



February 5th, 2021

Rep. Sandra Masin
543 State Office Building
St. Paul, MN 55155

RE: Support for HF 527 – Municipalities Authorized to Charge Street Impact Fees

Dear Rep. Masin,

On behalf of the League of Minnesota Cities (LMC), Municipal Legislative Commission (MLC), Metro Cities, the Coalition of Greater MN Cities, the MN Association of Small Cities, and the North Metro Mayors Association (NMMA), we write in support of HF 527 (Masin) which would allow cities to be able to charge developers fees that cover the infrastructure improvements that are needed because of new residential development.

When a new subdivision proposal is presented to a city by a developer, city officials consider how that development will connect with the rest of the community through new city streets, including how additional capacity will impact existing city streets.

New residential development unquestionably puts an increasing demand on transportation infrastructure. This demand and the limited financial resources have forced cities to reconsider how they pay for it. Traditional financing methods tend to subsidize new development at the expense of existing taxpayers. As a result, cities are exploring options to ensure that development pays for the necessary city streets, so existing taxpayers don't have to foot the bill. However, the legal interpretation stemming from *Harstad v. City of Woodbury* states that cities don't have the statutory authority necessary to impose a fee for future street improvements.

Cities are asking for a clear and lawful path forward to support development while at the same time protecting the interests of taxpayers.

The LMC, MLC, Metro Cities, CGMC, MAOSC, and NMMA strongly support your bill, HF 527, which provides the necessary statutory authority for cities to be able to charge developers fees to cover the infrastructure improvements necessary for new residential developments.

Thank you for your leadership in addressing this issue and offering solutions that will protect taxpayers from additional financial burdens related to new residential development.

Sincerely,

League of Minnesota Cities
Municipal Legislative Commission
Metro Cities
Coalition of Greater MN Cities
MN Association of Small Cities
North Metro Mayors Association