



CITY OF
LONG LAKE

City Council Agenda Report

City of Long Lake

450 Virginia Avenue, PO Box 606
Long Lake, MN 55356

MEETING DATE / January 2, 2024

SUBJECT: Request by Bucks Pub (Katherine Stephens) for a Reduction in Project City SAC and WAC Charges

Prepared By: Jeanette Moeller, City Clerk

Report Date: 12/28/2023

Recommended City Council Action

Staff recommends the following:

Motion to adopt Resolution No. 2024-02 approving a reduction in City Sewer Availability Charges and Water Availability Charges for Bucks Pub to be located at 2067 Wayzata Boulevard W.

Overview / Background

When a residential, commercial, industrial or institutional property first connects to the regional wastewater/sewer system, the Metropolitan Council Environmental Services (MCES) division imposes a Sewer Availability Charge (SAC). This fee is paid to the City by the local business or property owner the fee is required of, and the City is required to make payment of the fee as a “pass-through” to Metropolitan Council. MCES also charges SAC when a business grows or a property changes use or is improved in a way that creates more demand on the wastewater system. MCES reviews plans for projects and issues determinations of SAC units to be charged and paid. Metropolitan Council’s SAC fee for 2024 is \$2,485 per unit.

Additionally, the City has a policy of charging one Sewer Availability Charge (City SAC) and one Water Availability Charge (City WAC) per each MCES SAC unit required to be paid. For 2024, the City SAC fee is \$1,800 per MCES SAC unit, and the City WAC fee is \$1,800 per MCES SAC unit. The City Council may make a redetermination of the number of City SAC and City WAC units to be assessed to a property or project to more accurately reflect the benefit to be conferred upon the property, and/or to take into account the actual quantity of water that will be consumed on the premises. No Building Permit may be issued unless MCES SAC, City SAC and City WAC charges have been paid to the City.

In preparation for the Bucks Pub restaurant project to be located at 2067 Wayzata Boulevard W (previously the site of the Lotus Garden restaurant), plans were submitted to MCES in order to obtain their required SAC determination. MCES issued a letter dated November 29, 2023 and determined that 3 SAC units would be required for the new restaurant at the property. Accordingly, following City policy, 3 City SAC and 3 City WAC would also be assessed. A breakdown of MCES and City SAC and WAC fees based upon this determination would be:

MCES SAC - 3 units at \$2,485/unit.....	\$7,455
City SAC - 1 unit per each MCES SAC unit at \$1,800/unit = 3 units	\$5,400
<u>City WAC - 1 unit per each MCES SAC unit at \$1,800/unit = 3 units</u>	<u>\$5,400</u>
<i>TOTAL SAC/WAC FOR PROJECT</i>	<i>\$18,255</i>

The MCES determination is final and was based solely on calculating square footage of the overall space being used for a food and drink establishment.

Katherine Stephens, applicant for the Bucks Pub restaurant, has requested the City consider a reduction in the City SAC and City WAC units that would be assessed to the project. Staff is supportive of Ms. Stephens' request and finds that a reduction in City SAC and City WAC may be more reflective of the project's benefit and impact to the property at 2067 Wayzata Boulevard W.

Previous requests for a consideration of City SAC and City WAC fee reductions for projects including Birch's on the Lake and Carbone's Pizzeria resulted in the Council ultimately reducing City SAC and WAC fees by half or more for those projects. Recognizing that Bucks Pub would be occupying an existing restaurant space but not tripling the former restaurant's seating options, staff suggests following a similar model in this circumstance and would propose reducing City SAC and City WAC units for the project to one of each.

MCES SAC - 3 units at \$2,485/unit.....	\$7,455
City SAC - 1 unit at \$1,800/unit.....	\$1,800
City WAC - 1 unit at \$1,800/unit.....	\$1,800
<i>TOTAL SAC/WAC FOR PROJECT</i>	\$11,055

Staff recommends the City Council consider adoption of Resolution No. 2024-02 reducing City SAC and City WAC charges as described above. Please note that these fees are not related to water and sewer utility usage billings. As with all properties, the business would be billed for usage consistent with the current fee schedule for utility billing.

Supporting Information

- Resolution No. 2024-02
- MCES SAC determination letter for Carbone's project dated November 29, 2023
- Letter from Katherine Stephens on behalf of Bucks Pub dated December 27, 2023 requesting consideration of a City SAC and WAC reduction