



**Watertown Economic Development Authority  
May 27th, 2021  
8:30 a.m.**

Ken Grotbo  
Cory Mittness  
Roxanne Wilmes  
Mike Walters  
Lindsay Guetzkow

1. Roll Call
2. Adopt Agenda
3. New Business
- 3.A. Approve May 4, 2021 EDA Regular Meeting Minutes

Documents:

[5.4.21 EDA MINUTES.PDF](#)

- 3.B. Building Façade Improvement Grant - Carver County Cycles

Documents:

[RFA - BFI GRANT FUNDS CARVER COUNTY CYCLES.PDF](#)

- 3.C. Business Subsidy Policy - Addendum 2 Amendments

Documents:

[RFA - ADDENDUM 2 TRUNK FEE WAIVER AMENDMENTS.PDF](#)

4. Updates
5. Adjourn

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



## Watertown Economic Development Authority

Ken Grotbo  
Cory Mitteness  
Roxanne Wilmes  
Mike Walters  
Lindsay Guetzkow

5/4/2021 - Minutes

### 1. Roll Call

EDA Chair Ken Grotbo called the meeting to order at 8:32 a.m. at Watertown City Hall.

EDA memers president: Grotbo, Roxanne Wilmes, Lindsay Guetzkow, Cory Mitteness

Staff present: City Administrator Shane Fineran and Community Development Consultant Mark Kaltsas

### 2. Adopt Agenda

**GUETZKOW MOVED, WILMES SECONDED A MOTION TO ADOPT THE AGENDA AS PRESENTED. ALL PRESENT VOTED AYE. MOTION CARRIED.**

### 3. New Business

#### 3.A. Approve February 2nd Meeting Minutes

**WILMES MOVED, GUETZKOW SECONDED A MOTON TO APPROVE THE MINUTES FROM FEBRUARY 2, 2021. ALL PRESENT VOTED AYE. MOTION CARRIED.**

#### 3.B. Workshops Of Watertown Utility Trunk Fee Waiver

Administrator Fineran presented the item for consideration of approving the request for utility trunk fee waiver for the Workshops of Watertown project. Based upon the Business Subsidy Policy of the city, this project could be eligible for up to \$26,699 in assistance through the EDA to help offset the cost of utility trunk fees for new development. The developer would be responsible for paying the remainder balance of the fee at the time of permit issuance of \$5,334.43. The assistance would not be paid directly to the developer but would rather be an internal transfer to the city's enterprise funds once the building permit is issued and the structure built.

**GUETZKOW MOVED, WILEMS SECONDED A MOTION TO APPROVE RESOLUTION #2021-03EDA, APPROVING UTILITY TRUNK FEE WAIVER ASSISTANCE. ALL PRESENT VOTED AYE. MOTION CARRIED.**

#### 3.C. Chamber Of Commerce Promotional Mailer

Administrator Fineran presented the request from the Watertown Area Chamber of Commerce for

assistance with a promotional mailer that will go out to all residents of Watertown to support area businesses, chamber member or not, during the Hwy 25 reconstruction project. The mailer will also promote the pending deadlines for use of the Chamber Check stimulus programs implemented in 2020 and early 2021 that were supported by the City Council and EDA.

**MITTENESS MOVED, GUETZKOW SECONDED A MOTION TO ADOPT RESOLUTION #2021-04EDA APPROVING ASSISTANCE FOR THE PROMOTIONAL MAILER. ALL PRESENT VOTED AYE. MOTION CARRIED.**

4. Updates

Staff provided updates regarding housing and commercial/industrial projects in the development stages and or that are coming forward through the Planning Commission and City Council approval process.

5. Adjourn

**WILMES MOVED, MITTENESS SECONDED A MOTION TO ADJORN THE MEETING. ALL PRESENT VOTED AYE. MOTION CARRIED.**

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

DRAFT

**Watertown Economic Development Authority**May 27<sup>th</sup>, 2021**Agenda Item: Building Façade Improvement Grant****Request for Action: Adopt Resolution #2021-05EDA, Approving BFI grant fund disbursement****Department: Shane Fineran, City Administrator****Background:**

Joel Zoch, owner of the new Carver County Cycles business located at 130 Lewis Avenue S has applied for grant funds through the EDA's Business Façade Improvement program.

This program aims to support building façade improvements to enhance the aesthetics and curb appeal of businesses within the community. Eligible projects include signage, windows, siding, doors, etc. These improvements are supporting through loan and grant funds on a 2:1 match for eligible projects.

Mr. Zoch completed a substantial renovation to house the new cycle shop including interior renovation and work to the exterior of the building including roofing, stone wainscoting, LP/hardboard type siding and removal of the mansard roof and replacement with an awning, doors, and windows. The exterior enhancements totaled \$19,275.00.

**Before****After**

Mr. Zoch is requesting \$2,500 in BFI grant funds for this project, no loan dollars are requested. Staff have reviewed the application and invoices submitted, work completed, and recommend approval of grant fund disbursements.

**Funding Source:**

EDA Fund>Grant Program

**Attachments:**

Application

Resolution #2021-05EDA

Carver County Cycles  
130 Lewis Ave. S  
Watertown, MN 55388

05/06/21

Dear Shane Fineran,

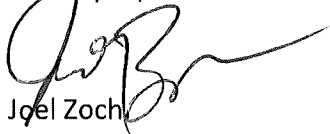
We spoke a few months back regarding the BFI Grant Program, since then we have finished the first stage of our remodeling project at 130 Lewis Ave. S. The front of the building has been completely remodeled including new energy efficient windows, new door, new stacked stone, permanent siding, and a new awning with the company's name on it. In addition to rebuilding the front of the building we replaced the old roof with steal, added insulation, updated the electrical, built a show room, and many other updates. The second stage of the renovation will include revitalizing the other exterior walls of the building.

Carver County Cycles opened for business in early April at 130 Lewis Avenue South. I am very excited to be a part of the Watertown business community and I have been very pleased with the response from the community. I grew up in a small town in Southwestern Minnesota where I learned the importance of community, so I used local contractors for the renovation and I found them all wonderful to work with, just like I expected.

I currently have one full time employee and two part time employees with plans to add more as the need arises.

If there is any additional information you require for the BFI Grant, please contact me either by phone at 507-384-2356, or email at [joel@gringeer.com](mailto:joel@gringeer.com)

Thank you,



Joel Zoch

P.S. Stop in and see the shop I would enjoy showing it to you.

**WATERTOWN EDA  
BUILDING FAÇADE IMPROVEMENT GRANT  
& LOAN FUND APPLICATION**



APPLICANT Carver County Cycles

PERSONAL ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

BUSINESS ADDRESS 130 Lewis Ave S.

CITY Watertown STATE ME ZIP 55388


CONTACT PERSON(S) Joel Zoch

BUSINESS PHONE 952-236-8314 HOME PHONE \_\_\_\_\_

CELL PHONE 507 384-2356 EMAIL joel@zengineering.com

LOAN AMOUNT REQUESTED \_\_\_\_\_

GRANT AMOUNT REQUESTED \$ 2500.00

SOCIAL SECURITY NUMBER \_\_\_\_\_ or FED. ID# 

STATE ID # 

1. Describe Project:

Replace old windows & door on front of the building. Completely remodeling front of building with decked stone and LP smart board siding. New awning with company name.

2. Purpose of Loan:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Cost of Project:

A) Window/Door Replacement \$ 7100

B) Exterior Painting \$ 495

C) Tuck Pointing \$ \_\_\_\_\_

D) Awning Replacement \$ 3280

E) Sign Replacement \$ \_\_\_\_\_

F) Streetscape Improvements \$ 8400

TOTAL COSTS \$ 19,275.<sup>00</sup>

see enclosed invoices.

4. Proposed Financing:

SOURCE	NAME	TERMS	AMOUNT
A) State Grant/Loan	_____	_____	\$ _____
B) Fed Grant/Loan	_____	_____	\$ _____
C) Bank Loan	_____	_____	\$ _____
D) Bank Loan	_____	_____	\$ _____
E) Other Private	_____	_____	\$ _____
F) BFI Grant	CITY OF WATERTOWN	_____	\$ 2500. <sup>00</sup>
G) BFI Loan	CITY OF WATERTOWN	_____	\$ _____
H) Applicant Contribution			\$ _____
TOTAL FINANCING/SOURCES			\$ _____



5. Collateral to be assigned (described and show lien position):

- A. To State \_\_\_\_\_
- B. To Federal Govt. \_\_\_\_\_
- C. To Bank \_\_\_\_\_
- D. To Bank \_\_\_\_\_ *N/A*
- E. To Private \_\_\_\_\_
- F. To Other \_\_\_\_\_
- G. To City (this Loan) \_\_\_\_\_

6. Value of Collateral:

	<u>COST</u>	<u>BOOK VALUE</u>	<u>EXISTING LIENS</u>
A) Land	\$ _____	\$ _____	\$ _____
B) Buildings	\$ _____	\$ _____	\$ _____
C) Mach. & Equip.	\$ _____	\$ _____ <i>N/A</i>	\$ _____
D) Other _____	\$ _____	\$ _____	\$ _____
E) Other _____	\$ _____	\$ _____	\$ _____

8. \*EMPLOYMENT:

Present Number of Employees 4 2 FT Total Payroll \$ 8000/mo  
 After Project # of Employees \_\_\_\_\_ Total Payroll \$ \_\_\_\_\_

\*If Loan is for Job Retention only, explain in the Business Plan.

9. Attorney, Accountant (Names, Addresses, Phone):

<u>Randy Ringquist</u>	<u>Accountant</u>
<u>PO Box 2620</u>	<u>Chris Johnson</u>
<u>Jackson, MN 56143</u>	<u>Watman Group</u>
<u>507-235-2529</u>	<u>305 S Broadway</u>
	<u>Marion, SD 57403</u>
	<u>605-441-2229</u>

10. Bank and Other References (Names, Addresses, Phone):

State Bank of Fairmont  
918 E. Blue Earth Ave  
Fairmont, MN 56031  
507-238-4287  
Allen Struck

11. Attach and include the following:

X A) Written Business Plan:

1. Description of Business
2. Ownership
3. Date Established
4. Products/Services
5. Management
6. Employment Statistics (# of Employees, Projected # of Employees, Wages, etc.)
7. Future Plans

N/A B) For Existing Business:

1. Provide Financial Statements or Tax Statements for Past Three Years.

N/A C) For New Business:

1. Provide Personal Financial Statements or Tax Statements of Parties for Past Three Years.

N/A D) Financial Projections for Five Years

N/A E) Resume of Owner/Management

X F) Letter of Commitment from Applicant Pledging to Complete during the Proposed Project Duration *- Project is completed.*

N/A G) Letter of Commitment from Other Sources of Financing, Stating Terms and Conditions of Their Participation in Project

\_\_\_\_\_ H) Other \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_


\_\_\_\_\_ I) Other \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

X J) \$50 Application Fee (Non-Refundable)

I/We certify that all information provided in this application is true and correct to the best of my/our knowledge. I/We authorize the City of Watertown and the Watertown Economic Development Authority to check credit references and verify financial and other information. I/We agree to provide any additional information as may be requested by the City of Watertown and the Watertown Economic Development Authority.

DATE: 5-6-21

APPLICANT NAME: Joel Zoch  
(Please Print)

  
By

By

Received By: \_\_\_\_\_

Date: \_\_\_\_\_

# Proposal

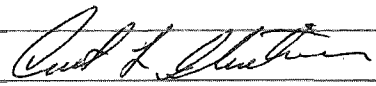
**LEE LYN CONSTRUCTION, L.L.C.**  
 PO Box 249  
 WATERTOWN, MINNESOTA 55388  
 MN Bldrs. Lic. #BC003534  
 (952) 955-3219

PROPOSAL SUBMITTED TO Joel Zoch		PHONE 507-384-2356	DATE September 11, 2020
STREET 6201 1015th		JOB NAME Renovations to Lewis Avenue Watertown Building	
CITY, STATE, and ZIP CODE Champlin, MN 55316		JOB LOCATION	
ARCHITECT Lee Lyn Construction	DATE OF PLANS	JOB PHONE	

**We Propose** hereby to furnish material and labor complete in accordance with the specifications below, for the sum of: \_\_\_\_\_ dollars (\$ \_\_\_\_\_).

Payment to be made as follows: \_\_\_\_\_

All material is guaranteed to be specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from specifications below involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control, Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature 

Note: This proposal may be withdrawn by us if not accepted within 10 days.

We hereby submit specifications and estimates for:

SUBJECT: Lewis Avenue Building in Watertown, MN  
 PROPOSED WORK ITEMS:

- |     |  |                       |   |
|-----|--|-----------------------|---|
| ①   | Remove Front Soffit and Overhang.....  | \$3,000.00            | ✓ |
| 2.  | Remove Brick Veneer on Front of Building.....  | \$2,000.00            | ✓ |
| 3.  | Remove Interior Walls, then cut front wall down to 36" tall.....   | \$3,800.00            |   |
| 4.  | Remove Rear Exterior Door.....   | \$600.00              |   |
| 5.  | Re-Cover Front Upper Area with new LP Smart Siding.....  | <del>\$3,800.00</del> | ✓ |
| 6.  | Change Front of Store to be 42" Tall - across entire Front.....  | \$2,800.00            |   |
| 7.  | Install cultured stone on front with limestone cap (42" tall).....   | <del>\$4,600.00</del> | ✓ |
| ⑧   | Install New Store Front Windows and New 3' x 7' Front Door with Closer.....  | <del>\$7,100.00</del> | ✓ |
| 9.  | Install New 5' x 6'8" Rear Steel Door.....   | \$3,300.00            |   |
| 10. | Remove & Re-Shingle Roof, Color TBD.....   | \$9,800.00            |   |
| 11. | Allowance for Electrical Work to Disconnect Electrical in Soffit and Interior Electrical Work<br>Current Electrical Allowance = \$900.00 |                       |   |
| 12. | Fill In Drywall on Ceiling, Tape all Joints.....   | \$2,000.00            |   |
| 13. | Remove All Debris From Site.....   | \$1,000.00            |   |
| 14. | Contracting Fee.....   | \$5,124.00            |   |

Estimated Total For Work Items = \$49,824.00

- Bid Does Not Include:
1. Painting Interior or Exterior
  2. Permit
  3. Floor Coverings
  4. Builder's Risk Insurance
  5. Light Fixtures
  6. Interior Trim Work

WE ARE AUTHORIZED TO PROVIDE YOU WITH THIS NOTICE. YOU ARE THEREFORE NOTIFIED THAT:  
 (A) ANY PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS IMPROVEMENT TO YOUR PROPERTY ANY FILE A LIEN AGAINST YOU PROPERTY IF THAT PERSON OR COMPANY IS NOT PAID FOR THE CONTRIBUTIONS.

(B) UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE, OR WITHHOLD THE AMOUNTS DUE TO THEM FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.

**Acceptance of Proposal** The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_

Date of Acceptance \_\_\_\_\_ Signature \_\_\_\_\_

Enhancement Painting Services LLC

4533 County Rd 4 SW  
Cokato, MN 55321

# Invoice

Date	Invoice #
3/29/2021	176

Bill To
Gringineer Cycles 130 Lewis Ave S Watertown, MN 55388

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
1	Paint siding on front of building.	495.00	495.00
<b>Total</b>			\$495.00

Canvas Craft, Inc.  
 5781 Queens Ave NE  
 Otsego, MN 55330  
 Phone: 763-428-4325  
 Fax: 763-428-9098  
 www.canvascraftinc.com



Remit Payment To:  
 Canvas Craft, Inc.  
 PO Box 900  
 Elk River, MN 55330  
 Phone: 763-428-4325

# Invoice

Date	Invoice No.
4/9/2021	65287

Sold To
Carver County Cycles Attn: Joel Zoch 130 Lewis Ave S Watertown, MN 55388-4521

Ship To
Carver County Cycles Attn: Joel Zoch 130 Lewis Ave S Watertown, MN 55388-4521

Project/Job #	Terms	Rep	Customer P.O. No.
31230	50% Down, Balance on Delivery	TH	Awning
Description	Qty	Rate	Amount
New Commercial Traditional Awning Size: 328'W x 36"D x 42"T (includes 6" Hard Valance/Sign Band)  Includes: - Fabric: Sunbrella Awning Fabric. Color: Ocean Blue - New Tig Welded Aluminum 1" Tube Frame - Graphics - Up to 20 SQFT of 1 Color Graphics - Installation  Estimate DOES NOT include: -Permits or Fee (if required) -Electrical/Lighting (performed by others, if required)	1	3,280.38	3,280.38
TERMS 50% Downpayment/Balance on Delivery		<b>Subtotal</b>	\$3,280.38
WARRANTY: Canvas Craft, Inc. provides a 2 year warranty on most products with additional fabric manufacturer's warranty where applicable. Contact Canvas Craft for more information.		<b>Sales Tax (7.375%)</b>	\$0.00
*A 1.5% finance charge per month (18% per annum) will be assessed on all past due invoices. *Storage Fees will be assessed on any completed jobs left over 5 business days. *A 2.4% convenience fee will be added for all card transactions.		<b>Total</b>	\$3,280.38
		<b>Payments/Credits</b>	-\$1,640.16
		<b>Balance Due</b>	\$1,640.22

Thank you for doing business  
 with Canvas Craft, Inc.

**CITY OF WATERTOWN  
ECONOMIC DEVELOPMENT AUTHORITY  
RESOLUTION NO. 2021-05EDA**

**RESOLUTION APPROVING BUILDING FAÇADE IMPROVEMENT GRANT DISBURSEMENT**

**WHEREAS**, the City of Watertown Economic Development Authority (the “EDA”) makes grant and loan funds available to support local businesses and economic development in the community; and

**WHEREAS**, the EDA has received and reviewed application for grant funds from Carver County Cycles, 130 Lewis Avenue S for eligible exterior enhancements through the Building Façade Improvement Program; and

**WHEREAS**, Carver County Cycles has provided documentation to support eligibility for \$2,500.00 in grant funds; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Economic Development Authority of the City of Watertown, Minnesota, hereby approves the grant application and disbursement of funds.

Adopted by the City Council of the City of Watertown this 27<sup>th</sup> day of May 2021.

\_\_\_\_\_  
Ken Grotbo, President

ATTEST: \_\_\_\_\_  
Shane Fineran, Executive Director

**Watertown Economic Development Authority**May 27<sup>th</sup>, 2021**Agenda Item: Utility Trunk Fee Waiver Policy Amendments****Request for Action: Discussion & Direction or Motion to Approve Amendments****Department: Shane Fineran, City Administrator****Background:**

The City's Business Subsidy Policy provides financial incentives and tools for the community to use to attract, retain, and support expansion of economic development activities in the community. The policy provides clear direction as to the measurables that are necessary to execute for the City to consider providing these incentives, including tax base development and enhancement, job creations, affordable housing development, etc. The City utilizes several different tools and strategies to achieve these outcomes including the utilization of tax increment financing, tax abatement, and utility trunk fee assistance.

In recent application of policy language from Addendum 2, which is the utility trunk fee waiver policy and tool, staff and the EDA found that application was a challenge and less clear than desired as to what the total value or consideration might be for any specific project. In discussion with the EDA, it was desired that assistance be provided based on a percentage of the entire utility trunk fee charge and that project applicants have some participation in the payment of these fees. The EDA budgets for this incentive and eligible project costs are reimbursed to the City's enterprise funds with EDA funds.

Staff have prepared a redlined version of Addendum 2 in which a sliding scale of waiver percentage, 25%, 50%, and 75% is tied directly to the size of the building constructed or expanded, the number of jobs created, or the affordability of housing units.

**Building Construction**

2,000 sq ft = 25% waiver

2,001 to 6,000 sq ft = 50% waiver

6,001 or more sq ft = 75% waiver

**Job Creation**

1 to 2 jobs = 25% waiver

2 to 5 jobs = 50% waiver

6 or more jobs = 75% waiver

**Housing Affordability**

80% to 61% AMI = 25% waiver per unit

60% to 50% AMI = 50% waiver per unit

49% or less AMI = 75% waiver pre unit

Staff is seeking discussion and direction on the policy amendment or a motion to adopt the changes.

**Funding Source:**

None

**Attachments:**

Addendum 2 draft



## City of Watertown, Minnesota

### ADENDUM 2

## UTILITY TRUNK FEE WAIVER POLICY

### 1) POLICY PURPOSE

*For the purposes of this document the term "City" includes the Watertown City Council, Staff, the Economic Development Authority, Advisory Boards and Commission, Financial consultants, and legal counsel.*

The purpose of this policy is to establish the City of Watertown's position relating to the waiver of trunk fees for water, sewer, and storm utilities as identified in the City's adopted fee schedule. Trunk fees will be determined by using the equivalent residential unit (ERU) calculation found in municipal code. This policy shall be used as a guide in the processing and review of applications requesting municipal subsidy in a development or redevelopment project that meets the business subsidy criteria.

The City reserves the right to approve or reject requests on a case by case basis, taking into consideration established policies, project criteria, and demand on City services in relation to the potential benefits from the project. Meeting policy criteria does not guarantee the award of municipal subsidy to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project. Fee waivers related to trunk fees will not result in a reduction of the equivalent residential unit calculation for ongoing monthly usage billing.

The City Council (and EDA Board) can deviate from this policy for projects that supersede the objectives identified herein.

### 2) OBJECTIVES OF FEE WAIVERS

Fee waivers can be utilized by the City to provide subsidy to a project that meets the desired objectives of the business subsidy criteria. As a matter of adopted policy, the City will consider using fee waivers to assist private development projects that will achieve one or more of the business subsidy criteria.

### 3) GENERAL CONSIDERATIONS FOR USE OF FEE WAIVER

1. Developer shall be able to demonstrate a market demand for a proposed project. Fee waivers shall not be used to support purely speculative projects.
2. Fee waivers shall not be utilized in cases where it would create an unfair and significant competitive financial advantage over other projects in the City.
3. Fee waivers shall not be provided for projects that would place extraordinary demands on city services or for projects that would generate significant

environmental impacts.

4. The developer must provide adequate financial guarantees to ensure completion of the project, including, but not limited to: assessment agreements, letters of credit, personal guarantees, etc.
5. The developer shall adequately demonstrate, to the City's sole satisfaction, an ability to complete the proposed project based on past development experience, general reputation, and credit history, among other factors, including the size and scope of the proposed project.
6. For the purposes of analyzing the proposal, the developer shall provide any requested market, financial, environmental, or other data requested by the City or its consultants.
7. Trunk charges will be based upon the application of the equivalent residential unit calculation method as determined in Watertown Municipal Code.

#### 4) COMMERCIAL AND INDUSTRIAL PROJECT QUALIFICATIONS

Projects requesting to be considered by the City of Watertown must meet all of the following requirements:

- 1) To be eligible for consideration of a fee waiver, a project shall result in one or both of the following outcomes:
  - a. new construction or addition of a minimum of 2,000 square foot building.
  - b. the minimum creation of one new job providing a wage that meets or exceeds the level that meets the cost of living for Carver County as determined by the Minnesota Department of Employment and Economic Development.
  
- 2) Fee waiver will be considered at the following levels for projects that meet the minimum outcomes:
  - a. ~~A minimum expansion or newly constructed building of at least For every 2,000 square feet must be constructed. A 2,000 square foot building could be eligible for twenty-five percent (25%) waiver, 2,001 to 6,000 square foot building could be eligible for a fifty percent (50%) waiver, and 6,001 square feet or more could be eligible for a of newly constructed building, a~~ fee waiver of ~~twentyseventy-five (725%) waiver. The total value~~ of the utility trunk fees for water, sewer, and storm water maybe waived to a maximum amount of \$100,000.

and/or

- b. For every job created that meets the stated outcome in Section 4-1(b) of this addendum, a fee waiver ~~maybe considered of twenty-five percent (25%) of thefor~~ utility trunk fees for water, sewer, and storm water maybe ~~waived to a considered to a~~ maximum amount of \$100,000. ~~Two (2) or less jobs created could be eligible for twenty-five percent (25%) waiver,~~

three (3) to five (5) could be eligible for fifty percent (50%) waiver, and six (6) or more could be eligible for seventy-five percent (75%) waiver. Jobs created must be maintained in the community a minimum of five (5) years. In any year that a reduction in work force occurs, the full amount of the fee waiver will become due and payable.

## **5) AFFORDABLE HOUSING PROJECT REQUIREMENTS**

Income limits for affordability will be based upon the Low-Income Housing Tax Credit (LIHTC) for Carver County as established by the Minnesota Housing Finance Agency and found at [www.mnhousing.gov](http://www.mnhousing.gov). For sale housing units and manufactured home units will not be eligible for consideration of fee waivers. Housing projects that seek to provide affordable rental rates to occupants maybe considered for fee waivers at the following level:

- 1) For affordable rental units that meet eighty percent (80%) to sixty-one (61%), Area Median Income (AMI) a reduction of trunk fees of twenty-five percent (25%)~~\$1,500~~ per affordable dwelling unit created, to a maximum of \$90,000 in reduction of fees.
- 2) For affordable rental units that meet sixty percent (60%) to fifty-one percent (51%) AMI, a reduction of trunk fees of ~~\$3,000~~fifty percent (50%) per affordable dwelling unit created, to a maximum of \$180,000 in reduction of fees.
- 3) For affordable rental units that meet fifty percent (50%) or less AMI, a reduction of trunk fees of seventy-five percent (75%)~~\$4,000~~ per affordable dwelling unit created, to a maximum of \$240,000 in reduction of fees.

Affordability rates shall be maintained for a period of twenty (20) years. In any year that the affordability is not maintained, the full amount of fee waiver shall become due and payable.

## **6) APPLICATION AND REPORTING PROCESS**

- 1) Applicant shall submit in writing, their request to the City of Watertown at least thirty (30) days prior to the imposition of the utility trunk fees.
- 2) All requests shall be granted at the discretion of the City Council and will be done via resolution at a regularly scheduled meeting.
- 3) Annual reporting by the grantee will be required during the period of guarantee stated, due upon the anniversary date of fee imposed.
- 4) All fee waivers shall be memorialized by an agreement as stated in the Business Subsidy Criteria policy, to be recorded to the benefitting property and/or through deed restriction.