



City of Minneapolis

Commercial

Stormwater Charge Credits

Applicant Guide

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1.0 General Information

1.1 Overview

The City of Minneapolis (City) collects a stormwater utility charge that is used for stormwater management. The City sets the amount based on how much impervious area a property has. Properties that provide certain types of stormwater management may be eligible for a reduction in the stormwater charge. The reduction is referred to as the stormwater charge credit. This guide is intended to be used by potential applicants, describing the Commercial Stormwater Charge Credits (commercial credits) and the process to apply for these credits.

This Commercial Credits is applicable to all properties except for single-family homes, duplexes, and triplexes.

Note: Residential properties including single-family homes, duplexes and triplexes should refer to the *Single-family Residential Credits Guide to apply for Residential Credits*.

1.0 Stormwater Charge

Minnesota City Council established a Stormwater Utility and stormwater charge, pursuant to Chapter 510 of the Minneapolis City Code, to provide a designated source of revenue to fund the City stormwater system's operations and maintenance and capital improvement.

The stormwater charge is based on the impervious area on a property.

The stormwater charge rate is reviewed annually and adjusted accordingly through city council.

For the purpose of this guide, the commercial credits apply to all properties, unless the property is single-family residential, residential duplex, or residential triplex. Single family residential, residential duplex, or residential triplex parcels may qualify under the residential credits program described in a separate guide.

Property owners who install City-approved BMPs may be eligible for a reduction in their stormwater charge through the application process described in this guide.

2.0 Commercial Stormwater Charge Credits

2.1 Purpose

The purpose of the Stormwater Credits program is to enable property owners to seek reduction in stormwater charges if approved stormwater management practices have been implemented onsite to reduce or treat runoff. The Stormwater Credit program has been revised, effective January 1, 2022.

2.2 Objective

The key objectives of the Stormwater Credits program are as follows:

- i. Aid the City in its efforts with stormwater quality and quantity management to protect the water quality of its receiving waters and mitigate impacts of runoff.
- ii. Support the City's NPDES and MS4 stormwater (see *List of Acronyms*) permit compliance obligations.
- iii. Afford stormwater charge reduction opportunity for properties that engage in stormwater management practices to reduce the impact on the City's stormwater system and services.
- iv. Incentivize "Above and Beyond" efforts in stormwater management.

2.3 Types of Credits

The types of commercial credits depend on whether the credits were obtained prior to 2022 and are described as follows:

2.3.1 Stormwater Credit Program

The City revised the Stormwater Credits program effective January 1, 2022. Properties eligible for commercial credits may apply for one or more of the five (5) types of credits shown in Table 1. 1. The table provides a summary overview of the above-referenced five types of Commercial Credits. Additional details on each credit type are provided thereafter.

The maximum allowable aggregate commercial credit is 70% of the stormwater charge, except in locations where the Equity Credit applies, in which case the maximum allowable commercial credit is 80%.

A Basic Salt Management Plan (SMP) is required for all commercial stormwater utility credit applications. A template plan will be available on the City's website and in Appendix B.

No.	Credit Type	Description	% of Stormwater Charge	Applied to
1	Chapter 54	Meet the minimum standards for water quality treatment, peak discharge rate control, and volume control of Chapter 54 as a part of development approval.	10%	Property area meeting the standard.
2	Advanced Salt Management Plan (SMP)	Implement a comprehensive site-wide SMP that demonstrates chloride reduction.	30%	Portions of property where winter site management is required.
3	Voluntary	a. Voluntary BMPs (not required as a part of development) meeting water quality treatment, peak discharge rate control, and volume control standards as outlined in Chapter 54. *Only non-Chapter 54 properties are eligible for this credit*	50%	Property area meeting the standard.
		b. Water quality treatment: remove at least 75% of the total phosphorus (TP) on an average annual basis.	30%	
4	Above and Beyond	a. Volume Reduction: Capture and retain on-site 2.0" of runoff from impervious surfaces	20%	Property area meeting the standard
		b. Peak Discharge Control: Maintain peak discharge rates at or below the pre-settlement rates for the 10- and 100-year storm events	60%	
5	Equity	Credit added for implementing stormwater best management practices on properties located in Green Zones	10%	Property area meeting the standard.

Table 1: Credit Types. Note: for this guide, property area refers to the impervious portions of a property.

Additional information about meeting each credit requirement is as follows:

- **Chapter 54:** A stormwater charge credit of 10% is available for properties where the applicant has implemented stormwater management facilities required by the City's Chapter 54 Stormwater Management Ordinance requirements, per the Plan Development Review (PDR) process and is deemed fully compliant with those requirements. The credit will be granted for the portion of the impervious area that drains to the stormwater management facilities.
- **Advanced SMP Credit:** A stormwater charge credit of up to 30% is available for properties that complete and implement an Advanced SMP on the property. The credit will be available for the portions of the site that maintained for winter use by pedestrian and vehicle traffic (driveways, parking, etc.).
- **Voluntary Credits:** The two types of voluntary credits are:
 - i. **Voluntary Implementation of Stormwater Management Practices:** A stormwater charge credit of 50% is available where the applicant can show the property meets the stormwater management that would be required under the standards of the City's Chapter 54 Ordinance but was not required as a condition of approval through the PDR process.
 - ii. **Water Quality Treatment (Phosphorous removal):** A stormwater charge credit of up to 30% is available for properties that remove at least 75% of the total phosphorus load on an average annual basis with the use of voluntary BMPs.
- **Above and Beyond Credits:** The two types of above and beyond credits are:
 - i. **Volume Reduction:** A stormwater charge credit of 20% will be granted for properties that are capturing and retaining onsite a minimum of 2.0 inches of runoff. This volume of water must be infiltrated or reused and fully retained onsite.
 - ii. **Peak Discharge Rate Control:** A stormwater charge credit of 50% will be granted for properties that maintain peak discharge rates at or below the pre-settlement rates for both the 10-year and 100-year storm event.
- **Equity Credit:** Properties located within a **Green Zone** will be eligible for an additional 10% stormwater charge credit if they qualify for another stormwater credit type. The city strongly encourages the use of native species that encourage deeper infiltration and provide pollinator habitat.

2.3.2 Legacy Stormwater Credit Program (Pre-2022)

Existing credit holders who were awarded commercial credits prior to January 1, 2022 may retain the following two types of commercial credits:

- i. **Quality Credits:** Quality credits approved prior to January 1, 2022 may retain up to 50% credit on the monthly stormwater charge. The amount of the quality credit applies only to the impervious area on the parcel treated by the approved stormwater management facilities.
- ii. **Quantity Credits:** Quantity credits approved prior to January 1, 2022 for those properties that retain all stormwater onsite for the 10-year design storm or 100-year design storm, may retain 50% credit or 100% credit, respectively.

These credits may be retained if the requirements described in this guide for recertification are met. If the legacy credit has been terminated, the property may apply for credit under the revised credit program rules.

The following section presents the requirements that applicants must meet to apply for commercial credits.

2.4.1 Chapter 54 Regulated Properties

The following criteria must be met before a Chapter 54 regulated property may apply for a credit:

- Compliant with all Chapter 54 requirements, including post-construction requirements
- Current with utility bill

2.4.2 Non-Chapter 54 Regulated Properties

- Current with utility bill
- Any construction activities onsite must be complete

2.5 Submittal Requirements

The following section presents the technical documentation that applicants must submit to request commercial credits.

2.5.1 Credit Applications

- **Prerequisite:** Basic Salt Management Plan (SMP): A Basic SMP is required for all commercial stormwater utility credit applications. A template plan is presented in Appendix B and is also available on the City's website.
- **Supporting Documentation Requirements:** The owner or their designee must provide supporting documentation on information including the following:
 - i. Basic information consisting of parcel identification number (PIN/PID), utility account number, owner name, site contact, application contact (if different from site contact), parcel address.
 - ii. Technical documentation that demonstrates compliance with the stormwater charge credits being sought. Depending on the type of credit sought, these could include, but are not limited to the following documents:
 - a. Basic SMP
 - b. Maps, plans, and diagrams detailing:
 - For structural Best Management Practices and facilities:
 1. The drainage for the entire site including:
 - Drainage area delineations to each stormwater management facility
 - Impervious area for each delineation and facility
 - [See design specification samples here](#)

2. The stormwater management facilities or practices could include the following:
 - Bioretention facilities or rain gardens
 - Pervious Pavement
 - Green Roofs
 - Wet Ponds
 - Iron Enhanced Sand Filters
 - Sand Filters
 - Infiltration Basins
 - Infiltration Trenches
 - Underground Infiltration
 - For Advanced SMPs: The Winter Management area, impervious areas covered under the Advanced SMP, and a completed Plan document. [See the advanced SMP plan document and sample for details](#)
 - All related infrastructure to the stormwater management facilities, including pre-treatment, inlets, outlets, storm pipes, manholes and underdrains
 - Any connection points to the City of Minneapolis stormwater system
- b. Provide modeling information or calculations to prove that credit criteria are met as follows:
- Water Quality Credits - Provide water quality model inputs and results using one of these models:
 - P8 (version 2.4 or newer)
 - WinSLAMM (version 9.4 or newer)
 - MIDS Calculator
 - Rate or Volume control credits - Provide model inputs and results using one of these models:
 - HydroCAD
 - XP SWMM
 - EPA SWMM
 - Volume control: Calculation in conjunction with HydroCAD
- c. Operations & Maintenance (O&M) Plan The O&M plan should include:
- A basic full-page map, identifying the BMPs and their locations

- The party responsible for maintenance and corresponding contact information
 - The type and interval of maintenance
 - Inspection activities and frequency
 - Self-inspection forms specific to the type(s) of BMPs to be used
 - [See an O&M plan sample and template here](#)
- d. Advanced SMP (if applying for Advanced SMP Credit Type): This is separate from the Basic SMP and must demonstrate that winter maintenance practices are reducing and/or eliminating salt use in applicable areas.
- ii. Detailed engineering calculations must be signed by a certified professional with experience in stormwater management facilities.
- **Certification of Information:** By submitting a credit application, the applicant certifies the following:
 - All information included as part of the application is correct
 - Acknowledge that the City will determine credits based on the information provided
 - Affirms that the City may access the property as necessary to inspect the facility
 - **Technical Review and Inspection:** City will initiate the technical review of the credit's application when the City deems the credits application complete per the City's credit program submission requirements. The City will perform site inspections as part of the application review, as necessary.
 - **Properties Under Construction or Not Fully Functional:** Commercial credits will not be provided for stormwater management practices that are under construction and/or are not fully functional and/or are not properly maintained.

2.5.2 Commercial Credits Recertification Application

Commercial property credit holders are required to submit a credits recertification application once every five (5) years.

2.5.3 Recertification Documentation Requirements

The following documentation must be submitted by all applicants seeking credit recertification.

- i. An application with complete site details; address, owner, and contact information
- ii. Current field documentation of the BMP – pictures/video
- iii. Annual inspection and maintenance records. The records should reflect that inspections were done at least annually and, where appropriate, more frequently as per the O&M Plan, and that BMP is functional. Annual winter inspection forms are required from Advanced SMP credit holders
- iv. BMP has been maintained to function as it is designed
- v. Basic Salt Management Plan with up-to-date Smart Salting certification

2.6 Administrative Procedures

This section presents the administrative procedures that govern the City's commercial credits program.

2.6.1 Credit Application

Commercial parcels that install City-approved stormwater management facilities are eligible to apply for commercial credits. To request commercial credits, the property owner or the designee must submit a complete application along with all the requisite supporting submittal requirements through the City's website ([Commercial Stormwater Credits - City of Minneapolis \(minneapolismn.gov\)](https://www.minneapolismn.gov/CommercialStormwaterCredits)).

2.6.2 Application Fee

There is no application fee for applying for commercial credits.

2.6.3 Legacy Commercial Credits

Differences for the legacy commercial credits include:

- Maximum credits: The maximum allowable aggregate commercial credits for legacy commercial credit holders are 100% of the monthly stormwater charge.
- Recertification: Legacy commercial credit holders will be required to recertify according to the program described in this guide

- Loss of legacy commercial credits: Legacy commercial credit holders must reapply under the current program requirements if credits are terminated for any reason as described within section 2.5.1

2.6.4 Recertification of Credits

The approved commercial credits are valid for a five-year (5) term, with the credits expiring on December 31st of the fifth year of the credits. Recertification of commercial credits is contingent on the applicant submitting a Stormwater Credits Recertification form by July 15th of the calendar year in which the credits are due to expire. The first year of recertification requirements will begin January 1st, 2025.

For example: Properties that are awarded commercial credits in 2025 need to submit a recertification application by **July 15, 2029**.

2.6.5 Credit Adjustments

Commercial credits will be applicable only from the month in which a fully completed commercial credits application is received. There will be no retroactive stormwater charge adjustments for bills issued prior to the month of receipt of the fully completed commercial credits application.

2.6.6 Stormwater Charge Payment

A pending commercial credits application shall not constitute a valid reason for non-payment of the currently assessed stormwater charge. All stormwater charges that are outstanding at the time of submission of the commercial credit's application must be paid in full prior to the City commencing the technical review. Any stormwater charges unpaid on accounts after the commercial credit is awarded will be cause for credit removal.

2.6.7 Documentation Costs

The City will not reimburse any costs that the applicant incurs in the preparation of the required documentation and/or the commercial credits application package.

2.6.8 Burden of Proof

The burden of proof shall be on the applicant to demonstrate the validity of the commercial credit's application and all supporting documentation consistent with the City's application and documentation requirements.

2.6.9 Right-of-Entry

Following submission of a commercial credits application, the City shall have an automatic Right-of-Entry into the parcel for the sole purpose of inspecting the stormwater management facilities, or system in the parcel for which the commercial credit is requested. The City will attempt to notify the applicant prior to entering the property but may enter the property without a response from the applicant.

Commercial credit holders are responsible for notifying the City of changes to contact information.

2.6.10 Decision

The City will review and send a written Decision Letter to the property owners and/or the designee within 60 days of the receipt of the fully completed credits application. The City will notify the applicant if additional review time is necessary.

2.6.11 Appeal

On receipt of the City's decision on the commercial credit's application, the applicant may file an appeal, should the applicant disagree with the City's decision. The applicant must file the appeal with the Director of the Department of Public Works Surface Water and Sewers. The applicant can file an appeal if the applicant disagrees with:

- i. Whether their property is entitled to a commercial credit
- ii. Whether their property is granted continuation of a commercial credit
- iii. Amount of commercial credit

The parcel owner must file a written notice of appeal to the Director at the Director's customary offices within 10 days of the notice of that determination.

2.6.12 Termination of Credits

The City may terminate a property's commercial credits for any of the following reasons:

- i. Property is sold or transfers ownership
- ii. Facility no longer meets the program requirements
- iii. Failure to submit a recertification application and maintenance records with the recertification by the stated deadline (applicable to commercial parcels only). If the credit holder does not submit required documentation by **July 15 of the calendar year in which the credits expire**, the existing credits on the property will be revoked on December 31 of that calendar year.
- iv. Failure to remain current with the utility account receiving the credit
- v. Property is modified or facility is removed or modified
- vi. City inspection results in a determination that facility is not functioning properly

If a commercial credit is removed, the property is eligible to reapply for a commercial credit under the most current commercial credit program standards, at the time of reapplication. Any credit awarded will not be granted retroactively before the date that the application is submitted.

3.0 Terms and Acronyms

This section presents a list of terms and acronyms used in this guide.

3.1 Glossary of Terms

- i. **Applicant:** An owner of a single family residential property or commercial property in the City of Minneapolis that is seeking a Commercial stormwater charge credit.
- ii. **Commercial property:** For the purpose of this Applicant Guide, it includes all properties except single family homes, duplexes and triplexes.
- iii. **Equivalent Stormwater Unit (ESU):** A unit of measure that is equal to the average impervious area of single-family residential developed property that falls within the medium class, with a single-family detached dwelling unit located thereon and within the city's limits, as established by city council resolution or ordinance, as provided for herein.
- iv. **Equivalent Stormwater Unit Rate (ESU Rate):** The storm sewer charge imposed on single-family residential developed property within the medium class, as established by city council resolution or ordinance, as provided herein.
- v. **Green Zone** is a place-based policy initiative aimed at improving health and supporting economic development using environmentally conscious efforts in communities that face the cumulative effects of environmental pollution, climate change, as well as social, political and economic vulnerability. Green Zones in Minneapolis are defined by the Office of Sustainability and can be found on the City's website.
- vi. **Impervious Area** means the number of square feet of hard surface areas that either prevent or retard the entry of water into the soil matrix, as it entered under natural conditions as undisturbed property, and/or cause water to run off the surface in greater quantities or at an increased rate of flow from that present under natural conditions as undisturbed property, including, but not limited to, roofs, roof extensions, driveways, pavement and athletic courts.
- vii. **Other residential developed property:** For the purposes of commercial credits, developed property upon which multi-family dwellings with four (4) or more units are located.
- viii. **Runoff Coefficients:** Numbers approved by the city council that are used to estimate the impervious area for each non-single family classified property.
- ix. **Single-family residential developed property:** For the purposes of Residential Credits, single-family residential developed property refers to developed property upon which single-family homes, duplexes and triplexes are located.
- x. **Stormwater Charge:** A charge authorized by Chapter 510 of Minneapolis Code of Ordinance, Minnesota Statutes 2004, Section 444.075, and other applicable law, and further as set forth in resolution or ordinance heretofore or hereafter adopted or hereafter amended by the city council, which is established to pay operation and maintenance, costs of capital improvements, debt service

associated with the stormwater management system and other costs included in the operating budget.

- xi. **Stormwater Charge Credits:** A system of credits, which may reduce a property's stormwater charge that is imposed on developed or undeveloped property.
- xii. **Surface Waters:** Receiving water bodies including lakes, rivers, creeks, and wetlands.
- xiii. **Undisturbed property:** Real property that has not been altered from its natural condition in a manner that disturbed or altered the topography or soils on the property to the degree that the entrance of water into the soil matrix is prevented or retarded.
- xiv. **Vacant land:** Real property upon which there is no structure, as shown in the records of the city assessor's office, which is not designed for or regularly used for commercial or residential purposes, and which is not used in connection with another piece of property. Vacant land includes undisturbed property and land with no building used as a community garden.
- xv. **Water Quality:** Stormwater runoff characteristics resulting from a land disturbing activity that relate to the chemical, physical, biological, or radiological integrity of water.
- xvi. **Water Quantity:** Stormwater runoff characteristics that relate to the rate and volume of the stormwater discharged resulting from land disturbing activities.

3.2 List of Acronyms

BMP	Best Management Practices
SMP	Salt Management Plan
ESU	Equivalent Stormwater Unit
MIDS	Minimal Impact Design Standards
MPCA	Minnesota Pollution Control Agency
MS4	Municipal Separate Stormwater System
NPDES	National Pollutant Discharge Elimination System
PDR	Preliminary Development Review
SSAt	Smart Salting Assessment Tool
SWS	Surface Water and Sewers
TP	Total Phosphorus

Appendix – A: Commercial Credits Calculation Examples

The following examples illustrate the calculation procedures that would be applied in the assessment of monthly stormwater charges if stormwater charge credits are approved for a parcel. This method may also be used to calculate other credits in conjunction with the current utility rate. The 2021 rate was \$13.62 per Equivalent Stormwater Unit (ESU), where one ESU is 1,530 sq. ft.

A.1.1 Water Quality Treatment Credit

The following example shows the credit calculation and the billable monthly stormwater charge for a parcel that is granted a water quality treatment credit for a stormwater facility that removes 75% total phosphorus (TP) from the entire impervious area on a property.

- i. Monthly stormwater charge (*without commercial credits*) = \$1,362.00
- ii. Approved water quality treatment credit: 30%
- iii. Monthly water quality treatment credit: $30\% \times \$1,362.00 = \408.60
- iv. Monthly stormwater charge (*after applying water quality treatment credits*): $\$1,362.00 - \$408.60 = \$953.40$

A.1.2 Advanced SMP Credit

The following example shows the credit calculation and the billable monthly stormwater charge for a parcel that is awarded a 30% advanced SMP credit for a winter management area including walkways and a parking lot totaling 76,500 sq. ft., or half of the property's impervious area.

- i. Monthly stormwater charge (*without commercial credits*) = \$1,362.00
- ii. Impervious area treated by the stormwater facility = 76,500 sq. ft.
- iii. Approved advanced SMP credit: 30%
- iv. Monthly advanced SMP credit: $76,500 \text{ sf} \times 30\% \times \$14.45 / 1,530 \text{ sf} = \215.33
- v. Monthly stormwater Charge (*after applying advanced SMP credits*): $\$1,362.00 - \$215.33 = \$1,146.67$

A.1.3 Equity Credit

The following example shows the credit calculation and the billable monthly stormwater charge for a parcel that is granted the equity credit in addition to a water quality treatment credit for the treating all impervious area on the property.

- i. Monthly stormwater charge (*without commercial credits*) = \$1,362.00
- ii. Approved water quality treatment credit: 30%
- iii. Approved equity credit: 10%
- iv. Monthly commercial credit: $(30\% + 10\%) \times \$1,362.00 = \544.80
- v. Monthly stormwater charge (*after applying water quality treatment credit and equity credit*): $\$1,362.00 - \$544.80 = \$817.20$

A.1.4 Total Credit

The following example shows the credit amount calculation and the billable monthly stormwater charge for a parcel that is granted water quality treatment credit, advanced SMP credit, and equity credit discussed in previous examples.

- i. Monthly stormwater charge (*without commercial credits*) = \$1,362.00
- ii. Approved water quality treatment credit: 30%
- iii. Approved advanced SMP credit: 30%
- iv. Approved equity credit: 10%
- vi. Aggregate of all approved credits: $\$215.33 + \$544.80 = \$760.13$
- vii. Monthly stormwater charge (*after applying all approved credits*): $\$1,362.00 - \$760.13 = \$601.87$

Appendix B : Basic Salt Management Plan

Basic Salt Management Plan

City of Minneapolis Stormwater Credits Program

If submitting an Advanced Salt Management Plan, you do not need to submit the Basic Salt Management Plan.

Date:

Property Representative Contact:

Email and phone number:

Name of site:

Address of site:

Criteria:

- ☐ Salt Stewardship Pledge – [Minneapolis Salt Mini-Course](#)
 - Complete the Salt Mini-Course and then fill out the pledge
 - Full name of person who completed pledge:

- ☐ Property manager or representative must complete the MPCA (Minnesota Pollution Control Agency) Smart Salting class and provide proof of certification*
 - Smart Salting for Property Managers class OR Smart Salting for Sidewalks and Parking Lots class
 - Upload Smart Salting certificate online with your application
 - Copy of certificate must be kept on-site
 - [MPCA Smart Salting certification training website link](#)

*If property representative is not able to complete the Smart Salting class prior to submitting this credit application, proof of completion must be provided within 1 year of credit application.

I will work to reduce salt use at this location to protect our local waters.

Signed: