



Roseville Economic Development Authority (REDA)

Agenda

Monday, September 18, 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. Review a preliminary budget and adopt a Resolution requesting a preliminary tax levy collectible in 2024

6:15 p.m. **6. Adjourn to City Council**

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 9/18/2023
Item No.: 5.a.

Department Approval

Janice Gundlach

City Manager Approval

Sam F. Truog

Item Description: Review a preliminary budget and adopt a Resolution requesting a preliminary tax levy collectible in 2024

Background

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

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

A preliminary levy of \$378,235 is being proposed for 2024, a decrease of \$33,270 from the EDA's 2023 levy. When factoring in a projected valuation increase on single family homes of 4.35% for taxes payable in 2024, the preliminary levy amount proposed would result in an estimated decrease of \$1.94 in the annual EDA property tax for a median valued single-family home projected to be valued at \$349,900.

Staffing

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

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

<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 and personnel costs.	<i>(includes the \$204,320 of staff-only costs)</i>

Programming

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

32 In 2024, the following programs will continue to operate but do not require, and/or staff is not
 33 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>Open to Business/Small Business Assistance: 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

34 *fund balances noted are asof July 11, 2023.

35 In 2024, the following programs are proposed to be budgeted for as follows:
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<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 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</p>	\$5,000

housing units currently under construction, and the state of the housing market generally, staff suggests leaving this budget flat until it is 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.	
<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).	\$65,500
<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).	\$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 to 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

49 negotiated the original Charitable Pledge.

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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

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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.

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Racial Equity Impact Summary

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

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Budget Implications

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Included herein.

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Staff Recommendations

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Discuss the EDA's proposed 2024 budget and preliminary tax levy in the amount of \$378,235.

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Requested Council Action

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By motion, adopt a Resolution requesting a preliminary tax levy in 2023, collectible in 2024, in the amount of \$378,235.

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Prepared by: Janice Gundlach, Community Development Director

- Attachments:**
1. REDA Resolution - 2024 Prelim Levy
 2. EDA budget comparison w/2022 and 2023 actuals

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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 18th day of September, 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 a special 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 levy a special tax of \$378,235 for the EDA to be collected in 2024 pursuant to Minnesota Statutes 469.107.

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Adopted by the Board of the Authority this 18th day of September, 2023.

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Certificate

49 I, the undersigned, being duly appointed Executive Director of the Roseville Economic
50 Development Authority, Minnesota, hereby certify that I have carefully compared the attached
51 and foregoing resolution with the original thereof on file in my office and further certify that the
52 same is a full, true, and complete copy of a resolution which was duly adopted by the Board of
53 Commissioners of said Authority at a duly called and regularly held meeting thereof on
54 September 18, 2023.

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

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64 whereupon said resolution was declared duly passed and adopted.

65 Witness my hand as the Executive Director of the Authority this 18th day of September,
66 2023.

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Executive Director, Patrick Trudgeon
Roseville Economic Development Authority

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City of Roseville Economic Development Authority 2024 Proposed Budget Fund 725 as of September 12, 2023						
Account Number	Description	2022 Adopted Budget	2022 Actuals	2023 Adopted Budget	2023 Actuals (as of 8-31-2023)	2024 Proposed Budget
Proposed Revenues:		Revenue		Revenue		Revenue
	Northwestern Charitable Pledge	\$23,125.00	\$23,125.00	\$23,125.00	\$11,563.00	\$23,125.00
	Southeast Roseville (St. Paul & Maplewood)	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00
	EDA Levy	\$442,570.00	\$433,061.00	\$411,505.00	\$221,710.00	\$378,235.00
	Total Revenue	\$550,695.00	\$541,186.00	\$519,630.00	\$318,273.00	\$486,360.00
Proposed Expenses:						
73	Ownership Rehab Program					
430000	Professional Services-CEE	\$15,000.00	\$14,450.00	\$17,500.00	\$18,300.00	\$25,000.00
490000	Green Award Program	\$850.00		\$850.00	\$850.00	\$850.00
	Energy Efficiency Program	\$12,000.00	\$2,250.00	\$12,000.00	\$2,950.00	\$12,000.00
73	Ownership Rehab Program Total	\$27,850.00	\$16,700.00	\$30,350.00	\$22,100.00	\$37,850.00
82	Marketing Studies					
434000	Printing Marketing Materials	\$5,000.00	\$0.00	\$5,000.00		\$5,000.00
82	Marketing Studies	\$5,000.00	\$0.00	\$5,000.00		\$5,000.00
56	Economic Development					
430000	Golden Shovel (Including Intern as needed)	\$15,000.00	\$12,000.00	\$15,000.00	\$7,350.00	\$15,000.00
430000	Economic Development Consultant On-Call	\$30,000.00	\$2,921.00	\$40,000.00	\$6,400.00	\$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	\$500.00	\$2,000.00		\$2,000.00
448000	Salesforce & Misc.	\$500.00	\$1,450.00	\$1,500.00	\$1,425.00	\$1,500.00
56	Economic Development Program Total	\$53,500.00	\$22,871.00	\$64,500.00	\$15,175.00	\$65,500.00
727	Southeast Roseville Initiatives	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00
726	Open-to-Business/Small Business Loan Prog	\$98,575.00	\$98,575.00	\$50,000.00	\$50,000.00	\$0.00
00	General EDA Expenditures					
430000	City of Roseville Economic Development Staff	\$194,070.00	\$193,876.00	\$198,080.00	\$116,870.00	\$204,320.00
430000	Prof. Svs. (Secretary)	\$2,500.00	\$187.00	\$2,500.00	\$439.00	\$2,500.00
0006	Prof. Svs. (EDA Attorney)	\$15,000.00	\$6,673.00	\$15,000.00	\$8,902.00	\$15,000.00
460001	Admin Service Fee	\$15,000.00	\$15,000.00	\$15,000.00	\$7,500.00	\$15,000.00
441000	Education (Training/Conferences)	\$8,000.00	\$350.00	\$8,000.00	\$832.00	\$8,000.00
441000	Training for Board	\$1,500.00	\$0.00	\$1,500.00		\$1,500.00
	Office Supplies		\$45.00			
442000	Mbrship/Subscriptions	\$2,000.00	\$2,229.00	\$2,000.00	\$184.00	\$2,000.00
448000	Miscellaneous	\$2,000.00	\$5,899.00	\$2,000.00	\$805.00	\$2,000.00
431000	Telephone		\$28.00			\$200.00
432000	Mileage Reimbursement	\$700.00	\$28.00	\$700.00	\$111.00	\$700.00
443500	Minor Equipment (computer)					\$1,500.00
443600	Software					\$290.00
	Operating Reserves					
00	General EDA Expenditures	\$240,770.00	\$224,315.00	\$244,780.00	\$135,643.00	\$253,010.00
	Subtotal Expenditures	\$550,695.00	\$487,461.00	\$519,630.00	\$347,918.00	\$486,360.00
	Total Budgeted Expenses	\$550,695.00		\$519,630.00		\$486,360.00