



Request for Action

TO: Faribault EDA
FROM: Deanna Kuennen, Director
MEETING DATE: August 16, 2018
SUBJECT: Preliminary Levy – FY 2019

PURPOSE:

The purpose is to approve the preliminary levy request for 2019.

PRELIMINARY LEVY:

State Statutes require the City to certify its proposed property tax levy amounts to the County Auditor by September 15. Accordingly, the EDA is asked to adopt a preliminary levy request and submit the request to City Council to be included with the City's proposed levy.

Attached are the preliminary EDA levy calculations – showing the EDA levy history dating back to 1998. Since 2004 (with the exception of one year), the EDA has requested the maximum levy allowed by statutes of 0.01812 percent. The levy amounts are based on the taxable market value, which were at their highest in years 2009/2010. Since then market values have declined resulting in less levy funds for the EDA.

Taxable market value within the City has been slowly rising since the "great recession." The 2019 levy projections reflect this trend continuing, and are slightly higher than 2018 and exceed the 2007 levy but have not reached the level from when property values were at their highest (pre-recession).

- Year 2016 \$197,649 *100% of max levy allowed*
- Year 2017 \$202,798 *100% of max levy allowed*
- Year 2018 \$213,018 *100% of max levy allowed*
- **Year 2019** **\$225,119** ***100% of max levy allowed***

REQUESTED ACTION:

Adopt Resolution 2018-017 Approving the Preliminary EDA Levy Request for 2019.

Attachments:

Resolution 2018-17 Approving the Preliminary EDA Levy Request for 2019
Preliminary 2019 EDA Levy Calculations

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT

Resolution 2018-17

**RESOLUTION APPROVING PRELIMINARY EDA
PROPERTY TAX LEVY REQUEST FOR FISCAL YEAR 2019**

WHEREAS, the Economic Development Authority of the City of Faribault may request the establishment of a special benefit tax pursuant to Minnesota Statutes 469.107, Subdivision 1; and

NOW, THEREFORE BE IT RESOLVED by the Economic Development Authority of Faribault that there be and hereby requested a levy on the taxable property of the City of Faribault, Rice County, Minnesota for fiscal year 2019 a special benefit tax not to exceed 0.01813 percent of taxable market value as permitted in Minnesota Statutes. Based upon the City's existing capacity, it is estimated that \$225,119 will be the maximum appropriation available through taxation; the requested tax levy amount is \$225,119.

Adopted: August 16, 2018

ECONOMIC DEVELOPMENT AUTHORITY
OF FARIBAULT

Steve Underdahl, President

ATTEST:

Dave Albers, Secretary/Treasurer

**FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY
GENERAL FUND
PRELIMINARY 2019 EDA LEVY CALCULATIONS**

Authority

Minnesota Statutes 469.107, Subdivision 1

"A city may, at the request of the authority, levy a tax in any year for the benefit of the authority. The tax must be not more than 0.01813 percent of the taxable market value."

Maximum Levy Calculation

Taxable Market Value	1,241,695,100
Percentage Allowed	0.01813
Maximum Levy	225,119

EDA Levy History

<u>Year</u>	<u>Net Levy</u>	<u>% of Max Levy</u>
1998	---	
1999	50,000	
2000	60,000	
2001	70,000	
2002	126,239	
2003	132,551	
2004	156,536	100%
2005	175,700	100%
2006	196,858	100%
2007	223,211	100%
2008	236,832	100%
2009	265,276	100%
2010	265,276	99%
2011	261,155	100%
2012	246,047	100%
2013	215,331	100%
2014	193,354	100%
2015	193,354	100%
2016	197,649	100%
2017	202,798	100%
2018	213,018	100%
2019	225,119	100%