



2012 Proposed Budgets - 11/16/2011

Operating Fund

Debt Service Fund

Capital Projects Fund

NWA Maintenance Facility Fund

DEDA Loan Funds

Duluth Economic Development Authority

2012 Proposed Budgets – 11-16-2011

Operating Fund

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 MHFA 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 State of MN grants.

Debt Service Fund

The Debt Service Fund accounts for all tax increment received annually from the County and all annual debt obligations paid. The majority of the revenue for this fund is from 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

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.

NWA Maintenance Facility Fund

The expenses in this fund are primarily related to annual maintenance of the MRO building.

Loan Funds

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

Note that budget amounts in the 2011 Budget for projects that remain uncompleted at the end of 2011 will be carried forward and added to the 2012 Budget when the 2012 budget is revised at the May, 2012 DEDA meeting.

Duluth Economic Development Authority

**Executive Summary - DEDA Budgets
2012 Proposed Budget (11-16-2011)**

	Operating Fund 860	TIF Funds		NWA Maint Facility Fund 866	Storefront Loan Funds 867/868 (Cash Budget)
		Debt Service Fund 861	Capital Projects Fund 865		
Beginning Fund Balances	313,066	100,025	2,736,702	7,036	1,866,028
Revenues:					
Operating: Major Projects shown as Net Revenue/Expenditure		1,983,615	87,865	18,000	263,208
Atlas (Net Revenue)	292,684				
Bayfront (Net Revenue)	600,000				
Parking (Net Revenue)	161,000				
Norshor/Temple (Net Revenue)	54,000				
Transfer from Debt Service			903,183		
Expenditures:					
Debt Service:					
Bond Payments of Principal/Interest		(193,375)			
Pay-As-You-Go Debt		(478,812)			
Capital Projects:					
BID			(241,656)		
HRA			(400,000)		
Tech Village			(143,933)		
NWA Maint Facility:					
Building Maintenance				(153,700)	
Loan Funds:					
Loans Funded					(1,000,000)
Other Operating Fund shown as net revenue/expenditure	(138,748)				
Other Transfers / Expenditures		(408,245)	(178,616)		
Transfer to Capital Projects		(903,183)			
Bridge Loans for Atlas Redevelopment					(558,000)
Total Expenditures	968,936	(1,983,615)	(964,205)	(153,700)	(1,558,000)
Net Revenues / Expenditures	968,936	-	26,843	(135,700)	(1,294,792)
Ending Fund Balances	1,282,002	100,025	2,763,545	(128,664)	571,236

Duluth Economic Development Authority

DEDA Operating Fund 860

2012 Proposed Budget (11-16-2011)

	2011 Revised Budget 09/13/2011	2012 Proposed Budget 11/16/2011	Norshor / Annex / Temple Opera	Parking Programs	Bayfront Redevelopment	Atlas Cement Plant	Other
BEGINNING FUND BALANCE	383,549	313,066					
Revenues							
IDB Interest	71,075	69,138					
Investment Earnings	250	300					69,138
Augusta TIF Recapture	3,116	3,355					300
Parking Meters - Steamplant/Phoenix	24,000	24,000					3,355
Canal Park Parking Program	220,000	220,000		24,000			
Contract Parking - Lincoln Hotel	25,500	25,500		220,000			
Construction Assessments - Chadco	49,400	15,000		25,500			
Project Development Fees / Services	23,000	15,000					15,000
TIF Admin Recovery	200,284	178,616					15,000
Sale of Soo Line bridge to State of MN	21,800	-					178,616
Sale of Soo Line property - Rohlfin	19,400	-					-
Menard's R.E. Tax repayment	10,577	-					-
Projected Land Sales - Atlas Site	-	395,000					-
DEED Cleanup Grant - Atlas Site (pending)	482,000	265,072				395,000	
City's EPA Hazardous Materials Grant - Atlas Site	200,000	84,900				265,072	
Atlas-Storefront Bridge Loan - repayment by Land Sales	-	370,000				84,900	
Atlas-Storefront Bridge Loan - future repayment by DSPA	-	188,000				370,000	
Net Revenues - Temple Opera/Norshor Annex	35,000	54,000	54,000			188,000	
Bayfront Land Rent	50,000	60,000					
Sale of Bayfront Lot C	-	630,000			60,000		
Bayfront EPA Cleanup Grant	-	200,000			630,000		
Bayfront Redevelopment Grant - Infrastructure (pending)	-	750,000			200,000		
Bayfront DEED 'Big Project' Grant	100,000	-			750,000		
Transfer from TIF District #4 - Lot C (not transferred in 2010)	7,750	-					
Pier B - Bayfront option (pmt received/revenue not yet recognized)	10,000	-					
DEED RAP Grant/-Bayfront - Lot D (not drawn in 2010)	17,600	-					
MN DNR/Coastal Project reimbursement	25,354	-					
Cirrus Abatement - County & City	11,800	39,853					
TOTAL REVENUES	1,607,906	3,587,734	54,000	269,500	1,640,000	1,302,972	39,853
EXPENDITURES							
Northland Connection	15,000	15,000					
Auditing Services	6,000	3,500					15,000
Administrative Fees	365,000	365,000					3,500
Other Professional Services	6,922	10,000					365,000
Steamplant/Phoenix Parking Meters	1,500	1,500					10,000
Lincoln Hotel Contract Parking	3,500	3,500		1,500			
Canal Park Parking Program	100,000	100,000		3,500			
Canal Park Business Assn grant	3,500	3,500		100,000			
Meeting Expenses	3,000	3,500		3,500			
Telephone	960	960					3,500
Marketing	30,000	30,000					960
Travel & Training	1,500	2,000					30,000
Advertising/Promotion/Printing/Copying/Postage	250	250					2,000
Other Services & Charges	1,000	1,000					250
Self-Insurance	6,500	6,500					1,000
Google	4,250	-					6,500
Stormwater Assessments	12,075	12,300					-
Property Taxes/Street Assessments on land held	10,000	10,000					12,300
Atlas Cement Plant Cleanup	780,000	402,288					10,000
Transfer to City - Atlas Infrastructure	-	558,000				402,288	
Atlas - LHB Survey / contingency	75,000	50,000				558,000	
Bayfront Master Plan, including BIG Project	150,000	50,000				50,000	
Bayfront - Lot D Cleanup	23,482	240,000			50,000		
Bayfront Redevelopment Grant - Infrastructure (pending)	-	750,000			240,000		
NorShore Operating	16,600	-			750,000		
NorShore Capital Improvements	62,350	-					
TOTAL EXPENDITURES	1,678,389	2,618,798	-	108,500	1,040,000	1,010,288	460,010
Net Revenue/Expenses	(70,483)	968,936	54,000	161,000	600,000	292,684	(138,748)
ENDING FUND BALANCE / PROJECT BALANCES	313,066	1,282,002					

Duluth Economic Development Authority
DEDA DEBT SERVICE FUND 861

2012 Proposed Budget (11-16-2011)

	2011 Revised Budget (09-13-2011)	2012 Proposed Budget (11-16-2011)	West Duluth Housing dist 7	Augusta dist 13	NWA dist 14	Cirrus I. dist 15	Washington Center dist 16	Tech Village dist 19	United Health Care dist 20	Garfield dist 21	Medical Dist Expansion dist 22	5th Street Village Place dist 23	Duluth Renaissance dist 24
Actual Beginning Fund Balance	128,875	100,025	51,425	-	-	48,600	-	-	-	-	-	-	-
Revenues													
Investment Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax Increment	1,975,008	1,969,000	575,000	28,000	-	45,000	39,000	259,000	213,000	44,000	644,000	23,000	99,000
Cirrus Reimbursement	12,377	14,115				14,115							
Transfer from Other Funds	500	500			500								
Total Revenues	1,987,885	1,983,615	575,000	28,000	500	59,115	39,000	259,000	213,000	44,000	644,000	23,000	99,000
Total Available	2,116,760	2,083,640	626,425	28,000	500	107,715	39,000	259,000	213,000	44,000	644,000	23,000	99,000
Expenditures													
<u>BOND/NOTE PAYMENTS</u>													
Cirrus Bond	50,400	46,800				46,800							
Fremont	59,418	51,425	51,425										
Tech Village Bond	92,950	95,150						95,150					
Total Fixed Payments	202,768	193,375	51,425	-	-	46,800	-	95,150	-	-	-	-	-
<u>DEVELOPER PAYMENTS (PAYG)</u>													
Spirit Bay Development	13,120	13,200	13,200										
United Cerebral Palsey	5,554	5,600	5,600										
Augusta	25,898	24,374		24,374									
Washington Center (Artspace)	38,676	38,290					38,290						
Garfield Business Park	19,684	16,740								16,740			
Village Place Apartments	96,348	101,580	80,000									21,580	
Ramsey Townhome Project	61,372	60,400	60,400										
Sheraton Hotel & Condominiums	129,159	130,000									130,000		
Duluth Rennaisance Project	88,979	88,628											88,628
<u>OTHER</u>													
Transfer to City's Debt Service Fund (2025)	385,187	382,670	-	-	-	-	-	-	-	-	382,670	-	-
Transfer to Other Districts/Funds	18,520	14,916	-	3,116	-	11,800	-	-	-	-	-	-	-
Excess TIF returned to County	-	-	-	-	-	-	-	-	-	-	-	-	-
County Administrative Fee/other admin expenses	10,660	10,660	4,300	510	500	515	710	600	550	560	1,330	560	525
Total Expenditures	1,095,925	1,080,433	214,925	28,000	500	59,115	39,000	95,750	550	17,300	514,000	22,140	89,153
Fund Balance before transfer	1,020,836	1,003,208	411,500	-	-	48,600	-	163,250	212,450	26,700	130,000	860	9,848
Less: Transfer @ Y/e to Capital Projects	920,811	903,183	360,075	-	-	-	-	163,250	212,450	26,700	130,000	860	9,848
Ending Fund Balance	100,025	100,025	51,425	-	-	48,600	-	-	-	-	-	-	-

District Statutory Decertification Dates →

2015 ✓ 2020 ✓ 2027 ✓ 2020 ✓ 2021 ✓ 2026 ✓ 2027 ✓ 2027 ✓ 2029 ✓ 2031 ✓ 2034

Duluth Economic Development Authority

2012 Proposed Budget (11-16-2011)

Capital Projects Fund 865

11/10/2011

	2011 Revised Budget (09-13-2011)	2012 Proposed Budget (11-16-2011)	Economic Development						Housing Development				
			Proposed 2012 W.Duluth-3	Proposed 2012 Waterfront-4	Proposed 2012 Tech Vill.-19	Proposed 2012 U.H. Care-20	Proposed 2012 Garfield-21	Proposed 2012 MedDist-22	Proposed 2012 Renaiss-24	Proposed 2012 W. Duluth-7	Proposed 2012 Jefferson-10	Proposed 2012 Wash Ctr-16	Proposed 2012 VII Plac-23
BEGINNING FUND BALANCE	7,749,161	2,736,702	170,911	1,450,021	218,661	(84,972)	79,990	39,729	12,675	431,967	110,520	304,444	2,756
Revenues													
Investment Earnings	2,850	1,575	125	500	-	-	150	125	25	300	100	250	-
ASI Redruth Loan Repay	9,996	9,996	-	-	-	-	-	-	-	9,996	-	-	-
Technology Village rent	31,626	38,004	-	-	38,004	-	-	-	-	-	-	-	-
Transfer from Debt Service	920,811	903,183	-	-	163,250	212,450	26,700	130,000	9,848	360,075	-	-	860
Washington School Loan Repay	38,290	38,290	-	-	-	-	-	-	-	-	-	38,290	-
TOTAL REVENUES/TRANSFER	1,003,573	991,048	125	500	201,254	212,450	26,850	130,125	9,873	370,371	100	38,540	860
TOTAL AVAILABLE	8,752,734	3,727,750	171,036	1,450,521	419,915	127,478	106,840	169,854	22,548	802,338	110,620	342,984	3,616
Expenditures													
Skywalk Bridge - Greysolon to 1st Ave Ramp	746,114	-	-	-	-	-	-	-	-	-	-	-	-
NorShor Re-roof & Parapet Repair / Skywalk Design	80,000	-	-	-	-	-	-	-	-	-	-	-	-
West Duluth Storefront Grant Program	339,806	-	-	-	-	-	-	-	-	-	-	-	-
Spirit Valley title registration	28,000	-	-	-	-	-	-	-	-	-	-	-	-
West Duluth Improvements	1,539,793	-	-	-	-	-	-	-	-	-	-	-	-
BID (Building in Duluth)	1,780,000	241,656	141,036	-	-	-	-	-	-	-	100,620	-	-
TIF Admin Cost Allocation	155,000	178,616	30,000	20,000	5,000	20,000	10,000	30,000	10,000	30,000	10,000	10,000	3,616
HRA Acquisition/Demolition	1,176,228	400,000	-	-	-	-	-	-	-	400,000	-	-	-
Tech. Village Project/CAM Charges/Lease	147,341	143,933	-	-	143,933	-	-	-	-	-	-	-	-
Transfer to Operating - Bayfront Lot C grant match	7,750	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Operating - Bayfront Lot D grant match	16,000	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	6,016,032	964,205	171,036	20,000	148,933	20,000	10,000	30,000	10,000	430,000	110,620	10,000	3,616
ENDING FUND BALANCE	2,736,702	2,763,545	-	1,430,521	270,982	107,478	96,840	139,854	12,548	372,338	-	332,984	-
Committed / Unavailable	(282,537)	(188,784)	-	-	(161,629)	-	-	-	-	(27,155)	-	-	-
ENDING AVAILABLE FUND BALANCE	2,454,165	2,574,761	-	1,430,521	109,353	107,478	96,840	139,854	12,548	345,183	-	332,984	-

Decertified
2007

Decertified
2009

Decertified
2009

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Duluth Economic Development Authority

DEDA NWA Maintenance Facility Fund 866

2012 Proposed Budget - 11-16-2011

	2011 Budget Totals	2011 Actual Y-T-D 10-31-2011	2012 Proposed Budget 11/16/2011
BEGINNING FUND BALANCE	201,986	201,986	7,036
<u>Revenues</u>			
Investment Earnings	250	68	-
Building Rent	18,000	15,000	18,000
Partner Contribution - Marketing	20,000	-	-
Sale of Fixed Assets	-	300	-
TOTAL REVENUES	38,250	15,368	18,000
TOTAL AVAILABLE	240,236	217,354	25,036
<u>EXPENDITURES</u>			
Contract Management	28,800	21,600	28,800
Engineering	10,000	-	5,000
Repairs/Maintenance	25,000	8,462	10,000
Electrical	50,400	38,833	50,400
Heating	41,000	22,894	41,000
Water/Sewage	5,300	1,672	2,500
Telephone/Security	1,200	4,607	7,500
Other Services/Supplies	3,000	-	-
Insurance	8,500	8,766	8,500
Marketing Program	60,000	4,932	-
TOTAL EXPENDITURES	233,200	111,766	153,700
ENDING FUND BALANCE	7,036	105,588	(128,664)

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Duluth Economic Development Authority

Storefront Loan Funds

'Cash' Budgets

Proposed 2012 Budget

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

	<u>Storefront Loans *</u>		
	Actual	Projected	Proposed
	2010	2011	2012
	<u>Activity</u>	<u>Activity</u>	<u>Budget</u>
Cash Balance - January 1st	2,944,069	1,091,658	1,866,028
Revenues:			
Investment Earnings	939	850	1,200
Repayments on Outstanding Loans	273,279	773,620	262,008
Transfer from District-Specific Loan Fund	46,944		
Misc. Services	9,988	-	
Total Revenues	331,150	774,470	263,208
Total Available	3,275,219	1,866,128	2,129,236
Expenditures:			
Grants/Awards	24,500		
Other Services & Charges	7,482	100	
Loans:			
Downtown	66,579		500,000
East Downtown			250,000
Lincoln Park	285,000		250,000
Hillside			-
Bridge Loan - Norshor	1,300,000		
Bridge Loan - Clyde Iron	500,000		
Bridge Loan - Fund 860 - for Atlas Infrastructure			370,000
Bridge Loan - DSPA to repay			188,000
Total Expenditures	2,183,561	100	1,558,000
Cash Balance - December 31st	1,091,658	1,866,028	571,236

- * - \$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.