



**TO:** Mayor Shaun Sipma  
Members of the City Council

**FROM:** Emily Huettl, PE

**DATE:** June 21, 2021

**SUBJECT: SEWER CONNECTION FEE – 900 21<sup>ST</sup> AVENUE SE**

**I. RECOMMENDED ACTION**

Recommend that Council approve one of the three alternatives listed below.

**II. DEPARTMENT CONTACT PERSONS**

Lance Meyer, City Engineer	857-4100
Emily Huettl, Assistant City Engineer	857-4100

**III. DESCRIPTION**

A. Background

In 2013, following the completion of the Southwest Minot Sanitary Sewer Study, the City Council set the Puppy Dog Sewer Connection Fee at \$4,440 per acre. Since that time, any person wanting to connect into City sewer within that area is invoiced accordingly and the City must receive payment as part of the building permit process.

B. Proposed Project

STNL Development is planning to build a commercial structure at 900 21<sup>st</sup> Ave SE, which is located within the Puppy Dog Sewer system. This commercial lot is approximately 7.93 acres, which calculates to a connection fee of \$35,201.07. Upon receiving this invoice, the developer reached out to the Engineering Department seeking a reduction to this fee.

C. Consultant Selection

NA

**IV. IMPACT:**

A. Strategic Impact:

There is past precedent for Council revising sewer connection fees on a case by case basis. In those previous instances, Council has approved a reduction in fee based on the developable area of the lot.

B. Service/Delivery Impact:

The Engineering Department analysis has determined that approximately 3.62 acres of the lot is developable.

C. Fiscal Impact:

The connection fee was established to recoup costs associated with the Puppy Dog Sewer project. This revenue is deposited into the water and sewer enterprise account and applied toward bond repayment. If not enough revenue is collected, utility rate adjustments will need to be made at some point to ensure the project is paid.

**V. ALTERNATIVES**

- 1) Do nothing. The connection fee would remain at \$35,201.07 for this lot.
- 2) Revise the connection fee calculation for this lot based on 3.62 acres (the developable area), resulting in a connection fee of \$16,072.80.
- 3) Revise the connection fee for this lot to a dollar amount of your choosing.

**VI. TIME CONSTRAINTS**

The fee needs to be determined so that payment can be made and a building occupancy permit can be issued.

**VII. LIST OF ATTACHMENTS**

- A. Original Connection Fee Invoice
- B. Buildable Area Figure
- C. Revised Connection Fee Invoice