



Legislation Text

File #: RES PH 19-252, **Version:** 1

Approving the establishment of the Riverview Special Sanitary Sewer Availability Connection Charge District, determining the Riverview Special Sanitary Sewer Availability Connection Charge, approving record of restated and combined inter department loans, and 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 with a recommendation ("Report") that an area of the City known as the Riverview Lift Station Service Area and described in the attached Exhibit A ("Riverview Area") lacks sufficient sanitary sewer capacity or requires sanitary sewer infrastructure improvements to meet sewer demand caused by new development or uses on the parcels of land located within the Riverview Area; and

WHEREAS, to meet the expected demand on the sanitary sewer capacity in the Riverview Area caused by new development or uses, the City intends to improve the sewer capacity or infrastructure ("Improvements") and the total project costs to be incurred by the City for such Improvements is estimated at \$2,512,462 ("TPC"), and that but for these Improvements new development in the Riverview Area would not occur; and

WHEREAS, the City intends to fund a portion of the construction costs of the Improvements from the proceeds of a loan ("Loan") from the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA"), the terms and conditions of such Loan to be memorialized in a Record of Restated and Combined Inter Department Loans ("Record"); and

WHEREAS, Minn Stat Section 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 by Ordinance 19-37 enacted amendments to Legislative Code Chapter 76 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 Section 76.03 of the City's Legislative Code requires payment of such charges on new uses; 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 Riverview 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 Riverview Area is lacking sufficient sanitary sewer capacity or requires improvements to sanitary sewer infrastructure to meet sewer demand caused by new development or uses within such Riverview Area and it is in the public interest of the residents of the City that new development and uses within the Riverview 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 Riverview Special Sanitary Sewer Availability Connection Charge District (the "District") with the same boundaries as the Riverview Area. The Mayor, Director of Public Works Department and Director, Office of Financial Services are hereby authorized and directed to execute, on behalf of the City, any documents as the Saint Paul City Attorney considers appropriate in connection with this approval and resolution.

Section 2. Determining the Riverview Special Sanitary Sewer Availability Connection Charge.

2.01 The Council hereby approves and requires the payment for new users connecting to the enhanced sanitary sewer system within the Riverview Area of a sewer availability charge ("Riverview SSSACC") based on multiplying the number of sewer availability charge units of the new use ("SAC Unit") by \$1,245 ("Initial SAC Unit Charge") except that the Riverview SSSACC for the land owned by the HRA as described in Exhibit B attached hereto has been prepaid by the HRA and is not subject to the collection process outlined in Section 2.02. The number of SAC Units for a new use shall be determined by the Metropolitan Council. The Initial SAC Unit Charge was calculated by dividing estimated TPC by 2,018 (total projected SAC Unit capacity to be created by the Improvements). 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 ("LD") or similar agency if the LD is no longer publishing such rate of inflation ("SAC Unit Charge"). If after completion of the Improvements the actual construction costs are (a) less than \$2,512,462 then the Initial SAC Unit Charge shall be proportionally reduced, or (b) the same or greater than \$2,512,462, then the Initial SAC Unit Charge shall remain at \$1,245. The Director of the Department of Public Works is authorized and directed to make any necessary adjustments to the Initial SAC Unit Charge following completion of construction of Improvements.

2.02 All Riverview SSSACC shall be collected by the City's Department of Safety and Inspections under Chapter 76 of the City's Legislative Code 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 original funding source for the Improvements in accordance with the repayment terms under the Record. In accordance with the Record, the Riverview SSSACC generated from the inflationary increase in the Initial SAC Unit Charge shall not reduce the principal amount of the Loan.

Section 3. Approving Execution of Record of Restated and Combined Inter Department Loans.

3.01 The Council hereby approves the execution and delivery of the Record. The Director of Public Works Department and Director, Office of Financial Services are hereby authorized and directed to execute, on behalf of the City, the Record and any non-material changes to the Record as the Saint Paul City Attorney considers appropriate in connection with this approval and resolution.

Section 4. Budget Amendment

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