ROSEMOUNT
MINNESOTA

AGENDA
Port Authority Regular Meeting
Tuesday, December 17, 2024
4:15 PM
Council Chambers, City Hall

1. **TOUR 14701 BLAINE AVE ROSEMOUNT, MN**
   a. Port Authority will be leaving City Hall at 4:15 p.m. and taking a bus to tour 14701 Blaine Avenue, Rosemount, MN
2. **CALL TO ORDER/PLEDGE OF ALLEGIANCE**
   a. Port Authority will arrive at City Hall at approximately 6:00 p.m. to call the meeting to order
3. **ADDITIONS OR CORRECTIONS TO AGENDA**
4. **CONSENT AGENDA**
   a. Minutes of October 15, 2024 Regular Meeting
   b. Minutes of November 19, 2024 Regular Meeting
5. **CHAIRPERSON'S REPORT**
6. **REPORTS FROM PORT AUTHORITY COMMISSIONERS**
7. **NEW BUSINESS**
   a. Willy McCoy's Development Contract
   b. OMNI Business Subsidy Request
   c. 2025 Community Development Block Grant (CDBG) Allocation
8. **OLD BUSINESS**
   a. Project Updates
9. **DISCUSSION**
10. **ADJOURNMENT**

ROSEMOUNT PORT AUTHORITY
REGULAR MEETING PROCEEDINGS
OCTOBER 15, 2024

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, October 15, 2024, at 5:30 PM. in Rosemount Council Chambers, 2875 145th Street West.

Chairperson Essler called the meeting to order with Commissioners Freske, Weisensel, Theisen and Klimpel. Commissioner Ober arrived at 5:35 p.m. Commissioner Beaudette arrived at 5:50 p.m.

ADDITIONS OR CORRECTIONS TO AGENDA

None.

CONSENT AGENDA

Motion by Theisen **Second by** Freske

Motion to approve the consent agenda
Ayes: 5.
Nays: None. Motion Carried.

a. Minutes of the August 20th Regular Meeting

b. Minutes of the September 17th Regular Meeting

CHAIRPERSON'S REPORT

None.

REPORTS FROM PORT AUTHORITY COMMISSIONERS

None.

NEW BUSINESS

a. Commercial Visioning Update

Stantec provided an update of site visions for key nodes along county road 42 with the Rosemount Port Authority and members of the Planning Commission. Stantec reviewed the concepts and layouts along County Road 42 at the intersections of Highway 3, Akron Avenue, Highway 52 and Emery Avenue.

Stantec received feedback from the commissioners and will revise the plans in order for staff to visually share these with the public and future developers.

OLD BUSINESS

a. Project Updates

Economic Development Coordinator, Van Oss, highlighted a few project updates noting there has been no updates to the Speedway site.

DISCUSSION

None.

ADJOURNMENT

There being no further business to come before the Port Authority at the regular council meeting and upon a motion by Essler and a second by Theisen the meeting was adjourned at 6:51 p.m.

Respectfully submitted,

Erin Fasbender
City Clerk

ROSEMOUNT PORT AUTHORITY
SPECIAL MEETING PROCEEDINGS
NOVEMBER 19, 2024

TOUR 13825 SCHMIDT LAKE ROAD PLYMOUTH, MN

a. Port Authority will be leaving City Hall at 3:30 and taking a bus to tour the facility at 13825 Schmidt Lake Road Plymouth, Minnesota

Port Authority Members Weisensel, Beaudette, Essler and Theisen took a tour with staff of the facility at 13825 Schmidt Lake Road as the site relates to Project Falcon. Port Authority members arrived back to Rosemount City Hall at approximately 6:30 p.m.

OLD BUSINESS

a. Project Updates

Project updates were provided to the Port Authority members in the packet.

Respectfully submitted,

Erin Fasbender
City Clerk

ROSEMOUNT
MINNESOTA

EXECUTIVE SUMMARY

Port Authority Regular Meeting: December 17, 2024

AGENDA ITEM: Willy McCoy's Development Contract	**AGENDA SECTION:** NEW BUSINESS
PREPARED BY: Eric Van Oss, Economic Development Coordinator	**AGENDA NO.** 7.a.
ATTACHMENTS: DOCSOPEN-#967219-v5	**APPROVED BY:** LJM
RECOMMENDED ACTION: Motion to Approve the First Amendment for Private Development Between Rosemount Port Authority and Willy McCoy's of Shakopee, LLC.	

BACKGROUND

Earlier this year, the Rosemount Port Authority approved a contract for private development with Willy McCoy's of Shakopee, LLC to construct a new restaurant near the Life Time development. The agreement outlined the minimum requirements of the project and the requirements Willy McCoy's of Shakopee, LLC needed to complete in order to be eligible for a business subsidy from the city. Due to a delay in the purchase agreement between the private parties, the contract for private development needs to be updated to reflect a new project timeline. Additionally, Willy Coy's is asking for the minimum requirements to be amended from "rooftop patio" to "patio" due to cost constraints associated with the expense of a rooftop addition. Despite the changes to the project, staff finds the development furthers the City's strategic goals of adding more restaurants and desirable retail to Rosemount, and will provide an important anchor to the developing Akron corridor.

Staff and the city's legal counsel decided it would be appropriate to add a new definition, "Satisfactory Progress to Completion." This new definition would allow the business subsidy to be granted prior to gaining a Certificate of Occupancy, but after the majority of the building has been constructed. This change is to provide some flexibility to disburse the business subsidy, while still meeting the statutory deadline of the TIF Spending Plan on December 31, 2025. Representatives from Willy McCoy's of Shakopee, LLC are present to give an update on the project, and Ehlers, the City's financial consultant, is present to answer any questions on the TIF Spending Plan.

RECOMMENDATION

Staff recommends the Port Authority approve the First Amendment for Private Development Between Rosemount Port Authority and Willy McCoy's of Shakopee, LLC.

FIRST AMENDMENT TO

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

RS230-66-967219.v5

FIRST AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT

This First Amendment to Contract for Private Development (the "First Amendment"), is made as of the _______ day of _______________, 2024, between the Rosemount Port Authority, a public body corporate and politic 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 limited liability company under the laws of Delaware, having its principal offices at 515 165th Avenue, NW, Andover, Minnesota 55304 (the "Developer").

Witnesseth:

WHEREAS, on January 16, 2024, the Port approved a Contract for Private Development with the Developer for the development of a 7,500 sq. ft. restaurant and tavern with a rooftop patio and upstairs bar and banquet area (the "Project"); and

WHEREAS, the Port and the Developer desire to amend the Contract for Private Development in recognition of certain delays and other changes in the project.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual obligations set forth in this First Amendment, the Port and the Developer hereby agree as follows:

1. In this First Amendment, unless otherwise noted, underline and strike-through text shall be used to indicate amendments to the Contract for Private Development. Underline text shall indicate new language, and ~~strike-through text~~ shall indicate removed language.

2. Section 1.1 Definitions of the Contract for Private Development is amended as follows:

"Minimum Improvements" means the construction of a 7,500 sq ft. restaurant and tavern with a rooftop or ground level patio consistent with the Construction Plans on the Property (the "Project"). After completion of the Minimum Improvements, the term shall mean the Property as improved by the Minimum Improvements.

"Satisfactory Progress to Completion" means the certification to be made by the City's building official after all rough-in inspections for plumbing, utilities, framing and electrical work on the Minimum Improvements have been completed and passed, and the building shell is completed, and the roofing structure and membrane are installed.

3. Section 3.1 of the Contract for Private Development is amended as follows:

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~~ April 30, 2025.

4. Section 4.3 of the Contract for Private Development are amended as follows:

Section 4.3 Commencement and ~~Completion of Construction~~ Satisfactory Progress to Completion. 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~~ April 30, 2025. Subject to Unavoidable Delays, the Developer shall have achieved ~~Substantial Completion~~ Satisfactory Progress to 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.

5. Section 5.3 of the Contract for Private Development is amended as follows:

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~~ April 30, 2025;

(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~~ Satisfactory Progress to Completion has been achieved by December 20, 2025;

(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.

6. Section 10.1(a) of the Contract for Private Development is amended as follows:

(a) Failure by the Developer to acquire the Property in fee by ~~August 30, 2024~~ April 30, 2025 or failure to satisfy any other condition precedent specified in section 5.3 of this Agreement.

7. Except as amended in this First Amendment, all of the provisions, covenants, terms and conditions of the Contract for Private Development shall remain unaltered and in full force and effect.

8. This First Amendment may be executed in any number of counterparts. All such counterparts will be deemed to be originals and will together constitute but one and the same instrument.

* * * * * * * * *

WILLY MCCOY'S OF SHAKOPEE, LLC

By ____
____

STATE OF _____________)
) ss.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me on this ___ day of ____________, 2024, by __________________, the __________________ of Willy McCoys of Shakopee LLC, a Delaware limited liability company, on behalf of the company.

IN WITNESS WHEREOF, I have set my hand and my official seal this ___ day of _____________, 2024.

____
Notary Public

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed as of the date first above written.

ROSEMOUNT PORT AUTHORITY

By ____

______________,

By ____

_____________,

STATE OF MINNESOTA)
) SS.
COUNTY OF _____________)

The foregoing instrument was acknowledged before me on this ____ day of _________________, 2024, by __________________, the ___________ of the Rosemount Port Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the Authority.

IN WITNESS WHEREOF, I have set my hand and my official seal this ____ day of ____________, 2024.

____
Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF _____________)

The foregoing instrument was acknowledged before me on this ____ day of _________________, 2024, by __________________, the __________________ of the Rosemount Port Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the Authority.

IN WITNESS WHEREOF, I have set my hand and my official seal this ____ day of ____________, 2024.

____
Notary Public

EXHIBIT A

The property subject to the foregoing First Amendment to Contract for Private Development is as follows:

[add platted legal description]

4865-3537-5316, v. 1

ROSEMOUNT
MINNESOTA

EXECUTIVE SUMMARY

Port Authority Regular Meeting: December 17, 2024

AGENDA ITEM:	OMNI Business Subsidy Request	**AGENDA SECTION:** NEW BUSINESS
PREPARED BY:	Eric Van Oss, Economic Development Coordinator	**AGENDA NO.** 7.b.
ATTACHMENTS:	Financial Request Memo - OMNI Final, Rosemount-TIF-Application-Riveter Real Estate LLC	**APPROVED BY:** LJM
RECOMMENDED ACTION: Motion to approve the grant request and direct staff to move forward with a Business Subsidy Agreement.		

BACKGROUND

Staff has been working with Omni Farm Winery on a new expansion project adjacent to their existing Rosemount location. The Developer requested $500,000 in excess, unobligated tax increment assistance to pay for site improvement costs to offset the high costs of construction. A representative from Omni will be in attendance to brief the Port on the project proposal and answer questions. The City's financial consultant has conducted a financial analysis of the request and will be in attendance to present the findings to the Port.

In December 2022, the Rosemount Port Authority created a spending plan for the Tax Increment Financing Downtown Brockway District. Under state statute, the spending plan gives the Port temporary authorization to transfer unobligated tax increment to provide financial assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings, which will create or retain jobs in the State. The statute requires private development to commence no later than December 31, 2025. The proposed development by Omni Farm Winery fits within the requirements of the spending plan and aligns with the City's long vision and strategic goals. The Port identified this spending plan as a unique and timely tool the City can use to foster new business growth and investment in the community.

The Port is being asked to direct staff to begin work on a Business Subsidy Agreement with Omni Farm Winery. This request is over $250,000 and requires a public hearing per state statute. The Port will be asked to hold a public hearing on the business subsidy request and approve the final Business Subsidy Agreement at a later date.

RECOMMENDATION

Staff recommends the Port Authority approve the grant request and direct staff to move forward with a Business Subsidy Agreement.

MEMORANDUM

TO: Eric Van Oss, City of Rosemount

FROM: Rebecca Kurtz, Ehlers

DATE: November 22, 2024

SUBJECT: **Riveter Real Estate (aka OMNI Brewing) Financial Assistance Request**

The City of Rosemount received a request for tax increment financing (TIF assistance) from Riveter Real Estate LLC (aka OMNI Brewing Company) (the "Developer") to facilitate building improvements and a 9,500 square foot expansion to the existing facility. The proposed expansion includes space for a winery and event venue. It is anticipated that it would be complete in 2025.

The Developer requested $500,000 in tax increment assistance to pay for the improvements and offset the high costs of construction.

The project meets the requirements allowed for use of TIF from the Port Authority's approved Spending Plan authorized by legislation signed into law in 2021 (Minnesota Statute 469.174, Subd. 4n). The authorization to use Spending Plan TIF expires on December 31, 2025.

Ehlers has reviewed the request for public assistance based on the financial and market characteristics of the project and the need for assistance. In addition, the analysis identifies non-tangible aspects of the project, which the Authority may consider when reviewing the assistance request.

Analysis

Generally, this project meets the expectations of a retail project with regards to project costs, financing and projected revenues. The proposed sources and uses of funds for the project are included below, followed by our findings related to the analysis of the project.

SOURCES	Amount	Percent
Private financing	1,731,000	68%
TIF	500,000	20%
Equity	300,000	12%
TOTAL SOURCES	**2,531,000**	**100%**

USES	Amount	Percent
Acquisition Costs	950,000	38%
Construction Costs	1,385,000	55%
Equipment	111,000	4%
Professional Services	85,000	3%
TOTAL USES	**2,531,000**	**100%**

- Cost of Construction: The Developer intends to build an approximately 9,500 square foot expansion. With total development costs at $2,531,000, the project costs $266 per square foot. Construction inflation has traditionally outpaced traditional inflation, but in recent years, we have seen construction inflation outpace the Consumer Price Index by a larger gap. A retail project is expected to cost 33.5% more than the same project in 2020. Only a portion of these costs can be absorbed with higher food and beverage prices, which also must be weighted against the higher cost of good such as food and other supplies.

- Source of Funding: The Developer is proposing permanent financing of 68% of the project costs and will bring 12% in equity, or $300,000. The remainder would be funded through $500,000 in TIF, which is 20% of the total cost.

- Jobs: The project is anticipated to create at least 2 new jobs. It is anticipated that when completed there will be about 25 employees with 8 FTEs.

Other Considerations

- Area Amenity: The benefit of an amenity such as this is difficult to quantify in a financial analysis. This project is expected to not only benefit the existing operation but add some new items for the community. It will expand the outdoor and indoor seating space and provide more parking, to address past challenges during busy days.

  In addition, the expansion will create a venue for larger events as well as expanded food offerings. The new event space would be available for private events, such as weddings, and may also be used for larger community and entertainment events.

- Business Subsidy: Providing the Spending Plan TIF to the project will require the Port Authority to hold a business subsidy hearing. This is a statutory requirement and has been scheduled for December 17, 2024.

Recommendation

Based on our review of the Developer's sources and uses and considering current market conditions, we conclude that assistance in the amount of $500,000 can be justified for this project, and the proposed development would not reasonably be expected to occur solely through private investment within the reasonably near future. This is due to the increased construction costs, increased costs of labor, increased costs of goods sold, and current borrowing rates.

Please do not hesitate to reach out to me at 651-697-8516 with questions.

CITY OF Rosemount
Tax Increment Financing
Application

GENERAL INFORMATION:

Business Name: Riveter Real Estate LLC Date: 10/28/2024

Address: 14962 64th Avenue N Maple Grove, MN 55311

Type (Partnership, etc.): LLC

Authorized Representative: Allana Walsh Phone: 612-910-4279

Description of Business: Real estate company renting to commerical operations.

Legal Counsel: Erin Johnsen - Garner, Ginsburg & Johnsen, P.A.

Address: 333 Washington Avenue N.Suite 300 Minneapolis, MN 55401 Phone: 612-259-4807

FINANCIAL BACKGROUND:

1. Have you ever filed for bankruptcy? No
2. Have you ever defaulted on any loan commitment? No
3. Have you applied for conventional financing for the project? Yes, in process
4. List financial references:
   a. Derek Boeve - Minnwest Bank
   b. Justin Walsh - CFO OMNI Winery & Taproom
   c. Zachary Ward - COO OMNI Winery & Taproom

5. Have you ever used any business subsidy before? No

If yes, where and when?

PROJECT INFORMATION:

1. Location of Proposed Project: 15675 Biscayne Ave Rosemount, MN 55068

2. Amount of Business Subsidy Assistance requested? $500,000

3. Why the need for Business Subsidy Assistance: To update buildings on the site to provide for a reputable winery and event venue for lease.

4. Present ownership of site: David E and Lee Ann Wachter

5. Number of permanent full-time jobs created as a result of project. Please include projected wage levels/ranges. Event Manager $75k Taproom GM $75k + Constructions Jobs

6. Estimated annual sales: Present: 0 Future: $500,000

7. Market value of project following completion: $2,000,000

8. Name and address of architect: Lampert Architects 420 Summit Ave, St Paul, MN 55102

9. Anticipated start date: 02/01/2025 Completion Date: 08/31/2025

FINANCIAL INFORMATION:

1. Estimated project related costs:

a. land acquisition	$ 950,000
b. site development	427,000
c. building cost	$958,000
d. equipment	$111,000
e. architectural/engineering fee	$75,000
f. legal fees	$10,000
g. off-site development costs	
TOTAL ESTIMATED COSTS	$2,531,000

2. Source of financing:

a. private financing institution	$ $1,731,000
b. tax increment/abatement funds	$500,000
c. other public funds	
d. developer equity	$300,000
TOTAL ESTIMATED SOURCES (Should equal Total Estimated Costs)	$2,531,000

What type of business assistance requested?

Tax Increment Financing X Economic Development Tax Abatement ____

Other: ____

Completed forms and questions can be sent to Eric Van Oss at eric.vanoss@rosemountmn.gov

ROSEMOUNT
MINNESOTA

EXECUTIVE SUMMARY

Port Authority Regular Meeting: December 17, 2024

AGENDA ITEM:	2025 Community Development Block Grant (CDBG) Allocation	**AGENDA SECTION:** NEW BUSINESS
PREPARED BY:	Adam Kienberger, Community Development Director	**AGENDA NO.** 7.c.
ATTACHMENTS:	Estimated FY 2025 funds letter_RM	**APPROVED BY:** LJM
RECOMMENDED ACTION: Motion to recommend City Council adopt a resolution approving Rosemount's 2025 CDBG application as presented.		

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 2025 (July 1, 2025 – June 30, 2026) is approximately $41,778. In 2024 our estimated amount was $50,026 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.

<u>Proposed Activities</u>

City staff is proposing that the estimated $41,778 be allocated across two activities for 2025 – Home Improvement Grant Program, and Planning Activity – Downtown Framework Update.

<u>Home Improvement Loan Program ($11,778)</u>

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.

The Home Improvement Loan Program is currently Rosemount's most effective program for protecting and maintaining existing naturally occurring affordable housing. The city recently entered into a preliminary agreement with the Dakota County CDA to utilize a portion of our Local Affordable Housing Aid (LAHA) to further bolster this program.

<u>Planning Activity – Downtown Framework Update ($30,000)</u>
Originally adopted in 2004 and updated in 2017, the Development Framework for Downtown Rosemount was created to as a planning tool to be reflective of the community's vision for development and redevelopment opportunities in the downtown core.

From the 2017 update (located on the city's website):

The purpose of the Framework is to create and maintain Downtown in a manner consistent with the community vision. The Framework identifies and guides actions needed to achieve the vision. This update focuses on the section of the Framework that relates to redevelopment within Downtown. The update is a guide for public and private investment in Downtown, and it provides an updated description of the type and character of development desired for this area.

Staff is proposing a review of this document occur in late 2025/early 2026 as we prepare for the larger 2050 Comprehensive Plan update in mid-2026. This Downtown Framework will be used as a more in-depth look at Rosemount's downtown development opportunities and improvements ahead of the 2050 Comp Plan.

RECOMMENDATION

Staff is requesting Port Authority recommend City Council pass a resolution approving the City's 2025 CDBG allocation funding the Home Improvement Loan Program and Downtown Framework Update activities.

Dakota County
Community Development
Agency
CDA

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

November 14, 2024

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

RE: CDBG Fiscal Year 2025 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 certain 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, the number of people in poverty, and the number of 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 Program Year 2025 is not yet known and won’t be known until Congress passes and the President approves the Federal Fiscal Year 2025 federal budget. However, we believe it is prudent for each city to anticipate that the County will receive a similar amount to what was received for Program Year 2024, which was $1,873,895.

The final Dakota County CDBG allocation affects the amount each city will receive for Program Year 2025. This amount may be more or less than what your city received for 2024. With that in mind, the estimated allocation for Rosemount for Program Year 2025 is **$41,778**.

Please provide a contingency plan in your CDBG Program Year 2025 application that specifies which program(s) will receive more or less funding based on the final allocation. Please note that funding for any public service activities that the city may choose to fund with CDBG may be further reduced to ensure that the amount used for public services does not exceed 15 percent of the total Dakota County CDBG 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
Asst. Director of Community and Economic Development

ROSEMOUNT
MINNESOTA

EXECUTIVE SUMMARY

Port Authority Regular Meeting: December 17, 2024

AGENDA ITEM: Project Updates	**AGENDA SECTION:** OLD BUSINESS
PREPARED BY: Eric Van Oss, Economic Development Coordinator	**AGENDA NO.** 8.a.
ATTACHMENTS:	**APPROVED BY:** LJM
RECOMMENDED ACTION: None	

BACKGROUND

SA/Speedway: Wells Fargo will be in possession of the property on about Dec. 18th. It is staff's understanding that Wells Fargo, as owner, is retaining CBRE to serve as management. Staff contact information has been provided to Wells Fargo and CBRE, so staff expects CBRE will reach out to the City within the coming weeks about next steps.

ISD 196: A groundbreaking for the new middle school was canceled in November, but construction has begun on the site.

KPD Inc.: A site plan review was approved by the PC. The project is intended to utilize three parcels in the Biscayne Business Park for a multi-building development to house up to 30 flexible warehouse spaces for lease to individual tenants and users.

Beirut Restaurant: Beirut Restaurant will be relocated from West St. Paul to Rosemount. They will be located near the Aldi grocery store. This location will offer fast-casual counter service with a heavy focus on catering, ready-made products, and carry-out/take-home services. Permits have been issued and work is occurring on the interior. Staff is working with the owners to plan a ribbon cutting.

Mid America EDC: Staff attended the Mid America EDC Best Practices Conference. The agenda was focused on large site development, downtown revitalization, international business attraction, and work force development.

RECOMMENDATION