



SEWER & WATER ACCESS CHARGE ASSISTANCE POLICY

Policy Number 2011-02

ADOPTED: May 2 , 2011

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 business start-ups, renovations or expansions. In any of these situations, the City may consider assessing, granting or borrowing 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.

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. Basic Requirements.

In addition to the requirements of the application/approval process described below, the following basic tenets shall apply:

Assessments or loan agreements:

- All assessment or loan agreements made through this policy must be interest bearing.
- The period of the agreement shall not exceed five (5) years.
- The owner of record must execute an agreement and waiver wherein the amount of the assessment or loan shall be recorded and assessable to the property in the event of default according to the terms of the agreement.

Generally speaking, an applicant who has not been in good standing with the City, for instance as a utility customer or a licensee, will not be considered for this program.

V. Financing.

Upon application, the City may consider an interest bearing loan or assessment that allows financing of sewer and/or water access charge fees. The loan or assessment must be approved by City Council. In general, payments shall be placed in the City's dedicated Urban Development Fund. Uses of the balances of this fund shall be subject to City Council approval.

Nothing herein shall imply or suggest that the City is under any obligation to provide incentives to any applicant.

VI. Criteria for Evaluating Requests

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?

VII. Application/Approval Process

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 to apply for financing:

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

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