

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

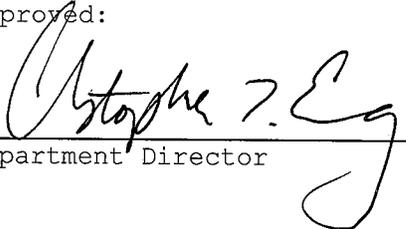
13-0616R

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2014, TO
DECEMBER 31, 2014, BUDGETS OF THE DULUTH ECONOMIC
DEVELOPMENT AUTHORITY

CITY PROPOSAL:

RESOLVED, that the DEDA operating fund, debt service fund, capital project
fund, storefront loan funds and NWA maintenance facility fund budgets on file in
the office of the city clerk as Public Document No. _____ are hereby
approved.

Approved:



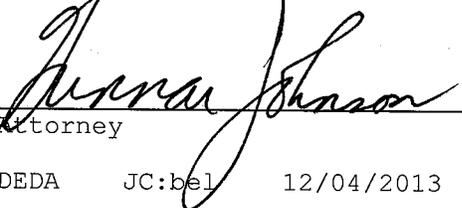
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

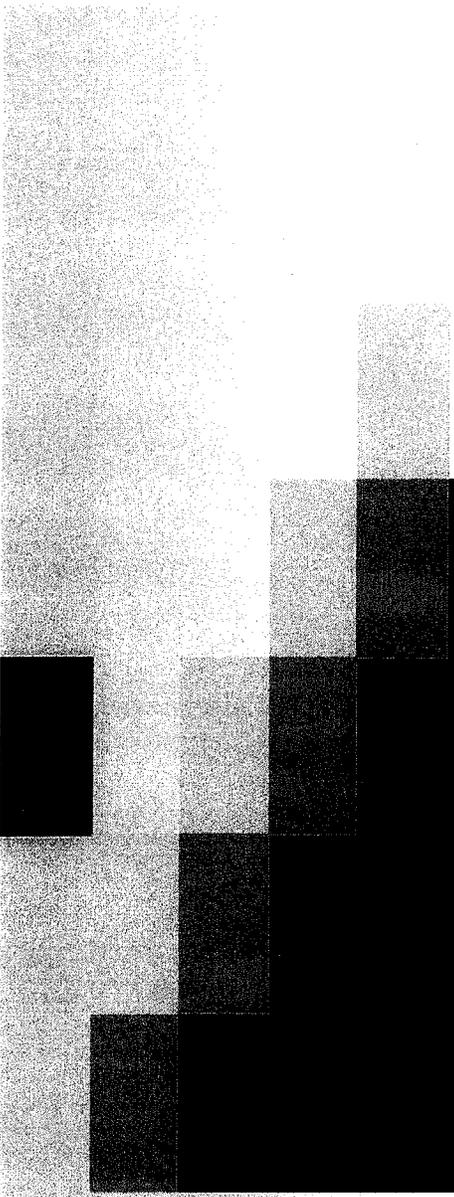
Approved:



Auditor

DEDA JC:bel 12/04/2013

STATEMENT OF PURPOSE: This resolution adopts the various DEDA budgets for fiscal
year 2014. The DEDA adopted the DEDA budgets at its November 20, 2013, meeting.
DEDA presented its budget to the City Council on December 9, 2013.



Duluth Economic Development Authority

2014 Proposed Budgets:

Operating Fund 860

Debt Service Fund 861

Capital Projects Fund 865

MRO Maintenance Fund 866

Storefront Loan Fund 867

Duluth Economic Development Authority

Executive Summary - DEDA Budgets 2014 Proposed Budgets (11-27-2013)

	<u>Operating Fund 860</u>	<u>TIF Funds</u>		<u>MRO Maint Facility Fund 866</u>	<u>Storefront Loan Funds 867/868 (Cash Budget)</u>
		<u>Debt Service Fund 861</u>	<u>Capital Projects Fund 865</u>		
Beginning Fund Balances	945,148	-	3,985,176	(31,971)	1,974,787
Revenues:					
Operating: Major Projects shown as Net Revenue/Expenditure		2,349,400	152,051	182,100	206,034
Atlas (Net Revenue)	216,500				
Bayfront (Net Revenue)	-				
Parking (Net Revenue)	176,500				
Norshor/Temple (Net Revenue)	32,000				
Transfer from Debt Service			1,218,636		
Total 2014 Revenues	<u>425,000</u>	<u>2,349,400</u>	<u>1,370,687</u>	<u>182,100</u>	<u>206,034</u>
Expenditures:					
Debt Service:					
Bond Payments of Principal/Interest		(98,800)			
Pay-As-You-Go Debt		(572,011)			
Capital Projects:					
HRA			(400,000)		
Tech Village			(134,085)		
West Duluth			(150,000)		
Park Place			(500,000)		
District 16 Housing Activities			(325,000)		
NorShor Skywalk/Public Improvements			(340,000)		
NWA Maint Facility:					
Rent Payment to DAA				(36,400)	
Insurance				(8,800)	
Loan Funds:					
Loans Funded					(1,150,000)
Other Operating Fund shown as net revenue/expenditure	(197,582)				
Other Transfers / Expenditures	-	(459,953)	(213,806)		
Transfer to Capital Projects	-	(1,218,636)			
Total 2014 Expenditures	<u>(197,582)</u>	<u>(2,349,400)</u>	<u>(2,062,891)</u>	<u>(45,200)</u>	<u>(1,150,000)</u>
Net 2014 Revenues/Expenditures	<u>227,418</u>	<u>-</u>	<u>(692,204)</u>	<u>136,900</u>	<u>(943,966)</u>
Ending Fund Balances	<u>1,172,566</u>	<u>-</u>	<u>3,292,972</u>	<u>104,929</u>	<u>1,030,821</u>

Duluth Economic Development Authority

2014 Proposed Budgets – 11-27-2013

Operating Fund (860)

The Operating Fund accounts for the Authority's operating and administrative expenses. In addition, expenditures on projects which are not TIF eligible or are not located in a specific TIF district may be accounted for in this fund. In the past this fund has been used as a conduit for DEED and EPA grants, tax forfeited property acquisition and subsequent sales, and non-TIF district land development. Operating Fund revenues are a combination of IDB issuance and administrative fees, loan and lease payments, parking revenue collections, and grants.

Debt Service Fund (861)

The Debt Service Fund accounts for all tax increment received annually from St. Louis County and all annual debt obligations paid. The revenue for this fund consists primarily of tax increment revenues. Expenses are comprised of fixed bond payments, Pay-As-You-Go debt payments to developers, and transfers to the City for pledged debt and district admin fees. All annual increment received in excess of annual debt is transferred to the Capital Projects Fund.

Capital Projects Fund (865)

The Capital Projects Fund finances and accounts for all of DEDA's TIF-related, district-specific capital projects. The primary source of revenue for this fund is the transfer of excess tax increment from the Debt Service Fund. Expenditures paid from this fund must meet the requirements of each district's TIF plan and qualify as a TIF eligible expense.

MRO Maintenance Facility Fund (866)

Beginning in 2013, this fund will accumulate rent revenues received from AAR. Those accumulated revenues will be used for major capital maintenance expenditures that are scheduled for the building in the foreseeable future.

Storefront Loan Fund (867)

The loan fund is presented on a 'cash basis' as opposed to the modified accrual basis of accounting. In this budget we're simply accounting for inflows (loan repayments) and outflows (new loan distributions) of cash.

Note that budgeted amounts in the 2013 Budget for projects that remain uncompleted at the end of 2013 will be carried forward and added to the 2014 Budget when the 2014 budget are revised at the May, 2014 DEDA meeting.

Duluth Economic Development Authority

DEDA Operating Fund 860 2014 Proposed Budget (11-27-2013)

	2013 Actual thru 10/15/2013	2013 Revised Budget 10/23/2013
BEGINNING FUND BALANCE	324,297	324,297
<u>Revenues</u>		
IDB Interest	819,461	881,313
Investment Earnings	109	150
Augusta TIF Recapture	3,595	3,595
Sale of Phoenix Parking Ramp	-	3,000
DEDA's Parking Program	330,550	409,550
Construction Assessments - Chadco	15,000	15,000
Project Development Fees / Services	13,464	15,000
TIF Admin Recovery	-	175,860
Sale of Soo Line bridge to State of MN	-	21,800
City Reimb-Econ. Develop. Strategic Plan	39,300	50,000
DEED Atlas cleanup grant	-	205,000
Projected Land Sales - Atlas Site	-	-
DEDA's 2011 EPA Atlas Cleanup Grant	2,789	100,000
Temple Opera Building Rent	90,959	140,000
Bayfront Land Rent (Bentlyville Parking)	-	60,000
Sale of Bayfront Lot C	-	-
Bayfront EPA Cleanup Grant	-	200,000
Bayfront (Pier B) Cleanup Grant	-	999,000
Bayfront (Pier B) Redevelopment Grant - Infrastructure	-	495,879
Cirrus Abatement - County & City / Expansion TIF	27,770	48,803
TOTAL REVENUES	1,342,997	3,823,950
<u>EXPENDITURES</u>		
Auditing Services	4,025	4,025
Administrative Fees	365,000	365,000
Northspan Group - Talent Base	-	20,000
APEX - Marketing Program	-	20,000
Northland Connection	15,000	15,000
Other Professional Services	2,871	10,000
DEDA's Parking Program	216,711	249,911
Canal Park Business Assn Grant	-	3,500
Meeting Expenses	1,540	3,500
Telephone	401	960
Dues & memberships	1,750	2,000
Marketing	7,432	15,000
Website Development/Maintenance	-	-
Travel & Training	6,779	10,000
Advertising/Promotion/Printing/Copying/Postage	457	500
Other Services & Charges	2,755	1,000
Self-Insurance	-	6,500
Stormwater Assessments	5,922	9,684
Property Taxes/Street Assessments on Land Held for Resale	8,395	8,435
Atlas Cement Plant Cleanup	60,748	305,000
Atlas Infrastructure	-	106,895
Atlas R.E. Taxes	18,310	18,310
Atlas Contingency	-	50,000
Bayfront Master Plan - Other Consulting	6,053	25,000
Professional Services - Bayfront - Lot D Cleanup	313	200,000
Bayfront (Pier B) Cleanup Grant	4,800	999,000
Bayfront (Pier B) Redevelopment Grant - Infrastructure	-	495,879
NorShore Operating	-	5,950
Temple Opera Operating Expenses	73,571	102,050
Duluth Economic Development Strategic Plan (DEDA/City)	78,600	100,000
LISC Econ Dev Assistance	-	50,000
TOTAL EXPENDITURES	881,433	3,203,099
Net Revenue/Expenses	461,564	620,851
ENDING FUND BALANCE / PROJECTED FUND BALANCES	785,861	945,148

2014
Proposed Budget
11/27/2013

	<u>Norshor / Annex / Temple Opera</u>	<u>Parking Programs</u>	<u>Bayfront Redevelopment</u>	<u>Atlas Cement Plant</u>	<u>Other</u>
945,148					
4,918					4,918
200					200
3,835					3,835
3,000					3,000
430,000		430,000			
15,000					15,000
10,000					10,000
203,806					203,806
-					-
-					-
-					-
235,000				235,000	
33,500				33,500	
140,000	140,000				
60,000					60,000
-					-
-					-
-					-
48,803					48,803
1,188,062	140,000	430,000	-	268,500	349,562
4,050					4,050
365,000					365,000
20,000					20,000
20,000					20,000
15,000					15,000
10,000					10,000
250,000		250,000			
3,500		3,500			
3,500					3,500
960					960
2,000					2,000
30,000					30,000
40,000					40,000
10,000					10,000
500					500
1,000					1,000
7,000					7,000
9,684					9,684
8,450					8,450
33,500				33,500	
-					-
18,500				18,500	
-					-
-					-
-					-
-					-
5,950	5,950				
102,050	102,050				
-					-
-					-
960,644	108,000	253,500	-	52,000	547,144
227,418	32,000	176,500	-	216,500	(197,582)
1,172,566					

Duluth Economic Development Authority
DEDA DEBT SERVICE FUND 861

	2012 Final	2013 Revised Budget (11-27-2013)	2014 Proposed Budget (11-27-2013)	West Duluth Housing dist 7
Actual Beginning Fund Balance	107,240	51,722	-	-
Revenues				
Investment Earnings	394	-	-	-
Tax Increment	2,067,683	2,277,200	2,349,400	677,000
Other Revenue	324,649	-	-	-
Total Revenues	2,392,726	2,277,200	2,349,400	677,000
Total Available	2,499,966	2,328,922	2,349,400	677,000
Expenditures				
BOND/NOTE PAYMENTS				
Cirrus Bond	46,800	-	-	-
Fremont	51,425	-	-	-
Tech Village Bond	95,150	97,175	98,800	-
Total Fixed Payments	193,375	97,175	98,800	-
DEVELOPER PAYMENTS (PAYG)				
Spirit Bay Development	14,392	14,400	14,400	14,400
United Cerebral Palsey	6,348	6,400	7,000	7,000
Augusta	24,608	27,177	26,455	-
Washington Center (Airspace)	43,219	44,410	44,390	-
Garfield Business Park	20,565	20,600	20,600	-
Village Place Apartments	101,010	96,347	96,347	80,000
Ramsey Townhome Project	60,996	60,400	40,100	40,100
Sheraton Hotel & Condominiums	139,250	145,000	145,000	-
Duluth Renaissance Project	88,253	101,759	101,759	-
Bluestone Commons	-	-	75,960	-
OTHER				
Transfer to City's Debt Service Fund	385,385	386,000	386,000	-
Transfer to Other Districts/Funds	12,313	121,033	63,153	-
Transfer to MRO Fund 866	324,000	(1,600)	-	-
County Administrative Fee/other admin expenses	10,198	10,800	10,800	4,300
Total Expenditures	1,423,912	1,129,901	1,130,764	145,800
Fund Balance before transfer	1,076,054	1,199,021	1,218,636	531,200
Less: Transfer @ Y/e to Capital Projects	1,024,333	1,199,021	1,218,636	531,200
Ending Fund Balance	51,721	-	-	-
Anticipated Decertification Dates	→			2015

014 Proposed Budget (11-27-2013)

<u>Augusta dist 13</u>	<u>Cirrus I dist 15</u>	<u>Washington Center dist 16</u>	<u>Tech Village dist 19</u>	<u>United Health Care dist 20</u>	<u>Garfield dist 21</u>	<u>Medical Dist Expansion dist 22</u>	<u>5th Street Village Place dist 23</u>	<u>Duluth Renaissance dist 24</u>	<u>Bluestone dist 25</u>
-	-	-	-	-	-	-	-	-	-
30,800	55,100	45,100	304,000	263,000	56,000	697,300	22,500	113,600	85,000
30,800	55,100	45,100	304,000	263,000	56,000	697,300	22,500	113,600	85,000
30,800	55,100	45,100	304,000	263,000	56,000	697,300	22,500	113,600	85,000
-	-	-	98,800	-	-	-	-	-	-
-	-	-	98,800	-	-	-	-	-	-
26,455	-	44,390	-	-	20,600	-	16,347	-	-
-	-	-	-	-	-	386,000	-	-	-
3,835	54,585	-	-	-	-	-	4,733	-	-
510	515	710	600	560	560	1,350	560	535	600
30,800	55,100	45,100	99,400	560	21,160	532,350	21,640	102,294	76,560
-	-	-	204,600	262,440	34,840	164,950	860	11,306	8,440
-	-	-	204,600	262,440	34,840	164,950	860	11,306	8,440
-	-	-	-	-	-	-	-	-	-
2020	2020	2021	2026	2016	2027	2029	2031	2034	2038

Duluth Economic Development Authority

Capital Projects Fund 865

	2013 Actual thru 10-15-2013	2013 Revised Budget 10-23-2013	2014 Proposed Budget 11-27-2013	West Duluth Redevelop dist 3	Waterfront dist 4	West Dul Housin dist 7
BEGINNING FUND BALANCE	5,042,496	5,042,496	3,985,176	1,379,228	39,498	972
Revenues						
Investment Earnings	866	1,000	1,000	400	300	
ASI Redruth Loan Repay	1,057	1,725	1,725	-	-	1
Technology Village rent/CAM reimb	86,869	104,936	104,936	-	-	
Transfer from Debt Service	-	1,199,022	1,218,636	-	-	531
Washington School Loan Repay	-	44,410	44,390	-	-	
Other - Interdistrict Loans	-	-	-	-	-	
TOTAL REVENUES/TRANSFER	88,792	1,351,093	1,370,687	400	300	533
TOTAL AVAILABLE	5,131,288	6,393,589	5,355,863	1,379,628	39,798	1,505
Expenditures						
Skywalk Extension	-	-	-	-	-	
Seawall Infrastructure Repairs	-	890,000	-	-	-	
Baywalk Extension	-	110,000	-	-	-	
West Duluth Storefront Grant Program	-	100,000	150,000	150,000	-	
Spirit Valley title registration	3,713	25,000	-	-	-	
Park Place	-	-	500,000	500,000	-	
TIF Admin Cost Allocation	-	175,860	203,806	30,000	20,000	30
Ramsay IV	-	540,000	-	-	-	
HRA Acquisition/Demolition	233,485	430,089	400,000	-	-	400
Housing Activities	-	-	325,000	-	-	
Tech. Village Project/CAM Charges/Lease	43,358	137,464	134,085	-	-	
NorShor Skywalk/Public Improvements	-	-	340,000	-	-	
Other	(1,265)	-	10,000	-	-	
TOTAL EXPENDITURES	279,291	2,408,413	2,062,891	680,000	20,000	430
ENDING FUND BALANCE	4,851,997	3,985,176	3,292,972	699,628	19,798	1,075
Committed / Unavailable	(106,212)	(106,212)	(9,404)	-	-	(9)
ENDING AVAILABLE FUND BALANCE	4,745,785	3,878,964	3,283,568	699,628	19,798	1,065
			Decertification Dates	Decertified 2007	Decertified 2009	2015

2014 Proposed Budget (11-27-2013)

West Duluth Housing dist 7	Jefferson dist 10	Washington dist 16	Tech Village dist 19	U.H. Care dist 20	Garfield dist 21	Medical Dist dist 22	Village Place dist 23	Renaissance dist 24	Bluestone dist 25
972,112	2,946	327,483	482,483	380,567	46,229	343,908	(576)	4,398	6,900
200	-	100	-	-	-	-	-	-	-
1,725	-	-	-	-	-	-	-	-	-
531,200	-	-	104,936	-	-	-	-	-	-
-	-	44,390	204,600	262,440	34,840	164,950	860	11,306	8,440
533,125	-	44,490	309,536	262,440	(25,000)	164,950	860	11,306	8,440
1,505,237	2,946	371,973	792,019	643,007	56,069	508,858	284	15,704	15,340
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
30,000	2,946	10,000	5,000	20,000	15,000	30,000	860	10,000	15,000
400,000	-	-	-	-	-	-	-	-	-
-	-	325,000	-	-	-	-	-	-	-
-	-	-	134,085	-	-	-	-	-	-
-	-	-	-	-	-	340,000	-	-	-
430,000	2,946	335,000	139,085	20,000	15,000	370,000	860	10,000	15,000
1,075,237	-	36,973	652,934	623,007	41,069	138,858	(576)	5,704	340
(9,404)	-	-	-	-	-	-	-	-	-
1,065,833	-	36,973	652,934	623,007	41,069	138,858	(576)	5,704	340
2015	Decertified 2009	2021	2026	2016	2027	2030	2031	2034	2038

2014 Proposed Budget (11-27-2013)

11/14/2013

Jefferson dist 10	Washington dist 16	Tech Village dist 19	U.H. Care dist 20	Garfield dist 21	Medical Dist dist 22	Village Place dist 23	Renaissance dist 24	Bluestone dist 25	Pier B dist ?
2,946	327,483	482,483	380,567	46,229	343,908	(576)	4,398	6,900	-
-	100	-	-	-	-	-	-	-	-
-	-	104,936	-	-	-	-	-	-	-
-	-	204,600	262,440	34,840	164,950	860	11,306	8,440	-
-	44,390	-	-	-	-	-	-	-	25,000
-	44,490	309,536	262,440	9,840	164,950	860	11,306	8,440	25,000
2,946	371,973	792,019	643,007	56,069	508,858	284	15,704	15,340	25,000
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,946	10,000	5,000	20,000	15,000	30,000	860	10,000	15,000	15,000
-	-	-	-	-	-	-	-	-	-
-	325,000	-	-	-	-	-	-	-	-
-	-	134,085	-	-	-	-	-	-	-
-	-	-	-	-	340,000	-	-	-	10,000
2,946	335,000	139,085	20,000	15,000	370,000	860	10,000	15,000	25,000
-	36,973	652,934	623,007	41,069	138,858	(576)	5,704	340	-
-	36,973	652,934	623,007	41,069	138,858	(576)	5,704	340	-
Decertified 2009	2021	2026	2016	2027	2030	2031	2034	2038	25 yrs AFRTI

Duluth Economic Development Authority

DEDA MRO Maintenance Facility Fund 866

2014 Proposed Budget (11-27-2013)

	2013 Actual thru <u>10-15-2013</u>	2013 Revised Budget <u>10-23-2013</u>	2014 Proposed Budget <u>11-27-2013</u>
BEGINNING FUND BALANCE	(29,717)	(29,717)	(31,971)
Revenues			
Investment Earnings	-	-	100
Building Rent	41,883	50,256	182,000
Reimbursement	4,465	4,465	-
Sale of Used Equipment	-	-	-
TOTAL REVENUES	46,348	54,721	182,100
TOTAL AVAILABLE	16,631	25,004	150,129
EXPENDITURES			
Repairs/Maintenance	43,878	45,000	-
Other Services/Supplies	15	1,600	-
Property Insurance	8,773	8,775	8,800
Transfer to Debt Service	-	1,600	-
Rent Payment to DAA	-	-	36,400
TOTAL EXPENDITURES	52,666	56,975	45,200
ENDING FUND BALANCE	(36,035)	(31,971)	104,929

Duluth Economic Development Authority

Storefront Loan Funds

'Cash' Budgets

Proposed 2014 Budget

|----- Fund 867 -----|

Cash Balance - January 1st

Revenues:

Investment Earnings
Repayments on Outstanding Loans
Transfer from District-Specific Loan Fund
Misc. Services

Total Revenues

Total Available

Expenditures:

Grants/Awards
Other Services & Charges

Loans:

Downtown
East Downtown
Lincoln Park
Hillside
Bridge Loan - Fund 860 - for Atlas Infrastructure
Bridge Loan - DSPA to repay
Total Expenditures

Cash Balance - December 31st

<u>Storefront Loans *</u>		
Actual	Projected	Proposed
2012	2013	2014
<u>Activity</u>	<u>Activity</u>	<u>Budget</u>
1,970,237	1,675,997	1,974,787
1,038	536	750
262,768	298,254	205,284
-	-	-
-	-	-
263,806	298,790	206,034
2,234,043	1,974,787	2,180,821
-	-	-
46	-	-
-	-	600,000
	-	300,000
-	-	150,000
-	-	100,000
370,000	-	-
188,000	-	-
558,046	-	1,150,000
1,675,997	1,974,787	1,030,821

- * - \$1,000,000 has been made available for Upstairs Housing projects in the downtown area.
- Upstairs Housing loans will be tracked separately and remain in the Storefront Loan Fund. The amount available for Upstairs Loans can be calculated at any time by subtracting the sum of the outstanding Upstairs Housing loan balances from \$1,000,000.
- Amounts will be offered to qualified borrowers at a zero interest rate, payable over 7 years.