



2016-2017 SAC TASK FORCE RECOMMENDATIONS



WHO is the SAC Task Force?

The 2016-2017 SAC Task Force has 14 representatives from MCES customer communities and small business groups throughout the region, advising the Metropolitan Council on how to improve the SAC process. We anticipate the recommendations below to be rolled out in the second half of 2018. Visit metrocouncil.org/SACprogram for more information.

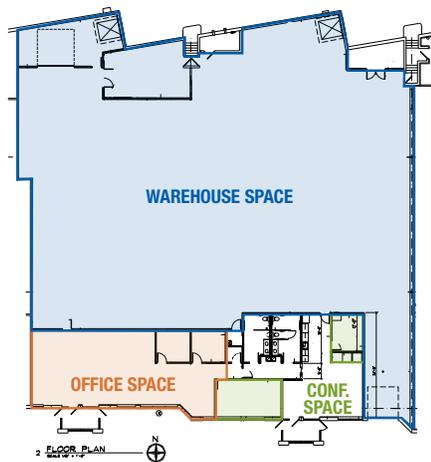
WHAT are the recommendations?

Keep outdoor seating policy, but increase free seats

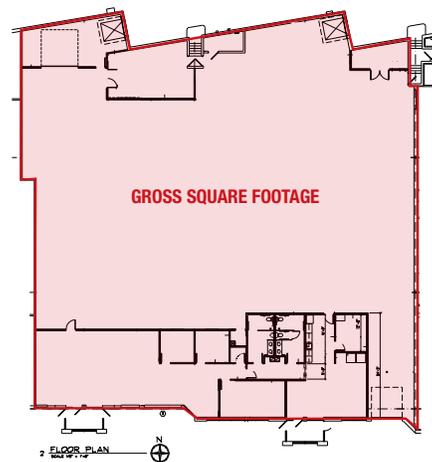
Outdoor seating at restaurants currently receives a 75% discount. The task force agreed the current policy is appropriate. However, in simplifying how SAC is determined, restaurants will receive twice the amount of “free” outdoor capacity—up to 593 gross square feet (typically around 39 seats)—a real benefit to small businesses.

Change the SAC determination process

Currently, we make determinations by usage or category (for example, restaurant or warehouse). This will continue, but the task force recommends utilizing **gross square feet** of tenant space versus net square feet of individual uses for calculating SAC.



Current Determination Process



Proposed Determination Process

This change would primarily impact categories that are currently based on square-foot criteria. For example, an office space that previously had a “meeting area” square-foot rate and an “office area” square-foot rate would instead have one new gross-square-foot rate. This would typically result in the same SAC unit determination but would not require detailed usage information.

In addition, some categories would be combined (e.g., school/learn centers; vehicle services; salons; food and drink establishments). Additional details about these categories can be requested from the SAC Team.

1 SAC Unit (old system) ≈ 1 SAC Unit (new system)



Eliminate SAC for remodels with no change of use

The task force also recommended eliminating SAC collection for remodels that result in no change of use unless the size of the floorplan grows. While MCES will need to verify that no change of use occurred, no collection will be required for a same-size business remodel, which should make renovations easier to move forward.



Update the SAC credit process

The task force also recommended updating our SAC credit process by changing the “grandparent date” from Jan. 1, 1973 to Jan. 1, 2009. What’s the result? If a business requests a determination and there is no record of a prior SAC determination, the business will only need to provide proof of usage as of Jan. 1, 2009, to receive SAC credits.



Continue grants for manufactured homes

As manufactured homes convert from local septic systems to the metro sewer system, each home is required to pay a SAC unit, which can be a financial burden for low-income households. The task force agreed the Council should continue monitoring this situation and provide grants to mitigate financial burden, rather than changing policy to provide a discount.

WHY are we doing this?

Our SAC customers asked for changes. The task force’s recommendations will make SAC determinations easier to complete, more understandable for the applicant and customer community, and result in a faster turnaround for you.

HOW does this impact you?

- Determinations will be easier, faster, and more straightforward under the new gross-square-foot process.
- SAC determinations on remodels with no change of use will have fewer “surprise” charges.
- The credit process will be simpler for applicants, businesses, and customer communities.
- This change has minimal impact on SAC revenue. SAC rates should not go up in response to this change.

WHEN does this take effect?

Anticipated rollout is the **second half of 2018**, after reviewing feedback and outreach to businesses and our customer communities.



Questions?

If you have questions about this program, or would like additional information, please contact MCES Finance Director Ned Smith (ned.smith@metc.state.mn.us), or the SAC Team (SACprogram@metc.state.mn.us). Additional information can also be found at metro council.org/SACprogram.