

**1. What is a Franchise Fee?**

It is a fee that is authorized by State Law and can be established by a city as a way to collect revenue to pay for a specific project or projects. The utilities involved are required to collect the franchise fee by adding a fee to a utility bill.

**2. What will the money be used for?**

To fund improvements and maintenance of Dayton's transportation system. Initially, the primary use will be to fund the Dayton Parkway Interchange. In the short term, funds will be directed to roadway and pavement management projects. Long term, franchise fees are intended to replace the levy currently used to fund transportation projects.

**3. Why are franchise fees a better option than increasing the property tax levy?**

Franchise fees allow the city to diversify its revenue sources. By implementing a franchise fee all utility users pay a fee, not just taxpayers. All who utilize the streets will help pay for them. Franchise fees will apply to all accounts within the city, including tax exempt parcels owned by non-profits and governmental entities.

**4. Who will be charged a franchise fee?**

Everyone with gas and/or electric service.

**5. When will the franchise fees be implemented?**

Pending council approval, franchise fees will be implemented beginning with January 2020 billings.

**6. What are the proposed monthly fees?**

Gas (CenterPoint Energy)

Residential \$4.00

Small Commercial A \$7.00

Small Commercial/Industrial B \$20.00

Small Commercial/Industrial C \$65.00

Commercial/Industrial Dual A \$152.00

Commercial/Industrial Dual B \$155.00

Large Volume Dual Fuel \$200.00

Electric (Xcel Energy, Connexus Energy, Anoka Electric, Elk River Utilities)

Residential \$4.00

Small Commercial (Non-Demand) \$12.00

Small Commercial (Demand) \$45.00

Large Commercial \$200.00

Public \$16.00

\*Category designations may vary slightly between electric utility providers.

**8. I have multiple bills or two or more meters on my property. Do I have to pay the fee more than once?**

The fees are to be collected per utility account, not per meter. The fee charged will be based on the largest meter size on the account.

**9. Who else charges franchise fees?**

At least 12 cities in Hennepin County charge franchise fees. It has been reported that 101 cities in the 7-county metro area, and 357 cities state-wide also charge fees.

The City Council will hold a public hearing on ordinances to implement the franchise fee on September 26<sup>th</sup> at 6:30 p.m.