



ECONOMIC DEVELOPMENT AUTHORITY

AGENDA SECTION	BUSINESS ITEMS
MEETING DATE	SEPTEMBER 7, 2021

ITEM:	Adoption of the 2022 Budget and Authorization of the EDA and HRA Levies	
DEPARTMENT:	Community Development	BY/DATE: Aaron Chirpich – 9/01/2021

BACKGROUND:

In late August, the proposed budget for the 2022 fiscal year was distributed to the City Council. Before the City Council completes their final review of the proposed budget later this fall, the Columbia Heights Economic Development Authority (the “EDA”) and the Housing and Redevelopment Authority in and for the City of Columbia Heights (the “HRA”) are required to adopt fund budgets for Fund 204: EDA Administration and Fund 408: EDA Redevelopment Projects; and to authorize their respective 2021 tax levies, payable in 2022.

The EDA effectively has two separate tax levies after the City Council granted the EDA certain HRA powers in 1996. One tax levy is administered by the City under Minnesota Statutes, Section 469.107 on behalf of the EDA (the “EDA Levy”) and the other is a special benefit tax levy administered by the EDA under Minnesota Statutes, Section 469.033 on behalf of the HRA (the “HRA Levy”). The proposed fund budgets reflect total levy amounts that are within the statutory limits. For 2022, the EDA Levy would capture \$255,500 from the City’s estimated market land value; whereas the HRA Levy would net \$310,000. When combined, both levies result in total net revenue of \$565,500.

The proposed 2022 fund budgets are dedicated to maintaining existing projects and initiatives, as well as allocating funds for programs that reflect the priorities of the EDA, such as the Commercial Revitalization Project and the Façade Improvement Grant Program. It is worth noting that the proposed 2022 budget for Fund 408 includes a 24% levy increase, which represents an increase of \$60,000 from 2021. This increase was discussed with the EDA at the August 2nd, 2021 meeting, and supported by all members present. The Fund 408 budget does not reflect a direct allocation of the additional \$60,000. At the August 2nd meeting, the EDA board directed staff to pursue the levy increase for the 2022 budget and were comfortable leaving decisions on how to allocate the additional funding later in the year. The table below reflects an overview of both fund budgets. For more detail, please refer to the attached summary budgets.

Fund	Revenue	Expense
204 – EDA Administration	\$255,500	\$250,028
408 – Redevelopment Projects	\$310,000	\$250,000
Increase (Decrease) to Fund Balance		\$65,472
Total Including Interfund Transfers	\$565,500	\$565,500

RECOMMENDED MOTION(S):

MOTION: Move to waive the reading of Resolution 2021-14, there being ample copies available to the public.

MOTION: Move to adopt Resolution 2021-14, a resolution of the Columbia Heights Economic Development Authority, adopting a budget for the fiscal year of 2022 and setting the 2021 tax levy, payable in 2022.

MOTION: Move to waive the reading of Resolution 2021-15, there being ample copies available to the public.

MOTION: Move to adopt Resolution 2021-15, a resolution of the Columbia Heights Economic Development Authority, adopting a budget for the fiscal year of 2022 and authorizing a special benefit tax levy, payable in 2022.

ATTACHMENT(S):

- Resolution 2021-14
- Resolution 2021-15
- Fund 204: EDA Administration Budget Summary
- Fund 408: EDA Redevelopment Project Budget Summary