

# Business Item 2018-15: 2016-2017 SAC Task Force Recommendations

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Metropolitan Council: March 21, 2018

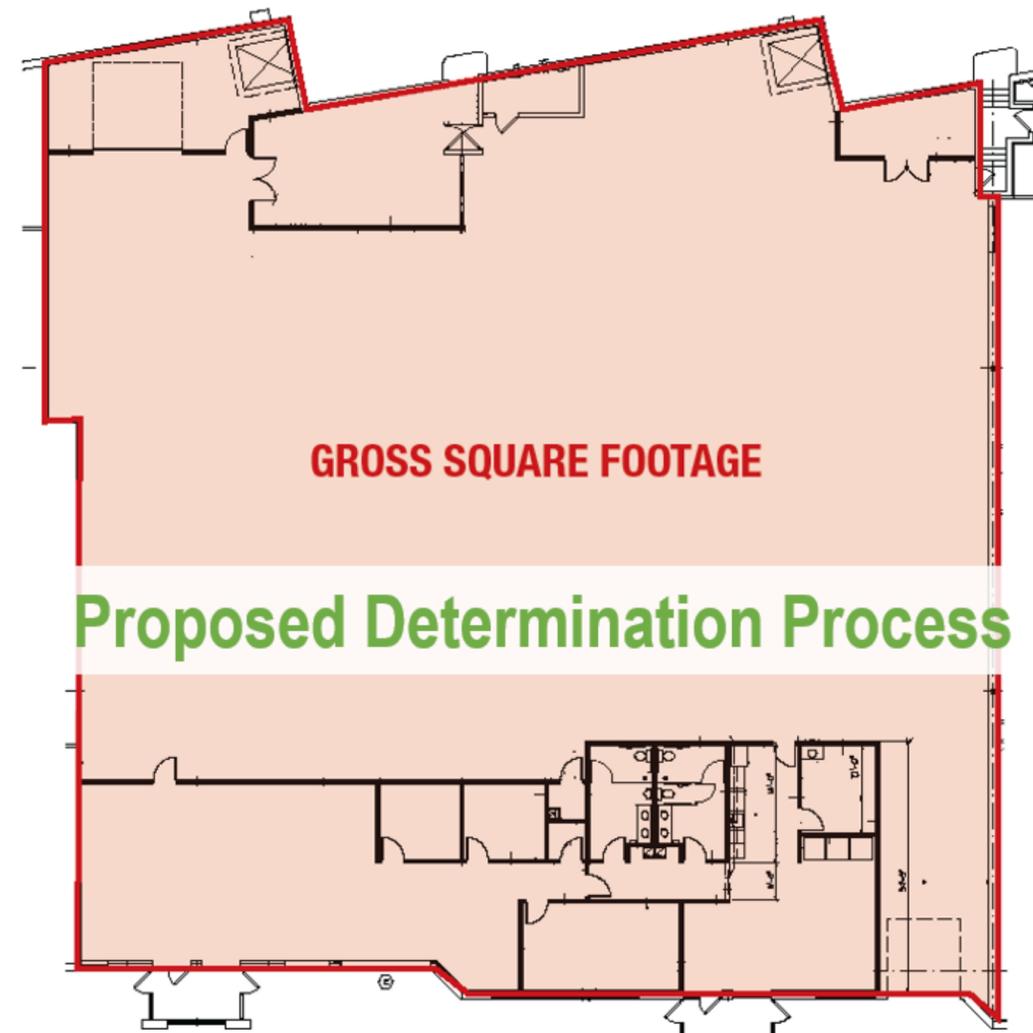
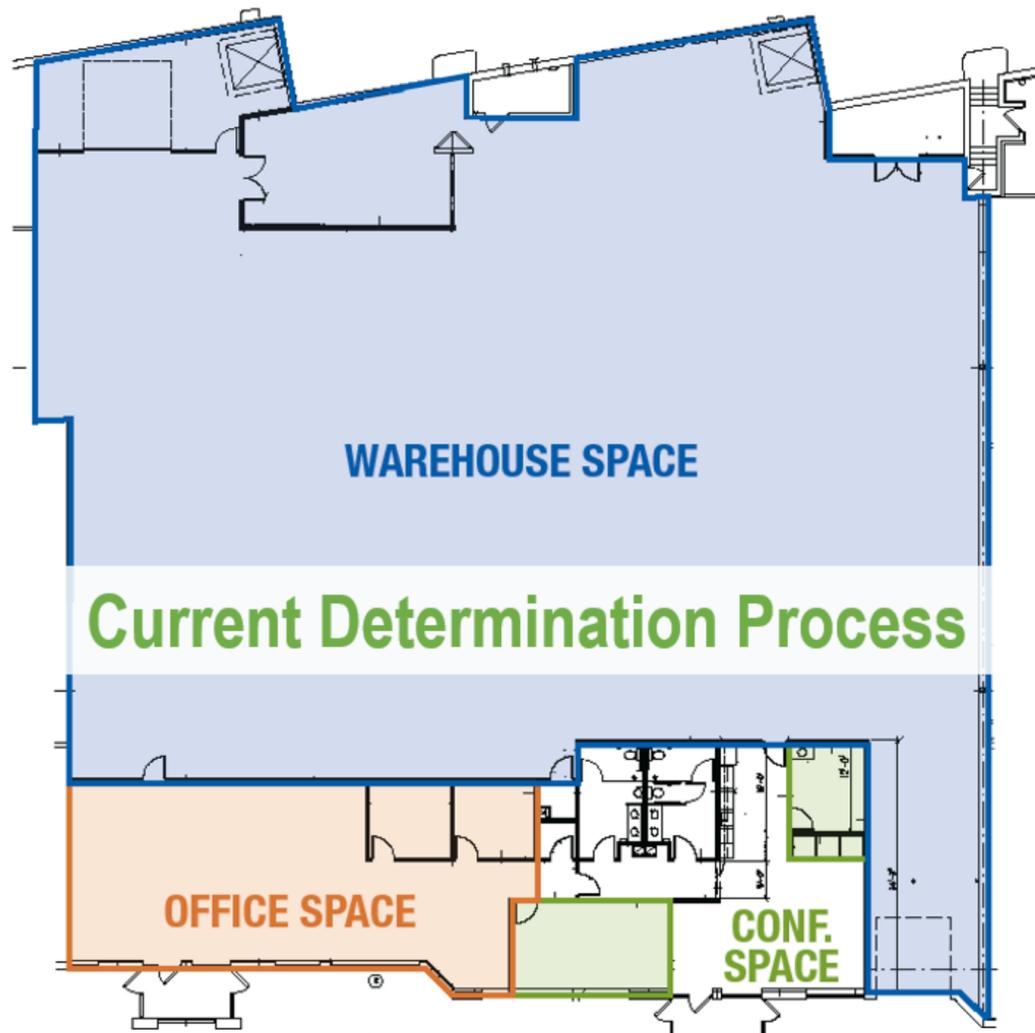


# 2016-2017 SAC Task Force

- Comprised of 14 representatives from customer communities and businesses, including Metro Cities
- Focused on reviewing:
  - Outdoor seating policy – *maintain but with higher “free” seats due to new determination process*
  - Options for manufactured homes – *maintain but monitor flow data and encourage grants*
  - Opportunities to simplify SAC Determination process
  - Opportunities to simplify SAC Credit process

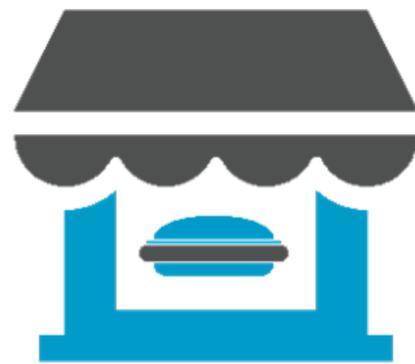
# SAC Determination Process

- Revise the SAC Determination process
  - Utilize **gross square feet** of tenant space versus net square feet of individual usage to calculate SAC
  - Combine certain categories to further simplify the process



# No-Change-of-Use Remodel Determinations

- Businesses that remodel without changing their use will face no additional SAC collection
  - MCES will need verify that no change of use has occurred by completing a SAC Determination
  - Renovations should have fewer “surprise” charges



**No SAC Due**

# SAC Credit process



- Current date for grandparent credit is January 1, 1973
- Recommend updating the grandparent date to **January 1, 2009**
  - If there is no record of a previous SAC determination, proof of usage prior to January 1, 2009 is all that is needed to establish the base credit
- Credits will be issued based on revised criteria

# Outreach Feedback

## Community Outreach (3 meetings, 92 attendees)

- “This will really simplify the process.”
- “This will be easier for staff and businesses to understand.”

## Business Outreach (4 meetings, 64 attendees)

- “I did not expect such a major change!”
- “It’s great you are working with customers to improve the process.”
- “I’m impressed [the outreach] was done as well as it was.”

## Senate Testimony (Committee on Local Governance)

- “You did a great job listening to your customers and changing the program to meet their needs.”

# Customer Impacts

- **This change has minimal impact to SAC revenue.** SAC rates should not go up in response to this change.
- 1 SAC unit (*old system*)  $\approx$  1 SAC unit (*new system*)
- First half of 2018 will be testing period and community training
- Final Task Force report to follow at a later date

# Thrive Lens Analysis

## Thrive Outcomes:

- Stewardship
- Prosperity

## Thrive Principles

- Collaboration
- Accountability

# Proposed Action

- That the Metropolitan Council approve the recommendations of the 2016-2017 SAC Task Force effective July 1, 2018, as detailed in the business item.