



City of Blaine Anoka County, Minnesota

10801 Town Square Dr.
Blaine MN 55449

Text File

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Council Retreat Item: 12 - *Joe Huss, Finance Director*

Title

EDA FUTURE ROLE AND FUNDING

Background

The Blaine EDA was established in 1988 by resolution pursuant to the Minnesota Economic Development Authority Act. Per the resolution, the EDA was established to promote the economic, commercial, housing, and industrial development and redevelopment of the City. Primary activities for the EDA include administering the City's Tax Increment Financing (TIF) districts; coordinating the City's participation in the Champions Tour 3M Golf Tournament; and operating the City's Business Retention and Expansion, Fire Suppression Grant and Business Appreciation programs. Additionally, Blaine's Home Improvement Loan program is administered under the EDA.

Initially, operating funds for the EDA were derived from property tax levies. Gradually, as the EDA acquired and resold property, funding was supplemented from the sale of these properties. Since 2004, EDA operations have been funded solely from funds acquired through the sale of this property.

Staff is preparing preliminary (pre-audit) 2012 financial data summarizing the EDA's current financial position for presentation to Council at the February 14 Council Retreat.

Recommendation

Staff is seeking Council direction regarding defining the EDA role and developing a funding plan for the EDA.



EDA Financial Summary & Future Funding

City Council Retreat
February 14, 2013



Financial Summary

- Two Primary operating funds
 - EDA General Operating Fund
 - EDA Capital Projects Fund

Financial Summary

- EDA Operating Fund –
Primary Funding Sources
 - Pre-2003, Property Tax Levy
 - 2003 – current: EDA Capital Fund Transfers

Financial Summary

- EDA Operating Fund – Other
Funding Sources
 - TIF Admin Fees
 - Rental of 1320 109th Ave
 - Lodging Taxes

Financial Summary

- EDA Operating Fund – Uses
 - Administrative expenses – Reimburse General Fund
 - 3M Tournament
 - I-35 Corridor Coalition
 - Business Appreciation program

Financial Summary

- EDA Capital Fund – Primary Funding Sources
 - Sale of property/assets held
 - 2001 – Sale of Village property \$11.7M
 - Est. value of current holdings = \$1-1.5M
 - Interest earnings

Financial Summary

□ EDA Capital Fund – Uses

- Property acquisition
- Capital projects
- Fire suppression grants
- Fund EDA operations

Financial Summary

□ 2012 Summary

01/01/2012	<u>\$1,033,847</u>
■ <i>Revenue</i>	<i>175,238</i>
■ <i>Expenses</i>	<u><i>(815,915)</i></u>
■ Balance 12/31/12	<u>\$393,170</u>

Financial Summary

□ 2013 Revenue Estimates

■ <i>Interest</i>	\$ 4,500
■ <i>TIF Admin fees</i>	68,000
■ <i>Building rentals (net)</i>	12,000
■ <i>Lodging taxes</i>	<u>2,500</u>
	<u>\$ 87,000</u>

Financial Summary

□ 2013 Expenditure Estimates

■ <i>Administrative</i>	\$467,400
■ <i>I-35 Corridor</i>	25,200
■ <i>3M Tournament</i>	125,000
■ <i>Business Appreciation (net)</i>	<u>4,900</u>
	<u>\$622,500</u>

Financial Summary

□ 2013 Projection

01/01/2013	<u>\$393,170</u>
■ <i>Revenue</i>	87,000
■ <i>Expenses</i>	<u>(622,500)</u>
■ Balance 12/31/13	<u>(\$142,330)</u>