



Date: October 17, 2017

To: Mayor and Council Members

From: Bill Neuendorf, Economic Development Manager

Subject: Metropolitan Waste Control SAC Deferral Program

Information / Background:

New and expanding businesses in the Twin Cities rely on local and regional providers for sanitary sewer service. The Metropolitan Council's Environmental Services (MCES) division is responsible for providing and maintaining the regional sanitary sewer system including several sewage treatment facilities. The cost of this service is borne by users, based on a Sewer Availability Charge (SAC). The fee is based on the type of business and amount of sewage it is anticipated to discharge. These fees are paid up front since much of the sewer system is already in place.

The SAC fee can present a significant hurdle to new and expanding businesses, especially considering that the business uses the service over time. To lower this barrier for business growth, the Metropolitan Council established a SAC Deferral program in 2012.

Any municipality has access to this program but must enter into a formal Master Agreement with the Metropolitan Council and establish policy that guides the use of the Deferral Program. The Master Agreement has been reviewed by the City Attorney. The proposed policy has been prepared with guidance from the Building and Finance Departments who will be responsible for implementing this program.

The proposed policy is simple and follows the guidelines of the Metropolitan Council. The deferral period is limited to five years to reduce the administrative burden to staff and minimize financial risk to the City in case the business defaults.

It is recommended that the City of Edina participate in this program to lower the hurdle to new and expanding businesses.