



## **AGENDA**

**Port Authority Regular Meeting**

**Monday, July 24, 2023**

**6:00 PM**

**Council Chambers, City Hall**

- 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**
- 2. ADDITIONS OR CORRECTIONS TO AGENDA**
- 3. CONSENT AGENDA**
  - a. Custodial Bank Agreement
  - b. Minutes of June 20, 2023 Regular Meeting
- 4. CHAIRPERSON'S REPORT**
- 5. REPORTS FROM PORT AUTHORITY COMMISSIONERS**
- 6. NEW BUSINESS**
  - a. Zoning Code Update and Site Availability
- 7. OLD BUSINESS**
  - a. Project Updates
- 8. DISCUSSION**
- 9. DIRECTOR'S REPORT**
- 10. COMMUNITY/AUDIENCE RECOGNITION**
- 11. ADJOURNMENT**

Port Authority Regular Meeting: July 24, 2023

|                                                                                                          |                                          |
|----------------------------------------------------------------------------------------------------------|------------------------------------------|
| <b>AGENDA ITEM:</b> Custodial Bank Agreement                                                             | <b>AGENDA SECTION:</b><br>CONSENT AGENDA |
| <b>PREPARED BY:</b> Teah Malecha, Finance Director<br>Eric Van Oss, Economic Development Coordinator     | <b>AGENDA NO.</b> 3.a.                   |
| <b>ATTACHMENTS:</b> Custodial Agreement                                                                  | <b>APPROVED BY:</b> LJM                  |
| <b>RECOMMENDED ACTION:</b> Approve the custodial agreement between the Port Authority and UMB Bank, N.A. |                                          |

### **BACKGROUND**

The Port Authority, in partnership with Life Time, recently issued bonds for the construction of a new facility. As a part of the bond issuance, the funds are able to be invested until they are needed for each construction payment. Baker Tilly has been engaged for investment advisor services for the bond proceeds. They utilize UMB Bank, N.A. as a custodian bank. UMB will hold the proceeds while Baker Tilly will invest the funds in accordance with the City's Investment Policy.

As payment draws are necessary, the Finance Director or City Administrator will request funds from UMB. To provide services, UMB requires the attached Custodial Agreement to be executed.

### **RECOMMENDATION**

Staff recommends the Port Authority approve the custodial agreement between the Port Authority and UMB Bank, N.A.

# CUSTODIAL AGREEMENT

This Custodial Agreement (the "Agreement") is dated as of the 21st day of July, 2023 by and between the Rosemount Minnesota Port Authority (the "Client") and UMB Bank, N.A., a national banking association, as custodian (the "Custodian").

WITNESSETH:

WHEREAS the Client wishes to deposit certain proceeds with the Custodian; and

WHEREAS the Custodian has agreed to act as custodian and to hold and distribute the amount deposited hereunder subject to the terms and conditions hereof.

NOW, THEREFORE, in consideration of the foregoing and good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

Definitions. Any accounting terms not otherwise defined herein shall have the meanings assigned to them in accordance with generally accepted accounting principles. Headings of articles and sections herein are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction, or effect hereof.

## 1. Rosemount Port Authority Taxable Account

The Client hereby establishes and creates with the Custodian, the Rosemount Port Authority Taxable General Obligation Recreational Facility Bonds, Series 2023B Bond Investment Account (the "Taxable Account"). The Client will deposit approximately \$43,361,234 into the Taxable Account on or after the date of this Agreement. Moneys on deposit in the Taxable Account shall be disbursed by the Custodian upon receipt of a written request, substantially in the form of Exhibit A, executed by an authorized official of the Client listed on Exhibit B. The Client may, in its written request in the form of Exhibit A, direct the Custodian to issue checks to the Client's payees upon receipt by the Client of an architect's or engineer's certificate of work completed and materials furnished, approved in writing by the Client.

## 2. Investments

(a) The funds, while on deposit in the Account shall be invested by the Custodian in permitted investments as set forth on Exhibit D, only upon receipt of written instructions from one of the Authorized Representatives of the Client listed on Exhibit B or one of the Authorized Representatives of Baker Tilly Investment Services, a Division of Baker Tilly Wealth Management, LLC acting for the Client in the capacity of Investment Advisor or Investment Manager ("BTIS" or the "Advisor") listed on Exhibit C. Neither the Client nor BTIS shall instruct the Custodian to invest or reinvest any funds in the Account except as authorized under the Minnesota Statutes Section 118A.04 and the Client's Investment Policy. See Exhibit D.

(b) The parties recognize and agree that the Custodian will not provide supervision, recommendations or advice relating to either the investment of moneys held in the Account or the purchase, sale, retention, or other disposition of any permitted investment.

(c) Interest and other earnings on permitted invest shall be invested in the Morgan Stanley Institutional Liquidity Funds Government Portfolio (MVRXX), or such other investment directed in writing by the Client or an Authorized Representative of BTIS. Any loss or expense incurred because of an investment will be borne by the Account. If the Custodian does not receive written direction to invest funds held in the Account, the Custodian shall invest and reinvest such funds in the Morgan Stanley Institutional Liquidity Funds Government Portfolio (MVRXX).

The Custodian shall, if directed in writing by the Client or an Authorized Representative of the Advisor, invest in alternative money market funds on which it receives marketing or distribution fees from the fund.

(d) The Custodian is hereby authorized to execute purchases and sales of permitted investments through the facilities of its own trading or capital markets operations or those of any affiliated entity. The Custodian shall

send or make available statements to each of the parties hereto monthly reflecting activity in the Account for the preceding month. Although the Client recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Client hereby agrees that confirmations of permitted investments are not required to be issued by the Custodian for each month in which a monthly statement is rendered. No statement need be rendered for the Account if no activity occurred for such month and no funds or assets are held in the Account.

(e) The Client acknowledges and agrees that the delivery of the custodial property is subject to the sale and final settlement of permitted investments. Proceeds of a sale of permitted investments will be delivered on the business day on which the appropriate instructions are delivered to the Custodian if received prior to the deadline for same day sale of such permitted investments. If such instructions are received after the applicable deadline, proceeds will be delivered on the next succeeding business day.

(f) The Client acknowledges that it has received, upon its request, and reviewed the prospectus of the money market fund referred to in paragraph (c) above and has determined that the fund is an appropriate investment for the Account.

(g) The Custodian is hereby notified that the Client has retained BTIS as its investment advisor. BTIS will send quarterly invoices for its services directly to the Custodian with copy to the Client. The Client hereby directs the Custodian to pay such invoices from moneys on deposit in the Account upon receipt without further direction. The permission granted herein shall remain in effect until such time as the Client revokes such access in writing to the Custodian.

### 3. Duties of Custodian.

(a) The Custodian shall maintain adequate records pertaining to the Account, and all transfers thereto, deposits therein, disbursements and transfers there from and earnings thereon. With respect to each investment, the Custodian shall maintain a record of the purchase price, purchase date, type of security, accrued interest paid, interest rate, principal amount, date of maturity, interest payment date, date of liquidation and amount received upon liquidation. The Custodian shall retain such records for at least six years following the payment and disbursement of the Fund.

(b) The Custodian shall submit or make available to the Client, as requested by the Client, but no more often than monthly, a statement in accordance with Section 2(d). The Custodian shall also provide an annual statement and statements for any period as may from time to time be requested by the Client.

(c) It is agreed that the duties of the Custodian are only such as are herein specifically provided and are purely ministerial in nature and that the Custodian shall incur no liability except for its own gross negligence, bad faith, or willful misconduct. The Client agrees to indemnify, save and hold the Custodian harmless from all loss, costs, damages, fees, and expenses, including, without limitation, attorneys' fees, suffered or incurred by the Custodian as a result of its duties under this Agreement or as a result of liabilities arising out of actions taken by the Custodian pursuant to the Client's instructions; provided, however, the Custodian shall not be entitled to indemnification from its own gross negligence, bad faith or willful misconduct as determined in a final order or judgment of a court of competent jurisdiction. In no event shall the Custodian be liable for indirect, punitive, consequential, or special damages and the provisions of this Section shall survive the termination of this Agreement.

(d) If the Custodian is subjected to conflicting demands with respect to funds or property deposited hereunder, the Custodian shall not be permitted or required to resolve such controversy or conflicting demands or act, including the issuance of disbursements during the continuance of such dispute, but shall await resolution by written instructions from the Client and signed by all parties interested or by final non-appealable court order. The Custodian shall not be or become liable to the Client or any other person for any act or omission taken in accordance with this Section.

(e) The Custodian may rely upon any direction, certificate, statement, or other document believed by it in good faith to be genuine and to have been signed or presented by the proper person or persons. The Custodian may consult with legal counsel in the event of any dispute or question as to the construction of any provisions hereof or its duties hereunder and so long as it acts in good faith, it shall incur no liability in action in accordance

with the opinion or instructions of such counsel. The Custodian is authorized to follow and rely upon a final order or judgment of a court of competent jurisdiction.

(f) The Custodian shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused directly or indirectly by, circumstances beyond its control, including, without limitation, act of God, earthquakes; fires; floods; wars; civil or military disturbance; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities or communication services; accidents; labor disputes; acts of civil or military authority; governmental action; or inability to obtain labor, material, equipment or transportation

(g) The Custodian has a duty to safeguard the Client's property in the account and take commercially reasonable steps to ensure the transactions contemplated in this Agreement are secure and are effectuated as intended. The Custodian will exercise professional and prudent care in the exercise of all services described in this Agreement.

(h) The Custodian further represents that it meets the requirements in Minnesota Statutes Section 118A.06 (a) and of a "Custodial Bank" as defined by the Office of the Comptroller of the Currency of the United States. The Client's ownership of all investments hereunder must be evidenced by written acknowledgements identifying the securities by the names of the issuers, maturity dates, interest rates, CUSIP number, or other distinguishing marks.

#### 4. Information Release to Baker Tilly Investment Services

The Client hereby directs the Custodian to provide BTIS with a statement of the Account, which may include on-line access. It is agreed and understood that BTIS is acting in an investment advisory capacity to the Client and providing information regarding the Account is critical in the performance of BTIS's duties. The permission granted above shall remain in effect until such time as the Client revokes such access in writing to the Custodian.

#### 5. Notices.

All notices, requests, demands and other communications hereunder shall be in writing and be given in person, by facsimile transmission, courier delivery service or by mail, and shall become effective (a) on delivery if given in person, (b) on the date of delivery if sent by facsimile or by courier delivery service, or (c) four business days after being deposited in the mail, with proper postage for first class, registered, certified mail, return receipt requested, prepaid.

To the Client:

Rosemount Port Authority  
2875 145<sup>th</sup> Street West  
Rosemount, MN 55068-4997  
Attn: Teah Malecha, Finance Director  
651-322-2031  
[Teah.malecha@rosemountmn.gov](mailto:Teah.malecha@rosemountmn.gov)

To the Custodian:

UMB Bank N.A.  
Attn: Claire Alber  
Corporate Trust Services  
120 South Sixth Street, Suite 1400  
Minneapolis, MN 55402  
(612) 337-7012 Office  
[Claire.Alber@umb.com](mailto:Claire.Alber@umb.com)

Such addresses for notice may be changed upon written notice given in the manner described in this paragraph.

#### 6. Amendments to Agreement.

This Agreement may be amended, modified, or supplemented and any provision of this Agreement may be waived if such amendment, modification, supplement, or waiver is in writing and signed by the Client and the Custodian.

#### 7. Resignation and Removal of Custodian.

The Custodian may terminate this Agreement and resign and be discharged from further duties at any time upon seven (7) calendar days' prior written notice to the Client. The Client may remove the Custodian at any time upon seven (7) calendar days' prior written notice to the Custodian. When the Custodian resigns or is removed as Custodian hereunder, all property held hereunder shall be distributed to the Client at the written direction of an authorized representative of the Client.

#### 8. Fees.

The Custodian will be entitled to fees for its customary services rendered in acting as the Custodian and to reimbursement for ordinary costs and expenses. In addition, the Custodian shall be entitled to reimbursement for any extraordinary expenses incurred by the Custodian, including, but not limited to, attorneys' fees and should it become necessary to perform additional service not contemplated by the terms of this agreement, to additional reasonable fees for such services, provided the Custodian will make reasonable efforts to notify Client of such costs before incurring the same. The Custodian shall not be entitled to reimbursement for losses from its own gross negligence, bad faith or willful misconduct as determined in a final order or judgment of a court of competent jurisdiction. For so long as BTIS, or its successors is the Investment Advisor or Investment Manager, BTIS will hereby pay any such custody fees. Should the Client wish to terminate BTIS as Investment Advisor or Investment Manager and retain a relationship with Custodian, the Client and the Custodian can create a mutually agreeable fee arrangement in writing.

#### 9. Termination of Agreement.

This Agreement shall terminate (a) upon receipt of a written instruction from the Client (b) upon the disbursement of all funds and investments from the Account or (c) upon the removal or resignation of the Custodian.

#### 10. Controlling Law.

This Agreement shall be construed, enforced, and administered in accordance with the laws of the State of Minnesota, without regard to its conflict of laws principle.

#### 11. Counterparts.

This Agreement may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof. The Parties hereto agree the transactions described herein may be conducted and related documents may be sent, stored, and received by electronic means.

#### 12. Regulatory Compliance.

To comply with provisions of the USA Patriot Act of 2001, as amended from time to time, and the Bank Secrecy Act, as amended from time to time, the Custodian may require the parties hereto to provide the Custodian with certain information and/or documentation to verify, confirm and record identification of persons or entities who are parties to this agreement. On or before the execution and delivery of this Agreement, the Client shall provide to Custodian a completed Form W-9 or Form W-8, whichever is appropriate, and any other documentation requested by the Custodian for the purposes of this Section. Notwithstanding anything to the contrary herein provided, the Custodian shall have no duty prepare or file any Federal or state tax report or

return with respect to any funds held pursuant to this Agreement or any income earned thereon. The Client shall be responsible for all tax reporting.

IN WITNESS WHEREOF, the parties have executed this Custodial Agreement as of the day and year first written above.

UMB BANK, N.A., as Custodian

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

Name: \_\_\_\_\_

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

ROSEMOUNT PORT AUTHORITY

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

Paul Essler

Chair

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

Logan Martin

Executive Director

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

Teah Malecha

Finance Director

**EXHIBIT A  
FORM OF WITHDRAWAL REQUEST  
CUSTODIAL AGREEMENT  
UMB Account**

\_\_\_\_\_ **Taxable Custodial Account**

**Email completed form to** [Claire.Alber@UMB.com](mailto:Claire.Alber@UMB.com)

**With copies to** [Mike.Geraty@bakertilly.com](mailto:Mike.Geraty@bakertilly.com) and [George.Bawcum@bakertilly.com](mailto:George.Bawcum@bakertilly.com)

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

Withdrawal Request Type (check one): Wire \_\_\_\_\_ ACH \_\_\_\_\_

Amount of Request: \$ \_\_\_\_\_

Date Funds needed \*: \_\_\_\_\_

Bank Wire Information for Payee:

Bank Name: \_\_\_\_\_

ABA: \_\_\_\_\_

Account #: \_\_\_\_\_

FFC: \_\_\_\_\_

Information if Requesting a Check:

UMB Account to be Debited \_\_\_\_\_

Amount of Check \_\_\_\_\_

Check Recipient: \_\_\_\_\_

Address of Recipient: \_\_\_\_\_

Request to be Sent via Regular Mail or FedEx \_\_\_\_\_

\*Request should be received by us prior to 11:00 a.m. Eastern Time. It is highly recommended that you contact me via phone or email to let me know to expect your request.

\_\_\_\_\_  
Authorized Official Signature

Name: \_\_\_\_\_

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

**EXHIBIT B**  
**AUTHORIZED OFFICIALS**  
**ROSEMOUNT PORT AUTHORITY**  
**CERTIFICATE OF INCUMBENCY**

The undersigned, City Clerk of Rosemount, Minnesota, hereby certifies that the following named individuals are duly appointed, qualified and acting in the capacity set forth opposite his/her name, and the following signatures are the true and genuine signatures of said individuals.

| <u>NAME</u>  | <u>TITLE</u>       | <u>SIGNATURE</u> |
|--------------|--------------------|------------------|
| Teah Malecha | Finance Director   | _____            |
| Logan Martin | City Administrator | _____            |

Further, such individuals are hereby designated as Authorized Officials for the Rosemount Port Authority and as such are authorized to furnish UMB Bank with directions relating to any matter concerning the Custodial Agreement, the funds and/or the property held pursuant thereto.

Dated: July 21, 2023

Rosemount Port Authority

By: \_\_\_\_\_  
Erin Fasbender  
City Clerk

**EXHIBIT C**  
**AUTHORIZED OFFICIALS**  
**BAKER TILLY INVESTMENT SERVICES**

**CERTIFICATE OF INCUMBENCY**

The undersigned, Jeffrey Messer, Director of Baker Tilly Investment Services, hereby certifies that the following named individuals are acting as investment adviser representatives of BTIS, and the following signatures are the true and genuine signatures of said individuals.

NAME

SIGNATURE

George Bawcum

\_\_\_\_\_

Mike Geraty

\_\_\_\_\_

The individuals set forth above are hereby designated as Authorized Representatives of the Account and as such are authorized to furnish UMB Bank, N.A. with written directions relating to the investment of funds held in the Account established under the Custodial Agreement in permitted investments set forth on **Exhibit D**.

Dated: July 21, 2023

Baker Tilly Investment Services

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

Jeffrey Messer

Director

**EXHIBIT D**  
**INVESTMENT POLICY**

<https://www.revisor.mn.gov/statutes/cite/118A>

**City of Rosemount Investment Policy is attached.**

## CITY OF ROSEMOUNT

POLICY TITLE: **INVESTMENT POLICY**

EFFECTIVE DATE: **JUNE 7, 1994**

PROPOSED BY: **FINANCE**

DATE APPROVED  
BY COUNCIL: **JUNE 7, 1994**  
**(AMENDED JULY 16, 1996)**  
**(AMENDED AUGUST 17, 2021)**

### PURPOSE

The purpose of this policy is to establish specific guidelines the City of Rosemount will use in the investment of City funds. It will be the responsibility of the Finance Director or the City Administrator to invest City funds in order to attain a market rate of return while preserving and protecting the capital of the overall portfolio. Investments will be made, based on statutory constraints, in safe, low risk instruments.

### SCOPE

This policy applies to the investment of all City funds available for investment and not needed for immediate expenditure. The City will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to various funds based on their respective participation and in accordance with generally accepted accounting principles.

### PRUDENCE

Prudent Person Rule – “Investment shall be made with the exercise of that judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

Investment personnel acting in accordance with this policy, with Minnesota Statutes Chapter 118A and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided that reasonable

action is taken to control adverse developments and unexpected deviations are reported in a timely manner.

### OBJECTIVE

There are three main objectives of all investment activities that are prioritized as follows:

- A. Safety – Safety of principle is the first priority in the investment activities of the City of Rosemount. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate credit risk and interest rate risk.
  - a. The City will minimize credit risk, which is a risk of loss due to the failure of the security issuer or backer, by investing only in securities that meet the ratings requirement set by State Statute, pre-qualifying brokers/dealers which do business with the City and diversifying the portfolio to minimize the potential losses from any one type of security or any one individual issuer.
  - b. The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changing market rates, by structuring the portfolio to meet cash flow requirements. Extended maturities may be utilized to take advantage of higher yields; however no more than 35 percent of total investments should extend beyond 5 years and in no circumstance should any extend beyond 15 years.
  - c. It is the policy of the City of Rosemount to diversify its investment portfolio by type and maturity of investment purchased to mitigate concentrated credit risk. This will minimize the risk of loss resulting from over concentration of assets in a specific maturity, issuer or class of securities. Portfolio maturities will be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected will provide for stability of income and liquidity. The primary guidance in the diversification will be the ongoing cash flow requirement of the City.
- B. Liquidity – The City's portfolio will contain instruments that contain a balance of liquidity to provide the City the ability to meet all operating requirements which might be reasonably anticipated. A portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same day liquidity for short-term funds.
- C. Rate of Return – Funds will be invested to gain the highest investment return with the lowest risk of capital loss, while meeting daily cash flow demands of the

City and conforming to all federal, state, and local statutes governing the investment of public funds.

### DELEGATION OF AUTHORITY

The Finance Director or City Administrator will be responsible for making investment decisions on a daily basis and monitoring the portfolio. Also, they will be responsible for ensuring the amounts of cash available for investment and the time period for which the funds may be invested with a reasonable level of confidence in relation to necessary cash flows for the City's operations.

### CONFLICT OF INTEREST

Any City official involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program or which could impair his/her ability to make impartial investment decisions. Any material interests in financial institutions in which they conduct business shall be disclosed to the governing body along with any personal financial/investment positions that could be related to the performance of the investment portfolio. City officials shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the City.

### DESIGNATED DEPOSITORIES

In accordance with Minnesota Statutes Chapter 118A, it shall be the policy of the City to authorize the Finance Director or the City Administrator the ability, by resolution, to designate all depositories for all City checking and investment deposits.

### AUTHORIZED AND SUITABLE INVESTMENTS

The City shall invest in the following instruments as allowed by Minnesota Statutes Chapter 118A:

1. Governmental Securities: Instruments such as bonds, notes, bills, mortgages and other securities which are direct obligations of the federal government or its agencies, with the principle fully guaranteed by the U.S. government or its agencies. The City will not invest in any mortgage or mortgage related security unless a return of principle is completely guaranteed by a federal entity.

2. Certificate of Deposit: A negotiable or nonnegotiable instrument issued by commercial banks and fully insured by the Federal Deposit Insurance Corporation (FDIC). (See "Collateralization")
3. Repurchase Agreement: An investment which consists of two simultaneous transactions, where an investor purchases securities from a bank or dealer. At the same time, the selling bank or dealer agrees to repurchase the securities at the same price plus interest at some agreed-upon future date. The security purchased is the collateral protecting the investment. (See "Collateralization")
4. Reverse Repurchase Agreement: Opposite of a repurchase agreement. The investor owns the security and sells it to the bank or dealer.
5. Prime Commercial Paper: An investment used by corporations to finance receivables. A short-term (matures in 270 days or less) unsecured promissory note is issued for a maturity specified by the purchaser. Corporations market their paper through dealers who in turn market the paper to investors.
6. State and Local Securities: Securities shall be restricted to issues rated in the top two rating categories by a national bond rating service.
7. Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System.

#### COLLATERALIZATION

Collateralization will be required on any funds, including checking accounts, that exceed the available federal deposit insurance at the close of the banking day as permitted by state statute. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110 percent of the market value of principle and accrued interest. Collateral shall be deposited in the name of the City of Rosemount, Minnesota, subject to release by the City's Finance Director or City Administrator. All investment securities purchased by the City shall be held in third part safe keeping by an institution designated as primary agent. The primary agent shall issue a safe keeping receipt to the City listing the specific instrument rate maturity and other pertinent information. All deposits will be insured or collateralized in accordance with Minnesota Statutes Chapter 118A.

### INTERNAL CONTROL

The investment portfolio of the City is to be audited by an external auditor annually. This review provides internal controls by assuring compliance with policies and procedures.

### BROKER REPRESENTATIONS

Minnesota Statutes Chapter 118A requires municipalities to annually provide each broker with a written statement regarding the municipality's investment restrictions. A broker must acknowledge annually receipt of the statement of investment restrictions in writing and agree to handle the government entity's account in accordance with these restrictions. A government entity may not enter into a transaction with a broker until the broker has provided this written agreement.

### CONCLUSION

The intent of this policy is to ensure safety of all City funds. The main goal of the City will be to achieve a market rate of return while maintaining the safety of its principle. It is felt that this policy will ensure this.

**ROSEMOUNT PORT AUTHORITY  
REGULAR MEETING PROCEEDINGS  
JUNE 20, 2023**

**CALL TO ORDER/PLEDGE OF ALLEGIANCE**

Pursuant to due call and notice thereof a regular meeting of the Rosemount Port Authority was held on Tuesday, June 20, 2023, at 6:00 PM. in Rosemount Council Chambers 2875 145th Street West.

Chairperson Essler called the meeting to order with Commissioners Freske, Essler, Theisen and Klimpel. Commissioner Beaudette and Ober were absent.

Staff present included the following; Community Development Director Kienberger, Economic Development Coordinator Van Oss and City Administrator Martin.

**ADDITIONS OR CORRECTIONS TO AGENDA**

**Motion by** Essler

**Motion to** approve agenda as presented

**Ayes: 5.**

**Nays: None. Motion Carried .**

**CONSENT AGENDA**

**Motion by** Klimpel **Second by** Weisensel

**Motion to** approve consent agenda

**Ayes: 5.**

**Nays: None. Motion Carried.**

**a. May 16, 2023 Regular Meeting Minutes**

**CHAIRPERSON'S REPORT**

None

**REPORTS FROM PORT AUTHORITY COMMISSIONERS**

None

**NEW BUSINESS**

**a. Open to Business Update**

Metropolitan Consortium of Community Developers (MCCD) representative Natalie Mouilso presented and highlighted the program Open to Business. Open to Business is a free, nonprofit program available to help new and early stage businesses grow

and prosper.

**b. Authorize Declaration and Site Development Agreement with Life Time Inc.**

City Administrator Martin discussed that both the City Council and Port Authority's action is the consideration is the Declaration of Easements and Covenants along with the Site Development Agreement between the City and Life Time. The Site Development Agreement is a critical component of the project as it establishes the scope of the improvements to be performed by either party. This document is directly connected to other previously authorized documents which establish each parties' duties in the deal, including the Lease and the Partial Assignment of property acquisition rights.

The agreement will also be on the agenda of the City Council later this evening.

Chairperson Essler commented on the exhibit of not being able to have a gas station and staff noted Lifetime will allow like uses, but not competing establishments.

**Motion by Theisen Second by Weisensel**

**Motion to** authorize execution of the Declaration and Site Development Agreement between the City of Rosemount and Life Time, Inc.

**Ayes: 5.**

**Nays: None. Motion Carried.**

**c. Authorize the Sale of Taxable General Obligation Bonds Subject to Certain Parameters**

City Administrator Martin discussed the taxable general obligation bonds to be considered by the Port Authority Board. The parameters resolution outlines the following; Sets the day and time of the sale for the planned bond issuance (General Obligation Taxable Recreational Facilities Bonds, Series 2023A) on July 11, 2023, at 10:00 a.m., Authorizes city staff to work with Baker Tilly Municipal Advisors to finalize preparation of the Official Statement, Establishes a committee to approve the sale of the bonds at a maximum par amount of \$48 million and a maximum true interest rate of 6.5%.

**Motion by Weisensel Second by Freske**

**Motion to** the Port Authority authorize the sale of taxable General Obligation Recreational Facility bonds, Series 2023B, subject to certain parameters, fixing their form and specifications, directing their execution and delivery, and authorizing a tax levy for the payment thereof.

**Ayes: 5.**

**Nays: None. Motion Carried.**

## **OLD BUSINESS**

### **a. Project Updates**

Chairperson Essler noted the memo includes the latest project updates. No

further questions by the Port Authority.

## **DISCUSSION**

None

## **DIRECTOR'S REPORT**

None

## **COMMUNITY/AUDIENCE RECOGNITION**

## **ADJOURNMENT**

There being no further business to come before the Port Authority at the regular Port Authority meeting and upon a motion by Essler and a second by Klimpel the meeting was at 6:49 p.m.

Respectfully submitted,

Erin Fasbender  
City Clerk

Port Authority Regular Meeting: July 24, 2023

|                                                                    |                                        |
|--------------------------------------------------------------------|----------------------------------------|
| <b>AGENDA ITEM:</b> Zoning Code Update and Site Availability       | <b>AGENDA SECTION:</b><br>NEW BUSINESS |
| <b>PREPARED BY:</b> Eric Van Oss, Economic Development Coordinator | <b>AGENDA NO.</b> 6.a.                 |
| <b>ATTACHMENTS:</b>                                                | <b>APPROVED BY:</b> LJM                |
| <b>RECOMMENDED ACTION:</b> Information Item.                       |                                        |

### BACKGROUND

Staff has been working with the firm HKGi on a zoning code update for the City. On July 11<sup>th</sup>, HKGi presented initial changes during a joint meeting of the Rosemount City Council and Planning Commission. The joint session focused on an overview on the code update process and general changes to the code as a whole. Based on the discussion, staff thought it would be helpful to continue the discussion from a business and development standpoint during the next Port Authority meeting. Additionally, Council asked to have a better understanding of what acreage was available for commercial development and how that compares to peer cities.

A driving reason for the code update was based on the fact that the code was outdated, inconsistent and in many ways does not reflect current market conditions. This creates an air of uncertainty for developers and businesses when new projects are proposed within Rosemount. There are two major areas where the code update can streamline the development process for business. The first being the addition of building standards and the addition of new uses and districts that reflect the type of development activity that is occurring in Rosemount. The City does implement this strategy today, but it is not explicitly stated or outlined within the code. Many of the standards do not reflect the currently market reality and are dispersed amongst multiple sections.

Over the course of several projects, staff has seen repeated issues arise for projects that are looking for exemptions from the current code. A good example of this is within the current Business Park zoning category. When the Business Park zoning was initially envisioned, the idea was these areas would be suburban office parks and the build standards reflect this assumption. In reality, however, very few suburban office parks are being developed and Business Park projects have shifted more towards distribution centers, high end manufacturing, and specialty services. These buildings differ from offices in both the exterior facades and site layout, usually requiring some degree of outdoor storage. Notable projects such as OMNI, Home Depot and FEDEX have all sought deviations from the code that reflect this reality. All these projects have had been granted exterior façade changes, fencing changes, and outdoor stage changes via the PUD process.

Other areas of standardization include right sizing the code's parking requirements. This is especially relevant as we look to new types of retail and post covid work/shopping changes. Currently, each use

has different requirements based on metrics like type of establishments, numbers of seats, and number of peak time employees. In many instances these are difficult for business to measure and do not reflect the actual parking needs, leading to inefficient use of time and construction costs. A simpler implementation would be to standardize parking on a clear metric across all use types such as gross floor area.

The code update works to incorporate these repeated asks as allowed with conditions and standards. While many projects do receive approval for deviations, it creates a level of uncertainty for businesses as they begin the development process. Currently every project becomes a case by case basis where one approval does not necessarily mean a similar project will be successful. In many instances this process adds time to the review process and staff and companies work to piece together and backfill the entitlement process in a way that fulfills the code requirements. Additionally, this process creates a subjective process during the technical Planning Commission review. This update will help reenforce the Planning Commission's role as a technical review and provide clear direction to Commissioners of what is allowed for project types. The standardization of each review will help streamline the process for both the developer and Planning Commission.

The second major change as it affects business and development is the addition of new uses and districts that reflect current trends. A portion of this is adding new uses that code does not currently consider. Data centers are currently not specifically outlined within the code despite being a growth area. Defining data centers and the associated standards helps set up the City to be successful when these projects are brought forward by developers.

Another part of the new districts and uses focuses on the proposed Mixed Use district and driving high end retail users to new areas of Rosemount. The 2021 Commercial Visioning Study highlights several nodes along County Road 42 that are primed for new development in the future. The visioning study shows that these areas would be primarily commercial centers with limited residential opportunities. These concepts come largely from what is being seen throughout the Metro. New and redeveloping commercial centers are adding in residential buildings to create a permanent consumer base and attract more desirable retail users. As the Port is aware, the density and commuter shed of eastern Rosemount is relatively low. To better attract businesses that rely on heavy foot traffic, such as restaurants, breweries, and groceries, the code should incorporate the mixed use concepts of the Commercial Visioning study. The sites are going to remain primarily commercial and residential development will likely be limited to a proportion/ratio of the entire site. Currently the code does not allow for a way for multiple uses to exist either horizontally or vertically on a site. A developer must undergo a lengthy and complicated process of subdividing a site into multiple uses. This change seeks to streamline a potentially difficult entitlement process, while allowing for limited residential opportunities within commercial areas.

The availability of commercial land came up repeatedly during the joint meeting. The zoning code update would change zoning designations, however, the Land Use as directed by the 2040 Comprehensive Plan will remain the same. As such, staff used the Comp Plans from Rosemount and neighboring cities compare the amounts of land guided for commercial activity. This can be used as a baseline of where Rosemount falls within providing new commercial opportunities. Staff combined all commercial actives into a single category for all communities, including mixed use designation for the cities of Apple Valley, Eagan, Farmington, and Lakeville. These numbers represented both developed

and undeveloped land guided for commercial. Additionally, this does not capture all commercial activities within a community. For example, breweries like North 20 and OMNI are not within a commercial land use designation.

| Community    | Total Acreage | Commercial Acreage | Percent of Total |
|--------------|---------------|--------------------|------------------|
| Rosemount    | 22,633        | 1,051              | 4.6%             |
| Apple Valley | 11,181        | 540                | 4.8%             |
| Farmington   | 10,910        | 297                | 2.7%             |
| Eagan        | 21,450        | 1,028              | 4.8%             |
| Lakeville    | 24,389        | 1,134              | 4.6%             |

Additionally, Council inquired about the current total of remaining lots platted in Rosemount. As the City looks towards future growth plans and how the code will shape the built environment, the changes will be most evident in these new-build communities. The development of these lots will be a major factor in determining the subsequent type of retail and uses in the developing corridors. Currently, there are 1,947 total remaining lots that have been platted as of June 2023. These are largely single-family lots, but also include townhome and multifamily guided lots. About two-thirds of the remaining lots are contained within the Amber Fields development.

#### **RECOMMENDATION**

None, informational update only.

Port Authority Regular Meeting: July 24, 2023

|                                                                    |                                        |
|--------------------------------------------------------------------|----------------------------------------|
| <b>AGENDA ITEM:</b> Project Updates                                | <b>AGENDA SECTION:</b><br>OLD BUSINESS |
| <b>PREPARED BY:</b> Eric Van Oss, Economic Development Coordinator | <b>AGENDA NO.</b> 7.a.                 |
| <b>ATTACHMENTS:</b>                                                | <b>APPROVED BY:</b> LJM                |
| <b>RECOMMENDED ACTION:</b> Information Item                        |                                        |

## **BACKGROUND**

Previous discussions with the City Council and Port Authority indicated a desire for more information regarding completion of workplan activities. The following highlights some of the project and economic development activities since the last Port Authority meeting.

### **Projects in Progress**

#### **Israelson properties:**

Rosewood Commons at Highway 3/42: KJ Walk is proposing 2 commercial sites that would include spec multitenant commercial and a drive thru. The CUP and PUD will go before the Planning Commission in July. The CUP is for a patio for an associated restaurant. The memory care facility has broken ground and Luke Israelson plans to begin the approved multi-family housing this summer.

**Rec Center/Life Time:** A ground breaking ceremony was held on July 11<sup>th</sup>. The City's website has a page dedicated to this project for additional information. Staff has begun to meet with the developers interested in portions of the eastern portion of the intersection. Staff expects conceptual proposals to begin to filter in this summer. Additionally, the Council and Port will likely see requests for residential projects on the northern end of the site.

**UMore Residential/Amber Fields:** Maplewood Development is working with individual developers on the different housing types across the property. Grading and infrastructure work is underway. Staff has received applications for the first several phases of development totaling more than 1,000 housing units. Additional phases are currently being finalized for application. Currently there are plans for 422 units of single-family homes and 811 units of townhome or multifamily. A ribbon cutting for David Weekley's first homes was held in June.

**Super America/Speedway:** The property was placed in receivership with Lighthouse Management. Their role is to find care for the liability, assets and property etc. The underground storage tanks were removed in late 2022. The owner has contracted with an environmental consulting company, Carlson McCain, to conduct a Limited Site Investigation per requirements of the MPCA after their review of the initial excavation report. Once the LSI has been completed the MPCA will give direction on whether

there will be additional remediation requirements to bring the site into permanent closure status. Carlson McCain will submitted their LSI report to the MPCA in March. The MPCA then reserves up to 180 days to review the file.

**Akron Multifamily:** Building permits have been submitted for Schafer Richardson's Akron Avenue multifamily project and for Real Estate Equity's Amber Fields multifamily project. The Council will consider a conduit financing proposal for the Schafer Richardson project on July 24<sup>th</sup>.

**Spectro Alloys:** Spectro Alloys is embarking upon a major expansion of its existing facility. The project would create 71 new jobs and represent a major investment in Rosemount. Staff has completed fully executed Grant Agreements with DEED for the MIF and JCF programs. The Planning Commission will consider the application later this summer.

**FedEx/Scannell Project:** Initial site work has begun on the 567,000 square foot FedEx facility. The exterior walls were recently completed and is progressing as planned.

**Frana:** Work on Frana's second facility continues through the summer and should be completed by the end of the year.

**McGough:** A preliminary and final plat was approved by the Planning Commission in October and by the Council in November. They will apply for site plan review at a later date for a 300,000 square foot office and warehouse development.

**Hawkins Chemical:** This facility is expanding operations in the heavy industrial area of Rosemount.

**New Horizons:** A new day care facility located at the intersection of Business Parkway and County Road 42 was approved by Planning Commission in May. Grading work has started on the site.

#### **RFI and Inquires (February/March)**

**Housing:** Staff met with 1 developer interested in multifamily sites in Rosemount. The developers are at various stages in the site process, but all are focusing on the high-density sites near the Akron/42 intersection. Of the 5 large greenfield sites that have been designated for multifamily, either through the Comprehensive Plan or Commercial Visioning, 4 have active projects moving forward leaving just the Emerald Isle site available.

**Commercial/Services:** Staff met with 2 developers interested in retail or commercial projects.

**Restaurant:** Staff met with 1 new restaurant user and 1 existing restaurant user looking for new space.

**Industrial:** Staff had 4 inquires or discussions regarding Business Park, UMore, Opus, and County Road 46/Hwy 3 sites.

#### **Other Items**

**Zoning Code Update:** City staff has been working with HKGI to update the City's zoning ordinance. This is a project that has been in the works since 2022, and it is now at a point where staff would like to

convene the Planning Commission and City Council to review the proposed update to ensure the work is moving in the right direction. The Council and Planning Commission had a joint work session on July 11 to provide feedback on the work that's been done so far.

## **RECOMMENDATION**

Information Item