have the different pavement mix design?
 - Likely not. This is an issue from the late 1980s/early 1990s.
- Does the trash hauling help reduce the number of trucks and trips and has this helped slow the deterioration of the roadways?
 - Yes. A garbage truck does the damage of what 1,000 cars can do. The design of a street is based on equivalent single axle loads (ESALS) and the fewer heavy vehicles utilizing the streets is good for the longevity of the street.
- Are county roads designed to a different standard?
 - Typically they may be designed for heavier/commercial traffic loading depending on the segment.
- Do we get any money from the tax on trucks for heavy use?
 - The Minnesota Highway Users Tax Distribution Fund collects revenue from gas taxes, motor vehicle tax, motor vehicle sales tax, and earned interest. The City gets a small portion of this which it can put to use on 20% of its city streets.
- If there is a sunset clause it should have a stop date.
 - There is flexibility in how the ordinance is written.

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- Just another tax with a new name.
 - It is a fee, not a general tax, because a fee is spread over all utility users such as residential, commercial, non-profits, etc. A fee gets at more accurately collecting revenue from all the users of the local street system whereas, if it was a general tax increase then many parcels are exempt from property taxes thus placing the burden on others.
- How do taxes in other cities (that also have a franchise fee) compare to those of Maplewood?
 - There are many variables and this comparison was not available. It was explained that the reason this franchise fee concept was brought forward was because of a grass roots effort of citizens that wanted more streets fixed. The franchise fee is an option.
- Already have a cable franchise fee – how is that used?
 - There is a franchise fee on cable that is used for right of way management and programming for example by the Ramsey/Washington Counties Cable Commission.
- How long until you get to my street if you start in south Maplewood (they live in north Maplewood and don't see the benefit)?
 - It could take a number of years depending on the condition of a particular street compared to other streets. Currently the south leg streets are experiencing the pavement stripping issues that need more immediate attention.
- Already too expensive to live in Maplewood.
 - Thank you for the comment.
- The gas franchise would be treated as Pay As You Go – would not bond against future revenue – only do the work you can pay for now.
 - The plan is to pay for the work with available revenue and not bond.