



AGENDA

Port Authority Regular Meeting

Tuesday, May 16, 2023

6:00 PM

Council Chambers, City Hall

- 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**
- 2. ADDITIONS OR CORRECTIONS TO AGENDA**
- 3. CONSENT AGENDA**
 - a. Minutes of April 18, 2023 Regular Meeting
- 4. CHAIRPERSON'S REPORT**
- 5. REPORTS FROM PORT AUTHORITY COMMISSIONERS**
- 6. NEW BUSINESS**
 - a. Life Time Site Natural Foods Grocer Feasibility Discussion
 - b. Authorization to issue General Obligation Improvement and Utility Revenue Bonds
- 7. OLD BUSINESS**
 - a. Project Updates
- 8. DISCUSSION**
- 9. DIRECTOR'S REPORT**
- 10. COMMUNITY/AUDIENCE RECOGNITION**
- 11. ADJOURNMENT**

CALL TO ORDER

Pursuant to due call and notice thereof a regular meeting of the Rosemount Port Authority meeting held on April 18, 2023, at 6:00 p.m. in the City Hall Council Chambers, 2875 145th Street West.

Chair Essler called the meeting to order with Port Authority Commissioners Weisensel, Ober, Klimpel, Freske, Theisen and Beaudette in attendance. Staff present included Executive Director Martin, Deputy Director Kienberger, Economic Development Coordinator Van Oss.

The Pledge of Allegiance was recited.

ADDITIONS OR CORRECTIONS TO AGENDA

Motion by Essler Second by Theisen

Motion to Adopt the Agenda.

Ayes: 6. Nays: 0. Motion Carried.

SWEARING IN OF NEW PORT COMMISSIONERS

3.a. Oath of office

Tim Beaudette officially sworn in for a 6-year term as a Port Authority Commissioner.

Election of Chair, Vice Chair & Treasurer

Annual meeting bylaws the Commission to elect chairperson, vice chairperson, and treasurer.

Election of Chairperson:

Commissioner Freske nominated Essler for Chairperson.

Motion by Essler Second by Theisen

Motion to close nominations

Ayes: 7. Nays: 0. Motion Carried.

Motion by Freske Second by Theisen

Motion to elect Commissioner Essler as Chairperson

Ayes: Weisensel, Klimpel, Ober, Essler, Theisen, Freske, Beaudette

Nays: 0. Motion Carried.

Election of Vice Chairperson:

Commissioner Ober nominated Klimpel for Vice Chairperson.

Motion by Essler Second by Ober

Motion to close nominations.

Ayes: 7. Nays: 0. Motion Carried.

Motion by Freske **Second** by Theisen

Motion to elect Commissioner Klimpel as Vice-Chairperson.

Ayes: Klimpel, Ober, Essler, Theisen, Freske, Beaudette, Weisensel

Nays: 0. Motion Carried.

Election of Treasurer:

Commission Freske nominated Theisen for Treasurer.

Motion by Essler **Second** by Klimpel

Motion to close nominations.

Ayes: 7. Nays: 0. Motion Carried.

Motion by Essler **Second** by Freske

Motion to elect Theisen for Treasurer.

Ayes: Ober, Essler, Theisen, Freske, Beaudette, Weisensel, Klimpel

Nays: 0. Motion Carried.

CONSENT AGENDA

4.a. Approval of the February 21, 2023, Regular Meeting Minutes.

4.b. Approval of the April 4, 2023 Special Meeting Minutes.

Motion by Klimpel **Second** by Ober

Motion to approve the consent agenda

Ayes: 7. Nays: 0. Motion Carried.

5.a. Chairperson's Report

Essler represents Port Authority on the Minnesota Valley Transit Authority Board and at a recent meeting the board discussed MVTA looking for partnerships to generate revenue. Port Authority discussed utilizing MVTA at public events as a way to partner with MVTA, i.e. Food Truck Festival, Halloween Festival, Marching Band Events, etc. Staff will continue to brainstorm ways to involve MVTA during these community events.

6.a. REPORTS FROM PORT AUTHORITY COMMISSIONERS

Commissioner Theisen discussed recent conversations held with a restaurant owner looking for space in Apple Valley and directed the owner to get in touch with Eric Van Oss for possible locations in Rosemount.

NEW BUSINESS

7.a. Annual Report

Eric Van Oss, Economic Development Coordinator, presented the annual report highlighting projects, permitting stats, accomplishments, and progress made on initiatives between April 2022 and April 2023.

**ROSEMOUNT PORT AUTHORITY
REGULAR MEETING PROCEEDINGS
APRIL 18, 2023**

7.b. Rosemount Expo

Riley Rooney presented a recap of the Rosemount Home & Business Expo event that took place on March 18th. A total of 58 businesses attended the event.

Commissioner provided the following feedback; work to combine the food and drink vendors with the other vendors versus having it separate, determine the goal for the Expo, i.e. Revenue generating, Rosemount businesses only, etc., Rosemount Community Center is the preferred venue, utilize Auditorium to get people to that side of the building if utilizing Banquet Hall.

Staff will bring this topic back mid-year to finalize plans for the 2024 Expo.

DIRECTOR'S REPORT

Commissioner Beaudette requested an inventory list of what spaces are available for businesses in Rosemount.

COMMUNITY/AUDIENCE RECOGNITION

None.

ADJOURNMENT

There being no further business to come before the Port Authority and upon a Motion by Essler, and Second by Klimpel, the meeting was unanimously adjourned at 6:55 p.m.

Respectfully Submitted,
Erin Fasbender
City Clerk

Port Authority Regular Meeting: May 16, 2023

AGENDA ITEM: Life Time Site Natural Foods Grocer Feasibility Discussion	AGENDA SECTION: NEW BUSINESS
PREPARED BY: Eric Van Oss, Economic Development Coordinator	AGENDA NO. 6.a.
ATTACHMENTS:	APPROVED BY: LJM
RECOMMENDED ACTION: Information item. Discuss the concept plan and provide feedback to the company.	

BACKGROUND

Staff has been working with a natural foods grocer for the last two years to find a site in Rosemount. Staff identified the Life Time site as an ideal location, as a natural foods grocery store is a complimentary use for a community recreation center and creates a unique commercial anchor in the upcoming Akron corridor. Staff has been working with the company on initial site layout and a market study for the area. The company is prepared to share market dynamics of Rosemount and initial concept plans with the Port. These plans are in the initial stages and are not a formal application submittal. The company name, financing and plans will be submitted to the Port and Planning Commission at a later date if the project moves forward.

RECOMMENDATION

Information item. Discuss the concept plan and provide feedback to the company.

Port Authority Regular Meeting: May 16, 2023

AGENDA ITEM: Authorization to issue General Obligation Improvement and Utility Revenue Bonds	AGENDA SECTION: NEW BUSINESS
PREPARED BY: Logan Martin, City Administrator	AGENDA NO. 6.b.
ATTACHMENTS: Resolution 2023-03	APPROVED BY: LJM
RECOMMENDED ACTION: Motion authorizing Resolution 2023-03 declaring that the Port Authority issue General Obligation Improvement and Utility Revenue Bonds in an approximate principal amount of \$48,000,000 for the Life Time project.	

BACKGROUND

As previously discussed, the Life Time project establishes the Rosemount Port Authority as the land owner of the property upon which the Life Time Club will be constructed. The project is being financed with General Obligation Improvement and Utility Revenue Bonds in an approximate amount of \$48M, and the Port Authority is required to take a number of steps to initiate that process. The attached resolution summarizes in detail the actions needed.

Namely, the Port Authority is asked to declare its intent to issue these bonds per MN State Statutes. The Port is also establishing its ability to reimburse itself for costs incurred prior to the bonds being issued. And lastly, the Port is certifying that an appropriate public purpose is being achieved by issuing these bonds.

RECOMMENDATION

Staff recommends the Port Authority make a motion authorizing Resolution 2023-03 declaring that the Port Authority issue General Obligation Improvement and Utility Revenue Bonds in an approximate principal amount of \$48,000,000 for the Life Time project.

**ROSEMOUNT PORT AUTHORITY
CITY OF ROSEMOUNT
DAKOTA COUNTY, MINNESOTA**

RESOLUTION 2023-03

**RESOLUTION REQUESTING AUTHORITY FOR GO BONDS
(LIFE TIME PROJECT)**

WHEREAS, the City of Rosemount (the “City”), as buyer, and Akron 42, LLC, as seller, have executed that certain Purchase and Sale Agreement dated April 5, 2022, as amended and assigned (the “Purchase Agreement”), pursuant to which the City will acquire that certain tract of land with all easements, hereditaments and appurtenances belonging thereto, located at northwest corner of County Road 42 and Akron Avenue in Rosemount, Minnesota, consisting of approximately 21.75 net developable acres in the aggregate (the “Development Property”); and

WHEREAS, pursuant to a quit claim deed or the terms of a Partial Assignment of Purchase Agreement, to be entered into between the City and the Rosemount Port Authority, a Minnesota body corporate and politic (the “Port”), with the consent of Akron 42, LLC, as seller, (collectively, the “PA Assignment”), the Port proposes to acquire and become the fee owner of that portion of the Development Property containing approximately 10.9 net developable acres, to be legally described as Lot 1, Block 1, Prestwick Place 23rd Addition, according to the approved plat thereof (the “PA Property”); and

WHEREAS, pursuant to the terms of a Partial Assignment of Purchase Agreement, dated as of April 4, 2023, between the City and LTF Real Estate Company, Inc., a Minnesota corporation (“LT Owner”) (the “LT Assignment”), LT Owner proposes to acquire and become the fee owner of a portion of the Development Property containing approximately 10.84 net developable acres, to be legally described as Outlots A and C, Prestwick Place 23rd Addition, according to the approved plat thereof (the “LT Owner Property”); and

WHEREAS, the City will retain ownership of the remaining portion of the Development Property containing approximately 0.00 developable acres, to be legally described as Outlot B, Prestwick Place 23rd Addition, according to the approved plat thereof (“Outlot B”); and

WHEREAS, the Port, as landlord, and LTF Lease Company, LLC (“LTF Tenant”), which is an affiliate of LT Owner, as tenant, have entered into a Lease, dated as of April 7, 2023 (the “Lease”), pursuant to which a health and fitness facility with outdoor recreational uses will be developed and constructed by the Port, pursuant to a AIA Document C132 – 2019 Standard Form of Agreement Between Owner and Construction Manager as Adviser and a AIA Document A232 – 2019 General Conditions of the Contract for Construction, Construction Manager as Adviser Edition, both dated as of April 7, 2023, (collectively, the “Construction Management Agreement”) between the Port and LTF Construction Company, LLC, an affiliate of LT Owner (the “Construction Manager”), and leased to and operated on the PA Property by LTF Tenant (the “Health Club Project”); and

WHEREAS, LT Owner plans to facilitate the development of an integrated retail/residential development on the LT Owner Property by developing and/or selling the outlots or lots comprising the LT Owner Property to third parties; and

WHEREAS, the Port, pursuant to the Construction Management Agreement, will cause the completion of certain site work, utility, roadway, and signage improvements (the “Improvements”) that will benefit the entire Development Property; and

WHEREAS, the Port and LTF Owner, with the consent of the City, expect to enter into a Site Development Agreement (the “Site Development Agreement”), which describes the scope of the Improvements to be performed in connection with the development of the Development Property and the timing of completion of the Improvements and pursuant to which the costs and expenses associated with the completion of such Improvements will be paid for by the Port and LTF Owner pro rata based upon the relative net developable acres comprising each of the PA Property and the LT Owner Property; and

WHEREAS, the Port, LTF Tenant, LTF Owner, and the City, expect to enter into a Declaration of Easements and Covenants (the “Declaration”), which describes easement areas for the Improvements and imposes various other restrictions on the Development Property; and

WHEREAS, in furtherance of the objectives of the Port as detailed in the Laws of Minnesota 1991, Chapter 291, as codified in Minnesota Statutes, Section 469.0813, and a certain enabling resolution adopted by the City Council of the City (the “City Council”), on September 3, 1991 (the “Enabling Resolution”), the Commission of the Port Authority (the “Commission”) established the Connemara Industrial Development District (the “Development District”) and adopted a development plan for the Development District as set forth the document entitled “Development Plan for Connemara Industrial Development District” (the “Plan”), pursuant to Minnesota Statutes, Sections 469.048 to 469.068 and Section 469.0813 (the “Act”); and

WHEREAS, the Commission found that there is a need for development and redevelopment within the City and, in particular, within the Development District, and a need to provide an improved local tax base, to provide public facilities, to provide employment opportunities, and to improve the general economy of the City and the State. The Commission further found that the City lacks adequate community recreational facilities to serve the needs of the City’s population. Acquisition of land at the proposed site in the Development District will allow the Port to facilitate development of a recreational facility and to be leased to LTF Tenant. The proposed site in the Development District will provide adequate space to develop such recreational facility. The Development District will allow the Port to encourage commercial development within the Development District and stimulate future development of the City, including attraction of commercial development by providing access to public services, including without limitation recreational facilities and services, to the citizens of and visitors to the City. The recreational facility is a necessary public facility and the site will be acquired and developed at a cost reasonably related to the public purpose to be served without need of any residential clearance activities. The additional findings set forth in the Plan are incorporated herein by reference; and

WHEREAS, the Port proposes to issue up to \$48,000,000 of general obligation bonds (the “Bonds”) to finance the Health Club Project on which the Port expects to pay the principal of and interest on a \$21,000,000 portion thereof from property taxes and other available Port and City revenues and expects to pay the principal of and interest on the remaining portion thereof from rent payments to be made by LTF Tenant under the Lease; and

NOW THEREFORE, BE IT RESOLVED by the Commission of the Rosemount Port Authority (the “Commission”) as follows:

Section 1. General Obligation Bond Authority Request

1.01. It is hereby found, determined and declared that the Port should issue its General Obligation Improvement and Utility Revenue Bonds (the “Bonds”) in the approximate principal amount of \$48,000,000, in order to finance the Health Club Project and related improvements, including costs of issuance of the Bonds, subject to further details regarding the sale of the Bonds to be set forth in a resolution to be considered by the Port at a subsequent meeting.

1.02 Pursuant to and in accordance with Minnesota Statutes, Sections 469.060, 469.0813 and 412.191, subd. 4 and Chapter 475, the City Council is requested to consent, by ordinance, to the issuance of the Bonds to finance the Project and consent to pledge the City’s full faith, credit and resources as payment and security on the Bonds.

1.03. City staff are authorized and directed to take all other actions necessary to carry out the intent of this resolution.

Section 2. Declaration of Official Intent to Reimburse Expenditures.

2.01 The Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the “Reimbursement Regulations”) providing that proceeds of tax-exempt bonds used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; the Port expects to incur certain expenditures with respect to projects that may be financed temporarily from sources other than bonds, and reimbursed from the proceeds of tax exempt bonds.

2.02 The Port has determined to make a declaration of official intent (the “Declaration”) to reimburse certain costs with respect to the Projects from proceeds of the Bonds in accordance with the Reimbursement Regulations.

2.03 All reimbursed expenditures will be capital expenditures, costs of issuance of the Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

2.04 This Declaration has been made not later than sixty (60) days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of the Bonds, except for the following expenditures: (a) costs of issuance of bonds; (b) costs in an amount not in excess of \$100,000 or 5% of the proceeds of an issue; or (c) “preliminary expenditures” up to an amount not in excess of 20% of the aggregate issue price of the issue or issues that finance or are reasonably expected by the Port to finance the project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes

architectural, engineering, surveying, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

2.05 This Declaration is an expression of the reasonable expectations of the Port based on the facts and circumstances known to the Port as of the date hereof. The anticipated original expenditures for the Projects and the principal amount of the Bonds described herein are consistent with the Port's budgetary and financial circumstances. No sources other than proceeds of the Bonds to be issued by the Port are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the Port's budget or financial policies to pay such expenditures.

2.06 This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

Section 3. Public Purpose. The Commission hereby determines that the execution and performance of the Development Documents will help realize the public purposes of Laws of Minnesota 1991, Chapter 291, as codified in under the provisions of Minnesota Statutes, Sections 469.048 to 469.068 and in particular, Minnesota Statutes, Section 469.0813 (collectively, as amended from time to time, the "Act").

ADOPTED this 16th day of May, 2023.

Paul Essler, Chair

ATTEST:

Logan Martin, Executive Director

Port Authority Regular Meeting: May 16, 2023

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: Information Item.	

BACKGROUND

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

Projects in Progress

Israelson properties:

Rosewood Commons at Highway 3/42: The Planning Commission considered preliminary and final plat for Rosewood Commons 2nd Addition in December. This action would add 3 new commercial sites to the larger development. Council approved this action at the Jan 17th meeting. The memory care facility has broken ground and Luke Israelson plans to begin the approved multi-family housing this summer.

Rec Center/Life Time: The purchase agreement for approximately 26 acres of land and other relevant agreements were approved by the City Council on April 5th, 2022. The City's website has a page dedicated to this project for additional information. Staff has begun to meet with the developers interested in portions of the eastern portion of the intersection. Staff expects conceptual proposals to begin to filter in this summer. The Port and Council will be asked to consider the development contract with Life Time on May 16th.

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

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

initial excavation report. Once the LSI has been completed the MPCA will give direction on whether there will be additional remediation requirements to bring the site into permanent closure status. Carlson McCain submitted their LSI report to the MPCA for review in March. The MPCA is currently within its 180-day review of the file.

Spectro Alloys: Spectro Alloys is embarking upon a major expansion of its existing facility. The project would create 71 new jobs and represent a major investment in Rosemount. The Council approved resolutions in support of the Minnesota Investment Fund and Job Creation Fund applications for the project in April. The Planning Commission will consider the application later this summer.

FedEx/Scannell Project: Initial site work has begun on the 569,000 square foot FedEx facility. The exterior walls were recently completed and is progressing as planned.

Frana: Grading and excavating work has begun on the site in the fall and work will continue through winter and spring 2023.

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

Nautical Bowls: A new fast casual restaurant opened next to Aldi and staff held a ribbon cutting on May 4th.

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

New Horizons: A new day care facility located at the intersection of Business Parkway and County Road 42 will be reviewed by the Planning Commission on May 23rd.

Park Dental: A new TDS Pediatrics Dental location opened on Cimmaron Ave. Staff is working with the owners to schedule a ribbon cutting for the summer.

RFI and Inquires (February/March)

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

Commercial/Services: Staff met with 1 developer interested in retail or commercial projects.

Restaurant: Staff met with two restaurant users.

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

RECOMMENDATION

Information Item