



**AGENDA**  
**Port Authority Regular Meeting**  
**Tuesday, June 17, 2025**  
**6:00 PM**  
**Council Chambers, City Hall**

- 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**
- 2. CONSENT AGENDA**
- 3. OLD BUSINESS**
  - a. Project Updates
- 4. NEW BUSINESS**
  - a. Copperfield Restaurant Development Financial Assistance Request
  - b. Rosemount Community Expo
- 5. CHAIRPERSON'S REPORT**
- 6. EXECUTIVE DIRECTOR'S REPORT**
- 7. ADJOURNMENT**

Port Authority Regular Meeting: June 17, 2025

<b>AGENDA ITEM:</b> Project Updates	<b>AGENDA SECTION:</b> OLD BUSINESS
<b>PREPARED BY:</b> Eric Van Oss, Economic Development Coordinator	<b>AGENDA NO.</b> 3.a.
<b>ATTACHMENTS:</b>	<b>APPROVED BY:</b> AK
<b>RECOMMENDED ACTION:</b> None	

**BACKGROUND**

Maleku Coffee: A ribbon cutting was held on May 22nd.

Akron Retail: Staff would like to use the project updates section to verbally discuss new developments and opportunities within the Akron retail corridor.

Old City Hall Site: Aspen Fields is requesting a Comp Plan amendment, rezoning, preliminary and final plats to divide the old city hall site into 4 buildable lots. Three of them will be for commercial use and one will be residential, and two outlots.

Speedway: Staff will give a verbal update on the site.

Omni: Site work has begun for the Omni expansion.

The Clover: Staff continues outreach to new restaurant users.

The Croft at Rosemount: A groundbreaking will take place on June 25th.

TIF Spending Plan: The legislature extended the language for the TIF Spending Plan until December 31, 2026. This will allow the city to recruit more applicants that could potentially use the program.

Project Falcon: The University Board of Regents approved the land sale for Project Falcon on June 16th.

Sonny's Carwash: The Planning Commission approved the site plan in April.

**RECOMMENDATION**

None

Port Authority Regular Meeting: June 17, 2025

<b>AGENDA ITEM:</b> Copperfield Restaurant Development Financial Assistance Request	<b>AGENDA SECTION:</b> NEW BUSINESS
<b>PREPARED BY:</b> Eric Van Oss, Economic Development Coordinator	<b>AGENDA NO.</b> 4.a.
<b>ATTACHMENTS:</b> Financial Request Memo 6-13-25	<b>APPROVED BY:</b> AK
<b>RECOMMENDED ACTION:</b> Motion to direct staff to move forward with a development agreement with D&D Holdings	

### BACKGROUND

Staff has been working with D&D Holdings (Copperfield) on a restaurant project adjacent to the forthcoming First Bank of Rosemount Akron and 42 Branch. The Developer requested \$500,000 in excess, unobligated tax increment assistance (TIF Spending Plan) to pay for site improvement costs to offset the high costs of construction and bring a desirable use to the emerging Akron retail area. 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 prior to a public hearing.

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, 2026. The recent legislative session extended the TIF Spending Plan by one year.

In the past year, the Port has approved 3 business subsidies using this tool. Two were new-build restaurant projects and one was an expansion. The proposed restaurant by D&D Holdings fits within the requirements of the spending plan and aligns with the City's long-term 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. This project represents a new dining development in the Akron corridor which has been an area of strategic focus for the Port.

The Port is being asked to direct staff to move forward with a Business Subsidy Agreement with D&D Holdings. This request is over \$250,000 and requires a public hearing per state statute. The public hearing and development agreement will be considered at a future Port meeting.

### RECOMMENDATION

Staff recommends the approval of the business subsidy.

## MEMORANDUM

TO: Eric Van Oss, Economic Development Coordinator  
 Adam Kienberger, Community Development Director

FROM: Schane Rudlang, Ehlers

DATE: June 13, 2025

SUBJECT: Copperfield Restaurant Development Financial Assistance Request

The City of Rosemount received a request for tax increment financing (“TIF”) assistance from D&D Holdings, LLC (“Developer”) to facilitate the development of a restaurant in the City of Rosemount at 1070 Upper 144TH St W (“Project”). The Developer requested \$500,000 in TIF assistance.

The Project meets the requirements allowed for the utilization of TIF from the Port Authority’s approved Spending Plan authorized by legislation signed into law in 2021 (MN Statute 469.174 Subd. 4n). The authorization to spend “Spending Plan TIF” and start construction originally was set to expire on December 31, 2025, but has been extended by new legislation (the 2025 Tax Bill) by one year to December 31, 2026, if the City and Port Authority modify their Spending Plan by December 31, 2025.

The purpose of this memorandum is to review the request for public assistance based on the financial and market characteristics of the Project.

### Analysis

Ehlers reviewed the need for assistance by analyzing the Developer’s sources and uses budget along with construction and financing costs. In addition, non-tangible aspects of the Project have been identified, which the Port Authority may consider when reviewing the requested assistance. 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 findings relating to the analysis of the Project.

SOURCES		
	Amount	Pct.
Mortgage	3,510,600	72%
Equity	865,233	18%
TIF	500,000	10%
<b>TOTAL SOURCES</b>	<b>4,875,833</b>	<b>100%</b>

USES		
	Amount	Pct.
Acquisition Costs	1,195,896	25%
Construction Costs	2,231,550	46%
Professional Services	1,448,387	30%
<b>TOTAL USES</b>	<b>4,875,833</b>	<b>100%</b>

- **Cost of Construction:** The developer intends to develop a 6,000 square foot restaurant. With total development costs at \$4,875,833, the Project costs \$812 per square foot. Construction inflation has traditionally outpaced traditional inflation, but the past five years have seen construction inflation outpace the Consumer Price Index by a larger margin. A retail project in 2025 is expected to cost 39.7% more than the same project in 2020 (Source: Mortenson Construction Cost Index for Minneapolis-Area Market).
- **Source of Funding:** The developer is proposing permanent financing for 72% of the Project costs and will bring 18% in equity, or approximately \$865,000. The remainder would be funded through \$500,000 in TIF which is 10% of the total cost. This financing structure and equity amount are in line with this type of retail project.
- **Financing Rates:** Borrowing rates increased rapidly in 2022 and 2023 as the Fed raised the federal funds rate to manage inflation. The developer intends to utilize traditional bank financing over a 20-year term. Current rates for a 20-year loan are around 6.5 - 7.0%, which is approximately 2% higher than pre-2022 rates. Additional interest costs because of the higher rates equates to approximately \$48,000 annually.
- **Jobs:** The Project would employ 60-65 people, or 30 full time employee equivalents (“FTEs”). If \$500,000 was provided to the Project, it would equate to \$16,667 per FTE.

### Other Considerations

- **Area Amenity:** The Project would be part of the area near the new Lifetime Fitness, a public private, partnership that is intended to bring new amenities to the City. The City has reviewed multiple development options adjacent to and near the new Lifetime. One of the potential developments, the Copper Pint, is not moving forward at this time. The Project is intended to provide all-day service, including breakfast, which is important to the community.
- **Experience in the Restaurant Industry:** The Developer operates a similar restaurant in Mendota Heights. It’s a good indicator that they have highly relevant experience in the fickle restaurant industry.
- **Business Subsidy:** Providing the Spending Plan TIF funding to the Project will require the Port Authority to hold a business subsidy hearing.

### Recommendation

Based on the review of the Developer’s sources and uses, considering current market conditions, and the other consideration, assistance of \$500,400 could be justified (10% of Project costs). The recommendation is due to the increased construction costs, increased costs of labor, increased costs of goods sold, and current borrowing rates.

Port Authority Regular Meeting: June 17, 2025

<b>AGENDA ITEM:</b> Rosemount Community Expo	<b>AGENDA SECTION:</b> NEW BUSINESS
<b>PREPARED BY:</b> Liz Kohler, Community Development Technician	<b>AGENDA NO.</b> 4.b.
<b>ATTACHMENTS:</b> 2025 Expo Debrief	<b>APPROVED BY:</b> AK
<b>RECOMMENDED ACTION:</b> Receive an update from the 2025 Rosemount Community Expo and discuss the future of the event.	

**BACKGROUND**

The Rosemount Expo is a community event that has been held annually since 2018. In 2020, the Expo was canceled due to the Covid-19 pandemic, but returned in 2021. The event was formerly called the Rosemount Home and Business Expo, but was rebranded in 2024 as the Rosemount Community Expo. Prior to the rebranding, the Expo was focused on home development and improvement services for property owners. The 2024 event featured a travel theme called "Destination Rosemount". It introduced new activities and prizes, as well as included passport booklets to direct traffic to the business booths.

The 2025 Expo continued to incorporate business booths, children's activities, local food trucks, entertainment, and free classes. There were over 500 attendees and nearly 70 businesses involved. The passports were successful in driving attendees to the business booths. The Expo was generally well-received by vendors and attendees. Staff had a meeting following the event to debrief and discussed improvements. Although the event has been successful, staff wants to consider the goals for the event and reevaluate for 2026.

**RECOMMENDATION**

Receive an update from the 2025 Rosemount Community Expo and discuss the future of the event.

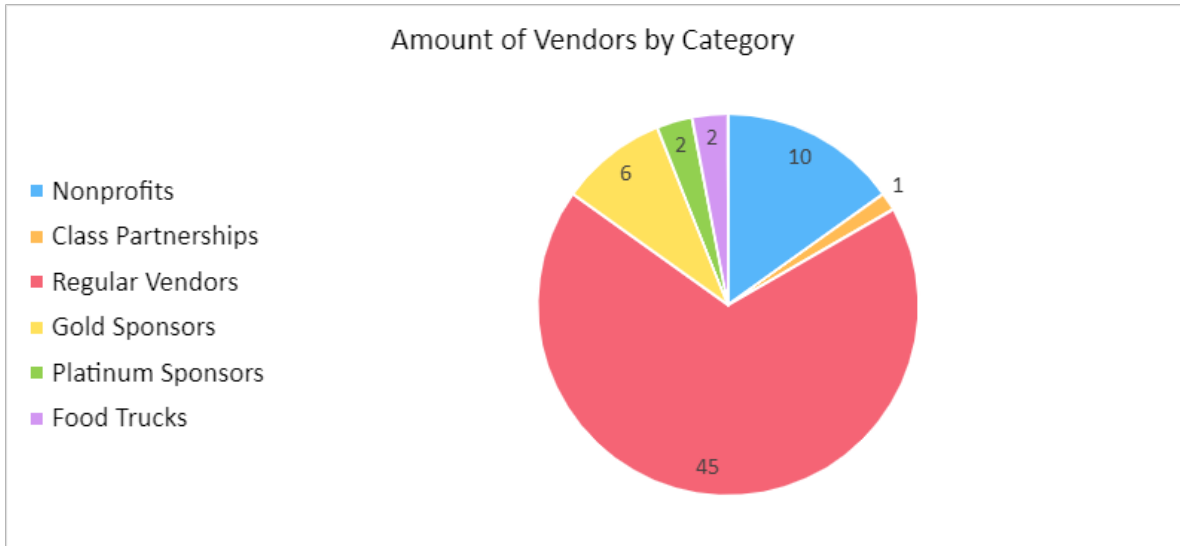
## 2025 Expo Debrief

Attendees: Over 500

Passports: ~181 leftover from 500 printed

Vendors/food trucks: 66

Sponsors: 8



### Survey Feedback Takeaways

**Activities:** Face painter and balloon artist were both great and got good feedback. Super easy to work with. Some vendors felt that the kid activities overshadowed the booths

**Advertising:** Vendors felt it wasn't advertised as much as previous years

**Food/Beverages:** People liked having options for food

**Performances:** Didn't hear a lot of feedback on this except location/signage

**Classes:** Needed more social media exposure- very few attendees

**Timing:** Vendors think it's too long, requests for consistent date

**Vendors:** Desire for more local businesses, residents want bags, lots of returning vendors

**Location:** People really liked the high school, vendors (and staff) not as much

**Other:** People seemed to love the swag items this year, staff shirts were helpful

**Overall Public Rating:** 4.36/5 ★

**Overall Vendor Rating:** 4.14/5 ★

## 2026 Expo

- Earlier deadlines for vendors/sponsors
- Increased signage
- Food trucks- Keep or go back to subsidized meals?
- Earlier marketing?
- Opening up prizes to more than sponsors?
- Finance changes- format of application/payment
- Nonprofits mixed in or separate?
- Marketing for classes
- Keep the same number of vendors? Sponsors?
- Staff information session/walkthrough
- “Raffle” style passports- put your passport in the bin of the prize you want to go for
- New theme?

## Finance

Budget: \$12,000.00

- Total expenses: \$13,340.71
  - Marketing Costs: \$1,450.00
  - Entertainment/Class Costs: \$2,694.22
  - Swag Costs: \$1,416.59
  - Food/Beverage Costs: \$1,531.00
  - Printing Costs: \$1,275.00
  - Booth Costs: \$4,365.90
  - Other Costs: \$608.00

Vendor/Sponsor Revenue: \$13,950.00

Excess: \$609.29