



## Request for City Council Committee Action from the Departments of Public Works & Regulatory Services

**Date:** January 5, 2010

**To:** Chair – Transportation & Public Works Committee

**Referral to:** Chair – Public Safety & Regulatory Services Committee

**Subject:** Sewer Access Charges

**Recommendation:** Amendment of Resolution 2004R-473

- a) Rescind Resolution 2004R-473 and replace with the recommended resolution 2010R-xxx
- b) Remove three year sunset clause
- c) Include business license as a method of collection

**Previous Directives:** Transportation & Public Works Committee approved the following action on November 5<sup>th</sup>, 2009: Regulatory Services, Public Works, and City Attorney Department staff be directed to further study options for a Sewer Accessibility Charge payment and assessment plan and report back to the T&PW Committee Members on December 8, 2009.

Public Safety & Regulatory Services Committee approved the following action on November 18<sup>th</sup>, 2009: Direct Regulatory Services, Public Works, and City Attorney Department staff to further study options for SAC payment and assessment plan and to report back to the PS&RS Committee on December 9, 2009.

### Department Information

Prepared by: Mary Ubl (673-3727)

Approved by:

\_\_\_\_\_  
Henry Reimer, Director of Inspections, Minneapolis Development Review

\_\_\_\_\_  
Steve Kotke, Director of Public Works

Presenters in Committee: Henry Reimer, Mary Ubl

### Reviews

- Permanent Review Committee (PRC): Approval  Date \_\_\_\_\_
- Civil Rights Approval Approval  Date \_\_\_\_\_
- Policy Review Group (PRG): Approval  Date \_\_\_\_\_

**Financial Impact**

- Action is within the Business Plan
- Other financial impact

**Community Impact**

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other

**Supporting Information**

**Regulatory Services**

**Service Availability Charge (SAC)**

**Program Overview**

**History**

Metropolitan Council Environmental Services (MCES), formerly the Metropolitan Sewer Board, was created in 1969 by Minnesota Statutes §473 with mandates to provide service for the rapidly growing population in the Twin Cities metropolitan area and to clean up the area's rivers and lakes.

In 1971 and 1972, its first two years of operation, the Metropolitan Sewer Board allocated the cost of reserve capacity to individual local government units based on each local government unit's projected demand. However, many local government units, particularly those in the early stages of development, found it difficult if not impossible to pay annual lump-sum charges for reserve capacity. These smaller, young local government units often had neither the population nor the tax base to finance the cost of future capacity. It quickly became apparent that an alternative method of paying for reserve capacity had to be developed.

Following intensive study and discussion with local government units, MCES developed the Service Availability Charge (SAC) system (a pay as you grow system) for paying for reserved capacity. The SAC system was instituted in 1973. In a District Court ruling, later upheld by the Minnesota Supreme Court, the SAC system was found consistent with Minnesota Statute [473.517 subd \(3\)](#) authorizing SAC. SAC has been paid throughout the urban area where sewer is available consistently since 1973.

**SAC Program**

SAC is a one-time fee imposed by MCES to local government units for each new connection or increase in volume discharged to the metropolitan disposal system.

Each local government is required to pay SAC fees. The SAC rate to be charged is the rate in effect at the time of end-user payment to the local government regardless of when the permitting process began. MCES charges the City of Minneapolis, not the individual

permit/license applicants. When unremitted SAC charges from prior years are discovered, local governments are responsible for correcting the annual reporting and within 30 days, remitting any amounts due to MCES.

Local government units pass the SAC fee to the permit/license applicant via local ordinances (2004R-473 attached). The SAC fee is usually assigned when a building/plumbing permit or business license is issued for a new building, a remodeling permit, or an expansion of a business. One SAC unit equals 274 gallons of maximum potential daily wastewater flow volume. A freestanding, single-family residence is charged one SAC unit. This is called a base unit. Other types of buildings pay a prorated SAC fee based on the estimated potential volume of wastewater they will generate. Refer to MCES web site for the current procedure manual and SAC calculations on commercial sites.

[http://www.metrocouncil.org/environment/RatesBilling/SAC\\_Program.htm](http://www.metrocouncil.org/environment/RatesBilling/SAC_Program.htm).

A SAC determination is a computation of SAC unit(s) assigned to a given property. This represents the maximum capacity likely to be used by the development. Any commercial, institutional or industrial property connecting to the system for the first time, or a business whose use changes gets a SAC determination.

Regulatory Services staff directs its customers to MCES for SAC determinations on all commercial projects that have a change in use or increase in demand. This includes building or plumbing permits and business licenses. Additionally, MCES completes a SAC determination on industrial properties and residential projects with three (3) or more units. In general, the following steps take place:

1. Applicant makes contact with the city of Minneapolis for appropriate permit.
2. Minneapolis staff sends property representative to MCES to make the SAC determination.
3. MCES makes the SAC determination and sends that information to the property representative and Minneapolis.
4. Minneapolis sends SAC determination letter to the property representative.
5. Minneapolis issues the permit and the property representative makes SAC payment to Minneapolis.
6. Minneapolis makes SAC payment to MCES.

According to MCES rules, the city of Minneapolis may charge a local SAC fee for managing the program. The city of Minneapolis does not charge local SAC fees at this time.

### **SAC Credits**

MCES grants credits to local government units for permanent reduction in the capacity needs of individual properties. These credits include "grandparent" credits (the amount of capacity used by the local government unit at the inception of the SAC program in 1973) or the amount of capacity that has been paid previous for that property.

If the new use of a property has fewer SAC units than the prior use, a net credit balance is available to the city. Local governments must choose between allocating all or part of the

remaining credits as site-specific or city-wide. With the exception to Heritage Park, the current Minneapolis practice is to take the credits city-wide when they become available in order to reduce the city's payment to MCES.

## **Regulatory Services Management of the Program**

During the MCES 2008 SAC Community Review, an audit of the City's SAC program, MCES had the following recommendation:

"Any time there is a change of SAC use on a property, a determination needs to be completed to report a change. This would include office to meeting room, warehouse to office, fitness centers, salons, etc. The building code occupancy use of a property isn't necessarily what the SAC use would be on the property."

Based upon this recommendation, Regulatory Services refined its management of the SAC program to include any businesses applicants who are expanding, upgrading, or applying for a new food/liquor license even if they are not applying for a building or plumbing permit.

## **MCES Financials**

MCES financial information is available on the following web site:

<http://www.metrocouncil.org/environment/RatesBilling/FinancialPlansBudgets.htm>. MCES staff is available to explain the SAC program to the City Council, city staff, property owners, or applicants.

## **What's New**

**Effective October 1, 2009**--The Metropolitan Council approved a 75% discount for the Service Availability Charge (SAC) for certain outdoor spaces that will be exposed to wet weather conditions. The discount will be available to local governments for applicable development permitted after October 1, 2009. Metropolitan SAC charges and credits are to local government units and local government regulations and fees may be different.

**Effective January 1, 2010**— Currently, when a redevelopment is smaller, the credits beyond what is needed for the redevelopment become available to the city as "net credits" and the city applies these credits to its payment to MCES. Starting January 1, 2010, when a redevelopment property's new use requires lower wastewater capacity than what was needed at any time in the prior seven years, SAC credits to the city will be limited to the amount needed on the site for the new use. Net credits will not occur.

Credits will be granted based on the prior demand, in SAC units, over the seven years prior to the year of permitting, not based on SAC payments or grandparenting. If a property is vacant for the entire 7 year look-back period, no credits will be granted.

Report prepared by Mary Ubl, Development Review Coordinator III and Patrick Hilden, District Supervisor, Regulatory Services. October 2009.

## **ATTACHMENT:2004 Resolutions**

**PS&RS** - Your Committee, having under consideration the City's policy for Sewer Availability

Charges (SAC) and fees, and a recommendation by the Department of Regulatory Services to establish a new policy in accordance with current Metropolitan Council policy, now recommends passage of the accompanying Resolutions:

- a. rescinding Resolution 76R-397 entitled "Establishing Sewer Service Availability and Connection Charge to pay reserve capacity costs of Metropolitan Waste Control Commission (formerly Metro Sewer board) as to Construction Commencing on or after January 1, 1977", passed December 10, 1976.
- b. establishing Sewer Service Availability and Connection Charges to pay Reserve Capacity Costs in accordance with Metropolitan Council Environmental Service Division policy and pricing.

Adopted 10/22/04.

Resolution 2004R-472, rescinding Resolution 76R-397 entitled "Establishing Sewer Service Availability and Connection Charge to pay reserve capacity costs of Metropolitan Waste Control

Commission (formerly Metro Sewer board) as to Construction Commencing on or after January 1, 1977", passed December 10, 1976, was passed 10/22/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

### **RESOLUTION 2004R-472**

**By Niziolek**

**Rescinding Resolution 76R-397 entitled "Establishing Sewer Service Availability and Connection Charge to pay reserve capacity costs of Metropolitan Waste Control Commission (formerly Metro Sewer board) as to Construction Commencing on or after January 1, 1977", passed December 10, 1976.**

Resolved by The City Council of The City of Minneapolis:

That the above-entitled Resolution be and is hereby rescinded.

Adopted 10/22/04.

Resolution 2004R-473, establishing Sewer Service Availability and Connection Charges to pay

Reserve Capacity Costs in accordance with Metropolitan Council Environmental Service Division policy and pricing, was passed 10/22/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

### **RESOLUTION 2004R-473**

**By Niziolek**

#### **Establishing Sewer Service Availability and Connection Charges to pay Reserve Capacity**

#### **Costs in accordance with Metropolitan Council Environmental Service Division policy and pricing.**

Whereas, the Metropolitan Council Environmental Services Division has determined to reserve unused capacity in the metropolitan disposal system each year commencing in 1973 for local government units in which new buildings to be connected to the system or increased volume connections to the system are commenced during such year; and to allocate the debt service costs of such unused capacity for the year among such local government units; and

Whereas, in order for the City to pay such costs allocated to it each year, it is necessary to establish sewer service availability and connection charges for all buildings and uses;

Now, Therefore Be It Resolved by the City Council of the City of Minneapolis:

That for the purpose of paying costs of reserve capacity allocated to the City each year by the Metropolitan Council Environmental Services Division, the Council hereby adopts by reference the Metropolitan Council Environmental Services Division pricing for sewer availability charges (SAC). The charge for each building or structure shall be equal to the number of units of sewage volume which it will discharge, and shall be subject to the conditions and rates set by the Metropolitan Council Environmental Services Division.

Be It Further Resolved that this charge shall be collected prior to the issuance of a building permit or water and/ or sewer connection permits.

Be It Further Resolved that, if permits for a new use are issued within 3 years of issuance of a demolition permit, credit may be given against this charge for any demolition credit units previously reported to the Metropolitan Council Environmental Services Division by the City. In no case shall the credit to be received exceed the charges imposed under this resolution on any permit.

Be It Further Resolved that the Regulatory Services Department shall be responsible for the administration of the program and shall prepare or revise building permit or sewage connection permit application forms to provide information necessary for the computation of the number of units assignable to the building, structure, or use in question, and shall collect the applicable charge before issuance of a permit. The Regulatory Services Department is required to make such information available to the Metropolitan Council Environmental Services Division. If upon filing a report covering such permit with the Metropolitan Council Environmental Services Division, the Commission determines that a greater number of units is assignable to the building, structure, or use in question, any additional amount of cost allocated to the City as a result shall be paid by the person or company to whom the permit was granted.

Be It Further Resolved that the Regulatory Services Department is further directed to place receipts of this charge in the Sewer Rental Fund and to bill all collection and administrative costs they incur for this resolution to the Sewer Rental Fund on a periodic basis.

Be It Further Resolved that the three year credit provision shall become effective on January 1, 2006, while all other provisions are effective upon passage of this resolution.

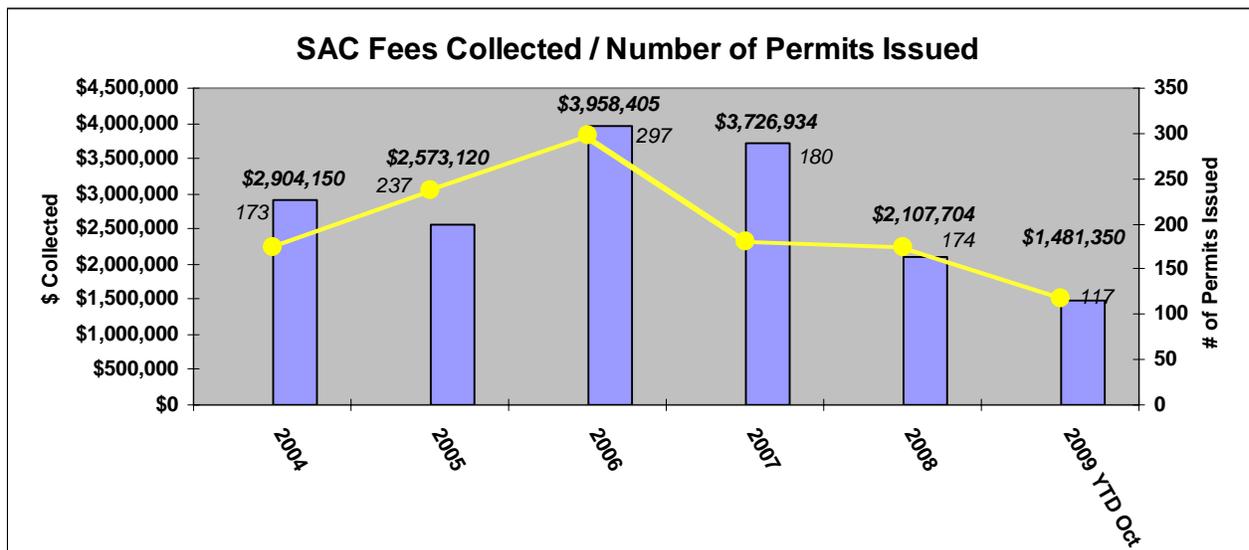
Adopted 10/22/04.

## STAFF REPORT ON PAYMENT PLAN OPTIONS:

### Background:

The Service Availability Charge (SAC) is a fee imposed by Metropolitan Council Environmental Services (MCES) to Local Government Units for each new connection or increase in volume discharged to the metropolitan disposal system.

Each Local Government is required to pay SAC fees. The SAC rate is determined by MCES. The rate charged is the current rate at the time of permit/license issuance. When unremitted SAC charges from prior years are discovered, the Local Government is responsible for correcting the annual report and within 30 days, remitting any amounts due to MCES. Below is a summary of historical SAC fees the City has collected from permit/license applicants. The average SAC fee collected from an applicant is \$14,220.



The chart identifies applicants who have paid a SAC fee.

MCES made recommendations during the 2008 annual audit. Based upon their recommendations, Regulatory Services refined its management of the SAC program to include any business license applicants who are expanding, upgrading, or applying for a new food/liquor license even if they are not applying for a building or plumbing permit.

In August of 2008, Regulatory Services integrated the changes to the SAC program. These changes included informing business license applicants about the SAC program, educating Business License staff, changing business license application forms, and updating a checklist to include SAC determination. The education and information helps the applicants understand any potential upfront cost to opening or changing a business.

MCES conducted their annual audit in February 2009. The audit identified 30 discrepancies in Regulatory Services reporting to MCES partially due to the fact that MCES has the authority to audit seven (7) years prior to the current period. Below is a summary of the audit reports from 2004 – 2008. The average SAC fee due from the applicant during the 2008 audit is \$7,650.

Categories	2004		2005		2006		2007		2008	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Adjustment to Reports	3	9,450	3	(9,280)	4	79,000	-	-	5	(17,125)
Closed Permit/Business	-	-	-	-	-	-	-	-	6	42,500
City Disputes Findings	-	-	-	-	-	-	-	-	11	49,575
City Agrees w. Findings	4	7,080	-	-	-	-	6	14,600	8	61,175
<b>Totals</b>	<b>7</b>	<b>\$ 16,530</b>	<b>3</b>	<b>\$ (9,280)</b>	<b>4</b>	<b>\$79,000</b>	<b>6</b>	<b>\$14,600</b>	<b>30</b>	<b>\$136,125</b>

Regulatory Services began to collect outstanding SAC fees on eight (8) businesses as a result of the audit. Each of these businesses held a current Business License and in all cases they were either a restaurant or liquor establishment. Below is a current status of the eight businesses and \$41,575 is currently outstanding and due to MCES:

- o Two (2) applicants paid the outstanding SAC fees.
- o One (1) applicant will be sending a payment to the City.
- o Three (3) applicants have requested an appeal to MCES and Regulatory Services granted a 90 day extension.
  - o The appeal for Glaciers Café was denied by MCES.
  - o The appeal for Café Agri was granted based upon new ownership.
  - o True Thai Restaurant plans to withdraw their sidewalk café license and the City has submitted an appeal to MCES.
- o Two (2) applicants have been granted a 90 day extension by Regulatory Services and have not requested an appeal.

**Previous Directives:**

Transportation & Public Works Committee approved the following action on November 5<sup>th</sup>, 2009: Regulatory Services, Public Works, and City Attorney Department staff be directed to further study options for a Sewer Accessibility Charge payment and assessment plan and report back to the T&PW Committee Members on December 8, 2009.

Public Safety & Regulatory Services Committee approved the following action on November 18<sup>th</sup>, 2009: Direct Regulatory Services, Public Works, and City Attorney Department staff to further study options for SAC payment and assessment plan and to report back to the PS&RS Committee on December 9, 2009.

Regulatory Services has also included representatives from Finance and CPED to study options.

**Options:**

**1. No change to the current SAC program.**

**2. Small Business Programs –** CPED offers a variety of Small Business Programs within the City of Minneapolis. Two programs have the potential of offering businesses the opportunity to finance the SAC fees along with other upfront costs the applicant may incur when opening a new business. These programs would be available to applicants on the front end of the project. The following programs are currently in place with CPED:

- **Two-Percent Loan Fund** provides financing in partnership with private lenders for businesses that are renovating their facilities or purchasing production equipment. Lenders provide half the loan at market rate; the City provides the other half, up to \$50,000 at 2 percent interest. Projects range in size from \$10,000 to \$100,000.

- **Alternative Financing Program** provides an alternative financing to the interest-based system that is in accordance with Islamic law or Sharia. The program provides small Minneapolis businesses with financing to purchase equipment and/or make building improvements. A private lender provides half the financing at their rate of return, and the City provides the rest, up to \$50,000, at a 2 percent rate of return.

**Risks and Financial Impact to the City:**

- None – The programs are already in place.

3. **Payment Plans** - The Finance Department's Compass system has the functionality to process monthly bills and could be a possible implementation tool. The system offers reporting features to monitor outstanding balances. Various City Departments utilize the Compass system for rental fees, festivals, meter hoods, and lane use fees. Each department has established their own payment plan and interest fees. Most departments use a 30 day payment plan and if fees are not paid, management will determine if other arrangements need to be made.

A policy would need to be established for a SAC payment plan along with interest fees and appropriate resolution to applicants who do not make regular payments. Staff could set up a payment plan no longer than 12 months with an interest rate similar to special assessments or Utility Billing. Applicants who do not make regular payments could face a revocation of their business license or stop work orders on the construction site.

**Option 3A – Payment Plan for customers in the audit process**

**Risks and Financial Impact to the City:**

- Payment Plan for Audit Findings (businesses with no violations) – Regulatory Services staff could manage the workload with no additional FTE's.
  - Public Works has determined that an appropriation of \$150,000 - \$300,000 would have to be approved in order to pay MCES before payments are collected from customers.
- Public Works has determined that any additional appropriation would increase the sanitary sewer rates.
  - 2010 proposed rates would increase from 12.3% to 13% upon implementation.
- Businesses may close before payments are collected.

**Option 3B – Payment Plan for all SAC customers**

**Risks and Financial Impact to the City:**

- Payment Plan for all customers in the SAC Program – An additional FTE would be required in Regulatory Services to manage the billing, collection, reporting and phone calls.
  - Public Works has determined that an appropriation of \$2.7 – 3.0 million would have to be approved in order to pay MCES before payments are collected from customers.
- Public Works has determined that any additional appropriation would increase the sanitary sewer rates.
  - 2010 proposed rates would increase from 12.3% to 16.5% upon implementation.
- Businesses may close before payments are collected.

4. **Assessment of SAC Fees to the Property** – Based upon research conducted from the Assistant City Attorney, it appears that the City has the authority to assess the SAC charges imposed upon the City by The Metropolitan Council.

Minneapolis Development Review conducted a best practice study with 30 jurisdictions under the MCES SAC program. Staff has identified one municipality (Maplewood) that has a legal agreement with the applicant. Maplewood is testing this option by having the applicant (property owner) pay 50% of the SAC fees up front and the remaining SAC fees go directly to assessment with an additional 25% administrative fee on the unpaid amount. The property owner agrees to waive the notice of hearing, the hearing itself, and the right to appeal the assessment. If the applicant is the tenant, the tenant is responsible in obtaining the waiver from the property owner. The assessment is to be paid over a period of fifteen (15) years at an interest rate of 6%.

If SAC fees are funded through an appropriation, the City Council would need to approve an appropriation of \$2.7 – 3.0 million to the Sanitary Sewer Fund. Any increase in appropriation would increase the sewer rates to cover the up front SAC fees due to MCES.

The Council Member's direction was to further study payment options for applicants who are incurring SAC fees. If the SAC fees are associated with a tenant and not the property owner, the property owner may require the assessed fees to be paid up front. In essence, the benefit of offering an assessment option may not be received by the business owner.

**Risks and Financial Impact to the City:**

- An additional 1.0 FTE would be required in Regulatory Services to administer the assessment documentation.
- Public Works has determined that an appropriation of \$2.7 – 3.0 million would need to be approved in order to pay MCES before the assessments are collected. The City ultimately collects the assessment but only to the extent the property does not foreclose and proceeds from the sale are sufficient to pay off the debt.
  - Public Works has determined that the 2010 proposed rates would increase from 12.3% to 16.5% upon implementation.
- SAC fees would be due to MCES before the City would collect the assessments and sanitary sewer rates would increase due to any appropriation increase.
- If the property owner is not the applicant, Regulatory Services and Public Works would require a waiver similar to the City of Maplewood before the permit/license is issued.
- Businesses may close before payments are collected.

**Staff Recommendation:**

City Council Resolution 2004R-473 states the SAC charge shall be collected prior to the issuance of a building permit and any additional amount allocated to the City shall be paid by the person or company to whom the permit was granted. Staff recommends an update to the resolution.

1. Rescind resolution 2004R-473 and replace the recommended resolution 2010R-xxx
2. Remove 3 year sunset clause due to SAC program changes effective January 1, 2010
3. Include business licenses as a method of collection

Council Members received requests from business owners who have incurred SAC fees due to changes in their business. The majority of the fees were identified during an annual audit performed by MCES on the City's management of the SAC program. In general, the fees were due to improper SAC determination or the SAC determination was required but no building permit was required. Several process improvements have been implemented based upon MCES recommendations and these changes will capture the SAC determination during the application process and not after the business has been open for several months or years.

Staff recommends implementation of Option 2 – Small Business Program. This option has been implemented and customers are offered information regarding financial options available through CPED. Regulatory Services has made significant changes to incorporate the SAC determination at the beginning of the review process and applicants are informed of the up front costs when starting or expanding a business.

The 2010 budget request is for a 12.3% rate increase in the Sanitary Enterprise Fund to accommodate for the increasing debt service and ability to maintain a three month operating budget balance. Public Works has determined that the implementation of Option 3A would require an increased appropriation to be covered by a 13% rate increase to utility rate payers for the 2010 budget. In addition the enterprise fund incurs the risk of funds not collected due to businesses closing prior to payments made and no further course of action for collection. If council decides to pursue a financing program staff recommends a "pilot program" could be set up for customers who receive notice of additional SAC fees as a result of the annual audit. This pilot program could be in put in place and implemented through the end of 2010. Businesses that are in good standings with their business license could be granted 12 months to make payment to the City of Minneapolis.

TO: Henry Reimer, Director of Inspections  
FROM: Lee C. Wolf, Assistant City Attorney  
DATE: November 23, 2009  
RE: Legal Analysis of Assessment of SAC fees

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**INTEROFFICE MEMORANDUM**

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As part of the City Counsel's action to review payment and assessment options for Service Availability Charges (SAC), I have completed a review of the applicable laws and regulations regarding the possibility of assessing SAC fees paid by the City to The Metropolitan Council.

Minnesota State Statute, Chapter 473 gives powers to the Metropolitan Council with regards to connections to the metropolitan sewage collection and disposal system. *See Minn. Stat. § 473.515 Sewage Collection and Disposal; Powers.* Statutorily, municipalities are required to impose use or availability charges on all recipients of waste treatment services in order to pay not only the current costs allocated to them by the Metropolitan Council but also the reserve capacity allocation, or SAC charge. *See Minn. Stat. § 473.517 subd. 1 & 2.*

Municipalities are able to recoup, from users of municipal sewer facilities, the service availability charges paid by the City. *See Minn. Stat. § 473.519* which provides:

“Each local government unit shall adopt a system of charges for the use and availability of the metropolitan disposal system which will assure that each recipient of waste treatment services within or served by the unit will pay its proportionate share of the costs allocated to the unit by the council under section 473.517, as required by the federal Water Pollution Control Act amendments of 1972, and any regulations issued pursuant thereto.

Minn. Stat. § 473.521, Subd. 3, further provides the authority of local government units to accomplish the duty imposed upon them by the Metropolitan Council for the collection of SAC fees, the subdivision states that “To accomplish any duty imposed on it by the council, the governing body of every government unit in the metropolitan area may exercise the powers granted any municipality by chapters 117, 412, 429, 475, sections 115.46, 444.075 and 471.59.”

The Minnesota Supreme Court has addressed the issue of municipalities passing on SAC fees, paid by municipalities, to users of municipal sewer facilities. *Crown Cork & Seal Company, Inc., etc. v. City of Lakeville*, 313 N.W.2d 196 (Minn. 1981). In the *Crown Cork* case, a company brought an action for declaratory relief, alleging that the City of Lakeville's sewer and water connection charge was not authorized by statute. The City of Lakeville had levied, against the business/property owner, a connection charge of \$147,415, 45,200 of the charge represented “sewer availability charge” levied upon the city by the Metropolitan Waste Control Commission and the city was attempting to pass on the SAC fee to the business/property owner. *Id.* at 198. for The Supreme Court found

that the City of Lakeville had clear authority, pursuant to *Minn. Stat.* § 473.521, subd. 3, to pass on to users of municipal sewer facilities, SAC fees paid by the City. *Id* at 199. The Supreme Court then held that cities may recoup these costs by imposing use, availability and/or connection charges authorized by *Minn. Stat.* § 444.075, by means of special assessments under chapter 429 and § 444.075, subd. 4, or by taxation under *Minn. Stat.* § 115.46. *Id.*

Based upon the Supreme Court's ruling in the *Crown Cork* case, it appears that the City has the authority to assess the SAC charges, imposed upon the City by the The Metropolitan Council.

Furthermore, Minnesota Session Laws of Minnesota for 1994, Chapter 587, Article 9, Section 4, also specifically gives the City of Minneapolis the authority to collect sewer charges, as special assessments. The Session Law states:

Sec. 4. Laws 1969, chapter 499, section 2, is amended to

read:

Sec. 2. Notwithstanding any provisions of the charter of the city of Minneapolis, or of any statutory enactments, the ~~said~~ city may provide for the collection of special charges, fees or taxes for all or any part of the cost of

(1) any service to streets, sidewalks, ~~or other property,~~  
street oiling, street flushing and cleaning;;

(2) sewer charges;

(3) water charges;

(4) solid waste disposal charges;

(5) any other charges for abatement of nuisance conditions  
as defined by the city; and

(6) any and all other services or improvements specified in  
~~said Chapter 429,~~ Minnesota Statutes, section 429.101;  
in the same manner as a special assessment against the property benefitted. The procedure for the levy of ~~said special assessment shall, if the city elects to proceed under the provisions of said~~ the service charges may be defined by ordinance or the city may, at its option, elect the procedure

set forth in Minnesota Statutes, chapter 429, ~~be as provided in~~  
said ~~Chapter 429.~~