

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: May 22, 2017
Item No.: 7.c

Department Approval



City Manager Approval



Item Description: 1681 Rice Street Non-Residential Stormwater Impact Fee Appeal

BACKGROUND

The property owner at 1681 Rice Street (the parcel in the northwest corner of the intersection of Rice Street and Larpenteur Avenue) has appealed the required Non-Residential Stormwater Impact Fee which is being levied against them in lieu of actual required on-site stormwater mitigation.

City Code and the City's Surface Water Management Plan require any development/redevelopment that exceeds 5,000 square of new or reconstructed impervious surface and/or 10,000 square feet of total land disturbance, to mitigate stormwater on site with the construction of a stormwater Best Management Practice (BMP) device, such as a rain garden, filtration basin, underground storage vault, etc. The vast majority of properties in Roseville are able to meet this requirement by fully infiltrating on site or draining a filtration device into the public storm sewer system.

Staff has been working with this property owner and their engineer since February of 2016 when we first received communications about the potential redevelopment of this site. At that time, it was first recognized that the ability to do on-site stormwater mitigation is severely limited due to the lack of accessibility to the public stormwater infrastructure. Specifically, the property owner would have to run new storm sewer at least 200 feet along Rice Street to tie into the public stormwater system as an outlet for any new stormwater BMP installed on site. Due to the former use of the site (gas station) and the soils on site, it was determined that infiltration was also not an option.

Recognizing this dilemma and also realizing we had no way to allow a property owner to meet the requirements through some other method beyond on site mitigation, staff began to develop and propose a Stormwater Impact Fee program for these types of scenarios. Staff scheduled a presentation of this proposal to the City Council in August of 2016. In the meantime, staff communicated to the property owner's engineer in July of 2016 that we were working to establish this program and that staff would be recommending a fee of \$15 per cubic foot of required stormwater mitigation, but all of this was subject to approval by the City Council.

Staff presented this proposed program to the City Council on August 8th. The Council was open to the concept but felt that the proposed \$15 per cubic foot fee did not adequately represent future maintenance costs of building or expanding a BMP in the public space which the City would be responsible to maintain. Therefore, staff returned to the Council on September 12, 2016 with a revised proposed fee of \$22.50 per cubic foot. This was approved by the Council and this fee was added to the 2017 Fee Schedule as adopted by the City Council.

When the applicant officially applied for the permits in 2017, they were informed of the final stormwater mitigation fee that they would be subject to per the adopted 2017 Fee Schedule and the

required mitigation of 1,707 cubic feet of detention/filtration. This increased the cost they were expecting from \$25,605 (using \$15 per cubic foot) to \$38,407 (using \$22.50 per cubic foot). The property owner was surprised by this increase and is appealing the final cost, requesting that at the very least they be subject to the originally proposed \$15 per cubic foot fee.

Further, the property owner is requesting that if the result of the appeal is a fee of any amount, that the City allow the property owner to pay this fee via special assessments. The City does allow property owners to assess certain utility related fees in hardship cases. Historically this has been allowed for senior citizens on fixed, low incomes, but the Council has also approved payments via special assessments for other mitigation costs such as transportation improvements around retail sites. If Council allows the payment via special assessment, staff would recommend a 10 year term with a 5% interest rate.

The property owner will be at the meeting to speak to the Council and provide more information and/or answer questions.

POLICY OBJECTIVE

The City of Roseville has developed specific requirements that apply to development and redevelopment projects. These standards are intended to help achieve the water resource goals of the City's Surface Water Management Plan (SWMP) and help the City maintain compliance with the National Pollutant Discharge Elimination System (NPDES) municipal permit program. These standards highlight important aspects of the requirements for stormwater quality, discharge rate and volume control, erosion control, and illicit discharge.

The Non-Residential Stormwater Impact Fee policy was developed to provide options for developments that cannot feasibly meet the City's Stormwater Requirements.

FINANCIAL IMPLICATIONS

If the City Council sees fit to approve the appeal by the property owner to reduce the stormwater impact fee, the City would not be subsidizing any actual costs by the City. It would limit the size of the additional detention/filtration volume that the City would construct in the future, likely in conjunction with the reconstruction/modification of Rice Street. Once the device is constructed, it could be argued that the City is subsidizing the maintenance of said device if we constructed the full 1,707 cubic feet that would be required for this property's mitigation.

If the City Council agrees to allow the applicant to pay off this fee via special assessments, the City is still not fronting money until an opportunity presents itself to construct the stormwater device as part of another stormwater/roadway project. In the meantime the property owner would be paying assessments and would essentially be building up a credit for the future expense. There may be a gap between the actual construction of said device, and therefore an expenditure on the City's part, and the full payment of the assessment.

STAFF RECOMMENDATION

Staff recommends the City Council receive the appeal from the property owner and then take one of the following actions:

1. Deny the appeal and require the full payment of \$38,407 prior to the final inspection being approved.
2. Reduce the impact fee to the original estimated amount of \$25,605, or any other agreed upon reduced rate, and require the full payment of this amount prior to the final inspection being approved.

76 Further, the City Council has the option of allowing the property owner to pay the impact fee via special
77 assessments. Staff requests that if the Council requires a stormwater mitigation fee in any amount that
78 they also vote on allowing the fee to be paid via special assessment with the condition that the applicant
79 enter into an Assessment Agreement with the City.

80 **REQUESTED COUNCIL ACTION**

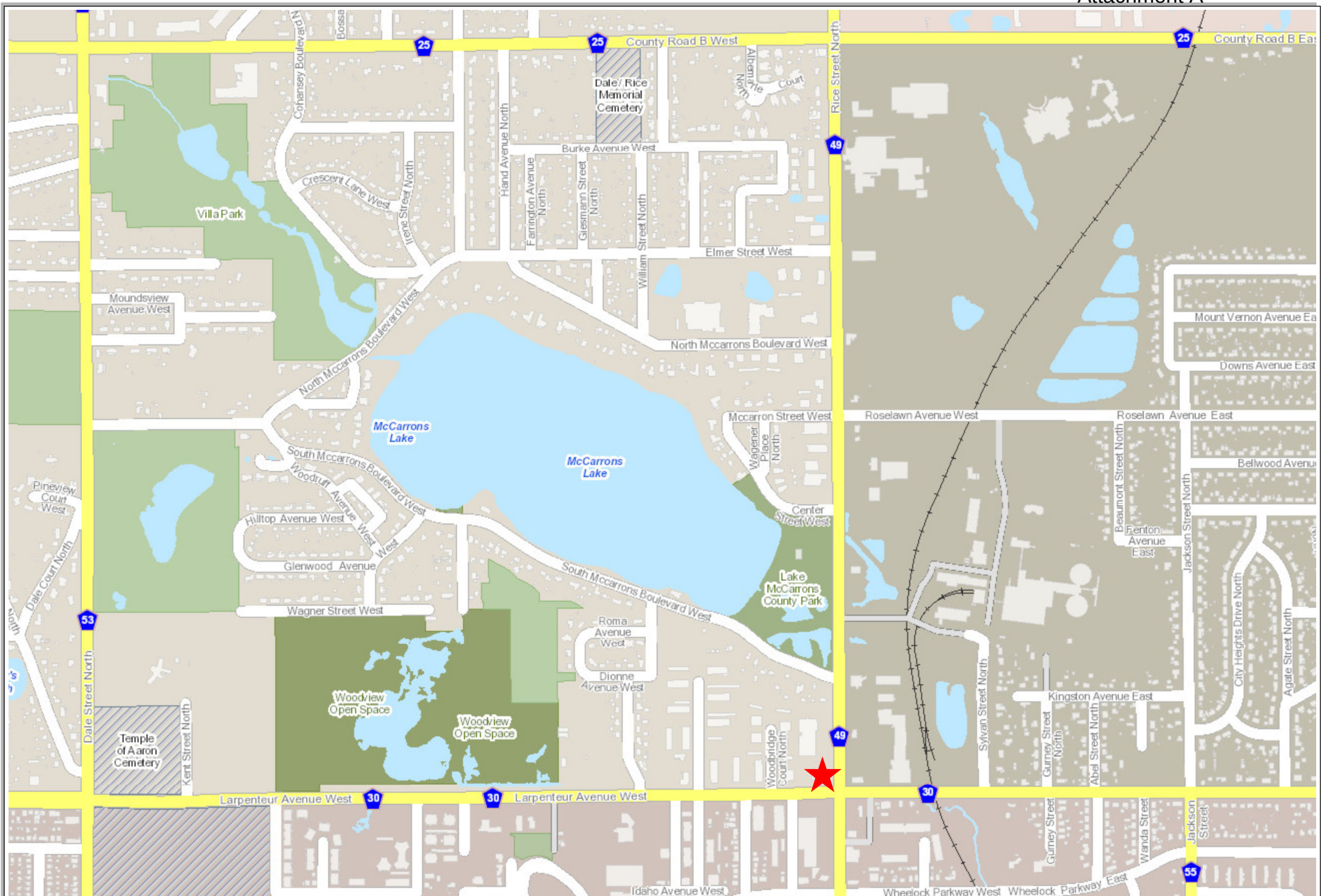
81 Consider the property owner's appeal and take one or more of the following actions:

- 82 1. Motion to deny the appeal for a reduction of the Non-Residential Stormwater Mitigation Fees at
83 1681 Rice Street.
84 2. Motion to approve the appeal for a reduction of the Non-Residential Stormwater Mitigation Fee
85 to an amount of \$_____ (amount to proposed by motioner – staff recommends reduction to
86 \$25,605 if the Council feels a reduction is warranted).

87 If Council approves a version of Option 2 above, the Council has the further option of approving the
88 following motion:

- 89 3. Motion to approve the payment of the Non-Residential Stormwater Mitigation Fee via special
90 assessment over a period of 10 years at an annual interest rate of 5%, with the condition of the
91 property owner entering into an Assessment Agreement as drafted by the City and approved by
92 the City Council.

Prepared by: Marc Culver, Public Works Director
Attachments: A: Area Map
B: Site Plan
C: Non-Residential Stormwater Impact Fund Policy



1681 Rice Street



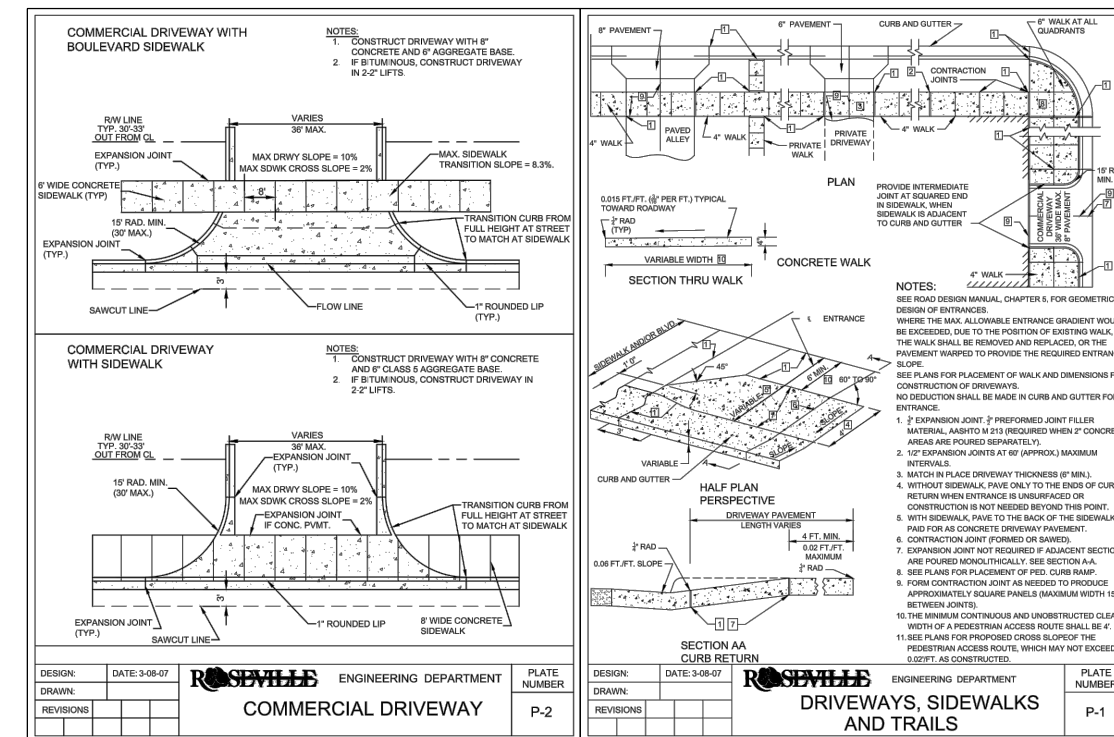
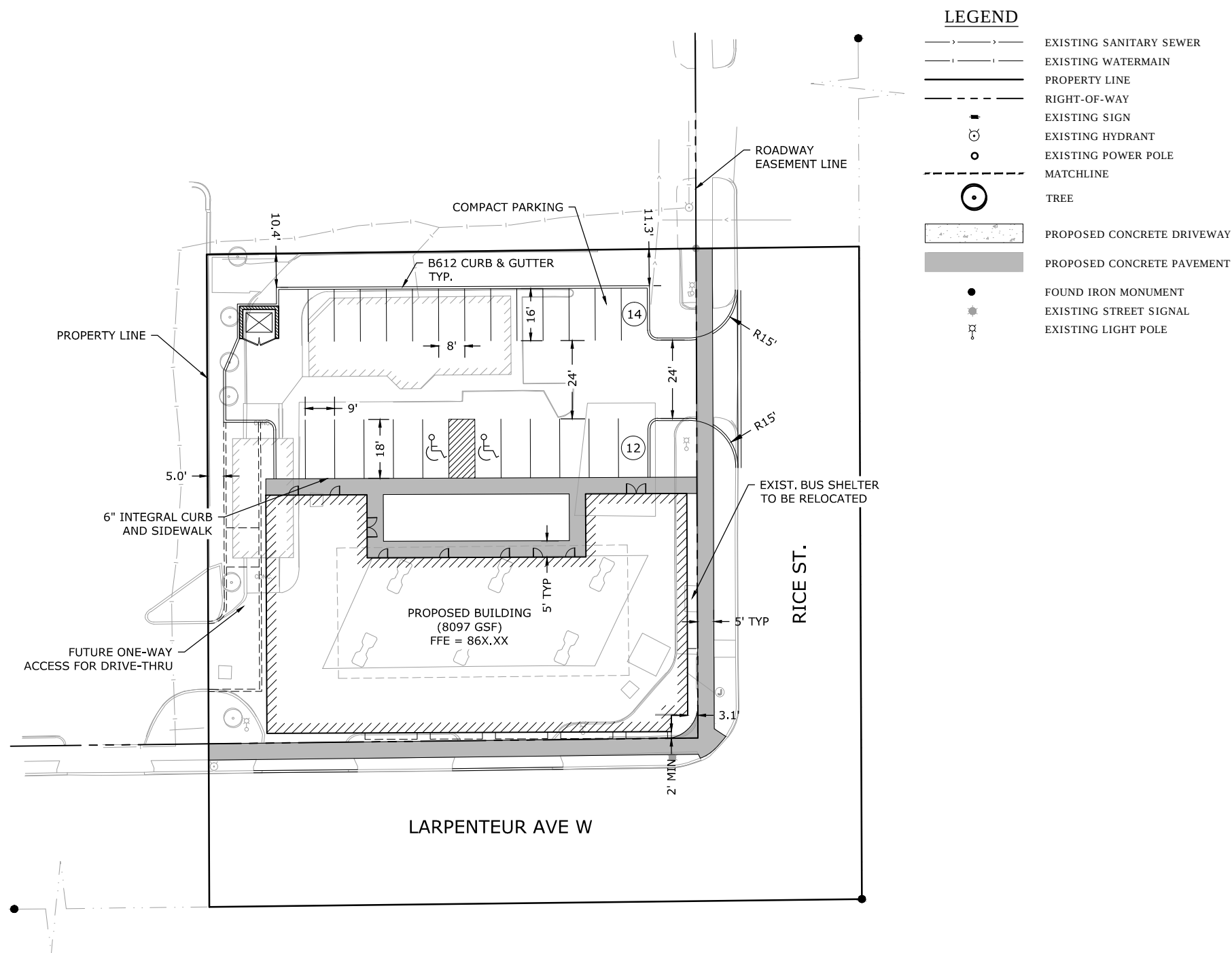
Prepared by:
Engineering Department
May 17, 2017

Data Sources and Contacts:
* Ramsey County GIS Base Map (5/4/17)
* City of Roseville Engineering Department
For further information regarding the contents of this map contact:
City of Roseville, Engineering Department
2660 Civic Center Drive, Roseville MN

DISCLAIMER
This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data provided in various city, county, state and federal offices and other sources regarding the area shown, and is to be used for reference purposes only. The City does not warrant that the Geographic Information System (GIS) Data used to prepare this map are error free, and the City does not warrant that the GIS Data can be used for navigational, tracking or any other purpose requiring exacting measurement of distance or direction or precision in the depiction of geographic features. If errors or discrepancies are found please contact 612-762-0075. The planning department is provided pursuant to Minnesota Statutes §66B.02, Subd. 21 (2006), and the use of the map acknowledges that the City shall not be liable for any damages, and expressly waives all claims, and agrees to defend, indemnify, and hold harmless the City from any and all claims brought by third parties, its employees or agents, or third parties which arise out of the user's access or use of data provided.

0 200 400 600 800 Feet
mapdoc: 1681RiceStreet.mxd
map: 1681RiceStreet.pdf





PRELIMINARY - NOT
FOR CONSTRUCTION



PROJECT NO.	16-007
DRAWN BY	ADC
DESIGN BY	ADC
CHECKED BY	AKC

DATE	ISSUES / REVISIONS
XX-XX-XX	X

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

AARON K. CARRELL
LIC. NO. 47494 DATE: XX-XX-XX

STATE AID PROJECT NO.	
STATE PROJECT NO.	
COUNTY PROJECT NO.	
CITY PROJECT NO.	
CLIENT PROJECT NO.	14071

SITE PLAN

1681 RICE STREET
ROSEVILLE, MN

SHEET X
OF
5 SHEETS



Stormwater Impact Fund: Non-Residential

This policy applies to all properties that are not zoned low density residential.

The City of Roseville has developed specific requirements that apply to development and redevelopment projects. These standards are intended to help achieve the water resource goals of the City's Surface Water Management Plan (SWMP) and help the City maintain compliance with the National Pollutant Discharge Elimination System (NPDES) municipal permit program. These standards highlight important aspects of the requirements for stormwater quality, discharge rate and volume control, erosion control, and illicit discharge.

These standards do not replace or supersede City ordinances, watershed district regulations, state and federal rules or permits required for the project. For a more detailed listing of requirements see the specific policies of the City's SWMP and the applicable City ordinances, or consult with City staff on your specific project.

To accomplish the goals of the SWMP, it is important to the City to have consistent approaches to evaluating proposed development and redevelopment projects. Therefore, all hydrologic, hydraulic and water quality analysis must be prepared and submitted in a format that will allow for a timely and efficient review by City staff.

For permitted sites that cannot feasibly meet the City's Stormwater Requirements through Alternative Stormwater Compliance Sequencing, permittees shall have the option to pay into the City's Stormwater Impact Fund. The amount paid to the City will be based on a \$/cubic-foot for the required volume. The \$/cubic-foot will be approved by the City Council annually, and can be found within the City's Fee Schedule.

1) Alternative Stormwater Compliance Sequencing:

The alternative compliance sequencing process includes three steps that must be followed in order to meet the volume reduction standard. The sequencing steps to be followed are:

- a. First, the applicant shall comply or partially comply with the volume reduction standard to the fullest extent practicable on-site through alternative volume reduction methods. See the questions below for more information.
- b. Second, the applicant shall meet the volume reduction standard at an offsite location or through the use of qualified banking credit.
- c. Third, as a last alternative, the applicant shall pay into the City's Stormwater Impact Fund at a \$/CF rate. The dollar amount will be approved by the City Council and will be found within the City's Fee Schedule.

2) Mitigation Provisions:

- a) Stormwater requirements met through the Stormwater Impact Fund will be mitigated as close to the permitted site as possible, dependent on site constraints and project feasibility. The City will follow the hierarchy below to implement a project to offset the volume requirements. Projects will be sited:
 1. Within the same storm sewer drainage district, or
 2. Within the same drainage area to the same receiving water body, or
 3. Within the same watershed district, or

4. Within the City limits

- b) Mitigation projects must involve the creations of new structural stormwater BMP's or the retrofit of existing structural stormwater BMP's, or the use of a properly designed regional structural stormwater BMP.
- c) Routine Maintenance of structural stormwater BMP's already required by this permit cannot be used to meet mitigation requirements.
- d) Mitigation projects implemented by an applicant shall be completed within 24 months after the start of the original construction activity.
 - 1) Mitigation projects implemented by the City through the use of Stormwater Impact Funds shall be used when a Regional Stormwater Project is identified and as funding is available.
- e) The applicant shall determine, and document, who will be responsible for long-term maintenance on all mitigation projects of this part.
- f) If the applicant receives payment from the owner and/or operator of a construction activity for mitigation purposes in lieu of the owner or operator of that construction activity meeting the conditions for post-construction stormwater management, the applicant shall apply any such payment received to a public stormwater project, and all projects must be in compliance with Part III.D.5.a(4)(a)-(e) of the City of Roseville's Stormwater Pollution Prevention Plan (SWPPP) Permit.