

5.7 SAC CREDIT TRANSFER

A SAC Credit Transfer allows a transfer of SAC credits between local governments and between sites within a local government for substantial statewide economic development opportunities.

5.7.1 Requirements for a Transfer

SAC Credit Transfers are allowed (as of the date of Council action) in situations where:

- The request originates either from the Local Government unit or from the Department of Employee and Economic Development (DEED) for businesses DEED determines would make a significant statewide economic impact if the business left the state, (It is expected that if DEED initiates the request they will contact representatives of the Local Government unit which will lose the business prior to, or as part of initial discussions, with the company proposing to move and/or the city where the transferred credits may end up.)
- The transferring entity is a: 1) standard Permitted Industrial User of MCES (not including liquid waste haulers, special discharge permittees or general permittees) or 2) any other entity served by the Metropolitan Disposal (sewer) System where at least 50 full-time equivalent (FTE) jobs are currently located on the site to be moved, (*A definition of FTE will be added to the full SAC Procedure Manual*),
- The entity moving is not a service or retail company (retail businesses include, but are not limited to: retail shopping stores, restaurants, salon/spas, and repair shops),
- The owner of the business or entity being moved is the property owner of the existing site, (or has the written consent of the property owner for the credit transfer),
- MCES reviews and approves the availability of capacity in conveyance (lift stations and interceptor pipes) and treatment facilities for the new site, **and**
- Written approval from each Local Government Unit involved has been received by MCES on approved forms.

5.7.2 Determination of Credits Available to Transfer

The number of credits that may be transferred is at the discretion of the Local Government Unit representing the existing site of the business or entity, but limited to the amount potentially available at that site. There is a minimum of one SAC unit per building that must be left at the current site. If all buildings will be demolished as part of this Credit Transfer, this minimum requirement does not apply.

5.7.2.1 Campus Credits

The allocation of SAC units between buildings that will be retained for those businesses or entities that are considered campuses for SAC purposes is at the reasonable discretion of MCES.

5.7.2.2 Permitted Industrial Users

For those industries permitted by MCES, until 2010 the only credits available to transfer are the SAC grandparent values and actual SAC paid. After 2010, the new rules for potential SAC credit availability apply. Any baseline or modified baseline values above grandparent SAC and actual SAC paid do *not* transfer.

5.7.2.3 Credit Balances from other Local Government Units

Any Local Government Unit that has a city-wide credit balance must use those credits to offset the current charges on their SAC monthly report. However, surplus booked city-wide credits are available to be transferred to another Local Government Unit as part of a SAC Credit Transfer if all of the requirements of section 5.7.1 are met.

5.7.3 Implementation of a Credit Transfer

5.7.3.1 Timing

SAC Credit transfers occur at the point of execution of the required documents by all parties. MCES will notify all parties when this is complete. Once the credit transfer occurs these credits become the reserved capacity for the Local Government Unit on the future site for the business or entity.

Once 1) the SAC Credit Transfer has occurred and 2) the MCES determination letter for the new site has been issued, the business or entity has up to 7 years from the date of the determination letter to complete the project. If the project doesn't occur within the 7-year period, the transferred credits are lost.

5.7.3.2 Revocability

If either a building permit for the new site has been issued *or* if a new use has been established on the old site (the existing site before the transfer), the credit transfer is irreversible and irrevocable. Up to that point in time the credit transfer may be reversed with the agreement of all local governments.

5.7.3.3 Use of Credits after the Transfer

Once the SAC Credit Transfer has occurred, the credits are required to stay site-specific. These units will be available only to offset SAC charges for the property related to the business or entity moving to the site and only for the facilities built at the time of the move.

For permitted industrial users, SAC Credit Transfer units are limited to the amount needed on the future site for the new use that will be determined at the next MCES flow review. The review will determine how many additional SAC, if any, are required for the permitted user's maximum discharge.

5.7.3.4 Local Government Unit Reporting

The Local Government Unit at the future site is the responsible party for reporting the SAC Credit Transfer on the monthly reports. Once the type of local permit as stated on the MCES Credit Transfer – C2 form has been issued, the Local Government Unit is required to report the credit transfer on the next monthly SAC report to MCES. SAC Credits transferred may only be applied up to the amount needed on the new site for the new use.

5.7.4 SAC Credit Transfer Forms

5.7.4.1 Form MCES Credit Transfer – A: DEED Checklist

“MCES Credit Transfer – A” is a checklist for the Department of Employee and Economic Development that includes the minimum requirements for a SAC Credit Transfer.

5.7.4.2 Form MCES Credit Transfer – B: Submittal List

“MCES Credit Transfer – B” is a submittal list for the business or entity wishing to transfer available credits to a new location. The legal owner must sign and date this form.

5.7.4.3 Form MCES Credit Transfer – C1: Local Government Form for the current site

“MCES Credit Transfer – C1” is an approval form for the Local Government Unit representing the current site. This form states the number of credits that will be transferred. Only the Local Government Unit Finance Director or City Manager has the authority to sign this form.

5.7.4.4 Form MCES Credit Transfer – C2: Local Government Form for the new site

“MCES Credit Transfer – C2” is an approval form for the Local Government Unit representing the new site. This form states what type of local permit will be issued to activate the SAC determination on the new site. Only the Local Government Unit Finance Director or City Manager has the authority to sign this form.

SAC CREDIT TRANSFER

Department of Employee and Economic Development (DEED) Checklist

Business Name:		
Business Owner:		
Current-Site Address:	Street	City
Future-Site Address:	Street	City

QUESTIONS:

1. ____ **Is this a Permitted Industry Through MCES' Industrial Waste Division?**
 No
 Yes, Permit # _____

2. ____ **Does the current location has 50 or more full-time equivalent (FTE) jobs?**
 No
 Yes, Number of Employees _____ (FTEs)

3. ____ **Who owns the real estate at the businesses current location?**
 This business owns the real estate at the current location.
 This business is a tenant of the property owner and has approval to transfer credits to new location.

DEED hereby states that this credit transfer is a significant state-wide economic development issue and requests that the Metropolitan Council allows the transfer of SAC credits from one location to another. The state is providing other economic incentives, among which include:

* * * * *

I hereby certify that I have read and understood this form and that the answers are true to my knowledge and belief. I understand that "but for" DEED providing a benefit package and the approval of the SAC Credit Transfer we believe that the current business will move out of state.

Print Name of DEED Commissioner: _____ Phone: _____

Signature of DEED Commissioner: _____ Date: _____



SAC CREDIT TRANSFER Submittal List

Business Name:	
Business Owner:	
Current-Site Address: <small>Street</small>	City
Future-Site Address: <small>Street</small>	City

1. ___ Transmittal-A (SAC Commercial/Institutional & Industrial Determination Transmittal Application Form)
2. ___ Affidavit-B (Affidavit of Business Use - Manufacturing) *for permitted industries or manufacturing companies*
3. ___ Credit Transfer-B forms (Approval forms from both local governments at current- and future-site locations)
4. ___ Credit Transfer-A form (DEED Checklist requesting the credit transfer)
5. ___ Approval from MCES (as to available capacity in conveyance and treatment plant facilities at new location)
6. ___ One set of scalable, architectural floor plans with room schedule

QUESTIONS:

Is this a Permitted Industry Through MCES' Industrial Waste Division?

- No
 Yes, Permit # _____

Does the current location have 50 or more full-time equivalent (FTE) jobs?

- No
 Yes, Number of Employees _____ (FTEs)

Who owns the real estate?

- This business owns the real estate at the current location.
 This business is a tenant of the property owner and has approval to transfer credits to new location. (Provide approval letter from property owner)

* * * * *

I hereby certify that I have read and understood this form and that the answers are true to my knowledge and belief. I attest that "but for" the approval of the SAC Credit Transfer and the associated benefit package from DEED, we will move our business out of state. I further understand that the giving of false information in this affidavit constitutes fraud and is also cause for the immediate redetermination of any charges and I will be held responsible for any additional SAC fees.

If agent signs, must submit letter from business owner stating agent can sign on his/her behalf.

Print Name of Business Owner: _____ Title: _____
Signature of Business Owner: _____ Date: _____



Environmental Services

SAC CREDIT TRANSFER

Current-Site Local Government Form

Current-Site Local Government: _____

Future-Site Local Government: _____

Current-Site Address:
Future-Site Address:
Business Name:
Business Owner:

QUESTIONS:

What is the number of potential SAC units to transfer (as determined by MCES):

_____ SAC

What is the number of actual SAC units local government will agree to transfer:

_____ SAC

What is the number of current city-wide credit balance units local government will transfer:

_____ SAC

* * * * *

I hereby certify that I have read and understood this form and that the answers are true to my knowledge and belief. I further understand that by transferring these credits we are giving up reserved capacity in the Metropolitan Disposal System and that this transfer is irrevocable. I understand that if redevelopment of the site requires more SAC units than what remain after the transfer, our local government will be required to pay SAC for the difference at the current SAC rate at the time of development.

Print Name of Government Official: _____ I am the: City Manager
 Finance Director/CFO

Signature of Government Official: _____ Date: _____



Environmental Services

SAC CREDIT TRANSFER

Future-Site Local Government Form

Current -Site Local Government: _____

Future-Site Local Government: _____

Current-Site Address:
Future-Site Address:
Business Name:
Business Owner:

QUESTIONS:

What is the number of transferred SAC units accepted (as approved by MCES)?

_____ SAC

What will be the type of permit issued to activate the SAC Credit Transfer?

Local Government will report project to MCES on current monthly report after permit issuance.

- Certificate of Occupancy
- Utility Connection Permit
- Other, specify: _____

* * * * *

I hereby certify that I have read and understood this form and that the answers are true to my knowledge and belief. I further understand that the use of these credits off this project site is denied; that is, there will not be any net SAC credits allowed to be applied elsewhere in the City. The transferred credits will stay on site for up to 7 years after the issuance of the SAC determination letter approving the credit transfer.

Print Name of Government Official: _____

I am the: City Manager
 Finance Director/CFO

Signature of Government Official: _____

Date: _____