

Economic Development Scenario Analysis

City of Grand Forks, ND
August 4th, 2025



Economic Development Projections

- Fund 2163 Funded by Portion of Original 1% Sales Tax

	Current	Proposed Mayor's Budget	Change
General Fund	51.5%	53.0%	+1.5%
Infrastructure (4815)	30.0%	31.5%	+1.5%
Economic Development (2163)	18.5%	15.5%	-3.0%

- 2026 Projected Sales Tax of \$2.27M for Economic Development
- Sales Tax Growth

Historic Average (Since 1997): 3.91%

Last 5-Year Average (Since 2020): 7.29%

Economic Development Projections

- 2026 Mayor's Budget Includes Funding the Following:

Civic Property Management	\$328,979
Air Base Retention	\$100,000
Grand Forks EDC	\$250,000
Beautification – Annual Exp/Use of Reserve	\$71,400
Special Services – PD Overtime for Events	\$70,000
Children's Museum	\$400,000 (Year 2 of 10)*
Beacon Public Plaza (Earmark)	\$1,150,752
SIG Projects & Special Assessments	\$391,103
Transfers to JDA & Parking	\$250,000
Strategic Initiatives	\$300,000
TOTAL EXPENSES – 2026 Mayor's Budget	\$3,312,234

- Does Not Include Funding for Human Needs, Arts, Special Events

*\$5,900,000 Previously Set Aside for Children's Museum

Economic Development Projections

- **Mayor’s Baseline Results in 2035 Ending Cash Balance of \$5.9M**
 - Based on Sales Tax Growth of 3% Annually
 - Includes \$10M to Children’s Museum over 10 Years
 - Grand Forks EDC/Airbase Retention Held Flat (At 2026 Budgeted Levels)
 - Lowered Beautification to \$75,000 annually beginning in 2031
 - Continued Transfers to JDA & Parking
 - Continued SIG Infrastructure Bond Payments/Special Assessment Payments
 - (ASC lower amount needed than previously shown)

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Ending Operating Cash Balance	\$3.3M	\$3.2M	\$3.3M	\$3.4M	\$3.4M	\$3.7M	\$4.0M	\$4.4M	\$4.9M	\$5.9M

- **Financially Sustainable**

*Does not include Reserve Cash

Economic Development Projections

Alternative Scenario 1

- Mayor's Baseline
- Adds in 1 year of Human Needs and Arts Funding at \$159,135 Each
- \$650K BMX Contribution with \$100K Repayment (Over 10 Years)
- Greenway Downtown Project – Repayment to 4154 (Over 20 Years)

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Ending Operating Cash Balance	\$2.9M	\$2.7M	\$2.6M	\$2.5M	\$2.3M	\$2.4M	\$2.5M	\$2.7M	\$3M	\$3.7M

- Financially Sustainable

*Does not include Reserve Cash

Economic Development Projections

Alternative Scenario 2

- Mayor's Baseline + Alternative Scenario 1
- Adds in Continual Human Needs and Arts Funding (\$159K/Yr. Each)
- Greenway Downtown Project – Repayment to 4154 (Over 30 Years)

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Ending Operating Cash Balance	\$2.9M	\$2.5M	\$2.1M	\$1.7M	\$1.2M	\$1M	\$0.8M	\$0.7M	\$0.7M	\$1.1M

- **Financially Feasible**

Cash Balance Below Recommended Levels

*Does not include Reserve Cash

Economic Development Projections

Alternative Scenario 3

- Mayor's Baseline + Alternative Scenario 1
- Removes Greenway Downtown Project Repayment
- Adds in \$2.5M in Children's Museum Contribution in 2027

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Ending Operating Cash Balance	\$2.9M	\$0.4M	\$0.4M	\$0.4M	\$0.4M	\$0.5M	\$0.8M	\$1.1M	\$1.5M	\$2.4M

- Financially Feasible

Cash Balance Below Recommended Levels

*Does not include Reserve Cash

Economic Development Projections

Alternative Scenario 4

- Mayor's Baseline + Alternative Scenario 3
- Adds in Ongoing Human Needs and Arts Funding

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Ending Operating Cash Balance	\$2.9M	\$92K	(\$273K)	(\$576K)	(\$963K)	(\$1.1M)	(\$1.3M)	(\$1.3M)	(\$1.3M)	(\$762K)

- Financially Not Feasible

*Does not include Reserve Cash

Economic Development Projections

Alternative Scenario 5

- Mayor's Baseline + Alternative Scenario 4
- Changes Assumption for Sales Tax Growth from 3% to 5%
 - Starting in 2027

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Ending Operating Cash Balance	\$2.9M	\$137K	(132K)	(\$283K)	(\$459K)	(\$364K)	(\$128K)	\$260K	\$812K	\$1.9M

- Remains Financially Unfeasible in Upcoming Years

*Does not include Reserve Cash