ROSEMOUNT
MINNESOTA

AGENDA
Port Authority Regular Meeting
Tuesday, January 16, 2024
6:00 PM
Council Chambers, City Hall

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE**
2. **ADDITIONS OR CORRECTIONS TO AGENDA**
3. **CONSENT AGENDA**
   a. Minutes of November 21, 2023 Regular Meeting
4. **CHAIRPERSON'S REPORT**
5. **REPORTS FROM PORT AUTHORITY COMMISSIONERS**
6. **NEW BUSINESS**
   a. Willy McCoy's of Shakopee, LLC Spending Plan TIF Agreement
   b. 2024 Expo Updates
   c. 2024 Community Development Block Grant (CDBG) Allocation
7. **OLD BUSINESS**
   a. Project Updates
8. **DISCUSSION**
9. **ADJOURNMENT**

ROSEMOUNT PORT AUTHORITY
REGULAR MEETING PROCEEDINGS
NOVEMBER 21, 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, November 21, 2023, at 6:00 PM. in Rosemount Council Chambers, 2875 145th Street West.

Chairperson Essler called the meeting to order with commissioners Weisensel, Beaudette, Ober, Freske, Theisen and Klimpel.

ADDITIONS OR CORRECTIONS TO AGENDA

Motion by Ober **Second by** Theisen
Motion to approve the agenda
Ayes: 7.
Nays: None. Motion carried.

CONSENT AGENDA

Motion by Essler **Second by** Klimpel
Motion to approve the consent agenda
Ayes: 7.
Nays: None. Motion Carried.

a. Minutes of October 17, 2023 Regular Meeting

CHAIRPERSON'S REPORT

None

REPORTS FROM PORT AUTHORITY COMMISSIONERS

Commissioner Beaudette shared HealthPro business cards with staff as the Chiropractic Center is looking to expand and no longer lease.

Commissioner Theisen shared the recent ribbon cuttings that have taken place.

NEW BUSINESS

a. Dakota County CDA Update

Tony Schertler, Executive Director of Dakota County Community Development Agency (CDA), presented an overview of CDA as done in the past. The CDA is a local government agency whose mission is to improve the lives of Dakota County residents and enhance the economic vitality of communities through housing and community development. Mr. Schertler further elaborated on two forthcoming programs/ initiatives; sales tax increases to fund local housing programs and revamping the County's Economic Development Strategy.

The CDA administers over 30 different programs that serve the communities and residents of Dakota County and manages over 2,900 units of affordable rental housing for working families and seniors. Mr. Schertler discussed local affordable housing aid overview, the calculation overview, and the housing opportunity enhancement program. The CDA will meet with Dakota County Managers and Mayors at upcoming meetings to further strategize the revamping of the development strategy as part of the next steps.

b. Greater MSP U.S. Tech Hub for Medical Technology Designation

Community Development Director Kienberger briefly discussed the attached materials and will further elaborate on the information at the next Port Authority meeting.

OLD BUSINESS

a. Project Updates

Commissioner Freske questioned with all the activity near Lifetime, what is the expected timeframe for when new development will be announced? Community Development Director Kienberger stated the soonest business announcement will likely be next month and noted there will be a lot of building in 2024. Staff proposed to push the development map on the City page which includes the latest approved developments.

Commissioner Ober questioned the park in the center of Amber Fields and the details of other parks within the area.

ADJOURNMENT

There being no further business to come before the Port Authority at the Port Authority meeting and upon a motion by Essler and a second by Theisen the meeting was adjourned at 6:56 p.m.

Respectfully submitted,

Erin Fasbender
City Clerk

ROSEMOUNT
MINNESOTA

EXECUTIVE SUMMARY

Port Authority Regular Meeting: January 16, 2024

AGENDA ITEM:	Willy McCoy's of Shakopee, LLC Spending Plan TIF Agreement	**AGENDA SECTION:** NEW BUSINESS
PREPARED BY:	Eric Van Oss, Economic Development Coordinator	**AGENDA NO.** 6.a.
ATTACHMENTS:	Contract	**APPROVED BY:** LJM
RECOMMENDED ACTION: Motion to approve the TIF Spending Plan for Willy McCoy's of Shakopee, LLC subject to minor revisions as approved by staff and the city attorney.		

BACKGROUND

On October 17th, 2023 the Rosemount Port Authority held a public hearing and approved a business subsidy for Willy McCoy's of Shakopee, LLC. The developer requested $500,000 in excess, unobligated tax increment to pay for site improvement costs associated with a 7,500 square foot restaurant with a rooftop patio and banquet area. As part of the approval, staff was directed to move forward with a Business Subsidy Agreement with the developer.

The attached agreement outlines the terms and conditions required for payment of the business subsidy. The subsidy is tied to obtaining all required City approvals, and the developer has indicated they will submit plans for the entitlement process in the upcoming months. The project will need to be fully completed by December 31, 2025 in order to receive the business subsidy.

RECOMMENDATION

Staff recommends the Port Authority approve the Spending Plan TIF Agreement for Willy McCoy's of Shakopee, LLC subject to minor revisions as approved by staff and the city attorney.

Execution Copy

CONTRACT

FOR

PRIVATE DEVELOPMENT

BY AND BETWEEN

ROSEMOUNT PORT AUTHORITY

AND

WILLY MCCOY'S OF SHAKOPEE, LLC

This document was drafted by:

KENNEDY & GRAVEN, Chartered (RHB)
150 South Fifth Street
Suite 700
Minneapolis, MN 55402
(612) 337-9300

RS230-66-911643.v5

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CONTRACT FOR PRIVATE DEVELOPMENT

THIS CONTRACT FOR PRIVATE DEVELOPMENT (the "Agreement") is made as of the _______ day of __________, 2023, by and between the Rosemount Port Authority, a body politic and corporate under the laws of Minnesota, having its principal office at 2875 145th Street W., Rosemount, Minnesota 55068-4941 (the "Port"), and Willy McCoy's of Shakopee, LLC, a Delaware limited liability company, having its office at 515 165th Avenue, NW, Andover, MN 55304, or its transferee, assignee, or successor (the "Developer").

RECITALS

WHEREAS, the Port has established and administers the Downtown Brockway Tax Increment Financing District (the "TIF District") in Rosemount ; and

WHEREAS Minnesota Statutes, section 469.176, subd. 4n authorizes the Port to spend available tax increment from existing tax increment district, notwithstanding any other law to the contrary, to provide improvements, loans, interest rate subsidies for assistance in any form to private development consisting of construction or substantial rehabilitation of buildings and ancillary facilities, if the following conditions exist: (1) such assistance will create jobs in the state, including construction jobs; (2) construction commences before December 31, 2025; (3) the construction would not have commenced before December 31, 2025 without the assistance; (4) tax increment under the spending plan is spent by December 31, 2025; and (5) the city council approves the authority's spending plan after a duly noticed public hearing that specifically authorizes the Port to take such actions; and

WHEREAS, the Port adopted a spending plan for the TIF District, which spending plan was approved by the city council on November 1, 2022 following a public hearing; and

WHEREAS, the spending plan authorizes assistance in amounts between $25,000 and $500,000 in connection with private development consisting of the construction or substantial rehabilitation of commercial, industrial, residential and/or mixed use buildings and ancillary facilities and which will result in the creation or retention of jobs in the state, including construction jobs; and

WHEREAS, the Developer has proposed to construct on the Property (this term is defined hereinafter) a new 7,500 sq. ft. restaurant and tavern with a rooftop patio and upstairs bar and banquet area (hereinafter the "Project"); and

WHEREAS the Developer has stated in writing that the cost of constructing and connecting the Project to public improvements exceeds available funding and that the Project would not be undertaken without the assistance offered by the Port in this agreement; and

WHEREAS, the Project will create temporary construction jobs as well as permanent jobs at the restaurant and tavern; and

WHEREAS, to achieve the objectives of the spending plan, the Port is prepared to offer financial assistance to the Developer to bring about development of the Project on the Property in accordance with this Agreement; and

WHEREAS, the Port believes that the fulfillment generally of this Agreement is in the vital and best interests of Rosemount and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the spending plan was adopted.

NOW, THEREFORE, in consideration of the mutual covenants and obligations of the Port and the Developer, each party does hereby represent, covenant and agree with the other as follows:

ARTICLE I
Definitions

Section 1.1. Definitions. This Agreement, unless a different meaning clearly appears from the context:

"Agreement" means this Contract for Private Development, as the same may be from time to time modified, amended, or supplemented.

"Business Subsidy Act" means Minnesota Statutes, sections 116J.993 through 116J.995, as amended.

"Certificate of Substantial Completion" means the certificate, in the general form attached hereto as Exhibit C, which will be provided by the Port to the Developer upon completion of the Minimum Improvements or the City's issuance of the Certificate of Occupancy, whichever occurs first.

"City" means the city of Rosemount, Minnesota.

"City Approvals" means, collectively, the land use approvals which have been granted or will be required by the City prior to the Developer being authorized to construct the Minimum Improvements.

"Construction Plans" means, collectively, the plans, drawings and specifications for the Minimum Improvements which are consistent with the Preliminary Plans and submitted by the Developer pursuant to Article IV of this Agreement and approved by the City as confirmed by the issuance of a building permit or similar approval mechanism.

"County" means Dakota County, Minnesota.

"Developer" means Willy McCoy's of Shakopee, LLC, a Minnesota limited liability company or its transferee, assignee, or successor.

"Event of Default" means an action listed in Article X of this Agreement.

"Financial Assistance" means the $500,000.00 in Spending Plan TIF offered to the Developer by the Port.

"Material Change" means a change in the Construction Plans regarding the Minimum Improvements which requires revised or additional City Approvals.

"Minimum Improvements" means the construction of a 7,500 sq. ft. restaurant and tavern consistent with the Construction Plans on the Property. After completion of the Minimum Improvements, the term shall mean the Property as improved by the Minimum Improvements.

"Port Authority" or "Port" means the Rosemount Port Authority, a body politic and corporate under the laws of Minnesota.

"Preliminary Plans" means, collectively, the plans, drawings, and specifications for the Minimum Improvements which are listed on Exhibit B attached hereto.

"Property" means the real property described in Exhibit A attached hereto.

"Qualified TIF District" means the Port's Downtown Brockway TIF District.

"Qualifying Costs" means up to $500,000.00 in costs associated with acquisition or preparation of the Property or construction of the Minimum Improvements..

"Spending Plan" means the Spending Plan for the Qualified TIF District which was adopted by the Port and approved by the City on November 1, 2022 and which authorizes the use of Spending Plan TIF for projects which will create or retain jobs in the State and which would not otherwise have occurred prior to December 31, 2025.

"Spending Plan TIF" means tax increment which has been received and retained by the Port from the Qualified TIF District in accordance with the TIF Act and not otherwise pledged to other obligations of the Qualified TIF District and which, pursuant to Subd. 4n, may be used under the Spending Plan to provide assistance for qualifying private developments.

"State" means the state of Minnesota.

"Subd. 4n" means " means Minnesota Statutes, section 469.176, subd. 4n.

"Substantial Completion" means completion of the Minimum Improvements to a degree allowing issuance of a certificate of occupancy by the City's building official.

"Tax Official" means any County assessor, County auditor, County or State board of equalization, the commissioner of revenue of the State, or any State or federal court.

"Unavoidable Delays" means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of a pandemic, strikes, other labor troubles, delays and/or unavailability of any construction materials, prolonged adverse weather or 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 Port in exercising its rights under this Agreement) which directly result in delays.

Section 1.2. Exhibits. The following exhibits are attached to and by reference made a part of this Agreement:

Exhibit A. Legal Description of the Property
Exhibit B. List of Preliminary Plans
Exhibit C. Form of Certificate of Substantial Completion
Exhibit D. Form of Notice and Assignment

Section 1.3. Rules of Interpretation. (a) This Agreement shall be interpreted in accordance with and governed by the laws of Minnesota.

(b) The words "herein" and "hereof" and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than any particular section or subdivision hereof.

(c) References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.

(d) Any titles of the several parts, articles and sections of this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of its provisions.

ARTICLE II
Representations and Warranties

Section 2.1. Representations by the Port. The Port makes the following representations as the basis for the undertaking on its part herein contained:

(a) The Port is a body politic and corporate under the laws of Minnesota and has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The individuals executing this Agreement and related documents on behalf of the Port have the authority to do so and bind the Port by their actions.

(c) The activities of the Port authorized herein are undertaken to facilitate the construction of a project which will create jobs in the State.

(d) The Financial Assistance is being offered pursuant to the Spending Plan adopted by the Port and approved by the City in accordance with Subd. 4n.

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

(a) The Developer is a Minnesota limited liability company in good standing and has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The persons executing this Agreement and related agreements on behalf of the Developer have the authority to bind the Developer by their actions.

(c) The Developer has received no notice or communication from any local, State, or federal official that the activities of the Developer, the Port or the City on the Property may be or will be in violation of any environmental law or regulation. The Developer is aware of no facts the existence of which would cause the Developer to be in violation of or give any person a valid claim under any local, State, or federal environmental law, regulation, or review procedure.

(d) 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 organizational document or other restriction of the Developer or any evidence of indebtedness, agreement, or instrument of whatever nature to which the Developer is now a party or by which it is bound, or to which it will be bound to finance construction of the Minimum Improvements or constitutes a default under any of the foregoing.

(e) The Developer is not ineligible under the Business Subsidy Act to receive the Financial Assistance provided for in this Agreement.

(f) The Developer will construct the Minimum Improvements in accordance with the terms of this Agreement, the Spending Plan, all local, State and federal laws and regulations including, but not limited to, environmental, zoning, building code, public health laws and regulations.

(g) The Developer has analyzed the economics of the Project and has determined that acquisition of all of the Property and construction of the Minimum Improvements described in this Agreement would not occur without Financial Assistance being provided hereunder.

(h) The Developer will apply for and use all reasonable efforts to obtain in a timely manner all permits, licenses and approvals required by the City or other governmental entities and will meet requirements of all applicable City, State and other laws and regulations which must be met before the Minimum Improvements may be lawfully constructed and used for their intended purpose.

(i) The Developer shall promptly advise the Port in writing of all litigation or claims affecting any part of the Property or the Minimum Improvements and all written complaints and charges made by any governmental authority materially affecting the Property or the Minimum Improvements or materially affecting the Developer or its business which may delay or require changes in construction of the Minimum Improvements.

ARTICLE III
Acquisition of Property

Section 3.1. Acquisition of the Property. The Developer has entered into a purchase agreement regarding the Property and agrees to close on the transaction and obtain fee title and possession of the Property by no later than July 30, 2024.~~,~~

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 the Construction Plans. The Developer recognizes that it is because the Developer has agreed to construct the Minimum Improvements that the Port is willing to offer the Financial Assistance outlined in this Agreement. The Developer acknowledges that, in addition to the requirements of this Agreement, construction of the Minimum Improvements will necessitate compliance with other reviews and approvals by the City and possibly other governmental entities and agrees to submit all applications for and pursue to their conclusion all other approvals needed prior to constructing the Minimum Improvements.

Section 4.2. Preliminary and Construction Plans. (a) The Developer has submitted and the Port has approved the Preliminary Plans. After execution of this Agreement, but at least thirty (30) days prior to initiation of construction, the Developer shall submit dated Construction Plans to the Port for approval. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in substantial conformity with the Preliminary Plans and this Agreement. The Port will approve the Construction Plans if they (1) conform to the Preliminary Plans; (2) conform to all applicable federal, State and City laws, ordinances, rules and regulations; (3) are adequate to provide for the construction of the Minimum Improvements; (4) conform to the State building code; and (5) if there has occurred no uncured Event of Default on the part of the Developer. No approval by the Port shall relieve the Developer of the obligation to comply with the terms of this Agreement, the terms of any applicable federal, State and City laws, ordinances, rules and regulations in the construction of the Minimum Improvements. The Port shall not unreasonably delay, condition or withhold approvals necessary for Developer to comply with this Agreement. No approval by the Port shall constitute a waiver of an Event of Default. It will be necessary for the City to issue a building permit prior to the Developer being authorized to construct the Minimum Improvements but the approval of the Construction Plans by the Port is for the purpose of ensuring compliance with the terms and conditions of this Agreement and may occur prior to or after issuance of the building permit by the City.

(b) If the Developer desires to make a material change in the Construction Plans after their approval by the Port, including any change to the exterior design or visible construction materials of the Minimum Improvements or any other change which would also require review or reauthorization of the City Approvals or under any other applicable code, ordinance or regulation, the Developer shall submit the proposed change to the Port for its approval. If the proposed change conforms to the requirements of this section 4.2 with respect to the original Construction Plans or is otherwise acceptable to the Port, the Port shall approve the proposed change. Such change in the Construction Plans shall be deemed approved by the Port unless rejected, in whole or in part, by written notice by the Port to the Developer setting forth in detail the reasons therefor. Such rejection shall be made within 15 business days after receipt of the written notice of such change from the Developer.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays and the Port's timely approval of the Construction Plans, and any delays in the Developer's receipt of the City's approvals, the Developer shall commence construction of the Minimum Improvements by no later than August 30, 2024. Subject to Unavoidable Delays, the Developer shall have achieved Substantial Completion of the Minimum Improvements by no later than December 20, 2025. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Property shall be in conformity with the Construction Plans. Following written report thereof from the Port, the Developer shall make such reports to the Port regarding construction of the Minimum Improvements as the Port deems necessary or helpful in order to monitor progress on construction of the Minimum Improvements.

Section 4.4. Certificate of Substantial Completion. (a) After Substantial Completion of the Minimum Improvements in accordance with the Construction Plans and all terms of this Agreement, the Port will furnish the Developer with a Certificate of Substantial Completion in the form of Exhibit C attached hereto and which shall be issued within fifteen (15) business days of the City's issuance of the Certificate of Occupancy. Such certification by the Port shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement with respect to the obligations of the Developer to construct the Minimum Improvements and the dates for the beginning and completion thereof. The Certificate of Substantial Completion shall only be issued after issuance of a certificate of occupancy by the City's building official.

(b) The Certificate of Substantial Completion provided for in this section 4.4 shall be in such form as will enable it to be recorded in the proper County office for the recordation of deeds and other instruments pertaining to the Property. If the Port shall refuse or fail to provide such certification in accordance with the provisions of this section 4.4, the Port shall, within fifteen (15) business days after written request by the Developer, provide the Developer with a written statement, indicating in specific detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default of a material term of this Agreement, and what measures or acts will be necessary, in the opinion of the Port, for the Developer to take or perform in order to obtain such Certificate of Substantial Completion.

Section 4.5. Restrictions on Use; Land Use Approvals. The Developer, for itself and its successors and assigns, agrees to devote the Property and the Minimum Improvements only to such use or uses as may be permissible under the City's land use regulations.

Section 4.6. City Approvals. The Developer acknowledges that the City Approvals must be granted by the City for the Developer to implement its plans to construct the Minimum Improvements on the Property. The Developer agrees to pursue at its expense such approvals and permits as are necessary to construct the Minimum Improvements in accordance with all land use approvals, restrictions and other regulations of the City related to the Property and the Minimum Improvements as indicated in the issued building permit (or similar approval mechanism) and any approved Construction Plans.

ARTICLE V
Financial Assistance

Section 5.1. Total Development Costs. Based on the Developer's representation that the total development costs are approximately $7,025,000, that the sources of revenue available to pay such costs, excluding the tax Financial Assistance contemplated herein is $6,525,000, and that the Developer is unable to obtain additional private financing for the total estimated total development costs, the Port has agreed to provide to the Developer the Financial Assistance, subject to the terms and conditions as hereinafter set forth.

Section 5.2. Qualifying Costs. As of the date of this Agreement, the possibility for any development on the Property is greatly limited. The Developer has represented that the Project would not be economically feasible within the reasonably foreseeable future, and more specifically, the Developer would not have commenced construction of the Minimum Improvements before December 31, 2025 if the Developer were required to pay all of the total development costs without assistance. Consequently, subject to the terms and conditions of this Agreement, to assist the Developer in making the development of the Project feasible, the Port agrees to apply Spending Plan TIF in the amount of Financial Assistance to Developer. Other than the Financial Assistance the Port neither pledges nor provides any other financial assistance to the Developer for the costs of the construction of the Minimum Improvements.

Section 5.3. Conditions Precedent to Financial Assistance. Notwithstanding anything in this Agreement to the contrary, the Port shall not be obligated to pay the Financial Assistance to Developer until all of the following conditions precedent have been satisfied:

(a) The Developer has acquired the Property as of August 30, 2024;

(b) The Developer and the Port have executed this Agreement and it has been recorded in the County land records;

(c) The Developer has demonstrated to the Port that it has incurred Qualified Costs in at least the amount of $500,000;

(d) The Certificate of Substantial Completion has been issued;

(e) The Developer remains eligible for receiving a business subsidy under the Business Subsidy Act; and

(f) There has been no Event of Default on the part of the Developer which has not been cured.

When the above conditions have been satisfied, the Port will disperse the Financial Assistance to the Developer. The Developer understands and agrees that all Spending Plan TIF must be spent by December 31, 2025. To the extent the Spending Plan TIF is not spent by December 31, 2025, the Port shall have no further obligation to make any additional payments under this Agreement.

ARTICLE VI
Insurance

Section 6.1. Required Insurance. The Developer agrees to provide and maintain insurance as follows and at all times during the process of constructing the Minimum Improvements and, from time to time at the request of the Port, furnish the Port with proof of a certificate of insurance for:

(a) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy;

(b) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than $1,000,000 for each occurrence (to accomplish the above required limits, an umbrella excess liability policy may be used); and

(c) Workers' compensation insurance, with statutory coverage.

The policies of insurance required pursuant to clauses (i) and (ii) above shall be in form and content reasonably satisfactory to the Port and shall be placed with financially sound and reputable insurers licensed to transact business in Minnesota. The policy of insurance delivered pursuant to clause (i) above shall contain an agreement of the insurer to give not less than 30 days' advance written notice to the Port in the event of cancellation of such policy or change affecting the coverage thereunder.

Section 6.2. Evidence of Insurance. All insurance required in this Article VI shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of Minnesota to assume the risks covered thereby. Upon written request by the Port, the Developer agrees to deposit with the Port a certificate of insurance evidencing all such insurance of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article VI, each policy shall contain a provision that the insurer shall not cancel nor materially modify it without giving written notice to the Developer and the Port at least 30 days before the cancellation or modification becomes effective. Not less than 15 days prior to the expiration of any policy, the Developer shall furnish the Port a certificate of insurance that has been renewed or replaced by another policy conforming to the provisions of this Article VI, or that there is no necessity therefor under the terms of this Agreement. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the Port a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

ARTICLE VII
Business Subsidy Act Requirements

Section 7.1. Compliance with Business Subsidy Provisions. The Port and the Developer agree and represent to each other as follows:

(a) The subsidy provided to the Developer consists of the Financial Assistance provided by the Port under this Agreement. The total value of the business subsidy provided by the Port is $500,000.00.

(b) The public purposes of the subsidy are to promote construction of the Minimum Improvements on the Property, increase net jobs in Rosemount and the State, and increase the tax base of the City and the State.

(c) The goals for the subsidy are to secure construction of the Minimum Improvements on the Property; to maintain the Minimum Improvements for at least five years as described in clause (f) below; and to create the jobs and pay wage levels in accordance with sections 7.2(a) and (b).

(d) If the goals described in clause (c) above are not met, the Developer must make the payments to the Port described in section 7.3.

(e) The subsidy is needed because the cost of construction of the Minimum Improvements, including connection to public sewer and water, makes development of the Property with the Minimum Improvements financially infeasible without the Financial Assistance.

(f) The Developer, or its successors, assigns, or transferees, must continue operation of the Minimum Improvements as a restaurant and tavern for at least five (5) years after the date of issuance of the Certificate of Substantial Completion. This provision does not prevent, prohibit, or otherwise forbid Developer from selling the business, transferring the business or otherwise assigning Developer's interest in the operation provided Developer submits the assignment form that is substantially similar to that form found in Exhibit D and it is accepted and approved by the Port.

(g) The Developer does not have a parent entity. The Developer may assign its interest in this Property to a related entity provided Developer submits the assignment form that is substantially similar to that form found in Exhibit D and it is accepted and approved by the Port.

(h) The Developer has not received, and does not expect to receive financial assistance from any other grantor as defined in the Business Subsidy Act in connection with acquisition or site preparation of the Property or construction of the Minimum Improvements.

(i) Developer may, upon completion of the Minimum Improvements, lease the Minimum Improvements to a tenant (the "Tenant") who will operate the restaurant and tavern. The Port understands and agrees that employment by the Tenant, and reporting by the Tenant will satisfy the requirements of Section 7.2. Any obligations of the Developer under this Section may also be satisfied by performance and reporting of the Tenant. Notwithstanding the foregoing, the Developer shall at all times remain obligated to the Port to ensure the performance requirements set forth herein are met and to repay to the Port any amounts required under this Agreement.

Section 7.2. Job and Wage Goals; Qualified Facility. Within two years after the date of issuance of the Certificate of Substantial Completion (the "Compliance Date"), the Developer or the Tenant, or their respective successors, assigns, or transferee shall cause to be created at least five (5) new full-time equivalent jobs on the Property (excluding any jobs previously existing in the State as of the date of this Agreement and relocated to this site) and shall cause the wages for the five (5) new full-time equivalent jobs to be no less than 200 percent of the Minnesota minimum wage, exclusive of benefits. Notwithstanding anything to the contrary herein, if the wage and job goals described in this section 7.2 are met by the Compliance Date, those goals are deemed satisfied despite the Developer's continuing obligations under Sections 7.1(f) and 7.4. The Port may, after a public hearing, extend the Compliance Date by up to one year, provided that nothing in this Section 7.2 will be construed to limit the Port's legislative discretion regarding this matter.

Section 7.3. Remedies. If the Developer fails, directly or through performance of the Tenant, successors, assigns, or transferee, to meet the goals described in Section 7.1(c), the Developer shall repay to the Port upon written demand from the Port a pro rata share of the business subsidy authorized under this Agreement, and interest on the subsidy at the implicit price deflator as defined in Minnesota Statutes, section 275.50, subd. 2, accrued from the date of issuance of the Certificate of Substantial Completion to the date of payment. The term pro rata share means percentages calculated as follows:

(i) if the failure relates to the number of new jobs required under Section 7.2, the new jobs required less the new jobs created, divided by the new jobs required;

(ii) if the failure relates to wage levels required under Sections 7.1(a) and (b), the number of jobs with a required wage level less the number of jobs that meet the required wage level, divided by the number of jobs with a required wage level;

(iii) if the failure relates to maintenance of the Minimum Improvements in accordance with Section 7.1(f), 60 less the number of months of operation as the Minimum Improvements (where any month in which the Minimum Improvements are in operation for at least 15 days constitutes a month of operation), commencing on the date of the Certificate of Substantial Completion and ending with the date the Minimum Improvements cease operation as determined by the Port, divided by 60; and

(iv) if more than one of clauses (i) through (iii) apply, the sum of the applicable percentages, not to exceed 100%.

Nothing in this Section 7.3 shall be construed to limit the Port's remedies under Article X hereof. In addition to the remedy described in this Section 7.3 and any other remedy available to the Port for failure to meet the goals stated in Section 7.1(c), the Developer agrees and understands that it may not a receive a business subsidy from the Port or any grantor as defined in the Business Subsidy Act for a period of five years from the date of the failure or until the Developer satisfies its repayment obligation under this Section 7.3, whichever occurs first.

Section 7.4. Reports. The Developer, either directly or through the Tenant, must submit to the Port a written report regarding business subsidy goals and results by no later than March 1 of each year, commencing March 1, 2026 and continuing until the later of (i) the date the goals stated Section 7.1(c) are met; (ii) 30 days after expiration of the five-year period described in Section 7.1(f); or (iii) if the goals are not met, the date the subsidy is repaid in accordance with Section 7.3. The report must comply with section 116J.994, subdivision 7 of the Business Subsidy Act. The Port will provide information to the Developer regarding the required forms. If the Developer fails to timely file, or cause Tenant to timely file any report required under this Section 7.4, the Port will mail the Developer a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, the Developer and/or Tenant fails to provide a report, the Developer must pay to the Port a penalty of $100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section 7.4 is $1,000.

Section 7.5. Release from Wage and Job Requirements. Within thirty (30) days of the occurrence of the Compliance Date, so long as the obligations of the parties herein have been met, the Port shall provide Developer an executed release in recordable form, providing for the release of the Property from the obligations regarding the creation of jobs and wages under section 7.2 of this Agreement.

ARTICLE VIII
Use of Spending Plan TIF; Collection of Taxes

Section 8.1. Use of Spending Plan TIF. The Spending Plan has authorized the Port to have available to it more Spending Plan TIF than it is providing to the Developer under this Agreement. The Port shall be free to use any Spending Plan TIF not committed under this Agreement for any purpose for which such Spending Plan TIF may lawfully be used, pursuant to the provisions of Subd. 4n, and the Port shall have no obligation to the Developer with respect to the use of such additional Spending Plan TIF.

Section 8.2. Right to Collect Delinquent Taxes. The Developer acknowledges that the Port is providing substantial aid and assistance in furtherance of the development of the Property.

The Developer agrees for itself, its successors and assigns, in addition to the obligation pursuant to statute to pay real estate taxes, that it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Property and the Minimum Improvements. The Developer acknowledges that this obligation creates a contractual right on behalf of the Port or the City to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the County auditor. In any such suit, the Port shall also be entitled to recover its costs, expenses, and attorney fees.

Section 8.3. Payment of Fees. The Developer agrees to pay all fees and expenses incurred by the Port in connection with preparation of this Agreement, including but not limited to the fees of the Port's legal counsel.

ARTICLE IX
Restrictions on Sale or Encumbrance of Minimum Improvements; Assignment

Section 9.1. Sale of Minimum Improvements. The Developer represents and agrees that its use of the Property and its other undertakings pursuant to the Agreement, are, and will be, used for the purpose of construction of the Minimum Improvements on the Property and not for speculation in land holding. The Developer represents and agrees that should the Property be sold prior to the issuance of a Certificate of Substantial Completion regarding the Minimum Improvements, the Developer shall notify the Port and the Developer shall remain responsible for all the Developer's obligations under this Agreement until receipt of a Certificate of Substantial Completion, at which point Developer shall be released from any further obligations hereunder if the Developer and its transferee have entered into an agreement substantially in the form of Exhibit D attached hereto. Should the Property be sold after receipt of a Certificate of Substantial Completion, the Developer shall notify the Port and the proposed transferee shall have entered into an agreement substantially in the form of Exhibit D hereto, whereby the transferee expressly assumes all of the Developer's obligations under this Agreement, including compliance with the Business Subsidy Act. The Port has approved Exhibit D and agrees that upon execution of the same by the Developer and a transferee of the Property, such transferee shall be recognized as the assignee of the Developer for all purposes hereunder and the Developer shall be released from any further obligations under this Agreement.

Section 9.2. Limitation Upon Encumbrance of Property. With the exception of the type of encumbrances placed in the ordinary course of lending and development of the Property, prior to issuance of the Certificate of Substantial Completion, the Developer agrees not to engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Property or Minimum Improvements, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attached to the Property or Minimum Improvements other than the liens or encumbrances approved by the Port, which approval shall not be unreasonably withheld or delayed if the Port determines that such lien or encumbrance will not threaten its security under this Agreement.

ARTICLE X
Events of Default

Section 10.1. Events of Default Defined. Subject at all times to Unavoidable delays, each and every one of the following shall be an Event of Default under this Agreement in the event that such failure is not cured by Developer within thirty (30) days of written notice from the Port to Developer, or, in the event that the failure cannot be reasonably cured within thirty (30) day period, Developer fails to commence such cure within thirty (30) days or fails to diligently pursue such a cure to completion:

(a) Failure by the Developer to acquire the Property in fee by August 30, 2024 or failure to satisfy any other condition precedent specified in section 5.3 of this Agreement;

(b) Failure by the Developer to obtain all approvals and permits from the City and other entities necessary in order to construct the Minimum Improvements;

(c) Failure by the Developer to commence and complete construction of the Minimum Improvements pursuant to the terms, conditions and limitations of Article IV of this Agreement, including the timing thereof, unless such failure is caused by an Unavoidable Delay or waived by the Developer and the Port;

(d) Failure of the Developer to pay real estate taxes or special assessments on the Property or Minimum Improvements as they become due;

(e) Failure by the Developer to comply with the requirements of this Agreement regarding the Business Subsidy Act or with the wage requirements of Section 469.176, subd. 7 of the TIF Act;

(f) Sale of the Property or the Minimum Improvements, or any portion thereof, by the Developer in violation of Article IX of this Agreement;

(g) If the Developer shall file a petition in bankruptcy, or shall make an assignment for the benefit of its creditors or shall consent to the appointment of a receiver; or

(h) Failure by the Port or Developer to observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

Section 10.2. Remedies on Default. Whenever any Event of Default referred to in section 10.1 of this Agreement occurs, the non-defaulting party may take any one or more of the following actions:

(a) Suspend its performance under this Agreement until it receives assurances from the defaulting party, deemed adequate by the non-defaulting party, that the defaulting party will cure its default and continue its performance under this Agreement;

(b) Terminate or rescind further performance pursuant to this Agreement;

(c) If the default occurs prior to completion of the Minimum Improvements, the Port may withhold the Certificate of Substantial Completion;

(d) Seek repayment of some or all of the Financial Assistance pursuant to Article VII of this Agreement and the Business Subsidy Act; and

(e) Take whatever legal or administrative action which may appear necessary or desirable to the non-defaulting party to collect any payments due under this Agreement, including reimbursement of the Financial Assistance previously granted, or to enforce performance and observance of any obligation, agreement, or covenant of the defaulting party under this Agreement.

Section 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the either party in this Agreement 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. To entitle the Port or the Developer to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in Article XI of this Agreement.

Section 10.4. No Additional Waiver Implied by One Waiver. In the event any covenant or obligation contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

ARTICLE XI
Additional Provisions

Section 11.1. Conflict of Interests; Representatives Not Individually Liable. The Port and the Developer, to the best of their respective knowledge, represent and agree that no member, official, or employee of the Port has or shall have any personal interest, direct or indirect, in this Agreement, nor has or shall any such member, official, or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested. No member, official, or employee of the Port shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the Port, or for any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement. No employee, officer, shareholder or agent of Developer shall be personally liable to the Port, or any successor in interest, in the event of any default or breach by the Developer, or for any amount which may become due to the Port or successor or on any obligations under the terms of this Agreement.

Section 11.2. Release and Indemnification Covenants. (a) Except for any negligent act of the following named parties, the Developer hereby releases from and covenants and agrees that the Port and its governing body members, officers, agents, servants, and employees shall not be liable for, and hereby agree to indemnify and hold harmless the Port, and its governing body members, officers, agents, servants, and employees against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements.

(b) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the following named parties, the Developer hereby agrees to protect and defend the Port and its governing body members, officers, agents, servants, and employees, now or forever, and hereby further agree to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Property or Minimum Improvements.

(c) Except for any negligent act of the following named parties, the Port and its governing body members, officers, agents, servants, and employees shall not be liable for any damage or injury to the persons or property of the Developer or its partners, officers, agents, servants or employees or any other person who may be about the Property or Minimum Improvements due to any act of negligence of any person.

(d) All covenants, stipulations, promises, agreements, and obligations of the Port contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the Port, and not of any governing body member, officer, agent, servant, or employee of the Port in his or her individual capacity.

Section 11.3. 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 11.4. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by United States registered or certified mail, postage prepaid, return receipt requested, or delivered personally to:

(a) in the case of the Port:

Rosemount Port Authority
2875 145th Street W.
Rosemount, MN 55068-4941
Attn: Executive Director

with a copy to: Ron Batty
Kennedy & Graven, Chartered
150 South Fifth Street
Suite 700
Minneapolis, MN 55402

(b) in the case of the Developer: Willy McCoy's of Shakopee, LLC
5511 Southwood Dr.
Bloomington, MN 55437
Attn: Korey Bannerman

Matthew Duffy
Monroe Moxness Berg PA
7760 France Avenue S., Suite 700
Minneapolis, MN 55435

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section 11.4.

Section 11.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 11.6. Recording. The Port may record this Agreement and any amendments thereto among the County land records. The Developer shall pay for the cost of such recording.

Section 11.7. Attorney Fees. Whenever any Event of Default occurs on the part of the Developer or the Port and if the non-defaulting party may 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 parties under this Agreement, the Developer or the Port agrees that it shall, within 10 days of written demand by the non-defaulting party, pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

Section 11.8. Governing Law; Venue. This Agreement shall be construed in accordance with the laws of Minnesota. Any dispute arising from this Agreement shall be heard in the State or federal courts of Minnesota, and all parties waive any objection to the jurisdiction thereof, whether based on convenience or otherwise.

Section 11.9. Disclaimer of Relationship. The Developer acknowledges that nothing in this Agreement nor any act of the Port shall be deemed or construed by the Developer or by any third party to create any relationship of third-party beneficiary, principal and agent, limited or general partner or joint venture between the Port and the Developer.

Section 11.10. Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to its subject matter and it supersedes all prior contemporaneous agreements, representations, and understandings of the parties pertaining to the subject matter of this Agreement. This Agreement may be modified, amended, terminated, or waived, in whole or in part, only by a writing signed by both parties. Notwithstanding the above, nothing herein shall supersede the City's land use regulations applicable to the Property and Minimum Improvements or any agreement, permit or approval by or between the Developer and the City regarding the land use regulations applicable to the Property and the Minimum Improvements.

Section 11.11. Release. If the Developer satisfies all of its obligations under this Agreement prior to sale of the Property and release under the agreement in the form of Exhibit D attached hereto, the Port agrees to execute and deliver to the Developer within thirty (30) days a release in recordable form so certifying.

****

ROSEMOUNT PORT AUTHORITY

By: ___________________________________

____

By: ___________________________________

____

STATE OF MINNESOTA)
) ss.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me this ____ day of ________________, 2023, by _____________, the ____________ of the Rosemount Port Authority, a body politic and corporate under the laws of Minnesota, on behalf of the authority.

____
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me this ____ day of ________________, 2023, by _____________, the ____________ of the Rosemount Port Authority, a body politic and corporate under the laws of Minnesota, on behalf of the authority.

____
Notary Public

WILLY MCCOY'S OF SHAKOPEE, LLC

By: ________________________________
______________,

STATE OF MINNESOTA)
) ss.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me this ____ day of ____________, 2023, by _________________, the _____________________ of Willy McCoy's of Shakopee, LLC, a Minnesota limited liability company, on behalf of the company.

____
Notary Public

RS230-66-911643.v5

EXHIBIT A TO
CONTRACT FOR PRIVATE DEVELOPMENT

LEGAL DESCRIPTION OF THE PROPERTY

Real property located in the County of Dakota, State of Minnesota, legally described as follows:

[to be completed after the Property has been replatted]

**EXHIBIT B TO
CONTRACT FOR PRIVATE DEVELOPMENT
LIST OF PRELIMINARY PLANS**

The Preliminary Plans consist of the following:

[to be completed]

EXHIBIT C TO
CONTRACT FOR PRIVATE DEVELOPMENT
FORM OF
CERTIFICATE OF SUBSTANTIAL COMPLETION

WHEREAS, the Rosemount Port Authority, a body politic and corporate under the laws of Minnesota (the “Port”) and Willy McCoy’s of Shakopee, LLC, a Minnesota limited liability company (the “Developer”), have entered into that certain Contract for Private Development by and between the Port and the Developer dated the ____ day of ______________, 2023, and recorded in the office of the Dakota County __________________, on ___________________ as Document No. __________, which Contract for Private Development contained certain covenants and restrictions regarding completion of the Minimum Improvements; and

WHEREAS, the land to which the Contract for Private Development applies (the “Property”) is legally described on Exhibit A attached hereto; and

WHEREAS, said Developer has performed said covenants and conditions in a manner deemed sufficient by the Port to permit the execution and recording of this certification.

NOW, THEREFORE, this is to certify that, with respect to the Property, all building construction and other physical improvements specified to be done and made by the Developer have been substantially completed and the above covenants and conditions in said Contract for Private Development have been performed by the Developer therein, and the Dakota County _________ is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions relating to substantial completion of the Minimum Improvements with respect to the Property.

Dated: ________________, 202_.

ROSEMOUNT PORT AUTHORITY

By: ___________________________________
____

By: ___________________________________
____

RS230-66-911643.v5

STATE OF MINNESOTA)
) ss.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me this ____ day of ________________, 2023, by _____________, the ____________ of the Rosemount Port Authority, a body politic and corporate under the laws of Minnesota, on behalf of the authority.

____
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me this ____ day of ________________, 2023, by _____________, the ____________ of the Rosemount Port Authority, a body politic and corporate under the laws of Minnesota, on behalf of the authority.

____
Notary Public

This instrument was drafted by:
Kennedy & Graven, Chartered (RHB)
150 South Fifth Street
Suite 700
Minneapolis, MN 55402
(612) 337-9300

EXHIBIT A

Legal Description of Property

[to be completed]

EXHIBIT D TO
CONTRACT FOR PRIVATE DEVELOPMENT

FORM OF NOTICE AND ASSIGNMENT

Date___________

To: Rosemount Port Authority
Attn Executive Director
2875 145th Street
Rosemount, MN 55068

Re: Notice of sale pursuant to section 9.1 of the Contract for Private Development dated ______________, 2023 by and between the Rosemount Port Authority and Willy McCoy's of Shakopee, LLC (the "Spending Plan Agreement").

Transferee: _______________________.

NOTICE

To Rosemount Port Authority:

Willy McCoy's of Shakopee, LLC gives notice pursuant to Section 9.1 of the Contract for Private Development that the Property as defined therein has been sold to the above named Transferee, and the Transferee has accepted assignment of the Developer's obligations under the Spending Plan Agreement as follows:

ASSIGNMENT

Willy McCoy's of Shakopee, LLC, Developer under the Spending Plan Agreement does hereby assign, sell, and transfer all of its interests, rights, and obligations under the Spending Plan Agreement to Transferee. Transferee acknowledges receipt of a copy of the Spending Plan Agreement, and states and agrees that it expressly assumes all of the Developer's obligations under the Spending Plan Agreement, including compliance with the Business Subsidy Act, as well as all other provisions of the Spending Plan Agreement. Transferee shall defend and indemnify Willy McCoy's of Shakopee, LLC against any claims by the Rosemount Port Authority, or others, arising under the Spending Plan Agreement.

Developer:	Transferee:
_________________________	_______________________
Willy McCoy's of Shakopee, LLC	
By ______________________	By____________________
Its ______________________	Its____________________

ROSEMOUNT
MINNESOTA

EXECUTIVE SUMMARY

Port Authority Regular Meeting: January 16, 2024

AGENDA ITEM: 2024 Expo Updates	**AGENDA SECTION:** NEW BUSINESS
PREPARED BY: Alysha Grant, Community Development Technician	**AGENDA NO.** 6.b.
ATTACHMENTS: Vendors Master Sheet	**APPROVED BY:** LJM
RECOMMENDED ACTION: Receive an update on the planned 2024 Expo and slate of activities.	

BACKGROUND

The Rosemount Home & Business Expo is a community event that has been held in March annually since 2018. During the year 2020, the Expo was cancelled due to the Covid-19 pandemic but picked back up in 2021 with social distancing measures in place. This year will mark the sixth year this event will be held, planned for March 2nd, 2024 from 9:30 am to 2:30 pm at the Rosemount Community Center.

In previous years, the Expo focused on home development and improvement services for property owners, bringing in approximately 500 visitors. However, this year the focus is shifting to a more family-friendly, community event. Thus, the Home & Business Expo will be re-branded as the Rosemount Expo. With the new re-branding, the Expo will feature a theme year to year; the theme for 2024 will be "Destination Rosemount". The "Destination Rosemount" theme centers around travel, featuring a new booth-bingo format in passport booklets, travel-themed marketing, and themed SWAG. Staff have been working in partnership with various local Rosemount staff, business owners and organizations to coordinate many new activities. The expo will feature classes and seminars open to the public, extra children's activities, catered food by Las Tortillas, coffee by Maleku Coffee, and live entertainment. The Port Authority budget includes a line item to fund the Expo, in which the expenditures for activities, food, and marketing will be largely offset by booth revenues and sponsorships.

RECOMMENDATION

Receive an update on the planned 2024 Expo and slate of activities.

2024 Rosemount Expo

Registered Vendors
Star Tribune in Partnership with F2F
Rosemount Beyond the Yellow Ribbon
Custom Home Specialties Inc.
Mindful Health with Lori
Leprechaun Days Committee
Country Cabinets
Crossfit Snowdrift
MN Highway Safety & Research Center
Michelle Hoagland Group
Thrivent Financial
USA Karate
Valley's Own Bakehouse
Scott Chiropractic Clinic
Dakota County Physical Therapy
The Reface Experts
Thread & Clover
Dakota County CDA
David Weekley Homes
Salvo Soccer
Rosemount Area Arts Council
Signature Home Services
Pellicci Ace Hardware
Heather Ann Photography
MN Energy Resources
The Handley Advantage Team w/RE/MAX Advantage Plus
Minnesota Behavioral Specialists
Bader Companies (The Morrison)
Dakota County Regional Chamber of Commerce
Rosemount Floral
Rosemount Area Athletic Association
Kitchen Refresh by Value Add Services
R&A Lawn and Landscape
The Meeting Point

Classes & Seminars
Yoga with Lori Kampa from Mindful Health
Workout with Crossfit Snowdrift
Floral Arranging with Rosemount Floral
Coffee Flight Experience with the Meeting Point & Idioma Roastery, LLC
Professional Dev. Seminar: Improv with Logan Martin

Food & Beverages
Las Tortillas - discounted food, pop & alcoholic beverages
Maleku Coffee - Free coffee

Children's Activities
1 Balloon Artist
2 Face Painters
Bounce House

ROSEMOUNT
MINNESOTA

EXECUTIVE SUMMARY

Port Authority Regular Meeting: January 16, 2024

AGENDA ITEM:	2024 Community Development Block Grant (CDBG) Allocation	**AGENDA SECTION:** NEW BUSINESS
PREPARED BY:	Adam Kienberger, Community Development Director	**AGENDA NO.** 6.c.
ATTACHMENTS:	Estimated FY 2024 funds letter	**APPROVED BY:** LJM
RECOMMENDED ACTION: Motion to recommend City Council adopt a resolution approving Riosemount's 2024 Community Development Block Grant application.		

BACKGROUND

Annually, the City receives federal Community Development Block Grant (CDBG) funds which are distributed by the Dakota County CDA.

The City was recently informed by the Dakota County Community Development Agency (CDA) that our estimated allocation for Program Year 2024 (July 1, 2024 – June 30, 2025) is approximately $50,026. In 2023 we received $37,534 in Community Development Block Grant (CDBG) funds which were allocated to the Home Improvement Loan Program.

To secure the grant money that is available, the city must prepare and submit an application that specifies eligible activities or projects to which the city intends to allocate the available funding. A completed application is due in January accompanied by an approved City Council resolution.

The final allocation amount may change as HUD finalizes their budget process over the next several months.

Proposed Activities

City staff is proposing that the estimated $50,026 be allocated to a single activity - Home Improvement Loan Program for 2024.

Home Improvement Loan Program

The Home Improvement Loan Program is a program administered by the CDA to benefit low/moderate income households in Rosemount making eligible improvements to their homes. This program was funded last year and grants us the maximum opportunity to benefit a wide audience in Rosemount and meet HUD’s spenddown requirements in a timely manner. Some program details include:

The Home Improvement Loan Program assists low- and moderate-income homeowners with making repairs and improvements to their homes.

Home Improvement Loans are commonly used for:

- Roof replacement
- Furnace replacement
- Electrical and plumbing repairs
- Insulation
- Improvements for special needs, such as ramps, bathroom or kitchen modifications

Home Improvement Loans feature:

- Zero percent interest
- No monthly payments
- Repayable when ownership changes or you move from the property. You may be required to repay the loan if you refinance your home or take out a home equity loan.
- $15,000 loan minimum; $25,000 loan limit

-
In order to ensure we continue to receive our allocation, cities are required to spend down these funds within four years or they can revert to the CDA for reallocation to active programs.

Based on an update from CDA staff this week, they noted they track Rosemount's data by the CDA's fiscal years as that is how it gets reported back to the federal government. The CDA fiscal year is from 7/1 to 6/30. For our fiscal year 2022 from 7/1/22 to 6/30/23, we completed 4 home rehabs in Rosemount for a total investment of $115,000. Rosemount put in $50,393. Some of that is funds from previous allocations from Rosemount's CDBG allocation, some of it was Countywide CDBG dollars, and some of it was CDA levy funds. The CDA served one client under 30% AMI, two between 30-50% AMI, and one between 50-80% AMI. For fiscal year 2023 (7/1/23-6/30/24), the CDA has not yet completed any projects but have two active clients in Rosemount and four clients currently on the waiting list. This demonstrates a continued demand and successful implementation benefiting Rosemount residents.

The Home Improvement Loan Program is currently Rosemount's most effective program for protecting and maintaining existing naturally occurring affordable housing.

RECOMMENDATION

Staff is requesting Port Authority recommend City Council pass a resolution approving the City's 2024 CDBG allocation funding the Home Improvement Loan Program activity.

Dakota County
Community Development
Agency
CDA

1228 Town Centre Drive | Eagan, MN 55123
PHONE 651-675-4400 | TDD/TTY 711
www.dakotacda.org

November 16, 2023

Ms. Adam Kienberger
City of Rosemount
2875 145th Street W.
Rosemount, MN 55068

RE: CDBG Fiscal Year 2024 Allocation Estimate

Dear Mr. Kienberger,

Dakota County receives an annual allocation of Community Development Block Grant (CDBG) funds, which is a federal program administered by the Department of Housing and Urban Development (HUD). The program is designed to assist local governments with various community development projects and programs that primarily aid low- and moderate-income residents. Dakota County is considered an “Entitlement County”, and, as such, receives an annual allocation of federal CDBG funds. The Dakota County Board of Commissioners has chosen to allocate the CDBG funds amongst the various cities and townships in the County, as well use the funds for particular County programs. The Dakota County Community Development Agency (CDA) administers this program on behalf of Dakota County.

Each year, the city’s CDBG allocation is rebalanced to account for updated information in the American Community Survey provided by the Census Bureau for each city. Per HUD rules, the CDBG allocation is based on three factors: a community’s population, people in poverty, and overcrowded housing units. Each city receives a percentage of the annual Dakota County CDBG allocation based on the three factors. Because these factors change over time, the allocation each city receives will change over time.

The CDBG allocation Dakota County will receive for the 2024 Program Year is not yet known. However, we believe it is prudent for each city to anticipate the County will receive a similar amount to what was received for the 2023 Program Year, which was $1,961,800.

The amount each city will actually receive for the upcoming 2024 Program Year won’t be known until the federal budget is approved. This amount may be more or less than what your city received for 2023. With that in mind, the estimated allocation for Rosemount for FY 2024 is $50,026. Please provide a contingency plan in your 2024 Program Year application that specifies which program will receive more or less funds based on the final allocation.

If you have any questions, please feel free to contact me at (651) 675-4464 or mdykes@dakotacda.org.

Best Regards,
DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY

Margaret M. Dykes

Margaret M. Dykes
Asst. Director of Community and Economic Development

ROSEMOUNT
MINNESOTA

EXECUTIVE SUMMARY

Port Authority Regular Meeting: January 16, 2024

AGENDA ITEM: Project Updates	**AGENDA SECTION:** OLD BUSINESS
PREPARED BY: Eric Van Oss, Economic Development Coordinator	**AGENDA NO.** 7.a.
ATTACHMENTS:	**APPROVED BY:** LJM
RECOMMENDED ACTION: None, receive update.	

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: Staff provided KJ Walk with comments regarding access for the proposed Dunn Brothers Coffee shop. Staff has not heard from the developer since early October. The New Horizons daycare facility has obtained their building permit and will begin construction.

Akron/42: The TIF Spending Plan for the Willy McCoy's project will be considered by the Port on January 16th. Staff is meeting with several other users interested in the remaining parcels adjacent to Life Time. Staff is working with a user on a preliminary concept for a portion of the Lennar owned parcel at the northwest quadrant of Akron Avenue and Highway 42.

Schafer Richardson: The building permit for the first building of 164 units was issued in December.

Super America/Speedway: Staff spoke with the receivership on January 7th. Carlson McCain has completed the testing required and is working on their report to be filed with the MPCA.

CA Gear: CA Gear has submitted plans for an expansion of the facility on Canada Circle. The facility would include virtual sport simulation devices and would add a tap room facility. This application was approved by City Council in December.

J & J Sweets: A ribbon cutting is planned for Tuesday January 23rd at 3:30pm. This business is located in downtown Rosemount at 3020 145th Street West next to the Post Office.

Rosemount Expo: The Expo is being revamped as a Community Expo as opposed to a Home and Garden specific event. Community Development Technician Alysha Grant will present the new format and Expo registration signups.

RECOMMENDATION

None, receive update.