

Meeting Title: SAC Public Outreach Meeting

Date: October 26, 2017 Time: 1PM-3PM Location: League of MN Cities, St. Paul

Public Attendees:

- 1. David Fisher – Edina
- 2. Christopher Kearney – Hopkins
- 3. Roland Olson – Falcon Heights
- 4. Becca Nelson – New Brighton
- 5. Kyle Klatke (TF) – Brooklyn Park
- 6. Kerri Kindsvater – White Bear Lake
- 7. Steve Huser – Metro Cities
- 8. Mary Ubl – Minneapolis
- 9. Patty Murzyn – Minneapolis
- 10. Kevin Schmieg (TF) – Eden Prairie
- 11. Doug Borglund – Anoka
- 12. Ron Hedberg (TF) - Apple Valley
- 13. Jon Christenson – WSB & Associates
- 14. Steve Ubl (TF) – St. Paul
- 15. Dori Dufresne – St. Paul
- 16. John Skradski – St. Paul
- 17. Brian Hoffman (TF) – St. Louis Park
- 18. Loren Olson (TF) – Minneapolis
- 19. Roger Worm – Minneapolis – Southwest Business Association

Council staff in attendance: Ned Smith, Director of Finance & Revenue; Toni Janzig, SAC Technician; Sara Running, SAC Revenue Specialist; Jessie Nye, SAC Supervisor; Kyle Colvin, Manager of Engineering Programs

Item	Notes
1. Questions/comments	<p>Questions/comments regarding new determination process:</p> <p>C: My concern is this will be a lot of extra work for us (city) to find proof to have the records for the remodels. Another 100+ a month perhaps.</p> <p>A: We aren't changing that process of collecting information. Our intent is not to increase reporting requirements.</p> <p>Q: Is there a mixed-use category?</p> <p>A: Yes, there is a mixed-use category (ex for those that are 90% warehouse, 10% office or something similar).</p> <p>C: The Council has done almost all commercial determinations since 2009. Communities almost never do commercial determinations. So, they (the Council) have records probably since 2008.</p> <p>C: The way we are going to do it now is much simpler for everyone.</p> <p>Questions/comments regarding credits:</p> <p>Q: Will we update the grandparent date every 10 years?</p> <p>A: It is up to future Task Forces to decide the dates.</p> <p>Overall consensus: The changes were well received by the group. There were very few questions.</p>

Public Attendees:

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| <ol style="list-style-type: none"> 1. Chris Faste – Burnsville 2. George Dorn – Apple Valley 3. Ann Boettcher – St. Louis Park 4. Dave Skallet – St. Louis Park 5. Rick Regnier – Richfield 6. Mark Pistulka – Carver 7. Janet Ringberg – Prior Lake 8. Jake Foster – Lake Elmo 9. Scott Richardson – Woodbury 10. Rich Munson – Woodbury 11. Gene Abbott – Lakeville 12. Sharon Provos – Little Canada 13. Steve Westerhaus – Little Canada 14. Gary Hansen – Eagan 15. Jake Bosley – Apple Valley 16. Jay Scherer – Savage 17. Chris Kemper – Savage | <ol style="list-style-type: none"> 18. Sharon Nelson – Rosemount 19. Peggy Fleck – Eagan 20. Sarah Brandel – Eagan 21. Sue Miller – Farmington 22. Kari Gehler – Farmington 23. Jason Wedel – Prior Lake 24. Ron Hedberg (TF) – Apple Valley 25. Dale Schoeppner – Eagan 26. Karin Deraaf – North St. Paul 27. Rachel Graack – North St. Paul 28. Cynthia Govan – North St. Paul 29. Maureen Geier – Stillwater 30. Cindy Shilts – Stillwater 31. Tom Bakken – Hastings 32. Patty Nauman (TF) – Metro Cities 33. Wendy Wulff (TF) – Council Member |
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Council staff in attendance: Ned Smith, Director of Finance & Revenue; Cory McCullough, SAC Technician; Toni Janzig, SAC Technician; Sara Running, SAC Revenue Specialist; Kyle Colvin, Manager of Engineering Programs

Item	Notes
<ol style="list-style-type: none"> 1. Questions/comments 	<p><i>Questions/comments regarding new determination process:</i></p> <p>Q: Are you doing a determination on the entire business or the area we apply for? A: It would be on the entire business.</p> <p>Q: If there is office warehouse, and office is less than 10% then it's figured as a warehouse. Then a tenant moves into the office portion and it's 12%, will he have to pay for the increase in percentage? A: Any multi use tenants where the use is less than 10%, it's covered by the general overall use. If the old tenant came in that represented more than 10% office, then it would be a credit versus a new charge to the area. They would go from a single criteria use to a mixed use.</p> <p>C: Where the system gets better is within the mixed use, if you pay under that, we don't care where you move walls within that or add a shower if people bike to work. We won't charge for that.</p> <p>Q: Will the determinations for showers change at all? A: It depends on the use. Fitness is a single criterion, regardless of how many showers it had versus today we have 3 different criteria sets depending on the number of showers. In some cases, we would still charge for showers by fixture units or 1 SAC per shower. Showers can and will be charged in some cases.</p> <p>Q: Will apartment buildings stay the same?</p>

A: Yes. Same with hotels, nursing homes, hospital beds, etc.

Q: When will we have answers on manufactured homes (charges, direction we are going)?

A: Currently it's 1 charge for every unit. What we attempted to do with the Task Force and Equity Grant Program was look at the wastewater generation rates. Unfortunately, the data set was tainted by the park leaders telling people to run the water so the pipes don't freeze in the winter. We are currently working to develop new data.

Questions/comments regarding credits:

Q: Can you explain why you chose 2009 as the credit cutoff?

A: 2009 is when we started keeping all of our floor plans in our database, and keeping better records in general.

Q: Are you still keeping track of credits? Like if there are still credits on a property?

A: Yes, we are still keeping track of everything. You will still be getting a determination letter like always.

Overall consensus: The changes were well received by the group, especially the credit changes. There were only a few questions.

Public Attendees:

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| <ol style="list-style-type: none"> 1. Greg Sticha - Chanhassen 2. Roger Peitso - Orono 3. Anne Jacobson – Bloomington 4. Jessica Archer – Chanhassen 5. Chad Payment – Forest Lake 6. Tyson Jenkins – Plymouth 7. Kyle Klatke (TF) – Brooklyn Park 8. Mike Ericson – Brooklyn Center 9. Kevin Walsh – St. Paul Park 10. Brenda Ruth – Maple Grove 11. Joe Tomasetti – Crystal 12. Jon Haukaas – Blaine 13. Lane Braaten – Waconia 14. Scott McCarty – Victoria 15. Greg Lerud – Shorewood 16. Bernie Weber – New Hope 17. Jenny Baine – Andover 18. LeAnn Larson – Osseo 19. Nancy Abts – Osseo 20. Angelica Klebsch – Brooklyn Park | <ol style="list-style-type: none"> 21. Jeff Thomson – Wayzata 22. Jason Wagner – Wayzata 23. Jeanette Brit-Kama – Brooklyn Park 24. Mike Morehouse – Bloomington 25. Joe Kauth – Golden Valley 26. Shannon Dietrich – Golden Valley 27. Corey Murphy – Golden Valley 28. Merrill King (TF) – Minnetonka 29. Jesse Anderson – Brooklyn Center 30. Dan Grinsteinner – Brooklyn Center 31. Charlie Vander Aarde – Metro Cities 32. Jim Kosluchar – Fridley 33. Fred Patch – Andover 34. Eric Wharton – Bloomington 35. Ann Houske-Jacklitch - Maple Grove 36. Rhonda McDonald – Blaine 37. Dan Hauck – Blaine 38. Shelley Hanson – Columbia Heights 39. Joy Lang – Coon Rapids 40. George Selman - Robbinsdale |
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Council staff in attendance: Ned Smith, Director of Finance & Revenue; Jessie Nye, SAC Supervisor, Cory McCullough, SAC Technician; Toni Janzig, SAC Technician; Sara Running, SAC Revenue Specialist; Kyle Colvin, Manager of Engineering Programs

Item	Notes
1. Questions/comments	<p>Questions/comments regarding new determination process:</p> <p>Q: Does anyone pay for restrooms in the strip mall? Answer: Yes, on the original spec building.</p> <p>Q: Do you still need a determination for no change of use? A: Yes, so we have record of the remodel.</p> <p>Q: When does the change take place? A: July 2018.</p> <p>Q: Does a mixed-use office/warehouse building include meeting rooms? A: Yes.</p> <p>Q: Can you explain the 10% threshold? A: Per building code, accessory use is 10% of the main use and not material to the majority use of the building.</p> <p>Q: Are you simplifying this process because you want the city to do more determinations? A: No that is not our goal. If cities want to do them, it would be easier to understand. Our goal was to be fair but easier to understand.</p>

	<p>C: A positive change.</p> <p>Questions/comments regarding credits:</p> <p>Q: When a remodel project has net credits, do they stay site-specific or can the city take them city-wide?</p> <p>A: There is no talk of changing the current rules. If SAC was paid to MCES originally and the project remodel results in a net credit, those can be taken city-wide or left site-specific. Must be taken at time of permit issuance. Otherwise left site-specific.</p> <p>Other:</p> <p>C: When I volunteered for the Task Force I was apprehensive and had a sort of personal axe to grind, but they (the Council) have been very transparent throughout this entire process.</p> <p>C: The changes will clarify determinations. One struggle we have is giving developers an estimate for their projects.</p> <p>A: We do have an estimator tool on our website that could help with that.</p> <p>Q: What will community training consist of?</p> <p>A: Similar to what we did for the 2010 SAC rule changes, 5-10 smaller group sessions that we will ask individual cities to host. We will come out to explain more details of the changes and provide various examples.</p> <p>Overall consensus: The changes were well received by the group, with few questions.</p>
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Date: November 29, 2017 Time: 2:30PM-4PM Location: Minneapolis Business Advisory Group, US Bank, Minneapolis

Public Attendees:

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| <ul style="list-style-type: none"> 1. Nick Wolff - MEDA 2. Adam Borgen – Warehouse Downtown Business Association 3. Joanne Kaufman – Warehouse Downtown Business Association 4. Roger Worm – South West Business Association 5. Jessica Reinhardt – South West Business Association | <ul style="list-style-type: none"> 6. Allison Sharkey – Lake Street Council 7. Loren Olsen – City of Minneapolis 8. Ruth Romano – Longfellow Business Association 9. Dan Collison –East Town Business Association 10. Rebecca Parnell – City of Minneapolis 11. Linda Roberts – City of Minneapolis |
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Council Members & staff in attendance: Cara Letofsky, Council Member; Ned Smith, Director of Finance & Revenue; Kyle Colvin, Manager of Engineering Programs; Jessie Nye, SAC Supervisor; Jeanne Landkamer, Principal Communications Specialist

Item	Notes
1. Questions/comments	<p><i>Questions/comments regarding new determination process:</i></p> <p>Q: Venues are afraid that converting to street café that they will have to pay SAC. Will they have to pay? Answer from City Minneapolis: Any change will trigger a SAC review.</p> <p>Q: City gives a permit and 5 years later they expand and find out City didn't pay SAC. What responsibility does the City have? Answer from City Minneapolis: I don't have an answer for you. Valid question; did we fail to do something? C: Yes, you did. Answer from City: Raises a question on what the consequences are. I need to discuss with others.</p> <p>C: It gets complicated when there are different addresses to the building. Answer from City: Record keeping is more accessible and it is changing.</p> <p>Q: First 39 seats are free then 25% charge for those above 39 seats? Answer from City: SAC in whole numbers. Not a portion.</p> <p>Q: A business adds 2 seats outside, does this trigger a review and pay SAC? Answer: No. Will discuss further on next slide.</p> <p>Q: Is it based on seating or square feet? Answer from MCES: On gross square feet.</p> <p>Q: How are we going to show the gross square feet didn't change? A: City can provide plans or sign off saying the square feet is the same. City should have permit if it expanded.</p> <p>Q: Adding outdoor seats to a café, need a plan? A: Yes, still need a plan.</p>

Questions/comments regarding credits:

Q: What happens if we made changes after 2009 and don't have money to pay for missed SAC charges.

A: We charge the historic rate. We also have a deferral program that charges our interest rate (currently around 3.2%).

Other:

Q: If we open a coffee shop, is there an estimator tool?

A: For current rules there is one online.

Comment from City: I heard the tool is always wrong.

A: First we ever heard that. Comments have been favorable. (Discovered later that she was referring to one the City had in 2006, not current Estimator Tool.)

Q: Is there space online for the appeal process?

A: Can look into it.

Q: With the 3000 records, were there any winners or losers?

A: Looked for correlation of 80% or greater and removed outliers.

Q: If there is an outlier for a business, is there an appeal process?

A: We will review those individually.

C: We had winners and losers before, still have them now.

C: Can we get a small one page, not front and back, of the 10 most important things with this change?

C: These changes go far in reducing triggers. These have more impact than I expected.

Q: How much SAC do you take in?

A: Around \$40 million.

Q: And it is used to reline pipes?

A: Some rehabilitation and maintenance. Not part of operating budget.

C: Challenge is we don't ask for gross square feet of a tenant space, just public area. Historical data may have conflict.

Q: Who keeps the data?

Answer from MCES: Both city and MCES keeps the data.

C: Room for better transparency on appeal process. Some owners are savvy and others aren't and either pay or don't open.

Overall consensus: The changes were well received by the group, with few questions.

Public Attendees:

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| 1. Steve Ubl – City of St Paul | 9. Tom McCarthy |
| 2. Ricardo Cervantes – City of St Paul | 10. John Wolf |
| 3. Robert Humphrey – City of St Paul | 11. Jonathan Sage-Martinson |
| 4. Paul McGInley | 12. Ross Haddow |
| 5. Tonya Bauer | 13. Danette Parr |
| 6. Marie Ellis | 14. Anne Hunt |
| 7. Cushmeer Haines | 15. Kurt Schultz |
| 8. Brianne Hamm | |

Council Members & staff in attendance: Ned Smith, Director of Finance & Revenue; Kyle Colvin, Manager of Engineering Programs; Jessie Nye, SAC Supervisor

Item	Notes
1. Questions/comments	<p>Questions/comments regarding new determination process:</p> <p>Q: Is 900 sq. ft. the new standard of combination use (daycare and office) or will that fluctuate?</p> <p>A: Generally, will be 900 sq. ft. There is a 10% threshold for incidental use. If it goes over, could have more then one criteria on determination letter.</p> <p>Q: Does the determination criteria use zoning code?</p> <p>A: Based on SAC manual criteria which is similar to code.</p> <p>Other:</p> <p>Ct: This is a profound change for clients walking into Department of Safety and Inspections. Simpler to do and easier to understand.</p> <p>Q: Does the website have what we have here?</p> <p>A: Yes, there is a link to the Task Force page that has the documents.</p> <p>C: We have lived through awareness which resulted in great changes. We are a pass through. We do estimates to help but it is complicated. This will be easier. We have historical data and have used it as a resource to reduce SAC. We have been doing a better job of making people aware of SAC and help with their understanding.</p> <p>Q: Grand Avenue had a remodel in the 90s or 2000s and my group had a big hate for SAC. The answers given previously weren't solid. It has turned around a lot in the last 10 years. Customer service is much, much better.</p> <p>Q: Will we hear what the results might be (with the 6-month study comparison)?</p> <p>A: Yes, but if something is wrong, we will fix it.</p> <p>Comment: I want to be able to promote this.</p> <p>Q: Have you had any media coverage?</p> <p>A: Not yet. Eric Roper with Star Tribune is waiting for it to be final.</p>

Q: Communities charge SAC or do they pass through and charge to site? Do communities see this money.

A: MCES SAC is a pass through. But we put the money back into the city with the investments in the capital program. A lot of cities charge a local SAC that is just for them.

Overall consensus: The changes were well received by the group, with few questions.

Date: December 18, 2017 Time: 10AM-11AM Location: MN Shopping Center Association, Bloomington

Public Attendees (Host did not want to share actual names of attendees, only company):

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| 1. Sunrise Banks | 15. MSCA |
| 2. Colliers International | 16. Colliers International |
| 3. Westwood Professional Services | 17. Sullivan Day Construction |
| 4. The Opus Group | 18. Cushman & Wakefield |
| 5. Christianson & Company | 19. Klein Bank |
| 6. Diehl and Partners, LLC | 20. MSCA |
| 7. Faegre Baker Daniels LLP | 21. Stonewood Properties |
| 8. Mid-America Real estate – MN, LLC | 22. Ess Brothers and Sons, Inc. |
| 9. Cushman & Wakefield | 23. Monroe Moxness Berg |
| 10. Caribou Coffee | 24. Kimley-Horn |
| 11. Cushman & Wakefield | 25. Mid-America Real Estate – MN, LLC |
| 12. Mulligan & Bjornnes, PLLP | 26. Kraus-Anderson Companies |
| 13. Faegre Baker Daniels LLP | 27. Equity Property Group, LLC |
| 14. Cushman & Wakefield | |

Council Members & staff in attendance: Ned Smith, Director of Finance & Revenue; Kyle Colvin, Manager of Engineering Programs; Jessie Nye, SAC Supervisor; Brooke Bordson, Senior Project Coordinator

Item	Notes
1. Questions/comments	<p><i>Questions/comments regarding new determination process:</i></p> <p>Q: How do you determine the test site? Answer: Do the determination both ways for every site (modified answer is that the complicated categories will get a determination, but simple straightforward determinations will not get both determinations).</p> <p>Q: Will I get a copy? A: No, will that be helpful? Reply: Yes A: We will make a note (modified that it will be too complicated and confusing to send out two determinations for every project, people can email reviewer if they want to know what the proposed rules would be).</p> <p>Q: With the old way, how will max capacity change? A: If the configuration changed.</p> <p>Q: What is considered a change of use? A: When something changes to the business, or if SAC use is different. Our SAC Manual lists the criteria.</p> <p>Q: If the gross square feet is same use and doesn't change, shouldn't owe SAC? A: Correct.</p> <p>Q: What if we have an office, warehouse, meeting space project; what is the criteria now?</p>

A: If primary use of the building is a single use, like office, the whole building is charged one category. If more than 10% incidental use, it would be a combined "Mixed Use" category.

Questions/comments regarding credits:

Q: Who needs to prove the use?

A: Technically the City since that is who we technically charge. But more than likely you will need to prove the proof to the City or to us for your determination.

Q: Retail added a 5000 square foot shell, now turns into a grocery store. Does the SAC stay on site?

A: Yes, the SAC stays there. Doesn't move with the owner.

Q: In a shopping center can you move site credits between different suites?

A: If we have it recorded as a site-specific credit, yes. Depending on the size of the building and if it has different addresses, we may not catch that there are site-specific credits on there. Rely on city or owner to remind us or have us check if you think one is there.

Q: With grandparent credits, do we assume all credits are paid?

A: Now we will treat like they are paid if they were there prior to 2009.

Q: Should we find out what the credit is on site?

A: Yes, you should do due diligence. Just like you do when checking if your electrical, plumbing or mechanical are up to code. You can email us and ask us what we have.

Q: With a current speculative office/warehouse where SAC fees are paid on the 30%/70%, do credits stay with MCES?

A: Currently when a speculative building comes in we charge it at 30% office and 70% warehouse. Then when businesses move in they need to get a determination and we charge them for their use and credit them at the 30/70. With the proposed rules we have a Mixed-Use category that replaces those spec buildings and as long as it stays the same mixed use and doesn't become 90% or more of a single use, the same category applies.

Q: Current proposal of credits versus the previous grandparent credit, does that affect the charge?

A: It will affect the credits. We figure out what is there and charge as if it were a brand new building, then we look up credits and apply them. Before we had to prove the use prior to 1973, now only prove prior to 2009.

Q: Does SAC expire?

A: No.

Q: There is a gray area with vacant properties; doesn't it reset after 1 year of vacancy?

A: No SAC stays on site. Local city credit rules may change and some have a sunset policy where they don't pass through MCES credits to the business.

	<p>You need to find out directly from the city what their SAC and credit rules are.</p> <p>Q: Who is the authority on the sunset credits? A: The city, we can't control what they do. Maybe their city council can.</p> <p>Q: Can the landlord pay SAC to keep it active? A: We don't know how the city handles those.</p> <p>Other:</p> <p>Q: If we move a restaurant location in the same town so they have the same number of restaurants, why do we charge SAC? A: It could be a different interceptor or even a different treatment plant. In a perfect world we could look at where it flows but that would take a lot of time.</p> <p>Q: How many people do you have in the office in SAC? A: Five staff that includes a temp. Toni and Cory do the determination letters. Sara is the router/mailbox.</p> <p>Q: Where do cities spend the money they collect? Was any suggestion made on changing local SAC rates? A: They've built sewers and need to pay for them too. Local SAC rates were not brought up at this task force.</p> <p>Q: There is a big project off of 35W and 32nd. Do we have a lot of big projects like that? A: That specific one might be a city project. Most of our projects are rehabilitation. We have some in Minneapolis but not in that area.</p> <p>Q: Will review time increase when we do both way determinations? A: Yes.</p> <p>Q: Is there a typical time of year when the backlog increases? When development is busy or when staff go on vacation.</p> <p>Overall consensus: The changes were well received by the group, with few questions.</p>
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Public Attendees:

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|---|--|
| <ol style="list-style-type: none"> 1. Loren Olsen, City of Minneapolis 2. Mary Ubl, City of Minneapolis 3. Patty Murzyn, City of Minneapolis 4. Katrina Kessler, City of Minneapolis 5. Suzanne Murphy, City Council Johnson Office 6. Donna Sanders, Neighborhood Development Center | <ol style="list-style-type: none"> 7. ZoeAna Martinez, Lake Street Council 8. Daryl Johnson, Giant Wash Coin Laundry 9. Andy Papacosta, Gandhi Mahal 10. Ricardo Hernandez, La Michoacana Purepecha 11. Jasmine Martinez, La Michoacana Purepecha |
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Council Members & staff in attendance: Cara Letofsky, Council Member; Ned Smith, Director of Finance & Revenue; Kyle Colvin, Manager of Engineering Programs; Jessie Nye, SAC Supervisor; Jeanne Landkamer, Principal Communications Specialist

Item	Notes
<p>1. Questions/comments</p>	<p><i>Questions/comments regarding new determination process:</i> Q: Does the new restaurant criteria include charging the kitchen? A: Yes. Q: If we have a 1000 square foot restaurant and paid for 500 square feet of dining, would we need to pay for the other half of the square feet? A: No. Old charge and the new charge are the same since the square footage criteria doubled. This is just simpler to do. Q: If we own a restaurant and leave and a new owner comes in, they won't have an increase in SAC? A: Not if the footprint is the same and we have record of the restaurant. Q: Those outliers are different uses (on the New Determination Process – Change of Use slide)? A: Yes. Restaurants analyzed were pretty consistent. Schools didn't have a lot of data sets so they weren't as close, and had more outliers. Q: When is the trial period of doing both determinations? A: Now through July 1st. Q: And it is to figure out changes? A: It is to figure out the wild crazies and fix the criteria if needed. Q: The only way it changes is if the use changes? A: Not necessarily. It depends on what records we have for the previous use. Q: Is the trial period only doing those that change use? A: No, we are doing all determinations both ways. Q: Are we only doing those that are outliers? Or are we looking into the outliers? A: We are doing all determinations both ways. Q: During the trial period we still pay under the current rules? A: Yes</p>

Q: If a patio comes in July 1st they would pay under the new rules?

A: Yes, but the new rules will help you.

Q: If schools are the outliers, are we engaging Minneapolis Public Schools?

A: No, we haven't reached out to them directly about this. They really aren't building new schools.

Questions/comments regarding credits:

Q: There are not a lot of schools being built but they are being repurposed. Would we charge SAC if a school that hasn't been used recently and a charter school is going in?

A: We will look at what the credits are and what it was.

Q: Non-Confirming Continuous Use starts at what date? If there something was there in 1965 and same use but new owner 40 years later do they owe?

A: If they don't change the footprint no SAC is due. Pre-1973 is grandparent credit, non-conforming continuous use starts 10 years prior to current SAC application.

Q: Gathering proof of past credit is challenging.

A: Yes. A grandparent date change to 2009 should be easier.

Other:

Q: We heard being able to connect with someone at Met Council is difficult. Small business owners want to talk to someone.

A: We have staff that are fully trained, but we are not always able to answer all calls. The business owner needs to leave a voicemail to get a call back. We hear a lot that people call, and no one is returning their call but then we look at the call log and can't find that they left a voicemail.

C: It is not in their culture to leave voicemails. They want talk to a person.

A: If people leave their name and number we call people back. We have also gotten voicemails from people that just say, "Hi it's Bob call me back" but no other details are left. We can't call those people back without a number to contact them with. An address is also helpful.

Q: Does it say on the website they should leave a voicemail?

A: No but we should. We will update the site.

Q: Can the phone tree should too?

A: We have a general phone number that has answers to the common questions and if they have more questions we state for them to leave a message.

Q: Can people send an email?

A: Yes we have a general SAC program email address that is staffed by multiple people.

A: Also if the question is about a current or past project the question is triaged and goes to the person who worked on the project.

Q: I understand the need for SAC and the gross square foot vs. net. I work a lot with startup food businesses. SAC is a deal breaker. Minneapolis has a

payment plan, though not sure of the details, but many cities do not. Startup shouldn't be for the rich and SAC shouldn't crush people's dreams. We need to do better to make it affordable. Maybe turn into a monthly utility payment. It is grossly unfair. I have people that own their own business and had people come up and ask how did this happen. They don't understand SAC.

A: Minneapolis has a SAC deferral program that businesses pay 30% upfront and pay over 10 years. The interest rate is under 3%. If SAC is not paid it is assessed to the property.

A: St Paul and Hopkins don't have it. The property owner benefits. There are some good landlords.

A: You can think of SAC like a leasehold improvement. We encourage business owners to negotiate with the property owners and find out fees before they sign the lease. Our SAC fees pay 30% of the debt and 15% of our annual operate expense. This helps keep our monthly wastewater charges 40% less than the national average. Our flow charges are 40% less than the national average.

Q: (Minneapolis) businesses pay 30% down and then pay monthly?

A: They pay two times a year.

Q: What if the business closes?

A: We only collect until the restaurant closes. We work with business licensing to find out when that was.

C: You don't get your upfront money back though. You are out of luck.

A: No, but the property keeps the paid SAC.

Q: Do you have any agreements with landlord's other businesses can use?

A: No. Just the application form where we ask the property owner to sign off.

C: It might be helpful to have.

Q: The good landlords pay 50% of the fees and the business owner pays 50% of the fees. The bad ones dump it all on the business owner.

A: That is why we encourage them not to sign until after fees are determined. It doesn't cost any money to ask.

C: A lot of immigrant business owners don't have SAC in their country, so it is too late. They already signed.

Q: Do you have suggestions on how to get the word out to share with them?

Q: Can we talk to the cities that don't do the deferral?

A: It is available to all cities. They need their Council approval to participate. We will develop a city outreach program.

Q: (Asking to the group) Are these changes going to make this easier?

A: Yes.

Q: Do you have any ideas to manage the SAC surprise?

A: This is much simpler.

A: This is a lot cleaner, but people will be frustrated if their SAC goes up.

Q: Are there any comments from the coin laundry?

A: Not a question. Credits seem easier to prove. SAC can be a barrier to some businesses, but makes the successful businesses worth more. We have to be careful with people that are already in. If we make it easier for everyone to open, then it will make the existing businesses worth less.
A: We have the infrastructure ready to go. If we take SAC away the monthly sewer bill goes up 20%.

C: A 4000 square foot laundromat is worth around \$1 million. I wouldn't mind having it protected. It will hurt it if we make it easy for everyone to do it. We have to consider that. I appreciate the approach. I am shocked this was done as well and thought through as much as it was. I'm impressed it was done as well as it was.

Q: It is still an obscene amount of money to open a restaurant.

A: I am not saying it shouldn't be easier. But to be fair to those that already paid, we need to be consistent.

A: SAC collections have been higher than our debt bill recently and reserve balance has increased. We don't want to drop rates as a guy who opened last year that paid \$2500 and next year guy only pays \$1000, he will be upset so we intend to keep SAC flat through at least 2020.

Q: Any determination changes with laundromats?

A: We tried but there was zero correlation of SAC vs. gross square feet.

Q: What is laundromats under?

A: Laundromats are fixture (machines) and use criteria, and will not change. The list of criteria is only 2/3 of our existing criteria.

Overall consensus: The changes were well received by the group.