

SERVICE AVAILABILITY PROCESSING FEE RECOVERY FEE EVALUATION

The Department of Safety and Inspection has reviewed the Service Availability Processing Fee which has been assigned to each Service Availability Charge (SAC) due at the time of building permit issuance. The SAC fee is the fee established by the Metropolitan Council Environmental Services (MCES) for each type of use on a property and associated discharge that the MCES will have to maintain the processing infrastructure including the sewage treatment plant. This collection of this charge is mandated by the Metropolitan Council to the municipalities in the seven county metropolitan areas for collection. At the beginning of 2010 the Department of Safety and Inspection (DSI) assumed responsibility for all the collection, recording and audit resolution functions for the City of Saint Paul. These functions were previously performed by the Department of Public Works, the Office of Financial Services and DSI. It became apparent the functions should be performed by DSI for consistency and efficiency.

In February of 2010, the processing fee was established in DSI as a cost recovery effort. In DSI's review of this process and its costs, DSI determined that the fee should be imposed per application rather than according to the number of SAC units in a given project. Further, DSI determined that the costs associated with each application fall into three Tiers which reflect the cost to DSI to process an application. Attached is the analysis of the time per application and the associated staff costs..

Tier I = \$135.00

Tier II = \$270.00

Tier III = \$ 400.00

Tier I: 1-10 SAC units:

Standard SAC determination, collection and recording. These SAC determinations are made primarily by the plan review staff.

Tier II: 11-30 SAC units:

Moderate SAC determination including additional investigation of SAC credits and appropriate credits for a clear determination, collection and recording. These determinations are made by the plan review staff and coordination with the MCES determinations.

Tier III: 31 + SAC units:

Highest level of determination due to lot split, lot combinations and working with the MCES to establish the location of SAC credits and charges for the appropriate parcels. Tier III would also cover the annual audit by the MCES and the additional time to resolve any disputes. These normally result when there are more SAC units. These determinations are primarily made by the MCES staff with the plan review staff coordinating the credits and charge through the DSI record keeping procedures.

This SAC Processing Fee proposal allows DSI to recover the costs of maintaining the SAC program. This approach reflects DSI's and the City of Saint Paul's commitment to encouraging business growth and development.