

**Watertown Economic Development Authority**

September 24, 2020

**Agenda Item: Preliminary Levy & Budget****Request for Action: Adopt Resolution #2020-06EDA, Adopting the Preliminary EDA Levy****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. The total levy amount cannot exceed .0185% of the previous year's taxable market value in the community, which could have been a maximum levy of \$63,808. In 2021 staff is recommending that the levy not increase from the amount set in 2020, which is \$58,575. The overall market value increase in 2021 is approximately 3%, so setting levy in 2022 at the maximum amount will not create a drastic increase next year. This will help the overall levy impact of the City as no increase is proposed in the Special Debt Levy, only the General Levy for 2021. The fund balance of the EDA fund stands at \$367,595 with 2<sup>nd</sup> half tax collection due in December.

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. With the onset of the COVID-19 pandemic impacting the planned "Developer Day" event in 2020, funds are programmed to host another similar type event in 2021 if restrictions ease.

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 is seeking discussion and direction on the proposed budget and recommends adoption of the preliminary levy.

**Attachments:**

EDA Proposed Revenue

EDA Proposed Expenditure

Resolution #2021-06EDA

**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		\$ 150,000	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						\$ 737	\$ 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	\$ 284,346	\$ 219,775	

**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	\$ 3,239	\$ 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	\$ 1,350	\$ 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	\$ 25,000	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	\$ 7,500	\$ 200,000	Small Cities/BFI/Home Renovation Grant Program
228-46500-720	Operating Transfers	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 5,000	\$ 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	\$ 94,209	\$ 350,250	

**CITY OF WATERTOWN  
ECONOMIC DEVELOPMENT AUTHORITY  
RESOLUTION 2020-06 EDA**

**A RESOLUTION ADOPTING A PRELIMINARY 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 24<sup>th</sup> day of September 2020 by the Watertown Economic Development Authority.

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Ken Grotbo, Chairperson

Attest: \_\_\_\_\_  
Lynn Tschudi, Secretary