



NEW PRAGUE ECONOMIC DEVELOPMENT AUTHORITY (EDA)

“2023 Summary Report on EDA Activities and Community Economic Indicators”

March 13, 2024

OUR MISSION IS TO PROMOTE AND FACILITATE ECONOMIC DEVELOPMENT IN THE NEW PRAGUE AREA:

- * Strengthen existing businesses and non-profits *
- * Create an environment conducive to new economic development *
- * Create long term funding strategy *

EDA BOARD

Brent Quast, President
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Eric Krogman, Secretary
Nick Slavik
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Duane Jirik, Mayor
Bruce Wolf, Councilmember

EDA STAFF

Joshua M. Tetzlaff, City Administrator and Executive Director
Ken Ondich, Planning/Community Development Director

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Business Retention & Expansion Program

2023 continued the City's second phase of the Business Retention & Expansion Program (BR&E), which was to revisit businesses that had previously been met with to be updated on their operations. These second-round visits helped City officials continue foster relationships with the business community. As the community continues to grow, these relationships will be vital to ensuring the EDA and the City are aware of challenges being faced by local businesses and fostering a system that will allow the EDA and the City to assist businesses where they are able.

In 2023, EDA officials and City staff members visited six businesses, touring facilities, meeting workers, and speaking with business representatives to get a pulse on the business community. Below is a list of businesses visited in 2023 along with the EDA representatives who were present.

- Nick Slavik Painting – March 23
 - Troy Pint, Eric Krogman, Joshua Tetzlaff, Ken Ondich, Jo Foust, Michael Werneke,
- Mayo Health Systems – May 31
 - Troy Pint, Jo Foust, Michael Werneke
- El Tequilla – May 31
 - Troy Pint, Ken Ondich, Jo Foust, Michael Werneke
- Minnwest Bank – June 14
 - Ken Ondich, Jo Foust, Michael Werneke
- First Bank & Trust – June 26
 - Joshua Tetzlaff, Ken Ondich, Jo Foust, Michael Werneke
- CVF Racing (Online) – August 4
 - Joshua Tetzlaff, Ken Ondich, Jo Foust, DEED Representatives, GreaterMSP Representatives

Business retention and expansion continues to be identified as a priority for the EDA as studies indicate that over 70% of new job growth results from existing businesses. In addition, existing businesses have a stake in the community, invest in local efforts and organizations, and have valuable input on future needs of the city.

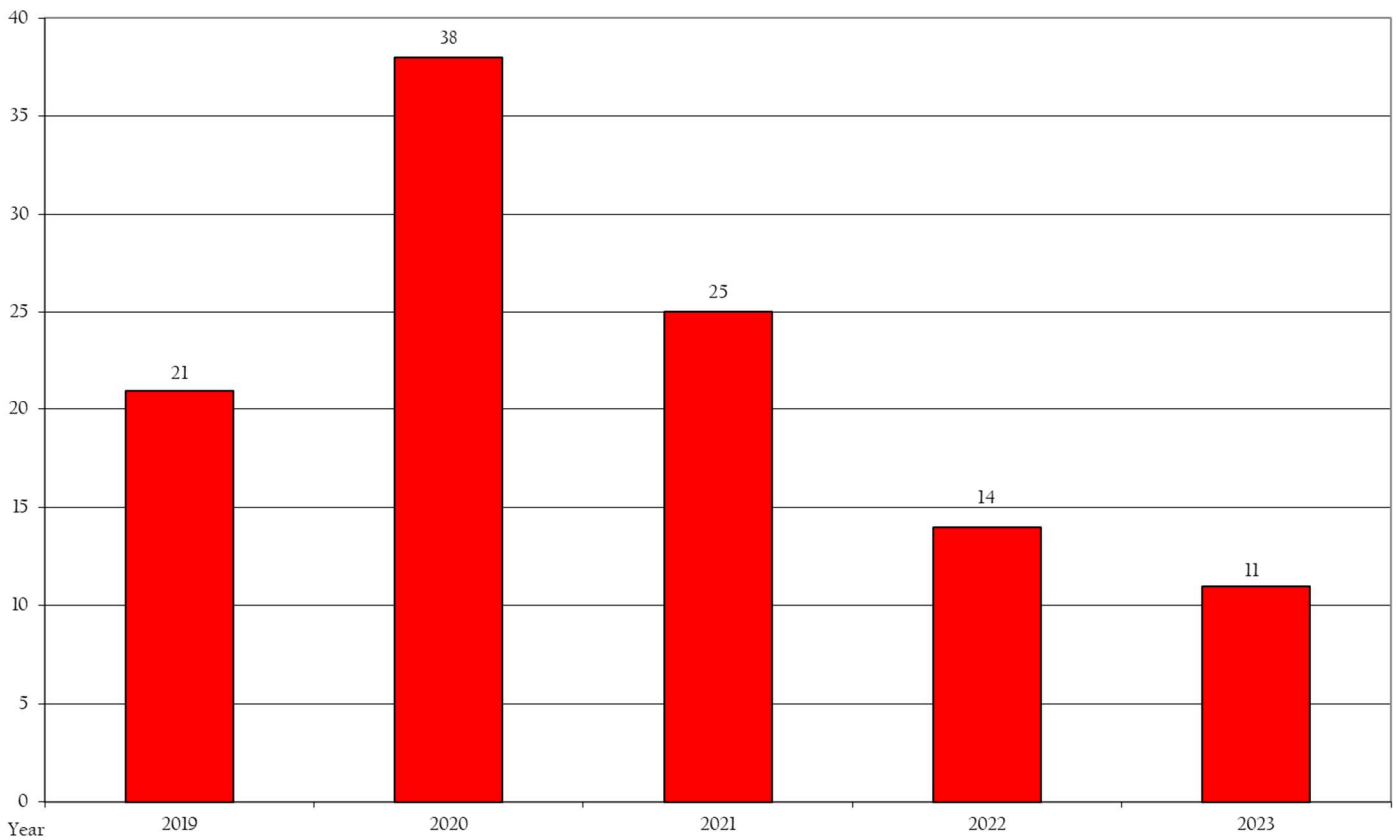
The EDA plans to continue its BR&E program in 2024, as the business climate continues to evolve and new businesses are welcomed into our community. Should any business wish to arrange or visit or speak with an EDA official, please reach out to Joshua Tetzlaff, EDA Executive Director, at jtetzlaff@ci.new-prague.mn.us.

Construction Activity in New Prague

As the City moved into 2023, the construction climate seemed to have shifted back to a high demand for activity. The problem many builders faced throughout 2022 though was supply chain issues that made product either difficult or expensive to obtain. That being said, we did see some building in New Prague. In the residential area, permits for new homes overall were down from 2022. This is likely attributed to both the high cost of building as well as the lack of availability, as available lots in New Prague are under 50 total. New Prague did not see any multi-family permits this past year.

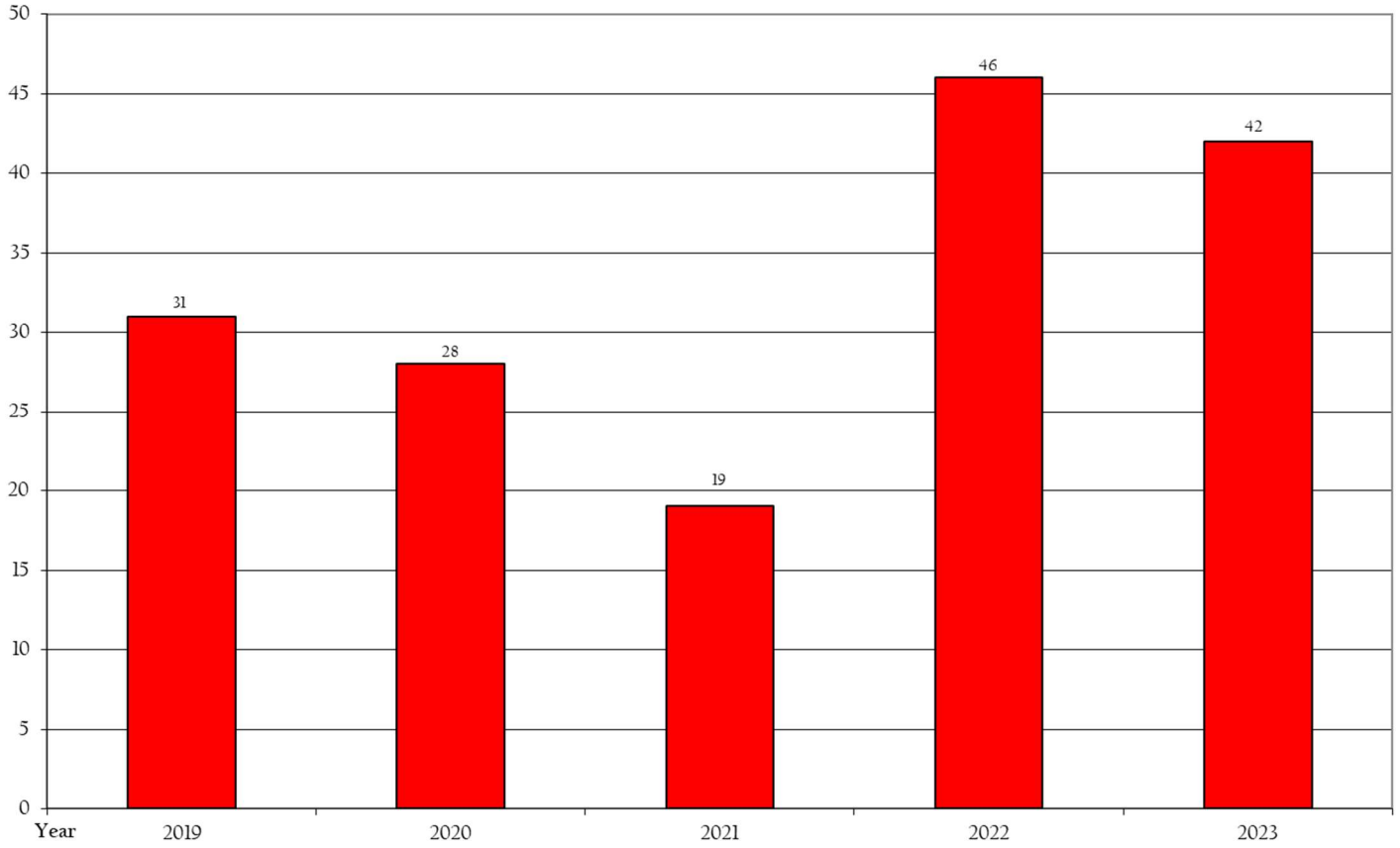
The below graph shows the residential building permits pulled for new home construction.

Single Family Home Permits
5 Year (2019 - 2023)



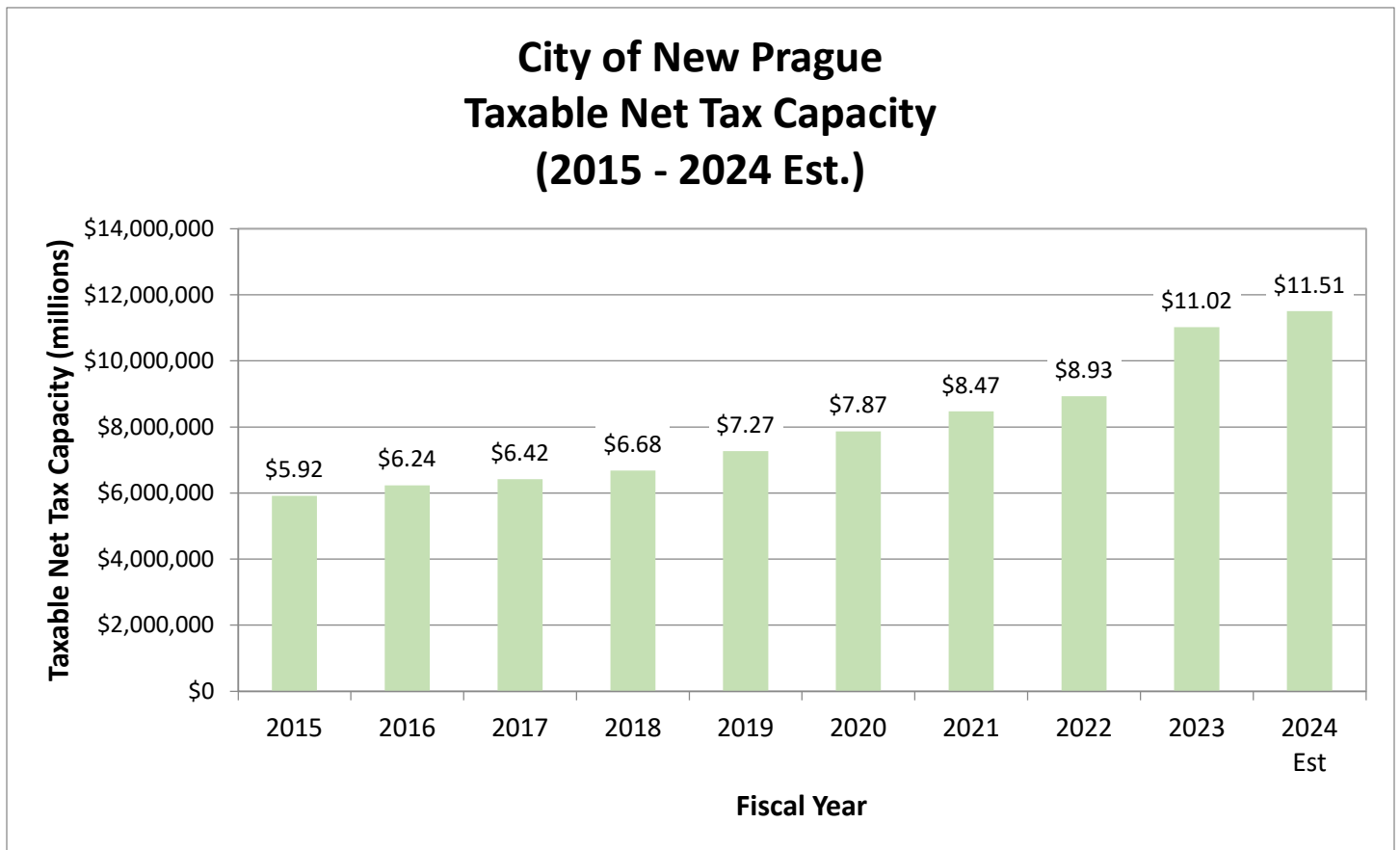
For commercial and industrial permits, work was similar to previous years. These permits include both new construction and remodeling existing construction. The permits for the past year included expansion of local industrial businesses, tenant finishes in existing buildings, and new construction for others.

Commercial / Industrial Permits 5 Year (2019 - 2023)



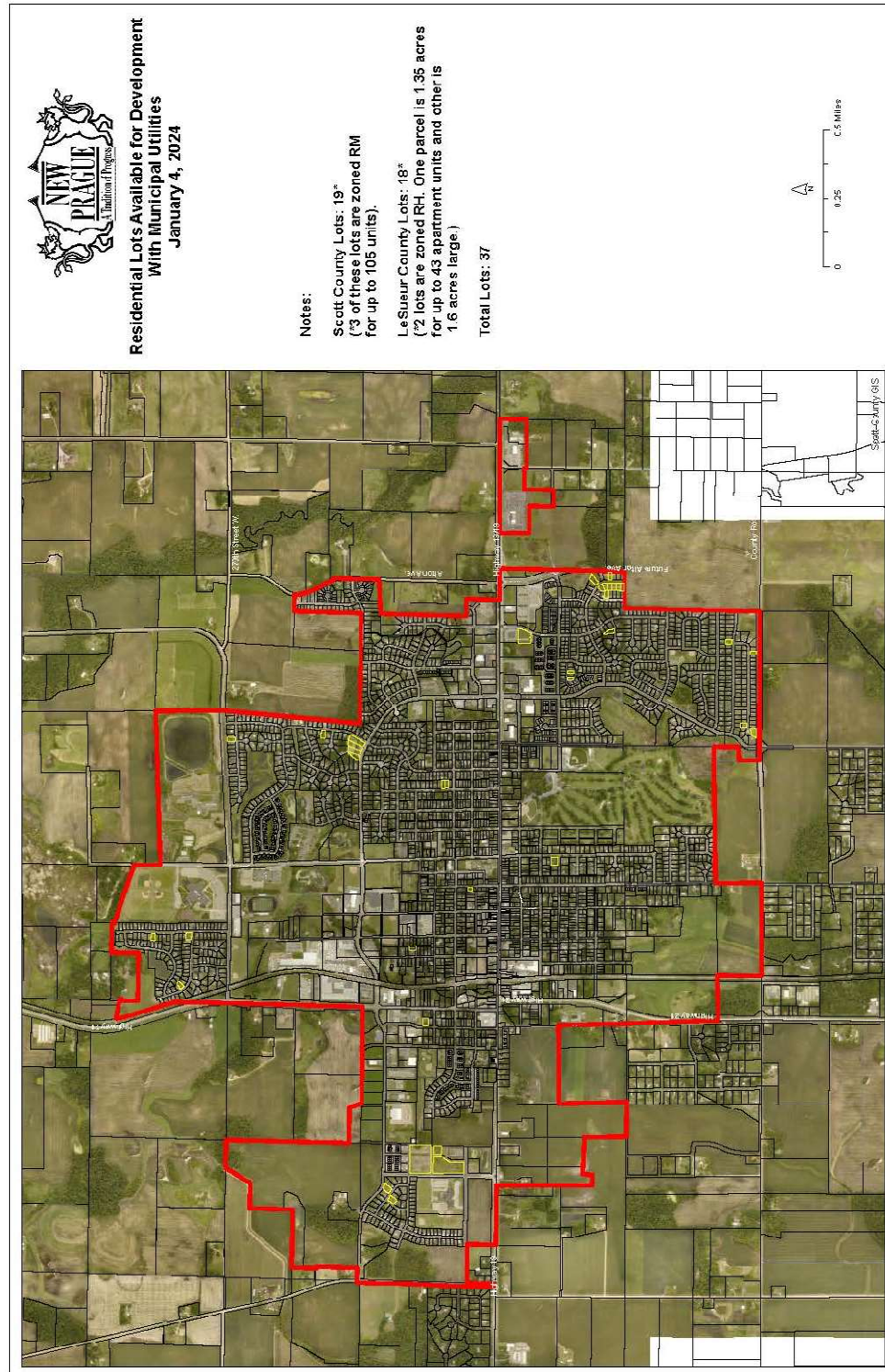
As can be seen in the graph below, the Net Tax Capacity for the City of New Prague has continued to grow since 2015. Coming out of 2022, New Prague, and the state as a whole, saw upwards of 20% tax capacity rates. Much of this was driven by increases in the values set for residential properties, at least in New Prague. 2023 saw a much more subdued increase overall.

Net tax capacity is determined by multiplying a property's taxable market value by the relevant class rate. Class rates are set by statute, vary by property type, and are uniform statewide. Growth in net tax capacity is due to both new construction within New Prague as well as rising property values.

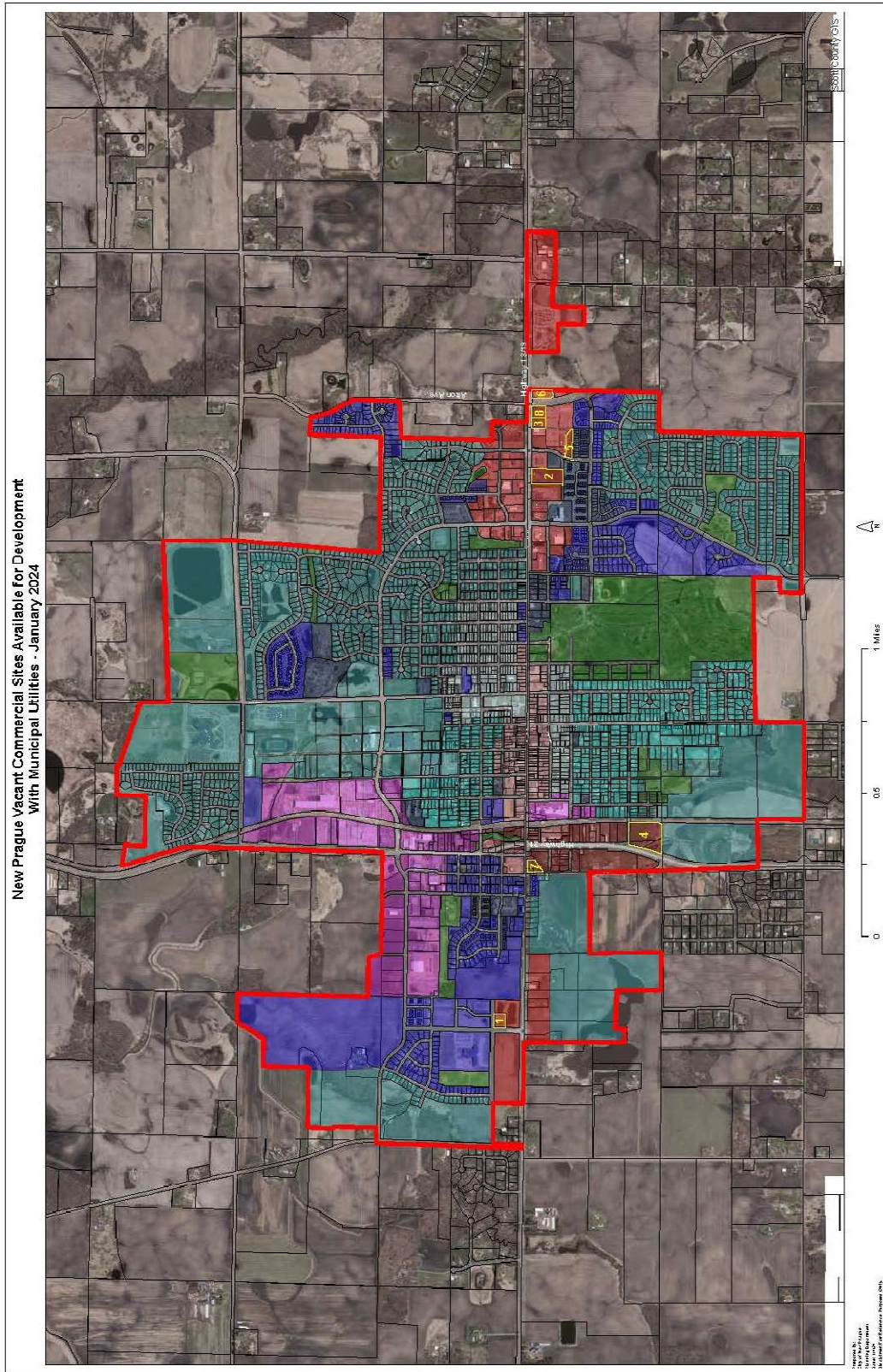


Remaining Buildable Lots in New Prague

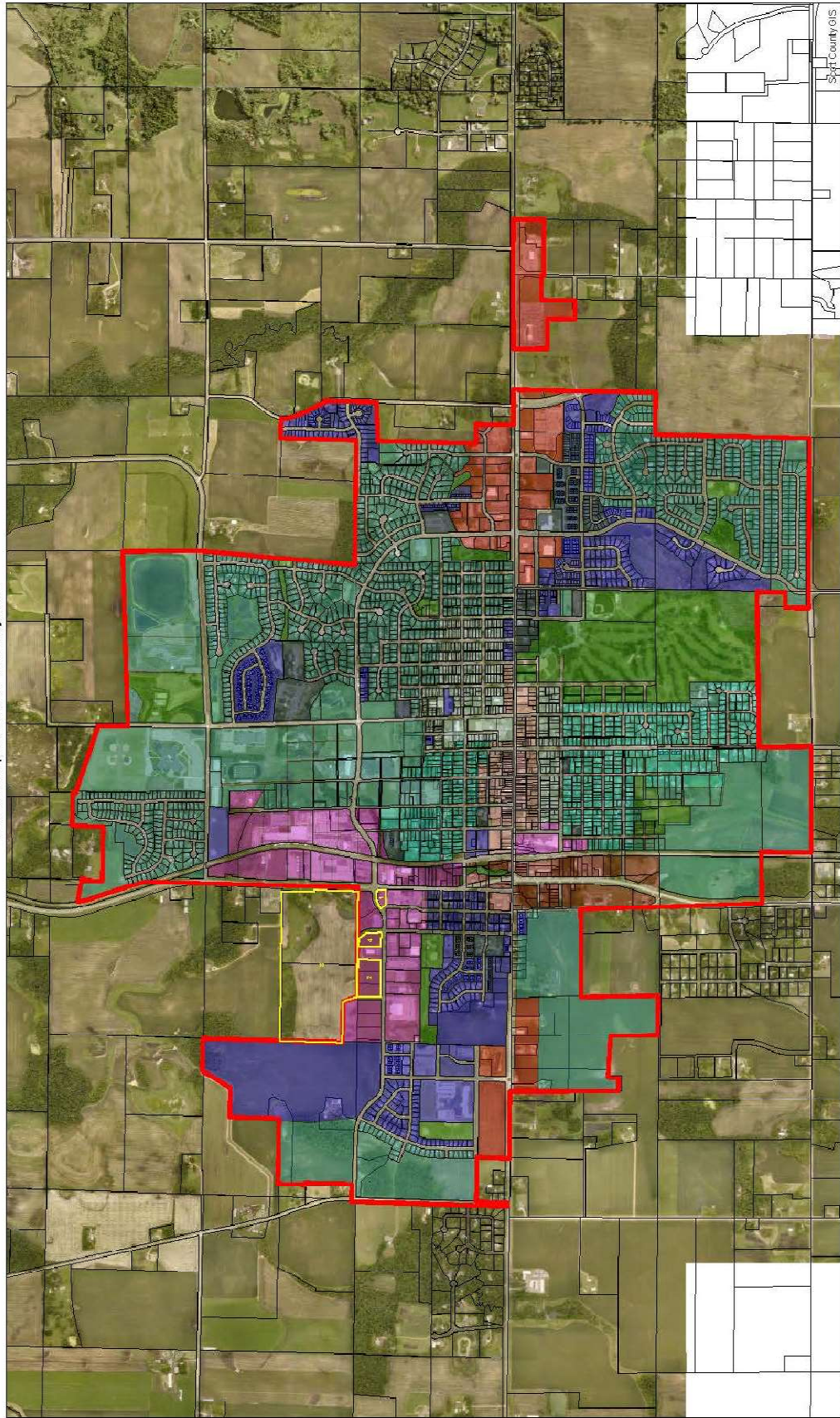
With all the construction activity, there are still buildable lots in New Prague, though they are dwindling. Some of the lots that are considered buildable are not actively being marketed. Some common reasons may be that an owner is waiting to build in the future or an owner is not interested in building on the lot. In total, there were 38 vacant residential lots in New Prague at the end of 2023 that would be able to have a house built on them.



On the commercial/industrial side, there are 11 lots that were available in City limits at the end of 2023. The following maps show the buildable lots for commercial and industrial properties in town.



**New Prague Vacant Industrial Sites Available for Development
With Municipal Utilities - January 2024**



Prepared by:
City of New Prague
1111 1st Street
New Prague, IL 61352
For details, see reference: Engineers Only

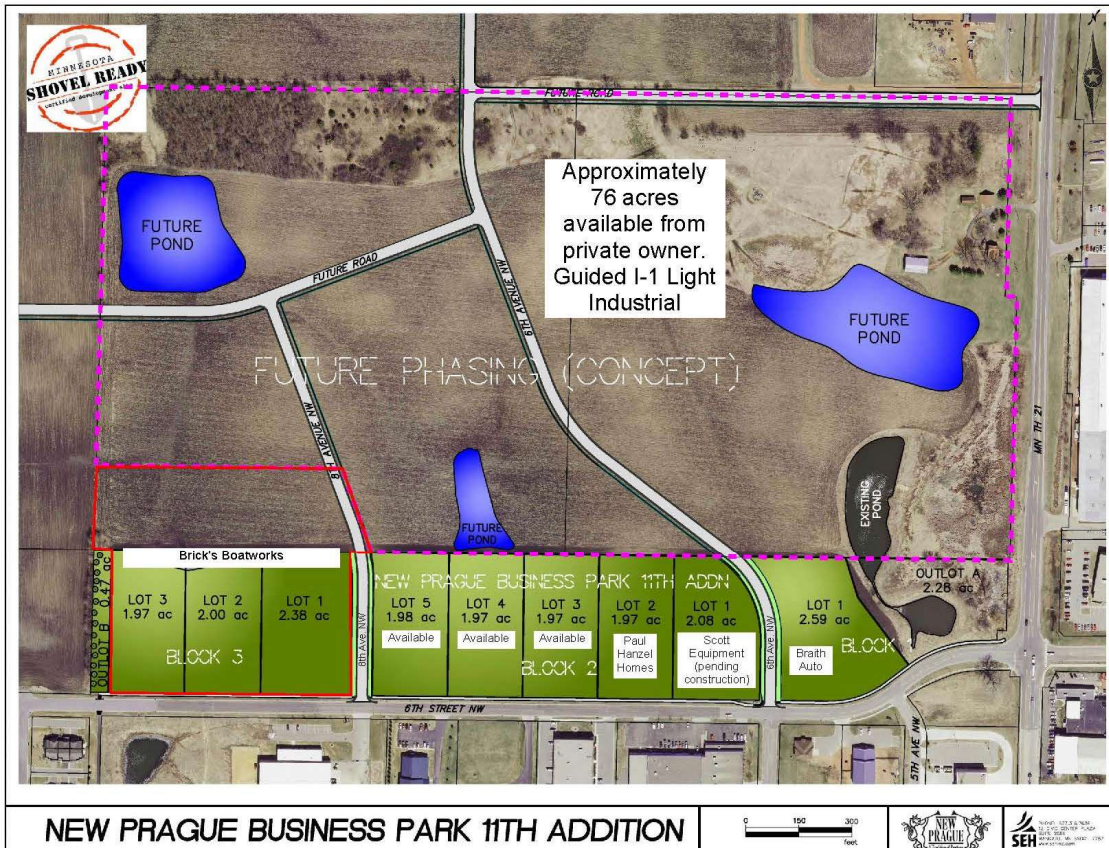
Industrial Park

The EDA has had seven lots available for purchase for a number of years in the Industrial Park on the west side of town. In Q4 2022, the City received letters from three businesses who had intentions to purchase all seven lots. The EDA ended up closing on four of those seven in 2023, while once again actively marketing the remaining three. While interest remains in the three lots, the current business climate with higher interest rates that has been seen over the last fifteen years is a common reason the City has heard for businesses not purchasing the remaining lots.

INDUSTRIAL LAND FOR SALE

New Prague Industrial Park

List Price: \$2.00 sq. ft.



The City of New Prague has approximately 6 acres available for purchase in the newest phase of the City's industrial park! Lot sizes can be customized to fit your business needs. Be under construction immediately!

PROPERTY FEATURES

- Three Shovel Ready Certified Sites
- Light Industrial lots just under 2 acres each
- City incentives available for qualifying businesses
- Suitable uses include manufacturing, auto repair, warehouses, breweries, distilleries, data centers and research facilities just to name a few

FOR ADDITIONAL INFORMATION, VISIT WWW.CI.NEW-PRAGUE.MN.US

OR CONTACT:

Joshua Tetzlaff
City Administrator
952-758-4401
jtetzlaff@ci.new-prague.mn.us

Ken Ondich
Planning / Community Development Director
952-758-4401
kondich@ci.new-prague.mn.us

End of Year EDA Financials

2023 End of Year EDA Income Statement

EDA					
Account	Account Code Description	2023 CURRENT Budget	Current Period	Year to Date Thru 12/31/2023	Budget Balance
680-3-0000-31010	CURRENT PROPERTY TAXES	\$ 75,000.00	\$ 22,495.43	\$ 74,634.96	\$ 365.04
680-3-0000-31020	DELINQUENT PROPERTY TAXES	\$ -	\$ 13.61	\$ 17.75	\$ (17.75)
680-3-0000-36210	INTEREST INCOME	\$ 250.00	\$ 4,805.28	\$ 12,974.81	\$ (12,724.81)
	TOTAL OPERATING REVENUE	\$ 75,250.00	\$ 38,533.20	\$ 98,846.40	\$ (23,596.40)
680-4-4650-101	WAGES FULL-TIME	\$ 38,412.00	\$ 3,728.10	\$ 37,180.22	\$ 1,231.78
680-4-4650-103	WAGES PART-TIME	\$ -	\$ -	\$ -	\$ -
680-4-4650-113	EMPLOYEE BENEFITS	\$ 41.00	\$ -	\$ -	\$ 41.00
680-4-4650-121	EMPLOYER CONT. PERA	\$ 3,246.00	\$ 223.72	\$ 2,782.62	\$ 463.38
680-4-4650-122	EMPLOYER CONT. F I C A	\$ 3,311.00	\$ 225.02	\$ 2,776.81	\$ 534.19
680-4-4650-129	GERF CHANGE	\$ -	\$ -	\$ -	\$ -
680-4-4650-131	HEALTH INSURANCE	\$ 9,377.00	\$ 131.20	\$ 3,255.04	\$ 6,121.96
680-4-4650-132	DENTAL INSURANCE	\$ 965.00	\$ -	\$ 267.83	\$ 697.17
680-4-4650-133	LIFE & S-T DISABILITY INS.	\$ 49.00	\$ -	\$ 117.62	\$ (68.62)
680-4-4650-151	WORKER'S COMPENSATION INS.	\$ 207.00	\$ -	\$ 266.48	\$ (59.48)
680-4-4650-200	SUPPLIES	\$ 500.00	\$ -	\$ 23.28	\$ 476.72
680-4-4650-220	REPAIRS & MAINT. SUPPLIES	\$ 500.00	\$ -	\$ -	\$ 500.00
680-4-4650-301	AUDIT	\$ 521.00	\$ 157.62	\$ 674.57	\$ (153.57)
680-4-4650-305	CIVIL LEGAL FEES	\$ 3,000.00	\$ -	\$ 17,887.34	\$ (14,887.34)
680-4-4650-310	PROFESSIONAL SERVICES	\$ 1,500.00	\$ -	\$ -	\$ 1,500.00
680-4-4650-320	POSTAGE	\$ 200.00	\$ 12.81	\$ 157.36	\$ 42.64
680-4-4650-322	COMPUTER COMM/MAINT	\$ -	\$ -	\$ 32.60	\$ (32.60)
680-4-4650-330	TRAVEL, CONF, MILEAGE ALLOW.	\$ 300.00	\$ -	\$ 41.40	\$ 258.60
680-4-4650-340	ADVERTISING & PUBLICATIONS	\$ 1,200.00	\$ -	\$ 368.00	\$ 832.00
680-4-4650-369	INSURANCES	\$ 225.00	\$ 9.30	\$ 2,490.20	\$ (2,265.20)
680-4-4650-433	DUES & SUBSCRIPTIONS	\$ 305.00	\$ -	\$ -	\$ 305.00
680-4-4650-441	SPECIAL PROJECTS	\$ 6,391.00	\$ -	\$ -	\$ 6,391.00
680-4-4650-490	DONATION OTHER CIVIC ORG.	\$ -	\$ -	\$ 500.00	\$ (500.00)
680-4-4650-720	TRANSFER-OUT	\$ 5,000.00	\$ 2,083.35	\$ 5,000.00	\$ -
680-4-4650-905	DEBT PAYMENT	\$ -	\$ -	\$ -	\$ -
	TOTAL OPERATING EXPENSES	\$ 75,250.00	\$ 6,571.12	\$ 73,821.37	\$ 1,428.63

EDA Industrial Park					
Account	Account Code Description	2023 CURRENT Budget	Current Period	Year to Date	Budget Balance
681-3-0000-36210	INTEREST INCOME	\$ -	\$ 2,280.00	\$ 5,886.74	\$ (5,886.74)
	TOTAL OPERATING REVENUE	\$ -	\$ 2,280.00	\$ 5,886.74	\$ (5,886.74)
681-4-4650-303	ENGINEERING FEES	\$ -	\$ 62,601.78	\$ 62,759.78	\$ (62,759.78)
681-4-4650-420	DEPRECIATION EXPENSE	\$ 1,773.00	\$ 147.79	\$ 1,773.48	\$ (0.48)
681-4-4650-500	CAPITAL PROJECTS	\$ 988,000.00	\$ 598,833.58	\$ 598,833.58	\$ 389,166.42
	TOTAL OPERATING EXPENSES	\$ 989,773.00	\$ 661,583.15	\$ 663,366.84	\$ 326,406.16

End of Year EDA Balance Sheet

		EDA	
		2022	2023
		YTD BALANCE	CURRENT YTD BALANCE
		12/31/2022	
ASSETS			
680-10101	CLAIM ON CASH	\$ 158,883.98	\$ 162,134.01
680-10120	MONEY MARKET-FIRST BK & TRUST	\$ 25,571.98	\$ 25,648.59
680-10125	MONEY MARKET-4M	\$ 235,838.94	\$ 244,464.89
680-15501	PREPAID OTHER	\$ 7.64	\$ -
680-15696	DEFERRED OUTFLOW - OPEB	\$ 147.00	\$ 147.00
680-15699	GERF DEFERRED OUTFLOW	\$ 5,912.00	\$ 5,912.00
	TOTAL ASSETS	\$ 426,361.54	\$ 438,306.49
LIABILITIES			
680-20210	ACCOUNTS PAYABLE	\$ 1,931.90	\$ 157.62
680-21711	ACCRUED PAYROLL INS DEDUCT	\$ 1.06	\$ -
680-21717	OPEB LIABILITY	\$ 554.00	\$ 554.00
680-22296	OPEB DEFERRED INFLOW	\$ 142.00	\$ 142.00
680-22299	GERF DEFERRED INFLOW	\$ 296.00	\$ 296.00
680-23999	GERF PENSION LIABILITY	\$ 19,266.00	\$ 19,266.00
	TOTAL LIABILITIES	\$ 22,190.96	\$ 20,415.62
	RETAINED EARNINGS	\$ 404,170.58	\$ 417,890.87
	TOTAL LIABILITIES & FUND EQUITY	\$ 426,361.54	\$ 438,306.49

		EDA Industrial Park	
		2022	2023
		YTD BALANCE	CURRENT YTD BALANCE
CURRENT ASSETS			
681-10101	CLAIM ON CASH	\$ 37,668.24	\$ 77,838.43
681-10120	MONEY MARKET-FIRST BK & TRUST	\$ 12,786.27	\$ 12,824.88
681-10125	MONEY MARKET-4M	\$ 104,078.42	\$ 107,881.98
	TOTAL CURRENT ASSETS	\$ 154,532.93	\$ 198,545.29
NON CURRENT ASSETS			
681-16100	LAND	\$ 1,100,344.36	\$ 400,625.38
681-16300	INFRASTRUCTURE	\$ 88,675.68	\$ 88,675.68
681-16310	ACCUM. DEPRECIATION-INFRASTR	\$ (10,765.53)	\$ (12,539.01)
	TOTAL NON CURRENT ASSETS	\$ 1,178,254.51	\$ 476,762.05
	TOTAL ASSETS	\$ 1,332,787.44	\$ 675,307.34
LIABILITIES			
681-20210	ACCOUNTS PAYABLE	\$ -	\$ -
	TOTAL LIABILITIES	\$ -	\$ -
	RETAINED EARNINGS	\$ 1,332,787.44	\$ 675,307.34
	TOTAL LIABILITIES & FUND EQUITY	\$ 1,332,787.44	\$ 675,307.34