



Legislation Text

File #: RES PH 23-23, **Version:** 1

Establishing the Water Street Special Sanitary Sewer Availability Connection Charge District, determining the Water Street Special Sanitary Sewer Availability Connection Charge, expressing intent of the City to reimburse itself from proposed tax-exempt bond proceeds, and approving a budget amendment (Ward 2, District 3). WHEREAS, the City of Saint Paul (the "City") is a home rule charter city organized and existing under the laws of the State of Minnesota; and

WHEREAS, under the provisions of Chapter 76 of the City's Legislative Code, the City's sewer utility manager has submitted to the City Council a report and recommendation (hereinafter, "Report") that an area of the City, as described in the attached Exhibit A and, for the purposes of this resolution is hereinafter described as the "Water Street Area," either lacks sufficient sanitary sewer capacity or requires sanitary sewer infrastructure improvements as the case may be in order to meet sanitary sewer demands created by new development or uses on land parcels within the Water Street Area known as the Water Street Sanitary District Service Area; and

WHEREAS, to meet the expected demand on the sanitary sewer capacity caused by new development or uses in the Water Street Area, the Report also recommends creation of special sanitary sewer availability connection district to facilitate the recovery of sewer capacity and related infrastructure improvements (hereinafter, "Improvements") to be incurred by the City for such Improvements which presently has an estimated total production cost (hereinafter, "TPC") of \$12,492,000 and that, but for these Improvements, new development in the Water Street Area would not occur; and

WHEREAS, the City intends to fund a portion of the TPC Improvements through a grant (hereinafter, "Grant") from the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (hereinafter, "HRA"), in the sum of \$5,887,670; and

WHEREAS, the City further intends, through a combination of available sewer cash funds ("Sewer Cash Funds") and proceeds from bonds ("Sewer Obligations") which are hereinafter collectively referenced as "Sewer Funds," to contribute an estimated \$6,604,330 towards the TPC Improvements balance and, further, hereby declares intent to reimburse these expenditures from the proceeds of Sewer Obligations; and

WHEREAS, Minn. Stat. § 444.075, Subd.3 permits the City to charge new users connecting to the enhanced sanitary sewer system for the costs of such Improvements provided that the charge is just and equitable to all potential new uses, and

WHEREAS, the City Council enacted Leg. Code § 76.30 to provide for the establishment of a special sanitary sewer availability connection charge district by resolution and to authorize the establishment of a special sanitary sewer availability connection charge and Leg. Code § 76.03(b) requires payment of such charges on new uses; and

WHEREAS, the Mayor, pursuant to Section 10.07.1 of the Charter of the City of Saint Paul does certify that there are available for appropriation total revenues in excess of those estimated in the 2023 budget, funds of \$12,492,000 in the Sewer Utility Fund; and

WHEREAS, after a public hearing and considering any testimony received at such hearing, the City Council finds and determines there is a public purpose for the actions taken in this resolution.

NOW, THEREFORE, BE IT RESOLVED, by the Saint Paul City Council as follows:

Section 1. Approving the Establishment of the Water Street Special Sanitary Sewer Availability Connection Charge District.

1.01 Based on the Report and its own investigation, the City hereby finds and determines that the Water Street Area lacks sufficient sanitary sewer capacity or requires improvements to sanitary sewer infrastructure in order to meet sewer demand caused by new development or uses within the Water Street Area and it is in the public interest of the residents of the City that new development and uses within the Water Street Area be undertaken in order to increase the supply of rental and ownership housing facilities in the City and retail and commercial uses.

1.02 The Council hereby approves the establishment of the Water Street Special Sanitary Sewer Availability Connection Charge District (the "District") with the same boundaries as the Water Street Area as defined in Exhibit A.

1.03. Based upon the Report of staff, the Council hereby finds and accepts that the District's capacity Improvements are projected to create 2,102 new units subject to Sewer Availability Charges ("SAC Units"); and

Section 2. Calculating Water Street Special Sanitary Sewer Availability Connection Charge.

2.01 The Council hereby approves and requires payment from all District users connecting to the enhanced sanitary sewer system within the Water Street Area of a special sanitary sewer availability charge (hereinafter, "Water Street SSSACC").

2.02. The Water Street SSSACC shall be based on multiplying the number of SAC units associated with each new use by \$1,500 ("Initial SAC Unit Charge"), the said Initial SAC Unit Charge being determined by City staff. The number of SAC Units for each new use shall be determined by the Metropolitan Council. Following completion of construction of the Improvements, the Initial SAC Unit Charge shall increase annually by the rate of inflation published by the U.S. Labor Department ("USLD") or similar agency if the USLD is no longer publishing such rate of inflation ("SAC Unit Charge").

2.02 All Water Street SSSACC charges shall be collected by the City's Department of Safety and Inspections under Leg. Code Chap. 76 prior to issuance of a building permit and shall be deposited into a special City account ("Account"). Once deposited into the Account, the monies shall be used to reimburse the Sewer Funds.

Section 3. Reimbursement.

3.01 The City hereby expresses its reasonable expectation and intent to reimburse the expenditures made for certain costs of the Improvements from the proceeds of tax-exempt bonds in a principal amount estimated not to exceed \$6,604,330

Section 4. Budget Amendment

4.01 The Council hereby approves the budget amendment in the form attached hereto as Exhibit B.