



Roseville Economic Development Authority (REDA)

Agenda

Monday, July 17, 2023

6:00 PM

City Council Chambers

Members of the public who wish speak during public comment or an agenda item during this meeting can do so virtually by registering at www.cityofroseville.com/attendmeeting

(Any times listed are approximate – please note that items may be earlier or later than listed on the agenda)

6:00 p.m. **1. Roll Call**

Voting & Seating Order: Etten, Groff, Strahan, Schoeder, Roe

6:02 p.m. **2. Pledge of Allegiance**

6:03 p.m. **3. Approve Agenda**

6:04 p.m. **4. Public Comment**

5. Business Items

6:05 p.m. a. Receive update on tax increment financing districts

6:20 p.m. b. Discussion regarding the budget and preliminary levy collectible in 2024

6:30 p.m. **6. Adjourn to City Council**

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 7/17/2023
Item No.: 5.a.

Department Approval

Janice Gundlach

City Manager Approval

Sam J. Trueman

Item Description: Receive update on tax increment financing districts

Background

At the Roseville Economic Development Authority (REDA) meeting on January 13, 2020 Stacie Kvilvang of Ehlers, the EDA's financial advisor, provided a Tax Increment Financing (TIF) Management Plan. Since that time, TIF Districts #20, 21, and 22 have started to generate increment due to redevelopment. Given the redevelopment progress that has occurred since the initial presentation of the TIF Management Plan, there was a request to provide an update on the financial positions of the City's TIF districts. A summary of the activity, including specific recommendations for each district, has been outlined in a memorandum prepared by Stacie Kvilvang of Ehlers (Attachment 1). Ms. Kvilvang will review the memorandum and discuss the following recommendations with the REDA:

TIF District #17 (Twin Lakes) & #17A (Hazardous Substance Sub District) Recommendation:

1. Continue to monitor current and future cash balances for the HSS funds for use on HSS eligible projects within and external to the District.
2. Complete an analysis to determine the amount of dollars available for affordable housing if the EDA elected to allow for the additional 10% of pooling dollars in the non HSS portion of the district to be retained for affordable housing (total of 35%).
3. Complete a year 6 analysis for the non HSS portion of the District to determine if and when adequate TIF will be available to pay off the existing bonds.

TIF District #18 – Sienna Green Apartments Recommendation:

1. Prepare cashflow based upon change in 4d tax rate for pay 2025 to determine updated timing of payoff of PAYGO Note and available fund balance at the statutory end term of the district.

TIF District #20 – McGough Recommendation:

1. Complete an analysis to determine the amount of dollars available for affordable housing if the EDA elected to allow for the additional 10% of pooling dollars to be retained for affordable housing (total of 35%).

TIF District #21 - CPC Recommendation:

1. Complete an analysis to determine the amount of dollars available for affordable housing if the EDA elected to allow for the additional 10% of pooling dollars to be retained for affordable housing (total of 35%).

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35 TIF District #22 – Twin Lakes II Recommendation:

- 36 1. Complete an analysis to determine the amount of dollars available for affordable housing if the
37 EDA elected to allow for the additional 10% of pooling dollars to be retained for affordable
38 housing (total of 35%).
39 2. Work with Dominion to finalize TIF Note amounts for The Harbor and The Oasis projects.

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41 TIF District #23 – Brittney Marion Apartments Recommendation:

- 42
43 1. Keep the district open for a few more years or until such time staff determines that assistance will
44 not be requested for any rehabilitation.

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46 **Policy Objectives**

47 The REDA's adopted enabling Resolution tasks the REDA with all activities related to tax increment
48 financing.

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50 **Racial Equity Impact Summary**

51 There are no identified racial equity impacts related to this request.

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53 **Budget Implications**

54 Any costs incurred by completing the recommendations outlined in the Ehlers memorandum will be paid
55 for by the party receiving increment, collected TIF administration allowance, or REDA operating fund
56 balance.

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58 **Staff Recommendations**

59 Receive an update on the City's tax increment financing districts and accept the recommendations
60 outlined in the memorandum prepared by Ehlers.

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62 **Requested Council Action**

63 Receive an update on the City's tax increment financing districts and accept the recommendations
64 outlined in the memorandum prepared by Ehlers.

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66 **Prepared by:** Jeanne Kelsey, Housing & Economic Development Program Manager

Attachments: 1. Memo on TIF Districts

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MEMORANDUM

TO: Jeanne Kelsey
 FROM: Stacie Kvilvang - Ehlers
 DATE: June 30, 2023
 SUBJECT: TIF District Fund Balance Analysis

You requested we provide the City with an update on the existing TIF districts, their outstanding obligations and use of current fund balance, if any. The City currently has five (5) active TIF districts as noted in the chart below and one (1) district that was certified but no qualifying activity has taken place (TIF 23 - Brittney Marion).

District	TIF 17 & 17A Twin Lakes	TIF 18 Sienna Green	TIF 20 McGough	TIF 21 Colder	TIF 22 Twin Lakes II
District Type	Redevelopment & Hazardous Substance Sub District	Housing	Redevelopment	Redevelopment	Redevelopment
Project	Various residential and commercial developments & road improvements	Renovation of 120-unit Sienna Green Apts. And construction of 50-Unit Sienna Green Apts	54,277 sq. ft. corporate office	111,358 sq. ft. office / manufacturing facility	117 market rate apts., 38,657 sq. ft. Tareen Dermatology Office, 228 affordable family apts. And 277 affordable sr. apts
Certified	9/3/2005	12/22/2009	9/19/2018	1/30/2020	10/23/2020
Legal Max Term	12/31/2031	12/31/2038	12/31/2047	12/31/2046	12/31/2046
Anticipated Term	12/31/2031	12/31/2038	12/31/2033	12/31/2033	TBD
1st Increment	2006	2013	2021	2022	2022
Current Obligations	\$3,060,000 GO TIF Bonds, Series 2015A	\$935,005 Pay-As-You-Go TIF Note	\$1,316,000 Pay-As-You-Go TIF Note	\$2,200,000 Pay-As-You-Go TIF Note	\$2,900,000 PAYGO TIF Note for RW Apartments, \$634,000 PAYGO TIF Note for Tareen Dermatology, \$1,753,000 PAYGO TIF Note to Dominion for The Harbor Sr. Apts and \$1,300,000 PAYGO TIF Note to Dominion for The Oasis family apts
2023 TIF Revenue	\$461,309	\$134,942	\$118,013	\$256,468	\$1,304,881
Use of Pooling Dollars	Clean up of HSS parcels and/or redevelopment	Affordable Housing (Rental and/or Owner-Occupied)	Redevelopment	Redevelopment	Redevelopment

Continuous redevelopment is vital to maintaining the City's long-term economic health and vitality. Utilizing TIF to accomplish the various goals of the City has strengthened the overall diversity of housing options, jobs, land uses and tax base. One immediate benchmark of the benefit in utilizing TIF is the overall increase in market value from when the district was created to when it is fully developed and aging. As illustrated in the table on the following page, the City's overall market value within the current active TIF Districts has increased by nearly 380%.



District	Original Market Value	Pay 2023 Taxable Market Value	Percent Increase in Value
TIF 17 & 17A - Twin Lakes	\$15,135,100	\$49,850,700	229.37%
TIF 18 - Sienna Green	\$5,000,000	\$29,206,000	484.12%
TIF 20 - McGough	\$1,978,600	\$10,315,700	421.36%
TIF 21 - Colder	\$3,681,300	\$21,193,300	475.70%
TIF 22 - Twin Lakes II	\$28,891,700	\$151,287,900	423.64%
TOTAL	\$54,686,700	\$261,853,600	378.83%

Note: Twin Lakes II is not at full valuation yet for The Harbor and The Oasis

It should be noted that in these districts, increase in market value isn't the only driving factor for their creation. It is removal of blight, cleanup of contaminated land, creation of housing options within the City for its residents, job creation and business retention.

Below is a summary of the various TIF Districts in the City with corresponding recommendations for their on-going management.

TIF District #17 (Twin Lakes) & #17A (Hazardous Substance Sub District – HSS)

This is a redevelopment TIF district with a HSS district (takes base value to \$0) and was certified on September 3, 2005. The statutory decertification date for the redevelopment portion of the district is December 31, 2031.

Special Legislation: In 2019 the City obtained special legislation for the District, Laws 2019, 1st Special Session, Chapter 6, Article 7, Section 9. The legislation authorizes the City / EDA to use any TIF from the HSS for environmental remediation in accordance with a RAP on parcels that were originally in the subdistrict (same boundaries as the TIF district) regardless of the date of approval of the RAP by the MPCA.

Five Year Rule: At least 75% of tax increment revenues generated within the redevelopment portion of the District must be used to pay for qualified costs within the District. The State Legislature amended the five-year rule limit to increase it to ten years for Redevelopment or Renewal and Renovation districts certified after June 30, 2003, and before April 20, 2009. This District fits this timeline, and its five-year rule was September 30, 2015. The City issued bonds prior to this date so those meet the 5-year deadline. Any future obligations would be limited to 25% of the TIF generated (legal pooling dollars) from their development. In addition, in accordance with the special legislation, if there is a RAP for the development, the existing (and projected) fund balance in the HSS subdistrict would be available for cleanup costs.

Obligation of the District: The City issued bonds in September 2015 (Series 2015A) in the amount of \$3,246,065 to pay for required roadway/public improvements (\$2,005,000 is outstanding). Final payment date is February 1, 2032 (legal end term on the District).

Current Fund Balance: Current cash balance as of December 31, 2022, for the HSS portion of the District is approximately \$2 million. Absent any use of the fund balance, the City will accumulate approximately \$4.9 million for use on an approved RAP for parcels within the District. There are currently no pooling dollars available for projects outside of the District with an approved RAP. However, it is anticipated that there will be approximately \$395,000 available at the end term of the District (included in the \$4.9M fund balance above).



Current cash balance as of December 31, 2022 (and after the 3/1/23 bond payment), in the TIF 17 redevelopment portion of the District is approximately \$1.156 million, of which approximately \$462,000 is available for legal pooling.

Recommendation:

1. Continue to monitor current and future cash balances for the HSS funds for use on HSS eligible projects within and external to the District.
2. Complete an analysis to determine the amount of dollars available for affordable housing if the EDA elected to allow for the additional 10% of pooling dollars in the non HSS portion of the district to be retained for affordable housing (total of 35%).
3. Complete a year 6 analysis for the non HSS portion of the District to determine if and when adequate TIF will be available to pay off the existing bonds.

TIF District #18 – Sienna Green Apartments

This is a housing TIF district certified on December 22, 2009, and its statutory decertification date is December 31, 2038. The district was created to assist Aeon with the rehabilitation of the 120-unit Har Mar Apartments and the construction of the 50-unit Sienna Green Apartments. Following are the details of the district:

Five Year Rule: Housing districts are exempt from the 5-year rule. Funds can be spent on qualified housing activities anywhere in the City (see details in Current Fund Balance below).

Obligation of the District: The City provided a Pay-As-You-Go TIF Note in the principal amount of \$935,005 with an interest rate of 4.25%. The Note is paid with 95% of the TIF generated and is expected to be paid in full on August 1, 2026 (12 years early). Payoff date is subject to change since the 4d tax classification rate will be reduced for pay 2025 from a split rate of .75% on first \$100,000 of per unit value and .25% on everything above that to a flat .25%.

Compliance requirements: The City is required to substantiate that the applicable income limitations and rent restrictions are being met on an annual basis for the project. Aeon has been submitting the required documentation on an annual basis and have continued to meet the requirement that 40% of the units are affordable to persons at or below 60% of the area median income.

Current Fund Balance: As of December 31, 2022 (and after the 2/1/23 PAYGO payment), this District has a fund balance of approximately \$25,000. If the current fund balance and future TIF not needed for the Note continues to accumulate, at the end of the term of the District, the fund balance will be approximately \$2 million. This amount is subject to change pursuant to the change in tax rate noted above. With this change it is anticipated that the fund balance will likely be cut in half.

This increment may be used to pay eligible costs for housing projects that are rental or owner-occupied and intended for occupancy by low and moderate-income families. The income guidelines are defined in MS 469.1761 as follows:

Rental Housing: 20% of the units occupied by families at 50% of median income (20/50) or 40% of the units occupied by families at 60% of median income (40/60).



Owner Occupied: Assistance to homeowners with an income at or below 100% of the median income for a family of two or less or 115% of the median income for a family of three or more.

Typically, TIF is utilized for capital expenditures, but may be used for non-capital expenditures on a limited basis. Examples of potential rental housing projects would include:

1. New affordable rental housing as part of redevelopment (20/50 or 40/60 election)
2. Renovation of an existing rental housing development (20/50 or 40/60 election)
3. Providing subsidy to an existing project that is earmarked for additional affordability (20/50 or 40/60 election)

Examples of potential owner-occupied projects would include:

1. Site acquisition and demolition for infill lots that will be sold for new housing construction
2. Acquisition of foreclosed homes for resale to income qualified buyers
3. Rehabilitation loans for home improvements
4. Second mortgages to qualified home buyers

If the income requirements are not met on any given year, the City will need to return that year's increment to the County for redistribution.

Recommendation:

1. Prepare cashflow based upon change in 4d tax rate for pay 2025 to determine updated timing of payoff of PAYGO Note and available fund balance at the statutory end term of the district.

TIF District #20 - McGough

This is a redevelopment TIF district certified on September 19, 2018, and its statutory decertification date is December 31, 2047. The district was created to assist McGough to construct their new corporate headquarters. Following are the details of the district:

Five Year Rule: At least 75% of tax increment revenues generated within the District must be used to pay for qualified costs within the District. The 5-year rule date is September 19, 2023. The City issued the PAYGO TIF Note on November 30, 2020, and therefore met the required deadline.

Obligation of the District: The City provided a Pay-As-You-Go TIF Note in the principal amount of \$1,316,000 with an interest rate of 2.25%. The Note is paid with 90% of the TIF generated and is expected to be paid in full on February 1, 2035 (12 years early).

Current Fund Balance: As of December 31, 2022 (and after the 2/1/23 payment), this District has a fund balance of approximately \$23,000. If the current fund balance and future TIF not needed for the Note continues to accumulate, at the end of the term of the PAYGO Note, the fund balance will be approximately \$177,000.



Recommendation:

1. Complete an analysis to determine the amount of dollars available for affordable housing if the EDA elected to allow for the additional 10% of pooling dollars to be retained for affordable housing (total of 35%).

TIF District #21- CPC

This is a redevelopment TIF district certified on January 30, 2020, and its statutory decertification date is December 31, 2046. The district was created to assist CPC (Colder Products) to construct a 111,358 sq. ft. office/manufacturing facility. Following are the details of the district:

Five Year Rule: At least 75% of tax increment revenues generated within the District must be used to pay for qualified costs within the District. The 5-year rule date is January 30, 2025. The City issued the PAYGO TIF Note on November 18, 2020, and therefore met the required deadline.

Obligation of the District: The City provided a Pay-As-You-Go TIF Note in the principal amount of \$2,200,000 with an interest rate of 3.00%. The Note is paid with 90% of the TIF generated and is expected to be paid in full on February 1, 2034 (12 years early).

Current Fund Balance: As of December 31, 2022 (and after the 2/1/23 payment), this District had a fund balance of approximately \$20,550. If the current fund balance and future TIF not needed for the Note continues to accumulate, at the end of the term of the PAYGO Note, the fund balance will be approximately \$640,000.

Recommendation:

1. Complete an analysis to determine the amount of dollars available for affordable housing if the EDA elected to allow for the additional 10% of pooling dollars to be retained for affordable housing (total of 35%).

TIF District #22 – Twin Lakes II

This is a redevelopment TIF district certified on August 17, 2021, and its statutory decertification date is December 31, 2046. The district was created to assist the construction of 593 apartments in three (3) buildings and a 38,657 sq. ft. office for Tareen Dermatology. Following are the details of the district:

Five Year Rule: At least 75% of tax increment revenues generated within the District must be used to pay for qualified costs within the District. The 5-year rule date is October 23, 2025. The City will have issued all the PAYGO TIF Notes by this time (as noted below) and therefore met the required deadline.

Obligations of the District: The City has the following four (4) obligations of the District:

- \$2,900,000 PAYGO TIF Note for The Isaac Apartments (Reuter Walton), payable from 90% of the TIF generated from the project at 3.75% interest and is expected to be paid in full on August 1, 2030.
- \$634,000 PAYGO TIF Note for Tareen Dermatology, payable from 90% of the TIF generated from the project at 2.90% interest and is expected to be paid in full on August 1, 2026.



- \$1,753,000 PAYGO TIF Note for The Harbor Apartments (Dominium Sr. Apts.), payable from 90% of the TIF generated from the project at 4.83%.
- \$1,300,000 PAYGO TIF Note for The Oasis Apartments (Dominium Non-Age Restricted Apts.), payable from 90% of the TIF generated from the project at 3.93%.

Current Fund Balance: As of December 31, 2022, this District had a fund balance of approximately \$191,000.

Recommendation:

1. Complete an analysis to determine the amount of dollars available for affordable housing if the EDA elected to allow for the additional 10% of pooling dollars to be retained for affordable housing (total of 35%).
2. Work with Dominion to finalize TIF Note amounts for The Harbor and The Oasis projects.

TIF District #23 – Brittney Marion Apartments

This is a housing TIF district certified on August 17, 2021, and its statutory decertification date is December 31, 2046. The district was created to assist in the rehabilitation of the 276-unit Britney Marion Apartments. To date, the new owner hasn't requested assistance to complete renovations, so there is no qualifying activity in the District at this time.

Obligations of the District: The City has the following obligation of the District:

- Interfund Loan of up to \$100,000 (only \$10,000 expended for creation of the TIF District) payable from 100% of the TIF generated from the project at 4% interest.

Current Fund Balance: As of December 31, 2022, this District had a negative fund balance of \$10,000.

Recommendation:

1. Keep district open for a few more year or until such time staff determines that assistance will not be requested for any rehabilitation.

Please contact me at 651-697-8506 with any questions.

ROSEVILLE REQUEST FOR COUNCIL ACTION

Date: 7/17/2023
Item No.: 5.b.

Department Approval

Janice Gundlach

City Manager Approval

Sam F. Trueman

Item Description: Discussion regarding the budget and preliminary levy collectible in 2024

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2 **Background**

3 Per the by-laws adopted by the Roseville Economic Development Authority (REDA), the REDA must
4 review and recommend a preliminary budget to the City Council.

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6 To request a preliminary EDA levy, the REDA must adopt a budget for consideration by the City Council
7 via Resolution. Once the initial EDA levy request is approved, the levy may be lowered but cannot be
8 raised above the preliminary level. The maximum amount the REDA can levy for in 2024 is \$1,172,112.

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10 *A preliminary levy of \$378,235 is being proposed for 2024, a decrease of \$33,270 from the EDA's 2023*
11 *levy. When factoring in a projected valuation increase on single family homes of 4.35% for taxes payable*
12 *in 2024, the preliminary levy amount proposed would result in an estimated decrease of \$1.94 in the*
13 *annual EDA property tax for a median valued single-family home projected to be valued at \$349,900. It*
14 *is worth noting these figures are estimates and the County will release final 2024 valuation figures at the*
15 *end of August, as which point the annual EDA property tax impact may change.*

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17 **Staffing**

18 The Community Development Director is proposing no changes to the staffing structure for
19 2024. Economic Development staff supported by the EDA levy include a full-time Economic
20 Development and Housing Program Manager and a .5 time Economic Development Coordinator (who
21 also holds the title of GIS Specialist). The most significant impact proposed for 2024 consists of
22 inflationary costs related to salaries and benefits.

23
24 The total cost for EDA staff in 2024 is anticipated to be: **\$204,320**

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<u>General REDA Expenditures and Personnel</u>	\$253,010
The REDA has operating costs associated with overhead, staff, attorney fees, recording secretary services, and continuing education/training of staff. This amount reflects total operating costs <i>and</i> personnel costs.	<i>(includes the \$204,320 of staff-only costs)</i>

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27 Programming costs are provided below:

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29 **Programming**

30 The tables below outline existing housing and economic development programs the City of Roseville's
31 Economic Development Authority currently maintains. In addition to personnel costs, accompanying
32 costs of these programs are included herein.

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34 In 2024, the following programs will continue to operate but do not require, and/or staff is not
35 recommending additional funds:

<p><u>Multi-Family Loan and Acquisition Funds</u> Offers rehabilitation loans to existing rental property owners (whose properties have 5 or more units) and also makes dollars available for energy improvements. This program is also available for general redevelopment activities and has a balance of \$1,453,044* (fund 724).</p>	\$0
<p>Roseville Rehab Revolving Loan Program, Last Resort – Emergency Deferred Program, Manufactured Home Improvement Program, Senior Deferred Loan Program, and First Generation Down Payment Assistance Program. This fund has a balance of \$748,868* (fund 723).</p>	\$0
<p>Abatement Assistance (payment of abatement costs for code enforcement activities). This fund has a balance of \$133,043* (fund 722).</p>	\$0
<p>Housing Replacement/Single Family Construction Fund. This fund has a balance of \$490,853* (fund 720).</p>	\$0
<p><u>Open to Business/Small Business Assistance:</u> Ramsey County executed a contract with the Metropolitan Consortium of Community Developers in the 1st quarter of 2020, bringing the Open to Business program to the City of Roseville. This program provides free business consulting services to Roseville businesses, as well as access to capital. There is no cost to the City for Open to Business. Beginning in 2020, the EDA began setting aside funds to administer a small business loan program in partnership with Open to Business. To date, one loan has been originated (Par365 for \$25,000). Based on the program limiting individual loans to \$50,000 (of REDA money), that it took three years to initiate one loan, and with the accumulation of funds since 2020 staff is recommending the REDA temporarily stop funding this program. With the funds accrued to-date, the REDA can fund over five loans (assuming the maximum loan amount). This fund has a balance of \$270,725* (fund 726).</p>	\$0

*fund balances noted are as-of July 11, 2023.

In 2024, the following programs are proposed to be budgeted for as follows:

<p><u>Ownership Rehabilitation Programs</u> Provides residents with free, comprehensive consultation services about the construction/renovation process to maintain, improve, and/or enhance their existing home, with a specific focus on energy efficiency. The program also recognizes homeowners that have done green construction or improvements to their homes and yards. This program budgets for at least 200 energy efficiency audits to be completed each year. This budget reflects a \$7,500 increase, which is attributable to the increased use of use of the Roseville Revolving Loan fund and certain one-time administrative costs being paid for via levy funds instead of revolving loan funds.</p>	\$37,850
<p><u>Marketing</u> This budget is maintained for printing and mailing of marketing materials. This budget has also been used to fund housing studies. The Council’s 2021-2022 Strategic Priority related to Housing calls for an updated Housing Needs Assessment in “2022 and beyond”. \$5,000 will not fully fund an updated Housing Needs Assessment. However, based upon the volume of housing units currently under construction, and the state of the housing market generally, staff suggests leaving this budget flat until it is</p>	\$5,000

<p>better understood when the most value will come from an updated study. Once a decision is made to move forward with an updated study, excess fund balance monies could be used to fully fund the endeavor.</p>	
<p><u>Economic Development</u> The Economic Development budget reflects resources to aid in outreach to existing and prospective businesses. Current efforts include partnerships with the Minnesota State Chamber, St. Paul Area Chamber of Commerce, Twin Cities North Chamber, and others to assist with quarterly educational workshops, newsletters, and yearly networking events. Recruitment, acquisition assistance, and marketing efforts are being programmed through the use of economic development consulting (\$40,000), which includes the City’s public finance consultant Ehlers. Annual contract obligations for Golden Shovel Agency economic development marketing services are also included in this total (\$15,000). This budget reflects an increase of \$1,000 from 2023. The increase reflects additional costs related to the BR&E newsletter outreach (back-page of City newsletter).</p>	\$65,500
<p><u>Southeast Roseville Initiatives</u> The Cities of Roseville, St. Paul and Maplewood hired the Saint Paul Area Chamber of Commerce in 2019 to begin implementation of the Rice & Larpenteur Alliance, which stemmed from completion of the Rice/Larpenteur Gateway Visioning Plan. In March of 2023, SPACC’s contract was extended an additional 12 months, with the City of Roseville (and Maplewood and St. Paul) continuing to set aside funds in support of the alliance and any other initiatives that may occur as a result of the visioning plan. The Rice & Larpenteur Alliance’s Strategic Fundraising Framework programs reductions in contributions for contributing cities, however the impact of COVID continues to limit the Alliance’s ability to fundraise. As such, staff would recommend this budget remain flat for 2024. Because Roseville serves as the fiscal agent to the Alliance, and to comply with standard best practices in budgeting, the EDA will budget for the full Alliance funding of \$125,000, even though Roseville’s costs are only \$40,000. A revenue item has been inserted to account for Maplewood and St. Paul’s financial contribution towards the Alliance (\$85,000).</p>	\$125,000 (\$40,000 is Roseville’s cost)
Total 2024 Levy Supported Program Expenses	\$233,350

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Non-Property Tax Revenue

Historically, the levy has been the sole source of funding for activities conducted by the REDA. Several years ago the University of Northwestern committed to paying the City \$23,125 annually in recognition of their tax-exempt status and continued expansion beyond their campus property. This “charitable pledge” is for economic development efforts aimed at expanding the tax base, thus they’ve been allocated to the REDA. This revenue is used to offset expenses. Staff continues to program this revenue towards the EDA. The charitable pledge payments, per the June 2014 agreement, are set to expire in 2024. The Executive Director and REDA staff have made initial contact with Northwestern regarding the various relationships between the City and college and will engage further to extend the Charitable Pledge Agreement. There are no guarantees Northwestern will cooperate and the parties affiliated with the college today are not the same parties that negotiated the original Charitable Pledge.

Total EDA Proposed Budget: (Program Expenses + REDA Expenditures & Personnel)	<i>\$486,360</i>
Minus Non-Property Tax Revenue	<i>-\$23,125</i>
Southeast Roseville Revenues	<i>-\$85,000</i>
Proposed Preliminary 2023 Levy	<i>\$378,235</i> <i>(8% or \$33,270 decrease from 2023)</i>

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Policy Objectives

Per the by-laws adopted by the Roseville Economic Development Authority, the REDA must review and recommend a preliminary budget to the City Council annually.

Racial Equity Impact Summary

Racial equity impacts are not specifically evaluated in regards to the overall preliminary budget and levy. However, racial equity impacts are/have been considered in regards to individual programs funded by this budget.

Budget Implications

Included herein.

Staff Recommendations

Discuss the EDA's proposed 2024 Budget and Preliminary Tax Levy in the amount of \$378,235.

Requested Council Action

Advise staff of any requested changes to the 2024 Budget and Preliminary Tax Levy.

If appropriate, make a motion to adopt a Resolution requesting a Preliminary Tax Levy in 2023, collectible in 2024, in the amount of \$378,235.

Prepared by: Janice Gundlach, Community Development Director

- Attachments:**
1. Resolution
 2. Budget Comparison

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**EXTRACT OF MINUTES OF MEETING OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

Pursuant to due call and notice thereof, a meeting of the Roseville Economic Development Authority, County of Ramsey, Minnesota, was duly called and held at the City Hall on Monday, the 17th day of July, 2023, at 6:00 p.m.

The following members were present:

and the following were absent:

Commissioner _____ introduced the following resolution and moved its adoption

Resolution No. XX

A Resolution Requesting A Tax Levy in 2023 Collectible in 2024

BE IT RESOLVED by the Board of Commissioners (the "Board") of the Roseville Economic Development Authority, Minnesota (the "Authority"), as follows:

Section 1. Recitals.

1.01. The Authority is authorized by Minnesota Statutes Section 469.107 to request that the City of Roseville, Minnesota (the "City") levy a tax on all taxable property within the City, subject to approval of such tax levy by the City Council of the City, for the benefit of the Authority (the "EDA Levy").

1.02. The Authority is authorized to use the amounts collected by the EDA Levy for the purposes provided in Minnesota Statutes, Section 469.090 to 469.1081 (the "EDA Act").

Section 2. Findings

2.01. The Authority hereby finds that it is necessary and in the best interest of the City and the Authority to request that the City Council of the City adopt the EDA Levy to provide funds necessary to accomplish the goals of the Authority.

Section 3. Adoption of EDA Levy.

3.01. The Authority hereby requests that the City levy the following amount, which is no greater than 0.01813 percent of the City's estimated market value, to be levied upon the taxable property of the City for the purposes of the EDA Levy described in Section 1.02 above and collected with taxes payable in 2024:

Amount: \$378,235

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Section 4. Report to City and Filing of Levies.

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4.01. The executive director of the Authority is hereby instructed to transmit a certified copy of this Resolution to the City Council with the Authority's request that the City include the EDA Levy in its certified levy for 2024.

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Adopted by the Board of the Authority this 17th day of July, 2023.

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Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, Minnesota, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and regularly held meeting thereof on July 17, 2023.

I further certify that Commissioner _____ introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner _____, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this 17th day of July, 2023.

Executive Director, Patrick Trudgeon
Roseville Economic Development Authority

City of Roseville Economic Development Authority 2024 Proposed Budget Fund 725 as of June 15, 2023					
Account		2121	2022	2023	2024
Number	Description	Adopted Budget	Adopted Budget	Adopted Budget	Proposed Budget
725	Proposed Revenues:	Revenue	Revenue	Revenue	Revenue
	Northwestern Charitable Pledge	\$23,125.00	\$23,125.00	\$23,125.00	\$23,125.00
	Southeast Roseville (St. Paul & Maplewood)		\$85,000.00	\$85,000.00	\$85,000.00
	EDA Levy	\$453,670.00	\$442,570.00	\$411,505.00	\$378,235.00
	Total Revenue	\$476,795.00	\$550,695.00	\$519,630.00	\$486,360.00
	Proposed Expenses:				
73	Ownership Rehab Program				
430000	Professional Services-CEE	\$15,000.00	\$15,000.00	\$17,500.00	\$25,000.00
490000	Green Award Program	\$850.00	\$850.00	\$850.00	\$850.00
	Energy Efficiency Program	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00
73	Ownership Rehab Program Total	\$27,850.00	\$27,850.00	\$30,350.00	\$37,850.00
82	Marketing Studies				
434000	Printing Marketing Materials	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
82	Marketing Studies	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
56	Economic Development				
430000	Golden Shovel (Including Intern as needed)	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
430000	Economic Development Consultant On-Call	\$50,000.00	\$30,000.00	\$40,000.00	\$40,000.00
433000	BR&E Newsletter page, other outreach	\$6,000.00	\$6,000.00	\$6,000.00	\$7,000.00
441000	Business Educational Series	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
448000	Salesforce & Misc.	\$500.00	\$500.00	\$1,500.00	\$1,500.00
56	Economic Development Program Total	\$73,500.00	\$53,500.00	\$64,500.00	\$65,500.00
727	Southeast Roseville Initiatives	\$40,000.00	\$125,000.00	\$125,000.00	\$125,000.00
726	Open-to-Business/Small Business Loan Pro	\$98,575.00	\$98,575.00	\$50,000.00	\$0.00
00	General EDA Expenditures				
430000	City of Roseville Economic Development Sta	\$188,170.00	\$194,070.00	\$198,080.00	\$204,320.00
430000	Prof. Svs. (Secretary)	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
0006	Prof. Svs. (EDA Attorney)	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
460001	Admin Service Fee	\$12,000.00	\$15,000.00	\$15,000.00	\$15,000.00
441000	Education (Training/Conferences)	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00
441000	Training for Board	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
441000	Office Supplies	\$0.00	\$0.00	\$0.00	\$0.00
442000	Mbrship/Subscriptions	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
448000	Miscellaneous	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
431000	Telephone				\$200.00
432000	Mileage Reimbursement	\$700.00	\$700.00	\$700.00	\$700.00
443500	Minor Equipment (computer)				\$1,500.00
443600	Software				\$290.00
	Operating Reserves				
00	General EDA Expenditures	\$231,870.00	\$240,770.00	\$244,780.00	\$253,010.00
	Subtotal Expenditures	\$476,795.00	\$550,695.00	\$519,630.00	\$486,360.00
	Total Budgeted Expenses	\$476,795.00	\$550,695.00	\$519,630.00	\$486,360.00