



Watertown Economic Development Authority

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1. Roll Call
2. Adopt Agenda
3. New Business
- 3.A. Emergency Pandemic Response Rebate Program

Documents:

[RFA 3.27.2020 COVID RESONSE EDA V.2.PDF](#)

4. Updates
5. Adjourn

309 Lewis Avenue South; P.O. Box 279, Watertown, MN 55388

Watertown Economic Development Authority

March 27, 2020

Agenda Item: EDA Response to COVID-19**Request for Action: Adopt Resolution #2020-03, Approving Pandemic Business Rebate Program****Department: Shane Fineran, City Administrator****Background:**

As directed at the joint Economic Development Authority and City Council meeting on Monday, March 23rd, staff has prepared an amended program policy and description for consideration as it relates to the proposed Emergency Business Pandemic Rebate program. The City Council gave authorization to the EDA via resolution #2020-45 to develop such programs.

The initial concept behind the program was to support those businesses directly impacted by executive orders issued by Governor Tim Walz with property tax rebate and utility bill rebates.

The program as amended makes available utility bill rebates to all of the identified 58 businesses within the community during the declared local emergency period, or for up to three months, whichever is less. The eligible businesses would have to be “brick and mortar” businesses with a physical location and identified within the City’s utility billing program software as such, and properly zoned or permitted through conditional or interim use permit. This rebate would not extend to any residential based businesses.

The EDA has approximately \$447,000 in uncommitted fund balance that has been accumulated through withheld CDBG funds from state and federal sources, land sales, loan repayments, and the EDA property tax levy that can be used to fund this program. No additional resources would be needed from an additional property tax levy on city properties. This would be completely funded from a “cash on hand” basis.

In the analysis of the program parameters the total investment by the EDA for this program as drafted, at 100% rebate level for up to 3 months, would be \$49,541. Additional analysis at a 50% rebate level and a flat \$100 rebate amount is also provided. The analysis is based upon average and recent usage. The actual amount maybe smaller or higher dependent upon usage.

Commercial Utility Relief

| | Amount of Relief | | |
|----------|------------------|-----------|-----------|
| | 100% | 50% | \$100 |
| 1 Month | 16,513.96 | 8,256.98 | 6,200.00 |
| 2 Months | 33,027.92 | 16,513.96 | 12,400.00 |
| 3 Months | 49,541.88 | 24,770.94 | 18,600.00 |

From a staff effort perspective, the delivery of a percentage of rebate can be accomplished, although it will be done manually. Based on the complexity of the coding required to calculate a percentage rebate on the total bill, and the lack of confidence staff have with the billing software to appropriately manage, the manual entry method is recommended. We anticipate this effort to take approximately 6 to 8 hours of staff effort to complete the task which is manageable with current work load.

As stated previously, any rebate given to properties where residential and commercial use is mixed, with the current data available we have no ability to separate the two uses from the total bill as all usage is accounted for under one metered account. This accounts for 9-10 of the total number of accounts. The EDA also has no ability to ensure that the rebate savings get passed onto any tenant of the utility account payor where multi-tenant space exists.

Funding Source:

EDA Fund

Attachments:

PBR Program Policy

EDA Resolution #2020-03

WATERTOWN ECONOMIC DEVELOPMENT AUTHORITY EMERGENCY PANDEMIC BUSINESS REBATE PROGRAM

PURPOSE

The purpose of this document is to establish guidelines for the application and administration of the City of Watertown Emergency Pandemic Business Rebate Program (the “PBR Program”).

POLICY STATEMENT

The City of Watertown recognizes the need to stimulate and support small businesses, which are often owned and operated by local community members, provide essential services, and foster vitality and charm in our community. It is the position of the Economic Development Authority the “EDA”) that these businesses have been impacted by the community mitigation strategies recommended and implemented by state and federal authorities in response to the COVID-19 pandemic.

ELIGIBILITY

Rebate proceeds obtained through the PBR Program can be used by and for:

1. Businesses impacted by federal or state mandated closures or reduction in services in response to COVID-19 mitigation efforts, including but not limited to Emergency Executive Order 20-04 and their amendments signed by Minnesota Governor Tim Walz, or any other executive order expanding or extending such closures or reduction in services.
2. Eligible businesses must be within the city limits of Watertown and in commercial or industrial zoned districts or allowed by conditional use permit as defined by the City’s approved Land Use Map.
3. Eligible businesses shall be identified by the City as a Commercial, Industrial, Combination Commercial, or Healthcare Facility in its utility billing program. Home based occupations as allowed by local ordinance regulating the operating of such business in accordance with Municipal Code Section 62-481 are not eligible.

Eligible Bill Groups

04-Combo-Residential/Commercial, 10-Commercial, 11-Combo-Commercial-Residential, 20-Industrial, 33-Health Care Facilities

4. Property owners housing such eligible businesses who pay the utility bill on behalf of eligible businesses will receive the rebate and are encouraged to pass the rebate savings onto their tenant businesses. Rebates will be issued regardless of the make-up of multi-tenant spaces, percentage of occupation, square footage, etc.

Rebate proceeds can be used for:

1. City of Watertown utility bills payable and due during the declared local emergency as defined by Watertown Resolution #2020-43 and any official extension of the emergency period, or up to three (3) months, whichever is less. (Ex. bills due by April 15th, May 15th, etc.)

PROCEDURAL GUIDELINES FOR APPLICATION OF REBATE

1. Application of rebates will be applied to identified eligible businesses by City of Watertown staff and shown as a credit on monthly utility bills. If a business believes they are eligible and have not been issued a rebate, they are encouraged to contact city staff at 952-955-2681 or email at cdamman@watertownmn.gov for verification.
2. Utility billing customers will continue to receive monthly utility bills statements.
3. Rebate amounts will be at 100% of all base charges, use charges, state testing fee, and sales tax for water sewer and storm water charges.
4. Funding for the PBR program will come from the City of Watertown Economic Development Authority fund and will be recognized as an interfund transfer to the enterprise funds support water, sewer, and storm water operations and are not a result of additional tax levy on the property within the City of Watertown.

**CITY OF WATERTOWN
ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2020-03EDA**

**A RESOLUTION ESTABLISHING EMERGENCY ASSISTANCE ECONOMIC
DEVELOPMENT PROGRAMS FOR LOCAL BUSINESSES IMPACTED BY THE
COVID-19 PANDEMIC**

WHEREAS, pursuant to Minn. Stat. § 12.29, the City of Watertown (the “City”) declared a local emergency on March 16, 2020 via resolution 2020-43 (“Declaration”) in response to the COVID-19 pandemic (“Pandemic”); and

WHEREAS, Minn. Stat. § 12.37(1) specifically authorizes the City to enter into contracts and incur obligations necessary to combat the disaster by protecting the health and safety of persons and property and by providing emergency assistance to the victims of the disaster; and

WHEREAS, the City Council established the Economic Development Authority (“EDA”) to encourage and financially support economic development within the City; and

WHEREAS, by Resolution No. 2020-45, the City Council delegated authority to the EDA allowed to the City under its Declaration and Minn. Stat. § 12.37 to enter into contracts, incur obligations and provide emergency assistance to businesses within the City effecting by the pandemic (“Business Assistance Resolution”); and

WHEREAS, the City Council resolved that the EDA may develop any necessary policies, and programs for loans and assistance that it deems necessary to carry out the Business Assistance Resolution; and

WHEREAS, the Business Assistance Resolution authorizes the City Administrator to approve any disbursements from the EDA Fund necessary to any program and policies created by the EDA pursuant to that Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WATERTOWN, MINNESOTA AS FOLLOWS:

1. Emergency Pandemic Business Rebate Program. The EDA hereby establishes the City of Watertown Emergency Pandemic Business Rebate Program (“PBR Program”). The PBR Program is designed to assistance business impacted by federal and state mandated closures and reduction in services in response to the Pandemic through rebates for utility bills. The PBR Program criteria and guidelines for application and approval are attached as **Exhibit A**.

2. Administration. In accordance with the Business Assistance Resolution of the City Council of the City of Watertown, City Code, and all policies and procedures of the EDA, the City Administrator will assist the EDA in administering the Grant Programs in Section 1 above. Specifically, the City Administrator is authorized to disburse funds from the EDA funding during the pendency of the emergency declared by Resolution No. 2020-44 and any subsequent extensions.

3. Expiration. The EDA may maintain the PBR Program for up to one year after the termination of the local emergency (declared in Resolution No. 2020-44 and any resolutions extending the emergency), and extend any program deadlines by a majority vote of the EDA.

Adopted by the Economic Development Authority of the City of Watertown this 27th day of March, 2020.

Ken Grobbo, President

ATTEST: _____
Lynn Tschudi, Secretary

EXHIBIT A

EMERGENCY PANDEMIC BUSINESS RESPONSE REBATE