

HOPKINS CITY COUNCIL

AGENDA

Tuesday, May 9, 2023

6:30 pm

**THIS AGENDA IS SUBJECT TO CHANGE
UNTIL THE START OF THE CITY COUNCIL MEETING**

I. CALL TO ORDER

II. ADOPT AGENDA

III. PRESENTATIONS

1. Sustainability Update; Imihy Bean
 - a) A general update on on-going sustainability programming and recognition programs;
 - b) An overview of the Hopkins Heat Vulnerability Study; and
 - c) A discussion on the Hopkins Climate Solutions Fund

IV. CONSENT AGENDA

1. Minutes of the May 2, 2023 City Council Regular Meeting Proceedings

V. PUBLIC HEARINGS

1. First Reading of an Ordinance Amending Appendix A of the Hopkins City Code to Establish a Tree Replacement Fee; Krzos

VI. OLD BUSINESS

VII. NEW BUSINESS

1. 1428 Preston Lane Rezoning and Conditional Use Permit; Krzos
2. Gas and Electric Franchise Fee Update; Bishop

VIII. PUBLIC COMMENT

IX. ANNOUNCEMENTS

- Next City Council Regular Meeting: May 16 at 6:30 p.m.

X. ADJOURN



CITY OF HOPKINS

Memorandum

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: PeggySue Imihy Bean, Special Projects and Initiatives Manager

Date: May 09, 2023

Subject: Sustainability Update

PURPOSE

Following sustainability updates in [April 2022](#) and [October 2022](#) tonight, staff will present an update on sustainability initiatives and accomplishments across departments.

This will include:

- A general update on on-going sustainability programming and recognition programs;
- An overview of the Hopkins Heat Vulnerability Study; and
- A discussion on the Hopkins Climate Solutions Fund

Ongoing Initiatives

Partners in Energy (PiE)

The City of Hopkins has been accepted into Xcel Energy's Partners in Energy program, which will help the City develop and implement an Energy Action Plan over the next two years. Staff is nearly finished recruiting members to the Energy Action Team which will participate in five workshops over the next six months as part of the planning stage of the program.

Team members have been recruited through an open application process as well as targeted outreach to potential candidates who were recommended by the Council or who came to mind due to their affiliations and/or previous interest in energy and sustainability. If the Council has ideas for additional candidates to be added to the Energy Action Team, there is still time to add members before the first workshop scheduled for May 18th. Questions about PiE can be directed to Kurt Howard, Planner.

Multimodal Policy/Scooters

The City of Hopkins, in conjunction with the cities of Golden Valley and Minnetonka issued a joint Request for Proposals (RFP) for micromobility sharing operations for the 2023 season. After reviewing three submissions, the cities have recommended Spin as the provider. Scooters should roll out in early May, and stay available through November. A full analysis of the program and selection was included as an earlier item in this packet on the consent agenda.

SolSmart

In 2022, the City of Hopkins achieved bronze designation in the [SolSmart Program](#). This March, the City was awarded a new designation of Silver. This achievement celebrates the City's commitment to making it faster, easier, and more affordable for property owners to go solar. This designation is in recognition of all the hard work and leadership the City has shown to reduce soft costs and encourage solar energy growth at the local level. Tonight, staff will present an updated plaque commemorating this achievement to the Council.

GreenStep Cities

It is with great excitement to share that the City has reported the necessary metrics and has improved in three or more Step 5-eligible metrics this year, and will achieve both Steps 4 and 5 in the GreenSteps Cities Program. This is the first time the City has achieved Step 5, and this achievement marks the final recognition step in GreenStep Cities. Step advancements will be formally announced in May, and more information is to come from the program on receiving the award blocks. This achievement will be celebrated at the League of Minnesota Cities annual conference in Duluth, June 21-23. As a note, the GreenStep Cities website won't be updated showing new step achievements until June.

EV Smart Communities

This spring the City of Hopkins was one of 50 communities accepted in the EV smart communities' program through the Great Plains Institute (GPI). This program, similar to Green Steps Cities or SolSmart is a points-based recognition program, which helps cities prepare and promote electric vehicles and electric vehicle infrastructure. Staff are currently working alongside GPI staff to begin working through the scoring system to determine at what level the City can be recognized for ongoing achievements related to EVs and set future goals in this area. Staff will bring a more detailed update at the October meeting.

Tree City USA + Arbor Day

In 2023, the City of Hopkins has reapplied for Tree City USA status, a program which recognizes the City for ongoing efforts related to expanding and maintaining the tree canopy. Participation in Tree City USA requires the community to celebrate Arbor Day annually with a proclamation and celebration. This year staff from Public Works, and local contractor Heritage Shade Tree gave residents a presentation on caring for trees and had a free tree giveaway.

Tree Canopy + EAB Grants

Public Works continues to remove trees infested with Emerald Ash Borer (EAB) from publicly owned land and replant new trees in accordance with grants obtained in 2021 and 2022 from the Minnesota DNR. As staff capacity allows, the department continues to look for opportunities that are feasible to accomplish in addition to ongoing projects.

Fleet Electrification and Electric Vehicles

As part of the Xcel Energy funding Fleet Electrification Assessment Program, Sawatch Labs has completed its assessment of the City's current fleet and recommended several alternative vehicles which could be introduced into the fleet over time as vehicles require replacement and when EV charging facilities are installed within the City. Staff will explore a budget request for an EV charger at public works to help begin this transition.

HOURCAR is still scheduled to bring two electric vehicles to be located at Dow Towers. This grant funded opportunity will provide all charging infrastructure and vehicles for 18 months. While any resident in Hopkins is able to access these cars, which are part of HOURCAR's Evie program, income qualified residents can access the vehicles for just \$1 a month, and \$6 per hour. Staff will provide more information as we know when cars will be available.

Hopkins Heat Vulnerability Study

In Spring of 2022, the City, in partnership with LHB and Local Climate Solutions, applied to the Minnesota Pollution Control Agency (MPCA) for a grant in the amount of \$49,568 to assess the climate vulnerability of properties along both the Blake Road and Excelsior Boulevard corridors. These areas are currently identified by the Metropolitan Council as areas which are extremely vulnerable to extreme heat and have less than the ideal tree canopy.

Over the last year, the project team has done a wide variety of community engagement with residents and property owners to understand what needs to happen for the corridor to be more resilient to climate change and to keep the community safe during heatwaves.

The [final report is an online tool](#) which documents current conditions, provides community sourced recommendations, and shows solutions used by similar communities experiencing the same conditions. In making this project a digital and interactive webpage, the community and property owners can interact with the platform in a way not traditional provided by paper reports. Property owners can also see how their exact property is affected by current climate conditions.

Tonight, Staff from LHB and Local Climate Solutions will provide a short overview of the project and demonstrate how the online website works.

Green Cost Sharing and Incentives for Alternative Energy Systems

As discussed at the last sustainability update, the City regularly gets inquiries from residents and businesses regarding any incentives or grant opportunities for sustainable improvements such as solar, EV infrastructure and energy system improvements. During that meeting, Staff was directed to develop a green cost share program for sustainable property improvements using \$150,000 of ARPA funds. Staff has worked with local consultant, Local Climate Solutions, to develop an equity centered program that focuses on providing incentives for items which are likely to have the greatest impact on resiliency. Below is an overview of the program which takes into consideration existing rebates from utility provider, Xcel Energy, and planned State and Federal rebates and tax credits as part of the IRA legislation passed in 2022.

Hopkins Climate Solutions Fund (HCSF)

Program Overview:

The City of Hopkins is offering incentives to residents and businesses to accelerate our transition to cleaner and more efficient energy. Leveraging electric utility rebates and federal incentives, this program will help to reduce upfront costs associated with replacing energy equipment and installing renewable energy systems.

Xcel Energy Rebates

Xcel Energy offers rebates to residential customers to improve the efficiency of home energy appliances. This includes space heating and cooling systems, water heaters, efficient lights, and weatherization. Incentives are also available for electric vehicle charging equipment and solar installations. Find out more on the Xcel Energy [website](#).

Federal Tax Credit and Rebates

The Inflation Reduction Act includes funding for residential energy efficiency and electrification. Rebates are expected to be made available in late 2023 through the State Energy Office. Tax incentives are also available to individuals, businesses, as well as tax-exempt entities for energy efficiency, electrification, and clean energy projects. More information is available through Minnesota [Clean Energy Resource Teams](#).

Equity Considerations

Development of this program was done in line with both the Federal government's Justice40 Initiative and other similar cost-sharing programs in the Metro and across the country. Staff proposes dividing the available funding into three categories to ensure that there is equitable access for those who may have the greatest need:

- Income-qualified Residential: \$50,000
- Residential: \$30,000
- Commercial and Multi-Family: \$70,000

The definitions for these categories are proposed below. Additionally, a higher match is proposed for those in the green infrastructure bonus area – an area of the community that is a known environmental justice area, defined and problem solved for as part of the Hopkins Heat Vulnerability Study.

Eligible Entities

The following entities are eligible to receive rebates from the City of Hopkins. The rebated amounts vary by eligible entities and technologies as described in the tables below.

- **Income Qualified Residential:** Individuals who own or manage a one- to four-unit residential property within the city of Hopkins where residents are Xcel Energy customers and earn 80% or less of area median income.
- **Residential:** Homeowners within the city of Hopkins who are Xcel Energy customers and earn 80% or more of Hopkins median income.
- **Multi-Family Buildings:** Multi-family properties located within the city of Hopkins with five or more units.
- **Business:** Property owners or managers of existing commercial buildings located within the city of Hopkins that have completed an energy assessment through [Energy Smart](#).
- **Green Infrastructure Bonus:** Eligible residential or commercial properties that are located in the urban heat island area of concern along either the Blake Road or Excelsior Boulevard corridors are eligible to receive a bonus rebate when they make site improvements that increase shade and/or convert 10% or more of dark impervious surfaces (parking lots) to cool pavement, impervious surfaces, or vegetation including shade trees; or replace rooftops with white membranes of green roofs.

Timeline and Granting Process

Given a high degree of current interest in the program, Staff anticipates the program may run out of funds fairly quickly. This is in line with other grant programs the city offers, such as the façade improvement program where there are often more applications than available dollars. Where that program has design and other considerations that help determine funding, Staff felt that eligible expenses should not be hierarchically ranked to not discourage someone from making a small improvement if that is what their own finances allow. Instead, Staff proposes a close date for applications and then a lottery for funding. This allows everyone an equal chance of being funded, and if funds allow, all applicants could still be funded. The program is also proposed to have a long runway before applications are due to ensure all residents and businesses have an opportunity to hear about the program, and troubleshoot applications prior to applying.

- The proposed timeline for the program is as follows:
 - June 1 – Applications Open
 - June to August – City rolls out comprehensive engagement strategy to inform residents of the plan. This will likely include 1-2 dedicated in-person Q&A sessions, 1-2 virtual sessions, and program promotion at in-person events, in Hopkins Highlights and Connections and City Social Media Accounts.
 - August 14 – Applications close and verified for accuracy.
 - August 31 – Lottery is pulled, and grantees are notified.
 - December 31 – Deadline for grantees to submit final paperwork and be reimbursed*

The program will operate similarly to the façade grant improvement program, where applicants will first need to purchase the improvement and then be reimbursed by the City.

In addition to the grant funding, Staff proposes to set aside \$100,000 from the general fund surplus to provide [eligible commercial and multi-family](#) entities with the ability to assess the cost of their improvements up to \$60,000 to their property. This allows entities to stack the HCSF grant, with utility and tax rebates, and additional City financing.

It should also be noted that until Federal rebates and tax credits are available, the City proposes to provide the full funding shown below.

- For example; if a resident were to apply for an induction oven which under IRA would receive an \$840 tax credit, the City would not subtract that \$840 from the eligible Hopkins Rebate if IRA funding is not yet available to residents.
- This means that until Federal IRA funding is made available, the City would be matching a higher dollar amount for any item which would be rebated in this way.

**Given that some exterior building envelope improvements such as solar may not be completed during the Fall, pending weather, Staff may allow this deadline to be extended on a case-by-case basis.*

Eligible Incentives for Residential

The tables below summarize estimated rebates from federal and utility incentives, as well as complementary rebates offered by the city of Hopkins. It is important to note that federal rebate amounts vary by income level. For example, individuals earning more than

80% of area median income are eligible for rebates that are 50% of the costs of the equipment up to the maximum allowable rebate. Individuals earning less than 80% of area median income are eligible for rebates that are 100% of the costs of the equipment up to the maximum allowable rebate.

Weatherization

Income Qualified	Technology	Federal Incentives		Utility Rebate	Hopkins Rebate
		Tax Credits	Rebates		
	Home Energy Assessment	\$0.00	\$0.00	N/A	100% of Assessment
	Insulation & Air Sealing	\$1,600.00	\$1,200.00	\$100.00	100% of remaining costs up to \$2,500
Residential	Technology	Federal Incentives		Utility Rebate	Hopkins Rebate
		Tax Credits	Rebates		
	Home Energy Assessment	\$0.00	\$0.00	N/A	100% of Assessment
	Insulation & Air Sealing	\$1,600.00	\$1,200.00	\$100.00	50% of remaining costs up \$2,500

Energy Efficiency and Electrification

Income Qualified	Technology	Federal Incentives		Utility Rebate	Hopkins Rebate
		Tax Credits	Rebates		
	Electric/Induction Range	\$0.00	\$840.00	\$0.00	100% of remaining costs up to \$2,000
	Electric Panel Upgrade	\$600.00	\$4,000.00	\$0.00	100% of remaining costs up to \$2,500
	Heat Pump Water Heater	\$2,000.00	\$1,750.00	\$400-\$500	100% of remaining costs up to \$1,500
	Tankless water heater	\$0.00	\$0.00	\$250.00	100% of remaining costs up to \$500

	Air-source Heat-pump heating and cooling	\$2,000.00	\$8,000.00	\$600.00	100% of remaining costs up to \$2,500
Residential	Technology	Federal Incentives		Utility Rebate	Hopkins Rebate
		Tax Credits	Rebates		
	Electric/Induction Range	\$0.00	\$840.00	\$0.00	50% of remaining costs up \$2,000
	Electric Panel Upgrade	\$600.00	\$4,000.00	\$0.00	50% of remaining costs up \$1,500
	Heat Pump Water Heater	\$2,000.00	\$1,750.00	\$400-\$500	50% of remaining costs up \$1,500
	Tankless water heater	\$0.00	\$0.00	\$250.00	50% of remaining costs up \$500
	Air-source Heat-pump heating and cooling	\$2,000.00	\$8,000.00	\$600.00	50% of remaining costs up \$2,500

Clean Energy and Storage

Income Qualified	Technology	Federal Incentives		Utility Rebate	Hopkins Rebate
		Tax Credits	Rebates		
	Battery Storage paired with solar	30%	\$0.00	\$0.00	50% up to \$4,000
Residential	Technology	Federal Incentives		Utility Rebate	Hopkins Rebate
		Tax Credits	Rebates		
	Solar Energy System	30%	\$0.00	\$0.02/kwh	15% of system cost up to \$2,500
	Battery Storage paired with solar	30%	\$0.00	\$0.00	15% of system cost up to \$1,500

Sustainable Transportation

Income Qualified	Technology	Federal Incentives		Utility Rebate	Hopkins Rebate
		Tax Credits	Rebates		

	Electric Vehicle Charging Equipment	30% up to \$1,000.00	\$0.00	\$0.00	100% of remaining costs up to \$500
	Electric Bike	\$0.00	\$0.00	\$0.00	100% of cost up to \$1,000
Residential	Technology	Federal Incentives		Utility Rebate	Hopkins Rebate
		Tax Credits	Rebates		
	Electric Vehicle Charging Equipment	30% up to \$1,000.00	\$0.00	\$0.00	50% of remaining costs up to \$500
	Electric Bike	\$0.00	\$0.00	\$0.00	50% of cost up to \$1,000

Eligible Technologies for Commercial and Multi-family:

Energy Efficiency and Electrification

Technology	Hopkins Rebate	Green Infrastructure Bonus
Lighting	50% of total eligible utility rebate, up to \$1,500	75% of total eligible utility rebate, up to \$2,500
All other efficiency and electrification technologies per Xcel Energy rebate criteria	50% of total eligible utility rebate, up to \$3,500	75% of total eligible utility rebate, up to \$5,000

Clean Energy and Storage

Technology	Hopkins Rebate	Green Infrastructure Bonus
Solar Energy System	15% of system cost up to \$5,000	25% of system cost, up to \$7,500
Battery Storage paired with solar	15% of system cost up to \$3,000	25% of system cost, up to \$5,500

Sustainable Transportation

Technology	Federal Tax Credit	Hopkins Rebate	Green Infrastructure Bonus
Electric Vehicle Charging Equipment	30% up to \$100,000.00	15% of remaining cost up to \$2,500	25% of total eligible utility rebate, up to \$5,000

FUTURE ACTION

Staff is seeking feedback on the above programs and any further direction on sustainability programs and initiatives.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
MAY 2, 2023**

CALL TO ORDER

Pursuant to due call and notice thereof a regular meeting of the Hopkins City Council was held on Tuesday, May 2, 2023 at 6:32 p.m. in the Council Chambers at City Hall, 1010 1st Street South.

Mayor Hanlon called the meeting to order with Council Members Balan, Beck, Garrido and Hunke attending. Others attending included City Manager Mornson, Assistant City Manager Lenz, City Clerk Domeier, Director of Planning and Development Elverum, City Engineer Klingbeil, Director of Public Works Autio, Finance Director Bishop and Special Projects and Initiatives Manager Imihy Bean.

ADOPT AGENDA

Motion by Balan. **Second** by Garrido.

Motion to Adopt the Agenda.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

PRESENTATIONS

III.1. Proclamation for Asian/Pacific American Heritage Month; Imihy Bean

Special Projects and Initiatives Manager Imihy Bean summarized Council Report 2023-041. Asian/Pacific American Heritage month commemorates all Asian Americans and Pacific Island Americans in the United States.

Motion by Beck. **Second** by Balan.

Motion to Adopt a Proclamation for Asian/Pacific American Heritage Month in Hopkins.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

III.2. Update on the Green Line Extension Project; Jim Alexander

Jim Alexander, Project Director for the Green Line Extension, provided an update on the project. Brief discussion ensued regarding the Shady Oak Station North. Mayor Hanlon shared the City needs the area for development. Council Member Beck requested a parking ramp that would serve the region. Mr. Beck also spoke to the architecture of the Rail Support Facility and the opportunity to add art to the property.

III.3. Beacon Presentation; Mayor Hanlon

Ricky Kamil, Congregational Organizer with Beacon Interfaith and Rev. Nancy Nord Bence, Public Policy Manger with Beacon Interfaith, asked the City to sign on the unlock the metro campaign letter. Rev. Nord Bence explained more about project based vouchers and polices.

CONSENT AGENDA

Motion by Garrido. **Second** by Balan.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
MAY 2, 2023**

Motion to Approve the Consent Agenda.

1. Minutes of the April 18, 2023 City Council Regular Meeting Proceedings
2. Extension of On-Sale Liquor License for Pizza Luce VI, Inc. DBA Pizza Luce VI; Domeier
3. Ratify Checks Issued in April 2023; Bishop
4. Second Reading: Ordinance 2023-1188 Ordinance Temporarily Suspending Chapter 36 of the Hopkins City Code Regarding Maintenance of Vegetation; Imihy Bean

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

NEW BUSINESS

VII.1. Order Feasibility Report - 2024 Street and Utility Improvements, City Project 2023-10; Klingbeil

City Engineer Klingbeil and Finance Director Bishop summarized Council Report 2023-042. At the April 4, 2023 City Council meeting staff was directed to prepare to order a feasibility report to continue with street and utility improvements as identified in the Capital Improvement Plan.

Discussion was held on the options for delaying parts of the projects. Mr. Klingbeil suggested breaking the larger segment of the 2026 project into two years. Mr. Bishop will look into the financing options and share at a future budget session.

Motion by Beck. **Second** by Hunke.

Motion to Adopt Resolution 2023-016 ordering the preparation of a feasibility report for the 2024 Street and Utility Improvements and authorizing Mayor and City Manager to enter into an agreement with Bolton and Menk, Inc. to prepare the report.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

ANNOUNCEMENTS

Mayor Hanlon reviewed the upcoming meeting schedule. Mayor Hanlon shared a letter from Hadley Hayes, age 6, asking the City to consider a city pick-up day.

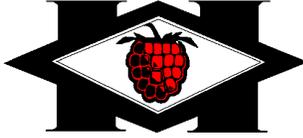
ADJOURNMENT

There being no further business to come before the City Council, Mayor Hanlon adjourned the meeting at 7:43 p.m.

Respectfully Submitted,



Amy Domeier, City Clerk



CITY OF HOPKINS

City Council Report 2023-044

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Ryan Krzos, City Planner

Date: May 9, 2023

Subject: First Reading of an Ordinance Amending Appendix A of the Hopkins City Code to Establish a Tree Replacement Fee

RECOMMENDED ACTION

MOTION TO Approve a First Reading of an Ordinance Amending Appendix A of the Hopkins City Code to Establish a Tree Replacement Fee.

OVERVIEW

The City's updated Zoning Code established new provisions related to tree protection and promotion of the City's tree canopy. More specifically the code requires that if a development site has existing trees, the developer/applicant either has to retain them in place or replace the trees elsewhere. If replacing elsewhere, the code gives the option to pay a fee in lieu of actual plantings. Being a new policy, the City's fee schedule needs to provide amount the City is to collect; which per the zoning code is to be a cost per diameter inch. The amount is intended to be commensurate to the cost of replacement plantings. Similar communities in the metro impose a range fees for comparable polices:

Minnetonka: \$125 per required inch of mitigation

Maplewood: \$60.00 per caliper inch

Eden Prairie \$125 per caliper inch

Wayzata: \$160 per caliper inch, or the City's actual cost to implement a tree replacement plan that has been approved by the City Forester

Rosemount: \$100.00 per caliper inch of tree replacement

Woodbury: \$200 per diameter inch, \$400 for protected trees

St Louis Park: \$225 per caliper inch

Eagan: \$200 per diameter inch, or \$1.2 square foot of woodland area

Shakopee: \$400 per tree, or \$500 per inch of unauthorized significant tree removals

The proposed ordinance would set Hopkins' tree replacement fee at \$200 per diameter inch. In consulting with the City's forestry staff, this amount is reflective of expected actual costs of replacement plantings in Hopkins.

SUPPORTING INFORMATION

- Proposed Ordinance 2023-1189 an Ordinance Amending Appendix A of the Hopkins City Code to Establish a Tree Replacement Fee

**CITY OF HOPKINS
HENNEPIN COUNTY, MINNESOTA**

ORIDNANCE 2023-1189

**AN ORDINANCE AMENDING APPENDIX A IN THE HOPKINS CITY CODE TO
ESTABLISH A TREE REPLACEMENT FEE**

**THE CITY COUNCIL OF THE CITY OF HOPKINS HEREBY ORDAINS AS
FOLLOWS:**

SECTION 1. Hopkins City Code, Appendix A, is hereby amended by adding the double-underlined language as follows:

Planning and Zoning			
	Base Fee	Escrow*	
Concept review	\$350.00		As per ordinance
Site plan review	\$500.00		As per ordinance
Conditional use permit	\$800.00	\$1,000.00	As per ordinance
Conditional use permit for fences, signs and other uses:	\$150.00		As per ordinance
Variance	\$500.00		As per ordinance
Vacate street or alley	\$500.00		As per ordinance
Rezoning or text amendment	\$1,000.00	\$3,000.00	As per ordinance
Administrative subdivision	\$300.00		As per ordinance
Subdivision approval, preliminary	\$1,000.00	\$1,500.00	As per ordinance
Subdivision approval, final	\$1,000.00	\$1,500.00	As per ordinance
Subdivision, combined application	\$1,800.00	\$3,000.00	As per ordinance
Planned unit development	\$2,500.00	\$5,000.00	As per ordinance
Comprehensive plan amendment	\$2,000.00	\$3,000.00	As per ordinance

Park dedication fee per residential unit	\$5,000.00		Per unit
<u>Tree Replacement Fee</u>	<u>\$200.00 Per diameter inch of tree not replaced</u>		<u>As per ordinance</u>
Environmental review	\$1,000.00	\$10,000.00 based estimate or on	As per ordinance
Traffic/travel demand management study	\$500.00	\$5,000.00 based estimate or on	As per ordinance
Zoning verification letter	\$100.00 per parcel		As per ordinance
Extension of approvals	\$250.00		As per ordinance
Application for city financial assistance	\$2,000.00	\$25,000.00 based estimate or on	As per ordinance
Zoning appeal	\$350.00		As per ordinance
Interim use permit		\$10,000.00 based estimate or on	As per ordinance
*Escrow may be adjusted as needed dependent on project size and scope at staff discretion.			

SECTION 2. In accordance with Section 3.03 of the City Charter and Minn. Stat. § 412.191, subd. 4, due to the significant length of this Ordinance, City staff shall have the following summary printed in the official City newspaper in lieu of the complete ordinance:

On May 25, 2023, the Hopkins City Council adopted Ordinance 2023-1189 an Ordinance Amending Appendix A of the Hopkins City Code to establish a tree replacement fee of \$200.00 per diameter inch of tree not replaced.

A printed copy of the ordinance is available for inspection during regular business hours at Hopkins City Hall and is available online at the City's web site located at www.hopkinsmn.com.

SECTION 3. The effective date of this ordinance shall be May 25, 2023.

First Reading:	May 9, 2023
Second Reading:	May 16, 2023
Date of Publication:	May 25, 2023
Date Ordinance Takes Effect:	May 25, 2023

By: _____
Patrick Hanlon, Mayor

ATTEST:

Amy Domeier, City Clerk

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ADOPT AGENDA

Motion by Balan. **Second** by Garrido.

Motion to Adopt the Agenda.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. **Motion carried.**

PRESENTATIONS

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Motion by Beck. **Second** by Hunke.

Motion to Adopt Resolution 2023-016 ordering the preparation of a feasibility report for the 2024 Street and Utility Improvements and authorizing Mayor and City Manager to enter into an agreement with Bolton and Menk, Inc. to prepare the report.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

ANNOUNCEMENTS

Mayor Hanlon reviewed the upcoming meeting schedule. Mayor Hanlon shared a letter from Hadley Hayes, age 6, asking the City to consider a city pick-up day.

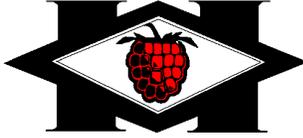
ADJOURNMENT

There being no further business to come before the City Council, Mayor Hanlon adjourned the meeting at 7:43 p.m.

Respectfully Submitted,



Amy Domeier, City Clerk



CITY OF HOPKINS

Planning and Development

City Council Report 2023-045

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Ryan Krzos, City Planner

Date: May 9, 2023

Subject: 1428 Preston Lane Rezoning and Conditional Use Permit

RECOMMENDED ACTION

MOTION TO deny a first reading of Ordinance 2023-1190 Rezoning 1428 Preston Lane and deny Resolution 2023-017 for a Conditional Use Permit Amendment to allow the accessory school use at 1428 Preston Lane.

OVERVIEW

The rezoning and conditional use permit amendment applications were submitted by Agape Christi Academy, who is pursuing a purchase of the entire St John's Interlachen campus. Agape Christi Academy is a private school operator, currently located in Eden Prairie. The campus includes the school and church building which would be respectively used for a K-12 school by Agape Christi and leased to a church congregation. The property also includes a rectory building on a separate legal parcel addressed as 1428 Preston Lane. The applicant is seeking approval to demolish the rectory and replace it with an open recreation area that would be used by the school.

1428 Preston Lane is currently zoned N2-A, Large Lot Suburban Neighborhood. The Hopkins Development code prohibits the demolition of dwelling units in N-zoned properties without approved plans to replace the residence. Furthermore, neither schools or parks and open spaces are eligible uses in the N2-A zone, so the applicant is seeking a rezoning to P2, Public-Institutional. The Conditional Use Amendment request is needed to allow the expansion of the school use onto the 1428 Preston Lane parcel. The Planning and Zoning Commission held a public hearing and reviewed the application at their April 25, 2023 meeting. On a 5-2 vote, the Commission recommended approval of the rezoning and conditional use permit. Staff recommends the City Council deny the rezoning request and the conditional use permit because of the direct conflict with City policy related to demolition of dwelling units.

SUPPORTING INFORMATION

- Proposed Ordinance 2023-1190 Rezoning 1428 Preston Lane from N2-A to P2.
- Proposed Resolution 2023-017 approving a conditional use permit amendment to allow a use accessory to a school at 1428 Preston Lane.

BACKGROUND

The St. John's Campus is a long-standing institutional facility in the Interlachen Park Neighborhood. The St. John the Evangelist School building was built in 1950. Also in 1950 the residence serving as the rectory was built at 1428 Preston Lane. At or around that same time, a detached garage for the rectory was built on the parcel containing the church and school building. In 1967, a Special Use Permit was granted to allow the construction of an addition to serve as the church. In 2013, the St. John's School ceased operating. From the fall of 2015 to 2019, Agamim Classical Academy operated a charter school in the school building and the parish continued to use the church.

Agape Christi Academy is now pursuing an acquisition of the entire campus and has submitted the zoning applications. Per the applicant, a new religious congregation will be able to lease the church space once the parish fully consolidates their operations at the Mainstreet property. To provide additional on-site recreational facilities, the applicant is seeking approval of the land use requests to demolish the rectory and construct a play area. According to their submitted plans the recreation area would be a grass field, with evergreen plantings and fencing along the western border. Denial of this request would not preclude Agape Christi from operating their school at this location; however they indicate it would result in a reconsideration of the purchase.

Neighborhood Meeting. The Zoning Code requires the applicant to host a neighborhood meeting before the public hearing to explain the project, answer questions and take any comments. This meeting took place on April 11 in the Community Room at St. John's. A [meeting summary](#) is located on the project page on the City's website.

Public Comment. Applications for conditional use permit and rezoning require the Planning and Zoning Commission to conduct a public hearing. The City published notice of the public hearing in the local paper and mailed notices directly to those properties within 500 feet of the subject property. Signage informing the community of a development proposal was also displayed on the site. The City received four comments on this item in addition to approximately a dozen phone calls. The submitted public comments are included as an attachment to the draft [minutes of the April 25, 2023](#) Planning and Zoning Commission meeting.

Public Hearing. The Planning and Zoning Commission held a public hearing and reviewed the application at their April 25, 2023 meeting. Five members of the public spoke during the hearing. Two of the speakers spoke directly against the demolition of the rectory. The remaining three residents offered general support of the new school operator at this location. Two of the speakers offering support of the school use expressed concern over vehicle traffic during pick up and drop off.

During their review, the Planning and Zoning Commission discussed traffic flow around the school, preservation of single family homes, and the potential of alternative plans to incorporate additional green space without rezoning and demolition of the rectory. The Commission also discussed the nonconforming status of the rectory's detached garage. Following discussion of the applications, the Commission approved a motion on a vote of 5-2 to recommend that the Council approve the rezoning and conditional use. In general, supporters of the motion expressed interest in facilitating the request which allows for continued institutional use of the campus. Additionally, supporters were concerned that if the request were denied the rectory building could be vacant for an

undetermined amount of time.

Legal Authority. This request includes a rezoning and a conditional use permit amendment. The rezoning application is considered a legislative action, meaning that the City is formulating public policy and zoning standards to regulate the type of development land uses it desires. Under the law, the City has wide flexibility to create standards that will ensure the type of development it desires.

Conversely, the conditional use permit amendment application is processed in the same manner as a new conditional use, and is considered a quasi-judicial action. For this type of application, the City is acting as a judge to determine if the regulations within the Comprehensive Plan and the Development Code are being followed. Generally, if a conditional use application is found to meet the requirements it should be approved. As previously noted, staff have determined that the rezoning to the P2 zone is needed for this accessory use to the school to be eligible at this location.

Primary Issues to Consider – Rezoning

The decision to amend the zoning map, or rezone a parcel, is a matter of legislative discretion that is not controlled by any one criterion or standard. In making recommendations and decisions about zoning map amendments, the Planning & Zoning Commission and City Council must consider all relevant factors, including at least the following:

- (1) Whether the proposed zoning map amendment (rezoning) is in conformity with the comprehensive plan; and
- (2) Whether the proposed zoning map amendment (rezoning) corrects an error or inconsistency or will help meet the challenge of a changed or changing condition.

Consistency with the Comprehensive Plan. The [2040 Comprehensive Plan](#) guides the subject property, the entire St John's campus, and the surrounding Interlachen Park Neighborhood as Suburban Neighborhood. The Suburban Neighborhood designation is meant to allow for low density single family neighborhoods and accessory uses such as parks and neighborhood scaled public and institutional uses.

The Comprehensive Plan is divided into sections addressing the City's Built, Social, Natural, and Economic Environments. Each of the sections contains goals and policies to guide growth and development within the City.

The built environment section contains the City's land use, housing, and transportation goals. The land use goal determined to have the most relevancy to this rezoning decision is the goal to support and strengthen the city's residential areas with reinvestment and appropriate infill. Furthermore, a policy supporting this goal is to encourage the preservation and enhancement of the community's detached single family housing stock, especially in the Estate Neighborhood and Suburban Neighborhood future land use categories. Staff finds the proposed rezoning to be inconsistent with this goal and policy in that it would enable the demolition of a dwelling unit.

The housing goal determined to have the most relevancy to the rezoning is the goal to maintain the quality, safety, and character of existing housing stock. A policy supporting this goal is to protect single family homes from demolition, unless demolition is needed to achieve citywide goals. Staff finds the proposed rezoning to be inconsistent with this goal and policy as the project is not clearly delivering on other citywide goals to the extent that

would justify breaking the demolition policy.

The above noted policies which seek to protect and preserve single family homes from demolition reflect a long-standing community sentiment; as further reflected in the City's Development Code. Specifically, demolition of dwellings in N-zoned area is prohibited without a plan to replace the unit. Although the rectory was owned and used by the church, the residential nature of the use informs staff's determination that this site is subject to the demolition restriction. This is further reflected in the circumstance that when an Institutional zoning category was created in Hopkins, the church and school were rezoned, but the rectory remained residentially-zoned. Nonetheless, staff recognizes that there would be practical issues arising if the owner were to separate the rectory and the detached garage, with it being located on the church parcel. Ultimately, staff finds that the requested rezoning is inconsistent with direct conflict with policies of the Development Code and Comprehensive Plan, and accordingly should be denied.

Correction of an Error or Addressing a Change/Changing Condition. The requested rezoning would not correct an error or inconsistency in the mapping of zones in the existing Zoning Map. The subject parcel has a neighborhood zoning designation consistent with the principal residential use of the existing rectory structure. Though it was owned by the church and used as a rectory, the residential zoning was reflective of the actual use, not of the church ownership. Although ownership of the campus is changing, it is staff's understanding that the school and church use will be unchanged.

Consistency with City Code. In addition to the guidance of the Comprehensive Plan, staff also considered the intent of the City policy restricting the demolition of single family homes. The policy was adopted in 2010 as a result of discussions held with community around the demolition of single family homes in order to expand The Blake School campus. The requested rezoning would conflict with the intent of this policy, accordingly staff recommend the request be denied.

Primary Issues to Consider – Conditional Use Permit

A conditional use permit may be approved only if the City determines that:

- (1) The proposed conditional use is consistent with the comprehensive plan and the purposes of this development code;
- (2) The proposed conditional use complies with all applicable provisions of this development code; and
- (3) The proposed conditional use will not be injurious to the neighborhood or otherwise detrimental to the public welfare.

As noted above, staff is determining that establishing a play area, an accessory use to a school, is not eligible at 1428 Preston Lane under the current N2-A zoning. As such, a rezoning to P2 would be necessary for this request to be considered. Furthermore, staff recommends the City deny the rezoning on the basis that said action would be inconsistent with the Comprehensive Plan and City development policy. Notwithstanding, should the City Council be inclined to support the rezoning and thereby the conditional use amendment request the Council should identify how the proposal meets these criteria.

The City Council may also approve the proposal with additional conditions on the new recreation area addressing potential negative impacts on surrounding property. For instance, that no lighting be installed in the new play area, or that additional screening is

needed to address noise concerns. It should be noted that there are not any specific conditions or standards for accessory playground for schools in the Zoning Code. Additionally, there are not set planting and/or fencing buffering requirements at the boundary between P2 and N zones, as would be the new condition at 1428 Preston along the west property line.

Alternatives

1. Deny the proposed rezoning and conditional use permit. This option would not preclude Agape Christi from operating their school at this location as the existing Conditional Use Permit is valid for the current campus. This request is specific to the proposal to demolish the rectory and use it for school-related activities. However, the applicant has indicated that this outcome would lead them to reconsider their purchase of the campus.
2. Approve the proposed rezoning and conditional use permit. The ordinance and resolution are drafted to effectuate this alternative. The Council could impose additional conditions to the approval to address any anticipated impact on neighboring property. Any conditions would have to be related to and proportional to any impacts anticipated from the proposed play area.
3. Continue for further information. If the Council indicates that further information is needed, the item should be continued. Additionally, the City would need to extend the deadline for agency action as the "60-day clock" ends May 26, 2023. The City can extend the deadline an additional 60 days which would end on July 25, 2023.

**CITY OF HOPKINS
Hennepin County, Minnesota**

ORDINANCE NO. 2023-XXX

AN ORDINANCE REZONING THE PROPERTY AT 1428 PRESTON LANE WITH PID 19-117-21-41-0026 FROM N2-A, LARGE LOT SUBURBAN NEIGHBORHOOD TO P2, PUBLIC-INSTITUTION

THE COUNCIL OF THE CITY OF HOPKINS DOES HEREBY ORDAIN AS FOLLOWS:

1. That the zoning classification of N2-A, Large-Lot Suburban Neighborhood, upon the following described premises is hereby repealed, and in lieu thereof, said premises is hereby zoned P2, Public-Institution.
2. The property to be rezoned is legally described as follows: Lot 15, Prestons Interlachen Park, Hennepin County, Minnesota.

First Reading: May 9, 2023

Second Reading: May 16, 2023

Date of Publication: May 25, 2023

Date Ordinance Takes Effect: May 25, 2023

ATTEST:

Patrick Hanlon, Mayor

Amy Domeier, City Clerk

**CITY OF HOPKINS
HENNEPIN COUNTY, MINNESOTA**

RESOLUTION 2023-017

**A RESOLUTION APPROVING AN AMENDMENT TO A CONDITIONAL USE PERMIT FOR
PROPERTY LOCATED AT 1428 PRESTON LANE (19-117-21-41-0026)**

WHEREAS, Agape Christi Academy (“the applicant”), on behalf of the current owner, the Parish of St John the Evangelist, initiated an application to rezone the property located at 1428 Preston Lane (19-117-21-41-0026) from N2-A, Large Lot Suburban Neighborhood to P2, Public-Institutional and requested an amendment to the conditional use permit for the Church and School to allow for an accessory playground on the subject property; and,

WHEREAS, the subject property is legally described as Lot 15, Preston’s Interlachen Park, Hennepin County, Minnesota; and,

WHEREAS, the procedural history of the application is as follows:

1. That applications for rezoning and a conditional use permit amendment were initiated by the applicant on February 24, 2023 and deemed complete on March 27, 2023; and
2. That the Hopkins Planning and Zoning Commission, pursuant to mailed and published notice, held a public hearing on the application and reviewed such application on April 25, 2023 and all persons present were given an opportunity to be heard; and,
3. That the Hopkins Planning and Zoning Commission reviewed this application during their April 25, 2023 meeting and recommended approval by the City Council; and
4. That the written comments and analysis of City staff were considered.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hopkins hereby approves an amended Conditional Use Permit for the property located at 1428 Preston Lane subject to the following conditions:

1. Approval of the Rezoning of the subject property from N2-A to P2.
2. Approval of all necessary permits from the Building, Engineering and Fire Departments, and the Minnehaha Creek Watershed District.

Adopted by the City Council of the City of Hopkins this 9th day of May, 2023.

By: _____
Patrick Hanlon, Mayor

ATTEST:

Amy Domeier, City Clerk

City of Hopkins CUP and Zoning Application Narrative

March 24, 2023

The Parish of Saint Gabriel the Archangel (6 Interlachen Rd) is considering selling their church and school (3 PIDs) and the adjacent rectory house (1428 Preston Ln) to Agape Christi Holdings, LLC to be operated as a PK-12 school under Agape Christi Academy. To do execute this transaction, two changes are being requested related to house.

First, we are seeking rezoning the house from Suburban Neighborhood, Large Lot (N2-A) to Public-Institutional (P2). The intent of Agape Christi is to demolish the existing home to create an open green space for recreation (i.e., recess and PE). Please find attached site plan drawings showing planned changes.

Second, we are seeking to extend the existing conditional use permit (CUP) of the church/school to the house property as well.

These modest changes affirm all 4 PIDS of this one campus are being transacted together for the common purpose of education, which is already an approved use for the facility. As an illustration of this unified campus, note the PID lines do not follow the layout of the campus such as the garage for the house is on the “church” property. This indicates the campus has always been thought of as a unified property with the priest living on the church campus to this day.

There are several benefits/insights for the City and neighborhood to consider:

- The demolition of the home will not increase commercial area.
- This will aid in stormwater management as it reduces the impervious area.
- There are no tax revenue implications since the church/school and house are already exempt from property taxes.
- This enables the church/school to continue in service to our community, as it has for over 70 years.
- The neighbors may use the green space outside of school hours adding to their enjoyment.

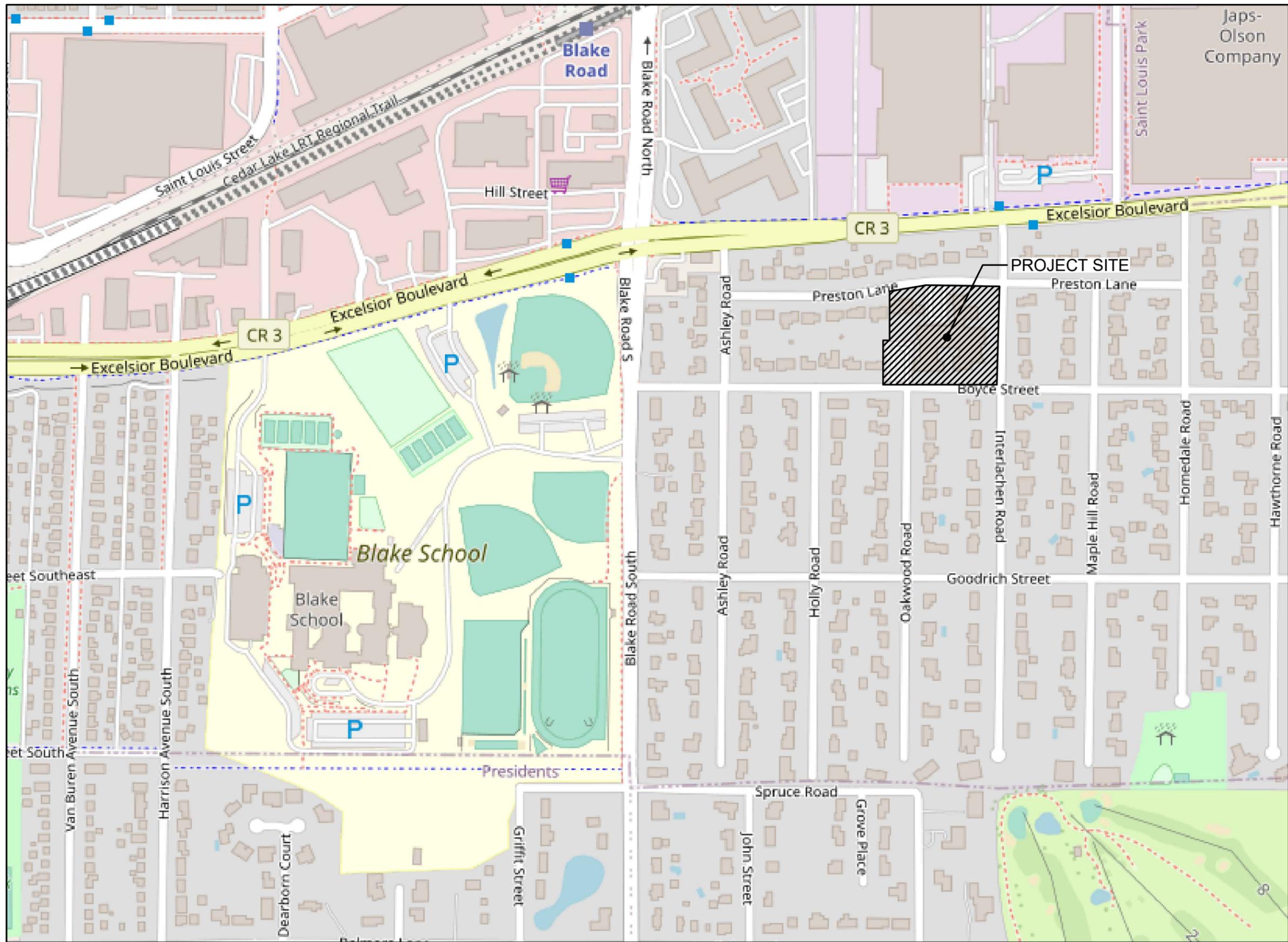
Thank you for your consideration.



AGAPE CHRISTI ACADEMY
6500 BAKER RD, EDEN
PRAIRIE, MN 55346

PLANNING
APPLICATION
03.24.2023

CONTEXT
MAP
L100



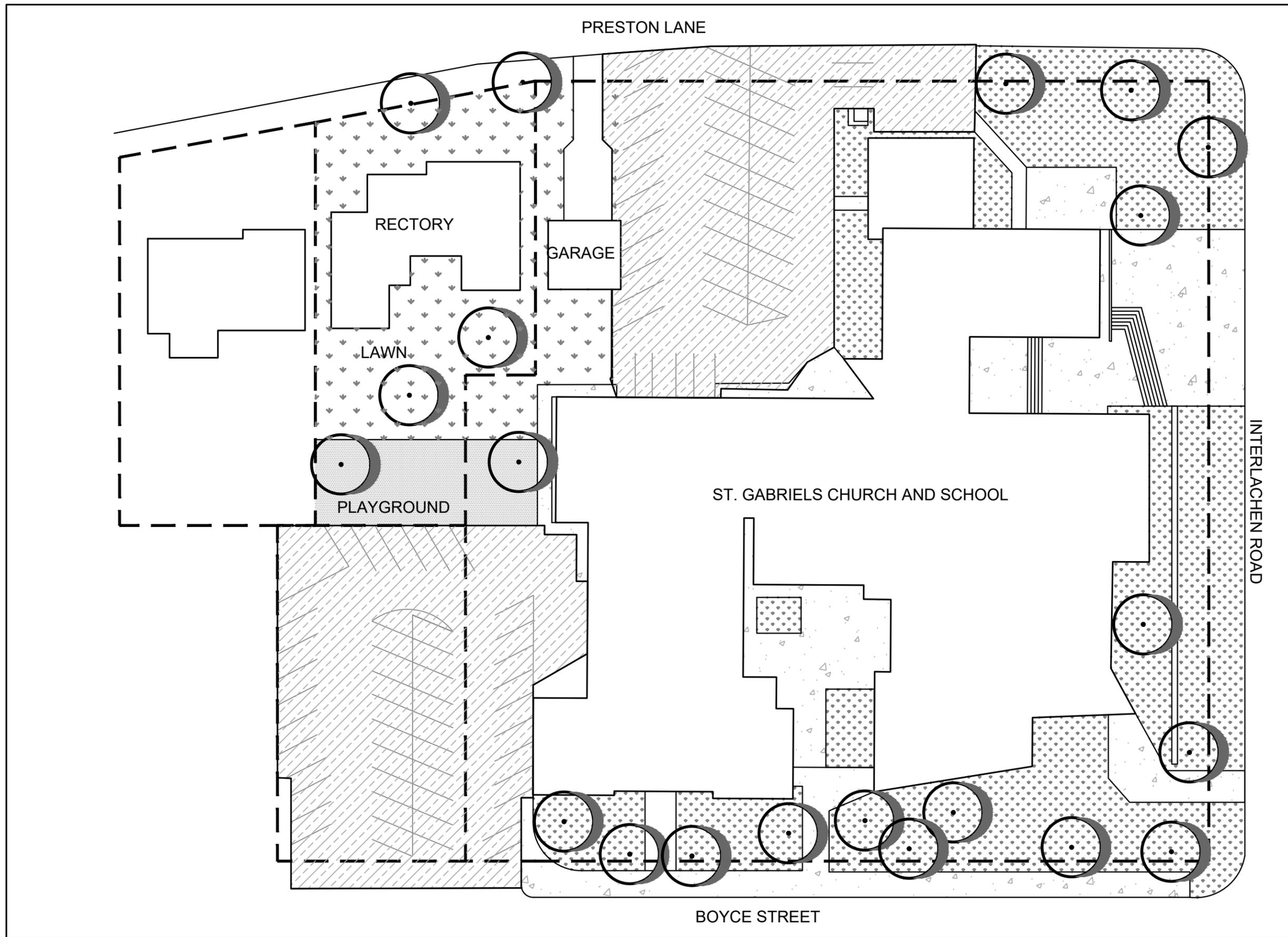


AGAPE CHRISTI ACADEMY
6500 BAKER RD, EDEN
PRAIRIE, MN 55346

PLANNING
APPLICATION
03.24.2023

EXISTING
CONDITIONS
PLAN

L101



PRESTON LANE

RECTORY

GARAGE

LAWN

PLAYGROUND

ST. GABRIELS CHURCH AND SCHOOL

INTERLACHEN ROAD

BOYCE STREET



NORTH

0 40 80 120 160 feet



1" = 40'

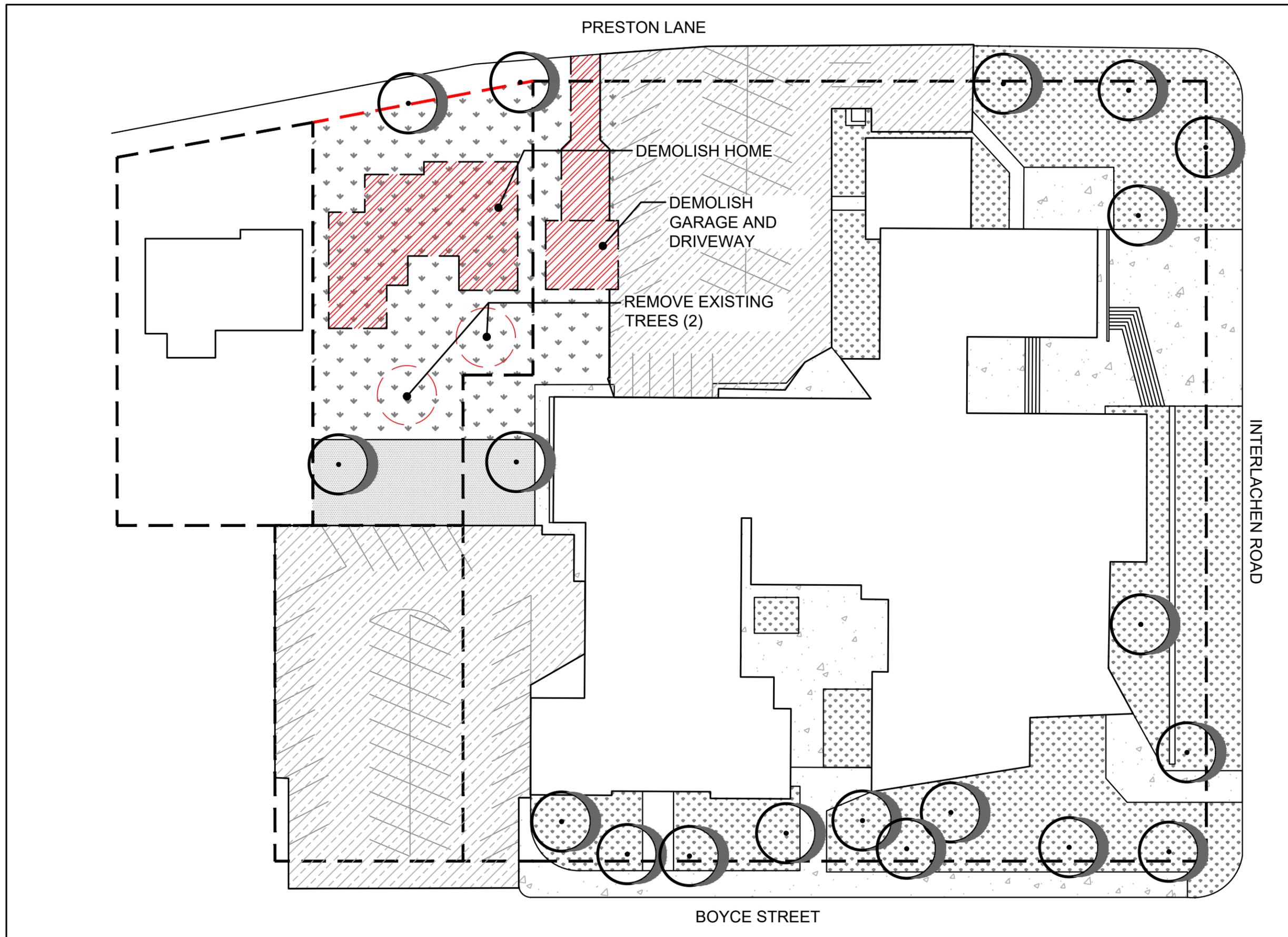


AGAPE CHRISTI ACADEMY
6500 BAKER RD, EDEN
PRAIRIE, MN 55346

PLANNING
APPLICATION
03.24.2023

DEMOLITION
PLAN

L102



PRESTON LANE

DEMOLISH HOME

DEMOLISH
GARAGE AND
DRIVEWAY

REMOVE EXISTING
TREES (2)

INTERLACHEN ROAD

BOYCE STREET



NORTH

0 40 80 120 160 feet

1" = 40'

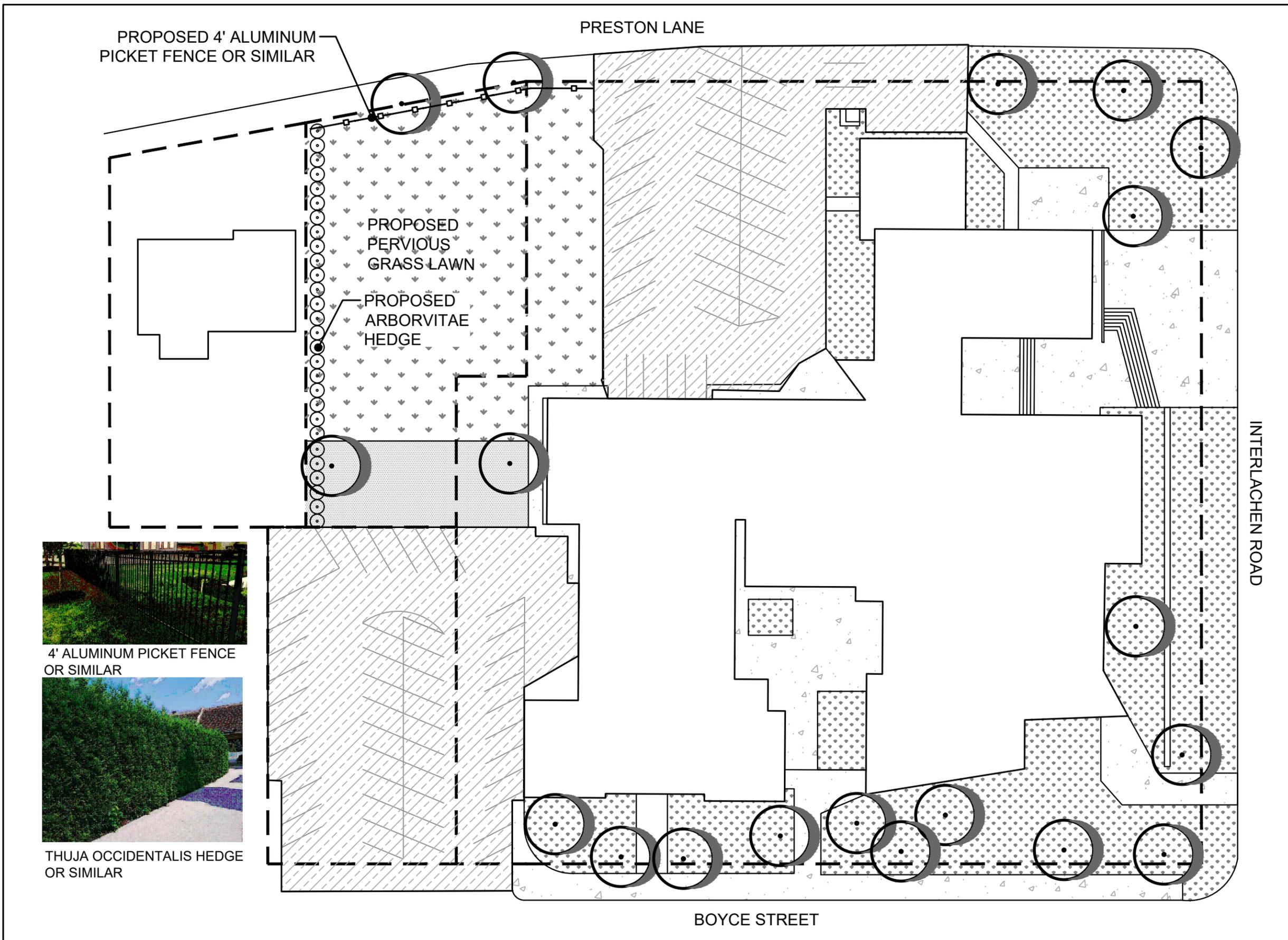


AGAPE CHRISTI ACADEMY
6500 BAKER RD, EDEN
PRAIRIE, MN 55346

PLANNING
APPLICATION
03.24.2023

SITE PLAN

L103



4' ALUMINUM PICKET FENCE OR SIMILAR



THUJA OCCIDENTALIS HEDGE OR SIMILAR

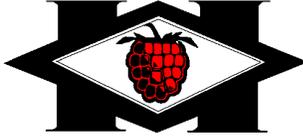


NORTH

0 40 80 120 160 feet



1" = 40'



CITY OF HOPKINS

Finance Department

Memorandum

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Nick Bishop, Finance Director

Date: May 9, 2023

Subject: Gas and Electric Franchise Fee Update

PURPOSE

To seek guidance on renewing or increasing franchise fees beginning on January 1, 2024.

INFORMATION

What are franchise fees? Are they a tax?

Minnesota Cities have statutory authority to impose a franchise fee on utility companies for the use of public right-of-ways. The utility companies collect the fees from their customers and remit back to the City. Hopkins collected \$960,541 for gas and electric franchise fees in 2022. The City also has separate cable franchise fees that will not be addressed in this memo.

Franchise fees are not technically considered a tax, but do have similar properties. Unlike property taxes, all users, including schools, governments, churches and other non-profits will pay the fee. Franchise fees are not tied to the value of the property, meaning all single-family homes would pay the same amount.

What can franchise fees be used for?

Franchise fees can be used for any public purpose. Currently, franchise fees in Hopkins are being used to reduce the tax levy in the General Fund, for park improvement and to pay debt for the 2019 City Hall remodel project. The attached chart shows 9 comparable cities with franchise fees and their purpose.

What are the current franchise fees in Hopkins?

The City of Hopkins adopted two franchise fee ordinances beginning on 1/1/2019 with five year terms. They both expire at the end of 2023. Residential customers pay \$3.50 monthly for electric service to Xcel Energy and \$3.50 monthly for natural gas to Centerpoint Energy. Both fees were increased by \$1.30 or 59.1% per month. Commercial and industrial customers pay higher rates based on type and size of meter. A chart showing the detailed analysis of rates paid by type and number of customers is attached.

How do property taxes and franchise fees differ for residential properties?

Different users will pay different amounts when levying taxes or collecting franchise fees. In order to collect \$250,000 of revenue a median value home (\$361,000) would pay taxes of \$32.95 or franchise fees of \$21.86 annually.

What are the issues to consider?

Renew or Increase – Franchise fees can be either renewed at their current rates or increased beginning on 1/1/2024. The most recent increase in 2019 totaled \$2.60 per month or 59.1%.

Increase for a specific purpose – A franchise fee increase could be used for any public purpose or used in the general fund to reduce the tax levy.

Length of Ordinance – Prior ordinances have been for 2 or 5 years. The most recent ordinances were for 5 years.

FUTURE ACTION

Gas and electric franchise fees are each established by separate ordinance. Xcel and Centerpoint each need to be provided with a written notice of proposed ordinances before July 14th. The first reading and second reading/adoption could occur on September 19th and October 3rd.

City of Hopkins

Monthly Franchise Fee Comparison

May 9, 2023

City	Electric	Gas	Total	Purpose
Brooklyn Center	1.65	1.66	3.31	Street Improvements
Edina	2.90	2.90	5.80	Pedestrian and cyclist safety, conservation and sustainability
Hopkins	3.50	3.50	7.00	General fund, parks, municipal buildings
Champlin	3.62	3.98	7.60	City infrastructure
Richfield	4.10	4.10	8.20	Street maintenance - mill & overlay, curb & gutter, sealcoating
Minnetonka	4.50	4.50	9.00	Undergrounding electrical wires, street light improvements and trails
Chanhassen	5.00	5.00	10.00	Pavement Maintenance Program
Golden Valley	6.00	6.00	12.00	Water, sewer, storms water and street infrastructure
Saint Louis Park	6.75	6.75	13.50	Pavement Management

Comparable Cities without Franchise Fees: Columbia Heights, Crystal, Fridley & Roseville
 Shakopee collects 3% for both gas and electric

City of Hopkins

Franchise Fee Summary

May 9, 2023

Xcel Energy	2019-2023 Monthly Rate	Number of Customers Dec 2022	General Fund	Parks Fund	Capital Fund	Total Collections
Residential	3.50	8,441	101,292	121,550	131,680	354,522
Small C & I Non Demand	6.15	674	16,176	14,963	18,602	49,741
Small C & I Demand	24.70	303	32,724	23,634	33,451	89,809
Large C & I	170.50	68	51,408	34,680	53,040	139,128
		<u>9,486</u>	<u>201,600</u>	<u>194,827</u>	<u>236,773</u>	<u>633,200</u>
Centerpoint Energy	2019-2023 Monthly Rate	Number of Customers Dec 2022	General Fund	Parks Fund	Capital Fund	Total Collections
Residential/Commercial A	3.50	5,073	60,876	73,051	79,139	213,066
Commercial B	8.75	200	7,200	6,000	7,800	21,000
Commercial/Industrial C	24.70	202	21,816	15,756	22,301	59,873
Small Dual Fuel A	48.55	15	3,240	2,250	3,249	8,739
Small Dual Fuel B	170.50	-	-	-	-	-
Large Volume Dual Fuel	170.50	1	756	510	780	2,046
		<u>5,491</u>	<u>93,888</u>	<u>97,567</u>	<u>113,269</u>	<u>304,724</u>
Total Residential	<u>7.00</u>	Total	<u>295,488.00</u>	<u>292,394.40</u>	<u>350,041.80</u>	<u>937,924.20</u>