



COUNTY OF BECKER

ECONOMIC DEVELOPMENT AUTHORITY

SPECIAL MEETING AGENDA

Becker County
915 Lake Avenue
Detroit Lakes, MN 56501

Friday December 1st, 2023

Time – 8:00 am

3rd Floor Meeting Room Courthouse

*THE BECKER COUNTY EDA WILL ENHANCE THE QUALITY OF LIFE BY PROMOTING
AND DEVELOPING HOUSING & ECONOMIC OPPORTUNITIES*

SPECIAL MEETING AGENDA

- I. CALL EDA SPECIAL MEETING TO ORDER
- II. MMCDC MANAGEMENT SERVICES CONTRACT PROPOSAL
- III. ADJOURN

November 28, 2023

To: Becker County EDA Board

From: Julia Nelmark

Re: MMCDC Revised Proposal to Administer Becker County EDA Housing Program

Thank you for the open discussion November 16th about our proposal to administer the Becker County EDA Housing Program. It was helpful for us to better understand your perspectives so that we can work to address concerns. After considering the needs and concerns voiced at the meeting, as well as those of our staff and resources, we have revised our proposal as discussed below.

As detailed in our letter dated November 16, 2023, we have approximately two FTEs serving tenants, and providing administrative and compliance work. While the EDA pays our contract throughout the year, it recoups costs in two ways: through the EDA levy, and through receipt of administrative expenses from each property.

Based on actual and projected numbers, we estimate that the EDA will have 2024 **expenses** of roughly **\$312,000** (includes audit and governmental costs, software and insurance fees, employee costs, and MMCDC contract).

Including the levy of \$160,000 and estimated admin fee revenues of \$135,000 – 140,000, we estimate **income** conservatively at **\$295,000**.

At the request of the EDA Board and to avoid the need to dip into cash reserves, with a three-year contract as discussed, MMCDC will **defer \$22,000 of our 2024 fee into 2025**, with the following stipulations:

- The contract is not cancellable in the first 12 months unless evidence of fraud, gross negligence or material mismanagement on the part of MMCDC is documented;
- Upon early termination of the contract during the remaining two years, any remaining portion of the deferred fee not yet paid to MMCDC will be paid;
- The 2024 fee for a 3-year contract will be \$222,000 to cover the cost of deferred funds.
- The 2025 fee will remain at \$231,000 if paid during that year, in addition to the deferred fee of \$22,000, and the 2026 fee will remain at \$243,000.



If this is acceptable, please sign below, and we will work jointly towards finalizing the contract.

You can reach me at jnelmark@mmcdc.com or by phone at (218) 844-7019 if you have additional questions, or Laura McKnight at lmcknight@mmcdcc.com or by phone at (218) 844-7064.

Regards,



Julia Nelmark
President, MMCDC

Accepted by:

By: _____

Title: _____

Date: _____