

# PLYMOUTH FINANCIAL EXTRA

## Welcome to the 2023 Financial Extra.

The City of Plymouth values accountability, transparency and public trust. This publication shares financial information with residents about how tax dollars are spent and how Plymouth compares to other communities.

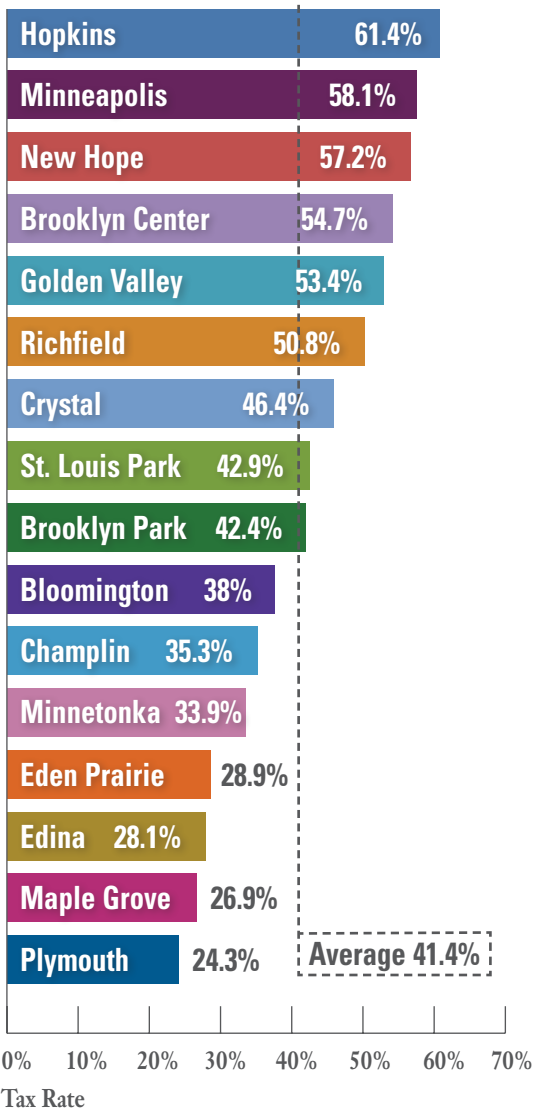
By maintaining a strong financial position and carefully managing tax dollars, we are best able to provide the core services, infrastructure and amenities that make Plymouth a place residents and businesses are proud to call home. To view complete budgets, financial reports, long-range planning tools and more, visit [plymouthmn.gov/financialreport](http://plymouthmn.gov/financialreport).

We invite you to review the Financial Extra. Please let us know if you have questions.

- Mayor Jeff Wosje  
763-509-5007, [jwosje@plymouthmn.gov](mailto:jwosje@plymouthmn.gov)
- At Large Council Member Clark Gregor  
763-509-5005, [cgregor@plymouthmn.gov](mailto:cgregor@plymouthmn.gov)
- At Large Council Member Jim Willis  
763-509-5006, [jwillis@plymouthmn.gov](mailto:jwillis@plymouthmn.gov)
- Ward 1 Council Member Alise McGregor  
763-509-5001, [amcgregor@plymouthmn.gov](mailto:amcgregor@plymouthmn.gov)
- Ward 2 Council Member Julie Peterson  
763-509-5002, [jpeterson@plymouthmn.gov](mailto:jpeterson@plymouthmn.gov)
- Ward 3 Council Member Jim Davis  
763-509-5003, [jdavis@plymouthmn.gov](mailto:jdavis@plymouthmn.gov)
- Ward 4 Council Member Julie Pointner  
763-509-5004, [jpointner@plymouthmn.gov](mailto:jpointner@plymouthmn.gov)

### Tax Rate Comparisons

Plymouth has the lowest tax rate for taxes payable in 2023 when compared to other Hennepin County suburbs with populations of 10,000 or more.



## Grant funding helps ensure tax dollars are reinvested in Plymouth

Maintaining quality infrastructure is a priority for the City of Plymouth, and the city recently secured federal grants to fund improvements to major community investments – the Zachary Water Treatment Plant and Station 73 Transit and Regional Improvement Program.

The city prioritizes applying for grants, seeking alternate funding sources and advocating to obtain resources that help bring Plymouth tax dollars back into the community.

“The city continually seeks funding and resources for infrastructure improvement projects in Plymouth,” said City Manager Dave Callister. “We are grateful to our federal lawmakers, especially Senator Amy Klobuchar and Representative Dean Phillips, who advocated to see these grant dollars benefit projects in our community.”

### Zachary Water Treatment Plant

The city received a \$2 million Community Grant from the Environmental Protection Agency for an upgrade at the Zachary Water Treatment Plant. The money will be used to install equipment that will increase efficiency, reclaim water and improve overall water conservation. The project is expected to begin in 2024, and the plant will remain operational throughout the process.

### Station 73 TRIP

The City of Plymouth was awarded \$15 million in grant funding in 2022 from the U.S. Department of Transportation to make transit, mobility and safety improvements in the area of Highway 55 and County Road 73



City Manager Dave Callister shares plans for transit, mobility and safety upgrades in the area of Highway 55 and County Road 73, including a pedestrian underpass, for which the city was awarded a \$15 million federal grant.

in Plymouth – known as Station 73 TRIP. The federal grant program, Rebuilding American Infrastructure with Sustainability and Equity, is aimed at helping communities complete projects that modernize transportation infrastructure, improve safety and make transportation systems more accessible, affordable and sustainable.

Station 73 TRIP helps facilitate a coordinated approach to implement regionally impactful improvements that benefit bicyclists, pedestrians, transit riders, motorists and businesses in the area of Highway 55 and County Road 73.

As part of the robust plan, the city conducted a small area study to explore future land use and transportation upgrades. The city also examined Minnesota Department of Transportation and Three Rivers Park District studies, which identified trail, mobility and pavement enhancement needs.

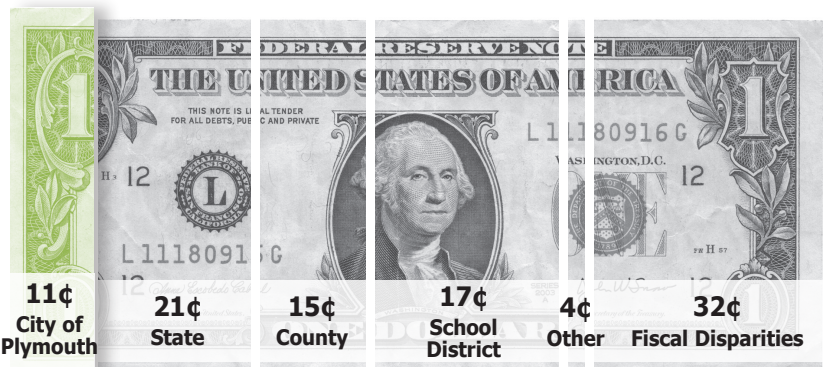
Grants ... continued on page 3E

### Residential Property Tax Dollar Distribution



Plymouth receives 22 cents of every residential property tax dollar (based on \$440,000 residential property).

### Commercial Property Tax Dollar Distribution



Plymouth receives 11 cents of every commercial property tax dollar (based on \$1 million commercial property).

FINANCIAL AWARDS



40 years of recognition for transparency in financial reporting

# Plymouth's financial planning tools cultivate long-term stability

Plymouth has developed a variety of tools to support long-range financial planning – together, they help maintain a stable tax levy. While many factors affect the financial health of a city, maintaining a blend of planning tools allows the city to better manage and evaluate financial impacts.

At the centerpiece of this initiative is the 10-Year Financial Plan, which forecasts the coming decade and includes categories such as revenue and expenditures, levies and value, growth, and annual tax impacts to homes and businesses.

## Planning for Infrastructure

Plymouth uses a number of planning mechanisms to efficiently manage infrastructure projects. The Capital Improvement Plan is a 10-year projection of the capital replacement costs and additional capital needs.

It does not give authority to spend, but assists with the preparation of the biennial budget by detailing upcoming capital expenditures by funding source.

## The Long View

Projections and studies are additional ways Plymouth takes the long view.

**Debt Study:** The Debt Study helps guide decisions by examining future project financing. Using the study in conjunction with other planning tools allows for appropriate and manageable use of debt.

**Two-Year Budget:** State law requires cities to adopt an operating budget annually. However, Plymouth opts to prepare a two-year budget to strengthen, forecast and streamline the budget development process. Through this model, the city works ahead with a second-year budget, which allows for adjustments due to unanticipated events or economic changes.

**Utility Rate Study:** Residential and commercial utility rates for water and sewer services are reviewed annually, and an in-depth study is periodically completed to help maintain consistency in utility costs and ensure rates are sufficient to cover the system's capital and operating costs.

**Review of Other Funds:** The city reviews other funds – such as Street Reconstruction, Park Replacement and Park Dedication – to ensure funding is available in order to reduce reliance on issuing debt.

## Leveling the Levy

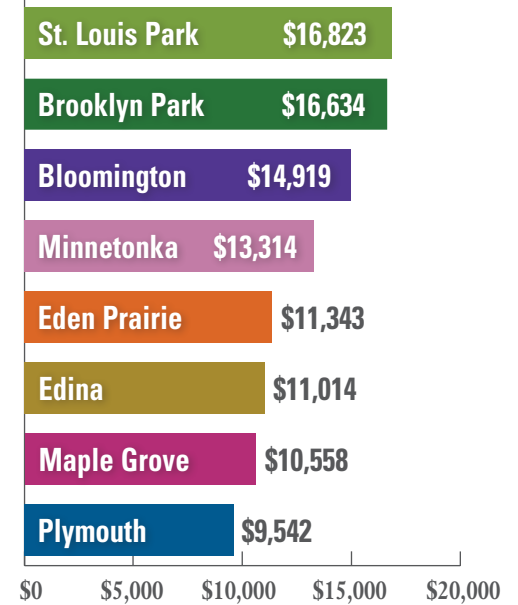
Thanks to long-term financial planning, Plymouth has maintained a stable tax rate for residential and commercial properties, even as the city develops. As growth occurs, the demand for city services increases, which requires an increased tax levy. At the same time, growth introduces more taxpayers who spread the increase among a larger pool. Although tax levies increase, the taxes paid by individual property owners are stabilized.

To view the city's financial and long-term planning documents, visit [plymouthmn.gov/financialreport](http://plymouthmn.gov/financialreport).

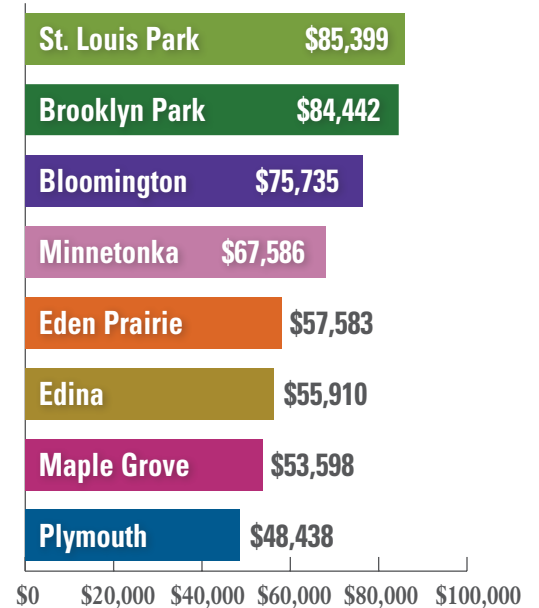
## How Plymouth Compares: Commercial City Tax Example

Compared to similar communities, Plymouth has the lowest city taxes on \$2 million and \$10 million businesses for taxes payable in 2023. For the sake of comparison, the figures below do not include Housing and Redevelopment Authority or market value levies, as not all cities have them. The comparison includes tax capacity levies.

### CITY TAXES ON A \$2 MILLION BUSINESS

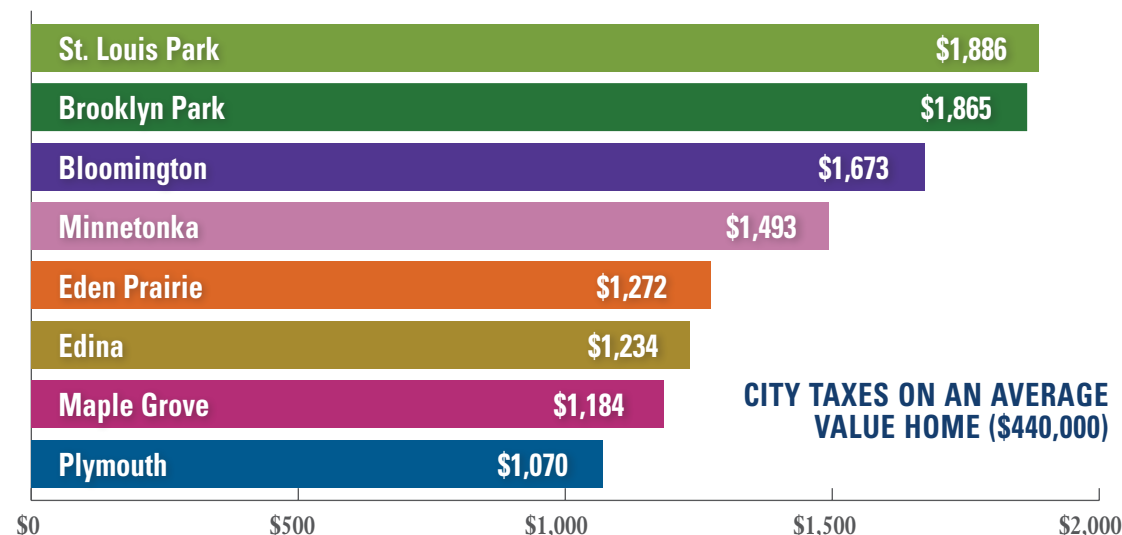


### CITY TAXES ON A \$10 MILLION BUSINESS



## How Plymouth Compares: Residential City Tax Example

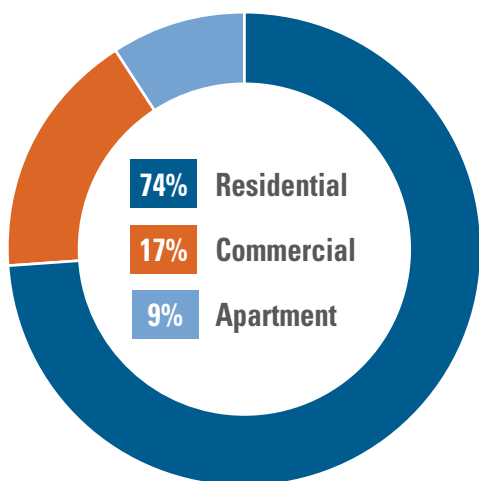
Compared to similar communities (Hennepin County suburbs with populations of 45,000 or more), Plymouth has the lowest city taxes on a \$440,000 home (average value in Plymouth) for taxes payable in 2023. For comparison, the figures below include tax capacity levies, but not Housing and Redevelopment Authority or market value levies, as not all cities have them.



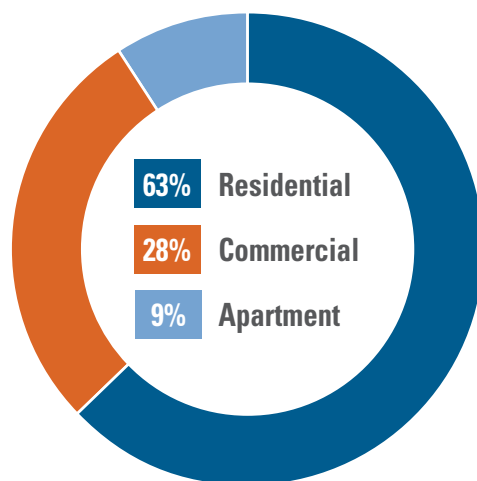
## Market Value vs. Tax Capacity

Plymouth's robust business community benefits residents. Residential properties make up 74% of the total market value in Plymouth, but pay 63% of the total tax collected. Commercial-industrial properties make up 17% of the market value, but pay 28% of the total tax collected. Below are 2022 values for taxes payable in 2023. Tax class rates are determined by state law.

### Market Value by Class



### Tax Capacity by Class



## A Look Ahead: Assessed Values for Taxes Payable in 2024

Although overall assessed values for taxes payable in 2024 have increased across the board, an increase in the assessed value of a property does not necessarily mean residential property taxes will increase at the same percentage. For taxes payable in 2024, due to the varying increases in assessed value (industrial 22.2%, residential 5.6%), a portion of the tax burden will shift from residential properties to industrial properties. The table below shows 2023 assessed value increases by property type for taxes payable in 2024.

Property Type	Average Value Increase
Single Family Homes	+ 5.6%
Commercial	+ 5.8%
Apartment	+ 0.5%
Industrial	+ 22.2%
Other (condos, townhomes, double bungalow, residential zero lot line)	+ 8.8%
<b>Total Market Value:</b>	<b>\$17,858,352,200</b>
<b>New Construction Value:</b>	<b>\$163,601,700</b>
<b>Average Value Increase – All Properties:</b>	<b>7.5%</b>

## VOLUNTEER IMPACT

1,885 volunteers contributed 23,560 hours of service in 2022, valued at an estimated in-kind contribution of \$705,622

# Plymouth receives special legislation to fund infrastructure at Prudential redevelopment

The City of Plymouth recently received special authorization from the Minnesota Legislature to create a tax increment financing district for the redevelopment of the former Prudential Financial site located at 13001 County Road 10.

Creation of the TIF district allows the city to leverage growth in the tax base from site redevelopment to fund necessary infrastructure improvements – so as not to place an undue burden on Plymouth taxpayers.

Sold to developers in the fall of 2022, the 75-acre site is encompassed by one of the most heavily traveled areas in the region, with a combined total of more than 130,000 trips taken daily on adjacent roadways.

Surrounded by Interstate 494, two county roads, Chankahda Trail, and the Maple Grove border, redevelopment of the site will require six intersection improvements – five of which are county intersections – at an estimated cost of \$10 million.

Other site needs include potential upgrades to the sanitary sewer infrastructure.

TIF funding will support needed regional infrastructure improvements, bolster safety and mitigate traffic congestion for thousands who travel routes surrounding the site daily.

“This is a heavily traveled area surrounded by county and state roadways that bolster regional transportation,” said City Manager Dave Callister. “Plymouth residents shouldn’t solely be responsible to fund the infrastructure, so we’re grateful to our state lawmakers for their partnership and advocacy efforts to obtain this special legislation.”

Additionally, TIF funding may also support affordable housing opportunities. At press time, developers had proposed plans to redevelop the site into a mixed-use project that would include housing, retail and office components. Approximately 1,000 units of new housing are included in the concept plan, including affordable housing for families and seniors.

City Council and city staff will continue to work with developers to establish a mutually beneficial plan for the site aimed at serving the community for years to come.

## Grants ... from page 1E

The grant for Station 73 TRIP will help fund improvements for motorists, bicyclists, pedestrians, area businesses and more, including:

- Addition of two bus platforms and connecting trails on Highway 55
- Pedestrian safety features for crossing Highway 55, including a trail underpass/tunnel
- Roundabout at the intersection of South Shore Drive and 10th Avenue N.
- Relocation of driveways for business accessibility
- Realignment of County Road 73 to improve traffic flow and roadway connection

Mobility upgrades at Station 73 including wayfinding, a bike fix-it station, electric bike and scooter charging area, and dedicated area for ridesharing and ride hailing.

“Crossing Highway 55 is a barrier to mobility for the non-motoring public – and presents safety concerns,” said Public Works Director Michael Thompson. “This project includes a Highway 55 underpass, connections to the regional trail system, bus platforms for more efficient transit service, and improved pavement and access conditions for area roadways. It will support transportation, accessibility, job opportunities and business growth in Plymouth – and will benefit all who use this major corridor.”

The project will be completed in phases over multiple years beginning in 2025. For more information, visit [plymouthmn.gov/station73trip](http://plymouthmn.gov/station73trip).

## Community Survey Fast Facts

Below are highlights from the 2022 community survey, which indicate how Plymouth residents feel about the health of the economy, the value of services for taxes paid, how Plymouth ranks as a place to work and more. To view the full report, including results from other categories, visit [plymouthmn.gov/survey](http://plymouthmn.gov/survey).



**71%** rated the value of services for taxes paid as excellent or good



**85%** rated overall quality of services provided by the city as excellent or good



**91%** rated Plymouth's overall economic health as excellent or good



**87%** rated Plymouth as an excellent or good place to work



**81%** rated opportunities for employment in Plymouth as excellent or good

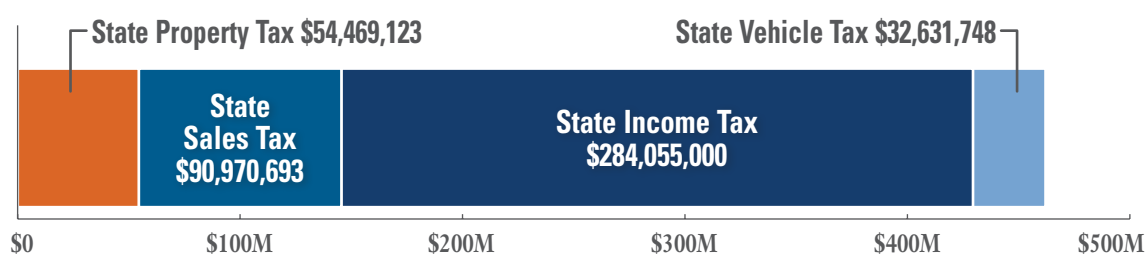


**76%** rated economic development in Plymouth as excellent or good

★ = Higher than national average

## Plymouth's Estimated Economic Impact

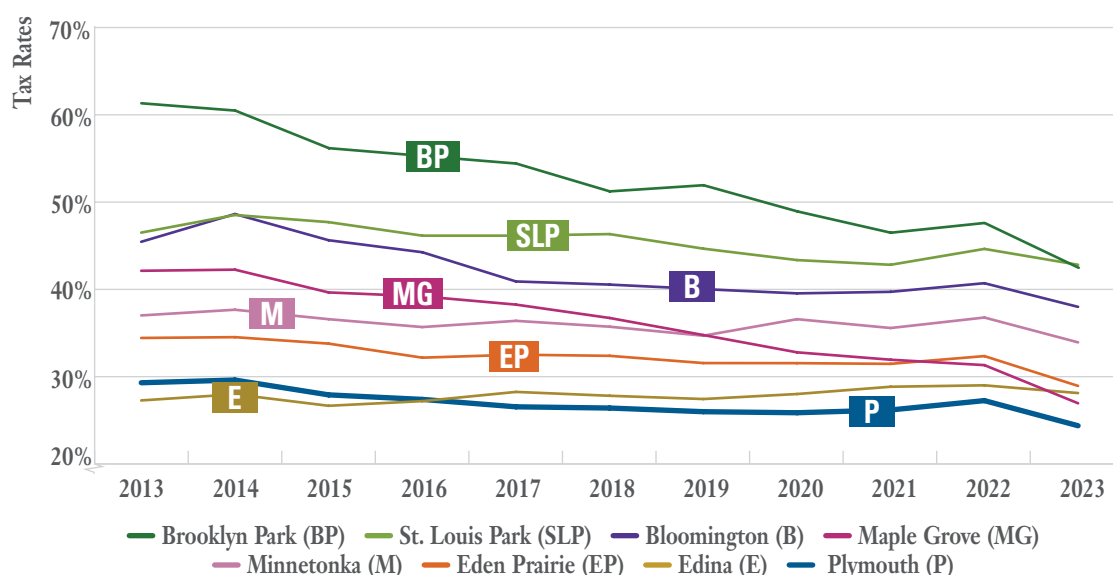
Plymouth is an economic engine for the entire state. Plymouth residents and businesses contribute a significant amount of taxes to the State of Minnesota, totaling nearly half a billion dollars each year – including state income, state sales, state property and state vehicle taxes (this estimate doesn't include licenses or user fees). While Plymouth has an obligation to contribute, city leaders continue to advocate for state funding for major infrastructure projects to see some of those tax dollars reinvested in Plymouth.



Sources: Minnesota Department of Revenue, Internal Revenue Service, Hennepin County State Property Tax (2022), State Sales Tax (2020), State Income Tax (2019), State Vehicle Tax (2022)

## Tax Rate History

Plymouth's tax rate has historically compared favorably with other Hennepin County suburbs with populations of 45,000 or more.



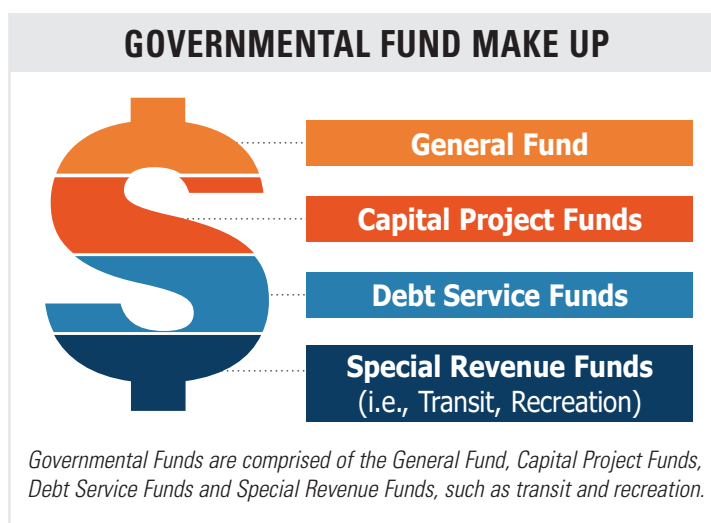
# Year in review: 2022 city finances

Plymouth reports financial year-end results in the Annual Comprehensive Financial Report, which will be available for viewing in July at [plymouthmn.gov/financialreport](http://plymouthmn.gov/financialreport).

While the data on this page is derived from the ACFR and consistent with generally accepted accounting principles, the following information is summarized and represents select funds.

The data below includes a snapshot of revenues and expenditures of Governmental Funds, with a focus on the General Fund.

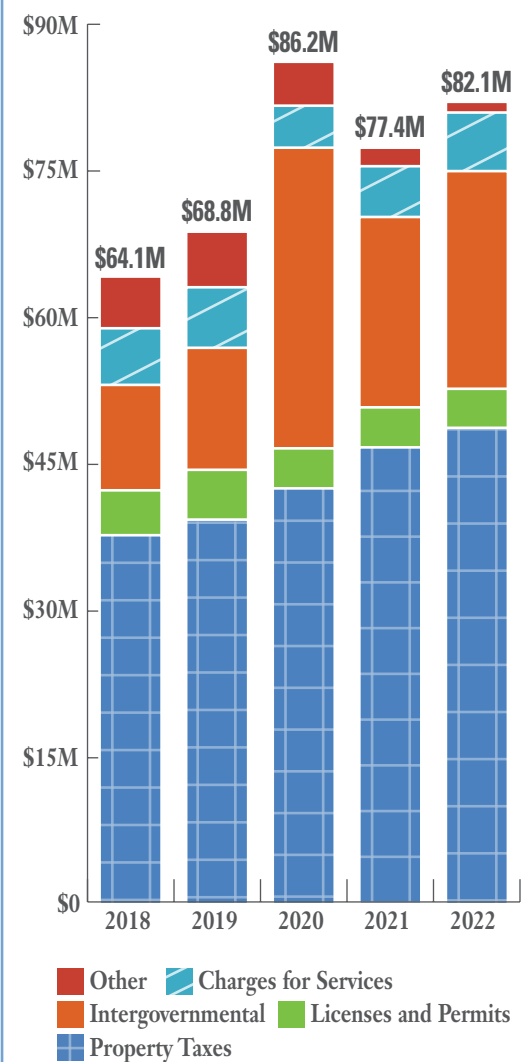
*Note: The Annual Comprehensive Financial Report is set to be accepted by City Council at its Tuesday, July 25 meeting.*



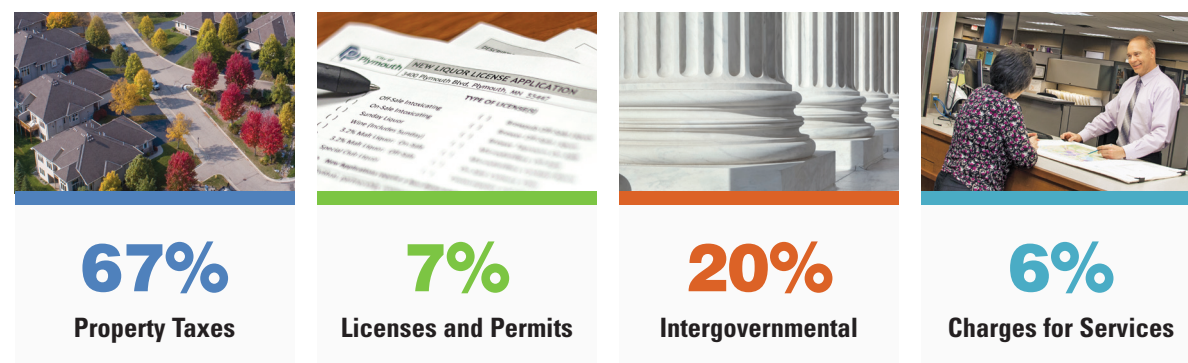
## Governmental Funds Revenues and Expenditures

Revenues for Governmental Funds totaled \$82.1 million in 2022, an increase of 6.1% from the previous year, which is due to American Rescue Plan Act funding (for providing government services and paying salaries for public safety staff/essential workers), as well as other budgeted increases for services. Expenditures for Governmental Funds totaled \$106.4 million, which is 13.8% less than the prior year. The largest driver in expenditure changes in 2021 and 2022 was capital spending on the Plymouth Community Center and fire stations. The city issued bonds to cover the construction costs for these projects.

### 5 YEAR REVENUE COMPARISON



## General Fund revenue – where the money came from



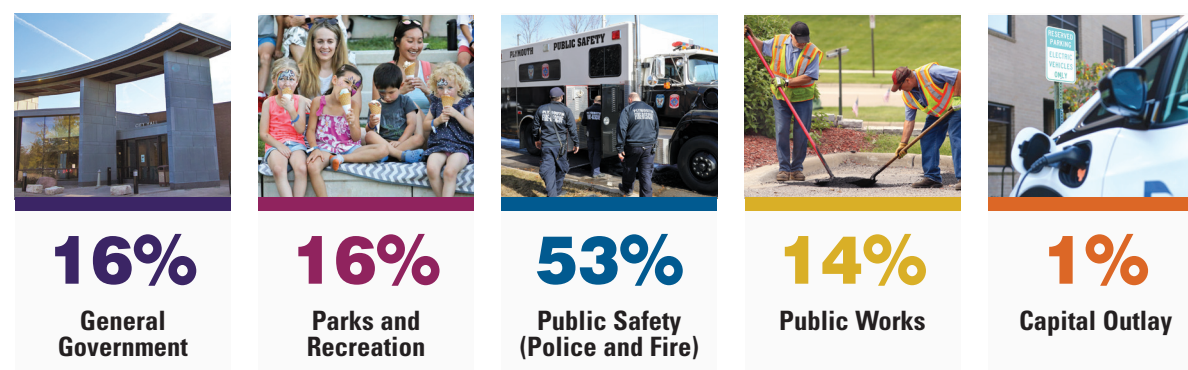
Revenues	2022	2021	2020
Property Taxes	\$35,700,992	\$33,852,858	\$31,473,326
Licenses and Permits	\$3,935,053	\$3,999,026	\$3,947,567
Intergovernmental*	\$10,400,260	\$3,016,629	\$7,590,014
Charges for Services	\$3,395,976	\$3,374,948	\$3,156,723
Other*	(\$14,398)	\$390,241	\$1,007,621
<b>Total</b>	<b>\$53,417,883</b>	<b>\$44,633,702</b>	<b>\$47,175,251</b>

**Budgeted Revenue: \$46,762,697 | Actual Revenue: \$53,417,883**

Actual revenue was 114% of the budgeted amount due to the funds received from the American Rescue Plan Act. Other revenue items approximated the budget, with the exception of investment earnings. Investment earnings include interest/dividends, as well as market value adjustment. With changes in the market, the city's investments show a negative market value adjustment, which are expected to reverse as the investments mature.

*\*Note: Intergovernmental revenue is revenue from other governmental entities (federal, state, county, etc.). Other revenues include smaller sources, such as fines, forfeitures, investment earnings and contributions.*

## General Fund expenditures – how the money was spent



Expenditures	2022	2021	2020
General Government*	\$7,250,036	\$6,809,290	\$7,306,018
Economic Development*	\$35,799	\$144,215	\$1,030,059
Parks and Recreation	\$7,400,565	\$6,738,443	\$6,651,291
Public Safety (Police and Fire)	\$24,196,642	\$23,123,800	\$22,210,674
Public Works	\$6,417,076	\$5,880,832	\$5,919,186
Capital Outlay*	\$287,002	\$225,515	\$172,203
<b>Total</b>	<b>\$45,587,120</b>	<b>\$42,922,095</b>	<b>\$43,289,431</b>

**Budgeted Expenditures: \$46,806,197 | Actual Expenditures: \$45,587,120 (97.4% of budget)**

*\*Note: General government expenditures include human resources, administration, accounting, legal and elections. Economic development expenditures increased in 2020 for CARES Act grants related to the COVID-19 pandemic – in 2022, it accounted for .08% of total expenditures. Capital outlay expenditures include purchases of fixed assets, such as buildings, vehicles, land and more.*

### 5 YEAR EXPENDITURE COMPARISON

