

From: korey.bann@gmail.com
To: [Michael Kerski; ssoltau@visi.com](mailto:ssoltau@visi.com)
Cc: [Kelly Buska](#); [Bill Reynolds](#); [Darin Nelson](#); [William Mars](#); [Matt Lehman \(External\)](#); [Michael Luce](#); [Kathi Mocol](#); [Jay Whiting](#); ["Tom DeQuattro"](#)
Subject: SPUC SAC charges
Date: Monday, November 26, 2018 2:30:43 PM
Attachments: [image001.png](#)

Michael, thanks for the response email as attached below. As you mentioned below, I realize the City's desires to attract a major developer, however, when a developer is spending \$45,000,000 on a new development, \$220,000+/- in SAC cash credits is not going to make or break a decision for these developers. Their relocation decisions will more likely be based on bigger picture issues such as taxes and access to employment, etc., rather than a drop in the bucket cash discount of less than ½% of the overall development costs. Furthermore, the difference you state below is a massive difference especially when we are talking about 31 SAC fees multiplied by \$1,000 or \$2,700 per charge.

Willy McCoys would like to make a formal application for a portion of the available SAC cash credits held by the City. Willy McCoys is a family friendly dining establishment that will become part of the community by reaching out to residents, local non-profit organizations, families, schools, local sports teams and businesses as a place to gather. We will provide dozens of sought after well-paying jobs to city residents and generate massive tax revenue for the city and county.

As you already know, the number one request for residents in the City of Shakopee is a casual/upscale sit down restaurant. Our Managers get questioned nearly every week at our Bloomington and Chaska locations about when this new location is going to open. It's clear the local Shakopee residents are pleading for a concept like ours and we would love to be a part of the community. Also, due to resident demand, we have decided to upgrade our concept with a new menu including brick oven pizzas, fresh salads and new sandwiches, and an incredible outdoor dining experience. That means Shakopee will be drawing diners and tax revenue from residents from neighboring Cities not to mention bragging rights for the first restaurant rooftop patio south of the river. Attracting employees that live in neighboring Cities is nice, but a well-balanced City is something residents are proud to not only work at but also call home. At this time, there is a shortage of casual sit down dining establishments in the City partially because of the massive fees allocated to new restauranteurs by SPUC. At this time we do have an out in our lease but would love to proceed with this project and bring a fantastic family dining experience to your great City.

As you may know, major retail development does not get hit with SAC/WAC charges to the degree restaurants do. Normal retail charges for a major development are next to nothing compared to the overall cost for large developers. Restaurants get hit with SAC/WAC charges which amount to about 1/3rd of our overall buildout costs. National chains can afford to pay these costs however it is more difficult for small business owners. If the city wants another Wendys or Ruby Tuesdays throughout their City, those national chains may pay these exorbitant fees, but they are just too much for us and nearly all quality local restauranteurs. A basic live music venue or hip hop bar could maybe afford these SAC charges because their space is much smaller. However, a sit down dining establishment needs square footage for families to gather, kitchen equipment, bar/dining space and banquet rooms in order to operate. The new guidelines from the Metropolitan Council negatively affect sit

down dining establishments because they are based simply on square footage. If a new major economic development project, for example a large distribution center, does get approved with these cash credits, the city will be in an even greater demand for new dining establishments.

I graduated from the City of Shakopee and am proud of its development and how the City has grown. If the City wants to draw in another fast food establishment or stale national chain that's fine, if not Willy McCoys, et'al would love to become a great addition to the community if a portion of the \$244,00 SAC/WAC charges could be mitigated.

Please feel free to call me with questions or comments.

Korey Bannerman
Willy McCoys
612-685-2292

From: Michael Kerski <MKerski@shakopeemn.gov>
Sent: Wednesday, November 7, 2018 8:51 AM
To: korey.bann@gmail.com
Cc: Kelly Buska <kbuska@shakopeemn.gov>; Bill Reynolds <BReynolds@ShakopeeMN.gov>; Darin Nelson <DNelson@Shakopeemn.gov>
Subject: SAC

Good morning

The city is not in possession of credits but actual cash received as part of the Rahr agreement.

It would be up to the City Council if you would be eligible for the credits. Currently there are the cash equivalent of about 43 credits in the bank but the Council has been holding those for a major economic development project that would create high paying jobs. There are a couple of those projects in the current pipeline.

You questioned the city's SAC and WAC fees compared to other cities. Staff has done some research and found that we are similar to other communities:

	<u>Shakopee</u>	<u>Savage</u>	<u>Prior Lake</u>
-			
Met Council	\$2485.00	\$2485.00	\$2485.00
City SAC	\$500.00	\$2237.54	\$799.00
WAC	<u>\$5730.00</u>	<u>\$2984.49</u>	<u>\$2788.00</u>
Total	\$8715.00	\$7707.03	\$6072.00

Michael



Michael Kerski

Director of Planning & Development

City of Shakopee

485 Gorman Street

Shakopee, MN 55379

Direct 952-233-9346

Cell 864-360-5473

www.ShakopeeMN.gov