



**AGENDA**  
**REGULAR ECONOMIC DEVELOPMENT AUTHORITY MEETING**

March 23, 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. CONSENT AGENDA**
  - (a) Meeting Minutes (February 16 Special Meeting)
  - (b) Monthly Financial Statements
- 7. PUBLIC HEARINGS**
  - (a) Public Hearing to consider sale of the EDA owned "Riste Lot" at 209 Oak Street
- 8. DISCUSSION ITEMS**
  - (a) Downtown Facade Improvement Grant Application - Sauber Plumbing & Heating Company
- 9. DIRECTOR'S REPORT**
  - (a) March 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 (February 16 Special Meeting)  
**DATE:** March 23, 2017

## **INTRODUCTION/DISCUSSION**

Please find attached the draft meeting minutes from the February 16, 2017 Special EDA Meeting.

## **ACTION REQUESTED**

### **ATTACHMENTS:**

Type	Description
▣ Backup Material	Meeting Minutes (2/16/17 Special Meeting)

**MINUTES**  
**ECONOMIC DEVELOPMENT AUTHORITY**  
**Special Meeting**  
**February 16, 2017**

**1.    *CALL TO ORDER***

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

Members Present:     Larson, Pitcher, Corrado, Jolley, Simmons

Members Absent:     Cordes, Wilson

Also Present:         Adam Kienberger, Community Development Director; Robin  
                              Hanson, Finance Director

Audience:            Councilmember Craig

**2.    *PLEDGE OF ALLEGIANCE***

**3.    *ROLL CALL***

**4.    *APPROVE AGENDA***

**MOTION** by Corrado, second by Pitcher to approve the Agenda. **APIF, MOTION CARRIED.**

**5.    *CITIZEN COMMENTS/PRESENTATIONS***

**6.    *CONSENT AGENDA***

**MOTION** by Jolley, second by Corrado to approve the Consent Agenda as follows:

a)     Approved Meeting Minutes (January 26, 2017 Regular Meeting)

b)     Received Monthly Financial Statements

**APIF, MOTION CARRIED.**

**7.    *PUBLIC HEARINGS***

**8.    *DISCUSSION ITEMS***

**a)     2017 EDA Organizational Matters**

The EDA approves the by-laws, elects officers, sets the EDA meeting schedule and acknowledges the official newspaper as part of the yearly organizational matters. Members agreed to have Mayor Larson continue as Chair and Member Jolley as Vice-Chair. Community Development Director Kienberger will continue as Secretary and Treasurer. **MOTION** by Corrado, second by Simmons to appoint Mayor Larson as Chair and Member Jolley as Vice-Chair, set the meetings for the fourth Thursday of every month, adopt the by-laws as presented and acknowledge the Farmington Independent as the official newspaper. **APIF, MOTION CARRIED.**

**b)     EDA Finance Discussion**

Each month the EDA receives a report showing revenues and expenses for the month. Finance Director Hanson explained what the EDA can do with the funds,

how the EDA is financed, how we operate and what we can do with the cash on hand. Members discussed if we want to have a fund balance at the end of the year and what amount. Currently there is a fund balance of \$155,000. This can be used for grants, zero interest loans, projects, etc.

**c) EDA Review and Orientation**

Community Development Director Kienberger further explained some financial items. Each year the city transfers \$40,000 to the EDA. That transfer is at Council's discretion. Staff provided information on how a board operates and meeting procedures. The 2016-2018 Strategic Plan for Economic Development is provided in every meeting packet and is a reminder of the mission of the EDA and what our role is. The EDA has a certain level of autonomy as defined in state statute, but still reports to the Council. This is a board of seven with two school board members, two councilmembers and three residents. The strategic plan contains five priorities and strategies to implement them. Community Development Director Kienberger reviewed the priorities.

Member Simmons suggested placing an annual summary report on the website about things that have been done. Member Corrado suggested doing a press release also.

**d) Open to Business Program 2017 Joint Powers Agreement**

This program started in 2013 as a way to provide more technical assistance to our small business community. Several cities in Dakota County participate in this program. Dakota County pays more than 50% of the total cost of the program. Farmington's fee for 2017 is \$5,171. The report shows the program had 14 client contacts in Farmington. EDA members would like to know if any of them have been successful in starting a business. **MOTION** by Simmons, second by Corrado to authorize execution of the Open to Business Joint Powers Agreement between the Farmington EDA and the Dakota County CDA. **APIF, MOTION CARRIED.**

**e) February Director's Report**

Staff provided the building permit report for 2016. A ribbon cutting was held at the TJ Larson State Farm Insurance office.

**9. ADJOURN**

**MOTION** by Simmons, second by Pitcher to adjourn at 7:30 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:** March 23, 2017

## **INTRODUCTION/DISCUSSION**

Please find attached the monthly financial statements for the EDA.

## **ACTION REQUESTED**

### **ATTACHMENTS:**

Type	Description
▣ Backup Material	March Financial Snapshot

**EDA**  
**Actual vs Budgeted**  
**2017**

Object Account	January Actual 2017	February Actual 2017	March Actual 2017	April Actual 2017	May Actual 2017	June Actual 2017	July Actual 2017	August Actual 2017	September Actual 2017	October Actual 2017	November Actual 2017	December Actual 2017	Dec YTD Actual 2017	Dec YTD Budget 2017	Dec YTD Actual Budget Variance 2017
<b>Intergovernmental</b>	0	0	0	0	0	0	0	0	0	0	0	0	0		0
<b>Investment Income</b>	(658)	0	0	0	0	0	0	0	0	0	0	0	(658)	2,374	(3,032)
<b>Misc Revenue</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>(658)</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>(658)</b>	<b>2,374</b>	<b>(3,032)</b>
6401 - PROFESSIONAL SERVICES	0	0	0	0	0	0	0	0	0	0	0	0	0	11,680	(11,680)
6403 - LEGAL	912	0	0	0	0	0	0	0	0	0	0	0	912	4,000	(3,088)
6404 - IT SERVICES	673	673	0	0	0	0	0	0	0	0	0	0	1,346	8,075	(6,729)
6422 - ELECTRIC	21	20	0	0	0	0	0	0	0	0	0	0	41	300	(259)
6426 - INSURANCE	10	10	0	0	0	0	0	0	0	0	0	0	20	200	(180)
6450 - OUTSIDE PRINTING	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000	(1,000)
6460 - SUBSCRIPTIONS & DUES	295	0	0	0	0	0	0	0	0	0	0	0	295	2,500	(2,205)
6470 - TRAINING & SUBSISTANCE	265	0	0	0	0	0	0	0	0	0	0	0	265	3,000	(2,735)
6485 - MILEAGE REIMBURSEMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000	(1,000)
6570 - PROGRAMMING EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0	0	13,500	(13,500)
<b>Services and Charges</b>	<b>2,176</b>	<b>702</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>2,878</b>	<b>45,255</b>	<b>(42,377)</b>
<b>Total Exp</b>	<b>2,176</b>	<b>702</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>2,878</b>	<b>45,255</b>	<b>(42,377)</b>
<b>Transfers In</b>	<b>3,333</b>	<b>3,333</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>6,667</b>	<b>40,000</b>	<b>(33,333)</b>
<b>Transfers Out</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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Financing Sources</b>	<b>3,333</b>	<b>3,333</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>6,667</b>	<b>40,000</b>	<b>(33,333)</b>
<b>Net Change in Fund Balance</b>	<b>499</b>	<b>2,631</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>3,130</b>	<b>(2,881)</b>	<b>6,011</b>



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**TO:** Economic Development Authority  
**FROM:** Adam Kienberger, Community Development Director  
**SUBJECT:** Public Hearing to consider sale of the EDA owned "Riste Lot" at 209 Oak Street  
**DATE:** March 23, 2017

## **INTRODUCTION/DISCUSSION**

The EDA owns a small vacant lot in downtown Farmington commonly referred to as the "Riste Lot" located on Oak Street just west of 3<sup>rd</sup> street behind the Exchange Bank Building. A location map for 209 Oak Street is attached. This property was originally acquired and demolished by the HRA/EDA in 2007 using a combination of Community Development Block Grant (CDBG) funds and CDA Redevelopment Incentive Grant dollars.

Over the years there has been discussion by the HRA/EDA/City Council about selling this property for private redevelopment. Since the completion of the Downtown Redevelopment Plan the EDA discussed selling this parcel to align with the strategy of redeveloping underutilized sites in downtown Farmington.

Based on further discussion with the EDA and an inquiry about a potential sale price, staff ordered an appraisal for the lot in August of 2016. A value of \$25,000 was placed on the property, and the EDA agreed that this would be the asking price.

On January 23, 2017 the EDA formally received an offer for the site of \$25,000 including a \$5,000 deposit from Last Hope, Inc.

As required by State Statute 469.105 Sale of Property, the EDA is required to provide notice and hold a public hearing, adopt findings, and approve terms and conditions for the sale of the Riste Lot. A summary of these items are as follows:

- A notice of hearing was placed on March 9, 2017 for the public hearing on March 23, 2017
- Purchase price - \$25,000
  - Closings costs to be shared as outlined in contract per industry standards
- Closing date – May 31, 2017
- Construction of minimum improvements on or before December 31, 2017

## **ACTION REQUESTED**

Hold a Public Hearing to consider the sale of the Riste Lot (209 Oak Street) to Last Hope Inc. After the Public Hearing, approve the terms and conditions of the sale as outlined in the attached Contract for Private Redevelopment.

## **ATTACHMENTS:**

Type	Description
□ Contract	Contract for Private Redevelopment - Last Hope

*(reserved for recording information)*

**CONTRACT FOR PRIVATE REDEVELOPMENT**

***LAST HOPE***

**THIS AGREEMENT**, made on or as of the \_\_\_\_day of \_\_\_\_\_, 2017, by and between the **ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY OF FARMINGTON**, a public body corporate and politic under the laws of the State of Minnesota (the "EDA") and **LAST HOPE**, a Minnesota non-profit corporation (the "Developer").

**WITNESSETH:**

**WHEREAS**, the EDA was created pursuant to Minnesota Statutes, Sections 469.090-.108 and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of Farmington pursuant to Section 469.093 of the Act; and

**WHEREAS**, pursuant to the Act, the EDA is authorized to undertake certain activities to prepare real property for development and redevelopment by private enterprise; and

**WHEREAS**, there has been a proposal that the EDA approve the sale of the real property described in Exhibit "A" attached hereto (the "Property") to the Developer for development of at least a 1,900 square foot office building, together with appropriate landscaping and parking area in the City of Farmington (the "Project"), as depicted in Exhibit "B"; and

**WHEREAS**, Developer has proposed to construct the Project which will create new jobs within the City of Farmington; and

**WHEREAS**, the EDA believes that the Project and fulfillment generally of this Agreement is in the best interest of the EDA and the health, safety, morals and welfare of the

residents of the City of Farmington and in accord with the public purposes and provisions of the applicable state and local laws and requirements.

**NOW, THEREFORE**, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

## **ARTICLE I. DEFINITIONS**

In this Agreement, unless a different meaning clearly appears from the context:

**"Act"** means Minnesota Statutes, Sections 469.090-.108, as amended.

**"Agreement" [or "Contract"]** means this Contract for Private Development by and between the EDA and the Developer, as the same may be from time to time modified, amended or supplemented.

**"Articles and Sections"** mentioned by number only are the respective Articles and Sections of this Agreement so numbered.

**"City"** means the City of Farmington, Minnesota.

**"County"** means the County of Dakota, Minnesota.

**"Deed"** means the limited warranty deed described in Section 3.1 to be executed by the EDA conveying the Property to the Developer.

**"Developer"** means Last Hope, or any assigns that have received prior written approval from the EDA.

**"EDA"** means the Farmington Economic Development Authority.

**"Event of Default"** means an action by the Developer listed in Article VII of this Agreement.

**"Minimum Improvements"** means at least a 1,900 square foot office building, landscaping, parking area and appurtenant improvements constructed on the Property by the Developer as depicted on Exhibit "B", in accordance with all applicable local, state and federal regulations governing such facilities, and in conformance with site plans as the same have been submitted to the EDA.

**"Parties"** means the Developer and the EDA.

**"Party"** means either the Developer or the EDA.

**"Project"** means the Property and the completed Minimum Improvements thereon.

**"Property"** means the two parcels of real property as legally described in Exhibit "A" attached hereto.

**"Purchase Price"** means the sum of Twenty-Five Thousand and No/100 Dollars (\$25,000.00), which the Developer shall pay the EDA for the purchase of the Property.

**"State"** means the State of Minnesota.

**"Unavoidable Delays"** means delays outside the control of the Party claiming its occurrence which are the direct result of strikes, other labor troubles, unusually severe or prolonged bad weather, Acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the City) which directly result in delays. Unavoidable delays shall not include delays in the Developer's obtaining permits or governmental approvals necessary directly to enable construction of the Minimum Improvements.

## **ARTICLE II.**

### **REPRESENTATIONS AND WARRANTIES**

**Section 2.1. Representations and Warranties by the EDA.** The EDA represents and warrants that:

- (a) The EDA is a public body corporate and politic duly organized and existing under the laws of the State. Under the provisions of the Act and the laws of the State, the EDA has the power to enter into this Agreement and carry out its obligations hereunder.
- (b) The activities of the EDA are undertaken for the purpose of creating additional job opportunities within the City and to enhance the economic diversity of the City and to provide essential products and services within the City.
- (c) The EDA makes no representation or warranty, either express or implied, as to the Property or its condition or soil conditions thereon, or that the Property is suitable for the Developer's needs except as specifically set forth in this Agreement.
- (d) Subject to satisfaction of the terms and conditions of this Agreement, the EDA will convey the Property to the Developer for development in accordance with the terms of this Agreement.
- (e) The EDA has no actual knowledge that a "well" (as defined in Minnesota Statutes Section 103I.005, subd. 21) is located on the Subject Property.

- (f) The EDA has no actual knowledge of an "individual sewage treatment system" (as defined in Minnesota Statutes Section 115.55, subd. 1(g)) located on the Subject Property.
- (g) The EDA certifies that, as of the date hereof, no methamphetamine production has occurred on the Property, pursuant to Minn. Stat. § 152.0275.

All representations and warranties shall survive Closing for a period of two (2) years.

**Section 2.2. Representations and Warranties by the Developer.** The Developer represents and warrants that:

- (a) The Developer has the capacity to enter into this Agreement and to perform its obligations hereunder.
- (b) When the Property is conveyed to the Developer, the Developer will construct, operate and maintain the Minimum Improvements upon the Property in accordance with the terms of this Agreement, and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations).
- (c) The Minimum Improvements will be constructed by the Developer, at its sole expense, in such manner, and at such expense as are necessary to make the Property usable by the Developer, including all such improvements as are necessary to make said facility comply with all applicable federal, state and local rules, regulations, ordinances and laws.
- (d) The Developer will use its best efforts to construct the Minimum Improvements in accordance with all local, state or federal energy-conservation laws or regulations.
- (e) The Developer will use its best efforts to obtain, in a timely manner, all required permits, licenses and approvals and to meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed. The EDA will cooperate to expedite the processing of any application filed with the City by the Developer. The EDA does not hereby warrant or represent that the City will approve an application filed by Developer, except as expressly provided in this Agreement.
- (f) The Developer will cooperate with the EDA, and the EDA will cooperate with the Developer with respect to any litigation commenced with respect to the Property or the Minimum Improvements.

- (g) The Developer will construct the Minimum Improvements on the Property in accordance with the plans approved by the EDA and will commence construction of the Minimum Improvements on or before December 31, 2017.
- (h) 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 corporate restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound or constitutes a default under any of the foregoing.
- (i) Whenever any Event of Default occurs and if the EDA shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer agrees that it shall, within ten (10) days of written demand by the EDA, pay to the EDA the reasonable fees of such attorneys and such other expenses so incurred by the EDA.

### **ARTICLE III.**

#### **CONVEYANCE OF PROPERTY**

**Section 3.1. Status of Property.** Subject to the satisfaction of the terms and conditions of this Agreement, the EDA agrees to sell the Property to the Developer and the Developer agrees to purchase the Property from the EDA in “as-is” condition through the execution and delivery of a limited warranty deed containing a right of reversion as provided under Section 6.3 of this Agreement and conveying marketable title to the Subject Property, subject to:

- (a) building and zoning laws, ordinances, state and federal regulations;
- (b) restrictions related to use or improvements of the Property do not affect Developer’s intended use or improvement of the Property;
- (c) easements that do not interfere with Developer’s intended improvements and use;
- (d) reservations of minerals or mineral rights to the State of Minnesota; and

**Section 3.2. Conditions Precedent to Conveyance of Property.**

- (a) The EDA's obligation to convey the Property shall be subject to the satisfaction of, or waiver in writing by the EDA of, all of the following conditions precedent:
  - (i) The Developer not being in default under the terms of this Agreement;

- (ii) The Developer having secured all governmental permits and approvals, including building permits necessary to be obtained in order to permit conveyance of the Property to Developer and construction of the Minimum Improvements;
  - (iii) The Developer shall have submitted to the EDA and the EDA shall have approved Construction Plans for the Minimum Improvements pursuant to Article IV of this Agreement.
- (b) The Developer shall be obligated to accept title to the Property subject to satisfaction, or waiver in writing by the Developer, of the following conditions precedent:
  - (i) The EDA not being in default under the terms of this Agreement; and
  - (ii) The Developer having secured the EDA's approval of the Construction Plans and all other governmental permits and approvals, including building permits necessary to construct the Minimum Improvements; and
  - (iii) At or before Closing, Developer having determined that it is satisfied, in its sole discretion, with the results and matters disclosed by a Phase I Environmental Audit and any other environmental tests of the Property completed under the terms of this Agreement, including soil tests.

If the contingencies have not been satisfied or waived by the parties on or before the respective dates set forth above, then the respective party may elect to terminate this Agreement by written notice delivered to the other party. Upon such termination, the Earnest Money shall be immediately refunded to Developer and upon such return neither party will have any further rights or obligations regarding this Agreement or the Property. If either party fails to terminate prior to Closing, then the contingencies pertaining to each such respective contingency shall be deemed waived by the party entitled to assert the contingency and the parties shall perform under this Agreement. If this Agreement is terminated as permitted under the terms of this Section, then upon request by EDA, EDA and Developer agree to sign a cancellation of this Agreement or Developer shall deliver a Quit Claim Deed to the Property to EDA. Developer agrees to diligently proceed to satisfy the conditions of this Section.

**Section 3.3. Purchase Price.** The purchase price for the Subject Property shall be payable by Developer as follows:

- (a) Five Thousand and No/100 Dollars (\$5,000.00) as earnest money, the receipt of which is hereby acknowledged by the EDA, but which shall be applied to the purchase price hereunder ("Earnest Money"). The Earnest Money shall be non-refundable except in the event of termination of this Agreement by Developer pursuant to Section 3.2 hereof; and

- (b) The balance payable in cash, certified funds or wire transfer paid to the EDA at Closing.

#### **Section 3.4. Closing.**

- (a) Within ten (10) days after the satisfaction and/or waiver of all of the conditions contained in Section 3.2 of this Agreement, and in any event no later than May 31, 2017 ("Closing Date") provided all conditions precedent for the EDA and Developer to close have either been met or waived, and the Developer pays the EDA the Purchase Price, the EDA shall convey the Property to the Developer through the execution and delivery of the Deed and all other documents reasonably required by Developer and the Title Company (as hereinafter defined). This closing shall be at a location mutually agreed upon by the parties.
- (b) The Developer shall take possession of the Property upon execution and delivery of the Deed by the EDA at closing.
- (c) The Deed shall be in recordable form and shall be promptly recorded along with this Agreement.
- (d) At Closing, the Developer shall pay:
  - (i) title insurance premiums, if any;
  - (ii) one-half of closing costs;
  - (iii) the cost for any environmental investigation or tests by Developer; and
  - (iv) all taxes payable in accordance with the terms of this Agreement.
- (e) At Closing, the EDA shall pay:
  - (i) state deed tax relating to the conveyance of the Property and conservation fees;
  - (ii) recording fees for corrective instruments required to remove encumbrances and place marketable title in Developer's name;
  - (iii) all taxes and assessments payable in accordance with this Agreement; and
  - (iv) all title insurance company fees for issuance of a title commitment.
- (f) All costs incidental to the Closing not otherwise specifically allocated under this Agreement shall be allocated in accordance with the custom and practice for similar transactions in Minnesota.

**Section 3.5. Title.** The City shall within fifteen (15) days after the date of this Agreement, at its sole cost and expense, obtain a current commitment for the issuance of a ALTA Form B owner's policy of title insurance (the "Commitment") issued by a title company ("Title Company") committing to insure that Developer will have good and marketable title to the Property free and clear of all liens, restrictions, covenants and encumbrances except those

liens, restrictions, covenants and encumbrances currently of record and otherwise identified in Section 3.1 (the "Permitted Encumbrances"). A mortgage, monetary lien or any other lien or encumbrance against the property shall be deemed to be a title objection. In the event any exceptions are listed in the Commitment (except for Permitted Encumbrances), if the EDA does not immediately remove the exceptions, the Developer shall have the right to waive such exceptions, in which event the limited warranty deed to be delivered at Closing shall except such objections, or terminate this Agreement as the Developer's sole and exclusive remedy and in such event neither the EDA nor the Developer shall have any obligations or liability to the other hereunder, and the Earnest Money shall be returned to Developer.

**Section 3.6. Physical Inspection.** Developer and its agents will have the right, from time to time prior to the Closing, to enter upon the Subject Property to examine the same and the condition thereof and to conduct such surveys and to make such engineering and other inspections, tests and studies as Developer determines to be reasonably necessary, all at Developer's sole cost and expense. Developer will conduct such examinations or surveys during normal business hours to the extent practicable. Developer will conduct all examinations and surveys of the Subject Property in a manner that will not harm or damage the Subject Property so that it cannot be restored to its prior condition or cause any claim adverse to the EDA and will restore the Subject Property to its condition prior to any such examinations or surveys immediately after conducting the same. Developer will indemnify, defend, and hold the EDA harmless from and against any claims for injury or death to persons, damage to property or other losses, damages or claims, including, in each instance, reasonable attorneys' fees and litigation costs, arising out of any action of any person or firm entering the Subject Property on Developer's behalf as aforesaid, which indemnity will survive the Closing and any termination of this Agreement without the Closing having occurred. Notwithstanding the foregoing, Developer will not be liable merely for the discovery of a pre-existing condition at the Subject Property.

**Section 3.7. Charges to be Paid by Developer.** Developer shall be responsible for all appropriate fees in connection with issuance of a building permit. Developer shall not be responsible for fees associated with land development, such as, but not limited to: park dedication, sanitary and water trunk fees, GIS fees. Developer shall be responsible for City engineering fees for review and inspection of Constructions Plans and improvements not covered by the building permit fees for private improvements directly related to the Property such as, but not limited to, inhouse and/or consulting engineering fees for public utility connections, parking improvements located on the Property and landscaping located in or associated with work in the City right of way, alley, curb, and sidewalk areas. Developer shall be responsible for any costs for repair or maintenance to City property caused by Developer's construction of the Minimum Improvements.

#### **ARTICLE IV.**

#### **CONSTRUCTION OF MINIMUM IMPROVEMENTS**

**Section 4.1. Construction of Minimum Improvements.** The Developer agrees that it will construct the Minimum Improvements on the Property in accordance with construction plans

approved by the EDA, (the “Construction Plans”) and will operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof in good repair and condition.

#### **Section. 4.2. Construction Plans.**

- (a) On or before May 31, 2017, the Developer shall submit to the EDA a site plan for the Property (“Site Plan”) and the Construction Plans for the Minimum Improvements. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity with this Agreement, the Site Plan, and all applicable state and local laws and regulations. The EDA and/or the City Building Official shall approve the Construction Plans in writing if, in the reasonable discretion of the EDA and/or City Building Official: (i) the Construction Plans conform to the terms and conditions of this Agreement; (ii) the Construction Plans conform to all applicable federal, state and local law, ordinances, rules and regulations; (iii) the Construction Plans are adequate to provide for the construction of the subject Minimum Improvements; (iv) the Construction Plans do not provide for expenditures in excess of the funds which will be available to the Developer for the construction of the Minimum Improvements; and (v) no Event of Default has occurred and is continuing. No approval by the EDA and/or City Building Official under this Section 4.2 shall relieve the Developer of the obligation to comply with the terms of this Agreement, applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements. No approval by the EDA and/or City Building Official shall constitute a waiver of an Event of Default. The EDA and/or City Building Official shall review the Construction Plans within thirty (30) days of submission of a complete set of Construction Plans and either approve the same or provide Developer with a list of specific required changes to be made to the Construction Plans. Upon making the specific changes to the Construction Plans as required by the EDA and/or City Building Official, the Developer shall submit the Construction Plans with the required changes to the City Building Official for his approval and if Developer made the required changes, the Construction Plans shall be approved.
- (b) If the Developer desires to make any material change in any Construction Plans after their approval by the EDA and/or City Building Official, the Developer shall submit the proposed change to the City Building Official for his approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 of this Agreement with respect to such previously approved Construction Plans, the EDA and/or City Building Official shall approve the proposed change and notify the Developer in writing of its approval.

**Section 4.3. Construction of Minimum Improvements.** The Developer shall commence construction of the Minimum Improvements on or before December 31, 2017.

Subject to Unavoidable Delays, the Developer shall substantially complete construction of the Minimum Improvements, except for minor "punch list items", within one (1) year of the date of this Agreement.

**Section 4.4. Construction Requirements.** In constructing the Minimum Improvements, the Developer shall comply with all federal, state and local laws and regulations.

**Section 4.5. Failure to Accept Title to Property or to Construct.** In the event all conditions precedent herewith are met or waived and the Developer fails to accept title to the Property pursuant to Article III or construction of the Minimum Improvements is not commenced or completed as provided in Section 4.3 of this Agreement (subject to the provisions of Article VII hereof), the Developer shall be liable to the EDA for the amount of the EDA's actual expenses related to this Agreement as liquidated damages.

## **ARTICLE V. REAL PROPERTY TAXES**

**Section 5.1 Taxes and Deferred Assessments.** Except as otherwise provided herein, the EDA shall pay all general real estate taxes and installments of special assessments due and payable in the year prior to the Date of Closing and years prior thereto. The EDA and Developer shall prorate all general real estate taxes due and payable on the Subject Property in the year in which the Date of Closing occurs on a per diem basis. Except as otherwise provided below, EDA shall pay on or before Closing all levied and pending special assessments associated with the Subject Property as of the date of this Agreement.

## **ARTICLE VI Events of Default**

**Section 6.1. Events of Default Defined.** The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any one or more of the following events:

- (a) Failure by the Developer to pay when due any payments required to be paid under this Agreement or to pay when due ad valorem taxes on the Property.
- (b) Failure by the Developer to commence, diligently pursue and complete construction of the Minimum Improvements, or portions thereof, pursuant to the terms, conditions and limitations of this Agreement.
- (c) Failure by Developer to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed hereunder.
- (d) The Developer does any of the following prior to completion of construction of the Minimum Improvements: (i) files any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution,

or similar relief under United States Bankruptcy Laws or any similar federal or state laws; or (ii) make an assignment for the benefit of its creditors; or (iii) admit, in writing, its inability to pay its debts generally as they become due; or (iv) be adjudicated, bankrupt or insolvent.

- (e) If any warranty or representation by the Developer in this Agreement is untrue in any material respect.
- (f) Failure by EDA to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed hereunder.
- (g) If any warranty or representation by the EDA in this Agreement is untrue in any material respect.

**Section 6.2. EDA's Remedies on Default.** Whenever any Event of Default by Developer referred to in Section 6.1 of this Agreement occurs, the EDA may take any one or more of the following actions and unless otherwise provided such actions may be taken only after providing thirty (30) days written notice to the Developer of the Event of Default and the Event of Default has not been cured within said thirty (30) days or, if the Event of Default is by its nature incurable within thirty (30) days, the Developer does not provide assurances to the EDA reasonably satisfactory to the EDA that the Event of Default will be cured and will be cured as soon as reasonably possible:

- (a) Suspend its performance under the Agreement until it receives assurances from the Developer, deemed adequate by the EDA, that the Developer will cure its default and continue its performance under the Agreement.
- (b) Terminate this Agreement;
- (c) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to the EDA to collect any payments due or damages arising under this Agreement or to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

**Section 6.3. Revesting Title in EDA Upon Happening of Event Subsequent to Conveyance to Developer.** In the Event that subsequent to the execution and delivery of the Deed the Developer shall fail to complete construction of the Minimum Improvements in conformity with this Agreement and such failure shall not be cured within thirty (30) days after written notice to do so, or within a reasonable amount of time thereafter if Developer is diligently proceeding with the construction of the Minimum Improvements, then the EDA shall have the right to immediately re-enter and take possession of the Property and to terminate (and revest in the EDA) the estate conveyed by the Deed to the Developer, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Property to the Developer shall be made upon, and that the Deed shall contain a condition subsequent to the effect that in the event of any default on the part of the Developer and failure on the part of

the Developer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, the EDA at its option may declare a termination in favor the EDA of the title, and all of the rights and interests in and to the Property conveyed to the Developer, and that such title and all rights and interests of the Developer, and any assigns or successors in interest to and in the Property, shall revert to the EDA. If Developer provides a title commitment and warranty deed to the Property in lieu of reversion, the EDA shall pay to Developer 90% of that portion of the Purchase Price actually paid by Developer to the EDA. The warranty deed shall convey fee title to the Property to Developer, subject only to the encumbrances identified under Section 3.1 of this Agreement. The title commitment required under this section shall be a current commitment for the issuance of an ALTA Form B owner's policy of title insurance issued by Title Company committing to insure good and marketable title to the Property in favor of the EDA. A deed of trust, mortgage, monetary lien or any other lien or encumbrance against the Property shall be deemed to be a title objection. Upon request, the EDA shall release the right of reverter if the Minimum Improvements are completed and a certificate of occupancy or temporary certificate of occupancy have been issued for the Subject Property.

**Section 6.4. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the EDA is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

**Section 6.5. Attorneys' Fees.** Whenever any Event of Default occurs and either the EDA shall employ attorneys or incur expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer agrees that it shall, within ten (10) days of written demand by the EDA pay to the EDA the reasonable fees of such attorneys and such other expenses so incurred by the EDA; provided, that the Developer shall only be obligated to make such reimbursement if the other party prevails in such collection or enforcement action.

**Section 6.6 Developer's Remedies on Default.** Whenever any Event of Default by EDA referred to in Section 6.1 of this Agreement occurs, the Developer may take any one or more of the following actions and unless otherwise provided such actions may be taken only after providing thirty (30) days written notice to the EDA of the Event of Default and the Event of Default has not been cured within said thirty (30) days or, if the Event of Default is by its nature incurable within thirty (30) days, the EDA does not provide assurances to the Developer reasonably satisfactory to the Developer that the Event of Default will be cured and will be cured as soon as reasonably possible:

- (a) Up to the Closing:

- (i) suspend its performance under the Agreement until it receives assurances from the EDA, deemed adequate by the Developer, that the EDA will cure its default and continue its performance under the Agreement; or
- (ii) terminate this Agreement; or
- (b) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to the Developer to collect any damages arising under this Agreement or to enforce performance and observance of any obligation, agreement, or covenant of the EDA under this Agreement.

## **ARTICLE VII.**

### **ADDITIONAL PROVISIONS**

**Section 7.1. Certificate of Completion.** Promptly after substantial completion of the Minimum Improvements in accordance with those provisions of this Agreement, the EDA will furnish Developer with a certificate of completion substantially in the form shown at Exhibit “C” (the “Certificate of Completion”). Such certification by the EDA shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement with respect to the obligations of Developer, and its successors and assigns, to construct the Minimum Improvements, and shall operate to forever waive the EDA’s interest in the Property, including the right of reverter.

If the EDA shall refuse or fail to provide any certification in accordance with the provisions of this Section 7.1, the EDA shall, upon demand, provide Developer with a written statement, indicating in adequate detail in what respect Developer has failed to complete the Minimum Improvements in accordance with the provision of this Agreement, or is otherwise in default, and what measures or acts will be necessary, in the opinion of the EDA, for Developer to take or perform in order to obtain such certification. Upon Developer’s completion of the items so described by the EDA, the EDA shall deliver a fully executed Certificate of Completion to Developer.

**Section 7.2. Restrictions on Use.** The Developer agrees for itself and its successors and assigns and every successor in interest to the Property, or any part thereof, that the Developer and such successors and assigns shall devote the Property to, and only to, and in accordance with, the uses specified in the City Code.

**Section 7.3. Equal Employment Opportunity.** The Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in this Agreement it will comply with all applicable federal, state and local equal employment and nondiscrimination laws and regulations.

**Section 7.4. Conflicts of Interest.** No member of the governing body or other official of the EDA shall have any financial interest, direct or indirect, in this Agreement, the Project or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder

or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his personal interest or the interest of any corporation, partnership or association in which he is, directly or indirectly, interested. No member, official or employee of the EDA shall be personally liable to the Developer or any successors in interest, in the event of any default or breach by the EDA or for any amount which may become due to the Developer or successor or on any obligations under the terms of the Agreement.

**Section 7.5. Waiver and Release by Developer.** The Developer hereby waives, releases and forever discharges the EDA from any claim for costs incurred in preliminary plans, specifications, site testing improvements, professional fees or legal fees in connection with the Project.

**Section 7.6. Titles of Articles and Sections.** Any titles of the several parts, Articles and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

**Section 7.7. Notices and Demands.** Except as otherwise expressly provided in this Agreement, 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 registered or certified mail, postage prepaid, return receipt requested or delivered personally; and

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

Last Hope  
19161 Echo Lane  
Farmington, Minnesota 55024-9187

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

Economic Development Authority in  
and for the City of Farmington  
c/o City of Farmington  
430 Third Street  
Farmington, Minnesota 55024

with a copy to:

Andrea McDowell Poehler  
CAMPBELL KNUTSON  
*Professional Association*  
Grand Oak Office Center I  
860 Blue Gentian Road, Suite 290  
Eagan, Minnesota 55121  
Telephone: (651) 452-5000

- (c) Either Party may, upon written notice to the other Party, change the address to which such notices and demands are made.

**Section 7.8. Disclaimer of Relationship.** The Developer acknowledges that nothing contained in this Agreement nor any act by the EDA or the Developer shall be deemed or construed by the Developer or any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner or joint venture between the EDA and the Developer.

**Section 7.9. Covenants Running with the Land.** The terms and provisions of this Agreement shall be deemed to be covenants running with the Property and shall be binding upon any successors or assigns of the Developer and any future owners or encumbrancers of the Property.

**Section 7.10. Counterparts.** This Agreement is executed in any number of counterparts, each of which shall constitute one and the same instrument.

**Section 7.11. Law Governing.** This Agreement will be governed and construed in accordance with the laws of Minnesota.

**Section 7.12. Facsimile Signature.** The parties hereto acknowledge and agree that in order to expedite the signing of this Agreement and the processing, and review and compliance with the terms hereof, the parties may utilize facsimile equipment to transmit and convey signatures hereto and such other information as may be necessary. With respect to any such transmission bearing a signature for any party hereto and on which the receiver is or may be reasonably expected to rely, than if such a facsimile transmission is corroborated by regular facsimile printout showing the telephone number from which transmitted together with a date and time of transmission, it shall be binding on the sending party and may be relied upon by the party receiving the same. The sending party hereby acknowledges such reliance and weighs any defenses to the use of such documents or signatures.

**IN WITNESS WHEREOF,** the EDA has caused this Agreement to be duly executed in its name and behalf, and the Developer has caused this Agreement to be duly executed in its name and behalf, on or as of the date first above written.

*[Remainder of page intentionally left blank.]*  
*[Signature pages to follow.]*

**ECONOMIC DEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF FARMINGTON**

By: \_\_\_\_\_  
\_\_\_\_\_ [print name]  
Its President

By: \_\_\_\_\_  
\_\_\_\_\_ [print name]  
Its Executive Director

STATE OF MINNESOTA    )  
                                          )ss.  
COUNTY OF DAKOTA    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by \_\_\_\_\_ and \_\_\_\_\_, respectively, the President and Executive Director, of the Economic Development Authority in and for the City of Farmington, Minnesota, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the public body corporate and politic.

\_\_\_\_\_  
Notary Public

**LAST HOPE**

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

\_\_\_\_\_  
Its President [print name]

STATE OF MINNESOTA    )  
                                          )ss.  
COUNTY OF DAKOTA    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by \_\_\_\_\_, the President of Last Hope, a Minnesota non-profit corporation, on its behalf.

\_\_\_\_\_  
Notary Public

DRAFTED BY:  
**Campbell Knutson**  
*Professional Association*  
Grand Oak Office Center I  
860 Blue Gentian Road, Suite 290  
Eagan, Minnesota 55121  
Telephone: (651) 452-5000

**EXHIBIT “A”**

**LEGAL DESCRIPTION OF THE PROPERTY**

The East 21 feet of the South 90 feet of Lot 3, Block 22, Town of Farmington, Dakota County, Minnesota, according to the recorded plat thereof;

The West 20 feet of the South 90 feet of Lot 4, Block 23, Town of Farmington, Dakota County, Minnesota, according to the recorded plat thereof.

[209 Oak Street, Farmington, Minnesota / PIN # 14-77000-22-043]

**EXHIBIT “B”**

**DEPICTION OF THE PROJECT**

**EXHIBIT “C”**

**CERTIFICATE OF COMPLETION**

The undersigned hereby certifies that **LAST HOPE**, a Minnesota non-profit corporation (“Developer”) has fully complied with its obligations to construct the Minimum Improvements under that document titled Contract for Private Development dated \_\_\_\_\_, 20\_\_, by and between the Economic Development Authority in and for the City of Farmington (the “EDA”) and Developer, and that Developer is released and forever discharged from its obligations under the Agreement with respect to the obligations of Developer, and its successors and assigns, to construct the Minimum Improvements, and the EDA waives any right, title or interest it may have in the Property, including a right of reverter. The Dakota County Recorder’s Office is hereby authorized to accept for recording the filing of this instrument, to be a conclusive determination of the satisfaction and termination of the covenants and conditions of the Contract for Private Development described above.

**IN WITNESS WHEREOF**, the EDA has caused this Certificate to be duly executed in its name and behalf on or as of the date first above-written.

**ECONOMIC DEVELOPMENT AUTHORITY IN  
AND FOR THE CITY OF FARMINGTON**

By: \_\_\_\_\_  
\_\_\_\_\_ [print name]  
Its President

By: \_\_\_\_\_  
\_\_\_\_\_ [print name]  
Its Executive Director

STATE OF MINNESOTA    )  
                                          )ss.  
COUNTY OF DAKOTA    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017, by \_\_\_\_\_ and \_\_\_\_\_, respectively, the President and Executive Director, of the Economic Development Authority in and for the City of Farmington, Minnesota, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the public body corporate and politic.

\_\_\_\_\_  
Notary Public



# City of Farmington

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

---

**TO:** Economic Development Authority  
**FROM:** Cynthia Muller, Administrative Assistant  
**SUBJECT:** Downtown Façade Improvement Grant Application - Sauber Plumbing & Heating Company  
**DATE:** March 23, 2017

## **INTRODUCTION/DISCUSSION**

As part of the Downtown Redevelopment Plan, business owners are encouraged to improve their buildings' front and back curb appeal through façade improvements such as awnings, paint, tuck pointing, exterior lighting, decorative signage, windows, doors, gutters, accessibility improvements etc. The EDA has approved the creation of a Downtown Façade Improvement Grant Program to fund matching grants of \$1,500 up to \$2,500 out of a pool of \$20,000 annually.

Attached is an application from Sauber Plumbing & Heating Company for their building located at 100 Third Street. They are requesting a grant to assist with improvements being planned for the building. These proposed improvements include:

- New door
- Vertical steel siding

The total project cost is estimated to be \$6,447.60 including the grant request of \$2,500.

## **ACTION REQUESTED**

Review and approve the attached Downtown Façade Improvement Grant application and contract for Sauber Plumbing & Heating Company.

## **ATTACHMENTS:**

Type	Description
▣ Backup Material	Sauber Plumbing & Heating Grant Application

Downtown Façade Improvement Program  
Grant Application



APPLICANT INFORMATION

NAME OF APPLICANT(S)

Jerry Sauber

BUILDING OWNER <u>Sauber Plumbing &amp; Heating Co.</u>	TENANT
ADDRESS <u>100 Third Street</u>	ADDRESS
CITY, STATE, ZIP <u>Farmington, MN 55024</u>	CITY, STATE, ZIP
PHONE <u>651-463-7434</u>	PHONE
EMAIL <u>Jerry@Sauber.us</u>	EMAIL

BUSINESS INFORMATION

LEGAL NAME OF BUSINESS Sauber Plumbing & Heating Co.

ADDRESS 100 Third Street

CITY, STATE, ZIP Farmington, MN 55024

BUSINESS PHONE 651-463-7434

FEDERAL TAX ID# 41-0943768 DATE ESTABLISHED 1922

OWNERSHIP INTEREST OF ALL PARTIES NAMED ON TITLE:

NAME Jerome E Sauber - Pres. INTEREST 100%

NAME \_\_\_\_\_ INTEREST \_\_\_\_\_

NAME \_\_\_\_\_ INTEREST \_\_\_\_\_

PROPERTY INFORMATION

ESTIMATED DATE OF BUILDING CONSTRUCTION Summer 2017 *one of if not the*

HAS THIS BUILDING BEEN HISTORICALLY REGISTERED? No - Oldest Business  
*in town with the same name.*

PROJECT INFORMATION

BRIEF DESCRIPTION OF PROPOSED PROJECT:

1922 - Est.

*Plans are to install new door on north side of shop for easier access, also to install new vertical steel siding on all four sides of shop with exterior trim included, old siding needs replacing.*

*Door - 30" Steel Door - may also replace front window (not included)*

ESTIMATED PROJECT COSTS

EXTERIOR/FAÇADE paint lot to match  
steel siding

ESTIMATED COST <sup>#</sup> 6,447.60

ELECTRICAL —

ESTIMATED COST —

TOTAL ESTIMATED COST 6,447.60

### FUNDING INFORMATION

A 1:1 match is required by the applicant. For every dollar contributed to funding eligible project costs by the Downtown Façade Improvement Program, the applicant must contribute at least one dollar. The amount of grant to be awarded shall be \$2,500.

TOTAL GRANT AMOUNT REQUESTED      \$ 2500.00 (\$1,500 up to \$2,500)

APPLICANT FUNDS      \$ 3947.60

I/We declare that the information provided on this application and the accompanying attachments is true and complete to the best of my/our knowledge. I/We understand that any intentional misstatements will be grounds for disqualification and that the city of Farmington / EDA has the right to verify this information. I/We agree to provide the project coordinator reasonable access to information and reasonable access to the construction project site so that they may monitor project implementation.

APPLICANT(S)



DATE 3-08-17

\_\_\_\_\_

DATE \_\_\_\_\_

\_\_\_\_\_

DATE \_\_\_\_\_

## Jerry Sauber

---

**From:** Target Foundations LLC <replyTo@intuit.com>  
**Sent:** Friday, March 3, 2017 9:20 AM  
**To:** Jerry  
**Subject:** Estimate 16 from Target Foundations LLC  
**Attachments:** Est\_16\_from\_Target\_Foundations\_LLC\_342148.pdf

Dear Jerry Sauber:

Please review the attached estimate- 16. Feel free to contact us if you have any questions.

We look forward to working with you.

Sincerely,  
Target Foundations LLC

612-685-8887

### **To view your estimate**

Open the attached PDF file. You must have [Acrobat® Reader®](#) installed to view the attachment.

Target Foundations LLC

P.O. Box 87

Cannon Falls, MN 55009

# Estimate

Date	Estimate #
3/3/2017	16

Name / Address
Jerry Sauber 100 3rd St. Farmington, MN 55024

Ship To
Jerry Sauber 100 3rd St. Farmington, MN 55024

Project
Shop Siding

Item	Description	Total
13 Siding	Labor to Install Siding & Exterior Trim on East & South side. Phase 1. Vertical Steel Siding.	1,321.20
13 Siding	Materials for Phase 1, Siding & Exterior Trim	1,394.60
13 Siding	Labor to install Siding & Exterior Trim on West & North end. Phase 2. Vertical Steel Siding	1,555.20
13 Siding	Materials for Phase 2, Siding & Exterior Trim	1,641.60
12 Doors & Windows	Supply & Install a new 3'0" Steel Door	535.00
<b>Total</b>		<b>\$6,447.60</b>

Signature \_\_\_\_\_





# 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:** March Director's Report  
**DATE:** March 23, 2017

## **INTRODUCTION/DISCUSSION**

### **2017 CDBG Allocation Change**

Since the EDA approval of the city's 2017 CDBG allocation (approximately \$31,633), staff was made aware of some timing implications of the 2017 federal funds that warrant a change in how we assign the funding to the recommended activities.

Because the 2017 funding will not be available until after July 1, 2017 and we are prohibited from entering into any contracts for services prior to that date, staff is recommending shifting our recommended allocation of \$10,000 for the Comp Plan update to the other two activities in 2017. Staff recommends splitting this portion of the allocation evenly between Residential Rehab – Home Improvement Loan Program (new amount of \$24,133) and Senior Services – Financial Support Program (new amount of \$7,500).

The Comp Plan update can still be fully funded with other sources as originally planned.

### **State of the City**

Mayor Larson presented his annual State of the City on March 10 at City Hall. The presentation is available on the city's website.

### **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 ribbon cuttings at Imperial Family Chiropractic (19685 Pilot Knob Road) and KeePet Clean Pet Grooming (405 Third Street) on March 20.

### **Open to Business**

Staff was recently provided an update from the Dakota County CDA on the Open to Business Program:

Attached is the PowerPoint presentation that Laurie Crow and Lee Hall, Metropolitan Consortium of Community Developers (MCCD) Finance Director, presented to the CDA Board of Commissioners. Lee Hall oversees the OTB program.

Looking at the data, it looks like client numbers and financing numbers are down for 2016. Laurie and Lee addressed this, identifying that Laurie has been spending more time with clients this last year than in past years. Clients don't simply have a question or two, but are really needing more guidance and counsel. Lee stated that Laurie spends more time per client than any other advisor in the metro.

To help increase numbers and bring more awareness to OTB, MCCD is committed this year to the

following:

- Contracted with a PR person who will be working with cities and counties to get business profiles out
- Updating brochure
- Developing quarter page advertisement pieces, with different ones produced 3-4 times a year and can be used by all of us to promote program.

Re-introduction. During the first part of this year, Laurie is also committed to re-introducing herself and OTB to cities. With turnover in city staff over the last four years, Laurie will be re-connecting with the cities.

### **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 report from DEED you may find of interest:

DEED January Employment Report

### **NEXT MEETING**

Our next meeting is scheduled for **Thursday, April 27 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
▣ Backup Material	OTB Presentation
▣ Backup Material	DEED January Employment Report
▣ Backup Material	2016-2018 Strategic Plan for Economic Development



# Historical Comparison Data

	2016	2015	2014
<b>Clients</b>	139	209	218
<b>Total Financing</b>	\$69,220	\$488,711	\$130,000
<b>Microgrants</b>	3 - \$3,000	3 - \$3,000	5 - \$5,000
<b>Credit Builder</b>	9 - \$2,220	7 - \$1,760	10 - \$2,400
<b>Facilitated/ Leveraged</b>	\$1,007,905	\$3,915,908	\$1,393,575
<b>Direct Service Hrs</b>	1,943.35	2,094.5	2056.8

# Client Counts By City

	2016	2015	2014
• Apple Valley	16	21	35
• Burnsville	28	44	40
• Eagan	29	16	25
• Farmington	14	27	25
• Hastings	4	18	11
• Inver Grove Hts	6	16	21
• Lakeville	13	22	18
• Mendota Heights	9	7	6
• Rosemount	5	11	16
• S. St. Paul	3	2	3
• W. St. Paul	9	5	9
• Townships	1	2	2
• Undecided Location	2	18	7

# Referral Source By Industry Segment

	2016	2015	2014		2016	2015	2014
• Municipalities/CDA	63	102	78	• Retail	28	33	24
• Chamber	15	5	5	• Service	80	119	125
• Internet	6	13	9	• Food	22	41	40
• Friends/Family	10	19	0	• Manufacturing	2	10	5
• Other (Banks, Schools, Etc.)	45	50	39	• Technology	3	1	0
				• Construction/Related Trades	4	5	7

	MCCD	Dakota	MCCD	Dakota	MCCD	Dakota
	2016	2016	2015	2015	2014	2014
<b>MCCD Direct Loans - Total</b>						
How many direct loans did we make in (year)	47	2	65	6	57	4
How much of our own funds have we lent out?	\$1,823,429	\$69,220	\$2,393,376	\$483,951	\$1,659,448	\$117,000
How much other money did our loan fund leverage?	\$7,225,179	\$540,805	\$21,007,349	\$3,915,908	\$20,738,105	\$1,393,575
How many jobs will our small businesses create or retain?	310.5	8	625.5	92	395.5	22.5
<b><u>Direct Loans generally of \$25,000 or less</u></b>						
<b>(to new and emerging businesses)</b>						
How many micro-loans did we make in (year)?	31	1	44	1	43	2
How much of our own funds did we lend out as micro-loans?	\$340,429	\$24,000	\$604,675	\$2,000	\$570,448	\$37,000
How much other money did our micro-loan program leverage?	\$432,140	\$2,400	\$3,523,000	\$598	\$5,793,871	\$435,000
How many jobs will our micro-loan borrowers create or retain?	92.5	4	130.5	1	96	5
<b>Direct Loans generally greater than \$25,000</b>						
<b>(to second stage and growing businesses)</b>						
How many second stage business loans did we make in (year)?	16	1	24	5	14	2
How much of our own funds did we lend out as second stage loans?	\$1,483,000	\$40,000	\$1,788,701	\$481,951	\$1,089,000	\$80,000
How much other money did our second stage loan program leverage?	\$6,793,039	\$538,405	\$17,484,349	\$3,915,310	\$14,944,234	\$1,008,575
How many jobs will our second stage borrowers create or retain?	218	4	495	91	299.5	17.5
<b>Credit Builder Loans</b>						
How many credit builder loans did MCCD make in (year)?	103	9	87	7	108	10

# Exciting Opportunities for 2017

- What's New?
- At the Legislature
- Program expansion
- Re-introduction

**From:** DEED Media <MNDEED@public.govdelivery.com>  
**Sent:** Thursday, March 09, 2017 9:47 AM  
**To:** Adam Kienberger  
**Subject:** Unemployment Rate Steady at 4 Percent in January



Press Release

**For Immediate Release**  
**March 9, 2017**

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## **Unemployment Rate Steady at 4 Percent in January**

*~Employers cut 8,300 jobs~*

**ST. PAUL** – Minnesota's unemployment rate was 4 percent in January, unchanged from the state's revised jobless rate in December, according to seasonally adjusted figures released today by the Minnesota Department of Employment and Economic Development (DEED). The U.S. unemployment rate was 4.8 percent in January.

Minnesota employers eliminated 8,300 jobs in January. Over the past year, the state has gained 35,136 jobs, an increase of 1.2 percent. U.S. job growth over the past year was 1.5 percent.

"Trends point to solid growth in the state labor market and suggest that January's figures may have been a temporary correction," said DEED Commissioner Shawntera Hardy. "Over the past year, 10 of the state's 11 major industrial sectors have gained jobs."

Leisure and hospitality led all sectors in January with 3,300 new jobs, followed by other services (up 1,500) and information (up 200). Logging and mining held steady.

The following sectors lost jobs: trade, transportation and utilities (down 4,100), professional and business services (down 3,200), government (down 2,700), manufacturing (down 1,600), construction (down 900), education and health services

(down 700) and financial activities (down 100).

Over the past year, education and health services led all industries with 13,247 new jobs. Other sectors gaining jobs were government (up 4,413), trade, transportation and utilities (up 4,222), financial activities (up 3,591), construction (up 3,492), other services (up 3,171), professional and business services (up 2,710), information (up 1,176), logging and mining (up 662) and leisure and hospitality (up 263).

Manufacturing was the only industry that lost jobs in the past 12 months, down 1,811.

In the Metropolitan Statistical Areas, the following regions gained jobs in the past 12 months: Minneapolis-St. Paul MSA (up 1.4 percent), Rochester MSA (up 0.8 percent), St. Cloud MSA (up 1.3 percent) and Duluth-Superior MSA (up 0.1 percent). The Mankato MSA lost jobs (down 0.3 percent).

DEED also announced revised job figures from the previous two years based on updated data from the federal Bureau of Labor Statistics. Those figures indicate Minnesota gained nearly 8,500 more jobs than originally reported from December 2014 to December 2015. The state, however, gained about 4,200 fewer jobs than originally reported between December 2015 and December 2016.

Those adjustments and other factors resulted in a revised unemployment rate of 4 percent in December 2016, rather than the 3.9 percent rate that was originally reported.

DEED has added a section to its website that examines the unemployment rate by demographics (race, age and gender) and looks at [alternative measures of unemployment](#).

DEED is the state's principal economic development agency, promoting business recruitment, expansion and retention, workforce development, international trade and community development. For more details about the agency and its services, visit the [DEED website](#) or follow DEED on [Twitter](#).

	Seasonally adjusted		Not seasonally adjusted	
Unemployment Rate	January 2017	December 2016	January 2017	January 2016
Minnesota	4.0	4.0	5.0	4.6
U.S.	4.8	4.7	5.1	5.3
Employment	January 2017	December 2016	Jan. '16- Jan. '17 Level Change	Jan. '16- Jan. '17 % Change
Minnesota	2,913,100	2,921,400	35,136	1.2

U.S.	145,554,000	145,327,000	2,132,000	1.5
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Over The Year Employment Growth By Industry Sector (NSA)			
	OTY Job Change	OTY Growth Rate (%)	U.S. OTY Growth Rate (%)
Total Non-Farm Employment	35,136	1.2	1.5
Logging and Mining	662	12.1	-7.8
Construction	3,492	3.6	2.6
Manufacturing	-1,811	-0.6	-0.3
Trade, Trans. and Utilities	4,222	0.8	1.3
Information	1,176	2.3	0.2
Financial Activities	3,591	2.1	2.3
Prof. and Bus. Services	2,710	0.8	2.7
Ed. and Health Services	13,247	2.6	2.3
Leisure and Hospitality	263	0.1	2.0
Other Services	3,171	2.8	1.2
Government	4,413	1.0	0.5

<u>Metropolitan Statistical Area</u>	<u>OTY Employment Change (#, NSA)</u>	<u>OTY Employment Change (% , NSA)</u>
Minneapolis-St. Paul MN-WI MSA	27,617	1.4
Duluth-Superior MN -WI MSA	168	0.1
Rochester MSA	872	0.8
St. Cloud MSA	1,412	1.3
Mankato MSA	-153	-0.3

*Upon request, the information in this news release can be made available in alternative formats for people with disabilities by contacting the DEED Communications Office at 651-259-7161.*

Minnesota Department of Employment and Economic Development  
Communications Office

Phone 651-259-7149 or 1-800-657-3858 · TTY 1-800-657-3973

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This email was sent to [akienberger@ci.farmington.mn.us](mailto:akienberger@ci.farmington.mn.us) using GovDelivery, on behalf of: Minnesota Department of Employment and Economic Development · 332 Minnesota Street Suite E-200 · Saint Paul, MN 55101 · (800) 657-3858



# **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.