



**City of Blaine**  
**Anoka County, Minnesota**  
**Text File**

10801 Town Square Dr.  
Blaine MN 55449

**File Number: EDA RES 13-06**

**Agenda Date:** 9/5/2013

**Version:** 1

**Status:** Agenda Ready

**In Control:** EDA

**File Type:** EDA Resolution

**Agenda Number:** 2.

**ITEM: 2** *BLAINE EDA- Joe Huss, Finance Director*

**Title**

**AUTHORIZING THE BLAINE ECONOMIC DEVELOPMENT  
AUTHORITY, HAVING ALL THE POWERS OF A HOUSING  
REDEVELOPMENT AUTHORITY, TO LEVY TAXES UPON THE  
TAXABLE PROPERTY IN THE CITY OF BLAINE FOR COLLECTION  
FOR THE YEAR 2014**

**Background**

Minnesota statutes require special taxing districts to certify preliminary property tax levies to county auditors by September 15. The Blaine Economic Development Authority (EDA) functions as a special taxing district and is therefore authorized to levy taxes under state law.

From the City's 2030 Comprehensive Plan of December 2009, the City's EDA will encourage "development that creates access to sustainable jobs for the residents of Blaine. Development of corporate offices, professional and financial services, research, medical manufacturing and medical services, education and emerging industrial technology will be focal points in helping to create a well balanced and vital economy for the City and its residents." The City, through its EDA will also "dedicate staff resources to monitoring the economic health of the city and assisting businesses in relocation or expansion within the City."

City Finance staff has conducted a thorough analysis of the EDA fund and determined that a special tax levy will be necessary in order to allow the EDA to successfully function in the 2014 calendar year.

**Recommendation**

By motion, approve the following resolution

**Body**

**WHEREAS**, the Blaine Economic Development Authority (the “EDA”) has the powers provided in Minnesota Statutes 469.001 through 469.047 (the “Act”); and

**WHEREAS**, the EDA will continue to develop and implement programs in accordance with the Act and consistent with the City’s 2030 Comprehensive Plan; and

**WHEREAS**, Minnesota Statutes, Section 469.033, Subdivision 6, allows the levy of a special district tax not to exceed 0.0185% (that is .000185) of taxable market value for purposes specified therein.

**NOW, THEREFORE, BE IT RESOLVED**, that the Blaine Economic Development Agency approves of and consents to a levy in the amount of \$150,000, but not to exceed 0.0185% of taxable market value of the City as authorized by the Act and described above.



**City of Blaine**  
**Anoka County, Minnesota**

10801 Town Square Dr.  
Blaine MN 55449

**Text File**

**File Number: WS 13-51**

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**Agenda Date:** 9/5/2013

**Version:** 1

**Status:** Agenda Ready

**In Control:** City Council Workshop

**File Type:** Workshop Item

**Agenda Number:** 1

Workshop Item: 1 - Joe Huss, Finance Director

Title

CONSIDERATION OF AN EDA LEVY FOR FY 2014

Background

At the August 15, 2013 Council Workshop, Council directed staff to prepare and present EDA levy scenarios for Council consideration. Staff has prepared those for Council (EDA) consideration at the EDA meeting scheduled for later in the evening. Information regarding a 2014 EDA levy and budget is attached and will be reviewed at the Workshop prior to the EDA meeting.

Recommendation

Council review the attached information for consideration of an EDA levy for the 2014 fiscal year.

CITY OF BLAINE  
ANOKA COUNTY, MINNESOTA  
WORKSHOP  
CITY COUNCIL MEETING NO. 13-42  
Thursday, September 5, 2013

6:30 P.M.  
Cloverleaf Farm Room  
10801 Town Square Drive

**CALL TO ORDER/ROLL CALL**

The meeting was called to order by Mayor Ryan at 6:30 p.m.

**PRESENT:** Councilmembers Bourke, Clark (arrived at 6:39 p.m.), Herbst, Hovland, Kolb, Swanson, and Mayor Ryan.

**ABSENT:** None.

Quorum Present.

**ALSO PRESENT:** Clark Arneson, City Manager; Pat Sweeney, City Attorney; Bryan Schafer, Planning Director; Bob Therres, Public Services Manager; Joe Huss, Finance Director; Ward Brown, Financial Analyst; Chris Olson, Police Chief/Safety Services Manager; Roark Haver, Communications Technician; Jane Cross, City Clerk; and Recording Secretary Linda Dahlquist.

**CONSIDERATION OF AN EDA LEVY FOR 2014**

Finance Director Huss stated Minnesota statutes require special taxing districts to certify preliminary property tax levies to county auditors by September 15 and the Blaine Economic Development Authority (EDA) functions as a special taxing district and is therefore authorized to levy taxes under state law. He stated that the Finance staff conducted a thorough analysis of the EDA fund and determined that a special tax levy will be necessary in order to allow the EDA to successfully function in 2014. He stated Anoka County's property valuation numbers which were received today came in lower than the estimated numbers that were projected in June. He stated if the 2013 tax rate is kept for 2014, an \$82,000 adjustment will be needed. He stated staff suggested reducing the Pavement Management budget by that amount. He stated the proposed budget for the EDA is short due to an addition of the I35 Coalition. He noted that the revenue sources are dwindling.

Councilmember Bourke asked if the bill board rental proceeds go to the EDA fund. Finance Director Huss replied yes.

Mayor Ryan commented the EDA needs funding for 2014 by either a levy or by reserve funds.

Councilmember Clark arrived at 6:39 p.m.

Councilmember Hovland stated he is against a levy for the EDA.

Councilmember Bourke asked if the EDA covers administrative costs. Finance Director Huss replied yes approximately 5% of staff time due to the removal of the EDA position.

Councilmember Bourke questioned the administrative costs which are covered by the general fund. Finance Director Huss replied the general fund covers EDA expenses.

Councilmember Clark asked for examples of the EDA work that is done by staff. Finance Director Huss replied staff time from Planning, City Manager's office and Community Development.

Councilmember Swanson commented the EDA owns a lot of land.

Councilmember Bourke asked if any cost for the senior buildings is included in the EDA fund. City Manager replied some funds cover property management costs. Finance Director Huss clarified that no cost for the senior buildings are included in the proposed budget. Those costs are accounted for in a separate senior housing budget.

Councilmember Swanson stated there are two issues: How should the EDA be staffed and how to fund the EDA.

Councilmember Herbst stated the EDA should continue to fund the I35 Coalition, 3M Tournament and the business appreciation.

Councilmember Bourke commented staff salaries should continue to be covered by the general fund.

Councilmember Swanson asked if a levy is not passed tonight, does the Council lose the opportunity to levy for 2014. Finance Director Huss replied yes, a levy needs to be set tonight.

Councilmember Kolb stated the EDA needs to be funded. She stated the Council needs to agree to fund the EDA.

Finance Director Huss stated the proposed levy would be approximately \$12 on a home valued at \$175,000.

Councilmember Swanson suggested funding the EDA with \$100,000 for 2014. Mayor Ryan commented this amount of funding will push out hiring.

Councilmember Clark stated the Council has three choices: Levy, budget cuts or general fund.

Councilmember Herbst suggested using some reserve funds to cover the EDA. Finance Director Huss replied if the EDA does not levy, cuts need to be made to the budget.

Councilmember Clark left the meeting at 7:13 p.m. and returned at 7:17 p.m.

Councilmember Swanson stated he does not want to reduce the Pavement Management Fund.

Councilmember Kolb stated she would agree to \$150,000 levy.

Councilmember Bourke stated he would agree to \$100,000 levy.

## **OTHER BUSINESS**

None.

The Workshop adjourned at 7:15 p.m.

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Tom Ryan, Mayor

ATTEST:

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Jane Cross, City Clerk

*Submitted by TimeSaver Off Site Secretarial, Inc.*



*Blaine EDA*

	<u>W/EDA Levy</u> <u>2014</u>	<u>W/O EDA Levy</u> <u>2014</u>
Budgeted in GF Revenue	\$ 457,400	\$ 457,400
Budgeted in EDA Admin Exp.	\$ 416,570	\$ 86,570
GF Adjustment	\$ (40,830.00)	\$ (370,830.00)



*Blaine EDA*

	<i>Budget</i>		
	<i>2013 Projected</i>	<i>2014</i>	
Beginning Working Capital Balance	\$ 371,379	\$ 32,702	
<b><u>REVENUES</u></b>			
Tax levy	\$ -	\$ 330,000	-
Lodging Tax Fee	3,500	4,000	14.3%
TIF Admin Fees	64,000	55,000	-14.1%
Building Rentals	14,500	14,500	0.0%
Billboard Rentals	66,827	137,650	106.0%
Investments	1,500	1,500	0.0%
Transfer-General Fund	150,000	-	
<b>TOTAL REVENUE</b>	<b>\$ 300,327</b>	<b>\$ 542,650</b>	<b>180.7%</b>
<b><u>EXPENDITURES</u></b>			
<b>Operating</b>			
Personal Services	\$ -	\$ -	0.0%
Supplies	-	-	0.0%
<b>Programs</b>			
I35 Coalition	25,207	26,000	3.1%
3M Tournament	125,000	125,000	0.0%
Govdelivery	8,610	8,825	2.5%
Business Retention	-	-	0.0%
Fire Supression Grants	45,372	-	-100.0%
Business Appreciation	13,000	13,000	0.0%
Other programs	540		
Gen Fund Admin Fees	421,275	402,527	0.0%
<b>TOTAL EXPENSES</b>	<b>\$ 639,004</b>	<b>\$ 575,352</b>	<b>-10.0%</b>
Increase (Decrease) in WC bal.	\$ (338,677)	\$ (32,702)	
Ending Working Capital Balance	<b>\$ 32,702</b>	<b>\$ -</b>	

"HRA levy" limit (.0185% of prior year TMV)      \$ 781,340



Tax Impact

**Taxable Market Value Estimates**

	2013/14	2014/15	2015/16
EDA	<b>330,000</b>	<b>330,000</b>	<b>330,000</b>
Less AW Levy - Gen	(49,800) -15.1%	(49,800)	(49,800)
	<u>280,200</u>	<u>280,200</u>	<u>280,200</u>
Ref. MV	-	-	-
	<u><u>280,200</u></u>	<u><u>280,200</u></u>	<u><u>280,200</u></u>

**Net Tax Rate**

	2013/14	2014/15	2015/16
EDA	<b>0.622%</b>	<b>0.593%</b>	<b>0.580%</b>
	0.622%	0.593%	0.580%