



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)

	Operating Fund 860	TIF Funds		MRO Maint Facility Fund 866	Storefront Loan Funds 867/868 (Cash Budget)
		Debt Service Fund 861	Capital Projects Fund 865		
Beginning Fund Balances	945,148	-	3,985,176	(31,971)	1,974,787
Revenues:					
Operating: Major Projects shown as Net Revenue/Expenditure					
Atlas (Net Revenue)	216,500	2,349,400	152,051	182,100	206,034
Bayfront (Net Revenue)	-				
Parking (Net Revenue)	176,500				
Norshor/Temple (Net Revenue)	32,000				
Transfer from Debt Service			1,218,636		
Total 2014 Revenues	425,000	2,349,400	1,370,687	162,100	206,034
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	(197,582)	(2,349,400)	(2,062,891)	(45,200)	(1,150,000)
Net 2014 Revenues/Expenditures	227,418	-	(692,204)	136,900	(943,966)
Ending Fund Balances	1,172,566	-	3,292,972	104,929	1,030,821

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	2014 Proposed Budget 11/27/2013	Norshor / Annex / Temple Opera	Parking Programs	Bayfront Redevelopment	Atlas Cement Plant	Other
BEGINNING FUND BALANCE	324,297	324,297	945,148					
Revenues								
IDB Interest	819,461	881,313	4,918					4,918
Investment Earnings	109	150	200					200
Augusta TIF Recapture	3,595	3,595	3,835					3,835
Sale of Phoenix Parking Ramp	-	3,000	3,000					3,000
DEDA's Parking Program	330,550	409,550	430,000		430,000			
Construction Assessments - Chadco	15,000	15,000	15,000					15,000
Project Development Fees / Services	13,464	15,000	10,000					10,000
TIF Admin Recovery	-	175,860	203,806					203,806
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	-	-	235,000				235,000	-
DEDA's 2011 EPA Atlas Cleanup Grant	2,789	100,000	33,500				33,500	
Temple Opera Building Rent	90,959	140,000	140,000	140,000				
Bayfront Land Rent (Bentlyville Parking)	-	60,000	60,000					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	48,803					48,803
TOTAL REVENUES	1,342,997	3,823,950	1,188,062	140,000	430,000	-	268,500	349,562
EXPENDITURES								
Auditing Services	4,025	4,025	4,050					4,050
Administrative Fees	365,000	365,000	365,000					365,000
Northspan Group - Talent Base	-	20,000	20,000					20,000
APEX - Marketing Program	-	20,000	20,000					20,000
Northland Connection	15,000	15,000	15,000					15,000
Other Professional Services	2,871	10,000	10,000					10,000
DEDA's Parking Program	216,711	249,911	250,000		250,000			
Canal Park Business Assn Grant	-	3,500	3,500		3,500			
Meeting Expenses	1,540	3,500	3,500					3,500
Telephone	401	960	960					960
Dues & memberships	1,750	2,000	2,000					2,000
Marketing	7,432	15,000	30,000					30,000
Website Development/Maintenance	-	-	40,000					40,000
Travel & Training	6,779	10,000	10,000					10,000
Advertising/Promotion/Printing/Copying/Postage	457	500	500					500
Other Services & Charges	2,755	1,000	1,000					1,000
Self-Insurance	-	6,500	7,000					7,000
Stormwater Assessments	5,922	9,684	9,684					9,684
Property Taxes/Street Assessments on Land Held for Resale	8,395	8,435	8,450					8,450
Atlas Cement Plant Cleanup	60,748	305,000	33,500				33,500	
Atlas Infrastructure	-	106,895	-					-
Atlas R.E. Taxes	18,310	18,310	18,500				18,500	
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	5,950	5,950				
Temple-Opera Operating Expenses	73,571	102,050	102,050	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	960,644	108,000	253,500	-	52,000	547,144
Net Revenue/Expenses	461,564	620,851	227,418	32,000	176,500	-	216,500	(197,582)
ENDING FUND BALANCE / PROJECTED FUND BALANCES	785,861	945,148	1,172,566					

Duluth Economic Development Authority
DEDA DEBT SERVICE FUND 861

2014 Proposed Budget (11-27-2013)

	2012 Final	2013 Revised Budget (10-23-2013)	2014 Proposed Budget (11-27-2013)	West Duluth Housing dist 7	Augusta dist 13	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	Bluestone dist 25
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	30,800	55,100	45,100	304,000	263,000	56,000	697,300	22,500	113,600	85,000
Other Revenue	324,649	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	2,392,726	2,277,200	2,349,400	677,000	30,800	55,100	45,100	304,000	263,000	56,000	697,300	22,500	113,600	85,000
Total Available	2,499,966	2,328,922	2,349,400	677,000	30,800	55,100	45,100	304,000	263,000	56,000	697,300	22,500	113,600	85,000
Expenditures														
<u>BOND/NOTE PAYMENTS</u>														
Cirrus Bond	46,800	-	-	-	-	-	-	-	-	-	-	-	-	-
Fremont	51,425	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech Village Bond	95,150	97,175	98,800	-	-	-	-	98,800	-	-	-	-	-	-
Total Fixed Payments	193,375	97,175	98,800	-	-	-	-	98,800	-	-	-	-	-	-
<u>DEVELOPER PAYMENTS (PAYG)</u>														
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	-	26,455	-	-	-	-	-	-	-	-	-
Washington Center (Artspace)	43,219	44,410	44,390	-	-	-	44,390	-	-	-	-	-	-	-
Garfield Business Park	20,565	20,600	20,600	-	-	-	-	-	-	20,600	-	-	-	-
Village Place Apartments	101,010	96,347	96,347	80,000	-	-	-	-	-	-	-	16,347	-	-
Ramsey Townhome Project	60,996	60,400	40,100	40,100	-	-	-	-	-	-	-	-	-	-
Sheraton Hotel & Condominiums	139,250	145,000	145,000	-	-	-	-	-	-	-	145,000	-	-	-
Duluth Renaissance Project	88,253	101,759	101,759	-	-	-	-	-	-	-	-	-	101,759	-
Bluestone Commons	-	-	75,960	-	-	-	-	-	-	-	-	-	-	75,960
<u>OTHER</u>														
Transfer to City's Debt Service Fund	385,385	386,000	386,000	-	-	-	-	-	-	-	386,000	-	-	-
Transfer to Other Districts/Funds	12,313	121,033	63,153	-	3,835	54,585	-	-	-	-	-	4,733	-	-
Transfer to MRO Fund 866	324,000	(1,600)	-	-	-	-	-	-	-	-	-	-	-	-
County Administrative Fee/other admin expenses	10,198	10,800	10,800	4,300	510	515	710	600	560	560	1,350	560	535	600
Total Expenditures	1,423,912	1,129,901	1,130,764	145,800	30,800	55,100	45,100	99,400	560	21,160	532,350	21,640	102,294	76,560
Fund Balance before transfer	1,076,054	1,199,021	1,218,636	531,200	-	-	-	204,600	262,440	34,840	164,950	860	11,306	8,440
Less: Transfer @ Y/e to Capital Projects	1,024,333	1,199,021	1,218,636	531,200	-	-	-	204,600	262,440	34,840	164,950	860	11,306	8,440
Ending Fund Balance	51,721	-	-	-	-	-	-	-	-	-	-	-	-	-
Anticipated Decertification Dates	→			2015	2020	2020	2021	2026	2016	2027	2029	2031	2034	2038

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)
<u>Revenues</u>			
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
<u>EXPENDITURES</u>			
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	36,400
Rent Payment to DAA	-	-	-
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 -----|

	<u>Storefront Loans *</u>		
	Actual 2012 <u>Activity</u>	Projected 2013 <u>Activity</u>	Proposed 2014 <u>Budget</u>
Cash Balance - January 1st	1,970,237	1,675,997	1,974,787
Revenues:			
Investment Earnings	1,038	536	750
Repayments on Outstanding Loans	262,768	298,254	205,284
Transfer from District-Specific Loan Fund	-	-	-
Misc. Services	-	-	-
Total Revenues	263,806	298,790	206,034
Total Available	2,234,043	1,974,787	2,180,821
Expenditures:			
Grants/Awards	-	-	-
Other Services & Charges	46	-	-
Loans:			
Downtown	-	-	600,000
East Downtown	-	-	300,000
Lincoln Park	-	-	150,000
Hillside	-	-	100,000
Bridge Loan - Fund 860 - for Atlas Infrastructure	370,000	-	-
Bridge Loan - DSPA to repay	188,000	-	-
Total Expenditures	558,046	-	1,150,000
Cash Balance - December 31st	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.