

AGENDA
ECONOMIC DEVELOPMENT AUTHORITY
JANUARY 4, 2021

1. CALL TO ORDER

Oath of Office for Commissioner Barnett and Secretary Hanson

2. CONSENT ITEMS

A. Meeting Minutes –December 21, 2020

B. Sewer Availability Charge (SAC) Credit Policy - EDA Resolution 27
Motion to approve EDA Resolution 27 adopting the sewer availability charge (SAC) credit policy.

Motion by _____ seconded by _____ to
approve, table or deny the Consent Items as presented.

3. ADJOURNMENT

Motion by _____ seconded by _____ to
adjourn.

Meeting adjourned at _____.

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Oath of Office for members

2. CONSENT ITEMS

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adjourn.

Meeting adjourned at _____.

AGENDA ITEM

Maple Grove Economic Development Authority

DRAFT Meeting Minutes

December 21, 2020

DRAFT

(Delete this when final edits are complete)

Call to Order

Pursuant to call and notice thereof, an Economic Development Authority Meeting of the Maple Grove City Council was held at 7:30 p.m. on December 21, 2020 at the Maple Grove Government Center/Public Safety Facility, Hennepin County, Minnesota and online via WebEx.

Members present were President Mark Steffenson, Vice President Karen Jaeger, Secretary Heidi Nelson, Treasurer Judy Hanson, and Commissioners Phil Leith and Kristy Barnett. Absent was none. Present also were Joe Hogeboom, Community and Economic Development Director; Peter Vickerman, Planning Manager; Jesse Corrow, Associate Planner; Ken Ashfeld, Director of Public Works/City Engineer; and Justin Templin, City Attorney.

President Steffenson called the meeting to order at 8:06 p.m.

Consent Agenda

- A. Meeting Minutes – November 2, 2020
- B. Adopt 2021 EDA/HRA Budget and tax Levy – EDA Resolution No. 25

Motion to adopt EDA Resolution No.25 adopting for 2021 the EDA budget and setting a tax levy for 2021.

- C. Adopt 2021 Senior Housing Fund Budget

Motion to adopt the 2021 Senior Housing (Woodland Mounds) Fund Budget.

- D. Consent to Transfer of TIF Development Agreement Obligation – Hilger TIF – EDA Resolution No. 26

Motion to approve EDA Resolution No. 26 authorizing the assignment and assumption of the TIF development agreement related to Arbor Lakes Corporate Center.

Motion by Vice President Jaeger, seconded by Commissioner Leith, to approve the Consent Agenda Items as presented. Upon call of the motion by President Steffenson, there were five ayes and no nays. Motion carried.

Adjournment

Motion by Commissioner Leith, seconded by Vice President Jaeger, to adjourn to the City Council meeting. Upon call of the motion by President Steffenson, there were five ayes and no nays. Motion carried.

The meeting was adjourned at 8:07 p.m. by President Steffenson.

Respectfully submitted,

Heidi Nelson
EDA Secretary

REQUEST FOR EDA ACTION

January 4, 2021

DATE

EDA 2B

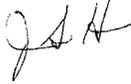
AGENDA ITEM

ORIGINATING DEPT.

AGENDA ITEM

**CITY ADMINISTRATOR
APPROVAL**

Community and Economic
Development



Sewer Availability Charge (SAC)
Credit Policy
EDA Resolution 27



PREVIOUS ACTIONS:

None.

RECOMMENDED EDA ACTION:

Motion to approve EDA Resolution 27 adopting the sewer availability charge (SAC) credit policy.

COMMENTS:

The sewer availability charge (SAC) program, operated by the Metropolitan Council, is a funding mechanism to ensure the adequate infrastructure and capacity is in place within the regional sewer system. The SAC program works by charging a defined number of credits for each new development, expansion of existing developments, or changes in use. The 2020 charge for one SAC credit is \$2,485. Total SAC charge determinations are conducted during the permitting process and are based upon potential demand of the use on the regional system. For example, a single-family residential home has a SAC charge of one while a restaurant could have a SAC charge of 25, depending on the proposed square footage. The fee for SAC is passed down from the Metropolitan Council to the city, which in turn charges the fee to the permit applicant.

As new businesses enter the city and fill existing spaces and redevelopment occurs on parcels, the SAC credits that were paid for remain on the site for the new use. So, in many circumstances, when a new business enters the city and fills a space that was previously a similar use, there would not be any SAC charge for the business. In circumstances where redevelopment is occurring and the previous use had a higher SAC charge than the new use, the city has the ability to claim any excess credits and designate them as community-wide credits. The Metropolitan Council does not allow for previously paid for credits to be returned to business in the form of cash. Community-wide credits can be used anywhere within in the city. The following examples provide additional details on how the program works.

Example 1

A new restaurant is moving into a former restaurant space and is not making any changes to the space. There are currently 25 SAC credits previously paid for and attached to the space. The new restaurant has a SAC determination of 25 credits needed. The existing credits cover the whole SAC charge and the new restaurant does not need to pay any additional SAC fees.

Brett Angell, Economic Development Manager – X6003
SAC Credit Policy
Request for EDA Action
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Example 2

A new restaurant is moving into a space that was a former bookstore. The previous use had paid for 5 SAC credits. The new restaurant has a SAC charge of 25 credits. The new restaurant must pay for 20 SAC credits.

Example 3

A former daycare was located as a standalone building on a property. A bank purchased the property and redeveloped it. The site previously had 10 SAC credits and the new use only requires 1. The city can designate the 9 remaining credits as community-wide credits.

With community credits, it is important that policies and procedures are in place for not only the collection of the credits, but also the distribution of the credits. Community-wide credits are often viewed as an economic development incentive that can aid in lower initial fees for businesses as they locate or expand within a city. As redevelopment begins to be more common within the city, the establishment of a SAC credit policy will ensure that proper steps are taken when community-wide credits become available.

The attached SAC credit policy outlines how the city will capture and use community-wide credits. Based upon the proposed policy, credits would only be taken in instances where there are excess credits available after the new uses for the property are determined. The proposed usage of community-wide credits would provide for up to 5 credits or 80% of the total SAC fee, whichever is lesser, to eligible businesses who have a demonstrated need for assistance. Eligible business types include retail, restaurants and manufacturing. In order to receive credits, a business will have to apply for said assistance and the EDA will have the ability to approve or deny any application.

ATTACHMENTS:

Attachment A: EDA Resolution 27
Exhibit A: Sewer Availability Charge (SAC) Credit Policy

RESOLUTION NO. 27

**ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR
THE CITY OF MAPLE GROVE**

A RESOLUTION ADOPTING A SEWER AVAILABILITY CHARGE CREDIT POLICY

WHEREAS, the Metropolitan Council requires a one-time fee when a residence or business connects to the regional wastewater (sewer) system for the first time, and additional sewer availability charges (“SAC”) occur when a business grows or the use of a spaces changes and subsequently creates a higher potential demand on the system; and

WHEREAS, the Metropolitan Council charges SAC to local governments, who pass it on to business or property owners during the permitting process based on the maximum wastewater flow created by activities at the location; and

WHEREAS, as redevelopment occurs in the City, community-wide SAC credits may become available for use throughout the City; and

WHEREAS, the EDA seeks to establish a process by which the community-wide SAC credits may be used to aid in the recruitment and retention of small businesses in the City by offering a reduction in total SAC fees.

NOW THEREFORE, IT IS RESOLVED by the Board of Commissioners of the EDA, based on the above recitals, information provided by City staff, and information received at the meeting, as follows:

1. The EDA hereby adopts the Sewer Availability Charge Policy (“Policy”) attached hereto as Exhibit A;
2. The EDA hereby authorizes funds to be distributed according to the Policy and procedures therein.

Motion to approve the foregoing findings, conclusions, and decisions was made by _____ and seconded by _____, upon a vote being duly taken thereon, the following voted in favor thereof:

and the following were against:

and the following were absent:

whereupon, the resolution was declared duly passed and adopted this 4th day of January, 2021.

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) ss.
CITY OF MAPLE GROVE)

I, the undersigned, being the duly qualified Secretary of the Economic Development Authority in and for the City of Maple Grove, a public body corporate and politic and a political subdivision of the State of Minnesota, hereby certify that the above Resolution No. 27 is a true and correct copy of the Resolution as adopted by the EDA Board on the 4th day of January, 2021.

Secretary



SEWER AVAILABILITY CHARGE (SAC) POLICY

Adopted:

Economic Development Authority of Maple Grove
Economic Development Department
12800 Arbor Lakes Parkway
Maple Grove, MN 55369
763-494-6003

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- I. Introduction
- II. Purpose and Objectives
- III. Collection of Community-Wide Credits
- IV. Usage of Community-Wide Credits
- V. General Terms and Conditions
- VI. Application Process

I. INTRODUCTION

Through the Metropolitan Council, a one-time fee is required when a residence or business connects to the regional wastewater (sewer) system for the first time. Additional SAC charges also occur when a business grows or the use of a spaces changes and subsequently creates a higher potential demand on the system. The Metropolitan Council charges SAC to local governments, who pass it on to business or property owners during permitting. Total SAC charges per business are charged in units determined based on the maximum wastewater flow created by activities at the location.

In certain instances, community-wide credits may be available for use throughout the City of Maple Grove. As redevelopment occurs within the City, in certain circumstances there will be opportunity for certain excess credits to be claimed and designated as community-wide.

II. PURPOSE AND OBJECTIVES

- A. The purpose of this policy is to establish the policies and procedures related to the collection and use of community-wide SAC credits to aid in the recruitment and retention of small businesses within the City.
- B. The objective of this policy to aid small businesses choosing to locate with the City or the expansion of a current business with the City through the reduction in total SAC fees required.

III. COLLECTION OF COMMUNITY-WIDE CREDITS

As defined in the Metropolitan Council’s Sewer Availability Charge Procedure Manual, local governments have the ability to retain excess net credits upon redevelopment of a property or when a new use occurs within a property. SAC credits eligible to become community-wide credits include only those previously paid for. Grandfathered credits shall remain site-specific.

- A. Excess credits shall be designated and retained as community-wide only in occasions which the new end-user has been identified. Community-wide credits must be claimed on the SAC-A form at the time of permit issuance for the new use. If they are not claimed on that form, the credits shall become site-specific and will remain with the site for a period of five (5) years.
- B. The collection of credits shall be only excess credits following the determination of SAC credits needed for the new use. If the existing credits on the parcel are below or equal to what is needed for the new use, the City shall not collect any community-wide credits.
- C. The City will maintain record of community-wide credits. This includes maintaining record of community-wide credits available and record of businesses which have benefitted from this program. Records shall be kept within the Community and

Economic Development department.

IV. USAGE OF COMMUNITY-WIDE CREDITS

The usage of community-wide credits shall be used to attract and retain new small businesses within the community.

A. Eligible Business Types

Eligible business types who may apply for community-wide credits include retail, food and beverage-based business, and manufacturing. Additional use types shall be considered at the sole discretion of the City Council and/or Economic Development Authority, or their designee. Eligible businesses must be either opening a new business within the City or be expanding existing operations which requires additional SAC.

B. Demonstrated Need

Any applicant for this program must provide proof of a demonstrated need of assistance through this program.

C. Timing of Applicants

Applications for this program shall only be accepted prior to the issuance of a building permit. Applications shall not be accepted for reimbursement of previously paid-for credits.

D. Maximum Credits Allowed Per Application

The maximum number of credits that any one applicant may apply for shall be limited to no more than five (5) credits or 80% of the total number of credits needed, whichever is smaller. Potential applicants should consult with City staff prior to application to determine availability of credits.

V. GENERAL TERMS AND CONDITIONS

- A. The Economic Development Authority reserves the right to determine and limit the amount of SAC credits that are applied for by any one applicant. This is to allow for the maximum utilization and benefit of credits available. Nothing herein shall imply or suggest that the City is under any obligation to provide incentives to any applicant.
- B. The EDA or City may charge a fee for requests under this policy, and these fees will be adopted annually during the fee schedule review.
- C. Any applicant who is not in good standing with the City, in regards to licenses, fees or other specific charges, will not be considered for this program.
- D. Requests specific to utilization of this program for residential purposes are not eligible and will not be considered.
- E. Community-wide credits may not always be available. If credits are not available, applications shall not be accepted.
- F. Information contained in the application for assistance will become a matter of public record with the exception of those items protected under Minn. Stat. 13.591.
- G. An officer of the City will not have a personal financial interest or personally benefit

financially from the business to be assisted. Minn. Stat. 471.87 and 471.88 provide guidance on conflict of interest.

- H. The City of Maple Grove and the EDA reserve and retain the right to deny any application for credits. All SAC Credit recipients shall be required to indemnify the City of Maple Grove, the Economic Development Authority of Maple Grove, and any officers acting on their behalf.

VI. APPLICATION PROCESS

All applications for credits through this program will be accepted on a first-come, first-served basis. Upon submission of an application, City of Maple Grove staff will review the application to ensure complete information is provided. If additional information is needed, staff will request the needed information. Upon determination if an application is complete, the Economic Development Authority will consider the application at the next available meeting.