



Development Fee Comparison

For Shakopee Public Utilities



Why do development fees differ?

Infrastructure Costs

- Terrain
- Aquifers and Water Quality
- Development Patterns

Philosophy

- Should growth pay for itself?

Degree of Analysis

- Has a study been completed?



Current Water Development Fee Structure

Trunk Water Fees (paid at plat)

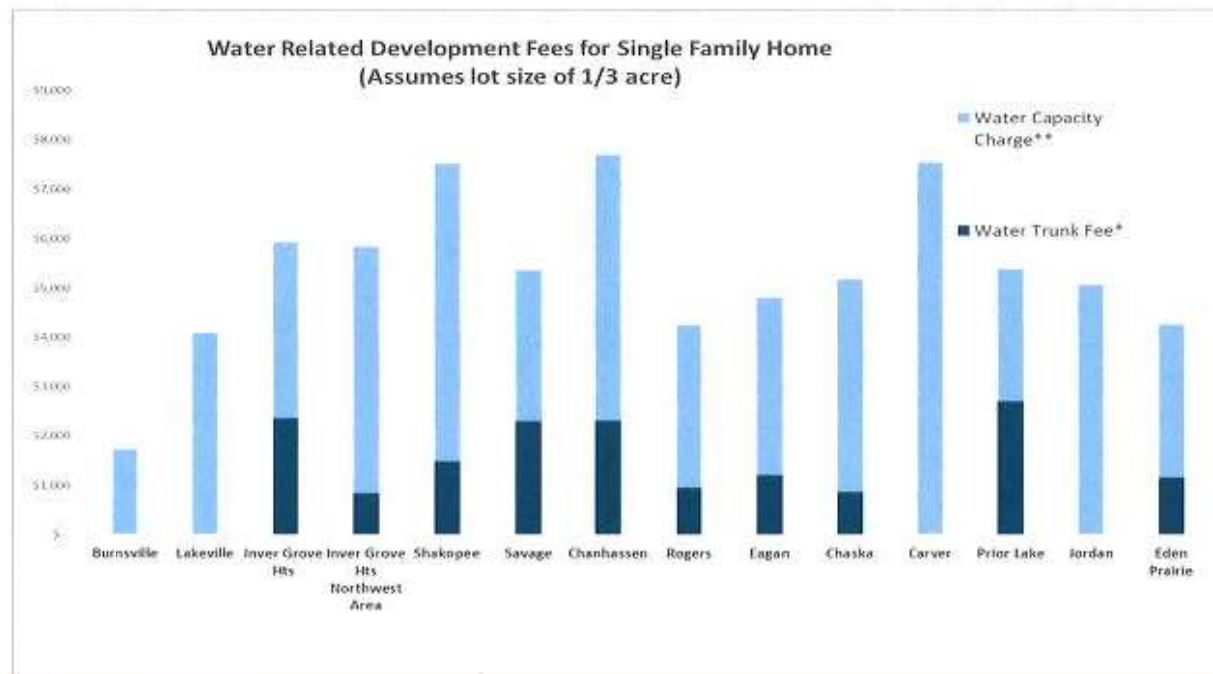
- \$4,451/acre
- Developers prefer paying fees with building permit
- Collecting fees at plat financially protects SPU

Water Capacity Charge (paid with building permit)

- \$6,039 per SAC unit + 14.2 cents/sq. ft. for industrial

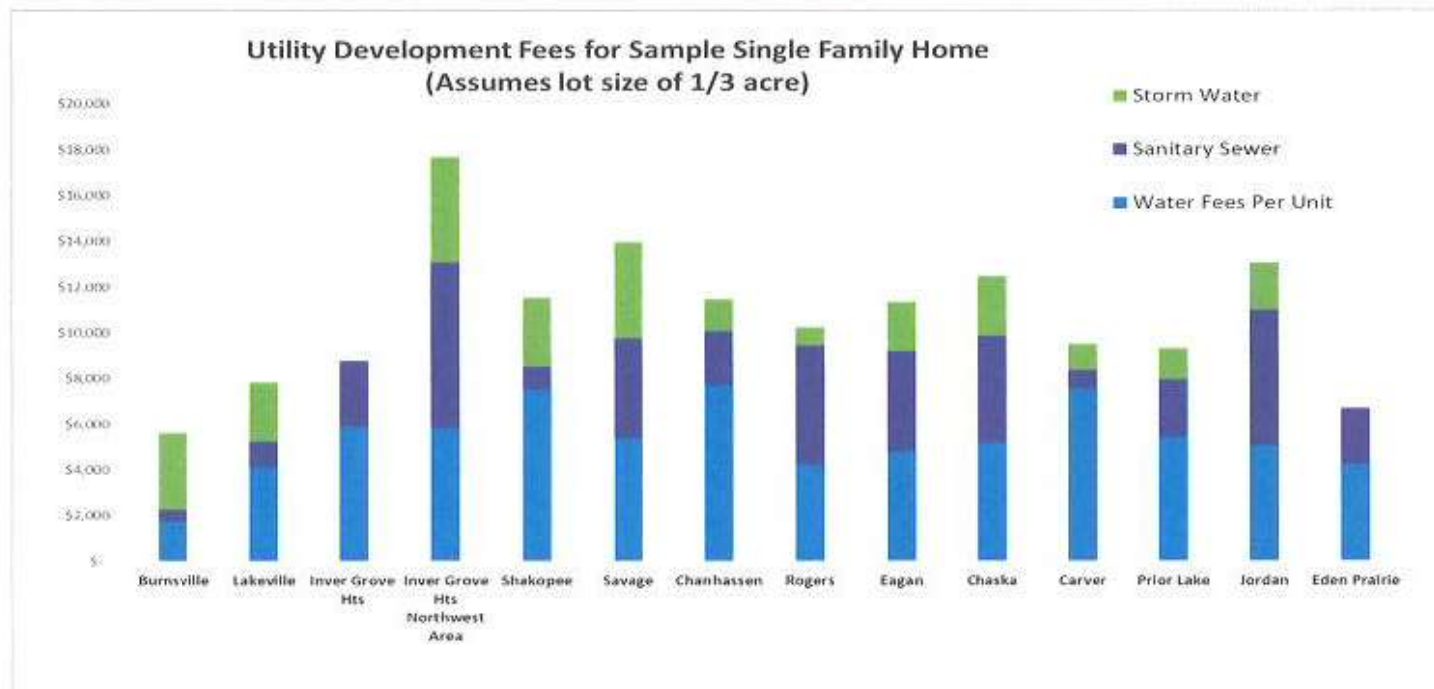


Water Dev. Fee Comparison – Single Family Home



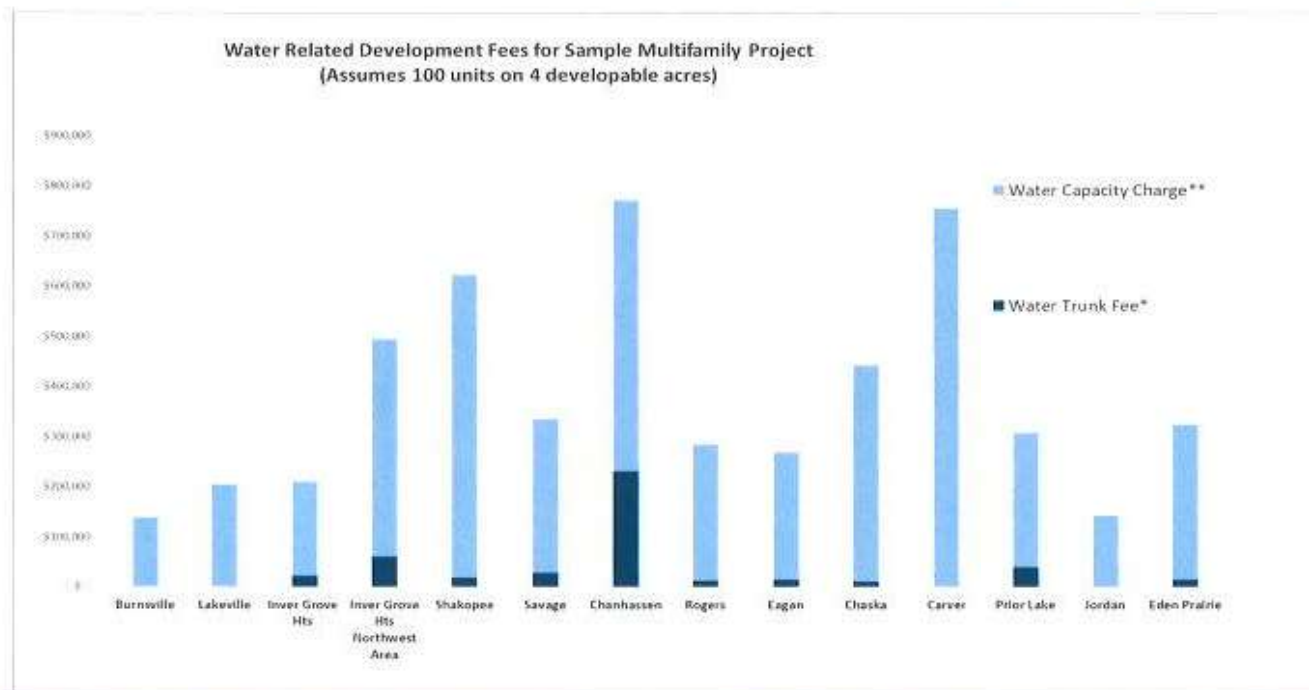


Total Utility Fee Comparison – Single Family Home



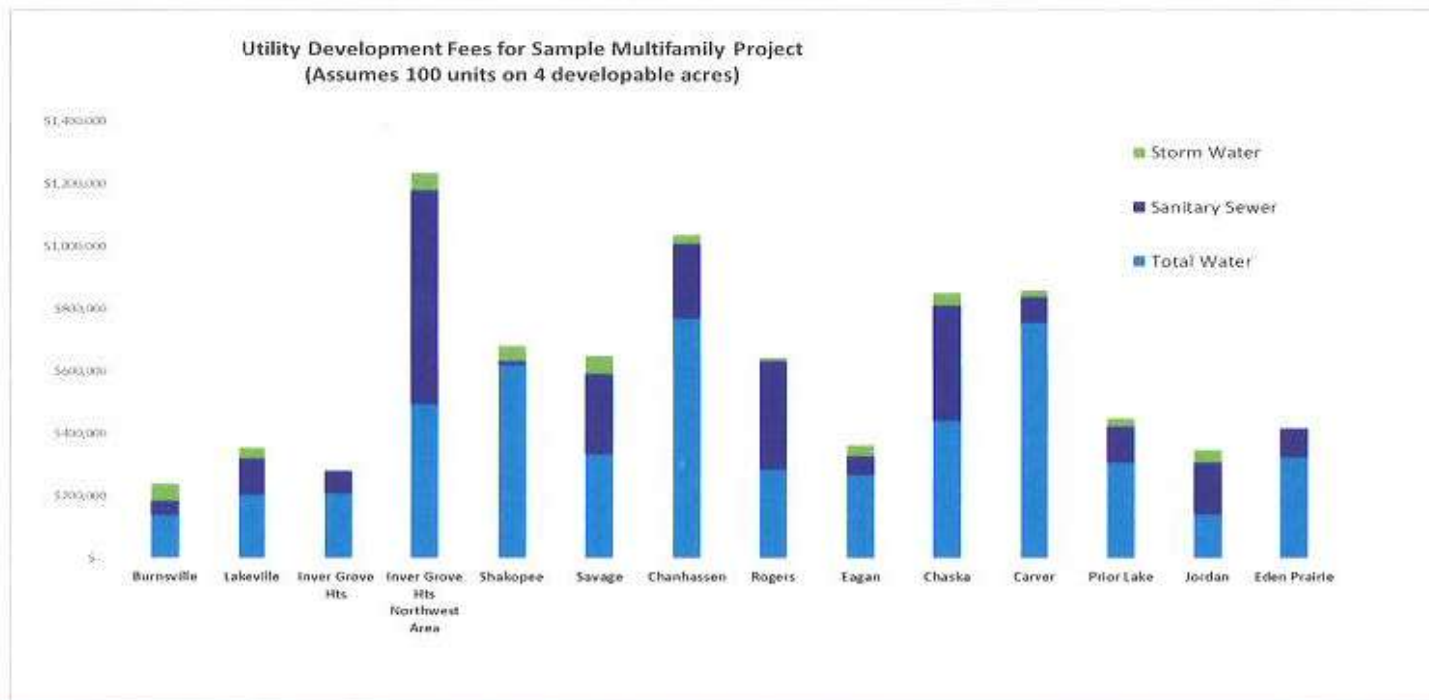


Water Dev. Fee Comparison – Multifamily Project



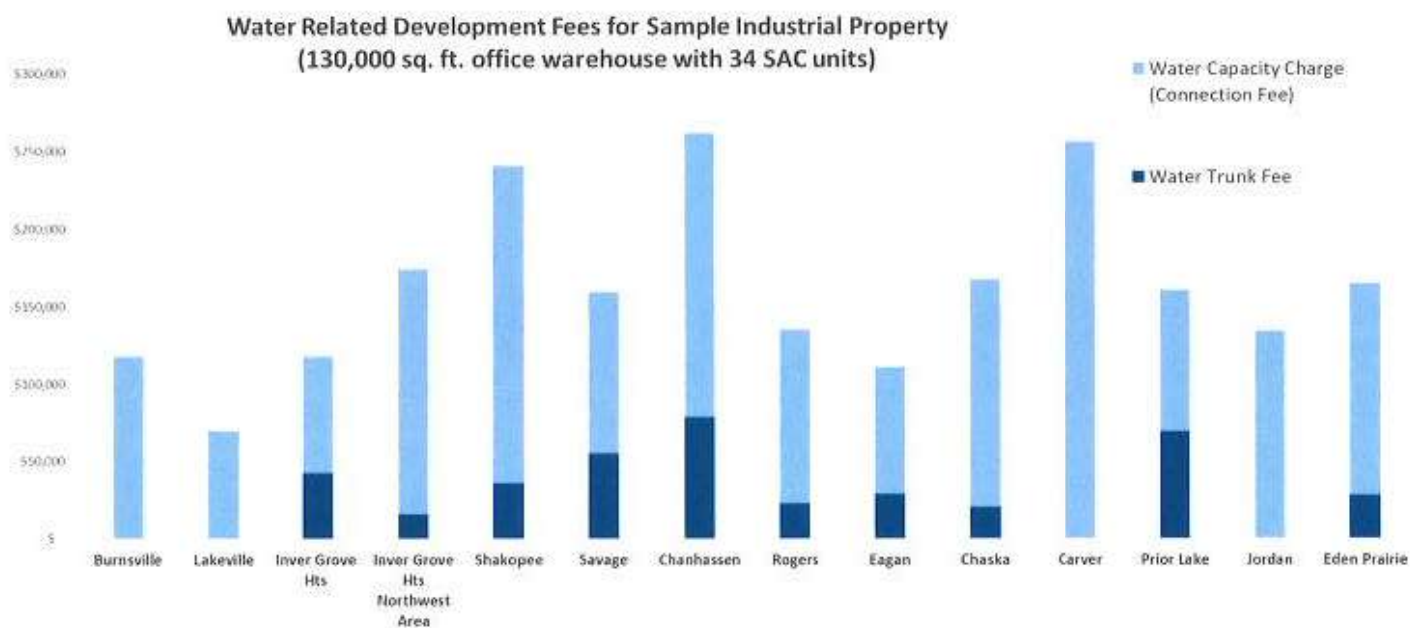


Total Utility Fee Comparison – Multifamily Project





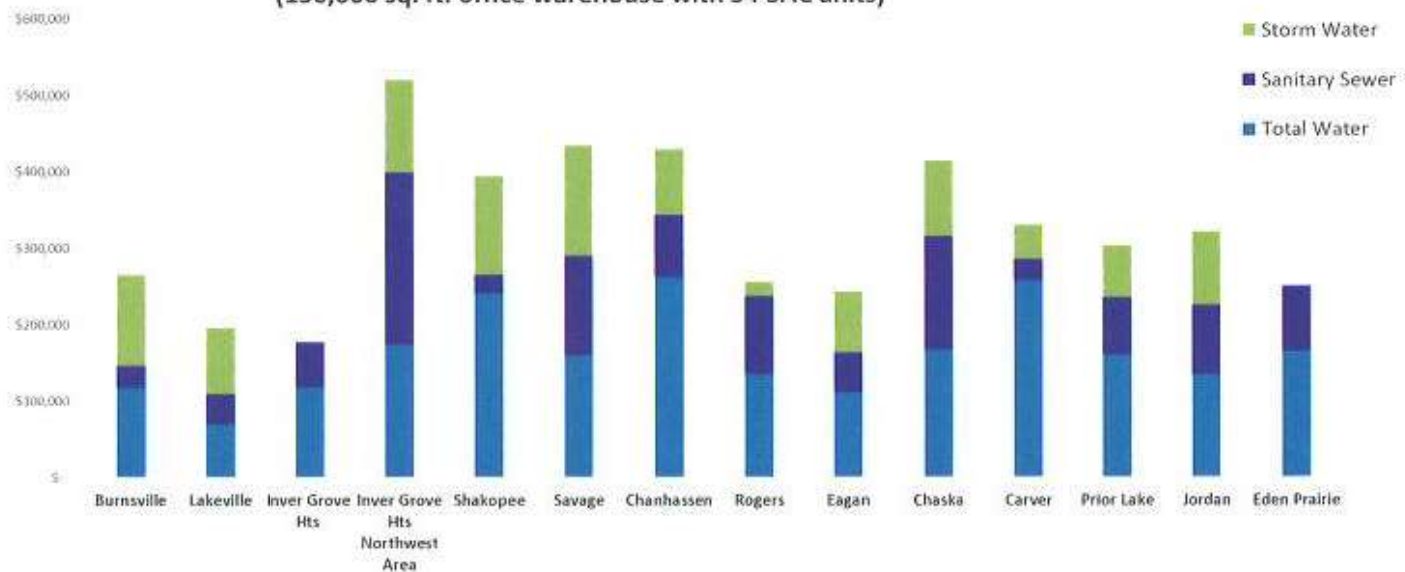
Water Dev. Fee Comparison – Mixed Use Industrial





Total Utility Fee Comparison – Mixed Use Industrial

Utility Development Fees for Sample Industrial Property
(130,000 sq. ft. office warehouse with 34 SAC units)





Trends in Development Fees

Developer Push-back

Trunk fees collected at platting becoming more common

Cities reducing costs for multi-family by:

- Counting 1 multifamily unit as < 1 SAC unit
- More costs allocated by acreage, so denser developments pay less



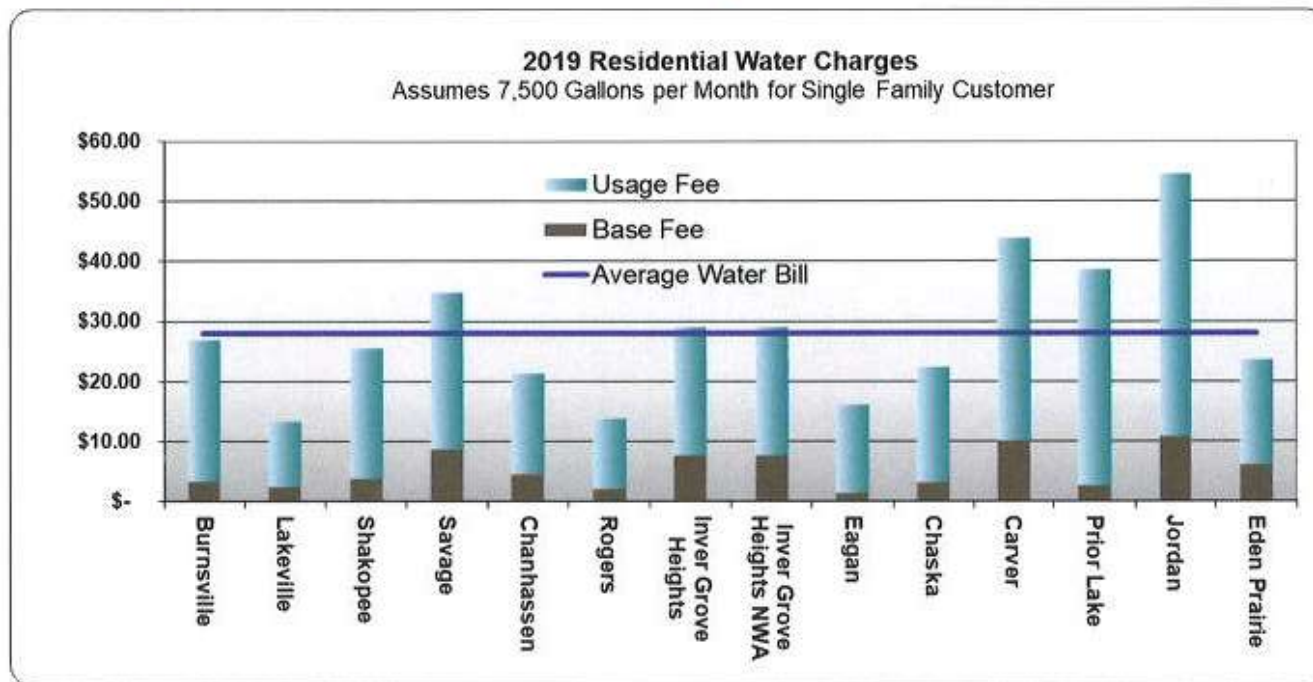
Options to reduce fees

Postpone/eliminate capital projects

Shift cost burden to user charges

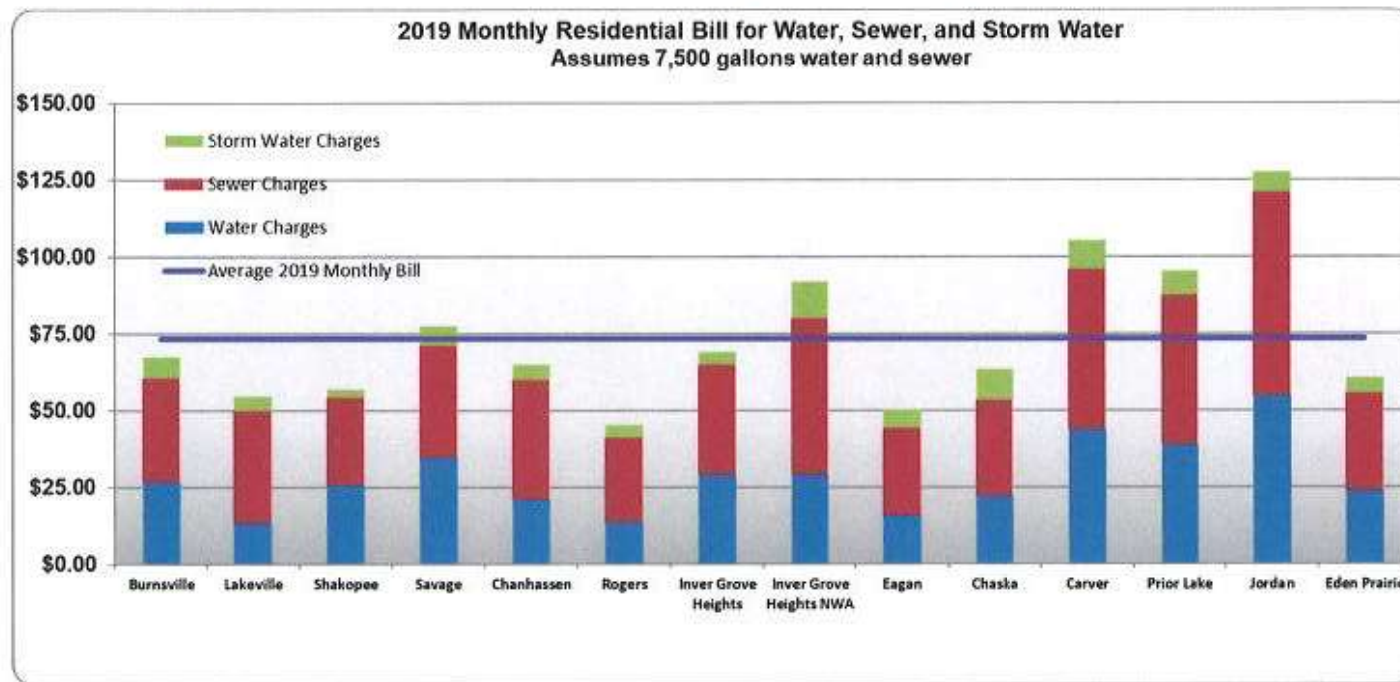


Fee Comparison – Monthly Water Bill





Fee Comparison – Monthly Utility Bill





Comparison of 2019 Sewer and Water Development Fees for a Single Family Home

July, 2019

Assumes one single family home on one-third of an acre. Assumes .5 gross acres.

Excludes lateral installation, permit fees and meter costs

	Water Trunk Fee*	Water Capacity Charge**	Water Fees Per Unit	Sanitary Sewer	Storm Water	Total Fees Per Unit	Comments
Burnsville	\$ -	\$ 1,731	\$ 1,731	\$ 559	\$ 3,339	\$ 5,629	
Lakeville	\$ -	\$ 4,100	\$ 4,100	\$ 1,152	\$ 2,584	\$ 7,836	
Inver Grove Hts	\$ 2,363	\$ 3,560	\$ 5,923	\$ 2,853	\$ -	\$ 8,775	Assumes a 1" water meter
Inver Grove Hts Northwest Area	\$ 833	\$ 5,000	\$ 5,833	\$ 7,243	\$ 4,623	\$ 17,699	Assumes a 1" water meter
Shakopee	\$ 1,484	\$ 6,039	\$ 7,523	\$ 994	\$ 3,020	\$ 11,536	Some areas require lateral sewer connection charges. Depending on the area this would range from \$1,375 to \$4,168 per single family unit. Additional stormwater cost of approx. \$275 if property uses regional infiltration pond.
Savage	\$ 2,301	\$ 3,071	\$ 5,372	\$ 4,404	\$ 4,181	\$ 13,957	Additional stormwater charge of \$2,018 per unit if no on-site ponding.
Chanhassen	\$ 2,311	\$ 5,393	\$ 7,704	\$ 2,377	\$ 1,387	\$ 11,468	Assumes property receives the 50% credit on stormwater fees for meeting NURP standards for on-site treatment.
Rogers	\$ 950	\$ 3,300	\$ 4,250	\$ 5,200	\$ 783	\$ 10,233	Trunk charges only pay for unassessable costs of system as a whole, such as overstrng.
Eagan	\$ 1,201	\$ 3,606	\$ 4,807	\$ 4,373	\$ 2,178	\$ 11,357	Water trunk charge assumes property is unplatted.
Chaska	\$ 958	\$ 4,314	\$ 5,172	\$ 4,690	\$ 2,603	\$ 12,465	
Carver	\$ -	\$ 7,547	\$ 7,547	\$ 834	\$ 1,139	\$ 9,520	
Prior Lake	\$ 2,702	\$ 2,690	\$ 5,392	\$ 2,561	\$ 1,362	\$ 9,314	Assumes a .35 acre plat.
Jordan		\$ 5,066	\$ 5,066	\$ 5,923	\$ 2,052	\$ 13,040	
Eden Prairie	\$ 1,159	\$ 3,100	\$ 4,259	\$ 2,448	\$ -	\$ 6,707	
Average (excluding Inver Grove Heights NWA)	\$ 1,277	\$ 4,460	\$ 5,737	\$ 3,197	\$ 2,052	\$ 10,987	

* For purposes of comparison, fees that other cities charge at time of plat are characterized as water trunk fees.

** For purposes of comparison, fees that other cities collect at time of building permit are characterized as water capacity charges.



Comparison of 2019 Sewer and Water Development Fees for a 100 unit Multi-Family Housing Project

July, 2019

Assumes 25 multi-family units per net developable acre for a total site of 4.0 net developable acres. Assumes 4.75 gross acres.

Excludes lateral installation, permit fees and meter costs

	Water Trunk Fee*	Water Capacity Charge**	Total Water	Water Fees Per Unit	Sanitary Sewer	Storm Water	Total Fees	Total Fees per Unit	Comments
Burnsville	\$ -	\$ 138,400	\$ 138,400	\$ 1,384	\$ 44,600	\$ 55,757	\$ 238,757	\$ 2,388	
Lakeville	\$ -	\$ 205,000	\$ 205,000	\$ 2,050	\$ 115,200	\$ 34,500	\$ 354,700	\$ 3,547	
Inver Grove Hts	\$ 22,444	\$ 186,660	\$ 209,104	\$ 2,091	\$ 71,444	\$ -	\$ 280,548	\$ 2,805	Assumes a 3" water meter.
Inver Grove Hts Northwest Area	\$ 60,000	\$ 434,330	\$ 494,330	\$ 4,943	\$ 684,760	\$ 55,480	\$ 1,234,570	\$ 12,346	Assumes a 3" water meter.
Shakopee	\$ 17,804	\$ 603,900	\$ 621,704	\$ 6,217	\$ 11,932	\$ 48,264	\$ 681,900	\$ 6,819	Some areas require lateral sewer connection charges. Depending on the area this would range from \$22,660 to \$416,806 for the project. Additional stormwater cost of approx. \$4,425 if property uses regional infiltration pond.
Savage	\$ 27,611	\$ 307,104	\$ 334,715	\$ 3,347	\$ 256,239	\$ 59,764	\$ 650,718	\$ 6,507	Additional stormwater charge of \$41,470 if no on-site ponding.
Chanhassen	\$ 231,100	\$ 539,300	\$ 770,400	\$ 7,704	\$ 237,700	\$ 29,900	\$ 1,038,000	\$ 10,380	Assumes property receives the 50% credit on stormwater fees for meeting NURP standards for on-site treatment.
Rogers	\$ 11,400	\$ 272,500	\$ 283,900	\$ 2,839	\$ 349,600	\$ 9,400	\$ 642,900	\$ 6,429	Trunk charges only pay for unassessable costs of system as a whole, such as oversizing.
Eagan	\$ 14,410	\$ 253,259	\$ 267,669	\$ 2,677	\$ 60,109	\$ 34,848	\$ 362,626	\$ 3,626	
Chaska	\$ 10,292	\$ 431,400	\$ 441,692	\$ 4,417	\$ 368,080	\$ 42,280	\$ 852,052	\$ 8,521	
Carver	\$ -	\$ 754,700	\$ 754,700	\$ 7,547	\$ 83,400	\$ 21,388	\$ 859,488	\$ 8,595	
Prior Lake	\$ 39,024	\$ 269,000	\$ 308,024	\$ 3,080	\$ 114,600	\$ 26,940	\$ 449,564	\$ 4,496	
Jordan	\$ -	\$ 141,805	\$ 141,805	\$ 1,418	\$ 166,095	\$ 40,631	\$ 348,531	\$ 3,485	Multifamily units are treated as 0.8 units for purposes of water and sewer connection fees.
Eden Prairie	\$ 13,906	\$ 310,000	\$ 323,906	\$ 3,239	\$ 91,858	\$ -	\$ 415,764	\$ 4,158	
Average (excluding Inver Grove Heights NWA)	\$ 32,333	\$ 367,752	\$ 400,085	\$ 4,001	\$ 164,238	\$ 33,639	\$ 597,962	\$ 5,980	

* For purposes of comparison, fees that other cities charge at time of plat are characterized as water trunk fees.

** For purposes of comparison, fees that other cities collect at time of building permit are characterized as water capacity charges.



Comparison of 2019 Sewer and Water Development Fees for a Mixed Use Industrial Development

July, 2019

Assumes 34 SAC units, 130,000 square feet on 8 net developable acres (9 gross acres) with a 3" water meter.

Excludes lateral installation, permit fees and meter costs

	Water Trunk Fee*	Water Capacity Charge**	Total Water	Water Fees Per Square Foot of Building	Sanitary Sewer	Storm Water	Total Fees	Total Fees per Building Sq. Ft.	Comments
Burnsville	\$ -	\$ 117,742	\$ 117,742	\$ 0.91	\$ 28,492	\$ 118,481	\$ 264,717	\$ 2.04	Assumes all SAC units are categorized as industrial
Lakeville	\$ -	\$ 69,700	\$ 69,700	\$ 0.54	\$ 39,168	\$ 87,120	\$ 195,988	\$ 1.51	
Inver Grove Hts	\$ 42,525	\$ 75,120	\$ 117,645	\$ 0.90	\$ 59,185	\$ -	\$ 176,830	\$ 1.36	
Inver Grove Hts Northwest Area	\$ 15,557	\$ 158,450	\$ 174,007	\$ 1.34	\$ 225,195	\$ 120,560	\$ 519,762	\$ 4.00	
Shakopee	\$ 35,608	\$ 205,326	\$ 240,934	\$ 1.85	\$ 23,856	\$ 128,938	\$ 393,728	\$ 3.03	Some areas require lateral sewer connection charges. Depending on the area this would range from \$4,096 in VIPII to \$150,048 to connect to the Whispering Oaks Sanitary Sewer Lateral. Additional stormwater cost of approx. \$8,850 if property uses regional infiltration pond.
Savage	\$ 55,221	\$ 104,415	\$ 159,637	\$ 1.23	\$ 130,275	\$ 144,271	\$ 434,183	\$ 3.34	Assume >55% of site is impervious. Additional stormwater charge of \$165,877 if no on-site ponding.
Chanhassen	\$ 78,574	\$ 183,362	\$ 261,936	\$ 2.01	\$ 80,818	\$ 86,320	\$ 429,074	\$ 3.30	Assumes property receives the 50% credit on stormwater fees for meeting NURP standards for on-site treatment.
Rogers	\$ 22,800	\$ 112,200	\$ 135,000	\$ 1.04	\$ 102,305	\$ 18,800	\$ 256,105	\$ 1.97	Trunk charges only pay for unassessable costs of system as a whole, such as oversizing.
Eagan	\$ 28,820	\$ 81,943	\$ 110,763	\$ 0.85	\$ 51,964	\$ 80,150	\$ 242,877	\$ 1.87	
Chaska	\$ 20,584	\$ 146,676	\$ 167,260	\$ 1.28	\$ 147,958	\$ 99,312	\$ 414,530	\$ 3.19	
Carver	\$ -	\$ 256,598	\$ 256,598	\$ 1.97	\$ 28,356	\$ 45,296	\$ 330,250	\$ 2.54	
Prior Lake	\$ 69,048	\$ 91,460	\$ 160,508	\$ 1.23	\$ 74,452	\$ 67,696	\$ 302,656	\$ 2.33	
Jordan	\$ -	\$ 134,165	\$ 134,165	\$ 1.03	\$ 90,967	\$ 95,547	\$ 320,680	\$ 2.47	
Eden Prairie	\$ 27,811	\$ 137,020	\$ 164,831	\$ 1.27	\$ 84,897	\$ -	\$ 249,728	\$ 1.92	
Average (excluding Inver Grove Heights Northwest Area)	\$ 31,749	\$ 142,977	\$ 174,727	\$ 1.34	\$ 78,558	\$ 80,994	\$ 334,279	\$ 2.57	

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** For purposes of comparison, fees that other cities collect at time of building permit are characterized as water capacity charges.