



# **SAC & WAC Payment Deferral**

**City of Hastings & Metropolitan Council**

**PROGRAM INFORMATION, GUIDELINES AND APPLICATION INSTRUCTIONS**

City of Hastings  
101 4<sup>th</sup> Street East, Hastings, MN 55033-1955  
T: 651-480-2350 F: 651-437-7082  
[www.hastingsmn.gov](http://www.hastingsmn.gov)

## CITY OF HASTINGS

### SAC & WAC PAYMENT DEFERRAL

#### PROGRAM INFORMATION, GUIDELINES AND APPLICATION INSTRUCTIONS

In order to minimize the impact of the Sewer Availability Charge (SAC) and Water Availability Charge (WAC) to businesses within the City of Hastings, the City can provide a deferral option to pay SAC and WAC fees over time, instead of an upfront payment due at the time of building permit issuance.

This program is in addition to the Metropolitan Council's SAC Deferral Program, adopted in April 2017. The MetCouncil SAC Deferral Program, which is targeted to small businesses (under 25 SAC units), is a means of assistance in paying Metropolitan Council SAC charges and allows a portion, up to 80%, of SAC to be paid over a period not to exceed ten years.

Under the updated program, the City of Hastings will enter into an agreement with eligible businesses and/or property owners to spread SAC and/or WAC payments over a ten year term. Property owners will be billed annually, on their property tax statement, for a period of ten years. If eligible, businesses and/or property owners have the option to utilize the Metropolitan Council SAC Deferral Program, the City of Hastings SAC & WAC Deferral Program, or both.

**Metropolitan Council SAC Deferral Program:** 10 year term; low interest rate\*; 20% down, plus the first monthly payment; secured by the Deferred Payment Agreement; eligible to businesses with SAC unit determination of 25 units or less. This program is established and regulated by a Master SAC Deferral Agreement executed between the City of Hastings and Metropolitan Council.

**City of Hastings SAC & WAC Deferral Program:** 10 year term; low interest rate\*\*; secured by the Deferred Payment Agreement; eligible to businesses with a SAC & WAC unit determination of 25 units or less. This program is established by City Ordinance and is intended to parallel the Metropolitan Council Program guidelines.

Participants in the program are allowed to defer a maximum of 25 SAC and/or 25 WAC units. Businesses with SAC and WAC determinations exceeding the program limits will be considered on a case by case basis. The business owner and/or property owner must agree to participate and fill out an application form with the requested information, in addition to executing the Deferred Payment Agreement.

If you have any questions or would like to submit an application for the City of Hastings SAC & WAC Deferral Program and/or the Metropolitan Council SAC Deferral Program, please contact John Hinzman, Community Development Director, at [jhinzman@hastingsmn.gov](mailto:jhinzman@hastingsmn.gov) or 651-480-2378.

*\***Metropolitan Council SAC Deferral Program:** principal on the deferred amount will be amortized monthly at a fixed interest rate based on MCES' average cost of debt (per statute). MCES' average cost of debt, computed on December 31 each year, will be used as the interest rate for all new deferrals entered into the following calendar year.*

*\*\***City of Hastings SAC & WAC Deferral Program:** principal on the deferred amount will be amortized monthly at a fixed interest rate based on the 10 year Treasury Rate, locked in after application approval, at time of closing/document signing.*

**CITY OF HASTINGS  
SAC & WAC PAYMENT DEFERRAL APPLICATION**

**SECTION 1: BUSINESS INFORMATION**

Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

Business Contact/Title: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

**SECTION 2: PROPERTY OWNER INFORMATION**

Property Owner Name: \_\_\_\_\_

Address: \_\_\_\_\_

Property ID Number: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

**SECTION 3: SAC UNIT DETERMINATION (Please attach SAC Determination Letter)**

Address on SAC Determination Letter: \_\_\_\_\_

Date on SAC Determination Letter: \_\_\_\_\_

Reference # on SAC Determination Letter: \_\_\_\_\_

SAC Units (must be less than 25 units): \_\_\_\_\_

SAC Credits: \_\_\_\_\_

**Net SAC Units:** \_\_\_\_\_

WAC Units (must be less than 25 units): \_\_\_\_\_

WAC Credits: \_\_\_\_\_

**Net WAC Units:** \_\_\_\_\_

**SECTION 4: ELIGIBILITY**

**Please confirm by initialing the following to determine eligibility:**

\_\_\_\_\_ The property is located in the City of Hastings, MN.

\_\_\_\_\_ The SAC Determination for the property is 25 units or less, prior to SAC credits.

\_\_\_\_\_ The WAC Determination for the property is 25 units or less, prior to WAC credits.

\_\_\_\_\_ I understand that the deferral term is not to exceed 10 years.

\_\_\_\_\_ I understand that the maximum deferment amount is 80% and a down payment, equal to 20% of the total SAC and WAC fees is due at time of application approval.

\_\_\_\_\_ I understand that the property owner will be billed monthly on their regular utility bill.

\_\_\_\_\_ I understand that SAC and WAC credits are tied to the property and may not generally be transferred to another location.

\_\_\_\_\_ I understand that in the event of a default, any outstanding payments will be assessed to the property and the property owners waives the right to contest the assessment.

\_\_\_\_\_ I understand that, in the case of a business closure, the business or property owner must notify the City’s Economic Development Coordinator. They City will verify the closure and future payment obligations will be waived. The site will not be credited with the portion of SAC & WAC not paid, but will receive credit for actual SAC & WAC paid.

**I hereby certify that the above information and/or statements are true and correct to the best of my knowledge. I understand that any false statements may disqualify me, the property, or this business from the program.**

**Business Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Property Owner Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Community Development Staff Approval:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**For Staff to Complete:**

Permit Number: \_\_\_\_\_

Permit Issue Date: \_\_\_\_\_

Deferral Start Date: \_\_\_\_\_  
(1st day of month after MCES report due)

Percentage to be financed: \_\_\_\_\_  
(maximum of 80%)

SAC Deferral Amount: \_\_\_\_\_ X (% Financed) = \_\_\_\_\_ X \_\_\_\_\_ = \_\_\_\_\_  
(e.g. 5 SAC x 80% = 4) (# total SAC units) Deferred Units Current SAC Rate Deferral Amount in \$

WAC Deferral Amount: \_\_\_\_\_ X (% Financed) = \_\_\_\_\_ X \_\_\_\_\_ = \_\_\_\_\_  
(e.g. 5 SAC x 80% = 4) (# of total WAC units) Deferred Units Current WAC Rate Deferral Amount in \$

Total Down Payment: SAC \_\_\_\_\_ = \_\_\_\_\_  
Down payment in units Down Payment Amount in \$

(+)

WAC \_\_\_\_\_ = \_\_\_\_\_  
Down payment in units Down Payment Amount in \$

(+)

First Monthly Payment = \_\_\_\_\_

**Total Down Payment: \$** \_\_\_\_\_

**Eligibility Conditions:**

\_\_\_\_\_ The fee owner's property taxes are in good standing.

\_\_\_\_\_ The business is in good standing with the State of Minnesota and is not in violation of Hastings City Code.

\_\_\_\_\_ The property is located within the City of Hastings.

\_\_\_\_\_ The business meets the definition of eligible commercial properties as stated in the City of Hastings SAC & WAC Deferral Program and/or the Metropolitan Council's SAC Deferral Program.

**Community Development Staff:** \_\_\_\_\_ **Date:** \_\_\_\_\_