



Legislation Text

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DATE: September 22, 2022

TO: Northfield Economic Development Authority Board of Directors

FROM: Nate Carlson, Economic Development Coordinator

2023 Final EDA Budget Approval

SUMMARY AND ACTION REQUESTED:

Review the final draft of the 2023 EDA Budget and make a motion to approve.

BACKGROUND:

Staff has prepared and presented a final draft of the 2023 EDA budget for consideration by the EDA Board of Directors. Budget spreadsheet and supporting documents are attached. The primary concern for the EDA is the yearly review of the EDA Funds (i.e. Fund 290, Fund 292, and Fund 293).

Revenues

The EDA has traditionally requested maximum level allowed by Minnesota Statute of 0.01813 percent of taxable market value from the previous year (i.e. 2022 Estimated Market Value).

Based on this information, the 2023 EDA levy would be \$318,909. In addition to the levy, the EDA receives additional revenue of approximately \$20,000 from other sources. These include approximately \$12,000 from interest on investments and \$8,000 from interest payments on loans. A total of \$338,909 in estimated revenues are included in the draft 2023 EDA budget. This a 4% increase from 2022 budget, which totaled \$326,001.

Expenditures

The draft expenditure budget is balanced with projected revenues equal to expenditures at \$338,909. The total expenditures in Fund 290 are \$283,909. The total proposed expenditures in Fund 292 are \$55,000. The following line items are key expenditure areas included in the EDA budget:

Personal Services: The 2023 personal services budget is based on actual salary and benefits for the Economic Development Coordinator and a portion of support staff and department administration. The 2023 EDA budget provides funding for 1.2 FTE staff members, which includes 10% of the Administrative Assistant position and 10% of the Community Development Director position. The total estimated expenses for Fund 290, line item personnel services, in 2022 is \$134,422.

Professional Services: This line item is utilized for professional consulting services related to economic development including market studies, land surveys, retail trade analysis, and marketing activities. The preliminary 2023 EDA budget for Fund 290, line item professional services, includes \$10,000 for these activities.

Legal Services: The preliminary 2023 EDA budget for Fund 290, line item legal services, includes \$7,500 for legal services. This line item has increased over the past few years due to the complexity of projects the EDA and the need for legal services.

Partnership Programs: This line item includes EDA funding for the Riverwalk Market Fair and the Metropolitan Consortium of Community Developers (MCCD).

The EDA approved a new three-year contract at the end of 2021 for the MCCD entrepreneurial development services. However, the terms of the agreement allowed for a possible increase in costs for the services should the demand support MCCD services. Staff is having conversations regarding the terms for the second year of the contract. Staff has allocated \$20,000 to facilitate this contract anticipating an increase to the original \$15,000 cost. If the costs come in below the \$20,000 estimate, staff will allocate the additional funds to other programs.

The consultant service contract with the Riverwalk Market Fair also comes from this line item. In 2020, the EDA extended the contract with the Riverwalk Market Fair for two years. The EDA adjusted the 2022 contract fees resulting in \$15,000 for a base fee with the potential for an additional \$5,000 if the Market Fair matches revenues. With the current contract expiring at the end of 2022, Staff will be negotiating a new contract prior to the end of this year. Staff has budgeted a cost estimate of \$20,000 for a new Riverwalk Market Fair Contract.

The 2023 EDA preliminary budget for Fund 292, line item partnership programs, includes \$20,000 for the MMCD as well as \$20,000 for the River Walk Market Fair for a total of \$40,000.

Micro Grant Program: With minimal activity in the Micro-Grant program for 2022, staff recommends allocating \$15,000 for the Micro-Grant program.

Other Projects: This line item in Fund 290 is for EDA work plan initiatives and other new projects that will be included in the strategic plan. The preliminary 2023 EDA budget for Fund 290 includes \$95,514.

The EDA established a Riverfront Enhancement Grant Program that will be piloted over the course of three years at \$50,000 per year. Staff has budgeted \$50,000 to continue this programming.

The EDA Board also gave direction to staff during the June EDA retreat to explore possible property acquisition. Staff has estimated \$25,000 to fund this exploration. Additionally, the EDA encouraged staff to review opportunities for greater business engagement through a designated program. Staff reviewed the possible programming through the University of Minnesota Extension Office. The “Connecting Business and Community” program through the U of M extension could cost up to \$15,000. See the attached info sheet for more details. Staff recommends budgeting \$15,000 for this program through the “Other Projects” line item.