

**MINUTES OF THE
WATERTOWN ECONOMIC DEVELOPMENT AUTHORITY**
Regular Meeting Thursday, August 22, 2019

Ken Grotbo
Cory Mitteness
Roxanne Wilmes
Deborah Everson
Lindsay Guetzkow

1. Roll Call

Chairman Ken Grotbo called the joint EDA and City Council meeting to order at 8:05 a.m. Thursday August 22, 2019 in the Council Chambers at City Hall.

EDA Members present: Grotbo, Roxanne Wilmes, Deb Everson, and Lindsay Guetzkow.

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

2. Adopt Agenda

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

3. New Business

A. Approve meeting minutes of July 2, 2019

WILMES MOVED, EVERSON SECONDED A MOTION TO APPROVE THE MINUTES FROM JULY 2, 2019. ALL PRESENT VOTED AYE. MOTION CARRIED.

B. Tax Increment Financing Plan for Stonwerk

City Administrator Fineran said there has been a request for Tax Increment Financing (TIF) for district 2-7. Applicant, Stonwerk, would like to purchase lot 1 of Outlot B in the Industrial Park.

Steve Homola explained to the commission that Stonwerk installs high-end residential stone and brick. Within their shop, they complete custom stone fabrication. Homola's hope is that they can expand the fabrication part of the business. Homola said they employ about 25 people.

Fineran stated the estimated improvements are about \$1.4M. The tax capacity on the property will increase by over \$25,000. Fineran said under TIF law, an economic development TIF district can be created for a period of 9 years. This TIF election would create an estimated benefit to the property owner of \$231,000.

Everson asked Homola if he would be expanding his employee base after the new building is constructed. Homola said he plans to increase the number of employees especially in the fabrication part of the business.

Grotbo asked Homola what he feels is a reasonable number of employees for him over the next nine years. Homola said that 15 employees would be retained even in an economic downturn.

Homola asked what the time frame would be to complete the project. Fineran said the policy language states completion should be within a year of TIF certification. Homola said construction would likely start next year.

GUETZKOW MOVED, ROXANNE SECONDED A MOTION TO RECOMMEND APPROVAL

OF THE TIF PLAN AND THAT THE BUSINESS SUBSIDY CRITERIA BE AN INCREASE IN TAX BASE AND A MINIMUM OF 15 JOBS BE RETAINED. ALL PRESENT VOTED AYE, MOTION CARRIED.

C. Business Subsidy Policy Amendments

Fineran said he has drafted amendments to the Business Subsidy Policy. The amendments include policy related to:

- A. Affordable housing
- B. TIF policy
- C. Utility trunk fee waiver

Fineran detailed the requirements for an affordable housing subsidy. The project would require 10-20% of the units be below 50-60% multi-family tax subsidy income limits. Commission discussed how long to require the affordable housing district to be in effect. Guetzkow addressed the affordable rental rates for the Watertown area.

EDA members discussed the requirements for the trunk fee waiver. Grotbo talked about transferring any benefit of waivers over to the Enterprise Funds. Fineran said the policy would eliminate waiving 100% of fees and rather base it on a percentage of their total fee.

Grotbo suggested standardizing the requirements for the various economic development subsidies. Fineran said that TIF and affordable housing vary too much to standardize. Guetzkow suggested creating a one sheet matrix for advertising all possible EDA offerings.

Guetzkow asked if the waiver offered for SAC/WAC waivers is comparable to other cities. Fineran said other communities are not offering this subsidy. Fineran said the policy allows the EDA to encourage and support development without giving away everything. Grotbo suggested changing the language from waiver to grant. Fineran said a grant implies that the applicant would be guaranteed to receive the money directly. He would like to see this as a budgeted line item and continue to call it a subsidy.

EDA directed Fineran to complete a final draft of the amendments for the next meeting.

4. Adjournment

WILMES MOVED, GUETZKOW SECONDED A MOTION TO ADJOURN THE MEETING AT 9:44 AM. ALL PRESENT VOTED AYE, MOTION CARRIED.