



## Sewer Availability Charge Deferral Program

Metropolitan Council Environment Services (MCES) approved a Sewer Availability Charge (SAC) Deferral Program in January 2013 for small businesses. MCES later expanded the program to include medium size businesses. The program allows for the deferment of SAC fees for businesses with an aggregate SAC determination of twenty-five (25) SAC units or less prior to SAC credits being applied. In August 2016, the City renegotiated the master loan agreement with MCES to include medium size businesses and extend the deferment period from five (5) to ten (10) years.

### Deferral Structure:

The structure of the deferral includes, but is not limited to, the following provisions:

1. The aggregate SAC determination for the business is twenty-five (25) SAC units or less prior to SAC credits.
2. The deferral amount is seventy percent (70%) of the SAC fee.
3. The deferment term is ten (10) years.
4. A “SAC Deferral Program Application” will be executed between the eligible business and property owner(s).
5. Each deferment will have payment dates of June 30 and December 31.
6. The City will mail payment notifications to the business owner.
7. Interest rate will be determined by Metropolitan Council.
8. Any outstanding payments will be assessed to the property.
9. The property must be located within the City of Minneapolis.

### Sample Schedule:

Below is a sample payment schedule, assuming an eligible business has an aggregate SAC determination of three (3) units, before credits. Under the terms of the agreement with the City of Minneapolis, the business owner shall pay to the City an initial payment of \$2,236.50 at the time of building permit or business license issuance. The remaining deferral payments of \$5,218.50 will be repaid at an interest rate determined by Metropolitan Council over a ten (10) year period of time.

Fee	Calculation (2016 rate)	Total Amount Due	Payable with Permit or License (30%)	Deferred Over 10-year Term (plus interest)
SAC Fee	3 SAC units x \$2,485 per unit	\$7,455.00	\$2,236.50	\$5,218.50

If you have any questions or would like to receive an application for the Metropolitan Council SAC Deferral Program, please contact a Development Coordinator at [development@minneapolismn.gov](mailto:development@minneapolismn.gov) or call 311 or 612-673-3000.