

AGENDA
ECONOMIC DEVELOPMENT AUTHORITY
APRIL 4, 2022

11. CALL TO ORDER

REGULAR ITEMS

A. Minutes – December 20, 2021

Motion by _____ seconded by _____ to
approve, table or deny approving the minutes from December 20, 2021

B. Sewer availability charge (SAC) credit policy amendments

Motion by _____ seconded by _____ to
approve, postpone, table or deny approving amendments to the sewer availability charge (SAC)
credit policy.

ADJOURNMENT

Motion by _____ seconded by _____ to
adjourn.

Meeting adjourned at _____.

Maple Grove Economic Development Authority

DRAFT meeting minutes

December 20, 2021

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 20, 2021 at the Maple Grove Government Center/Public Safety Facility, Hennepin County, Minnesota.

Members present were President Mark Steffenson (attending remotely via WebEx), 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; Greg Sticha, Finance Director; Ken Ashfeld, Director of Public Works/City Engineer; and Justin Templin, City Attorney.

President Steffenson called the meeting to order at 9:15 p.m.

**Approval of
September 20,
2021 minutes**

Motion by Commissioner Leith, seconded by Treasurer Hanson, to approve the September 20, 2021 Economic Development Authority meeting minutes. Upon call of the motion by President Steffenson, and a roll call vote, there were five ayes and no nays. Motion carried.

**Adopt 2022
Senior Housing
Budget and
Scattered Site
Budget**

Finance Director Sticha requested the EDA adopt the 2022 senior housing budget and scattered site budget. He explained this program included 88 units of senior apartments along with 28 EDA owned single family or twin homes.

Motion by Commissioner Barnett, seconded by Treasurer Hanson, to approve adopting the 2022 senior housing (Woodland Mounds) and scattered site budgets.

Treasurer Hanson questioned how much the budget would increase rent in 2022. Finance Director Sticha commented the Woodland Mounds rent increases would be 2% for market rate

units, 0% for affordable units and 5% for new tenants. It was noted the scattered site homes do not include rent increases for 2022.

Vice President Jaeger stated she would like to know how much of an increase the 2% would be for the market rate units. Finance Director Sticha reported he did not have those numbers in front of him. City Administrator Nelson estimated the rental rates ranged from \$600 to \$700 per month which meant these residents would be seeing an approximate \$14 per month increase.

Councilmember Jaeger stated this increase may impact some of the residents adversely.

Mayor Steffenson questioned how much social security was going up in 2022.

Councilmember Barnett reported social security would be increasing by 5.9% in 2022.

Upon call of the motion by President Steffenson, and a roll call vote, there were five ayes and no nays. Motion carried.

**Adopt 2022
EDA/HRA Budget
and Tax Levy**

Finance Director Sticha requested the Council adopt the EDA/HRA budget and tax levy. He reported the levy would remain at \$150,000 as was approved in previous years and would assist with scattered site housing programming.

Motion by Treasurer Hanson, seconded by Commissioner Barnett, to approve adopting EDA Resolution No. 32 adopting for 2022 the EDA budget and setting a tax levy for 2022. Upon call of the motion by President Steffenson, and a roll call vote, there were five ayes and no nays. Motion carried.

Adjournment

Motion by Commissioner Barnett, seconded by Treasurer Hanson, to adjourn to the City Council meeting. Upon call of the motion by President Steffenson, and a roll call vote, there were five ayes and no nays. Motion carried.

The meeting was adjourned at 9:24 p.m. by President Steffenson.

Respectfully submitted,

Heidi Nelson
EDA Secretary



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

MEETING DATE: April 4, 2022

PREPARED BY: Brett Angell, Economic Development Manager

AGENDA ITEM: Sewer availability charge (SAC) credit policy amendments

PREVIOUS ACTIONS:

At the January 4, 2021 meeting, the Economic Development Authority adopted EDA Resolution 27 creating the sewer availability charge (SAC) credit policy.

RECOMMENDED ECONOMIC DEVELOPMENT AUTHORITY ACTION:

Motion to approve amendments to the sewer availability charge (SAC) credit policy.

COMMENTS:

At the January 4, 2021 meeting, the EDA created a new sewer availability charge (SAC) credit policy which is designed to reduce the total SAC charge a business receives when entering the city. SAC is a charge for the expected demand on the regional sewer system which charges on a per credit basis. SAC charges are determined by the Metropolitan Council and operate on a pass-through basis with the city, meaning the city collects the total SAC fee at the time of building permit issuance and transfers those funds to the Metropolitan Council. Businesses with expected high demand (e.g. restaurants) receive a higher unit charge as compared to those with expected low demands (e.g. banks). The 2022 rate for one SAC unit in 2022 is \$2,485.

The SAC credit policy operates by reducing the total amount of credits a new business must pay for through the utilization of community-wide credits the city has collected. When properties are redeveloped and/or commercial spaces get new tenants, there are often previously paid for credits which are available on the property to be utilized. If the previously paid for credits exceed the needs of the new user, those excess credits can be claimed by the city.

The proposed amendments to the SAC credit policy includes the following changes:

- Additional language including entertainment businesses as an eligible applicant type;
- Increasing the maximum number of credits granted from five to ten.

- Alteration the application process to allow for administrative approval for applications up to five credits.

This program has been viewed positively since its adoption by businesses, brokers, and property owners. It is anticipated that one or more applications for assistance will be received within the next few months.

ATTACHMENTS:

Attachment A: Amended sewer availability charge (SAC) policy



SEWER AVAILABILITY CHARGE (SAC) POLICY

Adopted: January 4, 2021

Amended: April 4, 2022

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

Table of Contents

- 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, entertainment businesses, 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 administratively shall be limited to no more than five (5) credits or 80% of the total number of credits needed, whichever is smaller. Additional credits above the maximum as defined above, shall only be granted upon approval by the Economic Development Authority for businesses with significant SAC credit needs. Under no circumstance shall the total number of credits given to one applicant exceed ten (10) credits. 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 and its representatives reserve 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 EDA 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 EDA or City, in regard 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. Applications for up to five (5) credits shall be processed and are eligible to be approved administratively by the City Administrator and Economic Development Manager. Applications which seek above the five (5) credit maximum shall only be approved by the Economic Development Authority.