



SEWER & WATER ACCESS CHARGE ASSISTANCE POLICY

I. General Purpose and Objective for Creating this Policy.

To help sustain the local economy and to maintain and strengthen the tax base, the City often considers ways to stimulate economic development. The City is committed to promoting quality development, redevelopment and reuse of properties.

In some situations, up front utility costs may prevent development, redevelopment, and business start-ups, renovations or expansions. In any of these situations, the City may consider assessing, lending, deferring payment, or granting the funds necessary for sewer and water access charges. This will be determined on a case by case basis for each fee and/or a combination of all of these fees. At any time, the City may discontinue the option to provide any assistance for these fees.

II. Background.

A. Metropolitan Council Sewer Access Charge

When there is new construction or a change in use of a property that requires additional sanitary sewer capacity, a fee is charged by the Metropolitan Council – Environmental Services. The fee is based on a determination of the number of sewer access charge (SAC) units. One SAC unit equals 274 gallons of daily wastewater flow (based on the Metropolitan Council’s calculation of what a single family dwelling produces in one day). The fee for each Metropolitan Council SAC unit is as charged by the Metropolitan Council. If the property has a change in use, the SAC fee is reduced by any previous SAC payments.

Based on changes over time, there has been a reduction in the demand for wastewater services in the City. However, the unused ‘credits’ for a property are not refunded. Up to the end of 2009, the City was able to accept the unused credits for city-wide use. As a result, the City has a limited ‘bank’ of Metropolitan Council SAC credits that can be applied City-wide. A credit is equivalent to the fee for one SAC unit. The total number of City credits is automatically reduced when new SAC units are required for new construction or additional SAC units are required for a change in use of a property. Once those credits are used, the City will be required to pay the Metropolitan Council for SAC charges.

B. City Sewer and Water Access Charges

In 1996, the City adopted access fees for the City water system (WAC) and in 2001 the City adopted access fees for the sanitary sewer system (SAC). These fees are used for long-term maintenance of the City sanitary sewer and water system. For any construction project or change in use, the City SAC and WAC units are the same as the number of units determined by the Metropolitan Council. However, city fees will be imposed only for the units resulting from an expansion or a change of use that requires additional charges. The total number of units for a project may be reduced in instances where the use was established prior to adoption of the City fees.

III. Potential Situations for City Assistance.

The following list provides examples of potential projects that may benefit from City assistance:

The Streetlighting District	Reuse of existing spaces; second-story use/renovation; conversion or re-occupancy of vacant spaces; targeted businesses such as sit-down destination restaurants or grocery store.
Anoka Enterprise Park	Reuse or expansion of existing spaces that result in increased jobs (assuming industry needs are consistent with city's water management plans).
East River Road	Redevelopment of underutilized commercial properties.
West Main Street	Redevelopment of underutilized commercial properties.
Ferry Street Corridor	Redevelopment of underutilized properties.
Historic Rum River District	Targeted development (grocery store, restaurant on the river).
Commuter Rail Transit Area	Development of targeted commercial facilities (research and development facilities that are job-intensive); mixed-use projects.
Re-location of existing TH 10 Businesses	Due to highway construction.

In making a decision on a request under this assistance policy, the Council will consider the number of available City-owned Metropolitan Council SAC credits, the City's need for credits, and the benefit to the community. Requests related to construction of a single family home are not eligible under this program.

IV. Application.

The City may adopt a processing fee (sliding scale based on value of project and amount of incentive) for requests under this policy.

The following information must be submitted:

1. Business name
2. Address
3. Legal Description
4. Name of Authorized Representative.
5. Name of Property Owner (if different from Business Owner)
6. Description of Business
7. Description of Improvements/Change of Use for the project. (Include plans and drawings, if appropriate.)
8. Narrative explaining the request that also addresses the evaluation criteria
9. Type of Assistance Requested (Assessment, loan, deferred payment and/or grant)

When complete information is received, staff will review the application, request any additional information needed, and process the application.

V. Assessments, Loans and Deferred Payments.

Upon application, the City may consider an assessment, loan or deferred payment that allows financing of sewer and/or water access charge fees under the following conditions:

- All assessment, loan or deferred payment agreements made through this policy must be interest bearing. Interest rate shall be 1% less than the rate adopted annually during the assessment process.
- The period of the agreement shall not exceed five (5) years.
- The property is zoned appropriately for the proposed use.
- The property does not have any outstanding city code violations.
- The property owner is current on property taxes paid.
- The applicant and property owner are in good standing with the City as a utility customer.
- The owner of record must execute an agreement and waiver wherein the amount of the assessment, loan or deferred payment shall be recorded and assessable to the property in the event of default according to the terms of the agreement.

Provided the previously stated conditions are met, an assessment, loan or deferred payment under \$50,000 may be approved administratively upon execution of the necessary documents by all parties. Staff reserves the right to defer a request to the City Council for final determination if deemed necessary. Any request over \$50,000 shall be placed on the City Council agenda for their consideration.

VI. Grants.

Upon application, the City may consider a grant for all or any part of sewer and/or water access charge fees.

The following are considerations the City may use in evaluating requests:

- Is this a redevelopment project?
- Will this project increase permanent employment or retain existing jobs?
- Will this project have a high potential for generating additional spin-off development?
- Is this project supported by substantially more private dollars than public dollars?
- Will tax values increase?
- Does the project meet provisions of the comprehensive plan, zoning ordinances, city building code, and/or other city codes?
- Are there other types of public assistance used/requested for this project?
- Does the project address specific goals for land use, housing and/or economic development in the comprehensive plan?

When complete information is received, staff will review the application, request any additional information needed to process the application, and if deemed appropriate for consideration, prepare the appropriate documents to be placed on the City Council agenda for their consideration.

Policy History

Initially Adopted: 07.06.2009

Revised: 05.02.2011

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