

# Exhibit A

## Duluth Economic Development Authority

Highlighted aspects for the Proposed 2020 Budget (October 23, 2019)

### 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, there is some discretion for spending this funding—examples include: administrative costs, projects located outside an existing TIF district, or non-TIF eligible costs. The budget for this fund can be amended during the calendar year as DEDA conducts business, including acceptance or spending of 'conduit-style' developer grants that are run through the fund.

Professional Services - 2019 projects included work on preparing for a Lincoln Park TIF district, continued redevelopment analysis for the downtown and canal park areas of the city, and evaluation of expansion of the skywalk system. 2020 projects remain under development, but may include medical district redevelopment, housing issues, and other downtown redevelopment.

Sale of Atlas Property – Continued marketing of the Atlas property has generated new interest in the site.

Pastoret Terrace Demolition – Progress continues on plans for site reuse. Abatement and demolition are anticipated in late 2019; if pushed to 2020, continued reimbursement from St. Louis County is an opportunity.

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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 – We now have a better idea of what we can expect in regard to tax increment that will be collected by the County. Collection (or lack thereof) on delinquent accounts will still minimally affect the amount of increment we receive. The new district (Voyageur Hotel) isn't expected to generate increment for another couple years. The increment that we receive has a trickle-down effect on the budget spreadsheet. The more increment we receive, the more is paid to the developer on their note, and lastly, the more increment that may be available to transfer to the Capital Projects Fund.

### 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. In addition to the amounts of current (2020) money that we budgeted for skywalks, which were on the original 2019 budget, note that we've added back in designated, but unspent, funding from 2018/2019 for the skywalk in District 19 and 22 (also see the paragraph below that was included in the original budget). In addition there is a small balance in the DEDA/City demolition contract that remained unspent at the end of 2018.

# Exhibit A

There has been continued discussion regarding bridges and skywalks connecting the Downtown to the Medical District. As will become apparent, it will take more than DEDA funding to complete some of this construction. For the 2020 budget, the \$2,682,986 that we had budgeted (set aside) for the 2019 budget but did not spend, out of District 19 (\$2,473,211) and District 22 (\$209,775), will be carried forward for the 2020 budget. These monies will be used to construct the bridge next to the Tech Village over 1st Avenue East.

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## **MRO Maintenance Facility Fund 866**

The primary purpose of this fund is to accumulate rent revenues for funding future repairs (the roof in particular) which is expected to need replacement at the end of its useful life. Rent rates now reflect the updated lease with AAR. The budget includes recommendations for continued maintenance of the building.

Duluth Economic Development Authority

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DEDA Operating Fund 860  
 2020 Proposed Budget  
 Presented to DEDA on 10/23/2019

GL # per TB	2018	2019	2020	Parking Programs	Various Land Sales/ Acquisitions	Atlas Cement Plant	Other Operating
	FINAL	Revised Budget 8/2/2019	Proposed Budget 10/23/2019				
<b>Revenues</b>							
IDB Fees 4308	1,668,715	2,442	15,000				15,000
Investment Earnings 4601-01	22,807	40,000	50,000				50,000
Investment Earnings - Change in Fair Value Investments 4601-02	(20,007)	-	-				-
Augusta TIF Recapture 4324	3,835	3,835	3,835				3,835
DEDA's Parking Program 4371	583,459	600,000	600,000	600,000			-
SLC Pastoret/Grand Ave demo contribution 4260	-	325,000	-				-
Project Development Fees / Services 4644	8,601	15,000	15,000				15,000
TIF Admin Recovery 4324	108,806	100,860	110,000				110,000
Sale of Soo Line bridge to State of MN 4640	-	-	40,000				40,000
DEED Redevelopment Grant - NorShor (Playhouse sub-grant) 4220-02	1,640,813	-	-				-
Tax Forfeited Land Purchase/Re-Sale 4640	113,837	10,404	10,404				10,404
Other Revenues 4654	7,786	5,000	5,000				5,000
Land Sale - AET Property 4640	210,000	-	-				-
Potential Land Sale - Atlas Site 4640	-	-	52,500			52,500	-
Sale of Temple Opera Bldg 4640	421	350,000	-				-
Temple Opera Building Rent 4622	51,393	-	-				-
Conduit Grants - Harbor Bay / Grand Avenue Estates / IPS Cranes 4220-02	105,577	27,240	20,000				20,000
Cirrus Abatement - County & City / Expansion TIF 4654	9,982	-	-				-
Other 5441	-	-	-				-
<b>TOTAL REVENUES</b>	<b>4,516,025</b>	<b>1,479,781</b>	<b>921,739</b>	<b>600,000</b>	<b>-</b>	<b>52,500</b>	<b>269,239</b>
<b>EXPENDITURES</b>							
Auditing Services 5301	4,048	4,015	4,500				4,500
Administrative Fees (Cost Allocation) 5307	365,000	400,000	400,000				400,000
APEX - Marketing Program 5319	11,218	10,000	10,000				10,000
Northland Connection (Northspan) 5319	15,000	15,000	15,000				15,000
Northforce (Northspan) 5319	30,338	25,500	25,500				25,500
Other Professional Services 5319	88,487	72,000	110,500				110,500
DEDA's Parking Program 5405	302,895	325,000	325,000	325,000			-
Meeting Expenses 5443	2,913	3,500	3,500				3,500
Dues & memberships 5433	1,420	2,000	2,000				2,000
Marketing 5340	4,790	10,000	10,000				10,000
Website Development / Maintenance 5309	8,523	7,165	6,290				6,290
Travel & Training 5331	9,207	10,000	10,000				10,000
Advertising/Promotion/Printing/Copying/Postage 5355	7,422	1,000	1,000				1,000
Other Services & Charges 5441	10,754	5,000	5,000				5,000
Liability Insurance 5361	8,196	7,350	7,350				7,350
Property Insurance 5362	-	-	1,000				1,000
Pastoret Terrace/5907 Grand Ave demo / Carrying Costs 5453	23,298	330,000	-				-
Stormwater/Street Lights & Maintenance Assessments 5382	10,017	10,500	10,500				10,500
Tax Forfeited Land Purchase/Re-Sale: SLC & other 5510	113,837	10,000	21,000				21,000
Property Taxes/Street Assessments on Land Held for Resale 5481	31,341	3,094	3,094				3,094
Atlas Cement Plant Cleanup / Carrying Expenses 5319	38,910	10,000	10,000			10,000	-
Moline sanitary line replacement 5319	-	125,000	-				-
Professional Services - Bayfront - Lot D Cleanup / Carrying Costs 5319	688	-	-				-
Temple-Opera Carrying Costs / boiler replacement 5310	105,478	70,600	-				-
DEED Redevelopment Grant - NorShor (Playhouse sub-grant) 5458	1,640,813	-	-				-
Temple Opera R.E. Taxes 5481	11,571	13,000	-				-
Temple Opera relocation benefits 5441	19,000	-	-				-
Conduit Grants - Harbor Bay / Grand Avenue Estates / IPS Cranes 5458	105,577	27,240	27,240				27,240
Sale of Soo Line bridge to State of MN 5340	-	-	115,000		115,000		-
Parking Lot Repair-Lighthouse 5405	-	7,000	-				-
Land Acquisitions 5510	-	1,500,000	40,000		40,000		-
<b>TOTAL EXPENDITURES</b>	<b>2,970,741</b>	<b>3,003,964</b>	<b>1,163,474</b>	<b>325,000</b>	<b>155,000</b>	<b>10,000</b>	<b>673,474</b>
<b>Net Revenue/Expenses</b>	<b>1,545,283</b>	<b>(1,524,183)</b>	<b>(241,735)</b>	<b>275,000</b>	<b>(155,000)</b>	<b>42,500</b>	<b>(404,235)</b>
<b>BEGINNING FUND BALANCE</b>	<b>722,659</b>	<b>2,267,942</b>	<b>743,759</b>				
<b>ENDING FUND BALANCE</b>	<b>2,267,942</b>	<b>743,759</b>	<b>502,024</b>				

# Exhibit A

## Duluth Economic Development Authority

### DEDA DEBT SERVICE FUND 861

#### 2020 Proposed Budget

Presented to DEDA on 10/23/2019

	2018 <b>FINAL</b>	2019 <b>Revised Budget (04-24-2019)</b>	2020 <b>Proposed Budget (10-23-2019)</b>	Augusta dist 13 <small>(Decert 12/31/2020)</small>	Washington Center dist 16 <small>(Decert 12/31/2020)</small>	Tech Village dist 19 <small>(Decert 12/31/2026)</small>	Garfield dist 21 <small>(Decert 12/31/2027)</small>	Medical Dist Expansion dist 22 <small>(Decert 12/31/2029)</small>	5th Street Village Place dist 23 <small>(Decert 12/31/2026)</small>	Duluth Renaissance dist 24 <small>(Decert 12/31/2034)</small>	Bluestone dist 25 <small>(Decert 12/31/2040)</small>	Pier B dist 27 <small>(Decert 12/31/2043)</small>	Endi dist 28	Kenwood Village dist 29 <small>(Decert 12/31/2043)</small>	Voyageur Hotel dist 31 New- TBD <small>(Cert Date 7-21 19)</small>	Board of Trade dist 32 New-TBD <small>(Cert Date ?19)</small>
Beginning Fund Balance	8,621	7,480	6,770	-	710	600	560	1,355	555	620	715	563	542	550	-	-
<b>Revenues</b>																
Investment Earnings	9,246	-	15,900	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax Increment	2,770,948	3,166,864	2,977,667	78,861	46,480	492,126	78,325	925,175	28,050	184,900	403,950	273,985	288,165	177,650	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>2,780,194</b>	<b>3,166,864</b>	<b>2,993,567</b>	<b>78,861</b>	<b>46,480</b>	<b>492,126</b>	<b>78,325</b>	<b>925,175</b>	<b>28,050</b>	<b>184,900</b>	<b>403,950</b>	<b>273,985</b>	<b>288,165</b>	<b>177,650</b>	-	-
<b>Total Available</b>	<b>2,788,815</b>	<b>3,174,344</b>	<b>3,000,337</b>	78,861	47,190	492,726	78,885	926,530	28,605	185,520	404,665	274,548	288,707	178,200	-	-
<b>Expenditures</b>																
<b>DEVELOPER PAYMENTS (PAYG)</b>																
Glen Place Apts (Augusta) TIF #13	55,872	75,053	70,686	70,686												
Garfield Business Park TIF #21	21,627	25,444	21,873				21,873									
Village Place Apartments	16,348	16,347	26,107						26,107							
NorShor Theatre TIF #22	201,326	288,365	288,365					288,365								
Sheraton Hotel & Condominiums TIF #22	151,837	210,648	210,648					210,648								
Duluth Renaissance Project TIF #24	165,835	178,692	156,646							156,646						
Bluestone Commons TIF #25	320,567	363,555	362,941								362,941					
Pier B TIF #27	377,376	377,881	246,024									246,024				
Harbor Bay (ENDI) TIF #28	177,567	258,861	258,854										258,854			
Kenwood Village TIF #29	126,598	159,891	159,384											159,384		
Voyageur Hotel TIF #31			-												-	
Board of Trade TIF #32			-													-
<b>OTHER</b>																
Transfer to City's Debt Service Fund	406,214	422,175	422,175	-	-	-	-	422,175	-	-	-	-	-	-	-	-
Transfer to Other Districts/Funds	17,515	15,384	3,835	3,835	-	-	-	-	-	-	-	-	-	-	-	-
Excess TIF returned to County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County Admin Fees/other admin expenses	7,264	7,280	6,991	505	689	547	552	1,355	552	620	615	563	494	500	-	-
<b>Total Expenditures</b>	<b>2,045,946</b>	<b>2,399,576</b>	<b>2,234,527</b>	<b>75,026</b>	<b>689</b>	<b>547</b>	<b>22,425</b>	<b>922,543</b>	<b>26,659</b>	<b>157,266</b>	<b>363,556</b>	<b>246,586</b>	<b>259,348</b>	<b>159,884</b>	-	-
Fund Balance before transfer	742,869	774,768	765,810	3,835	46,502	492,179	56,460	3,987	1,946	28,254	41,109	27,962	29,359	18,316	-	-
Less: Transfer @ Y/E to Capital Projects	735,389	767,998	739,054	-	45,813	491,632	55,908	2,631	860	27,634	40,494	27,399	28,864	17,817	-	-
<b>Ending Fund Balance</b>	<b>7,480</b>	<b>6,770</b>	<b>26,756</b>	<b>3,835</b>	<b>689</b>	<b>547</b>	<b>552</b>	<b>1,355</b>	<b>1,086</b>	<b>620</b>	<b>615</b>	<b>563</b>	<b>494</b>	<b>500</b>	-	-
Anticipated Decertification Dates				2020	2021	2026	2027	2030	2031	2034	2040	2042	2043	2043	25 yrs AFRI	'25 yrs AFRI

# Exhibit A

## Duluth Economic Development Authority

### Capital Projects Fund 865

### 2020 Proposed Budget

Presented to DEDA on 10/23/2019

### ADD IN CARRY-FORWARDS / ADJUST INTERDISTRICT LOANS

	2018	2019	2020	West Duluth Housing dist 7	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	Endi dist 28	Kenwood Village dist 29	Voyageur Hotel dist 31
	FINAL	Revised Budget 04-24-2019	Proposed Budget (10-23-2019)												
<b>BEGINNING FUND BALANCE</b>	1,946,351	2,528,271	2,528,271	16,310	188,311	1,991,122	164,694	205,472	7	33,517	5,870	(36,744)	(17,215)	(17,658)	(5,415)
<b>Revenues</b>															
Investment Earnings	32,787	25,000	25,000	-	2,000	18,300	2,000	2,000	-	700	-	-	-	-	-
Transfer from Debt Service	735,389	767,999	767,999	-	45,770	503,763	28,541	42,130	860	19,854	39,681	41,424	28,761	17,215	-
Other Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES/TRANSFER</b>	768,176	792,999	792,999	-	47,770	522,063	30,541	44,130	860	20,554	39,681	41,424	28,761	17,215	-
<b>TOTAL AVAILABLE</b>	2,714,527	3,321,270	3,321,270	16,310	236,081	2,513,185	195,235	249,602	867	54,071	45,551	4,680	11,546	(443)	(5,415)
<b>Expenditures</b>															
District 19 Bridge / District 22 Skywalk	-	2,682,986	2,682,986	-	-	2,473,211 <sup>(1)</sup>	-	209,775 <sup>(2)</sup>	-	-	-	-	-	-	-
Housing Rehab - City	26,819	16,310	16,310	16,310 <sup>(3)</sup>	-	-	-	-	-	-	-	-	-	-	-
TIF Admin Cost Allocation	108,806	100,860	100,860	-	5,000	5,000	-	25,000	860	5,000	20,000	20,000	10,000	10,000	-
West Duluth Theatre	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	631	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	186,256	2,800,156	2,800,156	16,310	5,000	2,478,211	-	234,775	860	5,000	20,000	20,000	10,000	10,000	-
<b>ENDING FUND BALANCE</b>	2,528,271	521,114	521,114	-	231,081	34,974	195,235	14,827	7	49,071	25,551	(15,320)	1,546	(10,443)	(5,415)

Anticipated Decertification Dates

2015      2021      2026      2027      2030      2031      2034      2040      2042      2043      2043      25 yrs AFRTI

- <sup>(1)</sup> The Skywalk/Bridge budget for District 19 includes \$700,000 in new money and a carryforward from 2018 of \$1,773,211.
- <sup>(2)</sup> The Skywalk/Bridge budget for District 22 includes \$75,000 in new money and a carryforward from 2018 of \$134,775.
- <sup>(3)</sup> Balance of the City Demo contract remaining unused as of 12-31-2018.

### Inter-District Loan Balances (CASH)

Actual 2015  
 Actual 2016  
 Actual 2017  
 Actual 2018  
 Anticipated 2019  
 Anticipated Inter-District Loan Balances @ 12-31-2019

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	Voyageur Hotel dist 31
(704)						704				
(65,039)						29,388	30,281	5,370		
65,743		(90,382)				(12,062)	15,563	10,541	10,597	
		24,334				(18,030)	(7,403)	542	557	
		65,787				-	(38,441)	(16,453)	(11,154)	261
		(5,500)				-	-	-	-	5,500
		(5,761)				-	-	-	-	5,761

# Exhibit A

## Duluth Economic Development Authority

### DEDA MRO Maintenance Facility Fund 866

#### 2020 Proposed Budget

Presented to DEDA on 10/23/2019

	2018	2019	2020
	<u>FINAL</u>	Proposed Budget 9/26/2018	Proposed Budget 10/23/2019
<b>BEGINNING FUND BALANCE</b>	345,161	708,376	1,070,116
<b><u>Revenues</u></b>			
Investment Earnings	9,704	12,000	12,000
Building Rent (2020 Budget Includes 4th Bay Occupied & Leased whole year.)	428,786	441,540	535,089
<b>TOTAL REVENUES</b>	438,490	453,540	547,089
<b>TOTAL AVAILABLE</b>	783,651	1,161,916	1,617,205
<b><u>EXPENDITURES</u></b>			
Repairs/Maintenance (roof repair)	58,896	75,000	25,621
Repairs/Maintenance (2020 Budget includes-Fire Supression Audit & Upgrades			200,000
Long-Term MRO Maintenance Planning	-	-	-
Capital Replacement (wall repair)	-	-	-
Property Insurance	16,379	16,800	16,800
Other Services and Charges (WFD, Contingency, Misc.)			82,000
<b>TOTAL EXPENDITURES</b>	75,275	91,800	324,421
<b>ENDING FUND BALANCE</b>	708,376	1,070,116	1,292,784