

# City of South St. Paul Economic Development Authority Agenda

Monday, March 4, 2024

IMMEDIATELY FOLLOWING THE CONCLUSION OF THE 7:00 P.M. MEETING OF THE  
City Council

**1. CALL TO ORDER:**

**2. ROLL CALL:**

**3. AGENDA:**

*A. Approval of Agenda*

*Action – Motion to Approve*

*Action – Motion to Approve as Amended*

**4. CONSENT AGENDA:**

*All items listed on the Consent Agenda are items, which are considered to be routine by the Economic Development Authority and will be approved by one motion. There will be no separate discussion of these items unless a Commissioner or citizen so requests, in which event the item will be removed from the consent agenda and considered at the end of the Consent Agenda.*

A. EDA Meeting Minutes of February 5, 2024

B. Approval of Joint Powers Agreement with Dakota County Community Development Agency for the “Open to Business” Program

**5. ITEMS FOR FUTURE FOLLOW-UP:**

*General communications of the President and Commissioners are provided and may be considered for inclusion on a future agenda. There will be no discussion or decisions made related to these items at this meeting.*

A. Approval of Amendment #1 to Development Agreement – 110 Bridgepoint Court

**6. ADJOURNMENT:**

Respectfully Submitted,



Ryan Garcia, EDA Executive Director

MINUTES OF  
THE ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF SOUTH ST. PAUL  
DAKOTA COUNTY, MINNESOTA

Regular Meeting  
February 5, 2024

City Hall Council Chambers, 125 3<sup>rd</sup> Avenue North, South St. Paul, MN 55075

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**1. CALL TO ORDER**

The Regular Meeting of the South St. Paul Economic Development Authority was held on February 5, 2024, in the Council Chambers of City Hall, 125 3<sup>rd</sup> Avenue North, South St. Paul. President Francis called the meeting to order at 8: 17 PM.

**2. ROLL CALL**

*Members Present: President Francis, Commissioners Bakken, Hansen, Kaliszewski, Podgorski, Seaberg and Thompson.*

*Members Absent: None*

*Staff Present: EDA Executive Director Ryan Garcia, City Clerk Deanna Werner, City Attorney Amanda Johnson*

**3. AGENDA**

Motion/Second: Commissioner Kaliszewski moved, and Commissioner Hansen seconded approval of the agenda.

Vote: 7 ayes / 0 nays, motion carried.

**4. CONSENT**

- A. EDA Meeting Minutes of January 2, 2024
- B. Approving Amendment #4 to Development Agreement – Watson Trading, LLC

Motion/Second: Commissioner Thompson moved, and Commissioner Kaliszewski seconded approval of the consent agenda.

Vote: 7 ayes / 0 nays, motion carried.

**5. GENERAL BUSINESS:**

- A. Review of Bid Results and Consider Action to Approve Low Bid – 139 Grand Avenue East Demolition

Motion/Second: Commissioner Seaberg moved, and Commissioner Podgorski seconded approval the low bid – 139 Grand Avenue East Demolition.

Vote: 7 ayes / 0 nays, motion carried.

- B. Establishing a Housing Reinvestment Fund

Motion/Second: Commissioner Hansen moved, and Commissioner Thompson seconded approval of Resolution 2024-5, establishing of housing reinvestment fund.

Vote: 7 ayes / 0 nays, motion carried.

- C. Approving Fund Transfers and Closure of Certain EDA-Controlled Funds

Motion/Second: Commissioner Thompson moved, and Commissioner Seaberg seconded approval of Resolution 2024-1,

Vote: 7 ayes / 0 nays, motion carried.

Motion/Second: Commissioner Seaberg moved, and Commissioner Kaliszewski seconded approval of Resolution 2024-2,

Vote: 7 ayes / 0 nays, motion carried.

Motion/Second: Commissioner Kaliszewski moved, and Commissioner Bakken seconded approval of Resolution 2024-3,

Vote: 7 ayes / 0 nays, motion carried.

Motion/Second: Commissioner Podgorski moved, and Commissioner Kaliszewski seconded approval of Resolution 2024-4,

Vote: 7 ayes / 0 nays, motion carried.

Motion/Second: Commissioner Bakken moved, and Commissioner Podgorski seconded approval of Resolution 2024-6,

Vote: 7 ayes / 0 nays, motion carried.

Motion/Second: Commissioner Hansen moved, and Commissioner Thompson seconded approval of Resolution 2024-7,

Vote: 7 ayes / 0 nays, motion carried.

**6. ITEMS FOR FUTURE FOLLOW-UP:**

*General communications of the President and Commissioners are provided and may be considered for inclusion on a future agenda. There will be no discussion or decisions made related to these items at this meeting.*

**7. ADJOURNMENT:**

Motion/Second: Commissioner Kaliszewski moved, and Commissioner Podgorski seconded the motion to adjourn the meeting at 8:34 PM.

Vote: 7 ayes / 0 nays, motion carried.

The meeting was adjourned at 8:36 PM.

Approved:

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Deanna Werner, EDA Secretary



## EDA Agenda Item Report

Date: March 4, 2024

EDA Executive Director: \_\_\_\_\_

*[Handwritten signature]*

4-B

### **Agenda Item: Approval of Joint Powers Agreement with Dakota County Community Development Agency for the “Open to Business” Program**

#### **Action to be considered:**

Approve a Joint Powers Agreement via Resolution 2024-8 with the Dakota County Community Development Agency for the 2024-2026 Open to Business Program and Authorize the EDA President and Executive Director to execute the agreement.

#### **Overview:**

The Dakota County Community Development Agency (CDA) has collaborated with local units of government in the county to engage the Metropolitan Consortium of Community Developers (MCCD) to operate the Open to Business Program within the county. Through the program, MCCD provides technical assistance and access to capital for small businesses and entrepreneurs. The program’s designated business advisor is available on-call for consultations in South St. Paul through staff and community referrals as well as their external marketing efforts.

The Open to Business program has been successful in several cities and counties throughout the Twin Cities metropolitan region and helps to supplement staff resources by providing entrepreneurial support and spurring typically smaller-scale, home-grown economic development. Natalie Mouilso has been the Open to Business Advisor for Dakota County since 2020. Ms. Mouilso provides one-on-one technical assistance to business owners and aspiring entrepreneurs on a wide range of topics including business plan development, feasibility analysis, marketing, licensing, and cash flow and other financial projection development. Several South St. Paul businesses have worked with Ms. Mouilso, including Asian Mart, who will be constructing a facility on Concord Exchange South this year.

The total annual cost of the Open to Business program for all participating communities is \$165,000. South St. Paul’s annual cost to participate is \$5,400. The EDA’s annual budget includes funding for the Open to Business program which would cover this expense. Staff feel the program is valuable and economical for the services offered and that our current advisor is a respectable, responsive, and thoughtful partner.

Staff recommend accepting and approving the Joint Powers Agreement with the CDA for the Open to Business program.

#### **Funding Sources and other fiscal considerations:**

The EDA’s 2024 annual budget includes funding for the Open to Business program.

#### **Attachments:**

A- Joint Powers Agreement

B- Contract for Services for the Open to Business Services

South St. Paul Economic Development Authority  
Dakota County, Minnesota

**RESOLUTION NO. 2024-8**

**RESOLUTION APPROVING A JOINT POWERS AGREEMENT TO PARTICIPATE IN  
THE OPEN TO BUSINESS PROGRAM IN COLLABORATION WITH THE DAKOTA  
COUNTY COMMUNITY DEVELOPMENT AGENCY**

**WHEREAS**, the South St. Paul Economic Development Authority has participated with the Dakota County Community Development Agency (CDA) and 10 other cities in Dakota County to contract with the Metropolitan Consortium of Community Developers for the provision of the Open to Business Program; and

**WHEREAS**, the Open to Business Program provides valuable advisory services and access to capital to entrepreneurs and small businesses in South St. Paul and the rest of Dakota County; and

**WHEREAS**, the total annual cost for the Open to Business program is \$165,000 per year for calendar years 2024, 2025, and 2026; of which \$5,400 per year is the cost to the South St. Paul Economic Development Authority; and

**NOW, THEREFORE, BE IT RESOLVED** by the South St. Paul Economic Development Authority (EDA) that the appropriate officials are hereby authorized to enter into the Joint Powers Agreement on behalf of the EDA in order to continue the EDA's participation in the Open to Business Program for the years 2024, 2025, and 2026.

Adopted this 4<sup>th</sup> day of March, 2024.

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President, James P. Francis

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Executive Director, Ryan Garcia

## ATTACHMENT A

### JOINT POWERS AGREEMENT

#### Open to Business Program

THIS JOINT POWERS AGREEMENT (this “**Agreement**”), is made as of January 1, 2024, by and between the DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY (the “**CDA**”), a public body corporate and politic organized and existing under the laws of the State of Minnesota (the “**State**”), and each of the BURNSVILLE ECONOMIC DEVELOPMENT AUTHORITY, CITY OF LAKEVILLE, CITY OF MENDOTA HEIGHTS, INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY, APPLE VALLEY ECONOMIC DEVELOPMENT AUTHORITY, EAGAN ECONOMIC DEVELOPMENT AUTHORITY, HASTINGS ECONOMIC DEVELOPMENT AND REDEVELOPMENT AUTHORITY, ROSEMOUNT PORT AUTHORITY, FARMINGTON ECONOMIC DEVELOPMENT AUTHORITY, SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY, AND WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY, MINNESOTA (each individually a “**Local Government Entity**” and together the “**Local Government Entities**”), each a political subdivision of the State.

#### RECITALS:

A. In order to pursue common goals of fostering economic development, the CDA and the Local Government Entity Cities desire to engage the Metropolitan Consortium of Community Developers, a Minnesota non-profit corporation (“**MCCD**”) to undertake the “Open To Business Program” (the “**Program**”) within Dakota County (the “**County**”).

B. Pursuant to the Program, MCCD will provide technical assistance and access to capital to small business and potential entrepreneurs in the County.

C. The CDA and the Local Government Entities propose to jointly exercise their common economic development powers to undertake the Program.

NOW, THEREFORE, in consideration of the mutual covenants and obligations of the CDA and each of the Local Government Entities, each party does hereby represent, covenant and agree with the others as follows:

Section 1. **Representations.** Each of the Local Government Entities and the CDA makes the following representations as to itself as the basis for the undertaking on its part herein contained:

(a) It is a political subdivision of the State of Minnesota with the power to enter into this Agreement and carry out its obligations hereunder.

(b) 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 restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which it is now a party or by which it is bound, or constitutes an event of default under any of the foregoing.

Section 2. **Powers to be Exercised.** The powers to be jointly exercised pursuant to this Agreement are the powers of the CDA and the Local Government Entities under Minnesota Statutes, Chapter 469, to undertake activities to promote economic development within their respective jurisdictions.

Section 3. **Method for Exercising Common Powers; Funds.** The CDA, on its own behalf and on behalf of the Local Government Entities, will initially enter into an agreement with MCCD in substantially the form attached hereto as Exhibit A (the “**Agreement**”) to engage MCCD to operate the Program within Dakota County. The CDA and each of the Local Government Entities will make payments to MCCD as described in Exhibit A of the Agreement.

The CDA may from time to time execute and deliver documents amending, modifying, or extending the Agreement as it deems necessary or convenient, provided, that no such document will adversely affect services provided to, or amounts payable by, any Local Government Entity without the prior written consent of such Local Government Entity.

Section 4. **Limited Liability.** Neither the CDA nor any of the Local Government Entities shall be liable for the acts or omissions of the other in connection with the activities to be undertaken pursuant to this Agreement. To the extent permitted by law, (a) the CDA hereby indemnifies the Local Government Entities for costs associated with claims made against the Local Government Entities directly relating to actions taken by the CDA, and (b) each Local Government Entity hereby indemnifies the CDA for costs associated with claims made against the CDA directly relating to actions taken by such Local Government Entity. Nothing herein shall be deemed a waiver by the indemnifying party of the limits on liability set forth in Minnesota Statutes, Chapter 466; and the indemnifying party shall not be required to pay, on behalf of the indemnified party, any amounts in excess of the limits on liability set forth in Minnesota Statutes, Section 466.04, less any amounts the indemnifying party is required to pay on behalf of itself, its officers, agents and employees for claims arising out of the same occurrence.

Section 5. **Conflict of Interests; Representatives Not Individually Liable.** The CDA and each of the Local Government Entities, to the best of its knowledge, represents and agrees that no member, official or employee of their respective bodies shall have any personal interest, direct or indirect, in this Agreement, nor 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 CDA or any Local Government Entity shall be personally liable with respect to any default or breach by any of them or for any amount which may become due to the other party or successor or on any obligations under the terms of this Agreement.

Section 6. **Term; Distribution of Property.** The term of this Agreement shall expire on December 31, 2026. There is no property which will be acquired by the CDA or any Local Government Entity pursuant to the Program which would need to be distributed at the end of the term hereof.

Section 7. **Notices and Demands.** A notice, demand or other communication under this Agreement by any party to another shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested or delivered personally to the person and at the addresses identified on each signature page hereto, or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 8. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the CDA and the Local Government Entities have caused this Agreement to be duly executed in their respective names and behalf as of the date first above written, with actual execution on the dates set forth below.

DAKOTA COUNTY COMMUNITY  
DEVELOPMENT AGENCY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its Executive Director

Notice Address:

Dakota County Community Development Agency  
1228 Town Centre Drive  
Eagan, MN 55123  
Attn: Lisa Alfson, Director of Community and Economic Development

EAGAN ECONOMIC DEVELOPMENT  
AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

3830 Pilot Knob Road  
Eagan, MN 55122

Attn: \_\_\_\_\_

BURNSVILLE ECONOMIC DEVELOPMENT  
AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its City Manager

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

100 Civic Center Parkway  
Burnsville, MN 55337  
Attn: City Manager

CITY OF LAKEVILLE, MINNESOTA

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Clerk

Notice Address:

20195 Holyoke Avenue  
Lakeville, MN 55044  
Attn: Community and Economic Development Director

CITY OF MENDOTA HEIGHTS, MINNESOTA

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

1101 Victoria Curve  
Mendota Heights, MN 55118  
Attn: \_\_\_\_\_

APPLE VALLEY ECONOMIC DEVELOPMENT  
AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

7100 147th Street W.  
Apple Valley, MN 55124  
Attn: \_\_\_\_\_

INVER GROVE HEIGHTS ECONOMIC  
DEVELOPMENT AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

8150 Barbara Avenue  
Inver Grove Heights, MN 55077

Attn: \_\_\_\_\_

HASTINGS ECONOMIC DEVELOPMENT AND  
REDEVELOPMENT AUTHORITY

Dated: \_\_\_\_\_

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

By \_\_\_\_\_  
John Hinzman  
Its Executive Director

Notice Address:

101 East 4<sup>th</sup> Street  
Hastings, Minnesota 55033  
Attn: Executive Director

ROSEMOUNT PORT AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

Notice Address:

2875 145th Street  
Rosemount, MN 55068

Attn: \_\_\_\_\_

FARMINGTON ECONOMIC DEVELOPMENT  
AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

Notice Address:

430 Third Street  
Farmington, MN 55024

Attn: \_\_\_\_\_

SOUTH ST. PAUL ECONOMIC  
DEVELOPMENT AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
President, Jimmy Francis

By \_\_\_\_\_  
Executive Director, Ryan Garcia

Notice Address:

125 Third Ave. No.  
South St. Paul, MN 55075  
Attn: Executive Director

WEST ST. PAUL ECONOMIC  
DEVELOPMENT AUTHORITY

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Notice Address:

1616 Humboldt Avenue  
West St. Paul, MN 55118  
Attn: Executive Director

**ATTACHMENT B**

**Contract for Services  
for the  
Open To Business Program**

**THIS AGREEMENT** is dated December 29, 2023, and is between the Dakota County Community Development Agency (“CDA”) and Metropolitan Consortium of Community Developers, a Minnesota nonprofit corporation (“MCCD”).

**WHEREAS**, the CDA, on behalf of itself and the 11 political subdivisions of the State of Minnesota listed on Exhibit A hereto (the “Local Government Entities”), which each have powers with respect to a city with a population over 10,000 (collectively the “Municipalities”), wishes to engage MCCD to render services under the model known as “Open To Business,” a program providing small business technical assistance and capital to existing businesses and residents and other parties interested in opening a business within Dakota County (the “County”) (the “Program”); and

**WHEREAS**, MCCD has successfully provided the services required to administer and carry out the Program in Dakota County from 2013 – 2023; and

**WHEREAS**, pursuant to CDA Resolution No. 23-6776, adopted on December 19, 2023, (the “Resolution”), the CDA is authorized to enter into this agreement with MCCD for the Program; and

**WHEREAS**, pursuant to the Resolution and certain joint powers agreements to be entered into between the CDA and the Local Government Entities (the “Joint Powers Agreements”), the CDA will act as fiscal agent for the Local Government Entities in connection with this Agreement; and

**WHEREAS**, the CDA will pay from its own funds 50 percent of the fee charged by MCCD for the Program in the Municipalities and 100 percent of the fee charged by MCCD for the Program in the small cities and townships within the County with populations less than 10,000 residents (“Small Cities and Townships”), as further described herein and in Exhibit A; and

**WHEREAS**, pursuant to the Joint Powers Agreements, the Local Government Entities will be required to pay a Participation Fee to the CDA in accordance with the schedule in Exhibit A, representing the remaining 50 percent of the fee charged by MCCD for the Program in the Municipalities.

**Now therefore**, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

**TIME OF PERFORMANCE**

The term of this Agreement and the period during which MCCD will provide services hereunder will commence upon the first day of January 2024, and automatically renew January 1, 2025, and January 1, 2026. This agreement will terminate on December 31, 2026,

subject to earlier termination as provided herein. MCCD will perform the services necessary to carry out the Program as promptly as possible, and with the fullest due diligence.

## **COMPENSATION**

The CDA will compensate MCCD annually for its services hereunder an amount equal to One Hundred Sixty-Five Thousand Dollars (\$165,000) (“Contract Amount”). The CDA will pay such an amount in two equal installments, the first no earlier than March 1<sup>st</sup> and the second no earlier than September 30<sup>th</sup>, upon receipt of invoices from MCCD. Subject to the limits above, payments will be due within 15 days of receipt of the respective invoices. The portion of the Contract Amount payable from Participation Fees will be payable by the CDA only from and to the extent such Participation Fees are paid by the respective Local Government Entities.

In the event a Local Government Entity does not pay the CDA its Participation Fee in amounts and by deadline described in Exhibit A, the CDA will notify MCCD, and MCCD will immediately cease the Program in that Municipality. Upon such termination, the Contract Amount will be reduced by an amount equal to the Participation Fee which such Local Government Entity did not pay and the amount the CDA would have paid as a matching payment.

## **SCOPE OF SERVICES**

MCCD will provide technical assistance and access to capital to existing businesses, residents and those parties interested in starting a business in any of the Municipalities, Small Cities, and Townships within Dakota County as further described on Exhibit B and Exhibit C hereto, which sets forth the Dakota Open To Business Program Scope of Services.

## **REPORTING**

MCCD will submit quarterly reports to the CDA and Municipalities in form and substance acceptable to the CDA and Municipalities. Reports will provide information in the agreement for County and will include a sub-report for each Municipality and each of the Small Cities and Townships Reports will include the following information:

- Number of inquiries, entrepreneurs, and businesses served
- Hours of technical assistance provided
- Hours of dedicated program (including but not limited to – city initiatives, program outreach, public events, city meetings, research, client follow-up, general inquiries)
- Type of business/industry
- Annual sales revenue
- Number of businesses opened
- Number of businesses expanded/stabilized

- Number and amount of financing packages
- Demographic information on entrepreneurs
- Business city and/or resident city

The required reporting schedule is as follows:

1<sup>st</sup> quarter January – March, report due April 30<sup>th</sup>

2<sup>nd</sup> quarter April – June, report due July 31<sup>st</sup>

3<sup>rd</sup> quarter July – September, report due October 31<sup>st</sup>

4<sup>th</sup> quarter October – December, report due January 31<sup>st</sup>

In addition to the foregoing, MCCD will provide additional reports as reasonably requested by the CDA or Local Government Entities.

Client confidentiality being a core component of the service model, MCCD will not typically report specific client/business information in its regular reporting. However, with permission from the client, MCCD will produce profiles of successful clients for publication dissemination and media release.

## **PERSONNEL**

MCCD represents that it has, or will employ or contract for, at its own expense, all personnel required to perform the services necessary to carry out the Program. Such personnel will not be employees of, or have any contractual relationship with, the County, the CDA, or any of the Local Government Entities. No tenure or any other rights or benefits, including worker's compensation, unemployment insurance, medical care, sick leave, vacation pay, severance pay, or any other benefits available to County, CDA, or any of the Local Government Entities' employees shall accrue to MCCD or employees of MCCD performing services under this Agreement. MCCD is an independent contractor.

All of the services required to carry out the Program will be performed by MCCD and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and local law to perform such work.

Natalie Mouislo shall be the dedicated MCCD Program advisor for the County, CDA, and Local Government Entities for the duration of this Agreement. If there are material<sup>1</sup> changes to Ms. Mouislo's position with MCCD during the time of this Agreement, the CDA will be informed by MCCD immediately.

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<sup>1</sup> Material is defined as any event or events that would prohibit Ms. Mouislo from being the full-time Program Advisor for Dakota County.

### **USE OF CDA OFFICE SPACE**

The CDA will make available a cubicle space for MCCD personnel at the CDA office building for use by MCCD in carrying out the Program. MCCD personnel will have access to the CDA meeting rooms, wireless internet services, copy machines, and printers. MCCD personnel shall comply with all CDA office rules and policies regarding the use of CDA office space, equipment, and internet access. If the CDA, in its sole direction, determines that MCCD personnel has failed to comply with CDA office rules and policies, MCCD personnel will be required to vacate the CDA office and the CDA will cease to provide MCCD office space to carry out the Program.

### **INTEREST OF MEMBERS OF THE CDA AND OTHERS**

No officer, member, or employee of the CDA and no member of its governing body, and no other public official or governing body of any locality in which the Program is situated or being carried out, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the Program, will participate in the decision relating to this Agreement which affects he/she is, directly or indirectly, interested or has any personal or pecuniary interest, direct or indirect, in this Agreement.

### **ASSIGNABILITY**

MCCD will not assign any interest in this Agreement and will not transfer any interest in the same without the prior written approval of the CDA.

### **COMPLIANCE WITH LOCAL LAWS**

MCCD agrees to comply with all federal laws, statutes, and applicable regulations of the State of Minnesota and the ordinances of the Local Government Entities.

### **INSURANCE**

General Terms. In order to protect itself and to protect the CDA under the indemnity provisions set forth above Contractor shall, at Contractor's expense, procure and maintain a policy of Professional Liability (PL) insurance covering the term of this Contract. Such policy of PL insurance shall apply to the extent of, but not as a limitation upon or in satisfaction of, the indemnity provisions herein. All retentions and deductibles under such policies of insurance shall be paid by Contractor. Each such policy of insurance shall contain a clause providing that such policy shall not be cancelled by the issuing insurance company without at least 30 days' written notice to the CDA of intent to cancel.

Certificates. Prior to or concurrent with execution of this Contract, Contractor shall file certificates of such policies of insurance with the CDA.

Failure to Provide Proof of Insurance. The CDA may withhold payments or immediately terminate this Contract for failure of Contractor to furnish proof of insurance coverage or to comply with the insurance requirements as stated above.

### **INDEMINIFICATION**

MCCD agrees to defend, indemnify, and hold harmless the County, the CDA, the Local Government Entities, and each of their respective officials, agents, volunteers and employees

from any liability, claims, causes of action, judgements, damages, losses, costs, or expenses, including reasonable attorney's fees, resulting directly or indirectly from any act or omission of MCCD, its subcontractors, anyone directly or indirectly employed by MCCD or any if its subcontractors, and/or anyone for whose acts and/or omissions MCCD may be liable in the performance of the services required by this Agreement, and against all loss by reason of failure of MCCD to perform any obligation under this Agreement.

## **NOTICES**

A notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by mail, postage prepaid, return receipt requested, or delivered personally; and

- (a) In the case of MCCD is addressed or delivered personally to:

Tyler Hilsabeck  
Metropolitan Consortium of Community Developers  
3137 Chicago Avenue South  
Minneapolis, MN 55407

- (b) In the case of the CDA is addressed or delivered personally to:

Lisa Alfson, Director of Community and Economic Development  
Dakota County Community Development Agency  
1228 Town Centre Drive  
Eagan, MN 55123

Or at such other address with respect to any party as that party may designate in writing and forward to the other as provided in this Section.

## **MODIFICATION**

This Agreement may not be modified, changed, or amended in any manner whatsoever without the prior written approval of all the parties hereto.

## **NON-DISCRIMINATION**

In connection with its activities under this Agreement, MCCD will not violate any Federal or State laws against discrimination.

## **DEFAULT AND CANCELLATION**

Failure of the MCCD to perform any of its obligations under this Agreement to the satisfaction of the CDA will constitute in a default hereunder.

If a default occurs, MCCD will have 60 days to cure any and all defaults and come into compliance with this Agreement. MCCD will immediately notify the CDA of any default. MCCD and the CDA will develop agreed upon milestones that must be met within the 60-day period to avoid cancellation of this Agreement.

The primary default would be the loss of Ms. Mouilso as the dedicated MCCD Program advisor. If Ms. Mouilso is no longer the dedicated MCCD Program advisor, MCCD will be expected to meet the following milestones within the 60-day period –

1. MCCD will inform the CDA within 48 hours of Ms. Mouilso's employment departure notice.
2. The name and contact information of the interim MCCD Program advisor for Dakota County will be shared with CDA and Local Government Entities within three business days of Ms. Mouilso's departure notice.
3. MCCD will continue to actively work with Dakota County clients on a full-time basis in the event of a default and respond to client communication in a timely manner as defined elsewhere in this Agreement.
4. MCCD will continue to track and input client data to ensure the quarterly report is accurate when generated (see REPORTING section, page 2, for details).
5. MCCD staff, including the interim MCCD Program advisor, will meet with CDA staff weekly (at a minimum) to provide updates on clients, Program work in Dakota County, etc. Local Government Entities will be invited to these meetings.
6. MCCD will continue to actively market the MCCD Program in the same capacity as prior to the default.
7. Hiring a new dedicated MCCD Program advisor for Dakota County is not expected within 60 days of the default; however, steps to secure a new, qualified, full-time MCCD Program advisor will occur within the 60 days. Steps taken to secure a new advisor will be regularly communicated to CDA.

If a default is not remedied in 60 days, and/or the agreed upon milestones are not met within the 60 days, the CDA may cancel this Agreement in its entirety by five additional days' written notice to MCCD.

#### **MINNESOTA LAWS GOVERN**

The Laws of the State of Minnesota shall govern all questions and interpretations concerning the validity and construction of this Agreement and the legal relations between the parties and their performance. The appropriate venue and jurisdiction for any litigation will be those courts located within the County. Litigation, however, in the federal courts involving the parties will be in the appropriate federal court within the State of Minnesota. If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions will not be affected.

**DAKOTA COUNTY COMMUNITY  
DEVELOPMENT AGENCY**

DocuSigned by:  
By: Tony Schertler  
BF02AF57B67240E...  
Tony Schertler, Executive Director

Date: 12/29/2023

**MCCD**

DocuSigned by:  
By: Elena Gaarder  
A53A31057C55436...

Printed Name: Elena Gaarder

Printed Title: Chief Executive Officer

Date: 12/29/2023

**Exhibit A**  
**2024, 2025 & 2026 Local Government Entity Annual**  
**Participation Fee Schedule**

<b>Municipality</b>	<b>Local Government Entity</b>	<b>Total Fee</b>	<b>CDA Share of Fee</b>	<b>Local Government Entity Participation Fee</b>
Lakeville	City of Lakeville	\$21,380	\$10,690	\$10,690
Eagan	Eagan Economic Development Authority	\$21,280	\$10,640	\$10,640
Burnsville	Burnsville Economic Development Authority	\$21,000	\$10,500	\$10,500
Apple Valley	Apple Valley Economic Development Authority	\$18,000	\$9,000	\$9,000
Inver Grove Heights	Inver Grove Heights Economic Development Authority	\$14,000	\$7,000	\$7,000
Rosemount	Rosemount Port Authority	\$11,300	\$5,650	\$5,650
Farmington	Farmington Economic Development Authority	\$11,000	\$5,500	\$5,500
Hastings	Hastings Economic Development and Redevelopment Authority	\$11,000	\$5,500	\$5,500
South St. Paul	South St. Paul Economic Development Authority	\$10,800	\$5,400	\$5,400
West St. Paul	West St. Paul Economic Development Authority	\$10,800	\$5,400	\$5,400
Mendota Heights	City of Mendota Heights	\$6,000	\$3,000	\$3,000
Small Cities and Townships	n/a	\$8,440	\$8,440	\$0
<b>Total</b>		<b>\$165,000</b>	<b>\$86,720</b>	<b>\$78,280</b>

## **Exhibit B**

### **Dakota Open To Business Program Scope of Services**

#### **Open To Business (“OTB”) Technical Assistance Services**

MCCD will provide intensive one-on-one technical assistance to Municipalities’ and Small Cities’ and Townships’ businesses, residents and aspiring entrepreneurs intending to establish, purchase, or improve a business in Municipalities and Small Cities and Townships within Dakota County. MCCD will dedicate one full time staff person based in Dakota County to provide the Technical Assistance Services (“Dakota OTB Staff”). In addition, MCCD will make available the expertise of all MCCD technical and support staff in the delivery of services to Dakota Open to Business Program. Technical assistance includes, but is not limited to, the following:

- Business plan development
- Feasibility analysis
- Marketing
- Cash flow and other financial projection development
- Operational analysis
- City and State licensing and regulatory assistance
- Loan packaging, and other assistance in obtaining financing
- Help in obtaining competent legal advice

MCCD Dakota OTB Staff will be available to meet clients at the CDA office building, various Municipality city halls, County libraries, or at the client’s place of business. Client meetings may also be held virtually and/or on the phone.

#### **Open To Business Access to Capital**

Access to capital will be provided to qualifying businesses through MCCD’s Emerging Small Business Loan Program (see **Exhibit C** Small Business Loan Program Guidelines below). MCCD also provides it’s financing in partnership with other community lenders, banks or Local Government Entities interested in making capital available to residents and/or businesses in their community.

#### **Ribbon Cuttings & Grand Openings**

MCCD Dakota OTB staff will assist the CDA and Local Government Entities with the coordination of ribbon cuttings and grand openings for Program clients within Dakota County who wish to participate to ensure that all Program clients receive the option of this introduction into their communities. Coordinating efforts may include promoting the event, finalizing date/time of event with Program client, sending out invitations, and taking photographs.

## **EXHIBIT C**

### **Small Business Loan Program Guidelines**

#### **Loan Amounts:**

- Up to \$25,000 for start-up businesses
- Larger financing packages for established businesses
- Designed to leverage other financing programs as well as private financing provided by the commercial banking community.

#### **Eligible Projects:**

- Borrowers must be a “for-profit” business.
- Business must be complimentary to existing business community.
- Borrowers must have equity injection as determined by fund management.

#### **Allowable Use of Proceeds:**

- Loan proceeds can be used for working capital, inventory, building and equipment and general business operations.

#### **Interest Rates:**

- The loan interest rate is dependent on use, term and other factors, not to exceed 7%.

#### **Loan Term Length:**

- Loan repayment terms will generally range from three to five years but may be substantially longer for major asset financing such as commercial property.

#### **Fees and Charges:**

- Borrowers are responsible for paying all customary legal and other loan closing costs.



**EDA Agenda Item Report**

Date: March 4, 2024

EDA Executive Director: \_\_\_\_\_

*g*

5-A

**AGENDA ITEM: APPROVAL OF AMENDMENT #1 TO DEVELOPMENT AGREEMENT – 110 BRIDGEPOINT COURT**

**ACTION TO BE CONSIDERED:**

Motion to approve Amendment #1 To Development Agreement with Binder & Binder, LLC.

**OVERVIEW:**

At the November 6, 2023 meeting of the Economic Development Authority (EDA), the EDA considered and approved entering a purchase and development agreement for the acquisition and development of vacant EDA-owned property at 110 Bridgepoint Court. The buyer, Binder & Binder, LLC, proposes constructing a 17,000 - 20,000 square foot office-warehouse building that would house their HVAC company, Binder Heating and Air Conditioning, in approximately 60% of the building. In addition, the developer proposes offering the balance of the building for additional general business/light industrial tenants.

The Developer and EDA have continued to work through site due diligence since November, and a geotechnical exploration of the site has revealed that the site's soil characteristics will not support the weight of the proposed building without significant soil correction or the employment of ground improvement technologies such as rammed aggregate piers, geopiers, or similar technologies. Unfortunately, given the depth of debris laden fill present at the site, previous soil surcharging of the site did little to improve the settlement characteristics of the fill. A soil correction (excavating the fill soils, replacing with soil of suitable compressibility to support the foundations, slab and structure, and compression of the soil) is both costly and introduces the potential risk of disturbing/uncovering undetected environmentally contaminated soil, which would only add to the cost of site preparation. Thus, the geotechnical and environmental consultants, the Developer's general contractor, and the Developer have concluded that a ground improvement system is the preferable approach to making the property "buildable". Unfortunately, these unforeseen costs – estimated at between \$250,000 and \$300,000 – threaten the financial viability of the proposed project.

These conditions and associated costs are unforeseen and extraordinary, and are costs that will not "go away" if this developer goes away. With this in mind, Staff proposes finding a reasonable compromise to mitigate costs and see the project move forward. Unfortunately, ground improvements are not eligible for grant funding through DEED and Met Council. We have utilized the Dakota County CDA's Redevelopment Incentive Grant (RIG) in the past to help with these costs (at Rihm-Kenworth), but the CDA only awards one grant per community through the RIG Program and SSP was awarded funding last fall for the proposed Animal Hospital project on Concord Exchange. In the absence of outside grant assistance to offset these costs, Staff is recommending an amendment to the Development Agreement that provides for the following:

- Extend the Contingency Date through April 30, 2024. This gives the developer additional time to assess these conditions and secure funding given this information.
- At Closing, EDA to escrow \$150,000 with the Title Company which will be dedicated to reimbursing the developer for costs to implement a ground improvement system. In essence, the EDA is agreeing to cost-share with the developer to address these conditions. Staff feels this is justified, in this case, as these conditions make the site otherwise unbuildable (significantly impacting its value). The EDA will recall that we agreed to a reduction in price (\$2.00 per square foot) assuming some environmental and geotechnical corrections might be needed, and agreed to escrow \$100,000 for environmental mitigation at the site. This additional escrow will essentially have the effect of writing down the cost of the land completely.

The development of this property to accommodate a growing, local business is well-aligned to the City's Economic Development Strategy, which lists as a principal goals to "support existing SSP businesses" and to "leverage and expand the City's redevelopment toolbox". This site – which has been owned by the HRA/EDA for more than 20 years – has a high likelihood of remaining vacant due to the conditions identified through our due diligence process. The Developer has made a good faith effort to take on the challenges of this site in partnership with the EDA, and to transform this site (long home to "Mount Doody") from a bit of a wasteland to a center for economic activity in our community, continuing not only their business' legacy but also the legacy of our City's commitment to redefining and repurposing the former Stockyards and Concord Street Corridor.

**FUNDING SOURCES AND OTHER FISCAL CONSIDERATIONS:**

The property is located within the Concord Street Redevelopment Project Area and Concord Street #2 Tax Increment Finance District. The 2009 TIF Plan identifies as eligible expenditures within the district "Rehabilitation and Improvement Grants and Loans". Staff proposes that the City' reimbursement for ground improvement costs be sourced from pooled increment (cash) in the Concord TIF Fund (Fund 40490).

The EDA-owned property is currently exempt from property taxes, and has been for most of the past 25 years. Using existing comparable development as a barometer, it is estimated that the proposed development would generate between \$52,000 and \$62,000 per year in total property tax payments beginning in Pay 2026 (assuming 2024 completion). The local portion of this amount would be an estimated \$13,000 - \$16,000 (SSP) and \$7,500 - \$9,500 (SSPSSD #6).

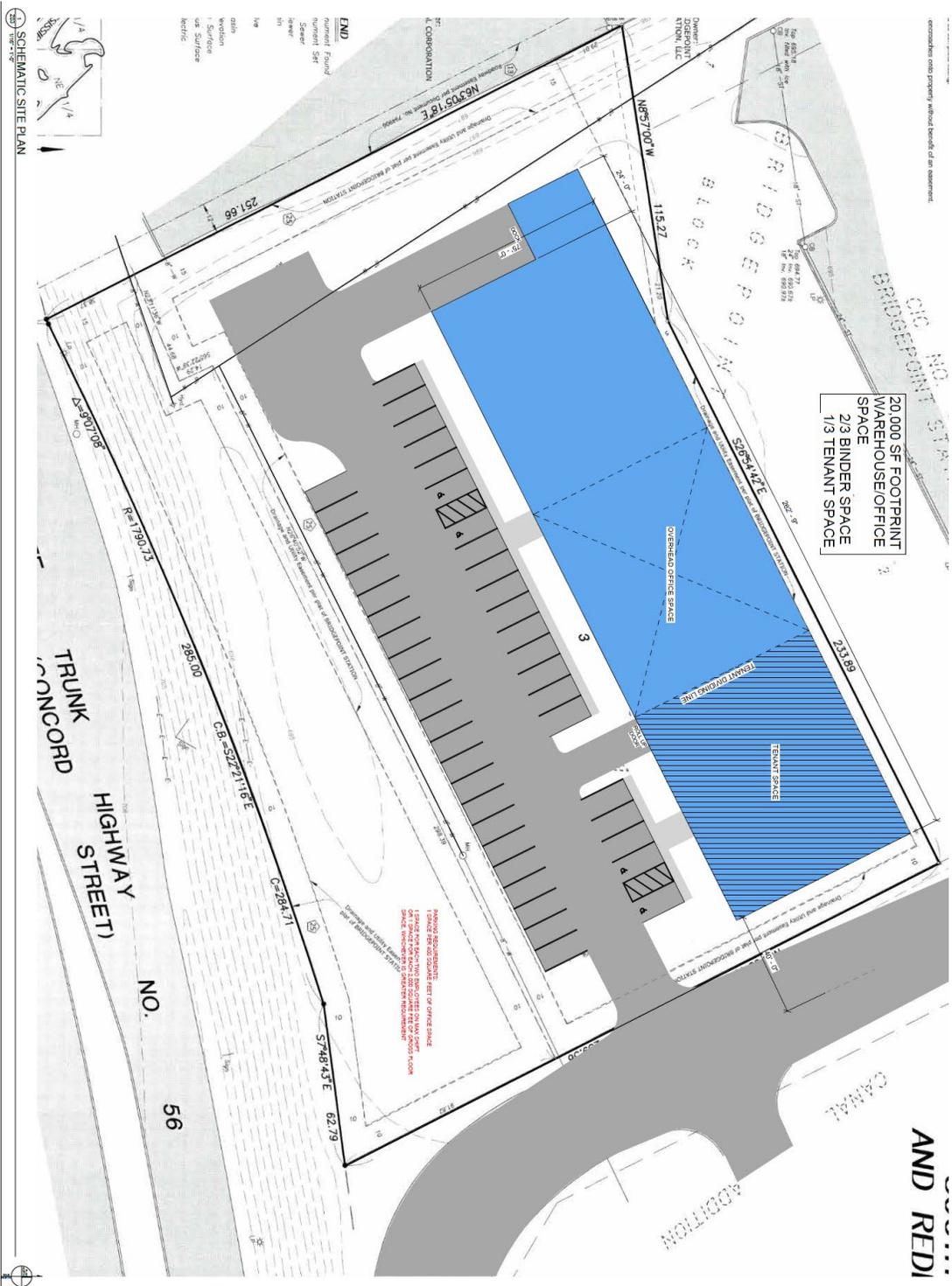
**ATTACHMENTS:**

Orientation Map  
Schematic Site Plan  
Amendment #1 to Development Agreement

Orientation Map



# Schematic Site Plan



**PROJECT**  
BINDER HEATING  
TO BE WOUND  
THE PROJECT NO.

**CLIENT**  
TO BE DETERMINED  
THE PROJECT INFO  
TO BE DETERMINED  
TO BE DETERMINED

**DESIGNER**  
PROJECT NO. E-2018  
CHECKED BY I. THORNTON  
DATE 10/10/2018

**CONSULTANTS**  
FOR  
CONSTRAINTS

**278 MARKET STREET, SU. 208**  
BRIDGEPOINT BLOCK  
10000 SF OF GROSS SPACE  
10000 SF OF GROSS SPACE  
10000 SF OF GROSS SPACE

**THE FIRM**  
FIRM GROUND  
**Z03**

## **FIRST AMENDMENT TO DEVELOPMENT AGREEMENT**

**THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT** (this “First Amendment”) is entered into as of March 4, 2024 (the “Effective Date”), by and between the South St. Paul Economic Development Authority, a public body corporate and politic organized under the laws of Minnesota (“EDA”), and Watson Trading LLC, a Minnesota limited liability company (“Developer”).

### **RECITALS**

**Recital No. 1.** EDA and Developer entered into a Contract for Private Development dated December 4, 2023 and recorded as Document No. \_\_\_\_\_ on \_\_\_\_\_ in the Dakota County Registrar of Titles’ Office and as Document No. \_\_\_\_\_ on \_\_\_\_\_ in the Dakota County Recorder’s Office (“Development Agreement”) for the purchase and sale of the Property identified in the Development Agreement.

**Recital No. 2.** Developer has requested the Development Agreement be amended to extend the Contingency Date.

**Recital No. 3.** EDA does not object to the extension.

**Recital No. 4.** EDA and Developer have concluded that geotechnical corrections to the Development Property are necessary to facilitate redevelopment, and agree that the extraordinary costs brought upon the Developer to address geotechnical corrections should be partially borne by the EDA.

**NOW, THEREFORE,** in consideration of the mutual promises and covenants of each to the other contained in this First Amendment and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do covenant and agree as follows:

1. Section 1(F) of the Development Agreement shall be removed and replaced in its entirety as follows:

- I. "Contingency Date" shall mean April 30, 2024.
2. Section 12.2(d) shall be added to the Development Agreement as follows:
  - d. **Reimbursement for Ground Improvement Costs.** EDA agrees to escrow with Title One Hundred Fifty Thousand and no/100ths Dollars (\$150,000.00), to be provided by the EDA at closing, to be used to reimburse developer for actual costs that are incurred and paid by the Developer and are directly related to the installation of ground improvements ("Ground Improvements Escrow"). As used in this Agreement, "Ground Improvements" may include geopiers, rammed aggregate piers, helical piles or other similar techniques required to satisfy the recommendations found in the "Report of Geotechnical Exploration" for 110 Bridgepoint Court, prepared by American Engineering Testing, dated August 16, 2022. If, after the completion of the installation of Ground Improvements, the entirety of the Ground Improvements Escrow has not been paid to the Developer as reimbursement for actual costs that are incurred and paid by Developer and directly related to the installation of Ground Improvements, then the remaining balance shall be immediately returned to the EDA.
3. Except as provided for above, the terms and provisions of the Development Agreement shall remain in full force and effect.
4. This First Amendment and all disputes or controversies arising out of or relating to this First Amendment or the transactions contemplated hereby shall be governed by, and construed in accordance with, the internal laws of the State of Minnesota, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of Minnesota.
5. Nothing contained herein shall be deemed a waiver by the EDA of any governmental immunity defenses, statutory or otherwise, or of the maximum liability limits provided by Minnesota Statutes, Chapter 466.
6. This First Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by the parties and delivered to the other parties.
7. This First Amendment shall not be amended, modified or supplemented, except by a written instrument signed by an authorized representative of each party.

**[remainder of page intentionally blank]**



**DEVELOPER:  
BINDER & BINDER, LLC**

By: \_\_\_\_\_  
Michael Binder  
Its Chief Manager

STATE OF MINNESOTA            )  
  ) ss.  
COUNTY OF HENNEPIN        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2023 by Michael Binder, the Chief Manager of Binder & Binder, LLC, a Minnesota limited liability company, on behalf of said limited liability company.

\_\_\_\_\_  
Notary Public

**THIS INSTRUMENT WAS DRAFTED BY  
AND AFTER RECORDING RETURN TO:**

LeVander, Gillen & Miller, P.A.  
1305 Corporate Center Drive, Suite 300  
Eagan, MN 55121  
651-451-1831