



## **Watertown Economic Development Authority**

December 3, 2020  
8:30 a.m.

Ken Grotbo  
Cory Mittness  
Roxanne Wilmes  
Deborah Everson  
Lindsay Guetzkow

1. Roll Call
2. Adopt Agenda
3. New Business
  - 3.A. Approve EDA Meeting Minutes Of November 10, 2020

Documents:

[11\\_10\\_2020 - MINUTES.PDF](#)

- 3.B. Pandemic Business Rebate Program V.2

Documents:

[RFA - 12.3.2020 - PBR PROGRAM V.2.PDF](#)

- 3.C. 2021 EDA Budget And Levy

Documents:

[RFA - 12.3.2020 - EDA LEVY AND BUDGET.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  
Deborah Everson  
Lindsay Guetzkow

11/10/2020 - Minutes

### 1. Roll Call

Chair Ken Grotbo called the Economic Development Authority meeting to order at 8:37 am in the council chambers of City Hall.

EDA members present: Grotbo, Roxanne Wilmes, and Lindsay Guetzkow.

Staff present: City Administrator Shane Fineran and Clerk/Treasurer Lynn Tschudi.

### 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 Regular Meeting Minutes From October 29, 2020

**WILMES MOVED, GUETZKOW SECONDED A MOTION TO APPROVE THE MINUTES FROM OCTOBER 29, 2020. ALL PRESENT VOTED AYE. MOTION CARRIED.**

#### 3.B. Pandemic Business Rebate Grant Program Disbursements

City Administrator Fineran said the Pandemic Business Rebate Program is the last of the EDA relief programs to be approved. The program is a pro-rated liquor license and utility rebate program that would reimburse up to three months of expenses for each. The applicants for the liquor license rebate are: Mario's Italian Kitchen, Southfork BBQ, and Luce Line Lodge. Applicants for the utility rebate are: Luce Line Lodge, Chiropractic Specialists, and R&B's Restaurant.

Guetzkow asked if there were other businesses who wanted to apply for the utility grant. Fineran said they were given the information but he did not receive additional applications.

**WILMES MOVED, GUETZKOW SECONDED A MOTION TO ADOPT RESOLUTION 2020-10EDA, APPROVING PANDEMIC BUSINESS REBATE PROGRAM DISBURSEMENT. ALL PRESENT VOTED AYE, MOTION CARRIED.**

**GUETZKOW MOVED, WILMES SECONDED A MOTION TO ADOPT RESOLUTION 2020-11EDA, AUTHORIZING UP TO \$169,946.57 IN UNSPENT CARES ACT FUNDS. ALL PRESENT VOTED AYE, MOTION CARRIED.**

### 4. Updates

Chair Grotbo asked Fineran for an update on the Dollar General item being discussed on the November 10 Council Meeting. Fineran said in July 2020, the Dollar General requested two variances at the site on Paul Avenue near the Forest Hills Development in which the Planning Commission denied. The Dollar General removed the variance requests and will bring in front of the council for approval.

5. Adjourn

**GUETZKOW MOVED, WILMES SECONDED A MOTION TO ADJOURN THE MEETING AT 8:52 AM. ALL PRESENT VOTED AYE, MOTION CARRIED.**

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

**Watertown Economic Development Authority**December 3<sup>rd</sup>, 2020**Agenda Item: Pandemic Business Rebate Program v.2****Request for Action: Adopt Resolution #2020-12EDA, Approving PBR Program v.2****Department: Shane Fineran, City Administrator****Background:**

The recent Executive Order [20-99](#) enacted by the State of Minnesota, limited the dine-in and indoor patronage of bars and restaurants. These establishments are able to offer take-out, curbside, or delivery food and beverage service through December 18<sup>th</sup>, 2020.

The EDA has responded to COVID-19 mitigations efforts enacted by the state by locally offering rebates related to utility charges and license fees collected by the City. Early in the spring, the EDA provided for rebates to all businesses utilizing EDA funds impacted by the statewide shutdown order as directed by Executive Order 20-04 and subsequent amendments extending that order. The investment by the EDA for this program was \$41,403.

Additionally, the EDA further responded to impacts felt by the food and beverage industry locally by creating the Pandemic Business Rebate program utilizing allotted CARES Act funds from the federal government. This program rebated up to 3 months of utility bill charges and 3 months of pro-rated liquor license fees for eligible businesses. The investment utilizing CARES Act funds for this program was \$5,811.

In response to the latest executive order, the EDA could consider another round of Pandemic Business Rebate programming to support affected bars and restaurants who have had dine-in and beverage service curtailed. On November 24<sup>th</sup>, the City Council enacted a reduction in the Equivalent Residential Unit calculation for these businesses to reflect the reduced capacity.

Staff has repaired an updated program policy and application utilizing the Pandemic Business Rebate program from earlier in the summer and calling it the Pandemic Business Rebate Program 2.0. The program policy would provide up to 2 months of utility rebate for usage and November and December as well as up to 2 months of rebate for pro-rated liquor license fees for eligible businesses. The source of funds for this program would be the EDA fund.

In reviewing the past usage during the last dine-in restrictions of April and May, staff have prepared the below estimate as to what a likely rebate amount would be per eligible business monthly. The actual rebate will be determined based on actual usage.

Retail Business	Projected Rebate Billing				
	Water	Sewer	Storm	Est. Use	Bill Total
China B1	\$ 18.77	\$ 19.90	\$ 3.75	\$33.80	\$ 76.22
Cookie Store	\$ 18.77	\$ 19.90	\$ 3.75	\$0	\$ 42.42
Luce Line Lodge*	\$ 18.77	\$ 19.90	\$ 3.75	\$103.86	\$ 146.28
Mario's Italian Kitchen*	\$ 18.77	\$ 19.90	\$ 3.75	\$104.92	\$ 147.34
R&B Restaurant*	\$ 18.77	\$ 19.90	\$ 3.75	\$33.80	\$ 76.22
Riverside Bar & Grill*	\$ 18.77	\$ 19.90	\$ 3.75	\$33.80	\$ 76.22
Southfork BBQ	\$ 18.77	\$ 19.90	\$ 3.75	\$33.80	\$ 76.22
Subway	\$ 18.77	\$ 19.90	\$ 3.75	\$199.72	\$ 242.14
<b>Total (Monthly)</b>	<b>\$ 150.16</b>	<b>\$ 159.20</b>	<b>\$ 30.00</b>	<b>\$543.70</b>	<b>\$ 1,426.76</b>

The below chart would be the eligible rebate for the pro-rated liquor license fee for the months of November and December. These fees have been paid for the upcoming year.

<b>Retail Business</b>	<b>Pro-Rated Liquor License</b>
Riverside Bar & Grill	\$906.66
Luce Line Lodge	\$906.66
Mario's Italian Kitchen	\$366.66
Southfork BBQ	\$366.66
	<b>\$2,546.64</b>

In all the estimated total rebate for the periods noted as part of the program total \$3,973.40, but ultimately could vary slightly from the estimate dependent upon usage and applications received from eligible businesses. Sufficient funds are on hand in the EDA fund to provide this subsidy.

**Funding Source:**

EDA Fund

**Attachments:**

Pandemic Business Rebate 2.0 Policy & Application

Resolution #2020-12EDA

# WATERTOWN ECONOMIC DEVELOPMENT AUTHORITY PANDEMIC BUSINESS REBATE PROGRAM 2.0

## PURPOSE

The purpose of this document is to establish guidelines for the application and administration of the City of Watertown Pandemic Business Rebate Program 2.0 (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 20-99 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, Combination Commercial, in its utility billing program and operating as a bar or restaurant. 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.

4. Eligible businesses shall be current with utility billing and/or liquor license fees to be eligible for the PBR Program rebate.
5. If a business does not own their property, but rather is a tenant or rents they will still be eligible. The business will need to show proof of utility payment via lease agreement, CAM

charge statement, or similar.

Rebate proceeds can be used for:

1. City of Watertown utility bills payable for the months of usage in November 2020 (due December 2020), December 2020 (due January 2021).
2. City of Watertown license fees for the on-sale of alcohol for licenses valid in 2020 -2021 prorated for an amount up to two (2) months.

#### **PROCEDURAL GUIDELINES FOR APPLICATION OF REBATE**

1. Any interested applicant should submit a Rebate Application Form and required proof of payment by December 18, 2020.
2. Proof of payment can be a bank statement, receipt, or verification statement by the City of Watertown.
3. Proof of ownership of the eligible business to include articles of incorporation or license to conduct business issued by the state or local government.

**BUSINESS INFORMATION**

Legal Business Name: \_\_\_\_\_ State Tax ID: \_\_\_\_\_  
Individual          Corporation          Partnership          Federal EIN: \_\_\_\_\_  
LLC          Other: \_\_\_\_\_  
Physical Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Mailing Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**BUSINESS OWNER(S) INFORMATION**

Owner 1 Full Name: \_\_\_\_\_  
Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Work Phone: \_\_\_\_\_ Home Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_  
Owner 2 Full Name: \_\_\_\_\_  
Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Work Phone: \_\_\_\_\_ Home Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

*If there are more than 2 owners attach an additional sheet.*

1) Are you applying for City utility bill rebate?

Yes

No

2) Months applying for (up to 2 months)

November

December

Total in dollars requested in rebate: \$\_\_\_\_\_

3) Are you applying for City alcohol license fee rebate?

Yes

No

4) What type of license do you currently hold issued by the City of Watertown?

On-Sale Alcohol



- On-Sale Strong Beer & Wine
- On-Sale 3.2 Beer

**Include the following attachments:**

- Proof of payment of utility bills for the months requested.
- Proof of ownership of eligible business.
- Proof of lease agreement, CAM statement, or other document indicating portion of contribution to city utility billing charges.

**STATEMENT OF UNDERSTANDING AND AUTHORIZATION FOR RELEASE OF INFORMATION**

*I declare that the information provided in this application and on the accompanying exhibits is true and complete to the best of my knowledge. By submitting this application, I acknowledge that an approved application is subject to State and Federal open information laws, and I am bound to comply with the guidelines of the Pandemic Business Rebate Program. Falsifying information or failure to comply with these guidelines will result in immediate repayment of grant funds to the City of Watertown Economic Development Authority (EDA). The EDA and its staff have the right to verify any information contained in this application.*

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CITY OF WATERTOWN  
ECONOMIC DEVELOPMENT AUTHORITY  
RESOLUTION NO. 2020-12EDA**

**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 2.0. The EDA hereby establishes the City of Watertown Emergency Pandemic Business Rebate Program 2.0 (“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 and liquor license fees. 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 3rd day of December 2020.

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Ken Grobo, President

ATTEST: \_\_\_\_\_  
Lynn Tschudi, Secretary

**EXHIBIT A**

**TECHNOLOGY INFRASTRUCTURE INVESTMENT GRANT**

**EXHIBIT B**

**EMERGENCY PANDEMIC BUSINESS RESPONSE REBATE**

**Watertown Economic Development Authority**December 3<sup>rd</sup>, 2020**Agenda Item: Final Levy & Budget****Request for Action: Adopt Resolution #2020-13EDA, Adopting the Final EDA Levy and Budget****Department: Shane Fineran, City Administrator****Background:**

The EDA sets a tax levy on properties in the community. These resources are utilized to support economic development activities in the community and administrative support for these functions. In September the EDA adopted a preliminary levy in an amount of \$58,575, which was the same amount in 2020. This was done as a strategy to help mitigate the overall tax levy impact across the community.

Non-grant related expenses for 2021 will be the same as 2020 at an amount of \$75,250. This will cover operational, advertising, market data, professional services, and support for utility trunk fee business subsidies related to the Business Subsidy program of the EDA.

The Economic Development Payments line item has been increased by approximately \$70,000. Staff has had preliminary discussion with a potential project development for the business park in which they would be seeking subsidy through the City's utility trunk fee waiver program. We do not yet have a site development application, so not much can be shared publicly at this time. This line item increase could also give us some flexibility in any related support programs that may help the small business community respond to the COVID-19 pandemic.

Resources are also planned for an additional "Developer Day" event in 2021, which is taking on additional urgency as platted available residential lots are becoming scarce.

Grant related expenditures total \$275,000. \$150,000 of this is direct pass through from the SCDP program for commercial and eligible homeowner rehabilitation work. We have been granted an extension until 2021 to expend all funds related to this program. Most funds available are for homeowner related projects. Funds are also programmed to support the Emergency Home Loan Program, EDA Revolving Fund Loan, Business Façade Improvement programs as well as the Watertown 4 Life! Program.

Staff recommends adoption of the final levy and budget.

**Attachments:**

EDA Revenue Budget

EDA Expenditure Budget

Resolution #2020-13EDA

**EDA Revenue**  
2021

Account	Description	2018 Budget	2018 YTD	2019 Budget	2019 YTD	2020 Budget	2020 YTD	2021 Budget	Comment
228-31010	Current Ad Valorem Taxes	\$ 50,062	\$ 49,950	\$ 55,294	\$ 55,128	\$ 58,575	\$ 31,025	\$ 58,575	
228-31020	Delinquent Ad Valorem Taxes	\$ 500	\$ 156	\$ 500	\$ 148	\$ 200	\$ 80	\$ 200	
228-33620	Other County Grants/Aid		\$ 143,900	\$ 389,119	\$ 71,355	\$ 225,000			DEED SCDG Program Revenue (Pass Through)
228-36200	Miscellaneous Revenue	\$ 500	\$ 50	\$ 500	\$ 2,000		\$ 300	\$ 300	Loan, Grant Application Fees
228-36210	Interest Earnings	\$ 1,400	\$ 6,410	\$ 3,000	\$ 5,716	\$ 3,000	\$ 2,204	\$ 3,000	
228-36215	Interest on Notes Receivable						\$ 1,110	\$ 1,000	
228-36500	Note Receivable	\$ 6,700	\$ (983)	\$ 6,700		\$ 6,700		\$ 6,700	RLF & BFI Loan Repayments
228-39000	Other Financing Sources	\$ 15,000	\$ 15,000	\$ -					
228-39201	Transfer from General Fund						\$ 250,000		
228-39203	Transfer from Other Fund								
		\$ 74,162	\$ 214,483	\$ 455,113	\$ 134,347	\$ 293,475	\$ 284,719	\$ 69,775	

**EDA Expenses  
2021**

Account	Description	2018 Budget	2018 YTD	2019 Budget	2019 YTD	2020 Budget	2020 YTD	2021 Budget	Comment
228-46500-101	Full-Time Employees Regular								
228-46500-110	Commission Wages	\$ 2,700		\$ 2,700	\$ 640	\$ 2,700	\$ 480	\$ 2,700	\$40 per meeting
228-46500-121	PERA								
228-46500-122	FICA				\$ 31		\$ 37		
228-46500-303	Engineering Fees		\$ 430	\$ 15,000	\$ 35,169	\$ 5,000		\$ 3,000	
228-46500-304	Legal Fees	\$ 3,000	\$ 2,811	\$ 3,000	\$ 3,800	\$ 3,000	\$ 3,889	\$ 5,000	Contract Review of Loans/Development Agreements
228-46500-310	Other Professional Services	\$ 10,000	\$ 1,500	\$ 10,000	\$ 150	\$ 10,000	\$ 8,000	\$ 10,000	ED Support & Market Data
228-46500-314	Professional Planning Services	\$ 2,000	\$ 1,749	\$ 2,000		\$ 2,000	\$ 1,500	\$ 2,000	MK Land (Mark Kaltsas)
228-46500-329	Other Communications	\$ 3,000	\$ 3,000	\$ 3,000	\$ 4,490	\$ 3,000	\$ 1,750	\$ 3,000	Jaguar ISP Service for WIFI
228-46500-433	Dues & Subscriptions	\$ 295	\$ 295	\$ 295	\$ 920	\$ 1,000	\$ 700	\$ 1,000	Minnesota Marketing Partnership & EDAM
228-46500-331	Travel Expenses				\$ 203				
228-46500-340	Advertising	\$ 3,500	\$ 2,645	\$ 2,000		\$ 3,500		\$ 3,500	EDA Programs Marketing/Development Day Event
228-46500-351	Legal Notices Publishing	\$ 50	\$ 26	\$ 50		\$ 50		\$ 50	Annual Audit Disclosure Report
228-46500-430	Miscellaneous								
228-46500-630	Bank Service Fee								
228-46500-640	Economic Development Payments					\$ 25,000	\$ 41,403	\$ 96,973	Enterprise Fund Utility Trunk Fee Support
228-46500-651	Loan Program	\$ 75,000	\$ 50,000	\$ 35,000		\$ 75,000	\$ 25,000	\$ 75,000	RLF, BFI Loans, EHRL Program
228-46500-652	Grant Program	\$ 55,000	\$ 146,400	\$ 444,119	\$ 74,566	\$ 235,000	\$ 110,453	\$ 150,000	Small Cities/BFI/Home Renovation Grant Program
228-46500-720	Operating Transfers	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 179,947	\$ 10,000	Salary Support for EDA Director
228-46500-510	Land Acquisition			\$ 10,000	\$ 5,000	\$ 10,000		\$ 10,000	Carver County Land Trust Property Partnership
		\$ 164,545	\$ 218,856	\$ 537,164	\$ 134,969	\$ 385,250	\$ 373,159	\$ 372,223	



**RESOLUTION 2020-13EDA**

**A RESOLUTION ADOPTING A 2020 TAX LEVY  
FOR THE WATERTOWN ECONOMIC DEVELOPMENT AUTHORITY  
FOR COLLECTION IN 2021**

**WHEREAS**, The City of Watertown is dependent upon the collection of a tax to fund a portion of its economic development activities,

**NOW**, therefore be it resolved that the Watertown Economic Development Authority hereby adopts the following Year 2021 tax levy for collection upon taxable property in the City of Watertown for the following purposes:

Watertown Economic Development Authority	\$ 58,575
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Total Levy:	\$ 58,575
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Adopted this 3rd day of December 2020 by the Watertown Economic Development Authority.

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

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