

City of St. Louis Park

Sewer Availability Charge (SAC) Credit Policy

Adopted September 22, 2026: Resolution No: 26-126

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Introduction

The Metropolitan Council assesses a one-time Sewer Availability Charge (SAC) when a property use creates a new or increased demand on the regional wastewater system. The charge is based on the estimated wastewater flow generated by the use and is calculated in SAC units using Metropolitan Council standards. One SAC unit represents the wastewater capacity assigned to a typical single-family dwelling, and other land uses are assigned SAC units based on their estimated wastewater demand.

Additional SACs may be required when an existing building expands or changes to a use that generates greater wastewater demand. The Metropolitan Council assesses SACs to local governments, which then collect the applicable fees from property owners or developers as part of the development review and permitting process.

Under Metropolitan Council rules, cities may retain community-wide SAC credits when redevelopment or changes in land use reduce the number of SAC units assigned to a property. These community-wide credits may be applied to eligible future development within the city, helping to offset SACs and encourage uses consistent with local goals.

Purpose and objectives

- The purpose of this policy is to establish clear guidelines for the collection, administration, and use of community-wide SAC credits to support the recruitment, retention and growth of businesses within the city.
- The objective of this policy is to encourage business attraction by reducing Sewer Availability Charge (SAC) costs where eligible, thereby lowering financial barriers for new businesses.

Collection of community-wide credits

As defined in the Metropolitan Council sewer availability charge procedure manual, local governments may retain excess net SAC credits when a property is redeveloped or when a change in use occurs. Only SAC credits that have been previously paid are eligible to be converted into community-wide credits. “Grandparent” credits, as defined by the Metropolitan Council’s SAC procedure manual, shall remain tied to the site and are not eligible for community-wide use.

Excess SAC credits may be designated and retained as community-wide credits only when a new end user has been identified. These credits must be claimed on the SAC-A form at the time

of permit issuance for the new use. If the credits are not claimed at that time, they will revert to site-specific status and remain with the property for a period of five (5) years.

Community-wide credits shall consist only of excess credits remaining after the SAC requirement for the new use has been determined. If the existing SAC credits on a property are less than or equal to the amount required for the new use, no community-wide credits shall be collected by the city.

The city shall maintain records of all community-wide SAC credits, including the total credits available and documentation of businesses that have utilized the program. These records shall be maintained by the Community Development Department.

Program guidelines

An eligible business may qualify to receive SAC financial assistance up to 50% of the net SAC due with a maximum of five (5) SAC units paid by the city.

Eligible businesses:

To be considered for the program, the business must:

- Be located within the City of St. Louis Park.
- Be a new business locating within the city or an existing business expanding its operations.
- Be an independently owned business engaged in a commercial enterprise, whether owned by a for-profit or nonprofit entity.
- Have 20 or fewer full-time equivalent (FTE) employees.
- Have annual gross revenue of no more than \$1 million in the prior year.
- Be in good standing with the city.
- Have all property taxes paid and current.

Ineligible businesses:

- Businesses without a physical address in St. Louis Park
- Firearms/ammunition sellers; gun clubs; or shooting ranges
- Sexually oriented businesses
- Tobacco, vape, or unauthorized cannabis businesses; smoking lounges/clubs
- Payday lenders, title lenders, pawn shops, check cashers
- Home-based businesses not moving into commercial space
- National/regional chains
- Warehouses or long-term inactive storage
- Businesses engaged in illegal activity under state or local law

Terms and conditions:

- Community-wide SAC credits are subject to availability. The city reserves the right to allocate community-wide SAC credits for city projects before making excess credits available through the program. Applications will not be accepted during periods when no credits are available.
- Program funds are limited and shall be awarded to qualifying applicants on a first-come, first-serve basis at the city's discretion.
- The city retains full discretion to determine and limit the amount of SAC assistance awarded to any individual applicant to maximize the overall effectiveness and reach of the program. Nothing in this policy shall be construed as creating an obligation for the city to provide assistance to any business or property owner.
- This program is limited to non-residential uses; requests related to residential projects are ineligible and will not be reviewed.
- Requests seeking reimbursement for SACs that have already been paid are not eligible for consideration.
- Information submitted as part of an application will be considered public data, except for any data classified as nonpublic under Minnesota Statutes section 13.591.
- The City of St. Louis Park and its Economic Development Authority (EDA) will evaluate each application based on program eligibility criteria and reserve the right to approve or deny any application consistent with those requirements. Approved applicants must agree to indemnify and hold harmless the city, the EDA and their respective officials and representatives.

Application

Applicant information:

Business legal name: _____

(Name should be the officially registered name of the business entity.)

Business operating name (if different): _____

Type of business: _____

Permit number: _____

Business street address: _____

City: _____ State: _____ ZIP code: _____

Mailing address (if different): _____

City: _____ State: _____ ZIP code: _____

Phone number: _____ Email: _____

Business website (social media): _____

Individual completing the application:

Name (first and last): _____

Job title: _____

Street address: _____

City: _____ State: _____ ZIP code: _____

Phone number: _____ Email: _____

Optional: Is the business 51% or more owned or managed by any of the following? Check all that apply.

- ☐ Women-owned business
- ☐ Black, Indigenous, Person of Color (BIPOC)-owned business
- ☐ Asian American or Pacific Islanders (AAPI)-owned business
- ☐ Veteran-owned business
- ☐ Disabled-owned business
- ☐ LGBTQ+-owned business
- ☐ Do not wish to disclose

Business description:

Brief description of the business (product, hours, customers, clients, number of locations, etc.), industry type and brief history of business. Attach separate sheets if necessary.

Current and proposed business location:

Does the business currently lease or own the space in which it is currently located?

- ☐ Own ☐ Lease

Employment (include all W-2 employees):

Current number of full-time employees: _____

Current number of part-time employees: _____

Financial information:

Annual net earnings (or net income) last year: \$ _____

SAC Credits Requested

Net SAC credits due: _____

Number of Community-wide SAC credits applying for (up to 50% of net SAC credits due, 5 maximum): _____

SAC credits due from applicant: _____

Signature:

Name of authorized business representative: _____

Job title of authorized business representative: _____

Signature of authorized business representative: _____

Date: _____

Required Documentation:**The following documents must accompany an application for it to be deemed complete:**

- Proof of organizational documents including but not limited to articles of incorporation and bylaws, articles of organization and operating agreement or partnership agreement and certificate of partnership
- A copy of proposed lease or statement of lease terms, purchase agreement, property tax statement, or other documentation to show site control within the city
- Most recent federal tax return submitted for the business (with signature)
- Copy of SAC Determination Letter
- Other supporting documentation deemed necessary by the City of St. Louis Park to assist in understanding the applicant's situation

Application submittal:

Submit application and attachments to the program administrator by mail or email to:

St. Louis Park
Community Development Department
5005 Minnetonka Blvd.
St. Louis Park, MN 55416

Email: jpater@stlouisparkmn.gov

Questions: Jase Pater, Economic Development Specialist, 952.924.2518

Internal use only – To be completed by the program administrator

Date application received: _____

Net SAC credits due: _____

Community-wide SAC credits issued: _____

SAC credits due from applicant: _____

Approval date: _____

Program administrator signature: _____

Jase Pater, program administrator