



Council Work Session - 6:30 p.m.

CITY COUNCIL AGENDA
Tuesday, November 17, 2015
7:00 p.m.
Coon Rapids City Center
Council Chambers

Call to Order

Pledge of Allegiance

Roll Call

Adopt Agenda

Proclamations/Presentations

Approval of Minutes of Previous Meeting

1. Approve Minutes of November 4, 2015

Consent Agenda

2. Adopt Resolution 15-125 Setting Levy Hearing for Misc. Assessment 2016-1
3. Adopt Resolution 15-124 Approving Joint Powers Agreement - Access to BCA Data
4. Informational Item: Corporate Officer Change - Noodles & Company 3479 River Rapids Drive

Public Hearing

5. Hold Public Hearing and Ordinance Introduction, Sale of Residential Lot, 2260 Coon Rapids Boulevard
6. Hold Public Hearing and Consider Adoption of Ordinance for CenturyLink Cable Television Franchise Agreement
7. Hold Public Hearing on Liquor License Fees and Consider Ordinances and Resolutions Setting 2016 Fees and Charges

Bid Openings and Contract Awards

Old Business

New Business

8. Accept Feasibility and Order Public Hearing and Assessment Hearing for State Aid Street Reconstruction - Project 16-1
9. Accept Feasibility and Order Public Hearing and Assessment Hearing for State Aid Street Reconstruction - Project 16-2
10. Accept Feasibility and Order Public Hearing and Assessment Hearing for State Aid Street Reconstruction - Project 16-3
11. Accept Feasibility and Order Public Hearing and Assessment Hearing for State Aid Street Reconstruction - Project 16-4
12. Consider Co-Operative Agreement with Coon Creek Watershed District for Inspection of City Ditch Systems
13. Consider Refund of Liquor License Fee for Coon Rapids Cheers Pablo
14. 2015 Miscellaneous Drainage Improvements
15. Consider Resolution 16-6(8) Approving Plans and Specifications and Ordering Advertisement for Bids - Project 16-6, 2016 Sanitary Sewer Lining

Open Mic/Public Comment

Reports on Previous Open Mic

16. Open Mic Report from November 4, 2015 Meeting

Other Business

Adjourn



City Council Regular

1.

Meeting Date: 11/17/2015

SUBJECT: Approve Minutes of November 4, 2015

Attachments

November 4, 2015 Minutes

UNAPPROVED

COON RAPIDS CITY COUNCIL MEETING MINUTES OF NOVEMBER 4, 2015

CALL TO ORDER

The first regular meeting of the Coon Rapids City Council for the month of November was called to order by Mayor Jerry Koch at 7:00 p.m. on Wednesday, November 4, 2015, in the Council Chambers.

PLEDGE OF ALLEGIANCE TO THE FLAG

Mayor Koch led the Council in the Pledge of Allegiance.

ROLL CALL

Members Present: Mayor Jerry Koch, Councilmembers Ron Manning, Wade Demmer, Jennifer Geisler, Brad Johnson and Steve Wells

Members Absent: Councilmember Denise Klint

ADOPT AGENDA

MOTION BY COUNCILMEMBER MANNING, SECONDED BY COUNCILMEMBER GEISLER, TO ADOPT THE AGENDA AS PRESENTED. THE MOTION PASSED UNANIMOUSLY.

PROCLAMATIONS/PRESENTATIONS

None.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

1. OCTOBER 20, 2015, COUNCIL MEETING

MOTION BY COUNCILMEMBER WELLS, SECONDED BY COUNCILMEMBER MANNING, FOR APPROVAL OF THE MINUTES OF THE OCTOBER 20, 2015, COUNCIL MEETING. THE MOTION PASSED UNANIMOUSLY.

CONSENT AGENDA/INFORMATIONAL BUSINESS

2. ADOPT RESOLUTION 15-123 ACCEPTING 2016 DWI OFFICER GRANT
 3. ADOPT RESOLUTION 15-119 ACCEPTING RECYCLING GRANT FROM ANOKA COUNTY FOR THE COON RAPIDS ICE CENTER
 4. APPROVE DRIVEWAY EASEMENT AGREEMENT, 14XX COON RAPIDS BOULEVARD
 5. ADOPT CITY OF COON RAPIDS SPECIAL ASSESSMENT POLICY UPDATE
 6. ACCEPT QUARTERLY FINANCIAL REPORT
-

MOTION BY COUNCILMEMBER MANNING, SECONDED BY COUNCILMEMBER DEMMER, FOR APPROVAL OF THE CONSENT AGENDA AS PRESENTED. THE MOTION PASSED UNANIMOUSLY.

PUBLIC HEARING

None.

BID OPENINGS AND CONTRACT AWARDS

None.

OLD BUSINESS

7. CONSIDER ADOPTION OF ORDINANCE 2149 AUTHORIZING SALE OF RESIDENTIAL LOT, 11400 HANSON BOULEVARD
-

The Staff report was shared with Council.

MOTION BY COUNCILMEMBER GEISLER, SECONDED BY COUNCILMEMBER JOHNSON, TO ADOPT ORDINANCE 2149 AUTHORIZING THE SALE OF THE LOT AT 11400 HANSON BOULEVARD; APPROVE THE PURCHASE AGREEMENT WITH THE ANOKA COUNTY HOUSING AND REDEVELOPMENT AUTHORITY; AUTHORIZE THE MAYOR AND CITY MANAGER TO EXECUTE THE DEED; AND AUTHORIZE STAFF TO EXECUTE OTHER CLOSING DOCUMENTS AS NECESSARY TO CLOSE ON THE PROPERTY. THE MOTION PASSED UNANIMOUSLY.

NEW BUSINESS

8. CONSIDER INTRODUCTION OF ORDINANCE FOR CENTURYLINK CABLE TELEVISION FRANCHISE AGREEMENT AND ORDER PUBLIC HEARING

The Staff report was shared with Council.

Mayor Koch considered the Ordinance for the CenturyLink Cable Television Franchise Agreement to be introduced.

MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER WELLS, TO ORDER A PUBLIC HEARING FOR THE CENTURYLINK CABLE TELEVISION FRANCHISE AGREEMENT TO BE HELD ON THE NOVEMBER 17, 2015 AT 7:00 P.M. THE MOTION PASSED UNANIMOUSLY.

9. CONSIDER RESOLUTION 15-120 APPROVING MNDOT AGREEMENT #1001638, MASTER PARTNERSHIP CONTRACT BETWEEN THE STATE OF MINNESOTA AND CITY OF COON RAPIDS

The Staff report was shared with Council.

MOTION BY COUNCILMEMBER MANNING, SECONDED BY COUNCILMEMBER GEISLER, TO APPROVE THE MASTER PARTNERSHIP AGREEMENT, MNDOT AGREEMENT #1001638, AND CORRESPONDING RESOLUTION NO. 15-120, AND AUTHORIZE CITY OFFICIALS TO EXECUTE THE AGREEMENT WITH THE STATE OF MINNESOTA THROUGH ITS COMMISSIONER OF TRANSPORTATION BEGINNING OCTOBER 2015 AND EXPIRING JUNE 30, 2017.

Councilmember Johnson asked if the MnDOT agreement had been reviewed by the City Attorney. City Attorney Brodie advised that he had reviewed and recommended approval of the agreement.

THE MOTION PASSED UNANIMOUSLY.

10. CONSIDER EASEMENT AGREEMENTS FOR PROJECT 15-15, INTERSECTION IMPROVEMENT AT NORTHDALÉ BOULEVARD AND REDWOOD STREET

The Staff report was shared with Council.

Mayor Koch asked if all easements for this project had been resolved. Public Works Director Himmer explained the City had reached agreements with all but one property owner. Staff would continue to work on negotiations with the final property owner.

MOTION BY COUNCILMEMBER DEMMER, SECONDED BY COUNCILMEMBER JOHNSON, TO ACCEPT TEMPORARY AND PERMANENT EASEMENTS FOR DEDICATION OF RIGHT-OF-WAY DETAILED HEREIN, AND AUTHORIZE THE EXECUTION OF THE AGREEMENTS BETWEEN THE CITY OF COON RAPIDS AND LANDOWNERS OF THE PROPERTIES LISTED BY STAFF. THE MOTION PASSED UNANIMOUSLY.

11. PC 88-37: CONSIDER RESOLUTION 15-122 REVOKING CONDITIONAL USE PERMIT FOR JOHN BECKER, SEMI-TRAILER FOR STORAGE

The Staff report was shared with Council.

Mayor Koch reviewed the letter received from Mr. Becker regarding the revocation of his conditional use permit. He feared that the numerous items being stored on his lot were cause for concern.

Councilmember Johnson discussed Mr. Becker's findings and asked if an illegal tire sales operation was occurring on the property. Planner Harlicker believed one of the people living in the icehouse or pop-up was running this business.

Councilmember Demmer commented this was a unique property given its zoning and location. While he was sympathetic to Mr. Becker and his motorcycle business, he stated he could not overlook the numerous code violations on the property. He asked if the Police Department has been assisting Mr. Becker in trespassing the individual living on his property. Police Chief Wise discussed how the Police Department had been involved in this situation.

Councilmember Manning suggested Mr. Becker lock the fish house and pop up camper to keep the individual from entering these spaces. Police Chief Wise explained that this would assist the Police Department in keeping the trespasser off the property.

Councilmember Geisler provided comment on the history of this property and believed that Mr. Becker had been given enough chances to follow City Code.

Councilmember Johnson stated that it was with a heavy heart, due to the fact this was an ongoing problem property, he would be supporting staff's recommendation.

Councilmember Demmer asked what the City's next steps would be if the Conditional Use Permit was revoked. City Attorney Brodie advised the trailer would have to be removed from the site and all code

violations would have to be brought into compliance by the property owner. It was noted that Mr. Becker would be given a certain length of time to bring the property into compliance or the site could be abated.

Mayor Koch indicated he would not mind if the trailer and motorcycle parts remained if everything else was removed from the property. He asked if this would be a possibility for the City.

Councilmember Johnson provided an overview of the Conditional Use Permit and understood that Mr. Becker was and has been in violation of its terms for quite some time.

Councilmember Demmer questioned why the City has not removed the junk from this property prior to recommending the Conditional Use Permit be revoked. City Attorney Brodie explained that the City had given Mr. Becker a year to bring the site into compliance and at this time, staff believes the Conditional Use Permit revocation was a necessary step.

Councilmember Johnson requested staff allow Mr. Becker ample time to come into compliance, given the fact winter is approaching, and so long as he is making reasonable efforts to bring the property into compliance.

Councilmember Manning indicated it was unfortunate that Mr. Becker was in this predicament, however, this could have been avoided if Mr. Becker had heeded the City's past warnings.

Councilmember Johnson encouraged Mr. Becker to build an exterior shed to store his motorcycle parts, which would allow him to keep his business operational.

Councilmember Wells did not understand how the Conditional Use Permit had evolved into the property becoming a junk yard. He did not believe Mr. Becker was properly taking responsibility of his property.

MOTION BY COUNCILMEMBER WELLS, SECONDED BY COUNCILMEMBER JOHNSON, TO ADOPT RESOLUTION NO. 15-122 REVOKING THE CONDITIONAL USE PERMIT FOR JOHN BECKER DUE TO THE FACT THE CONDITIONAL USE IS BEING OPERATED AND MAINTAINED IN A MANNER CONTRARY TO THIS TITLE, THE APPROVED CONDITIONAL USE PERMIT, OR ITS CONDITIONS BASED ON THE FOLLOWING FINDINGS:

1. THE APPLICANT IS IN VIOLATION OF THE FOLLOWING CONDITIONS OF HIS APPROVAL:
 1. THERE SHALL BE NO OUTSIDE STORAGE OF MATERIAL AND ACCUMULATION OF DEBRIS.
 2. THERE SHALL BE NO STORAGE OF HAZARDOUS OR HIGHLY FLAMMABLE MATERIAL IN VIOLATION OF FIRE CODES.

2. THE CONDITIONAL USE IS BEING OPERATED AND MAINTAINED IN A MANNER CONTRARY TO THIS TITLE:
 1. THE APPLICANT HAD TWO INDIVIDUALS LIVING IN A NON-COMPLIANT ACCESSORY STRUCTURE AND A CAMPER.
 2. THERE ARE MULTIPLE TRAILERS ON SITE.
 3. THERE HAVE BEEN MULTIPLE POLICE REPORTS REGARDING THE INDIVIDUALS LIVING IN ILLEGAL STRUCTURES.
 4. OPERATION OF AN ILLEGAL TIRE SALES/REPAIR BUSINESS ON THE PROPERTY.
 5. COON RAPIDS FIRE DEPARTMENT NOTED THE HAZARDOUS CONDITIONS ON THE SITE AND REQUESTED THE PROPERTY BE PLACED ON ANOKA COUNTY DISPATCH ALERT.

THE MOTION PASSED 5-1 (DEMMEER OPPOSED).

12. CONSIDER RESOLUTION 15-15(8) APPROVING PLANS AND SPECS AND ORDERING ADVERTISEMENT FOR BID FOR THE NORTHDAL/REDWOOD INTERSECTION IMPROVEMENT PROJECT
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The Staff report was shared with Council.

MOTION BY COUNCILMEMBER MANNING, SECONDED BY COUNCILMEMBER WELLS, TO ADOPT RESOLUTION NO. 15-15(8) APPROVING PLANS AND SPECIFICATIONS, AND ORDERING ADVERTISEMENT FOR BIDS FOR THE NORTHDAL/REDWOOD INTERSECTION IMPROVEMENT PROJECT. THE MOTION PASSED UNANIMOUSLY.

13. CONSIDER INTRODUCTION OF ORDINANCES REVISING FEES FOR 2016 AND SET PUBLIC HEARING FOR LIQUOR LICENSE FEE INCREASES
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The Staff report was shared with Council.

Mayor Koch considered the Ordinances revising liquor license fees for 2016 to be introduced.

MOTION BY COUNCILMEMBER GEISLER, SECONDED BY COUNCILMEMBER WELLS, TO SET A PUBLIC HEARING FOR NOVEMBER 17, 2015 AT 7:00 P.M. REGARDING THE FEE

INCREASES FOR ON-SALE 3.2 MALT LIQUOR, OFF-SALE INTOXICATING LIQUOR, AND ON-SALE INTOXICATING LIQUOR LICENSES. THE MOTION PASSED UNANIMOUSLY.

OPEN MIC/PUBLIC COMMENT

Mayor Koch reviewed the rules of order for the Open Mic/Public Comment portion of the meeting.

Carol Kampff, 8330 Redwood Street NW, expressed concern with the City's lack of code enforcement in her neighborhood. She reported that she has called the City on numerous issues and was tired of waiting, watching and seeing nothing change. She did not believe the City's current code enforcement process was efficient and should be addressed by the City Council. She proposed that neighborhood audits be completed in order to address the numerous compliance issues and that feedback be provided to residents. She suggested that spring or fall cleanup days be reinstated. It was her hope that her neighborhood could be returned to its pristine condition.

Ms. Kampff did not support residential lots having chickens.

Councilmember Manning was in favor of the Council further discussing the City's code enforcement procedures.

Mayor Koch was in agreement.

REPORTS ON PREVIOUS OPEN MIC

None.

OTHER BUSINESS

Councilmember Geisler reported Kendall's opened last week. She encouraged all to visit this new restaurant at the golf course.

City Manager Stemwedel indicated City Hall would be closed on Wednesday, November 11th in observance of Veteran's Day.

Mayor Koch recognized Officer Brian Platz for his efforts in making Coon Rapids a Heart Safe Community.

ADJOURN

MOTION BY COUNCILMEMBER WELLS, SECONDED BY COUNCILMEMBER DEMMER, TO
ADJOURN THE MEETING AT 7:53 P.M. THE MOTION PASSED UNANIMOUSLY.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk



City Council Regular

2.

Meeting Date: 11/17/2015

Subject: Adopt Resolution 15-125 Setting Levy Hearing for Misc. Assessment 2016-1

Submitted For: Sharon Legg, Finance Director

From: Heidi Cederstrand, Assessment Clerk II

INTRODUCTION

A date for a public hearing should be set to consider miscellaneous assessments to be certified to the County for collection with the 2017 property taxes.

DISCUSSION

The City Council must set a public hearing as required by State Statutes. At that hearing, the City Council may refer appellants to the Board of Adjustment and Appeals. The Board of Adjustment and Appeals will then give their recommendation.

The Board of Adjustment and Appeals is expected to conduct this hearing on January 7 and make a recommendation to the City Council at the January 19 Council meeting. Staff will incorporate the process in the required mailing to the property owner.

These assessments include services provided to taxpayers, in most cases code enforcement violations. The terms of repayment are determined by the amount being assessed. The proposed assessments are categorized by the number of years to be assessed and the interest rate recommended.

RECOMMENDATION

Staff recommends adoption of Resolution 15-125 Miscellaneous Assessment declaring the cost to be assessed, ordering preparation of the proposed assessment roll and ordering the public hearing for December 1, 2015 on the proposed assessment roll.

Attachments

Res. Set Hearing Date-MIS2016-1

RESOLUTION NO. 15-125

**RESOLUTION DECLARING COST TO BE ASSESSED AND ORDERING
PUBLIC HEARING ON PROPOSED ASSESSMENT ROLL FOR
2016(1) MISCELLANEOUS ASSESSMENTS**

WHEREAS, costs to the City for abatement of code violations, securing and monitoring fees for vacant property, mowing of weeds, utility bankruptcy and any other unpaid fees, with total cost incurred for the improvements being \$74,635.94 and administrative fees of \$6,475 making the total cost of the improvements \$81,110.94.

WHEREAS, the Clerk has notified the Council that such proposed assessment has been completed and filed in the Clerk's Office for public inspection,

NOW, THEREFORE BE IT RESOLVED by the City Council of Coon Rapids, Minnesota:

1. The cost of such improvement to be specially assessed is hereby declared to be \$81,110.94.
2. The City Clerk with the assistance of the City Assessor shall forthwith calculate the proper amount to be specially assessed for such improvement against every assessable lot, piece or parcel of land within the district affected, without regard to cash valuation as provided by law, and the City Assessor shall file a copy of such proposed assessment for public inspection.
3. An assessment hearing shall be held on the 1st day of December, 2015 in the Council Chambers at 7:00 p.m. to pass upon such proposed assessment and at such time and place all persons owning property affected by such assessment will be given an opportunity to object to the assessment. A written objection must be filed prior to or at the assessment hearing to preserve the owner's right to appeal the assessment to district court.
4. The City Clerk is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official newspaper.

Adopted by the Coon Rapids City Council this 17th day of November, 2015.

Jerry Koch, Mayor

Attest:

Joan Lenzmeier, City Clerk



City Council Regular

3.

Meeting Date: 11/17/2015

Subject: Adopt Resolution 15-124 Approving Joint Powers Agreement - Access to BCA Data

Submitted For: David Brodie, City Attorney

From: Kim Reid, Administrative Legal Assistant

INTRODUCTION

The City Council is asked to approve a joint powers agreement with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension (BCA) that grants the City electronic access to the BCA's criminal justice data network and other network systems for five years.

DISCUSSION

The City Attorney's Office uses the BCA e-charging process to charge criminal complaints. The State of Minnesota is requesting the City enter into an amendment to the criminal justice data network (CJDN) subscriber agreement and approve a joint powers agreement authorizing the use of e-charging by the City. The amended agreement sets the standards and policies the City must follow in order to access the BCA's e-charging system.

RECOMMENDATION

1. Adopt Resolution 15-124 approving the State of Minnesota Joint Powers Agreement for (CJDN) access and approving the Court Data Services Subscriber Amendment.
 2. Authorize the Mayor and City Manager to execute the BCA Joint Powers Agreement and Amendment to the CJDN Subscriber Agreement.
-

Attachments

Resolution 15-124

BCA Joint Powers Agreement

CJDN Amendment

RESOLUTION NO. 15-124

RESOLUTION APPROVING STATE OF MINNESOTA JOINT POWERS AGREEMENTS WITH THE CITY OF COON RAPIDS ON BEHALF OF ITS CITY ATTORNEY AND POLICE DEPARTMENT

WHEREAS, the City of Coon Rapids on behalf of its Prosecuting Attorney and Police Department desires to enter into Joint Powers Agreements with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension to use systems and tools available over the State's criminal justice data communications network for which the City is eligible. The Joint Powers Agreements further provide the City with the ability to add, modify and delete connectivity, systems and tools over the five year life of the agreement and obligates the City to pay the costs for the network connection.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Coon Rapids, Minnesota as follows:

1. That the State of Minnesota Joint Powers Agreements by and between the State of Minnesota acting through its Department of Public Safety, Bureau of Criminal Apprehension and the City of Coon Rapids on behalf of its Prosecuting Attorney and Police Department, are hereby approved. Copies of the two Joint Powers Agreements are attached to this Resolution and made a part of it.

2. That the Coon Rapids Police Chief, Brad Wise, or his successor, is designated the Authorized Representative for the Police Department. The Authorized Representative is also authorized to sign any subsequent amendment or agreement that may be required by the State of Minnesota to maintain the City's connection to the systems and tools offered by the State.

To assist the Authorized Representative with the administration of the agreement, Deputy Chief Paul Ireland is appointed as the Authorized Representative's designee.

3. That the Coon Rapids City Attorney, David Brodie, or his successor, is designated the Authorized Representative for the Prosecuting Attorney. The Authorized Representative is also authorized to sign any subsequent amendment or agreement that may be required by the State of Minnesota to maintain the City's connection to the systems and tools offered by the State.

To assist the Authorized Representative with the administration of the agreement, Assistant City Attorney Doug Johnson is appointed as the Authorized Representative's designee.

4. That Jerry Koch, the Mayor for the City of Coon Rapids, and Matt Stemwedel, the City Manager, are authorized to sign the State of Minnesota Joint Powers Agreements.

[Signatures on following page]

Adopted by the Coon Rapids City Council this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk

**STATE OF MINNESOTA
JOINT POWERS AGREEMENT
AUTHORIZED AGENCY**

This agreement is between the State of Minnesota, acting through its Department of Public Safety, Bureau of Criminal Apprehension ("BCA") and the City of Coon Rapids on behalf of its Police Department ("Agency").

Recitals

Under Minn. Stat. § 471.59, the BCA and the Agency are empowered to engage in those agreements that are necessary to exercise their powers. Under Minn. Stat. § 299C.46 the BCA must provide a criminal justice data communications network to benefit authorized agencies in Minnesota. The Agency is authorized by law to utilize the criminal justice data communications network pursuant to the terms set out in this agreement. In addition, BCA either maintains repositories of data or has access to repositories of data that benefit authorized agencies in performing their duties. Agency wants to access these data in support of its official duties.

The purpose of this Agreement is to create a method by which the Agency has access to those systems and tools for which it has eligibility, and to memorialize the requirements to obtain access and the limitations on the access.

Agreement

1 Term of Agreement

- 1.1 Effective date:** This Agreement is effective on the date the BCA obtains all required signatures under Minn. Stat. § 16C.05, subdivision 2.
- 1.2 Expiration date:** This Agreement expires five years from the date it is effective.

2 Agreement between the Parties

2.1 General access. BCA agrees to provide Agency with access to the Minnesota Criminal Justice Data Communications Network (CJDN) and those systems and tools which the Agency is authorized by law to access via the CJDN for the purposes outlined in Minn. Stat. § 299C.46.

2.2 Methods of access.

The BCA offers three (3) methods of access to its systems and tools. The methods of access are:

A. Direct access occurs when individual users at the Agency use Agency's equipment to access the BCA's systems and tools. This is generally accomplished by an individual user entering a query into one of BCA's systems or tools.

B. Indirect access occurs when individual users at the Agency go to another Agency to obtain data and information from BCA's systems and tools. This method of access generally results in the Agency with indirect access obtaining the needed data and information in a physical format like a paper report.

C. Computer-to-computer system interface occurs when Agency's computer exchanges data and information with BCA's computer systems and tools using an interface. Without limitation, interface types include: state message switch, web services, enterprise service bus and message queuing.

For purposes of this Agreement, Agency employees or contractors may use any of these methods to use BCA's systems and tools as described in this Agreement. Agency will select a method of access and can change the methodology following the process in Clause 2.10.

2.3 Federal systems access. In addition, pursuant to 28 CFR §20.30-38 and Minn. Stat. §299C.58, BCA may provide Agency with access to the Federal Bureau of Investigation (FBI) National Crime Information Center.

2.4 Agency policies. Both the BCA and the FBI's Criminal Justice Information Systems (FBI-CJIS) have policies, regulations and laws on access, use, audit, dissemination, hit confirmation, logging, quality assurance, screening (pre-employment), security, timeliness, training, use of the system, and validation. Agency has created its own policies to ensure that Agency's employees and contractors comply with all applicable requirements. Agency ensures this compliance through appropriate enforcement. These BCA and FBI-CJIS policies and regulations, as amended and updated from time to time, are incorporated into this Agreement by reference. The policies are available at <https://app.dps.mn.gov/cjdn>.

2.5 Agency resources. To assist Agency in complying with the federal and state requirements on access to and use of the various systems and tools, information is available at <https://sps.x.state.mn.us/sites/bcaservicecatalog/default.aspx>. Additional information on appropriate use is found in the Minnesota Bureau of Criminal Apprehension Policy on Appropriate Use of Systems and Data available at <https://dps.mn.gov/divisions/bca/bca-divisions/mnjs/Documents/BCA-Policy-on-Appropriate-Use-of-Systems-and-Data.pdf>.

2.6 Access granted.

A. Agency is granted permission to use all current and future BCA systems and tools for which Agency is eligible. Eligibility is dependent on Agency (i) satisfying all applicable federal or state statutory requirements; (ii) complying with the terms of this Agreement; and (iii) acceptance by BCA of Agency's written request for use of a specific system or tool.

B. To facilitate changes in systems and tools, Agency grants its Authorized Representative authority to make written requests for those systems and tools provided by BCA that the Agency needs to meet its criminal justice obligations and for which Agency is eligible.

2.7 Future access. On written request by Agency, BCA also may provide Agency with access to those systems or tools which may become available after the signing of this Agreement, to the extent that the access is authorized by applicable state and federal law. Agency agrees to be bound by the terms and conditions contained in this Agreement that when utilizing new systems or tools provided under this Agreement.

2.8 Limitations on access. BCA agrees that it will comply with applicable state and federal laws when making information accessible. Agency agrees that it will comply with applicable state and federal laws when accessing, entering, using, disseminating, and storing data. Each party is responsible for its own compliance with the most current applicable state and federal laws.

2.9 Supersedes prior agreements. This Agreement supersedes any and all prior agreements between the BCA and the Agency regarding access to and use of systems and tools provided by BCA.

2.10 Requirement to update information. The parties agree that if there is a change to any of the information whether required by law or this Agreement, the party will send the new information to the other party in writing within 30 days of the change. This clause does not apply to changes in systems or tools provided under this Agreement.

This requirement to give notice additionally applies to changes in the individual or organization serving a city as its prosecutor. Any change in performance of the prosecutorial function must be provided to the BCA in writing by giving notice to the Service Desk, BCA.ServiceDesk@state.mn.us.

2.11 Transaction record. The BCA creates and maintains a transaction record for each exchange of data utilizing its systems and tools. In order to meet FBI-CJIS requirements and to perform the audits described in Clause 7, there must be a method of identifying which individual users at the Agency conducted a particular transaction.

If Agency uses either direct access as described in Clause 2.2A or indirect access as described in Clause 2.2B, BCA's transaction record meets FBI-CJIS requirements.

When Agency's method of access is a computer to computer interface as described in Clause 2.2C, the Agency must

keep a transaction record sufficient to satisfy FBI-CJIS requirements and permit the audits described in Clause 7 to occur.

If an Agency accesses data from the Driver and Vehicle Services Division in the Minnesota Department of Public Safety and keeps a copy of the data, Agency must have a transaction record of all subsequent access to the data that are kept by the Agency. The transaction record must include the individual user who requested access, and the date, time and content of the request. The transaction record must also include the date, time and content of the response along with the destination to which the data were sent. The transaction record must be maintained for a minimum of six (6) years from the date the transaction occurred and must be made available to the BCA within one (1) business day of the BCA's request.

2.12 Court information access. Certain BCA systems and tools that include access to and/or submission of Court Records may only be utilized by the Agency if the Agency completes the Court Data Services Subscriber Amendment, which upon execution will be incorporated into this Agreement by reference. These BCA systems and tools are identified in the written request made by Agency under Clause 2.6 above. The Court Data Services Subscriber Amendment provides important additional terms, including but not limited to privacy (see Clause 8.2, below), fees (see Clause 3 below), and transaction records or logs, that govern Agency's access to and/or submission of the Court Records delivered through the BCA systems and tools.

2.13 Vendor personnel screening. The BCA will conduct all vendor personnel screening on behalf of Agency as is required by the FBI CJIS Security Policy. The BCA will maintain records of the federal, fingerprint-based background check on each vendor employee as well as records of the completion of the security awareness training that may be relied on by the Agency.

3 Payment

The Agency agrees to pay BCA for access to the criminal justice data communications network described in Minn. Stat. § 299C.46 as specified in this Agreement. The bills are sent quarterly for the amount of Eight Hundred Seventy Dollars (\$870.00) or a total annual cost of Three Thousand Four Hundred Eighty Dollars (\$3,480.00).

Agency will identify its contact person for billing purposes, and will provide updated information to BCA's Authorized Representative within ten business days when this information changes.

If Agency chooses to execute the Court Data Services Subscriber Amendment referred to in Clause 2.12 in order to access and/or submit Court Records via BCA's systems, additional fees, if any, are addressed in that amendment.

4 Authorized Representatives

The BCA's Authorized Representative is Dana Gotz, Department of Public Safety, Bureau of Criminal Apprehension, Minnesota Justice Information Services, 1430 Maryland Avenue, St. Paul, MN 55106, 651-793-1007, or her successor.

The Agency's Authorized Representative is Chief Brad Wise, 11155 Robinson Drive NW, Coon Rapids, MN 55433-3761, (763) 767-6481, or his/her successor.

5 Assignment, Amendments, Waiver, and Contract Complete

5.1 Assignment. Neither party may assign nor transfer any rights or obligations under this Agreement.

5.2 Amendments. Any amendment to this Agreement, except those described in Clauses 2.6 and 2.7 above must be in writing and will not be effective until it has been signed and approved by the same parties who signed and approved the original agreement, their successors in office, or another individual duly authorized.

5.3 Waiver. If either party fails to enforce any provision of this Agreement, that failure does not waive the provision or the right to enforce it.

5.4 Contract Complete. This Agreement contains all negotiations and agreements between the BCA and the Agency. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party.

6 Liability

Each party will be responsible for its own acts and behavior and the results thereof and shall not be responsible or liable for the other party's actions and consequences of those actions. The Minnesota Torts Claims Act, Minn. Stat. § 3.736 and other applicable laws govern the BCA's liability. The Minnesota Municipal Tort Claims Act, Minn. Stat. Ch. 466, governs the Agency's liability.

7 Audits

7.1 Under Minn. Stat. § 16C.05, subd. 5, the Agency's books, records, documents, internal policies and accounting procedures and practices relevant to this Agreement are subject to examination by the BCA, the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Agreement. Under Minn. Stat. § 6.551, the State Auditor may examine the books, records, documents, and accounting procedures and practices of BCA. The examination shall be limited to the books, records, documents, and accounting procedures and practices that are relevant to this Agreement.

7.2 Under applicable state and federal law, the Agency's records are subject to examination by the BCA to ensure compliance with laws, regulations and policies about access, use, and dissemination of data.

7.3 If Agency accesses federal databases, the Agency's records are subject to examination by the FBI and Agency will cooperate with FBI examiners and make any requested data available for review and audit.

7.4 To facilitate the audits required by state and federal law, Agency is required to have an inventory of the equipment used to access the data covered by this Agreement and the physical location of each.

8 Government Data Practices

8.1 BCA and Agency. The Agency and BCA must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data accessible under this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Agency under this Agreement. The remedies of Minn. Stat. §§ 13.08 and 13.09 apply to the release of the data referred to in this clause by either the Agency or the BCA.

8.2 Court Records. If Agency chooses to execute the Court Data Services Subscriber Amendment referred to in Clause 2.12 in order to access and/or submit Court Records via BCA's systems, the following provisions regarding data practices also apply. The Court is not subject to Minn. Stat. Ch. 13 (see section 13.90) but is subject to the *Rules of Public Access to Records of the Judicial Branch* promulgated by the Minnesota Supreme Court. All parties acknowledge and agree that Minn. Stat. § 13.03, subdivision 4(e) requires that the BCA and the Agency comply with the *Rules of Public Access* for those data received from Court under the Court Data Services Subscriber Amendment. All parties also acknowledge and agree that the use of, access to or submission of Court Records, as that term is defined in the Court Data Services Subscriber Amendment, may be restricted by rules promulgated by the Minnesota Supreme Court, applicable state statute or federal law. All parties acknowledge and agree that these applicable restrictions must be followed in the appropriate circumstances.

9 Investigation of alleged violations; sanctions

For purposes of this clause, "Individual User" means an employee or contractor of Agency.

9.1 Investigation. Agency and BCA agree to cooperate in the investigation and possible prosecution of suspected violations of federal and state law referenced in this Agreement. Agency and BCA agree to cooperate in the investigation of suspected violations of the policies and procedures referenced in this Agreement. When BCA becomes aware that a violation may have occurred, BCA will inform Agency of the suspected violation, subject to any restrictions in applicable law. When Agency becomes aware that a violation has occurred, Agency will inform BCA subject to any restrictions in applicable law.

9.2 Sanctions Involving Only BCA Systems and Tools.

The following provisions apply to BCA systems and tools not covered by the Court Data Services Subscriber

Amendment. None of these provisions alter the Agency's internal discipline processes, including those governed by a collective bargaining agreement.

9.2.1 For BCA systems and tools that are not covered by the Court Data Services Subscriber Amendment, Agency must determine if and when an involved Individual User's access to systems or tools is to be temporarily or permanently eliminated. The decision to suspend or terminate access may be made as soon as alleged violation is discovered, after notice of an alleged violation is received, or after an investigation has occurred. Agency must report the status of the Individual User's access to BCA without delay. BCA reserves the right to make a different determination concerning an Individual User's access to systems or tools than that made by Agency and BCA's determination controls.

9.2.2 If BCA determines that Agency has jeopardized the integrity of the systems or tools covered in this Clause 9.2, BCA may temporarily stop providing some or all the systems or tools under this Agreement until the failure is remedied to the BCA's satisfaction. If Agency's failure is continuing or repeated, Clause 11.1 does not apply and BCA may terminate this Agreement immediately.

9.3 Sanctions Involving Only Court Data Services

The following provisions apply to those systems and tools covered by the Court Data Services Subscriber Amendment, if it has been signed by Agency. As part of the agreement between the Court and the BCA for the delivery of the systems and tools that are covered by the Court Data Services Subscriber Amendment, BCA is required to suspend or terminate access to or use of the systems and tools either on its own initiative or when directed by the Court. The decision to suspend or terminate access may be made as soon as an alleged violation is discovered, after notice of an alleged violation is received, or after an investigation has occurred. The decision to suspend or terminate may also be made based on a request from the Authorized Representative of Agency. The agreement further provides that only the Court has the authority to reinstate access and use.

9.3.1 Agency understands that if it has signed the Court Data Services Subscriber Amendment and if Agency's Individual Users violate the provisions of that Amendment, access and use will be suspended by BCA or Court. Agency also understands that reinstatement is only at the direction of the Court.

9.3.2 Agency further agrees that if Agency believes that one or more of its Individual Users have violated the terms of the Amendment, it will notify BCA and Court so that an investigation as described in Clause 9.1 may occur.

10 Venue

Venue for all legal proceedings involving this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

11 Termination

11.1 Termination. The BCA or the Agency may terminate this Agreement at any time, with or without cause, upon 30 days' written notice to the other party's Authorized Representative.

11.2 Termination for Insufficient Funding. Either party may immediately terminate this Agreement if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written notice to the other party's authorized representative. The Agency is not obligated to pay for any services that are provided after notice and effective date of termination. However, the BCA will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. Neither party will be assessed any penalty if the agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. Notice of the lack of funding must be provided within a reasonable time of the affected party receiving that notice.

12 Continuing obligations

The following clauses survive the expiration or cancellation of this Agreement: 6. Liability; 7. Audits; 8. Government Data Practices; 9. Investigation of alleged violations; sanctions; and 10. Venue.

The parties indicate their agreement and authority to execute this Agreement by signing below.

1. AGENCY

Name: _____
(PRINTED)

Signed: _____

Title: _____
(with delegated authority)

Date: _____

Name: _____
(PRINTED)

Signed: _____

Title: _____
(with delegated authority)

Date: _____

**2. DEPARTMENT OF PUBLIC SAFETY, BUREAU OF
CRIMINAL APPREHENSION**

Name: _____
(PRINTED)

Signed: _____

Title: _____
(with delegated authority)

Date: _____

3. COMMISSIONER OF ADMINISTRATION
delegated to Materials Management Division

By: _____

Date: _____

COURT DATA SERVICES SUBSCRIBER AMENDMENT TO CJDN SUBSCRIBER AGREEMENT

This Court Data Services Subscriber Amendment (“Subscriber Amendment”) is entered into by the State of Minnesota, acting through its Department of Public Safety, Bureau of Criminal Apprehension, (“BCA”) and the City of Coon Rapids on behalf of its Police Department (“Agency”), and by and for the benefit of the State of Minnesota acting through its State Court Administrator’s Office (“Court”) who shall be entitled to enforce any provisions hereof through any legal action against any party.

Recitals

This Subscriber Amendment modifies and supplements the Agreement between the BCA and Agency, SWIFT Contract number 101657, of even or prior date, for Agency use of BCA systems and tools (referred to herein as “the CJDN Subscriber Agreement”). Certain BCA systems and tools that include access to and/or submission of Court Records may only be utilized by the Agency if the Agency completes this Subscriber Amendment. The Agency desires to use one or more BCA systems and tools to access and/or submit Court Records to assist the Agency in the efficient performance of its duties as required or authorized by law or court rule. Court desires to permit such access and/or submission. This Subscriber Amendment is intended to add Court as a party to the CJDN Subscriber Agreement and to create obligations by the Agency to the Court that can be enforced by the Court. It is also understood that, pursuant to the Master Joint Powers Agreement for Delivery of Court Data Services to CJDN Subscribers (“Master Authorization Agreement”) between the Court and the BCA, the BCA is authorized to sign this Subscriber Amendment on behalf of Court. Upon execution the Subscriber Amendment will be incorporated into the CJDN Subscriber Agreement by reference. The BCA, the Agency and the Court desire to amend the CJDN Subscriber Agreement as stated below.

The CJDN Subscriber Agreement is amended by the addition of the following provisions:

1. **TERM; TERMINATION; ONGOING OBLIGATIONS.** This Subscriber Amendment shall be effective on the date finally executed by all parties and shall remain in effect until expiration or termination of the CJDN Subscriber Agreement unless terminated earlier as provided in this Subscriber Amendment. Any party may terminate this Subscriber Amendment with or without cause by giving written notice to all other parties. The effective date of the termination shall be thirty days after the other party's receipt of the notice of termination, unless a later date is specified in the notice. The provisions of sections 5 through 9, 12.b., 12.c., and 15 through 24 shall survive any termination of this Subscriber Amendment as shall any other provisions which by their nature are intended or expected to survive such termination. Upon termination, the Subscriber shall perform the responsibilities set forth in paragraph 7(f) hereof.

2. **Definitions.** Unless otherwise specifically defined, each term used herein shall have the meaning assigned to such term in the CJDN Subscriber Agreement.

a. **“Authorized Court Data Services”** means Court Data Services that have been authorized for delivery to CJDN Subscribers via BCA systems and tools pursuant to an Authorization Amendment to the Joint Powers Agreement for Delivery of Court Data Services to CJDN Subscribers (“Master Authorization Agreement”) between the Court and the BCA.

b. **“Court Data Services”** means one or more of the services set forth on the Justice Agency Resource webpage of the Minnesota Judicial Branch website (for which the current address is www.courts.state.mn.us) or other location designated by the Court, as the same may be amended from time to time by the Court.

c. **“Court Records”** means all information in any form made available by the Court to Subscriber through the BCA for the purposes of carrying out this Subscriber Amendment, including:

- i. **“Court Case Information”** means any information in the Court Records that conveys information about a particular case or controversy, including without limitation Court Confidential Case Information, as defined herein.
- ii. **“Court Confidential Case Information”** means any information in the Court Records that is inaccessible to the public pursuant to the Rules of Public Access and that conveys information about a particular case or controversy.
- iii. **“Court Confidential Security and Activation Information”** means any information in the Court Records that is inaccessible to the public pursuant to the Rules of Public Access and that explains how to use or gain access to Court Data Services, including but not limited to login account names, passwords, TCP/IP addresses, Court Data Services user manuals, Court Data Services Programs, Court Data Services Databases, and other technical information.
- iv. **“Court Confidential Information”** means any information in the Court Records that is inaccessible to the public pursuant to the Rules of Public Access, including without limitation both i) Court Confidential Case Information; and ii) Court Confidential Security and Activation Information.

d. **“DCA”** shall mean the district courts of the state of Minnesota and their respective staff.

e. **“Policies & Notices”** means the policies and notices published by the Court in connection with each of its Court Data Services, on a website or other location designated by the Court, as the same may be amended from time to time by the Court. Policies & Notices for each Authorized Court Data Service identified in an approved request form under section 3, below, are hereby made part of this Subscriber Amendment by this reference and provide additional terms and conditions that govern Subscriber’s use of Court Records accessed through such services, including but not limited to provisions on access and use limitations.

f. “**Rules of Public Access**” means the Rules of Public Access to Records of the Judicial Branch promulgated by the Minnesota Supreme Court, as the same may be amended from time to time, including without limitation lists or tables published from time to time by the Court entitled *Limits on Public Access to Case Records* or *Limits on Public Access to Administrative Records*, all of which by this reference are made a part of this Subscriber Amendment. It is the obligation of Subscriber to check from time to time for updated rules, lists, and tables and be familiar with the contents thereof. It is contemplated that such rules, lists, and tables will be posted on the Minnesota Judicial Branch website, for which the current address is www.courts.state.mn.us.

g. “**Court**” shall mean the State of Minnesota, State Court Administrator's Office.

h. “**Subscriber**” shall mean the Agency.

i. “**Subscriber Records**” means any information in any form made available by the Subscriber to the Court for the purposes of carrying out this Subscriber Amendment.

3. REQUESTS FOR AUTHORIZED COURT DATA SERVICES. Following execution of this Subscriber Amendment by all parties, Subscriber may submit to the BCA one or more separate requests for Authorized Court Data Services. The BCA is authorized in the Master Authorization Agreement to process, credential and approve such requests on behalf of Court and all such requests approved by the BCA are adopted and incorporated herein by this reference the same as if set forth verbatim herein.

a. **Activation.** Activation of the requested Authorized Court Data Service(s) shall occur promptly following approval.

b. **Rejection.** Requests may be rejected for any reason, at the discretion of the BCA and/or the Court.

c. **Requests for Termination of One or More Authorized Court Data Services.** The Subscriber may request the termination of an Authorized Court Data Services previously requested by submitting a notice to Court with a copy to the BCA. Promptly upon receipt of a request for termination of an Authorized Court Data Service, the BCA will deactivate the service requested. The termination of one or more Authorized Court Data Services does not terminate this Subscriber Amendment. Provisions for termination of this Subscriber Amendment are set forth in section 1. Upon termination of Authorized Court Data Services, the Subscriber shall perform the responsibilities set forth in paragraph 7(f) hereof.

4. SCOPE OF ACCESS TO COURT RECORDS LIMITED. Subscriber's access to and/or submission of the Court Records shall be limited to Authorized Court Data Services identified in an approved request form under section 3, above, and other Court Records necessary for Subscriber to use Authorized Court Data Services. Authorized Court Data Services shall only be used according to the instructions provided in corresponding Policies & Notices or other materials and only as necessary to assist Subscriber in the efficient performance of

Subscriber's duties required or authorized by law or court rule in connection with any civil, criminal, administrative, or arbitral proceeding in any Federal, State, or local court or agency or before any self-regulatory body. Subscriber's access to the Court Records for personal or non-official use is prohibited. Subscriber will not use or attempt to use Authorized Court Data Services in any manner not set forth in this Subscriber Amendment, Policies & Notices, or other Authorized Court Data Services documentation, and upon any such unauthorized use or attempted use the Court may immediately terminate this Subscriber Amendment without prior notice to Subscriber.

5. GUARANTEES OF CONFIDENTIALITY. Subscriber agrees:

a. To not disclose Court Confidential Information to any third party except where necessary to carry out the Subscriber's duties as required or authorized by law or court rule in connection with any civil, criminal, administrative, or arbitral proceeding in any Federal, State, or local court or agency or before any self-regulatory body.

b. To take all appropriate action, whether by instruction, agreement, or otherwise, to insure the protection, confidentiality and security of Court Confidential Information and to satisfy Subscriber's obligations under this Subscriber Amendment.

c. To limit the use of and access to Court Confidential Information to Subscriber's bona fide personnel whose use or access is necessary to effect the purposes of this Subscriber Amendment, and to advise each individual who is permitted use of and/or access to any Court Confidential Information of the restrictions upon disclosure and use contained in this Subscriber Amendment, requiring each individual who is permitted use of and/or access to Court Confidential Information to acknowledge in writing that the individual has read and understands such restrictions. Subscriber shall keep such acknowledgements on file for one year following termination of the Subscriber Amendment and/or CJDN Subscriber Agreement, whichever is longer, and shall provide the Court with access to, and copies of, such acknowledgements upon request. For purposes of this Subscriber Amendment, Subscriber's bona fide personnel shall mean individuals who are employees of Subscriber or provide services to Subscriber either on a voluntary basis or as independent contractors with Subscriber.

d. That, without limiting section 1 of this Subscriber Amendment, the obligations of Subscriber and its bona fide personnel with respect to the confidentiality and security of Court Confidential Information shall survive the termination of this Subscriber Amendment and the CJDN Subscriber Agreement and the termination of their relationship with Subscriber.

e. That, notwithstanding any federal or state law applicable to the nondisclosure obligations of Subscriber and Subscriber's bona fide personnel under this Subscriber Amendment, such obligations of Subscriber and Subscriber's bona fide personnel are founded independently on the provisions of this Subscriber Amendment.

6. APPLICABILITY TO PREVIOUSLY DISCLOSED COURT RECORDS.

Subscriber acknowledges and agrees that all Authorized Court Data Services and related Court Records disclosed to Subscriber prior to the effective date of this Subscriber Amendment shall be subject to the provisions of this Subscriber Amendment.

7. LICENSE AND PROTECTION OF PROPRIETARY RIGHTS. During the term of this Subscriber Amendment, subject to the terms and conditions hereof, the Court hereby grants to Subscriber a nonexclusive, nontransferable, limited license to use Court Data Services Programs and Court Data Services Databases to access or receive the Authorized Court Data Services identified in an approved request form under section 3, above, and related Court Records. Court reserves the right to make modifications to the Authorized Court Data Services, Court Data Services Programs, and Court Data Services Databases, and related materials without notice to Subscriber. These modifications shall be treated in all respects as their previous counterparts.

a. Court Data Services Programs. Court is the copyright owner and licensor of the Court Data Services Programs. The combination of ideas, procedures, processes, systems, logic, coherence and methods of operation embodied within the Court Data Services Programs, and all information contained in documentation pertaining to the Court Data Services Programs, including but not limited to manuals, user documentation, and passwords, are trade secret information of Court and its licensors.

b. Court Data Services Databases. Court is the copyright owner and licensor of the Court Data Services Databases and of all copyrightable aspects and components thereof. All specifications and information pertaining to the Court Data Services Databases and their structure, sequence and organization, including without limitation data schemas such as the Court XML Schema, are trade secret information of Court and its licensors.

c. Marks. Subscriber shall neither have nor claim any right, title, or interest in or use of any trademark used in connection with Authorized Court Data Services, including but not limited to the marks "MNCIS" and "Odyssey."

d. Restrictions on Duplication, Disclosure, and Use. Trade secret information of Court and its licensors will be treated by Subscriber in the same manner as Court Confidential Information. In addition, Subscriber will not copy any part of the Court Data Services Programs or Court Data Services Databases, or reverse engineer or otherwise attempt to discern the source code of the Court Data Services Programs or Court Data Services Databases, or use any trademark of Court or its licensors, in any way or for any purpose not specifically and expressly authorized by this Subscriber Amendment. As used herein, "trade secret information of Court and its licensors" means any information possessed by Court which derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. "Trade secret information of Court and its licensors" does not, however, include information which was known to Subscriber prior to Subscriber's receipt thereof, either directly or indirectly, from Court or its licensors, information which is independently developed by Subscriber without reference to or use of information received from Court or its licensors, or information which would not qualify as a trade secret under Minnesota law. It will not be a violation of this section 7, sub-section d, for Subscriber to make up to one copy of training materials and configuration documentation, if any, for each individual authorized to access, use, or configure Authorized Court Data Services, solely for its own use in connection with this Subscriber Amendment. Subscriber will take all steps reasonably necessary to protect the copyright, trade secret, and trademark rights of Court and its licensors and Subscriber will advise its bona fide personnel who are permitted access to

any of the Court Data Services Programs and Court Data Services Databases, and trade secret information of Court and its licensors, of the restrictions upon duplication, disclosure and use contained in this Subscriber Amendment.

e. Proprietary Notices. Subscriber will not remove any copyright or proprietary notices included in and/or on the Court Data Services Programs or Court Data Services Databases, related documentation, or trade secret information of Court and its licensors, or any part thereof, made available by Court directly or through the BCA, if any, and Subscriber will include in and/or on any copy of the Court Data Services Programs or Court Data Services Databases, or trade secret information of Court and its licensors and any documents pertaining thereto, the same copyright and other proprietary notices as appear on the copies made available to Subscriber by Court directly or through the BCA, except that copyright notices shall be updated and other proprietary notices added as may be appropriate.

f. Title; Return. The Court Data Services Programs and Court Data Services Databases, and related documentation, including but not limited to training and configuration material, if any, and logon account information and passwords, if any, made available by the Court to Subscriber directly or through the BCA and all copies, including partial copies, thereof are and remain the property of the respective licensor. Except as expressly provided in section 12.b., within ten days of the effective date of termination of this Subscriber Amendment or the CJDN Subscriber Agreement or within ten days of a request for termination of Authorized Court Data Service as described in section 4, Subscriber shall either: (i) uninstall and return any and all copies of the applicable Court Data Services Programs and Court Data Services Databases, and related documentation, including but not limited to training and configuration materials, if any, and logon account information, if any; or (2) destroy the same and certify in writing to the Court that the same have been destroyed.

8. INJUNCTIVE RELIEF. Subscriber acknowledges that the Court, Court's licensors, and DCA will be irreparably harmed if Subscriber's obligations under this Subscriber Amendment are not specifically enforced and that the Court, Court's licensors, and DCA would not have an adequate remedy at law in the event of an actual or threatened violation by Subscriber of its obligations. Therefore, Subscriber agrees that the Court, Court's licensors, and DCA shall be entitled to an injunction or any appropriate decree of specific performance for any actual or threatened violations or breaches by Subscriber or its bona fide personnel without the necessity of the Court, Court's licensors, or DCA showing actual damages or that monetary damages would not afford an adequate remedy. Unless Subscriber is an office, officer, agency, department, division, or bureau of the state of Minnesota, Subscriber shall be liable to the Court, Court's licensors, and DCA for reasonable attorneys fees incurred by the Court, Court's licensors, and DCA in obtaining any relief pursuant to this Subscriber Amendment.

9. LIABILITY. Subscriber and the Court agree that, except as otherwise expressly provided herein, each party will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof. Liability shall be governed by applicable law. Without limiting the foregoing, liability of the Court and any Subscriber that is an office, officer, agency, department, division, or bureau of the state of Minnesota shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes, section 3.376, and other applicable law. Without limiting the foregoing, if Subscriber is a political subdivision of the state of Minnesota, liability of the Subscriber shall be

governed by the provisions of Minn. Stat. Ch. 466 (Tort Liability, Political Subdivisions) or other applicable law. Subscriber and Court further acknowledge that the liability, if any, of the BCA is governed by a separate agreement between the Court and the BCA dated December 13, 2010 with DPS-M -0958.

10. AVAILABILITY. Specific terms of availability shall be established by the Court and communicated to Subscriber by the Court and/or the BCA. The Court reserves the right to terminate this Subscriber Amendment immediately and/or temporarily suspend Subscriber's Authorized Court Data Services in the event the capacity of any host computer system or legislative appropriation of funds is determined solely by the Court to be insufficient to meet the computer needs of the courts served by the host computer system.

11. [reserved]

12. ADDITIONAL USER OBLIGATIONS. The obligations of the Subscriber set forth in this section are in addition to the other obligations of the Subscriber set forth elsewhere in this Subscriber Amendment.

a. Judicial Policy Statement. Subscriber agrees to comply with all policies identified in Policies & Notices applicable to Court Records accessed by Subscriber using Authorized Court Data Services. Upon failure of the Subscriber to comply with such policies, the Court shall have the option of immediately suspending the Subscriber's Authorized Court Data Services on a temporary basis and/or immediately terminating this Subscriber Amendment.

b. Access and Use; Log. Subscriber shall be responsible for all access to and use of Authorized Court Data Services and Court Records by Subscriber's bona fide personnel or by means of Subscriber's equipment or passwords, whether or not Subscriber has knowledge of or authorizes such access and use. Subscriber shall also maintain a log identifying all persons to whom Subscriber has disclosed its Court Confidential Security and Activation Information, such as user ID(s) and password(s), including the date of such disclosure. Subscriber shall maintain such logs for a minimum period of six years from the date of disclosure, and shall provide the Court with access to, and copies of, such logs upon request. The Court may conduct audits of Subscriber's logs and use of Authorized Court Data Services and Court Records from time to time. Upon Subscriber's failure to maintain such logs, to maintain accurate logs, or to promptly provide access by the Court to such logs, the Court may terminate this Subscriber Amendment without prior notice to Subscriber.

c. Personnel. Subscriber agrees to investigate, at the request of the Court and/or the BCA, allegations of misconduct pertaining to Subscriber's bona fide personnel having access to or use of Authorized Court Data Services, Court Confidential Information, or trade secret information of the Court and its licensors where such persons are alleged to have violated the provisions of this Subscriber Amendment, Policies & Notices, Judicial Branch policies, or other security requirements or laws regulating access to the Court Records.

d. Minnesota Data Practices Act Applicability. If Subscriber is a Minnesota Government entity that is subject to the Minnesota Government Data Practices

Act, Minn. Stat. Ch. 13, Subscriber acknowledges and agrees that: (1) the Court is not subject to Minn. Stat. Ch. 13 (see section 13.90) but is subject to the Rules of Public Access and other rules promulgated by the Minnesota Supreme Court; (2) Minn. Stat. section 13.03, subdivision 4(e) requires that Subscriber comply with the Rules of Public Access and other rules promulgated by the Minnesota Supreme Court for access to Court Records provided via the BCA systems and tools under this Subscriber Amendment; (3) the use of and access to Court Records may be restricted by rules promulgated by the Minnesota Supreme Court, applicable state statute or federal law; and (4) these applicable restrictions must be followed in the appropriate circumstances.

13. FEES; INVOICES. Unless the Subscriber is an office, officer, department, division, agency, or bureau of the state of Minnesota, Subscriber shall pay the fees, if any, set forth in applicable Policies & Notices, together with applicable sales, use or other taxes. Applicable monthly fees commence ten (10) days after notice of approval of the request pursuant to section 3 of this Subscriber Amendment or upon the initial Subscriber transaction as defined in the Policies & Notices, whichever occurs earlier. When fees apply, the Court shall invoice Subscriber on a monthly basis for charges incurred in the preceding month and applicable taxes, if any, and payment of all amounts shall be due upon receipt of invoice. If all amounts are not paid within 30 days of the date of the invoice, the Court may immediately cancel this Subscriber Amendment without notice to Subscriber and pursue all available legal remedies. Subscriber certifies that funds have been appropriated for the payment of charges under this Subscriber Amendment for the current fiscal year, if applicable.

14. MODIFICATION OF FEES. Court may modify the fees by amending the Policies & Notices as provided herein, and the modified fees shall be effective on the date specified in the Policies & Notices, which shall not be less than thirty days from the publication of the Policies & Notices. Subscriber shall have the option of accepting such changes or terminating this Subscriber Amendment as provided in section 1 hereof.

15. WARRANTY DISCLAIMERS.

a. WARRANTY EXCLUSIONS. EXCEPT AS SPECIFICALLY AND EXPRESSLY PROVIDED HEREIN, COURT, COURT'S LICENSORS, AND DCA MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY, NOR ARE ANY WARRANTIES TO BE IMPLIED, WITH RESPECT TO THE INFORMATION, SERVICES OR COMPUTER PROGRAMS MADE AVAILABLE UNDER THIS AGREEMENT.

b. ACCURACY AND COMPLETENESS OF INFORMATION. WITHOUT LIMITING THE GENERALITY OF THE PRECEDING PARAGRAPH, COURT, COURT'S LICENSORS, AND DCA MAKE NO WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THE COURT RECORDS.

16. RELATIONSHIP OF THE PARTIES. Subscriber is an independent contractor and shall not be deemed for any purpose to be an employee, partner, agent or franchisee of the Court, Court's licensors, or DCA. Neither Subscriber nor the Court, Court's licensors, or DCA

shall have the right nor the authority to assume, create or incur any liability or obligation of any kind, express or implied, against or in the name of or on behalf of the other.

17. NOTICE. Except as provided in section 2 regarding notices of or modifications to Authorized Court Data Services and Policies & Notices, any notice to Court or Subscriber hereunder shall be deemed to have been received when personally delivered in writing or seventy-two (72) hours after it has been deposited in the United States mail, first class, proper postage prepaid, addressed to the party to whom it is intended at the address set forth on page one of this Agreement or at such other address of which notice has been given in accordance herewith.

18. NON-WAIVER. The failure by any party at any time to enforce any of the provisions of this Subscriber Amendment or any right or remedy available hereunder or at law or in equity, or to exercise any option herein provided, shall not constitute a waiver of such provision, remedy or option or in any way affect the validity of this Subscriber Amendment. The waiver of any default by either Party shall not be deemed a continuing waiver, but shall apply solely to the instance to which such waiver is directed.

19. FORCE MAJEURE. Neither Subscriber nor Court shall be responsible for failure or delay in the performance of their respective obligations hereunder caused by acts beyond their reasonable control.

20. SEVERABILITY. Every provision of this Subscriber Amendment shall be construed, to the extent possible, so as to be valid and enforceable. If any provision of this Subscriber Amendment so construed is held by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, such provision shall be deemed severed from this Subscriber Amendment, and all other provisions shall remain in full force and effect.

21. ASSIGNMENT AND BINDING EFFECT. Except as otherwise expressly permitted herein, neither Subscriber nor Court may assign, delegate and/or otherwise transfer this Subscriber Amendment or any of its rights or obligations hereunder without the prior written consent of the other. This Subscriber Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, including any other legal entity into, by or with which Subscriber may be merged, acquired or consolidated.

22. GOVERNING LAW. This Subscriber Amendment shall in all respects be governed by and interpreted, construed and enforced in accordance with the laws of the United States and of the State of Minnesota.

23. VENUE AND JURISDICTION. Any action arising out of or relating to this Subscriber Amendment, its performance, enforcement or breach will be venued in a state or federal court situated within the State of Minnesota. Subscriber hereby irrevocably consents and submits itself to the personal jurisdiction of said courts for that purpose.

24. INTEGRATION. This Subscriber Amendment contains all negotiations and agreements between the parties. No other understanding regarding this Subscriber Amendment, whether written or oral, may be used to bind either party, provided that all terms and conditions of the CJDN Subscriber Agreement and all previous amendments remain in full force and effect except as supplemented or modified by this Subscriber Amendment.

IN WITNESS WHEREOF, the Parties have, by their duly authorized officers, executed this Subscriber Amendment in duplicate, intending to be bound thereby.

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. §§ 16A.15 and 16C.05.

Name: _____
(PRINTED)

Signed: _____

Date: _____

SWIFT Contract No. _____

2. SUBSCRIBER (AGENCY)

Subscriber must attach written verification of authority to sign on behalf of and bind the entity, such as an opinion of counsel or resolution.

Name: _____
(PRINTED)

Signed: _____

Title: _____
(with delegated authority)

Date: _____

Name: _____
(PRINTED)

Signed: _____

Title: _____
(with delegated authority)

Date: _____

3. DEPARTMENT OF PUBLIC SAFETY, BUREAU OF CRIMINAL APPREHENSION

Name: _____
(PRINTED)

Signed: _____

Title: _____
(with delegated authority)

Date: _____

4. COMMISSIONER OF ADMINISTRATION

delegated to Materials Management Division

By: _____

Date: _____

5. COURTS

Authority granted to Bureau of Criminal Apprehension

Name: _____
(PRINTED)

Signed: _____

Title: _____
(with authorized authority)

Date: _____



City Council Regular

4.

Meeting Date: 11/17/2015

Subject: Informational Item: Corporate Officer Change - Noodles & Company 3479 River Rapids Drive

From: Stephanie Lincoln, Deputy City Clerk

INTRODUCTION

A representative for Noodles & Company, 3479 River Rapids Drive, has notified the City of a change in their corporate officers.

DISCUSSION

City Code Section 5-216(6) requires that the City Council be notified of any change in legal ownership or beneficial interest of a liquor license holder. The letter advising of their new officer changes is attached.

RECOMMENDATION

This is provided for information only.

Attachments

Noodles Co Letter



September 15, 2015

City of Coon Rapids
City Clerk
11155 Robinson Dr. NW
Coon Rapids, MN 55433

RE: The Noodle Shop, Co. - Colorado, Inc. d/b/a Noodles & Company

Dear Sir or Madam:

Please be advised that Mr. Keith Kinsey has resigned as President and Director of The Noodle Shop, Co. - Colorado, Inc. (The "Corporation"). The Corporation is a liquor license holder for the restaurant(s) listed on the attached. Mr. Paul Strasen, a current officer of the Corporation, has replaced Mr. Kinsey as President and Director. In addition, Mr. David Boennighausen has been added as an officer per the attached updated exhibit.

In the event any additional information is needed to remove Mr. Kinsey as an officer on the liquor license(s), and add Mr. Boennighausen, please contact me at 720-214-1947 or via email at jenniferm@noodles.com.

Thank you for your assistance in this matter.

Sincerely

A handwritten signature in blue ink, appearing to read "Jennifer McVay".

Jennifer McVay
Manager of Licensing & Franchise Administration

NOODLES, SALADS & SANDWICHES *from* **AROUND THE WORLD**

520 Zang Street | Broomfield, Colorado 80021 | 720.214.1900 | noodles.com

The Noodle Shop, Co. - Colorado, Inc.
d/b/a Noodles Company
Minnesota Location Attachment

<u>Store #</u>	<u>Entity</u>	<u>Address 1</u>	<u>Address 2</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
308	The Noodle Shop, Co. - Colorado Inc.	3479 River Rapids Drive		Coon Rapids	MN	55448



City Council Regular

5.

Meeting Date: 11/17/2015

Subject: Hold Public Hearing and Ordinance Introduction, Sale of Residential Lot, 2260 Coon Rapids Boulevard

From: Matt Brown, Economic Development Coordinator

INTRODUCTION

The Council is asked to introduce an ordinance authorizing the sale of a single-family lot at 2260 Coon Rapids Boulevard.

DISCUSSION

The property at 2260 Coon Rapids Boulevard was acquired by the City in 2003. At that time, the City was interested in acquiring several properties along the south frontage road of Coon Rapids Boulevard that abut the Riverview Park reservoir. An older house on the property was demolished after acquisition. Since that time, Staff has determined that it would be very costly and no longer feasible to acquire all the properties adjacent to the reservoir. Tollberg Homes, LLC has offered \$55,000 for the lot. An offer to purchase the property for its list price of \$65,000 fell through earlier this fall after a lender's appraisal did not support the projected value of the proposed house. Staff feels that the proposed \$55,000 sale price reflects market value. Tollberg Homes is currently constructing a similar house on a lot at 1607 103rd Avenue that was purchased from the HRA earlier this year.

The Council is asked to introduce an ordinance authorizing conveyance of the property. The City's Charter requires an ordinance for any land sale. The Council will consider adoption of the ordinance, along with execution of a Purchase and Redevelopment Agreement, at its December 1 meeting.

RECOMMENDATION

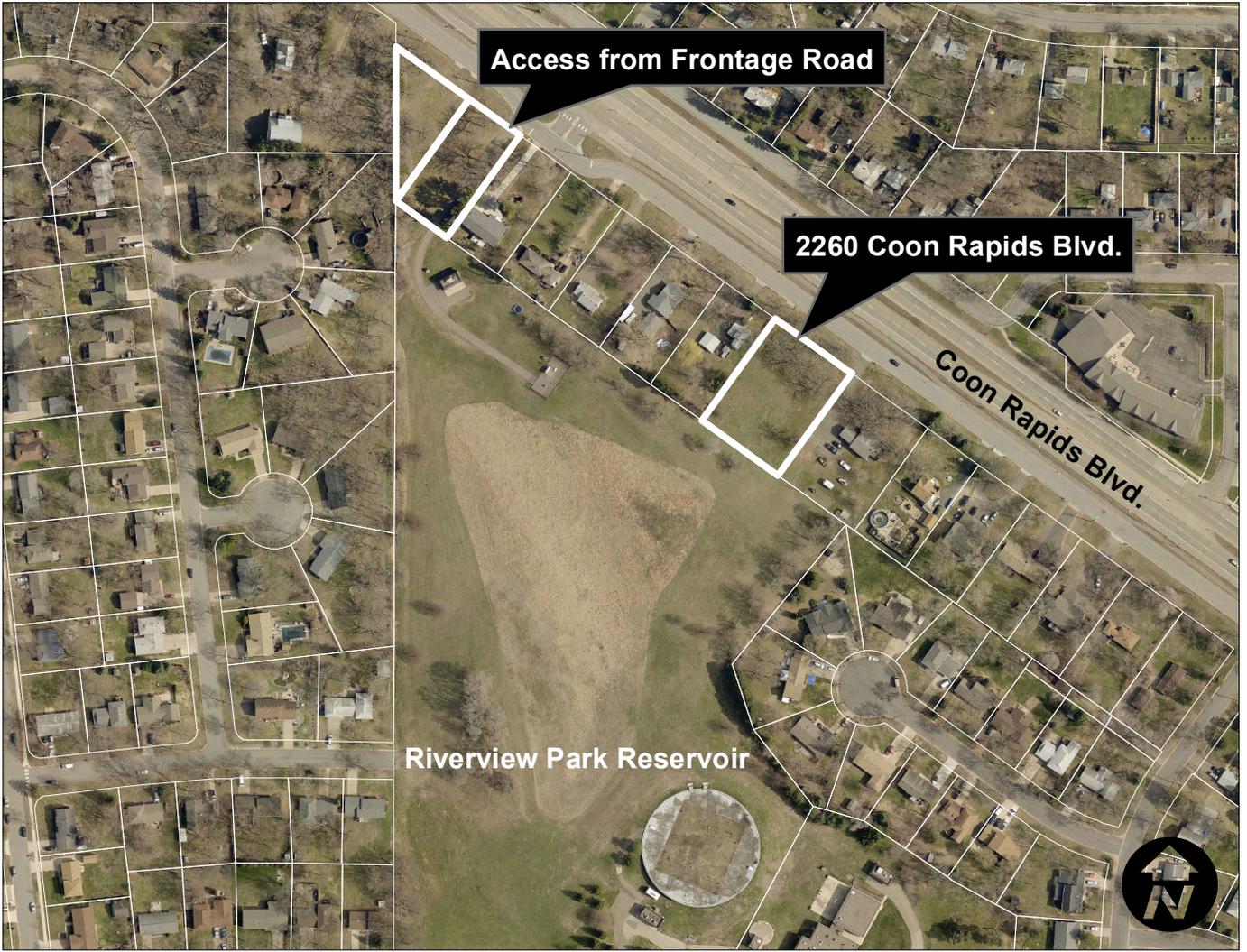
Staff recommends that the Council:

- a. Conduct a public hearing.
- b. Introduce the ordinance authorizing conveyance of the property at 2260 Coon Rapids Boulevard to Tollberg Homes, LLC for \$55,000.

Attachments

Location Map

Ordinance



ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE SALE OF REAL ESTATE, LOT 8 AND NORTHWESTERLY HALF OF LOT 9, BLOCK 1, OAKDALE

Preamble:

- A. The City is the owner of real estate described as Lot 8 and Northwesterly Half of Lot 9, Block 1, Oakdale, Anoka County, Minnesota (the "Property").
- B. The City purchased the Property in 2003 to expand public access to the adjacent public land.
- C. The City Council finds that the Property is no longer needed to provide adequate access to the adjacent public land.
- D. The City Council finds that the highest and best use of the Property is single-family residential and the City has listed the Property for sale for construction of a single-family home.
- E. Tollberg Homes, LLC has agreed to purchase the property for \$55,000 and construct a single-family home.

Now, therefore, the City of Coon Rapids does ordain:

Section 1. The conveyance of the following property to Tollberg Homes, LLC is hereby authorized: Lot 8 and Northwesterly Half of Lot 9, Block 1, Oakdale, Anoka County, Minnesota.

Section 2. The Mayor and City Manager are hereby authorized to execute a Purchase and Redevelopment Agreement, deed, and all other necessary documents to effectuate the conveyance.

Section 3. The proceeds of the sale, \$55,000, are directed to be paid into the City's water fund.

Adopted this the 1st day of December, 2015

Jerry Koch, Mayor

Attest:

Joan Lenzmeier, City Clerk



City Council Regular

6.

Meeting Date: 11/17/2015

Subject: Hold Public Hearing and Consider Adoption of Ordinance for CenturyLink Cable Television Franchise Agreement

From: Matt Stemwedel, City Manager

INTRODUCTION

Following the submission of an application for a cable television franchise for the City of Coon Rapids (the "City"), the CenturyLink Cable Franchise application came before the City for a public hearing on April 21, 2015. Said public hearing was held open through April 24, 2015, for the purpose of allowing additional written public comments. Following the public hearing, the City Staff prepared a detailed report entitled "Staff Report on CenturyLink Cable Franchise Application" (the "Report"). The City Council received and filed the Report and directed City staff to a negotiate cable television franchise with CenturyLink. City staff negotiated a cable television franchise with CenturyLink and it is now before the Council for consideration. The CenturyLink Cable Franchise Ordinance was introduced on November 4, 2015. The City must hold a public hearing on the proposed franchise ordinance and adopt written findings related to its final decision.

DISCUSSION

On April 2, 2015, the City received a cable franchise application from CenturyLink. Comcast Cable currently has a non-exclusive franchise agreement with the City, which means the City Council may grant additional franchises to provide cable service in the City.

A public hearing on the application was held on April 21, 2015, and additional written comments from the public were accepted through April 24, 2015. Following the public hearing, staff prepared a Report, which recommended that the City receive and file the Report and direct staff to negotiate a cable franchise with CenturyLink, consistent with the Report. On May 19, 2015, the City adopted the recommendation. This action did not approve a franchise.

The City's outside attorney, Mike Bradley, Bradley Hagen & Gullikson, LLC, in consultation with Eric Strouse, CTN Manager, Matt Stemwedel, City Manager, and David Brodie, City Attorney, engaged in cable franchise negotiations with CenturyLink. The attached cable franchise is the product of those negotiations.

In reviewing the CenturyLink cable franchise, there are two primary issues to consider. The first is whether federal law preempts Minnesota's 5-Year Build Statute. Minnesota Statutes Section 238.084, subdivision 1(m) requires all initial franchises to have a provision that requires a cable operator build out its cable system at a rate of 50 plant miles per year and that its cable system be substantially complete within 5 years. As the Report indicated, CenturyLink claims that this 5-Year Build Statute is an unlawful barrier to entry and is preempted by federal law and an FCC decision referred to as the 621 Order. The Report also indicated that there is no case law in Minnesota directly addressing preemption of the 5-Year

Build Statute. The Report concluded that CenturyLink has a good faith basis on its preemption claim and is willing to indemnify the City related to any litigation surrounding the grant of a franchise to CenturyLink. CenturyLink refused to incorporate the language of the 5-Year Build Statute in the proposed franchise, based on its preemption argument. As described below, the proposed CenturyLink franchise ordinance has provisions for a reasonable build-out of the city. The proposed franchise ordinance also has provision for defense and indemnification of the City regarding this issue.

The next issue is whether the CenturyLink franchise contains a reasonable build-out schedule. The franchise ordinance recognizes that CenturyLink has already constructed a legacy communications system throughout the City, which is capable of providing telephone and internet service. The build-out provisions in the franchise are related to upgrades of the legacy system to make it capable of providing cable service to all city residents. The proposed CenturyLink Franchise addresses build-out as follows:

- Complete Equitable Build-Out. Goal is to build-out the entire city over 5-year term, based on market success, with a significant investment targeted to areas below the median income in the city.
- Initial Minimum Build-Out Commitment. 15% of the city over two years.
 - CenturyLink must make its best effort to complete the initial deployment in a shorter period of time.
 - Equitable deployment to households in the City.
 - Must include a significant number of households below the medium income of the City.
 - CenturyLink permitted to serve more households than the initial commitment.
- Quarterly Meetings. Starting January 1, 2016, CenturyLink must meet with the City and show to the City's satisfaction:
 - Number of households capable of being served and actually served.
 - Compliance with anti-redlining requirements.
 - Maps and documentation "showing exactly where within the City the Grantee is currently providing cable service."
- Additional Build-Out Based on Market Success. Starting January 1, 2016, the CenturyLink build-out commitment will increase if its penetration rate is at least 27.5% in the areas that it is offering service.
 - Example: If CenturyLink is offering service to 60% of the City and CenturyLink has penetration of 30% in that area, then the build-out commitment will increase by 15%, to cover 75% of the city.
 - Additional build-out commitment continues until all households are served.
- Line Extension. No initial mandatory line extension, unless CenturyLink becomes the dominate cable provider. Then the City decides CenturyLink's build-out schedule, including a density requirement that is the same or similar to Comcast's density requirement.

The City may consider whether the Initial Minimum Build-Out Commitment of 15% of the City over two years is reasonable. CenturyLink claimed in its application that it initially would be providing service to a greater portion of the City. During negotiations however, CenturyLink was concerned about having too high a commitment in the franchise ordinance and that cities in Minnesota and elsewhere would use a greater commitment as a new standard. CenturyLink refused to increase the Initial Minimum Build-Out Commitment above 15%. However, the provisions related to Quarterly Meetings and Additional Build-Out Based on Market Success are designed to quicken and increase CenturyLink's initial Build-Out Commitment. The franchise also has provisions requiring that residents of the City be included in an equitable initial build commitment and that a significant number of households below the medium income of the city also be included in the initial build-out. CenturyLink must also use its best efforts to complete

its initial build faster than two years.

Another issue related to the reasonable build-out is whether the penetration rate triggering additional build-out is reasonable. CenturyLink claims that it needs a penetration rate of 27.5% in order to commit to an additional mandatory build in the city. This penetration number is based on internal CenturyLink return on investment models. Given Comcast's penetration rate in the City is around 40-50 %, a penetration rate of 27.5% may be difficult to obtain and, therefore, it is possible that CenturyLink may not be required to build-out more than its initial commitment.

Economic redlining or "cherry picking" was identified as a concern through the public hearing process. As the Report noted, cherry picking is prohibited by the Federal Cable Act. *See* 47 U.S.C. § 541(a)(3). The proposed CenturyLink franchise prohibits cherry picking, identical to the Comcast franchise. To ensure compliance, CenturyLink has an additional \$500 per day penalty/liquidated damage for violating the build-out and economic redlining provisions of the Franchise.

The Report also described the State's level playing field statute, which requires competitive cable franchises not to be more favorable or less burdensome than an incumbent's franchise as it relates to franchise fees, support of public, educational, and governmental access television and the area served.

CenturyLink is required to pay a franchise fee of 5% of its Gross Revenues (Identical to Comcast Franchise). The Franchise Area is the entire city (Identical to Comcast Franchise). The Public, Educational, and Governmental ("PEG") Access Requirements of the CenturyLink franchise meet, and in places exceed, Comcast's franchise commitments. The CenturyLink PEG commitments are summarized as follows:

- Number of Access Channels. CenturyLink will provide 5 Access Channels (same number of Access Channels as Comcast).
- Format of Access Channels. CenturyLink will provide all 5 Access Channels in HD if the City sends them in HD format (Comcast will provide up to 2 Access Channels in HD over time).
- Electronic Programming Guide. CenturyLink will have similar requirement as Comcast.
- Channel Placement. CenturyLink will make all Access Channels accessible at Channel 20 through the "Coon Rapids Mosaic." The Access Channels will be physically located in the 8000s (Comcast has no mosaic and is required to have all the HD Access Channels located near the broadcast channels).
- Public Service Announcements. CenturyLink will allow the City to air PSAs on non-Access channels during periods of unsold/unused air time (Exceeds Comcast's commitment).
- Video On-Demand. CenturyLink will provide 25 hours of VOD (Exceeds Comcast's PEG commitment).
- PEG Support. CenturyLink will pay a PEG Fee in support of the Access Channels of \$2.23 adjusted by CPI starting in 2016. (Amount of funding identical to Comcast).

Overall, the CenturyLink cable franchise is substantially similar to the Comcast cable franchise in most respects. The following highlights the differences between the two cable franchises:

- Term. CenturyLink's Franchise term is 5 years. Comcast's term is 15+ years.
- Indemnification of the City. CenturyLink has an additional indemnification commitment that Comcast does not have.

- Access Channel Commitments. CenturyLink may provide more channels in HD than Comcast. CenturyLink is providing 25 hours of VOD programming, while Comcast is not providing any. PEG support may be used for capital and operational support under the CenturyLink franchise.
- Twin Cities Metro PEG Interconnect Network. CenturyLink will provide a network to allow cities throughout the metro area to share live programming with one another. We believe this will be the only such network in the country.
- Penalties/Liquidated Damages. CenturyLink franchise has additional damages for violating the Build-Out and Economic Redlining provisions of the franchise that is not in the Comcast franchise.
- Build-Out. CenturyLink Franchise has a reasonable build-out commitment based on market success. Comcast does not have a build-out provision, as it built-out the City many years ago.
- Line Extension. The CenturyLink franchise does not have an immediate line extension requirement. The City will determine a line extension obligation similar to Comcast's line extension if CenturyLink obtains a 50% penetration level in the City. Comcast has a line extension requirement.

City code requires a cable franchise to be granted by ordinance. The CenturyLink Cable Franchise Ordinance was introduced on November 4, 2015. A public hearing must be held before granting a cable franchise. The City should conduct a public hearing, then take action to approve or deny the proposed franchise ordinance and approve findings consistent with its decision.

RECOMMENDATION

Staff recommends the City Council:

1. Conduct a public hearing.
2. Adopt the CenturyLink Cable Franchise Ordinance.
3. Adopt written findings of fact to support action taken.

Attachments

CenturyLink Cable Franchise Ordinance

CenturyLink Proposed Findings of Fact

ORDINANCE NO.

AN ORDINANCE GRANTING A FRANCHISE TO QWEST BROADBAND SERVICES, INC., D/B/A CENTURYLINK TO CONSTRUCT, OPERATE AND MAINTAIN A CABLE SYSTEM IN THE CITY OF COON RAPIDS, MINNESOTA, FOR THE PURPOSE OF PROVIDING CABLE SERVICE; SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE FRANCHISE; PROVIDING FOR REGULATION AND USE OF THE SYSTEM AND THE PUBLIC RIGHTS-OF-WAY IN CONJUNCTION WITH THE CITY'S RIGHT-OF-WAY ORDINANCE, IF ANY; AND PRESCRIBING PENALTIES FOR THE VIOLATION OF THE PROVISIONS HEREIN; THEREBY AMENDING REVISED CITY CODE - 1982 BY ADDING CHAPTER 4-200

The City of Coon Rapids does ordain:

Section 1. Revised City Code - 1982 is hereby amended by adding Chapter 4-200, Franchise to Qwest Broadband Services, Inc., d/b/a CenturyLink as follows: (additions double underlined)

CITY OF COON RAPIDS, MINNESOTA

CHAPTER 4-200

FRANCHISE TO QWEST BROADBAND SERVICES, INC.,
D/B/A CENTURYLINK

4-201 Statement of Intent and Purpose. For purposes of this Franchise, the following terms, phrases, words, abbreviations and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future tense; words in the plural number include the singular number; words in the singular number include the plural; and the masculine gender includes the feminine gender. Unless otherwise expressly stated, words not defined herein or in the City Code shall be given the meaning set forth in applicable law and, if not defined therein, the words shall be given their common and ordinary meaning. The word "shall" is always mandatory and not merely directory. The word "may" is directory and discretionary and not mandatory.

4-202 Short Title and Definitions.

(1) Short Title. This Franchise Ordinance shall be known and cited as the CenturyLink Cable Franchise Ordinance.

(2) Definitions. For purposes of this Franchise, the following terms, phrases, words, abbreviations and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future tense; words in the plural number include the singular number; words in the singular number include the plural; and the

masculine gender includes the feminine gender. Unless otherwise expressly stated, words not defined herein or in the City Code shall be given the meaning set forth in applicable law and, if not defined therein, the words shall be given their common and ordinary meaning. The word "shall" is always mandatory and not merely directory. The word "may" is directory and discretionary and not mandatory.

(3) "Actual Cost" means the incremental cost to the Grantee of materials, capitalized labor and borrowing necessary to install and construct fiber-optic lines, coaxial cable and/or equipment.

(4) "Affiliate" means any Person who owns or controls, is owned or controlled by, or is under common ownership or control with the Grantee.

(5) "Basic Cable Service" means any service tier which includes the lawful retransmission of local television broadcast signals and any public, educational and governmental access programming required by the Franchise to be carried on the basic tier. Basic Cable Service as defined herein shall not be inconsistent with 47 U.S.C. § 543(b)(7).

(6) "Cable Service" or "Service" means (1) the one-way transmission to Subscribers of video programming or other programming services; and (2) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming services. Cable Service shall also include any video programming service for which a franchise from a local government is permitted under state law.

(7) "Cable System" or "System" means the facility of the Grantee consisting of a set of closed transmission paths and associated signal generation, reception and control equipment that is designed to provide Cable Service, which includes video programming and which is provided to multiple Subscribers within the City, but such term does not include: (1) a facility that only serves to retransmit the television signals of one or more television broadcast stations; (2) a facility that serves Subscribers without using any Rights-of-Way; (3) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act, except that such facility shall be considered a System if such facility is used in the transmission of video programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services; (4) an open video system that complies with 47 U.S.C. § 573; (5) any facilities of any electric utility used solely for operating its electric utility system; or (6) a translator system which receives and rebroadcasts over-the-air signals. A reference to the System in this Franchise refers to any part of such System including, without limitation, Converters. The foregoing definition of "System" shall not be deemed to circumscribe or limit the valid authority of the City to regulate or franchise the activities of any other communications system or provider of communications service to the full extent permitted by law. "Cable System" or "System" as defined herein shall not be inconsistent with the definitions set forth in applicable law. Any reference to "Cable System" or "System" herein, which system is owned or operated by a Person other than the Grantee, shall be defined the same as this Subsection 4-202(2)(7). This definition shall include any facility that is a "cable system" under federal law or a "cable communications system" under state law.

(8) "City" means City of Coon Rapids, Minnesota, a municipal corporation, in the State of Minnesota, acting by and through its City Council, or its lawfully appointed designee.

(9) "City Code" means the Coon Rapids City Code, as amended from time to time.

(10) "City Council" means the governing body of the City.

(11) "Class IV Cable Channel" means the signaling path provided by a Cable System to transmit signals of any type from a Subscriber terminal to another point in the System.

(12) "Converter" means an electronic device (sometimes referred to as a receiver) which may serve as an interface between a System and a Subscriber's television monitor, and which may convert signals to a frequency acceptable to a television monitor of a Subscriber, and may by an appropriate selector, permit a Subscriber to view all signals of a particular service.

(13) "Coon Rapids System" means the Cable System operated pursuant to this Franchise and located in the City.

(14) "CPI" means the annual average of the Consumer Price Index for all Urban Consumers (CPI-U) for the Minneapolis-St. Paul CMSA, as published by the Bureau of Labor Statistics.

(15) "Drop" means the cable that connects the ground block on the Subscriber's residence or institution to the nearest feeder cable of the System.

(16) "Educational Access Channel" or Educational Channel" means any 6 MHz channel on a System set aside by the Grantee, and/or the City for Noncommercial educational use by educational institutions, as contemplated by applicable law.

(17) "FCC" means the Federal Communications Commission, its designee, and any legally appointed, designated or elected agent or successor.

(18) "Franchise" or Cable Franchise" means this ordinance, as may be amended from time to time, any exhibits attached hereto and made a part hereof, and the regulatory and contractual relationship established hereby.

(19) "Governmental Access Channel" or Governmental Channel" means any 6 MHz channel on the System set aside by the Grantee, and/or the City for Noncommercial use by the City or its delegatee.

(20) "Grantee" is Qwest Broadband Services, Inc., d/b/a CenturyLink, and its lawful successors, transferees or assignees.

(21) "Gross Revenues" means any and all revenues arising from or attributable to, or in any way derived directly or indirectly by the Grantee or its Affiliates, subsidiaries, or parent, or by any other entity that is a cable operator of the System, from the operation of the Grantee's System to provide Cable Services (including cash, credits, property or other consideration of any kind or nature). Gross Revenues include, by way of illustration and not limitation, monthly fees charged to Subscribers for any basic, optional, premium, per-channel, or per-program service, or other Cable Service; Installation, disconnection, reconnection, and change-in-service fees; Lockout Device fees; Leased Access Channel fees; late fees and administrative fees; fees, payments or other consideration received from programmers for carriage of programming on the System and accounted for as revenue under GAAP; revenues from rentals or sales of Converters or other equipment; fees related to commercial and institutional usage of the System or the I-Net; advertising revenues; interest; barter; revenues from program guides; franchise fees; and revenues to the System from home shopping, bank-at-home channels and other revenue sharing arrangements. Gross Revenues shall include revenues received by an entity other than the Grantee, an Affiliate or another entity that operates the System where necessary to prevent evasion or avoidance of the Grantee's obligation under this Franchise to pay the franchise fee. Gross Revenues shall not include: (i) to the extent consistent with generally accepted accounting principles, actual bad debt write-offs, provided, however, that all or part of any such actual bad debt that is written off but subsequently collected shall be included in Gross Revenues in the period collected; (ii) any taxes on services furnished by the Grantee imposed by any municipality, state or other governmental unit, provided that franchise fees shall not be regarded

as such a tax; (iii) FCC regulatory fees; (iv) Subscriber credits, adjustments or refunds; or (v) refundable Subscriber deposits.

(22) "Household" means a distinct address in the Qwest Corporation ("QC") network database, whether a residence or small business, subscribing to or being offered cable service. Grantee represents and warrants that it has access to the QC network database and shall demonstrate to the City's reasonable satisfaction how the data required in Section 4-203 are calculated and reported using the QC network database.

(23) "Installation" means the connection of the System from feeder cable to the point of connection with the Subscriber Converter or other terminal equipment.

(24) "Leased Access Channel" means channels on the System which are designated or dedicated for use by a Person unaffiliated with the Grantee pursuant to 47 U.S.C. § 532.

(25) "Lockout Device" means an optional mechanical or electrical accessory to a Subscriber's terminal which inhibits the viewing of a certain program, certain channel, or certain channels provided by way of the Cable System.

(26) "Node" means the transition point between optical light transmission (fiber-optic cable) and the RF transmission (coaxial cable) of video and data signals being delivered to and received from the Subscriber's home, and all necessary equipment related to such transition point.

(27) "Noncommercial" means, in the context of PEG channels, that particular products and services are not promoted or sold. This term shall not be interpreted to prohibit a PEG channel operator or programmer from soliciting and receiving financial support to produce and transmit video programming on a PEG channel, or from acknowledging a contribution.

(28) "Normal Operating Conditions" means those service conditions that are within the control of the Grantee. Conditions that are ordinarily within the control of the Grantee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, maintenance, or upgrade of the System, and the development, operation or maintenance of the Grantee's telephone system. Conditions that are not within the control of the Grantee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions.

(29) "PEG" means public, educational, and governmental.

(30) "Person" means any individual, partnership, association, joint stock company, joint venture, domestic or foreign corporation, stock or non-stock corporation, limited liability company, professional limited liability corporation, or other organization of any kind, or any lawful successor or transferee thereof, but such term does not include the City.

(31) "Public Access Channel(s)" or "Access Channel(s)" means any channels on the System set aside by the Grantee, and/or the City for Noncommercial use by the general public, as contemplated by applicable law.

(32) "Right-of-Way" or "Rights-of-Way" means the surface, air space above the surface and the area below the surface of any public street, highway, lane, path, alley, sidewalk, avenue, boulevard, drive, court, concourse, bridge, tunnel, park, parkway, skyway, waterway, dock, bulkhead, wharf, pier, easement or similar property or waters within the City owned by or under control of the City, or dedicated for general public use by the City, including, but not limited to, any riparian right, which, consistent with the purposes for which it was created, obtained or dedicated, may be used for the purpose of installing, operating and maintaining a System. No reference herein to a "Right-of-Way" shall be deemed to be a representation or guarantee by the

City that its interest or other right to control or use such property is sufficient to permit its use for the purpose of installing, operating and maintaining the System.

(33) "Right-of-Way Ordinance" means any ordinance of the City codifying requirements regarding regulation, management and use of Rights-of-Way in the City, including registration, fees, and permitting requirements.

(34) "State" means the State of Minnesota, its agencies and departments.

(35) "Subscriber" means any Person who lawfully receives service via the System. In the case of multiple office buildings or multiple dwelling units, the term "Subscriber" means the lessee, tenant or occupant.

4-203 Grant of Authority and General Provisions.

(1) Grant of Franchise. This Franchise is granted pursuant to the terms and conditions contained herein and in applicable law. The Grantee shall comply with all provisions of this Franchise and applicable laws, regulations and codes. Failure of the Grantee to construct, operate and maintain a System as described in this Franchise, or to meet obligations and comply with all provisions herein, may be deemed a violation of this Franchise.

(a) Nothing in this Franchise shall be deemed to waive the lawful requirements of any generally applicable City ordinance existing as of the Effective Date.

(b) Each and every term, provision or condition herein is subject to the provisions of state law, federal law, and local ordinances and regulations. The Municipal Code of the City, as the same may be amended from time to time, is hereby expressly incorporated into this Franchise as if fully set out herein by this reference. Notwithstanding the foregoing, the City may not unilaterally alter the material rights and obligations of Grantee under this Franchise.

(c) This Franchise shall not be interpreted to prevent the City from imposing additional lawful conditions, including additional compensation conditions for use of the Rights-of-Way, should Grantee provide service other than cable service.

(d) The parties acknowledge that Grantee intends that Qwest Corporation ("QC"), an affiliate of Grantee, will be primarily responsible for the construction and installation of the facilities in the Rights-of-Way, constituting the cable communications system, which will be utilized by Grantee to provide cable service. Grantee promises, as a condition of exercising the privileges granted by this Franchise, that any affiliate of the Grantee, including QC, directly or indirectly involved in the construction, management, or operation of the cable communications system will comply with all applicable federal, state and local laws, rules and regulations regarding the use of the City's rights of way. The City agrees that to the extent QC violates any applicable laws, rules and regulations, the City shall first seek compliance directly from QC. In the event, the City cannot resolve these violations or disputes with QC, or any other affiliate of Grantee, then the City may look to Grantee to ensure such compliance. Failure by Grantee to ensure QC's or any other affiliate's compliance with applicable laws, rules and regulations shall be deemed a material breach of this Franchise by Grantee. To the extent Grantee constructs and installs facilities in the rights-of-way, such installation will be subject to the terms and conditions contained herein

(e) No rights shall pass to Grantee by implication. Without limiting the foregoing, by way of example and not limitation, this Franchise shall not include or be a substitute for:

(i) Any other permit or authorization required for the privilege of transacting and carrying on a business within the City that may be required by the ordinances and laws of the City;

(ii) Any permit, agreement, or authorization required by the City for Right-of-Way users in connection with operations on or in Rights-of-Way or public property including, by way of example and not limitation, street cut permits; or

(iii) Any permits or agreements for occupying any other property of the City or private entities to which access is not specifically granted by this Franchise including, without limitation, permits and agreements for placing devices on poles, in conduits or in or on other structures.

(f) This Franchise is intended to convey limited rights and interests only as to those Rights-of-Way in which the City has an actual interest. It is not a warranty of title or interest in any Right-of-Way; it does not provide the Grantee with any interest in any particular location within the Right-of-Way; and it does not confer rights other than as expressly provided in the grant hereof.

(g) This Franchise does not authorize Grantee to provide telecommunications service, or to construct, operate or maintain telecommunications facilities. This Franchise is not a bar to imposition of any lawful conditions on Grantee with respect to telecommunications, whether similar, different or the same as the conditions specified herein. This Franchise does not relieve Grantee of any obligation it may have to obtain from the City an authorization to provide telecommunications services, or to construct, operate or maintain telecommunications facilities, or relieve Grantee of its obligation to comply with any such authorizations that may be lawfully required.

(2) Grant of Nonexclusive Authority.

(a) Subject to the terms of this Franchise, the City hereby grants the Grantee the right to own, construct, operate and maintain a System along the Rights-of-Way. The grant of authority set forth in this Franchise applies only to the Grantee's provision of Cable Service; provided, however, that nothing herein shall limit the Grantee's ability to use the System for other purposes not inconsistent with applicable law or with the provision of Cable Service; and provided further, that any local, State and federal authorizations necessary for the Grantee's use of the System for other purposes are obtained by the Grantee. This Franchise does not confer any rights other than as expressly provided herein, or as provided by federal, State or local law. No privilege or power of eminent domain is bestowed by this Franchise or grant. The System constructed and maintained by Grantee or its agents pursuant to this Franchise shall not interfere with other uses of the Rights-of-Way. The Grantee shall make use of existing poles and other aerial and underground facilities available to the Grantee to the extent it is technically and economically feasible to do so.

(b) Notwithstanding the above grant to use Rights-of-Way, no Right-of-Way shall be used by the Grantee if the City determines that such use is inconsistent with the terms, conditions, or provisions by which such Right-of-Way was created or dedicated, or with the present use of the Right-of-Way.

(c) This Franchise and the right it grants to use and occupy the Rights-of-Way shall not be exclusive and this Franchise does not, explicitly or implicitly, preclude the issuance of other franchises or similar authorizations to operate Cable Systems within the

City. Provided, however, that the City shall not authorize or permit another Person to construct, operate or maintain a Cable System on material terms and conditions which are, taken as a whole, more favorable or less burdensome than those applied to the Grantee.

(d) This Franchise authorizes only the use of Rights-of-Way. Therefore, the grant of this Franchise and the payment of franchise fees hereunder shall not exempt the Grantee from the obligation to pay compensation or fees for the use of City property, both real and personal, other than the Rights-of-Way; provided, however, that such compensation or fees are required by City ordinance, regulation or policy and are nondiscriminatory.

(e) Should any other multichannel video programming distributor ("MVPD") over which the City has regulatory jurisdiction provide Cable Service in the current cable service area, the City shall not grant more favorable terms, taken as a whole, to such MVPD than are granted to the Grantee. In the event that another Person operates a Cable System authorized by the City on terms and conditions that are, taken as a whole, more favorable or less burdensome than the terms and conditions applicable to the Grantee under this Franchise, the City shall adjust any such terms and conditions in any other Person's authorization or this Franchise so that the terms and conditions under which such Person operates, taken as a whole, are not more favorable or less burdensome than those that are applied to the Grantee.

(3) Lease or Assignment Prohibited. No Person may lease Grantee's System for the purpose of providing Cable Service until and unless such Person shall have first obtained and shall currently hold a valid Franchise or other lawful authorization containing substantially similar burdens and obligations to this Franchise, including, without limitation, a requirement on such Person to pay franchise fees on such Person's use of the System to provide Cable Services, to the extent there would be such a requirement under this Franchise if the Grantee itself were to use the System to provide such Cable Service. Any assignment of rights under this Franchise shall be subject to and in accordance with the requirements of Section 4-231.

(4) Franchise Term. This Franchise shall be in effect for a period of five (5) years, such term commencing on the Effective Date specified in Section 4-203(10), unless sooner renewed, extended, revoked or terminated as herein provided.

(5) Compliance with Applicable Laws, Resolutions and Ordinances.

(a) The terms of this Franchise shall define the contractual rights and obligations of the Grantee with respect to the provision of Cable Service and operation of the System in the City. However, the Grantee shall at all times during the term of this Franchise be subject to the lawful exercise of the police powers of the City, the City's right to adopt and enforce additional generally applicable ordinances and regulations, and lawful and applicable zoning, building, permitting and safety ordinances and regulations. The grant of this Franchise does not relieve the Grantee of its obligations to obtain any generally applicable licenses, permits or other authority as may be required by the City Code, as it may be amended, for the privilege of operating a business within the City or for performing work on City property or within the Rights-of-Way, to the extent not inconsistent with this Franchise. Except as provided below, any modification or amendment to this Franchise, or the rights or obligations contained herein, must be within the lawful exercise of the City's police powers, as enumerated above, in which case the provision(s) modified or amended herein shall be specifically referenced in an ordinance of the City authorizing such amendment or modification. This Franchise may also be

modified or amended with the written consent of the Grantee as provided in Section 4-234(3) herein.

(b) The Grantee shall comply with the terms of any City ordinance or regulation of general applicability which addresses usage of the Rights-of-Way within the City which may have the effect of superseding, modifying or amending the terms of Section 4-204 and/or Section 4-224(5)(c) herein; except that the Grantee shall not, through application of such City ordinance or regulation of Rights-of-Way, be subject to additional burdens with respect to usage of Rights-of-Way that exceed burdens on similarly situated Right-of-Way users.

(c) In the event of any conflict between Section 4-204 and/or Section 4-224(5)(c) of this Franchise and any lawfully applicable City ordinance or regulation which addresses usage of the Rights-of-Way, the conflicting terms in Section 4-204 and/or Section 4-224(5)(c) of this Franchise shall be superseded by such City ordinance or regulation; except that the Grantee shall not, through application of such City ordinance or regulation of Rights-of-Way, be subject to additional burdens with respect to usage of Public Rights-of-Way that exceed burdens on similarly situated Right-of-Way users.

(d) In the event any lawfully applicable City ordinance or regulation which addresses usage of the Rights-of-Way adds to, modifies, amends, or otherwise differently addresses issues addressed in Section 4-204 and/or Section 4-224(5)(c) of this Franchise, the Grantee shall comply with such ordinance or regulation of general applicability, regardless of which requirement was first adopted; except that the Grantee shall not, through application of such City ordinance or regulation of Rights-of-Way, be subject to additional burdens with respect to usage of Rights-of-Way that exceed burdens on similarly situated Rights-of-Way users.

(e) In the event the Grantee cannot determine how to comply with any Right-of-Way requirement of the City, whether pursuant to this Franchise or other requirement, the Grantee shall immediately provide written notice of such question, including the Grantee's proposed interpretation, to the City. The City shall provide a written response within ten (10) business days of receipt indicating how the requirements cited by the Grantee apply. The Grantee may proceed in accordance with its proposed interpretation in the event a written response is not received within thirteen (13) business days of mailing or delivering such written question.

(6) Rules of Grantee. The Grantee shall have the authority to promulgate such rules, regulations, terms and conditions governing the conduct of its business as shall be reasonably necessary to enable said Grantee to exercise its rights and perform its obligations under this Franchise and applicable law, and to assure uninterrupted service to each and all of its Subscribers; provided that such rules, regulations, terms and conditions shall not be in conflict with provisions hereto, the rules of the FCC, the laws of the State of Minnesota, the City, or any other body having lawful jurisdiction.

(7) Territorial Area Involved. This Franchise is granted for the corporate boundaries of the City, as they exist from time to time.

(a) Reasonable Build-Out of the Entire City. The Parties recognize that Grantee, or its affiliate, has constructed a legacy communications system throughout the City that is capable of providing voice grade service. The Parties further recognize that Grantee or its affiliate must expend a significant amount of capital to upgrade its existing legacy communications system and to construct new facilities to make it capable of providing

cable service. Further, there is no promise of revenues from cable service to offset these capital costs. The Parties agree that the following is a reasonable build-out schedule taking into consideration Grantee's market success and the requirements of Minnesota state law.

(i) Complete Equitable Build-Out. Grantee aspires to provide cable service to all households within the City by the end of the initial term of this Franchise. In addition, Grantee commits that a significant portion of its investment will be targeted to areas below the median income in the City.

(ii) Initial Minimum Build-Out Commitment. Grantee agrees to be capable of serving a minimum of fifteen percent (15%) of the City's households with cable service during the first two (2) years of the initial Franchise term, provided, however that Grantee will make its best efforts to complete such deployment within a shorter period of time. This initial minimum build-out commitment shall include an equitable deployment to households throughout the City and to a significant number of households below the medium income in the City. Nothing in this Franchise shall restrict Grantee from serving additional households in the City with cable service;

(iii) Quarterly Meetings. Commencing January 1, 2016, and continuing throughout the term of this Franchise, Grantee shall meet quarterly with the City Manager, or his/her designee. At each quarterly meeting, Grantee shall present information acceptable to the City (to the reasonable satisfaction of the City) showing the number of households Grantee is presently capable of serving with cable service and the number of households that Grantee is actually serving with cable service. Grantee shall also present information acceptable to the City (to the reasonable satisfaction of the City) that Grantee is equitably serving all portions of the City in compliance with this subsection 4-203(7)(i). In order to permit the City to monitor and enforce the provisions of this section and other provisions of this Franchise, the Grantee shall promptly, upon reasonable demand, show to the City (to the City's reasonable satisfaction) maps and provide other documentation showing exactly where within the City the Grantee is currently providing cable service;

(iv) Additional Build-Out Based on Market Success. If, at any quarterly meeting, Grantee is actually serving twenty seven and one-half percent (27.5%) of the households capable of receiving cable service, then Grantee agrees the minimum build-out commitment shall increase to include all of the households then capable of receiving cable service plus an additional fifteen (15%) of the total households in the City, which Grantee agrees to serve within two (2) years from the quarterly meeting; provided, however, the Grantee shall make its best efforts to complete such deployment within a shorter period of time. For example, if, at a quarterly meeting with the City Manager, Grantee shows that it is capable of serving sixty percent of the households in the City with cable service and is actually serving thirty percent of those households with cable service, then Grantee will agree to serve an additional fifteen percent of the total households in the City no later than 2 years after that quarterly meeting (a total of 75% of the total households). This additional build-out based on market success shall continue until every household in the City is served;

(v) Line Extension. Grantee shall not have a line extension obligation until the first date by which Grantee is providing Cable Service to more than fifty percent (50%) of all subscribers receiving facilities based cable service from both the Grantee and any other provider(s) of cable service within the City. At that time, the City, in its reasonable discretion and after meeting with Grantee, shall determine the timeframe to complete deployment to the remaining households in the City, including a density requirement that is the same or similar to the requirement of the incumbent franchised cable operator.

(9) Written Notice. All notices, reports or demands required to be given in writing under this Franchise shall be deemed to be given when delivered personally to any officer of the Grantee or the City's designated Franchise administrator, or forty-eight (48) hours after it is deposited in the United States mail in a sealed envelope, with registered or certified mail postage prepaid thereon, addressed to the party to whom notice is being given, as follows:

<u>If to City:</u>	<u>City of Coon Rapids</u>
	<u>11155 Robinson Drive</u>
	<u>Coon Rapids, MN 55433</u>
	<u>Attention: City Manager</u>
<u>With copies to:</u>	<u>Michael R. Bradley</u>
	<u>Bradley Hagen & Gullikson, LLC</u>
	<u>1976 Wooddale Drive, Suite 3A</u>
	<u>Woodbury, MN 55125</u>
<u>If to Grantee:</u>	<u>Qwest Broadband Services, Inc. d/b/a CenturyLink</u>
	<u>1801 California St., 10th Floor</u>
	<u>Denver, CO 80202</u>
	<u>Attn: Public Policy</u>
<u>With copies to:</u>	<u>Qwest Broadband Services Inc., d/b/a CenturyLink</u>
	<u>200 S. 5th Street, 21st Floor</u>
	<u>Minneapolis, MN 55402</u>
	<u>Attn: Public Policy</u>

Such addresses may be changed by either party upon notice to the other party given as provided in this Section.

(10) Effective Date. This Franchise shall become effective after: (i) all conditions precedent to its effectiveness as an ordinance of the City have occurred; (ii) all conditions precedent to its execution are satisfied; (iii) it has been approved by the City Council in accordance with applicable law; and (iv) it has been accepted and signed by the Grantee and the City (the "Effective Date").

4-204 Construction Standards.

(1) Registration, Permits and Construction Codes.

(a) The Grantee shall strictly adhere to all State and local laws, regulations and policies adopted by the City Council applicable to the location, construction, installation, operation or maintenance of the System in the City. The City has the right to supervise all construction or installation work performed in the Rights-of-Way as it shall find necessary to ensure compliance with the terms of this Franchise and other applicable provisions of law and regulations.

(b) Failure to obtain permits or to comply with permit requirements shall be grounds for revocation of this Franchise, or any lesser sanctions provided herein or in any other applicable law, code or regulation.

(2) Restoration of Rights-of-Way and Property. Any Rights-of-Way, or any sewer, gas or water main or pipe, drainage facility, electric, fire alarm, police communication or traffic control facility of the City, or any other public or private property, which is disturbed, damaged or destroyed during the construction, repair, replacement, relocation, operation, maintenance, expansion, extension or reconstruction of the System shall be promptly and fully restored, replaced, reconstructed or repaired by the Grantee, at its expense, to the same condition as that prevailing prior to the Grantee's work, to the extent consistent with applicable statutes and rules. It is agreed that in the normal course, with respect to fire and police department facilities and equipment, and water and sewer facilities, and other essential utilities and services, as determined by the City, such restoration, reconstruction, replacement or repairs shall be commenced immediately after the damage, disturbance or destruction is incurred, and the Grantee shall take diligent steps to complete the same, unless an extension of time is obtained from the appropriate City agency or department. In all other cases, reconstruction, replacement, restoration or repairs shall be commenced within no more than three (3) days after the damage, disturbance or destruction is incurred, and shall be completed as soon as reasonably possible thereafter. If the Grantee shall fail to perform the repairs, replacement, reconstruction or restoration required herein, the City shall have the right to put the Rights-of-Way, public or private property back into good condition. In the event City determines that the Grantee is responsible for such disturbance or damage, the Grantee shall be obligated to fully reimburse the City for required repairs, reconstruction and restoration.

(3) Conditions on Right-of-Way Use.

(a) Nothing in this Franchise shall be construed to prevent the City from constructing, maintaining, repairing or relocating sewers; grading, paving, maintaining, repairing, relocating and/or altering any Right-of-Way; constructing, laying down, repairing, maintaining or relocating any water mains; or constructing, maintaining, relocating or repairing any sidewalk or other public work.

(b) All System transmission and distribution structures, lines and equipment erected by the Grantee within the City shall be located so as not to obstruct or interfere with the use of Rights-of-Way except for normal and reasonable obstruction and interference which might occur during construction and to cause minimum interference with the rights of property owners who abut any of said Rights-of-Way and not to interfere with existing public utility installations.

(c) The Grantee shall, at its sole expense, by a reasonable time specified by the City, protect, support, temporarily disconnect, relocate or remove any of its property when required by the City by reason of traffic conditions; public safety; Rights-of-Way construction; street maintenance or repair (including resurfacing or widening); change in Right-of-Way grade; construction, installation or repair of sewers, drains, water pipes, power lines, signal lines, tracks or any other type of government-owned communications or traffic control system, public work or improvement of government-owned utility; Right-of-Way vacation; or for any other purpose where the convenience of the City would be served thereby. If the Grantee fails, neglects or refuses to comply with the City's request, the City may protect, support, temporarily disconnect, relocate or remove the appropriate portions of the System at the Grantee's expense for any of the City's

incremental costs incurred as a result of the Grantee's failure to comply. Except for the City's gross negligence, the City shall not be liable to the Grantee for damages resulting from the City's protection, support, disconnection, relocation or removal, as contemplated in the preceding sentence.

(d) The Grantee shall not place poles, conduits or other fixtures of the System above or below ground where the same will interfere with any gas, electric, telephone, water or other utility fixtures and all such poles, conduits or other fixtures placed in any Right-of-Way shall be so placed as to comply with all lawful requirements of the City.

(e) The Grantee shall, upon request of any Person holding a moving permit issued by the City, temporarily move its wires or fixtures to permit the moving of buildings with the expense of such temporary removal to be paid by the Person requesting the same (except in the case where the requesting Person is the City for the purpose of moving a City-owned building, in which case no payment shall be required). The Grantee shall be given not less than ten (10) days' advance written notice to arrange for such temporary wire changes.

(f) To the extent consistent with generally applicable City Code provisions, rules and regulations, the Grantee shall have the right to remove, cut, trim and keep clear of its System trees or other vegetation in and along or overhanging the Rights-of-Way. However, in the exercise of this right, the Grantee agrees not to cut or otherwise injure said trees to any greater extent than is reasonably necessary. This Franchise does not give the Grantee any authority to remove trees on private property in the City. All trimming shall be performed at no cost to the City.

(g) The Grantee shall use its best efforts to give prior notice to any adjacent private property owners who will be negatively affected or impacted by Grantee's work in the Rights-of-Way.

(h) If any removal, relaying or relocation is required to accommodate the construction, operation or repair of the facilities of a Person that is authorized to use the Rights-of-Way, the Grantee shall, after thirty (30) days' advance written notice and payment of all costs by such Person, commence action to effect the necessary changes requested by the responsible entity. If multiple responsible parties are involved, the City may resolve disputes as to the responsibility for costs associated with the removal, relaying or relocation of facilities among entities authorized to install facilities in the Rights-of-Way if the parties are unable to do so themselves, and if the matter is not governed by a valid contract between the parties or any State or federal law or regulation.

(4) Use of Existing Poles and Undergrounding of Cable.

(a) Where existing poles, underground conduits, ducts or wire holding structures are available for use by the Grantee, but it does not make arrangements for such use, the City may require, through the established permit, or any other applicable procedure, the Grantee to use such existing poles and wireholding structures if the City determines that the public convenience would be enhanced thereby and the terms available to the Grantee for the use of such poles and structures are just and reasonable.

(b) The Grantee agrees to place its cables, wires or other like facilities underground, in the manner as may be required by the provisions of the City Code and City policies, procedures, rules and regulations, as amended from time to time, where all utility facilities are placed underground. The Grantee shall not place facilities, equipment or fixtures where they will interfere with any existing gas, electric, telephone, water,

sewer or other utility facilities or with any existing installations of the City, or obstruct or hinder in any manner the various existing utilities serving the residents of the City. To the extent consistent with the City Code, City policies, procedures, rules and regulations, System cable and facilities may be constructed overhead where poles exist and electric or telephone lines or both are now overhead. However, in no case may the Grantee install poles in areas of the City where underground facilities are generally used by the utilities already operating. If the City, at a future date, requires all electric and telephone lines to be placed underground in all or part of the City, the Grantee shall, within a reasonable time, similarly move its cables and lines, at no expense to the City, and shall not seek damages from the City for such compliance.

(5) Installation of Facilities.

(a) No poles, towers, conduits, amplifier boxes, pedestal mounted terminal boxes, similar structures or other wire-holding structures shall be erected or installed by the Grantee without obtaining any required permit or other authorization from the City.

(b) No placement of any pole or wireholding structure of the Grantee is to be considered a vested fee interest in the Rights-of-Way or in City property. Whenever feasible, all transmission and distribution structures, lines, wires, cables, equipment and poles or other fixtures erected by the Grantee within the City are to be so located and installed as to cause minimum interference with the rights and convenience of property owners.

(6) Safety Requirements.

(a) All applicable safety practices required by law shall be used during construction, maintenance and repair of the System. The Grantee agrees, at all times, to employ ordinary and reasonable care and to install and maintain in use commonly accepted methods and devices for preventing failures and accidents that are likely to cause damage or injuries to the public or to property. All structures and all lines, equipment and connections in the Rights-of-Way shall at all times be kept and maintained in a safe condition, consistent with applicable safety codes.

(b) The Grantee's construction, operation or maintenance of the System shall be conducted in such a manner as not to interfere with City communications technologies related to the health, safety and welfare of City residents.

(c) The Grantee shall install and maintain such devices as will apprise or warn Persons using the Rights-of-Way of the existence of work being performed on the System in Rights-of-Way.

(d) The Grantee shall be a member of the One Call Notification System (otherwise known as "Gopher State One Call") or its successor, and shall field mark the locations of its underground facilities upon request. Throughout the term of this Franchise, the Grantee shall identify the location of its facilities for the City at no charge to the City.

(7) Removal of Facilities at Expiration of Franchise. At the expiration of the term for which this Franchise is granted, or upon the expiration of any renewal or extension period which may be granted, the City shall have the right to require the Grantee, at the Grantee's sole expense: (i) to remove all portions of the System from all Rights-of-Way within the City; and (ii) to restore affected sites to their original condition. Should the Grantee fail, refuse or neglect to comply with the City's directive, all portions of the System, or any part thereof, may at the option of the City become the sole property of the City, at no expense to the City, or be removed.

altered or relocated by the City at the cost of the Grantee. The City shall not be liable to the Grantee for damages resulting from such removal, alteration or relocation.

4-205 Design Provisions.

(1) System Facilities and Equipment.

(a) Grantee shall develop, construct and operate a state-of-the-art cable communications system, constructed in accordance with Section 4-203(7)(i), which shall have at least the following characteristics:

(i) A modern design when built, utilizing an architecture that will permit additional improvements necessary for high-quality and reliable service throughout the Franchise term, and the capability to operate continuously on a twenty-four (24) hour a day basis without severe material degradation during operating conditions typical to the Minneapolis/St. Paul metropolitan area;

(ii) Standby power generating capacity at the headend. The Grantee shall maintain motorized standby power generators capable of powering all headend equipment for at least twenty-four (24) hours. The back-up power supplies serving the System shall be capable of providing power to the System for not less than three (3) hours per occurrence measured on an annual basis according to manufacturer specifications in the event of an electrical outage. The Grantee shall maintain sufficient portable motorized generators to be deployed in the event that the duration of a power disruption is expected to exceed three (3) hours;

(iii) Facilities of good and durable quality, generally used in high-quality, reliable systems of similar design;

(iv) A System that conforms to or exceeds all applicable FCC technical performance standards, as amended from time to time, which standards are incorporated herein by reference, and any other applicable technical performance standards. End of the line performance must meet or exceed FCC specifications at the end of the Subscriber Drop;

(v) A System shall, at all times, comply with applicable federal, State and local rules, regulations, practices and guidelines pertaining to the construction, upgrade, operation, extension and maintenance of Cable Systems, including, by way of example (but not limitation):

(a) National Electrical Code, as amended from time to time;
and

(b) National Electrical Safety Code (NESC, as amended from time to time.

(vi) Facilities and equipment sufficient to cure violations of FCC technical standards and to ensure that Grantee's System remains in compliance with the standards specified in subsection 4-205(1)(v);

(vii) Such facilities and equipment as necessary to maintain, operate and evaluate the Grantee's System for compliance with FCC technical and customer service standards, as such standards may hereafter be amended;

(viii) Status monitoring equipment to alert the Grantee when and

where back-up power supplies are being used, which capability shall be activated and used on or before the completion of the System Upgrade;

(ix) All facilities and equipment required to properly test the System and conduct an ongoing and active program of preventative maintenance and quality control, and to be able to quickly respond to customer complaints and resolve System problems;

(x) Antenna supporting structures designed in accordance with any applicable governmental building codes, as amended, and painted, lighted and erected and maintained in accordance with all applicable rules and regulations of the Federal Aviation Administration, the Federal Communications Commission and all other applicable codes and regulations;

(xi) Facilities and equipment at the headend allowing the Grantee to transmit or cablecast signals in substantially the form received, without substantial alteration or deterioration. For example, the headend should include equipment that will transmit color video signals received at the headend in color, stereo audio signals received at the headend in BTSC stereo format, and a signal received with a secondary audio track with both audio tracks;

(xii) The Grantee shall provide adequate security provisions in its Subscriber site equipment to permit parental control over the use of Grantee's Cable Service. The Grantee, however, shall bear no responsibility for the exercise of parental controls and shall incur no liability for any Subscriber's or viewer's exercise or failure to exercise such controls;

(xiii) Facilities and equipment capable of operating within the temperature ranges typical to the climate of the Coon Rapids area over the calendar year;

(xiv) The System shall be so constructed and operated that there is no perceptible deterioration in the quality of Public, Educational or Governmental Access Channel signals after delivery of such signals to the first interface point with an Institutional Network hub, Grantee's headend or the subscriber network, whichever is applicable, as compared with the quality of any other channel on the System. As used in this paragraph, "deterioration" refers to delivery that is within the control of the Grantee; and

(xv) The Grantee must have TDD/TYY (or equivalent) equipment at the company office, and a publicly listed telephone number for such equipment, that will allow hearing impaired customers to contact the company.

(2) Emergency Alert System. At all times during the term of this Franchise, Grantee shall provide and maintain an Emergency Alert System ("EAS"), consistent with applicable federal law and regulations including 47 C.F.R., Part 11, and any State of Minnesota Emergency Alert System Plan requirements. The EAS shall allow authorized officials to override the audio and video signals on all Channels to transmit and report emergency information. In the case of any sudden, unforeseen event that has the potential

to cause significant damage, destruction, or loss of life, Grantee shall make the EAS available without charge and in a manner consistent with any State of Minnesota Emergency Alert System Plan ("Plan") for the duration of such sudden, unforeseen event. Grantee shall cooperate with designated state officials to test the emergency override system, for periods not to exceed one minute in duration and not more than once every six months, and upon request by the City, provide verification of compliance with any State Plan. The City may identify authorized emergency officials for activating Grantee's EAS consistent with the State's Plan, and the City may also develop a local plan containing methods of EAS message distribution, subject to applicable laws.

(3) During construction activities related to the System, the Grantee shall attempt to identify and take into account the Cable Service interests of the business community within the City. The Grantee shall, in connection with the System construction, install conduit adequately sized to address future System rebuilds or System additions, with the intent to obviate the need to reopen the Rights-of-Way for construction and installation work.

(4) The City may request, as part of the System construction, that the Grantee remove from the Rights-of-Way, at its own expense, existing equipment, plant and facilities that will not be used in the future, whether activated or not. If any unused or deactivated equipment remains in Rights-of-Way after such City request and the Grantee's reasonable opportunity to remove, the City may remove such plant, facilities and equipment at the Grantee's expense. The Grantee may appeal any request to remove existing equipment, plant and facilities to the City Council and thereby stay City action until a final decision is issued by the City Council. In the event existing facilities, plant and equipment are left underground in the Rights-of-Way, the City may require the Grantee to provide accurate maps showing the location and the nature of the deactivated or unused facilities, plant and equipment, if such information has not already been provided to the City.

(5) The Grantee shall not assert or otherwise raise any claim before a court of competent jurisdiction or any administrative agency alleging that, as of the Effective Date of this Franchise, the minimum System design and performance requirements set forth in this Franchise are unenforceable under or inconsistent with then current applicable laws or regulations, or any orders or decisions of the FCC.

4-206 System Maintenance.

(1) The Grantee shall interrupt Service only for good cause and for the shortest time possible. Such interruption shall occur during periods of minimum use of the System. The Grantee shall use its best efforts to provide the City with at least twenty-four (24) hours' prior notice of a planned service interruption, except for a planned service interruption which will have a minimal impact on Subscribers, usually meaning affecting less than one hundred (100) Subscribers or less than a fifteen (15) minute interruption.

(2) Maintenance of the System shall be performed in accordance with the technical performance and operating standards established by FCC rules and regulations. Should the FCC choose to abandon this field and does not preempt the City's entry into this field, the City may adopt such technical performance and operating standards as its own, and the Grantee shall comply with them at all times.

4-207 System Tests and Inspections; Special Testing.

(1) Grantee shall perform all tests necessary to demonstrate compliance with the requirements of the Franchise and other performance standards established by law or regulation.

(2) The City shall have the right to inspect all construction or installation work performed pursuant to the provisions of the Franchise. In addition, the City may require special testing of a location or locations within the System if there is a particular matter of controversy or unresolved complaints regarding System construction, operations or installation work pertaining to such location(s). Such tests shall be limited to the particular matter in controversy. The City shall endeavor to so arrange its request for such special testing so as to minimize hardship or inconvenience to the Grantee or to the Subscribers of such testing.

(3) Before ordering such tests, the Grantee shall be afforded thirty (30) days following receipt of written notice to investigate and, if necessary, correct problems or complaints upon which tests were ordered. The City shall meet with the Grantee prior to requiring special tests to discuss the need for such and, if possible, visually inspect those locations which are the focus of concern. If, after such meetings and inspections, the City wishes to commence special tests and the thirty (30) days have elapsed without correction of the matter in controversy or resolution of complaints, the tests shall be conducted at the Grantee's expense by a qualified engineer selected by the City and the Grantee, and Grantee shall cooperate in such testing.

(4) Unless otherwise provided in this Franchise, tests shall be supervised by the Grantee's chief technical authority, or designee, who shall certify all records of tests provided to the City.

(5) The Grantee shall provide the City with at least two (2) business days' prior written notice of, and opportunity to observe, any tests performed on the System, as it relates to Cable Service.

(6) Test results shall be filed with the City within fourteen (14) days of a written request by the City.

(7) If any test indicates that any part or component of the System fails to meet applicable requirements, the Grantee, without requirement of additional notice or request from the City, shall take corrective action, retest the locations and advise the City of the action taken and the results achieved by filing a written report certified by the Grantee's chief technical authority, or designee.

4-208 Drop Testing and Replacement. The Grantee shall replace, at no separate charge to an individual Subscriber, all Drops and/or associated passive equipment incapable of passing the full System capacity at the time a Subscriber upgrades service.

4-209 FCC Report. Unless otherwise required by the terms of this Franchise, the results of any tests required to be filed by Grantee with the FCC or in the Grantee's public file as it relates to Cable Service pursuant to this Franchise, shall upon request of the City also be filed with the City within ten (10) days of the request.

4-210 Non-voice Return Capability. Grantee is required to use cable and associated electronics having the technical capacity for nonvoice return communications.

4-211 Lockout Device. Upon the request of a Subscriber, the Grantee shall make a Lockout Device available at no additional charge, other than a charge for a Set Top Box.

4-212 Types of Service. Should the Grantee desire to change the selection of programs or services offered on any of its tiers, it shall maintain the mix, quality and level of services provided over the System. Any change in programs or services offered shall comply with all lawful conditions and procedures contained in this Franchise and in applicable law or regulations.

4-213 Uses of System. The Grantee shall, upon request of the City, advise the City of all active uses of the System, for both entertainment and other purposes, and the City shall have the right to conduct unannounced audits of such usage.

4-214 Additional Capacity. The Grantee shall notify the City in writing, in advance of the installation of any fiber optic capacity not contemplated by the initial design or System Upgrade, so that additional fibers may be installed on an Actual Cost basis for government and institutional use. If the City wishes to request additional fiber, it may notify the Grantee within fifteen (15) days of receipt of the Grantee's notification; provided, however, Grantee shall not be required to violate its or its affiliates telecommunications federal or state tariff.

4-215 Service Provisions.

(1) Customer Service Standards. The Grantee shall at all times comply with FCC customer service standards. In addition, the Grantee shall at all times satisfy all additional or stricter customer service requirements included in this Franchise and any customer service requirements set forth in any ordinance or regulation lawfully enacted by the City, upon 90 days' notice.

(2) Video Programming. Except as otherwise provided in this Franchise or in applicable law, all programming decisions remain the discretion of the Grantee, provided that the Grantee notifies the City and Subscribers in writing thirty (30) days prior to any channel additions, deletions or realignments unless otherwise permitted under applicable federal, State and local laws and regulations. Grantee shall cooperate with City and use best efforts to provide all Subscriber notices to the City prior to delivery to Subscribers. Location and relocation of the PEG channels shall be governed by Sections 4-216(1)(c) – 4-216(1)(d).

(3) Regulation of Service Rates.

(a) The City may regulate rates for the provision of Cable Service, equipment or any other communications service provided over the System to the extent allowed under federal or State law(s). The City reserves the right to regulate rates for any future services to the extent permitted by law.

(b) The Grantee shall provide at least one billing cycle prior written notice (or such longer period as may be specified in FCC regulations) to Subscribers and to the City of any changes in rates, regardless of whether or not the Grantee believes the affected rates are subject to regulation, except to the extent such notice requirement is specifically waived by governing law. Bills must be clear, concise and understandable, with itemization of all charges.

(4) Sales Procedures. The Grantee shall not exercise deceptive sales procedures when marketing Services within the City. In its initial communication or contact with a Subscriber or a non-Subscriber, and in all general solicitation materials marketing the Grantee or its Services as a whole, the Grantee shall inform the non-Subscriber of all levels of Service

available, including the lowest priced and free service tiers. The Grantee shall have the right to market door-to-door during reasonable hours consistent with local ordinances and regulations.

(5) Subscriber Inquiry and Complaint Procedures. The Grantee shall have a publicly listed toll-free telephone number which shall be operated so as to receive general public and Subscriber complaints, questions and requests on a twenty-four (24) hour-a-day, seven (7) days-a-week, 365 days a year basis. Trained representatives of the Grantee shall be available to respond by telephone to Subscriber and service inquiries.

(a) The Grantee shall maintain adequate numbers of telephone lines and personnel to respond in a timely manner to schedule service calls and answer Subscriber complaints or inquiries in a manner consistent with regulations adopted by the FCC and the City where applicable and lawful. Under Normal Operating Conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under Normal Operating Conditions, measured on a quarterly basis. Under Normal Operating Conditions, the customer will receive a busy signal less than three (3) percent of the time.

(b) Subject to the Grantee's obligations pursuant to law regarding privacy of certain information, the Grantee shall prepare and maintain written records of all complaints received from the city and the resolution of such complaints, including the date of such resolution. Such written records shall be on file at the office of the Grantee. The Grantee shall provide the City with a written summary of such complaints and their resolution upon request of City. As to Subscriber complaints, Grantee shall comply with FCC record-keeping regulations, and make the results of such record-keeping available to the City upon request.

(c) Excluding conditions beyond the control of the Grantee, the Grantee shall commence working on a service interruption within twenty-four (24) hours after the service interruption becomes known and pursue to conclusion all steps reasonably necessary to correct the interruption. The Grantee must begin actions to correct other service problems the next business day after notification of the service problem, and pursue to conclusion all steps reasonably necessary to correct the problem.

(d) The Grantee may schedule appointments for Installations and other service calls either at a specific time or, at a maximum, during a four-hour time block during the hours of 9:00 a.m. to 8:00 p.m., Monday through Friday, and 9:00 a.m. to 5:00 p.m. on Saturdays. The Grantee may also schedule service calls outside such hours for the convenience of customers. The Grantee shall use its best efforts to not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment. If the installer or technician is late and will not meet the specified appointment time, he/she must use his/her best efforts to contact the customer and reschedule the appointment at the sole convenience of the customer. Service call appointments must be met in a manner consistent with FCC standards.

(e) The Grantee shall respond to written complaints from the City in a timely manner, and provide a copy of each response to the City within thirty (30) days. In addition, the Grantee shall respond to all written complaints from Subscribers within (30) days of receipt of the complaint.

(6) Subscriber Contracts. The Grantee shall file with the City any standard form Subscriber contract utilized by Grantee. If no such written contract exists, the Grantee shall file with the City a document completely and concisely stating the length and terms of the Subscriber contract offered to customers. The length and terms of any Subscriber contract(s) shall be available for public inspection during the hours of 9:00 a.m. to 5:00 p.m., Monday through Friday.

(7) Service Credit.

(a) In the event a Subscriber establishes or terminates service and receives less than a full month's service, Grantee shall prorate the monthly rate on the basis of the number of days in the period for which service was rendered to the number of days in the billing cycle.

(b) If, for any reason, Service is interrupted for a total period of more than twenty-four (24) hours in any thirty (30) day period, Subscribers shall, upon request, be credited pro rata for such interruption.

(8) Refunds or Credits.

(a) Any refund checks shall be issued promptly, but not later than either:

(i) The Subscriber's next billing cycle following resolution of the request or thirty (30) days, whichever is earlier; or

(ii) The return of the equipment supplied by the Grantee if Service is terminated.

(b) Any credits for Service shall be issued no later than the Subscriber's next billing cycle following the determination that a credit is warranted.

(9) Late Fees. Fees for the late payment of bills shall not be assessed until after the Service has been fully provided. Late fee amounts on file with City shall not be adjusted by the Grantee without the City's prior approval.

(10) Notice to Subscribers.

(a) The Grantee shall provide each Subscriber at the time Cable Service is installed, and at least every twelve (12) months thereafter, the following materials:

(i) Instructions on how to use the Cable Service;

(ii) Billing and complaint procedures, and written instructions for placing a service call, filing a complaint or requesting an adjustment (including when a Subscriber is entitled to refunds for outages and how to obtain them);

(iii) A schedule of rates and charges, channel positions and a description of products and services offered, including any free or universal service;

(iv) Prices and options for programming services and conditions of subscription to programming and other services; and

(v) A description of the Grantee's installation and service maintenance policies, Subscriber privacy rights, delinquent Subscriber disconnect and reconnect procedures and any other of its policies applicable to Subscribers.

(vi) Copies of materials specified in the preceding subsection shall be provided to the City upon request.

(vii) All Grantee promotional materials, announcements and advertising of Cable Service to Subscribers and the general public, where price information is listed in any manner, shall be clear, concise, accurate and understandable.

(11) Exclusive Contracts and Anticompetitive Acts Prohibited.

(a) The Grantee may not require a residential Subscriber to enter into an exclusive contract as a condition of providing or continuing Cable Service.

(b) The Grantee shall not engage in acts prohibited by federal or State law that have the purpose or effect of limiting competition for the provision of Cable Service in the City.

(12) Office Availability and Drop Boxes. The Grantee shall install, maintain and operate, throughout the term of this Franchise, a single staffed payment center with regular business hours in the City at a location agreed upon by the City and the Grantee. Additional payment centers may be installed at other locations. The purpose of the payment center(s) shall be to receive Subscriber payments. All subscriber remittances at a payment center shall be posted to Subscribers' accounts within forty-eight (48) hours of remittance. Subscribers shall not be charged a late fee or otherwise penalized for any failure by the Grantee to properly credit a Subscriber for a payment timely made. The Grantee shall, at the request of and at no delivery or retrieval charge to a Subscriber, deliver or retrieve electronic equipment (e.g., Set Top Boxes and remote controls). After consultation with the City, the Grantee shall provide Subscribers with at least sixty (60) days' prior notice of any change in the location of the customer service center serving the City, which notice shall apprise Subscribers of the customer service center's new address, and the date the changeover will take place.

4-216 Access Channel(s) Provisions.

(1) (Public, Educational and Government Access.

(a) The City is hereby designated to operate, administer, promote, and manage PEG access programming on the Cable System.

(b) Within 120 days of the Effective Date, the Grantee shall provide six (6) channels (the "Access Channels") to be used for PEG access programming on the Basic Service Tier. The City has the sole discretion to designate the use of each Access Channel. Grantee shall provide a technically reliable path for upstream and downstream transmission of the Access Channels, which will in no way degrade the technical quality of the Access Channels, from an agreed upon demarcation point at the City's Master Control Center at the CTN Studio, and from any other designated Access providers' locations, to Grantee's headend, on which all Access Channels shall be transported for distribution on Grantee's subscriber network. The Access Channels shall be delivered without degradation to subscribers in the technical format (e.g. HD or SD) as delivered by the City and any designated Access provider to Grantee at each demarcation point at the CTN Studio and at the designated Access providers' locations. City agrees that Grantee shall be allowed to meet the obligations of Section 4-216(1)(b) by providing, free of charge and at no cost to the City, a direct fiber connection and necessary equipment to transmit PEG programming from the City's designated and permanent location of its Master Control Center to the Grantees headend ("PEG Origination Connection"). In the event Grantee is not able to obtain all of the PEG programming at the PEG Origination Connection, the Grantee agrees to undertake construction of direct connections and necessary equipment to each of the programming origination sites as identified on the effective date of this franchise, free of charge and at no cost to the City, within a reasonable period of time taking into consideration weather and related technical issues. The City will give Grantee written notice detailing the point of origination and the capability sought by the City.

(i) All of the Access Channels will be made available through a multi-channel display (i.e. a picture in picture feed) on a single TV screen called a "mosaic" (the "Coon Rapids Mosaic"), where a cable subscriber can access via an interactive video menu one of any of the 6 Access Channels. The Coon Rapids Mosaic will be located on Channel 20. The 6 Access Channels will be located at Channels 8047-8054. The Coon Rapids Mosaic will contain only Access Channels authorized by the City.

(ii) Grantee will make available to the City the ability to place detailed scheduled Access Channel programming information on the interactive channel guide by putting the City in contact with the electronic programming guide vendor ("EPG provider") that provides the guide service (currently Gracenote). Grantee will be responsible for providing the designations and instructions necessary to ensure the Access Channels will appear on the programming guide throughout the City and any necessary headend costs associated therewith. The City shall be responsible for providing programming information to the EPG provider.

(iii) For purposes of this Franchise, the term channel shall be as commonly understood and is not any specific bandwidth amount. The signal quality of the Access Channels shall be the same as the local broadcast channels, provided such signal quality is delivered to Grantee at the Access Channels' respective demarcation points.

(iv) Grantee will provide, at no cost to the City, air time on non-Access channels during periods in which ample unsold/unused air time on such channels exists for City public service announcements (PSAs). The City will provide a 30-second PSA prior to the start of each month on a mutually agreed-upon schedule.

(v) In the event Grantee makes any change in the Cable System and related equipment and facilities or in its signal delivery technology, which requires the City to obtain new equipment in order to be compatible with such change for purposes of transport and delivery of the Access Channels to the Grantee's headend, Grantee shall, at its own expense and free of charge to the City, or its designated entities, purchase such equipment as may be necessary to facilitate the cablecasting of the Access Channels in accordance with the requirements of the Franchise.

(vi) Neither the Grantee nor the officers, directors, or employees of the Grantee is liable for any penalties or damages arising from programming content not originating from or produced by the Grantee and shown on any public access channel, education access channel, government access channel, leased access channel, or regional channel.

(vii) Within one hundred twenty (120) days of a written request from the City, Grantee shall make available as part of Basic Service to all Subscribers a PEG Access Video-on Demand (PEG-VOD) Service and maintain a PEG-VOD system. The PEG-VOD system shall be connected by the Grantee such that:

(a) Twenty-five (25) hours of programming, or such greater amount as may be mutually agreed to by the parties, as designated and supplied by the City, or its Designated Access Provider to the Grantee may be electronically transmitted and/or transferred and stored on the PEG-VOD system; and

(b) A database of that programming may be efficiently searched and a program requested and viewed over the PEG-VOD system by any Subscriber in the City; and

(c) Programming submitted for placement on the PEG-VOD system shall be placed on and available for viewing from the PEG-VOD system within forty-eight (48) hours of receipt of said programming;

(d) The hardware and software described in Subsection 4-216(1)(b)(viii) below, shall be in all respects of the same or better technical quality as the hardware and software utilized by Grantee in the provision of any other video on demand services offered over the Cable System, and shall be upgraded at Grantee's cost, when new hardware or software is utilized on Grantee's Cable System for other video on demand services. Grantee shall provide reasonable technical assistance to allow for proper use and operation when encoding hardware or software is installed and/or upgraded at City's facilities.

(viii) To ensure compatibility and interoperability, the Grantee shall supply and maintain all necessary hardware and software to encode, transmit and/or transfer Government Access programming from the City to the PEG-VOD system. The City shall be responsible for all monitoring of any equipment provided under this Section, and notifying Grantee of any problems. Grantee shall provide all technical support and maintenance for the equipment provided to the City by Grantee under this Section. After notification of any equipment problems, Grantee shall diagnose and resolve the problem within forty eight (48) hours. Major repairs which cannot be repaired within the forty eight (48) hour timeframe shall be completed within seven (7) days of notice, unless, due to Force Majeure conditions, a longer time is required. "Major repairs" are those that require equipment to be specially obtained in order to facilitate the repairs. The quality of signal and the quality of service obtained by a Subscriber utilizing the PEG-VOD service shall meet or exceed the quality standards established for all other programming provided by the Grantee and as established elsewhere in this Franchise Agreement.

(c) The City shall have the right to rename, reprogram or otherwise change the use of these channels at any time, in its sole discretion, provided such use is Noncommercial and public, educational, governmental or religious in nature. Nothing herein shall diminish any rights of the City to secure additional PEG channels pursuant to Minn. Stat. § 238.084, which is expressly incorporated herein by reference.

(d) The Access Channels, including the Coon Rapids Mosaic channel, shall not be relocated without the consent of the City. If the City agrees to change the channel designation for Access Channels, the Grantee must provide at least three (3) months notice to the City prior to implementing the change, and shall reimburse the City and/or PEG entity for any reasonable costs incurred for: (i) purchasing or modifying equipment, business cards and signage; (ii) any marketing and notice of the channel change that the City reasonably determines is necessary; (iii) logo changes; and (iv) promoting, marketing and advertising the channel location of the affected Access Channel(s) during the twelve-month period preceding the effective date of the channel change.

Alternatively, the Grantee may choose to supply necessary equipment itself, provided such equipment is satisfactory to the City or PEG entity.

(e) In the event the Grantee makes any change in the System and related equipment and facilities or in signal delivery technology, which change directly or indirectly causes the signal quality or transmission of PEG channel programming or PEG services to fall below technical standards under applicable law, the Grantee shall, at its own expense, provide any necessary technical assistance, transmission equipment and training of PEG personnel, and in addition, provide necessary assistance so that PEG facilities may be used as intended, including, among other things, so that live and taped programming can be cablecasted efficiently to Subscribers.

(f) All PEG channels shall be transmitted in the same format as all other Basic Cable Service channels and shall be carried on the Basic Service tier and shall be provided to all cable subscribers regardless of the tier or package of Cable Service subscribed to by the subscriber.

(g) The City shall be responsible for switching PEG signals and Institutional Network transmissions.

4-217 PEG Support Obligations.

(1) Grantee shall pay a PEG Fee of \$2.23/subscriber/month ("PEG Fee") from the effective date until the franchise renews. Starting with the 2016 calendar year, the City may elect to increase this fee based on the Consumer Price Index. Any such election must be made in writing to the Franchisee no later than September 1st prior to the year in which the increase shall apply. In no event shall the monthly PEG Fee be in an amount different from the incumbent cable provider. The PEG Fee may be used for operational or capital support of PEG programming. The Grantee may recover the amount of this PEG support obligation via an itemization on Subscriber billing statements. The Grantee shall apply one PEG Fee on the master account for services delivered to non-dwelling bulk accounts, such as hotels, motels or hospitals. The Grantee shall calculate PEG Fees on a pro rata basis for bulk accounts in residential multiple dwelling unit ("MDU") buildings in the following manner: if the bulk rate for Basic Cable Service is one third (1/3) of the current residential rate, then a pro rated PEG Fee shall be added to the bulk bill for an MDU building in an amount equal to one third (1/3) of the current PEG Fee. If the bulk rate for Basic Cable Service is raised in any MDU building, the pro-rated PEG Fee in that building shall be recalculated and set based on the foregoing formula, regardless of any cap on per Subscriber PEG Fee amounts. Payments for the PEG Fee pursuant to this subsection shall be made quarterly on the same schedule as franchise fee payments.

(2) In the event any payment required by subsection 4-217(1) is not made on or before the required date, the Grantee shall pay, during the period such unpaid amount is owed, additional compensation and interest charges computed from such due date, at an annual rate of ten percent (10%). The Grantee waives any right to claim that any interest or penalties imposed hereunder constitute franchise fees within the meaning of 47 U.S.C. § 542. Failure to pay required PEG Fees shall also be a violation of this Franchise, subject to all sanctions herein.

4-218 Regional Channel 6. The Grantee shall designate standard VHF Channel 6 for uniform regional channel usage to the extent required by State law.

4-219 Leased Access Channels. The Grantee shall provide Leased Access Channels as required by federal and State law.

4-220 Grantee Use of PEG Studio.

(1) The City owns and operates a PEG studio and related facilities in City Hall. The Grantee may use the City's studio and associated equipment, free of charge, after (i) filing a written request with the City, and (ii) receiving the written approval of the City. The City, in its sole discretion, may approve or deny any request filed by the Grantee. As part of any approval, the City will designate the times and dates that the Grantee may utilize the PEG studio. The Grantee may choose one or more of these times and dates to utilize the City's PEG studio, and shall provide the City with prior written notice of the times and dates, if any, it selects. Any use of the PEG studio and PEG equipment by the Grantee shall be subordinate to the City's or any PEG entity's use thereof, and the City may cancel any program production or other work scheduled by the Grantee for any reason; provided that twelve (12) hours' prior notice of cancellation is furnished to the Grantee.

(2) In using the City's PEG studio and equipment, the Grantee shall be solely responsible for:

(a) Preparing scripts or other written materials needed for a particular program production;

(b) Supplying all personnel necessary for production and/or editing;

(c) Purchasing and/or constructing and delivering any sets or backdrops that are needed for a particular program production, if the City's standard sets and backdrops are not adequate;

(d) Producing any video footage or graphics to be included in a particular program;

(e) Providing any food and/or beverages to be consumed by program participants;

(f) Booking and transporting guests for program productions, and paying any guest's appearance or speaking fees; and

(g) Ensuring that all work begins and ends at the time(s) prescribed by the City.

(3) The Grantee and its producers shall be responsible for obtaining any required authorization(s) for the use of materials requiring rights from broadcast stations, national networks, sponsors, music licensing organizations, performers' representatives, authors, composers and copyright or trademark owners. Likewise, the Grantee and its producers shall obtain any authorizations necessary for the appearance of or reference to a Person in a particular program.

(4) The Grantee agrees to indemnify, defend and hold harmless the City and its officers, committees, boards, commissions, commissioners, elected and appointed officials, employees, agents and volunteers from and against any and all losses, liabilities, claims, obligations, costs and expenses (including attorney's fees) (i) which arise from or in connection with any claim that the content of the programming produced by the Grantee at the City's studio facilities infringes any criminal or civil law, copyright, trademark, trade name, trade secret or service mark or is obscene, defamatory or violates any rights of publicity or privacy, (ii) which arise from or in connection with any breach of contractual obligations to third parties, (iii) which arise from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state or federal authorities, or (iv) for any other injury

or damage in law or equity which claims result from the Grantee's use of the City's studio facilities and equipment.

(5) The Grantee agrees that in using the City's studio facilities and equipment, it shall at all times comply with applicable laws, standards, policies, rules and procedures, and any amendments thereto.

(6) Nothing in this Section 4-220 shall be deemed to create or continue a First Amendment forum and the City's studio facilities shall not be treated as such a forum. By executing this Franchise, the Grantee waives any rights it may have to assert that any actions of the City violate its First Amendment rights.

4-221 PEG Obligations. Except as expressly provided in this Franchise, the Grantee shall not make any changes in PEG support or in the transmission, reception and carriage of PEG channels and equipment associated therewith, without the consent of the City.

4-222 Costs and Payments not Franchise Fees. The parties agree that any costs to the Grantee associated with the provision of support for PEG access or the Institutional Network pursuant to Sections 4-216 to 4-223 of this Franchise do not constitute and are not part of a franchise fee and fall within one or more of the exceptions to 47 U.S.C. § 542.

4-223 Additional Municipal Services.

(1) Twin Cities Metro PEG Interconnect Network. Grantee shall provide a discrete, non-public, video interconnect network, from an agreed upon demarcation point at the City's Master Control Center at CTN Studios, to Grantee's headend. The video interconnect network shall not exceed 50 Mbps of allocated bandwidth, allowing PEG operators that have agreed with Grantee to share (send and receive) live and recorded programming for playback on their respective systems. Where available the Grantee shall provide the video interconnect network and the network equipment necessary for the high-priority transport of live multicast HD/SD video streams as well as lower-priority file-sharing. Grantee shall provide 50 Mbps bandwidth for each participating PEG entity to send its original programming, receive at least two additional multicast HD/SD streams from any other participating PEG entity, and allow the transfer of files. Each participating PEG entity is responsible for encoding its own SD/HD content in suitable bit rates to be transported by the video interconnect network without exceeding the 50 Mbps of allocated bandwidth.

(2) Cable Service to Public Buildings. Grantee shall, at no cost to the City, provide Basic Service and Expanded Basic Service (currently Prism Essentials) or equivalent package of Cable Service and necessary reception equipment to up to seven (7) outlets at CTN Studios and at City Hall and to each Independent School District at the current locations located in the City that originates PEG programming. Grantee shall, at no cost to the City, provide Basic Service and Expanded Basic Service (currently Prism Essentials) or equivalent package of Cable Service and necessary reception equipment to up to three (3) outlets at all other government buildings, schools and public libraries located in the City where Grantee provides Cable Service, so long as these government addresses are designated as a Household and no other cable communications provider is providing complementary service at such location. For purposes of this subsection, "school" means all State-accredited K-12 public and private schools. Outlets of Basic and Expanded Basic Service provided in accordance with this subsection may be used to distribute Cable Services throughout such buildings; provided such distribution can be accomplished

without causing Cable System disruption and general technical standards are maintained. Such outlets may only be used for lawful purposes.

4-224 Operation and Administration Provisions.

(1) Administration of Franchise. The City's designated cable television administrator shall have continuing regulatory jurisdiction and supervision over the System and the Grantee's operation under the Franchise. The City may issue such reasonable rules and regulations concerning the construction, operation and maintenance of the System as are consistent with the provisions of the Franchise and law.

(2) Delegated Authority. The City may appoint a citizen advisory body or may delegate to any other body or Person authority to administer the Franchise and to monitor the performance of the Grantee pursuant to the Franchise. The Grantee shall cooperate with any such delegatee of the City.

(3) Franchise Fee.

(a) During the term of the Franchise, the Grantee shall pay quarterly to the City or its delegatee a Franchise fee in an amount equal to five percent (5%) of its Gross Revenues.

(b) Any payments due under this provision shall be payable quarterly. The payment shall be made within thirty (30) days of the end of each of Grantee's fiscal quarters together with a report showing the basis for the computation. The City shall have the right to require further supporting information for each franchise fee payment.

(c) All amounts paid shall be subject to audit and recomputation by City and acceptance of any payment shall not be construed as an accord that the amount paid is in fact the correct amount. The Grantee shall be responsible for providing the City all records necessary to confirm the accurate payment of franchise fees. The Grantee shall maintain such records for five (5) years, unless in the Grantee's ordinary course of business specific records are retained for a shorter period, but in no event less than three (3) years. If an audit discloses an overpayment or underpayment of franchise fees, the City shall notify the Grantee of such overpayment or underpayment. The City's audit expenses shall be borne by the City unless the audit determines that the payment to the City should be increased by more than five percent (5%) in the audited period, in which case the costs of the audit shall be borne by the Grantee as a cost incidental to the enforcement of the Franchise. Any additional amounts due to the City as a result of the audit shall be paid to the City within thirty (30) days following written notice to the Grantee by the City of the underpayment, which notice shall include a copy of the audit report. If the recomputation results in additional revenue to be paid to the City, such amount shall be subject to a ten percent (10%) annual interest charge. If the audit determines that there has been an overpayment by the Grantee, the Grantee may credit any overpayment against its next quarterly payment.

(d) In the event any franchise fee payment or recomputation amount is not made on or before the required date, the Grantee shall pay, during the period such unpaid amount is owed, the additional compensation and interest charges computed from such due date, at an annual rate of ten percent (10%).

(e) Nothing in this Franchise shall be construed to limit any authority of the City to impose any tax, fee or assessment of general applicability.

(f) The franchise fee payments required by this Franchise shall be in addition to any and all taxes or fees of general applicability. The Grantee shall not have or make any claim for any deduction or other credit of all or any part of the amount of said franchise fee payments from or against any of said taxes or fees of general applicability, except as expressly permitted by law. The Grantee shall not apply nor seek to apply all or any part of the amount of said franchise fee payments as a deduction or other credit from or against any of said taxes or fees of general applicability, except as expressly permitted by law. Nor shall the Grantee apply or seek to apply all or any part of the amount of any of said taxes or fees of general applicability as a deduction or other credit from or against any of its franchise fee obligations, except as expressly permitted by law.

(4) Access to Records. The City shall have the right to inspect, upon reasonable notice and during Grantee's administrative office hours, or require Grantee to provide within a reasonable time, on a confidential and proprietary basis, copies of any records maintained by Grantee or its Affiliates, including specifically Gross Revenues worksheets, and accounting and financial records maintained by Grantee which relate to compliance of System operations with this Franchise or other applicable law.

(5) Reports and Maps.

(a) The Grantee shall file with the City, at the time of payment of the Franchise Fee, a report of all Gross Revenues in a form and substance as required by City.

(b) The Grantee shall prepare and furnish to the City, at the times and in the form prescribed, such other reports with respect to Grantee's operations pursuant to this Franchise as the City may require. The City shall use its best efforts to protect non-public information all consistent with State and federal law.

(c) If required by the City, the Grantee shall make available and file with the City the maps, plats and permanent records of the location and character of all facilities constructed, including underground facilities, and Grantee make available to the City updates of such maps, plats and permanent records annually if changes have been made in the System.

(6) Periodic Evaluation.

(a) The City may require evaluation sessions at any time during the term of this Franchise, upon fifteen (15) days written notice to the Grantee.

(b) Topics which may be discussed at any evaluation session may include, but are not limited to, application of new technologies, System performance, programming offered, access channels, facilities and support, municipal uses of cable, Subscriber rates, customer complaints, amendments to this Franchise, judicial rulings, FCC rulings, line extension policies and any other topics the City deems relevant.

(c) As a result of a periodic review or evaluation session, upon notification from City, Grantee shall meet with City and undertake good faith efforts to reach agreement on changes and modifications to the terms and conditions of the Franchise which are legally, economically and technically feasible.

4-225 General Financial and Insurance Provisions.

(1) Performance Bond.

(a) At the time the Franchise becomes effective and at all times thereafter, until the Grantee has liquidated all of its obligations with the City, the Grantee shall furnish a bond to the City in the amount of \$100,000.00 in a form and with such sureties as are

reasonably acceptable to the City. This bond will be conditioned upon the faithful performance by the Grantee of its Franchise obligations and upon the further condition that in the event the Grantee shall fail to comply with any law, ordinance or regulation governing the Franchise, there shall be recoverable jointly and severally from the principal and surety of the bond any damages or loss suffered by City as a result, including the full amount of any compensation, indemnification or cost of removal or abandonment of any property of the Grantee, plus a reasonable allowance for attorneys' fees and costs, up to the full amount of the bond, and further guaranteeing payment by the Grantee of claims, liens and taxes due the City which arise by reason of the construction, operation, or maintenance of the System. The rights reserved by the City with respect to the bond are in addition to all other rights the City may have under the Franchise or any other law. The City may, from year to year, in its sole discretion, reduce the amount of the bond.

(b) The time for Grantee to correct any violation or liability shall be extended by City if the necessary action to correct such violation or liability is, in the sole determination of City, of such a nature or character as to require more than thirty (30) days within which to perform, provided Grantee provides written notice that it requires more than thirty (30) days to correct such violations or liability, commences the corrective action within the thirty (30)-day cure period and thereafter uses reasonable diligence to correct the violation or liability.

(c) In the event this Franchise is revoked by reason of default of Grantee, City shall be entitled to collect from the performance bond that amount which is attributable to any damages sustained by City as a result of said default or revocation.

(d) Grantee shall be entitled to the return of the performance bond, or portion thereof, as remains sixty (60) days after the expiration of the term of the Franchise or revocation for default thereof, provided City has not notified Grantee of any actual or potential damages incurred as a result of Grantee's operations pursuant to the Franchise or as a result of said default.

(e) The rights reserved to City with respect to the performance bond are in addition to all other rights of City whether reserved by this Franchise or authorized by law, and no action, proceeding or exercise of a right with respect to the performance bond shall affect any other right City may have.

(2) Letter of Credit.

(a) On the Effective Date of this Franchise, the Grantee shall deliver to the City an irrevocable and unconditional Letter of Credit, in a form and substance acceptable to the City, from a National or State bank approved by the City, in the amount of \$25,000.00.

(b) The Letter of Credit shall provide that funds will be paid to the City upon written demand of the City, and in an amount solely determined by the City in payment for penalties charged pursuant to this Section, in payment for any monies owed by the Grantee to the City or any Person pursuant to its obligations under this Franchise, or in payment for any damage incurred by the City or any person as a result of any acts or omissions by the Grantee pursuant to this Franchise.

(c) In addition to recovery of any monies owed by the Grantee to the City or any Person or damages to the City or any Person as a result of any acts or omissions by the

Grantee pursuant to the Franchise, the City in its sole discretion may charge to and collect from the Letter of Credit the following penalties:

(i) For failure to timely complete the System construction as provided in this Franchise, unless the City approves the delay, the penalty shall be \$500.00 per day for each day, or part thereof, such failure occurs or continues.

(ii) For failure to provide data, documents, reports or information or to cooperate with City during an application process or system review or as otherwise provided herein, the penalty shall be \$250.00 per day for each day, or part thereof, such failure occurs or continues.

(iii) Fifteen (15) days following notice from City of a failure of Grantee to comply with construction, operation or maintenance standards, the penalty shall be \$250.00 per day for each day, or part thereof, such failure occurs or continues.

(iv) For failure to provide the services and the payments required by this Franchise, including, but not limited to, the implementation and the utilization of the PEG Access Channels, the penalty shall be \$250.00 per day for each day, or part thereof, such failure occurs or continues.

(v) For Grantee's breach of any written contract or agreement with or to the City, the penalty shall be \$250.00 per day for each day, or part thereof, such breach occurs or continues.

(vi) For failure to comply with the reasonable build-out provisions and for economic redlining in violation of Sections 4-203(7) and 4-232(1) and 47 U.S.C. § 541(a)(3): Five Hundred dollars (\$500) per day for each day or part thereof that such violation continues.

(vii) For failure to comply with any of the provisions of this Franchise, or other City ordinance for which a penalty is not otherwise specifically provided pursuant to this subsection 4-225(2)(c), the penalty shall be \$250.00 per day for each day, or part thereof, such failure occurs or continues.

(d) Each violation of any provision of this Franchise shall be considered a separate violation for which a separate penalty can be imposed, provided however, that Grantee will not be charged more than one penalty provision for each separate violation.

(e) Whenever the City determines that the Grantee has violated one or more terms, conditions or provisions of this Franchise, or for any other violation contemplated in subsection 4-225(2)(c) above, a written notice shall be given to Grantee informing it of such violation. At any time after thirty (30) days (or such longer reasonable time which, in the determination of the City, is necessary to cure the alleged violation) following local receipt of notice, provided the Grantee remains in violation of one or more terms, conditions or provisions of this Franchise, in the sole opinion of the City, the City may draw from the Letter of Credit all penalties and other monies due the City from the date of the local receipt of notice.

(f) Whenever the Letter of Credit is drawn upon, the Grantee may, within seven (7) days of the withdrawal, notify the City in writing that there is a dispute as to whether a violation or failure has in fact occurred. Such written notice by the Grantee to the City shall specify with particularity the matters disputed by Grantee. All penalties shall continue to accrue and the City may continue to draw from the Letter of Credit during any appeal pursuant to this subsection 4-225(2)(f).

(i) City shall hear Grantee's dispute within sixty (60) days and the City shall render a final decision within sixty (60) days thereafter.

(ii) Upon the determination of the City that no violation has taken place, the City shall refund to Grantee, without interest, all monies drawn from the Letter of Credit by reason of the alleged violation.

(g) If said Letter of Credit or any subsequent Letter of Credit delivered pursuant thereto expires prior to thirty (30) months after the expiration of the term of this Franchise, it shall be renewed or replaced during the term of this Franchise to provide that it will not expire earlier than thirty (30) months after the expiration of this Franchise. The renewed or replaced Letter of Credit shall be of the same form and with a bank authorized herein and for the full amount stated in subsection 4-225(2)(a) of this Section.

(h) If the City draws upon the Letter of Credit or any subsequent Letter of Credit delivered pursuant hereto, in whole or in part, the Grantee shall replace or replenish to its full amount the same within ten (10) days and shall deliver to the City a like replacement Letter of Credit or certification of replenishment for the full amount stated in Section 4-225(2)(a) as a substitution of the previous Letter of Credit. This shall be a continuing obligation for any withdrawals from the Letter of Credit.

(i) If any Letter of Credit is not so replaced or replenished, the City may draw on said Letter of Credit for the whole amount thereof and use the proceeds as the City determines in its sole discretion. The failure to replace or replenish any Letter of Credit may also, at the option of the City, be deemed a default by the Grantee under this Franchise. The drawing on the Letter of Credit by the City, and use of the money so obtained for payment or performance of the obligations, duties and responsibilities of the Grantee which are in default, shall not be a waiver or release of such default.

(j) The collection by City of any damages, monies or penalties from the Letter of Credit shall not affect any other right or remedy available to it, nor shall any act, or failure to act, by the City pursuant to the Letter of Credit, be deemed a waiver of any right of the City pursuant to this Franchise or otherwise.

4-226 Indemnification of City.

(1) The City and its officers, boards, committees, commissions, elected and appointed officials, employees, volunteers and agents shall not be liable for any loss or damage to any real or personal property of any Person, or for any injury to or death of any Person, to the extent caused by Grantee's construction, operation, maintenance, repair or removal of the System or by any other action of Grantee with respect to this Franchise.

(2) Grantee shall indemnify, defend, and hold harmless the City and its officers, boards, committees, commissions, elected and appointed officials, employees, volunteers and agents from and against all liability, damages and penalties which they may legally be required to pay as a result of the City's exercise, administration or enforcement of the Franchise.

(3) Nothing in this Franchise relieves a Person, except the City, from liability arising out of the failure to exercise reasonable care to avoid injuring the Grantee's facilities while performing work connected with grading, regrading or changing the line of a Right-of-Way or public place or with the construction or reconstruction of a sewer or water system. Related only to PEG programming, the Grantee shall not be required to indemnify the City for negligence or misconduct on the part of the City or its officers, boards, committees,

commissions, elected or appointed officials, employees, volunteers or agents, including any loss or claims.

(4) Related to PEG programming, the Grantee shall not be required to indemnify the City for negligence or misconduct on the part of the City or its officers, boards, committees, commissions, elected or appointed officials, employees, volunteers or agents, including any loss or claims.

(5) Grantee shall contemporaneously with this Franchise execute an Indemnity Agreement in the form of Exhibit A, which shall indemnify, defend and hold the City harmless for any claim for injury, damage, loss, liability, cost or expense, including court and appeal costs and reasonable attorneys' fees or reasonable expenses arising out of the actions of the City in granting this Franchise. This obligation includes any claims by another franchised cable operator against the City that the terms and conditions of this Franchise are less burdensome than another franchise granted by the city or that this Franchise does not satisfy the requirements of applicable state law(s).

4-227 Insurance.

(1) As a part of the indemnification provided in Section 4-226, but without limiting the foregoing, Grantee shall file with City at the time of its acceptance of this Franchise, and at all times thereafter maintain in full force and effect at its sole expense, a comprehensive general liability insurance policy, including broadcaster's/cablecaster's liability and contractual liability coverage, in protection of the Grantee, the City and its officers, elected and appointed officials, boards, commissions, commissioners, agents, employees and volunteers for any and all damages and penalties which may arise as a result of this Franchise. The policy or policies shall name the City as an additional insured, and in their capacity as such, City officers, elected and appointed officials, boards, commissions, commissioners, agents, employees and volunteers. The broadcasters'/cablecasters' liability coverage specified in this provision shall be subject to Section 9.3 above regarding indemnification of the City.

(2) The policies of insurance shall be in the sum of not less than \$1,000,000.00 for personal injury or death of any one Person, and \$2,000,000.00 for personal injury or death of two or more Persons in any one occurrence, \$1,000,000.00 for property damage to any one person and \$2,000,000.00 for property damage resulting from any one act or occurrence.

(3) The policy or policies of insurance shall be maintained by Grantee in full force and effect during the entire term of the Franchise. Each policy of insurance shall contain a statement on its face that the insurer will not cancel the policy or fail to renew the policy, whether for nonpayment of premium, or otherwise, and whether at the request of Grantee or for other reasons, except after sixty (60) days advance written notice have been provided to the City.

4-228 Sale, Abandonment, Transfer and Revocation of Franchise.

(1) City's Right to Revoke.

(a) In addition to all other rights which City has pursuant to law or equity, City reserves the right to commence proceedings to revoke, terminate or cancel this Franchise, and all rights and privileges pertaining thereto, if it is determined by City that:

- (i) Grantee has violated material provisions(s) of this Franchise; or
- (ii) Grantee has attempted to evade any of the provisions of the Franchise; or
- (iii) Grantee has practiced fraud or deceit upon City.

(b) City may revoke this Franchise without the hearing required by Section 4-228(2)(b) herein if Grantee is adjudged a bankrupt.

(2) Procedures for Revocation.

(a) The City shall provide the Grantee with written notice of a cause for revocation and the intent to revoke and shall allow Grantee thirty (30) days subsequent to receipt of the notice in which to correct the violation or to provide adequate assurance of performance in compliance with the Franchise. In the notice required herein, the City shall provide the Grantee with the basis for revocation.

(b) The Grantee shall be provided the right to a public hearing affording due process before the City Council prior to the effective date of revocation, which public hearing shall follow the thirty (30) day notice provided in subsection 4-228(2)(a) above. The City shall provide the Grantee with written notice of its decision together with written findings of fact supplementing said decision.

(c) Only after the public hearing and upon written notice of the determination by the City to revoke the Franchise may the Grantee appeal said decision with an appropriate state or federal court or agency.

(d) During the appeal period, the Franchise shall remain in full force and effect unless the term thereof sooner expires or unless continuation of the Franchise would endanger the health, safety and welfare of any person or the public.

4-229 Abandonment of Service. The Grantee may not abandon the System or any portion thereof without having first given three (3) months written notice to the City. The Grantee may not abandon the System or any portion thereof without compensating the City for damages resulting from the abandonment, including all costs incident to removal of the System, if required by the City pursuant to Section 4-230.

4-230 Removal After Abandonment, Termination or Forfeiture.

(1) In the event of termination or forfeiture of the Franchise or abandonment of the System, the City shall have the right to require the Grantee to remove all or any portion of the System from all Rights-of-Way and public property within the City.

(2) If the Grantee has failed to commence removal of the System, or such part thereof as was designated by the City, within thirty (30) days after written notice of the City's demand for removal is given, or if the Grantee has failed to complete such removal within twelve (12) months after written notice of the City's demand for removal is given, the City shall have the right to apply funds secured by the Letter of Credit and Performance Bond toward removal and/or declare all right, title and interest to the System to be in the City with all rights of ownership including, but not limited to, the right to operate the System or transfer the System to another for operation by it.

4-231 Sale or Transfer of Franchise.

(1) No sale or transfer of the Franchise, or sale, transfer or fundamental corporate change of or in Grantee, including, but not limited to, a fundamental corporate change in Grantee's parent corporation or any entity having a controlling interest in Grantee, the sale of a controlling interest in the Grantee's assets, a merger including the merger of a subsidiary and parent entity, consolidation or the creation of a subsidiary or affiliate entity, shall take place until a written request has been filed with the City requesting approval of the sale, transfer or

corporate change and such approval has been granted or deemed granted, provided, however, that said approval shall not be required where Grantee grants a security interest in its Franchise and/or assets to secure an indebtedness. Upon notice to the City, Grantee may undertake legal changes necessary to consolidate the corporate or partnership structures of its Minnesota/Wisconsin Systems provided there is no change in the controlling interests which could materially alter the financial responsibilities for the Grantee; provided, however, Grantee must seek approval of any transaction constituting a transfer under state law.

(2) Any sale, transfer, exchange or assignment of stock in Grantee, or Grantee's parent corporation or any other entity having a controlling interest in Grantee, so as to create a new controlling interest therein, shall be subject to the requirements of this Section 4-231. The term "controlling interest" as used herein is not limited to majority stock ownership, but includes actual working control in whatever manner exercised. In any event, as used herein, a new "controlling interest" shall be deemed to be created upon the acquisition through any transaction or related group of transactions of a legal or beneficial interest of fifteen percent (15%) or more by one Person. Acquisition by one Person of an interest of five percent (5%) or more in a single transaction shall require notice to the City.

(3) The Grantee shall file, in addition to all documents, forms and information required to be filed by applicable law, the following:

(a) All contracts, agreements or other documents that constitute the proposed transaction and all exhibits, attachments or other documents referred to therein which are necessary in order to understand the terms thereof.

(b) A list detailing all documents filed with any state or federal agency related to the transaction including, but not limited to, the MPUC, the FCC, the FTC, the FEC, the SEC or MnDOT. Upon request, Grantee shall provide City with a complete copy of any such document; and

(c) Any other documents or information related to the transaction as may be specifically requested by the City

(4) The City shall have such time as is permitted by federal law in which to review a transfer request.

(5) Grantee shall reimburse City for all the reasonable legal, administrative, consulting costs and fees associated with the City's review of any request to transfer. Nothing herein shall prevent Grantee from negotiating partial or complete payment of such costs and fees by the transferee. Grantee may not itemize any such reimbursement on Subscriber bills, but may recover such expenses in its Subscriber rates.

(6) In no event shall a sale, transfer, corporate change or assignment of ownership or control pursuant to subsections 4-231(1) or 4-231(2) of this Section be approved without the transferee becoming a signatory to this Franchise and assuming all rights and obligations hereunder.

(7) In the event of any proposed sale, transfer, corporate change or assignment pursuant to subsection 4-231(1) or 4-231(2), the City shall have the right to purchase the System for the value of the consideration proposed in such transaction. The City's right to purchase shall arise upon City's receipt of notice of the material terms of an offer or proposal for sale, transfer, corporate change or assignment, which Grantee has accepted. Notice of such offer or proposal must be conveyed to City in writing and separate from any general announcement of the transaction.

(8) The City shall be deemed to have waived its right to purchase the System pursuant to this Section only in the following circumstances:

(a) If City does not indicate to Grantee in writing, within sixty (60) days of receipt of written notice of a proposed sale, transfer, corporate change or assignment as contemplated in Section 4-231(7) above, its intention to exercise its right of purchase; or

(b) It approves the assignment or sale of the Franchise as provided within this Section.

(9) No Franchise may be transferred if the City determines the Grantee is in noncompliance of the Franchise unless an acceptable compliance program has been approved by City. The approval of any transfer of ownership pursuant to this Section shall not be deemed to waive any rights of City to subsequently enforce noncompliance issues relating to this Franchise.

(10) Any transfer or sale of the Franchise without the prior written consent of the City shall be considered to impair the City's assurance of due performance. The granting of approval for a transfer or sale in one instance shall not render unnecessary approval of any subsequent transfer or sale for which approval would otherwise be required.

4-232 Protection of Individual Rights.

(1) Discriminatory Practices Prohibited. Grantee shall not deny service, deny access, or otherwise discriminate against Subscribers (or group of potential subscribers) or general citizens on the basis of income, race, color, religion, national origin, sex, age, status as to public assistance, affectional preference or disability. Grantee shall comply at all times with all other applicable federal, State and City laws.

(2) Subscriber Privacy.

(a) No signals, including signals of any Channel, may be transmitted from a Subscriber terminal for purposes of monitoring individual viewing patterns or practices without the express written permission of the Subscriber. Such written permission shall be for a limited period of time not to exceed one (1) year which may be renewed at the option of the Subscriber. No penalty shall be invoked for a Subscriber's failure to provide or renew such authorization. The authorization shall be revocable at any time by the Subscriber without penalty of any kind whatsoever. Such permission shall be required for each type or classification of and Channel activity planned for the purpose of monitoring individual viewing patterns or practices.

(b) No lists of the names and addresses of Subscribers or any lists that identify the viewing habits of Subscribers shall be sold or otherwise made available to any party other than to Grantee or its agents for Grantee's service business use or to City for the purpose of Franchise administration, and also to the Subscriber subject of that information, unless Grantee has received specific written authorization from the Subscriber to make such data available. Such written permission shall be for a limited period of time not to exceed one (1) year which may be renewed at the option of the Subscriber. No penalty shall be invoked for a Subscriber's failure to provide or renew such authorization. The authorization shall be revocable at any time by the Subscriber without penalty of any kind whatsoever.

(c) Written permission from the Subscriber shall not be required for the conducting of System wide or individually addressed electronic sweeps for the purpose of verifying System integrity or monitoring for the purpose of billing. Confidentiality of such information shall be subject to the provision set forth in subsection 4-232(2)(b).

4-233 Unauthorized Connections or Modifications Prohibited.

(1) Unauthorized Connections or Modifications Prohibited. It shall be unlawful for any firm, Person, group, company, corporation or governmental body or agency, without the express consent of the Grantee, to make or possess, or assist anybody in making or possessing, any unauthorized connection, extension or division, whether physically, acoustically, inductively, electronically or otherwise, with or to any segment of the System or to receive services of the System without Grantee's authorization.

(2) Removal or Destruction Prohibited. It shall be unlawful for any firm, Person, group, company or corporation to willfully interfere, tamper with, remove, obstruct, or damage, or assist thereof, any part or segment of the System for any purpose whatsoever, except for any rights the City may have pursuant to this Franchise or its police powers.

(3) Penalty. Any firm, Person, group, company or corporation found guilty of violating this section may be fined not less than Twenty Dollars (\$20.00) and the costs of the action nor more than Five Hundred Dollars (\$500.00) and the costs of the action for each and every subsequent offense. Each continuing day of the violation shall be considered a separate occurrence.

4-234 Miscellaneous Provisions.

(1) Franchise Renewal. Any renewal of this Franchise shall be performed in accordance with applicable federal, State and local laws and regulations.

(2) Work Performed by Others. All applicable obligations of this Franchise shall apply to any subcontractor or others performing any work or services pursuant to the provisions of this Franchise, however, in no event shall any such subcontractor or other performing work obtain any rights to maintain and operate a System or provide Cable Service. The Grantee shall provide notice to the City of the name(s) and address(es) of any entity, other than Grantee, which performs substantial services pursuant to this Franchise.

(3) Amendment of Franchise Ordinance. The Grantee and the City may agree, from time to time, to amend this Franchise. Such written amendments may be made subsequent to a review session pursuant to Section 4-224(6) or at any other time if the City and the Grantee agree that such an amendment will be in the public interest or if such an amendment is required due to changes in federal, State or local laws. Provided, however, nothing herein shall restrict the City's exercise of its police powers or the City's authority to unilaterally amend Franchise provisions to the extent permitted by law.

(4) Compliance with Federal, State and Local Laws.

(a) If any federal or State law or regulation shall require or permit City or Grantee to perform any service or act or shall prohibit City or Grantee from performing any service or act which may be in conflict with the terms of this Franchise, then as soon as possible following knowledge thereof, either party shall notify the other of the point in conflict believed to exist between such law or regulation. Grantee and City shall conform to State laws and rules regarding cable communications not later than one (1) year after they become effective, unless otherwise stated, and to conform to federal laws and regulations regarding cable as they become effective.

(b) In the event that federal or State laws, rules or regulations preempt a provision or limit the enforceability of a provision of this Franchise, the provision shall be read to be preempted to the extent and for the time, but only to the extent and for the time, required or necessitated by law. In the event such federal or State law, rule or

regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the City.

(c) If any term, condition or provision of this Franchise or the application thereof to any Person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof and the application of such term, condition or provision to Persons or circumstances other than those as to whom it shall be held invalid or unenforceable shall not be affected thereby, and this Franchise and all the terms, provisions and conditions hereof shall, in all other respects, continue to be effective and complied with provided the loss of the invalid or unenforceable clause does not substantially alter the agreement between the parties. In the event such law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision which had been held invalid or modified is no longer in conflict with the law, rules and regulations then in effect, said provision shall thereupon return to full force and effect and shall thereafter be binding on Grantee and City without further action by the City.

(d) The City and Grantee shall, at all times during the term of this Franchise, including all extensions and renewals thereof, comply with applicable federal, State and local laws and regulations.

(5) Non-enforcement by City. Grantee shall not be relieved of its obligations to comply with any of the provisions of this Franchise by reason of any failure or delay of City to enforce prompt compliance. City may only waive its rights hereunder by expressly so stating in writing. Any such written waiver by City of a breach or violation of any provision of this Franchise shall not operate as or be construed to be a waiver of any subsequent breach or violation.

(6) Rights Cumulative. All rights and remedies given to City by this Franchise or retained by City herein shall be in addition to and cumulative with any and all other rights and remedies, existing or implied, now or hereafter available to City, at law or in equity, and such rights and remedies shall not be exclusive, but each and every right and remedy specifically given by this Franchise or otherwise existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by City and the exercise of one or more rights or remedies shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

(7) Grantee Acknowledgment of Validity of Franchise. The Grantee acknowledges that it has had an opportunity to review the terms and conditions of this Franchise and that under current law Grantee believes that said terms and conditions are not unreasonable or arbitrary, and that Grantee believes City has the power to make the terms and conditions contained in this Franchise.

(8) Force Majeure. The Grantee shall not be deemed in default of provisions of this Franchise or the City Code where performance was rendered impossible by war or riots, labor strikes or civil disturbances, floods or other causes beyond the Grantee's control, and the Franchise shall not be revoked or the Grantee penalized for such noncompliance, provided that the Grantee, when possible, takes immediate and diligent steps to bring itself back into compliance and to comply as soon as possible, under the circumstances, with the Franchise without unduly endangering the health, safety and integrity of the Grantee's employees or

property, or the health, safety and integrity of the public, the Rights-of-Way, public property or private property.

(9) Governing Law. This Franchise shall be governed in all respects by the laws of the State of Minnesota.

(10) Captions and References.

(a) The captions and headings of sections throughout this Franchise are intended solely to facilitate reading and reference to the sections and provisions of this Franchise. Such captions shall not affect the meaning or interpretation of this Franchise.

(b) When any provision of the City Code is expressly mentioned herein, such reference shall not be construed to limit the applicability of any other provision of the City Code that may also govern the particular matter in question.

(11) Rights of Third Parties. This Franchise is not intended to, and shall not be construed to, grant any rights to or vest any rights in third parties, unless expressly provided herein.

(12) Merger of Documents. This Franchise, and the attachments hereto, constitute the entire Franchise agreement between the City and the Grantee, and supersede all prior oral or written franchises and understandings.

4-234 Publication Effective Date; Acceptance and Exhibits.

(1) Publication. This Franchise shall be published in accordance with applicable local and Minnesota law.

(2) Acceptance.

(a) Grantee shall accept this Franchise within sixty (60) days of its enactment by the City Council unless the time for acceptance is extended by the City. Such acceptance by the Grantee shall be deemed the grant of this Franchise for all purposes provided, however, this Franchise shall not be effective until all City ordinance adoption procedures are complied with and all applicable timelines have run for the adoption of a City ordinance. In the event acceptance does not take place, or should all ordinance adoption procedures and timelines not be completed, this Franchise and any and all rights granted hereunder to the Grantee shall be null and void.

(b) Upon acceptance of this Franchise, the Grantee and the City shall be bound by all the terms and conditions contained herein. The Grantee agrees that this Franchise is not inconsistent with applicable law or regulations at the time it is executed.

(c) Grantee shall accept this Franchise in the following manner:

(i) This Franchise will be properly executed and acknowledged by Grantee and delivered to City.

(ii) With its acceptance, Grantee shall also deliver any grant payments, performance bond and insurance certificates required herein that are due but have not previously been delivered.

(3) Binding Acceptance. This Franchise shall bind and benefit the parties hereto and their respective authorized heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns.

Introduced this 4th day of November, 2015.

Adopted this _____ day of _____, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk

EXHIBIT A INDEMNITY AGREEMENT

INDEMNITY AGREEMENT made this ____ day of _____, 2015, by and between Qwest Broadband Services, Inc., a Delaware Corporation, party of the first part, hereinafter called "CenturyLink," and the City of Coon Rapids, a Minnesota Municipal Corporation, party of the second part, hereinafter called "City."

WITNESSETH:

WHEREAS, the City of Coon Rapids has awarded to Qwest Broadband Services, Inc. a franchise for the operation of a cable communications system in the City of Coon Rapids; and

WHEREAS, the City has required, as a condition of its award of a cable communications franchise, that it be indemnified with respect to all claims and actions arising from the award of said franchise.

NOW THEREFORE, in consideration of the foregoing promises and the mutual promises contained in this agreement and in consideration of entering into a cable television franchise agreement and other good and valuable consideration, receipt of which is hereby acknowledged, CenturyLink hereby agrees, at its sole cost and expense, to fully indemnify, defend and hold harmless the City, its officers, boards, commissions, employees and agents against any and all claims, suits, actions, liabilities and judgments for damages, cost or expense (including, but not limited to, court and appeal costs and reasonable attorneys' fees and disbursements assumed or incurred by the City in connection therewith) arising out of the actions of the City in granting a franchise to CenturyLink. This includes any claims by another franchised cable operator against the City that the terms and conditions of the CenturyLink franchise are less burdensome than another franchise granted by the City or that the CenturyLink Franchise does not satisfy the requirements of applicable federal, state, or local law(s). The indemnification provided for herein shall not extend or apply to any acts of the City constituting a violation or breach by the City of the contractual provisions of the franchise ordinance, unless such acts are the result of a change in applicable law, the order of a court or administrative agency, or are caused by the acts of CenturyLink.

The City shall give CenturyLink reasonable notice of the making of any claim or the commencement of any action, suit or other proceeding covered by this agreement. The City shall cooperate with CenturyLink in the defense of any such action, suit or other proceeding at the request of CenturyLink. The City may participate in the defense of a claim, but if CenturyLink provides a defense at CenturyLink's expense then CenturyLink shall not be liable for any attorneys' fees, expenses or other costs that City may incur if it chooses to participate in the defense of a claim, unless and until separate representation is required. If separate representation to fully protect the interests of both parties is or becomes necessary, such as a conflict of interest, in accordance with the Minnesota Rules of Professional Conduct, between the City and the

counsel selected by CenturyLink to represent the City, Century Link shall pay, from the date such separate representation is required forward, all reasonable expenses incurred by the City in defending itself with regard to any action, suit or proceeding indemnified by CenturyLink. Provided, however, that in the event that such separate representation is or becomes necessary, and City desires to hire a counselor any other outside experts or consultants and desires CenturyLink to pay those expenses, then City shall be required to obtain CenturyLink's consent to the engagement of such counsel, experts or consultants, such consent not to be unreasonably withheld. Notwithstanding the foregoing, the parties agree that the City may utilize at any time, at its own cost and expense, its own attorney or outside counsel with respect to any claim brought by another franchised cable operator as described in this agreement.

The provisions of this agreement shall not be construed to constitute an amendment of the cable communications franchise ordinance or any portion thereof but shall be in addition to and independent of any other similar provisions contained in the cable communications franchise ordinance or any other agreement of the parties hereto. The provisions of this agreement shall not be dependent or conditioned upon the validity of the cable communications franchise ordinance or the validity of any of the procedures or agreements involved in the award or acceptance of the franchise, but shall be and remain a binding obligation of the parties hereto even if the cable communications franchise ordinance or the grant of the franchise is declared null and void in a legal or administrative proceeding.

It is the purpose of this agreement to provide maximum indemnification to the City under the terms set out herein and, in the event of a dispute as to the meaning of this Indemnity Agreement, it shall be construed, to the greatest extent permitted by law, to provide for the indemnification of the City by CenturyLink. This agreement shall be a binding obligation of and shall inure to the benefit of, the parties hereto and their successor's and assigns, if any.

QWEST BROADBAND SERVICES, INC.

Dated: _____, 2015

By: _____

Its: _____

[Signatures continue on following page]

STATE OF LOUISIANA

PARISH OF OUACHITA

The foregoing instrument was acknowledged before me this _____ day of 2015, by _____, the _____ of Qwest Broadband Services, Inc., a Delaware Corporation, on behalf of the corporation.

NOTARY PUBLIC

Print Name: _____
Bar Roll #/Notary ID #: _____
My Commission Expires: _____

CITY OF COON RAPIDS

By _____
Jerry Koch, Mayor

By _____
Matt Stemwedel, City Manager

Approved as to form:
David J. Brodie
Coon Rapids City Attorney
11155 Robinson Drive
Coon Rapids, Minnesota 55433
(763) 767-6495

CITY OF COON RAPIDS

In Re: CenturyLink Cable Franchise
Application

FINDINGS OF FACT

Following the submission of an application for a cable television franchise for the City of Coon Rapids (the "City"), the above-entitled matter initially came before the City for a public hearing on April 21, 2015, at City Hall, 11155 Robinson Drive N.W., Coon Rapids, MN 55433. Said public hearing was held open through April 24, 2015, for the purpose of allowing additional written public comments. Following the public hearing, the City Staff prepared a detailed report entitled "Staff Report on CenturyLink Cable Franchise Application" (the "Staff Report"). The City received and filed the Staff Report and directed City staff to negotiate cable television franchise with CenturyLink.

The City, in furtherance of its obligations as a steward on behalf of consumers of the City, desires to promote competition in the delivery of cable services and to encourage the deployment of state-of-the-art broadband networks in the hope that true and effective competition between cable service providers will increase the availability and quality of cable services, spur the development of new technologies, improve customer service, minimize rate increases and generally benefit consumers of the City.

The City also recognizes that any facilities based, second cable entrant is in a different position than the incumbent cable provider because the second entrant faces a significant, up front capital investment prior to having the opportunity to compete for its first customer. It is beneficial to attract and retain second entrants because of the investment made in the community and the creation of new jobs, as well as the benefits to consumers by having a cable service

competitor in the City. Adoption of this Franchise is, in the judgment of the City, in the best interests of the City and its residents.

Having held a public hearing on the cable franchise application and having reviewed the negotiated cable franchise with CenturyLink, the City now makes the following findings:

FINDINGS OF FACT

1. The City has the authority to grant cable television franchises to cable service providers, pursuant to applicable law. *See* Minn. Stat. § 238.08, Subd. 1(a); Staff Report, § 4; and City Charter 1-1000.
2. The City published a Notice of Intent to Franchise in the Anoka County Union Herald, a newspaper of general circulation of the City, on March 6 and 13, 2015. *See* Staff Report, § 1.
3. CenturyLink submitted a cable franchise application (the “Application”) on April 2, 2015. *See* Staff Report, § 1.
4. The City held a public hearing on the Application on April 21, 2015, and left the public hearing open until April 24, 2015, for the purpose of receiving additional written comments from the public. *See* Staff Report, Executive Summary and § 1.
5. Following the public hearing, the City’s Staff prepared a “Staff Report on CenturyLink Cable Franchise Application” (the “Staff Report”) dated May 14, 2015. The Staff Report is incorporated herein by reference.
6. The Staff Report was received and filed by the City on or about May 19, 2015, and the City directed City staff to negotiate a cable television franchise with CenturyLink.

7. City staff negotiated a cable television franchise with CenturyLink and presented it to the City on November 4, 2015.
8. A cable television franchise ordinance was introduced by the City Council on November 4, 2015, and a public hearing on the cable television franchise ordinance was held on November 17, 2015, before the City Council.
9. The impact of competition and the challenges to a new cable operator, like CenturyLink, are identified in the Staff Report. *See* Staff Report, § 2.
10. The applicable federal, state and local legal cable franchising requirements, including the application requirements, are identified in the Staff Report. *See* Staff Report, §§ 5 - 8.
11. The Staff Report identified the issues raised by the public, including the incumbent franchised cable operator, Comcast. *See* Staff Report, § 9.
12. The City has substantially complied with the state and local cable franchise application requirements identified in the Staff Report.
13. CenturyLink's application substantially complied with state and local cable franchise application requirements identified in the Staff Report.
14. In the cable television franchise, CenturyLink agrees it has constructed a legacy communications system throughout the City that is capable of providing telephone and internet services. CenturyLink represents that it desires to upgrade its existing legacy communications system and to install certain new facilities and equipment in the City and intends to operate a cable communications system in the City. *See* Staff Report, Exhibits 2 and 3.

15. CenturyLink further represents that upon completion of its cable service headend, it will be capable of providing cable communications service to a portion of the City over its existing facilities, but currently has no market penetration in the cable communications service market in the City. *See* Staff Report, Exhibits 2 and 3.
16. The City reviewed CenturyLink's franchise application, published a notice of intent to franchise and held a public hearing all in compliance with applicable law. *See* Staff Report, § 1.
17. Comcast of Minnesota, Inc. ("Comcast"), currently holds a non-exclusive franchise with the City, and, Comcast, through its predecessors in interest, has continuously held a franchise with the City since 1983. *See* Staff Report, § 3
18. CenturyLink will be the first facilities based franchised cable operator to compete against the incumbent provider in the City since the initial cable television franchise was granted in 1983. *See* Staff Report, § 3.
19. Section 621(a)(1) of the Cable Television Consumer Protection and Competition Act of 1992 was amended to provide that ". . .a franchising authority may not unreasonably refuse to award an additional competitive franchise." In support of its mandate, the Conference Report noted that "[W]ithout the presence of another multichannel video programming distributor, a cable system faces no local competition. The result is undue market power for the cable operator as compared to that of consumers" *See* H.R. Conf. Rep. No. 102-862, at 1231 (1992); and 621 Order at ¶ 8.

20. *In the Matter of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992*, Report and Order and Further Notice of Proposed Rulemaking, MB Docket No. 05-311 (Rel. March 5, 2007) (the “621 Order”), the FCC determined, based on Section 621(a)(1), that it is unlawful for a local franchising authority to refuse to grant a competitive franchise on the basis of unreasonable build-out mandates and that such mandates “can have the effect of granting de facto exclusive franchises, in direct contravention of Section 621(a)(1)’s prohibition of exclusive cable franchises.” *See* 621 Order, at ¶ 40; *see also*, Staff Report, § 7(E).
21. According to the FCC, “[b]ecause a second provider realistically cannot count on acquiring a share of the market similar to the incumbent’s share, the second entrant cannot justify a large initial deployment. Rather a new entrant must begin offering service within a smaller area to determine whether it can reasonably ensure a return on its investment before expanding.” *See* Staff Report, § 7(D).
22. In the 621 Order, the FCC found that “new cable competition reduced rates far more than competition from DBS [Direct Broadcast Satellite]. Specifically, the presence of a second cable operator in a market results in rates approximately 15 percent lower than in areas without competition.” *See also*, Staff Report, § 2.
23. The FCC also found that “competition for delivery of bundled services will benefit consumers by driving down prices and improving the quality of service offerings.” *See* Staff Report, § 2.
24. The FCC has concluded in the 621 Order that “broadband deployment and video entry are ‘inextricably linked’ and that broadband deployment is not profitable

without the ability to compete with the bundled services that cable companies provide.” *See* 621 Order at ¶ 51; *see also*, Staff Report, §§ 2 and 7.

25. The City must, pursuant to the Federal Cable Act, “allow the applicant’s cable system a reasonable period of time to become capable of providing service to all households in the franchise area.” *See* Staff Report, § 7(A).
26. Minnesota Statutes, Chapter 238, among other things, requires a level playing field with the incumbent relating to area served (Minn. Stat. § 238.08, Subd. 1(b)) and a mandatory build out requirement within five years in initial cable franchises (Minn. Stat. § 238.084 Subd. 1(m)(3)). *See* Staff Report, § 8(A)-(B), and 11(c). CenturyLink has demonstrated a good faith basis for its position that applicable federal law preempts these provisions of Chapter 238 because they constitute an unreasonable barrier to entry. *See* Staff Report, § 11(c), and Exhibit 3 at ¶¶ 19-23.
27. CenturyLink claims the fact that these two provisions of the Minnesota Statutes constitute an unreasonable barrier to entry in the City is evidenced in part by the fact that there has been no facilities-based competitor since the initial cable communications franchise was granted. *See* Staff Report, Exhibit 3 at ¶¶ 19-23. CenturyLink has agreed to fully defend, indemnify and hold the City harmless in the event this cable television franchise agreement is legally challenged. *See* Staff Report, § 11(c).
28. The cable television franchise ordinance is substantially similar to the Comcast cable television franchise, but also addresses a reasonable build-out of the City, and economic redlining.

29. The reasonable build-out provisions in the cable television franchise satisfy the state franchise requirement of requiring the cable system to be substantially complete within five (5) years and the federal franchise requirement of allowing a new cable service provider a reasonable period of time to become capable of providing cable service to all households in the franchise area. *See* Minn. Stat. § 238.084, Subd. 1(m); 47 U.S.C. § 541(a)(4)(A); and Staff Report, §§ 7(A), 7(D)-7(E), 8(B), and 11(c).
30. The 5-year cable television franchise requires CenturyLink to initially construct its system to serve fifteen percent (15%) of the City over 2 years. CenturyLink is required to make its best efforts to complete its initial deployment in less than 2 years and is required to equitably serve households throughout every City, including a significant number of households below the minimum income of the City. Quarterly meetings will allow the City and the City to monitor CenturyLink's progress and compliance with the cable franchise and, if CenturyLink has market success, the cable television franchise has provisions to accelerate the construction of the cable communications system with the goal being complete coverage of the City by the end of the franchise term.
31. The state's cable franchising level playing field statute is satisfied because the cable television franchise requires (1) CenturyLink to pay the same franchise fee as Comcast; (2) the same area of coverage as Comcast; and (3) similar, and in some instances greater, public educational and governmental access requirements. *See* Minn. Stat. § 238.08, subd. 1(b); Staff Report, §§ 7(G), 8(A), and 11(d).

32. CenturyLink submitted an application that included a design for a state-of-the-art cable system that is capable or reliably providing a panoply of cable services to subscribers. *See* Staff Report, § 10(3)(b).
33. The City has considered the financial, technical, and legal qualifications of CenturyLink. *See, e.g.*, Staff Report, § 10(3).
34. CenturyLink has the financial, technical, and legal qualifications to operate a cable communication system in the City.
35. A CenturyLink cable television franchise will provide a meaningful, distinct alternative to existing multichannel video programming distributors (including existing cable, direct broadcast satellite and other companies), will result in greater consumer choice, is in the public interest for economic development in the City. *See* Staff Report, Exhibits 2 and 3. CenturyLink has also promised to provide additional enhancements to PEG offerings to the City. For example, it has agreed in the franchise to provide every PEG channel in HD and to allow the City to share live programming with other cities in the Twin Cities by providing a Twin Cities Metro PEG Interconnect Network.
36. Consumers and residents of the City will also benefit from CenturyLink's competitive presence because it will drive broader deployment of higher broadband speeds. *See* Staff Report, Exhibits 2 and 3
37. CenturyLink has agreed to an initial deployment area, and it will serve additional areas based upon its market success, as defined in the franchise agreement, which the FCC has deemed to be a reasonable deployment model. *See* Staff Report, § 7(E)(b).

38. The City and its citizens will benefit from facilities based competition in the cable television market. *See* Staff Report, § 2.

Therefore, based on the foregoing, the City Council has determined that it is in the best interests of the City and its residents to enter in to a cable television franchise ordinance/agreement with CenturyLink, and that these Findings of Fact be incorporated therewith.



City Council Regular

7.

Meeting Date: 11/17/2015

Subject: Hold Public Hearing on Liquor License Fees and Consider Ordinances and Resolutions Setting 2016 Fees and Charges

Submitted For: Kevin Vouk, Manager of Accounting/Treasurer

From: Dianne Nelson, Advanced Accounting Technician

INTRODUCTION

On November 4, 2015, the attached ordinances adjusting certain fees and building inspection fees were introduced and are now being presented for adoption along with resolutions which include fees not set by ordinance. Rates for the civic center, ice arena, golf course and utility funds are set by separate City Council action throughout the year.

DISCUSSION

Ordinance Adjusting Certain Fees (see reference number in ordinance)

The fees for 2016 have been adjusted by the 2015 annual adjustment of 2.5% with exceptions noted below. A request for a rate change is made only if the adjustment is enough for the fee to be rounded to the next significant dollar amount. Items to note are as follows (reference numbers are included in the ordinance):

1. *Fees set by State Statute.* Certain fees under Section 5-209 (alcoholic beverages) and the gambling investigation fee under Section 5-2008 of the City Code are set by Minnesota Statutes and did not change for 2016 with the exception of the off-sale intoxicating liquor license which increased from \$300 to \$380 (this fee was last increased by the State in 2008). Also, the liquor licensing investigation fee has a \$500 maximum allowed by the State, so the 2015 fee of \$495 can only increase to \$500 for 2016.

2. *Liquor licensing.* The temporary license fee for on-sale strong beer and wine sales has been added to the ordinance based on a City Code change during 2015 for this item. The fee was set at \$35 at that time, but since then it has been determined that \$50 is more appropriate based on amounts charged by other cities. Also, to clarify the temporary wine tasting license fee, it is now listed separately instead of just charging the same as other temporary liquor licenses.

3. *Property Monitoring Fees.* A property monitoring fee was approved by the City Council in 2006. The 2007 fees were set at \$600 per year for residential property and \$1,000 per year for commercial property to cover related costs. Staff recommends no change for 2016.

4. In certain cases there may be no change in the fee due to rounding. For example, the off-sale 3.2 malt liquor license, which is rounded to the nearest \$5, had a calculated base amount of \$148.04 in 2015 and was rounded to \$150. For 2016, the calculated base increased to \$151.74, which rounded to the nearest \$5 leaves the fee at \$150.

5. Staff recommends that certain other fees not be increased for 2016 if they are adequate to cover current costs, are seldom used and therefore difficult to establish a cost basis, and/or are comparable to rates charged by other cities.

Ordinance Adjusting Building Inspection Fees Staff is recommending the following changes to the building inspections fee schedule for 2016:

- The base amount in Table A-2016 has been increased from \$22.50 to \$23.50 to keep it in line with other metro cities. This affects certain fees throughout the ordinance which are based on 2 times the base fee resulting in those fees going from \$45 to \$47.
- The investigation fee for working without a permit has changed to be the greater of \$100 or 25 percent of the permit fee, up to an unchanged maximum of \$500. Without this change to have a \$100 minimum, the fee collected for permits with valuations under \$25,000 falls below \$100 and does not cover the investigative costs.
- Permits for residential furnace and A/C replacements (combined) and residential water heaters are increasing from \$60.00 to \$61.50.
- Under electrical permit fees, it is now noted that solar system installation fees are exempt from Table A-2016 and will be calculated based on the State of Minnesota Solar PV System Fee Chart. Other sections and amounts of the inspection fee ordinance will be unchanged for 2016.

Resolution 15-126 Establishing Certain Fees and Charges

Items not increased by the annual adjustment are as follows:

Fees set by State Statute. These include the returned check charge, day care inspection fee, and document charges. The State did not change these fees for 2016.

Water Turn On/Off Service. Because of the routine nature of water turn on/off service for snowbirds and irrigation systems, a new fee of \$70 per season (rather than \$70 per visit) has been added for these two classes of users.

Water Meters. The City purchases water meters with couplings or flange kits and sells them to contractors for installation in new construction. The rate consists of our cost and a markup of 33% to cover handling and future replacements since there is no charge for the replacement of water meters. In addition to water meter cost increases, new federal requirements for lead-free flanges to mount the meters has increased the cost for flange kits resulting in significant increases for some of the larger meters.

Rental Licensing. The annual licensing fee is increasing from \$100 to \$110 and the per dwelling unit inspection fee is increasing from \$20 to \$25 to cover our current costs. There has been no change to these fees since 2009.

Planning and Inspection Letter. This fee for the Community Development Department is being increased from \$85 to \$95 to offset costs actually incurred.

Amounts unchanged for 2016. Parking fines, recreational fire violation fines, kennel/multiple pet permits, and dog licenses are unchanged for 2016. Other fees may not have changed due to rounding.

Resolution 15-127 Establishing Certain Fees and Charges for CTN Studios

There were several changes to the CTN fee schedule: studio rental was changed from hourly to daily since

a daily rate is standard in the industry, edit suite charges were increased to reflect the cost of the equipment now used and to cover staff time, camera rentals (including P2 card accessories) were decreased to reflect current market rates and equipment costs, and now that production truck B has been outfitted with HD equipment, a new rental fee of \$5,000/day (compared to the exiting fee of \$5,900/day for the larger truck) is recommended.

RECOMMENDATION

- a. Conduct a public hearing regarding the fee increases for on-sale 3.2 malt liquor, off-sale intoxicating liquor, and on-sale intoxicating liquor licenses.
- b. Adopt an Ordinance to Revise Certain License Fees, Service Fees and Related Charges effective January 1, 2016.
- c. Adopt an Ordinance Establishing Permit and Inspection Fees for the Building Inspections Division as Authorized by Minnesota Statutes Section 16B.62, subdivision 1 effective January 1, 2016.
- d. Adopt Resolution 15-126 Establishing Certain Fees and Charges effective January 1, 2016.
- e. Adopt Resolution 15-127 Establishing Certain Fees and Charges for Use of CTN Studio Facilities effective January 1, 2016.

Attachments

2016 License Fee Ordinance

2016 Bldg Inspection Fee Schedule

Resolution 15-126

Resolution 15-127

ORDINANCE NO.

AN ORDINANCE TO REVISE CERTAIN LICENSE FEES, SERVICE FEES AND RELATED CHARGES AND ESTABLISHING AN EFFECTIVE DATE THEREFOR

The City of Coon Rapids does ordain:

Section 1. The following fees are hereby established for the licenses and permits in Title 5 of Revised City Code - 1982:

<u>Description</u>	<u>2015 fees</u>	<u>2016 fees</u>	<u>Section City Code</u>	<u>For ref. only see memo</u>
Off-sale 3.2 Malt Liquor	\$150	\$150	5-209	4
On-sale 3.2 Malt Liquor	\$690	\$710	5-209	
Temporary On-sale 3.2 Malt Liquor, (per day)	\$35	\$35	5-209	4
Temporary On-sale Strong Beer and Wine License	\$35	\$50	5-209	2
Temporary Wine Tasting (per event)	\$35	\$35	5-209	2
Tavern License (including public dancing)	\$590	\$605	5-209	
Bottle Clubs (including public dancing)	\$300	\$300	5-209	1
Public Drinking Place	\$590	\$605	5-209	
Intoxicating liquor, clubs, as defined in Minnesota Statutes Section 340A.101, Subd.7:				
(a) Clubs with membership of 200 or less	\$300	\$300	5-209	1
(b) Clubs with membership of 201 to 500 members	\$500	\$500	5-209	1
(c) Clubs with membership of 501 to 1,000 members	\$650	\$650	5-209	1
(d) Clubs with 1,001 and 2,000 members	\$800	\$800	5-209	1
(e) Clubs with 2,001 and 4,000 members	\$1,000	\$1,000	5-209	1
(f) Clubs with 4,001 and 6,000 members	\$2,000	\$2,000	5-209	1
(g) Clubs with 6,001 members or more	3,000	\$3,000	5-209	1
Off-Sale Intoxicating Liquor License	\$300	\$380	5-209	1
On-Sale Intoxicating Liquor License	\$9,350	\$9,600	5-209	
Sunday sales	\$200	\$200	5-209	1
On-Sale Wine License				
(a) for seating capacity of at least 35 but no more than 99	\$1,000	\$1,000	5-209	1
(b) for seating capacity of 100 or more	\$2,000	\$2,000	5-209	1
On-Sale establishments open after 1:00 AM	\$300	\$300	5-209	1
Liquor Licensing Investigation Fee	\$495	\$500	5-211	1
Liquor Manager Investigation Fee	\$125	\$125	5-211	4
Amusement Center License	\$455	\$465	5-305	
Archery Club License	\$75	\$75	5-405	4
Bowling License	\$65	\$65	5-604	4

City Code For ref. only

<u>Description</u>	<u>2015 fees</u>	<u>2016 fees</u>	<u>Section</u>	<u>see memo</u>
Carnival License for 0-5 Ride	\$305	\$315	5-704	
Carnival License - Additional Ride	\$36	\$37	5-704	
Circus License	\$380	\$390	5-704	
Circus License-Additional Day	\$43	\$44	5-704	
Christmas Tree Sales License	\$79	\$80	5-804	
Tobacco License	\$180	\$185	5-905	
Tobacco License Investigation Fee	\$130	\$130	5-905	4
Dancing Permit - annual	\$150	\$150	5-1004	4
Dancing Permit - per event	\$30	\$30	5-1004	4
Gun Club License	\$75	\$75	5-1105	4
Parade Permit	\$25	\$25	5-1204	5
Taxi License - vehicle	\$43	\$44	5-1308	
Taxi License - driver	\$28	\$29	5-1308	
Taxi License Investigation	\$30	\$30	5-1308	4
Theatre - 1st screen	\$330	\$335	5-1406	
Theatre - additional screens	\$47	\$48	5-1406	
Peddler License - Fireworks/All Other per day	\$60/15	\$60/15	5-1507	5
Peddler License - Fireworks/All Other per week	\$150/40	\$150/40	5-1507	5
Peddler License - Fireworks/All Other per month	\$300/75	\$300/75	5-1507	5
Peddler License - All Other for 6 months	\$300	\$300	5-1507	5
Peddler License Investigation Fee – each applicant	\$25	\$25	5-1507	5
Tree Trimmer License	\$68	\$69	5-1607	
Massage Parlor Business License	\$4,690	\$4,810	5-1811	
Masseur/Masseuse License	\$170	\$170	5-1811	4
Massage Parlor Investigation Fee	\$2,340	\$2,400	5-1811	
Masseur License Investigation Fee	\$410	\$420	5-1811	
Conversation Parlor License	\$3,720	\$3,810	5-1905	
Gambling Investigation Fee	\$250	\$250	5-2008	1
Adult Oriented Business - Annual License	\$7,200	\$7,400	5-2209	
Adult Oriented Business - Investigation Fee	\$2,160	\$2,220	5-2209	
Fireworks Display Permit	\$100	\$100	5-2307	5
Pawnshop License	\$2,880	\$2,950	5-2405	
Pawnshop Investigation Fee	\$410	\$420	5-2405	
Pawnshop New Manager Investigation Fee	\$125	\$125	5-2410	4
Pawnshop Transaction Fee				
-modem reporting	\$1.80/trans	\$1.80/trans	5-2405	5
-manual reporting	\$2.80/trans	\$2.80/trans	5-2405	5
Special Event Parking Permit	\$75	\$75	5-2508	4
Secondhand/Antique Dealers License-A	\$325	\$330	5-2612	
Secondhand/Antique Dealers License-B	\$150	\$155	5-2612	
Secondhand/Antique Dealers Investigation Fee-A	\$380	\$390	5-2612	
Secondhand/Antique Dealers Investigation Fee-B	\$75	\$80	5-2612	

<u>Description</u>	<u>2015 fees</u>	<u>2016 fees</u>	<u>Section</u>	<u>City Code</u>	<u>For ref. only see memo</u>
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Secondhand/Antique Dealers New Manager Investigation Fee	\$125	\$125	5-2605	4
Secondhand/Antique Dealers Transaction Fee				
-modem reporting	\$1.80/trans	\$1.80/trans	5-2612	5
-manual reporting	\$2.80/trans	\$2.80/trans	5-2612	5
Exhibition Operator Permit (per event)	\$1,080	\$1,110	5-2628	
Exhibitor Permit (per event)	\$43	\$44	5-2628	
Precious Metals License	\$2,880	\$2,950	5-2711	
Precious Metals Investigation Fee	\$380	\$390	5-2711	
Precious Metals New Manager Investigation Fee	\$125	\$125	5-2711	4
Precious Metals Transaction Fee				
-modem reporting	\$1.80/trans	\$1.80/trans	5-2711	5
-manual reporting	\$2.80/trans	\$2.80/trans	5-2711	5
Currency Exchange License	\$75	\$75	5-2805	4
Therapeutic Massage Enterprise License	\$330	\$335	5-2907	
Massage Therapist License	\$46	\$47	5-2907	
Therapeutic Massage Enterprise Investigation Fee	\$410	\$420	5-2907	
Massage Therapist - Investigation Fee	\$46	\$47	5-2907	

Section 2. The following fees are hereby established for the services in Title 6 of

Revised City Code – 1982:

<u>Description</u>	<u>2015 fees</u>	<u>2016 fees</u>	<u>Section of City Code</u>	<u>For ref. only see memo</u>
Non-Domestic Animal Permit	\$265	\$275	6-506	
Non-Domestic Animal Permit Investigation Fee	\$110	\$115	6-506	

Section 3. The following fees are hereby established for the services in Title 8 of

Revised City Code - 1982:

<u>Description</u>	<u>2015 fees</u>	<u>2016 fees</u>	<u>City Code Section</u>	<u>For ref. only see memo</u>
Waste and Recycling Hauler License				
First Vehicle	\$170	\$175	8-211	
Each Additional Vehicle	\$28	\$29	8-211	
Response to False Alarms (4-5)	\$49	\$50	8-1403	
Response to False Alarms (6-9)	\$99	\$100	8-1403	
Response to False Alarms (10 or more)	\$195	\$200	8-1403	

Section 4. The following fees are hereby established for the permits and approvals in Title 11 of Revised City Code - 1982:

For ref.

<u>Description</u>	<u>2015 fees</u>	<u>2016 fees</u>	<u>only see memo</u>
Conditional Use Permit with Site Plan Review*	\$560	\$575	
Conditional Use Permit without Site Plan Review*	\$330	\$335	
Conditional Use Permit/Mining Permit	\$220	\$225	
Home Occupational Permit	\$220	\$225	
Planned Unit Development	\$1,430	\$1,460	
Revision to Final Planned Unit Development	\$315	\$325	
Site Plan Review – Residential	\$850	\$870	
Site Plan Review – Commercial	\$455	\$465	
Lot Split or Registered Land Survey in lieu of lot split	\$285	\$290	
Subdivision Exemption	\$285	\$290	
Preliminary Plat	\$470	\$480	
Final Plat	\$160	\$160	4
Registered Land Survey in lieu of plat*	\$470	\$480	
Comprehensive Plan Amendment	\$670	\$690	
Rezoning	\$445	\$455	
Variance*	\$265	\$270	
Vacation	\$300	\$310	

*Plus recording fees

Section 5. The following fees are hereby established for the services in Title 12 of

Revised City Code – 1982:

<u>Description</u>	<u>2015 fees</u>	<u>2016 fees</u>	<u>Section of City Code</u>	<u>For ref. only see memo</u>
Sign Contractor License	\$50	\$50	12-106	5
Vacant Residential Property Monitoring*	\$600	\$600	12-312	3
Vacant Commercial Property Monitoring*	\$1,000	\$1,000	12-312	3
Excessive Consumption of Inspection Services Fee	\$160	\$160	12-317	5

*Per year

Section 6. The City Council for the City of Coon Rapids authorizes the collection of any surcharge imposed by the State of Minnesota or other governmental agency in addition to the City fee.

Section 7. Effective Date of Ordinance. This ordinance shall be effective for all annual permits and/or licenses issued for 2016 and succeeding years, and for all other permits and licenses issued after January 1, 2016.

Introduced the 4th day of November, 2015.

Adopted the _____ day of _____, 2015.

ATTEST:

Joan Lenzmeier, City Clerk

ORDINANCE NO.

**AN ORDINANCE ESTABLISHING PERMIT AND INSPECTION FEES FOR
THE BUILDING INSPECTIONS DIVISION AS AUTHORIZED BY MINNESOTA
STATUTES SECTION 16B.62, SUBD. 1**

The City of Coon Rapids does ordain:

Section 1. The City Council for the City of Coon Rapids establishes the following permit and inspection fees for the Building Inspection Division:

**2016
INSPECTION DIVISION FEE SCHEDULE
(ref. MN Rules 1300.0160, subd. 1, subd. 2)**

Table A-2016

VALUATION		FEES
FROM	TO	
\$0	\$500	\$23.50 per 1/2 hour, 1 hour minimum
\$501	\$2,000	\$23.50 for the first \$500 plus \$3.05 for each additional \$100 or fraction thereof, up to and including \$2,000; minimum fee \$45.00
\$2,001	\$25,000	\$69.25 for the first \$2,000 plus \$14 for each additional \$1,000 or fraction thereof, up to and including \$25,000
\$25,001	\$50,000	\$391.25 for the first \$25,000 plus \$10.10 for each additional \$1,000 or fraction thereof, up to and including \$50,000
\$50,001	\$100,000	\$643.75 for the first \$50,000 plus \$7 for each additional \$1,000 or fraction thereof, up to and including \$100,000
\$100,001	\$500,000	\$993.75 for the first \$100,000 plus \$5.60 for each additional \$1,000 or fraction thereof, up to and including \$500,000
\$500,001	\$1,000,000	\$3,233.75 for the first \$500,000 plus \$4.75 for each additional \$1,000 or fraction thereof, up to and including \$1,000,000
\$1,000,001	and up	\$5,608.75 for the first \$1,000,000 plus \$3.65 per \$1,000 or fraction thereof.

Working Without a Permit Investigation Fee:

The greater of \$100 or 25 percent of the permit fee not to exceed \$500.

Investigation fees will be charged by the Chief Building Official, or designee, where additional time and expense is incurred by the City in order to achieve code compliance.

Re-Inspection Fee:

First	\$75
Second	\$150
Third and subsequent	\$300

Re-inspection fees will be charged by the Chief Building Official, or designee, where additional time and expense is incurred by the City in order to complete a required inspection. Incidents where such fees may be charged include, but are not limited to: work unprepared for a scheduled inspection; failure to cancel a scheduled inspection; work required by correction orders that is not completed; or work which does not pass a secondary inspection.

Building Permit Fees:

Table A-2016 will be used to calculate permit fees based on the value of the work. Minimum permit fee shall be \$47. A plan review fee of 65 percent or 35 percent (for small scale residential projects) of the permit fee will be charged on all projects for which plans are submitted except as noted in Minnesota Rules Chapter 1300.

A Sewer Availability Charge as established by the Metropolitan Council Environmental Services and adopted by City resolution is collected with the building permit when applicable. Visit [www.http://metro council.org/Wastewater-Water/Funding-Finance/Rates-Charges/Sewer-Availability-Charge.aspx](http://metro council.org/Wastewater-Water/Funding-Finance/Rates-Charges/Sewer-Availability-Charge.aspx) for more information,

Exceptions to Table A-2016:

The permits for the described work on residential properties with individual property lines, will be as follows (per address or unit).

Re-roof	as provided in Table A-2016 but not to exceed \$250
Re-side	as provided in Table A-2016 but not to exceed \$250
Replacement of Garage Doors	as provided in Table A-2016 but not to exceed \$250
Mobile Home Installation	\$75
Residential Curb or Street Cut/Driveway	\$100
Demolition	Table A-2016
Commercial/Industrial Parking Lot	Table A-2016
Inspections for which no fee is specifically indicated.	\$100 or total hourly cost to the jurisdiction whichever is greatest.
Loan Property Condition Inspection and Report	\$250

Plumbing Permit Fees:

Table A-2016 will be used to calculate permit fees based on the value of the work. Minimum permit fee shall be \$47.00.

Exceptions to Table A-2016: The permits for the described work on residential properties will be as follows (per address or unit).

Backflow Protection Device, New or Rebuilt	\$47
Residential Water Heater	\$61.50
Residential Water Softener	\$47

When applicable, a plan review fee equal to 35 percent of the permit fee will be added.

Sewer and Water Permit Fees:

Table A-2016 will be used to calculate permit fees based on the value of the work. Minimum permit fee shall be \$47.

Exceptions to Table A-2016: The permits for the described work on residential properties . will be as follows (per address or unit).

Residential Water and/or Sewer Connection	\$100
Residential Water/Sewer Repair	\$100
Residential Onsite Sewer (septic)	\$250

When applicable, a plan review fee equal to 35 percent of the permit fee will be added.

Grading Permit:

Table A-2016 will be used to calculate grading permit fees. A plan check fee of 65 percent of the permit fee will be charged on all grading projects.

Mechanical Permit Fees (Heating, Ventilation, Air Conditioning):

Table A-2016 will be used to calculate permit fees based on the value of the work. Minimum permit fee shall be \$47.

Exceptions to Table A-2016: The permits for the described work on residential properties will be as follows (per address or unit).

Residential Furnace and/or A/C replacement	Individual unit \$47, both \$61.50
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When applicable, a plan review fee equal to 35 percent of the permit fee will be added.

Electrical Permit Fees

Table A-2016 will be used to calculate permit fees based on the value of the work. Minimum permit fee shall be \$47.

Exceptions to Table A-2016: The permit fees for minor work shall be set at \$47 (installation,

replacement, alteration or repair, limited to one inspection) Siding related equipment and devices, \$35. A re-inspection fee may apply for any required additional trips, (see Re-Inspection Fee Table above.

Solar PV installation fees are based on the watt rating of the system in accordance with the State of Minnesota Solar PV System Fee Schedule.

When applicable, a plan review fee equal to 35 percent of the permit fee will be added.

Equipment and Devices Related to Siding Replacement

The permit fee is set at \$35 per unit. Buildings with individual property lines will be reduced by \$5 per address or unit.

Services Panels

New, altered or installed	\$47
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Permit Fees for a Medical Gas System:

Table A-2016 will be used to calculate permit fees based on the value of the work. Minimum permit fee shall be \$47.

When applicable, a plan review fee equal to 35 percent of the permit fee will be added.

Gas Piping Fees

Per Opening	\$12
Minimum Fee (if gas only)	\$47

Fuel Storage Tanks

Underground Remove/Install	\$200
Aboveground Remove/Install	\$200
Replace Existing with Similar	\$250

Fire Protection Systems.

Sprinkler System	
First 10 Heads	\$100
Each Additional 10 Head	\$20
Fire Pump	\$100
Fire Suppression Systems (Hoods, Paint Booths, Computer Server Rooms, etc.)	\$100
Fire Alarm Permit	\$100
Each Additional Panel	\$100
Each Alarm Device	\$2

Refund of Permit Fees (ref. MN Rules 1300.0160, Subd. 9) :

The City may refund fees for permits on which no work has been done and no inspections have been made. Requests for refunds must be in writing and signed by the permit holder. The Chief Building Official must approve each refund and the City shall retain the following:

\$50	for requests made within 30 days, fee totals less than \$50 are non refundable.
\$50 or 20 percent of the permit whichever is greater	for requests made within 60 days
\$50 or 40 percent of the permit whichever is greater	for requests made within 90 Days
\$50 or 60 percent of the permit whichever is greater	for requests made within 120 days
\$50 or 80 percent of the permit whichever is greater	for requests made within 180 days

NO REFUND is available after 180 days.

Plan check fees, state surcharge fee, and re-inspection fees are non refundable.

Section 2 The City Council for the City of Coon Rapids authorizes the Building Inspection Division to collect a surcharge on behalf of the State as established by Minnesota Statutes Section 326B. 148 or any other governmental agency in addition to the City fee.

Section 3 Effective Date of Ordinance. This ordinance shall be effective for all annual permits and/or licenses issued for 2016 and succeeding years, and for all other permits and licenses issued after January 1, 2016

Introduced this 4th day of November, 2015.

Adopted this _____ day of _____, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk

RESOLUTION NO. 15-126

A RESOLUTION ESTABLISHING CERTAIN FEES AND CHARGES

WHEREAS, the fees and charges for certain City services do not currently reflect City costs; and

WHEREAS, the City Council finds that it is in the best interest of the City for the costs of City services to be borne to the extent practical by the users of those services; and

WHEREAS, the City Council further finds that certain fees and charges for City services should be increased or established to more accurately reflect the City’s costs in providing those services.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Coon Rapids that effective January 1, 2016 the following fees and charges, including sales tax and any surcharge imposed by the State of Minnesota or other governmental agency where applicable, shall be (prior year amounts, if different, in parentheses):

- 1. Sign permits
 - a. New permanent ground or monument sign.....(\$185).....\$190
 - b. New ground or monument sign on existing support(\$90)..... \$95
 - c. New permanent wall sign.....(\$90)..... \$95
 - d. Change or addition to existing permanent ground or wall sign(\$90)..... \$95
 - e. Temporary sign for commercial, institutional, or industrial use \$55
 - i. Public units of government with taxing authority and their agencies shall be exempt from the payment of fees for temporary signs.
 - ii. Any questions regarding whether an applicant qualifies for an exemption shall be determined by the City Council upon the request of either the applicant or the staff person responsible for issuing the permit.
 - iii. Exemption from the payment of a temporary sign permit fee does not relieve the unit of government, or its agency, from compliance with all other applicable provisions of the sign code including, but not limited to, obtaining required permits.

- 2. Commercial wireless Telecommunications Antennas and Tower Permits (cost of consultant services, if applicable, is in addition to permit fees)
 - a. Tower including applicant’s antennas located thereon
 - i. Permit issued administratively.....(\$515).....\$530
 - ii. Permit issued by City Council.....(\$825).....\$845
 - b. Antennas mounted to one existing tower or other structure
 - i. Permit issued administratively.....(\$235).....\$245
 - ii. Permit issued by City Council.....(\$360).....\$370

- 3. Abatement Administrative Charge(\$70)..... \$72

- 4. Tree Removal Administrative Charge.....(\$76)..... \$77

- 5. Assessment/Utility Searches..... \$20
Supplemental Search Detail..... \$10

6.	Assessment Charge for Unpaid Items Assessed.....		\$35
7.	Notary Fee.....		\$5
8.	Mailing List Charge		
	All utility accounts	(\$120).....	\$125 plus \$2.00 per thousand printing
	Monthly new utility accounts		\$7
9.	a. Vacant Property Inspection fee (by Inspection Dept.).....		\$85
	b. Water Service Turn On/Off and Water Meter Removal or Re-install (per visit)*		\$70
	c. Snowbird and Irrigation Turn On/Off (per season)*.....		\$70
	*(rate during regular Public Works hours; 1-1/2 times this rate all other hours)		
	d. Water Meter Testing.....		\$75
10.	Water Meters (with couplings or flange kits)*		
	5/8 inch.....	(\$295)	\$305
	3/4 inch.....	(\$360)	\$370
	1 inch.....	(\$465)	\$475
	1 1/2 inch regular	(\$825)	\$930
	2 inch regular	(\$1,010)	\$1,150
	1 1/2 inch turbine	(\$1,100)	\$1,260
	2 inch turbine.....	(\$1,150)	\$1,320
	3 inch turbine.....	(\$1,710)	\$1,990
	4 inch turbine.....	(\$2,210)	\$2,690
	2 inch compound.....	(\$2,530)	\$2,630
	3 inch compound.....	(\$3,480)	\$3,830
	4 inch compound.....	(\$4,580)	\$4,980
	*Strainers/diverters extra if required		
11.	Returned Check Charge.....		\$30
12.	Parking Fines		\$25
13.	Police Reports and Accident Reports - no charge if three pages or less		
	\$.25/page for requests of 4 pages or more	
14.	Letter of Good Standing	(\$17).....	\$18
15.	Crime Statistic Reports	(\$26).....	\$27
16.	Police Services		
	a. Vehicle lock-outs.....		\$20
	b. Digital audio file (per CD)		\$25
	c. Digital Camera files (per CD).....		\$25
	d. Printed digital photo.....		\$2
	e. Digital Squad Camera files (per CD/DVD).....		\$25
	f. Car Seat Training (non-resident).....		\$27
	g. Crime Free Multi-Housing Certification training	(\$35).....	\$40

- 17. Block Party Refundable Barricade Deposit \$25
- 18. Fire Department Services
 - a. Fire Run and Investigative Reports
 -\$.25/page for requests of 4 to 100 pages plus photo costs
 -Actual costs charged for requests greater than 100 pages
 - b. Recreational Fire Violation..... \$75
 - c. Fire Code Violation (other than recreational fire violations).....(\$40)..... \$50
 - d. Fireworks Peddlers
 - Initial Property Inspection.....\$120
 - Each Additional Re-inspection \$75
 - e. Water Flow Test.....\$150
 - f. Day Care Inspection \$50
 - g. Lock Boxes actual cost
- 19. Rental Licensing
 - a. Annual fee.....(\$100)..... \$110 per building
 - b. Single Family conversion Fee\$500 per building
 - c. Background Investigation Fee..... \$45
 - d. Periodic Inspection Fee – Initial Inspection
 - with one follow-up.....\$50 per building
 - plus/(\$20)....\$25 per dwelling unit inspected
 - e. Each additional re-inspection.....\$100 per building
- 20. Planning and Inspection Letter.....(\$85)..... \$95
- 21. Other Document Charges: Annual Financial Reports; Annual Budget; Capital Improvement Program; City Code; City Council Agenda Books, Agendas. Short Minutes or Long Minutes; Planning Commission Agenda Books, Agenda Page or Long Minutes
 - \$.25/page for requests 100 pages or less
 -Actual costs charged for requests greater than 100 pages
- 22. Kennel and Multiple Pet Permits
 - a. Annual permit \$40
 - b. Inspection or Re-inspection \$100 per inspection
- 23. Dog License
 - License fee for calendar year..... \$10
 - License fee if paid after June 30th..... \$5

Adopted by the Coon Rapids City Council this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk

RESOLUTION NO. 15-127

**RESOLUTION ESTABLISHING CERTAIN FEES AND CHARGES
FOR USE OF THE CTN STUDIO FACILITIES**

WHEREAS, CTN Studio facilities, staff, and equipment are dedicated for the production of programming for the city of Coon Rapids community channels; and

WHEREAS, only CTN Studio staff are to use or operate equipment due to liability, knowledge of operation, and protection of the facilities; and

WHEREAS, the City may provide production services to the general public, depending on the availability of CTN Studio facilities, staff and equipment; and

WHEREAS, the cost of services provided should be borne by the users of those services.

NOW, THEREFORE, BE IT RESOLVED that the following fee schedule shall be effective January 1, 2016 including sales tax or surcharge imposed by the State of Minnesota or other governmental agency where applicable (prior year amounts, if different, in parentheses):

<u>STUDIO - includes staff assistance</u>	<u>Rates</u>
Studio A rental	\$500/day
Studio B rental \$200/day	
HD control room rental	\$400/day
Voice over room (1 hour minimum).....	\$70/hr

<u>STAFF (3 hour minimum)</u>	
Producer.....	\$75/hr
Director	\$75/hr
Graphics Designer.....	\$55/hr
Production Assistant.....	\$40/hr

<u>EDIT SUITES (3 hour minimum)</u>	
Editing - Apple, Final Cut X, Photoshop, Motion, Mac Pro.....(\$100)...	\$125/hr w/editor
Rendering - Apple, Final Cut X, Photoshop, Motion, Mac Pro.....(\$60)...	\$70/hr no editor

<u>FIELD CAMERA</u>	
HD Panasonic P2, HPX 500 w/Fuji 18x lens (x2).....(\$500).....	\$400 per day
HD Panasonic P2 HPX 255 w/22x lens.....(\$255).....	\$230 per day
HD Panasonic P2 HPX 170 w/13x lens.....(\$200).....	\$170 per day
Canon C100 Package.....(\$255).....	\$200 per day

CAMERA ACCESSORIES

Cammate 18' crane.....	\$350 per day
P2 card, 64 GB.....(\$75)....	\$45 per day
P2 card, 32 GB.....(\$45)....	\$25 per day
Tripod - Ocomer 1030 w/Gitzo sticks	\$30 per day
Tripod - Bogan 501 (light duty).....	\$10 per day
Filex K302 LED light kit	\$100 per day
Lectrosonics UCR/UM100 wireless lavalier.....	\$50 per day
Sony ECM 44B Lav Mic	\$10 per day

PRODUCTION TRUCK (4 hour minimum)

Rate for 5 camera remote HD production (A) truck 32'	\$5,900 per day
Rate for 4 camera remote HD production (B) truck 25'	\$5,000 per day
Generator use for truck rental.....	\$350 per day

Crew costs are additional, see above staff rates.

Tapes and other supplies are extra.

COPIES OF CTN PROGRAMS

DVD	\$20 each
Blu-ray	\$20 each

A 25% deposit is required on all projects over \$1,000.

10% discount for public schools and non-profit organizations.

Adopted by the Coon Rapids City Council this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk



City Council Regular

8.

Meeting Date: 11/17/2015

Subject: Accept Feasibility and Order Public Hearing and Assessment Hearing for State Aid Street Reconstruction - Project 16-1

Submitted For: Mark Hansen, Assistant City Engineer

From: Sarah Greene, Administrative Assistant II

INTRODUCTION

The City Engineering Division is recommending the reconstruction of approximately 1.74 miles of Municipal State Aid (MSA) streets under project 16-1. City streets designated as state aid streets are eligible for state aid funding. Staff has prepared a feasibility report for the proposed improvements. Council is being requested to accept the report, and to order the public improvement hearing and the assessment hearing for the project, both of which are proposed to be held on February 16, 2016.

DISCUSSION

Council ordered the preparation of a feasibility report for the proposed project on August 18, 2015. Streets included in the scope of the project are as shown on the attached project location map. The project includes street segments proposed for rehabilitation via full depth reclamation (reconstruction) methods.

Proposed improvements include the reclamation of the existing bituminous surface and aggregate base, removal and replacement of damaged curb and gutter, sidewalk and pedestrian curb ramp improvements in accordance with ADA requirements, watermain pipe valve and hydrant replacements, and repairs or replacements to the existing storm sewer and sanitary sewer as needed.

City assessment policy calls for assessing properties benefiting from the proposed improvements. The proposed reconstruction assessment rates are \$1,835.45 for single family residential property, \$22.94 per front foot for multi-family residential property, \$45.88 per front foot for commercial property, and \$59.64 per front foot for industrial property. The project includes one City-owned property, two commercial properties, and 47 industrial properties. Since all properties on this project are located in an industrial zoned area, all are proposed to be assessed at the industrial rate per front foot.

The areas of benefit and proposed properties to be assessed are as shown on the attached Assessment Area graphic.

Properties to be assessed will be notified of the pending project in November 2015. Informational meetings are planned for December 2, 2015 and January 20, 2016. Staff will listen to concerns and respond to comments at these meetings.

The project is necessary to improve the condition of the streets, is feasible to construct from an engineering standpoint, and is cost effective.

RECOMMENDATION

It is recommended the Council take the following action:

- a. Adopt Resolution No. 16-1(4) accepting feasibility report and ordering a public hearing on improvement for February 16, 2016.
 - b. Adopt Resolution No. 16-1(10) declaring the cost to be assessed and ordering preparation of proposed assessment roll.
 - c. Adopt Resolution No. 16-1(11) setting an assessment hearing date for February 16, 2016.
-

BUDGET IMPACT:

The total estimated cost of the proposed improvement is \$6,787,392.20, with the total amount assessed of \$916,831.84.

The balance of the project cost would be recovered from various funds as follows:

\$3,631,899.40 from MSA Funds.

\$10,000.00 from the Street Reconstruction Fund (797).

\$253,488.96 from the Storm Water Utility Fund (640) recovered through storm drainage charges.

\$1,910,172.00 from the Water System Maintenance Fund (601) recovered through charges for water used.

\$65,000.00 from the Sanitary Sewer Maintenance Fund (620) recovered through sanitary sewer maintenance charges.

Attachments

Feasibility Report

Project Location Map

Assessment Area Graphic

Resolution No. 16-1(4)

Resolution No. 16-1(10)

Resolution No. 16-1(11)

Feasibility Report

PROJECT 16-1

State Aid Street Reconstruction

Evergreen Blvd from 85th Ave to Cul-de-sac
(SAP 114-117-004)

93rd Ave from Evergreen Blvd to Coon Rapids Blvd
(SAP 114-118-004)

90th Ave from Evergreen Blvd to Springbrook Dr
(SAP 114-131-001)

*I hereby certify that this 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.*



Mark C. Hansen, PE, Asst. City Engineer
License No. 43920 Date: 11/10/15



Prepared By:
CITY OF COON RAPIDS
ENGINEERING
DIVISION

PROJECT HISTORY

In 1994, the City began a street reconstruction program to replace its aging street infrastructure. Since that time, more than 105 miles of the City's 220-mile street system have been reconstructed. In 1997, the City implemented a policy for assessing a portion of the cost of street reconstruction to properties benefitting from the improvements.

Based on discussions with the City Council at the April 14, 2015 work session, as well as the regular session held on June 16, 2015, the 2016 program was developed and approved. Subsequently, at the recommendation of City staff, Council ordered preparation of a feasibility report on August 18, 2015.

This feasibility report is for the reconstruction of Municipal State Aid (MSA) roadways located in the City of Coon Rapids. The project area includes the reconstruction of approximately 1.74 miles of MSA streets.

PROJECT AREA CHARACTERISTICS / EXISTING CONDITIONS

The overall project area is illustrated on the **Project Location Map**. Streets proposed for reconstruction included in the scope of this report are as follows:

Reconstruction Segments

1. Evergreen Boulevard from 85th Avenue to Cul-de-sac
2. 90th Avenue from Evergreen Boulevard to Springbrook Drive
3. 93rd Avenue from Evergreen Boulevard to Coon Rapids Boulevard

Land uses within the project area include the following:

- City Property (1 parcel)
- Commercial (2 parcels)
- Industrial (47 parcels)

MSA streets proposed for rehabilitation as described were originally constructed between 1970 and 1971, and therefore are between 44 and 45 years old. Due to their age, these streets have experienced excessive fatigue cracking, and are at the point where routine maintenance (crack sealing and seal coating) is no longer cost-effective. There are also numerous areas where the existing concrete curb and gutter is cracked, broken, or settled, resulting in a reduced capacity to effectively convey drainage.

The existing water distribution system in the project area consists of a combination of 6, 8, 10, and 12-inch ductile and cast iron pipes that were constructed between 1970 and 1971. An overall review of the watermain break history indicates that sixteen (16) breaks have occurred since the installation of the cast iron pipes. Most of these breaks, however, took place in the segments that were lined in 2013, but several have occurred outside of those areas. Due to the overall high watermain break history, and the need to provide reliable water service to area businesses, the watermain pipe is proposed to be replaced within the street right-of-way of Evergreen Boulevard from 85th Avenue to 93rd Avenue, as well as along 90th Avenue from Evergreen Boulevard to Springbrook Drive. The

remaining segments within the project area have been previously lined. A temporary potable water conveyance system will be installed before watermain replacement work begins, which will allow water users continued access to City water during the watermain replacement process. Replacement of the watermain pipes will also require the replacement of numerous valves and hydrants along the project corridor.

The sanitary sewer system in the project area consists of 8, 10, and 12-inch ductile iron and PVC pipe, and is considered to be in good condition. Closed circuit televising of the sanitary sewer system within the proposed project area has been completed, and revealed that the sewer pipe is sound with no significant sagging of the lines, standing water, or joint separation issues. There are no sanitary sewer point repairs proposed on this project. The manholes are precast concrete structures, and have been found to be generally in good condition with no sign of groundwater seeping into the system.

City staff are aware of several drainage capacity issues along Evergreen Boulevard, and intend to install additional storm sewer catch basin structures and pipe as necessary to minimize localized flooding.

PROPOSED IMPROVEMENTS

Streets within the project area are proposed to be rehabilitated by reconstruction methods. Results of a geotechnical analysis performed by Braun Intertec and dated September 29, 2015 recommended full-depth reclamation as the method of rehabilitation for all street segments within the project area. Staff had originally anticipated rehabilitating Evergreen Boulevard from 93rd Avenue to the north Cul-de-sac, and 93rd Avenue from Evergreen Boulevard to Coon Rapids Boulevard via mill and overlay methods. Pavement coring results within the Braun report differed from results provided by WSB and Associates in June of 2015, and showed a greater amount of stripping in the bottom layers of pavement structure. The Braun results showed that a shorter life span and additional maintenance should be expected from a mill and overlay method of rehabilitation. Therefore, staff has recommended full-depth reclamation throughout the project corridor.

The roadway reconstruction process begins by reclaiming the existing bituminous pavement and gravel base, re-compacting the reclaimed material, disposing of excess reclaimed material, and resurfacing the streets with new bituminous pavement. There may be areas where subgrade corrections are needed, due to the presence of soft or unsuitable soils. In addition, removal and replacement of existing concrete curb and gutter that is in poor condition (cracked, broken, settled) or that does not drain properly, is proposed. In the event that existing curb returns are being removed, new pedestrian curb ramps will be installed with existing sidewalk (as needed) to comply with the Americans with Disabilities Act (ADA) requirements.

Sanitary sewer manholes, storm sewer manholes and catch basins will be repaired, replaced or adjusted as needed before the street is repaved. Extension of storm sewer pipe will be considered during project design and construction, and as existing conditions allow.

The watermain pipe, fire hydrants, and valves will be replaced along Evergreen Boulevard from 85th

Avenue to 93rd Avenue, as well as along 90th Avenue from Evergreen Boulevard to Springbrook Drive. Watermain along Evergreen Boulevard (from 93rd Avenue to north cul-de-sac) and 93rd Avenue was lined and/or replaced as part of a previous City project that took place in 2013. These lined watermain facilities are in good condition, and will not require replacement for many years.

Boulevard trees will be trimmed this winter to clear the streets of low hanging branches. All street name signs and other street signs will be replaced with new signs and posts. All new street name signs will have larger lettering consistent with the current City logo.

MAINTENANCE IMPACT

The streets proposed for reconstruction have deteriorated extensively, and will require increased maintenance if they are not repaved soon. Seal coating is no longer effective for the streets, due to the excessive cracking that has occurred. It becomes cost-prohibitive to maintain street surfaces that are as badly cracked as exists on these streets. Once an MSA street is reconstructed, the first crack sealing and seal coating application should be performed within five years or less to preserve the new bituminous pavement. Subsequent crack sealing and seal coating applications will then occur every seven years. With periodic maintenance, the street surfacing should not require replacement for at least 34 years. New watermain valve boxes, new storm water inlet castings and structures, and new adjusting rings on sanitary sewer manholes will be installed as needed with the project, preserving the existing utility infrastructure and reducing the need for future maintenance.

ESTIMATED COST/FINANCING

The total estimated cost for the project is \$6,787,392.20. The estimated cost to replace the watermain is \$1,910,172.00. Tree trimming costs are approximately \$10,000.00, and will be paid for from Street Reconstruction funds. Storm sewer repair costs are estimated to be \$253,488.96, and sanitary sewer repair costs are estimated to be \$65,000.00. The estimated prices as listed in the preceding paragraphs include Engineering time for design, testing, and construction inspection.

The City would finance the project by bonding until Municipal State Aid funding is received, and also assess a portion of the cost to the adjacent benefiting properties. Project costs that are not MSA eligible would be financed from a combination of Street Reconstruction (797), Storm Water Utility (640), Water System Maintenance (601), and Sanitary Sewer Maintenance (620) funds.

Project funding for the project is summarized below:

Municipal State Aid (MSA) Fund	\$3,631,899.40
Street Reconstruction Fund	\$10,000.00
Storm Water Utility Fund	\$253,488.96
Water System Maintenance Fund	\$1,910,172.00
Sanitary Sewer Maintenance Fund	\$65,000.00
Proposed Amount to be Assessed	<u>\$916,831.84</u>
 Total Estimated Project Cost =	 \$6,787,392.20

PROJECT TIMETABLE

- November 17, 2015 – Council accepts feasibility report, orders a public hearing, and sets an assessment hearing date
- December 2, 2015 – Staff conducts 1st neighborhood meeting for property owners
- January 20, 2016 – Staff conducts 2nd neighborhood meeting for property owners
- February 16, 2016 – Council holds the public hearing and assessment hearing and orders the project; Council approves plans and specs and orders ad for bids
- April 19, 2016 – Council adopts the assessments and awards contract for construction
- May-October 2016 – Project Construction

Note: Assessments are proposed to be adopted by Council on April 19th rather than on February 16th when the assessment hearing is held. This will allow a for a construction contract to be awarded, signifying the Council’s intent to proceed with project construction, and to incur costs for the project prior to assessments being levied. Upon adoption of the assessments, property owners would have 30 days to pay off the assessment without incurring interest charges.

PROPOSED ASSESSMENTS

In 1997, assessment rates were established as part of the City’s policy for financing street reconstruction. Under the policy, rates are to be updated annually, using the Construction Cost Index (CCI). Assessment rates for 2016 have been increased by 1.8% from the 2015 rates, reflecting an increase in the CCI.

The reconstruction rates to be used for 2016 are as follows:

Single-family lot	\$1,835.45 per lot (CCI factor results in increase of \$32.45 from the 2015 rate)
Residential (higher density including duplex units)	\$22.94 per front-foot or average width
Office and Commercial	\$45.88 per front-foot or average width (double residential rate per policy)
Industrial	\$59.64 per front-foot or average width (30% higher than commercial rate per policy)

Assessments would be spread over a 10-year period with an estimated interest rate of 3.06%, and the first installment would be due in 2017. Properties, such as condos, with smaller amount assessments would be assessed over three years with an estimated interest rate of 1.77%. Property owners would have the option of paying their entire assessment within 30 days following Council adoption of the assessments, and would incur no interest charges. Payments made after the 30-day period would also require payment of any interest charges accrued up to the time payment is made. If the assessment were paid as part of the property tax statement, the annual cost for a single-family home would be approximately \$200 per year for the 10-year period.

A copy of the proposed assessment roll is available in the Assistant City Engineer's office, as well as in the City Clerk's office.

PROJECT FEASIBILITY

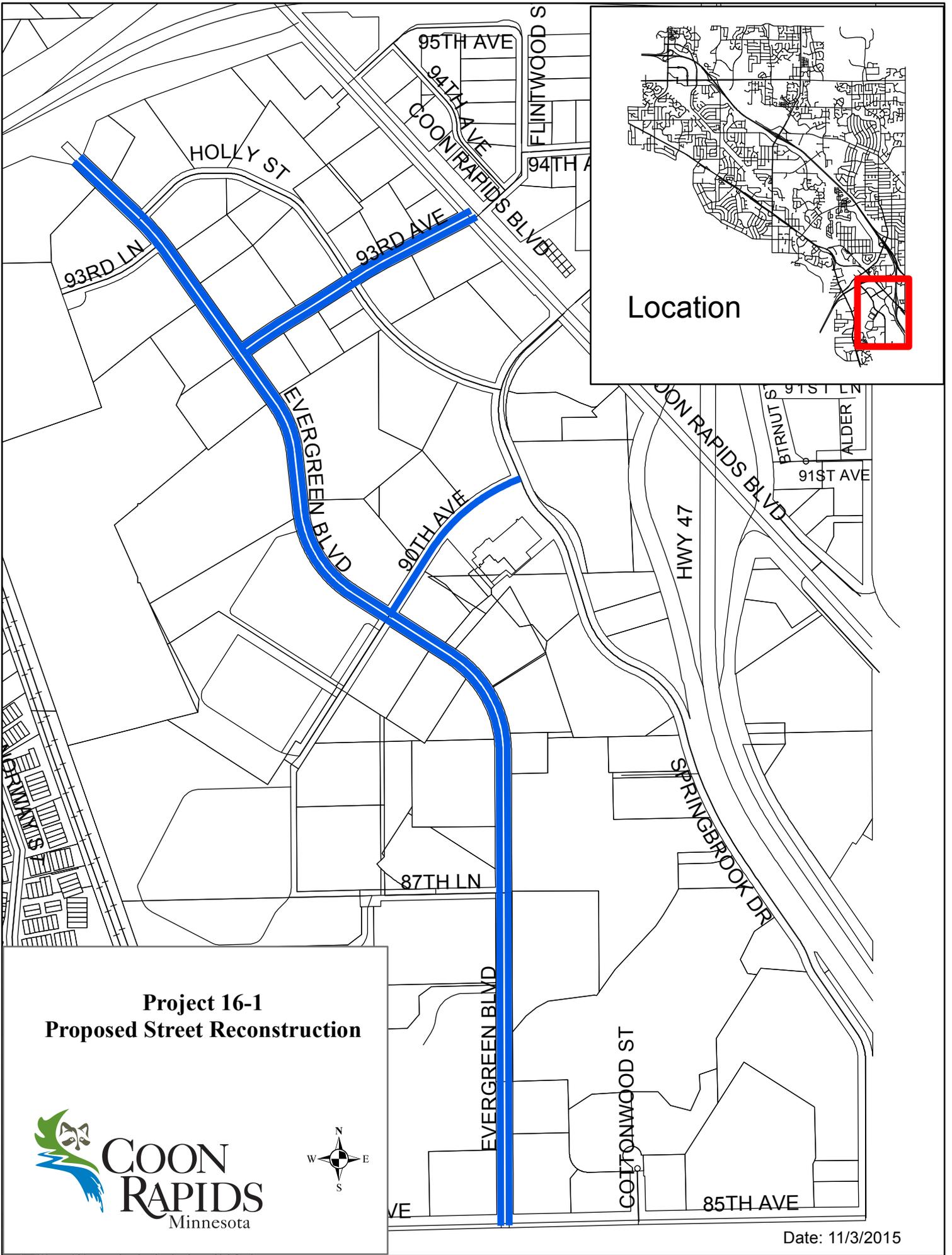
The proposed project is necessary for the City to keep the streets in the project area in a safe and drivable condition. The project is cost effective and is technically feasible to construct. An independent appraiser was retained in the fall of 2014 to review the "benefit" to the properties for work similar to what is proposed with this project. The appraiser's report indicated that the "...assessments planned by the City do appear to be fair and reasonable, similar to, and possibly less, than what other area cities are doing, and are not higher than the benefit resulting from the renewed streets, in the form of the property value increase." Therefore, the project is also economically feasible.

CONCLUSIONS AND RECOMMENDATION

As part of its 2016 MSA Street Reconstruction Program, the City is proposing to rehabilitate approximately 7.5 miles of Municipal State Aid streets using reconstruction methods. A majority of the project cost would be paid by the City's Municipal State Aid fund. The City would bond for the initial project costs, and pay back the bond principal and interest with future allotments from the City's State Aid share of the Minnesota State gas tax revenue.

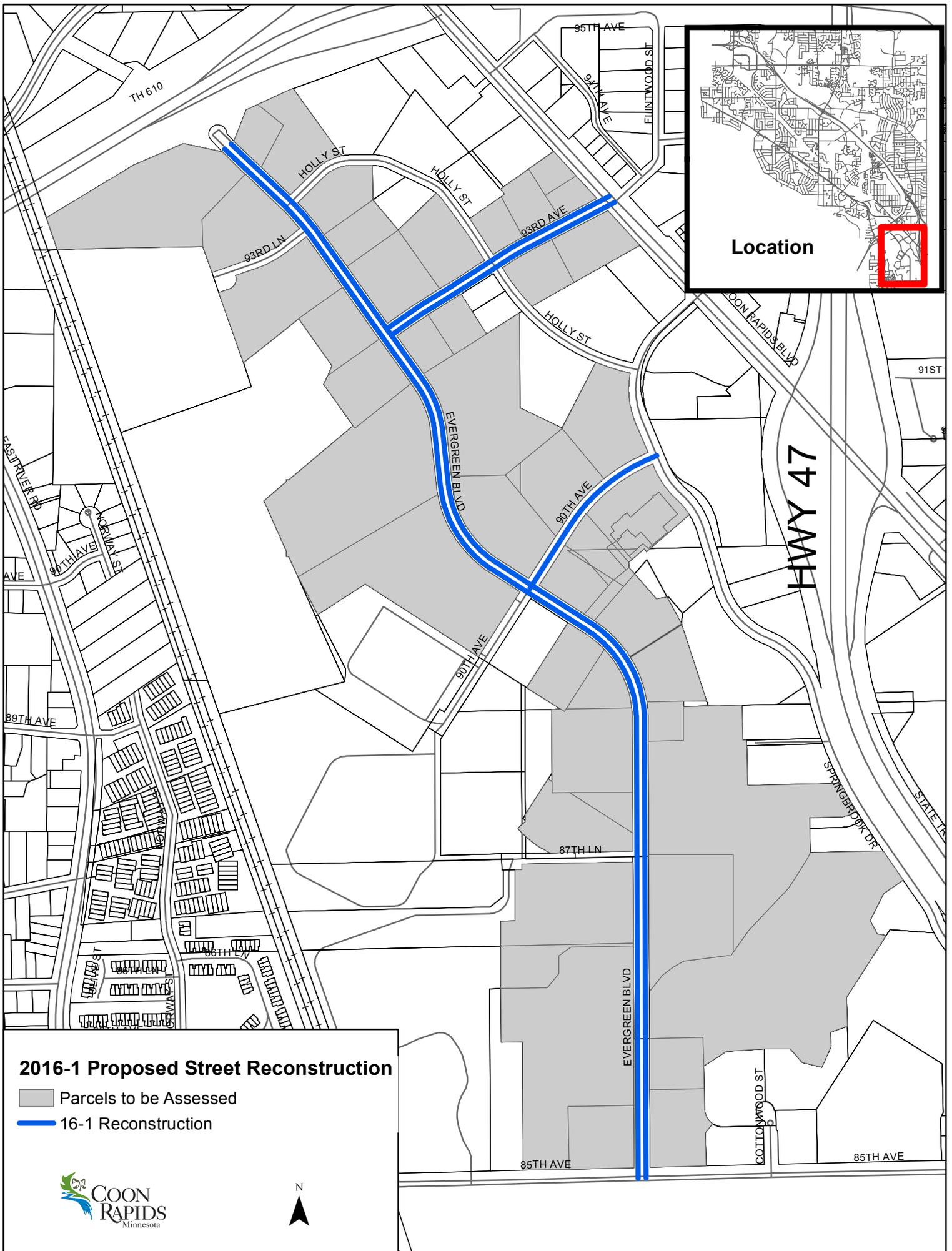
In addition, a portion of the project cost would be recovered through assessments to benefiting property owners, in accordance with the Street Reconstruction Policy approved by Council in 2006 and updated in 2015. Property owners will be notified of the project and of the proposed assessment rates by letter in November 2015. The first informational meeting for this project will be held on December 2, 2015, where staff will hear concerns, listen to suggestions, and answer questions that property owners have regarding the project. A second informational meeting will be held on January 20, 2016. Council will be requested to schedule both the public hearing and assessment hearing for February 16, 2016.

It is recommended that Council accept this feasibility report, order a public hearing on the project, and order a hearing on the proposed assessments by adopting the resolutions included with this report.



**Project 16-1
Proposed Street Reconstruction**





2016-1 Proposed Street Reconstruction

- Parcels to be Assessed
- 16-1 Reconstruction



RESOLUTION NO. 16-1(4)

**(4) RESOLUTION ACCEPTING FEASIBILITY REPORT
AND ORDERING PUBLIC HEARING ON IMPROVEMENT**

WHEREAS, pursuant to resolution of the Council adopted on the 18th day of August, 2015, a report has been prepared by the City Engineering Division with reference to the improvement of the following State Aid streets:

- Evergreen Boulevard from 85th Avenue to Cul-de-sac (SAP 114-117-004)
- 90th Avenue from Evergreen Boulevard to Springbrook Drive (SAP 114-131-001)
- 93rd Avenue from Evergreen Boulevard to Coon Rapids Boulevard (SAP 114-118-004)

by street reconstruction, and this report was received by the Council on the 17th day of November, 2015; and

WHEREAS, the report provides information regarding whether the proposed project is necessary, cost effective, and feasible,

NOW, THEREFORE, BE IT RESOLVED by the City Council of Coon Rapids, Minnesota:

1. The Council will consider such improvement in accordance with the report and the assessment of benefitting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Sections 429.011 to 429.111, at an estimated total cost of the improvement of \$6,787,392.20.

2. A public hearing shall be held on such proposed improvement on the 16th day of February, 2016 in the Council Chambers of the City Hall at 7:00 p.m., and the Clerk shall give mailed and published notice of such hearing and improvement as required by law.

Adopted this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk

RESOLUTION NO. 16-1(10)

**(10) RESOLUTION DECLARING COST TO BE ASSESSED
AND ORDERING PREPARATION OF
PROPOSED ASSESSMENT ROLL**

WHEREAS, a contract is proposed to be let for the improvement of the following State Aid streets:

- Evergreen Boulevard from 85th Avenue to Cul-de-sac (SAP 114-117-004)
- 90th Avenue from Evergreen Boulevard to Springbrook Drive (SAP 114-131-001)
- 93rd Avenue from Evergreen Boulevard to Coon Rapids Boulevard (SAP 114-118-004)

by street reconstruction and the contract price for such improvement is estimated to be \$5,429,913.76 and the expenses incurred or to be incurred in the making of said improvement are estimated to be \$1,357,478.44, so that the total cost of the improvement is estimated to be \$6,787,392.20 and of this cost the City will pay \$5,870,560.36 as its share of the cost; and

WHEREAS, the City of Coon Rapids expects to reimburse all or a portion of the project expenditures with the proceeds of debt to be incurred by the City; and

WHEREAS, this declaration is made pursuant to Section 1.103-18 of the Income Tax Regulations of the Internal Revenue Service.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF COON RAPIDS,
MINNESOTA:**

1. The cost of such improvement to be specially assessed is hereby declared to be \$916,831.84.
2. The City Clerk, with the assistance of the City Engineer shall forthwith calculate the proper amount to be specially assessed for such improvement against every assessable lot, piece or parcel of land within the district affected, without regard to cash valuation, as provided by law, and the City Engineer shall file a copy of such proposed assessment in his office for public inspection.
3. The Clerk shall, upon the completion of such proposed assessment, notify the Council thereof.

Adopted this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk

RESOLUTION NO. 16-1(11)

**(11) RESOLUTION FOR HEARING ON
PROPOSED ASSESSMENT ROLL**

WHEREAS, per a Resolution passed by the Council on the 17th day of November, 2015, the City Clerk was directed to prepare a proposed assessment of the cost of improving the following State Aid streets:

- Evergreen Boulevard from 85th Avenue to Cul-de-sac (SAP 114-117-004)
- 90th Avenue from Evergreen Boulevard to Springbrook Drive (SAP 114-131-001)
- 93rd Avenue from Evergreen Boulevard to Coon Rapids Boulevard (SAP 114-118-004)

by street reconstruction; and

WHEREAS, the Clerk will give a minimum of 14 days written notice to the Council and all benefitted property owners described in the assessment roll that such proposed assessment has been completed and filed in the Clerk's office for public inspection,

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF COON RAPIDS,
MINNESOTA:**

1. A hearing shall be held on the 16th day of February, 2016, in the City Hall at 7:00 p.m. to pass upon such proposed assessment and at such time and place all persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.
2. The City Clerk is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official paper at least 2 weeks prior to the hearing.

Adopted this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk



City Council Regular

9.

Meeting Date: 11/17/2015

Subject: Accept Feasibility and Order Public Hearing and Assessment Hearing for State Aid Street Reconstruction - Project 16-2

Submitted For: Mark Hansen, Assistant City Engineer

From: Sarah Greene, Administrative Assistant II

INTRODUCTION

The City Engineering Division is recommending the reconstruction of approximately 2.41 miles of Municipal State Aid (MSA) streets under project 16-2. City streets designated as state aid streets are eligible for state aid funding. Staff has prepared a feasibility report for the proposed improvements. Council is being requested to accept the report, and to order the public improvement hearing and the assessment hearing for the project, both of which are proposed to be held on February 16, 2016.

DISCUSSION

Council ordered the preparation of a feasibility report for the proposed project on August 18, 2015. Streets included in the scope of the project are as shown on the attached project location map. The project includes street segments proposed for rehabilitation via full depth reclamation (reconstruction) methods.

Proposed improvements include the reclamation of the existing bituminous surface and aggregate base, removal and replacement of damaged curb and gutter, sidewalk and pedestrian curb ramp improvements in accordance with ADA requirements, watermain pipe valve and hydrant replacements, and repairs or replacements to the existing storm sewer and sanitary sewer as needed.

City assessment policy calls for assessing properties benefiting from the proposed improvements. The proposed reconstruction assessment rates are \$1,835.45 for single family residential property, \$22.94 per front foot for multi-family residential property, \$45.88 per front foot for commercial property, and \$59.64 per front foot for industrial property. The project includes 158 single family residential properties, 37 condominiums, one commercial, two apartments, and five government/institutional properties.

The areas of benefit and proposed properties to be assessed are as shown on the attached Assessment Area graphic.

Properties to be assessed will be notified of the pending project in November 2015. Informational meetings are planned for December 2, 2015 and January 20, 2016. Staff will listen to concerns and respond to comments at these meetings.

The project is necessary to improve the condition of the streets, is feasible to construct from an engineering standpoint, and is cost effective.

RECOMMENDATION

It is recommended the Council take the following action:

- a. Adopt Resolution No. 16-2(4) accepting feasibility report and ordering a public hearing on improvement for February 16, 2016.
- b. Adopt Resolution No. 16-2(10) declaring the cost to be assessed and ordering preparation of proposed assessment roll.
- c. Adopt Resolution No. 16-2(11) setting an assessment hearing date for February 16, 2016.

BUDGET IMPACT:

The total estimated cost of the proposed improvement is \$6,662,401.63, with the total amount assessed of \$429,772.91.

The balance of the project cost would be recovered from various funds as follows:

\$3,647,825.72 from MSA Funds.

\$20,000.00 from the Street Reconstruction Fund (797).

\$243,067.00 from the Storm Water Utility Fund (640) recovered through storm drainage charges.

\$2,243,736.00 from the Water System Maintenance Fund (601) recovered through charges for water used.

\$78,000.00 from the Sanitary Sewer Maintenance Fund (620) recovered through sanitary sewer maintenance charges.

Attachments

Feasibility Report

Project Location Map

Assessment Area Graphic

Resolution No. 16-2(4)

Resolution No. 16-2(10)

Resolution No. 16-2(11)

Feasibility Report

PROJECT 16-2

State Aid Street Reconstruction

Mississippi Blvd
from Hanson Blvd to Coon Rapids Blvd
(SAP 114-105-015)

*I hereby certify that this 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.*



Mark C. Hansen, PE, Asst. City Engineer
License No. 43920 Date: 11/10/15



Prepared By:
CITY OF COON RAPIDS
ENGINEERING
DIVISION

PROJECT HISTORY

In 1994, the City began a street reconstruction program to replace its aging street infrastructure. Since that time, more than 105 miles of the City's 220-mile street system have been reconstructed. In 1997, the City implemented a policy for assessing a portion of the cost of street reconstruction to properties benefitting from the improvements.

Based on discussions with the City Council at the April 14, 2015 work session, as well as the regular session held on June 16, 2015, the 2016 program was developed and approved. Subsequently, at the recommendation of City staff, Council ordered preparation of a feasibility report on August 18, 2015.

This feasibility report is for the reconstruction of Municipal State Aid (MSA) roadways located within the City of Coon Rapids. The project area includes the reconstruction of approximately 2.41 miles of MSA streets.

PROJECT AREA CHARACTERISTICS / EXISTING CONDITIONS

The overall project area is illustrated on the **Project Location Map**. Streets proposed for reconstruction included in the scope of this report are as follows:

Reconstruction Segments

1. Mississippi Boulevard from Hanson Boulevard to Coon Rapids Boulevard

Land uses within the project area include the following:

- Single Family Residential (158 parcels)
- Condominiums (37 parcels)
- Apartments (2 parcels)
- Commercial (1 parcel)
- Government/Institutional (5 parcels)

MSA streets proposed for rehabilitation as described were originally constructed between 1963 and 1973, and are therefore between 42 and 52 years old. In addition, Mississippi Boulevard was mill and overlaid in 1996. Due to their age, these streets have experienced excessive fatigue cracking, and are at the point where routine maintenance (crack sealing and seal coating) is no longer cost-effective. There are also numerous areas where the existing concrete curb and gutter is cracked, broken, or settled, resulting in a reduced capacity to effectively convey drainage.

The existing water distribution system in the project area consists of 8-inch cast iron pipe that was constructed between 1960 and 1970. An overall review of the watermain break history indicates that seventeen (17) breaks have occurred since the installation of the cast iron pipes. Due to the high watermain break history in the area, the watermain pipe is proposed to be replaced entirely within the street right-of-way of Mississippi Boulevard from Hanson Boulevard to Coon Rapids Boulevard. A temporary potable water conveyance system will be installed before watermain replacement work begins to allow property owners continued access to City water during the watermain replacement process. Replacement of the watermain pipes will also require the replacement of numerous valves,

services, and hydrants along the project corridor.

The sanitary sewer system in the majority of the project area consists of previously lined 8-inch vitrified clay pipe. The lined clay pipe was reviewed, and is considered to be in good condition. In addition, the project area includes segments of 30-inch and 36-inch reinforced concrete pipe. Closed circuit televising of the overall sanitary sewer system within the proposed project area has been completed, and revealed that the sewer pipe is sound with no significant sagging of the lines, standing water, or joint separation issues. There are no sanitary sewer point repairs proposed on this project. The manholes are precast concrete structures, and have been found to be generally in good condition with no sign of groundwater seeping into the system.

City staff will review Mississippi Boulevard for any drainage capacity issues, and install additional storm sewer catch basin structures and pipe as necessary and where feasible to minimize localized flooding.

PROPOSED IMPROVEMENTS

Streets within the project area are proposed to be rehabilitated by reconstruction methods.

The roadway reconstruction process begins by reclaiming the existing bituminous pavement and gravel base, re-compacting the reclaimed material, disposing of excess reclaimed material, and resurfacing the streets with new bituminous pavement. There may be areas where subgrade corrections are needed, due to the presence of soft or unsuitable soils. In addition, removal and replacement of existing concrete curb and gutter that is in poor condition (cracked, broken, settled) or that does not drain properly, is proposed. In the event that existing curb returns are being removed, new pedestrian curb ramps will be installed with existing sidewalk (as needed) to comply with the Americans with Disabilities Act (ADA) requirements.

Staff are aware the intersection of Mississippi Boulevard and Coon Rapids Boulevard experiences capacity issues during certain periods when students are entering and exiting the Anoka Ramsey Community College campus from Mississippi Boulevard onto Coon Rapids Boulevard. Staff will continue to work with Anoka County Highway Department officials to develop a future intersection reconstruction project that would ultimately modify and add capacity to the existing northbound left turn lanes. The reclamation process would effectively repair the existing deteriorated roadway surface in the interim, while staff continue to seek a long-term solution to the capacity issues.

Sanitary sewer manholes, storm sewer manholes and catch basins will be repaired, replaced or adjusted as needed before the street is repaved. Extension of storm sewer pipe will be considered during project design and construction where feasible, and as existing conditions allow.

The watermain pipe, fire hydrants, services, and valves will be replaced entirely along Mississippi Boulevard from Hanson Boulevard to Coon Rapids Boulevard.

Boulevard trees will be trimmed this winter to clear the streets of low hanging branches. All street name signs and other street signs will be replaced with new signs and posts. All new street name

signs will have larger lettering consistent with the current City logo.

MAINTENANCE IMPACT

The streets proposed for reconstruction have deteriorated extensively, and will require increased maintenance if they are not repaved soon. Seal coating is no longer effective for the streets, due to the excessive cracking that has occurred. It becomes cost-prohibitive to maintain street surfaces that are as badly cracked as exists on these streets. Once an MSA street is reconstructed, the first crack sealing and seal coating application should be performed within five years or less to preserve the new bituminous pavement. Subsequent crack sealing and seal coating applications will then occur every seven years. With periodic maintenance, the street surfacing should not require replacement for at least 34 years. New watermain valve boxes, new storm water inlet castings and structures, and new adjusting rings on sanitary sewer manholes will be installed as needed with the project, preserving the existing utility infrastructure and reducing the need for future maintenance.

ESTIMATED COST/FINANCING

The total estimated cost for the project is \$6,662,401.63.

The estimated cost to replace the watermain is \$2,243,736.00. Tree trimming costs are approximately \$20,000.00, and will be paid for from Street Reconstruction funds. Storm sewer repair costs are estimated to be \$243,067.00, and sanitary sewer repair costs are estimated to be \$78,000.00. The estimated prices as listed in the preceding paragraphs include Engineering time for design and construction inspection.

The City would finance the project by bonding until Municipal State Aid funding is received, and also assess a portion of the cost to the adjacent benefiting properties. Project costs that are not MSA eligible would be financed from a combination of Street Reconstruction (797), Storm Water Utility (640), Water System Maintenance (601), and Sanitary Sewer Maintenance (620) funds.

Project funding for the project is summarized below:

Municipal State Aid (MSA) Fund	\$3,647,825.72
Street Reconstruction Fund	\$20,000.00
Storm Water Utility Fund	\$243,067.00
Water System Maintenance Fund	\$2,243,736.00
Sanitary Sewer Maintenance Fund	\$78,000.00
Proposed Amount to be Assessed	<u>\$429,772.91</u>
Total Estimated Project Cost =	\$6,662,401.63

PROJECT TIMETABLE

- November 17, 2015 – Council accepts feasibility report, orders a public hearing, and sets an assessment hearing date
- December 2, 2015 – Staff conducts 1st neighborhood meeting for property owners
- January 20, 2016 – Staff conducts 2nd neighborhood meeting for property owners
- February 16, 2016 – Council holds the public hearing and assessment hearing and orders the project; Council approves plans and specs and orders ad for bids
- April 19, 2016 – Council adopts the assessments and awards contract for construction
- May-October 2016 – Project Construction

Note: Assessments are proposed to be adopted by Council on April 19th rather than on February 16th when the assessment hearing is held. This will allow for a construction contract to be awarded, signifying the Council’s intent to proceed with project construction, and to incur costs for the project prior to assessments being levied. Upon adoption of the assessments, property owners would have 30 days to pay off the assessment without incurring interest charges.

PROPOSED ASSESSMENTS

In 1997, assessment rates were established as part of the City’s policy for financing street reconstruction. Under the policy, rates are to be updated annually, using the Construction Cost Index (CCI). Assessment rates for 2016 have been increased by 1.8% from the 2015 rates, reflecting an increase in the CCI.

The reconstruction rates to be used for 2016 are as follows:

Single-family lot	\$1,835.45 per lot (CCI factor results in increase of \$32.45 from 2015)
Residential (higher density including duplex units)	\$22.94 per front-foot or average width
Office and Commercial	\$45.88 per front-foot or average width (double residential rate per policy)
Industrial	\$59.64 per front-foot or average width (30% higher than commercial rate per policy)

Assessments would be spread over a 10-year period with an estimated interest rate of 3.06%, and the first installment would be due in 2017. Properties, such as condos, with smaller amount assessments would be assessed over three years with an estimated interest rate of 1.77%. Property owners would have the option of paying their entire assessment within 30 days following Council adoption of the assessments, and would incur no interest charges. Payments made after the 30-day period would also require payment of any interest charges accrued up to the time payment is made. If the assessment were paid as part of the property tax statement, the annual cost for a single-family home would be approximately \$200 per year for the 10-year period.

A copy of the proposed assessment roll is available in the Assistant City Engineer's office, as well as in the City Clerk's office.

PROJECT FEASIBILITY

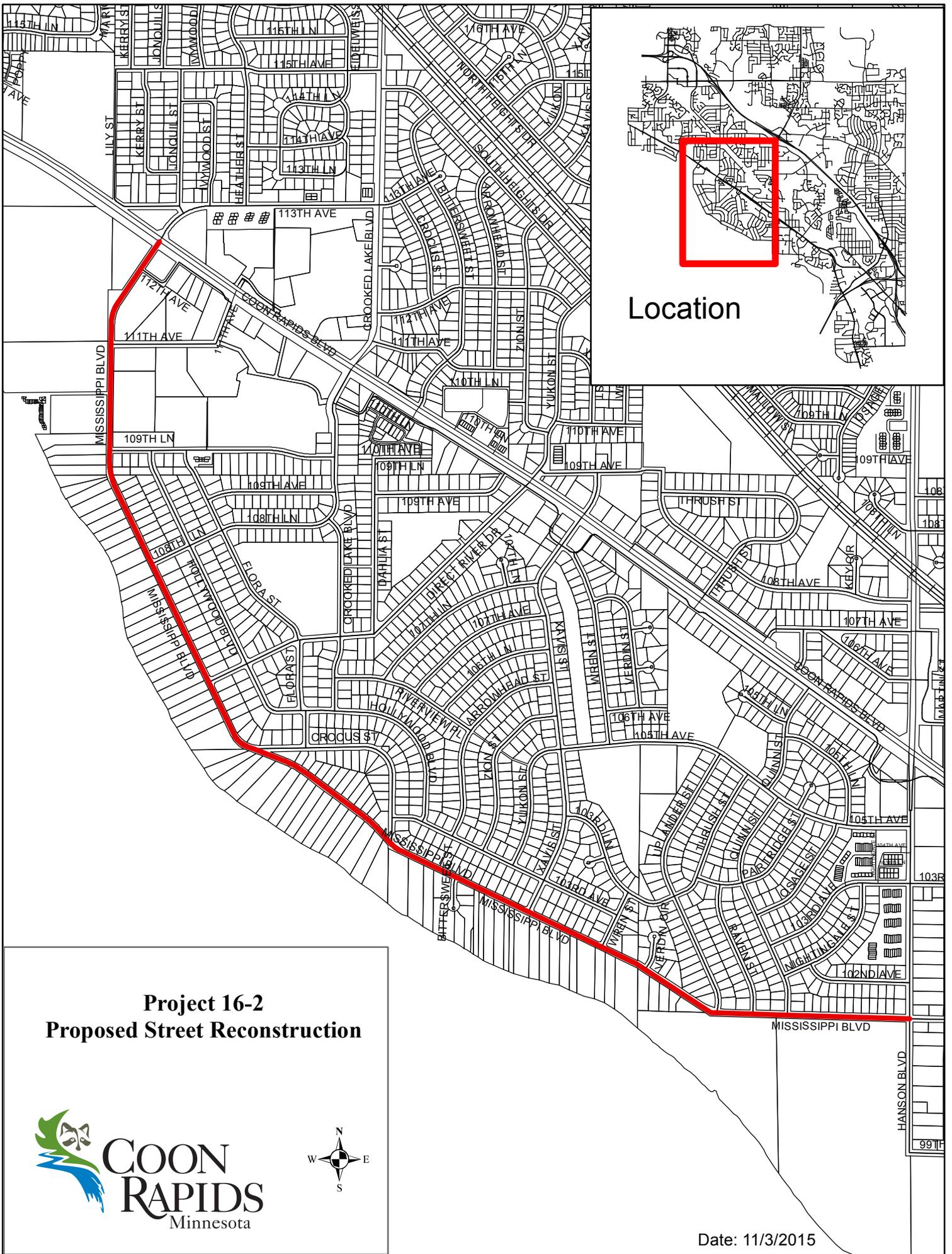
The proposed project is necessary for the City to keep the streets in the project area in a safe and drivable condition. The project is cost effective and is technically feasible to construct. An independent appraiser was retained in the fall of 2014 to review the "benefit" to the properties for work similar to what is proposed with this project. The appraiser's report indicated that the "...assessments planned by the City do appear to be fair and reasonable, similar to, and possibly less, than what other area cities are doing, and are not higher than the benefit resulting from the renewed streets, in the form of the property value increase." Therefore, the project is also economically feasible.

CONCLUSIONS AND RECOMMENDATION

As part of its 2016 Street Reconstruction Program, the City is proposing to rehabilitate approximately 7.5 miles of Municipal State Aid streets using reconstruction methods. A majority of the project cost would be paid by the City's Municipal State Aid fund. The City would bond for the initial project costs, and pay back the bond principal and interest with future allotments from the City's State Aid share of the Minnesota State gas tax revenue.

In addition, a portion of the project cost would be recovered through assessments to benefiting property owners, in accordance with the Street Reconstruction Policy approved by Council in 2006 and updated in 2015. Property owners will be notified of the project and of the proposed assessment rates by letter in November 2015. The first informational meeting for this project will be held on December 2, 2015, where staff will hear concerns, listen to suggestions, and answer questions that property owners have regarding the project. A second informational meeting will be held on January 20, 2016. Council will be requested to schedule both the public hearing and assessment hearing for February 16, 2016.

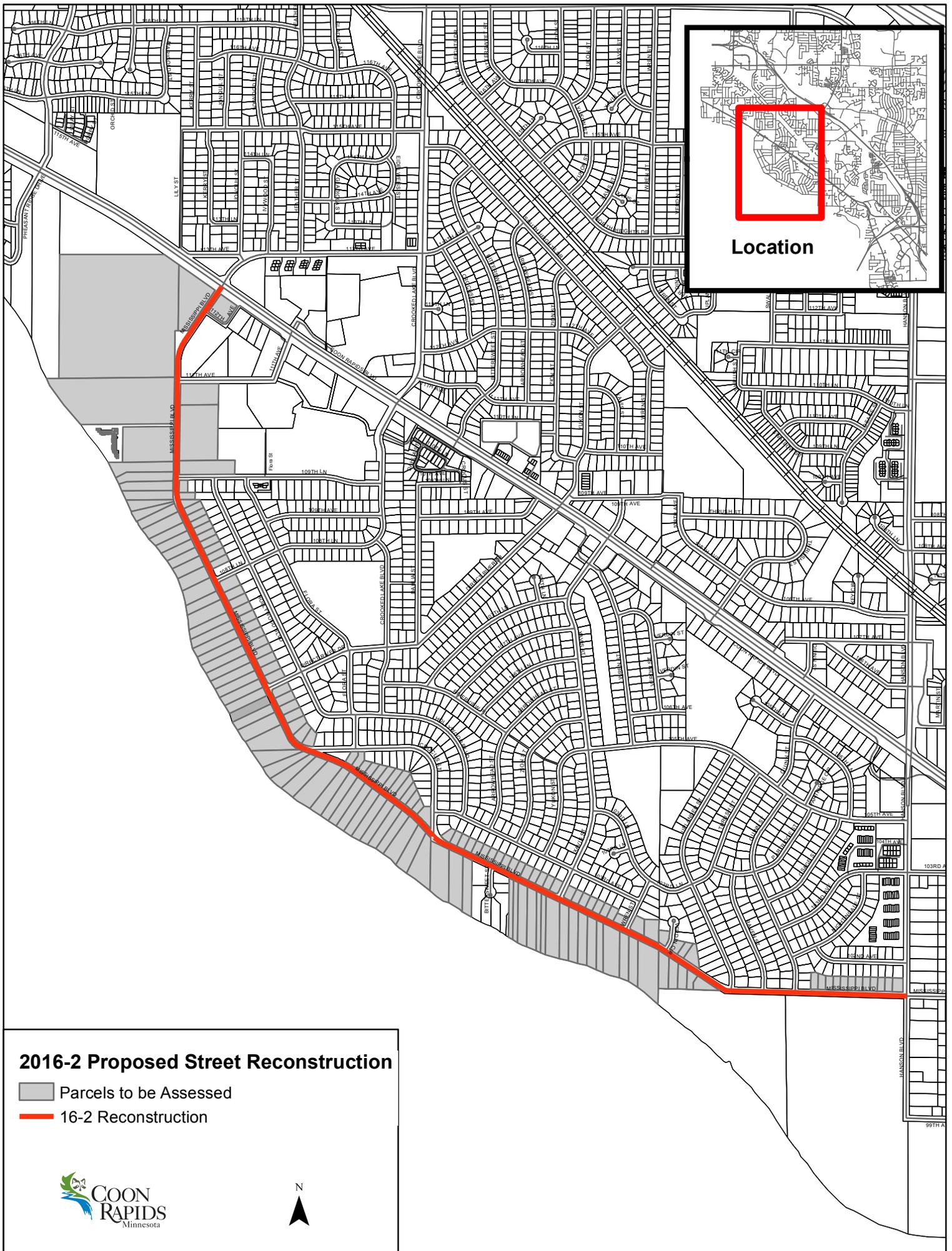
It is recommended that Council accept this feasibility report, order a public hearing on the project, and order a hearing on the proposed assessments by adopting the resolutions included with this report.



**Project 16-2
Proposed Street Reconstruction**



Date: 11/3/2015



2016-2 Proposed Street Reconstruction

- Parcels to be Assessed
- 16-2 Reconstruction



RESOLUTION NO. 16-2(4)

**(4) RESOLUTION ACCEPTING FEASIBILITY REPORT
AND ORDERING PUBLIC HEARING ON IMPROVEMENT**

WHEREAS, pursuant to resolution of the Council adopted on the 18th day of August, 2015, a report has been prepared by the City Engineering Division with reference to the improvement of the following State Aid streets:

- Mississippi Boulevard from Hanson Boulevard to Coon Rapids Boulevard (SAP 114-105-015)

by street reconstruction, and this report was received by the Council on the 17th day of November, 2015; and

WHEREAS, the report provides information regarding whether the proposed project is necessary, cost effective, and feasible,

NOW, THEREFORE, BE IT RESOLVED by the City Council of Coon Rapids, Minnesota:

1. The Council will consider such improvement in accordance with the report and the assessment of benefitting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Sections 429.011 to 429.111, at an estimated total cost of the improvement of \$6,662,401.63.
2. A public hearing shall be held on such proposed improvement on the 16th day of February, 2016 in the Council Chambers of the City Hall at 7:00 p.m., and the Clerk shall give mailed and published notice of such hearing and improvement as required by law.

Adopted this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk

RESOLUTION NO. 16-2(10)

**(10) RESOLUTION DECLARING COST TO BE ASSESSED
AND ORDERING PREPARATION OF
PROPOSED ASSESSMENT ROLL**

WHEREAS, a contract is proposed to be let for the improvement of the following State Aid streets:

- Mississippi Boulevard from Hanson Boulevard to Coon Rapids Boulevard (SAP 114-105-015)

by street reconstruction and the contract price for such improvement is estimated to be \$5,329,921.30 and the expenses incurred or to be incurred in the making of said improvement are estimated to be \$1,332,480.33, so that the total cost of the improvement is estimated to be \$6,662,401.63 and of this cost the City will pay \$6,232,628.72 as its share of the cost; and

WHEREAS, the City of Coon Rapids expects to reimburse all or a portion of the project expenditures with the proceeds of debt to be incurred by the City; and

WHEREAS, this declaration is made pursuant to Section 1.103-18 of the Income Tax Regulations of the Internal Revenue Service.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF COON RAPIDS, MINNESOTA:

1. The cost of such improvement to be specially assessed is hereby declared to be \$429,772.91.
2. The City Clerk, with the assistance of the City Engineer shall forthwith calculate the proper amount to be specially assessed for such improvement against every assessable lot, piece or parcel of land within the district affected, without regard to cash valuation, as provided by law, and the City Engineer shall file a copy of such proposed assessment in his office for public inspection.
3. The Clerk shall, upon the completion of such proposed assessment, notify the Council thereof.

Adopted this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk

RESOLUTION NO. 16-2(11)

**(11) RESOLUTION FOR HEARING ON
PROPOSED ASSESSMENT ROLL**

WHEREAS, per a Resolution passed by the Council on the 17th day of November, 2015, the City Clerk was directed to prepare a proposed assessment of the cost of improving the following State Aid streets:

- Mississippi Boulevard from Hanson Boulevard to Coon Rapids Boulevard (SAP 114-105-015)

by street reconstruction; and

WHEREAS, the Clerk will give a minimum of 14 days written notice to the Council and all benefitted property owners described in the assessment roll that such proposed assessment has been completed and filed in the Clerk's office for public inspection,

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF COON RAPIDS,
MINNESOTA:**

1. A hearing shall be held on the 16th day of February, 2016, in the City Hall at 7:00 p.m. to pass upon such proposed assessment and at such time and place all persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.
2. The City Clerk is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official paper at least 2 weeks prior to the hearing.

Adopted this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk



City Council Regular

10.

Meeting Date: 11/17/2015

Subject: Accept Feasibility and Order Public Hearing and Assessment Hearing for State Aid Street Reconstruction - Project 16-3

Submitted For: Mark Hansen, Assistant City Engineer

From: Sarah Greene, Administrative Assistant II

INTRODUCTION

The City Engineering Division is recommending the reconstruction of approximately 1.66 miles of Municipal State Aid (MSA) streets under project 16-3. City streets designated as state aid streets are eligible for state aid funding. Staff has prepared a feasibility report for the proposed improvements. Council is being requested to accept the report, and to order the public improvement hearing and the assessment hearing for the project, both of which are proposed to be held on February 16, 2016.

DISCUSSION

Council ordered the preparation of a feasibility report for the proposed project on August 18, 2015. Streets included in the scope of the project are as shown on the attached project location map. The project includes street segments proposed for rehabilitation via full depth reclamation (reconstruction) methods.

Proposed improvements include the reclamation of the existing bituminous surface and aggregate base, removal and replacement of damaged curb and gutter, sidewalk and pedestrian curb ramp improvements in accordance with ADA requirements, watermain pipe valve and hydrant replacements, and repairs or replacements to the existing storm sewer and sanitary sewer as needed.

City assessment policy calls for assessing properties benefiting from the proposed improvements. The proposed reconstruction assessment rates are \$1,835.45 for single family residential property, \$22.94 per front foot for multi-family residential property, \$45.88 per front foot for commercial property, and \$59.64 per front foot for industrial property. The project includes 136 single family residential properties, three conservation land/agriculture properties, two commercial properties, and two government/institutional properties.

The areas of benefit and proposed properties to be assessed are as shown on the attached Assessment Area graphic.

Properties to be assessed will be notified of the pending project in November 2015. Informational meetings are planned for December 8, 2015 and January 21, 2016. Staff will listen to concerns and respond to comments at these meetings.

The project is necessary to improve the condition of the streets, is feasible to construct from an engineering standpoint, and is cost effective.

RECOMMENDATION

It is recommended the Council take the following action:

- a. Adopt Resolution No. 16-3(4) accepting feasibility report and ordering a public hearing on improvement for February 16, 2016.
- b. Adopt Resolution No. 16-3(10) declaring the cost to be assessed and ordering preparation of proposed assessment roll.
- c. Adopt Resolution No. 16-3(11) setting an assessment hearing date for February 16, 2016.

BUDGET IMPACT:

The total estimated cost of the proposed improvement is \$2,879,534.45, with the total amount assessed of \$344,796.59.

The balance of the project cost would be recovered from various funds as follows:

\$1,464,752.07 from MSA Funds.

\$15,000.00 from the Street Reconstruction Fund (797).

\$483,668.59 from the Storm Water Utility Fund (640) recovered through storm drainage charges.

\$446,317.20 from the Water System Maintenance Fund (601) recovered through charges for water used.

\$65,000.00 from the Sanitary Sewer Maintenance Fund (620) recovered through sanitary sewer maintenance charges.

\$60,000.00 from the Sidewalk Construction Fund (795).

Attachments

Feasibility Report

Project Location Map

Assessment Area Graphic

Resolution No. 16-3(4)

Resolution No. 16-3(10)

Resolution No. 16-3(11)

Feasibility Report

PROJECT 16-3

State Aid Street Reconstruction

Crooked Lake Blvd from 127th Cir to 133rd Ave;
128th Ave from Crooked Lake Blvd to Coon Creek Blvd
(SAP 114-135-011)

Round Lake Blvd from Mississippi Dr to 115th Ave
(SAP 114-121-013)

Mississippi Dr from Round Lake Blvd to Pheasant Ridge Dr
(SAP 114-121-014)

*I hereby certify that this 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.*



Mark C. Hansen, PE, Asst. City Engineer
License No. 43920 Date: 11/10/15



Prepared By:
CITY OF COON RAPIDS
ENGINEERING
DIVISION

PROJECT HISTORY

In 1994, the City began a street reconstruction program to replace its aging street infrastructure. Since that time, more than 105 miles of the City's 220-mile street system have been reconstructed. In 1997, the City implemented a policy for assessing a portion of the cost of street reconstruction to properties benefitting from the improvements.

Based on discussions with the City Council at the April 14, 2015 work session, as well as the regular session held on June 16, 2015, the 2016 program was developed and approved. Subsequently, at the recommendation of City staff, Council ordered preparation of a feasibility report on August 18, 2015.

This feasibility report is for the reconstruction of Municipal State Aid (MSA) roadways located within the City of Coon Rapids. The project area includes the reconstruction of approximately 1.66 miles of MSA streets.

PROJECT AREA CHARACTERISTICS / EXISTING CONDITIONS

The overall project area is illustrated on the **Project Location Map**. Streets proposed for reconstruction included in the scope of this report are as follows:

Reconstruction Segments

1. Crooked Lake Boulevard from 127th Circle to 133rd Avenue
2. 128th Avenue from Crooked Lake Boulevard to Coon Creek Boulevard
3. Mississippi Drive from Round Lake Boulevard to Pheasant Ridge Drive
4. Round Lake Boulevard from Mississippi Drive to 115th Avenue

Land uses within the project area include the following:

- Single Family Residential (136 parcels)
- Conservation Land/Agriculture (3 parcels)
- Commercial (2 parcels)
- Government/Institutional (2 parcels)

MSA streets proposed for rehabilitation as described were originally constructed between 1970 and 1989, and therefore are between 26 and 45 years old. Due to their age, traffic, and other factors, these streets have experienced excessive fatigue cracking, and are at the point where routine maintenance (crack sealing and seal coating) is no longer cost effective. There are also numerous areas where the existing concrete curb and gutter is cracked, broken, or settled, resulting in a reduced capacity to effectively convey drainage.

The existing water distribution system in the project area consists of a combination of 8-inch and 18-inch ductile iron pipes that were constructed between 1970 and 1989. An overall review of the watermain break history in each of the project areas indicates that no breaks have occurred since the installation of the ductile iron pipes. Due to the lack of break history, no significant watermain pipe segments are proposed for replacement.

The existing hydrants on the project have lead caps within the hydrant assembly, which are not allowed under current drinking water standards. In addition, the nuts and bolts used during the initial construction are not stainless steel in accordance with current City standards, and run a high risk of corrosion and ultimate failure, which can increase the risk of a leak forming in these areas. Staff proposes the replacement of valves and hydrants as necessary in each of the project segments.

The sanitary sewer system in the majority of the project area consists of 8-inch PVC pipe, and is considered to be in good condition. Additionally, there are short segments of 12-inch and 30-inch VCP and RCP pipe located within the project area. The VCP or vitrified clay pipe has been previously lined, and is in good condition. Closed circuit televising of the sanitary sewer system within the proposed project area has been completed, and revealed that the sewer pipe is sound with no significant sagging of the lines, standing water, or joint separation issues. There are no sanitary sewer point repairs proposed on this project. The manholes are precast concrete structures, and were found to be generally in good condition with no sign of groundwater seeping into the system.

City staff will review the proposed street segments for any drainage capacity issues, and install additional storm sewer catch basin structures and pipe as necessary and where feasible to minimize any localized flooding problems.

PROPOSED IMPROVEMENTS

Streets within the project area are proposed to be rehabilitated by reconstruction methods. Results of a geotechnical analysis performed by Braun Intertec and dated September 29, 2015 recommended full-depth reclamation as the method of rehabilitation for all street segments within the project area. Staff had originally anticipated including additional street segments within this project for rehabilitation via mill and overlay methods, as well as rehabilitating 128th Avenue and Round Lake Boulevard both by mill and overlay. Pavement coring results within the Braun report differed from results provided by WSB and Associates in June of 2015, and showed a greater amount of stripping in the bottom layers of pavement structure. The Braun results showed that a shorter life span and additional maintenance should be expected from a mill and overlay method of rehabilitation. Therefore, staff has recommended full-depth reclamation on all streets throughout the project.

The roadway reconstruction process begins by reclaiming the existing bituminous pavement and gravel base, re-compacting the reclaimed material, disposing of excess reclaimed material, and resurfacing the streets with new bituminous pavement. There may be areas where subgrade corrections are needed, due to the presence of soft or unsuitable soils. In addition, removal and replacement of existing concrete curb and gutter that is in poor condition (cracked, broken, settled) or that does not drain properly, is proposed. In the event that existing curb returns are being removed, new pedestrian curb ramps will be installed with existing sidewalk (as needed) to comply with the Americans with Disabilities Act (ADA) requirements.

Sanitary sewer manholes, storm sewer manholes and catch basins will be repaired, replaced or adjusted as needed before the street is repaved. Extension of storm sewer pipe will be considered during project design and construction where feasible, and as existing conditions allow.

Fire hydrants and valves will be replaced as necessary on each of the project roadway segments. Boulevard trees will be trimmed this winter to clear the streets of low hanging branches. All street name signs and other street signs will be replaced with new signs and posts. All new street name signs will have larger lettering consistent with the current City logo.

MAINTENANCE IMPACT

The streets proposed for reconstruction have deteriorated extensively, and will require increased maintenance if they are not repaved soon. Seal coating is no longer effective for the streets, due to the excessive cracking that has occurred. It becomes cost-prohibitive to maintain street surfaces that are as badly cracked as exists on these streets. Once an MSA street is reconstructed, the first crack sealing and seal coating application should be performed within five years or less to preserve the new bituminous pavement. Subsequent crack sealing and seal coating applications will then occur every seven years. With periodic maintenance, the street surfacing should not require replacement for at least 34 years. New watermain valve boxes, new storm water inlet castings and structures, and new adjusting rings on sanitary sewer manholes will be installed as needed with the project, preserving the existing utility infrastructure and reducing the need for future maintenance.

ESTIMATED COST/FINANCING

The total estimated cost for the project is \$2,879,534.45. Fire hydrants and valves will be replaced as necessary. The estimated cost to replace the watermain hydrants and valves is \$446,317.20. Tree trimming costs are approximately \$15,000.00, and will be paid for from Street Reconstruction funds. Storm sewer repair costs are estimated to be \$483,668.59, and sanitary sewer repair costs are estimated to be \$65,000.00. The estimated prices as listed in the preceding paragraphs include Engineering time for design and construction inspection.

The City would finance the project by bonding until Municipal State Aid funding is received, and also assess a portion of the cost to the adjacent benefiting properties. Project costs that are not MSA eligible would be financed from a combination of Street Reconstruction (797), Storm Water Utility (640), Water System Maintenance (601), Sanitary Sewer Maintenance (620), and Sidewalk Construction (795) funds.

Project funding for the reconstruction portion of the project is summarized below:

Municipal State Aid (MSA) Fund	\$1,464,752.07
Street Reconstruction Fund	\$15,000.00
Storm Water Utility Fund	\$483,668.59
Water System Maintenance Fund	\$446,317.20
Sanitary Sewer Maintenance Fund	\$65,000.00
Sidewalk Construction Fund	\$60,000.00
Proposed Amount to be Assessed	<u>\$344,796.59</u>
 Total Estimated Project Cost =	 \$2,879,534.45

PROJECT TIMETABLE

- November 17, 2015 – Council accepts feasibility report, orders a public hearing, and sets an assessment hearing date
- December 8, 2015 – Staff conducts 1st neighborhood meeting for property owners
- January 21, 2016 – Staff conducts 2nd neighborhood meeting for property owners
- February 16, 2016 – Council holds the public hearing and assessment hearing and orders the project; Council approves plans and specs and orders ad for bids
- April 19, 2016 – Council adopts the assessments and awards contract for construction
- May-October 2016 – Project Construction

Note: Assessments are proposed to be adopted by Council on April 19th rather than on February 16th when the assessment hearing is held. This will allow for a construction contract to be awarded, signifying the Council’s intent to proceed with project construction, and to incur costs for the project prior to assessments being levied. Upon adoption of the assessments, property owners would have 30 days to pay off the assessment without incurring interest charges.

PROPOSED ASSESSMENTS

In 1997, assessment rates were established as part of the City’s policy for financing street reconstruction. Under the policy, rates are to be updated annually, using the Construction Cost Index (CCI). Assessment rates for 2016 have been increased by 1.8% from the 2015 rates, reflecting an increase in the CCI.

The reconstruction rates to be used for 2016 are as follows:

Single-family lot	\$1,835.45 per lot (CCI factor results in increase of \$32.45 from the 2015 rate)
Residential (higher density including duplex units)	\$22.94 per front-foot or average width
Office and Commercial	\$45.88 per front-foot or average width (double residential rate per policy)
Industrial	\$59.64 per front-foot or average width (30% higher than commercial rate per policy)

Assessments would be spread over a 10-year period with an estimated interest rate of 3.06%, and the first installment would be due in 2017. Properties, such as condos, with smaller amount assessments would be assessed over three years with an estimated interest rate of 1.77%. Property owners would have the option of paying their entire assessment within 30 days following Council adoption of the assessments, and would incur no interest charges. Payments made after the 30-day period would also require payment of any interest charges accrued up to the time payment is made. If the assessment were paid as part of the property tax statement, the annual cost for a single-family home would be approximately \$200 per year for the 10-year period.

A copy of the proposed assessment roll is available in the Assistant City Engineer's office, as well as in the City Clerk's office.

PROJECT FEASIBILITY

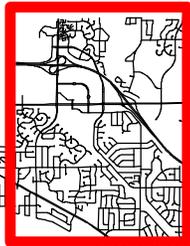
The proposed project is necessary for the City to keep the streets in the project area in a safe and drivable condition. The project is cost effective and is technically feasible to construct. An independent appraiser was retained in the fall of 2014 to review the "benefit" to the properties for work similar to what is proposed with this project. The appraiser's report indicated that the "...assessments planned by the City do appear to be fair and reasonable, similar to, and possibly less, than what other area cities are doing, and are not higher than the benefit resulting from the renewed streets, in the form of the property value increase." Therefore, the project is also economically feasible.

CONCLUSIONS AND RECOMMENDATION

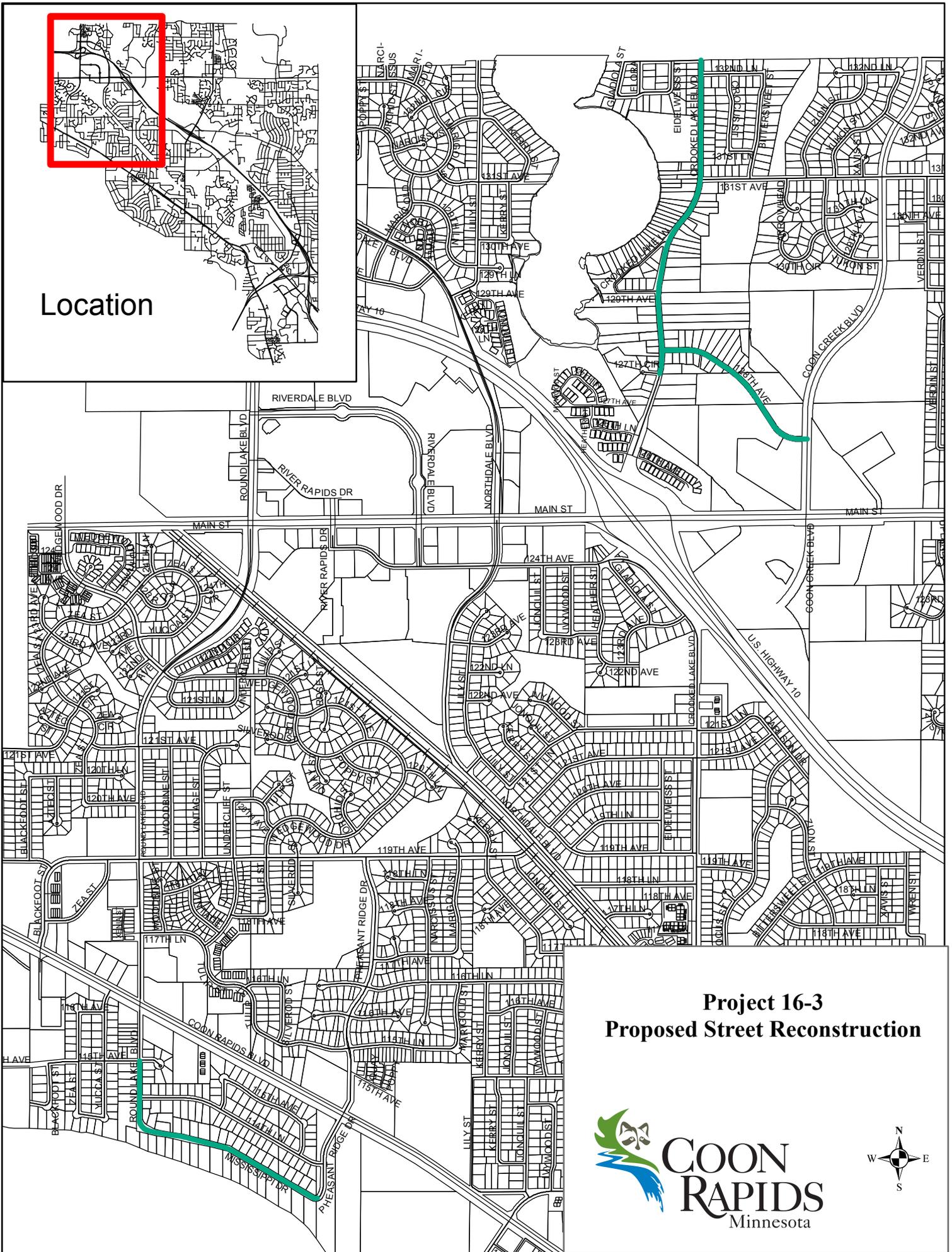
As part of its 2016 Street Reconstruction Program, the City is proposing to rehabilitate approximately 7.5 miles of Municipal State Aid streets using reconstruction methods. A majority of the project cost would be paid by the City's Municipal State Aid fund. The City would bond for the initial project costs, and pay back the bond principal and interest costs with future allotments from the City's State Aid share of the Minnesota State gas tax revenue.

In addition, a portion of the project cost would be recovered through assessments to benefiting property owners, in accordance with the Street Reconstruction Policy approved by Council in 2006 and updated in 2015. Property owners will be notified of the project and of the proposed assessment rates by letter in November 2015. The first informational meeting for this project will be held on December 8, 2015, where staff will hear concerns, listen to suggestions, and answer questions that property owners have regarding the project. A second informational meeting will be held on January 21, 2016. Council will be requested to schedule both the public hearing and assessment hearing for February 16, 2016.

It is recommended that Council accept this feasibility report, order a public hearing on the project, and order a hearing on the proposed assessments by adopting the resolutions included with this report.

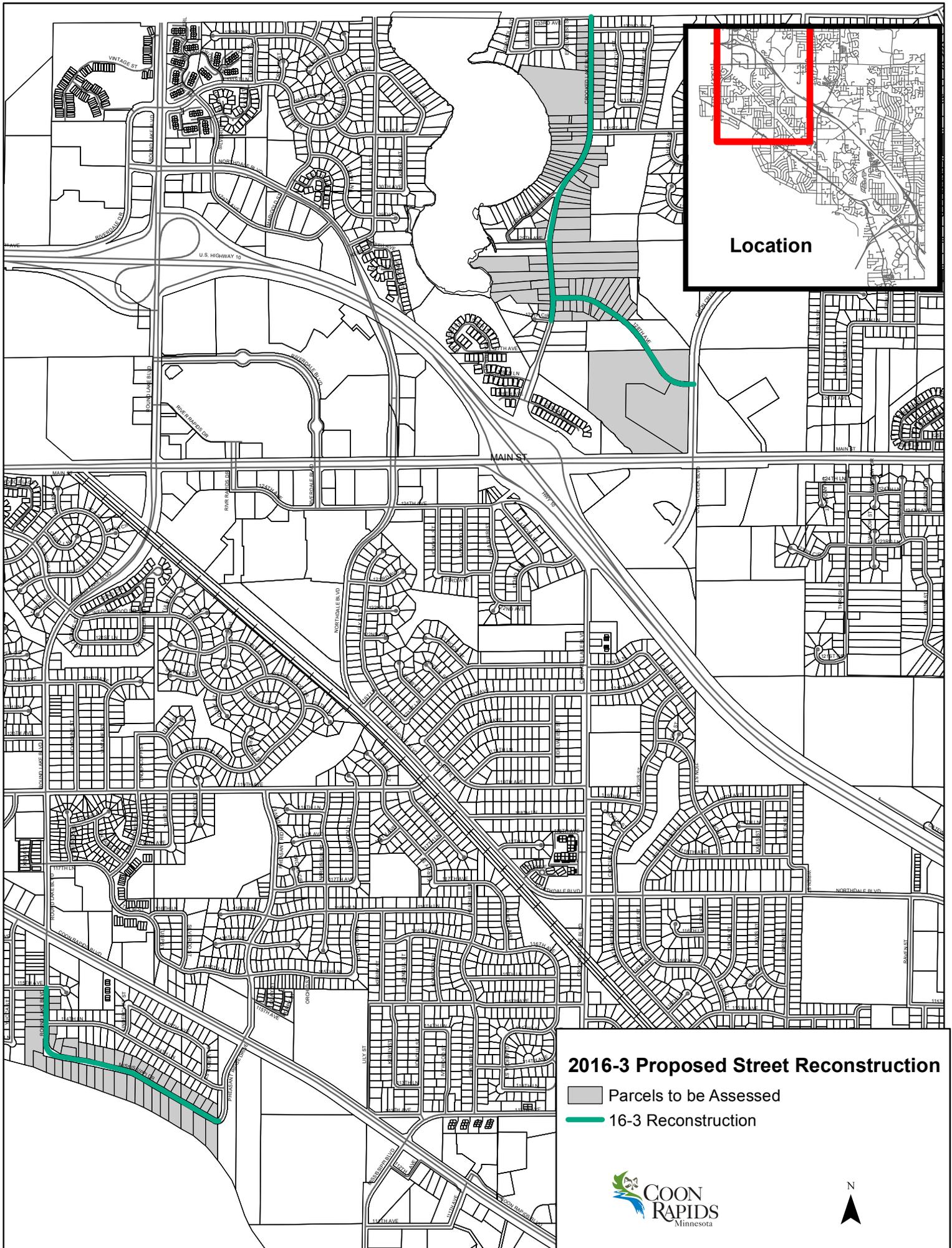


Location



Project 16-3 Proposed Street Reconstruction





Location

2016-3 Proposed Street Reconstruction

- Parcels to be Assessed
- 16-3 Reconstruction



RESOLUTION NO. 16-3(4)

**(4) RESOLUTION ACCEPTING FEASIBILITY REPORT
AND ORDERING PUBLIC HEARING ON IMPROVEMENT**

WHEREAS, pursuant to resolution of the Council adopted on the 18th day of August, 2015, a report has been prepared by the City Engineering Division with reference to the improvement of the following State Aid streets:

- Crooked Lake Boulevard from 127th Circle to 133rd Avenue (SAP 114-135-011)
- 128th Avenue from Crooked Lake Boulevard to Coon Creek Boulevard (SAP 114-135-011)
- Mississippi Drive from Round Lake Boulevard to Pheasant Ridge Drive (SAP 114-121-014)
- Round Lake Boulevard from Mississippi Drive to 115th Avenue (SAP 114-121-013)

by street reconstruction, and this report was received by the Council on the 17th day of November, 2015; and

WHEREAS, the report provides information regarding whether the proposed project is necessary, cost effective, and feasible,

NOW, THEREFORE, BE IT RESOLVED by the City Council of Coon Rapids, Minnesota:

1. The Council will consider such improvement in accordance with the report and the assessment of benefitting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Sections 429.011 to 429.111, at an estimated total cost of the improvement of \$2,879,534.45.
2. A public hearing shall be held on such proposed improvement on the 16th day of February, 2016 in the Council Chambers of the City Hall at 7:00 p.m., and the Clerk shall give mailed and published notice of such hearing and improvement as required by law.

Adopted this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk

RESOLUTION NO. 16-3(10)

**(10) RESOLUTION DECLARING COST TO BE ASSESSED
AND ORDERING PREPARATION OF
PROPOSED ASSESSMENT ROLL**

WHEREAS, a contract is proposed to be let for the improvement of the following State Aid streets:

- Crooked Lake Boulevard from 127th Circle to 133rd Avenue (SAP 114-135-011)
- 128th Avenue from Crooked Lake Boulevard to Coon Creek Boulevard (SAP 114-135-011)
- Mississippi Drive from Round Lake Boulevard to Pheasant Ridge Drive (SAP 114-121-014)
- Round Lake Boulevard from Mississippi Drive to 115th Avenue (SAP 114-121-013)

by street reconstruction and the contract price for such improvement is estimated to be \$2,303,627.56 and the expenses incurred or to be incurred in the making of said improvement are estimated to be \$575,906.89, so that the total cost of the improvement is estimated to be \$2,879,534.45 and of this cost the City will pay \$2,534,737.86 as its share of the cost; and

WHEREAS, the City of Coon Rapids expects to reimburse all or a portion of the project expenditures with the proceeds of debt to be incurred by the City; and

WHEREAS, this declaration is made pursuant to Section 1.103-18 of the Income Tax Regulations of the Internal Revenue Service.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF COON RAPIDS,
MINNESOTA:**

1. The cost of such improvement to be specially assessed is hereby declared to be \$344,796.59.
2. The City Clerk, with the assistance of the City Engineer shall forthwith calculate the proper amount to be specially assessed for such improvement against every assessable lot, piece or parcel of land within the district affected, without regard to cash valuation, as provided by law, and the City Engineer shall file a copy of such proposed assessment in his office for public inspection.
3. The Clerk shall, upon the completion of such proposed assessment, notify the Council thereof.

Adopted this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk

RESOLUTION NO. 16-3(11)

**(11) RESOLUTION FOR HEARING ON
PROPOSED ASSESSMENT ROLL**

WHEREAS, per a Resolution passed by the Council on the 17th day of November, 2015, the City Clerk was directed to prepare a proposed assessment of the cost of improving the following State Aid streets:

- Crooked Lake Boulevard from 127th Circle to 133rd Avenue (SAP 114-135-011)
- 128th Avenue from Crooked Lake Boulevard to Coon Creek Boulevard (SAP 114-135-011)
- Mississippi Drive from Round Lake Boulevard to Pheasant Ridge Drive (SAP 114-121-014)
- Round Lake Boulevard from Mississippi Drive to 115th Avenue (SAP 114-121-013)

by street reconstruction; and

WHEREAS, the Clerk will give a minimum of 14 days written notice to the Council and all benefitted property owners described in the assessment roll that such proposed assessment has been completed and filed in the Clerk's office for public inspection,

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF COON RAPIDS,
MINNESOTA:**

1. A hearing shall be held on the 16th day of February, 2016, in the City Hall at 7:00 p.m. to pass upon such proposed assessment and at such time and place all persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.
2. The City Clerk is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official paper at least 2 weeks prior to the hearing.

Adopted this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk



City Council Regular

11.

Meeting Date: 11/17/2015

Subject: Accept Feasibility and Order Public Hearing and Assessment Hearing for State Aid Street Reconstruction - Project 16-4

Submitted For: Mark Hansen, Assistant City Engineer

From: Sarah Greene, Administrative Assistant II

INTRODUCTION

The City Engineering Division is recommending the reconstruction of approximately 1.7 miles of Municipal State Aid (MSA) streets under project 16-4. City streets designated as state aid streets are eligible for state aid funding. Staff has prepared a feasibility report for the proposed improvements. Council is being requested to accept the report, and to order the public improvement hearing and the assessment hearing for the project, both of which are proposed to be held on February 16, 2016.

DISCUSSION

Council ordered the preparation of a feasibility report for the proposed project on August 18, 2015. Streets included in the scope of the project are as shown on the attached project location map. The project includes street segments proposed for rehabilitation via full depth reclamation (reconstruction) methods.

Proposed improvements include the reclamation of the existing bituminous surface and aggregate base, removal and replacement of damaged curb and gutter, sidewalk and pedestrian curb ramp improvements in accordance with ADA requirements, watermain pipe valve and hydrant replacements, and repairs or replacements to the existing storm sewer and sanitary sewer as needed.

City assessment policy calls for assessing properties benefiting from the proposed improvements. The proposed reconstruction assessment rates are \$1,835.45 for single family residential property, \$22.94 per front foot for multi-family residential property, \$45.88 per front foot for commercial property, and \$59.64 per front foot for industrial property. The project includes 50 single family residential properties, 19 twin home/duplex properties, 21 townhome/condominium properties, eight industrial properties, five commercial properties, and nine government/institutional properties.

The areas of benefit and proposed properties to be assessed are as shown on the attached Assessment Area graphic.

Properties to be assessed will be notified of the pending project in November 2015. Informational meetings are planned for December 8, 2015 and January 21, 2016. Staff will listen to concerns and respond to comments at these meetings.

The project is necessary to improve the condition of the streets, is feasible to construct from an engineering standpoint, and is cost effective.

RECOMMENDATION

It is recommended the Council take the following action:

- a. Adopt Resolution No. 16-4(4) accepting feasibility report and ordering a public hearing on improvement for February 16, 2016.
 - b. Adopt Resolution No. 16-4(10) declaring the cost to be assessed and ordering preparation of proposed assessment roll.
 - c. Adopt Resolution No. 16-4(11) setting an assessment hearing date for February 16, 2016.
-

BUDGET IMPACT:

The total estimated cost of the proposed improvement is \$4,305,460.95, with the total amount assessed of \$527,687.29.

The balance of the project cost would be recovered from various funds as follows:

\$2,635,101.74 from MSA Funds.

\$10,000.00 from the Street Reconstruction Fund (797).

\$171,458.05 from the Storm Water Utility Fund (640) recovered through storm drainage charges.

\$896,213.87 from the Water System Maintenance Fund (601) recovered through charges for water used.

\$65,000.00 from the Sanitary Sewer Maintenance Fund (620) recovered through sanitary sewer maintenance charges.

Attachments

Feasibility Report

Project Location Map

Assessment Area Graphic

Resolution No. 16-4(4)

Resolution No. 16-4(10)

Resolution No. 16-4(11)

Feasibility Report

PROJECT 16-4

State Aid Street Reconstruction

Egret Blvd from Kumquat St to University Ave
(SAP 114-104-020)

Xeon St from 114th Ave to Northdale Blvd
(SAP 114-120-008)

113th Ave from Foley Blvd to Northdale Blvd
(SAP 114-122-003)

115th Ave/Dogwood St from Northdale Blvd to University
Ave (SAP 114-123-003)

*I hereby certify that this 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.*



Mark C. Hansen, PE, Asst. City Engineer
License No. 43920 Date: 11/10/15



Prepared By:
**CITY OF COON RAPIDS
ENGINEERING
DIVISION**

PROJECT HISTORY

In 1994, the City began a street reconstruction program to replace its aging street infrastructure. Since that time, more than 105 miles of the City's 220-mile street system have been reconstructed. In 1997, the City implemented a policy for assessing a portion of the cost of street reconstruction to properties benefitting from the improvements.

Based on discussions with the City Council at the April 14, 2015 work session, as well as the regular session held on June 16, 2015, the 2016 program was developed and approved. Subsequently, at the recommendation of City staff, Council ordered preparation of a feasibility report on August 18, 2015.

This feasibility report is for the reconstruction of Municipal State Aid (MSA) roadways located within the City of Coon Rapids. The project area includes the reconstruction of approximately 1.7 miles of MSA streets.

PROJECT AREA CHARACTERISTICS / EXISTING CONDITIONS

The overall project area is illustrated on the **Project Location Map**. Streets proposed for reconstruction included in the scope of this report are as follows:

Reconstruction Segments

1. Egret Boulevard from Kumquat Street to University Avenue
2. 113th Avenue from Foley Boulevard to Northdale Boulevard
3. Dogwood Street from Northdale Boulevard to 115th Avenue
4. 115th Avenue from Dogwood Street to University Avenue
5. Xeon Street from 114th Avenue to Northdale Boulevard

Land uses within the project area include the following:

- Single Family Residential (50 parcels)
- Twin Home/Duplexes (19 parcels)
- Townhome/Condominiums (21 parcels)
- Industrial (8 parcels)
- Commercial (5 parcels)
- Government/Institutional (9 parcels)

MSA streets proposed for rehabilitation as described were originally constructed between 1969 and 1974, and therefore are between 41 and 46 years old. Due to their age, traffic, and other factors, these streets have experienced excessive fatigue cracking, and are at the point where routine maintenance (crack sealing and seal coating) is no longer cost-effective. There are also numerous areas where the existing concrete curb and gutter is cracked, broken, or settled, resulting in a reduced capacity to effectively convey drainage.

The existing water distribution system in the project area consists of a combination of 6, 8, 10, 12, and 14-inch ductile and cast iron pipes that were constructed between 1969 and 1974. An overall review of the watermain break history in each of the project areas indicates that two (2) breaks have

occurred on 113th Avenue, one (1) break has occurred on Dogwood Street, and six (6) breaks have occurred on Xeon Street since the installation of both the ductile and cast iron pipes. Staff proposes to replace the watermain on Xeon Street due to the number of historical breaks. Watermain valves and hydrants—no significant watermain pipe segments—are proposed to be replaced everywhere else on the project.

The existing hydrants have lead caps within the hydrant assembly, which are not allowed under current drinking water standards. In addition, the nuts and bolts used during the initial construction are not stainless steel in accordance with current City standards, and run a high risk of corrosion and ultimate failure, which can increase the risk of a leak forming in these areas.

The sanitary sewer system in the majority of the project area consists of 8-inch PVC and VCP pipe, and is considered to be in good condition. Additionally, there are shorter segments of 12-inch PVC and VCP pipe located within the project area. The VCP or vitrified clay pipe has been previously lined, and is in good condition. Closed circuit televising of the sanitary sewer system within the proposed project area has been completed, and revealed that the sewer pipe is sound with no significant sagging of the lines, standing water, or joint separation issues. There are no sanitary sewer point repairs proposed on this project. The manholes are precast concrete structures, and have been found to be generally in good condition with no sign of groundwater seeping into the system.

City staff will review the proposed street segments for any drainage capacity issues, and install additional storm sewer catch basin structures and pipe as necessary and where feasible to minimize any localized flooding problems.

PROPOSED IMPROVEMENTS

Streets within the project area are proposed to be rehabilitated by reconstruction methods. Results of a geotechnical analysis performed by Braun Intertec and dated September 29, 2015 recommended full-depth reclamation as the method of rehabilitation for all the street segments within the project area. Staff had originally anticipated including Xeon Street and 101st Avenue in the project for rehabilitation via mill and overlay methods. Pavement coring results within the Braun report differed from results provided by WSB and Associates in June of 2015, and showed a greater amount of stripping in the bottom layers of pavement structure. The Braun results showed a shorter life span and additional maintenance should be expected from a mill and overlay method of rehabilitation. Therefore, staff has recommended full-depth reclamation throughout the project.

The roadway reconstruction process begins by reclaiming the existing bituminous pavement and gravel base, re-compacting the reclaimed material, disposing of excess reclaimed material, and resurfacing the streets with new bituminous pavement. There may be areas where subgrade corrections are needed, due to the presence of soft or unsuitable soils. In addition, removal and replacement of existing concrete curb and gutter that is in poor condition (cracked, broken, settled) or that does not drain properly, is proposed. In the event that existing curb returns are being removed, new pedestrian curb ramps will be installed with existing sidewalk (as needed) to comply with the Americans with Disabilities Act (ADA) requirements.

Sanitary sewer manholes, storm sewer manholes and catch basins will be repaired, replaced or adjusted as needed before the street is repaved. Extension of storm sewer pipe will be considered during project design and construction, and as existing conditions allow.

Fire hydrants and valves will be replaced as necessary on each of the project roadway segments. Boulevard trees will be trimmed this winter to clear the streets of low hanging branches. All street name signs and other street signs will be replaced with new signs and posts. All new street name signs will have larger lettering consistent with the current City logo.

MAINTENANCE IMPACT

The streets proposed for reconstruction have deteriorated extensively, and will require increased maintenance if they are not repaved soon. Seal coating is no longer effective for the streets, due to the excessive cracking that has occurred. It becomes cost-prohibitive to maintain street surfaces that are as badly cracked as exists on these streets. Once an MSA street is reconstructed, the first crack sealing and seal coating application should be performed within five years or less to preserve the new bituminous pavement. Subsequent crack sealing and seal coating applications will then occur every seven years. With periodic maintenance, the street surfacing should not require replacement for at least 34 years. New watermain valve boxes, new storm water inlet castings and structures, and new adjusting rings on sanitary sewer manholes will be installed as needed with the project, preserving the existing utility infrastructure and reducing the need for future maintenance.

ESTIMATED COST/FINANCING

The total estimated cost for the project is \$4,305,460.95. The estimated cost to replace the watermain on Xeon Street, and to replace various hydrants and valves throughout the rest of the project, is \$896,213.87. Tree trimming costs are approximately \$10,000.00, and will be paid for from Street Reconstruction funds. Storm sewer repair costs are estimated to be \$171,458.05, and sanitary sewer repair costs are estimated to be \$65,000.00. The estimated prices as listed in the preceding paragraphs include Engineering time for design and construction inspection.

The City would finance the project by bonding until Municipal State Aid funding is received, and also assess a portion of the cost to the adjacent benefiting properties. Project costs that are not MSA eligible would be financed from a combination of Street Reconstruction (797), Storm Water Utility (640), Water System Maintenance (601), and Sanitary Sewer Maintenance (620) funds.

Project funding for the reconstruction portion of the project is summarized below:

Municipal State Aid (MSA) Fund	\$2,635,101.74
Street Reconstruction Fund	\$10,000.00
Storm Water Utility Fund	\$171,458.05
Water System Maintenance Fund	\$896,213.87
Sanitary Sewer Maintenance Fund	\$65,000.00
Proposed Amount to be Assessed	<u>\$527,687.29</u>
Total Estimated Project Cost	\$4,305,460.95

PROJECT TIMETABLE

- November 17, 2015 – Council accepts feasibility report, orders a public hearing, and sets an assessment hearing date
- December 8, 2015 – Staff conducts 1st neighborhood meeting for property owners
- January 21, 2016 – Staff conducts 2nd neighborhood meeting for property owners
- February 16, 2016 – Council holds the public hearing and assessment hearing and orders the project; Council approves plans and specs and orders ad for bids
- April 19, 2016 – Council adopts the assessments and awards contract for construction
- May-October 2016 – Project Construction

Note: Assessments are proposed to be adopted by Council on April 19th rather than on February 16th when the assessment hearing is held. This will allow for a construction contract to be awarded, signifying the Council's intent to proceed with project construction, and to incur costs for the project prior to assessments being levied. Upon adoption of the assessments, property owners would have 30 days to pay off the assessment without incurring interest charges.

PROPOSED ASSESSMENTS

In 1997, assessment rates were established as part of the City's policy for financing street reconstruction. Under the policy, rates are to be updated annually, using the Construction Cost Index (CCI). Assessment rates for 2016 have been increased by 1.8% from the 2015 rates, reflecting an increase in the CCI.

The reconstruction rates to be used for 2016 are as follows:

Single-family lot	\$1,835.45 per lot (CCI factor results in increase of \$32.45 from the 2015 rate)
Residential (higher density including duplex units)	\$22.94 per front-foot or average width
Office and Commercial	\$45.88 per front-foot or average width (double residential rate per policy)
Industrial	\$59.64 per front-foot or average width (30% higher than commercial rate per policy)

Assessments would be spread over a 10-year period with an estimated interest rate of 3.06%, and the first installment would be due in 2017. Properties, such as condos, with smaller amount assessments would be assessed over three years with an estimated interest rate of 1.77%. Property owners would have the option of paying their entire assessment within 30 days following Council adoption of the assessments, and would incur no interest charges. Payments made after the 30-day period would also require payment of any interest charges accrued up to the time payment is made. If the assessment were paid as part of the property tax statement, the annual cost for a single-family home would be approximately \$200 per year for the 10-year period.

A copy of the proposed assessment roll is available in the Assistant City Engineer's office, as well as in the City Clerk's office.

PROJECT FEASIBILITY

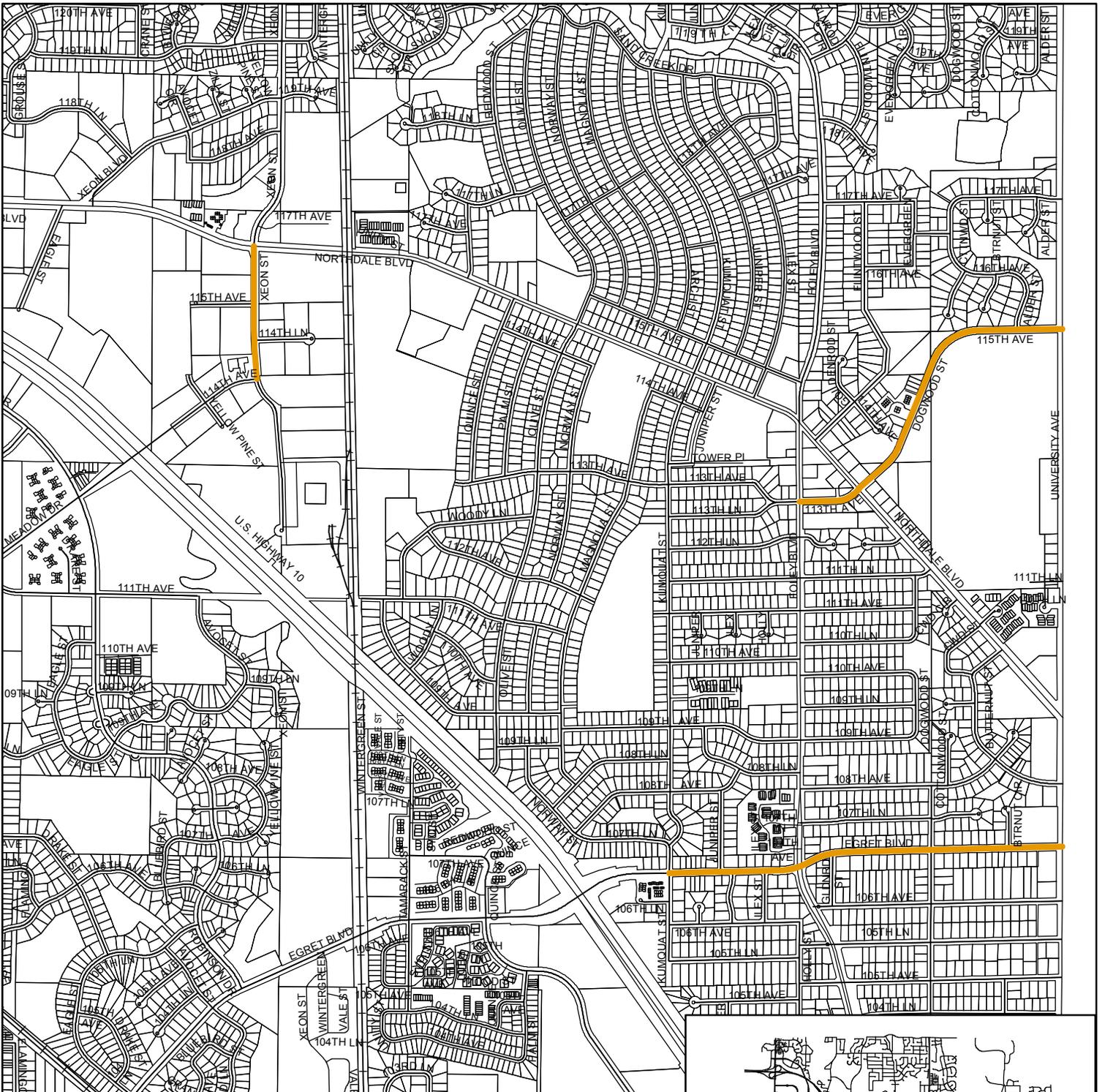
The proposed project is necessary for the City to keep the streets in the project area in a safe and drivable condition. The project is cost effective and is technically feasible to construct. An independent appraiser was retained in the fall of 2014 to review the "benefit" to the properties for work similar to what is proposed with this project. The appraiser's report indicated that the "...assessments planned by the City do appear to be fair and reasonable, similar to, and possibly less, than what other area cities are doing, and are not higher than the benefit resulting from the renewed streets, in the form of the property value increase." Therefore, the project is also economically feasible.

CONCLUSIONS AND RECOMMENDATION

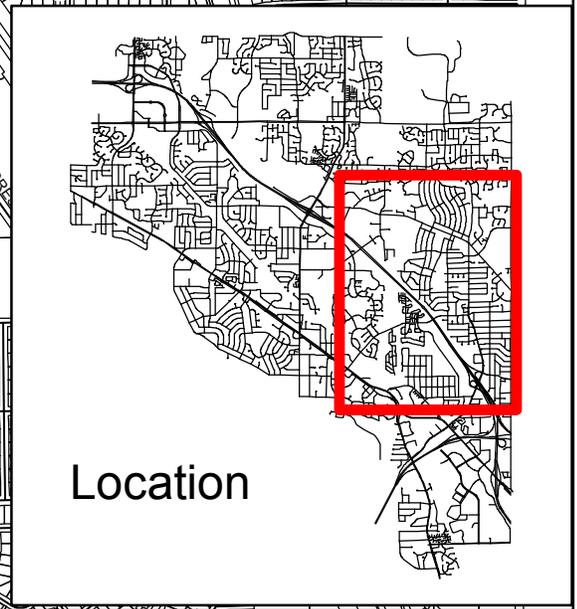
As part of its 2016 Street Reconstruction Program, the City is proposing to rehabilitate approximately 7.5 miles of Municipal State Aid streets using reconstruction methods. A majority of the project cost would be paid by the City's Municipal State Aid fund. The City would bond for the initial project costs, and pay back the bond principal and interest costs with future allotments from the City's State Aid share of the Minnesota State gas tax revenue.

In addition, a portion of the project cost would be recovered through assessments to benefiting property owners, in accordance with the Street Reconstruction Policy approved by Council in 2006 and updated in 2015. Property owners will be notified of the project and of the proposed draft assessment rates by letter in November 2015. The first informational meeting for this project will be held on December 8, 2015, where staff will hear concerns, listen to suggestions, and answer questions that property owners have regarding the project. A second informational meeting will be held on January 21, 2016. Council will be requested to schedule both the public hearing and assessment hearing for February 16, 2016.

It is recommended that Council accept this feasibility report, order a public hearing on the project, and order a hearing on the proposed assessments by adopting the resolutions included with this report.



**Project 16-4
Proposed Street Reconstruction**



Location



Location

2016-4 Proposed Street Reconstruction

- Parcels to be Assessed
- 16-4 Reconstruction



RESOLUTION NO. 16-4(4)

**(4) RESOLUTION ACCEPTING FEASIBILITY REPORT
AND ORDERING PUBLIC HEARING ON IMPROVEMENT**

WHEREAS, pursuant to resolution of the Council adopted on the 18th day of August, 2015, a report has been prepared by the City Engineering Division with reference to the improvement of the following State Aid streets:

- Egret Boulevard from Kumquat Street to University Avenue (SAP 114-104-020)
- 113th Avenue from Foley Boulevard to Northdale Boulevard (SAP 114-122-003)
- Dogwood Street from Northdale Boulevard to 115th Avenue (SAP 114-123-003)
- 115th Avenue from Dogwood Street to University Avenue (SAP 114-123-003)
- Xeon Street from 114th Avenue to Northdale Boulevard (SAP 114-120-008)

by street reconstruction, and this report was received by the Council on the 17th day of November, 2015; and

WHEREAS, the report provides information regarding whether the proposed project is necessary, cost effective, and feasible,

NOW, THEREFORE, BE IT RESOLVED by the City Council of Coon Rapids, Minnesota:

1. The Council will consider such improvement in accordance with the report and the assessment of benefitting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Sections 429.011 to 429.111, at an estimated total cost of the improvement of \$4,305,460.95.
2. A public hearing shall be held on such proposed improvement on the 16th day of February, 2016 in the Council Chambers of the City Hall at 7:00 p.m., and the Clerk shall give mailed and published notice of such hearing and improvement as required by law.

Adopted this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk

RESOLUTION NO. 16-4(10)

**(10) RESOLUTION DECLARING COST TO BE ASSESSED
AND ORDERING PREPARATION OF
PROPOSED ASSESSMENT ROLL**

WHEREAS, a contract is proposed to be let for the improvement of the following State Aid streets:

- Egret Boulevard from Kumquat Street to University Avenue (SAP 114-104-020)
- 113th Avenue from Foley Boulevard to Northdale Boulevard (SAP 114-122-003)
- Dogwood Street from Northdale Boulevard to 115th Avenue (SAP 114-123-003)
- 115th Avenue from Dogwood Street to University Avenue (SAP 114-123-003)
- Xeon Street from 114th Avenue to Northdale Boulevard (SAP 114-120-008)

by street reconstruction and the contract price for such improvement is estimated to be \$3,444,368.76 and the expenses incurred or to be incurred in the making of said improvement are estimated to be \$861,092.19, so that the total cost of the improvement is estimated to be \$4,305,460.95 and of this cost the City will pay \$3,777,773.66 as its share of the cost; and

WHEREAS, the City of Coon Rapids expects to reimburse all or a portion of the project expenditures with the proceeds of debt to be incurred by the City; and

WHEREAS, this declaration is made pursuant to Section 1.103-18 of the Income Tax Regulations of the Internal Revenue Service.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF COON RAPIDS,
MINNESOTA:**

1. The cost of such improvement to be specially assessed is hereby declared to be \$527,687.29.
2. The City Clerk, with the assistance of the City Engineer shall forthwith calculate the proper amount to be specially assessed for such improvement against every assessable lot, piece or parcel of land within the district affected, without regard to cash valuation, as provided by law, and the City Engineer shall file a copy of such proposed assessment in his office for public inspection.
3. The Clerk shall, upon the completion of such proposed assessment, notify the Council thereof.

Adopted this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk

RESOLUTION NO. 16-4(11)

**(11) RESOLUTION FOR HEARING ON
PROPOSED ASSESSMENT ROLL**

WHEREAS, per a Resolution passed by the Council on the 17th day of November, 2015, the City Clerk was directed to prepare a proposed assessment of the cost of improving the following State Aid streets:

- Egret Boulevard from Kumquat Street to University Avenue (SAP 114-104-020)
- 113th Avenue from Foley Boulevard to Northdale Boulevard (SAP 114-122-003)
- Dogwood Street from Northdale Boulevard to 115th Avenue (SAP 114-123-003)
- 115th Avenue from Dogwood Street to University Avenue (SAP 114-123-003)
- Xeon Street from 114th Avenue to Northdale Boulevard (SAP 114-120-008)

by street reconstruction; and

WHEREAS, the Clerk will give a minimum of 14 days written notice to the Council and all benefitted property owners described in the assessment roll that such proposed assessment has been completed and filed in the Clerk's office for public inspection,

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF COON RAPIDS,
MINNESOTA:**

1. A hearing shall be held on the 16th day of February, 2016, in the City Hall at 7:00 p.m. to pass upon such proposed assessment and at such time and place all persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.
2. The City Clerk is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official paper at least 2 weeks prior to the hearing.

Adopted this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk



City Council Regular

12.

Meeting Date: 11/17/2015

Subject: Consider Co-Operative Agreement with Coon Creek Watershed District for Inspection of City Ditch Systems

Submitted For: Tim Himmer, Public Works Director

From: Sarah Greene, Administrative Assistant II

INTRODUCTION

Staff is seeking Council approval to delegate certain inspection services for the open-channel ditch conveyance systems which the City has authority over (Exhibit A) to the Coon Creek Watershed District (CCWD).

DISCUSSION

The CCWD has authority regarding the operation and maintenance of stormwater facilities and drainage systems within the District, and performs inspections of those systems within Coon Rapids for which it has authority over. Both the City and District are regulated MS4 agencies where each have similar responsibilities to inspect the public ditch system. A co-operative agreement is sought to avoid duplication of inspection efforts by the two agencies, as well as to use the District's expertise to inspect open channel conveyance systems that are considered private systems. The District is currently not involved with the inspection of any private open channel system in Coon Rapids. There are costs involved for the District to take over inspection and reporting responsibilities of the public and private open channel system, which are shown as estimates in Exhibit D of the draft agreement.

At the December 17, 2013 Council meeting, Council adopted Resolution No. 13-115 which authorized the District to serve as the City's legal authority on wetland issues. In an effort to continue to foster a cooperative relationship with the District on all stormwater management issues, staff desires to utilize the District's expertise in the area of open channel inspection, and contract a portion of its required inspections to the District.

The attached agreement is considered draft as additional attorney review to include indemnification and insurance requirements is required, however staff from both agencies have indicated their respective approvals of the changes noted. City attorney comments are shown in red on the draft agreement.

RECOMMENDATION

Staff recommends Council approve the draft agreement, which delegates City ditch inspection activities as noted on the attached Exhibit A to the Coon Creek Watershed District. Approval at this time would allow inspections to begin taking place during the fall of 2015 while weather still permits these activities.

BUDGET IMPACT:

As noted in Exhibit D of the draft agreement, the District's cost for ditch or open channel reporting and inspections on behalf of the City of Coon Rapids is estimated to be approximately \$4,000.00. The final amount will vary slightly based on the final defined length of private ditch systems to be inspected. Payment will be spread over a five year period based on the length of ditches inspected during each year. The costs for this work will be paid from the City's Storm Water Utility Fund (640).

Attachments

Draft Ditch Inspection Agreement

**CO-OPERATIVE AGREEMENT
FOR INSPECTION OF COON RAPIDS DITCH SYSTEMS**

This Agreement is entered into _____, 2015 by the Coon Creek Watershed District, a metropolitan watershed district and political subdivision of the State of Minnesota (District), and the City of Coon Rapids, a municipal corporation under the laws of the State of Minnesota (Coon Rapids).

RECITALS

- A. The District is a metropolitan watershed management organization and watershed district located entirely within Anoka County, Minnesota, and its boundaries include property within Coon Rapids. As a metropolitan watershed district the District has the authorities and powers as provided under Minnesota Statutes Chapters 103B and 103D, including those regarding the operation and maintenance of stormwater facilities and drainage systems within the watershed district.
- B. Coon Rapids has the control and responsibility over certain open-channel ditch conveyance systems which are located within Coon Rapids and the District, as more particularly described in the attached Exhibit A.
- C. Because of the District's experience and expertise in the inspection and operation of its public ditch systems within the watershed district, Coon Rapids desires to utilize the District's expertise in this area and contract with the District to provide certain inspection services for those ditches over which Coon Rapids has authority, as set forth in the attached Exhibit A.
- D. The District desires to cooperate and work with Coon Rapids to provide these ditch inspection services, in accordance with the terms and conditions set forth below.

Therefore, in consideration of the mutual promises set forth below and other good and valuable consideration, the District and Coon Rapids agree as follows:

- 1. Ditch Inspections. The District will provide inspection services for those ditches over which Coon Rapids has authority, as described in the attached Exhibit A. The District will provide inspection services for those ditches as more particularly described in the Scope of Services and Inspection Schedule attached as Exhibit B. The District will provide Coon Rapids an inspection report detailing the condition and suggested maintenance, if any, of the inspected ditches, in accordance with the time schedule and report requirements set forth in the attached Exhibit C. The District will not be responsible for the on-going physical performance of these ditches, or for any repairs, changes or alterations to them. Coon Rapids assumes the full and sole responsibility for the maintenance, repair, improvement and management of the subject ditches.
- 2. Compensation and Method of Payment. Coon Rapids agrees to pay the District for services rendered in accordance with the fee rate schedule identified in Exhibit D. The

District will submit to Coon Rapids an invoice for services rendered, consisting of a statement of work performed; associated charges for the billing period covered and respective dates of performance during the invoice period. The District will submit the invoice to the following:

City of Coon Rapids
11155 Robinson Drive
Coon Rapids, MN 55433
Attention: Stormwater Manager
Phone: (763) 757-2880

Coon Rapids will pay the District invoices within thirty days of receipt.

3. Access, Ingress and Egress. Coon Rapids agrees to provide the District, its staff, employees, contractors, access to, ingress and egress to the subject ditches, and the authority to the extent that Coon Rapids lawfully can provide to enter the area where the subject ditches are located in order for the District to perform its services as provided under this Agreement.

Indemnification. The City agrees to defend, indemnify and hold harmless the District, and its employees, officials, volunteers and agents from and against all claims, actions, damages, losses and expenses, including attorney fees, arising out of the City's negligence or the City's performance or failure to perform its obligations under this Agreement. The City agrees this indemnity obligation shall survive the completion or termination of this Agreement.

The District agrees to defend, indemnify and hold harmless the City, and its employees, officials, volunteers and agents from and against all claims, actions, damages, losses and expenses, including attorney fees, arising out of the District's's negligence or the District's performance or failure to perform its obligations under this Agreement. The District's indemnification obligation shall apply to the District's subcontractor(s), or anyone directly or indirectly employed or hired by the District, or anyone for whose acts the District may be liable. The District agrees this indemnity obligation shall survive the completion or termination of this Agreement.

5. Insurance Requirements.

- A. Liability. The District agrees to maintain commercial general liability insurance in a minimum amount of \$1,000,000 per occurrence; \$2,000,000 annual aggregate. The policy shall cover liability arising from premises, operations, products-completed operations, personal injury, advertising injury, and contractually assumed liability. The City shall be named as an additional insured.
- B. Automobile Liability. If the District operates a motor vehicle in performing the services under this Agreement, the District shall maintain commercial automobile liability insurance, including owned, hired, and non-owned automobiles, with a minimum liability limit of \$1,000,000, combined single limit.

- C. Workers' Compensation. The District agrees to comply with all applicable workers' compensation laws in Minnesota.
- D. Certificate of Insurance. The District shall, prior to commencing services, deliver to the City a Certificate of Insurance as evidence that the above coverages are in full force and effect.
4. Term, Modification. Either party may terminate this Agreement with or without cause upon thirty (30) days' prior written notice to the other. This Agreement may be amended only upon written agreement of both parties.
5. Government Data. The parties agree that all data either party creates, receives, stores, uses, maintains or disseminates in performing under the terms of this Agreement is subject to the requirements of Minnesota Statutes Chapter 13 (the Minnesota Government Data Practices Act), and the parties will comply with the provisions of Minnesota Statutes Chapter 13.
6. Notices. Any notice provided under this Agreement will be sent by certified mail, or by personal service at the following addresses:
- | | |
|---|--|
| Coon Creek Watershed District
12301 Central Avenue
Blaine, MN 55434
Attn: Mr. Tim Kelly, Administrator | City of Coon Rapids
11155 Robinson Drive
Coon Rapids, MN 55433
Attn: Stormwater Manager |
|---|--|
7. Controlling Law, Successors and Assigns. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Minnesota. This Agreement shall be binding on the heirs, successors and assigns of the parties, but may not be assigned by either party without first obtaining the written consent of the other.

[Signatures continue on following page]

Coon Creek Watershed District

City of Coon Rapids

President, Board of Managers of Coon Creek
Watershed District

Mayor, City of Coon Rapids

Date:

Date:

District Administrator
Date:

City Manager
Date

DRAFT

Exhibit A

Map of Open Channel Ditches over which the City of Coon Rapids has control and responsibility

Coon Rapids Ditch System

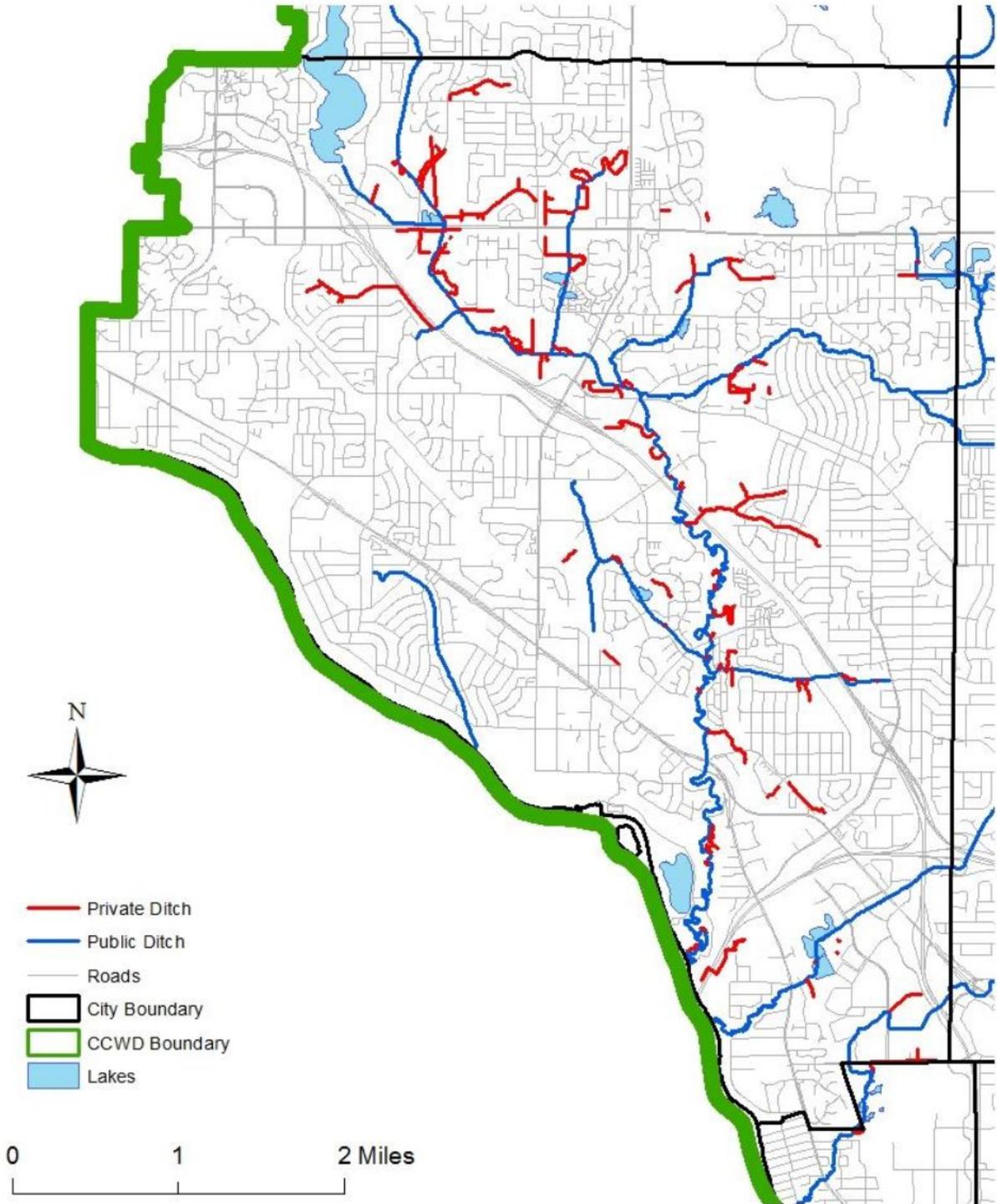


Exhibit B Scope of Services

Inspections are of two types: The District will conduct system inspections according to the schedule below. Spot inspections may be conducted upon request by the City of Coon Rapids. Upon request by the City of Coon Rapids, spot inspections will be conducted within 72 hours of notification to the District

1. Spot inspection: Observations made about the condition of the ditch while at a specific location on the ditch
2. System inspection: Systematic inspection of an entire ditch system from the mouth the headwaters. Inspection Standards:
 - Presence of a 16.5 foot grass strip
 - Stabilization of spoil banks
 - Presence of obstructions
 - Variation from approved plans
 - Sufficient hydraulic capacity (Mannings)

 - Data is recorded every 100 feet. Data to be recorded includes:
 - Channel bottom elevation
 - Channel width
 - Channel configurations
 - Water depth
 - Water width
 - Bed material
 - Degree of channel irregularity
 - Effect of obstructions
 - Amount of vegetation
 - Degree of channel meandering

System Inspection Schedule

Ditch	2015	2016	2017	2018	2019
17		0.9			
41	0.2				
52			0.4		
54				7.5	
57					2.6
60					0.1
LCC	4.5				
Pleasure					0.1
Riverview			0.1		
Total	4.7	0.9	0.5	7.5	2.9

Exhibit C

Time Schedule and Report Requirements

Notification of Inspection Results

Date

Name

Address

City, State Zip

RE: Stormwater Management Facility Inspection Results (facility) at (Location)

Dear Stormwater Manager

In accordance with the Co-operative Agreement between The Coon Creek Watershed District (District) and the City of Coon Rapids (Coon Rapids) regarding inspection and survey services, the District provides a report with the results of inspections listed in the table below

Facility Summary:

Inspection Location	Condition	Need (scope of work)	Date of Inspection

- As stated in the Agreement, Coon Rapids is responsible for any repair or maintenance that may be necessary based on the recommendations of this report.

As a reminder, State or District permits may be required prior to the start of any repair or maintenance projects. You may need to contact an engineer or other qualified person to prepare site plans or other documents for these permits. The Watershed District may provide a list of potential contractors on our web site as a service.

If you have any questions, please feel free to contact me at 763-755-0975

Sincerely

Tim Kelly
District Administrator

**Exhibit D
2015 Fee Rate Schedule**

Program Staff	Hourly Fee plus Overhead (1.8)	Hours per Mile of Ditch	Cost per Mile of Ditch
Operations and Maintenance	63.00/Hour	3.7	\$233.10

Potential Budgeting Costs

	Miles of Ditch	
Miles of Ditch	9.1	16.4
Average Yearly Cost	\$424.24	\$764.57
Total Cycle Cost	\$2,121.21	\$3,822.84

DRAFT



City Council Regular

13.

Meeting Date: 11/17/2015

Subject: Consider Refund of Liquor License Fee for Coon Rapids Cheers Pablo

From: Stephanie Lincoln, Deputy City
Clerk

INTRODUCTION

Council is asked to consider refund of 2015 liquor license fees for Coon Rapids Cheers Pablo located at 12759 Riverdale Blvd.

DISCUSSION

As you may recall, Coon Rapids Cheers Pablo had been renovating the vacant store location at 12759 Riverdale Blvd (the old A&W Restaurant location) prior to opening in mid-June. Anticipating a fairly quick renovation and restaurant opening, Cheers Pablo applied for an On-Sale 3.2 % Malt Liquor License as well as an On-Sale Wine and Sunday Liquor License in November 2014 with plans to open at the beginning of 2015.

Unfortunately, there were a number of delays and Coon Rapids Cheers Pablo didn't officially open for business until mid-June 2015. Liquor license fees paid at the time of the license application were \$2,385, \$495 of which was the necessary background investigation.

Due to the unforeseen delays of more than six months and inability to open the restaurant, Coon Rapids Cheers Pablo has asked for a refund for a portion of the liquor license fees paid for 2015.

In light of the fact that Cheers Pablo didn't officially open until June of 2015, Staff would suggest that Council allow for a refund of 6 months worth of the license fees for a refund of \$945. The \$495 investigation fee would not be refunded.

RECOMMENDATION

Consider Refund of Liquor License Fees for Coon Rapids Cheers Pablo - 12759 Riverdale Blvd.



City Council Regular

14.

Meeting Date: 11/17/2015
Subject: 2015 Miscellaneous Drainage Improvements
Submitted For: Mark Hansen, Assistant City Engineer
From: Sarah Greene, Administrative Assistant II

INTRODUCTION

Staff have identified three locations within the City that require maintenance in order to more effectively convey drainage, or to fix an existing erosion issue. The three locations are based on both staff area knowledge and resident complaints. Staff reviewed these locations during the summer/fall months, and placed them on a list to be addressed during the upcoming fall and/or winter. Ground conditions are more stable during late fall and winter, and allow for heavy equipment access with minimal impacts to established property. Staff seeks Council authorization to move forward over the next several months with the recommended maintenance and repairs.

DISCUSSION

Staff seeks Council authorization to complete the following drainage improvement projects.

PROJECT NAME	SUMMARY OF WORK	SCHEDULE	COST ESTIMATE
<p>Location #1 12748 Killdeer Street</p>	<p>Excavate accumulated sediment from an existing drainage ditch located behind several private properties. Re-establish the ditch where excessive erosion has taken place. This project is proposed to be done in spring 2016 as a number of residents currently have encroachments within the ditch area that need to be removed before work can begin. Staff will send letters this fall requesting property owners remove the encroachments. In addition, staff will place stakes that show the limits of the drainage and utility easement where encroachment activities are not allowed. The letter will also explain the scope and schedule of the proposed work. Staff met with a contractor who will be doing the work on behalf of the City, and do not anticipate any issues getting the work done next year.</p>	<p>Spring 2016</p>	<p>\$12,600.00</p>
<p>Location #2 8940 Tamarack Street</p>	<p>Re-establish eroded slopes and place several yards of rip rap material to prevent future erosion at the rear of this property. This area receives drainage from several adjacent properties. The City performed ancillary grading and slope stabilization in this area several years ago on behalf of several homeowners. While most of the erosion issues appear to have been addressed, excessive erosion has since taken place in one localized location at the rear of 8940 Tamarack Street. This erosion needs to be addressed more aggressively with the placement of rip rap material to prevent future continued erosion activity and impacts to private properties.</p>	<p>Fall 2015</p>	<p>\$19,800</p>

Location #3 Ditch Maintenance at 123rd Avenue	Excavate ditch section to a distance of approximately 200-feet west of existing culvert outlets from 123rd Avenue in order to more effectively convey drainage to the west. The City received a permit from the Coon Creek Watershed District to perform this work. The work needs to be done during winter months, as the existing ground surface and sub-soil is very unstable. This ditch/wetland area has filled with sediment over time, and needs to be dug out in order for storm water to follow its intended path.	Winter 2015/2016	\$6,000
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A map depicting the locations of the drainage maintenance areas is attached for reference.

RECOMMENDATION

Staff recommends Council authorize the work requested on the three drainage maintenance locations noted. Staff will pursue this work with Hydrocon, Inc. under the previously approved master consulting agreement and rates identified with this contractor.

BUDGET IMPACT:

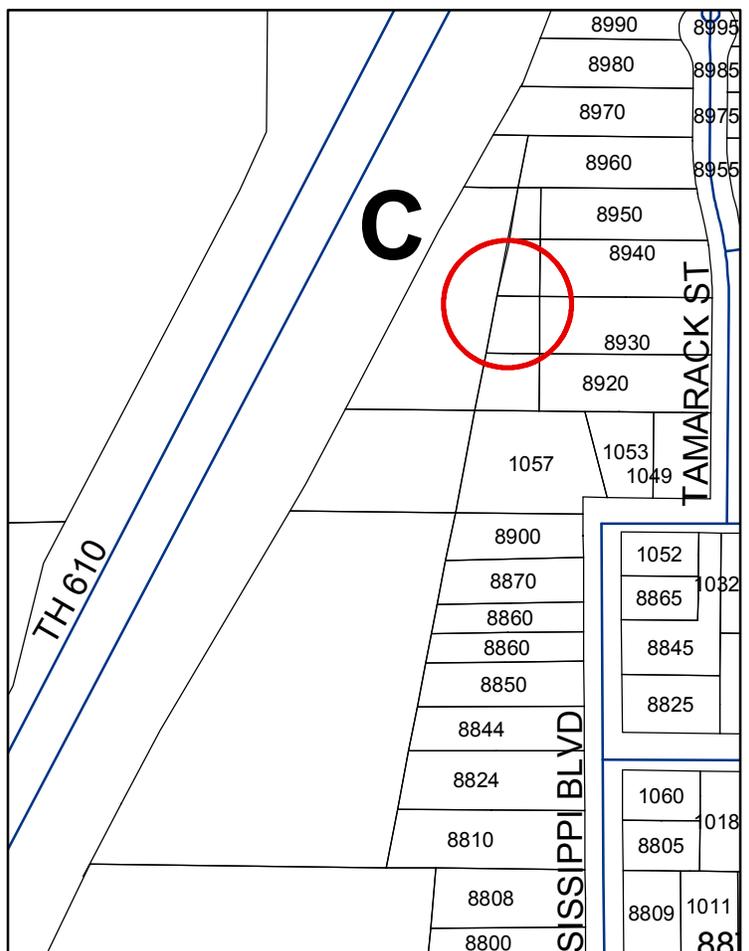
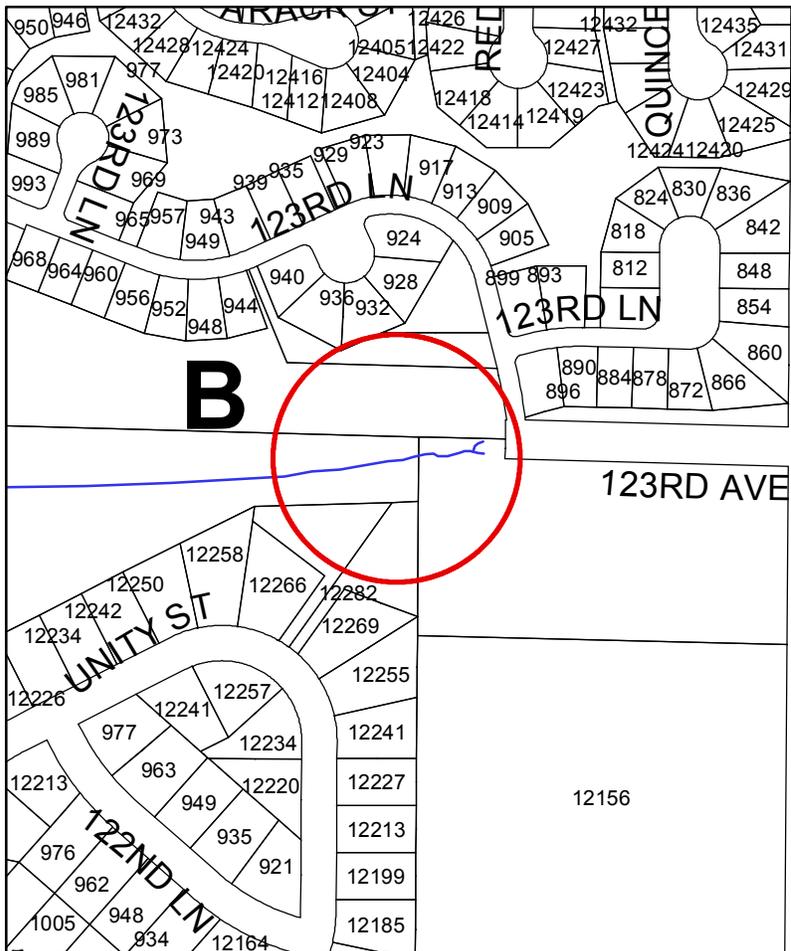
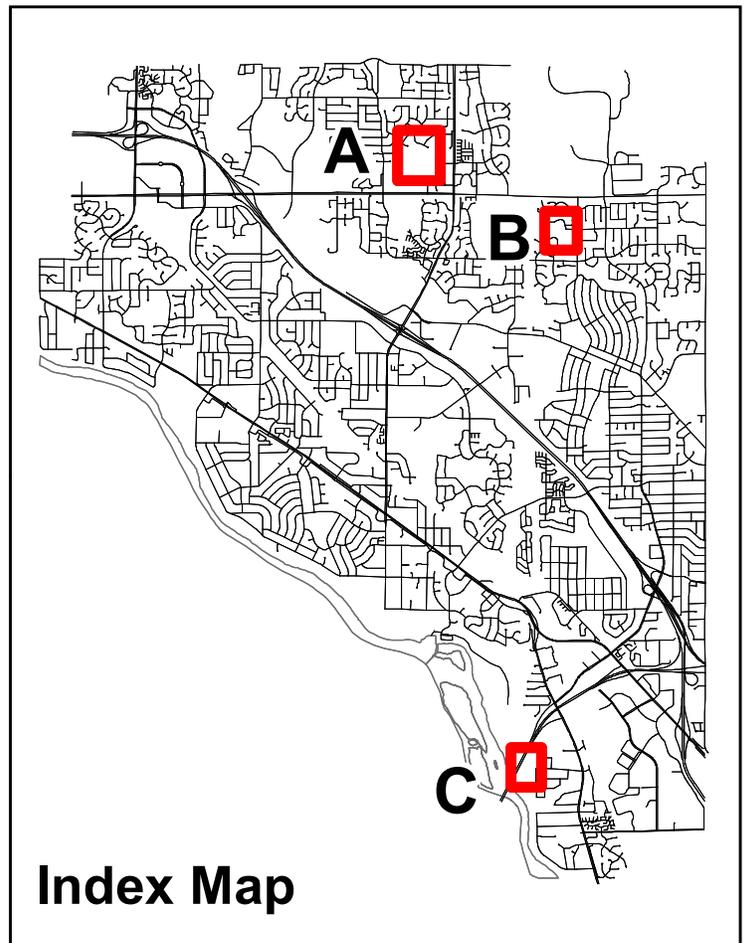
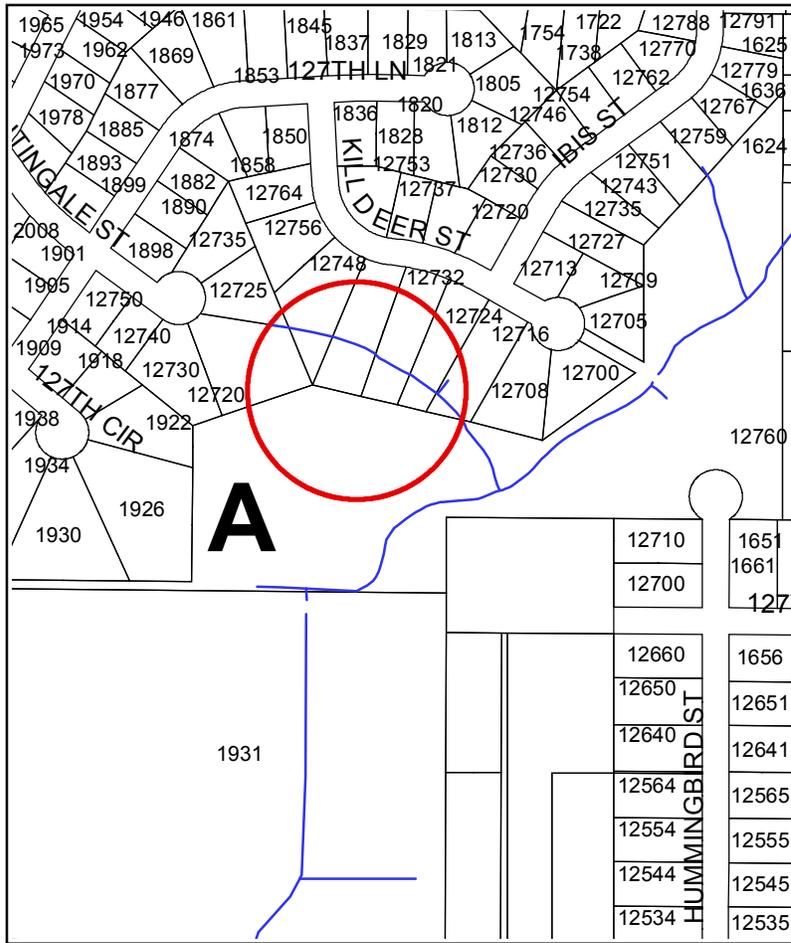
LOCATION	COST ESTIMATE
Location #1 - 12748 Killdeer Street	\$12,600
Location #2 - 8940 Tamarack Street	\$19,800
Location #3 - Ditch Maintenance at 123rd Avenue	\$6,000
Total Cost	\$38,400

The cost of these projects will be paid from the City's Storm Water Utility Fund (640).

Attachments

Location Map

Drainage Maintenance Areas





City Council Regular

15.

Meeting Date: 11/17/2015

Subject: Consider Resolution 16-6(8) Approving Plans and Specifications and Ordering Advertisement for Bids - Project 16-6, 2016 Sanitary Sewer Lining

Submitted For: Tim Himmer, Public Works Director

From: Sarah Greene, Administrative Assistant II

INTRODUCTION

As part of the 10 year capital improvement program, we have selected several neighborhoods to continue the sanitary sewer lining program. Lining in 2016 will be done in several areas as shown on the attached map. Our consulting engineer, SEH, Inc., has completed plans and specifications for the next phase of the sanitary sewer lining program. Council is requested to approve plans and specifications and order the advertisement for bids.

DISCUSSION

The City is continuing the lining program for the sanitary sewer system that began in 2008. Lining will be done to complete all remaining clay sanitary sewer pipe segments in poor condition, as shown on the attached location map. At the September 15, 2015 regular City Council meeting, Council accepted a proposal from SEH that included preliminary and final report preparation, preparation of construction plans and specifications, assistance with the bidding process, negotiation of a construction contract with the successful bidder, and inspection services during construction of the lining project.

Plans and specifications, are complete. If Council authorizes, bids will be advertised in the UnionHerald and on QuestCDN beginning November 27th, with the bid opening scheduled for December and an award of contract on January 5th. Work would commence in the spring, and completion of the project is planned for fall of 2016.

While this lining project will complete all the poorly rated clay sanitary sewer segments, an assessment of approximately 38,000 feet of additional clay pipe segments will also be undertaken as a project alternate. When the lining program was first initiated these segments were removed from the 10 year project scope because they were found to be in great condition, and the plan was to start the program by addressing the most pressing needs first. This cleaning and televising project alternate will provide updated information on the condition of all remaining clay pipe in the City and be the basis for future maintenance needs.

RECOMMENDATION

It is recommended the Council adopt Resolution No. 16-6(8) approving plans and specifications and ordering advertisement for bids for the 2016 Sanitary Sewer Lining Program.

BUDGET IMPACT:

The total estimated construction cost for the project is approximately \$1.2M, and funds have been budgeted in the Sanitary Sewer Utility Fund for this work.

Attachments

Location Map

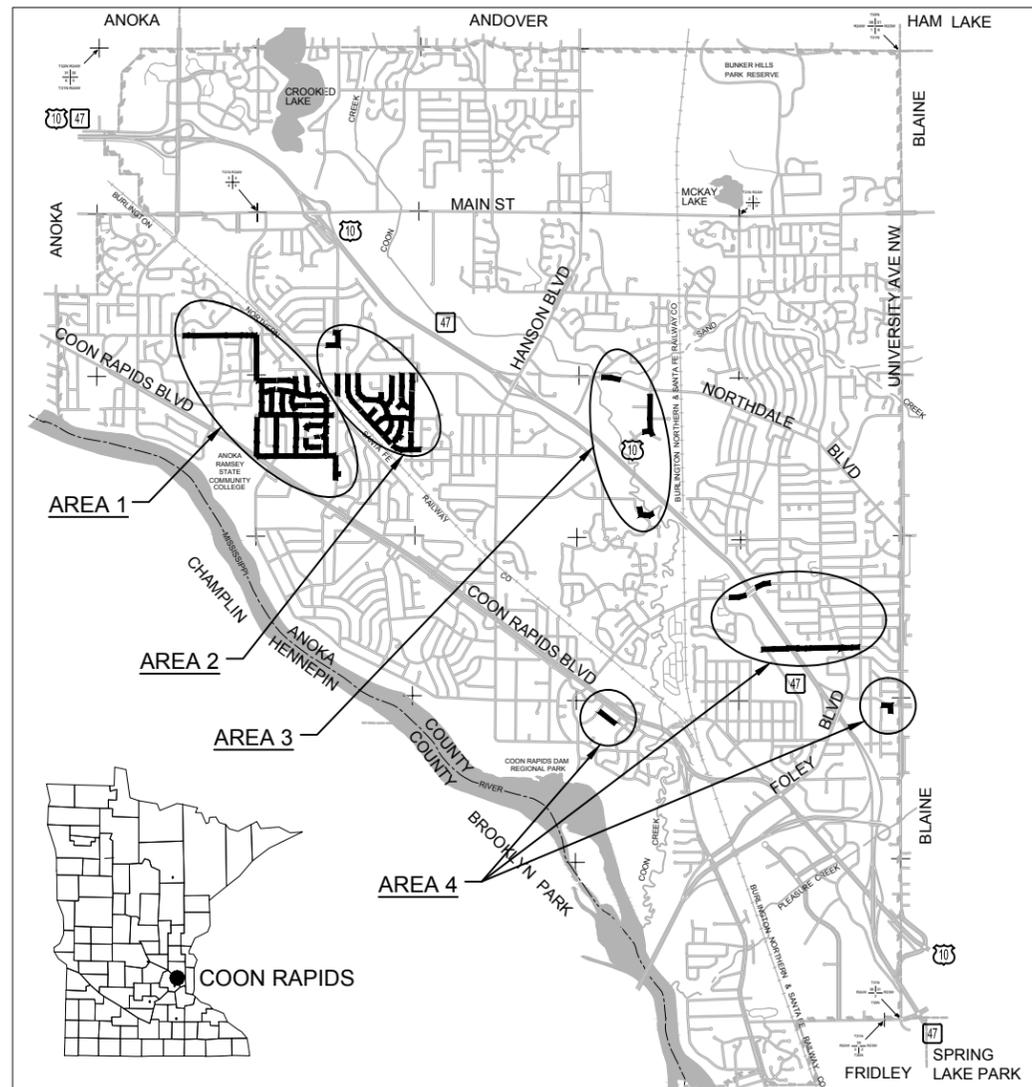
Resolution No. 16-6(8)

2016 SANITARY SEWER LINING CITY OF COON RAPIDS, MINNESOTA CITY PROJECT NO 06-16

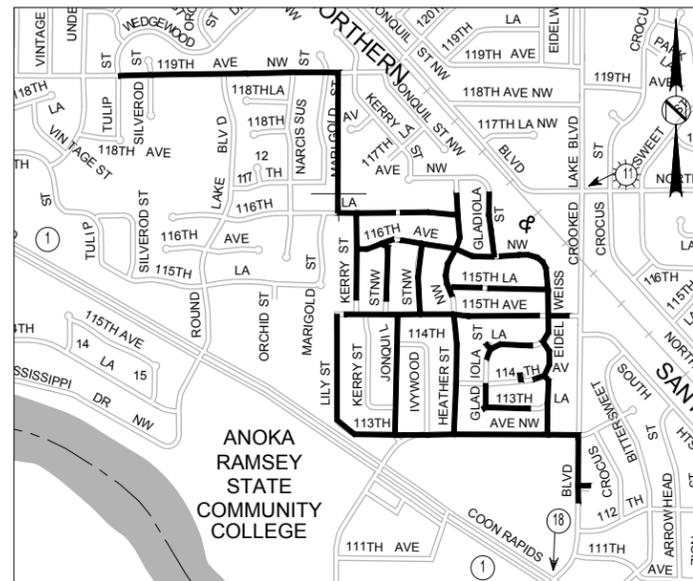
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MODIFIED: 11/20/2015 1:34:58 PM

USER: BHEINRICH

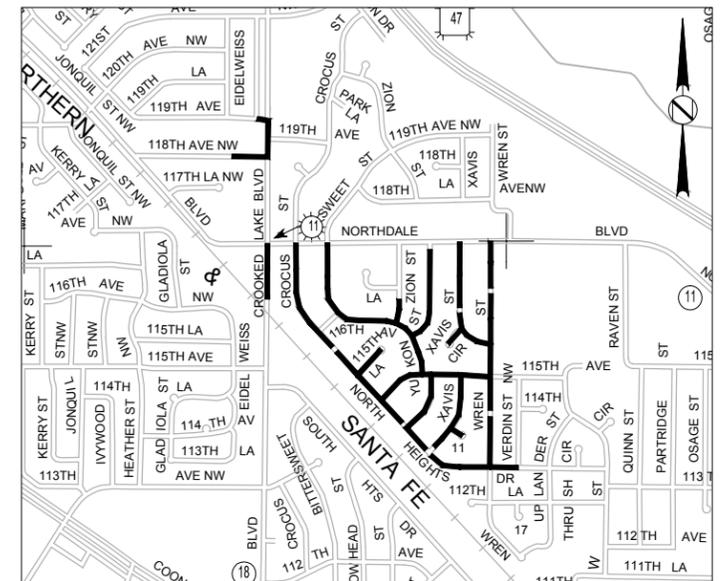
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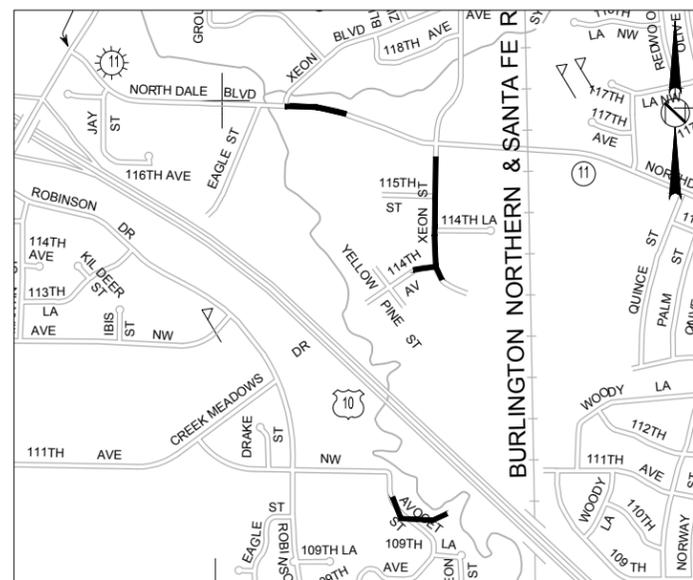
VICINITY MAP
NO SCALE



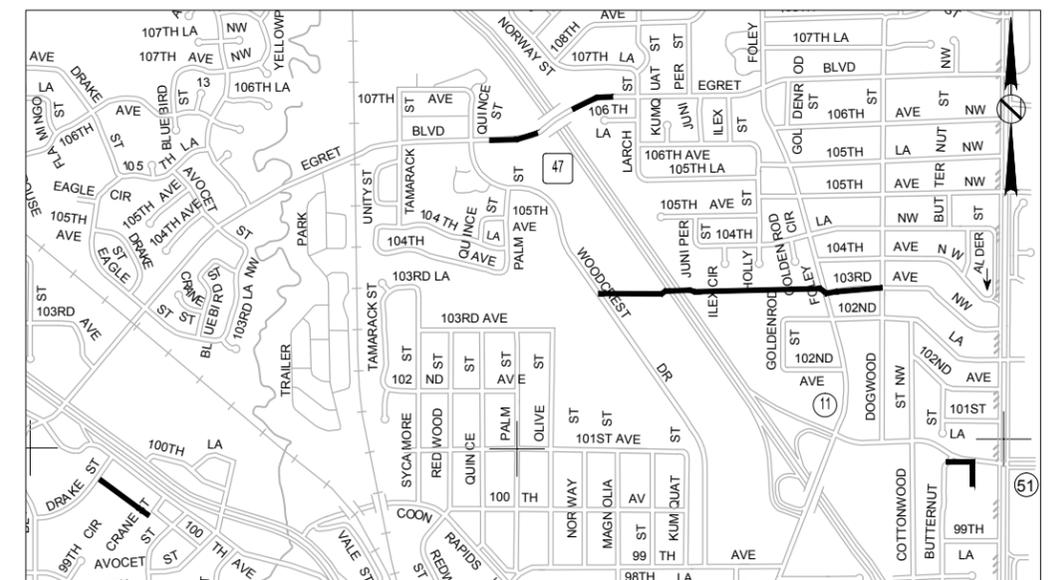
AREA 1 PROJECT LOCATION
NO SCALE



AREA 2 PROJECT LOCATION
NO SCALE



AREA 3 PROJECT LOCATION
NO SCALE



AREA 4 PROJECT LOCATION
NO SCALE

NO	DATE	BY	REVISIONS	REMARKS	NO	DATE	BY	REVISIONS	REMARKS
	11/10/2015	DRL	ISSUED FOR BIDDING						

DESIGNED	BRH	CHECKED	JKD
DRAWN	BRH	CHECKED	MHO
DATE	11/10/2015	APPROVED	DRL

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.

SIGNATURE: *Donald R. Lutch*

TYPED OR PRINTED NAME: DONALD R. LUTCH

DATE: 11/10/2015 REG NO: 47619

PLANS PREPARED BY:

3535 VADNAIS CENTER DRIVE
ST. PAUL, MINNESOTA 55110
PHONE: 1.800.325.2055
www.sehinc.com

PLANS PREPARED FOR:

COON RAPIDS
MINNESOTA

PROJECT/CONTRACT NO	06-16
SEH PROJECT NO	COONR 134216
FILE NAME	CR134216G01

2016 SANITARY SEWER LINING
CITY OF COON RAPIDS, MINNESOTA

TITLE SHEET

RESOLUTION NO. 16-6(8)

**(8) RESOLUTION APPROVING PLANS AND SPECIFICATIONS
AND ORDERING ADVERTISEMENT FOR BIDS**

WHEREAS, SEH, Inc. has prepared plans and specifications for the improvement of the City's sanitary sewer system by lining existing sewer pipe and has presented such plans and specifications to the Council for approval; and

WHEREAS, the City of Coon Rapids expects to reimburse all or a portion of the project expenditures with the proceeds of debt to be incurred by the City; and

WHEREAS, this declaration is made pursuant to Section 1.103-18 of the Income Tax Regulations of the Internal Revenue Service.

NOW THEREFORE, BE IT RESOLVED by the City Council of Coon Rapids, Minnesota:

1. Such plans and specifications, a copy of which is attached hereto and made a part hereof, are hereby approved.
2. The City Clerk shall prepare and cause to be inserted in the official paper and in a trade journal, if applicable, an advertisement for bids upon the making of such improvement under such approved plans and specifications. The advertisement shall be published for 21 days, shall specify the work to be done, shall state that bids will be received by the Clerk until 10:00 a.m. on the 22nd day of December, 2015, at which time they will be publicly opened in the City Hall by the City Clerk and Engineer, will then be tabulated, and will be considered by the Council at 7:00 p.m. on the 5th day of January, 2016, in the Council Chambers, and that no bids will be considered unless sealed and filed with the Clerk and accompanied by a cash deposit, cashier's check, bid bond or certified check payable to the Clerk for 5% of the amount of such bid.

Adopted this 17th day of November, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk



City Council Regular

16.

Meeting Date: 11/17/2015

Subject: Open Mic Report from November 4, 2015 Meeting

From: Grant Fernelius, Community
Development Director

INTRODUCTION

At the November 4, 2015 City Council meeting, Carol Kampff (8330 Redwood Street NW) made several comments about the City's code enforcement (property maintenance) program. Staff has provided responses, where appropriate, to the comments made.

DISCUSSION

Among the topics raised were: 1) the general appearance of properties in the Mississippi Oaks neighborhood; 2) the complaint-driven nature of the City's property maintenance program; 3) a suggestion that the City consider a neighborhood "audit" (a systematic sweep effort); and 4) a suggestion to restore the Spring Clean-Up Day program.

Mississippi Oaks Neighborhood

In general, the area has not generated a lot of property maintenance or code enforcement activity for the City. Since 2008, 25 issues have been reported in the area, which includes the neighborhood south of 610 to the Fridley border, between the river and East River Road. Since 2011, there have been 14 Administrative Citations issued. The number of complaints and citations represents a very small percentage of the total volume city-wide for the same time period.

Property Maintenance Program

The City's current property maintenance program is a hybrid model that relies on both external (residents, business owners) and internal (elected officials, staff) inputs for information on property conditions. During the summer months, we do use a part-time inspector to monitor long grass and weeds on a more systematic approach. Long grass violations are the largest on a volume-basis. The other types of complaints generally fall into one of the following: exterior storage, vehicle and parking issues, exterior (building) conditions, fences, garbage collection service or other concerns.

When a complaint is received, it is logged into Cityworks, which is the City's property maintenance tracking system. The system then generates an inspection request that is forwarded to the appropriate staff for an initial review. This typically occurs within 6 days of the initial report. If a violation is observed, staff then follows the administrative citation process that was put in place several years ago. The process starts with an administrative citation, which describes the violation, the monetary penalty and the time period for compliance. Depending on the type of concern, the compliance date can range from 7 to 30 days. Staff will conduct a re-inspection after the compliance date and if the issue is corrected, the case file

is closed out. If not, in most cases abatement (removal of violation) takes place, and in some instances subsequent administrative citations are issued, which result in additional monetary penalties.

Due to the sensitive nature of these cases, the City does not track the names of complainants (these are confidential under state law) and we cannot comment on status of an open case. From a customer service standpoint, we recognize that this can be a source of frustration for residents. We are able to explain the citation process, penalty and abatement options, but we are unable to provide specific details, while the file is open. This makes communication and feedback challenging for all involved.

Neighborhood Audit/Sweep

One suggestion was to consider a neighborhood audit. This type of code enforcement program typically involves a group of staff working in a specific neighborhood to identify property maintenance issues. In theory, the idea is to make a comprehensive assessment of an area and put residents on notice of relevant issues. While this approach might result in a larger number of violations, in practice, what often happens is that a city's relationship with local residents becomes strained; people are offended by what they consider to be minor issues raised during the inspection sweep. One alternative approach we've been using is to send out informational post cards that highlight a particular issue (vehicle parking, long grass) that are frequent sources of complaints. We will continue to look for ways to help educate and inform the public, however staff would not recommend a neighborhood audit at this time.

Clean-Up Day

Many years ago the City did have an annual curb side clean-up program. The program was discontinued in the mid-1980's because it had become cost-prohibitive and the collection took much more City staff time to perform than anticipated (Public Works did the collection and many hours of overtime were required). In 2010 and 2011, the City did hold 10 neighborhood-specific clean up events that were organized in conjunction with the summer neighborhood meetings. The events were well-received by residents, but were discontinued for budgetary reasons.

RECOMMENDATION

This report was provided for informational purposes. In the event that Council would like to discuss the topic further, particularly the history of the program, general philosophy, clean-up event, etc., staff would suggest that we schedule a work session in early 2016.
