



**MINUTES**  
**SPECIAL ECONOMIC DEVELOPMENT AUTHORITY MEETING**  
February 16, 2017  
6:30 PM  
Room 170

Todd Larson, Chair; Geraldine Jolley, Vice-Chair  
Tim Pitcher, Steve Wilson, Hannah Simmons  
Jake Cordes, Steve Corraro

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. APPROVE AGENDA**
- 5. CITIZENS COMMENTS**
- 6. CITIZENS COMMENTS**
- 7. CONSENT AGENDA**
  - (a) Meeting Minutes (January 26, 2017 Regular Meeting)
  - (b) Monthly Financial Statements
- 8. PUBLIC HEARINGS**
- 9. DISCUSSION ITEMS**
  - (a) 2017 EDA Organizational Matters
  - (b) EDA Finance Discussion
  - (c) EDA Review and Orientation
  - (d) Open to Business Program 2017 Joint Powers Agreement
  - (e) February Director's Report
- 10. ADJOURN**



# City of Farmington

430 Third Street  
Farmington, Minnesota  
651.280.6800 - Fax 651.280.6899  
[www.ci.farmington.mn.us](http://www.ci.farmington.mn.us)

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**TO:** Economic Development Authority  
**FROM:** Adam Kienberger, Community Development Director  
**SUBJECT:** Meeting Minutes (January 26, 2017 Regular Meeting)  
**DATE:** February 16, 2017

## **INTRODUCTION/DISCUSSION**

Please find attached the draft meeting minutes from the January 26, 2017 Regular EDA Meeting.

## **ACTION REQUESTED**

### **ATTACHMENTS:**

Type	Description
▣ Backup Material	Meeting Minutes (1/26/17 Regular Meeting)

**MINUTES  
ECONOMIC DEVELOPMENT AUTHORITY  
Regular Meeting  
January 26, 2017**

**1. CALL TO ORDER**

The meeting was called to order by Chair Larson at 6:30 p.m.

Members Present: Larson, Pitcher, Cordes, Jolley, Simmons, Wilson

Members Absent: Corrado

Also Present: Adam Kienberger, Community Development Director

Audience: Councilmember Craig

**2. PLEDGE OF ALLEGIANCE**

**3. ROLL CALL**

**4. APPROVE AGENDA**

Community Development Director Kienberger added:

8d) Update on Riste Lot

8e) Update on Farmington Business Park Land Discussion

**MOTION** by Simmons, second by Jolley to approve the Agenda. **APIF, MOTION CARRIED.**

**5. CITIZEN COMMENTS/PRESENTATIONS**

**6. CONSENT AGENDA**

**MOTION** by Cordes, second by Pitcher to approve the Consent Agenda as follows:

a) Monthly Financial Statements

b) Approved Meeting Minutes (12/1/16 Special Meeting)

**APIF, MOTION CARRIED.**

**7. PUBLIC HEARINGS**

**8. DISCUSSION ITEMS**

**a) 2017 Community Development Block Grant Allocation**

Each year the city receives CDBG dollars through the Dakota County CDA. This year we will receive \$31,633 for program year 2017. The year runs from July 1, 2017, to June 30, 2018. Last year we received \$41,016. This change is due to how HUD calculates population and poverty rates. Staff is proposing allocating the funds between:

- Residential Rehabilitation Program \$19,133
- Comprehensive Plan Update \$10,000
- Senior Services Financial Support Program \$2,500

The Commercial Rehabilitation Program still has a balance of \$46,000. We need to spend these dollars or they could be re-allocated away. We average \$12,000 -

\$15,000 per project so we have enough for three more projects. We are finishing The Cakery project. So this is a good time to shift to the residential program.

The Comprehensive Plan needs to be updated every ten years, which will take place this year.

The Senior Services Financial Support Program is used by the Rambling River Center to underwrite the cost for some seniors to participate in membership and programs. This amount has been reduced from previous years due to the overall reduction in CDBG funds to be received.

Member Wilson asked if we have a maximum award for home improvements. The CDA loan amounts go from \$15,000 to \$25,000. In addition to the \$19,133 staff is proposing to allocate to the home improvement program, the CDA contributes additional dollars to make the improvements. Member Wilson was in favor of the program, but wanted to spread out the dollar awards to as many people as possible. Staff stated the program is administered and marketed by the CDA. They have a wait list for it and administer the amounts. Member Wilson also agreed with the senior support, but asked if the EDA should be allocating to that and if it should come through park and recreation? Staff explained Farmington receives the CDBG dollars and the EDA is tasked with how those dollars are utilized. We collaborate internally as to how they can be used.

Member Simmons asked how staff arrived at the amounts, when are they due and what is the total cost. Staff looked at the senior program amounts last year of \$5,000, but with a 25% reduction overall, a 50% reduction for senior services would still work. The comp plan is funded now through a variety of sources; Met Council of \$32,000, planning budget of \$14,000 and doing research the cost is typically \$50,000 to \$70,000. We have one planner so it makes sense to look for more outside assistance. That is how we arrived at \$10,000. The \$19,133 is what is left of the total allocation and was assigned to residential rehabilitation. Because the \$31,633 is an estimated amount, we may need to reduce activities if it changes and would be done in the home improvement program.

Councilmember Pitcher asked about the type of residential properties that can use these funds. The funding is for single family homes and the owner needs to meet a certain income level.

Member Jolley noted last year we allocated \$5,000 to senior services and was the full amount used. Staff stated last year the EDA recommended a smaller amount based on what they had in their pool, and then made an administrative change based on the demand. There is a small amount left now. Member Jolley wondered if some requests would be denied because of the 50% reduction. Staff has tried to balance the amount based on past demand. Member Jolley asked about the comp plan update and if it is an annual fee. Staff stated the comp plan is updated every ten years. Right now we are operating under the 2030 comp plan and we will update it to the 2040 comp plan. So we will not have this cost next year. Staff explained we have a consulting budget of \$50,000 to \$60,000. We

received a Met Council grant of \$32,000, we will use planning budget and the CDBG dollars for the rest. It is a one-time expense.

Member Cordes asked if there was any concern that with a new federal administration that this program will continue. Staff was not too concerned with any changes. The amount is approved in April or May. We cannot spend any dollars until it is approved and the program year starts July 1, 2017.

**MOTION** by Simmons, second by Wilson to approve the CDBG allocations for PY2017 to the Home Improvement Loan Program (\$19,133), Comprehensive Plan Update (\$10,000) and Senior Services Financial Support Program (\$2,500) funding categories. **APIF, MOTION CARRIED.**

- b) Downtown Façade Improvement Program Application – BlackFire Creative**  
Staff received a grant application from BlackFire Creative for improvements to their building at 308 Elm Street. The improvements include paint, gutters and signage with a total project cost of \$8,500, including the \$2,500 grant amount. BlackFire will be contributing \$6,000 to the project. They would like to start early spring of 2017.

Member Simmons asked when the policy was proposed she thought the owner would come to the EDA meeting to ask questions. Based on the description it sounds good, but do we feel it is important whether the Downtown Redevelopment plan had any recommendations and we as a group not mandate design, but have simple recommendations. The purpose of meeting with the business wouldn't be to mandate a design, but to asked questions about what we are visualizing. Mayor Larson asked if by doing something like that, would we have to create an overlay zone to take precedence over our sign ordinance. Staff stated the bigger policy question is where do you see ease of access to a program versus requirements or strings attached with that. Member Simmons explained a situation with a business owner who wants to do some signage, but the building owner does not cooperate. How do we find that balance? Mayor Larson understood, but the owner has to be willing to make an investment. Staff stated the baseline for the program is using EDA dollars to leverage any additional investment with a minimum threshold is good for the community. This group chose to start with this baseline.

Member Wilson recalled the overall consensus of the downtown group was we don't want to be too prescriptive to limit development. At the same time, the EDA talked about do we have some type of design standards to go by. Mayor Larson recalled the EDA decided to leave it to staff to review the plans submitted and if the plans fit the program, it would be brought to the EDA. Staff agreed, we do the review and if the plans do not make sense, staff would discuss it with the business. If you are going to be prescriptive you need to have something to go by. The EDA did not want to take the review out of staff's hands. Member Wilson suggested saying the EDA would like to meet the applicant and see what their plans are for Farmington. If someone is willing to invest here, they must have a reason. Member Simmons agreed her thought was to meet people and build a relationship. The investment of improving the buildings is so important.

Staff will encourage the applicants to come to EDA meetings to meet them, but as far as covenants and colors, etc. that may be best handled through the comp plan update.

Member Jolley stated the spirit of the program was to encourage the fixing up of properties so they would be attractive, but most important because it would be a downtown project it would be the rear entrances identified as the most needy. Neither of these applications have addressed that. That is important if we want to follow what the downtown committee wanted which was to make a green space next to the senior center. Mayor Larson felt once the park goes through that will come. Member Jolley stated because of the location of this applicant, he could be a role model for that area. She recalled we would stick with this program for a year and maybe next year push for rear building improvements. It is important that stays in the plan.

Member Cordes agreed it would be nice to extend an invitation to the applicants to meet with the EDA about their plans. Member Simmons agreed to not put anything restrictive in the policy, but have an informal discussion and guide them.

**MOTION** by Cordes, second by Wilson to approve the Downtown Façade Improvement Grant application and contract for BlackFire Creative. **APIF, MOTION CARRIED.**

**c) Downtown Façade Improvement Program Guidelines Discussion**

Staff wanted to discuss the award amounts. Currently it is a flat \$2,500 grant with at least a one to one match, so it is a minimum \$5,000 project. There was some discussion about do want to allow for smaller projects. The other question that has come up is an individual who owns two properties downtown, can he combine projects for both buildings to make a \$5,000 project.

Mayor Larson asked if we should start with a \$1,500 minimum up to \$2,500. He would agree with that. Member Jolley noted \$1,500 does not buy much and would not change the grant amount. Member Jolley agreed with combining the amounts between two buildings with the same owner. Staff cautioned if someone owns numerous buildings, the individual building improvements could be very small. Staff recommended not making any changes to the application. If we are looking at leveraging private investment in a property because we are looking at aesthetic improvements to a building, the ownership shouldn't matter. The program has been in place for two months during the winter. We should give it six months to grow some legs and not be a disservice to previous applicants. Mayor Larson noted if we lower the amount to \$1,500 that could take care of the second question.

**MOTION** by Simmons, second by Pitcher to lower the minimum grant amount to \$1,500 resulting in a \$3,000 minimum project. The new language would read a minimum of \$1,500 up to \$2,500. **APIF, MOTION CARRIED.**

**d) Update on Riste Lot**

The EDA owns the lot at 209 Oak Street (the Riste lot). In 2007 the EDA used CDBG dollars and CDA grant fund dollars to demolish a building in conjunction with recommendations of the downtown plan to look for ways to redevelop downtown sites. Mr. Leon Orr has expressed interest in purchasing the lot. The fair market value is \$25,000. Staff has received an offer letter for \$25,000 and a \$5,000 deposit from Mr. Orr. Because CDBG dollars were used to demolish the building, anytime it transitions into private use there are some provisions that HUD invokes on whatever dollars are recuperated. If sold, 76.9% of the market value / sales price needs to be repaid to the CDBG program which is administered by the CDA. Staff has confirmed with the CDA that any dollars that would come back to us in our CDBG program would remain in the Farmington CDBG allocation.

Member Jolley asked if we are approving a business for animal rescue. Staff confirmed that is the business. They plan to have final purchase completed by May 20, 2017. The final payment of \$20,000 will be made at the time of final purchase. The offer is contingent upon Last Hope, Inc. developing a building plan that is suitable for the organization's operations and approved by their Board of Directors. Staff stated it would not be unreasonable for us to impose some conditions such as a start date for construction. The use does meet zoning requirements.

The EDA discussed the type of business. There is no overnight stay for the animals. The animal is brought to the business and the owner picks it up.

Member Simmons asked about the financing and that if it is sold for \$25,000, 76.9% has to be paid back to the CDBG fund which is \$22,762.40, so less than \$3,000 comes to the EDA. Staff confirmed that is correct. Member Simmons asked about an appropriate construction start date. Staff suggested having construction start by December 31, 2017. Otherwise it would revert back to the EDA. Staff will have the city attorney prepare an agreement. Member Wilson suggested having a start date of September or October. Staff stated Mr. Orr is proposing a closing date of May 30, 2017, so construction could be soon after. Member Wilson would like to move construction start up to September 30, 2017. Mayor Larson noted they do have construction plans already and suggested leaving it at December 31, 2017.

**MOTION** by Simmons, second by Cordes to direct staff to work with the city attorney to draft a purchase agreement to be authorized by the EDA. **APIF, MOTION CARRIED.**

**e) Update on Farmington Business Park Land Discussion**

This is off of hwy 50 on the east side of Farmington by the golf course. There are five vacant lots in the business park. These were foreclosed on several years ago by Sterling State Bank. The bank would like to give the lots to the EDA to market them for new business growth. According to the city attorney, the EDA is eligible to receive these lots as a donation. The lots are shovel ready for development.

Member Wilson asked if there is any remediation that the EDA needs to take care of before we can sell them. Staff noted it would not be unreasonable to do a phase 1 study and will research the issue. That discussion can come later.

EDA members agreed staff should move forward with accepting the lots.

**9. DIRECTOR'S REPORT**

**a) January Director's Report**

Staff welcomed Councilmember Pitcher to the EDA and School Board Member Cordes was re-appointed to the EDA.

Staff continues to promote ribbon cuttings for businesses.

The next EDA meeting is February 23, 2017. This will be the annual organizational meeting. As several members will be absent, the next meeting will be held February 16, 2017.

Member Wilson sees tremendous value in getting city groups together that work with planning, zoning and economic development. There was a lot of time and effort put into the downtown redevelopment plan and he wants to make sure every effort coincides with that plan.

Member Jolley noted Trident has posted a sign that they are accepting calls for occupancy.

Member Simmons asked about the contact with the owner of the strip mall. Mayor Larson has seen concept drawings of the improvements and it will look very nice.

**10. ADJOURN**

**MOTION** by Simmons, second by Wilson to adjourn at 7:59 p.m. **APIF, MOTION CARRIED.**

Respectfully submitted,

Cynthia Muller  
Administrative Assistant





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**TO:** Economic Development Authority  
**FROM:** Adam Kienberger, Community Development Director  
**SUBJECT:** Monthly Financial Statements  
**DATE:** February 16, 2017

## **INTRODUCTION/DISCUSSION**

Please find attached the monthly financial statements for the EDA.

## **ACTION REQUESTED**

### **ATTACHMENTS:**

Type	Description
▣ Exhibit	February Financial Snapshot

**Department Actual vs Budget - Generic Time Period**

<b>Business Unit</b>	<b>Object Account</b>	<b>Account Description</b>	<b>Cumulative 12 Actual 2017</b>	<b>Cumulative 12 Budget 2017</b>	<b>Cumulative 12 Proposed 2017</b>
2000 - HRA/ECONOMIC DEVELOPMENT	1010	CASH	289,540.02		
2000 - HRA/ECONOMIC DEVELOPMENT	1010	CASH-LGA ASSMNT RELIEF	50,000.00		
2000 - HRA/ECONOMIC DEVELOPMENT	3510	UNRESERVED FUND BALANCE	-340,219.12		
2000 - HRA/ECONOMIC DEVELOPMENT	4955	INTEREST ON INVESTMENTS	0.00	-2,374.00	-2,374.00
2000 - HRA/ECONOMIC DEVELOPMENT	4960	GAIN/LOSS INVEST MKT VALUE	657.92		
2000 - HRA/ECONOMIC DEVELOPMENT	5205	OPERATING TRANSFERS	0.00	-40,000.00	-40,000.00
2000 - HRA/ECONOMIC DEVELOPMENT	6401	PROFESSIONAL SERVICES	0.00	11,680.00	11,680.00
2000 - HRA/ECONOMIC DEVELOPMENT	6403	LEGAL	0.00	4,000.00	4,000.00
2000 - HRA/ECONOMIC DEVELOPMENT	6404	IT SERVICES	0.00	8,075.00	8,075.00
2000 - HRA/ECONOMIC DEVELOPMENT	6422	ELECTRIC	21.18	300.00	300.00
2000 - HRA/ECONOMIC DEVELOPMENT	6426	INSURANCE	0.00	200.00	200.00
2000 - HRA/ECONOMIC DEVELOPMENT	6450	OUTSIDE PRINTING	0.00	1,000.00	1,000.00
2000 - HRA/ECONOMIC DEVELOPMENT	6460	SUBSCRIPTIONS & DUES	0.00	2,500.00	2,500.00
2000 - HRA/ECONOMIC DEVELOPMENT	6470	TRAINING & SUBSISTANCE	0.00	3,000.00	3,000.00
2000 - HRA/ECONOMIC DEVELOPMENT	6485	MILEAGE REIMBURSEMENT	0.00	1,000.00	1,000.00
2000 - HRA/ECONOMIC DEVELOPMENT	6570	PROGRAMMING EXPENSE	0.00	13,500.00	13,500.00
<b>Total 2000 - HRA/ECONOMIC DEVELOPM</b>			<b>0.00</b>	<b>2,881.00</b>	<b>2,881.00</b>
			<b>0.00</b>	<b>2,881.00</b>	<b>2,881.00</b>
			<b>0.00</b>	<b>2,881.00</b>	<b>2,881.00</b>



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**TO:** Economic Development Authority

**FROM:** Adam Kienberger, Community Development Director and Cindy Muller, Administrative Assistant

**SUBJECT:** 2017 EDA Organizational Matters

**DATE:** February 16, 2017

## **INTRODUCTION/DISCUSSION**

Attached are the proposed 2017 Economic Development Authority (EDA) By-Laws. Section 1, subdivision 3 of the by-laws requires direction from the EDA regarding the following:

### ***a. Election of Officers***

The EDA By-Laws provides that each year, the EDA shall choose a Chairperson and Vice-Chairperson. A Secretary and Treasurer must also be appointed which typically is assigned to the Executive Director, as neither needs to be a commissioner. In 2016 Mayor Larson served as Chair and Commissioner Jolley served as Vice-Chair.

### ***b. Meeting Schedule***

The EDA shall establish a meeting schedule for the year. Attached is the City's Board and Commission meeting calendar which identifies the date of each EDA meeting. EDA meetings are held the fourth Thursday of each month at 6:30 p.m. If that Thursday is a holiday, the EDA meeting would be held the following Thursday (November). EDA members should confirm that this meeting schedule works for all members.

### ***c. Acknowledge Official Newspaper***

The EDA shall acknowledge City Council's designation of the official newspaper. For 2017 the official newspaper remains the Farmington Independent.

Please provide action for the above listed items. A copy of the revised by-laws is enclosed. Also please complete and return the attached conflict of interest form as required by the city's auditors.

## **ACTION REQUESTED**

Approve the 2017 Economic Development Authority By-laws, elect officers, approve the 2017 EDA meeting schedule, and acknowledge the City Council's designation of the official newspaper.

## **ATTACHMENTS:**

Type	Description
▣ Exhibit	EDA By-Laws 2017 Changes
▣ Exhibit	Meetings Calendar 2017
▣ Exhibit	EDA Members - Conflict of Interest

**2017**  
**ECONOMIC DEVELOPMENT AUTHORITY BY-LAWS**

These By-Laws, when adopted, are intended to deal with matters not otherwise covered by State Law, City Ordinance or elsewhere.

**Section I – Meetings**

SUBD. 1 – Regular meetings of the Economic Development Authority shall be held on the fourth (4<sup>th</sup>) Thursday of each month at 6:30 p.m. Any regular meeting falling upon a holiday shall be held on the ~~prior business day~~ following Thursday at the same time and place. All meetings, including special and adjourned meetings, shall be held in the City Hall unless otherwise designated.

SUBD. 2 – Special meetings of the Authority may be called by the Chairperson or in written form by any other two (2) members of the Authority, filed with the Executive Director. The Executive Director may also call a special meeting. At least three (3) days before the meeting, the Executive Director shall notify each member of the time, place and purpose of the meeting by causing written notice thereof to be delivered to him/her by e-mail. At least three (3) days prior to the meeting, the Executive Director shall also post notice of the meeting and if applicable, notify each person who has filed an applicable written request for notice, or may, if necessary, provide such other more restricted notice, including but not limited to (as allowed by Statute, such as) M.S. 471.705, subd. 1C, paragraph g, “ if a person receives actual notice of a meeting of a public body at least 24 hours before the meeting, all notice requirements of this subdivision are satisfied with respect to that person, regardless of the method of receipt of notice.” Emergency meetings may be held because of circumstances that, in the judgment of the Authority require immediate attention. The notice of special meeting shall state the item(s) to be discussed and acted upon. Items not stated in the notice may be discussed, but no action may be taken if any member objects.

Any special meeting attended by a majority of the Authority members shall be a valid meeting for the transaction of business that may come before the meeting.

SUBD. 3 – At the regular Authority meeting in February of each year, the Authority shall (1) acknowledge City Council’s designation of the official newspaper; (2) establish the meeting schedule for the year; (3) choose a Chairperson and a Vice-Chairperson, who shall perform the duties of the Chairperson during the Chairpersons disability or absence, and in case of a vacancy in the office of Chairperson, and until a successor has been appointed and qualifies to fulfill the duties of Chairperson, and; (4) appoint a Secretary and Treasurer, which need not be a commissioner.

SUBD. 4 – All Authority meetings, as defined by State Law, including special and adjourned meetings shall be open to the public. The Authority Attorney shall advise the Authority in writing as to their interpretation of the state “Open Meeting Law” and all new members shall be provided such written interpretation.

## **Section II Presiding Officer; Rules of Order**

SUBD. 1 – The Chairperson shall preside at all meetings of the Authority. In the absence of the Chairperson, the Vice-Chairperson shall preside. In the absence of both, the Executive Director shall call the meeting to order and shall preside until the Authority members present at the meeting choose one of their members to act temporarily as presiding officer.

SUBD. 2 – The presiding officer shall preserve order, enforce the rule of procedure herein prescribed, and determine all questions of procedure and order. Except as otherwise provided by statute or by these rules, the proceedings of the Authority shall be conducted in accordance with the following rules of order:

- A. A motion must be seconded before being considered by the Authority and the presiding officer must recognize mover, as well as the seconder.
- B. Any motion may be withdrawn by its mover with the consent of his/her second. But a motion, once debated, cannot be withdrawn except by a majority vote of the Authority.
- C. A motion will not be subject to debate until it has been stated by the presiding officer and he/she has opened it to debate.
- D. Each member, while speaking, shall confine himself/herself to the question at hand and avoid all personal, indecorous or sarcastic language.
- E. Whenever any member of the Authority desires to speak on any question, which affects him/her personally, he/she shall first vacate his/her chair and shall not resume his/her seat until the matter under consideration has been acted upon. He/she shall be allowed to make comments on the question as a private citizen only and while a member of the audience.
- F. Whenever public hearings are held, the presiding officer shall allow any member of the public, the privilege of speaking. A reasonable time shall be allowed to anyone as long as they are not repeating points already made. The presiding officer shall maintain order and may rule anyone out of order.
- G. At any meeting, the presiding officer will allow the public to participate as long as there is reason to believe the input is beneficial.

SUBD. 3 – Any member may appeal to the Authority from a ruling of the presiding officer. If the appeal is seconded, the appealing member may speak first on the reason for his/her appeal. General discussion can then take place on the appeal before a vote. The appeal shall be sustained if it is approved by a majority of the members present.

### **Section III – Agendas**

SUBD. 1 – The agenda shall be prepared by the EDA Executive Director and shall be closed at noon on the Friday preceding the meeting for publication purposes.

SUBD. 2 – Any member may place an item on the agenda by so instructing the Executive Director.

SUBD. 3 – No item shall be placed on the agenda unless the item is expressed in such a way as to clearly show the subject matter involved.

SUBD. 4 – The agenda add-ons are subject to approval by a majority vote of the members present and further such add-on items may be discussed, but no action may be taken if any member objects.

### **Section IV – Order of Business**

SUBD. 1 – Each meeting of the Authority shall convene at the time and place appointed therefore. Authority business shall be conducted in the following order:

- 1) Call to Order
- 2) Pledge of Allegiance
- 3) Roll Call
- 4) Approve Agenda
- 5) Citizen Comments
- 6) Approve Consent Agenda
  - a. Minutes
  - b. Monthly Statements
  - c. Additional Consent Agenda items
- 7) Public Hearings
- 8) Discussion Items
- 9) Director's Report
- 10) Adjourn

SUBD. 2 – The order of business may be varied by the presiding officer, except that all public hearings shall be held at the time specified in the notice of hearing.

### **Section V – Minutes**

SUBD. 1 – Minutes of each Authority meeting shall be kept by the Executive Director or, in his/her absence, his/her designee. In the absence of both, the presiding officer shall appoint a secretary pro tem. Resolutions need not be recorded in full in the minutes if they appear in other permanent records of the Executive Director and can be accurately identified from the description given in the minutes.

SUBD. 2 – Minutes of each meeting shall be reduced to typewritten form. At the next regular Authority meeting, approval of the minutes shall be considered by the Authority. The minutes need not be read aloud, but the presiding officer shall call for any additions or corrections. If there is an objection, the Authority shall vote upon the addition or correction. If there are no additions or

corrections, the minutes shall stand approved by motion. If there is an objection, the Authority shall vote upon the addition or correction and approve the minutes by motion as amended.

**Section VI – Quorum and Voting**

SUBD. 1 – At all meetings a majority of all members shall constitute a quorum for the transaction of business.

SUBD. 2 – The votes of members on any question pending before the EDA shall be by voice votes. Roll call vote can be requested by any member, except for the following agenda items; approval of the agenda; approval of the consent agenda; and the adjournment. The names of those voting for and against the question shall be recorded in the minutes. If any member present does not vote, the minutes shall state: “Abstain: Name”.

SUBD. 3 – Except as otherwise provided by statute, a majority vote of the quorum shall prevail.

**Section VII – Executive Director**

The Authority may appoint and provide for annual performance reviews of an Executive Director.

**Section VIII – Suspension or Amendment of the By-Laws**

SUBD. 1 – These by-laws may be temporarily suspended by a unanimous vote of the members present.

SUBD. 2 – These by-laws shall not be repealed or amended except by a majority vote of the whole Authority after notice has been given at some preceding meeting.

**Section IX – Effective Date**

SUBD. 1 – These by-laws have been adopted by the Economic Development Authority on the 16<sup>th</sup> day of February, 2017 and become effective immediately.

Attest:

\_\_\_\_\_  
EDA Executive Director

\_\_\_\_\_  
EDA Chairperson

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# City of Farmington

## 2017 Meetings, Holidays, Pay Days



January 2017

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February 2017

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March 2017

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April 2017

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May 2017

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June 2017

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July 2017

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
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30	31					

August 2017

S	M	T	W	T	F	S
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12	13	14	15	16	17	18
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September 2017

S	M	T	W	T	F	S
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17	18	19	20	21	22	23
24	25	26	27	28	29	30

October 2017

S	M	T	W	T	F	S
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November 2017

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December 2017

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

- City Holidays
- City Council
- EDA
- HPC
- Parks and Rec Commission
- Planning Commission
- RRC Advisory Board
- Water Board
- Pay Days





# City of Farmington

430 Third Street

Farmington, Minnesota

651.280.6800 • Fax 651.280.6899

www.ci.farmington.mn.us

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TO: EDA MEMBERS – City of Farmington

FROM: Malloy, Montague, Karnowski, Radosevich & Co., P.A.  
5353 Wayzata Boulevard, Suite 410  
Minneapolis, MN 55416

DATE: December 31, 2016

SUBJECT: Auditors Compliance, M.S. 471.87 – Public Officers' Interest in Contracts

Per Minnesota Statute § 471.87, a public officer who is authorized to take part in any manner in making any sale, lease, or contract in official capacity shall not voluntarily have a personal financial interest, *directly or through a family member including his or her partner*, in that sale, lease, contract, or personally benefit financially therefrom.

To document compliance with this statute, we request that you complete the following:

Name \_\_\_\_\_

Principal place of business \_\_\_\_\_

Partner's name \_\_\_\_\_

Partner's principal place of business \_\_\_\_\_

Family member's \_\_\_\_\_

Family member's place of business \_\_\_\_\_

I hereby certify that during the 2016 fiscal year, I **have not** had a financial interest in the sale, lease, or contract of the City nor have I personally benefited from any such transaction.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

If you, *directly or through a family member or partner*, **have** had a financial interest in the sale, lease, or contract with the City, please describe below.

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# City of Farmington

430 Third Street  
Farmington, Minnesota  
651.280.6800 - Fax 651.280.6899  
[www.ci.farmington.mn.us](http://www.ci.farmington.mn.us)

---

**TO:** Economic Development Authority  
**FROM:** Adam Kienberger, Community Development Director  
**SUBJECT:** EDA Finance Discussion  
**DATE:** February 16, 2017

## **INTRODUCTION/DISCUSSION**

City Finance Director, Robin Hanson will provide a presentation on the EDA's financial status including the fund balance, revenues, and restricted funds.

## **ACTION REQUESTED**

Receive and discuss the presentation provided by City Finance Director, Robin Hanson.



# City of Farmington

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www.ci.farmington.mn.us

---

**TO:** Economic Development Authority  
**FROM:** Adam Kienberger, Community Development Director  
**SUBJECT:** EDA Review and Orientation  
**DATE:** February 16, 2017

## **INTRODUCTION/DISCUSSION**

Staff will provide an overview and basic orientation of the EDA. We will also review the EDA's 2016-2018 Strategic Plan for Economic Development (attached) and note progress made at the end of year one.

Please find attached a document from Ewald Consulting titled "Board Essentials". This document serves as a good reminder of how a Board of Directors works along with meeting procedures and terminology.

## **ACTION REQUESTED**

None, this information is intended to align the expectations of the EDA and provide guidance for moving ahead with our work in 2017.

## **ATTACHMENTS:**

Type	Description
□ Backup Material	Board Essentials - Ewald Consulting
□ Backup Material	2016-2018 Strategic Plan for Economic Development

# BOARD Essentials

*Serving on the Board is a rewarding and important responsibility. This guide informs volunteer leaders of the unique aspects associated with governing a not-for-profit organization.*

*"The board governs...  
... the staff manages."*

**Leadership:** Volunteer leaders are responsible for the direction of the organization. The board governs, develops policy and sets a course for the future. The Board maintains focus on the mission and strategic goals — and should avoid micro-managing the organization and staff. Function(s):

- Governance
- Policy & Position Development
- Visionary — Future Focus
- Fiduciary

**Management:** Paid staff and contractors are responsible for the administration of the organization. Staff act as partners to the board, advancing the goals and strategies, while taking care of the daily administrative needs unique to nonprofit organizations.

## Unique Terminology

**Not-for-Profit** refers to the legal corporate status of the organization. (It does not imply an exemption from paying or collecting state sales tax.) Nonprofit is the casual reference to Not-for-Profit

**Exempt Organization** is a reference to the IRS designation exempting the organization from paying most federal income tax (with exception of UBIT - Unrelated Business Income Tax.)

**IRS 501 (c)(3) designation** most often refers to organizations with a religious, charitable, scientific or educational purpose.

**IRS 501 (c)(6) designation** refers to trade associations, business leagues and professional societies.

## Board Responsibilities

1. Define the mission, vision, and goals of the organization.
2. Hire, fire, determine compensation and performance targets for the Executive Director.
3. Oversee the performance of the organization's programs and services.
4. Secure funding toward the accomplishment of organizational objectives.
5. Serve as a lead ambassador of the organization to the community.

## Insurance and Volunteer Immunity

State and federal governments afford certain protection to volunteer leaders. While the volunteer may have some protection, the organization is still open for legal suits. Insurance coverages add further protection for volunteers and organization.

**Directors and Officers (D&O) Liability** may cover legal defense for employment, copyright, and antitrust claims, for instance.

**General Liability** insurance covers property damage and injuries relating to the organization.

**Fidelity Bond** covers losses resulting from fraudulent or dishonest acts committed by an employee.

**Meeting Cancellation** covers the loss of revenue due to a cancellation, curtailment, postponement because of weather, strikes, etc.

*(Contact legal and insurance counselors for assistance.)*

## Legal Principles

**Duty of Care** requires leaders to use reasonable care and good judgement in making their decisions on behalf of the interest of the organization.

**Duty of Loyalty** requires leaders to be faithful to the organization, avoiding conflicts of interest.

**Duty of Obedience** requires leaders to comply with governing documents (i.e. bylaws, articles of incorporation, policies, etc.)

## Governance Tool Kit

Documents leaders need to be familiar with:

- Statement of Purpose (Mission)
- Articles of Incorporation
- Bylaws
- Budget
- Policy Manual
- Strategic Plan
- Financial Statements
- Meeting Minutes
- Organizational Charts
- IRS Forms

Treat all governing documents with **confidentiality**.

## The Role of Committees

**"Committees recommend → board approves → staff and volunteers implement."**

**Standing** – identified in the bylaws, appointed annually, ongoing committee work.

**Ad Hoc** – formed for specific or immediate needs and disbanded upon completion of work (a.k.a. Task Force)



## Robert's Rules of Order Essentials

**Agenda** ensures that important business is covered and discussions are on topic.

**Motions** are proposals for action, beginning with, "I move we...."

A **Second** is required for the motion to be discussed.

**Discussion** comes after a motion is introduced and seconded.

**Amendments** may be made to most motions if they improve the intent or clarify the original motion.

**Tabling** lays the motion aside until a specified later time.

**Calling the Question** ends discussion and demands a vote on the motion.

**Voting** is the official action after discussion to adopt, amend, kill or table the motion.

**Minutes** protect the organization by recording the time and location of the meeting, participants, and the outcome of the motions. They are not a place to record conversations, assignments, reports, etc. (Including reports and discussions can incriminate.)

**Quorum** is number of directors required to conduct business.

## High Performing Boards

### "Mission Driven – Member Focused"

- *Accountable* and follow through for your commitments.
- Uphold *governing documents* and expectation.
- *Determine to be successful* – ENVISION success.
- Work as a team - no individual has an agenda more important than the whole.
- Value and *build relationships* and *respect diversity*.
- Focus on *outcomes* and the impact the organization can have.

## Common Sense

1. *Prepare* for meetings; read, read, read!
2. Respect the chairperson, *agenda* and *rules of order*.
3. Bring a calendar, start and end *on time*.
4. Know the *mission* and *goals*.
5. *Listen* more than you speak.
6. Check *personal* and political agendas at the door.
7. Respect *confidentiality*.
8. You don't *speak* for the organization without authority.
9. *Support the board*; don't bad-mouth any action or person. (Dissenting votes may be noted in the minutes – not outside the meeting.)

## Strategic Planning

A strategic plan focuses the board on mission goals for 3 to 5 years. It serves as a roadmap. *Great board members can think beyond their term of office and outside their area of expertise.*

**Data Gathering** – survey members, review industry and organizational trends, assess financial performance of ongoing initiatives.

**Environmental Scan** – review of external and internal influences on the organization, as well as strengths, weaknesses, opportunities and threats (SWOT).

**Mission** – statement about what the organization is who it serves and the services it provides; short, with PR value.

**Vision** – inspiring, long-term desired outcome; image of success.

**Values** – guiding principles for board and staff.

**Goals** – broad targets to advance the mission.

**Objectives** – S.M.A.R.T. Usually just 3 to 7 to remain focused.

- (S) Specific
- (M) Measurable
- (A) Attainable
- (R) Realistic
- (T) Time-bound

**Strategies** – advance the objectives and goals; creative efforts to achieve the mission and serve stakeholders/members.

**Action Steps** – fit within the strategies (the actions, assignments, deadlines, etc.) a.k.a. annual "operating plan" or "business plan."

**Plan Champion** – the person (staff and/or volunteer) who keeps focus on the plan.

## Risk Management

**Protect the organization.** Be aware of fiduciary responsibility, contracts, audit results, insurance, IRS requirements, values and ethics, apparent authority, antitrust, etc.

**Public Records** requests for the organization's annual federal tax return (Form 990, 990-EZ) must be made available for the last 3 years. Significant fines occur for noncompliance.

**Antitrust Violations** occur when two or more persons from the same industry or profession discuss suppliers, processes, prices or operations. Remove yourself from any conversation that would change how business is conducted because of an agreement among competitors.

**Apparent Authority** arises when a board chair, though *not* granting actual authority, permits a committee or chapter to behave as if it had authority. Authority rests with the chairman and may not be assumed by others.

**Financial Audits** annually to protect board and staff; relying on an audit committee to select, oversee and report on the process.

**Conflicts of Interest** disclosed at the start of the term and throughout the year.

## Ewald Consulting

1000 Westgate Drive, Ste 252  
St. Paul, MN 55114  
Phone: 651-290-6260  
www.ewald.com

### Services

- Association Management
- Government Relations/Public Relations
- Strategic Planning
- Board Development
- Operations
- Consulting
- Finance
- Publications & Seminars
- Communication & Technology

# **Farmington Economic Development Authority**



## **2016-2018 Strategic Plan for Economic Development**

January 2016

## **Introduction**

The key to successful communities is their heart and soul – the unique cultures, landscapes, traditions and values that people cherish – and with people themselves taking action to enhance and sustain the places they love. Many communities are ready to protect their unique character, deeply engage their citizens, and meet the challenges of the 21<sup>st</sup> Century. Economic Development is one of those challenges, and citizens can assist with it by shopping locally and creating awareness to other citizens about the businesses within the City.  
*(Farmington 2030 Comprehensive Plan Chapter 10: Economic Development Element)*

Strategic planning is a key component of economic development. A three-year strategic plan is a valuable tool for both elected and appointed officials, as well as staff to provide work direction and prioritization of new initiatives. The following document outlines the EDA areas of focus for 2016-2018.

## **Participation**

### EDA Members:

Todd Larson, Chair

Jeri Jolley, Vice Chair

Doug Bonar

Steve Wilson

Kirk Zeaman

Adam Kienberger, Executive Director

Dr. Craig Waldron, Facilitator

## **Mission**

The Economic Development Authority mission is to improve the economic vitality of the city of Farmington and to enhance the overall quality of life by creating partnerships, fostering employment opportunities, promoting workforce housing, and expanding the tax base through development and redevelopment.

## **Role of the EDA**

The role of the Farmington EDA is to serve as an advisory board to the City Council on matters related to economic development. Through policy development and implementation of new and existing tools, the EDA serves as the voice of economic development.



## **Strategic Priorities**

The following five priorities were ranked by the EDA at their strategic planning session and are defined below. These priorities will serve as the focus and primary guidance of the EDA from 2016-2018.

Because new opportunities and ideas will arise during this timeframe, these priorities are meant to serve as the focus areas of the EDA while allowing flexibility to thoughtfully explore other topics deemed important.

- 1. Develop tools for promoting growth and development in Farmington.**
- 2. Develop strong incentive policies to ensure proper use of tools.**
- 3. Explore plans for acquiring land for new industrial development.**
- 4. Complete the development of Vermillion River Crossings.**
- 5. Define and utilize the existing or future resources of the EDA.**

## Implementation Strategies

1. Develop tools for promoting growth and development in Farmington.
  - Identify traditional economic development tools
  - Identify tools that can be unique to Farmington
  - Identify existing resources
  - Identify potential resource partners
  - Recommend tools to City Council
2. Develop strong incentive policies to ensure proper use of tools.
  - Discuss criteria and thresholds desired for individual tools (i.e. job creation, wages, etc.)
  - Recommend policies to City Council
  - Allocate necessary resources
  - Promote available tools
    - Website etc.
3. Explore plans for acquiring land for new industrial development.
  - Provide input on the 2040 Comprehensive Plan and land use designations
    - Encourage additional collaboration between advisory bodies
    - Joint meeting(s) with Planning Commission
  - Maintain relationships with local landowners
  - Explore additional ways to facilitate land development
4. Complete the development of Vermillion River Crossings.
  - Maintain relationship with broker/landowners
  - Consider alternate land use options
  - Discuss existing assessments
5. Define and utilize the existing or future resources of the EDA.
  - Do current resources align with desired tools/initiatives?
  - Explore economic development revenue opportunities
  - Joint meeting(s) of the EDA and City Council

## **2016 Work Plan   TBD**

Check in on strategic priorities at each EDA meeting to demonstrate progress or discussion needed.



# City of Farmington

430 Third Street  
Farmington, Minnesota  
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**TO:** Economic Development Authority  
**FROM:** Adam Kienberger, Community Development Director  
**SUBJECT:** Open to Business Program 2017 Joint Powers Agreement  
**DATE:** February 16, 2017

## **INTRODUCTION/DISCUSSION**

The Open to Business Program was started in Dakota County in 2013 as a county-wide effort to offer expert technical assistance and additional financial resources to small businesses and entrepreneurs. Now in its third year, the program continues to gain recognition and have an impact on our small business economy. A summary report of their efforts along with a program description is attached.

As a county-wide effort, cities in Dakota County wishing to participate in the program enter in a joint powers agreement (JPA) with the Dakota County Community Development Agency (CDA) on a yearly basis. The CDA is the agency that holds the contract for services with the Metropolitan Consortium of Community Developers (MCCD) to operate the Open to Business Program.

Most of you have met Laurie Crow who serves as our Dakota County area staff person for this program. If there is interest in having her attend a future EDA meeting to discuss the program, she would be happy to accommodate us.

The total program fee for services offered throughout Dakota County is \$140,000. The CDA continues to cover over 50% of this fee with the remainder distributed amongst the participating cities in Dakota County according to population. Farmington's fee for 2017 is \$5,171, which is slightly more than the 2016 amount of \$5,000.

The master Contract for Services between the CDA and MCCD along with the Joint Powers Agreement are attached. Staff recommends continued participation in this program as it remains a strong resource for small business growth and entrepreneurs in Farmington.

## **ACTION REQUESTED**

Authorize the execution of the Open to Business Joint Powers Agreement between the Farmington Economic Development Authority and the Dakota County Community Development Agency.

## **ATTACHMENTS:**

Type	Description
❑ Contract	Open to Business Contract for Services 2017
❑ Contract	Open to Business Joint Powers Agreement 2017

**Contract for Services  
for the  
Open to Business Program**

**THIS AGREEMENT** is dated January 25, 2017 and is between the **Dakota County Community Development Agency ("CDA")** and **Metropolitan Consortium of Community Developers**, a Minnesota nonprofit corporation ("**MCCD**").

**WHEREAS**, the CDA, on behalf of itself and the eleven political subdivisions of the State of Minnesota listed on Exhibit A hereto (the "**Local Government Entities**"), which each have powers with respect to a city with a population over 10,000 (collectively the "**Municipalities**"), wishes to engage MCCD to render services under a model known as "**Open to Business**," an initiative providing small business technical assistance services to existing businesses and residents and other parties interested in opening a business within Dakota County (the "**County**") (the "**Initiative**"); and

**WHEREAS**, MCCD has successfully provided the services required to administer and carry out the Initiative in Dakota County from 2013 - 2016; and

**WHEREAS**, pursuant to CDA Resolution No. 17-5830, adopted on January 24, 2017 (the "**Resolution**"), the CDA is authorized to enter into this agreement with MCCD for the Initiative; and

**WHEREAS**, pursuant to the Resolution and certain joint powers agreements to be entered into between the CDA and the Local Government Entities (the "**Joint Powers Agreements**"), the CDA will act as fiscal agent for the Local Government Entities in connection with this Agreement; and

**WHEREAS**, the CDA will pay from its own funds 50% of the fee charged by MCCD for the Initiative in the Municipalities and 100% of the fee charged by MCCD for the Initiative in the small cities and townships within the County with populations of less than 10,000 people ("**Small Cities and Townships**"), as further described herein and in Exhibit A; and

**WHEREAS**, pursuant to the Joint Powers Agreements, the Local Government Entities will be required to pay a Participation Fee to the CDA in accordance with the schedule in Exhibit A, representing the remaining 50% of the fee charged by MCCD for the Initiative in the Municipalities.

**Now therefore**, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

**TIME OF PERFORMANCE**

The term of this Agreement and the period during which MCCD will provide services hereunder will commence on January 1, 2017 and will end on December 31, 2017,

subject to earlier termination as provided herein. MCCD will perform services necessary to carry out the Initiative as promptly as possible, and with the fullest due diligence.

### **COMPENSATION**

Subject to reduction as provided below, the CDA will compensate MCCD for its services hereunder an amount equal to One Hundred Forty Thousand Dollars (\$140,000) ("Contract Amount"). The CDA will pay such amount in two equal installments, the first no earlier than January 30, 2017 and the second no earlier than June 30, 2017, upon receipt of invoices from MCCD. Subject to the limits above, payments will be due within 15 days of receipt of the respective invoices. The portion of the Contract Amount payable from Participation Fees will be payable by the CDA only from and to the extent such Participation Fees are paid by the respective Local Government Entities.

In the event a Local Government Entity does not pay to the CDA its Participation Fee in amounts and by the deadline described in Exhibit A, the CDA will notify MCCD, and MCCD will immediately cease the Initiative in that Municipality. Upon such termination, the Contract Amount will be reduced by an amount equal to the Participation Fee which such Local Government Entity did not pay and the amount the CDA would have paid as a matching payment.

### **SCOPE OF SERVICES**

MCCD will provide technical assistance to existing businesses, residents and those parties interested in starting a business in any of the Municipalities and Small Cities and Townships as further described on Exhibit B and Exhibit C attached hereto, which sets forth the Dakota Open to Business Program Scope of Services.

### **REPORTING**

MCCD will submit quarterly reports to the CDA in form and substance acceptable to the CDA. Reports will provide information in the aggregate for the County and will include a sub-report for each Municipality and each of the Small Cities and Townships. Reports will include the following information:

- Number of inquiries
- Hours of technical assistance provided
- Type of assistance provided
- Type of business
- Annual sales revenue
- Number of businesses opened
- Number of business expanded/stabilized

- Number and amounts of financing packages
- Demographic information on entrepreneurs
- Business address or resident address
- Number and wage of FTEs created
- Number and wage of FTEs retained

The required reporting schedule is as follows:

1<sup>st</sup> quarter January – March, report due April 30<sup>th</sup>

2<sup>nd</sup> quarter April – June, report due July 31<sup>st</sup>

3<sup>rd</sup> quarter July – September, report due October 31<sup>st</sup>

4<sup>th</sup> quarter October – December, report due January 31<sup>st</sup>, 2018

In addition to the foregoing, MCCD will provide additional reports as reasonably requested by the CDA.

#### **PERSONNEL**

MCCD represents that it has, or will employ or contract for, at its own expense, all personnel required to perform the services necessary to carry out the Initiative. Such personnel will not be employees of, or have any contractual relationship with, the County, the CDA or any of the Local Government Entities. No tenure or any other rights or benefits, including worker's compensation, unemployment insurance, medical care, sick leave, vacation pay, severance pay, or any other benefits available to the County's, the CDA's or any of the Local Government Entities' employees shall accrue to MCCD or employees of MCCD performing services under this agreement. The MCCD is an independent contractor.

All of the services required to carry out the Initiative will be performed by MCCD and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and local law to perform such work.

#### **USE OF CDA OFFICE SPACE**

The CDA will make available a cubicle space for MCCD personnel at the CDA office building for use by MCCD in carrying out the Initiative. MCCD personnel will have access to the CDA's meeting rooms, wireless internet service, copy machines and printers. MCCD personnel shall comply with all CDA office rules and policies regarding the use of CDA office space, equipment and internet access. If the CDA, in its sole discretion, determines that MCCD Personnel have failed to comply with CDA office rules and policies, MCCD Personnel will be required to vacate the CDA office and the CDA will cease to provide MCCD office space to carry out the Initiative.

## **INTEREST OF MEMBERS OF THE CDA AND OTHERS**

No officer, member, or employee of the CDA and no member of its governing body, and no other public official or governing body of any locality in which the Initiative is situated or being carried out, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the Initiative, will participate in the decision relating to this Agreement which affects his/her personal interest or the interest of any corporation, partnership, or association in which he/she is, directly or indirectly, interested or has any personal or pecuniary interest, direct or indirect, in this Agreement.

## **ASSIGNABILITY**

MCCD will not assign any interest in this Agreement, and will not transfer any interest in the same without the prior written approval of the CDA.

## **COMPLIANCE WITH LOCAL LAWS**

MCCD agrees to comply with all federal laws, statutes and applicable regulations of the State of Minnesota and the ordinances of the Local Government Entities.

## **INSURANCE**

MCCD agrees at all times during the term of this Agreement, and beyond such term when so required, to have and keep in force the following insurance coverages:

	<u>Limits</u>
1. Commercial General Liability on an occurrence basis with contractual liability coverage:	
General Aggregate	\$2,000,000
Products—Completed Operations Aggregate	2,000,000
Personal and Advertising Injury	1,500,000
Each Occurrence—Combined Bodily Injury and Property Damage	1,500,000
2. Workers' Compensation and Employer's Liability:	
Workers' Compensation	Statutory
In the event that MCCD should hire employees or subcontract this work, MCCD shall obtain the required insurance.	
Employer's Liability. Bodily injury by:	
Accident—Each Accident	500,000
Disease—Policy Limit	500,000
Disease—Each Employee	500,000



## **INDEMNIFICATION**

MCCD agrees to defend, indemnify, and hold harmless the County, the CDA, the Local Government Entities, and each of their respective officials, officers, agents, volunteers and employees from any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, resulting directly or indirectly from any act or omission of MCCD, its subcontractors, anyone directly or indirectly employed by MCCD or any of its subcontractors, and/or anyone for whose acts and/or omissions MCCD may be liable in the performance of the services required by this Agreement, and against all loss by reason of the failure of MCCD to perform any obligation under this Agreement.

## **NOTICES**

A notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by mail, postage prepaid, return receipt requested, or delivered personally; and

- (a) In the case of MCCD, is addressed or delivered personally to:

Metropolitan Consortium of Community Developers  
3137 Chicago Avenue South  
Minneapolis, MN 55407

- (b) In the case of the CDA is addressed or delivered personally to:

Lisa Alfson, Director of Community and Economic Development  
Dakota County Community Development Agency  
1228 Town Centre Dr.  
Eagan, MN 55123

or at such other address with respect to any party as that party may designate in writing and forward to the other as provide in the Section.

## **MODIFICATION**

This Agreement may not be modified, changed, or amended in any manner whatsoever without the prior written approval of all the parties hereto.

## **NON-DISCRIMINATION**

In connection with its activities under this Agreement, MCCD will not violate any Federal or State laws against discrimination.

## **DEFAULT AND CANCELLATION**

Failure of the MCCD to perform any of its obligations under this Agreement to the satisfaction of the CDA will constitute a default hereunder.

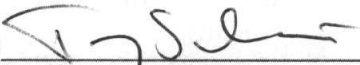
Unless MCCD's default is cured within 15 days following notice by the CDA, the CDA

may (i) cancel this Agreement in its entirety by 5 additional days' written notice to MCCD, or (ii) withhold payment from MCCD as long as such default continues.

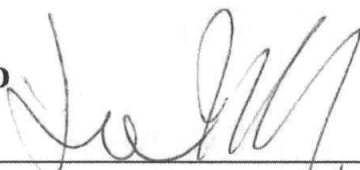
**MINNESOTA LAWS GOVERN**

The Laws of the State of Minnesota shall govern all questions and interpretations concerning the validity and construction of this Agreement and the legal relations between the parties and their performance. The appropriate venue and jurisdiction for any litigation will be those courts located within the County. Litigation, however, in the federal courts involving the parties will be in the appropriate federal court within the State of Minnesota. If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions will not be affected.

**DAKOTA COUNTY COMMUNITY  
DEVELOPMENT AGENCY**

By:   
Acting Executive Director  
Date: 2-6-2017

**MCCD**

By:   
Printed Name: Lee Hall  
Printed Title: Director of Finance  
Date: 2/3/17

**Exhibit A**  
**2017 Local Government Entity Participation Fee Schedule**

<b>Municipality</b>	<b>Local Government Entity</b>	<b>Total Fee</b>	<b>CDA Share of Fee</b>	<b>Local Government Entity Participation Fee</b>
Eagan	Eagan Economic Development Authority	\$15,533	\$7,767	\$7,766
Burnsville	City of Burnsville	\$15,533	\$7,767	\$7,766
Lakeville	City of Lakeville	\$15,533	\$7,767	\$7,766
Apple Valley	Apple Valley Economic Development Authority	\$15,533	\$7,767	\$7,766
Inver Grove Heights	Inver Grove Heights Economic Development Authority	\$12,956	\$6,478	\$6,478
Hastings	Hastings Economic Development and Redevelopment Authority	\$10,342	\$5,171	\$5,171
Rosemount	Rosemount Port Authority	\$10,342	\$5,171	\$5,171
Farmington	Farmington Economic Development Authority	\$10,342	\$5,171	\$5,171
South St. Paul	South St. Paul Economic Development Authority	\$10,342	\$5,171	\$5,171
West St. Paul	West St. Paul Economic Development Authority	\$10,342	\$5,171	\$5,171
Mendota Heights	City of Mendota Heights	\$5,170	\$2,585	\$2,585
Small Cities and Townships	n/a	\$8,032	\$8,032	\$0
<b>Total</b>		<b>\$140,000</b>	<b>\$74,018</b>	<b>\$65,982</b>

## **Exhibit B**

### **Dakota Open to Business Program Scope of Services**

#### **Open to Business ("OTB") Technical Assistance Services**

MCCD will provide intensive one-on-one technical assistance to Municipalities' and Small Cities' and Townships' businesses, residents and aspiring entrepreneurs intending to establish, purchase, or improve a business in Municipalities and Small Cities and Townships within Dakota County (the "**County**"). MCCD will dedicate one full time staff person based in the County to provide the Technical Assistance Services ("Dakota OTB Staff"). In addition, MCCD will make available the expertise of all MCCD technical and support staff in the delivery of services to Dakota Open to Business Program. Technical assistance includes, but is not limited to, the following:

- Business plan development
- Feasibility analysis
- Marketing
- Cash flow and other financial projection development
- Operational analysis
- City and State licensing and regulatory assistance
- Loan packaging, and other assistance in obtaining financing
- Help in obtaining competent legal advice

MCCD Dakota OTB Staff will be available to meet clients at the CDA office building, various Municipality city halls or at the client's place of business. MCCD Dakota OTB Staff will provide technical assistance on a walk-in basis monthly in each Municipality, if requested. MCCD will also hold two-hour "Test Drive Your Business Idea" sessions once a month in various Municipality locations.

#### **Open to Business Access to Capital**

Access to capital will be provided to qualifying businesses through MCCD's Emerging Small Business Loan Program (see **Exhibit C** Small Business Loan Program Guidelines below). MCCD also provides it's financing in partnership with other community lenders, banks or Local Government Entities interested in making capital available to residents and/or businesses in their community.

## **EXHIBIT C**

### **Small Business Loan Program Guidelines**

#### **Loan Amounts:**

- Up to \$25,000 for start-up businesses
- Larger financing packages for established businesses
- Designed to leverage other financing programs as well as private financing provided by the commercial banking community.

#### **Eligible Projects:**

- Borrowers must be a "for-profit" business.
- Business must be complimentary to existing business community.
- Borrowers must have equity injection as determined by fund management.

#### **Allowable Use of Proceeds:**

- Loan proceeds can be used for working capital, inventory, building and equipment and general business operations.

#### **Interest Rates:**

- Loan interest rate is dependent on use, term and other factors, not to exceed 10%.

#### **Loan Term Length:**

- Loan repayment terms will generally range from three to five years, but may be substantially longer for major asset financing such as commercial property.

#### **Fees and Charges:**

- Borrowers are responsible for paying all customary legal and other loan closing costs.

## JOINT POWERS AGREEMENT

### Open to Business Program

THIS JOINT POWERS AGREEMENT (this “**Agreement**”), is made as of January 1, 2017, by and between the DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY (the “**CDA**”), a public body corporate and politic organized and existing under the laws of the State of Minnesota (the “**State**”), and each of the CITY OF BURNSVILLE, CITY OF LAKEVILLE, CITY OF MENDOTA HEIGHTS, INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY, APPLE VALLEY ECONOMIC DEVELOPMENT AUTHORITY, EAGAN ECONOMIC DEVELOPMENT AUTHORITY, HASTINGS ECONOMIC DEVELOPMENT AND REDEVELOPMENT AUTHORITY, ROSEMOUNT PORT AUTHORITY, FARMINGTON ECONOMIC DEVELOPMENT AUTHORITY, SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY, AND WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY, MINNESOTA (each individually a “**Local Government Entity**” and together the “**Local Government Entities**”), each a political subdivision of the State.

#### RECITALS:

A. In order to pursue common goals of fostering economic development, the CDA and the Local Government Entity Cities desire to engage the Metropolitan Consortium of Community Developers, a Minnesota non-profit corporation (“**MCCD**”) to undertake the “Open To Business Program” (the “**Program**”) within Dakota County (the “**County**”).

B. Pursuant to the Program, MCCD will provide technical assistance and access to capital to small business and potential entrepreneurs in the County.

C. The CDA and the Local Government Entities propose to jointly exercise their common economic development powers to undertake the Program.

NOW, THEREFORE, in consideration of the mutual covenants and obligations of the CDA and each of the Local Government Entities, each party does hereby represent, covenant and agree with the others as follows:

Section 1. **Representations.** Each of the Local Government Entities and the CDA makes the following representations as to itself as the basis for the undertaking on its part herein contained:

(a) It is a political subdivision of the State of Minnesota with the power to enter into this Agreement and carry out its obligations hereunder.

(b) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which it is now a party or by which it is bound, or constitutes an event of default under any of the foregoing.

Section 2. **Powers to be Exercised.** The powers to be jointly exercised pursuant to this Agreement are the powers of the CDA and the Local Government Entities under Minnesota Statutes, Chapter 469, to undertake activities to promote economic development within their respective jurisdictions.

Section 3. **Method for Exercising Common Powers; Funds.** The CDA, on its own behalf and on behalf of the Local Government Entities, will initially enter into an agreement with MCCD in substantially the form attached hereto as Exhibit A (the “**Agreement**”) to engage MCCD to operate the Program within Dakota County. The CDA and each of the Local Government Entities will make payments to MCCD as described in Exhibit A of the Agreement.

The CDA may from time to time execute and deliver documents amending, modifying or extending the Agreement as it deems necessary or convenient, provided, that no such document will adversely affect services provided to, or amounts payable by, any Local Government Entity without the prior written consent of such Local Government Entity.

Section 4. **Limited Liability.** Neither the CDA nor the any of the Local Government Entities shall be liable for the acts or omissions of the other in connection with the activities to be undertaken pursuant to this Agreement. To the extent permitted by law, (a) the CDA hereby indemnifies the Local Government Entities for costs associated with claims made against the Local Government Entities directly relating to actions taken by the CDA, and (b) each Local Government Entity hereby indemnifies the CDA for costs associated with claims made against the CDA directly relating to actions taken by such Local Government Entity. Nothing herein shall be deemed a waiver by the indemnifying party of the limits on liability set forth in Minnesota Statutes, Chapter 466; and the indemnifying party shall not be required to pay, on behalf of the indemnified party, any amounts in excess of the limits on liability set forth in Minnesota Statutes, Section 466.04, less any amounts the indemnifying party is required to pay on behalf of itself, its officers, agents and employees for claims arising out of the same occurrence.

Section 5. **Conflict of Interests; Representatives Not Individually Liable.** The CDA and each of the Local Government Entities, to the best of its knowledge, represents and agrees that no member, official or employee of their respective bodies shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested. No member, official or employee of the CDA or any Local Government Entity shall be personally liable with respect to any default or breach by any of them or for any amount which may become due to the other party or successor or on any obligations under the terms of this Agreement.



Section 6. **Term; Distribution of Property.** The term of this Agreement shall expire on December 31, 2017. There is no property which will be acquired by the CDA or any Local Government Entity pursuant to the Program which would need to be distributed at the end of the term hereof.

Section 7. **Notices and Demands.** A notice, demand or other communication under this Agreement by any party to another shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested or delivered personally to the person and at the addresses identified on each signature page hereto, or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 8. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the CDA and the Local Government Entities have caused this Agreement to be duly executed in their respective names and behalf as of the date first above written, with actual execution on the dates set forth below.

DAKOTA COUNTY COMMUNITY  
DEVELOPMENT AGENCY

Dated:\_\_\_\_\_

By \_\_\_\_\_  
Its Executive Director

Notice Address:

Dakota County Community Development Agency  
1228 Town Centre Drive  
Eagan, MN 55123  
Attn: Lisa Alfson, Director of Community and Economic Development

EAGAN ECONOMIC DEVELOPMENT  
AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

3830 Pilot Knob Road  
Eagan, MN 55122

Attn: \_\_\_\_\_

CITY OF BURNSVILLE, MINNESOTA

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its City Manager

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

100 Civic Center Parkway  
Burnsville, MN 55337  
Attn: City Manager

CITY OF LAKEVILLE, MINNESOTA

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Clerk

Notice Address:

20195 Holyoke Avenue  
Lakeville, MN 55044  
Attn: Community and Economic Development Director

CITY OF MENDOTA HEIGHTS

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

1101 Victoria Curve  
Mendota Heights, MN 55118

Attn: \_\_\_\_\_

APPLE VALLEY ECONOMIC DEVELOPMENT  
AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

7100 147th Street W.  
Apple Valley, MN 55124

Attn: \_\_\_\_\_

INVER GROVE HEIGHTS ECONOMIC  
DEVELOPMENT AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

8150 Barbara Avenue  
Inver Grove Heights, MN 55077

Attn: \_\_\_\_\_



HASTINGS ECONOMIC DEVELOPMENT AND  
REDEVELOPMENT AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its: \_\_\_\_\_

By \_\_\_\_\_  
John Hinzman  
Its Executive Director

Notice Address:

101 East 4<sup>th</sup> Street  
Hastings, Minnesota 55033  
Attn: Executive Director

ROSEMOUNT PORT AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

2875 145th Street  
Rosemount, MN 55068

Attn: \_\_\_\_\_

FARMINGTON ECONOMIC DEVELOPMENT  
AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

430 Third Street  
Farmington, MN 55024

Attn: \_\_\_\_\_

SOUTH ST. PAUL ECONOMIC  
DEVELOPMENT AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

125 Third Ave. No.  
South St. Paul, MN 55075  
Attn: Executive Director

WEST ST. PAUL ECONOMIC  
DEVELOPMENT AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

1616 Humboldt Avenue  
West St. Paul, MN 55118  
Attn: Executive Director

Exhibit A

Contract for Services for the Open To Business Program



# City of Farmington

430 Third Street  
Farmington, Minnesota  
651.280.6800 - Fax 651.280.6899  
www.ci.farmington.mn.us

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**TO:** Economic Development Authority  
**FROM:** Adam Kienberger, Community Development Director  
**SUBJECT:** February Director's Report  
**DATE:** February 16, 2017

## **INTRODUCTION/DISCUSSION**

### **End of Year Permit Report**

Each year the city's Building Official provides an end of year building permit report to the City Council. This was presented at their meeting on February 6. Please find a copy of the report attached.

### **Ribbon Cuttings**

The city offers businesses the opportunity to host a ribbon cutting event free of charge. This continues to be a great way to welcome new business to Farmington. Most recently the city hosted a ribbon cutting at TJ Larson's State Farm Insurance agency on February 1 at 18400 Pilot Knob Road.

### **2016-2018 Strategic Plan for Economic Development**

This will be a standing item of note each month in the Director's Report. This document serves as guidance for the work undertaken by the EDA over a three-year cycle. The EDA's 2016-2018 Strategic Plan for Economic Development is included for your reference.

### **Miscellaneous Articles**

Please find attached a few agency reports and industry articles you may find of interest:

Open to Business Dakota County 4<sup>th</sup> Quarter Report  
Dakota County CDA Foreclosure Summary  
Dakota County CDA Notice of Pendency Filings  
Star Tribune – For fledgling bakery, sewer access fee was big surprise

## **NEXT MEETING**

Our next meeting is scheduled for **Thursday, March 23 at 6:30 p.m.**

## **ACTION REQUESTED**

None, this report is intended to be a monthly update on various development and industry related topics.

## **ATTACHMENTS:**

Type	Description
▣ Exhibit	Open to Business Dakota County 4th Quarter Report
▣ Exhibit	Dakota County CDA Foreclosure Report

- ▢ Exhibit
- ▢ Exhibit
- ▢ Exhibit

Dakota County CDA Notice of Pendency Filings  
Star Tribune - For fledgling bakery, sewer  
access fee was big surprise  
2016 Building Permits Report





**Clients Served:**

Total Entrepreneurs	139
Pre-Start/Start Up	65
Existing Business	74

Inquiries	218
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(Requests for information/referral, not a formal client)

**Financing:**

Provided (Dakota County Businesses)	
Number	2
Amount	\$ 64,000

Provided (Dakota County Residents)	
Number	0
Amount	\$ 0

Microgrants	
Number	3
Amount	\$ 3,000

Credit Builder Loans	
Number	9
Amount	\$ 2,220

Total	\$ 26,220
-------	-----------

Requests/In Process	
Number	0
Total Request	\$ 0

Facilitated/Leveraged Loans	
Amount	\$1,007,905

**Client City:**

Apple Valley	16
Burnsville	28
Eagan	29
Farmington	14
Hastings	4
Inver Grove Hts	6
Lakeville	13
Mendota Heights	9
Rosemount	5
S. St. Paul	3
W. St. Paul	9
Townships	1
Undecided Location	2

**Industry Segment:**

Retail	28
Service	80
Food	22
Manufacturing	2
Technology	3
Construction/Related Trades	4

**Referral Source:**

Municipalities/CDA	63
Chamber	15
Internet	6
Friends/Family	10
Other (Banks, Schools, Etc.)	45

**Hours of Direct Service:**

1 <sup>st</sup> Quarter	479.85
2 <sup>nd</sup> Quarter	459.25
3 <sup>rd</sup> Quarter	568.50
4 <sup>th</sup> Quarter	435.75



## Foreclosure Summary for Dakota County

### Sheriff Sales

City	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	2017	2016
Apple Valley	2												2	69
Burnsville	7												7	75
Eagan	4												4	50
Farmington	2												2	36
Hastings	0												0	30
Inver Grove Heights	3												3	29
Lakeville	8												8	45
Mendota Heights	1												1	6
Rosemount	1												1	22
South St. Paul	1												1	30
West St. Paul	0												0	23
Small Cities	2												2	16
<b>TOTAL 2017</b>	<b>31</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31</b>	<b>431</b>

<b>TOTAL 2016</b>	<b>41</b>	<b>33</b>	<b>45</b>	<b>37</b>	<b>47</b>	<b>42</b>	<b>47</b>	<b>27</b>	<b>36</b>	<b>29</b>	<b>25</b>	<b>22</b>	<b>431</b>
<b>TOTAL 2015</b>	<b>65</b>	<b>36</b>	<b>63</b>	<b>41</b>	<b>39</b>	<b>43</b>	<b>51</b>	<b>38</b>	<b>46</b>	<b>59</b>	<b>41</b>	<b>33</b>	<b>555</b>
<b>TOTAL 2014</b>	<b>72</b>	<b>57</b>	<b>50</b>	<b>49</b>	<b>74</b>	<b>56</b>	<b>62</b>	<b>47</b>	<b>52</b>	<b>55</b>	<b>41</b>	<b>65</b>	<b>680</b>
<b>TOTAL 2013</b>	<b>142</b>	<b>73</b>	<b>84</b>	<b>86</b>	<b>90</b>	<b>58</b>	<b>107</b>	<b>69</b>	<b>60</b>	<b>51</b>	<b>45</b>	<b>60</b>	<b>925</b>

SOURCE: Dakota County Sheriff Sales. City numbers are based on municipality address.

For more information about the CDA's homeowner or homebuyer services,  
visit [www.dakotacda.org](http://www.dakotacda.org) or call (651) 675-4473.



## Notice of Pendency Filings

City	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	2017	2016
Apple Valley	17												17	133
Burnsville	19												19	154
Eagan	18												18	130
Farmington	12												12	77
Hastings	7												7	59
Inver Grove Heights	9												9	54
Lakeville	19												19	119
Mendota Heights	3												3	14
Rosemount	6												6	48
South St. Paul	9												9	76
West St. Paul	13												13	49
Small Cities	4												4	36
<b>TOTAL</b>	<b>136</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>136</b>	<b>949</b>

NOTE: Notices of Pendency are filed by a mortgage company's attorney as official notification that the foreclosure process has begun. Not all of these result in sheriff sales. Numbers are based on Notice of Pendency filings with Dakota County Property Records. City numbers are based on municipality address.

For more information about the CDA's homeowner or homebuyer services,  
visit [www.dakotacda.org](http://www.dakotacda.org) or call (651) 675-4473.

## BUSINESS

# For fledgling bakery, sewer access fee was big surprise

"It was either pay for it or wait for the appeal that could have taken weeks," Rise Bagel owner Jen Lloyd said. "It's costly to delay."

FEBRUARY 6, 2017 — 11:21AM



**NEAL ST. ANTHONY**

Sisters Jen and Kate Lloyd have built their several-year-old, growing Rise Bagel business out of a kitchen incubator in south Minneapolis, thanks to farmers markets, events and the internet.

They ran out of space last year and took the plunge on their own space.

The Lloyds invested \$100,000-plus, including a bank loan, to build out space in a renovated warehouse in the booming North Loop for their first retail bakery and cafe in 3,000 square feet at 530 N. Third St.

Kate quit a good day job in retail-furniture marketing to go all in; Jen still works days at another job and nights and weekends on bagels.

All went well except for an expensive stumble over the sewer line, you might say. Their architect last fall estimated that their "Sewer Availability Charge (SAC)" would be \$12,000. Last month, the Metropolitan Council and city sent a tab for \$25,000. The two women choked.

The SAC is the bane of the small independent restaurateurs who have opened new places over the last decade, often reviving once-dark corners of town. Restaurants run through a lot of water in the kitchen and bathrooms. And the SAC charge is designed to cover some of the costs for the city sewer lines and the Met Council, which runs the big regional interceptor lines that flow to Twin Cities-area sewage-treatment plants.

The Lloyd sisters plan to appeal the charge and get a refund. However, they paid the full amount in order to get the license to proceed with construction on the small bistro, including a kitchen, two new bathrooms and 40 chairs.

"It was either pay for it or wait for the appeal that could have taken weeks," Jen Lloyd said. "It's costly to delay."

The Met Council assessment, as applied by city licensing, assumes they may fill some of the open space in the bistro with more tables and chairs. The Lloyds say they won't.

"This 'determination' [by the city] was inconsistent," said Kate Lloyd. "We want fairness, consistency and transparency. It's hard enough to start and expand a small business."

The Lloyds said they were informed by the city licensing department that the higher amount was assessed to charge for the likelihood that Rise Bagel, which is scheduled to open this spring, would add more seats in a walk-through area near the food counter. The city has seen a pattern of restaurants adding seating after a lower SAC assessment. The Lloyds don't think they should have to pay for seats they don't plan to use.

A city communications officer submitted the following response last week: "The City has been working with Jen Lloyd and proposed a seat count limitation to reduce the SAC fees. She paid the full SAC fees of \$24,850 and will receive a refund when she submits a business license application identifying the seat count limitation."

Regardless, SAC is confusing to small operators, and seemingly arbitrary at times.

For example, Tina Rexing, a bakery-café owner in southeast Minneapolis hit the roof last spring when she took over an abandoned restaurant space and was assessed \$11,000, even though she planned no more seating than the owner who bailed.

The city and Met Council rescinded the assessment after her council member complained and a determination was made that a mistake was made over additional seating on the patio.



([http://stmedia.startribune.com/images/ows\\_1486179550142/](http://stmedia.startribune.com/images/ows_1486179550142/))  
Brenda Johnson Photography Sisters Jen and Kate Lloyd, who own Rise Bagel, are hoping to open their first retail bakery and cafe in the...

The Met Council is in the middle of a task force study and hearings ordered by the Legislature.

Officials admit that SAC can be confusing.

Ned Smith, director of finance and revenue for the Met Council's Environmental Services Division, said the law charges the council with collecting enough revenue from existing and new customers to pay their share of the cost of maintaining the sewage lines and treatment facilities.

The city also charges users for clean water they use, and municipalities are free to tack on SAC charges to the Met Council bill to pay for their local sewer pipes that connect with the Met Council's regional interceptor lines and sewage treatment plants.

"We raise \$35 to \$40 million a year from SAC revenue," Smith said in January. "Our total waste water fees are about \$200 million a year paid by water users and we bill that to cities in the seven-county Twin Cities area. They charge the users. If SAC went away, everybody's [water and sewer bill] would go up 15 to 20 percent.

"The Met Council charge is the same. The difference is if the local community adds a SAC [water pipe] charge. St. Paul adds a one-time processing fee. Minneapolis typically doesn't."

Commissioner Wendy Wulff of the Met Council conceded that the SAC process can be complicated, particularly because each municipality handles it somewhat differently in making the assessments for the council. She noted that big developers and chain restaurants know and navigate the process.

"It's the mom-and-pop enterprises that sometimes get surprised," Wulff said. "We are always working on simplification. And I hope we can make progress on simplification."

"It's the misperceptions that people often get angry about. I led the effort in 2009. I was on the Lakeville City Council, and I saw businesses weren't doing outdoor patios because the cost was too high. So Met Council staff recommended a 50 percent [discount] on outdoor seating. We settled on 75 percent. We saw a huge increase in outdoor patio seats."

In the end, somebody must pay the price for additional sewer capacity and maintenance.

Neal St. Anthony has been a Star Tribune business columnist and reporter since 1984. He can be contacted at [nstanthony@startribune.com](mailto:nstanthony@startribune.com).

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Neal St. Anthony has been a business columnist and reporter for the Star Tribune for 30 years. He also has worked in financial communications for two publicly held companies.

[Neal.St.Anthony@startribune.com](mailto:Neal.St.Anthony@startribune.com) 612-673-7144



# City of Farmington

430 Third Street  
Farmington, Minnesota  
651.280.6800 - Fax 651.280.6899  
www.ci.farmington.mn.us

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**TO:** Mayor, Councilmembers and City Administrator  
**FROM:** Ken Lewis, Building Official  
**SUBJECT:** Fourth Quarter 2016 and Year End New Construction Report and Population Estimate  
**DATE:** February 6, 2017

## **INTRODUCTION**

The following report summarizes the new construction permits issued during the fourth quarter of 2016, and the year-end building permit totals, and population estimate.

## **DISCUSSION**

**Fourth Quarter Building Permit Information:** During the fourth quarter of the 2016 building construction season (October 1st through December 31st) the city issued **12** new single-family detached housing and **1** duplex.

The average building valuation of the single-family homes during the fourth quarter of 2016 was **\$213,533**, up from \$205,150 during the third quarter of 2016. The valuation for the duplex was **\$225,500** (Note that the valuation averages do not represent the average *sale price* or average *market value* of the homes in question, since they do not include the value of the lot or any amenities added to the home that are not part of the building code formula).

**Year-End Building Permit Information:** The year-end figures reflected **65** new single family units. Two of these units were replacements after demolition occurred. **1** new duplex (after demolition occurred) and **1** multi-family housing (Legacy of Farmington Senior Living Facility).

The new single family permits resulted in a total new residential building valuation of **\$13,784,000**. Of the year -end total, the average valuation was **\$212,062**. The duplex building valuation was **\$225,500**. And the multi-family building valuation was **\$9,255,983**. As noted above, these valuations averages do not represent the average sale price or average market value of the homes in question, since they do not include the value of the lot or any amenities added to the home that are not part of the building code formula.

In addition to the new housing units, the following numbers reflect other permits that were issued during 2016.

**Building – 763** (decks, basement finishes, additions, garages, roofs, siding, remodeling, etc.)  
**Plumbing- 172** (lawn irrigation, water softener, water heaters, water and sanitary piping, etc.)

**Mechanical – 249** (furnaces, garage heaters, gas piping, fireplaces, ductwork, etc)

**Total additional Permits – 1184**

**Inspections performed for 2016**

**Building – 3118** (Footing, foundation, poured wall, framing, insulation, finals, etc.)

**Mechanical – 299** (Rough-ins, air tests, finals, etc.)

**Plumbing – 173** (Rough-ins, air tests, finals, etc.)

**Total number of inspections performed - 3590**

Year-End Population Estimate:

At the beginning of 2003, City staff decided that each quarterly building permit report should also include an updated population estimate for the City of Farmington. After discussing several methods of calculating population, a decision was made to base our population estimates on Certificates of Occupancy rather than upon building permits. Building permit activity is not a “real time” reflection of actual population, given the “lag time” between the issuance of the permit and the actual occupancy of the dwelling unit (i.e., the time required to construct, market and sell the home).

Accordingly, staff started with the City population as of April 1, 2000 (as determined by the U.S. Census Bureau) and then determined the number of Certificates of Occupancy [C.O.s] issued by the City since that date. The number of C.O.s is multiplied by 2.95, which was (according to the 2010 Census) the average number of occupants per Farmington dwelling unit. The resulting calculations are as follows:

21,806 Estimated population as of **December 31, 2012**  
+ 47 = 16 certificates of occupancies issued from the period of 1/1/13 to 3/31/13 X 2.95.  
21,853 Estimated population as of March 31, 2013  
+ 62 = 21 certificates of occupancies issued from the period of 4/1/13 to 6/30/13 X 2.95  
21,915 Estimated population as of June 30, 2013  
+ 109 = 37 certificates of occupancies issued from the period of 7/1/13 to 9/30/13 X 2.95  
22,024 Estimated population as of September 30, 2013  
+ 130 = 44 certificates of occupancies issued from the period of 10/1/13 to 12/31/13 X 2.95  
22,154 Estimated population as of **December 31st, 2013**  
+ 77 = 26 certificates of occupancies issued from the period of 1/1/14 to 3/31/14 X 2.95  
22,231 Estimated population as of March 31, 2014  
+ 62 = 21 certificates of occupancies issued from the period of 4/1/14 to 6/30/14 X 2.95  
22,293 Estimated population as of June 30, 2014  
+ 85 = 29 certificates of occupancies issued from the period of 7/1/14 to 9/30/14 X 2.95  
22,378 Estimated population as of September 30, 2014  
+ 68 = 23 certificates of occupancies issued from the period of 10/1/14 to 12/31/14 X 2.95  
22,446 Estimated population as of **December 31st, 2014**  
+ 41 = 14 certificates of occupancies issued from the period of 1/1/15 to 3/31/15 X 2.95  
22,487 Estimated population as of March 31st, 2015  
+ 38 = 13 certificates of occupancies issued from the period of 4/1/15 to 6/30/15 X 2.95  
22,525 Estimated population as of June 30th 2015  
+ 44 = 5 certificates of occupancies issued from the period of 7/1/15 to 9/30/15 X 2.95  
22,569 Estimated population as of September 30th 2015  
+ 53 = 18 certificates of occupancies issued from the period of 10/1/15 to 12/31/15 X 2.95  
22,622 Estimated population as of **December 31, 2015**

+ 24 = 8 certificates of occupancies issued from the period of 1/1/16 to 3/31/16 X 2.95  
 22,646 Estimated population as of March 31, 2016  
+32 = 11 certificates of occupancies issued from the period of 4/1/16 to 6/30/16 X 2.95  
 22,678 Estimated population as of June 30, 2016  
+ 65 = 22 certificates of occupancies issued from the period of 7/1/16 to 9/30/16 X 2.95  
 22,743 Estimated population as of September 30, 2016  
+ 38 = 13 certificates of occupancies issued from the period of 10/1/16 to 12/31/16 X 2.95  
 22,781 Estimated population as of **December 31, 2016**

### **BUDGET IMPACT**

None

### **ACTION REQUESTED**

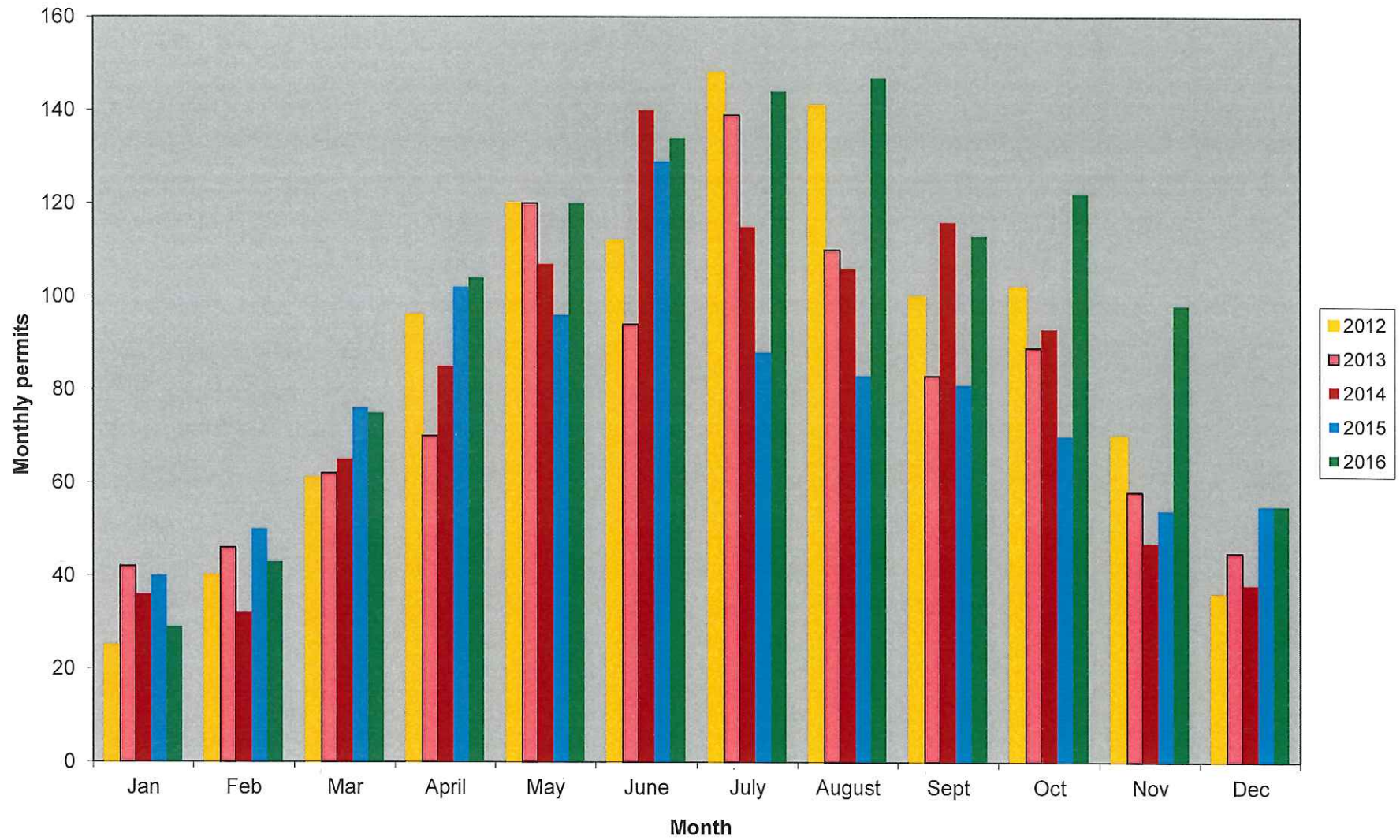
This item is informational in nature. No action is required

### **ATTACHMENTS:**

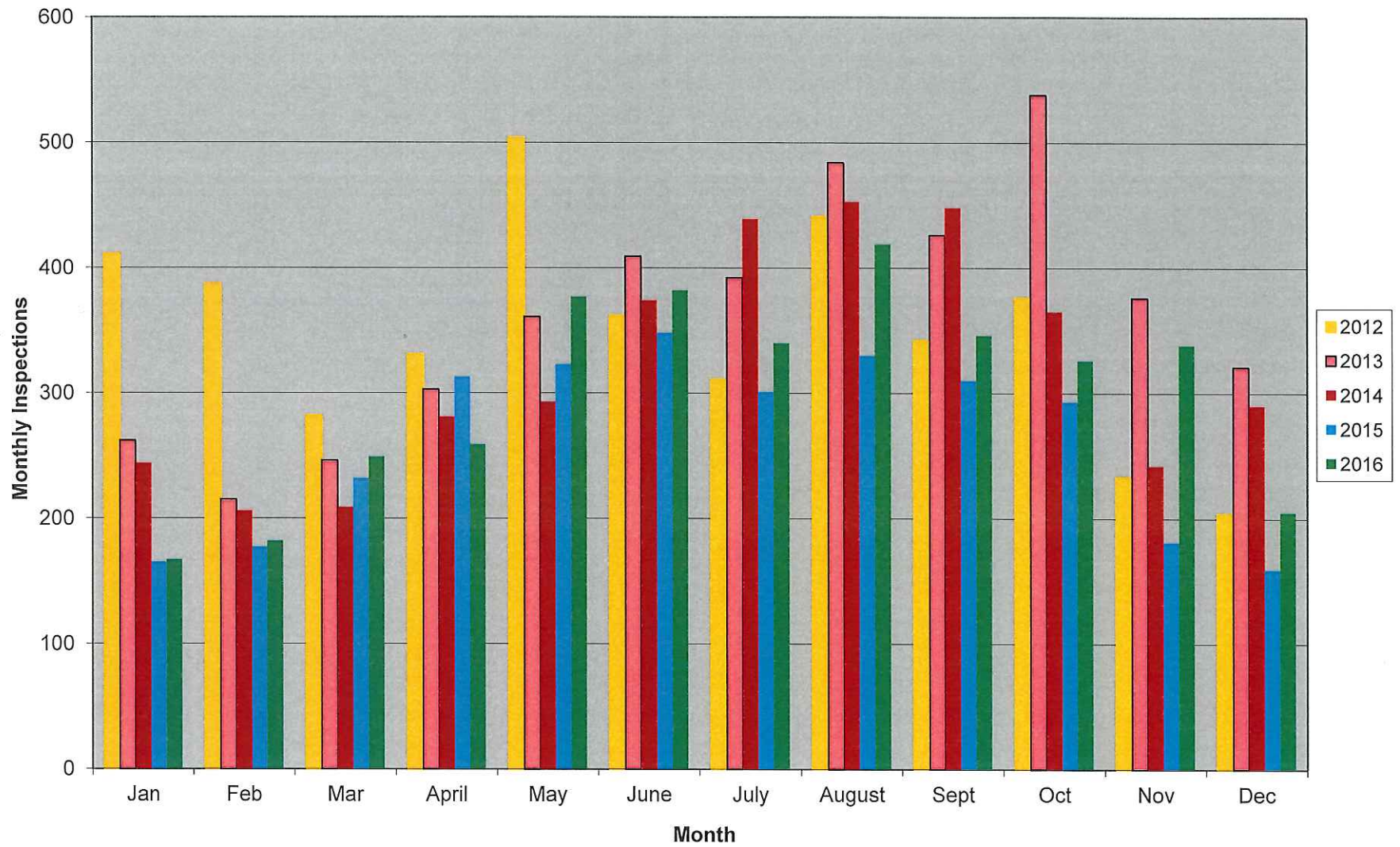
Type	Description
<div> <div></div> <div>Backup Material</div> </div>	Fourth Quarter 2016 and Year-End New Construction Report and Population Estimate



### Permits Issued for Existing Homes

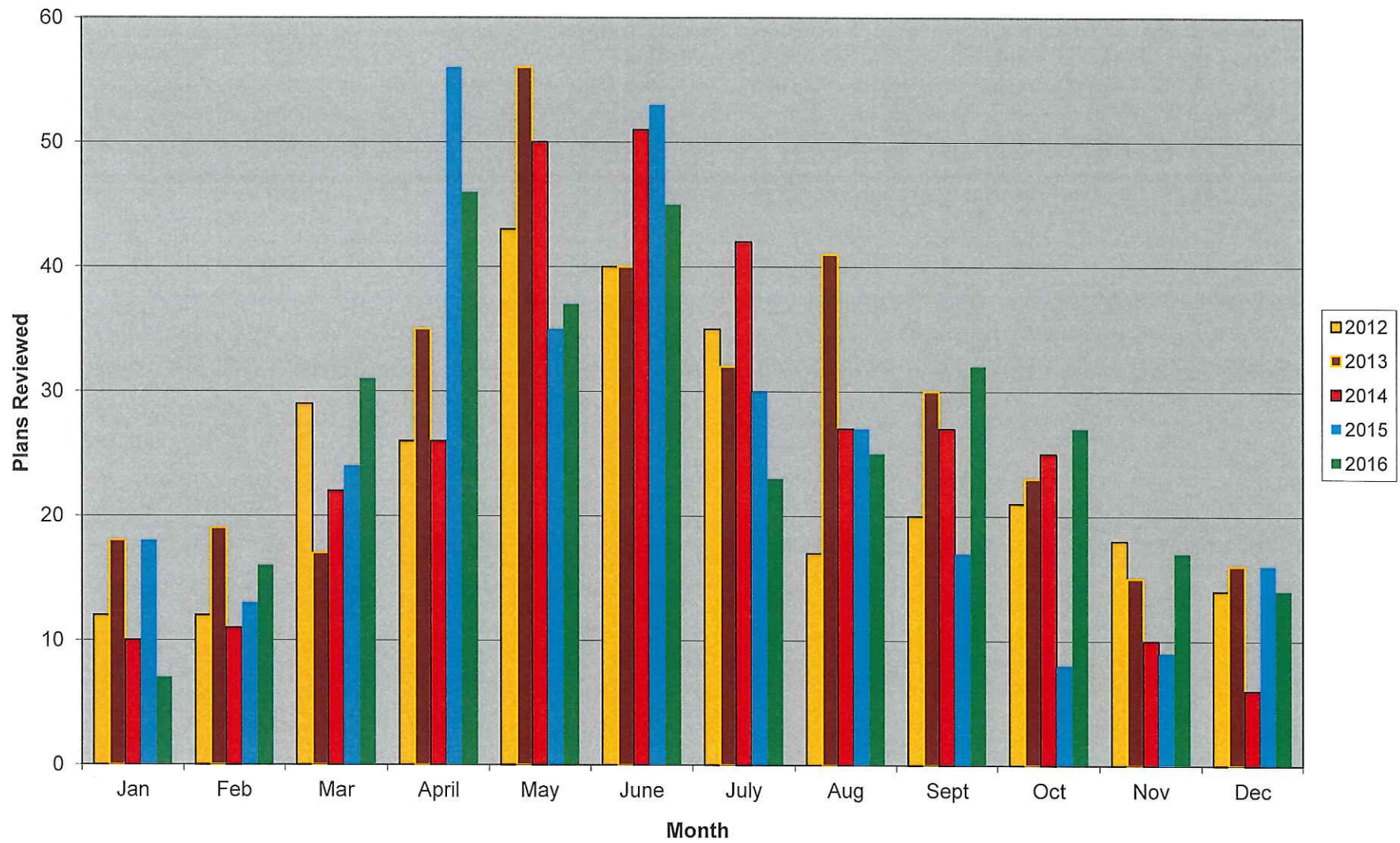


## Monthly Inspections





## Monthly Plan Reviews



## QUARTERLY BUILDING PERMITS

[illegible]