



**ECONOMIC DEVELOPMENT AUTHORITY**

<b>AGENDA SECTION</b>	<b>BUSINESS ITEMS</b>
<b>MEETING DATE</b>	09/02/2025

<b>ITEM:</b>	<b>2026 EDA Budget Approval.</b>		
<b>DEPARTMENT:</b>	Community Development	<b>BY/DATE:</b>	Mitchell Forney, 8-12-25
<b>CORE CITY STRATEGIES:</b>	<p><input checked="" type="checkbox"/> Community that Grows with Purpose and Equity    <input type="checkbox"/> Engaged, Effective and Forward-Thinking</p> <p><input type="checkbox"/> High Quality Public Spaces    <input checked="" type="checkbox"/> Resilient and Prosperous Economy</p> <p><input type="checkbox"/> Safe, Accessible and Built for Everyone    <input type="checkbox"/> Inclusive and Connected Community</p>		

**BACKGROUND**

In September, the proposed budget for the 2026 fiscal year will be distributed to the City Council. Before the City Council completes its final review of the proposed budget, the Columbia Heights Economic Development Authority (“EDA”) and the Housing and Redevelopment Authority in and for the City of Columbia Heights (“HRA”) are required to adopt fund budgets for Fund 204: EDA Administration and Fund 408: EDA Redevelopment Projects, and to authorize their respective 2025 tax levies, payable in 2026.

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 levels within the statutory limits.

	<b>2025</b>	<b>2026</b>
<b>204 Budgeted</b>	\$ 375,000	\$ 413,900
<b>204 Budgeted Expenditures</b>	\$ 309,000	\$ 333,900
<b>204 Transfer to 408</b>	\$ 65,000	\$ 80,000
<b>408 Budgeted</b>	\$ 425,000	\$ 420,000
<b>408 With Transferred funds</b>	\$ 490,000	\$ 500,000
<b>408 Budgeted Expenditures</b>	\$ 490,000	\$ 500,000
<b>204 &amp; 408 Combined Total</b>	\$ 800,000	\$ 833,900

Above is a chart showing the differences between the budget of 2025 and staff’s proposed budget for 2026. As the Authority can see there is an increase in budgeted amount for 204. This is attributed to the loss of funds in the 408 HRA Levy, and the increase in operating costs for staff time and EDA administrative costs. The increase in EDA administrative costs is better exemplified by the change in 204 Budgeted Expenditures column as it removes the transfer out to 408. The budgeted 408 fund has a \$5,000 decrease due to the fact that the City’s market value has decreased since last year, reducing the amount the EDA can levy via the HRA levy. The last item of note is the \$10,000 increase in funding and expenditures in 408. Staff’s budget recommendation,

shown below, is the same as last year but with the addition of \$10,000 in funds for the administration costs of the Naturally Occurring Affordable Housing Loan Program.

Use	Amount
Façade Improvement	\$ 80,000
Fire Suppression	\$ 100,000
Revitalization	\$ 300,000
NOAH Loan Admin Costs	\$ 10,000
Business Art Program/Public Art Initiative	\$ 10,000
Total	\$ 500,000

Ultimately, staff’s proposal results in a 9.3% increase in the EDA Levy and a 1.2 % decrease in the HRA levy. Similar to the process followed last year, any increase the EDA levy must follow the public hearing and approval process identified in MN Statutes section 469.107 (attached).

**STAFF RECOMMENDATION**

Staff’s recommendation is reflected in the attached resolutions. If, after further discussion, the EDA would like to alter the amount on the budget resolutions, amendment motions can be made at the meeting. The other remaining documents cover the breakdown of which priorities the levied funds are attributed to. For more detail, please refer to the attached summary budgets.

<p><b>RECOMMENDED MOTION(S):</b></p> <p><b>MOTION:</b> Move to waive the reading of Resolution 2025-22 and 2025-23, there being ample copies available to the public.</p> <p><b>MOTION:</b> Move to adopt Resolution 2025-22, a resolution of the Columbia Heights Economic Development Authority, adopting a budget for the fiscal year of 2026 and setting the 2025 tax levy, payable in 2026.</p> <p><b>MOTION:</b> Move to adopt Resolution 2025-23, a resolution of the Columbia Heights Economic Development Authority, adopting a budget for the fiscal year of 2026 and authorizing a special benefit tax levy, payable in 2026.</p>
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**ATTACHMENT(S)**

1. Levy Calculations Chart
2. Resolution 2025-22
3. Resolution 2025-23
4. MN Statutes section 469.107
5. Budget Summaries