

Section 4 Administration and Financial Considerations

A sub-committee was given the task of evaluating the potential financial and operational impacts to Fredenberg township if it were to pursue acquiring Planning and Zoning (P&Z) responsibilities from St Louis County for extractive use/gravel pits. Four area townships that have P&Z, and one that previously had P&Z, were selected to evaluate and compare. A questionnaire that contained several areas of focus was used to gather information and data from the townships. Additional questions and clarifications were gathered after responses were received and reviewed by the sub-committee.

All five townships, have, or did have, full P&Z responsibilities. Each township has differences in their demographics, land and geotechnical characteristics, financials, operational structure, and related conditions. As they say, all are not equal. Therefore, the comparative analysis is difficult and is not always apples to apples. Further extrapolation of numbers would need to occur to more accurately project what the annual results might be for Fredenberg Township, as it relates to the impact on their finances and operations. This is especially true due to the time constraints for completion of the task and the fact that the group was attempting to determine the impact of partial zoning by gathering data from full zoning operations.

What was evident, is that there are differences and similarities. Gnesen Township had the largest comparative number of gravel pits; Midway Township is actually much smaller than a standard township, due to the friendly annexation of a portion of their land by the City of Duluth; populations and their densities vary; expenses differed significantly from year to year within and between townships; etc. Not all expenses could be reasonably quantified, though they exist. Legal fees vary greatly between general services and the cost of litigation. The area that had the most consistency was the structure that needed to be in place (for staffing and contract services) in order to perform the tasks that are required when a township has responsibility for P&Z.

The information gathered by the sub-committee and summarized herein is intended to provide an overview of what the potential financial and operational demands on Fredenberg might be. Township Supervisors can determine how they want to decide upon and allocate the TBD revenue and expenses applicable to Fredenberg, based on the P&Z structure they choose (positions, contract services, number of commissioners, etc.). The Supervisors can draw upon the range of revenue and costs shown in the Zoning Authority comparison document, and/or whatever other sources they choose, to generate the estimate for annually recurring revenue and expenses for Fredenberg.

THE FOLLOWING DOCUMENTS INCLUDE:

1. Administration and Costs for Fredenberg's Extractive Use/Gravel Pits - Non-Recurring Costs
2. Zoning Authority Positions, Contract Services, and Associated Income & Expenses - Recurring
3. Conditional Use Permit Checklist
4. Township Questionnaire Comparison Spreadsheet

**Administration & Costs for Fredenberg Extractive Use/Gravel Pits
Non-Recurring Costs**

**Upfront Cost Non-Recurring
Incurred to Date**

ARDC-Paid	\$15,600.00
ARDC-Extra's	\$653.32
Legal Fees- Kennedy & Graven	\$4,773.00
Legal Fees- Township Attorney	\$3,831.75
Forum Communications	\$394.86
Supervisor's	\$1,567.50
4 Extra Meetings	\$1,813.28
Stamps for survey	\$605.00
Zoom Meeting Administrator	\$414.00
 Total Cost Incurred to Date	<hr/> \$29,652.71

Explanation

Legal fees thru December

(legal advertising)
Extra billable hours (105.5)
(May, Aug., Sept., Oct) includes 5 supervisors pay, clerks and prep time

Future Expenses/Pre-ordinance

Legal Fees- Township Attorney	TBD
Legal Fees- Kennedy & Graven	\$200.00-\$300.00
Legal Fees- Kennedy & Graven	\$7,000.00-\$10,000.00
 Legal Fees-Litigation	TBD
SEH	\$4,100.00-\$4,600.00
Misc. Expenses	TBD
 Total Future/Pre-ordinance Costs	<hr/> \$11,300.00-\$14,900.00 plus TBD Costs

Estimated January Expenses
1) Study committee process 2) draft the ordinance 3) conducting at least one public hearing 4) work with planning commission and town board to complete the adoption of the zoning ordinance
St. Louis County
Draft policy statement, procedures, inspections form, and inventory list
Public Meetings, Supervisors, Clerks, etc.

Total Incurred to Date plus Future/Pre-ordinance Costs	<hr/> \$40,952.71-\$44,552.71 plus TBD Costs
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Zoning Authority Annually Recurring Income and Expenses
(See Township Questionnaire Comparison Spreadsheet for Details)

Positions*	Range of Costs From Townships		Fredenburg Annually
	Minimum	Maximum	
Town Board (5)	\$73/meeting plus \$15/ hour		TBD
Planning Commission (9)	\$0 Volunteers	\$30/meeting per person	TBD
Planning Secretary and/or Clerk(s)	\$20/hour	\$20/hour per person	TBD
Planning and Zoning Board of Adjustment (5)		\$99/meeting per person	TBD
Zoning Officer/Administrator		\$99/meeting plus \$20/hour	TBD
Township Engineer-Contract Services	As needed (TBD)		TBD
Township Permit Director		\$300/month plus 10% of permit	TBD
Legal-Contract Services			
General Services-Annual	\$0/Minimal (TBD)	\$ Thousands (TBD)	TBD
Litigation-Annual	\$0/thousands (TBD)	\$ Thousands (TBD)	TBD
Additional Expenses:			
Gravel Pit Inspections (15)**	\$3,135 annual	\$3,825 annual	\$3,135-\$3,825
Misc-see below****	\$ Hundreds (TBD)	\$ Thousands (TBD)	TBD
Revenue Possibilities:			
Gravel Pit CUP Fees	\$385	\$1,000	TBD
Gravel Pit Annual Permit Renewal	\$0	\$150	TBD
Misc. Income-Reimbursement for Legal Ad, Recording, Postage, etc.	Minimal (TBD)	(TBD)	TBD
Aggregate Tax***	0	If any, (TBD)	TBD

* Position Demands-The process can require the various positions to interact with the MPCA, Soil and Waters, DNR, EPA, US Corp of Engineers, responds to inquiries, provide data collection and analysis, etc. See the Conditional Use Permit checklist for additional work demands.

** Gravel Pit Inspections-This cost can be reduced after the initial year based on the number of pits determined to be inactive and closed out, as well as reclaimed. Based on a per pit average from SEH proposal.

***Aggregate Tax-Only one township in the State of Minnesota charges this tax. Aggregate tax would be a pass through to the customer, of which a portion may include the Township and its residents.

****Misc. Additional Expenses and Staff Demands-

The costs and time required for the Township Supervisors and Clerks to work with a consultant or, for themselves, to develop and meet the minimum operational requirements for the Planning and Zoning structure. This would include determining and defining positions and contract services; soliciting, advertising, interview, and selecting candidates for positions (Planning Commission, Zoning Officials, etc.) as well as for the contract services (pit inspections, engineering, enforcements, etc.); followed by board meetings to review and approve all the above; and the on-going CUP process requirements (see Gnesen CUP Checklist).

CONDITIONAL USE PERMIT CHECKLIST

- Complete application
Date application deemed complete: _____
- Site plans with accurate description of the lot size, configuration
- Fees check # _____ Receipt # _____ Amount _____ Date _____
- Public hearing notice sent to Duluth News Tribune
- Public hearing notice sent to neighbors within 300/1,500 feet (RR, SR, and Resource Management District) (Attach addresses)
- Public hearing notice posted (Attach Affidavit of posting)
- Public hearing notice sent to applicant (Attach public hearing notice)
- Public hearing notice sent to P&Z Board Members
- Public hearing notice sent to DNR (if necessary)
- Administrator's report (Attach Administrator's Report)
- Neighbor letter responses (Also note any returned letters and emails)
- Minutes from public hearing (Attach minutes)
- Findings of Fact (Attach Findings)
- Recommendation submitted to Town Board
- Copy of Town Board Minutes (Attach minutes)
- Written findings sent to applicant (Attach Letter)
- Record granted CUP with St. Louis County Recorder (Attach recorded findings of facts)
- Date file is complete: _____ (All items must be completed prior to 60 days from date listed above)
- Additional fees. Check # _____ Amount _____ Date _____

File in cabinet when all items are complete.

- Avoid duplication
- Toss handwritten/extraneous stuff

Administration and Costs Related to Township Planning and Zoning Matters	Midway Township	Duluth Township	Gnesen Township	Lakewood Township	Canosia Township
1. Do you administer your own Planning and Zoning?	Yes	Yes, it administers its own zoning and stormwater ordinances.	Yes	Yes	Planning and Zoning through 2018
2. What positions(s), staff support, and contract services are required for this area?	Zoning Admin. monitors and reports to Planning and Zoning. Zoning Admin. then brings their recommendation for action to the Town Board. CUP hearings are conducted by P & Z.	Consists of a Director who is responsible for planning and zoning administration; a Planning Secretary who provides administrative asst., data collection and analysis and serves as secretary for the depart. and the Planning Commission. Town Clerk is involved in answering inquiries.	Planning and Zoning Commission consisting of 9 volunteer members, a Planning and Zoning Secretary (the Deputy Clerk), Zoning Officer, and Deputy Clerk who handles the P&Z office work, Board of Adjustment has 5 members.	Zoning Administrator is a part time employee of the township	
3. What is the estimated average annual cost for these 1) positions and 2) any normal contract services, such as Zoning Official, engineering, attorneys, etc, and 3) public notices and hearings?	Zoning Adm. Receives \$99/mtg and \$20 per hr. for enforcement and monitoring of storm water, erosion, or complaints. Zoning Admin. writes up the orders, and any enforcement letters. Planning Commission averages \$300.00 Per month.	Planning department levy for its operation over the last several years has been \$23-25,000 annually. This does not include revenue from permit applications which was \$8-10,500 annually	2020 Payroll for Deputy Clerk and Zoning Officer- \$5,319.94 2020 Surety Bond required for Zoning Officer-\$100 2020 MATIT liability insurance for Deputy Clerk and Zoning Officer-\$550	1) \$14,000 2) Varies with every permit 3) \$420	2017, received \$8,721.00 in permit fees, spent \$12,843.83 (majority is payroll) 2018, received \$7,429.00 in permit fees, spent \$14,349.30 (majority is payroll)
4. What additional costs for legal services, litigation, and other (?) have you incurred and what is the average annual costs?	Have not had any litigation on the one activity they have	Legal costs are difficult to assess by year. It is extremely variable depending on issues that arise.	2020 paid \$1,650.30 for legal services	None	2018, legal fees \$4,044.00 2017, legal fees \$3,198.75
5. To what extent do you coordinate with other permitting agencies (County, ACOE, Soil and Water, DNR, etc) and what impact does it have on your staff involvement?	Zoning works with MPCA, Soil & Water, DNR, EPA. Zoning Admin is on Duluth Urban Watershed Advisory Council with all these agencies and will ask questions regarding issues that Midway may have.	Coordination with permitting agencies varies by use and complexity. Generally, coordination is with St. Louis County, MNDNR, US Corps of Engineers. TheTown of Duluth is an MS4 and as such we are in compliance with MPCA requirements, report, etc.	We work closely with St. Louis County, especially for septic and driveways, the DNR, and sometimes the MNPCA	Coordination is completed as needed on any given project, though it generally only comes into play when involving Commercial or Industrial property, or a Business to be operated from a Residential property. Lakewood Township is a majoritively residential twp, therefore these are limited.	
6. Who administers the application review and approval process?	Township Permit Director and Zoning Admin.	Planning Director	Depending on the situation the Deputy Clerk, Zoning Officer, Town Board, and Planning Commission	Zoning Administrator	
7. Do you perform follow up inspections to verify compliance? What is the frequency and who has the responsibility?	Yes Zoning Admin. monitors these activities for compliance and stormwater issues.		A group pf Commission members do yearly gravel pit inspections prior to their annual reviews, all other follow up is left to the Zoning Officer	Only if there are concerns with non-compliance	
8. If there is non-compliance, who does the enforcement, what are the average estimated costs that you've incurred to facilitate enforcement, and generally what have the staff demands and impact been?	Zoning Admin.	The Planning Director shall investigate all violations of this Ordinance, notify the owners of violations and direct the property owner to correct violation within a reasonable period, and, if compliance is not obtained within a reasonable period, shall report such violatations to the Attorney, who shall take appropriate and immediate action on the matter.	The Zoning Officer deals with non-compliance issues. Cost vary by case as well a staff demands.	Zoning Administrator, Planning and Zoning Commission, Town Board-process is established by Zoning Ordinance. Demands on the staff are often heavier depending on how much support is provided by the Town Board Supervisors and the autonomy to seek support from the Town Attorney for enforcement.	

Administration and Costs Related to Township Planning and Zoning Matters

Midway Township

Duluth Township

Gnesen Township

Lakewood Township

Canosia Township

9. How many extractive use/gravel pits are there in your township?	Closes activity we have is one recycling of blacktop and concrete	One	eight	one-two	
10. Are all of them authorized under a Conditional Use Permit?	This one is	This pit was grandfathered in. However, gravel permits require a conditional use permit and are allowed in certain zoning districts.	Yes	Yes	
11. What is the average number of CUP's you process each year and how many are for extractive use/gravel pits?	Just this one	Our records indicate that 2002-2020 there were 36 applications for conditional use permits. None of the applications were for gravel pits.	We currently have 17 active CUP's which require reviews, 8 of them are for Gravel Pits. We did not process any new CUP's in 2020	Zero in the last five years.	

Revenue Possibilities and Cost to Applicant

12. How much is your Application and/or CUP fee? Is there an annual renewal fee, and if so, how much?	Permit application is \$500. We have asked for a Surety Bond to off set any enforcement costs, but have not had to use them.	Permit application is \$385.	Gravel Pit CUP (new)- \$750 Gravel Pit CUP (annual renewal)-\$150	\$1,000 application fee as established by Ordinance. Renewal established by ordinance or at the time of the CUP/IUP hearing.	
13. Do you require Financial Assurance in the form of an Escrow or Bond? How much?	Minimum \$1,000		A minimum of \$10,000 Continuous Certificate Bond is required for all pits	Financial Assurance sometimes. Amount determined at the time of the Hearing.	
14. Do you charge an Extraction Tax or Fee? How much and for what quantities? If not, what were the primary factors in your decision not to?	Used to collect an extraction fee/tax but no longer have that activity in out Township	No extration fee/tax	No, because the Town Board voted not to	Only the permit fee, established by ordinance.	
15. Are there any other requirements from other agencies that are the responsibility, and at the expense, of the applicant? (Environmental Assessment Worksheet, etc)	We have required EAW, Storm-water Engineering and monitoring and reclamation once an area is done		EAW or EIS if required	Management Plan, Extraction Plan as otherwise established under Article VI Section 21 "Borrow Pits" of the Ordinance and otherwise determined at hearing.	
16. Do you have any other fees or revenue sources used to cover the administration and costs associated with an Application and/or CUP?	Just the initial application fee		We charge applicants additional fees or town costs that are incurred during the CUP process such as legal ad fees, recording fees, postage, and mileage to post	No	