



REQUEST FOR ACTION

Natural Gas Franchise Fee Community Engagement

MEETING DATE:

April 13, 2026

ORIGINATING DEPT:

Public Works

AGENDA SECTION:

Presentation Items

PRESENTER:

Kayla Betzold

Report Narrative:

The City of Rochester explored a potential Natural Gas Franchise Fee (NGFF) as an option to support environmental stewardship priorities, including efforts to reduce energy costs and support community-based initiatives. Under Minnesota Statute 216B.36, cities may establish a franchise fee on utilities in exchange for use of public right-of-way, with local discretion over whether to implement the fee, how it is structured, and how resulting revenue is used.

To inform this exploration, the City conducted a multi-faceted community engagement process from December 2025 through March 2026. Engagement included an online survey, in-person and virtual listening sessions, presentations to community and business organizations, and direct outreach through partner networks. In total, the City conducted more than 50 outreach and engagement activities and reached more than 3,600 community members through direct participation and broader communications. The online survey received 206 responses.

Community feedback showed mixed but generally supportive views toward the concept of a Natural Gas Franchise Fee, with support strongest when participants understood that funding would support clearly defined, practical programs with visible community benefit. Across engagement methods, key themes included affordability concerns, a preference for community-facing investments, strong interest in programs that reduce energy costs and improve housing conditions, and a high expectation for transparency, accountability, and clear program design. Feedback also reflected no clear consensus on the fee structure and raised ongoing questions about fairness, administration, and impacts on households and businesses.

City teammates will present an overview of engagement results and proposed next steps. The full NGFF report is attached for reference.

Priorities & Foundational Principles:

Responsible Environmental Stewardship

Prepared By:

Kayla Betzold

Attachments:

[Presentation - Natural Gas Franchise Fee Engagement](#)

[Final Recommendation Report - Natural Gas Franchise Fee Engagement](#)