

Exhibit A

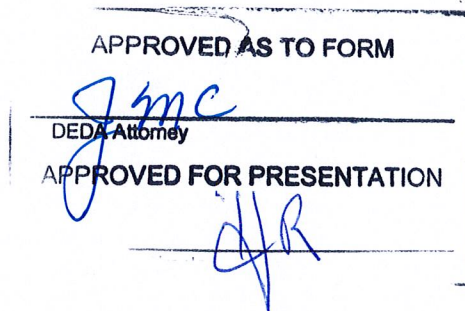
RESOLUTION 17D-28

RESOLUTION APPROVING THE DEDA 2018 BUDGETS

BE IT RESOLVED, by the Duluth Economic Development Authority (DEDA) that the attached DEDA Operating Fund (860), Debt Service Fund (861), Capital Projects Fund (865), and MRO Maintenance Fund (866) budgets for the year 2018 are hereby approved.

Approved by the Duluth Economic Development Authority this 25th day of October, 2017.

ATTEST:



Executive Director

STATEMENT OF PURPOSE: The purpose of this resolution is to approve the DEDA budgets for 2018.

Duluth Economic Development Authority

2018 Proposed Budgets (10/25/2017):

Operating Fund 860

Debt Service Fund 861

Capital Projects Fund 865

MRO Maintenance Fund 866

Exhibit A

Duluth Economic Development Authority

Highlights for the 2018 Budget

Operating Fund 860

The Operating Fund is a 'non-TIF' fund, meaning it does not have the statutory spending restrictions that are imposed on tax increment funding. Consequently, we have more discretion for spending this funding—examples include: administrative costs, projects located outside an existing TIF district, non-TIF eligible costs, and more.

DEDA's Parking Program – Our expectations for 2018 are that we'll net nearly \$300,000. This continues to be an important source of funding for much of DEDA's day-to-day operations.

Atlas Land Sale –DEDA has been diligently working at readying the Atlas site for potential sale and occupancy of industry at this site. Over the past couple years there has been some interest shown in the potential sale of a portion of the Atlas property. We expect (hope) this comes to fruition in 2018.

Funds 861 and 865 are tax increment funds ... meaning they have strict statutory limitations on how, what, when, and why tax increment can be used.

Debt Service Fund 861

Tax Increment – A couple new districts are coming on-line for 2018. Note the increase in tax increment for 2018 as compared to 2017 and 2016.

Capital Projects Fund 865

The majority of the funding for this fund comes from the debt service fund transfer – the surplus increment remaining after current debt obligations have been fulfilled.

We are beginning the discussion regarding bridges/skywalks connecting the Downtown to the Medical District. As will become apparent, it will take more than DEDA funding to complete the construction, but at least this is a start to the discussion.

MRO Maintenance Facility Fund 866

The primary purpose of this fund is to accumulate rent revenues for funding future repairs (roof in particular) which are expected to need replacement at the end of their useful life.

Exhibit A

Duluth Economic Development Authority

Executive Summary - DEDA Budgets

2018 Proposed Budgets

10/25/2017

	Operating Fund 860	TIF Funds		MRO Maint Facility Fund 866
		Debt Service Fund 861	Capital Projects Fund 865	
Operating Fund #860				
Revenues				
Parking Program Revenues	625,000			
TIF Admin Recovery	110,860			
Temple Opera Rent Revenues	25,000			
Sale of Atlas Property	250,000			
Other	29,362			
Proposed 2018 Fund 860 Revenue	1,040,222			
Expenses				
Parking Program Expenses	(328,750)			
Cost Allocation Expenses (paid to City)	(365,000)			
Temple Opera Expenses	(40,000)			
Atlas Property Carrying Costs	(6,500)			
Other	(144,738)			
Proposed 2018 Fund 860 Expenses	(884,988)			
Debt Service Fund #861				
Revenues				
Tax Increment received from the County		2,060,000		
Proposed 2018 Fund 861 Revenues		2,060,000		
Expenses				
PAYG Note Payments		(1,212,947)		
Transfer to City Debt Service (Medical District Ramp)		(386,000)		
Other Expenses		(22,883)		
Transfer of excess increment to Capital Projects		(438,170)		
Proposed 2018 Fund 861 Expenses		(2,060,000)		
Capital Projects Fund #865				
Revenues				
Transfer of excess increment from Debt Service			438,170	
Note Payment for the Washington School Project			44,290	
Other			12,000	
Proposed 2018 Fund 865 Revenues			494,460	
Expenses				
Bridges & Skywalks			(1,907,986)	
Additional allocation of Admin Costs charged to TIF Districts			(110,860)	
Proposed 2018 Fund 865 Expenses			(2,018,846)	
MRO Maintenance Facility Fund #866				
Proposed 2018 Fund 866 Revenues				435,632
Proposed 2018 Fund 866 Expenses				(92,000)
Net Revenues / Expenditures	155,234	-	(1,524,386)	343,632
Beginning Fund Balances	809,891	-	1,758,397	312,341
Ending Fund Balances	965,125	-	234,011	655,973

Duluth Economic Development Authority

**DEDA Operating Fund 860
2018 Proposed Budget (10-25-2017)**

Exhibit A

		2016	2017	2018						
		FINAL	Revised Budget 09-27-2017	Proposed Budget 10/25/2017	Norshor / Annex / Temple Opera	Parking Programs	Bayfront Redevelopment	Atlas Cement Plant	Other Operating	
Revenues										
	IDB Fees	403	36,836	2,609	2,527					2,527
	Investment Earnings	401	17,304	13,000	12,000					12,000
	Augusta TIF Recapture	404	3,835	3,835	3,835					3,835
	DEDA's Parking Program	402	642,018	625,000	625,000		625,000			
	SLC Pastoret/Grand Ave demo contribution	415	40,000	-	-					
	Project Development Fees / Services	407	2,750	15,000	6,000					6,000
	TIF Admin Recovery	498	138,831	109,833	110,860					110,860
	DEED Redevelopment Grant - NorShor (Playhouse sub-grant)	497	1,343,673	5,606,327	-					
	Tax Forfeited Land Purchase/Re-Sale	409	32,099	94,483	-					
	Other Revenues	499	51,282	5,000	5,000					5,000
	Projected Land Sales - AET Property		-	315,000	-					
	Projected Land Sales - Atlas Site	411	-	-	250,000			250,000		
	DEDA's 2011 EPA Atlas Cleanup Grant	412	43,093	-	-					
	Temple Opera Building Rent	410	61,611	35,000	25,000	25,000				
	Bayfront EPA Cleanup Grant - Lot D	494	169,906	8,895	-					
	Conduit Grants - Harbor Bay / Grand Avenue Estates	450	125,231	654,051	-					
	Cirrus Abatement - County & City / Expansion TIF	413	42,785	-	-					
	Other	998	-	-	-					
	TOTAL REVENUES		2,751,255	7,488,033	1,040,222	25,000	625,000	-	250,000	140,222
EXPENDITURES										
	Auditing Services	501	4,218	4,000	4,000					4,000
	Administrative Fees	598	365,000	365,000	365,000					365,000
	APEX - Marketing Program	503	13,903	10,000	10,000					10,000
	Northland Connection (Northspan)	504	29,690	15,000	15,000					15,000
	Northforce (Northspan)	525	-	43,657	25,000					25,000
	Other Professional Services	505	29,552	25,000	25,000					25,000
	DEDA's Parking Program	502	390,190	325,000	325,000		325,000			
	Canal Park Business Assn Grant	506	3,631	4,500	3,750		3,750			
	Meeting Expenses	507	2,102	3,500	3,500					3,500
	Dues & memberships	518	493	2,000	2,000					2,000
	Marketing	522	8,900	15,000	10,000					10,000
	Website Development / Maintenance	511	8,034	8,523	7,500					7,500
	Travel & Training	520	2,664	6,000	10,000					10,000
	Advertising/Promotion/Printing/Copying/Postage	513	640	500	500					500
	Other Services & Charges	514	44,590	5,000	4,000					4,000
	Self-Insurance	515	7,210	7,500	7,650					7,650
	Pastoret Terrace/5907 Grand Ave demo / Carrying Costs	516	3,972	5,000	5,000					5,000
	Stormwater/Street Lights & Maintenance Assessments	517	12,657	12,000	12,000					12,000
	Tax Forfeited Land Purchase/Re-Sale	509	32,099	94,483	-					-
	Property Taxes/Street Assessments on Land Held for Resale	519	3,926	3,588	3,588					3,588
	Atlas Cement Plant Cleanup / Carrying Expenses	512	52,578	6,500	6,500			6,500		
	Atlas R.E. Taxes	521	23,868	-	-					-
	Atlas Stormwater & Erosion Control Improvements	524	-	90,000	-					-
	Professional Services - Bayfront - Lot D Cleanup / Carrying Costs	594	208,219	10,582	-					-
	Temple-Opera Operating Expenses / Carrying Costs	510	106,687	70,000	30,000	30,000				
	DEED Redevelopment Grant - NorShor (Playhouse sub-grant)	597	1,343,673	5,606,327	-					-
	NorShor / Temple Opera R.E. Taxes	523	17,231	8,090	10,000	10,000				
	Conduit Grants - Harbor Bay / Grand Avenue Estates	550	125,231	654,051	-					-
	Other	999	-	-	-					-
	TOTAL EXPENDITURES		2,840,960	7,400,801	884,988	40,000	328,750	-	6,500	509,738
	Net Revenue/Expenses		(89,705)	87,232	155,234	(15,000)	296,250	-	243,500	(369,516)
	BEGINNING FUND BALANCE		812,364	722,659	809,891					
	ENDING FUND BALANCE		722,659	809,891	965,125					

Exhibit A

Duluth Economic Development Authority
DEDA DEBT SERVICE FUND 861

2018 Proposed Budget (10/25/2017)

	2016	2017	2018	Districts												
	FINAL	Revised Budget (05-24-2017)	Proposed Budget (10-25-2017)	Augusta dist 13	Washington Center dist 16	Tech Village dist 19	Garfield dist 21	Medical Dist Expansion dist 22	5th Street Village Place dist 23	Duluth Renaissance dist 24	Bluestone dist 25	Pier B dist 27	21st Ave E dist 28	Kenwood Village dist 29	Ramsey V dist 30	
Beginning Fund Balance	1,146	2,124	-	-	-	-	-	-	-	-	-	-	-	-	-	
Revenues																
Investment Earnings	4,892	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Tax Increment	1,476,231	1,618,275	2,060,000	46,000	45,000	304,000	53,000	685,000	29,000	145,000	228,000	220,000	183,000	122,000	-	
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenues	1,481,123	1,618,275	2,060,000	46,000	45,000	304,000	53,000	685,000	29,000	145,000	228,000	220,000	183,000	122,000	-	
Total Available	1,482,269	1,620,399	2,060,000	46,000	45,000	304,000	53,000	685,000	29,000	145,000	228,000	220,000	183,000	122,000	-	
Expenditures																
<u>DEVELOPER PAYMENTS (PAYG)</u>																
Final Year Payments - District 7 PAYG Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Glen Place Apts (Augusta)	29,182	43,140	41,655	41,655	-	-	-	-	-	-	-	-	-	-	-	
Washington Center (Artspace)	42,593	45,930	44,290	-	44,290	-	-	-	-	-	-	-	-	-	-	
Garfield Business Park	20,579	21,576	21,400	-	-	21,400	-	-	-	-	-	-	-	-	-	
Village Place Apartments	27,739	16,347	16,347	-	-	-	-	-	16,347	-	-	-	-	-	-	
NorShor Theatre	-	142,554	142,500	-	-	-	-	142,500	-	-	-	-	-	-	-	
Sheraton Hotel & Condominiums	137,162	135,000	136,000	-	-	-	-	136,000	-	-	-	-	-	-	-	
Duluth Renaissance Project	126,430	130,424	129,942	-	-	-	-	-	-	129,942	-	-	-	-	-	
Bluestone Commons	172,117	204,766	204,557	-	-	-	-	-	-	-	204,557	-	-	-	-	
Pier B	-	70,574	197,493	-	-	-	-	-	-	-	-	197,493	-	-	-	
Harbor Bay	-	-	169,458	-	-	-	-	-	-	-	-	-	169,458	-	-	
Kenwood Village	-	-	109,305	-	-	-	-	-	-	-	-	-	-	109,305	-	
<u>OTHER</u>																
Transfer to City's Debt Service Fund	387,257	385,000	386,000	-	-	-	-	386,000	-	-	-	-	-	-	-	
Transfer to Other Districts/Funds	3,835	18,799	15,073	3,835	-	-	-	-	11,238	-	-	-	-	-	-	
Excess TIF returned to County	8,572	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
County Administrative Fee/other admin expenses	6,667	7,280	7,810	510	710	600	560	1,355	555	620	715	563	542	550	530	
Total Expenditures	962,133	1,221,390	1,621,830	46,000	45,000	600	21,960	665,855	28,140	130,562	205,272	198,056	170,000	109,855	530	
Fund Balance before transfer	520,136	399,009	438,170	-	-	303,400	31,040	19,145	860	14,438	22,728	21,944	13,000	12,145	(530)	
Less: Transfer @ Y/e to Capital Projects	518,012	399,009	438,170	-	-	303,400	31,040	19,145	860	14,438	22,728	21,944	13,000	12,145	(530)	
Ending Fund Balance	2,124	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Anticipated Decertification Dates				2020	2021	2026	2027	2029	2031	2034	2040	2042	2043	2043	25 yrs AFRI	

Exhibit A

Duluth Economic Development Authority

2018 Proposed Budget (10-25-2017)

Capital Projects Fund 865

10/18/2017

		2016	2017	2018	Washington dist 16	Tech Village dist 19	Garfield dist 21	Medical Dist dist 22	Village Place dist 23	Renaissance dist 24	Bluestone dist 25	Pier B dist 27	21st Ave E dist 28	Kenwood Village dist 29	Ramsey V dist 30
		FINAL	Revised Budget 09-27-2017	Proposed Budget 10-25-2017											
BEGINNING FUND BALANCE		3,972,674	1,606,902	1,758,397	108,261	1,467,011	14,745	140,630	7	27,743	-	-	-	-	-
Revenues															
	Investment Earnings 41	22,066	13,500	12,000	1,000	7,800	1,500	1,500	-	200	-	-	-	-	-
	Other - Interdistrict Loans	-	-	-	-	-	4,287	-	-	-	(2,728)	(1,944)	(3,000)	(2,145)	5,530
	Transfer from Debt Service 43	518,012	399,009	438,170	-	303,400	31,040	19,145	860	14,438	22,728	21,944	13,000	12,145	(530)
	Norshor Theatre Interim Note Repayment 45	300,000	-	-	-	-	-	-	-	-	-	-	-	-	-
	Washington School Loan Repay 44	42,593	45,930	44,290	44,290	-	-	-	-	-	-	-	-	-	-
	Other Revenues 42	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES/TRANSFER		882,672	458,439	494,460	45,290	311,200	36,827	20,645	860	14,638	20,000	20,000	10,000	10,000	5,000
TOTAL AVAILABLE		4,855,346	2,065,341	2,252,857	153,551	1,778,211	51,572	161,275	867	42,381	20,000	20,000	10,000	10,000	5,000
Expenditures															
	NorShor Project 57	600,000	-	-	-	-	-	-	-	-	-	-	-	-	-
	Seawall Infrastructure Repairs / Baywalk Extension 61	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-
	District 19 Bridge / District 22 Skywalk 60	-	-	1,907,986	-	1,773,211	-	134,775	-	-	-	-	-	-	-
	Garfield Square Project 54	-	43,000	-	-	-	-	-	-	-	-	-	-	-	-
	Housing Rehab - City 56	156,721	50,000	-	-	-	-	-	-	-	-	-	-	-	-
	Infrastructure - S 59th Ave West 58	1,135,082	14,919	-	-	-	-	-	-	-	-	-	-	-	-
	Irving Exterior Home Renovation Forgivable Loan Program 62	116,773	3,692	-	-	-	-	-	-	-	-	-	-	-	-
	TIF Admin Cost Allocation 59	138,831	109,833	110,860	5,000	5,000	5,000	25,000	860	5,000	20,000	20,000	10,000	10,000	5,000
	West Duluth Theatre 55	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-
	NorShor Skywalk/Public Improvements/A & E 52	2,721	35,500	-	-	-	-	-	-	-	-	-	-	-	-
	Purchase of Pastoret Terrace / 5907 Grand Ave 63	98,306	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other 99	11	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES		3,248,444	306,944	2,018,846	5,000	1,778,211	5,000	159,775	860	5,000	20,000	20,000	10,000	10,000	5,000
ENDING FUND BALANCE		1,606,902	1,758,397	234,011	148,551	-	46,572	1,500	7	37,381	-	-	-	-	-

Anticipated Decertification Dates

2021 2026 2027 2030 2031 2034 2040 2042 2043 2043 25 yrs AFRTI

Inter-District Loan Balances

	Washington dist 16	Tech Village dist 19	Garfield dist 21	Medical Dist dist 22	Village Place dist 23	Renaissance dist 24	Bluestone dist 25	Pier B dist 27	21st Ave E dist 28	Kenwood Village dist 29	Ramsey V dist 30
Actual 2016			(90,382)				18,030	45,844	15,911	10,597	-
Anticipated 2017			(29,779)				(2,752)	11,438	10,543	10,550	-
Anticipated 2018			(120,161)				15,278	57,282	26,454	21,147	-
			4,287				(2,728)	(1,944)	(3,000)	(2,145)	5,530
			(115,874)				12,550	55,338	23,454	19,002	5,530

Exhibit A

Duluth Economic Development Authority

DEDA MRO Maintenance Facility Fund 866 2018 Proposed Budget (10-25-2017)

		2016	2017	2018
		<u>FINAL</u>	Revised Budget <u>09-27-2017</u>	Proposed Budget <u>10/25/2017</u>
BEGINNING FUND BALANCE		165,763	429,176	312,341
<u>Revenues</u>				
	Investment Earnings	3,015	4,800	8,000
	Building Rent	313,738	419,556	427,632
	TOTAL REVENUES	316,753	424,356	435,632
	TOTAL AVAILABLE	482,516	853,532	747,973
<u>EXPENDITURES</u>				
	Repairs/Maintenance	30,530	90,984	75,000
	Long-Term MRO Maintenance Planning	12,510	3,490	-
	Capital Replacement	-	348,850	-
	Property Insurance	10,300	16,367	17,000
	Rent Forgiveness	-	81,500	-
	TOTAL EXPENDITURES	53,340	541,191	92,000
	ENDING FUND BALANCE	429,176	312,341	655,973